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HOUSE OF REPRESENTATIVES—*Wednesday, March 15, 1989*

The House met at 2 p.m.

Rev. McKinley Young, senior pastor, Big Bethel African Methodist Episcopal Church, Atlanta, GA, offered the following prayer:

Eternal God, we pray to You to remind ourselves that the whole universe is Yours and not ours. With praise and thanksgiving we humble ourselves in Your presence, confessing our sins and seeking forgiveness.

We pray Your blessings upon all who serve in this House of Representatives, as we bring before You the moral chaos of our world and seek Your help and favor that we may rise above all greed, selfishness, prejudice, and exploitation. Help America to prize people above possessions and profit, and give her a fresh new sense of compassion for the least, the lost, the last, the hopeless, the helpless and the homeless.

Help us to live under Your reign of justice with peace as brothers and sisters beating our swords into plowshares and our spears into pruning hooks, laying down our arms to study war no more.

In the name and Spirit of Jesus the Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New York [Mr. DOWNEY] kindly come forward and lead the House in the Pledge of Allegiance?

Mr. DOWNEY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 43. Joint resolution designating April 9, 1989, as "National Former Prisoners of War Recognition Day".

REV. McKINLEY YOUNG

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute.)

Mr. LEWIS of Georgia. Mr. Speaker, it is my honor and privilege to introduce to my colleagues Rev. McKinley Young. Reverend Young is the senior minister of the Big Bethel African Methodist Episcopal Church in Atlanta, GA.

Reverend Young is a graduate of Morris Brown College in Atlanta and Andover Newton Theological School. Reverend Young also holds a master of arts degree from the University of Chicago Divinity School in ethics and society.

He served as an instructor of Christian Social Ethics at the Interdenominational Theological Center, and as an instructor of World Religions at Morris Brown College in Atlanta.

Reverend Young is president of the Concerned Black Clergy. An ecumenical fellowship of over 45 Atlanta religious groups and churches concerned with homelessness and hunger. The Concerned Black Clergy is an important voice in the city of Atlanta.

Reverend Young has demonstrated a warmth of generosity and spiritual comfort, and a commitment to the needs of those who have been left out and left behind. This has made him a valuable citizen of the Atlanta community—the community that I have the honor to represent in the 101st Congress.

I welcome him to Washington. I would also like to welcome the religious and spiritual leaders of Atlanta who have journeyed here today.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Kalbaugh, one of his secretaries.

TODDLER TAX CREDIT LEGISLATION

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, today I am introducing a new version of the toddler tax credit, a bill I introduced last year to address a major concern of American families—caring for their children.

In today's America, there is no child care crisis. The true problem is the overtaxation of families. In 1950, families in our Nation used 2 percent of their income to pay taxes. Today, that figure has skyrocketed to 24 percent. It is no wonder, with this abusive tax increase on families, that both parents must often work.

The toddler tax credit would reverse the antifamily trend in the Tax Code. A $1,000 credit for each child under 5, would go to all families earning less than $30,000 a year. For low-income families, a refundable earned income tax credit would grant larger tax relief, providing cash to obtain quality child care, or better, the opportunity to care for your own child.

I urge my colleagues to support freedom of choice in child care and tax relief for families with small children.

EASTERN AIRLINES LABOR DISPUTE

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, for 50 years, Eastern Airlines has been a major part of America's air transportation system.

For the last 2 years, however, Eastern has been systematically dismembered, until finally its employees have been driven into a strike. Today, Eastern is facing the threat of bankruptcy.

It is high time to call a halt to this corporate tragedy.

It is time to put an end to the idea that one man's profits are more important than the public safety, or more important than our country's transportation system.

It is time to put an end to the idea that one man's greed is more important than tens of hundreds of hard-working Eastern employees, and millions of traveling Americans.

Mr. Speaker, it is time to appoint a Presidential Review Board and start to work to resolve this labor dispute, now, before it is too late.

APPLAUDING HOUSE ADMINISTRATION COMMITTEE'S RECOGNITION OF BIPARTISAN TALENTS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, earlier today the House Administration Committee, it is my understanding, reported out a bill on committee funding for the upcoming year, which is a rather historic agreement because of the bipartisan nature of that agreement. I want to congratulate the ranking Republican member of that committee, the gentleman from Georgia [Mr. GINGRICH] and the chairman of the committee, the gentleman from Illinois [Mr. ANNUNZIO], the Republicans and Democrats on that committee who recognize that dividing the resources equitably among the committees and among the members of the committees was the right thing to do.

It seems to me that as a leader of one of the committees in the Congress on the Republican side, we know that there is talent on both sides of the aisle that should be effectively utilized. What the House Administration Committee has done is recognized this and saying that 20 percent of the resources should be in the hands of the minority this year and ought to move toward one-third over the next several years, a major step forward. The gentleman from Georgia [Mr. GINGRICH] and the gentleman from Illinois [Mr. ANNUNZIO], Republicans and the Democrats on the House Administration Committee, ought to be congratulated for this particular action on their part, and I think they deserve our support when they bring this bill to the floor.

REPORT ON RESOLUTION PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY STANDING AND SELECT COMMITTEES

Mr. GAYDOS, from the Committee on House Administration, submitted a privileged report (Rept. No. 101-8) on the resolution (H. Res. 103) providing amounts from the contingent fund of the House for the expenses of investigations and studies by standing and select committees of the House in the 1st session of the 101st Congress, which was referred to the House Calendar and ordered to be printed.

APPOINTMENT AS MEMBER TO U.S. ALTERNATIVE FUELS COUNCIL

The SPEAKER. Pursuant to title III of the Energy Policy and Conservation Act, as amended by section 4(a) of Public Law 100-494, the Chair appoints the gentleman from Arkansas [Mr. ALEXANDER] to the U.S. Alternative Fuels Council on the part of the House.

IN SUPPORT OF BANNING IMPORTATION OF SEMIAUTOMATIC ASSAULT RIFLES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, I rise today to commend President Bush and William Bennett for temporarily banning imports of semiautomatic assault rifles into our country. On the other hand, I rise today to blame Congress for this gun dilemma. I blame Congress because it has allowed well-meaning groups such as the NRA to formulate our gun policy.

The American people elected Members to formulate the gun policy. And do not get me wrong. Like many other Members, I do not want to take away people's guns, and I announce today I own a gun, and if I catch somebody in my house at 3 o'clock in the morning I am not going to ask if they were sent by the local Welcome Wagon, but I think we must clear the facts. The second amendment guarantees the American citizen the right to bear arms, but the second amendment does not guarantee the American citizen the right to tote cannons. No one needs an AK-47, no one needs an Uzi to hunt rabbits. What is next? Will Congress tolerate some Rambo type with a Stinger missile strapped to his back simply because he has a placard that says, "I am protecting my second amendment rights"?

I support the President. I ask every Member to support the President and go a step further, let Congress promulgate and formulate a gun policy that all of America will not only understand but will support, including the NRA.

ELECTION OF MEMBERS OF JOINT COMMITTEE ON PRINTING AND OF JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Res. 110) electing members of the Joint Committee of Printing and members of the Joint Committee of Congress on the Library.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 110

Resolved, That the following named Members be, and they are hereby, elected to the following joint committees of Congress to serve with the chairman of the Committee on House Administration:

JOINT COMMITTEE OF PRINTING: Mr. Gaydos, Pennsylvania; Mr. Bates, California; Mr. Roberts, Kansas; and Mr. Walsh, New York.

JOINT COMMITTEE OF CONGRESS ON THE LIBRARY: Ms. Oakar, Ohio; Mr. Clay, Missouri; Mr. Gillmor, Ohio; and Mr. Walsh, New York.

The SPEAKER. The gentleman from Illinois [Mr. ANNUNZIO] is recognized for 1 hour.

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution incorporates the recommendations of both the majority and the minority and is in the customary form used in previous Congresses. With the adoption of the resolution, the joint committees can organize and get on with their respective items of business.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

VOICING OPPOSITION TO F-16 TECHNOLOGY TRANSFER

(Mr. KOLTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLTER. Mr. Speaker, I rise today to express great concern over the proposed deal which would allow Japan to receive F-16 fighter technology to develop its own fighter plane,

the FSX. This proposed deal has received quite a bit of press lately, and justifiably so.

The experience and technical skills that Japan would surely gain from such a technology transfer would be readily transferable to the civil aviation industry. Are we prepared to have that Japanese civil aviation expansion occur at the expense of our jobs, our plants, and our economy?

This country's own F-16, is a marvelous airplane, and arguably the finest fighter in the world. If Japan needs fighter planes, why not buy ours?

I am not interested in bashing the Japanese. They are an intelligent, ambitious and resourceful people with whom we will have to work closely as the 1990's approach. But let us also be realistic.

Last year, our trade deficit with Japan exceeded $55 billion. In a recent editorial, the New York Times accurately stated that if the Japanese want to demonstrate good faith in reducing this deficit, buying United States aircraft off the shelf would be a good start. Let us take a long and close look at this deal. If it goes through, it could be a very bad move for our civil aviation industry.

PROPOSED LEGISLATION TO PLACE THE GOVERNMENT ON A 2-YEAR BUDGET TIMETABLE

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, yesterday, my colleague JIM SLATTERY of Kansas, and myself introduced legislation which would place Congress and the Federal Government on a 2-year budget timetable.

This proposal would move the enactment of a biennial budget resolution and 2-year appropriation bills to the first year—the odd numbered year—of each congressional election. This allows more oversight of existing programs in the second year and avoids election year pressures on spending decisions.

In his comments before Congress this past February President Bush said "the budget process would be easier and less time-consuming for all concerned to the extent that budgets can be made to cover 2 years instead of 1." The concept has also been strongly endorsed by the National Economic Commission in its recent report. Identical legislation has been sponsored in the other body and now has over 38 sponsors.

The recent summit agreement which in essence was a 2-year budget cycle illustrates the efficacy of 2-year budgeting. In a future of shrinking resources in relation to the responsibilities of the Federal Government it is vital that we manage in the most cost effective way. A 2-year budget appropriation cycle offers this opportunity.

Mr. Speaker, I urge the Members to join us in support of this important measure.

LEGISLATION TO PROMOTE THE ESTABLISHMENT OF A REGIONAL PETROLEUM RESERVE IN HAWAII

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, today I have introduced legislation to amend the Energy Policy and Conservation Act to establish regional petroleum reserves for areas of our country that would be exceptionally vulnerable in the event of a loss of oil imports.

As a whole, our Nation is dangerously dependent upon petroleum imports. Nowhere is this more true than in Hawaii where half of our oil comes from foreign sources.

However, Hawaii is at much greater risk because we have no overland access to domestic supplies of oil. While the lower 48 States and Alaska have access to oil transported by pipeline, rail, or highway, in Hawaii all of our crude oil and refined products arrive by ocean tanker. Thus, Hawaii, would be exceptionally vulnerable to a cutoff of oil supplies in the event of a crisis that disrupts oil imports.

In the midst of the last energy crisis, Congress established the strategic petroleum reserve as a means of minimizing the impact of any interruption or reduction in imports. Over the past decade, we have conscientiously filled the strategic petroleum reserve to the point where over 560 million barrels of oil is stored in salt domes in Louisiana and Texas.

The primary objective of the strategic petroleum reserve is to strengthen our ability to withstand interruptions in the supply of oil imports. While this goal is being met, we have fallen far short of satisfying a secondary objective of the legislation.

As the law makes clear, States which do not have overland access to domestic crude oil production are expected to have a component of the strategic petroleum reserve within their territory. Such regional petroleum reserves will be the only means of providing protection from a cut-off of oil supplies. Unfortunately, the Department of Energy has simply failed to implement this requirement. The sad reality is that although the strategic petroleum reserve could protect the rest of United States from economic calamity in the event that imports are severed, Hawaii will not be so fortunate. That is why the legislation I have introduced is so important.

The argument for establishing a regional reserve in Hawaii is compelling. Evidence indicates that Hawaii's energy dependence will turn from bad to worse in the coming decade. While half of our area needs are supplied by imports, the balance of our oil is Alaska North Slope crude. North Slope oil production has begun to seriously decline, and by 1994 Hawaii is forecast to be totally dependent on foreign oil.

If an energy crisis hits, Hawaii would wither on the vine. Our only means of access to the strategic petroleum reserve would be by tanker delivery from the Gulf of Mexico through the Panama Canal. A recent study indicates that the minimum delivery time for strategic petroleum reserve oil to Hawaii would be 53 days. This exceeds the State's average commercial working inventory by 23 days. Under these circumstances, Hawaii's oil supply would run dry and we would face economic collapse.

Unless something is done now about Hawaii's vulnerability, when the next oil crisis hits it will be too late to act. The bill I have introduced accomplishes this goal by protecting our country's vital interests in the Pacific.

THE PROBLEMS OF AN AMERICAN CITIZEN WITH THE COSTA RICAN JUDICIAL SYSTEM

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, I wish to report on a human rights case involving an American who has lived in Costa Rica for the past 20 years, John Hull.

Hull was arrested January 12 by Costa Rican judicial police and unjustly charged with international drug trafficking and hostile actions against the security of the nation. His arrest came after recent, repeated assurances from Costa Rican officials that he was absolutely innocent of any possible charges which could be brought against him.

Because of the unsubstantiated drug trafficking charge, this 68-year-old man was incarcerated for nearly 2 months and almost died twice due to his treatment. Further, Hull's rights under Costa Rican law were violated when he was denied representation by the attorney of his choice during a recent hearing.

Hull could end up back in jail because he lacks the financial resources to maintain his $40,000 bail bond.

Mr. Speaker, if John Hull is returned to prison, I fear for his life.

BERKS AREA READING TRANSPORTATION AUTHORITY [BARTA] FOOD FOR FARE CAMPAIGN

(Mr. YATRON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YATRON. Mr. Speaker, on Friday, March 17, the Berks Area Reading Transportation Authority will be sponsoring a food for fare campaign in my hometown of Reading, PA. The food for fare campaign is an effort by local authorities to collect food for the needy.

This Friday, Reading commuters will be able to ride buses by giving canned goods or other nonperishable products in place of the regular bus fare of 75 cents. All of the food collected by the transportation authority will be turned over to the Reading chapter of the Salvation Army for distribution to those in need.

Mr. Speaker, if we are to make progress in addressing the problems of hunger and homelessness in our country, then communities throughout our Nation must come together and develop creative ways to help the needy. I applaud this action by the Berks Area Reading Transportation Authority and commend the Reading community for developing an innovative way to help the homeless and hungry.

By bringing the food for fare campaign to your attention, I wanted to show that the folks of the 6th Congressional District of Pennsylvania are making a difference. Perhaps the actions of my friends and neighbors back home can inspire others to promote similar efforts in their communities.

□ 1420

PRESIDENT'S COMMISSION ON FEDERAL ETHICS LAW REFORM

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, laws do not make government officials' behavior ethical. But good laws can help protect the way the people's business is done.

The recently released report of the President's Commission on Federal Ethics Law Reform makes an important contribution to the ongoing public debate on how to better protect the integrity of government decisionmaking.

The widely held sense that revisions of current conflict-of-interest statutes are necessary demands attention. But sweeping, unthinking responses threaten rather than protect public decisionmaking. Considered, fair and practical revisions equally applied offer the only real guarantees that the public's business will continue to be done in an impartial way.

No one should doubt that equal application of the standards of present law to officials and employees of all branches of the Federal Government can be achieved. The challenge ahead in this 101st Congress is to realize together ways in which a constructive, reasoned revision to conflict-of-interest statutes can be accomplished.

OUR SKIES ARE TROUBLED

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, working men and women in this country are up in arms because our skies are troubled and unsettled.

It's true the ides of March are upon us. But no, this is not a scene from Shakespeare's tragedy Julius Caesar.

Yet the President should read the signs that the Eastern strike portends. Eastern workers, their families, and their brethren in other unions are seething over management practices that deeply threaten their well-being. The flying public, growing increasingly suspicious of airline safety and frustrated with airline efficiency, simmers as it waits on longer lines, pays higher fares, and changes its travel plans once again because its flights have been canceled.

The President has chosen to walk away from this situation. We must not ignore the signs of the times. A settlement of the strike must be reached and H.R. 1231 will help accomplish this. Let us take heed of the ides of March and pass this needed legislation.

TV MARTI

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I rise as one of the original cosponsors of H.R. 1294, a bill that will establish TV Marti and authorize the United States Information Agency to broadcast open and free television to all people in Cuba.

I believe this legislation will provide Cubans with information and ideas that have been denied them under the Castro regime. Fidel Castro is an avowed Marxist whose government has encouraged political repression, promoted abuses of human rights, and denied freedom of speech. He has also consistently supported Communist adventures in Latin America and promoted objectives around the world that are inimical to U.S. interests—the evidence is in on these points.

For 30 years, the Cuban television viewers have been given only one point of view—that of Mr. Castro. We now have a golden opportunity to turn things around. A free flow of information through TV Marti will help counter some of the blatant misinformation that Castro has been spoonfeeding the next generation of Cubans and will thereby help aid U.S. objectives to promote freedom—especially in our backyard.

Mr. Speaker, TV Marti has received the support of the Bush administration and this bill already has bipartisan backing. I believe the Cuban people deserve to see the benefits of democracy and open government—they deserve a chance to see what they are missing under Castro's regime—and they deserve a chance to choose for themselves how they wish to live.

I urge my colleagues to join Mr. BROOMFIELD, Mr. FASCELL, Mr. SMITH, and myself in support of this bill.

THE EASTERN AIRLINES STRIKE—A FIGHT FOR SURVIVAL

(Mr. CLAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLAY. Mr. Speaker, the ongoing strike by the International Machinists against Frank Lorenzo and Eastern Airlines marks an historic watershed. Since 1981, in instance after instance, across the entire economic landscape, employers have sought to destroy the ability of workers to bargain collectively. The Eastern strike is just that, a fight for survival on the part of the unions. It is ridiculous to maintain the fiction that workers are able to address their problems for themselves through collective bargaining. The real significance of the Eastern strike is that it may well mark the end of our ability to even pretend that this is still the case.

In 1935, the Congress sought to equalize the relationship between employers and employees through the institution of collective bargaining. Having created a labor-management relationship of relative equality, the Congress felt it could then leave it to individual employers and employees to develop the details of their own relationship. We are now in the process of destroying that system.

Eliminating collective bargaining does not eliminate labor problems. It simply transfers the forum where those problems are resolved. If workers are not able to address their problems at the workplace through collective bargaining they will turn to Congress and to State legislatures for solutions. We in Congress are already seeing this through pleas for establishing minimum standards of labor protections.

THE CREATION OF THE DEPARTMENT OF VETERANS' AFFAIRS

(Mr. JONES of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. JONES of Georgia. Mr. Speaker, today, March 15, 1989, the Department of Veterans' Affairs becomes our 14th Cabinet Department. Today we give full recognition to the courageous contributions of America's veterans. From Bunker Hill to Khe Sahn, from Iwo Jima to Beirut, American men and women have faced the ultimate sacrifice for their country. Their courage, their willingness to pay the final price, has bought us the freedom to speak here today. We are here because they were there.

Now, our 27 million veterans have a seat at the table in our Nation's affairs. They deserve no less. The Department of Veterans' Affairs must remain at the forefront in providing health care, housing programs, compensation and pension programs, and educational benefits to those who have earned them. We must strengthen our commitment to those who have done their duty, who have fought the good fight, who have finished their course, who have kept the faith.

We recognize that commitment today with the creation of the Department of Veterans' Affairs.

PROVIDING HEALTH CARE COVERAGE FOR EASTERN WORKERS

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, I rise today to introduce a resolution expressing the sense of Congress that health insurance providers should extend health care coverage to thousands of Eastern workers and their families.

As you know, many employees of Eastern Airlines are now on strike. Thousands of those strikers, who have been in Eastern's employ for many years, now have no health insurance coverage. Unfortunately, this group is not covered through COBRA of 1985. This causes a tremendous hardship for Eastern flight attendants who are now on strike.

Eastern has agreed to extend COBRA protections to its striking flight attendants. It can only do so if the insurance providers also agree to an extension of COBRA protections.

Mr. Speaker, it is of the utmost importance that we act now to provide health care coverage to those, in this current situation, who do not have it. Congress should urge insurance providers to cooperate with employers who wish to extend health care continuation provisions of the Consolidated Omnibus Budget Reconciliation Act [COBRA] to cover employees and former employees, and their families, who are not otherwise covered because of the special effective date for collective bargaining agreements. I hope that my colleagues in Congress will join me in urging the insurance providers to allow Eastern to protect its flight attendants.

□ 1430

THE MARINE RESEARCH ACT OF 1989

(Mr. BRENNAN asked and was given permission to address the House for 1 minute to revise and extend his remarks.)

Mr. BRENNAN. Mr. Speaker, today I am pleased to be joined by 28 colleagues in introducing the Marine Research Act of 1989.

I had the opportunity to introduce this legislation during the 100th Congress, H.R. 4231, and it was approved by the Subcommittee on Oceanography last September.

The health of our marine environment is in serious jeopardy; 120 million Americans will live within 50 miles of the coast by 1990, and this figure is expected to grow.

The oceans' and great lakes' capacity to absorb sewage, industrial waste, and urban and agricultural runoff is being overwhelmed.

Last August, cover stories in Time and Newsweek dramatically portrayed the nationwide crisis facing us:

Routine closings of east and west coast beaches and shellfish beds because of bacterial contamination from sewage flows;

Contamination of bottom sediments with toxics such as petrochemicals, lead, copper, zinc, and arsenic in bays and harbors around the country;

Algal blooms and dead zones, patches of oxygen-depleted water, in southern California, the Gulf of Mexico, and east coast bays;

Almost 2 years ago, a report by the Office of Technology Assessment, entitled "Wastes in the Marine Environment," found that the health of our marine environment is declining and warned of continued degradation in the absence of action.

To date, we have not taken that action, and the costs of continuing to delay could be tremendous.

Consider the threat to our fishing industry for example. The value of fish landed in the United States last year was over $3.1 billion. Recreational fishermen are estimated to add $7.5 billion to the national economy.

Addressing the problems that face us will require a comprehensive ongoing, determined, effort.

The legislation I am introducing can be an important part of that effort, by providing for comprehensive marine environmental assessment and monitoring.

Over the past 8 years, we have seen a steady decline in direct and indirect national ocean pollution research, development, and monitoring programs. According to the National Ocean Pollution Policy Board, this funding has declined from $145.9 million in 1982 to $111.6 million this fiscal year—a decrease of $34.3 million.

Yet better assessment and monitoring are precisely what we need. They form a crucial foundation for identifying appropriate responses, establishing a framework for compliance, and preventing these problems from reoccurring.

The Marine Research Act of 1989 identifies 11 national marine regions and establishes corresponding regional research programs. These programs will draw on marine research institutions working in each region—State agencies, universities, and private research laboratories. The programs' purpose will be to plan, coordinate, and support marine research at the regional level.

The Marine Research Act can offer a more detailed and comprehensive regional picture of environmental quality than is currently available. The bill will enhance current regional marine research efforts by providing a planning and coordination process and a sustained source of funding to participating institutions.

Groups such as the commercial fishing industry and environmental organization will play a role in the development of regional research plans through a research advisory group. The Federal Government will provide limited oversight and coordination through a board composed of representatives of appropriate Federal agencies.

The bill authorizes $34 million per year for 5 years—$3 million for each region and $1 million for the Federal board.

This funding would come from the diversion of a 3-cent-per-barrel fee that is now being charged on the production of offshore oil. Currently, these fees are being used to build the offshore oil pollution compensation fund, which will be capped in 2 or 3 years. After the fund is capped, these fees could provide $25 to $35 million per year of stable research funding.

For many people in my home State of Maine, the sea represents a way of life, as well as a precious natural resource. I know that those in other States attach the same value to their coastal waters. Let us restore and protect our overburdened oceans and great lakes, upon which we all depend, before it is too late.

I hope my colleagues will join me in supporting this timely and essential

measure to ensure the health of our marine resources.

RESOLUTION REAFFIRMING NATION'S COMMITMENT TO MAKE CIVIL SPACE PROGRAM A NATIONAL PRIORITY

(Mr. BUECHNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUECHNER. Mr. Speaker, on Monday morning I had the privilege to witness the launch of the space shuttle *Discovery.* With the *Challenger* disaster still very much in mind, I watched the crowd at Cape Canaveral—composed of politicians, NASA engineers, journalists, and other Americans from every walk of life and various parts of the country—anxiously await liftoff.

Once the countdown had worked its way to zero and we saw the magnificent glow from the solid rocket motors and heard the thunderous rumbling of the shuttle lifting off the pad, I gently prodded her—"go baby-go baby" I could hear myself saying—as it was echoed by those around me, and in the schools and offices, the shops and stores—"go baby-go baby."

Collectively, we held our breath until *Discovery* dropped its boosters. What began as a ripple, turned into a cascade of applause, cheers, and yes, emotional tears that sent the crew on their way towards the heavens to begin their journey and to find the stars we all know belong to each of the fallen *Challenger* crew.

To celebrate the resurgence of our space program, Congressman GEORGE BROWN and I are proud to introduce a resolution that reaffirms this Nation's commitment to make our civil space program a national priority. Please join us in cosponsoring this resolution which sends a message of thanks to the NASA team for once again allowing our dreams to become reality.

NEW BAN ON IMPORTATION OF SEMIAUTOMATIC ASSAULT WEAPONS

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, I applaud George Bush and the Bush administration for its announced ban on the importation of semiautomatic assault weapons. This is a welcome and necessary change from the Reagan administration's refusal to take concrete action in the battle against drugs and related violent crime. These guns have made the streets of our cities—and our schoolyards—deadly battle zones.

An importation ban, however, is only a first step. Domestic manufacture of these firearms comprises approximately 75 percent of the market. Tens of thousands of imported assault guns remain in circulation. What we need now is a total Federal ban on the importation, manufacture, possession, and sale of semiautomatic assault weapons. Otherwise, law enforcement officers, as well as unsuspecting children and other innocent civilians will continue to face death and injury from these guns.

I urge Director of Drug Control Bennett and President Bush to continue showing leadership on this problem by endorsing legislation such as Congressman PETE STARK's Semiautomatic Assault Weapons Act of 1989, H.R. 1190, which would enact a total ban on semiautomatic assault guns. It is time to ignore the gun crazies, to stand up for law enforcement and rid our communities of these weapons designed for the sole purpose of killing human beings.

WILL DOD "GET SMART" ON JAPANESE TV?

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, by the year 2000, conservative estimates place a $50 billion value on the high resolution TV market.

A DOD agency, DARPA, will fund high resolution TV research, which has mutiple applications in related fields such as semiconductors, telecommunications, and computers.

Sony of America and other foreign firms are applying for these grants paid for by the U.S. taxpayer. DOD will entertain Sony's bid even though Sony states it will use the Japanese HDTV standard, which Japan is promoting worldwide as the standard.

If there was ever dual use technology—that is it. Whatever is learned for DOD monitoring can be used in a consumer TV set.

Whoever controls the standard controls the market. HDTV must not be granted to the Japanese so they can pattern United States use on their standard.

It is time the United States changed the channel from "The Price is Right" to "Get Smart"—before the future reruns on this nascent industry compare to the current public TV whitepapers "Whatever Happened to the Steel Industry"—"Semiconductor Industry"—or "American Industrial Base."

INTRODUCTION OF WASTE REDUCTION ACT

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLPE. Mr. Speaker, I am joined today by Representatives CLAUDINE SCHNEIDER, DENNIS ECKART, MATTHEW RINALDO, and over 150 other colleagues in introducing the "Waste Reduction Act." Senator LAUTENBERG is introducing similar legislation in the other body today as well.

This bill may look very familiar to you: Odds are, you were one of its 234 cosponsors in the 100th Congress. Versions of it passed the House twice and the Senate once last year, in each case by unanimous consent. In the end-of-the-year shuffle however, it did not become law, so, we are back again to promote the tremendous environmental and economic savings of preventing pollution at its industrial source.

According to the Office of Technology Assessment, we spend a shocking $70 billion a year trying to control pollution after it is created. Yet each of you probably has a story of failed pollution control in your district: contaminated ground water, toxic air, and polluted rivers. The Waste Reduction Act is an effort to prevent the pollution that causes those problems from occurring in the first place.

We hope to be joined in our efforts this year by EPA Administrator William K. Reilly, who has named pollution prevention his No. 2 environmental priority. Working with the administration, environmentalists, industry, States, and bipartisan representatives of the House Energy and Commerce Committee, we plan to pass this bill and get one step closer to escaping the toxic merry-go-round once and for all. A copy of the text of the bill will appear in the extension of remarks section of today's CONGRESSIONAL RECORD.

MAKING THE SPACE PROGRAM A NATIONAL PRIORITY

(Mr. BROWN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of California. Mr. Speaker, I would like to bring to my colleague's attention a resolution introduced today by the gentleman from Missouri [Mr. BUECHNER], which I am pleased to cosponsor. The measure is a simple House concurrent resolution expressing the sense of Congress that the United States should make the space program a national priority.

As we stand here in this Chamber, U.S. astronauts aboard the Space Shuttle *Discovery* are orbiting the Earth about 150 miles above our heads. I am proud to say that the mission commander, Michael Coats, was originally from Riverside, CA, which is in my congressional district.

The measure Mr. BUECHNER and I offer today represents a desire to get "Back to the Future" of space flight. Mr. Speaker, I wonder if my colleagues realize that the total NASA budget, as

a percentage of the Federal budget, is about one-third the level it was in 1965. In other words, if our country had the same commitment to space today as it did in the height of the Apollo Moon Program, NASA's budget would be over $40 billion. Today's reality, however, is that the space agency has to scrape for $13 billion. I ask my colleagues to imagine how far our Nation would have progressed in space if we had maintained that mid-1960's commitment through the 1970's and 1980's. I have no doubt that there would already be an orbiting space station, and a manned outpost on the Moon. We would most likely be well on our way to sending piloted missions to Mars.

The bill being offered today makes several symbolic declarations. The measure expresses the sense of Congress that the Nation rededicate itself to the goal of leadership in space science, space exploration, and space commercialization. The bill calls for increased funding commitments which are necessary to fulfill that goal. The bill also asks for a balance between manned and unmanned space efforts, a continued commitment to the space station, and promotion of international cooperation in space.

Mr. Speaker, I commend my colleague from Missouri, Mr. BUECHNER, for his initiative and I invite my colleagues to join in cosponsorship of this bill. The space program is the key to our future, and should be viewed as one of our Nation's very highest priorities.

□ 1440

INTRODUCTION OF THE BIENNIAL BUDGET ACT

(Mr. SLATTERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLATTERY. Mr. Speaker, the gentleman from Ohio [Mr. REGULA] and I have introduced the Biennial Budget Act that would put Congress on a 2-year budget cycle. I am convinced the 2-year budget would improve legislative and budget oversight, increase fiscal stability, and help reduce the Federal budget.

Mr. Speaker, in 1987 Congress and President Reagan agreed to a 2-year budget cycle following the October stockmarket crash that set overall budget limits for fiscal years 1988 and 1989. Using the agreement as a blueprint, the budget process for fiscal year 1989 was completed on time and with a minimum of delay and conflict.

Under the biennial-budget proposal, the President would be required to submit a 2-year budget which complied with Gramm-Rudman deficit-reduction targets. If the legislation is passed as proposed, the 2-year budget cycle would begin October 1, 1991, for fiscal years 1992 and 1993.

Mr. Speaker, I hope that the Congress and the President can come to an agreement on making this fundamental reform on the budget process which I believe will restore a lot of sanity to the process that has led us to fiscal gridlock that we are experiencing today.

THE EASTERN AIRLINES STRIKE

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, every American knows that when two sides disagree the best way to settle it is to negotiate. But we also know that when one party is willing to sit down at the table and talk and the other side refuses, then someone doesn't want a solution.

Frank Lorenzo has skyjacked his own airline.

In the Eastern dispute, the unions have been willing to submit to binding arbitration. Frank Lorenzo has consistently refused—his aim is nothing more than to bust this union.

In the last 2 weeks I've walked the picket lines with Eastern workers in New York, and I can tell you that Congress owes them a fair shake. A chance to negotiate a fair salary, and not be subject to one man's attempt to carve up a company.

Congress owes Eastern employees the chance to work for a viable company, not one being bled to death for one man's profit.

Consumers across this country should also be grateful to these striking workers for taking a stand. If we let Frank Lorenzo destroy Eastern and its unions, the American consumer will ultimately suffer from less competition and higher prices.

THE UNITED STATES MUST COME OUT ON THE SIDE OF PEACE IN CENTRAL AMERICA

(Mr. FOGLIETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOGLIETTA. Mr. Speaker, I rise today to draw attention to the approaching Presidential elections in El Salvador. I hope that the people of El Salvador will have the opportunity this Sunday to select a new President through democratic elections that are free, fair, and safe. Unfortunately, the elections are threatened by serious military conflict between the right and the left. The new President's first task must be to begin negotiations with the rebel movement to end the conflict that is tearing apart this fragile democracy.

As we consider the Salvadoran elections, I would also like to draw your attention to the possibility of free, fair, and safe elections in another Central American country—Nicaragua. The peace accord signed recently by five Central American Presidents, including President Duarte, could be a mechanism for democratic elections in Nicaragua next February—but this accord is being undermined by the Bush administration.

While the peace accord calls for disbanding the Contras as a military group and resettling them in Nicaragua, the administration is attempting to push the Honduran Government into allowing the Contras to stay in Honduras another year. Mr. Speaker, I believe that the United States must come out on the side of peace, and lend our support to the accord.

PROPOSED BUDGET DEVASTATING TO RURAL AMERICA

Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, Secretary Brady appeared this morning before the Committee on Ways and Means. Treasury Secretary Brady said that we had experienced in this country unprecedented economic growth, and I reminded him, and want to remind the Members, that we have not experienced that growth out in the Dakotas.

Mr. Speaker, in the Midwest of this country there has not been economic growth. We have had a 7- or 8-year recession, a deep, abiding recession. That is what we have experienced.

The President submitted a budget to Congress where he talks about a kinder and gentler nation, but I can tell the Members, as I told the members of the Committee on the Budget yesterday, that this budget is not kinder and gentler to the part of the country that has suffered a 7- or 8-year recession. It is devastating. It says, "Let us cut $5 billion out of Medicare." In rural America, often 70 percent of the people who walk through the hospital doors and go into hospitals are Medicare recipients. It says, "Let us cut the REA." That means higher electric and higher telephone rates for farmers. He says, "Let us get rid of Amtrak." "Let us get rid of essential air service for small communities." "Let us cut the farm program," a program which has already been cut in half from its recent high.

Mr. Speaker, the fact is this President's budget will be devastating to rural America, absolutely devastating, and those of us in Congress who care about economic growth for everybody in this country—who care about bringing rural America back into the main-

stream of opportunity—need to say to the President, "We do not like this budget, and we are going to change it. We are going to change it so that it benefits everyone in this country, so that it invests in the right things for this country, especially rural America."

POVERTY, VIOLENCE, AND SKEPTICISM MAY PROVE TO BE MARGIN OF VICTORY FOR ARENA PARTY

(Mr. MARKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARKEY. Mr. Speaker, this Sunday the war-torn country of El Salvador will try to elect a new President, but thousands of impoverished and destitute Salvadorans are not even aware that there is an election, and they will not vote. Countless others will be frightened away from the polls by guerrilla attacks. They will not vote either.

Mr. Speaker, and many more will not vote because they know that while the election may bring a new President, it will not bring what they really want: an end to the war.

Mr. Speaker, this is the nature of Salvador's fragile democracy, and the combination of poverty, violence, and skepticism may prove to be the margin of victory for the rightwing Arena Party. Yes, a new breeze may soon be blowing in El Salvador, but it will carry the stench of Roberto D'Aubuisson's death squads.

After a billion dollars in military aid and unqualified support for the war, we may see those who have abhorred peace and advocated terror come to power. If this death-squad democracy prevails, it should be clearer than ever that it is time for us to change course and pursue a peaceful solution in El Salvador, as we see conditions continue to deteriorate under this phony democracy which has been established.

PROVIDING FOR CONSIDERATION OF H.R. 1231, DIRECTING THE PRESIDENT TO ESTABLISH AN EMERGENCY BOARD TO INVESTIGATE AND REPORT ON THE EASTERN AIRLINES DISPUTE

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 108 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 108

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1231) to direct the President to establish an emergency board to investigate and report respecting the dispute between Eastern Airlines and its collective bargaining units, and the first reading of the bill shall be dispensed with. All points of order against consideration of the bill for failure to comply with the provisions of clause 2(l)(6) of rule XI are hereby waived. After general debate, which shall be confined to the bill and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Public Works and Transportation now printed in the bill as an original bill for the purpose of amendment under the five-minute rule and each section shall be considered as having been read. No amendment to the committee amendment in the nature of a substitute shall be in order except amendments adding new sections. Consideration of all amendments to the committee amendment in the nature of a substitute shall not exceed three hours. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House and such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

□ 1450

The SPEAKER pro tempore (Mr. ALEXANDER). The gentleman from Florida [Mr. PEPPER] is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the able gentlewoman from Illinois [Mrs. MARTIN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 108 is a modified open rule providing for the consideration of H.R. 1231, a bill directing the President to establish an emergency board to investigate and report respecting the dispute between Eastern Airlines and its employees.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation. The bill shall be considered under the 5-minute rule.

To expedite consideration of the bill, the rule waives clause 2(l)(6) of rule XI, which requires a 3-day layover before a bill can be considered. The rule makes in order the Public Works and Transportation Committee amendment in the nature of a substitute as original text for the purpose of amendment under the 5-minute rule.

Only amendments which add new sections to the bill may be considered.

The rule also limits debate on amendments to the bill and committee substitute to 3 hours. Finally, the rule provides one motion to recommit.

Mr. Speaker, H.R. 1231 would direct the President to appoint a board to review the facts in the dispute between Eastern Airlines and its unions and make a recommendation on the terms on which the dispute might be resolved. The board would be required to report to the President after 14 days, although this period may be extended an additional 5 days upon the request of the committee. After the report has been completed parties to the dispute would have 7 days to agree upon the resolution.

Mr. Speaker, this is a vitally important bill. Eastern Airlines has filed for bankruptcy and discontinued most of its service. Negotiations between the airline and the unions are at a standstill, and parties on both sides of the table have so little confidence in each other it is difficult to see how they can possibly resolve their differences without outside help. A presidential board, as envisioned by this legislation, would have the qualifications and prestige necessary to make a factual study, and devise a solution that is right and fair to both sides.

Mr. Speaker, I will add only that I have been in close contact with the President and the leader of the union and the members of the union in Miami. Practically all of the operations of Eastern Airlines are at the International Airport in Miami which is in my congressional district. The 20,000 people who are employees of Eastern Airlines largely live in my district. My community, therefore, is vitally interested in the survival of this line and those people keeping their jobs, being able to discharge their obligations and otherwise in continuing their contribution to the transportation services of our country.

May I add also, Mr. Speaker, that there has been no board, no tribunal so far that has been as objective and prestigious in character as this Presidential board would be which has examined the facts and proposed a resolve of how the controversy can be properly solved. The mediation board did nothing except try to bring the two parties together. That is just like bringing together the immovable body and an irresistible force. They could not be brought together, so there has been no public authority that has examined the facts of this controversy and proposed what would be fair to the public and fair to both of those parties because, of course, that is what all of us want to achieve.

This board would achieve, therefore, that which has not heretofore been available in trying to bring about a reconciliation of these disputes.

I believe, therefore, it is important to give this procedure, which is already available to us under the law, an

opportunity to work. Eastern Airlines provides a substantial part of the air service along the East coast and into my hometown of Miami. I have traveled on it innumerable times. We are proud of Eastern Airlines and what it has done for the economy. There are over 13,000 Eastern employees who live in my district. A successful resolution of this conflict would be an immediate benefit to the company, to the employees, and to the public interest. Therefore, I support this resolution.

I commend the distinguished gentleman from California [Mr. ANDERSON], chairman of the Committee on Public Works and Transportation, and the distinguished gentleman from Minnesota [Mr. OBERSTAR], chairman of the Subcommittee on Aviation for bringing this resolution to the floor of the House and to the attention of the country. I think this is one of the most meaningful steps that has been taken toward a solution in a fair way to everybody, including the public, of this dispute.

Mr. Speaker, the conflict we are examining today is a longstanding one, and there are many issues involved. We have discussed deregulation and oligopolies. We have debated the merits of governing the airline industry by forcing it to adhere to the labor-management rules of the Railway Labor Act of 1926. And we have concerned ourselves, all the while, with passenger safety, the role of Government, and the personal rights of workers and management. These are all important issues, and I do not mean to dismiss them, but I want to ask my colleagues to examine with me the thousands of personal dramas which are also unfolding here.

This dispute, of course, is very close to me, and not just because Eastern is headquartered in my district in Miami. For more than half a century, I have been flying on Eastern, and I know many of the employees there. Some of the faces I have seen for several decades, and I know some instances where generations within families have dedicated themselves to Eastern. These are people who have devoted their lives and careers to building this airline, and I feel that many of them are like family to me and I to them. When I think of Eastern Air, I think of them. They are the airline, and they should have a say in its future.

As this issue has weaved its way through the complex mediation process directed by the Railway Labor Act, there has been no third party to step in and mediate with the best interests of both the public and the parties involved in mind. With every day that the strike goes on, there is a greater toll exacted from the employees of the airline. Already there are some 10,000 people who have been put out of work by the bankruptcy hearings on Eastern, and that figure can only grow as the dispute goes on unsettled. The appointment of a Presidential emergency board would be the first impartial third body to step in, and it is clearly needed.

The dispute at Eastern is the kind of thing that this Nation has been building up to for a number of years, and it does not just concern the airline industry. Over and over again, in a society that seems to be governed by merger-mania and corporate takeovers, we are watching corporate giants gobble up the businesses and industries of our great Nation, and they are swallowing the thousands of employees who have invested their lives and personal sakes in these businesses as well.

But these employees are not being treated like human beings. They are increasingly viewed as mere commodity inputs in the ledgers of corporate icons. This is nowhere in greater evidence than at Eastern Airlines.

Since deregulation in the late 1970's, Eastern has been fraught with difficulties. If it were not for the spirit and courage of its machinists, pilots, flight attendants, ramp service personnel, ticket takers, reservationists, and the countless thousands of other workers involved in an airline this size, Eastern would not have survived. They have continually demonstrated their willingness to endure great hardship so that they could keep alive an airline. They are great Americans, and that cannot be forgotten.

In 1983, after yet another episode of financial difficulty at Eastern, the unions agreed to wage cuts in the 18–22 percent range, and they received, in turn, control of 25 percent of the airline. Under this arrangement, Eastern showed great increases in productivity and profits. Nevertheless, when management again found itself in financial difficulty in 1985, the workers were again asked to sacrifice in order to save the airline. In the face of such circumstances, I find it remarkable that these same workers agreed to suffer the hardship of another pay loss in the range of 15–20 percent. It is simply remarkable to me. Men and women of Eastern have sacrificed much, and all they are asking for is the opportunity to earn decent wages and honorable working conditions.

And in return for these consessions, the employees of Eastern have received nothing. In the last several years, they have been forced to endure the reign of a corporate titan who seems set on dismantling their airline and on dismantling their lives. Eastern management and the International Association of Machinists moved to the bargaining table in October 1987 after the expiration of the last contract. In the wake of all the sacrifices made by the employees of the this union, management again proposed further wage reductions in order to save the airline, and negotiations soon reached an impasse. As we all know, the IAM has offered to submit this dispute to arbitration and Eastern has refused. The National Mediation Board has recommended to the President that an emergency board be appointed to study and propose a resolution to this dispute, and the President has refused.

Imagine the frustration of these employees. They have given all they can give. They have gone through all the proper channels of negotiation that have been dictated to them by the laws of their country, but they are still losing their battle. They are losing because right now the laws and the forces governing this dispute are tilted lopsidedly in favor of Eastern Chairman Frank Lorenzo, who is slowly but surely realizing his goal of dismantling Eastern Airlines and using the available resources to support his other carrier, Continental, which he has already successfully deunionized. Under his management, some of the most profitable parts of Eastern have been stripped away and distributed, for very low costs, throughout the Texas Air empire.

What is really alarming to me, is that union representation has been relatively useless against the might of a powerful businessman. The purpose of unions, and the freedoms we have given to them, is to allow for the rights of workers to be given equal strength at the bargaining table. And yet we seem to be on the verge of an era where the balance of power is shifting to the side of management. It is the role of this gody to decide if we are going to allow that trend to continue or if we will act to bring it more into line with the values this country prides itself on.

Many of my constituents are employees of Eastern. They are writing and calling to me and their request is a simple one. They say that they need my help. They do not want a handout, and they do not want a free ride. They want help. Generations of Eastern employees want to save their jobs and their lives and the airline they, not Frank Lorenzo, have worked hard to keep alive. They want a reasonable third party to mediate this dispute, because they believe they are dealing with a powerful individual who does not care about their lives. They are crying out to me, and they are crying out to everyone in this Chamber. I don't know if you can turn your backs on them, but I cannot and will not.

This strike affects all workers in all large industries, not just those in the airline and transportation fields. If we allow this process of dehumanization of the labor input to go unchecked, then corporate icons will have even more freedom to swallow and control the lives of their laborers.

I believe it is the responsibility of Congress to look out for these people now. We must call for the Presidential emergency board and we must move swiftly on the recommendations of that board. As a society we should not allow one wealthy man to govern an industry that affects so many lives directly through jobs and the services it supplies. The purpose of Government is to protect and serve the people. We can accomplish that goal right now by calling for this board and, if necessary, overriding a Presidential veto of this bill. I hope you will join me in voting for H.R. 1231.

Mrs. MARTIN of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first let me make it clear that the Members of the minority seek the same goals as the Members of the majority, and that is the right way to end the difficult struggle that exists in Eastern Airlines. I must say that at the end of whatever this Congress does, the chairman of the committee knows that one of my concerns is that the machinists will have work, Frank Lorenzo will have work, the pilots will have work, but it will be the stewardesses, it will be the people who work behind the counters, it will be the people who handle the baggage, it will be the people without a voice that

will be involved in what looks as if it is destruction from both sides.

How we get to that is the purpose of the debate later that will involve the people from the Committee on Public Works and Transportation, and my job is now to talk about the rule. I think we must carefully distinguish between the two.

So, Mr. Speaker, the soothsayer told us to "beware of the ides of March." And sure enough, it is March 15, and the Rules Committee is sticking it to us once again with one of its restrictive rules, right between the shoulder blades.

I am new to the committee this year, but even I did not expect quite what happened yesterday. We had an excellent hearing in the morning at which both the chairman and the ranking member of the Committee on Public Works and Transportation requested an open rule, even though the chairman had a slightly different statement in his statement, but he too changed and asked for an open rule.

There seemed to be agreement between both sides that an open rule would be admirable, and we all indeed were positively moved by an unusual turn of events. We went to lunch, thinking we would come back to vote on an open rule.

But lo and behold, when we returned in the afternoon we had a new wrinkle called a modified open rule. This is modified open about as much as the Incredible Hulk is a modified ballerina.

□ 1500

This modified rule says that no matter how worthwhile your amendments may be, when we reach the 3-hour mark, we must stop debating and offering amendments and come to a final vote. It is not as if we had nothing else to do this week. After all, we really have not been spending a lot of our time on the floor, and this is important enough to warrant an open rule, and finally to add the final twist to the ides of March dagger, we are told we cannot offer instructions in the motion to recommit. This has been a traditional right of the minority, one of the few things we have left, and one which I will stand up to try and protect. It is hard to look at the bunting and remember that we are celebrating the bicentennial of what is supposed to be the People's House.

I almost forgot, we are waiving the 3-day requirement for the committee report. It was filed on Monday of this week. It came back from the printer just yesterday. Under normal House rules we should not be able to take up the bill until tomorrow at the earliest, so that Members might do something unusual, have an idea about what they are voting on. How many Members realize that the bill goes beyond the machinists' dispute, and how many Members know there are serious constitutional questions involved with the intervention process? How many Members do know this? We would think, in fact, perhaps we are designing a procedure to make sure the Members do not know.

Mr. Speaker, we deserve better than this. Regardless of how others may feel about the bill itself, and I too have grave concerns about what is occurring to both the public and to those who work at Eastern Airlines, this rule should be defeated. It is the first time this year, I realize it is asking perhaps the impossible, but we do have the right to be treated with more dignity, with more trust, with more respect, and to seek an open rule.

Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking member of the Committee on Public Works and Transportation.

Mr. HAMMERSCHMIDT. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, I regret that I find myself on the opposite side of my friend from Florida, Mr. PEPPER, for reasons that I will more fully explain later, I oppose the bill for which this rule allows consideration. I oppose it because there is no national transportation emergency that would justify a Presidential Emergency Board under the Railway Labor Act. Also, there is no reason to believe that such a board would have any more success during the 26 days allotted to it than the National Mediation Board had in the 17 months that it was involved in this dispute.

But having said that, let me add that I had hoped to be able to support this rule. It was my understanding that we were going to have an open rule. Unfortunately, the Democratic leadership seems to have done an about face and has produced a so-called modified open rule.

Under this rule, no amendments are in order except amendments providing new sections. If a Member wanted to offer perfecting amendments to section 1 of this bill, they would not be in order.

The same would be the case for perfecting amendments to section 2 or an amendment in the nature of a substitute.

Of course, if we wanted to cause mischief or delay, I could craft amendments as a a new section to the bill which would have the effect of amending sections 1 and 2. I do not intend on doing this, but it points out how ill advised the rule is.

Mr. Speaker, there is no reason to restrict amendments to this bill. The fact that the Democratic leadership has found it necessary to do so indicates what a sham this bill is.

In addition, their rule seriously infringes on the minority's prerogatives with respect to "the motion to recommit" by not allowing for "a motion to recommit with instructions." Again, the fact that the Democratic leadership has had to resort to this tactic is indicative of how phony this legislation really is.

Mr. Speaker, even though I expect the rule to pass, I intend to vote against it and ask my colleagues to do likewise.

Mr. PEPPER. Mr. Speaker, for the purposes of debate only, I yield such time as he may consume to the distinguished chairman of the committee, the able gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Speaker, I support the rule.

The rule will permit consideration of important legislation. As we will discuss at greater length in general debate, the bill which is covered by this rule, H.R. 1231, offers the best hope of resolving the current labor disputes which threaten the survival of Eastern Airlines. We need to do everything possible to try to prevent the demise of the Nation's sixth largest airline.

The rule offers a fair procedure for consideration of this emergency legislation. The rule allows amendments. The rule places a time limit on amendments so that the emergency legislation can be voted on promptly, before it is too late for the legislation to do any good. The rule also prohibits amendments which would change the basic approach of the bill. The House should have an opportunity for an up or down vote on the basic approach embodied in H.R. 1231 which tries to resolve the Eastern dispute by following Railway Labor Act procedures for appointment of a Presidential Emergency Board.

Mr. Speaker, I urge a vote for the rule.

Mrs. MARTIN of Illinois. Mr. Speaker, I yield such time as he may consume to the Republican leader of the House, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, first of all, I want to pay my respects to the distinguished chairman of the committee, Mr. PEPPER. He knows that I wrote the committee expressing opposition to a closed rule, and then I regret that I could not have made that pitch to the chairman personally, but did so in writing, and he was good enough to take into account my views, and what we have for all practical purposes is a modified open rule.

My opposition, I guess, has to be registered more on the basis of the denial of the motion to recommit with instructions for the minority. As the leader of the minority, I always have to press for that point of view and have told my Members even under some very unique kind of situations,

never give up that motion no matter what. So it is on the basis of that that I have to declare my opposition, but again I want to express my personal thanks and appreciation for the consideration of the distinguished chairman, and the timely manner in which his staff has worked with mine over a long period of years.

Mr. PEPPER. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the distinguished gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, I thank my chairman for yielding time to me.

Mr. Speaker, the rule governing consideration of H.R. 1231, is basically an open rule. It allows any amendment otherwise allowed under House rules to be offered to the bill. I want to repeat that—any—germane amendment can be offered to H.R. 1231.

The rule does specify that amendments must be presented as new sections of the bill. However, this is a specification regarding form not substance or policy. The Rules Committee felt this direction was needed to insure that all amendments would stand on an equal footing; that an amendment, simply by the way it is presented, could not preclude other amendments Members might want to offer.

If the rule was not structured in this fashion, it would be possible for amendments to be offered in such a way as to eliminate other major amendments from being offered. Under this rule, no one has an advantage over anyone else in the amendment process.

This rule also allows, in addition to the 1 hour of general debate, 3 hours for amendments. With the exception of Chairman OBERSTAR'S amendment in the nature of a substitute, there have been no amendments offered to H.R. 1231.

There were no other amendments offered in subcommittee, or in full committee. No Member came to the Rules Committee to ask that any amendment be made in order in the rule. In fact, during the rules committee hearing, when the subcommittee chairman and the committee chairman, and even the ranking member, were asked if they had amendments or knew of any potential amendments to the bill, they all said no, they did not know of any Members who wanted to offer amendments. It, therefore, seemed to the Rules Committee that 3 hours for amendments would be more than adequate time since there were no identifiable amendments to the bill at that time.

The rule allows the minority a motion to recommit without instruction because the rule is open in terms of allowing any germane amendment, the minority can offer their amendments at any time under the 5 minute rule. Instructions on the motion to recommit, therefore, are of little value except to the extent they would be used to, basically, rewrite H.R. 1231 on the floor of the House, at the end of the process, with no opportunity for the majority to have an amendment.

In light of the fact that there were no pressing issues brought before the Rules Committee and no amendments at all presented to us, a motion to recommit would certainly, adequately, protect the minority's perogatives.

Mr. Speaker, this rule was carefully crafted to be fair to all those interested in H.R. 1231, and I join Chairman PEPPER in urging its adoption.

□ 1310

Mrs. MARTIN of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. CAMPBELL].

Mr. CAMPBELL of California. Mr. Speaker, I rise to speak to the question of fairness. We will hear many aspects of this debate. I would like to appeal to the Members and say that the most important one is the fairness that is established in the bankruptcy courts. As I look at this important problem, we have a claim by the machinists and a claim by the pilots, and we have claims by the flight attendants, by the ticket holders, and by all the creditors of Eastern Airlines.

It seems to me that the matters rests with the bankruptcy court, as it should. If we take the action proposed today, it would be placing an advantage for one particular group of claimants ahead of all the others and one group of employees ahead of all the others.

I do not rise in defense of the management of Eastern Airlines. I rise, rather, in defense of the concept that once a matter goes into bankruptcy, a judge appointed for that purpose can allocate whatever resources there are among the potential claimants. It seems to me that this question comes down to one of fairness to all creditors and not a preference to some.

Mr. PEPPER. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the distinguished gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I would just like to say that there is another issue at stake here, and that should be the Congress trying to get Eastern Airlines back in business and insuring that those workers are not going to be raided by a union buster.

The way I see it, Frank Lorenzo has at his disposal a golden parachute. The workers simply have one option: They are just getting kicked out of the plane. These workers over the past 10 years have taken huge concessions, a billion and a half dollars worth of concessions. But what bothers me is that a Congress sitting passively back and not acting is tantamount to letting the American workers know that we will not intervene when there is union busting going on.

Mr. Lorenzo's record is quite clear. We have had enough of a chance to see it. When he came to Eastern Airlines, his job was to scuttle. He is going to take the porterhouse and the London broil with him, and he is going to leave all the hamburger behind. We do not need a master's degree to figure that out. The American worker is trying to look to Congress and ask, "What are you going to do for us? How do we get a fair shake? How do you put us in the ball game? We keep sitting on the bench, and you let everybody else move on the goal line. What about our rights?"

I have been consistent here in trying to get the Congress to take a look at the plight of American workers, and to tell the truth, I think we are really lacking in that regard. We come up with all these various answers: "Well, the bankruptcy court can handle that. Well, that is in the hands of the court, and we have to let the free enterprise process run its course."

No one here is against that; I am not against that. But we have come to the point where I feel the American workers are not riding the elevator anymore; they are simply getting the shaft.

Congress has a distinct role in this process. All we are asking the Congress to do, in supporting the rule and supporting the bill, is to do something that is not unusual in labor problems. The National Mediation Board has on every occasion come forward and helped in the process. The fairness issue is not putting it in the bankruptcy court; the fairness issue is to have Congress ensure that we get the people back to work and we keep those airline fares—f-a-r-e-s—in place and in a situation where the American consumers of those flights are safe and our workers are back to work again.

So, Mr. Speaker, I say that the most important thing today is for Congress to let the American worker know that we will not allow these types of people to bust our unions.

Let me say one last thing. It is very popular today since the air traffic controllers strike for a lot of people to blast the unions for America's lack of competitiveness. I would like to say that if America's policies right now are to be put into total practice, why not let everybody move over to China and hire people at 17 cents an hour?

Congress today has got to send the right signal. We will not allow a Lorenzo to bust up their union. The union has been an advocate for the average working man and working woman, and without unions, they would not have too many of them. I am ashamed to say that in the Congress. But we are their advocates.

Mr. Speaker, I support this rule. The rule is good. It offers the type of fairness and relief that is adequate, and I hope the Members of the House will support the American workers today and pass this bill.

Mr. PEPPER. Mr. Speaker, I yield 2 minutes to the able gentleman from Minnesota [Mr. OBERSTAR], the distinguished chairman of the subcommittee that brought this resolution to the floor from the Committee on Public Works and Transportation.

Mr. OBERSTAR. Mr. Speaker, I thank the chairman of the committee for yielding this time to me.

Mr. Speaker, I simply want to rise in support of the rule. It is a fair rule. It is an expedited procedure, to be sure. It does provide a frame around the debate and a limitation in effect on time. But if this is indeed an emergency, if this is indeed a matter of national concern and national interest, then we ought to operate under expedited procedures.

There is no limitation on the kind of amendment that can be offered; it is just the timeframe in which those amendments are offered. We should not be in position of exposing the bill to filibuster by amendment. I do not think that would be the case. I think that our colleagues on the other side have debated the issue thoroughly in committee. I think they have thought the issue through. It is a straightforward up-or-down issue on the question of whether the Government should take a position, whether the public interest should prevail in this matter or whether it should be left to the mercies of the marketplace. We are going to debate that issue very soon in a very open, full, fair, and free manner.

Mr. Speaker, this is a fair rule and a responsible rule, and this is a responsible action on the part of the Rules Committee in dealing with an issue that is of national significance and of national urgency. I urge support of the rule.

Mrs. MARTIN of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just remind the Members of the House that the rule does not offer relief. That is not what rules do. Any relief comes in the bills that come from this body.

We actually agree with the gentleman from Minnesota that we have been framed; we just wanted a door out of this framework in the guise of an open rule.

Mr. Speaker, I yield back the balance of my time.

Mr. PEPPER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the gentlewoman from Illinois [Mrs. MARTIN] has handled this matter very well. I believe this is the first rule to be handled by her since she became a member of the Rules Committee, and she has done a very good job. I commend her for her excellent and superb performance.

Mr. Speaker, I would just like to add a word. We have tried to preserve in this rule the right of the House to pass upon the essence of this question: Shall we have a distinguished presidential board assertain the facts and make recommendations respecting this controversy, which has heretofore seemed insoluble, so as to bring peace to this industry, jobs to these 13,000 employees, and restoration of the needed transportation service in the airline industry for the people of this country?

□ 1520

Mr. Speaker, we have allowed any amendment that wishes to change either part of this resolution. We have only prohibited a motion to strike which would have eliminated the question that we want Congress to act upon because we think it is imperative in the public interest that it should do so.

Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ALEXANDER). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 254, nays 159, not voting 19, as follows:

[Roll No. 7]

YEAS—254

Ackerman	Campbell (CO)	Dwyer
Akaka	Cardin	Dymally
Alexander	Carper	Dyson
Andrews	Carr	Early
Annunzio	Chapman	Eckart
Anthony	Clarke	Edwards (CA)
Aspin	Clay	Engel
Atkins	Clement	English
AuCoin	Coelho	Erdreich
Barnard	Coleman (TX)	Espy
Bates	Collins	Evans
Bennett	Conte	Fascell
Berman	Cooper	Fazio
Bilbray	Costello	Feighan
Boehlert	Coyne	Flake
Boggs	Crockett	Flippo
Bonior	Darden	Florio
Borski	Davis	Foglietta
Bosco	de la Garza	Foley
Boucher	DeFazio	Ford (MI)
Boxer	Dellums	Ford (TN)
Brennan	Derrick	Frank
Brooks	Dicks	Garcia
Brown (CA)	Dixon	Gaydos
Bruce	Donnelly	Gejdenson
Bryant	Dorgan (ND)	Gephardt
Bustamante	Downey	Gibbons
Byron	Durbin	Gilman
Glickman	Mazzoli	Roybal
Gonzalez	McCloskey	Russo
Gordon	McCurdy	Sabo
Gray	McDade	Sangmeister
Guarini	McDermott	Sarpalius
Hall (OH)	McGrath	Sawyer
Hamilton	McHugh	Saxton
Harris	McMillen (MD)	Schroeder
Hatcher	McNulty	Schumer
Hawkins	Mfume	Sharp
Hayes (IL)	Miller (CA)	Sikorski
Hayes (LA)	Mineta	Sisisky
Hefner	Moakley	Skaggs
Hertel	Molinari	Skelton
Hoagland	Mollohan	Slattery
Hochbrueckner	Montgomery	Slaughter (NY)
Horton	Moody	Smith (FL)
Hoyer	Morrison (CT)	Smith (IA)
Hubbard	Mrazek	Smith (NJ)
Hughes	Murphy	Solarz
Hutto	Murtha	Spratt
Jacobs	Nagle	Staggers
Jenkins	Natcher	Stallings
Johnson (SD)	Neal (MA)	Stark
Johnston	Neal (NC)	Stokes
Jones (GA)	Nelson	Studds
Jones (NC)	Nowak	Swift
Jontz	Oakar	Synar
Kanjorski	Oberstar	Tallon
Kaptur	Obey	Tanner
Kastenmeier	Olin	Thomas (GA)
Kennedy	Ortiz	Torres
Kennelly	Owens (NY)	Torricelli
Kildee	Owens (UT)	Towns
Kleczka	Pallone	Traficant
Kolter	Panetta	Traxler
Kostmayer	Parker	Udall
LaFalce	Patterson	Unsoeld
Lancaster	Payne (VA)	Valentine
Lantos	Pease	Vento
Laughlin	Pelosi	Visclosky
Leath (TX)	Penny	Volkmer
Lehman (CA)	Pepper	Watkins
Lehman (FL)	Perkins	Waxman
Leland	Pickett	Weiss
Levin (MI)	Pickle	Wheat
Levine (CA)	Poshard	Whittaker
Lewis (GA)	Price	Whitten
Lipinski	Rangel	Williams
Lloyd	Ray	Wilson
Lowey (NY)	Richardson	Wise
Luken, Thomas	Ridge	Wolpe
Manton	Rinaldo	Wyden
Markey	Robinson	Yates
Martinez	Roe	Yatron
Matsui	Rose	Young (AK)
Mavroules	Rowland (GA)	

NAYS—159

Archer	Emerson	Kolbe
Armey	Fawell	Kyl
Baker	Fields	Lagomarsino
Ballenger	Fish	Leach (IA)
Bartlett	Frenzel	Lent
Barton	Gallegly	Lewis (CA)
Bateman	Gallo	Lewis (FL)
Bentley	Gekas	Lightfoot
Bereuter	Gillmor	Livingston
Bilirakis	Gingrich	Lowery (CA)
Bliley	Goodling	Lukens, Donald
Broomfield	Goss	Machtley
Brown (CO)	Gradison	Madigan
Buechner	Grandy	Marlenee
Bunning	Grant	Martin (IL)
Burton	Green	Martin (NY)
Callahan	Gunderson	McCandless
Campbell (CA)	Hall (TX)	McCollum
Chandler	Hammerschmidt	McCrery
Clinger	Hancock	McEwen
Coble	Hansen	McMillan (NC)
Coleman (MO)	Hastert	Meyers
Combest	Hefley	Michel
Coughlin	Henry	Miller (OH)
Cox	Herger	Miller (WA)
Craig	Hiler	Moorhead
Crane	Holloway	Morella
Dannemeyer	Hopkins	Morrison (WA)
DeLay	Houghton	Myers
DeWine	Huckaby	Nielson
Dickinson	Hunter	Oxley
Dornan (CA)	Inhofe	Packard
Douglas	Ireland	Pashayan
Dreier	James	Paxon
Duncan	Johnson (CT)	Petri
Edwards (OK)	Kasich	Porter

Pursell	Sensenbrenner	Spence
Quillen	Shaw	Stangeland
Ravenel	Shays	Stearns
Regula	Shumway	Stenholm
Rhodes	Shuster	Stump
Ritter	Skeen	Sundquist
Roberts	Slaughter (VA)	Tauke
Rogers	Smith (MS)	Tauzin
Rohrabacher	Smith (NE)	Thomas (CA)
Roth	Smith (VT)	Upton
Roukema	Smith, Denny (OR)	Vucanovich
Rowland (CT)	Smith, Robert (NH)	Walker
Saiki	Smith, Robert (OR)	Walsh
Schaefer	Snowe	Weber
Schiff	Solomon	Weldon
Schneider		Wolf
Schuette		Wylie
Schulze		Young (FL)

NOT VOTING—19

Anderson	Dingell	Savage
Applegate	Frost	Scheuer
Bellenson	Hyde	Smith (TX)
Bevill	Parris	Vander Jagt
Cheney	Payne (NJ)	Walgren
Conyers	Rahall	
Courter	Rostenkowski	

□ 1542

Mr. DORNAN of California changed his vote from "yea" to "nay."

Mr. RAY and Mr. HUTTO changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RE-REFERRAL OF H.R. 37 TO CERTAIN STANDING COMMITTEES

Mr. UDALL. Mr. Speaker, with the concurrence of the Committee on Science and Technology, I ask unanimous consent that the bill H.R. 37, be re-referred jointly to the committee's on Interior and Insular Affairs, Public Works and Transportation, Energy and Commerce, Agriculture, and Science and Technology.

The SPEAKER pro tempore (Mr. ALEXANDER). Is there objection to the request of the gentleman from Arizona?

There was no objection.

DIRECTING THE PRESIDENT TO ESTABLISH AN EMERGENCY BOARD TO INVESTIGATE AND REPORT ON THE EASTERN AIRLINES DISPUTE

The SPEAKER pro tempore (Mr. ALEXANDER). Pursuant to House Resolution 108 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1231.

□ 1544

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1231) to direct the President to establish an emergency board to investigate and report respecting the dispute between Eastern Airlines and its collective bargaining units, with Mr. DORGAN of North Dakota in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Minnesota [Mr. OBERSTAR] will be recognized for 30 minutes, and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. OBERSTAR].

The OBERSTAR. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. Bosco].

Mr. BOSCO. Mr. Chairman, the issue today is not whether we should extend the long arm of Government into an ordinary labor dispute. It is whether we have a responsibility to prevent one person who has no record of successfully running an airline from plundering one, perhaps two of the seven remaining major carriers and from confronting the bankruptcy laws of the United States so they are used not as a shield against creditors but as a sword against employees.

We are dealing here with a man who is 90 percent financier and 10 percent manager—who has an established modus operandi of taking airlines, stripping them of assets, and discarding them into the lap of the Federal bankruptcy court. Remember the neutron bomb, the one that left all the buildings but destroyed the people? Well, Frank Lorenzo is the neutron bomb of the airline industry. The assets remain as booty, the people lose their jobs, their livelihoods, their pensions, their health benefits, yes even their airline tickets.

Mr. Chairman, were we to allow this modus operandi to permeate the transportation system, we would soon have no system left. We would be forced to re-regulate the airlines. As it is, we now have the opportunity to take a less drastic step, yet still send the message that when we have only got seven major airlines left, we are not going to stand by and let one person unilaterally dismantle one and perhaps two of them. The Emergency Board called for here is not a mediation panel designed to bring both parties together. Rather it will make recommendations to the President and to Congress on how Eastern Airlines can be put back on its feet.

One should not be deceived into thinking this task can be handled by the Eastern management under the eye of a bankruptcy judge. As the Wall Street Journal recently noted, Eastern's boss Frank Lorenzo "presides over some of the Nation's sickest airlines—Continental, Eastern, the corporate remnants of People's Express, Frontier and New York Air. All are losing money at some of the fastest rates in aviation history." This management, Mr. Chairman, has no history of improving these airlines, nursing them back to health, getting them back on their feet. Such would be the goal of any management interested in running an airline. But high finance, in and of itself, for its own sake, is the goal of this management. As the Journal points out, their goal is cash flow, not profit.

They could just as well be manufacturing widgets—as we say in law school—but instead they are using the Nation's transportation system as their front, under the theory that deregulation means anything goes, including the once proud Continental Airlines, now wallowing in $3 billion of debt, annual losses of $300 million; and lately Eastern, which has been stripped of its assets and thrown on the trash heap, along with some 30,000 employees.

Mr. Chairman, deregulation does not mean Congress can wash its hands and take no responsibility for the Nation's transportation system. Today we have an opportunity to receive, in short order, advice on how we can best protect this system.

Mr. Chairman, I would like to summarize for my colleagues a few earlier aviation transactions involving Texas Air which I believe strengthen the case for appointment of a Presidential Emergency Board and which reveal the philosophy which is at the heart of Texas Air's financial shenanigans.

In 1985 I introduced legislation that would prohibit an airline in bankruptcy or its holding company from acquiring another airline. The bill had 86 cosponsors, including a majority of the Aviation Subcommittee and some 30 members of the Public Works and Transportation Committee. I believe the support we were able to generate for this legislation was based on the belief that it was irresponsible public policy to allow an airline, so financially troubled that it seeks refuge from its creditors in the bankruptcy courts, to acquire another airline through a holding company or any other corporate sleight-of-hand.

In June 1985, Texas Air Corp. attempted a $925 million corporate takeover of Trans World Airlines. This takeover attempt was initiated while Texas Air's largest subsidiary, Continental Airlines, was enjoying protection in the bankruptcy courts, with close to $1 billion in outstanding debts. How is it that a company in chapter 11 could muster the resources to acquire the Nation's fourth largest airline? The answer was largely on the backs of the employees.

Texas Air has had a long history of making deals at the expense of employees. In 1981, when I was a member of the California State Legislature, I carried legislation to allow for an employee takeover of Continental because I believed that a hostile Texas Air acquisition would be disadvantageous to consumers and employees of the airline. In the course of the debate, Texas Air made several claims which I believe are relevant today. Company representatives said that Texas Air, which was then

called Texas International, had no intention of transferring the corporate headquarters from California to Houston, TX. Members of the California Legislature were also told that there would be no layoffs, that the takeover was not an attempt to raid the assets of Continental, and that Texas Air's only interest was to make Continental a thriving airline.

Less than 2 years later, Texas Air moved Continental's corporate headquarters to Houston, and in September 1983, Texas Air put its largest subsidiary, Continental, into bankruptcy. This scheme was employed to abrogate Continental's union contracts, covering over 8,000 pilots, flight attendants, mechanics, and ground personnel. As my colleagues are aware, Congress has since tightened the bankruptcy code with the intention that it no longer be used as a means to dissolve union contracts entered into in good faith.

Still, in 1985, Continental was able to shield itself from its creditors, while its parent, Texas Air, was free to take the earnings of Continental and its alter-ego, nonunion carrier new York Air, to make a bid for TWA. As we all know, that bid failed. That, however, did not quench Texas Air's thirst for corporate takeovers. Shortly thereafter, Texas Air acquired Denver-based Frontier Airlines and People's Express.

Texas Air continued its search for an airline that was rich in assets, troubled financially, and which fit the Lorenzo formula for chapter 11 and union-busting, and in early 1986, on the heels of the Continental bankruptcy, Texas Air acquired Eastern. An immediate consequence of this acquisition was that Eastern's employees were removed from participation in the management of the airline, and they lost their previously agreed upon representation on Eastern's board of directors.

Shortly thereafter, Eastern's new management announced that it would seek an additional $490 million in employee wage and benefit cuts and sought permission from the IRS to defer a $60-million payment that was owed to the employee pension fund. Firing of employees for so-called disciplinary reasons increased ten-fold after the takeover.

Texas Air also began to shift the most profitable components of Eastern Airlines to itself and to its nonunion subsidiary Continental. This practice of upstreaming has long been integral to Frank Lorenzo's modus operandi and its employment in this instance was a severe blow to Eastern. Eastern's computer reservation system, or CRS, which was valued at over $300 million, was sold to a Texas Air subsidiary for $100 million, and Eastern received no up-front cash for the deal. To add injury to injury, Eastern must now pay the Texas Air subsidiary for use of the very CRS system which was once its own.

Eastern's payments to Texas Air for the CRS it used to own now total $130 million per year and Eastern no longer receives revenues from other airlines for use of the system. Since the takeover, Eastern has paid Texas Air $9 million per year for fuel, $6 million per year in so-called "management fees," and Eastern paid Continental $22 million in December 1987 for services Continental was to provide in the event of a strike. Continental has since received another $19 million for what Texas Air has defined as "strike preparation services." In addition to a panoply of similar upstreaming transactions which benefited Continental at the expense of Eastern, Eastern sold 11 of its valuable gates at Newark Airport at fire-sale prices to—guess who—nonunion Continental.

We cannot afford to allow Texas Air to complete its well-established plans to drive Eastern into bankruptcy and attempt to balance its books on the backs of workers. Let us not forget what happened during the Continental bankruptcy when Texas Air management dumped 8,000 loyal workers on the street, slashed wages and benefits, and left thousands of passengers stranded in airports across the country. Paychecks issued the week before were stamped "Return to Issuer" and employees and their families with serious medical conditions were left bereft of coverage. Texas Air and Frank Lorenzo have proven time again that, in the words of then-Continental Vice President Clark Onstad, "the perpetuation of the company (referring to Texas Air) is more important than the contracts, the people, and the commitments.

Mr. Chairman, Texas Air has invaded Eastern like a cancer since the 1986 takeover, and as the airline slowly dies, 30,000 loyal employees may become casualties. The bankruptcy code is supposed to be a shield, not a sword, and I urge my colleagues to support the appointment of a Presidential Emergency Board to propose an impartial settlement to this dispute before it's too late.

□ 1550

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], a former member of the committee and now a member of the Committee on Rules.

Mr. SOLOMON. Mr. Chairman, before citing the specific concerns I have about this bill, I would like to say for the record that I am not opposed in principle to bills of this kind. I have been very concerned in the past, for example, with the problems of the railroad industry and the necessity for keeping rail service available to small towns and rural communities in remote sections of the country.

I have participated actively on this issue, particularly as it affects my own areas in upstate New York and New England, and so I approach bills such as H.R. 1231 with an open mind on a case-by-case basis.

All of that said, Mr. Chairman, I must be quite candid and say that there are several real concerns I have about H.R. 1231. I am hoping that these concerns can be addresed during the course of this debate.

First, I think it must be noted that authority under existing law giving the President discretionary authority to appoint an Emergency Review Board is to be used only when a labor dispute threatens interstate commerce to such an extent that a region of the country is being denied essential transportation services. In my view, this criterion clearly does not apply to the strike against Eastern Airlines.

Other airlines, as well as Amtrak, have rushed to fill the void left by the strike against Eastern. This is exactly what should happen in a deregulated environment. Indeed, Eastern was flying a route system which saw some of the most intense competition in the country. That was part of Eastern's problem in the first place, and it stretches credulity to argue that any region of the country is being denied essential services because of the strike at Eastern.

Second, there is, conceivably, a constitutional problem with H.R. 1231. The Constitution requires Congress to establish uniform bankruptcy laws, and in the past the Supreme Court has voided legislation which applies to only one company. I realize, or course, that the proponents of H.R. 1231 cite the interstate commerce clause as authority for this bill and cite that Eastern is not presently in the position of dispersing its assets pursuant to a bankruptcy settlement. Nevertheless, this case is in Bankruptcy Court and the enactment of this bill, which would turn back the clock to March 4, could have major implications for those proceedings. I think H.R. 1231's constitutionality is shaky at best.

My third concern, Mr. Chairman, about this bill concerns its requirement that the Emergency Review Board also address Eastern's disputes with the pilots' and flight attendants' unions, even though these problems are only secondary to the machinists' strike.

The pilots' and flight attendants' unions remain under contract with Eastern, they have not gone before the National Mediation Board, nor are they at impasse with Eastern. There is no precedent for Congress to preempt, in this fashion, normal collective bargaining at this stage in a labor dispute.

Finally, we should remember again that Eastern and the machinists' union have been at odds for 17 months. I will not accuse either side of planning a strike, but I am quite convinced that both sides have long been willing to accept a strike and have made their own plans accordingly. I am equally as convinced that the timing of this strike is no accident, coming as it does at the outset of a new administration in Washington.

The stakes have escalated. The unions called Frank Lorenzo's bluff by having the pilots stage an effective walkout. Frank Lorenzo in turn called the unions' bluff by putting Eastern into bankruptcy. This is more than a labor dispute—it is a vicious power struggle in which there will be no winners. Congress should stay out of it. Will another 21 days or 26 days really make a difference? I have my doubts.

And so I have some real concerns about H.R. 1231. I am inclined to let the law be the law and have the courts referee this one.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, I rise in opposition to the bill H.R. 1231. Which would direct the President to create a Presidential Emergency Board to investigate the Eastern Airlines labor dispute.

In my opinion, the creation of such an Emergency Board cannot be justified on either legal or policy grounds.

Under the law that governs labor disputes in the airline industry, the Railway Labor Act, the President has the discretion to appoint an Emergency Board if the dispute, "threaten[s] substantially to interrupt interstate

commerce to a degree such as to deprive any section of the country of essential transportation service. Since 1966, the Government has not viewed a single-carrier strike in the airline industry as threatening such an interruption.

Accordingly, between 1966 and 1989, the National Mediation Board had not recommended a Presidential Emergency Board in an airline strike and the President has not appointed one.

Today, an Emergency Board is even less justified. With airline deregulation, airlines are free to adjust their routes in response to passenger demand. In this case, some airlines have already increased their flights to accommodate Eastern passengers. Others now fly the same routes as Eastern and have accepted the tickets of Eastern's passengers. Although there is some inconvenience to passengers, the Eastern strike has not caused the sort of deprivation of essential transportation service that would justify an Emergency Board under the law.

Of course, the use of secondary picketing, which has been threatened, could cause serious disruption. But our response to that, if it occurs, should be to outlaw such actions rather than to establish and Emergency Board.

Secondary picketing is not allowed in other American industries.

Even though the law speaks only in terms of disruption to commerce, supporters of this bill say that an Emergency Board should be created to help save Eastern Airlines and the jobs of its employees. I share their hope that Eastern will survive and feel for those who have lost their jobs. However, I believe their faith in an Emergency Board is badly misplaced.

The parties have been in mediation under the National Mediation Board for more than 1 year without success. There is no reason to believe that another Board would do any better during the short timeframe set forth in this bill.

The Emergency Board has no power to mandate a solution. It can only recommend. In all likelihood, the recommendations of the Board would be rejected by one or both of the parties.

This would put the dispute right back to where it is now, with an airline that is much weaker for having to endure the delay.

Of course, Congress could always make the Board's recommendations mandatory by enacting legislation to that effect. But that would put us in the awkward position of forcing a resolution that management feels would bankrupt the company or that labor would refuse to live with. In that case, the intolerable labor-management situation at Eastern would simply be continued. In this connection, it is important to note that neither Eastern nor the machinists' union have agreed to be bound by the recommendations of the Emergency Board.

Moreover, the unions have made it quite clear that the real problem here is Frank Lorenzo, the head of Eastern's parent, Texas Air. If Frank Lorenzo is their problem, an Emergency Board cannot be their solution. Whatever this Board can accomplish, it cannot change Eastern's ownership.

Therefore, even if its recommendations were accepted, the source of all the employees' anger would still remain.

A further complication is that Eastern is now in bankruptcy. That means that this legislation may be in conflict with article 1, section 8 of the Constitution which requires "uniform laws on the subject of bankruptcies throughout the United States." This bill imposes specific requirements in the Eastern bankruptcy that differ from other bankruptcies in the United States. Also, there are questions as to whether this bill overrides the legitimate powers of the bankruptcy judge and interferes with the rights of other creditors in the case.

In the final analysis, the way to resolve this dispute and save Eastern Airlines is to have both sides come together at the bargaining table and reach a mutually acceptable solution.

The only way this will ever happen is by the pressure put on the parties through the process of self-help and strikes that we have now reached. I recognize that this is a painful process for many. But it is a necessary one. The establishment of an Emergency Board would only complicate this process. That is especially true here where the Board would have to investigate the disputes of three unions, two of which have not even completed the negotiations process.

Mr. Chairman, I hope Eastern survives. But if it dies, it should die as a result of its own failures, those of its management and its employees, and not because of ill-conceived Government intervention.

Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. STANGELAND], a distinguished member of the committee.

Mr. STANGELAND. Mr. Chairman, I rise in strong opposition to H.R. 1231, a bill directing the President to establish an emergency board to investigate the Eastern Airlines strike. This legislation won't help solve the airline's labor problems; instead, it will raise a whole host of new legal and policy issues. It is a prime example of Congress meddling in areas best left to the private sector.

I realize this is an emotional issue for many people. Our Subcommittee on Aviation held lengthy hearings last week. We listened to all sides; we heard of personal tragedies. One thing is clear: H.R. 1231 will only add to an already complicated and volatile situation.

I respect the efforts of members on our committee who have worked long and hard on this bill. Like the rest of America, they want this bitter battle between labor and management to end. But they're taking the wrong approach. Legislation such as H.R. 1231 will only divert the parties' attention away from the negotiating table and to the Halls of Congress.

This is not the way to solve private disputes or personality conflicts. We in Congress can't begin to go down this road; we can't tell management how to run its business. We should only become involved if public safety threats or perhaps secondary boycotts emerge.

In this instance, discretion is the better part of valor, particularly in light of the recent bankruptcy filing. By forging ahead with H.R. 1231, we raise serious legal questions involving the Bankruptcy Code and the Constitution.

And so, Mr. Chairman, I would urge my colleagues to exercise restraint and not support this bill. We all want the problem solved, the feuding ended, and the calm for workers and their families restored. But H.R. 1231 is not the proper vehicle to get the airlines and its employees back on track. Instead, it will either put the negotiations in a needless and costly holding pattern or, even worse, send the airline on a guaranteed crash course with disaster.

Oppose this bill and you'll be doing your part to help send the parties back to the bargaining table and help keep Congress out of the corporate board room.

Mr. ANDERSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 1231.

This bill offers the best hope of resolving the labor disputes which threaten the survival of Eastern Airlines.

Eastern's longstanding labor disputes have resulted in a strike by Eastern's employees, forcing Eastern to shut down almost all of its operations and file for chapter 11 bankruptcy. Unless its labor disputes can be resolved promptly, Eastern is unlikely to be able to reorganize and resume operations as a major carrier.

Eastern's demise would be an economic disaster. It would cause the loss of up to 30,000 jobs and a billion dollar payroll, as well as substantial economic damage to the communities in which Eastern's employees and flight operations are based. There would also be a severe impact on the traveling public. We cannot afford to lose the important competitive service provided by Eastern, the Nation's sixth largest carrier.

H.R. 1231 requires the President to appoint a board to study the dispute between Eastern and its unions and make recommendations on the terms on which the dispute might be resolved.

We strongly believe that appointment of a board will improve the chances that the disputes between Eastern and its unions can be resolved and that the company can reorganize

in bankruptcy and continue as a major carrier.

The labor disputes at Eastern are now marked by tremendous mistrust and ill will on both sides. As Secretary of Transportation Skinner testified, the parties are "further apart today" than they were at earlier stages of the dispute. There is little hope that Eastern's labor dispute can be resolved through ordinary collective bargaining negotiations. In any event under H.R. 1231 collective bargaining negotiations can continue while the emergency board is sitting.

On the other hand, we believe that there is a reasonable possibility that the parties would be able to agree to accept the recommendations of an impartial board. The unions have supported appointment of a board which would make it difficult for the unions to refuse to accept the board's recommendations. The company might also find it more palatable to accept the recommendations of an independent board.

H.R. 1231 only adopts the processes established by the Railway Labor Act for resolving collective bargaining disputes in the airline industry. The National Mediation Board, whose members were appointed by President Reagan, recommended that President Bush appoint a board. President Bush refused to appoint a board. This was unprecedented. In more than 30 prior airline disputes, Presidents have followed NMB recommendations and appointed boards. H.R. 1231 only requires the President to do what he should have done on his own initiative.

I urge my colleagues to join me in passing this important legislation.

□ 1600

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. CLINGER], a member of the committee.

Mr. CLINGER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to H.R. 1231.

The strike at Eastern is a tragedy that should not have occurred. Thousands of dedicated and loyal Eastern employees and their families are suffering needlessly because of the failure of its management and labor to come to terms.

The National Mediation Board has devoted an incalculable number of hours—without success—in an effort to develop a compromise. To suggest that an emergency board could do in 21 days what the Mediation Board was unable to do in a year is, I think, unrealistic.

It is equally unrealistic to suggest that creating a Presidential emergency board will return striking employees to their jobs. The act of creating a board does not compel Eastern to reemploy its striking workers; rather, this legislation, by creating a board, and in turn invoking the expired contract, will at most force Eastern to pay its present work force of 1,500 employees at previous wage scales. Strikers will most likely continue to be kept out of Eastern shops.

Members should not lose sight of Eastern's bankruptcy filing. The company is now under the protection of a bankruptcy judge. Creating a Presidential emergency board will, if anything, add further injury to Eastern's precarious financial condition and otherwise lend confusion to an already confused situation.

Mr. Chairman, before closing, I want to make it clear to Members that I am no fan of Frank Lorenzo, and I'm certainly not defending Eastern's management. On a couple of occasions last year, I had the privilege to sit opposite my friend and colleague JIM OBERSTAR in day long hearings of the Investigations and Oversight Subcommittee and listen to a number of stories detailing Eastern's harsh management of its employees and the manner in which the parent company, Texas Air Corp., seemingly stripped Eastern of its assets. The testimony we received over a year ago clearly portended today's strike.

But as much as I wish Congress were able to constructively intervene in this strike in a way that preserves the wages and working conditions of its work force, and which at the same time assures Eastern of a viable future, to me history and experience suggests that Congress has no role to play in this dispute.

Mr. ANDERSON. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. BORSKI].

Mr. BORSKI. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I want to commend the chairman of the Public Works and Transportation Committee, GLENN ANDERSON, and the chairman of the Aviation Subcommittee, JIM OBERSTAR, for their leadership in introducing H.R. 1231, and for moving promptly to hold hearings, and to report this very important legislation to the floor.

I rise in strong support of H.R. 1231, which directs the President to convene an emergency board to investigate and make recommendations in the Eastern Airlines labor management dispute.

Eastern Airlines is America's sixth largest airline. In 1988, Eastern carried 35.6 million passengers, which represents 7.5 percent of the Nation's domestic air traffic. Before the strike, Eastern employed more than 30,000 employees and operated between 80 cities in the United States, and 38 cities in the Caribbean, Mexico and Latin America.

Eastern is now in chapter 11 bankruptcy proceedings, and unless the company's labor dispute is resolved promptly, Eastern is unlikely to be able to reorganize and resume operations as a major airline.

The demise of a $3.5 billion company with a loss of a $1 billion payroll is likely to have serious adverse consequences for the traveling public, industry workers, and the many cities, including Philadelphia, which Eastern serves. Loss of the competitive air service now provided by Eastern would be a major blow to competition in our air transportation system, and would threaten to undermine the low fares and other consumer benefits of airline deregulation.

In an era of deregulation, vigorous competition is essential to safe, affordable, and dependable air transportation.

Unfortunately, what we have witnessed in recent years has been less competition in the domestic air industry. Ten major airlines have merged. Of the 22 new airlines which entered the domestic market since deregulation, only five companies are still operating as separate carriers. And in 1987, the market share of the top eight carriers was 91 percent, a substantial increase from the 74-percent share of these carriers in 1983.

The survival of Eastern Airlines as a strong, healthy carrier is in the public interest. It is in the interest of its passengers, this past February the National Mediation Board declared negotiations between Eastern Airlines and the machinists union to be at an impasse. The board proposed that both sides agree to resolve the dispute through binding arbitration. The machinists union accepted the board's offer, but Eastern's management did not.

As a result, the National Mediation Board recommended to President Bush that he appoint a Presidential Emergency Board to examine the differences between the two sides, and to propose a settlement. Appointment of the Board would have automatically resulted in a "cooling off" period during which Eastern management and workers would have continued normal operations while the Board worked with the parties to reach an agreement.

In more than 30 previous airline disputes in which the National Mediation Board has recommended the appointment of an emergency board, the President has always followed the Mediation Board's recommendation. However, in this unprecedented action, President Bush has rejected the Mediation Board's recommendation and refuses to appoint a board. H.R. 1231 establishes a simple framework to assist the resolution of the long-standing dispute between Eastern Airlines and its unions.

After the appointment of an emergency board, the strike would be ended while the board is deliberating. The board has a maximum of 19 days to evaluate the situation and to make recommendations. The parties to the dispute have up to 7 additional days to consider the Board's recommendations. It is in the interest of its employees, and it is in the interest of continued competition in the airline industry.

Mr. Chairman, hard working men and women have built Eastern Airlines into one of our Nation's great air carriers. Over the years Eastern's workers have made great sacrifices, including substantial wage and benefit concessions.

We must do everything possible to prevent the demise of this great airline.

The appointment of an emergency board as directed by H.R. 1231 offers a reasonable possibility of achieving a fair and impartial settlement of the dispute.

For these reasons, I strongly support H.R. 1231 and urge my colleagues to do the same.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. PACKARD], a member of the committee.

Mr. PACKARD. I thank the gentleman for yielding.

Mr. Chairman, there are two points I would like to make. If this bill passes, make no mistake about it, the Congress will be called upon and required to mandate a settlement upon the companies and unions involved.

I can think of no institution that would be less qualified to make such a determination and to develop such a settlement plan and mandate it upon the parties involved than this Congress. Surely, we are not qualified to do that.

Second point: the language of this bill calls for an emergency board that would proceed to cover the two unions that have not entered into, nor gone through, the collective bargaining process. That would set a precedent if this bill passes. It would set a precedent that would allow a company or a union in the future to come directly to the Congress before collective bargaining has been effective, come directly to the Congress and demand a settlement agreement before collective bargaining ever takes place. I do not think the unions want that. I do not think the companies want it. I do not believe this Congress wants that.

That is a significant precedent that we ought not to open up.

Mr. ANDERSON. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KOLTER].

Mr. KOLTER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today to express my strongest support, for the bill, we will be voting on today, H.R. 1231.

There is absolutely no logical reason why the President should not appoint a Presidential emergency board to mediate the strike by Eastern's brotherhood of employees. The loss of Eastern's flights is having a severe impact on our national transportation system. A double standard seems to exist in the minds of the administration, regarding Government involvement in work stoppages. As early as September of last year, Sam Skinner, then head of the Regional Transportation Authority, called on Congress, to use its, and I quote, "public responsibility, to intervene, in the strike against the Chicago and Northwestern Railroad." I am offering for the RECORD, a copy of the UPI story, reporting this action.

RTA OFFICIALS CALL ON CONGRESS TO HEAD OFF C&NW STRIKE

The head of the Regional Transportation Authority Wednesday called on federal legislators to uphold their "public responsibility" and head off the looming strike against the Chicago & North Western railroad.

RTA Chairman Sam Skinner said a strike against the railroad by members of the United Transportation Union, scheduled for 12:01 a.m. Friday, would result in a "massive disruption" of service for area commuters.

Some 41,000 C&NW commuters would be directly affected by the strike, and Skinner urged those commuters to start planning alternate routes to work.

"We see no movement right now that is going to prevent a strike on Friday," Skinner said at a news conference. "If it does, it is going to have to be a significant movement from present positions."

Officials of CNW Corp., the railroad's parent company, and the UTU met on Tuesday and exchanged counter-proposals, but a strike appears imminent.

Skinner urged federal legislators to intervene in the dispute over freight train crewsize, saying it is Congress' "public responsibility to this region" to keep commuter lines open.

He said lawmakers have three options from which to choose: impose a settlement in the dispute, which would be the recommendations announced in July by a presidential emergency board, "divorce" the commuter and freight operations in the longtime labor dispute; or as a last-ditch measure, extend the cooling off period that expires Friday.

CNW Corp. has said it will operate its most profitable freight lines in 10 Midwestern states in the event of a strike but will halt its commuter service in the Chicago area.

Metra Chairman Jeffrey Ladd, who joined Skinner at the news conference, called the near-certain strike "a mockery to the innocent bystanders . . . to be held hostage by a train dispute" when "there is nothing in this dispute that has to do with commuter transport."

Aides to Sen. Paul Simon, D-Ill., have said that Simon is prepared to introduce legislation on Friday that will quickly put an end to the strike. But if legislators fail to take such action on Friday, the strike will push into next week with Monday a legislative holiday.

Skinner and Ladd speculated there would be no settlement—congressionally imposed or not—until at least next Wednesday.

Before Congress acted last month, imposing a 36-day cooling off period, the UTU struck for two hours, but the walkout was sandwiched between rush hours and did not affect commuter service.

Skinner said Wednesday, "We're looking at a strike of much longer circumstances" this time around.

The dispute centers on the company's new work rules, which will eliminate 1,150 union brakemen's positions on its freight trains.

The presidential emergency board recommended that the railroad should have the right to eliminate at least one brakeman on each train, about 700 workers. Further reductions would be decided by arbitration.

CNW Corp. originally criticized the finding but later said it could live with the compromise. The UTU, however, has said it would not accept the recommendations.

To combat a strike, all three Metra lines into the city will honor C&NW tickets beginning Friday. Ladd also urged C&NW commuters to use alternative services provided by the Chicago Transportation Authority.

Now, as Secretary of Transportation, Sam Skinner states that the Government should not intervene in the work stoppage by Eastern workers. Just last Tuesday, at the aviation subcommittee hearing, called to investigate the present Eastern situation, Mr. Skinner says, and again I quote, "We do not take sides in this dispute, nor do we believe it appropriate * * * to empanel a Presidential Emergency Board." Talk about policy reversals! Is a railway strike all that more important than the shutdown of a major passenger carrier? I say "No it is not!"

It seems that Frank Lorenzo has resurrected the body and soul of a "robber baron." What is strange about his abuses, though, it his distinct inability to show a profit, for his history of union bashing, and hostile takeovers.

He, unlike the business tycoons of America's industrial revolution, has been able to buy and sell, slash and burn, acquire and bankrupt union and non-union companies alike. He has done his best to make sure that non-union Continental Airlines benefit, to the detriment of Eastern, through sell-offs, unpaid repairs, and future notes of payment, not worth the paper on which they're printed. And, after sucking the lifeblood from Eastern, the once bright star of the sky, his favorite son, Continental, which has the lowest labor costs of any major carrier, still, still cannot run at a profit.

My colleagues, this is not and should not be a partisan battle. This is a matter of pure common sense for the public good. Eastern Airlines is a good airline. It is a good airline with bad management. With a Presidential Emergency Board to negotiate a settlement to this impasse, Eastern Airlines, under the watchful eye of Congress and the administration, will have the

opportunity to regain its once proud status.

I urge my colleagues to give this bill the support that it well deserves.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. MOLINARI], a member of the committee.

Mr. MOLINARI. Mr. Chairman, when the administration refused to appoint an Emergency Board in the Eastern labor-management dispute, its contention was that the dispute is better left to collective bargaining and market forces to resolve. Many in this House agreed with that decision and rationale.

The President was also led to believe by Eastern Airlines and Texas Air that the pilots would cross the picket lines and continue to fly. I would say to my colleagues that the circumstances surrounding this dispute have changed dramatically since that decision. The pilots did cross the picket lines and fly.

Eastern Airlines last Thursday filed for bankruptcy protection under chapter 11. Collective bargaining therefore is no longer an option. We still, however, had the very real threat of secondary boycotts causing massive disruptions in transportation systems nationwide.

I believe the temporary injunctions now in effect against secondary boycotts will be lifted. In a unanimous decision 2 years ago the Supreme Court held in the Burlington Northern case that secondary boycotts in the railroad and airline industries are in fact legal.

Once the temporary injunctions are lifted labor clearly has the legal right to initiate secondary boycotts. We should expect them to exercise that right. This bill by its very nature prohibits secondary boycotts. That is one major step we can take now.

□ 1610

There have been charges of bad faith actions by both sides of this dispute, and there may be some validity to each side's accusations.

My fellow members of the Subcommittee on Aviation had a taste of Texas Air sincerity at our hearing last Tuesday. I asked Mr. Clark Onstad, Texas Air's senior vice president for government affairs, how, with an operating deficit of $462 million annually before the strike, he could prevent Eastern from going bankrupt. Even if he received all the wage concessions he had asked of the Machinists union, they would amount to only $125 million. Mr. Onstad replied, "That is a very good question. It is one that our employees have asked us repeatedly. As a result, we have drafted a document called 'Recovery Potential'." Then he outlined how, based on increasing Eastern's market share, the airline would operate at a profit.

We now know that at the very time Mr. Onstad was making his testimony, at the very time our subcommittee was listening to Mr. Onstad talking about how this recovery potential plan was going to unfold, his lawyers were preparing to file chapter 11, and that creates a very serious problem for me.

I believe that Mr. Onstad knew at that very time that his company was planning to file bankruptcy. We have many legal issues before us, some of them very complex. We also have some very moral issues before us, and that is a question of credibility and good faith by Mr. Lorenzo, by Mr. Onstad and others. Precedent is not on the side of those who say Congress should not be involved in labor/management disputes. Three years ago, in 1986, Congress appointed a congressional advisory board to make recommendations for congressional action to resolve the Maine Central Railroad labor/management dispute. A month later voted to mandate that both sides accept the recommendations of the Presidential emergency board appointed for this case and submit all outstanding problems to binding arbitration.

In signing the second resolution, President Reagan made it clear that the threat of secondary boycotts made the Congress and his intervention necessary. That same threat faces us today and we should act as we did in that case. If we do nothing, we can count on a demise of Eastern Airlines. We can almost surely count on nationwide secondary boycotts. This bill is a good faith effort to take advantage of one of the opportunities for positive developments that might exist, and I urge my colleagues to please me in supporting this legislation.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Chairman, I ask unanimous consent to place in the RECORD several editorials from newspapers around the country regarding the strike at Eastern Airlines.

Mr. Chairman, these editorials make the point that there is no national transportation emergency and therefore the Federal Government has no reason to intervene in the collective-bargaining process.

This was the conclusion of President Bush when he affirmatively decided that the circumstances of the labor dispute did not constitute the kind of emergency that was anticipated when the Railway Labor Act was written to give the President authority to appoint an emergency board.

Mr. Chairman, I believe this bill is a direct attack on the authority of the President. This bill says that the President has discretion only when the majority party in Congress agrees with his decisions. When they don't agree, the majority party will just ram through some legislation to compel the President.

This is a horrible way to run a government and it is a horrible way to treat a new President who has pledged to work with the Congress.

Mr. Chairman, the President made a decision. The facts and numerous editorials support that decision. It was the right decision. Congress should stay out of it.

[From the Philadelphia Inquirer, Mar. 7, 1989]

EASTERN'S CRASH: SHOULD TWO PIG-HEADED MEN REALLY BE ALLOWED TO DESTROY AN AIRLINE?

The Eastern Airlines strike amounts to a face-off between two leaders renowned for their egotism and militance: union leader Charles E. Bryan and union-buster Frank Lorenzo. With such unsympathetic figures calling the shots, it's hard to sympathize with either side.

But once commuters in the Northeast have endured a couple of mornings without rail service—a mess that labor leaders promised as soon as they could undo federal injunctions against it—sympathy for Mr. Bryan's striking Machinists, transit workers and for organized labor in general will reach a new low.

There's only one certain result from shutdowns of rail service: Congress will change a 1926 law that permits sympathy strikes in the airline and railroad industries even though the tactic is sharply restricted everywhere else. Rail commuters have every right to wonder what the heck a strike at Eastern Airlines has to do with SEPTA rail service.

Indeed, the situation is absurd on its face. These sympathy strikes are allowed against rail and air carriers—but not against bus lines. The loophole, which is two years older that Eastern itself, should have been closed long ago.

Although Mr. Bryan and leaders of the AFL-CIO know the risk, they hope that angry, stranded commuters in the Northeast would force President Bush to belatedly hand the Eastern impasse to an emergency panel with the strikers going back to work for another 60 days. That course may sound like a way in which reason might prevail. But the President's decision last week not to do that was sound.

For 17 months now Eastern and its 8,500 Machinists (who are mechanics and baggage handlers) have been at loggerheads. Another two months worth of talk and work, as the money-losing airline struggles with nearly $2.5 billion in debts, doesn't hold enough promise to make it worthwhile. Which leaves a self-righteous standoff between Mr. Lorenzo, the unyielding chairman of Texas Air Corp. (that's Eastern's parent), and Mr. Bryan, the unbending boss of the Machinists' District 100.

Mr. Bryan, who calls it a contest between "good and evil," has plenty of reason to seethe against Mr. Lorenzo. Texas Air Corp. has shifted assets from Eastern to its nonunion component, Continental Airlines, worsening Eastern's financial status. But both sides bear responsibility for the increasingly poisonous labor relations at the airline.

Again, Mr. Bryan is right in saying that his workers' wages are not out of line with those at other, more profitable airlines, and that much of Eastern's troubles can be blamed on its inept reaction to deregulation of the airline industry. But part of Eastern's plight comes from Bryan's resistance to making contract concessions such as those Eastern's pilots and flight attendants accepted.

The result may be that Mr. Bryan and Mr. Lorenzo succeed in destroying Eastern Airlines for no apparent purpose, other than their own egos. If so many other people weren't going to be hurt, one might say it's a fate they both richly deserve.

[From the New York Times, Dec. 27, 1988]

BUREAUCRATS, STRANGLING AN AIRLINE

Ready for the Trump Shuttle? A Federal judge has now dismissed union objections and cleared the way for Eastern Airlines to sell its New York-Washington-Boston commuter air service to Donald Trump, the New York real estate figure.

The glitz of the Trump name probably won't change much for long-suffering commuters. Even if Ivana Trump redecorates the cabins in lavender and gold, the harsh realities of packed airports and runway delays are beyond the Trump's control.

What's most important about the Shuttle transaction is what it reveals about Eastern Airlines and the obscure regulatory agency that drove it to sell off this incredibly valuable asset. Eastern is caught in a regulatory trap that makes settling its labor problems almost impossible.

Unless the National Mediation Board relents and allows the money-losing airline to confront its unions, all of Eastern could, perversely, be forced out of business. And that could mean higher air fares for millions.

Eastern, a victim of inept management and beligerent unions, has been in financial trouble since the early 1970's. A bad situation became worse after the carrier was purchased by Texas Air in 1986. The new owner demanded wage and productivity concessions from its well-paid mechanics and baggage handlers.

The unions, arguing that Eastern could afford generous, industry-scale wages if it were better managed, fought back. They questioned Eastern's safety practices and forced an unprecedented safety review by Washington. Allegations of serious violations were dismissed.

If airlines were governed by standard labor law, Eastern would be free, once labor contracts expired, to impose new wages and working conditions; the unions would be free to strike. One way or another, things would have been settled by now. But under 1936 amendments to the Railway Labor Act, airline strikes are barred and the provisions of expired contracts remain in force until the National Mediation Board declares a bargaining "impasse." The Board, which views itself as the guardian of uninterrupted air service, is reluctant to let the parties fight it out.

Before airlines were deregulated, they liked such delays. Wages were going up and there was no way to fly through a strike. Today, however, delay works in unions' favor, especially when they are confronting unprofitable airlines. The longer bargaining continues, the longer union members stay at their old, high wages and the less cash the airline has left to endure a work stoppage.

Eastern's managers knew all that when they insisted on wage cuts. What they didn't understand was that the National Mediation Board would still refuse to declare an impasse a full year after the contract expired. Eastern, abandoned by travel agents and hemorrhaging money, has thus had to sell its shuttle. With losses piling up, it will soon be forced to sell or liquidate everything.

That wouldn't bother the unions, who view Texas Air as the only carrier willing to take a strike to cut labor costs. And it wouldn't unduly upset other carriers, who revile Texas Air's Continental and Eastern subsidiaries as fare cutters.

But the prospect of Eastern's death bothers economists, who can see no logic whatever in applying the Railway Labor Act to a competitive industry that could handle a strike without creating major dislocation. And it ought to bother travelers, who would pay higher fares if Eastern disappeared.

The best hope is that Walter Wallace, the chairman of the National Mediation Board, will honor the spirit of the law and declare an impasse. If he does not, the proper recourse would be for President Bush to use his legal discretion to remove Mr. Wallace for "inefficiency." The Board has no business using its powers of delay to bury Eastern.

[From the New York Times, Feb. 24, 1989]

LABOR THREATENS THE PRESIDENT

Like President Reagan before him, President Bush faces an early challenge from labor in the air transport industry. Mr. Reagan stood firm against a strike by air traffic controllers that could have grounded civil aviation. The question now is whether Mr. Bush will stand up with equal courage to unions that threaten to shut down the railroads unless the White House intervenes in their dispute with beleaguered Eastern Airlines.

The cost of appeasement could be enormous. If the President sides with labor, Eastern is likely to fail, which would sharply reduce price competition in the deregulated airline industry, and other transport unions would be encouraged to settle their disputes in the political marketplace.

Eastern has been battling with its unions for years, trying (and mostly failing) to reduce labor costs. Those costs are one reason Eastern has lost $1.4 billion since 1978. But the battle only turned ugly in 1986. The carrier's new owner, Texas Air, demanded concessions from baggage handlers, whose compensation averaged $45,000 a year. Eastern's unions struck back with, among other things, a public relations campaign, frightening passengers with allegations of safety violations.

The conflict probably would have been resolved last year when the baggage handlers' contract expired, forcing both sides to stare at the real chance of a strike. But under the Railway Labor Act, airline contracts remain in force until an obscure agency, the National Mediation Board, decides that collective bargaining has failed.

The board's two members delayed, unwilling to risk the wrath of labor's friends in Congress by freeing Eastern from contract provisions highly favorable to the baggage handlers. So for 13 months, Eastern had to absorb million-dollar-a-day losses, selling assets to raise cash. Not till last month did the board finally declare an impasse, setting the stage for a strike or lockout on March 4.

Now organized labor has switched tactics. It is urging the White House to create an emergency mediation board. That would postpone a strike—and drain Eastern's cash—for 60 more days. Even if the airline weathered the delay, it might not survive subsequent pressure to settle on the panel's terms. In the past, such boards have recommended settlements at prevailing industry wages, far above the means of a deeply indebted airline operating primarily in low-fare markets.

If the President does not intervene, the A.F.L.-C.I.O. president, Lane Kirkland, threatens the public with more than the inconvenience of a work stoppage at Eastern. Labor, he warns, will disrupt vital transport links by staging sympathy strikes against railroads.

Mr. Kirkland is probably bluffing. Rail and airline unions are the only unions legally permitted to stage such secondary boycotts. But rail workers are not likely to risk losing this precious leverage in support of generously paid airline employees. Whether he is bluffing or not, capitulating to these demands could make the traveling public pay.

The failure of Eastern would knock out the carrier with the strongest incentive to build market share by lowering prices. And it would increase market concentration in an industry already dominated by a few airlines that cover high costs by charging high fares.

Beyond economic loss, any short-term political benefits the White House might gain by avoiding labor conflict would be overwhelmed by the cost of the precedent. If baggage handlers can blackmail Washington, why would any transport union hesitate to try drawing the President into its labor disputes? The best time to defend the principle of collective bargaining is before it has been violated. And that time is now.

[From the New York Times, Feb. 28, 1989]

MR. KIRKLAND'S WORDS, MR. BUSH'S TEST

Lane Kirkland, president of the A.F.L.-C.I.O., protests that an editorial on Friday wrongly characterized his position on the labor dispute at Eastern Air Lines. The editorial, drawing from published news reports, said he had warned, if there should be a strike against Eastern, of widespread disruption in the transportation industry, including moves against railroads. Mr. Kirkland says he said no such thing [see Letters], and we accept that, with apology for the error.

Others in organized labor do talk of secondary job actions. For instance, the heads of the railroad unions recently declared, ominously, that labor action against Eastern "has the potential to spread to other air carriers, as well as the rail commuter and freight industry." How the President responds to such threats will likely have a lasting effect on labor relations nationwide.

The National Mediation Board, a feeble agency charged with keeping labor peace in the rail and airline industries, has recommended that the President use his authority to prevent a strike for 60 days. Such intervention would set a dangerous precedent, effectively ending the neutrality of the Federal Government in the dispute and short-circuiting collective bargaining.

The dispute involves Eastern's baggage handlers and mechanics. Their labor contract expired 13 months ago; only last month did the Mediation Board finally get around to declaring a bargaining impasse, opening the way for a work stoppage on Saturday. Eastern has vowed to fly through a strike and labor is worried that Eastern could succeed.

That explains the threats to disrupt service at other airlines and on railroads, something that the Supreme Court seems to sanction. These threats give the President the legal rationale and the political incentive to put off a strike for 60 days while a board proposes settlement terms.

No board would be likely to find the mutually acceptable settlement that has eluded bargainers for so long. But Eastern, hobbled by work slowdowns, is losing so much money

that it would probably run out of cash before the 60 days ended. And that would probably force Eastern's management to sell the carrier in pieces—to airlines more willing to pay industry-scale wages.

Why would that be so terrible? Because Eastern's demise would eliminate the carrier with the greatest incentive to lower fares to gain market share and keep the industry competitive. More important, if Eastern were thus defeated, Washington would leave itself open to future obstructionism. Why should the transport unions bargain in good faith if the White House can be bullied into stopping strikes at the expense of any troubled carrier?

If the Federal Government does anything to intervene, it should be for the long term, in the interpretation of labor law. The Supreme Court holds that transport unions are uniquely free to entangle the Government in their labor disputes by disrupting service with secondary strikes. The permanent answer to bullying and threats is for Congress to make such boycotts illegal.

For the moment, however, Mr. Bush's wisest immediate course is clear: to stay out of the way.

[From the Wall Street Journal, Feb. 27, 1989]

1989 ISN'T 1934

Eastern Airlines, from baggage handlers to Frank Lorenzo, has circled in a holding pattern for almost a year-and-a-half thanks to the actions of a government anachronism called the National Mediation Board. This obscure federal agency has cost Eastern some $500 million at a rate of $1 million a day by preventing collective bargaining with its unions. President Bush must now free Eastern management and workers from the death grip of government intervention.

The immediate problem is that Eastern's 8,000 baggage handlers threaten to go on strike March 4. Normally, labor-management disputes like this are a private affair, with companies and unions bargaining over issues such as pay and job security. Not so with airlines. Under some 1934 amendments to the even hoarier Railway Labor Act, the National Mediation Board gets to intervene in any dispute involving trains or planes.

Despite its name and contrary to congressional intent, the "mediation" board is not neutral. The unions know that Texas Air, Eastern's parent, can't afford huge losses forever. But the union has no incentive to settle because the mediation board ruled that Eastern must keep paying wages at the existing high rate under an expired contract until mediation ends. So the very existence of the mediation board makes mediation impossible. On Friday labor leader Lane Kirkland threatened secondary strikes of airlines unless Mr. Bush calls for 60 more days of mediation.

This of course translates into $60 million more out of Eastern's shallow pockets. Mr. Bush should tell Texas Air Chairman Lorenzo and the unions to settle the corporation's problems on their own. He also should move to abolish the National Mediation Board. Federal involvement in labor disputes is the problem, not the solution.

Just as the Havillands aren't Boeings, past monopolies of the airline business bear no resemblance to today's highly competitive airline industry. Any argument for government intervention is gone. No city in the country is served only by Eastern, and airlines have many competing means of transportation. Moreover, several unions are involved in the dispute.

Indeed, Texas Air has good reason to hang tough with the baggage handlers, who earn an average of $45,000. Unlike pilots and other employees, the machinists union, which also includes baggage handlers, didn't agree to take a 20% pay cut in 1986 to keep Eastern afloat. Thus, the airline is in great danger. One result of the labor impasses, for example, has been to exacerbate delays in the planned sale of the Eastern shuttle to Donald Trump for a badly needed $365 million, about what Eastern lost last year.

What we are seeing here is nothing less than the steady bankrupting of a major airline. This raises a serious constitutional issue. Mr. Bush could remind the National Mediation Board that Texas Air may be able to sue the government under a recent executive order to prohibit unconstitutional takings of property by federal agencies. Eastern's losses from the bureaucratic "mediation" delay could very well violate the fifth amendment takings clause.

The status quo benefits no one. No jobs will remain if Eastern goes under. The supposed beneficiaries of government mediation—airline passengers—risk losing an airline. President Bush might recall how tough President Reagan was in his dispute with the air-traffic controllers early in his first term. It's also worth noting that there were fewer strikes or lost workdays last year than in any year since the keeping of records began in 1947. Mr. Bush should continue the recently established practice of keeping the government out of the business of negotiating labor disputes.

[From the Cleveland Plain Dealer, Mar. 8, 1989]

UNWARRANTED INTERVENTION

The Air Line Pilots Association is kidding nobody when it says its members should follow stricter flight procedures in the interest of public safety because of "turmoil caused by the strike at Eastern Airlines." But Eastern pretty much has been knocked out of the travel picture thanks to its own unionized pilots' support of striking mechanics and baggage handlers. For pilots at other airlines to slow down their own operations—as their union has proposed—and waste the time of innocent passengers would be nothing more than a thinly disguised effort at flexing muscle on behalf of their colleagues at Eastern.

Of course, feelings run high in the ranks of organized labor over the tactics of Eastern's management, personified by President Frank Lorenzo. There is much bitterness and disillusionment among longtime Eastern employees over Lorenzo's push to cut costs at an airline reported to be losing $1 million a day. Just the same, settlement of the strike on labor's terms, especially if mandated by Congress, could hurt the competitive nature of the deregulated airline industry.

Federal courts already have imposed temporary restraining orders against plans of the International Association of Machinists to set up pickets at train stations and spread the misery of Eastern's stoppage to previously non-involved rail commuters. Now come the pilots with a threat to adhere tightly to rules that are ordained for passenger safety but that also can safely be moderated. So far few flights have been affected, and, if respect for the traveling public prevails, that state of affairs will continue. The Eastern-Machinists dispute is unseemly and potentially ruinous for the airline and perhaps many of its employees. But President Bush, pointing out that Eastern's troubles need not impair the national air system, wisely has resisted congressional efforts to have him force a settlement, at least so far. By the same token, so should labor organizations and others not directly involved ignore calls to widen the strike's impact.

[From the Wall Street Journal, Mar. 7, 1989]

LABOR'S CRASH LANDING?

Secondary picketing of the sort that was threatened over the weekend against the nation's commuters has been illegal for 99% of workers since the Taft-Hartley Act of 1947, which Congress passed after some ugly labor disputes. Congress saw that unions have too much power to harm consumers if workers in one industry can picket to keep union members off the job in another industry. However, because they are covered by another part of the patchwork of labor laws, the Railway Labor Act of 1926, workers for trains and planes are still allowed secondary pickets. This preposterous quirk in federal law is what threatened to shut down the nation's rail-commuter traffic yesterday.

The Democratic Congress has shown that it believes it is a good thing to expose the American public to this potential chaos. President Reagan twice asked Congress to fix the anomaly in the railway law, and twice organized labor prevailed upon congressional Democrats to keep the bills from coming to a vote. Now it is President Bush's turn. Transportation Secretary Samuel Skinner says he has written similar legislation to outlaw secondary picketing in transportation that "we could transmit to the Hill within half an hour" of any secondary picketing of trains. This position is too meek. President Bush should send the bill prohibiting all secondary picketing over to Congress today, *before* any commuters are abandoned on the platforms.

Though the unions haven't announced officially that they will engage in secondary picketing, it looks as if only some fancy legal footwork by a federal judge in New York on Sunday postponed this labor tactic until a full judicial hearing tomorrow. The Supreme Court in 1987 ruled in a unanimous decision on secondary picketing by workers of one railroad against another that federal judges don't have the power to stop secondary picketing. "Congress divested federal courts of the power to enjoin secondary picketing in railway labor disputes," the Justices held. "Congress has not seen fit to restore that power."

Indeed, congressional Democrats already have signaled that they want to keep the tilt in favor of the union. Today, the Aviation Subcommittee of the House Public Works Committee will hold hearings to criticize President Bush's decision not to appoint another federal board to "mediate" the dispute for 60 days. Mr. Bush was the first President to turn down a request for a "cooling off" emergency board, arguing that more delay would only bring Eastern Airlines closer to bankruptcy. Now Democrats Glenn Anderson and James Oberstar want a bill that would force President Bush to appoint an emergency board. This is a clear challenge to the presidency; the labor laws give the President alone the power to decide whether to call for an emergency board.

Mr. Bush should accept this challenge. In sending up a bill to eliminate secondary picketing, President Bush also should make it clear that the federal government is large-

ly to blame for the current labor mess at Eastern. The mediation-board procedure is to freeze the status quo until it deems that further mediation will not help. This meant that for 17 months of "mediation" Eastern had to pay machinists the high salaries under a lapsed contract. This meant hemorrhaging losses for Eastern—$500 million at some $1 million a day. This policy of paralysis is the course congressional Democrats wish to extend.

What's at stake here obviously goes beyond the demand for $150 million in concessions by the Eastern union to match concessions by other unions to keep the airline flying. The larger truth is that unions have lost one-third of their membership since 1980, and union leaders are desperate for a big win. They recall how President Reagan prevailed against the air-traffic controllers early in his first term, and are now measuring President Bush's resolve. If Big Labor wins here, they'll move next to a higher minimum wage absent the training subminimum that the President has recommended.

With its threat of secondary strikes in the Eastern dispute, labor is playing a dangerous game. The public is probably less inclined than at any previous time to understand why it should become a pawn in private wage negotiations. Secondary pickets are a special abomination, and union leaders might think twice about risking a public backlash by sacrificing train commuters on the pyre of Eastern vs. the International Association of Machinists.

Most Americans think management and unions should settle their disputes themselves, without government interference and without harm to innocent third parties. By sending amending legislation up to Capitol Hill, President Bush would force Congress for once to stop hiding from a serious policy decision and choose between standing with an airline union that fosters secondary picketing, or with millions of train commuters.

[From the Miami Herald, Feb. 24, 1989]

END HOLDING PATTERN

Contract negotiations between Eastern Airlines and the International Association of Machinists (IAM) officially are in a "cooling off" stage in which intense negotiations are waged in search of agreement. Unofficially, both parties are in a sweat, running to court, to Congress, and "concerned citizens" in search of allies for what comes after March 4, the deadline for agreement. If only each would devote as much energy to negotiations.

The stakes are high: Losing $1 million a day. Eastern must reduce its costs and gain financial flexibility if it's to survive. Quite aside from the bitter and personal battle between IAM President Charles Bryan and Frank Lorenzo, chairman of Eastern's parent Texas Air Corp., organized labor worries that a new industry standard is emerging. Still, the self-interest of each is best served by a contract agreement. To a wary traveling public and a South Florida community held hostage to the dispute, the distinction between the IAM's strike threat and Eastern's self-fulfilling prophesies of service cuts and asset sales is irrelevant.

South Florida's business community and political establishment should continue pressuring both disputants to reach a negotiated accord. To that end, give credit to Labor Secretary Elizabeth Dole for avoiding the trap laid by the AFL-CIO's executive council and for parrying its proposals to establish an emergency Presidential fact finding board to intervene.

While negotiations proceed, there is no justification whatsoever to convene a board, which would require extending the negotiating deadline another 60 days. Even if negotiations fail, the nation's air service wouldn't likely be disrupted seriously by an IAM strike, or even Eastern's collapse. Other airlines are willing to expand. Presidential intervention simply would alleviate pressure on Eastern and the IAM to reach accord by March 4.

There has been too much delay already. Eastern's ebbing financial strength is dragging Texas Air down as well. Thousands of union jobs have been lost. Hopes for a buyout have proved unrealistic. Now is the time for a contract agreement, not for naming a Presidential board and giving the negotiators another two months to squabble.

[From the Cleveland Plain Dealer, Mar. 7, 1989]

KEEPING IT AN EASTERN MATTER

Organized labor has a big stake in the outcome of the strike by the International Association of Machinists against Eastern Airlines. Far from being merely a hard-headed clash between one company and one of its unions, the Eastern affair can reasonably be considered a test of labor's ability to recover from its loss of prestige and clout during the Reagan era.

That being the case, the machinists probably are fortunate, from a public relations standpoint, that federal courts in New York and Philadelphia forbade railroad workers to honor their picket lines, at least for now. Such a show of solidarity might have heartened the strikers but it also would have maddened commuters who are not directly involved in the 17-month contract dispute between Eastern and its mechanics.

Yet the courts' intervention notwithstanding, so-called secondary boycotts by the machinists would be perfectly legal, thanks to a quirk in the railroad laws that also govern the airlines. The Bush administration already has warned labor that if supportive stoppages occur, it will ask Congress to pass appropriate remedial legislation. Congress might be in no mood to comply, but such a move probably would have broad public support.

This does not mean that Eastern Airlines and its president, Frank Lorenzo, have the high moral ground in their feud with the machinists. The union may be unrealistic in the extent of its financial demands on a cash-strapped carrier, but Lorenzo has earned the reputation of union-buster and would win no prizes for civility and compassion in his dealings with employees. Airline deregulation, however, has created a new set of conditions and uncertainties for the industry and it remains to be seen whether the Lorenzo formula for saving and reshaping airlines guarantees long-term success.

Nonetheless, Eastern's current problems should be for the airline and its employees to resolve without outside intervention. For that reason, President Bush was wise to disregard labor's demand that he impose an additional 60-day bargaining period as the law provides. Bush let it be known that if the two sides could not resolve their problems in 17 months, extra time would not help. Now that the machinists have chosen to wield the ultimate weapon, the public interest can best be served by allowing the two sides to fight it out.

[From the Dallas Morning News, Mar. 7, 1989]

EASTERN STRIKE: WALKOUT SHOULDN'T INCLUDE SECONDARY BOYCOTTS

The current machinist union strike against Eastern Airlines promises to be one of the uglier labor disputes this nation has seen since President Ronald Reagan fired federal air controllers in 1981.

Organized labor, which hasn't won many rounds during the Reagan-Bush years sees the strike as a way of getting back in the ring and flexing some muscle. Since the strike is against an airline run by one of the most unsympathtetic figures in American business, Frank Lorenza, the union movement has a public relations advantage.

The strike has presented President Bush, currently beleaguered by a confirmation battle over John Tower, a stern test. Should he fail to meet Ronald Reagan's standard of toughness, he will quickly be tagged a "Republican Jimmy Carter."

President Bush was correct not to order a 60-day "cooling off" period in which further negotiations could have been conducted. There was no reason to believe that 60 more days would have produced a settlement that had not been achieved over the past two years of negotiations. The problem is one for Eastern's management and Eastern's unions to settle.

But organized labor may not be willing to let this remain Eastern's affair. There is talk of secondary boycotts against other forms of transportation serving primary Eastern routes, especially the shuttle route between New York and Washington, D.C.

Some union firebrands even propose a strike against the entire national transportation industry. Union pilots are talking of a "work to rule" slowdown, where each rule is followed so slowly and so exactly that the nation's airlines grind slowly to a halt.

Under no circumstances can any of these steps be tolerated. If secondary boycotts do occur, President Bush should do as he says he will, and immediately present Congress legislation outlawing such activity. The bill should carry strong penalties. The Federal Aviation Administration should be given power to fine pilots and other unions that engage in work slowdowns.

Democrats on Capitol Hill are already suggesting they will look askance at the bill. No doubt Democrats would like to score points with many union members who have drifted from the Democrats fold during the Reagan years.

Before shrugging off any Bush initiative. Democrats should ponder the political consequences of aligning themselves with unions of relatively well-paid pilots and machinists who move beyond their own dispute to inconvenience, and perhaps endanger, innocent parties. That is a public relations battle George Bush might win.

Organized labor should realize that it was exactly such overreaching and disregard for the public welfare, especially by public employee unions, that created an atmosphere that allowed President Reagan to break the air traffic controllers union, and usher in an era of generally anti-union feeling.

The battle over the future of Eastern Airlines will have many consequences for many people. But it is a battle best fought within the framework of collective bargaining by Eastern's owners and workers.

[From the Minneapolis Star & Tribune, Mar. 8, 1989]

HOW NOT TO FIX THE EASTERN AIRLINES IMPASSE

Rep. James Oberstar wants President Bush to stop the strike at Eastern Airlines. The Minnesota Democrat has urged Bush to call off the strike for 60 days while a special panel investigates the issues, or to approve legislation for that purpose. The better advice to Bush would be: Don't.

Eastern and its machinists union have been feuding for years. The strike began after a 17-month dispute that culminated last Saturday in the expiration of a cooling-off period required by federal law.

Another 60-day cooling-off sounds more like a further freezing of hardened positions than a chance to settle differences. And the notion that an investigating panel would find novel solutions seems far-fetched. So it was reassuring Tuesday to hear Bush reaffirm his decision not to intervene.

Oberstar, chairman of a House aviation subcommittee, argues that legislation his subcommittee worked on yesterday would serve the public interest. In his view, preservation of the seventh-largest U.S. airline is essential to give travelers adequate choices; a 60-day resumption of Eastern operations would encourage labor and management to reconsider their positions, and the bill could give Bush face-saving "cover" to act.

Certainly the country would be better served than it is today if Eastern were prospering and flying a full schedule. But if the airline and its unions are too embittered to keep the company operating, others will move in. For example, although Eastern is still flying its profitable Boston-New York-Washington shuttle, competitor Pan Am this week doubled its rush-hour service between those cities.

Profits, though, have not been Eastern's middle name. On the verge of bankruptcy in 1986, it was sold to Frank Lorenzo's Texas Air Corp. The new Eastern pressed hard for steep wage cuts. Wary of Lorenzo's reputation for union-busting, Eastern's unions said no. The current strike began with machinists asking $50 million in increases while the company was asking $150 million in cuts and reporting losses of $1 million a day.

Differences that large signal high stakes and misjudgments. Economic pressures on company and union are so intense that if a settlement is possible, those pressures will produce it. Eastern managers assumed incorrectly that their pilots would keep flying during a strike. Eastern unions assume that Congress will tilt toward them by mandating a 60-day resumption of Eastern's money-losing operations. Congress should prove that assumption wrong, too.

[From the Washington Post, Mar. 10, 1989]

EASTERN IN BANKRUPTCY

Bankruptcy will buy time for Eastern Airlines, according to its management, to begin rebuilding its operations. But it's another indicator of the bitter and implacable spirit that both sides of this strike bring to it. Putting the company into bankruptcy is not a decision that suggests any willingness to entertain the routine kind of down-the-middle compromise. In this head-on collision, both sides are playing for all or nothing.

While the company tries to keep a few planes in the air in the hope of slowly expanding its flights, the union is equally busy. Its goal is not a wage settlement but an Eastern Airlines no longer under the control of Frank Lorenzo, the chairman of Eastern's parent corporation. While Mr. Lorenzo and Eastern use the bankruptcy laws to hold their creditors off, the union will be using that time to try to organize a buyout putting Eastern into other hands.

Both sides see this strike not as the conventional pulling and hauling over a little more money, but as a struggle for survival. Mr. Lorenzo and management clearly believe that if they lose this strike, they will have lost their ability to run the company. The union believes that if it loses here, it will fade into impotence throughout the airline industry. After Mr. Lorenzo used the bankruptcy laws earlier in his successful strategy to shed Continental Airlines' union contracts, Congress substantially rewrote those laws. But while the changes would make it much harder for Mr. Lorenzo to repeat the Continental maneuver, it would apparently not be impossible.

Neither side is willing to return to the situation that prevailed before the strike. However it ends, there will not be the familiar ritual of pickets laying down their placards and trooping back to the same jobs for the same employer with slightly better wages and job guarantees. Eastern certainly doesn't seem to envision that. Its president, Phil Bakes, was speaking yesterday of "a smaller, but certainly revitalized and certainly viable Eastern Airlines" that its owners intend to organize now under the protection of bankruptcy. At the same time the union says that it will have its buy-out proposal ready shortly, perhaps by next week.

And who will be the winners? Possibly nobody. A great many of the strikers say that they are taking a stand against a management that, they claim, has routinely resorted to tactics of deceit and intimidation. Management argues that it is dealing with an intractably uncooperative union. Both are prepared to take high losses—and the losses for both are rising.

[From the Chicago Tribune, Mar. 8, 1989]

BUSH SHOULD DUCK THE EASTERN FIGHT

The four-day machinists' strike that has grounded Eastern Airlines and idled nearly 30,000 of its workers hasn't inconvenienced many travelers nor harmed the economy. There's no reason why it should unless organized labor decides to wield a powerful tool in its arsenal and picket other airlines and railroads.

Labor wanted the White House to prevent the strike and help end the 17-month battle between Eastern Chairman Frank Lorenzo and the unions. The unions threatened to halt commuter railroads across the land if the President didn't name an emergency board and order a 60-day cooling-off period.

But Bush correctly stood up to the unions and side-stepped this brawl. The dispute between Lorenzo and labor has gone on long enough and should be settled, if it is ever going to be, by collective bargaining, not government intervention. Furthermore, the President should act to prevent secondary boycotts over Eastern that will shut down the transportation system.

Congress long ago should have corrected a legal anomaly that allows workers in the airline and railroad industries to picket to keep union members off the job in other industries. Such secondary picketing was banned for most workers by the Taft-Hartley Act in 1947 because Congress realized what harm it could do. But lawmakers forgot to change the Railway Labor Act of 1926, which covers rail and airline workers.

President Reagan tried to fix the oversight, but congressional Democrats wouldn't let the issue come to a vote. Now Bush pledges that, if secondary boycotts develop over the Eastern strike, he'll quickly submit a bill to Congress banning all secondary picketing.

So far federal judges have kept rail workers from staging secondary boycotts in the Eastern strike. Separately, however, the 41,000 members of the Air Line Pilots' Association have been asked to follow safety rules to the letter—a step that could clog the nation's air traffic. Meantime, at the insistence of labor leaders, Congress is readying a bill requiring Bush to declare an emergency and halt the strike for two months.

Despite mounting pressure, Bush should remain out of this fray. After eight years of decline and shrinking clout under Reagan, labor may be desperate for a victory, but its leaders have picked the wrong fight. Their hatred for the union-busting Lorenzo, who took Continental Airlines into bankruptcy in 1983 and voided all union contracts, has clouded their judgment. If labor halts the commuter trains and the pilots clog the airports, the only thing it will gain is ill will.

America can remain competitive only if management and labor work together to improve productivity and quality. Lorenzo may have made that impossible at Eastern, where unless management and the unions resolve their differences, the airline faces bankruptcy or new ownership. But the process should go forward without interference from Washington.

[From the Journal of Commerce, Mar. 1, 1989]

NO EMERGENCY

The National Mediation Board has blundered once more into the airline industry's longest-running labor dispute. By requesting that President Bush appoint an emergency board to look into the dispute between Eastern Airlines and the International Association of Machinists, the Mediation Board is doing its best to keep matters from ending up where failed contract negotiations belong: on the picket line.

It's been 17 months since Eastern and the machinists began bargaining over changes in their labor agreement, with the airline demanding cuts in wages as well as major work rule changes. In most other industries, a strike deadline would have brought matters to a head. But in the airline industry, things are different. The Railway Labor Act, which governs the industry's labor relations, prohibits strikes or unilateral contract changes until 30 days after the National Mediation Board declares bargaining at an impasse.

With management barred from imposing a contract that lowers wages, the union has had little incentive to bargain seriously. Only the looming prospect of a strike will force agreement.

Last month, the Mediation Board finally declared negotiations at an impasse, clearing the way for the company to impose its latest offer on March 4 and allowing the union to strike. But bowing to labor union pressure, the board last week changed its mind, asking the president to appoint an emergency fact-finding panel. If Mr. Bush gives in, the strike deadline would be pushed back for another 60 days—leading, no doubt, to 60 more days of deadlock. With travelers already steering clear of the strike-threatened airline, prolonging negotiations could be as damaging to Eastern as a strike.

The ostensible reason for seeking presidential intervention is the threat that, because the law does not forbid secondary boycotts by rail and airline workers, the machinists could extend a walkout at Eastern to every railroad and airline in the United States. That scenario is most unlikely. The willingness of rail workers to strike in support of their airline brethren is doubtful, and the legality of spreading an airline industry strike to railroads, which interchange no traffic with the airline concerned, has never been tested in court.

A stoppage at Eastern will leave no place in the country without air service, and, under deregulation, any other carrier is free to begin operating on Eastern's routes. There will undoubtedly be some inconvenience to the public. But an inconvenience is not an emergency. There is no cause for Mr. Bush to intervene.

[From the Journal of Commerce, Mar. 8, 1989]

UNION-BASHING

The strike at Eastern Airlines, now in its fifth day, has taken on an importance out of all proportion to its immediate economic significance. For the labor movement, the Eastern strike offers the chance to reverse a shattering series of defeats stretching back to President Gerald Ford's 1976 veto of a bill to make it easier for pickets to close down construction sites.

The strike's significance has not been lost on labor's critics, either. They have used the occasion to engage in some of the most blatant union-bashing in years. Newspapers have raised their voices in nearly unanimous condemnation of the union and the National Mediation Board, the federal agency that ovesees airline and railroad labor relations. Federal judges raced to enjoin the International Association of Machinists from calling for secondary boycotts against various commuter railroads despite the lack of any legal basis for such orders. Even President Bush joined in, threatening that if the machinists exercise their right to call out workers at railroads or other airlines he will seek to prohibit secondary boycotts.

In the midst of the furor, one point seems to have been missed. Commercial aviation is no longer a public utility. It is a competitive, deregulated industry. A work stoppage is an inconvenience. It is not a matter demanding government intervention.

Perhaps the most troublesome aspect of the Eastern strike is the role of the National Mediation Board. Under the Railway Labor Act, which governs the airline industry, strikes and unilateral contract changes are not allowed until the National Mediation Board has declared bargaining at an impasse. Although the contract between Eastern and the machinists became subject to amendment at the end of 1987, the board refused to declare an impasse until last month. Given the airline's desire to reduce wages, the board's delay worked to the advantage of the union.

It would be wrong to conclude, however, that the National Mediation Board is unabashedly pro-union. While holding up a strike, the board has also avoided dealing with claims by the machinists that Eastern's owner, Texas Air Corp., is operating Eastern and Continental Airlines as a single company in order to evade Eastern's union contracts. Evidence that Texas Air has transferred operations and assets from unionized Eastern to non-union Continental is ample. The Mediation Board's refusal to face the issue has aided the company.

The role of the National Mediation Board is part of a larger issue. In a competitive world, the Railway Labor Act is an anachronism. The law governing rail and airline labor relations badly needs change—but not in the middle of a strike.

Debate about the Eastern strike has been colored by the union's refusal to make the steep wage concessions demanded by management; although Eastern's pay for most workers is not out of line with that at other airlines, the union's intransigence has hurt its public image. But the adequacy of Eastern's wage scales, we submit, is not for outsider to judge. In a competitive industry, wages are, and should be, settled through the process of collective bargaining.

Work stoppages are an essential part of that process. When Eastern's management imposed a new wage and benefit package on March 4 following the failure of negotiations, the machinists had every right to refuse to work under the terms the company offered, and other unions had the right to honor their picket lines.

The government had no cause to interfere then, and it has no cause to interfere now. Neither court orders to force pilot and flight attendants back to work nor congressional action to impose a settlement are justified.

BUSH OPPOSES INTERVENTION IN EASTERN AIRLINES STRIKE

WASHINGTON.—President Bush said on Tuesday he opposes government intervention in the Eastern Airlines strike.

He told an impromptu White House news conference: "I want to restate my belief that free collective bargaining is the best way of resolving the dispute between Eastern Airlines and its unions. I continue to feel it would be inappropriate for the government to intervene and to impose a solution."

Mr. Bush also warned striking machinists that he will seek legislation to forbid secondary boycotts if they picket other transportation systems.

A federal judge Tuesday extended until Friday a restraining order barring rail workers from staging secondary strikes in sympathy with striking Eastern Airlines workers.

The IAM, which represents about 8,000 striking mechanics and baggage handlers at Eastern, will appeal U.S. District Judge Robert P. Patterson's ruling. The union filed a motion Tuesday afternoon for a stay of the temporary restraining order.

Three federal appeals court judges will hear the case in New York this morning.

Eastern is continuing service only its most profitable routes—its East Coast shuttle and service to some South American points.

[From the Deseret News, Salt Lake City, UT]

WON'T BE ANY REAL WINNERS IN EASTERN AIRLINES STRIKE

Although it was not unexpected, the strike by the machinists' union against Eastern Airlines is a sad situation. There has been a conspicuous amount of stubbornness and lack of good will on both sides. And if the walkout proves as unyielding as 17 months of negotiations have been, the upheaval could result in the demise of the airline.

The company thought it could carry on with supervisory personnel, but since most pilots and flight attendants refused to cross picket lines set up by the striking machinists, ground crews and baggage handlers, the airline was effectively shut down.

Presumably, nobody wants to see Eastern go out of business, but the decision to strike seems to have transcended economics and degenerated into a bitter union vs. management struggle. Many strikers acknowledge that the walkout could finish the airline, but are going ahead anyway.

While it is one of the nation's biggest airlines, Eastern has been battered by labor trouble and deregulated competition and is one of the most unprofitable U.S. airlines. The company has lost more then $1 billion in the past decade and claims to be losing $1 million a day.

Owner Frank Lorenzo, whose Texas Air bought struggling Eastern in 1986, wants the union workers to take a $150 million a year pay cut. The union is demanding a $50 million raise, which can't be justified if the airline is losing what it says.

Lorenzo, who has been as stubborn as the unhappy workers, is disliked by many employees for his union-crushing campaign at Continental Airlines in 1983. They accuse him of trying to accomplish the same thing at Eastern.

This does not look like a situation that can be resolved quickly, but President Bush was right in not stepping into the fray and using his emergency powers to order a 60-day cooling off period. After 17-months of talks, another 60 days will hardly make a difference.

Bush also wisely refused to establish an emergency mediation panel as some had asked. The panel could recommend a settlement, and if Eastern and the union refused to accept it, Congress could enact it into law.

That would be a serious mistake. Other airlines have been hit hard by deregulation, and workers have taken pay cuts or lost jobs. For the president and Congress to intervene in the Eastern case would be unfair.

The real victims in all of this are travelers who are stranded all over the nation and in the Caribbean and Latin America and whose business, vacation and personal travel situations have been thrown into chaos.

Yet the union, with verbal backing of other segments of organized labor, is threatening to picket at other airlines and even ports and train stations, what the Washington Post calls the taking of "as many innocent hostages as possible."

How this could possibly help the union against Eastern is unclear since Eastern is already shut down. What it might do is turn the traveling public against the union for lashing out on all sides against people who are not involved in the dispute, including some who are not even flying.

The strike may be a long one. And no matter how it turns out, there won't be any real winners—only losers on both sides.

The union may be crushed, forced to take pay cuts. Wages lost in the walkout may never be regained. But already-struggling Eastern will be left weaker and perhaps mortally wounded. And if the airline goes under, 31,200 employees could lose their jobs.

Under the circumstances, the walk-out makes no sense. This is a strike that should never have happened.

[From the Houston Chronicle, Mar. 3, 1989]

HOSTAGE TO UNION

Allowing one union to try to hold the nation's transportation system hostage to its dispute with one airline is unconscionable.

Yet this is precisely what is being acted out in the long-running dispute between Eastern Airlines and the Machinists union. At midnight the union is free to strike and the airline is free to try to fly without the unionists. The convoluted process of federal labor law for airlines and railways has prevented the showdown until now, and may further prevent it if President Bush invokes a provision for another 60-day delay.

Delay works to the advantage of the union. To pressure the president, the union is threatening to picket and disrupt as many completely uninvolved airlines, railways and transportation companies as it can, with support of other unions in the AFL-CIO. The transportation system apparently can be held hostage in this way because the Railway Labor Act allows secondary picketing, a blackmail-type tactic long outlawed in other labor negotiations.

In short, it is a mess and the public should not have to tolerate it. Eastern and the Machinists should negotiate out their dispute, or fight it out if they wish, and the rest of us should be left alone. That the law allows everyone else to be disrupted is quite simply wrong.

Two things should happen. The president should not further interfere in a private labor dispute and all possible means should be taken to try to prevent disruption of transportation. And the law which allows secondary picketing in such transportation disputes should be changed.

The basic point is that the federal government either gets out of labor negotiations or there is no progress.

Mr. ANDERSON. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, what we are confronted with today is a failure to bargain in good faith. The system has broken down. A quick buck artist willfully dismantled the once proud airline, Eastern, saddled it with debt and sold prosperous portions, and now demands experienced, highly competent employees reduce their wages to finance his fiscal shenanigans.

The question is, Will we allow this renegade to drag the industry, the American airline industry down to his quick buck, to hell with quality and professionalism and safey standards, or will we stop him before he destroys another airline, to break another union? Intervention by the President, a 21-day cooling off and factfinding period will help move us toward preservation of Eastern and a competitive Eastern, H.R. 1231 is the best tool we have, in armamentarium, and I urge my colleagues to pass this bill with all due dispatch.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to a member of the committee, the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. Mr. Chairman, thank you for the opportunity to make a few remarks about this bill.

I am opposed to this bill because it represents everything I am against. I am opposed to meddlesome Federal Government, and I firmly believe Congress should resist involving itself in this matter. There is simply no reason for the Congress or the administration to get involved. Our No. 1 concern should be air safety. And the FAA is guaranteeing the continued safety of all scheduled Eastern flights.

By passing this legislation, we are setting a precedent that in the future, Congress will be available to play a role in mediating all disputes between employer and employee. The argument that airlines are unique and the traveling public will suffer greatly by a prolonged strike against Eastern is nonsense.

We all know that other airlines will readily fill any void left by a striking airline. Indeed, we have already seen a number of airlines add flights to service those passengers that would have flown with Eastern.

I would also like to make a few comments about last Tuesday's Aviation Subcommittee hearing on this matter. I was very moved by the testimony of the hearing's final panel. As most of you may know, that panel was comprised of Eastern employees. It is important to note that every single member of that panel asked Congress to please stay out of this matter.

I was most moved by Mr. Steve Glasgow's testimony. Steve is a pilot from Charlotte, NC, and a member of the ALPA pilot's union. Steve decided that strike or no strike he was going to report to work and fly as he does every week.

Because of this decision, Steve and his wife have been threatened and harrassed over the telephone by angry union members. When Steve reports to work his wife has been put into protective custody by Eastern airlines.

Now I know this entire matter is highly emotional—there are thousands of employees whose jobs and very livelihoods are at stake. But I cannot and will not condone threats and violence from anyone. There are laws on the books governing this process—threats and violence are outside the law and should be denounced by all.

This strike is now in its 12th day. We all know that the IAM and ALPA intend to break Eastern through this strike. That is their decision. Prolonging this unfortunate situation another 26 days will certainly not help matters. My heart goes out for those employees who care about Eastern and who tried to make it work. They are the real losers in this struggle.

Mr. ANDERSON. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I rise today in support of H.R. 1231, a bill to require the appointment of a Presidential emergency board to find a solution to the Eastern Airlines strike. Two weeks ago, I was the first Member of the House of Representatives to rise on the House floor to urge the President to postpone the strike by appointing an emergency board.

The labor problems between Eastern and the International Association of Machinists have been going on for 14 months. The National Mediation Board worked hard to find a solution to this dispute but was forced to declare an impasse in January. I along with the National Mediation Board, the IAM, the AFL-CIO and many of my colleagues, encouraged President Bush to appoint an emergency board before the strike began. The failure of the President to take this action resulted in the immediate strike at Eastern.

Eastern Airlines' decision to file for bankruptcy makes the need for an emergency board even more urgent. If this strike is not settled in the near future, it could spell the end of Eastern Airlines as we know it. Frank Lorenzo's attempt to break the union must not be ignored by those of us in Government. Eastern Airlines has been milked dry by management, and we cannot turn our heads and pretend that all is well.

I commend the Public Works and Transportation Committee for taking swift action to draft this legislation. I urge my colleagues to join me in voting for H.R. 1231, which I believe will help solve the labor problems at Eastern Airlines.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. MCEWEN].

Mr. MCEWEN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I am a former employee of Eastern Airlines. The Eastern I knew was a proud airline. But now it has been reduced to a bankrupt carrier offering only a few flights per day.

Many people seem to want to place the blame for this sad state of affairs on one man. Now I am not here to defend anyone. But placing all of Eastern's problems on the back of just one man is grossly misleading.

No doubt, under Texas Air's ownership, the situation has deteriorated. However, part of the responsibility for this must rest with the employee leadership itself. Last year, they embarked on a campaign to undermine the public's confidence in the safety of Eastern. It is alleged that this was all part of a coordinated effort to drive down the price of Eastern's stock, or even force the company into bankruptcy, so that they could purchase it cheap. If true, this just proves that some people involved in this dispute are placing their own egos ahead of the future of the company, its employees, and the traveling public.

In light of this, I think we must be very suspicious about calls for a Presi-

dential Emergency Board. I fear that this will simply be another way to drag out the process and bleed Eastern a little more.

If an Emergency Board really could save Eastern, I would want to support it. But, in the end, it will not be government boards that will save the airline, but rather the willingness of each side to give a little. Unless management and labor are willing to sit down and compromise, then the Eastern we knew will be lost forever. If that happens, we will all be losers.

As a former employee of Eastern Airlines, I urge a no vote on this bill.

□ 1620

Mr. ANDERSON. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, let me say to the members of the committee that I rise in support of this measure. I believe this comes at a very important time in our economic history.

The United States is faced with the toughest economic competition that we have ever faced. If we are to win our share of that competition, we have to have a new, improved, more stable, and more successful relationship between labor and management.

Our foreign competitors seem to know how to do this better than we know how to do it. We have to learn how to do it. We will not compete in this industry or any other if we are in constant labor-management strife. We can lead toward that solution in a small measure today by asking that the President bring these parties together for a cooling-off period, for future negotiation, so that these matters can be successfully resolved.

We can set a pattern today. We can send a message today all over this country and all over the world that the old ways are gone, the new ways are here, and we can stand up and we can lead by voting yes on this measure.

Mr. Chairman, I urge the Members to do that.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. LIGHTFOOT], a member of the committee.

Mr. LIGHTFOOT. Mr. Chairman, I rise in opposition to this legislation today, not because we do not want to see the situation with Eastern and the union settled. That, I think, is the primary objective of all of us in this room. We do not want to see an airline destroyed, and we do not want to see a lot of people put out of work.

But I think it is inappropriate that Congress be involved in this particular dispute. I think we can make an analogy that is not different from a marital dispute where a husband and a wife have a difference of opinion and then they call upon a mother-in-law to come in and settle the dispute. The question is, Whose mother-in-law do we bring into the argument?

In this case Congress is being asked to take one side over the other. So in that respect I feel we have no business being involved in this matter at this point in time.

Usually when there is a marital breakup and we have that problem and the fight goes on, the husband and the wife then go their separate ways and the ones who suffer are the children. In this case I think the "children" we are talking about are all those union members and the transport workers in ALPA who will be denied their right to collectively bargain for what they feel is fair. I think some of the "children" are those 40 percent of the nonunion employees who work for Eastern and the thousands of people who travel the Eastern routes. All of these people who in my opinion are not receiving any consideration at this point in time. As we look at our track record, I think that if Congress comes forward with some type of proposal, maybe we can fix Eastern like we fixed the telephone company or like we fixed the social security notch. And the list goes on and on.

So I feel it is totally inappropriate that we be involved in this matter at this time. The law says that the President will appoint an Emergency Board when there is a national transportation emergency. I believe that one carrier on strike out of the many we have is in no way, shape or form a national emergency.

So, Mr. Chairman, if common sense reigns, I think Congress will stay out of this argument at this point in time and move if it is appropriate later on.

Mr. ANDERSON. Mr. Chariman, I yield 1½ minutes to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, like a number of my colleagues here in the House of Representatives, I wear two hats. The other hat I wear is that of a Naval flight officer for several days of each month. For the last 20 years, 5 years on active duty and 15 years in the Naval Reserve, I have served with many men who are pilots and who fly for our Nation's airlines. A number of those pilots fly for Eastern Airlines. This is a group that I would not describe as a prolabor group. If anything, they are as strong a promanagement group as most groups one would come in contact with. Almost to a man, these promanagement types have been radicalized into strong labor supporters.

Why is that? I think the credit can be laid at the feet of Mr. Lorenzo, and it can be laid at the feet of his management team and their philosophy of management.

It is regrettable in a sense that we are here today to address this problem in this forum. I'm reminded of a line from an old Paul Newman movie, "Cool Hand Luke," where one of the characters says, "What we have here is a failure to communicate." What we really have is a failure to communciate through the collective bargaining process. There is probably blame enough to go around for all sides, but I think most of the blame in this instance belongs to the side of management. My hope is that our intervention will force both sides of this equation, both management and labor, back into the bargaining process where this kind of an issue can and should be resolved.

Mr. Chairman, I urge that this legislation be adopted to accomplish just that goal.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS. Mr. Chairman, I rise in opposition to H.R. 1231.

Labor-management disputes should be settled at the bargaining table. Congress has no business interjecting itself in the middle of the Eastern labor dispute. Appointing a Presidential Mediation Board would further "muddy the waters" in an already extremely complicated and contentious dispute.

Eastern's recent bankruptcy filing makes this legislation even more ill-advised. Not only would the establishment of a Presidential Emergency Board delay a long-term solution to the labor dispute, but the bankruptcy filing calls into question the constitutionality of the procedure, itself. H.R. 1231 would elevate the status of Eastern employees over Eastern's other creditors and could be deemed an unconstituional taking of property. Further, the courts have held, in cases such as Railway Labor Executives Ass'n versus Gibbons, that congressional action targeted at a single debtor violated the bankruptcy clause of the Constitution.

Mr. Chairman, the budget deficit, the savings and loan rescue and a multitude of other legitimate congressional issues await our attention. We should address those problems and leave contract negotiations to labor and management.

Mr. ANDERSON. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BUSTAMANTE].

Mr. BUSTAMANTE. Mr. Chairman, recently, I received, as did my colleagues, a letter from Secretary of Transportation Samuel Skinner in which he expressed the administration's objections to this bill.

Mr. Skinner cites a number of reasons justifying the administration's opposition to this bill, but essentially

the administration's position is that first, no emergency exists and second, Government should not involve itself in a dispute between management and labor.

I find it interesting, Mr. Chairman, that his letter avoids any mention of what is in the best interests of airline passenger safety, passenger convenience, and a strong, competitive domestic airline industry.

Last year, the Federal Aviation Administration found that labor relations were "so bad they could eventually cause safety problems." Well, labor relations have hit a new low. And what's the response we hear from the White House—"it's not our place to intervene."

Earlier this year, Mr. Walter Wallace, Chairman of the National Mediation Board, attempted to broker a settlement between management and labor. He failed because Eastern declined the offer of binding arbitration. Mr. Wallace then recommended that President Bush appoint an emergency fact-finding panel to mediate the dispute and impose a 60-day cooling off period. And what's the response we hear from the White House—"There's no emergency."

Nine years ago, we had 24 airline carriers. This competition afforded more passengers to travel by air at lower rates. But the number of U.S. carriers has declined. Now only eight carriers exist, and air fares have risen dramatically. If this trend is allowed to continue not enough U.S. airline carriers will be in business to satisfy the demand of air travelers. That would allow for the possibility of inviting foreign carriers to fly U.S. domestic routes. I think it would be a major mistake to have American airlines fighting to compete with foreign airlines on the Washington, DC-Dallas/Ft. Worth route. But that scenario could be a real one if we allow Eastern to go belly up or permit Frank Lorenzo to dismantle it in a way that it is beyond salvaging.

It's time to solve the dispute at Eastern Airlines, and this bill provides the solution by directing the President to appoint a Presidential Emergency Board. I regret that this body has to direct the President to take an action he already has the authority to take. But in the interest of air safety, passenger convenience, and a strong domestic air industry, it is necessary that we approve H.R. 1231.

□ 1630

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I rise in opposition to H.R. 1231, and I urge a strong vote against the legislation.

Mr. Chairman, passage of this legislation in this form at this time would hurt the employees of Eastern Airlines themselves as well as hurt the employees of other transportation industries around the country. The facts are very clear.

First; fact No. 1, there is a dispute between an exclusive bargaining agent, the machinists local and Eastern Airlines. The dispute is based in economics. It is the result of Eastern having suffered massive operating losses both currently and before they were purchased by their current owners at Texas Air. The machinists local urged at the bargaining table a substantial wage increase. Eastern's management sought substantial wage cuts. The two sides reached an impasse.

Mr. Chairman, this impasse is over economics. Perhaps the impasse is a result of larger issues being played out with the lives of those employees, perhaps not. But the fact is they reached an impasse.

The National Mediation Board then attempted for 13 months, 13 months, to try to break the impasse through forced mediation, and the sides did not come any closer together at all. As a result of that impasse the machinists union chose to strike, as they have the right to do.

The only way at this point to reach a settlement is to reach an economic settlement. To force another round of mediation would be no more successful than the first round of mediation.

Mr. Chairman, the other fact is that H.R. 1231 extends this mandatory mediation to persons who are in locals who have not even reached an impasse at all in the forum of the pilots and the airline attendants.

There is a second issue, and that is the issue of the secondary boycott, which ought to be on the floor today, but is not, and a secondary boycott amendment is not germane to this bill.

The fact is a secondary boycott is wrong. It is wrong for employees, it is wrong for the country, it is wrong for the customers. Secondary boycotts are illegal in every other area of labor law in the country today through the National Labor Relations Act. However, 2 years ago the Supreme Court ruled that since the National Railway Act had not made secondary boycotts specifically illegal, they would be legal in this case.

Mr. ANDERSON. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. LEWIS].

Mr. LEWIS of Georgia. Mr. Chairman, I rise to urge my colleagues to support H.R. 1231, legislation to require the President to avert a national disaster.

Mr. Chairman, it is imperative, it is a must, that the President appoint an emergency mediation board to fashion a settlement in the Eastern Airlines conflict.

Mr. Chairman, I would like to call on Frank Lorenzo and Phil Bakes at Eastern to restructure their debt as they have filed for chapter 11 and bargain in good faith with the union to avert a national disaster in the days to come. Eastern and its union must come together for the common good of our Nation's transportation industry.

Mr. Chairman, it is time for the President to take his head out of the sand and be a leader. We cannot just sit idly by and let Eastern burn. That is what Mr. Bush is doing by not taking action in this effort.

Mr. Chairman, again I urge my colleagues to support this legislation.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. Cox], a member of the committee.

Mr. COX. Mr. Chairman, I rise also in opposition to this bill.

Mr. Chairman, most of the Members who have today spoken in favor of this bill have alluded to the threat of secondary activity. But few have paused to note that secondary activity in every other industry; that is to say, industries covered by the NLRA, constitutes an unfair labor practice and is flat out illegal.

Mr. Chairman, the gentleman from California [Mr. ANDERSON], my colleague, has said that President Bush's decision not to appoint an Emergency Board on the recommendation of the National Mediation Board is unprecedented. That is, in fact, not the case.

In 1986, when I was serving as senior associate counsel to President Reagan, the National Mediation Board recommended to President Reagan that he create the Emergency Board and mandate a cooling-off period in the case of two small short-line railroads, the Maine Central Railroad and the Portland Terminal Co. even though this labor dispute did not, and here I quote the language of the statute, "threaten substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service." Mr. Chairman, that is the standard for creating an Emergency Board under the Railway Act.

The National Mediation Board observed that the threat of secondary activity could spread the strike to other railroads across the country and, hence, meet the statutory standard. That is what is going on in this case as well.

President Reagan did not appoint a mediation board in that case, following which more than 60 railroads, neutrals, railroads with no involvement theretofore in the conflict were drawn in, and only then did President Reagan act.

President Bush has recognized that this is a one-company dispute. Mr. Chairman, it we take the action that is proposed today, then what we are saying is that every one-company dispute can be bootstrapped into a national transportation crisis. That is simply at odds with the Railway Labor Act.

Mr. Chairman, the correct answer to today's dilemma is to conform the Railway Labor Act to the NLRA with respect to secondary activity, and that is, in fact, what the Supreme Court in its 1987 decision suggested should be done. The Court's language was virtually an invitation for Congress to remedy the discrepancy between the RLA and the NLRA. Unlike the National Labor Relations Act, the Supreme Court noted, in the Railway Labor Act Congress "had not provided the courts with the standards needed to distinguish primary from secondary picketing. As a result," the Court said, "until Congress acts, picketing in the railroad and airline industries uniquely, whether characterized as primary or secondary, must be deemed conduct uniquely protected against injunction."

Unions in the airline and railroad industries for the first time in American history now possess this uniquely unfettered power to shut down the businesses of neutral third parties and their industries.

Mr. ANDERSON. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Chairman, I want to rise in support of this bill that has been proposed to us, H.R. 1231.

Mr. Chairman, this is not a partisan issue. It is an issue based on what is right and what is wrong.

The right side is that these working people for 12 months into their union have tried to settle their differences with Eastern Airlines. They have refused, and they reached a point where the only course left for them was to go out on the street.

Mr. Chairman, this has inconvenienced many of my constituents. They have to understand it. The wrong side is for us to be here and say nothing in the way of trying to settle this dispute which is against the welfare of the people, working people. They cannot solve the problems if they have financial problems with Eastern Airlines. Lorenzo has been robbing and raping people for their money, and it is time for us to speak up and stand up for that which is right.

Mr. Chairman, I want to say that as one ex-trade unionist we have to do what is right when it comes to the welfare of working people and their families.

□ 1640

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Chairman, I, too, rise in opposition to H.R. 1231.

Mr. Chairman, today we vote on whether to force the President of the United States to intervene in a labor dispute between Eastern Airlines and thousands of its employees. It is a dispute of longstanding.

What is being recommended is that we force the President to convene an Emergency Board and force striking workers back on their jobs at their former wages for a 14-day period and hope for the best.

Given the intense animosity between Eastern and its unions, I have no reason to believe that the parties will be any closer to an agreement within that period of time; but despite my strong belief, this is a difficult decision for me and others, for there are thousands of Americans who are suffering. Across this Nation thousands of Eastern employees and some unions are innocent victims, but still we cannot micromanagement violation of the law.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield the remaining time to the vice chairman of the Aviation Subcommittee, the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. Mr. Chairman, I thank my friend, the gentleman from Arkansas, for yielding me this time.

For a half-second I thought the gentleman from Minnesota was about to give time and he had not even asked for it.

I am delighted to have a chance to be down here to talk a couple minutes about a very sad and a very difficult situation. I have a very personal interest in Eastern Airlines. Back when I was first teaching at the West Georgia College some of my closest friends, people who were involved in my earliest campaigns in the seventies, were people who worked for Eastern Airlines, their families, and we became very close.

Even in the early seventies, Eastern Airlines was a troubled airline, an airline which in the sixties had gambled on the electro-turbo prop when the other airlines went to jets. It was an airline which by the seventies was already carrying a lot of debt and in many ways was being run for the bankers, having to pay a large interest overload.

It was an airline very precariously structured when deregulation occurred which found growing competition in its markets, which found itself burdened both by difficult union management relations and burdened by an enormous debt load which its competitors did not have to pay.

So Eastern had to earn higher profits just to get the same opportunity to invest in new aircraft.

Then it began to move toward new management. A new president came in and brought with him an aggressive, dynamic former astronaut, Frank Borman. Frank Borman worked for the company and then emerged himself as president.

In the last of the seventies Eastern Airlines began to be profitable. It began to turn around. It began to buy new equipment. It began to have a sense of hope. Most of the employees of Eastern Airlines gave back money and invested in the company and did what they could.

Then in 1981 Eastern Airlines had a real problem, because one particular man, Charlie Bryan, the head of the Machinists Union, within a week of becoming in charge decided that he and Frank Borman were going to compete to see who could manage the airlines. From that day to this, Eastern Airlines has gone steadily downhill and has steadily had more and more problems.

At first it was Frank Borman's fault, and I could put dozens of quotes in the RECORD, and they are tragic and sad. Finally the airline was on its knees and had no money. It became at that point a choice between bankruptcy and selling out, and the airline was sold, sold to a man who, frankly, I have not ever defended or supported, a man who I regard frankly as one of the worst managers in the history of American aviation, Frank Lorenzo. But Lorenzo was the alternative to bankruptcy. Lorenzo tried to change the airline, and the airline unions fought back; and particularly the machinists fought back.

Then they went into 17 months of Federal mediation; 17 months of Government mediators, the unions and management.

Now, I do not come to the floor today to ask for a no vote on behalf of Frank Lorenzo. I hope, frankly, we can find a way to make sure that if the families of Eastern go bankrupt, he goes bankrupt, too.

I do not come here to find a way to defend the upstreaming of money to Texas Air. I do not think it was right and I think we should find a way to expose it and to take necessary legislative steps to stop people like Frank Lorenzo.

I do not come here today to bash Charlie Bryan and the machinists and to talk about the problems of the Machinists Union.

I came here today for only one purpose, to say that there are 31,000 families whose future depends directly on Eastern Airlines, to say that there are 7,000 families in the Atlanta area whose future depends on Eastern Airlines.

The experts I have talked to, people like Bill Brock, former Secretary of Labor, a man who talked with the

unions, a man who was acceptable to the airline pilots, a man who knows what happens, because he was on a Presidential Emergency Board, believes deeply that we have had 17 months of Federal mediation, that a Presidential Emergency Board would guarantee the collapse of Eastern, that it would shift from chapter 11, that is bankruptcy for reorganization, to chapter 7, bankruptcy for absolute dissolution of the company.

And who would lose? Tragically, in all likelihood most of the full-time union officials would not lose. They would find other union jobs. Frank Lorenzo probably will not lose. He pays enough to lawyers and accountants to hide from almost any of them. In fact, he pays far more to his lawyers and lobbyists per hour than he pays to his machinists, pilots, and flight attendants and white-collar workers. They would not lose. Most of the airline pilots would not lose. Some of the older ones would, but most of them would find jobs somewhere in the industry. Most of the machinists would eventually find work as machinists, maybe at lower pay, maybe in a different town; but thousands of white-collar workers, many of them in their forties and fifties, would find it very, very hard to find new work.

I would like to vote for a Presidential Emergency Board, and if I thought it would save Eastern Airlines, I would vote for it, but I think it would kill Eastern Airlines.

I cannot imagine any single act more likely to guarantee the collapse of Eastern, it would never reopen its doors, than to vote yes; so I urge my colleagues to vote no.

Mr. ANDERSON. Mr. Chairman, I yield such time as he may consume to the gentleman from the Virgin Islands [Mr. DE LUGO].

Mr. DE LUGO. Mr. Chairman, I rise today in support of H.R. 1231, a bill directing the President to appoint an emergency board to investigate and make recommendations on the Eastern Airlines labor/management dispute.

I support H.R. 1231 and hope that my colleagues will support this bill today. I hope this bill will move expeditiously through the Senate and be sent quickly to the President for his signature.

I regret that the administration has not intervened in this matter sooner, because I believe that this strike by the International Association of Machinists [IAM] and bankruptcy filing by Eastern Airlines could have been averted. Specifically, I think the President should have taken the necessary action that would have delayed the strike. This would have allowed both sides some time to cool off and hopefully resolve this problem in a satisfactory way, to both sides. This also would have prevented the undue hardship that has occurred to the traveling public.

Mr. Chairman, on March 7, the Aviation Subcommittee of the Public Works and Transportation Committee held a hearing on H.R. 1231. The subcommittee hearing, chaired by Mr. OBERSTAR, was a very informative hearing. The witnesses on both sides of this issue presented moving testimony. However, the witnesses that represented the striking workers stated very clear that they want to see Eastern survive as a viable airline.

I am convinced that these hard working men and women believe very strongly and passionately that the action that they have taken is the right action. Mr. Chairman, I agree with the striking workers in this matter and regret that the administration did not intervene.

At the March 7 hearing, it was stated that Eastern was losing $1 million a day before the strike. As a result of the strike, Eastern is losing a lot more.

Eastern Airlines is one of the three major airlines that services the U.S. Virgin Islands. In fact, Eastern carries more passengers to and from the U.S. Virgin Islands than any other airline. Most are tourists who are coming to see our beautiful islands. Before the strike, Eastern had five flights daily to the islands carrying more than 600 passengers each day. Those are 600 very important seats because tourism is the life-blood of the U.S. Virgin Islands and February and March are the peak months of the season.

Although this strike is only 1 week old, it is hitting us in prime time and has already begun to have a damaging effect, especially on our hotel industry, and retail stores. Tourism statistics show that air travelers pump far more money into the economy than cruise-ship visitors.

Because of or dependence on tourism, we feel the effects of air strikes immediately. The longer this strike continues, the harder and broader the impact on our economy.

Recently, an official with the Virgin Islands Economic Development and Agriculture Department stated that the territory will lose approximately $4.9 million a week if the Eastern flights to the islands remain grounded. The Eastern strike has resulted in a 36-percent drop in the number of flights from the United States. Additionally, the second largest travel-package wholesaler in the Virgin Islands filed for chapter 11 bankruptcy protection this week, less than 1 week after Eastern's filing. This company depended heavily on Eastern to deliver over 250,000 of its customers to the Caribbean annually. I am sure that other Members can also cite examples of how this strike is affecting the economy in their districts.

Mr. Chairman, I congratulate the chairman of the full committee Mr. ANDERSON, and the chairman of the subcommittee, Mr. OBERSTAR, for moving so quickly on this very important bill.

The President could have intervened earlier and allowed both sides to cool off. But, he did not and now, we have a major airline in bankruptcy, with the possibility of thousands of hardworking men and women being without a job. We must do our best to resolve this problem, quickly, and prevent this from continuing.

I would hope that my colleagues will support H.R. 1231 and that the Senate will follow our lead and pass this bill to prevent any further hardship to the public.

Mr. ANDERSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR], the chairman of the Aviation Subcommittee.

Mr. OBERSTAR. Mr. Chairman, I thank the distinguished gentleman for yielding this time to me.

If nothing else, we are agreed on one matter here this afternoon, one factor of consensus, and that is that Frank Lorenzo is no one's hero; but at stake today, my colleagues, is a principle that surpasses jobs, though jobs are crucial, and I care, too, about those 31,000 families and the loss of income and the opportunity that they might have for going back to work if we can find a way to put Eastern back into operation.

It is greater than economic impact, though growth is vital for communities and for the Nation served by Eastern.

The principle at risk today is the labor-management dispute and the bankruptcy at Eastern.

At risk is the traveling public, the risk of loss of continued competition in the airline industry.

In the landmark Airline Deregulation Act of 1978, the Committee on Public Works and Transportation and the Congress removed some long entrenched obstacles to competition in the airline industry, and the benefits were quick in coming; lower fares, better service, more air service, more communities served than prior to deregulation for the first few years.

Then came the mergers and acquisitions and fewer airlines, less competition, and gradually rising air fares.

There once were 22 new entrants into the airline business in those early years of deregulation, but then came 10 mergers and acquisitions and only 5 airlines remain of those original 22 new entrants, and now we have less rather than more competition in the industry.

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It is in that context that we must place the Eastern Airlines dispute, this proud 62-plus-year-old carrier, the Nation's sixth largest, a major factor in the east coast market, the biggest population center of the United States, a $3.5 billion enterprise, which carried 35 million passengers last year, had a $1 billion payroll. If Eastern goes under, it will mean the loss of a significant airline competitor. It will mean the loss of a major factor in keeping service adequate and fares competitive.

If Members believe in deregulation, if they believe in open competition, if they believe in the competitive environment of deregulation in air travel, then they ought to vote for this legislation, because it keeps competition alive and keeps opportunity alive for all those people who are dependent upon airline travel. It will mean the continuation of jobs for flight attend-

ants, for baggage handlers, for machinists, for pilots. It will mean the continued benefits of economic impact from air travel in those communities served by Eastern and in other communities.

Mr. Chairman, most importantly, a vote for this legislation is a vote for the continued survival of competition in the airline industry, and that is the best reason to vote for this legislation for the Presidential Emergency Board to save competition in the airline industry.

Mr. SMITH of Florida. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I am happy to yield to the gentleman from Florida.

Mr. SMITH of Florida. Mr. Chairman, I commend the gentleman for his statement.

Would it not be fair to characterize this bill as not prolabor and not promanagement but proconsumer, because in the end this is what is going to help save the airline industry and Eastern Airlines and jobs?

Mr. OBERSTAR. The gentleman has stated it well.

In the long run, consumers lose if Eastern loses.

Mr. WEISS. Mr. Chairman, I rise in strong support of H.R. 1231. We've all been following the developments in the Eastern labor-management dispute for the past few weeks. It has become increasingly clear that the management of Eastern is not interested in resolving its differences with their employees. Instead, Frank Lorenzo is embarking on a campaign to deunionize Eastern and remake it in his own image.

The primary issue surrounding the controversy at Eastern, and indeed for labor relations in general, is the need for all parties in a labor-management dispute bargain in good faith. On this point, the record is crystal clear. A brief chronology of events illustrates how Eastern's management has refused to cooperate in any meaningful way during these negotiations.

After Eastern's management and the Machinists Union failed to reach an agreement supervised by the National Mediation Board, the Board proposed submitting the dispute to binding arbitration. The Machinists accepted this recommendation; Eastern's management rejected it.

After further consideration, the National Mediation Board recommended that the President appoint a Presidential Emergency Board. Again, the Machinists accepted this proposal and management rejected it.

It is obvious that Frank Lorenzo's strategy throughout the entire process of negotiation has revolved around trying to break the union at Eastern. Shortly after Eastern workers were forced to go on strike due to the intransigent and irresponsible bargaining position of Eastern's management, Eastern management filed for bankruptcy. This tactic of Mr. Lorenzo's is eerily reminiscent of his actions at Continential Airlines. As everyone knows, he succeeded in breaking the union at Continental by filing for bankruptcy. He must not succeed at Eastern.

H.R. 1231 would give workers at Eastern one last chance to have an impartial mediator propose a resolution to the present conflict. It is unfortunate that Congress must intervene in a dispute of this sort. However, Congress is compelled to do so because the management of Eastern has refused to cooperate in any way in the negotiations. Successful labor relation in this country require good faith participation of both labor and management. Mr. Lorenzo has obstructed progress at every stage of the negotiations thus far. We are left with this legislation as the only possible hope for the thousands of employees whose livelihood depends on a fair outcome to this labor dispute. To disrupt this balance in such an abrupt and uneven way would serve neither the interests of good labor relations nor good public policy.

Some, including the administration, have suggested that railway and airlines employees ought to be denied their right to secondary picketing which is granted to them under the Railway Labor Act. This approach would be extremely unfair. Employees at Eastern have already complied with the restrictions on striking that are imposed by the same Railway Labor Act. To take away the right to secondary picketing after the employees have dutifully abided by their own restrictions under the RLA would not only diminish the union's leverage as a bargaining unit in this strike, but would make one-sided changes in the Railway Labor Act. The RLA was drafted in a way to carefully balance the unique characteristics of the railway and airlines industries.

Finally, Mr. Chairman, all American workers have an interest in preventing the tactics of corporate executives like Frank Lorenzo from succeeding. Eastern's employees have consistently demonstrated their willingness to bargain in good faith. However, they cannot reach a settlement alone. A Presidential Emergency Board would take a fresh look at the issues involved at Eastern and make recommendations to bring about a resolution. This seems like the least Congress can do to help maintain fairness in this country's system of labor relations. I urge my colleagues to support passage of H.R. 1231.

Mr. MICHEL. Mr. Chairman, there is a scene in "Alice in Wonderland" that is relevant to our debate today.

Alice questions Humpty Dumpty about his definition of a word.

Humpty Dumpty replies:

"When I use a word it means just what I choose it to mean—neither more nor less."

The majority has shown that it shares the philosophy of Humpty Dumpty when it comes to the word "emergency".

This bill would have the President empower an Emergency Board.

But by no definition either of the dictionary or of common usage is the Eastern Airlines strike an emergency. It meets none of the requirements of an emergency. It has none of the characteristics of an emergency.

But with the Orwellian abuse of language that is the mark of those with too much power, the majority has decided, unilaterally, that this strike is an emergency.

The reasoning goes something like this: We want an Emergency Board. But there is no real emergency. All we have to do is say there is an emergency, no matter what the facts are.

No, indeed there is no emergency. But if we place the Government between two angry belligerent contentious parties in this labor dispute at this time we'll soon have a real emergency.

It will be an emergency of horrendous proportions because there is no way the Government, at this time can do anything other than turn disorder into chaos in the Eastern dispute.

The machinists are on strike without a contract. But the Airline Pilots Association and the Transport Workers Union of America who are still under contract, would be all covered by the same bill. Under such circumstances, a mandated settlement would trample all over the process of collective bargaining.

Eastern is in bankruptcy court. The presiding judge has difficult and complex decisions to make. This display of the raw power of big brother government is therefore wholly inappropriate and intrusive especially under these circumstances.

There are serious questions about the very constitutionality of the bill, dealing with article I, section 8, clause 4, of the Constitution, requiring that the Congress establish "uniform laws on the subjects of bankruptcies throughout the United States." This bill would clearly apply to Eastern alone. A constitutional challenge by Eastern and its key creditors would be very likely.

To some people, the principle of collective bargaining is like the principle of free enterprise—they are for it until it interferes in their interests. Then, suddenly, there are calls for Government interference, because of some alleged emergency. Well, it won't work.

Manipulation of language is no substitute for adherence to the truth—and the undeniable truth in this case is that there is no emergency for which an emergency board must be formed.

Legislation like this does no good for labor or management, the public or this institution.

The call to have the Government get into this dispute is untimely, unreasonable, and uncalled for.

Let's not have the House playing the role of Humpty Dumpty today.

Mr. GREEN. Mr. Chairman, I rise today to explain my opposition to H.R. 1231.

As a basic proposition, I believe in collective bargaining. Effective collective bargaining requires that the parties work out their own destiny. Plainly, collective bargaining cannot work if one side or the other can run to Government to resolve issues when collective bargaining fails. Hence, Government should intervene only when emergency conditions create a national interest that overrides the national interest in supporting collective bargaining.

H.R. 1231 would establish a Presidential Emergency Board to investigate and make recommendations on ways to resolve the Eastern dispute. However, the current situation is plainly not an emergency. In the absence of an emergency, it would be unsound for the Federal Government to step in through an emergency board.

For 17 months, Eastern Airlines management and the International Association of Ma-

chinists have been in disagreement over proposed wage cuts. On March 4, the IAM went on strike. Five days later, Eastern Airlines filed for protection from creditors under chapter 11 of the Federal bankruptcy law. In addition to protecting Eastern Airlines from creditors, chapter 11 allows Eastern 120 days to draft a plan showing how Eastern intends to reorganize and settle its accounts. Thereafter, other parties may offer their own plans.

In 1978, the Bankruptcy Act underwent a complete revision. That revision provided for a more flexible and workable chapter 11 bankruptcy proceeding, emphasizing preservation of the business and the jobs it provided. The bankruptcy code was further improved in 1984 when Congress passed an amendment stating that the management of a company in chapter 11 cannot unilaterally terminate its union contracts. Intervention of an emergency review board in this situation would only hamper the operations of the Bankruptcy Court by dissipating cash that may be needed to contribute to a successful reorganization of Eastern. Under the bankruptcy law, the presiding judge is the arbiter for the reorganizing company. That negates the need for an emergency board.

Mr. Chairman, it is for those reasons that I oppose the passage of H.R. 1231.

Mr. ECKART. Mr. Chairman, I fully support H.R. 1231, a bill that requires the President to appoint a special Presidential Emergency Board to investigate and make recommendations on the dispute between Eastern Airlines management and the Machinists union. I believe that this emergency board would offer an impartial and fair forum to resolve the dispute and force the two parties to the negotiation table.

I urge my colleagues to support this bill, and I urge President Bush to sign the measure as soon as possible to put an end to this disruptive strike.

Mr. VENTO. Mr. Chairman, I rise in strong support of H.R. 1231, legislation which would require the President to appoint an emergency board to investigate and make recommendations in the current Eastern Airlines labor dispute. I also want to commend Chairman ANDERSON of the Public Works and Transportation Committee, as well as my good friend and colleague from Minnesota, JIM OBERSTAR, the chairman of the Aviation Subcommittee, for their prompt and effective work in brining this legislation forward to the House floor for consideration.

Ideally, this legislation should not have been necessary. President Bush should have followed the well-established historical precedents in this matter. Over the past 50 years, the National Mediation Board has recommended the appointment of emergency boards on 34 occasions. During that time, no President, Democrat or Republican, has ever refused to follow the National Mediation Board's advice in convening an emergency board to work toward the settlement of a major labor dispute. It is worth noting that on many occasions in the past, emergency boards have been convened in labor disputes affecting far fewer people than the current Eastern dispute.

The President's Secretary of Transportation, Samuel Skinner, has said that he and the President do not favor the appointment of an emergency board because they do not believe that it is appropriate for the Federal Government to interject itself into this labor dispute or impose a settlement. Let us be clear, however, about exactly what this legislation does. It simply expedites the time period for an emergency board to make a settlement recommendation from 30 days to 14 days and reduces the time for the parties to consider such a recommendation from 30 days to 7 days. H.R. 1231 does not impose a settlement upon either the company or the machinists union. Convening an emergency board simply gives the parties to this dispute one more chance to save the jobs of more than 30,000 Eastern workers and to keep one of the Nation's oldest airlines flying.

Recently, in the case of the Chicago and Northwestern Railway labor dispute, when Chicago-area commuters were facing the suspension of commuter rail service, Mr. Skinner strongly supported the convening of an emergency board. While the potential disruption in Chicago was certainly no small matter, it is worth noting here that the Eastern Airlines strike affects over 30,000 workers in well over 100 communities in the United States, as well as cities in the Caribbean and Latin America which Eastern serves. Eastern's outstanding liability to ticketholders is estimated to be in the range of $280 million. Its obligations to various financial institutions, suppliers, and other businesses also involve millions of dollars. The Eastern Airlines strike has had significant impact far beyond just Eastern Airlines.

The Eastern Airlines strike occurs against the backdrop of a deregulated airline industry. The promise of the proponents of deregulation 10 years ago was that there would be a proliferation of new airlines fiercely competing against each other and offering the traveling public a wide range of choices in routes, services, and air fares. During the first few years after the passage of deregulation, there was somewhat more competition as new airlines emerged. However, during the past several years, there has been a massive wave of mergers and acquisitions within the airline industry which inevitably have led to fewer choices for consumers, poorer service, and higher fares.

If Eastern is ultimately dismantled, we will be left with severn major airlines carrying over 80 percent of all commercial air traffic in the U.S. Fortress "hubs" in which one airline controls 70 percent or more of the market have become common in many major U.S. cities, including Minneapolis-St. Paul, Pittsburgh, Detroit, Houston, Memphis, and St. Louis. The promise deregulation was competition; not concentration. The demise of Eastern as a viable competitor would be a crippling blow for Eastern's workers, but also for consumers.

It is not surprising that Eastern and its workers have come to this impasse. Frank Lorenzo has stripped Eastern of some of its most valuable assets since assuming control of the company in 1986, including its System One computer reservation system, various routes and aircraft, and most recently, its profitable air shuttle service. There can be no doubt that Lorenzo has sought to dismantle Eastern as a means of gaining a bargaining advantage over the airline's workers.

Lorenzo insists that the machinists make wage concessions of at least $120 million, in addition to earlier concessions by all of Eastern's workers totaling nearly half a billion dollars. Even after giving up millions of dollars in wages to help the airline return to profitability, Eastern has still endured massive losses under Lorenzo's management. Clearly, wages alone are not the answer to Eastern's financial difficulties. Four other major airlines, including Delta, USAir, Northwest, and United have higher average annual labor costs than Eastern and are all reporting profits. Finally, it should be noted that the workers were willing and ready to submit this dispute to binding arbitration with a Federal mediator, but Eastern's management refused.

Mr. Chairman, the demise of Eastern Airlines would be a personal tragedy for the more than 30,000 loyal Eastern workers who have spent their lives building up this airline. It would be a serious setback for consumers who deserve more, not less choice, in airline service. The appointment of an emergency board to take one more chance to save Eastern Airlines is not too much to ask. If the President chooses to ignore this simple fact, the Congress should not.

Mr. FRENZEL. Mr. Chairman, today, this House has a splendid opportunity to make a serious mistake. We can pass the Oberstar bill to provide a 60-day cooling-off period. That action will do nothing positive.

The bill is designed to show Congress' pro-union tilt. Actually, it will help neither the machinists nor any of the other parties, including all Eastern employees and their families, the flying public, the management, the owners, or the creditors.

One of the main troubles with the bill is that the parties are so far apart that even if they were bosom buddies, Eastern and the machinists' union probably could not get together. Worse, there is no inclination whatsoever to get together. The union says Mr. Lorenzo wants to bust the union. It also says it wants to bust Mr. Lorenzo.

The union asked for $50 million a year in wage increases from an airline which was losing a million dollars a day. Mr. Lorenzo asked the union to take a $150-million cut in pay. Sixty more days would merely harden those positions and those attitudes.

The flying public is adapting to the strike. Other airlines are beginning to pick up the traffic. Service is still a problem, but there is surely no crisis in air transport.

The President can empose the 60-day waiting period if he believes it is useful. Obviously, he and his administration do not believe it is useful at this time. Should we pass this bill, it is, of course, possible that the President would veto it.

Eastern is in bankruptcy now. The parties have shown no interest in further negotiations. The 60-day cooling-off period would serve no discernable interest.

Strikes are, by their nature, disruptive. When they occur, government should only interfere in labor-management relations when there is an emergency or crisis which can be resolved by government action. Here there seems to be no real opportunity for resolution.

Therefore, I don't intend to make the splendid mistake. I shall vote against the bill.

Mr. SHUMWAY. Mr. Chairman, I rise today in opposition to H.R. 1231, which directs the President to establish an emergency board to investigate the Eastern Airlines strike. Congress has no appropriate role to play in this matter. There is no serious threat to our transportation system, the bargaining process would not be allowed to take its course, and we would be intervening in a bankruptcy case.

Convening an emergency board is not justified under the Railroad Labor Act. The Eastern strike alone does not threaten to interrupt interstate commerce to such a degree as to deprive any section of the country of essential transportation services. Air carriers and other transportation modes are readily available to provide service. More than 1.2 million passengers fly daily aboard 3,300 aircraft making 16,000 flights. Eastern flies only 100,000 passengers on 1,040 scheduled flights aboard 250 aircraft.

If secondary strikes are the problem, then Congress should proceed by banning secondary strikes. Airline and railroad industries are the only industries in which secondary picketing is allowed.

We need to adhere to free market principles. It is important to allow the collective bargaining process to take its course. The Presidential Emergency Board would not solve the problem. New, non-binding recommendations by outsiders would not help.

The National Mediation Board failed to bring the parties together during 17 months of hard negotiation. The Railway Labor Act preserves the rights of the parties to exercise self help if bargaining and the mediation efforts of the Board are unsuccessful. Eastern and the machinists union have reached this point, it would be unwise to have the Federal Government impose a legislative remedy.

Lastly, now that Eastern has filed for bankruptcy, a solution imposed by the executive or legislative branch would be wholly inappropriate. Under bankruptcy law, the presiding judge is now the focal point and arbiter of creditor, employee, and stockholder rights, without special "add on" direction from bills such as H.R. 1231. Return of the parties to pre-strike conditions under the text of the bill could require expenditures of millions of dollars to prepare for traffic that may not materialize. This financial drain would occur at the expense of ticket-holders, vendors and the Federal Government.

I urge my colleagues to allow Eastern and the machinist union to adhere to the collective bargaining process and come up with a viable long-term solution to this problem.

Ms. SNOWE. Mr. Chairman, I rise in reluctant opposition to H.R. 1231, legislation requiring the President to appoint a special 3-member Emergency Board to investigate the ongoing Eastern Airlines labor-management dispute, and issue recommendations for its settlement.

The primary reasons for my opposition to this measure is that the current situation involving Eastern Airlines is not a regional or national emergency, and as such, does not require the intervention from the Federal government that H.R. 1231 prescribes.

Current Federal labor law provides that Emergency Boards may be appointed only under specifically limited circumstances. First, the labor-management dispute must remain unsettled after the private collective bargaining process has fully run its course. Second, and more importantly, the dispute must "threaten substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service".

Although Eastern Airlines has basically shut down its nationwide operations, there has been no national or regional disruption of interstate commerce.

In fact, Mr. Chairman, other transportation carriers have taken action to fill the void caused by Eastern's difficulties. For example, Amtrak has increased the number of trains it is operating in the Northeast Corridor, and other airlines have quickly moved to provide air service to the markets that Eastern previously served. These carriers have not reached their capacity yet. While this situation is clearly a problem, I am not convinced that the nation's economy has been sufficiently threatened to justify this intervention from the Federal government.

Having said all of that, let me state that we have seen some labor-management disputes in recent years where there was sufficient grounds for the Federal Government to intervene. In May of 1986, Maine rail labor unions went out on strike against Guilford Transportation Industries over a contract renewal dispute. Shortly thereafter, labor unions on rail carriers in Cleveland, Los Angeles, as well as the Conrail system, went out on strike to support the Maine rail labor unions.

Clearly, interstate commerce was being threatened by these actions, and it was at this point that former President Reagan created Emergency Board #209 to investigate the Guilford dispute and make recommendations for a possible settlement. In my mind, this was a legitimate invocation of the Railway Labor Act's provisions, due to the regional nature of Guilford's rail carrier dispute and how it posed a serious threat to New England's economy.

However, that is not the kind of situation that we are faced with today concerning Eastern. This has remained a dispute involving one airline carrier and its unions. I fear that, through indiscriminate use of the Railway Labor Act, we will undercut its effectiveness in appropriate circumstances.

In conclusion, although I cannot support H.R. 1231 today, this will not preclude me from supporting legislation of this nature in the future if the Eastern dispute becomes a national emergency. I would urge the House Public Works and Transportation Committee to continue monitoring the Eastern dispute on an ongoing basis. Should it deteriorate and become a national problem sufficiently affecting interstate commerce, I would welcome legislation designed to resolve such a situation.

Ms. PELOSI. Mr. Chairman, I rise today in strong support of H.R. 1231, a bill to direct the President to appoint a Presidential Emergency Board to investigate and report regarding the dispute between Eastern Airlines and its collective bargaining units.

The National Mediation Board has recommended that the President appoint an emergency board to avoid further damage to our Nation's transportation industry. The Mediation Board has advised our Chief Executive to appoint an emergency panel 34 times in this century; this is the first time the President has refused to comply with the Board's request.

There are many unanswered questions regarding the management of Eastern Airlines, and the underlying reasons for the financial crisis that the airline now faces. Texas Air, Eastern's parent company, has a history of troubled labor relations. Following the acquisition of Continental Airlines, the company filed for bankruptcy and unilaterally terminated all union contracts. In the interest of fairness, this issue deserves a nonpartisan assessment by a Presidential Emergency Board.

I urge my colleagues to join me in working for an equitable solution to the Eastern strike by supporting H.R. 1231.

Mr. MANTON. Mr. Chairman, I rise in strong support of H.R. 1231, legislation to require the President to appoint a Presidential Emergency Board to investigate and make recommendations on the dispute between Eastern and its labor unions. I want to commend the chairman of the Public Works Committee, Mr. ANDERSON, and the chairman of the Aviation Subcommittee, Mr. OBERSTAR, for bringing this legislation to the floor.

Mr. Chairman, on March 3, 1989, members of the International Association of Machinists went on strike at Eastern Airlines. The pilots and flight attendants at Eastern honored the Machinists' picket lines and refused to report for work. The machinists at Eastern did not want to go on strike. But Eastern's management has left them with no other choice.

Mr. Chairman, Frank Lorenzo, chairman of Texas Air Corp., purchased Eastern Airlines in 1986. At that time, Eastern was facing financial difficulties. However, those difficulties pale in comparison to the financial crisis Eastern now faces after little more than two years of management under Frank Lorenzo. After buying Eastern, Lorenzo moved quickly to transfer Eastern's assets and the most profitable parts of the airline to other subsidiaries of Texas Air Corp.

Furthermore, Lorenzo wasted no time in launching an attack on Eastern's labor unions. Just a few months after he took over as chairman at Eastern, Lorenzo asked for almost $500 million in employee wage and benefit cuts. This despite the fact Eastern's unions agreed to major wage and work rule concessions in 1983 as part of a successful effort to save the airline from financial ruin.

However, Frank Lorenzo's move against the unions at Eastern was no real surprise. When he took over Continental Airlines, he filed for bankruptcy and unilaterally terminated the collective bargaining agreements at Continental. This egregious action forced Congress to pass legislation to require a bankruptcy court to approve any change in collective bargaining agreements when a company files for protection under chapter 11.

Mr. Chairman, the financial problems at Eastern have not been caused by labor. Eastern does not have unusually high labor costs. In fact, Eastern's labor costs are roughly average of the airline industry. Frank Lorenzo's charge that the unions are to blame for East-

ern's troubles is simply an attempt to cover up his apparent intentional mismanagement of Eastern. I can reach no other conclusion than Frank Lorenzo bought Eastern Airlines with two goals in mind: to dismantle Eastern in an effort to bolster his other subsidiary airlines, and to bust the unions at Eastern. He appears to have won half of the battle. Eastern is on the brink of financial ruin. But the union is strong. The machinists, the pilots, the flight attendants and all of organized labor have joined together to thwart Lorenzo's union busting efforts.

Mr. Chairman, after months of negotiation and mediation failed, the machinists agreed to binding arbitration. However, Eastern refused. The appointment of a Presidential Emergency Board will put the Eastern employees back to work and provide one more opportunity to resolve this dispute in a fair and equitable manner. The machinists, the pilots and the flight attendants are ready to make Eastern work. Let's give them that chance.

Mr. Chairman, I urge my colleagues to join me in voting for H.R. 1231.

Mr. SCHAEFER. Mr. Chairman, I rise today in opposition to H.R. 1231. On March 2, in a statement before the House, I asked the Bush administration to take a close look at whether it would make sense to establish a Presidential Emergency Board. After all, Congress gave this authority to the President when it passed the Railway Labor Act. Hearing many such requests, the President did take a close look and he decided it didn't make sense to establish the board. That was before Eastern Airlines declared bankruptcy.

Today, we're being asked to consider a bill to force the President to establish the board in spite of the fact he exercised the very discretion Congress gave him. And we're doing this after Eastern declared bankruptcy.

Mr. Speaker, what we're being asked to do today doesn't make sense. First, why is Congress trying to force its will on the President when it has already told the President he has the freedom to make this decision on his own? Second, why is Congress so intent on precipitating a separation of powers crisis by taking this action when the whole matter is in bankruptcy court?

As my colleagues know, under the Railway Labor Act, the President has the power to convene an emergency board if a labor dispute threatens substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service. President Bush concluded that no transportation emergency exists.

The matter became far more complicated when Eastern filed for bankruptcy on March 9. At that moment, the bankruptcy estate was frozen to protect all creditors. Now with this legislation, Congress wants to create new claims on the estate. Clearly, this is unconstitutional and the Supreme Court has already told Congress this kind of legislation is unconstitutional when it struck down similar congressional action in the Rock Island Railroad case a few years ago.

In plain language, with this bill Congress isn't allowing either the President or the bankruptcy judge to do the very jobs Congress asked them to do.

It is unfair to characterize a Member's vote on the bill we are considering today as pro-union or anti-union. The bill itself won't bring management and labor any closer. Eastern is in bankruptcy and returning to the conditions before the strike will not change that reality. No congressional enactment is going to guarantee jobs at Eastern.

Rather, this bill represents congressional meddling at its worst and is clearly an egregious abuse of congressional power. In sum, the bill serves no one except certain Members of Congress who are more concerned about scoring political points with labor than making sensible transportation policy that will benefit both labor and management in the long run.

DIRECTING THE PRESIDENT TO ESTABLISH AN EMERGENCY BOARD TO INVESTIGATE AND REPORT ON THE EASTERN AIRLINES DISPUTE

Mr. PAYNE of New Jersey. Mr. Chairman, as a member of the Committee on Education and Labor's Subcommittee on Labor Standards, I would like to express my pleasure over the passage of H.R. 1231, which calls for President Bush to appoint an emergency board to help resolve the Eastern Airlines crisis which we now face.

The creation of an emergency board is necessary to insure that this matter is resolved with a fair and evenhand. Since the acquisition of Eastern Airlines by Texas Air and Frank Lorenzo in 1986, relations between Mr. Lorenzo and the Eastern employees have grown increasingly worse. Eastern employees have had to suffer through additional cuts in wages and benefits, while watching Mr. Lorenzo slowly disassemble the airlines in which they had, at one time, a voice in managing.

We are all aware of the consequences which bring us to the need for legislation such as H.R. 1231, and we should be aware of the need for an emergency board to help to bring this situation to an end. Both parties have suffered because of the strike, and it is time that we took steps to see that an agreement is eventually reached which will prove to be fair and just to both sides. Frank Lorenzo has tried to break the pride which the unions hold for Eastern Airlines by forcing them out of the management process, but that tactic has not been successful. The union members have shown that they are not faulting Eastern Airlines, but Frank Lorenzo, for the situation which has arisen over the past few weeks.

It is important for us to view this feud between Frank Lorenzo and the union members with caution, but it is just as important for us to understand what this situation is costing in human terms.

This conflict has affected a great many people, both financially and emotionally. The union members are risking the jobs which support their families, because they know in their hearts that what they are doing is right. A large number of Eastern Airlines customers have been left holding tickets that are not worth the paper they are printed on, and still more were left stranded due to the partial shutdown of the carrier.

The Eastern Airlines crisis has reached a point where steps must be taken to resolve the dispute before we face further problems, and the passage of H.R. 1231 is a major step in our attempt to stem the tide of discontent which is before us. As this measure goes before the Senate, I would urge swift passage and ask for the support of President Bush as we seek to bring this debate to a fair and equitable decision.

Mr. ANDERSON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the committee amendment in the nature of a substitute, now printed in the reported bill is considered as an original bill for the purpose of amendment, and each section is considered as having been read.

No amendments are in order except amendments adding new sections, and consideration of all amendments shall not exceed 3 hours.

The Clerk will designate section 1.

The text of section 1 is as follows:

SECTION 1. CREATION OF EMERGENCY BOARD.

Subject to section 2, the President shall create, not later than 1 day after the date of the enactment of this Act, a board to investigate and report to the President respecting the disputes between Eastern Airlines and the International Association of Machinists and Aerospace Workers, the Air Line Pilots Association, and the Transport Workers Union of America.

The CHAIRMAN. Are there any amendments to section 1?

Mr. GINGRICH. Mr. Chairman, I move to add an additional word.

The CHAIRMAN. The gentleman from Georgia is recognized for 5 minutes.

Mr. GINGRICH. Mr. Chairman, I have been told that is the first time in the history of the House that one has moved to add an additional word, which is a commentary on the arcane rule which was written for this particular bill.

Mr. Chairman, what I want to do, and I think my good friend, the gentleman from Minnesota [Mr. OBERSTAR] has been briefed on this, is ask a couple of questions based on the concern about what the words "status quo" mean.

The return to status quo under H.R. 1231 could be financially ruinous to Eastern, because the airline may be required to take back its full work force at the higher wages under the old contract while it is operating only a small portion of its flights.

During the current strike Eastern's work force has been reduced from 31,000 to 1,500, while it is operating only a small percentage of its flights. We were told during committee markup of this bill that if an Emergency Board is established and Eastern is required to take back its employees, it could simply furlough most of them to reduce its work force back down to 1,500.

According to information I have, this may not be true, and this bill could cost the company an additional $100 million while the Emergency

Board legislation operates for its 26-day life.

The contract terms are: There are 3,600 pilots, and furlough under the contract requires 45 days' notice. Severance pay requires 2 weeks' wages per year of service up to a 20-week maximum.

The machinists' contract for 8,000 workers, and under the furlough provisions, those hired prior to the spring of 1984 cannot be furloughed. Two weeks' notice is required for all others, an additional 1,300. Severance pay for the machinists, the first 2 years they get 2 weeks' pay, and the second year they get a third week's pay and so forth, an additional 1 week pay per year of service up to a 16-week maximum.

The flight attendants, for 4,800 of them, get for furlough 2 weeks' notice; for severance pay, if they have 1 year service they get no severance pay, and 2 weeks' pay for 2 to 3 years, and 4 years, 1 week per year of service up to a maximum of 16 weeks' pay.

We want to see Eastern continue to operate to create jobs and to provide jobs. However, the contract terms I have outlined may apply if we return the parties to the status quo that existed prior to the strike. As I said, the cost of a 26-day Presidential Emergency Board is estimated to be $100 million.

Let us face it, Eastern has no inventory, no reservations, no passengers. It will take time for the company to spool up. Does a return to the status quo mean that planes fly empty? Or does the company pay salaries, while workers have nothing to do?

Who may suffer because of the requirement to return to the status quo? Will it be unsecured creditors such as passengers who hold ticket? I could go on and on. There are a lot of other unanswered questions that are pertinent to this legislation.

Mr. Chairman, I would like to ask the gentleman from Minnesota whether a return to the status quo means that all furlough-notice requirements and severence-pay provisions of the labor contracts must be observed.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I am happy to yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding.

It is unfortunate that the company did not respond or raise these points during the ample time that we afforded them during the committee hearings on the issue, because these are issues that should have been more fully plumbed than they have been, but we have been concerned on our side as well about these issues, as the gentleman knows, and, in fact, the contracts would be reinstated as we have said before.

However, the bankruptcy judge would have the right under normal bankruptcy procedures to authorize Eastern Airlines to abrogate its contracts with those unions under normal bankruptcy procedures. First of all, I want to insist, with the gentleman, it might take some time to do so. I do not know what those court procedures are. We have attempted to ascertain that.

Certainly, dollar losses under those circumstances, I think, would have to be speculative at this point and, furthermore, there would be some increased revenue by increased operation of the airline during the continuation of the PEB.

Mr. GINGRICH. Mr. Chairman, could I ask my friend, the gentleman from Minnesota, an additional question? I am not a lawyer, but as I remember, we amended the Bankruptcy Act a couple years ago in behalf of Mr. Lorenzo's outrageous efforts to precisely destroy union contracts under bankruptcy.

Under the bankruptcy laws as now amended, and I am not an attorney, so I may be asking this wrong, but in fact under the bankruptcy laws, can the judge order the abrogation of the union contracts under bankruptcy, or is it a pro rata abrogation relative to other creditors, or what would the boundaries of the judge's decision under bankruptcy be?

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I am happy to yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I think in the wake of the Continental Airlines dispute in which clearly effort of bankruptcy was to abrogate the union contracts, Congress made it more difficult for a company.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. GINGRICH] has expired.

(By unanimous consent, Mr. GINGRICH was allowed to proceed for 5 additional minutes.)

Mr. GINGRICH. Mr. Chairman, I yield to the gentleman.

Mr. OBERSTAR. It is more difficult to abrogate a contract for the simple purpose of ending one's relationship with the union, but the bankruptcy judge still has, to the best of our knowledge, and we have asked bankruptcy authorities to verify this, the authority to allow the company to abrogate its contract.

Mr. GINGRICH. An attorney just said to me, because I am not an attorney, and I admit as a history teacher, this is a little bit deep water for me, but I just was informed by our attorney that it was very unlikely that that would be done in 26 days.

Mr. OBERSTAR. I stipulated to that earlier, that it may take some period of time. We do not know what that period of time might be, but the authority is still there. We have provided this certainly very circumscribed procedure in this Presidential Emergency Board, so it would be a much shorter period of time.

Mr. GINGRICH. Let me just say to the Members of the House, we had, I thought, last Tuesday, with my friend, the gentleman from Minnesota, a superb hearing that, I thought, brought on the record an extraordinary amount of information.

Then, just as we were about to go to markup on this bill, the airline went bankrupt. Tragically, for reasons I do not fully understand, we rushed to markup without, in any event, having fully understood the bankruptcy impact. We are now on the floor without fully understanding the bankruptcy impact.

My only hope would be that, first, Members who care most about the families of Eastern would vote no and not risk endangering the total collapse of the company; and, second, that if it does pass this House, that the other body will slow down and look at it seriously and get some bankruptcy lawyers so that we will know whether or not it is possible to save the company and save the jobs of 31,000 families under this particular bill.

□ 1700

Mr. KOLBE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, what are we doing here today? Why are we here today?

I think this is the fundamental question that we need to ask ourselves.

As I have listened to this debate, I think it is very apparent we really have a lot of unanswered questions. If we are rushing to judgment on an issue that gets into some fundamental questions, particularly the questions of bankruptcy that have been discussed here just a moment earlier, I think we should think very carefully before we move in this area.

Section 10 of the Railway Act is supposed to be invoked when "essential transportation service" is endangered. Who in this body can say that essential transportation service is endangered by the Eastern Airlines strike?

Other airlines are flying. They are picking up the passenger load. There is disruption in some communities, no question about it. But airline service nationwide is operating. And there are plenty of other carriers, railroads, and buses to pick up transportation of passengers. Certainly freight has not been disrupted by this strike.

So is there a threat? The answer very clearly under the law that we are supposedly invoking with this mandatory provision today is that there is no threat to essential transportation service.

I think it is a bit ironic when we think back on past use of this section of the law. When it has been used, the cries have come from some people on the other side, from labor, who have objected to invoking these procedures when there was a much greater question of disruption of service involved. They felt that it was wrong to intervene in a labor management dispute.

Mr. Chairman, I agree. Today it is wrong for us to intervene in this labor management dispute. What are we going to solve with another 26 days that we have not solved in the last 17 months of negotiation? There has been no progress despite all of the efforts to reach some accommodation by both sides. There has been no resolution of this. What are we going to do in another 26 days?

Certainly none of us here today would suggest that Frank Lorenzo should get a gold star for labor-management relations. He is no saint, and I hold no truck for his style of labor relations. I would want to have nothing to do with his operation. But that does not mean that Congress ought to be intervening in this, that we ought to be interfering in this dispute.

As we heard in the discussion just finished here, we have some serious unanswered questions about the bankruptcy laws. The bankruptcy law makes the presiding judge the final arbiter, the focal point of and the arbiter of the credit and of the rights of the employees and the stockholders. The constitution of the United States says that the bankruptcy laws must be applied uniformly across the land. But we are disrupting that constitutional provision. I think that raises a real constitutional question here, by applying a special bankruptcy provision to this one company. As my colleague from Georgia said a few moments ago, this is not an area that we should take lightly, and I hope before this body acts, or at least before the other body acts that we will look carefully at some of the fundamental questions that are involved in this. I hope we will vote against this bill.

The CHAIRMAN. The Clerk will designate section 2. The text of section 2 is as follows:

SEC. 2. APPLICABILITY OF RAILWAY LABOR ACT.

(a) GENERAL RULE.—Except as provided in subsection (b), creation of the board under section 1 shall be in accordance with and subject to the provisions of section 10 of the Railway Labor Act (45 U.S.C. 160).

(b) EXCEPTIONS.—

(1) REPORT DEADLINE.—The period after the date of creation of the board pursuant to section 1, by which the board must make its report to the President under the first undesignated paragraph of section 10 of the Railway Labor Act, shall be 14 days instead of 30 days. Upon request of the board, the President may extend such 14-day period for not to exceed 5 additional days.

(2) POST REPORT PERIOD.—The period referred to in the third undesignated paragraph of section 10 of the Railway Labor Act after the date on which the board makes its report to the President, during which no change (except by agreement) shall be made by the parties to the controversy and the conditions out of which such dispute arose, shall be 7 days instead of 30 days.

(3) MAXIMUM PERIOD LIMITING CHANGES IN CONDITIONS.—Notwithstanding paragraphs (1) and (2), the maximum period after the date of creation of the board, during which no change (except by agreement) shall be made by the parties to the controversy in the conditions out of which the disputes referred to in section 1 arose, may not exceed 21 days; except that, if the President extends the 14-day period under paragraph (1), such 21-day period shall be increased by the number of days of such extension.

The CHAIRMAN. Are there any amendments to this section?

Mr. OBERSTAR. Mr. Chairman, I move to strike the last word.

I shall be brief, Mr. Chairman, but there have been some points raised n the course of the debate that I think need to be clarified for the record. I really cannot in conscience let them go.

The question has been raised by various speakers about the uniformity clause in bankruptcy and the impact this legislation might have on bankruptcy law. This bill clearly is an exercise by the Congress of its authority under the commerce clause, not under the bankruptcy clause. Clearly there is no conflict and constitutionality.

More importantly, the legislation attempts to deal with a labor management dispute, not with distribution of assets. If this were an attempt to deal with distribution of assets, it would not follow the Constitution, but it does not, it leaves those contracts in place.

The question of secondary boycott has been raised. There is no secondary boycott in operation now. But more significantly, I want my colleagues to understand, as the gentleman from New York [Mr. MOLINARI] earlier elucidated, by the language that we have adopted in this bill we leave in place an essential provision of the Railway Labor Act of 1926 which provides that during the continuation in operation of a Presidential Emergency Board no strike may be permitted, and no secondary boycott may be engaged in by the labor parties to the dispute. So the Presidential Emergency Board under the expedited procedures provided in this legislation make certain that there will be no secondary boycott. That is a straw man issue.

Finally, the question of whether Congress has a role to play in labor management disputes. This is not a strike of bricklayers or steelworkers against a construction company or an industrial operation. This is a labor management dispute under the Railway Labor Act in which 63 years ago the Congress said there is a unique public interest. The public has a unique interest in transportation matters and reserved a unique process for resolution of labor management disputes in such a context, and the procedures that have been followed so far in the Eastern Airlines dispute bring us to the point where we are today, that we would be taking the ultimate step provided for in the transportation dispute between in this case an airline, between labor and management, and putting the final framework around that matter to bring it to a responsible conclusion.

Congress does have a unique role to play and does have a responsible role to play in protecting the public interest in transportation. We did it just last year in the fall of 1988 by unanimous consent. The Congress enacted into law a proposal for a Presidential Emergency Board to resolve the labor management dispute in the Chicago Northwestern Railway in the State of Illinois. That was not a national railway. It did not go from coast to coast; it did not even extend as far as Eastern Airlines' operations do. But by unanimous consent, this body adopted that legislation, clearly a precedent for the action we take today, clearly a direction that we ought to move.

I urge a yes vote on the legislation pending before us.

Mr. HAMMERSCHMIDT. Mr. Chairman, I move to add an additional word.

Mr. Chairman, I just want to comment briefly on the distinguished chairman's comments.

Legislative solutions to private disputes are in general bad public policy. Because of the animosity in this case, a legislative solution would likely be opposed by one or both of the parties and therefore would not lead to a productive resolution of the dispute that would be in the long-term interests of the company and its labor force.

Now to get to my distinguished friends and Chairman's comments.

Additional problems, of course, are raised in light of Eastern's bankruptcy filing. Do we really know? Is a legislative solution subject to the approval of the bankruptcy court? Is it subject to change by the bankruptcy court in the course of reorganizing Eastern under chapter 11?

If Congress enacts a solution to the Eastern dispute in a way that prevents the bankruptcy court from changing the agreement under section 1113 of the Bankruptcy Code, then it is likely that this law would violate the constitutional requirement for uniform bankruptcy laws.

If Congress does not intend to override the power that the bankruptcy court has to approve changes in contracts, such a bill would be a hollow act as this one probably is. If either party disagrees with the legislated solution—which will certainly be the case—then it will petition to change

the agreement under section 1113. So, ultimately the bankruptcy court will determine the shape of the labor contract between Eastern and its unions regardless of what the Congress does.

So, I still say that legislative solutions such as we are attempting here are bad public policy.

Mr. GARCIA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today in support of H.R. 1231, and urge President Bush to appoint a special Emergency Board to investigate and make recommendations on the disputes between Eastern Airlines and its three unions.

The disputes between Eastern and its 30,000 workers are not new ones. Since October 1987, workers and management have negotiated over wages and working conditions. The result has been a strike by the workers which has effectively shut down the airline and caused Eastern to file for bankruptcy. Immediate action must be taken to work out a compromise between the two parties. The appointment of an Emergency Board is the first step in the right direction to quickly resolve this dispute to the benefit of the management, workers, and passengers.

Since negotiations began, the union has repeatedly demonstrated its desire to save Eastern Air. Over the past decade, they have agreed to give up over $1.5 billion in wages, suffered pay freezes and reductions in pay accruals, and negotiated in good faith with the owners and managers. However, their concessions have only been met with harsh demands, unreasonable offers and rejected proposals.

If this strike is not resolved, it could mean disaster for everyone involved. Thousands of jobs will be lost, the existence of the Nation's sixth largest airline is at stake, and many areas will lose convenient service.

Appointments of emergency boards have worked in the past, and this dispute is not beyond the realms of an agreeable solution. The President has appointed such a board under the provisions of the Railway Labor Act 34 times since 1926. Considering the financial situation of Eastern Airlines and the limited resources of the striking workers, there is a good chance that both sides will agree to the terms set by an impartial board.

Mr. Chairman, in the interest of the employees, Eastern Air, and the thousands of people who depend on them too for safe, reliable transportation, I urge my colleagues to vote in favor of H.R. 1231 and urge President Bush to appoint an Emergency Mediation Board to help end this devastating strike.

□ 1710

The CHAIRMAN. Are there any amendments to the bill?

If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. DORGAN of North Dakota, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1231) to direct the President to establish an Emergency Board to investigate and report respecting the dispute between Eastern Airlines and its collective bargaining units, pursuant to House Resolution 108, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HAMMERSCHMIDT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 252, nays 167, not voting 13, as follows:

[Roll No. 8]

YEAS—252

Ackerman	Bryant	Dorgan (ND)
Akaka	Bustamante	Downey
Alexander	Campbell (CO)	Durbin
Anderson	Cardin	Dwyer
Andrews	Carper	Dymally
Annunzio	Carr	Dyson
Anthony	Chapman	Eckart
Applegate	Clarke	Edwards (CA)
Aspin	Clay	Engel
Atkins	Clement	English
AuCoin	Coelho	Erdreich
Bates	Coleman (TX)	Espy
Beilenson	Collins	Evans
Bennett	Conte	Fascell
Bentley	Cooper	Fazio
Berman	Costello	Feighan
Bilbray	Coyne	Flake
Boehlert	Crockett	Flippo
Boggs	Darden	Florio
Bonior	Davis	Foglietta
Borski	de la Garza	Foley
Bosco	DeFazio	Ford (MI)
Boucher	Dellums	Ford (TN)
Boxer	Derrick	Frank
Brennan	Dicks	Garcia
Brooks	Dingell	Gaydos
Brown (CA)	Dixon	Gejdenson
Bruce	Donnelly	Gephardt
Gibbons	McCloskey	Sabo
Gilman	McCurdy	Sangmeister
Glickman	McDade	Sarpalius
Gonzalez	McDermott	Savage
Gordon	McGrath	Sawyer
Gray	McHugh	Saxton
Guarini	McMillen (MD)	Schneider
Hall (OH)	McNulty	Schroeder
Hamilton	Mfume	Schumer
Harris	Miller (CA)	Sharp
Hatcher	Mineta	Sikorski
Hawkins	Moakley	Sisisky
Hayes (IL)	Molinari	Skelton
Hayes (LA)	Mollohan	Slattery
Hefner	Moody	Slaughter (NY)
Hertel	Morrison (CT)	Smith (FL)
Hoagland	Mrazek	Smith (IA)
Hochbrueckner	Murphy	Smith (NJ)
Horton	Murtha	Smith (VT)
Hoyer	Nagle	Solarz
Hubbard	Natcher	Spratt
Hughes	Neal (MA)	Staggers
Hutto	Neal (NC)	Stallings
Jacobs	Nelson	Stark
Jenkins	Nowak	Stokes
Johnson (SD)	Oakar	Studds
Johnston	Oberstar	Swift
Jones (GA)	Obey	Synar
Jones (NC)	Olin	Tallon
Jontz	Ortiz	Tanner
Kanjorski	Owens (NY)	Torres
Kaptur	Owens (UT)	Torricelli
Kastenmeier	Pallone	Towns
Kennedy	Panetta	Traficant
Kennelly	Parker	Traxler
Kildee	Pashayan	Udall
Kleczka	Patterson	Unsoeld
Kolter	Payne (VA)	Vento
Kostmayer	Pease	Visclosky
LaFalce	Pelosi	Volkmer
Lancaster	Penny	Watkins
Lantos	Pepper	Waxman
Lehman (FL)	Perkins	Weiss
Leland	Poshard	Weldon
Levin (MI)	Price	Wheat
Levine (CA)	Rangel	Whittaker
Lewis (GA)	Richardson	Whitten
Lipinski	Ridge	Williams
Lloyd	Rinaldo	Wilson
Lowey (NY)	Robinson	Wise
Luken, Thomas	Roe	Wolf
Manton	Rose	Wolpe
Markey	Rostenkowski	Wyden
Martinez	Rowland (GA)	Yates
Matsui	Roybal	Yatron
Mavroules	Russo	Young (AK)

NAYS—167

Archer	Edwards (OK)	Kasich
Armey	Emerson	Kolbe
Baker	Fawell	Kyl
Ballenger	Fields	Lagomarsino
Barnard	Fish	Leach (IA)
Bartlett	Frenzel	Leath (TX)
Barton	Gallegly	Lent
Bateman	Gallo	Lewis (CA)
Bereuter	Gekas	Lewis (FL)
Bilirakis	Gillmor	Lightfoot
Bliley	Gingrich	Livingston
Broomfield	Goodling	Lowery (CA)
Brown (CO)	Goss	Lukens, Donald
Buechner	Gradison	Machtley
Bunning	Grandy	Madigan
Burton	Grant	Marlenee
Byron	Green	Martin (IL)
Callahan	Gunderson	Martin (NY)
Campbell (CA)	Hall (TX)	Mazzoli
Chandler	Hammerschmidt	McCandless
Cheney	Hancock	McCollum
Clinger	Hansen	McCrery
Coble	Hastert	McEwen
Coleman (MO)	Hefley	McMillan (NC)
Combest	Henry	Meyers
Coughlin	Herger	Michel
Cox	Hiler	Miller (OH)
Craig	Holloway	Miller (WA)
Crane	Hopkins	Montgomery
Dannemeyer	Houghton	Moorhead
DeLay	Huckaby	Morella
DeWine	Hunter	Morrison (WA)
Dickinson	Hyde	Myers
Dornan (CA)	Inhofe	Nielson
Douglas	Ireland	Oxley
Dreier	James	Packard
Duncan	Johnson (CT)	Paxon

Petri	Schuette	Solomon
Pickett	Schulze	Spence
Pickle	Sensenbrenner	Stearns
Porter	Shaw	Stenholm
Pursell	Shays	Stump
Quillen	Shumway	Sundquist
Ravenel	Shuster	Tauke
Ray	Skaggs	Tauzin
Regula	Skeen	Thomas (CA)
Rhodes	Slaughter (VA)	Thomas (GA)
Ritter	Smith (MS)	Upton
Roberts	Smith (NE)	Valentine
Rogers	Smith (TX)	Vander Jagt
Rohrabacher	Smith, Denny (OR)	Vucanovich
Roth	Smith, Robert (NH)	Walker
Roukema	Smith, Robert (OR)	Walsh
Rowland (CT)	Snowe	Weber
Saiki		Wylie
Schaefer		Young (FL)
Schiff		

NOT VOTING—13

Bevill	Laughlin	Scheuer
Conyers	Lehman (CA)	Stangeland
Courter	Parris	Walgren
Early	Payne (NJ)	
Frost	Rahall	

□ 1731

The Clerk announced the following pairs:

On this vote:

Mr. Rahall for, with Mr. Courter against.

Mr. Conyers for, with Mr. Stangeland against.

Mr. ARCHER changed his vote from "yea" to "nay."

Mr. HORTON changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the bill just passed.

The SPEAKER pro tempore (Mr. HAYES of Illinois). Is there objection to the request of the gentleman from California?

There was no objection.

ANNUAL REPORT OF THE UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. PICKLE) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce.

(For message, see proceedings of the Senate of today, Wednesday, March 15, 1989).

WORKING FAMILY CHILD CARE ASSISTANCE ACT OF 1989 AND HEAD START AMENDMENTS OF 1989—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 101-37)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and the Committee on Education and Labor, and ordered to be printed.

(For message, see proceedings of the Senate of today, Wednesday, March 15, 1989.)

PROVIDING FOR MORE BALANCE IN COMMODITY CREDIT CORPORATION STOCKS OF DAIRY PRODUCTS

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of the Senate bill (S. 553) to provide for more balance in the stocks of dairy products purchased by the Commodity Credit Corporation.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. GUNDERSON. Mr. Speaker, reserving the right to object, I only take this time to make sure that as soon as the bill is taken up, it will be the intention of the distinguished chairman of the committee to offer an amendment.

Mr. DE LA GARZA. Mr. Speaker, if the gentleman will yield, let me say that the gentleman is correct.

Mr. GUNDERSON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 553

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PURCHASE PRICE FOR NON-FAT DRY MILK AND BUTTER.

(a) MODIFICATION OF PURCHASE PRICE FOR NON-FAT DRY MILK AND BUTTER.—Notwithstanding any other provision of law, with respect to purchases of butter and non-fat dry milk made under section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)), the Secretary of Agriculture, in carrying out the temporary $0.50 per hundredweight increase in the rate of price support for milk provided for in section 102(b) of the Disaster Assistance Act of 1988 (7 U.S.C. 1446 note), shall provide that at least 75 percent of such price support increase shall be reflected in the purchase price for non-fat dry milk and that not more than 25 percent of such price support increase shall be reflected in the purchase price for butter.

(b) DECREASE IN PURCHASE PRICE FOR NON-FAT DRY MILK AND BUTTER.—Notwithstanding any other provision of law, with respect to purchases of butter and non-fat dry milk made under section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)), the Secretary of Agriculture, in implementing the $0.50 per hundredweight decrease in the rate of price support for milk scheduled to occur on July 1, 1989, (as provided in section 102(b) of the Disaster Assistance Act of 1988 (7 U.S.C. 1446 note)), shall provide that not more than 25 percent of such price support decrease shall be reflected in the purchase price for non-fat dry milk and that at least 75 percent of such price support decrease shall be reflected in the purchase price for butter.

The SPEAKER pro tempore. The gentleman from Texas [Mr. DE LA GARZA] is recognized for 1 hour.

AMENDMENT OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DE LA GARZA: On page 2, line 19, delete the period and insert in lieu thereof the following: "*Provided, however,* That the Secretary of Agriculture may allocate such decrease in the rate of price support between the purchase prices for non-fat dry milk and butter in such other manner as the Secretary determines will result in the lowest level of expenditures by the Commodity Credit Corporation and shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of such determination.".

Mr. DE LA GARZA. Mr. Speaker, let me say to my colleagues that this is an amendment that is agreed to by all parties involved, and I yield now to the distinguished chairman of the subcommittee, the gentleman from Texas [Mr. STENHOLM], to explain the amendment and how it fits into the bill.

Mr. STENHOLM. Mr. Speaker, I appreciate my distinguished chairman's willingness to move expeditiously in considering this legislation today. Granted, we are taking the unusual step of foregoing any formal consideration by the House Agriculture Committee on this bill. However, this expedited procedure is uniquely necessary because of events that will take place, as provided by law, on April 1 of this year.

More specifically, as my colleagues may recall, under provisions of the Disaster Assistance Act of 1988, the milk price support will increase $0.50 on April 1 and decrease $0.50 on July 1. This period is known as the flush period and is typically the peak production and Commodity Credit Corporation [CCC] purchase period.

Under S. 553 as amended, the Secretary of Agriculture is directed to support the price of milk through butter and nonfat dry milk powder purchases differently than would otherwise be

the case. In other words, the Secretary shall apply 75 percent ($0.38) of the milk price increase to the milk powder support price on April 1, 1989. On July 1, 1989, the Secretary may allocate the decrease in the rate of price support between the purchase prices for nonfat dry milk and butter in a way that results in the lowest level of expenditures by the CCC.

This bill should effectively shift the relative price difference between butter and nonfat milk powder, while still supporting the price of milk at legislative levels. Moreover, the impact of an increase in the milk powder price support is minimal because powder prices are well above current support prices. Conversely, butter prices are currently below support levels and the impact of reducing the butter support price will result in low butter prices. The net effect will be that less butter is purchased by CCC.

Most importantly, the Congressional Budget Office [CBO] estimates that this legislation will save $10 million in fiscal year 1989 and $25 million in fiscal year 1990. Obviously, the House Agriculture Committee is interested in achieving any possible savings for deficit reduction purposes. Expeditious consideration and passage of this bill will provide our committee with a unique opportunity.

Let me be quick to point out that our committee does not intend for this legislation to have any adverse impact on other agricultural commodities in the context of future budget deficit reduction efforts.

Mr. Speaker, I urge my colleagues to support this legislation.

Mr. DE LA GARZA. Mr. Speaker, I thank the gentleman from Texas [Mr. STENHOLM] for his explanation.

Mr. Speaker, I yield such time as he may consume to our distinguished colleague, the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Speaker, today the House is considering S. 553, legislation to restore balance to the dairy product purchase program. As amended by this unanimous-consent request, S. 553 should be adopted by the House.

Last fall, Congress approved major drought relief legislation to assist our Nation's farmer—the Disaster Assistance Act of 1988. Included in that legislation was an amendment I offered on the House floor which eliminated the potential dairy support price decrease on January 1, 1989, and provided for a 50-cent increase in the support price between April 1, 1989, and July 1, 1989. This amendment was a substantial victory for dairy farmers across the Nation.

Traditionally, when allocating the increase or decrease in the support price, the U.S. Department of Agriculture applies the full value to the purchase price for cheese and splits the value between nonfat dry milk and butter, which are by products of one another.

Today, however, the dairy market situation and the status of Commodity Credit Corporation [CCC] purchases argue for a different application of the value. Since the beginning of fiscal year 1989, the CCC has purchased 205 million pounds of butter and 22 million pounds of cheese, but has not purchased any nonfat dry milk. This is a direct result of market prices for nonfat dry milk that are well above the Government purchase price, market prices for butter that have fallen below the purchase price, and a cheese market situation that has fluctuated.

The Leahy bill, S. 553, would require the Secretary of Agriculture to place at least 75 percent of the value of the April 1, 1989, support price increase on nonfat dry milk, and no more than 25 percent of the value increase on butter. Cheese would not be affected by the legislation, and would receive the full value of the increase.

In addition, S. 553 would require the Secretary to place at least 75 percent of the value of the July 1, 1989, support price decrease on butter, and no more than 25 percent of the value decrease on nonfat dry milk. Again, cheese would not be affected by the legislation, and would receive the full value of the decrease.

According to the Congressional Budget Office [CBO], S. 553 would save $10 million in fiscal year 1989, $25 million in fiscal year 1990, $10 million in fiscal year 1991, and $8 million in fiscal year 1992. These savings, as they would be realized through an act of Congress, would be credited toward the Agriculture Committee's reconciliation savings target for the upcoming budget negotiations.

As you can see, S. 553 is designed to use the 3-month, 50-cent support price adjustment to realign the purchase prices for butter and nonfat dry milk, thus realizing savings in the dairy program.

I have no dispute with the policy direction of S. 553. In fact, I believe the Secretary should place 100 percent of the value of the April 1, 1989, increase on nonfat dry milk, and none on butter.

However, I do not believe it is prudent to lock the Secretary into a decision on the July 1, 1989, purchase price decrease allocation at this early date. While economists can forecast with some degree of certainty what the situation will be 3 months from now, some questions remain to be answered.

The amendment we are proposing today mitigates my concern over making an imprudent July 1 decision today. The amendment states that the Secretary may allocate the decrease in the level of price support required on July 1 between the purchase prices for nonfat dry milk and butter "in such other manner" as the Secretary determines will result in the lowest expenditures by the CCC and shall notify the House and Senate Agriculture Committees of such a determination. In this way, the Secretary can maintain sufficient flexibility to make the most effective decision on July 1.

Mr. Speaker, S. 553, as amended, should be approved by the House today and taken up and approved by the Senate at the earliest possible time. It is a fine tuning of the dairy program, which will result in savings of over $50 million over a 4-year period. I urge my colleagues to vote in favor of passage of S. 553.

□ 1740

The SPEAKER pro tempore (Mr. PICKLE). The question is on the amendment offered by the gentleman from Texas [Mr. DE LA GARZA].

The amendment was agreed to.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 553, the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1210

IT IS TIME FOR OUR COLLEGES TO MAKE WAR AGAINST DRUGS

(Mr. HENRY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HENRY. Mr. Speaker, it is time that our colleges and universities mount an all-out war against drugs.

The Nation's current crop of college students will provide America's leadership and brainpower as we enter the 21st century. Few items on the national agenda are more important than the preparation and nurture of these students. But, frankly, few things strike more anxiety into parents nowadays than sending their children off to college into what they fear is a drug culture.

In many ways, institutions of higher learning become surrogate parents for college students. Too often, however, the administrators of these institu-

tions have adopted a de facto policy of benign neglect toward the illicit use of drugs on campuses. Many institutions seem to regard their obligation as little more than providing: first, drug education, and second, counseling services for those students who do succumb to the use of drugs.

Let me be blunt. I propose that colleges and universities be threatened with the loss of Federal funding for not taking a proactive policy in fighting drugs.

I make this plea not only as a member of the Education and Labor's Postsecondary Education Subcommittee in Congress but also as a father of one child who is in college and two others who are campus-bound—and as a former college professor. In fact, my proposal already is embodied in a new law—a law that ought to be enforced strictly.

Last year, under the prodding of my colleague, Representative ROBERT WALKER, Congress inserted language in the new Anti-Drug Abuse Act making eligibility to receive Federal contracts and grants dependent upon a constructive and proactive policy to achieve a drug-free workplace.

Under the new law, employers receiving Federal funds must inform employees about the dangers of drug abuse, must warn them that penalties may be imposed for drug abuse, and then take action up to termination against an employee convicted of a drug violation.

Our colleges and universities—as well as students and faculty—fall under the new law because they receive massive amounts of Federal funds for construction, science and research, and other forms of direct and indirect Federal student aid.

I have urged Education Secretary Lauro Cavazos and Drug Czar William Bennett to persuade our institutions of higher learning to act aggressively against drugs or face a cutoff of Federal funding. Since millions of dollars would be at stake, the institutions would be sure to get the message—and act fast.

I realize that many institutions already have joined the battle. To date, at the Department of Education's urging, more than 750 institutions have banded together in the National Network of Colleges and Universities Committed to Elimination of Drug and Alcohol Abuse.

According to standards developed over the past 18 months, this network is committed to policies that promote "an educational environment free from the abuse of alcohol and other drugs." The network promotes "such means as student and faculty handbooks, orientation programs, letters to students and parents, residence hall meetings, and faculty and employee meetings."

Network members shall exercise appropriate disciplinary action for alcohol and/or other drug policy violations. The form and extent of discipline is unspecified, except for separation from the institution and referral for prosecution for the illegal sale or distribution of drugs.

Under proposed regulations for the new law published in the Federal Register, January 31, the Office of Management and Budget stated that Federal contractors and grantees would be required to have drug-free workplaces.

In the case of colleges and universities, the Department of Education said, that students would have to certify that they are drug-free in order to qualify for a Pell grant.

This all is a good first step—but it's hardly an all-out war.

There are 3,100 accredited colleges and universities, including community colleges, in this country. The number grows to about 4,500 if one includes unaccredited trade schools. These numbers suggest that only a fraction of this Nation's institutions of higher learning have taken even initial forays in an all-out war against drugs.

We should assure that this effort is extended to include not only an institution's faculty and staff but student body as well. No more "hash bash" spring celebrations on the campus quads under the passive eye of campus officials should be tolerated. Students who have made a conscious choice to reject the drug culture should not be subjected to the odors of marijuana and hashish in their dormitories. Campus housing should be a refuge against both the drug pusher and the drug user who are poisoning the academic environment.

Presumably, the clause in the law calling for firing an employee convicted of drug abuse could be a model for requiring a university to take action against a student convicted of drug abuse—up to expulsion.

A tough war on drugs on our campuses would be a strike against the overly romanticized subculture of drug experimentation.

My proposal is right in itself. But it is also an important element in demonstrating that the war on drugs is not just a strike against the underclass in our city slums. It mitigates the charges of racial and class bias of selective enforcement which overwhelms our criminal justice system.

If we are serious about raising academic performance standards, if we are serious about the need to develop the self-disciplines necessary to compete in an increasingly competitive economic environment, if we are serious about the war against drugs, then Secretary Cavazos and Mr. Bennett can issue the sternest of warnings to our college presidents and deans about their intention to follow through in establishing a drug-free workplace on our campuses.

We face one of the most serious challenges to our survival as a civilization capable of exercising rational decisions on the use of its freedoms. What better place to start than in those halls of learning dedicated to the proposition that education is the key to making such rational choices?

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

[Mr. WOLF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

THE TRUTH IN BUDGETING ACT

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, today I am introducing the Truth in Budgeting Act of 1989. This bill is directed at reforming the method used for calculating the Federal deficit by prohibiting the substracting of surplus Social Security and other trust funds from the Federal funds deficit.

This is a step that I believe is urgently needed in order to assure that the American people are told the truth about the real deficit—the Federal funds deficit—which at the end of fiscal year 1989 was $252.9 billion compared to the $155.1 billion unified budget deficit.

Yesterday I presented a statement on this proposal to the Committee on the Budget and I want to repeat those comments here.

SUMMARY

The Nation must get its political arithmetic in order. Decisions must be made to permit the Federal Government to pay its bills, meet its expenses and strengthen its credit.

Twenty years ago, as a new Member of Congress, I participated with other Members in a trip to inner city areas in various parts of the Nation. Time and again we were confronted with angry people. At one point in a Dayton, OH, ghetto a very irate person addressing the congressional delegation charged that "Washington is just a con game."

There is an analogy with the situation we are facing today. The Federal budget has been described as a shell game. That is because of the way the unified deficit sum is reached is, in effect, hiding hundred billion dollars in deficit from the public.

The accounting system we are using on the deficit may be one of the reasons for the cynical view the public takes of the Congress. We have to be vigilant in the Congress to deal with

issues in an honest way. The method currently used in dealing with the budget deficit at least creates the impression of sleight of hand.

This happens because of the route used to reach the unified budget deficit number and the maximum deficit level permitted by the Gramm-Rudman-Hollings law. Under this method, the fiscal year surpluses in the Social Security and other trust funds are subtracted from the real deficit—the Federal funds deficit—to come up with the unified budget deficit and comply with the requirements of Gramm-Rudman-Hollings. These surpluses are earmarked funds. They are gathered in to be used for specific purposes. The bill will come due. Fiscal problems of the Nation can only deepen if current deficit accounting practices are allowed to continue unchecked.

A number of serious problems arise from the current method of calculating the unified deficit.

First. The trust of the American people in the ability of the President and the Congresses to put the Nation's fiscal house in order is eroded.

Second. A critically important opportunity to increase the national rate of savings and of investment needed to help assure a sound and strong economic future for the Nation is being lost.

Third. Our national security is weakened as American political and economic policies are increasingly subjected to pressures from the foreign lenders who already own nearly one-fifth of the U.S. Federal debt held by the public.

Fourth. Using the trust fund surpluses to offset current Government expenses limits the chance for the "baby boom" generation of workers to build the Social Security reserves that will be needed to ease the Nation's financial strain in funding their Social Security retirement benefits. It threatens the ability of the Social Security system to deliver on pension benefits promises to future generations.

Fifth. Permitting the Federal funds deficit to rise even while the unified deficit falls increases the share of Federal spending which must be dedicated to paying interest on the Federal debt.

Sixth. And, perhaps most important of all, the prospect is diminished that the American people will soon support the tough choices which must be made before a catastrophe forces those decisions.

In 1956, President Dwight Eisenhower, a five-star general, wrote: "I patiently explain over and over again that American strength is a combination of its economic, moral, and military force."

Make no mistake about it. Deficits of the colossal size which began occurring in this decade contain the seeds of disaster. The Nation can stop planting those seeds. It can avoid reaping that grim harvest.

I am introducing a truth in budgeting bill. If enacted, it would prohibit the use of surpluses of the Social Security and other trust funds in calculating the budget deficit. I ask your consideration of this bill so we can explain the real problem—the Federal funds deficit—to the American people. Public support must be built before the patient will swallow the bitter medicine needed to cure this national ill.

FEDERAL FUNDS DEFICIT GROWTH

As grim as the unified budget deficit is, it is not the real problem. The Federal funds deficit is.

That deficit is not going to be solved until the American people understand it. The people are not going to understand it until they are told the truth about it. Continuing to use the accounting system of masking the Federal funds deficit by subtracting from it the surpluses of the Social Security and other trust funds to reach the unified budget deficit delays the deficit truth from reaching the people. It does not prevent that from happening.

If this was the Old West and the trust fund surpluses were cattle, the President and the Congress could get hung for rustling.

In the 20-year period from 1969 through 1988, the Federal funds deficit rose from $4.9 billion to $252.9 billion. Table I shows the changes in this deficit and its relationship to the unified budget deficit.

TABLE I.—HOW DO YOU GET FROM THE FEDERAL FUNDS DEFICIT TO THE UNIFIED BUDGET DEFICIT? SUBTRACT THE SOCIAL SECURITY AND OTHER TRUST FUNDS SURPLUSES

[Dollars in billions, + surplus, − deficit]

Fiscal year	Federal funds	Social Security	Other trust funds [1]	Unified budget
1969	−$4.9	+$3.7	+$4.4	−$3.2
1970	−13.2	+5.8	+4.5	−2.8
1971	−29.9	+3.0	+3.8	−23.0
1972	−29.3	+3.0	+2.9	−23.4
1973	−25.7	+0.5	+10.3	−14.9
1974	−20.1	+1.8	+12.2	−6.1
1975	−60.7	+2.0	+5.4	−53.2
1976	−76.1	−3.2	+5.6	−73.7
1977	−63.1	−3.9	+13.4	−53.6
1978	−71.9	−4.3	+17.0	−59.2
1979	−58.9	−2.0	+20.3	−40.2
1980	−82.6	−1.1	+9.9	−73.8
1981	−85.8	−5.0	+11.8	−78.9
1982	−134.2	−7.9	+14.2	−127.9
1983	−230.8	+0.2	+22.9	−207.8
1984	−218.2	+0.3	+32.6	−185.3
1985	−266.4	+9.4	+44.8	−212.3
1986	−283.0	+16.7	+45.1	−221.2
1987	−222.3	+19.8	+53.1	−149.7
1988	−252.9	+38.8	+59.0	−155.1

[1] The "Other Trust Funds" column includes surpluses in the following trust funds: Medicare, Military Retirement, Civilian Retirement, Unemployment, Highway and Airports and Airways.

Data Source: "Budget of the United States Government: Historical Tables, Fiscal Year 1990," submitted to the 101st Congress by President Ronald Reagan.

That 20-year history is neither the whole nor the worst of the tale. The baseline budget projections of the nonpartisan Congressional Budget Office [CBO] make that fact harshly clear. CBO, in its baseline budget projections, has estimated that by 1991, just 2 years from now, the Federal funds deficit could be 98.6 percent bigger than the unified budget deficit.

Table II lays out the CBO's baseline budget scenario which projects the 1989-94 deficits. It shows that if the American people, the President and the Congress do not come to grips with this problem the 1994 Federal funds deficit could be 138 percent larger than the unified budget deficit.

TABLE II.—1989-94 BASELINE BUDGET PROJECTIONS OF THE CONGRESSIONAL BUDGET OFFICE

[In billions of dollars]

	Federal funds deficit	Surplus		Unified budget deficit
		Social Security	Other trust funds [1]	
Fiscal year:				
1989	281	+56	+66	159
1990	282	+68	+68	146
1991	292	+79	+66	147
1992	294	+90	+64	140
1993	301	+103	+63	135
1994	309	+117	+62	130

[1] The "Other trust funds" column includes surpluses in the following trust funds: Medicare, Military Retirement, Civilian Retirement, Unemployment, Highway and Airports and Airways.

Data sources: Table A-1. Baseline Budget Projections (by fiscal year), "An Analysis of President Reagan's Budgetary Proposals for Fiscal Year 1990," Congressional Budget Office, February 1989, and the Congressional Budget Office.

NEED FOR CHANGE

That there is an urgent and critical need for increasing the rate of national savings and of investment rate in the United States is a position with wide support. A partial rollcall of some of the witnesses supporting this position in their testimony before the National Economic Commission, alone, would include: Alan Greenspan, current chairman of the Federal Reserve Board; Paul Volcker, former chairman of the Federal Reserve Board; Alice Rivlin, former Director of the Congressional Budget Office, and Fred Bergsten, former Assistant Secretary of the Treasury.

And, I understand that Dr. Greenspan reaffirmed his concern about the savings and investment rates when he testified before this committee earlier this month.

At the national level there is already is place an immense revenue stream—the surpluses of the Social Security and other trust funds—to the Federal Treasury that can be employed for this purpose, instead of being used to offset current Government consumption as is currently the case.

In their study, reported in their 1988 book "Can America Afford To Grow Old? Paying for Social Security," Henry J. Aaron, Barry P. Bosworth, and Gary Burtless found that:

As a result of the increased investment, the capital stock, labor productivity, and real wages all rise.

Such a development could increase the revenues to the Federal Treasury.

The American economy would be strengthened. And, the surpluses would still be available when needed for the use for which the dollars were intended when they were originally collected.

And, in its January 1989, report "Social Security: The Trust Fund Reserve Accumulation, the Economy, and the Federal Budget," the General Accounting Office said:

In the short run, we must bring down the total deficit. We cannot afford the depression of future economic growth that will result if we continue to channel scarce resources into the financing of large budget deficits. In the longer term, however, lowering the total deficit is not enough. In this context, the social security trust fund surpluses present a special opportunity to increase national savings. This should lead to higher productivity and more rapid economic growth. With faster growth, the retirement benefits can be maintained for the baby-boom generation while also maintaining a higher standard of living for future workers.

There were some significant differences between members of the National Economic Commission. But, in general, most of the Commission members agreed with position of others already cited in this statement. Reform is needed in the accounting system used for calculating the Federal deficit.

This deficit problem is not going to be solved until the American people understand it. The people are not going to understand it until they are told the truth about it. That requires a change in the method used to calculate it.

There is evidence that there is seeping into American thought a belief that little has been done about the deficit problem because neither the President nor the Congress can do much about it.

It is not yet midnight in America. There is time for a turnaround. It can be done when the American people, the President and the Congress gathers the civic courage to correct the Nation's political arithmetic.

The job won't be easy. As table III shows, even if every Federal program had been zeroed, except those financed by major trust funds; those for national defense, including veterans programs, and interest payment of the national debt, the 1988 Federal funds deficit still would not have been erased.

TABLE III.—FEDERAL SPENDING AS A PERCENT OF TOTAL BUDGET OUTLAYS

[In percent]

	Subcategory		Category	
	1980	1988	1980	1988
I. Major trust fund spending			34.9	34.5
1. Social Security	19.3	20.0		
2. Medicare	5.8	7.2		
3. Civil service retirement/worker compensation	2.5	2.5		
4. Unemployment compensation	3.0	1.4		
5. Military retirement	2.0	1.7		
6. Railroad retirement	.8	.4		
7. Highway	1.4	1.2		
8. Airports and airways	.1	.1		
II. National defense (excluding military retirement)			26.4	29.4
9. Military personnel	6.8	7.0		
10. Operations and maintenance	7.4	7.7		
11. Procurement	5.0	7.1		
12. Research, development, test and evaluation	2.2	3.2		
13. Military construction	.5	.6		
14. Family housing	.4	.3		
15. Veterans programs	3.6	2.7		
16. All other	.5	.8		
III. Interest on debt			8.8	13.8
IV. Entitlements/other mandatory spending (except trust funds)			10.6	12.0
17. Medicaid	2.3	2.8		
18. Student financial assistance	.9	.7		
19. Public assistance (includes food stamps/housing)	6.2	5.9		
20. Farm price support	.5	1.1		
21. Financial institutions deposit insurance	.1	.9		
22. All other	.6	.6		
V. All other spending			19.3	10.3
23. Agriculture (except farm price supports)	1.1	.5		
24. Commerce and housing credit (except line 13)	1.6	.8		
25. Community and regional development	1.6	.4		
26. Education (except amounts in lines 10, 21, 28)	1.7	.9		
27. Energy (includes REA and alcohol fuels)	.5	.2		
28. Health (except amounts in lines 2, 9, 21)	1.6	1.2		
29. Transportation (except amounts in 7, 8)	2.1	1.1		
30. Foreign aid	2.0	.7		
31. Law enforcement	.8	.8		
32. Natural resources (includes flood control)	2.4	1.3		
33. Social services	1.4	.7		
34. Training and employment	1.1	.5		
35. All other	1.1	1.2		
Federal funds deficit as percent of total actual spending			14.0	23.8

Note.—1 percent of outlays equalled $6,100,000,000 in 1980 and $11,000,000,000 in 1988.

Source: "Budget of the United States: Historical Tables, Fiscal Year 1990," submitted to the 101st Congress by the President.

CONCLUSION

The weight of the opinion and evidence is heavily on the side of changing the method of calculating the budget deficit by using the surpluses from the Social Security trust funds to offset current Government consumption. I urge that the President and the Congress move in this direction. Further, I would urge that the reform not stop with the Social Security trust funds surpluses, but include all trust fund surpluses.

The text of the bill follows:

H.R. 1420

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Truth in Budgeting Act of 1989".

SEC. 2. EXCLUSION OF RECEIPTS AND DISBURSEMENTS OF TRUST FUNDS WHEN CALCULATING MAXIMUM DEFICIT AMOUNTS.

(a) DEFINITION OF DEFICIT.—(1) The second sentence of paragraph (6) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(6)) is amended to read as follows: "In calculating the deficit for purposes of comparison with the maximum deficit amount under the Balanced Budget and Emergency Deficit Control Act of 1985 and in calculating the excess deficit for purposes of sections 251 and 252 of such Act, for any fiscal year, the receipts of any trust fund shall not be included in total revenues for such fiscal year and the disbursements of such trust fund shall not be included in total budget outlays for such fiscal year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to fiscal years beginning after September 30, 1990.

INTRODUCTION OF THE LOW CHOLESTEROL CONSUMER EDUCATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. GLICKMAN] is recognized for 5 minutes.

Mr. GLICKMAN. Mr. Speaker, today I introduced legislation that provides consumers with accurate information about the ingredients and nutritional value of foods they consume. The Low Cholesterol Consumer Education Act will protect American consumers from purchasing foods that are high in saturated fat without even knowing it.

During the last several years the Government, through the Surgeon General and the national cholesterol education project, and the medical and public health communities have intensified their education efforts. Together, they have urged the public to monitor and modify their diets to reduce fat intake and lower cholesterol levels. Switching to a diet lower in fat and saturated fat in turn diminishes the risk of coronary heart disease, the No. 1 killer in this country.

However, it is a great concern that many consumers, attempting to better watch their health, are caught up in a web of confusing and misleading labels. Many products prominently display claims of no cholesterol or baked with 100 percent vegetable shortening, yet are loaded in saturated fat and thereby boost individual's blood cholesterol levels. Our bill tackles this problem head-on, and assures that the buying public will be informed, not misled, about product ingredients and nutritional value.

This year's bill is completely different from last year's legislation. It is not only a stronger bill which responsibly addresses total fat in the diet, but it represents a compromise between many groups with diverse interests. Today's introduction is the culmination of months of crafting legislative provisions which directly respond to input provided by various interested parties.

Specifically, my bill amends section 403 of the Federal Food, Drug, and Cosmetic Act to:

Require that if a food label includes a statement that the food contains a vegetable oil or a statement regarding cholesterol content, then it must provide nutrition information—including, but not limited to, the amount of fat, saturated fat, and cholesterol contained in the food—elsewhere on the package.

Highlight for the purchaser that nutrition information—perhaps with a statement below the claim directing consumers to see side of package for more complete nutritional information.

Require that foods containing vegetable oils either: First, specifically identify the vegetable oils contained in that product or, second, provide complete nutrition information, including the amount of fat, saturated fat, or cholesterol.

The bill also has a standards section, which requires the Secretary of Health and Human Services to establish and publish in the Federal Register standards for recommended maximum daily levels of total fat, total saturated fat, and cholesterol consumers should consume. The Secretary also will be required to establish standards for determining serving sizes of foods, to allow consumers to compare fat contents of similar products.

This year's bill does not subject any one vegetable oil, be it domestically or internationally produced, to more stringent labeling requirements than any other vegetable oil. Therefore, the concerns expressed last Congress that our bill had implicit trade ramifications should not exist with the new bill because no vegetable oil is subjected to discriminatory treatment.

Further, it does not jeopardize food manufacture's flexibility to choose vegetable oils based on market price or availability. Food manufacturers are given an option to either stop disjunctively labeling—and/or labeling—their products or, if they choose this type of labeling then they must provide complete nutrition information. Simultaneously, consumers will be given appropriate cholesterol and fat information that affects their health.

The direct relationship between nutrition and health underscores the need to provide consumers with accurate information about foods they consume. Our legislation is a solid first step to ensure consumers get that important information. Its passage will help send a message that protecting the health of the American consumer is still a high priority of the Congress. I look forward to the same broad, bipartisan support that it received in the last Congress.

AMERICAN LEGION CELEBRATES ITS 70TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, today marks the 70th anniversary of the founding of the American Legion. On March 15, 1919, the American Legion began its proud and long tradition of service, patriotism and care for our Nation's veterans.

The idea of the American Legion began with a group of about 20 officers who served in the American Expeditionary Forces in France during World War I. They were asked by their headquarters to suggest ways to improve the morale of the troop. Lt. Col. Theodore Roosevelt, Jr. proposed an organization of veterans to serve this purpose, and in February 1919, this group formed a temporary committee to recruit membership. On this day, seventy years ago, on March 15, 1919, the first organization meeting took place in Paris with about 1,000 officers and enlisted men attending. This meeting known as the Paris Caucus adopted a temporary constitution, as well as agreed to the name American Legion.

Seventy years later, the American Legion has grown to a membership of about 2.8 million in 16,000 local groups, and a woman's auxiliary of 1 million members in about 12,000 local groups. These individuals have continued to perpetuate the Legion's founding pledge in their perseverance "For God and Country."

The continuing dedication of the American Legion to the adjustment of the veteran to civilian life, restoring his health and usefulness to society, maintaining his dignity, and assuring the welfare of the veteran's widow and children, is recognized and celebrated with this commemoration of the American Legion's founding. It is a fitting testimonial to the tireless efforts of members of the American Legion and other veterans groups, that today, March 15, 1989, will also mark the day that the Veterans' Administration has officially been elevated to Cabinet status and becomes the Department of Veterans' Affairs.

Mr. Speaker, the members of the American Legion not only have protected the interest of our Nation abroad, but also have contributed mightily to the strength and greatness of our Nation at home. On this 70th anniversary of the founding of the American Legion, I commend the Legionnaires in the 11th Congressional District of Illinois which I am honored to represent, and the American Legion posts throughout the Nation, on their magnificent record and their dedication to the ideals of our heritage. I extend to all Legionnaires my best wishes for success as they continue to go forward in their service to our Nation.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah [Mr. OWENS] is recognized for 5 minutes.

[Mr. OWENS of Utah addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. KYL] is recognized for 5 minutes.

[Mr. KYL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

INTRODUCTION OF PASCUA YAQUI LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. UDALL] is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, today, I am introducing a bill to amend the act of September 18, 1978, the act which extended Federal recognition as an Indian tribe to the Pascua Yaqui Tribe of Arizona.

I am introducing this bill at the request of the tribe. It seems that tribal authority is being challenged on the ground that the Pascua Yaqui Tribe is not an historic Indian tribe but merely a creation of Congress. Anyone familiar with the legislative history of the 1978 law or the history of the tribe knows that the tribe in fact has historically been a tribe from time immemorial.

Therefore, although I believe that the tribe could successfully defend itself against any challenge to its authority on grounds that it is not an historic Indian tribe, hopefully such legislation will clarify legislative intent and avoid any further needless litigation.

The bill I am introducing today should also not be viewed as an endorsement of the theory that non-historic tribes do not have as much inherent powers of sovereignty as historic tribes. This theory does not come into play here since the Pascua Yaqui Tribe is an historic tribe and therefore any debate on the validity of such theory will be left for another day.

ANDREW JACKSON AND HIS SUCCESSORS IN CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. CLEMENT] is recognized for 60 minutes.

Mr. CLEMENT. Mr. Speaker, I am here to talk about a great man and a great President of the United States, and that is Andrew Jackson from the State of Tennessee, who also had roots in South Carolina, North Carolina as well.

This Saturday I will be involved in a dedication of the new visitor center, as well as a museum, in Nashville, TN, at the Hermitage where Andrew Jackson had his home, and it is open to the public and operated and maintained by the Ladies Hermitage Association that does such a great job, and operates it and keeps it open for the public in order for us to honor as well as to know more about the life of Andrew Jackson.

Mr. Speaker, I am going to give some comments on this special occasion because today, March 15, is the 222d anniversary of the birth of Andrew Jackson. As the 37th individual to succeed Andrew Jackson in representing the district which includes Nashville and Jackson's home, the Hermitage, I am proud to join in today's celebration of Jackson's birth.

As my fellow citizens know, Andrew Jackson was our Nation's seventh President, serving two terms from March 4, 1829 to March 3, 1837. And, significant to this year's celebration of the bicentennial of the U.S. Congress, Andrew Jackson was Tennessee's first Representative to the U.S. House of Representatives, being elected shortly after Tennessee's admission in 1796 as a State into the Union.

Andrew Jackson represented what is called the "Hermitage District," which incorporates Davidson County, and now we have Robertson County, as part of the Hermitage District, and which is named after Jackson's beautiful home just outside Nashville. In fact, Mr. Speaker, this Saturday I will have the honor of participating in a

ceremony dedicating a new visitor center and museum at the Hermitage.

Mr. Speaker, before I go any further, some of my colleagues also want to have the opportunity to speak for a moment about Andrew Jackson.

Mr. Speaker, I yield to the gentleman from Tennessee [Mr. TANNER], my friend and distinguished colleague.

Mr. TANNER. Mr. Speaker, I appreciate this opportunity to speak in this special order called by my good friend and colleague BOB CLEMENT to commemorate the 222d birthday of our country's seventh President Andrew Jackson.

There are many stories about this great Tennessean. One such story about his refusing to shine the boots of a British general during America's war for independence serves as a very vivid example of his patriotic fervor.

His exploits in the war against the Seminole Indians in Florida and his defeat of British forces in New Orleans served to establish his reputation as a fierce combat leader. In those early days of American sovereignty, his achievements were noted far and wide. Among the people of his day he was justifiably recognized as a real American hero.

□ 1750

As President of the United States, Andrew Jackson utilized his passionate commitment to democracy on behalf of the American people. As one reads historical accounts of Jackson's Presidency, there are many instances of how he refused to compromise deeply held beliefs, not because he was trying to enhance his own reputation, but because he felt that his actions would have an important impact on the freedom of individual Americans or on the sovereignty of the United States of America.

Andrew Jackson's service to our country established standards of public service that stand to this day. I hope that as we commemorate his birth date that all Americans will contemplate the great achievements of our country and the tremendous contribution that Andrew Jackson made to those achievements.

Mr. CLEMENT. Mr. Speaker, I thank my colleague for joining me in paying tribute to Andrew Jackson.

Mr. Speaker, as I mentioned, I have the distinct honor of being the 38th Representative of the Hermitage District which now composes Davidson and Robertson Counties. In the 192 years since Tennessee joined the Union, 38 individuals have served the citizens of Davidson County here in the House of Representatives. And, it is a most distinguished list of individuals, many of whom served the citizens of Tennessee in other public offices. Besides Andrew Jackson, who later served as the seventh President of the United States, the list of individuals include a Member who later served as president of the Republic of Texas, two who served as Speakers of the House, three who served as mayors of major cities, including Nashville itself, and three who served in the Cabinets of Presidents.

Five individuals served as Governors of States or territories. Donn Anderson, Clerk of the House, would be pleased to know that one former Tennessee Member later served as Clerk of the House. One Member founded Tennessee's Cumberland University, which I later had the honor of serving for 4½ years as its president.

Seven Hermitage Representatives later served in the U.S. Senate, including two Members who served two nonconsecutive periods in the Senate. In the House, several Members rose to important chairmanships, including chairmanships of the House Appropriations Committee, the House Ways and Means Committee, and the Interstate and Foreign Commerce Committee. Several more rose to leadership positions in the House, including the position of majority whip, majority leader, the chairmanship of the Democratic Congressional Campaign Committee. Two served as Speaker of the House, as I have already mentioned.

This distinguished list begins, of course, with Andrew Jackson, as the No. 1 person in terms of being the first to represent the Hermitage District in Nashville, TN. I like to think that Jackson set much of the style of public service for the 38 individuals who following him to Congress. It is that legacy of public service which we keep alive and which we celebrate on this anniversary of his birth.

Andrew Jackson was born in Waxhaw, SC, on March 15, 1767, the son of Andrew and Elizabeth Jackson. Only 9 years old when the American Revolution started, Andrew, with his brother, was captured by the British after fighting in the Battle of Hanging Rock.

While in prison, Andrew and his brother, Robert, contracted smallpox. Robert died, but their mother was successful in nursing Andrew back to health. In 1781, Mrs. Jackson, who had been widowed before Andrew's birth, contracted a fever herself and died, leaving 14-year-old Andrew an orphan.

After a few years in Charleston and some experience as a school teacher, Andrew took up the study of law. After 2 years of study, he moved to Jonesborough and was admitted to the bar. He was appointed solicitor of the western district of North Carolina, comprising what is now the State of Tennessee. In 1798 he came to the infant settlement of Nashville and soon came to hold the same position of solicitor in the territorial government of Tennessee.

Andrew Jackson served as a delegate to the convention which framed a constitution for the new State of Tennessee. And, upon its admission to the Union in 1796, Jackson was elected to the U.S. House of Representatives, serving for the Fourth and Fifth Congresses until he resigned to become a Member of the U.S. Senate.

Most of us are familiar with Jackson's smashing victory over the British at the Battle of New Orleans in 1815. Most of us are familiar with his populist views and programs as our Nation's seventh President. And some are familiar with Jackson's service as Governor of the territory of Florida and his service during a second nonconsecutive term in the U.S. Senate. But Jackson was also a keen observer of men and many of his letters reveal an appreciation for the sentiments his fellow citizens desired in their country's young political institutions. In fact, it was his ability to translate these yearnings into political power which made him a popular leader of the citizenry.

Some of his words also describe the institution of Congress in ways echoed today by many observers. In an April, 1824 letter to his wife Rachel, which he wrote while a Member of the U.S. Senate, Jackson wrote:

> We have done nothing yet. I regret to see no national feeling in the majority of congress. Every one appears solely to be Engrossed with the interest alone of his own section of the country—so long as this feeling predominates, it will be unfortunate for our Nation.

Jackson continues by writing that:

> We ought as legislatures to meet with national feelings, and our legislation ought to be for the general good; and as far as practicable equity and justice to all sections of our country.

The irony of these words is their applicability to the Congress today. That is not intended as way of criticism, but as an observation that there is an element inherent in our democratic institutions which makes political problem-solving slow, cautious and, in the end, a product of consensus.

Interestingly, Jackson's very beliefs which contributed to his being elected twice to the highest office in the land also led to difficulties. Jackson's view of the national interest made enemies of many powerful national political and business leaders. His actions, which some describe as dictatorial, created a strong opposition that united the Whig Party.

While Jackson's name is indentified with a band of democracy, his legacy is also represented by the line of individuals who succeeded him to Congress. And I would like to share some information about some of the 36 Members who served between Jackson and myself.

The pattern of succession to the Hermitage seat in the House of Repre-

sentatives and the list of successors parallels the growth and importance of the Federal Government since Tennessee's admission into the Union 192 years ago.

By way of career pattern, 27 of the 37 successors to Jackson had been attorneys prior to their election to Congress. Jackson, too, was an attorney. As a former college president, I am in a distinct minority of nonattorneys which has included three farmers, two medical doctors, two businessmen, and two newspapermen, from the Fifth Congressional District, or what we call the Hermitage District.

Service in the State legislature has also been a predominant step in the career ladder to Congress; 21 of the 38 Representatives of the Hermitage District served either in a State house of representatives, a State senate, or both.

Service in the Congress, however, was seldom an end in itself, particularly in the years before 1900. In fact, 29 of the 38 Representatives of the Hermitage District had served prior to 1900. 16 of the 38 served only one term, and 14 of those 16 served before 1900.

As the Federal Government grew in importance and took a more active role in commerce and the affairs of State in the late 19th century, tenure in the House itself rose. A career in Congress became the means by which individuals could participate in and influence the direction of the increasingly activist Federal Government.

□ 1800

Reviewing the service of several of my predecessors, tenure increased dramatically in the 1870's. John House, for example, served four terms after his first election in 1874. Joseph Washington served 5 terms. His successor, John Gaines served six terms, and Gaines' successor, Joseph Byrns, served 14 terms. Thus, only six Members represented the Hermitage district, Andrew Jackson's district, in the 60 years from the start of this remarkable period of centralization at the Federal level to the height of the New Deal in 1935. By contrast, in the 60 years preceding the Civil War, 17 Members had represented this district in Congress.

But these statistics do not tell the colorful story of the individuals elected as successors to Andrew Jackson to represent Nashville and the Hermitage district. Each in his way tells us a little bit about the development of our country, the Congress, and the State of Tennessee.

William Charles Cole Clairborne, for example, was Jackson's immediate successor. The moves of Clairborne and his family tell us about the early development of our country. Clairborne was born in Virginia, spent his youth in New York City, studied law in Richmond, but practiced in Tennessee. He was elected to the Fifth and Sixth Congresses in spite of the fact that he was still initially under the constitutional age requirement of 25 years.

Following his service in the House, Clairborne was appointed Governor of the territory of Mississippi. In 1803, he was appointed as one of the commissioners to take possession of Louisiana following its purchase from France. His association with Louisiana was strengthened when he served as Governor of the territory of Orleans and the first Governor of Louisiana. He was elected to the U.S. Senate from Louisiana, but died prior to the assembling of the 15th Congress.

Mr. Speaker, William C.C. Clairborne was not only the brother, nephew and uncle of three Members of Congress, but he is also the great-great-great grand-uncle of our colleague, Congresswoman LINDY BOGGS, and I want to congratulate Congresswoman LINDY BOGGS for her participation in the celebration of the Bicentennial of the U.S. Congress and the new movie that the people of the United States will be able to see and review about the U.S. Congress that I know this generation and future generations will enjoy.

William Dickson, the third representative of the Hermitage district, was born in North Carolina but moved at age 25 with his parents to Tennessee. He studied medicine and practiced in Nashville, later serving in the State House of Representatives before his election to his first of three terms in Congress.

Tennessee was represented at-large by three members in the Eighth Congress. In addition, to William Dickson, George Washington Campbell and John Rhea represented Tennessee on a general ticket.

Interestingly, both Campbell and Rhea were foreign born—Campbell having been born in Scotland and Rhea in Ireland. Both immigrated with their parents to the United States. The Campbell family settled in North Carolina and the Rhea family in Philadelphia.

After graduating from Princeton, both Campbell and Rhea practiced law in Tennessee before both were elected as Republicans to the Eighth Congress. Campbell became chairman of the House Ways and Means Committee in his third term, a feat unimaginable in today's modern Congress. By his third term, Rhea had become chairman of the Committee on the Post Office and Post Roads.

While Rhea served nine nonconsecutive terms in the House, Campbell served two nonconsecutive terms in the U.S. Senate, sandwiched around service as Secretary of the Treasury to President Madison. After resigning from the Senate for reasons of health, Campbell nonetheless later served 3 years as minister to Russia.

Jesse Wharton was elected to the Tenth Congress and was later appointed to the U.S. Senate from Tennessee to fill a vacancy for 1 year until a successor was elected. Robert Weakley was the next one term member, serving only in the Eleventh Congress.

After serving two terms in the House, Felix Grundy served two nonconsecutive periods as the U.S. Senator from Tennessee. What is interesting about Grundy is that his eligibility to election as Senator was questioned by political opponents because he simultaneously held the office of U.S. Attorney General in the Van Buren administration at the time of his election. To avoid the controversy, Grundy, who had already resigned the Office of Attorney General following his election, resigned from the Senate and was reelected the same day.

Grundy's successor, Newton Cannon, also served four nonconsecutive terms in the House. He later served as Governor of Tennessee.

Before going on, I would like to recognize one of my colleagues, the gentlewoman from Connecticut [Mrs. KENNELLY], if she would like to be recognized to comment, whether it pertains to Andrew Jackson or maybe on another subject.

Mrs. KENNELLY. Mr. Speaker, I thank the gentleman so much.

Mr. Speaker, just having always been a fan of Andrew Jackson and almost to the point of being a historical buff concerning this gentleman, because I think what he did for this country, his character, his willingness to be independent, his willingness to differ with how things would go at a particular time and to bring forth new thoughts, that was so necessary at the time of the birth of a democracy as ours was, at that time, that I just wanted to listen to the gentleman's remarks and pay homage to him for bringing up this special order, because I think at a time like this as we are going into a whole new era, a whole new century, there is no better time to look back to our forefathers, no better time to look back to those who made this country what it is and pay respect to them, to give us greater guidance on which direction we should go.

Mr. Speaker, I wanted to pay honor to the gentleman for bringing this special order.

Mr. CLEMENT. I deeply appreciate the gentlewoman's comments and her tribute to Andrew Jackson, our seventh President of the United States. I have the great honor and distinction of representing the Hermitage district, and this is Andrew Jackson's birthday today. In fact, this Saturday I am going to have the opportunity to dedicate the new visitors' center and museum at the Hermitage.

Millions of people have had the opportunity to go through the Hermitage, and the Ladies' Hermitage Association has done such a great job over the years of caring and providing information and explaining the life of Andrew Jackson.

I will now proceed on.

Following the service of one-termer Thomas Clairborne, a particularly colorful individual was elected to the Eighteenth Congress in 1823 to represent the Hermitage district, and all of those whom I am mentioning were those who followed Andrew Jackson, because he was the first Congressman from the Volunteer State of Tennessee, and in 1823, to represent the Hermitage district was Sam Houston.

I know I have had the opportunity to read much about the friendship of Andrew Jackson and Sam Houston, and Sam looked at Andrew Jackson as a father and gave him much advice over the years.

Mr. Speaker, I always talk to my Texas colleagues in the U.S. House of Representatives about the important role Sam Houston played in the founding of the State of Texas, and I also remind them that if it was not for Tennessee there would not have been a Texas, because we did send Sam Houston and Davy Crockett and many others to Texas to fight at the Alamo and to fight for freedom and for Texas to become another State in the Union of States.

For, after serving 2 terms in the House and 2 years as Governor of Tennessee, Houston eventually made his way to Texas and was a member of the 1835 convention at San Felipe de Austin. The purpose of the convention was to establish separate statehood for Texas.

Houston was commander in chief of the Texas Army and successfully led the Texans against the Mexicans in the Battle of San Jacinto in April 1836. Houston, of course, was an experienced soldier, having served under Gen. Andrew Jackson in the Creek War and rising to the rank of lieutenant. When Texas independence was won in 1836, Houston was the first President of the Texas Republic until 1838. He then served as a member of the Texas Congress, and again as President of the Republic from 1841 to 1844.

Upon the admission of Texas as a State into the Union, Houston was elected as a Democrat to the U.S. Senate and served three terms from 1846 to 1859. When he finally returned to Texas, he was elected Governor again but then deposed on March 18, 1861 when he refused to take the oath of allegiance to the Confederate States.

But Sam Houston had an opportunity to be Governor of Tennessee as well as Governor of Texas. I truly believe there would not have been a Texas without Sam Houston and I know some differ with that comment. But that is the reason the State of Tennessee got its nick name, the Volunteer State. When they asked for 1,800 volunteers we gave them 18,000.

John Bell was the first native Tennessean to be elected to represent the Hermitage district. Born near Nashville, Bell served in the State legislature before being elected to the 20th Congress in 1827.

Bell was reelected six more times. In four of those reelection campaigns, he received 100 percent of the votes. Bell also served as Speaker of the House in the 23d Congress and chairman of the Committee on Indian Affairs for all the Congresses except the one during which he served as Speaker.

In 1841, President William Henry Harrison appointed Bell as Secretary of War, though he served only 6 months in that position. Nonetheless, Bell continued his public service as a member of the Tennessee House of Representatives and the U.S. Senate, serving two terms there. Undeterred, Bell was an unsuccessful candidate in 1860 for President of the United States on the Constitutional ticket. As we all know, Abraham Lincoln was elected President, but what if?

John Bell was succeeded by Robert Caruthers, the founder of Cumberland University in Lebanon, TN, and its law school. One-hundred-forty-one years later, I had the honor of being selected as president of Cumberland University.

In the 20 years leading to the Civil War and Tennessee's secession from the Union, eight different individuals represented the Hermitage district. Six were 1-term Members and one of them, William Cullom, later served as Clerk of the House in the 34th Congress.

With the approaching Civil War, the career patterns of many of the Members of this period reflect the divisions separating the Nation. Two Members, Robert Caruthers and Felix Zollicoffer, were active in the Peace Convention of 1861 which was convened in Washington in an effort to prevent the impending war.

Once war began, six Members served in or were associated with the Confederacy during their lifetimes. Three served in or were associated with the Union Army.

When Tennessee was readmitted to the Union in 1866, William Campbell, a veteran of the First Tennessee Volunteers and a brigadier general of the Volunteers during the Civil War, was elected as a unionist party member.

The next two Members, John Trimble and William Prosser, had also been loyal to the northern cause during the Civil War. Not until Edward Golladay's election in 1871 was a Confederate Army veteran elected to represent the district. Two later Members, John House and Andrew Jackson Caldwell, also served in the Confederate Army.

Following the single term of Edward Golladay, Horace H. Harrison was elected in 1872 with a plurality of 42 percent. What makes Harrison's service unique is that he is the last Republican Party member to represent Nashville in the U.S. Congress. Following a reapportionment and a redrawing of the district lines, Harrison lost to John House, a Democrat. Since 1874, only Democrats have represented the Hermitage district.

Contests for election remained quite competitive from 1870 through the landslide of 1869. Nearly all of the winners of the elections during this period received from 55 to 63 percent. And with the exception of Republican Horace Harrison's win with a plurality of 42 percent, the district was Democratic.

With this base, and as a result of the increasing activism of the central Government, tenure of the Members representing the Hermitage district increased. To some extent, the district during this period could be characterized as a "safe seat" and having a "safe seat" not only insured continued service, but also increased influence, and the evolution of a career in the Congress.

Joseph Washington, who studied with the first law class organized at Vanderbilt University, served five terms in the House. When he won with only 54 percent in 1894, he decided not to be a candidate for renomination in 1896; 1894 as we know, was a landslide Republican year in which the GOP gained more than 100 seats in the House of Representatives following the 1893 depression.

Yet, in 1896, the Hermitage district remained Democratic, withstanding the election's so-called critical effect in other parts of the country. In fact, in the elections following, the Hermitage district became more Democratic with no Democratic incumbent running for election between 1898 and 1938 receiving less than 70 percent of the vote.

Besides John Wesley Gaines, who served six terms between 1896 and 1908, the major beneficiary of the safe seat was Joseph Byrns.

Byrns was born in Robertson County, Tennessee, which I also represent. A graduate of the Vanderbilt University Law Department, Byrns served in the State house and State senate before being elected to Congress in 1908. He served for 14 terms, dying in office in 1936, while he was a nominee for reelection to the 75th Congress.

During that remarkable period of service, Byrns had five uncontested reelection campaigns. His most serious challenge was in 1928, when he won only 79 percent of the vote.

Byrns rose to become chairman of the House Appropriations Committee, Democratic majority leader, and Speaker of the House in the 74th Congress. He was also chairman of the Democratic National Congressional Campaign Committee from 1928 to 1930, immediately prior to his becoming Appropriations Committee chairman.

Byrns' successor, Richard Atkinson, served only one term—his service involuntarily ended when he lost renomination in 1938 to Byrn's son, Joseph, Jr.

Joseph Byrns, Jr.'s own service was cut short when he was beaten in the 1940 general election by the Independent Democratic candidacy of Percy Priest.

Priest served eight terms and was selected Democratic majority whip in the 81st and 82d Congresses. When the Democrats regained control of the 84th Congress in 1955, Priest was elected chairman of the Committee on Interstate and Foreign Commerce, now called the Committee on Energy and Commerce.

Priest died in office and was succeeded by Joseph C. Loser, who had served in a number of important positions in the city government of Nashville as well as secretary of the State Democratic executive committee.

Loser lost his third reelection contest to Richard Fulton, who many in this Chamber remember well even today. Dick Fulton served seven terms in the House and was a member of the House Ways and Means Committee before resigning to become mayor of Nashville.

Mayor Fulton or Congressman Fulton, and now successful businessman Fulton, and I say this somewhat facetiously, and I have had much fun joking with him, started a new trend among Representatives of the Hermitage district. That trend is to serve as mayor of Nashville after serving in the House. For, one of Fulton's successors, and my immediate predecessor, Bill Boner, also resigned Congress after five terms to be mayor of Nashville. We do not see that happen nationally, but it sure seems to happen in Nashville, TN.

My own plans as the 37th successor to Andrew Jackson are to serve the people of the Hermitage district as long and as well as I can. I expect to serve in the same fashion and with the same commitment and dedication that Andrew Jackson and the other 36 Members have served the citizens of the Hermitage district, which is located in Nashville, TN.

In presenting this history of Members who have represented Nashville and the Hermitage district, we pay tribute to them. While the individual histories of most of these Members must still be written, we can safely conclude that they served their district with distinction and with a clear desire to address the many problems of their times. Over the last 193 years since Andrew Jackson strolled these hallowed halls and into this Chamber, our Nation has changed dramatically. While my 37 predecessors were products of their times, many were also leaders and visionaries. As I have tried to portray in describing some of the many highlights of their careers in public service, the heritage of the Hermitage district is rich and distinguished.

From Andrew Jackson to Sam Houston to Speaker John Bell and Speaker Joseph Byrns, I am proud to claim these men as my predecessors. And I believe it is most appropriate to share this legacy with my colleagues on the anniversary of the birth of Tennessee's first Representative to Congress, Andrew Jackson.

□ 1820

I am looking forward to Saturday being with the Ladies Hermitage Association, being at the Hermitage where Andrew Jackson lived, where he raised horses. I want to invite everyone from this great country, the United States of America, to visit with us in Nashville, TN to visit with us at the Hermitage, to visit with us at the Opryland, visit the Parthenon, visit the Music Row festivities; visit Nashville and the Hermitage district. You are always welcome because the Hermitage district is a friendly district.

Mr. Speaker, at this time I yield to my colleague from the State of Tennessee, MARILYN LLOYD.

Mrs. LLOYD. I thank the gentleman for yielding.

Mr. Speaker, I also rise today to celebrate and honor one of the great figures in American history, Andrew Jackson. I do so with great pride for not only was he a great American, he was also a great Tennessean. His contributions to the United States in both military and political affairs profoundly affected the course of our history.

Andrew Jackson was born in 1767 in South Carolina. As a young boy of only 13 Jackson helped fight for American independence. As the United States struggled to establish a stable and efficient democratic government, Jackson pursued the study of law. After completing his studies he headed west and settled in Jonesboro, TN, where he began his service in the new State as a public prosecutor. Jackson's decision to stake his claim in Tennessee, then the frontier of the United States, was to prove significant later in his political career.

Jackson's service to his adopted home State included representing Tennessee in the House of Representatives as my colleague stated and the Senate. He would also sit on the Supreme Court of Tennessee. While, the young Andrew Jackson quickly became a prominent citizen of Tennessee, Jackson would achieve national prominence much later in life as a general during the War of 1812. For just over 2 weeks in December of 1814 and January of 1815 Gen. Andrew Jackson administered the defense of New Orleans. Jackson's preparations for the British siege and his inspirational leadership of an American Army made up mostly of untrained militia and volunteers from Kentucky, Mississippi, and Tennessee kept New Orleans out of British hands and dramatically illustrated to the British Government that the Americans could beat the best the British had to throw at them.

Jackson's victory was amazing, and revitalized a nation and a people that had suffered humiliating defeats earlier in the war. It served as a message to Europe that America was indeed a free and independent nation with the power and determination to protect its hard won position. Jackson instantly became a national hero. Jackson's appeal stemmed not only from his stunning victory at New Orleans, but also from his status as a self-made man and his character, which so closely resembled that of "the common man." Unlike most leaders of his time, he was not a member of the eastern aristocracy, having come from a family of modest means. His prominence on the Tennessee frontier, which symbolized to many Americans of the period the values of freedom and democracy, enhanced his reputation and popularity. A little more than a decade later "Old Hickory," as Andrew Jackson was commonly known, would become the seventh President of the United States.

Jackson's Presidency is as important for what it symbolized, both in 1828 and today, as for what was accomplished during his 8 years in office. Jackson, who seemed to personify Jefferson's vision of a popular democracy, ushered in an era of "the common man," known to later historians as Jacksonian Democracy. His perceived closeness with the electorate was symbolically expressed during his inauguration when, without pomp and circumstance or grand military parades, he walked to the Capitol and then proceeded to the White House on horseback, forsaking to use the more customary carriage.

During a congressional session at the beginning of Jackson's first term Daniel Webster summed up the mood of the Nation this way:

> Society is full of excitement: competition comes in the place of monopoly; and intelligence and industry ask only for fair play and an open field.

Jackson was the first President to be perceived of as a man of the people and as such he would change the face of America.

To quote eminent historian Richard Hofstader:

With Old Hickory's election a fluid economic and social system broke the bonds of a fixed and stratified political order. When Jackson left office he was the hero of the lower and middle elements of American society who believed in expanding opportunity through equal rights, and by the time of his death * * * (Jackson) had left a deep and lasting mark upon the Nation.

I thank my colleague for yielding me this time.

Mr. CLEMENT. I thank the gentlewoman for her comments of tribute to Andrew Jackson, our seventh President of the United States, whom I have the opportunity to serve in the Hermitage district, which is the Andrew Jackson district.

This is a special occasion because this is his birthday and it is a pleasure for others to honor him as well.

Mr. QUILLEN. Mr. Speaker, I am honored to participate in this commemoration of the 222d birthday of Andrew Jackson, the seventh President of the United States.

Andrew Jackson's rise to power was undoubtedly the most important political development of the first quarter of the 19th century. He was Tennessee's first Representative in the Congress, and also served as a U.S. Senator, superior court judge and major general of the State militia. These outstanding accomplishments were achieved by a man who was orphaned at the age of 14.

After working as a schoolteacher, Andrew Jackson studied law and moved to Jonesborough, TN, which is located in my congressional district, and was admitted to the bar. He later moved to Nashville, where he gained enormous popularity. He had an outstanding military career, highlighted by his smashing victory over the British at the Battle of New Orleans.

Mr. Speaker, Tennessee has an impressive list of great names which have gone down in American legend and history—names such as Daniel Boone, Davy Crockett, Sam Houston, our 11th President, James K. Polk, and our 17th President Andrew Johnson. Andrew Jackson is certainly one of the most prominent, colorful and notorious Tennessean in American history, and I'm glad to pay tribute to his many contributions and accomplishments.

Mr. SPENCE. Mr. Speaker, I want to commend the gentleman from Tennessee for taking this special order to pay tribute to our seventh President, Andrew Jackson.

As we all know from our earliest school days, Andy Jackson is really larger than life. In fact, there are so many stories about Jackson until it is often difficult to separate fact from fiction. He was one of the most remarkable people in the history of the United States, and it is hard to seriously discuss America's political development without the mention of his name.

As a school boy growing up in South Carolina I used to marvel at the stories associated with his life. One particular story that always thrilled me had to do with an episode during the Revolutionary War. Like most of the Colonies, South Carolina was divided into three camps. There were Patriots, Loyalists, and Tories. In the Waxhaw District of South Carolina, where Jackson was born, many people felt a great loyalty for the mother country—Great Britain.

One incident involving a 13-year-old Andrew Jackson went a long way toward solidifying public opinion against the Crown. It had to do with a Tory officer who demanded that Jackson clean and shine his boots. Jackson refused, and he was struck across the face with the officer's cavalry sabre. While Jackson survived the cowardly attack, he bore a horrible scar that disfigured one side of his face. Great Britain paid a dear price for this unprovoked attack, because Jackson went to his grave with a dislike for the Crown and most Englishmen. Of course, this view manifested itself in spades during the Battle of New Orleans in the War of 1812. Jackson lived to see the advent of photography and there is a famous photograph of Jackson taken just months before his death, which clearly shows the scar caused by the sabre.

Mr. Speaker, for years a battle has raged between South Carolina and North Carolina on just exactly who has the legitimate claim to his place of birth. This is no time to renew this friendly rivalry, although I must point out to my dear friends and colleagues that Jackson himself referred to South Carolina as the place of his birth. In fact, during the famous national debate on the nullification question, Jackson would often cite South Carolina as the place of his birth when he made his plea to the nullification advocates from South Carolina not to leave the Union.

Of course, the great State of Tennessee actually has the most identity with Andrew Jackson. He was a Congressman from Tennessee and of course, left his beloved Tennessee to serve all the people of the United States as their President. I think it especially appropriate that as we walk through the Capitol rotunda on our way to the Senate side, we always view an impressive statue of Andrew Jackson.

I think of Andy Jackson in many ways. However, one thing always comes to mind—his courage. Not only was he a courageous soldier, but, when he and his wife were subjected to terrible character assassination due to the status of his second marriage, Jackson took on his political enemies with a resolve and determination that eventually won over most of his adversaries.

Mr. Speaker, America will always be great because of men and women like Andy Jackson, who came to the forefront in a time of national peril. His life and career are really a microcasm of America and its early pioneer development, and we can thank our lucky stars that God gives us such people.

Mr. BENNETT. Mr. Speaker, I'm glad to have this opportunity to remember the greatness of Andrew Jackson.

I would like to submit for the RECORD an article I wrote about Andrew Jackson in April of 1987. I wrote this article at the time of the erection of a statue of Andrew Jackson in downtown Jacksonville.

Jacksonville, which I have represented in Congress for the past four decades, was named after Andrew Jackson in 1822.

Andrew Jackson was certainly a great man, and I am glad our colleague, BOB CLEMENT has provided us this chance to commemorate him on the anniversary of the date of his birth.

MOST ADMIRE COURAGE DISPLAYED IN ACTIONS BY ANDREW JACKSON

(By Representative Charles E. Bennett)

Many disciplined military men would think it their duty to carry out a risky international project thought to be approved by their commander in chief but not explictly detailed in formal orders.

As the facts come out in the current congressional inquiry on the Iran arms-for-hostages matter, such a pattern may unfold. There are certain precedents. For example, such a sense of duty was clearly in Andrew Jackson's mind when he justified his actions in bringing Florida into the United States in 1817–1821.

In 1821, at the conclusion of his Florida adventure, Jackson was rewarded for initiatives by being appointed the first U.S. governor of Florida. Jacksonville followed suit in 1822 by naming itself in his honor. This upgraded the dignity of the little community at the bend of the St. Johns River, for it had previously called itself Cowford, or even more modestly, just "the cowford."

It had by that time almost forgotten its glorious 16th century Renaissance beginnings as a haven for French Huguenots. Modern Jacksonville has overlooked neither the French nor Jackson. A fine national park museum celebrates the French; and this summer the city will erect downtown an equestrian statue of Jackson on a rearing horse, a replica of the one in Lafayette Park in Washington.

When Jackson was busy in Florida in the early 1800s, he was the nation's greatest living hero; and later he was the first president to be elected by direct appeal to the mass of voters, thus giving birth to "Jacksonian democracy." Before this Florida adventure, he had served in both houses of Congress and as judge of the Superior court of Tennessee.

During the War of 1812, he defeated the Creek Indians in the Battle of Horseshoe Bend in 1814, and the British in the Battle of New Orleans in 1815. Log cabin and coonskin cap background, together with his great personal courage, made him a true folk hero.

Events were exploding in Florida in 1817. The Spanish sovereignty could not enforce law and order within its boundaries and this encouraged lawlessness and revolution. Sir Gregor MacGregor, a Scottish lord and "emperor" of the Mosquito Indians of Central America, captured Cowford on June 4, 1817, flying first the flag of Venezuela and then his own republican colors. Before the year was out, there was a succeeding leadership under Luis Aury, flying the Mexican flag over Florida's Amelia Island, still another republican banner to challenge Spanish authority.

U.S. troops were sent down to protect the borders and the U.S. flag was raised over Amelia Island on Sept. 21, 1817. President James Monroe in August 1817 had directed Jackson to raise troops to support the efforts on the east coast of Florida but primarily to conduct operations in the western panhandle of Florida, ostensibly against Seminole Indian insurgents preying across the borders into Georgia.

Jackson undertook the mission with enthusiasm and thought his objective was to turn Florida over to the United States and perhaps even to include Cuba in his conquests.

On Aug. 4, 1817, Monroe wrote Jackson a confidential letter: "The conduct of MacGregor supposed to menace the tranquility of the Southern states, has induced the gentlemen of this administration to take a measure to my absence for the public security which has made it necessary to order an officer, near the place, to perform a prompt service . . ."

"Every order from the Department of War, to whomever directed must be obeyed. I cannot think that you are of a different opinion, and it is on you that I rely for the most decisive support of the government."

In September 1817, Seminole Indians in Florida ambushed a U.S. hospital ship on the Apalachicola, killing 34. On Dec. 16, the secretary of war, John C. Calhoun, issued orders for Jackson, authorizing entry into Florida in retaliation unless the enemy "should shelter themselves under a Spanish post."

Jackson raised 1,000 Tennessee volunteers, partially financed with his own funds. En route to Florida, he augmented his forces with 900 Georgia militiamen and a sizable body of Creek Indians.

Jackson had objected to his orders not allowing him to attack Spanish forts and wrote Monroe on Jan. 6, 1818, urging that the "whole of East Florida be seized and held as an indemnity for the outrages of Spain upon the property of our citizens," concluding: "let it be signified to me through any channel (say Mr. J. Rhea), that the possession of the Floridas would be desirable to the United States, and in 60 days, it will be accomplished."

John Rhea, a friend of the president, wrote Jackson on Jan. 12, 1818: "I am gratified indeed that the plan of the president is satisfactory to you. I am confident that he intended it to be so."

The restriction against attacking forts was only in the Dec. 16 order and the later (Dec. 26) orders from Calhoun to Jackson were more broadly stated. "You may be prepared to concentrate your forces and to adopt the necessary measures to terminate a conflict which it has been the desire of the president, from considerations of humanity, to avoid but which is now made necessary by their settled hostilities."

Calhoun also wrote the governor of the Alabama territory that "General Jackson is vested with full to conduct the war in the manner he may judge best." That was all that Gen. Jackson sought.

The Seminoles' border intrusions had accelerated with the defeat of the Creek Indians at Horseshoe Bend and the subsequent treaty which took 20 million acres from the defeated, including some lands claimed by the Seminoles. Jackson pursued the marauding Seminoles in Florida and on April 16, 1818, captured St. Marks, a Spanish stone fort near the Gulf Coast, which was reputedly a supply base for the Indians. He lowered the Spanish flag and raised the U.S. flag.

Among the captured was Alexander Arbuthnot. Jackson accused him of being a British agent and had him hanged. Later, Lt. Robert C. Ambrister, formerly of the British Royal Marines, was captured, and he was tried and shot for being a British agent seeking to foment difficulties among the Indians. By the end of May 1818, Jackson's forces had captured Pensacola.

The British threatened war in retaliation for the executions, but finally were persuaded against it. To soften the Spanish tempers, the captured forts were returned to Spain in a series of confrontations that concluded on Feb. 22, 1819, in the Adams-Onis, Treaty. By this treaty, the United States acquired Florida in return for giving up claims to Texas and for agreeing to pay $5 million of Spanish debts owed to U.S. citizens.

Monroe, in public statements, admonished Jackson for some of his belligerent actions, but to most Floridians, and most U.S. citizens, Jackson's appointment by Monroe to be the first U.S. governor of Florida was a well-deserved honor. Manifestly, it spoke with more truth than the press releases that were issued to diminish international complaints, however well-founded those complaints may have been.

U.S. citizens in those days admired courage.

Most do today.

So do I.

The SPEAKER pro tempore (Mr. PICKLE). Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

[Mrs. BENTLEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 60 minutes.

[Mrs. SCHROEDER addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. PETRI] is recognized for 60 minutes.

[Mr. PETRI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

[Mr. GONZALEZ addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 60 minutes.

[Mr. DREIER of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. DE LA GARZA] is recognized for 60 minutes.

[Mr. DE LA GARZA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. RAHALL (at the request of Mr. FOLEY) on account of attending the funeral of former Member, the late Honorable James Kee.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SMITH of Mississippi) to revise and extend their remarks and include extraneous material:)

Mr. STANGELAND, for 30 minutes, on March 21.

(The following Members (at the request of Mr. MCDERMOTT) to revise and extend their remarks and include extraneous material:)

Mr. GLICKMAN, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WEISS, for 5 minutes, on March 16.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SMITH of Mississippi) and to include extraneous matter:)

Mr. GUNDERSON.

Mr. COX.

Mrs. BENTLEY in two instances.

Mr. RITTER.

Ms. SCHNEIDER.

Mr. BARTON of Texas.

Mr. SCHULZE.

Mr. SOLOMON.

Mr. GEKAS.

Mr. GALLEGLY.

Mr. HANSEN.

Mr. DORNAN of California.

Mr. DANNEMEYER.

Mr. PORTER.

Mr. SCHAEFER.

Mr. MILLER of Ohio in three instances.

Mr. BUECHNER in two instances.

(The following Members (at the request of Mr. MCDERMOTT) and to include extraneous matter:)

Mr. KANJORSKI.

Mr. HAMILTON in two instances.

Mr. VENTO.

Mr. FORLIETTA.

Mr. LANTOS in two instances.

Mr. MRAZEK in two instances.

Mr. RAY.

Mr. FLORIO in two instances.

Mr. LIPINSKI in two instances.

Mr. COYNE.

Mr. AUCOIN.

Mr. HAWKINS.

Mr. BARNARD.

Mr. HARRIS.

Mr. UDALL.

Mr. CONYERS.
Mr. BILBRAY.
Mr. DURBIN.
Mr. RICHARDSON.
Mr. TOWNS.
Mr. MOODY.
Mr. TALLON.
Mr. BERMAN.
Mr. JOHNSON of South Dakota.
Mrs. KENNELLY.
Mr. GARCIA.
Mr. ECKART.
Mr. MILLER of California.
Mr. STALLINGS.
Mrs. COLLINS.
Mr. APPLEGATE.
Mr. ACKERMAN.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 43. Joint resolution designating April 9, 1989, as "National Former Prisoners of War Recognition Day"; to the Committee on Post Office and Civil Service.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 64. Joint resolution to designate March 25, 1989, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

ADJOURNMENT

Mrs. KENNELLY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 29 minutes p.m.) the House adjourned until tomorrow, Thursday, March 16, 1989, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

775. A letter from the Deputy Secretary of Defense, transmitting an update on the current status and latest cost estimates for the project to relocate the 401st Tactical Fighter Wing; to the Committee on Armed Services.

776. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend the Toxic Substances Control Act, as amended, for 2 years, pursuant to 31 U.S.C. 1110; to the Committee on Energy and Commerce.

777. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Solid Waste Disposal Act, pursuant to 31 U.S.C. 1110; to the Committee on Energy and Commerce.

778. A letter from the Administrator, Agency for International Development, transmitting notification that it is in the national interest to grant assistance to Peru even though it is in default in payment to the United States of certain indebtedness, pursuant to 22 U.S.C. 2370(q); to the Committee on Foreign Affairs.

779. A letter from the Director, Defense Security Assistance Agency, transmitting a copy of Transmittal No. 02-89, concerning a proposed memorandum of agreement [MOA] and annex with the Government of the Federal Republic of Germany concerning a joint project for extended air defense, pursuant to 22 U.S.C. 2767(f); to the Committee on Foreign Affairs.

780. A letter from the Executive Secretary, Board of Regents, Uniformed Services University of the Health Science, transmitting a report of the Board's compliance with the Government in the Sunshine Act for the calendar year 1988, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

781. A letter from the Acting Administrator, Federal Aviation Administration, transmitting the agency's January progress report on aircraft safety rulemaking proceedings, pursuant to 49 U.S.C. app. 1421 nt.; to the Committee on Public Works and Transportation.

782. A letter from the Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to authorize appropriations for environmental research, development, and demonstration for fiscal years 1990 and 1991, pursuant to 31 U.S.C. 1110; to the Committee on Science, Space, and Technology.

783. A letter from the Secretary of Commerce, transmitting the 1988 annual report of the Visiting Committee on Advanced Technology of the National Institute of Standards and Technology of the Department, pursuant to Public Law 100-418, section 5131(b); to the Committee on Science, Space, and Technology.

784. A letter from the Acting Director, Office of Civilian Radioactive Waste Management, Department of Energy, transmitting the final version of the dry cask storage study, pursuant to Public Law 100-203, section 5604(a) (101 stat. 1330-254); jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

785. A letter from the Acting Administrator, Federal Aviation Administration, transmitting the report of progress on developing and certifying the traffic alert and collision avoidance system [TCAS] covering the months of October, November, and December 1988 and January 1989, pursuant to Public Law 100-223, section 203(b) (101 Stat. 1518); jointly, to the Committees on Public Works and Transportation and Science, Space, and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GAYDOS: Committee on House Administration. House Resolution 103. Resolution providing amounts from the contingent fund of the House for the expenses of investigations and studies by standing and select committees of the House in the first session of the One Hundred First Congress; with an amendment (Report No. 101-8). Referred to the House Calendar.

Mr. ASPIN: Committee on Armed Services. House Resolution 74. Resolution directing the Secretary of Defense to furnish certain information to the House of Representatives concerning the actions of the Commission on Base Realignment and Closure with respect to Fort Dix, New Jersey. (Adverse Report No. 101-9). Referred to the House Calendar.

Mr. ASPIN: Committee on Armed Services. House Resolution 76. Resolution directing the Secretary of Defense to furnish certain information to the House of Representatives concerning the actions of the Commission on Base Realignment and Closure. (Adverse Report No. 101-10). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STAGGERS:

H.R. 1414. A bill to provide for the appointment of enlisted members of the Armed Forces to the American Battle Monuments Commission; to the Committee on Veterans' Affairs.

By Mr. STAGGERS (for himself, Mr. MONTGOMERY, and Mr. STUMP):

H.R. 1415. A bill to amend chapter 37 of title 38, United States Code, with respect to the veterans' home loan program carried out under such chapter; to the Committee on Veterans' Affairs.

By Mr. JENKINS (for himself, Mr. FRENZEL, Mr. PICKLE, Mr. MATSUI, Mr. DOWNEY, Mr. ANDREWS, Mr. JACOBS, Mr. ARCHER, Mr. FORD of Tennessee, Mr. CRANE, Mr. GEPHARDT, Mr. THOMAS of California, Mr. GUARINI, Mr. BROWN of Colorado, Mr. ANTHONY, Mr. CHANDLER, Mr. FLIPPO, Mr. DORGAN of North Dakota, Mrs. JOHNSON of Connecticut, Mrs. KENNELLY, Mr. COYNE, Mr. SUNDQUIST, and Mr. MOODY):

H.R. 1416. A bill to amend the Internal Revenue Code of 1986 to enhance the incentive for increasing research activities; to the Committee on Ways and Means.

By Mr. GEPHARDT (for himself and Mr. LEVINE of California):

H.R. 1417. A bill to amend title 10, United States Code, to provide for consideration of whether certain defense agreements adversely impact the international competitive position of United States industry; to the Committee on Armed Services.

By Mr. AKAKA (for himself and Mrs. SAIKI):

H.R. 1418. A bill to amend the Energy Policy and Conservation Act with respect to the strategic petroleum reserve; to the Committee on Energy and Commerce.

By Mr. APPLEGATE (for himself, Mr. MCEWEN, Ms. OAKAR, Mr. THOMAS A. LUKEN, Mr. GILLMOR, Mr. TRAFICANT, Mr. STOKES, Mr. OXLEY, Mr. PEASE, and Mr. WYLIE):

H.R. 1419. A bill to provide for the use of toll revenues from the operation of the Ohio Turnpike system; to the Committee on Public Works and Transportation.

By Mr. ALEXANDER:

H.R. 1420. A bill to amend the Congressional Budget and Impoundment Control

Act of 1974 to exclude the receipts and disbursements of any trust fund from the calculations of Federal deficits and maximum deficit amounts under the Balanced Budget and Emergency Deficit Control Act of 1985; to the Committee on Government Operations.

By Mr. BRENNAN (for himself, Mr. BENNETT, Mr. PALLONE, Mr. MCDERMOTT, Mr. LAGOMARSINO, Mr. FRANK, Mr. MINETA, Mr. BONIOR, Mr. BATES, Mr. FAWELL, Mr. DEFAZIO, Mr. MAVROULES, Mr. DELLUMS, Mr. HOCHBRUECKNER, Mr. SCHEUER, Mr. DE LUGO, Mr. MANTON, Ms. SCHNEIDER, Mr. WEISS, Mr. OWENS of New York, Mr. LEVINE of California, Mr. MILLER of California, Mrs. SAIKI, Mrs. BOXER, Mr. ROE, Mr. FOGLIETTA, Mr. ATKINS, Mr. DWYER of New Jersey, and Mr. COURTER):

H.R. 1421. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to protect the marine environment through the establishment of regional marine research programs; jointly, to the Committees on Merchant Marine and Fisheries and Science, Space, and Technology.

By Mr. CARR:

H.R. 1422. A bill to amend the Internal Revenue Code of 1986 to increase to 100 percent the amount of health insurance costs which may be deducted by self-employed individuals and to make such deduction permanent; to the Committee on Ways and Means.

By Mrs. COLLINS (for herself, Mr. FRANK, Mr. OWENS of New York, Mr. FAUNTROY, Mr. DEFAZIO, Mr. WEISS, Mr. MCDERMOTT, and Mr. DE LUGO):

H.R. 1423. A bill to suspend United States assistance to the Nicaraguan Resistance until the Nicaraguan resistance has accounted, to the satisfaction of the Congress, for the assistance that the United States has already provided to the Nicaraguan resistance; jointly, to the Committee on Foreign Affairs and Rules.

By Mr. COX (for himself and Mr. BARTLETT):

H.R. 1424. A bill to conform the Railway Labor Act to the National Labor Relations Act with regard to unlawful secondary activity; jointly, to the Committee on Public Works and Transportation and Energy and Commerce.

By Mr. COYNE (for himself, Mr. WALGREN, Mr. MURPHY, Mr. EDWARDS of California, Mr. FAZIO, Mr. FRANK, Mr. ATKINS, Mr. MORRISON of Connecticut, Mr. BERMAN, Mr. ACKERMAN, Mr. KOLTER, Mr. BORSKI, Mr. ESPY, Mr. HAYES of Illinois, Mr. KANJORSKI, Mr. LEVIN of Michigan, Mr. WILLIAMS, Mr. CONYERS, and Mr. FISH):

H.R. 1425. A bill to require the Bureau of Labor Statistics of the Department of Labor to collect, report on, and disseminate data necessary for an actual account of individuals who are out of work in the United States; to the Committee on Education and Labor.

By Mr. DINGELL (for himself, Mr. WAXMAN, Mr. LENT, and Mr. MADIGAN):

H.R. 1426. A bill to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DOWNEY:

H.R. 1427. A bill to amend the Internal Revenue Code of 1986 to remove certain limitations on charitable contributions of certain items; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 1428. A bill to suspend temporarily the duty on certain plastic web sheeting; to the Committee on Ways and Means.

By Mr. GALLEGLY (for himself, Mr. LAGOMARSINO, Mr. STARK, Mr. DWYER of New Jersey, Mr. OXLEY, Mr. DORNAN of California, Mr. LOWERY of California, Mr. GUNDERSON, Mrs. BOXER, Mr. PAYNE of New Jersey, and Mr. INHOFE):

H.R. 1429. A bill to provide for a demonstration project involving certain field divisions of the Federal Bureau of Investigation in order to promote the recruitment and retention efforts of that agency; jointly, to the Committees on Post Office and Civil Service and the Judiciary.

By Mr. HANSEN (for himself, Mr. NIELSON of Utah, and Mr. KOLBE):

H.R. 1430. A bill to designate the Great Western Scenic Trail as a component of the National Trails System; to the Committee on Interior and Insular Affairs.

By Mr. HANSEN (for himself and Mr. NIELSON of Utah):

H.R. 1431. A bill to designate the Great Western Scenic Trail as a component of the National Trails System; to the Committee on Interior and Insular Affairs.

By Mr. HAWKINS (for himself, Mr. CLAY, Mr. FUSTER, Mr. LANTOS, Mr. MARTINEZ, Mr. MFUME, Mr. PEPPER, Mr. RINALDO, Mr. ROYBAL, and Ms. SNOWE):

H.R. 1432. A bill to amend the Age Discrimination in Employment Act of 1967 with respect to the waiver of rights under such act without supervision, and for other purposes; to the Committee on Education and Labor.

By Mr. HUGHES:

H.R. 1433. A bill to amend title 10, United States Code, to provide that medical procedures to overcome infertility shall be provided for certain dependents and former members of the uniformed services under the Civilian Health and Medical Program of the Uniformed Services; to the Committee on Armed Services.

H.R. 1434. A bill to amend the Magnuson Fishery Conservation and Management Act to establish civil penalties for stealing, removing, damaging, or tampering with fishing gear or fish contained in such gear; to the Committee on Merchant Marine and Fisheries.

H.R. 1435. A bill to investigate alternatives to the institutionalization of Medicare and Medicaid patients; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. HUGHES (for himself, and Mr. WOLF):

H.R. 1436. A bill to amend title 5, United States Code, to include service during World War II in the U.S. merchant marine as military service for purposes of the civil service retirement system; to the Committee on Post Office and Civil Service.

By Mr. HYDE:

H.R. 1437. A bill to require periodic assessments of the impact and effectiveness of the U.S. economic assistance to foreign countries; to the Committee on Foreign Affairs.

H.R. 1438. A bill to impose a criminal penalty for flight to avoid payment of arrearages in child support; to the Committee on the Judiciary.

By Mr. LANCASTER (for himself, Mr. ACKERMAN, Mr. BATES, Mr. BEILENSON, Mr. BONIOR, Mr. CLEMENT, Mr. DWYER of New Jersey, Mr. GEJDENSON, Mr. HARRIS, Mr. LAGOMARSINO, Mr. NEAL of North Carolina, Mr. OWENS of New York, Mr. PENNY, Mr. PRICE, Mr. SHAW, Mr. UPTON, Mr. VALENTINE, Mr. WEISS, and Mr. ECKART):

H.R. 1439. A bill to require the Administrator of the Environmental Protection Agency to issue rules requiring that certain plastic articles be made of naturally degradable material; to the Committee on Energy and Commerce.

By Mr. MCCOLLUM:

H.R. 1440. A bill to amend title 18, United States Code, to provide civil and criminal forfeitures for certain offenses; to the Committee on the Judiciary.

By Mr. GLICKMAN (for himself and Mr. LELAND):

H.R. 1441. A bill to amend the Federal Food, Drug, and Cosmetic Act to prescribe labeling requirements for foods which contain vegetable oils and for other purposes; to the Committee on Energy and Commerce.

By Mr. MCMILLAN of North Carolina:

H.R. 1442. A bill relating to the tariff treatment of trifluoromethylaniline (also known as m-Aminobenzotrifluoride); to the Committee on Ways and Means.

By Mr. RAVENEL:

H.R. 1443. A bill to suspend temporarily the duty on Resolin Red F3BS components I and II; to the Committee on Ways and Means.

H.R. 1444. A bill to suspend temporarily the duty on DMSS; to the Committee on Ways and Means.

H.R. 1445. A bill to suspend temporarily the duty on pentachlorobenzenethiol; to the Committee on Ways and Means.

H.R. 1446. A bill to suspend temporarily the duty on paramine acid; to the Committee on Ways and Means.

H.R. 1447. A bill to suspend temporarily the duty on Trimethyl base; to the Committee on Ways and Means.

By Mr. SCHULZE:

H.R. 1448. A bill to amend the Internal Revenue Code of 1986 to provide a refundable credit to parents for dependents under age 5, and for other purposes; to the Committee on Ways and Means.

By Mr. SCHULZE (for himself, Mr. SAXTON, Mr. MCEWEN, Mr. DE LUGO, and Mr. ROWLAND of Connecticut):

H.R. 1449. A bill to amend section 118 of the Internal Revenue Code of 1986 to provide exceptions from the rules for determining contributions in aid of construction and from the passive loss rules and to retroactively exempt home construction contracts from the special rules for long-term contracts; to the Committee on Ways and Means.

By Mr. SENSENBRENNER:

H.R. 1450. A bill to amend the Perishable Agricultural Commodities Act, 1930, to require commission merchants, dealers, and brokers to label perishable agricultural commodities with the name of the country of origin of such commodities; to the Committee on Agriculture.

By Mr. SOLOMON:

H.R. 1451. A bill to amend the Immigration and Nationality Act with respect to the exclusion and departure of aliens engaged in terrorist activities; to the Committee on the Judiciary.

By Mr. STARK (for himself, Mr. ANDREWS, Mr. WAXMAN, Mr. ATKINS, Mr. BATES, Mrs. BOXER, Mr. CHAN-

DLER, Mr. FAUNTROY, Mr. KOSTMAYER, Mr. LIPINSKI, Mr. THOMAS A. LUKEN, Ms. SCHNEIDER, and Mr. SYNAR):

H.R. 1452. A bill to amend the Internal Revenue Code of 1986 to increase the excise taxes on cigarettes by 25 cents per pack; to the Committee on Ways and Means.

By Mr. WYDEN (for himself, Mr. WAXMAN, Mr. SCHUMER, Mr. ROYBAL, Mr. RINALDO, Mr. SCHEUER, Mr. WALGREN, Mr. LELAND, Mr. FLORIO, Mr. RICHARDSON, and Mr. BERMAN):

H.R. 1453. A bill to amend title XIX of the Social Security Act to provide States the option of providing quality community care to the elderly under their Medicaid programs; to the Committee on Energy and Commerce.

By Mr. TOWNS (for himself and Mr. MCMILLEN of Maryland):

H.R. 1454. A bill to require institutions of higher education receiving Federal financial assistance to provide certain information with respect to the graduation rates of student-athletes at such institutions; to the Committee on Education and Labor.

By Mr. UDALL:

H.R. 1455. A bill to amend the Act of September 18, 1978 (92 Stat. 712) providing for the extension of certain Federal benefits, services, and assistance to the Pasqua Yaqui Indians of Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UDALL (for himself, Mr. FORD of Michigan, Mr. GRAY, Mr. GOODLING, Mr. LAFALCE, Mr. PENNY, Mr. DELLUMS, Mr. SIKORSKI, Mr. BATES, Mr. FAUNTROY, Mr. OLIN, Mr. FOGLIETTA, Mr. KANJORSKI, and Mr. DE LUGO):

H.R. 1456. A bill to amend the Federal Election Campaign Act of 1971 to provide for limitations on expenditures in elections for the office of Representative; to the Committee on House Administration.

By Mr. WOLPE (for himself, Ms. SCHNEIDER, Mr. ECKART, Mr. RINALDO, Mr. ACKERMAN, Mr. ANTHONY, Mr. ATKINS, Mr. AUCOIN, Mr. BALLENGER, Mr. BATES, Mr. BEILENSON, Mr. BERMAN, Mr. BILBRAY, Mr. BILIRAKIS, Mr. BLAZ, Mr. BOEHLERT, Mr. BONIOR, Mr. BOUCHER, Mrs. BOXER, Mr. BROOMFIELD, Mr. BROWN of California, Mr. BRUCE, Mr. BRYANT, Mr. BUECHNER, Mr. CARPER, Mr. CHANDLER, Mr. CLARKE, Mr. CLAY, Mr. CLINGER, Mrs. COLLINS, Mr. CONYERS, Mr. COOPER, Mr. CROCKETT, Mr. DANNEMEYER, Mr. DEFAZIO, Mr. DELLUMS, Mr. DORNAN of California, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. EDWARDS of California, Mr. EVANS, Mr. FASCELL, Mr. FAUNTROY, Mr. FAWELL, Mr. FEIGHAN, Mr. FISH, Mr. FLAKE, Mr. FLORIO, Mr. FORD of Michigan, Mr. FORD of Tennessee, Mr. FRANK, Mr. FROST, Mr. GALLO, Mr. GEJDENSON, Mr. GEPHARDT, Mr. GILMAN, Mr. GLICKMAN, Mr. GOODLING, Mr. GOSS, Mr. GREEN, Mr. GUARINI, Mr. HALL of Ohio, Mr. HAMILTON, Mr. HAWKINS, Mr. HAYES of Illinois, Mr. HEFNER, Mr. HENRY, Mr. HOCHBRUECKNER, Mr. HOUGHTON, Mr. HUGHES, Mr. HYDE, Mr. JENKINS, Mrs. JOHNSON of Connecticut, Mr. JOHNSON of South Dakota, Mr. JONTZ, Mr. KANJORSKI, Mr. KILDEE, Mr. KLECZKA, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEACH of Iowa, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LIPINSKI, Mrs. LOWEY of New York, Mr. THOMAS A. LUKEN, Mr. MACHTLEY, Mr. MARKEY, Mr. MAVROULES, Mr. MCCLOSKEY, Mr. MCDERMOTT, Mrs. MEYERS of Kansas, Mr. MFUME, Mr. MILLER of California, Mr. MILLER of Washington, Mr. MINETA, Mr. MOAKLEY, Mrs. MORELLA, Mr. MORRISON of Connecticut, Mr. MORRISON of Washington, Mr. MRAZEK, Mr. NEAL of Massachusetts, Mr. NOWAK, Mr. OBEY, Mr. OWENS of New York, Mr. OWENS of Utah, Mr. OXLEY, Mr. PALLONE, Mr. PEASE, Ms. PELOSI, Mr. PENNY, Mr. PRICE, Mr. PURSELL, Mr. RANGEL, Mr. REGULA, Mr. RICHARDSON, Mr. RIDGE, Mr. ROE, Mrs. ROUKEMA, Mr. RUSSO, Mr. SABO, Mr. SAXTON, Mr. SCHEUER, Mr. SCHUETTE, Mr. SCHULZE, Mr. SCHUMER, Mr. SHARP, Mr. SHAYS, Mr. SIKORSKI, Mr. SKELTON, Mr. SLATTERY, Mr. SMITH of Florida, Mr. SMITH of New Hampshire, Mr. SMITH of New Jersey, Mr. SMITH of Vermont, Mr. SOLARZ, Mr. SPRATT, Mr. STUDDS, Mr. SYNAR, Mr. TAUZIN, Mr. TORRES, Mr. TOWNS, Mr. TRAFICANT, Mr. TRAXLER, Mrs. UNSOELD, Mr. UPTON, Mr. VANDER JAGT, Mr. VENTO, Mr. WALGREN, Mr. WALSH, Mr. WAXMAN, Mr. WEBER, Mr. WEISS, Mr. WHEAT, Mr. WYDEN, Mr. YATES, and Mr. YATRON):

H.R. 1457. A bill to improve Environmental Protection Agency data collection and dissemination regarding reduction of toxic chemical emissions across all media, to assist States in providing information and technical assistance about source reduction, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MCCOLLUM (for himself, Mr. JOHNSTON of Florida, Mr. HANSEN, Mr. GUNDERSON, Mr. DENNY SMITH, Mr. LIGHTFOOT, Mr. MCMILLAN of North Carolina, Mr. SHUMWAY, Mrs. BENTLEY, Mr. BILIRAKIS, Mr. HANCOCK, Mr. CARPER, and Mr. BROWN of Colorado):

H.J. Res. 201. Joint resolution proposing an amendment to the Constitution of the United States to provide for 4-year terms for Representatives and to limit the number of terms Senators and Representatives may serve; to the Committee on the Judiciary.

By Mr. MCCOLLUM (for himself, Mr. HANSEN, Mr. HILER, Mr. GUNDERSON, Mr. DENNY SMITH, Mr. LIGHTFOOT, Mr. BILIRAKIS, Mr. BROWN of Colorado, Mr. DONALD E. LUKENS, Mr. CRANE, and Mr. INHOFE):

H.J. Res. 202. Joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office of Members of the Senate and the House of Representatives; to the Committee on the Judiciary.

By Mr. MCMILLAN of North Carolina:

H.J. Res. 203. Joint resolution proposing an amendment to the Constitution of the United States to provide for a 4-year term of office for Representatives in Congress, and to require that any Representative who officially declares his candidacy for election to the Senate immediately vacate his seat; to the Committee on the Judiciary.

By Mr. RITTER (for himself, Mr. BROWN of California, Mr. TORRICELLI, and Mr. CAMPBELL of California):

H.J. Res. 204. Joint resolution to designate October 1989, as "National Quality Month"; to the Committee on Post Office and Civil Service.

By Mr. BUECHNER:

H.J. Res. 205. Joint resolution congratulating the St. Charles Chamber of Commerce in St. Charles, MS, on the 50th anniversary of its activation; to the Committee on Post Office and Civil Service.

H. Con. Res. 74. Concurrent resolution expressing the sense of the Congress that the United States should make the space program a national priority; to the Committee on Science, Space, and Technology.

By Mr. DOUGLAS (for himself, Mr. ARMEY, Mr. BALLENGER, Mr. BARTLETT, Mr. CAMPBELL of California, Mr. COBLE, Mr. GINGRICH, Mr. GOSS, Mr. GUNDERSON, Mr. HERGER, Mr. HUNTER, Mr. IRELAND, Mr. KYL, Mr. DONALD E. LUKENS, Mr. SMITH of Mississippi, Mr. SMITH of New Hampshire, Mr. PAXON, Mr. WALKER, Mr. WALSH, Mr. HANCOCK, Mr. HASTERT, Mr. COX, Mr. ROHRABACHER, Mr. UPTON, Mr. WEBER, Mr. BURTON of Indiana, Mr. PEPPER, Mr. JAMES, Mr. SENSENBRENNER, Mr. GEKAS, Mr. SMITH of Texas, Mr. MCCOLLUM, Mr. DANNEMEYER, Mr. KASICH, Mr. SLAUGHTER of Virginia, Mr. SCHUETTE, Mr. DORNAN of California, Mr. PACKARD, Mr. BLILEY, Mr. BILIRAKIS, Mr. BENNETT, Mr. SMITH of Florida, Mr. INHOFE, Mr. MONTGOMERY, Mr. CRAIG, Mr. EMERSON, Mr. STUMP, Mr. STENHOLM, Mr. HEFLEY, Mr. ROWLAND of Georgia, Mr. BUNNING, Mr. STANGELAND, Mr. VALENTINE, and Mr. STEARNS):

H. Con. Res. 75. Concurrent resolution expressing the sense of the Congress that the Cuban Government permit a free and open plebiscite on whether the Cuban people wish to continue to be ruled by Fidel Castro and the Cuban Communist Party; to the Committee on Foreign Affairs.

By Mr. HUGHES:

H. Con. Res. 76. Concurrent resolution declaring the sense of the Congress regarding periods of silence in the public schools; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. SHAW:

H. Con. Res. 77. Concurrent resolution expressing the sense of the Congress that insurance providers should be encouraged to permit employers to extend the opportunity to purchase health care coverage when benefits are terminated to workers subject to collective bargaining agreements who do not currently have such an opportunity under the Consolidated Omnibus Budget Reconciliation Act of 1985; to the Committee on Education and Labor.

By Mr. ANNUNZIO:

H. Res. 110. Resolution electing members of the Joint Committee on Printing and members of the Joint Committee of Congress on the Library; considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

35. The SPEAKER presented a memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to action to extend the steel voluntary restraint arrangements; which was referred to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. TALLON:

H.R. 1458. A bill to permit issuance of a certificate of documentation for employment in the coastwise trade of the United States for the vessel *Mystique;* to the Committee in Merchant Marine and Fisheries.

By Mr. ANTHONY:

H.R. 1459. A bill for the relief of Dale B. Thompson; to the Committee on the Judiciary.

By Mr. HARRIS:

H.R. 1460. A bill for the relief of Nicola Giampietro; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. FORD of Michigan, Mr. CLAY, Mr. MILLER of California, Mr. KILDEE, Mr. WILLIAMS, Mr. OWENS of New York, Mr. HAYES of Illinois, Mr. PERKINS, Mrs. LOWEY of New York, Mr. POSHARD, Mrs. UNSOELD, Mr. RAHALL, Mr. JONTZ, Mr. MFUME, Mr. SOLARZ, Mr. KLECZKA, Mr. CONYERS, Mr. ACKERMAN, Mr. ANNUNZIO, Mr. ATKINS, Mr. AUCOIN, Mr. BERMAN, Mr. BORSKI, Mrs. BOXER, Mr. BRENNAN, Mr. BROWN of California, Mr. CHANDLER, Mrs. COLLINS, Mr. COYNE, Mr. CROCKETT, Mr. DEFAZIO, Mr. DELLUMS, Mr. DE LUGO, Mr. DIXON, Mr. DOWNEY, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EDWARDS of California, Mr. ENGEL, Mr. EVANS, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mr. FEIGHAN, Mr. FLAKE, Mr. FOGLIETTA, Mr. FRANK, Mr. GARCIA, Mr. GONZALEZ, Mr. HOYER, Mr. KENNEDY, Mrs. KENNELLY, Mr. KOLTER, Mr. LEHMAN of California, Mr. LEVIN of Michigan, Mr. LIPINSKI, Mr. MCCLOSKEY, Mr. MCDERMOTT, Mr. MANTON, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. MOAKLEY, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. NEAL of Massachusetts, Mr. OBERSTAR, Mr. OBEY, Mr. OWENS of Utah, Mr. OXLEY, Ms. PELOSI, Mr. PEPPER, Mr. RANGEL, Mr. RICHARDSON, Mr. ROYBAL, Mr. SABO, Mr. SIKORSKI, Mr. SMITH of Florida, Mr. STOKES, Mr. STUDDS, Mr. SWIFT, Mr. TORRES, Mr. TOWNS, Mr. TRAFICANT, Mr. TRAXLER, Mr. VENTO, Mr. WALGREN, Mr. WAXMAN, Mr. WEISS, Mr. WHEAT, and Mr. WOLPE.

H.R. 5: Mr. KILDEE, Mr. MFUME, Mr. WOLPE, and Mr. HUGHES.

H.R. 8: Mr. TALLON, Mr. BUNNING, Mr. SLAUGHTER of Virginia, Mr. DELLUMS, Mr. LAFALCE, Mr. JOHNSON of South Dakota, Mr. RIDGE, Mr. ROSE, Mr. MAZZOLI, Mr. SAWYER, Mr. RAHALL, Mr. GEJDENSON, Ms. SLAUGHTER of New York, Mr. JAMES, Mr. FAWELL, Mr. GRANT, Mr. AUCOIN, Mr. DONALD E. LUKENS, Mr. ROBERTS, Mr. BORSKI, Mr. TAUZIN, and Mr. HUBBARD.

H.R. 17: Mr. ACKERMAN, Mr. ATKINS, Mr. AUCOIN, Mr. BATES, Mr. BERMAN, Mr. BILBRAY, Mr. BOEHLERT, Mr. BONIOR, Mrs. BOXER, Mr. BROWN of California, Mr. CAMPBELL of Colorado, Mr. CARPER, Mr. CLAY, Mr. COLEMAN of Texas, Mrs. COLLINS, Mr. CROCKETT, Mr. DEFAZIO, Mr. DELLUMS, Mr. DE LUGO, Mr. DIXON, Mr. DOWNEY, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EDWARDS of California, Mr. ESPY, Mr. EVANS, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mr. FLAKE, Mr. FLORIO, Mr. FORD of Tennessee, Mr. FOGLIETTA, Mr. FRANK, Mr. FUSTER, Mr. GARCIA, Mr. GEJDENSON, Mr. GILMAN, Mr. GUARINI, Mr. HAYES of Illinois, Mr. HAMILTON, Mr. HAWKINS, Mr. HOUGHTON, Mr. HOYER, Mr. JONES of North Carolina, Mr. KASTENMEIER, Mr. KENNEDY, Mr. KILDEE, Mr. KLECZKA, Mr. KOLTER, Mr. LELAND, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LEWIS of Georgia, Mrs. LOWEY of New York, Mr. MCDERMOTT, Mr. MCMILLEN of Maryland, Mr. MARKEY, Mr. MAVROULES, Mr. MFUME, Mr. MILLER of California, Mr. MATSUI, Mr. MOODY, Mr. MORRISON of Connecticut, Ms. OAKAR, Mr. OBERSTAR, Mr. OWENS of New York, Mr. PAYNE of New Jersey, Mr. PEASE, Ms. PELOSI, Mr. PENNY, Mr. RANGEL, Mr. RICHARDSON, Mr. ROE, Mr. SABO, Mr. SAVAGE, Mr. SCHEUER, Ms. SCHNEIDER, Mr. SCHUMER, Mr. SIKORSKI, Mr. SOLARZ, Mr. SPRATT, Mr. STOKES, Mr. STUDDS, Mr. TOWNS, Mr. UDALL, Mr. VENTO, Mr. WEISS, Mr. WHEAT, Mr. WILLIAMS, Mr. WISE, Mr. WOLPE, and Mr. YATES.

H.R. 22: Mr. KLECZKA.

H.R. 55: Mr. WILSON, Mr. MACHTLEY, Mr. ROBINSON, Mr. HAYES of Louisiana, Mr. BONIOR, Mr. LEVIN of Michigan, Mr. LANCASTER, Mr. DENNY SMITH, Mr. WALSH, Mr. MILLER of Ohio, and Mr. DE LUGO.

H.R. 92: Mr. WATKINS, Mr. MRAZEK, Mr. BUSTAMANTE, and Mr. ROBINSON.

H.R. 100: Mr. HERGER, Mr. YOUNG of Florida, Mr. RITTER, Mr. HUNTER, Mr. DONALD E. LUKENS, and Mr. KASICH.

H.R. 118: Mr. LENT, Mr. PALLONE, Mr. PAYNE of Virginia, Mr. WELDON, Mr. BEREUTER, and Mr. BUNNING.

H.R. 145: Mr. SCHULZE, Mr. SCHUETTE, Mr. MRAZEK, Mr. JONES of North Carolina, Mr. MATSUI, and Mr. RUSSO.

H.R. 152: Mr. WILLIAMS.

H.R. 156: Mr. ACKERMAN.

H.R. 169: Mr. SLAUGHTER of Virginia, Mr. GOSS, and Mr. BROWN of Colorado.

H.R. 214: Mr. BROWN of California.

H.R. 215: Mr. DARDEN and Mr. MCEWEN.

H.R. 303: Mr. DWYER of New Jersey, Mr. HUCKABY, Mr. LANTOS, Mr. PAXON, Mr. SIKORSKI, Mr. ORTIZ, Mr. VOLKMER, Mr. BURTON of Indiana, Mr. GAYDOS, and Mr. NAGLE.

H.R. 332: Mr. BROWN of Colorado and Mr. BAKER.

H.R. 403: Mr. ACKERMAN.

H.R. 423: Mr. GORDON and Mr. DYMALLY.

H.R. 500: Mrs. LOWEY of New York, Mr. NCNULTY, and Mr. COSTELLO.

H.R. 514: Mr. PRICE and Mr. MINETA.

H.R. 543: Mr. FASCELL, Mr. STUDDS, Mr. LOWERY of California, Mr. HUGHES, Mr. FOGLIETTA, Mr. FLORIO, Mr. EDWARDS of California, Mr. WAXMAN, Mr. MCDERMOTT, Mr. MINETA, Mr. ATKINS, Mr. LEVINE of California, Mr. LANTOS, Mr. TORRES, Mrs. BOXER, Ms. PELOSI, Mr. BATES, Mr. DELLUMS, Mr. COURTER, Mr. LEWIS of Florida, Mr. LEHMAN of Florida, Mr. GRANT, Mr. NELSON of Florida, Mr. BENNETT, Mr. YOUNG of Florida, Mr. GOSS, Mr. SMITH of Florida, and Mrs. UNSOELD.

H.R. 550: Mr. LAGOMARSINO, Mr. TOWNS, Mr. TORRICELLI, Mr. PACKARD, Mrs. MARTIN of Illinois, Ms. KAPTUR, Mr. BORSKI, Mr. HORTON, Mr. BOEHLERT, and Mrs. BENTLEY.

H.R. 551: Mr. MCCANDLESS, Mr. PACKARD, and Mrs. BENTLEY.

H.R. 558: Mr. RAY, Mr. DEFAZIO, Mr. SHUMWAY, Mr. GALLEGLY, Mr. DE LUGO, Mr. TOWNS, Mr. BROOMFIELD, Mr. NELSON of Florida, Mr. EMERSON, Mr. ROE, Mr. RAHALL, Mr. DERRICK, Mr. NIELSON of Utah, Mrs. BENTLEY, and Mr. MAVROULES.

H.R. 567: Mr. PERKINS.

H.R. 594: Mr. FISH, Mr. VANDER JAGT, Mr. BRENNAN, and Mr. HORTON.

H.R. 595: Mr. ROE, Mr. FOGLIETTA, Mr. DWYER of New Jersey, Mr. SOLOMON, Mr. EMERSON, Mr. ROGERS, Mr. HENRY, Mrs. COLLINS, Mr. FAZIO, Mrs. SAIKI, and Mr. INHOFE.

H.R. 634: Mr. SMITH of Florida, Mrs. MARTIN of Illinois, Mr. STUDDS, and Mr. MADIGAN.

H.R. 670: Mr. CLAY, Mr. ROYBAL, Mr. ENGEL, Mr. CROCKETT, Mr. STAGGERS, Mr. GRAY, Mr. ESPY, and Mr. DE LA GARZA.

H.R. 673: Mr. JONES of North Carolina, Mr. VALENTINE, Mr. FAZIO, Mr. THOMAS of Georgia, Mr. PRICE, Mr. PERKINS, and Mrs. BOXER.

H.R. 717: Mr. AUCOIN, Mr. DELLUMS, Mr. CHANDLER, Mr. ESPY, Mr. BEREUTER, Mr. EDWARDS of California, Mr. DIXON, Ms. KAPTUR, Mr. ECKART, Mr. LEVIN of Michigan, Mr. COSTELLO, Mr. MANTON, and Mr. STARK.

H.R. 750: Mr. LEHMAN of California and Mr. CAMPBELL of Colorado.

H.R. 774: Mr. CHENEY, Mr. AKAKA, Mr. PANETTA, Mr. NEAL of North Carolina, Mr. BEREUTER, and Mr. GOODLING.

H.R. 812: Mr. ECKART, Mr. BORSKI, Mr. ERDREICH, Mr. KLECZKA, Mr. BEVILL, and Mr. INHOFE.

H.R. 927: Mr. FAZIO, Mr. BRYANT, and Mr. YOUNG of Florida.

H.R. 952: Mr. SMITH of Iowa and Mr. FROST.

H.R. 953: Mr. WILSON, Mr. LEATH of Texas, and Mr. RANGEL.

H.R. 957: Mr. SAVAGE, Mr. BRUCE, Mr. ATKINS, Mrs. COLLINS, Mrs. LLOYD, Mr. THOMAS A. LUKEN, Mr. BROWN of California, Mr. CLINGER, Mr. LAFALCE, Mrs. BENTLEY, Ms. OAKAR, and Mr. FOGLIETTA.

H.R. 970: Mr. ATKINS, Mrs. BOXER, Mr. CLAY, Mrs. COLLINS, Mr. DE LUGO, Mr. DYMALLY, Mr. DWYER of New Jersey, Mr. ENGEL, Mr. FAZIO, Mr. GORDON, Mr. HATCHER, Mr. HUGHES, Mr. LEVIN of Michigan, Mr. LEWIS of Georgia, Mrs. LLOYD, Mr. PRICE, Mr. REGULA, Mr. RICHARDSON, Mr. SCHEUER, and Mr. SMITH of Florida.

H.R. 982: Mr. HALL of Texas, Mr. FUSTER, Mr. FOGLIETTA, Mr. MARTINEZ, Mr. MOODY, Mr. BILIRAKIS, Mr. HANCOCK, Mr. GUNDERSON, Mrs. BOXER, Mr. DICKINSON, Mr. PEPPER, Mr. PRICE, Mr. SPRATT, Mr. COURTER, Mr. TORRICELLI, Mrs. BYRON, Mr. MCMILLAN of North Carolina, Mr. WEBER, Mr. WEISS, Mr. STAGGERS, Mr. ESPY, Mr. SYNAR, Mr. DENNY SMITH, Mr. FALEOMAVAEGA, Mr. YOUNG of Florida, Mr. MINETA, Mr. MARKEY, Mr. BEREUTER, Mr. BLILEY, Mr. COYNE, Mr. PARRIS, Mr. DINGELL, Mr. ENGLISH, Mr. LIVINGSTON, Mr. PASHAYAN, Mr. FAZIO, Mr. NEAL of Massachusetts, Mrs. LOWEY of New York, Mr. MONTGOMERY, and Mr. SMITH of Texas.

H.R. 1011: Mr. LAGOMARSINO and Mr. THOMAS of Georgia.

H.R. 1035: Mr. MINETA.

H.R. 1036: Mr. MURPHY, Mr. HARRIS, Mr. RAHALL, Mr. DERRICK, Mrs. LLOYD, Mr. HENRY, Mr. OWENS of New York, Ms. SLAUGHTER of New York, Mr. MCEWEN, Mr. LEWIS of Georgia, Mr. BONIOR, Mr. LIPINSKI, and Mr. DINGELL.

H.R. 1066: Mr. ROHRABACHER, Mr. LAGOMARSINO, Mr. DORGAN of North Dakota, Mr. SHUMWAY, and Mr. WALSH.

H.R. 1067: Mr. BILBRAY, Mr. LIGHTFOOT, Mr. MILLER of California, Mr. BLAZ, Mr. CHAPMAN, Mr. BUSTAMANTE, Mr. MATSUI, Mr. FIELDS, and Mr. GEJDENSON.

H.R. 1074: Mr. THOMAS A. LUKEN, Mr. ORTIZ, Mr. LAGOMARSINO, Mr. VOLKMER, Mrs. UNSOELD, Mr. HEFNER, Mr. FLORIO, Mr. SOLARZ, and Mr. SANGMEISTER.

H.R. 1078: Mr. TALLON, Mr. BILBRAY, Mrs. LOWEY of New York, Mr. LANTOS, Mr. KOST-

MAYER, Mr. GEJDENSON, Mr. MEYERS of Kansas, Mr. FUSTER, Mr. CROCKETT, and Mr. DE LUGO.

H.R. 1079: Mr. FAZIO, Mr. EVANS, Mr. ATKINS, Mr. BURTON of Indiana, and Mr. BEVILL.

H.R. 1086: Mr. ROWLAND of Georgia, Mr. LANCASTER, Mr. RAY, Mr. JONES of Georgia, Mr. HATCHER, Mr. WILSON, Mr. MARTIN of New York, Mr. MONTGOMERY, and Mr. TALLON.

H.R. 1095: Mr. BROOMFIELD.

H.R. 1112: Mr. MILLER of California.

H.R. 1129: Mr. DE LA GARZA, Mr. LIPINSKI, Mr. MCNULTY, Mr. LANCASTER, Mrs. COLLINS, Mr. DOWNEY, and Mrs. BENTLEY.

H.R. 1200: Mr. HUCKABY, Mrs. COLLINS, Mr. FLAKE, Mr. DINGELL, Mr. LANCASTER, Mr. TRAXLER, Mr. UPTON, Mr. HATCHER, Mr. FAZIO, Mr. EVANS, Mr. FUSTER, Mr. BEVILL, Mr. ATKINS, Mr. BRENNAN, Mr. MCDERMOTT, Mr. COURTER, Mr. STUDDS, Mr. ASPIN, Mr. KLECZKA, Mr. FOGLIETTA, Mr. DWYER of New Jersey, Mr. DARDEN, Mr. GAYDOS, Mr. MCCURDY, Mr. HANSEN, Mr. WOLPE, Mr. PARKER, Mr. TANNER, Mr. DEFAZIO, Mr. MCEWEN, Mr. BUECHNER, and Mr. OWENS of New York.

H.R. 1215: Mr. ROBINSON, Mr. STUMP, and Mr. BALLENGER.

H.R. 1248: Mr. GEPHARDT and Mr. SCHUETTE.

H.R. 1267: Mr. BOEHLERT and Mr. TORRICELLI.

H.R. 1287: Mr. CRANE, Mr. CHANDLER, Mr. SHAW, Mr. FOGLIETTA, Mrs. BENTLEY, and Mr. HERGER.

H.R. 1292: Mr. SMITH of Florida, Mr. MORRISON of Connecticut, Mrs. BOXER, Mr. FUSTER, Mr. STUDDS, Mr. ROBINSON, Mr. TRAFICANT, Mr. ERDREICH, and Mrs. COLLINS.

H.R. 1349: Mrs. UNSOELD, Mr. SMITH of Florida, and Mr. DEFAZIO.

H.R. 1350: Mrs. UNSOELD, Mr. SMITH of Florida, and Mr. DEFAZIO.

H.R. 1356: Mr. FAZIO, Mr. MINETA, Mr. EVANS, Mrs. COLLINS, Mr. MORRISON of Connecticut, Mr. FAUNTROY, Mr. ACKERMAN, Mr. SABO, Mr. MARKEY, Ms. PELOSI, Mr. GEJDENSON, and Mr. DIXON.

H.R. 1358: Mr. STAGGERS.

H.J. Res. 3: Mr. HERGER, Mr. UPTON, Mr. YOUNG of Florida, Mr. RITTER, Mr. HUNTER, Mr. DONALD E. LUKENS, and Mr. KASICH.

H.J. Res. 21: Mr. FOGLIETTA.

H.J. Res. 35: Mr. MCCLOSKEY, Mr. ACKERMAN, Mr. ANDERSON, Mr. MARTIN of New York, Mr. MURPHY, Mr. HUNTER, Mr. BLILEY, Mrs. COLLINS, Mr. BEVILL, Mr. COSTELLO, Mr. HYDE, and Mr. FUSTER.

H.J. Res. 58: Mr. DERRICK.

H.J. Res. 60: Mr. ATKINS, Mr. CHENEY, Mr. CLARKE, Mr. CLINGER, Mr. COELHO, Mr. CONYERS, Mr. DE LA GARZA, Mr. DORGAN of North Dakota, Mr. ENGLISH, Mr. FIELDS, Mr. FROST, Mr. GARCIA, Mr. GOSS, Mr. LAFALCE, Mr. LIGHTFOOT, Mrs. MARTIN of Illinois, Mr. RAHALL, Mrs. SAIKI, Mr. SOLARZ, Mr. TORRICELLI, and Mr. VOLKMER.

H.J. Res. 102: Mr. LANCASTER, Mr. HYDE, Mr. FAWELL, Mrs. MARTIN of Illinois, Mr. WALSH, Mr. FLAKE, Mr. UPTON, Mr. BERMAN, Mr. PALLONE, Mr. GUARINI, Mr. PICKETT, Mr. AKAKA, Mr. BONIOR, Mr. HOYER, Mr. TRAXLER, Mr. GREEN, Mr. JONES of North Carolina, Mr. SMITH of New Jersey, Mr. TRAFICANT, Mr. CLINGER, Mr. DOUGLAS, Mr. DE LA GARZA, Mr. WYDEN, Mr. BROWN of Colorado, Mr. MATSUI, Mr. GILMAN, Mr. VANDER JAGT, Mr. FLORIO, Mr. STUDDS, Mr. GORDON, Mr. SAXTON, Mr. BALLENGER, Mr. MARTINEZ, Mr. SABO, Mr. PAYNE of New Jersey, Mr. SCHEUER, Mr. CROCKETT, Mr. GILLMOR, Mr. FISH, Mr. QUILLEN, Mr. CARPER, Mr. BENNETT, Mr. COURTER, Mr. BARNARD, Mr. SPRATT, Ms. OAKAR, Mr. LIPINSKI, Mr. CLARKE, Mrs. SAIKI, Mr. ATKINS, Mr. ROYBAL, Mr. ACKERMAN, Mr. FAUNTROY, Mr. MILLER of Washington, Mr. MACHTLEY, Mr. HATCHER, Mr. KILDEE, Mr. LEHMAN of Florida, Mr. RAVENEL, Mr. DELLUMS, Mr. FROST, Mr. DIXON, Mr. LEHMAN of California, Mr. CONTE, Mr. GALLEGLY, Mr. HUGHES, Mr. REGULA, Mr. AUCOIN, Mr. ENGEL, Mr. KANJORSKI, Mr. PACKARD, Mr. PAXON, Mr. GARCIA, Mr. ANDERSON, Mr. GINGRICH, and Mr. JONES of Georgia.

H.J. Res. 107: Mr. MURTHA.

H.J. Res. 108: Mr. TAUKE, Mr. FISH, Mr. GRANDY, Mr. QUILLEN, Mr. WEISS, Mr. LEVIN of Michigan, Mr. BUECHNER, Mr. MORRISON of Washington, Mr. LANCASTER, Mr. TOWNS, Mr. CROCKETT, Mr. HERTEL, Mr. TORRICELLI, Mr. CHANDLER, Mrs. BENTLEY, Mr. FRENZEL, Mr. FUSTER, Mr. HOCHBRUECKNER, Mr. MCHUGH, Mr. PASHAYAN, Mr. RAVENEL, Mr. ENGLISH, Mr. REGULA, Mr. YOUNG of Florida, Mr. SARPALIUS, Mr. RITTER, Mr. SKELTON, Mr. DENNY SMITH, Mr. SMITH of New Hampshire, Mr. ESPY, Mr. STAGGERS, Mr. BLILEY, Mr. BROOKS, Mr. BOUCHER, Mr. DEFAZIO, Mr. AKAKA, Mr. BORSKI, Mr. BUSTAMANTE, Mr. EMERSON, Mr. DONNELLY, Mr. DWYER of New Jersey, Mr. HATCHER, Mr. KASICH, Mr. EVANS, Mr. LEWIS of Florida, Mr. THOMAS A. LUKEN, Mr. MFUME, Mrs. MORELLA, Mr. HANSEN, Mr. RINALDO, Mr. SAVAGE, Mr. SAXTON, Mr. SCHEUER, Mr. BONIOR, Mr. RICHARDSON, Mr. MURPHY, Mr. VOLKMER, Mr. FOGLIETTA, Mr. CONYERS, Mr. TAUZIN, Mr. PETRI, Mr. PARRIS, Mr. DE LUGO, Mr. EARLY, Mr. NEAL of Massachusetts, Mr. HUGHES, Mr. CLEMENT, Mr. WATKINS, Mr. ANDERSON, Mrs. BOXER, Ms. KAPTUR, Mr. SCHUMER, Mr. KOLTER, Mr. PEPPER, Mrs. SAIKI, Mr. KASTENMEIER, Mrs. MEYERS of Kansas, Mr. KLECZKA, Mr. ROGERS, Mr. MANTON, Ms. PELOSI, Mr. FAUNTROY, Mr. MCCOLLUM, Mr. MRAZEK, Mr. MCMILLEN of Maryland, Mr. MOORHEAD, Mr. ASPIN, Mr. MINETA, Mr. LEHMAN of California, Mr. HAYES of Illinois, Mr. TRAFICANT, Mr. VALENTINE, Mr. WALGREN, Mr. TALLON, Mr. ROYBAL, Mr. WILSON, Mr. DORNAN of California, Mr. HYDE, Mr. JONES of North Carolina, Mr. WEBER, Mr. VANDER JAGT, Mr. STUDDS, and Mr. CONTE.

H.J. Res. 115: Mr. MCNULTY, Mr. MARTINEZ, Mr. BUSTAMANTE, Mr. LANCASTER, Mr. FISH, and Mr. FOGLIETTA.

H.J. Res. 123: Mr. ERDREICH, Mr. FAUNTROY, Mr. NEAL of Massachusetts, Mr. THOMAS A. LUKEN, Mr. DYMALLY, Mr. BROWN of Colorado, Mr. ROE, Mr. JACOBS, Mr. HORTON, Mr. SPENCE, Mr. OWENS of New York, Mr. MARTINEZ, Mr. SPRATT, Mr. THOMAS of Georgia, Mr. BARNARD, Mr. HARRIS, Mr. JONES of North Carolina, Mr. NEAL of North Carolina, Mr. HUNTER, Mr. MONTGOMERY, Mr. DORNAN of California, Mr. VOLKMER, Mr. CHAPMAN, Mr. KOLTER, Mr. PICKETT, Mr. WILSON, Mr. LIPINSKI, Mr. LAGOMARSINO, Mr. BEVILL, Mr. RANGEL, Mr. LANCASTER, and Mr. FAZIO.

H.J. Res. 158: Mr. THOMAS A. LUKEN, Mr. FAZIO, Mr. RUSSO, Mr. TRAXLER, Mr. JENKINS, Mr. DE LUGO, Mr. WAXMAN, Mr. HERTEL, Mr. ACKERMAN, Mr. BUSTAMANTE, Ms. OAKAR, Mr. BUECHNER, Mr. CLARKE, Mr. YATRON, and Mr. LIPINSKI.

H.J. Res. 164: Mr. KENNEDY, Mr. GREEN, Mr. PICKLE, Mr. PANETTA, Mr. MCMILLEN of Maryland, Mr. BEVILL, Mr. OWENS of New York, Mr. MARTIN of New York, Mr. FAZIO, Mr. GARCIA, Mr. CARPER, Mr. WOLF, Mr. DYMALLY, Mr. FAUNTROY, Mr. KOSTMAYER, Mr. RICHARDSON, Mr. LEHMAN of Florida, Mr. MORRISON of Washington, Mr. MARTINEZ, Mr. DORNAN of California, Mr. RANGEL, Mr. DWYER of New Jersey, Mr. HUGHES, Mr. JOHNSON of South Dakota, Mr. LEVINE of California, Mr. DYSON, Mr. BROWN of California, Mr. GILMAN, Mr. DE LUGO, Mr. SPRATT, Mr. SCHUETTE, Mr. FOGLIETTA, Mr. EVANS, Mr. CONTE, Mr. TALLON, Mr. BOSCO, Mr. DORGAN of North Dakota, Mr. RUSSO, Mr. MORRISON of Connecticut, Mr. BUNNING, Mr. BONIOR, Mr. CARDIN, Mr. DEFAZIO, Mr. ERDREICH, Mr. HUCKABY, Mr. MOAKLEY, and Mrs. UNSOELD.

H.J. Res. 180: Mr. HAMILTON, Mr. WHITTEN, and Mr. JENKINS.

H. Con. Res. 41: Mr. LANCASTER, Mr. HASTERT, Mr. HEFNER, Mr. MCDADE, Mr. ROGERS, and Mr. MACHTLEY.

H. Con. Res. 48: Mr. GEPHARDT, Mr. SIKORSKI, Mrs. LOWEY of New York, Mr. SKAGGS, Mr. GONZALEZ, Mr. OWENS of Utah, Mr. FROST, Mr. SAWYER, Mr. ANDERSON, Mr. ROSE, Mr. LEHMAN of California, Mr. ENGEL, Mr. BILBRAY, and Mr. BEILENSON.

H. Res. 21: Mrs. BENTLEY, Mr. JOHNSON of South Dakota, Mr. CAMPBELL of Colorado, and Mr. HOLLOWAY.

H. Res. 41: Mr. BOUCHER, Mr. BROWN of Colorado, Mr. BUNNING, Mrs. COLLINS, Mr. DIXON, Mr. DORGAN of North Dakota, Mr. DYSON, Mr. HERGER, Mr. MCDADE, Mr. MACHTLEY, Mr. MOORHEAD, Mr. PURSELL, Mr. SCHUETTE, Mr. SKEEN, Ms. SNOWE, and Mr. TAUZIN.

SENATE—*Wednesday, March 15, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

If I speak with the eloquence of men and of angels, but have no love, I become no more than blaring brass or crashing cymbal. If I have the gift of foretelling the future and hold in my mind not only all human knowledge but the very secrets of God, and if I also have that absolute faith which can move mountains, but have no love, I amount to nothing at all. If I dispose of all that I possess, yes, even if I give my own body to be burned, but have no love, I achieve precisely nothing. This love of which I speak is slow to lose patience—it looks for a way of being constructive. It is not possessive, it is neither anxious to impress nor does it cherish inflated ideas of its own importance. Love has good manners and does not pursue selfish advantage. It is not touchy. It does not keep account of evil or gloat over the wickedness of other people. On the contrary, it is glad with all good men when truth prevails. Love knows no limit to its endurance, no end to its trust, no fading of its hope; it can outlast anything. It is, in fact, the one thing that still stands when all else has fallen.—1 Corinthians 13:1-8 JBP.

In the name of Him who is love incarnate, infuse us, mighty God, with this love, the most powerful healing force in life. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, following the time for the two leaders, there will be a period for morning business not to extend beyond 11 a.m., with Senators permitted to speak therein for up to 5 minutes each.

Mr. President, it was my hope, announced publicly last week, that we would be able to proceed this morning to S. 20, the Whistle Blower Protection Act. Even though S. 20 has not yet been cleared this morning as of this time, efforts are still underway to clear the bill for floor action today or tomorrow. I am hopeful that S. 20 will be cleared and that we will be able to proceed under a short time agreement to that legislation.

The Senate will be in recess today from 12:15 p.m to 2 p.m. in order to accommodate the party conferences. Immediately following the party conference luncheons at 2 p.m., a live quorum will occur.

Let me again indicate, as I have previously, that it is extremely important for all Senators to be in the Chamber to respond to the quorum call. Once the quorum has been established, newly elected Members will be constitutionally sworn. Shortly thereafter, we will begin to hear arguments on the two motions filed by Judge Hastings. These arguments will be heard under a 2-hour time limitation.

This is an important constitutional duty imposed upon Members of the Senate, and we hope and expect that all Senators will be present to discharge their duty in this matter as required by the Constitution.

Mr. President, I understand that the distinguished junior Senator from the State of Wisconsin, Senator KOHL, will be delivering his maiden speech on the Senater floor this morning. After the distinguished Republican leader has been recognized for his leader time, I would like to yield to Senator KOHL 3 minutes of my time for him to be recognized.

I looked at the Senator's speech. I believe he makes a very persuasive argument about the need for our Nation to recognize the realities of where we are in our current budget climate and where we should be headed. I commend his views to all of my colleagues, indeed, to all of our people for their consideration. I will be yielding to him after we complete the leader time after the distinguished Republican leader has been recognized.

SARA FRITZ, LOS ANGELES TIMES, 1989 DIRKSEN AWARD WINNER

Mr. MITCHELL. It is my pleasure to congratulate Sara Fritz, of the Los Angeles Times, on the distinction of winning the Everett McKinley Dirksen Award for journalism.

Sara Fritz joins a distinguished group of journalists for coverage of what is one of the most complex institutions in Washington, the U.S. Congress.

Hers is the difficult task of explaining to our citizens an institution whose habits can be very opaque. In 1947, a Soviet visitor made the following comment:

> Congress is so strange. A man gets up to speak and says nothing. Nobody listens—then everybody disagrees.

That remark probably reflects the views of many Americans as well.

Yet we know that, of the three branches of Government, the Congress has the most permanent and substantial impact on shaping American life.

Journalists who try to explain to Americans the way that tax laws, Social Security benefits, health programs and military spending affect their future and alter their choices in life are attempting the difficult task of explaining broad movements of historical effect in an environment focused on daily headlines and breaking news stories.

It is a daunting task, which is one of the reasons it is so rarely done well. Sara Fritz' work is an important and welcome exception.

Jefferson's famous observation, that if he had to decide, he would choose newspapers without a government rather than government without newspapers reflects the fact that in our Nation, the views of the people are an essential element in government.

So in our system, journalists who give the people a sound basis on which to reach their judgments are making an essential contribution.

The Dirksen Award has as one of its purposes the goal of encouraging more and better coverage of the National Legislature. Sara Fritz' work merits that award, for she has sought to fulfill in her work the goal of informing; she has reached beyond the daily avalanche of press releases and breaking stories to the fundamental changes and developments in the Congress as its Members seek to respond to the de-

mands and needs of our people and our Nation.

RESERVATION OF THE LEADERS' TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my time, and I also ask the distinguished Republican leader's time be reserved.

The PRESIDENT pro tempore. Without objection, it is so ordered. The time of the Republican leader is reserved by unanimous consent.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business to extend until the hour of 11 a.m., with Senators being permitted to speak for not to exceed 5 minutes each.

The distinguished junior Senator from Wisconsin, Mr. KOHL, is recognized for 5 minutes, plus the 3 minutes which the majority leader has yielded to him.

Mr. KOHL. Mr. President, I ask unanimous consent to proceed for 10 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears no objection. The Senator is recognized for 10 minutes.

THE U.S. BUDGET PROBLEM

Mr. KOHL. Mr. President, this is the first time I have spoken on the floor of the U.S. Senate. As I look around this Chamber, I can see the shadows and hear the echoes of those who have served our Nation in the past. There is an enormous sense of history here, a continuing expression of our diversity as a nation and as individuals.

I come here with a different background than many of my colleagues. But I share with them a love of country; an interest in our collective future; a commitment to the concept that this Nation has a never-ending mission to demonstrate that freedom is possible, that the well being of our fellow citizens matter and that the quality of our lives can be improved.

Mr. President, those beliefs and those goals are as enduring as this Chamber. But beliefs and goals have to be matched by performance and action. We have to behave in ways which are consistent with, and worthy of, the ideals we espouse.

You know, Mr. President, I came to this body from the business world. And I bring with me the conviction that there is an analogy between the lessons of commerce and the needs of our society.

Nowhere is that more evident than in the area of Federal budget policy. A simple truth is evident in both areas: No business, no Government, no society can sustain itself on debt. Despite that truth, over the past few years we have virtually spent our way into oblivion. Gigantic debts now threaten our economy and unending deficits endanger our ability to give our children a better life and brighter future.

If we are going to deal with this problem, all Americans, and all Members of Congress, have to accept and adopt a simple principle: We can, we should and we do debate the level of Government services we want; we can, we should and we do debate the mix of services we want—but we can no longer debate whether we will pay for those services.

There is no alternative to that stark and simple truth. We cannot say: "I want it, let my kids pay for it." We cannot say: "I want it, put it on the charge card." The kids are already mortgaged and the card is overdrawn.

We cannot just say we want this program or that service; we have to decide if we need it enough to be willing to pay for it.

We started that process last year: We passed a catastrophic health care bill and we actually had people pay for the benefits. Now some say the cost is too great; they say that if they had known how much it cost, they would not have asked for the program.

Mr. President, that is precisely my point.

While I wish this debate about costs and benefits had taken place before we passed the bill, I am glad it is taking place. At least now, after the fact, people are looking at costs and benefits and making a comparative judgment—"yes I want it and I'll pay for it" or "well, I'd like it but it costs too much so I'd rather not."

Those sorts of honest judgments are healthy. I welcome them. I applaud them. I want to make sure that we make them consistently. But we have not in the past and I am afraid we are not now.

Our past failures are all too evident.

We have told the American people that we are going to live by Gramm-Rudman-Hollings. Under that law, this year's deficit is supposed to be no more than $146 billion; we all know it is going to be at least $159 billion. Next year its supposed to be no more than $100 billion; it is going to take more than a wing and a prayer to get us there—it will take a wink, a blink, and some creative accounting.

We have told the American people that we are going to reduce the deficit every year. But every year we sweep the size of the deficit under the rug with accounting tricks. We take the revenues that flow into our trust funds—Social Security, highway, airports—and count them as a surplus to mask the deficit. But right after we count the money as surplus, we spend it to meet current needs—we put it into a bank with one hand and take it out with the other.

And now there are those who tell the American people it really does not matter. They tell us that the deficit is too small a percentage of our GNP to make a difference.

Well, as a businessman I know that it matters when we pay over $170 billion a year in interest on the debt; $170 billion in interest payments means $170 billion which cannot be invested in programs designed to make our economy competitive, our military strong, our society more humane; $170 billion is 8 times the amount the Federal Government spends on education; it is 20 times what we spend on medical research; it is 17 times what we spend on law enforcement activities, including our war on drugs. It is a lot of money which could do a lot of good; but it is being spent in nonproductive ways. These huge payments go to service our debt and deny this Nation the capital we need to invest in our future. And that matters.

Mr. President, we may be able to get around the laws we write, but we cannot get around the laws of economics: Deficits of the size we are experiencing are utlimately disastrous.

It has to stop.

But it has not. Just look at the budget plan we got last month.

You know, Mr. President, I am new to the Senate so I did not have the opportunity to work with one of its legends—Senator Russell Long of Louisiana. But I did get to meet him a few weeks ago and hear him recite that ancient piece of doggerel every special interest group declaimed when it came time to write a tax bill: "Don't tax you, don't tax me, tax that fellow behind the tree."

Well, Mr. President, we may or may not be writing a tax bill this year. But the budget we were given a few weeks ago was pure Russell Long. The budget was based on, "spend some more on you, spend some more on me, then cut spending on the guy behind the tree."

Maybe that is good politics, but it is bad policy. And it gets worse when the rhetoric is so thick that you cannot see the forests or the trees.

If we are going to pay for the services we provide, then we have to know what those services are. So far, however, the President's budget delineates the level of spending without defining what we are buying. We do not know what comparative judgments it contains: What worth it puts on SDI as opposed to SSI; what value it places on law enforcement as opposed to Legal Services; what emphasis it places on cracking down on LBO's as opposed to stopping the flow of crack and other drugs into our society.

Mr. President, we need that data before we can make the kinds of judg-

ments we need to make. We have to debate the relative value of different programs as measured against our resources. And that means we have to examine every option—defense spending, domestic spending, discretionary spending, entitlements, and revenues. We have to look at it all—every function, every program, every line item. We have to balance our druthers against our deficits. If we do not, Mr. President, we may find that we have managed to save this program or that agency for another year—but in the process we may have doomed them. Because if the economic collapse we all fear comes, the cuts will be that much deeper, the resources that much more limited, the pain that much greater.

Honesty requires us to use our offices of public trust to take a simple message to the American people: We cannot keep going this way. We have to make choices, we have to distinguish between what we want and what we need. And once we decide what we need, we have to pay for it.

That, Mr. President, is our challenge. Those who were privileged to serve in this Chamber have met even greater challenges in the past. If we recall their example, if we reflect on their courage, if we emulate their wisdom, then we can leave to our children a nation as rich and powerful and promising as the America they left to us.

Thank you, Mr. President.

Mr. GORTON addressed the Chair.

The PRESIDENT pro tempore. The junior Senator from Washington is recognized for not to exceed 5 minutes.

Mr. GORTON. Mr. President, I ask unanimous consent that I have twice that amount of time for my statement.

The PRESIDENT pro tempore. Is there objection to the Senator from Washington being permitted to speak for not to exceed 10 minutes? The Chair hears none.

The Senator may proceed.

SPOTTED OWL CONFLICT IN THE NORTHWEST

Mr. GORTON. Mr. President, Larry Mason is a constituent of mine who owns Mason Lumber Products in Beaver, WA. He has been forced to layoff 33 of his 40 employees since the first of the year, partly as a result of U.S. Forest Service spotted owl management decisions.

Larry Mason, his 40 employees, and their families are but one example of the crippling economic and social effects that spotted owl management is having on Washington State and elsewhere.

Larry Mason, as any astute businessman might have done, sought to manufacture a highly specialized product. Douglas fir is the strongest wood for its dimension in the world, a quality unique to Olympic National Forest timber. Larry Mason worked to develop a business which would use that resource efficiently. He obtained a loan from the Federal Government's Small Business Administration. In planning for his new saw mill he was assured that harvest volumes from the Olympic National Forest would last at least 15 to 20 years. He obtained his financing, worked for efficiency and specialization, and trained his employees—training which for the required skills is a 3 to 4 year investment of time.

Now, those trained people, whose families average three to four children each, are unemployed. Yet, Larry Mason, in conveying his concerns to me, did not focus on the critical financial state of his business. He emphasized elements of the trickle-down effect stemming from the bitterness and anger these people feel after working hard at a job, paying taxes, and then finding that an owl's sustenance takes priority over their own.

Let me continue to use Larry Mason's saw mill to illustrate my concern. Due to a recent amendment of the Pacific Northwest Regional Guide—an effort to maintain a viable population of spotted owls in the national forests of Oregon and Washington—there is a designated spotted owl habitat area in the Goodman Creek Drainage in Olympic National Forest in which 3,000 acres now have been preserved for one pair of spotted owls—two birds. Those 3,000 acres contain over 350 million board-feet of some of the Olympic National Forest's finest timber.

Mason Lumber Products depends on some of that timber.

In fact, the timber in the Goodman Creek Drainage set aside for a pair of spotted owls could supply Mason Lumber Products, and all of its employees and subcontractors, for nearly six generations—approximately 115 years, at 3 million board-feet per year, the mill's average consumption over the last several years. In addition, of course, that land, once logged, would become prime land for the rapid regeneration of second growth trees.

While, of course, Mason Lumber Products would never have this particular 3,000 acres set aside for its exclusive use, the example is valid. As the Forest Service decision stands, 30 or more families must give up their livelihoods for these two owls.

Put another way, the entire town of Forks, where most of Mason Lumber's families are among some 3,000 residents, with all its churches, schools, homes and businesses, would fit into less than one-third of the land set-aside for this pair of birds.

These people feel that their Government has forgotten them. I am here today to say that at least this part of the Federal Government has not forgotten them, and that this Senator plans to fight for their livelihood.

Incidentally, there is still debate about whether 3,000 acres are enough for a pair of spotted owls. The National Audubon Society, in its comments on the "Spotted Owl Guidelines" to the Regional Forester for the Pacific Northwest Region, asserts that 4,500 acres of old growth is necessary for one pair of owls. The Audubon Society is now among a number of environmental organizations involved in lawsuits claiming that the Forest Service Record of Decision protects too few spotted owls and gives each pair too little land. Its position inevitably demands the forfeiture of the jobs of hundreds or thousands of people like the owners and employees of Mason Lumber. Decisions in one of those lawsuits will be issued today.

Additionally, the Washington State Department of Wildlife also is challenging the U.S. Forest Service: it asks for a stay of timber harvesting on known owl sites and demands the preservation of 3,800 acres of suitable habitat per pair of owls.

Only Governor Gardner, to his credit, is deeply concerned about the implications of this decision on people like Larry Mason and his employees, and wants these implications promptly reviewed. In a recent briefing provided to me by the U.S. Forest Service, however, the Service told me that it still does not know the official position of the State of Washington on how much Forest Service land the State of Washington wants to set-aside for spotted owl management—and thus must assume that the State wildlife department's appeal of the Forest Service Record of Decision represents official State policy.

The battle which I have just described takes place in our National Forests; the conflict is over the extent to which we use these forests to provide jobs for our citizens against protected habitat for the spotted owl. This conflict has ramifications in any part of this Nation in which growth and commerce may affect local wildlife.

For much of my State's history—beginning long before Bill Boeing located his factory near a steady source of lumber for his first airplanes—forest formed the foundation of our State's economy. Years of prosperity were based on the felling and milling of trees, and their replanting after harvest is a source of perpetual economic and environmental benefit to the people of the State and region. One of the earliest origins of the Forest Service sustained yield policy in our forests began in Grays Harbor County.

What lobstermen are to Maine, what coal-miners are to West Virginia, Mr. President, the men and women of the woods are to my State.

Ironically, after Washington's forestry industry has survived depressions, recessions, panics, fires, and all manner of natural challenges, it appears that this 14-inch bird may finally destroy the life-styles of the loggers and millworkers who built the Pacific Northwest. In our zeal to protect this bird, we may cripple the timber industry by unnecessarily setting aside tens or hundreds of thousands of acres of valuable timberland, above and beyond the millions of acres already set aside as parks and wilderness.

I am not speaking here of huge, faceless, timber corporations—most of them own and harvest their own lands. It is thousands of individual Washingtonians like Larry Mason's employees who will lose their jobs, and they are good jobs: cutting, hauling, and milling timber. We will lose homes and communities—in Forks, in Hoquiam, in Morton, in Darrington. We will endanger school systems, we will hurt people—loggers, truckers, and their families. We will contribute to alchoholism, child abuse, and suicide.

Mind you, preservation of the spotted owl is a worthy goal. I hope and I believe that it can be preserved without devastating our timber industry and its good people. But for me, Mr. President, if the choice is exclusively between setting aside a portion of our habitat for a small woodland creature after we have already set aside millions of acres of wilderness, or the hardworking families which form the backbone of my State's rural communities and timber industry, I will choose people.

This is not an environmental issue like acid rain, the greenhouse effect or dumping toxic chemicals into our waterways, where each of us is asked to sacrifice to preserve and enhance an environment in which all of us live and have a stake. In this case, a small minority of our fellow citizens, with little voice in our political and court-driven processes of setting policy, are being told to sacrifice their productive life-styles by other people with more wealth and sophistication who will bear no part of the costs they would impose on this minority.

Several weeks ago, I had the opportunity to sit down with a broad-based group from the timber industry in Olympia, WA, to discuss this problem. The group included an unprecedented mix of big and small manufacturers, private land owners, public timber purchasers, labor unions, and other groups interested in timber. They provided me with an excellent education on the problems they face if too much land is set aside.

A series of Federal decisions have led to this crisis. First, as I have discussed, we have a U.S. Forest Service Record of Decision which sets aside large tracts of land to maintain a "viable" population of the spotted owl. Second, we have a lawsuit initiated by the Natural Resources Defense Council in which a Federal Court has decided that the U.S. Fish and Wildlife Service has not sufficiently supported its conclusion that the owl is not endangered or threatened—with the clear implication that the court may rule it to be so. That decision was followed by a recent General Accounting Office report stating that the Fish and Wildlife Service decision not to list the spotted owl as threatened or endangered is seriously flawed. Each of these decisions has one feature in common: it fails to consider adequately—or in two cases to consider at all—the consequences of its demands on thousands of people and their lives.

The impact of the recent spotted owl decisions is almost certain to be crippling economic losses and severe social disruption—particularly for my constituents residing on the Olympic Peninsula—but also elsewhere in Washington, Oregon and northern California. The 1989 planned timber sale program was to have been 207 million board feet. With the Forest Service Record of Decision, that sale has been cut to 113 million board feet—and even this figure is uncertain due to lawsuits and appeals. Today our court system—not the Congress, nor those involved in a lengthy Forest Service Management Plan process, nor those involved in the Spotted Owl Guidelines process, nor most importantly, the professionals at the U.S. Forest Service—will make a critical land management decision. The courts will decide whether there should be an injunction against logging on land considered to be suitable spotted owl habitat. If this injunction is granted, its impact will be immediately devastating.

Clearly the fate of the spotted owl is up in the air—as is the fate of the timber industry in western Washington.

Never has the expression "for the birds" had such a terrible meaning.

Now, earlier I stated that my regional dilemma held national consequences, and indeed it does. As the spotted owl—now immortalized on the pages of the New York Times, the Washington Post and other national journals—is soaring to snail-darter status, other animals are jostling at the same starting line:

A rare species of rat holds up housing development for middle-income families in Riverside County, CA; and

The red cockaded woodpecker is being described as the spotted owl of the South, with environmentalists of that region in conflict with southern loggers.

This speech is not an assault on the value of sustaining viable populations of indicator species, endangered species or threatened species. I simply want to emphasize that there is a high price to pay for these protections. We have never debated that price, tacitly assuming that there is none. Suddenly, we find the price to be very high and disproportionately imposed on those least likely to find a voice in metropolitan newspapers or on television, or even here in Congress.

Some of those individuals who will pay this price have contacted me. I would like to share with Senators portions of their letters:

From Darin Kingery of Elma:

If this decision (the Forest Service Record of Decision) does not change, there will be more people and families on unemployment lines and/or welfare lines. Please help, I can't stress enough what this decision is going to do to all of the young families just starting out and the other ones still struggling to make ends meet.

From Jim Gold of Hoquiam:

Please do something for my crew. They are men ages 40 to 60 with homes paid for and children in school or college. Due to the "spotted owl" I have had to quit logging leaving nine people out of work. My payroll was $247,000 last year, now it is $0.

From Kristi Earley of Hoquiam:

As a businessman's wife, and the mother of four sons, my concern for quality of life on Grays Harbor is real. I worry about the "trickle-down effect" that diminishing the harvest level on the Olympic Peninsula will cause. I worry for the families directly affected by this measure, the loss of jobs, and therefore, income: but I also worry for all the connected areas of our lives—our schools, libraries, our small town pride * * *.

And, last, from Al and Patty Vaughan of Forks:

The survival of our way of life and the survival of our community is dependent on what you and your colleagues do in the approaching months. * * * Please remember us when you go about your tasks of government. Don't let us down. Don't let us die.

Mr. President, I ask unanimous consent that these letters be printed in the RECORD following the conclusion of my remarks.

The PRESIDING OFFICER (Mr. KERREY). Without objection, it is so ordered.

(See exhibit 1.)

Mr. GORTON. Unfortunately, there are no quick and easy solutions either to assist these people and the thousands like them, or for the owl. As the process leading inexorably toward today's court decision has played itself out, neither serious consideration nor sympathy has been directed at the impact on people and the effect that decisions relating to the spotted owl have on their fate, their lifestyles, their livelihoods. These considerations have been ignored or minimized by the environmental community and the major metropolitan media.

Environmental organizations have fought successfully for generations, beginning with the drive to preserve national parks, to set aside land and forests in their natural state not to be

logged or developed. These organizations have been driven by a justified desire to preserve much of our physical heritage, both flora and fauna. I am proud to have aided their successful preservation efforts in the creation of the Mount St. Helens National Monument and the addition of over 1 million acres to our National Wilderness System. As a consequence more than 4.5 million acres of Federal lands in Washington are now set aside for preservation and recreation only, including over 1 million acres of old growth, and not including land recently set aside for the spotted owl.

But, the easier days of environmental protection are past; today's value judgments are more complex. Our reward for past environmental successes is the chance to resolve more difficult issues where commerce and human lifestyles come into direct conflict with the environment as it exists today.

Just as our congressional delegation and others worked to achieve a solid and commendable addition to the Wilderness Preservation System, I earnestly hope that we can reach an agreement providing for stability in the timber industry. The long campaign that led to setting aside over 1 million acres of Washington national forests as wilderness was one in which the implicit consideration for the set aside was that most or all of the lands not so set aside would be available for multiple uses—including logging. Now, however, many environmental organizations are asking that—in addition—we set aside almost all of Washington's remaining old growth forests outside of parks and wilderness, plus thousands of acres that could further be affected by an expansion in Washington State of the National Wild and Scenic Rivers System. I appreciate the validity of the desire to protect many of Washington State's rivers as one of our most precious resources, but I strongly believe that is our responsibility first to restore some stability to the timber industry. Struggles to resolve the needs and desires of local residents and preservationist politics are not unprecedented. We have faced tough choices before.

For instance, during creation of the Columbia River Gorge National Scenic Area we has to consider those same conflicts. I hope and expect that on the spotted owl, we will again be able to resolve differences and reach a suitable compromise.

I hope that in the coming months more of us are ready to amplify the thousands of faint voices of those whose way of life is threatened, for today I fear that the well organized and politically potent preservation movement has no effective counterbalance. That is a problem for us all.

The timber industry is already at work identifying the problems it sees, and proposing solutions. The preservation community which is shepherding the cause of the spotted owl claims that it will also propose solutions. I hope that it does so. My State's congressional delegation also seeks solutions. I know from experience that this is a good start.

On this specific issue I would like to extend my thanks to those organizations which have taken the time to meet with me. I look forward to future meetings and have scheduled another meeting with environmental organization representatives while I am in the State of Washington during recess.

But I have concluded that it is time to look seriously at setting aside land for timber in sufficient quantities to support a viable timber industry just as we consider setting aside land for spotted owl management, and just as we have set aside land for our national parks and wilderness—in others words, determining once and for all that sales of timber on Forest Service land adequate to support a viable timber industry will no longer be delayed by lawsuits and regulatory appeals. Another related alternative is one that Senator PACKWOOD has discussed—that of limiting judicial review of Forest Service management decisions. Like Senator PACKWOOD I am disturbed that the way court system has become a manager of our national forest lands. These are but two approaches, and I expect that there will others—we must all try to preserve both the owls and forestry.

I can think of no better time for the Nation to pool its energies—as this is a Federal responsibility, a State responsibility, and our responsibility to our fellow man. Simply to point fingers at the source of the problem is not enough. We must concentrate our efforts on both short- and long-term solution that minimize the impact on both people and species.

Included in any analysis of solutions must be consideration of whether or not the next set-aside—before Wild and Scenic Rivers, and before spotted owls—should be a set-aside for timber production and harvesting in order to preserve vital elements of the economy of our State and Nation. Life styles and the livelihoods of the people of the Olympic Peninsula and other similar areas in Washington, Oregon, and northern California require some sense of certainty as to their future.

As I have stated before, this is not purely a Washington concern or purely a regional concern. We in Washington have already started to weigh the questions of how much we must sacrifice our timber-based communities and their jobs for one small bird. I am convinced that we can save both people and spotted owls, but it is well past time that we began to consider people to be at least as important as owls are. I urge my colleagues to consider this same universal question.

EXHIBIT 1

FORKS, WA, *February 11, 1989.*

Hon. SLADE GORTON, *U.S. Senator, Hart Senate Office Building, Washington, DC.*

DEAR SENATOR GORTON: Our family wishes to confer to you, Senator Gorton, that the survival of our way of life and the survival of our community is dependent of what you and your colleagues do in the approaching months.

A new conflict is about to begin with the onset of the State of Washington's movement against the U.S. Forest Service's Spotted Owl management plan and subsequent timber harvest reductions on the Olympic Peninsula. I know you will be under severe pressure to support extremist environmental views and I understand how you must view your position relative to fair representation of all parties, state and local. However, we implore you to commit to and hold steadfast to our community's need for a viable economic commercial base.

You must understand that the natural resource base is as important to this region of the state as I'm sure Boeing is to Seattle and King County. No one here would be so callous as to condemn the way of life the Puget Sound trough people have chosen. So, I believe they have no right to condemn our livelihood. How can anyone take away an industry that feeds our families, pays the taxes and builds the schools? How can anyone refute the truth that our forests are a renewable resource? How can anyone be so blind as to ignore the thousands and thousands of contiguous old growth timber as a viable wildlife habitat in the Olympic National Park? How can anyone be so closed and narrow minded?

Senator, we hope that you will understand this and accept a solid position to defend our beautiful Olympic Peninsula from the ever tightening grasp of the environmental and economic violence that the Sierra Club, Washington Environment Council, Earth First and yes, The Department of Wildlife, and other "Save our natural heritage" groups are so committed to.

Please, Please remember us when you go about your tasks of government. Don't let us down. Don't let us die.

Sincerely,

AL & PATTY VAUGHAN,
Forester and Educator.

HOQUIAM, WA,

SEN. SLADE GORTON: Please do something for my crew. They are men ages 40 to 60 with homes paid for and children in school or college.

Due to the "spotted owl" I have had to quit logging leaving nine people out of work. My payroll was $247,000 last year, now its $0.

One employee applied for a water-works job in Oberdeen, there were nearly 400 people for one job ap.

If our government can buy cows because of too much milk, purchase fishing boats because of too few fish, can't we help retrain and relocate these hard working family men.

These people stayed because we had a "Grays Harbor sustained yield forest". Now due to the spotted owl they have no gainful employment.

Thank you.

JIM GOLD.

HOQUIAM, WA, *February 7, 1989.*

DEAR SEN. GORTON: As a businessman's wife, and the mother of four sons, my concern for quality of life on Grays Harbor is real. I worry about the "trickle-down effect" that diminishing the harvest level on the Olympic Peninsula will cause. I worry for the families directly affected by this measure, the loss of jobs, and therefore, income, but I also worry for all the connected areas of our lives—our schools, libraries, our small town pride. Unfortunately, all will be hurt by this spotted owl controversy. I feel for all animals, but not at the expense of my friends' and neighbors' livelihood. Please intervene on our behalf, wherever it may do some good.

Sincerely,

KRISTI EARLEY.

DEAR SENATOR SLADE GORTON: I am employed by Applied Resource Management at a saw mill located in Hoquiam, Washington.

There was a decision made by F. Dale Robertson of the USDA Forest Service, to drastically limit timber sales in an effort to preserve the spotted owl population on the Olympic Penninsula. This will cause a lot of economic problems in and on my family and myself I don't think the limits on timber sales should remain in effect.

There are 3 mills in Grays Harbor 2 of which are now dependent on Forest Service Timber, which will be forced to close. At the mill I work at, this decision will effect 100 employees, 300 family members and countless other providers of goods and service to our mill.

I and my family respectfully request you to please recognize the extreme hardship that will occur in our already deprived economy. Please use your powers of office to influence the USDA Forest Service to modify its decision so as to eliminate the economic impact on the worker, the wives, and the children of Grays Harbor, area.

If this decision does not change, there will be more people and families on unemployment lines and or welfare lines. Please help. I can't stress enough what this decision is going to do to all of the young familys just starting out and the other ones still struggling to make ends meet.

We make enough to keep us off welfare, please let us keep the privileges of staying off of Public Asst.

Thank you for your consideration.

Sincerely,

DARIN P. KINGERY.

INTERNATIONAL TERRORISM

Mr. SPECTER. Mr. President, there was a very significant conviction yesterday in the U.S. District Court for the District of Columbia that ought to be noted—the conviction of Fawaz Yunis. This is a rare occurrence when we can take pride in an accomplishment in our battle against terrorism.

I suggest, Mr. President, that compliments are in order to the FBI, CIA, the Department of Justice, and, yes, even to the Congress of the United States, because as a result of joint action on legislation passed by the Congress in 1984 and investigative action taken by our law enforcement agencies, we have brought to justice an international terrorist with a new innovative approach: by arresting that terrorist outside of the United States, bringing him to the United States, and trying him and convicting him in this country.

Mr. President, the event starts on June 11, 1985, when five heavily armed men, one of whom was Fawaz Yunis, seized a Royal Jordanian airliner in Beirut. There was a turbulent international drama which then unfolded. There were violations of law, because the terrorists severely beat Jordanian sky marshals on board and threatened to kill hostages, one by one, unless their demands were met. After two unsuccessful flights over Tunis, the terrorists returned to Beirut, released the hostages, blew up the plane and escaped.

Aboard that plane, Mr. President, were U.S. citizens. This fact gave our Government jurisdiction over this case under legislation passed in 1984 making air piracy and the taking of hostages a violation of U.S. law. That law was expanded in 1986 to cover instances in which an American citizen is attacked anywhere in the world.

Mr. President, I believe that we ought to expand our use of this long-arm jurisdiction. We have put international terrorists on notice firmly that the United States is prepared to act, even if it involves ferreting out terrorists anywhere in the world, as was this defendant.

Mr. President, at this juncture, I believe we have to look to the next step. The next step, I suggest, is to pursue the sense of the Congress in 1986 legislation to establish an international court to deal with terrorists.

The Congress reiterated this general theme in 1988 in the drug bill by expressing the congressional sense that the President should explore the possibility of having an international court to deal with drug dealers as well.

Mr. President, before coming to the floor, I was attending the hearings in the Foreign Operations Subcommittee where Secretary of State James Baker is testifying. Upon the conclusion of these brief remarks I intend to go back to that subcommittee to raise a related issue and that is the issue of the participation by the PLO on Mideast peace talks.

I noted yesterday that Secretary Baker had commented before a House subcommittee that it was the hope of the United States that there would be negotiations between Israelis and Palestinians without the PLO. But if the talks between Palestinians and Israelis did not become fruitful, then perhaps the PLO would have to be admitted.

Mr. President, I believe if that is United States policy it is just an open invitation for the PLO to terrorize any prospective Palestinian representatives to make sure that there will be no meaningful talks between other Palestinians and Israel.

Earlier this year, Mayor Freij in Bethlehem made a very unique peace proposal and was intimidated by a direct threat from Yasser Arafat.

I can speak to that with firsthand knowledge because I had occasion to meet with Mayor Freij on January 12 of this year and heard with my own ears the threats that intimidated him to withdraw his peace proposal.

So on an occasion when we can note with some pride an accomplishment of the use of a new international legal device, long-arm jurisdiction, to bring Fawaz Yunis into the United States for acts of terrorism against U.S. citizens abroad, let us renew our efforts by moving toward an international court. Also, we must maintain our efforts by not dealing with terrorists like the PLO, for to do so permits such terrorists to shoot their way into international negotiations.

Mr. President, that is obviously a complicated subject and I thought it important to take these minutes today so that there may be some greater understanding of what we accomplished with that conviction yesterday. The conviction should give us renewed determination to move ahead and courage not to deal with terrorists even if the route to peace may be somewhat longer.

Mr. President, I ask unanimous consent that my prepared statement on this subject be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. President, I take this opportunity to call the attention of my colleagues to an important development in the battle against international terrorism. Yesterday, a federal jury in the District of Columbia convicted Fawaz Yunis of participating in the 1985 highjacking of a Jordanian airliner in Beirut. The conviction of Fawaz Yunis sends an important message to terrorists around the world about this country's determination to root out and punish terrorist acts against Americans, wherever committed.

This conviction is the culmination of a story of terror that began over 3½ years ago. On June 11, 1985, five heavily armed men, one of whom was Fawaz Yunis, seized a Royal Jordanian Airlines jet in Beirut. The terrorists hijacked the jet for a 30-hour journey to Cyprus, Tunisia, and Sicily before returning to Lebanon. More than 50 passengers, including at least 2 American citizens, were aboard the plane throughout this ordeal.

During the hijacking, the terrorists severely beat Jordanian sky marshals on board and threatened to kill hostages one by one unless their demands were met. After two unsuccessful flights over Tunis, the terrorists returned to Beirut, released the hostages, blew up the plane and escaped.

Two years later, however, Fawaz Yunis was brought to justice. An elaborate undercover operation executed by a team of U.S. law enforcement agents lured Yunis onto a yacht moored in international waters off the coast of Cyprus. Yunis believed he was to take part in a drug deal aboard the luxury yacht, but instead found himself in U.S. custody. Yunis confessed to the crime

and was brought to the United States for trial. Now he stands convicted of hostage taking, air piracy and conspiracy, and faces a maximum term of life imprisonment at his sentencing next month. The fact that the defendant was acquitted of three lesser counts does not diminish the impressive accomplishment of the federal prosecutors and law enforcement agents in this case.

Mr. President, the Fawaz Yunis case has significant ramifications for our ongoing efforts to thwart terrorism. The Yunis case sets an important precedent for the United States to bring international terrorists within the purview of American justice. Fortunately, there is now a full statutory arsenal with which to pursue this goal. The 99th Congress passed the Terrorist Prosecution Act, a law extending the reach of American criminal jurisdiction to extraterritorial acts of violence against American nationals (Pub. L. 99-399, tit. XII, codified at 18 U.S.C. 2331). Because of the ex post facto clause of the Constitution, Fawaz Yunis could not be prosecuted for his 1985 terrorist acts under this 1986 criminal statute; instead he was charged with hostage taking (18 U.S.C. 1203), air piracy (49 U.S.C. App. 1472), conspiracy (18 U.S.C. 371) and other crimes. Nonetheless, there is now a more complete set of criminal statutes designed to safeguard Americans overseas by deterring those who would contemplate violence against American nationals.

There is another important lesson to be learned from the Yunis case. The time is ripe for the United States to enter into multilateral treaty negotiations to define terrorism as an international crime and to establish an international forum in which such offenses may be prosecuted.

In 1986, the Congress adopted an amendment to the Omnibus Diplomatic Security and Antiterrorist Act calling on the President to pursue negotiations to establish an international court to try terrorists. Section 4108 of the Omnibus Anti-Drug Abuse Act of 1988 calls on the President to pursue negotiations to establish an international court with jurisdiction over international drug trafficking and other violations of international criminal law.

I applaud the daring law enforcement effort to bring Fawaz Yunis into an American courtroom, but the effort to bring such outlaws to justice must be institutionalized. My discussions with a variety of foreign leaders persuades me that the civilized international community is prepared to speak with one voice to condemn terrorism. The creation of an international criminal court with jurisdiction over terrorism, hijacking, crimes against humanity and international drug trafficking would be an eloquent expression of that condemnation.

For today, I salute the excellent work of the law enforcement agents and Federal prosecutors whose diligent efforts resulted in this well deserved conviction of Fawaz Yunis. For tomorrow, I pledge to continue my efforts to bring the force of international law to bear upon the scourge of international terrorism.

Mr. STEVENS. Mr. President, I am pleased that the Senator from Washington has presented his statement. As a Senator from a timber-producing State dealing with great problems of our national forests I welcome his very thoughtful statement.

I remember so well that a former Senator from Washington, Senator Scoop Jackson, labored long and hard trying to find a similar solution with in the days of the debates over the Alaska lands bill. We tried to find a way to assure that there would be a base to perpetuate the timber industry of southeastern Alaska and actually wrote into the law a guarantee of 4.5 billion board feet of timber from the areas not set aside for wilderness in the Alaska Lands Act so that our timber community would know and have some certainty, on a long-term basis, as to the availability of timber.

Unfortunately, as the Senator knows and the Senator knows, we are once again locked in controversy over those who demand that some of the timber that is absolutely necessary in order to assure the compliance with the existing law, as to the availability of 4.5 billion board feet over a 10-year period, now be set aside for wilderness or other uses to the extent of forbidding timber harvest in a portion of the forest that we thought would be available.

I think it is time, Mr. President, as the Senator from Washington has indicated, for us to take action which permanently designates portions of the national forests as being available for timber production. After all, that is what the forests were originally set aside for, was to guarantee that from public lands, the national forests, there would be an assured supply of timber which would be a yardstick to measure the efficiency and the management practices of the industry that uses private lands throughout the United States. Slowly but surely that yardstick is being cut down so it is not about a foot long rather than a yardstick, Mr. President. We just do not have the timber available now to provide the measurement under Federal practices of the procedures and practices of the industry and private lands.

I think the Senator from Washington has made in excellent statement. I look forward to working with him and ask that he include me in those negotiations. I would very much like to be part of them.

Mr. GORTON. I thank my distinguished colleague.

APPLES AND PESTICIDES

Mr. LIEBERMAN. Mr. President, I want to begin my remarks today with what might be called a personal disclosure or statement of interest in the subject I am about to discuss. It is to indicate to you and the Chamber that during the course of my life, I have probably eaten more than 15,000 apples. I love apples. I eat, on the average, two every day. I like them for their taste, and I have been eating them because I believe they were healthy. So I thought.

Like many Americans, my wife and I sat down a little over 2 weeks ago to watch "60 Minutes," and we were shocked to hear the story about the pesticide Alar and its effect on apples, particularly apple products such as applejuice and applesauce. And like many Americans, we went to our food cabinets and, frankly, after the program, threw out all the applesauce and applejuice we could find. We were concerned in doing that not so much about its effect on our own health but on its potential effect on our baby daughter, Hana, who, coincidentally, Mr. President, is 1 year old today.

We know from nutritional and health experts that sodium is not good for our health. We know that greasy and fried foods are not good for our health. We know that too many sweets are not good for our health. But we had no idea that too much applejuice or applesauce might also be bad for our health. Many American fathers and mothers are extremely concerned and angry, and they have a right to be.

They also have a right to know how real this danger is, and what their Government is going to do about it.

The alarm over Alar should spur us to inquire into the broader issue of chemicals and pesticides in the food chain. It is an aspect of environmental protection that has not received sufficient attention, in my view. We are keenly aware of the esthetic damage done by pollution, of the need to preserve our great natural resources. We know that toxic wastes dirty our air, foul our oceans and beaches, and ruin our rivers and streams. We are less aware of the health effects of pollution.

A number of chemicals used in our food supply may prove damaging especially to children because of their lower body weight and their less-developed immune systems.

We in the Senate, emphasizing our legitimate oversight responsibilities, must make sure that the agencies of the Federal Government are doing their job to identify the environmental threats to public health and to contain them. My esteemed colleague, the senior Senator from Connecticut, Senator DODD, will begin this process with a hearing scheduled for tomorrow morning in the Subcommittee on Children of the Labor and Human Resources Committee. He will focus on the risks to children of pesticides in the food supply. As a public official, and as a parent, I am anxious to learn the results of that inquiry.

I am also pleased that Senator REID, chairman of the Toxic Substances and Environmental Oversight Subcommittee of the Environment and Public Works Committee, of which I am privileged to be a member, intends to hold hearings in April to investigate the role of the Environmental Protection Agency in monitoring and registering

chemicals and pesticides for use in our food supply.

As a member of that subcommittee, I look forward to working closely with Senator REID to determine whether EPA is fulfilling its mandate to protect the public from the consequences of pollution. We are concerned about the decisionmaking process within EPA concerning these pesticides. There may be a need to streamline that process to provide assurance to the public that our food supply really is safe, because I find people asking today: "That is safe to eat?" We have to answer that question.

Unless America's families have such assurance, they will react as they have in this instance of Alar in apples and applejuice and applesauce, particularly for children. School districts throughout the United States of America have begun to ban apples from their lunchrooms. As a consequence, many apple growers may be unfairly hurt.

Mr. President, if I may say so, not since the Garden of Eden has the apple caused such an uproar in our world. The Alar episode brings the need for environmental protection not only to our doorsteps, but right into all of our kitchens, and reminds us that it is not just trees and rivers we are trying to save when we talk about environmental protections. It is the health and, at worst, the lives of our children as well.

Mr. BOND. Mr. President, I ask unanimous consent that if the time for morning business has expired that I be permitted to speak for 5 minutes as if in morning business.

The PRESIDING OFFICER (Mr. KOHL). Without objection, it is so ordered.

(The remarks of Mr. BOND pertaining to the introduction of legislation are located later in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the period for morning business be extended until 12 noon under the same terms and conditions. I further ask unanimous consent that the Senate stand in recess from 12 noon until 2 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIREMENT OF LT. COL. ROBERT S. BLUDWORTH

Mr. MITCHELL. Mr. President, I would like to take the opportunity at this time to advise my colleagues that the Senate will shortly lose the services of one of our most dedicated liaison officers, Lt. Col. Bo Bludworth.

For the last 5 years, Bo Bludworth has served the U.S. Army as liaison to the Senate, in which capacity every one of us and our staff have had dealing with him and his office.

Bo Bludworth had been an enormous asset to the U.S. Army in his service to the Senate. He has helped organize and escort many important fact-finding missions in a way that enabled Senators to benefit the most from them. He has provided us with answers to the many constituent and policy questions that arise in the normal course of Senate work.

Bo Bludworth served his Nation with distinction in Vietnam; he has served as well in NATO forces as well as within the United States. He is an example of the professional military officer that today's Armed Forces produce, and his retirement leaves the services and the Nation the poorer.

I wish Bo Bludworth well in his future career, and thank him for his help and cooperation during the 5 years I have worked with him and his office in the Senate.

WELCOME AMADO JESUS RODRIGUEZ FERNANDEZ TO THE LAND OF FREEDOM AND OPPORTUNITY

Mr. PELL. Mr. President, at approximately 3 o'clock this morning, Amado Jesus Rodriguez Fernandez and a number of other political prisoners just released from prison in Cuba, arrived in Miami to cheers, cries, and abrazos of welcome from family and friends. Some of the released prisoners were accompanied by family members also permitted to leave by the Cuban Government. I too welcome them to these shores and rejoice that once again they are united with their loved ones.

Shortly after I returned to Washington from my visit to Cuba last November, I was informed by the Cuban Government that Amado Jesus and two other political prisoners would be released because of my intervention on humanitarian grounds. Of course I expressed satisfaction over the Cuban Government's decision but at the same time I reminded the Cubans that during the long meeting with President Castro, I strongly suggested that in the interest of better relations with the United States all the political prisoners should be released. My message was relayed to Havana.

In early January, I welcomed the report from Cuba that the Cuban Government had made the decision to release the remaining political prisoners. Although that announcement has engendered some controversy regarding Castro's commitment, I remain hopeful that the rest of the political prisoners will be released.

On this occasion of the release of Amado Jesus and the other political prisoners who arrived with him early this morning, I am reenforced in my belief that the Cuban Government does want a better relationship with the United States. As I concluded from my November visit to Cuba, I believe that the United States and Cuba should begin to deal with each other on the small mutually beneficial steps to create the climate for the resolution of the more difficult issues. The Cuban exile community in the United States would be one of the major beneficiaries of an improved bilateral relationship. It is in this spirit that I anxiously await the release of Orestes Gonzalez and the plantado viejo Alberto Grau Sierra, and ultimately the rest of the political prisoners.

I am honored to join Amado Jesus' father Jose Rodriguez Trueba, his aunt Maria Rodriguez, other family members, and family friend Dulce Prats, who has acted on the family's behalf in this case. I hope that one day in the near future, the joy that they are experiencing today will be emulated by the families and friends within the Cuban exile community as they welcome the rest of the released political prisoners.

GOVERNOR'S CONFERENCE ON WOMEN

Mr. REID. Mr. President, at the end of this month, people from all over Nevada will gather together for the Governor's Conference on Women. The theme of this year's conference is "Choices and Challenges: The Next Decade."

While Nevada women map plans in Reno for future progress, we can contemplate their accomplishments of the past at UNR's current exhibition celebrating Women's History Month.

Past achievements by women and for women are impressive. But the challenges of the future present a more sobering reality. Almost half of Nevada's women are in the work force. Women head 75 percent of all Nevada households with children under the age of 18.

The role of women has undergone tremendous change. Women now have more choices than ever.

Attendees at the Governor's Conference are pioneers in the true sense of

the word—they are blazing a trail for future generations of Nevada women.

The story of women in Nevada has been one of struggle and opportunity. Perseverence has allowed women to make inroads in both the corporate and political arenas. Today, a record 13 women hold seats in the Nevada State Legislature. Businesswomen are slowly but surely chipping away at that axiom of the past, the "old boys' network."

Women are exerting their independence and leadership, as evidenced by the Governors' Conference. The conference is a forum by which women can broadcast—to all Nevadans—their concerns and recommendations. It is important for the agenda at the conference to be publicized and discussed throughout the State. The interests of Nevada women are the interests of all of us.

The story of struggle and opportunity has been told in the sequence of two steps forward, one step back. The challenges for women are substantial. Changes cannot happen overnight. The clock cannot be turned back.

Ruth Mandel, director for the Center of American Women and Politics at Rutgers University, creates an accurate picture of the slow but steady course toward progress—toward the future.

She says:

I have seen a vision of women leaving the train station for public life, state capitals and the nation's capital all across the land. And I have been forced to observe and concede that the train is taking a local route.

I am now working at the Federal level to help women in Nevada secure affordable, available child care. I have introduced legislation to help protect women and children who are victims of violence.

I want the train Ruth Mandel talks about to be a national and international train—not a local commuter line.

As the train steadily climbs up the hill, the progress is real and permanent because of the efforts of individuals represented by the Nevada Governor's Conference on Women.

I admire these hardworking, dedicated citizens, for they are ready to drive that train of progress forward. Their progress will create a path to be followed by Nevadans of future generations—a path of honor, accomplishment, pride, and genuine equality.

MINING CLAIM STUDY PROVISIONS OF THE CALIFORNIA DESERT PROTECTION ACT

Mr. CRANSTON. Mr. President, several questions have been raised regarding the meaning of three provisions in the California Desert Protection Act, S. 11, which I introduced on January 25, 1989. These provisions, sections 206, 306, and 408, direct the Secretary of the Interior to determine the validity of mining claims within the national parks designated by the bill and report to Congress recommendations regarding the acquisition of valid claims.

The purpose of this requirement, like the similar provision in the Mining in the Parks Act upon which it was based, is to develop information to allow Congress to determine whether it should purchase valid claims to protect the parks from damage associated with mining.

As introduced in the 99th Congress, the language in the California Desert Protection Act was essentially identical to the Mining in the Parks Act, requiring the Secretary to determine the validity of all claims and report to Congress within 2 years. When I reintroduced the bill in the 100th Congress, I changed the time limit imposed by sections 206, 306, and 408 because the mining industry argued that it would be difficult, and very expensive, for the Secretary to complete this work for all claims, including dormant claims, within 2 years. The sections now require the Secretary to make his report to Congress about the validity and acquisition of mining claims prior to approving plans of operations.

I did not intend sections 206, 306, and 408, in either their original or amended form, to suggest that in the absence of such specific language the Secretary is not required to determine the validity of mining claims on withdrawn lands prior to approving plans of operation.

AIDS UPDATE

Mr. CRANSTON. Mr. President, according to the Centers for Disease Control, as of March 1, 88,096 Americans have been diagnosed with AIDS; 49,870 Americans have died from AIDS; and 38,226 Americans are currently living with AIDS.

Mr. President, 3,111 more Americans have developed AIDS and 1,288 Americans have died from this horrible disease during the month of February.

Mr. President, AIDS is not just a national crisis, it is an international crisis. The World Health Organization [WHO] estimates that at least 350,000 cases of AIDS have occurred through the end of last year and expects 1 million more cases by 1992. Hardest hit are many Third World countries who have limited health-case resources to stop the spread of this disease or treat and care for those afflicted.

Mr. President, the 1989 Worldwatch Institute Report on Progress Toward a Sustainable Society entitled "State of the World" devoted an entire chapter to the AIDS epidemic. It is an excellent overview of the extent and seriousness of the epidemic worldwide as well as the responses undertaken by various countries. I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From State of the World, 1989]

RESPONDING TO AIDS

(By Lori Heise)

Few tragedies in human history have captured the world's attention as has AIDS. No disease, past or present, has inspired an international response equal to the current AIDS mobilization of the World Health Organization (WHO). None in recent memory has provoked more anxiety, aroused such prejudice against the afflicted, or stimulated so many moral, ethical, and legal debates. And no disease has more pointedly forced societies to confront issues otherwise conveniently ignored: drug abuse, sexuality, and the plight of the poor.

This global response is all the more remarkable given the relatively small number of people affected by acquired immunodeficiency syndrome so far. WHO estimates that by the end of 1988, at least 350,000 cases of the disease had occurred worldwide. The U.N. agency expect 1 million more cases by 1992, but even then, other killers will dwarf AIDS' toll. Each year, 2.5 million people die of smoking-related illnesses and 5 million children succumb to chronic diarrhea. Tuberculosis alone claims 3 million lives annually, 10 times the number of AIDS cases to date.

This incongruity of numbers more likely reflects gross underattention to diarrhea and tuberculosis than overreaction to AIDS. The world is rightly alarmed at AIDS' potential to surpass other killers if it continues to spread unchecked. Moreover, body counts alone do not reflect what sets AIDS apart. Unlike most diseases, AIDS is almost always fatal; there is no cure and no vaccine. Carriers may go for years without symptoms, evoking the paranoia and fear that accompany uncertainty. And AIDS deals with the most intimate of human activities, the most powerful of human emotions.

Together these factors give AIDS a psychological charge unmatched by any other illness. Significantly, though, AIDS is one of the few diseases that poses a substantial threat to both industrial and developing nations. This convergence of interests provides opportunities to forge new alliances and new models for international cooperation. As Jonathan Mann, Director of WHO's Global Programme on AIDS, observes: "AIDS has the potential to bring us together, if we can thwart those who would use it to drive us apart."

THE PANDEMIC UNFOLDS

In 1981, astute physicians in California and New York began to recognize a strange clustering of symptoms among some of their male homosexual patients. Something was destroying the immune systems of these individuals, rendering them susceptible to an odd assortment of opportunistic infections and cancers. Almost simultaneously, doctors in Central Africa, Europe, and Haiti began to note patients with similar conditions. By 1982, the new disease had a name: AIDS. And one year later, it had a cause: the human immunodeficiency virus, or HIV.

HIV exhibits a unique combination of characteristics that makes it intrinsically hard to control. Like genital herpes, once caught, the virus stays with its carrier for

life. Once disease develops, AIDS is almost always fatal—usually within two years. But instead of manifesting within a few days or weeks, like most viral diseases, AIDS on average takes eight or nine years to develop. During this interval, carriers look and feel healthy but can pass the virus to others. Researchers now believe that most if not all individuals infected with HIV will eventually develop AIDS.

The good news, however, is that compared with other viruses—such as polio and the common cold—HIV is fragile and relatively difficult to transmit. AIDS is overwhelmingly a sexually transmitted disease, communicated through body fluids and blood during vaginal or anal intercourse. To a significant but lesser extent, the virus is also transmitted through blood transfusions, through the sharing or reusing of contaminated needles, and from mother to child during pregnancy or birth. Contrary to widespread fears, AIDS cannot be caught through casual contact, sneezes, kissing, toilet seats, or insects.

Although the virus is transmitted the same way everywhere—through blood, through sexual intercourse, or from mother to child—the pattern of transmission and infection varies among regions. Indeed, the international AIDS picture can best be understood in terms of three broadly defined subepidemics, each with its own dynamic.

In North America, Western Europe, and certain Latin American countries, AIDS is mainly transmitted through homosexual intercourse and the sharing of needles among drug addicts. As a result, those infected are overwhelmingly male, and transmission from mother to child is limited. Less than 1 percent of the population is thought to be infected, but the infection rate among intravenous (IV) drug users and homosexual men exceeds 50 percent in some cities. Heterosexual sex is responsible for a small but increasing proportion of cases. Interestingly, despite its potential, sex with prostitutes is not a major mode of transmission.

By contrast, in sub-Saharan Africa and parts of the Caribbean, AIDS is primarily a heterosexually transmitted disease, with women infected as often as men. Because so many women are infected, transmission from mother to child is disturbingly common. Blood transfusions—a route largely eliminated in the industrial world—remain a source of infection in many countries where blood supplies still are not screened. Since intravenous drug use and homosexuality are rare, these modes of transmission are not significant, although reuse of contaminated needles by health workers remains a likely source of infection. In some countries, infection in the total population exceeds 1 percent, with 5-33 percent of sexually active adults in select urban areas infected. Male contact with prostitutes is thought to play a major role in the epidemic's spread.

In the third set of countries, HIV has been introduced only recently. Infection rates remain extremely low even among people with multiple sex partners, such as prostitutes. Most cases have originated outside of the country either through sex with a foreigner or through imported blood products contaminated with HIV. Although there is increasing evidence of in-country spread, no strong pattern of heterosexual or homosexual transmission has emerged. Asia, Eastern Europe, northern Africa, the Middle East, and most of the Pacific all fall in this category.

These variations evolve from a combination of factors, including when and where the virus first entered the population and the different social practices and behaviors that exist among cultures. In Africa, for example, the epidemic involved the heterosexually active population first, whereas in the United States the epidemic was initially introduced and amplified in predominately male populations: homosexuals, people with hemophilia, and IV drug users. Researchers also believe that the greater prevalence of untreated sexually transmitted diseases (STDs) in Africa has facilitated the spread of AIDS there and may largely explain the greater efficiency of heterosexual sex in transmitting the virus among Africans.

It is becoming increasingly clear, for example, that chlamydia and STDs that cause genital sores (such as syphilis, herpes, and chancroid) make it easier for HIV to pass between sexual partners. Sadly, in developing countries where treatment is less accessible, STDs are far more endemic than in the industrial world. Laboratory evidence also suggests that an individual whose immune system has been activated by chronic infections might be more susceptible to HIV infection. This factor may operate to increase heterosexual transmissions in the Third World, where viral and parasitic diseases are endemic. There is no convincing evidence that genetic differences or variations in viral strains account for the African pattern of transmission.

Although scientists have mapped the virus's surface chemistry in minute detail, the world has only the vaguest notion of where HIV is and where it is going. As of December 1, 1988, 142 countries had reported a total of 129,385 AIDS cases to the World Health Organization. (See Table 7-1.) Due to gross underreporting and under-recognition, however, WHO suspects that the true global caseload is more than twice that figure. Moreover, AIDS cases represent only the tip of the iceberg: for every AIDS case, anywhere from 20 to 100 people may carry the virus but not yet show symptoms. All told, WHO estimates that 5 million to 10 million people worldwide may be infected with HIV.

TABLE 7-1.—OFFICIALLY REPORTED AIDS CASES, SELECTED COUNTRIES, DEC. 1, 1988

Country	Prevalence (cases)	Rate (cases per million population)
United States	78,985	321
Uganda	5,508	336
Brazil	4,436	31
France	4,211	75
Tanzania	3,055	126
Kenya	2,732	117
Malawi	2,586	336
West Germany	2,580	42
Italy	2,556	45
Canada	2,156	83
Mexico	1,502	18
Haiti	1,455	231
Burundi	1,408	271
Congo	1,250	568
Zambia	1,056	141
Rwanda	987	139
Switzerland	605	92
French Guiana	113	1,228
Japan	90	0.7
Bermuda	81	1,396
China	3	0.003

Sources: World Health Organization data base; Population Reference Bureau, "1988 World Population Data Sheet" (Washington, D.C.: 1988).

Lacking any better measure, many people have used WHO data on reported AIDS cases to compare the severity of the epidemic in different parts of the world. Such comparisons can be misleading, however, because countries vary greatly in the accuracy and completeness of their reporting. Also, because of the virus' long latency period, a country's current number of AIDS cases is actually a snapshot of the epidemic five to eight years ago, when those who now have AIDS first got infected. The severity of today's epidemic is best represented by studies that measure how many people are currently infected with HIV by testing individuals' blood for antibodies to the virus.

Because antibody testing is expensive and difficult to conduct on a large scale, only a handful of countries—including Uganda and Rwanda—have attempted to design and implement surveys that would yield national estimates of HIV prevalence. Even in these small countries, the logistical and design problems of testing "representative" cross sections of society have proved immense, making it unlikely that many countries will undertake similar ventures. Without systematic testing, epidemiologists will have to rely on small-scale blood surveys of select groups for estimating the scope of infection.

By testing enough people with different backgrounds and risk factors—factory workers, prostitutes in cities, rural blood donors—epidemiologists can piece together a fairly accurate picture of the epidemic's extent. Researchers at WHO are now using such surveys to derive country-specific estimates of infection within different age-groups. Although estimates of infection by country are not yet available, the sum total of data lead WHO to believe that Africa is the most affected continent and Asia the least. (See Table 7-2.) Infection in Africa appears largely concentrated in the center, extending west from Tanzania to the Congo, and dipping south to include Zambia and Malawi. The United States is also severely affected, with an estimated 1-1.5 million infected individuals.

TABLE 7-2.—ESTIMATED HIV PREVALENCE, SELECTED REGIONS, 1987/88

Region	Prevalence (number infected)
Africa	2-3 million.
United States	1-1.5 million.
Latin America	500,000-750,000.
Europe	280,000-800,000.
Asia	fewer than 100,000.
World	5-10 million (probably closer to 5 million).

Source: Worldwatch Institute, compiled from various World Health Organization sources.

Antibody surveys likewise reveal that throughout the world AIDS is primarily an urban disease, although it is gradually spreading from major urban centers to smaller cities and towns. In parts of Zambia, northwestern Tanzania, and southwestern Uganda, however, there are major rural outbreaks, emanating from the movement of people and disease along the Trans-African Highway and in area of military conflict.

Even more difficult than determining the world's current AIDS picture is predicting how the epidemic will evolve. Already there have been important shifts in the persons most at risk in various countries and in the relative significance of different transmission routes. Such shifts are meaningful because they indicate where new prevention activities should be focused and have important implications for the spread of infection beyond those presently affected.

The United States and Western Europe, for example, are now experiencing a second wave of epidemic among intravenous drug users. Whereas most AIDS cases used to involve homosexual men, evidence indicates that rates of new infection are declining

among gay men but accelerating among drug addicts. In fact, in certain parts of Europe—including Italy, Spain, and Scotland—IV drug users now account for the majority of all cases. Overall, the proportion of total European AIDS cases involving drug injection rose from 2 percent in September 1984 to 24 percent in mid-1988.

This new pattern is important because of both its impact on the drug-using community and its potential to facilitate the spread of AIDS into the general population. Although it is too early to predict whether AIDS will move into the heterosexual mainstream in these areas, addicts could facilitate this process by communicating the virus to their sexual partners who in turn could infect people outside the drug community. Seventy precent of heterosexually transmitted cases in native-born U.S. citizens currently occur in partners of IV drug users.

Indeed, it is difficult to overemphasize the role that drug abuse could play in the future of the American and European AIDS epidemic. Already, more than 70 percent of cases in American children are due to IV drug use by their mother or her sexual partner. Half of all AIDS cases in American women are related to drug use, with even higher proportions among black and Hispanic women (70 and 83 percent, respectively). Even among female prostitutes, the likelihood of infection is more closely linked to IV drug use than to prostitution itself.

Certain Central American and Caribbean nations have also experienced shifts in AIDS epidemiology, with heterosexual sex gradually replacing homosexual activity as the dominant route of transmission. This change is best exemplified in Haiti, where the percentage of cases involving men who contracted AIDS through homosexual activity declined from 50 percent in 1983 to 1 percent in 1987, while the share transmitted heterosexually increased from 26 to over 80 percent. As a result, the proportion of cases among women has doubled since 1979, and the number of babies born with AIDS has increased greatly.

Latin American health officials suspect that the high prevalence of bisexuality among some Latin men has contributed to this shifting epidemiology. Because homosexuality is less acceptable in Latin culture and the pressure to have children is acute, many men who engage in homosexual activity marry or have steady female lovers. This sets the stage for increasing AIDS incidence among women and children, a pattern already documented in Trinidad and Tobago, the Dominican Republic, and Honduras, among others, Health officials fear that other Latin American countries could follow Haiti's lead. In Brazil and Mexico, for example, bisexuals account for 23 percent of reported AIDS cases; in Ecuador, for 40 percent.

THE IMPACT IN THE THIRD WORLD

Estimating the social and economic impact of AIDS in the Third World is an endeavor fraught with uncertainty. Scientists have too few data on the prevalence of HIV infection or on the conditions—both behavioral and social—that determine its spread to project with any confidence the future course of the epidemic. Even less information is available for translating rising death rates into potential impacts on overtaxed health care systems, economic output, or future population growth. Yet one thing is certain: AIDS will have a profound impact in the Third World, and one that exceeds the impact in the West, where resources are more plentiful and basic infrastructure better developed.

A look at existing health care systems in the Third World provides a glimpse of the disadvantage that developing countries face in responding to AIDS. In 1984, Haiti had $3.25 to spend on health care per citizen; Mexico had $11.50. Rwanda's pitiful annual budget of $1.60 per person would not even buy a bottle of aspirin in the industrial world. By contrast, Sweden annually spends over $1,100 on health care per person and the United States invests more than $760. Yet meager Third World health budgets must contend with existing epidemics of frightening proportion. Three million Third World children die each year from preventable disease such as measles, tetanus, and whooping cough. In Africa alone, malaria annually claims 1 million lives.

Data from countries already responding to AIDS confirm that the costs of prevention will be high. In 1988, for example, Brazil's prevention program was estimated to cost $28 million, $8 million of which went to screen blood at state run blood banks. Health officials in Peru put the start-up costs of screening their national blood supply at $20 million in 1987, a sum that could otherwise cover the total annual health care bill for 1.5 million Peruvians. If borne alone by developing countries, these costs could derail already fragile and inadequate health care systems.

Developing countries also have fewer options for treating AIDS patients than countries in the West do. Physicians in industrial countries largely respond by treating the secondary diseases, such as Pneumocystis carinii pneumonia, that accompany AIDS. It is an expensive ordeal that often involves frequent hospital stays. The only drug currently known to attack HIV directly—zidovudine, commonly known as AZT—costs roughly $8,000 per patient annually, and causes anemia so severe that over a quarter of recipients require blood transfusions. In the Third World, where per capita incomes are measured in hundreds of dollars and blood is in short supply, a life-prolonging drug like AZT might as well not exist.

Indeed, preliminary cost data from around the world suggest that the amount spent per AIDS patient roughly correlates with a country's gross national product (GNP). As with health care in general, poor countries are forced to spend less on each patient. If Zaire spent at a level comparable to the Untied States, the cost of treating 10 AIDS patients would exceed the entire budget of Mama Yemo, the nation's largest public hospital. Although costs in industrial countries are inflated by higher salaries, more expensive equipment, and added malpractice insurance, AIDS treatment undoubtedly suffers in countries where even antibiotics and syringes are in short supply.

Given such constraints, AIDS naturally raises the question of triage. Where hospital space and medical supplies are scarce and where people regularly die of treatable illnesses, diverting resources to AIDS treatment may actually cost lives by crowding out patients who can be cured. From a quarter to half of precious hospital beds in some central African hospitals are occupied by patients who are infected with HIV; Costa Rican officials predict a similar situation by the mid-1990s. Already, AIDS patients are being discharged from some health facilities in Africa, Haiti, and Brazil to give preference to patients with curable illnesses.

In terms of overall health investment, however, AIDS prevention activities may actually deserve high priority, even in countries heavily burdened by other diseases. A World Bank/WHO research team of western and African researchers has estimated that preventing one case of HIV infection in Africa would save more years of life than would preventing a case of malaria, measles, turberculosis (TB), or pneumonia. To determine the relative merits of investing in AIDS prevention versus other disease control programs, decision makers need to consider how many people are affected by each disease and the comparative costs of each prevention program. Significantly, preventing a case of AIDS stops secondary and tertiary transmission of the virus, whereas preventing a case of measles or malaria would affect transmission little if at all, because such diseases are already so pervasive in Africa.

Not only does AIDS compete with other diseases for limited health budgets, HIV actually magnifies existing epidemics. By weakening the immune system of its host, the virus makes carriers more susceptible to renewed attack from other microbes lying dormant. For example, some 30–60 percent of adults in many developing countries are carriers of the tuberculosis bacteria, even though their bodies have conquered outward signs of the disease. By suppressing the immune system, HIV allows dormant TB bacteria to become active, leading to the contagious form of tuberculosis.

Although it is too early to measure worldwide increases in TB prevalence, some evidence suggests that HIV may already be having a multiplier effect on this deadly disease. New York City—home to almost half of all U.S. AIDS patients—reported a 35-percent jump in TB cases betwen 1984 and 1986. Studies also document a close association between TB and HIV: in Kinshasa, Zaire, 38 percent of TB patients tested were HIV-positive, compared with only 2.5–8 percent of healthy adults. An HIV-TB link is especially worrisome in the Third World, where poverty, overcrowding, and lack of access to treatment make tuberculosis more lethal than in the West.

It is in the area of child health, however, that AIDS has the greatest potential to erode hard-won health gains in the Third World. Over the last three decades, developing regions have inaugurated a "child survival revolution" through encouraging oral rehydration therapy for diarrhea, immunization, breast-feeding, and birth spacing. Together with economic growth and increased female literacy, these simple interventions have cut Third World child deaths by slightly more than half since 1955, with Southeast Asia making the greatest progress and Africa the least.

Left unchecked, AIDS will undermine these gains as more and more pregnant women become infected and transmit the virus to their children *in utero*. Already 9–24 percent of pregnant women in some African cities—such as Kinshasa and Kampala—are infected. Up to half the children born to these women will contract the virus and die. Preliminary models of the most affected regions in Africa suggest that infant mortality could increase by more than 25 percent, eroding three decades of progress in infant and child health.

These models also show that although adult death rates in Africa could rise dramatically, AIDS will likely have only modest impacts on population growth. The notion—advanced by some—that parts of Africa are already "lost" to AIDS or that disease eliminates the need for family planning funds is

not supported by the evidence. A model by John Bongaarts of the Population Council in New York, for example, predicts that a typical African growth rate of 3 percent could fall to 2 percent over 25 years if 20 percent of the total population became infected. Even if death rates were to double—with AIDS adding as many deaths as all other causes combined—population growth would not cease.

The demographic effects of AIDS may be small, but the economic impact of a fatal epidemic focused on sexually active adults could be immense. Unlike other diseases that cull the weakest members of society—the sick, the old, and the very young—AIDS eliminates the most productive segment of a population. In Africa, HIV infection in women peaks during their third decade—the prime childbearing years—and for males during their fourth decade, the most productive years at work and in the community. Where the ranks of people with certain specialized skills and training may be small, the loss of even a handful of engineers, health planners, or agronomists can be debilitating.

Although predicting AIDS' impact on specific economic sectors will require detailed country-by-country analysis, hints of what may be in store have started to emerge. Zambian researchers fear that labor losses due to AIDS could cripple their nation's copper mining industry, which accounts for one fifth of Zambia's GNP. One study in the nation's Copper Belt found that 68 percent of men testing positive were the skilled professionals upon whom the mining industry depends. Since the companies provide both retirement benefits and comprehensive medical and social services for miners and their families, Zambian researchers fear that the financial drain of AIDS could jeopardize the entire mining sector.

These economic disruptions come at a time when developing nations—especially in Africa—are already laboring under severe economic hardship. Per capita income is declining and foreign debt is mounting. Against this backdrop, AIDS threatens to further complicate balance-of-payment problems. Foreign exchange will be lost as governments seek to import items necessary to combat the epidemic, tourist dollars may decline in response to travelers' fears, and economic growth will slow as people and governments divert savings from investment to treatment. Indeed, in industrial and developing countries alike, the indirect economic costs of AIDS will far exceed any direct costs related to prevention or treatment.

Researchers at the Harvard Institute of International Development are attempting to quantify these indirect costs by modeling the impact of AIDS on certain central African economies. According to their projections, by 1995 the annual loss to Zaire's economy due to premature deaths and reduced savings will be between $350 million and $670 million—equal to 8 to 16 percent of the nation's GNP in 1984. Even without including direct treatment costs or losses due to illness, these figures exceed the $314 million that Zaire received from all sources of development assistance in 1984.

In human terms, this economic slowing will mean that by 1995, the average Zairian will have roughly $18 less income per year than he or she would have had in an economy without AIDS (measured in constant 1984 dollars). A mere pittance in industrial societies, $18 represents a 10-percent loss in income for Zairians, who average only $170 per year. Tragically, this decline comes on top of an already seriously eroded income base: per capita income in Zaire declined roughly 42 percent between 1965 and 1985. AIDS is an added burden these people cannot afford.

Even more devastating are the costs of caring for family members stricken with AIDS. Although employers or the state pay health care costs in many developing countries, not all citizens have access to such assistance, either because they are unemployed or because they live in remote areas. In one study of children with AIDS in Kinshasa, over half the parents were either unemployed or dead, meaning that treatment costs fell to family and friends. Children's hospital expenses typically were three times their parents' average monthly wages, and funerals and burial cost almost a year's salary.

Yet the true costs of AIDS are both economic and personal. Economists can count up the direct costs and calculate the indirect cost of lost wages from disability and death. But what of the psychological toll on those left behind? Economic tally sheets cannot capture the pain of a child left without parents or of a generation whose future is shortchanged by AIDS.

PROGRESS TOWARD PREVENTION IN INDUSTRIAL COUNTRIES

For a world used to solving problems with a technical fix, AIDS is frustrating. Today, prospects for a vaccine or cure seem even more distant than they did two years ago, when scientists were reeling from the thrill of rapid discovery. The AIDS virus has proved a wily opponent: It hides within the very immune cells that the body normally uses to ward off invaders, making vaccines and treatments exceedingly difficult to devise. And it mutates at a furious pace—perhaps even faster than the influenza virus that requires researchers to alter the flu vaccine every year. Prevention will likely remain the world's primary weapon against AIDS for at least the next decade.

In the industrial world, where transmission through blood transfusions has essentially ceased, stopping AIDS means getting people to change high-risk behavoir. Risky behavior includes unprotected sex, especially with multiple partners, and the sharing of contaminated needles among drug addicts. The best way to avoid AIDS is to have a mutually monogamous sexual relationship with a partner known to be uninfected. Short of that, condoms provide good, although not foolproof protection against HIV transmission. The spermicide nonoxyl-9 has also been shown to kill the virus in laboratory tests, but its ability to prevent HIV transmission between sexual partners has yet to be proved.

It is important to recognize that it is what people do, not who they are, that puts them at risk. As the Panos Institute has pointed out in its groundbreaking work Blaming Others, talk of "high-risk groups," such as Haitians, gay men, or prostitutes, tends to invite finger-pointing and erroneously suggests that anyone not in these groups is safe. Moreover, categorization fails to acknowledge that not all group members practice high-risk behavior. AIDS is not a "gay disease" or an "African disease" or a "disease of drug addicts." Anyone who engages in high-risk behavior can contract HIV.

Given these risks, industrial countries have responded in a variety of ways, some constructive, others less so. In general, European governments were quicker than the United States to launch broad-based AIDS education programs, even though their epidemics were not yet as severe. Seven European countries sent information booklets to their citizens more than a year before the United States did so in June 1988. Across the board, these public information campaigns have achieved roughly the same result: people now know that sex, blood, and needles can transmit AIDS, but they still cling to many misperceptions. In 1987, 40 percent of Canadians polled, for instance, believed that AIDS could be transmitted through insects, as did 38 percent of Americans.

Regrettably, some nations have also espoused superficially attractive but ineffective responses, such as screening and deportation of infected foreigners, premarital testing, and mandatory testing of those perceived to be at risk. For example, 29 countries—including various developing ones—now impose some form of travel restriction or mandatory screening of foreigners even though WHO has determined that such measures are costly, repressive, and will not stem the epidemic's tide. Entry restrictions are born of a desire to erect a barrier between the virus and the uninfected, to label the afflicted as "foreign," "different," "not me." In reality, by providing a false sense of security, they allow the disease to spread unchecked.

In the United States, bills for premarital screening for HIV have been introduced in 35 states and become law in Illinois, Louisiana, and Texas. (The law in Texas will not go into effect unless HIV prevalence exceeds a certain threshold.) Like travel restrictions, such bills are politically attractive because they are highly visible; yet they are dangerous because they deflect attention and resources from those truly at risk. Even premarital syphilis testing has never efficiently identified new syphilis cases: in 1978, premarital screening accounted for only 1.27 percent of all tests found positive, but the program cost $80 million annually. Not surprisingly, Louisiana has already repealed its AIDS law after realizing that it uncovered few cases and pushed couples to neighboring states to get married. Illinois likewise is having second thoughts.

Other countries and constituencies have responded with calls for mandatory testing, compulsory reporting of HIV-positive individuals, or required partner tracing. The Soviet Union, Hungary, and Bavaria in West Germany, for example, all require testing of high-risk individuals, including prostitutes, drug addicts, and—with the exception of Bavaria—homosexuals. Yet health officials are unanimous in the view that mandatory measures merely drive underground those most in need of testing. In Charleston, South Carolina, the number of homosexual men seeking testing dropped by 51 percent after the state began requiring all those who tested positive to be reported to the public health department. When anonymous and voluntary, however, testing, counseling, and partner tracing have proved to be useful and effective tools for AIDS prevention.

Despite these false starts, many countries now have innovative prevention programs in place, including school-based education, information campaigns aimed at the general public, condom promotion, and specialized outreach programs designed to reach those at highest risk. Many of the most impressive initiatives come from outside government and draw on the skills and energy of the homosexual community, which rallied early to protect its members. The Gay Men's Health

Crisis in New York (founded in 1982) and the Terrence Higgins Trust in London (founded in 1983) probably still have more experience in AIDS education than any other groups in the world.

So far it appears that among heterosexuals, prevention campaigns have increased knowledge but have changed sexual behavior only marginally. Change among gay men, however, has been dramatic and may well constitute the most rapid and profound behavioral response ever documented in public health. Studies throughout the United States and Western Europe have found that gay men have reduced their number of sexual partners, increased their use of condoms, and decreased their participation in unprotected anal intercourse. One review of 24 American and European studies concluded that, on average, gay men have 63 percent fewer sexual partners since AIDS. The incidence of receptive anal intercourse has similarly declined, by 59 percent.

Because of HIV's long latency period, these behavior changes have not yet translated into fewer new AIDS cases, but in parts of the United States rates of new HIV infection among gay men have declined. Less than 1 percent of noninfected homosexual men in San Francisco, for example, were being infected annually by 1988, down from 18 percent in 1983. AIDS-induced behavior change is also probably responsible for recent declines in the number of new gonorrhea and syphilis cases among gay men in Denmark, Finland, the Netherlands, Sweden, and the United Kingdom. Because these STDs have shorter incubation periods than HIV, reductions in high-risk behavior registered more quickly with syphilis and gonorrhea than with AIDS.

Unfortunately, studies on both continents confirm that a minority of gay men still engage in dangerous behavior despite understanding the risks involved. Risky behavior is most often associated with the use of uninhibiting drugs during sex, suggesting that programs aimed at alcohol and recreational drugs may be important for AIDS control. Moreover, gays living in lower risk areas do not seem to have modified their behavior as much, perhaps because they do not feel as personally at risk. It is unsafe to assume, therefore, that the entire gay male population in the United States and Europe has been educated and that attention is better placed elsewhere. Promising progress has been made, but much remains to be done.

Intravenous drug users have also proved capable of change, although curbing HIV infection among drug addicts has received far too little attention, especially in the United States. Response has been hampered by debate over the moral and legal appropriateness of certain interventions, such as needle exchange programs, and the pervasive view that addicts somehow "deserve" AIDS. Inaction, however, is both inhumane to drug users and shortsighted, given that IV drug users are the most likely bridge between HIV and the general population.

Without a doubt, helping addicts kick their habit is the favored approach to stopping AIDS transmission among drug users, but in many countries treatment capacity is sorely lacking. The United States, for example, can treat only 15–20 percent of its more than 1.2 million needle addicts, and waiting lists of up to six months for treatment are not uncommon. During this time, addicts continue to shoot drugs, increasing their chances of contracting and spreading HIV and diminishing their resolve to fight their addiction. When treatment is affordable and accessible, IV drug users have shown that they will seek it out to reduce their risk of AIDS. In New Jersey, addicts redeemed 84 percent of 970 coupons for free treatment that AIDS outreach workers distributed. More than half said they were largely motivated by fear of AIDS.

For those unable or unwilling to break their addiction, programs aimed at safer injection are important for AIDS control. Needle-sharing is deeply ingrained in the drug culture, both as a form of social bonding and because new syringes are expensive, hard to obtain, and illegal to possess in many areas. But studies confirm that addicts will reduce their use of contaminated needles, especially if given the means to do so, either through needle/syringe exchange programs or through the provision of bleach for cleaning syringes between uses. Indeed, several studies suggest that supplying the means to change behavior is critical; programs that provide information alone have tended to fail.

Despite the importance of providing the hardware of behavior change, needle exchange programs have been extremely controversial, especially in the United States, where only two small pilot programs have been approved. On both sides of the Atlantic, people argue that to supply syringes is to condone drug use. To refuse addicts access to clean needles in the age of AIDS, however, is to deny them the opportunity to protect themselves—and eventually others—from a deadly infection.

While still controversial, other countries have been more willing than the United States to experiment with needle exchange programs. So far, Switzerland, Denmark, the Netherlands, the United Kingdom, and Australia have initiated programs and all report significantly less needle-sharing among addicts. France has also liberalized its policy by making needles available for sale at pharmacies without prescription or identification. Despite widespread concern that increased availability of needles would encourage drug use, there is no evidence that this is occurring. Indeed, in the Netherlands the number of addicts actually decreased from roughly 8,500 in 1984 to 6,800 in 1988 after the government implemented a comprehensive AIDS prevention campaign aimed at addicts, including needle exchange, methadone treatment, and outreach.

Disturbing evidence indicates, however, that changes in sexual behavior among American and European drug addicts lag considerably behind changes in drug-use behavior. Even more distressing, the least amount of change has occurred within committed, heterosexual relationships, where HIV transmission is most likely to occur (because of frequent of intercourse) and where children are most likely to be conceived. Given that three fourths of American IV drug users are male and have a primary partner who does not use drugs, there is clearly need for more education on safer sex among addicts as part of an effort to prevent the spread of HIV.

AIDS prevention programs to date have also been singularly ineffective at reaching U.S. minority communities. Studies show that blacks and Hispanics are less well informed than whites about AIDS and that they have not modified their behavior as much. This particularly worrisome because blacks and Hispanics are at extremely high risk. Already they account for 41 percent of AIDS cases, even though they constitute only 19 percent of the U.S. population. Eighty-five percent of children who acquired AIDS from their mother and 71 percent of all women with AIDS are black or Hispanic.

This pattern of infection is partly due to the fact that a disproportionate number of IV drug users are black or Hispanic. But even among drug addicts, minorities are more likely to be infected than whites. The reasons for this are unclear, although for cultural and economic reasons, blacks and Hispanics may have less access to clean needles, drug treatment, and AIDS information. Particularly disturbing is evidence that blacks also account for a disproportionate share of new HIV infection occurring outside of big cities, where IV drug use would be less common.

These trends emphasize the need for more culturally relevant AIDS information aimed at minorities. Recently, the Centers for Disease Control of the U.S. Public Health Service has attempted to fill this gap by earmarking almost $45 million for minority outreach projects in 1989, up from only $14 million in 1987. Experience suggests that initiatives arising from the minority communities themselves have the greatest chance of success.

ALLIANCE FOR PREVENTION IN DEVELOPING COUNTRIES

Stopping AIDS in developing countries will take a worldwide alliance of professional skills, resources, and experience. Left unaided, the Third World would have to divert scarce resources from other essential development initiatives or be forced to accept ever-rising death tolls. Even industrial countries cannot fight this scourge alone. Barring a vaccine or a cure, no country can independently protect itself from HIV, for the disease respects no national boundaries. Like several of today's most pressing problems—global warming, ozone depletion, Third World debt—unless all nations work together against AIDS, there is little hope of acting separately.

Although nations have collaborated before on action aimed at disease control, there is no precedent for the level of cooperation that will be required to battle AIDS. Even WHO's successful effort to eradicate smallpox during the seventies is not fully analogous: Smallpox could be prevented with a single vaccine that was already available and relatively easy to deliver. Industrial nations had already conquered the disease, and carriers were easily identified by a characteristic rash. By contrast, HIV infection is invisible and insidious. And there is no vaccine. Stopping AIDS means getting people to change their behavior, a task that governments and international agencies are ill prepared to do.

With a threat this great and requiring so much coordination, central leadership is essential. WHO accepted the role in February 1987 when it formed the Special Programme on AIDS, later renamed the Global Programme on AIDS (GPA). Since then, the program has grown rapidly, largely due to the determined leadership of its director, Dr. Jonathan Mann. Starting with one secretary and a $580,000 budget, Mann has built the AIDS program into one of the agency's largest and most active, with a proposed budget of $95 million for 1989 and a year-end staffing target of 222 professions.

GPA acts primarily as a coordinating body for AIDS surveillance, prevention, and research and as a resource to governments trying to develop national AIDS control plans. With WHO's encouragement and assistance, more than 150 nations now have

national AIDS committees, and 119 have developed short-term plans for combatting the disease (including every country in sub-Saharan Africa). Forty-eight countries, mostly in the Third World, have gone on to develop three- to five-year plans. WHO also serves as an intermediary between donors and developing countries hoping to arrange funding for their national AIDS programs. As of December 1988, $99 million had been raised to support 30 medium-term plans, mostly in Africa and the Caribbean.

That so many nations have mobilized is a testament to WHO's effectiveness, given that two years ago most governments still denied the presence or extent of AIDS. The challenge now is to translate these paper plans into functioning programs, a task that will be particularly hard in developing countries. Most experts agree that it is preferable to integrate AIDS prevention activities into existing health and educational systems rather than develop "vertical" AIDS programs that would compete for resources and attention. But it is impossible to graft AIDS control programs onto nonexistent or rudimentary rural health care systems or to introduce blood screening in countries without adequate labs, trained technicians, or functioning blood banks. Indeed, to be successful in some poorer countries, the whole health infrastructure will have to be expanded and fortified.

WHO's leadership has clearly inspired some countries to act, but many nations had nascent education campaigns even before WHO entered the scene. As in industrial countries, many of the earliest efforts were implemented by nongovernmental groups, the vanguard of AIDS education. In Kenya, for example, the Red Cross distributed over a million leaflets counseling "Help Crush AIDS" and "Spread facts . . . not fear." The Rwandan Red Cross launched an impressive campaign using radio announcements, posters, and leaflets. And in the Dominican Republic, the Government distributed free condoms, printed hundreds of thousands of brochures, posters, and bumper stickers, and passed legislation requiring all motels to provide complimentary condoms.

Indeed, the picture that emerges from the Third World is one of many small acts that combine to form a growing tide of prevention activities. In Guatemala, the Association for Sexual Education has produced two pamphlets and a series of wallet-sized cards that describe how to protect oneself from AIDS. In Mexico, a dynamic woman named Gloria Ornelas Hall runs an AIDS hotline that handles over 70 calls a day. And in Uganda, a physiotherapist and a doctor whose lives were personally touched by AIDS have formed a counseling service for sufferers and their families. With few resources but much foresight, these individuals are reaching out into their communities to educate others about AIDS.

As WHO has helped mobilize outside funds, Third World governments have become more involved in prevention. Often one of their first priorities has been to secure the nation's blood supply, primarily because it is one route that can be eliminated with a technical fix. In 1985, when a blood test for HIV first became available, from 8 to 18 percent of blood donors in the capitals of Uganda, Rwanda, and Zaire were infected. With screening units costing up to $10,000 apiece and each test costing on average $1-4, developing countries could not afford screening and hospitals became part of the chain of infection. In Central Africa, transfusions probably account for 5-10 percent of HIV transmission among adults and up to a quarter of all AIDS cases in children.

The majority of developing countries now have at least some screening capacity, mostly in major urban areas. By the end of 1988, limited testing equipment was available in most capital cities in Africa and Latin America and some countries—such as Zimbabwe, Zambia, and Mexico—had nearly universal screening. Blood screening should become considerably more common in the near future as a new generation of simple, rapid blood tests for HIV become available. Field tests are nearing completion on several that yield results in 2-4 minutes, and that use only a slide and medicine dropper instead of expensive equipment and reagents. The ability to screen quickly is especially important in developing countries where blood is often not banked but donated as needed when an emergency arises.

Although worth doing, screening blood will have a relatively small impact on the spread of AIDS because at least 80 percent of transmission in the Third World is through heterosexual sex. Thus the bulk of prevention must come from encouraging fidelity and greater use of condoms. Also important is expanding access to treatment for other sexually transmitted diseases that may be facilitating the spread of HIV.

The best strategy for curtailing sexual transmission depends in part on whether HIV has infiltrated the general population or not. In countries where the virus is already widely dispersed, prevention activities must be broad in scope. But where HIV prevalence is still low, as in West Africa and Asia, countries have an opportunity to target interventions and thereby save vital resources. Experience has shown that HIV generally spreads outward from pockets of infection among individuals whose behavior increases their risk of contracting and transmitting the virus, such as prostitutes, men in the military, and IV drug users. By helping such groups to protect themselves, governments can prevent HIV from gaining a foothold in their country.

The speed at which the virus can infiltrate unsuspecting populations argues persuasively for acting before HIV is an obvious problem. Studies in Bangkok, Thailand, for example, show that among the city's estimated 60,000 IV drug users, HIV prevalence rose from 1 percent in 1987 to over 30 percent by mid-1988. Had prevention programs been in place, the precipitous rise might have been avoided. These inviduals now represent a large pool for spread of HIV both within the drug community and, through sexual contact, outside of it.

Even where HIV is already widespread, there is urgent need for more community-based programs designed to reach populations at highest risk: clients of STD clinics, long-distance truck drivers, and bisexual men in Latin America, among others. The message must be delivered in their own language and by a source they can trust. So far, programs that use peers as AIDS educators seem the most promising. In Accra, Ghana, for example, prostitutes trained as AIDS educators increased condom use significantly within their community: 67 percent of prostitutes now use condoms all the time and another 24 percent report frequent or occasional use. (Only 13 percent used condoms before the program.) Similar gains have been achieved by peer educators working with prostitutes in Nairobi, Kenya, and in Santo Domingo, Dominican Republic.

Encouraging though this may be, these results are but small victories in what is destined to be a protracted and expensive war. Consider the challenge of expanding condom use alone. Programs to supply condoms vary greatly in cost depending on how the condoms will be distributed and how actively they will be promoted. Even the least expensive option—subsidizing their sale through existing commercial outlets—costs roughly $12 per couple annually, half of which is the cost of the condoms themselves. Just to ensure that commercial channels supply enough condoms for one third of all couples in the nine hardest-hit countries of Africa would cost $110 million annually, more than WHO's total AIDS budget for 1989.

Yet the bigger challenge—both in terms of difficulty and expense—is getting couples to use condoms in cultures where birth control itself is not readily accepted and where condoms are especially disdained. In most African countries, less than 5 percent of married women practice any form of modern contraception and only 0.3 percent use condoms. Efforts to promote condoms throughout the Third World will have to overcome strong cultural and religious prohibitions as well as daunting logistical problems.

Such observations capture the magnitude of the prevention task at hand and raise the question, Are we doing enough? The answer is most certainly no if the number of lives at risk is considered. Yet world priorities have seldom bowed to the exigencies of body counts. In 1988, industrial countries probably spent in the neighborhood of $100-150 million on AIDS control in the Third World, a reasonable amount when compared with other health, nutrition, and population assistance. But the world spent more than $100 million *each hour* on the global military apparatus. It is not that AIDS deserves a bigger share of the health and development pie, but that health and development themselves have been vastly underattended.

Admittedly, money alone will not solve the AIDS dilemma. But money is an important catalyst for action. The challenge ahead is to find new international funds for AIDS control with an eye toward helping the Third World develop the infrastructure and indigenous human talent necessary to sustain the effort over the long haul. So far donors have been forthcoming with development assistance to fight AIDS, but this money appears largely to have been subtracted from other development accounts. If AIDS control comes at the expense of other life-promoting initiatives, we will have won the battle, but lost the war.

AIDS AS SOCIAL CRUCIBLE

AIDS is both a product of social change and its instrument. Rapid urbanization in Africa, the rise of gay liberation in the West, and the advent of modern air travel have all fueled this pandemic. In turn, AIDS has already triggered profound changes in every aspect of human endeavor, from how we care for the dying to how we relate to the living. Perhaps most significant, AIDS compels societies to confront issues and aspects of the human condition that are otherwise easily ignored. While heightening awareness, the disease does not dictate our response. How societies choose to act on the issues raised by AIDS may stand as a key measure of our time.

Like all crises, AIDS has brought out the best and the worst of human nature. The pulling together of the American gay community to respond to a crisis within its ranks, the generous and often courageous actions of thousands of professional and vol-

untary caregivers, and the outpouring of global resources and talent to fight the disease are all expressions of human compassion at its best. But if compassion has been at work, so too have fear and denial.

AIDS has aroused mean-spirited and irrational responses, often provoked by gross misperceptions about how the disease can be transmitted. American children with AIDS have been barred from school, despite repeated assurances by health professionals that they pose no risk to other students. In Colombia, one man with AIDS was forced to guard his house with a shotgun to keep villagers from burning it down to avoid "contamination." And in the United States, gay rights groups note that physical attacks against homosexuals have risen sharply since the epidemic began.

These panic responses have been made worse by the fact that AIDS first struck already stigmatized populations—gay men, IV drug users, and foreigners in the West; prostitutes and those with multiple sex partners in developing countries. This has reinforced thinly veiled prejudices and encouraged scapegoating. Regrettably, the global mobilization against AIDS has been hampered by the human tendency to blame others for a problem rather than tackle the problem itself. AIDS has been blamed on everything from Western decadence to sexual promiscuity among Africans. Such accusations have merely bred resentment, encouraged denial, and thwarted the global cooperation so desperately needed to fight this disease.

The potential for discrimination and persecution is so great, in fact, that Jonathan Mann recently made an unprecedented call for an international human rights network to monitor discrimination and abuse against HIV-infected individuals. Without a supportive and tolerant social environment, fear and retribution will undermine communication, reinforce prejudice, and make infected people unwilling to come forward. Indeed, health officials consider tolerance so important to AIDS control that the London World Summit of Health Ministers and the U.S. Presidential Commission on the Human Immunodeficiency Virus Epidemic both endorsed antidscrimination policies as a top AIDS priority.

In addition to exposing human vulnerabilities, AIDS has thrown into sharp relief certain inadequacies and inequities in the existing social order. The crisis has underscored the dismal state of health infrastructure in the developing world, where even syringes are in short supply. It has highlighted the structural flaws in economic systems that fail to provide gainful alternatives to prostitution and drug dealing. And in the United States, it has made painfully obvious shortcomings in the nation's health care system: the underfunding of preventive health measures, the lack of care options for the chronically ill, and the plight of the poor and uninsured.

By highlighting these flaws and adding a sense of urgency, AIDS may galvanize societies to tackle the underlying problems that allow HIV to flourish. Stopping AIDS among drug users, for example, may have more to do in the long term with fighting unemployment, poverty, and welfare dependence than with needle exchange or more treatment. As Harvey Fineberg, Dean of Harvard's School of Public Health, observes: "Jobs, schools and housing . . . would go a long way toward creating the individual self-respect, dignity and hope for the future that can forestall the turning to drugs in the first place." Similarly, societies may come to realize that prostitution is seldom a profession of choice, but one of economic necessity. Already, a family planning association in Ghana is fighting AIDS by retraining prostitutes in other types of work.

AIDS has also forced societies to look again and with new eyes at issues such as sex education in schools, drug addiction, and the standards of public discourse. The urgency of AIDS has encouraged reappraisal of the appropriateness of certain interventions and has tabled debates over offending "public sensibilities." Formerly taboo subjects such as condoms are now topics of conversation in settings as diverse as western dinner parties and village tea stalls. In the Soviet Union, Vadim Pokroviskiy, director of the Moscow AIDS Clinic, appeared on television in August 1987, strongly urging the use of condoms. Such frankness in Soviet broadcasting would have been unthinkable in a world without AIDS.

Indeed, AIDS has forged its own special form of *glasnost* in the Eastern bloc. For the first time, governments are responding with candor about the existence of drug abuse, prostitution, and homosexuality within their societies. Bulgaria, for example, now acknowledges some 600 addicts in a population of 9 million. The Soviet Union has gone from denying that drug addiction exists to implementing a program to register addicts. And the Polish weekly *Polityka* now reports that Poland has approximately 270,000 homosexual men—about 1.5 percent of the male population—and twice as many bisexuals.

It is in the area of health care, however, that AIDS will likely catalyze the greatest changes. In both industrial and developing countries, for example, AIDS is already encouraging a shift from hospital to community- or home-based care to limit cost and preserve vital hospital beds. Interestingly, AIDS' influence to date appears to be operating through its ability to overwhelm local health care services rather than through its impact on national health care expenditures. In the United States, the cost of AIDS treatment and prevention accounted for only 0.4 percent of total medical spending in 1986. Even by 1991, AIDS will likely account for only 1.5 percent of U.S. health expenditures, largely because deaths from other diseases will still overwhelm those from AIDS.

In the world's hardest-hit cities, however, the financial and health impacts of AIDS are already substantial. By 1991, AIDS patients will occupy one out of every four hospital beds in New York City, a proportion already exceeded in some central African cities. In fiscal year 1988, San Francisco spent $17 million of city funds on AIDS; New York plans to spend $170 million in 1989. Medical care alone for San Francisco's AIDS patients in 1991 is expected to cost some $350 per city resident. Of course, city taxpayers will share these costs with private insurers, the federal government, and the patients themselves, but the local burden will still be great.

Faced with such burdens, cities around the world are experimenting with new models of community-based care that may forever change how societies cope with chronic illness. San Francisco, which pioneered this approach, now has expanded hospice care, improved home nursing, residential facilities for patients who are homeless, and outpatient clincs for AIDS treatment. Cost per patient has declined, as has the percentage of patients requiring hospitalization and the average hospital stay. Likewise, in southern Zambia, Chikankata Hospital has cooperated with the Salvation Army to establish roving health teams that care for and counsel AIDS patients in their homes. In 1987, the program avoided an estimated 35 hospital admissions, more than paying for itself.

Ultimately, the power of AIDS lies in its ability to reveal ourselves to ourselves. AIDS raises the questions, and the quality of our response may define our humanity. What if scientists develop a solution to AIDS that works in industrial nations but is either impractical or too costly for the developing world? Will western nations consider further AIDS research a priority? Or Will AIDS become like schistosomiasis and other Third World diseases that can be ignored because Americans and Europeans are not dying? What if AIDS becomes largely a disease of minorities and drug users? Will money for treatment and prevention still be forthcoming? As Jonathan Mann observes, "AIDS will . . . put our global conscience to the test." Let us hope that compassion and tolerance prevail.

FSX DEAL PROVES NEED FOR S. 499

Mr. CRANSTON. Mr. President, I would like to call my colleagues' attention to an article in today's Washington Post by Stuart Auerbach regarding the administration's internal debate on the FSX deal.

The issue is not whether you support the FSX deal. As the article points out, the issue is what role should economics have in foreign policy and national security. Today the President will convene the National Security Council and Commerce Secretary Mosbacher will present his case that the FSX deal should be modified because of serious transfer of technology concerns. The problem is that unless Secretary Mosbacher had raised objections, the issue would have been settled by the Defense Department long ago.

We must change our way of thinking. We must recognize that economic security is an indispensable part of national security. The Secretary of Commerce should not have to force his way into meetings after deals are made. The time has come to make the Secretary of Commerce a statutory member of the National Security Council so he can be at the table from day one and this situation can be avoided. That's exactly what my bill, S. 499, does.

I urge my colleagues to read Mr. Auerbach's article and to cosponsor my bill.

I ask unanimous consent that the article be placed in the RECORD at the conclusion of my statement.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 15, 1989]

UNITED STATES-JAPAN COLLABORATION ON JET DRAWS FIRE

(By Stuart Auerbach)

When President Bush meets with his National Security Council today, the immediate issue before them will be a proposed U.S.-Japanese joint venture to design a new tactical fighter, called the FSX.

But underlying the FSX controversy, which has deeply divided the administration in its first months in office, is the deeper question: Should American economic interests be given as much weight as traditional national security concerns in the making of U.S. foreign policy?

Congressional and administration critics of the FSX deal—in which a Japanese firm would be the prime contractor for the new plane based on the American-made F16—say it is a giveaway of American technology that will help the Japanese achieve their goal of launching a civil aeronautics industry. They argue that if the Japanese want a fighter plane, they can simply buy the F16 from the United States.

Proponents, on the other hand, argue that deal will keep Japan from building a plane of its own, and that the United States will actually gain flow of technology.

Those views will be thrashed out at the White House today in what will be the culmination of a bureaucratic dogfight within the administration. The deal pits the Pentagon and the NSC staff, which negotiated the deal and strongly support it, against the economic agencies of government—the Commerce and Energy departments and the U.S. trade representative, which are urging a harder line toward the Japanese.

Commerce Secretary Robert A. Mosbacher, who will be attending his first NSC meeting, has led a charge to change the agreement, aided by Energy Secretary James Watkins, a retired admiral. Secretary of State James A. Baker III reportedly has played no major role in the debate, although he told Japanese officials in Tokyo last month that he would try to win approval for the arrangement.

Bush will have to decide whether to allow the deal to go through as negotiated or whether to change it to meet the objectives of his economic advisers. These officials want significant limits placed on the flow of technology across the Pacific, as well aa a Japanese commitment to produce 40 percent of the planes in the United States. They also are insisting on a major role for the economic agencies in monitoring this deal and negotiating future ones.

White House sources said that Bush is aware of the wider implications of his decision on the FSX agreement on U.S. relations with all of its allies, not just Japan. Any enhanced role for Commerce and the other economic agencies will affect similar technology transfers, including one currently under negotiation that would allow South Korea to build its own version of the F16.

In the past, negotiating such arrangements has fallen exclusively to the Defense Department, which tends to view them in purely military and geopolitical terms. But now Mosbacher is insisting that "international trade is really going to be a key aspect of international politics" in the new administration.

The Mosbacher position has gained currency after a long, slow deterioration in the U.S. international economic position—a deterioration that includes soaring trade deficits and the loss of market shares in key industries worldwide. It also reflects a new spirit of accommodation with the Soviet Union and the slow winding down of regional conflicts that have fueled East-West tensions—considerations that have combined to make it easier for the Bush administration to give more weight to the nation's economic interests.

"As we lessen the apparent risk of actual warfare . . . we find that we are moving from battleships to the trade aspects of our international relationships," Mosbacher said yesterday.

"U.S. policy has been changed. The process that has been gone though is historic," said Frank J. Gafney Jr., a deputy assistant secretary of defense for four years in the Reagan administration who spoke against the FSX deal as director of the Center for Security Policy.

George Packard, dean of Johns Hopkins' School of Advanced International Studies, said "a new wind is blowing" through American foreign policy with "the acceptance of the idea that economic security is as important as national defense."

Ironically, it is a point that Michael Dukakis and Sen. Lloyd Bentsen (D-Tex.) made frequently in their failed campaign to win the presidency and one that has gained bipartisan support on Capitol Hill, where lawmakers have argued that U.S. economic strength is a major component of national security.

"The economic challenges that we face are every bit as serious as the military ones. We are trying to balance the scale and say we need a strong defense and strong military alliances, but we also need the ability to look out for our own economic interests," said Sen. Jeff Bingaman (D-N.M.). "Our government approached the FSX issue from the point of view of a military and foreign policy issue. The Japanese approached it very much more from the point of view of its economic implications, particularly the impact it would have on their ambition to have a world class aerospace industry."

Once Bush makes his decision on the FSX deal, Congress can still veto it, and administration sources said the president is likely to frame his decision to meet a rash of objections from Capitol Hill. Sen. Robert C. Byrd (D-W.Va) said Bush should not submit his decision for congressional consideration until Japan has agreed to any changes and lawmakers return on April 3 from Easter recess.

RETIREMENT OF LT. COL. BO BLUDWORTH

Mr. PELL. Mr. President, I pay tribute today to Lt. Col. Robert (Bo) Bludworth who is completing a 5-year assignment as the Senate liaison officer for the U.S. Army. He has been a good friend to many of us and an able advocate for the Army on Capitol Hill.

Perhaps his most visible duty has been to serve as escort officer on more than 75 factfinding trips by many Members of the Senate. He has accompanied me on visits to the Soviet Union, Nicaragua, and El Salvador, and I can attest to his unfailing good humor and good judgment.

Colonel Bludworth is retiring after more than 20 years of distinguished service which included tours of duty in Vietnam, Germany, and Hawaii, and which spanned responsibilities ranging from helicopter pilot to armored unit commander.

He has been awarded the Silver Star, the Distinguished Flying Cross (two awards), the Bronze Star, the Air Medal, the Army Commendation Medal for Valor, the Combat Infantryman's Badge, and numerous awards for service and achievement.

Colonel Bludworth leaves military service this month to begin a new career in private enterprise, and I join with his many friends in the Senate in wishing him all success in his new venture.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the majority leader, after consultation with the minority leader, may turn to the consideration of S. 20, the Whistleblower Protection Act of 1989, and that it be considered under the following time limitation: 30 minutes on the bill, equally divided and controlled between Senator LEVIN and Senator ROTH; 30 minutes on an amendment to be offered by Senator LEVIN to remove the independent litigating authority of the special counsel and to strengthen the confidentiality protection of the whistleblower; 30 minutes on an amendment by Senator DOLE regarding the desecration of the flag; that no other amendments be in order; that there be no motions to commit the bill with or without instructions; that the agreement be in the usual form; and that following a vote on passage the motion to reconsider the vote by which the bill was passed he laid upon the table.

Mr. STEVENS. Reserving the right to object, Mr. President? It was my understanding that this bill would not be called up, in any event, prior to tomorrow. As a matter of fact——

Mr. MITCHELL. It had been my hope to bring it up today but I understand now that that is not possible because of an objection to proceeding today. After consultation with the minority leader it is my hope to bring it up tomorrow morning.

Mr. STEVENS. Further reserving the right to object, Mr. President—I shall not object, I am pleased to say. I have been informed that this bill now has informally been cleared on the House side also. It is scheduled for consideration under the suspension calendar. That, I might say to the majority leader, that was one thing this Senator was insisting upon.

This was a bill that was vetoed last year. I did not see any reason to have a situation develop into a disagreement between the two Houses on a solution that has not been worked out with the Attorney General by the Senator from Michigan.

I think the Senator from Michigan has done a very good job, and I commend him for the Attorney General, for his attitude in working it out.

But we want to make certain that that agreement is acceptable to the House and I have been informed, and I have just received that notice within the last hour, that is the case. I am very glad for that prospect and I think the President will be also.

Under the circumstances stated by the majority leader, Mr. President, there is no objection on this side. I am pleased to see that we will be able to expeditiously deal with this bill now that there is total agreement with administration on it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, for the benefit of my colleagues, it is my intention to take this bill up tomorrow morning at a time to be established after consultation with the minority leader.

Mr. President, I ask unanimous consent that the delay required to obtain this unanimous-consent agreement be considered not to have occurred after 12 noon for the purpose of rule XXVI.

Mr. STEVENS. Mr. President, if the distinguished leader would yield? It is my understanding that the time would be controlled between Senator LEVIN and Senator ROTH. On this side we may designate another Senator to handle that matter. I assume that would be in accordance with the usual procedure?

Mr. MITCHELL. Yes, that is correct. It will be either Senator LEVIN or Senator ROTH or their designees.

Mr. STEVENS. Thank you.

Mr. President, if I might again have a comment with the distinguished leader, I have just been informed that there has been an objection lodged to the meeting of the Committees on Labor and Foreign Relations past noon today, in view of the problem of the Hastings matter, in terms of the 2-hour limitation.

Mr. MITCHELL. Mr. President, in that event I ask unanimous-consent that the delay required to obtain this unanimous-consent agreement be considered not to have occurred after 12 noon for the purposes of rule XXVI, with all committees other than Labor and Foreign Relations.

Mr. STEVENS. I thank the distinguished leader. I regret the late notice.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the order, the Senate stands in recess until 2 p.m.

Thereupon, at 12:05 p.m., the Senate recessed until 2 p.m.; whereupon the Senate reassembled when called to order by the President pro tempore.

CALL OF THE ROLL

The PRESIDENT pro tempore. The clerk will call the roll to establish the presence of a quorum.

The assistant legislative clerk proceeded to call the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 2]

Bentsen	Heflin	Mitchell
Biden	Inouye	Moynihan
Byrd	Johnston	Riegle
Dixon	Kerry	Shelby
Ford	Lieberman	Simon
Fowler	Lott	Thurmond
Gore	Mack	Warner
Graham	McConnell	

The PRESIDENT pro tempore. A quorum is not present. The clerk will call the names of the absentees.

The assistant legislative clerk resumed the call of the roll and the following Senators entered the Chamber and answered to their names:

Adams	Durenberger	McClure
Baucus	Exon	Metzenbaum
Bingaman	Garn	Mikulski
Bond	Glenn	Murkowski
Boren	Gorton	Nickles
Bradley	Gramm	Nunn
Breaux	Grassley	Packwood
Bryan	Harkin	Pell
Burdick	Hatch	Pressler
Burns	Helms	Pryor
Chafee	Hollings	Reid
Coats	Jeffords	Robb
Cochran	Kassebaum	Rockefeller
Cohen	Kasten	Rudman
Conrad	Kennedy	Sarbanes
Cranston	Kerrey	Sasser
D'Amato	Kohl	Simpson
Danforth	Lautenberg	Specter
Daschle	Leahy	Stevens
DeConcini	Levin	Symms
Dodd	Lugar	Wirth
Dole	Matsunaga	
Domenici	McCain	

The PRESIDENT pro tempore. A quorum is present.

The Senate will be in order.

ARGUMENT OF MOTIONS BY JUDGE ALCEE L. HASTINGS TO DISMISS ARTICLES OF IMPEACHMENT

The PRESIDENT pro tempore. Under the previous order, the hour of 2:15 p.m. having arrived and a quorum having been established, the Senate will resume its consideration of the articles of impeachment against Judge Alcee L. Hastings.

The majority leader is recognized.

Mr. MITCHELL. Mr. President, I ask unanimous consent that floor privileges during today's impeachment proceedings of Judge Hastings be granted to the following individuals:

MANAGERS OF THE HOUSE OF REPRESENTATIVES

Representative JACK BROOKS.
Representative JOHN BRYANT.
Representative MIKE SYNAR.
Representative GEORGE W. GEKAS.
Representative HAMILTON FISH, JR.

HOUSE MANAGERS STAFF

Alan I. Baron, special counsel.
William M. Jones, general counsel.
Daniel M. Freeman, counsel.
Janice E. Cooper, assistant special counsel.
Patricia Wynn, assistant special counsel.
Lori E. Fields, assistant special counsel.
Peter Levinson, associate counsel.
Raymond V. Smietanka, associate counsel.
Jayne Jerkins, counsel.

JUDGE HASTINGS' REPRESENTATIVES

Terence J. Anderson, counsel.
Patricia Williams, counsel.
John W. Karr, attorney.
William G. McLain, attorney.
Ann B. Richardson, attorney.
Robert S. Catz, attorney.

SENATE STAFF

Michael Davidson, Senate legal counsel.
Morgan Frankel, Office of Senate Legal Counsel.
Martha Pope, chief of staff for majority leader.
Charles Kinney, Democratic Policy Committee.
George Carrenbauer, Democratic Policy Committee.
Anita Jensen, Senator MITCHELL's staff.
Rebecca Roberts, Office of President pro tempore.
Roy Greenaway, administrative assistant to Senator CRANSTON.
Sheila Burke, chief of staff for Republican leader.
Robert Dove, Republican leader's staff.
Dennis Shea, Republican leader's staff.
Jim Whittinghill, Republican leader's staff.
Richard Quinn, Republican leader's staff.
Mike Tongour, assistant Republican leader's staff.
Jeff Peck, Judiciary Committee majority.
Thad Strom, Judiciary Committee minority.
Terry Wooten, Judiciary Committee minority.

The PRESIDENT pro tempore. Without objection, it is so ordered. The managers will please make their entry before the proclamation is made. The Sergeant at Arms will make the proclamation.

The Sergeant at Arms, Henry K. Guigni, made the proclamation, as follows:

Hear ye, hear ye, hear ye, All persons are commanded to keep silence on pain of imprisonment while the Senate of the United States is sitting for the trial of the articles of impeachment exhibited by the House of Representatives against Alcee Hastings, United States District Judge for the Southern District of Florida.

The PRESIDENT pro tempore. The Chair recognizes the majority leader.

Mr. MITCHELL. Mr. President, on August 9, 1988, the House of Representatives exhibited to the Senate 17

articles of impeachment against U.S. District Judge Alcee L. Hastings of the Southern District of Florida. Judge Hastings was summoned to answer, which he did on September 9, 1988, and the House of Representatives filed a reply to the answer on September 23, 1988.

The Senate decided that it should not attempt to complete consideration of this impeachment in the limited time remaining in the 100th Congress. After receiving a report from the Committee on Rules and Administration that explained the constitutional authority of the Senate to continue an impeachment from one Congress to another, the Senate agreed to Senate Resolution 480 of the 100th Congress to continue this impeachment into the 101st Congress.

The Senate also directed the Rules Committee to hold a hearing early in this Congress on procedures for this impeachment. In connection with that hearing, counsel for Judge Hastings advised the Committee on Rules and Administration that Judge Hastings had legal objections to the articles of impeachment. He requested the opportunity to present motions to the full Senate to dismiss the articles of impeachment. The committee agreed that Judge Hastings should have an opportunity before the full Senate to move to dismiss the articles of impeachment and that this should occur prior to a decision by the Senate on whether to appoint a committee under impeachment rule XI to receive and report evidence on the articles.

The Senate concurred in that recommendation when it agreed, on February 2, 1989, to Senate Resolution 39 on the briefing and argument of Judge Hastings' motions.

In accordance with Senate Resolution 39, Judge Hastings has filed motions to dismiss articles I through XV and article XVII of the articles of impeachment. He has elected not to move to dismiss article XVI.

The motions and the supporting and opposing legal memoranda of the parties have been reprinted in the Senate Document 101-4, which is before each Senator.

CERTAIN SENATORS RECUSED FROM PARTICIPATION

Mr. MITCHELL. Mr. President, there are two preliminary matters before argument on the motion. First, the Senator from Indiana [Mr. COATS]; the Senator from Vermont [Mr. JEFFORDS]; the Senator from Mississippi [Mr. LOTT]; and the Senator from Florida [Mr. MACK] were Members of the House of Representatives during the 100th Congress when the House voted on the articles of impeachment.

If those Senators wish to make a statement about their participation in the Senate phase of this impeachment, this would be an appropriate time to do so.

Mr. COATS addressed the Chair.

The PRESIDENT pro tempore. The Chair recognizes the junior Senator from Indiana [Mr. COATS].

Mr. COATS. Mr. President, I was a Member of the House of Representatives at the time the articles of impeachment were proffered against Judge Alcee L. Hastings.

I voted in favor of impeachment. After careful consideration of this matter and upon consultation with other Members of the Senate, including others who participated in the House proceedings, because I believe that the judge is entitled to a full and fair hearing in the Senate, and also to avoid any possible conflict of interest, I have concluded that under the circumstances it would be inappropriate for me to participate in the Senate trial and to vote again on matters related to this impeachment.

I, therefore, request that I be recused from sitting as a Member of the Senate court during the impeachment proceedings against Judge Hastings.

The PRESIDENT pro tempore. Mr. COATS is excused from further participation in this impeachment for the reasons stated.

Mr. JEFFORDS addressed the Chair.

The PRESIDENT pro tempore. The Chair recognizes the junior Senator from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. Mr. President, I also ask unanimous consent to decline from participation in all Senate proceedings on the impeachment trial of Judge Alcee L. Hastings.

Mr. President, as a Member of the House of Representatives last year I considered and eventually voted in favor of the articles of impeachment against Judge Hastings. In order to ensure the fairest possible hearing and to avoid even the appearance of conflict of interest, I would like now to ask that I be recused from the Senate proceedings regarding the impeachment trial of Judge Hastings.

The PRESIDENT pro tempore. Mr. JEFFORDS is excused from further participation in this impeachment for the reasons stated.

Mr. LOTT addressed the Chair.

The PRESIDENT pro tempore. The Chair recognizes the junior Senator from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. President, I, too, join my other colleagues who I served with in the House of Representatives in asking that I be given permission to be recused from these proceedings.

I have checked the precedents, and while I feel like there are so many conflicts in the precedents in the past I think it is incumbent upon us to make sure that there is absolutely no appearance of unfairness in any way, and that Judge Hastings be guaranteed a fair trial. To avoid any appearance of conflict of interest I ask unanimous consent that I be recused from participation in this matter.

Mr. President, I rise at this time to seek unanimous consent to be excused from participating in the motion proceedings and the subsequent impeachment trial involving Judge Alcee L. Hastings.

In arriving at this decision, I have weighed a number of factors, including the obligation I have to represent my constituents in the U.S. Senate, the precedents of the Senate, and the question of possible conflicts of interest.

When the people of Mississippi elected me last November to serve in the Senate of the United States, I assumed a responsibility to participate in the deliberations of this body and to vote upon matters that come before it.

But there are also constitutional values at stake here that must be upheld, namely the right of every American to a fair trial.

I have asked myself whether I have done anything which, in some way, might influence the way in which I would look at the evidence in this case. I concluded that I have not taken any action nor had I been personally involved in any activities that might influence my vote in these proceedings. So I feel that I could be a fair judge of the facts.

I also examined Senate precedents concerning the recusal of Senators who were Members of the House when it voted on articles of impeachment. Here, I found the evidence to be mixed.

During the Eighth Congress, in 1804, three former House Members participated in the impeachment trial of Judge John Pickering and, in fact, all voted in favor of his conviction.

During the 73rd Congress, in 1933, three new Senators who had been Members of the House, asked to be excused from the impeachment trial of Judge Harold Louderback. The Senate granted their request.

The question of potential conflict of interest does concern me, however. The House of Representatives, as an institution, is the prosecutor in these proceedings. Even though I did not particpate in the House proceedings, I was a Member of the Republican leadership of the House at the time.

Since the Constitution provides for a separation of prosecutorial and judicial functions under our form of government, I have concluded that my participation in these proceedings might convey the appearance of a conflict of interest. Therefore, I do not believe that I should be sitting in judgment with regard to this matter.

While I would like to participate in these proceedings, I feel that I must recuse myself in order to protect the constitutional right of Judge Hastings

to a fair trial and to avoid casting on this body even the slightest appearance of a conflict of interest.

Therefore, Mr. President, I now ask unanimous consent that I be excused from participating in the motion proceedings and the subsequent impeachment trial of Judge Alcee L. Hastings.

The PRESIDENT pro tempore. Mr. LOTT is excused from further participation in this impeachment for the reasons stated.

Mr. MACK addressed the Chair.

The PRESIDENT pro tempore. The Chair recognizes the junior Senator from Florida [Mr. MACK].

Mr. MACK. Thank you, Mr. President.

Mr. President, I, like my colleagues, was a Member of the 100th Congress, and voted on the impeachment proceedings in the House. While I am not an attorney nor a scholar, I draw the conclusion that my actions in the House were that I was acting in a sense as part of a grand jury; and, that if I had acted as a grand jury I would not have been selected to sit on the jury that was actually hearing the trial.

So, therefore, I ask unanimous consent that I be able to decline from participation in all Senate proceedings with regard to the impeachment of Judge Hastings on the grounds that my participation may be construed as a conflict of interest.

The PRESIDENT pro tempore. Mr. MACK is excused from further participation in the impeachment proceedings for the reasons stated.

The majority leader is recognized.

OATH ADMINISTERED TO NEWLY ELECTED MEMBERS

Mr. MITCHELL. Mr. President, the remaining preliminary matter is to administer the impeachment oath to the newly elected Members of the Senate, and any Member of the Senate who did not take the oath in the 100th Congress.

Article I, section 3, clause 6 of the Constitution provides in part:

> The Senate shall have the sole Power to try all Impeachments. When sitting for that Purpose, they shall be on Oath or Affirmation.

The impeachment oath that was taken by Members of the Senate in the last Congress remains in effect. Only two returning Members did not take the oath in the last Congress, and they have been so advised by the Secretary of the Senate.

The PRESIDENT pro tempore. Those Senators who have not taken the oath will now rise, raise their right hands, and be sworn.

Do you solemnly swear that in all things appertaining to the trial of the impeachment of Alcee L. Hastings, Judge of the U.S. Court for the Southern District of Florida, now pending, you will do impartial justice according to the Constitution and laws. So help you God?

SENATORS: I do.

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. MITCHELL. Mr. President, the Secretary will note the names of the Senators who have been sworn and will present to them for signature the book, which is the Senate's permanent records of the taking of the impeachment oath by the Members of this body.

ARGUMENTS ON MOTIONS

Mr. MITCHELL. The Senate is now ready to hear arguments on the motions to dismiss.

The impeachment rules provide that motions should be addressed to the Presiding Officer. As we have done in the past, we have provided that counsel may face the full Senate during their presentations. They should remain mindful, nevertheless, that the proceedings are under the direction of the Presiding Officer. On their part, Senators should recall that any questions that they should have pursuant to rule XIX be reduced to writing, and be put by the Presiding Officer.

The managers on behalf of the House of Representatives, Representatives BROOKS, SYNAR, BRYANT, FISH, and GEKAS, and special counsel to the House, Alan Baron, are present at the managers' table.

The managers on behalf of the House have designated Representative BRYANT to be the lead manager. Terence Anderson and Patricia Graham Williams are counsel for Judge Hastings and are present with him.

The managers have requested to divide argument among them. Judge Hastings has requested to divide his side's argument between himself and his counsel, Terence Anderson. I request unanimous consent that these requests be granted.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. It is so ordered.

Judge Hastings will open the argument in support of the motion.

Mr. PRYOR. Mr. President, can we have order, please. It is difficult to hear.

The PRESIDENT pro tempore. There will be order in the Senate.

Mr. HASTINGS. Mr. President, and distinguished Members of the Senate, it is an honor and a privilege, although not a particularly happy occasion, for me to be here. I recognize that this is a body that does not deal with trivial things, and levity often is not brought forward because of the dignity of the proceeding, but I could not help, sitting there and listening to the Senators who recused, thinking that I am the person that was in fact impeached in the 100th, would that I could recuse.

Mr. President and Members of the Senate I am Alcee Hastings. I am the judge whom the House asks you to convict in these proceedings. I am the man whom the Government asked the jury to convict on the same accusations 6 years ago. I am the judge and the man who has had to endure the burdens of the continuing investigations for the intervening 6 years.

The Government chose the forum in which these accusations were initially tried. I did not. I insisted that they should be first examined by the House and, if proper, the Senate, before any criminal proceedings. The House did not join in that request. The Justice Department argued impeachment was too cumbersome. The courts concurred. I was tried in the forum chosen by my accusers.

Mr. President and distinguished Senators, the Government had 18 months to investigate and gather evidence in support of these accusations. The Government had the resources of the Justice Department, the FBI, and the grand jury to aid it in its task. Two experienced prosecutors, and gentlemanly, I might add, Bod Richter and Reid Weingarten, supervised the case from the outset of the investigation. Those lawyers selected the evidence they thought most likely to persuade the jury of my guilt.

I confronted them and their evidence before the jury, in the forum the Government had chosen. I proclaimed my innocence there, as I had from the outset and as I do now. I have not committed a crime. I was examined and cross-examined for 2 days. The prosecutors claimed, as they had to, that my testimony was false. The court afforded them every opportunity to prove that claim in rebuttal, and they tried. Those prosecutors never claimed the trial was not fair to the Government.

The jury heard all the evidence and argument on both sides of this matter. Patricia Williams who is seated at counsel table, tried this case before a jury. They were attentive. The prosecutors never complained about either the quality of the jurors or of the attention they gave. Those jurors deliberated carefully over a period of 17 hours. They reached a conclusion. All 12 of them agreed that I was not guilty.

I might add, I saw something there that I had never seen in all of the 26 years that I am a lawyer. Each juror spontaneously and unsolicited, stood in that courtroom and uttered the words "not guilty." The judge did not require them to do that. That was a spontaneous gesture. In the words of one, Betty McMillan, "it was not even close." The Government had a case that consisted of "circumstantial evidence that was shaky at best and an investigation that didn't finish." In that juror's view, "There wasn't enough evidence to convict anybody of

anything." It was not a question of reasonable doubt: there was "a lot of doubt."

Six years after that verdict, the House claims that those proceedings don't matter. The House concedes that 5 years of postacquittal investigation have produced no new evidence that wasn't available to the prosecutors—no new evidence after more than 5 years of looking. They claim only that the available evidence might have been presented differently to produce a different result.

The House acknowledges that my accusers have had largely unlimited resources to gather and prepare evidence for a second prosecution. The House concedes that the Government has provided me with no funds to gather or preserve evidence for a second defense. I have read that one Senator said that my request for funds was unprecedented. In my view, everything about this matter at this point is unprecedented, and its historical significance is of eminent importance, gathered together in this matter today, I am sure. The House concedes that witnesses I might have called have died. The House concedes records I might have used have been lost or destroyed. Whatever the House's view, it is clear that memories have dimmed or become impaired.

In the House's view, none of this should matter to the Senate. In that view, the House may demand that the Senate devote some 12 weeks to rehearing evidence at a second trial so that it may reexamine issues the jury resolved in my favor.

In that view, the Senate should give neither weight or deference to the verdict of an American jury. In that view, the Senate should not consider whether it is feasible to conduct a second trial that would be fair to me 6 years after the first. In that view, the fact I am threatened with the permanent loss of my honor and my political rights does not require that the Senate observe the basic requirements of fairness to an accused citizen that are observed in other proceedings.

I wish to add that for those that think that removal from office is remedial and is not punishment, then I am here to suggest to you that in a matter where the President does not even have the power to pardon an individual, it is a total loss to me. It may very well be that an article III judge has a property right, but that is for another day for all of us to consider. In that view, the fact that I am a judge, a member of the least dangerous and most vulnerable branch, is irrelevant. In that view, the Senate need not pause to consider the enhanced protections the framers thought necessary to protect the independence of every judge in deciding whether there should be a second trial in this case.

I am aware of the sophisticated analyses which the judiciary, the House, and some scholars and newspaper editors have presented in support of the views. These were arguments the judiciary and the House were required to advance when they assumed roles as prosecutors seeking a second chance to establish their case.

I am also aware of the more straightforward views of folks I have spoken with—folks who are not trained to think like lawyers, folks who live in the rest of this country—no offense, but the part outside the beltway. From what I have heard, and I have heard a lot, I can report that some of those people know when something just plain isn't fair. They know that, in America, the Government only gets one shot in a criminal prosecution. They know that juries protect citizens from the biases of judges as well as the zeal of prosecutors. They understand the difference between suspicion, accusation, and proof. They know that only the last of those—proof—matter in proceedings that are fair.

Those people know this case is wrong. They may not know how to put their finger on the apt quotation or be able to quote the precise principle.

On this day of the birth of Thomas Jefferson they may not be as mindful as some of us of Madisonian and Hamiltonian principles or that John Jay in the Federalist Papers had things to say that continue to receive time-honored deference in this distinguished Chamber.

These people know the difference between an acquittal and a conviction. They know the difference between fair and unfair. They know the difference between what is right and what is wrong, and they know this case is wrong.

Mr. President and Senators, you do not have to rely only on common sense and human instinct here today, however. My counsel have, I think, demonstrated that the framers also knew the difference between an acquittal and conviction and that they provided for it in our Constitution. I think their briefs also demonstrate that the framers and those who succeeded them had a sophisticated understanding of the requirements of basic fairness and of the importance of the protections granted judges. They knew that those judges would be specially vulnerable, especially so to suspicion and accusation. They sought to protect them from the zeal of even well-meaning prosecutors.

In my view, my counsel's briefs have demonstrated that the course the House has recommended is wrong and should be rejected here. Sound constitutional principle supports the conclusion that the Senate should defer to the jury's acquittal in this case. Sound constitutional principle requires that the Senate consider whether it is feasible, at this late date, to conduct a trial that is fair. I submit that the Senate properly may and should reject the extraordinary burdens that the House seeks to impose upon it as well as upon me. Professor Anderson will develop those points.

I ask respectfully of you, Mr. President and distinguished Senators, that you hear him and that you study the arguments on both sides and that you dismiss these accusations without trial.

Now, I do not and did not ask that you dismiss the remaining charge, the alleged wiretap disclosure. I have said repeatedly, and as a matter of fact it is almost ridiculous that I have to stand here and say, that I did not disclose anything about a wiretap, but I say that unhesitatingly. I am prepared to confront my accusers and their evidence in this forum on that subject. Despite my counsel's views, I believe the new allegations are serious and merit your attention.

But I do respectfully ask that you reject the House's demand that you retry accusations that the jury rejected in 1983.

The jury system, and I need not lecture this distinguished body, is the cornerstone of justice in America, and to tamper with it lightly sends an extraordinarily pernicious and dangerous message.

Thank you so very much, Mr. President, and distinguished Senators.

The PRESIDENT pro tempore. Thank you, Judge Hastings.

Counsel for Judge Hastings, Mr. Anderson, will now continue argument in support of the motions to dismiss.

Pursuant to the previous order, Mr. Anderson, you may reserve a portion of your time for rebuttal.

Mr. ANDERSON. Thank you, Mr. President.

With the Chair's indulgence, I would reserve 10 minutes for rebuttal and whatever time may remain after my remarks and after the Senator's questions if any have been addressed.

The PRESIDENT pro tempore. The time will be reserved.

Mr. ANDERSON. Thank you.

Mr. President, Members of the Senate, I do not think there is any question that you are dealing with an issue of historic importance. Never before in the history of this Nation or of any nation in the common law world has impeachment been used to reexamine issues that were resolved in favor of the accused by an American jury.

But I would like at the outset to take this beyond theoretical importance. I think the judge is quite correct and I do not think it is disputed that the framers understood and provided for the difference between a conviction and an acquittal.

In the Constitution you have before you in the judgment and impeachments clause, it recognizes an exception to the general principle and it provides that a party convicted in an impeachment shall nevertheless be liable and subject to indictment, trial, judgment, and punishment according to law.

Now there are ancient maxims that we have applied. They go back to Bacon, but they can be found in the contemporary jurisprudence.

The first is the presence of an exception affirms the applicability of the general rule to cases not excepted.

The second is the presence of one exception by implication excludes the existence of others.

The fact that the framers thought about a prohibition or authorized a second trial after a conviction indicates they understood that in the absence of an exception, no second trial would be permitted.

The fact that they made an expressed exception for cases that resulted in a conviction by implication strongly suggests they did not intend any exception for cases that resulted in an acquittal. And indeed I would ask, Could anyone suggest that the executive might undertake a criminal prosecution and the courts a trial against an accused, an official who had been acquitted on the verdict of this body?

And in that context, the issue is really, Should the Senate of the United States as a body constitutionally entrusted with the power to try an official, not grant the same deference to that constitutional institution and coordinate branch, the American jury, and defer to an acquittal by an American jury in the same sense it would expect the other branches to defer to an acquittal it had reached?

But there has been a change. It is clear the framers also envisaged that impeachment by the House and trial by the Senate with respect to our judges would invariably precede any attempt by the executive to exercise discretionary powers to attack a judge and to bring him before the court in criminal proceedings.

That clear understanding was shared, it was honored for 150 years. The executive never attempted to criminally prosecute a Federal judge. All complaints were submitted to the House for 150 years.

The House exercised its powers reluctantly and carefully. Some 40-odd inquiries were conducted. Some 12 or 13 resulted in a decison by the House to prosecute.

The Senate also exercised its powers carefully. The trials were conducted before the full Senate, and it is clear they stood as Hamilton had declared unawed and uninfluenced by the fact it was the House of Representatives in the name of the people who brought the charges for indeed there were only five convictions. There were more acquittals by the Senate.

Now what the framers did not envisage and what brings us here today is the fact that there came a day when there were more than 700 Federal judges. There came a day when there were 435 Members of the House of Representatives. There came a day when there were 100 Members of the Senate.

Those Members of the House and the Senate are consumed by the legislative business necessary to manage the affairs of a great nation. They cannot in reality and could not in reality react to the demands of monitoring the conduct of more than 700 judges.

The first step, departure from our shared understanding, was the fact that all three branches acquiesced, beginning in 1937, in a procedure whereby the Justice Department, the executive could criminally prosecute a Federal judge before any action by the House. Where the courts could assume jurisdiction and try that judge, de facto, the process was left to the Justice Department and the courts.

Those powers were exercised by the Justice Department sparingly for more than 40 years. It is an honor and a good tradition that there have been so few prosecutions of our Federal judges. They have served us well and that is merely evidence of the fact.

But, unlike the House, the executive did not exercise that power for more than 40 years in a case where it ran a serious risk of acquittal. What brings us here today and gives this issue its historic uniqueness is the fact that Alcee Hastings is the first judge who was ever acquitted. But to set this case in its context and to demonstrate that its practical significance runs well beyond its historic significance, I would like to suggest to you how this case came here and suggest that it will come again unless the Senate honors what I think are the correct principles.

In the first instance, you should recall that there have been three prosecutions of Federal judges since 1980. You should recall that in none of those cases has the executive made its principal charge stick. In Judge Claiborne's case the Government's main claim was that he had solicited and accepted bribes from Joseph Comforte. After one trial, a hung jury leaning toward the defendant, they dropped that charge and had a secret trial on secondary counts, tax evasion.

You should recall that in Judge Nixon's case, now pending before the House, the original charge was that he had accepted property in exchange for being influenced in an official act. The jury acquitted him on that charge. He was convicted on the secondary charge.

Then you have this case. The Government set up a sting operation against a judge who the FBI acknowledges there was no grounds for suspicion. There were certainly grounds for suspicion against William Borders, the attorney. But the FBI acknowledges; nothing against the judge.

In that context the judge decided—the FBI, and Mr. Weingarten, Mr. Richter, and their superiors in the Justice Department—decided to proceed notwithstanding the fact that the one judicial order that had been issued was admittedly a proper and predictable application of the law of the circuit as it then stood. And, given that, with only circumstantial evidence of the judge's involvement, with no one who had heard him, no one who had seen him, only the fact that he was here, there, and his telephone records show that call may have been made, they decided to arrest William Borders at the scene of the payoff.

No prosecutor I have talked to has ever attempted to defend that decision. If you are going after a Federal judge, you let the money run to find out. Had it, had the money, been permitted to go, we might—we would not, today, be here. We would either know decisively that this man is innocent, because no money went to him, or we would know decisively this man is guilty, because we would have direct evidence. But it was the Government who decided to take the chance of arresting Mr. Borders at the scene of the payoff. Whatever the correct answer or motive of the decision, that is risky policy and especially risky with a Federal judge.

The final factor that bears upon—that makes this case the first is that, with respect to this judge, with the resources of the FBI, the grand jury, the Justice Department, they could find no secondary allegation to impute in any way his established reputation for integrity. It was either this accusation or none.

Now, I submit to you, if there is a Justice Department policy that encourages risky prosecutions of Federal judges, you have to accept the consequences. When you embark on a policy you may get great gains. But you also may suffer the risk of acquittal. I submit the Senate must at least view this case as a case of a kind. There may in the future, and probably will be, acquitted Federal judges on the judiciary.

In order to set the case in context, however, you must also examine what will the response of the judiciary be? Until 1980, the judiciary had no role in the examination of judicial conduct, except in the cases that came before them or except in the cases where they may have chosen to exercise peer pressure.

Since 1980, the Congress has assigned them considerable power to investigate judges. What is going to be the judicial reaction to an acquited judge? I submit to you in every instance it will be one of distress and embarrassment.

The executive has the power to cast the stain of suspicion on the robes of any man it accuses. The trail of a circumstantial case is, in its nature, one that produces questions that cannot be resolved with certainty, only with finality.

There will always be doubts about a man who has been publicly accused, against whom the resources of the executive have been brought to bear, and who is made to stand before a jury of his peers. They cannot be resolved.

I submit in those circumstances there is an almost overwhelming urge for what I would call the Caesar's wife syndrome. The gown has been stained. The stain cannot be washed out. The only way from the judiciary standpoint to restore the balance is to remove the wife.

I think this case, again, illustrates the problem you will confront in the future. Here you had a clear-cut acquittal. I submit to you, the House of Representatives did not and would not have looked behind that jury verdict if there had not—been another means of realigning the political power.

We know in this case that the complaint was invited by the Chief Justice of Judge Hastings' Circuit, a judge who served with distinction based in Alabama who presided over a court that sat in Atlanta. We know that two judges responded to that invitation and filed the complaint. Neither of those judges have ever served with this man. Neither was a judge of his district.

We know that the judiciary retained one of the most able prosecutors and one of the most experienced impeachment lawyers in the country. John Doar is entitled to all our respect. He is an able lawyer. But they retained him at the outset and you do not retain a John Doar unless you have a view to making a major case.

We know more, however. We know that this is not an inadequate or venal judge. We know that no judge from his district has ever complained. We know the judges of his district who are on his witness list as defense witnesses at his trial. We know that no judge from his district was called by the investigating committee of judges who sat. We know that no judge was called by the subcommittee that conducted the House inquiry.

Indeed, we know that it was the judges of his district who appeared on the list of witnesses Judge Hastings asked that committee to call. And there have been no complaints from the judges, from the lawyers, the senior practitioners who have submitted their causes and argued before this judge. And we know, and it is in the record, it was those senior prosecutors, the former chief prosecutor of the district, senior members of the defense bar, lawyers from all walks who were on this judge's witness list to tell you how he is regarded.

So, you have a circumstance where you have a circumstantial case, a failed prosecution, an embarrassed judiciary, and a unanimous report from the judiciary supported by a carefully crafted record asking the House—recommending to the House that this man be impeached. The political stakes have been altered.

Former Senator Buckley, in his dissenting opinion in one of the Hastings cases versus judicial conference, recognized that I think most clearly and perhaps recognized it with what I would hope would be the sensitivity that the Members of this body would have. It was a political act when the judiciary certified to the House that this man was not a member, a proper member of their club.

It woud have been exceedingly difficult for the House in the face of that determination by the executive and the judiciary to have resisted the temptation. But the consequences in the House went further. They were presented not only with a powerful recommendation but also with a complete record.

Five thousand pages of transcript, 2,800 exhibits, a report authored by John Doar and signed off by 5 distinguished jurists. I do not for a moment question in this forum the integrity and enthusiasm with which the House proceeded, but I do suggest that their role differed from what had been done during the first 150 years. They were auditors. They had to audit to see was the evidence there, did the report make sense. They did not have to investigate. They did not have to catch it fresh.

I submit to you that the nature of the proceeding, not with respect to Judge Hastings or its fairness to him, but with respect to the future, the nature of the proceeding is illustrated by the hearing. They did not recall the witnesses. They did not recall the defense witnesses or the prosecution witnesses. The principal witness was John Doar.

The chief prosecutor who had developed the case the judiciary was called and in response to questions to the special counsel retained by the House told them what evidence the judges had heard and seen that persuaded them.

That may be a necessary departure in the context of the judiciary with 700 judges, but it is a departure. It represents a delegation, again, of the powers that the framers intended to protect judges.

The House suggests that the Constitution does not require that the Senate record any deference to the jury's verdict, nor in the House's view can the Senate properly consider the issue of whether it is feasible at this late stage to conduct a trial that is fair to the judge.

I think on that basis, I would like to suggest to you that the constitutional principles are exactly the opposite. If the framers foresaw that an acquittal in impeachment should bar further attack on the judge, and if, because of altered circumstances, the House and the Senate and the executive and the courts have acquiesced in the system that undermines in some degree the independence of the judges by permitting the less cumbersome process of criminal prosecution and trial to proceed before impeachment, should not all three branches abide the outcome? If you agree to a change in the rules, you ought to abide the outcome of the game. That is not a constitutional principle but it is something my kids have understood since that man was acquitted.

I ask you, Mr. President, Members of the Senate, abide the outcome of a change you have been permitted. The sequence of the proceedings should not alter the result. Had Judge Hastings been impeached as he requested, had he been tried in this forum and acquitted by this body, that would have ended the matter in 1983. The House did not exercise its power then. There was no protest from the Senate. The prosecutors claimed you were too busy to handle matters of this kind, and the courts bought it. They permitted it to proceed.

He appeared. He was acquitted. Is there any reason why you should not honor the principle by applying it both ways? If there is an acquittal, it ends the matter. If there is a conviction, there is a second trial.

But let me take, if I may, the manner in which this body handled the Claiborne case to demonstrate why a second trial is necessary, even under the altered scheme in the case of a conviction reasons that do not apply in the case of a acquittal.

The framers authorized the second trial for an accused judge for the protection of the judge. They had cut back on the power of the Senate to punish. They could not, as the House quotes, remove the head from the man as well as the holder from the office. But they could punish. They could impose what Hamilton called a doom to infamy, a perpetual banishment from office, from the society of honorable people. That is punishment. But they could not impose the full measure of the law and thus a second trial for those offenses that were not only political offenses against the United States but also offenses that violated

the ordinary criminal laws so that the full measure could be exacted.

Now, the altered sections alters the function of the Senate, but makes it no less important and you all recognized it in Judge Claiborne's case. The function of a second trial in the Senate following a conviction in the courts is the function that protects the independence of the judiciary. You must at least examine the evidence to satisfy yourself that the conviction is not the product of an overreaching executive or an overreaching court system seeking to attack a disfavored judge, and that is an important function for precisely to the extent you have permitted the executive to have enhanced powers, precisely to that extent, is it your duty to forward a reciprocal check to assure that the exercise of those powers is examined?

But I want also to talk to you about the effect of the precedent you established in Judge Claiborne's case. In Judge Claiborne's case you will recall it was the House who came forward with the argument that preclusive effect should be given to jury's verdict. Article 3, he was convicted; that is enough; can we go home? It is the Senate who said no. The House has taken that lesson. You now have a second convicted judge, Walter Nixon. He is in jail. The House is now performing and has concurred in the function. They have permitted Judge Nixon's complaints against the Executive and the abuse of prosecution to play out in the courts rather than precipitously coming over here.

It may be that Judge Nixon will or will not one day come before you, but you may be more competent, I submit, because of the precedent you established in Claiborne, that if it does, the record will be clearer and you may exercise your function of checking with competence.

But is there anything for you to check in this kind of case and can you do it? I submit that has two aspects. In the first, we must look at the consequences of a decision by this body to deny these motions, a possibility I must acknowledge. Mr. President, I submit, if you deny these motions, you will provide an encouragement for an aggressive high risk, prosecutorial policy by the executive. They may be relieved to know that their occasional failures can be picked up elsewhere in the system and thus they can afford not to let the money pass. They can afford to proceed without any direct evidence of the judge's involvement. We can do the undercover sting investigation using coconspirators and circumstantial evidence because if we cannot pull it off in front of the jury, there is always the judiciary of the House and the Senate and there is a second chance.

And in this case of cases if has to be in the most extreme form. Four years of investigation by the judiciary, nothing against this man. The same evidence the prosecutors had. Six years later after the trial, only one maverick charge unrelated to corruption. The judge concedes an improper disclosure would be a serious matter but there is no suggestion here he was making a disclosure to somebody he owed a debt, the two men did not know each other, it is an allegation of improper disclosure he denies.

How many citizens could endure 7 years with unlimited resources of examining their tax records, their bank records, their telephone bills, their travel records and emerge with no new evidence, only one new allegation and without complaint from the judges who serve on their court and know them best and the lawyers?

This is truly a remarkable and circumstantial case. If the executive can prosecute this kind of case with some confidence that when it fails, its failure will be picked up, you will have given them true encouragement. And the judiciary, if I understand—and I have litigated enough about it that I think I ought to have some understanding of your purposes in adopting the Judicial Conduct and Disability Act—it was primarily to create a mechanism within the jury to deal with instances of misbehavior that did not rise to the level of impeachment.

As I first read the act, I though the impeachment certification was the "whoops" clause, a case where a complaint was filed against a judge of some form of misbehavior and in the course of their investigation, the judges conducting it said, "Oh, whoops, we have something serious here that we believe does constitute conduct arising to the level of a high crime and misdemeanor."

I did not read you and could find nothing in the legislative history that suggested you intended to assign the power to the judiciary to second-guess the verdict of a jury reached in a trial over which the judiciary presided.

But you must understand that one of the reasons why the framers did not assign power to try judges to the courts was a recognition that it destroys collegiality. A judge who is hauled before his own court and there tried is a judge who has been injured. The stain of suspicion has been irrevocably cast. Those who take a different view within the judiciary—and the judiciary is a club and may be fairly described—a different view of what correct behavior by the members of that club should be, are going to view a judge who has even come that close as unworthy of membership. The stain is there. The stain cannot be removed. The member must.

I submit an almost overwhelming kind of momentum will be generated within the judiciary if you, by denying these motions, tell the judiciary it is any of their business what happens with an acquitted judge. Anytime we have in this Nation a judge who is acquitted, we will have a public record at which the Justice Department has forcefully presented its accusations and the evidence, at which the judge's defense has been presented, at which this body may well assess, the House may well assess whether further inquiry is necessary. The House does not and should not need any encouragement from the judiciary to get on with the job. The House claims that the doctrine of separation of powers on the one hand precludes you from paying attention to the jury while it maintains on the other that deference to a coordinate branch justifies it having awaited the advice of the judiciary as to how it exercises its powers. I do not think they can have it that way.

But let me close my opening remarks by talking to you about the Senate. I am not a Member. I do not reside within the beltway. However, I have watched also and studied over time the frustrations of the Senate in dealing with this process of impeachment, even though some scholars who do not believe the acquittal should bar it have reported—Professor Tribe of Harvard—that the jury's verdict is at least entitled to that deference that will require the Senators to give special scrutiny to the evidence in this case before it can repudiate that verdict. And yet this is a Senate which in an alter plan with 700 judges has adopted a rule 11. I understand the reason. I do not today address the constitutionality, but I do not think anyone questions that that was a change from established practice and that that change in some degree undermined the protection of the Federal judge and the dignity of the occasion.

The question now in a case such as this, prosecutors will always have to come back for their second trial saying, "We have more evidence, not less." What was a 3-week trial with a judge and jurors granting their undivided attention will become a 12-week trial because it must be done in half-day increments, 4-day weeks to meet the demands of the legislative business.

And are you also satisfied that when the job is done, when there are 12 volumes of transcripts and documents sitting on each of your desks, you will have the time to give better scrutiny to that evidence than did the 12 jurors who heard the witnesses and studied them? I submit the House, by the course it recommends now, threatens to impose burdens upon the Senate it cannot withstand. I submit the Constitution does not require you to withstand that. The framers knew the difference between a conviction and ac-

quittal. Where there is a conviction, two trials are authorized and may be required. Where there is an acquittal, that should end the matter. And certainly it should end the matter 6 years after the fact.

Mr. President, I would reserve the remainder of my time for Members' questions and rebuttal and will address the additional points in that context.

The PRESIDENT pro tempore. Thank you, Mr. Anderson. Mr. Anderson, Senator GORTON has submitted the following questions in writing: "You have mentioned in your memorandum in support of the motion to dismiss articles of impeachment I through XV that a Senate hearing would not be fair in part because "crucial witnessess" have died or are no longer competent to testify. You did not request all these crucial witnesses to testify at the judicial trial. Question. Why didn't you call all these crucial witnesses to testify at the judicial trial and, secondly, why are these witnesses so important now?"

Mr. ANDERSON. Let me address the Senator's question very explicitly. The Government made a choice at the first trial to confine its alleged conspiracy to the period from September 9, 1981, until October—September 10, until October 9, 1981. They focused only on those events and only witnesses who had information on those events. Judge Hastings and Miss Williams sought to compel the Government to produce its informant as a material witness. The Government represented that that witness was not material, and he was not produced.

The Government also objected to the judge's attempt to call witnesses who might establish that William Borders was a rainmaker and that all judges were vulnerable to unfounded claims. It was only after his acquittal that the judiciary was able to compel William Dredge to come forward. William Dredge was a material witness. He did report that Borders had made claims of having the power to fix numerous Federal judges and that they understood he was blowing smoke.

In the House hearings we learned, confirmed for the first time, that the FBI knew that William Borders was involved with judges other than Judge Hastings.

On its expanded record, the House now claims at some time prior to July 1, 1981, this conspiracy was formatted. They have examined records that span the period from January 1981 through well after, through the date of the trial in 1983.

Members of the Senate, there is no way the judge could have anticipated a defense to a case that was not used against him.

Now, who has died and why are they important? First of all, Mr. Dredge disclosed the most plausible scenario. Mr. Dredge was a fence, a burglar, and a major drug defendant. He had a pending case that he needed a deal in. He had been dealing with a Washington character, Joe Nesline. The most plausible scenario is that Nesline was brokering Mr. Borders' services to the judiciary and in fact was raking rain and Mr. Dredge came in when he found out that Bill Borders couldn't fix a continuance in that man's court. Mr. Nesline has Alzheimer's disease. I can't explore that. The judge can't explore that. Mr. Dredge we do not know—we have never seen him—whether he will be available. Andrew Mavrides, one of the judge's lawyers, has died. He is the one who handled the discovery negotiations.

One of the complaints, or the evidence that was not given adequate emphasis in the eyes of the House was the judge's failure to produce early in discovery the draft letters to Hemp. We can't recall that. I could go through, and I have listed in the brief—the simple answer is the judge defended himself against the accusations as the Government chose to frame them. They have now been reframed to expand the evidence at a time when we cannot and have not had the resources to respond to the expanded evidence.

The PRESIDENT pro tempore. Mr. Anderson, the Chair has the following question submitted by Mr. DOLE: "In your memorandum in support of the motion to dismiss articles I through XV, you argue that the lapse of time between the date of Judge Hastings' trial and the date of the impeachment trial has irrevocably prejudged the judge's right to a fair hearing in the Senate. Is it not true, however, that much of this delay was occasioned by Judge Hastings' own litigation to prevent the investigating committee of the 11th circuit and the House Committee on the Judiciary from obtaining grand jury materials from his criminal trial?" You have 2 minutes and 41 seconds in addition to your rebuttal time.

Mr. ANDERSON. Thank you, Mr. President. Senator DOLE, as chairman, let me respond directly. I don't know. I do know that during the course of our litigation the investigating committee declined to stay its hearings while we were in the Court of Appeals after briefing and argument on or challenge to the constitutionality of the act. We at that point objected and filed a special appearance so we didn't appear. I don't think we delayed the judicial investigation because they didn't slow down for our litigation.

In terms of the House and its grand jury, I cannot tell you of the impact of that. Yes, we litigated on issues we thought important to assert the rights of all judges as well as Judge Hastings. I don't think we delayed. But the question arises in a different context. If the House says that you cannot defer to the jury's decision because it was made in a different branch, what entitles the House to defer to proceedings in another branch and stay its hand?

The fact is we are 6 years after the fact. The fact is this judge has endured 6 years of investigation. The fact is the evidence in the accusations were known 6 years ago. The issue I ask the Senate to address is: Is it feasible for you to be able to conduct a fair trial of this in 1989?

The PRESIDENT pro tempore. Thank you, Mr. Anderson. You have 11 minutes and 16 seconds remaining.

Mr. ANDERSON. Thank you, Mr. President.

OPPOSITION TO THE MOTION

The PRESIDENT pro tempore. The Senate will now hear from Mr. BROOKS in opposition to the motions.

Mr. Manager BROOKS. Mr. President, Members of the Senate, pending before you is the impeachment case of Judge Alcee L. Hastings. It is a case that involves the most egregious misconduct by a Federal official: Respondent conspired to sell his public office for personal gain, he subverted our judicial process by repeatedly lying under oath, and he divulged confidential information in violation of his own court order. The evidence of Judge Hastings' misdeeds is clear and convincing. For this reason, the House of Representatives adopted, by overwhelming vote, 17 articles of impeachment.

Today, Judge Hastings asks you to ignore his corrupt conduct. He asks you to dismiss 16 of the articles on the basis of double jeopardy and unreasonable delay by the House of Representatives. In doing so, he asks you to rely on a tained jury verdict and to disregard your unique constitutional role of of ensuring the integrity and impartiality of Federal office.

In the view of the House of Representatives, you should not heed respondent's call. Our Constitution and, indeed, principles of fairness—to the American people and to the impeachment process itself—require the Senate to reject Judge Hastings' motions. The Senate should proceed with trial on all 17 articles.

This afternoon, all but one of the managers of the House of Representatives are here to present the House position in this case. Unfortunately, Representative JOHN CONYERS, JR., could not attend due to a longstanding commitment outside the country. When this hearing was scheduled for last week, he rearranged his schedule in order to make sure he could attend. However, when the hearing was understandably postponed, the conflict arose. Representative CONYERS asked me to state to this body his unfailing commitment to the House position in this impeachment proceeding and his

firm belief that the Senate should proceed to consider all 17 articles of impeachment. In addition, he asked that I read to you the following statement:

STATEMENT OF MANAGER JOHN CONYERS, JR.

In his motion to dismiss, respondent asserts that the House of Representatives unfairly delayed the proceedings leading to his impeachment. As the chairman of the subcommittee that was responsible for the House investigation, I must take issue with this unsupported contention. The House of Representatives discharged its duty with fairness and from a position of neutrality. Our investigation was thorough and expeditious. And, Judge Hastings delayed the proceedings by litigating with the House over our authority to review particular documents.

I want to make clear to the Senate and to the public that when the House investigation began, I presumed the innocence of Judge Hastings, who had already been acquitted by a jury of the main charge against him, and had hoped that nothing presented to my subcommittee would compel me to change my mind. In view of the history of unfair treatment and harassment of black public officials and the significant underrepresentation of black judges, I entered into the House proceedings cautiously.

Those of us who have spent careers working for justice and equality in the civil rights movement are acutely aware of the continued underrepresentation of blacks in judicial and political posts, and of the dire need to increase representation. This is especially true in the wake of an administration that appointed an appallingly low number of minorities to the Federal bench—a legacy that should and must be changed.

The entire civil rights movement, though, has been about fairness, equality of opportunity, a system of law that applies equally to everyone. We did not wage the civil rights struggles merely to replace one form of judicial corruption for another. We can no more close our eyes to corruption when practiced by those judges whose views we approve than we could to those whose views we detested.

It would be disloyal to the essential principle of equal justice under the law, and to my oath of office at this late stage of my career, to set up a double standard for those who may share my philosoply and those who may oppose it. In order to be true to our principles we must demand that all persons live up to the same high standards.

Unfortunately, the evidence establishes that Alcee Hastings has not met this standard. The House of Representatives determined that Judge Hastings did, in fact, commit high crimes and misdemeanors which justified his impeachment.

This concludes the statement of Representative JOHN CONYERS. On behalf of the House of Representatives, I thank you for the opportunity of presenting our response to the Judge Hastings' motions to dismiss. Representative JOHN BRYANT, our lead manager, will begin our presentation by addressing the issue of double jeopardy. Thank you.

The PRESIDENT pro tempore. Thank you, Mr. BROOKS.

Mr. BRYANT will now continue the argument for the House and the House managers have 53 minutes and 54 seconds remaining.

ORDER OF PROCEDURE

Mr. Manager BROOKS. Mr. President, would you object too strenuously if the House Members had an 8-minute recess to go and vote on the rule on the Eastern Airline matter before the House now. The second bells have just rung.

The PRESIDENT pro tempore. Is there objection?

RECESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate stand in recess for 10 minutes.

There being no objection, the Senate, at 3:27 p.m., recessed until 3:39 p.m.; whereupon, the Senate reassembled when called to order by the President pro tempore.

The PRESIDENT pro tempore. The Senate will be in order. The Senators will discontinue conversing.

The House managers are delayed momentarily. The Chair will swear in an additional Senator.

You do solemnly swear that in all things pertaining to the trial of the impeachment of Alcee L. Hastings, judge of the U.S. District Court for the Southern District of Florida, now pending, you will do impartial justice according to the Constitution and laws. So help you God.

Mr. KASTEN. I do.

The PRESIDENT pro tempore. Mr. BRYANT, you may continue.

The House managers have 53 minutes and 15 seconds.

Mr. Manager BRYANT. Thank you, Mr. President.

Mr. President and Members of the Senate: Judge Alcee Hastings brings before the Senate today his motion to dismiss 16 of the 17 articles of impeachment which were voted by the House of Representatives by a margin of 413-3. Those articles found that Judge Alcee Hastings entered into a conspiracy to obtain a bribe, repeatedly lied under oath and falsified evidence; and illegally and improperly divulged the contents of a legally authorized wiretap which he supervised in his capacity as a Federal district judge.

It is important to state plainly before the Senate today the proposition which Alcee Hastings urges upon this body and that is that even if he has committed the high crimes and misdemeanors alleged in the 16 articles of impeachment at issue—even if he has participated in a conspiracy to obtain a bribe, even if he repeatedly lied under oath and falsified evidence in an effort to obtain an acquittal in a criminal trial, and even if every charge raised against him by the articles of impeachment of the House is completely true, he contends that the U.S. Senate is constitutionally powerless to remove him from the Federal judiciary; and that therefore the Senate must dismiss 16 articles of impeachment without ever making a factual inquiry and without proceeding to trial.

I submit to you, Mr. President, that this is an impossible conclusion for the Senate to reach. To adopt the arguments of Alcee Hastings today would be to adopt a doctrine that the Senate is henceforth powerless to remove from office a judge who tried to sell that office for personal gain and then managed to obtain an acquittal in a criminal case by repeatedly and knowingly offering false testimony and false evidence under oath. It would mean the abandonment of the clear constitutional authority of article I, section 3, clause 6, which states unequivocally that the Senate shall have the sole power to try all impeachments, a provision which has repeatedly and consistently been interpreted throughout the history of this body to mean that no action by any other branch of Government can be determinative of the Senate's action with regard to trial of cases of impeachment.

And to adopt his argument would mean the adoption of Judge Hastings' view that the Senate should ignore the overwhelming vote for impeachment by the House of Representatives and the unanimous vote for impeachment by the Subcommittee on Criminal Justice, ignore the unanimous vote of the investigating committee of the Judicial Council of the Eleventh Circuit, which after a 3-year investigation found that Judge Hastings had participated in a bribery conspiracy, had falsified evidence and lied under oath to avoid a conviction; to accept his argument would mean ignoring the resolution of the Judicial Council of the Eleventh Circuit adopting this report; and it would mean ignoring the Judicial Conference of the United States which forwarded the case to the House of Representatives on the basis of its finding that Judge Hastings had engaged in conduct which might constitute grounds for impeachment.

Mr. President, it would be a sufficient presentation on the part of the House to end our argument here, because this argument alone is dispositive of the question of whether or not the Senate should dismiss these articles without proceeding to trial; and we would end here but for one fact: Our view is that the Senate is likely to do as the House did and ask not merely is the procedure on which we are embarking legal but, in the specific case before us, is it fair?

The answer to this question requires an examination of the facts in the case. They involve, as the chairman said, a multitude of egregious acts by a man who holds one of the most esteemed positions of public trust, that of a Federal district judge.

Over a period of 5 years, Judge Alcee Hastings engaged in a clearly discerni-

ble pattern of misbehavior. He committed the most basic corruption of office—conspiring to obtain a bribe. He then subverted our system of justice by fabricating exculpatory evidence and knowingly testifying falsely under oath in order to obtain a verdict of acquittal.

Two years later while supervising a lawful wiretap in his court, Judge Hastings divulged confidential evidence obtained from that wiretap, thereby threatening the lives of law enforcement agents and undermining two ongoing Government investigations into municipal and waterfront corruption in Miami.

In article I of the articles of impeachment, the House of Representatives charges Judge Hastings with conspiring with William Borders, a Washington, DC, attorney, to obtain a bribe. In articles 2 through 15 the House of Representatives charges Judge Hastings with lying under oath in 14 separate instances during his criminal trial on the bribery charge.

The evidence supporting these articles of impeachment simply put is overwhelming. In his memorandum in support of his motion to dismiss Judge Hastings paints a picture of himself as a pillar of integrity who was duped by his unscrupulous friend. I maintain today on behalf of the House and the House managers that this memorandum in support of his motion is the latest in a long series of deceptions designed to mislead, a memorandum characterized more by its omission of critical facts than by its accuracy.

On September 12, 1981, William Borders, a Washington attorney and close personal friend of Judge Hastings, entered into a deal with an undercover agent who was posing as Frank Romano, a defendant in a case pending before Judge Hastings in his Federal district court in Florida. At that meeting, Borders and the undercover FBI agent agreed that for $150,000 Judge Hastings would reduce the sentences he had imposed on Mr. Romano and his brother from a prison term to probation.

William Borders was subsequently convicted by a Federal jury of having engaged with Judge Alcee Hastings in a conspiracy to obtain a bribe and was sentenced to 5 years in prison.

Judge Hastings was tried nearly 1 year later after having had the opportunity to have his observers carefully watch the trial of the Borders case before preparing his own defense.

The House calls upon the Senate today to consider only a few examples of the evidence that Judge Hastings was a part of this illegal conspiracy:

First, at their initial meeting, the undercover agent, posing as a defendant, insisted upon a sign indicating that the judge was indeed an active participant in the bribery scheme before he paid any money. The undercover agent and William Borders agreed that the judge, to prove his participation, would present himself in the Fontainebleau Hotel in Miami Beach at 8 p.m., on Wednesday, September 16, 1981. Mr. President and Members of the Senate, on Wednesday, September 16, at the appointed time, FBI agents staking out the premises observed Judge Alcee Hastings enter and sit down to dinner at the main dining room in the Fontainebleau Hotel.

Second, the tape recording of the first meeting between William Borders and the undercover agent reveals that Borders, the close personal friend of Judge Alcee Hastings, had detailed and extensive knowledge of the Romano case which was pending in Judge Hastings' court. Where did he get this information? Mr. Borders was not a member of the Florida bar. He was a member of the District of Columbia bar and lived in Washington, DC. He did not practice in the Miami courts. The system in effect at this time in the Miami courts required that the public file of the Romano case was kept in Judge Hastings' chambers; and the case received no national publicity.

In that first tape recorded meeting Borders also promised an order from the judge, an order which would return a substantial part of Romano's property which Judge Hastings had earlier ordered forfeited under the RICO law. That order which had been lying dormant in the judge's chambers for 3 months was then issued. On the day it was issued, before it was even signed, Borders assured the undercover agent, in a recorded conversation, that the order would come out that day or the next. In fact, the next day it did go out—not like a routine order would go out; this order was sent special delivery.

Of special significance are the events of October 9, 1981, the day William Borders received the final installment of $125,000 in bribery funds from the undercover agent and was immediately arrested by FBI agents in Washington, DC. Judge Hastings was in Washington that same day. Shortly after Borders' arrest, Judge Hastings was notified and given the names and phone numbers of FBI agents who wanted to interview him in connection with this matter. In spite of his sworn oath to uphold the laws of this land, Judge Hastings did not contact the agents or inquire in any way about the allegations involving corruption in his own courtroom. Instead, he immediately left town—so quickly that he left clothing behind in his hotel and failed even to check out. Instead of taking a 10-minute cab ride from the L'Enfant Plaza Hotel where he was staying to National Airport where there were regular flights to Miami with seats available, Judge Hastings took a $50 cab ride 32 miles to Baltimore/Washington International Airport where he obtained a new ticket to Miami. He boarded this flight, yet he left the plane at an intermediate stop in Fort Lauderdale and rented a car rather than continuing to Miami where his own car awaited him in the parking lot.

Finally, we must make reference to the repeated instances of lying under oath by Judge Hastings at his criminal trial.

It is noteworthy that when Judge Hastings left his plane at the intermediate stop in Fort Lauderdale and rented a car, he drove not to his office, not to Miami, not to his home, he drove instead to the home of his girlfriend/fiance Patricia Williams. Mrs. Williams, who had never before tried a criminal case, was thereafter named as Judge Hastings' attorney in the bribery/conspiracy trial arising from these events. This curious action of hiring a person with whom he had a close and personal relationship rather than an experienced trial attorney to defend him against charges which could have led to his imprisonment was commented upon by the 11th Circuit Investigating Committee. I quote:

> His actions in preparing and presenting a defense and in presenting his own testimony were done in a context in which eventually only he and his fiance/girlfriend were serving as counsel and the propriety of what was being done was not subject to the scrutiny of counsel having usual professional detachment.

This curious circumstance has special relevance when one considers the repeated instances of false testimony by Alcee Hastings in the trial defense conducted by him and his fiance/lawyer.

He testified that he was not trying to avoid the FBI when he left Washington in such haste but testified that he left instead because of information he received in two phone calls that he had made from his hotel to his mother and to his fiance/lawyer Paricia Williams. However, there is absolutely no record of such calls. Neither the hotel phone records, Judge Hastings' business or home records, his mother's telephone records nor Patricia Williams' records reflect these calls which Judge Hastings swore under oath he had made from his hotel room. Further, a witness who was with the judge from the moment he learned of Borders' arrest until he left the hotel lobby to catch a cab to Baltimore-Washington Airport has repeatedly testified that Judge Hastings did not make any calls.

For reasons that will become clear at trial it was significant for Judge Hastings to establish that he made a series of calls to a friend named Hemphill Pride. Judge Hastings, at trial, specifically testified under oath that the calls on telephone records handed to him at trial by his counsel, Patricia

Williams were calls made to Hemphill Pride. What the jury did not know was that four of these calls were to people who had absolutely no connection to Hemphill Pride and were to numbers to which Mr. Pride had no access. In fact, one call was made from the phone in Patricia Williams' apartment and it was made to Mrs. Williams' former mother-in-law. The evidence is overwhelming that the judge knowingly perjured himself in an effort to mislead the jury. And these false statements have been so plainly exposed that he has been forced to admit this misrepresentation in his answer filed before the Senate.

This is only a fraction of the evidence establishing that Judge Alcee Hastings knowingly participated in a conspiracy to obtain a bribe; it is only a fraction of the evidence establishing that again and again Judge Hastings lied under oath and fabricated evidence to conceal his part in this scheme, in order to obtain an acquittal.

This proceeding does not permit a greater examination of the facts. But the facts set forth so far permit the Senate to examine clearly the question of fairness, and the assertion of the respondant that these articles of impeachment should be dismissed. The House maintains that this argument of fairness should be reversed and applied to the respondent himself: should he be allowed to profit from his own misconduct of lying under oath and falsifying evidence and thereby be protected from an impeachment trial in the Senate? Surely not.

Indeed, fairness would require the Senate to conduct a trial and remove from high office a judge who tried to sell that office for personal gain and then managed to obtain an acquittal by deceit.

And as we debate fairness, it is pertinent to ask, is it fair to the American people to allow a corrupt judge to remain on the bench thereby forcing the public to bring their disputes and grievances before a judge who himself conspired to obtain a bribe and perverted the system to avoid being discovered in this role? Clearly not. I must emphasize here today that the only protection of the public against the rare but potential abuse of the lifetime tenured Federal judiciary is the power of the Senate to try impeachment cases such as the one before it.

Judge Hastings has raised a second argument: that the concept of double jeopardy prevents the Senate from taking up a matter which has been previously tried and found in the defendant's favor. This is a contention which the House considered very carefully for we had the same doubts which no doubt bother Members of the Senate on first examination. But even the most cursory examination reveals that this argument is premised on pure fiction, that it lacks totally any credible, historical or legal basis.

Article I, section 3, clause 6 of the Constitution states, "The Senate shall have the sole power to try all impeachments." Article I, also provides that the House of Representatives "shall have the sole power of impeachment." In other words, the framers of our Constitution placed in the hands of Congress an important responsibility: The responsibility to act as a check on the conduct of executive officials and all Federal judges. If a civil officer engages in a high crime or misdemeanor, he or she is subject to impeachment by the House. The Senate then has the sole power of removing that official from public office.

The respondent's double jeopardy argument ignores the role the Senate plays in this fundamental scheme of checks and balances.

And, more fundamentally, his argument ignores the constitutional doctrine of separation of powers, which establishes that one branch of our Government cannot delegate to another branch its unique responsibility. The respondent's double jeopardy argument fails because it asks the Senate to do just that—to delegate to the judicial branch the Senate's authority to determine whether a civil officer should be removed from office.

In an earlier Senate impeachment proceeding, you recognized in this body your important constitutional role and refused to do exactly what Judge Hastings is asking you to do today. Just 3 years ago, in the impeachment trial of Judge Harry Claiborne, the Senate committee appointed to hear the evidence declined to be bound by the verdict and findings in Judge Claiborne's criminal case—even though that criminal case had charged the judge with the very same misconduct as the articles of impeachment. As explained by the chairman of the Senate committee, Senator Charles Mathias, "The Senate has the 'sole power to try all impeachments.' We have no authority to delegate that responsibility to any other branch." Senator Mathias went on to state:

> If our obligation to try all impeachments results in the expenditure of our time and resources or creates the possibility that our conclusions may differ from those of the judiciary in exercising our separate constitutional responsibilities, that would be a result of the Framer's design and not of our personal wishes.

The same is true in this case. The Constitution vests the Senate with the sole power to try a Federal official for impeachable conduct. A prior jury verdict does not bind the Senate. Neither the jury verdict that found William Borders and Judge Hastings had conspired to obtain a bribe, resulting in Borders' term in prison, nor the verdict in Judge Hastings' separate trial is binding on the Senate. Contrary to Judge Hastings' assertion, the Senate is the only body that can determine whether he should remain on the bench for life.

Finally, the Senate should not ignore the 200 years of precedent establishing that Judge Hastings' double jeopardy argument has no sound legal or historical basis.

Respondent's argument rests entirely on a single false premise: that impeachment is somehow criminal in nature. Judge Hastings must convince you that an impeachment trial is a criminal proceeding, for then and only then would the doctrine of double jeopardy even arguably apply. Impeachment, as all precedents indicate, is not a criminal proceeding. Rather, the Constitution establishes—and the framers, the Congress and constitutional scholars have consistently concluded—that impeachment is a remedial proceeding designed to protect the institutions of Government and the American people from abuse of the public trust. In this country, impeachment has never functioned as a criminal process. Impeachment does not require an indictable offense as a basis for removal from office. Impeachment does not require proof beyond a reasonable doubt to establish the allegations. Impeachment does not call for trial by jury. Impeachment is not subject to Presidential pardon. And above all, the purpose of impeachment is not to punish an individual, but rather to preserve and protect our constitutional form of Government.

It is beyond dispute that subsequent to a criminal trial, there can be remedial proceedings arising out of the very same facts, without running afoul of principles of double jeopardy. In fact, severe noncriminal sanctions—such as deportation, disbarment, and license revocation to name a few—can be imposed in a proceeding following a criminal trial, even if the criminal trial results in an acquittal under current law. The point is that the doctrine of double jeopardy in this case is irrelevant and is no bar to the Senate's proceeding in the trial.

It is for this reason that Judge Hastings' double jeopardy argument fails. Impeachment proceedings, including the pending matter of Judge Alcee Hastings, are remedial and, therefore, are not subject to double jeopardy principles.

I would refer you to the very language of our Constitution at article I, section 3, clause 7, which reads:

> Judgment in cases of impeachment shall not extend further than to removal from Office, and disqualification to hold and enjoy any Office of honor, trust, or profit under the United States; but the Party convicted shall nevertheless be liable and subject to indictment, trial, judgment and punishment, according to law.

This clause contemplates two separate and distinct processes. A Federal official is subject to both impeachment and criminal prosecution. Punishment of the official is left to criminal prosecution, while impeachment serves the entirely different purpose of preserving integrity in the conduct of public affairs. One proceeding is not a substitute for the other. The limited constituency of those who are subject to impeachment—the President, Vice President, and civil officers—and the limited sanctions which can be imposed—that is removal and disqualification from office—underscore that impeachment is remedial and noncriminal in nature. Even if the impeachable offense were treason, all the Senate can do is protect the institutions of government by preventing the public official from holding Federal office.

The debate of the writers, the framers of the Constitution reinforces this conclusion and all the legal analysis since that time consistently concludes that impeachment is not criminal. In our brief filed with this body we set forth the precedent in detail.

And our precedent is not a position fashioned by the House solely for purposes of case. There is a long and clear path stretching from this very Congress back to the inception of our Nation which establishes the remedial nature and noncriminal nature of impeachment.

Recently, the Rules Committee of this Senate in this Congress recognized that impeachment is not a criminal proceeding. In its report on the procedures to be used in Judge Hastings' case, the Rules Committee concluded, and I am quoting at this point, "Most important, it must be remembered that an impeachment should not be viewed as a criminal prosecution."

In addition to resting on a faulty premise, Judge Hastings' double jeopardy argument leads to unwarranted and unacceptable results which warrant your contemplation today. If one follows his argument to its conclusion, no Federal official who has been subject to criminal prosecution could ever be subject to impeachment."

The established law of double jeopardy prohibits a second criminal trial if the accused has been acquitted or convicted in an earlier case. Thus, application of double jeopardy law to impeachment would have the untenable result that the Senate should not have removed Judge Harry Claiborne from office, because he had been criminally convicted in an earlier proceeding. Moreover, the House would be barred from bringing articles against Judge Walter Nixon based upon the same conduct which resulted in his conviction for perjury, and for which he is currently serving a 5-year sentence.

Under the respondents' theory, we would be treated to the spectacle of the executive branch racing to the courthouse, in order to avoid being preempted by the legislative branch we would need to create a coordinating committee between the legislative and the executive to decide who goes first, and I submit to you we should not have to deal with these issues. They arise only when you seek to impose double jeopardy principles in an area where it has no application, an impeachment trial.

Respondent tries to avoid these absurd results by arguing that double jeopardy only applies if impeachment follows an acquittal in a criminal trial—this argument he made a moment ago—but does not apply if the criminal trial resulted in a conviction. Considering this, it would twist the language of the Constitution beyond recognition. It would distort the established law of double jeopardy. It would make the Senate subordinate to the judiciary, even though the Senate's role in impeachment is unique and explicit in the Constitution. Finally, it would depart from 200 years of constitutional history. That we submit, is an exorbitant price to pay, in order to carve out a special exception for Judge Alcee Hastings.

There is one other aspect of Respondent's argument which should be addressed, his argument that articles I through XV have to be dismissed if you accept his contention that double jeopardy applies to an impeachment. That is incorrect, even if the Senate were to accept his position. Assuming for argument's sake that the principles of double jeopardy were to be applied to the articles, a result the House would vigorously oppose, only four of the articles—articles I through IV—would be barred by principles of double jeopardy. That is because only those first four articles present the same question which the jury decided in the criminal case: Did the Government prove beyond a reasonable doubt that Judge Hastings knowingly participated in the bribery scheme? None of the other articles presents questions the jury necessarily decided in the criminal case and, therefore, they would not be barred even if by the most unfortunate circumstances the Senate accepted the double jeopardy argument of the respondent.

The position of the House, that an impeachment trial is not a criminal proceeding, I have made clear, is consistent with constitutional language, history, scholarship, and precedent available, and there is no valid reason to depart from our constitutional precedent as it stands before the Senate today.

There is, on the other hand, every reason for the Senate to deny Judge Hastings' motion to dismiss on the basis of double jeopardy.

Mr. President and Members of the Senate, ultimately, the Senate's decision whether to dismiss 16 of the 17 articles of impeachment as requested by the respondent must rest on the combination of legal principles and factual considerations taken as a whole.

It is with a great sense of offense that the House looks upon the respondent today as he raises the most cherished and fundamental constitutional protections and principles to shield himself from the consequences of his inexcusable breaches of the public trust.

This judge, who urges you to hold uppermost in your mind and interpret favorably to him sacred constitutional principles, abandoned his oath of office and his sworn duty to this Constitution in 17 instances enumerated in the articles of impeachment presented to this Senate by the House.

It is fair for you to ask, and for me to raise the question as we contemplate this judge, if he had the lofty concepts of fundamental fairness and due process on his mind as he presented himself at the Fontainebleu Hotel at precisely the time and on precisely the day arranged by his coconspirator to prove that he was a part of the conspiracy to obtain a bribe.

It is fair to ask, as we contemplate this judge, if he had constitutional sanctity and due process uppermost in his mind as he was speeding down the Baltimore/Washington Parkway—leaving town so fast that he left behind his clothes and failed to pay his hotel bill, fleeing a possible encounter with the Federal Bureau of Investigation which had asked to talk to him about the events of that day.

And it is fair to ask if this judge had the strict application of Constitutional protections and institutional integrity, which he so vigorously urges upon this Senate today, in mind when he falsely testified regarding telephone records saying that they reflected calls which they clearly did not reflect; which he admits today they did not reflect.

None of us, not one of us denies that this respondent is entitled to due process under the law in these proceedings. But the American people and our institutions of constitutional government are also entitled to due process of law, and that is why the Senate should reject this motion to dismiss and try the 17 articles of impeachment which were voted by a vote 413-3 by the House of Representatives.

I thank the Senate for permitting me to make this presentation. The remainder of our presentation will be made by Representative SYNAR, by Representative GEKAS, and Representative FISH.

The PRESIDENT pro tempore. Thank you, Mr. BRYANT.

Mr. SYNAR will now continue the argument for the House. The House managers have 24 minutes and 40 seconds and some questions. And some questions.

Mr. SYNAR. Mr. President, Members of the Senate, Judge Hastings has argued to this body that article I through article XV of the articles of impeachment should be dismissed on the grounds that the House of Representatives unreasonably delayed the adoptions of the articles. He claims that the length of time between the offense and the adoption of these articles by the House violates the basic concept of fundamental fairness. The Senate should reject this argument and deny the respondent's motion. His position is without merit, factually, or legally.

The interval between Judge Hastings' misconduct and the adoption of articles of impeachment by the House of Representatives was neither extraordinary nor unfair.

The offense charged in article I, the bribery conspiracy between Judge Hastings and William Borders, occurred in 1981. The offenses charged in articles II through XV, the perjury committed by Judge Hastings at his criminal trial, occurred in February 1983. Seven and five years later respectively, on August 3, 1988, the House of Representatives impeached Judge Hastings for these and other offenses.

There is no statute of limitations applicable to the articles of impeachment, for neither the Constitution nor House or Senate rules require that articles be adopted by the House or presented to the Senate within any particular length of time. Therefore, as a matter of law, article I through article XV cannot be dismissed due to the time that has passed since the commission of the offenses.

Rather, Judge Hastings must be raising the equivalent of an equitable defense of laches, which requires a showing of inexcusable and unreasonable delay prejudicial to Judge Hastings. We believe that the laches defense should be rejected for four reasons.

First, the doctrine of laches does not apply to the Federal Government because the enforcement of public rights and the protection of the public interest cannot be terminated by the mere passage of time.

Second, even assuming that a laches defense were to apply to the House of Representatives, Judge Hastings delay argument has no merit. The time period between the commission of the offense and Judge Hastings' impeachment falls well within historic precedent. For example, in the impeachment proceeding for Judge Charles Swayne two of the six articles alleged offenses occurred more than 12 years prior to the adoption of the impeachment articles by the House of Representatives. Most recently, in the impeachment trial of Judge Harry Claiborne, 6 years elapsed between the misconduct and impeachment. The Senate has never dismissed consideration of articles of impeachment on the basis of the lapse of time.

Third, the adoption of articles I through XV was timely, proceeding in accordance with the mechanism specifically designed by the Congress to investigate the judiciary. Surely it is not inappropriate for the House to defer to this procedure adopted by the Congress.

Fourth, and most important, much of the time elapsed stems from litigation initiated by respondent or engendered by his opposition to the disclosure of grand jury and other documents to both the House of Representatives and the Investigating Committee of the Judicial Council of the Eleventh Circuit. For example, Judge Hastings litigated with both the House and the Judicial Investigating Committee to prevent access to relevant information and documents. The House was delayed approximately 1½ years in obtaining necessary information for its investigation because of Judge Hastings' tactics.

The respondent further claims that he has been prejudiced by delay is also without merit. Nearly all of the witnesses who will testify with respect to articles I through XV have testified under oath in other proceedings. The House will stipulate to the authenticity of this testimony. Three of the unavailable witnesses named by the respondent were never even called by respondent at his criminal trial, nor does he explain in any detail why their testimony is now so crucial to his defense. The other two unavailable witnesses listed by respondent have had their sworn testimony recorded in previous trials.

The members of the Subcommittee on Criminal Justice who investigated this matter were cognizant of our constitutional responsibility to make an informed and independent decision about whether Judge Hastings should be impeached. The investigation and hearings were conducted in that manner.

Shortly after the conclusion of the hearings which began in May 1988, the Committee on the Judiciary recommended adoption of 17 articles of impeachment. The House of Representatives adopted these articles 1 month later on August 3, 1988.

Members of the Senate, as a matter of public policy, the confidence of the public in the integrity of the judiciary is paramount. The public interest cannot be defeated by the argument that a corrupt judge should not be removed because the House of Representatives did not rush to judgment. Even if the defense was applicable to an impeachment proceeding that we look at today, the facts of this case clearly do not warrant dismissal of the articles. We ask you to reject Judge Hastings argument.

The PRESIDENT pro tempore. Mr. GEKAS will now continue the argument for the House.

Mr. GEKAS. Thank you, Mr. President, Members of the Senate. Alcee Hastings has filed, as part of his motions today, wants to dismiss the final article, article XVII, which in artful terms may be referred to as the omnibus article. In that particular article, the House of Representatives, in bringing this matter to you, has put together the accumulation of all the offenses that the record and the evidence disclose. This is a proper way in which to approach the totality of this case and to make the final impression on the Senate of the seriousness of this entire proceeding.

You have, as Members of the Senate, substantial precedent upon which to base a deliberation on that omnibus article because, as has been referred to by previous presentations here, five convictions were had on the floor of the Senate in its history and three of them specifically were founded on the ultimate omnibus article in those proceedings. In one or both of the others, the conviction was obtained even though no omnibus article appeared at all, meaning that of the convictions on the omnibus article, it was unanimous among the three convictions.

So precedent is with you in the consideration of the decision whether or not to consider the omnibus article. But beyond that, I think that the wording of the article itself, the omnibus article, demonstrates in careful and proper language what its meaning really is.

It says in article XVII after the preliminaries that the reason that we seek consideration of this article is that all these actions and conducts and misconducts on the part of Alcee Hastings undermine confidence in the integrity and impartiality of the judiciary and betray the trust of the people of the United States thereby bringing disrepute on the Federal courts in the administration of justice by the Federal courts.

That is the essence, that is the conclusion of all that have gathered as managers of the House in the proceedings thus far and which we carried to you with fervor and with the respectful request that you consider all of the evidence as a total picture of the conduct of Alcee Hastings.

Can you imagine in these proceedings, not just the corrupt bribery case that has been alluded to, but a Federal court judge fleeing from the scene, fleeing from Washington, DC, where the alleged bribery took place, fleeing, although he maintains he was never a part of it, fearful of responding to a

call by the FBI that they wished to discuss a matter with him, a Federal judge refusing, first of all, to acknowledge that a call was made by the FBI, refusing to meet with the FBI and then fleeing with as much haste and as much commotion as was possible to engender, fleeing the scene—this is a Federal judge we are talking about—does that betray the trust of the American people as outlined in the article? Does that damage the integrity of the Federal court system? Is it destructive of the very judicial process of which he is supposed to be a champion?

Can you imagine a Federal court judge purposely committing perjury in front of another judge, or a jury? Is this not destructive of the judicial process? Does this not betray the trust of the American people? These are the contents of this omnibus provision article XVII which Alcee Hastings wishes the Senate to dismiss.

And then can you conjure up the tragic picture of a wiretap situation in which the Congress of the United States has fashioned a statute that said it wanted to protect the wiretap syndrome from abuse by making sure that a judge would oversee and control the issuance and maintenance of a wiretap?

Can you conjure up the scene of a Federal judge who involves himself in one of these, signs an order, issues a wiretap and then himself, this Federal judge, leaks the information, discloses the pertinent information, putting at risk the lives of law enforcement officers and others involved in a possible investigation that was to ensure from that wiretap?

If that is not destructive of the judicial process, if that does not betray the trust by itself of the American people and their confidence in the integrity of the judicial system and does not poison everything that the judiciary means to America, then I do not know what does. And then when you put all of it together, omnibus article that it is, the totality, the series of events, the course of conduct, the course of misconduct, put it all together, you can see the vitality that article XVII carries to the final deliberations of the Senate of the United States. These acts of omission and commission, these acts destructive of the judicial process, act as a cancer on the body politic and cry out for excision and final decision by the Senate of the United States. I thank you.

The PRESIDENT pro tempore. Mr. FISH will conclude the argument on the part of the House. The managers have 12 minutes and 4 seconds left, and there are some questions. Mr. FISH, would you like to reserve some time for the questions?

Mr. FISH. Yes.

The PRESIDENT pro tempore. How much time would the House managers wish to reserve?

Mr. FISH. I think I will conclude in about 4 to 5 minutes, Mr. President.

The PRESIDENT pro tempore. You will conclude in 4 to 5 minutes. Very well.

Mr. FISH. Mr. President and Members of the Senate, for the reasons developed by my colleagues, we respectfully ask the Senate to deny Judge Hastings' motions to dismiss and to conduct a trial on all the articles of impeachment. The Senate in our view should afford Judge Hastings every reasonable opportunity at trial to refute the House's evidence but should not dispense with the trial process contemplated by the Constitution.

The imperative to "establish justice," to cite the words of the preamble, is a preeminent objective of our constituional democracy. We trust our judges to administer the law fairly and thus to protect the rights of all our citizens. Judge Hastings, however, subverted the rule of law by abusing judicial power for financial gain. He turned a criminal trial into a forum for deceit by offering fabricated evidence and false testimony.

Two juries reached irreconcilable verdicts: William Borders was convicted of engaging in the Borders-Hastings bribery conspiracy and Judge Hastings was acquitted. The Senate cannot correct the miscarriage of justice that resulted from Judge Hastings' misconduct at his criminal trial. But by the same token, the Senate, in our view, should not confer on him immunity from the impeachment-related consequences of his action.

The double jeopardy clause which protects individuals against successive criminal prosecutions for the same conduct has no application in the context of impeachment. Criminal trials and impeachment trials, under our constitutional scheme, are the responsibilities of separate branches of the National Government. Our constitutional founders viewed division of governmental powers as an indispensable safeguard for the protection of liberty. The fact that one branch of Government cannot both deprive certain public officials of their freedom and remove them from office is an important part of that constitutional blueprint.

An impeachment trial cannot be combined with a criminal trial in a single motion. The impossibility of joinder only underscores the fact that there is no unfairness in separate trials. In the United States, criminal charges and allegations of impeachable offenses simply are not susceptible to a unified disposition. The House of Representatives, which had no role in Judge Hastings' criminal trial, remains free to present at an impeachment trial evidence of impeachable conduct including evidence never considered by a jury.

The House of Representatives acting in a timely fashion adopted articles of impeachment citing numerous incidents of misconduct, each warranting removal from office. The pattern of wrongful acts is totally incompatible with judicial service.

There is no constitutional foundation for Judge Hastings' objections to proceeding with the trial on articles I through XV and on article XVII of the articles of impeachment. The managers, therefore, respectfully request that Judge Hastings' motions be rejected.

The PRESIDENT pro tempore. Senator METZENBAUM submits the following question to be addressed by counsel for the House managers: "If Judge Hastings can be charged with perjury for lying on his own criminal trial, can every acquitted defendant in a criminal case henceforth be charged with perjury for lying at his own trial? If not, why not?"

Mr. BRYANT. The question propounded by the Senator from Ohio relates to the procedures in the judicial branch. It does not relate to the procedures in the legislative branch which has reserved unto itself, or which has had explicitly delegated to it by the Constitution the power of impeachment, exclusive of all others. The answer to your question directly is that, yes, in the judicial branch, a person who is acquitted can later be tried for perjury for having lied at his trial. That is the direct answer.

The PRESIDENT pro tempore. Further question for the House managers by Mr. BIDEN: "Since we do not have the opportunity to hear all the evidence, all the witnesses, how much weight, if any, should we give to the fact that 12 of our fellow citizens did hear all the evidence presented by the Federal Government and found the judge not guilty, notwithstanding the fact that this is a remedial proceeding?"

Mr. BRYANT. That is the basic, the most important question which each of us considered as we took up this matter in the House, and it is one that worried all of us initially a great deal. The answer very plainly is this: There can be no deference paid by this body or by the House to the notion that somehow the judicial branch can have any impact on whether or not the House impeaches and whether or not the Senate convicts.

How much deference should be given to this jury verdict? It should be taken in the context of the exhaustive investigations and the unanimous vote of the Subcommittee on Criminal Jurisprudence, the exhaustive investigations of the chief investigator for the Judicial Council of the Eleventh Circuit and the vote of the Judicial Con-

ference of the United States, all alleging that perjury was committed, falsification of evidence took place in the trial which induced these jurors to reach their conclusion and not convict him. That is the most important point that I can make with regard to that trial.

The PRESIDENT pro tempore. The Chair has no further questions for the House managers. The Chair thanks the managers. Now the majority leader has a question for Mr. Anderson.

Mr. Anderson, you have 11 minutes and 16 seconds remaining. The question is as follows: "You argued that the charges now before the Senate are the same charges for which Judge Hastings was previously tried and acquitted. Articles V through XV allege that Judge Hastings made false statements in the course of that trial. Do you contend that the charges in articles V through XV are in fact the same charges for which he was previously tried and acquitted?"

Mr. ANDERSON. Under established jurisprudence, yes, sir, I do. I would direct the Senate's attention to note 41 in our opening brief, which is on page 64. At that time, I represented that the House had made no claim that a proper distinction could be drawn among these articles and I invited them to correct us if they were wrong in that view.

In their written response, they did not as a matter of therapy or therapeutic. I addressed the Senator's question in note 2 in our reply, at page 212. It has long been established that under Federal law the Government is collaterally estopped from claiming that a defendant who took the stand, denied the charges against him, proclaimed his innocence, and who was believed by a jury, could later be prosecuted for having lied, having told false testimony, in what the jury believed.

That principle has been accepted by the Supreme Court as so fundamental that it has become part of the due process clause and the double jeopardy protections that flow from that clause in applying it to State court proceedings.

Yes, we do claim. We submit the only articles that could conceivably fall outside that are the four telephone calls to Hemphill Pride. There is no dispute between Mr. Pride's testimony and the judge's that the calls were made. There is no question that Judge Hastings misidentified those numbers and offered them to corroborate a fact not in dispute.

I would ask the Senate, should you think a fair distinction can be drawn in light of the fact that we drew the issue out and asked the House to address it in writing, if there is any on your mind call for supplemental briefs. That simply is not the point that you are concerned with at this point.

Let me use balance of my——

The PRESIDING OFFICER. The Chair has an additional question addressed to Mr. GEKAS from Mr. LEVIN.

The Chair would suggest it might be better to proceed with the questions because counsel for respondent might wish to address some of the questions in his rebuttal.

Mr. LEVIN asked the question of Mr. GEKAS: "If the Senate, after hearing all the evidence, concludes that the evidence is insufficient to support a conviction on any of the first 16 articles of impeachment, putting aside precedent, could you explain how the Senate could logically conclude that the mere accumulation of that insufficient evidence could support a conviction under article 17?"

Mr. GEKAS. Under that hypothetical situation, I say to the President and Members of the Senate, if indeed all of that were to have occurred, the Senate could still convict on the omnibus article on the basis that all these acts, even if individually they did not add up under your hypothetical to a conviction on any one of them, but put all of that conduct together, that made up at least the allegations which you find insufficient or insufficient evidence, put them all together, you could still find as Members of the Senate that indeed Alcee Hastings violated the trust that is implicit in the positioning of an individual on the Federal bench and that indeed this was destructive of the judiciary in its form.

That is the purpose and the scope of the omnibus article. Standing alone, even though it is a sum total of all that happened before and all the other articles, it shows a sweeping betrayal by Alcee Hastings of the very essence of being a judge.

The flight, the machinations, the letters, the perjury, the lying, the betraying of a wiretap, all these things flowing down this stream of misconduct end up in a conclusion that under the 17th article this Alcee Hastings should no longer serve as a judge, even if under your hypothetical you could not find sufficient evidence to clear doubts that you might have on any one of those preceding articles.

The PRESIDENT pro tempore. Mr. Anderson, the Chair has two questions. The Chair would address them to the counsel. He may elect to answer them in the course of his rebuttal or may wish to answer them before proceeding with his rebuttal.

From Mr. BIDEN:

How do you respond to the case made by House managers that even if your double jeopardy arguments pertain they pertain to only four articles?

Mr. ANDERSON. Senator BIDEN, to the extent I was on notice that that was an argument that would be interjected, I have attempted to address it concisely in note 2 at page 212 of our reply.

Mr. Weingarten, an experienced prosecutor, a prosecutor who prosecuted in the Abscam case, who prosecuted Judge Walter Nixon, argued point by point to the jury the facts that have been given to you, the suggestion of Judge Hastings' flight, the dinner at the Fontainebleau, all of the facts with the exception of the four telephone calls were presented at trial. In order to convict Judge Hastings, the jury would have had to believe the judge's explanations were false. Point by point Mr. Weingarten said you must find that his testimony about the Fontainebleau fall and marshall circumstances, you must find this explanation of his sudden departure, his return to Miami false. You must ignore the fact that when he returned to Miami, he spoke to the FBI voluntarily, and freely for 2 hours on the evening of October 9. Mr. Weingarten argued it, and in words that are strangely reminiscent of the manager GEKAS. He said: "Can you believe a judge who would take the oath before you and tell a falsehood and must you not accept this as additional evidence of his guilt?"

The jury that heard the evidence on both sides said no. Established law creates a presumption, and quite apart from the barred prosecution. It creates a presumption of prosecutorial retaliation when the prosecutor loses once, and then claim the defendant's explanation must have been a lie, so we are going to prosecute him for perjury. You could have perpetual prosecution with no protection from double jeopardy.

The PRESIDENT pro tempore. Mr. Anderson, Senator BIDEN asks one additional question. "How do you respond to the historical evidence indicating that impeachments were not intended to be penal but were intended to be necessary in cases when the public trust has been abused? One example of such evidence is from Federalist No. 65 in which Publius wrote that impeachments 'Are of a political nature as they relate chiefly to injuries done immediately to the society itself.' Another example can be found in the writings of Joseph Story, who referred to impeachment as 'Not so much designed to punish an offender as to secure the state against gross official misdemeanors.' "

Mr. ANDERSON. Senator BIDEN, let me respond first to Publius who I think because he was one of the framers, is more germane, and let me then turn to Joseph Story.

You must, it seems to me the House and the defense, the respondent, have common ground. Impeachments in England were criminal. They had no other meaning. It was a unique form

of criminal proceedings. The House of Lords was not required to reach a unanimous verdict. It could convict on a simple majority. The House of Lords could separate the head as well as the holder from the office. That was punishment.

When you were talking, the House of Lords also had jurisdiction to try and convict for offense, political offenses, against the state which would not constitute crimes of ordinary law. In that context, the framers, and I think Hamilton's views confirm it, were concerned to confine the Senate's power to punishment to recognize the very fact that it could convict for political offenses that were not offenses under the ordinary laws should result in the restriction of its power to punish.

Let me respond to the historical—all proceedings initiated by the State are or should be remedial. To incarcerate an offender is remedial. It removes the offender from society and protects them.

All punishment, the death penalty, is remedial. A fine is remedial. That is not the distinction. The distinction is: Is it purely remedial or does it have a punitive aspect?

Hamilton called the punishment the power to doom to infamy, the power to banish to perpetual ostracism. We are not talking about a Merit Systems Protection Board proceeding should this man be removed from office. We are talking about the power of this body to order that he shall never be permitted to return.

Senator BIDEN, in reviewing the historical evidence, and as part of my rebuttal, let me pose six questions that I posed in reply that I have not heard addressed. Impeachment was criminal. That was its only means at the time the framers used it. It had no other meaning. Why did they choose the word if they wanted a different calling of the proceeding? Our doctrines give meaning to the words, the plain English, what they meant to the framers. It did not have any other meaning. They considered joint address, which would have been a remedial reading, and they rejected it.

But let me take you beyond the plain English. Why did the framers reject proposals that the standard be expanded to include maladministration, neglect of duty, and adopt instead—"borrow" in the words of Hamilton—the criminal political standard used in English impeachments, those that resulted in true punishment, treason, bribery, and other high crimes and misdemeanors. If these proceedings were to have none of the characteristics associated with those criminal proceedings, why did the framers include an exception to the general rule, the trial of all crimes, except in cases of impeachment, shall be by jury, unless they understood, in the absence of the exception, these were crimes that would have to be tried by a jury?

You cannot ignore that as surplusage. The established rule, in the presence of an exception, confirms the applicability of the general rule. They understood these were crimes, and that is why they created an exception, to permit them to be tried in the extraordinary process, and these impeachments are merely a remedial proceeding to remove an unfit officer from office; why the permanent disqualification? If cases of impeachment were not to be criminal in nature and the sanction of permanent disqualification was not intended as punishment, why did the framers find it necessary, and what meaning can you give their words, to include a further exception to the power that authorizes the President to grant reprieves and pardons, for offenses against the United States, except in cases of impeachment; why the exception? The President has no power to relieve me from a civil or remedial event. If you enter judgment in court down here for a hundred dollars, the President cannot effect that. The President's power extends to that which is an offense. The exception is this. The framers must have meant something by it.

Presence of the exception confirms the existence of the rule. Most important, the very clause upon which the House relies, in cases of impeachment, are not criminal in nature. In any event, why did the framers conclude that express exception to the general rule was necessary to assure that a party convicted in a case of impeachment will nevertheless be liable and subject to indictment, trial, judgment, punishment according to the law? Why the exception?

We don't need those exceptions. I can be tried by the merit system, if I were a Federal official, and booted out of office. This would be no problem. You wouldn't need exceptions to say that I can also be indicted and tried. The presence of the exception confirms the rule.

The framers knew the difference between a conviction and impeachment. I am now told that the historical evidence suggests, or the House managers urge the historical evidence suggests this is remedial. I have for 25 years, since I went to law school, been told, as have most lawyers and most law students, to look at Black's Law Dictionary as the standard to find out what the word means. I went back and looked at Black's Law Dictionary. In fact, my client, who knows these things better than I do, told me to. Impeachment has been defined the same by Black's Law Dictionary for 100 years, and it is the same in the fifth edition. Impeachment is a "A criminal proceeding against a public officer before a quasi-political court instituted by written accusations called articles of impeachment."

How is it that the historical evidence eluded through five editions, in over 100 years, the author and editors of Black's Law Dictionary—I agree with Justice Story. You have the power to try political offenses, but so did Parliament. I agree with Justice Story. There are characteristics in impeachments that are unique, but they were criminal proceedings in England, and they remain criminal in significant respects here.

Mr. President, with what time remains, I will try to respond briefly to a few other points.

The PRESIDENT pro tempore. Counsel is advised that only 5 seconds remain.

Mr. ANDERSON. In the 5 seconds, this is not an attack on Judge Gignoux, but Reid Weingarten, when the man suggests this is a tainted verdict. Reid Weingarten and Robert Richter argued that he was guilty. The jury rejected it.

Mr. MITCHELL. Mr. President, I ask unanimous consent that Mr. Anderson be permitted to address the Senate for 2 more minutes, in order to complete his argument.

The PRESIDENT pro tempore. Without objection, it is so ordered. Mr. Anderson may proceed for 2 more minutes.

Mr. ANDERSON. I cannot respond to everything, but there is one thing that deeply concerns me. I respect the managers. They are prosecutors, and they should take the broadest view of their powers and argue it before you. When I have practiced in court, there is something called the "golden rule." It is not for the prosecutor to proclaim the conclusion. This man is presumed innocent, and he is not guilty. When you say this was somehow missed, acting out at trial, a tainted verdict, understand what they are challenging. They are not challenging this man. Former Chief Justice Warren Burger selected the judge who would preside. He selected a distinguished district judge and a member of the Judicial Conference of the United States, Edward Thaxter Gignoux. The public integrity section selected experienced trial lawyers to develop and present the case. Robert Richter has gone on to be a judge. Reid Weingarten has gone into private practice. Those persons, as well as this judge, participated in the selection of that jury, and all were satisfied.

No one questioned the competence of the prosecutors. No one questioned the competence of Judge Gignoux. No one questioned the competence of the jurors. Judge Gignoux, who was a tough judge, knew how to run a courtroom. He knew how to conduct a trial that was fair. He conducted a trial, and the Government has never sug-

gested otherwise. When you say this is a tainted jury verdict, it means that the chief judge of the United States, Chief Justice, cannot properly select a judge who can conduct a fair trial, and given 18 months, the Justice Department cannot put on a prosecution.

Judge Hastings was acquitted. Even if—this is the story of our Nation's life—we grant extra protection to judges, all the facts that have been mentioned, with the exception of the four telephone calls, are facts that Reid Weingarten argued to the jury. There is no new evidence, no new allegations. It was considered by an American jury, and it was rejected. Too much time has passed. Thank you.

The PRESIDENT pro tempore. The additional time has expired.

The Chair thanks the respondent, his counsel, and the managers on the part of the House.

The Chair recognizes the majority leader.

Mr. MITCHELL. Mr. President, do I understand that the managers would like 2 additional minutes to make a final response?

Mr. BRYANT. Yes.

Mr. MITCHELL. I ask unanimous consent that the House manager be given additional minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BRYANT. We are very grateful to the President of the Senate for allowing us to speak just briefly.

I would urge each Member of this Senate, if you are not well versed in the procedures of jurisprudence, to speak with your clerks, to speak with any reputable source. No one at any level of jurisprudential activity quotes Black's Law Dictionary as precedent for anything. The idea that it would be quoted on the floor of this Senate in a matter of this magnitude, in my opinion, is reprehensible.

The PRESIDENT pro tempore. The Chair recognizes the majority leader.

ORDER FOR CLOSED-DOOR DELIBERATIONS

Mr. MITCHELL. Mr. President, pursuant to impeachment rule 20 I move that upon the establishment of a quorum tomorrow, pursuant to the previous order providing for a live quorum starting at 2 p.m., the doors of the Senate be closed while the Senate is deliberating upon its decision.

The PRESIDENT pro tempore. Without objection, the motion is agreed to.

Pursuant to the previous order, this concludes the Senate consideration today of the articles of impeachment.

The Senate will begin its closed-door deliberations on motions tomorrow at 2:15 p.m., following the live quorum call that shall begin at 2 p.m.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I now ask unanimous consent that there be a period of morning business not to extend beyond the hour of 5:30 p.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The Chair recognizes the Senator from Missouri.

There will be order in the Senate. There will be order in the galleries. Let the Senate be in order?

The time is not being charged against the Senator from Missouri, the Chair will state.

The Senator from Missouri, Mr. DANFORTH, will be recognized for 5 minutes.

The PRESIDING OFFICER (Mr. ROBB). The Senator from Arkansas [Mr. PRYOR] is recognized.

Mr. PRYOR. Mr. President, if I had to attach a title to this statement I am going to make, which will not be long, I think I would entitle it FSLIC to All Foreign Investors Worldwide: Have We Got a Deal for You!

Mr. President, I rise today to bring to the Senate's attention activities of the Federal Savings and Loan Insurance Corporation [FSLIC], which I find most troubling.

On March 5 of this year, the Washington Post reported that a real estate marketer working for the FSLIC conducted a seminar at the U.S. Embassy in London, England, at which properties repossessed from failed savings and loans by the FSLIC were offered for sale to wealthy European investors. The headline of this article in the Post, Mr. President, disturbingly described the event as The Selling of America.

If this overseas marketing of U.S. properties is successful, it will represent a continuation of the process of foreign acquisition of U.S. assets. In downtown Los Angeles, for example, nearly three-quarters of the office market space will soon be owned by foreigners, mostly by the Japanese. Here in the District of Columbia, foreign investors own 23 percent of the office space in our Nation's Capital. In the State of Maine, the figure is some 25 percent and in downtown Atlanta it is 10 percent.

Some might think these figures alarming, and they are certainly significant. I am not an alarmist, Mr. President. I do not intend to demagog the issue and frighten everyone that the imminent takeover of U.S. assets by foreigners is about to occur. Foreign ownership and control of U.S. assets certainly raises very serious questions for U.S. sovereignty and the U.S. economy which must be discussed, but there are other serious issues involved here about which there can be no question. These issues concern whether the FSLIC is responsibly discharging its duty to recoup the moneys invested in these properties by failed savings and loans.

The S&L situation in the United States is a mess. Mr. President, we are about to make it messier. It is too late to go back; it is too late to change some of those past mistakes. Billions of dollars have been squandered. The American taxpayer is going to end up bearing a major part of the cost of paying off depositors who place their money in Government-insured accounts.

The sale of assets seized from failed S&L's is a way to pay for some of this bailout cost. I want to at least be sure that these sales are handled effectively, efficiently, and honestly so that the American taxpayer gets a fair price for the assets that he or she ultimately owns.

The Washington Post article gives me a reason to question and to pause as to whether the FSLIC is handling these sales in a professional and thoughtful manner. The Post article reports that the FSLIC's role in these sales was kept a secret until the day of the seminar and that no one from FSLIC was even present at the seminar.

What is the reason, Mr. President, for this secrecy? Is there something going on here that the FSLIC would not like us to know?

Let me, if I might, Mr. President, read two or three paragraphs from the March 15 Washington Post story written by Kathleen Day.

> The largest landowner in America put its property on the block in London last week to try to get foreigners to help pay the cost of rescuing the U.S. savings and loan industry.
>
> The Federal Savings and Loan Insurance Corp., which has inherited an estimated $10 billion in real estate from failed thrifts, offered the entire portfolio to European investors who might like to own a U.S. shopping center, bowling alley, motel or office building.
>
> More than 150 wealthy investors attended the seminar, which was held at the U.S. Embassy. Potential bidders were lured by advertisements that said FSLIC's real estate could be purchased at "extremely advantageous" prices.
>
> "The response has been tremendous," said Ken Miller, a New York real estate marketer who represents FSLIC in Europe.

Quoting further in the story, Mr. President:

> Miller's company, Miller Marketing Network Ltd., will get a fee for every property it sells on behalf of the FSLIC. The properties can be purchased separately or in bundles, according to bank board officials.
>
> "We have direct access with the folks in Washington and they can be flexible," Miller Marketing spokesman Bruce Mortimer told the audience attending the London seminar. The FSLIC officials had no comment except to confirm that Miller represents the agency in selling property.

The last time we saw secrecy of this type by the FSLIC was during the consummation of the ill-fated December deals when Danny Wall unilaterally committed this Government, our tax-

payers, to billions of dollars of Government guarantees to financiers who took over failed savings and loan associations. Many of these were sweetheart deals, Mr. President.

Now, are we about to go down the same road again, not with investors in our country but with investors in foreign countries buying America? Is there another Danny Wall out there acting unilaterally, this time to transfer billions of dollars of U.S. property to foreigners? Just who is responsible for making the decision to attempt these foreign sales? With all this secrecy that surrounds these decisions it is hard to tell who is actually responsible.

We do we have to get these developments from the press? And why is it that we in Congress are not informed of these extremely far-reaching policy decisions that could affect generations to come?

Why was no one from the FSLIC present at this sales seminar in our Embassy in London, England? Am I to believe that some flashy real estate promoter was in London without a Government representative present offering a multibillion dollar Government portfolio of U.S. real estate for sale to foreigners at fire sale prices?

I hope that this particular real estate promoter hired by the FSLIC, Mr. Ken Miller, is not the one making up all the decisions. When the Post reporter questioned Mr. Miller about the partners in his real estate advertising firm Miller, Addison & Steele, Mr. Miller claimed Addison & Steele "became his partners 12 years ago" but since "had died." Mr. Miller eventually conceded that Addison and Steele, who were English satirists, have been dead for 200 years. Well, who is being satirized in this case? Will Mr. Miller be laughing all the way to the bank? Will the American taxpayer be holding the bag? Will we be paying Mr. Miller's fees for years to come?

The most disturbing information contained in the Post article concerns the way in which this sale was promoted in London. Advertisements for the sale said that the real estate at the sale would be offered at "extremely advantageous" prices. Mr. President, it sounds to me like the FSLIC is conducting a fire sale of U.S. assets. It appears that the FSLIC is giving new meaning to the slogan "Buy America." Has the FSLIC taken a thoughtful, considered approach to these sales, or is it acting like a desperate man who, after a night of gambling, runs out to the first pawn shop he can find to hock his property and turn a quick buck. The American taxpayer is going to end up paying for this property once through the bailout. Are the taxpayers now going to end up paying for it again when they subsidize a bargain-basement sale to foreigners?

Will American buyers be given an equal opportunity to purchase these same properties at an equal or a greater price? These questions have not been answered.

Finally Mr. President, I am worried about the possibility of cronyism and favoritism in the handling of these sales. At the seminar in London, a spokesman for Mr. Miller's group claimed that they had "direct access with the folks in Washington, and they can be flexible." How was Mr. Miller and Mr. Miller's firm chosen to handle this deal? Is this the same type of flexibility that crooked savings and loan executives showed their buddies when they made risky, foolish loans that got us into this mess in the first place. Who stands to profit from this deal?

Mr. President, in an effort to do something about this problem I am sending a letter to Treasury Secretary Brady tomorrow asking him to declare a moratorium on foreign marketing and sales by the FSLIC until we have had a chance to thoroughly study the situation.

At least, Mr. President, we can stop these foreign sales, declare a moratorium until we in the Senate and in the House send to the President that legislation, perhaps the legislation that he himself has proposed, which finally establishes some rules and regulations for the S&L industry. We can at least wait that long. I would hate to wake up in six months and find out that the U.S. Government irretrievably transferred billions of dollars of American property to foreigners without the Congress or the American people even knowing about the sales. Before the FSLIC proceeds any further, I think the public deserve answers to a few questions: what efforts were made to sell these assets domestically before going overseas; how did FSLIC choose Mr. Miller to represent U.S. interests overseas; can he represent these interests properly; why was he unsupervised in London; will these sales overseas be the best way for the savings and loan insurance fund to recoup funds for the taxpayer; and what will the long term security and economic impact for the country be if these sales go through? Mr. President I hope that all members of the Senate will join me in my efforts to have this moratorium on these types of foreign sales imposed so that we can prevent this country from being further damaged by the savings and loan crisis.

Mr. President, I ask unanimous consent that a Washington Post article dated March 5, 1989, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SELLING OF AMERICA—BY FSLIC; AGENCY OFFERS U.S. PROPERTIES TO FOREIGNERS TO AID S&L RESCUE

(By Kathleen Day)

The largest landowner in America put its property on the block in London last week to try to get foreigners to help pay the cost of rescuing the U.S. savings and loan industry.

The Federal Savings and Loan Insurance Corp., which has inherited an estimated $10 billion in real estate from failed thrifts, offered the entire portfolio to European investors who might like to own a U.S. shopping center, bowling alley, motel or office building.

More than 150 wealthy investors attended the seminar, which was held at the U.S. Embassy. Potential bidders were lured by advertisements that said FSLIC's real estate could be purchased at "extremely advantageous" prices.

"The response has been tremendous," said Ken Miller, a New York real estate marketer who represents FSLIC in Europe.

Another real estate seller from the United States who has been heavily tied to the S&L crisis also participated in the seminar. Texas developer Craig Hall offered property in Dallas, Reston, Va., and Cockeysville, Md. Hall became a center of controversy two years ago when Speaker of the House Jim Wright (D-Tex.) pressured federal S&L regulators at the FSLIC to ease up on their efforts to make Hall repay loans to ailing S&Ls.

Savings and loan institutions were created to promote home ownership in the United States, but the S&L crisis has become so severe that the industry may well end up playing a role in what has been described as the selling of America.

In the mid-1980s, Congress and the Reagan administration deregulated the S&L industry, allowing it to enter the commercial real estate business and other new ventures. Many of the deals foundered, bankrupting S&Ls and leaving the government to pick up the pieces.

The hundreds of S&Ls that have failed since 1980 have left thousands of repossessed properties in the lap of the FSLIC, an amount of real estate so vast and of such questionable value that the government is having trouble disposing of it.

The government has been trying to sell the property in this country. But because much of it is in regions such as Texas, where the bottom has fallen out of the real estate market, the effort has had little success.

The agency hopes it will have better luck abroad. Cash from the sales would be used to help close hundreds of ailing S&Ls and pay of depositors.

But the prospect of the government selling billions of dollars in real estate to overseas investors comes at a time of rising concern over foreign acquisition of U.S. property.

No one knows exactly how much real estate is now in foreign hands because there is no comprehensive, continuing system for tracking. At this point it is believed to encompass less than 2 percent of all property holdings in the United States. But the percentage, particularly in a few key markets, is growing steadily.

In downtown Los Angeles, for example, nearly three-quarters of the office market will soon be owned by foreigners, mostly Japanese, up from 64 percent in 1988 and 51

percent in 1987, according to real estate industry studies.

Foreign investors, mostly Japanese, British, Canadian and Dutch, own 23 percent of the office market in the District. Foreigners own 10 percent of the property in Maine and 25 percent in downtown Atlanta. They own large stakes in San Francisco and New York City, including many landmark buildings.

The trend has divided America philosophically. Those who are uncomfortable with it say, in the words of Rep. John Bryant (D-Tex.), that America "is selling off its family jewels to pay for a seven-year night on the town." But others find a stabilizing trend in foreign investments—those who own property in the United States will want to protect the nation's interests, they reason.

"Why shouldn't we be selling property overseas?" said bank board spokesman Karl Hoyle.

Miller's company, Miller Marketing Network Ltd., will get a fee for every property it sells on behalf of the FSLIC. The properties can be purchased separately or in bundles, according to bank board officials.

"We have direct access with the folks in Washington and they can be flexible," Miller Marketing spokesman Bruce Mortimer told the audience attending the London seminar. The FSLIC officials had no comment except to confirm that Miller represents the agency in selling property.

The FSLIC has offered a few properties abroad before, but never on a grand a scale or with so much secrecy—it revealed its role to bidders only minutes before the seminar began. Among the FSLIC properties Miller offered last were:

Sugarloaf Hunting Lodge, on 18,000 acres in Wichita Falls, Tex., offered for $2.5 million.

Greentree Shopping Center in Naples, Fla., a facility on 24 acres selling for $7.25 million.

The Mutiny Hotel in Coconut Grove, Fla, selling for $9.5 million.

Miller's presentation opened with a slide show of America. The slides, some of which were upside down, were accompanied by music—a crackling version of "New York, New York" from a tape recorder held up to a microphone by Miller, according to one person at the conference.

Miller has said in the past that many of his clients in London are "the wealthy unconnected," including ethnic minorities who feel snubbed by the British establishment. But he said last week's seminar attracted a broad range of prospective buyers.

Paul Mitchell, a partner in the international real estate firm of Knight Frank & Rutley who attended to seminar, said he was particularly interested in new office buildings in major cities and in regional shopping centers.

He said that his customers range from individuals to large pension funds, and that if they all were able to buy all of the U.S. properties they wanted, the investments would amount to billions of dollars.

"The problem is whether you can find enough of the right quality," Mitchell said. "There's plenty of rubbish out there."

Miller said he plans similar seminars in West Germany and Austria, and possibly Japan, later this year.

The FSLIC's role was kept secret until the day of the seminar. Participants were told only that "principals of the largest real estate portfolio in the world will be presenting their American assets exclusively at this conference."

In fact, no one from the FSLIC attended. Dawn White, chief of corporate assets at the FSLIC, had to cancel her trip at the last minute because the FSLIC was being reorganized, Miller said. White did not return telephone calls and a bank board spokesman said she was unavailable for comment.

Miller has several real estate companies he operates from New York. In addition to Miller Marketing, which markets real estate and brokers deals, he said he has a real estate advertising company called Miller, Addison & Steele.

Questioned about Addision and Steele, Miller said they became his partners 12 years ago when he formed the company but "had died.'

Eventually Miller conceded that Addison and Steele "have been dead for 200 years."

Joseph Addison and Sir Richard Steel, who lived in the 1700s, are best known for having founded several gossip and literary journals, including the Tatler and the Spectator.

The PRESIDING OFFICER. The Senator from Michigan [Mr. LEVIN], is recognized.

JIM O'HARA

Mr. LEVIN. Mr. President, the night before last former Congressman Jim O'Hara died after a short illness. He was 63.

Jim served in the House for 18 years. He came to Washington, in what turned out to be a historic year, 1959. The year Jim O'Hara became a Member of the House and Phil Hart came to the Senate. By the end of their careers in 1977, they had both become institutions. Credits to Congress and credits to Michigan.

Jim was a great legislative craftsman. He knew how to draft legislation. And he knew how to get legislation passed.

As chairman of the House Post-Secondary Education Subcommittee, Jim produced landmark laws including the act that created the Guaranteed Student Loan Program. It is thanks to that program—thanks to Jim's work—that millions of kids have been able to go to college.

Jim was also one of the key figures in producing such other Great Society legislation as the Job Corps, Operation Head Start, Medicaid, Medicare, civil rights laws, the Clean Air Act, and the Clean Water Act.

In Michigan, Jim was known as Mr. Macomb County Democrat. Macomb County was, as all Michigan was, the beneficiary of the respect—and the clout—Jim had in Washington.

Jim also served as chairman of the Democratic Study Group in the later 1960's. He chaired the Commission on Rules of the Democratic National Committee from 1969 to 1972. And he served as chairman of the Rules Committee and as parliamentarian of the Democratic National Convention of 1972.

Many of the studies that will be written about Jim O'Hara will note, as I have, that he was a great craftsman. But it must also be said that he was a legislative craftsman with a cause. In fact, with many causes, Jim used the rules. He used the system to advance the interest of working Americans. To make their lives more secure. And to improve the quality of life of their kids.

Mr. President, we will miss Jim O'Hara. He was one of the greats who remained gentle and unpretentious. His life, his work, made a difference to millions of Americans. I'm proud to have been his friend. My wife, Barbara, and I join Jim's wife, Susan, their children, his sister and brother in mourning Jim's loss. We shall miss him and remember him.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

(The remarks of Mr. HEFLIN pertaining to the introduction of legislation are located in today's RECORD under "Statements On Introduced Bills And Joint Resolutions.")

WEATHER SATELLITE FAILURE

Mr. HEFLIN. Mr. President, recently, one of our country's two weather satellites failed, placing us in the precarious position of having only one geostationary weather satellite [GOES] in orbit for the next 18 months.

The failure of this satellite has serious repercussions for many people—for the farmer who depends on the weather forecast to protect his livelihood, the family living in a coastal area which depends on the weather forecast to warn them of approaching hurricanes, and the people living in the Western areas of our country who depend on weather forecasts to protect themselves from the dangers of heavy snow storms.

Whether we know it or not, we all depend on the GOES satellite system. Together, these satellites monitor the Earth's atmosphere from more than 22,000 miles in space, and send signals that are processed into the large-scale, moving images of cloud patterns which we see on television weather forecasts and in the newspapers each day.

Now that the failed satellite, known as GOES-West, is no longer operational, its companion satellite in the East will be shifted to monitor the entire country. According to the National Oceanic and Atmospheric Administration [NOAA], the agency which operates the satellites GOES-East will be kept in an easterly position for the hurricane season and moved west during the severe winter storm season. While NOAA says that one satellite will be able to monitor all of the continental United States and provide us with adequate weather coverage, a

centrally located GOES cannot see much of either the Atlantic or Pacific Oceans which produce most of our unexpected severe weather. This situation naturally concerns me as it raises serious questions about our ability now to detect major storm systems.

Unfortunately, this is not the first time that our country has been forced to rely on only one weather satellite. In 1984, a GOES satellite unexpectedly failed and 2 years later, its replacement was destroyed during the launch failure of a NASA Delta rocket. At that time, we were forced to operate with only one GOES satellite for about 2½ to 3 years.

Subsequent to that 1984 satellite failure, a hearing was held before the Subcommittee on Science, Technology, and Space of the Committee on Commerce, Science, and Transportation regarding recent weather satellite failures. I testifed at that hearing where we discussed the difficulties of having only one satellite in orbit and the catastrophe which would exist if the one remaining satellite were to fail. Mr. President, many of the same things about which I expressed concern at that hearing 4½ years ago still bother me today—the coverage gaps which occur when only one satellite is in orbit and the risks which we take by not keeping a backup satellite. However, in addition to these same issues, there are some new problems with our Nation's satellite program and these problems concern me greatly.

Mr. President, NOAA has run into some difficulties with GOES-I, the spacecraft which will replace the most recently failed GOES satellite. At present, Ford Aerospace, the company building the satellite, estimates that this replacement will be delivered 9 months behind schedule, in March 1990, and will be launched in July of that year.

In addition to these time delays, NOAA is also faced with a $200 million cost overrun on this contract. In this regard, I commend my colleague, Senator HOLLINGS, for his work last year to obtain a General Accounting Office [GAO] study of the procurement policy with respect to this weather satellite. I am hopeful that this study will soon be released and will help us avoid similar contractual problems with future weather satellites.

An effective GOES satellite system benefits every citizen in our country. It is one of our few defenses against hurricanes, tornadoes, severe thunderstorms, flash floods, severe squall lines, downbursts, and heavy snows which cause untold damage every year in loss of life and loss of property.

I strongly urge my colleagues to remember the economic and physical security which these satellites provide and I hope that they will join me in strongly supporting the GOES program during these difficult times.

L.O. BISHOP

Mr. HEFLIN. Mr. President, L.O. Bishop, a prominent west Colbert County farmer and a friend of mine who is also the vice president of the Alabama Farmers Federation, has been recently named the Shoals Citizen of the Year. L.O. Bishop is a renowned hog farmer and he has produced barbecue which is unsurpassed by any of the barbecue makers of America. He occupies a unique position as the superb barbecue cooker and preparer of Alabama and the Nation.

Mr. FOWLER. Does he slice it or does he dice it?

Mr. HEFLIN. Both ways. His is known as hog-house barbecue, and it is prepared either way.

Mr. President, I ask unanimous consent that a statement from the Shoals Spillway naming him the 25th Shoals Citizen of the Year to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

L.O. BISHOP NAMED TO RECEIVE AWARD

FLORENCE.—L.O. Bishop, a prominent West Colbert farmer and Alabama businessman, has been named "Shoals Citizen of the Year". Bishop will be presented as the 25th recipient of the award February 28 at the annual Chamber of Commerce banquet.

Bishop is president of Colbert Farmers Federation, first vice president of Alabama Farmers Federation, and an officer of ALFA. He serves on the board of directors of several organizations including the Central Banks of the Quad-Cities, Farm Bureau, and the Chamber of Commerce of the Shoals. He also serves on the board of deacons of the Allsboro Cumberland Presbyterian Church.

Bishop has actively supported and participated in practically all phases of Colbert County farm activities since the late 1940's. He has been active in 4-H Club work, holding all local club offices including county council president. He was the state safety award winner and Alabama representative to the National 4-H Congress in 1951. He and his wife, Grace, were chosen Outstanding Young Farm Family by the Alabama Farm Bureau in 1966 and he was the recipient of the Colbert County Leadership Award in 1977. In 1981 he received the Distinguished Farmer Award for Alabama, and in 1985 was selected as one of the Shoals' top 10 leaders by a Times Daily survey. He has served on the state Young People's Committee of the Alabama Farm Bureau and was chairman of the state Farm Bureau Pork Committee.

Bishop is one of the most innovative farmers in Alabama and has taken a relatively small family farm and fitted it to two main enterprises, swine and cotton. He constantly produces top yields of cotton and sells approximately 2,500 top hogs per year. His hogs bring top prices at the marketplace and provide the basis for his family operated barbecue business and a line of packaged barbecue products available in local supermarkets.

Bishop and his wife, Grace have developed a reputation for hosting the best barbecues yard parties in the area. With the help of their three children, Luther, Darlene and Patty, the Bishops feed hundreds from their barbecue pavilion at Bishop, Alabama, including all who make the bus during the annual Farm-City Week tours.

HENRY HAMILTON HUTCHINSON

Mr. HEFLIN. Mr. President, recently Dr. Henry Hamilton Hutchinson of Montgomery, AL, retired after 40 years of outstanding and distinguished service in the practice of medicine in Montgomery, AL. He is a unique individual, a very warm personal friend of mine, and a physician who has cared for many people over a long period of time.

Mr. President, I ask unanimous consent that a statement concerning Dr. Henry Hamilton Hutchinson be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HENRY HAMILTON HUTCHINSON

Dr. Henry Hamilton Hutchinson was born August 9, 1919 in Montgomery, Alabama, the son of Colonel Henry Hamilton and Ruth (Roper) Hutchinson. He attended Baldwin Junior High School and graduated from Sidney Lanier High School in 1937.

Dr. Hutchinson attended the University of Alabama from 1938-41 studying Pre-Med and subsequently earned his medical degree in 1944 from Washington University in St. Louis, Missouri.

The year 1944 was also a good year for Ham as it was on September 6, 1944, that he was married to Laura Thornton of Montgomery. Dr. Hutchinson was a medical officer in the U.S. Navy during World War II.

In 1949, Dr. Hutchinson returned to Montgomery to enter the private practice of medicine with offices in the Bell Building. In 1953, he was called back for service in the Navy. In 1954, he returned to Montgomery and joined practice with Dr. Ross McBryde.

During his almost 40 years of practicing medicine in Montgomery, Dr. Hutchinson has received many honors and awards for his dedication, hard work and commitment to an outstanding career in the practice of medicine. His peers, his friends, we—his patients—have paid honor to him during his illustrious career as "Our Doctor".

Dr. Hutchinson served as Chief-of-Staff of St. Margaret's Hospital. He is a past president of the Montgomery County Medical Association. He has served as a member of the Board of Trustees and Board of Censors of the Medical Association of the State of Alabama. In 1979 his fellow doctors honored him by electing him president of the Medical Association of the State of Alabama. He is also a past president of the Alabama Heart Association.

In 1987 he was named the first Medical Director of the Life Flight helicopter program at St. Margaret's Hospital.

Ham Hutchinson is an active member of St. John's Episcopal Church where he is a member of the Vestry and a Senior Warden.

Dr. Hutchinson retired from the active practice of medicine on December 30, 1988, leaving a tremendous vacancy in the medical community of Montgomery. For almost 40 years he not only practiced good medicine, but he practiced being a good friend to literally thousands of patients.

All of us love him * * * and love his family.

Ham and Laura Hutchinson have six children: Hank, Clay, Kate (Mrs. Henry Barnett), Laura (Mrs. Al Thompson), Ruthie (Mrs. Julian Thomas), Mary (Mrs. Charles Bonham) and eleven grandchildren.

REV. PAUL PROPST

Mr. HEFLIN. Mr. President, I would like to have printed in the RECORD an article from the United Methodist Christian Advocate on January 13, 1989, concerning Rev. Paul Propst, who is a retired United Methodist minister. Paul Propst is a fine individual who started what is called the "Lambs" program by which small children in church would receive attention and a lesson would be given as a part of the entire church program for that particular Sunday.

Mr. President, I ask unanimous consent that this be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the United Methodist Christian Advocate, Jan. 13, 1989]

PROPST BEGAN "LAMBS" PROGRAM

(By Rev. Paul Owen)

I recently had the privilege of visiting the home of the Rev. Paul Propst, a retired United Methodist minister in our conference, who is now homebound because of infirmity. Brother Propst has been a friend of mine for many years.

I found no sad, dejected person, but rather found Brother Propst to be of keen mind, reliving highlights of his forty years in the pastorate, and still enthusiastic about the possibilities of the Christian ministry.

I realized that he was the originator of object-lesson preaching to children, which he titled "feeding the Lambs." I also knew that the success of that emphasis has been so far-reaching that preaching to children during the morning worship service is included, not only in many United Methodist churches, but also in services of other denominations in Alabama and in many other states. Two recent visitors to Alabama gave glowing reports of the Lambs program in their United Methodist and Presbyterian churches in South Carolina and Virginia.

I asked Brother Propst how this program came about and how a minister might successfully carry it out. Not realizing that this article would be written, he replied in the following detail:

"From the time of my first appointment as a minister of a church in 1933, children have held a place of high priority in my pastorates. I have said many times, 'A day is never complete until I have looked into the face of a child.' "

This love for children and a desire for their spiritual training led me to conduct special children's services during the week, but then I soon conceived the plan of giving children a special place in the morning worship service.

When I first arrived at my pastorate in 1950, I found that children were present in great numbers for Sunday School, but when it came time for the 11:00 o'clock service only a handful of children were present. Instituting "Feeding the Lambs" program corrected that situation. The children did not have to be coerced to stay for the 11:00 service—they wanted to stay. And thus the plan for the "Feeding the Lambs" program was born, in keeping with Chirst's words as recorded in St. John 21:15: "Feed my lambs.'

"If a minister is to carry out this work successfully, the first requisite is that he must love children, and the second requisite is that he must be willing to give sufficient time to its preparation and execution so that the message will hold the children's attention as well as that of the congregation.

"To keep from disrupting the service, I had the children, ages, four through eleven, to sit in the front of the sanctuary in reserved pews, with a pre-appointed parent sitting on each pew to be sure the children were quiet during the service preliminaries. After the morning prayer, I walked down in front of the children, holding an object in my hand, from which I taught a spiritual lesson.

I emphasize that I always used an object. Use of an object imprints the lesson in the minds of the children (and the congregation) so it is not easily forgotten. I have had many children tell me that certain object lessons were indelibly recalled years after the lesson.

"I spoke to the Lambs in simple terms that could be understood by a child.

"After the object lesson, I knelt with the children around the altar and we prayed together the Lord's Prayer. Oftentimes the altar was so crowded that all Lambs could not reach the altar rail but had to kneel on the floor. Small children sometimes stumbled through the prayer, but they soon learned to pray it, or at least a part of it. There is nothing more impressive than hearing children pray! At the conclusion of the prayer, I asked the Lambs to go sit with their parents, or to go to Children's Church, as was the case.

"An added dimension to this plan was that of teaching the Lambs to; give to; the Church. Each child was presented a small barrel on which his or her name had been inscribed. When those barrels were filled, whether with pennies or larger coins, they were turned in to me before or after the church service. When sufficient money had been given, a gift was presented to the church.

"I, along with two or three committee members, decided what gift the church needed most, and that gift was announced just before the object lesson was given. The Lambs' faces beamed when it was announced that they were giving the gift to the church!

"The amount of money given by the Lambs for these gifts amazed everyone.

"Along with other much-needed items, gifts to one church included two pianos, paraments, a flourescent light for the organ, replated candlesticks, kneeling pads for the altar rail, new sanctuary doors, flood lights for the front of the church, as well as a donation of $200 to the church memorial fund.

"In addition to teaching the children to give to the church, they were taught regular attendance. If a child missed consistently, I telephoned him to tell him that he was missed * * * this personal interest meant much to the child.

"In most churches this program was enthusiastically received from its inception. In only one church was this program slow in getting started, but then it gained momentum until it is now a highlight of the morning service."

The use of this special children's emphasis occurred because one man had a great love for children and a vision of the impact "Feeding the Lambs" program could have on their character. Adults who were Lambs in their formative years attest to the great influence this emphasis had on their lives. three of Brother Propst's former Lambs are ministers, and all of them are enthusiastic about the Lambs program.

While Brother Propst was my pastor at my home church, my son, Rick, who is now a minister in the Conference, was one of his Lambs. Rick recently wrote to Brother Propst, enclosing a picture of the Lambs group in his church, and stating: "I'll always be your Lamb!" Brother Propst said he will always cherish that note!

The following poem hangs in the Propst study:

The Soul of a Child
The soul of a child is the loveliest flower
That grows in the garden of God
Its climb is from weakness to knowledge and power,
To the sky from the clay and the clod.
To beauty and sweetness it grows under care—
Neglected, 'tis ragged and wild,
'Tis a plant that is tender but wondrously rare—
The sweet, wistful soul of a child.
Be tender, O gardener, and give it its share
Of moisture, of warmth and of light,
And let it not lack for the painstaking care
To protect it from frost and from blight.
A glad day will come when its bloom shall unfold;
It will seem that an angel has smiled,
Reflecting a beauty and sweetness; untold
In the sensitive soul of a child.
—Author unknown.

The PRESIDING OFFICER. The Chair recognizes the Senator from Georgia, Senator FOWLER.

Mr. FOWLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Republican leader.

(The remarks of Mr. DOLE pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

VOTE ON NOMINATION OF RICHARD CHENEY TO BE SECRETARY OF DEFENSE

Mr. MITCHELL. Mr. President, earlier this afternoon, I discussed with the distinguished Republican leader, the chairman and ranking member of the Senate Armed Services Committee, a schedule for a possible vote on the nomination of DICK CHENEY to be Secretary of Defense. It is now my intention, after such consultation, to go to the Cheney nomination on Friday morning. I understand from the chairman and ranking member of the committee that the committee is expected to act tomorrow and the report will be available tomorrow. Under the Senate

rules, of course, any Senator can object to our proceeding until 48 hours after the report has been available. It is my hope that no Senator will object and that we can, 24 hours or approximately after receiving the report, go to the nomination and take it up on Friday with the expectation of voting on Friday upon the completion of such debate as Senators may choose to engage in on the nomination.

I understand that that is agreeable to the distinguished Republican leader.

Mr. DOLE. That is agreeable. I know there are some on this side who would hope it might come tomorrow, but in my view, as we discussed, I think Friday would be more appropriate. The committee needs to meet. We need to have the report. Some need to have an opportunity to look at it. And I think the American public should know that there has been close scrutiny of this nominee, that this did not whisk through the Senate. So I certainly agree with the majority leader.

Mr. MITCHELL. I thank the distinguished Republican leader very much.

The PRESIDING OFFICER. The Chair recognizes the acting majority leader, the Senator from Georgia, Senator FOWLER.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate on March 13 and 14, 1989, during the recess of the Senate, received messages from the President of the United States submitting sundry nominations and a treaty, which were referred to the appropriate committees.

(The nominations received on March 13 and 14, 1989, and the treaty received on March 13, 1989, are printed in today's RECORD at the end of the Senate proceedings.)

ANNUAL REPORT OF THE ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 25

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on March 14, 1989, during the recess of the Senate, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations:

To The Congress of the United States:

I am pleased to transmit the 1988 Report of the United States Arms Control and Disarmament Agency. It reviews all aspects of last year's arms control policies, negotiating efforts, and the activities conducted in the process of meeting the statutory requirements of the Arms Control and Disarmament Act, as amended.

Of special interest are the sections on conventional arms control, the implementation of the INF Treaty, Nuclear Testing Talks, and the chemical weapons ban. The role of verification, a crucial element in any arms control agreement, is highlighted throughout the report.

The INF Treaty is a significant step in the quest for arms reductions. Reaching agreements with the Soviet Union on a START Treaty and a conventional arms control treaty are important objectives. We must also seek solutions to the serious problems of nuclear and chemical weapons proliferation.

While I endorse the broad approach to arms control taken in the past year, I am still reviewing specific details of the U.S. negotiating position. Statements of Administration views in the attached report, therefore, should be considered to be authoritative statements of past positions that may be subject to future modification following review.

I strongly believe that arms control should play a significant role in enhancing the security of the United States and its allies. The United States will continue to work toward effectively verifiable and stabilizing arms reductions.

GEORGE BUSH.

THE WHITE HOUSE, *March 14, 1989.*

WORKING FAMILY CHILD CARE ASSISTANCE ACT—MESSAGE FROM THE PRESIDENT—PM 26

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Finance:

To the Congress of the United States:

I am submitting the enclosed child care legislative proposals prepared by the Secretaries of the Treasury and Health and Human Services for consideration by the Congress. I urge the Congress to act promptly on these important proposals.

The proposals, entitled the "Working Family Child Care Assistance Act of 1989" and the "Head Start Amendments of 1989," are a key part of my commitment to assist parents in making critical decisions about their children's care.

GEORGE BUSH.

THE WHITE HOUSE, *March 15, 1989.*

ANNUAL REPORT OF THE UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT—PM 27

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 5(h) of the International Health Research Act of 1960 (Public Law 86-610; 22 U.S.C. 2103(h)), I transmit herewith the Twenty-second Annual Report of the United States-Japan Cooperative Medical Science Program for the period of July 1987 to July 1988.

GEORGE BUSH.

THE WHITE HOUSE, *March 15, 1989.*

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on March 13, 1989, during the recess of the Senate, received a message from the House of Representatives announcing that pursuant to the provisions of title 22, United States Code, section 276a-1, the Speaker appoints to the delegation to attend the conference of the Interparliamentary Union to be held in Budapest, Hungary, on March 13 through March 18, 1989, the following Members on the part of the House: Mr. SCHEUER, chairman; Mr. CONYERS, vice chairman; Mr. FROST; Mr. HAMMERSCHMIDT; and Mr. BLAZ.

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 4:06 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 64. Joint resolution to designate March 25, 1989, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

The enrolled bill was subsequently signed by the President pro tempore [Mr. BYRD].

At 4:59 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolution; without amendment:

S.J. Res. 64. Joint resolution to designate March 25, 1989, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

The message also announced that the House has agreed to the following

concurrent resolution; without amendment:

S. Con. Res. 15. A concurrent resolution concerning peace and famine relief in Sudan.

The message further announced that the House has passed the following bills and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 829. An act to make permanent the authority provided under the Temporary Emergency Wildfire Suppression Act;

H.R. 1373. An act to authorize the Agency for International Development to pay the expenses of an election observer mission for the 1989 presidential elections in Panama;

H.J. Res. 117. Joint resolution to proclaim March 20, 1989, as "National Agriculture Day";

H.J. Res. 124. Joint resolution to recognize the 75th anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperative Extension Services;

H.J. Res. 167. Joint resolution to designate March 16, 1989, as "Freedom of Information Day"; and

H.J. Res. 187. Joint resolution to commend the Governments of Israel and Egypt on the occasion of the 10th anniversary of the Treaty of Peace Between Israel and Egypt.

MEASURES REFERRED

The following joint resolutions were read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 124. Joint resolution to recognize the 75th anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperative Extension Services; to the Committee on the Judiciary.

H.J. Res. 167. Joint resolution to designate March 16, 1989, as "Freedom of Information Day"; to the Committee on the Judiciary.

H.J. Res. 187. Joint resolution to commend the Governments of Israel and Egypt on the occasion of the 10th anniversary of the Treaty of Peace Between Israel and Egypt; to the Committee on Foreign Relations.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 829. A bill to make permanent the authority provided under the Temporary Emergency Wildfire Suppression Act.

REPORTS OF COMMITTEES RECEIVED DURING RECESS

Under the authority of the order of the Senate of March 9, 1989, the following reports of committees were submitted on March 13, 1989:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute.

S. 4. A bill to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes (Rept. No. 101-6).

By Mr. BIDEN, from the Committee on the Judiciary, without amendment:

S. 248. A bill to amend title 18 of the United States Code to provide increased penalties for certain major frauds against the United States (Rept. No. 101-7).

S. 270. A bill to modify the application of the antitrust laws to encourage the licensing and other use of certain intellectual property (Rept. No. 101-8).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services:

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of March 3 and 7, 1989, at the end of the Senate proceedings.)

*Lt. Gen. Colin L. Powell, USA, to be general (Reference No. 78)

*Maj. Gen. Donald W. Jones, USA, to be lieutenant general (Reference No. 79)

**In the Air Force there are 36 appointments to the grade of second lieutenant (list begins with Eugene A. Beardslee) (Reference No. 178)

**In the Army Reserve there are 24 appointments to the grade of colonel and below (list begins with Bram H. Bernstein) (Reference No. 179)

**In the Army there are 5 promotions and appointments to the grade of colonel and below (list begins with John M. Long) (Reference No. 180)

**In the Army there are 11 promotions and appointments to the grade of lieutenant colonel and below (list begins with Robert H. Langston (Reference No. 181)

**In the Naval Reserve there are 9 appointments to the grade of commander and below (list begins with David A. Austin) (Reference No. 182)

**In the Air Force there are 7 appointments to the grade of second lieutenant (list begins with David L. Cloe) (Reference No. 183)

**In the Air Force there are 1,571 appointments to a grade no higher than captain (list begins with Michael L. Abbott) (Reference No. 184)

**In the Air Force there are 1,021 appointments to the grade of second lieutenant (list begins with Timothy L. Abel) (Reference No. 185)

**In the Naval Reserve there are 42 appointments to the grade of lieutenant (list begins with Arne J. Anderson) (Reference No. 193)

*In the Army Reserve there are 8 appointments to the grade of major general and below (list begins with Joseph H. Brooks) (Reference No. 197)

**In the Naval Reserve there are 9 appointments to the grade of commander (list begins with Michael J. Epstein) (Reference No. 200)

**In the Navy and Naval Reserve there are 32 appointments to the grade of commander and below (list begins with Kelly N. Alvey) (Reference No. 201)

**In the Naval Reserve there are 740 appointments to the grade of captain and below (list begins with John B. Anderson) (Reference No. 203)

Total 3,517.

By Mr. BOREN, from the Select Committee on Intelligence:

Richard J. Kerr, of Virginia, to be Deputy Director of Central Intelligence.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By CRANSTON (for himself, Mr. D'AMATO, Mr. KERRY, Mr. HEINZ, Mr. RIEGLE, Mr. MITCHELL, Mr. SARBANES, Mr. DODD, Mr. DIXON, Mr. SASSER, Mr. SANFORD, Mr. SHELBY, Mr. GRAHAM, Mr. BRYAN, Mr. ADAMS, Mr. BINGAMAN, Mr. BUMPERS, Mr. BURDICK, Mr. CHAFEE, Mr. GORTON, Mr. KASTEN, Mr. KENNEDY, Mr. LAUTENBERG, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. PELL, Mr. REID, Mr. SIMON, and Mr. WILSON):

S. 565. A bill to authorize a new corporation to support State and local strategies for achieving more affordable housing, to increase homeownership, and for other purposes; to the Committee on Finance.

By Mr. CRANSTON (for himself, Mr. D'AMATO, Mr. KERRY, Mr. HEINZ, Mr. RIEGLE, Mr. MITCHELL, Mr. SARBANES, Mr. DODD, Mr. DIXON, Mr. SASSER, Mr. SANFORD, Mr. SHELBY, Mr. GRAHAM, Mr. BRYAN, Mr. ADAMS, Mr. BINGAMAN, Mr. BUMPERS, Mr. BURDICK, Mr. CHAFEE, Mr. GORTON, Mr. KASTEN, Mr. KENNEDY, Mr. LAUTENBERG, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. PELL, Mr. REID, Mr. SIMON, and Mr. WILSON):

S. 566. A bill to authorize a new corporation to support State and local strategies for achieving more affordable housing, to increase homeownership, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BOREN:

S. 567. A bill to amend the Internal Revenue Code of 1986 to allow income from the sale of certain used automobiles to be computed on the installment sales method, and for other purposes; to the Committee on Finance.

By Mr. PELL (for himself, Mr. HATCH, Mrs. KASSEBAUM, Mr. DODD, Mr. KENNEDY, Mr. COCHRAN, Mr. MATSUNAGA, Mr. THURMOND, Mr. SIMON, and Mr. METZENBAUM):

S. 568. A bill entitled the "Stafford Student Loan Default Prevention and Management Act of 1989"; placed on the calendar.

By Mr. BOND (for himself, Mr. STEVENS, and Mr. DANFORTH):

S. 569. A bill to establish a grant program for States to enable such States to expand the choices available for the provision of affordable child care, and for other purposes; to the Committee on Finance.

By Mr. DANFORTH (for himself, Mr. BAUCUS, Mr. CHAFEE, Mr. MITCHELL, Mr. DURENBERGER, Mr. HEINZ, Mr. RIEGLE, Mr. BOND, Mr. MCCAIN, Mr. ROCKEFELLER, Mr. BOREN, Mr. ROTH, Mr. WALLOP, Mr. CRANSTON, Mr. WILSON, Mr. SYMMS, Mr. KERRY, Mr. BINGAMAN, Mr. RUDMAN, Mr. GRASSLEY, Mr. GORE, and Mr. BURDICK):

S. 570. A bill to amend the Internal Revenue Code of 1986 to enhance the incentive for increasing research activities; to the Committee on Finance.

By Mr. DASCHLE (for himself and Mr. KERREY):

S. 571. A bill to amend the Agricultural Act of 1949 to set the target price for oats at $2.52 per bushel for the 1990 crop and to clarify the administration of the feed grain crop acreage base provisions of such Act; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. INOUYE:

S. 572. A bill to authorize a certificate of documentation for the vessel NAVATEK I; to the Committee on Commerce, Science, and Transportation.

By Mr. MURKOWSKI (for himself, Mr. SIMPSON, and Mr. JEFFORDS):

S. 573. A bill to amend title 38, United States Code, to provide for third-party reimbursement of the United States for the cost of health care and services furnished a service-connected disabled veteran by the Department of Veterans' Affairs for a non-service-connected disability; to the Committee on Veterans' Affairs.

By Mr. MURKOWSKI (for himself, Mr. SIMPSON, and Mr. JEFFORDS):

S. 574. A bill to amend title 38, United States Code, to improve health-care benefits for veterans; to the Committee on Veterans' Affairs.

By Mr. BAUCUS:

S. 575. A bill to make permanent the authority provided under the Temporary Emergency Wildfire Suppression Act; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PELL (for himself and Mr. DODD):

S. 576. A bill to provide for a Voluntary National Service and Education Demonstration program, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HOLLINGS (for himself, Mr. INOUYE, Mr. DANFORTH, Mr. FORD, Mr. EXON, Mr. GORE, Mr. ROCKEFELLER, Mr. BENTSEN, Mr. KERRY, Mr. BREAUX, Mr. BRYAN, Mr. ROBB, Mr. GORTON, Mr. LAUTENBERG, and Mr. WIRTH):

S. 577. A bill to clarify the congressional intent concerning, and to codify, certain requirements of the Communications Act of 1934 that ensure that broadcasts afford reasonable opportunity for the discussion of conflicting views on issues of public importance; to the Committee on Commerce, Science, and Transportation.

By Mr. DANFORTH (for himself, Mr. BYRD, Mr. BINGAMAN, Mr. D'AMATO, Mr. HEINZ, Mr. HOLLINGS, Mr. ROCKEFELLER, Mr. DIXON, and Mr. FORD):

S. 578. A bill to amend title 10, United States Code, to provide for consideration of whether certain defense agreements adversely impact the international competitive position of the United States industry; to the Committee on Armed Services.

By Mr. GLENN:

S. 579. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to direct the Secretary of Transportation to establish Federal motor vehicle safety standards to require that a schoolbus is equipped with a system of mirrors that provide the driver when seated with an unobstructed view of certain areas under and alongside of the schoolbus, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BRADLEY (for himself and Mr. KENNEDY):

S. 580. A bill to require institutions of higher education receiving Federal financial assistance to provide certain information with respect to the graduation rates of student-athletes at such institutions; to the Committee on Labor and Human Resources.

By Mr. SPECTER:

S. 581. A bill to establish emergency response procedures for rail carriers in transporting hazardous materials; to the Committee on Commerce, Science, and Transportation.

By Mr. METZENBAUM (for himself, Mr. KENNEDY, Mr. PELL, Mr. DODD, Mr. SIMON, Mr. HARKIN, Mr. ADAMS, Ms. MIKULSKI, Mr. MITCHELL, Mr. DASCHLE, Mr. GORE, Mr. INOUYE, Mr. MOYNIHAN, Mr. RIEGLE, Mr. CRANSTON, Mr. WIRTH, Mr. BURDICK, Mr. KERRY, Mr. LAUTENBERG, Mr. SARBANES, and Mr. CONRAD):

S. 582. A bill to notify workers who are at risk of occupational disease in order to establish a system for identifying and preventing illness and death of such workers, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. FOWLER (for himself, Mr. HEINZ, Mr. CRANSTON, Mr. KERRY, Mr. ADAMS, Mr. DODD, Mr. CONRAD, Mr. MATSUNAGA, Mr. LIEBERMAN, Mr. DASCHLE, Mr. PELL, and Mr. WIRTH):

S. 583. A bill to establish national standards for the manufacture and labeling of certain plumbing products in order to conserve and protect water resources, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HEINZ:

S. 584. A bill to ensure the proper budgetary treatment of credit transactions of Federal agencies and to improve management of Federal credit programs; to the Committee on the Budget and the Committee on Governmental Affairs, jointly pursuant to the order of August 4, 1977, with instructions that if one committee reports, the other committee have thirty days of continuous session to report or be discharged.

By Mr. LAUTENBERG (for himself, Mr. DURENBERGER, Mr. MOYNIHAN, Mr. JEFFORDS, Mr. BIDEN, Mr. LUGAR, Mr. REID, Mr. LIEBERMAN, Mr. SHELBY, Mr. METZENBAUM, Mr. LEVIN, Mr. D'AMATO, Mr. PELL, Mr. FOWLER, Mr. GLENN, Mr. HEINZ, Mr. SANFORD, Mr. BRADLEY, Mr. DODD, Mr. SARBANES, Mr. BUMPERS, Mr. DANFORTH, Mr. ADAMS, and Ms. MIKULSKI):

S. 585. A bill to implement the national objective of pollution prevention by establishing a source reduction program at the Environmental Protection Agency, by assisting States in providing information and technical assistance regarding source reduction, and for other purposes; to the Committee on Environment and Public Works.

By Mr. KENNEDY (for himself, Mr. WILSON, Mr. CRANSTON, Mr. MOYNIHAN, and Mr. SIMON):

S. 586. A bill to amend title III of the Public Health Service Act to extend the program relating to certain treatment drugs, and for other purposes.

By Mr. MITCHELL (for himself, Mr. CHAFEE, Mr. LAUTENBERG, Mr. GRAHAM, Mr. BENTSEN, Mr. MOYNIHAN, Mr. CRANSTON, Mr. SANFORD, Ms. MIKULSKI, Mr. INOUYE, Mr. LIEBERMAN, Mr. D'AMATO, Mr. WARNER, Mr. COHEN, Mr. BRADLEY, Mr. SARBANES, Mr. DODD, Mr. MATSUNAGA, and Mr. BREAUX):

S. 587. A bill to amend the Marine Protection Research and Sanctuaries Act to protect marine and near-shore coastal waters through establishment of regional marine research programs; to the Committee on Environment and Public Works.

By Mr. MITCHELL (for himself, Mr. CHAFEE, and Mr. LAUTENBERG):

S. 588. A bill to establish the Regional Marine Research Trust Fund, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BIDEN (for himself, Mr. GORE, Mr. KERRY, Mr. METZENBAUM, and Mr. PRYOR):

S. 589. A bill to amend the Energy Reorganization Act of 1974 to create an independent Nuclear Safety Board; to the Committee on Environment and Public Works.

By Mr. HEFLIN (for himself, Mr. DECONCINI, Mr. GRASSLEY, Mr. THURMOND, Mr. HATCH, Mr. SIMPSON, Mr. FORD, and Mr. GORTON):

S. 590. A bill to prohibit injunctive relief, or an award of damages against a judicial officer for action taken in a judicial capacity; to the Committee on the Judiciary.

By Mr. HEFLIN (for himself, Mr. BUMPERS, Mr. PRYOR, Mr. SHELBY, and Mr. DECONCINI):

S. 591. A bill to amend the Federal Rules of Criminal Procedure with respect to the examination of prospective jurors; to the Committee on the Judiciary.

By Mr. HEFLIN (for himself, Mr. BUMPERS, Mr. PRYOR, Mr. SHELBY, and Mr. DECONCINI):

S. 592. A bill to amend the Federal Rules of Civil Procedure with respect to the examination of prospective jurors; to the Committee on the Judiciary.

By Mr. SIMON (for himself, Mr. METZENBAUM, Mr. THURMOND, Mr. SIMPSON, Mr. DECONCINI, Mr. HEFLIN, Mr. CHAFEE, Mr. KOHL, Mr. GRASSLEY, and Mr. GORE):

S. 593. A bill to exempt certain activities from provisions of the antitrust laws; to the Committee on the Judiciary.

By Mr. HEFLIN (for himself, Mr. SHELBY, Mr. SPECTER, Mr. DECONCINI, Mr. SARBANES, Mr. SANFORD, Mr. PRYOR, Mr. HEINZ, and Mr. METZENBAUM):

S. 594. A bill to establish a specialized corps of judges necessary for certain federal proceedings required to be conducted, and for other purposes; to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 595. A bill to amend section 89 of the Internal Revenue Code of 1986 to exempt certain small businesses from the application of the employee benefit nondiscrimination rules, to delay and to simplify the requirements of such section, and for other purposes; to the Committee on Finance.

By Mr. D'AMATO:

S. 596. A bill to make available certain information involving threats to the safety of international commercial airline travel; to the Committee on Commerce, Science, and Transportation.

By Mr. DOMENICI:

S. 597. A bill to amend the Federal Election Campaign Act of 1971 to limit candidate expenditures of personal funds; to the Committee on Rules and Administration.

By Mr. DODD (for himself, Mr. COATS, and Mr. KENNEDY):

S. 598. A bill to amend the Head Start Act to increase the amount authorized to be appropriated for fiscal year 1990; to the Committee on Labor and Human Resources.

By Mr. HEINZ:

S. 599. A bill to discontinue assessment of reclamation fees for certain reclaimed coal, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. PRYOR (for himself and Mr. RIEGLE):

S. 600. A bill to amend title XVI of the Social Security Act to improve the delivery and coverage of health services provided under such title, and for other purposes; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. HATCH, Mr. DOMENICI, Mr. WILSON, Mr. SIMPSON, Mr. BOSCHWITZ, Mr. BURNS, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DANFORTH, Mr. GORTON, Mr. MCCAIN, Mr. MURKOWSKI, Mr. RUDMAN, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WARNER, Mr. LOTT, and Mr. WALLOP):

S. 601. A bill to amend the Internal Revenue Code of 1986 to authorize a child tax credit and refundable child and dependent care tax credit; ordered held at the desk.

By Mr. DOLE (for himself, Mr. HATCH, Mr. DOMENICI, Mr. WILSON, Mr. SIMPSON, Mr. BOSCHWITZ, Mr. BURNS, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DANFORTH, Mr. GORTON, Mr. MCCAIN, Mr. MURKOWSKI, Mr. RUDMAN, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WARNER, Mr. LOTT and Mr. WALLOP):

S. 602. A bill to authorize additional appropriations for the Head Start Program; ordered held at the desk.

By Mr. BENTSEN (for himself, Mr. PACKWOOD, and Mr. HEINZ):

S.J. Res. 78. Joint resolution to designate the month of November 1989 and 1990 as "National Hospice Month"; to the Committee on the Judiciary.

By Mr. REID (for himself, Mr. BRYAN, and Mr. KERREY):

S.J. Res. 79. Joint resolution to require display of the POW/MIA flag at Federal buildings; to the Committee on Governmental Affairs.

By Mr. MCCAIN:

S.J. Res. 80. Joint resolution disapproving the recommendations of the Commission on Base Realignment and Closure; to the Committee on Armed Services.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. KASTEN:

S. Res. 80. A resolution relating to legislation which would require interstate mail-order companies to impose State taxes on items mailed across State borders; to the Committee on Finance.

By Mr. MOYNIHAN (for himself, Mr. PELL, and Mr. ARMSTRONG):

S. Res. 81. A resolution relating to the fourth anniversary of the kidnaping of Terry Anderson; placed on the calendar.

By Mr. PELL (for himself, Mr. HELMS, Mr. MURKOWSKI, Mr. KENNEDY, Mr. KERRY, Mr. SIMON, and Mr. MOYNIHAN):

S. Res. 82. A resolution expressing the concern of the Senate for the ongoing human rights abuses in Tibet; placed on the calendar.

By Mr. FOWLER (for Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 83. A resolution to direct the Senate Legal Counsel to represent Senators Kennedy, Thurmond, Hollings, Gore, Wilson, and Biden in the case of Rodney F. Stitch v. Senator Edward Kennedy, et al.; considered and agreed to.

By Mr. RIEGLE (for himself, Mr. D'AMATO, Mr. GORE, Mr. DECONCINI, Mr. HOLLINGS, Mr. BURNS, Mr. LEVIN, and Mr. STEVENS):

S. Con. Res. 21. A concurrent resolution expressing the sense of the Congress that the current Federal income tax deduction for interest paid on debt secured by a first or second home should not be further restricted; to the Committee on Finance.

By Mr. GORE (for himself, Mr. ADAMS, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BIDEN, Mr. BOND, Mr. BOREN, Mr. BREAUX, Mr. BURDICK, Mr. BURNS, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. CONRAD, Mr. CRANSTON, Mr. DASCHLE, Mr. DECONCINI, Mr. DOLE, Mr. DOMENICI, Mr. DURENBERGER, Mr. FOWLER, Mr. GARN, Mr. GRASSLEY, Mr. HARKIN, Mr. HATCH, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. KERRY, Mr. LEVIN, Mr. LIEBERMAN, Mr. LOTT, Mr. MACK, Mr. MCCLURE, Mr. MATSUNAGA, Mr. NUNN, Mr. PRESSLER, Mr. ROBB, Mr. SARBANES, Mr. SASSER, Mr. SHELBY, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WARNER, Mr. WILSON, and Mr. WIRTH):

S. Con. Res. 22. A concurrent resolution to recognize the contributions of C-SPAN on the occasion of its tenth anniversary; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON (for himself, Mr. D'AMATO, Mr. KERRY, Mr. HEINZ, Mr. RIEGLE, Mr. MITCHELL, Mr. SARBANES, Mr. DODD, Mr. DIXON, Mr. SASSER, Mr. SANFORD, Mr. SHELBY, Mr. GRAHAM, Mr. BRYAN, Mr. ADAMS, Mr. BINGAMAN, Mr. BUMPERS, Mr. BURDICK, Mr. CHAFEE, Mr. GORTON, Mr. KASTEN, Mr. KENNEDY, Mr. LAUTENBERG, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. PELL, Mr. REID, Mr. SIMON, and Mr. WILSON):

S. 565. A bill to authorize a new corporation to support State and local strategies for achieving more affordable housing; to increase home ownership; and for other purposes; to the Committee on Finance.

S. 566. A bill to authorize a new corporation to support State and local strategies for achieving more affordable housing; to increase home ownership; and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL AFFORDABLE HOUSING ACT

Mr. CRANSTON. Mr. President, I am introducing today the National Affordable Housing Act, a major piece of legislation to provide a revitalized national housing policy that will bring suitable housing within the reach of large numbers of Americans.

An outstanding, bipartisan group of Senators join me in this action, including my distinguished colleagues, Senators ALFONSE D'AMATO, JOHN KERRY, JOHN HEINZ, DONALD RIEGLE, GEORGE MITCHELL, PAUL SARBANES, CHRISTOPHER DODD, ALAN DIXON, JIM SASSER, TERRY SANFORD, RICHARD SHELBY, BOB GRAHAM, RICHARD BRYAN, BROCK ADAMS, JEFF BINGAMAN, DALE BUMPERS, QUENTIN BURDICK, JOHN CHAFEE, SLADE GORTON, BOB KASTEN, TED KENNEDY, FRANK LAUTENBERG, BARBARA MIKULSKI, PATRICK MOYNIHAN, CLAIBORNE PELL, HARRY REID, PAUL SIMON, and PETE WILSON.

Because the bill includes items that fall under the jurisdiction of both the Finance and Banking Committees, we are introducing it in two slightly different versions: the complete bill, which includes tax provisions, will be referred to the Finance Committee; the bill in a version without the tax provisions will be referred to the Banking Committee for immediate action.

Our bill will help overcome alarming trends in the Nation's housing. Young families increasingly find their dreams of home ownership drifting beyond reach. Working families find it harder to afford suitable rental housing. The poor are increasingly threatened with homelessness. And the situation will soon worsen as housing assistance for 2 million low-income families begins to expire starting next year.

Those trends are beginning to jeopardize a vital part of the American way of life. And the housing policies of the past few years have only made matters worse. Those of us who care about the quality of housing in America have a great challenge.

Mr. President, introduction of this legislation culminates a 2-year-long, nationwide, bipartisan consultation on the future of housing in America.

Shortly after I assumed the chairmanship of the Senate Housing Subcommittee 2 years ago, Senator ALFONSE D'AMATO and I sent out a nationwide invitation for others to join us in shaping an effective, new housing policy.

That invitation brought a remarkable outpouring of enthusiasm and effort. Virtually every major housing organization has come forward with carefully considered recommendations. Under the leadership of MIT, some of the country's top housing researchers

have provided insight about housing problems and policies that work.

Thoughtful, landmark recommendations were developed by the National Housing Task Force, formed by Jim Rouse, who is one of the most imaginative developers of our time, and David Maxwell, who is the highly respected Chairman of Fannie Mae. And the Housing Subcommittee has held an extensive series of hearings.

I am convinced that we have a rare opportunity—probably the best opportunity since the 1940's—to shape a fresh, effective national housing policy. As I speak with people across the country, I sense a growing awareness that housing needs have not been given adequate attention in recent years. I sense a growing impatience to raise housing back to the place it deserves in the Nation's priorities.

The last 2 years have produced a growing consensus about the future shape of national housing policy.

The National Affordable Housing Act incorporates that growing consensus. The bill includes the best ideas to come from the 2-year review of housing. These are not Democratic ideas, they are not Republican ideas. They are just sound, workable ideas that offer new promise for affordable housing in America.

The bill will give States and local governments more flexibility in designing strategies to expand the supply of affordable housing. Many States and localities have launched exciting housing initiatives in recent years. We will build on that. Housing strategies must be tailored to local housing conditions that differ greatly throughout the country.

The bill will also commit the Federal Government, together with States and local governments, to a long-term partnership for affordable housing in the United States. Federal assistance for affordable housing must be a long-term commitment, a long-term investment because affordable housing is a long-term national asset.

The bill will develop strong local partnerships among government, nonprofit organizations and private industry to expand the supply of affordable housing.

The bill is realistic within our tight budgetary constraints, but it will still provide a significant increase in affordable housing at the local level. The bill is designed to be effective at relatively low levels of funding but also to accommodate significant increases in funding as the budgetary outlook improves in future years.

Mr. President, the National Affordable Housing Act has several major titles.

Title I will require each participating State and locality to lay out a 5-year straightforward, working plan of action.

Title II will make it easier for families to buy their first home. It will enable people to invest funds that are in their retirement accounts for a home downpayment. The bill will also make low downpayment FHA mortgages available equitably throughout the country.

Title III provides the foundation for a revitalized, long-term partnership among the Federal Government, the States, local governments, the private sector and nonprofit organizations for investment in affordable housing as a long-term national asset.

The bill builds on what works, draws on what we have learned from past housing programs, and provides a promising new approach. In drafting the bill, we came to recognize that the vital legacy of past housing policy is not the programs that were enacted down through the years, but the institution that were produced by past housing policy. Institutions can mature and evolve and adapt to fast changing circumstances.

In housing finance, institutions such as Fannie Mae, Freddie Mac, Ginnie Mae, FHA, and VA now form a sophisticated world-class financial system of which we can be very proud. State and local housing finance agencies are increasingly sophisticated developers of affordable housing. Local public housing authorities, often working under the most difficult circumstances, are adapting to changing circumstances, mobilizing available resources and providing affordable housing. Nonprofit institutions are a strong force in low-income housing development. Private industry provides the most powerful set of institutions for expanding the Nation's supply of affordable housing. Those institutions have resulted from past housing policy—and we can be proud of that achievement.

Building on that lesson, the National Affordable Housing Act will establish a new institution with a clear mission to support State and local housing strategies and a powerful incentive to innovate. The HOME Corporation will be a wholly owned Government corporation within HUD and responsible to the Secretary.

The HOME Corporation will be a one-step agency. It will provide States and local governments with the various forms of Federal assistance that they need. It will provide flexible capital subsidies. It will provide credit enhancement through guarantees on mortgage pools backed by mortgages on affordable housing. And it will provide technical assistance through existing organizations to build the capacity around the country to develop affordable housing.

States and localities will not be given responsibility for housing and then be left to wrestle with three or four different Federal bureaucracies, none of which has a strong incentive to help them succeed.

The HOME Corporation will distribute capital subsidies partly by formula and partly by incentive allocation. For each participating State and local government, the HOME Corporation will create a housing investment trust fund. Each participating State and locality will be able to draw funds from its trust fund to be used very flexibly. Any repayment of those funds would go back to that same trust fund for reuse in affordable housing.

We have worked to resolve some important disagreements. For instance, States strongly prefer to have assistance come through them. Mayors just as strongly want to get the assistance directly.

Our bill provides a middle approach that I think is very sound. Half of the funds would be distributed among the States, with each State receiving at least $3 million. The other half would be distributed among larger local governments. The bill will encourage cooperation between States and localities.

An important responsibility of the HOME Corporation will be to develop a "shelf" of model programs tailored to the variety of housing conditions around the country. Participating States and localities will be free to adopt model programs or adapt them to their own circumstances. No longer will rigidities in Federal legislation or regulation make a housing program unworkable at the local level. The most effective methods will be adopted more quickly throughout the country.

I urge my colleagues to analyze the HOME Corporation proposal very carefully. It is new, and I think you will find it offers great promise.

Title IV will create a new Office of Low-income Housing Preservation with responsibility to save as much of the existing stock of low- and moderate-income housing as possible. This is the most unavoidable housing crisis facing Congress, and the past administration did little or nothing to address it. As the National Affordable Housing Act is considered in committee, intense work will be done to refine and expand an array of incentives that will be needed to encourage current owners of federally assisted housing to retain the housing as affordable housing for low- and moderate-income families.

Title IV will also provide one effective form of rental assistance. We are proposing the creation of rental credits that incorporate the best aspects of vouchers and section 8 existing certificates. They will be distributed with more predictability directly to States and localities. And they will have other features that make them a more appropriate form of assistance to needy families.

Title V will provide adequate housing for people with special needs—particularly the elderly, the handicapped, and the homeless, as well as very low-income families with children. Such housing must be supportive housing, that is, it must include not only bricks and mortar but also a package of supportive services that enable people to live independently with dignity.

Title VI will extend authority for public and Indian housing production, operating subsidies and modernization. It will provide additional job and educational services to help families with children living in public housing. And the title will create a national commission to deal with unfit living conditions in the most troubled housing projects.

Title VII will extend rural housing programs at the CBO baseline level, providing a new deferred payment mortgage for very low-income families and new targeting of assistance to areas that have been underserved.

Title VIII will provide permanent extension for the low-income housing tax credit. This tax credit has proven to be a vital tool for development of affordable housing. The Finance Committee, with leadership from Senators MITCHELL and DANFORTH, will be considering important refinement to the low-income tax credit this year. During the development of the National Affordable Housing Act, we have worked closely with Senators MITCHELL and DANFORTH to ensure that tax and expenditure programs complement each other. I look forward to continuing that collaboration.

Mr. President, I ask unanimous consent that the text of the bill, a summary and a budget table be printed in the RECORD at the conclusion of my remarks.

Several other major issues will be included in the National Affordable Housing Act as the bill is considered in committee. The committee is exploring the possibility of strengthening the title I loan insurance program for manufactured homes. The committee is also examining ways to ensure the long-term affordability of Farmers Home multifamily rental housing. Several Senators are refining other promising proposals for inclusion by the committee.

Mr. President, I will do all I can to get the National Affordable Housing Act enacted into law this year.

The Senate Housing Subcommittee will begin hearings in mid-April. I intend to work closely with Secretary Kemp and my colleagues in the House so that the legislation will become a joint product of Congress and the administration.

This is an exciting time to be working for affordable housing in our country. I feel that excitement, and I know many of my colleagues feel it also.

We who care deeply about decent, affordable housing can make a real difference in the next few months if we work together. I am confident that we will do that, and that we will succeed.

Mr. President, I ask unanimous consent that the text of the bills, a summary of the legislation, and a table of authorization levels be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 565

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Affordable Housing Act".

TABLE OF CONTENTS

Section 1. Short title.

TITLE I—GENERAL PROVISIONS AND POLICIES

Sec. 101. The national housing goal.
Sec. 102. Objective of national housing policy.
Sec. 103. Purposes of the National Affordable Housing Act.
Sec. 104. Definitions.
Sec. 105. State and local housing strategies.

TITLE II—HOMEOWNERSHIP

Sec. 201. Purpose.

Subtitle A—FHA Amendments

Sec. 211. FHA amendments.

Subtitle B—Savings for a Downpayment

Sec. 221. Certain retirement plans authorized to make equity investments in principal residences of participants.
Sec. 222. Loans used to acquire principal residences.
Sec. 223. Mortgage revenue bonds and mortgage certificates.

TITLE III—INVESTMENT IN AFFORDABLE HOUSING

Sec. 301. Short title.
Sec. 302. Purposes.
Sec. 303. Establishment of Home Corporation.
Sec. 304. Authorization.

Subtitle A—Housing Opportunity Partnerships (HOP)

Sec. 311. Authority.
Sec. 312. Eligible uses of investment.
Sec. 313. Development of model programs.
Sec. 314. Income targeting.
Sec. 315. Qualification as affordable housing.
Sec. 316. Participation by States and local governments.
Sec. 317. Allocation of resources.
Sec. 318. Housing investment trust funds.
Sec. 319. Repayment of investment.
Sec. 320. Matching requirements.
Sec. 321. Private-public partnership.
Sec. 322. Distribution of assistance.
Sec. 323. Set-aside for nonprofit community organizations.
Sec. 324. Penalties for misuse of funds.
Sec. 325. Limitation on jurisdictions under court order.

Subtitle B—Mortgage Credit Enhancement

Sec. 331. Authority.
Sec. 332. Authority to contract.
Sec. 333. Terms.
Sec. 334. Requirements.
Sec. 335. Reduced risk of loss.
Sec. 336. Requirements required to relate to purpose of subtitle.
Sec. 337. Fees.
Sec. 338. Subrogation.

Subtitle C—Other Support for State and Local Housing Strategies

Sec. 351. Authority.
Sec. 352. Priorities for capacity development.
Sec. 353. Eligible organizations.
Sec. 354. Research in housing affordability.

Subtitle D—General Authority of the HOME Corporation

Sec. 361. General powers.
Sec. 362. Offices.
Sec. 363. Appointment of officers and employees.
Sec. 364. Exemption from certain taxes.
Sec. 365. Federal Reserve banks to act as fiscal agents.
Sec. 366. Investment of funds.
Sec. 367. SEC exemption.
Sec. 368. Immunities and priorities.
Sec. 369. Income and revenues.
Sec. 370. Presumption of compliance.
Sec. 371. Exclusive use of name.
Sec. 372. Government Corporation Control Act.

Subtitle E—General Provisions

Sec. 381. Nondiscrimination.
Sec. 382. Audit and accountability.
Sec. 383. Performance reports by participating jurisdictions.
Sec. 384. Citizen participation.
Sec. 385. Labor.
Sec. 386. Interstate agreements.
Sec. 387. Environmental review.

TITLE IV—AFFORDABLE RENTAL HOUSING

Subtitle A—Preservation of Affordable Rental Housing

Sec. 401. Office of Affordable Housing Preservation.
Sec. 402. Cooperation with State and local governments.
Sec. 403. Mediation to assist low-income affordability.

Subtitle B—Low-Income Rental Assistance

Sec. 421. Purpose.
Sec. 422. Revised section 8 program.
Sec. 423. Timeliness of regulations.
Sec. 424. Transitional rule.

TITLE V—HOUSING FOR PERSONS WITH SPECIAL NEEDS

Subtitle A—Assistant Secretary for Supportive Housing

Sec. 501. Establishment of Assistant Secretary for Supportive Housing.

Subtitle B—Supportive Housing for the Elderly

Sec. 511. Supportive housing for the elderly.
Sec. 512. Project retrofit.

Subtitle C—Supportive Housing for the Handicapped

Sec. 521. Supportive housing for the handicapped.

Subtitle D—Supportive Housing for the Homeless
Sec. 531. Amendment to McKinney Act.
Sec. 532. Definition of "homeless person".
Sec. 533. Transitional rule.
Sec. 534. Conforming amendment.
TITLE VI—LOW-INCOME PUBLIC HOUSING
Sec. 601. Purpose.
Subtitle A—Public Housing Development
Sec. 611. Development and reconstruction of public housing.
Sec. 612. Replacement housing.
Subtitle B—Authorizations
Sec. 621. Authorization of operating subsidies.
Sec. 622. Authorization of public housing development and CIAP.
Subtitle C—Project Independence
Sec. 631. Purpose.
Sec. 632. Project independence.
Sec. 633. Conforming amendments.
Subtitle D—National Commission on Severely Distressed Public Housing
Sec. 641. Purpose.
Sec. 642. Establishment of Commission.
Sec. 643. Membership of Commission.
Sec. 644. Functions of the Commission.
Sec. 645. Powers of Commission.
Sec. 646. Authorization of appropriations.
TITLE VII—RURAL HOUSING
Sec. 701. Purpose.
Sec. 702. Program authorizations.
Sec. 703. Section 502 deferred repayment.
Sec. 704. Housing in underserved areas.
Sec. 705. Transfer of section 502 inventory for use under section 515.
TITLE VIII—AMENDMENT TO THE INTERNAL REVENUE CODE
Sec. 801. Low-income housing credit.
TITLE IX—REPEALS AND CONFORMING AMENDMENTS
Sec. 901. Amendment to title I of the Housing and Community Development Act of 1974.
Sec. 902. Conforming amendments relating to investments.
Sec. 903. Compensation of HOME Corporation officials.

TITLE I—GENERAL PROVISIONS AND POLICIES

SEC. 101. THE NATIONAL HOUSING GOAL.

The Congress affirms the national goal that every American family be able to afford a decent home in a suitable environment.

SEC. 102. OBJECTIVE OF NATIONAL HOUSING POLICY.

The objective of national housing policy shall be to strengthen a nationwide system of public and private institutions able—

(1) to ensure that no resident of the United States is without either access to decent shelter or assistance in avoiding homelessness;

(2) to increase the Nation's supply of decent housing that is affordable to low-income and moderate-income families and accessible to job opportunities;

(3) to improve housing opportunities for all residents of the United States, particularly members of disadvantaged minorities;

(4) to help make neighborhoods safe and livable;

(5) to expand opportunities for homeownership; and

(6) to provide every American community with a reliable, readily available supply of mortgage finance at the lowest possible interest rates.

SEC. 103. PURPOSES OF THE NATIONAL AFFORDABLE HOUSING ACT.

The purposes of this Act are—

(1) to help families not owning a home to save for a down payment for the purchase of a home;

(2) to retain wherever feasible as housing affordable to low-income families those dwelling units produced for such purpose with Federal assistance;

(3) to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of housing affordable to low-income and moderate-income families;

(4) to expand and improve Federal rental assistance for very low-income families; and

(5) to increase the supply of supportive housing, which combines structural features and services needed to enable persons with special needs to live with dignity and independence.

SEC. 104. DEFINITIONS.

As used in this Act—

(1) The term "unit of general local government" means a city, town, township, county, parish, village, or other general purpose political subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, the Federated States of Micronesia and Palau, or a general purpose political subdivision thereof; and a consortium of such political subdivisions recognized by the Secretary in accordance with section 316(2)(B) of this Act.

(2) The term "State" means any State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, and any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction with regard to provisions of this Act.

(3) The term "jurisdiction" means a State or unit of general local government.

(4) The term "participating jurisdiction" means any State or unit of general local government whose comprehensive affordable housing strategy has been approved by the Secretary in accordance with section 105 of this Act.

(5) The term "nonprofit organization" means any private, nonprofit organization that—

(A) is organized under State or local laws,

(B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual,

(C) complies with standards of financial accountability acceptable to the Secretary, and

(D) has among its purposes significant activities related to the provision of decent housing that is affordable to low-income and moderate-income persons.

(6) The term "nonprofit community organization" means a nonprofit organization that—

(A) has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, and

(B) has a governing body comprised predominantly of representatives of the local community or communities in which the organization will carry out activities assisted under this Act.

(7) The term "government-sponsored mortgage finance agencies" means the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation.

(8) The term "very low-income families" means low-income families whose incomes do not exceed 50 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(9) The term "low-income families" means families whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(10) The term "moderate-income families" means families whose incomes do not exceed the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(11) The term "families" includes families consisting of a single person in the case of (A) a person who is at least 62 years of age, or is handicapped with the meaning of section 521(j)(2) of this Act, (B) a displaced person, (C) the remaining member of a tenant family, and (D) other single persons in circumstances described in regulations of the Secretary.

SEC. 105. STATE AND LOCAL HOUSING STRATEGIES.

(a) IN GENERAL.—The Secretary shall provide assistance directly to a jurisdiction only if—

(1) the jurisdiction submits to the Secretary a comprehensive housing affordability strategy (hereafter in this section referred to as the "housing strategy");

(2) the jurisdiction submits annual updates of the housing strategy; and

(3) the housing strategy, and any annual update of such strategy, is approved by the Secretary.

The Secretary shall establish such dates and manner for the submission and approval of housing strategies under this section that the Secretary determines will facilitate orderly program management by jurisdictions and provide for timely investment or other use of funds made available under this Act.

(b) CONTENTS.—A housing strategy submitted under this section shall be in a form that the Secretary determines to be appropriate for the assistance the jurisdiction may be provided under this Act and shall—

(1) describe the jurisdiction's estimated housing needs projected for the ensuing 5-year period, and the jurisdiction's need for assistance for low-income and moderate-income persons under this Act, specifying such needs for different types of tenure and for different categories of residents, such as very low-income, low-income, and moderate-income persons, the elderly, single persons, large families, and other categories of residents that the Secretary determines to be appropriate;

(2) describe the nature and extent of homelessness within the jurisdiction, providing an estimate of the special needs of various categories of persons who are homeless or threatened with homelessness, a brief inventory of facilities and services to assist such persons, and a description of the jurisdiction's strategy for providing such persons with permanent housing;

(3) describe the significant characteristics of the jurisdiction's housing market, indicating how those characteristics will influence the use of funds made available under this Act for rental assistance, production of new units, rehabilitation of old units, or acquisition of existing units;

(4) explain how the cost of housing or the incentives to develop, maintain, or improve affordable housing in the jurisdiction are affected by public policies, particularly by policies of the jurisdiction, including tax policies affecting land and other property, land use controls, building codes, fees and charges, growth limits, and policies that affect the return on residential investment, and describe the jurisdiction's strategy to remove or ameliorate any negative effects of such policies;

(5) explain the institutional structure, including private industry, nonprofit organizations, and public institutions, through which the jurisdiction will carry out its housing strategy, assessing the strengths and gaps in that delivery system and describing what the jurisdiction will do to overcome those gaps;

(6) indicate resources from private and public sources other than this Act that are reasonably expected to be made available to carry out the purposes of this Act, explaining how funds made available under this Act will leverage those additional resources;

(7) set forth the jurisdiction's plan for investment or other use of funds made available under this Act during the ensuing year or such longer period as the Secretary determines to be appropriate, indicating the general priorities for allocating investment geographically within the jurisdiction and among different activities and housing needs;

(8) describe the means of cooperation and coordination among the State and any participating units of general local government in the development, submission, and implementation of their housing strategies;

(9) describe the standards and procedures according to which the jurisdiction will monitor activities authorized under this Act and ensure long-term compliance with the provisions of this Act; and

(10) include a certification that the jurisdiction will affirmatively further fair housing.

The Secretary may provide for the submission of abbreviated housing strategies by jurisdictions that are not otherwise expected to be participating jurisdictions under this Act. Such an abbreviated housing strategy shall be appropriate to the types and amounts of assistance the jurisdiction is to receive as determined by the Secretary.

(c) APPROVAL.—

(1) IN GENERAL.—The Secretary shall review the housing strategy upon receipt. Not later than 60 days after receipt by the Secretary, the housing strategy shall be approved unless the Secretary determines before that date that the housing strategy is inconsistent with the purposes of this Act or does not satisfy the requirements of subsection (b). During the 18-month period following enactment of this Act, the Secretary may extend the review period to not longer than 90 days.

(2) ACTIONS IN CASE OF DISAPPROVAL.—If the Secretary disapproves the housing strategy, the Secretary shall immediately notify the jurisdiction of such disapproval. Not later than 15 days after the Secretary's disapproval, the Secretary shall inform the jurisdiction in writing of (A) the reasons for disapproval, and (B) actions that the jurisdiction could take to meet the criteria for approval. If the Secretary fails to inform the jurisdiction of the reasons for disapproval within such 15-day period, the housing strategy shall be deemed to have been approved.

(3) AMENDMENTS AND RESUBMISSION.—The Secretary shall, for a period of not less than 45 days following the date of first disapproval, permit amendments to, or the resubmission of, any housing strategy that is disapproved. The Secretary shall approve or disapprove a housing strategy not less than 30 days after receipt of such amendments or resubmission.

(d) PERFORMANCE REVIEWS.—(1) Each participating jurisdiction shall annually review and report, in a form acceptable to the Secretary, on the progress it has made in carrying out its housing strategy, which report shall indicate the number of very low-income, low-income, and moderate-income persons that will be assisted with funds made available under this Act.

(2) The Secretary shall (A) establish dates for submission of reports under this subsection, and (B) review such reports and make such recommendations as the Secretary deems appropriate to carry out the purposes of this Act.

(3) If a jurisdiction fails to submit a report satisfactory to the Secretary in a timely manner, assistance to the jurisdiction under this Act may be—

(A) suspended until a report satisfactory to the Secretary is submitted; or

(B) withdrawn and reallocated among participating jurisdictions in accordance with section 316(5) of this Act if the Secretary finds, after notice and opportunity for a hearing, that the jurisdiction will not submit a satisfactory report.

(e) CERTIFICATION.—The Secretary may by regulation or otherwise, as deemed by the Secretary to be appropriate, require any application for assistance under this Act to contain or be accompanied by a certification by an appropriate State or local public official that the proposed activities are consistent with the housing strategy of the jurisdiction to be served.

TITLE II—HOMEOWNERSHIP

SEC. 201. PURPOSE.

The purpose of this title is to improve homeownership opportunities for first-time homebuyers and for other persons who have not owned a home for at least 3 years by—

(1) making the downpayment on a principal residence eligible as an investment of funds from an individual retirement account or a 401(k) retirement plan,

(2) matching FHA mortgage insurance ceilings more closely to regional median home prices,

(3) providing for lower downpayments on FHA insured mortgages under certain conditions, and

(4) extending the mortgage revenue bond and mortgage credit certificate programs.

Subtitle A—FHA Amendments

SEC. 211. FHA AMENDMENTS.

(a) ELIGIBILITY FOR INSURANCE; MORTGAGE LIMITS.—Section 203(b)(2) of the National Housing Act is amended—

(1) by striking all through "value in excess of $25,000." the first time it appears and inserting the following:

"(2) Involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve) in an amount not to exceed the lesser of—

"(A) a ceiling that equals 95 percent of the median sales price of homes within a time period designated by the Secretary for the State, for a metropolitan statistical area that includes portions of more than one State, or for an area within a State, if the Secretary determines that such area must be designated to provide fair access to insurance under this section for moderate-income and middle-income homebuyers; or

"(B) except as otherwise provided in this paragraph, an amount equal to—

"(i) the sum of (I) 97 per centum of $50,000 of the appraised value of the property, as of the date the mortgage is accepted for insurance, and (II) 95 per centum of such value in excess of $50,000; or

"(ii) 97 per centum of the appraised value of the property as of the date the mortgage is accepted for insurance if (I) the mortgagor is a first-time homebuyer; (II) the mortgagor completes a program of financial counseling, offered by a qualified home ownership counseling agency approved by the Secretary under section 106(a)(2) of the Housing and Urban Development Act of 1968; and (III) the mortgage is secured by the principal residence of the mortgagor."; and

(2) by striking "For the purpose of the preceding sentence, the term 'area' means" and inserting the following:

"For the purpose of the preceding sentence—

"(i) any person or party requesting the designation of an area within a State under subparagraph (A) shall submit to the Secretary justification for such designation in a form satisfactory to the Secretary;

"(ii) the term 'first-time homebuyer' means an individual and his spouse who have had no ownership interest in a residence during the 3-year period ending on the date of the acquisition of the dwelling unit; and

"(iii) the term 'area' means".

(b) COUNSELING.—Section 106(a)(2) of the Housing and Urban Development Act of 1968 is amended—

(1) in the first sentence, by inserting "with mortgages insured under section 203(b)(2)(B)(ii) and" before "assisted under section 235"; and

(2) by inserting the following after the last sentence: "The Secretary shall provide such services only through contracts with private or public organizations that are approved by the Secretary, according to such standards as the Secretary shall establish, as having demonstrated special competence and knowledge in counseling low-income and moderate-income families. Such approval shall be subject to review and reaffirmed not less frequently than every 2 years".

(c) ADJUSTABLE RATE MORTGAGES.—Section 251 of the National Housing is amended—

(1) by striking the last two sentences of subsection (a); and

(2) by striking subsections (b) and (c) and inserting the following:

"(b)(1) In addition to insurance provided under subsection (a), the Secretary may insure adjustable rate mortgages that incorporate terms and conditions that the Secretary determines to be generally accepted in the mortgage market if the Secretary finds that the new mortgage does not expose the insurance fund to excessive risk of loss, taking into account the mortgage insurance premium that will be charged.

"(2) The Secretary shall insure that the underwriting standards and procedures for adjustable rate mortgages are such that mortgages are not made available to mortgagors who would be exposed to undue risk of default.

"(c)(1) The mortgagee shall explain the nature of the obligation fully and in writing to the mortgagor not later than on the date upon which the mortgagee provides the prospective mortgagor with a loan application. The mortgage may be accepted for insurance only if the mortgagor certifies that he or she fully understands the obligation.

"(2) Such mortgagee disclosure shall include all of the following items:

"(A) the fact that the mortgage interest rate may change, and an explanation of how changes correspond to changes in the interest rate index;

"(B) identification of the interest rate index, its source of publication and availability;

"(C) the frequency with which interest rate levels and monthly payments will be adjusted and the length of the interval that will precede the initial adjustment; and

"(D) a hypothetical monthly payment schedule that displays the maximum potential increases in monthly payments to the mortgagor over the first 10 years of the mortgage, subject to the provisions of the mortgage instrument.

"(3) At least 30 days before any adjustment to a mortgagor's monthly payment may occur, the mortgagee must advise the mortgagor of the following:

"(A) the new mortgage interest rate and amount of the monthly payment; and

"(B) the current index interest rate value and how the payment adjustment was calculated.".

(d) INDUSTRY ACCEPTED MORTGAGE PROGRAMS.—Title II of the National Housing Act is amended by adding at the end thereof the following:

"INSURANCE OF INDUSTRY ACCEPTED MORTGAGES

"SEC. 256. (a) IN GENERAL.—The Secretary is authorized to insure and make commitments to insure mortgages under this section if—

"(1) the Secretary finds that the type of mortgage has achieved general acceptance in the private mortgage market;

"(2) the mortgagee is approved by the Secretary;

"(3) the property securing the mortgage is a 1- to 4-family residence to be occupied by the mortgagor; and

"(4) the amount of the mortgage does not exceed the dollar amount and loan-to-value limitations contained in section 203(b)(2).

"(b) LIMITATION.—The aggregate number of mortgages insured under this section during a fiscal year may not exceed 10 percent of the highest aggregate number of mortgages insured by the Secretary under this title during any preceding fiscal year.

"(c) REPORTS.—Not later than December 31 of each year, the Secretary shall transmit to the Congress a detailed report in each category of mortgage insurance provided under this section during the preceding fiscal year.".

Subtitle B—Savings for a Downpayment

SEC. 221. CERTAIN RETIREMENT PLANS AUTHORIZED TO MAKE EQUITY INVESTMENTS IN PRINCIPAL RESIDENCES OF PARTICIPANTS.

(a) EXEMPTION FROM PROHIBITED TRANSACTION RULES.—Section 4975 of the Internal Revenue Code of 1986 is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) SPECIAL RULE FOR HOME EQUITY PARTICIPATION ARRANGEMENTS.—

"(1) IN GENERAL.—The prohibition provided in subsection (c) shall not apply to any qualified home equity participation arrangement.

"(2) QUALIFIED HOME EQUITY PARTICIPATION ARRANGEMENT.—For purpose of this subsection—

"(A) IN GENERAL.—The term 'qualified home equity participation arrangement' means an arrangement—

"(i) under which an individual retirement plan or qualified cash or deferred arrangement under section 401(k) distributes amounts to an eligible participant for the acquisition of any dwelling unit which within a reasonable time is to be used (determined at the time the arrangement is entered into) as the principal residence of the eligible participant in exchange for an ownership interest in such residence, and

"(ii) with respect to which the requirements of the other subparagraphs of this paragraph are met.

"(B) OWNERSHIP INTEREST REQUIREMENT.—The ownership interest described in subparagraph (A) shall—

"(i) be a fee interest in such property equal to the percentage which—

"(I) the amount distributed to the eligible participant and invested in the dwelling unit, bears to

"(II) the acquisition cost of the dwelling unit,

"(ii) by its terms requires repayment in full upon the sale or other transfer of the dwelling unit (except in the case of a transfer to a spouse as a result of the death of a spouse), and

"(iii) may not be used as security for any loan secured by any interest in the dwelling unit.

"(C) LIMITATION ON PURCHASE PRICE.—This paragraph shall not apply to an arrangement if the acquisition cost of the dwelling unit exceeds 110 percent of the average area purchase price applicable to such dwelling unit (as determined under section 143(e)(2) after application of sections 143(e) (3) and (4)).

"(D) LIMITATION ON AMOUNT.—This paragraph shall not apply to any arrangement if the aggregate amounts provided to the eligible participant exceed the greater of—

"(i) $10,000, or

"(ii) the amount which bears the same ratio to $10,000 as—

"(I) the average area purchase price applicable to the dwelling unit (as determined under subparagraph (C)), bears to

"(II) the average purchase price for the United States (as so determined).

In no event shall the amounts so provided exceed the balance in the individual retirement plan or qualified cash or deferred arrangement immediately before the arrangement is entered into, reduced by 67 percent of the contributions to such plan or qualified cash or deferred arrangement during the 12-month period ending on the date the arrangement is entered into.

"(3) ELIGIBLE PARTICIPANT.—For purposes of this subsection, the term 'eligible participant' means an individual—

"(A) on whose behalf an individual retirement plan is established or who is a participant in a qualified cash or deferred arrangement under section 401(k), and

"(B) who (and whose spouse) has had no present ownership interest in a principal residence during the 3-year period ending on the date of the acquisition of the dwelling unit to which this subsection applies.

"(4) ACQUISITION; ACQUISITION COST.— For purposes of this subsection—

"(A) ACQUISITION.—The term 'acquisition' includes construction and reconstruction.

"(B) ACQUISITION COST.—The term 'acquisition cost' has the meaning given such term by section 143(k)(3).

"(5) AMOUNT NOT TREATED AS DISTRIBUTIONS.—For purposes of this title, amounts made available under a qualified equity participation arrangement shall not be treated as distributions by, or loans made or secured by, an individual retirement plan or qualified cash or deferred arrangement.".

SEC. 222. LOANS USED TO ACQUIRE PRINCIPAL RESIDENCES.

(a) INDIVIDUAL RETIREMENT PLAN.—Section 408(e) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(7) LOANS USED TO PURCHASE A HOME BY FIRST-TIME HOMEBUYERS.—

"(A) IN GENERAL.—Paragraphs (3) and (4) shall not apply to any qualified home purchase loan made, or secured, by an individual retirement account.

"(B) QUALIFIED HOME PURCHASE LOAN.—For purposes of this paragraph, the term 'qualified home purchase loan' means a loan—

"(i) made to the individual on whose behalf the individual retirement account is established, but only if such individual is a first-time homeowner,

"(ii) the proceeds of which are used by such an individual as a down payment on a dwelling unit which within a reasonable period of time (determined at the time the loan is made) is to be used as the principal residence of such individual,

"(iii) is secured by the dwelling unit,

"(iv) by its terms requires substantially level amortization over a period not greater than 15 years beginning with the date which is 1 year after the date of acquisition of the dwelling unit, and

"(v) which bears interest at a rate not greater than the prevailing market rate for the area in which the dwelling unit is located.

"(C) LIMITATIONS ON PURCHASE PRICE AND AMOUNT OF LOAN.—A loan shall not be treated as a qualified home purchase loan unless the requirements of subparagraphs (C) and (D) of section 4975(i)(2) are met.

"(D) FIRST-TIME HOMEBUYER.—For purposes of this paragraph, the term 'first-time homebuyer' means any individual who (and whose spouse) has had no present ownership interest in a principal residence during the 3-year period ending on the date of the acquisition of the dwelling unit to which this paragraph applied.".

(b) QUALIFIED CASH OR DEFERRED ARRANGEMENT.—Section 72(p)(3)(B) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new sentence: "In the case of any loan secured by amounts attributable to elective 401(k) deferrals, subparagraph (A) shall not apply during any period such loan is a qualified home purchase loan (within the meaning of

section 408(e)(7) but made from a qualified cash or deferred arrangement under section 401(k)).

(c) PROHIBITED TRANSACTION.—Section 4975(d) of the Internal Revenue Code of 1986 is amended by striking out " or" at the end of paragraph (14), by striking out the period at the end of paragraph (15) and inserting "; or", and by inserting after paragraph (15) the following new paragraph:

"(16) any loan that is a qualified home purchase loan (as defined in section 408(e)(7) or 72(p)(3)(B).)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to loans made after December 31, 1988, in taxable years ending after such date.

SEC. 223. MORTGAGE REVENUE BONDS AND MORTGAGE CERTIFICATES.

(a) MORTGAGE REVENUE BONDS.—Subparagraph (B) of section 143(a)(1)(B) of the Internal Revenue Code of 1986 is amended by striking out "1989" and inserting "1992".

(b) MORTGAGE CREDIT CERTIFICATES.—Subsection (h) of section 25 of such Code is amended by striking out "1989" and inserting "1992".

TITLE III—INVESTMENT IN AFFORDABLE HOUSING

SEC. 301. SHORT TITLE.

This title may be cited as the "HOME Corporation Act".

SEC. 302. PURPOSES.

The purposes of this title are—

(1) to expand the capacity of State and local governments throughout the United States to design and implement strategies for achieving an adequate supply of affordable housing for low-income and moderate-income Americans;

(2) to provide participating States and localities with one institution, the Government National HOME Corporation in the Department of Housing and Urban Development, that is charged with responsibility to promote the development of partnerships among the Federal, State, and local governments, private industry, and nonprofit organizations able to utilize effectively all available resources for affordable housing;

(3) to develop and refine, on an ongoing basis, a selection of model programs incorporating the most effective methods for providing affordable housing, and accelerate the application of such methods where appropriate throughout the United States to achieve the prudent and efficient use of funds made available under this title;

(4) to increase the investment of private capital and the use of private sector resources in the provision of affordable housing;

(5) to allocate Federal funds for investment in affordable housing among participating States and units of general local government by formula and incentive allocation;

(6) to leverage those funds with State and local matching contributions and private investment;

(7) to establish for each participating jurisdiction a housing investment trust fund with a line of credit for investment in affordable housing, with repayments back to the housing investment trust fund being made available for reinvestment by the jurisdiction; and

(8) to provide credit enhancement through guarantees of pools of qualifying mortgages, utilizing the capacities of existing agencies and mortgage finance institutions when most efficient and supplementing their activities when necessary.

SEC. 303. ESTABLISHMENT OF HOME CORPORATION.

(a) IN GENERAL.—There is created a body corporate to be known as the Government National HOME Corporation (hereinafter referred to as the "HOME Corporation"), which shall be in the Department of Housing and Urban Development. The HOME Corporation shall have succession until dissolved by Act of Congress.

(b) POWERS AND DUTIES IN SECRETARY.—All the powers and duties of the HOME Corporation shall be vested in the Secretary of Housing and Urban Development, and the HOME Corporation shall be administered under the direction of the Secretary. Within the limitations of law, the Secretary shall determine the general policies which shall govern the operations of the HOME Corporation, and shall have power to adopt, amend, and repeal bylaws governing the performance of the powers and duties granted to or imposed upon it by law.

(c) APPOINTMENT OF PRESIDENT.—There is established in the Department of Housing and Urban Development the position of President, Government National HOME Corporation, which position shall be filled by appointment by the President, by and with the advice and consent of the Senate.

(d) GENERAL AUTHORITIES.—The HOME Corporation shall be subject to the provisions of, and have the general authority provided in, subtitle D.

SEC. 304. AUTHORIZATION.

There are authorized to be appropriated to carry out this title $3,000,000,000 for fiscal year 1990, and $3,129,000,000 for fiscal year 1991, of which $10,000,000 for fiscal year 1990, and $12,000,000 for fiscal year 1991 shall be for activities authorized under subtitle C. Any funds appropriated under this section shall remain available until expended.

Subtitle A—Housing Opportunity Partnerships (HOP)

SEC. 311. AUTHORITY.

The Secretary, acting through the HOME Corporation, is authorized to make funds available to participating jurisdictions for investment to expand the supply of affordable housing in accordance with provisions of this subtitle.

SEC. 312. ELIGIBLE USES OF INVESTMENT.

(a) HOUSING USES.—Funds made available under this subtitle may be used by participating jurisdictions to improve rental and homeownership affordability through the acquisition, construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, including real property acquisition, site improvement, conversion, demolition, and other expenses, including relocation expenses of any displaced persons, families, businesses, or organizations.

(b) INVESTMENTS.—Participating jurisdictions shall have discretion to invest funds made available under this subtitle as equity investments, interest-bearing loans, noninterest-bearing loans or advances, interest subsidies or other forms of assistance that the Secretary has not determined to be inconsistent with the purposes of this subtitle. Each participating jurisdiction shall have the right to establish the terms of assistance.

(c) PROHIBITED USES.—Funds made available under this subtitle may not be used to—

(1) defray any administrative cost of a participating jurisdiction,

(2) provide direct rental assistance to tenants,

(3) provide assistance authorized under section 9 of the United States Housing Act of 1937,

(4) carry out activities authorized under section 14 of the Housing Act of 1937, or

(5) provide assistance to eligible low-income housing under the Emergency Low Income Housing Preservation Act of 1987.

SEC. 313. DEVELOPMENT OF MODEL PROGRAMS.

The HOME Corporation shall—

(1) in cooperation with participating jurisdictions, government-sponsored mortgage finance agencies, housing organizations, the private sector and other appropriate parties, develop, test, evaluate, refine, and, as necessary, replace a selection of model programs designed to carry out the purposes of this title;

(2) make available to participating jurisdictions alternative model programs, which shall include suggested guidelines, procedures, forms, legal documents and such other elements as the HOME Corporation determines to be appropriate;

(3) assure, insofar as is feasible, the availability of an appropriate variety of model programs designed for local market conditions, housing problems, project characteristics, and managerial capacities as they differ among participating jurisdictions;

(4) negotiate and enter into agreements with agencies of the Federal Government, participating jurisdictions, private financial institutions, government-sponsored mortgage finance agencies, nonprofit community organizations, and other entities to provide such services, products or financing as may be required for the implementation of a model program;

(5) provide detailed information on model programs as requested by private financial institutions, developers, nonprofit community organizations and other interested parties; and

(6) encourage the use of such model programs to achieve efficiency, economies of scale, and effectiveness in the investment of funds made available under this subtitle through third-party training, printed materials, and such other means of support as the HOME Corporation determines will achieve the purpose of this subtitle.

Except as provided in section 324(2), each participating jurisdiction shall have the discretion to adopt one or more model programs, adapt one or more model programs to its own requirements, design additional forms of assistance by itself or in cooperation with other participating jurisdictions, and suggest additional model programs for adoption by the HOME Corporation as the participating jurisdiction may deem appropriate.

SEC. 314. INCOME TARGETING.

Each participating jurisdiction shall invest funds made available under this subtitle within each fiscal year so that—

(1) not less than 40 percent of such funds are invested with respect to dwelling units that are occupied by households that qualify as very low-income families at the time of initial occupancy or at the time funds are invested, whichever is later;

(2) not less than 80 percent of such funds, including funds under paragraph (1), are invested with respect to dwelling units that are occupied by households that qualify as low-income families at the time of initial occupancy or at the time funds are invested, whichever is later; and

(3) all such funds are invested with respect to housing that qualifies as affordable housing under section 315.

SEC. 315. QUALIFICATION AS AFFORDABLE HOUSING.

(a) RENTAL HOUSING.—

(1) QUALIFICATION.—Housing that is for rental shall qualify as affordable housing under this title only if the housing—

(A) bears rents not greater than the existing fair market rent for comparable units in the area as established by the Secretary under section 8 of the United States Housing Act of 1937, unless the Secretary finds that the existing fair market rents in the area would not support the continued financial viability of the project;

(B) has not less than 20 percent of the units (i) occupied by very low-income families who pay as a contribution toward rent (excluding any Federal or State rental subsidy provided on behalf of the family) not more than 30 percent of the family's monthly adjusted income as determined by the Secretary, or (ii) occupied by very low-income families and bearing rents not greater than the qualified rent under paragraph (2);

(C) is occupied only by households that qualify as low-income families;

(D) is not refused for leasing to a holder of a rental credit, voucher, or certificate of eligibility under section 8 of the Housing Act of 1937 because of the status of the prospective tenant as a holder of such rental credit, voucher, or certificate of eligibility; and

(E) will remain affordable, according to binding commitments satisfactory to the Secretary, for its remaining useful life or for such other period that the Secretary determines is the longest feasible period of time consistent with sound economics and the purpose of this title.

(2) QUALIFYING RENT.—For purposes of this section, the qualifying rent shall be a rent determined for the area by the Secretary that—

(A) in the case of a unit with not more than 1 bedroom, does not exceed 30 percent of the monthly income of a very low-income family of 1 person; and

(B) in the case of a unit with more than 1 bedroom, does not exceed the result of multiplying the number of bedrooms times 30 percent of the mean of (i) the monthly income of a very low-income family of 1 person, and (ii) the monthly income of a very low-income family of 2 persons.

When determining the qualifying rent under this paragraph, the Secretary shall consider a very low-income family to be a family whose income is 50 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(3) INCREASES IN TENANT INCOME.—Housing shall qualify as affordable housing despite a temporary noncompliance with subparagraph (B) or (C) of paragraph (1) if such noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to the Secretary are being taken to ensure that all vacancies are filled to correct such noncompliance as soon as possible. Tenants who no longer qualify as low-income families shall pay as rent not less than 30 percent of the family's monthly income, as recertified annually.

(4) MIXED-INCOME PROJECT.—Housing that accounts for less than 100 percent of the dwelling units in a project shall qualify as affordable housing if such housing meets the criteria of this section.

(b) HOMEOWNERSHIP.—Housing that is for homeownership shall qualify as affordable housing under this title only if the housing—

(1) has an initial purchase price that does not exceed 95 percent of the median purchase price for the area, as determined by the Secretary with such adjustments for differences in structure and for new and old housing as the Secretary determines to be appropriate;

(2) is the principal residence of an owner whose family qualifies as a moderate-income family at the time of purchase;

(3) provides ownership opportunities to families with a broad range of incomes below the area median income, including a preponderance of low-income families; and

(4) is made available for initial purchase only to persons who (and whose spouse) have had no present ownership interest in a principal residence during the previous 3-year period and for subsequent purchase only to persons who meet the qualifications specified under paragraph (2).

SEC. 316. PARTICIPATION BY STATES AND LOCAL GOVERNMENTS.

The Secretary shall designate a State or unit of general local government to be a participating jurisdiction when it complies with procedures that the Secretary shall establish by regulation, which procedures shall provide for the following:

(1) ALLOCATION.—Not later than 20 days after funds to carry out this subtitle became available (or, during the first year after enactment of this Act, not later than 20 days after (A) funds to carry out this subtitle are provided in an appropriation Act, or (B) regulations to implement this subtitle are promulgated, whichever is later), the Secretary shall allocate funds in accordance with section 317 and promptly notify each jurisdiction receiving a formula allocation of its allocation amount. If a jurisdiction is not already a participating jurisdiction, the Secretary shall inform the jurisdiction in writing how the jurisdiction may become a participating jurisdiction.

(2) ELIGIBILITY.—A jurisdiction receiving a formula allocation under section 317 shall be eligible to become a participating jurisdiction if its formula allocation is $2,000,000 or greater, or if—

(A) the Secretary finds that—

(i) the jurisdiction is the city with the largest population in a metropolitan area, has a local housing authority, and has demonstrated a capacity to carry out provisions of this subtitle, and

(ii) the State has authorized the Secretary to transfer to the jurisdiction a portion of the State's allocation that is equal to or greater than the difference between the jurisdiction's formula allocation and $2,000,000; or

(B) geographically contiguous units of general local government have formed a consortium that, in the determination of the Secretary—

(i) has sufficient authority and administrative capability to act on behalf of its member jurisdictions in carrying out the purposes of this Act,

(ii) will, according to a written certification by the State (or States, if the consortium includes jurisdictions in more than one State), direct its activities to alleviation of the State's or the States' most severe housing problems, and

(iii) is comprised only of jurisdictions that have received a formula allocation for the fiscal year. Such a consortium shall be deemed to be a unit of general local government for purposes of this subtitle.

(C) If a jurisdiction has met the requirements of subparagraph (A), the jurisdiction's formula allocation for a fiscal year shall subsequently be deemed to equal the sum of the jurisdiction's allocation under section 317(a)(1) and the amount the State has agreed to transfer to the jurisdiction. The formula allocation for a consortium that has met the requirements under subparagraph (B) shall equal the total of the formula allocations of its member jurisdictions.

(3) NOTIFICATION.—If an eligible jurisdiction notifies the Secretary in writing, not later than 30 days after receiving notification under paragraph (1), of its intention to become a participating jurisdiction, the Secretary shall reserve an amount equal to the jurisdiction's allocation (plus any reallocations for which the jurisdiction is eligible under section 317(d)(1)) pending the jurisdiction's designation as a participating jurisdiction. The Secretary shall reallocate, by formula in accordance with section 317(d), any funds reserved under the previous sentence if the Secretary determines that the jurisdiction will not meet the requirements for designation as a participating jurisdiction within a reasonable period of time.

(4) SUBMISSION OF STRATEGY.—Not later than 90 days after providing notification under paragraph (3), an eligible jurisdiction shall submit to the Secretary a comprehensive housing affordability strategy in accordance with section 105.

(5) REALLOCATION.—If the Secretary determines that a jurisdiction has failed to meet the requirements of the previous 3 paragraphs or if the Secretary, after providing for amendments and resubmissions in accordance with section 105(c)(3), disapproves the jurisdiction's comprehensive housing affordability strategy, the Secretary shall reallocate any funds reserved for the jurisdiction as follows:

(A) STATE.—If a State has failed to meet the requirements, the Secretary shall—

(i) make 50 percent of any funds reserved for the State available by incentive allocation among applications submitted by units of general local government within the State or consortia that include units of general local government within the State, insofar as approvable applications meeting the selection criteria under section 317(c) are received within 12 months after the funds become available for the incentive allocation, and

(ii) reallocate the remainder by formula in accordance with section 317(d).

(B) LOCAL.—If a unit of general local government has failed to meet the requirements and is located in a State that is a participating jurisdiction, the Secretary shall reallocate to the State any funds reserved for the locality.

(C) DIRECT REALLOCATION.—If a unit of general local government has failed to meet the requirements and is located in a State that is not a participating jurisdiction, the Secretary shall—

(i) make 50 percent of any funds reserved for the locality available for use within the State by incentive allocation among units of general local government and nonprofit community organizations, insofar as approvable applications meeting the selection cri-

teria under section 317(c) are received within 12 months after the funds become available for the incentive allocation with priority going to applications for affordable housing within the locality or its immediate vicinity, and

(ii) reallocate the remainder in accordance with section 317(d).

(D) CERTAIN JURISDICTIONS DEEMED TO BE PARTICIPATING JURISDICTIONS.—If a State or unit of general local government is meeting the requirements of paragraphs (2), (3), and (4), it shall be deemed to be a participating jurisdiction for purposes of reallocation under this paragraph.

(6) DESIGNATION.—The Secretary shall designate an eligible jurisdiction to be a participating jurisdiction as soon as its comprehensive housing affordability strategy is approved in accordance with section 105.

(7) CONTINUOUS DESIGNATION.—Once a State or unit of general local government is designated a participating jurisdiction, it shall remain a participating jurisdiction for subsequent fiscal years, except as provided in paragraph (8). The provisions of paragraphs (2) through (5) shall not apply to participating jurisdictions.

(8) REVOCATION.—The Secretary may revoke a jurisdiction's designation as a participating jurisdiction if—

(A) the Secretary finds, after reasonable notice and opportunity for hearing, that the jurisdiction is unwilling or unable to carry out the provisions of this title, or

(B) the jurisdiction's allocation falls below $2,000,000 for 3 consecutive years, below $1,750,000 for 2 consecutive years, or the jurisdiction does not receive a formula allocation of $1,500,000 or more in any 1 year.

If a jurisdiction's designation as a participating jurisdiction is revoked, any remaining line of credit in the jurisdiction's housing investment trust fund established under section 318 shall be reallocated by formula in accordance with section 317(d).

SEC. 317. ALLOCATION OF RESOURCES.

(a) IN GENERAL.—The Secretary shall allocate among participating jurisdictions such funds as are approved in an appropriations Act to carry out this subtitle as follows:

(1) 80 percent of the funds approved in an appropriations Act shall be allocated according to a formula established under subsection (b). Of the funds made available under the previous sentence, the Secretary shall allocate 50 percent among units of general local government and 50 percent among States.

(2) 20 percent of the funds approved in an appropriations Act shall be allocated according to an incentive allocation as provided in subsection (c).

(b) FORMULA ALLOCATION.—

(1) IN GENERAL.—The Secretary shall issue regulations establishing an allocation formula that reflects each jurisdiction's share of the Nation's need for an increased supply of affordable housing for low-income and moderate-income families of differing size, as identified by objective measures of tightness in the housing market, inadequate housing, poverty, and the costs of producing housing. This formula shall be used for all formula allocations and reallocations provided for in this subtitle. The data to be used for allocation of funds within a fiscal year shall be those that are available to the Secretary 90 days prior to the beginning of that fiscal year.

(2) MINIMUM STATE ALLOCATION.—If the formula, when applied to funds approved under this section in appropriations Acts for a fiscal year, would allocate less than $3,000,000 to any State, the allocation for such State shall be $3,000,000, and the increase shall be deducted pro rata from the allocations of other States.

(3) MINIMUM LOCAL ALLOCATION.—The Secretary shall allocate funds available for formula allocation to units of general local government so that, when all such funds are allocated by the formula, only those jurisdictions that are allocated an amount of $1,500,000 or greater shall receive an allocation.

(4) MAXIMUM ALLOCATIONS.—No State shall be allocated an amount greater than 15 percent of the total allocated under subsection (a)(1) among States, and no unit of general local government shall be allocated an amount greater than 15 percent of the total allocated under subsection (a)(1) among units of general local government.

(c) INCENTIVE ALLOCATION.—The Secretary shall make an incentive allocation among participating jurisdictions for funds made available under subsection (a)(2). A jurisdiction shall be eligible for an incentive allocation under this paragraph only if the jurisdiction demonstrates to the satisfaction of the Secretary that the jurisdiction is engaged, or has made good faith efforts to engage, in cooperative efforts between the State and appropriate participating jurisdictions within the State to develop, coordinate, and implement housing strategies under this title. The Secretary shall by regulation establish selection criteria for such incentive allocations, which criteria shall take into account—

(1) the applicant's demonstrated commitment to expand the supply of affordable housing through actions that—

(A) provide matching resources in excess of funds required under section 320; and

(B) stimulate a high degree of investment and participation in development by the private sector, including nonprofit organizations;

(2) the degree to which the applicant is pursuing policies that—

(A) make existing housing more affordable;

(B) preserve the affordability of privately-owned housing that is vulnerable to conversion, demolition, disinvestment, or abandonment;

(C) increase the supply of housing that is affordable to very low-income, low-income, and moderate-income persons, particularly in areas that are accessible to expanding job opportunities; and

(D) improve housing opportunities for disadvantaged minorities; and

(3) the degree to which the applicant needs an allocation under this section to carry out an approved housing affordability strategy that, in the determination of the Secretary, will—

(A) serve as a national model,

(B) demonstrate promising new methods for expanding the supply of affordable housing,

(C) ease a severe regional shortage in one or more categories of affordable housing, or

(D) respond to particularly difficult housing problems.

The total amount allocated to a jurisdiction under this subsection in any fiscal year shall not exceed the jurisdiction's allocation under subsection (b) in that fiscal year.

(d) REALLOCATIONS.—

(1) IN GENERAL.—The Secretary shall make any reallocations under this subtitle periodically throughout each fiscal year so as to ensure that all funds to be reallocated are made available to eligible jurisdictions as soon as possible, consistent with orderly program administration. Jurisdictions eligible for such reallocations shall include participating jurisdictions and jurisdictions meeting the requirements of paragraphs (2), (3), and (4) of section 316.

(2) COMMITMENTS.—The Secretary shall establish procedures according to which participating jurisdictions may make commitments to invest funds made available under this section. Such procedures shall provide for appropriate stages of commitment of funds to a project from initial reservation through binding commitment. Notwithstanding any other provision of this section, funds that the Secretary determines are needed to fulfill binding commitments shall not be available for reallocation.

(3) LIMITATION.—Unless otherwise specified in this subtitle, any reallocation of funds from a State shall be made only among all participating States, and any reallocation of funds from units of general local government shall be made only among all participating units of general local government.

SEC. 318. HOUSING INVESTMENT TRUST FUNDS.

(a) ESTABLISHMENT.—The HOME Corporation shall establish for each participating jurisdiction a housing investment trust fund, which shall be an account for use solely to invest in affordable housing within the participating jurisdiction's boundaries in accordance with the provisions of this subtitle.

(b) LINE OF CREDIT.—The HOME Corporation shall establish a line of credit in the housing investment trust fund of each participating jurisdiction, which line of credit shall include—

(1) funds allocated or reallocated to the participating jurisdiction under section 317, and

(2) any payment or repayment made pursuant to section 319.

(c) REDUCTIONS.—A participating jurisdiction's line of credit shall be reduced by—

(1) funds drawn from the housing investment trust fund by the participating jurisdiction,

(2) funds expiring under subsection (g), and

(3) any penalties assessed by the Secretary under section 324.

(d) CERTIFICATION.—A participating jurisdiction may draw funds from its housing investment trust fund, but not to exceed the remaining line of credit, only after providing certification, in a form satisfactory to the Secretary, that the funds shall be used pursuant to the participating jurisdiction's approved housing strategy and in compliance with all requirements of this title. When such certification is received, such funds shall be immediately disbursed in accordance with the form of the assistance determined by the participating jurisdiction.

(e) INVESTMENT WITHIN 15 DAYS.—The participating jurisdiction shall, not later than 15 days after funds are drawn from the jurisdiction's housing investment trust fund, invest such funds, together with any interest earned thereon, in the affordable housing for which the funds were withdrawn.

(f) NO INTEREST OR FEES.—The HOME Corporation shall not charge any interest or levy any other fee with regard to funds in a housing investment trust fund.

(g) EXPIRATION OF RIGHT TO DRAW FUNDS.—If any funds becoming available to a participating jurisdiction under this title are not placed under binding commitment to affordable housing within 24 months

after the last day of the month in which such funds are deposited in the jurisdiction's housing investment trust fund, the jurisdiction's right to draw such funds from the housing investment trust fund shall expire. The HOME Corporation shall reduce the line of credit in the participating jurisdiction's housing investment trust fund by the expiring amount and shall reallocate the funds by formula in accordance with section 317(d).

(h) ADMINISTRATIVE PROVISION.—The HOME Corporation shall keep each participating jurisdiction informed of the status of its housing investment trust fund, including the status of amounts under various stages of commitment.

SEC. 319. REPAYMENT OF INVESTMENT.

(a) IN GENERAL.—Any repayment of funds drawn from a jurisdiction's housing investment trust fund, and any payment of interest or other return on the investment of such funds, shall be deposited in such jurisdiction's housing investment trust fund, except that, if the jurisdiction is not a participating jurisdiction when such payment or repayment is made, the amount of such payment or repayment shall be reallocated in accordance with section 317(d).

(b) ASSURANCE OF REPAYMENT.—Each participating jurisdiction shall assure that funds invested in affordable housing under this subtitle are repayable when the housing no longer qualifies as affordable housing. Any repayment under the previous sentence shall be for deposit in the housing investment trust fund of the jurisdiction making the investment; except that if such jurisdiction is not a participating jurisdiction when such repayment is made, the amount of such repayment shall be reallocated in accordance with section 317(d).

(c) AVAILABILITY.—Any funds deposited in a housing investment trust fund in accordance with this section shall be immediately available to the participating jurisdiction for investment subject to the provisions of this subtitle that apply to funds that are allocated under section 317.

SEC. 320. MATCHING REQUIREMENTS.

(a) CONTRIBUTION.—Each participating jurisdiction shall make contributions to affordable housing assisted under this subtitle that total, throughout a fiscal year, not less than 25 percent of the total funds drawn from the jurisdiction's housing investment trust fund in that fiscal year.

(b) RECOGNITION.—A contribution shall be recognized for purposes of the previous sentence only if it—

(1) is made with respect to housing that qualifies as affordable housing under section 315, or

(2) is made with respect to any portion of a project not less than 50 percent of the units which qualify as affordable housing under section 315.

(c) FORM.—Such contributions may be in the form of—

(1) cash contributions from non-Federal resources, which may not include funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(2) expenditures from non-Federal resources for administration up to 7 percent of funds provided for investment under this title;

(3) the value of fees that are normally and customarily imposed but are waived or deferred in a manner that achieves affordability of housing assisted under this title;

(4) the value of land or other real property as appraised according to procedures acceptable to the Secretary; or

(5) such in-kind contributions as the Secretary may approve.

(d) REDUCTION OF REQUIREMENT.—If a jurisdiction demonstrates to the satisfaction of the Secretary that a reduction of the matching requirement specified in subsection (a) is necessary to permit the jurisdiction to carry out the purpose of this title, the Secretary may reduce the matching requirement during a period not to exceed 3 years after the jurisdiction is first designated as a participating jurisdiction. Such reduction shall be not more than 75 percent in the first year, not more than 50 percent in the second year, and not more than 25 percent in the third year.

SEC. 321. PRIVATE-PUBLIC PARTNERSHIP.

Each participating jurisdiction shall make all reasonable efforts, consistent with the purposes of this title, to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in the implementation of the jurisdiction's housing strategy, including participation in the financing, development, rehabilitation and management of affordable housing. Nothing in the previous sentence shall preclude public housing authorities from fully participating in the implementation of a jurisdiction's housing strategy.

SEC. 322. DISTRIBUTION OF ASSISTANCE.

(a) LOCAL.—Each participating jurisdiction shall, insofar as is feasible, distribute assistance under this subtitle geographically within its boundaries and among different categories of housing need, according to the priorities of housing need identified in the jurisdiction's approved housing strategy.

(b) STATE.—Participating States shall be responsible for distributing assistance throughout the State according to the State's assessment of the geographical distribution of the housing need within the State, as identified in the State's approved housing strategy. To the extent the need is within the boundaries of a participating unit of general local government, the State and the unit of general local government shall coordinate activities to address that need.

SEC. 323. SET-ASIDE FOR NONPROFIT COMMUNITY ORGANIZATIONS.

(a) IN GENERAL.—Each participating jurisdiction, for a period of 18 months after funds under this subtitle are made available to the jurisdiction, shall reserve not less than 10 percent of such funds for investment only in housing to be developed, sponsored, or owned by nonprofit community organizations. Each participating jurisdiction shall make reasonable efforts to identify nonprofit community organizations that are capable of carrying out elements of the jurisdiction's housing strategy and to encourage such nonprofit community organizations to do so. A participating jurisdiction is authorized to enter into contracts with nonprofit community organizations to carry out this section.

(b) RECAPTURE AND REUSE.—If any reserved funds remain uninvested for a period of 18 months and the jurisdiction demonstrates to the satisfaction of the Secretary that the jurisdiction has complied with subsection (a) but such funds cannot be used effectively within the jurisdiction by qualified nonprofit community organizations, then the jurisdiction shall, for a period not to exceed 12 months, have the right to invest not more than 50 percent of such funds without regard to the requirements of subsection (a), and the Secretary shall make the remainder of such funds available by incentive allocation among nonprofit community organizations.

(c) RECAPTURE AND DEDUCTION.—If any reserved funds remain uninvested for a period of 18 months and the jurisdiction has not demonstrated to the satisfaction of the Secretary that the jurisdiction has complied with subsection (a), the HOME Corporation shall deduct such funds from the line of credit in the participating jurisdiction's housing investment trust fund and make such funds available by incentive allocation among nonprofit community organizations giving preference to approvable applications from qualified nonprofit community organizations for affordable housing within the boundaries of the jurisdiction.

(d) INCENTIVE ALLOCATION CRITERIA.—Insofar as practicable, incentive allocations under this section shall be made according to the selection criteria established under section 317(c).

SEC. 324. PENALTIES FOR MISUSE OF FUNDS.

If the Secretary finds after reasonable notice and opportunity for hearing that a participating jurisdiction has failed to comply substantially with any provision of this subtitle and until the Secretary is satisfied that there is no longer any such failure to comply, the HOME Corporation shall reduce the line of credit in the jurisdiction's housing investment trust fund by the amount of any expenditures that were not in accordance with the requirements of this subtitle, and the Secretary may—

(1) direct the HOME Corporation to prevent withdrawals from the jurisdiction's housing investment trust fund for activities affected by such failure to comply;

(2) restrict the jurisdiction's activities under this title to activities that conform to one or more model programs made available under section 313; or

(3) remove the jurisdiction from participation in allocations or reallocations of funds made available under this subtitle.

SEC. 325. LIMITATION ON JURISDICTIONS UNDER COURT ORDER.

Notwithstanding any other provision of this Act, any participating jurisdiction that has been or is found by a Federal, State, or local court in violation of title VI of the Civil Rights Act of 1964, the Fair Housing Act, or any other Federal, State, or local law promoting fair housing or prohibiting discrimination shall only be permitted to use funds provided under this subtitle to carry out housing remedies ordered by such court until the Secretary is satisfied that there is no longer any such violation and all such housing remedies have been carried out.

Subtitle B—Mortgage Credit Enhancement

SEC. 331. AUTHORITY.

The HOME Corporation is authorized, upon such terms and conditions as the Secretary may prescribe, to guarantee and to make commitments to guarantee obligations that (1) are issued by State or local housing finance agencies, corporations owned or chartered by the United States, and financial institutions approved by the HOME Corporation, and (2) are backed by pools or trusts of mortgages on affordable housing, as defined under section 315, or by participations in mortgages on affordable housing. The aggregate amount of guarantees under this section shall not exceed limitations contained in appropriation Acts.

SEC. 332. AUTHORITY TO CONTRACT.

The HOME Corporation may enter into contracts, cooperative agreements, commitments, or other transactions with any corporation owned or chartered by, or agency of, the United States to achieve the purposes of this subtitle, on such terms as the HOME Corporation may deem appropriate. Notwithstanding any other provision of law, such agency or corporation is authorized to carry out such activities.

SEC. 333. TERMS.

Obligations guaranteed under this subtitle shall have such maturities and bear such rate or rates of interest as may be determined by the HOME Corporation. Such obligations may be in the form of bonds, debentures, notes, evidences of debt or loans. The full faith and credit of the United States is pledged to the payment of all guarantees made under this subtitle. Any such guarantee shall be conclusive evidence of the eligibility of the obligations for such guarantee, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

SEC. 334. REQUIREMENTS.

(a) IN GENERAL.—The operations of the HOME Corporation under this subtitle shall be confined insofar as practicable to credit enhancement of residential mortgages which are deemed by the HOME Corporation to be of such quality, type, and class as to meet generally the purchase standards imposed by private institutional mortgage investors or government-sponsored mortgage finance agencies. The HOME Corporation is authorized to establish standards and requirements for the State and local housing finance agencies and financial institutions with which it may conduct business and, for such purpose, issue approvals of such agencies or institutions, which may be withdrawn or modified at its discretion.

(b) SPECIFIC REQUIREMENTS.—The HOME Corporation may specify requirements concerning, among other things—

(1) minimum net worth or capital;

(2) supervisory mechanisms;

(3) warranty compensation mechanisms;

(4) prior approval of facilities;

(5) prior underwriting or origination and servicing experience with respect to different types of mortgages;

(6) mortgage purchase volume limits; and

(7) such other requirements as the HOME Corporation determines to be necessary or appropriate to carry out the provisions of this title.

(c) NONDISCRIMINATION.—The Corporation shall not be required to make programs available to any particular type of agency or institution to an extent greater than the HOME Corporation elects to make such programs available to other types of approved agencies or institutions.

SEC. 335. REDUCED RISK OF LOSS.

The HOME Corporation shall protect the interest of, and minimize the risk of loss to, the HOME Corporation in connection with any guarantee issued under this subtitle. Such arrangements may include requirements for insurance or guarantees on the obligations to be guaranteed or on the mortgages or property backing such obligations.

SEC. 336. REQUIREMENTS REQUIRED TO RELATE TO PURPOSE OF SUBTITLE.

The HOME Corporation shall, insofar as is practicable without incurring undue business or financial risk, make reasonable efforts to encourage participation in its programs by various participating jurisdictions and by each type of approved agency and institution.

SEC. 337. FEES.

The HOME Corporation shall establish and charge a fee for guarantees under this subtitle. The amount of such fee shall be the amount determined by the HOME Corporation to be sufficient to compensate the HOME Corporation for any risk of loss and for administrative costs incurred in the guarantee program. The HOME Corporation may impose charges or fees, which may be regarded as elements of pricing, for different classes of agencies or institutions with which it conducts business, and in connection therewith the HOME Corporation is authorized to classify such agencies or institutions according to type, size, location, assets, or, without limitation on the generality of the foregoing, on such other basis or bases of differentiation as the HOME Corporation may consider necessary or appropriate to effectuate the purposes or provisions of this title.

SEC. 338. SUBROGATION.

Upon the payment of any guarantee under this subtitle, the HOME Corporation shall be subrogated to the rights of the holder of the obligation regarding which the guarantee payment was made.

Subtitle C—Other Support for State and Local Housing Strategies

SEC. 351. AUTHORITY.

The HOME Corporation shall, insofar as is feasible through contract with eligible organizations, develop the capacity of State and local agencies, nonprofit organizations and for-profit corporations, working in partnership, to identify and meet needs for an increased supply of decent, affordable housing.

SEC. 352. PRIORITIES FOR CAPACITY DEVELOPMENT.

To carry out this purpose, the HOME Corporation shall provide assistance under this subtitle to—

(1) facilitate the exchange of information that would help participating jurisdictions carry out the purposes of this title, including information on program design, housing finance, land use controls, and building construction techniques;

(2) improve the ability of States and units of general local government to design and implement comprehensive housing affordability strategies, particularly those States and units of general local government that are relatively inexperienced in the development of affordable housing;

(3) increase the ability of nonprofit community organizations to maintain, rehabilitate or construct housing for low-income and moderate-income families, particularly in areas with substantial need for such housing and inadequate resources to produce such housing;

(4) encourage private lenders and for-profit developers of low-income housing to participate in public-private partnerships to achieve the purposes of this title;

(5) increase the investment of private capital in housing for very low-income families, particularly by encouraging the establishment of benevolent loan funds through which private financial institutions will accept deposits at below-market interest rates and make those funds available at favorable rates to developers of low-income housing and to low-income home buyers; and

(6) support locally initiated efforts to establish privately owned, local community development banks to finance affordable housing.

SEC. 353. ELIGIBLE ORGANIZATIONS.

The HOME Corporation shall carry out this subtitle insofar as is practicable through contract with—

(1) a participating jurisdiction or agency thereof;

(2) a public purpose organization established pursuant to State or local legislation and responsible to the chief elected official of a participating jurisdiction;

(3) an agency or authority established by two or more participating jurisdictions to carry out activities consistent with the purposes of this title;

(4) a national or regional nonprofit organization that has a membership comprised predominantly of entities or officials of entities that qualify under paragraph (1), (2), or (3); or

(5) a nonprofit organization that—

(A) customarily provides in more than one State services related to the provision of decent housing that is affordable to low-income and moderate-income persons, and

(B) has a demonstrated ability to provide technical assistance and training for local developers of affordable housing.

Contracts under this section shall be for not more than 3 years and shall provide not more than 20 percent of the operating budget of the contracting organization in any one year. Within any fiscal year, contracts with any one organization may not be entered into for a total of more than 20 percent of the funds appropriated under this subtitle in that fiscal year.

SEC. 354. RESEARCH IN HOUSING AFFORDABILITY.

The HOME Corporation is authorized to cooperate with the Assistant Secretary for Policy Development and Research in identifying and supporting, through contracts with eligible organizations and otherwise, such research and publishing such reports as will assist in the achievement of the purposes of this title. Activities authorized by the previous sentence may include an ongoing analysis of the impact of public policies at the Federal, State, and local levels, both individually and in the aggregate, on the incentives to expand and maintain the supply of affordable housing in the United States, particularly in areas with severe problems of housing affordability. For purposes of this section, agencies of the United States, government-sponsored mortgage finance agencies, and qualified research organizations shall be included as eligible organizations in addition to eligible organizations specified under section 353.

Subtitle D—General Authority of the HOME Corporation

SEC. 361. GENERAL POWERS.

The HOME Corporation shall have the power—

(1) to adopt, alter, and use a corporate seal, which shall be judicially noticed;

(2) subject to such limitations as may be provided expressly in this title, to adopt, amend or modify, repeal, and enforce such bylaws, rules, and regulations as may be necessary or appropriate to carry out the purposes or provisions of this subtitle;

(3) to enter into and perform contracts, leases, cooperative agreements, commitments, or other transactions, on such terms as it may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory, commonwealth, or possession of the United States, or any political subdivision thereof,

or with any person, firm, association, or corporation;

(4) to execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers;

(5) with the consent of any Government corporation or Federal Reserve bank, or of any board, commission, independent establishment, or executive department of the Government, to use information, services, facilities, and personnel thereof, including any field service thereof, in carrying out the provisions of this title, and to pay for such use;

(6) to sue and be sued, complain and defend, in its corporate name, in any State, Federal or other court of competent jurisdiction, but no attachment, injunction or other similar process, mesne or final order, shall be issued against the property of the HOME Corporation or against the HOME Corporation with respect to its property;

(7) to conduct its business without regard to any qualification or similar statute in any State, territory, commonwealth, or possession of the United States, or any political subdivision thereof;

(8) to lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with any property, real, personal, or mixed, or any interest therein, wherever situated;

(9) to hold, rent, maintain, modernize, renovate, improve, use, and operate its property;

(10) to sell, for cash or credit, lease, or otherwise dispose of its property and assets, at such time and in such manner as and to the extent that it may deem necessary or appropriate;

(11) to accept gifts or donations of services, of property, real, personal, or mixed, tangible, or intangible, in aid of any of its purposes;

(12) to settle, adjust, and compromise, and with or without consideration or benefit to the HOME Corporation, to release or waive in whole or in part, in advance or otherwise, any claim, demand, or right of, by, or against the HOME Corporation;

(13) to determine its expenditures and the manner in which the same shall be incurred, allowed, and paid;

(14) to indemnify officers, employees, and agents of the HOME Corporation for liabilities and expenses incurred in connection with their corporate duties;

(15) to exercise any priority of the Government of the United States in collecting debts from bankrupt, insolvent, or decedents' estates;

(16) if it deems it appropriate, to conduct any of its business through a subsidiary, trust, partnership or other legal arrangement;

(17) to prescribe such standards as may be necessary to carry out this title; and

(18) to do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

SEC. 362. OFFICES.

It shall maintain its principal office in the District of Columbia or the metropolitan area thereof and shall be deemed, for purposes of jurisdiction and venue in civil actions, to be a District of Columbia corporation. Offices may be established by the HOME Corporation in such other place or places as it may deem necessary or appropriate in the conduct of its business.

SEC. 363. APPOINTMENT OF OFFICERS AND EMPLOYEES.

(a) OFFICERS.—The Secretary shall appoint qualified persons to the offices of vice president, and such other offices of the HOME Corporation as the bylaws indicate. Persons appointed under the preceding sentence shall perform such executive functions, powers, and duties as may be prescribed by the bylaws or by the Secretary, and such persons shall be executive officers of the HOME Corporation and shall discharge all such executive functions, powers, and duties.

(b) STAFF.—The Secretary shall have the power to select and appoint or employ such attorneys, employees, and agents of the HOME Corporation, to vest them with such powers and duties, and to fix and to cause the HOME Corporation to pay compensation to them for their services, as the Secretary may determine. Attorneys, employees, and agents who are full-time employees of the HOME Corporation shall be subject to the civil service and classification laws. Nothing in this title or any other law shall be construed to limit the ability of the HOME Corporation to employ and provide for compensation of attorneys or agents for the HOME Corporation which compensation is not subject to the civil service and classification laws.

SEC. 364. EXEMPTION FROM CERTAIN TAXES.

The HOME Corporation, including its franchise, capital, reserves, surplus, mortgages or other security holdings, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the HOME Corporation shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

SEC. 365. FEDERAL RESERVE BANKS TO ACT AS FISCAL AGENTS.

The Federal Reserve banks are authorized and directed to act as a depositary or custodian, or as a fiscal or other agent for the HOME Corporation, for its own account or as fiduciary, and such banks shall be reimbursed for such services in such manner as may be agreed upon; and the HOME Corporation may itself act in such capacities, for its own account or as fiduciary, and for the account of others.

SEC. 366. INVESTMENT OF FUNDS.

Funds of the HOME Corporation in excess of current needs shall be kept in cash on hand or on deposit, or invested in obligations of the United States or guaranteed thereby.

SEC. 367. SEC EXEMPTION.

All obligations, securities, participations, or other instruments guaranteed by the HOME Corporation shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer or officers thereof. All obligations, securities, participations, or other instruments issued or guaranteed pursuant to this title shall, to the same extent as securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States, be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission; but all such issuances by the HOME Corporation shall be made only on such terms as the Secretary shall generally, and from time to time, prescribe.

SEC. 368. IMMUNITIES AND PRIORITIES.

The HOME Corporation shall be entitled to all immunities and priorities to which it would be entitled if it were the United States or if it were an unincorporated agency of the United States.

SEC. 369. INCOME AND REVENUES.

In order to carry out the purpose of this title, all revenues and income transferred to or earned by the HOME Corporation, from whatever source derived, shall be held by the HOME Corporation and shall be available to carry out the purpose of this title.

SEC. 370. PRESUMPTION OF COMPLIANCE.

Each contract executed by an officer of officers of the HOME Corporation shall be conclusively presumed to be entered in compliance with the requirements of this title.

SEC. 371. EXCLUSIVE USE OF NAME.

No individual, association, partnership, or corporation, except the HOME Corporation shall hereafter use the term "Government National HOME Corporation," or any combination of such words, as the name or a part thereof under which any individual or organization shall do business. Violations of the foregoing sentence may be enjoined by any court of general jurisdiction in a suit brought by the HOME Corporation. In any such suit, the HOME Corporation may recover any actual damages flowing from such violation, and, in addition, shall be entitled to punitive damages (regardless of the existence or nonexistence of actual damages) of not to exceed $1,000 for each day during which such violation is committed or repeated.

SEC. 372. GOVERNMENT CORPORATION CONTROL ACT.

The HOME Corporation shall be subject to the applicable provisions of chapter 91 of title 31, United States Code, except as otherwise provided in this title.

Subtitle E—General Provisions

SEC. 381. NONDISCRIMINATION.

No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

SEC. 382. AUDIT AND ACCOUNTABILITY.

The financial transactions of recipients of such funds may, insofar as they relate to funds provided under this title, be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by such recipients pertaining to such financial transactions and necessary to facilitate the audit.

SEC. 383. PERFORMANCE REPORTS BY PARTICIPATING JURISDICTIONS.

(a) REPORTS TO THE SECRETARY.—Each participating jurisdiction shall submit to the Secretary, in such form as the Secretary shall prescribe, a performance and evaluation report on the use of funds made available under this title, together with the jurisdiction's assessment of the relationship of

such usage to the jurisdiction's approved comprehensive housing affordability strategy. The report shall include information on the number and types of households served, including the income levels of those served. The report shall be made available to the public so that citizens, public agencies and other interested parties have an opportunity to comment on the report prior to its submission. The report shall include a summary of any comments received from interested parties. The report shall be included in the jurisdiction's performance report under section 105(d) of this Act.

(b) UNIFORM REQUIREMENTS.—The Secretary shall develop and establish uniform recordkeeping, performance reporting, and auditing requirements for use by participating jurisdictions.

(c) REPORT TO THE CONGRESS.—Not later than 120 days after the end of each fiscal year, the Secretary shall make an annual report to the Congress that summarizes and assesses the results of reports provided under this section.

SEC. 384. CITIZEN PARTICIPATION.

The Secretary shall ensure that each participating jurisdiction, and each jurisdiction seeking to become a participating jurisdiction, provides for appropriate citizen participation in the design and implementation of the jurisdiction's housing strategy. Such jurisdiction shall (1) furnish citizens with information on activities that will be carried out under this title, (2) provide for public hearings that obtain the views of citizens on housing needs and the jurisdiction's housing strategy for meeting those needs, and (3) provide the public with reasonable access to records regarding the past use of funds made available under this title.

SEC. 385. LABOR.

Any contract for the construction of affordable housing with 12 or more units assisted with funds made available under this subtitle shall contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a—276a-5), shall be paid to all laborers and mechanics employed in the development of affordable housing involved, and participating jurisdictions shall require certification as to compliance with the provisions of this section prior to making any payment under such contract. The Secretary may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purposes of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the corporation, cooperative, or public body or agency undertaking the construction.

SEC. 386. INTERSTATE AGREEMENTS.

The consent of the Congress is hereby given to any two or more States to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative efforts and mutual assistance in support of activities authorized under this subtitle as they pertain to interstate areas and to localities within such States, and to establish such agencies, joint or otherwise, as they may deem desirable for making such agreements and compacts effective.

SEC. 387. ENVIRONMENTAL REVIEW.

(a) IN GENERAL.—In order to assure that the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of funds under this title, and to assure to the public undiminished protection of the environment, the Secretary, in lieu of the environmental protection procedures otherwise applicable, may under regulations provide for the release of funds for particular projects to participating jurisdictions under this title who assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were he to undertake such projects as Federal projects. The Secretary shall issue regulations to carry out this section only after consultation with the Council on Environmental Quality.

(b) PROCEDURE.—The Secretary shall approve the release of funds subject to the procedures authorized by this section only if, at least 15 days prior to such approval and prior to any commitment of funds to such projects the participating jurisdiction has submitted to the Secretary a request for such release accompanied by a certification which meets the requirements of subsection (c). The Secretary's approval of any such certification shall be deemed to satisfy his responsibilities under the National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the releases of funds for projects to be carried out pursuant thereto which are covered by such certification.

(c) CERTIFICATION.—A certification under the procedures authorized by this section shall—

(1) be in a form acceptable to the Secretary,

(2) be executed by the chief executive officer or other officer of the recipient of assistance under this title qualified under regulations of the Secretary,

(3) specify that the recipient of assistance under this title has fully carried out its responsibilities as described under subsection (a), and

(4) specify that the certifying officer (A) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 and each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or other such provision of law apply pursuant to subsection (a), and (B) is authorized and consents on behalf of the participating jurisdiction and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

(d) ASSISTANCE TO A STATE.—In the case of assistance to States, the State shall perform those actions of the Secretary described in subsection (b) and the performance of such actions shall be deemed to satisfy the Secretary's responsibilities referred to in the second sentence of such subsection.

TITLE IV—AFFORDABLE RENTAL HOUSING

Subtitle A—Preservation of Affordable Rental Housing

SEC. 401. OFFICE OF AFFORDABLE HOUSING PRESERVATION.

Section 4 of the Department of Housing and Urban Development Act is amended by adding at the end thereof the following new subsection:

"(e) There shall be in the Department an Office of Affordable Housing Preservation which shall have such responsibilities as may be prescribed by the Secretary for the purpose of maintaining privately owned housing that is affordable to very low-income and low-income families (as those terms are defined in section 3(b)(2) of the United States Housing Act of 1937), particularly housing that was produced for such purpose with Federal assistance.".

SEC. 402. COOPERATION WITH STATE AND LOCAL GOVERNMENTS.

The Secretary of Housing and Urban Development shall provide technical assistance to, and otherwise work with, participating jurisdictions to enhance the implementation of provisions of law to—

(1) avoid the loss of federally assisted, low-income housing due to default or the termination of low-income affordability restrictions, and

(2) ensure that rental housing that is owned by the Department or has a mortgage held by the Secretary remains livable and affordable to very low-income and low-income families.

SEC. 403. MEDIATION TO ASSIST LOW-INCOME AFFORDABILITY.

The Secretary is authorized to contract with nonprofit organizations that have demonstrated expertise in housing law and finance to help reconcile the interests of tenants, owners, and the public in efforts to maintain privately owned, federally assisted housing as housing affordable to very low-income and low-income families. Such contracts shall be entered into if the Secretary determines that such assistance (1) is desirable to achieve constructive negotiations among owners, tenants, and other interested parties, and (2) cannot be financed from other sources.

Subtitle B—Low-Income Rental Assistance

SEC. 421. PURPOSE.

The purposes of this subtitle are—

(1) to provide Federal rental assistance to very low-income families in one form that combines the best features of the section 8 certificate and voucher programs;

(2) to provide for orderly renewal of expiring rental assistance;

(3) to maintain rental assistance needed to preserve the low-income affordability of federally assisted housing and to replace public housing that is demolished or disposed of; and

(4) to increase the number of very low-income families who can afford to live in decent housing.

SEC. 422. REVISED SECTION 8 PROGRAM.

Section 8 of the United States Housing Act of 1937 is amended to read as follows:

"SEC. 8. RENTAL CREDIT ASSISTANCE.

"(a) GENERAL AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this section, to make housing assistance payments to enable very low-income families to live in decent housing while making affordable contributions toward rent. Such housing assistance payments shall be made with respect to housing (1) that has one or more project-based rental credits, or (2) that is occupied by a family holding a portable rental credit.

"(b) AUTHORITY TO CONTRACT.—

"(1) ANNUAL CONTRIBUTIONS CONTRACTS.—

"(A) The Secretary is authorized to enter into annual contributions contracts with contracting agencies for payments under rental credit contracts entered into during the term of such annual contributions contracts and for other expenses pursuant to this section, in amounts not to exceed

amounts distributed to such agencies under subsection (c).

"(B) The term of an annual contributions contract shall be for 60 months, except as provided in subsections (f) and (g).

"(C) The Secretary shall obligate the authority approved under this section in appropriations Acts for each fiscal year by entering into a separate annual contributions contract with each contracting agency for such fiscal year unless otherwise specified in this section.

"(2) RENTAL CREDIT CONTRACTS.—

"(A) A contracting agency is authorized to enter into a rental credit contract with an owner of housing to make housing assistance payments to the owner on behalf of an eligible family. The amount obligated by a rental credit contract shall not exceed the amount remaining unobligated under the applicable annual contributions contract. Except as otherwise specified, the term of a rental credit contract shall be for such period of time, not to exceed 60 months, as the contracting agency determines to be appropriate to carry out the purposes of this section.

"(B) In the case of a project-based rental credit, a contracting agency is authorized to make a commitment to an owner to extend the term of the underlying rental credit contract for such period or periods as the contracting agency determines is appropriate to achieve long-term affordability of the housing if the owner makes a binding commitment to have such contract extensions accepted by the owner and the owner's successors in interest. The contracting agency shall make the commitment contingent upon the future availability of rental credits as provided in appropriations Acts.

"(3) CONTRACTING AGENCIES.—A contracting agency shall be a public housing agency, except that, to serve areas where no public housing agency has been organized or where a participating jurisdiction determines that a public housing agency is unable to implement the provisions of this section, the jurisdiction may, with the approval of the Secretary, designate a public agency other than a public housing agency to be the contracting agency. A participating jurisdiction shall be a State or unit of general local government designated by the Secretary to be a participating jurisdiction under title III of the National Affordable Housing Act.

"(4) SPECIAL AUTHORITY OF THE SECRETARY.—The Secretary is authorized—

"(A) to perform the functions assigned to participating jurisdictions by this section in those areas not located within the boundaries of a participating jurisdiction,

"(B) to perform the functions assigned to a contracting agency by this section for areas not served by a contracting agency, and

"(C) to enter into a rental credit contract with an owner and otherwise act as a contracting agency under this section when the Secretary uses rental credits to preserve the affordable housing stock under subsection (c)(2) or otherwise determines that such arrangements are appropriate to carry out the purposes of this section.

"(c) ALLOCATION AMONG USES.—The Secretary shall allocate rental credits among the following uses in amounts specified in appropriations Acts:

"(1) INCREMENTAL ASSISTANCE.—The Secretary shall allocate rental credits as provided in subsection (e) to extend rental assistance to very low-income families who are eligible for but not receiving such assistance.

"(2) PRESERVATION OF THE AFFORDABLE HOUSING STOCK.—The Secretary shall allocate rental credits as provided in subsection (f) to preserve the low-income affordability of federally assisted housing or replace public housing that is disposed of or demolished in accordance with section 18.

"(3) RENEWAL OF EXPIRING CONTRACTS.—The Secretary shall allocate rental credits (A) to contracting agencies to ensure that each annual contributions contract entered into under this section since enactment of the Housing and Community Development Act of 1974 is renewed with an annual contributions contract; and (B) to owners of assisted housing to ensure that each project-based rental assistance contract entered into under this section since enactment of such Act is renewed with a sufficient number of project-based rental credits. The Secretary shall provide such rental credits as may be necessary to assist tenants involuntarily displaced as the result of any owner's decision not to renew a project-based rental assistance contract.

"(d) PROGRAM PROVISIONS.—

"(1) MODE OF ASSISTANCE.—

"(A) Except as specified in subparagraph (B), rental credits shall be portable, enabling a very low-income family holding a rental credit to rent housing that is selected by the family and meets the requirements of this section.

"(B) A contracting agency may provide project-based rental credits with respect to an existing or newly constructed structure in accordance with this section. Project-based rental credits may be used (i) to renew an expiring rental assistance contract that was attached to the same structure, (ii) to carry out preservation activities in accordance with subsection (f), or (iii) to provide assistance pursuant to subsection (e)(3). An owner shall be permitted, where appropriate, to pledge, or offer as security for any loan or obligation, a project-based rental credit provided that such security is in connection with a project constructed or rehabilitated pursuant to authority granted in this section and terms of the financing or any refinancing have been approved by a contracting agency. The Secretary may establish such special terms and conditions for project-based rental credits as may be appropriate.

"(2) FAIR MARKET RENTS.—

"(A) ESTABLISHMENT.—The Secretary shall establish fair market rents periodically but not less than annually for existing rental dwelling units of various sizes and types in the market area suitable for occupancy for persons assisted under this section. Proposed fair market rentals for an area shall be published in the Federal Register with reasonable time for public comment, and shall become effective upon the date of publication in final form in the Federal Register. Each fair market rental in effect under this subsection shall be adjusted to be effective on October 1 of each year to reflect changes, based on the most recent available data trended so the rentals will be current for the year to which they apply, of rents for existing rental dwelling units of various sizes and types in the market area suitable for occupancy by persons assisted under this section.

"(B) FAIR MARKET RENT REFINEMENT.—The Secretary may approve an alternative schedule with more than one fair market rent for an area if a participating jurisdiction or jurisdictions whose boundaries encompass all or part of the area demonstrate to the satisfaction of the Secretary that such alternative fair market rent schedule (A) accurately reflects rent variations among submarkets within the area, and (B) will improve housing opportunities for disadvantaged minorities and families with special needs, will provide very low-income families with better access to employment and education opportunities, or will otherwise further the objective of national housing policy as affirmed by Congress.

"(3) TENANT RENT CONTRIBUTIONS.—

"(A) IN GENERAL.—A family shall pay as rent for a dwelling unit assisted under this Act the highest of the following amounts, rounded to the nearest dollar: (i) 30 percent of the family's adjusted monthly income; (ii) 10 percent of the family's monthly income; or (iii) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.

"(B) HIGHER CONTRIBUTION.—A family may pay a higher percentage of income than that specified in subparagraph (A) if (i) the family requests to live in a unit the rent for which exceeds the permissible maximum monthly rent contained in paragraph (4)(A), and (ii) the relevant contracting agency approves such request after determining that the rent for the unit is reasonable. In no event shall contracting agencies approve such requests for more than 10 percent of their annual rental credit allocations. Contracting agencies that approve such requests for more than 5 percent of their annual allocations shall submit a report to the Secretary at the end of the fiscal year. The report shall describe the contracting agency's reasons for making the exceptions, including any evidence that the exceptions were made necessary by the inadequacy of the fair market rents established for the area.

"(4) TERMS OF RENTAL CREDIT CONTRACTS.—

"(A) INITIAL CONTRACT RENTS.—A rental credit contract entered into pursuant to this section shall establish the maximum monthly rent (including utilities and all maintenance and management charges) which the owner is entitled to receive for each dwelling unit with respect to which housing assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 percent the fair market rental established by the Secretary in accordance with paragraph (2)(A). The maximum monthly rent may exceed the fair market rental established by the Secretary (i) by more than 10 but not more than 20 percent where the Secretary determines that special circumstances warrant such higher maximum rent or that such higher rent is necessary to the implementation of a housing strategy as defined in section 105 of the National Affordable Housing Act, or (ii) by such higher amount where the contracting agency approves a tenant request in accordance with paragraph (3)(B).

"(B) RENT REASONABLENESS LIMITATION.—The maximum monthly rent for units assisted under this section shall be reasonable in comparison with rents charged for comparable units in the private unassisted market. If units assisted under this section are exempt from local rent control while they are so assisted or otherwise, the maximum monthly rent for such units shall be reasonable in comparison with rents charged for other units in the market area that are exempt from local rent control.

"(C) ADJUSTMENTS.—

"(i) The rental credit contract shall provide for adjustment, not less frequently than annually, in the maximum monthly rents for units covered by the contract. Such adjustment shall reflect changes in the fair market rentals established in the housing area for similar types and sizes of dwelling units or, if the Secretary determines, on the basis of a reasonable formula.

"(ii) The rental credit contract shall provide for the Secretary to make additional adjustments in the maximum monthly rent for units under contract to the extent the Secretary determines such adjustments are necessary to reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs which are not adequately compensated for by the adjustment in the maximum monthly rent authorized by subparagraph (A).

"(iii) Adjustments in the maximum rents under clauses (i) and (ii) shall not result in material differences between the rents charged for assisted units and unassisted units of similar quality and age in the same market area, as determined by the Secretary.

"(D) AMOUNT OF ASSISTANCE PAYMENT.—The amount of the monthly assistance payment with respect to any dwelling unit shall be the difference between the maximum monthly rent which the contract provides that the owner is to receive for the unit and the rent the family is required to pay under paragraph (3). Reviews of family income shall be made no less frequently than annually.

"(E) LIMITATION ON ASSISTANCE PAYMENTS FOR UNOCCUPIED UNITS.—The rental credit contract shall provide that housing assistance payments may be made only with respect to a dwelling unit under lease for occupancy by a family determined to be a very low-income family at the time it initially occupied such dwelling unit, except that such payments may be made with respect to unoccupied units for a period not exceeding 60 days (i) in the event that a family vacates a dwelling unit before the expiration date of the lease for occupancy, and (ii) where a good faith effort is being made to fill the unoccupied unit.

"(F) TENANT PROTECTIONS.—Each rental credit contract shall provide (with respect to any unit) that—

"(i)(I) the lease between the tenant and the owner shall be for at least one year or the term of such contract, whichever is shorter, and shall contain other terms and conditions specified by the Secretary; and

"(II) the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause;

"(ii) maintenance and replacement (including redecoration) shall be in accordance with the standard practice for the building concerned as established by the owner and agreed to by the agency in advance of tenant occupancy; and

"(iii) the agency and the owner shall carry out such other appropriate terms and conditions as may be mutually agreed to by them.

"(G) NOTIFICATION.—

"(i) An owner shall provide written notice to a tenant holding a portable rental credit of the owner's intention to terminate the rental credit contract because of a desire to rent the dwelling unit at a higher monthly rent than provided by the contract. Such notice shall be made not less than 90 days prior to the date upon which the owner intends to terminate the contract for such reason.

"(ii) If an owner provides notice of proposed termination under clause (i) and the rent the owner receives is lower than the level permitted under paragraph (4)(A), the Secretary may offer to increase the rent to such level in exchange for the owner's agreement to rescind the proposed termination.

"(5) TIMELY INCREASES.—In order to comply with other provisions of this section, the Secretary shall increase housing assistance payments on a timely basis to cover increases in maximum monthly rents or decreases in family incomes. The Secretary shall carry out his requirements by taking whatever steps are necessary, including the making of rental credit contracts in amounts in excess of the amounts required at the time of the initial renting of dwelling units, the reservation of annual contributions authority for the purpose of amending rental credit contracts, or the allocation of a portion of new authorizations for the purpose of amending rental credit contracts.

"(6) TENANT SELECTION.—

"(A) PREFERENCE.—In selecting families to be assisted, preference shall be given to families which, at the time they are seeking assistance, occupy substandard housing, are paying more than 50 percent of family income for rent or are involuntarily displaced.

"(B) OTHER CRITERIA.—A public housing agency may provide an exception to the preference established in subparagraph (A) in order to (i) assist very low-income families who either reside in transitional housing assisted under title IV of the McKinney Homeless Assistance Act, or participate in a program designed to provide public assistance recipients with greater access to employment and educational opportunities, or (ii) achieve other objectives of national housing policy as affirmed by Congress. Not more than 25 percent of the families who initially receive assistance in any 1-year period may be families who do not qualify for any preference in paragraph (A).

"(7) INCOME ELIGIBILITY.—

"(A) IN GENERAL.—The Secretary shall provide assistance under this section only to very low-income families, except that the Secretary shall provide assistance under this section to low-income families who reside in a project or dwelling unit that—

"(i) has a rental assistance contract that was entered into prior to the enactment of this Act and is due to expire;

"(ii) is subject to the provisions of section 203 of the Housing and Community Development Amendments of 1978; or

"(iii) is subject to the provisions of subtitle B of the Emergency Low-Income Housing Preservation Act of 1987 or any subsequent legislation to avoid the loss of federally assisted housing due to the termination of low-income affordability restrictions.

"(B) SPECIAL RULES FOR RENTAL PRESERVATION PROGRAMS.—In the case of low-income families living in rental projects rehabilitated under section 17 of this Act or section 533 of the Housing Act of 1949 before rehabilitation—

"(i) portable rental credits under this section shall be made for families who are required to move out of their units because of the physical rehabilitation activities or because of overcrowding;

"(ii) at the discretion of each public housing agency or other agency administering the allocation of assistance, portable rental credits under this section may be made for families who would have to pay more than 30 percent of their adjusted income for rent after rehabilitation whether they choose to remain in, or to move from, the project; and

"(iii) the Secretary shall allocate assistance for portable rental credits under this section to ensure that sufficient resources are available to address the physical or economic displacement, or potential economic displacement, of existing tenants pursuant to clauses (i) and (ii).

"(e) ALLOCATION OF INCREMENTAL ASSISTANCE.—

"(1) FORMULA ALLOCATION AMONG PARTICIPATING JURISDICTIONS.—Not later than 30 days after amounts are approved in an appropriations Act under section 5, the Secretary shall notify participating jurisdictions of their allocation of rental credits made available under subsection (c)(1). Such allocation shall be made according to a formula, to be established in regulation, that reflects each jurisdiction's share of the Nation's need for rental assistance as indicated by—

"(A) the need to meet very low-income occupancy requirements under section 315(a) of the National Affordable Housing Act, and

"(B) objective measures of poverty, the unserved need for rental assistance among very low-income families, and the availability of decent housing renting at or below the existing fair market rent.

The formula allocation to a State, insofar as is feasible, shall not take into account data that apply to any participating units of general local government within that State. The data to be used for allocation within a fiscal year shall be those that are available to the Secretary 90 days prior to the beginning of that fiscal year.

"(2) DISTRIBUTION BY PARTICIPATING JURISDICTIONS.—Not later than 30 days after a participating jurisdiction is informed of its allocation under subsection (e)(1), each participating jurisdiction shall inform the Secretary of the allocation that has been made by the jurisdiction so that the Secretary may enter into annual contributions contracts with contracting agencies serving the jurisdiction in amounts not to exceed the total allocated to the participating jurisdiction. Each participating jurisdiction shall make its decision in accordance with the need for rental assistance as identified in the jurisdiction's housing strategy approved under section 105 of the National Affordable Housing Act. The annual contributions contract shall be in an amount that equals the number of rental credits that the contracting agency has been allocated by the participating jurisdiction multiplied by the 2-bedroom fair market rent established for that jurisdiction.

"(3) A participating jurisdiction shall have the discretion to provide project-based rental credits with respect to an existing or newly constructed structure (including a single room occupancy facility) if the structure is rehabilitated or constructed (A) without Federal assistance, or (B) with amounts made available to the jurisdiction under title III of the National Affordable Housing Act. A participating jurisdiction may use not more than 15 percent of its formula allocation of rental credits to exercise the discretion provided in this paragraph.

"(f) PRESERVATION ACTIVITIES.—

"(1) PRESERVATION OF FEDERALLY ASSISTED HOUSING.—

"(A) IN GENERAL.—The Secretary shall provide project-based rental credits to owners or prospective owners of federally assisted

housing to preserve the low-income affordability of such housing. Such credits shall (i) carry terms of not less than 60 months or such longer period specified under related provisions of law. The Secretary is authorized to increase the amount of assistance provided under this subsection above the amount of assistance otherwise permitted by subsection (d)(4)(A) if the Secretary determines that such increase is necessary to achieve the purposes of this subsection.

"(B) ALLOCATION.—The Secretary shall allocate rental credits made available under subsection (c)(2) among the following uses:

"(i) LOAN MANAGEMENT ASSISTANCE.—The Secretary is authorized to provide project-based rental credits to owners of federally insured or federally assisted multifamily housing projects encountering serious financial problems. In allocating loan management assistance under this subsection, the Secretary may give priority to any project only on the basis that the project has serious financial problems that are likely to result in a claim on the insurance fund in the near future.

"(ii) PROPERTY DISPOSITION.—The Secretary is authorized to provide project-based rental credits to achieve the purposes of section 203(d) of the Housing and Community Development Amendments of 1978.

"(iii) EXTENSION OF LOW-INCOME AFFORDABILITY RESTRICTIONS.—The Secretary is authorized to provide project-based rental credits to achieve the purposes of subtitle B of the Emergency Low-Income Housing Preservation Act of 1987 or any subsequent legislation designed to avoid the loss of federally assisted low-income housing due to the termination of low-income affordability restrictions.

"(2) PUBLIC HOUSING REPLACEMENT.—The Secretary may enter into annual contributions contracts with contracting agencies for the purpose of replacing public housing demolished or disposed of in accordance with section 18 of this Act.

"(g) EXPIRING CONTRACTS.—Not later than 30 days after the beginning of each fiscal year, the Secretary shall publish in the Federal Register a plan for reducing, to the extent feasible, year to year fluctuations in the levels of budget authority that will be required over the subsequent 5 year period to renew expiring rental assistance contracts entered into under this section since enactment of the Housing and Community Development Act of 1974. To the extent necessary to carry out such plan, the Secretary is authorized to enter into annual contributions contracts with terms of less than 60 months.

"(h) SPECIAL SET-ASIDE FOR HANDICAPPED PERSONS.—

"(1) IN GENERAL.—The Secretary shall set aside a pool of not less than 3,000 rental credits for the purpose of improving the access of very low-income handicapped persons to independent living arrangements and employment opportunities. The Secretary shall fund such a pool from amounts approved in appropriations Acts for incremental rental assistance under subsection (c)(1).

"(2) INCENTIVE ALLOCATION.—Rental credits set aside under this subsection shall be distributed to contracting agencies under an incentive allocation system. Applications for assistance under this subsection shall be submitted by an applicant agency in such form and in accordance with such procedures as the Secretary shall establish. Applications shall contain—

"(A) evidence of effective cooperation between the State or locality's housing and health or mental health agencies;

"(B) a description of how such agencies will provide—

"(i) inspection and monitoring for housing quality;

"(ii) supportive services tailored to the needs and characteristics of handicapped individuals who receive rental credits;

"(iii) assistance to such recipients in their search for housing; and

"(iv) information for landlords who rent to (or inquire about renting to) handicapped persons; and

"(C) such other information or certifications as the Secretary determines to be necessary to achieve the purposes of this subsection.

"(3) SPECIAL FAIR MARKET RULES.—The Secretary shall increase the amount of assistance provided under this paragraph above the amount otherwise permitted by subsection (d)(4) if the Secretary determines such increase necessary to satisfy the special design and service needs of handicapped persons receiving rental credits.

"(i) SPECIAL TYPES OF HOUSING.—

"(1) SRO FACILITIES.—(A) In making assistance available under this section, a contracting agency may provide assistance with respect to residential properties in which some or all of the dwelling units do not contain bathroom or kitchen facilities, if—

"(i) the property is located in an area in which there is a significant demand for such units, as determined by the agency;

"(ii) the unit of general local government in which the property is located and the contracting agency certify to the Secretary that the property complies with local health and safety standards.

The Secretary may waive in appropriate cases, the limitation and preference described in the second and third sentences of section 3(b)(3) of the United States Housing Act of 1937 with respect to the assistance made available under this subsection.

"(B) The Secretary may provide the assistance with respect to residential properties in which some or all of the dwelling units do not contain bathroom or kitchen facilities if the unit of general local government and the local contracting agency approve of such units being utilized for such purpose and the requirements of subparagraphs (1)(A) and (1)(B) are satisfied.

"(2) MANUFACTURED HOUSING.—(A) The Secretary may enter into rental credit contracts under this subsection to assist very low-income families by making housing assistance payments on behalf of any such family which utilizes a manufactured home as its principal place of residence. Such payments may be made with respect to the rental of the real property on which there is located a manufactured home which is owned by any such family or with respect to the rental by such family of a manufactured home and the real property on which it is located. In carrying out this subsection, the Secretary may—

"(i) enter into annual contributions contracts with public housing agencies pursuant to which such agencies may enter into rental credit contracts with the owners of such real property, or

"(ii) enter into rental credit contracts directly with the owners of such real property.

"(B)(i) A rental credit contract entered into pursuant to this paragraph shall establish the maximum monthly rent (including maintenance and management charges) which the owner is entitled to receive for the space on which a manufactured home is located and with respect to which assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically (but not less than annually) with respect to the market area for the rental of real property suitable for occupancy by families assisted under this paragraph.

"(ii) The amount of any monthly assistance payment with respect to any family which rents real property which is assisted under this paragraph, and on which is located a manufactured home which is owned by such family shall be the difference between the rent the family is required to pay under subsection (d)(3)(A) and the sum of—

"(I) the monthly payment made by such family to amortize the cost of purchasing the manufactured home;

"(II) the monthly utility payments made by such family, subject to reasonable limitations prescribed by the Secretary; and

"(III) the maximum monthly rent permitted with respect to the real property which is rented by such family for the purpose of locating its manufactured home;

except that in no case may such assistance exceed the total amount of such maximum monthly rent.

"(C)(i) Rental credit contracts entered into pursuant to this paragraph shall establish the maximum monthly rent permitted with respect to the manufactured home and the real property on which it is located and with respect to which assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically (but not less than annually) with respect to the market area for the rental of a manufactured home and the real property on which it is located suitable for occupancy by families assisted under this paragraph, except that the maximum monthly rent may exceed the fair market rental by more than 10 but not more than 20 per centum where the Secretary determines that special circumstances warrant such higher maximum rent.

"(ii) The amount of any monthly assistance payment with respect to any family which rents a manufactured home and the real property on which it is located and which is assisted under this paragraph shall be the difference between the rent the family is required to pay under subsection (d)(3)(A) and the sum of—

"(I) the monthly utility payments made by such family, subject to reasonable limitations prescribed by the Secretary; and

"(II) the maximum monthly rent permitted with respect to the manufactured home and real property on which it is located.

"(D) The provisions of subsection (d)(4)(C) of this section shall apply to the adjustments of maximum monthly rents under the subsection.

"(E) Each contract entered into under the subsection shall be for a term of not less than one month and not more than 180 months, except that in any case in which the manufactured home park is substantially rehabilitated or newly constructed, such term may not be less than 240 months, nor more than the maximum term for a manufactured home loan permitted under section 2(b) of the National Housing Act.

"(F) The Secretary may carry out this subsection without regard to whether the manufactured home park is existing, sub-

stantially rehabilitated, or newly constructed.

"(G) In the case of any substantially rehabilitated or newly constructed manufactured home park containing spaces with respect to which assistance is made under this subsection, the principal amount of the mortgage attributable to the rental spaces within the park may not exceed an amount established by the Secretary which is equal to or less than the limitation for manufactured home parks described in section 207(c)(3) of the National Housing Act, and the Secretary may increase such limitation in high cost areas in the manner described in such section.

"(H) The Secretary may prescribe other terms and conditions which are necessary for the purpose of carrying out the provisions of this subsection and which are consistent with the purposes of this subsection.

"(3) SHARED HOUSING.—In making assistance available under this section, a contracting agency may assist elderly families (as defined in section 3(b)(3)) who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their costs of housing. The Secretary shall issue minimum habitability standards for the purpose of assuring decent, safe, and sanitary housing for such families while taking into account the special circumstances of shared housing.

"(j) ADMINISTRATIVE PROVISION.—

"(1) ADMINISTRATIVE FEE.—

"(A) IN GENERAL.—The Secretary shall establish a fee for the costs incurred in administering the rental credit program under this section. The amount of the fee for each month for which a dwelling unit is covered by a rental credit contract shall be 8.2 percent of the fair market rental established under subsection (c)(4) for a 2-bedroom existing rental dwelling unit in the market area of the contracting agency. The Secretary may increase the fee if necessary to reflect the higher costs of administering small programs and programs operating over large geographic areas.

"(B) OTHER COSTS.—The Secretary shall also establish reasonable fees (as determined by the Secretary) for—

"(i) the costs of preliminary expenses (not to exceed $275) that the contracting agency documents it has incurred in connection with new allocations of assistance under subsection (g);

"(ii) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs; and

"(iii) extraordinary costs approved by the Secretary.

"(C) ADJUSTMENTS.—The Secretary may establish or increase a fee in accordance with this subsection only to such extent or in such amounts as are provided in appropriation Acts.

"(2) INSPECTION.—The Secretary shall require the contracting agency (A) to inspect each unit before any housing assistance payment is made to determine that it meets standards for decent, safe, and sanitary housing established by the Secretary for the purpose of this section, and (B) to make subsequent inspections not less frequently than annually during the contract term. No housing assistance payment may be made for a dwelling unit that fails to meet such quality standards, unless any such failure is promptly corrected by the owner and the correction verified by the public housing agency.

"(3) MANAGEMENT AND MAINTENANCE RESPONSIBILITIES.—Notwithstanding any other provision of law, with the approval of the Secretary, the contracting agency administering a rental credit contract under this section with respect to existing dwelling units may exercise all management and maintenance responsibilities with respect to those units pursuant to a contract between such agency and the owner of such units.

"(4) INCOME VERIFICATION.—The Secretary shall establish procedures to assure that income data provided to public housing agencies and owners by families applying for or receiving assistance under this section is complete and accurate. In establishing such procedures, the Secretary shall regularly and periodically select a random sample of families from which to obtain information for the purpose of income verification. Such information may include, but is not limited to, data concerning unemployment compensation and Federal income taxation and data relating to benefits made available under the Social Security Act, the Food Stamp Act of 1977, or title 38, United States Code. Any such information received pursuant to this subsection shall remain confidential and shall be used only for the purpose of verifying incomes in order to determine eligibility of families for benefits (and the amount of such benefits, if any) under this section.

"(5) NONDISCRIMINATION AGAINST PUBLIC HOUSING RESIDENTS.—In selecting families for the provision of assistance under this section, a contracting agency or an owner of federally assisted housing receiving project-based rental credits may not exclude or penalize a family solely because the family resides in a public housing project.

"(6) NONDISCRIMINATION AGAINST HOLDERS OF RENTAL CREDITS.—No owner who has entered into a rental credit contract under this section on behalf of any tenant in a multifamily housing project, with respect to any available dwelling unit in any multifamily housing project of such owner that rents for an amount not greater than the fair market rent for a comparable unit, as determined by the Secretary under this section, shall discriminate against any prospective tenant on account of the status of such prospective tenant as a holder of such rental credit. For purposes of this paragraph, the term 'multifamily housing project' means a residential building containing more than 4 dwelling units.

"(7) APPLICABILITY OF OTHER PROVISIONS OF ACT.—Sections 5(e) and 6, and any other provisions of this Act which are inconsistent with the provisions of this section shall not apply to rental credit contracts entered into under this section.

"(8) PORTABILITY.—

"(A) IN GENERAL.—Any family provided a portable rental credit under this section may rent an eligible dwelling unit if the dwelling unit to which the family moves is within the same, or a contiguous, metropolitan statistical area as the metropolitan statistical area within which the area of jurisdiction of the contracting agency approving such assistance is located.

"(B) CONTRACTING AGENCY RESPONSIBILITY.—The contracting agency having authority with respect to the dwelling unit to which a family moves under this subsection shall have the responsibility of carrying out the provisions of this subsection with respect to the family. If no contracting agency has authority with respect to the dwelling unit to which a family moves under this subsection, the contracting agency approving the assistance shall have such responsibility.

"(C) FACTORS TO BE CONSIDERED.—In providing assistance under subsection (e)(1) for any fiscal year, the Secretary shall give consideration to any reduction in the number of resident families incurred by a contracting agency in the preceding fiscal year as a result of the provisions of this subsection.

"(D) EFFECT ON OTHER AUTHORITY.—The provisions of this subsection shall not be construed to restrict the Secretary's authority under any other provision of law to provide for the portability of assistance under this section.

"(k) DEFINITIONS.—

"(1) The term 'handicapped' has the same meaning given the term in section 521 of the National Affordable Housing Act.

"(2) The term 'housing assistance payments' means the payment made by a contracting agency to the owner of a unit under lease by an eligible family, as provided by the rental credit contract.

"(3) The term 'owner' means any private person or entity, including a cooperative, or a public housing agency, having the legal right to lease or sublease dwelling units as described in this section.

"(4) The term 'project-based rental credit' means a contractual obligation with respect to an existing or newly constructed structure under which the Secretary or a contracting agency is obligated to provide housing assistance payments with respect to one unit within such structure provided that the unit is occupied by a person or family that meets the income eligibility requirements of this section and the owner or prospective owner of such structure is obligated to comply with the requirements of this section as determined by the Secretary.

"(5) The terms 'rent' or 'rental' mean, with respect to members of a cooperative, the charges under the occupancy agreements between such members and the cooperative.".

SEC. 423. AUTHORIZATIONS.

(a) AGGREGATE BUDGET AUTHORITY.—Section 5(c)(6) of the United States Housing Act of 1937 is amended by adding at the end the following new sentence: "The aggregate amount of budget authority that may be obligated for contracts for annual contributions under section 8, for other assistance under section 8 and for amendments to existing contracts is increased (to the extent approved in appropriations Acts) by $3,658,322,000 on October 1, 1989, and by $3,836,424,000 on October 1, 1990.

(b) UTILIZATION OF BUDGET AUTHORITY.—Section 5(c)(7) of the United States Housing Act of 1937 is amended to read as follows:

"(7)(A) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1990, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for assistance under section 8(c)(1), not more than $3,155,500,000; and

"(ii) for assistance under section 8(c)(2)—

"(I) not more than $320,083,000 for property disposition activities,

"(II) not more than $151,426,000 for loan management activities, and

"(III) not more than $31,313,000 for public housing replacement activities.

"(B) Using the additional budget authority provided under paragraph (6) and the

balances of budget authority that become available during fiscal year 1991, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for assistance under section 8(c)(1), not more than $3,309,100,000; and

"(ii) for assistance under section 8(c)(2)—

"(I) not more than $335,668,000 for property disposition activities,

"(II) not more than $158,797,000 for loan management activities, and

"(III) not more than $32,859,000 for public housing replacement activities.".

SEC. 424. TRANSITIONAL RULE.

Notwithstanding section 8(e)(1) of the United States Housing Act of 1937, during the period not to exceed 1 year following the enactment of this Act, the Secretary is authorized to allocate rental credits made available under section 8(c)(1) of such Act in accordance with regulations issued pursuant to section 213(d) of the Housing and Community Development Act of 1974 to the extent determined by the Secretary to be necessary to provide for orderly transition to the provisions of section 8(e)(1) of such Act.

SEC. 425. SAVINGS CLAUSE.

Any rental assistance contract entered into under section 8 of the United States Housing Act prior to the enactment of this Act shall continue to be governed by such section and the rules and regulations issued under such section 8 as in effect on the day before the date of enactment of this Act.

SEC. 426. CONFORMING AMENDMENTS.

(a) SUNSET.—(1) Section 203(a)(1) of the Housing and Community Development Act of 1987 is amended by striking "subtitles B and D" and inserting "subtitle B".

(2) Section 203(a)(2) of the Housing and Community Development Act of 1987 is amended by striking "or D".

(b) LOW-INCOME TERM.—The United States Housing Act of 1937 is amended by striking "lower income families" each place it appears and inserting "low-income families".

(c) ALLOCATION.—Section 213(d)(1) of the Housing and Community Development Act of 1974 is amended by inserting "8," before "9" in the first sentence.

TITLE V—HOUSING FOR PERSONS WITH SPECIAL NEEDS

Subtitle A—Assistant Secretary for Supportive Housing

SEC. 501. ESTABLISHMENT OF ASSISTANT SECRETARY FOR SUPPORTIVE HOUSING.

Section 4(a) of the Department of Housing and Urban Development Act is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end thereof the following:

"(2) There shall be in the Department an Assistant Secretary for Supportive Housing, who shall have such duties and powers as may be prescribed by the Secretary, and who shall administer, under the supervision and direction of the Secretary, those programs of the Department that exclusively serve elderly, handicapped, or homeless persons or other persons with special needs that require supportive services related to their housing.".

Subtitle B—Supportive Housing for the Elderly

SEC. 511. SUPPORTIVE HOUSING FOR THE ELDERLY.

(a) IN GENERAL.—Section 202 of the Housing Act of 1959 is amended to read as follows:

"SEC. 202. SUPPORTIVE HOUSING FOR THE ELDERLY.

"(a) PURPOSE.—The purpose of this section is to enable elderly persons to live with dignity and independence by expanding the supply of supportive housing that—

"(1) is designed to accommodate the special needs of elderly persons; and

"(2) provides a range of services that are tailored to the needs of elderly persons occupying such housing.

"(b) GENERAL AUTHORITY.—The Secretary is authorized to provide assistance to private nonprofit organizations to expand the supply of supportive housing for the elderly. Such assistance shall be provided as (1) capital advances in accordance with subsection (c)(1), and (2) contracts for project rental assistance in accordance with subsection (c)(2). Such assistance may be used to finance the construction, reconstruction, or moderate or substantial rehabilitation of a structure or a portion of a structure to be used as supportive housing for the elderly in accordance with this section. Assistance may also cover the cost of real property acquisition, site improvement, conversion, demolition, relocation, and other expenses that the Secretary determines are necessary to expand the supply of supportive housing for the elderly.

"(c) FORMS OF ASSISTANCE.—

"(1) CAPITAL ADVANCES.—A capital advance provided under this section shall bear no interest and its repayment shall not be required so long as the housing remains available for very low-income elderly persons in accordance with this section. Such advance shall be in an amount calculated in accordance with the development cost limitation established in subsection (h).

"(2) PROJECT RENTAL ASSISTANCE.—Contracts for project rental assistance shall obligate the Secretary to make monthly payments to cover any part of the costs attributed to units occupied (or, as approved by the Secretary, held for occupancy) by very low-income elderly persons that is not met from project income. The annual contract amount for any project shall not exceed the sum of the initial annual project rentals for all units so occupied and any initial utility allowances for such units, as approved by the Secretary. Any contract amounts not used by a project in any year shall remain available to the project until the expiration of the contract. The Secretary may adjust the annual contract amount if the sum of the project income and the amount of assistance payments available under this paragraph are inadequate to provide for reasonable project costs.

"(3) TENANT RENT CONTRIBUTION.—A very low-income person shall pay as rent for a dwelling unit assisted under this section the highest of the following amounts, rounded to the nearest dollar: (A) 30 percent of the person's adjusted monthly income, (B) 10 percent of the person's monthly income, or (C) if the person is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the person's actual housing costs, is specifically designated by such agency to meet the person's housing costs, the portion of such payments which is so designated.

"(d) TERM OF COMMITMENT.—

"(1) USE LIMITATIONS.—All units in a project assisted under this section shall be made available for occupancy by very low-income elderly persons for not less than 40 years.

"(2) CONTRACT TERMS.—The initial term of a contract entered into under subsection (c)(2) shall be 240 months. The Secretary shall, to the extent approved in appropriation Acts, extend any expiring contract for a term of not less than 60 months. In order to facilitate the orderly extension of expiring contracts, the Secretary is authorized to make commitments to extend expiring contracts not less than 6 months prior to the date of expiration.

"(e) APPLICATIONS.—Funds made available under this section shall be allocated by the Secretary among approvable applications submitted by private nonprofit organizations. Applications for assistance under this section shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish. Such applications shall contain—

"(1) a description of the proposed housing;

"(2) a description of the assistance the applicant seeks under this section;

"(3) a description of (A) the category or categories of elderly persons the housing is intended to serve; (B) the supportive services, if any, to be provided to the persons occupying such housing; (C) the manner in which such services will be provided to such persons, including, in the case of frail elderly persons, evidence of such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of such services; and (D) the public or private sources of assistance that can reasonably be expected to fund or provide such services;

"(4) a certification from the appropriate State or local agency (as determined by the Secretary) that the provision of services identified in paragraph (3) is well designed to serve the special needs of the category or categories of elderly persons the housing is intended to serve;

"(5) a certification from the public official responsible for submitting a housing strategy for the jurisdiction to be served in accordance with section 105 of the National Affordable Housing Act that the proposed project is consistent with the approved housing strategy.

"(6) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this section.

"(f) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section, which shall include—

"(1) the ability of the applicant to develop and operate the proposed housing;

"(2) the need for supportive housing for the elderly in the area to be served;

"(3) the extent to which the proposed size and unit mix of the housing will enable the applicant to manage and operate the project efficiently and ensure that the provision of supportive services will be accomplished in an economical fashion;

"(4) the extent to which the proposed design of the housing will meet the special physical needs of elderly persons;

"(5) the extent to which the applicant has demonstrated that the supportive services identified in subsection (e)(3) will be provided on a consistent, long-term basis;

"(6) the extent to which the proposed design of the housing will accommodate the provision of supportive services that are expected to be needed, either initially or over the useful life of the housing, by the category or categories of elderly persons the housing is intended to serve; and

"(7) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

"(g) PROVISIONS OF SERVICES.—

"(1) IN GENERAL.—In carrying out the provisions of this section, the Secretary shall ensure that housing assisted under this section provides a range of services tailored to the needs of the category or categories of elderly persons occupying such housing. Such services may include (A) meal service adequate to meet nutritional need; (B) housekeeping aid; (C) personal assistance; (D) transportation services; (E) health-related services; and (F) such other services as the Secretary deems essential for maintaining independent living.

"(2) APPLICATION OF PROJECT RETROFIT REQUIREMENTS.—The Secretary shall apply the requirements governing Project Retrofit under section 512 of the National Affordable Housing Act to housing assisted under this section that is intended to serve frail elderly persons.

"(3) LOCAL COORDINATION OF SERVICES.—The Secretary shall ensure that owners have the capacity to—

"(A) assess on an ongoing basis the service needs of residents;

"(B) coordinate the provision of supportive services and tailor such services to the individual needs of residents; and

"(C) seek on a continuous basis new sources of assistance to ensure the long-term provision of supportive services.

Any cost associated with this subsection shall be an eligible cost under subsection (c)(2).

"(h) DEVELOPMENT COST LIMITATIONS.—

"(1) IN GENERAL.—The Secretary shall periodically establish development cost limitations by market area for various types and sizes of supportive housing for the elderly by publishing a notice of the cost limitations in the Federal Register. The cost limitations shall reflect (A) the cost of construction, reconstruction, or rehabilitation of supportive housing for the elderly that meets applicable State and local housing and building codes; (B) the cost of movables necessary to the basic operation of the housing, as determined by the Secretary; (C) the cost of special design features necessary to make the housing accessible to elderly persons; (D) the cost of special design features necessary to make individual dwelling units meet the physical needs of elderly persons; (E) the cost of congregate space necessary to accommodate the provision of supportive services to elderly persons; and (F) the cost of land, including necessary site improvement. In establishing development cost limitations for a given market area under this subsection, the Secretary shall use data that reflect currently prevailing costs of construction, reconstruction, or rehabilitation, and land acquisition in the area.

"(2) ANNUAL ADJUSTMENTS.—The Secretary shall adjust the cost limitation not less than once annually to reflect changes in the general level of construction costs.

"(3) INCENTIVES FOR SAVINGS.—The Secretary shall use the development cost limitations established under paragraph (1) to calculate the amount of financing to be made available to individual owners. Owners which incur actual development costs that are less than the amount of financing shall be entitled to retain 50 percent of the savings in a special project account. The account may be used (A) to supplement services provided to residents of the housing or funds set aside for replacement reserves, or (B) for such other purposes as determined by the Secretary.

"(4) DESIGN FLEXIBILITY.—The Secretary shall, to the extent practicable, give owners the flexibility to design projects appropriate to their location and proposed tenant population within broadly defined parameters.

"(5) USE OF FUNDS FROM OTHER SOURCES.—An owner shall be permitted voluntarily to provide funds from non-Federal sources for amenities and other features of appropriate design and construction suitable for supportive housing for the elderly if the cost of such amenities is (A) not financed with the advance, and (B) is not taken into account in determining the amount of Federal assistance or of the rent contribution of tenants.

"(i) MISCELLANEOUS PROVISIONS.—

"(1) TECHNICAL ASSISTANCE.—The Secretary shall make available appropriate technical assistance to assure that applicants having limited resources, particularly minority applicants, are able to participate more fully in the program carried out under this section.

"(2) CIVIL RIGHTS COMPLIANCE.—Each owner shall certify, to the satisfaction of the Secretary, that assistance made available under this section will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other Federal, State, and local laws prohibiting discrimination and promoting equal opportunity.

"(3) OWNER DEPOSIT.—The Secretary may require an owner to deposit an amount not to exceed $10,000 in a special escrow account to assure the owner's commitment to the project.

"(4) NOTICE OF APPEAL.—The Secretary shall notify an owner not less than 30 days prior to canceling any reservation of assistance provided under this section. During the 30-day period following the receipt of a notice under the preceding sentence, an owner may appeal the proposed cancellation of loan authority. Such appeal, including review by the Secretary, shall be completed not later than 45 days after the appeal is filed.

"(5) LABOR STANDARDS.—The Secretary shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this section and designed for dwelling use by 12 or more elderly persons shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (the Davis-Bacon Act); but the Secretary may waive the application of this paragraph in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purposes of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the corporation, cooperative, or public body or agency undertaking the construction.

"(j) DEFINITIONS.—

"(1) The term 'elderly person' means a household composed of one or more persons at least one of whom is 62 years of age or more at the time of initial occupancy.

"(2) The term 'frail elderly' means those elderly persons whose level of functional disability places them at heightened risk of institutionalization in the absence of supportive services.

"(3) The term 'owner' means a private nonprofit organization that receives assistance under this section to develop and operate a project for supportive housing for the elderly.

"(4) The term 'private nonprofit organization' means any incorporated private institution or foundation—

"(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

"(B) which has a governing board (i) the membership of which is selected in a manner to assure that there is significant representation of the views of the community in which such project is located, and (ii) which is responsible for the operation of the housing project assisted under this section; and

"(C) which is approved by the Secretary as to financial responsibility.

"(5) The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

"(6) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(7) The term 'supportive housing for the elderly' means housing that is designed (A) to meet the special physical needs of elderly persons and (B) to accommodate the provision of supportive services that are expected to be needed, either initially or over the useful life of the housing, by the category or categories of elderly persons that the housing is intended to serve.

"(8) The term 'very low-income' has the same meaning as given the term 'very low-income families' under section 3(b)(2) of the United States Housing Act of 1937.

"(k) AUTHORIZATIONS.—

"(1) CAPITAL ADVANCES.—There are authorized to be appropriated for the purpose of funding capital advances in accordance with subsection (c)(1) $648,048,000 for fiscal year 1990 and $676,740,000 for fiscal year 1991. Amounts so appropriated, the repayments from such advances, and the proceeds from notes or obligations issued under this section prior to the enactment of the National Affordable Housing Act shall constitute a revolving fund to be used by the Secretary in carrying out this section.

"(2) PROJECT RENTAL ASSISTANCE.—For the purpose of funding contracts for project rental assistance in accordance with subsection (c)(2) the Secretary may, to the extent approved in an appropriations Act, reserve authority to enter into obligations aggregating $481,608,000 for fiscal year 1990 and $523,008,000 for fiscal year 1991.".

(b) CONFORMING AMENDMENT.—Section 213(a) of the Housing and Community Development Act of 1974 is amended by striking "section 202 of the Housing Act of 1959".

(c) EFFECTIVE DATE AND APPLICABILITY.—

(1) Except as otherwise provided in this section, the provisions of, and amendments made by, this section shall not apply with respect to projects with loans or loan reservations made under section 202 of the Housing Act of 1959 before the date of enactment of this Act.

(2) Any loan made under section 202 of the Housing Act of 1959 pursuant to a reservation of funds issued on or before the date of enactment of this Act shall continue to be subject to the provisions of such section as they were in effect when such reservation was issued.

(3) Notwithstanding paragraph (1), the Secretary shall upon the request of a project sponsor apply the provisions of, and amendments made by, this section to any

project if needed to facilitate the development of such project in a timely manner.

SEC. 512. PROJECT RETROFIT.

(a) PURPOSE.—The purpose of this section is to enable frail elderly persons residing in federally assisted housing to live with dignity and independence, avoiding unnecessary institutionalization by—

(1) retrofitting individual dwelling units and renovating public and common areas in such housing to meet the special physical needs of eligible residents;

(2) creating and rehabilitating common areas in or adjacent to such housing to accommodate supportive services that enhance independent living; and

(3) providing transitional funding for those qualifying supportive services that cannot otherwise be funded.

(b) AUTHORIZATION TO PROVIDE ASSISTANCE.—The Secretary is authorized to provide assistance to adapt federally assisted housing for the elderly so that such housing better accommodates the physical requirements and service needs of eligible residents. Assistance under this section shall be made available only to owners that demonstrate, to the satisfaction of the Secretary, that the assistance is necessary for the provision of qualifying supportive services that will receive long-term support from sources other than this Act.

(c) ELIGIBLE ACTIVITIES.—

(1) RETROFIT AND RENOVATION.—Assistance under this section may be provided with respect to eligible housing for the elderly for—

(A) retrofitting of individual dwelling units to meet the special physical needs of current or future residents who are or are expected to be eligible residents, which retrofitting may include—

(i) widening of doors to allow passage by handicapped persons in wheelchairs into and within units in the project;

(ii) placement of light switches, electrical outlets, thermostats and other environmental controls in accessible locations;

(iii) installation of grab bars in bathrooms or the placement of reinforcements in bathroom walls to allow later installation of grab bars;

(iv) redesign of usable kitchens and bathrooms to permit a person in a wheelchair to maneuver about the space; and

(v) such other features of adaptive design that the Secretary finds are appropriate to meet the special needs of such residents;

(B) renovation, conversion, or combination of vacant dwelling units to create common areas to accommodate congregate dining, health clinics, or other service facilities;

(C) renovation of existing common areas to accommodate congregate dining, health clinics, or other service facilities;

(D) such renovation as is necessary to ensure that public and common areas are readily accessible to and usable by eligible residents; and

(E) construction or renovation of facilities to create conveniently located common areas to accommodate congregate dining, health clinics, or other service facilities.

(2) TRANSITIONAL SUPPORT FOR SERVICES.—Assistance under this section may also be provided with respect to eligible housing for the elderly for—

(A) the transitional provision of qualifying supportive services if the owner demonstrates to the satisfaction of the Secretary that—

(i) the qualifying services are necessary to help eligible residents live independently and avoid unnecessary institutionalization;

(ii) the owner has made diligent efforts to use or obtain other available resources to fund the designated services; and

(iii) long-term funding for the qualifying services will be available from other sources; or

(B) the renewal of contracts entered into under the Congregate Housing Services Act of 1978.

Assistance under this paragraph shall be phased out over a period not to exceed 3 years.

(d) APPLICATION.—The funds made available under this section shall be allocated by the Secretary among approvable applications submitted by project sponsors. Applications for assistance under this section shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. Applications for assistance shall contain—

(1) a description of qualifying supportive services that can reasonably be expected to be made available to eligible residents over a 5-year period (or such longer period that the Secretary determines to be appropriate if assistance is provided for activities under subsection (c)(1) that involve substantial rehabilitation);

(2) a firm commitment from one or more sources of assistance ensuring that some or all of the qualifying supportive services identified under paragraph (1) will be provided for not less than 1 year following the completion of activities assisted under subsection (c)(1);

(3) a description of public or private sources of assistance that are likely to fund or provide qualifying supportive services for the entire period specified under paragraph (1), including evidence of any intention to provide assistance expressed by State and local governments, private foundations, and other organizations (including for-profit and nonprofit organizations);

(4) a certification from the appropriate State or local agency (as determined by the Secretary) that (A) the provision of the qualifying supportive services identified under paragraph (1) will enable eligible residents to live independently and avoid unnecessary institutionalization, and (B) there is a reasonable likelihood that such services will be funded or provided for the entire period specified under paragraph (1);

(5) evidence that the owner has established a professional assessment committee in accordance with subsection (f);

(6) a description of assistance that the project sponsor seeks under this section;

(7) a description of any fees that would be established pursuant to subsection (f)(3); and

(8) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this section.

(e) PROGRAM SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section which shall include—

(1) the ability of the owner or a designated service provider to provide the qualifying supportive services identified pursuant to subsection (d)(1);

(2) the need for such services in the housing;

(3) the extent to which the envisioned renovation and conversion activities are necessary to accommodate the provision of such services;

(4) the extent to which the owner has demonstrated that such services will be provided for the period identified pursuant to subsection (d)(1);

(5) the extent to which the owner has had a good record of maintaining and operating housing for the elderly; and

(6) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

(g) PROVISION OF SERVICES.—

(1) ESTABLISHMENT OF PROFESSIONAL ASSESSMENT COMMITTEE.—(A) Each owner shall establish a professional assessment committee composed of at least three persons, each of whom is a qualified medical professional or other person professionally competent to appraise the functional abilities of residents of eligible housing for the elderly in relation to the performance of the normal activities of daily living.

(B) The professional assessment committee shall identify residents eligible to receive qualifying supportive services and designate the services appropriate for each eligible resident. Residents shall be accorded fair treatment and due process and a right of appeal in determinations of eligibility. Personal and medical records made available for determinations of eligibility shall remain confidential.

(2) PARTICIPATION BY OTHER RESIDENTS.—Residents other than eligible residents may participate in a supportive service program assisted under this section if the owner determines that the participation of such residents will not adversely affect the cost-effectiveness or operation of the program.

(3) FEES.—An owner may charge fees for meals and other qualifying supportive services. Such fees shall be reasonable, may not exceed the cost of providing the service, and shall be calculated on a sliding scale related to income which permits the provision of services to eligible residents who cannot afford meal and service fees. Fees for services provided to residents who are not eligible residents shall be reasonable and may not exceed the cost of providing the service.

(4) RESIDENT ELIGIBILITY.—The Secretary shall establish the standards and guidelines governing the eligibility of residents for qualifying supportive services under this section after consultation with the Secretary of Health and Human Services and with appropriate organizations representing the elderly, as determined by the Secretary.

(5) LOCAL COORDINATION OF SERVICES.—The Secretary shall ensure that owners have the capacity to—

(A) assess adequately the physical and service needs of eligible residents;

(B) coordinate the provision of qualifying supportive services and tailor such services to the needs of eligible residents; and

(C) seek on a continuous basis new sources of assistance to ensure the long-term provision of qualifying supportive services;

The Secretary may carry out this paragraph by using amounts appropriated under subsection (k) and by permitting owners to use existing sources of funds including but not limited to excess project reserves.

(g) REPORTS.—

(1) OWNERS' REPORTS.—Each owner shall submit to the Secretary, in such form and at such time as the Secretary shall prescribe, an annual report evaluating the use of funds made available under this section.

(2) ANNUAL REPORT TO THE CONGRESS.—The Secretary shall submit to the Congress, not later than 120 days after the end of each fiscal year, an annual report evaluating the

effectiveness of activities assisted under this section in such fiscal year. Such report shall summarize the reports submitted under paragraph (1).

(h) RESERVE FUND.—The Secretary may reserve not more than 5 percent of the amounts made available in each fiscal year to supplement grants awarded to owners under this section when, in the determination of the Secretary, such supplemental adjustments are required to maintain adequate levels of services to eligible residents.

(i) MISCELLANEOUS PROVISIONS.—

(1) PARTICIPATION OF RESIDENTS.—Each owner shall, to the maximum extent practicable, employ residents of eligible housing for the elderly who are not eligible residents, to provide services assisted under this section or from other sources. Such persons shall be paid at a rate not less than the highest of—

(A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such act applied to the resident and if he or she were not exempt under section 13 thereof;

(B) the State or local minimum wage for the most nearly comparable covered employment; or

(C) the prevailing rates of pay for persons employed in similar public occupations by the same employer.

(2) DISREGARD OF SERVICE AS INCOME.—No service provided to a resident of eligible housing for the elderly under this section, except for wages paid under paragraph (1) of this section, may be treated as income for the purpose of any other program or provision of State or Federal law.

(3) RESIDENCE.—Persons receiving services assisted under this section shall be deemed to be residents of their own households, and not to be residents of a public institution, for the purpose of any other program or provision of State or Federal law.

(j) DEFINITIONS.—For the purpose of this section—

(1) the term "elderly person" means a person who is 62 years of age or over;

(2) the term "eligible housing for the elderly" means housing that is occupied by elderly persons and their families and is—

(A) public housing assisted under the Housing Act of 1937;

(B) assisted under section 202 of the Housing Act of 1959;

(C) insured, assisted, or held by the Secretary under section 236 of the National Housing Act;

(D) insured or held under section 221(d)(3) of the National Housing Act and assisted under section 101 of the Housing and Urban Development Act of 1965 or section 8 of the United States Housing Act of 1937;

(E) insured or held by the Secretary and subject to a loan or mortgage bearing interest at a rate determined under the proviso to section 221(d)(5) of the National Housing Act; or

(F) assisted under section 515 of the Housing Act of 1949;

(3) the term "eligible resident" means a person residing in eligible housing for the elderly who qualifies under the definition of frail elderly, handicapped (regardless of whether the person is elderly) or temporarily disabled;

(4) the term "frail elderly" means those elderly persons whose level of functional disability places them at heightened risk of institutionalization in the absence of supportive services;

(5) the term "handicapped person" means a person having an impairment which (A) is expected to be of long-continued and indefinite duration, and (B) substantially impedes the person's ability to live independently unless the person receives supportive services; such impairment may include a functional disability or frailty which is a normal consequence of the human aging process;

(6) the term "owner" means a public housing agency that operates public housing, a nonprofit entity that owns and operates all other types of eligible housing under paragraph (2), or a for-profit entity that owns and operates all other types of eligible housing and agrees to operate such housing as low income housing through the term of the original mortgage;

(7) the term "public housing" has the meaning given the term in section 3(b)(1) of the United States Housing Act of 1937;

(8) the term "public housing agency" has the meaning given the term in section 3(b)(6) of the United States Housing Act of 1937;

(9) the term "qualifying supportive services" shall mean those services that the Secretary deems essential to enable eligible residents to live independently and avoid unnecessary institutionalization. Such services may include but not be limited to; (A) meal service adequate to meet nutritional need; (B) housekeeping aid; (C) personal assistance (which may include, but is not limited to, aid given to eligible residents in grooming, dressing, and other activities which maintain personal appearance and hygiene); (D) transportation services; and (E) health-related services; the owner may provide the qualifying services directly to eligible residents or may, by contract or lease, provide such services through other appropriate agencies or providers;

(10) the term "Secretary" means the Secretary of Housing and Urban Development; and

(11) the term "temporarily disabled" means an impairment which (A) is expected to be of no more than 6 months duration, and (B) substantially impedes a person's ability to live independently unless the person receives qualifying supportive services.

(k) AUTHORIZATION.—There are authorized to be appropriated to carry out this subtitle $50,000,000 for fiscal year 1990, and $52,150,000 for fiscal year 1991. Any amount appropriated under this section shall remain available until expended.

(l) CONFORMING AMENDMENT.—Section 9(a)(3)(B) of the United States Housing Act of 1937 is amended—

(1) by striking "and" at the end of clause (iii);

(2) by striking the period at the end of clause (iv) and inserting "; and"; and

(3) by adding at the end the following new clause:

"(v) if a public housing agency renovates, converts, or combines one or more dwelling units in a public housing project to create a common area to accommodate the provision of supportive services in accordance with section 512 of the National Affordable Housing Act, the payments received under this section shall not be reduced because of the resulting reduction in the number of dwelling units.".

Subtitle C—Supportive Housing for the Handicapped

SEC. 521. SUPPORTIVE HOUSING FOR THE HANDICAPPED.

(a) PURPOSE.—The purpose of this section is to enable handicapped persons to live with dignity and independence by expanding the supply of supportive housing that—

(1) is designed to accommodate the special needs of such persons; and

(2) provides a range of services that meets the special health, mental health, and other needs of such persons.

(b) GENERAL AUTHORITY.—The Secretary is authorized to provide assistance to private, nonprofit organizations to expand the supply of supportive housing for the handicapped. Such assistance shall be provided as—

(1) capital advances in accordance with subsection (d)(1), and

(2) contracts for project rental assistance in accordance with subsection (d)(2).

Such assistance may be used to finance the acquisition, acquisition and moderate rehabilitation, construction, reconstruction, or moderate or substantial rehabilitation of housing to be used as supportive housing for the handicapped and may include real property acquisition, site improvement, conversion, demolition, relocation, and other expenses that the Secretary determines are necessary to expand the supply of supportive housing for the handicapped.

(c) GENERAL REQUIREMENTS.—The Secretary shall take such actions as may be necessary to ensure that—

(1) assistance made available under this section will be used to meet the special needs of handicapped families by providing a variety of housing options, ranging from group homes to independent living facilities; and

(2) supportive housing for the handicapped assisted under this section shall—

(A) provide persons occupying units in such housing with an assured range of services,

(B) provide such persons with opportunities for optimal independent living and participation in normal daily activities, and

(C) facilitate access by such persons to the community at large and to suitable employment opportunities within such community.

(d) FORMS OF ASSISTANCE.—

(1) CAPITAL ADVANCES.—A capital advance provided under this section shall bear no interest and its repayment shall not be required so long as the housing remains available for very low-income handicapped persons in accordance with this section. Such advance shall be in an amount calculated in accordance with the development cost limitation established in subsection (h).

(2) PROJECT RENTAL ASSISTANCE.—Contracts for project rental assistance shall obligate the Secretary to make monthly payments to cover any part of the costs attributed to units occupied (or, as approved by the Secretary, held for occupancy) by very low-income handicapped persons that is not met from project income. The annual contract amount for any project shall not exceed the sum of the initial annual project rentals for all units and any initial utility allowances for such units, as approved by the Secretary. Any contract amounts not used by a project in any year shall remain available to the project until the expiration of the contract. The Secretary may adjust the annual contract amount if the sum of the project income and the amount of assistance payments available under this paragraph are inadequate to provide for reasonable project costs. In the case of an intermediate care facility which is the residence of persons assisted under title XIX of the Social Security Act, project income under this paragraph shall include the same amount as if such

persons were being assisted under title XVI of the Social Security Act.

(3) TENANT RENT CONTRIBUTION.—A very low-income person shall pay as rent for a dwelling unit assisted under this section the higher of the following amounts, rounded to the nearest dollar: (A) 30 percent of the person's adjusted monthly income, (B) 10 percent of the person's monthly income or (C) if the person is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the person's actual housing costs, is specifically designated by such agency to meet the person's housing costs, the portion of such payments which is so designated; except that the gross income of a person occupying an intermediate care facility assisted under title XIX of the Social Security Act shall be the same amount as if the person were being assisted under title XVI of the Social Security Act.

(e) TERM OF COMMITMENT.—

(1) USE LIMITATIONS.—All units in a project assisted under this section shall be made available for occupancy by very low-income handicapped persons for not less than 40 years.

(2) CONTRACT TERMS.—The initial term of a contract entered into under subsection (d)(2) shall be 240 months. The Secretary shall, to the extent approved in appropriation Acts, extend any expiring contract for a term of not less than 60 months. In order to facilitate the orderly extension of expiring contracts, the Secretary is authorized to make commitments to extend expiring contracts not less than 6 months prior to the date of expiration.

(f) APPLICATIONS.—Funds made available under this section shall be allocated by the Secretary among approvable applications submitted by private nonprofit organizations. Applications for assistance under this section shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. Such applications shall contain—

(1) a description of the proposed housing;

(2) a description of the assistance the applicant seeks under this section;

(3) a supportive service plan that describes—

(A) the category or categories of handicapped persons the housing is intended to serve;

(B) the range of supportive services to be provided to the persons occupying such housing;

(C) the manner in which such services will be provided to such persons, including evidence of such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of such services; and

(D) the extent of State and local funds available to assist in the provision of such services;

(4) a certification from the appropriate State or local agency (as determined by the Secretary) that the provision of the services identified in paragraph (3) are well designed to serve the special needs of handicapped persons;

(5) reasonable assurances that the applicant will own or have control of an acceptable site for the proposed housing not later than 6 months after notification of an award for assistance;

(6) a certification from the public official responsible for submitting a housing strategy for the jurisdiction to be served in accordance with section 105 of the National Affordable Housing Act that the proposed project is consistent with the approved housing strategy; and

(7) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this section.

(g) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section, which shall include—

(1) the ability of the applicant to develop and operate the proposed housing;

(2) the need for housing for handicapped families in the area to be served;

(3) the extent to which the proposed design of the housing will meet the special physical needs of handicapped persons;

(4) the extent to which the applicant has demonstrated that supportive services identified in subsection (f)(3) will be provided on a consistent, long-term basis;

(5) the extent to which the proposed design of the housing will accommodate the provision of such services;

(6) the extent to which the applicant has control of the site of the proposed housing; and

(7) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

(h) DEVELOPMENT COST LIMITATIONS.—

(1) IN GENERAL.—The Secretary shall periodically establish development cost limitations by market area for various types and sizes of supportive housing for the handicapped by publishing a notice of the cost limitations in the Federal Register. The cost limitations shall reflect—

(A) the cost of construction, reconstruction, or rehabilitation of supportive housing for the handicapped that meets applicable State and local housing and building codes;

(B) the cost of movables necessary to the basic operation of the housing, as determined by the Secretary;

(C) the cost of special design features necessary to make the housing accessible to handicapped persons;

(D) the cost of special design features necessary to make individual dwelling units meet the special needs of handicapped persons;

(E) the cost of congregate space necessary to accommodate the provision of supportive services to handicapped persons; and

(F) the cost of land, including necessary site improvement.

In establishing development cost limitations for a given market area, the Secretary shall use data that reflect currently prevailing costs of construction, reconstruction, or rehabilitation, and land acquisition in the area.

(2) ANNUAL ADJUSTMENTS.—The Secretary shall adjust the cost limitation not less than once annually to reflect changes in the general level of construction costs.

(3) INCENTIVES FOR SAVINGS.—The Secretary shall use the development cost limitations established under paragraph (1) to calculate the amount of financing to be made available to individual owners. Owners which incur actual development costs that are less than the amount of financing shall be entitled to retain 50 percent of the savings in a special project account. The account may be used (A) to supplement services provided to residents of the housing or funds set-aside for replacement reserves, or (B) for such other purposes as determined by the Secretary.

(4) FUNDS FROM OTHER SOURCES.—An owner shall be permitted voluntarily to provide funds from non-Federal sources for amenities and other features of appropriate design and construction suitable for supportive housing for handicapped persons if the cost of such amenities is (A) not financed with the advance, and (B) is not taken into account in determining the amount of Federal assistance or of the rent contribution of tenants.

(i) MISCELLANEOUS PROVISIONS.—

(1) TECHNICAL ASSISTANCE.—The Secretary shall make available appropriate technical assistance to assure that applicants having limited resources, particularly minority applicants, are able to participate more fully in the program carried out under this section.

(2) CIVIL RIGHTS COMPLIANCE.—Each owner shall certify, to the satisfaction of the Secretary, that assistance made available under this section will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act and other Federal, State, and local laws prohibiting discrimination and promoting equal opportunity; and

(3) SITE CONTROL.—An applicant may obtain ownership or control of a suitable site different from the site specified in the initial application. If an applicant fails to obtain ownership or control of the site within 1 year after notification of an award for assistance, the assistance shall be recaptured and reallocated.

(4) OWNER DEPOSIT.—The Secretary may require an owner to deposit an amount not to exceed $10,000 in a special escrow account to assure the owner's commitment to the project.

(5) NOTICE OF APPEAL.—The Secretary shall notify an owner not less than 30 days prior to canceling any reservation of assistance provided under this section. During the 30-day period following the receipt of a notice under the preceding sentence, an owner may appeal the proposed cancellation. Such appeal, including review by the Secretary, shall be completed not later than 45 days after the appeal is filed.

(6) LABOR STANDARDS.—The Secretary shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this section and designed for dwelling use by 12 or more handicapped families shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (the Davis-Bacon Act); but the Secretary may waive the application of this paragraph in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purposes of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the corporation, cooperative, or public body or agency undertaking the construction.

(j) DEFINITIONS.—As used in this section—

(1) The term "group home" means a single family residential structure designed or adapted for occupancy by not more than 8 handicapped persons. The Secretary may waive the project size limitation contained in the previous sentence if the applicant demonstrates that local market conditions dictate the development of a larger project. Not more than 1 home may be located on

any one site and no such home may be located on a site contiguous to another site containing such a home.

(2) The term "handicapped persons" means a household composed of one or more persons at least one of whom is handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Secretary to have a physical, mental, or emotional impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his or her ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions. A person shall also be considered handicapped if such person has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-7). The Secretary shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, the eligibility of families and persons for admission to and occupancy of housing constructed with assistance under this section. Notwithstanding the preceding provisions of this paragraph, the term "handicapped persons" includes two or more handicapped persons living together, one or more such persons living with another person who is determined (under regulations prescribed by the Secretary) to be important to their care or well-being, and the surviving member or members of any household described in the first sentence of this paragraph who were living, in a unit assisted under this section, with the deceased member of the household at the time of his or her death.

(3) The term "supportive housing for the handicapped" means housing that is designed—

(A) to meet the special needs of handicapped families, and

(B) to accommodate the provision of supportive services that are expected to be needed by the category or categories of handicapped persons that the housing is intended to serve.

(4) The term "independent living facility" means a project designed for occupancy by not more than 20 handicapped persons in separate dwelling units where each dwelling unit includes a kitchen and a bath.

(5) The term "owner" means a private nonprofit organization that receives assistance under this section to develop and operate a project for supportive housing for the handicapped persons.

(6) The term "private nonprofit organization" means any incorporated private institution or foundation—

(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

(B) which has a governing board (i) the membership of which is selected in a manner to assure that there is significant representation of the views of the community in which such project is located, and (ii) which is responsible for the operation of the housing project assisted under this section; and

(C) which is approved by the Secretary as to financial responsibility.

(7) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

(8) The term "Secretary" means the Secretary of Housing and Urban Development.

(9) The term "very low-income" has the same meaning as given the term "very low-income families" under section 3(b)(2) of the United States Housing Act of 1937.

(k) AUTHORIZATIONS.—

(1) CAPITAL ADVANCES.—There are authorized to be appropriated for the purpose of funding capital advances in accordance with subsection (d)(1) $240,105,000 for fiscal year 1990 and $250,735,000 for fiscal year 1991. Amounts so appropriated, the repayments from such advances, and the proceeds from notes or obligations issued under this section prior to the enactment of this Act shall constitute a revolving fund to be used by the Secretary in carrying out this section.

(2) PROJECT RENTAL ASSISTANCE.—For the purpose of funding contracts for project rental assistance in accordance with subsection (d)(2), the Secretary may, to the extent approved in an appropriations Act, reserve authority to enter into obligations aggregating $328,705,000 for fiscal year 1990 and $351,355,000 for fiscal year 1991.

(l) EFFECTIVE DATE AND APPLICABILITY.—

(1) Except as otherwise provided in this section, the provisions of, and amendments made by, this section shall not apply with respect to projects with loans or loan reservations made under section 202 of the Housing Act of 1959 before the date of enactment of this Act.

(2) Any loan made under section 202 of the Housing Act of 1959 pursuant to a reservation of funds issued on or before the date of enactment of this Act shall continue to be subject to the provisions of such section as they were in effect when such reservation was issued.

(3) Notwithstanding paragraph (1), the Secretary shall, upon the request of an owner, apply the provisions of, and amendments made by, this section to any project if needed to facilitate the development of such project in a timely manner.

Subtitle D—Supportive Housing for the Homeless

SEC. 531. AMENDMENT TO McKINNEY ACT.

Title IV of the Stewart B. McKinney Homeless Assistance Act is amended to read as follows:

"TITLE IV—HOUSING ASSISTANCE

"Subtitle A—General Provisions

"SEC. 401. PURPOSE.

"(a) IN GENERAL.—The purpose of this title is to expand the Federal commitment to alleviate homelessness in this Nation by providing States and localities with the resources to—

"(1) help very low-income persons and families avoid becoming homeless;

"(2) meet the emergency shelter needs of homeless persons and families;

"(3) provide transitional housing to facilitate the movement of homeless persons and families to independent living;

"(4) provide specialized permanent housing for homeless persons who require a supportive living environment; and

"(5) provide supportive services to help homeless persons and families lead independent and dignified lives.

"SEC. 402. DEFINITIONS.

"For purposes of this title—

"(1) The term 'assistance' means noninterest bearing advances to assist the acquisition, lease, renovation, substantial rehabilitation, operation, or conversion of facilities to assist the homeless, grants for moderate rehabilitation, grants for other purposes, and other assistance made eligible under section 405 and subtitle B.

"(2) The term 'emergency activities' means (A) activities that help very low-income families and persons avoid becoming homeless in accordance with section 411, and (B) supportive services that are provided in an emergency shelter developed in accordance with section 412.

"(3) The term 'grantee' means a State or unit of general local government receiving grants from the Secretary under section 403(a).

"(4) The term 'handicapped' means a person who is handicapped within the meaning of section 521 of the National Affordable Housing Act.

"(5) The term 'handicapped homeless person' means a handicapped person who is a homeless person within the meaning of section 103, is at risk of becoming a homeless person, or has been a resident of transitional housing carried out pursuant to this Act or the provisions made effective by section 101(g) of Public Law 99-500 or Public Law 99-591.

"(6) The term 'locality' means the geographical area within the jurisdiction of a local government.

"(7) The term 'operating costs' means expenses incurred by a project sponsor operating any housing assisted under this title with respect to—

"(A) the administration, maintenance, repair, and security of such housing; and

"(B) utilities, fuels, furnishings, and equipment for such housing.

"(8) The term 'operating costs' includes expenses incurred by a project sponsor operating transitional housing under this title with respect to—

"(A) the conducting of the assessment required by section 413(c)(1)(B); and

"(B) the provision of supportive services to the residents of such housing.

"(9) The term 'outpatient health services' means outpatient health care, outpatient mental health services, outpatient substance abuse services, and case management services.

"(10) The term 'private nonprofit organization' means a secular or religious organization—

"(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

"(B) that has a voluntary board;

"(C) that has an accounting system or has designated a fiscal agent in accordance with requirements established by the Secretary; and

"(D) that does not discriminate in the provision of assistance.

"(11) the term 'project' means a structure or a portion of a structure that is acquired or rehabilitated with assistance provided under this title or with respect to which the Secretary provides technical assistance or annual payments for operating costs.

"(12) The term 'project sponsor' means any governmental or private nonprofit organization that receives assistance from a grantee under section 403(a), is approved by the grantee as to financial responsibility, and is directly responsible for the administration of assistance provided under this title. Each project sponsor shall act as the fiscal agent of the Secretary with respect to assistance provided to such project sponsor under this title.

"(13) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(14) The term 'State' means a State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, or any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on

behalf of the jurisdiction with regard to provisions of this Act.

"(15)(A) The term 'supportive services' means assistance designed by a project sponsor that—

"(i) addresses the special needs of persons, such as deinstitutionalized homeless persons, homeless families with children, and homeless persons with mental disabilities and other handicapped homeless persons, intended to be served by a project; and

"(ii) assists in accomplishing the purposes of the different types of housing for the homeless made eligible under this subtitle.

"(B) The term includes—

"(i) food services, child care, substance abuse treatment, assistance in obtaining permanent housing, outpatient health services, employment counseling, nutritional counseling, security arrangements for the protection of residents of facilities to assist the homeless, and such other services essential for maintaining or moving towards independent living as the Secretary determines to be appropriate; and

"(ii) assistance to homeless persons in obtaining other Federal, State, and local assistance available for such individuals, including public assistance benefits, mental health benefits, employment counseling, and medical assistance.

"(C) Such term does not include the provision of major medical equipment.

"(D) All or part of the supportive services may be provided directly by the project sponsor or by arrangements with other public or private service providers.

"(16) The term 'unit of general local government' means any city, town, township, county, parish, village, or other general purpose subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa, or a general purpose political subdivision thereof; a consortium of such political subdivisions recognized by the Secretary in accordance with section 404(b)(1)(B) of this Act; and the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

"SEC. 403. GENERAL AUTHORITY.

"(a) GRANTS FOR HOMELESS HOUSING ASSISTANCE.—The Secretary shall, to the extent of amounts approved in appropriations Acts under section 408, make grants to States and units of general local government in order to carry out activities designed to meet the emergency, transitional, and permanent housing needs of the homeless, and help very low-income families and persons avoid becoming homeless. A jurisdiction shall be eligible to receive a grant only if it has obtained an approved housing strategy (or an approved abbreviated housing strategy) in accordance with section 105 of the National Affordable Housing Act. A grantee shall carry out activities authorized under this subsection through contracts with project sponsors, except that a grantee that is a State shall obtain the approval of the unit of general local government for the locality in which a project is to be located prior to entering into such contracts.

"(b) ALLOCATION OF RESOURCES.—

"(1) FORMULA GRANTS.—(A) 80 percent of the amounts approved in such appropriations Acts shall be allocated in accordance with a formula established under section 404. Of the amounts made available under the previous sentence, the Secretary shall allocate 70 percent among units of general local government and 30 percent among States.

"(B) A grantee may use grants allocated under this subparagraph for approved activities established by the Secretary. Approved activities shall include—

"(i) the provision of assistance to help very low-income persons and families avoid becoming homeless in accordance with section 411;

"(ii) the development of emergency shelters for the homeless in accordance with section 412;

"(iii) the development of transitional housing to facilitate the transition of homeless individuals to independent living in accordance with section 413;

"(iv) the development of permanent housing for handicapped homeless persons in accordance with section 414;

"(v) the provision of supplemental assistance to emergency shelters and transitional housing in accordance with section 415; and

"(vi) such other activities that the Secretary develops in cooperation with grantees in accordance with section 416.

The Secretary shall establish standards and guidelines for approved activities. The Secretary shall permit grantees to refine and adapt such standards and guidelines for individual projects, where such refinements and adaptations are made necessary by local circumstances.

"(C) A grantee may use not more than 20 percent of the grants allocated in accordance with this paragraph for emergency activities as defined in section 402(2). The Secretary may approve a higher limitation if the grantee demonstrates that other approved activities under this subparagraph are already being carried out in the jurisdiction with other resources.

"(2) DISCRETIONARY ALLOCATIONS.—20 percent of the amounts approved in such appropriations Acts shall be allocated among appropriate applications in accordance with section 405 to provide comprehensive assistance for programs that the Secretary determines to contain particularly innovative or exemplary methods of meeting the immediate and long-term needs of the homeless.

"(c) SRO RENOVATION.—The Secretary shall, to the extent of amounts approved in appropriations Acts under section 422, provide rental assistance to public housing agencies for the renovation of single room occupancy dwellings in accordance with subtitle C.

"SEC. 404. ALLOCATION FORMULA.

"(a) ESTABLISHMENT OF FORMULA.—The Secretary shall issue regulations establishing an allocation formula that reflects each jurisdiction's share of the Nation's need for housing assistance for the homeless as identified by—

"(1) objective measures of incidence of homelessness;

"(2) the relation between the supply of affordable housing for very low-income persons and the number of such persons in the jurisdiction;

"(3) poverty; and

"(4) housing overcrowding.

The data to be used for allocation of funds within a fiscal year shall be those that are available to the Secretary 90 days prior to the beginning of that fiscal year.

"(b) ALLOCATION RULES.—

"(1) MINIMUM LOCAL ALLOCATION.—The Secretary shall allocate amounts available for formula allocation to units of general local government so that, when all such amounts are allocated by the formula, only those jurisdictions that are allocated an amount of $200,000 or greater shall receive an allocation. A jurisdiction receiving a formula allocation shall be eligible to receive grants if its formula allocation is $250,000 or greater, or if—

"(A) the Secretary finds that—

"(i) the jurisdiction is the city with the greatest population in a metropolitan area and has demonstrated a capacity to carry out provisions of this section, and

"(ii) the State has authorized the Secretary to transfer to the jurisdiction a portion of the State's allocation that is equal to or greater than the difference between the jurisdiction's formula allocation and $250,000; or

"(B) geographically contiguous local governments have formed a consortium that, in the determination of the Secretary—

"(i) has sufficient authority and administrative capability to act on behalf of its member jurisdictions in carrying out the provisions of this section,

"(ii) will, according to a written certification by the State, direct its activities to the alleviation of the State's most severe problems of homelessness, and

"(iii) is comprised only of jurisdictions that have received a formula allocation for the fiscal year.

Such a consortium shall be deemed to be a unit of general local government for purposes of this section. If a jurisdiction has met the requirements of subparagraph (A), the jurisdiction's formula allocation for a fiscal year shall subsequently be deemed to equal the sum of the jurisdiction's allocation under this subsection and the amount the State has agreed to transfer to the jurisdiction. The formula allocation for a consortium that has met the requirements, under this subparagraph shall equal the total of the allocations of its member jurisdictions.

"(2) GRANTEE STATUS.—Once a State or unit of general local government becomes a grantee, it shall remain eligible to receive grants for subsequent fiscal years, except as provided in paragraph (3).

"(3) REVOCATION.—The Secretary may revoke a jurisdiction's status as a grantee if (A) the Secretary finds, after reasonable notice and opportunity for hearing, that the jurisdiction is unwilling or unable to carry out the provisions of this subtitle, or (B) the jurisdiction's formula allocation falls below $250,000 for 3 consecutive years, below $225,000 for 2 consecutive years or below $200,000 in any 1 year.

"(d) INITIAL ALLOCATION OF ASSISTANCE.—Not later than 30 days after funds to carry out this section are provided in an appropriations Act (or, during the first year after enactment of this Act, not later than 30 days after regulations to implement this section are promulgated or due), the Secretary shall allocate funds in accordance with subsections (a) and (b) and promptly notify each jurisdiction receiving a formula allocation of its allocation amount. If a local jurisdiction is not eligible to receive grants because its allocation amount is too low, the Secretary shall inform the jurisdiction in writing how the jurisdiction may become eligible to receive grants.

"(e) DISTRIBUTION OF ASSISTANCE BY A STATE.—Each State shall distribute its allocation of assistance under this subsection in accordance with the need for homeless assistance as identified in the State's housing strategy approved under section 105 of the National Affordable Housing Act and shall coordinate its efforts where assistance is distributed to a unit of general local government that is a grantee.

"SEC. 405. DISCRETIONARY ALLOCATION.

"(a) IN GENERAL.—The amounts made available under section 403(b)(2) shall be allocated by the Secretary among approvable applications submitted by project sponsors to provide comprehensive assistance for programs that the Secretary determines to contain particularly innovative or exemplary methods of meeting the immediate and long-term needs of the homeless. A grantee shall not be permitted to submit an application if the Secretary finds that the grantee is in noncompliance with sections 406 and 407.

"(b) ELIGIBLE ACTIVITIES.—Assistance provided under this section may be used for the following activities:

"(1) the purchase, lease, rehabilitation, renovation, operation, or conversion of facilities to assist the homeless;

"(2) the transitional provision of supportive services designed to meet the needs of special categories of homeless persons, including families with children, deinstitutionalized homeless individuals and other homeless individuals with mental disabilities, the elderly, and veterans. Assistance provided under this paragraph shall be phased out over a period not to exceed 3 years.

"(c) APPLICATIONS.—

"(1) IN GENERAL.—Applications for assistance under this section shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish. Such applications shall contain—

"(A) a description of the proposed project;

"(B) a description of the size and characteristics of the population that would occupy the housing;

"(C) a description of the public and private resources that are expected to be made available in connection with the project;

"(D) assurances satisfactory to the Secretary that any property purchased, leased, rehabilitated, renovated, or converted with assistance under this subsection will be operated for not less than 10 years for the purpose specified in the application; and

"(E) such other information or certifications that the Secretary determines is necessary to achieve the purposes of this section.

"(d) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section, which shall take into account—

"(1) the ability of the applicant or the project sponsor to develop and operate the proposed project;

"(2) the innovative quality and exemplary value of the proposal in providing homeless assistance;

"(3) the need for such assistance in the area to be served;

"(4) the extent to which the amount of assistance to be provided under this section will be matched with more than an equal amount of funds from other sources;

"(5) the extent to which the project would provide assistance to homeless people who are most difficult to serve;

"(6) the length of time that the applicant or project sponsor will commit to provide assistance to the homeless;

"(7) the extent to which the applicant or project sponsor has control of the site of the proposed project; and

"(8) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

"(e) ADMINISTRATIVE PROVISIONS.—The total amount allocated to a grantee under this section in any fiscal year shall not exceed the grantee's formula allocation under section 404 in that fiscal year.

"SEC. 406. RESPONSIBILITIES OF GRANTEES AND PROJECT SPONSORS.

"(a) MATCHING REQUIREMENTS.—Each grantee shall be required to supplement the grants provided under this title with an equal amount of funds from non-Federal sources. Each grantee shall certify to the Secretary its compliance with this subsection, describing the sources and amounts of such supplemental funds. Supplemental funds may include the value of any donated material or building, the value of any lease on a building, any salary paid to staff to carry out the program of a project sponsor, and the value of the time and services contributed by volunteers to carry out the program of a project sponsor at a rate determined by the Secretary.

"(b) HOUSING QUALITY.—Each grantee shall assure that housing assisted under this subtitle shall be decent, safe, and sanitary and, when appropriate, meet all applicable State and local housing and building codes and licensing requirements in the jurisdiction in which the housing is located.

"(c) CONSISTENCY WITH HOUSING STRATEGY.—Each grantee shall certify, to the satisfaction of the Secretary, that activities undertaken by project sponsors with assistance from the grantee are consistent with the housing strategy submitted by the grantee in accordance with section 105 of the National Affordable Housing Act.

"(d) ASSISTANCE TO HOMELESS PERSONS.—Each grantee shall assure that homeless individuals will be assisted in obtaining—

"(1) appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living; and

"(2) other Federal, State, local, and private assistance available for homeless persons.

"(e) LIMITATION ON USE OF FUNDS.—Each grantee shall certify, to the satisfaction of the Secretary, that neither assistance received under this title nor any State or local government funds used to supplement such assistance will be used to replace other public funds previously used, or designated for use, to assist the homeless.

"(f) CIVIL RIGHTS COMPLIANCE.—Each grantee shall certify, to the satisfaction of the Secretary, that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (Public Law 88-352), and the Fair Housing Act and the grantee will affirmatively further fair housing.

"(g) REPORTS.—

"(1) Each grantee shall submit to the Secretary, in such form and at such time as the Secretary shall prescribe, a performance and evaluation report on the use of amounts made available under this subtitle, together with the grantee's assessment of the relationship of such usage to the grantee's approved housing strategy. The report shall include information on the number of homeless individuals served and the reasons for their homelessness. The report shall be made available to the public so that citizens, public agencies, and other interested parties have an opportunity to comment on the report prior to its submission. The report shall include a summary of any comments received from interested parties.

"(2) The Secretary shall consult with national associations of States, local governments, and other housing interests to develop uniform recordkeeping, performance reporting, and auditing requirements. After considering the results of such consultations, the Secretary shall establish uniform recordkeeping, performance reporting, and auditing requirements for assistance made available under this title.

"(h) SITE CONTROL.—Each grantee or project sponsor shall furnish reasonable assurances that it will own or have control of a site for the proposed project not later than 6 months after notification of an award for grant assistance. A suitable site different from the site specified in the application satisfies the requirement of this subsection. If ownership or control of a site is not obtained within 1 year after notification of an award for grant assistance, the grant shall be recaptured and reallocated.

"(i) PREVENTION OF UNDUE BENEFITS.—The Secretary may prescribe such terms and conditions as he deems necessary to prevent project sponsors from unduly benefiting from the sale or other disposition of projects constructed, rehabilitated, or acquired with assistance under this title other than a sale or other disposition resulting in the use of the project for the direct benefit of very low-income persons.

"(j) ADDITIONAL REQUIREMENTS.—The Secretary may establish such other program requirements as the Secretary determines are necessary for grantees to administer activities authorized under this title in an efficient manner.

"SEC. 407. ADMINISTRATIVE PROVISIONS.

"(a) LIMITATION ON ADMINISTRATIVE EXPENSES.—A grantee may not use more than 5 percent of the assistance received under this title for administrative purposes.

"(b) INCOME ELIGIBILITY.—A homeless person shall be eligible for assistance under any program provided by this title, or by the amendments made by this title, only if the person has income not exceeding 50 percent of the median income for the area, as adjusted in accordance with section 3(b)(2) of the United States Housing Act of 1937.

"(c) FLOOD ELEVATION REQUIREMENTS.—Flood protection standards applicable to housing acquired, rehabilitated, or assisted under any provision of this title shall be no more restrictive than the standards applicable to any other program administered by the Secretary.

"(d) APPLICABILITY OF SECTION 104(g) OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.—The provisions of, and regulations and procedures applicable under, section 104(g) of the Housing and Community Development Act of 1974 shall apply to assistance and projects under this title.

"(e) RECAPTURE AND REALLOCATION OF FUNDS.—

"(1) FORMULA REALLOCATIONS.—If a State or unit of general local government receiving a formula allocation under section 404 fails to obtain approval of its housing strategy in accordance with section 105 of the National Affordable Housing Act, the Secretary shall reallocate any funds reserved for the jurisdiction as follows:

"(A) If a State fails to obtain approval of its housing strategy, the Secretary shall make the State's formula allocation available in accordance with section 405.

"(B) If a unit of general local government eligible for a grant under section 404 fails to obtain approval of its housing strategy, the Secretary shall promptly reallocate the locality's formula allocation to the State in which the locality is located if the State has obtained approval of its housing strategy.

The State shall give priority to funding projects that assist the homeless population within the locality.

"(C) If a unit of general local government eligible for a grant under section 404 fails to obtain approval of its housing strategy, and is located within a State that also fails to obtain approval of its housing strategy, the Secretary shall make the locality's formula allocation available in accordance with section 405.

"(2) NONCOMPLIANCE.—The Secretary may recapture assistance made available to a grantee if the Secretary determines that the grantee is in noncompliance with program requirements and shall reallocate such assistance in accordance with section 405.

"(3) OTHER REALLOCATIONS.—If, following the receipt of applications for the final funding round under section 405 for any fiscal year, any amount set aside for assistance pursuant to section 405 will not be required to fund the approvable applications submitted for such assistance, the Secretary shall reallocate such amount for use under subtitle C.

"(f) GAO AUDITS.—Insofar as they relate to funds provided under this section, the financial transactions of grantees and project sponsors may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to, or in use by, such grantees and project sponsors pertaining to the financial transactions and necessary to facilitate the audit.

"SEC. 408. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title $241,000,000 for fiscal year 1991, and $251,363,000 for fiscal year 1992. Any amount appropriated under this section shall remain available until expended.

"SEC. 409. REPORTS TO CONGRESS.

"The Secretary shall submit annually to the Congress a report summarizing the activities carried out under this title and setting forth the findings, conclusions, and recommendations of the Secretary as a result of the activities. The report shall summarize and assess the results of performance reports provided in accordance with subsection 406(g). The report shall be submitted not later than 3 months after the end of each fiscal year.

"Subtitle B—Approved Activities

"SEC. 411. HOMELESSNESS PREVENTION.

"(a) DEFINITION.—Assistance to help very low-income persons and families avoid becoming homeless may include activities other than those that the Secretary has found to be inconsistent with the purposes of this Act.

"(b) LIMITATION ON FINANCIAL ASSISTANCE.—A grantee may provide financial assistance to persons and families who have received eviction notices or notices of termination of utility services if—

"(1) the inability of the family to make the required payments is due to a sudden reduction in income;

"(2) the assistance is necessary to avoid the eviction or termination of services;

"(3) there is a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and

"(4) the assistance will not supplant funding for preexisting homelessness prevention activities from other sources.

"SEC. 412. EMERGENCY SHELTER.

"(a) DEFINITION.—A project shall be considered emergency shelter if it involves—

"(1) the renovation, major rehabilitation, or conversion of buildings to be used as emergency shelters;

"(2) the provision of supportive services if such services do not supplant any services provided by the local government during any part of the immediately preceding 12-month period; and

"(3) maintenance, operation (other than staff), insurance, utilities, and furnishings.

"(b) PROGRAM REQUIREMENTS.—A grantee may approve assistance for a project under this subsection only if the project sponsor has agreed that it will—

"(1) in the case of assistance involving major rehabilitation or conversion of a building, maintain the building as a shelter for homeless individuals and families for not less than a 10-year period;

"(2) in the case of assistance involving rehabilitation (other than major rehabilitation or conversion of a building), maintain the building as a shelter for homeless individuals and families for not less than a 3-year period; or

"(3) in the case of assistance involving only activities described in paragraphs (2) and (3) of subsection (a), provide services or shelter to homeless individuals and families at the original site or structure or other sites or structures serving the same general population for the period during which such assistance is provided.

"SEC. 413. TRANSITIONAL HOUSING FOR THE HOMELESS.

"(a) DEFINITION.—A project shall be considered 'transitional housing' if it is designed to facilitate the movement of homeless individuals to independent living within 24 months (or such longer period as the Secretary determines is necessary to facilitate the transition of homeless individuals to independent living). Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental disabilities, and homeless families with children.

"(b) TYPES OF ASSISTANCE.—

"(1) IN GENERAL.—A grantee may provide the following assistance to a project sponsor of transitional housing:

"(A) An advance not to exceed cost of acquisition, substantial rehabilitation, or acquisition and rehabilitation of an existing structure for use as transitional housing. The repayment of any outstanding debt owed on a loan made to purchase an existing structure shall be considered to be a cost of acquisition eligible for an advance under this paragraph if the structure was not used as transitional housing prior to the receipt of assistance.

"(B) A grant for moderate rehabilitation of an existing structure for use as transitional housing.

"(C) Annual payments for operating costs of transitional housing (including transitional housing that is newly constructed with assistance provided from sources other than this Act) not to exceed 75 percent of the annual operating costs of such housing.

"(D) Technical assistance in—

"(i) establishing transitional housing in an existing structure;

"(ii) operating transitional housing in existing structures and in structures that are newly constructed with assistance provided from sources other than this Act; and

"(iii) providing supportive services to the residents of transitional housing (including transitional housing that is newly constructed with assistance provided from sources other than this Act).

"(E) A grant for establishing and operating an employment assistance program for the residents of transitional housing, which shall include—

"(i) employment of residents in the operation and maintenance of the housing; and

"(ii) the payment of the transportation costs of residents to places of employment.

A project sponsor may receive assistance under both subparagraphs (A) and (B).

"(c) PROGRAM REQUIREMENTS.—

"(1) REQUIRED AGREEMENTS.—A grantee may approve assistance for a project under this section only if the project sponsor has agreed—

"(A) to operate the proposed project as transitional housing for not less than 10 years;

"(B) to conduct an ongoing assessment of the supportive services required by the residents of the project;

"(C) to provide such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of supportive services to the residents of the project;

"(D) to comply with such other terms and conditions as the Secretary or grantee may establish for purposes of carrying out this program in an effective and efficient manner.

"(2) OCCUPANT RENT.—Each homeless individual residing in a facility assisted under this subtitle shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

"SEC. 414. PERMANENT HOUSING FOR HANDICAPPED HOMELESS PERSONS.

"(a) DEFINITION.—A project shall be considered 'permanent housing for handicapped homeless persons' if it provides community-based long-term housing and supportive services for not more than 8 handicapped homeless persons. The Secretary may waive the limitation contained in the preceding sentence if the grantee demonstrates that local market conditions dictate the development of a larger project.

"(b) PROJECT DESIGN AND SITING.—Each project assisted under this subtitle shall be either a home designed solely for housing handicapped persons or dwelling units in a multifamily housing project, condominium project, or cooperative project. Not more than 1 home may be located on any 1 site and no such home may be located on a site contiguous to another site containing such a home.

"(c) TYPES OF ASSISTANCE.—A grantee may provide the following assistance to a project sponsor of permanent housing for handicapped homeless persons:

"(1) An advance not to exceed the cost of acquisition, substantial rehabilitation, or acquisition and rehabilitation of an existing structure for use as permanent housing for the handicapped homeless. The repayment of any outstanding debt owed on a loan made to purchase an existing structure shall be considered to be a cost of acquisition eligible for an advance under this paragraph if the structure was not used as permanent housing for the handicapped homeless prior to the receipt of assistance.

"(2) A grant for moderate rehabilitation of an existing structure for use as permanent housing for the handicapped homeless.

"(3) Annual payments for operating costs for permanent housing for handicapped

homeless persons, (including permanent housing for handicapped homeless persons that is newly constructed with assistance provided from sources other than this Act) not to exceed 50 percent of the annual operating costs of such housing for the first year of operation, and not to exceed 25 percent of such costs for the second year of operation.

"(4) Technical assistance in—

"(A) establishing permanent housing for the handicapped homeless in an existing structure;

"(B) operating permanent housing for the handicapped homeless in existing structures and in structures that are newly constructed with assistance provided from sources other than this Act; and

"(C) providing supportive services to the residents of permanent housing for the handicapped homeless (including permanent housing for handicapped homeless persons that is newly constructed with assistance provided from sources other than this Act).

"(d) PROGRAM REQUIREMENTS.—

"(1) REQUIRED AGREEMENTS.—A grantee may approve assistance for any project under this section only if the project sponsor has agreed—

"(A) to operate the proposed project as permanent housing for the handicapped homeless for not less than 10 years;

"(B) to conduct an ongoing assessment of the supportive services required by the residents of the project;

"(C) to provide such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of supportive services to the residents of the project; and

"(D) to comply with such other terms and conditions as the Secretary or grantee may establish for purposes of carrying out this program in an effective and efficient manner.

"(2) STATE PARTICIPATION.—Each grantee providing assistance to a project under this section shall transmit to the Secretary a letter of participation from the State assuring that the State will promptly transmit assistance to the project sponsor and will facilitate the provision of necessary supportive services to the residents of the project;

"(3) OCCUPANT RENT.—Each homeless individual residing in a facility assisted under this subtitle shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

"SEC. 415. SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS.

"(a) DEFINITION.—Assistance may be considered supplemental assistance for projects assisted under sections 412 and 413 if it covers costs that are required—

"(1) to meet the special needs of homeless families with children, elderly homeless individuals, or handicapped homeless persons residing in such projects;

"(2) to facilitate the transfer and utilization of public buildings to assist homeless individuals and families; or

"(3) to provide supportive services for the homeless residing in such projects.

"(b) REQUIRED AGREEMENTS.—A grantee may approve assistance for any project under this section only if the project sponsor has certified that—

"(1) the project sponsor has made reasonable efforts to utilize all available local resources and resources available under the other provisions of this title; and

"(2) that other resources are not sufficient or are not available to carry out the purpose for which the assistance is being sought.

"(c) OUTPATIENT HEALTH SERVICES.—Not more than $10,000 of any grant or advance under this subtitle may be used for outpatient health services (excluding the cost of any rehabilitation or conversion of a structure to accommodate the provision of such services).

"(d) COORDINATION WITH SECRETARY OF HEALTH AND HUMAN SERVICES.—The Secretary of Housing and Urban Development and the Secretary of Health and Human Services shall jointly establish guidelines for determining under this section the appropriateness of proposed outpatient health services. Such guidelines shall include such provisions as are necessary to enable the Secretary of Housing and Urban Development to meet the time limits under this subtitle for the final selection of applications for assistance.

"SEC. 416. DEVELOPMENT OF ADDITIONAL APPROVED ACTIVITIES.

"The Secretary, in cooperation with grantees and other appropriate parties, shall develop additional approved activities to carry out the purposes of this title.

"Subtitle C—Section 8 Single Room Occupancy

"SEC. 421. SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCUPANCY PROVISIONS.

"(a) USE OF FUNDS.—The amounts made available under this subtitle shall be used only in connection with the moderate rehabilitation of housing described in section 8 of the United States Housing Act of 1937 for occupancy by homeless individuals, except that such amounts may be used in connection with the moderate rehabilitation of efficiency units if the building owner agrees to pay the additional cost of rehabilitating and operating such units.

"(b) ALLOCATION.—The amounts made available under this subtitle shall be allocated by the Secretary among approvable applications to the applicant public housing agencies that best demonstrate a need for the assistance under this section and the ability to undertake and carry out a program to be assisted under this subtitle. To be considered for assistance under this section, an applicant shall submit to the Secretary a proposal containing—

"(1) a description of the size and characteristics of the population within the applicant's jurisdiction that would occupy single room occupancy dwellings;

"(2) a listing of additional commitments from public and private sources that the applicant might be able to provide in connection with the program;

"(3) an inventory of suitable housing stock to be rehabilitated with such assistance; and

"(4) a description of the interest that has been expressed by builders, developers, and others (including profit and nonprofit organizations) in participating in the program.

No single city or urban county shall be eligible to receive more than 10 percent of the assistance made available under this subtitle.

"(c) FIRE AND SAFETY IMPROVEMENTS.—Each rental credit contract entered into with the authority provided under this subtitle shall require the installation of a sprinkler system that protects all major spaces, hard wired smoke detectors, and such other fire and safety improvements as may be required by State or local law. For purposes of this subsection, the term 'major spaces' means hallways, large common areas, and other areas specified in local fire, building, or safety codes.

"(d) COST LIMITATION.—

"(1) The total cost of rehabilitation that may be compensated for in a rental credit contract entered into with the authority provided under this subtitle shall not exceed $14,000 per unit, plus the expenditures required by subsection (d).

"(2) The Secretary shall increase the limitation contained in paragraph (1) by an amount the Secretary determines is reasonable and necessary to accommodate special local conditions, including—

"(A) high construction costs; or

"(B) stringent fire or building codes.

"(3) The Secretary shall increase the limitation in paragraph (1) on October 1 of each year by an amount necessary to take into account increases in construction costs during the previous 12-month period.

"(e) CONTRACT REQUIREMENTS.—Each contract for annual contributions entered into with a public housing agency to obligate the authority made available under this subtitle shall—

"(1) commit the Secretary to make such authority available to the public housing agency for an aggregate period of 10 years, and require that any amendments increasing such authority shall be available for the remainder of such 10-year period;

"(2) provide the Secretary with the option to renew the contract for an additional period of 10 years, subject to the availability of appropriations; and

"(3) provide that, notwithstanding any other provision of law, first priority for occupancy of housing rehabilitated under this subtitle shall be given to homeless individuals.

"SEC. 422. INCREASE IN BUDGET AUTHORITY.

"The budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(e)(2) of such Act is authorized to be increased by $50,000,000 on or after October 1, 1989, and by $52,452,000 on or after October 1, 1990.".

SEC. 532. DEFINITION OF "HOMELESS PERSON".

Section 103(a) of the Stewart B. McKinney Homeless Assistance Act is amended by adding after "homeless individual" the following: "or homeless person".

SEC. 533. TRANSITIONAL RULE.

Notwithstanding section 404(a) of the Stewart B. McKinney Homeless Assistance Act (as amended by section 531, during the period not to exceed 1 year following the enactment of this Act, the Secretary is authorized to allocate homeless assistance made available under such Act in accordance with regulations in effect on January 1, 1989, to the extent determined by the Secretary to be necessary to provide for orderly transition to the regulations issued under such section.

SEC. 534. CONFORMING AMENDMENT.

That part of the table of contents of the Stewart B. McKinney Homeless Assistance Act that relates to title IV of such Act is amended to read as follows:

"TITLE IV—HOUSING ASSISTANCE

"Subtitle A—General Provisions

"Sec. 401. Purpose.
"Sec. 402. Definitions.
"Sec. 403. General authority.
"Sec. 404. Allocation formula.
"Sec. 405. Discretionary allocation.
"Sec. 406. Responsibilities of grantees and project sponsors.
"Sec. 407. Administrative provisions.

"Sec. 408. Authorization of appropriations.
"Sec. 409. Reports to Congress.

"Subtitle B—Approved Activities.
"Sec. 411. Homelessness prevention.
"Sec. 412. Emergency shelter.
"Sec. 413. Transitional housing for the homeless.
"Sec. 414. Permanent housing for handicapped homeless persons.
"Sec. 415. Supplemental assistance for facilities to assist the homeless.
"Sec. 416. Development of additional approved activities.

"Subtitle C—Section 8 Single Room Occupancy
"Sec. 421. Section 8 single room occupancy provisions.
"Sec. 422. Increase in budget authority.".

TITLE VI—PUBLIC AND INDIAN HOUSING

SEC. 601. PURPOSE.

The purpose of this title is—

(1) to modernize the Nation's stock of low-income public and Indian housing and provide operating assistance needed for such housing to be a suitable living environment;

(2) to develop future public housing in small projects and with an appropriate income mix so as to permit such housing to be incorporated with local communities and to require lower levels of long-term operating assistance;

(3) to make adequate provisions for one-for-one replacement of any public housing dwelling units that are demolished, sold to tenants or otherwise disposed of;

(4) to establish Project Independence to help families with children living in public housing gain better access to jobs and educational opportunities;

(5) to establish the National Commission on Severely Distressed Public Housing to provide a national action plan to eliminate unfit living conditions in the most troubled public housing projects by the year 2000.

Subtitle A—Public Housing Development

SEC. 611. DEVELOPMENT AND RECONSTRUCTION OF PUBLIC HOUSING.

(a) GENERAL AUTHORITY.—Section 5(a)(2) of the United States Housing Act of 1937, is amended by striking "public housing projects" in the first sentence and inserting the following: "(A) new public housing developed or reconstructed in accordance with subsection (j), or (B) replacement public housing developed in accordance with subsection (k),"

(b) DEVELOPMENT.—Section 5(j) of the United States Housing Act of 1937 is amended to read as follows:

"(j)(1) The Secretary shall use contributions made available under subsection (a)(2)(A) to develop public housing.

"(2) Notwithstanding section 16, public housing developed under this subsection shall serve very low-income families except that a public housing agency may make available up to 25 percent of the dwelling units in any project for occupancy by low-income families.

"(3) Public housing developed under this subsection shall be designed to accommodate, through the development of adequate common space, any special service needs of the categories of tenants (including families with children, elderly persons, persons with functional or other disabilities) reasonably expected to reside in such projects.

"(4) Except for public housing that is intended to serve elderly persons, public housing projects developed under this subsection shall not—

"(A) contain more than 100 dwelling units; or

"(B) be designed as a high-rise elevator project.

The Secretary may waive one or more of the limitations specified in this paragraph if the Secretary determines the waiver is justified by local conditions.

"(5) The Secretary shall reserve funds for the development of public housing under this subsection only if—

"(A) the Secretary determines that such funds are required to complete the development of dwelling units for which amounts have been obligated under this section;

"(B) the public housing agency certifies to the Secretary that not less than 85 percent of the public housing dwelling units of the public housing agency—

"(i) are maintained in substantial compliance with the housing quality standards established by the Secretary under section 8;

"(ii) will be so maintained upon completion of modernization for which funding has been awarded; or

"(iii) will be so maintained upon completion of modernization for which applications are pending that have been submitted in good faith under section 14 (or a comparable State or local government program) and that there is a reasonable expectation, as determined by the Secretary in writing, that the applications would be approved;

"(C) the public housing agency certifies that such development—

"(i) will replace dwelling units that are lost through redesign of units; or

"(ii) is required to comply with court orders or directions of the Secretary;

"(D) the public housing agency certifies that it has demands for family housing not satisfied by the rental assistance programs established in section 8; or

"(E) the Secretary makes such reservation under paragraph (6).

"(6) Notwithstanding any other provision of law, not more than 20 percent of the funds appropriated for development of public housing may also be committed by the Secretary for the substantial redesign, reconstruction, or redevelopment of existing public housing projects or units, which work shall be carried out pursuant to the rules and regulations applicable to the development of public housing.".

(c) TECHNICAL AMENDMENT.—Section 6 of the United States Housing Act of 1937, is amended by striking subsection (j) and redesignating subsections (k) through (m) as (j) through (l).

SEC. 612. REPLACEMENT HOUSING.

(a) Section 5 of the United States Housing Act of 1937, is amended—

(1) by redesignating subsections (k) and (l) as subsections (l) and (m) respectively; and

(2) by inserting the following after subsection (j):

"(k) The Secretary shall use contributions made available under subsection (a)(2)(B) to develop new public housing to replace public housing lost through disposition or demolition in accordance with section 18 or sale to tenants in accordance with section 21. Public housing developed under this subsection shall comply with the requirements specified under paragraphs (2), (3) and (4) of subsection (j).".

(b)(1) Section 18(c)(2) of the United States Housing Act of 1937 is amended by adding at the end the following: "As part of each annual budget request for the Department of Housing and Urban Development, the Secretary shall transmit to the Congress a report—

"(A) outlining the commitments the Secretary entered into during the preceding year to fund plans approved under subsection (b)(3); and

"(B) specifying, by fiscal year, the budget authority required to carry out the commitments specified in paragraph (A).".

(2) Section 18(c)(3) of the United States Housing Act is repealed.

(c) Section 21(a)(3) of the United States Housing Act of 1937 is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(2) by inserting after subparagraph (A) the following new subparagraph:

"(B) As part of each annual budget request for the Department of Housing and Urban Development, the Secretary shall transmit to the Congress a report—

"(i) outlining the commitments the Secretary entered into during the preceding year to fund plans submitted in accordance with subparagraph (A)(iv); and

"(ii) specifying, by fiscal year, the budget authority required to carry out the commitments specified in clause (i).".

Subtitle B—Authorizations

SEC. 621. AUTHORIZATION OF OPERATING SUBSIDIES.

Section 9(c) of the United States Housing Act of 1937, is amended to read as follows:

"(c) There are authorized to be appropriated for purposes of providing annual contributions under this section $1,800,000,000 for fiscal year 1990 and $1,877,400,000 for fiscal year 1991.".

SEC. 622. AUTHORIZATION OF PUBLIC HOUSING DEVELOPMENT, INDIAN HOUSING DEVELOPMENT AND THE COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 5(c)(6) of the United States Housing Act of 1937 is amended by adding at the end the following new sentence: "The aggregate amount of budget authority that may be obligated for grants for public housing and for comprehensive improvement assistance is increased (to the extent approved in appropriations Acts) by $2,353,950,000 on October 1, 1989, and by $2,457,740,000 on October 1, 1990".

(b) ANNUAL PROGRAM AUTHORIZATIONS.—Section 5(c)(7) of the United States Housing Act of 1937, is amended to read as follows:

"(7)(A) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1990, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for public housing grants under subsection (a)(2), not more than $453,950,000 of which amount not more than $94,125,000 shall be available for Indian housing;

"(ii) for comprehensive improvement assistance grants under section 14, not more than $1,900,000,000.

"(B) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1991, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for public housing grants under subsection (a)(2), not more than $476,040,000 of which amount not more than $98,705,000 shall be made available for Indian housing;

"(ii) for comprehensive improvement assistance grants under section 14, not more than $1,981,700,000.".

Subtitle C—Project Independence

SEC. 631. PURPOSE.

The purpose of this subtitle is to provide families with children living in public housing with better access to educational and employment opportunities by—

(1) developing facilities for training and support services in or near public housing;

(2) mobilizing public and private resources to expand and improve the delivery of such services; and

(3) providing transitional funding for essential training and support services that cannot otherwise be funded.

SEC. 632. PROJECT INDEPENDENCE.

Section 14 of the United States Housing Act of 1937, is amended—

(1) by redesignating subsections (j) through (m) as (k) through (n); and

(2) by inserting after subsection (i) the following new subsection:

"(j)(1) The Secretary shall make available and contract to make available assistance needed to adapt public housing to help families with children gain better access to educational and job opportunities. Assistance under this subsection shall be made available only to public housing agencies that demonstrate, to the satisfaction of the Secretary, that such assistance is necessary to accommodate the provision of supportive services that will receive support from sources other than this Act. Facilities to be assisted under this subsection shall be in or near the premises of public housing. Such assistance shall be made without regard to the requirements of subsections (c) through (h). Of the total amount of assistance approved in appropriations Acts under section 5(c), there shall be set aside to carry out this subsection $25,000,000 for fiscal year 1990, and $25,000,000 for fiscal year 1991.

"(2)(A) Assistance provided under this subsection may be used for—

"(i) the renovation, conversion, or combination of vacant dwelling units in a public housing project to create common areas to accommodate the provision of supportive services;

"(ii) the renovation of existing common areas in a public housing project to accommodate the provision of supportive services;

"(iii) the renovation of facilities located near the premises of one or more public housing projects to accommodate the provision of supportive services; and

"(iv) the transitional provision of qualifying supportive services if the public housing agency demonstrates to the satisfaction of the Secretary that—

"(I) the qualifying services are appropriate to improve the access of eligible residents to employment and educational opportunities;

"(II) the public housing agency has made diligent efforts to use or obtain other available resources to fund the designated services; and

"(III) long-term funding for the qualifying services will be available from other sources.

"(B) Assistance provided to carry out activities specified in subparagraph (A)(iv) shall be phased out over a period not to exceed 3 years.

"(3) Assistance under this subsection shall be allocated by the Secretary among approvable applications submitted by public housing agencies.

"(4) Applications for assistance under this subsection shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. Applications for assistance shall contain—

"(A) a description of the qualifying supportive services that can reasonably be expected to be made available to eligible residents over a 5-year period (or such longer period that the Secretary determines to be appropriate if assistance is provided for activities under paragraph (2)(A) that involve substantial rehabilitation);

"(B) a firm commitment of assistance from one or more sources ensuring that qualifying supportive services will be provided for not less than 1 year following the completion of activities assisted under paragraph (2)(A);

"(C) a description of public or private sources of assistance that can reasonably be expected to fund or provide qualifying supportive services for the entire period specified under subparagraph (A), including evidence of any intention to provide assistance expressed by State and local governments, private foundations, and other organizations (including profit and nonprofit organizations);

"(D) a certification from the appropriate State or local agency (as determined by the Secretary) that (i) the provision of the qualifying supportive services identified under in subparagraph (A) are well designed to provide eligible residents with better access to educational and employment opportunities, and (ii) there is a reasonable likelihood that such services will be funded or provided for the entire period specified under subparagraph (A);

"(E) a description of assistance that the public housing agency seeks under this subsection; and

"(F) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this subsection.

"(5) The Secretary shall establish selection criteria for assistance under this subsection which shall take into account—

"(A) the ability of the public housing agency or a designated service provider to provide the qualifying supportive services identified under paragraph (4)(A);

"(B) the need for such services in the public housing project;

"(C) the extent to which the envisioned renovation, conversion and combination activities are appropriate to accommodate the provision of such services;

"(D) the extent to which the public housing agency has demonstrated that such services will be provided for the period identified under paragraph (4)(A);

"(E) the extent to which the public housing agency has had a good record of maintaining and operating public housing; and

"(F) such other factors that the Secretary determines to be appropriate to ensure that funds made available under this subsection are used effectively.

"(6) The Secretary shall ensure that public housing agencies have the capacity to—

"(A) assess adequately the training and service needs of eligible residents;

"(B) coordinate the provision of services and tailor such services to the needs of eligible residents; and

"(C) seek on a continuous basis new sources of assistance to ensure long-term funding for qualifying supportive services;

The Secretary may carry out this paragraph by using amounts set aside under paragraph (1) and by permitting public housing agencies to use existing sources of funds.

"(7)(A) Each public housing agency shall submit to the Secretary, in such form and at such time as the Secretary shall prescribe, an annual progress report evaluating the use of funds made available under this subsection.

"(B) The Secretary shall submit to the Congress, not later than 120 days after the end of each fiscal year, an annual report evaluating the effectiveness of activities assisted under this subsection in such fiscal year. Such report shall summarize the progress reports submitted pursuant to subparagraph (A).

"(8) The Secretary may reserve not more than 5 percent of the amounts available in each fiscal year under this subsection to supplement grants awarded to public housing agencies under this subsection when, in the determination of the Secretary, such supplemental adjustments are required to maintain adequate levels of services to eligible residents.

"(9)(A) Each public housing agency shall, to the maximum extent practicable, employ public housing residents to provide the services assisted under this subsection or from other sources. Such persons shall be paid at a rate not less than the highest of—

"(i) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such Act applied to the resident and if he or she were not exempt under section 13 thereof;

"(ii) the State or local minimum wage for the most nearly comparable covered employment; or

"(iii) the prevailing rates of pay for persons employed in similar public occupations by the same employer.

"(B) No service provided to a public housing resident under this subsection, except for wages paid under subparagraph (A) of this section, may be treated as income for the purpose of any other program or provision of State or Federal law.

"(10) For purpose of this subsection—

"(A) the term 'eligible resident' means a person residing in public housing who—

"(i) is a single parent head of household with 1 or more children under the age of 10; and

"(ii) is economically disadvantaged within the meaning of sections 4(8) (A) and (B) of the Job Training Partnership Act;

"(B) the term 'qualifying supportive services' shall mean new or significantly expanded services that the Secretary deems essential to provide families living with children in public housing with better access to educational and employment opportunities. Such services may include but not be limited to—

"(i) child care;

"(ii) employment training and counseling;

"(iii) literacy training;

"(iv) computer skills training; and

"(v) assistance in the attainment of certificates of high school equivalency.

The public housing agency may provide such services directly to eligible residents or may, by contract or lease, provide such services through other appropriate agencies or providers.".

SEC. 633. CONFORMING AMENDMENTS.

(a) NO REDUCTION OF OPERATING SUBSIDY.—Section 9(a)(3)(B)(v) of the United States Housing Act of 1937 (as added by section 512(m) of this Act) is amended by inserting "section 14(j) of this Act or" before "section 512".

(b) BENEFITS EXCLUDED FROM INCOME.—Section 3(a) of the United States Housing Act of 1937, is amended by adding at the end the following new paragraph:

"(3) The earnings of and benefits to any public housing resident resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, section 14(j) of this Act or any comparable Federal, State or local law shall not be considered as income for the purposes of determining a limitation on the amount of rent paid by the resident during—

"(A) the period that the resident participates in such program; and

"(B) the period, not to exceed 18 months, that—

"(i) begins with the commencement of employment of the resident in the first job acquired by the person after completion of such program that is not funded by assistance under this Act; and

"(ii) ends on—

"(I) the date the resident ceases to continue employment without good cause as the Secretary shall determine; or

"(II) the expiration of the 18-month period following the commencement of the period described in clause (i), whichever event occurs first.".

Subtitle D—National Commission on Severely Distressed Public Housing

SEC. 641. PURPOSE.

The purpose of this subtitle is to establish a National Commission on Severely Distressed Public Housing—

(1) to identify those public housing projects in the Nation that are in a severe state of distress;

(2) to assess the most promising strategies to improve the condition of severely distressed public housing projects that have been implemented by public housing authorities, other Government agencies at the Federal, State, and local level, public housing tenants, and the private sector;

(3) to develop a national action plan to eliminate by the year 2000 unfit living conditions in public housing projects determined by the Commission to be severely distressed.

SEC. 642. ESTABLISHMENT OF COMMISSION.

There is established a commission to be known as the National Commission on Severely Distressed Public Housing (hereinafter in this subtitle referred to as the "Commission").

SEC. 643. MEMBERSHIP OF COMMISSION.

(a) APPOINTMENT.—(1) The Commission shall be composed of 18 members, appointed not later than 60 days after the enactment of this Act. The members shall be as follows:

(A) 6 members to be appointed by the Secretary of Housing and Urban Development;

(B) 6 members appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(C) 6 members appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

(2) The Secretary and the congressional leaders referred to in paragraph (1) shall each appoint as member of the Commission—

(A) 2 individuals who are elected public officials at the Federal, State, or local level;

(B) 2 individuals who are local public housing officials or representatives of public housing authorities with experience in eliminating unfit living conditions in severely distressed public housing projects;

(C) 1 individual who is a tenant or a representative of tenants or a tenant organization; and

(D) 1 individual who is a leader of business or labor or is a distinguished academic in the field of housing and urban development.

(c) CHAIRPERSON.—The Commission shall elect a chairperson from among members of the Commission.

(d) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(e) VOTING.—Each member of the Commission shall be entitled to 1 vote, which shall be equal to the vote of every other member of the Commission.

(f) VACANCIES.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(g) PROHIBITION ON ADDITIONAL PAY.—Members of the Commission shall serve without compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Commission.

SEC. 644. FUNCTIONS OF THE COMMISSION.

(a) IDENTIFICATION OF SEVERELY DISTRESSED PUBLIC HOUSING PROJECTS.—The Commission shall identify those public housing projects that are in a severe state of distress, giving special attention to projects that—

(1) contain more than 500 dwelling units,

(2) have vacancy rates higher than 15 percent,

(3) are occupied predominately by families with children,

(4) contain high-rise elevator structures, and

(5) meet such other criteria that the Commission determines to be evidence of unfit living conditions.

(b) EVALUATION OF ALTERNATIVE STRATEGIES.—The Commission shall assess the most promising strategies to eliminate unfit living conditions in severely distressed public housing projects that have been implemented by public housing authorities, other Government agencies at the Federal, State, and local level, public housing tenants, and the private sector. Such strategies may include but shall not be limited to—

(1) supplementary management measures;

(2) the provision of supportive services to project residents, and, if necessary, the redesign of projects to accommodate such services;

(3) the redesign of projects to reduce density and otherwise eliminate harmful design elements;

(4) the conversion of projects to mixed-income housing developments; and

(5) the total or partial demolition or disposition of projects. Evaluation of such strategies shall consider efforts to provide for replacement of public housing dwelling units that were demolished, disposed of or otherwise removed from use by low-income persons.

(c) DEVELOPMENT OF NATIONAL ACTION PLAN.—The Commission shall establish a national action plan to eliminate by the year 2000 unfit living conditions in public housing projects identified in subsection (a). The action plan shall—

(1) specify objectives that the Department of Housing and Urban Development could achieve in cooperation with public housing authorities, public housing tenants, and other interested parties;

(2) provide a schedule by which such objectives could be achieved;

(3) recommend any legislative or administrative action that is necessary to achieve such objectives;

(4) make recommendations regarding any necessary replacement of public housing; and

(5) calculate, in accordance with the schedule established above, any impact on Federal expenditures necessary to achieve such objectives.

(d) FINAL REPORT.—Not later than 10 months after the Commission is established pursuant to section 643(a), the Commission shall submit to the Secretary and to the Congress a final report which shall contain the information, evaluations, and recommendations specified above.

SEC. 645. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may, for the purpose of carrying out this subtitle, hold such hearings and sit and act at such times and places as the Commission may find advisable.

(b) RULES AND REGULATIONS.—The Commission may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, organization and personnel.

(c) ASSISTANCE FROM FEDERAL AGENCIES.—

(1) The Commission may secure directly from any department, agency, or instrumentality of the United States such data and information as the Commission may require for the purpose of this subtitle, including but not limited to comprehensive plans submitted by public housing authorities in accordance with section 14 of the United States Housing Act of 1937, and applications submitted by public housing authorities requesting funds for the major reconstruction of public housing projects in accordance with section 5 of such Act. Upon request of the Commission, any such department, agency, or instrumentality shall furnish such data or information. The Commission may acquire data or information directly from public housing authorities to the same extent the Secretary could acquire such data or information.

(2) The General Services Administration shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request.

(3) Upon the request of the chairperson of the Commission, the Secretary of Housing and Urban Development shall, to the extent possible and subject to the discretion of the Secretary, detail any of the personnel of the Department of Housing and Urban Development, on a nonreimbursable basis, to assist the Commission in carrying out its duties under this subtitle.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(e) CONTRACTING.—The Commission may, to such extent and in such amounts as are provided in appropriations Acts, enter into contracts with private firms, institutions, and individuals for the purpose of conducting research or surveys necessary to enable the Commission to discharge its duties under this subtitle.

(f) STAFF.—(1) The Commission shall appoint an executive director of the Commission who shall be compensated at a rate fixed by the Commission, but which shall

not exceed the rate established for level V of the Executive Schedule under title 5, United States Code.

(2) In addition to the executive director, the Commission may appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of title 5, United States Code, governing appointments to the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(g) ADVISORY COMMITTEE.—The Commission shall be considered an advisory committee within the meaning of the Federal Advisory Committee Act (5 U.S.C. App.).

SEC. 646. AUTHORIZATION OF APPROPRIATIONS.

Of the total amount approved in appropriations Acts under section 9(c) of the United States Housing Act of 1937, there shall be set aside to carry out this subtitle $2,000,000 for fiscal year 1990, and $1,000,000 for fiscal year 1991.

TITLE VII—RURAL HOUSING

SEC. 701. PURPOSE.

The purposes of this title are—

(1) to reaffirm the National commitment to expand homeownership and produce affordable rental housing for low-income persons in rural areas;

(2) to promote the full utilization of the section 502 program by very low-income people through the use of partially deferred mortgages; and

(3) to improve the quality of affordable housing in communities that have extremely high concentrations of poverty and substandard housing and that have been underserved by rural housing programs by directing Farmers Home Administration assistance toward designated underserved areas.

SEC. 702. PROGRAM AUTHORIZATIONS.

(a) INSURANCE AND GUARANTEE AUTHORITY.—Section 513(a)(1) of the Housing Act of 1949 is amended to read as follows:

"(a)(1) The Secretary may, to the extent approved in appropriation Acts, insure and guarantee loans under this title in aggregate amounts not to exceed $1,921,151,000 during fiscal year 1990 and $2,004,203,000 during fiscal year 1991, as follows:

"(A) For insured or guaranteed loans under section 502 on behalf of borrowers receiving assistance under section 521(a)(1) or receiving guaranteed loans pursuant to section 304 of the Housing and Community Development Act of 1987, $1,318,650,000 for fiscal year 1990 and $1,375,650,000 for fiscal year 1991.

"(B) For loans under section 504, $11,790,000 for fiscal year 1990 and $12,300,000 for fiscal year 1991.

"(C) For insured loans under section 514, $11,950,000 for fiscal year 1990 and $12,470,000 for fiscal year 1991.

"(D) For insured loans under section 515, $577,650,000 for fiscal year 1990 and $602,620,000 for fiscal year 1991.

"(E) For loans under section 523(b)(1)(B), $521,000 for fiscal year 1990 and $543,000 for fiscal year 1991.

"(F) For site loans under section 524, $590,000 for fiscal year 1990 and $620,000 for fiscal year 1991.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 513(b) of the Housing Act of 1949 is amended to read as follows:

"(b) There are authorized to be appropriated, to remain available until expended, the following amounts:

"(1) For grants under section 504, $13,013,000 for fiscal year 1990 and $13,575,000 for fiscal year 1991.

"(2) For purposes of section 509(c), $521,000 for fiscal year 1990 and $543,000 for fiscal year 1991.

"(3) Such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to—

"(A) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503; and

"(B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary.

"(4) For financial assistance under section 516, $9,903,000 for fiscal year 1990 and $10,331,000 for fiscal year 1991.

"(5) For grants under section 523(f), $8,328,000 for fiscal year 1990 and $8,688,000 for fiscal year 1991.

"(6) For grants under section 533, $19,925,000 for fiscal year 1990 and $20,786,000 for fiscal year 1991.".

(c) RENTAL ASSISTANCE PAYMENT CONTRACTS.—Section 513(c)(1) of the Housing Act of 1949 is amended to read as follows:

"(c)(1) The Secretary, to the extent approved in appropriation Acts, may enter into rental assistance payment contracts under section 521(a)(2)(A) aggregating $286,600,000 for fiscal year 1990 and $298,990,000 for fiscal year 1991.".

(d) RENTAL HOUSING LOAN AUTHORITY.—Section 515(b)(4) of the Housing Act of 1949 is amended by striking "September 30, 1989" and inserting "September 30, 1991".

(e) MUTUAL AND SELF-HELP HOUSING GRANT AND LOAN AUTHORITY.—Section 523(f) of the Housing Act of 1949 is amended by striking "September 30, 1989" and inserting "September 30, 1991".

SEC. 703. SECTION 502 DEFERRED REPAYMENT.

Section 502 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(f) AUTHORITY FOR DEFERRED REPAYMENT.—

"(1) IN GENERAL.—The Secretary may allow a borrower to defer repayment of not more than 20 percent of the principal on a loan made or insured under this section if the Secretary determines that—

"(A) the borrower resides in a State in which an average of 10 percent or more of the set-asides established in section 502(d) have not been obligated since November 30, 1983;

"(B) the deferral is necessary to enable the borrower to afford payment on the loan; and

"(C) the borrower can reasonably be expected fully to amortize the deferred principal over the remaining life of the loan.

"(2) SUBSEQUENT ADJUSTMENTS.—When the Secretary finds that a borrower deferring repayments under this subsection is able to make an increased mortgage payment in accordance with the schedules and repayment plans prescribed by the Secretary under section 502(b)(2), the Secretary shall first apply any increase in the monthly mortgage payment to repayment of deferred principal and interest on that principal and then, when the deferral is eliminated, to an increase in the interest rate payable on the loan.

"(3) INTEREST ON DEFERRED PRINCIPAL.—Interest on the deferred principal shall remain at 1 percent until the deferral has been repaid in full.".

SEC. 704. HOUSING IN UNDERSERVED AREAS.

Section 509 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(e) HOUSING IN UNDERSERVED AREAS.—

"(1) DESIGNATION OF UNDERSERVED AREA.—The Secretary shall designate as targeted underserved areas 30 counties and communities in fiscal year 1990, and 50 counties and communities in fiscal year 1991 that have severe, unmet housing needs as determined by the Secretary. A county or community shall be eligible for designation if, during the 10-year period preceding the year in which the designation is made, it has received an average annual amount of assistance under this title that is substantially lower than the average annual amount of such assistance received during that 10-year period by other counties and communities in the State that are eligible for such assistance calculated on a per capita basis, and has—

"(A) 20 percent or more of its population at or below the poverty level; and

"(B) 10 percent or more of its population in substandard housing.

As used in this paragraph, the term 'poverty level' has the same meaning as in section 102(a)(9) of the Housing and Community Development Act of 1974.

"(2) OUTREACH PROGRAM.—The Secretary shall publicize the availability to targeted underserved areas of grants and loans under this title and promote, to the maximum extent feasible, efforts to apply for those grants and loans for housing in targeted underserved areas.

"(3) SET-ASIDE FOR TARGETED UNDERSERVED AREAS.—The Secretary shall set aside and reserve for assistance in targeted underserved areas an amount equal to 1 percent in 1990 and 2 percent in fiscal 1991 of the aggregate amount of lending authority under sections 502, 504, 514, 515, and 524. During each such fiscal year, the Secretary shall set aside an amount of section 521 rental assistance that is appropriate to provide assistance with respect to the lending authority under sections 514 and 515 that is set aside for such fiscal year. Any assistance set aside for targeted underserved areas that has not been expended by September 1 of a fiscal year shall be reallocated to other counties and communities that meet the requirements of targeted underserved areas set forth in paragraph (1).

"(4) LIST OF UNDERSERVED AREAS.—The Secretary shall publish the current list of targeted underserved areas in the Federal Register.

"(5) PROJECT PREPARATION ADVANCES.—

"(A) IN GENERAL.—In order to promote the development of affordable housing in targeted underserved areas, the Secretary is authorized to provide advances in an amount not to exceed 80 percent of any reasonable and customary costs that are—

"(i) incurred in the preparation of a preapplication for a loan under sections 502, 504, 514, 515, and 524 for housing to be located in a targeted underserved area; and

"(ii) customarily included in the amount financed under such a loan.

"(B) REPAYMENT.—Repayment shall be made from the proceeds of a loan made under this title. In the event that the loan is not approved, repayment of the advance shall begin not later than 36 months after the date on which the advance is made, and the repayment shall be on terms similar to the terms on approved loans.

"(C) GUIDELINES.—The Secretary shall establish guidelines for the project preparation advance application process. The application shall include a budget for the costs of the loan preapplication and documentation

that the funds to cover preapplication costs not advanced by the Secretary or the equivalent of those funds in the form of a loan or a donation of funds or services are available to the project preparation advance applicant.

"(D) APPROVAL.—The Secretary shall approve a properly submitted application or issue a written statement indicating the reasons for disapproval not later than 60 days after the receipt of the application.

"(E) PREFERENCE.—In carrying out any program under this title, the Secretary shall give a preference to an application for assistance that has been developed with project preparation advances under this paragraph, and to an application submitted by or on behalf of a sponsor that resides in the county or community to be served by the proposed housing.

"(F) ELIGIBILITY.—For the purpose of this paragraph, an eligible applicant may be a nonprofit organization or corporation, a State, a unit of general local government, or an agency of a State or unit of general local government.".

SEC. 705. TRANSFER OF SECTION 502 INVENTORY FOR USE UNDER SECTION 515.

Section 510(e)(3) of the Housing Act of 1949 is amended—

(1) by striking "or" between "private nonprofit organizations" and "public bodies" and inserting a comma; and

(2) by inserting ", or for profit entities, which have good records of providing low-income housing under section 515" after "public bodies".

TITLE VIII—AMENDMENT TO THE INTERNAL REVENUE CODE

SEC. 801. LOW-INCOME HOUSING CREDIT.

Section 42 of the Internal Revenue Code of 1986 is amended by striking out subsection (r).

TITLE IX—REPEALS AND CONFORMING AMENDMENTS

SEC. 901. AMENDMENT TO TITLE I OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.

(a) Section 104(c) of the Housing and Community Development Act of 1974 is amended to read as follows: "Any grant made under section 106(b) shall be made only if the unit of general local government certifies that it is following a current housing affordability strategy which has been approved by the Secretary in accordance with section 105 of the National Affordable Housing Act or a housing assistance plan which was approved by the Secretary not later than 180 days after enactment of the National Affordable Housing Act.".

SEC. 902. CONFORMING AMENDMENTS RELATING TO INVESTMENTS.

(a) AMENDMENT TO SECTION 5136 OF THE REVISED STATUTES.—Paragraph Seven of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by striking "or" after "Federal National Mortgage Association" and inserting in lieu thereof ", the Government National HOME Corporation, or".

(b) AMENDMENTS TO THE FEDERAL HOME LOAN BANK ACT.—

(1) INVESTMENTS BY BANKS.—Section 11(h) of the Federal Home Loan Bank Act (12 U.S.C. 1431(h)) is amended by inserting "or the Government National HOME Corporation" after "Federal National Mortgage Association" the first place it appears.

(2) INVESTMENT OF RESERVES.—Section 16(a) of the Federal Home Loan Bank Act (12 U.S.C. 1436(a)) is amended by inserting "the Government National HOME Corporation," after "the Federal National Mortgage Association".

(c) HOME OWNERS' LOAN ACT.—Section 5(c)(1)(F) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)(1)(F)) is amended by inserting ", the Government National HOME Corporation" after "Federal National Mortgage Association,".

(d) GOVERNMENT CORPORATION CONTROL ACT.—Section 9101(3) of title 31, United States Code, is amended by adding at the end the following:

"(N) the Government National HOME Corporation".

SEC. 903. COMPENSATION OF HOME CORPORATION OFFICIALS.

(a) PRESIDENT.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"President, Government National HOME Corporation, Department of Housing and Urban Development.".

(b) VICE PRESIDENT.—Section 5316 of title 5, United States Code, is amended by adding at the end the following:

"Vice President, Government National HOME Corporation, Department of Housing and Urban Development.".

S. 566

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Affordable Housing Act".

TABLE OF CONTENTS

Section 1. Short title.

TITLE I—GENERAL PROVISIONS AND POLICIES

Sec. 101. The national housing goal.
Sec. 102. Objective of national housing policy.
Sec. 103. Purposes of the National Affordable Housing Act.
Sec. 104. Definitions.
Sec. 105. State and local housing strategies.

TITLE II—HOMEOWNERSHIP

Sec. 201. Purpose.
Sec. 202. FHA amendments.

TITLE III—INVESTMENT IN AFFORDABLE HOUSING

Sec. 301. Short title.
Sec. 302. Purposes.
Sec. 303. Establishment of Home Corporation.
Sec. 304. Authorization.

Subtitle A—Housing Opportunity Partnerships (HOP)

Sec. 311. Authority.
Sec. 312. Eligible uses of investment.
Sec. 313. Development of model programs.
Sec. 314. Income targeting.
Sec. 315. Qualification as affordable housing.
Sec. 316. Participation by States and local governments.
Sec. 317. Allocation of resources.
Sec. 318. Housing investment trust funds.
Sec. 319. Repayment of investment.
Sec. 320. Matching requirements.
Sec. 321. Private-public partnership.
Sec. 322. Distribution of assistance.
Sec. 323. Set-aside for nonprofit community organizations.
Sec. 324. Penalties for misuse of funds.
Sec. 325. Limitation on jurisdictions under court order.

Subtitle B—Mortgage Credit Enhancement

Sec. 331. Authority.
Sec. 332. Authority to contract.
Sec. 333. Terms.
Sec. 334. Requirements.
Sec. 335. Reduced risk of loss.
Sec. 336. Requirements required to relate to purpose of subtitle.
Sec. 337. Fees.
Sec. 338. Subrogation.

Subtitle C—Other Support for State and Local Housing Strategies

Sec. 351. Authority.
Sec. 352. Priorities for capacity development.
Sec. 353. Eligible organizations.
Sec. 354. Research in housing affordability.

Subtitle D—General Authority of the HOME Corporation

Sec. 361. General powers.
Sec. 362. Offices.
Sec. 363. Appointment of officers and employees.
Sec. 364. Exemption from certain taxes.
Sec. 365. Federal Reserve banks to act as fiscal agents.
Sec. 366. Investment of funds.
Sec. 367. SEC exemption.
Sec. 368. Immunities and priorities.
Sec. 369. Income and revenues.
Sec. 370. Presumption of compliance.
Sec. 371. Exclusive use of name.
Sec. 372. Government Corporation Control Act.

Subtitle E—General Provisions

Sec. 381. Nondiscrimination.
Sec. 382. Audit and accountability.
Sec. 383. Performance reports by participating jurisdictions.
Sec. 384. Citizen participation.
Sec. 385. Labor.
Sec. 386. Interstate agreements.
Sec. 387. Environmental review.

TITLE IV—AFFORDABLE RENTAL HOUSING

Subtitle A—Preservation of Affordable Rental Housing

Sec. 401. Office of Affordable Housing Preservation.
Sec. 402. Cooperation with State and local governments.
Sec. 403. Mediation to assist low-income affordability.

Subtitle B—Low-Income Rental Assistance

Sec. 421. Purpose.
Sec. 422. Revised section 8 program.
Sec. 423. Timeliness of regulations.
Sec. 424. Transitional rule.

TITLE V—HOUSING FOR PERSONS WITH SPECIAL NEEDS

Subtitle A—Assistant Secretary for Supportive Housing

Sec. 501. Establishment of Assistant Secretary for Supportive Housing.

Subtitle B—Supportive Housing for the Elderly

Sec. 511. Supportive housing for the elderly.
Sec. 512. Project retrofit.

Subtitle C—Supportive Housing for the Handicapped

Sec. 521. Supportive housing for the handicapped.

Subtitle D—Supportive Housing for the Homeless

Sec. 531. Amendment to McKinney Act.
Sec. 532. Definition of "homeless person".
Sec. 533. Transitional rule.
Sec. 534. Conforming amendment.

TITLE VI—LOW-INCOME PUBLIC HOUSING

Sec. 601. Purpose.

Subtitle A—Public Housing Development
Sec. 611. Development and reconstruction of public housing.
Sec. 612. Replacement housing.
Subtitle B—Authorizations
Sec. 621. Authorization of operating subsidies.
Sec. 622. Authorization of public housing development and CIAP.
Subtitle C—Project Independence
Sec. 631. Purpose.
Sec. 632. Project independence.
Sec. 633. Conforming amendments.
Subtitle D—National Commission on Severely Distressed Public Housing
Sec. 641. Purpose.
Sec. 642. Establishment of Commission.
Sec. 643. Membership of Commission.
Sec. 644. Functions of the Commission.
Sec. 645. Powers of Commission.
Sec. 646. Authorization of appropriations.
TITLE VII—RURAL HOUSING
Sec. 701. Purpose.
Sec. 702. Program authorizations.
Sec. 703. Section 502 deferred repayment.
Sec. 704. Housing in underserved areas.
Sec. 705. Transfer of section 502 inventory for use under section 515.
TITLE VIII—REPEALS AND CONFORMING AMENDMENTS
Sec. 801. Amendment to title I of the Housing and Community Development Act of 1974.
Sec. 802. Conforming amendments relating to investments.
Sec. 803. Compensation of HOME Corporation officials.

TITLE I—GENERAL PROVISIONS AND POLICIES

SEC. 101. THE NATIONAL HOUSING GOAL.

The Congress affirms the national goal that every American family be able to afford a decent home in a suitable environment.

SEC. 102. OBJECTIVE OF NATIONAL HOUSING POLICY.

The objective of national housing policy shall be to strengthen a nationwide system of public and private institutions able—

(1) to ensure that no resident of the United States is without either access to decent shelter or assistance in avoiding homelessness;

(2) to increase the Nation's supply of decent housing that is affordable to low-income and moderate-income families and accessible to job opportunities;

(3) to improve housing opportunities for all residents of the United States, particularly members of disadvantaged minorities;

(4) to help make neighborhoods safe and livable;

(5) to expand opportunities for homeownership; and

(6) to provide every American community with a reliable, readily available supply of mortgage finance at the lowest possible interest rates.

SEC. 103. PURPOSES OF THE NATIONAL AFFORDABLE HOUSING ACT.

The purposes of this Act are—

(1) to help families not owning a home to save for a down payment for the purchase of a home;

(2) to retain wherever feasible as housing affordable to low-income families those dwelling units produced for such purpose with Federal assistance;

(3) to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of housing affordable to low-income and moderate-income families;

(4) to expand and improve Federal rental assistance for very low-income families; and

(5) to increase the supply of supportive housing, which combines structural features and services needed to enable persons with special needs to live with dignity and independence.

SEC. 104. DEFINITIONS.

As used in this Act—

(1) The term "unit of general local government" means a city, town, township, county, parish, village, or other general purpose political subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, the Federated States of Micronesia and Palau, or a general purpose political subdivision thereof; and a consortium of such political subdivisions recognized by the Secretary in accordance with section 316(2)(B) of this Act.

(2) The term "State" means any State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, and any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction with regard to provisions of this Act.

(3) The term "jurisdiction" means a State or unit of general local government.

(4) The term "participating jurisdiction" means any State or unit of general local government whose comprehensive affordable housing strategy has been approved by the Secretary in accordance with section 105 of this Act.

(5) The term "nonprofit organization" means any private, nonprofit organization that—

(A) is organized under State or local laws,

(B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual,

(C) complies with standards of financial accountability acceptable to the Secretary, and

(D) has among its purposes significant activities related to the provision of decent housing that is affordable to low-income and moderate-income persons.

(6) The term "nonprofit community organization" means a nonprofit organization that—

(A) has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, and

(B) has a governing body comprised predominantly of representatives of the local community or communities in which the organization will carry out activities assisted under this Act.

(7) The term "government-sponsored mortgage finance agencies" means the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation.

(8) The term "very low-income families" means low-income families whose incomes do not exceed 50 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(9) The term "low-income families" means families whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(10) The term "moderate-income families" means families whose incomes do not exceed the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(11) The term "families" includes families consisting of a single person in the case of (A) a person who is at least 62 years of age, or is handicapped with the meaning of section 521(j)(2) of this Act, (B) a displaced person, (C) the remaining member of a tenant family, and (D) other single persons in circumstances described in regulations of the Secretary.

SEC. 105. STATE AND LOCAL HOUSING STRATEGIES.

(a) IN GENERAL.—The Secretary shall provide assistance directly to a jurisdiction only if—

(1) the jurisdiction submits to the Secretary a comprehensive housing affordability strategy (hereafter in this section referred to as the "housing strategy");

(2) the jurisdiction submits annual updates of the housing strategy; and

(3) the housing strategy, and any annual update of such strategy, is approved by the Secretary.

The Secretary shall establish such dates and manner for the submission and approval of housing strategies under this section that the Secretary determines will facilitate orderly program management by jurisdictions and provide for timely investment or other use of funds made available under this Act.

(b) CONTENTS.—A housing strategy submitted under this section shall be in a form that the Secretary determines to be appropriate for the assistance the jurisdiction may be provided under this Act and shall—

(1) describe the jurisdiction's estimated housing needs projected for the ensuing 5-year period, and the jurisdiction's need for assistance for low-income and moderate-income persons under this Act, specifying such needs for different types of tenure and for different categories of residents, such as very low-income, low-income, and moderate-income persons, the elderly, single persons, large families, and other categories of residents that the Secretary determines to be appropriate;

(2) describe the nature and extent of homelessness within the jurisdiction, providing an estimate of the special needs of various categories of persons who are homeless or threatened with homelessness, a brief inventory of facilities and services to assist such persons, and a description of the jurisdiction's strategy for providing such persons with permanent housing;

(3) describe the significant characteristics of the jurisdiction's housing market, indicating how those characteristics will influence the use of funds made available under

this Act for rental assistance, production of new units, rehabilitation of old units, or acquisition of existing units;

(4) explain how the cost of housing or the incentives to develop, maintain, or improve affordable housing in the jurisdiction are affected by public policies, particularly by policies of the jurisdiction, including tax policies affecting land and other property, land use controls, building codes, fees and charges, growth limits, and policies that affect the return on residential investment, and describe the jurisdiction's strategy to remove or ameliorate any negative effects of such policies;

(5) explain the institutional structure, including private industry, nonprofit organizations, and public institutions, through which the jurisdiction will carry out its housing strategy, assessing the strengths and gaps in that delivery system and describing what the jurisdiction will do to overcome those gaps;

(6) indicate resources from private and public sources other than this Act that are reasonably expected to be made available to carry out the purposes of this Act, explaining how funds made available under this Act will leverage those additional resources;

(7) set forth the jurisdiction's plan for investment or other use of funds made available under this Act during the ensuing year or such longer period as the Secretary determines to be appropriate, indicating the general priorities for allocating investment geographically within the jurisdiction and among different activities and housing needs;

(8) describe the means of cooperation and coordination among the State and any participating units of general local government in the development, submission, and implementation of their housing strategies;

(9) describe the standards and procedures according to which the jurisdiction will monitor activities authorized under this Act and ensure long-term compliance with the provisions of this Act; and

(10) include a certification that the jurisdiction will affirmatively further fair housing.

The Secretary may provide for the submission of abbreviated housing strategies by jurisdictions that are not otherwise expected to be participating jurisdictions under this Act. Such an abbreviated housing strategy shall be appropriate to the types and amounts of assistance the jurisdiction is to receive as determined by the Secretary.

(c) APPROVAL.—

(1) IN GENERAL.—The Secretary shall review the housing strategy upon receipt. Not later than 60 days after receipt by the Secretary, the housing strategy shall be approved unless the Secretary determines before that date that the housing strategy is inconsistent with the purposes of this Act or does not satisfy the requirements of subsection (b). During the 18-month period following enactment of this Act, the Secretary may extend the review period to not longer than 90 days.

(2) ACTIONS IN CASE OF DISAPPROVAL.—If the Secretary disapproves the housing strategy, the Secretary shall immediately notify the jurisdiction of such disapproval. Not later than 15 days after the Secretary's disapproval, the Secretary shall inform the jurisdiction in writing of (A) the reasons for disapproval, and (B) actions that the jurisdiction could take to meet the criteria for approval. If the Secretary fails to inform the jurisdiction of the reasons for disapproval within such 15-day period, the housing strategy shall be deemed to have been approved.

(3) AMENDMENTS AND RESUBMISSION.—The Secretary shall, for a period of not less than 45 days following the date of first disapproval, permit amendments to, or the resubmission of, any housing strategy that is disapproved. The Secretary shall approve or disapprove a housing strategy not less than 30 days after receipt of such amendments or resubmission.

(d) PERFORMANCE REVIEWS.—(1) Each participating jurisdiction shall annually review and report, in a form acceptable to the Secretary, on the progress it has made in carrying out its housing strategy, which report shall indicate the number of very low-income, low-income, and moderate-income persons that will be assisted with funds made available under this Act.

(2) The Secretary shall (A) establish dates for submission of reports under this subsection, and (B) review such reports and make such recommendations as the Secretary deems appropriate to carry out the purposes of this Act.

(3) If a jurisdiction fails to submit a report satisfactory to the Secretary in a timely manner, assistance to the jurisdiction under this Act may be—

(A) suspended until a report satisfactory to the Secretary is submitted; or

(B) withdraw and reallocated among participating jurisdictions in accordance with section 316(5) of this Act if the Secretary finds, after notice and opportunity for a hearing, that the jurisdiction will not submit a satisfactory report.

(e) CERTIFICATION.—The Secretary may by regulation or otherwise, as deemed by the Secretary to be appropriate, require any application for assistance under this Act to contain or be accompanied by a certification by an appropriate State or local public official that the proposed activities are consistent with the housing strategy of the jurisdiction to be served.

TITLE II—HOME OWNERSHIP

SEC. 201. PURPOSE.

The purpose of this title is to improve home ownership opportunities for first-time homebuyers and for other persons who have not owned a home for at least 3 years by—

(1) matching FHA mortgage insurance ceilings more closely to regional median home prices, and

(2) providing for lower downpayments on FHA insured mortgages under certain conditions.

SEC. 202. FHA AMENDMENTS.

(a) ELIGIBILITY FOR INSURANCE; MORTGAGE LIMITS.—Section 203(b)(2) of the National Housing Act is amended—

(1) by striking all through "value in excess of $25,000." the first time it appears and inserting the following:

"(2) Involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve) in an amount not to exceed the lesser of—

"(A) a ceiling that equals 95 percent of the median sales price of homes within a time period designated by the Secretary for the State, for a metropolitan statistical area that includes portions of more than one State, or for an area within a State, if the Secretary determines that such area must be designated to provide fair access to insurance under this section for moderate-income and middle-income homebuyers; or

"(B) except as otherwise provided in this paragraph, an amount equal to—

"(i) the sum of (I) 97 per centum of $50,000 of the appraised value of the property, as of the date the mortgage is accepted for insurance, and (II) 95 per centum of such value in excess of $50,000; or

"(ii) 97 per centum of the appraised value of the property as of the date the mortgage is accepted for insurance if (I) the mortgagor is a first-time homebuyer; (II) the mortgagor completes a program of financial counseling, offered by a qualified home ownership counseling agency approved by the Secretary under section 106(a)(2) of the Housing and Urban Development Act of 1968; and (III) the mortgage is secured by the principal residence of the mortgagor.";

and

(2) by striking "For the purpose of the preceding sentence, the term 'area' means" and inserting the following:

"For the purpose of the preceding sentence—

"(i) any person or party requesting the designation of an area within a State under subparagraph (A) shall submit to the Secretary justification for such designation in a form satisfactory to the Secretary;

"(ii) the term 'first-time homebuyer' means an individual and his spouse who have had no ownership interest in a residence during the 3-year period ending on the date of the acquisition of the dwelling unit; and

"(iii) the term 'area' means".

(b) COUNSELING.—Section 106(a)(2) of the Housing and Urban Development Act of 1968 is amended—

(1) in the first sentence, by inserting "with mortgages insured under section 203(b)(2)(B)(ii) and" before "assisted under section 235"; and

(2) by inserting the following after the last sentence: "The Secretary shall provide such services only through contracts with private or public organizations that are approved by the Secretary, according to such standards as the Secretary shall establish, as having demonstrated special competence and knowledge in counseling low-income and moderate-income families. Such approval shall be subject to review and reaffirmed not less frequently than every 2 years".

(c) ADJUSTABLE RATE MORTGAGES.—Section 251 of the National Housing Act is amended—

(1) by striking the last two sentences of subsection (a); and

(2) by striking subsections (b) and (c) and inserting the following:

"(b)(1) In addition to insurance provided under subsection (a), the Secretary may insure adjustable rate mortgages that incorporate terms and conditions that the Secretary determines to be generally accepted in the mortgage market if the Secretary finds that the new mortgage does not expose the insurance fund to excessive risk of loss, taking into account the mortgage insurance premium that will be charged.

"(2) The Secretary shall insure that the underwriting standards and procedures for adjustable rate mortgages are such that mortgages are not made available to mortgagors who would be exposed to undue risk of default.

"(c)(1) The mortgagee shall explain the nature of the obligation fully and in writing to the mortgagor not later than on the date upon which the mortgagee provides the prospective mortgagor with a loan application. The mortgage may be accepted for insurance only if the mortgagor certifies that he or she fully understands the obligation.

"(2) Such mortgagee disclosure shall include all of the following items:

"(A) the fact that the mortgage interest rate may change, and an explanation of how changes correspond to changes in the interest rate index;

"(B) identification of the interest rate index, its source of publication and availability;

"(C) the frequency with which interest rate levels and monthly payments will be adjusted and the length of the interval that will precede the initial adjustment; and

"(D) a hypothetical monthly payment schedule that displays the maximum potential increases in monthly payments to the mortgagor over the first 10 years of the mortgage, subject to the provisions of the mortgage instrument.

"(3) At least 30 days before any adjustment to a mortgagor's monthly payment may occur, the mortgagee must advise the mortgagor of the following:

"(A) the new mortgage interest rate and amount of the monthly payment; and

"(B) the current index interest rate value and how the payment adjustment was calculated.".

(d) INDUSTRY ACCEPTED MORTGAGE PROGRAMS.—Title II of the National Housing Act is amended by adding at the end thereof the following:

"INSURANCE OF INDUSTRY ACCEPTED MORTGAGES

"SEC. 256. (a) IN GENERAL.—The Secretary is authorized to insure and make commitments to insure mortgages under this section if—

"(1) the Secretary finds that the type of mortgage has achieved general acceptance in the private mortgage market;

"(2) the mortgagee is approved by the Secretary;

"(3) the property securing the mortgage is a 1- to 4-family residence to be occupied by the mortgagor; and

"(4) the amount of the mortgage does not exceed the dollar amount and loan-to-value limitations contained in section 203(b)(2).

"(b) LIMITATION.—The aggregate number of mortgages insured under this section during a fiscal year may not exceed 10 percent of the highest aggregate number of mortgages insured by the Secretary under this title during any preceding fiscal year.

"(c) REPORTS.—Not later than December 31 of each year, the Secretary shall transmit to the Congress a detailed report in each category of mortgage insurance provided under this section during the preceding fiscal year.".

TITLE III—INVESTMENT IN AFFORDABLE HOUSING

SEC. 301. SHORT TITLE.

This title may be cited as the "HOME Corporation Act".

SEC. 302. PURPOSES.

The purposes of this title are—

(1) to expand the capacity of State and local governments throughout the United States to design and implement strategies for achieving an adequate supply of affordable housing for low-income and moderate-income Americans;

(2) to provide participating States and localities with one institution, the Government National HOME Corporation in the Department of Housing and Urban Development, that is charged with responsibility to promote the development of partnerships among the Federal, State, and local governments, private industry, and nonprofit organizations able to utilize effectively all available resources for affordable housing;

(3) to develop and refine, on an ongoing basis, a selection of model programs incorporating the most effective methods for providing affordable housing, and accelerate the application of such methods where appropriate throughout the United States to achieve the prudent and efficient use of funds made available under this title;

(4) to increase the investment of private capital and the use of private sector resources in the provision of affordable housing;

(5) to allocate Federal funds for investment in affordable housing among participating States and units of general local government by formula and incentive allocation;

(6) to leverage those funds with State and local matching contributions and private investment;

(7) to establish for each participating jurisdiction a housing investment trust fund with a line of credit for investment in affordable housing, with repayments back to the housing investment trust fund being made available for reinvestment by the jurisdiction; and

(8) to provide credit enhancement through guarantees of pools of qualifying mortgages, utilizing the capacities of existing agencies and mortgage finance institutions when most efficient and supplementing their activities when necessary.

SEC. 303. ESTABLISHMENT OF HOME CORPORATION.

(a) IN GENERAL.—There is created a body corporate to be known as the Government National HOME Corporation (hereinafter referred to as the "HOME Corporation"), which shall be in the Department of Housing and Urban Development. The HOME Corporation shall have succession until dissolved by Act of Congress.

(b) POWERS AND DUTIES IN SECRETARY.—All the powers and duties of the HOME Corporation shall be vested in the Secretary of Housing and Urban Development, and the HOME Corporation shall be administered under the direction of the Secretary. Within the limitations of law, the Secretary shall determine the general policies which shall govern the operations of the HOME Corporation, and shall have power to adopt, amend, and repeal bylaws governing the performance of the powers and duties granted to or imposed upon it by law.

(c) APPOINTMENT OF PRESIDENT.—There is established in the Department of Housing and Urban Development the position of President, Government National HOME Corporation, which position shall be filled by appointment by the President, by and with the advice and consent of the Senate.

(d) GENERAL AUTHORITIES.—The HOME Corporation shall be subject to the provisions of, and have the general authority provided in, subtitle D.

SEC. 304. AUTHORIZATION.

There are authorized to be appropriated to carry out this title $3,000,000,000 for fiscal year 1990, and $3,129,000,000 for fiscal year 1991, of which $10,000,000 for fiscal year 1990, and $12,000,000 for fiscal year 1991 shall be for activities authorized under subtitle C. Any funds appropriated under this section shall remain available until expended.

Subtitle A—Housing Opportunity Partnerships (HOP)

SEC. 311. AUTHORITY.

The Secretary, acting through the HOME Corporation, is authorized to make funds available to participating jurisdictions for investment to expand the supply of affordable housing in accordance with provisions of this subtitle.

SEC. 312. ELIGIBLE USES OF INVESTMENT.

(a) HOUSING USES.—Funds made available under this subtitle may be used by participating jurisdictions to improve rental and homeownership affordability through the acquisition, construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, including real property acquisition, site improvement, conversion, demolition, and other expenses, including relocation expenses of any displaced persons, families, businesses, or organizations.

(b) INVESTMENTS.—Participating jurisdictions shall have discretion to invest funds made available under this subtitle as equity investments, interest-bearing loans, noninterest-bearing loans or advances, interest subsidies or other forms of assistance that the Secretary has not determined to be inconsistent with the purposes of this subtitle. Each participating jurisdiction shall have the right to establish the terms of assistance.

(c) PROHIBITED USES.—Funds made available under this subtitle may not be used to—

(1) defray any administrative cost of a participating jurisdiction,

(2) provide direct rental assistance to tenants,

(3) provide assistance authorized under section 9 of the United States Housing Act of 1937,

(4) carry out activities authorized under section 14 of the Housing Act of 1937, or

(5) provide assistance to eligible low-income housing under the Emergency Low Income Housing Preservation Act of 1987.

SEC. 313. DEVELOPMENT OF MODEL PROGRAMS.

The HOME Corporation shall—

(1) in cooperation with participating jurisdictions, government-sponsored mortgage finance agencies, housing organizations, the private sector and other appropriate parties, develop, test, evaluate, refine, and, as necessary, replace a selection of model programs designed to carry out the purposes of this title;

(2) make available to participating jurisdictions alternative model programs, which shall include suggested guidelines, procedures, forms, legal documents and such other elements as the HOME Corporation determines to be appropriate;

(3) assure, insofar as is feasible, the availability of an appropriate variety of model programs designed for local market conditions, housing problems, project characteristics, and managerial capacities as they differ among participating jurisdictions;

(4) negotiate and enter into agreements with agencies of the Federal Government, participating jurisdictions, private financial institutions, government-sponsored mortgage finance agencies, nonprofit community organizations, and other entities to provide such services, products or financing as may be required for the implementation of a model program;

(5) provide detailed information on model programs as requested by private financial institutions, developers, nonprofit community organizations and other interested parties; and

(6) encourage the use of such model programs to achieve efficiency, economies of scale, and effectiveness in the investment of funds made available under this subtitle through third-party training, printed materials, and such other means of support as

the HOME Corporation determines will achieve the purpose of this subtitle.

Except as provided in section 324(2), each participating jurisdiction shall have the discretion to adopt one or more model programs, adapt one or more model programs to its own requirements, design additional forms of assistance by itself or in cooperation with other participating jurisdictions, and suggest additional model programs for adoption by the HOME Corporation as the participating jurisdiction may deem appropriate.

SEC. 314. INCOME TARGETING.

Each participating jurisdiction shall invest funds made available under this subtitle within each fiscal year so that—

(1) not less than 40 percent of such funds are invested with respect to dwelling units that are occupied by households that qualify as very low-income families at the time of initial occupancy or at the time funds are invested, whichever is later;

(2) not less than 80 percent of such funds, including funds under paragraph (1), are invested with respect to dwelling units that are occupied by households that qualify as low-income families at the time of initial occupancy or at the time funds are invested, whichever is later; and

(3) all such funds are invested with respect to housing that qualifies as affordable housing under section 315.

SEC. 315. QUALIFICATION AS AFFORDABLE HOUSING.

(a) RENTAL HOUSING.—

(1) QUALIFICATION.—Housing that is for rental shall qualify as affordable housing under this title only if the housing—

(A) bears rents not greater than the existing fair market rent for comparable units in the area as established by the Secretary under section 8 of the United States Housing Act of 1937, unless the Secretary finds that the existing fair market rents in the area would not support the continued financial viability of the project;

(B) has not less than 20 percent of the units (i) occupied by very low-income families who pay as a contribution toward rent (excluding any Federal or State rental subsidy provided on behalf of the family) not more than 30 percent of the family's monthly adjusted income as determined by the Secretary, or (ii) occupied by very low-income families and bearing rents not greater than the qualified rent under paragraph (2);

(C) is occupied only by households that qualify as low-income families;

(D) is not refused for leasing to a holder of a rental credit, voucher, or certificate of eligibility under section 8 of the Housing Act of 1937 because of the status of the prospective tenant as a holder of such rental credit, voucher, or certificate of eligibility; and

(E) will remain affordable, according to binding commitments satisfactory to the Secretary, for its remaining useful life or for such other period that the Secretary determines is the longest feasible period of time consistent with sound economics and the purpose of this title.

(2) QUALIFYING RENT.—For purposes of this section, the qualifying rent shall be a rent determined for the area by the Secretary that—

(A) in the case of a unit with not more than 1 bedroom, does not exceed 30 percent of the monthly income of a very low-income family of 1 person; and

(B) in the case of a unit with more than 1 bedroom, does not exceed the result of multiplying the number of bedrooms times 30 percent of the mean of (i) the monthly income of a very low-income family of 1 person, and (ii) the monthly income of a very low-income family of 2 persons.

When determining the qualifying rent under this paragraph, the Secretary shall consider a very low-income family to be a family whose income is 50 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(3) INCREASES IN TENANT INCOME.—Housing shall qualify as affordable housing despite a temporary noncompliance with subparagraph (B) or (C) of paragraph (1) if such noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to the Secretary are being taken to ensure that all vacancies are filled to correct such noncompliance as soon as possible. Tenants who no longer qualify as low-income families shall pay as rent not less than 30 percent of the family's monthly income, as recertified annually.

(4) MIXED-INCOME PROJECT.—Housing that accounts for less than 100 percent of the dwelling units in a project shall qualify as affordable housing if such housing meets the criteria of this section.

(b) HOMEOWNERSHIP.—Housing that is for homeownership shall qualify as affordable housing under this title only if the housing—

(1) has an initial purchase price that does not exceed 95 percent of the median purchase price for the area, as determined by the Secretary with such adjustments for differences in structure and for new and old housing as the Secretary determines to be appropriate;

(2) is the principal residence of an owner whose family qualifies as a moderate-income family at the time of purchase;

(3) provides ownership opportunities to families with a broad range of incomes below the area median income, including a preponderance of low-income families; and

(4) is made available for initial purchase only to persons who (and whose spouse) have had no present ownership interest in a principal residence during the previous 3-year period and for subsequent purchase only to persons who meet the qualifications specified under paragraph (2).

SEC. 316. PARTICIPATION BY STATES AND LOCAL GOVERNMENTS.

The Secretary shall designate a State or unit of general local government to be a participating jurisdiction when it complies with procedures that the Secretary shall establish by regulation, which procedures shall provide for the following:

(1) ALLOCATION.—Not later than 20 days after funds to carry out this subtitle became available (or, during the first year after enactment of this Act, not later than 20 days after (A) funds to carry out this subtitle are provided in an appropriation Act, or (B) regulations to implement this subtitle are promulgated, whichever is later), the Secretary shall allocate funds in accordance with section 317 and promptly notify each jurisdiction receiving a formula allocation of its allocation amount. If a jurisdiction is not already a participating jurisdiction, the Secretary shall inform the jurisdiction in writing how the jurisdiction may become a participating jurisdiction.

(2) ELIGIBILITY.—A jurisdiction receiving a formula allocation under section 317 shall be eligible to become a participating jurisdiction if its formula allocation is $2,000,000 or greater, or if—

(A) the Secretary finds that—

(i) the jurisdiction is the city with the largest population in a metropolitan area, has a local housing authority, and has demonstrated a capacity to carry out provisions of this subtitle, and

(ii) the State has authorized the Secretary to transfer to the jurisdiction a portion of the State's allocation that is equal to or greater than the difference between the jurisdiction's formula allocation and $2,000,000; or

(B) geographically contiguous units of general local government have formed a consortium that, in the determination of the Secretary—

(i) has sufficient authority and administrative capability to act on behalf of its member jurisdictions in carrying out the purposes of this Act,

(ii) will, according to a written certification by the State (or States, if the consortium includes jurisdictions in more than one State), direct its activities to alleviation of the State's or the States' most severe housing problems, and

(iii) is comprised only of jurisdictions that have received a formula allocation for the fiscal year. Such a consortium shall be deemed to be a unit of general local government for purposes of this subtitle.

(C) If a jurisdiction has met the requirements of subparagraph (A), the jurisdiction's formula allocation for a fiscal year shall subsequently be deemed to equal the sum of the jurisdiction's allocation under section 317(a)(1) and the amount the State has agreed to transfer to the jurisdiction. The formula allocation for a consortium that has met the requirements under subparagraph (B) shall equal the total of the formula allocations of its member jurisdictions.

(3) NOTIFICATION.—If an eligible jurisdiction notifies the Secretary in writing, not later than 30 days after receiving notification under paragraph (1), of its intention to become a participating jurisdiction, the Secretary shall reserve an amount equal to the jurisdiction's allocation (plus any reallocations for which the jurisdiction is eligible under section 317(d)(1)) pending the jurisdiction's designation as a participating jurisdiction. The Secretary shall reallocate, by formula in accordance with section 317(d), any funds reserved under the previous sentence if the Secretary determines that the jurisdiction will not meet the requirements for designation as a participating jurisdiction within a reasonable period of time.

(4) SUBMISSION OF STRATEGY.—Not later than 90 days after providing notification under paragraph (3), an eligible jurisdiction shall submit to the Secretary a comprehensive housing affordability strategy in accordance with section 105.

(5) REALLOCATION.—If the Secretary determines that a jurisdiction has failed to meet the requirements of the previous 3 paragraphs or if the Secretary, after providing for amendments and resubmissions in accordance with section 105(c)(3), disapproves the jurisdiction's comprehensive housing affordability strategy, the Secretary shall reallocate any funds reserved for the jurisdiction as follows:

(A) STATE.—If a State has failed to meet the requirements, the Secretary shall—

(i) make 50 percent of any funds reserved for the State available by incentive allocation among applications submitted by units of general local government within the State or consortia that include units of general local government within the State, insofar as approvable applications meeting the selection criteria under section 317(c) are received within 12 months after the funds become available for the incentive allocation, and

(ii) reallocate the remainder by formula in accordance with section 317(d).

(B) LOCAL.—If a unit of general local government has failed to meet the requirements and is located in a State that is a participating jurisdiction, the Secretary shall reallocate to the State any funds reserved for the locality.

(C) DIRECT REALLOCATION.—If a unit of general local government has failed to meet the requirements and is located in a State that is not a participating jurisdiction, the Secretary shall—

(i) make 50 percent of any funds reserved for the locality available for use within the State by incentive allocation among units of general local government and nonprofit community organizations, insofar as approvable applications meeting the selection criteria under section 317(c) are received within 12 months after the funds become available for the incentive allocation with priority going to applications for affordable housing within the locality or its immediate vicinity, and

(ii) reallocate the remainder in accordance with section 317(d).

(D) CERTAIN JURISDICTIONS DEEMED TO BE PARTICIPATING JURISDICTIONS.—If a State or unit of general local government is meeting the requirements of paragraphs (2), (3), and (4), it shall be deemed to be a participating jurisdiction for purposes of reallocation under this paragraph.

(6) DESIGNATION.—The Secretary shall designate an eligible jurisdiction to be a participating jurisdiction as soon as its comprehensive housing affordability strategy is approved in accordance with section 105.

(7) CONTINUOUS DESIGNATION.—Once a State or unit of general local government is designated a participating jurisdiction, it shall remain a participating jurisdiction for subsequent fiscal years, except as provided in paragraph (8). The provisions of paragraphs (2) through (5) shall not apply to participating jurisdictions.

(8) REVOCATION.—The Secretary may revoke a jurisdiction's designation as a participating jurisdiction if—

(A) the Secretary finds, after reasonable notice and opportunity for hearing, that the jurisdiction is unwilling or unable to carry out the provisions of this title, or

(B) the jurisdiction's allocation falls below $2,000,000 for 3 consecutive years, below $1,750,000 for 2 consecutive years, or the jurisdiction does not receives a formula allocation of $1,500,000 or more in any 1 year.

If a jurisdiction's designation as a participating jurisdiction is revoked, any remaining line of credit in the jurisdiction's housing investment trust fund established under section 318 shall be reallocated by formula in accordance with section 317(d).

SEC. 317. ALLOCATION OF RESOURCES.

(a) IN GENERAL.—The Secretary shall allocate among participating jurisdictions such funds as are approved in an appropriations Act to carry out this subtitle as follows:

(1) 80 percent of the funds approved in an appropriations Act shall be allocated according to a formula established under subsection (b). Of the funds made available under the previous sentence, the Secretary shall allocate 50 percent among units of general local government and 50 percent among States.

(2) 20 percent of the funds approved in an appropriations Act shall be allocated according to an incentive allocation as provided in subsection (c).

(b) FORMULA ALLOCATION.—

(1) IN GENERAL.—The Secretary shall issue regulations establishing an allocation formula that reflects each jurisdiction's share of the Nation's need for an increased supply of affordable housing for low-income and moderate-income families of differing size, as identified by objective measures of tightness in the housing market, inadequate housing, poverty, and the costs of producing housing. This formula shall be used for all formula allocations and reallocations provided for in this subtitle. The data to be used for allocation of funds within a fiscal year shall be those that are available to the Secretary 90 days prior to the beginning of that fiscal year.

(2) MINIMUM STATE ALLOCATION.—If the formula, when applied to funds approved under this section in appropriations Acts for a fiscal year, would allocate less than $3,000,000 to any State, the allocation for such State shall be $3,000,000, and the increase shall be deducted pro rata from the allocations of other States.

(3) MINIMUM LOCAL ALLOCATION.—The Secretary shall allocate funds available for formula allocation to units of general local government so that, when all such funds are allocated by the formula, only those jurisdictions that are allocated an amount of $1,500,000 or greater shall receive an allocation.

(4) MAXIMUM ALLOCATIONS.—No State shall be allocated an amount greater than 15 percent of the total allocated under subsection (a)(1) among States, and no unit of general local government shall be allocated an amount greater than 15 percent of the total allocated under subsection (a)(1) among units of general local government.

(c) INCENTIVE ALLOCATION.—The Secretary shall make an incentive allocation among participating jurisdictions for funds made available under subsection (a)(2). A jurisdiction shall be eligible for an incentive allocation under this paragraph only if the jurisdiction demonstrates to the satisfaction of the Secretary that the jurisdiction is engaged, or has made good faith efforts to engage, in cooperative efforts between the State and appropriate participating jurisdictions within the State to develop, coordinate, and implement housing strategies under this title. The Secretary shall by regulation establish selection criteria for such incentive allocations, which criteria shall take into account—

(1) the applicant's demonstrated commitment to expand the supply of affordable housing through actions that—

(A) provide matching resources in excess of funds required under section 320; and

(B) stimulate a high degree of investment and participation in development by the private sector, including nonprofit organizations;

(2) the degree to which the applicant is pursuing policies that—

(A) make existing housing more affordable;

(B) preserve the affordability of privately-owned housing that is vulnerable to conversion, demolition, disinvestment, or abandonment;

(C) increase the supply of housing that is affordable to very low-income, low-income, and moderate-income persons, particularly in areas that are accessible to expanding job opportunities; and

(D) improve housing opportunities for disadvantaged minorities; and

(3) the degree to which the applicant needs an allocation under this section to carry out an approved housing affordability strategy that, in the determination of the Secretary, will—

(A) serve as a national model,

(B) demonstrate promising new methods for expanding the supply of affordable housing,

(C) ease a severe regional shortage in one or more categories of affordable housing, or

(D) respond to particularly difficult housing problems.

The total amount allocated to a jurisdiction under this subsection in any fiscal year shall not exceed the jurisdiction's allocation under subsection (b) in that fiscal year.

(d) REALLOCATIONS.—

(1) IN GENERAL.—The Secretary shall make any reallocations under this subtitle periodically throughout each fiscal year so as to ensure that all funds to be reallocated are made available to eligible jurisdictions as soon as possible, consistent with orderly program administration. Jurisdictions eligible for such reallocations shall include participating jurisdictions and jurisdictions meeting the requirements of paragraphs (2), (3), and (4) of section 316.

(2) COMMITMENTS.—The Secretary shall establish procedures according to which participating jurisdictions may make commitments to invest funds made available under this section. Such procedures shall provide for appropriate stages of commitment of funds to a project from initial reservation through binding commitment. Notwithstanding any other provision of this section, funds that the Secretary determines are needed to fulfill binding commitments shall not be available for reallocation.

(3) LIMITATION.—Unless otherwise specified in this subtitle, any reallocation of funds from a State shall be made only among all participating States, and any reallocation of funds from units of general local government shall be made only among all participating units of general local government.

SEC. 318. HOUSING INVESTMENT TRUST FUNDS.

(a) ESTABLISHMENT.—The HOME Corporation shall establish for each participating jurisdiction a housing investment trust fund, which shall be an account for use solely to invest in affordable housing within the participating jurisdiction's boundaries in accordance with the provisions of this subtitle.

(b) LINE OF CREDIT.—The HOME Corporation shall establish a line of credit in the housing investment trust fund of each participating jurisdiction, which line of credit shall include—

(1) funds allocated or reallocated to the participating jurisdiction under section 317, and

(2) any payment or repayment made pursuant to section 319.

(c) REDUCTIONS.—A participating jurisdiction's line of credit shall be reduced by—

(1) funds drawn from the housing investment trust fund by the participating jurisdiction,

(2) funds expiring under subsection (g), and

(3) any penalties assessed by the Secretary under section 324.

(d) CERTIFICATION.—A participating jurisdiction may draw funds from its housing investment trust fund, but not to exceed the remaining line of credit, only after providing certification, in a form satisfactory to the Secretary, that the funds shall be used pursuant to the participating jurisdiction's approved housing strategy and in compliance with all requirements of this title. When such certification is received, such funds shall be immediately disbursed in accordance with the form of the assistance determined by the participating jurisdiction.

(e) INVESTMENT WITHIN 15 DAYS.—The participating jurisdiction shall, not later than 15 days after funds are drawn from the jurisdiction's housing investment trust fund, invest such funds, together with any interest earned thereon, in the affordable housing for which the funds were withdrawn.

(f) NO INTEREST OR FEES.—The HOME Corporation shall not charge any interest or levy any other fee with regard to funds in a housing investment trust fund.

(g) EXPIRATION OF RIGHT TO DRAW FUNDS.—If any funds becoming available to a participating jurisdiction under this title are not placed under binding commitment to affordable housing within 24 months after the last day of the month in which such funds are deposited in the jurisdiction's housing investment trust fund, the jurisdiction's right to draw such funds from the housing investment trust fund shall expire. The HOME Corporation shall reduce the line of credit in the participating jurisdiction's housing investment trust fund by the expiring amount and shall reallocate the funds by formula in accordance with section 317(d).

(h) ADMINISTRATIVE PROVISION.—The HOME Corporation shall keep each participating jurisdiction informed of the status of its housing investment trust fund, including the status of amounts under various stages of commitment.

SEC. 319. REPAYMENT OF INVESTMENT.

(a) IN GENERAL.—Any repayment of funds drawn from a jurisdiction's housing investment trust fund, and any payment of interest or other return on the investment of such funds, shall be deposited in such jurisdiction's housing investment trust fund, except that, if the jurisdiction is not a participating jurisdiction when such payment or repayment is made, the amount of such payment or repayment shall be reallocated in accordance with section 317(d).

(b) ASSURANCE OF REPAYMENT.—Each participating jurisdiction shall assure that funds invested in affordable housing under this subtitle are repayable when the housing no longer qualifies as affordable housing. Any repayment under the previous sentence shall be for deposit in the housing investment trust fund of the jurisdiction making the investment; except that if such jurisdiction is not a participating jurisdiction when such repayment is made, the amount of such repayment shall be reallocated in accordance with section 317(d).

(c) AVAILABILITY.—Any funds deposited in a housing investment trust fund in accordance with this section shall be immediately available to the participating jurisdiction for investment subject to the provisions of this subtitle that apply to funds that are allocated under section 317.

SEC. 320. MATCHING REQUIREMENTS.

(a) CONTRIBUTION.—Each participating jurisdiction shall make contributions to affordable housing assisted under this subtitle that total, throughout a fiscal year, not less than 25 percent of the total funds drawn from the jurisdiction's housing investment trust fund in that fiscal year.

(b) RECOGNITION.—A contribution shall be recognized for purposes of the previous sentence only if it—

(1) is made with respect to housing that qualifies as affordable housing under section 315, or

(2) is made with respect to any portion of a project not less than 50 percent of the units which qualify as affordable housing under section 315.

(c) FORM.—Such contributions may be in the form of—

(1) cash contributions from non-Federal resources, which may not include funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(2) expenditures from non-Federal resources for administration up to 7 percent of funds provided for investment under this title;

(3) the value of fees that are normally and customarily imposed but are waived or deferred in a manner that achieves affordability of housing assisted under this title;

(4) the value of land or other real property as appraised according to procedures acceptable to the Secretary; or

(5) such in-kind contributions as the Secretary may approve.

(d) REDUCTION OF REQUIREMENT.—If a jurisdiction demonstrates to the satisfaction of the Secretary that a reduction of the matching requirement specified in subsection (a) is necessary to permit the jurisdiction to carry out the purpose of this title, the Secretary may reduce the matching requirement during a period not to exceed 3 years after the jurisdiction is first designated as a participating jurisdiction. Such reduction shall be not more than 75 percent in the first year, not more than 50 percent in the second year, and not more than 25 percent in the third year.

SEC. 321. PRIVATE-PUBLIC PARTNERSHIP.

Each participating jurisdiction shall make all reasonable efforts, consistent with the purposes of this title, to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in the implementation of the jurisdiction's housing strategy, including participation in the financing, development, rehabilitation and management of affordable housing. Nothing in the previous sentence shall preclude public housing authorities from fully participating in the implementation of a jurisdiction's housing strategy.

SEC. 322. DISTRIBUTION OF ASSISTANCE.

(a) LOCAL.—Each participating jurisdiction shall, insofar as is feasible, distribute assistance under this subtitle geographically within its boundaries and among different categories of housing need, according to the priorities of housing need identified in the jurisdiction's approved housing strategy.

(b) STATE.—Participating States shall be responsible for distributing assistance throughout the State according to the State's assessment of the geographical distribution of the housing need within the State, as identified in the State's approved housing strategy. To the extent the need is within the boundaries of a participating unit of general local government, the State and the unit of general local government shall coordinate activities to address that need.

SEC. 323. SET-ASIDE FOR NONPROFIT COMMUNITY ORGANIZATIONS.

(a) IN GENERAL.—Each participating jurisdiction, for a period of 18 months after funds under this subtitle are made available to the jurisdiction, shall reserve not less than 10 percent of such funds for investment only in housing to be developed, sponsored, or owned by nonprofit community organizations. Each participating jurisdiction shall make reasonable efforts to identify nonprofit community organizations that are capable of carrying out elements of the jurisdiction's housing strategy and to encourage such nonprofit community organizations to do so. A participating jurisdiction is authorized to enter into contracts with nonprofit community organizations to carry out this section.

(b) RECAPTURE AND REUSE.—If any reserved funds remain uninvested for a period of 18 months and the jurisdiction demonstrates to the satisfaction of the Secretary that the jurisdiction has complied with subsection (a) but such funds cannot be used effectively within the jurisdiction by qualified nonprofit community organizations, then the jurisdiction shall, for a period not to exceed 12 months, have the right to invest not more than 50 percent of such funds without regard to the requirements of subsection (a), and the Secretary shall make the remainder of such funds available by incentive allocation among nonprofit community organizations.

(c) RECAPTURE AND DEDUCTION.—If any reserved funds remain uninvested for a period of 18 months and the jurisdiction has not demonstrated to the satisfaction of the Secretary that the jurisdiction has complied with subsection (a), the HOME Corporation shall deduct such funds from the line of credit in the participating jurisdiction's housing investment trust fund and make such funds available by incentive allocation among nonprofit community organizations giving preference to approvable applications from qualified nonprofit community organizations for affordable housing within the boundaries of the jurisdiction.

(d) INCENTIVE ALLOCATION CRITERIA.—Insofar as practicable, incentive allocations under this section shall be made according to the selection criteria established under section 317(c).

SEC. 324. PENALTIES FOR MISUSE OF FUNDS.

If the Secretary finds after reasonable notice and opportunity for hearing that a participating jurisdiction has failed to comply substantially with any provision of this subtitle and until the Secretary is satisfied that there is no longer any such failure to comply, the HOME Corporation shall reduce the line of credit in the jurisdiction's housing investment trust fund by the amount of any expenditures that were not in accordance with the requirements of this subtitle, and the Secretary may—

(1) direct the HOME Corporation to prevent withdrawals from the jurisdiction's housing investment trust fund for activities affected by such failure to comply;

(2) restrict the jurisdiction's activities under this title to activities that conform to one or more model programs made available under section 313; or

(3) remove the jurisdiction from participation in allocations or reallocations of funds made available under this subtitle.

SEC. 325. LIMITATION ON JURISDICTIONS UNDER COURT ORDER.

Notwithstanding any other provision of this Act, any participating jurisdiction that has been or is found by a Federal, State, or local court in violation of title VI of the Civil Rights Act of 1964, the Fair Housing Act, or any other Federal, State, or local law promoting fair housing or prohibiting discrimination shall only be permitted to use funds provided under this subtitle to carry out housing remedies ordered by such court until the Secretary is satisfied that there is no longer any such violation and all such housing remedies have been carried out.

Subtitle B—Mortgage Credit Enhancement

SEC. 331. AUTHORITY.

The HOME Corporation is authorized, upon such terms and conditions as the Secretary may prescribe, to guarantee and to make commitments to guarantee obligations that (1) are issued by State or local housing finance agencies, corporations owned or chartered by the United States, and financial institutions approved by the HOME Corporation, and (2) are backed by pools or trusts of mortgages on affordable housing, as defined under section 315, or by participations in mortgages on affordable housing. The aggregate amount of guarantees under this section shall not exceed limitations contained in appropriation Acts.

SEC. 332. AUTHORITY TO CONTRACT.

The HOME Corporation may enter into contracts, cooperative agreements, commitments, or other transactions with any corporation owned or chartered by, or agency of, the United States to achieve the purposes of this subtitle, on such terms as the HOME Corporation may deem appropriate. Notwithstanding any other provision of law, such agency or corporation is authorized to carry out such activities.

SEC. 333. TERMS.

Obligations guaranteed under this subtitle shall have such maturities and bear such rate or rates of interest as may be determined by the HOME Corporation. Such obligations may be in the form of bonds, debentures, notes, evidences of debt or loans. The full faith and credit of the United States is pledged to the payment of all guarantees made under this subtitle. Any such guarantee shall be conclusive evidence of the eligibility of the obligations for such guarantee, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

SEC. 334. REQUIREMENTS.

(a) IN GENERAL.—The operations of the HOME Corporation under this subtitle shall be confined insofar as practicable to credit enhancement of residential mortgages which are deemed by the HOME Corporation to be of such quality, type, and class as to meet generally the purchase standards imposed by private institutional mortgage investors or government-sponsored mortgage finance agencies. The HOME Corporation is authorized to establish standards and requirements for the State and local housing finance agencies and financial institutions with which it may conduct business and, for such purpose, issue approvals of such agencies or institutions, which may be withdrawn or modified at its discretion.

(b) SPECIFIC REQUIREMENTS.—The HOME Corporation may specify requirements concerning, among other things—

(1) minimum net worth or capital;

(2) supervisory mechanisms;

(3) warranty compensation mechanisms;

(4) prior approval of facilities;

(5) prior underwriting or origination and servicing experience with respect to different types of mortgages;

(6) mortgage purchase volume limits; and

(7) such other requirements as the HOME Corporation determines to be necessary or appropriate to carry out the provisions of this title.

(c) NONDISCRIMINATION.—The Corporation shall not be required to make programs available to any particular type of agency or institution to an extent greater than the HOME Corporation elects to make such programs available to other types of approved agencies or institutions.

SEC. 335. REDUCED RISK OF LOSS.

The HOME Corporation shall protect the interest of, and minimize the risk of loss to, the HOME Corporation in connection with any guarantee issued under this subtitle. Such arrangements may include requirements for insurance or guarantees on the obligations to be guaranteed or on the mortgages or property backing such obligations.

SEC. 336. REQUIREMENTS REQUIRED TO RELATE TO PURPOSE OF SUBTITLE.

The HOME Corporation shall, insofar as is practicable without incurring undue business or financial risk, make reasonable efforts to encourage participation in its programs by various participating jurisdictions and by each type of approved agency and institution.

SEC. 337. FEES.

The HOME Corporation shall establish and charge a fee for guarantees under this subtitle. The amount of such fee shall be the amount determined by the HOME Corporation to be sufficient to compensate the HOME Corporation for any risk of loss and for administrative costs incurred in the guarantee program. The HOME Corporation may impose charges or fees, which may be regarded as elements of pricing, for different classes of agencies or institutions with which it conducts business, and in connection therewith the HOME Corporation is authorized to classify such agencies or institutions according to type, size, location, assets, or, without limitation on the generality of the foregoing, on such other basis or bases of differentiation as the HOME Corporation may consider necessary or appropriate to effectuate the purposes or provisions of this title.

SEC. 338. SUBROGATION.

Upon the payment of any guarantee under this subtitle, the HOME Corporation shall be subrogated to the rights of the holder of the obligation regarding which the guarantee payment was made.

Subtitle C—Other Support for State and Local Housing Strategies

SEC. 351. AUTHORITY.

The HOME Corporation shall, insofar as is feasible through contract with eligible organizations, develop the capacity of State and local agencies, nonprofit organizations and for-profit corporations, working in partnership, to identify and meet needs for an increased supply of decent, affordable housing.

SEC. 352. PRIORITIES FOR CAPACITY DEVELOPMENT.

To carry out this purpose, the HOME Corporation shall provide assistance under this subtitle to—

(1) facilitate the exchange of information that would help participating jurisdictions carry out the purposes of this title, including information on program design, housing finance, land use controls, and building construction techniques;

(2) improve the ability of States and units of general local government to design and implement comprehensive housing affordability strategies, particularly those States and units of general local government that are relatively inexperienced in the development of affordable housing;

(3) increase the ability of nonprofit community organizations to maintain, rehabilitate or construct housing for low-income and moderate-income families, particularly in areas with substantial need for such housing and inadequate resources to produce such housing;

(4) encourage private lenders and for-profit developers of low-income housing to participate in public-private partnerships to achieve the purposes of this title;

(5) increase the investment of private capital in housing for very low-income families, particularly by encouraging the establishment of benevolent loan funds through which private financial institutions will accept deposits at below-market interest rates and make those funds available at favorable rates to developers of low-income housing and to low-income home buyers; and

(6) support locally initiated efforts to establish privately owned, local community development banks to finance affordable housing.

SEC. 353. ELIGIBLE ORGANIZATIONS.

The HOME Corporation shall carry out this subtitle insofar as is practicable through contract with—

(1) a participating jurisdiction or agency thereof;

(2) a public purpose organization established pursuant to State or local legislation and responsible to the chief elected official of a participating jurisdiction;

(3) an agency or authority established by two or more participating jurisdictions to carry out activities consistent with the purposes of this title;

(4) a national or regional nonprofit organization that has a membership comprised predominantly of entities or officials of entities that qualify under paragraph (1), (2), or (3); or

(5) a nonprofit organization that—

(A) customarily provides in more than one State services related to the provision of decent housing that is affordable to low-income and moderate-income persons, and

(B) has a demonstrated ability to provide technical assistance and training for local developers of affordable housing.

Contracts under this section shall be for not more than 3 years and shall provide not more than 20 percent of the operating budget of the contracting organization in any one year. Within any fiscal year, contracts with any one organization may not be entered into for a total of more than 20 percent of the funds appropriated under this subtitle in that fiscal year.

SEC. 354. RESEARCH IN HOUSING AFFORDABILITY.

The HOME Corporation is authorized to cooperate with the Assistant Secretary for Policy Development and Research in identifying and supporting, through contracts with eligible organizations and otherwise, such research and publishing such reports as will assist in the achievement of the purposes of this title. Activities authorized by the previous sentence may include an ongoing analysis of the impact of public policies at the Federal, State, and local levels, both individually and in the aggregate, on the in-

centives to expand and maintain the supply of affordable housing in the United States, particularly in areas with severe problems of housing affordability. For purposes of this section, agencies of the United States, government-sponsored mortgage finance agencies, and qualified research organizations shall be included as eligible organizations in addition to eligible organizations specified under section 353.

Subtitle D—General Authority of the HOME Corporation

SEC. 361. GENERAL POWERS.

The HOME Corporation shall have the power—

(1) to adopt, alter, and use a corporate seal, which shall be judicially noticed;

(2) subject to such limitations as may be provided expressly in this title, to adopt, amend or modify, repeal, and enforce such bylaws, rules, and regulations as may be necessary or appropriate to carry out the purposes or provisions of this subtitle;

(3) to enter into and perform contracts, leases, cooperative agreements, commitments, or other transactions, on such terms as it may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory, commonwealth, or possession of the United States, or any political subdivision thereof, or with any person, firm, association, or corporation;

(4) to execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers;

(5) with the consent of any Government corporation or Federal Reserve bank, or of any board, commission, independent establishment, or executive department of the Government, to use information, services, facilities, and personnel thereof, including any field service thereof, in carrying out the provisions of this title, and to pay for such use;

(6) to sue and be sued, complain and defend, in its corporate name, in any State, Federal or other court of competent jurisdiction, but no attachment, injunction or other similar process, mesne or final order, shall be issued against the property of the HOME Corporation or against the HOME Corporation with respect to its property;

(7) to conduct its business without regard to any qualification or similar statute in any State, territory, commonwealth, or possession of the United States, or any political subdivision thereof;

(8) to lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with any property, real, personal, or mixed, or any interest therein, wherever situated;

(9) to hold, rent, maintain, modernize, renovate, improve, use, and operate its property;

(10) to sell, for cash or credit, lease, or otherwise dispose of its property and assets, at such time and in such manner as and to the extent that it may deem necessary or appropriate;

(11) to accept gifts or donations of services, of property, real, personal, or mixed, tangible, or intangible, in aid of any of its purposes;

(12) to settle, adjust, and compromise, and with or without consideration or benefit to the HOME Corporation, to release or waive in whole or in part, in advance or otherwise, any claim, demand, or right of, by, or against the HOME Corporation;

(13) to determine its expenditures and the manner in which the same shall be incurred, allowed, and paid;

(14) to indemnify officers, employees, and agents of the HOME Corporation for liabilities and expenses incurred in connection with their corporate duties;

(15) to exercise any priority of the Government of the United States in collecting debts from bankrupt, insolvent, or decedents' estates;

(16) if it deems it appropriate, to conduct any of its business through a subsidiary, trust, partnership or other legal arrangement;

(17) to prescribe such standards as may be necessary to carry out this title; and

(18) to do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

SEC. 362. OFFICES.

It shall maintain its principal office in the District of Columbia or the metropolitan area thereof and shall be deemed, for purposes of jurisdiction and venue in civil actions, to be a District of Columbia corporation. Offices may be established by the HOME Corporation in such other place or places as it may deem necessary or appropriate in the conduct of its business.

SEC. 363. APPOINTMENT OF OFFICERS AND EMPLOYEES.

(a) OFFICERS.—The Secretary shall appoint qualified persons to the offices of vice president, and such other offices of the HOME Corporation as the bylaws indicate. Persons appointed under the preceding sentence shall perform such executive functions, powers, and duties as may be prescribed by the bylaws or by the Secretary, and such persons shall be executive officers of the HOME Corporation and shall discharge all such executive functions, powers, and duties.

(b) STAFF.—The Secretary shall have the power to select and appoint or employ such attorneys, employees, and agents of the HOME Corporation, to vest them with such powers and duties, and to fix and to cause the HOME Corporation to pay compensation to them for their services, as the Secretary may determine. Attorneys, employees, and agents who are full-time employees of the HOME Corporation shall be subject to the civil service and classification laws. Nothing in this title or any other law shall be construed to limit the ability of the HOME Corporation to employ and provide for compensation of attorneys or agents for the HOME Corporation which compensation is not subject to the civil service and classification laws.

SEC. 364. EXEMPTION FROM CERTAIN TAXES.

The HOME Corporation, including its franchise, capital, reserves, surplus, mortgages or other security holdings, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the HOME Corporation shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

SEC. 365. FEDERAL RESERVE BANKS TO ACT AS FISCAL AGENTS.

The Federal Reserve banks are authorized and directed to act as a depositary or custodian, or as a fiscal or other agent for the HOME Corporation, for its own account or as fiduciary, and such banks shall be reimbursed for such services in such manner as may be agreed upon; and the HOME Corporation may itself act in such capacities, for its own account or as fiduciary, and for the account of others.

SEC. 366. INVESTMENT OF FUNDS.

Funds of the HOME Corporation in excess of current needs shall be kept in cash on hand or on deposit, or invested in obligations of the United States or guaranteed thereby.

SEC. 367. SEC EXEMPTION.

All obligations, securities, participations, or other instruments guaranteed by the HOME Corporation shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer or officers thereof. All obligations, securities, participations, or other instruments issued or guaranteed pursuant to this title shall, to the same extent as securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States, be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission; but all such issuances by the HOME Corporation shall be made only on such terms as the Secretary shall generally, and from time to time, prescribe.

SEC. 368. IMMUNITIES AND PRIORITIES.

The HOME Corporation shall be entitled to all immunities and priorities to which it would be entitled if it were the United States or if it were an unincorporated agency of the United States.

SEC. 369. INCOME AND REVENUES.

In order to carry out the purpose of this title, all revenues and income transferred to or earned by the HOME Corporation, from whatever source derived, shall be held by the HOME Corporation and shall be available to carry out the purpose of this title.

SEC. 370. PRESUMPTION OF COMPLIANCE.

Each contract executed by an officer of officers of the HOME Corporation shall be conclusively presumed to be entered in compliance with the requirements of this title.

SEC. 371. EXCLUSIVE USE OF NAME.

No individual, association, partnership, or corporation, except the HOME Corporation shall hereafter use the term "Government National HOME Corporation," or any combination of such words, as the name or a part thereof under which any individual or organization shall do business. Violations of the foregoing sentence may be enjoined by any court of general jurisdiction in a suit brought by the HOME Corporation. In any such suit, the HOME Corporation may recover any actual damages flowing from such violation, and, in addition, shall be entitled to punitive damages (regardless of the existence or nonexistence of actual damages) of not to exceed $1,000 for each day during which such violation is committed or repeated.

SEC. 372. GOVERNMENT CORPORATION CONTROL ACT.

The HOME Corporation shall be subject to the applicable provisions of chapter 91 of title 31, United States Code, except as otherwise provided in this title.

Subtitle E—General Provisions

SEC. 381. NONDISCRIMINATION.

No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Any prohibi-

tion against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

SEC. 382. AUDIT AND ACCOUNTABILITY.

The financial transactions of recipients of such funds may, insofar as they relate to funds provided under this title, be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by such recipients pertaining to such financial transactions and necessary to facilitate the audit.

SEC. 383. PERFORMANCE REPORTS BY PARTICIPATING JURISDICTIONS.

(a) REPORTS TO THE SECRETARY.—Each participating jurisdiction shall submit to the Secretary, in such form as the Secretary shall prescribe, a performance and evaluation report on the use of funds made available under this title, together with the jurisdiction's assessment of the relationship of such usage to the jurisdiction's approved comprehensive housing affordability strategy. The report shall include information on the number and types of households served, including the income levels of those served. The report shall be made available to the public so that citizens, public agencies and other interested parties have an opportunity to comment on the report prior to its submission. The report shall include a summary of any comments received from interested parties. The report shall be included in the jurisdiction's performance report under section 105(d) of this Act.

(b) UNIFORM REQUIREMENTS.—The Secretary shall develop and establish uniform recordkeeping, performance reporting, and auditing requirements for use by participating jurisdictions.

(c) REPORT TO THE CONGRESS.—Not later than 120 days after the end of each fiscal year, the Secretary shall make an annual report to the Congress that summarizes and assesses the results of reports provided under this section.

SEC. 384. CITIZEN PARTICIPATION.

The Secretary shall ensure that each participating jurisdiction, and each jurisdiction seeking to become a participating jurisdiction, provides for appropriate citizen participation in the design and implementation of the jurisdiction's housing strategy. Such jurisdiction shall (1) furnish citizens with information on activities that will be carried out under this title, (2) provide for public hearings that obtain the views of citizens on housing needs and the jurisdiction's housing strategy for meeting those needs, and (3) provide the public with reasonable access to records regarding the past use of funds made available under this title.

SEC. 385. LABOR.

Any contract for the construction of affordable housing with 12 or more units assisted with funds made available under this subtitle shall contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a—276a-5), shall be paid to all laborers and mechanics employed in the development of affordable housing involved, and participating jurisdictions shall require certification as to compliance with the provisions of this section prior to making any payment under such contract. The Secretary may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purposes of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the corporation, cooperative, or public body or agency undertaking the construction.

SEC. 386. INTERSTATE AGREEMENTS.

The consent of the Congress is hereby given to any two or more States to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative efforts and mutual assistance in support of activities authorized under this subtitle as they pertain to interstate areas and to localities within such States, and to establish such agencies, joint or otherwise, as they may deem desirable for making such agreements and compacts effective.

SEC. 387. ENVIRONMENTAL REVIEW.

(a) IN GENERAL.—In order to assure that the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of funds under this title, and to assure to the public undiminished protection of the environment, the Secretary, in lieu of the environmental protection procedures otherwise applicable, may under regulations provide for the release of funds for particular projects to participating jurisdictions under this title who assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were he to undertake such projects as Federal projects. The Secretary shall issue regulations to carry out this section only after consultation with the Council on Environmental Quality.

(b) PROCEDURE.—The Secretary shall approve the release of funds subject to the procedures authorized by this section only if, at least 15 days prior to such approval and prior to any commitment of funds to such projects the participating jurisdiction has submitted to the Secretary a request for such release accompanied by a certification which meets the requirements of subsection (c). The Secretary's approval of any such certification shall be deemed to satisfy his responsibilities under the National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the releases of funds for projects to be carried out pursuant thereto which are covered by such certification.

(c) CERTIFICATION.—A certification under the procedures authorized by this section shall—

(1) be in a form acceptable to the Secretary,

(2) be executed by the chief executive officer or other officer of the recipient of assistance under this title qualified under regulations of the Secretary,

(3) specify that the recipient of assistance under this title has fully carried out its responsibilities as described under subsection (a), and

(4) specify that the certifying officer (A) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 and each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or other such provision of law apply pursuant to subsection (a), and (B) is authorized and consents on behalf of the participating jurisdiction and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

(d) ASSISTANCE TO A STATE.—In the case of assistance to States, the State shall perform those actions of the Secretary described in subsection (b) and the performance of such actions shall be deemed to satisfy the Secretary's responsibilities referred to in the second sentence of such subsection.

TITLE IV—AFFORDABLE RENTAL HOUSING

Subtitle A—Preservation of Affordable Rental Housing

SEC. 401. OFFICE OF AFFORDABLE HOUSING PRESERVATION.

Section 4 of the Department of Housing and Urban Development Act is amended by adding at the end thereof the following new subsection:

"(e) There shall be in the Department an Office of Affordable Housing Preservation which shall have such responsibilities as may be prescribed by the Secretary for the purpose of maintaining privately owned housing that is affordable to very low-income and low-income families (as those terms are defined in section 3(b)(2) of the United States Housing Act of 1937), particularly housing that was produced for such purpose with Federal assistance.".

SEC. 402. COOPERATION WITH STATE AND LOCAL GOVERNMENTS.

The Secretary of Housing and Urban Development shall provide technical assistance to, and otherwise work with, participating jurisdictions to enhance the implementation of provisions of law to—

(1) avoid the loss of federally assisted, low-income housing due to default or the termination of low-income affordability restrictions, and

(2) ensure that rental housing that is owned by the Department or has a mortgage held by the Secretary remains livable and affordable to very low-income and low-income families.

SEC. 403. MEDIATION TO ASSIST LOW-INCOME AFFORDABILITY.

The Secretary is authorized to contract with nonprofit organizations that have demonstrated expertise in housing law and finance to help reconcile the interests of tenants, owners, and the public in efforts to maintain privately owned, federally assisted housing as housing affordable to very low-income and low-income families. Such contracts shall be entered into if the Secretary determines that such assistance (1) is desirable to achieve constructive negotiations among owners, tenants, and other interested parties, and (2) cannot be financed from other sources.

Subtitle B—Low-Income Rental Assistance

SEC. 421. PURPOSE.

The purposes of this subtitle are—

(1) to provide Federal rental assistance to very low-income families in one form that combines the best features of the section 8 certificate and voucher programs;

(2) to provide for orderly renewal of expiring rental assistance;

(3) to maintain rental assistance needed to preserve the low-income affordability of federally assisted housing and to replace public

housing that is demolished or disposed of; and

(4) to increase the number of very low-income families who can afford to live in decent housing.

SEC. 422. REVISED SECTION 8 PROGRAM.

Section 8 of the United States Housing Act of 1937 is amended to read as follows:

"SEC. 8. RENTAL CREDIT ASSISTANCE.

"(a) GENERAL AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this section, to make housing assistance payments to enable very low-income families to live in decent housing while making affordable contributions toward rent. Such housing assistance payments shall be made with respect to housing (1) that has one or more project-based rental credits, or (2) that is occupied by a family holding a portable rental credit.

"(b) AUTHORITY TO CONTRACT.—

"(1) ANNUAL CONTRIBUTIONS CONTRACTS.—

"(A) The Secretary is authorized to enter into annual contributions contracts with contracting agencies for payments under rental credit contracts entered into during the term of such annual contributions contracts and for other expenses pursuant to this section, in amounts not to exceed amounts distributed to such agencies under subsection (c).

"(B) The term of an annual contributions contract shall be for 60 months, except as provided in subsections (f) and (g).

"(C) The Secretary shall obligate the authority approved under this section in appropriations Acts for each fiscal year by entering into a separate annual contributions contract with each contracting agency for such fiscal year unless otherwise specified in this section.

"(2) RENTAL CREDIT CONTRACTS.—

"(A) A contracting agency is authorized to enter into a rental credit contract with an owner of housing to make housing assistance payments to the owner on behalf of an eligible family. The amount obligated by a rental credit contract shall not exceed the amount remaining unobligated under the applicable annual contributions contract. Except as otherwise specified, the term of a rental credit contract shall be for such period of time, not to exceed 60 months, as the contracting agency determines to be appropriate to carry out the purposes of this section.

"(B) In the case of a project-based rental credit, a contracting agency is authorized to make a commitment to an owner to extend the term of the underlying rental credit contract for such period or periods as the contracting agency determines is appropriate to achieve long-term affordability of the housing if the owner makes a binding commitment to have such contract extensions accepted by the owner and the owner's successors in interest. The contracting agency shall make the commitment contingent upon the future availability of rental credits as provided in appropriations Acts.

"(3) CONTRACTING AGENCIES.—A contracting agency shall be a public housing agency, except that, to serve areas where no public housing agency has been organized or where a participating jurisdiction determines that a public housing agency is unable to implement the provisions of this section, the jurisdiction may, with the approval of the Secretary, designate a public agency other than a public housing agency to be the contracting agency. A participating jurisdiction shall be a State or unit of general local government designated by the Secretary to be a participating jurisdiction under title III of the National Affordable Housing Act.

"(4) SPECIAL AUTHORITY OF THE SECRETARY.—The Secretary is authorized—

"(A) to perform the functions assigned to participating jurisdictions by this section in those areas not located within the boundaries of a participating jurisdiction,

"(B) to perform the functions assigned to a contracting agency by this section for areas not served by a contracting agency, and

"(C) to enter into a rental credit contract with an owner and otherwise act as a contracting agency under this section when the Secretary uses rental credits to preserve the affordable housing stock under subsection (c)(2) or otherwise determines that such arrangements are appropriate to carry out the purposes of this section.

"(c) ALLOCATION AMONG USES.—The Secretary shall allocate rental credits among the following uses in amounts specified in appropriations Acts:

"(1) INCREMENTAL ASSISTANCE.—The Secretary shall allocate rental credits as provided in subsection (e) to extend rental assistance to very low-income families who are eligible for but not receiving such assistance.

"(2) PRESERVATION OF THE AFFORDABLE HOUSING STOCK.—The Secretary shall allocate rental credits as provided in subsection (f) to preserve the low-income affordability of federally assisted housing or replace public housing that is disposed of or demolished in accordance with section 18.

"(3) RENEWAL OF EXPIRING CONTRACTS.—The Secretary shall allocate rental credits (A) to contracting agencies to ensure that each annual contributions contract entered into under this section since enactment of the Housing and Community Development Act of 1974 is renewed with an annual contributions contract; and (B) to owners of assisted housing to ensure that each project-based rental assistance contract entered into under this section since enactment of such Act is renewed with a sufficient number of project-based rental credits. The Secretary shall provide such rental credits as may be necessary to assist tenants involuntarily displaced as the result of any owner's decision not to renew a project-based rental assistance contract.

"(d) PROGRAM PROVISIONS.—

"(1) MODE OF ASSISTANCE.—

"(A) Except as specified in subparagraph (B), rental credits shall be portable, enabling a very low-income family holding a rental credit to rent housing that is selected by the family and meets the requirements of this section.

"(B) A contracting agency may provide project-based rental credits with respect to an existing or newly constructed structure in accordance with this section. Project-based rental credits may be used (i) to renew an expiring rental assistance contract that was attached to the same structure, (ii) to carry out preservation activities in accordance with subsection (f), or (iii) to provide assistance pursuant to subsection (e)(3). An owner shall be permitted, where appropriate, to pledge, or offer as security for any loan or obligation, a project-based rental credit provided that such security is in connection with a project constructed or rehabilitated pursuant to authority granted in this section and terms of the financing or any refinancing have been approved by a contracting agency. The Secretary may establish such special terms and conditions for project-based rental credits as may be appropriate.

"(2) FAIR MARKET RENTS.—

"(A) ESTABLISHMENT.—The Secretary shall establish fair market rents periodically but not less than annually for existing rental dwelling units of various sizes and types in the market area suitable for occupancy for persons assisted under this section. Proposed fair market rentals for an area shall be published in the Federal Register with reasonable time for public comment, and shall become effective upon the date of publication in final form in the Federal Register. Each fair market rental in effect under this subsection shall be adjusted to be effective on October 1 of each year to reflect changes, based on the most recent available data trended so the rentals will be current for the year to which they apply, of rents for existing rental dwelling units of various sizes and types in the market area suitable for occupancy by persons assisted under this section.

"(B) FAIR MARKET RENT REFINEMENT.—The Secretary may approve an alternative schedule with more than one fair market rent for an area if a participating jurisdiction or jurisdictions whose boundaries encompass all or part of the area demonstrate to the satisfaction of the Secretary that such alternative fair market rent schedule (A) accurately reflects rent variations among submarkets within the area, and (B) will improve housing opportunities for disadvantaged minorities and families with special needs, will provide very low-income families with better access to employment and education opportunities, or will otherwise further the objective of national housing policy as affirmed by Congress.

"(3) TENANT RENT CONTRIBUTIONS.—

"(A) IN GENERAL.—A family shall pay as rent for a dwelling unit assisted under this Act the highest of the following amounts, rounded to the nearest dollar: (i) 30 percent of the family's adjusted monthly income; (ii) 10 percent of the family's monthly income; or (iii) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.

"(B) HIGHER CONTRIBUTION.—A family may pay a higher percentage of income than that specified in subparagraph (A) if (i) the family requests to live in a unit the rent for which exceeds the permissible maximum monthly rent contained in paragraph (4)(A), and (ii) the relevant contracting agency approves such request after determining that the rent for the unit is reasonable. In no event shall contracting agencies approve such requests for more than 10 percent of their annual rental credit allocations. Contracting agencies that approve such requests for more than 5 percent of their annual allocations shall submit a report to the Secretary at the end of the fiscal year. The report shall describe the contracting agency's reasons for making the exceptions, including any evidence that the exceptions were made necessary by the inadequacy of the fair market rents established for the area.

"(4) TERMS OF RENTAL CREDIT CONTRACTS.—

"(A) INITIAL CONTRACT RENTS.—A rental credit contract entered into pursuant to this section shall establish the maximum monthly rent (including utilities and all maintenance and management charges) which the owner is entitled to receive for each dwelling unit with respect to which housing as-

sistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 percent the fair market rental established by the Secretary in accordance with paragraph (2)(A). The maximum monthly rent may exceed the fair market rental established by the Secretary (i) by more than 10 but not more than 20 percent where the Secretary determines that special circumstances warrant such higher maximum rent or that such higher rent is necessary to the implementation of a housing strategy as defined in section 105 of the National Affordable Housing Act, or (ii) by such higher amount where the contracting agency approves a tenant request in accordance with paragraph (3)(B).

"(B) RENT REASONABLENESS LIMITATION.—The maximum monthly rent for units assisted under this section shall be reasonable in comparison with rents charged for comparable units in the private unassisted market. If units assisted under this section are exempt from local rent control while they are so assisted or otherwise, the maximum monthly rent for such units shall be reasonable in comparison with rents charged for other units in the market area that are exempt from local rent control.

"(C) ADJUSTMENTS.—

"(i) The rental credit contract shall provide for adjustment not less frequently than annually, in the maximum monthly rents for units covered by the contract. Such adjustment shall reflect changes in the fair market rentals established in the housing area for similar types and sizes of dwelling units or, if the Secretary determines, on the basis of a reasonable formula.

"(ii) The rental credit contract shall provide for the Secretary to make additional adjustments in the maximum monthly rent for units under contract to the extent the Secretary determines such adjustments are necessary to reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs which are not adequately compensated for by the adjustment in the maximum monthly rent authorized by subparagraph (A).

"(iii) Adjustments in the maximum rents under clauses (i) and (ii) shall not result in material differences between the rents charged for assisted units and unassisted units of similar quality and age in the same market area, as determined by the Secretary.

"(D) AMOUNT OF ASSISTANCE PAYMENT.—The amount of the monthly assistance payment with respect to any dwelling unit shall be the difference between the maximum monthly rent which the contract provides that the owner is to receive for the unit and the rent the family is required to pay under paragraph (3). Reviews of family income shall be made no less frequently than annually.

"(E) LIMITATION ON ASSISTANCE PAYMENTS FOR UNOCCUPIED UNITS.—The rental credit contract shall provide that housing assistance payments may be made only with respect to a dwelling unit under lease for occupancy by a family determined to be a very low-income family at the time it initially occupied such dwelling unit, except that such payments may be made with respect to unoccupied units for a period not exceeding 60 days (i) in the event that a family vacates a dwelling unit before the expiration date of the lease for occupancy, and (ii) where a good faith effort is being made to fill the unoccupied unit.

"(F) TENANT PROTECTIONS.—Each rental credit contract shall provide (with respect to any unit) that—

"(i)(I) the lease between the tenant and the owner shall be for at least one year or the term of such contract, whichever is shorter, and shall contain other terms and conditions specified by the Secretary; and

"(II) the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause;

"(ii) maintenance and replacement (including redecoration) shall be in accordance with the standard practice for the building concerned as established by the owner and agreed to by the agency in advance of tenant occupancy; and

"(iii) the agency and the owner shall carry out such other appropriate terms and conditions as may be mutually agreed to by them.

"(G) NOTIFICATION.—

"(i) An owner shall provide written notice to a tenant holding a portable rental credit of the owner's intention to terminate the rental credit contract because of a desire to rent the dwelling unit at a higher monthly rent than provided by the contract. Such notice shall be made not less than 90 days prior to the date upon which the owner intends to terminate the contract for such reason.

"(ii) If an owner provides notice of proposed termination under clause (i) and the rent the owner receives is lower than the level permitted under paragraph (4)(A), the Secretary may offer to increase the rent to such level in exchange for the owner's agreement to rescind the proposed termination.

"(5) TIMELY INCREASES.—In order to comply with other provisions of this section, the Secretary shall increase housing assistance payments on a timely basis to cover increases in maximum monthly rents or decreases in family incomes. The Secretary shall carry out his requirements by taking whatever steps are necessary, including the making of rental credit contracts in amounts in excess of the amounts required at the time of the initial renting of dwelling units, the reservation of annual contributions authority for the purpose of amending rental credit contracts, or the allocation of a portion of new authorizations for the purpose of amending rental credit contracts.

"(6) TENANT SELECTION.—

"(A) PREFERENCE.—In selecting families to be assisted, preference shall be given to families which, at the time they are seeking assistance, occupy substandard housing, are paying more than 50 percent of family income for rent or are involuntarily displaced.

"(B) OTHER CRITERIA.—A public housing agency may provide an exception to the preference established in subparagraph (A) in order to (i) assist very low-income families who either reside in transitional housing assisted under title IV of the McKinney Homeless Assistance Act, or participate in a program designed to provide public assistance recipients with greater access to employment and educational opportunities, or (ii) achieve other objectives of national housing policy as affirmed by Congress. Not more than 25 percent of the families who initially receive assistance in any 1-year period may be families who do not qualify for any preference in paragraph (A).

"(7) INCOME ELIGIBILITY.—

"(A) IN GENERAL.—The Secretary shall provide assistance under this section only to very low-income families, except that the Secretary shall provide assistance under this section to low-income families who reside in a project or dwelling unit that—

"(i) has a rental assistance contract that was entered into prior to the enactment of this Act and is due to expire;

"(ii) is subject to the provisions of section 203 of the Housing and Community Development Amendments of 1978; or

"(iii) is subject to the provisions of subtitle B of the Emergency Low-Income Housing Preservation Act of 1987 or any subsequent legislation to avoid the loss of federally assisted housing due to the termination of low-income affordability restrictions.

"(B) SPECIAL RULES FOR RENTAL PRESERVATION PROGRAMS.—In the case of low-income families living in rental projects rehabilitated under section 17 of this Act or section 533 of the Housing Act of 1949 before rehabilitation—

"(i) portable rental credits under this section shall be made for families who are required to move out of their units because of the physical rehabilitation activities or because of overcrowding;

"(ii) at the discretion of each public housing agency or other agency administering the allocation of assistance, portable rental credits under this section may be made for families who would have to pay more than 30 percent of their adjusted income for rent after rehabilitation whether they choose to remain in, or to move from, the project; and

"(iii) the Secretary shall allocate assistance for portable rental credits under this section to ensure that sufficient resources are available to address the physical or economic displacement, or potential economic displacement, of existing tenants pursuant to clauses (i) and (ii).

"(e) ALLOCATION OF INCREMENTAL ASSISTANCE.—

"(1) FORMULA ALLOCATION AMONG PARTICIPATING JURISDICTIONS.—Not later than 30 days after amounts are approved in an appropriations Act under section 5, the Secretary shall notify participating jurisdictions of their allocation of rental credits made available under subsection (c)(1). Such allocation shall be made according to a formula, to be established in regulation, that reflects each jurisdiction's share of the Nation's need for rental assistance as indicated by—

"(A) the need to meet very low-income occupancy requirements under section 315(a) of the National Affordable Housing Act, and

"(B) objective measures of poverty, the unserved need for rental assistance among very low-income families, and the availability of decent housing renting at or below the existing fair market rent.

The formula allocation to a State, insofar as is feasible, shall not take into account data that apply to any participating units of general local government within that State. The data to be used for allocation within a fiscal year shall be those that are available to the Secretary 90 days prior to the beginning of that fiscal year.

"(2) DISTRIBUTION BY PARTICIPATING JURISDICTIONS.—Not later than 30 days after a participating jurisdiction is informed of its allocation under subsection (e)(1), each participating jurisdiction shall inform the Secretary of the allocation that has been made by the jurisdiction so that the Secretary may enter into annual contributions contracts with contracting agencies serving the jurisdiction in amounts not to exceed the total allocated to the participating jurisdiction. Each participating jurisdiction shall

make its decision in accordance with the need for rental assistance as identified in the jurisdiction's housing strategy approved under section 105 of the National Affordable Housing Act. The annual contributions contract shall be in an amount that equals the number of rental credits that the contracting agency has been allocated by the participating jurisdiction multiplied by the 2-bedroom fair market rent established for that jurisdiction.

"(3) A participating jurisdiction shall have the discretion to provide project-based rental credits with respect to an existing or newly constructed structure (including a single room occupancy facility) if the structure is rehabilitated or constructed (A) without Federal assistance, or (B) with amounts made available to the jurisdiction under title III of the National Affordable Housing Act. A participating jurisdiction may use not more than 15 percent of its formula allocation of rental credits to exercise the discretion provided in this paragraph.

"(f) PRESERVATION ACTIVITIES.—

"(1) PRESERVATION OF FEDERALLY ASSISTED HOUSING.—

"(A) IN GENERAL.—The Secretary shall provide project-based rental credits to owners or prospective owners of federally assisted housing to preserve the low-income affordability of such housing. Such credits shall (i) carry terms of not less than 60 months or such longer period specified under related provisions of law. The Secretary is authorized to increase the amount of assistance provided under this subsection above the amount of assistance otherwise permitted by subsection (d)(4)(A) if the Secretary determines that such increase is necessary to achieve the purposes of this subsection.

"(B) ALLOCATION.—The Secretary shall allocate rental credits made available under subsection (c)(2) among the following uses:

"(i) LOAN MANAGEMENT ASSISTANCE.—The Secretary is authorized to provide project-based rental credits to owners of federally insured or federally assisted multifamily housing projects encountering serious financial problems. In allocating loan management assistance under this subsection, the Secretary may give priority to any project only on the basis that the project has serious financial problems that are likely to result in a claim on the insurance fund in the near future.

"(ii) PROPERTY DISPOSITION.—The Secretary is authorized to provide project-based rental credits to achieve the purposes of section 203(d) of the Housing and Community Development Amendments of 1978.

"(iii) EXTENSION OF LOW-INCOME AFFORDABILITY RESTRICTIONS.—The Secretary is authorized to provide project-based rental credits to achieve the purposes of subtitle B of the Emergency Low-Income Housing Preservation Act of 1987 or any subsequent legislation designed to avoid the loss of federally assisted low-income housing due to the termination of low-income affordability restrictions.

"(2) PUBLIC HOUSING REPLACEMENT.—The Secretary may enter into annual contributions contracts with contracting agencies for the purpose of replacing public housing demolished or disposed of in accordance with section 18 of this Act.

"(g) EXPIRING CONTRACTS.—Not later than 30 days after the beginning of each fiscal year, the Secretary shall publish in the Federal Register a plan for reducing, to the extent feasible, year to year fluctuations in the levels of budget authority that will be required over the subsequent 5 year period to renew expiring rental assistance contracts entered into under this section since enactment of the Housing and Community Development Act of 1974. To the extent necessary to carry out such plan, the Secretary is authorized to enter into annual contributions contracts with terms of less than 60 months.

"(h) SPECIAL SET-ASIDE FOR HANDICAPPED PERSONS.—

"(1) IN GENERAL.—The Secretary shall set aside a pool of not less than 3,000 rental credits for the purpose of improving the access of very low-income handicapped persons to independent living arrangements and employment opportunities. The Secretary shall fund such a pool from amounts approved in appropriations Acts for incremental rental assistance under subsection (c)(1).

"(2) INCENTIVE ALLOCATION.—Rental credits set aside under this subsection shall be distributed to contracting agencies under an incentive allocation system. Applications for assistance under this subsection shall be submitted by an applicant agency in such form and in accordance with such procedures as the Secretary shall establish. Applications shall contain—

"(A) evidence of effective cooperation between the State or locality's housing and health or mental health agencies;

"(B) a description of how such agencies will provide—

"(i) inspection and monitoring for housing quality;

"(ii) supportive services tailored to the needs and characteristics of handicapped individuals who receive rental credits;

"(iii) assistance to such recipients in their search for housing; and

"(iv) information for landlords who rent to (or inquire about renting to) handicapped persons; and

"(C) such other information or certifications as the Secretary determines to be necessary to achieve the purposes of this subsection.

"(3) SPECIAL FAIR MARKET RULES.—The Secretary shall increase the amount of assistance provided under this paragraph above the amount otherwise permitted by subsection (d)(4) if the Secretary determines such increase necessary to satisfy the special design and service needs of handicapped persons receiving rental credits.

"(i) SPECIAL TYPES OF HOUSING.—

"(1) SRO FACILITIES.—(A) In making assistance available under this section, a contracting agency may provide assistance with respect to residential properties in which some or all of the dwelling units do not contain bathroom or kitchen facilities, if—

"(i) the property is located in an area in which there is a significant demand for such units, as determined by the agency;

"(ii) the unit of general local government in which the property is located and the contracting agency certify to the Secretary that the property complies with local health and safety standards.

The Secretary may waive in appropriate cases, the limitation and preference described in the second and third sentences of section 3(b)(3) of the United States Housing Act of 1937 with respect to the assistance made available under this subsection.

"(B) The Secretary may provide the assistance with respect to residential properties in which some or all of the dwelling units do not contain bathroom or kitchen facilities if the unit of general local government and the local contracting agency approve of such units being utilized for such purpose and the requirements of subparagraphs (1)(A) and (1)(B) are satisfied.

"(2) MANUFACTURED HOUSING.—(A) The Secretary may enter into rental credit contracts under this subsection to assist very low-income families by making housing assistance payments on behalf of any such family which utilizes a manufactured home as its principal place of residence. Such payments may be made with respect to the rental of the real property on which there is located a manufactured home which is owned by any such family or with respect to the rental by such family of a manufactured home and the real property on which it is located. In carrying out this subsection, the Secretary may—

"(i) enter into annual contributions contracts with public housing agencies pursuant to which such agencies may enter into rental credit contracts with the owners of such real property, or

"(ii) enter into rental credit contracts directly with the owners of such real property.

"(B)(i) A rental credit contract entered into pursuant to this paragraph shall establish the maximum monthly rent (including maintenance and management charges) which the owner is entitled to receive for the space on which a manufactured home is located and with respect to which assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically (but not less than annually) with respect to the market area for the rental of real property suitable for occupancy by families assisted under this paragraph.

"(ii) The amount of any monthly assistance payment with respect to any family which rents real property which is assisted under this paragraph, and on which is located a manufactured home which is owned by such family shall be the difference between the rent the family is required to pay under subsection (d)(3)(A) and the sum of—

"(I) the monthly payment made by such family to amortize the cost of purchasing the manufactured home;

"(II) the monthly utility payments made by such family, subject to reasonable limitations prescribed by the Secretary; and

"(III) the maximum monthly rent permitted with respect to the real property which is rented by such family for the purpose of locating its manufactured home;

except that in no case may such assistance exceed the total amount of such maximum monthly rent.

"(C)(i) Rental credit contracts entered into pursuant to this paragraph shall establish the maximum monthly rent permitted with respect to the manufactured home and the real property on which it is located and with respect to which assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically (but not less than annually) with respect to the market area for the rental of a manufactured home and the real property on which it is located suitable for occupancy by families assisted under this paragraph, except that the maximum monthly rent may exceed the fair market rental by more than 10 but not more than 20 per centum where the Secretary determines that special circumstances warrant such higher maximum rent.

"(ii) The amount of any monthly assistance payment with respect to any family

which rents a manufactured home and the real property on which it is located and which is assisted under this paragraph shall be the difference between the rent the family is required to pay under subsection (d)(3)(A) and the sum of—

"(I) the monthly utility payments made by such family, subject to reasonable limitations prescribed by the Secretary; and

"(II) the maximum monthly rent permitted with respect to the manufactured home and real property on which it is located.

"(D) The provisions of subsection (d)(4)(C) of this section shall apply to the adjustments of maximum monthly rents under the subsection.

"(E) Each contract entered into under the subsection shall be for a term of not less than one month and not more than 180 months, except that in any case in which the manufactured home park is substantially rehabilitated or newly constructed, such term may not be less than 240 months, nor more than the maximum term for a manufactured home loan permitted under section 2(b) of the National Housing Act.

"(F) The Secretary may carry out this subsection without regard to whether the manufactured home park is existing, substantially rehabilitated, or newly constructed.

"(G) In the case of any substantially rehabilitated or newly constructed manufactured home park containing spaces with respect to which assistance is made under this subsection, the principal amount of the mortgage attributable to the rental spaces within the park may not exceed an amount established by the Secretary which is equal to or less than the limitation for manufactured home parks described in section 207(c)(3) of the National Housing Act, and the Secretary may increase such limitation in high cost areas in the manner described in such section.

"(H) The Secretary may prescribe other terms and conditions which are necessary for the purpose of carrying out the provisions of this subsection and which are consistent with the purposes of this subsection.

"(3) SHARED HOUSING.—In making assistance available under this section, a contracting agency may assist elderly families (as defined in section 3(b)(3)) who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their costs of housing. The Secretary shall issue minimum habitability standards for the purpose of assuring decent, safe, and sanitary housing for such families while taking into account the special circumstances of shared housing.

"(j) ADMINISTRATIVE PROVISION.—

"(1) ADMINISTRATIVE FEE.—

"(A) IN GENERAL.—The Secretary shall establish a fee for the costs incurred in administering the rental credit program under this section. The amount of the fee for each month for which a dwelling unit is covered by a rental credit contract shall be 8.2 percent of the fair market rental established under subsection (c)(4) for a 2-bedroom existing rental dwelling unit in the market area of the contracting agency. The Secretary may increase the fee if necessary to reflect the higher costs of administering small programs and programs operating over large geographic areas.

"(B) OTHER COSTS.—The Secretary shall also establish reasonable fees (as determined by the Secretary) for—

"(i) the costs of preliminary expenses (not to exceed $275) that the contracting agency documents it has incurred in connection with new allocations of assistance under subsection (g);

"(ii) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs; and

"(iii) extraordinary costs approved by the Secretary.

"(C) ADJUSTMENTS.—The Secretary may establish or increase a fee in accordance with this subsection only to such extent or in such amounts as are provided in appropriation Acts.

"(2) INSPECTION.—The Secretary shall require the contracting agency (A) to inspect each unit before any housing assistance payment is made to determine that it meets standards for decent, safe, and sanitary housing established by the Secretary for the purpose of this section, and (B) to make subsequent inspections not less frequently than annually during the contract term. No housing assistance payment may be made for a dwelling unit that fails to meet such quality standards, unless any such failure is promptly corrected by the owner and the correction verified by the public housing agency.

"(3) MANAGEMENT AND MAINTENANCE RESPONSIBILITIES.—Notwithstanding any other provision of law, with the approval of the Secretary, the contracting agency administering a rental credit contract under this section with respect to existing dwelling units may exercise all management and maintenance responsibilities with respect to those units pursuant to a contract between such agency and the owner of such units.

"(4) INCOME VERIFICATION.—The Secretary shall establish procedures to assure that income data provided to public housing agencies and owners by families applying for or receiving assistance under this section is complete and accurate. In establishing such procedures, the Secretary shall regularly and periodically select a random sample of families from which to obtain information for the purpose of income verification. Such information may include, but is not limited to, data concerning unemployment compensation and Federal income taxation and data relating to benefits made available under the Social Security Act, the Food Stamp Act of 1977, or title 38, United States Code. Any such information received pursuant to this subsection shall remain confidential and shall be used only for the purpose of verifying incomes in order to determine eligibility of families for benefits (and the amount of such benefits, if any) under this section.

"(5) NONDISCRIMINATION AGAINST PUBLIC HOUSING RESIDENTS.—In selecting families for the provision of assistance under this section, a contracting agency or an owner of federally assisted housing receiving project-based rental credits may not exclude or penalize a family solely because the family resides in a public housing project.

"(6) NONDISCRIMINATION AGAINST HOLDERS OF RENTAL CREDITS.—No owner who has entered into a rental credit contract under this section on behalf of any tenant in a multifamily housing project, with respect to any available dwelling unit in any multifamily housing project of such owner that rents for an amount not greater than the fair market rent for a comparable unit, as determined by the Secretary under this section, shall discriminate against any prospective tenant on account of the status of such prospective tenant as a holder of such rental credit. For purposes of this paragraph, the term 'multifamily housing project' means a residential building containing more than 4 dwelling units.

"(7) APPLICABILITY OF OTHER PROVISIONS OF ACT.—Sections 5(e) and 6, and any other provisions of this Act which are inconsistent with the provisions of this section shall not apply to rental credit contracts entered into under this section.

"(8) PORTABILITY.—

"(A) IN GENERAL.—Any family provided a portable rental credit under this section may rent an eligible dwelling unit if the dwelling unit to which the family moves is within the same, or a contiguous, metropolitan statistical area as the metropolitan statistical area within which the area of jurisdiction of the contracting agency approving such assistance is located.

"(B) CONTRACTING AGENCY RESPONSIBILITY.—The contracting agency having authority with respect to the dwelling unit to which a family moves under this subsection shall have the responsibility of carrying out the provisions of this subsection with respect to the family. If no contracting agency has authority with respect to the dwelling unit to which a family moves under this subsection, the contracting agency approving the assistance shall have such responsibility.

"(C) FACTORS TO BE CONSIDERED.—In providing assistance under subsection (e)(1) for any fiscal year, the Secretary shall give consideration to any reduction in the number of resident families incurred by a contracting agency in the preceding fiscal year as a result of the provisions of this subsection.

"(D) EFFECT ON OTHER AUTHORITY.—The provisions of this subsection shall not be construed to restrict the Secretary's authority under any other provision of law to provide for the portability of assistance under this section.

"(k) DEFINITIONS.—

"(1) The term 'handicapped' has the same meaning given the term in section 521 of the National Affordable Housing Act.

"(2) The term 'housing assistance payments' means the payment made by a contracting agency to the owner of a unit under lease by an eligible family, as provided by the rental credit contract.

"(3) The term 'owner' means any private person or entity, including a cooperative, or a public housing agency, having the legal right to lease or sublease dwelling units as described in this section.

"(4) The term 'project-based rental credit' means a contractual obligation with respect to an existing or newly constructed structure under which the Secretary or a contracting agency is obligated to provide housing assistance payments with respect to one unit within such structure provided that the unit is occupied by a person or family that meets the income eligibility requirements of this section and the owner or prospective owner of such structure is obligated to comply with the requirements of this section as determined by the Secretary.

"(5) The terms 'rent' or 'rental' mean, with respect to members of a cooperative, the charges under the occupancy agreements between such members and the cooperative.".

SEC. 423. AUTHORIZATIONS.

(a) AGGREGATE BUDGET AUTHORITY.—Section 5(c)(6) of the United States Housing Act of 1937 is amended by adding at the end the following new sentence: "The aggregate

amount of budget authority that may be obligated for contracts for annual contributions under section 8, for other assistance under section 8 and for amendments to existing contracts is increased (to the extent approved in appropriations Acts) by $3,658,322,000 on October 1, 1989, and by $3,836,424,000 on October 1, 1990.

(b) UTILIZATION OF BUDGET AUTHORITY.—Section 5(c)(7) of the United States Housing Act of 1937 is amended to read as follows:

"(7)(A) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1990, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for assistance under section 8(c)(1), not more than $3,155,500,000; and

"(ii) for assistance under section 8(c)(2)—

"(I) not more than $320,083,000 for property disposition activities,

"(II) not more than $151,426,000 for loan management activities, and

"(III) not more than $31,313,000 for public housing replacement activities.

"(B) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1991, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for assistance under section 8(c)(1), not more than $3,309,100,000; and

"(ii) for assistance under section 8(c)(2)—

"(I) not more than $335,668,000 for property disposition activities,

"(II) not more than $158,797,000 for loan management activities, and

"(III) not more than $32,859,000 for public housing replacement activities.".

SEC. 424. TRANSITIONAL RULE.

Notwithstanding section 8(e)(1) of the United States Housing Act of 1937, during the period not to exceed 1 year following the enactment of this Act, the Secretary is authorized to allocate rental credits made available under section 8(c)(1) of such Act in accordance with regulations issued pursuant to section 213(d) of the Housing and Community Development Act of 1974 to the extent determined by the Secretary to be necessary to provide for orderly transition to the provisions of section 8(e)(1) of such Act.

SEC. 425. SAVINGS CLAUSE.

Any rental assistance contract entered into under section 8 of the United States Housing Act prior to the enactment of this Act shall continue to be governed by such section and the rules and regulations issued under such section 8 as in effect on the day before the date of enactment of this Act.

SEC. 426. CONFORMING AMENDMENTS.

(a) SUNSET.—(1) Section 203(a)(1) of the Housing and Community Development Act of 1987 is amended by striking "subtitles B and D" and inserting "subtitle B".

(2) Section 203(a)(2) of the Housing and Community Development Act of 1987 is amended by striking "or D".

(b) LOW-INCOME TERM.—The United States Housing Act of 1937 is amended by striking "lower income families" each place it appears and inserting "low-income families".

(c) ALLOCATION.—Section 213(d)(1) of the Housing and Community Development Act of 1974 is amended by inserting "8," before "9" in the first sentence.

TITLE V—HOUSING FOR PERSONS WITH SPECIAL NEEDS

Subtitle A—Assistant Secretary for Supportive Housing

SEC. 501. ESTABLISHMENT OF ASSISTANT SECRETARY FOR SUPPORTIVE HOUSING.

Section 4(a) of the Department of Housing and Urban Development Act is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end thereof the following:

"(2) There shall be in the Department an Assistant Secretary for Supportive Housing, who shall have such duties and powers as may be prescribed by the Secretary, and who shall administer, under the supervision and direction of the Secretary, those programs of the Department that exclusively serve elderly, handicapped, or homeless persons or other persons with special needs that require supportive services related to their housing.".

Subtitle B—Supportive Housing for the Elderly

SEC. 511. SUPPORTIVE HOUSING FOR THE ELDERLY.

(a) IN GENERAL.—Section 202 of the Housing Act of 1959 is amended to read as follows:

"SEC. 202. SUPPORTIVE HOUSING FOR THE ELDERLY.

"(a) PURPOSE.—The purpose of this section is to enable elderly persons to live with dignity and independence by expanding the supply of supportive housing that—

"(1) is designed to accommodate the special needs of elderly persons; and

"(2) provides a range of services that are tailored to the needs of elderly persons occupying such housing.

"(b) GENERAL AUTHORITY.—The Secretary is authorized to provide assistance to private nonprofit organizations to expand the supply of supportive housing for the elderly. Such assistance shall be provided as (1) capital advances in accordance with subsection (c)(1), and (2) contracts for project rental assistance in accordance with subsection (c)(2). Such assistance may be used to finance the construction, reconstruction, or moderate or substantial rehabilitation of a structure or a portion of a structure to be used as supportive housing for the elderly in accordance with this section. Assistance may also cover the cost of real property acquisition, site improvement, conversion, demolition, relocation, and other expenses that the Secretary determines are necessary to expand the supply of supportive housing for the elderly.

"(c) FORMS OF ASSISTANCE.—

"(1) CAPITAL ADVANCES.—A capital advance provided under this section shall bear no interest and its repayment shall not be required so long as the housing remains available for very low-income elderly persons in accordance with this section. Such advance shall be in an amount calculated in accordance with the development cost limitation established in subsection (h).

"(2) PROJECT RENTAL ASSISTANCE.—Contracts for project rental assistance shall obligate the Secretary to make monthly payments to cover any part of the costs attributed to units occupied (or, as approved by the Secretary, held for occupancy) by very low-income elderly persons that is not met from project income. The annual contract amount for any project shall not exceed the sum of the initial annual project rentals for all units so occupied and any initial utility allowances for such units, as approved by the Secretary. Any contract amounts not used by a project in any year shall remain available to the project until the expiration of the contract. The Secretary may adjust the annual contract amount if the sum of the project income and the amount of assistance payments available under this paragraph are inadequate to provide for reasonable project costs.

"(3) TENANT RENT CONTRIBUTION.—A very low-income person shall pay as rent for a dwelling unit assisted under this section the highest of the following amounts, rounded to the nearest dollar: (A) 30 percent of the person's adjusted monthly income, (B) 10 percent of the person's monthly income, or (C) if the person is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the person's actual housing costs, is specifically designated by such agency to meet the person's housing costs, the portion of such payments which is so designated.

"(d) TERM OF COMMITMENT.—

"(1) USE LIMITATIONS.—All units in a project assisted under this section shall be made available for occupancy by very low-income elderly persons for not less than 40 years.

"(2) CONTRACT TERMS.—The initial term of a contract entered into under subsection (c)(2) shall be 240 months. The Secretary shall, to the extent approved in appropriation Acts, extend any expiring contract for a term of not less than 60 months. In order to facilitate the orderly extension of expiring contracts, the Secretary is authorized to make commitments to extend expiring contracts not less than 6 months prior to the date of expiration.

"(e) APPLICATIONS.—Funds made available under this section shall be allocated by the Secretary among approvable applications submitted by private nonprofit organizations. Applications for assistance under this section shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish. Such applications shall contain—

"(1) a description of the proposed housing;

"(2) a description of the assistance the applicant seeks under this section;

"(3) a description of (A) the category or categories of elderly persons the housing is intended to serve; (B) the supportive services, if any, to be provided to the persons occupying such housing; (C) the manner in which such services will be provided to such persons, including, in the case of frail elderly persons, evidence of such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of such services; and (D) the public or private sources of assistance that can reasonably be expected to fund or provide such services;

"(4) a certification from the appropriate State or local agency (as determined by the Secretary) that the provision of services identified in paragraph (3) is well designed to serve the special needs of the category or categories of elderly persons the housing is intended to serve;

"(5) a certification from the public official responsible for submitting a housing strategy for the jurisdiction to be served in accordance with section 105 of the National Affordable Housing Act that the proposed project is consistent with the approved housing strategy.

"(6) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this section.

"(f) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assist-

ance under this section, which shall include—

"(1) the ability of the applicant to develop and operate the proposed housing;

"(2) the need for supportive housing for the elderly in the area to be served;

"(3) the extent to which the proposed size and unit mix of the housing will enable the applicant to manage and operate the project efficiently and ensure that the provision of supportive services will be accomplished in an economical fashion;

"(4) the extent to which the proposed design of the housing will meet the special physical needs of elderly persons;

"(5) the extent to which the applicant has demonstrated that the supportive services identified in subsection (e)(3) will be provided on a consistent, long-term basis;

"(6) the extent to which the proposed design of the housing will accommodate the provision of supportive services that are expected to be needed, either initially or over the useful life of the housing, by the category or categories of elderly persons the housing is intended to serve; and

"(7) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

"(g) PROVISIONS OF SERVICES.—

"(1) IN GENERAL.—In carrying out the provisions of this section, the Secretary shall ensure that housing assisted under this section provides a range of services tailored to the needs of the category or categories of elderly persons occupying such housing. Such services may include (A) meal service adequate to meet nutritional need; (B) housekeeping aid; (C) personal assistance; (D) transportation services; (E) health-related services; and (F) such other services as the Secretary deems essential for maintaining independent living.

"(2) APPLICATION OF PROJECT RETROFIT REQUIREMENTS.—The Secretary shall apply the requirements governing Project Retrofit under section 512 of the National Affordable Housing Act to housing assisted under this section that is intended to serve frail elderly persons.

"(3) LOCAL COORDINATION OF SERVICES.—The Secretary shall ensure that owners have the capacity to—

"(A) assess on an ongoing basis the service needs of residents;

"(B) coordinate the provision of supportive services and tailor such services to the individual needs of residents; and

"(C) seek on a continuous basis new sources of assistance to ensure the long-term provision of supportive services.

Any cost associated with this subsection shall be an eligible cost under subsection (c)(2).

"(h) DEVELOPMENT COST LIMITATIONS.—

"(1) IN GENERAL.—The Secretary shall periodically establish development cost limitations by market area for various types and sizes of supportive housing for the elderly by publishing a notice of the cost limitations in the Federal Register. The cost limitations shall reflect (A) the cost of construction, reconstruction, or rehabilitation of supportive housing for the elderly that meets applicable State and local housing and building codes; (B) the cost of movables necessary to the basic operation of the housing, as determined by the Secretary; (C) the cost of special design features necessary to make the housing accessible to elderly persons; (D) the cost of special design features necessary to make individual dwelling units meet the physical needs of elderly persons; (E) the cost of congregate space necessary to accommodate the provision of supportive services to elderly persons; and (F) the cost of land, including necessary site improvement. In establishing development cost limitations for a given market area under this subsection, the Secretary shall use data that reflect currently prevailing costs of construction, reconstruction, or rehabilitation, and land acquisition in the area.

"(2) ANNUAL ADJUSTMENTS.—The Secretary shall adjust the cost limitation not less than once annually to reflect changes in the general level of construction costs.

"(3) INCENTIVES FOR SAVINGS.—The Secretary shall use the development cost limitations established under paragraph (1) to calculate the amount of financing to be made available to individual owners. Owners which incur actual development costs that are less than the amount of financing shall be entitled to retain 50 percent of the savings in a special project account. The account may be used (A) to supplement services provided to residents of the housing or funds set aside for replacement reserves, or (B) for such other purposes as determined by the Secretary.

"(4) DESIGN FLEXIBILITY.—The Secretary shall, to the extent practicable, give owners the flexibility to design projects appropriate to their location and proposed tenant population within broadly defined parameters.

"(5) USE OF FUNDS FROM OTHER SOURCES.—An owner shall be permitted voluntarily to provide funds from non-Federal sources for amenities and other features of appropriate design and construction suitable for supportive housing for the elderly if the cost of such amenities is (A) not financed with the advance, and (B) is not taken into account in determining the amount of Federal assistance or of the rent contribution of tenants.

"(i) MISCELLANEOUS PROVISIONS.—

"(1) TECHNICAL ASSISTANCE.—The Secretary shall make available appropriate technical assistance to assure that applicants having limited resources, particularly minority applicants, are able to participate more fully in the program carried out under this section.

"(2) CIVIL RIGHTS COMPLIANCE.—Each owner shall certify, to the satisfaction of the Secretary, that assistance made available under this section will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other Federal, State, and local laws prohibiting discrimination and promoting equal opportunity.

"(3) OWNER DEPOSIT.—The Secretary may require an owner to deposit an amount not to exceed $10,000 in a special escrow account to assure the owner's commitment to the project.

"(4) NOTICE OF APPEAL.—The Secretary shall notify an owner not less than 30 days prior to canceling any reservation of assistance provided under this section. During the 30-day period following the receipt of a notice under the preceding sentence, an owner may appeal the proposed cancellation of loan authority. Such appeal, including review by the Secretary, shall be completed not later than 45 days after the appeal is filed.

"(5) LABOR STANDARDS.—The Secretary shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this section and designed for dwelling use by 12 or more elderly persons shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (the Davis-Bacon Act); but the Secretary may waive the application of this paragraph in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purposes of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the corporation, cooperative, or public body or agency undertaking the construction.

"(j) DEFINITIONS.—

"(1) The term 'elderly person' means a household composed of one or more persons at least one of whom is 62 years of age or more at the time of initial occupancy.

"(2) The term 'frail elderly' means those elderly persons whose level of functional disability places them at heightened risk of institutionalization in the absence of supportive services.

"(3) The term 'owner' means a private nonprofit organization that receives assistance under this section to develop and operate a project for supportive housing for the elderly.

"(4) The term 'private nonprofit organization' means any incorporated private institution or foundation—

"(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

"(B) which has a governing board (i) the membership of which is selected in a manner to assure that there is significant representation of the views of the community in which such project is located, and (ii) which is responsible for the operation of the housing project assisted under this section; and

"(C) which is approved by the Secretary as to financial responsibility.

"(5) The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

"(6) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(7) The term 'supportive housing for the elderly' means housing that is designed (A) to meet the special physical needs of elderly persons and (B) to accommodate the provision of supportive services that are expected to be needed, either initially or over the useful life of the housing, by the category or categories of elderly persons that the housing is intended to serve.

"(8) The term 'very low-income' has the same meaning as given the term 'very low-income families' under section 3(b)(2) of the United States Housing Act of 1937.

"(k) AUTHORIZATIONS.—

"(1) CAPITAL ADVANCES.—There are authorized to be appropriated for the purpose of funding capital advances in accordance with subsection (c)(1) $648,048,000 for fiscal year 1990 and $676,740,000 for fiscal year 1991. Amounts so appropriated, the repayments from such advances, and the proceeds from notes or obligations issued under this section prior to the enactment of the National Affordable Housing Act shall constitute a revolving fund to be used by the Secretary in carrying out this section.

"(2) PROJECT RENTAL ASSISTANCE.—For the purpose of funding contracts for project

rental assistance in accordance with subsection (c)(2) the Secretary may, to the extent approved in an appropriations Act, reserve authority to enter into obligations aggregating $481,608,000 for fiscal year 1990 and $523,008,000 for fiscal year 1991.".

(b) CONFORMING AMENDMENT.—Section 213(a) of the Housing and Community Development Act of 1974 is amended by striking "section 202 of the Housing Act of 1959".

(c) EFFECTIVE DATE AND APPLICABILITY.—

(1) Except as otherwise provided in this section, the provisions of, and amendments made by, this section shall not apply with respect to projects with loans or loan reservations made under section 202 of the Housing Act of 1959 before the date of enactment of this Act.

(2) Any loan made under section 202 of the Housing Act of 1959 pursuant to a reservation of funds issued on or before the date of enactment of this Act shall continue to be subject to the provisions of such section as they were in effect when such reservation was issued.

(3) Notwithstanding paragraph (1), the Secretary shall upon the request of a project sponsor apply the provisions of, and amendments made by, this section to any project if needed to facilitate the development of such project in a timely manner.

SEC. 512. PROJECT RETROFIT.

(a) PURPOSE.—The purpose of this section is to enable frail elderly persons residing in federally assisted housing to live with dignity and independence, avoiding unnecessary institutionalization by—

(1) retrofitting individual dwelling units and renovating public and common areas in such housing to meet the special physical needs of eligible residents;

(2) creating and rehabilitating common areas in or adjacent to such housing to accommodate supportive services that enhance independent living; and

(3) providing transitional funding for those qualifying supportive services that cannot otherwise be funded.

(b) AUTHORIZATION TO PROVIDE ASSISTANCE.—The Secretary is authorized to provide assistance to adapt federally assisted housing for the elderly so that such housing better accommodates the physical requirements and service needs of eligible residents. Assistance under this section shall be made available only to owners that demonstrate, to the satisfaction of the Secretary, that the assistance is necessary for the provision of qualifying supportive services that will receive long-term support from sources other than this Act.

(c) ELIGIBLE ACTIVITIES.—

(1) RETROFIT AND RENOVATION.—Assistance under this section may be provided with respect to eligible housing for the elderly for—

(A) retrofitting of individual dwelling units to meet the special physical needs of current or future residents who are or are expected to be eligible residents, which retrofitting may include—

(i) widening of doors to allow passage by handicapped persons in wheelchairs into and within units in the project;

(ii) placement of light switches, electrical outlets, thermostats and other environmental controls in accessible locations;

(iii) installation of grab bars in bathrooms or the placement of reinforcements in bathroom walls to allow later installation of grab bars;

(iv) redesign of usable kitchens and bathrooms to permit a person in a wheelchair to maneuver about the space; and

(v) such other features of adaptive design that the Secretary finds are appropriate to meet the special needs of such residents;

(B) renovation, conversion, or combination of vacant dwelling units to create common areas to accommodate congregate dining, health clinics, or other service facilities;

(C) renovation of existing common areas to accommodate congregate dining, health clinics, or other service facilities;

(D) such renovation as is necessary to ensure that public and common areas are readily accessible to and usable by eligible residents; and

(E) construction or renovation of facilities to create conveniently located common areas to accommodate congregate dining, health clinics, or other service facilities.

(2) TRANSITIONAL SUPPORT FOR SERVICES.—Assistance under this section may also be provided with respect to eligible housing for the elderly for—

(A) the transitional provision of qualifying supportive services if the owner demonstrates to the satisfaction of the Secretary that—

(i) the qualifying services are necessary to help eligible residents live independently and avoid unnecessary institutionalization;

(ii) the owner has made diligent efforts to use or obtain other available resources to fund the designated services; and

(iii) long-term funding for the qualifying services will be available from other sources; or

(B) the renewal of contracts entered into under the Congregate Housing Services Act of 1978.

Assistance under this paragraph shall be phased out over a period not to exceed 3 years.

(d) APPLICATION.—The funds made available under this section shall be allocated by the Secretary among approvable applications submitted by project sponsors. Applications for assistance under this section shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. Applications for assistance shall contain—

(1) a description of qualifying supportive services that can reasonably be expected to be made available to eligible residents over a 5-year period (or such longer period that the Secretary determines to be appropriate if assistance is provided for activities under subsection (c)(1) that involve substantial rehabilitation);

(2) a firm commitment from one or more sources of assistance ensuring that some or all of the qualifying supportive services identified under paragraph (1) will be provided for not less than 1 year following the completion of activities assisted under subsection (c)(1);

(3) a description of public or private sources of assistance that are likely to fund or provide qualifying supportive services for the entire period specified under paragraph (1), including evidence of any intention to provide assistance expressed by State and local governments, private foundations, and other organizations (including for-profit and nonprofit organizations);

(4) a certification from the appropriate State or local agency (as determined by the Secretary) that (A) the provision of the qualifying supportive services identified under paragraph (1) will enable eligible residents to live independently and avoid unnecessary institutionalization, and (B) there is a reasonable likelihood that such services will be funded or provided for the entire period specified under paragraph (1);

(5) evidence that the owner has established a professional assessment committee in accordance with subsection (f);

(6) a description of assistance that the project sponsor seeks under this section;

(7) a description of any fees that would be established pursuant to subsection (f)(3); and

(8) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this section.

(e) PROGRAM SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section which shall include—

(1) the ability of the owner or a designated service provider to provide the qualifying supportive services identified pursuant to subsection (d)(1);

(2) the need for such services in the housing;

(3) the extent to which the envisioned renovation and conversion activities are necessary to accommodate the provision of such services;

(4) the extent to which the owner has demonstrated that such services will be provided for the period identified pursuant to subsection (d)(1);

(5) the extent to which the owner has had a good record of maintaining and operating housing for the elderly; and

(6) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

(f) PROVISION OF SERVICES.—

(1) ESTABLISHMENT OF PROFESSIONAL ASSESSMENT COMMITTEE.—(A) Each owner shall establish a professional assessment committee composed of at least three persons, each of whom is a qualified medical professional or other person professionally competent to appraise the functional abilities of residents of eligible housing for the elderly in relation to the performance of the normal activities of daily living.

(B) The professional assessment committee shall identify residents eligible to receive qualifying supportive services and designate the services appropriate for each eligible resident. Residents shall be accorded fair treatment and due process and a right of appeal in determinations of eligibility. Personal and medical records made available for determinations of eligibility shall remain confidential.

(2) PARTICIPATION BY OTHER RESIDENTS.—Residents other than eligible residents may participate in a supportive service program assisted under this section if the owner determines that the participation of such residents will not adversely affect the cost effectiveness or operation of the program.

(3) FEES.—An owner may charge fees for meals and other qualifying supportive services. Such fees shall be reasonable, may not exceed the cost of providing the service, and shall be calculated on a sliding scale related to income which permits the provision of services to eligible residents who cannot afford meal and service fees. Fees for services provided to residents who are not eligible residents shall be reasonable and may not exceed the cost of providing the service.

(4) RESIDENT ELIGIBILITY.—The Secretary shall establish the standards and guidelines governing the eligibility of residents for qualifying supportive services under this

section after consultation with the Secretary of Health and Human Services and with appropriate organizations representing the elderly, as determined by the Secretary.

(5) LOCAL COORDINATION OF SERVICES.—The Secretary shall ensure that owners have the capacity to—

(A) assess adequately the physical and service needs of eligible residents;

(B) coordinate the provision of qualifying supportive services and tailor such services to the needs of eligible residents; and

(C) seek on a continuous basis new sources of assistance to ensure the long-term provision of qualifying supportive services;

The Secretary may carry out this paragraph by using amounts appropriated under subsection (k) and by permitting owners to use existing sources of funds including but not limited to excess project reserves.

(g) REPORTS.—

(1) OWNERS' REPORTS.—Each owner shall submit to the Secretary, in such form and at such time as the Secretary shall prescribe, an annual report evaluating the use of funds made available under this section.

(2) ANNUAL REPORT TO THE CONGRESS.—The Secretary shall submit to the Congress, not later than 120 days after the end of each fiscal year, an annual report evaluating the effectiveness of activities assisted under this section in such fiscal year. Such report shall summarize the reports submitted under paragraph (1).

(h) RESERVE FUND.—The Secretary may reserve not more than 5 percent of the amounts made available in each fiscal year to supplement grants awarded to owners under this section when, in the determination of the Secretary, such supplemental adjustments are required to maintain adequate levels of services to eligible residents.

(i) MISCELLANEOUS PROVISIONS.—

(1) PARTICIPATION OF RESIDENTS.—Each owner shall, to the maximum extent practicable, employ residents of eligible housing for the elderly who are not eligible residents, to provide services assisted under this section or from other sources. Such persons shall be paid at a rate not less than the highest of—

(A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such act applied to the resident and if he or she were not exempt under section 13 thereof;

(B) the State or local minimum wage for the most nearly comparable covered employment; or

(C) the prevailing rates of pay for persons employed in similar public occupations by the same employer.

(2) DISREGARD OF SERVICE AS INCOME.—No service provided to a resident of eligible housing for the elderly under this section, except for wages paid under paragraph (1) of this section, may be treated as income for the purpose of any other program or provision of State or Federal law.

(3) RESIDENCE.—Persons receiving services assisted under this section shall be deemed to be residents of their own households, and not to be residents of a public institution, for the purpose of any other program or provision of State or Federal law.

(j) DEFINITIONS.—For the purpose of this section—

(1) the term "elderly person" means a person who is 62 years of age or over;

(2) the term "eligible housing for the elderly" means housing that is occupied by elderly persons and their families and is—

(A) public housing assisted under the Housing Act of 1937;

(B) assisted under section 202 of the Housing Act of 1959;

(C) insured, assisted, or held by the Secretary under section 236 of the National Housing Act;

(D) insured or held under section 221(d)(3) of the National Housing Act and assisted under section 101 of the Housing and Urban Development Act of 1965 or section 8 of the United States Housing Act of 1937;

(E) insured or held by the Secretary and subject to a loan or mortgage bearing interest at a rate determined under the proviso to section 221(d)(5) of the National Housing Act; or

(F) assisted under section 515 of the Housing Act of 1949;

(3) the term "eligible resident" means a person residing in eligible housing for the elderly who qualifies under the definition of frail elderly, handicapped (regardless of whether the person is elderly) or temporarily disabled;

(4) the term "frail elderly" means those elderly persons whose level of functional disability places them at heightened risk of institutionalization in the absence of supportive services;

(5) the term "handicapped person" means a person having an impairment which (A) is expected to be of long-continued and indefinite duration, and (B) substantially impedes the person's ability to live independently unless the person receives supportive services; such impairment may include a functional disability or frailty which is a normal consequence of the human aging process;

(6) the term "owner" means a public housing agency that operates public housing, a nonprofit entity that owns and operates all other types of eligible housing under paragraph (2), or a for-profit entity that owns and operates all other types of eligible housing and agrees to operate such housing as low income housing through the term of the original mortgage;

(7) the term "public housing" has the meaning given the term in section 3(b)(1) of the United States Housing Act of 1937;

(8) the term "public housing agency" has the meaning given the term in section 3(b)(6) of the United States Housing Act of 1937;

(9) the term "qualifying supportive services" shall mean those services that the Secretary deems essential to enable eligible residents to live independently and avoid unnecessary institutionalization. Such services may include but not be limited to; (A) meal service adequate to meet nutritional need; (B) housekeeping aid; (C) personal assistance (which may include, but is not limited to, aid given to eligible residents in grooming, dressing, and other activities which maintain personal appearance and hygiene); (D) transportation services; and (E) health-related services; the owner may provide the qualifying services directly to eligible residents or may, by contract or lease, provide such services through other appropriate agencies or providers;

(10) the term "Secretary" means the Secretary of Housing and Urban Development; and

(11) the term "temporarily disabled" means an impairment which (A) is expected to be of no more than 6 months' duration, and (B) substantially impedes a person's ability to live independently unless the person receives qualifying supportive services.

(k) AUTHORIZATION.—There are authorized to be appropriated to carry out this subtitle $50,000,000 for fiscal year 1990, and $52,150,000 for fiscal year 1991. Any amount appropriated under this section shall remain available until expended.

(l) CONFORMING AMENDMENT.—Section 9(a)(3)(B) of the United States Housing Act of 1937 is amended—

(1) by striking "and" at the end of clause (iii);

(2) by striking the period at the end of clause (iv) and inserting "; and"; and

(3) by adding at the end the following new clause:

"(v) if a public housing agency renovates, converts, or combines one or more dwelling units in a public housing project to create a common area to accommodate the provision of supportive services in accordance with section 512 of the National Affordable Housing Act, the payments received under this section shall not be reduced because of the resulting reduction in the number of dwelling units.".

Subtitle C—Supportive Housing for the Handicapped

SEC. 521. SUPPORTIVE HOUSING FOR THE HANDICAPPED.

(a) PURPOSE.—The purpose of this section is to enable handicapped persons to live with dignity and independence by expanding the supply of supportive housing that—

(1) is designed to accommodate the special needs of such persons; and

(2) provides a range of services that meets the special health, mental health, and other needs of such persons.

(b) GENERAL AUTHORITY.—The Secretary is authorized to provide assistance to private, nonprofit organizations to expand the supply of supportive housing for the handicapped. Such assistance shall be provided as—

(1) capital advances in accordance with subsection (d)(1), and

(2) contracts for project rental assistance in accordance with subsection (d)(2).

Such assistance may be used to finance the acquisition, acquisition and moderate rehabilitation, construction, reconstruction, or moderate or substantial rehabilitation of housing to be used as supportive housing for the handicapped and may include real property acquisition, site improvement, conversion, demolition, relocation, and other expenses that the Secretary determines are necessary to expand the supply of supportive housing for the handicapped.

(c) GENERAL REQUIREMENTS.—The Secretary shall take such actions as may be necessary to ensure that—

(1) assistance made available under this section will be used to meet the special needs of handicapped families by providing a variety of housing options, ranging from group homes to independent living facilities; and

(2) supportive housing for the handicapped assisted under this section shall—

(A) provide persons occupying units in such housing with an assured range of services,

(B) provide such persons with opportunities for optimal independent living and participation in normal daily activities, and

(C) facilitate access by such persons to the community at large and to suitable employment opportunities within such community.

(d) FORMS OF ASSISTANCE.—

(1) CAPITAL ADVANCES.—A capital advance provided under this section shall bear no interest and its repayment shall not be re-

quired so long as the housing remains available for very low-income handicapped persons in accordance with this section. Such advance shall be in an amount calculated in accordance with the development cost limitation established in subsection (h).

(2) PROJECT RENTAL ASSISTANCE.—Contracts for project rental assistance shall obligate the Secretary to make monthly payments to cover any part of the costs attributed to units occupied (or, as approved by the Secretary, held for occupancy) by very low-income handicapped persons that is not met from project income. The annual contract amount for any project shall not exceed the sum of the initial annual project rentals for all units and any initial utility allowances for such units, as approved by the Secretary. Any contract amounts not used by a project in any year shall remain available to the project until the expiration of the contract. The Secretary may adjust the annual contract amount if the sum of the project income and the amount of assistance payments available under this paragraph are inadequate to provide for reasonable project costs. In the case of an intermediate care facility which is the residence of persons assisted under title XIX of the Social Security Act, project income under this paragraph shall include the same amount as if such persons were being assisted under title XVI of the Social Security Act.

(3) TENANT RENT CONTRIBUTION.—A very low-income person shall pay as rent for a dwelling unit assisted under this section the higher of the following amounts, rounded to the nearest dollar: (A) 30 percent of the person's adjusted monthly income, (B) 10 percent of the person's monthly income or (C) if the person is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the person's actual housing costs, is specifically designated by such agency to meet the person's housing costs, the portion of such payments which is so designated; except that the gross income of a person occupying an intermediate care facility assisted under title XIX of the Social Security Act shall be the same amount as if the person were being assisted under title XVI of the Social Security Act.

(e) TERM OF COMMITMENT.—

(1) USE LIMITATIONS.—All units in a project assisted under this section shall be made available for occupancy by very low-income handicapped persons for not less than 40 years.

(2) CONTRACT TERMS.—The initial term of a contract entered into under subsection (d)(2) shall be 240 months. The Secretary shall, to the extent approved in appropriation Acts, extend any expiring contract for a term of not less than 60 months. In order to facilitate the orderly extension of expiring contracts, the Secretary is authorized to make commitments to extend expiring contracts not less than 6 months prior to the date of expiration.

(f) APPLICATIONS.—Funds made available under this section shall be allocated by the Secretary among approvable applications submitted by private nonprofit organizations. Applications for assistance under this section shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. Such applications shall contain—

(1) a description of the proposed housing;

(2) a description of the assistance the applicant seeks under this section;

(3) a supportive service plan that describes—

(A) the category or categories of handicapped persons the housing is intended to serve;

(B) the range of supportive services to be provided to the persons occupying such housing;

(C) the manner in which such services will be provided to such persons, including evidence of such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of such services; and

(D) the extent of State and local funds available to assist in the provision of such services;

(4) a certification from the appropriate State or local agency (as determined by the Secretary) that the provision of the services identified in paragraph (3) are well designed to serve the special needs of handicapped persons;

(5) reasonable assurances that the applicant will own or have control of an acceptable site for the proposed housing not later than 6 months after notification of an award for assistance;

(6) a certification from the public official responsible for submitting a housing strategy for the jurisdiction to be served in accordance with section 105 of the National Affordable Housing Act that the proposed project is consistent with the approved housing strategy; and

(7) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this section.

(g) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section, which shall include—

(1) the ability of the applicant to develop and operate the proposed housing;

(2) the need for housing for handicapped families in the area to be served;

(3) the extent to which the proposed design of the housing will meet the special physical needs of handicapped persons;

(4) the extent to which the applicant has demonstrated that supportive services identified in subsection (f)(3) will be provided on a consistent, long-term basis;

(5) the extent to which the proposed design of the housing will accommodate the provision of such services;

(6) the extent to which the applicant has control of the site of the proposed housing; and

(7) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

(h) DEVELOPMENT COST LIMITATIONS.—

(1) IN GENERAL.—The Secretary shall periodically establish development cost limitations by market area for various types and sizes of supportive housing for the handicapped by publishing a notice of the cost limitations in the Federal Register. The cost limitations shall reflect—

(A) the cost of construction, reconstruction, or rehabilitation of supportive housing for the handicapped that meets applicable State and local housing and building codes;

(B) the cost of movables necessary to the basic operation of the housing, as determined by the Secretary;

(C) the cost of special design features necessary to make the housing accessible to handicapped persons;

(D) the cost of special design features necessary to make individual dwelling units meet the special needs of handicapped persons;

(E) the cost of congregate space necessary to accommodate the provision of supportive services to handicapped persons; and

(F) the cost of land, including necessary site improvement.

In establishing development cost limitations for a given market area, the Secretary shall use data that reflect currently prevailing costs of construction, reconstruction, or rehabilitation, and land acquisition in the area.

(2) ANNUAL ADJUSTMENTS.—The Secretary shall adjust the cost limitation not less than once annually to reflect changes in the general level of construction costs.

(3) INCENTIVES FOR SAVINGS.—The Secretary shall use the development cost limitations established under paragraph (1) to calculate the amount of financing to be made available to individual owners. Owners which incur actual development costs that are less than the amount of financing shall be entitled to retain 50 percent of the savings in a special project account. The account may be used (A) to supplement services provided to residents of the housing or funds set-aside for replacement reserves, or (B) for such other purposes as determined by the Secretary.

(4) FUNDS FROM OTHER SOURCES.—An owner shall be permitted voluntarily to provide funds from non-Federal sources for amenities and other features of appropriate design and construction suitable for supportive housing for handicapped persons if the cost of such amenities is (A) not financed with the advance, and (B) is not taken into account in determining the amount of Federal assistance or of the rent contribution of tenants.

(i) MISCELLANEOUS PROVISIONS.—

(1) TECHNICAL ASSISTANCE.—The Secretary shall make available appropriate technical assistance to assure that applicants having limited resources, particularly minority applicants, are able to participate more fully in the program carried out under this section.

(2) CIVIL RIGHTS COMPLIANCE.—Each owner shall certify, to the satisfaction of the Secretary, that assistance made available under this section will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act and other Federal, State, and local laws prohibiting discrimination and promoting equal opportunity; and

(3) SITE CONTROL.—An applicant may obtain ownership or control of a suitable site different from the site specified in the initial application. If an applicant fails to obtain ownership or control of the site within 1 year after notification of an award for assistance, the assistance shall be recaptured and reallocated.

(4) OWNER DEPOSIT.—The Secretary may require an owner to deposit an amount not to exceed $10,000 in a special escrow account to assure the owner's commitment to the project.

(5) NOTICE OF APPEAL.—The Secretary shall notify an owner not less than 30 days prior to canceling any reservation of assistance provided under this section. During the 30-day period following the receipt of a notice under the preceding sentence, an owner may appeal the proposed cancellation. Such appeal, including review by the Secretary, shall be completed not later than 45 days after the appeal is filed.

(6) LABOR STANDARDS.—The Secretary shall take such action as may be necessary to insure that all laborers and mechanics em-

ployed by contractors and subcontractors in the construction of housing assisted under this section and designed for dwelling use by 12 or more handicapped families shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (the Davis-Bacon Act); but the Secretary may waive the application of this paragraph in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purposes of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the corporation, cooperative, or public body or agency undertaking the construction.

(j) DEFINITIONS.—As used in this section—

(1) The term "group home" means a single family residential structure designed or adapted for occupancy by not more than 8 handicapped persons. The Secretary may waive the project size limitation contained in the previous sentence if the applicant demonstrates that local market conditions dictate the development of a larger project. Not more than 1 home may be located on any one site and no such home may be located on a site contiguous to another site containing such a home.

(2) The term "handicapped persons" means a household composed of one or more persons at least one of whom is handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Secretary to have a physical, mental, or emotional impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his or her ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions. A person shall also be considered handicapped if such person has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-7). The Secretary shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, the eligibility of families and persons for admission to and occupancy of housing constructed with assistance under this section. Notwithstanding the preceding provisions of this paragraph, the term "handicapped persons" includes two or more handicapped persons living together, one or more such persons living with another person who is determined (under regulations prescribed by the Secretary) to be important to their care or well-being, and the surviving member or members of any household described in the first sentence of this paragraph who were living, in a unit assisted under this section, with the deceased member of the household at the time of his or her death.

(3) The term "supportive housing for the handicapped" means housing that is designed—

(A) to meet the special needs of handicapped families, and

(B) to accommodate the provision of supportive services that are expected to be needed by the category or categories of handicapped persons that the housing is intended to serve.

(4) The term "independent living facility" means a project designed for occupancy by not more than 20 handicapped persons in separate dwelling units where each dwelling unit includes a kitchen and a bath.

(5) The term "owner" means a private nonprofit organization that receives assistance under this section to develop and operate a project for supportive housing for the handicapped persons.

(6) The term "private nonprofit organization" means any incorporated private institution or foundation—

(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

(B) which has a governing board (i) the membership of which is selected in a manner to assure that there is significant representation of the views of the community in which such project is located, and (ii) which is responsible for the operation of the housing project assisted under this section; and

(C) which is approved by the Secretary as to financial responsibility.

(7) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

(8) The term "Secretary" means the Secretary of Housing and Urban Development.

(9) The term "very low-income" has the same meaning as given the term "very low-income families" under section 3(b)(2) of the United States Housing Act of 1937.

(k) AUTHORIZATIONS.—

(1) CAPITAL ADVANCES.—There are authorized to be appropriated for the purpose of funding capital advances in accordance with subsection (d)(1) $240,105,000 for fiscal year 1990 and $250,735,000 for fiscal year 1991. Amounts so appropriated, the repayments from such advances, and the proceeds from notes or obligations issued under this section prior to the enactment of this Act shall constitute a revolving fund to be used by the Secretary in carrying out this section.

(2) PROJECT RENTAL ASSISTANCE.—For the purpose of funding contracts for project rental assistance in accordance with subsection (d)(2), the Secretary may, to the extent approved in an appropriations Act, reserve authority to enter into obligations aggregating $328,705,000 for fiscal year 1990 and $351,355,000 for fiscal year 1991.

(l) EFFECTIVE DATE AND APPLICABILITY.—

(1) Except as otherwise provided in this section, the provisions of, and amendments made by, this section shall not apply with respect to projects with loans or loan reservations made under section 202 of the Housing Act of 1959 before the date of enactment of this Act.

(2) Any loan made under section 202 of the Housing Act of 1959 pursuant to a reservation of funds issued on or before the date of enactment of this Act shall continue to be subject to the provisions of such section as they were in effect when such reservation was issued.

(3) Notwithstanding paragraph (1), the Secretary shall, upon the request of an owner, apply the provisions of, and amendments made by, this section to any project if needed to facilitate the development of such project in a timely manner.

Subtitle D—Supportive Housing for the Homeless

SEC. 531. AMENDMENT TO MCKINNEY ACT.

Title IV of the Stewart B. McKinney Homeless Assistance Act is amended to read as follows:

"TITLE IV—HOUSING ASSISTANCE

"Subtitle A—General Provisions

"SEC. 401. PURPOSE.

"(a) IN GENERAL.—The purpose of this title is to expand the Federal commitment to alleviate homelessness in this Nation by providing States and localities with the resources to—

"(1) help very low-income persons and families avoid becoming homeless;

"(2) meet the emergency shelter needs of homeless persons and families;

"(3) provide transitional housing to facilitate the movement of homeless persons and families to independent living;

"(4) provide specialized permanent housing for homeless persons who require a supportive living environment; and

"(5) provide supportive services to help homeless persons and families lead independent and dignified lives.

"SEC. 402. DEFINITIONS.

"For purposes of this title—

"(1) The term 'assistance' means noninterest bearing advances to assist the acquisition, lease, renovation, substantial rehabilitation, operation, or conversion of facilities to assist the homeless, grants for moderate rehabilitation, grants for other purposes, and other assistance made eligible under section 405 and subtitle B.

"(2) The term 'emergency activities' means (A) activities that help very low-income families and persons avoid becoming homeless in accordance with section 411, and (B) supportive services that are provided in an emergency shelter developed in accordance with section 412.

"(3) The term 'grantee' means a State or unit of general local government receiving grants from the Secretary under section 403(a).

"(4) The term 'handicapped' means a person who is handicapped within the meaning of section 521 of the National Affordable Housing Act.

"(5) The term 'handicapped homeless person' means a handicapped person who is a homeless person within the meaning of section 103, is at risk of becoming a homeless person, or has been a resident of transitional housing carried out pursuant to this Act or the provisions made effective by section 101(g) of Public Law 99-500 or Public Law 99-591.

"(6) The term 'locality' means the geographical area within the jurisdiction of a local government.

"(7) The term 'operating costs' means expenses incurred by a project sponsor operating any housing assisted under this title with respect to—

"(A) the administration, maintenance, repair, and security of such housing; and

"(B) utilities, fuels, furnishings, and equipment for such housing.

"(8) The term 'operating costs' includes expenses incurred by a project sponsor operating transitional housing under this title with respect to—

"(A) the conducting of the assessment required by section 413(c)(1)(B); and

"(B) the provision of supportive services to the residents of such housing.

"(9) The term 'outpatient health services' means outpatient health care, outpatient mental health services, outpatient substance abuse services, and case management services.

"(10) The term 'private nonprofit organization' means a secular or religious organization—

"(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

"(B) that has a voluntary board;

"(C) that has an accounting system or has designated a fiscal agent in accordance with requirements established by the Secretary; and

"(D) that does not discriminate in the provision of assistance.

"(11) the term 'project' means a structure or a portion of a structure that is acquired or rehabilitated with assistance provided under this title or with respect to which the Secretary provides technical assistance or annual payments for operating costs.

"(12) The term 'project sponsor' means any governmental or private nonprofit organization that receives assistance from a grantee under section 403(a), is approved by the grantee as to financial responsibility, and is directly responsible for the administration of assistance provided under this title. Each project sponsor shall act as the fiscal agent of the Secretary with respect to assistance provided to such project sponsor under this title.

"(13) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(14) The term 'State' means a State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, or any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction with regard to provisions of this Act.

"(15)(A) The term 'supportive services' means assistance designed by a project sponsor that—

"(i) addresses the special needs of persons, such as deinstitutionalized homeless persons, homeless families with children, and homeless persons with mental disabilities and other handicapped homeless persons, intended to be served by a project; and

"(ii) assists in accomplishing the purposes of the different types of housing for the homeless made eligible under this subtitle.

"(B) The term includes—

"(i) food services, child care, substance abuse treatment, assistance in obtaining permanent housing, outpatient health services, employment counseling, nutritional counseling, security arrangements for the protection of residents of facilities to assist the homeless, and such other services essential for maintaining or moving towards independent living as the Secretary determines to be appropriate; and

"(ii) assistance to homeless persons in obtaining other Federal, State, and local assistance available for such individuals, including public assistance benefits, mental health benefits, employment counseling, and medical assistance.

"(C) Such term does not include the provision of major medical equipment.

"(D) All or part of the supportive services may be provided directly by the project sponsor or by arrangements with other public or private service providers.

"(16) The term 'unit of general local government' means any city, town, township, county, parish, village, or other general purpose subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa, or a general purpose political subdivision thereof; a consortium of such political subdivisions recognized by the Secretary in accordance with section 404(b)(1)(B) of this Act; and the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

"SEC. 403. GENERAL AUTHORITY.

"(a) GRANTS FOR HOMELESS HOUSING ASSISTANCE.—The Secretary shall, to the extent of amounts approved in appropriations Acts under section 408, make grants to States and units of general local government in order to carry out activities designed to meet the emergency, transitional, and permanent housing needs of the homeless, and help very low-income families and persons avoid becoming homeless. A jurisdiction shall be eligible to receive a grant only if it has obtained an approved housing strategy (or an approved abbreviated housing strategy) in accordance with section 105 of the National Affordable Housing Act. A grantee shall carry out activities authorized under this subsection through contracts with project sponsors, except that a grantee that is a State shall obtain the approval of the unit of general local government for the locality in which a project is to be located prior to entering into such contracts.

"(b) ALLOCATION OF RESOURCES.—

"(1) FORMULA GRANTS.—(A) 80 percent of the amounts approved in such appropriations Acts shall be allocated in accordance with a formula established under section 404. Of the amounts made available under the previous sentence, the Secretary shall allocate 70 percent among units of general local government and 30 percent among States.

"(B) A grantee may use grants allocated under this subparagraph for approved activities established by the Secretary. Approved activities shall include—

"(i) the provision of assistance to help very low-income persons and families avoid becoming homeless in accordance with section 411;

"(ii) the development of emergency shelters for the homeless in accordance with section 412;

"(iii) the development of transitional housing to facilitate the transition of homeless individuals to independent living in accordance with section 413;

"(iv) the development of permanent housing for handicapped homeless persons in accordance with section 414;

"(v) the provision of supplemental assistance to emergency shelters and transitional housing in accordance with section 415; and

"(vi) such other activities that the Secretary develops in cooperation with grantees in accordance with section 416.

The Secretary shall establish standards and guidelines for approved activities. The Secretary shall permit grantees to refine and adapt such standards and guidelines for individual projects, where such refinements and adaptations are made necessary by local circumstances.

"(C) A grantee may use not more than 20 percent of the grants allocated in accordance with this paragraph for emergency activities as defined in section 402(2). The Secretary may approve a higher limitation if the grantee demonstrates that other approved activities under this subparagraph are already being carried out in the jurisdiction with other resources.

"(2) DISCRETIONARY ALLOCATIONS.—20 percent of the amounts approved in such appropriations Acts shall be allocated among appropriate applications in accordance with section 405 to provide comprehensive assistance for programs that the Secretary determines to contain particularly innovative or exemplary methods of meeting the immediate and long-term needs of the homeless.

"(c) SRO RENOVATION.—The Secretary shall, to the extent of amounts approved in appropriations Acts under section 422, provide rental assistance to public housing agencies for the renovation of single room occupancy dwellings in accordance with subtitle C.

"SEC. 404. ALLOCATION FORMULA.

"(a) ESTABLISHMENT OF FORMULA.—The Secretary shall issue regulations establishing an allocation formula that reflects each jurisdiction's share of the Nation's need for housing assistance for the homeless as identified by—

"(1) objective measures of incidence of homelessness;

"(2) the relation between the supply of affordable housing for very low-income persons and the number of such persons in the jurisdiction;

"(3) poverty; and

"(4) housing overcrowding.

The data to be used for allocation of funds within a fiscal year shall be those that are available to the Secretary 90 days prior to the beginning of that fiscal year.

"(b) ALLOCATION RULES.—

"(1) MINIMUM LOCAL ALLOCATION.—The Secretary shall allocate amounts available for formula allocation to units of general local government so that, when all such amounts are allocated by the formula, only those jurisdictions that are allocated an amount of $200,000 or greater shall receive an allocation. A jurisdiction receiving a formula allocation shall be eligible to receive grants if its formula allocation is $250,000 or greater, or if—

"(A) the Secretary finds that—

"(i) the jurisdiction is the city with the greatest population in a metropolitan area and has demonstrated a capacity to carry out provisions of this section, and

"(ii) the State has authorized the Secretary to transfer to the jurisdiction a portion of the State's allocation that is equal to or greater than the difference between the jurisdiction's formula allocation and $250,000; or

"(B) geographically contiguous local governments have formed a consortium that, in the determination of the Secretary—

"(i) has sufficient authority and administrative capability to act on behalf of its member jurisdictions in carrying out the provisions of this section,

"(ii) will, according to a written certification by the State, direct its activities to the alleviation of the State's most severe problems of homelessness, and

"(iii) is comprised only of jurisdictions that have received a formula allocation for the fiscal year.

Such a consortium shall be deemed to be a unit of general local government for purposes of this section. If a jurisdiction has met the requirements of subparagraph (A), the jurisdiction's formula allocation for a fiscal year shall subsequently be deemed to equal the sum of the jurisdiction's allocation under this subsection and the amount the State has agreed to transfer to the jurisdiction. The formula allocation for a consortium that has met the requirements, under this subparagraph shall equal the total of the allocations of its member jurisdictions.

"(2) GRANTEE STATUS.—Once a State or unit of general local government becomes a grantee, it shall remain eligible to receive grants for subsequent fiscal years, except as provided in paragraph (3).

"(3) REVOCATION.—The Secretary may revoke a jurisdiction's status as a grantee if (A) the Secretary finds, after reasonable notice and opportunity for hearing, that the

jurisdiction is unwilling or unable to carry out the provisions of this subtitle, or (B) the jurisdiction's formula allocation falls below $250,000 for 3 consecutive years, below $225,000 for 2 consecutive years or below $200,000 in any 1 year.

"(d) INITIAL ALLOCATION OF ASSISTANCE.—Not later than 30 days after funds to carry out this section are provided in an appropriations Act (or, during the first year after enactment of this Act, not later than 30 days after regulations to implement this section are promulgated or due), the Secretary shall allocate funds in accordance with subsections (a) and (b) and promptly notify each jurisdiction receiving a formula allocation of its allocation amount. If a local jurisdiction is not eligible to receive grants because its allocation amount is too low, the Secretary shall inform the jurisdiction in writing how the jurisdiction may become eligible to receive grants.

"(e) DISTRIBUTION OF ASSISTANCE BY A STATE.—Each State shall distribute its allocation of assistance under this subsection in accordance with the need for homeless assistance as identified in the State's housing strategy approved under section 105 of the National Affordable Housing Act and shall coordinate its efforts where assistance is distributed to a unit of general local government that is a grantee.

"SEC. 405. DISCRETIONARY ALLOCATION.

"(a) IN GENERAL.—The amounts made available under section 403(b)(2) shall be allocated by the Secretary among approvable applications submitted by project sponsors to provide comprehensive assistance for programs that the Secretary determines to contain particularly innovative or exemplary methods of meeting the immediate and long-term needs of the homeless. A grantee shall not be permitted to submit an application if the Secretary finds that the grantee is in noncompliance with sections 406 and 407.

"(b) ELIGIBLE ACTIVITIES.—Assistance provided under this section may be used for the following activities:

"(1) the purchase, lease, rehabilitation, renovation, operation, or conversion of facilities to assist the homeless;

"(2) the transitional provision of supportive services designed to meet the needs of special categories of homeless persons, including families with children, deinstitutionalized homeless individuals and other homeless individuals with mental disabilities, the elderly, and veterans. Assistance provided under this paragraph shall be phased out over a period not to exceed 3 years.

"(c) APPLICATIONS.—

"(1) IN GENERAL.—Applications for assistance under this section shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish. Such applications shall contain—

"(A) a description of the proposed project;

"(B) a description of the size and characteristics of the population that would occupy the housing;

"(C) a description of the public and private resources that are expected to be made available in connection with the project;

"(D) assurances satisfactory to the Secretary that any property purchased, leased, rehabilitated, renovated, or converted with assistance under this subsection will be operated for not less than 10 years for the purpose specified in the application; and

"(E) such other information or certifications that the Secretary determines is necessary to achieve the purposes of this section.

"(d) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section, which shall take into account—

"(1) the ability of the applicant or the project sponsor to develop and operate the proposed project;

"(2) the innovative quality and exemplary value of the proposal in providing homeless assistance;

"(3) the need for such assistance in the area to be served;

"(4) the extent to which the amount of assistance to be provided under this section will be matched with more than an equal amount of funds from other sources;

"(5) the extent to which the project would provide assistance to homeless people who are most difficult to serve;

"(6) the length of time that the applicant or project sponsor will commit to provide assistance to the homeless;

"(7) the extent to which the applicant or project sponsor has control of the site of the proposed project; and

"(8) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

"(e) ADMINISTRATIVE PROVISIONS.—The total amount allocated to a grantee under this section in any fiscal year shall not exceed the grantee's formula allocation under section 404 in that fiscal year.

"SEC. 406. RESPONSIBILITIES OF GRANTEES AND PROJECT SPONSORS.

"(a) MATCHING REQUIREMENTS.—Each grantee shall be required to supplement the grants provided under this title with an equal amount of funds from non-Federal sources. Each grantee shall certify to the Secretary its compliance with this subsection, describing the sources and amounts of such supplemental funds. Supplemental funds may include the value of any donated material or building, the value of any lease on a building, any salary paid to staff to carry out the program of a project sponsor, and the value of the time and services contributed by volunteers to carry out the program of a project sponsor at a rate determined by the Secretary.

"(b) HOUSING QUALITY.—Each grantee shall assure that housing assisted under this subtitle shall be decent, safe, and sanitary and, when appropriate, meet all applicable State and local housing and building codes and licensing requirements in the jurisdiction in which the housing is located.

"(c) CONSISTENCY WITH HOUSING STRATEGY.—Each grantee shall certify, to the satisfaction of the Secretary, that activities undertaken by project sponsors with assistance from the grantee are consistent with the housing strategy submitted by the grantee in accordance with section 105 of the National Affordable Housing Act.

"(d) ASSISTANCE TO HOMELESS PERSONS.—Each grantee shall assure that homeless individuals will be assisted in obtaining—

"(1) appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living; and

"(2) other Federal, State, local, and private assistance available for homeless persons.

"(e) LIMITATION ON USE OF FUNDS.—Each grantee shall certify, to the satisfaction of the Secretary, that neither assistance received under this title nor any State or local government funds used to supplement such assistance will be used to replace other public funds previously used, or designated for use, to assist the homeless.

"(f) CIVIL RIGHTS COMPLIANCE.—Each grantee shall certify, to the satisfaction of the Secretary, that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (Public Law 88-352), and the Fair Housing Act and the grantee will affirmatively further fair housing.

"(g) REPORTS.—

"(1) Each grantee shall submit to the Secretary, in such form and at such time as the Secretary shall prescribe, a performance and evaluation report on the use of amounts made available under this subtitle, together with the grantee's assessment of the relationship of such usage to the grantee's approved housing strategy. The report shall include information on the number of homeless individuals served and the reasons for their homelessness. The report shall be made available to the public so that citizens, public agencies, and other interested parties have an opportunity to comment on the report prior to its submission. The report shall include a summary of any comments received from interested parties.

"(2) The Secretary shall consult with national associations of States, local governments, and other housing interests to develop uniform recordkeeping, performance reporting, and auditing requirements. After considering the results of such consultations, the Secretary shall establish uniform recordkeeping, performance reporting, and auditing requirements for assistance made available under this title.

"(h) SITE CONTROL.—Each grantee or project sponsor shall furnish reasonable assurances that it will own or have control of a site for the proposed project not later than 6 months after notification of an award for grant assistance. A suitable site different from the site specified in the application satisfies the requirement of this subsection. If ownership or control of a site is not obtained within 1 year after notification of an award for grant assistance, the grant shall be recaptured and reallocated.

"(i) PREVENTION OF UNDUE BENEFITS.—The Secretary may prescribe such terms and conditions as he deems necessary to prevent project sponsors from unduly benefiting from the sale or other disposition of projects constructed, rehabilitated, or acquired with assistance under this title other than a sale or other disposition resulting in the use of the project for the direct benefit of very low-income persons.

"(j) ADDITIONAL REQUIREMENTS.—The Secretary may establish such other program requirements as the Secretary determines are necessary for grantees to administer activities authorized under this title in an efficient manner.

"SEC. 407. ADMINISTRATIVE PROVISIONS.

"(a) LIMITATION ON ADMINISTRATIVE EXPENSES.—A grantee may not use more than 5 percent of the assistance received under this title for administrative purposes.

"(b) INCOME ELIGIBILITY.—A homeless person shall be eligible for assistance under any program provided by this title, or by the amendments made by this title, only if the person has income not exceeding 50 percent of the median income for the area, as adjusted in accordance with section 3(b)(2) of the United States Housing Act of 1937.

"(c) FLOOD ELEVATION REQUIREMENTS.—Flood protection standards applicable to housing acquired, rehabilitated, or assisted under any provision of this title shall be no more restrictive than the standards applicable to any other program administered by the Secretary.

"(d) APPLICABILITY OF SECTION 104(g) OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.—The provisions of, and regulations and procedures applicable under, section 104(g) of the Housing and Community Development Act of 1974 shall apply to assistance and projects under this title.

"(e) RECAPTURE AND REALLOCATION OF FUNDS.—

"(1) FORMULA REALLOCATIONS.—If a State or unit of general local government receiving a formula allocation under section 404 fails to obtain approval of its housing strategy in accordance with section 105 of the National Affordable Housing Act, the Secretary shall reallocate any funds reserved for the jurisdiction as follows:

"(A) If a State fails to obtain approval of its housing strategy, the Secretary shall make the State's formula allocation available in accordance with section 405.

"(B) If a unit of general local government eligible for a grant under section 404 fails to obtain approval of its housing strategy, the Secretary shall promptly reallocate the locality's formula allocation to the State in which the locality is located if the State has obtained approval of its housing strategy. The State shall give priority to funding projects that assist the homeless population within the locality.

"(C) If a unit of general local government eligible for a grant under section 404 fails to obtain approval of its housing strategy, and is located within a State that also fails to obtain approval of its housing strategy, the Secretary shall make the locality's formula allocation available in accordance with section 405.

"(2) NONCOMPLIANCE.—The Secretary may recapture assistance made available to a grantee if the Secretary determines that the grantee is in noncompliance with program requirements and shall reallocate such assistance in accordance with section 405.

"(3) OTHER REALLOCATIONS.—If, following the receipt of applications for the final funding round under section 405 for any fiscal year, any amount set aside for assistance pursuant to section 405 will not be required to fund the approvable applications submitted for such assistance, the Secretary shall reallocate such amount for use under subtitle C.

"(f) GAO AUDITS.—Insofar as they relate to funds provided under this section, the financial transactions of grantees and project sponsors may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to, or in use by, such grantees and project sponsors pertaining to the financial transactions and necessary to facilitate the audit.

"SEC. 408. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title $241,000,000 for fiscal year 1991, and $251,363,000 for fiscal year 1992. Any amount appropriated under this section shall remain available until expended.

"SEC. 409. REPORTS TO CONGRESS.

"The Secretary shall submit annually to the Congress a report summarizing the activities carried out under this title and setting forth the findings, conclusions, and recommendations of the Secretary as a result of the activities. The report shall summarize and assess the results of performance reports provided in accordance with subsection 406(g). The report shall be submitted not later than 3 months after the end of each fiscal year.

"Subtitle B—Approved Activities

"SEC. 411. HOMELESSNESS PREVENTION.

"(a) DEFINITION.—Assistance to help very low-income persons and families avoid becoming homeless may include activities other than those that the Secretary has found to be inconsistent with the purposes of this Act.

"(b) LIMITATION ON FINANCIAL ASSISTANCE.—A grantee may provide financial assistance to persons and families who have received eviction notices or notices of termination of utility services if—

"(1) the inability of the family to make the required payments is due to a sudden reduction in income;

"(2) the assistance is necessary to avoid the eviction or termination of services;

"(3) there is a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and

"(4) the assistance will not supplant funding for preexisting homelessness prevention activities from other sources.

"SEC. 412. EMERGENCY SHELTER.

"(a) DEFINITION.—A project shall be considered emergency shelter if it involves—

"(1) the renovation, major rehabilitation, or conversion of buildings to be used as emergency shelters;

"(2) the provision of supportive services if such services do not supplant any services provided by the local government during any part of the immediately preceding 12-month period; and

"(3) maintenance, operation (other than staff), insurance, utilities, and furnishings.

"(b) PROGRAM REQUIREMENTS.—A grantee may approve assistance for a project under this subsection only if the project sponsor has agreed that it will—

"(1) in the case of assistance involving major rehabilitation or conversion of a building, maintain the building as a shelter for homeless individuals and families for not less than a 10-year period;

"(2) in the case of assistance involving rehabilitation (other than major rehabilitation or conversion of a building), maintain the building as a shelter for homeless individuals and families for not less than a 3-year period; or

"(3) in the case of assistance involving only activities described in paragraphs (2) and (3) of subsection (a), provide services or shelter to homeless individuals and families at the original site or structure or other sites or structures serving the same general population for the period during which such assistance is provided.

"SEC. 413. TRANSITIONAL HOUSING FOR THE HOMELESS.

"(a) DEFINITION.—A project shall be considered 'transitional housing' if it is designed to facilitate the movement of homeless individuals to independent living within 24 months (or such longer period as the Secretary determines is necessary to facilitate the transition of homeless individuals to independent living). Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental disabilities, and homeless families with children.

"(b) TYPES OF ASSISTANCE.—

"(1) IN GENERAL.—A grantee may provide the following assistance to a project sponsor of transitional housing:

"(A) An advance not to exceed cost of acquisition, substantial rehabilitation, or acquisition and rehabilitation of an existing structure for use as transitional housing. The repayment of any outstanding debt owed on a loan made to purchase an existing structure shall be considered to be a cost of acquisition eligible for an advance under this paragraph if the structure was not used as transitional housing prior to the receipt of assistance.

"(B) A grant for moderate rehabilitation of an existing structure for use as transitional housing.

"(C) Annual payments for operating costs of transitional housing (including transitional housing that is newly constructed with assistance provided from sources other than this Act) not to exceed 75 percent of the annual operating costs of such housing.

"(D) Technical assistance in—

"(i) establishing transitional housing in an existing structure;

"(ii) operating transitional housing in existing structures and in structures that are newly constructed with assistance provided from sources other than this Act; and

"(iii) providing supportive services to the residents of transitional housing (including transitional housing that is newly constructed with assistance provided from sources other than this Act).

"(E) A grant for establishing and operating an employment assistance program for the residents of transitional housing, which shall include—

"(i) employment of residents in the operation and maintenance of the housing; and

"(ii) the payment of the transportation costs of residents to places of employment. A project sponsor may receive assistance under both subparagraphs (A) and (B).

"(c) PROGRAM REQUIREMENTS.—

"(1) REQUIRED AGREEMENTS.—A grantee may approve assistance for a project under this section only if the project sponsor has agreed—

"(A) to operate the proposed project as transitional housing for not less than 10 years;

"(B) to conduct an ongoing assessment of the supportive services required by the residents of the project;

"(C) to provide such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of supportive services to the residents of the project;

"(D) to comply with such other terms and conditions as the Secretary or grantee may establish for purposes of carrying out this program in an effective and efficient manner.

"(2) OCCUPANT RENT.—Each homeless individual residing in a facility assisted under this subtitle shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

"SEC. 414. PERMANENT HOUSING FOR HANDICAPPED HOMELESS PERSONS.

"(a) DEFINITION.—A project shall be considered 'permanent housing for handicapped homeless persons' if it provides community-based long-term housing and sup-

portive services for not more than 8 handicapped homeless persons. The Secretary may waive the limitation contained in the preceding sentence if the grantee demonstrates that local market conditions dictate the development of a larger project.

"(b) PROJECT DESIGN AND SITING.—Each project assisted under this subtitle shall be either a home designed solely for housing handicapped persons or dwelling units in a multifamily housing project, condominium project, or cooperative project. Not more than 1 home may be located on any 1 site and no such home may be located on a site contiguous to another site containing such a home.

"(c) TYPES OF ASSISTANCE.—A grantee may provide the following assistance to a project sponsor of permanent housing for handicapped homeless persons:

"(1) An advance not to exceed the cost of acquisition, substantial rehabilitation, or acquisition and rehabilitation of an existing structure for use as permanent housing for the handicapped homeless. The repayment of any outstanding debt owed on a loan made to purchase an existing structure shall be considered to be a cost of acquisition eligible for an advance under this paragraph if the structure was not used as permanent housing for the handicapped homeless prior to the receipt of assistance.

"(2) A grant for moderate rehabilitation of an existing structure for use as permanent housing for the handicapped homeless.

"(3) Annual payments for operating costs for permanent housing for handicapped homeless persons, (including permanent housing for handicapped homeless persons that is newly constructed with assistance provided from sources other than this Act) not to exceed 50 percent of the annual operating costs of such housing for the first year of operation, and not to exceed 25 percent of such costs for the second year of operation.

"(4) Technical assistance in—

"(A) establishing permanent housing for the handicapped homeless in an existing structure;

"(B) operating permanent housing for the handicapped homeless in existing structures and in structures that are newly constructed with assistance provided from sources other than this Act; and

"(C) providing supportive services to the residents of permanent housing for the handicapped homeless (including permanent housing for handicapped homeless persons that is newly constructed with assistance provided from sources other than this Act).

"(d) PROGRAM REQUIREMENTS.—

"(1) REQUIRED AGREEMENTS.—A grantee may approve assistance for any project under this section only if the project sponsor has agreed—

"(A) to operate the proposed project as permanent housing for the handicapped homeless for not less than 10 years;

"(B) to conduct an ongoing assessment of the supportive services required by the residents of the project;

"(C) to provide such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of supportive services to the residents of the project; and

"(D) to comply with such other terms and conditions as the Secretary or grantee may establish for purposes of carrying out this program in an effective and efficient manner.

"(2) STATE PARTICIPATION.—Each grantee providing assistance to a project under this section shall transmit to the Secretary a letter of participation from the State assuring that the State will promptly transmit assistance to the project sponsor and will facilitate the provision of necessary supportive services to the residents of the project;

"(3) OCCUPANT RENT.—Each homeless individual residing in a facility assisted under this subtitle shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

"SEC. 415. SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS.

"(a) DEFINITION.—Assistance may be considered supplemental assistance for projects assisted under sections 412 and 413 if it covers costs that are required—

"(1) to meet the special needs of homeless families with children, elderly homeless individuals, or handicapped homeless persons residing in such projects;

"(2) to facilitate the transfer and utilization of public buildings to assist homeless individuals and families; or

"(3) to provide supportive services for the homeless residing in such projects.

"(b) REQUIRED AGREEMENTS.—A grantee may approve assistance for any project under this section only if the project sponsor has certified that—

"(1) the project sponsor has made reasonable efforts to utilize all available local resources and resources available under the other provisions of this title; and

"(2) that other resources are not sufficient or are not available to carry out the purpose for which the assistance is being sought.

"(c) OUTPATIENT HEALTH SERVICES.—Not more than $10,000 of any grant or advance under this subtitle may be used for outpatient health services (excluding the cost of any rehabilitation or conversion of a structure to accommodate the provision of such services).

"(d) COORDINATION WITH SECRETARY OF HEALTH AND HUMAN SERVICES.—The Secretary of Housing and Urban Development and the Secretary of Health and Human Services shall jointly establish guidelines for determining under this section the appropriateness of proposed outpatient health services. Such guidelines shall include such provisions as are necessary to enable the Secretary of Housing and Urban Development to meet the time limits under this subtitle for the final selection of applications for assistance.

"SEC. 416. DEVELOPMENT OF ADDITIONAL APPROVED ACTIVITIES.

"The Secretary, in cooperation with grantees and other appropriate parties, shall develop additional approved activities to carry out the purposes of this title.

"Subtitle C—Section 8 Single Room Occupancy

"SEC. 421. SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCUPANCY PROVISIONS.

"(a) USE OF FUNDS.—The amounts made available under this subtitle shall be used only in connection with the moderate rehabilitation of housing described in section 8 of the United States Housing Act of 1937 for occupancy by homeless individuals, except that such amounts may be used in connection with the moderate rehabilitation of efficiency units if the building owner agrees to pay the additional cost of rehabilitating and operating such units.

"(b) ALLOCATION.—The amounts made available under this subtitle shall be allocated by the Secretary among approvable applications to the applicant public housing agencies that best demonstrate a need for the assistance under this section and the ability to undertake and carry out a program to be assisted under this subtitle. To be considered for assistance under this section, an applicant shall submit to the Secretary a proposal containing—

"(1) a description of the size and characteristics of the population within the applicant's jurisdiction that would occupy single room occupancy dwellings;

"(2) a listing of additional commitments from public and private sources that the applicant might be able to provide in connection with the program;

"(3) an inventory of suitable housing stock to be rehabilitated with such assistance; and

"(4) a description of the interest that has been expressed by builders, developers, and others (including profit and nonprofit organizations) in participating in the program.

No single city or urban county shall be eligible to receive more than 10 percent of the assistance made available under this subtitle.

"(c) FIRE AND SAFETY IMPROVEMENTS.—Each rental credit contract entered into with the authority provided under this subtitle shall require the installation of a sprinkler system that protects all major spaces, hard wired smoke detectors, and such other fire and safety improvements as may be required by State or local law. For purposes of this subsection, the term 'major spaces' means hallways, large common areas, and other areas specified in local fire, building, or safety codes.

"(d) COST LIMITATION.—

"(1) The total cost of rehabilitation that may be compensated for in a rental credit contract entered into with the authority provided under this subtitle shall not exceed $14,000 per unit, plus the expenditures required by subsection (d).

"(2) The Secretary shall increase the limitation contained in paragraph (1) by an amount the Secretary determines is reasonable and necessary to accommodate special local conditions, including—

"(A) high construction costs; or

"(B) stringent fire or building codes.

"(3) The Secretary shall increase the limitation in paragraph (1) on October 1 of each year by an amount necessary to take into account increases in construction costs during the previous 12-month period.

"(e) CONTRACT REQUIREMENTS.—Each contract for annual contributions entered into with a public housing agency to obligate the authority made available under this subtitle shall—

"(1) commit the Secretary to make such authority available to the public housing agency for an aggregate period of 10 years, and require that any amendments increasing such authority shall be available for the remainder of such 10-year period;

"(2) provide the Secretary with the option to renew the contract for an additional period of 10 years, subject to the availability of appropriations; and

"(3) provide that, notwithstanding any other provision of law, first priority for occupancy of housing rehabilitated under this subtitle shall be given to homeless individuals.

"SEC. 422. INCREASE IN BUDGET AUTHORITY.

"The budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(e)(2) of such Act is authorized to be increased by $50,000,000 on or after October 1, 1989, and by $52,452,000 on or after October 1, 1990.".

SEC. 532. DEFINITION OF "HOMELESS PERSON".

Section 103(a) of the Stewart B. McKinney Homeless Assistance Act is amended by adding after "homeless individual" the following: "or homeless person".

SEC. 533. TRANSITIONAL RULE.

Notwithstanding section 404(a) of the Stewart B. McKinney Homeless Assistance Act (as amended by section 531, during the period not to exceed 1 year following the enactment of this Act, the Secretary is authorized to allocate homeless assistance made available under such Act in accordance with regulations in effect on January 1, 1989, to the extent determined by the Secretary to be necessary to provide for orderly transition to the regulations issued under such section.

SEC. 534. CONFORMING AMENDMENT.

That part of the table of contents of the Stewart B. McKinney Homeless Assistance Act that relates to title IV of such Act is amended to read as follows:

"TITLE IV—HOUSING ASSISTANCE

"Subtitle A—General Provisions

"Sec. 401. Purpose.
"Sec. 402. Definitions.
"Sec. 403. General authority.
"Sec. 404. Allocation formula.
"Sec. 405. Discretionary allocation.
"Sec. 406. Responsibilities of grantees and project sponsors.
"Sec. 407. Administrative provisions.
"Sec. 408. Authorization of appropriations.
"Sec. 409. Reports to Congress.

"Subtitle B—Approved Activities.

"Sec. 411. Homelessness prevention.
"Sec. 412. Emergency shelter.
"Sec. 413. Transitional housing for the homeless.
"Sec. 414. Permanent housing for handicapped homeless persons.
"Sec. 415. Supplemental assistance for facilities to assist the homeless.
"Sec. 416. Development of additional approved activities.

"Subtitle C—Section 8 Single Room Occupancy

"Sec. 421. Section 8 single room occupancy provisions.
"Sec. 422. Increase in budget authority.".

TITLE VI—PUBLIC AND INDIAN HOUSING

SEC. 601. PURPOSE.

The purpose of this title is—

(1) to modernize the Nation's stock of low-income public and Indian housing and provide operating assistance needed for such housing to be a suitable living environment;

(2) to develop future public housing in small projects and with an appropriate income mix so as to permit such housing to be incorporated with local communities and to require lower levels of long-term operating assistance;

(3) to make adequate provisions for one-for-one replacement of any public housing dwelling units that are demolished, sold to tenants or otherwise disposed of;

(4) to establish Project Independence to help families with children living in public housing gain better access to jobs and educational opportunities;

(5) to establish the National Commission on Severely Distressed Public Housing to provide a national action plan to eliminate unfit living conditions in the most troubled public housing projects by the year 2000.

Subtitle A—Public Housing Development

SEC. 611. DEVELOPMENT AND RECONSTRUCTION OF PUBLIC HOUSING.

(a) GENERAL AUTHORITY.—Section 5(a)(2) of the United States Housing Act of 1937, is amended by striking "public housing projects" in the first sentence and inserting the following: "(A) new public housing developed or reconstructed in accordance with subsection (j), or (B) replacement public housing developed in accordance with subsection (k)."

(b) DEVELOPMENT.—Section 5(j) of the United States Housing Act of 1937 is amended to read as follows:

"(j)(1) The Secretary shall use contributions made available under subsection (a)(2)(A) to develop public housing.

"(2) Notwithstanding section 16, public housing developed under this subsection shall serve very low-income families except that a public housing agency may make available up to 25 percent of the dwelling units in any project for occupancy by low-income families.

"(3) Public housing developed under this subsection shall be designed to accommodate, through the development of adequate common space, any special service needs of the categories of tenants (including families with children, elderly persons, persons with functional or other disabilities) reasonably expected to reside in such projects.

"(4) Except for public housing that is intended to serve elderly persons, public housing projects developed under this subsection shall not—

"(A) contain more than 100 dwelling units; or

"(B) be designed as a high-rise elevator project.

The Secretary may waive one or more of the limitations specified in this paragraph if the Secretary determines the waiver is justified by local conditions.

"(5) The Secretary shall reserve funds for the development of public housing under this subsection only if—

"(A) the Secretary determines that such funds are required to complete the development of dwelling units for which amounts have been obligated under this section;

"(B) the public housing agency certifies to the Secretary that not less than 85 percent of the public housing dwelling units of the public housing agency—

"(i) are maintained in substantial compliance with the housing quality standards established by the Secretary under section 8;

"(ii) will be so maintained upon completion of modernization for which funding has been awarded; or

"(iii) will be so maintained upon completion of modernization for which applications are pending that have been submitted in good faith under section 14 (or a comparable State or local government program) and that there is a reasonable expectation, as determined by the Secretary in writing, that the applications would be approved;

"(C) the public housing agency certifies that such development—

"(i) will replace dwelling units that are lost through redesign of units; or

"(ii) is required to comply with court orders or directions of the Secretary;

"(D) the public housing agency certifies that it has demands for family housing not satisfied by the rental assistance programs established in section 8; or

"(E) the Secretary makes such reservation under paragraph (6).

"(6) Notwithstanding any other provision of law, not more than 20 percent of the funds appropriated for development of public housing may also be committed by the Secretary for the substantial redesign, reconstruction, or redevelopment of existing public housing projects or units, which work shall be carried out pursuant to the rules and regulations applicable to the development of public housing.".

(c) TECHNICAL AMENDMENT.—Section 6 of the United States Housing Act of 1937, is amended by striking subsection (j) and redesignating subsections (k) through (m) as (j) through (l).

SEC. 612. REPLACEMENT HOUSING.

(a) Section 5 of the United States Housing Act of 1937, is amended—

(1) by redesignating subsections (k) and (l) as subsections (l) and (m) respectively; and

(2) by inserting the following after subsection (j):

"(k) The Secretary shall use contributions made available under subsection (a)(2)(B) to develop new public housing to replace public housing lost through disposition or demolition in accordance with section 18 or sale to tenants in accordance with section 21. Public housing developed under this subsection shall comply with the requirements specified under paragraphs (2), (3) and (4) of subsection (j).".

(b)(1) Section 18(c)(2) of the United States Housing Act of 1937 is amended by adding at the end the following: "As part of each annual budget request for the Department of Housing and Urban Development, the Secretary shall transmit to the Congress a report—

"(A) outlining the commitments the Secretary entered into during the preceding year to fund plans approved under subsection (b)(3); and

"(B) specifying, by fiscal year, the budget authority required to carry out the commitments specified in paragraph (A).".

(2) Section 18(c)(3) of the United States Housing Act is repealed.

(c) Section 21(a)(3) of the United States Housing Act of 1937 is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(2) by inserting after subparagraph (A) the following new subparagraph:

"(B) As part of each annual budget request for the Department of Housing and Urban Development, the Secretary shall transmit to the Congress a report—

"(i) outlining the commitments the Secretary entered into during the preceding year to fund plans submitted in accordance with subparagraph (A)(iv); and

"(ii) specifying, by fiscal year, the budget authority required to carry out the commitments specified in clause (i).".

Subtitle B—Authorizations

SEC. 621. AUTHORIZATION OF OPERATING SUBSIDIES.

Section 9(c) of the United States Housing Act of 1937, is amended to read as follows:

"(c) There are authorized to be appropriated for purposes of providing annual contributions under this section $1,800,000,000 for fiscal year 1990 and $1,877,400,000 for fiscal year 1991.".

SEC. 622. AUTHORIZATION OF PUBLIC HOUSING DEVELOPMENT, INDIAN HOUSING DEVELOPMENT AND THE COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 5(c)(6) of the United States Housing Act of 1937 is amended by adding at the end the following new sentence: "The aggregate amount of budget

authority that may be obligated for grants for public housing and for comprehensive improvement assistance is increased (to the extent approved in appropriations Acts) by $2,353,950,000 on October 1, 1989, and by $2,457,740,000 on October 1, 1990".

(b) ANNUAL PROGRAM AUTHORIZATIONS.—Section 5(c)(7) of the United States Housing Act of 1937, is amended to read as follows:

"(7)(A) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1990, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for public housing grants under subsection (a)(2), not more than $453,950,000 of which amount not more than $94,125,000 shall be available for Indian housing;

"(ii) for comprehensive improvement assistance grants under section 14, not more than $1,900,000,000.

"(B) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1991, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for public housing grants under subsection (a)(2), not more than $476,040,000 of which amount not more than $98,705,000 shall be made available for Indian housing;

"(ii) for comprehensive improvement assistance grants under section 14, not more than $1,981,700,000.".

Subtitle C—Project Independence

SEC. 631. PURPOSE.

The purpose of this subtitle is to provide families with children living in public housing with better access to educational and employment opportunities by—

(1) developing facilities for training and support services in or near public housing;

(2) mobilizing public and private resources to expand and improve the delivery of such services; and

(3) providing transitional funding for essential training and support services that cannot otherwise be funded.

SEC. 632. PROJECT INDEPENDENCE.

Section 14 of the United States Housing Act of 1937, is amended—

(1) by redesignating subsections (j) through (m) as (k) through (n); and

(2) by inserting after subsection (i) the following new subsection:

"(j)(1) The Secretary shall make available and contract to make available assistance needed to adapt public housing to help families with children gain better access to educational and job opportunities. Assistance under this subsection shall be made available only to public housing agencies that demonstrate, to the satisfaction of the Secretary, that such assistance is necessary to accommodate the provision of supportive services that will receive support from sources other than this Act. Facilities to be assisted under this subsection shall be in or near the premises of public housing. Such assistance shall be made without regard to the requirements of subsections (c) through (h). Of the total amount of assistance approved in appropriations Acts under section 5(c), there shall be set aside to carry out this subsection $25,000,000 for fiscal year 1990, and $25,000,000 for fiscal year 1991.

"(2)(A) Assistance provided under this subsection may be used for—

"(i) the renovation, conversion, or combination of vacant dwelling units in a public housing project to create common areas to accommodate the provision of supportive services;

"(ii) the renovation of existing common areas in a public housing project to accommodate the provision of supportive services;

"(iii) the renovation of facilities located near the premises of one or more public housing projects to accommodate the provision of supportive services; and

"(iv) the transitional provision of qualifying supportive services if the public housing agency demonstrates to the satisfaction of the Secretary that—

"(I) the qualifying services are appropriate to improve the access of eligible residents to employment and educational opportunities;

"(II) the public housing agency has made diligent efforts to use or obtain other available resources to fund the designated services; and

"(III) long-term funding for the qualifying services will be available from other sources.

"(B) Assistance provided to carry out activities specified in subparagraph (A)(iv) shall be phased out over a period not to exceed 3 years.

"(3) Assistance under this subsection shall be allocated by the Secretary among approvable applications submitted by public housing agencies.

"(4) Applications for assistance under this subsection shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. Applications for assistance shall contain—

"(A) a description of the qualifying supportive services that can reasonably be expected to be made available to eligible residents over a 5-year period (or such longer period that the Secretary determines to be appropriate if assistance is provided for activities under paragraph (2)(A) that involve substantial rehabilitation);

"(B) a firm commitment of assistance from one or more sources ensuring that qualifying supportive services will be provided for not less than 1 year following the completion of activities assisted under paragraph (2)(A);

"(C) a description of public or private sources of assistance that can reasonably be expected to fund or provide qualifying supportive services for the entire period specified under subparagraph (A), including evidence of any intention to provide assistance expressed by State and local governments, private foundations, and other organizations (including profit and nonprofit organizations);

"(D) a certification from the appropriate State or local agency (as determined by the Secretary) that (i) the provision of the qualifying supportive services identified under in subparagraph (A) are well designed to provide eligible residents with better access to educational and employment opportunities, and (ii) there is a reasonable likelihood that such services will be funded or provided for the entire period specified under subparagraph (A);

"(E) a description of assistance that the public housing agency seeks under this subsection; and

"(F) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this subsection.

"(5) The Secretary shall establish selection criteria for assistance under this subsection which shall take into account—

"(A) the ability of the public housing agency or a designated service provider to provide the qualifying supportive services identified under paragraph (4)(A);

"(B) the need for such services in the public housing project;

"(C) the extent to which the envisioned renovation, conversion and combination activities are appropriate to accommodate the provision of such services;

"(D) the extent to which the public housing agency has demonstrated that such services will be provided for the period identified under paragraph (4)(A);

"(E) the extent to which the public housing agency has had a good record of maintaining and operating public housing; and

"(F) such other factors that the Secretary determines to be appropriate to ensure that funds made available under this subsection are used effectively.

"(6) The Secretary shall ensure that public housing agencies have the capacity to—

"(A) assess adequately the training and service needs of eligible residents;

"(B) coordinate the provision of services and tailor such services to the needs of eligible residents; and

"(C) seek on a continuous basis new sources of assistance to ensure long-term funding for qualifying supportive services;

The Secretary may carry out this paragraph by using amounts set aside under paragraph (1) and by permitting public housing agencies to use existing sources of funds.

"(7)(A) Each public housing agency shall submit to the Secretary, in such form and at such time as the Secretary shall prescribe, an annual progress report evaluating the use of funds made available under this subsection.

"(B) The Secretary shall submit to the Congress, not later than 120 days after the end of each fiscal year, an annual report evaluating the effectiveness of activities assisted under this subsection in such fiscal year. Such report shall summarize the progress reports submitted pursuant to subparagraph (A).

"(8) The Secretary may reserve not more than 5 percent of the amounts available in each fiscal year under this subsection to supplement grants awarded to public housing agencies under this subsection when, in the determination of the Secretary, such supplemental adjustments are required to maintain adequate levels of services to eligible residents.

"(9)(A) Each public housing agency shall, to the maximum extent practicable, employ public housing residents to provide the services assisted under this subsection or from other sources. Such persons shall be paid at a rate not less than the highest of—

"(i) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such Act applied to the resident and if he or she were not exempt under section 13 thereof;

"(ii) the State or local minimum wage for the most nearly comparable covered employment; or

"(iii) the prevailing rates of pay for persons employed in similar public occupations by the same employer.

"(B) No service provided to a public housing resident under this subsection, except for wages paid under subparagraph (A) of this section, may be treated as income for the purpose of any other program or provision of State or Federal law.

"(10) For purpose of this subsection—

"(A) the term 'eligible resident' means a person residing in public housing who—

"(i) is a single parent head of household with 1 or more children under the age of 10; and

"(ii) is economically disadvantaged within the meaning of sections 4(8) (A) and (B) of the Job Training Partnership Act;

"(B) the term 'qualifying supportive services' shall mean new or significantly expanded services that the Secretary deems essential to provide families living with children in public housing with better access to educational and employment opportunities. Such services may include but not be limited to—

"(i) child care;

"(ii) employment training and counseling;

"(iii) literacy training;

"(iv) computer skills training; and

"(v) assistance in the attainment of certificates of high school equivalency.

The public housing agency may provide such services directly to eligible residents or may, by contract or lease, provide such services through other appropriate agencies or providers.".

SEC. 633. CONFORMING AMENDMENTS.

(a) NO REDUCTION OF OPERATING SUBSIDY.—Section 9(a)(3)(B)(v) of the United States Housing Act of 1937 (as added by section 512(m) of this Act) is amended by inserting "section 14(j) of this Act or" before "section 512".

(b) BENEFITS EXCLUDED FROM INCOME.—Section 3(a) of the United States Housing Act of 1937, is amended by adding at the end the following new paragraph:

"(3) The earnings of and benefits to any public housing resident resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, section 14(j) of this Act or any comparable Federal, State or local law shall not be considered as income for the purposes of determining a limitation on the amount of rent paid by the resident during—

"(A) the period that the resident participates in such program; and

"(B) the period, not to exceed 18 months, that—

"(i) begins with the commencement of employment of the resident in the first job acquired by the person after completion of such program that is not funded by assistance under this Act; and

"(ii) ends on—

"(I) the date the resident ceases to continue employment without good cause as the Secretary shall determine; or

"(II) the expiration of the 18-month period following the commencement of the period described in clause (i), whichever event occurs first.".

Subtitle D—National Commission on Severely Distressed Public Housing

SEC. 641. PURPOSE.

The purpose of this subtitle is to establish a National Commission on Severely Distressed Public Housing—

(1) to identify those public housing projects in the Nation that are in a severe state of distress;

(2) to assess the most promising strategies to improve the condition of severely distressed public housing projects that have been implemented by public housing authorities, other Government agencies at the Federal, State, and local level, public housing tenants, and the private sector;

(3) to develop a national action plan to eliminate by the year 2000 unfit living conditions in public housing projects determined by the Commission to be severely distressed.

SEC. 642. ESTABLISHMENT OF COMMISSION.

There is established a commission to be known as the National Commission on Severely Distressed Public Housing (hereinafter in this subtitle referred to as the "Commission").

SEC. 643. MEMBERSHIP OF COMMISSION.

(a) APPOINTMENT.—(1) The Commission shall be composed of 18 members, appointed not later than 60 days after the enactment of this Act. The members shall be as follows:

(A) 6 members to be appointed by the Secretary of Housing and Urban Development;

(B) 6 members appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(C) 6 members appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

(2) The Secretary and the congressional leaders referred to in paragraph (1) shall each appoint as member of the Commission—

(A) 2 individuals who are elected public officials at the Federal, State, or local level;

(B) 2 individuals who are local public housing officials or representatives of public housing authorities with experience in eliminating unfit living conditions in severely distressed public housing projects;

(C) 1 individual who is a tenant or a representative of tenants or a tenant organization; and

(D) 1 individual who is a leader of business or labor or is a distinguished academic in the field of housing and urban development.

(c) CHAIRPERSON.—The Commission shall elect a chairperson from among members of the Commission.

(d) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(e) VOTING.—Each member of the Commission shall be entitled to 1 vote, which shall be equal to the vote of every other member of the Commission.

(f) VACANCIES.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(g) PROHIBITION ON ADDITIONAL PAY.—Members of the Commission shall serve without compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Commission.

SEC. 644. FUNCTIONS OF THE COMMISSION.

(a) IDENTIFICATION OF SEVERELY DISTRESSED PUBLIC HOUSING PROJECTS.—The Commission shall identify those public housing projects that are in a severe state of distress, giving special attention to projects that—

(1) contain more than 500 dwelling units,

(2) have vacancy rates higher than 15 percent,

(3) are occupied predominately by families with children,

(4) contain high-rise elevator structures, and

(5) meet such other criteria that the Commission determines to be evidence of unfit living conditions.

(b) EVALUATION OF ALTERNATIVE STRATEGIES.—The Commission shall assess the most promising strategies to eliminate unfit living conditions in severely distressed public housing projects that have been implemented by public housing authorities, other Government agencies at the Federal, State, and local level, public housing tenants, and the private sector. Such strategies may include but shall not be limited to—

(1) supplementary management measures;

(2) the provision of supportive services to project residents, and, if necessary, the redesign of projects to accommodate such services;

(3) the redesign of projects to reduce density and otherwise eliminate harmful design elements;

(4) the conversion of projects to mixed-income housing developments; and

(5) the total or partial demolition or disposition of projects. Evaluation of such strategies shall consider efforts to provide for replacement of public housing dwelling units that were demolished, disposed of or otherwise removed from use by low-income persons.

(c) DEVELOPMENT OF NATIONAL ACTION PLAN.—The Commission shall establish a national action plan to eliminate by the year 2000 unfit living conditions in public housing projects identified in subsection (a). The action plan shall—

(1) specify objectives that the Department of Housing and Urban Development could achieve in cooperation with public housing authorities, public housing tenants, and other interested parties;

(2) provide a schedule by which such objectives could be achieved;

(3) recommend any legislative or administrative action that is necessary to achieve such objectives;

(4) make recommendations regarding any necessary replacement of public housing; and

(5) calculate, in accordance with the schedule established above, any impact on Federal expenditures necessary to achieve such objectives.

(d) FINAL REPORT.—Not later than 10 months after the Commission is established pursuant to section 643(a), the Commission shall submit to the Secretary and to the Congress a final report which shall contain the information, evaluations, and recommendations specified above.

SEC. 645. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may, for the purpose of carrying out this subtitle, hold such hearings and sit and act at such times and places as the Commission may find advisable.

(b) RULES AND REGULATIONS.—The Commission may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, organization and personnel.

(c) ASSISTANCE FROM FEDERAL AGENCIES.—

(1) The Commission may secure directly from any department, agency, or instrumentality of the United States such data and information as the Commission may require for the purpose of this subtitle, including but not limited to comprehensive plans submitted by public housing authorities in accordance with section 14 of the United States Housing Act of 1937, and applications submitted by public housing authorities requesting funds for the major reconstruction of public housing projects in accordance with section 5 of such Act. Upon request of the Commission, any such department,

agency, or instrumentality shall furnish such data or information. The Commission may acquire data or information directly from public housing authorities to the same extent the Secretary could acquire such data or information.

(2) The General Services Administration shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request.

(3) Upon the request of the chairperson of the Commission, the Secretary of Housing and Urban Development shall, to the extent possible and subject to the discretion of the Secretary, detail any of the personnel of the Department of Housing and Urban Development, on a nonreimbursable basis, to assist the Commission in carrying out its duties under this subtitle.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(e) CONTRACTING.—The Commission may, to such extent and in such amounts as are provided in appropriations Acts, enter into contracts with private firms, institutions, and individuals for the purpose of conducting research or surveys necessary to enable the Commission to discharge its duties under this subtitle.

(f) STAFF.—(1) The Commission shall appoint an executive director of the Commission who shall be compensated at a rate fixed by the Commission, but which shall not exceed the rate established for level V of the Executive Schedule under title 5, United States Code.

(2) In addition to the executive director, the Commission may appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of title 5, United States Code, governing appointments to the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(g) ADVISORY COMMITTEE.—The Commission shall be considered an advisory committee within the meaning of the Federal Advisory Committee Act (5 U.S.C. App.).

SEC. 646. AUTHORIZATION OF APPROPRIATIONS.

Of the total amount approved in appropriations Acts under section 9(c) of the United States Housing Act of 1937, there shall be set aside to carry out this subtitle $2,000,000 for fiscal year 1990, and $1,000,000 for fiscal year 1991.

TITLE VII—RURAL HOUSING

SEC. 701. PURPOSE.

The purposes of this title are—

(1) to reaffirm the National commitment to expand homeownership and produce affordable rental housing for low-income persons in rural areas;

(2) to promote the full utilization of the section 502 program by very low-income people through the use of partially deferred mortgages; and

(3) to improve the quality of affordable housing in communities that have extremely high concentrations of poverty and substandard housing and that have been underserved by rural housing programs by directing Farmers Home Administration assistance toward designated underserved areas.

SEC. 702. PROGRAM AUTHORIZATIONS.

(a) INSURANCE AND GUARANTEE AUTHORITY.—Section 513(a)(1) of the Housing Act of 1949 is amended to read as follows:

"(a)(1) The Secretary may, to the extent approved in appropriation Acts, insure and guarantee loans under this title in aggregate amounts not to exceed $1,921,151,000 during fiscal year 1990 and $2,004,203,000 during fiscal year 1991, as follows:

"(A) For insured or guaranteed loans under section 502 on behalf of borrowers receiving assistance under section 521(a)(1) or receiving guaranteed loans pursuant to section 304 of the Housing and Community Development Act of 1987, $1,318,650,000 for fiscal year 1990 and $1,375,650,000 for fiscal year 1991.

"(B) For loans under section 504, $11,790,000 for fiscal year 1990 and $12,300,000 for fiscal year 1991.

"(C) For insured loans under section 514, $11,950,000 for fiscal year 1990 and $12,470,000 for fiscal year 1991.

"(D) For insured loans under section 515, $577,650,000 for fiscal year 1990 and $602,620,000 for fiscal year 1991.

"(E) For loans under section 523(b)(1)(B), $521,000 for fiscal year 1990 and $543,000 for fiscal year 1991.

"(F) For site loans under section 524, $590,000 for fiscal year 1990 and $620,000 for fiscal year 1991.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 513(b) of the Housing Act of 1949 is amended to read as follows:

"(b) There are authorized to be appropriated, to remain available until expended, the following amounts:

"(1) For grants under section 504, $13,013,000 for fiscal year 1990 and $13,575,000 for fiscal year 1991.

"(2) For purposes of section 509(c), $521,000 for fiscal year 1990 and $543,000 for fiscal year 1991.

"(3) Such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to—

"(A) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503; and

"(B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary.

"(4) For financial assistance under section 516, $9,903,000 for fiscal year 1990 and $10,331,000 for fiscal year 1991.

"(5) For grants under section 523(f), $8,328,000 for fiscal year 1990 and $8,688,000 for fiscal year 1991.

"(6) For grants under section 533, $19,925,000 for fiscal year 1990 and $20,786,000 for fiscal year 1991.".

(c) RENTAL ASSISTANCE PAYMENT CONTRACTS.—Section 513(c)(1) of the Housing Act of 1949 is amended to read as follows:

"(c)(1) The Secretary, to the extent approved in appropriation Acts, may enter into rental assistance payment contracts under section 521(a)(2)(A) aggregating $286,600,000 for fiscal year 1990 and $298,990,000 for fiscal year 1991.".

(d) RENTAL HOUSING LOAN AUTHORITY.—Section 515(b)(4) of the Housing Act of 1949 is amended by striking "September 30, 1989" and inserting "September 30, 1991".

(e) MUTUAL AND SELF-HELP HOUSING GRANT AND LOAN AUTHORITY.—Section 523(f) of the Housing Act of 1949 is amended by striking "September 30, 1989" and inserting "September 30, 1991".

SEC. 703. SECTION 502 DEFERRED REPAYMENT.

Section 502 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(f) AUTHORITY FOR DEFERRED REPAYMENT.—

"(1) IN GENERAL.—The Secretary may allow a borrower to defer repayment of not more than 20 percent of the principal on a loan made or insured under this section if the Secretary determines that—

"(A) the borrower resides in a State in which an average of 10 percent or more of the set-asides established in section 502(d) have not been obligated since November 30, 1983;

"(B) the deferral is necessary to enable the borrower to afford payment on the loan; and

"(C) the borrower can reasonably be expected fully to amortize the deferred principal over the remaining life of the loan.

"(2) SUBSEQUENT ADJUSTMENTS.—When the Secretary finds that a borrower deferring repayments under this subsection is able to make an increased mortgage payment in accordance with the schedules and repayment plans prescribed by the Secretary under section 502(b)(2), the Secretary shall first apply any increase in the monthly mortgage payment to repayment of deferred principal and interest on that principal and then, when the deferral is eliminated, to an increase in the interest rate payable on the loan.

"(3) INTEREST ON DEFERRED PRINCIPAL.—Interest on the deferred principal shall remain at 1 percent until the deferral has been repaid in full.".

SEC. 704. HOUSING IN UNDERSERVED AREAS.

Section 509 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(e) HOUSING IN UNDERSERVED AREAS.—

"(1) DESIGNATION OF UNDERSERVED AREA.—The Secretary shall designate as targeted underserved areas 30 counties and communities in fiscal year 1990, and 50 counties and communities in fiscal year 1991 that have severe, unmet housing needs as determined by the Secretary. A county or community shall be eligible for designation if, during the 10-year period preceding the year in which the designation is made, it has received an average annual amount of assistance under this title that is substantially lower than the average annual amount of such assistance received during that 10-year period by other counties and communities in the State that are eligible for such assistance calculated on a per capita basis, and has—

"(A) 20 percent or more of its population at or below the poverty level; and

"(B) 10 percent or more of its population in substandard housing.

As used in this paragraph, the term 'poverty level' has the same meaning as in section 102(a)(9) of the Housing and Community Development Act of 1974.

"(2) OUTREACH PROGRAM.—The Secretary shall publicize the availability to targeted underserved areas of grants and loans under this title and promote, to the maximum extent feasible, efforts to apply for those grants and loans for housing in targeted underserved areas.

"(3) SET-ASIDE FOR TARGETED UNDERSERVED AREAS.—The Secretary shall set aside and reserve for assistance in targeted underserved areas an amount equal to 1 percent in 1990 and 2 percent in fiscal 1991 of the aggregate amount of lending authority under sections 502, 504, 514, 515, and 524. During each such fiscal year, the Secretary shall set aside an amount of section 521 rental assistance that is appropriate to provide assistance with respect to the lending authority under sections 514 and 515 that is set aside for such

fiscal year. Any assistance set aside for targeted underserved areas that has not been expended by September 1 of a fiscal year shall be reallocated to other counties and communities that meet the requirements of targeted underserved areas set forth in paragraph (1).

"(4) LIST OF UNDERSERVED AREAS.—The Secretary shall publish the current list of targeted underserved areas in the Federal Register.

"(5) PROJECT PREPARATION ADVANCES.—

"(A) IN GENERAL.—In order to promote the development of affordable housing in targeted underserved areas, the Secretary is authorized to provide advances in an amount not to exceed 80 percent of any reasonable and customary costs that are—

"(i) incurred in the preparation of a preapplication for a loan under sections 502, 504, 514, 515, and 524 for housing to be located in a targeted underserved area; and

"(ii) customarily included in the amount financed under such a loan.

"(B) REPAYMENT.—Repayment shall be made from the proceeds of a loan made under this title. In the event that the loan is not approved, repayment of the advance shall begin not later than 36 months after the date on which the advance is made, and the repayment shall be on terms similar to the terms on approved loans.

"(C) GUIDELINES.—The Secretary shall establish guidelines for the project preparation advance application process. The application shall include a budget for the costs of the loan preapplication and documentation that the funds to cover preapplication costs not advanced by the Secretary or the equivalent of those funds in the form of a loan or a donation of funds or services are available to the project preparation advance applicant.

"(D) APPROVAL.—The Secretary shall approve a properly submitted application or issue a written statement indicating the reasons for disapproval not later than 60 days after the receipt of the application.

"(E) PREFERENCE.—In carrying out any program under this title, the Secretary shall give a preference to an application for assistance that has been developed with project preparation advances under this paragraph, and to an application submitted by or on behalf of a sponsor that resides in the county or community to be served by the proposed housing.

"(F) ELIGIBILITY.—For the purpose of this paragraph, an eligible applicant may be a nonprofit organization or corporation, a State, a unit of general local government, or an agency of a State or unit of general local government.".

SEC. 705. TRANSFER OF SECTION 502 INVENTORY FOR USE UNDER SECTION 515.

Section 510(e)(3) of the Housing Act of 1949 is amended—

(1) by striking "or" between "private nonprofit organizations" and "public bodies" and inserting a comma; and

(2) by inserting ", or for profit entities, which have good records of providing low-income housing under section 515" after "public bodies".

TITLE VIII—REPEALS AND CONFORMING AMENDMENTS

SEC. 801. AMENDMENT TO TITLE I OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.

(a) Section 104(c) of the Housing and Community Development Act of 1974 is amended to read as follows: "Any grant made under section 106(b) shall be made only if the unit of general local government certifies that it is following a current housing affordability strategy which has been approved by the Secretary in accordance with section 105 of the National Affordable Housing Act or a housing assistance plan which was approved by the Secretary not later than 180 days after enactment of the National Affordable Housing Act.".

SEC. 802. CONFORMING AMENDMENTS RELATING TO INVESTMENTS.

(a) AMENDMENT TO SECTION 5136 OF THE REVISED STATUTES.—Paragraph Seventh of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by striking "or" after "Federal National Mortgage Association" and inserting in lieu thereof ", the Government National HOME Corporation, or".

(b) AMENDMENTS TO THE FEDERAL HOME LOAN BANK ACT.—

(1) INVESTMENTS BY BANKS.—Section 11(h) of the Federal Home Loan Bank Act (12 U.S.C. 1431(h)) is amended by inserting "or the Government National HOME Corporation" after "Federal National Mortgage Association" the first place it appears.

(2) INVESTMENT OF RESERVES.—Section 16(a) of the Federal Home Loan Bank Act (12 U.S.C. 1436(a)) is amended by inserting "the Government National HOME Corporation," after "the Federal National Mortgage Association".

(c) HOME OWNERS' LOAN ACT.—Section 5(c)(1)(F) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)(1)(F)) is amended by inserting ", the Government National HOME Corporation" after "Federal National Mortgage Association,".

(d) GOVERNMENT CORPORATION CONTROL ACT.—Section 9101(3) of title 31, United States Code, is amended by adding at the end the following:

"(N) the Government National HOME Corporation".

SEC. 803. COMPENSATION OF HOME CORPORATION OFFICIALS.

(a) PRESIDENT.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"President, Government National HOME Corporation, Department of Housing and Urban Development.".

(b) VICE PRESIDENT.—Section 5316 of title 5, United States Code, is amended by adding at the end the following:

"Vice President, Government National HOME Corporation, Department of Housing and Urban Development.".

NATIONAL AFFORDABLE HOUSING ACT—SUMMARY OF THE CRANSTON-D'AMATO BILL

TITLE I: STATE AND LOCAL HOUSING STRATEGIES

Require each State and locality receiving assistance under this Act or CDBG to submit to the Secretary and annually update a 5-year comprehensive housing affordability strategy.

The housing strategy would be a relatively brief working document that assesses the jurisdiction's needs, indicates how those needs are affected by public policies, and explains what the jurisdiction will do to meet those needs. A strategy would be approved within a specified time period unless the Secretary finds that it does not meet the requirements of the Act.

The housing strategy substitutes for more cumbersome and less useful plans required by current law.

States and localities would be encouraged to coordinate their housing strategies where appropriate.

TITLE II: HOMEOWNERSHIP

Permit first-time homebuyers and others who have not owned a home in 3 years to use funds in their IRA's or 401(k) retirement plans for investment in a home.

Lower FHA down payments to 3 percent on the first $50,000 of the mortgage.

Lower FHA down payments to 3 percent for the entire mortgage for first-time homebuyers provided such homebuyers complete an approved financial counseling program.

Set FHA mortgage ceiling at 95 percent of the median sales price for the State, the multi-state metropolitan statistical area, or a substate area that the Secretary determines must be designated to provide moderate-income and middle-income persons with fair access to FHA insurance.

Permit the Secretary to authorize FHA insurance on ARMs with terms that are similar to those of the most widely accepted form of ARM in the market. The Secretary would have to find that the new mortgage does not involve undue default risk, either to FHA or borrowers.

Extend existing authority for the Mortgage Revenue Bond and Mortgage Credit Certificate programs through 1992.

TITLE III: INVESTMENT IN AFFORDABLE HOUSING

Give State and local government more responsibility to design and implement housing programs.

Provide States and localities with one streamlined institution, the HOME Corporation in HUD, that has both the authority to deliver the various forms of assistance needed to carry out housing strategies and the incentive to help States and localities succeed.

Develop and refine, on an ongoing basis, a selection of model programs that incorporate the most effective methods for providing affordable housing. Accelerate the use of such methods throughout the country where appropriate to achieve prudent and efficient use of federal funds. Permit jurisdictions to adopt, adapt or develop model programs as appropriate.

Housing Opportunity Partnership (HOP). Promote partnerships for affordable housing among State and local government, private industry and nonprofits.

Allocate funds partly by formula (80 percent), partly by national competition (20 percent) among participating States and localities (50/50).

Require 25 percent State or local match. The match would include cash contributions, administrative costs up to 7 percent of the HOP funds, forgone fees or taxes, or contributions of land. Contributions could be counted toward the match if they go to affordable housing or to a project that incoudes not less than 50 percent of units that qualify as affordable housing. That will permit State and local matching funds to be used to provide mixed-income housing.

Require low-income and moderate-income targeting. A jurisdiction would have to apply 40 percent of its HOP funds to units occupied by very-low-income persons, and 80 percent of its HOP funds to units occupied by lower income persons. All HOP funds would have to be used for units that qualify as affordable housing.

Each rental project assisted with HOP funds would have to have not less than 20 percent of its units occupied by very-low-income persons who are paying 30 percent of their income toward rent. Rents on the affordable units could not exceed the existing fair market rent, making all HOP assisted units available to holders of rental assistance. Mixed-income housing would be encouraged. Housing for home ownership would have to meet income and other tar-

geting requirements that Congress adopted for Nehemiah Housing Opportunity Grants.

A revolving housing investment trust fund would be established for each participating jurisdiction, with a line of credit that the jurisdiction can draw down for investment in affordable housing. Any repayments would return to the jurisdiction's trust fund for its reuse in eligible activities.

Credit Enhancement. Provide guarantees on pools of mortgages on affordable housing. Pools would be formed by States, localities, Fannie Mae, Freddie Mac, Ginnie Mae or other approved financial institution.

Capacity Development. Through contract with existing organizations, provide training and other support to develop local capacity to finance and produce affordable housing, encourage benevolent lending, and establish community development banks.

TITLE IV: AFFORDABLE RENTAL HOUSING

Preservation. Establish a new Office of Affordable Housing Preservation with responsibility for retaining affordable housing for low-income and moderate-income persons wherever feasible. The Office would be authorized to work with State and local governments to develop strategies to continue low-income affordability, particularly on federally-assisted housing. Additional incentives to extend low-income affordability will be developed during committee consideration of the Act.

Rental Assistance. Establish one form of rental assistance, "rental credits", combining the best features of Section 8 certificates and vouchers.

Allocate incremental rental credits by formula to states and localities participating in the HOP program. Those States and localities would decide the allocation of rental credits among public housing agencies. Contract administration would continue to be provided by HUD.

Provide a five-year contract term.

Require tenants to pay no more than 30 percent of their adjusted income on rent.

Give a participating State or locality some discretion to make incremental rental credits tenant-based or project-based and to adjust "fair market rents" to local conditions.

Authorize the Secretary to allocate rental credits among three major purposes: to provide incremental rental credits to assist people not now served; to renew expiring vouchers and certificates in a way that smooths the required stream of appropriations; and to preserve low-income housing with project-based assistance to avoid default on federally insured mortgages, to replace public housing units that are sold or demolished, and to continue low-income use on housing that is foreclosed or subject to prepayment.

Low-income Tax Credit. Provide permanent authority for the low-income tax credit. This bill will provide a simple extension of the credit, leaving it to the Mitchell-Danforth bill to propose needed refinements.

TITLE V: SUPPORTIVE HOUSING

Establish the position of Assistant Secretary for Supportive Housing to administer housing programs serving elderly, handicapped and homeless persons.

For the Elderly. Continue and revise an elderly housing production program (refining the current Section 202).

Provide funding through a combination of interest-free advances and project rental assistance, which would greatly reduce the budget authority required to produce a unit.

Ensure that elderly housing is designed to (1) meet the special physical needs of elderly and frail elderly persons and (2) accommodate the provision of supportive services that are tailored to the needs of elderly and frail elderly persons.

Replace the current fair market rent limitation on development costs with a standard based on local construction costs. This is designed to enable the program to operate in all areas of the country and remove the chief cause for delay in the current program.

Enable sponsors of the 50,000 units in the pipeline to take advantage of the program changes to expedite construction.

Establish a new "Project Retrofit" to enable frail elderly persons residing in federally assisted housing to live with dignity and independence.

Project Retrofit will operate on an incentive basis, making new forms of HUD assistance available only to projects that have already received assurances of supportive service funding from states, localities or other sources.

HUD assistance will include funding to: (1) retrofit individual dwelling units and renovate public and common areas to meet the special physical needs of frail elderly. persons; (2) create and rehabilitate common areas to accommodate supportive services that enhance independent living; and (3) provide transitional funding for those essential supportive services that cannot otherwise be funded.

For the Handicapped. Separate the elderly housing and handicapped housing production programs.

Focus on production, rehabilitation and acquisition of small group and independent living homes for handicapped persons.

Adopt a program design similar to that of the new elderly housing production program.

Set aside a portion of rental credits to help handicapped persons become integrated into a community's life. Distribute these credits to applicant states and localities that have strategies for providing supportive services to handicap persons.

For the Homeless. Distribute McKinney homeless funding by formula to States and localities. Give grantees the flexibility to determine how best to allocate resources among approved activities; homelessness prevention, emergency shelter, transitional housing, permanent housing for handicapped homeless persons, supplemental assistance for facilities that assist the homeless and other activities developed in cooperation with states and local government. Continue the Section 8 Single Room Occupancy (SRO) program as a separate program for the homeless administered by the federal government.

TITLE VI: PUBLIC HOUSING

Reauthorize CIAP modernization program and operating subsidies.

Create a new "Project Independence" to provide public housing residents with greater access to employment, day care, educational and other services.

Project Independence will operate on an incentive basis, making new forms of HUD assistance available only to projects that have already received assurances of supportive service funding from states, localities or other sources.

HUD assistance will include funding to: (1) develop facilities for training and support services in or near public housing; and (2) provide transitional funding for those essential training and support services that cannot otherwise be funded.

Revise the public housing construction program to restrict the size of new projects generally to less than 100 units. Permit a greater unit and income mix so that sites for public housing can be found more easily and operating subsidies can be lowered.

Establish a separate public housing development program to provide one-for-one replacement of any public housing units that are demolished or sold to tenants.

Establish a National Commission on Distressed Public Housing to: (1) identify those public housing projects that are in an extreme state of distress, (2) assess the most promising strategies that have been undertaken to improve the conditions of such projects, and (3) provide a national action plan to eliminate unfit living conditions in such projects by the year 2000.

TITLE VII: RURAL HOUSING

Reauthorize existing FmHA programs, permitting FmHA to serve very-low income families with deferred-payment mortgages under certain conditions.

Set aside FmHA loans for use in communities that have a high concentration of poverty and substandard housing and that have been underserved by FmHA.

Authorize project preparation advances to help non-profit organizations in underserved rural areas prepare affordable housing plans and applications for FmHA assistance.

BUDGETARY IMPACT

The bill is designed to stimulate significant housing activity quickly at relatively low levels of funding and to accommodate significant future funding increases.

For fiscal 1990, it provides funding over the CBO base-line as follows: $3.0 billion for the new HOP program as recommended by Rouse-Maxwell; $840 million to maintain the commitment of 100,000 incremental units of rental assistance; $110 million to fully fund the McKinney Act.

That's a total of about $4.1 billion over the CBO base-line in fiscal 1990. Adjustments for inflation would be provided for fiscal 1991.

The bill would also provide modest but important increases in other areas:

Housing for the elderly would be increased from 7,000 units to 12,000 units.

Housing for the handicapped would be increased from about 2,400 units up to 5,000 units.

Public housing modernization would be increased by about $185 million, and operating subsidies would increase by $116 million.

NATIONAL AFFORDABLE HOUSING ACT

[FY 1991 authorization levels (in thousands of dollars)]

Program	CBO baseline		Bill		Difference budget authority
	Units	Budget authority	Units	Budget authority	
HOME Corporation/HOP		0	180,000	3,129,000	3,129,000
Project retrofit/CHSP		6,000		52,150	46,150
Subtotal new programs		6.000	180,000	3,181,150	3,175,150
Elderly:					
Advance [1]		460,000		853,340	393,340
Rental	7,041	1,052,953	12,000	523,008	(529,945)
Handicapped: Rental	2,347	386,062	5,000	351,355	(34,707)
Sec. 8: Rental assistance	70,030	2,411,362	100,000	3,309,100	897,738
Preservation:					
Prop disposition	3,120	333,919	3,136	335,668	1,749
Loan management	7,411	157,972	7,450	158,797	825
Public housing	329	32,667	331	32,859	192
SRO's					
Public Housing:					
Operating costs		1,757,000		1,877,400	120,400
Modernization		1,788,586		1,981,700	193,114
Construction	4,941	372,873	5,000	377,335	4,462
Indian	1,228	96,992	1,250	98,705	1,713
Rural housing:					
Rental assistance		299,000		299,000	0
Grant programs		53,923		53,923	0
Loan authority		2,004,203		2,004,203	0
Homeless assistance		137,000		251,363	114,363
Total budget authority		11,399,382		15,741,358	4,341,976
Total units	97,700		315,512		
Total units less estimate overlap and preservation	86,840		268,595		

[1] Includes advances for elderly and handicapped housing.

NATIONAL AFFORDABLE HOUSING ACT

[FY 1990 authorization levels (in thousands of dollars)]

Program	CBO baseline		Bill		Difference budget authority
	Units	Budget authority	Units	Budget authority	
HOME Corporation/HOP		0	180,000	3,000,000	3,000,000
Project retrofit/CHSP		6,000		50,000	44,000
Subtotal new programs		6,000	180,000	3,050,000	3,044,000
Elderly:					
Advance [1]		441,000		829,400	388,400
Rental	7,077	1,009,322	12,000	481,608	(527,714)
Handicapped: Rental	2,359	370,065	5,000	328,705	(41,360)
Sec. 8: Rental assistance	70,395	2,311,443	100,000	3,155,500	844,057
Preservation:					
Prop disposition	3,136	320,083	3,136	320,083	0
Loan management	7,450	151,426	7,450	151,426	0
Public housing	331	31,313	331	31,313	0
SRO's	1,260	46,845	1,345	50,000	3,155
Public housing:					
Operating costs		1,684,000		1,800,000	116,000
Modernization		1,714,473		1,900,000	185,527
Construction	4,967	357,422	5,000	359,825	2,403
Indian	1,235	92,973	1,250	94,125	1,152
Rural housing:					
Rental assistance		287,000		287,000	0
Grant programs		51,690		51,690	0
Loan authority		1,921,151		1,921,151	
Homeless assistance		131,000		241,000	110,000
Total budget authority		10,927,206		15,052,826	4,125,620
Total units	98,210		315,512		
Total units less estimate overlap and preservation	87,293		268,595		

[1] Includes advances for elderly and handicapped housing.

NATIONAL AFFORDABLE HOUSING ACT

Mr. D'AMATO. Mr. President, I am excited that the Senate is embarking today on a legislative effort which has been 2 years in the making. The introduction of the National Affordable Housing Act is the culmination of consultation with the academic community, interest groups, and the National Housing Task Force. For as long as I have been in Congress, I have never seen such a massive groundswell of involvement in housing legislation. No one deserves more credit for this effort than my friend and colleague on the Housing Subcommittee, Senator CRANSTON.

A national tragedy is taking place around the country. Our streets, parks, and train and bus depots have become the only haven for a mass of humanity that we call the homeless. For the first time in decades, young families around the Nation are prohibited from realizing the American dream of homeownership.

The American public is becoming increasingly uncomfortable with these national tragedies. Now is the time to turn around these alarming trends.

The legislation that Senator CRANSTON and I are introducing today, the National Affordable Housing Act, aims to respond to the public demand to turn around these trends. This is an ambitious task. This legislation contains an additional $4.1 billion in budget authority to solve our housing problems—$3 billion comes from the recommendation of the Rouse-Maxwell report, "A Decent Place To Live," to create the HOP Program to produce affordable housing. The majority of the additional $1.1 billion is meeting the administration's targets of providing additional rental assistance to 100,000 more families and fully funding the McKinney Homeless Program.

This bill will address three fundamental problems: The home ownership crisis facing first-time homebuy-

ers, the lack of affordable housing for low- and moderate-income families, and the need to coordinate housing and social services for special populations like the elderly, the handicapped, and the homeless.

This legislation represents ideas that we know will work. First, these proposals aim to get Federal funding down to the State and local level in a streamlined and flexible manner. Second, the bill recognizes the vital role of the private sector—public dollars must leverage private funding. Third, nonprofit organizations must be enhanced. As we lose more and more of our housing stock, we must support groups which are committed to assisting those who are most in need.

The environment for introducing this bill could not be better. The administration is sending us a green light to move forward with the bill. Senator CRANSTON and I met with Secretary Kemp the other day to go over the bill. Although the Secretary is not in a position to make any commitments for the administration, his comments were nothing but positive. He was interested in our ideas and approaches to solving some of the housing problems. He gave us his word to work with us as we move the bill toward passage in the Senate.

Secretary Kemp is not the only one who has expressed interest in this legislation. So far, we have 28 cosponsors of the National Affordable Housing Act, including Members from both sides of the aisle. They are REIGLE, HEINZ, WARNER, MITCHELL, KERRY, GORTON, SARBANES, BINGAMAN, LAUTENBERG, SASSER, WILSON, KASTEN, KENNEDY, MIKULSKI, DIXON, REID, CHAFEE, MOYNIHAN, DODD, BURDICK, SHELBY, BUMPERS, GRAHAM, SANFORD, PELL, BRYAN, ADAMS, and SIMON. Our colleagues have been extremely responsive to our call for support.

I view the introduction of this bill as an opportunity that we cannot let slip by. I ask for the help of my colleagues in pursuing this opportunity for those families and individuals that so desperately need a boost of support.

Mr. President, I ask unanimous consent that an analysis of the bill be printed in the RECORD.

There being no objection, the analysis of the bill was ordered to be printed in the RECORD, as follows:

PROPOSED CHANGES TO ASSIST FIRST-TIME HOMEBUYERS

The first section of the bill will address a growing problem facing first-time homebuyers. In general, this section alters the FHA Mortgage Insurance Program and promotes IRAs and 401(k) programs to provide home ownership opportunities to first-time homebuyers. It is estimated that at least a half a million additional families would have been able to buy homes in 1987 if these recommendations had been in place. Specifically, we propose to:

(1) Allow IRA funds to be used to make it easier to make a downpayment.

(2) Require employers administering 401(k) plans to offer participating employees the option of using those funds for a downpayment if it is for a primary residence.

(3) Extend FHA mortgage limits. The current nationwide limit is around $101,000. We propose to eliminate a national limit and to establish a more locally oriented limit of 95% of the area median sales price of a home.

(4) Lower the downpayment required to get FHA insurance. Under existing law, FHA insures 97% of the first $25,000 of the home value and 95% of the value in excess of $25,000. Our proposal is to allow FHA to insure 97% of the first $50,000 of the home value and 95% of the value in excess of $50,000.

(5) Allow a 3% downpayment of a FHA-insured loan if the homebuyer has participated in a housing counseling program.

(6) Allow the Secretary of HUD to extend the limits on FHA insured Adjustable Rate Mortgages.

(7) Extend the Mortgage Revenue Bond program through 1992. (The current program expires at the end of 1989.)

HOUSING OPPORTUNITY PARTNERSHIP—HOP

The new HOP Program—Housing Opportunity Partnership Program—is intended to get streamlined funding down to the State and local level to rehab, acquire, and construct housing. About 20% of this funding will be allocated based on a national competition. The bulk of the funding, the remaining 80%, will be allocated by formula based on need. Our legislation provides $3 billion for this program.

All funding will require a 25% match. Housing production will be a partnership in every sense of the term.

The bill that we will initially introduce will allocate the formula funding equally—50/50—between States and localities.

While our Federal dollars will be allocated to those who are most in need, this program will aim to promote more livable, mixed income housing. One lesson that we have certainly learned from the 1960s and 1970s is that concentrated numbers of very poor people in badly designed highrise buildings is a step in the wrong direction. These projects create environments that are infested with crime and drugs. Families living in the projects and the surrounding area fear for the lives of their families as well as for themselves. Without rapid action, we will institutionalize slums around the Nation.

Our legislation turns this trend around by allowing States and localities to construct mixed income, livable projects as long as Federal funding is targeted only for those units that are occupied by low-income families—80% of all HOP funds must be targeted for families with an income below 80% of the area median income; 40% of these funds must be targeted even lower, to families below 50% of the area median income. However, HOP funds may be applied to a broader income project—one which allows for economic and social diversity, and one which promotes decency and safety.

SUPPORTIVE HOUSING

This legislation will establish the positions of Assistant Secretary for Supportive Housing to administer housing programs serving elderly, handicapped and homeless persons.

For the Elderly: The legislations aims to allow senior citizens to live independently and with dignity. The bill reforms the 202 elderly program (1) to insure that housing is designed to meet the special needs that accompany frailness and aging and, (2) to accommodate unfunded supportive services such as health care, transportation, and meals. $50 million will be provided to meet this goal with the creation of a new program called "Project Retrofit."

For the Handicapped: The legislation aims to provide disabled individuals the opportunity to integrate into a community's life. Specifically, the 202 handicapped program is reformed to focus on the production of group homes. In addition, the legislation provides a small set aside of rental assistance to allow disabled individuals to choose their own living environment and, potentially, to be more integrated into the mainstream life of a neighborhood.

For the Homeless: The bill responds to the Administration's request to fully fund the McKinney Homeless Assistance Act. Currently, only $160 million has been appropriated to provide housing for the homeless under this Act. This new legislation will provided a total of $291 million in streamlined funding to states and localities. The current system of 5 categorical programs would be simplified into a flexible block grant, a mechanism much better suited to meet the urgency that is associated with homelessness.

Provisions affecting public housing aim to turn around tends of dependency and family disintegration. The legislation promotes independence and self-sufficiency. In addition, it confronts the disasterous issue of domestic terrorism—the fear and indecency that families face on a daily basis in the highrise slums around the country.

The legislation provides approximately $300 million in new BA to sustain public housing. Recent reports indicate that $20 billion is needed just to put our public housing in workable, decent, and safe condition.

$25 million out of the CIAP (Comprehensive Initiatives Assistance Program) is provided to create a new program called "Project Independence." The program will aim to provide public housing residents with greater access to employment, day care, educational and other services.

Instead of maintaining the current income mix for public housing (95% to those families with an income below 50% of the area median income and 5% to those between 50-80-% of the area median income), the income mix is slightly broadened to avoid such a heavy concentration of very poor people. The income mix is adjusted to 75% at 50% of the area median income or below and 25% to those between 50-80%.

The legislation begins the attack on Domestic Terrorism. The bill establishes a National Commission on Distressed Public Housing to: (1) identify those public housing projects that are in an extreme state of distress, (2) assess the most promising strategies that have been undertaken to improve the conditions of such projects, (3) establish an action plan to achieve the greatest feasible improvement by the year 2,000 in the living conditions of such projects.

RURAL HOUSING

The National Affordable Housing Act ("The Act") will extend authority for low-income housing assistance with incentives to expend assistance in areas that have been underserved by the Farmers Home Administration (FmHA). Because FmHA housing assistance is widely understood to be effective, the Act will concentrate on reaffirming and strengthening current policies rather than on proposing major departures.

The bill reauthorizes existing FmHA programs for two more years at such sums as appropriated.

The legislation will enable Farmer's Home to serve very low-income-families living in high cost areas. The Act will authorize FmHA to defer the repayment of some part of the principal on Section 502 homeownership loans to very-low-income families.

The bill sets aside FmHA loan authority of 1 percent and 2 percent in FY90 and FY91 for use in underserved communities that have a high concentration of poverty and substandard housing.

The bill expands the supply of affordable housing in rural areas through the HOP program. Rural communities will be eligible to receive assistance through the HOP program, A program providing housing production funding to cities and States around the Nation.

Mr. SANFORD. Mr. President, I rise today to express my support for the National Affordable Housing Act introduced by Senators CRANSTON and D'AMATO. While I support the increased Federal housing assistance provided by the bill, I object to the absence of additional housing funds for rural programs sponsored by the Farmers Home Administration. I intend to encourage a reevaluation of the allocation of funding to ensure that rural housing receives the funding it so desperately needs and deserves.

Nonetheless, I am pleased that the act establishes a comprehensive Federal approach to the housing needs of the country, and I look forward to working with my distinguished colleagues to ensure that the housing needs of rural America are responsibly addressed by the legislation.

Through a 2-year review of Federal housing programs, intensive hearings, and an active dialog between the Congress and the Nation's major housing organizations, Senators CRANSTON and D'AMATO have fashioned a bill that represents the national consensus on the Federal role in housing. I commend Senators CRANSTON and D'AMATO, along with the experts at MIT and the national housing task force, for their tireless efforts on this important piece of legislation.

The need for an active Federal role in housing assistance is clear. Millions of Americans live in substandard housing units with little or no indoor plumbing, crumbling foundations, and inadequate heating. Millions of Americans exist in overcrowded dwellings, and still more Americans pay beyond their means for modest shelter.

During the next 5 years, over 300,000 units of HUD assisted housing will become eligible for prepayment, placing a tremendous strain on the already short supply of low-income housing. Also, much of the existing public housing needs immediate rehabilitation. First-time homebuyers face tremendous obstacles to homeownership, and the ever-increasing homeless population cannot find any shelter at all.

The National Affordable Housing Act addresses these serious problems in a responsible manner. To aid State and local housing efforts, the bill creates the "HOME Corporation" within HUD, a one-stop agency for a variety of assistance to expand the supply of affordable housing. This Corporation will distribute funds to States and localities who develop effective housing programs. The HOME Corporation will facilitate the development of a public/private/nonprofit partnership to construct affordable housing.

The bill improves homeownership affordability by lowering the required downpayment for FHA mortgages and by allowing first-time homebuyers to use funds invested in individual retirement accounts and 401(k) plans for downpayments. I believe that the Sasser first-time homebuyer bill also provides effective proposals in this area.

In addition, the Cranston-D'Amato Act creates an office of housing preservation within HUD to address the serious decline in the Nation's housing stock. This proposal is particularly important to encourage the preservation of housing units that are threatened both by prepayment and by general wear and tear.

To meet the needs of the elderly, the handicapped, the homeless, and very-low-income families with children, the legislation creates an office of supportive housing and directs funds toward special needs housing construction. The legislation also reauthorizes the public housing programs administered by HUD and creates a new form of rental assistance.

The Federal housing role outlined by the Cranston-D'Amato Act is indeed a comprehensive and long-needed approach to the housing needs of the Nation. However, the Congress must be careful not to limit the focus of the legislation on the desperate and obvious plight of the urban homeless and the urban poor. Instead we must concentrate on the needs of the Nation as a whole. Any comprehensive housing bill must devote a fair share of its funds and its attention to the needs of rural America.

I commend Senators CRANSTON and D'AMATO for including a section of the bill on rural housing programs. However, the scope of this section must be expanded to provide the level of assistance merited by rural housing needs.

According to the national housing task force, some 4.3 million low-income households, who live in small towns and rural areas, have a serious housing problem. Approximately 2 million rural households live in substandard housing, generally without adequate plumbing. Over 200 nonmetropolitan counties in this country have poverty rates above 20 percent and substandard housing rates above 10 percent.

In the face of this dramatic need, the budget for Federal rural housing programs has been reduced by approximately 50 percent since fiscal year 1985. Section 502 homeownership loans have been reduced from $2.3 to $1.26 billion while rural rental housing loans have fallen from $940 to $550 million. These dramatic cuts have created a tremendous backlog of demand for rural housing assistance. In fiscal year 1988, FmHA determined that 100,000 single family housing loans were eligible for assistance, yet because of limited funds, only 35,000 could be approved. Demand for rural rental housing is equally great. FmHA has on hand close to $1.5 billion in section 515 loan applications which would be approved if funding was available.

The rural housing programs administered by the Farmers Home Administration are some of the most effective Federal housing programs. Low-default rates and efficient administration have helped these programs become some of the most effective, low-cost housing programs for low- and moderate-income individuals.

On the basis of these facts, I strongly support increased Federal housing assistance to rural areas. The rural component of the Cranston-D'Amato Act must be broadened to fairly reflect the demonstrated need in rural areas. Because of the wide use of low-cost, manufactured housing in rural areas, the bill must also incorporate this important housing resource into its components.

The National Affordable Housing Act takes an important step forward in providing effective Federal assistance toward housing. By improving the quality of Federal housing programs, encouraging public/private/nonprofit partnerships, building upon the housing resources of States and localities, and providing for the special needs of the elderly, the handicapped, the homeless, and the rural poor, the bill provides a long-awaited, comprehensive approach to the housing needs of the Nation.

I believe, as a part of this legislation, that we must commit to provide significant additional funds, beyond the levels currently appropriated for HUD, in order to ensure that the HOME Corporation and the other key components of this bill receive adequate funding. I look forward to working with Senators CRANSTON and D'AMATO to create effective legislation that meets the housing needs of all urban and rural individuals.

Mr. RIEGLE. Mr. President, I rise today in strong support and as an original cosponsor of the National Affordable Housing Act, S. 565, and I want to take this opportunity to commend Senator CRANSTON and Senator

D'AMATO for the leadership they have demonstrated in this area.

Mr. President, for 50 years the Federal Government along with the State and local governments and the American housing industry have collaborated to make America the best housed Nation in the world. It is a partnership that has worked well.

Yet, recent statistics tell us that the dream of home ownership for many Americans is becoming more and more difficult to achieve. The number of homelessness individuals is rising in practically every community in our country. Young families are finding it increasingly difficult to save enough for a down payment either because their incomes are not keeping pace with escalating home prices or because they have to devote 50 percent or more of their incomes to pay the rent.

The National Affordable Housing Act reasserts the leadership role of the Federal Government in promoting public/private partnerships to create new housing opportunities for all Americans. Through the creation of the HOME Corporation and the HOP Program the bill will give State and local governments more flexibility in meeting local needs and designing affordable housing. In addition, the bill seeks to retain affordable housing for low and moderate income individuals by establishing a new Office of Affordable Housing Preservation.

The bill also provides needed assistance to first time home buyers. If enacted, S. 565 would extend the Mortgage Revenue Bond and the Mortgage Credit for 3 years and would allow individuals to use their IRA's for investment in a home. Both of these provisions are similar to legislation I have sponsored in the 100th and 101st Congress.

Lastly, the bill would create a new position of Assistant Secretary for Supportive Housing within the Department of Housing and Urban Development. The new assistant secretary will be responsible for administering housing programs which target the special needs of the elderly, handicapped, the homeless, and families with young children.

The National Affordable Housing Act is a comprehensive blueprint for a new housing policy during the 1990's and beyond. It is my hope that my colleagues in the Senate will take time from their busy schedules to review the provisions of this very important legislation and will join with us to develop a workable solution to the unmet housing needs in our country.

Mr. WILSON. Mr. President, I rise today as a cosponsor of the important housing legislation just introduced by my colleagues from California and New York, Mr. CRANSTON and Mr. D'AMATO. I believe that the object of their bill, to allow first-time homebuyers and people who have not owned a home for at least 3 years easier entry into the housing market, is both timely and crucial to raising the quality of life throughout our country.

There are two major impediments to those who wish to enter the housing market. The first is interest rates, and I plan to work with my colleagues to lower our Federal deficit and, thus, lessen the pressure on our financial markets. Clearly, the greatest benefits to the housing industry would be accrued by falling interest rates.

The second great impediment to new homebuyers is saving enough money to get over the down payment hurdle. Accruing enough funds to cover 10 percent or more of a home's cost is frightfully difficult. This legislation creates a new program within the Department of Housing and Urban Development which would allow such buyers to use funds in their Individual Retirement Accounts or 401(k) retirement plans for investment in a home. The bill also lowers FHA down payments to 3 percent on the first $50,000 of the mortgage, and lowers such down payments to 3 percent for the entire mortgage for first-time homebuyers provided such homebuyers complete an approved financial counseling program.

Some would argue that buying a home obviates the purpose of a retirement plan. Yet, I would respond by saying that there are few better ways to plan for one's retirement than by investing in a home. Clearly, the Federal Government should do all we can to promote homeownership for first-time homebuyers, and this legislation is a good start.

However, it is only a start. I believe that the amount of Federal funds authorized for the program is too high, given our budget deficit, the current HUD budget, and how those moneys are appropriated. To put it simply, the Federal Government cannot afford to spend an additional $4.1 billion on this program without reviewing the entire HUD budget and lessening our Federal commitment to programs which simply are not as successful as this one may be.

In sum, Mr. President, I applaud my colleagues' efforts in this area. The introduction of this bill must lay the groundwork for a thorough review of the housing budget given our Federal budget constraints. I look forward to working with my colleagues in this effort, and to ensure that first-time homebuyers in California are able to use this program to its full extent.

Mr. KERRY. Mr. President, I am pleased to join Senators CRANSTON and D'AMATO as an original cosponsor of the National Affordable Housing Act and commend them for their tireless efforts over the last 2 years in bringing us to the point we are at today.

The legislation being introduced today presents to us with the most significant opportunity to revitalize America's housing policy in this decade. The bill is vitally important, not only for what it says and for the programs it establishes, but also for what it stands for. The bill acknowledges and reaffirms the Federal Government's role and responsibility as the leader in providing decent, safe, and affordable housing for our Nation's citizens, and provides a framework from which we can build a new national housing policy.

The last few years have witnessed a retrenchment of the status of housing as a national priority and a breach of the obligation we as a government made to our citizens in the 1940's. This retrenchment and breach have occurred at a significant cost, and there is absolutely no doubt that we are currently facing a crisis in housing. While the number of people, particularly children, living in poverty continues to increase, the supply of decent and affordable housing continues to decrease. Homelessness is on the rise with more and more families with children counted among the ranks of the homeless. One of the primary causes of our new nation of homeless is the lack of affordable housing.

While homelessness is increasing, homeownership is declining and we are witnessing an ever growing population of young adults who cannot bridge the downpayment hurdle and fulfill lifetime dreams of owning their own homes. Rents have increased 16 percent faster than prices in general and now stand at their highest levels in two decades. Sixteen million renters pay more than 30 percent of their incomes for rent, while a significant number of households pay as much as 40 or 50 percent of their incomes for rent.

Mr. President, the legislation we are introducing today will serve as a viable starting point for a new era in housing—the establishment of a housing policy for the 1990's. The bill preserves the best of what we've done to date, so as not to reinvent the wheel, and looks ahead to the future with innovation and creativity.

During the last session of Congress, I introduced the Housing Preservation Act, a bill that also sought to reaffirm our national commitment to housing, and I am especially pleased that the legislation being introduced today builds on my proposal, particularly with respect to the State, local and private sector housing partnership model, but also in terms of the commitment for a heightened emphasis on public housing modernization and operating subsidies.

I have consistently stressed the importance of preserving and maintaining our existing housing stock while we seize upon the ideas and innovations occuring at the State and local

levels and within the private sector and to make Federal policy more supportive of partnership initiatives such as the Boston and Massachusetts Housing Partnerships.

I am delighted, therefore, that this bill not only follows that premise, but takes the idea further by establishing the HOME Corporation—a new one-stop office in HUD—to administer the Housing Opportunity Partnership Program and to facilitate the interchange of existing partnership ideas and models.

I am also pleased with the steps the bill takes toward encouraging homeownership, particularly for first-time homebuyers. This is an idea of housing to which I have given a great deal of thought. I believe that we can and should do all that we can to help these young people fulfill the American dream of owning their own homes. I look forward to sharing my thoughts and proposals with Senator CRANSTON and my colleagues on the committee as work proceeds on this measure.

The housing crisis was not created overnight and we cannot expect that it will be solved overnight or with a single piece of legislation. By the same token, there is no single housing problem in American today, but rather, a series of interconnected problems that confront a wide range of households. Efforts to solve our dismal housing conditions will require a great deal of work—not only from those of us within the Congress—but essentially from each and every one of us who cares about housing.

Although throughout this process we cannot lose sight of our budget deficit and the constraints that the deficit imposes, we can, however, begin to take those steps that not only acknowledge the problem, but also initiate the process of finding a solution.

We must ask ourselves whether we are willing to abandon the goals which have guided this Nation for half a century. Does it matter that we cannot provide a decent place to live for all Americans? Do we care whether our children, and their children, will have the same opportunities to share in the American dream that we have had? If we do, then there is no more important priority on our national agenda than housing.

Mr. President, I commend my colleagues for their efforts on this measure and I look forward to working with them as we move toward a new era in housing—a housing policy for the 1990's.

Mr. President, I have a letter of congratulations to Senator CRANSTON from Boston Mayor Raymond Flynn. Mayor Flynn, a champion of the homeless and a person who is acutely aware of our Nation's housing needs also serves as the chairman of the United States Conference of Mayors' Task Force on Hunger and Homelessness. I ask unanimous consent that Mayor Flynn's letter be inserted in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CITY OF BOSTON, MA,
OFFICE OF THE MAYOR,
March 15, 1989.

Senator ALAN CRANSTON,
Chairman, Subcommittee on Housing and Urban Affairs, Washington, DC.

DEAR SENATOR CRANSTON: As Chairman of the United States Conference of Mayors' Task Force on Hunger and Homelessness, let me offer my congratulations to Senator D'Amato and yourself on your introduction of the "National Affordable Housing Act of 1989", a bill which would put the federal government back into the business of helping to preserve the housing we have and produce the housing we need.

This bill would be a major boost to the many creative housing partnerships that have sprung up in Boston and around the country and I hope that this bill, along with Representative Gonzalez' bill, H.R. 1180, will swiftly pass each chamber so that the best provisions of each bill can be included in a bold new approach to end homelessness and expand housing and homeownership options for all.

I am pleased to see that Senator John Kerry of Massachusetts, a member of your committee, is a co-sponsor of your bill and I know that he joins me in inviting you to hold one of your hearings in Boston so that your committee can see for themselves how successful housing partnerships—involving government, the private sector, labor, the clergy and the community—can help us return to our national goal of safe, decent and affordable housing for all Americans.

I look forward to working with you on this major initiative.

Sincerely,

RAYMOND L. FLYNN.

Mr. SARBANES. Mr. President, I am pleased to join as an original cosponsor of the National Affordable Housing Act.

This landmark housing legislation is the product of a nationwide review of national housing policy initiated by Senators ALAN CRANSTON and ALFONSE D'AMATO, the chairman and ranking member of the Housing Subcommittee of the Senate Banking Committee. I want to congratulate Senators CRANSTON and D'AMATO for bringing us to this historic point and to recognize their outstanding efforts to review national housing policy, to establish the National Housing Task Force, and other activities that have contributed over the past 2 years to the national housing debate.

I believe the National Affordable Housing Act will help shape housing policy for many years to come, and I am hopeful that the enactment of this important legislation will restore our commitment to the 1949 Housing Act goal of "a decent and suitable living environment for every American family * * *." We've made a lot of progress in this country in the last 50 years since President Roosevelt noted that one-third of the Nation was ill-nourished, ill-clad, and ill-housed. These gains have been possible because Federal programs and policies developed under eight Presidents have encouraged homeownership, provided affordable public and private housing for the poor, and addressed the housing needs of special populations.

Of course, these gains in housing our citizens would not have taken place without the significant contributions of public and private organizations that plan, build, finance, and maintain that housing.

Although we have made significant progress in housing our citizens over the past 50 years, there are still millions of American families with serious housing problems—and some of these problems are getting worse. The homeownership rate has been declining in recent years. The number of low-income households that pay more than 50 percent of income of rent has almost doubled, which reflects a disturbing trend as the supply of low-rent units declines, while the number of low-income households has increased.

The homeless population is increasing, and we have just received new information from HUD that homeless families with children continue to represent an even greater portion of the shelter population. The supply of low and moderately priced housing is dwindling, and there are extraordinarily long waiting lists for public housing. At the same time that housing problems are getting worse, there have been dramatic cutbacks in Federal housing programs during the past 8 years.

A number of groups and individuals from the public, private, and nonprofit sectors have attempted to address the worsening housing crisis—many with remarkable success. However, it is clear that all of these efforts cannot meet the need without a revitalized Federal role.

We were fortunate to have as a starting point for developing this legislation the valuable recommendations of the National Housing Policy Task Force that was chaired by Jim Rouse and FNMA Chairman David Maxwell. The task force report clearly demonstrated the crisis in affordable housing and established the need for bold new legislation. It also helped build a national consensus of groups and individuals from a broad range of housing interests in support of a renewed Federal commitment to housing.

Enactment of the National Affordable Housing Act will establish a national housing policy that recognizes the need for a joint effort involving Federal, State, and local governments and private organizations and individuals, including nonprofit groups, to reverse the severe decline in affordable housing.

Mr. SASSER. Mr. President, I am pleased to join today as a cosponsor of the National Affordable Housing Act, a bill introduced by Senators CRANSTON and D'AMATO that will completely rewrite our Nation's housing laws.

Our Nation is facing a housing crisis that is worsening every day. The evidence is plain to see: the rising numbers of homeless on our Nation's streets and the decreasing number of individuals able to afford to buy their first home.

This bill will address these issues and more. It will make significant strides toward making decent and affordable housing available to all Americans. In this regard, I commend Senator CRANSTON and Senator D'AMATO for the hard work and dedication in drafting this important legislation.

Mr. President, I am particularly pleased that the key provisions of this bill relating to homeownership are derived from legislation that I crafted last year.

In May of 1988, Senator HEINZ and I introduced the Homeownership Assistance Act. This bill greatly enhances the ability of the Federal Housing Administration to meet the needs of primarily first-time homebuyers. If enacted, it will greatly expand the opportunities of young Americans to own their own homes.

Mr. President, I am afraid that homeownership — a fundamental American ideal—is a dream that is fading fast for millions of young families. In the 1980's, for the first time in history, homeownership has decreased. In particular, homeownership for persons between the ages of 25 and 30 has dropped 20 percent.

Young people that are unable to buy homes are remaining renters. This bids up the price of rental housing. In turn, higher rents are having a devastating impact on poor families and exacerbating the homeless problem.

Importantly, Mr. President, the Homeownership Assistance Act will provide millions of Americans new opportunities to buy homes without increasing Federal spending. Indeed, the Sasser-Heinz bill will likely have a positive impact on Federal revenues, and work to reduce the budget deficit.

We propose an expansion of several existing credit programs of the Federal Housing Administration [FHA]—a proven program, with a proven track record.

Mr. President, this expansion of FHA is fully consistent with the recommendations of the Blue Ribbon National Housing Task Force. The task force thoroughly researched the capability of the FHA to embark on this course. It found that the FHA could and should initiate these new programs.

The key provision of the Sasser bill, that's included in the bill that Senator CRANSTON is introducing today, is the one that grants the FHA the ability to insure 97 percent of the entire home valuation for first-time homebuyers. This is a significant lessening of the downpayment required to buy a home.

Studies increasingly show that accumulating the necessary downpayment is the greatest impediment to young people in owning their own home. Indeed, many families today are paying a level of rent that is more than adequate to make a monthly mortgage payment.

In Chattanooga, in my home State of Tennessee, there are families living in public housing that are paying approximately $600 per month in rent. They've been paying that level of rent religiously for years.

Mr. President, those families, and families like them across America, should be living in homes that they own.

Mr. President, there are other significant provisions in the Sasser-Heinz bill—which incidentally has 15 cosponsors in the Senate and 57 in the House. For all homebuyers, the bill would lower downpayments and permit FHA to insure 97 percent of the first $50,000 of a home's value, and 95 percent of the balance. This compares to 97 percent of the first $25,000, and 95 percent of the balance, under existing law.

Now, I know that concerns exist, and they are well founded, about the level of defaults that could occur with downpayments as low as 3 percent. To cut down potential defaults, the Sasser bill includes a provision that requires potential first-time homebuyers to undergo financial counseling. Thus, they will know exactly what they are getting into, and how much they can anticipate in monthly payments. Studies have shown that such counseling is very effective in averting defaults.

The bill also authorizes FHA to insure adjustable rate mortgages [ARM's] that are comparable to ARM's that have already been accepted by consumers in the conventional mortgage market. Certain types of ARM's have proved of great assistance to homebuyers in decreasing monthly costs in the early years of the mortgage, and in enabling buyers to qualify for the loan. FHA will now be able to insure such ARM's.

Importantly, the bill increases the FHA mortgage limit in high-cost areas so that all Americans can have equal access to FHA no matter where they live. Presently, the FHA is limited in the mortgage amount it can insure in so-called high-cost areas.

Under the bill, the FHA will be able to insure 95 percent of the median priced homes in an area. Thus, young families will have a shot at purchasing something close to the average priced home everywhere in the United States through the FHA.

Now, there is one provision that was in my bill that is not in Senator CRANSTON's proposal—this relates to manufactured housing. However, I am pleased that Senator CRANSTON has agreed to work with me on this issue, and hopefully we will include provisions on manufactured housing in the final legislation.

It is high time that we recognize that manufactured homes offer a relatively low cost yet safe and sound housing alternative for potential young homebuyers. This is particularly true in rural areas.

Mr. President, I have the distinction of being one Senator that must look at the housing issue from two different committee perspectives. First, I am a member of the Housing and Urban Affairs Subcommittee of the Banking Committee. Just about all of my preceding comments are from that perspective.

But second, and more importantly, as chairman of the Senate Budget Committee, I must look at the housing issue in the context of our present fiscal situation. In this regard, I must say to the distinguished chairman of the Housing Subcommittee, that I want to work with him closely.

Housing is a critical need. It deserves maximum priority on our spending agenda. However, whether the programs called for in this bill can be accommodated in view of our deficit reduction needs is another question.

As an aside at this point, Mr. President, I might say the the Congressional Budget Office has estimated that the Sasser-Heinz bill will actually make money for the Federal Government.

However, many of the well-thought-out and much-needed programs contained in Senator CRANSTON's housing bill could have a significant impact on Federal revenues. In particular, the individual housing account and the permanent extension of the low-income housing credit.

And the Housing Opportunity Program would be $3 billion in additional budget authority in fiscal year 1990. Other programs would cost an additional $1 billion. This is problematic when we are looking at potentially deep cuts in other social programs in order to meet the deficit reduction targets in fiscal year 1990.

However, I believe that housing programs have been neglected for too long, have served as the scapegoat, and been the vehicle, for massive budget cuts.

As chairman of the Budget Committee, my colleagues can count on me to work closely with all the members of the Banking Committee and Housing Subcommittee to find room in the Federal budget for a necessary new housing initiative. Mr. President, again

29-059 O-90-6 (Pt. 4)

my compliments to Senators CRANSTON and D'AMATO. I yield the floor.

Mr. LAUTENBERG. Mr. President, I am pleased to join my colleagues, Senator CRANSTON and Senator D'AMATO, as an original cosponsor of the National Affordable Housing Act.

Mr. President, it is time to make housing a national priority. The need for action could hardly be more clear. Homelessness is increasing dramatically. Homeownership rates are declining. And many areas of the country, including New Jersey, are suffering from severe shortages of affordable housing.

Unfortunately, despite the pressing needs, the Federal Government has spent much of the last decade pushing housing problems under the rug. Spending for housing programs has declined by over 70 percent. New construction of public housing has been virtually eliminated. And many housing projects have been allowed to deteriorate into almost uninhabitable conditions.

As a member of the Appropriations Subcommittee that funds housing programs, I have spent much of the past 6 years fighting for adequate housing funding. But it hasn't been easy. The Reagan administration's strong opposition to housing programs not only meant drastic budget cuts, but a HUD bureaucracy that became increasingly unresponsive to housing needs. The Bush budget, I would add, also fails to face up to the real housing needs of the country. This neglect cannot be allowed to continue.

Federal neglect has meant that the housing needs of the poor are simply not being met. But the problem goes well beyond the poor.

Today we see homeless people who have full-time jobs—but not enough income to pay rent. We see families and children on the streets who only recently lived in comfortable, middle class neighborhoods. We see working Americans who never even considered the possibility of homelessness suddenly facing hard times, without shelter.

Beyond the problem of homelessness is a parallel problem: the declining rate of homeownership, particularly among the young. Today's generation of young adults—even those with substantial incomes—are increasingly incapable of buying a home. Costs are going through the roof. In many parts of New Jersey, you can't buy even the most modest home for less than $100,000. In Bergen County, the average price of a new home is about $350,000.

Unless we do something about it, the American dream of homeownership for average Americans will become just that: a dream.

Finding a decent place to rent is also getting increasingly difficult. The average rent for a two-bedroom apartment in New Jersey is over $600. How can average working Americans afford that, and still have funds left over to provide for their family and save for their retirement or their children's college education? The answer is: they can't.

Mr. President, this bill is not going to solve all these problems. But it's an important first step. It would expand homeownership opportunities by, for example, allowing withdrawals from retirement plans for downpayments and extending the mortgage revenue bond program. It also would lift the existing $101,250 cap under the FHA home mortgage insurance program—a cap that has greatly limited the usefulness of the program in high cost areas like New Jersey.

The bill also would authorize significant new investments in affordable housing. Funds would be distributed to States and localities, which could tailor housing programs to meet the unique needs in their jurisdictions. At the same time, it ensures that assistance will largely be targeted to those with the greatest need.

Other provisions in the bill would: First, reauthorize public housing programs; second, establish an office on preservation of low-income housing; third, improve programs for seniors, the handicapped, and the homeless; fourth, permanently authorize the low-income housing tax credit; and fifth, encourage the development of State and local housing strategies.

Mr. President, I decided to become an original cosponsor of this bill because we need to reinvigorate national housing policy. That's not to say this bill is perfect. I look forward to the comments of housing advocates on ways to strengthen and improve the bill.

I want to congratulate Senators CRANSTON and D'AMATO for their outstanding leadership in putting this bill together, and for placing housing on the national agenda. I know it has not been easy.

Mr. President, housing is one of the most basic of human needs. Increasingly, it's a need that is not being met. The time has come to do something about it.

By Mr. BOREN:

S. 567. A bill to amend the Internal Revenue Code of 1986; to allow income from the sale of certain used automobiles to be computed on the installment sales method, and for other purposes; to the Committee on Finance.

INSTALLMENT SALES OF CERTAIN USED AUTOMOBILES

● Mr. BOREN. Mr. President. I am today introducing the Small Automobile Dealer Installment Sales Act. This legislation is designed to correct an unfortunate oversight in the 1987 Omnibus Budget Reconciliation Act [OBRA].

OBRA was passed in the closing hours of the first session of the 100th Congress. It incorporated many amendments to the Internal Revenue Code, including one which repealed a method of accounting which for over 60 years permitted dealers in personal property, such as used automobiles, to report taxable income as installment payments were made by purchasers of the automobiles. The theory of the repeal of the dealer installment method of accounting was set forth in the report of the Senate Finance Committee (Rept. No. 100-63, December 1987, p. 145) as follows:

> The current taxation of sales of inventory for notes receivable does not create the significant cash flow problems that the installment method is designed to alleviate because a business is generally able to finance receivables.

Unfortunately, this assumption has not proven correct. That fact has been brought to my attention by extensive communication from individual dealers, the Oklahoma Independent Automobile Dealers Association and the National Independent Automobile Dealers Association.

Most dealers selling used automobiles cannot as a practical matter sell the installment paper they issue. That is because many banks are not interested in this paper and other financial institutions either are not interested, or charge exorbitant discounts ranging as high as 50 percent. Such as charge erodes all profits from from the transaction. It threatens dealers who depend on such sales with bankruptcy. It often eliminates the possibility of consumers being able to purchase automobiles essential for their job and family needs.

Mr. President, many independent used automobile dealers and some new car dealers self-finance the sale of used automobiles to consumers. Thus they make it possible for moderate and low income consumers to obtain cars where bank financing is not available. The average sales price of these cars is about $5,000. Most banks and finance companies are not interested in buying this paper. But now, a dealer in Oklahoma or elsewhere, selling a used car on the installment plan, must under the tax provisions of the 1987 Act pay federal income taxes on 100 percent of the income when the transaction is agreed to, even though the dealer will not actually receive the income from the consumer for several years. The result is an extraordinary burden on small business. It results in an interest free loan from small business to the U.S. Government. As a member of the Committee on Small Business, as well as the Finance Committee, I recognize the contributions small business makes to this country in new jobs, new markets and new technology. Small business is the

heart of our economy and we must not unfairly burden it.

Section 10202 of OBRA was an unfortunate oversight by Congress. It should be remedied as it applies to the sale of older automobiles, before thousands of small dealers are forced out of business and consumers are unable to afford essential transportation. The legislation I am introducing today affects the smallest of the small. The National Independent Automobile Dealers Association reports that the average net worth of its members was around $250,000. As a result virtually all NIADA members qualify as small business under Small Business Administration definitions.

This legislation deals only with automobiles, products which are a necessity, not a luxury. People who can pay cash, or have revolving lines of credit, are generally not affected. It is low- and moderate-income consumers who require basic transportation that will benefit from this legislation.

The changes in the installment method which were enacted in 1987 also create competitive disadvantages for small dealers. Large dealers who have established relationships with finance companies or banks, or who are better capitalized, may be able to complete installment sales, or sell the paper at a reasonable discount. But small independent dealers do not have this type of capitalization or such relationships with financial institutions. They therefore must forego sales and are thus placed at a competitive disadvantage.

Finally, Mr. President, it is important to note that the repeal of the dealer installment sales provision of the code will not generate significant new revenues for the Government. Nor will the restoration of the provision, as provided in my legislation, cause any significant revenue loss. Most installment notes are not more than 3 years in length. The tax is paid by the dealer when the consumer pays the note. There is only a temporary deferral of income tax to the Federal Government. No permanent loss of revenue of any kind is involved. In fact, by facilitating transactions which might otherwise not take place, restoration of the installment method as provided in the Small Automobile Dealers Installment Sales Act will actually increase revenues to the Federal Government. It will also assist many small businesses which are facing severe economic problems this year because of this change.

The provisions of this legislation are quite simple. The bill would restore the use of the installment method of accounting for retail sales of used automobiles, by licensed used automobile dealers, when the car sold is more than 3 years old and is sold for $6,000 or less. Dealers would be required to pay interest under section 453A(c) of the Code, as in the case of sales of other products which we have permitted to continue under the installment method.

I ask unanimous consent that the text of my legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. INSTALLMENT METHOD OF ACCOUNTING APPLICABLE TO RETAIL SALES OF USED AUTOMOBILES.

(a) IN GENERAL.—Paragraph (2) of section 453(l) of the Internal Revenue Code of 1986 (relating to exceptions to dealer dispositions) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) RETAIL SALES OF USED AUTOMOBILES.—

"(i) IN GENERAL.—Any qualified used automobile dispositions if—

"(I) the face amount of all obligations of the taxpayer which arise from such dispositions during the taxable year, and are outstanding as of the close of the taxable year, do not exceed $2,000,000, and

"(II) the taxpayer elects to have the provisions of section 453A(c) apply to obligations arising from such dispositions, except that for purposes of such section the applicable percentage shall be 100 percent.

"(ii) QUALIFIED USED AUTOMOBILE DISPOSITIONS.—For purposes of clause (i), the term 'qualified used automobile disposition' means any disposition of a used automobile in the ordinary course of the taxpayer's trade or business if—

"(I) the taxpayer is a licensed used automobile dealer,

"(II) the automobile is more than 3 years old at the time of the disposition,

"(III) the sales price of such automobile is not greater than $6,000, and

"(IV) any installment obligation arising from such disposition has a term (including extensions) of not greater than 36 months and arises solely from such disposition.

"(iii) AGGREGATION RULES.—Except as provided in regulations, all persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as 1 person for purposes of this subparagraph."

(b) CONFORMING AMENDMENT.—Section 453A(b) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULE FOR USED AUTOMOBILES.—An installment obligation shall not be treated as described in paragraph (1) if it arises from a qualified used automobile disposition (within the meaning of section 453(l)(2)(C)(ii))."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after December 31, 1987.●

By Mr. PELL (for himself, Mr. HATCH, Mrs. KASSEBAUM, Mr. DODD, Mr. KENNEDY, Mr. COCHRAN, Mr. MATSUNAGA, Mr. THURMOND, Mr. SIMON, and Mr. METZENBAUM):

S. 568. A bill entitled the "Stafford Student Loan Default Prevention and Management Act of 1989"; ordered placed on the calendar.

STAFFORD STUDENT LOAN DEFAULT PREVENTION AND MANAGEMENT ACT

Mr. PELL. Mr. President, I rise to urge my colleagues to join me in supporting immediate passage of the Stafford Student Loan Default Prevention and Management Act of 1989.

This is critically important legislation, designed to bring the very serious problem of loan defaults under control. This bill was unanimously passed by the Senate last September.

To my mind, we would be remiss if we did not approve this bill again early in this Congress. The reason is clear: The cost of defaults to the Federal Government is intolerably high, and will, I fear, become even more unacceptable if left unattended. Estimates indicate that the cost of defaults to the American taxpayer could well reach $1.6 billion this year. This is a situation that must be remedied, for if untouched, the default problem could well threaten the viability of our entire Federal student aid effort.

The Stafford Student Loan Default Prevention and Management Act of 1989 takes action on several fronts in order to deal with the default problem.

It provides in law, for instance, language specifying the way in which a default rate is to be calculated. Today, we do not have a common base of information. As a result, we do not know the breadth and depth of the problem we face. This change will rectify that situation.

For any institution of higher education, for any lender, and for any guaranty agency that has a default rate in excess of 25 percent, this legislation requires the development and implementation of a default management plan. The plan includes the steps an agency, school, or lending institution may be required to take to deal more effectively with loan defaults.

Among those steps are the following: more comprehensive counseling of students on loan obligations; improved collection procedures; additional training of personnel to administer loan programs; and better program audits and reviews. Failure to implement and operate the plan in good faith would result in the removal of eligibility to participate in all Federal student aid programs.

In addition, a guaranty agency would have the authority to recommend to the Secretary of Education the initiation of limitation, suspension, and termination proceedings if an institution or a lender does not achieve a default rate of less than 25 percent after 3 years of operating a default management plan.

The fact that our legislation deals with guaranty agencies, lenders, institutions of higher education, and borrowers is significant. Each plays a vital

role in the program and each benefits from its provisions.

For instance, institutions must wait until first time students have been enrolled for 30 days before cashing loan checks. Thus, if a student dropped out during this period, the uncashed check would be returned to the lender and the Federal Government would no longer be at risk. Among the new provisions asked of lenders would be the requirement that the lender determine the creditworthiness of the borrower before a PLUS loan is made. If the lender determines that the borrower has a negative credit history, the lender can either deny the loan or require the borrower to find a creditworthy cosigner. Students, when applying for a loan, would be required to submit a driver's license number and the name and address of next of kin.

Further, the legislation requires that credit bureaus be notified when a student is 90 days delinquent in loan payments; current law does not specify period of time when this notification is to take place. Academic transcripts would be withheld from defaulters, except in cases where such action would prevent the borrower from obtaining employment and being able to repay the loan. If an institution loses its accreditation, it cannot again become eligible for Federal student aid program participation for at least 2 years, thus preventing a school from seeking approval from another accrediting agency in order to remain eligible for Federal student aid funds.

This bill also gives the Secretary of Education the authority to require refunds in cases where an institution has misrepresented its educational program to students. Under this authority the Federal Government would first be reimbursed for whatever Federal education funds went for tuition and fees. Reimbursement of any additional funds would then go to help students repay their guaranteed loans.

There are also some important changes in needs analysis for both the Pell grant and the Stafford Loan Program. For families with incomes of less than $30,000, we would eliminate the consideration of home, farm and small business equity.

This is very important to alleviate the situation where escalating home values make students ineligible for grant and loan assistance, even though their parents do not have sufficient income to borrow against the value of the home and also repay a private loan. This is a particular problem in my home State of Rhode Island where vastly increased home values have driven otherwise deserving students out of grant and loan program eligibility.

This provision is equally important for hard-pressed farm families. Because of the depressed farm economy, farmers often find themselves unable to borrow against the value of their land and then be able to repay the loan.

The bill also reduces from 70 percent to 50 percent the amount of income dependent students would be expected to use for their education. We have found that the 70 percent is simply too rigid a requirement, and one which throws otherwise deserving, eligible students out of loan eligibility. It even discourages students from working to help finance a part of their college education.

Finally, the bill contains changes in the board of the Student Loan Marketing Association, changes that would have the effect of expanding public stockholder participation in the affairs of Sallie Mae. Changes are also made in the law regarding the multiple data entry processors for the Pell Grant Program. These changes are designed to open competition in the system and to produce economies that will save money.

Mr. President, this is an important piece of legislation, and I would urge its immediate passage.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 568

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Stafford Student Loan Default Prevention and Management Act of 1989".

SEC. 2. TABLE OF CONTENTS.

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—DEFAULT MANAGEMENT

Sec. 101. Default management plans required.

TITLE II—IMPROVED STAFFORD STUDENT LOAN COLLECTION PROVISIONS

Sec. 201. Provision of financial aid transcripts.
Sec. 202. Repayment notice to borrower.
Sec. 203. Notice by lender of sale of loan.
Sec. 204. Guaranty agency prohibition on the sale of certain Stafford student loan lists.
Sec. 205. Guaranty agency use of State licensing board information.
Sec. 206. Special limitation on the deferment of payment of principal and interest on PLUS loans.
Sec. 207. Credit checks and cosigners for PLUS loans.
Sec. 208. Administrative fee for SLS loans and for PLUS loans.
Sec. 209. Loan consolidation limitation.
Sec. 210. Additional requirements with respect to disbursement and endorsement of Stafford student loans.
Sec. 211. Extended collection demonstration program.
Sec. 212. Credit bureaus.
Sec. 213. Eligible lender notice on delinquent loans required.
Sec. 214. Additional borrower information required.
Sec. 215. Ability to benefit.
Sec. 216. Exit interview information.
Sec. 217. Disclosure of State licensing requirements.
Sec. 218. Withholding of transcripts from defaulting borrowers.
Sec. 219. Restrictions on institutional promotional activities.
Sec. 220. Academic year definition.
Sec. 221. Limitation, suspension, and termination on account of contractors.
Sec. 222. Study of discharge of Stafford student loans in bankruptcy.

TITLE III—FEDERAL RESPONSIBILITIES

Sec. 301. Administrative provisions relating to the reduction of default.
Sec. 302. Regulations for institutional disclosure of borrower records.
Sec. 303. Effect of loss of accreditation.
Sec. 304. Special accreditation rules.
Sec. 305. Eligible institution accreditation rule.
Sec. 306. Toll-free consumer hotline.
Sec. 307. National student loan data system.
Sec. 308. Tuition refunds.

TITLE IV—AMENDMENTS TO THE NEEDS ANALYSIS PROVISIONS

Sec. 401. Definition of independent student.
Sec. 402. Modification to computation of contributions.
Sec. 403. Student contribution modification.
Sec. 404. Prevention of double counting of income in asset computations.
Sec. 405. Needs analysis financial aid administrator adjustments.
Sec. 406. Treatment of veterans benefits.
Sec. 407. Treatment of nonliquid assets.

TITLE V—OTHER HIGHER EDUCATION AMENDMENTS

Sec. 501. Pell grant program amendment.
Sec. 502. Subsidized employment modification under work-study.
Sec. 503. Student loan internship deferments.
Sec. 504. Student loan marketing association amendments.
Sec. 505. Forms and regulations.
Sec. 506. Reallocation of returned SEOG funds to institutions located in natural disaster areas.
Sec. 507. Lender of last resort.
Sec. 508. Perkins loan program amendment.
Sec. 509. Peace Corps, Vista, and tax-exempt organization service encouraged.
Sec. 510. Data on deferments and cancellations.
Sec. 511. Special grants to consortia for the benefit of historically Black colleges.
Sec. 512. Audit provision.

TITLE VI—EFFECTIVE DATES

Sec. 601. Effective date rule.

TITLE I—DEFAULT MANAGEMENT

SEC. 101. DEFAULT MANAGEMENT PLANS REQUIRED.

(a) DEFAULT MANAGEMENT PLAN.—Part B of title IV of the Higher Education Act of 1965 (hereafter in this Act referred to as the "Act") is amended by inserting after section 430A the following new section:

"DEFAULT MANAGEMENT PLAN

"SEC. 430B. (a) GUARANTY AGENCY DEFAULT MANAGEMENT PLAN REQUIRED.—(1)(A) The Secretary shall determine the default rate

in accordance with the provisions of subsection (e) for each guaranty agency. Each guaranty agency which the Secretary determines has a default rate in excess of 25 percent shall develop and carry out a default management plan in accordance with the provisions of this section.

"(B) Each guaranty agency which is in the highest 5 percent by volume of defaulted student loans measured by dollar value, as published by the Secretary in accordance with section 432A(a)(2)(B), shall be subject to a program review conducted by the Secretary. If the Secretary determines that the default management practices of the guaranty agency substantially contribute to the high dollar value default of student loans, the Secretary shall develop and implement a default management plan for such guaranty agency.

"(2)(A) The Secretary may, in any default management plan required by paragraph (1) of this subsection, require the guaranty agency to carry out any or all of the default management provisions set forth in subparagraph (B). The default management provisions selected for inclusion in the default management plan shall be based upon the results of an evaluation of operations conducted by the Secretary.

"(B) The default management provisions to which subparagraph (A) relate are—

"(i) mandatory preclaims assistance;

"(ii) mandatory supplemental preclaims assistance for default prevention;

"(iii) development and distribution of default management materials;

"(iv) additional training in the administration of the programs under part B of this title;

"(v) training of school personnel on default prevention;

"(vi) training of lender personnel on default prevention;

"(vii) waiver of program review regulations so that the guaranty agency can focus on eligible institutions and lenders with excessive default rates; and

"(viii) collection of additional information from borrowers.

"(C) The Secretary, with the agreement of the guaranty agency, may require other measures designed to increase the collection of Stafford student loans, particularly measures appropriate to the communities served by the guaranty agency subject to the default management plan.

"(b) ELIGIBLE LENDER AND ELIGIBLE INSTITUTION DEFAULT MANAGEMENT PLAN REQUIRED.—(1)(A) The Secretary shall determine the default rate, in accordance with subsection (e), for each eligible lender and for each eligible institution. Each eligible lender and each eligible institution which has a default rate in excess of 25 percent calculated in accordance with subsection (e) shall develop and implement a default management plan with the designated State guaranty agency for the State in which such lender or institution is located.

"(B) Each eligible institution which has a high default rate measured by dollar value, as determined by the Secretary, and which is in the highest 5 percent by dollar value of defaulted student loans, as published by the Secretary in accordance with section 432A(a)(2)(B), shall be subject to an evaluation of operations conducted by the designated State guaranty agency for the State in which such lender or institution is located. If such guaranty agency determines that the default management practices of the lender or institution substantially contribute to the high dollar value default of student loans, the guaranty agency shall develop and implement a default management plan for such lender or institution.

"(C) No eligible lender and no eligible institution is subject to subparagraph (A) unless the lender or institution has at least 25 loans that are in default in the fiscal year for which the determination is made.

"(D) The Secretary shall require the designated guaranty agency for each State to require each eligible lender and each eligible institution located within the State described in subparagraph (A) to develop and implement a default management plan.

"(E) Each designated guaranty agency for a State may transfer the responsibilities for carrying out this section to another guaranty agency whenever the other guaranty agency guarantees a significant portion of loans for the eligible lender or eligible institution which is the subject of the default management plan. Whenever there is significant multi-State activity by any lender, the Secretary shall determine each party which will carry out the responsibilities of this section, except that, in the case of the Student Loan Marketing Association, the Secretary shall carry out the responsibilities of the guaranty agency under this section.

"(2)(A) The Secretary shall require the designated guaranty agency for a State to require each eligible lender subject to a default management plan to carry out any or all of the default management provisions set forth in subparagraph (B). The default management provisions selected for inclusion in the default management plan shall be based upon the results of an evaluation of operations conducted by the guaranty agency.

"(B) The default management provisions to which subparagraph (A) applies are—

"(i) additional training in the administration of the programs under part B of this title;

"(ii) development of personal financial planning materials to be used in counseling borrowers on planning for repayment of Stafford Loans;

"(iii) establishment of a loan repayment lenders hot line under which borrowers may receive information relating to the repayment status of the student loan, deferments, forbearances, and other rights and responsibilities under the Stafford Loan program;

"(iv) development of information readily understood by the average student relating to forbearance, deferments, and consolidation opportunities;

"(v) provision of additional services, including collection and skip-tracing activities, relating to loans held by the lender in any case in which the borrower cannot be found;

"(vi) provisions for the eligible lender to collect additional information from borrowers, but which may not be required to be a part of the loan application;

"(vii) additional program reviews or audits relating to the performance of responsibilities under the Stafford student loan program;

"(viii) provisions requiring loans to be multiply disbursed regardless of program length; and

"(ix) provisions for technical assistance to be furnished by the State guaranty agency or its designee.

"(C) The designated guaranty agency, with the agreement of the lender, may require other measures designed to increase the collection of student loans, particularly measures which are appropriate to the eligible lender subject to the default management plan.

"(3)(A) The Secretary shall require each designated guaranty agency for a State to require each eligible institution to which a default management plan applies to carry out any or all of the default management provisions set forth in subparagraph (B). The default management provisions selected for inclusion in the default management plan shall be based upon the results of an evaluation of operations conducted by the guaranty agency.

"(B) The default management provisions to which subparagraph (A) applies are—

"(i) additional training in the administration of the programs under part B of this title;

"(ii) provisions requiring that an eligible institution take necessary action, including reporting information on new addresses of student borrowers, for students who are delinquent or in default within 45 days of the notification of delinquency or default;

"(iii) provisions for technical assistance in the operation of Stafford student loan programs to be provided by the guaranty agency or its designee;

"(iv) provisions for entrance interviews for student borrowers to be conducted by the eligible institution;

"(v) provisions for enhanced information sharing with the guaranty agency;

"(vi) provisions for an independent audit of the operation of the student financial aid programs under part B of this title of the eligible institution;

"(vii) provisions requiring that the eligible institutional verification required by section 484(f) of this Act on student loan eligibility data be increased up to 100 percent of such verification;

"(viii) provisions requiring that the eligible institution collect additional information from borrowers;

"(ix) periodic reporting on the status of students receiving aid under part B of this title at the eligible institution;

"(x) provisions for an eligible institution to furnish the guaranty agency with information on student admissions procedures, withdrawals, and placement rates; and

"(xi) provisions to prevent loan defaults by altering student aid packaging policies at the institution.

"(C) The designated guaranty agency, with the agreement of the institution, may require other measures designed to increase the collection of student loans, particularly measures which are appropriate for the eligible institution subject to the default management plan.

"(c) PROCEDURAL REQUIREMENTS.—(1) Each default management plan required by this section shall be developed not later than 120 days after the Secretary or the guaranty agency, as the case may be, determines that such a plan is required pursuant to subsection (a) or subsection (b), as the case may be. Each such default plan shall be for a period of 3 years.

"(2) Each default management plan which is developed during the first fiscal year after the date of enactment of the Stafford Student Loan Default Prevention and Management Act of 1988 shall be based upon an initial determination of the default rate in accordance with subsection (e)(5)(B).

"(3) Whenever a guaranty agency, an eligible lender, or an eligible institution notifies the Secretary that—

"(A) the action of the Secretary, or of a guaranty agency, in requiring a default management plan under this section is arbitrary, or

"(B) in carrying out the enforcement provisions of this section and the determination of eligibility under sections 435(j), 435(d), and 435(a) of this Act with respect to a default management plan, the action of the Secretary or a guaranty agency is arbitrary, the Secretary shall afford the guaranty agency, the eligible lender, or the eligible institution, as the case may be, notice and opportunity for a hearing.

"(d) ENFORCEMENT PROCEDURES.—(1) If any eligible institution or eligible lender fails to substantially comply with the default management plan to which such institution or lender is subject—

"(A) the Secretary shall initiate a limitation, suspension, or termination proceeding under section 487(c)(1)(D) with respect to an eligible institution's eligibility to participate in the program under part B of this title, or

"(B) the Secretary, through the appropriate guaranty agency, shall initiate a limitation, suspension, or termination proceeding under section 428(b)(1)(U) with respect to an eligible lender's eligibility to participate in the program under part B of this title.

"(2) If any eligible institution or eligible lender fails to reduce the default rate below 25 percent within 3 years after entering into a default management plan under this section—

"(A) the Secretary, upon the recommendation of the appropriate guaranty agency, shall initiate a limitation, suspension, or termination proceeding under section 487(c)(1)(D) with respect to an eligible institution's eligibility to participate in the program under part B of this title, or

"(B) the Secretary, upon the recommendation of the appropriate guaranty agency, through the appropriate guaranty agency, shall initiate a limitation, suspension, or termination proceeding under section 428(b)(1)(U) with respect to an eligible lender's eligibility to participate in the program under part B of this title.

"(3) If any eligible institution or eligible lender fails to drop the default rate below 25 percent within 3 years after entering into a default management plan under this section, and is not subject to subparagraph (A) or (B) of paragraph (2), such an eligible institution or eligible lender shall enter into a new default management plan in accordance with the provisions of this section.

"(4) Each guaranty agency, in considering the recommendation authorized under paragraph (2)(A), shall take into account—

"(A) the progress made by the institution in reducing the number or dollar value of defaulted loans in each of the 3 years covered by the default management plan;

"(B) the employment status of the borrower at the time the defaults occurred;

"(C) the socio-economic status of the students served by the institution as indicated by the Pell Grant eligibility index of those student borrowers in default;

"(D) the presence of significant numbers of ability-to-benefit students among the borrowers in default and a demonstrated institutional record of successfully educating or training such students; and

"(E) the economic health and general state of employment in the region.

"(e) CALCULATION OF DEFAULT RATE.—(1) For the purpose of this section, the Secretary shall prescribe the method of calculating the default rate in accordance with paragraphs (2) through (7).

"(2) The default rate shall be expressed as a percentage for the subject fiscal year, determined by dividing—

"(A) the total original principal amount of loans which entered repayment in the fiscal year for which the determination is made and on which reinsurance claims are filed in the fiscal year for which the determination is made plus the 2 succeeding fiscal years; by

"(B) the total principal outstanding on loans in repayment which entered repayment in the fiscal year for which the determination is made.

"(3) The default rate for a subject fiscal year calculated under paragraph (2) shall be further modified by averaging the default rate calculated for the fiscal year, the default rate calculated for the fiscal year preceding the fiscal year for which the determination is made, and the default rate for the second preceding fiscal year for which the determination is made.

"(4) The Secretary shall calculate the default rate for guaranty agencies, for eligible lenders, and for eligible institutions.

"(5)(A) The Secretary shall calculate the default rate for fiscal year 1986, and for each succeeding fiscal year.

"(B) For the first year after the date of enactment of this section, the Secretary shall calculate the default rate in accordance with paragraphs (2) and (3) with such modifications as the Secretary determines may be necessary. In carrying out the provisions of this subparagraph, the Secretary may average 2 fiscal years for the default rate for such first year calculation.

"(6) In calculating the default rate in accordance with this subsection, the Secretary shall—

"(A) delete from the calculation described in paragraph (2)(A) the amount of loans in default that return to repayment status; and

"(B) with respect to the default rate for an eligible institution, include only loans attributable to the institution which the student attended when the loan was made.

"(7) The Secretary shall, whenever data is unavailable, make necessary estimates consistent with the provisions of this subsection to carry out the provisions of this subsection.

"(f) DEFINITION.—For the purpose of this section, the term 'eligible lender' includes the holder of the loan.".

(b) CONFORMING AMENDMENTS.—(1) Section 435(j) of the Act is amended—

(A) by inserting "(1) IN GENERAL.—" before "The"; and

(B) by adding at the end thereof the following new paragraph:

"(2) DISQUALIFICATION FOR FAILURE TO DEVELOP DEFAULT MANAGEMENT PLAN.—The term 'guaranty agency' does not include any such agency which fails or refuses to develop a default management plan in accordance with section 430B.".

(2) Section 435(d) of the Act is amended by inserting after paragraph (5) the following new paragraph:

"(6) DISQUALIFICATION FOR FAILURE TO DEVELOP DEFAULT MANAGEMENT PLAN.—The term 'eligible lender' does not include any such lender which fails or refuses to develop a default management plan in accordance with section 430B.".

(3) Section 435(a) of the Act is amended by adding at the end thereof the following new paragraph:

"(3) DISQUALIFICATION FOR FAILURE TO DEVELOP DEFAULT MANAGEMENT PLAN.—The term 'eligible institution' does not include any such institution which fails or refuses to develop a default management plan in accordance with section 430B.".

TITLE II—IMPROVED STAFFORD STUDENT LOAN COLLECTION PROVISIONS

SEC. 201. PROVISION OF FINANCIAL AID TRANSCRIPTS.

Section 428(a)(2) of the Act is amended by adding after subparagraph (F) the following new subparagraph:

"(G) In order to facilitate the efficient carrying out of subparagraphs (A) and (B) of this section, each eligible institution shall transmit, upon request of another eligible institution, the financial aid transcripts necessary for making the statement evidencing a determination of need for a loan under such subparagraphs, within 30 days of receiving such request.".

SEC. 202. REPAYMENT NOTICE TO BORROWER.

(a) FISL PROGRAM.—Section 427(a)(2)(B)(ii) of the Act is amended by inserting before the semicolon a comma and the following: "and the Secretary may require the lender (or the holder of the loan) to notify the borrower not later than 180 days after the lender is notified that the borrower has left the eligible institution of the month in which the repayment period begins".

(b) STAFFORD PROGRAM.—Section 428(b)(2)(E) of the Act is amended—

(1) by inserting "(i)" after the subparagraph designation;

(2) by striking out the period at the end thereof and inserting a semicolon and "and"; and

(3) by adding at the end thereof the following new clause:

"(ii) provides that the lender (or the holder of the loan) shall notify the borrower not later than 180 days after the lender is notified that the borrower has left the eligible institution of the month in which the repayment period begins;".

SEC. 203. NOTICE BY LENDER OF SALE OF LOAN.

Section 428(b)(2) of the Act is amended—

(1) by striking out "and" at the end of subparagraph (D);

(2) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof a semicolon and "and"; and

(3) by inserting after subparagraph (E) the following:

"(F) provide that the lender will be required to notify the guaranty agency of any sale or other transfer of the loan to another holder and the address and phone number through which to contact such other holder concerning repayment of the loan not later than 60 days after such sale or other transfer, and to notify the borrower, or upon request, any eligible institution, of any such sale or transfer, together with such address and phone number, if the sale or transfer requires the borrower to pay the loan at a new address, not later than 60 days after such sale or transfer.".

SEC. 204. GUARANTY AGENCY PROHIBITION ON THE SALE OF CERTAIN STAFFORD STUDENT LOAN LISTS.

Section 428(b)(3) of the Act is amended—

(1) by striking out "or" at the end of subparagraph (B);

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon and "or"; and

(3) by adding at the end thereof the following:

"(D) sell lists of student borrowers who have loans made, insured, or guaranteed under this part.".

SEC. 205. GUARANTY AGENCY USE OF STATE LICENSING BOARD INFORMATION.

Section 428(b) of the Act is amended by adding at the end thereof the following new paragraph:

"(7) STATE GUARANTY AGENCY INFORMATION REQUEST OF STATE LICENSING BOARDS.—Each guaranty agency is authorized to enter into agreements with each appropriate State licensing board under which the State licensing board, upon request, will furnish the guaranty agency with the address of a student borrower in any case in which the location of the student borrower is unknown or unavailable to the guaranty agency.".

SEC. 206. SPECIAL LIMITATION ON THE DEFERMENT OF PAYMENT OF PRINCIPAL AND INTEREST ON PLUS LOANS.

Section 428B(c)(1) of the Act is amended—

(1) by striking out "(A)"; and

(2) by striking out "; and (B) during any period during which the borrower has a dependent student for whom a loan obligation was incurred under the section and who meets the conditions required for a deferral under clause (i) of either such section".

SEC. 207. CREDIT CHECKS AND COSIGNERS FOR PLUS LOANS.

(a) IN GENERAL.—Section 428B of the Act is amended by adding at the end thereof the following new subsection:

"(e) CREDITWORTHINESS REQUIRED.—An eligible lender shall obtain a credit report on any applicant for a loan under this section from at least one national credit bureau organization. The eligible lender may charge the applicant an amount not to exceed the lesser of $25 or the actual cost of obtaining the credit report. An applicant who, the eligible lender determines has a negative credit history shall be denied a loan unless the applicant obtains a creditworthy cosigner in order to obtain the loan, except that for purpose of this subsection, an insufficient or nonexistent credit history may not be considered to be a negative credit history.".

(b) CONFORMING AMENDMENT.—Section 428B(a) of the Act is amended by striking out "subsections (c) and (d)" and inserting in lieu thereof "subsections (c), (d), and (e)".

SEC. 208. ADMINISTRATIVE FEE FOR SLS LOANS AND FOR PLUS LOANS.

(a) ADMINISTRATIVE FEE FOR SLS LOANS.—Section 428A of the Act is amended by adding at the end thereof the following new subsection:

"(e) ADMINISTRATIVE FEE REQUIRED.—(1) An eligible lender is authorized to charge the borrower an administrative fee in an amount not to exceed 5 percent of the principal amount of the loan to be paid by the eligible lender to the Secretary in accordance with the provisions of this subsection.

"(2) The Secretary shall enter into agreements with eligible lenders under which the administrative fee which the eligible lender is authorized to charge pursuant to paragraph (1) of this subsection is paid to the Secretary.

"(3) No loan made under this section may be guaranteed under this part unless the eligible lender enters into an agreement with the Secretary under paragraph (2).".

(b) ADMINISTRATIVE FEE FOR PLUS LOANS.—Section 428B of the Act (as amended by section 206 of this Act) is further amended by adding at the end thereof the following new subsection:

"(f) ADMINISTRATIVE FEE REQUIRED.—(1) An eligible lender is authorized to charge the borrower an administrative fee in an amount not to exceed 5 percent of the principal amount of the loan to be paid by the eligible lender to the Secretary in accordance with the provisions of this subsection.

"(2) The Secretary shall enter into agreements with eligible lenders under which the administrative fee which the eligible lender is authorized to charge pursuant to paragraph (1) of this subsection is paid to the Secretary.

"(3) No loan made under this section may be guaranteed under this part unless the eligible lender enters into an agreement with the Secretary under paragraph (2).".

SEC. 209. LOAN CONSOLIDATION LIMITATION.

Section 428C(a)(4) of the Act is amended—

(1) by striking out "For" and inserting in lieu thereof "(A) Except as provided in subparagraph (B), for";

(2) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively; and

(3) by adding at the end thereof the following new subparagraph:

"(B) The term 'eligible student loan' does not include any loan which is obtained for a course of study of 12 months or less, unless the amount to be consolidated is greater than $7,500.".

SEC. 210. ADDITIONAL REQUIREMENTS WITH RESPECT TO DISBURSEMENT AND ENDORSEMENT OF STAFFORD STUDENT LOANS.

(a) GENERAL RULE.—Part B of title IV of the Act is amended by inserting after section 428F the following new section:

"REQUIREMENTS FOR DISBURSEMENT AND ENDORSEMENT OF STUDENT LOANS

"SEC. 428G. (a) MULTIPLE DISBURSEMENT REQUIRED.—

"(1) TWO DISBURSEMENTS REQUIRED.—The proceeds of any loan made, insured, or guaranteed under this part that is made for any period of enrollment that ends 180 days (or 6 months) or more after the first day of the period of enrollment, and that is for an amount of $1,000 or more, shall be disbursed in 2 or more installments, none of which exceeds one-half of the loan.

"(2) MINIMUM INTERVAL REQUIRED.—The interval between the first and second such installments shall be not less than one-half of such period of enrollment, except as necessary to permit the second installment to be disbursed at the beginning of the second semester, quarter, or similar division of such period of enrollment.

"(b) INITIAL DISBURSEMENT AND ENDORSEMENT REQUIREMENTS.—

"(1) FIRST YEAR STUDENTS.—The first installment of the proceeds of any loan made, insured, or guaranteed under this part that is made to a student borrower who is entering the first year of a program of postsecondary education, and who has not previously obtained a loan under this part, shall not (regardless of the amount of such loan or the duration of the period of enrollment) be endorsed by the eligible institution until 30 days after the borrower begins a course of study but may be delivered to the eligible institution prior to the end of the 30-day period.

"(2) OTHER STUDENTS.—The proceeds of any loan made, insured, or guaranteed under this part that is made to any student other than a student described in paragraph (1) shall not be disbursed more than 30 days prior to the beginning of the period of the enrollment for which the loan is made.

"(c) METHOD OF MULTIPLE DISBURSEMENT.—Disbursements under subsections (a) and (b)—

"(1) shall be made in accordance with a schedule provided by the institution (under section 428(a)(2)(A)(i)(III)) that complies with the requirements of this section; and

"(2) may be made directly by the lender or, in the case of a loan under section 428, may be disbursed pursuant to the escrow provisions of subsection (i) of such section.

"(d) WITHHOLDING OF SECOND DISBURSEMENT.—A lender or escrow agent that is informed by the borrower or the institution that the borrower has ceased to be enrolled on at least a half-time basis before the disbursement of the second or any succeeding installment shall withhold such disbursement.

"(e) AGGREGATION OF MULTIPLE LOANS.—All loans made, insured, or guaranteed under this part other than loans made under section 428A issued for the same period of enrollment shall be considered as a single loan for the purposes of subsection (a) of this section. All loans made pursuant to section 428A of the Act issued for the same period of enrollment shall be considered as a single loan for the purposes of subsection (a) of this section.

"(f) EXCLUSION OF PLUS, CONSOLIDATION, COMBINED PAYMENT PLAN, AND FOREIGN STUDY LOANS.—The provisions of this section shall not apply in the case of a loan made under section 428B, 428C, or 485A or made to a student to cover the cost of attendance at an eligible institution outside the United States.".

(b) CONFORMING AMENDMENTS.—

(1) TRANSMITTAL OF INSTITUTION SCHEDULES TO LENDERS.—Section 428(a)(2)(A)(i) of the Act is amended—

(A) by striking "and" at the end of clause (I); and

(B) by inserting after clause (II) the following:

"(III) sets forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 428G; and".

(2) FEDERALLY INSURED LOANS.—Section 427(a)(4) of the Act is amended to read as follows:

"(4) the funds borrowed by a student are disbursed in accordance with section 428G.".

(3) STAFFORD LOANS.—Section 428(b)(1)(O) of the Act is amended to read as follows:

"(O) provide that the proceeds of the loans will be disbursed in accordance with the requirements of section 428G;".

SEC. 211. EXTENDED COLLECTION DEMONSTRATION PROGRAM.

Part B of title IV of the Act (as amended by section 210 of this Act) is further amended by inserting after section 428G the following new section:

"EXTENDED COLLECTION AND DEMONSTRATION PROGRAM

"SEC. 428H. (a) AGREEMENTS FOR DEMONSTRATION PROGRAM.—(1) The Secretary shall, in accordance with the provisions of this section, enter into agreements with guaranty agencies for the establishment of not to exceed 3 demonstration programs for extended efforts on delinquent student loans originally guaranteed by the guaranty agency designed to reduce defaults under this part.

"(2) For the purpose of paragraph (1), the term 'guaranty agency' means a guaranty agency described in section 435(j) and section 435(d)(1)(D).

"(b) SELECTION OF PARTICIPANTS.—(1) Each guaranty agency desiring to participate in the program authorized by this section shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe.

"(2) The Secretary shall select participants to establish extended collection programs under this section on the basis of—

"(A) the applicant's experience and success in working with borrowers and eligible lenders to prevent defaults, including the use of forbearance;

"(B) the applicant's experience and success in the use of preclaims assistance, and, if applicable, supplemental preclaims assistance to reduce defaults;

"(C) evidence that the applicant will use the program authorized by this section for borrowers who attended traditional 4-year institutions, community colleges, and vocational technical schools, which substantially reflect the overall portfolio of the lenders;

"(D) the novel and innovative approaches that the applicant proposes to use in the extended collection demonstration program; and

"(E) the commitment of the applicant to the program, as documented in the application.

"(3) Each such application shall include—

"(A) the modified eligible lender agreement the guaranty agency has adopted for use by eligible lenders participating in the program;

"(B) a description of the novel and innovative approaches that the applicant will use in the extended collection demonstration program; and

"(C) such additional information as the Secretary may reasonably require to evaluate applications.

"(4) In selecting participants under this section, the Secretary shall give priority to applications submitted by guaranty agencies having extensive experience in the administration and collection of student loans, either directly or through use of contract loan servicers.

"(c) PROGRAM AGREEMENT.—Each agreement entered into under this section shall include—

"(1) the provision of individualized or flexible repayment plans, including plans designed to meet the needs of borrowers participating in the program who face financial difficulty in repaying their loan;

"(2) the performance of due diligence efforts consisting of not less than one telephone attempt and one letter to the borrowers every 2 weeks; and

"(3) the provision requiring the eligible lenders to furnish to the guaranty agency records of collection efforts and techniques, as specified by the guaranty agency or the Secretary, or both.

"(d) ELIGIBILITY OF LOANS FOR INCLUSION IN THE PROGRAM.—Loans made under this part shall be eligible for extended collection pursuant to this section, if—

"(1) the location of the borrower is known;

"(2) the borrower has made no payments or missed at least 2 consecutive payments;

"(3) the loan is at least 120 but less than 180 days delinquent and all due diligence required to the point of sale has been performed;

"(4) the loan entered repayment in fiscal year 1987 or later;

"(5) the participating guarantor has provided preclaims assistance pursuant to a request by the eligible lender at 60 to 90 days of delinquency; and

"(6) the eligible lender providing extended collection efforts is not in possession of information that the loan may be uncollectible.

"(e) LENDER ELIGIBILITY TO PARTICIPATE.—An eligible lender may participate in the program authorized by this section pursuant to an agreement entered into under subsection (a), if—

"(1) the eligible lender has an agreement with the guaranty agency with which the application is being filed for the guaranty of consolidation loans under section 428C;

"(2) the eligible lender is not subject to a limitation, suspension, or termination agreement or default management plan under this part; and

"(3) the eligible lender meets such other criteria as the guaranty agency and the Secretary may reasonably require.

"(f) EXTENDED COLLECTION PERIOD.—Notwithstanding any other provision of law, loans held pursuant to this part and included in the program authorized by this section may be held by the eligible lender for—

"(1) 540 days after the loan becomes delinquent with respect to any installment;

"(2) not more than 30 days after the eligible lender participating under this section determines, in accordance with guidelines promulgated by the guaranty agency, that no further collection effort on the loan is likely to result in repayment by the borrower; or

"(3) a period that is within 30 days after notification from the guaranty agency, but no earlier than the 270th day of delinquency,

whichever comes first.

"(g) REPORTS TO THE SECRETARY AND TO THE CONGRESS.—(1) Each participant with an agreement with the Secretary to offer an extended collection program shall submit a report once a year to the Secretary describing—

"(A) the effectiveness of the program, including statistics on the number of accounts brought into repayment between the 180th day and the submission of the claim;

"(B) a statistical summary of the basis for cures of delinquent loans brought current through the program, including specific summaries of the numbers of loans brought into repayment through forbearances, payments, and loan consolidation;

"(C) information on strategies used by eligible lenders in the program to effectuate the initiation of repayment; and

"(D) evidence of efforts to use the program authorized by this section for borrowers who attended traditional 4-year institutions, community colleges, and vocational technical schools, which substantially reflect the overall portfolio of the lenders.

"(2) The Secretary shall, not later than September 30, 1991, prepare and submit an interim report and not later than September 30, 1993, prepare and submit a final report on the demonstration project authorized by this section. The reports required by this section shall evaluate the results of the demonstration conducted under this section, assess the cost and benefits of this demonstration, and include such recommendations as the Secretary may prescribe, including expansion of the demonstration program.

"(h) REGULATIONS.—The Secretary shall, within 120 days of the enactment of this section, prescribe regulations providing for the administration of this section.

"(i) APPLICABILITY OF OTHER TERMS, CONDITIONS, AND BENEFITS.—A loan subject to the provisions of this section shall be subject to the same terms and conditions and qualify for the same benefits and privileges as other loans made under this part, except as otherwise specifically provided for in this section.

"(j) TERMINATION.—The demonstration program shall terminate on September 30, 1993.".

SEC. 212. CREDIT BUREAUS.

(a) NOTICE OF DELINQUENCY.—Section 430A(a) of the Act is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by redesignating paragraph (3) as paragraph (4); and

(3) by inserting after paragraph (2) the following:

"(3) with respect to any payment on a loan that has been delinquent for 90 days, information concerning the date the delinquency began and the repayment status of the loan; and".

(b) NOTICE TO BORROWER.—Section 430A(c) of the Act is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "; and"; and

(3) by adding at the end the following:

"(5) with respect to notices of delinquency under subsection (a)(3), the borrower is informed that credit bureau organizations will be notified of any payment that is delinquent for 90 days or more.".

(c) LIMITATION ON REPORTING.—Section 463(c)(3)(B) of the Act is amended by striking ", if that account has not been previously reported by any other holder of the notes".

SEC. 213. ELIGIBLE LENDER NOTICE ON DELINQUENT LOANS REQUIRED.

Section 435(d) of the Act (as amended by section 101(b)(2)) is further amended by adding at the end thereof the following new paragraph:

"(7) INFORMATION ON DELINQUENT LOANS.—To be an eligible lender under this part, each eligible lender shall notify the appropriate guaranty agency of the delinquency of a borrower within 120 days of the date on which the loan made, insured, or guaranteed under this part is delinquent and the guaranty agency shall upon request provide such information to an eligible institution.".

SEC. 214. ADDITIONAL BORROWER INFORMATION REQUIRED.

Section 484(b) of the Act is amended by adding at the end thereof the following new paragraph:

"(5) In order to be eligible to receive any loan under this title, a student shall provide to the lender at the time of applying for the loan the driver's license number of the student borrower, if applicable, and the name and address of the next of kin of the student borrower.".

SEC. 215. ABILITY TO BENEFIT.

Section 484(d) of the Act is amended by adding at the end thereof the following new sentence: "No student who qualifies under paragraph (3)(A) or (3)(B) shall be eligible to receive a grant, loan, or work assistance under this Act, if that student is enrolled or accepted for enrollment in a course of study of less than 1 year in preparation for an occupation for which the student must be certified by an agency, other than the eligible institution or institution of higher education in order to begin practice or service, and a high school diploma or its recognized equivalent is a requirement for that certification.".

SEC. 216. EXIT INTERVIEW INFORMATION.

Section 485(b) of the Act is amended by inserting before the last sentence thereof the following new sentence: "Each eligible institution shall require that the borrower, at the completion of the course of study for which the borrower enrolled at the institution or at the time of departure from such institution, submit to the institution, the

address of the borrower, the address of the next of kin of the borrower, and the drivers license number, if applicable, of the borrower during the interview required by this subsection.".

SEC. 217. DISCLOSURE OF STATE LICENSING REQUIREMENTS.

Section 487(a)(8) of the Act is amended—

(1) by inserting "(A)" before "the most recent"; and

(2) by inserting before the period at the end thereof a comma and the following: "and (B) relevant State licensing requirements for any job for which the course of instruction is designed for such prospective students".

SEC. 218. WITHHOLDING OF TRANSCRIPTS FROM DEFAULTING BORROWERS.

Section 487(a) of the Act is amended by adding at the end thereof the following:

"(11) The institution will withhold the academic transcripts of any student borrower who is in default on any loan made under this title unless the institution determines that withholding such transcripts will prevent the borrower from obtaining employment and repaying the loan.".

SEC. 219. RESTRICTIONS ON INSTITUTIONAL PROMOTIONAL ACTIVITIES.

Section 487(a) of the Act (as amended by section 214) is further amended by adding at the end thereof the following new paragraph:

"(12) The institution does not—

"(A) use any independent contractor or any person other than salaried employees of the institution to conduct any canvassing, surveying, promoting, or similar activities;

"(B) use any contractor or any person other than salaried employees of the institution to make final determinations that an individual meets the institution's admissions requirements or the criteria of eligibility for financial aid; or

"(C) pay any commission, bonus, or other incentive payment to any person making such final determination.

This paragraph (i) shall not prohibit a volunteer, independent contractor, or person other than a salaried employee from being reimbursed for actual expenses related to activities described in subparagraph (A), and (ii) shall not apply to an independent contractor who works exclusively with foreign students who are not eligible to apply for title IV assistance because of each such student's nationality.".

SEC. 220. ACADEMIC YEAR DEFINITION.

Section 487(a) of the Act (as amended by sections 214 and 215) is further amended by adding at the end thereof the following new paragraph:

"(13) The institution will use the same definition of 'academic year' for all programs authorized by this title.".

SEC. 221. LIMITATION, SUSPENSION, AND TERMINATION ON ACCOUNT OF CONTRACTORS.

Section 487(c)(1) of the Act is amended—

(1) by striking out "and" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting "; and"; and

(3) by adding at the end thereof the following:

"(E) the limitation, suspension, or termination of the eligibility of an otherwise eligible institution, or the imposition of a civil penalty under paragraph (2)(B), whenever the Secretary determines, after reasonable notice and opportunity for a hearing on the record, that an individual or organization having a contract with such institution to administer any aspect of the institution's student assistance program under this title, has violated or failed to carry out any provision of this title, any regulation prescribed under this title, or any applicable special arrangement, agreement, or limitation and that the eligible institution failed to terminate the contract, except that no period of suspension under this subparagraph shall exceed 60 days unless the institution and the Secretary agree to an extension, or unless limitation or termination proceedings are initiated by the Secretary within that period of time.".

SEC. 222. STUDY OF DISCHARGE OF STAFFORD STUDENT LOANS IN BANKRUPTCY.

(a) STAFFORD STUDENT LOAN DISCHARGE STUDY.—The Comptroller General shall conduct a study relating to the discharge of student loan indebtedness in proceedings in bankruptcy. Such study shall include—

(1) an evaluation of the treatment of student loan debtors under chapter 13 of title 11, United States Code, including—

(A) the frequency of attempts to discharge or the discharging of such loans compared to such attempts to discharge or the discharging of other consumer loans by such students; and

(B) the number and amount of such loans discharged;

(2) an evaluation of the effect of students who attempt to or do discharge such loans relative to the costs of the Stafford Student Loan Program and the institutional costs of the Perkins Loan Program; and

(3) an evaluation of the behavior of student loan debtors who discharge such loans as compared to other debtors who discharge debts in bankruptcy by evaluating such factors as—

(A) the average age of the debtors in each group;

(B) the amounts and types of debts sought to be discharged by each group; and

(C) the percentage of discharge of other types of consumer debts by each group.

(b) STAFFORD STUDENT LOAN DISCHARGE REPORT.—The Comptroller General shall prepare a report of the study required by this section and shall submit the study to the Congress within 3 years after the date of enactment of this Act.

TITLE III—FEDERAL RESPONSIBILITIES

SEC. 301. ADMINISTRATIVE PROVISIONS RELATING TO REDUCTION OF DEFAULT.

Part B of title IV of the Act is further amended by inserting after section 432 the following new section:

"ADMINISTRATIVE PROVISIONS RELATING TO THE REDUCTION OF DEFAULT

"SEC. 432A. (a) GENERAL AUTHORITY.—(1) The Secretary shall develop and publish an annual default report to the Congress beginning on December 31, 1988, which shall include the annual default rate for the Stafford student loan program under this part.

"(2)(A) The report required by this section shall include a summary of the default rates determined under section 101(e). The report shall also include the net dollar value in default for each guaranty agency, each eligible lender, and each eligible institution.

"(B) The Secretary shall prepare a list of guaranty agencies and a list of eligible institutions in the order of the dollar value of Stafford student loans in default for each such agency and institution. The Secretary shall identify the highest 5 percent of guaranty agencies and eligible institutions on the lists required by this subparagraph.

"(b) PROGRAM REVIEW OF ELIGIBLE INSTITUTIONS AND ELIGIBLE LENDERS.—The Secretary shall develop a plan for the conduct of program reviews of all eligible institutions, all guaranty agencies, and all eligible lenders. The plan shall be published in the Federal Register for public comment. The Secretary shall report to the Congress annually on the results of the reviews required by this subsection.

"(c) PRIORITY FOR PROGRAM REVIEW.—In carrying out the provisions of subsection (b), the Secretary shall give priority to the conduct of program reviews of guaranty agencies and eligible institutions which have the highest rates of default on such loans, and which have the highest dollar value of loans made, insured, or guaranteed under part B which are in default.

"(d) REVIEW AND DISSEMINATION OF MODEL AND CONSTRUCTIVE DEFAULT PREVENTION PROCEDURES.—The Secretary shall collect, analyze, and disseminate information on novel and model default prevention procedures.".

SEC. 302. REGULATIONS FOR INSTITUTIONAL DISCLOSURE OF BORROWER RECORDS.

The Secretary shall promulgate regulations specifying the legal restrictions and the requirements of eligible institutions relating to loan counseling and reporting requirements including but not limited to disclosure of borrower records to third parties, the Fair Debt Collection Practices Act, and any other applicable Federal law.

SEC. 303. EFFECT OF LOSS OF ACCREDITATION.

(a) STATUS AS ELIGIBLE INSTITUTION FOR STAFFORD STUDENT LOAN PROGRAM.—Section 435 of the Act (20 U.S.C. 1085) is amended—

(1) in subsection (a)(1), by striking out "The term" and inserting "Subject to subsection (m), the term"; and

(2) by adding at the end thereof the following:

"(m) IMPACT OF LOSS OF ACCREDITATION.—An institution may not be certified or recertified as an eligible institution under subsection (a) of this section if such institution—

"(1) had its institutional accreditation withdrawn, revoked, or otherwise terminated for cause during the preceding 24 months; or

"(2) has withdrawn from institutional accreditation voluntarily under a show cause order, suspension order, or other similar order during the preceding 24 months;

unless—

"(A) such accreditation has been restored by the same accrediting agency which had accredited it prior to the withdrawal, revocation, or termination; or

"(B) the institution has demonstrated its academic integrity to the satisfaction of the Secretary in accordance with section 1201(a)(5) (A) or (B) of this Act.".

(b) STATUS AS ELIGIBLE INSTITUTION FOR OTHER TITLE IV PROGRAMS.—Section 481 of the Act (20 U.S.C. 1088) is amended—

(1) in subsection (a)(1), by striking out "For the purpose" and inserting "Subject to subsection (e), for the purpose"; and

(2) by adding at the end thereof the following:

"(e) IMPACT OF LOSS OF ACCREDITATION.—An institution may not be certified or recertified as an eligible institution under subsection (a) of this section if such institution—

"(1) had its institutional accreditation withdrawn, revoked, or otherwise terminated for cause during the preceding 24 months; or

"(2) has withdrawn from institutional accreditation voluntarily under a show cause order, suspension order, or other similar order during the preceding 24 months;

unless—

"(A) such accreditation has been restored by the same accrediting agency which had accredited it prior to the withdrawal, revocation, or termination; or

"(B) the institution has demonstrated its academic integrity to the satisfaction of the Secretary in accordance with section 1201(a)(5) (A) or (B) of this Act.".

SEC. 304. SPECIAL ACCREDITATION RULES.

Section 487(c) of the Act is amended—

(1) by redesignating paragraph (3) as paragraph (5); and

(2) by adding after paragraph (2) the following new paragraphs:

"(3) The Secretary is authorized to carry out the provisions of paragraph (1)(D), relating to limitation, suspension, or termination of an eligible institution whenever the institution withdraws from a nationally recognized accrediting agency or association during a show cause or suspension proceeding brought against that institution.

"(4)(A) Whenever a nationally recognized accrediting agency or association reports pursuant to subparagraph (B) that an eligible institution was denied institutional accreditation, the Secretary is authorized to carry out the provisions of paragraph (1)(D) relating to limitation, suspension, or termination of an eligible institution.

"(B) The Secretary is authorized to enter into such arrangements with accrediting agencies and associations as may be necessary to assure notice of the denial of institutional accreditation in order to carry out subparagraph (A).".

SEC. 305. ELIGIBLE INSTITUTION ACCREDITATION RULE.

Section 481(a) of the Act is amended by inserting after paragraph (2) the following new paragraph:

"(3) Whenever the Secretary determines accreditation for the purpose of paragraph (1), the Secretary shall not approve the accreditation of any eligible institution of higher education under this section if the eligible institution of higher education is in the process of receiving new institutional accreditation by a national or regional accreditation agency unless the eligible institution submits to the Secretary all materials relating to the prior accreditation, including the reasons, if applicable, for changing the accrediting agency or association.".

SEC. 306. TOLL-FREE CONSUMER HOTLINE.

Section 485 of the Act is amended by adding at the end thereof the following new paragraph:

"(e) TOLL-FREE CONSUMER HOTLINE.—(1) In addition to the toll-free telephone information provided for in section 483, the Secretary shall contract for, or establish, and publicize a toll-free telephone number for use by the public, in order to permit students who allege fraud or unfair practices by eligible institutions to inform the Department of such fraud or unfair practices.

"(2) The Secretary shall, directly or by way of contract or other arrangement, make the toll-free telephone number, and the availability of the consumer hotline established by this subsection, generally available to students receiving financial assistance under this title.".

SEC. 307. NATIONAL STUDENT LOAN DATA SYSTEM.

(a) DATA SYSTEM REQUIRED.—(1) Section 485B(a) of the Act is amended by striking out "is authorized to" and inserting in lieu thereof "shall".

(2) Section 485B(a) of the Act is amended by adding at the end thereof the following new sentence: "The Secretary shall assure that the computerized student loan data system required by this subsection is operational not later than October 1, 1989.".

(b) IMPROVED INFORMATION.—Section 485B of the Act is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by adding after subsection (b) the following new subsection:

"(c) IMPROVED INFORMATION.—(1) Each guaranty agency shall furnish the Department of Education with information on the amount of each loan made, insured, or guaranteed under this part for which the agency provides a guarantee and other relevant data with respect to such loan. The information furnished under this paragraph shall be used in the National Student Loan Data System established under this section.

"(2) Each guaranty agency shall expand and standardize the confirmation reports required to be submitted on the date of enactment of the Stafford Student Loan Default Prevention and Management Act of 1988 in order to assure that such information is provided at least quarterly on student loan delinquencies, defaults, and the change in the status of a borrower whose loan is delinquent or in default.

"(3) Each guaranty agency shall provide the Secretary with complete and accurate data on a quarterly basis in order to facilitate the usefulness of the National Student Loan Data System under this section.".

SEC. 308. TUITION REFUNDS.

(a) REFUND RULE.—Section 487(c)(2)(B)(i) of the Act is amended by adding at the end thereof the following new sentence: "In addition, the Secretary may require such eligible institutions to make refunds in accordance with division (iii).".

(b) REFUND PROCEDURES.—Section 487(c)(2)(B) of the Act is amended by adding the following new division after division (ii):

"(iii) When the Secretary determines there has been a violation, failure, or misrepresentation pursuant to division (i), the Secretary may require the institution to refund the student's tuition and fees. The Secretary shall establish procedures for refunding the tuition and fees. Such procedures shall—

"(I) first require the payment by the institution to the United States Government of any portion of the tuition and fees paid with Federal funds received under this title (other than funds under subpart 3 of part A and part B of this title); and

"(II) then require payment by the institution to the lender of that portion of the tuition and fees attributable to a loan made, issued, or guaranteed under part B of this title.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 60 days after the date of enactment of this Act.

TITLE IV—AMENDMENTS TO THE NEEDS ANALYSIS PROVISIONS

SEC. 401. DEFINITION OF INDEPENDENT STUDENT.

Section 480(d) of the Act is amended to read as follows:

"(d) INDEPENDENT STUDENT.—The term 'independent', when used with respect to a student, means any individual who—

"(1) is 24 years of age or older by December 31 of the first calendar year of the award year;

"(2) is an orphan or is or has been a ward of the court;

"(3) is a veteran of the Armed Forces of the United States;

"(4) is a graduate or professional student and will not be claimed by his or her parents (or guardian) for income tax purposes for the award year;

"(5) is married or has legal dependents;

"(6) is an undergraduate student who was not claimed by his or her parents (or guardian) for income tax purposes for the 2 calendar years preceding the first calendar year of the award year, and who either was awarded assistance under this title as an independent student in the prior year, or demonstrates to the student financial aid administrator total self-sufficiency during the 2 calendar years preceding the first calendar year of the award year by demonstrating annual total resources (including all sources other than parents and student aid) of $4,000; or

"(7) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.".

SEC. 402. MODIFICATION TO COMPUTATION OF CONTRIBUTIONS.

(a) PELL GRANT NEEDS ANALYSIS.—(1) Section 411B(b)(3) of the Act is amended by striking out "a program of postsecondary education" and inserting in lieu thereof "a program of postsecondary education which meets the requirements of section 484(a)(1)".

(2) Section 411C(a)(3) of the Act is amended by striking out "a program of postsecondary education" and inserting in lieu thereof "a program of postsecondary education which meet the requirements of section 484(a)(1)".

(3) Section 411D(a)(3) of the Act is amended by striking out "a program of postsecondary education" and inserting in lieu thereof "a program of postsecondary education which meet the requirements of section 484(a)(1)".

(b) GENERAL NEEDS ANALYSIS.—(1) Section 475(b)(3) of the Act is amended by striking out "a program of postsecondary education" and inserting in lieu thereof "a program of postsecondary education which meets the requirements of section 484(a)(1)".

(2) Section 477(a)(3) of the Act is amended by striking out "a program of postsecondary education" and inserting in lieu thereof "a program of postsecondary education which meet the requirements of section 484(a)(1)".

SEC. 403. STUDENT CONTRIBUTION MODIFICATION.

Section 475(g)(1)(C) of the Act is amended by striking out "70 percent" and inserting in lieu thereof "not less than 50 percent".

SEC. 404. PREVENTION OF DOUBLE COUNTING OF INCOME IN ASSET COMPUTATIONS.

(a) PELL GRANT PROGRAM.—Section 411F(2) of the Higher Education Act of 1965 is amended by adding at the end thereof the following: "No cash on hand or other property (or interest therein) of a dependent student shall be treated as an asset of the student (or spouse) for purposes of section 411B(1) except to the extent that such cash or property exceeds the amount the student is required to contribute from discretionary income under section 411B(f).".

(b) OTHER STUDENT ASSISTANCE PROGRAMS.—Section 480(g) of such Act is amended by adding at the end thereof the following: "No cash on hand or other property (or interest therein) of a dependent shall be treated as an asset of the student (or spouse) for purposes of section 475(h) except to the extent that such cash or property exceeds the amount the student is required to contribute from available income under section 475(g).".

SEC. 405. NEEDS ANALYSIS FINANCIAL AID ADMINISTRATOR ADJUSTMENTS.

(a) IN GENERAL.—(1) Section 479A(a) of the Act is amended to read as follows:

"SEC. 479A. (a) IN GENERAL.—Nothing in this title shall be interpreted as limiting the authority of the student financial aid administrator, on the basis of adequate documentation, to make necessary adjustments to the cost of attendance and expected student or parent contribution (or both) to allow for treatment of individual students with special circumstances. In addition, nothing in this title shall be interpreted as limiting the authority of the student financial aid administrator to use supplementary information about the financial status or personal circumstance of eligible applicants in selecting recipients and determining the amount of awards under subparts 1 and 2 of part A and parts B, C, and E of this title.".

(2) The provision of the second proviso under the heading "Student Financial Assistance" in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act, 1989, is repealed.

(b) SPECIAL RULE.—Section 479A of the Act is amended—

(1) by redesignating subsection (c) as subsection (d), and

(2) by inserting immediately after subsection (b) the following new subsection:

"(c) SPECIAL ADJUSTMENTS.—

"(1) ADJUSTMENTS FOR INDEPENDENT STUDENTS WITH DEPENDENTS.—A student financial aid administrator shall be considered to be making a necessary adjustment in accordance with subsection (a) if the administrator determines that the cost of attendance in section 472 should include costs of food and shelter for dependent care when the total income for independent students with dependents is less than the Standard Maintenance Allowance under section 477(b)(4).

"(2) ADJUSTMENT FOR DISLOCATED WORKER.—A student financial aid administrator shall be considered to be making a necessary adjustment in accordance with subsection (a) if, in the case of dislocated workers—

"(A) the administrator uses the income for the year in which the determination is made (the award year) rather than the income reported in the preceding tax year; and

"(B) the administrator excludes the net value of investments and real estate, including the primary residence in the calculation of the family contribution for the Pell Grant Program and the expected family contribution under part F.

"(3) ADJUSTMENT FOR DISPLACED HOMEMAKER.—A student financial aid administrator shall be considered to be making a necessary adjustment in accordance with subsection (a) if, for displaced homemakers, the administrator excludes the net value of investments and real estate, including the primary residence, from the calculation of the Pell Grant family contribution and from the expected family contribution under part F.".

(c) CONFORMING AMENDMENTS.—(1) Section 479A(d) of the Act (as amended by subsection (a)) is amended by striking out "subsection (b) is an example" and inserting in lieu thereof "subsections (b) and (c) are examples".

(2)(A) Section 411B(g)(1) of the Act is amended by striking out ", except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(B) Section 411B(l) of the Act is amended by striking out ", except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(C) Section 411C(f)(1) of the Act is amended by striking out ", except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(D) Section 411D(f)(3) of the Act is amended by striking out ", except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(E)(i) Section 411F(1)(G) of the Act is repealed.

(ii) Section 411F(9)(E) of the Act is repealed.

(F) Section 475(d)(2)(B) of the Act is amended by striking out "except that in the case of a student who is a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act)".

(G) Section 475(h) of the Act is amended by striking out ", except that in the case of a student who is a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(H) Section 476(c)(2)(B) of the Act is amended by striking out "except in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act)".

(I) Section 477(c)(2)(B) of the Act is amended by striking out "except in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act)".

SEC. 406. TREATMENT OF VETERANS BENEFITS.

(a) PELL GRANT NEEDS ANALYSIS.—(1) Section 411B(d)(1)(C) of the Act is amended by striking out "one-half of the student's total veterans educational benefits, excluding Veterans' Administration contributory benefits," and inserting in lieu thereof "the student's total veterans educational benefits".

(2) Section 411C(c)(1)(C) of the Act is amended by striking out "one-half of the student's total veterans educational benefits, excluding Veterans' Administration contributory benefits," and inserting in lieu thereof "the student's total veterans educational benefits".

(3)(A) Section 411D(c)(1)(D) of the Act (as amended by section 403 of this Act) is further amended by striking out "one-half of the student's total veterans educational benefits, excluding Veterans' Administration contributory benefits," and inserting in lieu thereof "the student's total veterans educational benefits".

(B) Section 411D(d)(1)(C) of the Act (as amended by section 403 of this Act) is further amended by striking out "one-half of the student's total veterans educational benefits, excluding Veterans' Administration contributory benefits," and inserting in lieu thereof "the student's total veterans educational benefits".

(b) GENERAL NEEDS ANALYSIS.—(1) Section 475(a) of the Act is amended—

(A) by striking out "and" at the end of paragraph (2);

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and the word "and"; and

(C) by adding at the end thereof the following new paragraph:

"(4) any veterans educational benefits paid because of enrollment in a postsecondary institution, including (but not limited to) benefits received under chapters 106 and 107 of title 10, and chapters 30, 31, 32, 34, and 35 of title 38, United States Code.".

(2) Section 476(b)(1)(D) of the Act is amended by striking out "plus the amount of veterans' benefits paid during the award period under chapters 32, 34, and 35 of title 28, United States Code" and inserting in lieu thereof "and any veterans educational benefits paid because of enrollment in a postsecondary institution, including (but not limited to) benefits received under chapters 106 and 107 of title 10, and chapters 30, 31, 32, 34, and 35 of title 38, United States Code".

(3) Section 477(a) of the Act is amended—

(A) by inserting "and" at the end of subparagraph (A) of paragraph (1);

(B) by striking out "and" at the end of subparagraph (B) of paragraph (1);

(C) by striking out subparagraph (C) of paragraph (1);

(D) by striking out "and" at the end of paragraph (2);

(E) by adding at the end of paragraph (3) the word "and"; and

(F) by adding at the end thereof the following new paragraph:

"(4) adding any veterans educational benefits paid because of enrollment in a postsecondary institution, including (but not limited to) benefits received under chapters 106 and 107 of title 10, and chapters 30, 31, 32, 34, and 35 of title 38, United States Code;".

(c) CONFORMING AMENDMENT.—Section 428(a)(2)(C)(i) of the Act is amended by striking out "and any amount paid to the student under chapters 32, 34, and 35 of title 38, United States Code" and inserting in lieu thereof "any veterans educational benefits paid because of enrollment in a postsecondary institution, including (but not limited to) benefits received under chapters 106 and 107 of title 10, and chapters 30, 31, 32, 34, and 35 of title 38, United States Code".

SEC. 407. TREATMENT OF NONLIQUID ASSETS.

(a) PELL GRANT NEEDS ANALYSIS.—Section 411F(2) of the Act is amended—

(1) by inserting "(A)" after "(2)"; and

(2) by adding at the end thereof the following:

"(B) For academic year 1990–1991 and succeeding academic years, the term 'assets' shall not include, in the case of a family with an adjusted gross income which is equal to or less than $30,000, the net value of—

"(i) the family's principal place of residence;

"(ii) a family farm (as that term is defined in regulations prescribed by the Secretary of Agriculture pursuant to the Consolidated Farm and Rural Development Act) on which the family resides; or

"(iii) a small business (as that term is defined in regulations prescribed by the Ad-

ministrator of the Small Business Administration pursuant to Small Business Act) substantially owned and managed by a member or members of the family.

The Secretary shall, by regulation, provide criteria for determining whether a small business is substantially owned and managed by a member or members of the family.".

(b) GENERAL NEED ANALYSIS.—Section 480(g) of the Act is amended—

(1) by inserting "(1)" after "ASSETS.—"; and

(2) by adding at the end thereof the following:

"(2) For academic year 1990-1991 and succeeding academic years, the term 'assets' shall not include, in the case of a family with an adjusted gross income which is equal to or less than $30,000, the net value of—

"(A) the family's principal place of residence;

"(B) a family farm (as that term is defined in regulations prescribed by the Secretary of Agriculture pursuant to the Consolidated Farm and Rural Development Act) on which the family resides; or

"(C) a small business (as that term is defined in regulations prescribed by the Administrator of the Small Business Administration pursuant to Small Business Act) substantially owned and managed by a member or members of the family.

The Secretary shall, by regulation, provide criteria for determining whether a small business is substantially owned and managed by a member or members of the family.".

(c) SECRETARY TO RECOMMEND ADJUSTMENTS.—Within 60 days after the date of enactment of this Act, the Secretary of Education shall submit to the Congress such recommendations for changes to parts A and F of title IV of the Higher Education Act of 1965 as may be necessary to achieve an equitable assessment of income and assets after exclusion of the assets described in the amendments made by subsections (a) and (b) of this section. Such changes may include changes in the assets protection allowances, asset conversion rates, and other factors used in the determination of expected family contribution.

TITLE V—OTHER HIGHER EDUCATION AMENDMENTS

SEC. 501. PELL GRANT PROGRAM AMENDMENT.

Section 411(c)(1)(A) of the Act (20 U.S.C. 1070a(c)(1)(A)) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) the number of academic years (or portion of an academic year) that the undergraduate degree or certificate program normally requires, plus one academic year; or

"(ii) 6 academic years in the case of a undergraduate degree or certificate program normally requiring more than 4 academic years;".

SEC. 502. SUBSIDIZED EMPLOYMENT MODIFICATION UNDER WORK-STUDY.

Section 443(b)(4) of the Act is amended to read as follows:

"(4) provide that for a student employed in a work-study program under this part, at the time income derived from any need-based employment (including non-work-study or both) is in excess of the determination of the amount of such student's need by more than $200, continued employment shall not be subsidized with funds appropriated under this part;".

SEC. 503. STUDENT LOAN INTERNSHIP DEFERMENTS.

(a) FISL PROGRAM.—Section 427(a)(2)(C)(vii) of the Act is amended by striking out "or serving in an internship or residency program" and everything that follows through the end thereof and inserting in lieu thereof "or serving in a medical internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or health care facility, except that no borrower shall be eligible for a deferment under clause (i)(I) or (i)(II) while serving in a health profession internship or residency program;".

(b) STAFFORD LOAN PROGRAM.—Section 428(b)(1)(M)(vii) of the Act is amended by striking out "or serving in an internship or residency program" and everything that follows through the end thereof and inserting in lieu thereof "or serving in a medical internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or health care facility: *Provided*, That no borrower shall be eligible for a deferment under clause (i)(I) or (i)(II) while serving in a health profession internship or residency program;".

(c) DIRECT STUDENT LOAN PROGRAM.—Section 464(c)(2)(A)(vi) of the Act is amended by striking out "or serving in an internship or residency program" and everything that follows through the end thereof and inserting in lieu thereof "or serving in a medical internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or health care facility: *Provided*, That no borrower shall be eligible for a deferment under clause (i) while serving in a health profession internship or residency program;".

SEC. 504. STUDENT LOAN MARKETING ASSOCIATION AMENDMENTS.

(a) ESTABLISHMENT.—Section 439(b) of the Act is amended to read as follows:

"(b) ESTABLISHMENT.—

"(1) IN GENERAL.—There is hereby created a body corporate to be known as the Student Loan Marketing Association (hereinafter referred to as the 'Association'). The Association shall have succession until dissolved. It shall maintain its principal office in the District of Columbia or the metropolitan area thereof and shall be deemed, for purposes of jurisdiction and venue in civil actions, to be a District of Columbia corporation. Offices may be established by the Association in such other place or places as it may deem necessary or appropriate for the conduct of its business.".

(b) DIRECTORS.—Section 439(c) of the Act is amended to read as follows:

"(c) BOARD OF DIRECTORS.—

"(1) COMPOSITION OF BOARD; CHAIRMAN.—The Association shall have a Board of Directors (hereinafter in this section referred to as the 'Board') which shall consist of 21 persons, 7 of whom shall be appointed by the President of the United States and shall be representative of the general public. The remaining 14 directors shall be elected by the common stockholders of the Association entitled to vote pursuant to subsection (e). Commencing with the annual shareholders meeting to be held in 1989—

"(A) 7 of the elected directors shall be affiliated with an eligible institution, and

"(B) 7 of the elected directors shall be affiliated with an eligible lender.

The President shall designate 1 of the directors to serve as Chairman.

"(2) TERMS OF APPOINTED AND ELECTED MEMBERS.—The directors appointed by the President shall serve at the pleasure of the President and until their successors have been appointed and have qualified. The remaining directors shall each be elected for a term ending on the date of the next annual meeting of the common stockholders of the Association, and shall serve until their successors have been elected and have qualified. Any appointive seat on the Board which becomes vacant shall be filled by appointment of the President. Any elective seat on the Board which becomes vacant after the annual election of the directors shall be filled by the Board, but only for the expired portion of the term.

"(3) AFFILIATED MEMBERS.—For the purpose of this subsection, the references to a director 'affiliated with an eligible institution' or a director 'affiliated with an eligible lender' means an individual who is, or within 5 years of election to the Board has been, an employee, officer, director, or similar official of—

"(A) an eligible institution or an eligible lender;

"(B) an association whose members consist primarily of eligible institutions or eligible lenders; or

"(C) a State agency, authority, instrumentality, commission, or similar institution, the primary purpose of which relates to educational matters or banking matters.

"(4) MEETINGS AND FUNCTIONS OF THE BOARD.—The Board shall meet at the call of its Chairman, but at least semiannually. The Board shall determine the general policies which shall govern the operations of the Association. The Chairman of the Board shall, with the approval of the Board, select, appoint, and compensate qualified persons to fill the offices as may be provided for in the bylaws, with such functions, powers, and duties as may be prescribed by the bylaws or by the Board, and such persons shall be the officers of the Association and shall discharge all such functions, powers, and duties.".

(c) STOCK.—Section 439(f) of the Act is amended to read as follows:

"(f) STOCK OF THE ASSOCIATION.—

"(1) VOTING COMMON STOCK.—The Association shall have voting common stock having such par value as may be fixed by its Board from time to time. Each share of voting common stock shall be entitled to one vote with rights of cumulative voting at all elections of directors.

"(2) NUMBER OF SHARES; TRANSFERABILITY.—The maximum number of shares of voting common stock that the Association may issue and have outstanding at any one time shall be fixed by the Board from time to time. Any voting common stock issued shall be fully transferable, except that, as to the Association, it shall be transferred only on the books of the Association.

"(3) DIVIDENDS.—To the extent that net income is earned and realized, subject to subsection (g)(2), dividends may be declared on voting common stock by the Board. Such dividends as may be declared by the Board shall be paid to the holders of outstanding shares of voting common stock, except that no such dividends shall be payable with respect to any share which has been called for redemption past the effective date of such call.

"(4) SINGLE CLASS OF VOTING COMMON STOCK.—As of the effective date of the Student Loan Marketing Association Amendments of 1989, all of the previously authorized shares of voting common stock and

nonvoting common stock of the Association shall be converted to shares of a single class of voting common stock on a share-for-share basis, without any further action on the part of the Association or any holder. Each outstanding certificate for voting or nonvoting common stock shall evidence ownership of the same number of shares of voting stock into which it is converted. All preexisting rights and obligations with respect to any class of common stock of the Association shall be deemed to be rights and obligations with respect to such converted shares.".

(d) SHORT TITLE.—This section may be cited as the "Student Loan Marketing Association Amendments of 1989".

SEC. 505. FORMS AND REGULATIONS.

(a) COMMON FINANCIAL REPORTING FORM.—(1) Section 483(a)(1) of the Act is amended by inserting after the first sentence the following new sentences: "The common form shall contain the minimum data elements the Secretary determines is necessary to determine the need and eligibility of the student for financial assistance. There shall be no charge to a student for completing and processing the common form. Other data may be collected and used by approved processors in other parts of the form developed by such processors.".

(2)(A) The first sentence of section 483(a)(2) of the Act is amended by striking ", to the extent practicable,".

(B) The second sentence of section 483(a)(2) of the Act is amended to read as follows: "The Secretary shall select such qualified processors pursuant to competitive bidding processes.".

(C) Section 483(a)(2) of the Act is further amended—

(i) by inserting "(A)" after the paragraph designation; and

(ii) by adding at the end thereof the following new subparagraph:

"(B) In establishing the minimum participation criteria for the competitive bidding process the Secretary shall establish participation requirements that are fair and equitable, and that foster competition in bidding in order to obtain maximum savings for students and for the Department. No processors shall be denied eligibility to compete for a contract because the processor is not a State student financial aid agency or does not service at least two State financial aid agencies.".

(3) Section 483(a)(3) of the Act is amended by striking out "predetermined rate" and inserting in lieu thereof "competitively determined rate".

(4) Section 483(a)(3) of the Act is further amended by adding at the end thereof the following new sentence: "No contractor may be reimbursed for the development costs of an alternative form.".

(b) NOTICE OF FEDERAL STUDENT AID.—Section 483(f) of the Act is amended to read as follows:

"(f) NOTICE OF FEDERAL STUDENT AID RECEIPT.—Each eligible institution shall provide to each recipient of assistance under this title (except assistance received under subparts 4, 5, and 7 of part A) a statement listing the estimated student assistance received by the recipient, and specifying the estimated amount and type of assistance awarded under this title and specifically indicating that such aid is federally supported assistance.".

SEC. 506. REALLOCATION OF RETURNED SEOG FUNDS TO INSTITUTIONS LOCATED IN NATURAL DISASTER AREAS.

Section 413D(e) of the Act is amended by adding at the end thereof the following: "In making such reallocations, the Secretary shall give special consideration to institutions located in areas which are designated to receive assistance because of the occurrence of a major natural disaster.".

SEC. 507. LENDER OF LAST RESORT.

Section 428(j) of the Act is amended by adding at the end thereof the following: "Each State guaranty agency shall ensure that there is a lender of last resort in its State. The lender of last resort shall process loan applications of students enrolled in an eligible institution within 30 days after such application has been filed. The lender of last resort shall make loans to any eligible applicant attending an eligible institution.".

SEC. 508. PERKINS LOAN PROGRAM AMENDMENT.

Section 462(c)(3) of the Act is amended—

(1) by redesignating clause (B) and (C) as clause (C) and (D); and

(2) by inserting after clause (A) the following new clause:

"(B) 75 percent of the cash on hand at the institution under the program authorized by this part for the second year preceding the beginning of the award period;".

SEC. 509. PEACE CORPS, VISTA, AND TAX-EXEMPT ORGANIZATION SERVICE ENCOURAGED.

(a) INFORMATION FOR STUDENTS.—Section 485(a)(1) of the Act is amended—

(1) by striking "and" at the end of subparagraph (J);

(2) by striking the period at the end of subparagraph (K) and inserting in lieu thereof a semicolon; and

(3) by inserting at the end thereof the following new subparagraphs:

"(L) the terms and conditions under which the student may defer repayment of the principal and interest for service under the Peace Corps Act or under the Domestic Volunteer Service Act or for comparable full-time service as a volunteer for a tax-exempt organization; and

"(M) the terms and conditions under which the student may obtain partial cancellation of the student loan for service under the Peace Corps Act and Domestic Volunteer Service Act.".

(b) EXIT COUNSELING FOR BORROWERS.—Section 485(b) of the Act is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding the following new paragraph after paragraph (2):

"(3) the terms and conditions under which the student may defer repayment of the principal and interest for service under the Peace Corps Act or under the Domestic Volunteer Service Act or for comparable full-time service as a volunteer for a tax-exempt organization.".

(c) DEPARTMENT INFORMATION ON DEFERMENTS AND CANCELLATIONS.—Section 485(d) of the Act is amended by inserting the following before the last full sentence: "The Secretary shall provide information on the specific terms and conditions under which students may defer repayment of loans for service under the Peace Corps Act and Domestic Volunteer Service Act or for comparable full-time service as a volunteer with a tax-exempt organization, shall indicate (in terms of the Federal minimum wage) the maximum level of compensation and allowances which a student borrower may receive from a tax-exempt organization to qualify for a deferment, and shall explicitly state that students may qualify for such deferments when they serve as a paid employee of a tax-exempt organization.".

SEC. 510. DATA ON DEFERMENTS AND CANCELLATIONS.

Section 485B(a) of the Act is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding the following new paragraph after paragraph (4):

"(5) the exact amount of loans in deferment for service under the Peace Corps Act, for service under the Domestic Volunteer Service Act, and for comparable full-time service as a volunteer for a tax-exempt organization.".

SEC. 511. SPECIAL GRANTS TO CONSORTIA FOR THE BENEFIT OF HISTORICALLY BLACK COLLEGES.

(a) PROGRAM AUTHORIZED.—Part B of title IX of the Act is amended by adding at the end thereof the following new section:

"SPECIAL GRANTS TO CONSORTIA FOR THE BENEFIT OF HISTORICALLY BLACK COLLEGES

"SEC. 924. (a) GRANTS AUTHORIZED.—The Secretary may make grants to consortia of institutions of higher education which include historically Black colleges to pay the Federal share of the costs of programs designed to enable such institutions to provide supplemental need based financial aid to students and faculty from historically Black colleges who are pursuing doctoral studies.

"(b) PROGRAM REQUIREMENTS.—(1) The provisions of this part, unless otherwise inconsistent with the provisions of this section, shall apply to grants made under this section.

"(2) The Federal share for each fiscal year shall be 66⅔ percent.".

(b) AUTHORIZATIONS OF APPROPRIATIONS.—Section 971(b) of the Act is amended—

(1) by inserting "(1)" before "There";

(2) by inserting "(other than section 924)" after "part B"; and

(3) by adding at the end thereof the following new paragraph:

"(2) There are authorized to be appropriated to carry out section 924 of part B such sums as may be necessary for the fiscal year 1990 and for the succeeding fiscal year.".

SEC. 512. AUDIT PROVISION.

Section 460 of the General Education Provisions Act is amended by striking out "programs authorized by the Higher Education Act of 1965 and".

TITLE VI—EFFECTIVE DATES

SEC. 601. EFFECTIVE DATE RULE.

(a) GENERAL RULE.—Except as otherwise provided, the amendments made by this Act shall be effective with respect to any determination of need made under title IV of the Higher Education Act of 1965 for any period of enrollment beginning 60 days after the date of enactment of this Act.

(b) SPECIAL RULE.—(1) The amendments made by title I and sections 405, 504 and 505 shall take effect on the date of enactment of this Act.

(2) The amendments made by title IV (other than sections 405 and 406) and sections 501 and 502 shall take effect for award year 1990–1991 and thereafter.

(3) The amendments made by section 406 shall take effect for award year 1991–1992 and thereafter.

Mr. HATCH. Mr. President, I am pleased to join Senator PELL and my other colleagues on the Education Subcommittee as an original cosponsor of the Stafford Student Loan Default Prevention and Management Act of 1989. This bill passed the Senate unanimously last year. It deserves to do so again.

The Stafford Student Loan Default Prevention and Management Act of 1989 is a package of effective, coordinated measures to make the federally guaranteed student loan program more cost-effective. Reducing default costs and, especially, preventing some defaults will help to ensure the continued availability of both student loans and our other Federal financial aid programs to future generations seeking higher education.

I have long been a supporter of these Federal student financial aid programs. The full range of these programs—grants, loans, and work-study—must be retained if many deserving students, of all ages, are to have the opportunity to obtain a post-secondary education. Along with Senator PELL and Senator KASSEBAUM and the other members of the Education Subcommittee, I am committed to maintaining them. However, these programs must be fiscally responsible. That is what this bill is all about.

Stafford student loans provide many students across the country—over 20,000 in my home State of Utah last year alone—with access to educational opportunities otherwise unavailable to them. If they make good use of that opportunity, these students—young and not-so-young—will have far wider horizons. They will have an enhanced ability to take advantage of all that our society has to offer. To keep this program available in the future, however, we must ensure that every one of the taxpayers' dollars it expends is well spent. Yet, the cost of defaults in the student loan program has risen dramatically. It has become, I am told, the third largest "program" in the Department of Education's budget. This year, default costs may total approximately $1.8 billion; next year, they may rise to near $2 billion. Excessive spending to cover defaults is not acceptable. Eliminating this wasteful spending is the purpose of this bill.

Mr. President, although it sometimes appears very simple, the student loan program is a very complex program and difficult to understand. The student borrows and, we expect, eventually repays his or her loan. The Federal Government guarantees the loan and pays certain servicing and in-school interest costs. A variety of lending institutions, guaranty agencies which insure and service these loans, and, to some extent, the postsecondary education institutions which borrowers attend are all part of the total student loan picture.

This complexity and the number of participants makes it a difficult program to fine tune. Thus, to ensure the success of any default-reduction initiative, we must deal with all these Stafford student loan participants. Our bill does this.

New responsibilities are imposed on student borrowers. Likewise, State and national guaranty agencies, lenders, and institutions which have unacceptably high default rates or total dollars in default are required to enter into a "default management plan" as a condition of continued eligibility for participation in the Federal student loan program. We have tried to ensure that the default management plan for each entity will be tailored to meet the factors which cause it to have the high default rate. Our bill also permits revoking the eligibility of institutions which, after 3 years in a default management plan, fail to lower their default rate sufficiently due to their improper management of the student loan program.

Nevertheless, our plan is flexible and reasonable. An institution which does not lower its rate sufficiently to be removed from a default management plan may continue to be eligible to participate in the student loan program if, for example, the student population served, and not institutional mismanagement, is the cause of the continued high default rate. I think these elements of flexibility are wise and in keeping with the beneficient purpose of the federal student financial aid programs.

Even with this flexibility, I believe that there are "teeth" in the variety of measures we propose in this bill, teeth which will prevent defaults and lower their cost. The Stafford Student Loan Default Prevention and Management Act of 1989 contains an appropriate mix of firmness and flexibility, indicated by the fact that some believe its provisions are too severe while others complain that they may not be sufficiently strong.

I am also in favor of the other changes this bill makes in provisions of the Higher Education Act of 1965. Particularly significant is the removal, for families with adjusted gross incomes under $30,000, of consideration of the value of equity in the home, farm, or small business when calculating a student's need for financial aid. Families in Utah, especially those with many children, have been disadvantaged by this provision. Economic factors have inflated the value of their homes, farms, or businesses beyond the ability of their incomes to obtain or afford to repay equity loans based on those values. Other changes in "needs analysis" recommended by financial aid officers and professionals in Utah and across the country also have been adopted.

Again, we have made considerable progress, I believe, in reducing the costs to the taxpayer of student loan defaults and, thus, of retaining the viability of student financial aid programs. These programs benefit many needy and worthy students across this country. We must do all that we can to ensure their continuation. Thus, I intend to work with my colleagues to ensure the enactment of this bill before the end of this Congress. Thank you, Mr. President.

Mrs. KASSEBAUM. Mr. President, I am pleased to be an original cosponsor of this legislation. A very similar version of this bill passed this body unanimously last Congress, and I hope that this measure will also receive quick approval.

The Stafford Student Loan Default Prevention and Management Act attempts to lower the current rate of defaults occurring within the Federal Student Loan Program and to prevent a further drain on the resources of the program.

The legislation proposes the development of default management plans to assist individuals and institutions involved with Federal student loans improve the management and operation of their programs. These plans will help find the weakest link in the chain and strengthen it rather than allowing it to undermine the rest of the system.

The need for improved management in the student loan program is well documented. One look at the current budget will show the large amount of money needed to pay for defaulted student loans—about $1.4 billion in fiscal year 1989. The amounts expended over the past 5 years for defaults has risen by 85 percent. In fact, Department of Education officials have indicated that, if defaults were a separate program operated by the Department, it would be the third largest.

Unless corrective action is taken, this problem will continue to grow—given the increasing importance of loans in a student aid package. Ten years ago, loans comprised 25 percent of a student aid package. Today, they make up two-thirds of a student's aid. When Congress established the Guaranteed Student Loan Program in 1965, it was designed primarily as a loan for convenience for middle-income families. Since that time, however, it has replaced the Pell grant as the principal form of aid for lower income students.

Another important aspect of this legislation is its modification of the current needs analysis for financial aid. The bill eliminates the consideration of equity in a home, farm, or small business for families with adjusted gross incomes of less than $30,000 in calculating eligibility for financial aid. This has been a particular concern of Kansas students and their families,

as well as other families who have unjustly suffered as inflation has driven down the value of their homes and farms.

I believe that America has one of the best systems of higher education in the world. Students have borrowed over $65 billion through the guaranteed student loan program. Over 6 million students are expected to receive awards in 1989. We have given everyone the opportunity to pursue a course of higher education. This bill is an insurance policy that we will continue our commitment to equal educational opportunity and that we are willing to work to make it successful.

I hope that other Members will join me in support of this measure and work for its prompt passage.

Mr. COCHRAN. Mr. President, when students do not repay their Government guaranteed loans, others suffer because there is less money available to support our education programs. Taxpayers suffer too because they have to repay the loans for those who borrowed the money.

During fiscal year 1988, the Department of Education estimated that Federal default costs exceeded 40 percent of the obligations for the entire Stafford Student Loan Program. The $1.5 billion the Federal Government paid last year in defaults was the third highest expense incurred by the Department of Education.

Students must be made aware of their financial obligations, and education institutions must monitor their loan volume and improve their default rates. The agencies that administer the program must work to see that these goals are met.

Today I am joining many of my colleagues on the Subcommittee on Education, Arts, and Humanities in introducing the "Stafford Student Loan Default Prevention and Management Act of 1989." The bill requires the establishment of default management plans for guaranty agencies, lenders and holders, and postsecondary institutions whose default rates exceed 25 percent. The aim is to reduce substantially the percentage of defaulted loans over a 3-year period.

Mr. President, the amount of annual borrowing has increased under this program from $4.8 billion in 1980 to $11.8 billion this year. We cannot afford to pay for such increases in the future, however, unless repayment practices are changed.

I hope the Senate will carefully consider this proposal as a way to reduce the loan default rate while strengthening our commitment to educational opportunity for all.

Mr. DODD. Mr. President, I am pleased to join Senator PELL today as an original cosponsor of the Stafford Student Loan Default Prevention and Management Act of 1989. This legislation, first introduced by Senators PELL and STAFFORD in the 100th Congress, addresses the critical problem of the increasing rate of defaults on Stafford student loans.

Last year, members of the Subcommittee on Education, Arts and Humanities worked carefully and expediently, under the leadership of Senator PELL, to craft legislation that would tackle the problem of the student loan default rate. The measure being introduced today is almost identical to that introduced last year and unanimously reported by the full Labor and Human Resource Committee. Unfortunately, there was not enough time at the end of the 100th Congress to complete action on the bill.

Valuable time has been wasted. The longer we postpone discussion on this bill, the more dollars of student loans go into default and the more we jeopardize Federal student aid programs vital to the youth in our Nation pursuing higher education opportunities.

Over the last decade, with rising college tuitions, the number of students seeking guaranteed student loans has increased threefold. Reagan administration cuts in the Pell Grant Program also contributed to the increase in the number of students now dependent on Federal loans to finance their education. While the volume of Stafford loans has increased, there has been a similar growth in the number of defaulted loans. The result has been a dramatic increase in the cost of the Stafford Loan Program to the Federal Government. The defaulted loan cost to the Federal Government will approach $2 billion in 1989.

In light of the current budget debate, we could all think of other, more productive ways to spend the money our Government now pays for defaulted loans. The problem is a serious one. It needs to be dealt with in a timely fashion. The sooner we pass this legislation, the sooner we can implement measures to curb the student loan default problem.

While I urge my colleagues to support efforts to curb the default rate, they should understand the complex nature of the problem. The players are numerous. Guarantee agencies, lenders and institutions all participate in and benefit from Federal student loan programs. The reasons why students default on their loans are varied. There are, however, a few characteristics that fit the majority of loan defaulters. Many do not fully comprehend the requirements of their loans. Most students who default on their loans are first-time students and first-time borrowers that never finish their program of study. Furthermore, many loan defaulters have difficulty finding employment and consequently cannot afford to repay their loans.

The Stafford Student Loan Default Prevention and Management Act of 1989 takes a comprehensive and balanced approach to the student loan default problem. It takes into consideration the various groups who are involved in the process of administering and guaranteeing student loans and the many reasons why students default. It is primarily designed to engage guarantee agencies, lenders, institutions, and student alike in the task of increasing the awareness of the default problem and loan requirements.

The Secretary of Education would be given the authority to develop and implement a default management plan for a guarantee agency with a high volume default rate. If State guarantee agencies determine that a lender or institution has a default rate over 25 percent or in the top 5 percent by volume of defaulted student loans, they can develop default management plans for such lender or institution.

Guarantee agencies, lenders, and institutions that fail to implement default managements after being asked to do so would jeopardize their participation in Federal student aid programs.

The bill includes default management and prevention devices designed to break some of the trends of loan defaulters. Stafford student loan checks could not be endorsed by institutions until 30 days after a first-time student and borrower has begun his/her course of study. Institutions would be encouraged to provide services to keep students in their programs and assist students in job placement after graduation. There are provisions to improve the flow of information on the loan terms to borrowers before and after graduations. Borrowers would be required to submit their drivers' license numbers and next of kin on the loan forms. Lenders and institutions would be required to inform borrowers of their repayment schedules and of the sale of a loan. Additionally, there are provisions to improve the calculation of default rates, facilitate the collection of loans, and update methods of program audits and reviews.

There is much more to the bill than I have outlined today. However, each and every provision is aimed at preserving the Stafford Student Loan program and assuring deserving students access to Federal student loans and grants. This legislation is vital to the future of Federal student aid programs. I urge my colleagues to support this legislation and encourage the Senate to act quickly to move it through the legislative process.

Mr. BUMPERS. Mr. President, very few of our students in college know that there currently exists a deferment on repayment of all of their Government student loans when they work full-time for at least a year in low-paid positions with tax-exempt community service organizations.

On March 17, 1987, and again on March 8, 1989, I have introduced legislation to require the Department of Education to notify students of the existence of this deferment, to give them detailed information on how to qualify for it, and to collect statistics about its usage. The first bill I introduced in the last Congress was S. 759 and the second bill, introduced in this Congress, is S. 539.

I am delighted that Senator PELL, chairman of the Education Subcommittee, has included the substance of these bills in the pending student loan default legislation. He first did this last year, when the Senate considered S. 2647, the Stafford Student Loan Default Prevention and Management Act. The Senate adopted that bill, and the Bumpers amendment, on September 15, 1988. (134 CONGRESSIONAL RECORD at S. 12541-2)

THE CURRENT DEFERMENT

My bills and the provision in the pending legislation would direct that the Department of Education publicize the existence of this deferment, just as the Peace Corps and VISTA publicize the existence of this same deferment for their volunteers.

This deferment applies to direct, guaranteed, and plus loans. All a student has to do to obtain the deferment is fill out a simple one page form certifying that he or she qualifies.

The deferment came into existence with the 1980 amendments to the Higher Education Act. The deferment was first proposed by Mr. Matthew R. Paratore, executive secretary, International Liaison of Lay Volunteers in Mission in testimony to the Subcommittee on Postsecondary Education—"Reauthorization of the Higher Education Act and related measures, part 6," Subcommittee on Postsecondary Education, House Committee on Education and Labor, 96th Congress, 1st session, at 157-163 and 292-294. He is responsible for the deferment.

Mr. Paratore pointed out to the subcommittee that there already existed a deferment on repayment of student loans for Peace Corps and VISTA volunteers. He suggested that the same deferment be available for full-time, low-price service with tax-exempt community service organizations.

The subcommittee recognized the simple equity in Mr. Paratore's suggestion and extended the deferment to such service with tax-exempt organizations. This put full-time, low-paid employees of tax-exempt community service organizations on a par with Peace Corps and VISTA volunteers.

EDUCATION DEPARTMENT REFUSALS

There problem is that the Department of Education has systematically refused to publicize the existence of the deferment or even inform students of the requirements for claiming it.

The Department refuses to collect data on how many students are claiming this deferment, so we do not know how many students are using it. We suspect that about 1,000 students are now using this deferment. I have asked the Department to begin collecting data on the utilization of the deferment and it has refused to do so.

The Department also refuses to provide information—even to me—on exactly which students qualify for the deferment.

I wrote five letters to Education Secretary William Bennett, starting with a letter on March 24, 1987, asking questions about who can claim the deferment.

I even included a provision in the Department's appropriation bill directing it to provide information about the deferment and it ignored that directive.

Finally, on September 1, 1988, the Department did supply me with answers to a series of questions I raised about how to qualify for the deferment, but to this day the Department continues to refuse to tell me or anyone else exactly what the maximum level of compensation a young person can receive under the deferment.

To this day the Department refuses to inform anyone that a student may be a paid volunteer and still qualify for the deferment. It only informs students that they must be "volunteers," which strongly implies that they may not be paid. This is not the case. What we need to know is how much they can be paid and we need to inform students how much they can be paid.

THE COMPENSATION ISSUE

The compensation issue is one on which we need guidance. The legislative history of the current deferment states that the compensation of the student must be comparable to that of a Peace Corps or VISTA volunteer. We need guidance from the Department on exactly what this means in dollars and cents. The refusal of the Department to clarify this issue for students means that they do not know how much they can earn and still qualify for the deferment.

On April 20, 1988, I wrote to the Department requesting its guidance on the maximum compensation issue. In that letter I provided the Department with an extended analysis of the compensation and benefits of Peace Corps and VISTA volunteers and concluded that the Department could set the Federal minimum wage as the maximum compensation level. It could set the level at higher than the minimum wage, but I suggested that it set it at no less than the minimum wage in order to avoid a catch 22 in which the tax-exempt organization might not feel it could employ a student volunteer at less than the minimum wage.

I have yet to receive a response from the Department on the maximum compensation issue.

On March 9, 1989, I have written once again to the Department asking for guidance on the compensation issue. Secretary Bennett is gone and I am hopeful that Secretary Cavavos will finally begin to implement the deferment.

BASIS FOR DEPARTMENT REFUSAL

The refusal of the Department to implement the current deferment program is not due to the potential cost of the program. According to the Department the current deferment costs only $80 per $1,000 of the student's loans per year. This is an incredibly cheap program given the fact that it encourages young people to devote a year or more of their lives to community service.

Its refusal also does not arise from any church-state issues. It has been clear from the beginning that the deferment is available for church-affiliated tax-exempt organizations as long as the student, "as part of his or her duties, does not give religious instruction, engage in religious proselytizing, or engage in fundraising to support religious activities."—Department regulations.

The only explanation for the Department's refusal to implement the current deferment is its indifference—or perhaps its hostility—to students who are willing to devote a year or two of their lives to serving the community.

President Bush states that he supports student community service. Well, if he does support it, he can begin by directing the Department of Education to implement the current deferment for student's who perform community service.

In my letter to Secretary Cavavos I said:

> Before the administration asks the Congress to adopt new legislation to encourage youth service, it should take steps to fully implement the existing laws with this purpose. The administration can demonstrate its commitment to the issue of youth service by responding to my request for guidance on the compensation issue and by adopting the compensation standard I have suggested. Its delay in doing so will only demonstrate its indifference to the youth service issue.

IMPORTANCE OF THE DEFERMENT

Many students might be willing to perform a year or more of community service if only they were not obligated to begin immediately to repay their student loans.

The loan indebtedness of students has been rising. Students rightfully are very concerned about these debts and they do not consider it possible to perform community service upon graduation. They are responding to economic reality.

The deferment delays the obligation to immediately repay the loans.

As I have said, the deferment is available only when the service is per-

formed at a low rate of pay. This is not a "yuppie" program. It requires the student to make a significant financial sacrifice in performing the service.

The deferment will encourage some students to perform community service. The entire Nation will benefit and the cost to the Government of the deferment is miniscule.

I cannot understand why the Department is so unwilling to notify students about the deferment. The deferment encourages voluntary service in the private sector. It does not require service under some Federal Government bureaucracy. I would think that the deferment encourages precisely the kind of service this administration might think is appropriate.

DESCRIPTION OF THE PROVISION

This provision would require the Department to ensure that students are specifically informed that the deferment for community service is available.

This information would have to be provided when the student initially agrees to the terms of the loans and when the student graduates.

In addition, the Department would be required to provide students and participating institutions with detailed information on the specific terms and conditions under which students may qualify for the deferment, including information on the maximum compensation and allowances which the student may receive from a tax-exempt organization to qualify for the deferment, stated in terms of the Federal minimum wage.

The Department would be obligated explicitly to state in any information regarding the deferment—either oral or written—that the deferment is available when the student serves as a paid employee of a tax-exempt organization.

Finally, the Department would be obligated to begin collecting information on the utilization of each of the various deferments, not just aggregate data on utilization of deferments generally.

RELATIONSHIP TO LOAN DEFAULT LEGISLATION

I am, of course, not waiting for the Department or the administration to take action. That is why this legislation once again contains an explicit directive to the Department to fully implement the deferment program.

This provision relates to this student loan default legislation in several ways. First, no student can claim this deferment if he or she is in default. The deferment does not provide an "out" for students in default.

However, students may claim the deferment and this will defer their obligation to repay their loans during their period of service. Thus, a student can always avoid going into default if they are willing to service their community.

Finally, there may well be some students who currently qualify for the deferment who have not claimed it. Some of these students may have gone into default when they could have legitimately claimed the deferment.

The more students know about their rights and obligations under the student financial aid programs, the less they are likely to go into default. This provision ensures that all students will fully understand the current deferment for community service.

PARTIAL LOAN CANCELLATION

Implementing the current deferment will help, but for many students this will not be enough. To qualify for the deferment the student borrower must serve at a low rate of pay. This requirement involves a large financial sacrifice.

I have reintroduced legislation to supplement the current deferment with a partial cancellation of the student's loans for each year of service. In the last Congress I proposed in S. 760 that up to 70 percent of the student's direct, NDSL, Perkins loans be canceled. In this Congress I have proposed in S. 540 and 541 that up to 70 percent of the student's direct and guaranteed, GSL, Stafford loans be canceled.

I have testified on these proposals before the Senate Labor and Human Resources Committee and hope to secure its support for these bills. This is not the appropriate legislation to address the loan cancellation issue.

I look forward to working with Senator PELL and his fine staff on this issue and again thank them for their assistance with this provision in this legislation.

Implementing the current deferment is the least we should do to encourage our Nation's young people to serve their community.

By Mr. BOND (for himself, Mr. STEVENS, and Mr. DANFORTH):

S. 569. A bill to establish a grant program for States to enable such States to expand the choices available for the provision of affordable child care, and for other purposes; to the Committee on Finance.

CHOICES FOR CHILDREN ACT

Mr. BOND. Mr. President, for months we have watched the evolution of the child care debate lead to increasing fragmentation among the parties and increasingly costly proposals being introduced.

Both the left and the right have swallowed the argument that a huge Federal presence—be it in the form of expenditures to set up a new child-care bureaucracy, which many of my colleagues on the other side of the aisle favor, or in the form of huge revenue losses through changes to the Tax Code, which many on this side of the aisle prefer—is necessary to provide safe, affordable day care for our Nation's children.

Common sense tells most of us that with a budget deficit approaching $150 billion per year, we just do not have the money to start a big new Federal program. And, if we did, I fail to see how either of the two approaches I just mentioned could do much to provide more and better day care. Proponents of the ABC bill would spend $2.5 billion per year on subsidies to working parents. That idea might have some merit, were the subsidies targetted to very low-income families. But under ABC, even families earning over $30,000 could qualify for assistance. Worse, ABC would set up a strict set of Federal standards and force States to comply in order to receive funds. At a time when we need to expand child-care options and availability, this would seem to threaten many church and other private providers. I would rather see the States determine these standards.

Nor do most conservatives have a better plan. The most popular conservative approach would change the Tax Code to provide working families with a little more income. That may be a desirable goal. Certainly one could argue that being desirable. But this will cost the Government billions of dollars a year, and does not even ensure that families use the extra income on child care.

I do not believe the Federal Government is the answer to the child care problem. I believe that local communities are already providing the answers through innovative programs they have already set up or are trying to set up. If the Federal Government does have a role to play, and I believe we can recommend one, it should be to provide local communities—especially nongovernmental sectors, our families, employers, and schools—with the seed moneys they need to develop more programs like the research hospital child-care center in Kansas City; like McDonnell Douglas' McCare facility for employee children in St. Louis; and like the 21st Century Schools extended day program in Independence, MO.

Today I am introducing my new child care bill, titled "Choices for Children." Recognizing the realities of a tight Federal budget, this bill targets programs for funding that will shift the burden away from the Federal Government in coming years.

Family providers, employers, and schools will be given meaningful incentives to begin their own child-care and after-school-care programs. Funds will be provided to assist school districts and family providers with the huge costs of beginning a child-care program. Businesses will be given incentives to begin child-care programs, either on-site or in the communities

where very little child care exists. The difficulty families and businesses experience in obtaining liability insurance for such ventures will be alleviated through the establishment of liability insurance risk pools. In addition, this bill provides a modest block grant program to the States to assist very low-income families and to fund projects which demonstrate the ability to become self-sufficient over time.

The bills currently receiving the most attention by this Congress are the type, which if passed, will result in a new Government entitlement program and ongoing expenditures. This is undesirable and avoidable. The bill I propose today spends less over 3 years than the much-touted ABC or tax credit approaches would spend in a single year, and will be administered in such a way that makes ongoing Federal expenditures unnecessary.

Unfortunately, because of the momentum behind the ABC bill and tax-credit approaches, the evolution of the debate may result in some sort of unwieldy compromise between the two extremes. Through this approach, choices for children, we hope to make a responsible start in addressing the child-care problem while working toward a comprehensive solution that minimizes long-term Federal involvement.

In short, in my State, after extensive investigation, I have seen that the problem in child care is a lack of available child-care facilities. Where we have good child-care programs, we find waiting lists; parents begging and pleading to get in. The signup periods begin, in many instances, as soon as the expectant mother finds that she is pregnant. And still they wait and wait because we do not have enough resources, enough spaces available.

Let us bring the private sector and State and local governments into partnership with the Federal Government as we address this issue instead of shutting them out. And, let us focus on removing the obstacles facing the private sector as we work to expand child-care options.

Mr. President, I ask unanimous consent that Senators DANFORTH and STEVENS be added as original cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, I ask unanimous consent that a section-by-section summary of provisions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION SUMMARY OF CHOICES FOR CHILDREN

SECTION 1. TITLE

SECTION 2. PURPOSE—To expand the alternatives available to parents for access to quality affordable child care; to involve both State and local governments and the local private sector in the provision of such child-care alternatives; to shift the burden of providing quality affordable child care away from the Federal government in future years.

SECTION 3. DEFINITIONS

SECTION 4. AUTHORIZATION OF APPROPRIATIONS

SECTION 5. ESTABLISHMENT OF GRANT PROGRAM

This section provides for a block grant component for states to fund programs at their discretion. Uses may include (but are not limited to) training of day care providers, voucher systems for low-income parents, setting up of information and referral systems, etc. Preference should be given to funding for programs which target those families earning not more than 200 percent of poverty level income and which demonstrate an ability to achieve a degree of self-sufficiency over time. The state should make an effort to provide funding for innovative model programs sponsored by businesses, schools, and family provider networks as well as community-based organizations. Total cost will be about $300 million per year over next three years ($250 million block grant to states; $50 million block grant for states earmarked for demonstration programs). Entities which receive funding will be required to meet state standards for the provision of child care.

Each state will, with a portion of the block grant funds, set up an Office of the Child within an appropriate state agency to provide information and technical assistance to community agencies, businesses, schools and family providers.

There will be a 20-percent state match on block grants

SECTION 6. EMPLOYER TAX CREDITS

This section would provide incentives for employers to help offset some of the initial start-up costs associated with establishing on-site or off-site day care.

A 25-percent tax credit for costs of rehabilitation, construction, or expansion of an on-site day care center—or for contributions to an off-site center to expand availability in the community. Both for-profit and not-for-profit organizations would be eligible to apply for the credit. The Joint Committee on Taxation estimates an annual loss to the federal treasury of between $100-$200 million per year for the on-site provisions.

SECTION 7. BUSINESS CHILD-CARE LIABILITY INSURANCE RISK POOL

Establishment of liability insurance risk pool for eligible providers, including businesses. Cost: $100 million—one time expense.

SECTION 8. INCENTIVES FOR FAMILY-BASED PROVIDERS

This section would provide incentives for self-employed neighborhood providers to become involved and licensed.

$50 million revolving loan fund for family providers to borrow from to meet state licensing standards.

*Establishment of liability insurance risk pool for eligible providers, including family-based providers. (Cost included in $100 million risk pool for businesses.)

SECTION 9. SCHOOL-BASED CHILD CARE GRANT PROGRAM

This section would provide incentives for schools to begin addressing the pressing problem of latch-key children, including:

$100 million grant program to fund for start-up costs (including program design, equipment, and staffing) for extended day child care programs. To be administered through state departments of education. School districts would be able to apply for grants of up to $10,000 to begin such programs.

By Mr. DANFORTH (for himself, Mr. BAUCUS, Mr. CHAFEE, Mr. MITCHELL, Mr. DURENBERGER, Mr. HEINZ, Mr. RIEGLE, Mr. BOND, Mr. MCCAIN, Mr. ROCKEFELLER, Mr. BOREN, Mr. ROTH, Mr. WALLOP, Mr. CRANSTON, Mr. WILSON, Mr. SYMMS, Mr. KERRY, Mr. BINGAMAN, Mr. RUDMAN, Mr. GRASSLEY, Mr. GORE, and Mr. BURDICK):

S. 570. A bill to amend the Internal Revenue Code of 1986 to enhance the incentive for increasing research activities; to the Commttee on Finance.

RESEARCH AND EXPERIMENTAL CREDIT EXTENSION AND REFORM ACT

● Mr. DANFORTH. Mr. President, I am introducing today S. 570, a bill to improve the incentive value of the R&E tax credit and to increase private R&E spending in the United States, a fundamental element of America's competitiveness strategy.

This legislation makes essentially three improvements to the R&E tax credit. First, it makes permanent the 20 percent R&E and basic research tax credits, which are scheduled to expire at the end of 1989. Second, it makes certain improvements to the structure of the credit to increase the incentive effect it has on R&E spending. Finally, it extends credit benefits to startup firms to encourage all taxpayers to increase R&E spending. These changes will increase taxpayers' incentives to spend more money on R&E, and will ensure that a wider base of taxpayers is eligible for the credit.

The R&E tax credit was originally enacted in 1981 to provide just such an incentive. The credit has proven to be a great success, as private R&E in the United States has increased to record levels in recent years. It is now necessary to adopt this legislation in order to provide security to taxpayers planning R&E so that spending will remain at these high levels.

At hearings held in 1987 by the Subcommittee on Taxation and Debt Management of the Finance Committee, Treasury, and several economists testified that the credit's true incentive value could be made even stronger by restructuring the base period. Specifically, under the current credit, R&E expenditures made in the current year increase the following 3 years' base period amounts. Thus, the credit earned in year one is often paid back in years two through four. In these cases, the real incentive value of the credit is not the statutory 20 percent rate, but only that which is associated with the time value of money. Furthermore, the existing base period structure can create an R&E disincentive for certain taxpayers who are experiencing a decline in R&E spending.

For these taxpayers the credit creates an incentive to cut R&E spending so as to reduce the base amount in order to increase future credits. Finally, because the credit was initially enacted for only a trial 5-year period and then extended for an additional 3 years, the temporary nature of the credit creates uncertainty for taxpayers undertaking R&E efforts which are expected to span several years. These problems have caused the credit to be less effective than it could be in stimulating R&E efforts.

We cannot afford to be complacent with America's R&E. We must build the most efficient credit we can to ensure that the United States retains its position at the forefront of high technology, research, and development. Simply stated, we can get more bang for the buck if we amend the structure of the base period to take care of these criticisms.

Accordingly, this bill introduces a base period structure that utilizes a historical 5-year R&E base which is indexed by a factor—the average of the 3 preceding year's nominal GNP—not directly related to any specific taxpayer's R&E spending. This new base makes the real incentive value of the credit the full statutory 20-percent rate. In addition, this bill provides an election for a 7-percent credit on a reduced base (75 percent of the same historical base) for taxpayers with R&E increasing less rapidly than nominal GNP growth, and thereby not receiving any credit benefits under this new proposal. This election would remain in effect for 3 years unless the consent of the Secretary is received. Firms with qualified research expenditures in 2 or less years of the 5 taxable years between 1984 and 1988 will use special rules for determining their initial base period. Finally, to further increase the credit's incentive value, this bill makes the research tax credit a permanent part of our tax law. Treasury will be required to study the base period and recommend any changes necessary every 5 years.

This legislation also retains the 50-percent deduction disallowance of current law, whereby taxpayers are prohibited from deducting half of their credit benefits under section 174. Under current law's base period structure, a deduction disallowance translates into a credit rate reduction. The current credit's incentive value is already too low. Thus, I am vehemently opposed to a deduction disallowance in the context of the current base period structure. In the context of this new bill, in contrast, the deduction disallowance is not a credit rate reduction. Rather, because the new base costs additional revenue, the disallowance simply serves as a revenue offset device. Thus, this bill retains the 50-percent deduction disallowance. The administration also does not support a deduction disallowance in the context of current law. Rather, the administration's full deduction disallowance was only proposed in conjunction with a restructured base.

I introduced similar legislation, S. 2484, in the 100th Congress. At a hearing on July 12, 1988, before the Senate Finance Subcommittee on Taxation and Debt Management, the Deputy Assistant Secretary of the Treasury testified that this bill is consistent with the Treasury's own views regarding optimal credit structure. He acknowledged that S. 2484 would: First, increase the incentive of the R&E credit in absolute terms and per dollar of credit; second, increase the percentage of R&E-performing firms eligible for the credit; and third, insulate the credit from the effects of inflation. Moreover, the Treasury Department reports that replacing the moving-base with a fixed-base structure such as that included in this legislation, will produce a fivefold increase in the credit's incentive effect per dollar of revenue cost. In fact, the administration's budget proposal includes a permanent R&E tax credit restructured in the manner proposed by S. 2484 with a full deduction disallowance.

This bill also incorporates the Baucus-Danforth legislation to make startup ventures eligible for the R&E tax credit. The current law does not allow startup ventures to take the R&E tax credit because expenditures by such firms, before market sales, are not considered to be made "in carrying on" a trade or business. Consequently, the credit is of no value to startup ventures that are developing new products or to existing businesses attempting to enter a new line of business. Interestingly, the R&E expenses leading to many of America's most significant small business innovations; the lightbulb, the phonograph, the airplane, the human growth hormone, and the personal computer would be ineligible for the current R&E tax credit. Moreover, even when these firms do experience market sales, their R&E spending is more likely to be varied from year to year, rather than increasing linearly. As a result, these firms can not take full advantage of the tax credit. Treasury studies indicate that the moving-base of the current R&E tax credit has excluded approximately one-third of all R&E-performing firms from credit eligibility each year. The development of new products and technologies are essential to our continued economic growth. We should encourage firms to take the risks necessary to develop such innovations.

For these reasons, I believe the credit should now be made available to startup ventures. The legislation accomplishes this result by permitting research to be eligible if the principal purpose of the taxpayer is to use the results of the research in the active conduct of a present or a future trade or business. Research undertaken for investment purposes will not qualify. Thus, for example, research intended solely to be licensed to unrelated parties for use in their businesses would not be eligible for the credit under this legislation. Moreover, this provision only applies to so-called in-house research by a taxpayer—that is, salaries and supplies of the taxpayers' employees—and not to research contracted out to unrelated parties.

This legislation takes an aggressive stand against the deterioration of the credit that we've seen since it was enacted in 1981. Specifically, in 1981 the credit rate was 25 percent. Because the base period structure limited the value of the credit, its incentive value was considerably less than the 25 percent statutory rate. Nonetheless, in 1986, when the credit was revised to cut back on the types of activities that could be considered eligible for the credit, the rate was decreased to 20 percent. This decrease represented a 20-percent reduction in the level of incentive extended to companies contributing to this important goal. Notwithstanding this substantial decrease, in 1988, a 50-percent deduction disallowance was passed denying taxpayers the ability to deduct, under section 174, half of their credit benefits. That change, in effect, reduced the credit rate to 16.6 percent. That change represents another 17-percent reduction in the incentive effect directed toward R&E. We cannot continue to chip away at this very valuable incentive. We must allocate more, not less, of our resources to this laudable goal.

The revenue cost of the bill as a whole is minimal compared to the long-run benefits to the American industry in the world economy. The Joint Committee on Taxation staff estimates that the revenue cost of the bill is less than that of S. 2484.

Mr. President, I ask unanimous consent that the entire text of my bill be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 570

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Research and Experimental Credit Extension and Reform Act of 1989".

(b) AMENDMENT OF 1986 CODE.—Whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. RESEARCH AND EXPERIMENTAL CREDIT MADE PERMANENT.

Section 41 is amended by striking out subsection (i) thereof (relating to termination of the credit).

SEC. 3. COMPUTATION OF BASE PERIOD RESEARCH EXPENSES.

Subsection (c) of section 41 (defining base period research expenses) is amended to read as follows:

"(c) BASE PERIOD RESEARCH EXPENSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'base period research expenses' means, with respect to any taxable year, an amount equal to the sum of—

"(A) the historical base period research expenses, plus

"(B) such expenses multiplied by the average of the GNP growth rate for the 3 calendar years preceding the calendar year in which the taxable year begins.

In no event shall the base period research expenses be less than 50 percent of the qualified research expenses for the taxable year.

"(2) HISTORICAL BASE PERIOD RESEARCH EXPENSES.—The term 'historical base period research expenses' means—

"(A) in the case of a taxable year beginning in the initial base period, the amount determined under paragraph (3) or (4), whichever is applicable, and

"(B) in the case of a taxable year beginning after the initial base period, the taxpayer's base period research expenses determined under paragraph (1) for the preceding taxable year.

"(3) BASE PERIOD OF TAXPAYERS GENERALLY.—

"(A) IN GENERAL.—In the case of a taxpayer to whom this paragraph applies—

"(i) the taxpayer's initial base period shall be the taxpayer's 1st taxable year beginning after 1989, and

"(ii) the historical base period research expenses for such taxable year shall be an amount equal to 102 percent of the average qualified research expenses (determined on a taxable year basis) for taxable years beginning after December 31, 1983, and before January 1, 1989.

"(B) TAXPAYERS TO WHOM PARAGRAPH APPLIES.—This paragraph shall apply to any taxpayer which paid or incurred qualified research expenses in at least 3 of the taxable years described in subparagraph (A)(ii).

"(4) BASE PERIOD OF STARTUP TAXPAYERS.—

"(A) IN GENERAL.—In the case of a taxpayer to which paragraph (3) does not apply—

"(i) the taxpayer's initial base period shall include each of the 1st 6 taxable years of the taxpayer—

"(I) which begin after December 31, 1989, and

"(II) in which the taxpayer pays or incurs qualified research expenses, and

"(ii) the historical base period research expenses shall be determined under subparagraphs (B), (C), and (D).

"(B) 1ST 3 TAXABLE YEARS.—In the case of the 1st 3 taxable years described in subparagraph (A), the historical base period research expenses shall be zero.

"(C) 4TH TAXABLE YEAR.—In the case of the 4th taxable year described in subparagraph (A), the historical base period research expenses shall be equal to one-third of the average qualified research expenses for the 3 taxable years described in subparagraph (B).

"(D) 5TH AND 6TH TAXABLE YEARS.—In the case of the 5th or 6th taxable years described in subparagraph (A), the historical base period research expenses shall be equal to the sum of—

"(i) the base period research expenses determined under paragraph (1) for the preceding taxable year (after application of this paragraph), plus

"(ii) 15 percent of the qualified research expenses paid by the taxpayer during the preceding taxable year.

"(5) CONSISTENT TREATMENT OF EXPENSES REQUIRED.—Notwithstanding whether the period for filing a claim for credit or refund has expired for any taxable year in the base period, base period research expenses taken into account with respect to the base period for any taxable year shall be determined on a basis consistent with the expenses treated as eligible for the credit under this section for such taxable year.

"(6) GNP GROWTH RATE.—

"(A) IN GENERAL.—The term 'GNP growth rate' for any calendar year means the nominal growth rate of the gross national product published by the Bureau of Economic Analysis of the Department of Commerce.

"(B) PUBLICATION OF PERCENTAGE INCREASE.—Not later than April 1 of a calendar year, the Secretary shall publish the average GNP growth rate (expressed as a percentage) in paragraph (1)(B).".

SEC. 4. COMPUTATION OF CREDIT.

(a) ALTERNATIVE METHOD OF COMPUTING CREDIT.—

(1) IN GENERAL.—Paragraph (1) of section 41(a) (relating to amount of credit) is amended to read as follows:

"(1) either—

"(A) 20 percent of the excess (if any) of—

"(i) the qualified research expenses for the taxable year, over

"(ii) the base period research expenses, or

"(B) at the election of the taxpayer under subsection (i), 7 percent of the excess (if any) of—

"(i) the qualified research expenses for the taxable year, over

"(ii) 75 percent of the base period research expenses,

plus"

(2) ELECTION.—Section 41, as amended by section 2, is amended by inserting after subsection (h) the following new subsection:

"(i) ELECTION WITH RESPECT TO COMPUTATION OF CREDIT.—

"(1) TIME FOR MAKING ELECTION.—An election under subsection (a)(1)(B) for any taxable year may be made (or revoked) at any time before the last day prescribed by law for filing the return for such taxable year (including extensions).

"(2) PERIOD OF ELECTION.—An election under subsection (a)(1)(B) shall remain in effect until revoked by the taxpayer, except that the taxpayer may not revoke such election for the first taxable year for which made and the succeeding 2 taxable years without the consent of the Secretary.

"(3) MANNER OF MAKING ELECTION.—An election under subsection (a)(1)(B) (or revocation thereof) shall be made in such manner as the Secretary may prescribe."

(b) ELECTION TO REDUCE CREDIT IN LIEU OF REDUCTION OF DEDUCTION.—

(1) IN GENERAL.—Section 280C(c) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) ELECTION OF REDUCED CREDIT.—

"(A) IN GENERAL.—If an election under subparagraph (C) is in effect for any taxable year, paragraphs (1) and (2) shall not apply and the amount of the credit under section 41(a) shall be determined under subparagraph (B).

"(B) REDUCTION IN CREDIT.—If this paragraph applies, the amount of the credit under section 41(a) (without regard to this paragraph) shall be reduced by the amount determined by multiplying—

"(i) 50 percent of the amount of such credit, by

"(ii) the maximum rate of tax under section 11.

"(C) ELECTION.—An election to have this paragraph apply shall be made not later than the time for filing the return of tax for the taxable year (including extensions), shall be made on such return, and shall be made in such manner as the Secretary may prescribe.".

(2) CONFORMING AMENDMENTS.—

(A) Section 196(c)(4) is amended by inserting "(other than a credit to which section 280C(c)(3) applies)" after "section 41(a)".

(B) Section 41, as amended by subsection (a)(2), is amended by striking out subsection (h) and by redesignating subsection (i) as subsection (h).

(C) Section 41(a)(1)(B), as amended by subsection (a)(1), is amended by striking out "subsection (i)" and inserting "subsection (h)".

(D) Section 6501(n) is amended by striking out ", 41(h),".

SEC. 5. RESEARCH CREDIT FOR STARTUP VENTURES.

Subsection (b) of section 41 (defining qualified research expenses) is amended by adding at the end thereof the following new paragraph:

"(4) TRADE OR BUSINESS REQUIREMENT DISREGARDED FOR IN-HOUSE RESEARCH EXPENSES OF CERTAIN STARTUP VENTURES.—In the case of in-house research expenses, a taxpayer shall be treated as meeting the trade or business requirement of paragraph (1) if, at the time such in-house research expenses are paid or incurred, the principal purpose of the taxpayer in making such expenditures is to use the results of the research in the active conduct of a future trade or business—

"(A) of the taxpayer, or

"(B) of 1 or more other persons who with the taxpayer are treated as a single taxpayer under subsection (f)(1)."

SEC. 6. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this Act shall apply to taxable years beginning after December 31, 1989.

(b) TERMINATION.—The amendment made by section 2 shall apply to amounts paid or incurred after December 31, 1989.

(c) STUDY.—

(1) IN GENERAL.—The Secretary of the Treasury or his delegate shall conduct a study during each 5-year period beginning after December 31, 1989, to determine whether revenue losses from the credit under section 41 of the Internal Revenue Code of 1986 and availability of such credit are consistent with the projections of such factors as of the date of the enactment of this Act.

(2) REPORT.—Not later than January 1, 1995, and each January 1 following the close of the periods referred to in paragraph (1), the Secretary of the Treasury shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives the results of the study under paragraph (1), together with any recommendations for changes in the computation of the base period research expenses.●

● Mr. BAUCUS. Mr. President, today I am introducing legislation with Senator DANFORTH to make the research

and development credit permanent and to revise the way the credit is computed so that it will encourage more R&D spending. These long-term investments are crucial to the future competitiveness of U.S. businesses.

The legislation Senator DANFORTH and I are introducing today is similar to legislation that we introduced in the 100th Congress. I am pleased that the Bush administration has effectively endorsed this bill by including nearly identical provisions in its budget proposal.

The R&D credit, enacted in 1981, has given U.S. industries incentives to increase their R&D spending to record levels. But in recent years we have learned from industry experts and from Treasury that the current R&D base structure may create several problems.

When I chaired the Finance Subcommittee on Taxation and Debt Management, that subcommittee learned that the credit, under certain circumstances, can actually discourage, rather than encourage R&D spending. Treasury officials told us that revisions in the R&D base period should be developed in consultation with representatives from industries that use the credit.

This legislation has grown out of those hearings and was developed in cooperation with industry groups. The overriding objective of our efforts has been to develop a credit that provides the greatest level of incentive for the largest number of companies.

The bill would improve the R&D credit and make it a permanent part of the tax law. Specifically, it would revise the way a company's R&D base period expenditures are calculated.

Under current law, the base is equal to an average of the previous three years' R&D expenditures. Thus, a business is eligible for the credit only if its R&D spending is increasing each year. The law may have also had the effect of encouraging companies to make dramatic reductions in their R&D spending every few years. Companies may make these cuts to reduce their base, thus making them eligible for the credit in future years without have to constantly increase their R&D expenditures.

The bill we introduce today would create a base fixed on a company's R&D expenditures between December 31, 1983 and January 1, 1989. Instead of recalculating the base expenses each year as is required under current law, the taxpayer will use the same five years' expenses each year to compute the credit. These expenses will be indexed to the Nation's GNP growth rate.

Also included in the bill is an alternative method to calculate the base for businesses whose R&D spending is growing more slowly than the GNP.

These provisions would eliminate some of the flaws in the current law and restore incentives to businesses to maintain or increase their R&D efforts.

In addition to revising the base, this legislation also makes start-up ventures eligible for the credit. Under the present law start-ups are ineligible because their research is not in carrying on a trade or business.

Thousands of S corporations, partnerships, and C corporations are started each year with dreams that hard work and creative research will lead to new products that can be marketed successfully. The individuals who take the very substantial risks involved in starting these ventures ought at least to have the chance to earn the same R&D credit major companies are eligible for.

Since start-up ventures do not earn income in their early years, they can't take the R&D credit for their efforts in those years. This bill would allow the credit they receive to be carried forward as much as 15 years, an option already available to larger corporations in their on-going R&D projects.

When the current law was enacted in 1981 the Congress intentionally prohibited a tax credit for start-ups. It was felt that the restrictions were necessary to prevent R&D tax shelters from abusing the credit. However, since that time Congress has enacted other laws, such as the passive loss rules, which severely limit the extent that losses and credits can be used to create a tax shelter.

In addition, the current R&D credit can only be used to offset tax from the activity or entity that gave rise to the credit. This means that partners in a partnership can only use the credit against income from that partnership.

Start-ups would be eligible for the credit only if the research is to be used by the taxpayer in the active conduct of the tax code. This bill would prohibit giving a credit for research intended solely to be licensed to unrelated parties for use in their business. In addition, the provision only applies to so-called in-house research by a taxpayer—that is, salaries and supplies of the taxpayers' employees—and not to research contracted out to unrelated parties.

An important aspect of this bill is that it is to be made a permanent part of the tax code. The long-term nature of R&D projects requires that companies must know in advance if their efforts are to be cost effective. It is essential to these businesses' planning efforts that they know that these credits will be available well into the future.

This type of research is crucial to the future international competitiveness of U.S. businesses. It is our responsibility to encourage these firms to undertake the research that is necessary to develop the new products and new processes that will not only maintain, but improve our competitive position in the world economy.●

● Mr. CHAFEE. Mr. President, I am pleased to join in the introduction of legislation, that is vitally important to the continued improvement of U.S. competitiveness in research and experimental activities.

We originally enacted the Research and Experimental Tax Credit in 1981 to provide an incentive for American taxpayers to spend more money on research and experimental activities. This incentive has been incredibly successful: Since the enactment of the credit, private research and experimental expenditures in the United States have reached record levels.

Unfortunately, the current structure of the credit does not provide an incentive for American companies to maintain this level of expenditures. At hearings held during the 100th Congress by the Subcommittee on Taxation and Debt Management of the Finance Committee, we heard several witnesses, including the Treasury Department and several economists and academics, who testified that we should restructure the base period in order to improve the credit's incentive value.

Under the current structure, a taxpayer must continue to increase the amount of research and experimental expenditures each year, since the credit is computed on the excess expenditures over a base period amount. This base period amount is computed utilizing the research and experimental expenditures for the prior 3 years. This computation causes the base period amount to increase as taxpayers continue to increase research and experimental expenditures. I believe that this structure may provide an incentive for certain companies to reduce research and experimental expenditures for several years, in order to qualify for the credit in later years.

The structure proposed in our bill would establish a primary base period amount that will encourage American businesses to increase their research and experimental expenditures over the base period levels and to maintain those levels. However, this base period amount would not be fixed, but would increase as our nominal gross national product increases from year to year. These provisions require research and experimental expenditures to be increased by an amount that exceeds the percentage increases in nominal gross national product.

It is very important that we provide this incentive to American businesses to increase and maintain higher levels of research and experimental expenditures. We need this additional research to regain the competitive edge that we have enjoyed for years, but

which we have lost to other nations such as Japan.

In addition, this legislation will extend the eligibility for the credit to start-up companies and new lines of business within existing companies. Under the current structure, these start-up businesses would not have received the benefits of the credit for their research and experimental expenditures. This new credit will provide a much needed incentive for the creation of new businesses with the purpose of performing research and experimentation.

Finally, this act would make the credit permanent and thus remove the uncertainty surrounding it. We need to assure American businesses who undertake research activities that the credit will be available permanently, since many research activities will span several years and could exceed any temporary extensions.

I urge my colleagues to support this measure that is vitally important to American competitiveness.●

By Mr. DASCHLE (for himself and Mr. KERREY):

S. 571. A bill to amend the Agricultural Act of 1949 to set the target price for oats at $2.52 per bushel for the 1990 crop and to clarify the administration of the feed grain crop acreage base provisions of such act; to the Committee on Agriculture, Nutrition, and Forestry.

OATS PROMOTION ACT

● Mr. DASCHLE. Mr. President, I am introducing legislation today that will have a direct beneficial impact on both our Nation's farmers and consumers. Recent scientific evidence has revealed the enormous positive health effects of including oats and oat products in our diets. However, despite this increase in demand, domestic oat production has not been allowed to respond.

Last year, we imported 60 million bushels of oats, at the same time that buyers and consumers were expressing a preference for domestically grown oats, and when we have large surpluses of other commodities. The reason we are in this dilemma is because current farm programs are not allowing farmers to respond to this new demand. The legislation I am introducing would address this situation by making oats more attractive to farmers by raising the oats target price and not penalizing producers for switching acreage into oats.

There is a virtually universal consensus that the current relationship of the oats target price to that of other program crops is seriously understated, because it does not include the new food use value of oats. By raising the target price for oats we can rectify this situation, creating several major benefits. First domestic oats production would expand to meet the demands of the industry and consumers, reducing and hopefully eliminating the need for imports. Second, it would give producers greater planting flexibility, improve their economic returns and potentially reduce overproduction in other commodities. And third, there is a very real chance that these changes in production patterns could bring budget savings for the domestic farm programs.

For these reasons I would urge all of my colleagues, both rural and urban, to support this legislation, which has also been introduced on the House side by my distinguished colleague from South Dakota, Representative TIM JOHNSON.●

By Mr. MURKOWSKI (for himself, Mr. SIMPSON, and Mr. JEFFORDS):

S. 573. A bill to amend title 38, United States Code, to provide for third-party reimbursement of the United States for the cost of health care and services furnished a service-connected disabled veteran by the Department of Veterans' Affairs for a non-service-connected disability; to the Committee on Veterans' Affairs.

VETERANS' DEPARTMENT THIRD PARTY REIMBURSEMENT PROGRAM

● Mr. MURKOWSKI. Mr. President, as ranking minority member of the Committee on Veterans' Affairs, I rise today, together with Senators SIMPSON and JEFFORDS, to introduce legislation which would authorize the VA to seek reimbursement under health-care insurance contracts for the cost of health care and services which are furnished to a service-connected veteran for the treatment of a non-service-connected disability.

In order to fully understand the legislation I am proposing today, it is important to provide some historical background on this issue.

Under laws applicable in the years prior to 1986, veterans were eligible to obtain inpatient care for non-service-connected disabilities if they were at least 65 years of age, or if they were unable to defray the costs of necessary hospital, nursing home, or domiciliary care. Before the enactment of Public Law 96-330, the Veterans' Administration Health Care Amendments of 1980, the VA was required to accept statements, under oath, of applicants who said they were unable to defray the expenses of necessary hospital care as sufficient evidence of inability to defray the expenses, even if the veterans had private health insurance that could have paid for all or a portion of their care. Public Law 96-330 authorized the VA to establish specific ability-to-pay criteria to verify a veteran's ability to defray medical expenses before providing care.

In February 1985, the General Accounting Office [GAO] submitted a report to Congress entitled "Legislation to Authorize VA Recoveries From Private Health Insurance Would Result In Substantial Savings" (GAO/HRD 85-24). The report stated that "no overriding legal or administrative problems are preventing the enactment and implementation of a VA cost recovery program." GAO discovered that in fiscal year 1983, almost 90 percent of the approximately 1 million episodes of care provided by VA hospitals were for non-service-connected disabilities and suggested that savings of $98 to $284 million could have been collected from private insurance in fiscal year 1982. Finally, GAO recommended that legislation be enacted to authorize such recoveries from private insurance companies for non-service-connected medical conditions.

The President's budget request for fiscal year 1986 contained cost savings legislative proposals including a means test for health-care eligibility for non-service-connected veterans and third-party reimbursement. Due to efforts to reduce the Federal budget deficit, the Senate Veterans' Affairs Committee was required—under the first concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32)—to approve legislation which would achieve a total savings for the Veterans' Administration of $1.2 billion over the next 3 fiscal years. The committee held hearings and gave careful consideration to various proposals in order to determine how to achieve the required savings. As a result, legislation was ultimately enacted on April 7, 1986, as Public Law 99-272, "the Consolidated Omnibus Budget Reconciliation Act of 1986," which, for the first time, authorized reimbursement to the Federal Government under health-insurance contracts for the reasonable costs of health care and services furnished by the VA to non-service-connected veterans who have health insurance. In effect, these provisions invalidated the exclusionary clauses in health insurance policies which precluded payment for care furnished by Federal agencies. Prior to the enactment of this law, the VA could seek recovery for care only under the following conditions: First, veteran was injured on the job or because of another person's negligent or wrongful actions; second, in an emergency situation for unauthorized care; or third, if the patient was found later to be ineligible for care.

Specifically, Public Law 99-272:

Required the Administrator to prescribe regulations which would govern the determination of the reasonable cost of care or services, and that determination of reasonable costs may not exceed an amount equal to that which the third party would pay for such care or services under prevailing rates of payment to non-Federal facilities in the same geographic area as the VA

facility in which the care or services are furnished;

Established that third-party reimbursement would not, in any way, restrict an eligible veteran's access to VA health-care, nor would it require a veteran to pay a deductible or copayment required under the terms of an insurance contract in order to receive care;

Established that health insurance policies or plans which require the veteran to pay a deductible or copayment under the terms of an insurance contract would not preclude the Government from recovering from the third party; however, the amount of recovery would be reduced by the amount(s) of the deductible or copayment; and

Authorized third-party payers, subject to certain restrictions, to inspect medical records of a health-plan beneficiary for whom recovery is sought, in order to enable the third party to verify that the care or services were furnished and meet the criteria generally applicable under the health-plan contract.

The final regulations for implementation of this program were set forth in the January 30, 1987, Federal Register (pp. 3008-3011). In fiscal year 1988, almost $105 million were collected, with another $275 million in outstanding receivables. Recoveries under this program are deposited into the U.S. Treasury and are not intended to reduce the annual appropriation for the VA health care system.

The Reagan budget proposal for fiscal year 1990 for the VA indicates that legislation will be proposed by the VA to seek reimbursement for treatment of non-service-connected disabilities of insured veterans who have relatively minor service-connected disabilities—0-20 percent. The VA estimates that if implemented, this would realize a savings of approximately $61.6 million in fiscal year 1990.

This legislation would amend section 629 of title 38, United States Code, to allow the VA to recover for health care and services provided to service-connected veterans who receive VA care for non-service-connected disabilities. This bill would authorize the VA to seek reimbursement for treatment of non-service-connected disabilities of insured veterans regardless of their disability rating. According to the Congressional Budget Office, my legislation would result in savings of $52 million in the first year of enactment.

Mr. President, I am proposing this legislation because I believe that if a veteran is paying for health insurance coverage that irrespective of who is providing the care the insurance company should be responsible for reimbursing the provider for the cost of the care. Make no mistake about it, the Government cannot afford to continue to subsidize the insurance industry in this manner. These veterans—although service connected—are receiving treatment for non-service-connected disabilities. There is no reason that the Government should not have the authority to seek reimbursement for the treatment of those disabilities if the veteran is insured.

We have an extremely serious Federal deficit situation. I believe it is the responsibility of every Member of this body to carefully look at all Government programs to determine where inequities or inconsistencies lie and where savings can be achieved and to take appropriate steps to correct those circumstances.

Finally, let me reiterate that this legislation does not affect a veteran's eligibility for care, it simply provides the VA with a mechanism to be reimbursed—from private insurance companies—for that care once rendered.

Mr. President, I look forward to working with the distinguished chairman of the Committee on Veterans' Affairs, Senator ALAN CRANSTON, and the other committee members on this important bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 573

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. THIRD-PARTY REIMBURSEMENT FOR THE COST OF CERTAIN DEPARTMENT OF VETERANS' AFFAIRS HEALTH CARE.

Section 629(a)(2) of title 38, United States Code, is amended by striking out clause (D) and inserting in lieu thereof the following:

"(D) that is incurred by a veteran who is entitled to care (or payment of the expense of care) under a health-plan contract.".

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall take effect with respect to care and services furnished a veteran under chapter 17 of title 38, United States Code, on or after the date of the enactment of this Act.●

By Mr. MURKOWSKI (for himself, Mr. SIMPSON, and Mr. JEFFORDS):

S. 574. A bill to amend title 38, United States Code, to improve health-care benefits for veterans; to the Committee on Veterans' Affairs.

VETERANS HEALTH-CARE PROGRAM IMPROVEMENTS AMENDMENTS

● Mr. MURKOWSKI. Mr. President, as ranking minority member of the Committee on Veterans' Affairs, I am most pleased to rise today to introduce, together with my colleagues Senators SIMPSON and JEFFORDS, the proposed Veterans Health-Care Program Improvements Amendments of 1989. This bill contains some important provisions and ones which make some significant improvements in Veterans' Administration [VA] health-care programs.

SUMMARY OF PROVISIONS

Mr. President, the substantive provisions of the bill would:

First, authorize the VA to provide assistive animals—monkeys and dogs—to veterans with service-connected quadriplegia;

Second, repeal the VA's authority to provide free tobacco products for hospitalized veterans;

Third, extend by 2 years the VA's authority to provide respite care for veterans and extend by 1 year the date by which the report on respite care is due;

Fourth, authorize the VA, in the case of a service-connected veteran in receipt or need of nursing home care due to a service-connected disability, to provide—on a contract basis—health and health-related services in a noninstitutional setting;

Fifth, authorize the VA to permit retired military nurses to work for the VA without the loss of military retirement pay;

And lastly, provide additional pay authorities for nursing assistants if a recruitment and retention problem exists.

ASSISTIVE ANIMALS

Section 4 of this bill would add a new subsection to section 614 of title 38 to authorize the VA to provide assistive animals—both monkeys and dogs—to veterans with service-connected quadriplegia. The bill would also require the Secretary to report to the committees by October 1, 1992, regarding the conduct of the program including the Secretary's evaluation, findings, and conclusions about the program.

Mr. President, I believe that these veterans, who have been permanently disabled as a result of military service, deserve our highest priority. The Congress and the VA must continue to explore all options—including new programs and technology—which will assist these veterans in maximizing their independence and employment opportunities. It has been estimated that 92 percent of all Americans with spinal cord injuries reside in private residences, generally at home with family members or friends who provide support and assistance. These individuals require about 4 to 6 hours of human help daily and this assistance is usually provided by family members, friends, or a paid caregiver. These individuals need help in activities such as bathing, dressing, getting in and out of a wheelchair, and other tasks. However, there are a number of small tasks that certain quadriplegics must rely upon another individual to perform. Tasks such as turning off and on lights, food preparation, opening and closing doors, retrieving small objects, and grooming are all impossible for

these individuals to perform alone. The question we must ask is how best can the VA, in a cost-effective and helpful manner, assist veterans in accomplishing these tasks. One way to do this is to have certain types of animals perform these routine manual tasks. Research has indicated that certain breeds of monkeys and dogs have been successful in performing these tasks. It is my belief that by authorizing the VA to provide assistive animals to veterans with service-connected quadriplegia we are clearly expressing our concern and commitment for the 2,300 quadriplegic veterans.

Mr. President, in 1988, I introduced similar legislation (S. 2207 and for additional background see CONGRESSIONAL RECORD of March 23, 1988, pages 4922-4935 and several months later Senator CRANSTON introduced a bill which would have provided for a pilot program for providing assistive animals. The committee favorably approved and the Senate passed the Cranston version of the assistive animals provision as part of section 615 of S. 2011. While the House did not agree to this provision in a conference held last year. I am under the understanding that they will be scheduling hearings on this issue later this year.

I remain firmly committed to ensuring that these veterans have every opportunity to live independent and productive lives. If this program can assist—even in some small way—that goal, than I believe we should approve it.

TOBACCO FOR HOSPITALIZED VETERANS

Mr. President, section 5 of the bill would repeal section 615 of title 38 to eliminate the Administration's authority to furnish tobacco to veterans receiving care in VA hospitals or domiciliaries. Current law provides the VA Administration with the authority to furnish tobacco products to veteran patients. In practice, the Administrator has not exercised this authority for over 20 years. This provision is clearly inconsistent with VA practice.

This repeal would not prohibit the VA Canteen Service from selling tobacco products—that general authority will remain in section 4201 of title 38.

Section 341 of S. 9, which was passed by the Senate on December 4, 1987, included a similar provision. However, the House did not accept this provision in conference.

RESPITE CARE

Mr. President, section 6 of this bill would amend section 620B(c) to extend, for 2 years (until September 30, 1991), the VA's authority to provide respite care for veterans and would amend section 201 of Public Law 99-576 to extend, by 1 year (until February 1, 1990), the date by which the report on respite care is due.

The VA's Respite Care Program is defined as hospital or nursing home care of a limited duration which is furnished in a VA facility on an intermittent basis to a veteran with a chronic illness who resides primarily at home. The goal of the Respite Care Program has been to help maintain veterans with serious chronic illnesses in their home as long as it is feasible before having to resort to institutional care—such as hospital or nursing home care. The Respite Care Program was formally implemented by the VA under Public Law 99-576. The provision authorized the VA to furnish respite care services to those veterans eligible to receive hospital or nursing home care under section 610 of title 38.

The Respite Care Program, initiated in November 1987, recognized that most chronically ill veterans who do not need hospital services can be effectively cared for by family members or other members of the household. It also recognized the need to support the caregiver's role in caring for the chronically ill veteran at home by providing scheduled relief for the primary provider or providers of personal care. In an interim report provided by the VA and submitted to the Committee on Veterans' Affairs on February 6, 1989, on the Respite Care Program, it was reported that during the period from December 1987 through September 1988, 1,842 veterans received respite care from the VA.

This type of program is very important especially when one considers that by the year 2000, about 9 million veterans will be age 65 or older. Nursing home care simply will not be available to meet the potential need of these veterans. It is generally believed that this type of approach is a far more efficient and cost-effective way to meet the individual's health care needs. It is one that I think has benefitted the VA and the veteran a great deal.

I wish to recognize and applaud the contributions and support of Senator ROCKEFELLER for veterans programs in general and for the VA's Respite Care Program in particular. In May 1988, Senator ROCKEFELLER first introduced legislation to extend by 1 year this VA program. Although his bill passed the Senate, as part of S. 2011, it was not included in the final compromise agreements reached on the legislation involved. I understand that Senator ROCKEFELLER plans to again introduce similar legislation during this session. I look forward to working with my good friend from West Virginia on this important VA program.

NONINSTITUTIONAL CARE

Section 7 of this bill would add a new section to section 620 which would authorize, in the case of a service-connected veteran in need of or receipt of VA nursing home care—or such care in the community at VA expense—due to a service-connected disability, the VA to provide—on a contract basis—health and health-related services in a noninstitutional setting. Let me be clear, the focus of the provision is to provide this type of care in only limited circumstances. That is, health-related services would be available for those veterans who are: (A) eligible for nursing home care, and (B) in receipt of or in need of nursing home care primarily for the treatment of a service-connected disability.

During the past several years, the Committee has supported legislation to expand the use of noninstitutional alternatives to nursing home care. In fact, during the past two Congresses the Senate passed legislation in this area—most recently S. 9 as passed by the Senate on December 4, 1987. While this provision was agreed upon in the Senate, the House did not accept it. I hope that the House will reexamine this issue and favorably consider this in light of the limited eligibility provided under this provision.

The developments made in the provision of health-care services in the past few years are enabling more individuals to receive care without being institutionalized. With the rapid increase of the growing number of veterans 65 or older, the VA must take steps such as these to develop and institute new and innovative approaches to addressing the health care needs of their veteran patients. I strongly urge the VA to explore every possible method of providing care in a cost-effective and compassionate manner.

NURSING

Mr. President, section 8(a) of the bill would amend section 4107(f) to provide certain special pay authorities for nursing assistants if the Secretary determines it is necessary to recruit and retain such personnel. Currently, the VA has the authority to provide such payments to licensed practical nurses if a recruitment and retention problem exists. I do not believe it is necessary at this time to mandate such pay authorities for nursing assistants, but I strongly believe that the VA should have the ability to focus limited health-care dollars where they are most needed to address serious recruitment and retention difficulties. The VA's 1987 Survey of Health Occupational Staff reported that the turnover rate for nursing assistants increased to 20.1 percent from 16.3 percent in 1986. Although the turnover problem does not exist at all VA facilities, VA hospitals located in Massachusetts (63.4 percent), Rhode Island (50 percent), and New Hampshire (45.7 percent) were experiencing very high turnover. Vacancy rates were also high in certain geographic regions such as Massachusetts, New Mexico, and Oregon. The provision in my bill is designed to help recruitment and retention efforts in those areas.

I am also proposing to amend section 4107(i) to authorize retired military nurses to work for the VA without loss of their military retirement pay. Current law authorizes the VA to make exceptions to the restrictions on the simultaneous receipt of Federal retirement pay and a Federal salary in situations where a severe shortage of well-qualified physician positions exists. Taking into account the severe shortage of registered nurses in the VA system and since such an authority is not without precedent, I am proposing to expand it to include former registered nurses as well. I commend the House for initiating and passing such legislation last year as part of H.R. 5114.

As the ranking minority member of the Committee, I am very concerned about the VA's ability to hire and retain qualified health-care professionals. I know my colleagues, particularly Senator CRANSTON, share my concerns. I commend the Chairman for his attention to this problem. As my colleagues know, in the last few years there has been a nationwide shortage of nurses and nurses assistants which has affected not only VA medical facilities, but private-sector and DOD facilities as well. In fact, the interim report of the Secretary of Health and Human Services Commission on Nursing—which was released in July 1988—indicated that the vacancy rate of registered nurses doubled between 1983 and 1987 (from 4.4 percent to 11.3 percent).

It is essential that the VA have the flexibility to react quickly to personnel shortages and to promptly implement strategies to recruit and retain quality health-care professionals. I am continuing to carefully examine this very serious problem with respect to increasing the pool of individuals that may choose to become a nursing professional.

CONCLUSION

I urge my colleagues to join with me in support of this legislation. I look forward to working with the Chairman of the committee of this and the many other important issues facing the VA.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 574

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans Health-Care Program Improvements Amendments of 1989".

SEC. 2. REFERENCE TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 3. DEFINITIONS.

Section 101 is amended—

(1) by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) The terms 'Administrator' and 'Secretary' mean the Secretary of Veterans Affairs (except when the context indicates otherwise).''; and

(2) by adding at the end the following:

"(33) The term 'Department' means the Department of Veterans Affairs (except when the context indicates otherwise).".

SEC. 4. ASSISTIVE ANIMALS FOR CERTAIN DISABLED VETERANS.

(a) IN GENERAL.—(1) Section 614 is amended by adding at the end the following new subsection:

"(c) The Secretary may provide simians and dogs specially trained as assistive animals to any veteran who, by reason of quadriplegia, is entitled to disability compensation, and may pay travel and incidental expenses (under the terms and conditions set forth in section 111 of this title) to and from such veteran's home that are incurred in connection with the veteran becoming adjusted to such simians or dogs, as the case may be.".

(2)(A) The heading of section 614 of title 38, United States Code, is amended by striking out "seeing-eye dogs" and inserting in lieu thereof "assistive animals".

(B) The table of sections at the beginning of chapter 17 is amended by striking out the item relating to section 614 and inserting in lieu thereof the following:

"614. Fitting and training in use of prosthetic appliances; assistive animals.".

(b) EVALUATION AND REPORT.—(1) Not later than October 1, 1992, the Secretary of Veterans Affairs shall evaluate the implementation of section 614(c) of title 38, United States Code (as added by subsection (a)), and submit to the Committees on Veterans Affairs of the Senate and the House of Representatives a report on the experience of the Department of Veterans Affairs in providing assistive animals to veterans under such section.

(2) The report shall—

(A) set forth the Secretary's evaluation, findings, and conclusions regarding the implementation of such section through September 30, 1992, and the results of providing assistive animals to veterans under such section; and

(B) include a description of the implementation of such section (including a description of the veterans provided assistive animals under such section) and any plans for administrative action, and any recommendations for legislation, that the Secretary considers appropriate to include in the report.

SEC. 5. REPEAL OF AUTHORITY TO FURNISH TOBACCO TO VETERANS RECEIVING HOSPITAL OR DOMICILIARY CARE.

(a) IN GENERAL.—Section 615 is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 17 is amended by striking out the item relating to section 615.

SEC. 6. EXTENSION OF AUTHORITY TO FURNISH RESPITE CARE.

(a) IN GENERAL.—Section 620B(c) is amended by striking out "1989" and inserting in lieu thereof "1991".

(b) EXTENSION OF DEADLINE FOR REPORT.—Section 201(b)(2) of the Veterans Benefits Improvement and Health-Care Authorization Act of 1986 (Public Law 99-576; 100 Stat. 3254; 38 U.S.C. 620B note) is amended by striking out "1989" and inserting in lieu thereof "1990".

SEC. 7. NONINSTITUTIONAL ALTERNATIVES TO NURSING HOME CARE.

(a) AUTHORITY TO PROVIDE FOR NONINSTITUTIONAL CARE.—(1) Subchapter II of chapter 17 is amended by adding at the end the following new section:

"§ 620C. Noninstitutional alternatives to nursing home care

"(a) The Secretary shall establish a program for the furnishing of medical, rehabilitative, and health-related services in noninstitutional settings for veterans who—

"(1) are eligible under this chapter for nursing home care; and

"(2) are in receipt of or in need of nursing home care primarily for the treatment of a service-connected disability.

"(b)(1) Under the program established pursuant to subsection (a), the Secretary shall (A) furnish appropriate health-related services solely through contracts with appropriate public and private agencies that provide such services, and (B) in the case of each veteran furnished services under the program, appoint a Department of Veterans Affairs health-care employee to furnish case management services.

"(2) For the purposes of paragraph (1) of this subsection, 'case management' includes the coordination and facilitation of all services furnished to a veteran by the Department of Veterans Affairs, either directly or through contract, including, but not limited to, screening, assessment of needs, planning, referral (including referral for services to be furnished by the Department, either directly or through a contract, or by an entity other than the Department) monitoring, reassessment, and follow up.

"(c) The Secretary may provide in-kind assistance (through the services of Department of Veterans Affairs employees and the sharing of other Department resources) to a facility furnishing services to veterans under subsection (b)(1)(A) of this section. Any such in-kind assistance shall be provided under a contract between the Department and the facility concerned. The Secretary may provide such assistance only for use solely in the furnishing of appropriate services under this section and only if, under such contract, the Department receives reimbursement for the full cost of such assistance, including the cost of services and supplies and normal depreciation and amortization of equipment. Such reimbursement may be made by reduction in the charges to the United States or by payment to the United States. Any funds received through such reimbursement shall be credited to funds allotted to the Department facility that provided the assistance.

"(d) The total cost of conducting the program under this section in any fiscal year may not exceed 65 percent of the cost that would have been incurred by the Department during such fiscal year if the veterans furnished services under the program in that fiscal year had been furnished, instead, nursing home care under section 610 of this title.".

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 620B the following new item:

"620C. Noninstitutional alternatives to nursing home care.".

(b) REPORT.—Not later than December 31, 1992, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report setting forth the Secretary's evaluation, findings, and conclusions regarding the conduct, through September 30, 1992, of the program established under section 620C of title 38, United States Code (as added by subsection (a)), and the results of the furnishing of care under such program for the participating veterans. The report shall include a description of the conduct of the program (including a description of the veterans furnished services and of the services furnished under the program), and any plans for administrative action, and any recommendations for legislation, that the Secretary considers appropriate to include in the report.

SEC. 8. PAY ENHANCEMENTS FOR DEPARTMENT OF VETERANS AFFAIRS NURSING ASSISTANTS AND NURSES.

(a) PREMIUM PAY FOR CERTAIN NURSING ASSISTANTS.—Section 4107(f) is amended by inserting "nursing assistants," in the second sentence after "vocational nurses,".

(b) WAIVER OF REDUCTION IN RETIRED OR RETAINER PAY.—Section 4107(i) is amended by inserting "or registered nurse" after "physician".

SEC. 9. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1989.●

By Mr. BAUCUS:

S. 575. A bill to make permanent the authority provided under the Temporary Emergency Wildfire Suppression Act; to the Committee on Agriculture, Nutrition, and Forestry.

WILDFIRE SUPPRESSION ASSISTANCE ACT

Mr. BAUCUS. Mr. President, 6 months ago, during the flames and smoke of the Yellowstone fires, the Congress passed the Temporary Emergency Wildfire Suppression Act. This act authorized the Forest Service to reimburse Canadian fire organizations for their help in fighting the tragic fires of 1988.

During the tremendous fire season of 1988, the firefighting agencies of this country exhausted the supply of slurry bombers and highly specialized aircraft with infrared sensors for mapping fires through thick smoke. Canadian firefighting organizations had this equipment available for our use, but Federal firefighting agencies had no authority to reimburse Canadian fire organizations for the use of this equipment.

After the enactment of the Temporary Emergency Wildfire Suppression Act in September 1988, the firefighting agencies put the Canadian equipment to good use.

Because the act terminated on December 31, 1988, the Federal firefighting agencies still lack permanent authority to enter into international firefighting agreements and pay the other governments for their help.

The bill I am introducing today would repeal section 5 of Public Law 100-428 and change the short title to "Wildfire Suppression Assistance Act." This will give the Secretaries of Agriculture and Interior permanent authority to cooperate with other organizations.

This bill contains no additional funds. Instead, reimbursement costs would come out of an agency's existing firefighting account. It makes good sense to provide the Secretaries with the authority to cooperate in fighting wildfires. Sharing scarce or costly equipment and trained manpower will make the firefighting agencies more cost effective.

The 1989 fire season already has started in Florida. California has had three very dry years. Unless California continues to receive moisture, the fire experts anticipate a bad fire season there.

It is important that we prepare now to respond aggressively to the upcoming fire season. Therefore, I urge my colleagues to support this measure, so that we can quickly enact it into law.

I ask unanimous consent that a copy of the bill be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 575

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

The first section of Public Law 100-428 is amended by striking "Temporary Emergency Wildfire Suppression Act" and inserting "Wildfire Suppression Assistance Act".

SEC. 2. PERMANENT AUTHORITY.

Section 5 of Public Law 100-428 is repealed.

By Mr. PELL (for himself and Mr. DODD):

S. 576. A bill to provide for a Voluntary National Service and Education Demonstration Program, and for other purposes; to the Committee on Labor and Human Resources.

VOLUNTARY NATIONAL SERVICE AND EDUCATION DEMONSTRATION PROGRAM ACT

Mr. PELL. Mr. President, I am introducing today the Voluntary National Service and Education Demonstration Act of 1989. This is a modification of similar legislation that I introduced during the 100th Congress.

As one who has been a longtime advocate of national service, I am very encouraged to see that this issue has finally surfaced and is today the subject of considerable national attention. It is also heartening that this issue is the subject of at least five other pieces of legislation already introduced in this session of Congress.

My own personal belief is that the United States should have a system of mandatory national service that would apply to everyone. It would involve either military or civilian service, and would apply to men and women alike. While I am strongly committed to this concept, I am also a realist. I understand that while public opinion may be moving in this direction, we still have a long way to go. And, most important, I believe deeply that we should not commit ourselves until we understand the ramifications and cost implications of a national service program.

We are, however, at the point where we should enact a demonstration program of voluntary national service involving a strong community service and education component. Such a demonstration program would enable us to test the concept of national service, and to gain valuable information in several areas.

First, a demonstration program would enable us to learn how much interest there is in community service. While community service programs exist on many college campuses today, we do not have detailed information on either the extent or the depth of student interest in this area. Consequently, before we embark on a full-blown program, it is, to my mind, very important that we have this kind of information.

Second, we do not know the kind of students who would be interested in community service. The Demonstration Program would accomplish that by giving us crucial information on the socioeconomic background of those who participate.

Third, the Demonstration Program would give us a much better idea of just how expensive a comprehensive program might be, and would enable us to judge whether or not we could afford such a program given the severe budgetary constraints confronting us. Estimates are that a comprehensive program could cost as much as $50 billion a year, and that would most certainly place any program beyond our reach. The Demonstration Program would enable us to determine whether or not such an estimate is accurate, as well as whether or not we could get along with a more limited program.

The legislation I am introducing today also involves a commitment to what I consider a very important concept, namely that successful completion of community service under this program or any national service program, for that matter, should involve an educational benefit. Most important, the educational benefit should supplement, and not replace, our existing, proven Federal student aid programs.

It would be cruel, indeed, to replace programs that today serve over 6 million students with one that would serve less with less assistance, and would require a special obligation of service by the poor simply because they are poor.

Mr. President, under the provisions of the bill I am introducing the Secretary of Education would make grants

to State higher education agencies to implement a program of civilian community service. In addition, those State agencies would administer a program of educational assistance for individuals who successfully complete community service.

Individuals who select military service instead of participation in community service under the Demonstration Program would be eligible to receive educational benefits under the Montgomery GI Bill Act of 1984. It provides an excellent program for educational benefits for completion of military service, and, to my mind, we ought not to tamper with that very important law.

If our Demonstration Program for civilian service proves successful and we reach the day when a comprehensive program of national service, military and civilian, becomes a real possibility, we can consider the question of coordination of benefits at that time. It would be precipitous, however, to consider that question before we know if and how a program of civilian service would work, and what it would cost.

Individuals who select civilian service would do so through the Demonstration Program. A central system of community service obviously does not exist in a form parallel to military service, and I am strongly of the mind that the Federal Government should not create a new bureaucracy for the Community Service Program.

Thus, in applying for a grant from the Secretary of Education, a State higher education agency would have to describe the community service programs that would be eligible to participate in the Demonstration Program, as well as to make assurances that the programs would be existing ones with a proven track record. I have in mind, for example, programs that are already eligible for VISTA participation, as well as State workstudy programs where they exist.

Students would be eligible to participate in the Demonstration Program if they were between the ages of 16 and 25, were U.S. citizens or aliens legally admitted to our country, and had graduated from high school. Additional criteria for selecting participants would be left to the State higher education agencies and would be delineated in the grant applications submitted to the Secretary of Education.

The term of service would be 2 years, during which the students would receive a monthly stipend of $600. If they successfully completed the commity service requirement, they would be entitled to receive an educational benefit of $250 a month plus tuition for 18 months of fulltime attendance at an institution of higher education or enrollment in an apprentice and training program. The total educational benefit could not exceed $14,400.

An important aspect of the educational benefit is that it would be in addition to any other Federal student aid for which the student would qualify. Thus, it would supplement existing federal student aid and, for financially strapped young people, ease the burden of paying for a college education.

The total authorizaion for the Voluntary Service and Education Demonstration Act of 1989 would be $50 million a year. It would be a 5-year program that would extend through fiscal 1994. If fully funded, this would enable more than 15,000 students to participate in the program, which is sufficiently large to test the program in an adequate manner.

Mr. President, Mr. KENNEDY, chairman of the Labor and Human Resources Committee is currently holding hearings on the important matter of community service and the role the Federal Government might play in this area. I have enjoyed participating in these hearings, and in stressing that this is an area in which slow and careful action is necessary.

And, as one who has worked long and hard on behalf of equal educational opportunity, I will make every effort to insure that whatever action we consider will strengthen and not diminish our Federal student aid programs. It is those programs that have made the dream of a college education a reality for millions upon millions of Americans who otherwise would have been unable to afford it. To abandon them, the programs and the people, would be to court a tragedy of national proportions. To strengthen and expand them must be our common goal, for surely it is upon the education and character of our people that the strength and health of our Nation depends.

Mr. President, I ask that the final full text of my legislation be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 576

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Voluntary National Service and Education Demonstration Program Act".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to provide educational benefits for individuals who serve America in a military capacity, and to make demonstration grants to State higher education agencies to provide community service programs for young men and women to serve America in a civilian capacity and to provide educational benefits for those who complete community service.

VOLUNTARY NATIONAL SERVICE AND EDUCATION DEMONSTRATION PROGRAM AUTHORIZED

SEC. 3. The Secretary shall, from amounts appropriated pursuant to section 10 in each fiscal year, carry out a voluntary national service and education demonstration program in accordance with the provisions of this Act.

PARTICIPANTS; ELIGIBILITY AND TERM OF SERVICE

SEC. 4. (a) GENERAL RULE.—Each participant in the voluntary national service and education demonstration program authorized by this Act shall be an individual who—

(1) has attained 16 years of age but not 25 years of age,

(2) has a certificate of graduation from a school providing secondary education, or its equivalence, and

(3) enters into an agreement with the appropriate State higher education agency for the purpose of this Act.

(b) CITIZENSHIP OR PERMANENT RESIDENCY REQUIRED.—Each participant must be a citizen or lawfully admitted to the United States for permanent residence.

(c) SPECIAL RULE.—Any individual who has not attained 18 years of age must have the written consent of a parent or legal guardian to be a participant in the program authorized by this Act.

(d) TERM OF SERVICE.—Each participant shall perform community service for a period of at least 2 years.

STATE HIGHER EDUCATION AGENCY APPLICATIONS

SEC. 5. (a) APPLICATIONS REQUIRED.—Each State higher education agency desiring to participate in the voluntary national service and education demonstration program authorized by this Act shall prepare and submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may require.

(b) CONTENTS OF APPLICATIONS.—Each such application shall—

(1) set forth an estimate of the number of participants who will be selected to serve in the program, and the estimated cost of the program;

(2) provide assurances that the individuals selected under clause (1) will meet the requirements of section 4;

(3) describe the types of community service that will be available for participants in the demonstration program, in particular the extent to which such agency will place participants with existing community service programs administered by the State, a subdivision of the State, or a nonprofit organization;

(4) provide assurances that community service shall be provided through existing programs of demonstrated effectiveness;

(5) describe the criteria to be used in selecting participants which are consistent with the provisions of section 4;

(6) set forth the procedures to be used for the verification of community service for the payment of educational benefits;

(7) provide assurances that not more than 15 percent of the payments made in any fiscal year will be used for administrative expenses; and

(8) provide such additional assurances as the Secretary may reasonably require.

STIPENDS AND BENEFITS FOR COMMUNITY SERVICE

SEC. 6. (a) STIPEND FOR PARTICIPANTS.—Each participant in a community service project assisted under this Act shall receive

a stipend during the period of such service of $600 per month.

(b) EDUCATIONAL BENEFITS.—(1)(A) Any participant in a community service program assisted under this Act who successfully completes the period of service of not less than 24 months shall be entitled to receive an amount equal to tuition plus $250 a month for a period not to exceed 18 months while the participant is a full-time student enrolled in an institution of higher education or in an apprenticeship program approved by the appropriate State agency.

(B) No benefits paid to a participant under subparagraph (A) may exceed $7,200 in any year.

(2) The payment made under paragraph (1) of this section may be used for tuition, room and board, books and fees, and other costs associated with attendance at an institution of higher education on a full-time basis, or the expenses incurred in the full-time participation in an apprenticeship program approved by the appropriate State agency.

EDUCATIONAL BENEFITS FOR MILITARY SERVICE

SEC. 7. Educational benefits for military service shall be provided pursuant to the Montgomery GI Bill Act of 1984.

EVALUATION; REPORT

SEC. 8. (a) EVALUATION.—The Secretary shall, not later than September 30, 1993, conduct a Federal evaluation of a demonstration program authorized by this Act.

(b) REPORT.—The Secretary shall prepare and submit to the Congress a report on the evaluations conducted pursuant to subsection (a), together with such recommendations, including recommendations for legislation as the Secretary deems appropriate.

DEFINITIONS

SEC. 9. As used in this Act—

(1) the term "community service" has the same meaning given that term by section 447(b)(2) of the Higher Education Act of 1965;

(2) the term "Governor" means the chief executive of a State;

(3) the term "institution of higher education" has the same meaning given that term by section 1201(a) of the Higher Education Act of 1965;

(4) the term "Secretary" means the Secretary of Education;

(5) the term "State agency for higher education" means the State board of higher education or other agency or officer primarily responsible for the State supervision of higher education, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law; and

(6) the term "States" includes the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the trust territory of the Pacific Islands, and the Northern Mariana Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There are authorized to be appropriated to carry out the provisions of this Act $50,000,000 for the fiscal year 1990 and for each of the succeeding fiscal years ending prior to October 1, 1995.

By Mr. HOLLINGS (for himself, Mr. INOUYE, Mr. DANFORTH, Mr. FORD, Mr. EXON, Mr. GORE, Mr. ROCKEFELLER, Mr. BENTSEN, Mr. KERRY, Mr. BREAUX, Mr. BRYAN, Mr. ROBB, Mr. GORTON, Mr. LAUTENBERG, and Mr. WIRTH):

S. 577. A bill to clarify the congressional intent concerning, and to codify, certain requirements of the Communications Act of 1934 that ensure the broadcasters afford reasonable opportunity for the discussion of conflicting views on issues of public importance; to the Committee on Commerce, Science, and Transportation.

FAIRNESS IN BROADCASTING ACT

Mr. HOLLINGS. Mr. President, today I am introducing the Fairness in Broadcasting Act of 1989. This legislation is necessitated by the August 4, 1987, action of the Federal Communications Commission to repeal the fairness doctrine. That FCC decision altered a 50-year-old policy upholding the important notion that the public, not private interests, owns the broadcast airwaves—a policy which is the basis for the entire broadcast regulatory scheme, a scheme which broadcasters themselves asked us to create. We must reverse any movement to erode this policy, and reinstatement of the fairness doctrine is critical to the continued promotion of the public interest in broadcasting.

The fairness doctrine evolved out of the basic premise that broadcasters are licensed to serve the public interest. This regulation was the direct result of the scarcity of the electromagnetic spectrum and limited number of broadcast channels in each market, as well as the lack of competition to the broadcasters. Because it is impossible to provide channels to everyone that would like to operate a broadcast station, those that have the privilege of being assigned a channel have special obligations and operate as public trustees.

First instituted in 1949 by the FCC, the fairness doctrine furthered the public interest goal of ensuring that a diversity of viewpoints is presented over the Nation's airwaves. It enabled speakers other than station owners to present their views on controversial issues. At the same time, the fairness doctrine imposed a de minimis burden on broadcasters. We now have evidence that many broadcasters who opposed the fairness doctrine believe that the doctrine never caused them any problems in the past. The fairness doctrine gives broadcasters great flexibility and discretion in fulfilling its requirements. In other words, the fairness doctrine does not require that broadcasters provide every side of an issue with the exact amount of time in precisely the same period. Instead, broadcasters simply must ensure that their programming taken as a whole presents issues of public importance and does so in a balanced fashion.

Until recently it was assumed that Congress codified the fairness doctrine in its 1959 amendments to the Communications Act. In 1986, however, the U.S. Court of Appeals held in Telecommunications Research and Action Center versus FCC that Congress had only ratified—not codified—the fairness doctrine and that it was merely a part of the general public interest standard. It is from this ruling that the FCC assumed authority to abolish the fairness doctrine. Anticipating the FCC's intention to repeal the fairness doctrine, last Congress both the Senate and the House-passed legislation to codify the doctrine.

However, the President vetoed the legislation and the FCC proceeded to repeal the doctrine in August of 1987. The FCC decision to repeal the fairness doctrine was based on three claims: First, the electromagnetic spectrum is no longer scarce; second, the increase in the number of broadcast stations and other media outlets has significantly changed the media marketplace; and third, the fairness doctrine has a chilling effect on broadcasters.

The Commission's contention that the spectrum is no longer scarce is utterly baseless. The greatest battles at the FCC take place over spectrum, because it is in such short supply. Just look at the broadcasters in their quest to implement HDTV. They are so concerned about getting sufficient spectrum that they themselves claim that the spectrum is scarce. Furthermore, in recent years there has been a significant increase in the number of applicants for available spectrum. The number of applicants for new radio and television channels often exceeds 40 applicants per channel. Thus, the fact remains that there are far more people who want broadcast licenses than there are licenses available. Without a doubt, there are far more people who desire to use the spectrum than there is spectrum available.

The FCC claims about increased competition are also not well-founded. Even though there has been a large increase in the gross number of broadcast stations, this does not necessarily indicate that competition exists. In fact, it does not. Some 2,000 communities are served by a single radio licensee—or AM/FM combination.

The FCC assertion that new video services create competition is simply wrong when applied to the issue of the fairness doctrine. The vast majority of the new video services merely retransmit other broadcast stations or in the case of cable provide no local programming on a regular basis. Of course, some cable systems have a local access channel; however, that represents only one new voice on local issues. Since the new video services do not originate any local programming, they cannot be considered new voices on local issues. The fairness doctrine was designed to give members of the local community an opportunity to present opposing viewpoints on issue of concern to that community. The domi-

nance of the broadcast industry is further evidenced by the amount of money spent on political advertising. In the last three election cycles the following amounts were spent on television advertising alone—1988, $227 million; 1986, $161.6 million; and 1984, $153.8 million. In contrast, the amount of money spent for political advertisments on other video services, including cable, was negligible.

Finally, the FCC's contention that the fairness doctrine has a chilling effect on broadcasters speech is equally meritless. Many overlook the fact that the fairness doctrine imposes an obligation on broadcast licensees to air matters of public importance in addition to requiring broadcasters to air an opposing viewpoint when only one side of an issue is presented. The FCC argued that once the fairness doctrine was eliminated the American public would see a tremendous increase in the coverage of controversial issues. All I have seen is a greater desire on the part of broadcasters to put on entertainment programming to increase their bottom line. I have not seen an increase in editorials or news and public affairs programming.

Furthermore, this argument ignores the fact that the fairness doctrine was intended to protect the public's first amendment right to present viewpoints on controversial issues. The fairness doctrine permitted those who do not own broadcast stations to participate in important public debate and a greater range of issues upon which to make informed decisions. For the American people, the fairness doctrine was crucial in protecting their right to free speech, a position taken by the Supreme Court in Red Lion Broadcasting Co. against FCC. It was the only vehicle through which members of the public could effectively respond to one-sided presentations of controversial issues by station owners. Of course, now, without the fairness doctrine, they can still get airtime but only if they can afford to purchase it and the station is willing to sell it to them, or if they can get on alternative media—if any exists—that genuinely reaches a significant audience. Clearly, the fairness doctrine enhanced speech and furthered first amendment rights.

In a letter dated September 17, 1987, 16 former FCC Commissioners, 9 Democrats and 7 Republicans—a majority of all FCC Commissioners now living—restated their support for the fairness doctrine. Unfortunately for the American public, these Commissioners no longer hold office. These former Commissioners expressed grave concerns about the changes in the election process and the public's ability to exercise their first amendment rights that will flow directly from the Commission's action repealing the fairness doctrine. These are changes which all of us elected officials should understand.

In conclusion, I want to take this opportunity to urge all of my colleagues to support this legislation to reinstate the fairness doctrine. This legislation is critical if the principle that broadcasters are licensed to serve the public is to have any meaning.

I ask unanimous consent that the entire text of the bill be included in the RECORD at the end of my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 577

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fairness in Broadcasting Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) despite technological advances, the electromagnetic spectrum remains a scarce and valuable public resource;

(2) there are still substantially more people who want to broadcast than there are frequencies to allocate;

(3) a broadcast licence confers the right to use a valuable public resource and a broadcaster is therefore required to utilize that resource as a trustee for the American people;

(4) there is a substantial governmental interest in conditioning the award or renewal of a broadcast license on the requirement that the licensee ensure the widest possible dissemination of information from diverse and antagonistic sources by presenting a reasonable opportunity for the discussion of conflicting views on issues of public importance.

(5) while new video and audio services have been proposed and introduced, many have not succeeded, and even those that are operating reach a far smaller audience than broadcast stations;

(6) even when and where new video and audio services are available, they do not provide meaningful alternatives to broadcast stations for the dissemination of news and public affairs;

(7) for more than thirty years, the Fairness Doctrine and its corollaries, as developed by the Federal Communications Commission on the basis of the provisions of the Communications Act of 1934, have enhanced free speech by securing the paramount right of the broadcast audience to robust debate on issues of public importance;

(8) because the Fairness Doctrine only requires more speech, it has no chilling effect on broadcasters; and

(9) the Fairness Doctrine (A) fairly reflects the statutory obligations of broadcasters under that Act to operate in the public interest, (B) was given statutory approval by the Congress in making certain amendments to that Act in 1959, and (C) strikes a reasonable balance among the First Amendment rights of the public, broadcast licensees, and speakers other than owners of broadcast facilities.

SEC. 3. AMENDMENT TO THE COMMUNICATIONS ACT OF 1934.

(a) Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) by redesignating subsections (a) through (d) as subsections (b) through (e), respectively; and

(2) by inserting before subsection (b) the following new subsection:

"(a)(1) A broadcast licensee shall afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

"(2) The enforcement and application of the requirement imposed by this subsection shall be consistent with the rules and policies of the Commission in effect on January 1, 1987.".

SEC. 4. EFFECTIVE DATE.

This Act and the amendment to the Communications Act of 1934 added by this Act shall take effect upon the date of enactment.

Mr. INOUYE. Mr. President, I rise today as a cosponsor of the Fairness in Broadcasting Act of 1989. This legislation reinstates the Fairness Doctrine, a principle which served the public interest and was a cornerstone of broadcasting for almost 40 years.

The Fairness Doctrine is a specific application of the public trustee concept that enhances speech and furthers first amendment principles. It is a reasonable condition on the use of a valuable public resource, the electromagnetic spectrum. Moreover, the doctrine has served to increase speech on issues of public importance. As such, it is no more than good journalistic practice.

As my distinguished colleagues are aware, the Fairness Doctrine requires broadcasters to afford citizens reasonable opportunities to hear and discuss issues of public importance. It requires broadcasters to: First, cover issues of public importance; and second, fairly reflect differing viewpoints on those issues. The Fairness Doctrine does not require that broadcasters provide every side of an issue with exactly the same amount of time in the same time period. Instead, broadcasters simply have to ensure that their programming taken as a whole presents issues of public importance and does so in a balanced fashion. Thus, in the real world, if a licensee aired only one side of a controversial issue, he has to permit, if requested, members of the public a reasonable opportunity to present an opposing viewpoint.

Mr. President, we are here today because the U.S. Court of Appeals ruled in 1986 in the TRAC case that Congress had never actually codified the Fairness Doctrine and because the FCC has taken that opportunity to repeal the doctrine. The time has thus come to make the Fairness Doctrine an explicit part of our Nation's communications law.

A few Senators have suggested that the Fairness Doctrine violates the first amendment and actually chills free speech. Nothing could be further from the truth. Seventeen years ago, the Supreme Court unanimously upheld the Fairness Doctrine against first

amendment challenge in Red Lion Broadcasting Co. versus FCC. The Court held that in the context of broadcasting, the rights of the viewing public to hear contrasting viewpoints on issues of public importance, not the rights of broadcasters, are paramount, and that the Fairness Doctrine is both a permissible and effective means of vindicating those rights. The fact that far more people are willing and able to engage in broadcasting than can possibly be accommodated by the limited spectrum available and that there are no genuine alternatives to broadcasting for the discussion of issues of public importance justifies a regulatory scheme that requires licensees to serve as trustees and obligates them to present the views of those who are excluded from the airways. Since Red Lion, the Supreme Court has consistently reaffirmed the scarcity and public trustee rationale, while upholding regulation of broadcasters against first amendment attack.

In a hearing on March 18, 1987, the Communications Subcommittee gathered evidence that demonstrates that the doctrine increases debate on issues of public importance. The Fairness Doctrine has created substantial opportunities for expression by those "who wish to exercise their freedom of speech even though they are not members of the press." While the Fairness Doctrine does not confer upon any particular group or individual a right to air their views, it does allow speakers to present their own views directly to the public.

Supporters of the Fairness Doctrine accept that it may impose a mild burden on licensees. However, we believe that the burden is both necessary and minimal. As the Supreme Court stated in Red Lion, "[it] is the right of the viewers and listeners, not the right of broadcasters which is paramount." While the Communications Act limits the rights of the viewers and listeners by excluding speakers from the airwaves, it mitigates this damage by enhancing speech through the Fairness Doctrine.

Past decisions of the Commission and the courts have carefully circumscribed the scope of the doctrine in order to minimize intrusion into the editorial discretion of broadcasters. For example, in determining whether there had been a violation of the Fairness Doctrine, the FCC did not monitor broadcasts. The Commission only acted if it: First, received a complaint; and second, determined that the complaint presented prima facie evidence of a violation. Only a tiny portion of complaints result in any FCC action. In 1986, the FCC requested only 6 broadcasters to respond to Fairness Doctrine and political broadcasting complaints even though the Commission received an estimated 5,509 complaints in all. From 1980 to 1986, only one Fairness Doctrine complaint resulted in litigation. In reality, there are very few instances where the Fairness Doctrine complaints result in any action by the FCC or the courts. None of the witnesses at the hearing on March 18, 1987, who presently own or are employed by broadcast stations, have ever been asked by the FCC to respond to a complaint.

Thus, the doctrine can only "chill" broadcasters' speech when they are unwilling to air both sides of an issue. In fact, broadcasters need only fear the consequences of presenting a single side of an issue in their overall programming. A broadcaster who acts according to the standards of his or her profession, on the other hand, has nothing to fear from the Fairness Doctrine, since it is only applied in the most egregious cases of imbalance. The "chill" argument is thus an attempt to clothe the first amendment language in an economically motivated refusal to fulfill the commitments they gave in return for the free grant of a valuable public resource.

Moreover, the chill argument is further undermined by the fact that there has not been an increase in the number of controversial issues present on broadcast stations. A recent article in Broadcasting magazine concluded that in the last year there has been a decrease in the amount of time devoted to broadcast station editorials. Thus, it could be argued that there has been a decrease not an increase in public debate on controversial issues over the airwaves.

Mr. President, the public interest standard ordained by Congress for broadcasting means that licensees are public trustees with unique public responsibilities. As Judge Burger stated in the 1986 United Church of Christ decision: "The Fairness Doctrine plays a very large role in assuring the public resource granted to licensees at no cost will be used in the public interest." The point is fundamental: without the Fairness Doctrine, there is nothing to prevent a broadcaster from grossly abusing the public trust embodied in a broadcast license. If the legal requirement that the Commission grant licensees in the public interest cannot prevent such use of a broadcast facility, the public interest concept means nothing at all.

Mr. President, the time is long overdue for Congress to codify the Fairness Doctrine. I urge my colleagues to support this bipartisan effort.

Mr. DANFORTH. Mr. President, I am pleased to be a cosponsor of the Fairness in Broadcasting Act of 1989. This bill codifies the fairness doctrine, a policy that requires broadcasters to cover controversial issues of public importance, and present differing viewpoints.

Most of us thought that the fairness doctrine was already codified as a part of section 315 of the Communications Act. However, in 1986 the D.C. Circuit held, in the TRAC case, that it was a policy of the Federal Communications Commission [FCC], but not a statutory obligation. In 1987, the FCC repealed the fairness doctrine, a policy that it had enforced since at least 1949.

In the last Congress, we passed fairness doctrine legislation. That legislation was vetoed by the President, who argues that it violated the first amendment rights of broadcasters. I disagree with that assessment of the fairness doctrine. In my opinion, the fairness doctrine strikes a careful balance between protecting the first amendment rights of broadcasters and the first amendment rights of the public. Broadcasters do, of course, have protected rights of speech. The Supreme Court, however, has already upheld the fairness doctrine in the face of a constitutional challenge. In the Red Lion case, the Supreme Court held that the broadcasters' rights are outweighed by the public's first amendment right to know.

Broadcast is a medium unlike any other form of communication. It touches the entire population of this country. The power of broadcasters to influence, educate, and inform the public has no equal. Broadcasters have, in the words of the Supreme Court in the Pacifica case, "established a uniquely pervasive presence in the lives of all Americans."

When broadcasters are given a license to use a portion of the spectrum, a scarce and valuable resource, they are also granted a public trusteeship. I believe that trusteeship should include a requirement that broadcasters act fairly and present both sides. That is a reasonable obligation because there are more voices—more who wish to speak—than broadcast outlets.

As far as I am concerned, there should be no question about the need for this doctrine and we should enact the Fairness in Broadcasting Act of 1989 as quickly as possible.

Mr. GORTON. Mr. President, I am pleased to join with Chairman HOLLINGS and the ranking Republican, JOHN DANFORTH, of the Commerce, Science, and Transportation Committee in sponsoring legislation to codify the fairness doctrine.

The purpose of the fairness doctrine is a simple one—to assure that our citizens' first amendment rights are protected by the sharing of diverse information. The fairness doctrine imposes two obligations on broadcast licensees. First, that adequate coverage of issues of public importance be provided by licensees. And second, that coverage must fairly reflect differing viewpoints.

The fairness doctrine requires that stations provide reasonable opportuni-

ties for the presentation of contrasting views. The rationale for this requirement is that radio and television stations have access to a frequency over which they broadcast. Since the number of frequencies is limited, there is not an equal opportunity for people who hold opposing points of view to respond to controversial issues. While some would argue that there are many broadcast sources available through cable, this ignores the fact that many people do not have access to those sources. In my view, the public interest is best served when people have the opportunity to hear opposing points of views on important public policy issues.

I urge my colleagues to support the enactment of the fairness doctrine.

By Mr. DANFORTH (for himself, Mr. BYRD, Mr. BINGAMAN, Mr. D'AMATO, Mr. HEINZ, Mr. HOLLINGS, Mr. ROCKEFELLER, Mr. DIXON, and Mr. FORD):

S. 578. A bill to amend title 10, United States Code, to provide for consideration of whether certain defense agreements adversely impact the international competitive position of U.S. industry; to the Committee on Armed Services.

RESEARCH, DEVELOPMENT, AND PRODUCTION OF DEFENSE EQUIPMENT

Mr. DANFORTH. Mr. President, one of the issues that is very much before the country today relates to the agreement that has been negotiated by the Department of Defense and the Government of Japan with respect to the codevelopment and coproduction of a new fighter aircraft which is known as the FSX.

Serious questions have been raised about the advisability of the United States entering into that agreement. Today discussions have been held by the National Security Council with respect to the FSX agreement.

Senator BYRD has taken the position and, in fact, offered an amendment to the trade bill relating to the FSX, and his amendment was agreed to by a vote of 96 to 0.

Many of us, for a period of years, have been urging Japan to purchase a new fighter aircraft from the United States.

We have taken the position that if the law of comparative advantage means anything at all, surely it means that where the United States produces the best product of its kind in the world, that product should be purchased. And yet, Japan has declined to purchase an American fighter aircraft and has insisted on codeveloping and coproducing a whole new product at considerable cost to their country.

What is curious about the whole process is that the agreement with Japan was negotiated by the United States Department of Defense without any input whatever by the Secretary of Commerce. It is that particular aspect of the arrangement that is addressed by the legislation that we have just introduced.

The thrust of this bill, Mr. President, is that henceforth the Secretary of Commerce will have a role to play in determining whether technology relating to defense is to be transferred to another country, and to assure that the future of key industries where the United States has an advantage with respect to technology is taken into consideration in any further negotiations with Japan or any other country. Under this bill the Secretary of Commerce henceforth will be consulted. The Secretary of Commerce will have a role to play in making suggestions to the President of the United States—suggestions to the President that an agreement not be consummated or that an agreement once consummated be renegotiated.

I think that this is a necessary response to the FSX agreement. I think that it is absolutely necessary to assure ourselves as a country that where we maintain a competitive advantage in high-technology areas we do not give away that advantage. We must ensure that the representative in our Government with particular expertise in maintaining a forceful position in the United States be consulted in any future agreements.

Mr. President, today I am pleased to be joined by eight of my colleagues in introducing legislation to enhance the Commerce Department's role in the negotiation and implementation of Memoranda of Understanding [MOU] involving research, development, and production of defense equipment.

This legislation is borne out of concern about the way our Government has handled United States participation in Japan's Fighter Support Experimental [FSX] project. From the outset of public discussions about Japan's proposed new fighter aircraft, there has been a troubling lack of attention paid to the trade and commercial implications of this project for the United States. The legislation I am introducing today is aimed at preventing a recurrence of that gap in the policymaking process.

Since I first learned of the FSX project in late 1986, I have steadfastly maintained that, if Japan's primary aim was to upgrade its fighter defense forces with the best available products and in the most cost-effective manner, then it should purchase American planes off the shelf instead of developing an indigenous fighter.

Though we are long since past the question of United States planes versus an indigenous Japanese fighter, I think it is important to review the arguments. The case for buying American was so clear cut as to make any alternative decision seem almost ridiculous. What better way to accomplish several major objectives—upgrade Japan's fleet in a cost-effective way, maintain interoperability of United States and Japanese forces, and reduce trade tensions—then to acknowledge America's comparative advantage in aerospace and buy the best available products from the United States? The standard Japanese assertions as to why they don't buy more American products—that their products are technically superior, of higher quality, more price competitive, and better able to meet their required specifications—just don't hold water when it comes to aerospace. The United States is the acknowledged leader in aerospace manufacturing and technology. We build the best, most advanced aircraft in the world, period. Technologically, our aircraft are the most sophisticated models available. They are cheaper to maintain and require fewer manhours of servicing than any others. Our designs are well tested and have a proven track record. In short, on the issues of technological sophistication and quality, the United States is No. 1.

As for meeting Japanese specifications, I would only point out that they initially laid out certain requirements concerning the aircraft's ability to take off fully loaded from a very short runway under extreme weather conditions—which did not accurately reflect the demands likely to be placed on the aircraft. In other words, our aircraft—the most advanced fighter in the world—surely could have met Japan's needs.

With respect to cost, Japan has often argued that it cannot stimulate its domestic economy because of its large budget deficit. If they were truly interested in redressing their deficit, then the Japanese should have decided without hesitation to purchase United States fighters at approximately half the cost of developing an indigenous fighter.

Finally, the Japanese have argued that aggressive market-opening efforts on their part would have a de minimus impact on United States exports. Yet an outright purchase of U.S. planes, estimated to be with approximately $4 billion, surely would have had more than a "de minimus impact" on our bilateral trade deficit and would have gone a long way toward defusing the persistent trade tensions between the two countries.

For all of these reasons, I was convinced that every effort must be made to press Japan to buy our airplanes instead of having them build their own. I spoke at length with former Prime Minister Nakosone and other Japanese officials, as well as with our Secretaries of Defense, State, and Treasury and the National Security Adviser, in an effort to convince them of the importance of the issue as a trade

matter. In addition, I was the principal cosponsor of Senator BYRD's amendment to the trade bill that instructed the Defense Secretary to press the Japanese to purchase American aircraft. That amendment was adopted in July 1987 by a vote of 96 to 0, a clear signal of congressional support for an outright purchase of American aircraft.

Despite all of these arguments and despite the overwhelming evidence that our aircraft are the best available, Japan simply chose to ignore our comparative advantage in aerospace and flatly refused either to buy our planes off the shelf or to license produce them. Why? Because, in truth, Japan's primary aim is not to simply to upgrade its fighter defense forces in the most cost effective manner. Instead, its primary intention is to develop its own viable aerospace industry. Japan has targeted aerospace as one of its "core technologies" for the 21st century and in traditional fashion, has mapped out a combination of import protection and massive subsidies to enable the industry to develop. The pattern is so obvious and so reminiscent of Japanese behavior with respect to other industries such as consumer electronics and semiconductors that I am amazed it didn't set off alarm bells in more people's minds.

Responding to congressional concerns, the administration did convince the Japanese that indigenous development of the FSX would have major adverse repercussions in the United States. But instead of holding a firm position based on commercial/trade considerations, the Reagan administration essentially decided for national security reasons to settle for half a loaf. In October 1987, Japan announced that it would permit the "codevelopment" and "coproduction" of the FSX based on the General Dynamics F-16 fighter. From the day the collaborative project was formally announced, there has been substantial confusion about what "codevelopment" actually means. Would it be the "lightly modified F-16" or would it be a substantially transformed aircraft with little more than the "F-16 decal" remaining intact from the original American fighter?

It took more than 1 year of negotiations at both the government-to-government level and the industry-to-industry level to try to resolve this basic question. Unfortunately, my view is that the agreement of the development phase as drafted is fundamentally flawed. Despite the licensing and R&D charges which the Japanese will pay up front, despite a specified American percentage of the "quality workshare" during the development phase, and despite assurances of free access to technology derived from the codevelopment phase as well as the ability to purchase certain other advanced Japanese aerospace technologies, the development MOU effectively confers a net benefit to Japan by guaranteeing the transfer of F-16 technology up front without ironclad assurances that the United States will be able to participate meaningfully throughout the lifetime of the project.

The proposed agreement does provide for United States access to certain Japanese technologies, but it is not clear whether these items are or will in fact be any more advanced than that which is currently available or is being developed by U.S. manufacturers. In exchange for this promise of access to untested technologies, the United States is to provide extensive technical data on the F-16. The argument that we are providing them with 1970's vintage technology and not the most advanced versions that we have seems somewhat spurious to me since, as I understand it, whatever we provide will be more advanced than that which they already have. Since the existing MOU covers only development, there is a possibility—in my mind a very real one—that Japan will absorb this technological know-how and ultimately will lock the United States out of the production phase of the project. In short, I believe that this agreement, as drafted, sets the United States up to give far more than it will get in the long term—by materially and substantially assisting in the development of a viable Japanese aerospace industry, thereby eventually eroding our own competitiveness edge in an industrial sector of critical importance to our national security.

The flawed MOU was an unfortunate but not unsurprising outgrowth of a flawed negotiating process, during which the lead agencies—the Departments of Defense and State—failed to take into account the long-term impact of the agreement on the health and competitiveness of the U.S. aerospace industry. The Department of Defense did not consult with industry experts at the Department of Commerce, at the USTR, and elsewhere about the commercial implications of the agreement. It is my understanding that Commerce Department experts were not even permitted to see the terms of the agreement until very late in the game, after the time for meaningful input into the process had passed.

To redress this shortcoming, a provision was included in last year's Defense Authorization Act requiring the Defense Secretary to consider the effect of proposed MOUs on the defense industrial base of the United States and to "regularly solicit and consider information and recommendations" from the Commerce Secretary concerning these matters. Unfortunately, this provision has apparently been interpreted as little more than a vague consultation requirement rather than a mandate to consider seriously the commercial implications of such MOUs.

I strongly believe that the Department of Commerce is the appropriate agency to take the lead in assessing the trade and competitiveness implications of agreements involving technology transfer in leading edge industries. In the future, the Departments of Defense and State should be required to keep Commerce actively involved throughout the MOU negotiating process. Therefore, the legislation I am introducing today would establish a critical role for Commerce in determining whether proposed and existing military technology transfer agreements adversely affect the international competitive position of U.S. industry. I applaud the Bush administration's decision to review the terms of the proposed FSX agreement before sending it up to Congress. But we should not be in the business of negotiating these agreements and then reviewing them after the fact—a rushed review at the end of the process is little better than scant consultations during the process. The legislation I am introducing today would build on the provision included in the fiscal year 1989 Defense Authorization Act so that in future agreements, U.S. strategic commercial interests are accorded a greater weight by our negotiators.

Mr. President, it is becoming increasingly clear that as tensions abate in the geopolitical sphere, the real issues of the 21st century will be fought on the economic battlefield rather than the military battlefield. The economic security of this Nation—our ability to remain a vibrant, successful, and pivotal player in an increasingly competitive global economy—must be one of the highest priorities driving our policymaking process. Now more than ever, we must be mindful that our strategic commercial interests are not completely eclipsed by foreign policy and defense considerations. I believe the Commerce Department has an important role to play in promoting that balance of interests in the negotiation and implementation of MOUs involving research, development, and production of defense equipment, and I am pleased to be joined by eight of my colleagues in introducing legislation to that effect.

Mr. President I ask unanimous consent that the text of this legislation be printed in the RECORD in full.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2504 of title 10, United States Code, is amended to read as follows:

"§ 2504. Defense memoranda of understanding and other related agreements

"(a) In the negotiation, renegotiation, and implementation of all existing and future memoranda of understanding and related agreements between the Secretary of Defense, acting on behalf of the United States, and one or more foreign countries (or any instrumentality of a foreign country) relating to research, development, or production of defense equipment, the Secretary of Defense shall regularly solicit and consider comments or recommendations from the Secretary of Commerce with respect to the commercial implications of such agreements and the potential impact on the international competitive position of United States industry.

"(b) The United States Government shall not implement such memoranda of understanding if the President, upon the recommendation of the Secretary of Commerce, finds that implementation is likely to have a singificant adverse impact on the international competitive position of United States industry.

"(c) Whenever the Secretary of Commerce has reason to believe that an existing memorandum of understanding or related agreement has, or threatens to have, a significant adverse impact on the international competitive position of United States industry, the Secretary of Commerce may request a review of the agreement. If, as a result of the review, the Secretary of Commerce determines that the strategic commercial interests of the United States are not being served, the Secretary of Commerce shall recommend to the President any modification to the agreement he deems necessary to ensure an appropriate balance of interests.".

Mr. BYRD. Mr. President, I am pleased to cosponsor this important legislation with the distinguished Senator from Missouri, Mr. DANFORTH, to begin the institutional process in the executive branch of marrying American national security with economic health and competitiveness.

The specific event which has precipitated this legislation is the FSX memorandum of understanding negotiated by the Department of Defense with the Japanese and provides for the transfer of advanced U.S. aircraft technology to the Japanese in a codevelopment program.

The agreement was negotiated without reference or apparent concern over the economic effects of the agreement, for instance, the effect such a transfer of technology would have on the Japanese stated program of building a world-class aerospace industry within 10 years.

There is substantial evidence that at least some factions in Japan regard the FSX deal primarily in the light of helping advance that goal, rather than as we do, and as DOD does, in advancing the defense burden-sharing arrangements between the two nations.

Senator DANFORTH, as well as the distinguished Senator from New Mexico, Mr. BINGAMAN, and other Senators, raised enough of a concern over the nature of, and results of the FSX agreement to cause the President recently to pull it back and conduct an interagency review of it. An interagency review process is underway which has apparently identified some important areas where the agreement with the Japanese could be substantially improved.

After several years of negotiation, for the administration to discover such problem areas so quickly gives me some pause that this agreement successfully protects and helps enhance a secure and health industrial, base for the United States.

We have to be very careful to marry our national security and our commercial, industrial and trading situation. They are interrelated, and that was the message that the trade bill of 1988 sought to convey.

The administration has refused to testify on the FSX agreement. Apparently the administration has been furiously negotiating with itself, but it has not negotiated any additional terms with the Japanese that I know of.

If the administration wants to submit a notification that it is going forward with the sale or transfer of F-16 technology to the Japanese, I would expect it to come up here and testify before the appropriate committees what the sale is all about, what technologies will and will not be transferred, what the Japanese have now agreed to in regard to the respective percentage of work, the so-called workshare that is to prevail when the production part of the plan commences for the new plane, what arrangements have been put in the memorandum of understanding concerning a piece of the spare parts package that will follow the production of the plane.

We also want to know who is going to monitor the implementation of the agreement.

It should be clearly understood that the Commerce Department ought to have a central role as well as the Office of Trade Representative, in this process—both in the negotiation of such agreements transferring U.S. technology and in the monitoring arrangements implementing agreements that are reached. That did not happen in the FSX case, and that is the main reason Senator DANFORTH and other Senators are introducing this legislation today.

I also believe that it should be required of the administration to report frequently on the details of the ongoing implementation of any agreement that is signed to transfer such important technology, in the areas of the ongoing technology transfer, on the respective share of development and production that is occurring and the characteristics of interoperability and other matters that are central to the deal.

Mr. President, I commend the work of Mr. DANFORTH in crafting this legislation, and Mr. BINGAMAN, in particular, for holding early hearings on this matter last week which developed a strong record on the deficiencies of the FSX deal.

Clearly, we should take this opportunity to both improve the institutional mechanisms which marry our security and economic concerns, and this is a step in the right direction.

I look forward to the consideration of this measure by the Armed Services Committee, and to its early consideration on the Senate floor this year.

I thank Mr. DANFORTH for allowing me to join him in the cosponsorship of this bill.

Mr. ROCKEFELLER. Mr. President, I am pleased to join Senator DANFORTH as a cosponsor of this bill. Since my days as Governor of West Virginia, I have been deeply concerned about the ability of this country to compete in international markets. Nothing that I have seen since I arrived in Washington in 1985 has alleviated this concern. In our bilateral negotiations, trade and competitiveness policies have taken a back seat to defense and international political relationships. During the 100th Congress, we encountered virtually a daily struggle as we attempted to inject even a modest aggressiveness into the previous administration's trade policy. The world has changed dramatically during this decade, but we have not, and that is a tragedy.

The case of Japan and the FSX fighter has brought this issue—the conflict between traditional defense policy and trade and competitiveness policy—to the fore. It is clear that, throughout the lengthy period of negotiations with Japan on the FSX project, little thought was given to the competitive implications of the arrangement. That process simply cannot continue.

Last week, when I addressed the FSX issue here in the Senate, I said that I was unwilling to see those who manage our defense relationship run roughshod over America's competitive future. This bill will help us begin to redefine exactly what we mean by national security. It mandates a role for the Secretary of Commerce when we are considering agreements with other countries on research, development, or production of defense equipment. The Cabinet voice principally concerned about our competitive future will be heard. When the views of the Departments of Defense and Commerce differ, the President will make the final decision. That is, of course, as it should be—the President must be the ultimate arbiter. But this new process will assure that he will hear from all sides before he makes his decision.

This country manages the relationship with our principal trade partners based on perceptions of a world that has not existed for many years. Re-

29-059 O-90-7 (Pt. 4)

grettably, our policymaking processes and institutions have not changed as quickly as the world has changed. We can no longer afford to focus on trade in one part of Government, on defense in another part, and on international economic issues in still a third part. We need new thinking and new institutions, and this bill is a superb example of the direction in which we must move.

Mr. BINGAMAN. Mr. President, I commend the Senator from Missouri, Senator DANFORTH, for his legislation and I am pleased to join him as an original cosponsor.

Senator DANFORTH is building on a provision to last year's Defense Authorization Act, which I authored. Section 824 of last year's bill for the first time required the Secretary of Defense to consult with the Secretary of Commerce in the negotiation and renegotiation of defense memorandum of understanding.

In its report last year the Senate Armed Services Committee explained the need for this provision in these terms:

> The committee is concerned that the Defense Department has not adequately taken into account U.S. economic interests and in particular, the potential impact on the U.S. defense industrial base, in its memoranda of understanding (MOU) with foreign governments relating to defense trade, cooperation on defense research, and production of defense equipment.
>
> The committee is disappointed that the Department of Commerce has not been involved in the review of bilateral MOUs or in the previous negotiation and renegotiation of MOUs. The committee's understanding is that the corresponding agencies of other governments have routinely been involved in the negotiation and implementation of such MOUs. This lack of interagency consultation within the U.S. Government can lead to the perception, if not the reality, that U.S. economic interests, and in particular, the effects on the U.S. defense industrial base, are not given great enough weight in these negotiations.

I think that the committee's concerns about the lack of attention to U.S. economic interests by the Defense and State Departments in these negotiations have been more than justified by the FSX case, which Senator DANFORTH discussed in detail. I frankly had this case in mind even last April when the Armed Services Committee marked up the fiscal year 1989 Defense Authorization bill. I hope one lesson all will learn from the FSX case, no matter how they come down on the merits of the proposed agreement, is that it is now untenable to separate our national security and economic interests and somehow treat them independently.

Mr. President, Senator DANFORTH's bill would amend last year's legislation and significantly strengthen the role of the Secretary of Commerce in the negotiation and implementation of our defense MOU's. I believe that this is justified in light of our recent experience on the FSX case. I look forward to supporting this legislation in the Armed Services Committee and I am delighted to see Senator BYRD, a new member of the committee and of the Defense Industry and Technology Subcommittee, among the original cosponsors of this important legislation.

Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of the measure introduced by my distinguished colleague, the senior Senator from Missouri. His bill would amend title 10 of the United States Code to provide for consideration of whether certain defense agreements adversely impact the international competitive position of U.S. industry. It will provide a statutory basis for participation by the Secretary of Commerce—and consideration of international trade issues—in the course of negotiations of defense agreements.

This measure is necessary in order to codify a practice that is only now being considered in the executive branch. I have taken a position in opposition to the fighter-support experimental, or FSX Program, a codevelopment arrangement between the United States and Japan intended to produce advanced fighter-bombers to replace Japan's aging F-1 aircraft. Had such a consultation practice been in force when the United States negotiated this agreement, I believe that the contents of the agreement would have been vastly different—in ways favorable to the United States.

The problem is that the United States is used to losing to the Japanese—and other nations—in trade and other negotiations. When, at the end of World War II, we were the only fully functioning major industrial economy on the planet, we could afford to be generous, both intentionally and by oversight.

Now, we are no longer the dominant world economic power. There are competing powers—Japan, and Europe 1992—and the competition is sharp and unforgiving. It means jobs and national wealth for the winners, and second-class status for the losers.

We can no longer afford to cut defense deals without looking at their effect upon our international competitiveness. Many things can hide under the rubric of national security, but the time has come to bring high technology give-aways to our strongest competitors out from under this patriotic cloak.

We need our allies' cooperation against the Soviet threat, against international terrorism, and against the other perils for which we maintain a defense establishment. But we pay—oh boy, do we pay—for our defense, directly, with taxpayers' hard earned dollars. We must not pay again by giving away the high technology keys to the future, to gain the cooperation that is in our allies' own best interests anyway.

The FSX deal is a good example of this basic mistake. The Japanese undoubtedly need a replacement for the obsolescent F-1 attack aircraft. They proposed to develop one of their own. Then, the Defense Department successfully urged them to engage in a joint development scheme with General Dynamics, based upon our F-16. Only the Defense and State Departments participated in this deal. Commerce was shut out of the negotiations.

On its face, this looks like a reasonable way to proceed.

Mr. President, let me tell you why it wasn't reasonable then, and why we should pass this legislation to make certain that such a situation doesn't develop again in the future.

Japan, because of constitutional limitations, has a self-defense force, not an army navy, or air force. Its armed forces operate in a limited area around the Japanese home islands. There is a legal prohibition on the export of weapons.

This means that Japan's ability to sell aerospace weapons is restricted to a limited domestic market. The correct answer to their needs is to buy what they need from their allies, especially from the United States, which maintains the defense umbrella and nuclear shield behind which the Japanese economy has been free to grow and flourish.

That, however, has not been Japan's answer. Knowning the importance of aerospace technology in many highly competitive civilian fields, Japan has not, with the exception of very limited numbers of E-2C's and C-130's, bought production military aircraft from the United States since 1955. Instead, they have engaged in the expensive and protracted process of building a domestic aerospace industry.

They have coproduced numerous helicopters, P-3 antisubmarine warfare aircraft, F-4J and F-15J fighters, and they have engaged in civilian coproduction deals with Boeing on modern jetliners. And they did all of this at costs significantly above what they would have paid for U.S. production of these aircraft.

Now, we are at the threshold of giving away the store once again. Not only are we going to allow them to coproduce an advanced fighter, but we are going to allow them to codevelop it, too. This may seem a small distinction, but it's not.

The problem is that the FSX is going to be based upon the F-16, a fly-by-wire aircraft capable of generating nine times the force of gravity in turns. It was orginally designed to be the world's best dog fighter. It has grown considerably since then, with the capability to use beyond-visual-

range missiles and to perform ground attack missions under night or adverse weather conditions.

The Japanese would improve on this design to build the FSX, an aircraft to aid in ground and ship attack missions, while keeping its dog fighting abilities. But to improve on a design, you have to know everything about it. Since this design incorporates some key areas where we have a considerable technological lead on the rest of the world, they clearly are areas we should not lightly share.

Specifically, we are entering the age where a military aircraft's combat potential is more a function of its avionics than it is of its aeronautical capabilities. And the key to modern military avionics is the arcane art of systems integration.

When you add that fact to the fact that the F-16, unlike the F-15, is a computer-flown and operated aircraft, that systems integration knowledge becomes the key to the aircraft's design. What I mean is that when the pilot moves the stick, the stick is not connected to any of the aircraft's control surfaces—instead, it's connected to a computer. The computer gauges the pilot's inputs through the controls and orders the flaps or the rudder to move, or the engine to accelerate or decelerate.

Computers track the aircraft's maintenance and the status of its weapons and other systems. The software in the computer is literally essential to the aircraft's ability to fly. Without the software, you couldn't control the aircraft, much less fly it. And, the state of the art is that it still is substantially an art to write the software that allows the design of the aircraft, its engines, and its weapons to work together as a successful combat system.

Without Commerce's participation, it appears that the Defense and State Departments negotiated an agreement under which the software source codes, the codes which generate the software in the aircraft's computer, and the documentation for those codes, from which key systems integration skills can be deduced by reverse engineering, are to be given away to Japan as part of the F-16 technical data package they are to receive.

That would be a serious mistake. We should not be doing this. We should have insisted that the Japanese buy the aircraft they need directly from us. We have a $54 billion trade deficit with them. They could reduce it by $3 billion by purchasing F-16's or F/A-18's or F-15E's directly from us—and any of these aircraft could do the job for them.

At most, we should have agreed to another coproduction deal. As it stands now, we may give them skills and information that would make them competitive in the world aerospace market in the 21st century, one of the last places where "made in the United States" is still the best badge of quality and performance.

While this bill only provides a consultative role for the Secretary of Commerce, it is an important step forward. It won't prevent another FSX fiasco, but it puts another consideration and the judgment of another player into the negotiation mix. It gives the working men and women of the United States another chance to have their interests protected.

Mr. President, I urge my colleagues to join with me and the other cosponsors of this legislation to obtain its early consideration and prompt passage. Such action would send a message to our competitors that we will no longer be passive victims of other's managed trade policies, and a message to our constituents that somebody in Washington cares whether the jobs are located in Bethpage or in Yokohama.

By Mr. GLENN:

S. 579. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to direct the Secretary of Transportation to establish Federal motor vehicle safety standards to require that a schoolbus is equipped with a system of mirrors that provide the driver when seated with an obstructed view of certain areas under and alongside of the schoolbus, and for other purposes; to the Committee on Commerce, Science, and Transportation.

ESTABLISHING SAFETY STANDARDS FOR SCHOOLBUSES

● Mr. GLENN. Mr. President, I rise today to introduce legislation to improve safety on our Nation's public schoolbuses. My colleague, Congressman ECKART, has introduced identical legislation in the House.

The major purpose of the bill is to amend the National Traffic and Motor Vehicle Safety Act of 1966 to direct the Secretary of Transportation to establish standards requiring that each schoolbus is equipped with mirrors to give the driver an unobstructed view of certain areas around the bus. Current National Highway Traffic Safety Administration [NHTSA] standards require that a seated driver must be able to see 7.5 inches of a 30-inch rod placed 1 foot in front of the front bumper of the bus. This standard is insufficient because it creates a blind spot in front of the bus where a small child is not visible to the driver.

The consequences of this blind spot, or danger zone, are tragic. In the 17 years since statistics have been recorded, there have been 797 fatalities in the schoolbus loading and unloading zone. More than 76 percent of these deaths have been children under 8 years old; 42 percent were children under 6 years of age. The accident often occurs when a small child steps in front of the bus to retrieve a paper or other dropped object. The child is not in the driver's field of vision and is hit by the front bumper. The technology to eliminate this blind spot is both simple and available. No child's life should be lost in this senseless way.

The second section of the bill requires the Secretary of Transportation to submit a report to Congress on the number of pre-1977 schoolbuses that are still in use. In 1977, the Department of Transportation issued a series of standards to improve the safety of schoolbuses. These standards included rollover protection, padded seats, caged fuel tank requirements, and flammability standards. The information compiled by the Department of Transportation under this section of the bill would provide State school systems with an inventory of the safety features in the buses they are using. Such data would provide a sound basis for planning improvements and retirements of older buses.

The National PTA and the National Education Association [NEA] have endorsed improved standards for schoolbus safety, including the addition of a system of mirrors to provide the driver direct observation of children to each side of the bus and in front of the bumper.

Mr. President, no child's life should be lost in an avoidable schoolbus accident. My legislation helps ensure that such tragedies will not occur. I urge my colleagues to join me in supporting this important measure.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.●

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SCHOOLBUS SAFETY STANDARDS.

Section 103(i) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1392(i)) is amended by adding at the end the following new paragraph:

"(4) Not later than 180 days after the date of the enactment of this paragraph, the Secretary shall establish by order Federal motor vehicle safety standards to require that a schoolbus is equipped with a system of mirrors that provide the driver when seated with a clear, unobstructed view of the area of ground that cannot be viewed without the use of mirrors in front of the right front tire, in front of the left front tire, along both sides, and directly under the front bumper of the schoolbus.".

SEC. 2. REPORT TO CONGRESS.

Not later than 1 year after the date of the enactment of this Act, the Secretary of Transportation shall submit to Congress a report on the number of schoolbuses manufactured before April 1, 1977, that are being used as schoolbuses as of the date of such report.●

By Mr. BRADLEY (for himself and Mr. KENNEDY):

S. 580. A bill to require institutions of higher education receiving financial assistance to provide certain information with respect to the graduation rates of student-athletes at such institutions; to the Committee on Labor and Human Resources.

STUDENT-ATHLETE RIGHT-TO-KNOW ACT

● Mr. BRADLEY. Mr. President, the purity of experience and the immediate gratification of an athletic contest are rarely matched outside the sporting arena. Sports create overnight national stars who will capture the limelight for a day, a week, a season, or even a career. Some players become metaphors for the meaning of excellence.

Amateur athletics also understandably encourage the dream of a professional sports career and with it, fame and wealth. But for most amateur athletes that dream will never be realized. Too many student-athletes sacrifice academic achievement to the fantasy of professional sports. It is a national shame. Only 1 in 10,000 high school athletes who want a career in professional sports ever realize that aspiration. Those who do make it can look forward to a career which averages only 4 years. Having forfeited their education, even the most successful college athletes often face a life of uncertainty before their 30th birthday.

Bad habits often begin early. Too many high school athletes dream more than they study. Coaches and schools get caught up in the press hype and excitement and put education on the back burner when it comes to student-athletes. The result is academic irresponsibility. The Center for the Study of Sports in Society at Northeastern University estimates that 25 percent of the Nation's high school senior football and basketball players are functionally illiterate. What will they do when the glory of the last-second shot becomes only a memory?

Only one out of every hundred high school athletes will receive a scholarship to play at a Division I college. Most of those lucky few can expect a pressure-packed environment where academics and athletics collide in a world with heavy demands and little time.

Single-minded devotion to athletics among our Nation's schools and colleges can lead to exploitation and abuse of our young athletes. Coaches sometimes discourage particular majors and courses because their demands might detract from the student-athlete's commitment to sports. Less challenging classes and schedules make it easier to obtain the grades required for continued athletic eligibility.

Too often the result after 4 years is tragic for the young athlete. With eligibility exhausted and the dream of a professional career shattered, the athlete is unable to graduate. A USA Today survey found that Division I basketball players, for example, graduate at a rate of only 27 percent.

With the athletic scholarship gone, the player cannot afford to continue in school. The future that beckons is full of disappointment.

It should not end this way. With the proper balance between academics and athletics, sports can provide the means to an education that might otherwise be unattainable. Many athletes have applied the discipline of the arena to the classroom and have gone on to useful and satisfying careers. We need more success stories built on good habits and opportunities seized.

The very characteristics that make one a great athlete also can make someone a great student or a great citizen—dedication, discipline, hard work goal orientation, teamwork, the ability to deal with victory and defeat—all can help prepare one for life. Within the proper framework of a school program, sports can foster and enhance the qualities of confidence, cooperation, integrity, and maturity. Parents, community leaders, coaches, and school officials must work together to create an environment where a young person can have a realistic opportunity to be both a student and an athlete. Then the roar of the crowd can be a pleasant memory, not a bitter reminder of opportunity lost.

That is why I am introducing, today, the Student-Athlete Right-to-Know Act. Joining me in introducing this legislation is the Senator from Massachusetts [Mr. KENNEDY] the chairman of the Senate Committee on Labor and Human Resources. This act requires colleges and universities receiving Federal financial assistance to make public detailed information with respect to the graduation rates of student-athletes.

This act requires these institutions to report annually to the Secretary of Education graduation rates, including the graduation rates of student-athletes broken down by sport, race, and sex. Among other information the act also calls for reporting the proportion of students who earn a degree within 5 years, reported by sport, race, and sex.

The information is then to be made available to high school student-athletes, their families, and high school guidance counselors and principals, to aid the student athletes as they choose the schools they will attend. The students will indicate on their letters of intent that they have reviewed the information and discussed it with either their high school guidance counselor or principal.

Availability and discussion of graduation rate data will aid high school student-athletes in making informed judgments about the general character of the education they may expect to receive at the schools under consideration. Review of this information and an opportunity to discuss it with parents and other advisers who are concerned with the student's interests is an important counterbalance to the pressure on high school student athletes to sign with a particular school.

I ask my colleagues to join me in supporting this Student-Athlete Right-to-Know Act. This straightforward effort will aid our Nation's student-athletes as they make this complex decision. Hopefully, an informed choice will lead to a real education and a college degree. For most students that is a more realistic and valuable reward than dreams of a professional sport career.

I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 580

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Student Athlete Right-to-Know Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) education is fundamental to the development of individual citizens and the progress of the Nation as a whole;

(2) there is increasing concern among citizens, educators, and public officials regarding the academic performance of student-athletes at institutions of higher education;

(3) while the National Collegiate Athletic Association has instituted a new academic eligibility standard for incoming freshmen, such standard does not impact on eligible athletes in college where such athletes can remain eligible if such athletes have less than a 2.0 grade point average in the first 2 years of study;

(4) more than 10,000 athletic scholarships are provided annually by institutions of higher education;

(5) prospective students should be aware of the educational commitments of an institution to its athletes; and

(6) knowledge of the graduation rates of student-athletes would assist prospective students and their families in making an informed judgment about the educational benefits available at a given institution of higher education.

SEC. 3. REPORTING REQUIREMENTS FOR INSTITUTIONS OF HIGHER EDUCATION.

(a) REPORTS TO THE SECRETARY.—Each institution of higher education which receives Federal assistance and is attended by students receiving athletic scholarships shall annually submit a report to the Secretary which contains—

(1) the graduation rate for students at the institution who received athletic scholarships broken down by sport, race, and sex;

(2) the graduation rate for all students at the institution, broken down by race and sex;

(3) the number of students at the institution who received athletic scholarships and earned academic degrees, broken down by

field of study, type of academic degree received, and sport;

(4) the number of students at the institution who earned academic degrees, broken down by field of study and the type of academic degree received;

(5) the number and proportion of students at the institution who received athletic scholarships and earned a degree within 5 years, broken down by sport, race, and sex;

(6) the number and proportion of students at the institution who earned a degree within 5 years, broken down by race and sex; and

(7) the amount of Federal financial assistance received by students at the institution who participated in intercollegiate athletics.

(b) STUDENT LETTERS OF INTENT.—(1) Each institution of higher education submitting a report to the Secretary under subsection (a) shall provide the information contained in such a report to all high school athletes the institution is recruiting. There shall be additional items in the National Letter of Intent indicating that the student being recruited has reviewed such report and discussed such report with such student's secondary school guidance counselor or principal.

(2) For the purpose of this subsection, the term "letter of intent" means a document—

(A) which is provided by an institution of higher education to a prospective student who is offered an athletic scholarship; and

(B) which is signed by such student to indicate his intent to attend that institution.

SEC. 4. REPORT BY SECRETARY.

(a) IN GENERAL.—The Secretary shall, using the reports submitted under this Act, compile and publish a report containing the information required under section 3, broken down by—

(1) individual institutions of higher education, and

(2) athletic conferences recognized by the National Collegiate Athletic Association and the National Association of Intercollegiate Athletics.

(b) REPORT AVAILABILITY.—The Secretary shall make available copies of the report required by subsection (a) to any individual or secondary school requesting a copy of such report.

SEC. 5. DEFINITIONS.

For the purpose of this Act—

(1) The term "athletic scholarship" means any scholarship, grant, or other form of financial assistance whose terms require the recipient to participate in an institution of higher education's program of intercollegiate athletics in order to be eligible to receive such assistance.

(2) The term "institution of higher education" has the same meaning given such term by section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(3) The term "Secretary" means the Secretary of Education.●

By Mr. SPECTER:

S. 581. A bill to establish emergency response procedures for rail carriers in transporting hazardous materials; to the Committee on Commerce, Science, and Transportation.

HAZARDOUS MATERIALS RAIL TRANSPORTATION SAFETY ACT OF 1989

● Mr. SPECTER. Mr. President, today I introduce the Hazardous Materials Rail Transportation Safety Act of 1989, to improve rail safety and the transportation of hazardous materials. This bill is based on and expands S. 2844 which I introduced in the 100th Congress.

Transportation of hazardous materials is a dangerous but essential activity. According to the Department of Transportation, approximately 4 billion tons of regulated hazardous materials are transported each year throughout the United States. The Association of American Railroads reports that approximately 925,000 full carloads of hazardous materials were transported in 1987 alone. While transportation by rail is considered the safest method of moving these enormous amounts of hazardous materials, a number of problems remain to be remedied. This act will make rail transportation safer and will provide better protection for surrounding communities and their residents.

A recent Federal Railroad Administration [FRA] safety assessment revealed that out of 8,000 hazardous materials tank cars inspected, "an unacceptably high ratio of defects" were found. The report stated that an investigation of intermodal units disclosed that 18 percent had improper placards and 12 percent had incorrect shipping papers.

The bill I introduce today includes a number of important measures to improve rail transportation of hazardous materials. Emergency response procedures would be established to ensure that all personnel involved in rail accidents or hazardous situations know how to react quickly and effectively. The bill's tank car standards will guarantee that all vehicles containing hazardous materials meet specifications designed to ensure that the tanks do not leak or rupture even under extreme circumstances.

The bill would establish minimum training requirements for employees who are associated with the transportation of hazardous materials; the employees would be tested on their knowledge of and ability to implement emergency procedures. The bill also includes a provision for more frequent inspections of trains, tracks, bridges and major signal systems associated with the transportation of hazardous waste, to ensure that rail equipment and facilities are in proper working order. To assist with the costs associated with maintaining knowledgeable emergency response teams, the bill provides for Federal cost-sharing grants with State and local municipalities.

This bill is based on a long held concern for transporting hazardous materials. On February 28, 1984, I introduced S. 2356, the Urban Radioactive Materials Protection Act. This bill would have required environmental impact statements from the agency which approves transportation of radioactive waste material by highway routing through a metropolitan area. The bill I introduce today is in response to the disturbing number of train derailments nationwide and in Pennsylvania, and numerous site visits and personal meetings with railroad officials, labor leaders and concerned citizens regarding rail accidents.

In 1987 alone, there were 307 train accidents in Pennsylvania, resulting in the deaths of 35 persons and $6.6 million in damaged railroad property as reported to the FRA by the involved rail carrier. These accidents in 1987 resulted in the evacuation of approximately 12,360 residents from their homes following the release of hazardous materials. The General Accounting Office notes that in 1987 the number of evacuations in the Commonwealth was more than 50 percent of the total evacuations nationwide.

During the past several years there have been at least 11 serious accidents in western Pennsylvania on one stretch of track alone. Those included accidents on May 17, 1986, June 30, 1986, October 31, 1986, and January 15, 1987. On April 11, 1987, two freight trains collided in Bloomfield, PA, near Pittsburgh, causing several derailed cars to ignite and forcing the evacuation of some 16,000 persons. A derailed car leaked phosphorus oxychloride, a gasoline and hydrolic fuel additive which can be lethal in large doses. The accident also involved a car containing toluene disocyanate, a flammable substance which can irritate lungs, skin, and eyes. The catastrophe is considered Pennsylvania's worst train accident in a decade and the largest chemical-caused evacuation in Pittsburgh's history.

Less than 1 month later, on May 6, 1987, a serious rail accident occured in Confluence, PA. Twenty-seven train cars derailed and crashed into an adjacent tower, killing the tower operator. Approximately 1,000 residents were evacuated from their homes for over 12 hours because 21 of the derailed cars contained hazardous materials. Hydrochloric acid and a small amount of caustic soda were released.

In response to these accidents and the concerns expressed by area residents, I testified on May 12, 1987, during the Senate Commerce Committee hearing on the transportation of hazardous materials, and expressed my deep concern about the many train derailments in western Pennsylvania. On July 27, 1987, I toured the tracks in Confluence and personally met with local officials, union leaders, CSX Transportation, Inc., representatives, Federal Railroad Administration representatives, and local residents. Based on the serious threat to public safety posed by the unusual series of accidents on these tracks, I wrote to former Transportation Secretary Dole on July 30, 1987, requesting that the tracks be shut down until the problem was resolved. Two days following my

site inspection, yet another accident occurred on the same track, 27 miles away in Connellsville, PA. One of the seventeen cars involved was carrying residues of liquid chlorine and liquid petroleum.

In my July 30, 1987, letter to the Transportation Secretary, I expressed special concern about the condition of the tracks and the continuing derailments in light of Amtrak's use of these tracks for its Capital Limited line. This passenger train travels between Chicago and Washington, DC, carrying an average of 543 passengers per day in each direction. Amtrak advises that approximately 60 trains transport 16,295 passengers during each month. Only 6 days after I raised these concerns, Amtrak's eastbound Capital Limited No. 30 derailed approximately 2½ miles east of the Pittsburgh station. According to Amtrak, 2 of the 3 locomotives and all 14 passenger cars left the track. Amazingly, the cars somehow remained upright and fortunately there were no serious injuries among the 234 passengers onboard.

Mr. President, I have repeatedly stressed the importance of maintaining safe tracks and rail procedures to assure that such accidents are prevented. In response to the many train accidents in Pennsylvania and repeated calls for a thorough investigation, the Federal Railroad Administration began an inspection of track and equipment between McKeesport, PA, and Harpers Ferry, WV, on August 4, 1987. In the light of the Amtrak derailment, I again wrote to the Transportation Secretary on August 5, 1987, requesting full review of the accidents and urging the Federal Railroad Administration to expand the ongoing track inspection to include the Pittsburgh area. Shortly thereafter, the FRA extended its inspections to include all track and equipment from the Ohio/Pennsylvania border to Washington, DC.

Yet another accident in western Pennsylvania occurred on August 22, 1987, in McKeesport, when 16 cars of a freight train derailed. Reports indicated that four of the cars contained hazardous chemicals including caustic soda, hydrochloric acid, and butane, which is highly flammable and explosive. More than 700 people were evacuated for nearly 24 hours, but fortunately no serious injuries occurred.

On February 17, 1988, two railroad tank cars, one containing a form of highly flammable and toxic chemical styrene, derailed in McKees Rocks, PA, a suburb of Pittsburgh. Again, fortunately, there were no injuries reported in relation to the accident. According to preliminary reports, the derailment was caused by a split rail.

Most recently, on August 1, 1988, 19 railroad cars, 5 transporting chlorine and sodium hydroxide, derailed in an area accessible only by rail where Amtrak operates two trains daily. As previously stressed, an accident involving a train carrying hazardous materials and an Amtrak train carrying passengers could result in catastrophic consequences.

Elsewhere in Pennsylvania, accidents have occurred which included hazardous materials with potential serious consequences. On February 9, 1987, in Morrisville, PA, an attempt was made to couple two cars containing hazardous white phosphorus on a track occupied by other tank cars. Reports indicated that the cars' couplers missed connecting and punctured one of the hazardous materials tank cars. The punctured car consequently released white phosphorus which ignited, destroying three tank cars, damaging adjacent equipment and track, and requiring extensive cleanup of contaminated soil. Approximately 2,500 people were evacuated for over 5 hours because of the accident.

In light of the growing concern in the Commonwealth of Pennsylvania regarding the many rail accidents in western Pennsylvania during 1987, I joined Senator HEINZ and Representative GAYDOS on August 24, 1987, in requesting the General Accounting Office [GAO] to assess railroad safety in Pennsylvania and throughout the Nation, and review FRA's inspection and enforcement policies. GAO completed its assessment raising a number of issues and concerns, many of which I have addressed in this legislation I am introducing today.

Considering the frequency of these accidents and the potentially catastrophic situations they create, I believe that current rail operations and track conditions must be subject to improved safety standards. The Senate Appropriations Committee, of which I am a member, also shared my concern regarding these derailments and, upon my recommendation, included language in its report accompanying H.R. 2890, the fiscal year 1988 Transportation Appropriations bill, regarding the on-going inspections. The committee directed the FRA to include in its report recommendations for improvement of regulatory oversight in track inspections and enforcement; equipment inspection and enforcement; and train operations enforcement, including adherence to speed limits, materials, and display of warning placards on cars containing toxic chemicals. The committee also requested that the report include an assessment of track conditions and the adequacy of current inspections procedures and staffing.

Mr. President, while my comments today, and my own experiences, focus on problems in Pennsylvania, rail safety is not a localized problem. I believe the track and equipment problems in western Pennsylvania are representative of the situation nationwide.

On 4 consecutive days in December 1987, for example, rail accidents involving hazardous materials occurred elsewhere in the Nation. Reports indicated that on December 10, 1987, 18 cars derailed near Chemult, OR, spilling 13,000 gallons of sulfuric acid into an adjacent forest. The next day, 25 freight cars, including 6 tank cars loaded with hazardous chemicals, derailed at Scott Air Force Base in Illinois. On December 12, 16 cars derailed near Round Rock, 15 miles north of Austin, TX igniting 3 tankers, 2 of which contained liquid propane and the third contained butyl alcohol. The accident resulted in the evacuation of approximately 8,000 residents. More recently, on June 22, 1988, 34 CSX railroad cars derailed in Crofton, KY, releasing white phosphorus which ignited, causing the evacuation of 3,000 local residents.

The Congressional Research Service [CRS] reports that in 1986 alone, approximately 842 train incidents nationwide involving hazardous materials were reported to the Department of Transportation. The General Accounting Office [GAO] reports that in 1986, 39,701, people were evacuated from their homes nationwide as a result of accidents involving hazardous materials. The GAO further advises that in 1987 alone, there were 8,816 railroad accidents and incidents nationwide resulting in 1,107 deaths, 6,585 injuries, and over $180 million in damages to railroad property.

Mr. President, transporting hazardous materials by rail obviously involves risks. While it is not realistic to expect an accident-free industry, nevertheless, we have a responsibility to reduce obvious hazards and make the system as safe as possible. The bill I introduce today will implement much needed improvements to guarantee rail safety for the public, by ensuring frequent and thorough inspections. By enacting these provisions, positive steps will be taken to ensure that accidents occur far less frequently, and that effective emergency response procedures are in place when an accident does occur.

This bill would establish emergency response procedures for rail carriers after accidents or in emergency situations involving the transportation and storage of hazardous materials. This provision is similar to H.R. 2056, introduced in the House by Representative TONY HALL in 1987. Specifically, this provision would require that two or more copies of written information be on board trains transporting hazardous materials, with one copy available for immediate distribution to local emergency personnel.

It is my hope to improve and standardize the information needed to prop-

erly respond to hazardous materials accidents. thus, the bill would require that all shipping papers contain a listing of all relevant 24-hour emergency response telephone numbers of officials cognizant of the hazardous materials transported and the most current publication of the Transportation Secretary's emergency response procedures.

Mr. President, all freight train accidents are serious, but those that include the transportation of hazardous materials are especially dangerous. Therefore, it is vital to ensure the soundness of the infrastructure and equipment associated with transporting hazardous substances.

This legislation thus would mandate an increase in the number of inspections on trains, tracks, bridges, and major signal systems which regularly are used for the transportation of hazardous materials. In carrying out these inspections, the Federal Railroad Administration will ensure that each train transporting hazardous materials shall be inspected, as required, by an inspector employed by the carrier and certified by the Federal Railroad Administration. To address the problems in track and bridge conditions, the bill would require more frequent FRA inspections of tracks, bridges, and signal systems.

Another integral part of the legislation involves the use of placards, which designate the type of hazardous material that is being transported. Following an accident, it is most important to properly identify the substance which may have leaked and caused subsequent adverse public health effects. Therefore, the bill states that any person who willfully alters, destroys, or removes any placard involved in the transportation of hazardous materials, shall be subject to a fine of not more than $10,000 or imprisonment for not more than 3 years.

The Railroad Safety Act of 1988, Public Law 100-342, enhanced the penalties imposed against an individual or carrier responsible for a violation of the Federal safety laws to a minimum of $250 and a maximum of $10,000 violation and per violation, with a penalty for gross negligence not to exceed $20,000. The GAO report requested by Senator HEINZ, Representative GAYDOS, and myself noted the lack of enforcement of FRA rules and regulations and the lack of use of civil penalties. Therefore, the bill I introduce today would create a uniform civil penalty for violations of the Federal safety laws with a maximum penalty of $10,000 per violation, a minimum of a $500 penalty, and a penalty for a gross negligence of $20,000.

The Pittsburgh Press recently conducted an extensive, nine-part series evaluating current safety conditions of our Nation's railroad industry. Its findings, based on a review of inspection reports and internal engineering memos of over six railroad bridges revealed that each railroad investigated reported that "intensive maintenance" was recommended on bridges but that all of their bridges are "safe for use." There currently are no Federal regulations regarding bridge inspections, an area which I believe has been woefully neglected. The bill I introduce today thus would require the Federal Railroad Administration to inspect bridges and assess the current condition of bridges nationwide to determine if regulations are necessary to ensure bridge safety.

Considering the continuing concern regarding tank car design and maintenance, the bill also includes a provision similar to Representative HALL's bill assessing current Department of Transportation tank car regulations. This provision calls on the Secretary of Transportation to enter into a contract with the National Academy of Sciences to conduct an objective, nonpartisan study of the railroad tank car design process. The study, in conjunction with previous studies of the Federal Railroad Administration and the National Transportation Safety Board, would include specifications on development, design approval, repair process approval, repair accountability, and the process by which designs and repairs are presented, weighed, and evaluated. The study also would determine whether the current standards of tank car design and maintenance should require more input by the Secretary of Transportation to ensure the safety of the public and the integrity of the industry.

This bill also would mandate training programs for rail workers to ensure that employees on trains transporting hazardous materials are adequately prepared to deal with an accident or emergency situation. The legislation implements a mandatory minimum training program for all rail workers. This provision, similar to H.R. 2650, introduced by Representative COLLINS, calls on the Secretary of Transportation to issue rules, regulations, standards, and orders requiring employers to provide training courses to employees directly involved in the transportation of hazardous materials. Employers would be required to certify to the Secretary that their employees have been trained and tested in accordance with criteria developed by the Secretary.

Mr. President, local fire and police department personnel are usually the first to respond to a hazardous material transportation accident, therefore training of these individuals is and should be a high priority. The Congress' Office of Technology Assessment estimates that of the 2 million emergency response personnel, 75 percent are unprepared to deal with accidents involving hazardous materials. The National Fire Academy reports that of 1.2 million firefighters, approximately 85 percent are volunteers and do not have the sufficient financial resources to take advantage of available training programs. To better ensure the safety of our cities, boroughs, and towns and in response to this growing need, the bill I introduce today authorizes matching grants to States for training their emergency response personnel.

To provide adequate personnel for these additional responsibilities, the bill would authorize the Federal Railroad Administration to double its number of hazardous materials track inspectors to assist in carrying out the track and train inspections. In addition, the bill would authorize the Federal Railroad Administration to hire a professional engineer specializing in the development of improved rank car specifications, regulations, and inspections of tank cars used in transporting hazardous materials to help address existing and future problems in this important area.

This bill offers reasonable and practical solutions to remedy rail safety and inspection problems nationwide. Accordingly, I urge my colleagues to join me in this effort to create a safer rail system for the transportation of hazardous materials, firmly penalize violations, and ensure the structural integrity of our tracks and bridges.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Hazardous Materials Rail Transportation Safety Act of 1989".

REGULATIONS

SEC. 2. Within 18 months after the date of the enactment of this section, the Secretary of Transportation shall issue rules, regulations, standards, and orders establishing emergency response procedures for rail carriers in accident or emergency situations involving the transportation and storage of hazardous materials. Such rules, regulations, standards, and orders shall include, among other things, a requirement of prohibition, as the case may be that—

(1) two or more copies of written information detailing the type and location of all hazardous material transported by a train shall be available aboard that train. One copy of the above-mentioned written information shall be distributed as soon as practicable to the on-scene commander of the local emergency personnel responding to any accident or emergency situation arising out of, or in connection with, that train or hazardous materials; and

(2) within 1 year following the date of enactment of this Act the Secretary of Transportation shall by rule require—

(A) the listing of relevant 24-hour emergency response telephone numbers on all shipping papers required by the Secretary in connection with the transportation of hazardous materials. The provided number may be the number of an individual or an organization that is fully cognizant of the hazards of the materials being transported, and be able to provide relevant information, as defined by the Secretary, needed by emergency personnel to deal with an incident involving the transportation of that material;

(B) that shippers and carriers transporting hazardous materials carry the most current publication of the Secretary prescribing emergency response procedures. At a minimum, a copy of the most current Department of Transportation Emergency Response Guidebook, or other appropriate guidance publication shall be carried onboard a train transporting hazardous materials which details what immediate action should be taken in the event of an accident; and

(C) that such publication be located at railroad facilities involved in the transportation of hazardous materials.

MINIMUM TRAINING

SEC. 3. Section 106 of the Hazardous Materials Transportation Act is amended by adding at the end the following:

"(d) TRAINING CRITERIA.—Within one year after the date of enactment of this subsection, the Secretary shall develop criteria for training courses to be given by all persons (or employers) causing hazardous materials to be transported or transporting hazardous materials. Within 18 months after the date of the enactment of this subsection, all such persons (or employers) shall provide such training courses meeting the criteria set forth by the Secretary to all their employees engaged in the loading, unloading, or handling of hazardous materials shipments, those who prepare hazardous materials for transportation, those who perform inspections of railroad cars containing hazardous materials as required by Federal regulations, and those who otherwise affect the safety of hazardous materials transportation, except those operators of motor vehicles to be covered by the regulations issued pursuant to the Motor Carrier Safety Act of 1986. Such persons (or employers) shall certify with appropriate documentation, as required by the Secretary, that their (nonexempted) employees have knowledge of and have been tested on appropriate areas of responsibility, including—

"(1) recognition and understanding of the Secretary's hazardous materials classification system,

"(2) use and limitations on use of the Secretary's hazardous materials placarding, labeling, and marking systems,

"(3) general handling procedures, loading and unloading techniques, and necessary steps to reduce the probability of release or damage during or incidental to transportation,

"(4) health, safety, and risk factors associated with hazardous materials and their transportation,

"(5) appropriate emergency response and communication procedures for dealing with hazardous materials transportation incidents,

"(6) use of the Secretary's Emergency Response Guidebook and recognition of its limitations or use of an equivalent document approved by the Secretary and recognition of its limitations,

"(7) applicable hazardous materials transportation regulations, and

"(8) personal protection techniques.

For purposes of implementing this subsection, the Secretary is exempt from the requirements of the Paperwork Reduction Act (44 U.S.C. 3501-3250).".

GRANTS FOR EMERGENCY RESPONSE TRAINING

SEC. 4. (a) Section 116 of the Hazardous Materials Transportation Act is amended to read as follows:

"SEC. 116. (a) GRANTS.—The Secretary shall make grants in fiscal years 1990 through 1993 to States and political subdivisions to assist in the training of personnel to make such responses. No grant may be made for more than 75 percent of the cost of any training program.

"(b) APPLICATION.—No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary.

"(c) CONSULTATION.—The Secretary shall, in consultation with the Federal Emergency Management Agency, establish guidelines for training programs used under a grant under subsection (a).

"(d) FORMULA.—The Secretary shall make grants under subsection (a) on the basis of the following criteria—

"(1) mileage of roads;

"(2) estimated track mileage;

"(3) population according to the latest available census.

"(e) ALLOCATION.—An allocation to a State or political subdivision may only be made if the Secretary determines that the allocated funds will be used to—

"(1) encourage intergovernmental cooperation;

"(2) encourage cooperation between industry and government;

"(3) increase the existing capacity of local governments to respond to hazardous material; and

"(4) minimize risk of those communities which bear a disproportionate share of that risk.

"(f) GRANTS.—To make grants under subsection (a) there are authorized to be appropriated out of the Highway Trust Fund $5,000,000 for fiscal year 1990, $10,000,000 for fiscal year 1991, $15,000,000 for fiscal year 1992, and $15,000,000 for fiscal year 1993.".

(b) The Secretary of Transportation shall publish guidelines under section 116(c) of the Hazardous Materials Transportation Act within 180 days of the date of the enactment of this Act.

TRAIN AND TRACK INSPECTIONS

SEC. 5. (a) The Federal Railroad Administration shall take such action as may be necessary to increase the number of inspections which it conducts on trains, tracks, and major signal systems which are used in connection with the transportation of hazardous materials.

(b) The Secretary of Transportation shall require that trains carrying hazardous materials shall be inspected at the trains point of origin by an inspector employed by the railroad, certified by the railroad, under training criteria designed and issued by the Secretary of Transportation. Such railroads shall certify with appropriate documentation as required by the Secretary, that those performing inspections of railroad tank cars containing hazardous materials have been trained pursuant to section 106(d) of the Hazardous Materials Transportation Act. Inspections shall cover the condition of the train equipment, readily observable defects (such as leaks, damages, or improperly posted) on the cars carrying hazardous materials that can be ascertained without opening the car, and such other aspects of transportation as the Secretary determines appropriate.

(c) The Secretary of Transportation shall employ and maintain thereafter an additional 35 safety inspectors above the number of safety inspectors authorized for fiscal year 1989, in aggregate, for the Federal Railroad Administration to assist in carrying out the inspections required by this section. The Secretary shall take such action as may be necessary to assure that the additional inspectors authorized by this section focus their activities upon the transportation of hazardous materials including the safety of track, signals, and equipment used in such transportation.

STUDY

SEC. 6. Within 90 days following the date of the enactment of this Act, the Secretary of Transportation shall enter into a contract with the National Academy of Sciences to study railroad tank car design process, including specification development, design approval, repair process approval, repair accountability, and the process by which designs and repairs are presented, weighed, and evaluated. The study shall also consider, among other things, whether public safety considerations require greater control and input from the Secretary with respect to tank car design. The Secretary shall report the results of such study, together with his recommendations, to Congress within the 12-month period following the date of the enactment of this Act.

PROFESSIONAL ENGINEER

SEC. 7. The Federal Railroad Administration shall hire one professional engineer to specialize in the development of improved tank car specifications, regulations, and inspections thereof.

CRIMINAL PENALTY

SEC. 8. Section 110 of the Hazardous Materials Transportation Act (49 U.S.C. 1809) is amended by adding at the end thereof the following:

"(c) Any person who willfully alters, destroys, or removes any placard required under this Act or section 172.500 of title 49 of the Code of Federal Regulations involving the transportation of hazardous materials shall be subject to a fine or not more than $10,000, or imprisoned for not more than 5 years, or both.".

ENFORCEMENT

SEC. 9. (a) The Secretary of Transportation shall establish procedures under which copies of enforcement actions and other public documents relevant to completed enforcement actions taken against persons that have violated regulations issued under the Hazardous Materials Transportation Act shall be, where appropriate, made available to State or local government officials.

(b)(1) Section 110(a) of the Hazardous Materials Transportation Act is amended by striking out "knowingly" each place it appears.

(2) Section 110(a) of the Hazardous Materials Transportation Act is amended by adding at the end thereof the following: "The amount of the civil penalty imposed under this subsection for a violation of a regulation shall not be less than $500 for each such violation".

(3) Section 110(a) of the Hazardous Materials Transportation Act is amended by adding at the end thereof the following: "Where a grossly negligent violation or a pattern of repeated violations has created an imminent hazard of death or injury to persons, or has caused death or injury, not to exceed $20,000".

BRIDGE INSPECTIONS

SEC. 10. (a) As part of the inspection of tracks referred to in section 5, the Federal Railroad Administration shall, as resources permit, inspect bridges on such routes to ensure the integrity of the bridge structure. If structural defects are discovered, the inspector shall immediately notify the appropriate rail carrier or maintenance entity to indicate defects.

(b) Prior to January 1, 1990, the Federal Railroad Administration shall assess the current condition of bridges nationwide to determine if regulations are necessary regarding bridge construction and maintenance.

AUTHORIZATIONS

SEC. 11. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. METZENBAUM (for himself, Mr. KENNEDY, Mr. PELL, Mr. DODD, Mr. SIMON, Mr. HARKIN, Mr. ADAMS, Ms. MIKULSKI, Mr. MITCHELL, Mr. DASCHLE, Mr. GORE, Mr. INOUYE, Mr. MOYNIHAN, Mr. RIEGLE, Mr. CRANSTON, Mr. WIRTH, Mr. BURDICK, Mr. KERRY, Mr. LAUTENBERG, Mr. SARBANES, and Mr. CONRAD):

S. 582. A bill to notify workers who are at risk of occupational disease in order to establish a system for identifying and preventing illness and death of such workers, and for other purposes; to the Committee on Labor and Human Resources.

HIGH RISK OCCUPATIONAL DISEASE NOTIFICATION AND PREVENTION ACT

● Mr. METZENBAUM. Mr. President, I rise to introduce legislation that is familiar to most of my colleagues—the High Risk Occupational Disease Notification and Prevention Act. I am pleased to be joined by Senators KENNEDY, PELL, DODD, SIMON, HARKIN, ADAMS, MIKULSKI, MITCHELL, DASCHLE, GORE, INOUYE, MOYNIHAN, RIEGLE, CRANSTON, WIRTH, BURDICK, KERRY, LAUTENBERG, SARBANES and CONRAD.

My colleagues will recall this legislation from the last session of Congress. Congress failed to enact the bill last year, but the need for this legislation remains. Thousands of workers are dying each year from occupational cancers and other diseases that could have been prevented. I believe that workers have the right to know whether they are at risk of life-threatening illness. This bill grants them that basic civil right.

Mr. President, if workers are informed that they have been exposed to occupational hazards, they can get medical monitoring and counseling before the disease has reached a critical, untreatable stage. That is what this bill is all about—getting information to workers in a timely fashion in order to prevent disease. The bill creates a medical/scientific panel to review existing scientific evidence. Based on the scientific evidence, the panel will designate particular worker populations that are found to be at high risk of occupational disease. The National Institute for Occupational Safety and Health will identify and notify as many of the workers in the designated risk population as possible. Workers will be told the nature of the risk, the diseases or conditions associated with the risk, and their option to seek medical monitoring to detect any symptoms of the disease or condition.

It is that simple. And it is critically important. Each year, up to 87,000 deaths in the United States are attributable to hazardous occupational exposures. That is more than the number of people who die on our highways each year. That is more than the number of Americans who died in the entire Vietnam war. The cost in human misery cannot be measured in dollars, but occupational disease exacts a staggering financial toll on the private and public sectors. The Congressional Research Service estimates that occupational disease cost the United States close to $10 billion in 1985 alone.

There are many possible approaches to preventing the spread of occupational disease. Obviously, primary prevention is vitally important. That is what OSHA is all about—preventing exposures and abating hazards in the first instance. But secondary prevention also is critical to arresting occupational cancers and other diseases before they become untreatable. The High Risk Occupational Disease Notification and Prevention Act promotes medical intervention at the secondary stage—after hazardous exposure but prior to the onset of disease.

There is broad consensus among medical and scientific experts that secondary prevention does make a difference. The Centers for Disease Control has identified over 17 million workers exposed to specific hazardous substances in the past 30 years, for whom medical monitoring can be effective. According to the American Cancer Society, up to 25,000 occupational cancer deaths per year can be prevented through early detection and medical intervention.

It costs $21,000 to care for a cancer patient in the terminal year. By preventing 25,000 cancer deaths per year, we can save over $500 million annually in health care costs. Given that employers pay the health care costs of 75 percent of American workers, it should be obvious that—in addition to relieving human suffering—this bill can save employers hundreds of millions of dollars in medical care costs alone.

The bill I am introducing today is the same bill that the Senate failed to enact last Congress. It includes several significant provisions that were added during floor consideration last year. These provisions ease the impact of the legislation on small business and agricultural employers. Perhaps most significantly, the bill as amended on the Senate floor includes strict limitations on potential litigation as a result of the act. My colleagues will remember the cries from opponents last year that enactment of the bill would result in a "litigation explosion." What my colleagues may not recall, or may not realize, is that we amended the bill to preclude lawsuits based in any way on testimony, documents, or physical evidence connected with the notification process. We also explicitly forbid stress claims based on notification under the act. The liability provisions are clear and unequivocal. I urge my colleagues to study them carefully. If liability is the concern, and we can make the bill clearer on that point, we will do so.

The liability restrictions are particularly significant in light of the present trend toward worker notification that is occurring outside the context of this bill. The Federal Government is preparing to notify thousands of workers who were exposed to beryllium in atomic weapons facilities during the 1950's. Employers in the semiconductor industry have contracted for a major study of hazards in that industry, and they intend to share the results with their workers. Clearly, the trend is toward worker notification. Currently, worker notification is occurring within the existing legal framework, where no restrictions are placed on potential litigation from the notification. Under this bill, however, notification would take place with strict limitations on potential liability built into the process.

Mr. President, the High Risk Occupational Disease Notification and Prevention Act had impressive support from the business community in the last Congress. The legislation was supported by businesses in the chemical industry, the electronics industry, the insurance industry, and others, in addition to the entire labor and public health communities. We hope to have even more support for the bill this year.

The battle over this legislation in the last Congress was heated and acrimonious. Many misrepresentations and distortions were made. I hope that this time around, members of the business community who do not support the bill last year will reconsider their position. We are ready and willing to discuss the concerns of the business community. Hearings will be held on the legislation in the spring. I urge my colleagues to join me in supporting the

High Risk Occupational Disease Notification and Prevention Act. It is high time that workers are granted the fundamental right to know the risks they face from past workplace exposures.

I ask unanimous consent that the text of the High Risk Occupational Disease Notification and Prevention Act be printed in the CONGRESSIONAL RECORD, along with the summary of changes that were made in the bill during floor debate in March 1988.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 582

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "High Risk Occupational Disease Notification and Prevention Act".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purpose.
Sec. 3. Definitions.
Sec. 4. Risk Assessment Board.
Sec. 5. Employee notification and counseling.
Sec. 6. Means of employee notification.
Sec. 7. Occupational and environmental health centers.
Sec. 8. Research, training, and education.
Sec. 9. Employee medical monitoring; discrimination against employees; confidentiality.
Sec. 10. Enforcement authority.
Sec. 11. Reports to Congress.
Sec. 12. Subjects of Federal agency studies.
Sec. 13. Regulations.
Sec. 14. Authorization of appropriations.
Sec. 15. Effective date.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) during the past 2 decades, considerable scientific progress has been made in—

(A) the identification of hazardous substances, agents, and processes;

(B) the identification of medical problems associated with exposure to such substances, agents, and processes; and

(C) the diagnosis and treatment of diseases related to such exposure;

(2) progress also has been made in controlling the exposure of individuals to such substances, agents, and processes;

(3) despite the progress described in paragraphs (1) and (2), there are significant gaps in efforts to promote the health and safety of individuals exposed to such substances, agents, and processes;

(4) potentially harmful substances, physical agents, and processes are in wide industrial and commercial use in the United States;

(5) a significant number of workers suffer disability or death or both wholly or partially as a result of being exposed to occupational health hazards;

(6) diseases caused by exposure to occupational health hazards constitute a substantial burden on interstate commerce and have an adverse effect on the public welfare;

(7) workers have a basic and fundamental right to know that they have been exposed to an occupational health hazard and are at risk of contracting an occupational disease;

(8) there is a period of time between exposure and the onset of disease when it often is possible to intervene medically in the biological process of disease either to prevent or, by early detection, successfully treat many disease conditions;

(9) social and family services that reinforce health-promoting behavior can reduce the risk of contracting an occupational disease;

(10) by means of established epidemiological, clinical, and toxicological studies, it is possible to define and identify specific worker populations at risk of contracting occupational diseases;

(11) there is no established national program for identifying, notifying, counseling, and medically monitoring worker populations at risk of occupational diseases;

(12) there is a lack of adequately trained professionals, as well as appropriately staffed and equipped health facilities, to recognize and diagnose occupational diseases;

(13) there is a need for increased research to identify and monitor worker populations at risk of occupational diseases; and

(14) through prevention and early detection of occupational disease the staggering costs of medical treatment and care in the United States can be substantially reduced.

(b) PURPOSE.—It is the purpose of this Act—

(1) to establish a Federal program to notify individual employees within populations at risk of occupationally induced disease that they are at risk because of exposure to an occupational health hazard, and to counsel them appropriately;

(2) to authorize and direct the certification of health facilities that have a primary purpose of educating, training, and advising physicians, nurses, and other professionals in local communities throughout the United States to recognize, diagnose, and treat occupational disease;

(3) to expand Federal research and education efforts to improve means of identifying and monitoring worker populations at risk of occupational disease; and

(4) to establish a set of protections prohibiting discrimination against employees on the basis of identification and notification of occupational disease risk.

SEC. 3. DEFINITIONS.

Except as otherwise provided in this Act, for the purpose of this Act:

(1) BOARD.—The term "Board" means the Risk Assessment Board established under section 4(a).

(2) COMMERCE.—The term "commerce" means trade, traffic, commerce, transportation, or communication among the several States, or between a State and any place outside thereof, or within the District of Columbia, or a possession of the United States (other than the Trust Territory of the Pacific Islands), or between points in the same State but through a point outside thereof.

(3) EMPLOYEE.—The term "employee" means—

(A) an employee of an employer who is employed in a business of the employer that affects commerce; or

(B) a former employee who—

(i) was formerly employed by an employer in a business of the employer that at the time of employment affected commerce; and

(ii) as to whom any Federal agency maintains records pertaining to work history, or the employer maintains personnel records, medical records, or exposure records.

(4) EMPLOYER.—The term "employer" means a person engaged in a business affecting commerce who has employees, including the United States or any State or political subdivision of a State.

(5) HAZARD COMMUNICATION STANDARD.—The term "hazard communication standard" means the standard contained in section 1910.1200 of title 29 of the Code of Federal Regulations in effect on January 1, 1987.

(6) INSTITUTE.—The term "Institute" means the National Institute for Occupational Safety and Health.

(7) MEDICAL MONITORING.—The term "medical monitoring" means periodic examinations or laboratory tests to diagnose or aid in the diagnosis of a disease that has been the subject of a notice.

(8) OCCUPATIONAL HEALTH HAZARD.—The term "occupational health hazard" means a chemical, physical, or biological agent, generated by or integral to the work process and found in the workplace, or an industrial or commercial process found in the workplace, for which there is statistically significant evidence (based on clinical or epidemiologic study conducted in accordance with established scientific principles) that chronic health effects have occurred in persons exposed to such agent or process. The term includes a chemical that is a carcinogen, toxic or highly toxic agent, reproductive toxin (including an agent that may cause a miscarriage or birth defect), irritant, corrosive, sensitizer, hepatotoxin, nephrotoxin, neurotoxin, an agent that acts on the hematopoietic system, and an agent that damages a lung, skin, eye, or mucous membrane.

(9) PERSON.—The term "person" means one or more individuals, partnerships, associations, corporations, business trusts, legal representatives, or any organized group of persons.

(10) POPULATION AT RISK OF DISEASE.—The term "population at risk of disease" means a class or category of employees—

(A) exposed to an occupational health hazard under working conditions (such as concentrations of exposure, or durations of exposure, or both) comparable to the clinical or epidemiologic data referred to in paragraph (8); and

(B) identified and designated as a population at risk of disease by the Board pursuant to section 4(c).

(11) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

SEC. 4. RISK ASSESSMENT BOARD.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established within the Department of Health and Human Services, the Risk Assessment Board.

(2) MEMBERSHIP.—

(A) IN GENERAL.—The Board shall consist of seven members. Each member shall be appointed by the Secretary from a list of three nominees provided by the National Academy of Sciences. In making appointments under this paragraph, the Secretary may request additional lists.

(B) PUBLIC HEALTH SERVICE EMPLOYEES.—Four members of the Board shall be career or commissioned Public Health Service employees.

(C) NON-PUBLIC HEALTH SERVICE EMPLOYEES.—Three members of the Board shall be appointed from among individuals who are not career or commissioned Public Health Service employees.

(D) SPECIALISTS.—The Board shall include two physicians specializing in occupational medicine, an epidemiologist, a toxicologist, an industrial hygienist, an occupational health nurse, and an occupational biostatistician.

(3) TERM OF OFFICE.—

(A) PUBLIC HEALTH SERVICE MEMBERS.—The terms of members appointed under paragraph (2)(B) shall be 5 years, except that of the members first appointed—

(i) 1 member shall be appointed for 2 years;

(ii) 1 member shall be appointed for 3 years;

(iii) 1 member shall be appointed for 4 years; and

(iv) 1 member shall be appointed for 5 years.

(B) OTHER MEMBERS.—The terms of members appointed under paragraph (2)(C) shall be 5 years, except that of the members first appointed—

(i) 1 member shall be appointed for 1 year;

(ii) 1 member shall be appointed for 3 years; and

(iii) 1 member shall be appointed for 5 years.

(4) CHAIRMAN.—The Secretary shall designate 1 member to serve as Chairman of the Board.

(5) VACANCIES.—Any member appointed to fill a vacancy in the Board that occurs prior to the expiration of a term shall be appointed to serve for the remainder of that term.

(6) REPORTING.—The Board shall report to the Secretary through the Director of the Institute.

(7) STAFF.—The Secretary shall provide full-time staff personnel necessary to carry out the functions of the Board.

(8) COMPENSATION.—Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Members, Risk Assessment Board, Department of Health and Human Services (7).".

(b) INDEPENDENCE OF BOARD.—In the exercise of its functions, powers, and duties, the Board shall be independent of the Secretary and the other offices and officers of the Department unless otherwise specifically provided in this Act.

(c) FUNCTIONS OF BOARD.—

(1) IN GENERAL.—

(A) DUTIES.—The Board shall—

(i) review pertinent medical and other scientific studies and reports concerning the incidence of disease associated with exposure to occupational health hazards;

(ii) identify and designate from the review, and from field assessments where appropriate, those populations at risk of disease that should receive notification pursuant to this Act, including the size, nature, and composition of the populations to be notified;

(iii) develop an appropriate form and method of notification that will be used by the Secretary, or agents of the Secretary described under section 6, to notify the designated populations at risk of disease; and

(iv) determine the appropriate type (if any) of medical monitoring or beneficial health counseling, or both, for the disease associated with the risk, which shall be described in the notification under section 5(b)(6).

(B) PANEL OF EXPERTS.—The Board may appoint an expert or a panel of experts on the particular disease that is the subject of the notice. The report of such expert or panel on the Board's recommendation shall be included in the hearing record.

(C) INFORMATION REQUESTS.—The Board, consistent with section 552a of title 5, United States Code, may request information from any Federal agency or other government or private organization for the purpose of obtaining studies and reports conducted or initiated with respect to actual or potential occupational health hazards. The information shall be furnished consistent with provisions for Federal access set forth under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 801 et seq.), and regulations promulgated pursuant to such Acts.

(2) IDENTIFICATION OF POPULATIONS AT RISK OF DISEASE.—In identifying populations at risk of disease, the Board shall consider the following factors based on the best available scientific evidence—

(A) the extent of clinical and epidemiologic evidence that specific substances, agents, or processes may be a causal factor in the etiology of chronic illnesses or long-latency diseases among employees exposed to such substances, agents, or processes in specific working conditions (such as concentration of exposure, or durations of exposure, or both);

(B) the extent of supporting evidence from clinical, epidemiologic, or toxicologic studies that specific substances, agents, or processes may be a causal factor in the etiology of chronic illnesses or long-latency diseases among individuals exposed to such substances, agents, or processes;

(C) the employees involved in particular industrial classifications and job categories who are or have been exposed to such substances, agents, or processes under working conditions (such as concentrations, or durations, or both) that may be a causal factor in the etiology of the illnesses or diseases;

(D) the extent of the increased risk of illness or disease created by occupational health hazards alone or in combination with such factors as smoking and diet; and

(E) other medical, health, and epidemiological factors, including consistency of association, specificity of association, strength of association, dose-response relationships, biological plausibility, temporal relationships, statistical significance, and the health consequences of notifying or failing to notify a population at risk.

(3) DESIGNATION OF IDENTIFIED POPULATIONS FOR NOTIFICATION.—

(A) DESIGNATION.—In designating populations at risk of disease for notification, the Board shall consider the extent to which particular populations may derive health benefits from receipt of notification. The Board shall undertake as its first priority to designate populations likely to benefit from medical monitoring or health counseling.

(B) POSSIBLE FACTORS.—In making the designation required by this paragraph, the Board may consider—

(i) exposures for which there exists a permanent standard promulgated under section 6(b)(5) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655(b)(5));

(ii) the extent of medical monitoring already available to employee populations covered by the permanent standards;

(iii) the need to notify former employees as well as current employees; and

(iv) the extent to which notification may prevent miscarriages and birth defects.

(C) NOTIFICATION.—The Board, in making determinations, and the Institute, in giving or coordinating notification, shall notify as many employees at risk of disease as appropriations and the best available scientific evidence permit. The Secretary shall include a detailed explanation of the reasons for the notification determinations in the report submitted pursuant to section 11(b).

(4) DETERMINATION.—If the Board determines that a class or category of employees is a population at risk of disease to be notified pursuant to this Act, the Board shall—

(A) make such a determination pursuant to subsection (d); and

(B) within 10 days of making such a determination, transmit to the Secretary the classes or categories of employees to be notified under section 5.

(d) PROCEDURES.—

(1) NOTICE OF PROPOSED DETERMINATION.—For each population designated for notification, the Board shall issue a notice of proposed determination.

(2) CONTENTS OF NOTICE.—The notice required by paragraph (1) shall—

(A) be published in the Federal Register,

(B) set forth which classes or categories of employees are being considered for inclusion as an employee population to be notified, and a concise statement of the basis for their inclusion and the contents of the proposed notice as specified in section 5(b) (other than subparagraphs (C) and (F) of section 5(b)(6));

(C) provide for the public to submit written views on the proposed determination within 60 days of the notice; and

(D) provide for a hearing within 45 days of the notice at which the public may express views on the proposed determination of the Board.

(3) FINAL DETERMINATION.—The Board shall issue a final determination within 60 days after the hearing based on the record developed pursuant to paragraph (2). The final determination shall be deemed to be a final agency action.

(4) EXTENSION.—The Board may, in exceptional circumstances and for good cause shown, extend the time between the issuance of the notice described in paragraph (2), and the issuance of a final determination under paragraph (3), except that the extension may not exceed 150 days for the total period of time beginning with the issuance of the notice.

(5) ACTION.—Any aggrieved person may bring a civil action for mandamus in the appropriate United States district court if the final agency action is not completed within 105 days or 150 days, as the case may be.

(e) BOARD AGENDA.—Within 6 months after the Board is appointed and every 6 months thereafter, the Board shall publish in the Federal Register an agenda listing the chemical, physical, or biological agents and industrial or commercial processes that are under review by the Board or that the Board anticipates may, within the ensuing 6 months, be reviewed by the Board to decide whether to issue a notice of proposed determination. For each item on the agenda, the Board shall, if available, identify (1) the population to be evaluated with respect to the agent or process, and (2) the name and telephone number of a knowledgeable agency official. The Board may at any time publish a supplement to an agenda adding agents or processes that the Board anticipates will be subject to review prior to the next regularly scheduled publication of an agenda.

(f) BOARD REVIEW.—With respect to a final determination by the Board, not later than 5 years after the initial issuance of notification and not later than each 5 years thereafter, the Board shall review—

(1) new scientific data relevant to the determination in order to assess the appropriateness and accuracy of the notice; and

(2) the appropriateness of medical monitoring practices under section 9.

SEC. 5. EMPLOYEE NOTIFICATION AND COUNSELING.

(a) NOTIFICATION OF POPULATION AT RISK.—On a determination by the Board that a given class or category of employees is a population at risk of disease to be notified pursuant to this Act, the Secretary shall make every reasonable effort to ensure that each individual within such population is notified of the risk. The Secretary, through the Institute, shall direct the notification required by this section.

(b) CONTENTS OF NOTIFICATION.—The notification shall include:

(1) HAZARD.—An identification of the occupational health hazard, including the name, composition, and properties of known chemical agents.

(2) DISEASES.—The disease or diseases associated with exposure to the occupational health hazard, and the fact that such association pertains to classes or categories of employees.

(3) EXTENT OF THE RISK.—The extent of the risk of such disease or diseases for the population at risk compared to the population at large.

(4) LATENCY PERIODS.—Any known latency periods from the time of exposure to the time of clinical manifestation of a disease.

(5) POSSIBLE CONTRIBUTING FACTORS.—Any known information concerning the extent of increased risk of illness or disease associated with exposure to the occupational health hazard in combination with exposure to nonoccupational factors.

(6) COUNSELING.—Counseling information appropriate to the nature of the risk, including—

(A) the advisability of initiating a personal medical monitoring program;

(B) the most appropriate type or types of medical monitoring or beneficial health counseling or both for the disease associated with the risk;

(C) the name and address of the nearest occupational and environmental health center certified under this Act;

(D) the protections for notified employees, as established under section 9;

(E) employer responsibilities with respect to medical monitoring for notified employees, as established under section 9; and

(F) the telephone number of the hot line established under subsection (c).

(c) TELEPHONE INFORMATION.—The Institute shall establish a toll-free long distance telephone "hot line" for employees notified under this section or their personal physicians, for the purpose of providing additional medical and scientific information concerning the nature of the risk and its associated disease.

(d) DISSEMINATION OF INFORMATION.—The Institute, after consultation with the Board, shall prepare and distribute other medical and health promotion material and information on any risk subject to notification under this section and its associated disease as the Institute and the Board consider appropriate.

(e) ACCESS TO INFORMATION.—In carrying out the notification responsibilities under this section, the Secretary, consistent with section 552a of title 5, United States Code, may request information from—

(1) any Federal agency, or State or political subdivision of a State, solely for the purpose of obtaining names, addresses, and work histories of employees subject to notification under this section;

(2) any employer insofar as Federal access already is provided for under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 801 et seq.), and regulations promulgated pursuant to such Acts; and

(3) any employer insofar as such information is maintained by such employer under a Federal or State law concerning occupational safety and health matters.

(f) LIABILITY.—The United States or any agency or employee thereof (including any employer or government acting pursuant to section 6) shall not be subjected to suit or judicial or nonjudicial proceedings of any kind that seek monetary damages with respect to or arising out of any act or omission performed pursuant to this Act, including the failure to perform any act or omission pursuant to this Act. This subsection shall not apply to—

(1) an employee of the United States for any act or omission that is a knowing and deliberate violation of a provision of the Act to the extent that Federal law otherwise authorizes a suit against that individual for monetary damages; and

(2) an employer or government acting pursuant to section 6, for any act or omission that is a knowing or reckless violation of a provision of the Act.

(g) JUDICIAL REVIEW.—

(1) PETITION.—Any person adversely affected or aggrieved by a determination of the Board under this Act is entitled to judicial review of the determination in the United States Court of Appeals wherein such person resides or has the principal place of business of the person or in the United States Court of Appeals for the District of Columbia circuit on a petition filed in such court. A person may be adversely affected or aggrieved by one or more of the following Board determinations:

(A) The determination that an agent or process is or is not an occupational health hazard.

(B) The determination of the class or category of employees that is a population at risk of disease.

(C) The determination as to what constitutes appropriate medical monitoring or beneficial counseling for the designated population at risk.

Any petition filed pursuant to this section shall be filed within 30 days after such determination by the Board. On the filing of a petition, the Secretary shall certify the hearing record.

(2) REVIEW.—The court shall review the determination of the Board based on the hearing record.

(3) JUDICIAL ACTION.—The court shall set aside the determination of the Board if the determination is found to be—

(A) arbitrary, capricious, or an abuse of discretion;

(B) contrary to constitutional right, power, privilege, or immunity;

(C) in excess of statutory jurisdiction, authority, or limitations;

(D) without observance of procedure required by law; or

(E) unsupported by substantial evidence on the record.

(4) STAY.—The commencement of proceedings under this subsection shall not operate as a stay of the requirement on the Secretary to notify employees unless the court specifically orders a stay based on a determination by the court that the complaining party is highly likely to succeed on the merits.

SEC. 6. MEANS OF EMPLOYEE NOTIFICATION.

(a) RESPONSIBILITY OF SECRETARY.—Except as otherwise provided in this section, the Secretary shall be responsible for notifying employees at risk of disease, as determined by the Board.

(b) COOPERATION WITH PRIVATE EMPLOYERS AND STATE AND LOCAL GOVERNMENTS.—

(1) IN GENERAL.—In carrying out notification responsibilities under subsection (a), the Secretary is encouraged to cooperate to the extent practicable with private employers and State and local governments.

(2) CERTIFICATION OF PRIVATE EMPLOYERS OR STATE OR LOCAL GOVERNMENTS.—

(A) IN GENERAL.—Upon request by a private employer or a State or local government, the Secretary may certify the private employer or State or local government to conduct notification of its current or former employees, or both, who are members of populations determined to be at risk. Such certification shall require inclusion in the notification of the information described in section 5(b) and shall be in accordance with regulations issued by the Secretary.

(B) ADMINISTRATION.—No private employer or State or local government certified under this paragraph may receive payment for the cost of such notification from the United States, or have a right of access to Federal records for the purposes of carrying out the notification.

(C) FORM OF NOTIFICATION.—The form of notification adopted by a private employer or State or local government shall conform, to the maximum extent practicable, to a model notification form issued by the Board under section 4(c).

(c) EMPLOYEES NOT CURRENTLY EXPOSED.—

(1) IN GENERAL.—In the case of former employees and employees for whom no exposure to the occupational health hazard occurred in the course of employment with their current employer as of the time the notice was issued, the notification shall be transmitted to each employee in the designated population at risk of disease who was exposed to the occupational health hazard within 30 years prior to the date of notification.

(2) INDIVIDUAL NOTIFICATION.—Notification shall be on an individual basis, except that if individual notification is not reasonably possible, the notifying entity shall make use of public service announcements and other means of notification appropriate to reach the population at risk.

(d) EMPLOYEES CURRENTLY EXPOSED.—

(1) IN GENERAL.—In the case of employees for whom any exposure to the occupational health hazard occurred in the course of current employment, notification shall be transmitted to individual employees wherever reasonably possible.

(2) LIMITING RULE.—If individual notification is not reasonably possible, the notifying entity shall make use of public service announcements and other means of notification appropriate to reach the population at risk. Such means may include working with employers to post prominently notices as specified in section 5(b).

(e) VARIANCES.—

(1) APPLICATION FOR VARIANCE.—Within 30 days after the Board issues a final determination identifying a population at risk of disease for notification, an employer who employs or has employed employees within that population may apply to the Institute for a determination exempting the employer's employees from the population at risk, if the employer believes that, as a result of significant mitigating factors, the employer's employees are not members of a population at risk of disease. The application of the employer shall describe in detail the basis for the application.

(2) HEARING.—If the Institute concludes that any application raises an issue of material fact that is subject to reasonable dispute, the Institute, within 30 days after the receipt of an application, shall—

(A) publish a notice so stating in the Federal Register; and

(B) schedule a hearing on the disputed issues.

All applications for a variance with respect to any one population at risk shall be consolidated in a single hearing.

(3) EXEMPTION.—During the pendency of any application before the Institute, the Secretary shall be exempted from the notification requirements of the final determination adopted by the Board with respect to any parties seeking a variance. Each such hearing before the Institute shall be completed within 60 days of the notice of hearing.

(4) DECISION ON VARIANCE.—Within 30 days after the close of the hearing, or, where no hearing is held, within 30 days of the receipt of an application, the Institute shall issue a decision granting a variance to any employer who has demonstrated by a preponderance of the evidence that the employees of the employer should not be included within the population at risk of disease. The Institute shall deny a variance to all other employers. In determining whether a variance should be granted as to any specific employee or group of employees to be notified, the Institute shall evaluate whether there are significant mitigating factors for such employee or employees, including work practices, health and safety programs, engineering controls, or other factors that are fundamentally different from the factors evidenced by the data relied on by the Board, that substantially eliminate the risk of developing the occupational disease under examination.

(5) LIMITATION.—No employer who has not applied for a variance may avail itself of any decision by the Institute granting a variance to some other employer. Determinations by the Board may not be challenged in any action brought pursuant to this subsection.

SEC. 7. OCCUPATIONAL AND ENVIRONMENTAL HEALTH CENTERS.

(a) SELECTION FROM AMONG EXISTING FACILITIES.—

(1) ESTABLISHMENT AND CERTIFICATION.—Within 90 days after the effective date of this Act, the Secretary shall establish and certify 10 health centers. The Secretary shall select the 10 health centers from among the educational resource centers of the National Institute for Occupational Safety and Health and similar facilities of the National Institute for Environmental Health Sciences, the National Cancer Institute, and other private or governmental organizations designated by the Secretary. At a later date, the Secretary may establish and certify additional health centers from among the health care facilities described in this paragraph.

(2) BASIS FOR SELECTION.—In carrying out paragraph (1), the Secretary shall base selection on ability and experience in the recognition, diagnosis, and treatment of occupationally related diseases, capacity to offer training to physicians, nurses, and other professionals, and geographical proximity for designated populations.

(b) FUNCTIONS OF CENTERS.—A center shall—

(1) provide education, training, and technical assistance to personal physicians and other professionals who serve employees notified under section 5; and

(2) be capable, in the event that adequate facilities are not otherwise reasonably available, of providing diagnosis, treatment, and medical monitoring for employees notified under section 5.

SEC. 8. RESEARCH, TRAINING, AND EDUCATION.

(a) IN GENERAL.—

(1) IMPROVED METHODS OF MONITORING AND IDENTIFICATION.—The Institute shall conduct or provide for research, training, and education designed to improve the means of identifying employees exposed to occupational health hazards and improve medical assistance to such employees. The research, training, and education shall include—

(A) studying the etiology, and development of occupationally related diseases, and the development of disabilities resulting from such diseases;

(B) developing means of medical monitoring of employees exposed to occupational health hazards;

(C) examining the types of medical treatment of workers exposed to occupational health hazards, and means of medical intervention to prevent the deterioration of the health and functional capacity of employees disabled by occupational diseases;

(D) studying and developing medical treatment and allied health services to be made available to employees exposed to occupational health hazards; and

(E) sponsoring epidemiological, clinical, and laboratory research to identify and define additional employee populations at risk of disease.

(2) AUTHORITY TO EMPLOY EXPERTS AND CONSULTANTS.—In carrying out activities under this section, the Institute is authorized to engage the services of experts and consultants, as the Institute considers necessary.

(b) EDUCATION.—Part F of title VII of the Public Health Service Act is amended by inserting after section 788 (42 U.S.C. 295g-8) the following new section:

"SEC. 788A. GRANTS AND CONTRACTS FOR TRAINING AND CURRICULUM DEVELOPMENT IN OCCUPATIONAL MEDICINE.

"(a) EXISTING PROGRAMS.—

"(1) IN GENERAL.—The Secretary may make grants to, and enter into contracts with, schools of medicine and schools of nursing in which occupational medicine or occupational health programs exist on the date of enactment of this section to assist such programs in meeting the costs of carrying out projects to—

"(A) provide continuing education for faculty in departments of internal medicine and family medicine or in schools of nursing in order to enable such faculty to provide instruction in the diagnosis and treatment of occupational diseases;

"(B) develop, publish, and disseminate curricula and training materials concerning occupational medicine or health for use in undergraduate medical or nursing training; or

"(C) establish, for residents in graduate medical education programs in internal medicine, family medicine, and other specialties with a primary care focus, or in graduate nursing programs in schools of nursing, training programs in occupational medicine or health consisting of clinical training, for periods of between 1 and 4 months, in settings such as medical facilities, union offices, and industrial worksites.

"(2) PREFERENCES.—In making grants and entering into contracts under this subsection, the Secretary shall give preference to applicants that demonstrate—

"(A) the ability to recruit a significant number of participants to participate in the project to be carried out under the grant or contract (in the case of a project described in subparagraph (A) or (C) of paragraph (1); and

"(B) expertise and experience in the provision of continuing education in occupational medicine or health (in the case of a project described in subparagraph (A) of such paragraph) or the provision of residency training in occupational medicine or health (in the case of a project described in subparagraph (C) of such paragraph).

"(b) NEW PROGRAMS.—

"(1) IN GENERAL.—The Secretary may make grants to, and enter into contracts with, schools of medicine and schools of nursing in which, on the date of enactment of this section, there do not exist training programs in occupational medicine or health. The purpose of grants and contracts under this subsection shall be to provide support for projects to provide training in occupational medicine or health for faculty who are certified in internal medicine or family medicine by the appropriate national medical specialty board or faculty who have similar qualifications in professional nursing.

"(2) PROJECT REQUIREMENTS.—Each project for which a grant or contract is made under this subsection shall—

"(A) be based in a graduate medical education program in internal medicine or family medicine or in graduate programs in a school of nursing;

"(B) have an arrangement with an accredited training program in occupational medicine or health for the provision of training in occupational medicine or health to the faculty selected by the recipient of the grant or contract under this subsection; and

"(C) have a plan for the use of the faculty receiving training with a grant or contract under this section to provide education and training in occupational medicine or health to other individuals.

"(c) MINIMUM NUMBER OF SCHOOLS.—The Secretary shall, during the period October 1, 1989, through September 30, 1992, make grants to, and enter into contracts with, not less than 10 schools of medicine or schools of nursing under subsections (a) and (b).

"(d) AVAILABILITY OF CERTAIN FUNDS.—Amounts described in section 14(b)(2) of the High Risk Occupational Disease Notification and Prevention Act shall be available to carry out this section.

"(e) DEFINITIONS.—For the purpose of this section:

"(1) GRADUATE MEDICAL EDUCATION PROGRAM.—The term 'graduate medical education program' has the same meaning as in section 789(b)(4)(A).

"(2) SCHOOL OF NURSING.—The term 'school of nursing' has the same meaning as in section 853(2).".

SEC. 9. EMPLOYEE MEDICAL MONITORING; DISCRIMINATION AGAINST EMPLOYEES; CONFIDENTIALITY.

(a) EMPLOYEE MEDICAL MONITORING.—

(1) IN GENERAL.—For any employee who is a member of a population that is determined by the Board to be at risk of disease, the medical monitoring recommended by the Board as a result of exposure to the occupational health hazard shall be provided or made available by the current employer at no additional cost to the employee if any part of such exposure occurred in the course of the employee's employment by

that employer. If the benefits are made available through an existing employer health plan, the employee may be required to meet deductibles or copayments generally required under the existing employer health plan. Any such current employer shall be required to provide monitoring only for employees who—

(A) are notified individually under section 5; or

(B) the employer knows or has reason to know are members of the population at risk, as determined by the Board.

(2) SPECIAL RULES FOR MEDICAL MONITORING.—

(A) MONITORING RECOMMENDED BY BOARD.—The medical monitoring required under this Act shall be limited to the monitoring recommended by the Board.

(B) MEANS.—The means of providing such medical monitoring shall be left to the employer's judgment consistent with sound medical practices.

(C) SPECIAL SMALL BUSINESS LIMITATION.—An employer with 50 or fewer employees may not be required to pay more than an amount of $250 for medical monitoring for any employee in any year. Such amount shall be adjusted annually after 1989 based on the Consumer Price Index for medical care services maintained by the Bureau of Labor Statistics.

(b) BENEFIT REDUCTION PROHIBITED.—

(1) IN GENERAL.—If, following a determination by the Board under this Act, the employee's physician medically determines that an employee who is a member of a population at risk shows evidence of the development of the disease described in the notice or other symptoms or conditions increasing the likelihood of incidence of such disease, the employee shall have the option of being transferred to a less hazardous or nonexposed job. If within 10 working days after the employee has exercised the option and transmitted to the employer a copy of the initial determination, the employer's medical representative has not requested independent reconsideration of such determination, the employee shall be removed to a less hazardous or nonexposed job and shall maintain earnings, seniority, and other employment rights and benefits as though the employee had not been removed from the former job. In providing such alternative job assignment, the employer shall not be required to violate the terms of any applicable collective bargaining agreement, and shall not be required to displace, lay off, or terminate any other employee.

(2) INDEPENDENT RECONSIDERATION.—If the employer's medical representative requests independent reconsideration of the initial medical determination under paragraph (1), the employee's physician and the employer's medical representative shall, within 14 working days of the transmittal of the initial determination, submit the matter to another mutually acceptable physician for a final medical determination, which shall be made within 21 working days of the transmittal of the initial determination unless otherwise agreed by the parties. If the two medical representatives have been unable to agree on another physician within 14 working days, the Secretary or the Secretary's local designee for such purpose shall immediately, at the request of the employee or the employee's physician, appoint a qualified independent physician who shall make a final medical determination within the 21-working day period specified in this paragraph, unless otherwise agreed by the parties. The employer shall bear all costs related to the procedure set forth in this paragraph.

(3) EMPLOYEES SUBJECT TO MEDICAL REMOVAL.—An employer shall be required to provide medical removal protection only for employees who—

(A) are notified individually under section 5; or

(B) the employer knows or has reason to know are members of the population at risk, as determined by the Board.

(4) SPECIAL RULES FOR MEDICAL REMOVAL.—

(A) COURSE OF EMPLOYMENT.—An employer shall be required to provide such protection only if any part of the employee's exposure to the occupational health hazard occurred in the course of the employee's employment by that employer.

(B) LESS HAZARDOUS JOB AVAILABLE.—The medical removal protection described in this subsection shall be provided for as long as a less hazardous or nonexposed job is available. The availability of such a job shall depend on the employee's skills, qualifications, and aptitudes and the job's requirements. Where such job is not available, the medical removal protection shall be provided for a period not to exceed 12 months.

(C) FOLLOWUP MEDICAL SURVEILLANCE.—The employer may condition the provision of medical removal protection on the employee's participation in followup medical surveillance for the occupational health effects in question based on the procedure set forth in this subsection.

(D) REDUCTION FOR COMPENSATION.—The employer's obligation to provide medical removal protection shall be reduced to the extent that the employee receives compensation for earnings lost during the period of removal, or receives income from employment with another employer made possible by virtue of the employee's removal.

(E) ALTERNATIVE EMPLOYMENT.—An employee who is receiving medical removal protection and for whom no less hazardous or nonexposed job is available must undertake reasonable good faith efforts to obtain alternative employment.

(5) SPECIAL SMALL BUSINESS LIMITATIONS.—An employer shall not be required to provide medical removal protection for employees if the employer—

(A) has—

(i) during calendar years 1989 and 1990, 100 or fewer employees at the time medical removal protection is requested; or

(ii) during subsequent calendar years, 50 or fewer employees at the time medical removal protection is requested; and

(B) made or is in the process of making a reasonable good faith effort to eliminate the occupational health hazard that is the basis for the medical removal decision.

(c) DISCRIMINATION PROHIBITED.—

(1) IN GENERAL.—No employer or other person shall discharge or in any manner discriminate against any employee, or applicant for employment, on the basis that the employee or applicant is or has been a member of a population that has been determined by the Board to be at risk of disease.

(2) REQUIRED EXPOSURE.—The subsection shall not apply if the position that the applicant seeks requires exposure to the occupational health hazard that is the subject of the notice.

(3) REMOVAL TO LESS HAZARDOUS JOB.—If it is medically determined pursuant to subsection (b) that an employee should be removed to a less hazardous or nonexposed job, an employer may effect such a removal without violating this subsection so long as the employee maintains the earnings, seniority, and other employment rights and benefits, as though the employee had not been removed from the former job.

(4) ALTERNATIVE JOB ASSIGNMENT.—An employer with 100 or fewer employees for years 1989 through 1990, and thereafter an employer with 50 or fewer employees, may transfer an employee who is or has been a member of a population at risk to another job without violating this subsection so long as the new job has earnings, seniority, and other employment rights and benefits as comparable as possible to the job from which the employee has been removed. In providing such alternative job assignment, the employer shall not violate the terms of any applicable collective bargaining agreement.

(d) LIMITATIONS FOR AGRICULTURAL WORKERS.—Provisions of this Act relating to medical removal protection shall not apply to any seasonal agricultural worker employed by an employer for less than 6 months of continuous employment. The Secretary, using existing authorization, shall provide that in the case of seasonal agricultural workers employed by an employer for less than 6 months of continuous employment, the medical monitoring recommended by the Board is provided through the Migrant Health Program of the Bureau of Health Care Delivery and Assistance of the Department of Health and Human Services using funds appropriated under section 14. An amount not to exceed $1,000,000 for each fiscal year, from funds authorized to be appropriated by this Act, shall be set aside, if necessary, to carry out the preceding sentence.

(e) CONFIDENTIALITY.—The records of the identity, diagnosis, prognosis, or treatment of any individual employee that are maintained in connection with the performance of any function authorized by this Act shall be confidential and may not be disclosed unless—

(1) authorized by another provision of this Act and necessary to carry out such provision; or

(2) on the written consent of such employee or the personally designated representative of the employee.

SEC. 10. ENFORCEMENT AUTHORITY.

(a) RECORDKEEPING.—The Secretary shall require such recordkeeping by the Institute or by employers acting pursuant to section 6 as is necessary to monitor the numbers, types, and results of notification under this Act.

(b) ACTIONS BY THE SECRETARY.—

(1) INJUNCTIVE RELIEF.—Whenever the Secretary determines that an employer has engaged, is engaged, or is about to engage in an act or practice constituting a violation of this Act or any rule or regulation promulgated under this Act, other than a violation of section 9, the Secretary may bring an action in the appropriate United States district court to enjoin such acts or practices. On a proper showing, an injunction or permanent or temporary restraining order shall be granted without bond.

(2) CIVIL PENALTY.—The Secretary may bring an action in the appropriate United States District Court against an employer acting pursuant to section 6 for any act or omission that is a knowing or reckless violation of a provision of this Act or any rule or regulation promulgated under this Act. Any employer who violates this Act (or a rule or regulation promulgated under this Act) as set forth in the preceding sentence shall be

assessed a civil penalty of not more than $10,000 for each violation.

(c) REVIEW OF EMPLOYEE COMPLAINTS.—

(1) IN GENERAL.—

(A) APPLICATION FOR REVIEW.—Any employee who is aggrieved by a violation of section 9 may, within 6 months after such violation occurs, apply to the Secretary of Labor for a review of such alleged violation.

(B) INVESTIGATION.—On receipt of such application, the Secretary of Labor shall cause such investigation to be made as the Secretary of Labor considers appropriate.

(C) ACTION.—If, after such investigation, the Secretary of Labor determines that a reasonable cause exists to believe that a violation has occurred, the Secretary of Labor shall bring an action in any appropriate United States district court. In any such action, the United States district court shall have jurisdiction for cause shown to restrain violations of section 9, and to order all appropriate relief under subsection (d) or (e). In any action brought by the Secretary of Labor pursuant to this subsection, an employer shall be given a reasonable opportunity to prove by a preponderance of the evidence that an individual who received notification pursuant to section 5 is not a member of a population at risk, except that a determination by the Board that has not been set aside under section 5(g) may not be challenged in any such action.

(D) DEFENSE.—It shall be a defense to any action brought to enforce rights under section 9(a) that—

(i) an employee who received individual notification failed to assert the rights of the employee under section 9(a) within 1 year after receiving such notification, except for good cause shown; or

(ii) an employee who did not receive individual notification but had reason to know that the employee was a member of a population at risk who is entitled to rights under section 9(a) neglected or omitted to assert the rights based on the lapse of at least 1 year, and circumstances are sufficient to cause prejudice to the adverse party.

(2) DETERMINATION BY SECRETARY.—Within 90 days of the receipt of the application filed under this subsection, the Secretary of Labor shall notify the complainant of the determination of the Secretary of Labor under paragraph (1). If the Secretary of Labor finds that there was not reasonable cause to believe that a violation occurred, the Secretary shall issue an order denying the application and informing the applicant of the rights of the applicant under paragraph (3).

(3) APPEAL.—

(A) DENIAL OF APPLICATION.—Any person adversely affected or aggrieved by a determination of the Secretary of Labor under paragraph (2) is entitled to judicial review of the determination in the appropriate United States District Court on a petition filed in such court within 30 days after such determination by the Secretary of Labor. The court may set aside the determination by the Secretary of Labor under paragraph (2) only if the determination is found to be—

(i) arbitrary, capricious, or an abuse of discretion;

(ii) contrary to constitutional right, power, privilege, or immunity;

(iii) in excess of statutory jurisdiction, authority, or limitations;

(iv) without observance of procedure required by law; or

(v) unsupported by substantial evidence on the record.

If the court sets aside the determination of the Secretary of Labor under paragraph (2), the employee may bring an action of the type authorized by paragraph (1)(C).

(B) MEMBER OF THE POPULATION AT RISK RULE.—In any action brought by an aggrieved person under subparagraph (A), the aggrieved person shall be given a reasonable opportunity to prove, by a preponderance of the evidence, that an individual who did not receive notification is a member of a population at risk, except that a determination by the Board that has not been set aside under section 5(g) may not be challenged in any such action.

(C) FAILURE TO ACT WITHIN 90 DAYS.—If the Secretary of Labor has not acted within 90 days pursuant to paragraph (2), an applicant may bring a civil action for mandamus in the appropriate United States District Court.

(d) REINSTATEMENT AND OTHER RELIEF.—Any employee who is injured in violation of section 9 shall be restored to his or her employment and shall be compensated for—

(1) any lost wages (including fringe benefits and seniority);

(2) costs associated with medical monitoring that are incurred up to the time when the discrimination is fully remedied; and

(3) costs associated with bringing the allegation of violation.

(e) CIVIL PENALTIES.—Any person that violates section 9 shall be liable for a civil penalty of not more than $10,000 for each violation.

(f) EXCLUSIVITY OF REMEDY.—Except as otherwise expressly provided in this Act, remedies provided in this Act shall be exclusive remedies with respect to any acts or omissions taken pursuant to or alleged to be in violation of this Act.

(g) EFFECT ON OTHER LAWS.—

(1) ADMISSIBILITY OF TESTIMONY AND EVIDENCE.—No testimony, whether oral or written, and no documents or physical evidence of any type that would prove, tend to prove, or that is offered in an attempt to prove—

(A) that the Board has made a finding or determination that an employee or an employee population is or is not a member of or is or is not a population at risk of disease as determined under this Act;

(B) that an employee or employee population is or is not to receive (or has or has not received) notification under this Act; or

(C) that medical evaluation or monitoring or removal is or is not to be initiated (or has or has not been initiated) under this Act;

shall be admissible in or considered in connection with or form the basis of a ruling in any civil, criminal, administrative, or other judicial or quasi-judicial proceeding of any type, whether brought under Federal or State law other than a claim brought pursuant to section 5(f), 5(g), 10(b), or 10(c). The admission or reliance on any such testimony, documents, or physical evidence shall automatically constitute reversible error.

(2) MENTAL OR EMOTIONAL DISTRESS CLAIMS.—

(A) PROHIBITION.—No person shall bring any tort or workers' compensation claim based on mental or emotional harm, fear of disease, or stress resulting directly or indirectly from any report, finding, notice, medical evaluation decision, or monitoring decision made under this Act, from any other action taken under this Act, or from any failure to take an action required by this Act.

(B) APPLICABILITY.—The prohibition set forth in subparagraph (A) applies whether the person seeking to bring such a claim—

(i) has been directly subject to such a report, finding, notice, medical evaluation decision, monitoring decision, other action, or failure to take required action; or

(ii) has learned about such a report, finding, notice, medical evaluation decision, monitoring decision, other action, or failure to take any required action that directly affected another person.

(3) CONSTRUCTION RULE.—Nothing in this Act shall preclude the admission into evidence of—

(A) the results of any medical evaluation or monitoring;

(B) any medical and other scientific studies and reports concerning the incidence of disease associated with exposure to occupational health hazards; or

(C) any data related to exposure to occupational health hazards for individual employees,

in connection with any claim for compensation, loss or damage brought under State or Federal law. Notification pursuant to this Act shall not be relevant in determining whether such a claim is timely under any applicable statute of limitations.

(h) PROHIBITION ON ACTIONS AGAINST PHYSICIANS FOR GOOD FAITH DETERMINATIONS UNDER SECTION 9(b).—No action may be brought for any claim based on a good faith determination made by a physician under section 9(b).

SEC. 11. REPORTS TO CONGRESS.

(a) HAZARD COMMUNICATION STANDARD REPORT.—The Secretary of Labor shall report to Congress annually, not later than January 15 of each year, regarding implementation and enforcement of the hazard communication standard. The report shall include detailed information on—

(1) monitoring and enforcement; significant areas of noncompliance; and penalties assessed and steps taken to correct the noncompliance;

(2) efforts to evaluate the hazard communication standard;

(3) efforts to assist employers to comply with the hazard communication standard;

(4) efforts to educate employees to their rights under the hazard communication standard; and

(5) efforts to comply with Federal court decisions requiring or encouraging an expanded scope for the hazard communication standard.

(b) OCCUPATIONAL DISEASE NOTIFICATION REPORT.—The Secretary shall report to Congress annually, not later than January 15 of each year, regarding implementation and enforcement of notification under this Act. The report shall include detailed information on—

(1) numbers, types and results of notifications carried out pursuant to sections 5 and 6;

(2) research efforts carried out pursuant to section 8;

(3) training and education efforts for employees, personal physicians, nurses, and other professionals carried out pursuant to sections 7 and 8;

(4) enforcement efforts carried out pursuant to section 10; and

(5) efforts to assist employers under this Act.

SEC. 12. SUBJECTS OF FEDERAL AGENCY STUDIES.

(a) NOTIFICATION REQUIRED.—Each Federal agency that conducts epidemiologic studies on occupational disease initiated after the effective date of this Act shall establish procedures for notifying the subjects of such studies of the findings of such study. If

the findings are that the subjects are at risk of disease, the notification shall include the information specified in section 5(b), except that required by subparagraphs (D), (E), and (F) of section 5(b)(6). No notice under this section shall impose any liabilities or create any rights under section 9.

(b) METHOD OF NOTICE.—All occupational epidemiologic studies conducted by a Federal agency initiated after the effective date of this Act shall include in the study design specific methods for notifying living subjects or their immediate family members that they are part of a population at risk of disease.

SEC. 13. REGULATIONS.

The Secretary shall prescribe such regulations as may be necessary to carry out this Act.

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated $25,000,000 for each of the fiscal years 1990 through 1992 to carry out this Act and section 788A of the Public Health Service Act (as added by section 8(b) of this Act).

(b) SET-ASIDE.—

(1) RESEARCH, TRAINING, AND EDUCATION.—Of the total amount appropriated under subsection (a) for a fiscal year, at least $4,000,000 shall be available to carry out section 8 of this Act and section 788A of the Public Health Service Act.

(2) EDUCATION.—Of the total amount available under paragraph (1) for a fiscal year, at least $1,000,000 shall be available to carry out section 788A of the Public Health Service Act.

SEC. 15. EFFECTIVE DATE.

(a) IN GENERAL.—Except as may be otherwise provided in this Act, this Act and the amendments made by this Act shall become effective January 1, 1990, or 6 months after the date of enactment of this Act, whichever occurs first.

(b) BOARD.—The Board shall be appointed within 60 days after the effective date of this Act.

(c) REGULATIONS.—The Secretary shall issue regulations necessary to administer the Act within 120 days after the effective date of this Act.

CHANGES MADE DURING FLOOR CONSIDERATION OF S. 79, THE HIGH RISK OCCUPATIONAL DISEASE NOTIFICATION AND PREVENTION ACT, MARCH 1988

1. Liability:

Stress Claims.—Modified bill makes explicit that claims for mental or emotional distress are prohibited.

Liability Generally.—Liability provisions redrafted in broader terms so that no testimony, documents, or physical evidence in any way connected with a Risk Assessment Board action may be admitted in a judicial or quasi-judicial proceeding.

2. Small Business:

Medical Removal Provisions.—Small business exemption raised from employers of 10 or fewer employees to employers of 100 or fewer employees (50 employees after 2 years). Transferred employees must make good faith effort to locate alternative employment.

Medical Monitoring Expenses.—Modified bill includes a cap of $250 per year per employee on medical monitoring expenses for employers of 50 or fewer employees.

3. Agricultural workers:

Medical transfer.—Employers of seasonal agricultural workers (workers employed for less than 6 months of continuous employment) exempted from medical removal provisions.

Medical monitoring.—Any medical monitoring for seasonal agricultural workers is to be provided through the Health and Human Services Migrant Health Program using funds appropriated for S. 79.●

By Mr. FOWLER (for himself, Mr. HEINZ, Mr. CRANSTON, Mr. KERRY, Mr. ADAMS, Mr. DODD, Mr. CONRAD, Mr. MATSUNAGA, Mr. LIEBERMAN, Mr. DASCHLE, Mr. PELL, and Mr. WIRTH):

S. 583. A bill to establish national standards for the manufacture and labeling of certain plumbing products in order to conserve and protect water resources, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL PLUMBING PRODUCTS EFFICIENCY ACT

● Mr. FOWLER. Mr. President, the 1980's have been a decade of droughts. They have produced the five hottest summers in this century. But even now, in the dead of winter, these dry spells are continuing in many parts of the country, and the National Weather Service is already predicting water shortages in 17 States. In my home State of Georgia, the Atlanta Regional Commission has already warned of water shortages this coming summer, based on the shortfall of rain in these cooler months.

These continuing drought conditions have made it impossible to overlook the importance of water to America's economy and Americans' lifestyles. We have learned how water shortages disrupt our everyday lives. We have felt the major impacts they have on regional and nationwide industries.

It is not in our power to make it rain, but we can take steps to use the water we have more efficiently. Just as we responded to the energy crisis of the 1970's by more efficiently using our energy resources, we must respond to the water crisis of the 1980's by making wiser use of our water resources.

Today, along with 11 Senate colleagues representing all parts of the country, I am introducing a revised version of the National Plumbing Products Efficiency Act—in conjunction with Congressman CHET ATKINS.

This bipartisan bill, which has already garnered 40 cosponsors in the House of Representatives, takes the same approach toward water-using products that the 100th Congress took toward energy-using appliances in overwhelmingly passing the National Appliance Energy Conservation Act. This legislation would set national water efficiency standards for the manufacture and labeling of plumbing products sold in interstate commerce, including water closets, showerheads, urinals, lavatory faucets, and kitchen faucets. It would require water efficiency standards to be set for dishwashers and clothes-washers, while allowing standards to be set for other water-using devices.

This legislation is good for consumers. Bathroom fixtures that meet the standards in this bill would cut indoor residential water use by one-quarter to one-third. While estimates of reductions in water bills vary depending on local water rates, savings in my hometown of Atlanta—from more efficient water closets alone—would be on the order of $50 to $100 per year for a family of four. These savings would be augmented by much greater savings in energy bills from reduced use of hot water in the shower. Rural residents, by using more water-efficient products, can reduce their costs for pumping water and for septic system maintenance.

Consumers are also taxpayers, and this bill will also help reduce their tax burden. For many years now, Members of this body have debated the important issues of Federal funding for wastewater treatment plants and for water supply projects. The debate has largely centered on whether State, Federal, or local budgets will have to bear these costs of environmental protection and population growth. But taxpayers are going to have to foot this bill one way or another. Water-efficiency standards will reduce this tax bill.

Communities can avoid many of the costs, fiscal and ecological, of building new reservoirs, aqueducts, or other water supply projects. Reduced water use will decrease operating expenditures for treating drinking water before it enters the system and for treating wastewater before it leaves the system. And reduced demands on these treatment facilities will diminish the need for large and costly capacity expansions, which States and municipalities are having to fund with dwindling Federal assistance.

Nationwide, States, and municipalities face an estimated $83,500,000,000 in necessary sewage treatment construction costs, as well as billions more for water supply expansions and water treatment upgrades as a result of existing requirements and needs. While this legislation will not completely erase the need for all of these expenditures, it will clearly result in billions of dollars in reduced costs over the next few decades, at an estimated cost to the Federal Government of about $1.5 million per year. There are few areas in which taxpayers can invest so little and receive so much.

In addition to the benefits that decreased fiscal expenditures bring to the American economy, water-efficiency standards can also reduce the constraints on economic growth that limited water supplies impose in many parts of the country. In high-growth areas nationwide—from the Princeton corridor of New Jersey to Gwinnett

County in Georgia—moratoria on sewer hook ups are holding down new construction and threatening to cap economic gains. By reducing per capita demands on water systems, this bill will buy some time in these areas and help stave off such drastic measures in others.

Products that meet these water-efficiency standards are already available from dozens of manufacturers and retailers, including the Sears catalog. Reports from scientists, manufacturers, and even Consumer Reports magazine show that they work at least as well as conventional products, and further technological improvements are anticipated. Efficient products have been in use in large numbers for years in many areas.

They have not caused any documented problems in on-site or municipal sewer systems. In fact, the major organizations which formulate model building codes have approved many of these water-efficient products. It is expected that the American National Standards Institute will later this year promulgate a standard for more efficient water closets, and this standard is likely to be incorporated into model codes before the effective dates of the standards in this bill.

This legislation would benefit the plumbing and appliance industries—by replacing the growing patchwork of State and local codes that threatens to disrupt the orderly markets for these products. Manufacturers' investments in efficient technology would be protected from competition by products whose performance results from unnecessary water use. Presently, all parts of the industry do not compete on a level playing field, because products that do not meet domestic consensus standards are nevertheless slipping through the network of local building codes. National standards would eliminate this problem.

Perhaps the greatest benefit to the industry could come in the form of increased demand for these products. The major market for new water-using products is currently in new construction, since few homeowners replace their toilets, faucets, showerheads, dishwashers, or washing machines unless they break or are discarded during home renovations. However, the increased availability of water-efficient products, combined with heightened consumer awareness of water efficiency and already increasing water rates in many parts of the country, will lead many more consumers to replace their older fixtures and appliances with more economical ones. In fact, communities or water utilities may encourage this trend by offering incentives for the installation of efficient products.

These myriad benefits are already being recognized by States and municipalities, many of which have set or are considering such standards. So why do we need Federal standards? There are four main reasons.

First and foremost, the Federal Government has an overriding interest in the wise use of our Nation's water resources and the efficient functioning of our economy. Because of the large Federal expenditures for water supply projects and wastewater treatment plants, Federal policy should ensure that Americans continue to reap the benefits of these investments. Increasing expenditures on water supply and treatment—no matter at which level of government—place constraints on America's economy and international competitiveness.

Second, because America's lakes, rivers, and aquifers cross State and city boundaries, there are many cases in which a local government, by improving its own water efficiency, could greatly improve the water situation for other localities that share the same water source. Federal standards would provide these many benefits to all communities, regardless of their neighbors' local incentives.

Third, the Federal Government is constitutionally responsible for the regulations of interstate commerce, which is adversely affected by inconsistent State and local standards. Consumers benefit from a national market in water-using products, since free competition among numerous manufacturers holds down prices and expands product selection. Federal standards will ensure an efficient and orderly national market.

Finally, States and localities face obstacles in implementing more water-efficient standards. Such standards, most of which are incorporated into building or plumbing codes, are difficult and costly to enforce. Permits are often not required for installing new water-using products, and the inspection process is very labor intensive. Expenses are also incurred by States and localities that must certify products in compliance with their codes. Federal standards for these products, in addition to being more uniformly effective, reduce total costs of regulation at all levels.

Since introducing the first version of this legislation last October, I have received dozens of comments from the plumbing and appliance industries, from scientists and private consultants, from environmental organizations, and from many national, regional, and local agencies and organizations involved in water issues and management. Thanks to these comments, I have learned a great deal, and my bill has been significantly improved. I look forward to continuing this dialog with all interested parties in order to craft the most reasonable and beneficial legislation possible.

In the course of these discussions, several questions arose which have not yet been resolved. Should the legislation incorporate by reference those test procedures that have already been adopted by the industry? Should the legislation permit and encourage the establishment of design standards for certain products, such as requirements for nonremovable flow restrictors in showerheads? What sort of criteria should guide the establishment of new or amended water efficiency standards? How might the legislation affect existing codes for plumbing products in public buildings? I am looking forward to addressing these issues with the appropriate committees and with other interested parties, and I welcome the opportunity to examine new information affecting all the many decisions incorporated in this legislation.

The National Plumbing Products Efficiency Act will decrease consumers' water and energy bills. It will, with a small Federal investment, significantly reduce demands on public funds for water supply, potable water treatment, and wastewater treatment projects. It will enable communities to serve growing populations more cheaply and with less harm to the environment than through traditional approaches. It will encourage technological improvements in the plumbing and appliance industries while providing orderly and expanded markets for their products.

This bill takes a time-tested approach to improving the efficient use of our natural resources, an approach which numerous States and municipalities have endorsed or are considering for water efficiency. It is but one part of a large package of legislation which I am preparing in order to improve the wise use of our Nation's water resources. I urge my colleagues to join me in cosponsoring the National Plumbing Products Efficiency Act, and I look forward to its enactment by the 101st Congress.

I ask unanimous consent that sample letters of support, as well as a question and answer sheet on this legislation, be included in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL WILDLIFE FEDERATION,
Washington, DC., February 28, 1989.

Hon. WYCHE FOWLER,
U.S. Senate,
Washington, DC.

DEAR SENATOR FOWLER: I want to commend you for sponsoring the National Plumbing Products Efficiency Act of 1989. This water conservation legislation is modeled after the widely supported National Appliance Energy Conservation Act of 1986. The National Wildlife Federation, the nation's largest conservation organization, supports this legislation because we realize how important it is for the nation to conserve and wisely manage its water.

The bill would set standards for various plumbing products manufactured and sold

after January 1, 1991. The Secretary of Commerce would review the standards periodically after that, tightening them where necessary, and consider additional water-using products for possible standard-setting. Products are commercially available today that meet the standards contained in the bill. The bill would also require the labeling of plumbing products to provide the consumer with water consumption and operating cost information.

Our preliminary estimate is that the bill would reduce indoor water use in new homes by about 25 percent. These savings, along with savings due to renovation and new commercial structures, will add up quickly.

Water conservation legislation is necessary because America is running out of inexpensive sources of new water. It is increasingly difficult to locate new sources of water and it is becoming more expensive to treat potable water and wastewater. Also, as last summer has shown, many communities are vulnerable to severe droughts that limit the availability of water. Thus, all areas of the country will benefit from the use of more efficient plumbing products.

We appreciate your leadership on this issue. When enacted, this water conservation measure will help us make better use of this precious resource.

Sincerely,

JAY D. HAIR.

NATIONAL AUDUBON SOCIETY,
Washington, DC, March 1, 1989.

Hon. Wyche Fowler, Jr.,
U.S. Senate
Washington, DC.

DEAR SENATOR FOWLER: The National Audubon Society strongly supports the National Plumbing Products Efficiency Act, because we realize how important it is for the nation to conserve and wisely manage its water supplies.

The proposed legislation contains many aspects that are beneficial to the environment and to the economy of the United States. First of all, the implementation of national plumbing fixture standards will save billions of gallons of water per year with little or no decrease in performance or consumer satisfaction.

In addition to this, the efficient plumbing fixtures will allow communities to maintain their current water use with existing water supplies for a longer time. This makes it possible to avoid unnecessary depletion of groundwater supplies, and it also can alleviate the need to build large dams that destroy wildlife habitat and upset the ecological balance of an area. Yet another benefit, is that the efficient plumbing products will use less water, leaving less water to be treated at water and wastewater treatment facilities. Such savings can be substantial.

Several communities and states have realized the benefits of efficient plumbing products and have, or are in the process of, implementing their own standards. Unfortunately, these localized attempts are not enough to guarantee the efficient management of Americas urban and rural water resources—national standards must be established.

Thanks to your leadership, it will be possible to implement water conservation measures that will help the nation make better use of our precious water resources.

Sincerely,

ELIZABETH R. RAISBECK.

ENVIRONMENTAL POLICY INSTITUTE,
Washington, DC, March 1, 1989.

Senator WYCHE FOWLER,
Senate Office Building,
Washington, DC.

DEAR SENATOR FOWLER: Your introduction of the National Plumbing Products Efficiency Act of 1989 is an important indication of your commitment to the preservation of America's water resources. Failure to have stronger standards for efficient use of water has led to the destruction of many rivers and streams and has resulted in unnecessary energy use and a compounding of problems at sewage treatment plants.

The Environmental Policy Institute, newly merged with the Oceanic Society and Friends of the Earth, strongly supports enactment of this bill, which would set standards for various plumbing products manufactured and sold after January 1, 1989. The proposed enactment date is certainly reasonable, since products are commercially available today that meet the standards contained in the bill.

As the full range of impacts of global warming becomes increasingly apparent, there is additional rationale for improvements in the efficiency of the nation's water supply systems. The report which I co-authored in 1982, entitled A Survey of Water Conservation Programs in the Fifty States, provides strong support for your efforts.

We appreciate your foresight in offering this much needed legislation.

Sincerely,

BRENT BLACKWELDER,
Vice President.

NATIONAL PLUMBING PRODUCTS EFFICIENCY ACT—QUESTIONS AND ANSWERS

Question. If water supply and wastewater treatment problems are confined to local areas, why take a federal approach?

Answer. The federal government has traditionally played a role in establishing new water supplies to promote westward expansion and in financing wastewater treatment facilities to reduce pollution in lakes, rivers, and streams. The value of these investments is certainly significant.

It is estimated that taxpayers and consumers in more than 170 urban areas in all parts of the country will be required to finance large expenditures for new source development in the 1990's. Likewise, estimated costs of improved and expanded wastewater treatment run to over a hundred billion dollars in the next two decades. While recent efforts to trim the federal budget deficit have reduced outlays in these areas, most of these expansions are financed through tax-exempt bonds, which drain federal treasury revenues. Federal regulation of plumbing fixtures, at a tiny fraction of these costs, can greatly reduce future state and local revenue needs and protect past federal investments in water resources.

The U.S. Geological Survey estimates that from 1975 to 2000, Americans' use of water supplied by water utilities will increase by 55 percent, in many areas surpassing economically available supplies, thereby constraining economic growth. In some communities, the complete depletion of groundwater supplies could result in drastic changes in standards of living or widespread dislocation. Such constraints and the costs associated with addressing such problems once they become crises could have significant negative effects on the national economy.

Question. There are currently national performance standards for plumbing fixtures set by such organizations as the American National Standards Institute. Why should the federal government establish regulations if the industry already polices itself?

Answer. These standards are voluntary in nature, and many manufacturers, particularly foreign manufacturers, market products that do not comply. There are cost-savings associated with violating these standards, and it is not clear that the industry alone, without fines or other penalties, will be effective in enforcing a significantly more water-efficient standard.

Furthermore, these standards have an enormous impact on federal, state, and local budgets, and ultimately on consumers, ratepayers, and taxpayers, since they determine a large part of the water used and treatment needed in municipal water and sewer systems. Despite this large impact, government officials and others who represent the broad public interest have only recently begun to increase their influence on the standards adopted by these bodies.

The performance standards set by such bodies include a variety of factors, such as toilets' rinsing ability or showerheads' forcefulness, which will not be preempted by this legislation. In most areas of these products' performance, the free market and voluntary standard-setting bodies have consistently served the public welfare without government involvement. These products' water usage, however, has significant long-term monetary impacts on consumers and taxpayers, and in this area free-market pressures have not resulted in the public benefits that this bill will provide.

Finally, few incentives currently exist for manufacturers to educate consumers about the water use of their plumbing fixtures. This legislation requires labeling of plumbing products in order to encourage consumers to include water efficiency in their purchasing decisions.

Question. Doesn't this legislation intrude on state and powers in setting building codes? Can't water conservation goals be achieved through such state and local codes?

Answer. This legislation will not establish a national building code or intrude on state and local powers in setting building codes. It will regulate plumbing products in interstate commerce, a power delegated to the federal government under the U.S. Constitution.

A dozen or more local jurisdictions, including Los Angeles and Massachusetts, have enacted standards similar to those in this bill. Yet, many jurisdictions have had or anticipate compliance problems because noncomplying products are available and building code enforcement is extremely time-consuming and expensive. Furthermore, the market for replacement fixtures, such as toilets, showerheads, or dishwashers, is largely unaffected by these codes, since building permits are rarely required for such replacements.

There are also questions about the effect of varying state and local standards on the plumbing industry and consumers. Such local standards could carve the national market for plumbing fixtures into hundreds of smaller markets where consumer choice, economies of scale, and price competition would be restricted. It is in the interest of consumers and the plumbing industry to maintain the national market in plumbing fixtures.

Question. Won't these standards, particularly for toilets, require changes in local

building codes and sewer systems to accommodate the reduced flows?

Answer. There is a large and growing body of evidence that existing buildings and sewer systems without difficulty handle the reduced flows of such toilets, thousands of which are in use nationwide. This legislation would not require the retrofitting of toilets in existing construction, which would be replaced slowly at the usual rate, with no abrupt changes in flows. However, even in situations where entire subdivisions, hotels, or communities have been retrofitted, no problems have been documented. In fact, low-flow toilets are used without problems in many places, such as highway rest stops and ski resorts, whose sewer hookups present unusual challenges.

Some code changes may be worthwile and in the public's interest, and various code-writing bodies are considered changes in light of increased interest in low-flow fixtures. Such revisions may take the form of decreased drainpipe sizes (in order to increase pressure), which would reduce construction costs for builders and municipalities alike. There are several examples of cost-savings in recent structures that have been designed specifically for such fixtures.

Several studies have been conducted on the clearance ability of low-flow toilets and their impact on home and municipal sewer lines. Many models are now on the market which perform better than less-efficient models currently in use.

Question. Won't these new toilets clog more and require more cleaning? Won't they require more double-flushing? And what about showerheads? Won't it just take longer to rinse the shampoo out of one's hair?

Answer. For toilets, certain low-flow models perform better in cleanliness, bowl clearance, drain clearance, clogging frequency, and need for double-flushing than do less-efficient models in widespread use. The industry is designing and manufacturing better and better models that meet consumer demands.

For showerheads, low-flow models are available which perform as well as or better than popular, less efficient showerheads. The technology exists to generate the same amount of forcefulness and to better direct the water flow.

In all of these lines, including toilets, showerheads, faucets, urinals, clothes washers, and dishwashers, products are commercially available that use less water without sacrificing product performance or consumer satisfaction, and research indicates that advancements are possible in many areas that will further reduce water use without diminishing performance.

Question. Less than 10% of all water consumption in the U.S. is for indoor residential and commercial use. Why enact federal legislation to reduce this small amount while irrigation consumes more? What about leaky water mains?

Answer. The goal of this legislation is to save money for consumers and taxpayers, as well as to save water. The relatively small proportion of water consumed indoors accounts for an overwhelming proportion of public expenditures on water supply, potable water treatment, and wastewater treatment. Furthermore, significant monetary savings can result from small water savings at the margin. For instance, if a growing town has ready access to 10 million gallons of water each year, by the year when it will need more than 10 million gallons the town will require a new dam or aqueduct or deeper well, at significant cost. More efficient plumbing fixtures in this town's new construction and ordinary fixture replacements will help postpone or entirely avoid such major expenditures.

Much water is wasted in irrigation and leaky water systems, and the sponsors of this bill have introduced other legislation to address broader water conservation issues, which require different approaches. These legislative initiatives complement each other, and neither is intended as the sole solution to the challenge of water conservation.

Question. How were the specific water consumption rates, compliance dates, enforcement fees, etc., determined for this legislation?

Answer. These figures were determined in consultation with various individuals and organizations experienced in these areas, including private consultants, public regulatory bodies, and non-profit environmental organizations. They are designed to be reasonable and workable in light of the state of the industry, its manufacturing practices, and its technology. The sponsors welcome discussion of these figures with other experts in the field.

Question. What about special products for people with disabilities? What about special facilities such as prisons or schools, which may need sturdier products?

Answer. This legislation allows the Secretary of Commerce to exempt, by rulemaking, the standards for certain special uses.

Question. What is the estimated cost of this legislation to the federal government?

Answer. Preliminary and informal estimates indicate that this legislation would directly cost the federal government about $8 million over the initial five-year period, with costs declining once the regulatory mechanisms are in place. Savings in other federal expenditures are more difficult to predict, but in the long run they will greatly outweigh these costs.●

● Mr. ADAMS. Mr. President, I am pleased to be an original cosponsor of Senator FOWLER's Plumbing Fixtures Efficiency Act. This legislation is a significant step toward addressing the increasingly important problem of water conservation in our country.

The act accomplishes two important purposes by establishing a uniform national standard for new plumbing fixtures. First, it provides certainty for both the manufacturer and the customer. Uniform standards for plumbing fixtures such as shower heads, faucets and toilets have been needed for a long time. The disparity among manufacturers is astounding. By establishing national standards, we are assisting both the manufacturers as they plan their products for the future as well as the customer who may not have the time or knowledge to research the benefits of new plumbing fixtures. Second, the uniform standards have been designed to incorporate water saving advancements. Experts predict that the new fixtures may cut water consumption in new homes by as much as 25 percent. These benefits will continue to compound themselves as new homes are built in the future.

My own State and others are already recognizing the important role that plumbing fixtures play in the water conservation effort. In fact, the State of Washington is also pursuing legislation to require new water-efficient standards for plumbing fixtures. I am pleased to see that my State is one of the leaders in this conservation movement and hope that the legislation that we introduce today will facilitate their effort.

Mr. President, as the demands on our water supplies increase and the cost of wastewater treatment escalate, the pressure to conserve water will continue. I commend my colleague, Senator FOWLER, for his thoughtful work and I am very pleased to cosponsor this important legislation.●

By Mr. HEINZ:

S. 584. A bill to ensure the proper budgetary treatment of credit transactions of Federal agencies and to improve management of Federal credit programs; pursuant to the order of August 4, 1977, referred jointly to the Committees on the Budget and Governmental Affairs.

FEDERAL CREDIT REFORM ACT OF 1989

● Mr. HEINZ. Mr. President, I rise today to introduce legislation to reform the budget rules by which we allocate and account for Federal credit. This is not a new issue for me or the Senate. I have introduced credit reform proposals in the last two Congresses on my own behalf and introduced two administration credit reform proposals as well. Several hearings have been held on the issue by Senate committees and a credit reform proposal with many similarities to this bill passed the Senate in 1987.

The bill I am introducing today is a synthesis of past proposals that incorporates analysis of the issue that has taken place in the executive branch and Congress. I believe it represents a sensible approach to credit in the Federal budget process.

As I have said many times before, I believe credit reform is a vital part of any effort to reduce the budget deficit. Total credit allocated, directly or indirectly, by the Federal Government now exceeds $1.4 trillion and directly affects farmers, homeowners, small business, exporters, utilities, shipbuilders, and State, local, and foreign governments. Yet we manage and allocate those programs based on accounting rules that provide only the vaguest notion of what the programs cost.

In the search for budget savings during the Reagan administration, we reconfigured the Federal Government, substituting loans for direct spending programs and guarantees for direct loans, without ever knowing if the savings were real. Sometimes the budget rules encouraged program cuts that delivered false economies. In other cases the rules permitted games to be played so that costs could be hidden

through off-budget financing of Government-sponsored enterprises. Such games will almost certainly continue as we enter a new round of budget reduction exercises.

One example of a program reduction in search of false budget savings is the proposal in the final Reagan budget to eliminate the direct credit program of the Export-Import Bank. OMB takes credit for a $695 million program reduction while in fact eliminating a subsidy of only $50 million. Furthermore, OMB proposes replacing this program with a smaller fund for mixed credit grants that reduces the overall savings to $14 million. Thus a budget process intended to cut Federal spending and thereby reduce our $140 billion trade deficit may well eliminate vital export financing without achieving any significant deficit reduction.

Such perverse incentives and misdirection of credit in the budget cannot be allowed to continue. The process demands a more uniform basis for measuring the cost of credit that permits accurate trade-offs among credit programs and between credit and direct spending programs. By hiding costs and subverting the budget process, the present system serves both our constituents and the welfare of the American people poorly.

The legislation I am introducing today is the final credit proposal of the Reagan administration. It would score all credit programs on the basis of their subsidy and require up-front appropriation of subsidies before either direct credits or guarantees could be obligated. This would subject many programs to the full discipline of the appropriations process for the first time.

I have had objections to earlier Reagan administration credit reform plans, principally because of their requirement for massive asset sales and reinsurance as part of subsidy-based credited budgeting. Those requirements had generated skepticism in Congress that the entire effort was simply a budget gimmick to artificially reduce deficits rather than seek real reform. This final credit proposal drops forced asset sales. In so doing, it is now much closer to my original 1986 plan and removes one of the major points of disagreement with the credit reform legislation that passed the Senate in 1987.

This bill is a solid workable plan for subsidy-based credit budgeting—no gimmicks, just honest accounting. It has been introduced in the House of Representatives by a bipartisan group of seven Members led by Congressman WILLIS GRADISON. I am hopeful that its time has come. I urge my colleagues to consider the merits of credit reform and support this vitally needed improvement in the budget process.

I ask unanimous consent that the text of the bill and section-by-section analysis be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 584

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Credit Reform Act of 1989".

SEC. 2. PURPOSES.

The purposes of this Act are to:

(a) measure accurately the benefits of Federal credit programs;

(b) place the cost of credit programs on a budgetary basis equivalent to other Federal spending;

(c) encourage the delivery of benefits in the form most appropriate to the needs of beneficiaries;

(d) improve the allocation of resources among credit programs and between credit and other Federal spending;

(e) establish in the Department of the Treasury two Federal credit revolving funds;

(f) modify the legislative and executive budgetary processes to carry out these purposes.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(a) "Federal agency" means an executive department, an independent Federal establishment, or a corporation or other entity established by the Congress that is owned in whole or in part by the United States. The term does not include the Board of Governors of the Federal Reserve System or any "government-sponsored enterprise".

(b) "Direct loan" means a disbursement of funds by the Federal Government to a non-Federal borrower under a contract that requires the repayment of such funds with or without interest. This term includes the purchase of, or participation in, a loan made by another lender as well as disbursements on behalf of a Federal agency by the Direct Loan Fund as required under section 12(c) of this Act. This term does not include the acquisition of a federally guaranteed loan in satisfaction of default claims. For the purpose of carrying out the provisions of this Act, direct loans may be grouped and treated as a single loan as agreed to by the Secretary and the head of the affected agency.

(c) "Direct loan obligation" means a binding agreement entered into by a Federal agency for the Government under which a Federal agency agrees to make a direct loan once specified conditions are fulfilled by the borrower.

(d) "Loan guarantee" means any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender in the event the borrower defaults. This term also shall include any agreement or contract made by an agency, the primary purpose or result of which, as determined by the Secretary, is to make private credit available, or available on more favorable terms than in the absence of the agreement or contract, to a non-Federal entity by indirectly or directly assuming the risk involved. This term does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions. For the purposes of carrying out the provisions of this Act, loan guarantees may be grouped and treated as a single loan as agreed to by the Secretary and the head of the affected agency.

(e) "Loan guarantee commitment" means a binding agreement entered into by a Federal agency for the Government under which a Federal agency agrees to guarantee a loan once specified conditions are fulfilled by the borrower, the lender, and any other parties to the guarantee agreement.

(f) "Subsidy" means the measure of financial assistance provided to the borrower of Federal credit as determined by estimating the net present value, based on a comparable market discount rate, of the difference in cost to the borrower between the direct loan or guaranteed loan and alternative private financing potentially available to the same or a similar borrower for the same or a similar purpose. For loan guarantees with an interest payment by the Government, the subsidy calculation shall include the present value, based on a comparable market discount rate, of the difference between the interest paid by the borrower and the interest that would be charged by a private lender for such loan. To the extent that fees are charged to beneficiaries, such fees will be taken into account in estimating the subsidies. An increase in the subsidy associated with a direct or guaranteed loan that results from any modification of the terms of such direct or guaranteed loan terms shall be subject to the requirements of this Act in the same manner as the original estimate of the subsidy.

Estimates made by the Secretary or by agencies under rules prescribed by the Secretary shall constitute the appropriate computation of the subsidy.

In the event that newly made direct loans are sold without recourse, the difference between the face amount of the loans and the gross proceeds from their sale shall be taken into consideration in estimating the subsidy. Similarly, in the event that any newly made guaranteed loans are reinsured, these estimates of the subsidy may take into consideration the cost of reinsurance, net of fees and premiums.

(g) "Direct Loan Fund" means the Federal Credit Direct Loan Fund, as established by section 6(a) of this Act.

(h) "Guaranteed Loan Fund" means the Federal Credit Guaranteed Loan Fund, as established by section 6(c) of this Act.

(i) "Secretary" means the Secretary of the Treasury.

SEC. 4. DIRECT LOAN PROGRAMS.

(a) Beginning October 1, 1989, an obligation by any Federal agency to make a direct loan to non-Federal borrowers shall be an obligation of the Direct Loan Fund and shall be executed in accordance with the same terms and conditions as would otherwise apply to the obligations of that agency but for the provisions of this act.

(b) For each fiscal year beginning with fiscal year 1990, the Federal agency shall include in its budget proposal (1) the planned level of new direct loan obligations, and (2) the estimated amount of the subsidy associated with the proposed level of direct loan obligations.

(c) Beginning October 1, 1989, a Federal agency shall not obligate the Direct Loan Fund to make a direct loan obligation unless funds have been appropriated or are available on a permanent indefinite basis to the Federal agency for the subsidy or a limitation has been enacted in an annual appropriations Act on the use of funds otherwise

available to the Federal agency for the subsidy.

(d) At the time a direct loan obligation is incurred, the Federal agency shall obtain an estimate of the subsidy of the loan from the Secretary or, at the discretion of the Secretary, shall make such an estimate based upon guidelines established by the Secretary. For the purposes of section 1501 of Title 31, United States Code, (1) the amount of such estimate shall constitute a direct obligation of the Federal agency and a reimbursable obligation of the Direct Loan Fund; and (2) the difference between such estimate and the face value of the loan shall constitute a direct obligation of the Direct Loan Fund.

(e) The subsidy associated with the direct loan as determined in subsection (d) shall be paid by the Federal agency to the Direct Loan Fund as the loan is disbursed by such Fund, unless the Secretary determines otherwise.

(f) Nothing in this Act shall be construed as amending the authority of a Federal agency to administer, or to determine the terms and conditions of, the eligibility for, or the amount of assistance provided by direct loans made by the Federal Government.

SEC. 5. LOAN GUARANTEE PROGRAMS.

(a) Beginning October 1, 1989, a commitment by any Federal Agency to guarantee a loan shall be a commitment of the Guaranteed Loan Fund and shall be executed in accordance with the same terms and conditions as would otherwise apply to the commitments of that agency but for the provisions of this act.

(b) For each fiscal year beginning with fiscal year 1990, a Federal agency authorized to make loan guarantee commitments shall include in its budget proposal (1) the level of new loan guarantee commitments and (2) the estimated amount of the subsidy associated with the proposed level of loan guarantee commitments.

(c) Beginning October 1, 1989, a Federal agency shall not commit the Guaranteed Loan Fund to guarantee a loan unless funds have been appropriated, or are available on a permanent indefinite basis, to the Federal agency for the subsidy or a limitation has been enacted in an annual appropriations Act on the use of funds otherwise available to the Federal agency for the subsidy.

(d) At the time a loan guarantee commitment is made, the Federal agency shall obtain an estimate of the subsidy of the loan guarantee from the Secretary or, at the discretion of the Secretary, shall make an estimate of the subsidy based upon guidelines provided by the Secretary. The amount of such estimate shall constitute an obligation of the Federal agency for the purposes of section 1501 of the Title 31, United States Code.

(e) The subsidy associated with the loan guarantee determined in subsection (d) shall be paid by the Federal agency to the Guaranteed Loan Fund at the time the underlying loan agreement is executed, unless the Secretary determines otherwise.

(f) Nothing in this Act shall be construed as amending the authority of a Federal agency to administer, or to determine the terms and conditions of, the eligibility for, or the amount of assistance provided by loan guarantees made by the Federal Government.

SEC. 6. ESTABLISHMENT OF FEDERAL CREDIT REVOLVING FUNDS WITHIN THE DEPARTMENT OF THE TREASURY.

(a) There is hereby established within the Department of the Treasury a Federal Credit Direct Loan Fund.

(b) Beginning on October 1, 1989, the Direct Loan Fund will serve as a central revolving fund and financing mechanism for all new Federal direct loans in accordance with the terms and conditions of this Act. Amounts received pursuant to subsection 7(a)(4) of this Act shall be credited to the Fund and shall be available for the purposes of subsections 7(a)(5), 7(c)(4), and 7(c)(5) of this Act.

(c) There is hereby established within the Department of the Treasury a Federal Credit Guaranteed Loan Fund.

(d) Beginning on October 1, 1989, the Guaranteed Loan Fund will serve as a central revolving fund and financing mechanism for all new Federal loan guarantees in accordance with the terms and conditions of this Act. Amounts received pursuant to subsection 7(b)(3) of this Act shall be credited to the Fund and shall be available for the purposes of the subsections 7(b)(4), 7(b)(5), 7(c)(3), and 7(c)(4) of this Act.

SEC. 7. AUTHORITY OF THE SECRETARY TO MANAGE THE FUNDS.

(a) With regard to direct loans obligated on or after October 1, 1989, the Secretary shall:

(1) estimate the subsidy, or require estimates to be made by the Federal agencies, for each new direct loan or for groups of similar new direct loans taking into account the risk and other costs of the program;

(2) furnish the appropriate Federal agency with the subsidy estimates or with instructions for making subsidy estimates in a timely fashion;

(3) if he deems necessary for the purpose of validating the subsidy estimate, and after consultation with the agency, direct the Federal agencies to sell newly made loans without recourse;

(4) receive into the Direct Loan Fund the following collections:

(A) direct subsidy payments from the Federal agencies;

(B) payments of principal, interest, fees, and other monies received by the Federal Government for direct loans obligated on or after October 1, 1989;

(C) proceeds from the sale of direct loans obligated on or after October 1, 1989, and the proceeds of the sale of any collateral received as the result of defaults of such loans; and

(5) disburse direct loans to the borrowers.

(b) With regard to quaranteed loan commitments made on or after October 1, 1989, the Secretary shall:

(1) estimate the subsidy, or require estimates to be made by the Federal agencies, for each loan guarantee or for groups of similar loan guarantees, taking into account the risk and other costs of the program;

(2) furnish the appropriate Federal agency with the subsidy estimates or with instructions for making subsidy estimates in a timely fashion;

(3) receive into the Guaranteed Loan Fund the following collections:

(A) loan guarantee subsidy payments from the Federal agencies;

(B) fees and other monies due the Federal Government for loan guarantees for which commitments were made on or after October 1, 1989;

(C) proceeds from the sale of any collateral received as the result of defaults on such loan guarantees and repayments of principal and interest on loans acquired as a result of defaults;

(4) in accordance with agency loan agreements, make claim payments for those guaranteed loans in default;

(5) maintain reserves to cover loan guarantee defaults for these loan guarantees;

(6) credit interest to the Fund periodically on the average amount of the undisbursed cash balances of the Fund during the preceding month at a rate determined by the Secretary, taking into consideration the average time such funds are anticipated to be held in reserve and the current average market yields on outstanding marketable obligations of the United States of comparable maturities;

(c) The Secretary shall, with regard to each Fund:

(1) ensure full accountability for the credit activity of each Federal agency by identifying separately the credit activity of each credit program of such agency on the Fund's books;

(2) ensure that the funds associated with each credit program are not comingled and, subject to subsection 7(c)(6), are available for the purposes of operating that program;

(3) require timely uniform reporting from Federal agencies on loan performance, borrower characteristics, and such other information as the Secretary may require to make subsidy estimates;

(4) monitor due diligence debt collection efforts, assess Federal agency performance, and otherwise study and undertake improvements in Federal agency credit management;

(5) borrow, as necessary to finance the transactions of the Fund as authorized under subsection 10(a), and repay such borrowing with interest, using collections credited to the Fund or funds appropriated pursuant to subsection 10(b);

(6) transfer from time to time to the general fund of the Treasury such balances of funds associated with each credit program as the Secretary determines are in excess of the needs of that program.

(d) The Secretary is authorized to appoint such officers, attorneys, employees, agents, consultants, and financial advisors as may be required, to define their duties, to fix and to pay such compensation for their services as may be determined, subject to the civil service and classification laws, to require bonds for them and pay the premium thereof, to carry out the function of the Federal credit revolving funds.

(e) The Secretary is authorized to issue such regulations as he deems appropriate to carry out his function under this Act.

SEC. 8. AGENCY RESPONSIBILITIES.

The head of each Federal agency authorized to make or guarantee loans covered by this Act shall:

(a) provide the Secretary in a timely fashion with information about the Federal agency's direct loan or loan guarantee programs sufficient to enable the Secretary to calculate the estimated subsidy, or shall, as required by the Secretary, estimate the subsidy in accordance with the Secretary's guidance;

(b) request annual appropriations, or limitations on funds otherwise available, for the amount of the subsidies attributable to that Federal agency's direct loan or loan guarantee program in each fiscal year;

(c) carry out the Federal agency's direct loan or loan guarantee programs within the lower of (1) applicable appropriations Act limitations on direct loan obligations or loan

guarantee commitments, or (2) annual appropriations or funds otherwise available to cover subsidy costs for the program;

(d) take such action as may be necessary to ensure that loan contracts executed by such agency make explicit the procedural and substantive rights of borrowers and require any purchaser of such loan to afford the borrower those procedural and substantive rights.

(e) except as provided in subsection (f), collect and credit to the Direct Loan Fund all sums received with respect to any direct loan that is an obligation of that Fund and collect and credit to the Guaranteed Loan Fund all sums received with respect to any guaranteed loan that is a commitment of that Fund;

(f) to the extent authorized prior to the enactment of this Act and subject to such limitations as provided in annual appropriations Acts, retain and use sums collected, for the purpose of paying the salaries and expenses of the agency in administering direct loan or loan guarantee programs.

SEC. 9. BUDGETARY TREATMENT.

(a) For the purposes of Chapter 11, Title 31, United States Code, as amended, concerning the executive budget process, and of Titles III and IV of the Congressional Budget Act of 1974, as amended, in the case of any (1) direct loan obligation, or (2) loan guarantee commitment, made by a Federal agency beginning October 1, 1989, the subsidy shall be treated as an obligation of such agency.

(b) For the purposes of Chapter 11, Title 31, United States Code, as amended, concerning the executive budget process, and of Titles III and IV of the Congressional Budget Act of 1974, as amended, obligations for Federal direct loans or for honoring loan guarantees shall be treated as obligations of the Direct Loan Fund or the Guaranteed Loan Fund, as appropriate.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) The Secretary is authorized, at his discretion, to use the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act: (1) to finance direct loans from the Direct Loan Fund to the extent not covered by the monies received under section 7(a)(4) of this Act; and (2) to pay claims, resulting from federally guaranteed loans, in excess of the reserves of the Guaranteed Loan Fund. Interest shall be paid from the borrowing Fund to the Treasury on any borrowing to meet such purposes at rates determined under section 7(b)(6) of this Act.

(b) In the event that either Fund sustains losses on its operations, there are authorized to be appropriated to such Fund such sums as may be necessary for the purposes of liquidating debt.

(c) There are authorized to be appropriated to each Federal agency otherwise authorized to make obligations for direct loans, such sums as may be necessary for the subsidies associated with proposed direct loan obligations, including current indefinite budget authority for the subsidies associated with entitlements.

(d) There are authorized to be appropriated to each Federal agency otherwise authorized to make guaranteed loan commitments, such sums as may be necessary for the subsidies associated with proposed loan guarantee commitments, including current indefinite budget authority for the subsidies associated with entitlements.

(e) There are authorized to be appropriated to the Secretary such sums as may be necessary for the salaries and expenses incurred to carry out his responsibilities under the Act.

SEC. 11. TREATMENT OF DEPOSIT INSURANCE AGENCIES.

(a) Notwithstanding any other provision of this Act, the credit activities directly related to the insurance operations of the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration, the Pension Benefit Guaranty Corporation, and the Securities and Exchange Commission shall be treated as follows:

(1) Obligations to make direct loans to the public or to assume loan assets shall remain obligations of the agencies.

(2) Commitments to guarantee a loan shall remain commitments of the agencies.

(3) For each fiscal year beginning with FY 1990, such agency shall include in its budget proposal the estimated subsidy cost associated with proposed direct loan obligations, including acquisitions of loan assets.

(4) For each fiscal year beginning with FY 1990, such agency shall include in its budget proposal the estimated subsidy cost associated with proposed loan guarantee commitments. The estimated subsidy costs associated with proposed loan guarantee commitments shall constitute an obligation of the agency.

(5) No appropriations or limitations on the use of funds otherwise available shall be required for subsidies.

(b) Nothing in this section shall be construed as amending the authority of such agencies to determine the terms and conditions of, eligibility for, or the amount of assistance provided by these agencies.

SEC. 12. EFFECT ON OTHER LAWS AND CONFORMING AMENDMENTS.

(a) Nothing in this Act shall be construed as limiting the authority of any Federal agency to enter into agreements to make or to guarantee loans under statutes that existed prior to the enactment of this Act or that may be enacted subsequently, or to administer such direct loans or loan guarantees: Provided, That all such agreements shall be contingent upon meeting the requirements of this Act.

(b) This Act shall supersede, modify, or repeal any provision of law heretofore enacted to the extent such provision is inconsistent with this Act.

(c)(1) A Federal agency other than the Department of the Treasury may not issue, sell, or guarantee an obligation of a type that is ordinarily financed in investment securities markets, as determined by the Secretary, unless the terms of the obligation provide that it may not be held by any person or entity other than the Secretary. The Secretary may waive this requirement with respect to the obligations that the Secretary determines are (1) not suitable investments because of the risks entailed in such obligations, (2) financed in a manner that is least disruptive of private financial markets and institutions, or (3) financed in a manner that is least disruptive of Government securities markets. To the extent that the head of a Federal agency other than the Department of the Treasury is authorized by any law other than this Act to issue, sell, or guarantee such obligations, the head of such agency is authorized to issue, sell, or guarantee such obligations to the Secretary. Any purchases by the Secretary under this subsection shall be upon such terms and conditions as to yield a rate of return which shall not be less than a rate determined by the Secretary, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturity.

(c)(2) Any obligation guaranteed by a Federal agency and financed by the Secretary pursuant to this section shall be deemed to be a direct loan of the Direct Loan Fund, not withstanding any other provision of law, and shall be subject to section 4 of this Act.

(d)(1) Notwithstanding any other provision of this Act, the purchase by the Secretary under subsection (c) of this section of the obligations of any local public body or agency within the United States shall be made upon such terms and conditions as may be necessary to avoid an increase in borrowing costs to such local public body or agency as a result of the purchase of the Secretary of its obligations. The head of the Federal agency guaranteeing such obligations, in consultation with the Secretary, shall estimate the borrowing costs that would be incurred by the local public body or agency if its obligations were not sold to the Secretary.

(d)(2) The Federal agency guaranteeing obligations purchased by the Secretary under subsection (c) of this section may contract to make periodic payments to the Secretary that shall be sufficient to offset the costs to the Secretary of purchasing obligations of local public bodies or agencies upon terms and conditions as prescribed in this section. Such contracts may be made in advance of appropriations therefor, and appropriations for making payments under such contracts are hereby authorized.

(e) Collections resulting from direct loans obligated or loan guarantees committed prior to October 1, 1989 shall be credited to the same accounts to which such collections would have been credited prior to this Act. Amounts so credited shall be available, to the same extent that they were available prior to the enactment of this Act, to liquidate obligations arising from such direct loans obligated or loan guarantees committed prior to October 1, 1989, including repayment of any obligations held by the Secretary or the Federal Financing Bank. From time to time, the unobligated balances of such accounts that are in excess of current needs shall be transferred to the general fund of the Treasury.

(f) Section 3(a)(2) of the Congressional Budget and Impoundment Control Act of 1974, as amended, is amended by adding thereto the following: "Such term includes the subsidy for direct loan and loan guarantee programs, as those terms are defined by the Credit Reform Act of 1989."

SEC. 13. EFFECTIVE DATE.

This Act shall take effect upon enactment.

SECTION-BY-SECTION ANALYSIS

SECTION 1.—SHORT TITLE

The popular title of this Act is the "Federal Credit Reform Act of 1989."

SECTION 2.—PURPOSES

This section lists the purposes of the Federal Credit Reform Act of 1989.

(a) The Act will result in an accurate measurement of the major benefit of Federal credit programs, which is the provision of a subsidy to borrowers. In the absence of a Federal loan program, borrowers would either face less favorable loan terms, or would not be able to obtain a loan at all. Some portion of virtually all Federal loans is actually a subsidy. To the borrower, the credit subsidy he receives is equivalent to a cash grant. For example, suppose a $10,000

loan contains an implicit subsidy of $2,000, which means the savings to the borrower from taking out a Federal loan instead of a private loan is $2,000. If instead of a Federal loan the borrower were to receive a grant of $2,000, the borrower could increase the down payment on a private loan so that the principal and interest costs to him were equal to the Federal loan. The borrower would see the $10,000 loan and a $2,000 grant as being equivalent, and would be indifferent between receiving the loan and the grant.

The Act would require the subsidy to borrowers to be estimated by comparing the terms and conditions on a direct or guaranteed loan with comparable private terms and conditions and discounting the difference between the two cash flows by the internal rate of return on a comparable of the private loan. It has been suggested that, instead, the cash flow of the direct or guaranteed loan be compared to a comparable Government loan with interest at the current cost of Treasury borrowing for comparable maturities and the difference between these two cash flows be discounted at the Treasury rate. This Treasury rate approach, however, would understate the cost of the loans to the taxpayers. Under this approach, an allowance for expected defaults, but not for the uncertainty of the default forecast, is included. If defaults turn out to be greater than forecast, taxpayers bear this cost and meanwhile they bear the risk that it will occur.

Moreover, the Treasury rate is always lower than private borrowers would pay due to the Government's sovereign power to tax, which provides safety to Treasury securities, and to the great liquidity of the enormous market for these securities. If the Treasury borrowing rate were used to estimate the subsidy instead of the comparable private rate, distortions would be created. The resulting subsidy would be smaller than the subsidy produced using a comparable private rate, which is the equivalent of a grant to the borrower. Thus, the budget would continue to favor credit programs over direct spending programs. It would not give policymakers and the public the information they need to compare fairly those two kinds of programs and to determine which form of assistance is more cost effective. Furthermore, using the Treasury rate would not take full account of the loan's riskiness, which would skew the allocation of resources toward the most risky loans among borrowers, among credit programs, and between credit and other spending.

Measuring the subsidy in the way that is proposed is particularly important in the case of programs that the Administration and Congress agree are candidates for gradual privatization. In such cases, the subsidy would be reduced (through laws enacted apart from credit reform) in steps, until there is no difference in the terms and conditions of credit obtained through a Federal agency and those that can be obtained through private financing, at which point there would be no reason for the program to continue as a Federal program. Estimating the difference in benefits to the borrower by comparing the terms and conditions on a direct or guaranteed loan and comparable private terms best measures the progress toward privatization.

(b) The Act will also put the cost of credit programs on a budgetary basis equivalent to other Federal spending. Under current practices in the credit budget, the gross amount of direct loan obligations and guaranteed loan commitments is recorded, rather than the subsidy portion of the loans. This means that, in the example described in the explanation of part (a), a $10,000 loan with a $2,000 subsidy and a $2,000 cash grant would not currently be recorded equivalently in the budget. Under the Act, the agency granting the loan would request an appropriation for the subsidy value associated with the loan, and that subsidy would be counted as an outlay of the agency. Thus, spending for credit programs could be compared to direct spending programs; the subsidy of $2,000 for a $10,000 loan and a $2,000 cash grant would be treated equivalently in the budget.

(c) The Act would encourage the delivery of benefits in the form most appropriate to the needs of the beneficiaries. The current differences in accounting procedures for credit and non-credit programs often distort the agencies' choices as to whether credit or direct spending is the best form of assistance to the public. Direct spending programs require appropriations and result in outlays of the agency. On the other hand, loan guarantees do not require appropriations or result in outlays except in the case of default. Direct loans are generally financed by repayments of previous loans, interest, and other collections credited to revolving funds; thus, only net appropriations and outlays are recorded for the program. By treating loan and direct spending programs the same way in the budget, the choice between credit and direct spending programs would be based on programmatic reasons, not differences in scorekeeping.

(d) The Act would improve the allocation of resources between credit programs and other spending. Because there would no longer be any reason to favor direct loans, loan guarantees, or direct spending program due to differences in scorekeeping, Federal resources would flow to the public in an economically more efficient manner, rather than to the program that it is more advantageous to use from an accounting standpoint.

(e) To finance the unsubsidized portion of Federal credit programs, two Federal credit revolving funds (the Funds)—one for direct loans and one for guaranteed loans—would be established in the Department of the Treasury. The functions of the Funds are described in sections 6 and 7.

(f) The Credit Reform Act would modify existing law and current Congressional and executive budgetary process to enable the goals of the Act to be accomplished.

SECTION 3. DEFINITIONS

This section defines, clarifies and explains terms relevant to the Federal Credit Reform Act of 1989. Some of these terms are new or have been modified from previously published definitions as necessitated by the requirements of the Act. The terms are:

(a) Federal agency.—This term includes executive departments, independent Federal establishments, and corporations or other entities established by the Congress that are owned in whole or in part by the United States.

This term does not include the Board of Governors of the Federal Reserve System or government-sponsored enterprises (GSE's). The Federal Reserve Board has never been treated as a Federal agency for budget purposes, and therefore should not be included for purposes of credit reform. The GSE's are non-Federal agencies; since it is not the intent of credit reform to change the nature or operation of existing programs, the GSE's should not be included in this definition. GSE's are identified in the Appendix of the Budget of the United States Government.

(b) Direct loan.—A direct loan is a disbursement of funds by a Federal agency to a non-Federal borrower under a contract that requires the repayment of such funds with or without interest. This term includes the purchase of, or participation in, a loan made by another lender, as well as disbursements on behalf of a Federal agency by the Secretary of the Treasury as described in section 12(c) of the Act.

The acquisition of a federally guaranteed loan in satisfaction of default claims is deliberately excluded. Previously, the Administration's definition of direct loans included agency obligations and disbursements for defaulted guaranteed loans when the default resulted in acquiring the loan paper. For the purposes of credit reform, such acquisitions will not be treated as new direct loans, because they do not provide a new subsidy to the public (see definition below) beyond the subsidy calculated for the original guarantee.

The definition of direct loans excludes the following Federal programs: VA, National service life insurance; VA, U.S. government life insurance; VA, special life insurance; VA, reopened insurance; VA, service disabled veterans insurance; and VA, insurance and indemnities. Individuals who participate in VA life insurance policies are permitted to borrow against their equity. The loans are financed with the participants' own premiums or investments and, in the case of the VA life insurance policies, there is no requirement for them to be repaid.

The definition of direct loans also excludes the following programs: Low rent public housing; price support loans of the Commodity Credit corporation; Federal-aid highways right-of-way revolving fund; loans made by AID or P.L. 480 that are converted to grants; national direct student loans; foreign military sales forgiven loans; and TVA loans to Seven States Energy Corporation.

Most of these programs are excluded because their activities do not include a contractual obligation for the recipient to repay the funds. Instead, they operate as grant programs and their economic costs are recognized up-front as the assistance is provided. In the case of TVA, the activity is used to finance TVA's operations rather than provide a subsidy to the public. Since the programs do not provide a hidden subsidy to the public, they should be excluded from credit reform.

The definition of direct loans provides that the terms may be interpreted to include the pooling or grouping of individual direct loans into larger packages and treating them as a single loan in order to facilitate estimation of subsidies and accounting for transactions between agencies and the Fund. For example, ten $10,000 small business disaster loans obligated in the same period could be grouped into a $100,000 loan pool.

The definition of direct loans applies to any new direct loan obligated on or after October 1, 1989 by any Federal agency through an existing program or a new program. Loans obligated prior to that date will be liquidated under existing authorities.

(c) Direct loan obligation.—A direct loan obligation is a binding agreement by a Federal agency to make a direct loan once specified conditions are fulfilled by the borrower.

(d) Loan guarantee.—A loan guarantee is any guarantee, insurance, or other pledge

with respect to the payment of all or a part of the principal or interest on any obligation. The Secretary may extend the coverage of this term to include financial agreements and contracts—such as, agreements to pay all or part of the principal or interest on the debt obligation of a non-Federal entity (debt service payments), lease-purchase agreements, and project financing and repayment arrangements—if the Secretary determines that the primary purpose of such agreements or contracts is to make private credit available, or available on more favorable terms than in the absence of the agreement or contract, to a non-Federal entity. This provision is included because the economic effect of such arrangements is the equivalent of a loan guarantee, and, thus the borrower receives a subsidy in the form of a lower interest rate or other favorable terms and conditions. The definition deliberately excludes the insurance of deposits, shares, or other withdrawable accounts in financial institutions—for example, bank accounts that are insured by the Federal Deposit Insurance Corporation. The Administration definition of a loan guarantee has not explicitly recognized excluded items in the past.

The term "loan guarantee" includes the pooling of individual loan guarantees into a larger package and treating them as a single loan guarantee in order to facilitate estimation of subsidies and accounting.

(e) Loan guarantee commitment.—A loan guarantee commitment is a binding agreement by a Federal agency to guarantee a loan once specified conditions are fulfilled by the borrower and the lender.

(f) Subsidy.—The subsidy is the measure of financial assistance provided to the borrower of Federal credit as determined by estimating the net present value, based on a comparable market discount rate, of the difference in cost to the borrower between the direct loan or guaranteed loan and alternative private financing potentially available to the same or similar borrower for the same or similar purpose. For loan guarantees with an interest payment by the Government, the subsidy calculation would include the present value, based on a comparable market discount rate, of the difference between the interest paid by the borrower and the interest that would be charged by a private lender for such loan. To the extent that fees are charged to beneficiaries, such fees will be taken into account in estimating the required appropriations for subsidies.

The Secretary of the Treasury, working with the individual agencies, will determine subsidy values, using comparable private loans, benchmark sales, and other techniques. Alternatively, the Secretary may require the agencies to determine subsidy values following his instructions.

(g) Direct Loan Fund.—The Federal Credit Direct Loan Fund, as established by section 6(a) of the Act.

(h) Guaranteed Loan Fund.—The Federal Credit Guaranteed Loan Fund, as established by section 6(c) of the Act.

(i) Secretary.—The Secretary of the Treasury or his designated representative.

SECTION 4. DIRECT LOAN PROGRAMS

Section 4 establishes the procedures for the budgetary treatment and financing of Federal direct loan programs including: requirements of material to be included in the budget; provision for appropriation of subsidies; and procedures for estimation of subsidies and payment of subsidies to the Direct Loan Fund. Section 4 further states that nothing in the Act is intended to change the legal authority of Federal agencies to select borrowers of Federal direct loans or establish terms of such loans.

(a) Subsection (a) provides that beginning in FY 1990 all direct loans of the Federal government will be direct loans of the Direct Loan Fund. Federal agencies will, through their subsidy accounts, obligate the subsidy portion of the loan, which will be payable to the Direct Loan Fund. The agencies, acting as agents for the Direct Loan Fund, will simultaneously enter into obligations of the Direct Loan Fund to disburse the subsidized and nonsubsidized portions of the loan. Payments of principal and interest by the borrower will be made to the Fund through the agencies as agents of the Fund. All direct loan transactions will be executed and implemented in accordance with the same terms and conditions as would have applied in the absence of this Act.

(b) The budget proposals for all direct loan programs will, beginning in FY 1990, contain both a program level measure—total direct loan obligations—and an estimate of the subsidies to be provided.

The President's 1990 Budget reflects the effects of the proposed Act. The Act requires both a program level limitation and a subsidy appropriation to provide for continued use of the credit budget controls and to add the grant-equivalent subsidy measure. The subsidy estimates in the President's Budget are consistent with the program levels requested. Should the subsidy estimate change before a direct loan obligation is made due to changes in the economy such as increased interest rates, the more restrictive measure—subsidy appropriation or program level—would limit the direct loan obligations. Once a direct loan obligation is made, there would be no retroactive adjustment of the subsidy obligation for that loan.

(c) Beginning in FY 1990, all Federal agencies are prohibited from obligating direct loans unless appropriations have been made to a Federal agency for the subsidies. Both existing revolving funds and general fund appropriation accounts will be prohibited from using funds otherwise available to obligate new direct loans unless an appropriation has been made explicitly providing funds for subsidies. For most discretionary programs, the Administration will request current definite appropriations of monies from the general fund for subsidies. For agencies with budgetary resources from sources other than loan repayments, limitations will be proposed on the use of such funds for the subsidies for new direct loans. For credit entitlement programs, current indefinite appropriations will be proposed; that is, the language would appropriate "such sums as may be necessary" for the purposes of the subsidy payments for such programs. Those programs that currently do not have loan limits enacted in appropriations acts will not have appropriated subsidy limits, unless the President proposes and the Congress adopts limits as the result of policy changes that are independent of credit reform.

(d) Subsection (d) establishes the accounting mechanism for recognizing the subsidized portion of a loan as an obligation of the Federal agency initiating the loan and the unsubsidized portion as an obligation of the Direct Loan Fund. The language provides that the Federal agency is to obtain an estimate of the subsidy at the time the direct loan obligation is incurred or to make an estimate of the subsidy based upon regulations established by the Secretary of the Treasury.

Under the Act, the Secretary of the Treasury and the Federal agencies will develop procedures for estimating subsidies that are consistent with the nature of the individual programs. For some programs with large numbers of small transactions, the Federal agency may estimate the subsidy based on regulations issued by the Secretary. Loan documentation may be provided to the Secretary on a periodic basis—all the loans obligated over the period of a month, for example. The subsidy estimate may be agreed to in advance given specified loan characteristics. In such an instance the Secretary would only modify the subsidy estimate if economic conditions changed or if the mix of the group of loans differed from the assumed mix. In contrast, the Secretary might review large discrete loans on a loan-by-loan basis to determine the subsidy.

The subsidy estimates will be recorded by the Federal agency as obligations for the purposes of accounting for the use of budgetary resources. These obligations will be treated as obligated balances of the subsidy account until the loan is disbursed. Simultaneously, an obligation for the full amount of the loan will be recorded as an obligation of the Direct Loan Fund, since the entire amount of the loan will be disbursed from the Fund. However, the subsidized portion will be an obligation financed by a reimbursement to be received from the agency and the unsubsidized portion will be an obligation against the Fund's authority to borrow from the Treasury.

(e) The subsidy amounts are to be paid when the loan is disbursed. For most programs, obligation of the loan and its disbursement are almost simultaneous. Some, like the direct loans of the Export-Import Bank are disbursed over a number of years. In some instances the borrowers do not fulfill all conditions of the loan resulting in a deobligation. Tying payment of subsidies to disbursements will ensure that all loan conditions have been fulfilled prior to payment of subsidies.

In other programs, such as loans for housing for the elderly and handicapped under section 202 of the Housing Act of 1959, the disbursement may not take place until years after loan funds are reserved for a project. For programs of this kind, agencies frequently treat the loans as obligated for most purposes whenever a funding reservation is made. This practice would not be changed by this Act. In situations where there is a relatively long time period between a reservation of funds for a loan and its disbursement, agencies budget for the probable amendment amounts to be added before closing the loan, and will be expected similarly to budget their subsidy amounts. Thus, in section 202 for example, at that time HUD makes a fund reservation for loans, HUD would also reserve a subsidy amount in anticipation of the actual subsidy amount that would be needed to close the loan.

(f) Subsection (f) states that nothing in the Act amends the authority of a Federal agency to determine the terms and conditions of, eligibility for, or the amount of assistance provided by direct loans made by the Federal Government. The grant-equivalent provided by Federal loans is the subsidy. The legal authority that governs the eligibility of borrowers and loan terms is provided in program authorizations. The Act is not intended to change these authorizations in any way.

SECTION 5. LOAN GUARANTEE PROGRAMS

Section 5 establishes the procedures for the budgetary treatment and financing of Federal loan guarantee programs including: requirements for material to be included in the budget; provision for appropriation of subsidies; and procedures for estimation of subsidies and payment of subsidies to the Guaranteed Loan Fund. Section 5 further states that nothing in the Act is intended to change the legal authority of Federal agencies to select beneficiaries of Federal guaranteed loans or establish terms of such guarantees.

(a) Subsection (a) provides that beginning in FY 1990 all loan guarantees by the Federal Government will be guarantees of the Guaranteed Loan Fund. Federal agencies will, through their subsidy accounts, obligate the subsidy inherent in the guarantee. The obligation of the subsidy by the agency will commit the Guaranteed Loan Fund to guarantee the loan. The loan guarantee commitment will be recorded on the books of the Fund. Payments of loan guarantee fees by the borrower will be made to the Fund, less administrative expenses of the Federal agency otherwise authorized by law and subject to limitation in appropriation acts. All loan guarantee transactions will be executed and implemented in accordance with the same terms and conditions as would have applied in the absence of this act.

(b) The budget proposals for all loan guarantee programs will, beginning in FY 1990, contain both a program level measure—total loan guarantee commitments—and an estimate of the subsidies to be provided.

The President's 1990 Budget reflects the effects of the proposed Act. The Act requires both credit budget controls on the volume of loan guarantee commitments and subsidy appropriations. The subsidy estimates in the President's Budget are consistent with the program levels requested. Should the subsidy estimates change before a loan guarantee commitment is made due to changes in the economy such as increased interest rates, the more restrictive measure—the subsidy appropriation or the program level—would limit the loan guarantee commitments. Once a loan guarantee commitment is made, there would be no retroactive adjustment of the subsidy obligation for that loan guarantee.

(c) Beginning in FY 1990, all Federal agencies will be prohibited from making loan guarantee commitments unless appropriations have been made to the Federal agency for the subsidies. Both existing revolving funds and general fund appropriation accounts will be prohibited from using funds otherwise available to make loan guarantee commitments unless an appropriation has been made explicitly providing funds for subsidies. For most discretionary programs, the Administration will request current definite appropriations of monies from the general fund for subsidies. For agencies with budgetary resources from sources other than loan guarantee fees, limitations will be proposed on the use of such funds for the subsidies for loan guarantees. For credit entitlement programs, current indefinite appropriations will be proposed; that is, the language would appropriate "such sums as may be necessary" for the purposes of the subsidy payments for such programs. As is the case for direct loans, those programs that currently do not have guaranteed loan limits enacted in appropriations acts will not have appropriated subsidy limits, unless the President proposes and the Congress adopts limits, as the result of policy changes that are independent of credit reform. Those programs that do not currently have guaranteed loan limits enacted in appropriation acts are the Veterans' Administration loan guaranty program and the Department of Education guaranteed student loan program.

(d) Subsection (d) establishes the accounting mechanism for recognizing the subsidy associated with loan guarantees as an obligation of the Federal agency initiating the loan guarantee. The language provides that the Federal agency is to obtain an estimate of the subsidy at the time the loan guarantee commitment is made or to make an estimate of the subsidy based upon guidelines established by the Secretary of the Treasury.

Under the Act, the Secretary of the Treasury and the Federal agencies will develop procedures for estimating subsidies that are consistent with the nature of the individual programs. For some programs with large numbers of small transactions the Federal agency may estimate the subsidy based on guidance and under the oversight of the Secretary. Loan documentation may be provided to the Secretary on a periodic basis, all the loans for which commitments are made over the period of a month for example. The subsidy estimate may be agreed to in advance given specified loan characteristics. In such an instance the Secretary would only modify the subsidy estimate if economic conditions changed or if the mix of the group of loans differed from the assumed mix. In contrast, the Secretary might review large discrete loans on a loan by loan basis to determine the subsidy.

The subsidy estimates will be recorded by the Federal agency as obligations for the purposes of accounting for the use of budgetary resources. These obligations will be treated as obligated balances of the subsidy account until the guaranteed loan is disbursed.

(e) The subsidy amounts are to be paid by the agency to the Guaranteed Loan Fund when the guaranteed loan is disbursed by the lender. For most programs, the commitment to guarantee the loan and its disbursement are almost simultaneous. Some loans, like those guaranteed by the Rural Electrification Administration, are disbursed over a number of years. In some instances the borrowers do not fulfill all conditions of the guarantee agreement, resulting in a lapse in the commitment. Tying payment of subsidies to disbursements will ensure that all loan guarantee conditions have been fulfilled prior to payment of subsidies.

(f) Subsection (f) states that nothing in the Act amends the authority of a Federal agency to determine the terms and conditions of, eligibilty for, or the amount of, assistance provided by loans guarantees made by the Federal Government. The legal authority that governs the eligibility of borrowers and loan terms is provided in program authorizations. The Act is not intended to change these authorizations in any way.

SECTION 6. ESTABLISHMENT OF THE FEDERAL CREDIT REVOLVING FUNDS WITHIN THE DEPARTMENT OF THE TREASURY

This section provides for the creation of two new revolving funds—the Direct Loan Fund and the Guaranteed Loan Fund—to serve as the central financing mechanism for all new Federal credit beginning October 1, 1989.

The Funds are intended to perform functions now performed by the Federal Financing Bank and by existing agency revolving funds that finance loans, guarantees and default payments. Operationally, the Funds will finance the unsubsidized portion of credit, while the responsible agency will finance the subsidized portion only, generally with appropriated funds.

The Funds will be credited with agency subsidy payments, fees charged and repayments due for new credit extended, proceeds from the sale of direct loans, interest on undisbursed balances, and proceeds from the sale of collateral acquired as a result of defaults. The Funds will also have permanent indefinite authority to finance the unsubsidized portion of Federal credit. Specific functions of the Funds are described in the next section.

SECTION 7. AUTHORITY OF THE SECRETARY TO MANAGE THE FUNDS

This section describes generally the responsibilities of the Secretary or his designated representative to carry out the functions of the Funds beginning on October 1, 1989. The Secretary will work with the heads of the agencies to establish procedures that fit their programs' characteristics. The language in section 7 is drafted to provide enough flexibility to the Secretary to respond to the substantial differences among programs and to manage the central Funds.

Subsection (a) specifies the Secretary's responsibilities and authorities with regard to the Direct Loan Fund. Paragraphs (1) and (2) provide the Secretary with final responsibility for the subsidy estimates of new Federal direct loans. The Secretary would have the discretion either to make subsidy estimates based on information provided by the agencies or to have the agencies make the estimates in accordance with his instructions, whichever is most appropriate and timely for a particular program.

This authority of the Secretary is proposed to ensure the best possible subsidy estimates. The Direct Loan Fund will be staffed by experts in loan value and market pricing. The Fund will also be one step removed from the interest group pressures faced by the agencies. Given the volume of some programs' transactions, such as the Agricultural credit farm operating loan program or the Small Business Administration's disaster loan program, subsidy estimates may be made by the agencies under the guidance and at the discretion of the Secretary of Treasury.

Paragraph (3) permits the Secretary to direct the agency to sell loans without recourse for benchmarking purposes—to determine the differences between the market price and the face value of the loan. Such benchmark sales would be appropriate if either the Secretary or the agency felt additional data were required to determine the appropriate subsidy, but this does not provide authority for large continuing amounts of loan asset sales.

Under paragraph (4) the Secretary is authorized to credit the Fund with agencies' subsidy payments related to direct loans. The Fund will also receive borrowers' interest payments, fees charged, repayments on loan principal, and the proceeds from any loan asset or collateral sales (agency heads would retain their authority under present law to conduct the sales). If loans are sold pursuant to paragraph (3) or other authority, the proceeds will be credited to the Direct Loan Fund. These sums may be collected by the Federal agencies and credited to the Fund on the Secretary's behalf.

Paragraph (5) authorizes the Secretary to disburse direct loans to the borrowers.

Subsection (b) specifies the Secretary's responsibilities and authorities with regard to the Guaranteed Loan Fund. Paragraphs (1) and (2) provide the Secretary with final responsibility for the subsidy estimates of new Federal loan guarantees. The Secretary will exercise this authority in the same manner as described for direct loans.

Under Paragraph (3) the Secretary is authorized to credit the Guaranteed Loan Fund with subsidy payments related to guaranteed loans. The Fund will also receive fees, premiums, proceeds from the sale of any collateral received as the result of defaults and repayments of principal and interest on loans acquired as a result of default.

Paragraph (4) authorizes the Secretary to make claim payments for those guaranteed loans in default.

Paragraph (5) authorizes the Secretary to maintain funding reserves to cover defaults on loan guarantees. The reserve requirement is essential to the future financial status of the Fund.

Under paragraph (6), the Secretary is authorized to credit the Fund with interest on the undisbursed cash balances of the Fund earned at a rate equivalent to the Treasury's cost of borrowing. Since the subsidy payments received by the Fund are determined on a discounted present value basis, the balances must earn interest to ensure fund levels adequate to meet the future cost of defaults.

Subsection (c) specifies the Secretary's responsibilities and authorities that are common to both the Direct Loan Fund and the Guaranteed Loan Fund.

Paragraph (1) requires the Secretary to identify separately each agency's credit activity on the Fund's books. Separate recordkeeping is essential to evaluation of each program's performance and to setting subsidy estimates.

Paragraph (2) prohibits the Secretary from using the funds from one credit fund for the purposes of another.

Paragraph (3) requires the Secretary to routinely collect date and information from the agencies on their credit portfolios and programs.

Paragraph (4) requires the Secretary to study other methods to improve both the credit subsidy estimates and credit program management. Any credit program management improvement efforts undertaken by the Secretary must be consistent with the nature and purpose of individual programs as prescribed under their authorizing statutes.

Paragraph (5) authorizes the Secretary to borrow from the general fund of the Treasury on behalf of the Funds and use the collections of the Funds to repay the borrowing with interest. In the case of the Direct Loan Fund, borrowed funds will be needed to finance the unsubsidized portion of direct loan disbursements. Repayments of principal and interest by borrowers to the Fund will be used to repay the Fund's borrowing from the general fund, and to pay interest to the general fund. The Secretary is authorized to borrow on behalf of the Guaranteed Loan Fund as a contingency measure. The Fund will only need to borrow if reserves of subsidy payments from the Federal agencies and other collections are insufficient to cover default claims. If collections to the Funds are insufficient to repay borrowing, the Secretary is authorized to seek appropriations for that purpose. This situation could occur if subsidy estimates prove to be inaccurate or economic conditions change. Since the purpose of the subsidy payments from the agencies is to measure estimated subsidies at the time that credit levels are being authorized, make-up payments from the agencies for losses would be inappropriate after the point at which direct loans have been obligated or loan guarantees committed.

Paragraph (6) provides the Secretary with the authority to transfer excess balances of the Funds, if any, to the general fund of the Treasury. It is not anticipated that the Funds will accumulate excess balances. In the Direct Loan Fund, it is expected that most or all of the collections in any year would be used to finance new lending, repay borrowing from the general fund, and to pay interest on borrowing from the general fund. In the Guaranteed Loan Fund, it is expected that balances will accumulate and be retained as reserve against claim payments in the future. However, excess balances of collections could accumulate. For example, balances would accumulate if the actual losses on direct or guaranteed loans over a sustained period were not as great as assumed when the subsidies were estimated because of errors in estimating or changes in economic conditions. The presence of excess balances would be likely to give rise to pressures to reduce the subsidy payments by the Federal agencies in excess of correcting future subsidies for past experience. This would be inappropriate because the purpose of the subsidy payments is to measure the best estimate of the cost of the credit programs at the time the decision is made to fund them and such decisions should be made without regard to the financial status of the central Funds. Determination of excess balances must be based on the examination of the needs of the individual credit programs. The transfer of excess balances would be a non-expenditure capital transfer and would have no affect on the deficit.

Section (d) enables the Secretary to appoint or hire the personnel needed to carry out the functions of the Funds.

Section (e) authorized the Secretary to issue regulations as required to carry out his functions under this Act.

SECTION 8. AGENCY RESPONSIBILITIES

Section 8 assigns certain responsibilities to the head of each Federal agency authorized to make or guarantee loans covered by the Act. Specifically, agency heads are required to provide the Secretary with the information needed to make loan subsidy calculations or to make such calculations, propose annual appropriations for the subsidized portion of their loans, conduct credit programs within the limitations placed on the volume of credit and amounts appropriated for subsidies in annual appropriations acts, safeguard borrower rights, and credit all relevant loan collections to the Funds.

Subsection (a) requires the agency heads to provide loan documentation to the Secretary of Treasury on a timely basis. The Secretary is charged with estimating the present value of loan subsidies. In order to do this, the Secretary will need timely information from the agencies. Alternatively, the Secretary may require an agency head to calculate the subsidy subject to approval by the Secretary.

Subsection (b) requires agency heads to request annual appropriations sufficient to cover the subsidy portion of their direct loan or loan guarantee programs. The budget requests will be the basis for the President's budget, as required by the Budget and Accounting Act of 1921, as amended. In most cases, the appropriations will be proposed as current definite appropriations, available for one year only. Where appropriate to program requirements, funding of subsidies will not be limited to one year. Permanent indefinite amounts will be requested for entitlement programs that are currently financed with permanent indefinite appropriations, e.g., the Veteran's Administration's loan guaranty program. However, specific estimates of the indefinite amounts expected to be obligated will be included in the budget.

Subsection (c) requires the agency head to operate the program within the lesser of program volume (credit budget) limitation or the appropriation for subsidies. The amount subsidy appropriation should be based on the program level limitation. If in implementing the program during the year, the subsidy payments required are less than expected, the volume of credit could not exceed the limitation; either some of the subsidy appropriation would lapse or the limitation would have to be raised in supplemental legislation. If the subsidy payments required are greater than expected, the volume of credit could not reach the level of the limitation unless a supplemental appropriation were provided. This is another way in which the financing of credit would be made consistent with direct expenditures, grants, and other forms of assistance. That is, budgets are made and appropriations provided based on the best estimate of the program's cost at the time. If the estimate proves to be incorrect and more funding is required, the President and the Congress will decide whether supplemental appropriations should be provided. Programs that currently do not have limits enacted in appropriations acts, such as entitlement programs, need not have them under this Act, and the subsidy appropriations would be for an indefinite amount (i.e., "such sums as may be necessary").

Subsection (d) requires the agency to modify the programs, loan or guarantee contracts to make explicit borrower's rights and to ensure their protection in the event of sale or reinsurance of the loan agreement. The credit reform initiative will not alter current credit programs or alter the existing authority of agencies to operate credit programs. This provision of the law insures that the procedural and substantive contractual rights of all borrowers will be protected.

Subsection (e) requires the agency heads to pay to the Fund all amounts received with respect to any loan that is obligated or guaranteed by the Funds. This requirement is limited to the extent that the agencies retain fees for administrative purposes. Agencies are required to act as an agent for the Fund in the collection of payments of principal, fees, and interest on direct loans and fees and premiums on guaranteed loans as well as to credit these loan collections to the Fund as they are received.

Subsection (f) authorizes the agency heads to retain fees for administrative costs of the direct or guarantee loan program. This authorization is restricted to those programs currently authorized to use fees for program costs because the Administration does not intend to extend such authority through this Act. Agencies that currently seek appropriations for the administrative expense of credit programs will continue to have to do so. Fees not currently authorized to be retained by the agency are credited to

the general fund and, under the Act, they would be credited to the general fund through the Treasury funds.

SECTION 9. BUDGETARY TREATMENT

One of the most important features of the proposed Federal Credit Reform Act of 1989 is the separation of the funding of the subsidized portion of any credit transaction, which will be funded from program agency resources, from the funding of the unsubsidized portion, which will be funded from the Funds. The purpose of this section is to stipulate the budgetary treatment to be followed by the President in this budget submission to the Congress and by the Congress in considering budget resolutions, appropriations, new authorizing legislation and related matters. These provisions would take effect for direct loans obligated and guaranteed loans committed on or after October 1, 1989.

Section 9(a)(1) specifies that when a Federal agency obligates the Government to make a direct loan, only the subsidy value of the direct loan is to be regarded as an obligation of the agency. The unsubsidized portion of the direct loan will not be considered an obligation of the agency, and the agency will not be credited with any income associated with the loans (except that the agency may retain fees necessary to pay for the administration of direct loans). For any direct loan program, therefore, budget authority and outlays related only to the subsidy value will be recorded for the applicable agency and budget function.

It also specifies that when a Federal agency commits the Government to guarantee a loan, the subsidy value of the loan guarantee is to be regarded as an obligation of the agency. The agency will not require budgetary resources for defaults, and it will not be credited with any fees charged in connection with the guarantee (except that the agency may retain fees necessary to pay for the administration of loan guarantees). For any loan guarantee program, therefore, budget authority and outlays related to the subsidy value will be recorded for the applicable agency and budget function.

Section 9(b) specifies that the Funds will be obligated to finance direct loans and any outlays associated with loan guarantees. Therefore, any budget authority or outlays associated with these obligations will be recorded in the accounts of the Funds. A separate budget function has been created to keep these financing transactions separate from the program functions.

SECTION 10. AUTHORIZATION OF APPROPRIATIONS

Section 10(a) authorizes the Secretary, as manager of the Funds, to borrow from the general fund of the Treasury to (1) finance direct loans to the extent that they cannot be financed by subsidy payments from Federal agencies and other collections; and (2) pay claims resulting from defaults on guaranteed loans to the extent that reserves created from subsidy payments from Federal agencies and borrowers' fees and premiums are not sufficient. The amount borrowed will be repaid from repayments of loans, other collections, and to the extent there are losses, amounts appropriated pursuant to subsection 10(b).

Section 10(b) authorizes appropriations to the Funds for the purpose of repaying their debts to the Treasury. Such appropriations would be necessary only to the extent that losses were sustained by the Funds.

Section 10(c) authorizes appropriations to agencies for the purpose of making obligations for the subsidies associated with direct loans.

Section 10(d) authorizes appropriations to agencies for the purpose of making obligations for the subsidies associated with loan guarantees.

Section 10(e) authorizes appropriations to cover the Treasury Department's costs associated with the reform proposal.

SECTION 11. TREATMENT OF DEPOSIT INSURANCE AGENCIES

This section discusses proposed special treatment under credit reform for Federal deposit insurance agencies: the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration, the Pension Benefit Guaranty Corporation, and the Securities Exchange Commission.

Subsection (a) provides that under credit reform, these agencies would be required to estimate their subsidies but would not be required to seek a limitation for their subsidies, thereby not limiting the total obligations that they may incur to assist troubled financial institutions or pension plans. Credit activity of these agencies will not be required to be financed through the Funds. They would retain responsibility for estimating subsidies and financing their loans, rather than transfer these responsibilities to the Secretary. This special treatment would apply only to credit related to the insurance operations of these agencies. Credit extended for other purposes would be subject to general requirements of the Act. For example, the special provisions of this section would not apply to community development loans made by the National Credit Union Administration, because such loans are not related to the NCUA's insurance function.

Subsection (b) affirms the Administration's intent is to recognize that these agencies provide a subsidy to the public, but not to limit the flexibility of their responses to financial crises.

SECTION 12. EFFECT ON OTHER LAWS

Subsection 12(a) of the bill reaffirms that the existing substantive authority of Federal agencies to make and guarantee loans, as well as any modifications or additional authority enacted subsequent to the bill, and to otherwise administer loan programs, remains intact. The requirements of the bill relate to budgetary treatment, and modify the underlying statutes only for such purpose.

In order to permit the operation of the new budget treatment prescribed by the bill, it is necessary to set aside numerous provisions in existing credit program authorization statutes to the extent they are inconsistent with the bill. For example, most credit programs are financed through revolving funds established by law for that purpose. This bill would shift the financing of all but the subsidy portion of credit programs to the Funds. Substantive authorities would not be set aside by this bill and are explicitly preserved by various other sections of the bill which state that agencies would otherwise continue to administer their programs on the same basis they do now.

Subsection 12(c)(1) provides that Federal agencies that are authorized to issue, sell, or guarantee securities that are market type obligations would issue, sell, or guarantee such obligations only to the Secretary. Even though a number of agencies are authorized to borrow from the public, few do. Instead, most borrowing by Federal agencies is from the Federal Financing Bank or directly from the Treasury under existing law, because it is less expensive than issuing their own securities and borrowing directly from financial markets. Other agencies are authorized to borrow only from the Treasury. This law would simplify the existing situation by providing a single source of borrowing—the Treasury. However, the Secretary could waive this requirement if specific circumstances warranted, for example, where borrowing is inherent in the operation of a program.

Subsection 12(c)(2) specifies that a direct loan disbursed by the Federal Government pursuant to the authority of an agency to guarantee loans will be subject to the same treatment as direct loans made pursuant to explicit authority for the agency to make direct loans.

Subsection 12(d)(1) provides that purchases by the Secretary under subsection 12(c) of obligations issued by State or local public bodies and guaranteed by a Federal agency shall be upon such terms as may be necessary to avoid an increase in borrowing costs of the State or local body.

Subsection 12(d)(2) would authorize Federal grantee agencies to make payments to the Secretary on behalf of State or local public bodies to avoid increasing borrowing costs to such bodies as a result of purchases by the Secretary under subsection 12(c). Appropriations for such payments would be authorized.

Subsection 12(e) clarifies that repayments and other fees received from direct loan guarantees made before October 1, 1989 are not affected by this bill and are to be treated as they would be prior to enactment of this bill.

SECTION 13. EFFECTIVE DATE

The provisions of the Act would be in effect immediately upon enactment. This would permit the Secretary and the agencies to take such preparatory actions as are necessary to begin operations under the new procedures on October 1, 1989.●

By Mr. LAUTENBERG (for himself, Mr. DURENBERGER, Mr. MOYNIHAN, Mr. JEFFORDS, Mr. BIDEN, Mr. LUGAR, Mr. REID, Mr. LIEBERMAN, Mr. SHELBY, Mr. METZENBAUM, Mr. LEVIN, Mr. D'AMATO, Mr. PELL, Mr. FOWLER, Mr. GLENN, Mr. HEINZ, Mr. SANFORD, Mr. BRADLEY, Mr. DODD, Mr. SARBANES, Mr. BUMPERS, Mr. DANFORTH, Mr. ADAMS, and Ms. MIKULSKI):

S. 585. A bill to implement the national objective of pollution prevention by establishing a source reduction program at the Environmental Protection Agency, by assisting States in providing information and technical assistance regarding source reduction, and for other purposes; to the Committee on Environment and Public Works.

POLLUTION PREVENTION ACT OF 1989

● Mr. LAUTENBERG. Mr. President, today I am introducing the Pollution Prevention Act of 1989. This bill is cosponsored by my good friend and colleague on the Environment Committee, Senator DURENBERGER, and over 20 other Senators.

The Pollution Prevention Act represents what I believe will be the new environmental ethic in this Nation. Until now, almost all of our environmental efforts have involved regulating pollutants after they are generated. We impose end-of-the-pipe controls on discharges and focus on disposal and treatment of wastes. The Pollution Prevention Act is designed to foster efforts to eliminate or reduce pollution before it is generated.

We are producing more hazardous waste than we can handle and emitting more toxic chemicals into the air and water than we need to. The United States generates 570 million to 1 billion tons of hazardous wastes per year, 2 to 4 tons for every man, woman and child in the country. New Jersey produces over 9 million tons of waste annually. This volume of hazardous waste grows each year as disposal capacity shrinks.

The emissions of toxic chemicals into the air and water adversely affect human health and the environment. EPA will soon report to the Nation information it has collected under section 313 of the Superfund Amendments and Reauthorization Act of 1986 on the quantity of certain pollutants released into the air, water and land. This report likely will demonstrate significant releases of toxic chemicals into each medium.

The safest way to protect the American people and our environment from these toxic chemicals, hazardous wastes and other pollutants is to eliminate or reduce these chemicals, pollutants and wastes before they are generated.

Source reduction provides significant cost savings in addition to health and environmental benefits. Currently, $77 billion are estimated to be spent on pollution control in the United States each year. EPA estimates that we have the ability to reduce the generation of hazardous wastes and other pollutants by up to 30 percent while the Office of Technology Assessment suggests that a 10 percent reduction for each of the next 5 years is achievable.

The Office of Technology Assessment, in its 1987 report, "From Pollution To Prevention: A Progress Report on Waste Reduction," found that source reduction efforts have proceeded slowly because industry lacks information about the opportunities and benefits of source reduction. This is especially true for small and medium sized firms which may need both technical assistance and financial aid to identify opportunities for source reduction and put promising techniques into practice. Yet virtually all of our regulatory efforts have been directed toward managing wastes and controlling other pollutants after they are produced.

Mr. President, I am particularly pleased that EPA Administrator Bill Reilly has recognized the importance of pollution prevention. In recent testimony before the Senate Environment Committee, Bill Reilly called pollution prevention one of the five principal priorities for the Nation's environmental policies. This is in sharp contrast to an EPA which only a few years ago was spending only $400,000 on source reduction efforts. I look forward to working closely with Administrator Reilly in our mutual interest of making pollution prevention a top priority.

The Pollution Prevention Act addresses the information shortcomings identified by OTA and provides the legislative backbone for a source reduction program. It requires EPA to establish a Multimedia Pollution Prevention Office to carry out the act and foster source reduction efforts. EPA would provide grants to States for technical assistance programs for businesses and for source reduction training. The bill would establish a source reduction clearinghouse to disseminate information on source reduction opportunities and a national pollution prevention awards program to recognize the efforts of those whose source reduction activities benefit the United States. Industry would be required to provide data on source reduction efforts. Finally, EPA would be required to report biennially on its source reduction activities.

The Pollution Prevention Act is a modified version of S. 1429, the Hazardous Waste Reduction Act, which I introduced last year and which was introduced in the other body by Congressman HOWARD WOLPE. Versions of this bill passed the Senate and the House as title III of H.R. 2020. Unfortunately, there was not enough time at the end of last year's Congress to resolve the few areas of disagreement between the two versions.

Today, Congressman WOLPE is also reintroducing his legislation. I want to commend Congressman WOLPE for taking this initiative and Congressman DINGELL, chairman of the Energy and Commerce Committee and Congressman LUKEN, chairman of the Subcommittee on Transportation, Tourism, and Hazardous Materials, for their strong support of this legislation.

I am also pleased that Senators BIDEN and LUGAR who introduced legislation dealing with source reduction in the last Congress have joined as original cosponsors of this legislation. The Pollution Prevention Act reflects the important contribution they have made.

The concepts embodied in the Pollution Prevention Act have received the support of a diverse group including the National Roundtable of State Waste Reduction Programs which represents 31 State waste reduction programs, Waste Management Inc., and a number of environmental groups. The support this legislation has received clearly demonstrates the wide recognition of the need to significantly increase our efforts to eliminate or reduce the generation of hazardous wastes and other pollutants before they are created.

The Pollution Prevention Act will promote source reduction throughout the country. It will help business understand the value of source reduction techniques, and how to implement them. And it will foster the development of pollution prevention technology.

I urge my colleagues to support this important legislation. And I ask unanimous consent that the bill, along with a section-by-section analysis, be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

This Act may be cited as the "Pollution Prevention Act of 1989".

TABLE OF CONTENTS

Sec. 1. Short title and table of contents.
Sec. 2. Findings and policy.
Sec. 3. Definitions.
Sec. 4. EPA activities.
Sec. 5. Grants to States for State technical assistance programs.
Sec. 6. Source reduction clearinghouse.
Sec. 7. Source reduction and pollution control data collection.
Sec. 8. National pollution prevention awards.
Sec. 9. EPA report.
Sec. 10. Savings provisions.
Sec. 11. Authorization of appropriations.
Sec. 12. Implementation.

SEC. 2. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that:

(1) The United States of America annually produces millions of tons of toxic chemical waste, hazardous substances, and other waste and spends tens of billions of dollars per year controlling this pollution.

(2) There are significant opportunities for industry to reduce the generation of hazardous substances, pollutants, or contaminants at the source through costeffective changes in production, operation, and raw materials use. Such changes offer industry substantial savings in reduced raw material, pollution control, and liability costs as well as help protect the environment and reduce risks to worker health and safety.

(3) The opportunities for source reduction are often not realized because existing regulations, and the industrial resources they require for compliance, focus upon treatment and disposal, rather than source reduction; existing regulations do not emphasize multimedia management of hazardous substances, pollutants, or contaminants; and businesses need information and technical assistance to overcome institutional barriers to the adoption of source reduction practices.

(4) Source reduction is fundamentally different and more desirable than waste management and pollution control. The Environmental Protection Agency needs to ad-

dress the historical lack of attention to source reduction.

(5) The Environmental Protection Agency can implement pollution prevention through source reduction by establishing a source reduction program which collects and disseminates information, provides financial assistance to States, and implements the other activities provided for in this Act.

(b) POLICY.—The Congress hereby declares it to be the national policy of the United States to promote pollution prevention and that the generation of hazardous substances, pollutants, or contaminants should be reduced or eliminated at the source whenever feasible; hazardous substances, pollutants, or contaminants that are generated should be recycled in an environmentally safe manner, whenever feasible; hazardous substances, pollutants, or contaminants that cannot be prevented or recycled should be treated in an environmentally safe manner; and disposal should be employed only as a last resort and should be conducted in an environmentally safe manner.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) The term "agency" means the Environmental Protection Agency.

(3) The term "toxic chemical" means any substance on the list described in section 313(c) of the Superfund Amendments and Reauthorization Act of 1986.

(4) The term "release" has the same meaning as provided by section 329(8) of the Superfund Amendments and Reauthorization Act of 1986.

(5)(A) The term "source reduction" means any practice which—

(i) reduces the amount of any hazard substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment (including fugitive emissions) prior to recycling, treatment, or disposal; and

(ii) reduces the hazards to public health and the environment associated with the release of such substances, pollutants, or contaminants.

The term includes equipment or technology modifications, process or procedure modifications, reformulation or redesign of products, substitution of raw materials, and improvements in housekeeping, maintenance, training, or inventory control.

(B) The term "source reduction" does not include any practice which alters the physical, chemical, or biological characteristics or the volume of a hazardous substance, pollutant, or contaminant through a process or activity which itself is not integral to and necessary for the production of a product or the providing of a service.

(6) The term "multi-media" means ground water, surface water, oceans, air, and land.

SEC. 4. EPA ACTIVITIES.

(a) AUTHORITIES.—There shall be established in the Environmental Protection Agency an office to carry out the functions of the Administrator under this Act. The office shall be independent of the Agency's single-medium program offices but shall have the authority to review and advise such offices on their activities to promote a multi-media approach to source reduction. The office shall be under the direction of such officer of the Environmental Protection Agency as the Administrator shall designate who is directly responsible to the Administrator.

(b) FUNCTIONS.—The Administrator shall develop and implement a strategy to promote pollution prevention through source reduction. As part of the strategy, the Administrator shall—

(1) establish standard methods of measurement of source reduction;

(2) ensure that the Environmental Protection Agency considers the effect of its existing and proposed programs on source reduction efforts and shall review regulations of the Environmental Protection Agency prior and subsequent to their proposal to determine their effect on source reduction;

(3) coordinate source reduction activities in each Environmental Protection Agency Office and coordinate with appropriate offices to promote source reduction practices in other Federal agencies and programs and generic research and development on techniques and processes which have broad applicability;

(4) investigate methods of coordinating and streamlining data collection requirements under existing environmental statutes. The Administrator shall develop an inventory of existing data regarding the generation and management of hazardous substances, pollutants, or contaminants, consider developing common nomenclature, consistent reporting formats, and compatible data storage and retrieval systems;

(5) determine what capabilities the Environmental Protection Agency should have to measure hazardous substance, pollution, or contaminant generation and management practices in the United States. The Administrator shall identify data gaps and determine what, if any, changes are needed in existing agency practices with respect to the collection and handling of data regarding the generation and management of hazardous substances, pollutants, or contaminants;

(6) facilitate the adoption of source reduction techniques by businesses. This strategy shall include the use of the Source Reduction Clearinghouse and State matching grants provided in this Act to foster the exchange of information regarding source reduction techniques, the dissemination of such information to businesses, and the provision of technical assistance to businesses. The strategy shall also consider the capabilities of various businesses to make use of source reduction techniques;

(7) include, where appropriate, measurable goals which reflect the policy of this Act, the tasks necessary to implement the policy and achieve the goals, dates at which the principal tasks are to be accomplished, required resources, organizational responsibilities, and the means by which progress in achieving the policy and meeting the goals will be measured;

(8) establish a senior level liaison group with industry, public interest groups, and State source reduction program officials to provide guidance to the Administrator, to provide outreach to the industrial community, and to provide a liaison group for the educational community to promote the introduction of source reduction principles into engineering and management curricula;

(9) establish an advisory panel of technical experts comprised of representatives from industry, the States, and public interest groups, to advise the Administrator on ways to improve collection and dissemination of data;

(10) develop multi-media training programs for Federal and State permit writers and enforcement and inspection officials to assist them in identifying source reduction opportunities in air, water, and land programs;

(11) identify and make recommendations to Congress to eliminate barriers to source reduction including the use of incentives and disincentives;

(12) identify opportunities to use Federal procurement to encourage source reduction;

(13) develop, test and disseminate model source reduction auditing procedures designed to highlight source reduction opportunities; and

(14) promote source reduction for nonhazardous wastes by integrating this goal in other pollution prevention programs and by developing and implementing a detailed plan for long-term programs to encourage a reduction in the per capita generation of such wastes.

SEC. 5. GRANTS TO STATES FOR STATE TECHNICAL ASSISTANCE PROGRAMS.

(a) GENERAL AUTHORITY.—The Administrator shall make matching grants to States for programs to promote the use of source reduction techniques by businesses.

(b) CRITERIA.—When evaluating the requests for grants under this section, the Administrator shall consider, among other things, whether the proposed State program would accomplish the following:

(1) Make specific technical assistance available to businesses seeking information about source reduction opportunities, including funding for experts to provide onsite technical advice to business seeking assistance and to assist in the development of source reduction plans.

(2) Target assistance to businesses for whom lack of information is an impediment to source reduction.

(3) Provide training in source reduction techniques. Such training may be provided through local engineering schools or any other appropriate means.

(4) Making grants to any organizations for research and development and pilot tests and demonstration projects if such an investment was designed to obtain new source reduction technology, or new applications of existing technology which have broad applicability.

(c) MATCHING FUNDS.—Federal funds used in any State program under this section shall provide no more than 75 per centum in fiscal years 1990 and 1991, 62.5 per centum in fiscal years 1992 and 1993, 50 per centum in fiscal year 1994 of the funds made available to a State in each year of that State's participation in the program.

(d) EFFECTIVENESS.—The Administrator shall establish appropriate means for measuring the effectiveness of the State grants made under this section in promoting the use of source reduction techniques by businesses.

(e) INFORMATION.—States receiving grants under this section shall make information generated under the grants available to the Administrator.

SEC. 6. SOURCE REDUCTION CLEARINGHOUSE.

(a) AUTHORITY.—The Administrator shall establish a Source Reduction Clearinghouse to compile a computer data base which contains information on management, technical, and operational approaches to source reduction. The Administrator shall use the clearinghouse to—

(1) serve as a center for source reduction technology transfer;

(2) mount active outreach and education programs by the States to further the adoption of source reduction technologies; and

(3) collect and compile information reported by States receiving grants under section 5 on the operation and success of State source reduction programs.

(b) PUBLIC AVAILABILITY.—The Administrator shall make available to the public such information on source reduction as is gathered pursuant to this Act and such other pertinent information and analysis regarding source reduction as may be available to the Administrator. The data base shall permit entry and retrieval of information to any person.

SEC. 7. SOURCE REDUCTION AND POLLUTION CONTROL DATA COLLECTION.

(a) REPORTING REQUIREMENTS.—Each owner or operator of a facility required to file an annual toxic chemical release form under section 313 of the Superfund Amendments and Reauthorization Act of 1986 ("SARA") for any toxic chemical shall include with each such annual filing a toxic chemical source reduction and pollution control report. The toxic chemical source reduction and pollution control report shall cover each toxic chemical required to be reported in the annual toxic chemical release form filed by the owner or operator under section 313(c) of that Act. This section shall take effect with the annual report filed under section 313 for the first full calendar year beginning after the enactment of this Act.

(b) ITEMS INCLUDED IN REPORT.—The source reduction and pollution control report required under subsection (a) shall set forth each of the following on a facility-by-facility basis for each toxic chemical:

(1) The quantity of the chemical entering any waste stream (or otherwise released into the environment) prior to recycling, treatment, or disposal during the calendar year for which the report is filed and the percentage change from the previous year. When actual measurements of the quantity of a toxic chemical entering the waste streams are not readily available, reasonable estimates should be made based on best engineering judgment.

(2) The source reduction practices used with respect to that chemical during such year at the facility. Such practices shall be reported in accordance with the following categories unless the Administrator finds other categories to be more appropriate:

(A) Equipment, technology, process, or procedure modifications.

(B) Reformulation or redesign of products.

(C) Substitution of raw materials.

(D) Improvement in management, training, inventory control, materials handling, or other general operational phases of industrial facilities.

(3) The amount expected to be reported under paragraph (1) for the two calendar years immediately following the calendar year for which the report is filed. Such amount shall be expressed as a percentage change from the amount reported in paragraph (1).

(4) A ratio of production in the reporting year to production in the previous year. The ratio should be calculated to most closely reflect all activities involving the toxic chemical. In specific industrial classifications subject to this section, where a feedstock or some variable other than production is the primary influence on waste characteristics or volumes, the report may provide an index based on that primary variable for each toxic chemical. The Administrator is encouraged to develop guidelines tailoring the production index requirement to accommodate individual industries.

(5) The techniques which were used to identify source reduction opportunities. Techniques listed should include, but are not limited to, employee recommendations, external and internal audits, participative team management, and material balance audits. Each type of source reduction listed under paragraph (2) should be associated with the techniques or multiples of techniques used to identify the source reduction technique.

(6) The total volume of each toxic chemical that, during the calendar year for which the report is filed, was (A) recycled, (B) treated, or (C) disposed.

(7) The amount of any hazardous substances, pollutants, or contaminants released into the environment and included in the report which resulted from remedial action and not from current production processes.

For the first year of reporting under this section, comparison with the previous year is required only to the extent such information is available.

(c) ADDITIONAL REPORTING.—The Administrator may require more detailed reporting of source reduction practices where appropriate, including information generally describing the specific source reduction techniques employed, information on the length of time a source reduction practice has been or will be employed, the estimated amounts of toxic chemical waste that are reduced through the use of any source reduction practice, and the relative costs and benefits of any such practice.

(d) WASTE STREAM SURVEY.—(1) The Administrator shall collect the following information from a representative sample of facilities required to file an annual toxic chemical release form under section 313 of the Superfund Amendments and Reauthorization Act of 1986. The sample shall be drawn from the five two-digit SIC code classifications producing the highest quantity of toxic releases, or having the highest volume of toxic chemicals entering the waste stream.

(2) DATA TO BE REPORTED.—Each facility selected for the survey shall report each of the following to the Administrator:

(A) For each waste stream for the last full calendar year and the percentage change from the previous year—

(i) the volume of the waste generated after source reduction but prior to recycling and treatment;

(ii) the volume of the waste after recycling but prior to treatment; and

(iii) the volume of the waste after treatment but prior to disposal.

(B) A ratio of production in the reporting year to production in the previous year.

(C) Other information that the Administrator determines is needed in order to complete the report under section 9.

(3) The Administrator shall collect data pursuant to this subsection for four years.

(e) SARA PROVISIONS.—The provisions of sections 322, 325(c), and 326 of the Superfund Amendments and Reauthorization Act of 1986 shall apply to the reporting requirements of this section in the same manner as to the reports required under section 313 of that Act. The Administrator may modify the form required for purposes of reporting information under section 313 of that Act to the extent he deems necessary to include the additional information required under this section.

(f) ADDITIONAL OPTIONAL INFORMATION.—Any person filing a report under this section for any year may include with the report additional information regarding source reduction, recycling, and other pollution control techniques in earlier years.

(g) AVAILABILITY OF DATA.—Subject to section 322 of the Superfund Amendments and Reauthorization Act of 1986, the Administrator shall make data collected under this section publicly available in the same manner as the data collected under section 313 of the Superfund Amendments and Reauthorization Act of 1986.

SEC. 8. NATIONAL POLLUTION PREVENTION AWARDS.

(a) ESTABLISHMENT.—There is hereby established the National Pollution Prevention Award, which shall be evidenced by a medal of such design and materials and bear such inscriptions as the Administrator may prescribe.

(b) MAKING AND PRESENTATION OF AWARD.—(1) The President (on the basis of recommendations received from the Administrator), or the Administrator, shall periodically make the award to companies and other organizations which in the judgment of the President or the Administrator have substantially benefited the economic or social well-being of the United States through the reduction in the generation of their hazardous substances, pollutants, or contaminants or in the generation of nonhazardous solid waste and which, as a consequence, are deserving of special recognition.

(2) The presentation of the award shall be made by the President or the Administrator with such ceremonies as the President or the Administrator may deem proper.

(3) An organization to which an award is made under this section, and which agrees to help other American organizations improve their source reduction, may publicize its receipt of such award and use the award in its advertising, but it shall be ineligible to receive another such award in the same category for a period of five years.

(c) CATEGORIES IN WHICH AWARD MAY BE GIVEN.—(1) The Administrator may establish such categories or subcategories to make such awards as the Administrator deems appropriate. The Administrator shall establish at least one category for small businesses and at least one category for organizations which, although they do not generate hazardous substances, pollutants, or contaminants, promote pollution prevention.

(2) No award shall be made within any category or subcategory if there are no qualifying enterprises in that category or subcategory.

(d) CRITERIA FOR QUALIFICATION.—An organization may qualify for an award under this section only if it—

(A) applies to the Administrator in writing, for the award,

(B) permits a rigorous evaluation of the way in which its business and other operations have contributed to some reduction, and

(C) meets such requirements and specifications as the Administrator determines to be appropriate to achieve the objectives of this section.

In applying the provisions of subparagraph (C) with respect to any organization, the Administrator shall review the evidence submitted by the organization and, through a site visit, verify the accuracy of the source reduction improvements claimed. The evaluation should encompass all aspects of the

organization's current source reduction practices; as well as the organization's provision for source reduction in its future goals. The award shall be given only to organizations which have made outstanding improvements in source reduction.

(e) EVALUATION RESULTS.—The Administrator shall ensure that all program participants receive the complete results of their evaluations as well as detailed explanations of all suggestions for improvements. The Administrator shall also provide information about the awards and the successful quality improvement strategies and programs of the award-winning participants to all participants and other appropriate groups.

(f) FUNDING.—The Administrator is authorized to seek and accept gifts from public and private sources to carry out the program under this section. If additional sums are needed to cover the full cost of the program, the Administrator shall impose fees upon the organizations applying for the award in amounts sufficient to provide such additional sums.

SEC. 9. EPA REPORT.

(a) BIENNIAL REPORTS.—The Administrator shall provide Congress with a report by September 30, 1991, and biennially thereafter, containing a detailed description of the actions taken to implement the strategy to promote source reduction developed under section 4(b) and of the results of such actions. The report shall include an assessment of the effectiveness of the clearinghouse and grant program established under this Act in promoting the goals of the strategy and the plan required by section 5(b)(14).

(b) SUBSEQUENT REPORTS.—Each biennial report submitted under subsection (a) after the first report submitted on September 30, 1991, shall contain each of the following:

(1) An analysis of the data collected under section 7 on an industry-by-industry basis for not less than five SIC codes or other categories as the Administrator deems appropriate. The analysis shall begin with those SIC codes or other categories of facilities which generate the highest quantities of toxic chemical waste. The analysis shall include an evaluation of trends in source reduction by industry, firm size, production, or other useful means.

(2) An analysis of the usefulness and validity of the data collected under section 7 for measuring trends in source reduction and the adoption of source reduction by business.

(3) Identification of regulatory and nonregulatory barriers to source reduction, and of opportunities for using incentives and disincentives to promote and assist source reduction.

(4) Identification of priority industries and pollutants that require assistance in multi-media source reduction and an evaluation of the need of different industries to develop source reduction plans.

(5) Recommendations as to incentives needed to encourage investment and research and development in source reduction.

(6) Identification of opportunities and development of priorities for research and development in source reduction methods and techniques.

(7) An evaluation of the cost and technical feasibility, by industry and processes, of source reduction opportunities and current activities.

(8) An identification of any industries for which there are significant barriers to source reduction due either to the nature of the manufacturing process or cost with an analysis of the basis of this identification.

SEC. 10. SAVINGS PROVISIONS.

(a) Nothing in this Act shall be construed to modify or interfere with the implementation of title III of the Superfund Amendments and Reauthorization Act of 1986.

(b) Nothing contained in this Act shall be construed, interpreted or applied to supplant, displace, preempt or otherwise diminish the responsibilities and liabilities under other State or Federal law, whether statutory or common.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Administrator $10,000,000 for each of the fiscal years 1990, 1991, 1992, 1993, and 1994 for functions carried out under this Act (other than State grants) and $30,000,000 in fiscal year 1990, $40,000,000 in fiscal years 1991 and 1992, and $50,000,000 in fiscal years 1993 and 1994 for grants program to States issued pursuant to section 5.

SEC. 12. IMPLEMENTATION.

The Administrator is authorized to issue such rules, regulations, and orders as may be necessary to carry out the provisions of this Act.

SECTION-BY-SECTION ANALYSIS ON THE POLLUTION PREVENTION ACT OF 1989

Section 1: Short Title and Table of Contents.—This Act may be cited as the Pollution Prevention Act of 1989.

Section 2: Findings and Policy.—The findings address generation of pollution, opportunities to reduce pollution at the source, benefits of reduction, reasons why prevention techniques are not adopted and the need for EPA to implement a pollution prevention program.

The policy establishes a pollution hierarchy: to reduce or eliminate pollution before it is created whenever feasible; to recycle pollutants which are generated in an environmentally safe manner, whenever feasible; to treat pollutants which cannot be prevented or recycled in an environmentally safe manner and to dispose of pollutants only as a last resort and in an environmentally safe manner.

Section 3: Definitions.—Defines "Administrator", "agency", "toxic chemical", "release", "source reduction", and "multimedia".

Section 4: EPA Activities.—Requires EPA to establish an Office reporting directly to the Administrator to carry out the functions of the Act.

Requires the Office to undertake a number of functions including:

1. establishing standard methods of measuring source reduction;

2. reviewing EPA activities and regulations to consider their effect on source reduction;

3. coordinating source reduction activities in EPA offices;

4. identifying gaps in collection of pollution data;

5. facilitating adoption of source reduction techniques by businesses and establishing measurable goals where appropriate and a strategy to implement source reduction;

6. developing training programs for permit writers and enforcement and inspection officials to identify source reduction opportunities;

7. identifying and make recommendations to eliminate barriers to source reduction and use the procurement process to encourage source reduction.

8. developing source reduction auditing procedures; and

9. promoting source reduction for nonhazardous waste.

Section 5: Grants To States.—Requires EPA to make grants to states to provide technical assistance to businesses, to provide training in source reduction and to undertake source reduction research. States would be required to provide matching funds beginning at 25% in the first year and rising to 50% by the fifth year.

6: Source Reduction Clearinghouse.—Requires EPA to establish a source reduction clearinghouse and to make the information in the clearinghouse publicly available.

Section 7: Source Reduction and Management Data Collection.—Requires companies filing toxic chemical release forms under Section 313 of the Superfund Amendments and Reauthorization Act of 1986 (SARA) to include toxic chemical source reduction and pollution control information. Information is to be provided on a facility-by-facility basis for each toxic chemical. EPA is authorized to require more detailed reporting where appropriate.

EPA also is required to conduct a waste stream survey from facilities required to file Section 313 reports and which are from the five two-digit SIC code classifications producing the highest quantity of toxic releases or having the highest volume of toxic chemicals entering the waste stream. The waste stream survey shall occur over a four year period.

Information is protected from disclosure and shall be made available to the public to the same extent as provided in Title III of SARA.

Section 8: National Pollution Prevention Awards.—Requires EPA to establish a National Pollution Prevention Awards Program for source reduction activities which benefit the U.S.

Section 9: EPA Reports.—Requires EPA to report to Congress on September 30, 1991 and biennially thereafter on its source reduction activities. For the report due on September 30, 1993, EPA must assess the usefulness and validity of data collected under the Act, identify barriers to source reduction and opportunities to overcome those barriers, and an identification of industries for which there are significant barriers to source reduction.

Section 10: Savings Provisions.—Provides that nothing in the Act shall be construed to modify or affect any other law.

Section 11: Authorization of Appropriations.—Authorizes $10 million per year for five years beginning with FY90 for EPA to implement the Act. For state grants authorizes $30 million in FY90, $40 million per year in FY91 and FY92 and $50 million per year for FY93 and FY94.

Section 12: Implementation.—Authorizes EPA to issue regulations to carry out the Act.●

● Mr. LUGAR. Mr. President, I am pleased to cosponsor the Pollution Prevention Act of 1989. This bill is identical in philosophy and similar in nature to legislation (S. 1331) which I cosponsored in the last Congress with Senator BIDEN to establish a Waste Reduction Clearinghouse in EPA. This year we are joining Senator LAUTENBERG in a joint effort to pass this important legislation.

The Pollution Prevention Act of 1989 would require EPA to establish an Office of Pollution Prevention

which would report directly to the Administrator. It requires the EPA to establish a source reduction clearinghouse to make technical information available to businesses—especially small businesses—on economical methods of reducing waste at its source.

The Pollution Prevention Act also provides for needed improvements in the collection of source reduction data for companies which already file toxic chemical release forms under section 313 of Superfund. The bill requires EPA to make matching grants to States to provide technical assistance, training and research to help businesses—especially small businesses—to reduce waste at its source.

Finally, the Pollution Prevention Act establishes a firm national set of priorities for dealing with hazardous waste. These priorities are based on technical feasibility and environmental safety. Our first priority must be to reduce or to eliminate hazardous waste at its source; disposal of hazardous waste must become the option of last resort. Recycling should be encouraged. Hazardous substances that cannot be reduced or recycled should be treated in an environmentally safe manner. These are the priorities which the bill establishes and these are the priorities which I endorse. Pollution prevention is good business and essentially environmentally policy.

My friend Bill Ruckelshaus recently said that the problem with garbage is that "everyone wants you to pick it up, but no one wants you to put it down." The bill I am cosponsoring today addresses primarily the problems surrounding hazardous waste disposal. But I strongly support efforts to reduce the generation of solid waste by the EPA's goal of 25 percent and more. Under the Pollution Prevention Act, the Office of Pollution Prevention would be charged with promoting source reduction for nonhazardous waste. I plan to work with my colleagues in the Senate on further legislative initiatives to encourage solid waste reduction and would welcome suggestions on initiatives for the Federal Government to take in this important area.●

● Mr. GLENN. Mr. President, I am pleased to be an original cosponsor of the Waste Reduction Act of 1989, and I commend my colleague, Mr. LAUTENBERG, for reintroducing this important legislation.

This legislation addresses one of the most serious threats to our Nation's environment and public health—the growing volume of hazardous waste. A 1986 report by the Office of Technology Assessment [OTA] concluded that waste reduction is critical to the prevention of future hazardous waste problems. In my State, the Ohio Environmental Protection Agency estimates that there are more than 1,500 hazardous waste sites. The Agency has projected that more than 400 of these will require long-term remedial cleanup actions at an estimated cost of $20 million per site. Clearly, it is imperative that we take steps now to ensure that future dangerous hazardous waste sites are not created.

The Waste Reduction Act contains several significant provisions. These include the establishment of a clearinghouse to collect and analyze data on waste reduction, establishment of State grant programs to provide technical assistance to business on waste reduction techniques, and establishment of an office in EPA to carry out specific functions including coordination of source reduction activities within EPA and identification of gaps in collection of pollution data.

The Waste Reduction Act is supported by the Council of Great Lakes Governors, Great Lakes United, the National Roundtable of State Waste Reduction Programs, and numerous other organizations. We must move aggressively to reduce the generation of hazardous waste. I urge my colleagues to join me in cosponsoring the Waste Reduction Act of 1989.●

● Mr. BIDEN. Mr. President, I am pleased to be an original cosponsor of Senator LAUTENBERG's bill to establish a comprehensive program for reducing the generation of hazardous wastes at their source. It is time for Congress and our Nation's environmental regulatory system to send an unmistakeable message that reduction at the source is to be the preferred method of handling hazardous wastes.

For many years, reduction of hazardous wastes through process or input changes has been viewed as the most effective way to deal with this growing national problem. But for just as long, very little was done to bring those changes about. Companies saw little reason to look at their manufacturing process in search of waste reduction opportunities. Land disposal was an inexpensive option, incinerator capacity was adequate, and the rewards of finding alternatives were minimal. Attention to environmental concerns focused on the best end-of-pipe technology to meet an upcoming compliance deadline.

However, regulatory and financial conditions began to change in ways that placed a greater emphasis on cutting the amount of wastes generated in a manufacturing process. Liability risks increased, disposal costs increased, public concern over the effect of wastes in the air, water and soil increased.

As a result, what started as a trickle of efforts to reduce wastes in the factory has developed into a steady stream of innovations. Successes have come from factories of all sizes, from furniture factories in North Carolina to giant chemical plants in New Jersey. State and local governments have started their own programs to push companies toward waste reduction and educate them to its potential. Some of our Nation's largest corporations have established in-house programs to review their own operations for opportunities to cut hazardous wastes.

State and local programs have demonstrated that waste reduction can make significant cuts, often with lower total production costs and rapid payback periods on the investment. The Office of Technology Assessment estimated that up to one-half of our Nation's hazardous waste could be eliminated through source reduction. The Environmental Protection Agency's estimate was lower—one-third of our Nation's waste—but no less significant. The results of these early programs lend solid evidence that these estimates can be reached.

In the 100th Congress, I was joined by six of my colleagues in introducing S. 1331, to establish a national information clearinghouse on waste reduction and a separate office of waste reduction in the EPA. The bill I am cosponsoring today builds on the initiatives called for in S. 1331 and provides States with greatly increased resources and information to make waste reduction in factories a reality.

Mr. President, I intend to look at additional steps that can be taken to inject attention to the possibilities of waste reduction into the planning process for American industry. Waste reduction should be made a more integral part of the process in which discharge or emission permits are issued.

But the most important step we can take is to pass this bill as quickly as possible in the 101st Congress. Each passing day represents missed opportunities where a company invests in a scrubber, incinerator or some other treatment facility, and is therefore less inclined to look at process changes that could have made that investment unnecessary. The company and the public both lose in this case.

At the end of the 100th Congress, we came very close to passing a waste reduction program. I hope we can pick up that momentum early in the 101st Congress, and take a giant step toward redirecting our Nation's pollution control effort.●

Mr. DURENBERGER. Mr. President, I am pleased to join with Senator LAUTENBERG and others to introduce the Pollution Prevention Act of 1989. This legislation marks a real change in direction for the environmental policy of the United States.

In the past we have focused on pollution after it has already been created. We have insisted that toxics be removed from the flue gas or water effluent before these wastes are released into the environment. We have required that the toxic wastes be treated

before they are disposed on land. And we have mandated containment technologies for the landfills and surface impoundments that are the ultimate disposal site for these wastes. Despite all of these efforts it is apparent that toxic pollution remains a major threat to our environmental resources.

So this bill establishes a new focus. It puts pollution prevention—not generating the waste at all—at the top of our priorities. The bill authorizes EPA to establish a Pollution Prevention Office. The office will provide technical assistance to industry and small business on waste reduction strategies. It will also provide grants to the States that have waste reduction programs. Some of these efforts are already underway down at EPA.

A second major element of the bill is designed to gather more information on the waste reduction efforts that business is making. Under the 1986 Superfund amendments business concerns which emit more than threshold amounts of some 351 different substances into the environment are required to report on their releases. This bill would also require those businesses to report on their waste reduction efforts and to look to the future to determine whether waste reduction is a possibility.

I know that some in the business community do not believe that the section 313 list of toxic chemicals completely captures the wastes of concern. We need to look at this reporting requirement and shape it so that it best captures the innovations which industry can make to prevent pollution. We will be working on that question was this bill moves through our committee.

Mr. President, I am especially pleased to be a cosponsor of this bill because a Minnesota company, the 3M Co., is one of the industrial pioneers in the waste reduction effort. Its 3P program—that is, pollution prevention pays—has served as a real model for other industries all across the country.

I commend the Senator from New Jersey, Mr. LAUTENBERG, for introducing this bill and urge our colleagues to endorse this effort. Thank you, Mr. President.

By Mr. MITCHELL (for himself, Mr. CHAFEE, Mr. LAUTENBERG, Mr. GRAHAM, Mr. BENTSEN, Mr. MOYNIHAN, Mr. CRANSTON, Mr. SANFORD, Ms. MIKULSKI, Mr. INOUYE, Mr. LIEBERMAN, Mr. D'AMATO, Mr. WARNER, Mr. COHEN, Mr. BRADLEY, Mr. SARBANES, Mr. DODD, and Mr. MATSUNAGA):

S. 587. A bill to amend the Marine Protection, Research, and Sanctuaries Act to protect marine and near-shore coastal waters through establishment of regional marine research programs; to the Committee on Environment and Public Works.

By Mr. MITCHELL (for himself, Mr. CHAFEE, and Mr. LAUTENBERG):

S. 588. A bill to establish the regional marine trust fund, and for other purposes; to the Committee on Environment and Public Works.

MARINE AND COASTAL WATERS PROTECTION

Mr. MITCHELL. Mr. President, today I am introducing legislation to expand and improve scientific research of marine and coastal waters.

I am very pleased that Senators CHAFEE, LAUTENBERG, GRAHAM, BENTSEN, MOYNIHAN, CRANSTON, SANFORD, MIKULSKI, INOUYE, LIEBERMAN, D'AMATO, WARNER, COHEN, BRADLEY, SARBANES, DODD, and MATSUNAGA are joining me in introducing this important legislation.

In addition, in a separate but related action, Senator CHAFEE and I are introducing legislation to establish a marine research trust fund which could supplement direct appropriations for marine research.

The marine and coastal waters of this country are a natural resource of tremendous value and importance. Unfortunately,our coastal and ocean waters face an unprecedented range of environmental threats and the health of these waters is in sharp decline.

This assessment is confirmed by numerous cases of marine pollution problems. Last summer, beaches were closed throughout the Northeast after discovery of medical waste and other pollution problems. Lobsters taken from the Atlantic off New Jersey have large burn holes. Hundreds of dolphins have died in the mid-Atlantic of uncertain causes. Shellfish in Chesapeake Bay and coastal North Carolina have been decimated by disease. There is a large dead zone in the Gulf of Mexico. We face huge cleanup problems in many east coast harbors, such as Boston Harbor. And, on the west coast, toxic chemicals, including PCB's, mercury, and other heavy metals, are in the sediments of Puget Sound, San Francisco Bay, and Santa Monica Bay.

Concern for a growing trend of marine pollution is confirmed by recent scientific studies. In April 1987, the congressional Office of Technology Assessment [OTA] issued a report which concluded that the overall health of many of our estuaries and coastal waters is declining or threatened.

During the last Congress, as chairman of the Subcommittee on Environmental Protection, I chaired a series of five hearings on coastal pollution problems.

I held the first of these hearings in my home State of Maine to learn about the environmental conditions in the Gulf of Maine. The general conclusion of the hearing was that the Gulf of Maine is still very clean and does not now face the serious pollution problems present in other parts of the country. There also was agreement, however, that prevention of problems will require a first-rate marine research and monitoring program.

Witnesses at that hearing included research scientists and representatives of the fishing industry and the environmental community. Former Governor Ken Curtis summed up many concerns when he said:

> What is needed most of all is a planned, well-coordinated approach to the research effort . . . which is . . . committed to studying and preserving the Gulf of Maine in a whole ecosystem approach.

Following our hearing in Maine, and with the active support of Senators CHAFEE and LAUTENBERG, the subcommittee held further hearings on implementation of the Ocean Dumping Act, on the overall environmental condition of marine waters throughout the country, on the status of programs for the protection of Chesapeake Bay, and on proposals for improving marine research.

A major theme of these hearings was that a first-rate research program is an essential prerequisite for protection of the marine environment.

A witness from the Office of Technology Assessment cited their report on this issue which states:

> Monitoring, research, and enforcement are currently inadequate, and funding levels for these activities are being reduced in some instances.

Dr. Donald Boesch of the Louisiana Marine Consortium testified that—

> Reversing the trend of deteriorating coastal environmental quality will require a much improved understanding of environmental processes and the effects of changing conditions on ecosystem productivity and integrity.

In addition to concern for expanding and better directing research efforts, witnesses at the hearings supported focusing research on the various multi-state, regional marine ecosystems, such as the Gulf of Maine.

The Office of Technology Report concluded:

> More research needs to be conducted on changes over relatively large scales—for long periods of time and for entire ecological communities.

Mr. Ken Coons of the New England Fisheries Development Foundation stated:

> A coordinated regional approach to focus existing research capabilities on estuarine and marine pollution problems is clearly needed.

The legislation I am introducing today, titled the "Marine Research Act," would expand and strengthen research of the marine environment. I originally introduced similar legislation in February of last year as the Marine Research Act (S. 2068). The

bill was revised and reported by the Environment and Public Works Committee last June. Today's bill is virtually identical to the marine research bill reported by the committee.

The marine research title of the bill provides general authority to establish 10 regional marine research programs. This research will help identify and prevent threats to the marine environment before they grow to be unmanageable and costly problems.

Regional research programs will provide a regional focus for planning, coordinating, and conducting marine scientific research. Programs would be made up of existing marine research institutions in each region, including universities, State agencies, and private laboratories and would be managed by a governing board and executive director. The bill includes specific provisions to assure effective coordination with existing programs, such as the Sea Grant Program.

Each regional program is to develop a 3-year research plan which sets the goals and priorities for research and monitoring in the marine and coastal waters of the region. Regional research plans will address projects ranging from basic oceanographic research to more specific, applied research activities. This long-range planning will help avoid duplication of research, provide a process for focusing limited funds on the most important projects, and generally improve the efficiency and effectiveness of our marine research programs.

The bill also provides authority for the regional programs to conduct baseline monitoring and assessment of marine environmental quality. Programs are to submit general reports to the State Governors and the public on trends and conditions in the region.

The bill identifies 10 marine regions around the country. The regions represent relatively distinct marine ecosystems and are based on biological and geographic divisions suggested by the scientific community.

The bill provides a base level of $3 million per year to each region to support research to implement approved plans, except that the Gulf of Mexico region will receive $5 million per year. Not more than 10 percent of these funds are to be used for overhead and administration.

Regional level research is an essential complement to research conducted at the national level. Regional research can address issues common to a specific marine ecosystem, which often includes the marine waters of several States. Regional research can be better tied to the State and local agencies which can respond to a pollution or related problem. And, regional research can develop the badly needed baseline data concerning the health of the marine environment which is beyond the reach of Federal agencies.

While witnesses at last years hearings identified a growing consensus on the need to expand marine research, we also learned that Federal support for marine research has declined substantially in recent years.

The National Ocean Pollution Planning Board, which is a Federal agency, reports that Federal funding for marine pollution research and monitoring by the full range of Federal agencies declined from $145.9 million in 1982 to $111.6 million in 1989.

It is essential that we provide a reliable and sustained funding base for marine research and generally help reverse the downward trend in funding for marine research. A stable funding base would encourage long-range planning and projects and would provide a solid foundation for bringing research institutions into the research planning process.

In response to this funding problem, I am also introducing today legislation providing for a marine research trust fund to be supported through both direct appropriations and the excess funds in the existing trust fund established in title III of the Outer Continental Shelf Lands Act Amendments of 1978. This bill is based on a bill I introduced in the last Congress (S. 2602).

The existing trust fund is to provide compensation in the event of environmental damage from activities on offshore lands. The fund is designed to carry a minimum of $100 million and a maximum of $200 million. Revenue for the fund is provided by an existing fee of 3 cents per barrel on oil produced on the continental shelf.

At this time, fees and earned interest have generated a balance of over $120 million. The fund is growing at the rate of about $24 million per year—$12 million from fees and about $12 million from interest. No claims have been registered against the fund in the over 8 years of its existence.

The Coast Guard plans to use authority in the law to administratively remove the fee on the grounds that continued collection will bring the fund over the maximum level in the near future.

The new marine research trust fund proposed in this legislation would be funded through a diversion of fees and interest above the $200 million maximum level of the existing fund to a new marine research trust fund. For technical reasons, diversion would actually start at $195 million.

The diversion from the existing fund would begin in about 2.5 to 3 years and would provide about $25 to $35 million a year for marine research. Any additional funding needed in the near-term or on an ongoing basis to meet the authorization in title I of the bill could be provided through appropriations.

This approach to funding of marine research has two key advantages—it makes use of an existing fee and it applies the revenue to a purpose which is clearly related to the fee.

Passage of this legislation would have several indirect effects. It would have the effect of removing the administrative discretion to suspend the fee, thereby assuring that the fee will remain in place if needed to replenish the fund. And, it effectively moves the minimum balance in the existing fund from $100 million to about $200 million, thereby increasing the amount on hand in the event of a claim.

I am convinced that responding to the threats to the marine environment will require expanding and strengthening our marine research program. And, I am convinced that a trust fund will provide the stable and reliable funding base which is so important to long range research of complex environments.

While the funding mechanism suggested in this legislation has advantages, some of my colleagues may see disadvantages to this approach or may have suggestions for alternative approaches.

Finally, Mr. President, it is my intention to introduce in the near future legislation to improve programs for the protection of marine and coastal waters. This legislation will build on the marine research legislation and will include amendments to the Marine Protection Research and Sanctuaries Act and the marine related provisions of the Clean Water Act.

In conclusion, Mr. President, there is growing evidence of threats to the quality of the marine environment. While we have made some progress in developing legislation to respond to the coastal pollution problem, we must continue this effort by both expanding marine research and improving existing programs for protection of the marine environment.

This effort is essential if we are to keep pace with the growing threats to the marine environment and assure that this resource is protected for future generations.

Mr. President, I ask unanimous consent that the bills and copies of a section-by-section analysis of the bill be included in the RECORD.

There being no objection, the bills and material were ordered to be printed in the RECORD, as follows:

S. 587

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. TITLE.—This Act may be cited as the "Marine Research Act of 1989".

AMENDMENT TO THE MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT

SEC. 2. (a) TABLE OF CONTENTS.—

Sec. 501. Findings.

Sec. 502. Purpose.
Sec. 503. Definitions.
Sec. 504. General authority.
Sec. 505. Regional research plans.
Sec. 506. Research, support, and equipment grants.
Sec. 507. Monitoring and regional assessment.
Sec. 508. Regional Marine Research Oversight Board.
Sec. 509. Authorizations.

(b) AMENDMENT.—The Marine Protection, Research, and Sanctuaries Act is amended by adding at the end thereof the following new title:

"TITLE V—REGIONAL MARINE RESEARCH PROGRAMS

"FINDINGS

"SEC. 501. FINDINGS.—The Congress finds that—

"(a) the Nation's marine and coastal waters are a resource of tremendous value;

"(b) marine and coastal waters, including estuaries, are vital and productive natural ecosystems;

"(c) marine and coastal waters support commercial fisheries with an estimated value of over $5,500,000,000 per year, and recreational fisheries with an estimated value of over $7,500,000,000 per year;

"(d) marine and coastal waters support extensive recreational activities and related support services;

"(e) maintenance and protection of the environmental quality of the Nation's marine and coastal waters is essential to the commercial and recreational activities they support;

"(f) recent studies and reports provide evidence of growing threats to the environmental quality and ecological integrity of marine and coastal waters;

"(g) a report by the Congressional Office of Technology Assessment found that the overall health of marine and coastal waters is declining or threatened;

"(h) studies by the Environmental Protection Agency and the National Oceanic and Atmospheric Administration have identified unexpectedly high levels of contaminants in a number of coastal waters and sediments;

"(i) expanded and improved research and monitoring of marine and coastal waters is needed to gain a more complete understanding of these ecosystems, how they function naturally, and how human activities may be affecting them;

"(j) ongoing changes in world climate will alter regional weather and oceanic processes in ways which will affect the distribution and abundance of marine organisms;

"(k) there is a need to develop marine and coastal research programs which take a comprehensive approach to marine ecosystems in the various coastal and marine regions of the Nation;

"(l) there is a need to improve the extent of coordination among various marine and coastal research activities at the regional level and provide for long-range planning of research and related projects;

"(m) significant improvements in marine and coastal research can be accomplished through expansion and support of research at the regional level;

"(n) there is a need for sufficient and sustained Federal support for research and monitoring to protect the Nation's marine and coastal environment;

"(o) there is a need for comprehensive and periodic reports to the Congress on conditions and trends in marine and coastal environmental quality, research needs, and response programs; and

"(p) the results of marine and coastal research are valuable to developing and implementing marine and coastal environmental protection programs at the Federal, State, regional, and local levels.

"PURPOSE

"SEC. 502. The purposes of this title are to—

"(a) establish regional marine research programs to protect the Nation's marine and coastal environment;

"(b) provide sufficient and sustained funding for these regional programs to develop comprehensive, long-range research plans, and coordinate and support marine and coastal research and related activities;

"(c) establish within the Federal Government the capability to provide effective oversight of regional marine research; and

"(d) provide for periodic, comprehensive reports to Congress concerning conditions, trends, research needs, and response programs in the Nation's marine environment.

"DEFINITIONS

"SEC. 503. For purposes of this title—

"(a) the term 'Board' means the Regional Marine Research Oversight Board established pursuant to section 508 of this title;

"(b) the term 'region' means a Marine Research Region designated in section 504(f) of this title;

"(c) the term 'Federal agency' means any department, agency, or other instrumentality of the Federal Government, any independent agency or establishment of the Federal Government including any Government corporation;

"(d) the term 'State' means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands;

"(e) the term 'marine and coastal waters' means all waters seaward of the head of tide, including estuaries, near-shore coastal waters, and off-shore waters;

"(f) the term 'local government' means any city, town, borough, county, parish, district, or other public body which is a political subdivision of a State and which is created pursuant to State law; and

"(g) the term 'nonprofit organization' means any organization, association, or institution described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation pursuant to the provisions of section 501(a) of such Code.

"REGIONAL MARINE RESEARCH PROGRAMS

"SEC. 504. (a) GENERAL AUTHORITY.—There is authorized to be established within each region, as defined under subsection (f), a regional marine research program.

"(b) PURPOSES.—Regional marine research programs established pursuant to this section are intended to—

"(1) set overall goals for an integrated, long-term program of research and monitoring of marine and coastal environmental quality in the region;

"(2) develop comprehensive, long-range plans which identify the specific needs and priorities of research and monitoring activities and projects;

"(3) assure coordination of research among State agencies and other organizations involved in marine research in the region;

"(4) monitor environmental quality conditions of marine and coastal waters and assess the impacts of proposed activities in these waters;

"(5) provide a forum for review and comment on research plans from affected user and interest groups, such as commercial fishermen, other marine industries, and environmental organizations;

"(6) provide a forum for coordinating research among research institutions, with other regions and with neighboring countries;

"(7) make public reports on the environmental quality conditions in the region;

"(8) analyze and interpret research data and information at the request of the relevant State and local agencies in the region for their application in environmental protection programs; and

"(9) make such scientific recommendations to local, State, and Federal agencies on design of effective programs to address identified problems as may be necessary.

"(c) AUTHORITIES.—Each regional marine research program shall be authorized to—

"(1) support basic and applied research, investigations, monitoring, and assessment activities through its member organizations and agencies in the estuarine, coastal, and offshore environments of the region;

"(2) cooperate with Federal agencies, with States and with local government entities, interstate and regional agencies, other public agencies and authorities, nonprofit institutions and organizations, or other persons, in the preparation and support of marine research in the region;

"(3) enter into contracts, cooperative agreements or grants to member organizations, and to other State and local governmental entities, other public agencies or institutions, and nonprofit institutions and organizations for purposes of carrying out the provisions of this Act;

"(4) collect and make available through publications and other appropriate means, the results of, and other information pertaining to, the research conducted in the region;

"(5) support development of effective and practical methods and techniques for the detection and assessment of contamination in the marine environment;

"(6) hire staff and equip them as may be necessary to carry out the provisions of this Act, including the ownership and operation of research vessels and construction of necessary vessel-related support structures;

"(7) call conferences on regional marine research and assessment issues, giving opportunity for interested persons to be heard and present papers at such conferences;

"(8) support, in consultation with the Department of State, joint marine research projects with foreign nations;

"(9) utilize facilities and personnel of existing Federal agencies, including scientific laboratories and research facilities;

"(10) accept, and for all general purposes of this Act, utilize funds from other sources, including but not limited to State and local funds, university funds, and donations;

"(11) accept donations of equipment if such equipment benefits regional marine research programs, with appropriate tax deductions available; and

"(12) acquire secret processes, inventions, patent applications, patents, licenses, and property rights, by purchase, license, lease, or donation.

"(d) AREAS OF INVESTIGATION.—In carrying out the purposes and authorities of this section, regional research programs may support or assist research, investigations, studies, surveys, or demonstrations with respect to, but not limited to—

"(1) baseline assessment of marine environmental quality, including chemical,

physical, and biological indicators of environmental quality;

"(2) basic oceanographic and biological conditions and processes;

"(3) effects or potential effects of contaminants, including nutrients, toxic chemicals and heavy metals, on the environment, including marine and aquatic organisms;

"(4) effects of modification of habitats, including coastal wetlands, seagrass beds and reefs, on the environment, including marine organisms;

"(5) inventory of pollutant sources and pollutant discharges into the coastal environment;

"(6) transport, dispersion, transformation, and fate and effect of contaminants in the marine environment;

"(7) marine and estuarine habitat assessment, protection, and restoration;

"(8) methods and techniques for modeling environmental quality conditions and trends;

"(9) methods and techniques for sampling of water, sediment, marine and aquatic organisms, and demonstration of such methods and techniques;

"(10) the effects on human health and the environment of contaminants or combinations of contaminants at various levels, whether natural or anthropogenic, that are found in the environment;

"(11) assessment of potential effects of major coastal and offshore development projects in the region;

"(12) assessment and monitoring of the effects of climate change on marine resources in the region; and

"(13) analysis and interpretation of research data for the benefit of State and local environmental protection and resource management agencies in the region.

"(e) CREATION OF REGIONAL PROGRAMS.—(1) The Governors of a majority of the States in a region, as defined in subsection (f), may submit for approval to the Regional Marine Research Oversight Board a combined, interstate proposal for a regional marine research program.

"(2) Proposals for establishment of a regional marine research program shall—

"(A) identify the goals and objectives of the program;

"(B) identify the organizational structure and operating procedures of the program;

"(C) identify the research organizations within the region that will participate in the program, including State agencies, research laboratories and organizations (including marine research laboratories and organizations operated within the region by Federal agencies and national laboratories with marine research programs), academic institutions, national laboratories with established oceanographic programs, and others;

"(D) identify the research capabilities and experience of the member organizations and how such capabilities and experience will be coordinated and maintained;

"(E) provide for a Board of Directors, which shall include at all times not less than one member who is a Director of a Sea Grant Program of a State in the region, to oversee the administration and management of the regional research program;

"(F) provide for the position of Executive Director of the regional research program who shall administer and manage the program;

"(G) provide for professional and administrative staff support as needed to carry out the authorities, goals and objectives of the regional research program;

"(H) to the fullest extent practicable, make use of existing administrative and related resources and facilities, including the resources and facilities of the Sea Grant Program, in order to assure the most cost-effective management and implementation of the authorities and activities of the research program; and

"(I) provide for a Research Advisory Group, to include representatives from affected user and interest groups, including the commercial fishing industry, other marine industries, and environmental organizations, to advise the Board of Directors in the conduct of authorized activities.

"(3) Proposals for a regional marine research program shall be developed by a Regional Marine Research Organizing Committee which shall consist of the Director of the Sea Grant Program in each State in the region. The Organizing Committee shall coordinate and consult with agencies, institutions, and organizations which are expected to participate in the research program and with interest groups expected to participate in the Research Advisory Group in the development of the proposal.

"(4) Within ninety days of receipt of a proposal, the Board shall hold a public hearing in the region to hear comments on the proposal.

"(5) Within one hundred and eighty days after receipt of a proposal, the Board shall approve or disapprove the proposal on consideration of the following criteria—

"(A) inclusion as participating members of the program or other provision or mechanism for full coordination and cooperation with appropriate State agencies, marine research organizations or institutions, relevant national laboratories, and universities with marine programs in the region;

"(B) demonstrated capability in sufficient disciplines to successfully mount a multidisciplinary research program;

"(C) sufficient resources, including laboratory, library, computer, and support facilities;

"(D) a commitment from the member institutions to the support and participate in the regional marine research program; and

"(E) establishment of an Advisory Group pursuant to paragraph (2)(I), and commitment to adequate procedures for effective consultation with such group.

"(6) In the case of disapproval of a proposal, the Board shall notify the Governors of the submitting States in writing, stating in detail the revisions or modifications necessary to obtain approval of the proposal. The Governors of the interested States may, not later than ninety days following such notification, submit such revisions and modifications as they deem appropriate. The Board shall approve or disapprove the revised proposal within ninety days of receipt.

"(f) MARINE RESEARCH REGIONS.—For purposes of this Act, marine research regions are defined as follows:

"(1) Gulf of Maine region, comprised of the marine and near-shore coastal waters off the States of Maine, New Hampshire, and Massachusetts (north of Cape Cod);

"(2) greater New York bight region, from south of Cape Cod to Cape May, comprised of the marine and coastal waters off the States of Massachusetts, Rhode Island, Connecticut, New York, and New Jersey;

"(3) mid-Atlantic region, from Cape May, New Jersey, to Cape Lookout, comprised of the marine and coastal waters off the States of New Jersey, Delaware, Maryland, Virginia, and North Carolina;

"(4) South Atlantic bight region, from Cape Lookout to the Florida Keys, comprised of the marine and coastal waters off the States of North Carolina, South Carolina, Georgia, and Florida (Atlantic coast);

"(5) tropical region, comprised of the marine and coastal waters off Puerto Rico and the United States Virgin Islands (and to provide for broader international research coordination, representatives from the nations of the Caribbean region may serve as ex officio members of the program of this region);

"(6) Gulf of Mexico region, comprised of the marine and coastal waters off the States of Florida (Gulf coast), Alabama, Mississippi, Louisiana, and Texas;

"(7) California region, comprised of the marine and coastal waters off the State of California from Point Reyes south;

"(8) North Pacific region, from Point Reyes to the Canadian border, comprised of the marine and coastal waters off the States of California, Oregon, and Washington;

"(9) Gulf of Alaska, Bering and Arctic Seas region, comprised of the marine and near-shore coastal waters off the State of Alaska; and

"(10) insular Pacific region, comprised of the marine and coastal waters off the State of Hawaii, Guam, American Samoa, and the Northern Mariana Islands.

"REGIONAL RESEARCH PLANS

"SEC. 505. (a) REGIONAL RESEARCH PLANS.—(1) Each regional marine research program, approved under section 404 shall develop a three-year marine research and assessment plan for the region.

"(2) In development of research plans, the Board of Directors of the regional research program shall review and consider findings and recommendations of the national plan developed pursuant to the National Ocean Pollution Planning Act of 1978.

"(b) CONTENTS OF PLAN.—Such marine research plan shall include—

"(1) an overview of the environmental quality conditions in the near-shore coastal and marine waters of the region and expected trends in these conditions;

"(2) a description of the research and assessment needs, goals, and priorities in the region over the upcoming ten-year period with emphasis on the upcoming three-to-five year period;

"(3) a comprehensive inventory and description of all federally funded marine research and assessment activities expected to be conducted in the region during the three-year term of the research plan, including, but not limited to, projects funded under—

"(A) this Act;

"(B) the National Sea Grant Program;

"(C) section 320 of the Federal Water Pollution Control Act as amended;

"(D) the Fish and Wildlife Act of 1956; and

"(E) the Magnuson Fishery Conservation and Management Act of 1976;

"(4) an inventory and description of other research and assessment projects expected to be funded by public and private research organizations in the region;

"(5) a general description of research and assessment projects, including monitoring and assessment activities pursuant to section 507(a)(1), to be given priority for funding under section 506 of this Act in the three-year period covered by the plan, including the objectives of such projects and the approximate schedule, funding level, and products of such projects;

"(6) to the extent practicable, review of research and assessment projects which are addressing issues common to neighboring

regions and discussion of coordination of these projects; and

"(7) an inventory of supplies and equipment used commonly for research projects in the region.

"(c) PLAN REVIEW AND APPROVAL.—(1) The research plan shall be submitted by the Board of Directors of the regional program to the Regional Marine Research Oversight Board for review and approval.

"(2) The Research Advisory Group established pursuant to section 504(e)(2)(I) shall have an opportunity to review and comment on the research plan.

"(3) In review of research plans, the Board shall consider the degree to which the plan addresses the elements identified in subsection (b) of this section, any comments of the Research Advisory Group, and the past performance of the regional program in implementation of previous plans.

"(4) The Board shall approve or disapprove the research plan within one hundred and twenty days of receipt.

"(5) In the case of disapproval of a research plan, the Board shall notify the Board of Directors in writing, stating in detail the revisions or modifications necessary to obtain approval of the plan. The Board of Directors shall, not later than ninety days after such notification, submit such revisions and modifications as they deem appropriate. The Board shall approve or disapprove the revised plan within ninety days of receipt.

"(d) PLAN REVISION.—The research plan shall be revised and updated to reflect changing conditions every three years and resubmitted to the Board for review and approval under this section.

"RESEARCH, SUPPORT, AND EQUIPMENT GRANTS

"SEC. 506. (a) SUPPORT GRANTS.—(1) A regional marine research program for which a proposal has been approved pursuant to section 504, may submit to the Board an application for a support grant on an annual basis.

"(2) The application may provide for funding of basic functions of the program including—

"(A) cost of facilities, offices, and related equipment;

"(B) salaries and expenses of staff and other personnel services;

"(C) reasonable maintenance costs of equipment, including vessels, as determined by the Board; and

"(D) other overhead costs including costs of publications, development of research plans, and conduct of scientific and related meetings and seminars.

"(3) The application shall be for a period of a fiscal year and shall be in such form as may be required by the Board.

"(4) The Board shall approve or disapprove an application pursuant to this subsection within ninety days of receipt.

"(b) RESEARCH GRANTS.—(1) A regional marine research program for which a research plan has been approved pursuant to section 505 may submit to the Board an application for funding of research and assessment projects, in an amount to be specified by the Board and consistant with this Act, to support implementation of the approved research plan on an annual basis.

"(2) Organizations and agencies identified pursuant to section 504(e)(2)(C) may submit to the Board of Directors of the regional marine research program proposals for specific research and assessment projects.

"(3) Proposals submitted pursuant to paragraph (2) shall include—

"(A) identification of the responsible organization and principal investigator(s);

"(B) a budget statement and description of equipment needs;

"(C) a schedule of milestones, interim products, and final products;

"(D) a description of the final products of the research or assessment project;

"(E) a description of the relationship of the proposed project to the goals, objectives, and priorities of the research plan for the region and the relationship to other projects to be conducted in the region; and

"(F) any other information as may be required by the Board of Directors of the regional research program or the Regional Marine Research Oversight Board.

"(4) Proposals submitted pursuant to paragraph (2) shall be provided to the Regional Marine Research Oversight Board which shall provide for the peer review of each research or assessment project. Such peer review shall be conducted promptly and shall include review of each project by not less than two research scientists from a region other than the region in which the project is proposed. Findings of the peer review shall be provided to the Board of Directors of the regional research program submitting the proposal.

"(5) In selection of proposed projects for inclusion in the application for funding under this subsection, the Board of Directors shall consider—

"(A) the views and comments of the organizations and agencies identified pursuant to section 504(e)(2)(C);

"(B) the views and comments of the Research Advisory Group established pursuant to section 504(e)(2)(I);

"(C) the findings of the peer review process provided for in paragraph (4); and

"(D) the extent to which the proposed project is consistent with the goals, objectives, and priorities identified in the research plan.

"(6) Projects designed to extend beyond a one-year period shall include a full description of the entire project pursuant to paragraph (3) at the time of submittal and shall be reviewed pursuant to paragraph (4) subsequent to initial submittal only.

"(7) The Regional Marine Research Oversight Board shall review grant applications submitted pursuant to this section and shall approve or disapprove the application within ninety days of receipt.

"(c) EQUIPMENT SUPPORT.—(1) The Board of Directors of any research program with an approved research plan pursuant to section 505 of this Act may submit to the Board an application to purchase equipment necessary for the research provided for in the approved research plan and funded under subsection (b).

"(2) Equipment eligible for support under this section includes, but is not limited to—

"(A) monitoring and sampling equipment;

"(B) computer hardware or software;

"(C) scientific measurement and analytic equipment; and

"(D) necessary vessels and related support craft.

"(3) In review and approval of applications under subsection (2), the Board shall establish that there is—

"(A) a clearly demonstrated need for the equipment in the region to support identified research projects; and

"(B) adequate provision for maintenance and full utilization of the equipment, including loaning of equipment to organizations participating in another marine research center.

"(4) In review and approval of applications under paragraph (2)(D), the Board shall consult with the Federal Fleet Coordinating Council and the University Oceanographic Laboratory System (UNOLS) to determine the need for vessels or support craft.

"(5) The Board of Directors of each program shall hold title to equipment purchased pursuant to this section, shall report annually to the Board on the status and disposition of any equipment funded under this subsection, and shall give notice of ninety days prior to any sale or other disposition of such equipment.

"(d) REPORTING.—Any regional marine research program that receives a grant under subsection (b) of this section shall report to the Board not later than eighteen months after award of the grant on activities pursuant to this subsection. Such report shall include narrative summaries and technical data in such form as the Board may require.

"(e) MANAGEMENT.—For administrative purposes, grant funds pursuant to this section shall be managed by the National Oceanic and Atmospheric Administration.

"MONITORING AND REGIONAL ASSESSMENT

"SEC. 507. (a) MONITORING AND ASSESSMENT.—Each regional marine research program established in accordance with section 504 and receiving funds pursuant to sections 506 and 509 of this Act shall—

"(1) consistent with the research plan developed under section 505, support baseline monitoring of fundamental marine environmental conditions in the region, in accordance with criteria, measurement standards, and quality assurance techniques required by the Board; and

"(2) prepare periodic reports providing an assessment of the status of marine environmental quality and resources in the region.

"(b) REGIONAL MARINE ASSESSMENT REPORT.—(1) The regional marine assessment report mandated under this section shall—

"(A) provide an overview of environmental quality in the region using such information as is obtained pursuant to paragraph (1) of subsection (a) and such other information as is available;

"(B) describe trends in natural resource and environmental quality conditions;

"(C) summarize the findings and conclusions of projects of the research program and identify issues and research needs; and

"(D) provide recommendations for improvements in the design or implementation of Federal, State, or local programs for the protection of environmental quality in the region.

"(2) A draft of the regional marine assessment report shall be reviewed by the Research Advisory Group for their comments and input before final submission to the Board.

"(3) The regional marine assessment report shall be drafted in nontechnical style and shall be made available to the public, as well as to local, State, and Federal regulatory and management agencies. The regional marine assessment report shall be submitted to the Governors of each State in the region.

"(4) Reports under this subsection shall be submitted to the Board on a schedule to be determined by the Board. To the extent practicable, the Board shall provide for reports beginning three years after the date of establishment of each regional program and every three years thereafter.

"REGIONAL MARINE RESEARCH OVERSIGHT BOARD

"SEC. 508. (a) ESTABLISHMENT OF REGIONAL MARINE RESEARCH OVERSIGHT BOARD.—(1) There is authorized to be established a Regional Marine Research Oversight Board to oversee and coordinate the activities of the regional marine research programs authorized under section 504 of this Act.

"(2) The members of the Board shall be representatives of the following Federal agencies and institutions designated by the senior administrative official of each agency or institution—

"(A) the National Oceanic and Atmospheric Administration,

"(B) the Environmental Protection Agency,

"(C) the National Science Foundation,

"(D) the United States Fish and Wildlife Service,

"(E) the Minerals Management Service,

"(F) the United States Army Corps of Engineers,

"(G) the Department of Energy,

"(H) the United States Navy,

"(I) the United States Geological Survey, and

"(J) the National Academy of Science.

"(3) The representative of the National Oceanic and Atmospheric Administration shall serve as Chair of the Board.

"(4) The Board shall organize its internal structure and functions as it deems necessary to best fulfill its responsibilities.

"(b) FUNCTIONS AND AUTHORITIES.—(1) The Board shall be responsible for the following—

"(A) review and approval of proposals for regional marine research programs, including conducting a public hearing in the region, in accordance with the provisions of section 504;

"(B) review and approval of the three-year research plans submitted by regional marine research programs, in accordance with section 505; and

"(C) approval of grant applications from the regional marine research programs, in accordance with section 506.

"(2) The Board is authorized to—

"(A) hire professional and support staff to carry out the provisions of this section;

"(B) hire an Executive Director at the Senior Executive Service (SES) level;

"(C) expend funds authorized under subsection (d) as required to carry out the provisions of this section; and

"(D) make grants to the regional marine research programs, pursuant to sections 506 and 509 of this Act.

"(c) REPORT TO CONGRESS.—(1) The Board shall make periodic reports to Congress on the health of the Nation's marine and coastal waters, and on the research and assessment activities and accomplishments of the regional marine research programs.

"(2) Reports under this subsection shall be made within three years of the date of enactment and every three years thereafter.

"(d) FUNDING.—The activities of the Board shall be supported with funds available under section 509(b) of this Act.

"AUTHORIZATIONS

"SEC. 509. (a)(1) For the purpose of carrying out the activities authorized by sections 504, 505, 506, 507, and 508 of this Act there are authorized to be appropriated from general revenues or the Marine Research Trust Fund (pursuant to chapter 98, subchapter A, section 9511, United States Code) $33,000,000 per year.

"(2) Such funds shall be allocated as follows—

"(A) for the costs of the Regional Marine Research Oversight Board established pursuant to section 508 of this Act, except that not more than $1,000,000 shall be available for such purposes for any fiscal year;

"(B) for grants to regional marine research programs pursuant to section 506(a) of this Act, but only if such research program has submitted a proposal which has been approved pursuant to section 504 of this Act and each grant under this paragraph is not in excess of $500,000 per fiscal year;

"(C) for grants to support implementation of the regional research plan developed pursuant to section 505 of this Act, including research projects pursuant to section 506(b) and regional monitoring and assessment activities pursuant to section 507, but only if a research plan has been approved pursuant to section 505(c) and the aggregate amounts of grants under paragraphs (B) and (C) of this subsection to any such program for any fiscal year do not exceed $3,000,000, or $1,500,000 in the case of the Tropical region defined by section 504(f)(5), or $5,000,000 in the case of the Gulf of Mexico region defined by section 504(f)(6); and

"(D) for grants for the purchase of equipment under section 506(c) of this Act, to the extent of amounts in the Marine Research Fund which are not appropriated pursuant to paragraphs (A), (B), or (C).

"(b) In the event that funds available in the Marine Research Trust Fund are not sufficient to make grants in the full amounts provided for in this section, the Regional Marine Research Oversight Board shall give priority to grants pursuant to paragraph (A) of subsection (a)(2); shall give second priority to grants pursuant to paragraph (B) of subsection (a)(2); and shall make grants pursuant to paragraph (C) of subsection (a)(2) available on a prorated basis."

S. 588

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REGIONAL MARINE RESEARCH TRUST FUND.

(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the "Regional Marine Research Trust Fund", consisting of such amounts as may be transferred to such Trust Fund as provided in this section or credited to the Trust Fund under subsection (f).

(b) TRANSFERS TO TRUST FUND.—The Secretary of the Treasury shall transfer monthly into the Regional Marine Research Trust Fund any unobligated balance of the offshore Oil Pollution Compensation Fund in excess of $195,000,000.

(c) APPROPRIATION OF ADDITIONAL SUMS.—There are hereby authorized to be appropriated to the Regional Marine Research Trust Fund such additional sums as may be appropriate to make the expenditures referred to in subsection (d).

(d) EXPENDITURES.—Amounts in the Regional Marine Research Trust Fund shall be available, as provided in appropriation acts, to the Regional Marine Research Oversight Board for the purposes of making expenditures to carry out sections 504, 505, 506, 507, and 508 of the Marine Research Act of 1988, but not in excess of $33,000,000 for any fiscal year.

(e) REPORT.—It shall be the duty of the Secretary of the Treasury to hold the Regional Marine Research Trust Fund and to report to the Congress each year on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on the expected condition and operations of the Trust Fund during the next 5 fiscal years.

(f) INVESTMENT.—

(1) IN GENERAL.—It shall be the duty of the Secretary of the Treasury to invest such portion of the Regional Marine Research Trust Fund as is not, in the judgment of the Secretary, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired—

(A) on original issue at the issue price, or

(B) by purchase of outstanding obligations at the market price.

(2) SALE OF OBLIGATIONS.—Any obligation acquired by the Trust Fund may be sold by the Secretary of the Treasury at the market price.

(3) INTEREST ON CERTAIN PROCEEDS.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(g) CONFORMING AMENDMENTS TO OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1978.—

(1) Section 302(c) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(c)) is amended—

(A) by striking out "and" at the end of paragraph (2),

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ", and", and

(C) by inserting after paragraph (3) the following new paragraph:

"(4) transfers to the Regional Marine Research Trust Fund.".

(2) Section 302(d)(2) of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. 1812(d)(2)) is amended by striking out "not less than $100,000,000 and not more than".

(h) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

MARINE RESEARCH LEGISLATION

Marine research legislation would add a new Title V to the Marine Protection, Research and Sanctuaries Act. The proposed amendment includes the following provisions.

Section 501.—Outlines the findings of the Congress concerning the value of marine waters, the extent of environmental problems, and the need for improving and strengthening marine research to provide a scientific basis for responding to marine pollution problems.

Section 502.—Identifies the purposes of the bill, including establishment of marine research programs on a regional basis; provides for long range research plans in these regions, and provides for reports on the conditions and environmental health of the regions and marine waters generally.

Section 503.—Provides definitions of key terms.

Section 504.—Provides authority for establishment of regional marine research programs and outlines the purposes, authorities, and areas of investigation of the programs.

This section also provides a process for organizing regional programs, including involvement of the full range of existing marine research institutions in a region, ap-

proval of Governors, and approval by a Federal oversight board.

This section also identifies ten marine research regions and indicates the boundaries of the regions.

Section 505.—Provides for regional research plans, including contents of plans, coordination with related activities, involvement of interested parties, and review by the Federal oversight board.

Section 506.—Provides for grants to support operation of the research programs and implementation of the research plan, including national level peer review of project proposals, and purchase of essential equipment.

Section 507.—Provides for monitoring and assessment activities and for public reports on trends and conditions in marine waters of each region on a three year basis.

Section 508.—Provides for an oversight board made up of Federal agencies and chaired by NOAA and for a report to Congress on the health of the nation's coastal waters.

Section 509.—Provides for a total authorization of $33 million. Of this amount, each of ten regions is eligible for a base grant of $3 million, except for the Tropical region which is eligible for $1.5 million, and the Gulf of Mexico region which is eligible for $5 million (30.5). Additional funds are for operation of the national board ($1 million) and equipment purchase ($1.5).

● Mr. LAUTENBERG. Mr. President, I rise to join Senator MITCHELL and Senator CHAFEE in introducing the Marine Research Act of 1989. This important bill is designed to expand and strengthen research of our marine and coastal waters.

It's all too clear that our marine and coastal waters are in trouble. The events of the past few years have made clear that these waters are overburdened and fatigued. We see it in hundreds of dolphins dying mysteriously and harbor seals in the Gulf of Maine with the highest pesticide levels of any U.S. mammal on land or in water. We see it in sea turtles and seabirds who have died from entanglement with or eating plastic debris in the ocean. We see it in diseased fish, fish which are too toxic to eat, massive fish kills and closed shellfish beds. And we see it in garbage and medical waste invading our shores, closing our beaches, ruining vacations, injuring our tourist economy and threatening our health.

The Office of Technology Assessment, in a 1987 report, concluded that the overall health of our coastal waters is "declining or threatened." And OTA determined that contamination of the marine environment has a wide range of effects on birds and mammals, finfish and shellfish, aquatic vegetation and benthic organizations.

One, but by no means the only important step we need to take to address these problems is to expand and strengthen our marine research programs. The OTA report concluded that marine monitoring and research is inadequate and funding is declining. Reversing the trend of deteriorating marine quality will require a much better understanding of marine processes and the effects of pollutants on the marine environment.

The Marine Research Act is designed to address these shortcomings by strengthening marine research and monitoring. The bill authorizes the establishment of 10 multistate regional marine research programs. Existing marine research agencies in the region will focus on marine research and monitoring issues common to the region. Each regional program will prepare long-term regional research plans to focus limited funding on the most critical regional problems. And each region will provide the public with periodic reports on the status of regional marine environmental quality.

Mr. President, as chairman of the Subcommittee on Superfund, Ocean and Water Protection, which has jurisdiction over this legislation, I plan to move quickly to address marine environmental problems. The Marine Research Act is one important component of this effort. I urge my colleagues to support this legislation.●

● Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of the Marine Research Act of 1989. This is certainly a timely piece of legislation.

The health of our coastal waters is in jeopardy. Our oceans are being used as a dumping grounds for everything from garbage to plastics to sludge.

Last year we passed legislation which will ban all ocean dumping of sludge after December 31, 1991 and which significantly increases the penalties for those who dump garbage and medical waste into the ocean. This was merely the first step in cleaning up our oceans. We must do more.

Ocean pollution caused the shutdown of numerous beaches on Long Island this past summer. A large quantity of the waste that washed ashore was identified as hospital waste and included blood vials, surgical tubing, and discarded syringes with needles attached. Can we allow our children to swim in waters that contain this kind of pollution?

I believe that we can take a significant step toward protecting the marine environment by expanding and strengthening our Marine and Estuaries Research Program. The Marine Research Act is intended to fulfill these very objectives.

This legislation establishes 10 regions which would be responsible for coordinating and supporting the efforts of organizations and agencies in the region including State agencies, universities, and other laboratories. The bill also provides for 3-year regional research plans and grant assistance to carry out research and related activities. A Federal coordinating board is also created. The region that would serve the New York area is called the "Greater New York Bight Region."

These research centers will provide information as to the source and types of pollutants that are fouling up the marine environment. It is essential to know what causes the problem before we seek remedies. This legislation is a necessary step in preserving one of our greatest resources—the ocean.

I urge my colleagues to study this important legislation and to work toward its swift passage.

Thank you, Mr. President.●

● Mr. CHAFEE. Mr. President, it is with great pleasure that I join with my colleague from the Environment and Public Works Committee, Senator MITCHELL, to introduce the Marine Research Act of 1989. The distinguished majority leader has been a champion of clean water, not only in our lakes and streams, but also in our bays, estuaries and near coastal waters.

Our oceans are beginning to show signs of stress. Agricultural runoff, ocean dumping of sludge, and municipal effluent are invading our marine environment on a daily basis. We may be experiencing a rise in the global sea level, which could have potentially significant effects. Too many fishermen trying to harvest too few fish could be exacerbating the problem of declining fish populations.

Each of these problems raises a multitude of questions—questions which need to be answered with reliable, accurate scientific information. The purpose of the Marine Research Act is to establish an independent marine research board, which will coordinate and amplify the ability of existing research institutions to provide scientific data of the highest quality to address these questions.

It is not possible to address the deterioration of the Nation's bays and estuaries, and the decline in quality of our near coastal waters, on a piecemeal or State-by-State basis. In order to effectively confront problems in the marine environment, it is necessary to respond to the urgent need for expanded, regionally directed marine research. Pollution problems are not confined by State boundaries. The Office of Technology Assessment recently issued a report which emphasizes the need for sustained, focused scientific research on a total ecosystem basis. The Marine Research Act will accomplish this.

The legislation will establish a Marine Research Program which takes a broad, national view of trends in the marine environment, but will be directed and managed by research scientists within each region. The argument for organizing a Marine Research Program along these lines, rather than simply for the Federal Government to conduct research, is compelling: Oceanographers, such as

those located at University of Rhode Island's Graduate School of Oceanography, are most familiar with the ocean environment in a given region. The Marine Research Program created by this legislation, instead of duplicating ongoing efforts at these institutions, will play a coordinating role.

Specifically, the legislation will create 10 coastal regions based on geographic conditions, including one which extends from Cape Cod, MA, to Cape May, NJ. The bill establishes regional councils charged with coordinating and planning marine research in each region. A primary responsibility of the councils will be to conduct baseline monitoring and assessment of marine environmental quality within each region.

The legislation authorizes $3 million annually for each region to conduct research and assessment activities. These funds will be used to establish marine research centers in each region, which will report regularly to State Governors, Federal policymakers such as the Environmental Protection Agency and the National Oceanic and Atmospheric Administration, and the public on marine trends in the region.

The invaluable information which will be provided to policymakers as a result of this legislation will encourage the making of informed, intelligent decisions about our marine environment. This legislation will enable us to answer crucial questions which must be addressed if we are to adequately protect the ocean and its resources.

I hope that my colleagues will join with me in supporting this necessary and forward-looking legislation.●

By Mr. BIDEN (for himself and Mr. GORE, Mr. KERRY, Mr. METZENBAUM, and Mr. PRYOR):

S. 589. A bill to amend the Energy Reorganization Act of 1974 to create an independent Nuclear Safety Board; to the Committee on Environment and Public Works.

INDEPENDENT NUCLEAR SAFETY BOARD ACT OF 1989

● Mr. BIDEN. Mr. President, I am pleased to be joined by Senators GORE, KERRY, METZENBAUM, and PRYOR in introducing a bill to establish an independent safety board for the Nuclear Regulatory Commission [NRC]. During the 100th Congress, the Senate approved the establishment of an independent safety board as part of an overall reorganization of the NRC. It is our hope that the 101st Congress will finally send to the President legislation to improve the investigatory ability of a most troubled agency.

For far too long, the American public has been forced to accept a regulatory system that fails to demand the highest standards of our Nation's nuclear industry. Claims that American nuclear plants operate under the most exacting standards do not stand up to scrutiny. It is widely recognized that our domestic industry is surpassed in performance and safety by foreign nuclear plants, most notably those of Japan and France. It is ironic and discouraging that other countries have been able to reach those higher levels using technology that was invented and developed in this country.

One result of this chasm between the promises and performance of the domestic industry is public distrust of nuclear energy and falling confidence in its safety and future viability. Unfortunately, the reaction of industry has not been to open itself up to scrutiny but to close under the cover of self-regulation. Proponents of this approach seem to claim that if only outside oversight would be reduced, safety would improve. The record of the industry provides little justification to accept this leap of faith.

Dwindling public trust of nuclear energy is just one cause of the decade-long slide of this once-promising industry. Certainly the projected increase in electrical demand that failed to materialize in the 1980's would have led to the cancellation of many planned nuclear powerplants, with or without the accident at Three Mile Island.

Those conditions may be about to change. Recently there have been signs that, once again, utilities may be looking to expand generating capacity in response to higher demand. Nuclear proponents see this as an opportunity to revive their flagging fortunes. Concern over the global warming, they also believe, may lead to another look at the nuclear option.

It will take much more than a requirement for new powerplants to save the nuclear industry from extinction. Until and unless the public regains confidence that plants are operated safely, and that the waste disposal problem is solved, nuclear is unlikely to see a rebirth. Until the industry accepts credible, independent oversight like that provided by the board established by this bill, nuclear power has no chance to regain the public's confidence.

But more important and immediate than a future return of nuclear energy are the roughly 110 nuclear powerplants that are licensed and in operation around the country. Reactors that have started operation since the accident at Three Mile Island are expected to be with us for another 30 years. Without an independent safety board, there is every expectation that those plants will continue to operate in a manner that the public should not be required to accept.

Across the river from my home in Wilmington is one of the largest operating nuclear complexes in the country. Three reactors at Salem and Hope Creek help provide electricity for my home. In 1983, my interest in safety at nuclear powerplants was piqued by the failure of a "fail-safe" mechanism in one of the Salem reactors. In fact, it was two failures over a 4-day period.

What made the accident worse, to me and many others, was that the NRC seemed unable or unwilling to require improvements in the plant. The Commission was all too amenable to throwing up its hands at the situation, and just hoping for the best as the plant restarted. That was not acceptable to me, and should not be acceptable to others who live near nuclear powerplants.

Under some pressure, the NRC took another look at the situation and decided to be a little tougher. The utility received a $850,000 fine, the largest handed out at that time. And the utility got the message. It has since brought in new management to run its nuclear plants and is now recognized as one of the better run nuclear operations in the country.

Let me emphasize one point—this turnaround would not have been much less likely if the NRC had been left to use its original approach and the utility had not been forced, in essence, to reassess its operations. But it was largely independent review of the NRC's operations that prevented an abdication of regulatory responsibility.

Although conditions improved at Salem, I was disturbed to find the Commission came so close to practically inviting another disaster. It was also disconcerting to find that the muddled investigation of the accident by the NRC was not unexpected.

Unfortunately, some of the conditions that nearly let Salem off the hook continue at all nuclear powerplants to this day. Credible, tough oversight has not developed, and can not be expected as long as the NRC continues to investigate itself. That is the underlying conflict the independent safety board seeks to resolve.

By establishing an independent body to conduct accident investigations at nuclear powerplants, the public will have a greater assurance that nothing is swept under the rug in a review of what went wrong. The inherant conflict of NRC staff investigating accidents in which the agency may share responsibility is removed through outside investigation.

Other shortfalls of current investigatory practices are also addressed through my bill. The causes and contributing factors to accidents will be reviewed by experienced, not first-time investigators. Those who do the investigating will be in a position to assure that the board's recommendations are responded to by the NRC. As practices stand now, accident investigators are returned to their normal duties and are not in a good position to assure that their recommendations are ever

addressed or result in changes in nuclear plants.

The board established by my bill will have only limited financial and staff resources. It will be impossible for the small board called for in my bill to become a mini-NRC. The board will have a broad authority to investigate what it deems important, but the limited resources of the board will force it to focus on the highest priority accidents or conditions.

Mr. President, my interest in establishing an independent safety board dates from the 1983 accident at Salem, but there have been many accidents in the 6 years since then that have reinforced the case that independent review is needed to improve the record of our Nation's nuclear industry. Exploded pipes at Surry in Virginia, failed coolant pumps at Davis-Besse, overcooling of a reactor at Rancho Seco in California, recognized but unaddressed design flaws in a dozen Babcock and Wilcox reactors across the Nation—all these represent failures of the regulatory program in either preventing or adequately addressing problems in the nuclear industry. It is time for a change.

As I stated at the outset of my statement, the Senate passed an independent safety board as part of the overall reorganization of the NRC last year. It is my understanding the chairman of the Nuclear Regulation Subcommittee, Mr. BREAUX, plans to move quickly on a NRC reorganization bill in this session. The safety board provisions in last year's bill varied slightly from what I called for, but the chairman retained the authorities needed to make the board an effective voice for safety. I look forward to working with him on establishing a strong safety board in the 101st Congress.

I ask unanimous consent that a brief summary and the text of the bill be printed at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 589

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Independent Nuclear Safety Board Act of 1989".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that there is a great need for—

(1) vigorous investigation of events at facilities, or involving materials, licensed or otherwise regulated by the Nuclear Regulatory Commission; and

(2) continual review and assessment of licensing and other regulatory practices of the Nuclear Regulatory Commission, which assessment may result in conclusions critical of the Nuclear Regulatory Commission or its officials.

(b) The purpose of this Act is to establish an Independent Nuclear Safety Board which shall promote nuclear safety by—

(1) conducting independent investigations of events at facilities, or involving materials, licensed or otherwise regulated by the Nuclear Regulatory Commission;

(2) reviewing and assessing the licensing and other regulatory practices of the Nuclear Regulatory Commission;

(3) recommending to the Nuclear Regulatory Commission improvements in licensing and related regulatory practices; and

(4) informing the Congress of its investigation findings and recommendations.

ESTABLISHMENT OF NUCLEAR SAFETY BOARD

SEC. 3. Title II of the Energy Reorganization Act of 1974 (Public Law 93-438; 42 U.S.C. 5841 et seq.) is amended by adding at the end thereof the following new section:

"INDEPENDENT NUCLEAR SAFETY BOARD

"SEC. 212. (a) There is established an Independent Nuclear Safety Board (hereafter in this section referred to as the 'Board').

"(b)(1) The Board shall be composed of 3 members appointed by the President, by and with the advice and consent of the Senate, from among respected experts in the field of commercial nuclear energy with a demonstrated competence and knowledge relevant to the independent investigative and prescriptive functions of the Board. No more than 2 members of the Board shall be of the same political party. Not later than 90 days after the date of the enactment of this section, the President shall submit such nominations for appointment to the Board.

"(2) Any vacancy in the membership of the Board shall be filled in the same manner in which the original appointment was made.

"(3) No member of the Board shall have any significant financial relationship in any firm, company, corporation, or other business entity engaged in activities regulated by the Commission either as licensee or contractor, or have such a relationship within the two years preceding his appointment.

"(c)(1) The Chairman and Vice Chairman of the Board shall be designated by the President. The Chairman and Vice Chairman may be reappointed to such offices.

"(2) The Chairman shall be the chief executive officer of the Board and shall, subject to such policies as the Board may establish, exercise the functions of the Board with respect to—

"(A) the appointment and supervision of personnel employed by the Board;

"(B) the organization of any administrative units established by the Board; and

"(C) the use and expenditure of funds.

The Chairman may delegate any of the functions under this paragraph to any other member or to any appropriate employee or officer of the Board.

"(3) The Vice Chairman shall act as Chairman in the event of the absence or incapacity of the Chairman or in case of a vacancy in the office of Chairman.

"(d)(1) Except as provided under paragraph (2), the members of the Board shall serve for terms of 6 years. Members of the Board may be reappointed.

"(2) Of the members first appointed—

"(A) one shall be appointed for a term of 2 years;

"(B) one shall be appointed for a term of 4 years; and

"(C) one shall be appointed for a term of 6 years;

as designated by the President at the time of appointment.

"(3) Any member appointed to fill a vacancy occurring before the expiration of the term of office for which such member's predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of the member's term until a successor has taken office.

"(4) Any member of the Board may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

"(e) Two members of the Board shall constitute a quorum, but a lesser number may hold hearings.

"(f) The Board shall have the following functions and authorities:

"(1)(A)(i) The Board shall investigate those events at any facility, or involving any materials, licensed or otherwise regulated by the Commission, which the Board determines to be significant because of possible adverse effects on the health or safety of the public or because such events could be the precursors of events that may adversely affect the health or safety of the public.

"(ii) The Board may request the Commission to make an investigation of the events described in division (i) and to report its findings to the Board in a timely fashion. Whenever the Commission concludes such an investigation, the Board may analyze the findings of the Commission for the purpose of making its own conclusions and recommendations.

"(B) The purpose of any Board investigation under this paragraph shall be—

"(i) to ascertain information concerning the circumstances of the event involved, and its implications for the public health and safety;

"(ii) to determine whether such event is part of a pattern of similar events at facilities, or involving any materials, licensed or otherwise regulated by the Commission which could adversely affect the public health or safety or which could be the precursor of events which could adversely affect the public health or safety; and

"(iii) to provide such recommendations to the Commission for changes in licensing, safety regulations and requirements, and other regulatory policy as may be prudent or necessary.

"(C) For the purpose of this paragraph, the term 'event' shall include an action or failure to act by any person, including the Commission as an organization and its staff, or a continuing series of actions or failures to act by any such person, including operational failures, that the Board determines to have a potentially adverse effect on public health as provided in this paragraph.

"(2) The Board shall have access to and may systematically analyze—

"(A) operational data from any facility, or involving any materials, licensed or otherwise regulated by the Commission to determine whether there exist certain patterns of events that indicate safety problems; and

"(B) operational data of the Commission including personnel and files.

"(3) The Board may conduct special studies pertaining to the nuclear safety at any facility, or involving any materials, licensed or otherwise regulated by the Commission.

"(4) The Board may evaluate suggestions received from the scientific and industrial communities, and from the interested public, on specific measures to improve safety at facilities, or involving materials, licensed or otherwise regulated by the Commission.

"(5)(A) The Board shall recommend to the Commission those specific measures that

should be adopted to minimize the likelihood that events will occur at any facility, or involving materials, licensed or otherwise regulated by the Commission which could adversely affect the public health or safety. The Commission shall respond in writing to the recommendations of the Board within 120 days of receipt of such recommendations. Such written response shall detail specific measures adopted by the Commission in response to such recommendations, and explanations for its inaction on recommendations it chose to reject.

"(B) The recommendations of the Board made pursuant to subparagraph (A) shall also be sent to Congress.

"(6)(A) For purposes of investigations, the Board shall establish reporting requirements which shall be binding upon—

"(i) persons who operate, design, supply, maintain, or are otherwise involved with the operation or construction of, facilities licensed or otherwise regulated by the Commission; and

"(ii) persons who process, store, transport, use, or possess materials licensed or otherwise regulated by the Commission.

"(B)(i) The information which the Board may require to be reported under this paragraph may include any materials designated as classified material pursuant to the Atomic Energy Act of 1954, or any materials designated as safeguards information and protected from disclosure under section 147 of the Atomic Energy Act of 1954.

"(ii) Information received by the Board shall be made available to the public in accordance with the applicable provisions of subsections (a) and (b) of section 306 of the Independent Safety Board Act of 1974 (49 U.S.C. 1905).

"(7)(A) The Board or, on the authorization of the Board, any member thereof, may, for the purpose of carrying out the provisions of this section, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such evidence as the Board or an authorized member may find advisable.

"(B)(i) Subpenas may be issued only under the signature of the Chairman or any member of the Board designated by him and shall be served by any person designated by the Chairman or any member. The attendance of witnesses and the production of evidence may be required from any place in the United States at any designated place of hearing in the United States.

"(ii) Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board.

"(iii) Any person who willfully neglects or refuses to qualify as a witness, or to testify, or to produce any evidence in obedience to any subpena duly issued under the authority of this paragraph shall be fined not more than $5,000, or imprisoned for not more than 6 months, or both. Upon certification by the Chairman of the Board of the facts concerning any willful disobedience by any person to the United States attorney for any judicial district in which the person resides or is found, the attorney may proceed by information for the prosecution of the person for the offense.

"(8) The Board shall issue periodic reports which shall be made available to the Congress, and to Federal, State, and local government agencies concerned with safety at facilities, or involving materials, licensed or otherwise regulated by the Commission. Upon request, such reports shall be made available to other interested persons. Such reports shall contain the major findings of Board investigations, recommendations of specific measures to reduce the likelihood of a reoccurence of nuclear events similar to those investigated by the Board and of corrective steps implemented or required by the Commission to enhance or improve safety conditions at such facilities investigated by the Board and other facilities as considered appropriate by the Board.

"(9) In accordance with the Civil Service laws and regulations, the Chairman of the Board is authorized to hire staff and employ consultants for the purpose of carrying out the functions and duties of the Board.

"(g)(1) There are hereby transferred to the Board—

"(A) all functions of the Office for the Analysis and Evaluation of Operational Data relating to the functions of the Board described in subsection (f); and

"(B) such personnel from the Office for the Analysis and Evaluation of Operational Data as the Director of the Office of Management and Budget determines are necessary to carry out the functions described in subsection (f).

"(2) There are hereby authorized to be appropriated for each of the fiscal years 1990, 1991, 1992, 1993, 1994, and 1995 the sum of $6,000,000.

"(3) The Board shall terminate at the end of fiscal year 1995.".

SUMMARY OF INDEPENDENT NUCLEAR SAFETY BOARD BILL

BOARD STRUCTURE

Three-member, bipartisan board, appointed by the President with Senate advice and consent.

Appointees are to be experts in the field of commercial nuclear power.

Board members serve a six-year term.

BOARD AUTHORITY

The Safety Board may investigate events at facilities or events involving materials licensed or regulated by the Nuclear Regulatory Commission (NRC) which the Board determines to have a possible adverse health effect.

The Board may also investigate minor events it views as possible precursors to accidents or *inactions* of the NRC that may pose a safety threat.

The Board may hold hearings and issue subpoenas to collect information it needs as part of its investigations.

The Board may request the NRC to conduct a study on a specific subject, or conduct its own. The Board has full access to NRC data and files.

The NRC must respond to Board recommendations within 120 days.

BOARD FUNDING

The Board is authorized at $6.0 million per year through 1995.

The Office for the Analysis and Evaluation of Operational Data (AEOD) within the NRC will close, and its resources and appropriate staff shifted to the Safety Board.●

By Mr. HEFLIN (for himself, Mr. DECONCINI, Mr. GRASSLEY, Mr. THURMOND, Mr. HATCH, Mr. SIMPSON, Mr. FORD, and Mr. GORTON):

S. 590. A bill to prohibit injunctive relief, or an award of damages against a judicial officer for action taken in a judicial capacity; to the Committee on the Judiciary.

JUDICIAL IMMUNITY

Mr. HEFLIN. Mr. President, today I am reintroducing legislation to reverse the 1984 Supreme Court decision in *Pulliam* v. *Allen* (466 U.S. 522 (1984)). In Pulliam, a sharply divided—5 to 4—Court held that the doctrine of judicial immunity neither prevents injunctive relief in Federal civil rights actions challenging decisions of a State judge, nor bars attorney fee awards against the judge. In essence, Pulliam disregards four centuries of unbroken precedent and destroys an ancient doctrine that is the bedrock of the Anglo-American system of justice.

Understandably, this decision has caused a tremendous amount of concern among our Nation's judicial officers. Indeed, at the time Pulliam was handed down, the Conference of Chief Justices said of the decision: "No development in recent times has aroused greater concern on the part of State judges." If anything, that concern is greater today. Judges fear that this decision will have a chilling effect on judicial independence in both State and Federal courts, and I agree with them.

The ability of a judge to decide a case, without fear, is of paramount importance to judicial effectiveness. It is a cornerstone of our judicial system. Harassing litigation brought by disappointed parties against judicial officers can only result in the increasing timidity of judges, along with a tendency to avoid close and controversial decisions whenever possible. Consequently, the threat of a potential suit alone is enough to substantially impair the exercise of independence by judges.

In addition to the chilling effect of Pulliam on judicial independence, my colleagues in the judicial branch are concerned that this decision will create a new class of Federal litigation against State decisions. State court plaintiffs are placed, in effect, in a position of appealing to the Federal courts to enjoin State court action when they should be in State courts appealing through the State judicial system. This encroachment on the doctrine of federalism destroys comity between the two separate but equal judicial systems. State judges cannot act effectively if their decisions, no matter how closely they are made in keeping with State law, are subject to immediate challenge in the Federal courts.

Mr. President, the Court in Pulliam challenged us to remedy this situation by stating, "that it is for Congress, not this Court, to determine whether and to what extent to abrogate the judiciary's common-law immunity." Congress must accept this challenge.

A similar bill passed the Judiciary Committee of the 100th Congress, and

it is my hope and desire that the full Senate will have an opportunity to debate this bill in the 101st Congress. I look forward to working with my colleagues on this bill, and ask for their support. I ask unanimous consent that the bill be printed in the RECORD.

Mr. THURMOND. Mr. President, today I rise as an original cosponsor of legislation which will prohibit injunctive relief and an award of attorneys' fees against judicial officers acting in their judicial capacity. This bill was introduced to address the erosion of judicial independence resulting from the Supreme Court decision in Pulliam versus Allen.

In a case of statutory interpretation, the Supreme Court in Pulliam held that judicial immunity is not a bar to injunctive relief or an award of attorney's fees against a judicial officer acting in his official capacity. This is simply not appropriate. Congress must rectify the omission of these prohibitions by amending the relevant Federal statutes.

The notion of judicial independence is deeply embedded in our common law heritage. It is essential to ensure justice because judicial officers must be free to make appropriate decisions within their official capacity without fear of reprisal. An independent judiciary is a vital component in any democracy which cannot be compromised.

Mr. President, the bill before us today will restore the independence of State court justices and judges. If enacted, it will prevent injunctive relief actions against State court judges unless a declaratory decree was violated. Additionally, claims for attorneys' fees in a Federal action will no longer subject judges to the threat of personal liability. As a result, judges will administer the law independently without fear of persecution. A similar bill was reported out of the Senate Judiciary Committee in the 100th Congress.

This legislation is most important, and I urge my colleagues to support its passage and enactment into law.

Mr. GORTON. Mr. President I am pleased to rise in support of my colleagues Senators HEFLIN, DECONCINI, THURMOND, HATCH, and GRASSLEY in introducing legislation to prohibit injunctive relief, or an award of damages against a State judicial officer for action taken in a judicial capacity. This legislation is essential to fulfill the historic function of judicial immunity to protect the independence of State and Federal courts, and preserve judical Federalism. Judicial immunity is not for the protection of the judge but for the protection and integrity of the judicial process—it is essential to the rule of the law.

I look forward to working with many of you to protect and improve the efficiency of our judicial system through this bill.

By Mr. HEFLIN (for himself, Mr. BUMPERS, Mr. PRYOR, Mr. SHELBY, and Mr. DECONCINI):

S. 591. A bill to amend the Federal Rules of Criminal Procedure with respect to the examination of prospective jurors; to the Committee on the Judiciary.

S. 592. A bill to amend the Federal Rules of Criminal Procedure with respect to the examination of prospective jurors; to the Committee on the Judiciary.

EXAMINATION OF PROSPECTIVE JURORS

● Mr. HEFLIN. Mr. President, one of the cornerstones of our American system of justice is the right to a fair and impartial jury. In order to protect this critical safeguard, I am reintroducing two bills to provide for a more functional approach to voir dire examination of jurors in U.S. district courts. This legislation will require Federal judges to allow attorneys to question prospective jurors during the voir dire process. One bill amends rule 47(a) of the Federal Rules of Civil Procedure, and the other amends rule 24(a) of the Federal Rules of Criminal Procedure.

Presently, Federal rules permit attorneys to conduct voir dire only at the discretion of the court. While counsel may make supplemental examination to court-conducted voir dire or submit additional questions, the entire scope of counsel participation lies wholly within the discretion of the court. These bills would change current practice, and would require a court to permit counsel to directly participate in the examination of prospective jurors.

As both a former chief justice of the Alabama Supreme Court and a trial lawyer for more than 25 years, I have had the opportunity to study the voir dire process from the perspective of judge and attorney. I have concluded that the attorneys representing clients are best equipped to elicit jurors' bias which may not be readily apparent. Further, attorney participation is crucial to achieving a fair trial, and I am convinced that this participation should also involve the voir dire process.

I know that there is concern in the judicial branch that this legislation will reduce a judge's ability to control his or her courtroom. This outcome is not my intention, nor will it be the outcome of this legislation. My bill limits participation by each party during voir dire to 30 minutes, and in cases involving multiple parties, each additional party will be given 10 minutes of examination time. However, the total time required to be allowed will not exceed 1 hour. Therefore, this legislation will not result in lengthy delays and time overruns.

The judge will and should be in complete control of the courtroom and examination process. The ability of judges to control the content and phrasing of voir dire questions will not be changed. Further, judges will continue to have extensive discretion as to the types of conduct allowed in their courtroom, and the firm leadership of the trial judge will continue to dictate the course of justice.

This legislation should not constitute a radical change from the voir dire methods which are currently in use throughout this Nation. I would like to commend the efforts of Judge Richard Bilby who serves as the chairman of the Judicial Conference's Committee on Judicial Improvement for his efforts in working with other judges to provide a more meaningful voir dire process. I know that my colleagues in the judicial branch are strongly committed to the efficient administration of justice. However, in contrast to their views, I believe that this legislation will result in a better and fairer system of justice. Merely adding another actor to the play does not necessitate a longer play; but it may create a fuller and more just ending.

I believe this bill is a refinement in our judicial system whose time has arrived. Therefore, I urge my colleagues to support this bill.

I request that the two bills be printed in the RECORD immediately following my remarks. Thank you.●

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Rule 24(a) of the Federal Rules of Criminal Procedure is amended to read as follows:

"(a) EXAMINATION.—Upon the request of the defendant or the Government, the court shall permit the defendant or his attorney and the attorney for the Government each a minimum of 30 minutes to conduct an oral examination of the prospective jury. Additional time for examination by the attorneys may be provided at the court's discretion, and the court may, in addition to such examination, conduct its own examination. The court shall have the authority to impose reasonable limitations with respect to the questions allowed during such voir dire examination. In a case in which there are multiple defendants, each side shall have an additional 10 minutes for each additional defendant, except that the total time required to be allowed shall not exceed one hour per side.".

S. 592

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Rule 47(a) of the Federal Rules of Civil Procedure is amended to read as follows:

"(a) EXAMINATION OF JURORS.—Upon the request of the plaintiff or defendant, the court shall permit such plaintiff and defendant or their attorneys each a minimum of 30 minutes to conduct an oral examination of the prospective jury. Additional time for examination by the attorneys may be provided at the court's discretion and the

court may, in addition to such examination, conduct its own examination. The court shall have the authority to impose reasonable limitations with respect to the questions allowed during such voir dire examination. In a case in which there are multiple parties, each side shall have an additional 10 minutes for each additional party, except that the total time required to be allowed shall not exceed one hour per side.".

Mr. DECONCINI. Mr. President, I rise today in support of the legislation introduced by my colleague from Alabama, Senator HOWELL HEFLIN, which amends the Federal Rules of Civil Procedure and the Federal Rules of Criminal Procedure to require Federal judges to allow attorneys to question propsective jurors during the voir dire process.

This legislation is not without controversy. The arguments on each side have merit and each view is subscribed to by well-meaning, enlightened members of the bar with considerable knowledge in this area. At this time I am cosponsoring the legislation as I did last session. However, I wish to state for the record that I intend to reserve my final judgement on this issue until hearings are conducted and the views on each side discussed.

In particular, I am interested in the views of Federal district court judges who will testify before the courts subcommittee. I understand that the Administrative Office of the U.S. Court is strongly opposed to this bill. Last year Judge Bilby, chief judge of the U.S. District Court for the Southern District of Arizona, and chairman of the Committee on Judicial Improvements, Judicial Conference of the United States, suggested a 2-year postponement of the bill in order to undertake an aggressive educational campaign to train judges to improve the quality of voir dire examinations they conduct. I am interested in hearing from Judge Bilby as to the progress with this effort. I reserve the right to change my opinion on this matter after his voice, and others, have been heard.

By Mr. SIMON (for himself, Mr. METZENBAUM, Mr. THURMOND, Mr. SIMPSON, Mr. DECONCINI, Mr. HEFLIN, Mr. CHAFEE, Mr. KOHL, Mr. GRASSLEY, and Mr. GORE):

S. 593. A bill to exempt certain activities from provisions of the antitrust laws; to the Committee on the Judiciary.

EXEMPTION OF CERTAIN ACTIVITIES OF THE ANTITRUST LAWS

● Mr. SIMON. Mr. President, I rise today to introduce the Television Violence Act of 1989. This bill will allow us to address a serious problem that does not easily lend itself to legislative remedies—the harmful effects of televised violence, particularly on young Americans. The need for action on this problem is more urgent than ever.

I am pleased to have the distinguished chairman of the Antitrust Subcommittee, Senator HOWARD METZENBAUM; the subcommittee's ranking Republican member, Senator STROM THURMOND; and Senators ALAN SIMPSON, DENNIS DECONCINI, HOWELL HEFLIN, JOHN CHAFEE, HERBERT KOHL, ALBERT GORE, and CHARLES GRASSLEY as original cosponsors of this legislation.

I introduced television violence antitrust exemption bills in the 99th and 100th Congresses. The Senate passed both of them unanimously and I hope my colleagues will act quickly on the legislation in this Congress.

Why is there so much violence on television, Mr. President? I see three reasons.

First, ours is one of the most violent societies among all the industrialized nations. Our rate of violent crimes per capita is consistently among the highest on Earth. I was amazed to discover that the murder of Swedish Prime Minister Olaf Palme was the first time in the modern era that anyone was killed by a firearm on the streets of Sweden. While there are many reasons why Americans turn to violence so readily, the saturation of our mass media with images of violence clearly is a part of this troubling picture.

The other factors relate to the competitive pressures felt by all members of the television industry. One is the plain fact that violence sells. Programmers, producers and advertisers have discovered the axiom that violence is a nearly sure-fire ratings booster. It moves the numbers. It is difficult for one member of the television industry to impose internal standards on violence when the others can gain a commercial advantage by going in the opposite direction.

The other competitive factor that tends to increase the amount of violence on television is the structural change the industry has undergone in the last 15 years. The networks must now compete with cable systems, pay TV and home video. These alternatives permit viewers to choose programs that are even more violent than the networks have traditionally allowed.

These new pressures within the industry recently led the networks to dramatically shrink their standards and practices staffs. These departments, as old as broadcasting itself, have been the networks' gatekeepers, charged with considering viewers' sensitivities and community standards. According to an October 1988, article in "Channels," an industry trade publication:

> The era of self-censorship at the networks is all but dead. Judgments about what is fit and ready for prime time—or any other day part—will be made by producers themselves, and by programming executives whose main function is to deliver better ratings.

I ask unanimous consent that the entire text of this article be included in the RECORD.

While showing more violence may help individual broadcasters become winners in the ratings wars, our society—and particularly our children—will be among the losers.

We need the active participation of every sector of the industry to address this problem. The Television Violence Act will give individual members of the industry the freedom to improve the situation through private, voluntary action. It will allow the television industry to use its considerable joint administrative and creative resources to act on this problem without fear either of antitrust liability or Government censorship.

The industry believes it cannot take these steps today because of the potential for antitrust liability. This concern arises from a complaint filed by the Justice Department against the National Association of Broadcasters in 1979. See *United States* v. *National Association of Broadcasters,* 536 F.Supp. 149 (D.D.C. 1982).

The Television Violence Act eliminates this obstacle by granting a limited antitrust exemption to certain parties in the industry. The bill simply allows each member of the industry to act jointly with others during a 36-month period for a very specific purpose—to develop voluntary guidelines designed to alleviate the negative impact of televised violence.

The bill does not permit the implementation of any joint sanction of a boycott by any of the parties granted an antitrust exemption. It imposes no governmental guidelines or regulations on those parties.

The legislation does not permit or contemplate the establishment of a private national censorship board or enforcement authority. It neither requires the members of the industry to meet, nor does it dictate what should be contained in any voluntary guidelines the industry might develop.

As an old civil libertarian, a former journalist and as chairman of the Judiciary Committee's Constitution Subcommittee, I am mindful of the serious first amendment concerns that could be raised by any attempt on the part of the Federal Government to prescribe the content of television programming. I believe, however, that the Television Violence Act presents no such threat to freedom of speech of artistic expression. It leaves responsibility for the regulation of televised violence where it rests today—in the individual good judgment and publicmindedness of broadcasters, cable operators and producers.

I strongly believe a democratic, pluralistic society like ours can find ways to protect itself against undue emphasis on violence on television. We need

not be frozen in inaction in the face of a serious national problem.

Mr. President, the violence we can see every night in our living rooms is increasingly reflected by violence in the streets of the Nation's cities. While clearly there is no one-to-one correlation between the two, study after study has shown a connection between television violence and negative and aggressive behavior.

The evidence that televised violence contributes to aggressive and destructive behavior is now nothing short of overwhelming. I think the conclusions presented by this body of research are about as close as social scientists can come to a true consensus.

My staff has prepared synopses of the conclusions of many of these studies. I ask unanimous consent that these be included in the RECORD at the conclusion of my remarks. I urge my colleagues to study them; they reveal that televised violence does pose a very real problem. Let me cite just a few examples:

A 1972 report by the National Institute of Mental Health [NIMH], conducted for the Surgeon General's Scientific Advisory Committee, concluded that a link appeared to exist between violence on television and aggressive behavior. The report also stated that additional studies were required. In 1982, NIMH published an analysis of studies of television violence conducted after its 1972 report. In testimony before the Juvenile Justice Subcommittee on the 1982 NIMH study, a spokesman for NIMH confirmed that:

A sizable number of studies did support the inference that there was a casual connection between the viewing of televised violence and later aggressive behavior.

The American Psychological Association passed a resolution in February, 1986, which stated:

The conclusion drawn on the basis of 25 years of research and the sizeable number of experimental and field investigations is that viewing televised violence may lead to increases in aggressive attitudes, values, and behavior, particularly in children.

The American Psychiatric Association and the American Medical Association both passed resolutions which declared that television violence is a risk factor that threatens the health and welfare of young Americans.

The American Academy of Pediatrics' Policy Statement on Children, Adolescents and Television found that:

Repeated exposure to televised violence promotes a proclivity to violence and a passive response to its practice.

I am proud of the support this legislation has received. Among those supporting a bill I introduced in the 100th Congress which is identical to this one were: the National Parent Teacher Association, the American Psychological Association, the Department of Justice, the American Academy of Pediatrics, former Federal Communications Commission Newton N. Minow, the United Church of Christ and the Lutheran Church-Missouri Synod.

At a hearing held in 1986 on a predecessor bill I introduced, the Senate Judiciary Committee heard testimony from Robert Keeshan, television's famous Captain Kangaroo. I think Mr. Keeshan's statements contained an excellent summary of the reasons we need to do better in this area:

We should be ever vigilant in protecting the rights of broadcasters, as the FCC has been, but we should be as vigorous in promoting responsibility on the part of broadcasters in meeting the needs of children. If we fail our youth, we fail the future. In looking at commercial interests, we sow the seeds of a bitter harvest and we shall all eat from that table. No bottom line, however healthy, is worth that price.

The violence and the fear of violence that are gripping millions of Americans in countless American communities are not happening in a vacuum. Our inability to draw the line at excessive television violence is part of that picture. It is time for the television industry to form an alliance with America's families in changing that picture. That is why this legislation could be one of the most significant family issues before Congress.

Mr. President, television can appeal to the best in us or the worst in us. I am convinced that we are not using this marvelous medium to draw out the best in ourselves or our society. I believe this bill will help us do that.

Mr. President, I ask unanimous consent that the text of the bill printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 593

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) actions specified in section 2 shall be exempt from the antitrust laws of the United States.

(b) For purposes of this Act—

(1) "antitrust laws" has the meaning given such term in the first section of the Clayton act (15 U.S.C. 12), and shall also include section 5 of the Federal Trade Commission Act (15 U.S.C. 45);

(2) "person in the television industry" means a television network, any entity which produces programming for television distribution, including theatrical motion pictures, the National Cable Television Association, the Association of Independent Television Stations, Inc., the National Association of Broadcasters, the Motion Picture Association of America, and each of the networks' affiliate organizations, and shall include any individual acting on behalf of such person; and

(3) "telecast" means any program broadcast by a television broadcast station or transmitted by a cable television system.

SEC. 2. The antitrust laws shall not apply to any joint discussion, consideration, review, action, or agreement by or among persons in the television industry for the purpose of, and limited to developing and disseminating voluntary guidelines designed to alleviate the negative impact of violence in telecast material.

SEC. 3. (a) The exemption provided in section 2 shall not apply to any joint discussion, consideration, review, action, or agreement which results in a boycott of any person.

(b) The exemption provided in section 2 shall apply only to activities conducted within 36 months after the date of enactment of this Act.

SEC. 4. This act may be cited as the "Television Violence Act".

[From "Channels" October 1988]

NETWORKS TO CENSORS: TAKE A WALK—AUDIENCE EROSION FROM CABLE, HOME VIDEO, PAY TV A FACTOR

NBC airs more than 2,000 hours of programs per year, not counting news or reruns, and those shows in turn generate about a quarter of a million viewer letters annually on what the network calls "regulatory" matters—questions of taste, propriety and fairness that might, in a more aggressive era in Washington, have led to hearings on a license challenge. For that reason, NBC and its rivals traditionally have employed dozens of people to oversee "program standards and practices."

Starting this season, however, NBC will have just four "editors," two on each coast, to review all the scripts and finished product for those 2,000-plus hours. In short, the era of self-censorship at the networks is all but dead. Judgments about what is fit and ready for prime time—or any other daypart—will be made by the producers themselves, and by program-department executives whose main function is to deliver better ratings.

Sums up one of NBC's soon-to-be departed: "There is going to be a new bottom below which I don't think anyone could possibly fall. Mediocre shows will be more free to rely on locker-room language and gratuitous violence to hype themselves to success. Docu-drama will be a lot more drama than docu. And there is an inherent conflict of interest, because the programmers who are supposed to enforce standards are both encouraging the producers to get better numbers and building the contacts to get their own next jobs. How tough can someone be with Universal when he expects to be working there in a couple of years?"

To be sure, self-censorship doesn't always work. CBS let *The Atlanta Child Murders,* with its dubious attack on the prosecution of Wayne B. Williams and slurs on the police and political leadership of Atlanta, slip through. ABC aired *The Trial of Lee Harvey Oswald,* which virtually endorsed any and every doubt about the Warren Commission, no matter how mutually contradictory.

NBC is not alone in cutting censors, although its "downsizing" seems to be the most sweeping yet. And the most cynical, for its announcement was paired with a plan to seek more in-show promotion of specific advertisers' goods and services, with the producer and the network sharing a fee when, say, Michael J. Fox is seen drinking Pepsi. That kind of paid plug dates to the days of radio and has turned a tidy profit for movie studios in recent years.

CBS actually led the way with a series of cuts, the latest eliminating a vice presidency in charge of practices and standards; the pivotal change, in the view of insiders, was a decision some months ago that episode-by-episode supervision of content was no longer

necessary with established series. At ABC, the chief censor, Al Schneider, has said only that his network "is obviously studying these developments closely."

Privately, his colleagues scotch rumors that he will quit or be pushed, but predict sharp cuts and say the department's position has already been eroded. Says a longtime promotion executive: "In the old days, we used to say that Schneider did not even report to Elton Rule, but only to God. We have new owners and a different president now, and his function is a much lower priority."

Although the Hollywood community chafed at network censorship as unwarranted artistic intrusion by inexperienced and untalented bureaucrats, the purpose of the standards had little to do with art or, for that matter, social responsibility. They were established for sound economic reasons, and are now being phased out for precisely the same motive. Stern self-censorship averted government intervention and gave edgy executives something constructive to point to when summoned to testify before Congress about TV's effect on decency and values. Now, however, the Federal Communications Commission has all but abandoned content supervision on the dual grounds of First Amendment rights and increased diversity of program sources. Meanwhile, that diversification—through syndication, cable, pay television and video cassettes—gives a majority of viewers the chance to choose racier material than the networks would allow. Increasingly, they have, as the ever gloomier network Nielsen reports show. Says an ABC executive: "Of course this change in standards has to do with cable. Why should we compete with one hand tied behind our backs?"

Agrees an NBC honcho: "Bob Wright, who is getting the company into the cable business, asks why the network should work under restrictions that cable is not under." And network executives agree that once one of the Big Three saved money and increased its competitiveness by relaxing standards, the others had to follow suit. The biggest potential losers: affiliate stations in conservative parts of the country, who may find that the new permissiveness actually costs rather than gains viewers. Said the departing NBC executive: "What it all means depends on whether the public really cares. I guess we'll find out."

WILLIAM A. HENRY III

RESEARCH SUMMARY AND BIBLIOGRAPHY

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Mann, James. "What Is TV Doing To America?" US News and World Report, Aug. 2, 1982:

A report released in May, 1982 by the National Institute of Mental Health says that "violence on television does lead to aggressive behavior by children and teenagers who watch the programs." In one five-year study of 732 children, "several kinds of aggression—conflicts with parents, fighting, and delinquency—were all positively correlated with the total amount of television viewing."

Dunn, Paul H. "The Great Turn-on: Your Children and TV." Salt Lake City: Bookcraft, Inc., 1979:

In a 1976 report to the people of Canada, the Royal Commission on violence in the communication industry concluded that media violence can lead to an increase in a person's level of aggression.

U.S. Surgeon General's Scientific Advisory Committee on Television, Report to the Surgeon General. Washington, D.C.: U.S. Government Printing Office, 1972:

Stein and Friedrich compared the effect of "prosocial" or socially desirable programs, aggressive programs, and neutral films on preschool viewers behavior. They studied 97 preschool children, ranging in age from three years, ten months to five years, six months. The results of the study showed that children who viewed aggressive programming were more likely to be aggressive in interpersonal situations than those who viewed neutral or prosocial television.

"Aftermath of the Report: TV Violence" the Surgeon General's Report:

A series of three field experiments conducted in the United States and Belgium studied the effect of full-length violent films on the aggressive behaviors of male adolescent juvenile delinquents residing in minimum security institutions (Park, Berkowitz, Leyens, West and Sebastian, 1977). In all three studies the youngsters were observed in naturalistic situations before and after the film exposure. Film effects on aggressive behavior were apparent in all three studies.

U.S. Dept. of Health and Human Services, Public Health Service. Alcohol, Drug Abuse and Mental Health Services. National Institute of Mental Health. Television and Behavior: Ten Years of Scientific Progress and Implications for the Eighties. V. 1: Summary Report. Rockville, Md., 1982, DHHS Publication:

The Surgeon General's advisory committee concluded that the viewing of televised violence could lead to subsequent aggressive behavior, especially in children and persons who regularly view such programs for long periods of time.

Cooper, Edith F. Media Entertainment Sex and Violence: Impact on Society, Especially Children. CRS—Science Policy Research Division:

In addition, George Gerbner and his associates at the Annenberg School of Communications at the University of Pennsylvania, who began content analysis of television programs in 1967, contend that heavy television viewers have been found to be more fearful of the real world because of negative influences from viewing violent programs.

U.S. Dept. of Justice. Attorney General's Task Force on Family Violence. Final Report. Washington. Sept. 1984:

The U.S. Attorney General's Task Force on Family Violence study that was issued in September, 1984 concluded that the viewing of television violence contributes to the acting out of violence in the home. The evidence is becoming overwhelming, the study stated, that, just as witnessing violence in the home may contribute to normal adults and children learning and acting out violent behavior, violence on TV and the movies may contribute to the same result.

Coughlin, Ellen K. "Is Violence on TV Harmful to Our Health? Some Scholars, A Vocal Minority, Say No." The Chronicle of Higher Education—Scholarship. March 13, 1985:

In 1982 the National Institute of Mental Health issued a report, a follow-up to a 1972 report by the Surgeon General called "Television and Behavior: Ten Years of Scientific Progress and Implications of the Eighties," a massive review of the existing scientific research on the influence of TV and on all aspects of behavior.

The report, according to Eli A. Rubenstein, professor of mass communications at the University of North Carolina, "describes TV as a very large influence on child development." On specific issues of violence, its conclusion was unequivocal. "the consensus among most of the research community is that violence on television does lead to aggressive behavior by children and teenagers who watch the programs."

Just last month the American Psychological Association added its imprimatur. In a resolution passed by its council of representatives, the association noted that "viewing televised violence may lead to increases in aggressive attitudes, values, and behavior, particularly in children."

USA Today, March 4, 1985. "Television Violence Remains the Villian":

The USA Today's psychologists, after years of debate, agreed that there is a link between televised violence and real-life violence. The American Psychological Association, citing the accumulated results of 1000 studies over 25 years, recently passed a resolution saying: "Viewing televised violence may lead to an increase in aggressive attitudes, values, and behavior, particularly in children."

Doctors also agreed, after a 16-month study of treating children that there is a link. A task force of the American Academy of Pediatrics warned in January 1985, that repeated exposure to TV violence can make children violent and numb to the horror of real-life violence.

Rubinstein, Eli A., "Television and the Young Viewer." American Scientist, Nov.-Dec. 1978:

George Gerbner argues that television content reinforces beliefs about various cultural themes—the social realities of life are modified in the mind of the viewer by the images portrayed on the television screen. To the extent that the television world differs from the real world some portion of that difference influences the perception of the viewer about the world in which he or she lives. Thus, Gerbner has found that heavy viewers see the world in a much more sinister light than individuals who do not watch much television. Gerbner argues that excessive portrayals of violence on television inculcate feelings of fear among heavy viewers, which may be as important an effect as the findings of increased aggressive behavior.

Cline, Victor B. "The Child Before the TV: The Impact of Television Viewing on Children's Behavior and Values." The Police Chief. V. 43, June 1976:

Research by Stanford psychologist Albert Bandura has shown that even brief exposure on TV to novel aggressive behavior on a one-time basis can be repeated in free play by as high as 88% of the young children seeing it. Dr. Bandura also demonstrated that even a single viewing of a novel aggressive act could be recalled and produced by children six months later without any intervening exposure.

Studies by McLeod and associates of boys and girls of junior and senior high school age found that the more the youngster watched violence on television, the more aggressive he or she was likely to be. Other studies revealed the amount of television violence watched by children, especially boys at age 9, influenced the degree to which they were aggressive ten years later at age 19.

Freedman, Jonathan L. "Effect of Television Violence on Aggressiveness." Psychological Bulletin, V. 96, No. 2, Sept. 1984:

Although some psychologists question the extent to which television and movies actu-

ally influence people's behavior, the majority of studies point to the conclusion that viewing violence does increase interpersonal aggression, particularly in young children.

National Commission on the Causes and Prevention of Violence. "Commission Statement on Violence in Television Entertainment Programs." Sept. 23, 1969:

The National Commission on the Causes and Prevention of Violence, headed by Dr. Milton S. Eisenhower, focused on the relationship between violence and television. It reported, September 23, 1969, that advertisers were spending $2 billion a year in the belief that television does influence human behavior and concluded that "violence on television encourages violent forms of behavior and fosters moral and social values about violence in daily life which are unacceptable in a civilized society."

Watts, Meredith W., Sumi, David. "Desensitization of Children to Violence? Another Look at Television's Effects." Experimental Study of Politics. Vol. 5, Aug. 1976:

Television is said to contribute to the process by "desensitizing" viewers to violence by its daily presentation of aggressive and brutal acts. A series of studies has indicated that aggressiveness and media viewing are related, particularly for those viewers who are already predisposed toward aggressive social behavior. (Bandura, 1973; Eron, Heusman, Lefkowitz and Walder, 1972; Liebart, Neale, and Davidson, 1973; U.S. Surgeon General, 1972.)

Using young children as subjects, Osborn and Endsley (1971) found that physiological arousal during exposure may also be related to increased learning and retention of aggressive acts.

Eon, Leonard D. and Huesman, L. Rowell, "Television Violence and Aggresive Behavior." Advances in Clinical Child Psychology, V. Plenum Publishing Company, 1984:

Repeated observation of television violence can cause aggressive behavior in children and has a lasting effect on their character and personality.

We believe and have proven conclusively that heavy exposure to televised violence is one of the causes of aggressive behavior, crime and violence in society. The evidence comes from both the laboratory and real-life studies. Television violence affects youngsters of all ages, of both genders, at all socioeconomic levels and all levels of intelligence. The effect is not limited to children who are already disposed to being aggressive and is not restricted to this country.

U.S. Surgeon General's Scientific Advisory Committee on TV and Social Behavior. "Television and Growing Up." United States Public Health Service. 1972:

We know that children imitate and learn from everything they see—parents, fellow children, schools, the media; it would be extraordinary, indeed, if they did not imitate and learn from what they see on television.

The experimental studies bearing on the effects of aggressive television entertainment content on children support certain conclusions. First, violence depicted on television can immediately or shortly thereafter induce mimicking or copying by children. Second, under certain circumstances television violence can instigate an increase in aggressive act.

Suggestible persons may be strongly influenced or even exploited by the ideas and advice offered through television and other media.

A child may acquire a new item of behavior through attentive observation. Rehearsal or practice of this new skill increases his competence. If the initial attempts are rewarded or encouraged, the child is likely to continue to perform the newly acquired behavior. If they are punished, he is less likely to persist. . . . Observation, imitation, then practice is a common sequence through which new behaviors enter the child's repertoire.

(There) "is little doubt that by displaying forms of aggression or modes of criminal and violent behavior, the media are teaching and people are learning."

Feshback, Seymour and Singer, Robert D. "Television and Aggression." Jossey-Bass, Inc. Publishers, San Francisco, 1971:

In the general incitement-to-aggression view, the child learns how to be aggressive from viewing television, is aroused to act out the techniques he has learned through TV and other media, and experiences little fear of punishment for giving overt expression to aggressive inclinations. The depiction of violence, therefore, is seen as a multifaceted evil.

Greenberg, Bradley S, and Gordon, Thomas F. "Children's Perceptions of Television Violence: A Replication." Michigan State University. (Reports and Papers, Vol. V: Television Effects: Further Explorations). U.S. Department of Health, Education, and Welfare:

The basic rationale of the study Greenberg and Gordon (1971) posited that greater exposure to "real-life" aggression—a more common phenomenon among the disadvantaged—manifests itself in greater tolerance for aggressive behavior, whether real or mediated.

Liebert, Robert M. "Television and Social Learning: Some Relationships Between Viewing Violence and Behaving Aggressively." (Television and Social Behavior. U.S. Department of Health, Education and Welfare, 1972):

Regardless of their particular theoretical affiliations, investigators interested in socialization have virtually all acknowledged that a child's values, knowledge and behavior may be developed and molded at least in part, by observational learning.

Leifer, Aimee Dorr, and Roberts, Donald F., "Children's Responses to Television Violence." (Television and Social Behavior. U.S. Department of Health, Education and Welfare). Stanford University, 1972:

Television is an important contributor to the socialization of our children. It is certainly not the only socializer, nor is it necessarily the most potent; but given the nature of the medium, the large amount of time children devote to viewing, and the fact that children learn a great deal through simple observation of behavior it is difficult not to believe that television has a significant impact on children's behavior.

Television Violence Task Force Report. Newark: Dept. of Preventive Medicine and Community Health of the New Jersey Medical School, 1985:

The Task Force found impressive evidence that viewing violence on television is harmful to many people, especially the young.

Ibid.:

The 1982 U.S. Surgeon General's report on television and social behavior further supports the evidence that watching violence on television can lead to an increase in aggressive behavior.

Ibid.:

Several studies of the relationship between exposure to televised violence and later responses to scenes of real life aggression indicate that viewing television desensitizes peoples to real violence and makes aggressive actions more acceptable.

Eckholm, Erik. "Two Studies Link Teen-Age Suicides to TV Programs", New York Times, Thursday, Sept. 11, 1986:

The new reports, building on earlier research, provide the strongest evidence to date that an "imitative effect" influences the rate of teen-age suicides, scientists said.

National Institute of Mental Health. "Television and Behavior: 10 Years of Scientific Progress and Implications for the Eighties:

At this time, it should be difficult to find any researcher who does not believe that a significant positive relation exists between viewing television violence and subsequent aggressive behavior under most conditions.

While the strength of the relation changes as a function of situational determinants, population characteristics and measurement techniques, the evidence seems overwhelming that television violence viewing and aggression are positively correlated in children.

The more television a child watches, the more accepting is the child's attitude toward aggressive behavior. (Dominick and Greenberg, 1972).

Young children's willingness to accept aggressive behavior in other children can be increased by even brief exposures to violent film scenes. Such accepting attitudes, in turn, make it more likely that the child may behave aggressively and perhaps make it more likely that the child will model agressive acts.

Strickland, Stephen. "A First Hard Look at the Surgeon General's Report on TV and Violence." Palo Alto, CA. 1972:

The Surgeon General's report confirms the folk wisdom that there's a causal relation between violence on TV and the behavior of children in an anti-social way. The confirmation is seen as being about as clear as a scientific group given the time allowed them, could have given them. Not only, does TV incite violence in some who are predisposed to violence, but it is clear that violence on TV is a factor in determining the "predisposition" under these circumstances.

Husenan, Russell. "Adolescent Aggression and Television" Department of Psychology, University of Illinois at Chicago:

There can no longer be any doubt that viewing television violence is one important cause of violent behavior among adolescents. . . . The effect is real. It happens in life, not just in the laboratory.

Ibid.:

Significant overall reduction of violence on the television screen would, we believe, lower the trend of violence in American society.

"Violence on TV: An Unchecked Environmental Hazard." The New England Journal of Medicine. April 8, 1976:

Violence on TV can cause normal, healthy children to become more aggressive . . . after viewing such shows.

The hazard is the exaltation of violence on TV, its victims are all our children, and the disease is a distortion of values, attitudes, and morality.

Palmer, Dr. Richard E. "Pull Plug on TV Violence, AMA asks 10 Big Firms." The Nation. Feb. 7, 1977:

The violence is a mental health problem and an environmental issue. If the program a child is exposed to consists largely of violent content, then his perceptions of the real world may be signficantly distorted and his psychological development may be adversely affected.

Liebert, Dr. Robert M. "TV Violence is Harmful." Readers Digest, April 1973:

We have impressive evidence that watching television violence causes a significant increase in aggressive behavior.

By Mr. HEFLIN (for himself, Mr. SHELBY, Mr. SPECTER, Mr. DECONCINI, Mr. SARBANES, Mr. SANFORD, Mr. PRYOR, Mr. HEINZ, and Mr. METZENBAUM):

S. 594. A bill to establish a specialized corps of judges necessary for certain Federal proceedings required to be conducted, and for other purposes; to the Committee on the Judiciary.

ADMINISTRATIVE LAW JUDGE CORPS ACT

● Mr. HEFLIN. Mr. President, today I rise on behalf of myself and Senators SHELBY, SPECTER, DECONCINI, SARBANES, SANFORD, PRYOR, METZENBAUM, and HEINZ, to introduce legislation, which will have a profound influence on shaping the future of the administration of justice in these United States. Since the enactment of the Administrative Procedure Act of June 11, 1946, there have been gradual changes in this act to meet the changing demands of our modern society. Specifically, there have been 15 amendments to the act. Today I am proposing another change because I believe that reform in the area of administrative law is both timely and necessary. For that reason, I am again introducing legislation which would establish an independent corps of administrative law judges.

Administrative law judges play an increasingly larger and more critical role in the administrative process. They are called upon to review and evaluate a wide variety of issues ranging from the merits of a Social Security disability claim to the validity of extensive regulations governing the securities industry. These judges often make important initial decisions which profoundly influence the administration of justice. Clearly, these administrative judges [ALJ's] are a vital cog in the execution of the laws of the United States.

Given the importance of these public servants and the issues they are called upon to resolve, we must take steps to protect the integrity of their role in government. Administrative law judges provide a unique service. They must be aware of and follow the legitimate policy decisions dictated by the executive branch. At the same time, they must be impartial fact-finders who make unbiased decisions based upon law. It may be said that ALJ's are required to be the conscience of an administrative agency, and are often required to make difficult and sometimes unpopular decisions. For these reasons, the independence of administrative law judges must be a vital concern of this body, and as a result, this independence must be jealously guarded.

Since the establishment of the Administrative Procedure Act, in 1946, and the modern genesis of the role of the administrative law judge, the ranks of ALJ's have increased dramatically. Further, these judges are being asked to make increasingly more difficult decisions. Recognizing these facts, it is easy to perceive why there have been growing problems identifying the proper role that administrative law judges are to have in the administrative process. There are continuing allegations of abuse and bad faith being raised against both agencies and ALJ's. This distrust is disturbing and mandates a congressional response to remedy this problem.

I believe that the establishment of an independent ALJ corps is an appropriate response to this dilemma. I cannot take credit for the initial idea for an independent corps. This concept was first implemented by a number of States which recognized the need for this type of legislation. I understand that in States such as New Jersey and Minnesota this is a successful program. More importantly it is a program which has the ability to evolve and adapt as our society advances. My legislative proposal has these same characteristics, and is an appropriate legislative response to the ALJ situation.

Generally, this bill would establish an independent corps for administrative law judges which would operate under the executive branch of Government. The corps would be governed by a chief administrative law judge. Further, the corps would be divided into seven divisions, with each division governed by a division chief administrative law judge. The chief and division chief ALJs would be Presidential appointments, by and with the advise and consent of the U.S. Senate.

The chief and division chief ALJs would form a council. The council would be the policymaking body for the corps. The council would have the authority to assign judges to divisions, appoint persons as administrative law judges, prescribe rules of practice and procedure for the corps, issue appropriate rules and regulations for the efficient conduct of the corps, and generally manage the day-to-day operations of the corps.

The bill provides explicit protections for ALJ's. The corps would continue to make appointments of administrative law judges from a register of qualified candidates maintained by the Office of Personnel Management. In order for an ALJ to be involuntarily reassigned to a new permanent duty station, an ALJ must receive a written explanation from the council stating that such a move is required in order to meet substantial changes in workloads. ALJ's would continue to hear and adjudicate the same types of cases which they presently decide. Further, ALJ's would continue to be assigned cases within their division on a rotating basis, so far as practicable. In addition, ALJ's would be given the explicit authority to continue to act as special masters pursuant to Federal Rule of Civil Procedure 53(a). This bill also contains provisions for the removal and discipline of administrative law judges. The bill continues specific protections of ALJ's, and provides that they may not be removed, suspended, reprimanded, or disciplined except for misconduct or neglect of duty. Further, the bill provides for the removal of ALJ's due to physical or mental disability. These are protections which provide the necessary balance of independence tempered with proper administrative control.

Finally, the bill contains provisions for the the smooth transition of authority, regarding ALJ's, from the agencies to the corps. A key provision of this transition is that within 2 years of enactment, the bill provides for a study and an offering of proposed legislation which would further streamline the administrative decisionmaking process.

The provisions of this bill are designed to address two critical issues which face our Nation. First, an independent corps is vital to the continued impartial resolution of issues and decision of cases arising under the Administrative Procedure Act. Second, this bill streamlines the Federal bureaucracy in order to better meet the needs of the people of the United States.

Since the last Congress, I have listened and responded to previous concerns of this bill. To the extent that the concerns were legislatively addressable, some changes have been made in this bill. I recognize that virtually no one will feel this legislation is a perfect solution to the problems faced by administrative law judges, but it is a response to a growing problem in our administrative system of justice.

I urge my colleagues to join with me to support this bill.

I ask that a copy of this bill be printed at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 594

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Administrative Law Judge Corps Act".

ESTABLISHMENT OF ADMINISTRATIVE LAW JUDGE CORPS

SEC. 2. (a) Chapter 5 of title 5, United States Code, is amended by adding at the end thereof a new subchapter IV to read as follows:

"SUBCHAPTER IV—ADMINISTRATIVE LAW JUDGE CORPS

"§ 581. Definitions

"For the purposes of this subchapter—

"(1) 'agency' means an authority referred to in section 551(1) of this title;

"(2) 'Corps' means the Administrative Law Judge Corps of the United States established under section 582 of this title;

"(3) 'administrative law judge' means an administrative law judge appointed under section 3105 of this title on or before the effective date of the Administrative Law Judge Corps Act or under section 586 of this title after such effective date;

"(4) 'chief judge' means the chief administrative law judge appointed and serving under section 583 of this title;

"(5) 'Council' means the Council of the Administrative Law Judge Corps established under section 585 of this title;

"(6) 'Board', unless otherwise indicated, means the Complaints Resolution Board established under section 588 of this title; and

"(7) 'division chief judge' means the chief administrative law judge of a division appointed and serving under section 584 of this title.

"§ 582. Establishment; membership

"(a) There is established an Administrative Law Judge Corps consisting of all administrative law judges, in accordance with the provisions of subsection (b). Such Corps shall be located in Washington, D.C.

"(b) An administrative law judge serving as such on the date of the commencement of the operation of the Corps shall be transferred to the Corps as of that date. An administrative law judge who is appointed on or after the date of the commencement of the operation of the Corps shall be a member of the Corps as of the date of such appointment.

"§ 583. Chief administrative law judge

"(a) The chief administrative law judge shall be the chief administrative officer of the Corps and shall be the presiding judge of the Corps. The chief judge shall be appointed by the President, by and with the advice and consent of the Senate. The chief judge must be an administrative law judge who has served as an administrative law judge for at least five years preceding the date of appointment as chief judge. The chief judge shall serve for a term of five years or until a successor is appointed and qualifies to serve, whichever is earlier. A chief judge may be reappointed upon the expiration of his term, by and with the advice and consent of the Senate.

"(b)(1) If the office of chief judge is vacant, the division chief judge who is senior in length of service as a member of the Council shall serve as acting chief judge until such vacancy is filled.

"(2) If two or more division chief judges have the same length of service as members of the Council, the division chief judge who is senior in length of service as an administrative law judge shall serve as such acting chief judge.

"(c) The chief judge shall, within ninety days after the end of each fiscal year, make a written report to the President and the Congress concerning the business of the Corps during the preceding fiscal year. The report shall include information and recommendations of the Council concerning the future personnel requirements of the Corps. If the Council recommends the appointment of an administrative law judge to add a new position to the Corps, or to fill a vacancy caused by retirement, resignation, removal or death of such judge, the chief judge shall submit information substantiating the need for such appointment.

"(d) After serving as chief judge, such individual may continue to serve as an administrative law judge unless such individual has been removed from office in accordance with section 588 of this title.

"§ 584. Divisions of the Corps; division chief judges

"(a) Each judge of the Corps shall be assigned to a division by the Council, pursuant to section 585. The assignment of a judge who was an administrative law judge on the date of commencement of the operation of the Corps shall be made after consideration of the areas of specialization in which the judge has served. Each division shall be headed by a division chief judge who shall exercise administrative supervision over such division.

"(b) The divisions of the Corps shall be as follows:

"(1) Division of Communications, Public Utility, and Transportation Regulation.

"(2) Division of Safety and Environmental Regulation.

"(3) Division of Labor.

"(4) Division of Labor Relations.

"(5) Division of Health and Benefits Programs.

"(6) Division of Securities, Commodities, and Trade Regulation.

"(7) Division of General Programs and Grants.

"(c)(1) The division chief judge of each division set forth in subsection (b) shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) To be eligible for appointment as a division chief judge, an individual must have served as an administrative law judge for at least five years and should possess experience and expertise in the specialty of the division to which such person is an appointee.

"(3) Division chief judges shall be appointed for five-year terms except that of those division chief judges first appointed, the President shall designate two such individuals to be appointed for five-year terms, three for four-year terms, and two for three-year terms.

"(4) Any division chief judge appointed to fill an unexpired term shall be appointed only for the remainder of such predecessor's term, but may be reappointed as provided in paragraph (5).

"(5) Any division chief judge may be reappointed upon the expiration of his term if nominated for such appointment pursuant to the provision of this title.

"(6) Any judge, after serving as division chief judge may continue to serve as an administrative law judge unless such individual has been removed from office in accordance with section 588 of this title.

"§ 585. Council of the Corps

"(a) The policymaking body of the Corps shall be the Council of the Corps. The chief judge and the division chief judges shall constitute the Council. The chief judge shall preside over the Council. If the chief judge is unable to be present at a meeting of the Council, the division chief judge who is senior in length of service as a member of such Council shall preside.

"(b) One half of all of the members of the Council shall constitute a quorum for the purpose of transacting business. The affirmative vote by a majority of all the members of the Council shall be required to approve a matter on behalf of the Council. Each member of the Council shall have one vote.

"(c) Meetings of the Council shall be held at least once a month at the call of the chief judge or by the call of one-third of the members of the Council.

"(d) The Council is authorized—

"(1) to assign judges to divisions and transfer or reassign judges from one division to another, subject to the provisions of section 586 of this title;

"(2) to appoint persons as administrative law judges and members of the Corps under section 586 of this title;

"(3) to file charges seeking adverse action against an administrative law judge under section 588 of this title;

"(4) subject to the provisions of subsection (e), to prescribe, after providing an opportunity for notice and comment, the rules of practice and procedure for the conduct of proceedings before the Corps, except that, with respect to a category of proceedings adjudicated by an agency before the effective date of the Administrative Law Judge Corps Act, the Council may not amend or revise the rules of practice and procedure prescribed by that agency during the two years following such effective date without the approval of that agency, and any amendments or revisions made to such rules shall not effect or be applied to any pending action;

"(5) to issue such rules and regulations as may be appropriate for the efficient conduct of the business of the Corps and the implementation of this subchapter, including the assignment of cases to administrative law judges;

"(6) subject to the civil service and classification laws and regulations, to select, appoint, employ, and fix the compensation of the employees (other than administrative law judges) that such Council deems necessary to carry out the functions, powers, and duties of the Corps and to prescribe the authority and duties of such employees;

"(7) to establish, abolish, alter, consolidate, and maintain such regional, district, and other field offices as are necessary to carry out the functions, powers, and duties of the Corps and to assign and reassign employees to such field offices;

"(8) to procure temporary and intermittent services under section 3109 of this title;

"(9) to enter into, to the extent or in such amounts as are authorized in appropriation Acts, without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5), contracts, leases, cooperative agreements, or other transactions that may be necessary to conduct the business of the Corps;

"(10) to delegate any of the chief judge's functions or powers with the consent of the chief judge, or whenever the office of such chief judge is vacant, to one or more division chief judges or to other officers or employees of the Corps, and to authorize the redelegation of any of those functions or powers;

"(11) to establish, after consulting with an agency, initial and continuing educational programs to assure that each administrative law judge assigned to hear cases of an agency has the necessary training in the specialized field of law of that agency;

"(12) to make suitable arrangements for continuing judicial education and training of other employees of the Corps, so that the level of expertise in the divisions of the Corps will be maintained and enhanced; and

"(13) to determine all other matters of general policy of the Corps.

"(e) The Council shall select an official seal for the Corps which shall be officially noticed.

"§ 586. Appointment and transfer of administrative law judges

"(a) After the initial establishment of the Corps, the Council shall appoint new or additional judges as may be necessary for the

efficient and expeditious conduct of the business of the Corps. Appointments shall be made from a register maintained by the Office of Personnel Management under subchapter I of chapter 33 of this title. Upon request by the chief judge, the Office of Personnel Management shall certify enough names from the top of such register to enable the Council to consider five names for each vacancy. Notwithstanding section 3318 of this title, a vacancy in the Corps may be filled from the highest five eligible individuals available for appointment on the certificate furnished by the Office of Personnel Management.

"(b) A judge of the Corps may not perform or be assigned to perform duties inconsistent with the duties and responsibilities of an administrative law judge.

"(c) A judge of the Corps on the date of commencement of the operation of the Corps may not thereafter be involuntarily reassigned to a new permanent duty station if such station is beyond commuting distance of the duty station which is the judge's permanent duty station on that date, unless the Council determines and submits a written explanation to the judge stating that such reassignment is required to meet substantial changes in workloads. A judge may be temporarily detailed, once in a 24-month period, to a new duty station at any location, for a period of not more than 120 days.

"§ 587. Jurisdiction

"(a) All types of cases, claims, actions and proceedings heretofore held before administrative law judges shall be referred to the Corps.

"(b) An administrative law judge who is a member of the Corps shall hear and render a decision upon—

"(1) every case of adjudication subject to the provisions of section 554 of this title;

"(2) every case in which hearings are required by law to be held in accordance with section 554 or section 556 of this title; and

"(3) every other case referred to the Corps by an agency or court in which a determination is to be made on the record after an opportunity for a hearing.

"(c) When a case under subsection (b) arises, it shall be referred to the Corps. Under regulations issued by the Council the case shall be assigned to an administrative law judge. Administrative law judges shall be assigned to cases within their division in rotation, so far as practicable.

"(d) Federal agencies and courts are hereby authorized to refer any appropriate case either—

(1) to the Corps; or

(2) to a specific administrative law judge, with the approval of the majority of the Council, to serve as a special master pursuant to the provisions of Federal Rule 53(a).

"§ 588. Removal and discipline

"(a) Except as provided in subsection (b) of this section—

"(1) an administrative law judge may not be removed, suspended, reprimanded, or disciplined except for misconduct or neglect of duty, but may be removed for physical or mental disability; and

"(2) an action specified in paragraph (1) of this subsection may be taken against an administrative law judge only after the Council has filed a notice of adverse action against the administrative law judge with the Merit Systems Protection Board and the Board has determined, on the record after an opportunity for a hearing before the Board, that there is good cause to take such action.

"(b) Subsection (a) does not apply to an action initiated under section 1206 of this title.

"(c) Under regulations issued by the Council, a Complaints Resolution Board shall be established within the Corps to consider and to recommend appropriate action to be taken when a complaint is made concerning the official conduct of a judge. Such complaint may be made by any interested person, including parties, practitioners, the chief judge, and agencies.

"(d) The Board shall consist of two judges from each division of the Corps who shall be appointed by the Council. The chief judge and the division chief judges may not serve on such Board.

"(e) A complaint of misconduct by an administrative law judge must be made in writing. The complaint shall be filed with the chief judge, or it may be originated by the chief judge on his own motion. The chief judge shall refer the complaint to a panel consisting of three members of the Board selected by the Council, none of whom may be serving in the same division as the administrative law judge who is the subject of the complaint. The administrative law judge who is the subject of the complaint shall be given notice of the complaint and the composition of the panel. The administrative law judge may challenge peremptorily not more than two members of the panel. The Council shall replace a challenged member with another member of the Board who is eligible to serve on such panel.

"(f) The panel shall inquire into the complaint and shall render a report thereon to the Council. A copy of the report shall be provided concurrently to the administrative law judge who is the subject of the complaint. The report shall be advisory only.

"(g) The proceedings, deliberations, and reports of the Board and the contents of complaints under this section shall be treated as privileged and confidential. Documents considered by the Board and reports of the Board are exempt from disclosure or publication under section 552 of this title. Section 552b of this title does not apply to the Board.".

(b) The table of sections for chapter 5 of title 5, United States Code, is amended by adding at the end thereof the following:

"SUBCHAPTER IV—ADMINISTRATIVE LAW JUDGE CORPS

"Sec.
"581. Definitions.
"582. Establishment; membership.
"583. Chief administrative law judge.
"584. Divisions of the Corps; division chief judges.
"585. Council of the Corps.
"586. Appointment and transfer of administrative law judges.
"587. Jurisdiction.
"588. Removal and discipline.".

AGENCY REVIEW STUDY AND REPORT

SEC. 3. The chief administrative law judge of the Administrative Law Judge Corps of the United States shall make a study of the various types and levels of agency review to which decisions of administrative law judges are subject. A separate study shall be made for each division of the Corps. The studies shall include monitoring and evaluating data and shall be made in consultation with the division chief judges, the Chairman of the Administrative Conference of the United States, and the agencies that review the decisions of administrative law judges. Not later than two years after the effective date of this Act, the Council shall report to the President and the Congress on the findings and recommendations resulting from the studies. The report shall include recommendations, including recommendations for new legislation, for any reforms that may be appropriate to make review of administrative law judges' decisions more efficient and meaningful and to accord greater finality to such decisions.

TRANSITION AND SAVINGS PROVISIONS

SEC. 4. (a) There are transferred to the administrative law judges of the Administrative Law Judge Corps established by section 582 of title 5, United States Code (as added by section 2 of this Act), all functions performed on the day before the effective date of this Act by the administrative law judges appointed under section 3105 of such title before the effective date of this Act.

(b) With the consent of the agencies concerned, the Administrative Law Judge Corps of the United States may use the facilities and the services of officers, employees, and other personnel of agencies from which functions and duties are transferred to the Corps for so long as may be needed to facilitate the orderly transfer of those functions and duties under this Act.

(c) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, in connection with the functions, offices, and agencies transferred by this Act, are, subject to section 1531 of title 31, United States Code, correspondingly transferred to the Corps for appropriate allocation.

(d) The transfer of personnel pursuant to subsection (b) of this section shall be without reduction in pay or classification for one year after such transfer.

(e) The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions, offices, agencies, or portions thereof, transferred by this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, offices, agencies, or portions thereof, as may be necessary to carry out the provisions of this Act.

(f) All orders, determinations, rules, regulations, certificates, licenses, and privileges which have been issued, made, granted, or allowed to become effective in the exercise of any duties, powers, or functions which are transferred under this Act and are in effect at the time this Act becomes effective shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Administrative Law Judge Corps of the United States or a judge thereof in the exercise of authority vested in the Corps or its members by this Act, by a court of competent jurisdiction, or by operation of law.

(g) Except as provided in subsections (d)(5) and (e) of section 585 of title 5, United States Code, this Act shall not affect any proceeding before any department or agency or component thereof which is pending at the time this Act takes effect. Such a proceeding shall be continued before the Administrative Law Judge Corps of the United States or a judge thereof, or, to the

extent the proceeding does not relate to functions so transferred, shall be continued before the agency in which it was pending on the effective date of this Act.

(h) No suit, action, or other proceeding commenced before the effective date of this Act shall abate by reason of the enactment of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act and subchapter IV of title 5, United States Code (as added by section 2 of this Act).

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 6. Title 5, United States Code, is amended as follows:

(1) Section 573(b) is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and inserting a new paragraph (4) to read as follows:

"(4) the chief administrative law judge of the Administrative Law Judge Corps of the United States;".

(2) Section 3105 is amended to read as follows:

"§ 3105. Appointment of administrative law judges

"Administrative law judges shall be appointed by the Council of the Administrative Law Judge Corps pursuant to section 587 of this title.".

(3) Section 3344 and any references to such section are repealed.

(4) The table of sections for chapter 33 is amended by striking out the item relating to section 3344.

(5) The tables of contents of this title and of chapter 5 thereof each are amended by inserting after the item relating to section 559 the following:

(6)(A) Subchapter III of chapter 75 of title 5, United States Code, is repealed.

(B) The table of sections at the beginning of chapter 75 of title 5, United States Code, is amended—

(i) by striking out the items relating to subchapter III and section 7521;

(ii) by redesignating "Subchapter IV" and all references to such subchapter as "Subchapter III"; and

(iii) by redesignating "Subchapter V" and all references to such subchapter as "Subchapter IV".

OPERATION OF THE CORPS

SEC. 7. Operation of the Corps shall commence on the date the first chief administrative law judge of the Corps takes office.

CONTRACT DISPUTES ACT

SEC. 8. Nothing in this Act or the amendments made by this Act shall be deemed to affect any agency board established pursuant to the Contract Disputes Act (41 U.S.C. 601), or any other person designated to resolve claims or disputes pursuant to such Act.

EFFECTIVE DATE

SEC. 9. Except as otherwise provided, this Act and the amendments made by this Act shall take effect 60 days after the date of enactment.●

By Mr. DOMINICI:

S. 595. A bill to amend section 89 of the Internal Revenue Code of 1986 to exempt certain small businesses from the application of the employee benefit nondiscrimination rules, to delay and to simplify the requirements of such section, and for other purposes; to the Committee on Finance.

SMALL BUSINESS RELIEF ACT

● Mr. DOMINICI. Mr. President, today I am going to introduce a measure that I believe cries out for action. I know there are some around who say section 89 of the Tax Reform Act, which had a provision in it that was extremely innocuous—indeed it sounded so good that nobody could be against it because essentially it said, if employers are going to provide health insurance, they must do it in a nondiscriminatory manner.

That sounds reasonable. It sounds perfect. We did not want employers to have two or three kinds of insurance for health coverage, perhaps a blue ribbon expensive type insurance for key executives, maybe a lesser kind for middle management, and maybe yet a lesser coverage kind for other employees.

Essentially we were mandating that if they were going to have health and fringe benefit coverage, they were going to have to do it in a nondiscriminatory manner.

Mr. President, this consent became part of the Tax Code—it will be enforced by the Internal Revenue Service. And it turned out so complex that no one can understand it. I will show the Senate a simple chart for possible compliance.

When you are finished trying to comply, you cannot be assured that you have actually complied. A very concerned constituent who knows a lot about benefit plans added his own thoughts using the game of Monopoly as the background. This second chart will show his version of the steps necessary to comply with section 89. The hoops that must be jumped through are much like the challenges in the game of Monopoly. It took just about as big a piece of paper and took about as long to complete as a competitive game of Monopoly. An employer would not be sure he had complied even after jumping through all the hoops.

The dangerous part is, if you do not comply, the tax that you wrote off, the expenditures that you wrote off in the business, you lose, and you suffer a tax penalty. The employee who receives the benefit, if the plan is determined to be a noncompliance plan, that whole benefit is taxable to the employee.

So we might assume that a totally innocent employee has a sick child and spends $30,000 of the covered medical expenses only to find that because of this mess 2 years later it was a noncomplying plan, they have to declare the $30,000 as income and pay an enormous amount of income tax.

I just do not believe it is going to work. In the name of covering more of the 25 million Americans that are working without health insurance, this law was passed with the idea that they would be covered more equitably and without discrimination as to plans within the framework of an employer's portfolio of coverage. The opposite is going to be the result. Employers are going to drop plans. We are going to have more uninsured working men and women. There are already employers dropping the coverage they have.

Mr. President, we all understand that employers are not mandated to provide insurance. It is just if they carry it they must do it this way. There is good evidence around that many small businesses and medium-sized businesses will drop the coverage in lieu of this complicated burden. Employers cannot tell when they are in compliance.

The bill I am offering today is not the repealer that is around. Several Senators would prefer an outright repeal. In the House there are 186 Members from both sides of the aisle on total repealer of this section. When you get 186 House Members on both sides, cosponsoring such a measure and we just came into session, you know something is wrong out there.

That is what the framers of the Constitution had in mind when they said the House should be close to the constituents, and they are angry about this tax provision in the House. That is why you get them to cosponsor a bill. They may have enough to get that reported out even though the committees do not want to. That is how serious it is.

I do it a little different. In my bill small businesses, with fewer than 20 employees are exempt. I delay its full implementation for 2 years for all other businesses. I suggest that portion of the law which required part time workers working more than 17½ hours, be changed to require 25 hours of work. Then I provided a simple test to determine whether an employer complied. It is not predicated upon how many employees participating, but rather that on how many are eligible.

I believe a bill like this is imperative. I send my statement to the desk, and the bill that I hope will be the basis for a compromise and solution of this untenable situation for the businessmen and women of this country and for those we are hoping will be covered by health insurance protection under the umbrella of their employers' expense on their behalf.

Mr. President, I am pleased to introduce the Section 89 Small Business Relief Act of 1989. This bill would alleviate some of the problems caused by what is known as "section 89," of the Internal Revenue Code.

My bill would limit those affected by section 89 and declare that companies offering equal benefits to all will be

judged in compliance whether or not all employees choose to participate.

Mr. President, in an effort to help employees the Tax Reform Act of 1986 created a monster. The monster is section 89.

It's a monster to employers who want to provide life and health insurance and other fringe benefits to their employees. It requires employers to satisfy as many as six compliance tests for each plan. And, more tests are required each year to prove that enough employees in various salary ranges are participating in the benefit plans.

Section 89 is also a monster to employees because if the employer fails to comply with the law properly, the employees could be taxed on the value of the fringe benefits received throughout the entire plan year.

The documentation requirements are abundant and redundant and complicated. So much so that a new industry has emerged—section 89 testers. For a fee—which is most often upwards of $2,000 plus $10 per employee—these section 89 testers will conduct the complicated compliance tests for employers.

It has long been a tenet of tax policy that the IRS does not tax fringe benefits. However, a violation of section 89 negates this tenet. If one or more of the qualification requirements are violated, then all of the company's employees are penalized by being taxed on the value of the benefits received.

Let me give you one very precise—and frightening—example. Let us assume that an employer's health benefit plan violates one of the qualification requirements under section 89. If an employee at that company then has a $30,000 operation that was covered by the violating health plan, the employee would be required under section 89 to declare that $30,000 as income to the employee and the employee would then owe a big tax bill to the IRS. They wouldn't even be taxed on the insurance premium, they would be taxed on the value of the benefit received, $30,000.

Mr. President, with a penalty as severe as this, I doubt that many employers will put their fate into the hands of the section 89 benefits testers and the IRS.

Mr. President, the purpose of the law is to encourage companies to provide equal benefits to all workers by placing severe tax penalties on compensation plans that only cover the highly compensated or key employees. Under section 89, such plans are considered to discriminate against the rank and file worker.

Congress enacted section 89, leaving employers with the burden of proving that a company's general work force is getting health and other fringe benefits similar to those enjoyed by the firm's top executives. This is done through a series of tests, devised by the Congress, to be completed by the employer. Testing is exceedingly time consuming, not to mention expensive.

According to section 89, any employer who provides benefits under a statutory employee benefit program, a qualified tuition reduction program, a cafeteria plan, a voluntary employee benefit association, or a fringe benefit program, that employer must ensure the plan is qualified. This means each plan must comply with the following:

The plan must be in writing, the employee rights under the plan must be legally enforceable, the employees must receive reasonable notice of the benefits available, the plan must benefit the employees, and it must be established with the intent of being maintained for an indefinite period.

Failure to meet these qualification requirements results in severe tax penalties on the employees.

That's probably not too hard to show. But once the employer determines his plan is qualified, he must then prove it passes the nondiscrimination tests. I cannot stress enough the complexity of these tests.

Section 89 requires all employers to complete these tests to prove their benefits are not discriminatory.

First, employer-provided health and group term life insurance plans must pass one of two "objective coverage tests": An 80-percent coverage test or a three part eligibility and benefits test. Then, all plans—whether they use the 80-percent test or the three part test—must pass a "subjective nondiscriminatory provisions" test.

Under the 80-percent coverage test, a plan is considered nondiscriminatory, and therefore passes, if it covers at least 80 percent of the employer's nonhighly compensated employees and if it satisfies the subjective nondiscriminatory provisions test. The 80-percent test is the easiest test to understand, but it is difficult to pass because most employers offer several benefit plans and each option must be treated as a separate plan.

If a plan fails the 80-percent test, the employer must try and qualify it under the three-part test. But I should point out that to call it a "three-part test" is really a misnomer because there are really six tests.

This test is comprised of the 50-percent eligibility test, the 90-percent/50-percent eligibility test and the 75-percent average benefits test. But, the 50-percent test calls for alternate testing procedures under certain circumstances and the 90-percent/50-percent test has two parts.

And, there's an additional catch: Whether or not an employer complies with the law depends largely upon the employees.

Under the law as now written, passage of the test depends upon benefits received, not the benefits offered.

If an employer's plans fail the section 89 tests—and many will—employers are left with three choices. They can increase benefit coverage for their nonhighly compensated employees, they can cut back coverage of their well compensated employees, or they can charge their well compensated employees some of the insurance costs given the lower wage employees in order to equalize the coverage between the two groups.

If the employer does not opt for one of the choices I have just outlined, the IRS will slap the employer with a fat surcharge and tax the employee for the excess benefits they received.

The objective behind section 89 is to encourage employers to make health and other benefit plans available to all of their workers. Since the United States has 25 million uninsured workers, we can all agree that the intent of section 89 is a worthy one. I am well aware of the abuses that the tax writers were trying to correct. However, I see three problems with this section, problems the bill I am introducing would correct.

First, the statute is overly complicated.

Second, the goals of the statute are not attainable as the statute is currently written.

Third, and most important, section 89 will have an adverse impact on the health care system because employers are likely to drop or reduce existing benefits due to the complexity of the discrimination tests.

The scope of section 89 is enormous. This law has the same effect on all businesses, big and small. Yet, it is the small businesses that stand to suffer most under this law.

This bill will correct many of the problems caused by section 89. This bill proposes five very precise changes in the current law, changes that will make section 89 workable for American businesses and for American employees.

First, my bill would completely exempt those businesses with fewer than 20 employees from the section 89 requirements.

Second, my bill would delay the compliance date for 2 years after the effective date, which was January 1 of this year.

Third, my bill would raise the standard for coverage of part-time workers from those employed 17½ hours a week to 25 hours.

Fourth, it would reduce the required coverage percentage in the "alternate coverage test" from 80 percent to 65 percent.

Finally, my bill provides that an employer offering benefits equally to all employees will be in compliance with the law, regardless of whether each employee chooses to participate in the benefit package. I included this provi-

sion because current law uses whether employees participate in the plan as a compliance criteria. I would like to work with the members of the Finance Committee to see if this standard should be changed, simplified, or at least clarified. The provision in my bill is not intended to be the definitive answer. I included it in order to start the debate on how to make this provision workable.

The Technical and Miscellaneous Revenue Act of 1988 relaxed the provisions of section 89 by adding safe harbors, permissive aggregation rules, disaggregation rules, and mandatory aggregation rules.

But in my view, more needs to be accomplished.

There are other more basic problems, ones I have already outlined. Recently, the Treasury issued guidance regulations on section 89. But, these rules give no guidance on how to comply with the law, they simply offer transitional compliance relief and a good faith compliance standard for employers. This is not good enough.

Mr. President, I am not the first to recognize a problem in this area of the law. Four bills have been introduced—two in the House and two in the Senate—to either repeal section 89, or delay the effective date. My bill is an attempt at compromise. I hope to work with my colleagues to come up with a workable set of rules to carry out the goal of encouraging employers to make health and other benefits available to the 27 million working uninsured.

Mr. President, I don't need to go into detail about the problems our country is facing as a result of rising health care costs. Let me just say we do not need additional legislation making this problem worse.

Mr. President, I would urge my colleagues to examine this bill, and I would hope they might be interested in joining me in its sponsorship. To assist them, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

There being no objection, the Bill was ordered to be printed in the RECORD, as follows:

S. 595

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Section 89 Small Business Relief Act of 1989".

SEC. 2. EXEMPTION FROM SECTION 89 FOR EMPLOYERS WITH FEWER THAN 20 EMPLOYEES.

(a) IN GENERAL.—Section 89(i) of the Internal Revenue Code of 1986 (defining statutory employee benefit plan) is amended by adding at the end thereof the following new paragraph:

"(5) EXCEPTION FOR PLANS OF EMPLOYERS WITH FEWER THAN 20 EMPLOYEES.—

"(A) IN GENERAL.—The term 'statutory employee benefit plan' does not include a plan maintained by an employer during a testing year if on all days during such year the employer has fewer than 20 employees (determined without regard to employees excluded under subsection (h)).

"(B) AGGREGATION RULES.—All employers treated as a single employer under section 414 (b), (c), (m), (n), or (o) shall be treated as a single employer for purposes of subparagraph (A)."

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 1151 of the Tax Reform Act of 1986.

SEC. 3. 2-YEAR DELAY IN APPLICATION OF SECTION 89.

"(a) IN GENERAL.—Notwithstanding section 1151(k) of the Tax Reform Act of 1986, the amendments made by section 1151 of such Act (relating to nondiscrimination rules under section 89) shall apply to years beginning after December 31, 1990.

"(b) EXCEPTION.—Subsection (a) shall not apply to the amendments described in the last sentence of paragraph (1) and paragraph (5) of section 1151(k) of the Tax Reform Act of 1986.

SEC. 4. PROVISIONS SIMPLIFYING APPLICATION OF SECTION 89.

(a) PART-TIME EMPLOYEES.—Subparagraph (B) of section 89(h)(1) of the Internal Revenue Code of 1986 is amended by striking out "17½ hours per week" and inserting "25 hours per week".

(b) PLAN MAKING SAME BENEFITS AVAILABLE TO ALL EMPLOYEES TREATED AS MEETING ELIGIBILITY AND BENEFIT REQUIREMENTS.—

(1) IN GENERAL.—Section 89(d) of the Internal Revenue Code of 1986 (relating to eligibility requirements) is amended by adding at the end thereof the following new paragraph:

"(3) ALTERNATE ELIGIBILITY AND BENEFIT TEST.—A plan meets the eligibility requirements of this subsection and the benefit requirements of subsection (e) if—

"(A) all employees who are not highly compensated employees—

"(i) are eligible to participate in such plan (or in any other plan of the employer of the same type), and

"(ii) would (if they participated) have available under such plans an employer-provided benefit which is at least equal to the largest employer-provided benefit available under all such plans of the employer to any highly compensated employee, and

"(B) the requirements of paragraph (1)(C) are met with respect to the plan."

(2) CONFORMING AMENDMENTS.—

(A) Section 89(e) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new paragraph:

"(3) CROSS REFERENCE.—For plans meeting the requirements of this subsection through eligibility test, see subsection (d)(3)."

(B) Subparagraphs (A) and (C) of section 89(g)(1) of such Code are each amended by inserting "(d)(3)," after "(d)(2),".

(C) Subparagraph (D) of section 89(g)(3) of such Code is amended by inserting "or subsection (d)(3)(A)(ii)" after "subsection (d)(2)(A)(ii)" each place it appears in the text and heading.

(c) ALTERNATE COVERAGE TEST.—

(1) REDUCTION IN REQUIRED COVERAGE PERCENTAGE FROM 80 TO 65.—Section 89(f) of the Internal Revenue Code of 1986 is amended by striking out "80" each place it appears in the text and heading and inserting "65".

(2) CONFORMING AMENDMENT.—Subclause (III) of section 89(g)(1)(D)(ii) of such Code is amended by striking out "80" and inserting "65".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 1151 of the Tax Reform Act of 1986.●

By Mr. D'AMATO:

S. 596. A bill to make available certain information involving threats to the safety of international commercial airline travel; to the Committee on Commerce, Science, and Transportation.

AVIATION SECURITY THREAT NOTIFICATION ACT OF 1989

● Mr. D'AMATO. Mr. President, on behalf of myself and Senators GRASSLEY and MIKULSKI as original cosponsors, I rise today to introduce the "Aviation Security Threat Notification Act of 1989." This bill would require the disclosure to airline passengers and flight crews of credible security threats against international commercial aviation.

Twelve weeks ago, America suffered the most serious terrorist attack against a civilian target in its history. On December 21, a terrorist bomb blew apart Pan Am Flight 103 over Scotland taking the lives of 270 innocent victims and spreading grief among the family and friends of those aboard flight 103 and those on the ground in Lockerbie. The people of New York have suffered an especially great loss—60 of the victims were New York residents, and 35 Syracuse University students were aboard the flight. I extend my deepest condolences to the family and friends of all of those killed as a result of the bombing of flight 103.

The families and friends of those aboard flight 103 have suffered greatly since the horrific events of December 21. In addition to dealing with their private grief, they have had to struggle with the U.S. State Department bureaucracy and insensitivity to their efforts to secure the return of the bodies and personal effects of their loved ones. They also have gained a growing skepticism about the ability of the Federal Government to protect civil aviation targets from future acts of terrorism.

Representatives of the families and friends of those aboard flight 103 have asked me to request that a statement on their behalf be included in the RECORD. Mr. President, I ask unanimous consent that a copy of this statement be printed in the RECORD at the conclusion of my remarks.

This tragedy has pointed out the very disturbing problem of selective notification. It is absolutely unconscionable that information regarding a serious terrorist threat was selectively provided to government officials and withheld from the passengers and flight crew of Pan Am 103. This double standard is totally unacceptable and must never be repeated.

My legislation would require public disclosure of credible threats. It provides that:

(1) The Secretary of Transportation must systematically evaluate and grade the credibility and severity of threats against international aviation.

(2) Where a credible, not crank, threat exists, the Secretary must immediately notify the State Department, and the affected airline and airport.

(3) The State Department must establish a new 24-hour toll-free consumer hotline to inform the public about credible threats. The information must be as specific as possible as to the flight affected and the severity of the threat.

(4) The airlines must print the hotline number on tickets. Also, the number must be prominently displayed at airports.

(5) Airlines receiving threat information from the FAA must immediately inform the flight crews. In addition, airlines would be prohibited from taking retaliatory actions against crews that act to avoid threats.

(6) The Secretary of Transportation would have the authority to cancel flights in the case of the most serious threats.

I realize that this legislation will probably be strongly opposed by the administration as well as by certain parts of the airline industry. However, since the Federal Government and the industry seem to be "playing the odds" that another disaster won't occur, we need to do more to enable passengers and crew to protect themselves. These individuals should not be the last to know about terrorist threats. Our flight crews should not be compelled to fly blindly.

Mr. President, I ask unanimous consent that a copy of my legislation be printed in the RECORD at the conclusion of my remarks.

Mr. President, I urge my other Senate colleagues to support this legislation, and to push for its speedy passage.

Thank you, Mr. President.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 596

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Within the 60 day period following the date of the enactment into law of this Act, the Secretary of Transportation (hereinafter referred to as the"Secretary"), shall establish, by regulation, a system for evaluating and grading the credibility and severity of any threat to the safety of international commercial airline travel.

(b) Regulations under subsection (a) shall require the Secretary, with respect to information involving a threat to the safety of international commercial airline travel, to evaluate and grade the credibility and severity of such threat. Upon determining that a credible threat exists, the Secretary shall immediately inform the Secretary of State, and all affected air carriers and airports.

(c) The Secretary of State shall, within such 60 day period, establish a 24 hour toll free consumer hotline to inform the public of credible threats to the safety of international commercial airline travel. The information made available to the public shall identify, with as much specificity as possible, the potentially affected flight and the severity of the threat, graded under subsection (b). Information with respect to the availability of such hotline and its purpose, together with the telephone number thereof, shall be printed on each ticket or ticket jacket, and prominently displayed in appropriate locations at airports.

(d) Any air carrier receiving information and other data pursuant to subsection (b) which affects a specific flight or flights of that carrier shall take such action as may be necessary to immediately notify the flight crew or crews scheduled to operate such flight or flights.

(e) It shall be unlawful for any air carrier to discharge or otherwise discipline any flight crew employee who acts to avoid or mitigate a threat based on such notification.

SEC. 2. Within the 60-day period following the date of the enactment into law of this Act, the Secretary of Transportation shall issue such regulations as may be necessary to require any commercial air carrier to cancel any international flight if the Secretary determines that a serious and credible threat exists as to such flight and that such cancellation is in the public interest.

SEC. 3. As used in this Act, the term "air carrier" shall have the same meaning as that provided for under section 101(3) of the Federal Aviation Act of 1958 (49 U.S.C. 1301(3)).

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out this Act.

PREPARED STATEMENT: THE VICTIMS OF PAN AM FLIGHT 103 BEFORE THE SENATE SUBCOMMITTEE ON TRANSPORTATION, MARCH 14, 1989

We are some of the friends and relatives of the American citizens who lost their lives last December 21 when Pan American Flight 103 from Frankfurt and London to New York was destroyed by a brutal terrorist bombing. Nothing that we say or do here can bring our loved ones back. But we are here because what you say and do to improve airport and airline security can prevent this tragic story from happening over and over again.

We believe that the 270 lives lost on Flight 103 could have been saved—that this bombing could have been prevented. We believe that those who conclude that little or nothing can be done about terrorist attacks on airlines are grievously wrong, motivated in some instances by commercial consideration and in others by an effort to conceal or tolerate inadequate efforts and dereliction of duty.

We speak in sorrow, but we are motivated not by bitterness but by concern for all those whose lives can still be saved. We are not experts on the cause and cure of terrorism or criminal behavior. But a needless tragedy that seared our lives has required us to learn more about airline security than we ever wanted to know. We are shocked by what we have found. We are determined to obtain action that can substantially reduce the prospects for countless more disasters like Pan Am 103.

Specifically, four problem areas require the earliest possible action. These areas are notification, detection, coordination and compensation.

1. More adequate notification of passengers, baggage handlers and concerned governmental and airline offices of serious, high level threats to airline security is an imperative. The lack thereof is inexcusable. Only a small number of threats are deemed sufficiently serious each year by the FAA to be the subject of a high level security bulletin. Any airline that is the subject of such threat should be obligated to notify each passenger prior to boarding of the issuance of that FAA bulletin, permitting that passenger to choose whether or not to take that flight. Surely every American citizens deserves that freedom of choice based on notice and information. The policy of so-called selective notification is contemptuous of human life, passenger interest and American legal traditions. Had the passengers of Pan Am 103 been informed by the airline about the FAA bulletin, we believe many of them would not have boarded that plane and would be alive today.

In addition, every flight captain should be notified of all threats to his flight and possess full authority to delay it or cancel it if he feels that the security of his passengers cannot be guaranteed. Safety, not sales, can be the only criterion.

2. More adequate detection equipment, personnel and procedures must be installed for every airport and every airline. This will require more money, from both governments and airlines; but the amount now spent per passenger is absurdly low and the current level (or, more accurately, current lack of effective security measures is intolerable. For example, it has been known at least since 1986 that plastic bombs in checked baggage could not be detected by existing systems and posed the single most serious terrorist threat to international travelers. New equipment to detect such bombs has been available at least since 1987. But such equipment had not been installed or even ordered on December 21, 1988; and it still has not been installed or ordered today.

Airport security personnel are too often ill-paid, ill-trained, ill-qualified and uninformed. Their methods and procedures are too often inconsistent from one airline to the next and ill-considered at best. FAA security personnel are also insufficient in number and training. Surely there are no higher priorities in the appropriations process than the saving of our citizens' lives.

3. More adequate coordination, communication and involvement among all agencies engaged in gathering intelligence and combatting airlines terrorism, including the Federal Aviation Administration, the State Department, the Central Intelligence Agency, the National Security Agency, the Federal Bureau of Investigation and airline and airport authorities, is essential to the prevention of terrorist attacks on airlines. Today, however, responsibility is taken by no one and decisions are made by virtually anyone. The FAA largely leaves all questions of implementation to mid-level and low-level airline employees who receive no clear guidelines from the FAA and no carefully and consistently compiled and evaluated information.

4. More adequate compensation by way of damages the families of victims of international airline disasters is the only way to prod the airlines into upgrading and maintaining their security systems, procedures

and policies. The obviously outdated Warsaw Convention of 1929 now places an unrealistically low cap of $75,000 on the value of each passenger's life. As the Government of Italy has already advocated this cap must be eliminated or drastically removed both to protect the families of international flight victims and to give the airlines sufficient incentive to take all necessary security measures.

Each of these four action areas must be addressed now. But each of them takes time, and passenger safety must be protected in the interim. We therefore urge the FAA to enforce the following emergency stop-gap measures until the permanent measures discussed above are in place:

(a) An 800 number should be established with information on airline threats enabling passengers to contact the specific airline mentioned for details and to decide for themselves whether they want to take a particular flight.

(b) All carry-on and checked baggage must be hand searched (until proper bomb detection equipment is in place); sealed as soon as the appropriate security checks have been completed; and matched with passengers. Any unattended or abandoned baggage must then be turned over to security personnel.

(c) The El-Al airline procedures of utilizing security personnel to question all passengers should be adopted by all airlines on at least a stop-gap basis.

(d) Late arriving passengers should either be denied entrance or subjected, regardless of possible flight delay, to the same screening processes as all other passengers.

No doubt these recommended interim procedures will involve cost, inconvenience and complaints. They will also save lives.

Finally, we urge this Committee to obtain a better sense of the confusion and cover-up that now characterize international airline security by investigating a particular case—the case of Pan Am Flight 103. We have attached as an appendix to this statement a series of questions for which you will be able to obtain answers better than we can.

Those answers will not bring back our loved ones, massacred last December 21 at 31,000 feet. Neither will the remedial measures we have advocated here. But at least those measures and others like them can help to increase the safety of our airways. At least they can help to prevent another preventable calamity from inflicting pain on more people, no doubt including people like you and your families. If action is taken now that saves the lives of countless others, then the terrible tragedy of last December will have at least produced some small gain to offset the terrible loss we have suffered.

We are grateful for your consideration of our views and we are hopeful that you will take early action accordingly.●

By Mr. DOMENICI:

S. 597. A bill to amend the Federal Election Campaign Act of 1971 to limit candidate expenditures of personal funds; to the Committee on Rules and Administration.

CAMPAIGN REFORM LEGISLATION

● Mr. DOMENICI. Mr. President, I have a bill that I introduced last year and since we are now once again engaged in the campaign reform legislation debate, I am going to send to the desk a bill that I believe will be incorporated in many of the reform packages that are considered here and elsewhere.

Essentially what I am trying to do is to say to the U.S. Senate that when we have candidates running for the U.S. Senate who are extremely wealthy and are going to use substantial amounts of their own money, or are extremely wealthy and are going to borrow a lot of money for their campaigns—I am trying to set up a process where we can equalize that by giving the opposition candidate notice that this is going to occur in a timely manner. If notice is not given, then their own resources cannot be used, and if no notice is given, it triggers certain additional fund-raising opportunities, not public financing, but additional opportunities for the candidate who does not have that wealth.

It raises the PAC limits, and that type of thing gives them an opportunity, although it will not ever match the enormous amounts that have been spent by those who spend their own money, and the Supreme Court has said that is their right. But it will give a little bit more fairness to that situation.

Mr. President, the Senate spent a great deal of time and energy during the 100th Congress on the issue of congressional campaign reform. No doubt, this new Congress will at some point wrestle with the difficult issue anew.

We will hear a drumbeat of complaints over the evils that money brings to the electoral process. Bills will be introduced to control this type of spending or that type of spending.

Yet every one of these reforms, whether intended to do so or not, will almost certainly distort the process, helping one type of candidate or one party, while hurting others.

This is a complicated issue, where change begets unexpected results. I doubt that many of the reformers of the 1970's foresaw the growth of the political action committees [PAC's] of the 1980's, a growth that came directly from the reforms of the 1970's.

Mr. President, no Member of this body is comfortable with the sharply escalating costs of Federal elections. I certainly am not. That sense of discomfort, that unease, is shared widely. But what do we do about it?

As we search for reforms, our goal must be to create as fair and as balanced a process for our elections as possible.

And there is one issue where great imbalance certainly exists, yet it is an imbalance that has been largely ignored during the debate on reform.

This issue involves the tremendous advantage available to the very wealthy candidate, once that candidate decides to spend large sums of his or her own money on the campaign.

Because of the way that electioneering laws have been layered upon decisions of the Supreme Court, candidates of wealth carry a great advantage into the voting booth: They can spend to their heart's content, while their poorer opponent faces legislated limits on the money he or she can raise.

Possibly even more important than the dollar impact is the inequity in time. While the wealthy candidate simply writes a fat check to his own campaign, the poorer candidate must spend 50, 60, maybe 70 percent of his or her time and energy scrounging for the contributions needed to compete.

We hear complaints of the millionaire's Senate, and those complaints are completely legitimate.

Any reform package must address this obvious inequity.

My colleagues know that I am not a wealthy man. And I do not, in any way, disparage the right of a person of wealth to run for public office.

But I believe—and I believe deeply—that in a democracy we must not allow individuals with vast wealth to enter the election booth with a big, sometimes unassailable advantage.

To correct this inequity, Mr. President, my bill will restore a greater balance of opportunity between the candidates of wealth and the rest of us.

This bill will not answer all our election financing problems. That issue is too complex. I am joining others in sponsoring legislation to achieve a broader reform. But if we do nothing else, we must plug what has become one of the most unfair, most dangerous leaks in the entire process.

Before explaining the specifics of my bill, I need to discuss how the current law operates. This law was written in 1974, and has, with one major exception, remained static for 15 years.

What we in the Congress did in 1974 was impose personal limits on campaign financing. Personal contributions, including those by individuals to their own campaigns, were limited to $1,000 per election: $1,000 for a primary; $1,000 for a general election.

The overall limit on what an individual may contribute annually to all Federal elections—candidates, PAC's, and national committees—was set at $25,000.

And PAC contributions were limited to $5,000 per candidate per race.

That approach did not provide the perfect solution to the vexing problem of campaign financing. But, at least, those limits offered a solution that appeared balanced, one with reasonable limits for everyone.

That scale of fairness remained in balance until 1976, when the Supreme Court found that a spending limit on the candidate himself was unconstitutional, as it limited the candidate's first amendment rights to present his own views to the public.

The result: Candidates of wealth could now pour family treasure into their effort to attain public office, while the opponent continued to confront those 1974 financing restrictions.

I shall not present a laundry list of the personal wealth that has been pumped into campaigns for the Senate and House of Representatives in recent years. It has been considerable. Personal expenditures in the range of $5 million to $10 million have occurred on several occasions.

Some won and some lost. But let me underline this point: The opponents in each of those races were forced to seek their financing—and to spend lots of time doing it—from thousands of smaller contributors.

That's not all bad, of course. I'm proud of the fact that 20,000 individuals contributed to my 1984 campaign for re-election, providing 70 percent of the money I was able to raise.

Nevertheless, the potential that family wealth can be used to purchase a seat in this Chamber remains ever present. It is a possibility that runs counter to the philosophy of a democracy.

I am frank to say that it is not easy to craft a path to fairness, one that is clearly constitutional, one that will restore the balance between candidates of wealth and the rest of us.

But despite that difficulty, we must try. This bill represents that effort, that search for balance.

How does my bill work? First, we must remember that the Court has said there is no legal way to restrict the total number of dollars a candidate can spend on his own campaign. So we must deal with the alternative, making it easier for the opponent to compete, loosening the contraints on the nonwealthy opponent.

Under this specific proposal, the current dollar PAC and individual spending limits will remain effective and unchanged, so long as all candidates in a race hold to certain limits in their personal spending.

But should a wealthy candidate unleash the family fortune, my bill would loosen the financing limits on the opponent. These limits would not be loosened for the wealthy candidate, only the opposition.

Specifically, my bill requires that, within 15 days after a senatorial candidate qualifies for the ballot, that candidate must file a statement with the Federal Election Commission.

In that statement, the candidate must declare whether he or she intends to spend a total of $250,000 or more in personal and family funds during the campaign. This total would include loans to the campaign.

A candidate who fails to file a declaration is assumed to plan to exceed the $250,000 limit.

I want to reiterate this point: If all candidates hold to their low-spending promises, then current contribution limits are maintained; this bill will have no effect whatsoever on those limits.

But if a candidate decides to exceed the $250,000 limit, the opponents in that race—whether it is a primary or the general election—will be permitted special, higher limits on contributions.

The individual contribution limit for the low-spending opponent in that campaign only would be increased to $10,000 from the current $1,000.

The current limit of $5,000 for a single PAC would also be increased to $10,000.

The overall, per-person cap of $25,000 would be increased to $37,500, with the increase available only—I repeat, only—for donations to candidates running against those declared big-spenders.

Should a candidate change his or her mind and breach the $250,000 barrier once the campaign is under way, the candidate must notify both Federal authorities and the opponents within 24 hours by certified mail.

Should the wealthy candidate lose in the primary, the contribution limitations would drop back to current limitations for the general election.

My approach has grown from two thoughts: The need to minimize the dollar advantage of enormous wealth, together with the concurrent need to maximize the opponent's time pursuing a campaign on the issues, rather than caught in the quicksand of fundraising.

I should also point out that the $250,000 ceiling is arbitrary. I selected it as a level that, while representing a small percentage of the cost of most Senate campaigns these days, still is well beyond the means of a middle-income candidate for the Senate.

My bill also deals with the problem of a last-minute deluge of money. My bill prohibits any—I repeat, any—personal contributions or loans by any candidate or the candidate's family during the final 60 days before any election, regardless of whether the candidate has reached the $250,000 limit.

Thus, all candidates can be assured they will not confront a last minute deluge of family money, money the poorer opponent could never offset with last-minute contributions, even with the higher limits.

Further, no candidate may recoup personal contributions, or repay personal loans, through the collection of campaign contributions after the election has passed. This would prohibit the wealthy candidate lending vast sums to the campaign, then recovering the money through unlimited PAC receipts after the election.

My entire approach, I will admit, may not be perfect. But it represents what I view as a good, solid start toward eliminating much of the bias inherent in the existing Federal election financing process.

Forcing a candidate to disclose intent will not prevent such spending, particularly if the rich candidate experiences difficulties raising funds. But it will move us somewhat away from silver-spoon campaigns.

Is this bill aimed at my wealthy colleagues in the Senate? No, I don't think so. That certainly is not the intent. And I would guess that most of the very wealthy Members of the Senate would not object to this legislation. I think they would recognize the imbalance that exists.

Mr. President, I urge my colleagues to study and support this legislation. To assist them, I ask unanimous consent that a copy of this legislation be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 597

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end thereof the following:

"(i)(1)(A) Within 15 days after a candidate qualifies for the ballot, under applicable State law, for each election under this Act, such candidate shall file with the Commission, a declaration stating whether or not such candidate intends to expend, in the aggregate, $250,000 or more from his personal funds, or the funds of his immediate family, or incur personal loans in excess of such amount, in connection with his campaign for such office.

"(B) For purposes of this subsection, 'immediate family' means a candidate's spouse, and any child, stepchild, parent, grandparent, brother, sister, half-brother, or half-sister of the candidate, and the spouse of any such person and any child, stepchild, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate's spouse, and the spouse of any such person.

"(C) The statement required by this subsection shall be in such form, and contain such information, as the Commission may, by regulation, require.

"(2) Notwithstanding any other provision of law, in any election in which a candidate declares that he intends to expend more than such $250,000, or intends to incur personal loans in excess of such $250,000 or does expend or incur loans in excess of such amount, or fails to file the declaration required by this subsection, the limitations on contributions in subsection (a) of this section, as they apply to all other individuals running for such office shall be increased for such election as follows:

"(A) The limitations provided in subsection (a)(2)(A) shall be increased to an amount equal to 200 percent of such limitation,

"(B) The limitations provided in subsection (a)(1)(A) shall be increased to an amount equal to 1000 percent of such limitation, and

"(C) The limitations provided in subsection (a)(3) shall be increased to an amount equal to 150 percent of such limitation, but only to the extent that contributions above such limitation are made to candidates af-

fected by the increased levels provided in subparagraphs (A) and (B).

"(3) If the limitation in this section are increased pursuant to paragraph (2) for a convention or a primary election as they relate to an individual candidate, and such individual candidate is not a candidate in any subsequent election in such campaign, including the general election, the provisions of subparagraphs (A) and (B) of paragraph (2) shall cease to apply.

"(4) Any candidate who—

"(A) declares, pursuant to paragraph (1) that he does not intend to spend, in the aggregate, $250,000 or more from his personal funds or the funds of his immediate family or incur personal loans in excess of such amount in connection with his campaign; and

"(B) subsequently does spend or incur loans in excess of such amount, or intends to spend or incur loans in excess of such amount,

shall notify and file an amended declaration with the Commission and shall notify all other candidates for such office within 24 hours after changing such declaration or exceeding such limits, whichever first occurs, by sending such notice by certified mail, return receipt requested.

"(5) Any candidate who makes expenditures from his personal funds or the personal funds of his immediate family, or incurs personal loans in connection with his campaign for election to office shall not repay, either directly or indirectly, such loan for such expenditures, to himself or to his immediate family, from any contributions made to such candidate or any authorized committee of such candidate, if such contribution was made after the date of such election.

"(6) Notwithstanding any other provision of law, no candidate may make expenditures from his personal funds or the personal funds of his immediate family, or incur personal loans in connection with his campaign for election to such office at any time after 60 days before the date of such election. The provisions of this paragraph shall apply to all candidates regardless of whether such candidate has reached the limits provided in this subsection.

"(7) The Commission shall take such action as it deems necessary under the enforcement provisions of this Act to assure compliance with the provisions of this subsection.".●

By Mr. DODD (for himself, Mr. COATS and Mr. KENNEDY):

S. 598. A bill to amend the Head Start Act to increase the amount authorized to be appropriated for fiscal year 1990; to the Committee on Labor and Human Resources.

HEAD START SUPPLEMENTAL AUTHORIZATION ACT OF 1989

● Mr. DODD. Mr. President, today I am introducing legislation, along with Senators COATS and KENNEDY, to increase the authorized level of funding for the Head Start Program for fiscal year 1990 to $1.552 billion. This legislation, entitled "The Head Start Supplemental Authorization Act of 1989," represents an increase of $317 million over the 1989 authorization. This increase will accommodate the $250 million increase in Head Start funding requested by President Bush in his proposed budget, as well as $50 million to adjust for inflation and $15 million for implementation of new performance standards which have been developed by the Department of Health and Human Services.

Mr. President, I would point out that earlier today this proposal was adopted as an amendment to the Act for Better Child Care Services, S. 5, during markup by the Committee on Labor and Human Resources. The Act for Better Child Care Services, which I also introduced, is intended to address the skyrocketing demand of affordable and good quality child care. As chairman of the Subcommittee on Children, Family, Drugs and Alcoholism, which has jurisdiction over Head Start, I am firmly committed to strengthening the program, because I believe that it is a vital component in our national system of child care and early childhood education.

The Head Start Program is universally acclaimed as making a tremendous difference for disadvantaged children who are at the greatest risk of educational failure. For them, Head Start has been a proven success, increasing their chances of being literate, employed, and enrolled in postsecondary education. This early investment in children results in remarkable savings over the long run. Every $1 invested in this high quality preschool program saves $6 later in lowered costs for special education, grade retention, public assistance, and crime.

But for all that Head Start is a popular bipartisan program, it has never had enough funding. Although 2.5 million disadvantaged children are potentially eligible for Head Start, only 18 percent of those children are fortunate enough to be admitted, and that is down from 25 percent 10 years ago. We must do better.

Whether enacted as an amendment to the Act for Better Child Care Services, or as a free-standing bill, I believe that this one-time expansion of Head Start will provide critical assistance to children who need our help the most. I look forward to working with President Bush to seek this expanded funding for Head Start, as well as for the comprehensive improvements in our child care system that must be made.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 598

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Head Start Supplemental Authorization Act of 1989".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 639 of the Head Start Act (42 U.S.C. 9834) is amended by striking "$1,405,000,000" and inserting "$1,552,000,000".●

By Mr. HEINZ:

S. 599. A bill to discontinue assessment of reclamation fees for certain reclaimed coal, and for other purposes; to the Committee on Energy and Natural Resources.

DISCONTINUATION OF CERTAIN ASSESSMENT OF RECLAMATION FEES

● Mr. HEINZ. Mr. President, I rise today to introduce legislation that addresses a serious problem continuing to plauge traditional coal-producting States. My home State of Pennsylvania and many others like it are dotted with coal waste piles, some rising 300 feet into the air and containing over 9 million tons of culm. These mountains of waste, the byproducts of surface mining that took place decades ago, have been abandoned, and many pose a great threat to the health and safety of coal State residents.

Culm piles pose real dangers to the health and welfare of those who live near them. In the past, coal community residents have been severely injured when coal piles collapsed underneath them. Further, coal waste piles continue to leach pollutants into ground and surface water. The dangers posed by coal waste byproducts are clear, but to reclaim these piles will cost billions of dollars.

There is a solution to this problem, Mr. President. Many coal waste piles contain recoverable hydrocarbons. Culm incinerators produce cheap electricity and steam, transforming coal waste into a valuable recyclable energy source. Remining culm piles not only can provide energy but also reclaim those piles that otherwise might pose a health hazard indefinitely.

Remining, therefore, should be the logical course. There exists, however, an obstacle preventing what should happen from happening. This obstacle is the abandoned mine reclamation fee that an operator must pay when removing usable coal from a waste pile. The fee is supposed to pay for reclamation of abandoned coal mines. But in this instance it serves to bar operators from access to the piles; it is a disincentive to remining which defeats the purposes of the Surface Mining Control and Reclamation Act. The result of existing policies is less energy production, greater threat to human health, and higher reclamation costs. There is no logic to placing an abandoned mine reclamation fee on mining activity that, by itself, reclaims the land in question.

Simply put, mining reclamation fees are economic disincentives to reclaiming coal waste byproducts. On the other hand, removing mining reclamation fees would be a positive market-based incentive for industry to take advantage of a cheap and plentiful

energy resource by recycling otherwise hazardous mountains of culm and also clean up the environment in the process.

For these reasons, Mr. President, the legislation I am introducing today is designed to waive the prohibitive fee on remining culm bank material produced before the enactment of SMCRA in 1977.

I hope my colleagues will join me in supporting legislation that will not only bring some sanity back to mine reclaming policy, but will also reduce health hazards and boost energy production.●

By Mr. PRYOR (for himself and Mr. RIEGLE):

S. 600. A bill to amend title XVI of the Social Security Act to improve the delivery and coverage of health services provided under such title, and for other purposes; to the Comittee on Finance.

DELIVERY AND COVERAGE OF CERTAIN HEALTH SERVICES

● Mr. PRYOR. Mr. President, as the chairman of the Senate Special Committee on Aging, I am pleased to introduce the SSI Outreach and Technical Amendments Act of 1989. This legislation would require that the Social Security Administration establish a permanent outreach program to inform elderly and disabled persons of their potential eligibility for participation in the Supplemental Security Insurance [SSI] Program and to make a number of technical improvements in the program.

Mr. President, almost two decades ago, the SSI Program was established to help the Nation's poor aged, blind and disabled meet their most basic needs. Authorized in 1972 and implemented 2 years later, SSI provides monthly payments—a monthly maximum of $368 for an individual and $553 for a couple—to those who apply and are within the program's nationwide eligibility requirements. Importantly, in most states SSI participation automatically confers Medicaid eligibility.

NEED FOR SSI OUTREACH

Currently, about 4.3 million Americans receive assistance under SSI, with approximately one-third or 1.4 million of them eligible on the basis of age. However, over the years studies have consistently found that only about half of the Nation's elderly and disabled poor do not participate. The major reasons are simply that they do not know that the program exists.

Most recently, a January 1988 study conducted for the American Association of Retired Persons [AARP] found that only 51.1 percent of eligible elderly Americans were participating in the Nation, with rates varying between 30 to 60 percent among the States. In my home State of Arkansas, for example, of the nearly 88,000 eligible individuals, only 40,100—less than 46 percent—were participants.

A related AARP study, conducted by Lou Harris and Associates in 1986, found that over half of the potentially eligible poor surveyed had never heard of SSI or did not know how to apply for assistance. Less frequently cited reasons included an inability or unwillingness to deal with the long and complex application process, language barriers, the stigma of receiving welfare, the fear of loss of privacy and the perception of low benefits.

Last year, AARP and the Commonwealth Fund Commission on Elderly Living Alone joined forces with dozens of local agencies in three cities across the Nation to get the word out to poor elderly individuals who were not participating in SSI. The project pioneered a number of innovative outreach strategies, making extensive use of the media, training, community education, and one-to-one counseling of potential applicants. In the three cities, SSA reported an average increase of about 97 percent in applications and about 58 percent in awards. In the one city where the local SSA office fully cooperated, results were significantly better, with applications increasing by 157 percent and awards by 68 percent. Hearing of the dramatic success of the project, a number of other organizations in other cities, including the Central Arkansas Area Agency on Aging in North Little Rock, are planning to participate in similar outreach efforts next year.

In recent years, SSA itself has undertaken some outreach activities, but to a much more limited degree. In 1984, SSA did a one-time mailing to potentially eligible elderly individuals. Since that time, SSA also has included an SSI alert to older and disabled individuals when they are notified of their eligibility for Medicare. However, many elderly slip into poverty as they become older, which may be long after they received the SSI alert.

OUTREACH PROVISIONS

To build on the success of public and private outreach efforts, without supplanting SSA's responsibility in this area, section 1 of this bill would establish a permanent SSI Outreach Program. Under this program, SSA would be required to notify Social Security recipients about SSI on an annual basis. As I mentioned, currently such notices are only sent at the time an individual becomes eligible for Medicare. Under this provision, notices would be sent when an individual applies or is awarded disability benefits, when they are notified about Medicare part B eligibility, and annually thereafter. In addition, individuals would be notified of potential Medicaid and food stamps eligibility. This section also would require that SSA cooperate with other Federal, State, and nonprofit organizations who are engaged in outreach activities, such as those taking part in the AARP project. Finally, this bill would require SSA to evaluate the results of its outreach efforts.

TREATMENT OF INTEREST AND DIVIDEND INCOME

This legislation would also make three technical improvements in the SSI Program. Under section 2 of the bill, an SSI recipient would be permitted to exclude a modest amount of interest or dividend income from countable income. Under current law, an SSI recipient can have up to $2,000 in savings or an investment without losing eligibility. However, the interest or dividend on that investment is counted in determining eligibility. This section would disregard $120 in interest or dividend income annually, equivalent to a 6-percent rate of return. This disregard would increase by $12 each year through 1995 to keep pace with expected inflation.

TREATMENT OF LIFE INSURANCE POLICY AND A BURIAL PLOT

Under current law, an SSI recipient can hold a life insurance policy as long as it does not have a cash value exceeding $1,500. The same limit is applied to a burial fund. Section 3 of the bill would raise the allowable amount for both the face value of a life insurance policy and a burial plot to $2,500 and extend current rules regarding recovery and waiver of overpayments when a recipient mistakenly uses a portion of the burial account for some other purposes.

AVERAGING OF ANNUAL INCOME

At present, SSI eligibility for cash assistance under the program is determined, in part, on the basis of countable monthly income. Problems can arise when a recipient unexpectedly receives a pension check or some other form of earned income ahead of schedule, thereby raising the amount of earned income that is counted that month. As a result, the recipient's SSI payment is reduced or even terminated—not because his or her earned income actually increased, but because of the monthly eligibility determination method used by SSA. Section 4 of the bill avoids this problem by requiring that the monthly average of a recipient's annual income be used as the basis of eligibility determinations.

CONCLUSION

Mr. President, this legislation represents a vitally important step toward improving the effectiveness and reach of the SSI Program. It has the support of all the major aging advocacy and disability organizations. Similar legislation has already been introduced in the House of Representatives by Representative MATSUI and Representative ROYBAL, the chairman of the House Select Committee on Aging, as part of a larger SSI package.

Like many others, I believe there are a number of other more ambitious

changes that could be made to the program. I am fully aware, for example, that the SSI benefit standard is woefully below the poverty rate and that the assets limits are far too low and have not keep pace with inflation. As a result, even those participating in the program are not always able to adequately clothe and feed themselves, or to pay for decent housing.

However, Mr. President, I am also aware that at this time our Nation's massive Federal budget deficit stands in the way of funding many worthy and needed proposals. I believe that this bill achieves the balance between the need to assist the most vulnerable sectors of our Nation—the poor elderly, blind, and disabled—and the need to reduce the deficit. I urge all of my colleagues to join in this effort to make a good program better.●

By Mr. DOLE (for himself, Mr. HATCH, Mr. DOMENICI, Mr. WILSON, Mr. SIMPSON, Mr. BOSCHWITZ, Mr. BURNS, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DANFORTH, Mr. GORTON, Mr. MCCAIN, Mr. MURKOWSKI, Mr. RUDMAN, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WARNER, Mr. LOTT, and Mr. WALLOP):

S. 601. A bill to amend the Internal Revenue Code of 1986 to authorize a child tax credit and a refundable child and dependent care tax credit; ordered held at the desk until the close of business on March 16, 1989.

S. 602. A bill to authorize additional appropriations for the Head Start Program; ordered held at the desk until the close of business on March 16, 1989.

WORKING FAMILY CHILD CARE ASSISTANCE ACT

Mr. DOLE. Mr. President, today we are introducing President Bush's children's initiative in the Senate. The President unveiled his plan at a White House meeting this morning, and I believe it represents a constructive, responsible approach to dealing with the major issues of child care and child development.

I know nearly all of us have some variation of a child-care proposal introduced. A number of Members have on this side, and certainly a number have on the other side.

This was a matter that President Bush discussed at some length in the campaign. I think in addition to the bill on child care he will introduce a bill which would expand the Head Start Program, which has been one of the most effective and popular programs around here for a long, long time. It is a good program.

Child care, in my view, is not a partisan issue, Republican or Democrat; it is a family issue. It is an issue that is going to be addressed this year. I know that Senator DODD and Senator HATCH and many others have been working on different versions. Senator DODD has a preference, Senator HATCH probably has a preference, but I do believe that both parties have indicated publicly that we are going to do something about this problem, and we are going to try to address it in a way that is affordable and in a quality way, and I think that President Bush's plan is a step in the right direction.

DETAILS OF THE BUSH PLAN

The Working Family Child Care Assistance Act of 1989 would provide a new refundable child care tax credit to low-income families in which one parent works. The credit would be provided in addition to the earned income tax credit [EITC] and would be available, as is the EITC, in advance as a payment added to parents' paychecks.

They would have it every month. They would not wait until the end of the year to get a refund, which would not do some parents much good. The current tax credit would be made refundable so that low-income working parents with little or no Federal income tax liability would be able to receive full benefits. The primary beneficiaries would be low-income, single working parents who incur child care expenses in order to work but who, unlike higher-income parents, do not now receive assistance in meeting these expenses through the Tax Code.

The new tax credit would equal 14 percent of earnings up to a maximum credit of $1,000 per child. This credit would phase out as family income increased from $8,000 to $13,000. By 1994, this phase-out range would increase to between $15,000 and $20,000.

Two-parent families in which one parent stays at home to care for the children, as well as single working parents and dual-earner couples with children, would benefit from the credit. Initially, 2.5 million families would be eligible for the credit. When fully implemented, 3.5 million families would be eligible.

CHOICE FOR PARENTS

Mr. President, one of the foremost issues in the congressional debate over child care has been the issue of choice. By utilizing the earned income tax credit to provide assistance to low-income families who need child care, the President has given parents the choice of how best to care for their children—subsidies will not be funneled directly to child care centers. Further, this mode of assistance will better target limited available resources to low-income families—those who need help the most.

Under President Bush's plan, there will be incentives for allowing parents to make choices as to how their children will be cared for. Although there will be disagreement on both sides of the aisle as to the exact structure, age, income levels, et cetera, there is increasing dissatisfaction with the so-called ABC bill as the only approach to solving our Nation's child care problem. There is general agreement among most Republicans and some Democrats that parents should be given a choice as to what kind of care they select for their children. Utilizing a tax credit approach will address the problem of affordability by allowing every eligible family to receive some benefit, rather than concentrating limited resources in the hands of specific day care centers.

NO FEDERAL STANDARDS

Perhaps the issue which has raised the most opposition is that of Federal standards contained in the ABC bill. There is no reason why the Federal Government should be telling States and local communities and parents how they should be caring for their children. The Federal Government does not have the best solutions, because it is so distanced from the real needs of families in communities. It is far preferable to leave these decisions to people at the local level.

This is not to say that there are no safety concerns involved. NBC has a three-night special on day care, night before last, last night, and tonight, and I think the thrust is that with national standards, none of these things would occur. That simply is not true. There are going to be mistakes made in any event. The important thing is that we need to get on with it.

We should make every effort to ensure that those States which do not have sufficient minimal licensing standards move in this direction. My own State of Kansas has been very progressive with regard to its child care standards. In fact, other States might wish to take a look at what the people in Kansas are doing. The Federal Government may have a role to play in creating incentives for States to address the quality issues involved, but that role is not to dictate to States and local communities what they must do. There needs to be fexibility for local communities to design their own programs to suit their own specific needs. The Federal Government does not have all the answers.

We do not need a whole new Federal bureaucracy to administer a child care program, as well as mandate Federal standards. Why should Federal bureaucrats tell States and local communities what kind of child care they should implement, rather than allow local communities to decide what's best for them? This is the Washington always-knows-best answer to a problem, in the case of child care, it is wrong.

That is why President Bush's plan is a big step in the right direction. He would allow State and local flexibility in developing appropriate child care solutions. Further, the benefits provided through a tax credit approach will

reach more families than under a direct subsidies program.

EXPANSION OF HEAD START

Mr. President, another major part of President Bush's initiative on children will be an expansion of the Head Start Program. The fiscal year 1990 authorization would be increased to provide $250 million more than the fiscal year 1989 appropriations level. This increased funding would enable Head Start to meet the President's commitment to serve more economically disadvantaged 4-year-olds. Up to 95,000 more of these children and their families will be able to participate in Head Start, increasing by a third the number of low-income children in this age group.

This Head Start expansion will increase the range of choices available to low-income families in meeting the needs of their children. The additional 4-year-olds who have an opportunity to participate in the program will benefit from a jump start in life, which will have significant rewards in terms of their later success in school.

I think when this year is completed, we will have a child care proposal. The important thing is it is going to help the parents and help the children, and one that we might be able to agree on in a bipartisan way.

I indicate today that sponsors are Senators HATCH, DOMENICI, WILSON, SIMPSON, BOSCHWITZ, BURNS, COCHRAN, COHEN, D'AMATO, DANFORTH, GORTON, MCCAIN, MURKOWSKI, RUDMAN, STEVENS, SYMMS, THURMOND, WARNER, LOTT, and WALLOP.

So if any of my other colleagues wish, I will have these two bills—and in fact they are cosponsors of both bills—held at the desk until the close of business tomorrow in hopes others may have an opportunity to look at the bill, take a look at it, Republicans and Democrats alike. Hopefully, we will have additional cosponsors.

I ask unanimous consent that the two bills be held at the desk until the close of business tomorrow so that additional cosponsors may be added.

The PRESIDING OFFICER. Without objection, it is so ordered. They will be held at the desk.

Mr. DOLE. I also ask unanimous consent that the text of the bills and a summary of the child care initiatives be included in the RECORD following my comments.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 601

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Working Family Child Care Assistance Act of 1989".

SEC. 2. CHILD TAX CREDIT.

(a) Subpart C of part IV of subchapter A of chapter 1 of subtitle A of the Internal Revenue Code of 1986 is amended by after section 32 adding the following new section:

"SEC. 32A. CHILD TAX CREDIT.

"(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, for each qualifying child, there is allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 14 percent of so much of the earned income (within the meaning of section 32(c)(2)) for the taxable year as does not exceed $7,143.

"(b) LIMITATION.—With respect to each qualifying child, the amount of the credit allowable to a taxpayer under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(1) the maximum credit allowable under subsection (a), over

"(2) 20 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $8,000.

For taxable years beginning on or after January 1, 1991, 1992, and 1993, respectively, paragraph (2) shall be applied by substituting '$9,000', '$10,000', and '$11,000' for '$8,000.' In the case of any taxable year beginning on or after January 1, 1994, paragraph (2) shall be applied by substituting '$8,000'.

"(c) DEFINITIONS.—For purposes of this section—

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual who, for the taxable year—

"(A) is married (within the meaning of section 7703) and is entitled to a deduction under section 151 for a child (within the meaning of section 151(c)(3)) or would be so entitled but for paragraph (2) or (4) of section 152(e);

"(B) is a surviving spouse (as determined under section 2(a)); or

"(C) is a head of household (as determined under subsection (b) of section 2 without regard to subparagraphs (A)(ii) and (B) of paragraph (1) of such subsection).

The term 'eligible individual' does not include an individual who, for the taxable year, claims the benefits of section 911 (relating to citizens or residents of the United States living abroad).

"(2) QUALIFYING CHILD.—The term 'qualifying child' means an individual who, for the taxable year—

"(A) is a child (within the meaning of section 151(c)(3)) of the eligible individual;

"(B) with respect to which the eligible individual is entitled to a deduction under section 151 or would be so entitled but for paragraph (2) or (4) of section 152(e);

"(C) has the same principal place of abode as the eligible individual for more than one-half of the taxable year and such abode is in the United States; and

"(D) as of the end of the taxable year, has not attained the age of 4.

"(d) MARRIED INDIVIDUALS.—In the case of an individual who is married (within the meaning of section 7703), this section shall apply only if a joint return is filed for the taxable year under section 6103.

"(e) TAXABLE YEAR MUST BE FULL TAXABLE YEAR.—Except in the case of a taxable year closed by reason of the death of the taxpayer, no credit shall be allowable under this section in the case of a taxable year covering a period of less than 12 months.

"(f) COORDINATION WITH SECTION 36.—For any taxable year, the credit provided in subsection (a) shall not be allowed with respect to a qualifying child if the taxpayer properly claims the credit allowable under section 36 with respect to such qualifying child.

"(g) COORDINATION WITH ADVANCE PAYMENTS OF CHILD TAX CREDIT.—

"(1) RECAPTURE OF EXCESS ADVANCE PAYMENTS.—If any advance payment is made to a taxpayer by an employer with respect to the credit allowable under subsection (a) during any calendar year, the tax imposed by this chapter for the taxpayer's last taxable year beginning in such calendar year shall be increased by the aggregate amount of such payments.

"(2) RECONCILIATION OF PAYMENTS ADVANCED AND CREDIT ALLOWED.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit (other than the credits allowed by subsection (a) and by section 36) allowable under this subtitle.

"(h) INFLATION ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any taxable year beginning on or after January 1, 1995, each dollar amount referred to in paragraph (2) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3), for the calendar year in which the taxable year begins, by substituting 'calendar year 1993' for 'calendar year 1987' in subparagraph (B).

"(2) DOLLAR AMOUNTS.—The dollar amounts referred to in this paragraph are—

"(A) the $7,143 amount referred to in subsection (a), and

"(B) the $15,000 amount referred to in the last sentence of subsection (b).

"(3) ROUNDING.—If any dollar amount after being increased under paragraph (1) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10 (or, if such dollar is a multiple of $5, such dollar amount shall be increased to the next higher multiple of $10).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after January 1, 1990.

SEC. 3. AMENDMENTS PERTAINING TO CREDIT FOR EXPENSES FOR HOUSEHOLD AND DEPENDENT CARE SERVICES NECESSARY FOR GAINFUL EMPLOYMENT.

(a) Section 21 of the Internal Revenue Code of 1986, (26 U.S.C. § 21) as amended, is hereby redesignated as section 36.

(b) Subsection (a)(1) of section 36 of the Internal Revenue Code of 1986 (as redesignated by subsection (a) of this section) is amended by striking out "chapter" and inserting in lieu thereof "subtitle".

(c) Section 36 of the Internal Revenue Code of 1986 (as redesignated by subsection (a) of this section) is amended by adding the following new subsection "(f)" at the end thereof:

"(f) COORDINAITON WITH SECTION 32A.—For any taxable year, the credit provided in subsection (a) shall not be allowed with respect to any qualifying individual if the taxpayer property claims the credit allowable under section 32A with respect to such qualifying individual.".

(d) CONFORMING AMENDMENT.—Subsection (b)(4)(A) of section 6211 of the Internal Revenue Code of 1986 (26 U.S.C. § 6211) is amended by striking "32 and 34" and inserting in lieu thereof "32, 32A, and 36".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after January 1, 1990.

SEC. 4. IMPLEMENTATION OF EMPLOYER ADVANCE PAYMENT OF CHILD TAX CREDIT.

(a) ADVANCE PAYMENT OF CHILD TAX CREDIT.—With respect to renumeration paid after January 1, 1990, every employee enti-

tled to claim the child tax credit provided in section 2 of this Act shall be entitled to receive from such employee's employer an additional payment in an amount and under such conditions as the Secretary of the Treasury shall by regulations prescribe.

(b) REGULATIONS.—The Secretary of the Treasury shall prescribe all such regulations as may be necessary to coordinate the provisions of section 32A and 36 of the Internal Revenue Code of 1986 as added by this Act, and to coordinate the provisions for advance payment of the child tax credit with the provisions for advance payment of the earned income tax credit provided in section 3507 of the Internal Revenue Code of 1986.

(c) EFFECTIVE DATE.—The provisions of this section shall be effective on the date of enactment of this Act.

S. 602

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Head Start Amendments of 1989".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. Section 639 of the Head Start Act (42 U.S.C. 9834) is amended by striking out "$1,405,000,000" and inserting instead "$1,485,000,000".

SUMMARY OF THE ADMINISTRATION'S LEGISLATIVE CHILD CARE INITIATIVES—THE WORKING FAMILY CHILD CARE ASSISTANCE ACT OF 1989 AND THE HEAD START AMENDMENTS OF 1989

New Refundable Child Tax Credit.—Low income families in which a parent works would be eligible for a tax credit of up to $1,000 per child under age four. The credit would equal 14 percent of earnings up to a maximum credit of $1,000 per child. Initially the credit would phase out as taxpayers' incomes increased from $8,000 to $13,000. This phase out range would increase to between $15,000 and $20,000 by 1994.

2.5 million families would be eligible for the credit initially; 3.5 million, when the credit was fully implemented.

Two parent families in which one parent stays at home to care for the children, as well as single working parents and dual earner couples with children would benefit from the credit.

Families would be free to choose the kind of child care that best suits their need—care through churches, relatives, neighbors or child care centers.

The credit would be provided in addition to the Earned Income Tax Credit (EITC) and would be available, as the EITC is, in advance as a payment in parents' paychecks.

Refundable Child Care Tax Credit.—The current credit would be made refundable so that low income working families with little or no Federal income tax liability would benefit fully from it.

An additional one million families would benefit from this proposal.

The primary beneficiaries would be low income, single working parents who incur child care expenses in order to work but who, unlike higher income parents, do not now receive assistance in meeting these expenses through the tax code.

Head Start Expansion.—The FY 1990 authorization for Head Start would be increased to provide $250 million more than the FY 1989 appropriations level.

This increased funding would enable Head Start to meet the President's commitment to serve more poor four year olds.

Up to 95,000 more of these children and their families could be served, increasing by a third the number of poor children in this age group in Head Start.

This Head Start expansion would expand the range of choices available to poor families in meeting their childrens needs. In addition, it would provide the newly participating four year olds with a better start in life, allowing them to carry the gains they have made in Head Start directly into kindergarten.

Mr. DOMENICI. Mr. President, I compliment the distinguished minority leader for introducing the bill that our President sent over here. This bill the President sent is going to fulfill one of his major campaign commitments, his concern for the American family that is having a difficult time with the expenditures attendant to raising young children. This is not a bill to create hundreds of publicly owned day care facilities across America, nor is it a bill that presumes that parents do not know how to select and elect who should take care of their children when they work, if they work. Rather, it puts money in the pockets of families where either one or both of the parents work. One or both. It is a family-oriented bill. In fact, it is called that. It is not a child care bill. It is not an incentive to work for mothers or fathers, nor a disincentive to work. But clearly, it says money will go in the pockets of parents who have small children as the Federal Government's firm commitment and realization that it is very, very expensive to raise young children and especially to provide for their day care. So it is distinguished in that it has no national thrust. It has a family thrust.

Second, it does not distinguish between parents who choose to work and not work. If a father works and a mother chooses not to during those early years, the family will get the child care credit, and it will be refundable. I believe that is as it should be.

I think to do otherwise is to say if you work we give you help; if you choose to be home with your children, we take this away from you.

I do not believe that is fair. This will be one of the major issues. The President has seen it clearly and provided for it forthrightly. There will be changes that we will have to make, provisions that we will have to add, perhaps some other thrust that should be included in it but clearly we should all today compliment the President for initiating this very, very significant piece of legislation.

Mr. President, I am very pleased to join with my colleagues in cosponsoring the President's child care legislation. This legislation demonstrates President Bush's strong commitment to America's families, addressing directly the primary child care needs our families face.

As the President promised during his compaign, and outlined in his budget, this bill calls for creation of a new, refundable, tax credit for families for each child under age 4. This credit would be available to all low-income families, regardless of the type of care parents choose for their children, and even if one parent stays at home with their child.

It would also extend some fairness to the current child care tax credit, which reimburses parents for certain work-related child care expenses. By making it refundable, this bill allows all families to take advantage of the credit regardless of their level of tax liability.

Another important feature of the President's package is a proposal to expand funding authorization for Head Start, the very important early childhood development program for poor children. This would enable Head Start to expand its service to more children in poor families.

These proposals are very good and important, and set forth principles for providing Federal child care assistance that deserve Congress' support.

This legislation recognizes that all families with young children face high costs, and gives assistance where it's needed most, and in the form it's needed most. Our Nation's primary child care need is to help needy families with the high cost of raising and caring for their children. This proposal provides substantial assistance, in cash, directly to those most in need.

Most importantly, this legislation recognizes that Federal child care policy should keep parents as the central decisionmakers about how their children are cared for. By providing families with direct cash assistance, this proposal helps parents access a diverse set of child care options—giving parents maximum freedom to choose how their children ought to be cared for.

Whether parents want day care, inhome care, care by a relative, or even care by one parent who makes the economic sacrifice to stay at home, help is provided to those in need, and the decision is left to the parents.

By helping families to afford care, and allowing parents to choose the care their children get, this kind of legislation can do much to improve the quality of care many families can access.

Mr. President, let me mention that I, and several or my colleagues have been working on a proposal following these same principles. We hope to introduce that measure within the next few weeks. Our proposal will include, we believe, some improvements to the President's proposal being offered today, and I look forward to working with the administration on that bill.

I urge my colleagues to support the principles set forth in this bill today, and I hope we will work to enact child

care legislation embodying these principles.

Mr. FOWLER. Will the leader yield for 30 seconds?

Mr. DOLE. Yes.

Mr. FOWLER. I would like to add my voice on behalf of the majority to the Senator from New Mexico and the minority leader commending the President of the United States for addressing this issue. As the minority leader indicated in his remarks we have strong bipartisan support as well as bicameral support for addressing these families and children's issues in this session of Congress.

With the President's leadership joining those proposals that are already on the table, we have every hope that we can reach a consensus on the best way to aid families and children of our country.

I thank the leader.

Mr. DOLE. I thank the Senator from Georgia.

I would just add that today I have only had an opportunity to contact Senators on this side of the aisle because we did not get out of a meeting until about 10 o'clock this morning. I would certainly urge my colleagues on both sides of the aisle to take a look at the President's proposal and if they may have suggestions. Maybe there are areas of disagreement but I think in a general way there are going to be many areas of agreement.

By Mr. BENTSEN (for himself, Mr. PACKWOOD, and Mr. HEINZ):

S.J. Res. 78. Joint resolution to designate the month of November 1989 and 1990 as "National Hospice Month"; to the Committee on the Judiciary.

NATIONAL HOSPICE MONTH

● Mr. BENTSEN. Mr. President, on behalf of myself, Senator PACKWOOD, and Senator HEINZ, I am pleased to introduce a joint resolution designating November 1989 and 1990 as National Hospice Month.

Hospice became a permanent covered benefit under Medicare and an optional State Medicaid benefit in April 1986. Today, over 625 hospice programs are Medicare certified.

It has been a relatively short time since hospice came to the United States as a concept from England. The first hospice opened in 1974. Today, about 1,700 programs exist in each of the 50 States, an indication that Americans now see hospice care as a legitimate and needed alternative to the more traditional care of the terminally ill provided in institutions. In my home State of Texas, the number of hospice programs has doubled since 1986. Sixty hospices currently provide medically directed, interdisciplinary programs of palliative services to the terminally ill and their families, with spiritual support and bereavement counseling available in both home and in-patient settings.

Hospice gives support to the patient who might otherwise suffer through his last stage of life alone and in fear; hospice reminds the family members that it is acceptable to be angry and to feel loss, and that they are not alone. The pain of AIDS has given an even greater challenge to the hospice philosophy, as programs around the country develop specialized programs of care to help AIDS victims and their families.

I urge my colleagues to support this legislation, which will focus attention on hospice care and all those who serve and are served by the Nation's hospices.

I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 78

Whereas hospice care has been demonstrated to be a humanitarian way for terminally ill patients to approach the end of their lives in comfort with appropriate, competent, and compassionate care in an environment of personal individuality and dignity;

Whereas hospice advocates care for the patient and family by attending to their physical, emotional, and spiritual needs and specifically, the pain and grief they experience;

Whereas hospice care is provided by an interdisciplinary team of physicians, nurses, social workers, pharmacists, psychological and spiritual counselors, and community volunteers trained in the hospice concept of care;

Whereas hospice is becoming a full partner in the Nation's health care system;

Whereas the enactment of a permanent medicare hospice benefit and an optional medicaid hospice benefit makes it possible for many more Americans to have the opportunity to elect to receive hospice care;

Whereas private insurance carriers and employers have recognized the value of hospice care by the inclusion of hospice benefits in health care coverage packages; and

Whereas there remains a great need to increase public awareness of the benefits of hospice care: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of November in 1989 and 1990 is designated as "National Hospice Month". The President is requested to issue a proclamation calling upon all government agencies, the health care community, appropriate private organizations, and people of the United States to observe each of those months with appropriate forums, programs and activities designed to encourage national recognition of and support for hospice care as a humane response to the needs of the terminally ill and as a viable component of the health care system in this country.●

● Mr. PACKWOOD. Mr. President, it gives me pleasure to introduce today, in conjunction with Senators BENTSEN and HEINZ, a joint resolution designating November of 1989 and 1990 as National Hospice Month. I have offered similar resolutions annually since 1984 and each has received enthusiastic bipartisan support.

Since the concept of hospices was first introduced 15 years ago, hospice programs have continued to expand throughout our country. Today there are 1,700 hospice programs nationally, ranging in type from those based in hospitals or home care programs to those based in communitywide programs. Some of these programs are staffed entirely by volunteers, and most depend upon volunteers at least to some extent.

Although hospices come in many sizes and are based in several types of organizational settings, they all share a basic philosophy for providing care to terminally ill patients—one which emphasizes love and compassionate support rather than medical solutions.

The hospice philosophy has introduced four basic tenets to the provision of care for the terminally ill. First, hospices advocate that support should be provided for a variety of nursing and medical needs and, to the extent possible, in home setting. Second, they are dedicated to provide as much comfort and dignity as possible, without using undue medical intervention while at the same time taking full advantage of medical care to manage pain and control the symptoms of disease. Third, they recognize that the whole family deserves support, including support during the difficult period which follows death. Last, they recognize the importance of a multidisciplinary team approach toward planning and providing the care needed to help these patients.

Beyond the individuals and their loved ones who have been helped directly by hospice programs, the concepts embodied in hospice care and the recognition it has received in this country have helped to add back the human element to medical care more generally. Now, as a result, patients who are undergoing aggressive treatments toward recovery also have attention paid to managing their pain and symptoms. Today, too, there is greater recognition that the family needs to be considered when making plans for treatment and indeed that the family often forms the most important link for helping the patient to cope with his or her illness.

In my own State of Oregon in 1988, more than 2,500 patients were helped in 44 different hospice programs. For each of these patients, up to 5 additional family members and loved ones were also helped directly by the hospice program. At this time, almost anyone throughout the State—whether they live in urban settings or small towns—can choose to be treated in a hospice program. In Oregon, the hospices do not turn away anyone for financial reasons. It is important to note

too that many of the terminally ill who have been helped by hospices are young; in fact, 45 percent of those treated in Oregon last year were under age 65.

I should also note that the hospice programs in Oregon are unique among the States in one respect. Oregon alone requires accreditation of every hospice program. To this end, the Oregon Hospice Association has developed its own accreditation program which emphasizes, in its review of hospices, that the patient should be the central focus of good hospice care.

I am proud to have played a leadership role in the legislative actions enabling our citizens to receive Federal support for care in hospices. In 1982, I was one of the original cosponsors of the amendment which provided for Medicare coverage of hospice benefits. In 1986, I again was an original cosponsor of the revisions which made permanent this Medicare coverage for hospice benefits. The 1986 legislation also expanded the coverage to make hospice care an optional benefit under Medicaid, thereby extending this benefit to the poor—old and young alike. Last year, Congress again demonstrated its support for the hospice concept by extending the benefits for hospice under the Medicare Catastrophic Coverage Act (Pub. L. 100-360). This act made possible the extension of Medicare funding beyond the former lifetime maximum of 210 days of care.

Overall, since their introduction hospices have made many important contributions to the health care of our citizens. To recognize the special meaning that hospices have for the terminally ill, individuals and their families and loved ones, and to honor the many dedicated volunteers and paid staff of hospices who have provided care aimed toward maintaining dignity and a high quality of life, I am pleased to propose the adoption of the joint resolution, and I urge my colleagues to support its enactment.●

● Mr. HEINZ. Mr. President, it is a pleasure to join with my colleagues, Senators BENTSEN and PACKWOOD, in introducing a resolution to designate November 1989 and 1990 as "National Hospice Month."

This 2-year resolution will help recognize hospice care as a humane response to the needs of those who are terminally ill. Hospice is much more than just a residence for the terminally ill: it provides emotional support and medical care to terminally ill persons, enabling them to live out the end of their lives in dignity, and as fully and comfortably as possible. In addition, hospice offers emotional support and understanding to the families of their terminally ill residents.

Mr. President, as you know, most hospice patients are faced with severe pain and suffering while their families are faced with feelings of helplessness and frustration. While traditional hospital care is committed to treating and curing diseases, for most hospice patients there is no cure. Pain control and family support are often the only antidotes for these patients, an antidote that is not often found in an institutionalized setting. Hospice care is an alternative to traditional hospital care and the purely clinical treatment and separation from family that goes along with it. Hospice care provides an alternative that focuses not just on how long life lasts but also on the quality of that life.

This resolution also helps recognize the hard work and dedication of those who make hospice care such a valuable service. Without the efforts of home health aides, social workers, registered nurses, clergy, and volunteers, hospice care as we know it would not be possible. It is their dedication to helping those who are most in need that makes hospice care a reality.

Mr. President, this resolution celebrates the hope and caring that hospice brings to terminally ill patients and their families. I urge my colleagues to support this resolution, so that we may again reaffirm Congress' support for hospice care.●

By Mr. REID (for himself, Mr. BRYAN, and Mr. KERREY):

S.J. Res. 79. Joint resolution to require display of the POW/MIA flag at Federal buildings; to the Committee on Governmental Affairs.

DISPLAY OF POW/MIA FLAG AT FEDERAL BUILDINGS

Mr. REID. Mr. President, at the height of the fighting in Vietnam, a marine spoke on behalf of his fellow young American soldiers.

He said, "Just hope you can stay alive, day to day. Everybody just wants to go back home and go to school. That's about it."

It sounds like a simple enough request. But it was more like a fantasy—a dream that, for many, never came true.

Over 2,400 brave men and women, that we know, nobly served the United States and still remain missing in that conflict. To this day, they are unaccounted.

Americans throughout the country have friends, colleagues, and loved ones whose fate is still unknown. Together, they strive to promote public awareness of those who are prisoners of war or missing in action.

Congress also harbors a responsibility to acknowledge the Americans who have not returned home.

We should join the vigil of families and friends in the searching and waiting for answers.

Today I and Senator BRYAN are introducing a joint resolution requiring that the POW/MIA flag be displayed at all Federal buildings. It shall be a symbol to the Nation, and to the world, that we have not forgotten our missing service men and women.

The presence of the flags shall indicate that the POW/MIA issue is unresolved. And the flags shall remain flying until we can account for every last American who served in Southeast Asia.

Mr. President, we have serving in this body a significant number of veterans from the Vietnam conflict. They are represented at best by perhaps two of our colleagues who represent the sacrifices during that conflict made by those in uniform. They are:

JOHN MCCAIN of Arizona, a Navy pilot, shot down over Vietnam, spent 6 heroic years in Vietnam as a prisoner of war; and the Presiding Officer, Senator BOB KERREY of Nebraska, a Congressional Medal of Honor recipient and the only Medal of Honor winner to serve in the Senate in this century.

Their friends—fellow soldiers, sailors, and airmen—still remain unaccounted.

Therefore, Mr. President, I strongly urge my colleagues to cosponsor this joint resolution and join us in establishing a symbol of national recognition that the unaccounted participants in all armed conflicts deserve.

At the end of this month, on March 29, exactly 16 years will have passed since the last American troops left Vietnam.

Unfortunately, some remain behind. It is our duty not to forget them.

By Mr. McCAIN:

S.J. Res. 80. Joint resolution disapproving the recommendations of the Commission on Base Realignment and Closure; to the Committee on Armed Services.

DISAPPROVING RECOMMENDATIONS OF COMMISSION ON BASE REALIGNMENT AND CLOSURE

● Mr. McCAIN. Mr. President, I have long believed that we need to cut the fact from defense spending. I strongly supported the legislation establishing the Commission on Base Realignment and Closure. I believed, and still believe, that the time had come to close our aging and less efficient bases, and to make the kind of realignments that would improve the efficiency of the rest.

I know that the citizens of Arizona feel the way I do. They have told me so in countless letters. Further, I know that even the people in Sierra Vista, the community in Arizona most affected by the Commission's recommendations, feel the same way. I have talked to the people of Sierra Vista, and to the delegation they have sent to visit the Congress, and they have all made it clear that they can accept any steps affecting the nearby base of Fort Huachuca if these steps can honestly be shown to produce savings to the U.S. Government, or improvement in the effectiveness of U.S. forces.

The problem that I face is that whatever good the recommendations of the Commission may do is being offset by the reckless disregard of the Commission and the Department of Defense for the right of the people of Arizona to understand the data upon which the Commission based its recommendations, to understand the methodology it used, and to see precisely how it reached its results.

I and my colleagues in the Arizona congressional delegation, like those of many other States, have made repeated requests for the facts surrounding the recommendations of the Commission. In our case we have requested data on the recommendations that call for the movement of the U.S. Army's Information Systems Command (ISC) from Fort Huachuca to Fort Devens. We have sought information from the Commission staff and from the Secretary of Defense. We have gotten nothing but bureaucratic indifference.

I am attaching to this statement a series of letters that show just how serious this problem is. They show the kind of question that the Commission's report left unanswered. They show the original "non-response" from the Secretary of Defense. They show my second attempt to get a meaningful response, and the admission by the Acting Secretary that the Department simply could not explain how the Commission reached its results. Worse, they show that the Department has no clear plan for dealing with the human impact of the proposed realignments.

This correspondence, however, tells only part of the story. It does not describe how a member of the Commission staff met with the delegation from Sierra Vista and Members of Congress and flatly refused to provide a meaningful answer to a single question. It does not describe the gross over-classification of the Commission's records in a way that seems deliberately designed to destroy open government and the people's right to know.

Is also does not describe the fact that repeated efforts by Senator DECONCINI and Representative KOLBE to get at the facts during hearings with the Commission resulted in bureaucratic stonewalling. It does not describe the fact that the records that have been declassified are sharply contradictory, show signs of censorship in an effort to hide the facts, do not conform to the Commission's stated methodology, and use time periods and criteria that are a major departure from the time period and criteria used for other bases.

Mr. President, it is with reluctance that today I feel compelled to introduce a joint resolution of disapproval of the recommendations of the Commission on Base Realignment and Closure that would stop these recommendations from taking effect.

I know that this resolution will probably be defeated. Even many of my colleagues who are equally critical of the Commission's recommendations feel that we have no option other than watch its recommendations be implemented and then try to save the people from the actions of their Government.

I feel, however, that the people of Arizona and of every other State—including those that may lose people and funds to Arizona—are entitled to more from their Government. I feel that we need to debate this issue, and make that debate part of the record. The basic business of Government is people. The people who are affected by the Commission's decisions can have no confidence in the process if the Government cannot show how it reached its decision—if it cannot show that the proposed dislocations are, in fact, going to save money—if, in fact, it cannot demonstrate that it is correct when it says such decisions are in the national interest.

No matter how valid the overall work of the Commission may be, it cannot avoid its duty to explain itself. Quite simply, it is wrong to cause dislocation in a community, and great hardship to our men in uniform and Government employees, unless the Commission can demonstrate that real cost savings and gains in effectiveness will result from the proposed realignment. We in the Congress must remember that we may be able to abdicate some of our authority to a body like the Commission on Base Realignments and Closure, but we can never abdicate any of our responsibility for its actions.

Mr. President, I ask unanimous consent that the text of the joint resolution and the letters previously mentioned be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.J. RES. 80

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress disapproves the recommendations of the Commission on Base Realignment and Closure established by the Secretary of Defense as submitted to the Secretary of Defense on December 29, 1988.

COMMITTEE ON ARMED SERVICES,
Washington, DC, January 18, 1989.

HON. FRANK C. CARLUCCI,
Secretary of Defense, The Pentagon, Washington, DC.

DEAR FRANK: As you know, I have been a strong supporter for base closures and realignments as a means to help eliminate unnecessary costs in the defense budget. At the same time, I am concerned about the methodology and data that have been used in making some key realignment decisions affecting my state. In particular, I am concerned about the decision to move the Information System Command (USAISC) from Fort Huachuca, Arizona to Fort Devens, Massachusetts.

Attached is a list of the major questions and issues that have been raised regarding this decision, and which I would like you, the United States Army, and the Commission to address. I would like a comprehensive and detailed answer to each of these questions. The movement of USAISC will have a tremendous impact on the people of Arizona, and I must be absolutely certain that there is an overwhelming case for the move before the hearings on the base closing bill. Accordingly, I would appreciate response within 2 weeks.

Sincerely,

JOHN MCCAIN,
U.S. Senator.

QUESTIONS OF SENATOR JOHN MCCAIN REGARDING THE MOVEMENT OF THE ARMY'S INFORMATION SYSTEMS COMMAND FROM FORT HUACHUCA TO FORT DEVENS

1. Please provide a comprehensive statement of the events that led the Commission to examine Fort Huachuca, Fort Mead, Fort Devens, and Fort Holabird as a "system" for realignment and reduction.

2. Please provide a comprehensive statement of the methodology used by the Commission in assessing this system, and the shifts and realignments at Fort Huachuca, Fort Mead, Fort Devens, and Fort Holabird. Please provide a comprehensive picture of the data used and the calculations that resulted, and indicate the source, date, and uncertainty of all key information involved.

3. Please provide a breakout of the methodology, data, and calculations the Commission used by base and show the relative cost-benefits to the Department of Defense by base. Please show the expected time required for the realignments at each base to pay for themselves and provide a detailed statement of the calculations involved and the source of the saving. Please provide the expected annual savings that are projected to result at each base for each of the next six fiscal years, and an explanation of the resulting calculations.

4. Please provide a sensitivity analysis of the overall impact on the cost-benefit calculations if the Information Systems Command was not moved to Fort Devens.

5. Please provide a detailed history of the reasons why members of the Commission visited Fort Devens, and an exact and comprehensive chronology of any contact with any Member of Congress, any member of the Congressional staff, and any other outside witness or lobbyist in regard to the future status of Fort Devens and the move of the Information Systems Command.

6. How many times did the Commission visit Ft. Devens? Who did they meet with on their visit? At any time, was a petition presented to the Commission by the citizens of Ayer, MA? Was there any contact between the Commission and the surrounding communities of Ft. Devens? Please provide similar data on the Commission's examination of Fort Huachuca, Fort Mead, and Fort Holabird.

7. Please provide a comprehensive statement of all data furnished to the Commission, and used by the Commission, regarding the impact of the proposed moves on the military and civilian employees of Fort Huachuca, Fort Mead, Fort Devens, and Fort Holabird, and on the surrounding community. In the Commission's analysis, was cost of living and quality of life factors considered? Please provide a statement showing the Commission's final findings relating to such impacts, if any.

8. Please provide a detailed analysis of the compensation and aid that will be provided to the employees at Fort Huachuca as a result of this realignment, and to the surrounding community. What aid will be provided in terms of finding new jobs and new housing, in selling an existing home, and for couples where the wife or husband has a job outside Fort Huachuca? What options will exist for early retirement? What impact will there be on the services available to retired military personnel and their families?

9. Please indicate when the first moves would start under the proposed plan and provide the details of the schedule for the remaining moves.

10. Please provide a copy of the study that was completed within the last three years dealing with the feasibility of moving the Army's Information Systems Command from Ft. Huachuca to Ft. Devens, and a statement of whether and how the Commission took this study into account in making its recommendations. Was a copy of the study provided to the commission? If so, was it the complete study, or were conclusions that led to earlier abandonment of the move excluded?

11. Did the Commission conclude, in part, that it would cost $300 million to make the moves affecting the Information Systems Command considered in the study? If not, what were the associated cost of the actions contemplated? How did the Commission take into account the cost of the special construction and facilities for the Information Systems Command that have been constructed in recent years? Precisely what data were available to the Commission on these costs and the cost of replacing similar facilities at Fort Devens?

12. Did the Commission's analysis show a significant increase in the Information Systems Command's ability to accomplish its mission by moving to Ft. Devens? If so, please provide a comprehensive statement of the analysis involved, and the supporting data and methodology. Provide any cost/benefit summary provided to the Commission.

13. What is the annual budget for Ft. Devens? What is the annual budget for Ft. Huachuca? In dollar impact, how much of the current Ft. Huachuca budget, including pay and allowances, O&M, R&D, Procurement, etc., will be moved to Ft. Devens from Ft. Huachuca with the proposed relocation?

14. What is the overall financial impact on Ft. Huachuca of the transfer of USAISC to Ft. Devens and consolidation of the Intelligence School at Fort Huachuca? What is the impact if measured only in terms of direct budget and employment at Fort Huachuca and if measured in terms of both direct impacts and the impact of the students assigned to the base?

15. List, by rank or GS/GM rating, the grades that Ft. Huachuca will lose and gain in the recommended realignment. Please provide a five year projection by year of the total military and civilian personnel at Fort Huachuca with and without the execution of the Commission's proposals.

16. Please provide the most recent economic impact statements available to the Department of Defense for the communities surrounding Ft. Huachuca and Ft. Devens.

17. This move appears to be an effort on the part of the Commission or the Army to justify the existence of Ft. Devens. If it is not, please explain why Ft. Devens was not closed, and the land sold and real savings realized? Ft. Devens appears to be in the same situation as Ft. Sheridan, in Illinois.

COMMITTEE ON ARMED SERVICES,
Washington, DC, January 31, 1989.

Hon. FRANK C. CARLUCCI,
Secretary of Defense, The Pentagon, Washington, DC.

DEAR FRANK: I wrote you on January 18, to express my deep concern over the decision to move the Information Systems Command (USAISC) from Fort Huachuca, Arizona to Fort Devens, Massachusetts.

At that time, I attached a list of the major questions and issues that have been raised regarding this decision, and requested a response within 2 weeks. I have since been provided further information by Brodie Farquhar, a staff writer for the Sierra Vista Herald. I find this information to be particularly disturbing, particularly because I gather that some of the other calculations of the Base Closing Commission are now under study by the GAO.

These new questions about the validity of the Commissions recommendations are serious enough, but I am also concerned by a number of news articles printed in Massachusetts that claim the decision to move USAISC to Fort Devens was subject to political influence. I gather that the staff of the Base Realignments and Closures Commission is aware of these articles, but if it is not, I will be happy to provide them.

I would be grateful if you would ask your staff to fully investigate both the data provided by Mr. Farquhar, and the various press articles relating to the possible use of political influence, and deal with these issues in your reply.

I think we are all prepared to make sacrifices for a more efficient and less costly defense posture, but it is absolutely essential that any decision with such a heavy impact on our servicemen and the citizens of Arizona should be based on valid data and be totally free from political pressure.

Sincerely,

JOHN MCCAIN,
U.S. Senator.

ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, February 10, 1989.

Hon. JOHN MCCAIN,
U.S. Senate, Washington, DC.

DEAR SENATOR: This is in response to your letter to Secretary Carlucci concerning the consolidation of the Army Information Systems Command. As you know, the Secretary of Defense chartered the Commission on Base Realignment and Closure to study issues surrounding base closures and to recommend bases for closure and realignment. The Commission's charter required it to review all installations in the United States, its commonwealths, territories, and possessions. When developing the guidelines under which the Commission would operate, the Secretary and Members of Congress agreed that the Commission should be nonpartisan and independent in nature. Secretary Carlucci took great care to ensure this independence.

On December 29, 1988, the Commission transmitted its report to the Secretary of Defense and Armed Services Committees. In the report, the Commission recommends the consolidation of the Army Intelligence School at Fort Huachuca and the Information Systems Command at Fort Devens stating that these consolidations will improve the mission effectiveness and efficiency of both functions.

Secretary Carlucci, after reviewing the report and all available information, has approved the Commission's recommendations, in total, pursuant to Public Law 100-256.

The Department of Defense has no reason to believe that the Commission, or any member thereof, had other than the best interests of the taxpayers and our national security in mind when making these recommendations. Commissioners were selected based on their outstanding records of public service and broad backgrounds in government. We have every reason to believe that they carried out their duties with integrity, and we are not aware of any personal contacts between Commissioners and members of Congress or staff regarding Fort Devens. Members of the Commission and staff visited several bases, including one visit to Ft. Devens, for the sole purpose of validating the information given to the Commission by the Services. No significance should be given the fact that a visit was made to one base and not to another.

Many of the questions attached to your letter concern the information and data used by the Commission in arriving at its recommendation to realign the Intelligence School and the Information Systems Command. The Commission files on Forts Huachuca, Meade, Devens, and Holabird are being forwarded under separate cover for your review. I hope these files will answer many of your questions.

Fort Huachuca, Fort Mead, Fort Devens, and Fort Holabird were examined together as one system because the opportunity existed to consolidate the three Army mission areas of Intelligence, Information Systems, and Criminal Investigations which were disbursed at these locations. Activities at Fort Belvoir, Fort McPherson, and Fort Monmouth were also included for the same reason.

The relocation of the Information Systems Command from Fort Huachuca will vacate facilities which can then be adopted for use by the Intelligence School elements relocating from Fort Devens, and vica versa. Because the incoming activities can utilize facilities vacated by the outgoing activities at both locations, it will cost less to construct or renovate facilities at the gaining installations for the incoming activities.

Regarding compensation and aid to employees, a detailed analysis is in process to determine the rights of individuals at all affected installations. The results of this analysis will be included in an Army pamphlet to be made available in the spring to each affected employee at the installations involved in realignment or closure actions. It is too early to determine with certainty what options will be available for early retirement. Services to retired military personnel and their families will essentially remain the same at both Fort Huachuca and Fort Devens after the relocations have been completed.

Implementation planning is just getting started, and it is premature to discuss implementation schedules at this time. Final plans are not expected to be completed until early fall. The Base Closure Act specifies that no personnel movements can be initiated to implement the realignments or closures before January 1, 1990.

You also asked for a copy of a recent study by the Information Systems Command which evaluated the relocation of the Command from Fort Huachuca to Fort Devens. We have requested the Army to provide you a copy of the study which we understand was prepared some time ago by the Information Systems Command.

Finally, we are in receipt of your January 31, 1989, letter and are working to answer

your additional questions, as well as questions 5, 6, 13, and 16 from your first letter.

In conclusion, the Department of Defense believes that implementation of the Commission's recommendations will improve the national defense and reduce its cost through a more efficient base structure. I understand your concern, but I also hope you can support this important initiative.

Sincerely,

WILLIAM H. PARKER III, P.E.,
for JACK KATZEN, ASD (P&L).

COMMITTEE ON ARMED SERVICES,
Washington, DC, February 13, 1989.

Acting Secretary WILLIAM H. TAFT, IV,
Office of the Secretary of Defense, Room 3E944, The Pentagon, Washington, DC.

DEAR WILL: I have received a letter from William H. Parker of ASD (P&L) in response to my letter to Secretary Carlucci of January 18, 1989, about the proposed move of the Information Systems Command for Fort Huachuca. I understand from his letter that the Department is still working on a reply to both my original letter and a follow-up letter of January 31, 1989, which raised serious questions about the validity of the data furnished to the Commission on Base Realignment and Closure.

It is useful to have Mr. Parker's reassurance that he believes that no political pressure was brought on the Commission regarding Fort Devens. I am deeply concerned, however, that Mr. Parker's letter fails to provide specific answers to any of my questions, and that the data he refers to raises far more questions than it answers.

The people of Arizona, like the people of any other state, have a right to know the basis on which the federal government takes action that affects their lives. They have a right to free and open disclosure, and to the kind of open government that has been pledged by President Bush. In this case, however, repeated efforts by the Arizona delegation to Congress, acting in concert or as individuals, have met a virtual stone wall.

Let me begin with the reference to the Commission files made in page 2 of Mr. Parker's letter. These files are filled with unexplained deletions I know of no reason that justifies such deletions, and it is striking that there is at least one case where a deletion was not made, and the text strongly indicates that the data furnished to the Commission disagreed with the findings. I have attached the relevant excerpt to my letter.

Mr. Parker refers to files on Forts Meade and Holabird. These files are not provided. Further, no data are provided to explain the complicated trade-offs used to justify the realignments from Fort Huachuca to Fort Devens except for a single sheet.

This sheet, which I have attached to my letter, suddenly appears on December 14, without a single prior worksheet or piece of information to indicate that the Commission had ever considered moving the Information Systems Command as part of a complex set of trade-offs. This sheet also shows that the actual trade-offs used to justify moving the Information Systems Command to Fort Devens included Fort Belvoir, Fort Monmouth, and Fort McPherson, as well as Fort Huachuca, Fort Devens, Fort Meade, and Fort Holabird.

Further, the sheet does not even mention Fort Holabird.

Further, this sheet implies that the Commission actually used a far different set of calculations than the ones reflected in pages 67-69 of its report. It also implies that the Commission either was working with different data on December 14 than in its final report, or made a serious typographical error in reporting the manpower to be moved from Fort Huachuca. The data sheet shows 730 military leaving Fort Huachuca and the December 29, 1988 press release shows 799. Similarly, the data sheet shows 1629 military going into Fort Huachuca, and the press release shows 499. (These figures exclude students.)

It is equally disturbing that the only sheets which describe the rationale for keeping Fort Devens open change radically and inexplicably over time, and that when a rationale for keeping Fort Devens open finally does appear, a sheet dated at last as December 13, 1988, shows that the move to Fort Devens can only be justified on the basis of a payback lasting at least 11 years, and that the marginal one-time savings over closing the base is extremely uncertain. I have also attached this sheet to my reply, and it raises serious questions about whether the Commission actually used its own methodology in this case, or simply adapted the figures to fit its prior conclusions.

Unfortunately, neither the data package or Mr. Parker's letter provides any way to tell what the Commission did or did not do. Both are unresponsive to my questions of January 18. To be specific:

There is no response to my question asking for a comprehensive statement of the events that led the Commission to treat the bases involved as a "system" and there is not even a clear picture of exactly what bases were involved. (Question 1)

There is no response to my requesting a statement of the specific methodology used to calculate the cost-benefits involved. (Question 2)

There is only a grossly inadequate response to the question asking for data by base and for the cost-benefits involved, with no data provided at all on the cost-benefits of the moves to and from Fort Huachuca. (Question 3)

There is no response to the request for a sensitivity analysis of the cost-benefits of not moving ISC to Fort Devens, although the Commission could not possibly have taken a responsible decision without such analysis. (Question 4)

The response to my question for a comprehensive data package falls far short of my request and even the information implied in Mr. Parker's letter. There is no answer at all to the second part of the question. (Question 7)

There is not even a preliminary response to the request for a summary of the compensation and aid to be provided to the employees of Fort Huachuca. Is the Department really going to force them to wait until some unknown time in the Spring to provide even minimal warning of how they can plan their lives? (Question 8)

The response to the question on scheduling implies that employees will get no information before this fall regarding moves that could begin as early as January 1, 1990. (Question 9)

There is no response to my question regarding the Commission's treatment of the special costs of moving ISC. (Question 10)

There is no response as to whether and how the Commission estimated there would be any improvement in ISC's operations as a result of the move. (Question 12)

There is no response to the questions relating to the overall impact of the proposed moves on Fort Huachuca, and all the key data in the work sheets have been whited out. (Question 14)

There is no response to the question asking for an analysis by rank and grade of the impact of the move on military and civilian personnel, in spite of the fact that at least four sets of total manpower impact numbers have been issued since the Commission's report. (Question 15)

There is no explanation of why the Commission suddenly reversed the content of all its previous working sheets to include an option to keep Fort Devens open and to my question on this issue. (Question 17)

To be blunt, the Department's response is the very model of a bureaucratic non-response, and it raises growing questions about the overall competence of the Commission in dealing with this issue. This kind of response is particularly distressing because I have talked at length with the citizens of Sierra Vista and others affected by the realignments at Fort Huachuca, and they have all made it clear that they can accept sound arguments based on improving the Army's mission capabilities or making savings in the defense budget.

I believe that the people affected have a right to a fully responsive and detailed reply to my questions. More importantly, I believe that the people of Arizona have a right to such a reply. I would like such a reply by February 23, 1989.

Thank you for your personal consideration, and your assistance in helping to shed light on this issue.

Sincerely,

JOHN MCCAIN,
U.S. Senator.

CAPACITY ANALYSIS—FORT HUACHUCA

e. Construction of a $6.8M Joint Test Center facility for the Joint Tactical Command, Control and Communications Agency (JTC3A) at Fort Huachuca is over 70 percent complete.

f. Approximately 30,000 acres of land have been leased in southern Arizona to support electronic testing conducted by the Electronic Proving Ground. Continued dedicated use of available real estate, both on leased lands and Fort Huachuca, is a major factor in the support of the total test program.

g. The U.S. Army Information Systems Command (USAISC) commands the installation, which also serves as the site for that Major Army Command's headquarters. USAISC was formed in 1984 by the merger of several existing commands, principally the Communications Command and the Computer Systems Command. The USAISC requires operations at more than 1,400 facilities worldwide in an around-the-clock information processing and transfer network, including computer systems, telephone services, satellite terminals, microwave radio and a vast array of other information services.

h. The need by USAISC to interface with HQDA was complicated for years by the command's location at Fort Huachuca; however, several studies over the years indicated that the advantages of the stationing at Fort Huachuca outweighed the costs of TDY and telecommunications involved. The existence of video teleconferencing facilities at HQDA, Fort Huachuca, and several other MACOMs has now greatly improved intercommunication among the widely dispersed DA elements. More video teleconferencing installations are planned for the future.

i. Existing modernized ranges can support training requirements.

j. This installation is an annual training, weekend training, and mobilization site for reserve components. One USAR unit has full-time personnel headquartered at this installation.

k. Fort Huachuca has been designated as a mobilization station for 25 ARNG and 14 USAR units totaling 9,815 personnel.

FORT DEVENS ANALYSIS

[In millions of dollars]

Options	Net 1-time savings	Annual SS savings	Pay backs (years)	NPV	Land
Status quo					
D1—Close/transfer to National Grd	−[1] 140	43	4	280	0
D2—Close/caretaker status	−140	37	5	226	0
D3—Close/sell	−76	43	2	345	80
D4—Realignment: ISC to Fort Devens	−190	17	11	70	0

Status quo—Avoids $151.6M construction and relocation cost for option D–1, D–2, D–3. Avoids $91.1M construction and relocation costs for option D–4.

THE DEPUTY SECRETARY OF DEFENSE,
Washington, DC, February 27, 1989.

Hon. JOHN MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR: Thank you for your letter of February 13, 1989, requesting a review of the procedures and rationale that led the Defense Secretary's Commission on Base Realignment and Closures to recommend relocating the Information Systems Command (ISC) from Fort Huachuca to Fort Devens.

From the Department's perspective, we are acutely aware of the impacts that the proposed realignment will have on individuals and communities. The Department and the Army are fully committed to doing all we can to assist both individuals and communities, and to provide their representatives in Congress with all available information.

By agreement with the Chairman of the Armed Services Committee, the Department has made available to the Congress the complete files maintained by the Commission, which should help answer many of your questions. A copy of that agreement is attached. Additionally, the General Accounting Office, in response to the Armed Services Committee, is presently reviewing the Commission's work and expects to testify before Congress on the results of this review.

The Army is working to develop the detailed and complex plans necessary to effect this realignment but that planning process is not nearly complete. As soon as solid information is available all parties will be rapidly informed. As we see it today, it doesn't seem possible that ISC will move much before FY 1991. With regard to the exact number of personnel moving, I have asked the Army, as a part of its planning process, to provide the exact number of personnel involved.

As you know, Congress charged the Base Closure Commission with the responsibility of recommending base closures on an "all-or-none" basis to guard against the process being politicized. Likewise, both Congress and the Department agreed that the Commission should be non-partisan and independent. Secretary Carlucci took great care to ensure this independence.

Consequently, the Commissioners themselves are best suited to provide an in-depth explanation of the collective decision-making process, and the Co-Chairman have made themselves available to testify before you and your Armed Services colleagues, in large part, to do just that. However, because of our desire to be as forthcoming as possible, we would endeavor to have Department of Defense personnel sit down with a member of your staff to help research full and complete answers to your numerous questions. The complete Commission files are available for review by your staff at the Commission's office, 1825 K Street, NW. An appointment can be made by calling 653-0180.

If there is anything else we can do, please let me know.

Sincerely,

WILLIAM H. TAFT IV.●

ADDITIONAL COSPONSORS

S. 9

At the request of Mr. DOLE, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 9, a bill to amend title II of the Social Security Act to phase out the earnings test over a 5-year period for individuals who have attained retirement age, and for other purposes.

S. 16

At the request of Mr. CRANSTON, the names of the Senator from New Mexico [Mr. BINGAMAN], the Senator from North Dakota [Mr. CONRAD], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 16, a bill to require the executive branch to gather and disseminate information regarding, and to promote techniques to eliminate, discriminatory wage-setting practices and discriminatory wage disparities which are based on sex, race, or national origin.

S. 20

At the request of Mr. LEVIN, the name of the Senator from Massachusetts [Mr. KERRY] was added as cosponsor of S. 20, a bill to amend title 5, United States Code, to strengthen the protection available to Federal employees against prohibited personnel practices, and for other purposes.

S. 26

At the request of Mr. MOYNIHAN, the names of the Senator from Rhode Island [Mr. PELL] and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 26, a bill to make certain supplemental appropriations in order to fully fund the Anti-Drug Abuse Act of 1988.

S. 37

At the request of Mr. SPECTER, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 37, a bill to amend title II of the Social Security Act to protect the benefit levels of individuals becoming eligible for benefits in or after 1979.

S. 38

At the request of Mr. WILSON, the names of the Senator from Connecticut [Mr. LIEBERMAN] and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of S. 38, a bill to make long-term care insurance available to civilian Federal employees, and for other purposes.

S. 54

At the request of Mr. METZENBAUM, the names of the Senator from Florida [Mr. GRAHAM] and the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of S. 54, a bill to amend the Age Discrimination in Employment Act of 1967 with respect to the waiver of rights under such Act without supervision, and for other purposes.

S. 82

At the request of Mr. THURMOND, the names of the Senator from Georgia [Mr. FOWLER] and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of S. 82, a bill to recognize the organization known as the 82d Airborne Division Association, Inc.

S. 89

At the request of Mr. SYMMS, the names of the Senator from New York [Mr. D'AMATO] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 89, a bill to delay for 1 year the effective date for section 89 of the Internal Revenue Code of 1986.

S. 100

At the request of Mr. ROCKEFELLER, the names of the Senator from Maryland [Ms. MIKULSKI] was added as cosponsor of S. 100, a bill to amend title XVIII of the Social Security Act with respect to coverage of, and payment for, services of psychologists under part B of Medicare.

S. 135

At the request of Mr. GLENN, the names of the Senator from Iowa [Mr. HARKIN] and the Senator from California [Mr. CRANSTON] were added as cosponsors of S. 135, a bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 148

At the request of Mr. PRESSLER, the names of the Senator from Nevada [Mr. REID] and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of S. 148, a bill to require the Secretary of the Treasury to mint coins in commemoration of the Golden Anniversary of the Mount Rushmore National Memorial.

S. 167

At the request of Mr. HARKIN, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of S. 167, a bill to amend the Fair Labor Standards Act of 1938 to increase the tip credit, and for other purposes.

S. 169

At the request of Mr. HOLLINGS, the name of the Senator from Virginia [Mr. ROBB] was added as cosponsor of S. 169, a bill to amend the National

Science and Technology Policy, Organization, and Priorities Act of 1976 in order to provide for improved coordination of national scientific research efforts and to provide for a national plan to improve scientific understanding of the Earth system and the effect of changes in that system on climate and human well-being.

S. 231

At the request of Mr. MOYNIHAN, the name of the Senator from Michigan [Mr. LEVIN] was added as cosponsor of S. 231, a bill to amend part A of title IV of the Social Security Act to improve quality contol standards and procedures under the Aid to Families With Dependent Children Program, and for other purposes.

S. 253

At the request of Mr. BINGAMAN, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 253, a bill to establish a coordinated National Nutrition Monitoring and Related Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of food consumed in the United States, with the provision for the conduct of scientific research and development in support of such program and plan.

S. 260

At the request of Mr. MOYNIHAN, the names of the Senator from Illinois [Mr. DIXON] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 260, a bill to amend the Internal Revenue Code of 1986 to make the exclusion from gross income of amounts paid for employee educational assistance programs.

S. 306

At the request of Mr. BENTSEN, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from North Dakota [Mr. CONRAD], the Senator from Iowa [Mr. HARKINS], the Senator from Colorado [Mr. WIRTH], the Senator from Kansas [Mrs. KASSEBAUM], and the Senator from Maine [Mr. COHEN] were added as cosponsors of S. 306, a bill to amend the Social Security Act to make certain modifications in the Medicare program with respect to payments made under such program to hospitals located in rural areas, to improve the delivery of health services to individuals residing in such areas, and for other purposes.

S. 318

At the request of Mr. JOHNSTON, the names of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 318, a bill to facilitate the national distribution and utilization of coal.

S. 329

At the request of Mr. DIXON, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 329, a bill to amend the United States Warehouse Act to specifically allow States to require grain elevators with Federal warehouse licenses to participate in State grain indemnity funds or to require collateral security.

S. 341

At the request of Mr. HOLLINGS, the names of the Senator from Kentucky [Mr. MCCONNELL], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 341, a bill to amend the Federal Aviation Act of 1958 to prohibit discrimination against blind individuals in air travel.

S. 350

At the request of Mr. LOTT, the names of the Senator from Missouri [Mr. BOND], the Senator from Alabama [Mr. HEFLIN], the Senator from New York [Mr. D'AMATO], the Senator from Arizona [Mr. DECONCINI], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 350, a bill to repeal section 89 of the Internal Revenue Code of 1986—relating to rules for coverage and benefits under certain employee benefit plans.

S. 365

At the request of Mr. DASCHLE, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 365, a bill to provide for the continuation of certain basic services of the Postal Service consistent with Postal policies under section 101 of title 39, United States Code, and for other purposes.

S. 366

At the request of Mr. BAUCUS, the names of the Senator from Colorado [Mr. WIRTH] and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of S. 366, a bill to amend title XVIII of the Social Security Act to make certain payment reforms in the Medicare Program to ensure the adequate provision of health care in rural areas, and for other purposes.

S. 370

At the request of Mr. CHAFEE, the names of the Senator from Connecticut [Mr. DODD], the Senator from South Carolina [Mr. THURMOND], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 370, a bill to amend the Land and Water Conservation Fund Act and the National Historic Preservation Act, to establish the American Heritage Trust, for purposes of enhancing the protection of the Nation's natural, historical, cultural, and outdoor recreational heritage, and for other purposes.

S. 377

At the request of Mr. DIXON, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 377, a bill to establish a series of five Presidential primaries at which the public may express its preference for the nomination of an individual for election to the office of President of the United States.

S. 395

At the request of Mr. HARKIN, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 395, a bill to prohibit any active duty, commissioned officer of the Armed Forces of the United States from serving as the Assistant to the President for National Security Affairs, and for other purposes.

S. 401

At the request of Mr. HOLLINGS, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 401, a bill to exclude the Social Security Trust Funds from the deficit calculation and to extend the target date for Gramm-Rudman-Hollings until fiscal year 1995.

S. 408

At the request of Mr. MIKULSKI, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 408, a bill to establish a corporation to administer a National volunteer service program.

S. 417

At the request of Mr. HEINZ, the names of the Senator from New Mexico [Mr. DOMENICI], and the Senator from Colorado [Mr. ARMSTRONG] were added as cosponsors of S. 417, a bill to amend chapters 83 and 84 of title 5, United States Code, to expedite the processing of applications of Federal employees seeking retirement benefits, and for other purposes.

S. 429

At the request of Mr. BOREN, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 429, a bill to establish a National Foundation for Excellence for outstanding students who are committed to careers in teaching in public education and for other purposes.

S. 432

At the request of Mr. ROCKEFELLER, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 432, a bill to direct the Secretary of Transportation to identify scenic and historic roads and to develop methods of designating, promoting, protecting, and enhancing roads as scenic and historic roads.

S. 435

At the request of Mr. REID, the names of the Senator from Connecticut [Mr. DODD], the Senator from Nevada [Mr. BRYAN], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 435, a bill to amend section 118 of the Internal Revenue Code to provide for certain exceptions from certain rules determining contributions in aid of construction.

S. 436

At the request of Mr. METZENBAUM, the names of the Senator from Hawaii [Mr. MATSUNAGA] and the Senator from Massachusetts [Mr. KERRY] were

added as cosponsors of S. 436, a bill to strengthen the protections available to employees against reprisals for disclosing information, to protect the public health and safety, and for other purposes.

S. 439

At the request of Mr. PELL, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 439, a bill to establish a program of grants to consortia of local educational agencies and community colleges for the purposes of providing technical preparation education and for other purposes.

S. 458

At the request of Mr. DECONCINI, the names of the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 458, a bill to provide for a General Accounting Office investigation and report on conditions of displaced Salvadorans and Nicaraguans, to provide certain rules of the House of Representatives and of the Senate with respect to review of the report, to provide for the temporary stay of detention and deportation of certain Salvadorans and Nicaraguans, and for other purposes.

S. 485

At the request of Mr. GORE, the names of the Senator from New Mexico [Mr. BINGAMAN] and the Senator from Illinois [Mr. DIXON] were added as cosponsors of S. 485, a bill to authorize a White House Conference on Homelessness.

S. 489

At the request of Mr. KENNEDY, the names of the Senator from Tennessee [Mr. GORE], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Michigan [Mr. RIEGLE], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of S. 489, a bill to transfer certain funds available for State legalization assistance grants to programs to assist refugees.

S. 491

At the request of Mr. CHAFEE, the names of the Senator from Nevada [Mr. REID] and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 491, a bill to reduce atmospheric pollution to protect the stratosphere from ozone depletion, and for other purposes.

S. 493

At the request of Mr. D'AMATO, the names of the Senator from Pennsylvania [Mr. HEINZ] and the Senator from Utah [Mr. GARN] were added as cosponsors of S. 493, a bill to amend the Federal Home Loan Mortgage Corporation Act.

S. 494

At the request of Mr. DURENBERGER, the names of the Senator from Colorado [Mr. ARMSTRONG], the Senator from Michigan [Mr. LEVIN], and the Senator from California [Mr. WILSON] were added as cosponsors of S. 494, a bill to amend the Internal Revenue Code of 1986 to extend for 5 years, and increase the amount of, the deduction for health insurance for self-employed individuals.

S. 504

At the request of Mr. GRAHAM, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 504, a bill to improve the operation of the Caribbean Basin Economic Recovery Act, and for other purposes.

S. 519

At the request of Mr. LAUTENBERG, the names of the Senator from Wisconsin [Mr. KOHL] and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 519, a bill to prohibit smoking on any scheduled airline flight in intrastate, interstate, or overseas air transportation.

S. 544

At the request of Mr. METZENBAUM, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 544, a bill to limit the modification of collective bargaining agreements subject to the Railway Labor Act.

SENATE JOINT RESOLUTION 1

At the request of Mr. KENNEDY, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of Senate Joint Resolution 1, a joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for women and men.

SENATE JOINT RESOLUTION 10

At the request of Mr. THURMOND, the names of the Senator from Colorado [Mr. WIRTH], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Texas [Mr. GRAMM], the Senator from Arkansas [Mr. Pryor], the Senator from Arkansas [Mr. BUMPERS], the Senator from Indiana [Mr. LUGAR], the Senator from Delaware [Mr. BIDEN], the Senator from California [Mr. WILSON], and the Senator from Wisconsin [Mr. KASTEN] were added as cosponsors of Senate Joint Resolution 10, a joint resolution to designate the month of May, 1989 as "National Foster Care Month."

SENATE JOINT RESOLUTION 42

At the request of Mr. PACKWOOD, the names of the Senator from Idaho [Mr. SYMMS], the Senator from South Carolina [Mr. THURMOND], the Senator from Vermont [Mr. JEFFORDS], the Senator from Washington [Mr. ADAMS], the Senator from Texas [Mr. BENTSEN], the Senator from Delaware [Mr. BIDEN], the Senator from Missouri [Mr. BOND], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from New Jersey [Mr. BRADLEY], the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. BURDICK], the Senator from Montana [Mr. BURNS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Indiana [Mr. Coats], the Senator from North Dakota [Mr. CONRAD], the Senator from California [Mr. CRANSTON], the Senator from New York [Mr. D'AMATO], the Senator from Missouri [Mr. DANFORTH], the Senator from South Dakota [Mr. DASCHLE], the Senator from Illinois [Mr. Dixon], the Senator from Kansas [Mr. DOLE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Utah [Mr. GARN], the Senator from Ohio [Mr. GLENN], the Senator from Tennessee [Mr. GORE], the Senator from Texas [Mr. GRAMM], the Senator from Hawaii [Mr. INOUYE], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Kansas [Mrs. KASSENBAUM], the Senator from Wisconsin [Mr. KASTEN], the Senator from Nebraska [Mr. KERREY], the Senator from Massachusetts [Mr. KERRY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Wisconsin [Mr. KOHL], the Senator from Vermont [Mr. LEAHY], the Senator from Michigan [Mr. LEVIN], the Senator from Indiana [Mr. LUGAR], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Idaho [Mr. MCCLURE], the Senator from Maine [Mr. MITCHELL], the Senator from New York [Mr. MOYNIHAN], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Georgia [Mr. NUNN], the Senator from Rhode Island [Mr. PELL], the Senator from South Dakota [Mr. PRESSLER], the Senator from Arkansas [Mr. PRYOR], the Senator from Michigan [Mr. REIGLE], the Senator from West Virginia [Mr. ROCKEFELLER], the Sentor from Alabama [Mr. SHELBY], the Senator from California [Mr. WILSON], and the Senator from Colorado [Mr. ARMSTRONG] were added as cosponsors of Senate Joint Resolution 42, a joint resolution to designate March 16, 1989, as "Freedom of Information Day."

SENATE JOINT RESOLUTION 57

At the request of Mr. PELL, the names of the Senator from Maryland [Ms. MIKULSKI], and the Senator from Vermont [Mr. JEFFORDS] waere added as cosponsors of Senate Joint Resolution 57, a joint resolution to establish a national policy on permanent papers.

SENATE JOINT RESOLUTION 61

At the request of Mr. CHAFEE, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Maine [Mr. MITCHELL], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Nevada [Mr. REID], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Virginia [Mr. WARNER], the Senator from Vermont [Mr. JEFFORDS], the

Senator from New Hampshire [Mr. HUMPHREY], the Senator from Rhode Island [Mr. PELL], the Senator from Arkansas [Mr. BUMPERS], the Senator from Arizona [Mr. DECONCINI], the Senator from Georgia [Mr. FOWLER], the Senator from Tennessee [Mr. GORE], the Senator from North Carolina [Mr. HELMS], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Ohio [Mr. METZENBAUM], the Senator from Georgia [Mr. NUNN], the Senator from Arkansas [Mr. PRYOR], the Senator from Tennessee [Mr. SASSER], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Maine [Mr. COHEN], the Senator from Indiana [Mr. LUGAR], the Senator from South Dakota [Mr. PRESSLER], the Senator from California [Mr. WILSON], the Senator from Colorado [Mr. WIRTH], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of Senate Joint Resolution 61, a joint resolution to designate April 1989 as "National Recycling Month."

SENATE JOINT RESOLUTION 62

At the request of Mr. ARMSTRONG, the names of the Senator from Washington [Mr. ADAMS], the Senator from Nevada [Mr. BRYAN] the Senator from West Virginia [Mr. BYRD], the Senator from Tennessee [Mr. GORE], the Senator from Wisconsin [Mr. KOHL], the Senator from Maine [Mr. MITCHELL], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Alaska [Mr. STEVENS], and the Senator from Utah [Mr. GARN] were added as cosponsors of Senate Joint Resolution 62, a joint resolution designating May 1989 as "National Stroke Awareness Month."

SENATE JOINT RESOLUTION 67

At the request of Mr. DECONCINI, the names of the Senator from Utah [Mr. HATCH], and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of Senate Joint Resolution 67, a joint resolution to commemorate the 25th anniversary of the Wilderness Act of 1964 which established the National Wilderness Preservation System.

SENATE JOINT RESOLUTION 68

At the request of Mr. BYRD, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of Senate Joint Resolution 68, a joint resolution to designate the month of May 1989, as "Trauma Awareness Month."

SENATE JOINT RESOLUTION 69

At the request of Mr. CRANSTON, the names of the Senator from Rhode Island [Mr. PELL], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of Senate Joint Resolution 69, a joint resolution designating April 8, 1989, as "Chief Justice Earl Warren Day."

SENATE RESOLUTION 16

At the request of Mr. LAUTENBERG, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of Senate Resolution 16, a resolution to express the sense of the Senate regarding future funding of the municipal sewage treatment program under the Clean Water Act.

SENATE RESOLUTION 61

At the request of Mr. DIXON, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Resolution 61, a resolution expressing the sense of the Senate on the sale of F-16 fighter aircraft technology from General Dynamics to Japan's Mitsubishi Heavy Industries as part of the United States-Japan FSX codevelopment fighter program.

SENATE RESOLUTION 63

At the request of Mr. SYMMS, the names of the Senator from Wisconsin [Mr. KASTEN], the Senator from North Carolina [Mr. HELMS], the Senator from Vermont [Mr. JEFFORDS], and the Senator from Wyoming [Mr. WALLOP] were added as cosponsors of Senate Resolution 63, a resolution to express the sense of the Senate that the Federal excise taxes on gasoline and diesel fuel shall not be increased to reduce the Federal deficit.

SENATE CONCURRENT RESOLUTION 21—RELATING TO INCOME TAX DEDUCTIONS ON HOMEOWNERSHIP

Mr. RIEGLE (for himself, Mr. D'AMATO, Mr. GORE, Mr. DECONCINI, Mr. HOLLINGS, Mr. BURNS, Mr. LEVIN, and Mr. STEVENS) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 21

Whereas homeownership is a fundamental American ideal, which promotes social and economic benefits beyond the benefits that accrue to the occupant of the home;

Whereas homeownership is an important factor in promoting economic security and stability for American families;

Whereas it is proper that the policy of the Federal Government is and should continue to be to encourage homeownership;

Whereas the increase in the cost of housing over the last 10 years has been greater than the increase in family income;

Whereas, for the first time in 50 years, the percentage of people in the United States owning their own homes has declined;

Whereas the percentage of people in the United States between the ages of 25 and 29 who own their own home has declined from 43 percent in 1976 to 38 percent in 1987;

Whereas the current Federal income tax deduction for interest paid on debt secured by second homes is of crucial importance to the economies of many communities;

Whereas the continued deductibility of interest paid on debt secured by a first or second home has particular importance in promoting other desirable social goals, such as education of young people; and

Whereas the Federal income tax deduction for interest paid on debt secured by a first or second home has been limited twice in the last 3 years: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the current Federal income tax deduction for interest paid on debt secured by a first or second home should not be further restricted.

Mr. RIEGLE. Mr. President, I rise today to introduce legislation with Senators D'AMATO, GORE, DECONCINI, HOLLINGS, BURNS, LEVIN, and STEVENS expressing the sense of the Congress that there should be no further restrictions on the Federal interest tax deduction for first and second homes. Identical legislation has been introduced in the House of Representatives by Representative MARGE ROUKEMA.

Mr. President, the mortgage interest deduction has been restricted twice by Congress during the last 3 years—first in 1986 when the deduction was limited to two homes, and again in 1987 when it was capped at $1 million of mortgage debt. In recent months, however, some have suggested that the mortgage interest deduction should be further restricted to help reduce the deficit or to provide necessary funding for other Federal programs.

Yet, if Congress were to further restrict the mortgage interest deduction it would have little effect on the current deficit of $159 billion. According to the Congressional Budget Office [CBO], if the mortgage interest deduction were capped at $20,000 for a joint return and $12,000 for a single return, it would raise only $600 million in the first year. In addition, CBO reports that phasing out the deduction for second homes would generate about $500 million. Clearly, further restrictions would do little to help reduce the Federal budget deficit.

It is my hope that the resolution I am introducing today will give others in the Senate an opportunity to go on record in opposition to further restrictions to the mortgage interest deduction, and I urge my colleagues to cosponsor this resolution.

SENATE CONCURRENT RESOLUTION 22—RELATING TO THE 10TH ANNIVERSARY OF C-SPAN

Mr. GORE (for himself, Mr. ADAMS, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BIDEN, Mr. BOND, Mr. BOREN, Mr. BREAUX, Mr. BURDICK, Mr. BURNS, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. CONRAD, Mr. CRANSTON, Mr. DASCHLE, Mr. DECONCINI, Mr. DOLE, Mr. DOMINICI, Mr. DURENBERGER, Mr. FOWLER, Mr. GARN, Mr. GRASSLEY, Mr. HARKIN, Mr. HATCH, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. KERRY, Mr. LEVIN, Mr. LIEBERMAN, Mr. LOTT, Mr. MACK, Mr. MCCLURE, Mr. MATSU-

NAGA, Mr. NUNN, Mr. PRESSLER, Mr. ROBB, Mr. SARBANES, Mr. SASSER, Mr. SHELBY, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WARNER, Mr. WILSON, and Mr. WIRTH) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 22

Whereas the Cable Satellite Public Affairs Network, popularly known as "C-SPAN", began operations on April 3, 1979, broadcasting proceedings on the floor of the House of Representatives, and has been broadcasting proceedings on the floor of the Senate since June 2, 1986, through C-SPAN II;

Whereas having started in 1979 with an audience of about 3,500,000 households, C-SPAN now reaches more than 40,000,000 households in this country and has begun broadcasting overseas through the United States Information Agency's Worldnet system;

Whereas during the past ten years C-SPAN has continually expanded its schedule to include a variety of programs relating to the Nation's public policy and political process;

Whereas C-SPAN's schedule now includes, in addition to floor proceedings—

(1) coverage of Congressional hearings;

(2) two daily viewer call-in programs in which viewers question elected officials, policy makers, and journalists on issues of the day;

(3) weekly addresses by newsmakers at the National Press Club;

(4) a weekly program on "Process and Policy" wherein professionals give their analyses of current National issues;

(5) a weekly program on "Communications Today" that examines media trends and technology and communications law;

(6) a weekly "Supreme Court Review" that discusses cases currently before the Court; and

(7) occasional special programs on a variety of matters of interest in the field of public affairs, which last year included detailed coverage of the Presidential campaign and full gavel-to-gavel coverage of the Democratic and Republican conventions;

Whereas the cable industry has recently funded a program to provide equipment and scholarships to allow and encourage the use of C-SPAN in the classroom to educate students in the political process; and

Whereas C-SPAN has made a tremendous contribution to the cause of democracy by making immediately available to the public a comprehensive, accurate, and unbiased exposition of the political process in this country: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That on the occasion of the tenth anniversary of C-SPAN on April 3, 1989, the cable television industry is commended for the invaluable contribution it has made and continues to make toward informing and educating the citizenry of this Nation and thereby enhancing the quality of its government of, by and for the people.

Mr. GORE. Mr. President, on behalf of myself and our colleagues, Senators ADAMS, ARMSTRONG, BENTSEN, BIDEN, BOND, BOREN, BREAUX, BURDICK, BURNS, CHAFEE, COATS, COCHRAN, COHEN, CONRAD, CRANSTON, DASCHLE, DECONCINI, DOLE, DOMINICI, DURENBERGER, FOWLER, GARN, GRASSLEY, HARKIN, HATCH, HEFLIN, HELMS, HOLLINGS, HUMPHREY, INOUYE, JEFFORDS, KASSEBAUM, KERRY, LEVIN, LIEBERMAN, LOTT, MACK, MATSUNAGA, MCCLURE, NUNN, PRESSLER, ROBB, SARBANES, SASSER, SHELBY, STEVENS, SYMMS, THURMOND, WARNER, WILSON, and WIRTH, I want to take this opportunity to introduce a resolution to commemorate April 3, 1989, as the tenth anniversary of the beginning of C-SPAN, the Cable Satellite Public Affairs Network.

On April 3, 1979, C-SPAN brought gavel-to-gavel coverage of the Congress into the homes of America for the first time. As the nonprofit cooperative of the cable television industry, C-SPAN began to broadcast live the debate and proceedings of the House to 3.5 million households. Since then C-SPAN has expanded to the Senate and has included coverage of congressional hearings, conventions, the Canadian House of Commons, and provides provocative viewer call-in and talk shows. Presently, C-SPAN has an audience of 43 million homes and another 16.5 million can tune into the 2 year old C-SPAN II, which provides coverage of the Senate.

C-SPAN has used television to bring Government to our citizens in an objective, non-partisan manner, proving this experiment to be one of the great efforts in participatory democracy. Nine-two percent of C-SPAN viewers voted in November. C-SPAN viewers are more likely to write to Congress, volunteer for campaigns, and contribute to a candidate. Further, C-SPAN is transmitted to 90 countries via WorldNet, the first global satellite television network. And C-SPAN has been a great tool in the classroom by establishing programming geared to encourage college and high school teachers to use this network.

Mr. President, April 3, 1989 will be an important milestone in the history of the U.S. Congress. I want to encourage our colleagues to join us in celebrating C-SPAN's monumental contribution to our society's increased understanding of how our Government works.

SENATE RESOLUTION 80—RELATING TO STATE TAXES FOR MAIL ORDER COMPANIES MAILING ACROSS STATE BORDERS

Mr. KASTEN submitted the following resolution; which was ordered placed on the calendar:

S. RES. 80

Whereas it is the right of the State under the United States Constitution to levy taxes on their residents and to require companies in the State to collect those taxes, but it is not the right of the States to require companies located in other States to collect those taxes;

Whereas it is not the role of the mail-order industry to be the tax collector for each of the fifty State treasuries;

Whereas this kind of unwarranted restriction of interstate commerce can only result in an excessive burden on taxpayers, and is an impediment to mail-order companies;

Whereas collecting and maintaining records on the sales taxes would result in expenses which would be passed along in the form of higher prices to consumers;

Whereas this proposal would complicate the lives of those who shop by catalog, a group that includes more than half of the United States adult population;

Whereas those who use the mail to make catalog purchases would be required to wade through a maze of State and local tax rates that often affect different items differently in trying to determine the applicable tax and then actually figure the amount due;

Whereas this is a burden to which retail customers are not subjected, and is terribly unfair;

Whereas the collection of taxes in this manner would be grossly inefficient compared with the collection of taxes at the cash register;

Whereas the handicapped, the elderly, rural families, and single parents are typical consumers of mail-order products and thus would be particularly burdened by this proposal;

Whereas small mail-order companies will not be able to comply, and their services will be lost to their customers;

Whereas there will be a long period of litigation with the overhanging threat that mail-order companies that choose to fight this unfair legislation may be liable for the payment of retroactive taxes should the courts uphold proposed legislation; and

Whereas to allow any State to make laws that reach across State lines is a dangerous precedent: Now, therefore, be it

Resolved, That any proposed legislation which would require mail-order companies to collect out-of-State sales taxes should be rejected.

Mr. KASTEN. Mr. President, I rise today to introduce a resolution calling for economic justice for America's mail-order companies and the American consumer.

Legislation is pending in Congress which would turn mail-order companies into tax collectors for each and every one of our 50 States. I think Americans already pay enough taxes—and if they write to a mail-order company in another State to buy something they want, they shouldn't have to pay sales taxes on the purchase to their own State.

Mr. President, it is the right of your State under the U.S. Constitution to levy taxes on you as a resident and to require companies in your State to collect those taxes when you buy from them. It is not the right of your State to require companies located elsewhere to collect those taxes.

That's what some State legislators would want them to do. Bills are pending in Congress that would allow the States to require mail order firms to collect the tax at the time of the sale. In effect, they want to turn mail-order companies in other States into collec-

tion agents for their own State treasuries.

Mr. President, this wouldn't be just unfair—it would be an entirely unwarranted restriction on interstate commerce. It would hurt consumers, especially the elderly, handicapped, and rural families who rely on mail-order services for their important purchases. It would hurt the mail-order companies and their employees.

Consumers trying to make mail-order purchases would be forced to plow through an intricate maze of State and local taxes—taxes which often affect different items differently—to try and determine the applicable tax, and then actually figure the amount due.

No retail store imposes this kind of burden on its customers. It strikes many of my constituents and me personally as unfair and unnecessary.

Mr. President, the proposal to require mail-order companies to collect out-of-State sales taxes should be called an "abuse tax"—because it abuses consumers, businesses, the economy and the U.S. Constitution.

I am introducing today a Senate resolution disapproving these proposals in the strongest possible terms. I call on all of my colleagues with an interest in the health of the mail order industry—and the millions of consumers who rely upon it—to join me in supporting it.

SENATE RESOLUTION 81—RELATING TO THE FOURTH ANNIVERSARY OF THE KIDNAPING OF TERRY ANDERSON

Mr. MOYNIHAN (for himself, Mr. PELL, and Mr. ARMSTRONG) submitted the following resolution; which was ordered placed on the calendar:

S. RES. 81

Whereas, hostage taking abridges human rights, harms the cause of world peace, and endangers the lives of innocent individuals; and

Whereas, nine Americans: Terry Anderson, Thomas Sutherland, Frank Reed, Joseph James Cicippio, Edward Austin Tracy, Jesse Turner, Robert Polhill, Alann Steen, and William Higgins, are missing and believed held hostage by groups operating within the borders of Lebanon; and

Whereas, March 16, 1989, marks the fourth anniversary of the kidnaping of Terry Anderson in Beirut; and

Whereas, Terry Anderson was serving with distinction as Middle East Bureau Chief of the Associated Press at the time of his kidnaping; and

Whereas, Terry Anderson sought through his work and his writings to further the world's knowledge and understanding of the Middle East, and as a result of his captivity is prevented from so doing: Therefore, be it

Resolved, That the United States Senate hereby condemns all forms of hostage taking for whatever purposes by individuals, groups or governments, and be it further

Resolved, That the Senate calls upon the nations of the world to condemn all forms of hostage taking, and to work for the release of all hostages.

SENATE RESOLUTION 82—RELATING TO HUMAN RIGHTS ABUSES IN TIBET

Mr. PELL (for himself, Mr. HELMS, Mr. MURKOWSKI, Mr. KENNEDY, Mr. KERRY, Mr. SIMON, and Mr. MOYNIHAN) submitted the following resolution; which was placed on the calendar:

S. RES. 82

Whereas for the past four decades, repressive actions by the Chinese have resulted in the deaths of as many as one million Tibetans, the destruction of a large part of Tibet's unique cultural heritage, the flight of the Dalai Lama and tens of thousands of Tibetans from their homeland;

Whereas despite a short period (1978–82) when a Chinese policy attempt was initiated to address the grievances of the Tibetan people, recent reports issued by credible human rights organizations, including Asia Watch and Amnesty International, and the international press confirm mounting human rights violations in Tibet, including arbitrary arrest and detention, the use of excessive force on peaceful demonstrators, restrictions on religious freedoms, torture, and a systematic pattern of discrimination;

Whereas Congress passed, and President Reagan signed into law on December 22, 1987, legislation stating that "the Government of the People's Republic of China should respect internationally recognized human rights and end human rights violations against Tibetans . . . and should actively reciprocate the Dalai Lama's efforts to establish a constructive dialogue on the future of Tibet";

Whereas on September 16, 1988, the United States Senate unanimously passed S. Con. Res. 129 commending the Dalai Lama for his efforts to resolve the problems of Tibet through peace, protect the environment, and gain democracy for the people of Tibet, and calling on the Government of the People's Republic of China to enter into discussions to resolve the question of Tibet along the lines proposed by the Dalai Lama;

Whereas on September 21, 1988, the Chinese Government welcomed negotiations with the Dalai Lama and stated: "the venue of the talks can be Beijing, Hong Kong, or any of the Chinese embassies and consulates abroad. Should the Dalai Lama find these places inconvenient, he can choose any place at his discretion provided that no foreigners participate in the talks";

Whereas the Chinese Government has yet to accept negotiations with representatives of the Dalai Lama, and no such negotiations have taken place;

Whereas Tibetans continue to demonstrate in support of human rights and democratic freedoms in Tibet. On March 5, 6, and 7, 1989, at least 30 and, according to some reports, as many as 60 people died and hundreds were injured when Chinese authorities fired on unarmed Tibetan demonstrators in Lhasa;

Whereas Chinese officials in Beijing have declared martial law in the Tibetan capital of Lhasa and its environs. Western tourists in Lhasa during these demonstrations have reported random mass arrests and mistreatment of Tibetans by Chinese authorities: Now, therefore, be it

Resolved, That the Senate—

(1) condemns the recent use of violence against unarmed Tibetan demonstrators on March 5, 6, and 7, 1989;

(2) expresses sympathy for those Tibetans who have suffered and died as a result of Chinese policies in Tibet over the past four decades;

(3) urges the People's Republic of China to respect internationally recognized human rights and end human rights violations in Tibet;

(4) urges the People's Republic of China to lift the government-imposed restrictions on foreign press and human rights monitoring groups in Tibet;

(5) urges the Administration to propose that a United Nations observer team monitor the situation in Tibet;

(6) urges the United States to make the treatment of the Tibetan people an important factor in its conduct of relations with the People's Republic of China;

(7) urges the United States, through the Secretary of State, to address and call attention to, in the United Nations and in other international fora, the rights of the Tibetan people;

(8) supports the efforts of the Dalai Lama and others to resolve peacefully the situation in Tibet; and

(9) calls upon the Government of the People's Republic of China to meet with representatives of the Dalai Lama to begin initiating constructive dialogue on the future of Tibet.

Mr. PELL. Mr. President, 30 years ago, on March 10, 1959, the Tibetan people rose up in desperation against the oppression of the Chinese Peoples Liberation Army. When the fighting was over 12,000 Tibetans lay dead in the streets of Lhasa, and the Dalai Lama, fearing certain imprisonment and probable execution, fled to India with tens of thousands of his compatriots.

The Chinese Army had moved into Tibet 10 years earlier, soon after the Communist victory in China. There followed a period of systematic destruction of Tibetan culture. As many as 1 million Tibetans perished as a result of warfare, imprisonment, torture, and starvation.

In the past decade, there have been some improvements in living conditions for Tibetans—new roads, new machinery, new schools, and so on.

But economic development is not the foremost measure of a modern nation. Rather, this rests on the ability of a people to participate in their own government, to have the civil liberties to speak out, to assemble and travel freely, and to work for change and progress.

Above all else, a modern nation is judged by its success in providing for its people the basic human rights and freedoms that are the true measure of life's abundance.

The Chinese have a poor record in providing these rights to Tibetans over the last 30 years. The Tibetan people's struggle is well documented in the international press. Human rights groups, including Asia Watch, Amnesty International, and International

Alert have issued scathing reports on human rights practices by the Chinese in Tibet.

Sadly, the Tibetans have much to commemorate and little to celebrate on this 30th anniversary.

The Department of State's Country Reports on Human Rights Practices for 1988 points to China's violations in Tibet in areas of human rights, civil liberties, political rights, governmental attitudes regarding international human rights investigations, and discrimination based on race.

Again on March 5, 6, and 7, harsh measures were coupled with sweeping violence against Tibetans in Lhasa. Martial law has been imposed and thousands of Chinese troops have poured into the city. Foreign visitors were roused in the middle of the night and given mere hours to arrange their affairs. All have now been sent out, including the handful of journalists who had been granted some press privileges until this point.

The few news reports and video clips that survived last week's media purge brought us face to face with robed monks fleeing down the burning streets of Lhasa. It is an incongruous scene—an ancient culture confronting modern repression, sling shots and stones meeting automatic weapons.

It is also a scene familiar to us. Over the last 18 months alone, thousands have gathered in acts of civil disobedience throughout Tibet. Untold numbers have died. What can the Tibetans hope to achieve in the face of such formidable oppression?

The Dalai Lama has called for discussions between his representatives and the Chinese Government on the status of Tibet. He has formulated a peace plan which he announced before the Congressional Human Rights Caucus in September 1987. He expanded on this proposal in a speech before the European Parliament in Strasbourg last year.

A solution is possible. The peace plan is a blueprint and negotiations the process.

We in Congress must continue to support these initiatives, and we must work with the administration to add muscle to our message.

On March 8 the Chinese Government imposed martial law and "closed the door" on Tibet. The secret and unbridled use of police and military power in this situation forebodes a horrific outcome. I urge the administration to speak out at the United Nations and in other international bodies against the ongoing human rights violations, and to propose sending a United Nations observer team into Tibet to monitor the situation.

Mr. President, I urge my colleagues to support this resolution condemning the continuing of human rights violations in Tibet, and I ask unanimous consent that editorials from the Providence Journal, "The long arm of China is destroying Tibet," and other editorials and press statements on this subject be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Providence (RI) Journal, March 10, 1989]

THE LONG ARM OF CHINA IS DESTROYING TIBET

Tibet, once a dreamy, sky-high Buddhist kingdom that bothered no one, has again fallen victim to power politics in the People's Republic of China. Thirty years after China crushed a major Tibetan uprising, with the loss of no less than 67,000 Tibetan lives—the anniversary is today—Tibetan longings for independence have brought another harsh response. Chinese troops have fired into crowds of unarmed Tibetan demonstrators, killing several, and imposed martial law.

China's brutality toward Tibetans is as deplorable as it is familiar. Since Mao's revolution in 1949, the Chinese have worked to bring Tibet more under their sway, and exterminate the country's ancient Buddhist heritage. Communists began muscling in on local rule in the mid-1950s, and in 1959, demanded the removal of Tibet's ruling theocracy. When Tibetans rose up in anger, Chinese troops mowed them down. Tibet's ruler, the Dalai Lama, fled to India where he still resides.

Over the next several years, China's overlords outlawed the practice of religion, demolished palaces, ripped down prayer flags, ravaged Buddhist libraries and smashed priceless artifacts. Before the abortive 1959 revolt, Tibet had nearly 2,300 Buddhist monastaries, by the early 1980s, according to one account, this number had shrunk to 10.

Bejing insists on the debatable proposition that Tibet is an integral part of China, which makes it awkward for other nations to side openly with Tibetan separatists. But the Chinese attitude cannot silence concerns raised on human rights grounds. Quite apart from China's strategic interests or internal politics, the fact is that it has been treating Tibetans outrageously for nearly 40 years. The central United Nations document on the matter, it might be recalled, is known as the Universal Declaration of Human Rights, and those rights do not mysteriously vanish when some national frontier is crossed.

Tibet's harrowing modern history with the People's Liberation Army crushing a culture and ruthlessly silencing dissenters, is no less a part of the true face of the People's Republic than the last decade of economic reforms under Deng Xiaoping. China's rulers need to understand this, and realize that their attacks on Tibetans can damage their hopes for stonger economic and political links with the rest of the world.

Tibet is no longer quite so remote as before, and China can no longer behave so brutally without the world finding out. If China cannot stomach the idea of a fully independent Tibet, at least it could heed the Dalai Lama's plea to restore Tibet's local automany over its domestic affairs. Regardless of how the political dispute gets resolved, China's armed brutality toward Tibet provides a grim reminder that the dark side of the People's republic still exists.

[From the Los Angeles Times, Mar. 8, 1989]

HUMAN RIGHTS DOUBLE STANDARDS?

If the Bush Administration fails to express the strongest possible concern over China's imposition of martial law in Tibet, it will undercut the cause of human rights not only in that tortured region but also in the wider world.

Since the historic rapprochement between Washington and Beijing in 1972, American foreign-policy makers have given the People's Republic what amounts to a free ride on the issue of basic human liberties. Abuses of individual rights that would provoke stormy outrage if they were committed elsewhere are ignored when they occur in China. If—to cite but one example—anything like Beijing's brutal repression of the Catholic Church had happened in the Soviet Union, constructive relations between Washington and Moscow probably would have come to a halt.

President Bush took a small step toward equalizing this double standard during his recent visit to Beijing, when he invited some of China's leading human rights advocates to dinner. He and his aides stumbled badly, however, when they failed to ensure that Fang Lizhi—often called the Andrei Sakharov of China—would be able to attend. Matters were muddied further when the President's spokesman subsequently were unable to provide a straight answer to the simple question of whether or not Bush even had raised human rights issues during his talks with Chinese leaders.

Experience has shown that the West's ability to speak constructively to the human rights question depends on accurate knowledge. For instance, one of the worst large-scale abuses of human rights in recent years is thought to have occurred during Indonesia's supression of the independence movement in East Timor. But because there are few foreign journalists based in Jakarta and because the authorities there have denied those who visit access to East Timor, the situation has gone all but unnoticed. Conversely, the relative, though still insufficient, openness of Soviet society to foreign travelers and reporters has made Moscow's approach to human rights very much an issue in East-West relations.

The lesson suggested by these contrasting examples bears directly on how the United States ought to respond to China's declaration of martial law in Tibet. Chinese authorities say the proclamation—the first in the history of the People's Republic—was necessary to quell "separatist" riots that have killed at least 12 people and injured hundreds of others. The real targets, however, are not the Tibetans—against whom the Chinese have a well-oiled and well-proven mechanism of repression—but the foreign travelers, who will be barred from the region.

Since a similar outbreak of fighting in October of 1987, foreign journalists and diplomats have been denied regular, unsupervised access to Tibet. What little news of that unhappy place the outside world receives comes from tourists. Now the Chinese have drawn a curtain across even that small window on the truth.

The Tibetan people have suffered unspeakably under Chinese rule. During the Cultural Revolution of the 1960s, the Maoist authorities attempted the obliteration of the region's rich and ancient Buddhist culture. Things have improved since then, but the standards of the Cultural Revolution are no more appropriate as a meas-

ure of Chinese conduct than those of Stalinism are of contemporary Soviet behavior.

What the international community calls human rights is a rather minimal standard of basic decency. It applies equally in Washington, Moscow, Pretoria, Santiago and Lhasa—which is what the Administration ought to say.

[From the Wall Street Journal, Mar. 8, 1989]

DALAI LAMA SEEKS MIDDLE WAY ON TIBET

(By William McGurn)

DHARMSALA, INDIA.—It's not quite the stairway to heaven, but the road to Dharmsala is nearly as steep. Up, up, up it winds, twisting and curving through the cool brown hills of northern India until the faces become rounder and more Asiatic and the landscape is punctuated by bursts of colorful Tibetan prayer flags and broad Tibetan smiles. For this former British hill station is today home to Tenzin Gyatso, the Dalai Lama.

Thirty years ago this Friday Tibetans in the capital city of Lhasa rose against their Chinese overlords, setting off a chain of events that a week later saw the Dalai Lama flee the land over which he was supreme temporal as well as spiritual leader. Now 53, the Dalai Lama speaks with a serenity all the more extraordinary in light of his predicament: living in an India that would just as soon not have him, heading a Tibetan government-in-exile that nobody but his own people recognizes, and pressuring a China that everyone else is trying hard to woo. The Indian-issued certificate of identity he carries instead of a passport reminds him that while he may be a high reincarnation to Tibetans, legally he remains but another stateless refugee.

MOST DAUNTING CHALLENGE

Now, after 30 years of wandering in the political wilderness, his holiness faces his most daunting challenge. Direct talks with the Chinese in Geneva are in the offing, the Chinese no doubt helped along by 18 months of the most violent demonstrations against their rule since the abortive 1959 rebellion. A fresh outburst this week in Lhasa has left as many as 30 dead, Westerners there say, and the Chinese have imposed martial law. Further complicating the delicate situation was the death in January of the Panchen Lama, Tibet's No. 2 spiritual leader, who lived in Beijing and had long toed the Communist political line against Tibetan independence.

The Dalai Lama is convinced that Marxism finally may have spent itself. "All nations that practice Marxism have failed to achieve their goals," he says, eyes flashing behind a pair of gold-rimmed glasses. "They have emphasized the hatred motivation—the class struggle—instead of compassion. As a result everything they do is based on destruction." Among the people the Dalai Lama most admires are Churchill, Gandhi, Pope John Paul II—and Mikhail Gorbachev. "I know how hard it is to create a new idea in a communist system," he explains.

The Dalai Lama is seated on a plain green upholstered chair in his modest reception room, his head shaved. Hiking shoes creep out from beneath his maroon robes. Outside a cherry blossom is in full bloom and other monks are padding about, the snow-capped Himalayas providing a dramatic backdrop.

The Dalai Lama was born Lhamo Dhondrub to peasant farmers in 1935 in a cow shed in northeastern Tibet, with his eyes wide open according to his mother. At age two he was discovered by a team of monks searching for the reincarnation of the 13th Dalai Lama, and when the child correctly identified two rosaries, a walking stick and an ivory drum of his late predecessor suspicions were confirmed. At age four he assumed the Lion's Throne, becoming religious and political head of Tibet.

The foreign press tends to describe him as Tibet's "god-king," but his holiness explains this is something of a misnomer. "Buddhism does not accept the theory of a god or creator," he says, offering a tolerant smile to his uninitiated visitor, "so a 'god-king' is out of the question." He even goes so far to say that his religion can be considered "atheist" in the sense that Buddhism holds that each man's spiritual potential is held within his own self. It's more accurate to refer to the Dalai Lama as a "living Buddha," the physical manifestation of the spirit of compassion.

Nonetheless it is true to say that the Dalai Lama holds an unrivaled place in the hearts of all Tibetans, and it was their concern for his safety that triggered the uprising 30 years ago Friday. On that day the Dalai Lama had been invited to attend a play inside the camp of the People's Liberation Army. Fearing a Chinese attempt to kidnap their beloved leader and spirit him off to Beijing, tens of thousands of Lhasans massed around Norbulingka Palace to form a human wall. When the Chinese responded a week later with artillery, the Dalai Lama slipped out of the palace disguised as a peasant and made an arduous escape over the mountains into India.

The Chinese turned their fury on the country. Over the next two decades more than one million Tibetans were slaughtered and some 6,000 monasteries destroyed. But Beijing has found the Dalai Lama's legions more formidable than it first supposed, and anyone who has visited Tibet and been besieged by requests for "Dalai Lama photo" can attest that years of persecution have not dented the Tibetan soul.

Even the Panchen Lama, long regarded as Beijing's lackey, managed more than once to fly his colors; only days before his death he made a strong speech decrying China's abuses in his homeland. Recalling the long years of prison and torture his brother monk endured at the hands of his Communist Chinese patrons, the Dalai Lama is unequivocal. "I have always considered him a freedom fighter," he says.

Granted that a little charity might be expected from the Buddha of compassion, a reporter is nonetheless struck by his even manner. In almost two hours of animated discussion, not one cutting remark falls from his lips. "We are not anti-Chinese," he emphasizes. "I have made it clear in Strasbourg that we are trying to find a solution through the middle way, not complete independence." The allusion is to his June 15 speech before the European Parliament in which he offered to discuss an "association" with China that would nevertheless guarantee the autonomy Beijing promised Tibet when it first invaded.

But sometimes it is precisely the Dalai Lama's preference for the "middle way" that gets the dander up of so many other Tibetan exiles. For many it is independence or nothing, and some, such as the president of the Tibetan Youth Congress, Lhasang Tsering, look at Afghanistan and urge a Buddhist jihad. Yet it is a measure of Tibetan unity that no one questions the Dalai Lama himself. "We have a relationship large enough to disagree," says Mr. Tsering, perhaps the most militant of all. "We don't oppose the talks with China because we have lost faith in his holiness. We oppose them because we have no faith in the Chinese."

Perhaps most ironically, the man who is leader of a land once known as the Forbidden Kingdom for its refusal to admit foreigners now is at the fore of those plumping the benefits of a more interdependent world. But he can be squishy on economics. Like the current Roman Catholic pope, the Dalai Lama is well aware of the political barbarism of Marxism but has a soft spot for its socialist premises, confusing political collectivism with personal charity. He has, for example, been quoted as saying that "we cold have something like 'Buddho-Communisum' in Tibet"—a sort of Buddhist liberation theology without the violence. He explains that like Buddhism, Marxism "is not concerned with how to produce more wealth but with how to distribute wealth more equitably".

But it is the Buddhist principle of nonviolence that he holds most precious, in Tibet's case a matter of tactical reality as much as moral principle. In his book "My Land and My People" the Dalai Lama wrote that his "most urgent moral duty" in the tense days up to the 1959 uprising was "to prevent a totally disastrous clash between my unarmed people and the Chinese army".

TIME IS RUNNING OUT

He is not cheered by the recent demonstrations because the situation remains the same. China's claim to Tibet may be weak but it has powerful geopolitical incentives never to give Tibet up. The Tibetan plateau, an area about the size of Western Europe, lies in the strategic heart of Asia. As the Dalai Lama says, any resort to violence by his still unarmed people only hands Beijing an "excuse for executions".

The search for a reasonable way out is today made all the more urgent by Beijing's massive population transfer of Chinese to Tibet, to the point where the few million Tibetans left are rapidly becoming a minority in their own land. Although lamas are not supposed to suffer from anxiety, his holiness confesses that this is now his "greatest worry". He rises from his chair and presents a visitor with a *katag*, the white scarf of greeting in Tibet. "I am a Buddhist monk and can manage very easily myself," he says. "But for my people, if the Chinese continue their population programs in the next 10 or 15 years Tibet will really become a Chinese province and one of the world's most ancient cultures will have been lost."

[From the New York Times, Mar. 10, 1989]

CHINA'S FAILURE IN TIBET

Since 1950, China has shown Tibet the rawest face of imperialism—destruction of thousands of monasteries, suppression of the Tibetan language and culture and widespread settlement by Chinese colonists. This has resulted in the death of perhaps a million Tibetans.

Though repression has eased somewhat in recent years, Tibetans are still not reconciled to their harsh Chinese overlords. Beijing's reversion to brutality in the last year and half has prompted increasingly violent protests. China this week was forced to declare martial law in Lhasa, the capital, a compelling demonstration that its policy of absorbing Tibet has not succeeded.

Tibetans are a distinct people, with their own religion and culture, and have been largely independent of China through much

of their history. But they suffered the world's indifferences when they were invaded in 1950. The United States, like other countries accepts Tibet as an integral part of China. It recognizes the Dalai Lama, Tibet's exiled leader, as a religious figure without political authority. The State Department routinely deplores Chinese brutality in Tibet, but believes that any stronger action would be viewed as provocative by the Chinese and hence counterproductive.

The United States can hardly advocate the independence of Tibet. That would cruelly encourage Tibetan ambitions of political autonomy, which China would fiercely repress. And America's interest in a closer relationship with China is overriding. But protests about Chinese behavior in Tibet don't have to be confined to mild displeasure. The Dalai Lama, breaking with more radical colleagues, has recently sought to open negotiations with China, without seeking independence.

Tibet was on the agenda for Mr. Bush's recent visit to Beijing, but after his protest, if any, China felt it could suppress the uprisings with impunity. The least the State Department can do is acknowledge that the Dalai Lama has political standing in his country and support his request for cultural and religious autonomy. China's interest, too, lies in recognizing that its ugly adventure in Tibet will prove an increasing international embarrassment unless it reaches accord with the Dalai Lama.

Mr. MURKOWSKI. Mr. President, during President Bush's recent trip to China, the subject of human rights was much in the press. For the most part, however, the discussions were theoretical.

In the last few days, however, the issue has taken on a much more realistic and deadly dimension. The action of Chinese authorities in suppressing demonstrations in Lhasa has been brutal and unnecessary. The intensity of the Chinese reaction has, however, highlighted the vast difference between the views of the Chinese leadership and those of our own Government on the self-determination of peoples.

Mr. President, the Chinese Government has declared martial law in Tibet. This is a move which is designed to bring quiet to the streets of Lhasa, but it will not solve the Tibetan problem, nor will it really suppress the valid hopes of the Tibetan people for some form of self-determination. Surely if there is a lesson to be learned from the history of the 20th century, a lesson highlighted by the recent developments in Afghanistan, it is that it is not possible to suppress nationalism, if that nationalism has a strong religious and cultural backing.

Mr. President, for 30 years the Tibetan people, both in Tibet and in exile, have maintained both their culture and their religion despite often brutal efforts to deprive them of both. If the Chinese Government seeks, Mr. President, to play on the world stage, it must understand this and put it into practice.

Mr. President, I urge the people of Tibet to heed the call of their spiritual leader, the Dahlai Lama, to pursue their goals for self-determination in a peaceful manner.

Most of all, Mr. President, I urge the Chinese Government to begin discussions with representatives of the Dahlai Lama as quickly as possible to seek a peaceful conclusion to the present troubles and to seek a way to solve the long-term problem which has now festered for 30 years.

I urge our Government to join with other interested governments, including India and Nepal, to encourage the parties to begin these talks and to make their good offices available to see them to a satisfactory conclusion.

Mr. President, it seems to me that the statements of the Dahlai Lama in both Washington and Strasbourg contain much that could form the basis for a solution to the Tibetan problem. But I urge both sides to be completely open-minded in their discussions. The lives that have been shed in Tibet in the last 2 years simply are added to the many thousands whe have died as the Chinese Goverment has pursued a policy toward the Tibetan people which has been a total failure. The time has come for the dying to stop.

SENATE RESOLUTION 83—AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 83

Whereas, in the case of *Rodney F. Stich* v. *Senator Edward Kennedy, et al.*, CV-N-89-85-ECR, pending in the United States District Court for the District of Columbia, the plaintiff has named Senators Kennedy, Thurmond, Hollings, Gore, Wilson, and Biden as defendants;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(1) (1982), the Senate may direct its counsel to defend the members of the Senate in civil actions relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Senators Kennedy, Thurmond, Hollings, Gore, Wilson, and Biden in the case of *Rodney F. Stich* v. *Senator Edward Kennedy, et al.*

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on March 22, 1989, at 10 a.m. in Huron, SD, to receive testimony on OTA's study on U.S. grain quality.

Senator TOM DASCHLE will preside. For further information please contact Robert Wise of Senator DASCHLE's office at 224-2321.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. METZENBAUM. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Energy Regulation and Conservation.

The hearing will take place Tuesday, April 4, at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony concerning automobile fuel efficiency standards.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, room SD-364, Dirksen Senate Office Building, Washington, DC 20510. For further information, please contact Allen Stayman at (202) 224-7865.

Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Energy Regulation and Conservation.

The hearing will take place Tuesday, May 2, at 2 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony concerning S. 247, the State Energy Conservation Programs Improvement Act of 1989.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, room SD-364, Dirksen Senate Office Building, Washington, DC 20510. For further information, please contact Allen Stayman at (202) 224-7865.

COMMITTEE ON VETERANS' AFFAIRS

Mr. CRANSTON. Mr. President, I announce, for the information of Senators, that the Committee on Veterans' Affairs, which I am privileged to chair, is scheduled to hold a hearing tomorrow, March 16, 1989, in SR-418 at 9 a.m. on the nomination of Anthony J. Principi to be Deputy Secretary of Veterans' Affairs.

ADDITIONAL STATEMENT

REV. TIMOTHY S. HEALY, PRESIDENT, GEORGETOWN UNIVERSITY

● Mr. LEAHY. Mr. President, so many times when we think of Washington, we think of those in the Government. That is far too narrow a view.

Washington is made up of brilliant people in Government and brilliant people outside Government in all fields.

One of the most attractive aspects of Washington is the area's commitment, to the finest in education. I first came

to Washington as a student at Georgetown Law Center. Naturally, I have followed the progress of both the law center and that great university since then.

During my time in the Senate, I have gotten to know the exceptional president of Georgetown, the Reverend Timothy S. Healy. Tim Healy reflects the very best of Georgetown. In doing so, he has led Georgetown ever higher to one significant achievement after another during the past 13 years.

The Washington Post, in an excellent article and editorial, has reflected well on his tenure. I ask that they be included in the RECORD at this point.

The material follows:

GEORGETOWN'S HEALY TO RESIGN: 13-YEAR PRESIDENT TO HEAD NEW YORK LIBRARY

[From the Washington Post, Feb. 24, 1989]

(By Lawrence Feinberg)

The Rev. Timothy S. Healy, who has led Georgetown University for 13 years announced his resignation yesterday to become president and chief executive officer of the New York Public Library.

Healy, 65, will become head of one of the world's largest research libraries, as well as a library system that operates 82 branches around New York City.

In letters to Georgetown's faculty and students, Healy said he had decided to resign at the end of the university's bicentennial celebrations in the fall, believing that Georgetown "would benefit from a new and younger imagination in this office."

Besides filling Georgetown's campus with new buildings and raising its endowment fivefold, Healy has been a major national spokesman for higher education. He has served as board chairman of the American Council on Education, the umbrella group of U.S. colleges, and as chairman of the National Association of Independent Colleges and Universities.

He also has been at the center of sharp debate over Georgetown's position as the nation's oldest Catholic university and over its relations with the federal and District of Columbia governments, from which the university has received special appropriations and tax-exempt bonds.

Last year, despite pleas from alumni groups and Washington's Catholic archbishop, Healy took the lead in having Georgetown settle a lawsuit by gay student groups under which the university agreed to follow a D.C. Appeals Court order, requiring it to provide equal treatment and a subsidy to gay groups.

David Riesman, a Harvard University professor who has written extensively on U.S. universities, said yesterday that Healy "has been a presence in Washington. He's been a presence in the Jesuit order. He's been a presence in American higher education. He's done exemplary, vivifying work."

He succeeds Vartan Gregorian, 54, who is leaving the library to become president of Brown University, often a rival of Georgetown for prestige and students.

Healy, who was born and reared in Manhattan, described the public library yesterday as "the people's university" and praised "its tradition of openness to all people. . . . Everything I have done in higher education so far strikes me as preparation for this task."

In an earlier interview. Riesman said that over the past two decades, under Healy and his predecessor, the Rev. Robert J. Henle, Georgetown has become the only one of the nation's 230 Catholic colleges and universities to enter the small circle of "elite, high-prestige" schools. It is also the Catholic university with one of the smallest proportions of Catholics—about 60 percent among undergraduates, about half among faculty and less than half among graduate and professional students.

Healy often has emphasized Georgetown's religious "pluralism," and in 1979 he issued a directive ordering that references to the Trinity be dropped from prayers at graduation and other compulsory university functions.

In a letter explaining the decision to settle the gay student case, Healy said he wanted to "pull . . . [the Georgetown] community back together" after a "long and divisive" eight-year court battle. He said the university "has really been made to pay" for trying to uphold Catholic teaching against homosexual practices, noting that the District government had refused to authorize tax-exempt bonds for university construction.

In December, the D.C. Council authorized the sale of $237 million in bonds after Healy telephoned council members with assurances that Georgetown would continue to give equal treatment to gay groups even if the city's antidiscrimination law is overturned by congressional action.

"He's a pragmatist doing what is best for the institution," one faculty member said.

Healy has been a major advocate of expanded enrollment of minorities, particularly blacks, who now make up 9 percent of Georgetown's freshman class, which is about 20 percent minority overall. He also has promoted student-run service programs to aid low-income students in the District's public schools, and has been a major supporter of Georgetown's basketball program, which has won national championships but encountered some faculty criticism for lowering admissions standards.

Last month, Healy joined basketball coach John Thompson in criticizing an NCAA rule setting minimum admission test scores as unfair to blacks.

Throughout his 13 years as Georgetown's president, Healy has taught small undergraduate seminars in English literature, often focusing on the poetry of John Donne, the subject of Healy's doctorate at Oxford University. He also has regularly led Shakespeare reading groups for medical students.

A poll of higher education leaders in 1986 rated Healy as among the five "most effective" university presidents in the country.

Students in his classes praise Healy warmly. However, yesterday a student newspaper, the Georgetown Voice, said Healy has been "much criticized by students and faculty for being inaccessible."

"He's not a buddy. He can be kind of aloof," said one former administrator who knows Healy well. "He can swear like a marine, and he really can be an s.o.b. to his staff. But he is a guy who would bite the bullet in favor of quality. He would make the tough decisions."

These have included closing the Georgetown Dental School, terminating a group of weak doctoral programs, severing the university's ties with the Center for Strategic and International Studies and returning a $600,000 gift from Libya after four years of intermittent public criticism.

Healy describes himself as a Democrat and has delivered prayers at party functions. He sharply criticized the Reagan administration for fostering "a bout of meanness" which he said was "souring" American society.

In an interview several years ago, Healy called himself "a professional New Yorker." Before coming to Georgetown, he taught English at Regis High School in Manhattan and at Fordham University in the Bronx. For seven years he put on a business suit, though remaining a priest, and served as vice chancellor for academic affairs at the City University of New York.

"Now he's going home to New York, and he's going home to books," university spokesman Gary Krull said yesterday. "He told me it was thrilling that anyone would want a 65-year-old person like him for the job he's getting."

[From the Washington Post, Feb. 24, 1989]

FATHER HEALY'S GEORGETOWN YEARS

Georgetown University has prospered mightly in the 13 years that the Rev. Timothy S. Healy has been its president. But his tenure has probably been most notable for the skill and conviction with which he worked to weave the university into this city's life, and vice versa.

The university with its spire sits on a high bluff at the more affluent end of the city from which it could, if it chose, look comfortably down on its neighbors at lower altitudes. That kind of detachment has always seemed morally offensive to Father Healy, and from the time he arrived he was its declared enemy. He made it clear that he wanted more kids from Washington, and more black kids, among Georgetown's students. Over these 13 years the number of black freshmen has tripled.

But he also sent Georgetown students out into the city to tutor schoolchildren and to work with youngsters in trouble with the courts. He has used the university's resources to support the city's public schools in many ways. Collaborating with teachers in the school system, university faculty developed a program to teach writing and critical thinking that is now going strong. He started the practice of allowing bright high school students to take courses at the university, as well as teachers from neighboring schools.

A great basketball fan, he promoted the team shamelessly for many reasons. One was the grace and beauty of the sport, about which he occasionally wrote. Another was the game's meaning to young black boys who don't like school, and the ability of a hot basketball team occasionally to lure some of them back towards the campus.

Father Healy set a memorable civic example on the day in 1981 when he personally went to the Libyan embassy to return $600,000 donated by the Libyan government for a professorship in Arab studies. He said that the Arab studies program would continue, but the university did not want to be associated with a country that supported terrorism.

Although he has spent most of his time here behind an administrator's desk, he continues to think of himself essentially as a scholar and teacher. His field is English poetry, and he's teaching a course this semester. He has occasionally taught Shakespeare in the evening to medical students, on the principle that a doctor's training ought not be entirely technical. If you ever noticed someone in the Washington-New York air shuttle reading Vergil in Latin, that was probably Father Healy.

Upon leaving Georgetown Father Healy will become president of the New York Public Library, which also prides itself on being a great urban university. Here in Washington he will be remembered as the man who made Georgetown University more noted for its open gates than for its high wall.

Mr. President, now I would like to take a moment to speak of Tim Healy my friend. It seems over the years we have seen as much of each other at airports as we do in formal surroundings in Washington, but every time we meet, I wish it could be for a longer period of time. The expression "Renaissance Man" has been used so often that it has become a cliché, but if it ever goes back to the meaning it is supposed to have, it would refer to Tim Healy. One has the chance to know such a person only rarely in his or her lifetime, and it has been one of the great benefits of my tenure in the U.S. Senate to have had the chance to know Father Tim Healy.●

WOMEN REFUSENIKS' HUNGER STRIKE IN THE SOVIET UNION, MARCH 8-10

● Mr. HATCH. Mr. President, last week, Jewish Women Against Refusal [JWAR], a group of women refuseniks in the Soviet Union, began a 3-day hunger strike to protest the Soviet authorities' continued refusal to grant them permission to emigrate.

Many of these women, along with their husbands and children, have been waiting to emigrate for more than a decade. Their children, several of whom were born in refusal, are now second generation refuseniks. Some have married, and a third generation is joining the refusenik ranks.

While there have been recent improvements in the problems of emigration, there still are no legal principles by which these problems can be addressed. Repeated promises to establish such guidelines remain unfulfilled, and expose the absence of legal standards in the Soviet Union to address human rights concerns. Tragically, the lack of standards leaves fate to determine the future of these people and establishes a system whereby thousands of first-time applicants are allowed to emigrate quickly, while refuseniks remain the objects of political bargaining and state harassment.

We welcome the winds of change in the Soviet Union and hold hope that such changes will continue to foster improved relations between our countries. But as long as Soviet Jews and others are being persecuted by Soviet officials for their religious beliefs, their repeated requests to emigrate refused, then these promises and hopes for better relations must remain unfulfilled.●

EQUITY FOR RURAL HOSPITALS ACT

● Mr. CONRAD. Mr. President, I rise today to express my strong support for the Equity for Rural Hospitals Act, S. 306, and announce that I am cosponsoring this legislation.

The Equity for Rural Hospitals Act instructs the Secretary of Health and Human Services to eliminate by 1995 the current rural-urban differential that is causing so many rural hospitals to lose money. In the meantime, it protects rural hospitals with fewer than 100 beds that depend on Medicare for 70 percent of their revenue from further losses in treating Medicare patients. The bill also recognizes the importance of sole community hospitals and calls for an improved SCH reimbursement formula that reflects more recent cost data. And it provides for the relief of hospitals which are put at a special competitive disadvantage by their location just outside the borders of urban areas with higher reimbursement rates. Finally, the legislation expands demonstration programs designed to attract health care providers to rural areas.

Mr. President, during the February recess I held a series of hearings in North Dakota on the crisis in rural health care. At these Senate Budget Committee field hearings, I examined the problems of the uninsured, the escalation of health care costs, long-term care for the elderly, and Medicare and the crisis in rural hospitals. The testimony from professionals and consumers highlighted the urgent need for the Congress to address these issues and demonstrated the particular problems faced by rural areas like North Dakota. While the testimony made clear the severity of these problems and the urgency of addressing them, the wide range of proposals for dealing with them demonstrated the complexity of the problems and the difficulty of reaching a consensus solution.

But on one issue there was unanimity about both the problem and the solution. At the final hearing in Minot, ND, I heard from doctors, hospital administrators and consumers that the current Medicare reimbursement system is financially crippling rural hospitals. The witnesses demanded that the PPS system be modified to eliminate the inequities to rural hospitals. Mr. President, there can no longer be any question that legislation to address this issue is urgently needed. As I heard at the hearing—and as I have heard in hundreds of letters—rural hospitals need help.

For example, the administrator of Dickey County Memorial Hospital—at which Medicare patients accounted for 82 percent of inpatient days in 1988—testified that over a 50-month period from 1983 to 1988 his hospital managed to limit the increase in expenses to 3.1 percent. Despite this strict cost control—which is far below inflation and even farther below the market basket of goods and services hospitals buy—the hospital suffered a nearly fivefold increase in bad debt that it had to write off. Dr. Rhonda Ketterling testified that last July the Good Samaritan Hospital in Rugby, ND, lost $56,000 on just four patients—and another $100,000 on a single patient in October.

Or take the case of Mercy Hospital in Valley City, ND, at which Medicare patients accounted for 70 percent of inpatient days. It compared its reimbursement with that of hospitals just 60 miles away in Fargo and found that it received far less for each diagnosis related group. In fact, if it had been located in Fargo instead of Valley City, Mercy Hospital would have received $300,000 more in Medicare reimbursements than it did.

The effect of this reimbursement differential on hospital employees cannot be neglected. At Trinity Medical Center in Minot, it is anticipated that in 1989 salary increases for nurses will be more than twice the increase in PPS reimbursement rates, resulting in a shortfall of $144,000 on nursing salaries alone. At Dickey County Memorial Hospital employees went without pay raises and accepted shorter hours for 2 years to help the hospital remain solvent. Last fall I received a poignant letter from a 61-year-old housekeeper at this hospital. "It's true we don't get paid much," she wrote. "It's only $3.60 an hour and besides it's only part time * * * we don't get 8 hours to do the work * * * only 6 hours. * * * The reason why I'm mostly working is to bring up my Social Security, and how can I get it built up if it's only part time?"

These stories are representative of the problems facing hospitals in North Dakota and across rural America. In North Dakota, 38 of 50 hospitals have fewer than 50 beds. While North Dakota has been lucky in that it has suffered only four hospital closures since 1980, many more hospitals are on the brink of disaster. Nationally, 161 rural community hospitals have closed since 1981, and the average small rural hospital—one with fewer than 50 beds—suffers a loss when caring for Medicare patients. Of the hospitals that lost money in each of the first 3 years of PPS, 83 percent were rural hospitals; more than half of these had fewer than 50 beds.

Even without the rural urban differential, rural hospitals face unique difficulties. Because the rural population is older than the population as a whole, rural hospitals are more dependent on Medicare and have fewer non-Medicare patients onto whom they can shift some of the losses they incur by treating Medicare patients.

They also tend to treat patients with a greater severity of illness because the rural population tends to be less well insured and thus less likely to seek prompt medical care. And because of the lower population density in rural areas, rural hospitals are smaller on average than their urban counterparts. This means that the costs of maintaining up-to-date technology and services are greater per patient and that the effect of outliers is much more pronounced.

Yet despite these difficulties, rural hospitals face the additional penalty of Medicare reimbursements that are from 12 to 40 percent less for the same procedure than urban hospitals' reimbursements. While this differential is supposed to reflect higher costs faced by urban hospitals, I believe the assumptions underlying this cost differential are questionable. For example, it is argued that urban hospitals must pay higher wages. But while this may be true for some unskilled workers, most rural hospitals face a regional rather than a local market for professional staff and consequently must compete with the wages offered by nearby urban hospitals. And the higher costs historically incurred by urban hospitals may not reflect factors beyond their control, but rather the conscious choice to practice more resource-intensive styles of care than are the norm in rural hospitals. Ironically, then, the lower reimbursement rate may penalize rural hospitals for the very cost-savings PPS was designed to encourage.

And the hospitals that are being hurt the most by these inequities are those that we can least afford to lose. In North Dakota, for example, the closure of many rural hospitals would combine with vast distances to the next nearest hospital and the possibility of inclement winter weather to effectively deny acute care services to the affected communities. While Medicare cannot be expected to guarantee the financial solvency of hospitals in general, Congress has recognized the appropriateness of using Medicare funds to protect such sole community providers and ensure access to medical care in rural areas. We cannot now allow the PPS system to reverse this policy by forcing sole community hospitals into bankruptcy.

Mr. President, the hearings I held last month have convinced me that our health care system is not working in rural areas. We must ensure that rural hospitals have the means to continue providing high quality care to the seniors and others who depend on them for services, and the legislation I am cosponsoring today will do just that. Senators BENTSEN and DOLE have crafted a bill which will not only provide long-term structural reform of the PPS system but also short-term relief to save these hospitals from the immediate danger of bankruptcy. By eliminating the crippling rural-urban differential, protecting sole community and small Medicare-dependent hospitals, and attracting health care providers to rural areas, this legislation will help redress the problems faced by hospitals in North Dakota and across rural America. I congratulate Senators BENTSEN and DOLE for introducing this essential legislation, and I urge its speedy consideration and passage.●

NATIONAL ITALIAN-AMERICAN FOUNDATION

● Mr. WILSON. Mr. President, I rise today to honor the National Italian-American Foundation for its efforts to promote and preserve the heritage and values of the Italian-American community.

Italian-Americans can take pride in their political, economic, and cultural contributions to the United States of America. Indeed, the fabric of our national identity has been woven with images of the achievements of Italians, from the discovery of America by Christopher Columbus to the accomplishments of politicians, businessmen, and entertainers today.

The National Italian-American Foundation strives to inform Italian-Americans of political and social developments affecting their lives, strengthen ties between local Italian-American communities and Washington, and contribute to the educational and professional goals of young Italian-Americans.

Mr. President, Italian-Americans are fortunate to have such an effective organization working for the betterment of their community. The promotion of civic awareness and cultural appreciation are noble goals, and I commend the National Italian-American Foundation for its efforts.●

DEAF AMERICANS MADE HISTORY IN 1988

● Mr. HARKIN. Mr. President, 1 year ago this week, Dr. I. King Jordan became the first deaf president at the world's only liberal arts university for the deaf. I want to congratulate King Jordan for all of his efforts in striving for excellence and opportunity for deaf Americans. Over the past 12 months, I have met several times with Dr. Jordan. At each meeting, I am always impressed with his commitment, his ability, and his compassion. He is far more than a symbol of ability over disability, he is a sensitive and caring individual, and a strong and forceful leader.

The past 12 months have been full of accomplishments, renewed hope, and increased rights and opportunities for deaf and hearing impaired citizens. As chairman of the Subcommittee on the Handicapped, I would like to take this opportunity to highlight some of these accomplishments.

The year began when the students and faculty of Gallaudet University protested the decision by the board of trustees to bypass two qualified deaf candidates for president and choose instead a hearing candidate. Their persistent, but nonviolent demonstrations captured the hearts of the Nation and their victory resulting in the selection of Dr. Jordan was cheered by hearing and nonhearing Americans alike.

When King Jordan asked me to deliver the keynote speech at his inauguration last October, it was both an honor and a special moment, because my brother is deaf.

The inauguration of Dr. Jordan sent the message that deaf children brought up in a world that too often tells them that they can't do, now see they can do anything, that the only limit to their achievements is their ability to dream. The victory at Gallaudet didn't happen by accident; it didn't happen because some benevolent souls granted a wish; it happened because deaf Americans made it happen.

I first met Dr. Jordan when he testified before the Subcommittee on the Handicapped at a hearing on the report of "The Commission on the Education of the Deaf" in March 1988. The Commission reported that the status of deaf education in this country is unsatisfactory and that—

> Maintenance of the status quo represents an unwarranted extravagance—expecially when we consider that a clearer understanding of the needs of persons who are deaf, coupled with the redirection of some existing funding and priorities, and a modest amount of new funding could result in impressive long-term savings.

The Commission made over 50 recommendations, some administrative in nature, and some requiring legislative changes. Several of the Commission's recommendations have already been enacted into law, including recommendation No. 1 which calls for the establishment of the National Institute on Deafness and Other Communication Disorders, Public Law 100-553; and recommendations 46, 47, and 48 which call for access to assistive technology for persons with disabilities, including those with hearing impairments (Public Law 100-407).

The National Institute on Deafness and Other Communication Disorders was created within the National Institutes of Health in October when President Reagan signed S. 1727 into Public Law 100-553. I was the chief sponsor of this legislation. The new Institute will conduct research on the needs of deaf and hard of hearing people, bringing together deaf adults and a wide range of other experts on deafness, galvanizing their abilities, giving focus to their work, and providing

greater visibility to deafness and other communication disorders.

The passage and enactment into law another bill which I introduced, S. 2561, the Technology-Related Assistance for Individuals with Disabilities Act, (Public Law 100-407) was also a great victory. Assistive technology and related services can help persons maintain or increase their independent functioning, avoid institutionalization, increase learning and skill development, and provide care to others with greater ease. We all depend on technology every day—from indoor plumbing to toasters to computers. Technological advances make our lives easier at home, work, and play.

But technology can play an even more critical role for persons with disabilities. Last year, I held a subcommittee hearing in which I heard testimony from Leo Lucas of Boston, who has cerebral palsy. And here's what he said:

> Technology for some people is a luxury. For nonspeaking people like me, it is a means to a meaningful life.

He went on to say:

> At this point in my life, I can make a choice. Either I can stay at home and waste my life, or I can go out and try to make the most out of it, which means being able to communicate with strangers and learning how to talk for myself.

And so this bill will help get these technologies into the lives of individuals like Leo Lucas.

These assistive technology devices can be very sophisticated and complex, such as a computer that augments a person's speech or converts spoken conversation to text, or a computer that can be controlled by eye movements for someone who has cerebral palsy. But they can also include such simple things as a flashing light that enables a deaf person to know when someone is ringing a doorbell, and a toy with a switch that has been adapted so it can be used easily by a child with a disability.

This assistive technology bill has two titles. Title I establishes a competitive grant program to help States develop and implement a consumer-responsive assistive technology program. Title II authorizes studies on how to finance assistive technology and services and establish a national information and programmatic referral network.

Two other major victories of the past year for all persons with disabilities include the enactment of the Civil Rights Restoration Act and the Fair Housing Amendments Act. Eight days after Dr. Jordan's appointment to the presidency of Gallaudet University, Congress overrode President Reagan's veto of the Civil Rights Restoration Act, S. 557. This important measure restores the broad institutionwide coverage of our civil rights laws which prohibit discrimination on the basis of age, sex, race, national origin or disability in federally assisted programs.

Then in August, the President signed into law the Fair Housing Amendments Act which greatly strengthens and improves the enforcement of the 1968 Fair Housing Act. The bill extends protections from housing discrimination to persons with disabilities, marking the first time that they are covered in civil rights laws outside of federally assisted programs. For example, a recent incident in which a deaf person was not allowed to complete an apartment application because the rental agency assumed she was not competent would be prohibited by the new law. This measure also prohibits discrimination against families with children.

In addition, the Telecommunications Accessibility Enhancement Act (Public Law 100-542) was passed and signed into law. This measure requires the Administrator of General Services to work with the Federal Communications Commission [FCC], the Architectural and Transportation Barriers Compliance Board [ATBCB], the Interagency Committee on Computer Support of Handicapped Employees and affected Federal agencies, to assure that the Federal telecommunications system is fully accessible to hearing-impaired and speech-impaired individuals.

With the enactment of section 504 of the Rehabilitation Act of 1973, Congress has made it clear that reasonable accommodations—such as TDD's—must be made for persons with disabilities participating in federally assisted programs. Unfortunately, in practice, such equipment is not always made available. This legislation seeks to reemphasize this obligation. The law also requires the FCC to complete its existing inquiry into the development of a non-Federal interstate relay system.

The Hearing-Aid Compatibility Act was also signed into law—Public Law 100-394. This measure requires that all telephones in this country be hearing-aid compatible, and thus, restoring the status quo prior to the AT&T breakup. With this legislation, all essential telephones, including coin-operated telephones, telephones provided for emergency use, and all telephones manufactured in the United States or imported for use in the United States must be hearing aid compatible.

While all these accomplishments are important, there is much more to be done. To this day, Federal law still does not prevent an employer or an owner of a hotel or restaurant from excluding people with disabilities. Today, under our Nation's civil rights laws, an employer can no longer say to a prospective employee, "I will not hire you because of the color of your skin or because you'er a woman or Irish or Jewish or Catholic." If the employer did, that person could march to the courthouse, file a lawsuit, and win.

Yet to this day, the courthouse is still closed to Americans with disabilities. I consider this the final frontier, the final barrier we must break down in our society.

And so I will reintroduce shortly a bill called the Americans With Disabilities Act. This bill will ban discrimination on the basis of disability in areas such as employment, public accommodations, transportation, communications and public services.

The ADA bill is one of my top legislative priorities for the 101st Congress. I believe we will pass this bill, open up that courthouse door and finally wipe out that last vestige of discrimination in our society.

Expanding the rights and opportunities for Americans with disabilities isn't something we ought to so—it's something we must do because we need the skills and talents and creativity persons with disabilities have to offer. We can't afford to let their contribution go to waste.

And so Mr. President, Dr. Jordan's presidency has paralleled a time of great accomplishments for deaf persons, and all individuals with disabilities. Their needs and abilities have come to the forefront of public debate. I want to wish my friend King Jordan continued success, and I hope that the coming 12 months prove to be as fruitful as the previous 12. We will work hard and work for the day when those Americans with disabilities have their full share of the American Dream. And when that day arrives, we can all say together, and paraphrase Rosa Parks, "our bodies are tired, but our souls are at rest."●

GREEK INDEPENDENCE DAY

● Mr. BENTSEN. Mr. President, I am proud to again be a cosponsor of "Greek Independence Day: National Day of Celebration of Greek and American Democracy." I thank the sponsors of this resolution, Senators SPECTER and LAUTENBERG, for their introduction of this bill to commemorate March 25, 1989, in remembrance that Greece is the birthplace of U.S. democracy.

In an address in Greece 2,000 years ago, Pericles spoke these words which still ring true, "Our constitution is called a democracy because power is in the hands not of a minority but of a whole people. When it is a question of settling private disputes, everyone is equal before the law; when it is a question of putting one person before another in positions of public responsibility, what counts is not membership of a particular class, but the actual ability which the man possesses."

Recognizing the contribution of the Greeks, James Madison and Alexander Hamilton wrote in the Federalist Papers some 1,880 years later, "Among the confederacies of antiquity the most considerable was that of the Grecian republics. * * * From the best accounts transmitted of this celebrated institution it bore a very instructive analogy to the present confederation of the American States."

Let us not lose sight of the wise words of our Greek ancestors and Founding Fathers. March 25, 1989, will mark the 168th anniversary of the beginning of the revolution which freed the Greek people from the Ottoman Empire. It is fitting that we remember the birthplace of our democracy on this anniversary.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Senator WARREN B. RUDMAN's participation in a program in West Germany, sponsored by the Europaische Wehrkunde Organization, from January 27-29, 1989.

The committee has determined that participation by Senator RUDMAN in the program in West Germany, at the expense of the United States State Department, United States Defense Department, and Europaische Wehrkunde Organization, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Senator RICHARD SHELBY's participation in a program in West Germany, sponsored by the Europaische Wehrkunde Organization, from January 27-29, 1989.

The committee has determined that participation by Senator SHELBY in the program in West Germany, at the expense of the United States State Department, United States Defense Department, and Europaische Wehrkunde Organization, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Martin J. Gruenberg, a member of the staff of Senator SARBANES, who participated in a program in Japan, sponsored by the Japan Center for International Exchange, from January 7 to 15, 1989.

The committee has determined that participation by Mr. Gruenberg in the program in Japan, at the expense of the Japan Center for International Exchange, is in the interest of the Senate and the United States.

The select committee received requests for determinations under rule 35, for Gordon Kerr, a member of the staff of Senator LEVIN, to participate in a program in Germany, sponsored by the Konrad Adenauer Stiftung of the Federal Republic of Germany, from November 26 to December 3, 1988.

The committee has determined that participation by Mr. Kerr, in the program in Germany, at the expense of Konrad Adenauer Stiftung of the Federal Republic of Germany, was in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Colleen Sechrest, a member of the staff of Senator CRANSTON, to participate in a program in Malaysia, sponsored by the United States-Asia Institute and the Institute of Strategic and International Studies of Malaysia, from January 5 to 16, 1989.

The committee has determined that participation by Ms. Sechrest in the program in Malaysia, at the expense of the Institute of Strategic and International Studies of Malaysia, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Brent Franzel, a member of the staff of Senator BOND, to participate in a program in Namibia, sponsored by the Namibia Foundation, from January 7-18, 1989.

The committee has determined that participation by Mr. Franzel in the program in Namibia, at the expense of the Namibia Foundation, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Diane E. Thompson, a member of the staff of Senator MIKULSKI, to participate in a program in Taiwan, sponsored by the Chinese Culture University, from November 10-20, 1988.

The committee has determined that participation by Ms. Thompson in the program in Taiwan, at the expense of the Chinese Culture University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for James O. Ratliff, a member of the staff of Senator SIMPSON, to participate in a program in Tokyo, Japan, sponsored by the Government of Japan, from March 20-30, 1989.

The committee has determined that participation by Mr. Ratliff in the program in Japan, at the expense of the Government of Japan, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Senator JOHN MCCAIN's participation in a program in West Germany, sponsored by the Europaische Wehrkunde Organization, from January 27-29, 1989.

The committee has determined that participation by Senator MCCAIN in the program in West Germany, at the expense of the Europaische Wehrkunde Organization, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Senator JOHN GLENN's participation in a program in West Germany, sponsored by the Europaische Wehrkunde Organization, from January 27-29, 1989.

The committee has determined that participation by Senator GLENN in the program in West Germany, at the expense of the United States State and Defense Departments and the Europaische Wehrkunde Organization, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for the participation of Kevin T. Knobloch, a member of the staff of Senator WIRTH, in a program in West Germany, sponsored by the Konrad Adenauer Stiftung, from November 26-December 3, 1988.

The committee has determined that participation by Mr. Knobloch in the program in West Germany, at the expense of the Konrad Adenauer Stiftung, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for the participation of Senator ALBERT GORE, Jr., and Peter S. Knight, a member of Senator GORE's staff, in a program in Taiwan, sponsored by the Fo Kwang Shan, from January 8-12, 1989.

The committee has determined that participation by Senator GORE and Mr. Knight in the program in Taiwan, at the expense of the Fo Kwang Shan, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Senator BARBARA MIKULSKI's participation in a program in West Germany, sponsored by the Europaische Wehrkunde Organization, from January 27-29, 1989.

The committee has determined that participation by Senator MIKULSKI in the program in West Germany, at the expense of the Europaische Wehr-

kunde Organization, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Senator WILLIAM V. ROTH's participation in a program in West Germany, sponsored by the Europaische Wehrkunde Organization, from January 27-29, 1989.

The committee has determined that participation by Senator ROTH in the program in West Germany, at the expense of the Europaische Wehrkunde Organization, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for the participation of David Bartel, a member of the staff of Senator KASSEBAUM, in a program in West Germany, sponsored by the Konrad Adenauer Institute, from November 26-December 3, 1988.

The committee has determined that participation by Mr. Bartel in the program in West Germany, at the expense of the Konrad Adenauer Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Kathleen Kruse, a member of the staff of Senator KENNEDY, to participate in a program in the Soviet Union, sponsored by the Very Special Arts Organization, an affiliate of the John F. Kennedy Center for the Performing Arts, from February 25-March 5, 1989.

The committee has determined that participation by Ms. Kruse in the program in the Soviet Union, at the expense of the Very Special Arts Organization and the Soviet Ministry of Social Security, is in the interest of the Senate and the United States.●

REGIONAL PRESIDENTIAL PRIMARIES

● Mr. DECONCINI. I am pleased to join as a cosponsor of Senator DIXON's bill, S. 377, to establish regional Presidential primaries. I believe that Senator DIXON's proposal is long overdue, and I am hopeful that we will pass legislation this year.

While I support the concept of Senator DIXON's bill, I have some concerns about the regions he has drawn. I believe that we need more regions than the five established in his bill, and I am working with Senator DIXON to redraw the regional lines. I hope and believe we will find a fairer regional solution by the time the bill is marked up in Rules Committee.

I urge all Senators to take a close look at this legislation. It is a fairer, more responsible approach than our current system of Presidential primaries, caucuses, and conventions. It maintains the ability of individual states to control the type of nominating procedure they prefer while bringing some sanity to the process. I congratulate Senator DIXON on his efforts and plan on working closely with him to perfect the bill.●

EUROPEAN STEEL SUDSIDIES THREATEN U.S. INDUSTRY

● Mr. HEINZ. Mr. President, a major rationale for extension of the President's Steel Voluntary Restraint Program is unfair practices that continue to plague world steel trade.

I have commented on this problem before and made reference to an excellent book, "Steel and the State," which exposes the extent to which foreign governments have propped up their inefficient industries at our expenses. Now two of the authors of that book, Alan Wolff and Thomas Howell, have written an article that lays bare the sorry scandal of subsidies in Europe and provides hard evidence that the problem has not gone away, despite EC claims to the contrary.

It is obvious from this article that the original reason for the VRA program still exists—that steel trade remains unfair and that European governments are still determined to keep their inefficient producers alive at huge costs, primarily to us.

Mr. President, I ask that the article be printed at this point in the RECORD.

The article follows:

E.C. STEEL SUBSIDIES WARRANT EXTENSION OF VRAS

(By Alan Wm. Wolff and Thomas R. Howell)

(Alan Wm. Wolff leads the international trade practice at Dewey, Ballentine, Bushby, Palmer & Wood, where his coauthor Thomas R. Howell is a partner. Wolff previously served as U.S. Deputy Special Trade Representative and as General Counsel to the USTR.)

(Dewey, Ballentine represents the following steel companies: Armco, Bethlehem, Inland, LTV, and National. Coauthors of Steel and the State (Westview Press, 1988), Howell and Wolff argue that subsidies provided to European steel manufacturers result in unfair competition for U.S. producers. They support the continuation for five years of Voluntary Restraint Agreements with the European Community and other foreign steel suppliers, which are scheduled to expire in September.)

By any standard of comparison, steel subsidies in the European Community have been immense. In a 1986 document summarizing the E.C.'s experience under the Code on Aids to the Steel Industry (the "Aids Code"), the Commission concluded that between January 1980 and December 1985 it had cleared a total of 37.9 billion European Currency Units (about $37.4 billion) for payment by member states to their steel industries. This does not include aids that were not cleared by the Commission during this period, such as payments by the French government to the Usinor and Sacilor steel companies of approximately $388 million, which came to light in 1987.

This aid took many forms, including outright grants, purchases of equity capital in firms to which no private investor would commit funds (referred to in the British case as "joke equity"), and loans at "derisory" interest rates to uncreditworthy firms, many of which were subsequently written off or converted to equity shares of little or no investment value.

The vast preponderance of this aid was granted to steel producers that would have otherwise collapsed, justified on the grounds that the failure of such firms would entail unacceptable social and political costs. The economic effects, however, were pernicious. Unprofitable but heavily subsidized mills engaged in aggressive pricing, throwing unsubsidized firms into a competitive crisis and forcing them to seek subsidies themselves—thus European observers spoke of a "subsidies race" or "subsidies steeplechase."

Companies that were effectively bankrupt and carrying mountainous debt burdens by the early 1980s (Finsider, Usinor, Sacilor, Cockerill-Sambre, and British Steel) were enabled by subsidies to undertake ambitious modernization efforts, frequently surpassing their unsubsidized or less heavily subsidized rivals in modernity of facilities. As the chairman of the steel producer Thyssen complained in 1983, "no private enterprise can in the long run compete against the combined ministers of finance of Europe."

SUBSIDIZING OPERATING LOSSES

While the Commission's approval of subsidy programs was conditioned on the existence of a restructuring program, the bulk of E.C. steel subsidies since 1980 have not actually been used for restructuring, but to subsidize operating losses—$23.6 billion of the $37.4 billion cleared for payment in the 1980-85 period consisted of "aid for continued operation" or "emergency" injections to stave off imminent insolvency.

The Commission itself has closely monitored operating aids because of its recognition that they were used by the E.C. mills "to finance disruptive price cuttings." That is precisely the U.S. concern.

Steel subsidies have been extraordinarily controversial within the Community. The Treaty of Paris, which established the European Coal and Steel Community, contains a flat prohibition on subsidies to the steel industry, and requires authorization by the Commission of any proposed program of state aid. However, the Commission has always found it difficult to enforce this provision.

Largely as a result of vigorous pressure from West Germany and the Netherlands (whose own steel producers, it must be pointed out, have received substantial state aid, particularly in the German case), the Commission established a series of Aids Codes for steel, the most recent of which provided for the phase-out of most forms of steel subsidies by December 31, 1985. Since that date, most types of steel subsidies have been prohibited. Aid is permitted for research and development, for environmental protection, for closing facilities, and as part of regional aid schemes, provided that it does not result in increased capacity.

CONTINUING STATE AID

The legal prohibition of most steel subsidies has not, however, resolved the issue:

In 1988 Martin Bangemann, then German Economic Minister (and now an E.C. commissioner), complained to the Commission that Italy, Belgium, and Britain were violating the subsidies prohibition, echoing complaints by the German producers that clandestine subsidies were being channeled to steel producers in several member states.

While the Commission rejected these charges, it raised its own questions about aid provided by the German Land government of Saarland to its ailing producer Saarstahl, which had been largely acquired by German federal and local governments in 1986.

In 1987, Italy's crisis-ridden Finsider group secured $1.5 billion in loans from government banks, triggering vehement German protests and an investigation by the Commission. In 1988, after considerable wrangling, the E.C. Council of Ministers agreed to permit the Italian government to provide another $3.8 billion to Finsider, while Italy indicated it would seek to grant $2 billion more in 1990.

The French government circumvented the aid prohibition by the simple (and legal) expedient of purchasing massive quantities of "convertible debentures" from its two steel groups immediately prior to the December 31, 1985, cutoff date. Several months later, these were converted to "equity" shares, a large number of which were immediately canceled.

Spain and Portugal, upon joining the E.C. in 1986, received special dispensations permitting them to continue large-scale subsidies to their respective industries.

The debts incurred by steel enterprises today may be tomorrow's subsidies. A 1987 study for the Commission concluded: "[Steel] companies in the Community do not receive any support described as aid, but do receive considerable loans, to cover operating deficits, from banks (more often than not public ones) which do not seem to be unduly concerned about recovering the debts in question. When the time comes, and if the company cannot pay the interest on these loans, or if it has been decided, late in the day, to close it down, it can be expected that the Community will be asked to grant absolution from past errors."

THE TRUE TEST: A MARKET DOWNTURN

While these episodes may be dismissed as vestiges of a regime whose day has passed, it is significant that the period following the prohibition of subsidies at the end of 1985 has been characterized by substantially diminished financial and competitive pressures of E.C. steel firms, a circumstance that simply cannot persist if the highly cyclical history of the industry is any guide.

The E.C. mills have benefited in the 1986–89 period not only from the debt forgiveness and massive aid given prior to 1986, but from the strongest demand for steel seen in Europe for many years. At present, most E.C. producers do not need subsidies to survive. The real test of the Commission's aids prohibition will come when the market turns down again, bringing a return to the large-scale losses that prompted the massive subsidies of the 1975–85 period.

The experience of Finsider in 1988 suggests that if a major E.C. steel enterprise needs subsidies to avoid collapse, it will receive them. French steel executive Jean Gandois, who played a major role in the restructuring of the Belgian and French industries, observed in 1987, "It would be unrealistic to think, and hypocritical to say, that the new period of restructuring which the European steel industry is facing can be achieved without state aid."

THE U.S. PERSPECTIVE

The United States has an abiding interest in E.C. steel subsidies because the Community is a major exporter of steel mill products to the U.S. market. Between 1984 and 1987 E.C. producers (including Spain) accounted for between 5.2 percent and 7.3 percent of total U.S. consumption of finished steel products. U.S. producers have argued for many years that the massive subsidies received by their principal European competitors have resulted in an unfair competitive advantage.

The issue was thrown into sharp focus by the U.S. industry's invocation of the U.S. countervailing duty laws against European steel imports in 1982. The Department of Commerce made affirmative findings of subsidization against a number of E.C. countries, with particularly high margins against four (Britain, France, Italy, and Belgium). The Community reacted with outrage to the findings, calling them "unreasonable," "protectionist," and "arbitrary."

Before countervailing duties were actually imposed, the U.S. and the E.C. negotiated a voluntary restraint arrangement (VRA) under which the Community agreed to restrain its exports to the U.S. to fixed percentages of U.S. consumption and the U.S. industry agreed to refrain from invoking trade remedies. However, the "clash of economic ideologies" entailed by the steel dispute was not resolved, only deferred by the conclusion of a VRA, and it may well erupt again in 1989 if no new agreement is negotiated. The current VRA expires at the end of September. The issue of E.C. steel subsidies could come to the fore again in 1989 if, for any of a variety of reasons, the VRA is not renewed or the VRA program proves to be inadequate, and the U.S. steel industry files a new round of countervailing-duty actions against E.C. steel.

Not only may subsidies be extended again in an economic downturn (which many predict for the near future), but the effects of recent subsidies are felt beyond the date of receipt. As the Department of Commerce put it, "it would be inappropriate to allocate a $1 billion grant received on March 17, 1981, entirely to March 17, 1981." Thus, several of the most subsidized E.C. firms, having much of their debt erased and equipment financed by the government, are emerging as vigorous competitors in export markets (British Steel, Usinor-Sacilor), and are embracing the standard of free trade—calling for an absence of subsidies and open markets abroad.

As a study group appointed by the Commission observed in 1987, "[S]everal State enterprises now have very low financial costs, or perhaps no financial costs at all, a fact which indicates that aid granted has gone far beyond its objectives, being for undertakings in a difficult market situation, and which have significant adjustment problems. This makes the aid recipients excessively optimistic. . . ." This phenomenon will be addressed under U.S. law if countervailing-duty actions are filed. European protests may then be forthcoming.

The Commerce Department's methodology for imposing countervailing duties amortizes many types of subsidies from the date of receipt over a 15-year period, so that subsidies received by the E.C. mills in 1975 and later years remain countervailable at present. This makes economic sense since assets purchased with government funds in the late 1970s or early 1980s continue to produce steel today.

To the extent that Europe is freeing itself of steel subsidies, this is to be applauded. The next step will be trade liberalization to the point where Europe is open to steel from foreign producers up to at least the relative openness of the U.S. market.

The extension of the current U.S. VRA program for the next five years is a reasonable response to the trade practices of others, including Europe. This ought not to be, and perhaps will not be, a negative factor in U.S.-E.C. trade relations in 1989. Trade litigation, an alternative course, would have the effect of excluding completely from the U.S. market much of European steel. This latter course would be far more disruptive to trade than VRAs.●

WORKER BENEFITS—S. 350

● Mr. D'AMATO. Mr. President, I am pleased to join Senator LOTT and others in sponsoring S. 350, a bill to repeal section 89 of the Tax Reform Act of 1986. I have also joined one of the cosponsors of this bill, Senator SYMMS, in sponsoring legislation to delay effectiveness of section 89.

Let me say at the outset that I endorse wholeheartedly the intent of section 89—to ensure that employers do not discriminate against lower paid employees in providing fringe benefits such as health, accident, and life insurance. It is a worthy goal to encourage employers to offer health insurance. However, it seems that section 89 will result in just the opposite.

Section 89 requires employers to submit each plan to a series of tests to determine that the plans do not discriminate in favor of highly paid employees. This involves time-consuming and costly information gathering and evaluation.

Many well-intentioned employers from my State, especially small employers, have expressed to me their utter frustration and confusion in trying to comply with this law. It is important to keep in mind that these plans are voluntary on the part of the employer.

Some employers are so dismayed by the complexity and costs involved that they anticipate canceling benefit plans. Mr. President, I fear that such actions, multiplied many times throughout our Nation, would have a disastrous effect on health insurance coverage.

To add to the confusion, the Internal Revenue Service just last week issued the proposed regulations regarding section 89. These regulations were due to be issued by November 1988. Since section 89 went into effect on January 1, 1989, employers have been operating in good faith.

A small business person hardly has time to decipher the 45 pages of complex regulations regarding section 89. He has no choice but to hire a consultant. It seems that an entire industry is springing up to deal with this law.

One constituent recently informed me that he had paid $20,000 for a software package designed to test benefit plans. Another estimates that it will cost him $60,000 in consultant fees to test the plans he offers to 600 employees.

Unfortunately, employees are the victims of this legislation when their benefit plans are canceled or benefits are reduced.

I commend Senator LOTT for introducing legislation to repeal section 89. Certainly Congress can find a simpler way to guard against discrimination and to encourage employers to offer benefits. I look forward to working with Senators LOTT and SYMMS on this issue.●

WORKER BENEFITS—S. 89

● Mr. D'AMATO. Mr. President, I am pleased to join Senator SYMMS and others in sponsoring S. 89, a bill to delay effectiveness of section 89 of the Tax Reform Act of 1986.

Section 89 requires employers to perform a series of very complex tests on welfare benefit plans to determine that they do not discriminate in favor of highly paid employees. I strongly support the intent of section 89—to ensure that benefit plans are nondiscriminatory and to encourage expansion of health benefits.

Unfortunately, it seems that the complexity and costs involved with section 89 are causing employers to cancel benefit plans. The costs are especially onerous for small employers, most of whom do not employ benefits specialists. They have no choice but to hire consultants to assure they are complying with the law.

Section 89 went into effect on January 1, 1989. Proposed regulations, due to be released by the Treasury Department last November, were just issued last week. The 45 pages of regulations appear to be little solace to the small employer.

According to an article in the Washington Post on March 3, the IRS estimates that implementing section 89 regulations will mean 9 million hours of additional paperwork each year for the Nation's employees.

I commend Senator SYMMS for introducing legislation to delay the effective date of section 89. This may encourage employers not to cancel benefits plans hastily. In addition, it would give Congress time to examine the implications of this little-noticed provision of the tax reform bill and decide if it should be repealed.

I look forward to working with Senator SYMMS and others on the Finance Committee on this legislation. I also ask that the article from the Washington Post be printed.

The article follows:

[From the Washington Post, Mar. 3, 1989]

IRS DRAFTS NEW RULES ON WORKER BENEFITS

(By Albert B. Crenshaw)

The Internal Revenue Service yesterday added 9 million hours to the annual paperwork burden of the nation's employers—and there's more to come.

The increased paperwork—it's an IRS estimate—will stem from new regulations designed to implement a 1986 law that is intended to equalize treatment of low- and high-paid workers when it comes to employee benefits.

Business groups have complained that the new rules are complex and hard to administer. But the IRS contended as it announced the regulations that it was in fact giving employers a break.

The rules, scheduled for publication in the Federal Register next Tuesday, allow employers to put off until next year compliance with some provisions of the complicated law which is known as Section 89 of the tax code. And for those standards that must be met this year, the IRS said it will accept any "good faith" effort to comply.

"In general, the regulations provide very workable transition rules and a generous amount of time in which to consider the requirements and make decisions about how to comply with the law," said James J. McGovern, IRS assistant chief counsel.

He added that while the rules announced yesterday are only proposed and may be modified before being made permanent, "we have specifically provided that taxpayers may rely on them." Section 89 is meant to eliminate favorable tax treatment for so-called fringe benefits that "discriminate" in favor of upper-echelon employees.

But McGovern and other IRS officials acknowledged that the new rules, which deal primarily with employer-sponsored health insurance, are far from complete. Rules for other types of employee benefits—such as group term life insurance, which Section 89 also covers—are still on the drawing board.

In addition, the IRS has yet to address other major problem areas under the law, such as which kinds of employees must be counted in discrimination calculations and who need not be.

Little noticed when it was enacted as part of the Tax Reform Act of 1986, Section 89 is now provoking widespread protests from businesses as they have become aware of its requirements.

Groups such as the U.S. Chamber of Commerce and the National Federation of Independent Business (NFIB) have been campaigning to repeal the measure, and a House bill sponsored by Rep. John J. LaFalce (D-N.Y.) to do that has attracted more than 160 cosponsors.

Section 89 provides a two-step test that a plan must pass to be deemed nondiscriminatory. The first step, known as the qualification requirement, stipulates that plans be permanent, in writing, legally enforceable and for the exclusive benefit of the employees. In addition, employees must be given reasonable notice of the major features of the plan.

If a plan fails to meet the qualification requirements, the actual benefits received by employees become taxable income to them.

The second step is a series of numerical tests designed to demonstrate that most employees are eligible to participate in the plan and that a high percentage do in fact participate. Failure to meet this standard results in part of the value of the benefit becoming taxable income to certain "highly compensated" employees.

IRS officials said they could not comment on whether the rules would defuse the repeal drive or whether they would work to discourage employers from providing employee benefits, as business groups have charged.

But opponents were unmollified. Karen Berg of the U.S. Chamber called the regulations "a house built on a foundation of sand, while NFIB president John Sloan said in a statement, "The IRS has not simplified the rules; in fact, they've added new tests and made the law more complicated. . . . Repeal is the only way."

Howard Weizmann of the Association of Public and Private Welfare Plans called the regulations "simply unworkable" and the IRS figure of 9 million hours "an underestimate." He said only benefits consultants will be able to perform the required tests, which will add greatly to business costs.

"That's 9 million *billable* hours," laughed one consultant.

One beneficiary of the new rules may be the government, which also must comply with the new rules but faces a monumental task in gathering the data on its massive work force.●

HONORING BETTY MAHER FOR HER CONTRIBUTIONS TO NURSING

● Mr. BURDICK. Mr. President, one of the true pleasures of serving in this great body is the opportunity to publicly acknowledge some of the outstanding citizens of our Nation. One such outstanding individual is Betty Maher, who has served as executive director of the North Dakota Nurses' Association since 1979. I have had the good fortune of working with Betty over the years and seeing her valuable contributions to the nursing community and to my home State of North Dakota. Betty will be moving on to new challenges later this year, and I would like to share with my colleagues how her many accomplishments have advanced the nursing profession and secured the highest quality health care for residents of my State.

As a founder and cochair of the Senate Rural Health Caucus, I have been acutely aware of the problems faced by health care providers in North Dakota and other areas. Given my long experience with these issues, I find Betty's achievements even more impressive. Born in Morristown, SD, Betty attended the St. Alexius School of Nursing in Bismarck. After a stint in the Armed Forces, she returned to North Dakota, working as a community health nurse in Bowman. Betty became the nursing supervisor of the southwest district in 1974, and then moved on to become executive director of the ND Nurses' Association in 1979. In each of these positions, her dedication, her compassion and her commitment to excellence in nursing have been most impressive.

As executive director of the NDNA, Betty Maher's leadership has inspired others in North Dakota and across America. While she has many important accomplishments, I would like to mention just two of the initiatives she has spearheaded in nursing education. In 1984, Betty developed new home-study courses designed to help nurses return to the workplace. Already, 120 students from 11 States, including

North Dakota, have successfully graduated from these courses. In 1987, she developed a course to help nurses add IV therapy to their skills; in the first 6 months of that program 360 nurses were able to take advantage of this training.

Her leadership in nursing education and practice has been absolutely crucial in North Dakota. Betty has shown again and again throughout her career the ability to innovate, to create, and to improvise in ways which pay off every day for nursing and for the health of North Dakotans.

I should also note that Betty has developed a national reputation through her cooperation with nurses' associations in other States. She has always stood ready to assist her counterparts across the Nation by talking them through a new program or just lending her expertise when problems arise. The leaders of the State nursing organizations and the American Nurses' Association have acknowledged her important contributions.

Over the years, Betty has earned the respect and gratitude of health care professionals across the State of North Dakota and around the Nation. She has compiled a long list of awards to testify to her achievements. From the March of Dimes "Nurse of the Year" award in 1978 to the Nurse Association Lobbyist Award in 1987, Betty's contributions have been recognized.

It has truly been an honor and a privilege for me to know Betty Maher. I thank her for her tremendous dedication, and I want her to know her contributions have made a significant difference. Because of her influence, the nursing shortage has been a little less dramatic; the day-to-day lives of nurses has been a little more fulfilling; and the health care for countless North Dakotans and other citizens of this Nation has been of higher quality. Her shoes will be hard to fill. I thank Betty, on behalf of every life she has touched, for everything she has accomplished, and I wish her every success for the future.●

LT. COL. ROBERT S. BLUDWORTH

● Mr. SHELBY. Mr. President, I rise today to pay tribute to my good friend, Lt. Col. Robert S. (Bo) Bludworth on the occasion of his retirement from the U.S. Army. A reception is to be held today in his honor. A reception that I believe will be well attended by Members of this body and our staff. I say this because Bo Bludworth has made a myriad of friends in his 5 years as an Army Senate liaison officer.

Bo now ends a distinguished career of nearly 22 years in the U.S. Army. He began his service to our country as an enlisted man. Later, Bo completed the officer candidate course and was commissioned a second lieutenant. Bo received numerous awards and decorations during his career, which included service in Vietnam as a helicopter and ground platoon leader. These awards include: the Silver Star, the Distinguished Flying Cross, two awards, the Bronze Star, the Air Medal, the Army Commendation Medal for Valor, and the Combat Infantryman's Badge.

I have had the pleasure of working closely with Lieutenant Colonel Bludworth in my 2 years in the U.S. Senate. I must say that Bo has performed his duties in a professional manner at all times, whether it be on a factfinding mission or on matters relating to the Army. I will miss the conscientious approach that Bo brought to all his duties.

Mr. President, Bo is now moving to the private sector. However, it is my understanding that we have not seen the last of him on Capitol Hill. Thus, I look forward to working with my friend in the years ahead. For now, I would like to once again express my thanks to Bo for 22 years of service to our Nation.●

NEW MEXICO'S OFFICIAL COOKIE—THE BIZCOCHITO

● Mr. BINGAMAN. Mr. President, the Members of this body understandably are proud of their home States. I certainly am no exception. Indeed, I enjoy few things more than sharing with my colleagues the delights of my enchanted homeland. And today I have the distinct pleasure of giving my good friends a real taste of New Mexico.

I think I can safely say that New Mexico cuisine is uniquely delicious. Originating with Pueblo Indian dishes contrived from native foods and flavored with a Spanish touch, New Mexico's kitchens and hornos have turned out a rich variety of dishes as colorful and delightful as the "Land of Enchantment" itself.

Today, New Mexicans continue to enjoy a long tradition of native specialties found nowhere else in the Southwest. From stacked blue corn enchiladas topped with Hatch red chile, fluffy, warm sopaipillas smothered in golden honey, steaming posole stew served with freshly made flour tortillas, to New Mexico's newly designated "traditional cookie," the Bizcochito, nothing in the world is quite like New Mexican cuisine.

New Mexico has long recognized the Pinon as its official tree, the Yucca as its official flower, and the Roadrunner as its official bird. Last month, after considerable consideration and serious taste-testing, our State legislature officially declared the Bizcochito the "official cookie" of our State.

Cut in a traditional fleur-de-lis shape, lightly covered with cinnamon and sugar, then baked to a light golden brown, Bizcochitos are a tradition of the Christmas holiday season in many New Mexico homes. With the aroma of baking Bizcochitos still filling the air, these cookies are served with egg nog or hot chocolate to family, friends, and neighbors, who slowly savor each rich bite.

Made with simple ingredients, Bizcochitos are enhanced with crushed Spanish anise seed, which gives the cookies their unique and distinctive flavor. Now, as a founder of HealthNet New Mexico, I know that Bizcochitos probably are not on anyone's list of healthy foods. But still, I find them an indulgence hard to pass up on occasion. I am sure my friends in this body will agree with me and my fellow New Mexicans.

Asking any New Mexican about our official State cookie will usually bring about a smile of reflection and warm memories of one of New Mexico's most treasured delicacies. Regardless of how you spell it, with the traditional "z" or more common "s", Bizcochitos are always delectable.●

FIFTIETH ANNIVERSARY OF FOUNDING OF CHOCOLATE WORKERS' LOCAL

● Mr. HEINZ. Mr. President, I rise today to call the attention of the Senate to an important milestone. This year marks the 50th anniversary of the founding of Chocolate Workers' Local 464 in Hershey, PA.

Fifty years ago, the employees of the Hershey Chocolate Candy Factory formed a small union to better their wages and working conditions. Their goal was simple—to improve the standard of living for workers and their families in Chocolate Town, USA. Throughout 50 years of hard work and brotherhood, the membership of local 464 has been united by their dedication to quality, justice, and economic progress. Today, local 464 works on behalf of some 4,000 members in central Pennsylvania, and represents workers not only with Hershey Chocolate USA and HERCO, but also with San Giorgio Macaroni, Continental Telephone Co., the Pennsylvania American Water Co. and the Lebanon Emergency Management Agency.

Mr. President, on the occasion of the golden anniversary of Chocolate Workers' Local 464 of the Bakers, Confectionery and Tobacco Workers' International Union, I would like to take this opportunity to commend the officers and members of this fine labor organization, and to extend my warmest best wishes as they continue their mission.●

BUDGET SCOREKEEPING REPORT

● Mr. SASSER. Mr. President, I hereby submit to the Senate the latest budget scorekeeping report for fiscal year 1989, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is over the budget resolution by $0.9 billion in budget authority, and over the budget resolution by $0.4 billion in outlays. Current level is under the revenue floor by $0.3 billion.

The current estimate of the deficit for purposes of calculating the maximum deficit amount under section 311(a) of the Budget Act is $135.7 billion, $0.3 billion below the maximum deficit amount for 1988 of $136.0 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 13, 1989.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of congressional action on the budget for fiscal year 1989 and is current through March 9, 1989. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the most recent budget resolution, House Concurrent Resolution 268. This report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the 1986 First Concurrent Resolution on the Budget.

Since our last report, Congress has taken no action that affects the current level of spending or revenues.

Sincerely,

ROBERT D. REISCHAUER,
Director.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 101ST CONGRESS, 1ST SESSION, AS OF MAR. 9, 1989

[In billions of dollars]

	Current level [1]	Budget resolution H. Con. Res. 268 [2]	Current level +/− resolution
Fiscal year 1989			
Budget authority	1,233.0	1,232.1	0.9
Outlays	1,100.1	1,099.8	.4
Revenues	964.4	964.7	−.3
Debt subject to limit	2,725.4	[3] 2,824.7	−99.3
Direct loan obligations	24.4	28.3	−3.9
Guaranteed loan commitments	111.0	111.0	
Deficit	135.7	[4] 136.0	[5] −.3

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval and is consistent with the technical and economic assumptions of H. Con. Res. 268. In addition, estimates are included of the direct spending effects for all entitlement or other mandatory programs requiring annual appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] In accordance with sec. 5(a)(b) the levels of budget authority, outlays, and revenues have been revised for catastrophic health care (Public Law 100–360).

[3] The permanent statutory debt limit is $2,800.0 billion.

[4] Maximum deficit amount [MDA] in accordance with section 3(7)(D) of the Congressional Budget Act, as amended.

[5] Current level plus or minus MDA.

PARLIAMENTARIAN STATUS REPORT 101ST CONG., 1ST SESS., SENATE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS MAR. 9, 1989

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			964,434
Permanent appropriations and trust funds	874,205	724,990	
Other appropriations	594,475	609,327	
Offsetting receipts	−218,335	−218,335	
Total enacted in previous sessions	1,250,345	1,115,982	964,434
II. Enacted this session			
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Dairy indemnity program	[2]	[2]	
Special milk	4		
Food Stamp Program	253		
Federal crop insurance corporation fund	144		
Compact of free association	1	1	
Federal unemployment benefits and allowances	31	31	
Worker training	32	32	
Special benefits	37	37	
Payments to the Farm Credit System	35	35	
Payment to the civil service retirement and disability trust fund [1]	(85)	(85)	
Payment to hazardous substance Superfund [1]	(99)	(99)	
Supplemental security income	201	201	
Special benefits for disabled coal miners	3		
Medicaid:			
Public Law 100–360	45	45	
Public Law 100–485	10	10	
Family Support Payments to States:			
Previous law	355	355	
Public Law 100–485	63	63	
Veteran's Compensation COLA (Public Law 100–687)	345	311	
Total entitlement authority	1,559	1,121	
VI. Adjustment for economic and technical assumptions	−18,925	−16,990	
Total current level as of Mar. 9, 1989	1,232,979	1,100,113	964,434
1989 budget resolution H. Con. Res. 268	1,232,050	1,099,750	964,700
Amount remaining:			
Over budget resolution	929	363	
Under budget resolution			266

[1] Interfund transactions do not add to budget totals.

[2] Less than $500 thousand.

Note.—Numbers may not add due to rounding.●

ADJUST CAPITAL GAINS FOR INFLATION

● Mr. BOSCHWITZ. Mr. President, as you know, I have long been a proponent of encouraging capital investment by permitting investors who invest for the long term to receive a partial exclusion from ordinary tax rates on the gains they realize. Although I strongly support the Tax Reform Act of 1986, I fought hard to retain pre-1986 capital gains tax treatment during debate on the bill.

When tax reform passed with the increase in capital gains tax rates intact, I began working immediately to overturn this particular result by introducing legislation to have the capital gains exclusion restored. A bill I introduced in the 100th Congress and again in the 101st Congress—S. 411—provides a two-tiered approach to gains taxation. The capital gain on qualified assets held for at least 1 year would be allowed a 40-percent exclusion from taxable income; the gain on those assets held for 3 years or more would benefit from a 60-percent exclusion.

Last year, I also organized the capital gains coalition here in the Senate. Currently, there are 16 Senators who have joined the coalition, and I expect our ranks to swell now that the debate on this vital issue has commenced in earnest.

Mr. President, the United States currently has one of the most anti-capital investment tax systems in the free world. As has been discussed in previous debates on this subject, many of our foreign competitors have capital gains tax rates radically lower than ours. The maximum tax rate on capital gains in Canada is 17.51 percent; in France it's 16 percent; and West Germany and Japan exempt long-term gains from taxation altogether. I would suggest to the committee that providing a capital gains tax structure which is consistent with worldwide standards is fundamental to our international competitiveness.

Now I would like to discuss an approach to the tax treatment of capital gains which I have supported for many years and which has also been advocated by our distinguished colleague from Colorado, Senator ARMSTRONG. That approach is the indexation of capital gains. In my view, there is tremendous merit to the idea of indexing certain assets in the computation of capital gains taxes. It is grossly unfair when illusory profits created by inflation are taxed at ordinary rates.

Consider this typical Midwestern scenario: A hard working, middle-income couple operates a small business or farm. They own the property. Finally, after many years of hard work, they sell their business or farm that by any measure is modest. Inflation on their real estate and years of depreciation reduce their basis so that the sale results in a large gain. In that year they are among the rich and they love it. The next year they revert to middle-income status. In the interim, they have been taxed on their gain as though they were among the wealthy.

Or consider another scenario posed in a commentary by Howard Gleckman in the February 20 edition of Business Week, where an individual had purchased $1,000 of stock in 1960. Under current law, when that investor sells his stock in 1989 for $9,000, his taxable gain is $8,000. If the taxpayer

is in the 33-percent tax bracket, he pays $2,428 in capital gains taxes. Add to that the State tax, which in my State is 8 percent or another $640. Unfortunately, over the course of the holding period, inflation has eaten up all but $2,026 of his profit. So after tax, his investment actually brings him a net loss of $1,042.

Mr. President, the scenarios I have described are not unique. They are played out over and over again as the people we depend on to invest in America's long-term future are penalized by a tax policy which does not reflect economic reality. Bear in mind that persistent inflation in the range of 4 to 5 percent is a relatively recent phenomena. In my view, we ought to be taxing real gains, not invisible gains caused by inflation. Because long-term gains are not currently indexed but constantly eroded by inflation, the tax is much higher on long-term gains than it is on short-term gains. There is an inherent disincentive to make long-term investments. Taking the necessary action to protect investors against the ravaging effects of inflation should be our foremost consideration in framing this debate.

Let me suggest that the best way to remove the effect of inflation on capital gains is to allow the tax base of eligible assets to be adjusted by the amount of inflation that has occurred since those assets were purchased. Assets eligible for indexing should include corporate stock and real property used in a trade of business.

Indexing is fair and rational. It is also neutral in that it doesn't open the floodgate for special interest groups to plead for exclusions which would redirect investment dollars toward certain categories of investments. It is therefore consistent with the principle underlying the 1986 Tax Act which eliminated the capital gains preference in order to have investors base their actions on economic soundness rather than tax avoidance.

Mr. President, the concept of indexing is not a new idea. It has had widespread support in Congress, having passed both the House and Senate in previous years. Rather than going through the complex process of creating incentives for investment, indexing gets at the issue by eliminating disincentives. It brings greater equity and fairness to the tax system while promoting domestic investment and international competitiveness. It is a concept which I intend to pursue and I look forward to working with my colleagues.●

ADMINISTRATION PLAN TO DEAL WITH SAVINGS AND LOAN CRISIS

● Mr. MACK. Mr. President, most everyone is aware that the administration has proposed a plan to deal with the severe problems of the savings and loan industry. This plan, although promising, is complex and its ultimate effects on the savings and loan industry are still a matter of much debate.

Indeed, the administration plan includes elements that cast doubt on the ability of S&L's to remain profitable. If this is the case, the S&L industry in the future may be but a shrunken relic of its present state.

Savings and loans were originally established to provide a consistent source of credit to prospective homeowners. The tremendous evolution in the financial services industry in recent years has created other institutions which also provide mortgage credit, but savings and loans still occupy a dominant position in the industry.

It may be true that financial market developments are rendering much of the current S&L industry obsolete. But should Federal policy be implemented so that the demise of a major industry is expedited? Could this reduce the availabilty of housing credit in the future?

In a recent article, Warren Brookes has examined one aspect of this issue. He raises the question of whether the administration's proposed 6-percent capital requirement will put S&L's at a competitive disadvantage with respect to banks, especially if the 1988 Basle accord is adhered to dealing with risk-based capital requirements.

I encourage my colleagues to read this article, which I ask to have printed in the RECORD today.

The article follows:

[From the Washington Times, Mar. 9, 1989]

S&L RESCUE OR TAKEOVER?

(By Warren Brookes)

The administration's S&L "rescue plan" faces heavy sledding on Capitol Hill. Many solvent thrifts see it as a government-facilitated "hostile takeover" of a weakened industry by the banks, because of tough new capital requirements most cannot meet.

As one chairman of a solvent Florida thrift with more than $1 billion in deposits told us: "I might as well sell out now. We've been in business since 1935—and we're still solvent today, but this plan effectively destroys a lifetime of work."

The National Thrift News editorialized on Feb. 20, "The Bush administration last week announced details of its plan to destroy the thrift industry. . . ."

Said another solvent thrift CEO, "This plan won't leave 1,000 thrifts standing. The rest will be bought or merged."

In an interview, Federal Home Loan Bank Board Chairman Danny Wall, while strongly supporting the Bush plan, admitted, "If the package were enacted into law as it stands, that hypothesis represents a serious possibility. It's very, very tough."

White House thrift expert and assistant to the president Richard Breeden, didn't apologize for this toughness: "The real culprit in this whole disaster was allowing people to put the government's money at risk without having their own money at risk. This is why the bedrock of this legislation is the tough capital requirement."

He's right. Without it there would be no limit at all on the "moral hazard" of deposit insurance.

But its very toughness explains the new provisions to allow banks to buy solvent S&Ls without having to take over insolvent ones. As a New York Times analysis put it, "When all the various features of the savings industry bailout are added up, it becomes clear that the banking industry fares very nicely indeed * * * senior bankers can hardly contain their glee * * *."

That glee is because the Bush plan requires thrifts to raise $45 billion to $65 billion in capital over the next 10 years, with half of that to be raised by 1991, a seemingly impossible task. Mr. Breeden says it would be much less than that: "They will only need an additional $19 billion by 1991, or $9.5 billion a year."

But this doesn't count the added requirement that the S&L industry phase out over 10 years the $25 billion in largely phony "goodwill" capital which they were allowed to use during the 1982–1987 period to maintain the illusion of solvency.

"This means we have to more than double the present capital of the industry, and most of us are just barely meeting the present 3 percent standard," another solvent S&L's CEO told us, "We're a mutual company, so the only way we could comply would be to take a huge load of subordinated debt." (See table.)

FHLBB Chairman Wall did not challenge this: "This proposal will force a lot of hard decisions. I think 1,000 or more will survive, but you have a lot of thrift CEO's age 55 to 60 who will not want to go through this kind of process. In that sense it could be a government stimulated takeover."

Mr. Breeden strongly disagrees: "This is a total misreading of the plan. We have no intention of hurting viable thrifts."

At the heart of the disagreement is the perception by the thrifts that they will now be subject to the same flat 6 percent capital standard that the Federal Deposit Insurance Corp. now applies to state commercial banks.

But under the 1988 Basle accord, signed by all of the Western industrial nations, capital requirements are set according to risk, and the thrifts' predominant asst, mortgage-based loans, require only 4 percent capital support, because their loan default rate (5-to-15 basis points) is a tiny fraction of commercial loan portfolios. As one thrift CEO asked, "Whatever happened to Basle?"

Mr. Breeden's answer seems decisive: "There is absolutely no intention to invalidate Basle." He cited the "Capital Standards Section 314" of the bill, which reads, "not later than 90 days after the enactment of the Act, the [FHLBB] Chairman, shall by regulation establish uniformly applicable capital standards. Such standards shall be not less stringent than the capital standards of the national banks."

Since national banks are now regulated by the comptroller of the currency and the Federal Reserve, which abide by Basle, Mr. Breeden says the thrift's concerns were "just misplaced."

Perhaps not. This new section represented a sharp departure from the original Treasury proposal, which had been written very largely by FDIC Chairman William Seidman, who has made no secret of his hostility toward The S&L industry, and has no record of implementing the complex Basle standard, just promulgated.

Mr. Breeden also pointed out that elsewhere in the bill "the FDIC does have the authority to apply a capital floor for all insured banks below which you are ineligible for insurance * * *."

Does that minimum stay at 3 percent or rise, as some now fear, to 6 percent? The thrift industry's future shape rests on the answer.

NOTE

On Tuesday we used a table showing how general aviation safety has improved since deregulation. Readers correctly noted that the "general aviation" category was not deregulated. But union critics have argued that deregulation has made all flying less safe, especially general aviation, which has always had the highest crash and fatality rates. The FTC study from which this table was taken totally refutes that argument. Safety improvements for previously regulated commercial carriers have been even greater.

THRIFTS AT RISK FROM 6 PERCENT CAPITAL RULE—TANGIBLE NET WORTH BASIS

	Under 0%	0–2%	2–4%	4–6%	Over 6%	Total
Number of thrifts	568	263	461	612	1,120	3,024
Assets (billions)	$294	$312	$292	$236	$189	$1,323
Tangible capital (billions)	($26.3)	$3.3	$8.9	$11.5	$17.6	$15.0

Source: Office of Policy and Economic Research, Federal Home Loan Bank Board.●

GREEK INDEPENDENCE DAY

● Mr. DECONCINI. Mr. President, I rise today to recognize March 25, 1989, as "Greek Independence Day—A National Day of Celebration of Greek and American Democracy." Thomas Jefferson once said to the American colonists, "* * * to the ancient Greeks * * * we are all indebted for the light which led ourselves out of Gothic darkness." On this day, which marks the 168th anniversary of the revolution which freed the Greek people from the Ottoman Empire, we recognize the Greek culture and people who have made numerous contributions to the welfare of the United States.

The Greek people have a long and illustrious history. In World War II, over 600,000 Greeks died fighting on the Allies' side—9 percent of the Greek population. President Dwight D. Eisenhower, commenting on Greek courage in 1953 said, "* * * Greece asked no favor except the opportunity to stand for those rights in which it believed, and it gave to the world an example of battle * * * a battle that thrilled the hearts of all free men and women everywhere." The Greeks fought long and hard to achieve independence and democracy. I recognize and respect the ongoing struggle to keep democracy healthy and vibrant.

The United States served as a role model for the Greeks' struggle for independence. The American Revolution became a Greek ideal as they fought for their independence in the 1820's. Greek intellectuals even translated the United States Declaration of Independence and used it as their own declaration. Our common heritage and culture has been linked and will continue to bind our people.

Mr. President, for these reasons and many more, we should recognize and appreciate this important occasion to express our respect, honor, and gratitude to the Greek people and traditions.●

HOME HEALTH CARE

● Mr. HATCH. Mr. President, as you know, I have long supported the concept of home health care. I believe that strengthening our Nation's ability to provide health care in the home will give individuals and families a choice and will help improve the quality of life for many of our senior citizens.

In addition, I am confident that health care treatment in the home may be the most cost-effective medical treatment for many illnesses. Given our continuing battle with rising health care costs and the fact that we must rein in these costs if we hope to provide our Nation's uninsured with access to appropriate health care, we must work to identify and develop these cost-effective means of health care delivery.

I would like to submit for the RECORD a copy of an article that recently appeared in Forbes magazine, January 9, 1989, entitled Home Remedies. This article documents that home health care, specifically home intravenous drug therapy, can save up to 60 percent of the cost of treatment in the hospital for the same illness. In addition, both the health and psychological well-being of the patient may be improved with home care.

I ask that this article be printed in the RECORD.

The article follows:

HOME REMEDIES

(By Ellen Paris)

Three years ago Martha Covey, an Atlanta librarian, was diagnosed with ovarian cancer. Since then she has been in and out of hospitals undergoing chemotherapy.

But two months ago Covey, 62, began a new kind of chemotherapy treatment. Thanks to new technologies and drugs, she is being treated outside the hospital. Twice a week a nurse visits Covey—once at home, once at the library—to monitor a little pump she wears on her belt that squirts small doses of an anticancer drug into her system. "It's been working out very well," says Covey. "The best part is I can go to work and put in a full day." And there's another important side effect: Her new treatment is about half as expensive as the old would be if she were hospitalized.

Covey is one of more than a quarter of a million Americans now receiving some kind of intravenous therapy at home. The home infusion market, as it's known, is estimated at $1.1 billion, four times its size in 1983. Many of the more expensive diseases like cancer and AIDS are suited for home infusion treatment. "When patients have reached the chronic stable level, most things that are done at the hospital can now be done at home," explains Dr. B. Smith Hopkins, a Manhattan surgeon who has many such ambulatory cancer and AIDS patents.

With the nation's health care bill (estimated at $541 billion last year) still rising at more than twice the inflation rate, wider use of home infusions may do a power of financial good. Intravenous therapy for cancer administered at home costs around $215 a day, for AIDS around $300. Sounds expensive, but just by saving the cost of the hosptial bed it can be about 40% to 50% cheaper to have home infusion therapy than to get the same treatment in a hospital. (At Los Angeles' Cedars Sinai Medical Center, for example, the hospital bed alone costs $476 a day, not to mention the extraordinary ancillary charges for aspirin and cotton balls.)

Home infusion therapy began about ten years ago with intravenous feeding, called total parenteral nutrition therapy (TPN), for people with digestive tract diseases and disorders like stomach and colon cancer, Crohn's disease and colitis. Now administration of antibiotics, chemotherapy and pain therapy at home are becoming routine. The most common diseases and disorders treated today with home infusion therapy are cardiac and bone infections, cancer and AIDS.

"Patients are being forced out of the hospital sooner," says Jack Rosen, chairman of Continental Health Affiliates, a $30 million (estimated 1988 revenues) Englewoods Cliffs, N.J.-based home infusion company. "There is more and more pressure for shorter hospital stays from third-party payers" such as insurance companies, employers who self-insure, and health maintenance organizations.

Technology is one of the central forces in the market expansion. Not long ago intravenous therapy meant a tall metal pole, a bottle and lots of tubes in a hospital setting. Today microchips make possible pocket-size programmable pumps squirting precise dosages of drugs into the patient's system with only minimal professional monitoring required.

Patients, needless to say, are happier. "Ninety-eight percent of my patients are eager to leave the hospital, they're better off at home and recover faster," says Dr. Charles Lerner, an infectious disease specialist in San Antonio. Last Summer Diane Gladney, 33, of Mission Viejo, Calif, spent ten days in a hospital getting antibiotic treatment for Lyme disease. Besides the expense, it disrupted her family life. Now she's being treated at home, which allows her to take care of her three children. "It's much better for the whole household," she says.

Patients recuperating at home also run less risk of catching something else from other patients. This is especially important for AIDS victims. This year AIDS accounted for $50 million of the total home infusion market and is expected to almost triple in the next two years. The recently passed federal AIDS bill calls for some provisions for home care this year.

Competition, too, is expanding the business. Into this market have jumped about half a dozen small public companies like $48 million (estimated 1988 revenues) New England Critical Care (Forbes, Feb. 9, 1987) and $35 million (estimated 1988 revenues) Houston-based HMMS. The major player, however, is $450 million (estimated 1988 revenues) Caremark HomeCare, a unit of Baxter International. Typically, referrals are made by doctors, case managers or insurers. Most

companies deliver drugs and equipment to the patient's home and provide a registered nurse to administer the therapy or to teach the patient how to do it himself. It's a good business. New England Critical's net margins run around 11.5%.

The home infusion market will expand as new drugs that can be infused and more homes systems become available. The fastest-growing market appears to be antibiotics. Currently that market is $315 million, about 29% of the whole home infusion market, up from $205 million last year. And in 1990 that market will get a shot in the arm when the recently passed Catastrophic Coverage Act of 1988 goes into effect and Medicare begins covering home antibiotic infusion care.

There's more. New applications include pediatric growth hormones and a drug used to prevent women from prematurely going into labor. Further out is nutritional infusion therapy for premature babies. To go on is to risk invading ground usually reserved for science fiction. Says Dr. Robert Winters, chief executive of home nutritional service of Marietta, Ga.-based Healthdyne: "Anything that goes through a needle that is legal could have a part in this market."●

INDIAN FEDERAL ACKNOWLEDGMENT ADMINISTRATIVE PROCEDURES ACT

● Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of the Indian Federal Acknowledgment Administrative Procedures Act of 1989.

In 1790 the U.S. Congress first recognized a special government-to-government relationship with all of the Indian tribes in the United States. This relationship was established regardless of whether or not the Indian tribes subsequently entered into special treaty relations with the United States.

Since that time there have been numerous tribes whose status has been in question for a variety of reasons. In 1978, the Secretary of the Interior, without specific congressional direction and authority, began reviewing, evaluating, and determining whether particular Indian groups should be acknowledged as Indian tribes by the Federal Government. This lengthy process has been quite ineffective and has produced inefficient results.

This bill will reaffirm Congress' full authority over Indian affairs, by legislatively establishing clear, just and consistent standards for the administrative acknowledgment of relationships with Indian tribes. The act would also establish a more independent administrative process to make those decisions. This would enable the Bureau of Indian Affairs to expedite the process to promote an effective due process of law. This act would affect the rights of over 136,000 U.S. citizens that comprise the 110 groups seeking recognition.

In my State of New York, the Shinnecock Tribe will be assisted by this legislation. Presently this tribe remains in legal limbo while awaiting the determination as to their legal status. Under the present situation, the group is subject to a process which determines tribal status at a rate of two per year. Thus it is possible that the Shinnecock may have to wait 55 years to obtain the legal status of an Indian tribe and the rights that accompany such a status. This is absolutely unnecessary and unjust. Under this legislation the time period will be no longer than 5 years and will clarify the legal status of all the applicants.

I am pleased to join many of my colleagues in supporting this important piece of legislation and hope for its swift passage.●

LT. COL. ROBERT BLUDWORTH

● Mr. DECONCINI. Mr. President, I rise today to recognize the retirement and contributions of Lt. Col. Robert S. (Bo) Bludworth. He entered the Army in 1967 and has just completed a long and industrious career.

He has held a wide variety of key assignments during more than 20 years of military service, culminating in his current 5 year assignment as the Army's Senate liaison. In this capacity, Lieutenant Colonel Bludworth has been a crucial element in planning and coordinating more than 75 major congressional factfinding trips. He has successfully combined civil and military service in a most professional manner.

Mr. President, this man valiantly served in Vietnam as a helicopter and ground platoon leader. He was commander of armor units and personnel staff positions in the United States and Germany, division training officer and chief of protocol in Hawaii, and professor of military science at the University of West Florida.

Lieutenant Colonel Bludworth's awards and decorations include the Silver Star, Distinguished Flying Cross, Bronze Star, Air Medal, Army Commendation for Valor, Combat Infantryman's Badge, and numerous awards for service and achievement. His courage and honor extend beyond these decorations.

Mr. President, It is people such as Lieutenant Colonel Bludworth who exemplify and distinguish the U.S. military. I think it is important to recognize his significant contributions. The Senate and the city of Washington will miss his competence, skills, and sense of humor.●

JEROME DODSON OF THE PARNASSUS FUND

● Mr. PRESSLER. Mr. President, today I wish to pay tribute to a good friend of mine, Jerome L. Dodson, President of The Parnassus Fund.

I first met Jerry Dodson in Vietnam in 1966, or it may have been 1967. Anyway, I was then a second lieutenant in the U.S. Army serving in Vietnam. We became friends. Jerry ultimately married a lovely Vietnamese girl, Thao Nguyen. They have two fine children, Stephen and Katrina.

I next met Jerry when I was attending Harvard Law School and he was attending Harvard Business School. He subsequently went to San Francisco and started a business from scratch. I recall visiting the Dodson home, which also served as Jerry's office. It clearly was a small business. He now has offices on California Street in downtown San Francisco and a fifteen million dollar business.

Jerry Dodson is an imaginative thinker. He has a different kind of approach to the business of investing. His quarterly reports concerning The Parnassus Fund are very interesting and written in a way that is different from most business reports. As a layman on this subject, I can read and understand his reporting on activities in the financial world. He includes many personal observations and comments in these quarterly reports.

I am proud to be a small investor in the Parnassus Fund, but I am even prouder to know Jerry Dodson and his wonderful family.

Recently, the International Herald Tribune did a major article on Jerry Dodson and his unique style of investing, which involves consideration of social concerns. Mr. President, I ask that this article be printed in the RECORD.

The article follows:

A CALIFORNIA INVESTOR REAPS VIRTUE'S REWARD

(By Cynthia Catterson)

NEW YORK.—Cynics might say that Jerome L. Dodson takes the notion of "socially responsible" investing a step too far. Not only does the 45-year-old manager of the Parnassus Fund shun companies with links to weapons, nuclear power, alcohol, tobacco, gambling or South Africa. His portfolio also gives shelter to downtrodden stocks.

Such virtue was amply rewarded last year. The $10-million fund, which is based in San Francisco, rolled up a total return of 42.4 percent last year, making it the third best performer, among the more than 1,600 funds tracked by Lipper Analytical Services. That was nearly 25 percentage points better than the return on the Standard & Poor's 500 index.

"I'm trying to prove that it's possible to be socially responsible and get as good returns if not better than a regular fund," says Mr. Dodson, a 1965 graduate of the University of California at Berkeley who spent four years in the Foreign Service before earning a master's of business administration at Harvard University.

Mr. Dodson dismisses the skeptics who say portfolios suffer when non-financial, subject criteria such as "social responsibility" are used to judge stocks.

"Companies with pollution-control policies aren't going to have legal troubles with environmental groups," he says, "And companies that treat employees well not only have internal harmony, but they attract

and keep the most talented people. It all adds up to better performance."

Mr. Dodson's approach has always been a bit unconventional. While at a California savings and loan in the 1970s, he concocted the Solar T-Bill. The proceeds from the sale of the money market-like instruments were lent to companies developing solar energy. His informal, offbeat style shows through in the Parnassus Fund's reports, which are spiced with personal anecdotes about family and friends. In the Sept. 30 quarterly report, shareholders learned of Aunt Susie's jab at his incorrect prediction that interest rates would not rise before the presidential election.

But what sets Mr. Dodson's approach apart is the way it combines so-called "ethical" investing with a fondness for out-of-favor stocks. Specifically, he looks for stocks whose market price is below an already meager 1.5 times book value. For added measure, the stock's price must have declined to at least 75 percent of its high over the last five years, and it must have a price-earnings ratio below both the average P/E of the S&P 500 and the stock's own historical level.

The approach aims to identify stocks that have been beaten down so far that there is little downside risk and a good chance of a comeback. But the strategy can try the patience, acknowledges Mr. Dodson: "Sometimes you buy a stock that is out of favor and it goes down even more before starting its rebound."

It is especially perilous when a sharply negative market mood drives investors into high-quality shares. After the October 1987 crash, the Parnassus Fund plummeted more than 30 percent in the following month, ending that year down nearly 8 percent. Until Oct. 1, 1987, he laments, the fund had been up more than 40 percent.

"We had invested in a bunch of small-company stocks that were just coming around at the time of the crash," he recalls.

More recently, Mr. Dodson's accumulation in the third quarter of stocks from the much-maligned technology sector could have been disastrous for the overall fund's performance had there not been takeover bids for two companies in the protfolio, Best Products and Convergent Technologies. Best Products rose 48 percent, and Convergent more than doubled in price in the third quarter, allowing the Parnassus Fund to end the period with a modest loss of 1.7 percent.

But that experience has not dampened Mr. Dodson's enthusiasm for struggling technology stocks in 1989. And, with many market strategists painting a dim picture for this year, Mr. Dodson holds true to his contrarian views that the stock market's downside risks are minerals.

"A crash almost never comes when every one is nervous and keeping a lot of cash on the sidelines," he says. At the year's open, the Parnassus Fund's assets were nearly fully invested to take advantage of the "January effect," the tendency for smaller-company stocks and beaten-down issues to outperform the overall market in the first month of the year.

Among his favorite companies in the technology sector is Digital Equipment Corp. The computer company's share price had risen as high as $200 before the crash low of $100 per share. Now, at about $98 per share, Mr. Dodson reasons the stock holds little peril.

"Even if you think the market is going to be flat or bearish. DEC is a company with a lot of value and a stock price that has already discounted the possibility of a recession," he says.

Fundamental considerations aside, Mr. Dodson is a fan of Digital's employee policies, which include day care for employees' children and opportunities for advancement for women. In addition to producing quality products backed by service, he says, Digital's management has demonstrated on more than one occasion an ability to adapt to a changing competitive situation.

Along with technology issues, Mr. Dodson is investigating property and casualty insurance companies such as Aetna. In other sectors, Cummins Engine, a maker of diesel engines, was purchased for the fund within the last six months.

Mr. Dodson will drop companies whose business strategies take a disappointing turn, no matter how he initially rated them on social responsibility. Back in 1985, he bought People's Express Airlines on the strength of its strategy of providing low-cost air travel. Adding to its appeal was a policy that involved employees in management and gave them stock in the company.

But Mr. Dodson sold his shares shortly after finding that flights were often delayed and heavily overbooked. When the company began acquiring other regional airlines, he recalls, "I realized the company was more interested in expanding than improving any of their services."

Despite the strong performance of the Parnassus Fund in 1988, this year stands to be a pivotal one for Mr. Dodson. By far, 1988 was the best in the three full years of the fund's existence. In 1986, the fund's 2.7 percent advance lagged the hefty 18.7 percent gain by the market as a whole. And in 1987, the crash pushed Parnassus into an 8 percent decline.

For Mr. Dodson, a successful 1989 is essential to prove that 1988 was no fluke. "I need to have at least one more really good year to satisfy the skeptics that emphasizing the positive can produce positive returns," he says.

NATIONAL AGRICULTURE DAY

● Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of legislation which designates March 20, 1989, as National Agriculture Day.

The agricultural industry is our Nation's largest. Agriculture provides the food, fiber, and other basic necessities of life for ourselves as well as for many around the world. In 1988 the U.S. agricultural trade was worth more than $35 billion. This has helped to feed the world while at the same time boosting our economy.

Two hundred years ago when our Nation was founded, 98 percent of the people were farmers. Industrialization has changed the face of our Nation where now only 2 percent of our population makes a living out of farming. The industry has evolved into one that utilizes fewer farmers while producing an abundance of food to feed the world.

This resolution pays tribute to agriculture and the important role that it plays in our economy. I urge my colleagues to pass this important resolution.●

SOVIET UNION TRIP REPORT

● Mr. DECONCINI. Mr. President, I traveled to Moscow and Leningrad in November 1988 as a member of the first formal Helsinki Commission delegation to the Soviet Union. Although I have visited the Soviet Union several times, this trip was truly a unique and remarkable experience. Since I feel that our meetings were so encouraging in the area of human rights, I wanted to share the details of my report with my colleagues. I respectfully request that my trip report along with the attachments be printed in the RECORD at this time.

The material follows:

COMMISSION ON SECURITY AND COOPERATION IN EUROPE, CONGRESSIONAL DELEGATION TRIP TO THE SOVIET UNION, NOVEMBER 12 TO 20, 1988, REPORT BY SENATOR DENNIS DECONCINI

Members of the Delegation:

Congressman Steny H. Hoyer (Chairman of the Commission),

Senator Dennis DeConcini (cochairman of the Commission),

Senator Charles E. Grassley,

Congressman Bill Richardson,

Congressman Don Ritter,

Congressman Christopher H. Smith,

Congressman John Edward Porter,

Congressman John Lewis,

Congressman Mickey Edwards,

Congressman Clay Shaw,

Congressman John LaFalce,

Ron Lehman, Assistant Secretary of Defense for International Security,

Louis Laun, Assistant Secretary of Commerce for Economic Policy.

Richard Schifter, Assistant Secretary of State for Human Rights and Humanitarian Affairs.

REPORT BY SENATOR DE CONCINI

I have been a member of the Commission on Security and Cooperation in Europe (Helsinki Commission) for four years and served as Co-Chairman during the 100th Congress. The Commission is made up of nine Senators, nine Congressmen and three members of the Executive Branch. I may become Chairman of the Commission in the next Congress.

The Commission was formed in 1976 to monitor compliance with the Helsinki Accords which were signed in 1975 by the United States, Canada, the Soviet Union and 32 Western and Eastern European countries. The Helsinki Accords focus on three areas of East-West relations: security, trade and economics, and human rights.

The objective of the Helsinki Accords is the achievement of a "secure and lasting peace" through balanced progress in both military security and human rights. The 35 signatories of the Accords hold periodic review meetings designed to evaluate each country's compliance with their Helsinki obligations. The most recent review meetings convened in November 1986 in Vienna. It is expected that a Concluding Document will be signed by all signatory nations in Vienna early next year.

In addition to strengthening the language and commitments of the Helsinki Accords, the West has insisted that the Vienna meeting be characterized by tangible performance in the area of human rights by the Warsaw Pact countries. As conditions for ending this review meeting, for example,

the U.S. has cited the release of all political prisoners, the resolution of all bilateral cases, a significant increase in emigration, and the cessation of radio jamming. These criteria constitute the main point of contention between the West and the Soviet Union not only for ending the Vienna meeting, but also for gaining Western approval of the Soviet proposal for a Moscow Human Rights Conference in 1991. Until these issues are resolved, the mandate for the Conventional Stability Talks (CST) which is also on the table in Vienna cannot go forward.

During the 100th Congress, under the Chairmanship of Congressman Hoyer, the Commission conducted 14 hearings on various aspects of human rights concerns in Eastern Europe and the Soviet Union. The Commission also conducted an investigation into the Miroslav Medvid incident which involved the question of granting asylum to a Soviet sailor. The Commission made several recommendations to the Departments of Justice and State regarding the guidelines for preventing such an incident from reoccurring.

Chairman Hoyer also led several Commission Delegations to Eastern Europe, and most recently Chairman Hoyer and I led the first formal Commission Delegation to the Soviet Union. This was in response to a Soviet proposal made during a U.S.-Soviet Capitol-to-Capitol television broadcast in November of 1987. Majority Leader Byrd and Speaker Wright concluded that the Commission was the most appropriate body in the Congress to respond to the Soviet initiative. President Reagan and General Secretary Gorbachev subsequently discussed the proposal at the Washington and Moscow Summits.

Because of the historic nature of this proposal, Chairman Hoyer and I spent many months of planning using the Commission's extensive staff expertise. We were gratified, therefore, that our trip to the Soviet Union from November 14-20, 1988 produced some very positive results. We were particularly pleased to have our Commissioners from the Departments of Defense and Commerce participating on this Congressional Delegation which focused exclusively on human rights. Their presence made an important statement to the Soviet Union regarding the high priority our government places on human rights.

An unofficial observor, Archbishop Theodore McCarrick from New Jersey, met us in Moscow at the suggestion of Senator Lautenberg and Congressman Chris Smith. The Archbishop is keenly interested in religious freedom in Eastern Europe and the Soviet Union and was a valuable addition to our delegation.

Before departing for the Soviet Union on November 14, we spent a day and a half in Copenhagen preparing for our meetings with the Supreme Soviet. Chairman Hoyer and I divided the delegation into three working groups. I chaired the first working group on Freedom of Conscience, Speech and Assembly, the primary focus of which was religious liberties. The second working group on the Individual, Community and the Law was chaired by Congressman Don Ritter. Chairman Hoyer headed the third group of Freedom of Movement, Communication and Information. The main topic discussed in this group was emigration from the Soviet Union.

The working groups offered us a totally new venue in which to present our concerns to the Soviets and to discuss these concerns in a frank and focused manner. The Chairman in each of the working groups presented the Soviets with a list of prisoners of conscience and unresolved emigration cases. We used these cases as examples of the types of institutionalized reforms which we hope to see implemented under Gorbachev's policy of "Perestroika" or restructuring. All three working groups reported keen Soviet interest in the U.S. legal system as well as our laws governing freedom of the press.

The Supreme Soviet is undergoing a major reorganization into a two-tiered system composed of a Congress of People's Deputies which will elect a new Supreme Soviet. This body will be holding elections for the first time in March 1989. Although these elections will not approach democratic elections as we know them in the West, they will allow for the election to the Supreme Soviet of a small percentage of non-party candidates from certain officially sanctioned organizations.

It addition to official meetings with the Supreme Soviet, the Commission sponsored two unprecedented receptions in which Soviet officials mingled for the first time publicly with members of the dissident and refusenik communities. It would have been difficult even a year ago for me to believe that long-term refuseniks Yuli Kosharovsky and Evgeny Lein would be engaged in vigorous conversations with senior officials of the Supreme Soviet and the Office of Visas and Registration (OVIR). It was indeed unique to witness Crimean Tartars, Ukrainian religious activists and Pentecostals rubbing shoulders with Vadim Zagladin, Advisor to the Chairman of the Presidium of the USSR Supreme Soviet. We in the West, particularly in the United States, take this type of interaction with our constituents as a natural part of our public life. But the Supreme Soviet has never had to account for itself or for its actions. It was fascinating, therefore, to see them in a setting in which they had to meet, talk and listen to complaints and opposing views of private Soviet citizens.

The history of the dissident/refusenik community is a long one in which Soviet citizens have been arbitrarily and capriciously persecuted for their non-violent expression of their political and religious beliefs. Jews in particular have been singled out and have been continuously denied their legal right to emigrate.

My wife, Susan, and I first visited the Soviet Union (Leningrad, Minsk and Moscow) in 1978. At that time we came in contact with many Soviet citizens who were fighting for the right to practice their freedoms, such as freedom of religion, thought and expression, guaranteed under the Helsinki Accords. To anyone who has had the privilege of meeting these courageous people under the harsh living conditions which they are forced to endure, it is an experience which makes an indelible impression.

After our initial trip, Susan and I became committed to the cause of promoting human rights of Soviet and East European citizens. As a U.S. Senator, active participation on the Helsinki Commission has enhanced my ability to be effective in this important endeavor.

I would like to point out that I have visited the Soviet Union on four occasions—1978, 1983, 1985, and 1988. I have met personally with Brezhnev, Andropov and Gorbachev. Although I must caution that the jury is still out on General Secretary Gorbachev and his reforms, the change in the attitude of Soviet officials on this past trip was startling. On previous trips when I attempted to voice my concerns relating to human rights, I was consistently told that this is an "internal affairs" matter and, in fact, there were no human rights abuses in the Soviet Union. The focus of this trip was not only exclusively human rights, but the Supreme Soviet officials were willing to discuss and admit that the need for reform exists. My experience in dealing with the Soviets has taught me that the only true measure of their sincerity, however, is their actions not their words. In the coming months the Commission will be pursuing the resolution of the outstanding prisoner of conscience and emigration cases as one indicator of how serious the Soviets are in achieving substantive social and political reform.

The policies of "Glasnost," or openness, and "Perestroika," or restructuring, represent a revolutionary change within what is still a strict totalitarian regime. After 70 years of extreme repression, the sudden relaxation of policies governing freedom of expression, for example, is being met with mixed reviews by Soviet officials and average citizens alike. So far, Glasnost has permitted citizens to speak out and express opposing views generally without reprisal. The fear is, however, that until there is fundamental institutional and legal reform, Glasnost may not become permanent and may remain simply a political tool of the Kremlin leadership.

Gorbachev is an astute and pragmatic politician who recognizes that the economic reforms which his country so desperately needs will not take effect unless they coincide with social and political reforms. Of course, the central question facing Gorbachev is how far does he have to go in societal reform to achieve his stated goal of progress on the economic front.

The constitutional changes being contemplated in the Supreme Soviet mirror this dilemma. For example, proposed changes provide for new election procedures, legal recognition of churches, emigration reform, greater access to the judicial process, and independent courts. What is still not known is how extensive reform in these areas will be. Of the approximately 150 articles in the Soviet Constitution, at least 59 are under serious review.

An additional question mark is how Gorbachev will use the consolidation of power he has achieved by engineering his appointment not only as General Secretary of the Communist Party, but also as President of the Presidium of the USSR Supreme Soviet. These were some of the thoughts going through my mind as we proceeded with our meetings.

Our meetings began on November 15, with an opening plenary which was chaired by Vadim Zagladin, Deputy, USSR Supreme Soviet, and Congressman Hoyer of our delegation. My colleagues and I followed Chairman Hoyer with our own opening remarks. The tone on both sides was friendly and hopeful that our talks would be productive. We stressed the need to address the difficult issues which divide us in a positive spirit of businesslike candor. The fact that the Soviets seemed willing to engage in this type of exchange seemed to us to be an encouraging sign that we were off to a good start.

Perhaps the most interesting part of our trip was the dynamics of our individual working groups. The working group I chaired raised five specific areas of concern in the field of religious freedoms. Each of the Congressmen in my group took a specif-

ic issue according to the preparatory work we had done in Copenhagen. Congressman Smith raised the issue of legislation of the Ukrainian Catholic Church. Congressman Lewis addressed the registration of religious communities. Congressman LaFalce discussed restrictions on charitable activities and religious education. I raised the issue of education of the clergy and Congressman Edwards spoke about registration, conscientious objectors, and imprisonment of religious believers.

The first of my two working group sessions concentrated on only the issue of the legalization of the Ukrainian Catholic Church. On the Soviet side was the head of the Ukrainian Orthodox Church known as the Metropolitan Fileret of Kiev and Galich. He, of course, took the government position that everything was fine and there was no need for registration because everyone could practice freedom of conscience. This view is in stark contradiction to the documented evidence regarding the persecution of millions of Ukrainian Catholics. The debate became quite heated on both sides. If nothing else, we left the Soviets with the unmistakable impression that the legalization of the Ukrainian Catholic Church was a critical issue to members of our delegation. Archbishop McCarrick's presence lent credence to our argument.

On the following day, the working group sessions resumed. Because my group was allowed to use the entire session of the previous day talking about issues of concern to us, I suggested to the Soviets that they might wish to spend an hour on matters of concern to them. They raised the issue of religious persecution in the U.S. using the sanctuary movement as a example. I happen to be versed on that subject and was able to discuss it in detail. For example, I pointed out that the leaders of this movement were indicted for having violated our immigration laws, and not for their religious beliefs.

The Soviets then turned the conversation to a series of questions on freedom of the press in the United States. For example, they cited a case regarding a small local newspaper in Vermont which was reportedly forced into bankruptcy because of its criticism of the local police department. Although this case was not known to the members of my group, we replied that we would investigate the matter and get back to them. We explained, however, that there are over 6,000 independent newspapers in the United States which are protected under the First Amendment of our Constitution.

The Soviets also also asked us what happens to a newspaper when it prints inaccuracies about a public official. This offered my colleagues and I an excellent opportunity to point out our personal experiences with negligent press reporting. For instance, I pointed out that during my recent reelection campaign a headline article appeared in the Arizona Republic stating that I had profited from the sale of land to the Federal Government. I explained to the Soviets that not only had I not profited, I had not been payed back my original investment because the Justice Department had advised me that I should divest myself of my property in order to avoid a conflict of interest, which I did. When this information was given to the editors of the Arizona paper, a small correction was inserted on the second page. The Soviets listened to this tale with amazement and asked why I didn't sue the newspaper. My colleagues recounted similar incidents of inaccurate press reporting, but we all vigorously defended the freedom of the press. This was made even more forceful by the fact that my colleagues and I represented the whole spectrum of political views in the Republican and Democratic parties. We then returned to our concerns regarding various religious freedoms and the meeting ended with both sides in agreement that the discussions had been productive and candid.

One of the highlights of our meetings with the Supreme Soviet was a lunch they hosted for us at the Hotel Mezhdunarodnaya, Moscow's most modern hotel built by Armand Hammer. It was the longest, heaviest meal of the entire trip which included three wines, nine courses and three and a half hours of intense conversation. This includes speeches by Chairman Hoyer of our delegation, Chairman Zagladin from the Soviet side, as well as remarks by Anatoly Dobrynin, former Soviet Ambassador to the United States.

Dobrynin, whose political future seemed to be in jeopardy earlier this year, has recently emerged as Secretary to the Central Committee of the Communist Party. He is recognized as the leading Soviet expert on the United States. At Dobrynin's invitation, Congressman Hoyer and I met with him privately later in the week. Although we expected Mr. Dobrynin at that meeting to put pressure on us to support their proposal for a Human Rights Conference in Moscow in 1991, he made little mention of this. The main purpose of the meeting was to enlist our assistance in securing an invitation from the Chairmen of the Senate Foreign Relations Committee and the House Foreign Affairs Committee. Mr. Dobrynin and other members of the International Affairs Commission of the Supreme Soviet want to observe the activities of these Committees because they feel it will be helpful as they begin the restructuring of the Supreme Soviet prior to the forthcoming March 1989 elections. I found this to be an interesting request and have subsequently relayed it to the respective Chairmen.

On Thursday, November 17, each of the working groups went on field trips in their respective areas. The legal working group visited a labor camp and the emigration working group visited Izvestia. My working group went to the town of Zagorsk to visit the oldest seminary of the Russian Orthodox Church.

We met with the Father Superior of the Seminary and asked questions about religious freedom and the degree of State control. Members of the Supreme Soviet who accompanied us appeared edgy about this discussion, but the Father Superior indicated that the situation has improved although it had been a hostile one for a long time. He stated that so far in 1988 500 new orthodox churches had been opened. He also mentioned that 250 more churches would be opened by January 1, 1989, and another 1,000 churches would be opened during 1989. It is important to remember that before 1985 over 6,000 churches were closed in the Soviet Union so there is still a long way to go.

Our closing plenary session at the Kremlin on Friday morning was characterized by a series of remarks from our side which reflected encouragement by the fact that the Soviets were responsive and open to serious and candid discussions. We also stressed the fact that we expected concrete actions, such as the resolution of the cases we presented to them, in order that we might better evaluate the merits of continuing our meetings.

The Soviets then returned to us a list of 147 emigration cases from our original list which they assured us had been resolved. Regrettably, this list did not include long-term refusenik cases such as Evgeny and Irina Lein or Roald "Alex" Zelichenok. We viewed the list as a positive gesture and expressed our hope that the remaining cases would be favorably acted upon in the near future.

Our final official Soviet meeting in Moscow was with Anatoly Luk'yanov, the First Deputy Chairman of the Presidium, who has been nominated by Gorbachev to become a member of the Politburo. When that occurs, Luk'yanov will then become second in command. We had requested a meeting with Gorbachev, but he was out of the country during our visit. Gorbachev has designated Luk'yanov to be the architect and overseer of the proposed constitutional changes and the elections to be held next year. The meeting was friendly, however somewhat disappointing in that Luk'yanov said nothing new and urged us to be patient in our expectations of the pace of change in the Soviet Union.

The most poignant dimension of our trip was personally meeting, virtually every evening, with members of the dissident and refusenik communities. The unncessary sadness of their stories provided us with the true facts of Soviet life and enabled us to counter official Soviet versions of Glasnost and Perestroika with the discouraging realities of human rights abuses.

Immediately upon our arrival in the Soviet Union, the delegation held a reception at our Moscow Embassy for dissidents and refuseniks. We had the opportunity to meet with Ukrainian Catholics, Armenians, Lithuanians, Crimean Tartars, members of various religious denominations such as Muslims and Pentecostals, and many Jewish refuseniks.

I was particularly pleased to have the opportunity to meet with Evgeny and Irina Lein, a case of personal concern to me and my Arizona constituents. We had a long discussion about their lives in the Soviet Union. The Lein's comments were thorughtful and inciteful. They echoed the concern expressed to us time and time again that the process for emigrating is a long and arbitrary one and what was really needed was true institutional Soviet reform.

On Tuesday evening Susan and I, Congressman Hoyer and Congressman and Mrs. Smith visited the apartment of Yuli Kosharovsky. Alexander Pyatetsky and Mr. Mirovich also attended this meeting. Yuli's case is particularly interesting and exemplary of the arbitrary treatment and harassment of those who wish to emigrate. Yuli first applied for an emigration visa almost twenty years ago. He has repeatedly been denied permission to leave the Soviet Union on the basis of "state secrets."

The following evening Senator Grassley, Congressman and Mrs. Porter, and Susan and I visited the apartment of Yuri Chernyak. While Senator Grassley, Congressman Porter and I met with Mr. Chernyak and several other individuals who have also been refused emigration visas on the grounds of "state secrets," Susan and Mrs. Porter met with a very interesting group of women who have formed their own support group known as "Jewish Women for Emigration and Survival in Refusal." Each of their stories reflected another side of the suffering and hardship that the wives and children of refuseniks are forced to endure. They illustrated that the question of refuseniks has

become a generational problem involving grandparents, parents, their children and their grandchildren. It is particularly disturbing to note that the children of refuseniks are deprived of a normal childhood and are ostracized by their peers because their parents or grandparents are Jewish and in refusal.

Although not related to our meetings on human rights, I would like to mention our classified tour of the controversial new embassy office building. President Reagan has indicated that we should tear down this nine storey structure. The facts surrounding the construction of this building are disgraceful. When this information is no longer classified, I shall write about it. Suffice it to say that because of decisions made in the mid-70s, the U.S. got a raw deal to the tune of four to five hundred million dollars.

After this briefing, we went to an independent human rights group known as the Berlotsky Commission. There is much skepticism regarding whether or not it really is independent. It is headed by a man who is a close friend of Gorbachev. Berlotsky is considered an educator and intellectual. The Commission ostensibly takes up human rights cases and argues them before the Supreme Soviet and other agencies such as OVIR.

On Thursday night, Susan and I spent an extremely interesting evening with Nicolai Smirnov and his wife at one of the new cooperative restaurants which recently opened in Moscow. Mr. Smirnov is currently in the USA Department of the Ministry of Foreign Affairs after having served in the Soviet Embassy in Washington for several years. Mr. Smirnov did not miss an opportunity to comment on what he considers my hardline approach to the Soviet Union. The frankness of our discussion, however, was just another sign of the candor which characterized all of our meetings.

On Friday evening, after concluding our stay in Moscow with a joint press conference with the Soviets, we flew to Leningrad before returning to Washington on Sunday the 20th.

Saturday in Leningrad, there was a morning reception at our Consul General's house that was attended by local refuseniks including Evgeny Lein and his family. Once again, I was struck by the contrast between the reality of the situation in which these people find themselves, and the new spirit of friendly candor which marked our meetings in Moscow. I remain hopeful that the encouraging signs of change which we saw in Moscow will translate into greater freedom for the Soviet people.

After a tour of the Hermitage, which is always an indescribable experience, we were hosted for lunch by the Mayor of Leningrad and other local officials. I again pleaded the causes of the Leins, Roald "Alex" Zelichenok and Mark Blinder with Mr. Larinov, the Chief Deputy of OVIR in Leningrad. My staff person, Cele Swensen, who has conscientiously worked on these and many other cases for me over the past decade, provided Mr. Larinov with details. He took many notes which is very unusual and gave us the impression that he would personally look into the cases I mentioned. We will continue to follow-up on this meeting.

Following lunch, we paid our respects to the heroic defenders of Leningrad during the infamous 900 day siege of the city by Nazi Germany in World War II.

That evening we attended a marvelous production of Don Quixote by the Kirov Ballet. This was a wonderful ending to an exhausting, but fascinating trip.

I left from the Soviet Union with mixed fellings of hope and a nagging depression for the refuseniks we left behind. It was an entirely new experience for me to be a part of the type of meetings we had. Gone was the intransigence by the Soviets when it came to discussions of human rights. At one point they even asked us to review some of the proposed changes in their legal system! They seem genuinely interested in effecting some reform. How far they intend to go, as I mentioned earlier in this report, is the big question.

So far we have seen three significant gestures of encouragement. The first gesture was the quick response in Moscow to some of the cases on our emigration list. The second was the recent cessation of radio jamming which has been a policy in the Soviet Union for 35 years. The third is the news that as of November 30, 1988, 120 refuseniks, who had been denied visas on the basis of "state secrets," have been notified that their secrecy restrictions have been lifted. Many of these individuals are long-term refuseniks whose cases we, in Congress, have been working on for years. I am particularly delighted to learn that the Leins, whose names I mentioned earlier in this report, are on the list of those who presumably are going to be allowed to emigrate. Although they do not have their emigration visas in hand, I believe this is a very positive sign that the Soviets took our visit seriously. I remain hopeful that their words will be followed by prompt action. I also have reason to believe that progress will be made soon on the release of those on our prisoner of conscience list. If this occurs, perhaps we can make a contribution to the reform effort by continuing to work with the Supreme Soviet in the areas of human rights and legal reform. It is the implementation of institutional reform that will give me the greatest hope real change is taking place in the Soviet Union.

[From the Washington Post, Nov. 16, 1988]

U.S. PRESENTS NEW STAND ON MOSCOW CONFERENCE—ALLIES OFFERING TO ATTEND IF CONDITIONS MET

(By Don Oberdorfer)

The United States last week presented the Soviet Union with a newly forged Allied position on a Soviet proposal to host an international human rights conference in Moscow in 1991, in a move that officials hope may open the way for a new set of East-West arms reduction talks, State Department officials said yesterday.

The new Allied position, which represent significant shifts by the United States and Britain, was presented to Soviet officials in Europe as well as Washington and in a letter from Secretary of State George P. Shultz to Soviet Foreign Minister Eduard Shevardnadze, the officials said.

At just about the same time, however, France posed a new complication by shifting its stand on the proposed East-West talks to reduce conventional military forces in Europe, the source said. The French demand involved the nature of the link between two separate sets of planned East-West negotiations, a 35-nation parley on confidence-building measures and a 23-nation parley on conventional arms cuts.

U.S. Ambssador Warren Zimmermann called the French shift "a very serious problem" that took other western nations by surprise and said "it could take quite some time to sort matters out," Washington Post special correspondent Peter Hoffer reported from Vienna.

The new Allied position on the Moscow human rights conference was hammered out in intensive discussions two weeks ago in Vienna, Washington and European capitals, and involved a personal letter from President Reagan to British Prime Minister Margaret Thatcher. Reagan and Thatcher will see each other in person here today.

Previously the United States had told the Soviet and U.S. allies that it might go to a Moscow human rights conference if key conditions were met, and the British had declined to go even that far. The new position, officials said, is that the United States—joined by its allies—will attend the Moscow conference if specified conditions are met. One official characterized the change as from "maybe" to "yes, if."

Officials said the conditions for attending the conference, which were set forth in the messages to the Soviets, included:

Release from Soviet prisons of remaining "prisoners of conscience" who are known to the West. No number or list was given, but the United States is referring to 180 to 200 persons it believes are in this category.

Release of the sole remaining Helsinki monitor jailed by the Soviets.

Emigration of all Jewish "refuseniks" currently known to the West.

A commitment to further increases in emigration from the Soviet Union.

Progress on dismantling the Soviet jamming of Radio Free Europe, Radio Liberty and Radio Israel.

A concrete affirmation that the Soviet Union will put into place laws and institutions that make permanent its recent moves toward improvement of human rights.

In addition, the Soviets were told that access to the proposed Moscow conference must be guaranteed to dissidents, human rights groups and the international press. The strict access conditions are understood to have been previously accepted by Soviet officials.

The Moscow human rights conference is one of the main issues in the way of completing the two-year-old Conference on Security and Cooperation in Europe in Vienna. Successful completion of the Vienna talks, in turn, is a western requirement for starting new East-West conventional arms negotiations.

KEY PARTICIPANTS, BY WORKING GROUP

Group One (religion):

Ivan Dmitriyevich Laptev (Chair), Karybek Moldobayevich Moldobayev, Mikhail Sergeyevich Pichuzhkin, Lionginas Klemensovich Shepetis, Dennis DeConcini (Chair), Christopher H. Smith, John Lewis, Mickey Edwards, John LaFalce.

Tat'yana Konstantinovna Belokobyl's-kaya, Pavel Aleksandrovich Laptev, Archbishop McCarrick (observor).

Group Two (Law):

Boris Vasil'evich Kravtsov (Chair), Vladimir Aleksandrovich Aksyonov, Don Ritter (Chair), Bill Richardson, Clay Shaw.

Venyamin Yakovlev, Robert Tikhomirov, Vladimir Andreyev, Pavel Laptev, Igor Geyevskiy, Vladimir Babenkov, Aleksey Il'ich Glukhov, Alesksandr Aleksandrovich Berkov.

Group Three (emigration):

Vasiliy Petrovich Trushin (Chair), Aleksey Stanislavovich Yeliseyev, Yego Aleksandrovich Isayev, Steny Hoyer (Chair), Charles E. Grassley, John Edward Porter, Louis Laun, Ron Lehman.

Rudol'f Alekseyevich Kuznetsov, Andry Anatol'evich Kovalyov.

VISIT TO ZAGORSK

BACKGROUND AND INTRODUCTION

Zagorsk, located about 45 miles northeast of Moscow, may be considered the spiritual center of the Russian Orthodox Church. It is the site of the walled St. Sergius Holy Trinity Monastery, founded in 1340 by St. Sergius (Sergei). In 1380, St. Sergius blessed the Russian army that defeated the Tatar [Mongol] army at the Battle of Kulikovo, marking the beginning of the end of the Tatar occupation (c. 1240-1480). For five hundred years this monastery has been one of the most important centers of pilgrimage in Russia.

Within the monastery are several churches. The Church of the Trinity used to contain several icons by the world famous icon painter Andrei Rublyev, but they have since been moved to the Tretyakov Gallery in Moscow. Boris Godunov, the last major czar (1598-1605) before the Romanovs, is buried on the monastery grounds.

After the Revolution, the monastery complex was converted into a museum, and the town renamed from Sergievo to Zagorsk, after a Bolshevik activist. Most of the churches are now open for worship. There is a Russian Orthodox theological college on the monastery grounds.

In June 1988, the Russian Orthodox Church held a special synod that adopted new rules for the church that go beyond the limits of the present law, among them: 1) the right to administer their parish churches was returned to priests; 2) the church's duty to perform charitable works was reasserted.

SENATOR DENNIS DECONCINI'S TALKING POINTS—THE KREMLIN, NOVEMBER 18, 1988

PLENARY WRAPUP

Chairman Zagladin, I join Chairman Hoyer in expressing my gratitude for the gracious hospitality shown our delegation during this first meeting.

I believe that the meetings between us were productive and were conducted by a mutual desire to bridge the issues which divide us.

We are united by a common desire for peace. Earlier this year, our two nations signed a historic document, the INF Treaty. This document not only eliminated a whole category of nuclear weapons, but it contains an explicit reference about our common commitment under the Helsinki accords—our commitment to respect the human rights and individual freedoms of our citizens.

It is this dedication to preserving the human rights of our individual citizens which forms the basis of all aspects of our relations. I stress the word individual—for we believe that when one individual's fundamental freedoms are denied, it is everyone's loss.

Evgeny and Irina Lein were told this week once again that their son's application for emigration is not a subject for discussion.

Igor Uspensky and his family were also told this week that their 19 year old son is refused until 1996 for security secrets held by his grandmother.

In addition, Yuli Kosharovsky has been waiting for almost two decades to emigrate to Israel.

These are families, Mr. Chairman, whom all of us on this delegation have for many years expressed concern about. This illustrates to me a disturbing lack of respect for individual freedoms guaranteed by a document which both of our countries have signed.

Apparently we have not been successful in explaining why this incomprehensible treatment of a few families—or a list of several hundred—so profoundly affects our relations.

In the working group I chaired we had candid discussions about freedom of religion and the press. We were encouraged to hear that churches are now permitted to perform charitable works and were pleased to hear of the number of new churches that have been opened.

We understand that religious education can now be offered to children. We look forward to the day when this practice is institutionalized under Soviet Law.

We also had the opportunity to have an interesting discussion about freedom of the press in the United States.

But discussions must lead to action if they are to be meaningful.

While political prisoners remain in labor camps and exile;

And citizens continue to be denied their right to emigrate;

And religious liberties continue to be restricted;

The need for timely action remains.

We were extremely disappointed to learn of more refusals this week. We hope our discussions will produce concrete results which will justify the continuation of these meetings—meetings which represent such a historic and important first step.

REMARKS BY LOUIS F. LAUN, ASSISTANT SECRETARY OF COMMERCE, INTERNATIONAL ECONOMIC POLICY CLOSING PLENARY SESSION, HELSINKI COMMISSION MEETING WITH SUPREME SOVIET, MOSCOW, NOVEMBER 18, 1988

Like other members, I have been impressed with these sessions—the Chairman's Opening Remarks, our two excellent Working Group meetings on Freedom of Movement, our visit to ISVESTIA, and what I have heard this morning. I also recognize that it takes time to make significant changes in social relationships.

But, we should not use discussions as an excuse for inaction. The leaders of both our countries, who will be meeting again next month, and who have made great strides in starting us on the path away from nuclear destruction, expect more of us.

We can change. Martin Luther King, to whom Congressman John Lewis so eloquently referred—was once a prisoner in our country. Now we celebrate a National Holiday in his honor.

We can change. We can do better. In the recently signed INF treaty we agreed that a class of missiles would be destroyed. We then did it. And we set up an INF Watch Process. Teams from your country and ours visited each other to see the destruction, and we each watched the destruction on TV. Glasnost. Good feelings in both countries.

But in following up on the Helsinki Accords, a far more important event than one small arms treaty, citizens in your country who set out to watch this process found themselves not applauded, but in jail, and thirteen years later they aren't all out yet.

In our country, people think in terms of individual examples—anecdotes—to see if a general agreement is working. You have this in your statement of "trust, but verify." If the individual experience falls below the standards set by the words in an overall agreement, people become suspicious, feel that they are being fooled, that there is no intent to implement the agreement. This breeds further mistrust, which affects armament policy, affects trade, and can damage the abilities of two societies to communicate, and even to live with each other.

In the Helsinki Accords, we have a wonderful agreement, signed by both of us and many other countries, and a rare opportunity to improve our relationship. But, we're not yet handling it right.

We also see a clear connection between Economic and Human Rights.

I am from the Commerce Department, and we meet with your people all the time to see if we can increase trade between our two countries. I came from such a meeting in one of your Ministries this morning. Your folks say they want this increase too.

And yet—I then talk to two young men who want to open a Jewish restaurant in Moscow and are told "no" because there is already a Jewish restaurant in Moscow. The message sent is not good. If there is no room in Moscow for two Jewish restaurants, what signal does this send to other entrepreneurs? This is a denial of both human and economic rights.

Yesterday I talked to a man who is a Soviet citizen and has a valid passport from your country. He visits other countries regularly. Sounds good. But—he and seven associates were invited to attend a World Congress in Jerusalem this month, attended by Jews from all over the world. He was told by OVIR yesterday, while our Working Group meetings were going on here in the Kremlin, that his request was "provocative garbage," and denied.

I have a letter from Muslims who want to join the annual pilgrimage to Mecca; 75,000 go from Turkey. From the Soviet Union, with far more Muslims, only 48 are allowed. Something is wrong here.

Everybody in our Group has in his briefcase many prisoner and emigration cases. Your overall numbers on emigration are way up. We applaud the progress made, and we would hope that sufficient progress can be made in the future so that a Jackson-Vanik waiver could be in effect, and you could get Most Favored Nation tariff treatment.

Yet, we all have refuseniks and other emigration and prisoner cases that remain unsolved year after year, and these names are now famous in our country, making people feel you have no intent to live up to those parts of the Helsinki Accords that may inconvenience you.

Thank you for the opportunity to discuss such things in a frank and open way, and to build a foundation for future work together.

My concluding request today in the spirit of Glasnost and the Helsinki Act, is that you do two things: 1) Speedily pass the laws we have been discussing and make regulatory changes that will make it mandatory for officials in your government to free prisoners of conscience and let those people go who wish to leave your country so that emigration, for example, becomes a right, not a privilege that can be denied. 2) Clear up the old cases. We have given you a list. There are only a few hundred. Do it now.

Visible progress in these two directions would do wonder for our overall relationship. Our people want it. Our leaders want it. It is in your interest—and ours—that you do both.

INFORMATION REGARDING ANATOLIY IVANOVICH LUK'YANOV

Candidate Member, Politburo, Central Committee, Communist Party of the Soviet Union (CPSU) (since September 1988); First Deputy Chairman of the Presidium (since 1 October 1988).

As First Deputy Chairman of the Presidium of the USSR Supreme Soviet (legislature), Anatoliy Luk'yanov is Vice President of the USSR—a position to which he was elected the day after his elevation to candidate membership on the Politburo. From January 1987 to September 1988 he had served as a secretary in the CPSU Secretariat, with day-to-day duties that included party oversight of the military, security (including KGB), and bureaucracies.

In the late 1960s, Luk'yanov wrote an article warning about weakening the party's control over society and allowing the free play of political forces. He went on to explain that advocacy of the latter masked an attempt to place segments of Soviet society in conflict with one another. More recently he has focused on new electoral procedures. In a 1986 Pravda article, Luk'yanov called for the certification of party officials, election of enterprise leaders, and the creation of workers' councils in plants—all measures that are now being implemented countrywide. At the same time he has stated that restructuring does not mean the smashing of the Soviet political system.

Luk'yanov was born on 7 May 1930. He has a doctorate in juridical sciences (1980). After serving as a law professor at Moscow State University in 1954, he worked as a senior consultant on the juridical commission of the Council of Ministers. He probably worked in the USSR Supreme Soviet apparatus during the early 1960s before becoming deputy chairman of the Problems of the Work of Soviets (local government executive councils) Department, a position he held during 1969-76. For the next year he was in the apparatus of the CPSU Central Committee. In 1977 he was appointed chief of the secretariat of the Presidium of the Supreme Soviet. Shortly after Yuriy Andropov became CPSU General Secretary in late 1982, Luk'yanov was promoted to the Central Committee General Department; he became first deputy chief the next year. Subsequently, as chairman of the department, he served as the top executive officer for the Politburo. Luk'yanov was elected a full member of the CPSU Central Committee in March 1986, bypassing candidate membership.

Luk'yanov has published several articles on legal and constitutional issues and has contributed to a book on the USSR Supreme Soviet. He was awarded the Order of the October Revolution in 1980 and the Order of the Red Banner in 1982. He traveled to India and Pakistan in 1973 and to Denmark and Yugoslavia in the mid-1980s.

From the National Conference on Soviet Jewry, New York, NY]

LEIN FAMILY APPEALS

From Aleksei Lein, 17, to General Secretary Mikhail Gorbachev:

"The most respected Mr. General Secretary!

You speak much and in fine words about the openness of Soviet society. Unfortunately, your words are far from reality.

I want to leave USSR and go to Israel to my sister, but the Soviet authorities keep me here.

I am 17 years old. You cannot say that I know any state secrets. You cannot speak about "brain-drain" or about "insufficient kinship" in my case.

So why was not I permitted to depart? I have already appealed to you twice: April 2, 1987 and January 25, 1988, but with no result.

July 22, 1988 I was refused once more and the Inspektor of Leningrad OVIR even refused to inform me about the reasons and the terms of this refusal. Thus, the violation of paragraph 13 of the Declaration of Human Rights and of Helsinki Agreement by the USSR is still going on.

How can one believe your words about openness, friendship and peace, if the second generation of refuseniks already grew up in the USSR?

I demand permission to depart from the USSR to my sister in Israel."

Leningrad, August 2, 1988.

From Irina Lein to the President of the Academy of Science of the USSR Marchuk, the Committee of Concerned Scientists and all other concerned scientists:

"Since 1978 I and my family are trying to obtain permission to depart from the USSR. It is already more than 10 years that we are refused under various pretexts: brain-drain, insufficient kinship, alleged secrecy of the work my husband Evgeny Lein left 20 years ago.

The words about brain-drain are hypocritical: Soviet authorities do not use our knowledge and experience and during the last 10 years we were deprived of the opportunity to work according to our specialties.

Since July 1987, our daughter, her husband and our grandchildren are living in Jerusalem, Israel.

It annulled another pretext for our refusal: insufficient kinship.

To speak about 20 year old secrecy is absurd, considering the statements of General Secretary of CPSU Gorbachev about 5-10 years as the maximum term of such secrecy refusals.

Moreover, on March 10, 1988 Inspektor of Leningrad OVIR informed us, that the notorious secrecy which was a pretext for our refusal, was lifted and that our appeal for reunification with our daughter in Israel will be examined. The same time the Inspektor said, that the Sechenov Institute of Evolutionary Physiology and Biochemistry (IEPB), where I worked during the years 1967-1978 before I applied for a visa, might raise some objections to my departure. Just the following day I sent a letter to the Director of IEPB corresponding member of the Academy of Science Dr. Svidersky (Leningrad, Prospekt Morisa Toreza 44, tel: 5527901). I was received by Deputy Director of IEPB Danilov, who assured that IEPB had no objection to my departure from the USSR. Several western scientists appealed to Dr. Svidersky and were also assured that IEPB had no objection to my departure.

Nevertheless, on July 22, 1988 I, my husband and our son were refused once more under the pretext of my alleged knowledge of state secrets.

I see this refusal as arbitrariness by Soviet authorities.

I worked in IEPB 10 years ago as a junior scientist. My doctorate, defended in 1978, was open research work; all my publications were open too. When I left IEPB I was not asked to sign any obligations considering any secrecy. IEPB is an open institute of the Academy of Science of the USSR. It has various contacts with various western scientific organizations and according to International Law has no right to be involved in any secret projects, which was emphasized recently by Irwin Cotler, a Canadian Lawyer specializing in Soviet and International law.

So why was my imaginary secrecy used as a pretext for a new refusal?

It is obvious that the authorities are paying off the scores with my husband, a former Prisoner of Zion, because of our active involvement in the repatriation movement.

The KGB tries to keep us in the USSR until the moment when our son will be drafted to the Soviet army.

Our son was 7 years old when we first applied for a departure visa; now he is 17. He does not know any state secrets and he has a close relative in Israel—his sister.

Nevertheless, he was also refused.

Inspektor of Leningrad OVIR stated that separate application by our son would not be examined before he came to the age of 18. But when he is 18, he will be drafted to the Soviet army and then he will be threatened with a new secrecy refusal for many years.

So, now I ask you to intervene and to help our repatriation to Israel. I am sure that unfounded refusal under the pretext of imaginary secrecy damages the prestige of the Academy of Science of the USSR and undermines the statements of Soviet leaders about 'perestroyka' and openness of Soviet society.

Leningrad, August 2, 1988.

AN OPEN LETTER TO THE WEST

From Yuli Kosharovsky, refused permission to go to Israel since March 1971.

I have been refused permission with my family to go to Israel for 17 and a half years for a reasons of so-called secrecy.

Two month ago we received a routine refusal for another three years. Thus, I may have my case considered again in 1991, without any assurance that we will finally be allowed to go.

It is now more than 20 years since I left the Sverdlovski Automation Research Institute, where I was screened for secrecy that restricted my right to leave USSR till 1971.

I see it is infinitely cynical that Soviet propaganda declares glasnost and democratization in Soviet society, while actually a family like mine is held virtually political hostage, with no prospects of any open reconsideration of the right to emigrate based on international commitments.

Let us react to Soviet human rights initiatives not according to their official rhetoric, but to their actual works.

Let us call them to task for each and every crippled human life, for the actual tragedies they created during their period of stagnation, which is now prolonged into the fourth year of perestroika.

I appeal to you to help my family and the many other refuseniks of long years standing, to finally be released to their own country, to reunite with their kith and kin in Israel.

Respectfully yours,

YULI KOSHAROVSKY.

Moscow,
November 14, 1988.

Hon. DENNIS DECONCINI,
Cochairman, Commission on Security & Cooperation in Europe, Congress of the United States, Washington, D.C.

DEAR MR. DECONCINI: We highly appreciate your personal efforts as well as those of your Commission in the sphere of human rights. We believe that the position and actions of your Commission have given very

fruitful results, figures of Jewish emigration are growing and many refuseniks have been released. We also appreciate your firm position and understanding of the situation in the USSR in the field of human rights, and of Jewish emigration, in particular. We consider them as a pledge of our future freedom.

The Helsinki Final Act and subsequent documents of the Helsinki process have accepted the statement that everyone shall be free to leave any country, including his own, and to return to his country. Yet 13 years after the Helsinki Accord was signed this has yet to be incorporated into either law or practice in the USSR.

The Helsinki Process has a tremendous impact on the situation within the USSR. Under new leadership there are positive changes in the process of liberalization in this country. But the real situation for human rights is still very far from solution. And we now see a new danger stemming from the readiness of the West to accept promises and rhetoric of the USSR in place of real performance. And now when the situation in the USSR is unstable and especially sensitive to the influence of the Western democracies such an approach may lead to a reversal of any real gains in Jewish emigration.

At this time, the Soviet decree on emigration clearly contradicts the Helsinki Final Act, more than 80% of security refuseniks left their security clearances more than a decade ago, seemingly arbitrary and byzantine procedures for applications remain in place, no legal avenues exist for refuseniks to defend their right to emigrate, seriously ill victims of cancer and other diseases are denied even the right to adequate medical treatment, in short, Soviet violations of the Helsinki Final Act are blatant and continual.

Jewish emigration has always been an indicator of the human rights situation in the USSR. At present, the situation has divided into two problems: people who first apply, and veteran refuseniks.

We place extremely high value on your commission's efforts for the freedom of individual refuseniks and their families. These efforts as well as those by recent American Administrations and general public have surely been the main factor in the release of veteran refuseniks. We are gradually being convinced, however, that these seemingly fruitful efforts are not the way to solve the problem as a whole.

A solution of the problem as a whole, abolishing the whole institution of long-term refuseniks, would have tremendous impact on the entire Soviet political atmosphere. It would raise a serious barrier to a possible return from the current liberalization process. It is important to underscore that a solution to the problem would affect not only the present time, i.e. normalize life for several hundred or thousand refusenik families. It would lead to enormous positive political results for the future, similar to the release of the close to 200 political prisoners in 1987, and would sharply improve the entire spiritual and political atmosphere in the USSR.

We believe that the solution of the problem under discussion may be found in two steps: First step, it is a step expressing the Soviet good will to solve the problem and consisting in immediate reconditioning of the Soviet emigrational practice. The second step is improvement of the emigration law that brings it into compliance with international obligations of the USSR.

In the field of practice the following steps are necessary:

1. Set a maximum term of five years (after quitting the sensitive work) for refusing permission to leave the USSR for reasons of secrecy. Not a single person should remain held after such term expires.

2. There must no longer be any so-called indirect refusals for reasons of secrecy, when members of a family are held because other members possess secret information. Every member of a family, except, for one possessing state secrets, must be allowed to leave. This was practiced in the early 1970s.

3. In applications to leave, it must be allowed to substitute affidavits on absence of financial claims by relatives and ex-spouses remaining in the USSR, by notary or other legal document testifying that there are no such claims.

These measures must be undertaken urgently, irrespective of any future law on emigration.

The second step should include:

1. Approved law on emigration in accordance with the Helsinki Final Act and other international obligations of the USSR. This law must include:

a. A maximum term of refusal for national security of no more than 5 years;

b. Legal mechanism for solution to the problem of "poor relatives";

c. Mechanism for legal defense against violations of this law;

2. Detailed & acceptable procedure elaborated according to this law.

Only if all these measures are undertaken we can consider it as normalization of the situation in the USSR in the field of Jewish emigration.

We thank you very much for your time and consideration, for your coming here to struggle for human rights. We believe that your meetings with Representatives of the Supreme Soviet and with other Soviet officials will be a success.

Respectfully yours

Yuri Chernyak (Moscow, 12 year refusenik);

Vladimir Dashevsky (Moscow, 11 year refusenik;

Anatoliy Genis (12 year refusenik);

Boris Kelman (Leningrad, 9th year refusenik);

Mordekhay Ionesas (Kaunas, 7 year refusenik);

Vladimir Kislik (Moscow, 15 year refusenik, ex-prisoner of conscience);

Yuly Kosharovsky (Moscow, 17 year refusenik);

Eugene Lein (Leningrad, 10 year refusenik, ex-prisoner of conscience);

Emmanuil Lurie (Moscow, 9 year refusenik);

Edward Markov (Leningrad, 9 years refusenik);

Vladimir Meshkov (Moscow, 9 year refusenik);

Alexandr Pyatetskiy (Kiev, 10 year refusenik);

Yuri Semenovsky (Moscow, 2 year refusenik);

Igor Uspensky (Moscow, 9 year refusenik);

Roald Zelichonok (Leningrad, 10 year refusenik, ex-prisoner of conscience).

JEWISH WOMAN FOR EMIGRATION AND SURVIVAL IN REFUSAL—"GROUP OF 150"

For many years we and our families cannot leave the USSR because the Soviet authorities have refused to grant us exit visas to Israel under various pretexts. Even a simple desire to emigrate is considered by the Soviet authorities to be a sin of disloyalty to the Soviet State and the Soviet people. Such an opinion has long been implanting into the Soviet people's minds. That is why our families have found themselves out of society and deprived of normal social life.

Every refusenik family has to face a lot of specific problems such as social isolation, deprivation of a professional job, loss of a former social status, and financial difficulties. Among these problems there are also a feeling of impotence against arbitrary rule, uncertainty even of the near future, fear for our children and grandchildren.

This kind of life is absolutely unbearable, and it is impossible to get accustomed to it. Our common problems united us into a group "Jewish Woman for Emigration and Survival in Refusal" founded in 1987 by Judith Ratner who is now in Israel. In general, our purposes are to share our troubles and help each other in our everyday life and in our mutual struggle for survival and emigration.

More specifically, the tasks of our group are the following:

1. To collect information about refuseniks, to complete lists and card-index (i.e. to supply our-data base with information).

2. To carry out such collective actions as rallies demonstrations, campaigns, meetings etc.

3. To notify refuseniks about such collective actions.

4. To render assistance to new-applicants.

5. To arrange meetings with representatives of the Soviet authorities.

6. To promote cultural and educational activity such as lectures on history and culture of Israel, Jewish festivals, rotation and review of current press and books on Jewish topics.

7. To help elderly and sick people.

8. To help in maintaining health.

9. To carry out mutual actions with the refusenik seminar on legal problems.

10. To help in studying languages.

11. To manage financial aid.

Telephones of the initiative group members: 333-6160, Natalia Chernyak; 242-7070, Bella Gulko; 140-8937, Tatyana Rosenblit; 420-4480, Sophia Severinovskaya; 134-7288, Anna Sofman.

THE LIST OF MEMBERS OF THE GROUP "JEWISH WOMEN FOR EMIGRATION AND SURVIVAL IN REFUSAL"

Name, number, address, and telephone

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Feldshtein Eugeniya, 6 Moscow, 50 Let Octyabrya St., 5-2-87, 435-9963.

Gekht Frida, 5 Moscow, Yaroslavskoe Shosse, 17-19, 183-2137.

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Pilmenstein Irina, 2 Moscow, 1st Vladimirskaya St., 47-27, 306-5162.

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Protopopov Marina, 4 Moscow, Teplyi Stan St., 5-2-21, 337-7920.

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Rozenblit Tat'yana, 3 Moscow, Yartzevskaya St., 24-2-12, 140-8937.

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Shumuilovich-Gorovaya Kira, 4 Moscow, Dekabristov St., 26-104, 404-0022.

Sofman Anna, 3 Moscow, Acad. Pilyugina St., 26-2-511, 134-7288.

Stambler Anna, 5 Moscow, Seligerskaya St., 22/2-111, 487-7268.

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Zaitzeva Bella, 2 Moscow, Akademician Korolyov St., 3-59, 283-0174.

[From the Washington Post, Nov. 19, 1988]

UNITED STATES RIGHTS MONITORS END MOSCOW TALKS: SOVIETS ISSUE STATEMENT RESOLVING NEARLY 150 EMIGRATION CASES

Moscow, November 18.—A U.S. congressional delegation investigating Soviet human rights violations wound up groundbreaking talks inside the Kremlin today after securing a Soviet statement setting nearly 150 emigration cases.

The Soviet concessions fell well short of American calls for the release of all political prisoners and free emigration for Jews and other groups wishing to leave the country. But the delegation of 14 Senate and House members left Moscow satisified that they had been able to address problems that the Kremlin once denied ever existed.

Addressing members of the Supreme Soviet or legislature, beneath an outsize portrait of Soviet state founder Vladimir Lenin, the chairman of the U.S. delegation, Rep. Steny Hoyer (D-Md.), pronounced the joint four-day seminar "very worthwhile." The head of the Soviet delegation, Vadim Zagladin, also described the meeting as a "success."

The meeting took place against a backdrop of efforts by Soviet President Mikhail Gorbachev to improve his country's human rights image. Moscow would like to host an international human rights conference in 1991 attended by representatives of the 35 states that signed the 1975 Helsinki accords.

In an interview, Hoyer said that this week's meetings—which were observed by several leading Soviet dissidents—appeared to have been initiated by Gorbachev himself.

There could scarcely have been a greater contrast between this week's talks and the early attempts by western countries to discuss Soviet compliance with the Helsinki accords. For years, Soviet officials reacted angrily whenever their country's human rights record was questioned. This week, Zagladin openly conceded that "of course we have unsolved problems."

The Soviet statement on emigration came in response to a list of more than 600 outstanding cases submitted by members of the U.S. Helsinki Commission, the congressional monitoring group that Hoyer heads. The statement promised to examine other cases "in accordance with established regulations."

At a press conference, Hoyer described the Soviet statement as "positive" but said it failed to meet western conditions for a human rights conference in Moscow.

Leading Jewish "refuseniks" said the Soviets appeared to be listing emigration cases that had already been settled and did not address any of the best-known cases.

"The U.S. position is that all political prisoners must be released. We also want all bilateral emigration cases to be resolved and an end to jamming of western radio stations," noted R. Spencer Oliver, chief counsel to the House Foreign Affairs Committee.

Visiting Moscow last month, West German Chancellor Helmut Kohl announced a Soviet promise to release all political prisoners. This week's talks revealed continuing wide disagreement on how to define a political prisoner.

The list submitted by the Helsinki Commission to Soviet officials this week included 179 names of people convicted of offenses ranging from "anti-Soviet agitation" to "illegal religious activity." The Soviet government, however, insists that the number of political prisoners is closer to 10.

Sergei Grigoryants, a former political prisoner who edits the unofficial journal Glasnost, said:

"On our magazine alone, we have had two staffers thrown into jail for doing things like passing out copies of the magazine. There are many others who are sitting in jail because they refuse military service on religious grounds, organize religion classes, all kinds of things. The official Soviet numbers are ridiculous."

Alexander Podrabinek, editor of the unofficial weekly Express-Kronika and a former political prisoner, said, "At this point I think only the KGB really knows for sure how many there are."

Gleb Yakunin, a Russian Orthodox priest sent into internal exile in the 1970s for his religious work, said, "We still have no information on how many believers are sitting in prisons and psychiatric hospitals. When it comes to human rights in the Soviet Union, there is no *glasnost* [openness] at all."

Soviet officials have promised to overhaul articles 70 and 190-1 of the penal code, covering anti-Soviet agitation and propaganda, which have been used as grounds for jailing dissidents. It is less clear, however, whether articles on religious practice will also undergo revision.

"Just becasue they revise the criminal code a little doesn't mean that they can't use other articles of the code as means to put people in jail," Yakunin said. "That is what we have to watch out for."

[From the Washington Post, Dec. 1, 1988]

AFTER 35 YEARS, SOVIETS STOP JAMMING OF U.S. BROADCASTS—LINK TO GORBACHEV'S NEW YORK VISIT SEEN

(By David B. Ottaway)

For the first time in 35 years, the Soviet Union has turned off its 2,000 jamming transmitters and allowed Radio Liberty and Radio Free Europe to broadcast news of internal Soviet developments freely into its territory, officials of the U.S. broadcasting operations said yestersay.

Members of the Board for International Broadcasting (BIB), which oversees the two radio operations, hailed the decision as a "historic event" and linked it to Soviet President Mikhail Gorbachev's scheduled meeting in New York next week with President Reagan and President-elect George Bush and to the Soviet desire to host a human rights conference in 1991.

"We think that this is a very significant move by the Soviet Union," said board Chairman Malcolm S. Forbes Jr. "It's the first time in history that they're going to allow those broadcasts to go in unimpeded, unhindered."

Forbes said the hints of a change in the longstanding Soviet refusal even to consider an end to jamming came in September during a meeting in Moscow of Soviet and U.S. officials and news media representatives.

But he and other board members who spoke at a news conference yesterday said the signals then were "very mixed" and "mostly negative." Forbes indicated that they were surprised by the change.

As of late yesterday, BIB officials said they were unaware of any official Soviet announcement of a decision to stop the jamming.

Forbes said he thought it was "more than coincidence" that the change was made just before Gorbachev's New York visit and his planned meeting with Bush there next Wednesday.

In addition, the United States in mid-November presented the Soviet Union with a new Allied position on the Soviet proposals to host a human rights conference in Moscow in 1991. The U.S. position shifted from "maybe" to an agreement to attend, provided the Soviets met a number of conditions, including an end to jamming of Radio Free Europe and Radio Liberty broadcasts.

Moscow has long regarded the two U.S.-run radio stations as "ideological instruments" used by the United States to undermine "the internal stability and security of the Soviet Union," as a former Soviet Foreign Ministry spokesman described Radio Liberty in May 1987.

Board officials said jamming of Radio Free Europe-Radio Liberty broadcasts into the Soviet Union and Afghanistan stopped at 9 p.m. Tuesday. Jamming of broadcasts from the KOL Israel and West German Deutche Welle radio stations also ceased. But they said jamming of Radio Free Europe broadcasts into Czechoslovakia and Bulgaria continued unabated yesterday.

They speculated that those two East European nations, whose leadership has been unenthusiastic about Gorbachev's new program of glasnost, or openness, would eventually have to end their jamming, too.

Radio Free Europe and Radio Liberty, once CIA-operated stations but now funded

by Congress and run by a presidentially appointed board, have been broadcasting news about domestic Soviet events into the Soviet Union since the day after Joseph Stalin died on March 5, 1953.

Since that time, they have been jammed "regularly, day and night," according to Board Vice Chairman Ben J. Wattenberg.

While Radio Liberty broadcasts to the Soviet Union, is sister station, Radio Free Europe, concentrates on Eastern Europe, except East Germany, and the three Soviet Baltic states, which the United States has never formally recognized as part of the Soviet Union.

The two stations, broadcasting in 23 languages, had a budget of $219 million in fiscal 1988.

Both Forbes and Wattenberg speculated that the Soviets had probably come to realize that the estimated $750 million to $1.2 billion they spend annually on jamming was largely a waste of money because it had become "very, very difficult" to stop foreign broadcasts from reaching the Soviet people, particularly in the countryside.

Because of improving technology, said Wattenberg, "it's getting very, very hard to stop messages from getting anywhere in the world."

The Soviets had already stopped jamming the broadcasts of the British Broadcasting Corp. in January 1987 and the Voice of America in May of that year. Poland ended its jamming of American and European radio stations last January.

[From the Washington Post, Dec. 2, 1988]

EMIGRATION BAR LIFTED FOR 42 JEWISH REFUSENIKS

(By David Ottaway)

The Soviet Union has notified 42 longtime Jewish refuseniks, who have been refused permission to leave the country on grounds of state secrecy, that they will no longer be barred from emigrating, the National Conference on Soviet Jewry and U.S. officials said yesterday.

Conference spokesman Jerry Strober said his organization learned of the Soviet decision in a telephone call from Moscow by Yuli Kosharovsky, who has waited 17 years for an exit permit denied because of his work as an electronics engineer.

Strober said reports were circulating in refusenik circles that 120 individuals and their families would be cleared shortly for emigration. He added later, however, that a number of well-known refuseniks apparently had not received permission to leave.

Assistant Secretary of State Richard Shifter, chief U.S. negotiator on human rights with Soviet authorities, said the U.S. Embassy in Moscow had received "similar reports and we have every reason to think these reports are accurate."

A U.S. official said he believed Soviet leader Mikhail Gorbachev's scheduled meeting with President Reagan and President-elect George Bush next Wednesday in New York had "prompted an early decision."

Word of the Soviet action came just two days after the Soviet Union also ended all jamming of Radio Free Europe-Radio Liberty broadcasts. The moves appear to be a Soviet effort to meet conditions for U.S. participation in a human rights conference in Moscow in 1991 and agreement on a final declaration at the Vienna Conference on Security and Cooperation in Europe.

Strober said Kosharovsky had been told to "submit papers to leave the country" and that he expected to be cleared for emigration "in a month."

The National Conference lists at least 1,987 Jewish refuseniks the Soviets have barred from leaving for various reasons, with some of the cases dating back 10 years or more. With their families, they number 7,390, Strober said.

Under Gorbachev's rule, the Soviets have eased emigration, allowing thousands of Jews to leave the country. The Union of Councils for Soviet Jews said 13,039 Jews were allowed to leave the country in the first 10 months of 1988.

Meanwhile, administration spokesmen yesterday welcomed the end to 35 years of Soviet jamming of Radio Free Europe-Radio Liberty broadcasts, calling it a "positive development" that would contribute to better East-West relations "if it becomes permanent."

The Soviet Union still has not announced officially its decision. But officials of the Board for International Broadcasting, which oversees the two congressionally-funded stations' operations, said the jamming ended Tuesday night except for Radio Free Europe reports to Bulgaria and Czechoslovakia.

While welcoming the Soviet move, State Department spokeswoman Phyllis E. Oakley and White House spokesman, Marlin Fitzwater indicated, however, that this would not be enough to convince the United States to attend the proposed Moscow human rights conference.

Oakley said, "We will be looking for further Soviet movement on other human rights issues as we consider their [conference] proposal . . . we will expect to see clear improvements in Soviet human rights practices, as well as credible guarantees of access and openness before we agree. . . ."●

WOMEN'S HISTORY MONTH

Mr. FOWLER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 148, a joint resolution designating March 1989 and 1990 as "Women's History Month," which is currently at the desk.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 148) designating March in both 1989 and 1990, as Women's History Month.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H.J. Res. 148) was considered, ordered to a third reading, read the third time, and passed.

Mr. FOWLER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEASURE PLACED ON THE CALENDAR—SENATE RESOLUTION 81

Mr. FOWLER. Mr. President, I ask unanimous consent that Senate Resolution 81, a resolution submitted earlier today by Senators MOYNIHAN and PELL regarding the fourth anniversary of the kidnaping of Terry Anderson, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIRECTING SENATE LEGAL COUNSEL TO TAKE CERTAIN ACTION—SENATE RESOLUTION 83

Mr. FOWLER. Mr. President, on behalf of Senator MITCHELL and the distinguished Republican leader, Mr. DOLE, I send to the desk a resolution on representation by the Senate Legal Counsel and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 83) to direct the Senate Legal Counsel to represent Senators KENNEDY, THURMOND, HOLLINGS, GORE, WILSON and BIDEN in the case of Rodney F. Stich v. Senator EDWARD KENNEDY, et al.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, on February 23, 1989, the Senate agreed to Senate Resolution 70 to direct the Senate legal counsel to represent six Senators in an action, pending in the U.S. District Court for the District of Columbia, that had been brought by a plaintiff who alleged that Members of Congress had not responded adequately to his letters and petitions. The same plaintiff has also brought an action in the U.S. District Court for the District of Nevada, based on the same general allegations, against Senator CRANSTON and several present Members and a former Member of the House of Representatives.

As I said on submitting Senate Resolution 70, every citizen has a constitutionally protected right to petition the Government for the redress of grievances. In turn, officials of the Government have the discretion to decide how to respond to the many problems that are presented to them by concerned citizens. The following resolution will authorize the Senate legal counsel to represent Senator CRANSTON in this action and to move to dismiss the complaint.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 83) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 83

Whereas, in the case of *Rodney F. Stich* v. *Senator Edward Kennedy, et al.*, CV-N-89-85-ECR, pending in the United States District Court for the District of Columbia, the

plaintiff has named Senators KENNEDY, THURMOND, HOLLINGS, GORE, WILSON, and BIDEN as defendants;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(1) (1982), the Senate may direct its counsel to defend the members of the Senate in civil actions relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Senators KENNEDY, THURMOND, HOLLINGS, GORE, WILSON, and BIDEN in the case of *Rodney F. Stich* v. *Senator Edward Kennedy, et al.*

Mr. FOWLER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEASURE PLACED ON THE CALENDAR—S. 568

Mr. FOWLER. Mr. President, I ask unanimous consent that S. 568, the Stafford student loan default prevention bill, introduced earlier today by Senator PELL and others, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE PLACED ON THE CALENDAR—H.R. 829

Mr. FOWLER. Mr. President, I ask unanimous consent that H.R. 829, a bill to make permanent the authority provided under the Temporary Emergency Wildfire Suppression Act, just received from the House of Representatives, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 101-3

Mr. FOWLER. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Consular Convention with the Socialist Federal Republic of Yugoslavia (Treaty Document No. 101-3), transmitted to the Senate during the recess of the Senate on March 13, 1989.

I also ask that treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I am transmitting, for the Senate's advice and consent to ratification, the Consular Convention between the United States of America and the Socialist Federal Republic of Yugoslavia signed at Belgrade June 6, 1988. I am also transmitting, for the information of the Senate, the report of the Department of State with respect to the Convention.

The signing of this Convention is a significant step in the process of improving and broadening the relationship between the United States and Yugoslavia. Consular relations between the two countries are not the subject of a modern bilateral agreement. This Convention will establish firm obligations on such matters as the notification of consular officers of the arrest and detention of their citizens and permission for consular officers to visit their citizens who are under detention and to protect the rights and interests of their national and juridical persons.

The people of the United States and Yugoslavia enjoy a long tradition of friendship. I welcome the opportunity through this Consular Convention to improve further relations between our two countries. I urge the Senate to give the Convention its prompt and favorable consideration.

GEORGE BUSH.

THE WHITE HOUSE, *March 13, 1989.*

MEASURE PLACED ON THE CALENDAR—S. 586

Mr. FOWLER. Mr. President, I ask unanimous consent that S. 586, a bill to extend to September 30, 1989, the program which provides grants for treatment drugs for acquired immune deficiency syndrome [AIDS], be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE PLACED ON THE CALENDAR—SENATE RESOLUTION 82

Mr. FOWLER. Mr. President, I ask unanimous consent that Senate Resolution 82, submitted earlier today by Senators PELL, HELMS, and others, expressing the concern of the Senate for the ongoing human rights abuses in Tibet, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, could the record reflect that for all of the unanimous consents requested, that the Senator from New Mexico has been present and has no objection?

The PRESIDING OFFICER. The record will so reflect.

ORDERS FOR THURSDAY

RECESS UNTIL 10 A.M.

Mr. FOWLER. Mr. President, I ask unanimous consent that when the Senate completes business today, it stand in recess until 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. FOWLER. Mr. President, I ask unanimous consent that following the time of the two leaders, there be a period of morning business not to extend beyond 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so so ordered.

CONSIDERATION OF THE WHISTLEBLOWER BILL—S. 20

Mr. FOWLER. Mr. President, I ask unanimous consent that the Senate proceed to consideration of S. 20, the whistleblower bill, at 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. FOWLER. Mr. President, I further ask unanimous consent that any rollcall votes with respect to S. 20 be stacked to occur in sequence tomorrow beginning at 2 p.m., and in this regard, I ask unanimous consent that the live quorum previously ordered to occur at 2 p.m. be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the acting Republican leader.

Mr. DOMENICI. Once again, Mr. President, let the record reflect that the Senator from New Mexico is present on the floor. It is his understanding that the request as stated was concurred in by the distinguished Republican leader, Senator DOLE.

Mr. FOWLER. The Senator from New Mexico is correct.

ORDER FOR RECESS ON TOMORROW FROM 12 NOON UNTIL 2 P.M.

Mr. FOWLER. Mr. President, I ask unanimous consent that the Senate stand in recess tomorrow between the hours of 12 noon and 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. FOWLER. Mr. President, if the acting Republican leader and the Senator from New Mexico have no further business, and if no Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order until 10 a.m., March 16, 1989.

There being no objection, the Senate, at 5:56 p.m., recessed until Thursday, March 16, 1989, at 10 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate March 13,

1989, under authority of the order of the Senate of January 3, 1989:

DEPARTMENT OF STATE

MICHAEL HAYDEN ARMACOST, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO JAPAN.

DEPARTMENT OF COMMERCE

ERIC I. GARFINKEL, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF COMMERCE, VICE JAN W. MARES, RESIGNED.

Executive nominations received by the Secretary of the Senate March 14, 1989, under authority of the order of the Senate of January 3, 1989:

DEPARTMENT OF DEFENSE

RICHARD B. CHENEY, OF WYOMING, TO BE SECRETARY OF DEFENSE.

DEPARTMENT OF ENERGY

DONNA R. FITZPATRICK, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF ENERGY (MANAGEMENT AND ADMINISTRATION), VICE LAWRENCE F. DAVENPORT, RESIGNED.

EXTENSIONS OF REMARKS

CONGRESSMAN BENJAMIN A. GILMAN ON THE NEED FOR EUROPEAN-AMERICAN COOPERATION IN THE FIGHT AGAINST TERRORISM AND DRUGS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. LANTOS. Mr. Speaker, a number of our colleagues and I recently returned from the 32d semiannual meeting between Members of the European Parliament and Members of the U.S. Congress. During these important meetings, the cochairman of our delegation, our distinguished colleague from New York, Mr. GILMAN, presented papers on terrorism and the international narcotics problem.

Few of our colleagues are as well-qualified as BEN GILMAN to deal with these difficult and complex topics, Mr. Speaker. Congressman GILMAN has a long and distinguished career in this body. He is the ranking minority member of the Subcommittee on Europe and the Middle East and for the last several Congresses he served as the ranking minority member of the Select Committee on Narcotics Abuse and Control.

Mr. Speaker, in order to share these insightful views with our colleagues, I insert BEN GILMAN'S statements on these two critical issues at this point in the RECORD.

THE 32D MEETING BETWEEN MEMBERS OF THE EUROPEAN PARLIAMENT AND THE HOUSE OF REPRESENTATIVES, JANUARY 12, 1989

TERRORISM: LOOKING TOWARD A COMMON RESPONSE

(By Representative Benjamin A. Gilman)

Chairman Hansch, Chairman Lantos, and my dear colleagues: It is once again a pleasure to meet with you. The topic of our discussion, however, continues to be a source of mutual anguish and frustration. International terrorism continues unabated. Rooted in the Mediterranean basin, and inspired by a raging tide of Islamic fundamentalism. Middle Eastern terrorists continue to operate in Europe with western targets as their prey.

The terrorist acts we face today are not based on some type of misguided nationalism, nor are they merely physical manifestations of a class struggle directed against those vague forces called "oppression" and "imperialism". The acts terrorists perpetrate today are acts of violence directed at the innocent. Men, women, the elderly, the young, rich or poor, there are no segments of society safe from bullets, explosives and hijackings.

Not too long ago, many usually responsible nations granted terrorists dispensation for their crimes, as well as a safe haven from prosecution. In some circles, terrorists were perceived as romantic adventurers whose actions must be indulged. In the late 1970's, however, as the sphere of terrorists' targets widened, sympathy and support were replaced by shock and revulsion.

If it is our goal to establish an effective counter-terrorism policy, then it is incumbent that the European Community and the United States work together to establish a unified program. According to statistics compiled by the United States Department of State, 1987 was the bloodiest year for terrorist incidents since such records have been kept. This year, terrorist incidents are runnign about 4 percent above 1987. It is obvious that more effective action must be taken.

There is no respite in sight. The Abu Nidal Organization and the Japenese Red Army members, both backed by Libya have recently displayed their handiwork in Europe. A Saudi diplomat was assassinated in Turkey on October 26, 1988. In another recent case, the Turkish government expelled two Iranian diplomats and arrested four other Iranians for suspected involvement in the kidnapping of an anti-Khomeini activist.

The hijackers of Kuwaiti airlines flight 422 were apparently members of the Lebanese-Shiite Hizballah group. The hijackers slipped away from Algeria after murdering two Kuwaiti passengers on April 5, 1988.

Hostage taking continues in Lebanon. It is possible concessions may have been made in connection with some releases, which, if true, may encourage more kidnappings. Iran continues to provide support and inspiration to the Hizballah groups. Information suggests these groups are holding at least 18 persons, including 9 Americans in Lebanon.

The British Aviation Authority announced that the destruction of Pan Am flight 103 was the result of sabotage. Intense heat damage to the plastic lining of the cargo hold of the aircraft, along with evidence uncovered during autopsies performed on the passengers indicate an explosive device was responsible for the tragedy.

The loss of so many innocent lives because of human malice is unacceptable. Although it is not yet known if the culprit was an individual, or a terrorist organization, this tragedy underscores the need to reevaluate airport security procedures and place renewed importance on sharing and evaluating threat assessment reports.

Cooperation Among the Allies

Terrorist groups such as the Abu Nidal Organization are increasingly trying to use front companies to generate revenue and launder money. The European Community must work to curtail the transfer of funds to terrorist groups through these pseudo-legitimate companies. The United Kingdom recently passed a law aimed at doing exactly that. Like-minded countries must share copies of legislation and regulations. This could help to avoid problems over extraditions before they occur.

The recent case of the Greek Minister of Justice's refusal to deport convicted Palestinian terrorist Osama Al-Zomar to Italy underscores the need to establish uniform extradition procedures among the European nations, and the United States. The argument that Al-Zomar's actions were political and not criminal in nature are counter-productive to our joint efforts and offensive to the sensibilities of anyone familiar with Fatah's violent and vicious tactics. We in the United States Congress sincerely hope the same terrible mistake is not made in the case of Mohammed Rashid. Rashid is wanted in the United States for the 1982 bombing of a Pan Am aircraft over Honolulu, Hawaii.

As 1992 approaches, and the diminution of physical borders within the European Community is being discussed, it behooves us to remember there is reason to be concerned about terrorists transiting through Eastern European nations. With the relaxation of internal border controls due attention must be paid to security concerns. When border controls diminish, the entire European Community is only as strong as its weakest link.

United States cooperation with the European countries is becoming more effective, both in bilateral consultations with the Federal Republic of Germany, the United Kingdom, Italy, Spain and others, and through multilateral meetings with organizations such as Europe's Trevi group.

The Toronto Economic Summit meeting in June addressed the terrorism issue. It welcomed the statement adopted by the International Civil Aviation Organization (ICAO) Council which specified that countries which permit hijacked planes to land should not allow them to take off again. The proposal is now being circulated to ICAO members for review. The European Civil Aviation Conference agrees with this position.

Cooperation among the Allies also facilitated new anti-terrorism conventions drafted in 1988 by ICAO against terrorist attacks at airports and by the International Maritime Organization convention against ship hijackings.

Terrorism in Western Europe was cut in half after the April 1986 bombing of Libyan facilities, the expulsion of more than 100 Libyan "diplomats" and the EC sanctions against Syria after the attempt to place a bomb on an Israeli airliner at Heathrow airport. Libya and Syria have reduced their direct support of terrorism. This is a clear indication that cooperation can bring results.

Concrete Proposals

The United States Congress feels strongly about the airport security issue. Transit lounges must be made more secure to preclude the possibility of passengers leaving an airport during a layover. The issue of securing aircraft on the ground must be dealt with as well. Structural configurations at many of the world's airports permit terrorists to actually storm aircraft while the aircraft are resting on the runway.

A coordinated counter-terrorism policy must rest upon a consistently implemented tripartie program. First, we must not accede to any terrorist demands. Second, we must coordinate efforts to pressure states which use or support terrorism as part of their foreign policy. Third, we must impose the rule

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

of law on terrorists for their criminal actions.

These three pillars of a coordinated and comprehensive policy may not force offender states to cease entirely their support for terrorist groups. Such nations as Libya and Syria will continue to provide such support. A concerted, vigorous western strategy will, however, make them more circumspect.

As we look toward the future, we must examine the apocalyptic projections of terrorists utilizing nuclear weapons. Most experts agree, however that nuclear terrorism presents less of a danger than the cheaper but no less potent chemical weapons arsenal that is proliferating in the Persian Gulf States.

It is clear that Iran, Iraq, Libya and Syria have chemical weapon capabilities. Terrorists have realized that the Soviets' use of chemical weapons in Afghanistan and the use of these weapons during the course of the Iran-Iraq war were met with little public outrage.

The advent of "high-tech terrorism" must be dealt with through expanded research and development. Progress in miniaturization has permitted the development of more accurate sensors, better able to detect explosives and hazardous gases. Refinements in computer software are enhancing our ability to gather and analyze information.

Suppressing terrorism will not be easy. We have a difficult struggle before us. Through heightened vigilance, and a highly coordinated effort, I am confident we can win the battle.

CONGRESSMAN BENJAMIN A. GILMAN, EUROPEAN PEOPLE'S PARTY WORKING GROUP ON NARCOTICS, JANUARY 12, 1989

Mr. Chairman, my colleagues, I am pleased, once again, to have the opportunity to address the European Parliament. Since our last meeting in Minneapolis, Minnesota in June, 1988, there has been significant progress in the United States' effort to combat narcotics. As we all know, drug trafficking and drug abuse is a growing worldwide problem which is not readily resolved. In communities throughout the world, too many families have been impacted by the tragedy of drug abuse and drug related violent crime. In the United States there is an increasing spread of AIDS through intravenous drug use, as well as greater drug gang violence and the explosive growth in crack cocaine consumption.

In Europe, over the last few months, there have been signs of a significant increase in drug trafficking. In France, 175 Kilos of cocaine (packed in pineapple cans) was seized outside of Pairs. In Denmark, Colombians were caught trying to smuggle 1,200 grams of cocaine through Copenhagen Aiport. In Portugal, Brazilians were captured with 7.8 kilos of cocaine and in Spain 4 tons of hashish were seized. In the U.K., drugs were found on board a Honduran-registered vessel and over 200 kilos of cocaine were seized in the summer of 1988 and in Italy, just last month, 100 kilos of heroin were seized and there have been similar incidents throughout all of Europe.

There are some U.S. analysts who believe that the Colombian cartels, having saturated the American market, are beginning to establish Colombian distribution organizations and are focusing their efforts on developing the European market. In Europe we must bear in mind that the drug traffickers will perceive a relaxation of intra-European border crossing requirements in 1992 as an important opportunity for exploitation.

It is our hope that Europe does not develop a drug problem as dreadful and extensive as America's. To this end, once again I urge the European Parliament to establish a permanent committee or commission to monitor drug trafficking and drug abuse within Europe. It is essential that a European regional anti-drug strategy by developed as part of a global effort to combat drugs. This body should encourage such a high level anti-drug regional strategy conference.

The European Parliament has demonstrated its commitment to combat drugs and to stay on top of this difficult issue. The "Committee of Enquiry into the drug problem in the member states of the Community" played an important role in defining the parameters of the problem and pointing towards some real solutions. This kind of positive work should continue.

In October 1988, the Congress passed the "Anti-Drug Abuse Act of 1988." President Reagan signed the bill into law in November. This comprehensive legislation simultaneously addresses the need to dramatically cut the demand in addition to the supply of drugs. For fiscal year 1989, $2.8 billion in additional funding has been authorized, with nearly $1 billion included in the bill as supplemental appropriations. (I have several copies of our new bill with me.)

With respect to international cooperation, the new Omnibus Anti-Drug Act underscores our Nation's interest in working closely, both bilaterally and multilaterally, with our allies around the world. The Congress has called for negotiations to establish an international drug force to pursue and apprehend major drug traffickers as well as for a Western Hemisphere drug summit and an international criminal court to expedite the prosecution of international drug criminals.

We all know that drug trafficking is a global problem which can only be effectively addressed through joint action and cooperation. The recent joint undercover probe by U.S. and Italian authorities of a cocaine and heroin trafficking organization, which resulted in arrests in 11 American and Italian cities, is a prime example of the benefits of cooperation.

The legislation also calls upon our Assistant Secretary of State for International Narcotics Matters to seek the establishment of a regional anti-narcotics training center in the Caribbean. Our House Select Committee on Narcotics just returned from an eight-nation study mission of the Caribbean and Central America where we found that those countries are fully aware of the threat which drug abuse and drug trafficking pose to their citizens and their institutions and they are prepared to fight this threat.

There are some other parts of the Omnibus Anti-Drug Abuse Act that could dramatically impact on international drug trafficking. Strict new controls have been placed on chemicals produced in the United States which are used in processing illegal drugs. This aspect of our anti-drug action is particularly important. In addition, there are new regulations governing currency transcations reporting to prevent money laundering.

The United States has pledged to contribute $2 million to the United Nations fund for drug abuse control (UNFDAC), and I hope we will end up providing more than that. We encourage all nations to contribute to this very useful and effective program.

International organizations such as the European Parliament, the International Conference on Drug Abuse and Illicit Trafficking (ICDAIT), and the United Nations Fund for Drug Abuse Control (UNFDAC) play an important role both in educating our citizens to the threat posed by drugs and in combating this difficult global problem.

Mr. Chairman, we look forward to working closely with our colleagues in the European Parliament in helping to create a world where our citizens are no longer endangered by drugs and the crime, violence, and tragedy that always follows in their wake.

FRED A. GRAVINO, GLOUCESTER COUNTY LAWYER LEAVES LEGACY OF SERVICE TO COMMUNITY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. FLORIO. Mr. Speaker, I would like to call the attention of my colleagues to one of my constituents, Mr. Fred Gravino, an exemplary man from Woodbury, NJ. Sadly, Mr. Gravino recently passed away, and I would like to express my sympathy to his wife and family, as well as to a community that will greatly feel this loss.

Fred Gravino practiced law in Gloucester County for 55 years, and in that time he earned the respect and admiration of friends and clients, as well as fellow lawyers, for his dedication to his work and service to his community.

His standard of success was not the value of a dollar, but rather the service one can give to others. This is an ethic Fred Gravino has passed on to other young lawyers, including his grandson who follows in his footsteps.

I would like to include in this RECORD an article from the Camden Courier Post which gives witness to Mr. Gravino's contributions to his community:

FRED A. GRAVINO, LONGTIME GLOUCESTER COUNTY LAWYER

(By Laura Sutphin)

WOODBURY.—A practicing lawyer at the age of 80, Fred A. Gravino had a special formula for success: "Be honest and work hard."

Mr. Gravino and his advice will be remembered during funeral services tomorrow. He died Wednesday at Hahnemann University Hospital, Philadelphia.

Practicing law for 55 years, Mr. Gravino had run his practice out of his Woodbury residence for the past 34 years.

But his influence extended far beyond his Gloucester County practice.

Labeled as the director of "The Gravino College of Law," he was respected by many prominent lawyers in the area, who served as his former law clerks.

These men honored Mr. Gravino during a testimonial dinner three years ago, expressing their appreciation for the impact he had had on their careers as well as their entire lives.

The words "honesty," "compassion," "hard work" and "success" highlighted Mr. Gravino's long and successful law career.

Remembered for never turning down a person in need, Mr. Gravino reminded these

lawyers of the value of an honest, caring law practice.

"I still don't charge some people a penny if they can't afford my services," Mr. Gravino told them that evening. "When you go to work on Monday morning, you shouldn't expect to be paid then for the whole week."

Many young lawyers, including his grandson, Mark A. Vittese of Woodbury, said they planned to follow in his footsteps.

Vittese, who had been practicing law with his grandfather for the past two and a half years, plans to continue the practice on his own.

"Law was his golf," said Vittese, describing the long hours which his grandfather had devoted to his career.

"He was a true example of the work ethic," said his daughter, Angela R. Estes of Cherry Hill. "He was at work day and night. On Sunday afternoons, you could find him in his office."

Mr. Gravino always had time for the two most important things in his life.

"His family and his law practice were the most important things in his life," said Vittese. "He combined them by practicing law out of his home."

Mr. Gravino also served as solicitor for many townships including Franklin, East Greenwich, Glassboro, West Deptford, Deptford and Harrison.

Mr. Gravino was a 1926 graduate of Glassboro High School, a 1928 graduate of Temple University, Philadelphia and a 1932 graduate of the South Jersey Law School, (formerly Rutgers University School of Law).

He was also a life member of the New Jersey and American Bar Associations and a honorary life member of the Gloucester County Bar Association, where he served as president in 1956.

A longtime resident of Woodbury, Mr. Gravino was a member of the Central Baptist Church of Woodbury, the Pitman Masonic Lodge and Crescent Temple and an active member of the Woodbury Exchange Club from 1949 till his death.

Born in Glassport, Pa., Mr. Gravino lived in Glassboro and Pitman, moving to Woodbury in 1948.

Surviving are his wife, Edith I., two daughters, Faith E. Myers of Woodbury and Angela R. Estes of Cherry Hill; four brothers, William of Woodbury, Adolph of Vineland, Edward of Glassboro and E. George of Point Pleasant and three grandchildren, Mark A. Vittese of Woodbury, Eric S. Estes and Christopher L. Estes, both of Cherry Hill.

FREE VACLAV HAVEL

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. LIPINSKI. Mr. Speaker, I would like to join with many around the world and with many in this distinguished body in calling for the release of internationally known playwright and human rights activist Vaclav Havel from Czechoslovakian prison.

Despite talk of glasnost in Czechoslovakia, the continued imprisonment of Mr. Havel on groundless charges demonstrates how no one will be safe until all countries enjoy full democratic rights and liberties guaranteed by international law.

On February 21, 1989, Mr. Havel was sentenced to 9 months' imprisonment for the "crimes of instigation" and "obstructing the exercise of the authority of a public agent." In fact, Vaclav Havel did nothing more than attempt to lay flowers in Wenccala Square in memory of Jan Palach, a student who committed suicide in protest of the 1968 invasion of Czechoslovakia by Soviet and East bloc troops. Vaclav Havel is a founder and signer of charter 77. The attempt to commemorate Jan Palach's death led to a week of protests and over 500 arrests in Czechoslovakia.

We must remember the sacrifice made by Jan Palach. We must remember the unjust imprisonment of Czechoslovakia by the Stalinist forces of the Eastern bloc. We must remember Vaclav Havel and his lifelong struggle for democracy.

Mr. Speaker, we must work to free all people and all nations who languish in the prison of dictatorship. I ask all of my colleagues to join me in an expression of outrage to the Czechoslovakia's General Secretary Milo Jakes. We who are blessed with freedom must remember those who are not and use our blessings in their behalf.

KEVIN HELLER, WESTINGHOUSE SCIENCE TALENT FINALIST

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. MRAZEK. Mr. Speaker, I rise today to bring to the attention of my colleagues the achievements of a young constituent of mine, Kevin Heller of Dix Hills, Long Island, in this year's Westinghouse Science Talent Search.

Kevin, a 17-year-old senior at Half Hollow Hills West High School, earned seventh place from among more than 1,500 contestants nationwide and was awarded a $7,500 scholarship for his efforts. The prize-winning project was a molecular biology experiment testing the impact of temperature on so-called jumping genes, which cause mutations in Indian corn. The findings from this and other experiments in this field could aid researchers as they attempt to deal with the effects of global warming, certainly a pertinent subject in these times.

While I am not a scientist, Mr. Speaker, my understanding of Kevin's research is that the jumping genes only become active and cause mutations after a temperature swing of 9 degrees either way. With the prospect of the greenhouse effect looming large, such a temperature increase is being predicted by some scientists in a worst case scenario.

Kevin, the son of Mr. and Mrs. Howard Heller of Dix Hills, plans a career in medical research. It is obvious from this accomplishment that his future is bright, and his hard work in preparing for this contest reflects well on his chances for success.

Mr. Speaker, I'm sure my colleagues join with me in saluting the accomplishment of Kevin and the rest of the participants in the Westinghouse Science Talent Search. At a time when the technical and scientific acumen of young Americans is a matter of national concern, it is encouraging to learn of the achievements of Kevin Heller and his contemporaries in these fields. My best wishes for continued success go out to this young man, along with my warm congratulations.

TRIBUTE TO AFRICAN AMERICAN ENTREPRENEURS

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. FAUNTROY. Mr. Speaker, I wish to pay tribute to African American entrepreneurs. The history of the African American entrepreneur in this Nation has been one which is characterized by tenacity of purpose and pursuit of opportunity and excellence. The achievements of these professionals in business have been stellar even in their very early days.

In February 1989 the Howard University School of Business and the Small Business Development Center honored seven African-American entrepreneurs who have made significant contributions to the participation of African-Americans in the field of business.

I share with you and our Nation a profile of the awardees:

Thomas Burrell is chairman of Burrell Communications Group, a Chicago-based firm which includes Burrell Advertising Inc. and the newly formed Burrell Public Relations Inc. Mr. Burrell also is a member of the board of directors of the Chicago Urban League and Lighthouse for the Blind.

Earl Graves is the president and chief executive officer of Earl G. Graves, Ltd., parent corporation for the Earl G. Graves Publishing Co., publisher of Black Enterprise magazine. Long active in the scouting movement, Mr. Graves currently serves as National Commissioner of Scouting.

Albert William Johnson is president of Al Johnson Oldsmobile and Al Johnson Cadillac. In 1966 Mr. Johnson wrote to General Motors requesting an Oldsmobile dealership franchise and on October 1, 1967, became the first African-American to receive a General Motors franchise.

Robert Johnson is founder and president of Black Entertainment Television [BET], the Nation's first and only black owned cable network. BET reaches more than 17 million cable households in 1,000 markets. Johnson serves on the boards of Cable Television Advertising Bureau; the D.C. Contemporary Dance Theater; the Howard University Foundation and the National Cable Television Association's Academy of Cable Programming.

Katye H. McLaughlin is president of McLaughlin Oldsmobile, Inc. McLaughlin provides day-to-day oversight and direction to the operational aspects of new and used automobiles in suburban Maryland. Ms. McLaughlin chairs the Washington United Negro College Fund Telethon and is an advisory board member of the D.C. Parent Child Center.

Raymond A. Mott is the founder and president of Video Channel, Inc. Video Channel is the largest chain of retail video stores in the District of Columbia. Mott is affiliated with the American Video Association, the Video Soft-

ware Dealers Association and the District of Columbia Chamber of Commerce Board.

John W. Rogers, Jr., founded Ariel Capital Management, Inc. [ACMI] in January 1983. ACMI which is a full-service equity money management firm. Rogers is also editor and publisher of the Patient Investor. Rogers' civic affiliations include the director of the Chicago Urban League and trustee of the Lincoln Academy of Illinois.

Sandra J. Thacker is president and chairman of the board of the Thacker Organization in Decatur, GA. Thacker is a community base service organization. Ms. Thacker serves on board of the First Southern Bank of Georgia and the board of the American Red Cross.

A REALISTIC AND PRUDENT BUDGET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. HAMILTON. Mr. Speaker, on Tuesday, March 14, I testified, in my capacity as chairman of the Joint Economic Committee, before the House Budget Committee on the fiscal 1990 budget. My statement follows:

STATEMENT OF LEE H. HAMILTON

I am very pleased to appear before the House Budget Committee today to present my views, as Chairman of the Joint Economic Committee, on the current state of the economy and economic policy.

During 1988, the American economy continued to expand. Between the fourth quarters of 1987 and 1988, real GNP rose 2.7 percent while nonfarm output grew 3.3 percent. During the past 12 months, payroll employment rose by 3.6 million; in February, the unemployment rate fell to a 14-year low of 5.1 percent; and industry is currently operating at 84.4 percent of capacity. Many of the witnesses who testified before the Joint Economic Committee judge that the U.S. economy is producing close to its full capacity.

In the short-term, the American economy shows evidence of continuing vitality. Forecasters who testified before the Committee expect the economy to continue growing this year, although at a somewhat slower rate than during 1988.

Despite this optimism on the short-term outlook, many of the witnesses who testified during our hearings on the 1989 "Economic Report of the President" expressed concern over the long-term outlook for the U.S. economy, largely because of the effects of the Federal budget deficit. The fact that the deficit has not resulted in a major economic crisis has lulled many into thinking that the deficit is having only minor consequences for the economy. But as witnesses testified, the real problem is—to quote Harvard professor Benjamin Friedman—"the slow, gradual, subtle, corrosive nature of the damage that the deficit is doing in our economy." By focusing only on the short-term consequences of the deficit, we have been missing the long-term perspective—the effect of the deficit on savings, investment, productivity, and the long-term growth of the economy.

During the 1980's, the U.S. economy was able to grow by using unemployed workers and slack capacity. But with the economy currently nearing full employment, the only way to achieve adequate economic growth in the future is through increased productivity growth. The outlook here, however, is clouded by the persistent shortfall of savings and investment in the American economy. The U.S. savings rate is among the lowest in the industrial world. One major factor has been the Federal deficit, which has absorbed $150 to $220 billion of domestic savings per year since 1983. But there has also been a decline in private savings during the 1980's, despite high real interest rates and the reduced taxes on savings enacted as part of the 1981 tax cut.

Investment has also declined. From 1951 through 1980, this Nation saved and invested on a net basis about 7.5 percent of its GNP. In this decade, net investment has fallen to about 5 percent of GNP. To sustain even this smaller fraction of investment, we have been forced to import capital from abroad. The decline in private investment has been compounded by an inadequate level of government investment in infrastructure, research and development, education, and other areas where government spending contributes to the productivity of the private sector.

Both the competitive position of U.S. industry and the productivity growth of the U.S. economy have been impaired by the shortfall in savings and investment. Despite the decline in the dollar since 1985, the U.S. merchandise trade deficit has been stuck in the range of $10 to $12 billion per month since last summer, and few economists expect much improvement. Since the beginning of 1986, nonfarm productivity has grown at an annual rate of less than 1 percent—far below the 2.5 percent average rate of productivity growth between 1948 and 1972—and witnesses could find no reasons to project higher increases for the years immediately ahead. There has been an impressive rise in manufacturing productivity in recent years, resulting from foreign competition, but the growth is beginning to taper off.

Most of the economists who testified before the Joint Economic Committee expect the U.S. economy to continue growing during 1989. Because of the relatively favorable short-term outlook, we have an opportunity to improve the long-term strength of the economy—an opportunity that we should make full use of by cutting the deficit. The window of opportunity, however, will not be there for long. Managing stable growth will become more difficult as the year progresses. With unemployment relatively low and capacity utilization high, a number of witnesses expressed concern that the deficit could cause a resumption of inflation. Others expressed the fear that the deficit could bring our economy to an abrupt halt in the short run, if the Federal Reserve continues to raise interest rates to prevent a rise in the inflation rate.

Although the witnesses before the Joint Economic Committee did not agree on everything, the one thing on which they did agree was the importance of reducing the Federal budget deficit.

The deficit reduces our living standards in the long run, by reducing our national savings. Over recent years, this has taken the form of a reduction of our net international investment position—that is, other nations have bought more assets in the United States then we have bought overseas. Should other nations lose faith in our creditworthiness because of our excessive borrowing, including our large budget deficits, we will be forced to reduce our own investment, and so we will have fewer factories and machines to generate income in the future.

The deficit could also trigger an interruption of growth in the short run, even though we have run large deficits for most of this decade without such an episode. Because of the deficit, and also because our private sector saves so little, we have become dependent upon credit from abroad. The months leading up to the stock market crash of October 1987 demonstrated that foreign private investors, and even foreign central banks, can be unpredictable lenders; it was a slowdown in the flow of foreign private investment in our bond markets, and a limited compensation by foreign central banks, that led to an increase in interest rates and ultimately perhaps the stock market crash.

In short, the U.S. economy, in successfully weathering the budget deficit, is rather like an airplane that has proven itself more rugged than we expected. It has pleased us in taking more rough landings and more turbulence than we thought it could bear. We could express our pleasure by throwing it into one more storm or one more steep dive; or, perhaps more wisely, we could treat it more gently in the future, lest some hidden structural damage caused by our previous abuse should bring on the disaster that we used to fear.

What we need now, in a nutshell, is realistic and prudent budgeting. Over the last few years, we have developed considerable skill and sophistication in meeting the Gramm-Rudman-Hollings deficit reduction targets—without reducing the deficit. In fact, we have become so adept that we are deceiving ourselves and harming the Nation. The Administration and the Congress must share the blame.

Someone aptly applied the phrase "smoke and mirrors" to describe the process of budgeting in this era of large deficits and declining deficit targets. The phrase covers an array of techniques for creating the appearance of addressing a problem that in fact is left for another day.

In the past, we have manipulated the numbers in some ingenious ways. For example, to reduce the fiscal 1987 deficit by $1 billion, we pushed back the payout of general revenue sharing scheduled for that year to the previous fiscal year. We pushed forward a military pay day costing $2 billion from the last day of fiscal 1987 to the first day of fiscal 1988. We reduced the 1986 and 1987 deficits by $3 billion and $2 billion respectively by a questionable arrangement to release funds from the escrow account for the Outer Continental Shelf dispute with several states.

Recently, the Administration has manipulated the FSLIC crisis. For Fiscal 1989, it included an unrealistically low estimate of the FSLIC cost. And for FY90, the Administration would manipulate the FSLIC crisis to reduce the measured deficit, while in no way cutting Federal obligations. It proposes that a new Resolution Funding Corporation issue an additional $25 billion in bonds, but would construe the bond proceeds as revenue to the Federal Government. That, coupled with higher premiums by the thrifts to the FSLIC, is claimed to reduce next year's deficit. As the CBO testified recently, there are sound reasons to consider the treatment of FSLIC differently from our on-going taxing and spending programs. But that does not give us license to use gimmicks to reduce the deficit with a FSLIC plan.

Of course, one might consider it equivalent manipulation to omit from the budget some of the enormous contingencies facing the Nation, such as the impending cost of a cleanup of nuclear wastes. Perhaps the most serious distortion is the inclusion of the Social Security surplus in the computation of the deficit, even thought it should be only a reserve against future benefit obligations.

A second entire class of budget manipulation is the use of optimistic economic assumptions, or what might be called "best-case budgeting." If we assume that real economic growth will proceed robustly into the future, we can show that Federal revenues will grow more rapidly and that Federal income support program costs grow more slowly. And if we assume at the same time that interest rates will decline, we can show that the costs of servicing the national debt will be less. Taken together, optimistic assumptions on growth and interest rates can have an enormous impact on the deficit outlook.

Our attention to meeting Gramm-Rudman-Hollings targets has encouraged this kind of manipulation and diverted attention from the real issues we must face. In fact, Gramm-Rudman-Hollings has nothing to do with reducing the deficit; it requires only that we reduce the projected deficit. This last point is illustrated by the following table:

DEFICITS UNDER GRAMM-RUDMAN-HOLLINGS

	1986	1987	1988	1989	1990
Deficit	221	150	155	166	131
"True" deficit	223	187	152	149	127
GRH I target	172	144	108	72	36
GRH II target			144	136	100

The table shows actual deficits and a "true" deficit that is adjusted for the timing effects of both tax reform and the outlay manipulation included in the Fall 1986 budget compromise. The table demonstrates that, apart from Fiscal 1987, we were never within $10 billion of the Gramm-Rudman-Hollings targets, and that the Fiscal 1987 result relied upon questionable accounting. Further, it shows that for the last two fiscal years, the deficit increased, even though the Gramm-Rudman-Hollings requirements were met.

In short, deficit reduction progress has been far below our goals, even with a short-term economic performance that has exceeded our expectations.

My greatest fear today is that the revision of Gramm-Rudman-Hollings has advanced these budgetary games to a higher level. In effect, the new law creates a sophisticated division of labor between the Administration and the Congress; they provide the smoke, and we provide the mirrors.

Under the new law, OMB provides the definitive economic outlook. The sitting Administration has every incentive to claim that the economy will grow more rapidly and that interest rates will fall, because it reflects well on their policies and it reduces the spending cuts and tax increases they must impose to meet the deficit reduction targets. Of course, it is in the interest of the Congress to decry the optimism of the Administration's forecast. But it is also in our interest to accept that forecast, because it is the binding standard under Gramm-Rudman-Hollings, it minimizes the degree of pain that we must impose, and it avoids the conflict involved in creating our own forecast. So the Administration's economic outlook inevitably rules the day.

A forecast that is optimistic in the short run means that the Congress can use timing manipulation to meet the deficit targets; more realistic assumptions would make the deficit larger, and would require real policy changes. A forecast that is optimistic for the long run, and most are, completes a loop by making the postponement of the problem appear more reasonable. If assumed continuing rapid economic growth and declining interest rates will make the deficit disappear in the long run anyway, there seems to be little cost in pushing some outlays into the future, even with interest. This raises the future deficit, encourages optimistic economic assumptions in the next year, and thereby renews the cycle.

It is this loop of smoke-and-mirrors compliance with Gramm-Rudman-Hollings in the short run, and the postponement and compounding of the problem in the long run, that has led to the stretching out of the deficit problem that was evident in the table. And it is only because the economy has performed in the short run that this process could continue uninterrupted. Had the economic performance been less satisfactory, especially with a recession, the deficit would have been driven upward. If we continue with best-case budgeting, we continue to run that risk. And we are most ill-prepared to deal with a recession—with the deficit already too high to allow fiscal stimulus to cushion the economy's fall, and with monetary policy forced to maintain high interest rates to attract foreign capital.

The current economic outlook assumes rapid real growth in an economy at full employment. But we no longer have the ability to increase output by putting unemployed workers and factories back to use. To maintain the recent pace of our economy, we must have productivity growth accelerate in an economy at full employment; in all other post-World War II expansions, productivity growth slowed when the economy reached full employment, and productivity growth for the past two years has been one percent or less. Likewise, the forecast assumes that interest rates will fall as the economy expands—another unlikely outcome.

No one can say that these fortunate outcomes will not materialize, but few reputable economists would bet on this forecast. Federal Reserve Board Chairman Alan Greenspan, testifying before the Joint Economic Committee in January, said, "It is feasible. Is it probable? No, it is not." The survey of 39 private economic forecasts known as the Blue Chip Forecast showed none with both a higher growth rate and lower interest rates. (For the record, 2 of the 39 forecasts showed very slightly higher growth, but had 2 percentage point higher interest rates; one forecast had very slightly lower interest rates, but had 2 percentage lower growth.)

It is true that economic expansions die not of old age, but only because of policy mistakes. But planning the Nation's fiscal policy on the basis of an overly optimistic economic forecast would be one of the most serious economic policy mistakes we could make. The implications for the economic expansion do not require elaboration.

So the Administration and the Congress are caught in a policy loop that perpetuates the deficit—thereby increasing the national debt, reducing our national savings and our international investment position, and slowing long-term economic growth. How can we break this loop? There are at least three possibilities.

One is if the economy continues to outperform all of the forecasts for at least another five years, until—even with all of the smoke and mirrors, and the increase in our debt service obligations—the deficit is down to manageable proportions. We will be poorer than we could have been, with a greater national debt and a greater international imbalance, and most likely with less of a stock of plant and equipment; but we will be beyond the worst risks.

The second possibility is if the economy does not continue to outperform the forecasts. In that instance, particularly if there is a recession, the deficit will mount, our international imbalances will grow even larger, and we will strain still further our credibility with our foreign creditors. If they choose to lose faith, we will be forced to tighten our belts under the pressure of high interest rates, an enormous Federal deficit, and quite possibly a most painful recession.

The third possibility is that the Congress, the Administration, or both together choose to get off of the loop. There are two prerequisites.

First, we need moderate, not optimistic, economic assumptions. We cannot budget for the best case, because the likelihood of ideal outcomes is too low, and the cost if they do not materialize is too high. If the Administration will not provide those economic assumptions, then the Congress must do so—even though it would mean going further than Gramm-Rudman-Hollings would require.

And second, looking at those economic assumptions, we need to realize just how formidable a task we face. To give some sense of orders of magnitude: The latest CBO baseline budget deficit for 1993 is $135 billion. The Gramm-Rudman-Hollings deficit reduction target is zero. To achieve that target would require a 45 percent across-the-board cut in Social Security benefits; or the elimination of all Federal means-tested entitlement programs, plus $16 billion more; or a 60 percent across-the-board cut in nondefense discretionary spending; or a 39 percent across-the-board cut in defense; or a 23 percent individual income tax surcharge; or a 105 percent corporate income tax surcharge; or a $1.42 per gallon increase in the Federal excise tax on gasoline.

As should be obvious, the deficit reduction task is enormous. Spending cuts alone, in my view, cannot solve the problem. The deficit is simply too large for the necessary cuts to be politically acceptable; there are not enough easy cuts to avoid reducing needed public investment in infrastructure, research and development, education, and environmental protection. And the deficit figures probably make an inadequate allowance for the FSLIC cleanup, the nuclear waste cleanup, and other contingencies for which a prudent Nation ought to plan. On the other hand, a large tax increase is not politically realistic. Therefore, the deficit solution, in my view, should be a package deal which must touch on many areas of Federal spending, and must include a moderate tax increase.

We don't need cleverness, and we don't need to win a game; we need honesty and will, and we need to bring the deficit down. Failing that, we erode the Nation's future. This Member has determined that he will vote for no future budget resolution that fails to meet these standards of realistic and prudent budgeting.

AMERICA'S FORMER TRADE NEGOTIATORS MUST STOP SELLING OUT TO FOREIGN GOVERNMENTS AND CORPORATIONS

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. BILBRAY. Mr. Speaker, I rise today to call attention to a problem that is fast threatening America's economic well-being. With increasing frequency, America's top trade negotiators are leaving Government service and accepting high paying lobbying jobs representing foreign governments and corporations. When these negotiators leave Government service, they take with them contacts and expertise that they have developed at the expense of the American taxpayers and use it for their own selfish personal gain. Indeed, all too often, these former negotiators end up in the employ of the Japanese, Koreans, or West Germans, lobbying for these countries and their corporations. I find this self-serving conduct to be inexcusable, especially in light of the fact that our proud Nation is currently locked in a battle with these countries for its economic life.

I submit for insertion into the RECORD a copy of the testimony that I recently submitted to the President's Commission on Federal Ethics Law Reform. As I urged in this testimony, I feel it is imperative that any legislation to reform Federal ethics laws that is enacted this Congress must contain a strict prohibition that will keep former American trade negotiators from lobbying on behalf of foreign governments and corporations for a substantial period of time after they leave Government service.

HOUSE OF REPRESENTATIVES,
Washington, DC, February 24, 1989.

PRESIDENTIAL COMMISSION ON FEDERAL ETHICS LAW REFORM,
c/o Department of Justice,
Washington, DC.

DEAR COMMISSION MEMBERS: I am very encouraged by the appointment of this commission by President Bush. His public commitment to the highest ethical standards is a welcome breath of fresh air in this important area. Over the past few years, the American public has heard quite a lot about former government officials who could not wait to "cash in" on their government service. In light of such revelations, the American public needs to know that their public servants are looking out for them first. Indeed, the American public must be reassured that this "inside the Beltway" world where the most critical decisions regarding our national and economic security are made is something more that a revolving door, with government officials looking to cash in on their service and sell their expertise to the highest bidder. America's faith in its government must be restored and a good way to start is by cracking down on this revolving door.

One area of this problem that deserves special attention concerns administration officials who have been involved in sensitive trade negotiations. Officials who have worked for the Departments of Commerce, Treasury and State, and especially the United States Trade Representative's office, develop special contacts and expertise during these negotiations. In the spectrum of all federal officials, both elected and appointed, these officials are perhaps best positioned to reap tremendous financial benefits from their government service. All too frequently they do, and often in the employ of one of America's foremost economic competitors, such as Japan, South Korea or the EEC.

I'm sure you're all aware of the case of Wally Lenahan, who once was America's top textile negotiator. Over the course of one weekend in 1986, Mr. Lenahan went from his position as an American negotiator to a firm that represents Hong Kong, one of the American textile industry's chief competitors. Also, there is the case of H. P. Goldfield, former Assistant Secretary of Commerce, who was also Robert Watkins' superior while Mr. Watkins was the chief U.S. negotiator with Japan on auto parts. Mr. Goldfield is now lobbying on behalf of Hyundai corporation, which is making large inroads to the U.S. auto market.

These are just two of the more blatant examples of this revolving door that seriously threatens America's economic well being. As noted political scientist Kevin Phillips stated during a recent *60 Minutes* episode, "it's part and parcel of the kind of political-economic culture that's making money out of America's decline and furthering that decline."

Clearly, the stakes involved in ending this revolving door are very high; indeed, they strike to the heart of our nation's economic future. It is imperative that America once again speak with one voice on trade matters. When America's economic competitors lay their eyes on our market, the largest and most lucrative in the world, they often see American industry and American government at odds with one another on trade matters. In fact, a major U.S. manufacturer will no longer provide the U.S. government with sensitive market data. This corporation provided the Commerce Department with such information to bolster the U.S. position during the auto parts negotiations with Japan, only to watch the American negotiators virtually cave in to the Japanese. This is outrageous conduct, not only hurting trade negotiations but also destroying trust between government and industry.

Last year, Congress included provision in the post employment ethics bill (H.R. 5043) that would have instituted a one-year ban on lobbying by former trade negotiators. Briefly stated, this provision would have barred former executive branch officials from lobbying the federal government in connection with any trade negotiation which was under their official responsibility or on which the official had worked "personally and substantially" for one year after their government service had ended.

While this provision was basically sound, I feel that a longer time period than one year is needed to make this measure truly effective. Trade negotiations are not quick affairs that are resolved over a period of a few weeks or months; on the contrary, they frequently drag on for several years. Also, trade negotiations often will be reopened after a period of time to review the agreements reached, and this offers an opportunity for American trade negotiators to cross through the revolving door and move over to the other side. Thus, I am advocating that the time ban be extended to three years after the negotiator's federal service ceases, to provide additional protection of America's national interests.

I am aware that in the debate over this bill last year, objections were raised that time periods for these lobbying bans were too long; indeed, the main objection raised to my own post employment bill (H.R. 4291) was that the time ban it contained, five years for lobbying on behalf of foreign interests, was too long. In addition, I am aware that, in recent years, there have been problems recruiting qualified individuals to fill the most senior executive positions within the federal government. However, if we allow our trade negotiators to continue to leave federal service for well paying lobbying jobs with foreign governments and corporations, aren't we inviting further erosion of our already large trade deficit? No doubt, most Americans would agree that improving our country's abysmal balance of trade is crucial to our future economic security, but how can this be accomplished when America's top trade negotiators accede to the requests of a former colleague who now represents the other side?

Last year Congress passed a bi-partisan trade bill that finally gives our trade negotiators the tools they need to pry open foreign markets. Now that we have the tools, it is imperative that we have trade negotiators who are willing to use them. We must ensure that America's trade negotiators have America's interests foremost in mind and not those of some future foreign employer. By instituting this three-year restriction on former trade negotiators, we can take a big step in making certain that they keep America: our industries, our workers, our farmers, first, and not some future foreign client.

Sincerely,

JAMES H. BILBRAY,
Member of Congress.

THE SIGNAL 13 FOUNDATION

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mrs. BENTLEY. Mr. Speaker, there is no greater hero than a civil servant who has been injured or crippled in the line of duty. He has done something which is often not seen these days—placed the well-being of others above his own. Indeed we owe them much more than thanks—they deserve our compassion and assistance as well.

I am happy to say that we in Maryland do not forget these special individuals. On February 24, we celebrated former Baltimore City Police Commissioner Frank J. Battaglia and his brainchild, the Signal 13 Foundation. This organization has served as a much needed helping hand to Baltimore's finest and their families during times of personal crisis and need. It is my privilege to honor Frank Battaglia and his work—for his story should serve as an example to law enforcement officers around the Nation.

Commissioner Battaglia has been a loyal and valuable servant to the citizens of Baltimore for four and a half decades. He rose dutifully up through the ranks of the Baltimore City Police Department—beginning first as a patrolman until he gradually ascended to the department's top position. Despite his great success, however, Frank never became isolat-

ed from the needs of the men in blue who face danger and potential adversity every day. It is this compassion which provided the seed from which the Signal 13 Foundation has grown.

This organization—named for the emergency radio call used by officers in need of assistance—has for 6 years provided things such as wheelchairs and medical expenses to injured officers and their families. An extended illness can easily break the backbone of any family saddled with it—both emotionally as well as financially. Signal 13 has helped make this burden a little easier—while at the same time serving as a poignant testament to the kindness of its founder.

Mr. Speaker, I urge you as well as all my colleagues to join me in saluting this exceptional human being. Though Commissioner Battaglia retired from the force several years ago, Gov. William Donald Schaefer—not wishing to let such a talented individual slip away—appointed him as an executive consultant. This is indeed a wise move, for such high caliber people are not easy to find.

To Frank Battaglia I give a hearty thumbs up as well as my sincere congratulations on the occasion of this special Signal 13 Foundation Day. Most of all, however, thank you for a job well done.

THE SHINING PEAK

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. RICHARDSON. Mr. Speaker, the Commonwealth of Puerto Rico and its citizens are presently involved in a dialog on the issue of status. There are strong arguments in favor of statehood, independence, and continued commonwealth status. This question will ultimately be put before the people of Puerto Rico in the form of a plebiscite. The Government of Puerto Rico is consulting with both the Congress and administration to devise the fairest parameters and timetable for the plebiscite. Such cooperative measures are important and should be commended.

I believe that it is vitally important that we in Congress continually strive for a better understanding of all of Puerto Rico's interests and concerns. This past January the Commonwealth of Puerto Rico inaugurated Governor Rafael Hernandez Colon to his second term. I would like to direct my colleagues' attention to Governor Colon's inaugural speech; an eloquent and thoughtful reflection of where Puerto Rico stands today and its aspirations for tomorrow. It provides the insight into Puerto Rico's hopes and aspirations so necessary for proper policy and understanding. I commend this speech to all my colleagues.

THE SHINING PEAK

PUERTO RICANS

I stand before you proud to have been chosen by our people and humble as I face the height of the shining peak which we have to climb. Since the days when our people began their uphill struggle, we have scaled heights never imagined by past generations.

We have confronted adversity and reversals. But we have been able to forge the change of direction which brought us back on the path of progress. And today, with a full heart, I face together with you, my fellow countrymen, side by side, the enormous but exhilarating challenge of reaching a new peak in the history of the great achievements of the Puerto Rican people.

We are entering today a time of vigor, of creative enthusiasm, which will propel us to the mountaintop.

Today we enter a new phase in which Puerto Ricans feel a deep and compelling urgency to climb and excel.

Today we enter a new phase which allows to seize initiatives boldly, with confidence and certainty. A new phase which is the expression of a civic maturity won from a broad and sustained struggle.

We are the victors over prolonged adversities. We have struggled against nature's limitations, against centuries of poverty and disease. We have struggled to uphold our identity. We have struggled against a paralyzing politicization which threatened to strangle the creativity and productivity of our country.

Now the time has come for the experience won from these prolonged battles to serve to sustain qualitative change. In the transformation of a society which struggles "to arrive", into a society determined to achieve the greatness befitting a country such as ours, small in the concert of nations, but with the potential to achieve the quality of material and spiritual life which lends dignity and pride to every Puerto Rican.

AN EFFECTIVE AND RESPONSIVE GOVERNMENT

Scaling this new peak demands government reorganization through the modernization and enhanced caliber of its resources to increase the efficiency of its services.

Scaling this new peak demands a government approachable and responsive to its citizens, and irreproachable in its clean and honorable administration.

I undertake to give the country this caliber of government. I propose further to decentralize departments and agencies and abolish obsolete laws and programs so that the flexibility and productivity of the public sector can be enhanced.

I propose to re-direct public money into the classrooms, hospitals and the sectors prerequisite for climbing the peak.

We will pursue these objectives in the climate of tranquility and calm which has characterized the last four years, with its serene dialogue, its respect for differing opinion and the cultivation of healthy community spirit.

SECURITY

In our battle for Security we will struggle against drugs and delinquency. We will place emphasis on prevention and rehabilitation as well as on the curtailment of trafficking. As we well know, however, a qualitative step in this area demands political action at the international level which we will encourage in the appropriate fora.

ECONOMIC TAKE OFF

The economic boom of the past term—78%—must be maintained to scale the peak. This growth rate has exceeded that of the United States, West Germany and Great Britain.

In this new phase, through our fiscal autonomy, underpinned by Section 936, our economy must continue to grow without reversals or downswings, with one essential concept lodged in the minds of all of us: confidence. Confidence in a future forged by the effort and determination of this noble and hardworking people.

In January 1985, when we began our journey, more than 21.6% of our work force was unemployed. Today 927,000 Puerto Ricans are working. In four years we have created 181,000 new jobs. In direct consequence, unemployment has fallen to 14.2%, the lowest level in 14 years. In 1992, when we complete the term we initiate today, unemployment will have fallen to 10%, the lowest figure in our history.

SOCIAL JUSTICE

The test of fire of any political system or government is its ability to create wealth effectively and distribute it justly. This new phase which the country is beginning demands a deeper commitment to those who are in need—the poor of our cities, towns and country-side, the homeless, those who live in our public housing, the disabled, the elderly. To reach our new peak the sun must rise for all Puerto Ricans.

EDUCATION

To reach the new peak in our history it is also our duty to prepare our children to compete in a world where the greatness and wealth of peoples is achieved by the quality and application of their training and knowledge.

Puerto Rico invests almost a quarter of its budget in public education—$1,400 million a year. Proportionally, our investment in education is in the highest of the world.

In these last years we have laid the foundation for a great leap forward in education. Now is the moment to soar into excellence in the formation of the new generations of Puerto Ricans.

COMMITMENT TO OUR BROTHERS

We cannot aspire to reach new heights if we do not include the 2.4 million Puerto Ricans who live in the United States.

Our government has launched a vigorous political effort so that the rights of Puerto Ricans in the mainland are respected. Our ATREVETE campaign in New York has registered 95,000 new voters, a 63% increase in the Puerto Rican participation in the past presidential elections.

During this new term, we will not only increase these efforts, but we will reorganize our continental offices to create a new agency that will become the advocate of the Puerto Ricans in the United States, so as to promote their social justice and well-being.

The truth is that those 2.4 million Puerto Ricans are as much a part of our people as the 3.3 million who live in the island. The American citizenship has broadened the horizons of our people; we have not only the island of Puerto Rico, but also the vast territory of the United States. The constant flow of Puerto Ricans to and fro, is a special characteristic of our people; a human and geographic bond historically determined by the permanent union between Puerto Rico and the United States of America. Notwithstanding this fact, there exists amongst us a divisive debate about our political status.

STATUS

In this period in which we are ready to scale a new peak it is necessary to meet face to face the continuous debate over our relationship with the United States of America. This is a debate which the Puerto Ricans wish to settle.

The vast majority of Puerto Ricans wish to express their view on our political status. The people wish to be consulted.

I share this desire. I believe that the time has come for the people to again express

their choice between the three status alternatives and I believe that it is equally essential for the government of the United States of America to express its position.

It is in this spirit, that I propose to submit to this country the development of the Commonwealth status to the fullest extent of self government compatible with the permanent union of Puerto Rico and the United States. As part of this same process my government declares its unwavering support of the permanent union under the Commonwealth and the firmest rejection of the concept of an "Associated Republic" and the concept of the previous "transferral of powers".

Therefore, we shall promptly start conversations with the government of the United States and with those leaders in Puerto Rico representing the other status alternatives regarding the manner in which this referendum shall be done, so that the three political status proposals are ensured an equal participation in the referendum.

PUERTO RICO AND THE WORLD

I am proud of this land, of its will to struggle, of its achievements, of its history, of the richness of our traditions and of our culture. I am a Puerto Rican proud of the commitment of our workers and the open and generous hearts of our people.

The greatness of our people cannot develop in full splendor along narrow insular perspectives. The future of our land must transit along the wider routes of its unlimited potential.

We undertake to strengthen our leadership in the Caribbean region. The steps we have given towards the complementation of the regional economies—air transport to 11 countries, twin plants between Puerto Rico and 11 countries, $165 million invested in them, financial services, educational opportunities, joint tourism promotion—all these, will be followed by further steps oriented to strengthen the regional economies and support the democracies of the area enhancing their economic development. President Bush and Congress will count with the definite and vigorous support of the Commonwealth's government in this policy of economic development, democratic affirmation and regional peace.

Our opening to the world goes beyond the region in which we live. We will intensify our efforts in diversifying our sources of investment, trade and tourism. New possibilities are arising with the consolidation of the European Community in 1992, the developments in the Asian countries, and the new commercial treaty between the United States and Canada. We shall not be spectators to these exciting developments in a global and interdependent economy. We shall be active participants in the global evolution towards the end of this century.

We are fully immersed in the process leading to the celebration of the Fifth Centenary of the Discovery of America.

Puerto Rico contributes to this festivity its special condition as an axis between the two predominant cultures in this hemisphere. This celebration marks our cultural and historic kinship with the vast spiritual community of Hispanism.

We are determined to win the seat of the Olympic Games in 2004. We see this challenge as the symbol of a broader effort that will propel us to the heights we aspire to reach.

PUERTO RICO IN THE TWENTY-FIRST CENTURY

We have given this challenge name, Puerto Rico 2004. This year sees the beginning of this project. The first step is to gather the participation of all interested parties from all regions of the country, to elaborate the plans of the Puerto Rico we want to build for the twenty-first century.

These plans include the careful use of our land, protecting our green spaces and our natural resources. They encompass the orderly development of the infrastructure, roads, ports and airports, hotels, lodges, hospitals, schools, housing and recreational facilities. They include the arrangement of the urban segments protecting the architectural and urban patriomony and rescuing the deteriorated sectors of our towns and cities. They also include the planning of the economic activities and the development of the new generations of Puerto Ricans.

The goal, far more important than just qualifying to host the Games, is to symbolically use this occasion for the launching of a project which will pull together to collective will of all the sectors of Puerto Rico and place us amongst the most advanced countries in terms of quality of life.

We thus start today a new phase in our lives. Today, when we feel more capable than ever before, we are setting up goals which we had never before dreamed of. Goals of leadership, that transcend insular perspectives.

In your hands, my beloved countrymen, more than in mine, lies the success of this initiative. In the hands of our workers who are recognized today among the most productive of the world, in the hands of our first rate professionals, of our entepreneurs, of our athletes and artists, of our public servants. I bet on this talent. I am all for my people, because they have learned that they can. And who can, must—as Don Luis Muñoz Marín declared.

The great potential which we have was not given to us to dissipate in a frenzy of ostentatious rapid consumering, nor to dissipate in petty emotions, but rather to devote to the construction of a country vibrant, open and just in its visions, energetic in its collective aim to dignify and uplift the life of every Puerto Rican.

Let us not have any illusions. This will not be without straining work. Know that I am calling you to a difficult, intense, broad and sustained effort. But I believe in you; I am calling you to rise above small feelings, to lift your aspirations above the trivality and sterility which bog down our public life and elevate the thriving and noble spirit of our people in order to achieve the conquests which are clearly within grasp.

When our people have reached up high they have proven themselves again and again. Let us scale a higher peak, which will transform our lives as did the hills and summits which other generations of Puerto Ricans climbed.

Let us settle the moral debt we owe to those generations that bequeathed us our present Puerto Rico with their effort, vision and sacrifice, by building an even better Puerto Rico as our legacy for future generations.

FELLOW COUNTRYMEN

There is eternal hope inside me. The dreams tarnished by time are replaced with new enthusiasm, new determination, and new beginnings.

I seek the quintessential to build new realities more noble to the human spirit. I call upon the aid of God Almighty. I summon you to unite your wills in order to reach the peak where the sun shines brilliantly for all Puerto Ricans.

SUBCOMMITTEE RESOLUTION ON DEFENSE OF CONGRESSIONAL RIGHTS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. VENTO. Mr. Speaker, I rise to inform the House that on March 9, 1989, the Subcommittee on National Parks and Public Lands, which I have the honor to chair, adopted a resolution concerning ongoing litigation involving the right of Congress to receive certain reports and recommendations pursuant to section 204(*l*) of the Federal Land Policy and Management Act of 1976. The subcommittee, which adopted the resolution by voice vote (no negative votes being heard), has oversight and legislative responsibilities with respect to matters dealt with in the cited section of that act.

The text of the resolution as adopted is as follows:

RESOLUTION OF SUBCOMMITTEE ON NATIONAL PARKS AND PUBLIC LANDS ON DEFENSE OF CERTAIN CONGRESSIONAL RIGHTS

Whereas, Section 204(*l*) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1714(*l*); "FLPMA") requires the Secretary of the Interior to review certain withdrawals of public lands existing on October 21, 1976, in certain specified States, and to report recommendations concerning the continuation of such reviewed withdrawals to the President for transmission to the Congress; and

Whereas, On December 4, 1985, Representative John F. Seiberling, as Chairman of the Subcommittee on Public Lands, intervened as a plaintiff in a lawsuit in the United States District Court for the District of Columbia entitled *National Wildlife Federation* v. *Robert F. Burford, et. al.* (Civ. No. 85-2238) in order to protect the right of the Congress to receive recommendations and reports pursuant to Section 204(*l*) of FLPMA; and

Whereas, During the 100th and 101st Congresses, responsibility for oversight and legislative activities concerning the public lands generally (including measures or matters relating to withdrawals), except for public lands in Alaska, has been assigned by the Rules of the Committee to the Subcommittee on National Parks and Public Lands ("the Subcommittee"), chaired by Representative Bruce F. Vento; and

Whereas, On June 2, 1987, Representative Vento, as Chairman of the Subcommittee, was substituted for Representative Seiberling as a plaintiff intervenor in the cited lawsuit; and

Whereas, On November 4, 1988, the U.S. District Court dismissed the cited lawsuit on the grounds of a lack of standing by the National Wildlife Federation to bring such action, in an opinion and order that did not address the separate and distinct question of the standing of Representative Vento to protect the rights of the Congress under Section 204 (*l*) of FLPMA; and

Whereas, On February 23, 1989, the Counsel to the Clerk of the House of Representatives ("House Counsel"), on behalf of Representative Vento, docketed with the United States Court of Appeals for the District of Columbia Circuit ("the Court of Appeals") an appeal of the decision of the U.S. District

Court dismissing the cited lawsuit, in order to permit chairman Vento to continue to protect the rights of the Congress; and

Whereas, The Subcommittee has been advised by House Counsel that the Court of Appeals may be in need of information regarding the status, in the 101st Congress, or Representative Vento as Chairman of the Subcommittee and as to whether he is authorized to continue to appear, in the cited case to defend the rights of the Congress to receive recommendations and reports pursuant to Section 204 (*l*) of FLPMA; Now, therefore, it is hereby

Resolved, That Representative Vento, as Chairman of the Subcommittee on National Parks and Public Lands, be and he hereby is, authorized by the Subcommittee to continue to take such actions in connection with the cited lawsuit (including the appeal of the decision of the U.S. District Court) as may be necessary or appropriate in order to defend the rights of the Congress to receive recommendations and reports pursuant to Section 204 (*l*) of FLPMA.

Adopted March 9, 1989.

THE FAMILY AND MEDICAL LEAVE ACT

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. AuCOIN. Mr. Speaker, last Wednesday the Family and Medical Leave Act of 1989 was approved by the Education and Labor Committee by a vote of 23 to 12. This occurred only after dozens of weakening amendments were defeated. If this is any indication of what's in store, it appears that some of my colleagues on the other side of the aisle are still bound and determined to continue their filibuster of the American family.

I have supported this bill since its first introduction in 1986 and have watched Representatives CLAY, ROUKEMA, SCHROEDER, and others work diligently and effectively to reach a compromise acceptable to both business and labor. The Family and Medical Leave Act, as it stands now, is the result of a concerted, bipartisan approach to providing American workers a modest amount of unpaid, job-protected leave for childbirth, adoption or serious illness.

Why is this minimum standard so threatening to some that they would consider further delaying this vital profamily measure?

Mr. Speaker, this Congress must approve the Family and Medical Leave Act to provide more security for working parents and their children. No one should have to choose between keeping a job or caring for an elderly parent, a sick child or a new baby. There is no more room for delay.

The following editorial which appeared in the Boston Globe on January 31, 1986, is as true today as it was 3 years ago. Let's hope it doesn't take another 3 years for Congress to lend its support to the American family.

THE WORKING PARENTS' VISE

In the past 30 years, the "traditional" family of breadwinner father, full-time homemaker mother and two or more children has gone the way of hula hoops. Less than 10 percent of families now fit into that mold.

A new report warns that the failure of business and government to recognize the dramatic social changes wrought by the influx of women into the work force will exert a heavy economic toll.

Most parents are in the work force today. In fact, nearly half the work force is made up of parents with children under 18. With one of every two recent marriages ending in divorce, more than half of all children will spend part of their childhood in single-parent households.

Nevertheless, the nation's ruling institutions behave as though the "traditional" family were still the norm, according to the report, which was based on a study by the Economic Policy Council of the United Nations Association of the United States of America.

As a result, parents are torn between competing family and job responsibilities. This conflict lowers productivity, contributes to the neglect of children and hurts the careers of many who are primary caretakers.

In 1982, only 26 percent of young children were being cared for in their own homes for the entire day. Child care is limited. Schools still provide children with lengthy vacations that bear no relationship to their parents' work schedules. Only 40 percent of working women are entitled to a childbirth leave that includes even partial income replacement and a job guarantee. Most women work out of economic necessity, but make only 64 cents for every dollar earned by a man.

"Among industrialized countries, the United States is conspicuous for its slow response in policy and program to the impact that recent structural changes have had on the family, the workplace and the schools," the report says.

It recommends that government and business recognize that hte typical worker is a working parent and provide a support system that includes parental leaves, childcare services and flexible workplace policies.

FLORIO HAILS LOCAL DECA CHAPTER

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. FLORIO. Mr. Speaker, as we celebrate the 200th anniversary of the Congress, it is especially pleasing to know that the ideals and principles of our Founding Fathers continue to be revered by many of this Nation's youth. The Cinnaminson, NJ, Chapter of the Distributive Education Clubs of America [DECA] embodies this ideal through its commitment to a better understanding of the responsibilities of citizenship in our free and competitive economic system.

Focused upon the creative energies that are an integral part of the student life, DECA chapter activities are centered in the schools which allow our educational systems to prepare well-adjusted, employable citizens. By emphasizing the American system of competition and free enterprise, the students learn that self-help among students is the rule, rather than the exception. The members of the clubs—particularly the Cinnaminson Chapter—have made numerous contributions to the economic development of their community.

Mr. Speaker, I take great pride in joining with other public officials in praising the Cinnaminson Chapter of DECA. In fact, Assemblyman Tom Foy of the Seventh Legislative District in New Jersey recently acknowledged the week of February 6 through 13 as Cinnaminson DECA Free Enterprise Week with a general assembly citation. I include this citation in my remarks and ask that my colleagues join with me in paying tribute to this fine organization.

THE STATE OF NEW JERSEY GENERAL ASSEMBLY—CITATION

Commendations and praise are extended to Cinnaminson High School Distributive Education Clubs of America, Leaders and Members by the citizenry of the Seventh New Jersey Legislative District, through their elected representative, for their efforts, operating through our nation's schools, to attract individuals to careers in marketing, merchandising and management; and support is given to the proclamation of the week of February 6-13, 1989, as Cinnaminson DECA Free Enterprise Week.

Dated: February 6, 1989. Signed: The Honorable Thomas P. Foy, Member of the General Assembly.

"HOLLYWOOD" BELONGS TO EVERYONE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. LIPINSKI. Mr. Speaker, I ask all of my colleagues to join me in cosponsoring H.R. 1172 to stop Hollywood, CA, in their arrogant drive to trademark the name.

Hollywood, IL, is in my district, Mr. Speaker. Hollywood, IL, is the place for which the California Hollywood was named. Named in 1877 and incorporated in 1883, Hollywood, IL, was the home of Mary Peck. In 1887 she was traveling by train with Daelda Wilcox, wife of a Los Angeles lemon farmer. Mary Peck, justifiably proud of her beautiful hometown, talked about it with Mrs. Wilcox. The Wilcoxs named their ranch after the Illinois town and Hollywood came to California.

The chamber of commerce for Hollywood, CA, is now trying to take the name Hollywood away and register it as an exclusive trademark for merchandise such as T-shirts and mugs. Trademark the name that so many towns across the United States share?

A simple change in the Trademark Act of 1946 to prohibit the registration of any trademark composed of a name of a municipality or political subdivision will solve this problem once and for all.

Mr. Speaker, I urge all of my colleagues to join me in cosponsoring H.R. 1172. Hollywood did not come from California and should never be owned by them; Hollywood belongs to everyone.

PRISONERS OF CONSCIENCE

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. MRAZEK. Mr. Speaker, as Capitol Hill was embroiled last week in the controversy over the confirmation of John Tower, a stout Lutheran bishop from South Africa held the attention of a small gathering in a Senate hearing room. The occasion was a news conference sponsored by Amnesty International to announce its new challenge to Congress to help free prisoners of conscience from around the world.

Priorities in Washington being what they are, Mr. Speaker, the news conference went largely and lamentably ignored. The bishop, the Reverend Dr. Simon Farisani, related in a booming baritone voice his story of anguish and suffering at the hands of the corrupt Botha regime of South Africa. Now an exile from his homeland as a result of his principles in opposition to the evil of apartheid, Dr. Farisani four times was detained by the security police and tortured, his body wracked by the sadistic cruelty of his captors.

But this man's pain did not go unheeded. A letter campaign organized by Amnesty International made it clear to the Pretoria Government that the world was watching the fate of Simon Farisani. Unlike his friend and colleague in opposition to the stain of apartheid, Stephen Biko, Dr. Farisani would not die a "mysterious" death at the hands of the security police. Instead, he was released and banned by the Government, a practice which reduces a human presence to little more than a shadow within the boundaries of his country.

Today, Simon Farisani is a free man, if one silenced and driven from his homeland can be considered truly free. But even if he is not unfettered in his aspirations, at least we know that Dr. Farisani is alive and well. I suppose we cannot ask much more, given the endemic malevolence of the South Africa regime.

The reason for his freedom is Amnesty International. Dedicated to the liberation of prisoners of conscience regardless of the ideology of either the prisoner or the government holding the prisoner, Amnesty International is often the only hope for detainees who, in the words of AI executive director John Healey, simply should not be in jail.

A prolific poet in addition to his other talents, Simon Farisani has written one poem titled simply "Amnesty International." It begins:

We may not know the person.
We may not know the number.
We may not know the camp.
We may not know the conditions.
We do not know the date.
We do not know the place.
We do not know the police.
We do not know the methods.
All we know all will know:
People are born free.
Innocent shall remain free.
Justice to all colors,
Fairness to all cultures,
Equality to male and female,
Jewish by faith free,
Islam by faith free,
Christian by faith free,
Capital punishment to none,
Torture to all taboo,
Amnesty International.

And it ends:

Called west by east,
Called east by west,
By the north despised,
By the south maligned,
Yet neither south nor north,
Neither east nor west,
Amnesty International all around.

Mr. Speaker, now it is our turn. Each State delegation in Congress, along with the Bush administration, has been assigned a prisoner of conscience in some country in the world. In New York, our prisoner of conscience is Vaclav Havel, a Czech playwright who has been jailed again by the Government for no reason other than the exercise of his beliefs. I am proud to assume the responsibility of making my New York colleagues aware of the injustice suffered by this native of the land of my ancestors. Soon, a letter will go to the General Secretary of the Czech regime, Milos Jakes, signed by as many of my colleagues as I can muster, both from New York and beyond.

If we know anything about injustice, Mr. Speaker, it is that it cannot stand the spotlight of objective scrutiny. Cowards shun the light and crave the darkness. Amnesty International has provided us with the method by which to expose the corrupt, the autocratic, and the despotic in the community of nations. I urge my colleagues to pick up the gauntlet which Amnesty International has thrown before us, and to register your voices against those who would ignore the innate rights that belong to all humans.

THE DISTRICT OF COLUMBIA'S TRIO PROGRAM—1989

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. FAUNTROY. Mr. Speaker, I wish to pay tribute to the District of Columbia's Trio programs developed to provide individualized guidance, counseling, tutoring, and cultural enrichment for persons seeking to improve their status in the community.

Since passage of the Higher Education Act of 1965, postsecondary planning for disadvantaged youth and adults has been addressed by federally funded student support service programs around the country.

In the District of Columbia six programs—funded by the U.S. Department of Education—assist approximately 4,000 District residents each year who eventually matriculate into higher education.

Working in cooperation with secondary and postsecondary institutions, community agencies, and government, local Trio programs play an important role in encouraging upward mobility and enhancing educational opportunities for low-income, first-generation students.

The District of Columbia's Trio programs are also an important retention mechanism for physically handicapped students in higher education and provide information about financial and academic assistance to District residents.

As a measure of outstanding success, the Trio programs coordinated by Directors Joseph Bell, Paulette Morgan, Jerrye Feliciana, Agnita Coleman, and John Reymer recently saluted the achievements of several Trio students.

Included among the students are Brad Mims, legislative director for Congressman JOHN LEWIS; Rhodes Scholar Barbara Harmon-Schamburger; Yolanda Galloway: attorney for Jones, Day, Reavis & Pogue; and Ronald McGowan accountant for Peat, Marwick & Main.

I share with you the future leaders of America.

THE BICENTENNIAL OF THE CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, March 15, 1989, into the CONGRESSIONAL RECORD:

In March of 1789 the first Congress of the United States convened in New York City. On the 200th anniversary of that event, current members of the House and Senate met in a special session to celebrate the bicentennial of the Congress. Although much has changed in the years between 1789 and 1989, the Congress has remained a responsive representative body with institutional strengths and weaknesses that are worth remembering on its 200th birthday.

When the newly elected members of the House and the state-appointed Senators began to arrive in New York, the nation consisted of 11 coastal states. Indiana was part of a largely unsettled frontier known as the Northwest Territory, and two of the original 13 colonies had not yet ratified the Constitution. When fully assembled, there were 59 Representatives and 22 Senators in the first Congress, 7 staff assistants for the entire legislature, and no known lobbyists. The first Congress enacted 108 laws.

Two hundred years later, the Congress is a much larger and busier institution. There are now 435 members of the House and 100 directly elected Senators representing a nation spanning the North American continent and extending thousands of miles into the Pacific Ocean. More than 37,000 people work for the modern Congress and its support agencies. They occupy 12 buildings on Capitol Hill and numerous offices elsewhere in Washington and across the country. In the recently completed 100th Congress, 11,272 bills and resolutions were introduced; 2,932 were passed. There are currently more than 5,000 lobbyists registered with the Congress.

The first Congress approved $639,000 in appropriations that were recorded in 13 lines of the official statutes for 1789. The services provided by the national government were minimal and basic—diplomatic representation, national defense, postal deliveries, debt service, and a court system. The proposed 1990 budget sets federal spending at $1.1 trillion and is summarized in three book-length documents. Today the

federal government has global defense and foreign policy commitments and is involved in many activities that touch deeply and directly every American family—Social Security, Medicare, unemployment insurance, student loans, environmental regulations, national transportation systems, and a host of others.

Paying for what the federal government does has always been controversial. When the first Congress met, there was no income tax and no thought of imposing one. The major sources of revenue were fees collected on imports, exports, and ships visiting American ports. When the legislature added new excise taxes on distilled spirits, the result was the Whiskey Rebellion, which ended only when President Washington led an army against the tax protesters.

In foreign affairs, the America of 1789 was a weak and isolated nation separated by a vast ocean from the great powers of Europe. Communication was slow. Our first Secretary of State, Thomas Jefferson, once wrote to America's diplomatic representative in Spain that no messages had been received in the previous year and that better reporting was expected in the future. Today the American government has responsibilities all over the world and vast overseas military deployments. Events in remote corners of the globe can very easily produce American headlines and difficult issues for both the President and the Congress.

Despite the many differences between the first and 101st Congresses, there are some striking similarities in the problems they confronted. The first Congress faced massive public sector debts accumulated during the Revolutionary War; in foreign policy, significant problems arose in defining the proper role of the Congress in providing advice and consent on pending treaties and in the exercise of legitimate congressional powers in foreign affairs. Extensive consideration was given to protecting individual liberties through the constitutional amendments we now know as the Bill of Rights. The first Congress confronted a credit crisis and the need to stimulate economic growth. Its members were urged by their constituents to impose heavy import fees and limit foreign competition in American markets. They also debated what salary they should receive, and after deciding on $6 a day, found that their decision was subject to widespread public criticism. Some issues never go away.

As an institution, the Congress has for two hundred years performed some of the most basic functions in our democratic system. The House and Senate are designed to reflect the mood of the American people in their hometowns and across the states. When the nation clearly wants change, the Congress can respond decisively. But when public opinion is more mixed, the legislature responds with delay and inaction. The Congress can often work out compromises of conflicting interests and act on the basis of a national consensus, but it cannot impose a consensus where none exists.

Although the Congress regularly works with the executive branch in enacting a budget and establishing national policies, there are occasions when the Congress does its job by serving as a check against arbitrary decisions or abuse of authority elsewhere in the government. Members of Congress traditionally raise objections to executive actions that threaten individual rights or the system of separation of powers created by the authors of the Constitution. The Congress also provides a forum for the expression of ideas and passions that never find their way into legislation. In that way it sometimes provides a safety valve for the release of national tensions. In committee hearings and floor debates one can hear the gripes and the grievances, the yearnings and the dreams that make up our diverse nation.

For the last two centuries criticizing the Congress has been a national pastime. The Congress is often slow, frequently divided, and a builder of roadblocks as much as it is a builder of bridges. But despite the controversy it has seen and the complaints it has engendered, I think that citizens this year can take some pride in an institution that for two hundred years has played a central role in the drama of American democracy.

A TRIBUTE TO CORNELIUS E. SMYTH

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. BILBRAY. Mr. Speaker, I rise today to honor an outstanding citizen of Las Vegas, Cornelius, E. "Neil" Smyth. Mr. Smyth will be honored as the executive vice president of Latin American Operations at Caesars Palace on March 25, 1989. He is truly deserving of this recognition.

A native of New York, Mr. Smyth was educated at the Lawrenceville School, Yale University and the Wharton School of the University of Pennsylvania where he received a bachelor of science degree in 1946. Upon graduation, he was commissioned ensign, Supply Corps, U.S. Naval Reserve. After release from 3 years active duty, he remained in the Naval Reserve from which he retired in 1970 with the rank of commander.

In 1954 he joined Pan American Airways as an internal auditor and he was transferred in 1959 to San Juan, Puerto Rico, as chief account of the San Juan Intercontinental Hotel. Mr. Smyth remained at this hotel for 11 years as the controller and assistant treasurer, becoming corporate controller when the company added its second hotel, the El Conquistador at Fajardo, Puerto Rico.

He left the San Juan Hotel Corp. in April 1970 to join Caesars Palace. In 1972, he was elected treasurer and in 1974, vice president of finance. He resigned the position of treasurer in 1975, and moved into general operations where he served as senior vice president—operations. He is currently executive vice president of Latin American Operation for Caesars World International.

In addition to his professional accomplishments, Mr. Smyth coauthored the seventh revised edition of the Uniform System of Accounts for Hotels and served on the Financial Management Committee of the American Hotel and Motel Association. During the years 1960–61 he was secretary of the P.R. Hotel Accounts Association, then served as president between 1962 and 1963. From 1966 through 1971 he held all the offices of the International Association of Hospitality Accounts from secretary to chairman of the board.

Mr. Speaker, I urge my colleagues to join me today in honoring Mr. Neil Smyth. His contributions to the community of Las Vegas have earned him recognition throughout Nevada as one of the State's finest citizens.

SALUTE TO DEPUTY POLICE COMMISSIONER MIKE ZOTOS

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mrs. BENTLEY. Mr. Speaker, tonight many of Baltimore's most prominent figures will come together to salute Deputy Police Commissioner Mike Zotos, a 30-year veteran of the Baltimore City Police Department. Mike is this year's recipient of the Epilepsy Association of Maryland's Community Leadership Award, a prize which is only bestowed upon individuals with a truly outstanding record of service to others. I can think of no one better qualified for this coveted honor.

Mike Zotos' life has long been one of community service both in his private and public endeavors. His ascendancy to the position of deputy police commissioner for Baltimore City came about through hard work and a willingness to move up the ladder of success step by step. His legacy of skilled leadership and success should inspire all who choose careers in civil service in the future.

Yet Mike displayed just as much commitment in his off-hours. His work with the Epilepsy Assocation of Maryland has been accompanied by activities with the March of Dimes as well as various task forces, advisory boards, and public events committees. Indeed this is a man who has taken the idea of public service to be much more than a 9-to-5 job. For him it is a frame of mind and a way of life.

Mr. Speaker, our communities would feel empty were it not for selfless individuals like Mike Zotos. Such concerned souls are so hard to come by that it is a pleasure to have the chance to pay them the homage they deserve. I urge you as well as all my colleagues to join me in congratulating Mike Zotos for a job well done.

DESIGNATING OCTOBER 1989 AS NATIONAL QUALITY MONTH

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. RITTER. Mr. Speaker, I, along with Congressmen GEORGE BROWN, ROBERT TORRICELLI, and TOM CAMPBELL, am pleased to introduce today a joint resolution designating October 1989, as National Quality Month. This bill recognizes the quality movement and its vital role not only in maintaining but also in restoring our Nation's competitive position in world markets.

The bill recognizes that a revolution is taking place in the nature of work and that it is important for America to participate fully in that revolution.

The term "quality" refers to a whole new work philosophy, based ultimately on common

sense and a belief in the value of individual workers fulfilling their potential as members of a larger team.

Quality puts less emphasis on directly cutting costs to increase profits and instead focuses on improving the whole process by which a product is manufactured or a service is delivered. Perfecting the process perfects the product—a simple but stunning conclusion. The prime goal is to empower people to be active players, not cogs in a machine. Constant improvement is built into the process which delivers products or services that more and more meet customers' needs and expectations.

Experts estimate that from 25 to 40 percent of the average company's resources are wasted in production or on correcting mistakes. That means vast billions of dollars down the drain.

Companies that focus on quality gain the advantage because, through improvements in the way they work together to produce or to service, they waste fewer resources. They do things right the first time.

Continuous quality improvement, using the principles of historic figures such as W. Edwards Deming, Joseph M. Juran. Philip B. Crosby, Armand V. Feigenbaum and others, is taking place at many American companies. The results are stunning. A quality commitment has been demonstrated to be the most effective way to regain and solidify economic leadership at home and in the world marketplace. For too long it's been a secret weapon in the competitive struggle. This resolution seeks to help publicize quality across the length and breadth of this country.

Not enough Americans understand that the main driving force behind Japan's success is its almost 40-year commitment to continuous improvement and quality. VCR's, compact discs, Toyotas, and now HDTV didn't just happen by dumb luck in Japan. Quality principles originating in America and refined in Japan had a lot to do with it. Quality has a lot to do with key American companies now leading the world.

Recognizing the importance of quality to our standard of living, to our national economic security, and to the more cost effective, better delivery of goods and services, the Federal Government has initiated a number of quality programs in recent years. Some are directed toward improving the ways we deliver government services while others encourage and honor quality in the private sector. These initiatives include the Federal Quality Institute, the President's Council on Management Improvement, the Department of Defense productivity improvement plan, and the NASA excellence award for quality and productivity.

Perhaps most important of all, the Federal Government has initiated a powerfully motivating national award to stimulate the adoption of quality in the U.S. economy and then to honor the very highest performers. This prestigious award, the Malcolm Baldrige National Quality Award of the Department of Commerce, could soon rival the Nobel Prize in capturing the imagination of the American people. That certainly is the goal.

The promotion of quality extends right up to the President of the United States. The Bush Presidency intends to give high priority to accelerating the adoption of quality in America.

Quality, then, is part of a new industrial revolution which emphasizes people as more important than machines and which gives people real power to use technology to its fullest—an industrial revolution where worker involvement, training, education, teamwork, and reward can lead to unprecedented mastery over the job to be done and satisfaction from doing it well. Workers become more their own managers and automation or technology simply expands their power. That is a revolutionary idea.

The quality movement represents an exciting opportunity to make our workers happier and more productive, our Nation more competitive and our Government services at all levels more effective and less costly. Designating October as National Quality Month will honor our country's achievements in quality and call attention to the enormous potential for quality to ensure the future competitiveness of American workers and America itself. Let's make this resolution part of the revolution. Please join me in cosponsoring the resolution designating October 1989 as National Quality Month.

RURAL ECONOMIC DEVELOPMENT LEGISLATION

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. TALLON. Mr. Speaker, as the 101st Congress gets underway, I wanted to take a moment to express my views on a top priority of mine for this year—rural economic development legislation.

Rural communities are small to midsized—under 20,000—with one foot in industry and one on the farm. And while it may not depend solely on agriculture, every small town in America, like every town in my congressional district, has been affected by the continued decline in rural land values, income and population.

Rural development is a challenge that extends beyond the farm gate to Main Street, to our local schools and neighborhoods.

Exactly what is rural development? For starters, it's improved roads, new bridges, modern water and sewer facilities and industrial parks. It's better schools, new homes, and a revitalized Main Street. Most importantly, it's creating the capacity for economic growth and jobs. I call it a Marshall plan for rural America.

In my view any successful plan for rural development must address three fundamental rural problems: Reasonable cost venture financing for small businesses; the lack of infrastructure, specifically water and sewer systems; and a more organized, streamlined and responsive Federal bureaucracy.

I believe the place to start is with a reorganization of the Department of Agriculture into a Department of Agriculture and Rural Development. Right now, responsibility and authority for the development of rural America is fragmented, disjointed and basically unwanted. In fact, there are more rural development programs outside the Department of Agriculture than there are inside. In contrast, the city residents have a special Cabinet level of concern in the Department of Housing and Urban Development [HUD].

The solution is to restructure the majority of programs dealing with rural development under a single agency with a direct line of responsibility and responsiveness to the people of rural America.

Programs transferred to the RDA could include business and industry loans, community facility loans, water and waste disposal loans and grants, rural development and planning grants and loans and all other programs dealing with rural development. A Rural Development Administration would bring us closer to ensuring that rural communities get the focused, coordinated and energetic economic development support they deserve.

The second requirement is probably the most critical—water and sewer assistance. A community can have all the technical expertise, leadership and potential in the world but without an adequate water and sewer system in place it's going nowhere. A quality sewer and water system is the first thing a company looks for in relocation and it's a community's first demonstration that you are ready, willing and able to meet that company's future needs. It's the first test and for far too many communities in my State and district it becomes the last one. Water and sewer lines are what it takes to move a community from rural to rural developed.

The final ingredient for rural development is capital. Small businesses in rural communities traditionally have had difficulty securing adequate capital to get their ideas off the ground. The challenge is as much one of changing the focus of existing programs as it is of creating new ones.

For example, there are already Federal loan guarantee programs. But most of these target large businesses with lower relative transaction costs when smaller businesses are rural America's brightest hope.

Some 80 percent of America's businesses are sole proprietorships and 75 percent of these employ fewer than 10 people. A recent SBA study indicates that these very small businesses are particularly successful in rural States like South Carolina.

Despite their collective impact, the smallest enterprises are rarely the focus of public and private resources. They are frequently left with inadequate access to credit, information, and appropriate technical expertise.

Federal small business programs do not address the financing needs of microbusinesses. The average Small Business Administration loan guarantee in fiscal year 1987 was $165,000. While the average guaranteed loan through Farmers Home Administration's Business and Industry Program totals $1.1 million. Yet microbusinesses have smaller, but more unconventional capital needs. Often flexible, seed money loans of $10,000 to $15,000 when combined with personal savings are all that is necessary to get started.

I support the idea of a revolving loan fund for microbusiness assistance. Such a fund would make grants to qualified private non-

profits to capitalize loan funds for microbusinesses—under 16 people—for up to $25,000.

Another problem for rural small businesses is traditional bank financing. In most parts of the country, the rural banking system is flush with loanable funds. Yet these banks find that the risks of lending to rural startup businesses are too great in light of the safety and soundness requirements of the regulatory agencies. Because of these regulatory restrictions, banks have limited flexibility in offering entrepreneurs appropriate mixes of risks—also known as equity or venture capital—or debt capital—loans and bonds.

Rural communities, in conjunction with the private sector and public support can break down some of these barriers to rural debt, risk and mixed capital. I would like to see us come up with a system in which small businesses could apply for a package of funds: risk capital from a cooperative nonprofit and a conventional loan from a local participating bank.

Under such a program, a Federal rural capital partnership fund would provide grants to cooperative and nonprofits serving rural communities. The co-op or nonprofit would in turn recruit banks and other private financial institutions to commit to the project. The co-op would then buy into the business with risk capital while the bank complemented that amount with a standard loan.

The small businesses applying for the funds would submit a work plan including intended use of funds, up front financial commitments from the applicant and from local lending institutions with a 3-to-1 minimum match. In survey after survey, rural businesses have said they were looking for the right dollars at the right interest rate and that reduced interest rates were often as useful as outright grants. It's time they got it.

There's a phenomenon referred to as the economic multiplier. It gauges how many times a dollar changes hands and the total financial impact of $1 spent. If a person spends a new dollar in the community, and each person that receives it does the same, with about 10 cents off for profit, savings, and other needs, the multiplier is 10 times. That means that one new dollar in a community generates about $10 in business activity. And that $10 is in turn multiplied throughout every surrounding community.

Like a stone thrown into the center of a pond, the ripples of economic development spread prosperity throughout an entire geographic area. As John F. Kennedy put it, "a rising tide lifts all the boats."

SUPPORT FOR THE LANDSAT PROGRAM

HON. TIM JOHNSON
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. JOHNSON of South Dakota. Mr. Speaker, I rise today in support of the Landsat Program. I am here to speak out against the shortsighted shutdown of the Landsat system. This program has been extremely successful in the past, and it seems senseless to let it die when the sum needed to keep the program operational is minimal. Hopefully, we can forge a cooperative agreement among those agencies that have the greatest reliance on this technology, such as the Departments of Defense, Commerce, Interior, and Agriculture, to produce the necessary funding to keep Landsat running for years to come. I cannot believe that we are going to give up so easily in this field of satellite remote sensing when we currently lead the world.

While I understand certain funds have been forthcoming from the agencies that use the satellite images, as of yet we do not know how much has been raised. It is possible that the recently found funds for the program, which was announced just this morning, will only out off the death of Landsat for several months. Hopefully, this is not the case. However, if it is, we must continue pressing until we have the program on solid financial ground. These agencies must continue to cooperate so they continue reaping the benefits of the Landsat data. I believe it is a positive signal that Vice President QUAYLE has given his support to this program through his hard work to find the necessary funding. As Chairman of the National Space Council, I am hopeful that Vice President QUAYLE will continue to extend his support to Landsat, both through verbal words of encouragement and through the search for financial support. Now it is time to build upon this emergency support by finding the funding to put this program back on track. If we assume the problem is over just because we now have emergency short-term dollars and fail to adequately address the underlying problems, the system will again be threatened by the possibility of a shutdown.

I foresee several dread problems in this shutdown. One is the fact that by quitting the race, we forfeit our technological preeminence and hand over the prize to our foreign competitors such as France, Japan, and the Soviet Union. Currently, our Landsat Program brings in sorely needed foreign revenue. Without the program, we are forced to rely on our foreign competitors, which further increases our already substantial foreign debt. Instead of pulling back, this seems a prime area where the United States should be expanding. We already lead, so with sufficient capital input and research we could develop new technology and surge further ahead. It already seems that far too many electronic or technical devices available to consumers, whether cameras, VCR's televisions, computers or others, says "made in Japan" or "made in South Korea" or made in some other foreign country. I will hate to see the day when the United States can no longer point to any commercial technological product where it excels or, in this case, leads the pack.

Another reason to keep this program going is that our world is currently facing the fact that the global climate may be changing. Furthermore, these changes could be catastrophic, disrupting traditional agricultural practices and regions, inundating coastal cities with water from rising oceans, changing economic patterns, and potentially affecting many current sociocultural standards and practices. To adequately understand these changes, we need to study patterns of vegetation growth, changes in forestry and crops, Third World deforestation, and other important, changing phenomena. Without the Landsat satellites, our Nation would lose the ability to generate vital information about all types of natural resources. Currently we have 17 years of stored data from the Landsat system. With this information to draw upon, we can begin to form our base of understanding and then build a model of our climate. Following this, we can begin to study the changes occurring. Any data we lose due to Landsat shutting down could be crucial. Only by understanding these changes can we make the necessary public policy adjustments to reverse these dangerous trends or at the least, minimize their impact. Landsat is the sole source for much of this data.

It seems to me that we are receiving much in return for our modest investment. We cannot allow this program to fall through the cracks of commercialization, or finally succumb to the years of neglect and underfunding by the past administration. Landsat has made an honest effort to transform itself into a private, commercial venture; however, it has several years to go before it can stand on its own feet, and now is not the time to be retracting our support. The Federal Government made a commitment to keep this program operational through 1991, and now we are faced with the fact that this part of the bargain is being maintained. At the least, Congress has the responsibility to keep Landsat operational through 1991. For a mere $9.4 million, Landsat will remain operational through the end of the year and the United States can continue reaping its benefits: the scientific, the technological, and the trade. By extending our aid to this beleaguered program, we will signal our commitment. Hopefully, through this effort, Landsat will forge new links with those departments listed earlier which rely on its services and with the scientific community which relies on this constant stream of data. Ultimately, this linkage will lead to an integrated program which does not have to depend on one undependable department for its viability.

We have no time to waste; we must act immediately to ensure that Landsat will not be faced with the prospect of shutting down in several months. Congress must work to find the funding to keep this program operational so that America has the tools to determine our world's fate regarding global warming and climatic change. In addition, by keeping this program operational the United States will continue to lead in the technological field of remote sensing. The added benefit is that we will continue to attract much needed foreign revenue. If Congress fails to act, we are not just talking about lost jobs, we are talking about losing another technological race—our Nation cannot afford to lose many more. I urge my colleagues to support the Landsat Program, and I urge all involved to work together to find a way to keep this vital program running. Congress must retain its commitment to American technological excellence.

TRIBUTE TO SEREIVUTH PRAK

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. DORNAN of California. Mr. Speaker, I am pleased to share with my colleagues an article from a recent Long Beach City College publication entitled "Celebration of Human Potential." The publication features a profile of a young man named Sereivuth Prak.

My staff and I have had the good fortune of knowing this outstanding individual, who has worked as an intern in my district office. For more than 2 years Sereivuth has become an admired and much loved part of my staff.

Mr. Speaker, I am proud to submit into the RECORD a brief article about Sereivuth Prak so that his accomplishments, his dreams, and his personal celebrations can further enrich those that know of him.

TRIBUTE TO SEREIVUTH PRAK

Sereivuth Prak is a slight softspoken young man. He exudes a gentle warmth and a determination of steel. He was born and raised in Phnom Penh, Cambodia, the eldest son in a family of eleven. His parents were factory workers before the war. In 1975, he was a senior at Tuoi Kauk High School.

When speaking about the past Vuth recalls, "from 1975 to 1980 like my other countrymen, I was forced by the communist regime to live at the countryside. It was a very hard labor in the rice fields under conditions of sickness, starvation, and suppression, 16 hours/day and 365 days/year; any complaint meant death. My family is probably one of the very few who managed to survive this tragedy without losing the life of any members."

After the family escaped and came to the United States, Sereivuth enrolled at Long Beach City College. With the help of financial aid and EOP/S, he took ESL classes and began to focus on the future. As a stranger in a new culture and a survivor of the terrors of war, he needed to clarify his values and find direction.

"My goal was to study international relations. But most of my friends encouraged me to consider other fields such as computers, electronics or engineering because those fields required less English. Furthermore, employment was more likely for a foreign-born student. Therefore, I decided to study computer programming with my friends. It was a painful decision. As a result, I saw little progress in my studies and I never had a happy life with this field at all."

June 8, 1984 was an important day. Sereivuth Prak received his Associate of Arts degree from LBCC in computer programming. He was part of a big celebration for many graduates who had received financial aid.

"I never felt comfortable with this degree. What I still had in mind was international politics. I decided to go to California State University, Fullerton to achieve a B.A. in international business. After two semesters at this new school, I finally changed my major to political science with a minor in history. I received my degree in June 1987."

The future is now one of great expectations. This LBCC and CSU, Fullerton graduate continues to work diligently. Having begun his involvement in political activities, specifically international relations at Fullerton, Vuth joined a small team of students to participate in the 1986 Model United Nations Conference in Sacramento. In 1987 he joined the same group for a second conference in San Diego and finally was chosen for participation in the third level of the Model U.N. Conference in Saskatchewan, Canada.

TRIBUTE TO BERNARD W. THORNBERG

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. FAUNTROY. Mr. Speaker, I wish to pay tribute to Bernard W. Thornberg. Mr. Thornberg is the apprenticeship training director for the Steamfitters Local Union 602 in Washington, DC. Thornberg has been one of the most effective committee members of Boy Scout Troop 439.

The Shaw Community Food Committee will honor Thornberg on March 21, 1989, for his outstanding contribution to the Shaw Community Center. He is an extremely active worker with several community programs and is considered an influential political worker in the Washington community.

Bernard W. Thornberg has also been a leader in the war on drugs. A giant in the community, he is considered an adviser and role model for the young adults in the Shaw area.

I would like to commend Bernard W. Thornberg for the example of perseverance, commitment, and dedication he has set. Whatever his projects or plans for the future, I wish him on his day good fortune and success.

LEGISLATION TO CONFORM THE RAILWAY LABOR ACT TO THE NATIONAL LABOR RELATIONS ACT WITH REGARD TO UNLAWFUL SECONDARY ACTIVITY IN THE RAILROAD AND AIRLINE INDUSTRIES

HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. COX. Mr. Speaker, I am today introducing legislation which would conform the Railway Labor Act to the National Labor Relations Act with regard to unlawful secondary activity in the railroad and airline industries.

This legislation is exceptionally timely due to the current dispute between Eastern Airlines and the International Association of Machinists and Aerospace Workers. This dispute has focused attention on a little known, but critically important anomaly in the Railway Labor Act that has existed only since 1987.

Air and rail unions—uniquely among American labor—now have the legal right to shut down the businesses of neutral third parties throughout the country. For all other workers in virtually every other industry, this so-called secondary activity is illegal and constitutes an unfair labor practice.

THE RAILWAY LABOR ACT

The Railway Labor Act, which covers workers in the railroad and airline industries, was enacted in 1926. It specifies procedures for negotiating rail and airline labor disputes, including the imposition of mandatory cooling off periods and various nonbinding arbitration procedures. The act was designed so that in the event of a major strike of national significance, the National Mediation Board could ask the President to force a return to the prestrike status quo while a specially appointed emergency board reviews the situation and makes recommendations.

RECENT DEVELOPMENTS

Because of a 1987 Supreme Court decision, this seemingly harmless system has recently operated to interject the Federal Government into labor disputes that would not normally be considered national in scope. The act contemplates that all but the most seriously threatening strikes should be settled through the collective bargaining process and the discipline of the marketplace, rather than through Presidential or congressional intervention. But since 1987, it has been possible to bootstrap one company controversies into industrywide crises of national significance by threats of so-called secondary picketing and boycotts against scores of other, neutral companies throughout the country.

The Eastern strike is a prime example of this bootstrap device. Although Eastern is but one company in a large industry, the President and the Congress have been dragged into the controversy. Yet the only serious national economic disruption that might result stems not from the Eastern strike itself, but from the possibility of secondary activity.

THE SUPREME COURT'S 1987 BURLINGTON NORTHERN DECISION

In 1986, the National Mediation Board recommended to President Reagan that he create an emergency board and mandate a cooling-off period in a labor dispute involving employees of two small, regional rail lines: The Maine Central Railroad and the Portland Terminal Co. Even though this labor dispute did not "threaten substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service"—which is the standard for creating an emergency board under the Railway Labor Act—the National Mediation Board observed that the device of secondary picketing could spread the strike to other railroads across the country.

President Reagan refused to appoint an emergency board, because the dispute was essentially local in nature and the threatened secondary picketing was illegal. This didn't stop the union from engaging in secondary picketing, however, and the strike quickly spread to more than 60 neutral railroads with no involvement in the underlying dispute.

The neutral railroads sued to enjoin the secondary picketing. One of those railroads was the Burlington Northern.

The Illinois Federal district court granted the Burlington Northern's request for a preliminary injunction, but the unions appealed. One year later—on April 28, 1987—the U.S. Supreme Court decided for the first time that Federal

courts are prohibited from enjoining secondary picketing under the Railway Labor Act.

The Court's ruling was based on the fact that, unlike the National Labor Relations Act [NLRA] which governs virtually all the rest of American labor, the Railway Labor Act contains no express condemnation of specific secondary activities. Rather, the RLA is silent on the subject.

The Supreme Court noted that only because the RLA does not contain the same express provisions concerning secondary activity that are found in the NLRA do Federal anti-injunction provisions apply uniquely to secondary activity in the railway and airline industries.

The irony is that when Congress passed the RLA in 1926, secondary picketing was illegal and courts regularly enjoined it. As former Solicitor General Rex Lee has pointed out, "the drafters of the RLA did not need to insert an express prohibition of secondary picketing because in 1926 Federal law clearly prohibited such picketing." In fact, just 5 years before the enactment of the RLA, the Supreme Court itself had held that even the anti-injunction provisions of the Clayton Act did not prevent the courts from enjoining secondary activity. "Congress," the Supreme Court said, "had in mind—the protection of—particular industrial controversies, not a general class war" that would result from secondary picketing.

Thus, the 1926 Railway Labor Act said nothing about secondary picketing and boycotts, because language banning that which was already illegal would have been superfluous. Now, because of this silence, the Supreme Court has the first time held that the 61-year-old law does not prohibit secondary activity.

WHY CONGRESS MUST ACT

In the entire history of the Railway Labor Act prior to the 1987 Burlington Northern decision, there have been only a handful of labor disputes in which unions have undertaken any secondary activity. And in each case—including the 1986 dispute involving the Maine Central—court injunctions were available to stop it. As a result of the Supreme Court's 1987 decision, however, rail and airline unions now possess the unprecedented power to shut down their entire industries. That makes the Eastern strike—and all the rail and air strikes that may follow it—unique in American history.

The Supreme Court in its Burlington Northern decision made clear that congressional guidance would be welcome to redress this anomaly. Indeed, the Court's language was virtually an invitation for Congress to remedy the discrepancy between the RLA and the NLRA. "Unlike the NLRA," it noted, in the Railway Labor Act "Congress had not provided the courts with the standards needed to distinguish primary from secondary picketing." As a result, the Court said, until Congress acts, picketing in the railroad and airline industries—whether characterized as primary or secondary—must be deemed conduct uniquely protected against injunction.

The NLRA contains exactly the standards governing secondary activity which the Court said the RLA lacks. It is, therefore, urgent that the Railway Labor Act be conformed to the NLRA before otherwise manageable air and rail disputes are regularly turned into national emergencies through the device of secondary picketing. Absent congressional action, the President and the Congress could be called upon to act in virtually every case because of the resultant threat that the country will be deprived of essential transportation services.

CONCLUSION

Unions in the airline and railroad industries—for the first time in American history—now possess the uniquely unfettered power to shut down the businesses of neutral third parties in their industries. No other industry or group of employees in America possesses this unfair and destructive weapon.

Unless the Congress acts, each air and rail labor dispute, no matter how small, will put the entire Nation's transportation system at risk. It is imperative that the protections of the National Labor Relations Act, which are applicable to all other U.S. industries, be made equally applicable to the air and rail transportation industries as well.

INTRODUCTION OF BILL TO INCREASE THE CIGARETTE EXCISE TAX: THE MOST EFFECTIVE WAY TO DISCOURAGE SMOKING

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. STARK. Mr. Speaker, today I am introducing a bill to increase the cigarette excise tax by 25 cents, from the current 16 cents a pack to 41 cents. This action, alone, will stop 1 million teenagers from picking up the deadly habit and will save billions in health care costs in years to come.

Tobacco products, primarily cigarettes, contribute to a host of health problems and deadly fires. Tobacco can be blamed for nearly 400,000 deaths every year, more than the total number of lives lost in World War I, Korea, and Vietnam combined. Smoking is the largest single preventable cause of illness and death in the United States.

Cancer is the health problem most clearly associated with smoking, accounting for more than 137,000 deaths in 1985. Cigarettes are implicated in 30 percent of all cancers, including cancer of the larynx, oral cavity esophagus, bladder, kidney, and pancreas. For the first time in history, lung cancer will pass breast cancer as the leading cancer killer of women. Smoking also walks hand-in-hand with death and disability from heart disease—115,000 deaths—chronic obstructive lung disease—57,000 deaths—and burns. Pregnant women who smoke are more likely to have babies with low birthweight. With all this going for them, it is no wonder that smokers, as a class, have a decreased life expectancy.

The cost of medical care for smoking-related disease amounts to an estimated $22 billion per year. This represents 6 percent of the gross national product. As far as the Government's interest is concerned, smoking-related illness runs up a $4.2 billion tab each year on the Medicare and Medicaid Programs. Finally, an even greater economic toll can be seen in the $43 billion lost in productivity and earnings to U.S. business every year. Add it up, and we're watching more than $65 billion a year go up in smoke.

This has got to stop.

An increase in the cigarette excise tax will lead to increased product cost. Cigarette consumption, especially among the young, is price sensitive: Increase the cost and we decrease consumption. Several years ago, it was estimated that even a mere 8-cent-a-pack increase would lead 1.8 million Americans to either quit smoking or decide not to start. This decreased consumption would then decrease the health care expenditures of society in general and the Federal Government in particular.

Of course, an increase in the cigarette excise tax also means increased revenue. A 25-cent increase in the excise tax will generate $4 billion a year. This bill, however, does not earmark that revenue for any new or existing programs: If increasing the tax by 25 cents should miraculously cause every smoker to end his or her habit, then we've done our job—it isn't necessary that we make money in the process.

We cannot duck our responsibility to this problem. An increase in the cigarette excise tax provides the most effective means we have to discourage the deadly habit of smoking and recover for the public some of the incredible costs to society of smoking-related diseases and fires. I hope that my colleagues and the administration will support this proposal as one of the most socially useful measures we can ever consider.

The text of the bill is as follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN FEDERAL EXCISE TAX ON ALL CIGARETTES.

(a) IN GENERAL.—Subsection (b) of section 5701 of the Internal Revenue Code of 1986 (relating to rate of tax on cigarettes) is amended—

(1) by striking "$8" in paragraph (1) and inserting "$20.50", and

(2) by striking "$16.80" in paragraph (2) and inserting "$43.05".

(b) FLOOR STOCKS.—

(1) IMPOSITION OF TAX.—On cigarettes manufactured in or imported into the United States which are removed on or before the date of the enactment of this Act, and held on such date of enactment for sale by any person, there shall be imposed the following taxes:

(A) SMALL CIGARETTES.—On cigarettes, weighing not more than 3 pounds per thousand, $12.50 per thousand;

(B) LARGE CIGARETTES.—On cigarettes, weighing more than 3 pounds per thousand, $26.25 per thousand; except that if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding cigarettes on the date of the enactment of this Act, to which any tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be treated as a tax imposed under section 5701 of the Inter-

nal Revenue Code of 1986 and shall be due and payable on the day 45 days after the date of the enactment of this Act in the same manner as the tax imposed under such section is payable with respect to cigarettes removed after such date of enactment.

(3) CIGARETTE DEFINED.—For purposes of this subsection, the term "cigarette" shall have the meaning given to such term by subsection (b) of section 5702 of the Internal Revenue Code of 1986.

(4) EXCEPT FOR RETAILERS.—The taxes imposed by paragraph (1) shall not apply to cigarettes in retail stocks held on the date of the enactment of this Act, at the place where intended to be sold at retail.

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1(a) shall apply to cigarettes removed after the date of the enactment of this Act.

THRIFTS ADRIFT

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. DANNEMEYER. Mr. Speaker, numerous proposals to save the thrift industry from extinction have been put forward. The common earmark of these proposals is that they fail to see the problem in a wider context. The narrow approach to the thrift crisis does not hold out much hope for a durable solution. Stitches are poor substitute for patches.

I submit that the thrift crisis is just the latest symptom of a chronic malady; the ongoing crisis of the monetary system. We have, by and large, ignored earlier symptoms of the same malady during the past 20 years: The devastating loss of purchasing power of our dollar; the meltdown in the loan portfolio of our commercial banks; the decumulation of capital in America as manifested by the rush to replace equity by debt, causing our perennial trade deficits; the runaway debt tower; to mention but a few.

The hour is late. We cannot afford to ignore the latest symptom; nor would another Band-Aid treatment do. We have to go to the heart of the matter. The rate of savings in America fell from a high of 9½ percent in 1971 to a low of barely over 3 percent in 1987. Jawboning alone will not induce the American people to return to the time-hallowed virtue of thrift. It is the duty of this Government to make thrift meaningful in America once more.

I would like to share my thoughts on the thrift crisis with my colleagues and with other discriminating readers. The following is the first of three articles outlining the problem in a wider setting. The proposed solution is based on this wide-angle perspective, and it will be outlined in two followup articles, to be inserted at a later date.

THRIFTS ADRIFT

(First of a series of three articles)

The American thrift industry, comprised by the savings and loan associations (S&L's) in this country, is in deep trouble. The value of its assets no longer covers its liabilities. It can still put off the day of reckoning by offering extravagantly high returns, in order to attract more money in new deposits than net withdrawals. However, high interest rates, being the root cause of the malady hurting the thrifts, cannot be the cure. If the flow of new deposits dried up, or if the pace of withdrawals accelerated, either or both of which could occur at the drop of the hat, then the thrifts would be forced to meet the demand for cash by asset liquidation. This would reveal for everybody to see that the assets are just not there. Paper losses could no longer be "papered over", as they have been up to now. The moment of truth for the thrifts, and for the country, would be at hand.

Worse still, the "insurance company" of the thrifts, FSLIC, which is owned and operated by the federal government, is itself bankrupt. The shortfall of assets is far greater for FSLIC than for its members. The insurer is in worse shape than the insured. If this state of affairs has not yet resulted in a rout or in a financial panic, it is probably due to the mystique surrounding government guarantees. The billions entrusted to the thrifts are no longer there? No worry—those billions are guaranteed by the government. You say that the Government itself is deep in deficits? No problem—Congress just has to think billions and, lo and behold, the billions will be there whenever the depositors want them.

Some observers say that the representation of the condition of the thrift industry as a crisis is unwarranted. In any industry, they say, there are some weak, poorly managed firms; but then there are also some which are strong and have an excellent management record. This is what competition is all about: the strong marches on, while the weak falls by the wayside. With the thrifts, as with any other enterprise, it is the survival of the fittest. Nothing is wrong with the thrifts that a good old-fashioned merger, or a well-executed takeover will not cure.

It is hard to conceive a worse misrepresentation of the problems facing the thrifts. Mergers of industrial enterprises take place after the overvalued assets of the weaker partner have been written down, that is, after all the paper losses have been realized. By contrast, a merger in the thrift industry is always an exercise in wishful thinking that, maybe, paper losses will never have to be realized. As a result, the stronger party to the merger grows weaker, and the industry as a whole, more vulnerable.

It is true that the shortfall of assets is usually made up by government guarantees at the time of reorganization. But this is just kicking the garbage upstairs. The garbage will eventually come crashing down from the attic, once the saturation point is reached and exceeded. Just where that point is, no one can say. Nor can the event be scientifically predicted. Confidence is a fragile commodity, and we have been handling it in a rather cavalier fashion for years. The thrifty people of America took a severe beating when the value of their savings was greatly eroded in the 1970's. The regime of high interest rates slowed this erosion in the 1980's but, as part of the price of this slowdown, the thrift industry was bankrupted. The thrifty people of America are the sacrificial lamb on the altar of Mammon: the Dollar Almighty (whatever is left of its might). Once they realize this, they will start pulling their money out of the thrifts, calling on the government to make good on its guarantees and come up with the cash. But the government doesn't have the cash, any more than the thrifts do. The cash will have to be raised by selling unprecedented amounts of government bonds. And that would trigger an international monetary crisis, while sending interest rates to outer space.

In short, the S&L crisis is not a crisis caused by poor management, fraud, or deregulation. These came later. It is a crisis brought about by the Volcker FED and its regime of high interest rates. When FED Chairman Paul Volcker allowed interest rates to double and treble, long-term government bonds lost one-half and two-thirds of their value simultaneously. It is not within the power of the United States to change the laws of economics underpinning the fact that bond values vary inversely with the rate of interest. It is no use to argue that the loss of bond values is only apparent because nobody doubts that the obligation will be discharged as contracted at maturity. The loss of the present value of the bond is as real as real can be, and the damage it does to the balance sheet of the S&L's is irreparable. Government bonds are the best assets of the S&L if it can afford to have them. When a 30-year government bond loses half of its value, then a 30-year mortgage will of necessity lose more than half.

We are here facing the dark side of the apotheosis of the Volcker FED. The man was hailed as the savior of the world's monetary system when the dollar was tossed around like a leaky dinghy by heavy seas ten years ago. He took bold measures to shore up the dollar by a stern regime of high interest rates. Few then questioned the long-run wisdom of his moves, or what they will do to the balance sheets of the American financial institutions. Not until 1985 did the chickens begin to come home to roost, when the thrifts in Ohio and Maryland were closing their doors en masse.

Thrifts were once called the financiers of the American Dream, because of their role in financing the construction of residential property. The same cause, the regime of high interest rates which devastated the thrifts, has also seen to it that the Dream will remain just that for most young American homemakers. Even if the best bailout plan is implemented, and FSLIC is amply recapitalized by Congress, the S&L crisis will not be resolved. A period of remission may follow. But since these measures fail to address the root cause of the problem, namely the extreme volatility of interest rates, the crisis will return later with a vengeance. The thrifts will still be adrift. The Dream will still be a dream, beyond the realm of possibility, for most Americans. A real solution to the crisis must inlcude the stabilization of interest rates through the stabilization of the dollar.

A DISTINGUISHED COLLEAGUE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. FLORIO. Mr. Speaker, I would like to bring the attention of my colleagues to an article in the Metro Chronicle, which profiled Congressman DONALD PAYNE. DONALD PAYNE has come to Congress to represent his district—Newark, NJ—a city riddled with many urban problems. The drug problem has reached epidemic proportions. The city has the second highest number of babies born with the AIDS virus. High school illiteracy is rampant. Unem-

ployment is high and companies are leaving the city.

We on Capitol Hill should listen when Representative PAYNE speaks about the problems of America's inner cities. As a Newark city councilman, he has had to address these issues on a daily basis.

I know that Mr. PAYNE will serve the Education and Labor, Government Operations, and Foreign Affairs Committees well.

I enter the article in the RECORD for review by my colleagues.

[From the Metro Chronicle, Feb. 16, 1989]

PROFILE: CONGRESSMAN DONALD PAYNE

(By Ted Jones)

The question seemed, at first, to amuse Congressman Donald Payne, the first black from the state of New Jersey to sit in the U.S. House of Representatives. He smiled slightly, became thoughtful, and then slowly repeated the question for his audience of one. "Why am I here?" he said softly, and then began a response that was anything but amusing.

"I am here because I feel there has to be a strong voice to talk about urban problems, those afflicting the urbanized northeastern sector of this country, where jobs are exiting, where crime is very high, where drug abuse is at an epidemic proportion, where high school illiteracy still exists, and where school dropout rates are just overwhelming."

The 54-year old former teacher paused, not sure if more needed to be said, but then he went on.

"And when you have a high number of unemployed people, homeless people, sick people, and people not being educated, then that story has to be told. Newark is in my District, and it's an example of how serious the situation can be. I hope to articulate the problems and to push for those programs that can have meaningful results."

Payne, a Newark city councilman before his election to Congress last November, may well get to be that rare freshman who is heard above the roar of his senior colleagues.

In a surprise move, he became the only freshman to be assigned by the House Democratic leadership to three standing committees. He will serve on the Education and Labor Committee chaired by Augustus Hawkins of California; the Government Operations Committee chaired by Dante Fascell of Florida. He becomes the third black on Foreign Affairs, joining Congressman George W. Crockett, Jr. (D-MI), and Mervyn Dymally (D-CA.).

"I'm elated with my committee assignments," Payne asserted. "To be given this type of responsibility as a freshman is an achievement in itself. It's going to mean a great deal of work, and I understand that. But I'm certainly pleased that the leadership had such confidence in me, especially when there were so many, many candidates for Foreign Affairs."

Payne, who was the first African American to serve as the president of the YMCAs of the USA, has had a long-standing interest in the social and economic development within the Third World nations. Just days after being sworn in as the Congressional representative for New Jersey's 10th District, Payne traveled to Lusaka, Zambia, to participate in a conference sponsored by the African-American Institute.

"It was quite an interesting experience," Payne recalled. "I met with President [Kenneth] Kaunda and was impressed by him. He's a very strong leader. He knows the problems troubling his country, and he acknowledges them. He's trying to strengthen the infrastructure and to provide more and better housing.

"I also participated in a conference panel with the Japanese Ambassador to Zambia. We discussed the placement of external pressures against South Africa, and I talked about the 1986 antiapartheid sanctions we enacted, and why we now are supporting the stronger Dellums bill, which has a mechanism for preventing other countries from profiting from the withdrawal of American investments from South Africa. The Japanese Ambassador was bombarded by the African participants, and he had to keep running to his staff to get a clarification of his country's position on Africa."

Payne began his political journey to Congress in 1972 when he was elected to the Essex County Board of Chosen Freeholders. He served in that post until 1978. Four years later, he was elected to the Newark Municipal Council and then re-elected in 1986.

By 1974, the 10th District, once a political stronghold for the Irish and Italians, had become more than half Black. Newark, the state's and the District's largest city, had elected its first Black mayor, Ken Gibson, in 1970. The district was represented in Congress by Peter Rodino, who had been elected to his first term in 1948.

Payne unsuccessfully challenged Rodino twice for the Congressional seat, once in the Democratic primary in 1980, and again in 1986. When Rodino announced his retirement last year, Payne, a Democratic ward leader for 18 years, became the logical candidate. He won the Democratic nomination with 72 percent of the vote, and captured the seat with 86 percent of the ballots cast.

It has been said that Payne had the "luck of the Irish" in the lottery drawing by the freshmen representatives for room assignments. He was number one out of 44, and now sits in a large, well-lighted office on the fourth floor of the Cannon Office building.

"It's been great getting set up here," he said, gesturing with his hands to an unadorned desk and barren walls. "Everybody has been so helpful, and I've been impressed by the willingness of the Members of the Congressional Black Caucus (CBC) and others to assist the new Members find their way around here."

A soft-spoken man with a medium build, Payne is a widower with two children, Donald, Jr., 29, and Wanda, 28. He is the most junior member of the CBC, which has grown to a membership of 24. The new Congressman said he had already attended several meetings of the caucus and was pleased about "the interest shown in the problems of the Third World nations."

DEGRADABLE PLASTICS ACT OF 1989

HON. H. MARTIN LANCASTER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. LANCASTER. Mr. Speaker, I am today introducing a bill that addresses one of our Nation's most monumental crises: our plastic waste problem. The Degradable Plastics Act of 1989 calls on the EPA to issue rules requiring that, within a total of 7 years, most disposable plastic items be degradable. A brief summary and a section-by-section analysis of the bill follow my statement.

When the many labor-saving uses of plastics became apparent half a century ago, a new age of convenience began. There was an understandable tendency to believe that disposable items simply disappeared. Only recently has that misconception begun to fade. Marine wildlife fatalities, landfill overflow, and unsightly, potentially hazardous plastic litter have combined to force us to face this most serious issue. Yet, to date we have not exercised enough effort in this critical arena. Legislation was passed last Congress that requires plastic six-pack rings be constructed of biodegradable plastic. While this is a step in the right direction, there is much, much more to be accomplished.

Encouraging the widespread use of degradable plastics represents an intelligent response to this disastrous situation. For years we have possessed the technology to produce plastics which are biodegradable or photodegradable. Degradable plastics can be manufactured by adding cornstarch, rice starch, or synthetic ingredients to regular plastics. Although estimates vary, this process adds very little to production costs, and is certainly not cost-prohibitive. Degradable plastics are already being marketed extensively in Western Europe and Canada.

Because 11 States have now banned certain nondegradable plastic products and numerous others are considering such bans, many believe that a Federal approach is needed and is overdue. Moreover, production would put to good use our Nation's incredible agricultural production capability.

I realize, as we all must, that degradability is but one part of the solution to the plastics waste issue. Recyclable plastics, better landfill utilization, cleanup campaigns, and increased public awareness represent other methods of dealing with the situation. The ideal solution will inevitably include each of these methods working in combination.

Although the Degradable Plastics Act deals only with degradability, I am eager to have this concept incorporated into the proper recipe to create a workable solution to our plastic waste crisis. In the interest of resolving our problems with plastic waste, including litter and hazards to wildlife, I urge my colleagues to closely examine this issue and to support the Degradable Plastics Act of 1989.

THE DEGRADABLE PLASTICS ACT OF 1989—BRIEF EXPLANATION

The Degradable Plastics Act of 1989 will—

(1) specify that, within 2 years after the date of enactment of the bill, the Administrator of the EPA must issue rules to require that certain plastic articles be made of naturally degradable material;

(2) require that the rules issued by the Administrator must specify a period, not to exceed 180 days, within which the article will begin reduction to environmentally benign subunits;

(3) require that the rules specify a period, not to exceed 2 years after the article is discarded, within which the article will be reduced to enviromentally benign subunits;

(4) authorize the Administrator to exempt, by rule, a particular plastic article from the degradability requirements of the bill if the Administrator determines that it

is not technologically practicable for the article to be made of naturally degradable material;

(5) provide that the States will not be precluded from enacting a law that is more stringent than the rule issued under the bill;

(6) specify civil and criminal penalties for violation of the rule issued by the Administrator;

(7) require producers to make available, at reasonable times for inspection and copying by the Administrator, all records regarding development and production needed to determine or verify the degradability of plastic articles;

(8) define certain terms used in the bill; and

(9) provide that the rule issued by the Administrator will not apply to any plastic article produced within 5 years after the rule is issued.

THE DEGRADABLE PLASTICS ACT OF 1989—SECTION-BY-SECTION ANALYSIS

SECTION 1—SHORT TITLE.

Section 1 provides that the bill may be cited as the "Degradable Plastics Act of 1989."

SEC. 2—RULES REQUIRING DEGRADABLE PLASTIC ARTICLES.

Section 2, in subsection (a), states that except as provided in subsection (b), not later than 2 years after the date of enactment of the bill, the Administrator of the Environmental Protection Agency, after consulting with the director of the National Bureau of Standards, must issue rules—

(1) requiring that plastic articles that are produced in a State for distribution or sale outside the United States, or is distributed or sold in a State, must be made of naturally degradable material;

(2) specifying a period, not to exceed 180 days after a plastic article is discarded, within which the article will begin reduction to environmentally benign subunits;

(3) specifying a period, not to exceed 2 years after the plastic article is discarded, within which the article will be reduced to environmentally benign subunits.

Subsection (b) provides that if the Administrator determines that with respect to a particular plastic article that it is not technologically practicable for the article to be made of naturally degradable material, the Administrator may, by rule, exclude the article from the requirements of subsection (a).

SEC. 3—PREEMPTION.

Section 3 provides that nothing in the bill will preclude the right of any State or political subdivision of a State to adopt or enforce a law (including any rule or order) relating to producing a plastic article that is more stringent than the rule issued under subsection (a) of section 2.

SEC. 4—CIVIL PENALTIES.

Section 4, in subsection (a), provides that any person who violates a rule issued under section 2(a) will be liabile to the United States for a civil penalty, under subsection (b), in an amount not to exceed $5,000 for each violation.

Subsection (b), in paragraph (1), states that a civil penalty payable under subsection (a) may be assessed only by the Administrator on the record after an opportunity for a hearing. Paragraph (2) provides that, in connection with the hearing, the Administrator will have the authority to issue subpoenas.

Subsection (c) states that the Administrator may compromise or reduce a civil penalty assessed under subsection (b).

Subsection (d), in paragraph (1), provides that a person aggrieved by a civil penalty assessed under subsection (b) may obtain a review of the penalty by commencing a civil action in an appropriate district court of the United States within the 30-day period beginning on the date the penalty is assessed. Paragraph (2) states that as part of the answer of the administrator in the civil action, the Administrator must include the record on which the civil penalty is based. Paragraph (3) provides that the findings of fact made by the Administrator will be conclusive if supported by substantial evidence in the record taken as a whole. Paragraph (4) states that in the civil action, the district courts of the United States will have jurisdiction to review and enforce a civil penalty assessed under subsection (b).

Subsection (e), in paragraph (1), provides that subject to paragraph (3), the Administrator may commence a civil action in an appropriate district court of the United States to collect a civil penalty assessed under subsection (b). Paragraph (2) states that the Administrator may commence the civil action only if the person aggrieved by a civil penalty assessed under subsection (b) fails to commence a civil action under subsection (d), or the person commences the action, and the district court dismisses the action with or without prejudice. Paragraph (3) states that in the civil action, the district courts of the United States will have jurisdiction to enforce a civil penalty assessed under subsection (b). In the action, the civil penalty is not subject to review.

Subsection (f) states that if the Administrator prevails in a civil action commenced under subsection (d)(1) or (e)(1), the district court must award interest on the civil penalty enforced in the action calculated at the rate determined in the manner provided in subsections (a) and (b) of section 1961 of title 28 of the United States Code, payable for the period beginning on the date the civil penalty is assessed, and ending on the date of the judgment.

SEC. 5—CRIMINAL PENALTIES.

Section 5 provides that any person who knowingly violates a rule issued under section 2(a) must be fined not more than $25,000 or imprisoned for not more than 1 year, or both.

SEC. 6—INSPECTIONS.

Section 6 states that each person producing any plastic article for distribution or sale in a State and each person in a State producing any plastic article for distribution or sale outside the United States must make available, at all reasonable times for inspection and copying by the administrator, all records regarding the development and production of the article by the person that the Administrator determines are necessary to determine or verify the degradibility of the article.

SEC. 7—DEFINITIONS.

Section 7 provides that for the purposes of the bill—

(1) the term "Administrator" means the Administrator of the Environmental Protection Agency;

(2) the term "cosmetic" has the meaning given to the term in section 201(i) of the Federal Food, Drug, and Cosmetic Act;

(3) the term "drug" has the meaning given to the term in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act;

(4) the term "food" has the meaning given to the term in section 201(f) of the Federal Food, Drug, and Cosmetic Act;

(5) the term "naturally degradable material" means a material that will be reduced to environmentally benign subunits under the action of normal environmental forces, including biological decomposition, photodegradation, and hydrolysis;

(6) the term "plastic article" means any carton, bottle, bag, or other container that is designed to protect, carry, or store a food, drug, cosmetic, garment, or other article (including refuse), any packing material or wrapping, any ring device that is designed for the purpose of packing and carrying multipackaged cans or bottles, any disposable diaper, and any tampon applicator, that is made in whole or in part of plastic;

(7) the term "person" has the meaning given to the term in section 1 of title 1, United States Code;

(8) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any territory or possession of the United States; and

(9) the term "United States", when used in a geographical sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.

SEC. 8—EFFECTIVE DATE; APPLICATION TO CERTAIN PLASTIC ARTICLES.

Section 8, in subsection (a), provides that except as provided in subsection (b), the bill will take effect on the date of enactment of the bill.

(Subsection (b) provides that a rule issued under section 2(a) will not apply to any plastic article produced before the end of the 5-year period beginning on the date the rule is issued.

CAMPAIGN FINANCE REFORM LEGISLATION

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. UDALL. Mr. Speaker, a great legal jurist once said that, "Judicial reform is no sport for the short winded." The same can be said for campaign finance reform. I have worked on this issue for almost 20 years; long enough to realize that progress is incremental. It is an issue that calls for a slow and steady course of action.

In 1971, and again in 1974, Congress and the President made major changes in campaign financing. Our desire to correct the gross inequities of past Presidential campaigns allowed us to make sweeping changes that resulted in public financing for the general election in Presidential races, including a checkoff system to pay for it. We also enacted the Federal Election Campaign Act Amendments of 1974, which provided public funding for Presidential primaries and nominating conventions.

At the inception of Presidential campaign finance changes, there were those who said it could not be done, or that it would not work.

At this point, I do not know of anyone that wants to go back to the old system.

The cost of a campaign for a seat in the House of Representatives has skyrocketed. Many American voters are saying that a candidate who can afford to compete in one of these races, and wins, probably does not have their best interests at heart. The voters are beginning to believe that it is not their vote that counts, but rather the money that counts. In other words, special interests matter more than the people. I think evidence of this is the declining voter participation at the polls.

The resolution of this problem begins with campaign expenditures limitations: A limitation on the amount that candidates can give to their own campaigns, a limitation on the amount that candidates can spend on their campaigns, and a limitation on independent expenditures in Federal campaigns.

In 1974, Congress acted to impose such limitations, but those limitations were struck down by the Supreme Court in the Buckley versus Valeo decision. The court drew a distinction between contributions and expenditures. Expenditure limitations were found to violate the first amendment, despite evident governmental interests in controlling expenditures as well as contributions.

Quite frankly, I think the Supreme Court was wrong, and it is my hope that the Supreme Court will take another look at its holding in Buckley. It has become increasingly apparent that limitations on expenditures is an essential element of campaign finance reform. In the absence of such limitations, money has played a larger and larger role in Federal elections.

In the 1976 election cycle, the average amount of money expended by a successful candidate for the House was $87,209. In 1988 a successful candidate spent $388,000.

Even more alarming is the growth of giving by political action committees [PACS]. In the 1972 election cycle, PAC's gave $5.4 million to House candidates. In the 1988 election cycle, more than $102 million was given. The percentage of PAC contributions in a candidates coffers has grown from 14 percent to 40.8 percent.

I am introducing legislation today, the Campaign Expenditure Limitation Act of 1989, which would reopen the question of expenditure limitations and their role in our campaign finance laws. It does so by imposing new expenditure limitations in lieu of those struck down by the Supreme Court:

First, a limitation of $200,000 on the total amount that a House candidate may spend in a primary or general election campaign;

Second, a limitation of $25,000 on the amount that a House candidate may spend, from his or her personal funds, in a primary or general election campaign; and

Third, a limitation of $2,500 on the amount of independent expenditures that any person—including a committee—may spend in respect to a House race.

These restrictions, if adopted and upheld, would go a long way toward fulfilling the original intent of the 1974 amendments to the Campaign Finance Act of 1971, but one more step needs to be taken. Some aggregate limitation should also be set on the amount of PAC money that a candidate can accept. This bill would limit to $50,000 the amount of PAC contributions that a candidate could receive in a primary race or a general election. In doing so, the bill recognizes that PAC's have a legitmate role in Federal elections, but that such a role should be a limited one.

In recognition of the constitutional questions that surround expenditure limitations, the bill also allows for a judicial challenge as provided for in section 310 of the Campaign Finance Act of 1971 and requires the court of appeals and the Supreme Court to expedite to the greatest extent possible any challenges to the new law.

I would like to close with what I believe is the most important message that needs to be delivered here today. It is not often that we have an opportunity to do something on campaign finance. I think we have an opportunity this year. There is a strong congressional and public awareness that something must be done. The system is not working. Members of the House are spending more and more time on fundraising and less and less time on the business of Congress. Special interests are playing a larger and larger role in our elections, while individual givers play a smaller and smaller role. Public distrust is rising and voter participation declining. We need more disclosure. And we need to get some control in independent expenditures, which have undermined the sense of accountability that makes for fair elections.

Let's not waste this opportunity.

GOOD SAMARITANS OF 1989

HON. DOUG BARNARD, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. BARNARD. Mr. Speaker, the St. Joseph Foundation Center for Life in Augusta, GA, has recently named three individuals to receive its 1989 Good Samaritan Awards. It is my pleasure to join in recognizing these 3 citizens of the 10th District of Georgia who have made extraordinary contributions of time, talent, and gifts for the benefit of others.

Dr. Russell R. Moores, Mrs. Miriam Dicks, and Mr. Bernard Silverstein will be honored by the St. Joseph Foundation in ceremonies on March 20th, which has been declared Good Samaritan Day in the city of Augusta. Like the Biblical Good Samaritan, these individuals have recognized needs in their community and responded to them generously.

Dr. Russell R. Moores, Professor of Medicine at the Medical College of Georgia, receives the Good Samaritan Award for his contributions of time in service to his church, community, and St. Joseph Hospital.

Dr. Moores is an active member of St. Ignatius of Antioch Melkite Greek-Catholic Church in Augusta. He has served the Augusta community as manager of the Augusta Opera Company, chairman of the Arts Festival, and member of many city and regional boards and commissions. President of the Augusta Genealogical Society, Dr. Moores is well known for his writings on subjects ranging from local history to theology.

Also a leader in his profession, Dr. Moores served on the Hospice Advisory Board of St. Joseph Hospital from 1978 to 1984. His professional accomplishments include administrative appointments at the Medical College, leadership in the Association of American Medical Colleges, and chairmanship of the Institute for Parapsychology.

Mrs. Miriam Dicks, an educator and community volunteer, has been named a Good Samaritan for her contribution of talent in service to others.

For more than forty years, Mrs. Dicks has taught adult Bible classes as a member of the St. John United Methodist Church. She has been active in her church as a lay reader, a member of the churchwide nominating committee, and a vacation Bible school teacher. She has held positions of leadership in the United Methodist Women of St. John, the Women's Society for Christian Service, and Church Women United.

Mrs. Dicks also volunteers her time to prepare young people for hospital and nursing home service. She has worked at the Community Clothing Center for 15 years and served as its president. Mrs. Dicks helps manage a soup kitchen that serves the hungry in her community, and she teaches weekly Bible classes for residents of St. John Towers, where she is presently Associate Chaplain.

Mr. Bernard Silverstein, owner of Silverstein's Cleaners and Launderers, receives the Good Samaritan Award for his generous donation of gifts to St. Joseph Hospital and his support of many other community organizations.

Past President of the Rotary Club of Augusta, Mr. Silverstein is active in civic and youth activities throughout the community. He has been chairman of the University Hospital Authority and University Health Care Foundation and has served on the Presidential Search Committees of the Medical College and Augusta College.

Currently, Mr. Silverstein is vice-chairman of the Augusta College Trustees, a trustee of Paine College, president-elect of the Boy's Clubs of Augusta, and a member of the National Science Center. He is Director of First Union Bank and of Pilgrim Health Life Insurance Company.

It is my great pleasure to congratulate these three worthy recipients of the 1989 Good Samaritan Awards. We thank them for their commitment to the life of our community, and we honor them for giving so freely of their time, talent, and treasure. They inspire the Good Samaritan in us all.

PROCEDURES TESTED FOR A CHEMICAL ARMS BAN

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. MOODY. Mr. Speaker, I have recently returned from Geneva where I received a series of briefings on the status of ongoing chemical weapons talks. These critical negotiations are moving forward at a steady pace and making progress on the greatest stum-

bling block to an agreement—verification. The United States and five other countries have begun mock inspections of their national chemical plants to test procedures for verifying a chemical weapons ban. These mock inspections will yield important insights into verifying a ban and will also accustom private industry to the process of periodic inspections.

Even more impressive, up to 15 additional countries plan to hold their own mock inspections in the coming weeks. I'm pleased to see concrete progress in one of the most important areas of arms control. The following article discusses the mock inspections and their significance.

[From the New York Times, Mar. 8, 1989]

PROCEDURES TESTED FOR A CHEMICAL ARMS BAN

(By Paul Lewis)

GENEVA, March 7.—The United States and other countries negotiating a ban on poison gas and other chemical weapons have started making mock inspections of their national chemical plants to test procedures for verifying a treaty outlawing such weapons, a French official said today.

The official, Pierre Morel, who is Chairman of the negotiations this year, said at a news conference here that the United States, Sweden, Hungary, Italy, the Soviet Union and Brazil have all recently conducted such mock inspections.

The aim is to gain experience in techniques for inspecting plants to see whether they are producing chemicals that could be used in weapons. The mock checks also help private industry become accustomed to regular official inspections. These countries and others planning to conduct such mock inspections in the near future will exchange their findings later this spring.

The American inspection was conducted over three days last month at the Akzo Chemical Corporation's plant at Gallipolis Ferry in West Virginia by officials from the United States Arms Control and Disarmament Agency under an agreement made with the American Chemical Manufacturers Association. Akzo, a subsidiary of Akzo N.V. of the Netherlands, volunteered for the inspection.

"A CRUCIAL PHASE"

The Gallipolis Ferry plant manufactures chemicals that could be used in chemical weapons and would thus be subject to regular international inspection under the terms of the chemical weapons ban being negotiated here, American officials say.

Mr. Morel said that up to another 15 countries, including France, plan to hold such mock inspections in the next few weeks. This summer the 40 member countries of the United Nations Disarmament Conference are to begin making mock inspections.

Mr. Morel said the chemical weapons negotiations have now entered "a crucial phase," with negotiators concentrating on devising an effective verification regime that he described as the "key to any agreement." But he declined to endorse recent claims by Foreign Minister Hans-Dietrich Genscher of West Germany and Foreign Minister Giulio Andreotti of Italy that a treaty can be completed this year.

He said that West Germany and Britain have recently submitted new verification proposals to the disarmament conference that differ from the plan put forward by the United States in 1984 and that the Soviet Union accepted in principle in 1987.

Under the United States plan, plants producing chemicals that could be used in weapons would be subject to regular inspection by a new international monitoring agency. But in addition, countries would have the right to demand unlimited challenge inspections of any of each other's chemical plants.

SOME DEVELOPING NATIONS BALK

Diplomats say that several developing countries, including China, India and Brazil, are unhappy with the American proposal, which they feel is unduly intrusive and amounts to accusing the country inspected of cheating. Neutral countries say they do not want to challenge their neighbors in this way.

West Germany has proposed that countries give the international inspection agency a register of all their chemical works and allow it to carry out periodic spot checks on plants not regularly inspected. But this could lead to the agency conducting several thousand inspections a year, diplomats say, which is considered impractical.

Bonn then proposed eliminating "irrelevant" plants from the list to reduce the number of checks required.

As an alternative approach, Britain has now suggested that every country should have the right to ask the inspection agency to conduct a limited number of challenge inspections on any chemical plant in another signatory country.

Diplomats say this would limit the agency's workload and reduce the risk of industrial espionage because the country demanding an inspection would not be represented on the inspection team.

SUPPORT FOR EASTERN AIRLINES UNIONS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. GARCIA. Mr. Speaker, I urge my colleagues to read this article which appeared in the New York Daily News on March 14, 1989. I believe the article expresses the feelings and concerns of the workers striking against Eastern Airlines and its president, Frank Lorenzo.

The effects of this strike, if not resolved quickly, could be devastating. Thirty thousand people risk losing their jobs, the Nation's sixth largest airline will fold, and many areas will no longer enjoy the service provided by Eastern. Last week I came here to urge President Bush to appoint an Emergency Mediation Board before the deadline for the strike. I now urge him to re-evaluate his position and appoint this mediation board to help resolve this dispute.

[From the New York Daily News, Mar. 14, 1989]

SUPPORT FOR EASTERN AIRLINE UNION

(By Juan Gonzalez)

In a labor strike, 10 days can seem more like 10 months. All the old routines, the markers that guide and anchor life on the job, are suddenly gone.

On one side stand you and your co-workers with a well of anger chiseled deep into your guts by years of petty abuses and neglect. On the other side towers management, the middle-level types and the guys at the top with the bank accounts to match their titles.

It was Day 10 of the Eastern Airlines strike yesterday, and on the picket line at LaGuardia Airport you could see anger on the face of Henry Krawczyk, 17-year veteran. That's how long he has been a mechanic for Eastern, ever since he came to the U.S. from Poland, a country whose strikes always delight the folks in Washington more than our own.

Krawczyk's anger yesterday was all for Eastern chief Frank Lorenzo, for what he called "anti-union" press coverage and for the courts.

If you've never been in a strike, you can't understand how much it changes lives. Strangers suddenly become close; friends change into enemies. The press, the courts, the government, the public, your own union leaders reveal sides you never knew before, while you walk the line and worry each day for your family's future.

"We took an 18% cut a few years ago. What happened to all that money they saved then? Now they want more?" Krawczyk said.

"Do you know what it's like doing maintenance in 25- and 30-degree weather at night, on top of an icy metal wing with the wind whipping in your face? You can't wear gloves 'cause they're too bulky to handle bolts or parts, so your hands just turn numb," mechanic Garry Hagstrom said last week. At LaGuardia, there are no hangars for the Eastern planes.

Inside the Eastern Shuttle terminal, business was brisk yesterday, with college students and other bargain-hunters who took advantage of the half-price $49 one-way Boston and Washington fares the company was offering to win back riders.

The strike has become a war of attrition. Despite having more than $400 million in cash reserves, Lorenzo declared bankruptcy last week, defaulted on millions of dollars worth of tickets that he'd already sold and even refused to pay the strikers their last week's wages.

To call this man a corporate scavenger would be an insult to every bird in creation.

Lorenzo had counted on individual survival instincts, and the lack of unity between pilots, mechanics and flight attendants, to impose his will and his salary structure on Eastern employees.

The pilots surprised him. Here are guys who make good money, educated upper-middle-class professionals. Why would they unite with more traditional labor types like the machinists?

Well, Lorenzo, the financial wizard, forgot one thing in his greed equation—dignity. The Eastern pilots believe their company can be as well-run and profitable as Delta or American or United, with a management that respects them.

"Employees with good morale produce better," one pilot told me. "We won't work for Frank Lorenzo."

Eastern announced plans to expand air service to a few more cities, but to do that it needs pilots. A pilot can only fly 30 hours in seven days, 100 hours a month, according to Federal regulations. Thus, the company can't work its few strike-breaking pilots overtime. Nor can it quickly bring in pilots who aren't Eastern-trained. By the end of a month, who will fly the planes?

Meanwhile, Federal Judge Robert Patterson keeps extending a restraining order preventing rail unions from joining in a sympathy strike, something union leaders say is legal according to the Federal Railway Act.

And President Bush keeps saying he won't intervene in the dispute unless there is a sympathy strike, in which case he'll move quickly to crush it.

Bush and all the responsible government types say they are worried about the public, which is really only working people acting as consumers. And if the public keeps buying that Public baloney, one day we'll all wake up with legions of cheap labor hands being whipped by thousands of Frank Lorenzo clones.

Three busloads of bus drivers from Transport Workers Union Local 100 joined the striking Eastern workers on the picket line yesterday. Organized support is growing. The international president of the 100,000-member union, George Leitz, threatened a "nationwide transportation strike" to force government action on the strike if the court injunction is lifted.

Thus, the Eastern Airlines strike of 1989 is rapidly becoming the most important labor-management fight of our generation. Experts keep talking about how weak organized labor has become, with not even two of every 10 American workers in unions.

Those experts seem to forget that the small percentage is concentrated in the life-blood industries of this nation—transportation, auto, steel, government itself. The experts fail to see that you can only keep taking back from people for so long. Sooner or later, those people fight back, no matter the threats or danger.

Frank Lorenzo and the nation have begun to find out just how strong or weak labor really is. Strikes have a way of doing that.

THE STUDENT-ATHLETE RIGHT-TO-KNOW ACT

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. TOWNS. Mr. Speaker, today, my colleague, Congressman TOM MCMILLEN from Maryland and I reintroduced the Student-Athlete Right-To-Know Act, which will require an annual reporting of the graduation rates of student-athletes. I am very pleased that Senator BILL BRADLEY from New Jersey has again joined us in sponsoring this legislation in the Senate.

The purpose of this bill is to provide consumers, in this case student-athletes and their parents, with information about the quality of education provided to athletes at a given institution. Colleges and universities would be required to report graduation rates broken down by race, sex, sport, and field of study, on an annual basis to the Department of Education. The bill requires schools to report the number of scholarship athletes who earn a degree within 5 years. So that a fair comparison can be made with the achievements of the general student body, schools are also required to report similar statistics for nonathletes. The legislation also mandates that this information be made available to prospective students, as well as being included in the letter of intent.

Two changes have been made in the bill from the last Congress. First, the number of athletes that have graduated within 5 years will be reported rather than reporting the average number of years that it takes an athlete to graduate. Second, to ensure that academic considerations are balanced with athletic ones, high school guidance counselors or principals will be encouraged to review the letter of intent with the student.

Having outlined what the legislation requires, I am certain that you're wondering why we introduced it. For me, there were two basic concerns in drafting this legislation. While the NCAA has tightened the entrance requirements for college freshmen, we still have a problem with what happens to the education of that student-athlete once he or she gets to college. Neither proposition 48 or proposition 42 address the real issue: Do student-athletes graduate?

For example, some student-athletes are considered academically eligible with only a 1.5 GPA. Yet, few colleges will allow a student to graduate after 4 years with a D+ average. Or, you have the case of the student-athlete whose field of study is so limited that their degree is almost meaningless.

The other concern is that students and their families are entitled to basic information about the quality of education that an institution provides. If we can have reporting as to the on time arrivals of airlines, surely we can let student-athletes know whether they are likely to receive a useful college degree if they sign a letter of intent at "X" university. Some have argued that collecting this information will impose a burden on colleges and universities. My response to that is, if we improve the educational achievements of student-athletes, it will be well worth the effort colleges may have to undertake.

Finally, it is our belief that the Student-Athlete Right-To-Know Act will result in a consumer selection process. The bill supports the efforts of those campuses that are doing a good job of graduating their athletes and it will force those who are not, to do a better job if they want to compete effectively for the best athletes.

DEPORT ALIEN TERRORISTS!

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. SOLOMON. Mr. Speaker, in light of the recent bombing involving the wife of Captain Rogers and that the Federal Bureau of Investigations [FBI] estimates a third of the 30,000 Iranian students in the United States are funded directly by Khomeini and capable of carrying out terrorist attacks, please join me in sponsoring the Terrorist Alien Removal Act of 1989.

In recent years, the Department of Justice has obtained considerable evidence of aliens involved in terrorism in the United States. While many of these aliens would be subject to deportation, use of present deportation proceedings under the Immigration and Nationality Act [INA] is frequently impossible because to do so would reveal sensitive information which would harm national security or reveal confidential sources.

Additionally, under current law, the FBI can only take action to deport a terrorist after a terrorist act has been committed. In other words, the FBI has no authority now to act when they discover alien terrorists constructing a bomb or planning an assassination.

My bill would address these problems by establishing a new chapter in the INA devoted exclusively to the removal of aliens when they are found to be planning "terrorist activities." If the Department of Justice believes it has identified an alien in the United States who is engaged in terrorist activities, they could ask for a special removal hearing whereby they could seek to prove by clear and convincing evidence without disclosing sensitive information, that the alien had engaged in terrorist activities.

According to the Department of Justice and the FBI, enactment of this legislation would provide a valuable new tool with which to combat aliens who would use our country as a base from which to launch terrorist attacks. It is a carefully measured response to the menace posed by alien terrorists and fully comports with all constitutional requirements applicable to aliens.

IN SUPPORT OF PRIVATE RELIEF FOR NICOLA NICO GIAMPIETRO

HON. CLAUDE HARRIS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. HARRIS. Mr. Speaker, the Immigration and Nationality Act is necessary to control the flow of diverse peoples into the United States. Two of the fundamental principles underlying of immigration policy are the reunification of families and promoting the national economic interest of attracting people with certain occupational skills without displacing U.S. workers. In the case of Nicola Giampietro, upon whose behalf I have introduced a private relief bill today, both of these goals may be achieved.

Mr. Giampietro entered this country on a tourist visa in 1984 in order to aid his only sister, Carmela Quilico, in the care of her disabled and now terminally ill husband, Anthony Quilico. Mr. Quilico was the victim of a mugging and robbery that left him paralyzed with severe organic brain syndrome. In addition to his paralysis and brain damage, he suffers from cancer of the bladder. He has been bedridden for many years and requires 24-hour supervision.

Mr. Giampietro's presence in the Quilico household has allowed Mr. Quilico to receive proper treatment at home with only intermittent hospital visits. This situation relieves the hardship on the family in a number of ways—Mr. Quilico receives loving care at home, and the astronomical costs of medical care for a terminal illness are greatly reduced. At this time, Mr. Quilico's health has deteriorated to the point that skilled nursing care is now required in addition to the services which Mr. Giampietro can provide. Unfortunately, because of the cost, the Quilicos can no longer afford such professional nursing care. Without Mr. Giampietro's help and support, the financial burden on his sister and her husband would be increasingly unbearable.

In addition to this aid to his family, Mr. Giampietro has been a generous volunteer in his community. He has been active in the Red Cross, Charity League and other community projects. For example, he is beloved in the community of Selma as evidenced by a number of petitions on his behalf and favorable press reports and is known for his particular kindness in working with the elderly. He is a talented musician and shares this gift by participating in the church choir and other important activities in the church's life. Mr. Giampietro is also an artisan. By trade, he is a woodworking craftsman and this skill is an asset with which he may support himself and enrich the local economy and quality of life.

Mr. Giampietro applied for resident alien status in 1983. As of February 1989, the Immigration and Naturalization Service is reviewing preferences for visas submitted before June 1, 1982. According to the most recent projections available from the State Department, the Service will proceed with application dates at a rate of 1 week per month. Therefore, there is very little likelihood that Mr. Giampietro's application will be considered this year.

Mr. Giampietro has exhausted his administrative remedies. His sister applied on his behalf for permanent resident alien status in 1983. Since that time he has had several extensions of his original tourist visa, temporary stays, once departed from the country to reenter on a second tourist vise, had extension on that visa, and is now in voluntary departure. He entered voluntary departure status in March 1988 which was set to expire on February 18, 1989. He was granted a final extension of this voluntary departure until August 18, 1989. To leave the country and reenter when a third visa becomes available would work an unusual hardship on Mr. Giampietro and his family at this time.

Mr. Giampietro and I are aware that the granting of permanent resident alien status through legislation is extraordinary relief. I believe that Mr. Giampietro's case merits this special consideration for humanitarian and national interest reasons. I appreciate the opportunity to express my sympathy for the plight of the Quilico family and would like to thank my colleagues for their consideration of this matter.

INTRODUCTORY STATEMENT OF CHAIRMAN AUGUSTUS F. HAWKINS: AGE DISCRIMINATION IN EMPLOYMENT WAIVER PROTECTION ACT OF 1989

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. HAWKINS. Mr. Speaker, I am introducing today the Age Discrimination in Employment Waiver Protection Act of 1989. I am pleased to have my colleagues, Representatives PEPPER, CLAY, FUSTER, LANTOS, MARTINEZ, MFUME, RINALDO, ROYBAL, and SNOWE, join me in introducing this bipartisan proposal.

On January 25, 1989, similar legislation was introduced in the Senate by Senators METZENBAUM, HEINZ, PRYOR, KENNEDY, MIKULSKI, DECONCINI, SHELBY, HARKIN, KOHL, SIMON, MATSUNAGA, ADAMS, PELL, BURDICK, GLENN, and DODD. Key members of both the House and Senate authorizing and oversight committees on age discrimination issues are supportive of this important civil rights law enforcement initiative.

The thrust of this legislation is to clarify under what circumstances individuals may waive their rights under the Age Discrimination in Employment Act [ADEA]. It is our hope that in so doing, we will prevent the uninformed relinquishment, by millions of older Americans, of the important protections against employment related discrimination which the Congress intended when it enacted the statute in 1967.

This legislation is imperative due to recent regulatory action of the Equal Employment Opportunity Commission [EEOC]. The Commission has been responsible for administering and enforcing the ADEA since 1978, when Congress transferred that authority from the Department of Labor in the Reorganization Plan No. 1 of 1978. In July 1987, the EEOC issued a rule permitting older workers to waive their rights under the ADEA without either EEOC or court supervision, so long as the waivers were "knowing and voluntary."

Following the issuance of the EEOC final rule, Congress immediately expressed grave concern that the rule was without legal foundation and contrary to public policy. Through the Commission's annual appropriations, the Congress suspended the EEOC waiver rule for fiscal years 1988 and 1989. Despite repeated concerns from the Congress and from older workers' advocacy groups, the Commission refuses to rescind the ADEA waiver rule. Although the Congress has acted to prohibit the EEOC rule from taking effect for 2 consecutive years, there is general agreement that a long-term legislative solution is necessary. This bipartisan bill, which I am introducing today, achieves that objective.

Today, a waiver of ADEA rights occurs more frequently in the workplace, often under subtle and in nonadversarial circumstances. Employers are increasingly relying on early retirement incentive programs and other employment termination programs in order to trim their work force and remain competitive in the marketplace. If properly structured, these incentive programs may be beneficial to employers and employees alike. However, some exit incentive programs may violate the law if they discriminate against older workers.

We have learned that many employers use waivers as a condition of these termination programs. Victims of age discrimination have testified before congressional hearings about documented ADEA violations and the potential for abuse of ADEA waivers.

For instance, most ADEA waivers are requested in nonadversarial circumstances; that is, at a time when an employer is offering an early retirement incentive program, or when implementing mass layoffs or other terminations. The employee is unlikely to know the nature or value of the rights being waived, to have the advice of counsel, or to even know of the existence of a viable ADEA claim. Coupled with the unequal bargaining power between employer and employee, the employee's ADEA protections are jeopardized by the proffering of the waiver.

Briefly, this bill would accomplish the following main objectives: First, prohibit an individual from waiving any right under the ADEA, except in settlement of a bona fide claim alleging age discrimination of a kind prohibited under section 4 or section 15 of the ADEA; second, limit EEOC's authority under section 9 of ADEA in issuing a rule on waivers which is inconsistent with congressional intent; and third, rescind the rule on waivers issued by the Equal Employment Opportunity Commission (section 1627.16(c) of title 29 of the Code of Federal Regulations, July 1, 1988).

The Age Discrimination in Employment Waiver Protection Act maintains existing levels of protection for older workers, bona fide ADEA claims. This critical legislation ensures that older workers are not coerced into waiving their rights under the ADEA statute. It also provides clear policy guidance to employers, the EEOC, and the courts on effective ADEA enforcement. I urge my colleagues to support this important legislation.

MUCH NEEDED LEGISLATION INTRODUCED TO MAKE HOUSING MORE AFFORDABLE

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. SCHULZE. Mr. Speaker, today I am introducing legislation to make housing more affordable for millions of Americans. Although my bill is technical and not easily understood, it addresses key problems facing homebuilders, utilities, small business, and home buyers.

If enacted into law, this bill will allow public utilities to receive tax-free contributions in aid of construction from taxpayers involved in constructing real property. This will save ratetaxpayers and home buyers money and reduce the cost of housing. My bill would also provide a safe harbor for small businesses from passive loss rules enacted in 1986. As drafted, these rules provide relief for material participation in passive activity, yet exclude small businesses which clearly are at risk and involved in all decisionmaking.

Finally, my legislation eliminates the retroactive application of long-term contract rules to homebuilders and clarifies the eligibility of cooperatives and condominiums for fair tax treatment.

TRIBUTE TO JOSEPH M. EGAN, JR.

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. FOGLIETTA. Mr. Speaker, today I would like to pay tribute to a thinker, a man of ideas, a doer, a builder: Joseph M. Egan. Joe Egan recently resigned as president of the Philadelphia Industrial Development Corp. PIDC, under Joe Egan's auspices, has been respon-

sible in large part for much of Philadelphia's recent renaissance.

Joe Egan's latest position with PIDC was the capitulation of a long career in public service. Previously, Joe Egan was executive vice president of PIDC and a first deputy director of commerce of the city of Philadelphia. He began his career in public service as director of real estate marketing for the Redevelopment Authority.

On the event of Joe Egan's departure from PIDC, the Philadelphia Inquirer wrote about a small project in my district. It involved a vacant school building in the Fishtown section of the city. The building was not being used to its best potential for the neighborhood.

Joe Egan's agency went to work. As a quasi-public agency it had the power to buy the building from the school district without a public auction for $65,000, the appraised price for the building. It then turned around and sold it to a developer for $101,000. The developer promised to rehab the building into apartments.

Then, under the deal, PIDC split the $30,000 profit with the school district. As the Inquirer said, everyone made out, "the school district got the $80,000—and no black eyes—from the deal; PIDC got $15,000; and Fishtown got a viable new residential building."

This was a small deal, but it demonstrates what a man of ingenuity can do to help a city and its neighborhoods progress.

Through his long career in Philadelphia government, Joe Egan has been involved in these innovative, important projects, from small ones like the Fishtown project to big projects like our convention center project, reviving the Delaware River waterfront, attracting businesses like IKEA, developing the exciting Gim San Plaza in our Chinatown, and building industrial parks all over the city.

Joe Egan is leaving for a developer in the private sector, the Hansen Group, still the builder. And I know that we in the Philadelphia area can still look forward to his contribution.

I am sure that I join many other Philadelphians and Members of Congress in wishing him well in his new endeavor.

THE HAZARDOUS WASTE REDUCTION ACT

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Ms. SCHNEIDER. Mr. Speaker, I am pleased to join my good friends HOWARD WOLPE, DENNIS ECKART, and MATT RINALDO in introducing the Waste Reduction Act of 1989. In a very real sense, this bill is unfinished business from the last Congress and ought to be one of our top priorities for prompt action this year. Last summer, the bill passed the House unanimously, and similar legislation was approved by the Senate.

This year the bill, which has been endorsed by an impressive array of public interest groups, States and private industries, has already gathered the bipartisan support of over 150 cosponsors. The new administration has made waste reduction one of the top priorities for the new EPA, and the agency's preliminary work in this area is consistent with the framework of our legislation.

Mr. Speaker, nearly two decades of experience with Federal environmental legislation has taught us several important lessons. First, pollution is not avoided when it is transferred from one media to another—as, for example, when toxic chemicals are removed from wastewater discharges only to be stockpiled on the land, where they may pose a serious threat to ground water. In 1988, the EPA reports an incredible 29,240 sites currently in use for the treatment, storage, or disposal of hazardous waste.

Second, managing wastes that have already been created is enormously expensive, requiring the application of uncertain technologies and regulations of great intensity. It is little wonder that the cost of managing hazardous wastes has doubled since 1984 to nearly $5 billion a year.

Our bill places the prevention of pollution releases to all media—the air, land, and water—at the top of the pollution management hierarchy. It also would create a new Office at EPA to coordinate waste reduction policy; establish a national waste reduction clearinghouse; provide state grants encourage innovative water reduction programs and help small businesses to reduce their waste output; and require industry to provide data about their source reduction efforts.

The bill reflects the suggestions of numerous experts in the field of water reduction, most notably Inform, the Office of Technology Assessment, and the State Waste Reduction Roundtable. I might also add that the bill's success last year was due in part to the active support of the leadership of the House Energy and Commerce Committee, including Chairman JOHN DINGELL, Subcommittee Chairman TOM LUKEN, and Ranking Minority Member BOB WHITTAKER. Finally, I would like to recognize the enormous energy and thoughtfulness that my friend HOWARD WOLPE has brought to bear on this issue.

Mr. Speaker, this year we will undertake the Herculean task of reauthorizing the Clean Air Act, and soon we will take up reauthorization of RCRA and Superfund. Let's take advantage of the calm before the storm to enact this valuable, consensus measure.

DETROIT OPENS MOTOWN HISTORICAL MUSEUM

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. CONYERS. Mr. Speaker, it is with greatest pleasure and admiration that I rise today to pay tribute to a well-deserving institution, the Detroit Motown Historical Museum.

In the middle of a great Midwestern industrial city stands a modest structure that serves as a monument to the "American Dream," the spirit of American enterprise and the creative soul of its people. A Michigan historical marker and contained within its walls is one of the great legends of the music and entertainment world.

Renowned as a great industrial center, Detroit, "the Motor City," is also known internationally to music fans as the cradle of the most singularly successful body of American popular music to have emerged from one city since the invention of the phonograph.

Thirty years ago, a young Detroit man named Berry Gordy borrowed $800 and rented the small wood-frame building on West Grand Boulevard. He filled the building with makeshift recording equipment, and few desks and typewriters and brought in a collection of talented youngsters who, for the most part, had been raised in various housing projects located within a few blocks of his "headquarters."

With much optimism, Gordy named his "headquarters" Hitsville, USA. His enterprise was called Motown Records and the collection of youngsters became known as Smokey Robinson and the Miracles, Stevie Wonder, the Jackson Five, the Supremes, the Temptations, Gladys Knight and the Pips, and Four Tops, Marvin Gaye, the Marvelettes, Martha Reeves and the Vandellas, the Spinners, and many, many more.

Between 1960 and 1969, Hitsville, USA was the launching pad for 535 singles, 357 of which went on to hit the record charts; 174 became top 10 hits on the rhythm and blues charts, 94 hit the top ten of the pop charts, and 56 became the No. 1 records in the United States. Music flowed from the Detroit neighborhoods throughout the Hitsville recording studio and to the world in an unprecedented explosion of talent and creativity.

The music industry had never before seen a winning streak that has run so long and has not seen one since.

Although its recording studio no longer turns out "the Sound of Young America," Hitsville, USA's walls still resound with the music that captured the ears of several generations of fans. The magic has been preserved in the rare photos, the trophies, the costumes, and gold records that are displayed in its rooms. There's the $800 promissory note made out by Berry Gordy, Jr. to his parents; there's the glove, hat, and uniform made famous by Michael Jackson, who fondly recalls his first visit to the musical mecca as his first significant step toward stardom.

In 1987, Hitsville, USA was proclaimed a historical site by Gov. James Blanchard of Michigan along with Detroit's Mayor Coleman Young and Michigan Secretary of State Richard Austin, all on hand at the ceremony. Michigan Registered Historic Site No. 5912, the Motown Museum, is already among the most visited tourist attractions in Detroit. Ester Gordy Edwards, who as president of the Motown Museum Historical Foundation, is responsible for overseeing Detroit's Motown legacy, notes the number of international visitors who pass through its rooms each week. "They come from all around the world," she says. "It's living history; the Motown Sound has an impact everywhere."

Mr. Speaker, the Motown Historical Museum represents the epitome of the "American

Dream." I urge my colleagues to join me in celebrating the success stories of Hitsville, USA and to visit the Motown Historical Museum in Detroit.

TRIBUTE TO MR. JACK VALENTI

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. GEPHARDT. Mr. Speaker, April 1 will mark the retirement of one of America's most dedicated union leaders, Mr. Jack Valenti. One of St. Louis' favorite native sons, Jack has devoted 42 years of his life to serving the labor movement and the city he loves. Whether strengthening his union at the bargaining table or participating in numerous civic efforts, Jack has never forgotten the community he serves.

In his early years as a member of what is now the United Food & Commercial Workers Union Local 655, Jack Valenti heard the call to serve and willingly accepted the challenge. Since his beginning as a clerk at a supermarket, Jack has guided and developed local 655 into one of the largest unions in the St. Louis area. As director of organization from 1955–65, Jack played a major role in the union's growth. In 1965, he was named executive assistant to the union's chief executive officer. In 1969, Jack was elected to be local 655's president and executive officer, the position he still holds today.

In addition to building a strong local 655, Jack has made a major impact on the national scene. After serving as president of the Region 8 Council of the UFCW, Jack was elected in 1971 to be an international vice president of the UFCW International Union, AFL–CIO and CLC. This marked the first time a local 655 member had held this position. He was re-elected in 1979. St. Louisans are proud of their highly respected labor leader and his national accomplishments.

Jack's dedicated efforts for union employees helped establish fair wages for a day's work. Even Jack's critics have come to admire his shrewd and determined bargaining style. While securing some of the best contracts in the country for his union, Jack had the knowledge and foresight to carefully ensure his membership's welfare long past his retirement.

Jack's commitment to service did not stop when he left the office. He frequently could be seen taking part in volunteer efforts, cochairing the Advance Campaign for the United Way of Greater St. Louis, and cochairing the State of Israel Bond Committee of St. Louis. His tireless work proved to be invaluable to the ultimate success of these charities.

Mr. Speaker, I would like this opportunity to thank Jack for his 42 years of contributions and dedicated service to the national labor movement and the St. Louis community. I hope his days continue to be filled with success and happiness.

HAPPY BIRTHDAY, BILLY FELDSTEIN

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. LEVINE of California. Mr. Speaker, I rise today to ask my colleagues to join me in recognizing the public service of my friend Billy Feldstein, and in congratulating him on the occasion of his 50th birthday.

Billy, a community leader and a successful businessman, founded his own manufacturing and importing firm, International Fashions, 22 years ago. It has grown steadily ever since, and is an industry success story. However, he still managed to make time to help those who are less fortunate, and to preserve and protect our environment. He has been an active supporter of many Jewish charities, environmental organizations, and wildlife protection associations. Among the other worthy causes, Billy has been an active and involved supporter of the United Jewish Fund, as well as a strong supporter of the African Wildlife Foundation and the Rhino Rescue Fund.

Billy and his terrific wife Jill have three wonderful children: Andrea, age 26; David, age 22; and Jane, who is 18.

I ask that my colleagues join me in commending Billy Feldstein for his charitable work, and in wishing him a happy 50th birthday.

IN HONOR OF PHIL HOPFINGER

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. BUECHNER. Mr. Speaker, I rise to honor a fine citizen and outstanding member of the St. Louis community, Mr. Phil Hopfinger, on the occasion of his retirement. Phil has been a circuit court clerk with the city of St. Louis for 26 years—a stellar accomplishment matched by few in the Missouri jurisprudential system.

Phil began his work with the circuit court in October 1962, and has worked in every civil division of the circuit court except probate. During his tenure with the circuit court, he has worked his way up to the important post of chief civil docket clerk; a position he has held since 1973. From this position, he has served both the community and the legal system admirably.

The work of courtroom clerks goes largely unnoticed by the general public. The drama of the courtroom tends to overshadow the people that make the administration of the law possible. Court clerks provide an essential service that if not performed capably would cause our system of justice to grind to a halt. Phil has exceeded all expectations and has performed the crucial task of keeping the court running in a smooth and efficient manner.

Phil, you should be proud of your exemplary record of performance. I know that your wife Patricia, and your children and grandchildren take great pride in your service to the court. Your colleagues, coworkers, and friends are equally proud of your accomplishments. We in the House of Representatives add our heartfelt thanks to you manyr well-wishers and extend the very best wishes in all that you do.

LEGISLATION TO ADDRESS FBI COMPENSATION LEVELS IN HIGH-COST AREAS

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. GALLEGLY. Mr. Speaker, enactment of legislation I am introducing today, with bipartisan support, is essential to address the salary problems confronting agents of the Federal Bureau of Investigation who serve the country in high-cost areas. I urge immediate action on it by the committees who will be assigned jurisdiction, and I invite my colleagues to join as cosponsors.

It is no secret that the purchasing power of a $1 bill is seriously eroded in certain urban areas of the country, particularly Los Angeles, San Francisco, Newark, Boston, and New York. Yet these are precisely the areas where the threats of Federal crime and espionage are often most pronounced, and where the need for qualified, experienced agents is the greatest. But, with the exception of New York, no effort has been undertaken to address the inadequate compensation of highly trained agents in these areas, who are currently paid a flat national rate.

The article I am submitting for reprinting below, from the November 14, 1988, issue of U.S. News and World Report, best summarizes this pressing problem. Although several legislative remedies have been previously proposed to deal with this problem, I believe my bill most directly targets problem areas in a fiscally responsible manner. It would utilize funds that are currently available in the FBI's budget, but that could be better spent on retaining veterans rather than—for example—having to recruit and train new agents because of high employee turnover.

My bill would establish a 5-year demonstration project to allow the Office of Personnel Management and the FBI to set higher pay scales for agents in the following FBI field divisions: Los Angeles, Boston, San Francisco, and Newark. Considerable flexibility is granted to designate new compensation levels, up to 25 percent of the basic pay of the agent affected.

Whether Members represent a constituency directly affected by this legislation or not, I welcome new cosponsors to my bill. Ultimately, the price of terrorism, espionage, and serious crime—including organized drug rings—is borne by the entire Nation. Please support those who are waging these battles on our behalf.

THE FBI STORY

(By Mortimer B. Zuckerman)

The FBI gets its man. It does not get its due. The neglect of this crucial and celebrated agency is one of the unspoken scandals of a presidential campaign heavy on rhetoric about drugs but empty of specifics.

It's a bigger scandal than the furloughed Willie Horton because it goes to the heart of this country's ability to combat the drug epidemic and its attendant crime wave that threaten the destruction of our inner cities, corrupt our children and endanger urban life in America.

Here is one example of what the FBI is up against. Several years ago, it assigned several undercover agents to work their way up through a drug family operating in Sicily and the United States. Against the odds, they succeeded. They broke the ring in March. It was the largest drug bust in America's history. And yet that coup reduces the threat only minimally because there are no fewer than 150 organized groups operating drug rings out of Sicily and 250 more operating south of the border, principally in Colombia and Mexico.

The FBI needs more resources, but take a look at New York City as an example of what we have allowed to happen. In New York, the FBI has many duties. It must keep a counterintelligence eye on the U.N. and the missions of hostile foreign countries. It tracks corruption on Wall Street and tries to fight organized crime and the drug rackets. It is the most important field office—a natural magnet, you would think—for every ambitious G-man. Think again. The FBI cannot get its own personnel to staff New York adequately.

Pay is a big reason. The FBI is an elite agency of professionals, all of whom are college graduates with some experience in earlier careers and many of whom possess graduate degrees. They all have top security clearances. Yet in New York, an entry-level FBI agent earns $31,500, including overtime capped at 25 percent of base pay. This compares to a freshman New York police officer, who earns about $40,000, including average overtime of $10,000 a year. The gap increases with seniority. To illustrate how FBI pay has eroded: In 1951, an agent's salary was the same as that of a police captain; today, it's only 50 percent. Furthermore, police don't contribute to their own retirement and medical or dental insurance as do FBI agents. This salary differential is not limited to New York but applies nationwide. In a survey of 89 California-based law-enforcement agencies, the FBI ranked 84th in pay.

The results are predictable. For the last five years, the FBI has been unable to hire suitable officers away from the New York Police Department. Many agents who work in New York are ordered to move there. The higher cost of living is a major deterrent. For example, high housing costs force them to live a long distance from the city, disrupting family life. In addition to the physical and emotional drain of the long commute, they are too far from their working bases to respond quickly in emergencies.

The consequences have been dramatic. In 1984, 11 special agents resigned from the New York office. Last year, the New York office lost nearly four times that number—41 by resignation—and 11 others refused a posting there. The erosion continues in 1988, with many of the New York office's most experienced agents seeking transfers or employment in the higher-paying private sector.

It is no wonder that the FBI office in New York now has 150 vacancies and has had as many as 300. Belatedly, the plight of the FBI has been recognized by Congress in a bill that provides a 25 percent cost-of-living pay adjustment and other incentives for agents in New York. This permits the FBI to begin to rebuild the office. But it is only a small start in bridging the chasm between a government that preaches the values of home and family and practices policies that diminish the law enforcement necessary to nourish those values.

America's criminal-justice system is in deep trouble: Its overcrowded prisons too often force its judges to grant lenient sentences or even probation to convicted felons. Taxes, Oliver Wendell Holmes once said, are the price we pay for our civilization. Without security, without a sense of confidence that the streets and playgrounds of our cities can be enjoyed with no fear of crime or bodily harm, we do not have a civilization but a series of settlements that somehow survive.

HONORING THE ROCKWALL ROTARY CLUB

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. HALL of Texas. Mr. Speaker, on March 15, the Rockwall Rotary Club in Rockwall, TX, celebrated its 50th anniversary.

I wish to commend this club on their 50 years of service and dedication to the Rockwall community.

Their motto "Service Above Self" is evident in the club's active participation in Rotary International's Polio Plus Program to eradicate polio in developing countries and regions worldwide. Each Rotary Club determines its own service activities which benefit youth, the disabled, the elderly, and various other segments of the community. Among its numerous endeavors, the Rockwall Rotary Club chooses to sponsor one of the largest 4-year scholarships for a high school senior each year in the Rockwall Independent School District.

Since its charter in 1939, the club has grown to over 60 members, counting among them many of the community's leaders—and is one of the few clubs to own its own building. As one of its 50th anniversary projects, the Rockwall Rotary Club sponsored the creation of the Rockwall Rotary Breakfast Club and received its charter on March 15, 1989, 50 years from the day the original club was chartered.

The Rockwall Rotary Club is one of over 23,000 Rotary Clubs located in 160 countries worldwide and has more than one million professional men and women as members.

The 49 men who have served as President during the club's 50 years are: Forest Stephenson, Foy Thomas, James A. Wilkerson, Tom Rush, Melvin Shook, Edgar L. Edwards, Fred B. Hamilton, J.O. Wallace, Jack Cunningham, James L. Glenn, Jess Whittle, Robert F. Polk, Martin D. Wimpee, Henry Zollner, Ralph M. Hall, Oliver Nevil, Frank Clark, Raymond B. Cameron, Ollie E. Steger, Leon Smith, Lloyd Hairston, R.G. Hagood, M.L. Jones, James D. Kelly, Forest Stephenson, Robert May, Bill R. Cameron, Galen Williams, Art W. Wier, Donald Stodghill, Frank A. Robertson, Gerald Burgamy, Ted Cain, Richard Harris, David H. Canup, Jerry Lockart, Mickey Florence, Walter Zimmerman, Bruce Beaty, Gary Tarpley, Dennis Vierling, Blake Miles, Bob Cook, Art Kuhlman, Jack Horn, R.D. Vanderslice, Jimmy Williams, Kent Smith, Ted Hosington and Gary Johnson.

Mr. Speaker, as the House of Representatives adjourns today, let's do so in honor of the Rockwall Rotary Club, its officers, and its many members who do truly put service above self.

VICTIMS OF PAN AM FLIGHT 103

HON. MICHAEL R. McNULTY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. McNULTY. Mr. Speaker, I submit for the RECORD the enclosed text of a statement by the family members of the victims of Pan Am Flight 103, who perished last December 21 over Lockerbie, Scotland, as a result of a terrorist act:

GENERAL STATEMENT ISSUED BY FAMILY MEMBERS

We are relatives of some of those innocent persons murdered in this wanton attack on Pan Am Flight 103, the most massive terrorist attack in history aimed at American civilians. During the past six difficult weeks, not only have we had to accept the senseless death of our loved ones, we were forced to confront the bureaucracy to have the remains of our loved ones returned, we have arranged for funerals, and attended along with over 160,000 others, numerous memorial services in Syracuse, New York City, and Lockerbie, Scotland, and scores of other cities and towns in the United States. We have had the support and sympathy from grieving relatives, friends, members of our communities, and individual airline employees. We have collectively received several hundred thousand cards and letters of condolence. The outpouring of sharing has been a great confort to us.

However, there has been one quarter from which the response has been utter silence. We have received no condolences from the top officials of Pan Am nor the leaders of our national government. Unlike the British Government leaders, our President, Vice President, Secretary of State, and Secretary of Transportation have not attended any of the memorial services that were held. Not even 2nd level U.S. officials have been present. But most disturbing to us has been the utter silence of our national leaders over the past 6 weeks. Our numerous letters are not answered, we see no sign of action, we are not being informed of any events which would lead to answers to the many questions that remain. The question must be asked: Can it be that the U.S. Government policy is to ignore the Flight 103 bombing by doing little or nothing?

In the immediate aftermath of the Flight 103 bombing we were shocked to learn that the FAA (Federal Aviation Agency) had issued written alerts of a terrorist threat to bomb a Pan Am flight originating in Frankfurt during the pre-Christmas holiday period. These warnings had apparently been sent to U.S. embassies, the airline, British officials, and the U.S. military personnel in Frankfurt, however, the warning alert was not available to passengers or crew of Flight 103. President Reagan when asked about this policy of keeping warnings, even high level alerts secret from the public, asserted that so many threats are received that to

make them available to the public could stop all air traffic. The FAA's own reports however, show a relatively small number of threats to aircraft (400–500 per year out of 6 million flights) and a very small number of high level threats (variously reported at 22 to 24 in all of 1988). The threat to Pan Am flight 103 after December 5th was apparently classified as such a high level threat. While the number of people who knew of the FAA terrorist alert is not known at present, the approximately 168 vacant seats on this usually crowded pre-Christmas flight indicates the distinct possibility that the alert was more widely known than has yet been reported.

Both the State Department, and the Transportation Department promised in late December a "review" of the policy on warnings, but the policy (or lack of policy) apparently remains intact and nothing further has been heard of this "review".

We believe the present defacto policy of issuing warnings of terrorist threats to government agency employees while withholding such alerts from the flying public and the flight crews is both immoral and possibly criminal and it must be roundly condemned. We call on U.S. Transportation Secretary Skinner to disavow this FAA and airline policy forthwith, and to make available upon request to any prospective international air passenger a current summary of FAA alerts or reported threats to aircraft, and to require notification of flight crews.

The anger felt by many of us about suppressed warnings has been heightened by revelation that airline security measures cannot generally detect plastic bombs in the checked baggage. While the FAA and the airline have apparently known of this massive security gap since 1986 and the FAA has ordered new equipment to detect such bombs, no interim measures to detect such bombs were undertaken, apparently for reasons of commercial convenience.

Many questions need answers—How could warnings or alerts be suppressed when the FAA and airlines knew that their security measures were ineffective? By what right, and on whose authority, was the information on ineffective security measures and specific terrorist bomb threats kept from the public and flight crews? Why has the FAA and Pan Am still refused to institute effective security measures to detect plastic bombs in luggage compartments? (The FAA regulations issued on December 28, 1988 following the Flight 103 bombing call merely for X-rays of all luggage, which cannot with current equipment detect plastic bombs.)

It is also time for accountability as well as answers. We call on Secretary of Transportation Skinner, to demand the resignation of FAA Administrator McArtor, whose poor judgement is principally responsible for the present dangerous condition of airline security. His policies have placed the security of our loved ones and all international air travellers, in the hands of the terrorist groups, who attack the United States by striking at innocent civilians on American overseas air carriers.

We would like now to turn to some sensitive matters of direct concern to most relatives: The handling of the remains of unidentified victims and the indefinite delay in return of the personal effects or property. (Personal effects refer to very personal things removed from a body or found in the immediate vicinity of a body.)

A funeral service was held last week in Scotland for a number of victims whose bodies had not been fully recovered or identified. Unfortunately, only short notice or no notice was given to a number of American next of kin.

While family members were originally told in the week after the crash that personal effects would be returned to the next of kin with the bodily remains, and other property would be identified and returned by Pan Am, Scottish authorities subsequently ruled that they would handle these matters. Scottish authorities have stated that personal effects and property of Americans will be turned over to the U.S. State Department rather than released directly to the next of kin. Despite our request, no personal effects or property has been returned to the next of kin on the grounds that these items may be needed in the criminal investigation of future criminal cases. While we appreciate that there may be good cause to hold some luggage found near the bomb blast, we believe the personal effects removed from the identified bodies should be returned to the victim families within the next week. Other victim property which is stored in a large factory warehouse in Lockerbie, should also be identified and returned. To date, despite several requests, no lost luggage forms have been sent to victim family members to accomplish this task. We call on the Scottish authorities, especially Scottish Home Secretary Malcolm Rifkind and the Scottish Lord Advocate, Lord Cameron of Lochbroom, to promptly authorize the release of victim personal effects and expedite the identification and return of other property.

In conclusion, we call on President Bush to act on the ideals he has championed. Please, Mr. President, break your silence and exercise your leadership to redouble the efforts of the Federal Government to identify and apprehend the perpetrators of this, the worst terrorist attack in history on American civilians. Use your power to restore genuine security for Americans travelling on American international air carriers. End the Government's present immoral policy of providing selective warnings and alerts to certain favored persons while keeping the public and airline employees whose lives are at risk in ignorance.

To the Congress which will decide the degree to which it will investigate the Flight 103 bombing over the next several weeks, we urge you to conduct a full and complete investigation. Unlike most accidental air crashes, where the role of the FAA itself is not at issue, this case demands a full independent investigation of FAA's actions on the security and warning issues. We particularly call on Senators Frank Lautenberg (N.J.), Alfonse D'Amato (N.Y.), Daniel Patrick Moynihan (N.Y.), and Members of Congress Glen Anderson, Norman Mineta, William Lehman, and Cardiss Collins who by virtue of their committee and sub-committee chairmanships have a special leadership role in the issues involved in the Flight 103 disaster.

UNITED STATES-JAPAN SEMICONDUCTOR AGREEMENT

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. GEPHARDT. Mr. Speaker, during the last couple of weeks, press reports have recounted the grief which we have suffered as a result of the 1985 United States-Japan Semiconductor Agreement. Specifically, comments have focused on the 20-percent market share provision. On March 7, 1989, the Washington Post had yet another article reminding us of the failure of this agreement to obtain the expected results for U.S. businesses.

The article indicated that an official of the Japanese Ministry of International Trade, "denied assertions by the Bush administration that Japan is obliged to increase American manufacturers' share of this country's computer chip market." This appears contrary to a 1985 Japanese pledge to allow a market penetration level of roughly 20 percent.

As we seek to redefine and reassert America's role in the international arena, we must deal with inconsistencies and misunderstandings surrounding our trade agreements. It is also the responsibility of policymakers to consider measures that will increase U.S. exports, not limit imports. We can and should do these things in order to meet the challenges and solve the problems faced by the semiconductor industry, which is crucial to our national defense and America's competitiveness. The United States needs to take firm action to assist this industry, especially when our trading partners aren't playing by the rules. We cannot afford to be complacent on this or any other economic issue—too much is at stake.

Japan has not lived up to its responsibilities in connection with the United States-Japan Semiconductor Agreement. It is time that we deal with the major concerns surrounding the failure of the agreement, and enforce our rights under the agreement. We cannot allow the Japanese Government to renege on its firm commitment to allow a 20-percent market share for foreign semiconductor manufacturers in Japan.

We must not ignore the failure to gain sufficient market access or the resulting repercussions on the American economy. It is not acceptable for the United States to settle for the current 9.6 percent market penetration, when our semiconductor manufacturers should have achieved 14 percent of the Japanese market to date. I cannot accept the status quo for the United States semiconductor market share in Japan. It is the wrong approach for this industry and the U.S. economy.

In light of the Japanese failure to abide by the terms of the United States-Japan Semiconductor Agreement, I have urged the United States Trade Representative [USTR] to address the damage that has been done to the United States economy. Again, I have recommended inclusion of this country and semiconductors in the April 30 national trade estimates report. This is the correct signal for the United States to send, one that will apply the pressure needed to make good on the promises of the United States-Japan Semiconductor Agreement and deliver the guaranteed market share to our semiconductor manufacturers.

I hope that the administration will fight to resolve this important issue affecting the competitiveness of the U.S. semiconductor industry. It is one step that will help ensure the vitality of the U.S. trading posture.

TRIBUTE TO GEOFF COWAN

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. LEVINE of California. Mr. Speaker, I rise today to recognize a special friend and remarkably talented leader, Geoff Cowan, who, on March 19, will be presented with a special award from the national Common Cause organization.

As chair of California Common Cause since June 1985, Geoff Cowan has provided CCC with creative leadership designed to make drastic reforms in California politics. Geoff has always been known for his integrity and public-spirited nature, as well as for his commitment to a responsible political process and his willingness to devote his own limitless energies to take on the toughest political challenges. During his tenure with CCC, Geoff became a leader in the drive for campaign reform.

During the Cowan years, CCC has also taken leadership on a number of consumer issues, taking on numerous special interests and working for State tax reform and the reduction of special interest tax breaks. Geoff Cowan has, without question, played a major role in strengthening California Common Cause. He will continue to serve on the State board of directors and will chair CCC's advisory committee. He has also assumed leadership roles as a member of Common Cause's national organization.

In addition to his work with CCC, Geoff Cowan is an extremely gifted producer, writer, teacher, and attorney with a specialty in communications law. As a lawyer, he has represented clients ranging from environmental, church and civil rights groups to television producers and the Writers Guild, Screen Actors Guild and Directors Guild. He is currently on the UCLA Communications Studies faculty and an attorney with the Center for Law in the Public Interest.

Geoff is married to the remarkable Aileen Adams and they have two spectacular children, Gabriel and Mandy.

Mr. Speaker, I ask my colleagues to join me in congratulating Geoff for his outstanding work on behalf of Common Cause.

IN CELEBRATION OF 50 YEARS OF CONTINUOUS SERVICE TO ST. CHARLES

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. BUECHNER. Mr. Speaker, I rise today to introduce legislation which honors the St. Charles Chamber of Commerce on its 50th anniversary.

I am proud to stand here today as the U.S. representative of the St. Charles community and indeed, the St. Charles Chamber of Commerce. I join the city of St. Charles on taking great pride in extolling the rich history of accomplishments achieved by the St. Charles Chamber of Commerce.

In 1939, a group of businessmen in St. Charles, MO, felt the need to activate the St. Charles Chamber of Commerce, which had been dormant since its incorporation in 1917.

The active committee dedicated to this revival included James Doggan, Abe Hess, Dr. J.M. Jenkine, Dan Parsons, Ed Pundmann, Frank Rauch, J. Ed Travis, Dave Weil, and Saul Wolff.

Little did that small but active committee know that 50 years later, the St. Charles Chamber of Commerce would provide a strong and vital force for the business community to a membership of over 500 individuals.

Early activities of the chamber following reorganization included arrangements with the International Shoe Co. for location of a woodheel company plant and cooperation with the Federal agencies in the location and construction of the Weldon Springs Ordinance Plant at Weldon Springs.

Much of the history of the chamber of commerce was lost in a fire where records were stored. However, reconstruction of the chamber's past activities has been made possible through individual records and their remembrance of events as they occurred.

On the major chamber accomplishments in the 1950's was the organization of the Industrial Development Corp. [IDC] of St. Charles County. This group was formed to provide jobs, income, and buying power to the local citizenry and to broaden the tax base of St. Charles County. This corporation led many projects under lease purchasing agreements with tenants. The City of St. Charles Convention Center and Visitors Building was one of the last projects that the IDC helped fund before it ended operations in 1988.

The chamber of commerce was also instrumental in securing a community college for the St. Charles area. With attendance of over 3,000, the St. Charles Community College rapid growth will ensure a well-educated work force for the rapidly growing St. Charles economy.

The chamber of commerce has also worked with local schools to ensure a quality education for the children of St. Charles County. Strong, direct efforts by the chamber have been recognized as contributing factors in the adoption of several public improvement bond proposals for such items as sanitary sewers and treatment plants, water works improvements, extension of city limits, and other projects.

Today, the chamber of commerce continues to strive for a high quality of life for the community, business rights, economic developments, better transportation, and relief of traffic congestion. The names have changed, but the dreams and aspirations of nine businessmen 50 years ago continues today.

Congratulations to the St. Charles Chamber of Commerce and to its many supporters for an outstanding job in continuing to make the St. Charles business community strong and vibrant.

THE G-D SQUAD SHOOTS A BLANK

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. ACKERMAN. Mr. Speaker, America's self-appointed "G-d Squad" has struck again. However, their actions more resemble the antics of the "Keystone Kops" than the actions of knowledgeable and committed American citizens. The commander of this battalion of modern-day prophets is none other than the impeached Governor of the State of Arizona, Evan Mecham.

In its almost fanatical quest for religious purity, the religious-right has co-opted the State of Arizona's Republican Party, which resulted in the State GOP declaring that the United States is a "Christian Nation" and that the U.S. Constitution created "a republic based upon the absolute laws of the Bible, not a democracy". Great, let's resurrect the prophet Samuel, have him anoint a king, and scrap all future elections. Fortunately, the religious fanatics have tripped over the threshold to the church door and landed on the "holy duff". Not only do they misread the Bible, but they also suffer from amnesia regarding the over 200 year history of this Nation.

The Arizona G-d Squad has found what I pray is an "unwitting" accomplice, in U.S. Supreme Court Associate Justice Sandra Day O'Connor. Justice O'Connor sent a letter to the group asserting that there is a constitutional basis for the United States being considered a "Christian Nation." However, an examination of the three cases which Justice O'Connor cited in her letter does not stand up to close scrutiny. Two of the cases merely refer to the United States as a country of "religious people" and "religious beliefs." The third case relates to an immigration statute, not to any grandiose statement of religious principles. Mr. Speaker, it is a gigantic leap—not of faith, but of religious provincialism and parochial arrogance—to claim that the term "religion" is synonymous with Christianity. I suggest that the G-d Squad and Justice O'Connor consult any reputable dictionary for an acceptable definition of "religious."

This great Nation was founded and is populated by individuals of differing religious beliefs, including Native Americans, Jews, Moslems, Buddhists, et cetera. For Justice O'Connor to assert, based upon flawed reasoning, that this is a "Christian Nation" demeans the noble tradition of religious pluralism that this country has represented. Mr. Speaker, I asked the distinguished Associate Justice to correct her serious misreading of case law and reread the establishment clause of the U.S. Constitution—"Congress shall make no law respecting the establishment of religion * * *" Who knows, she may learn something.

Mr. Speaker, I ask your permission to include, as part of my statement, the texts of two articles which have recently appeared in the Washington Post regarding the Arizona GOP and Justice O'Connor's letter. Thank you.

[From the Washington Post, Mar. 14, 1989]

REPUBLICANS RUE MECHAM'S RETURN—ARIZONAN'S MANEUVERS EMBARRASSING NATIONAL PARTY LEADERS

(By T.R. Reid)

PHOENIX.—As if the controversy surrounding Louisiana state legislator David Duke weren't trouble enough, national leaders of the Republican Party are snarled in another embarrassing squabble with an old nemesis of the GOP establishment: former Arizona governor Evan Mecham.

Contrary to the express hopes of his Republican colleagues here, the fiery conservative did not fade away quietly after he was impeached and removed from office last spring. Instead, Mecham and his hard-core supporters, known as the "Evanistas," have gained effective control of the state Republican Party—with dramatic results.

At the winter's state convention, the Evanistas joined ranks with backers of television evangelist Pat Robertson to win passage of several controversial resolutions. Among other things, the Arizona GOP has now officially declared that the United States "is a Christian Nation" and that the U.S. Constitution created "a republic based upon the absolute laws of the Bible, not a democracy."

The resulting uproar has left state and national Republican leaders reeling.

Former senator Barry Goldwater, the grand old man of the Grand Old Party here, opined that his party has been taken over by "a bunch of kooks." All five Republican members of the state's congressional delegation signed a letter demanding that the resolutions be withdrawn. And prominent Jewish Republicans around the country complained so heatedly that the GOP leadership in Washington abruptly canceled plans to hold a national party meeting in Arizona this spring.

Unfazed by the furor, Mecham appears to be preparing to run for governor again in 1990. That could spark a bitter GOP primary and almost certainly divide the state party even more.

All of which is manna from heaven for Arizona Democrats. After seven decades as the majorty party here, the Democrats lost their lead in registered voters in 1984. The numbers have been moving more Republican ever since. But the bitter divisions within the GOP have hobbled the party's ability to exploit Arizona's changing demographics.

The chief beneficiary of Republican turmoil is Democratic Gov. Rose Mofford. The cheery, chatty, 66-year-old Mofford was serving as secretary of state here when Mecham was toppled; by state law, she was named the new governor.

Mofford's grandmotherly style, a sharp contrast to Mecham's combative ways, has won her widespread approval. A poll taken by the Arizona Republic newspaper last month showed that 70 percent of those surveyed have a favorable impression of her—despite her call for $250 million in new taxes.

As Mofford sees it, her job involves serving as Arizonans' friend and neighbor as well as chief executive. Her home number is listed in the Phoenix phone book, as she reminds every audience. "Give me a call sometime," she says at the end of her speeches. "I'm in the book."

Mofford recently announced that she will run for election as governor in 1990. Even if she faced a primary challenge, she would be a strong bet to gain the Democratic nomination.

There is no shortage of Republicans who want to challenge Mofford in 1990. But any mainstream GOP hopeful faces the prospect of a hard-hitting, divisive primary against Mecham. It seems unlikely that Mecham could be elected governor again, but he has enough of a following to make a strong showing in a primary.

The clout of the Evanistas was evident in the chain of events surrounding the "Christian nation" resolution.

Mecham's backers packed local Republican meetings in half-dozen counties, winning scores of seats at the state convention. There they pushed through various resolutions including one long championed by the anti-communist John Birch Society that condemns fluoridation of drinking water.

Finally came the "Christian nation's resolution. It carried the apparent imprimatur of Supreme Court Justice Sandra Day O'Connor, once an active Arizona Republican. O'Connor sent a letter to an Evanista activist citing three Supreme Court cases "to the effect that this is a Christian nation." The letter was distributed at the convention, and the resolution passed easily.

In the resulting storm of criticism, state GOP chairman Burt Kruglick, who is Jewish, came under strong pressure to rescind that resolution. At a party meeting here March 4, Kruglick won unanimous approval of a new resolution denouncing "anti-Semitism or religious intolerance."

Kruglick promptly declared that this new resolution had "superseded" the Christian nation document. But Mecham and his people disagreed.

"America is a Christian nation, no matter who doesn't like it," the ex-governor declared. The party's new statement, added Mecham backer Annetta Conant, serves only to "clarify and strengthen" the Christian nation resolution.

As for Goldwater's outburst, the Mecham backers had a pointed reply. At this month's party meeting, a group of Evanistas supporting the Christian nation resolution paraded with signs bearing Goldwater's famous utterance: "Extremism in the defense of liberty is no vice."

[From the Washington Post, Mar. 15, 1989]

2 EXPERTS FAULT O'CONNOR FOR LETTER—JUSTICE SAID TO MISQUOTE COURT RULINGS ON CHRISTIANITY OF U.S.

(By Al Kamen)

A letter written by Supreme Court Justice Sandra Day O'Connor to a conservative Republican activist in Arizona incorrectly cited prior high court decisions as supporting the proposition that the United States is "a Christian Nation."

The letter written last May, was used by GOP conservatives in the state to help pass a controversial "Christian nation" resolution at a party convention and has been sharply attacked by prominent Jewish Republicans. In the letter O'Connor, a former Republican state senator in Arizona, cited statements in three Supreme Court cases "to the effect that this is a Christian Nation."

Legal experts yesterday said two of the three cases she cited did not support that proposition and that O'Connor had improperly interjected herself in a political controversy.

O'Connor's letter, said conservative court expert Bruce Fein, in addition to being incorrect, is "grossly improper" and "borders on the inexcusable. She has no business trying to provide a unilateral interpretation of a prior decision."

Liberal Harvard Law School Prof. Laurence H. Tribe, said, "I think it is improper for Supreme Court justicies to answer inquiries of a potentially politically charged kind in ways that could obviously be misused."

O'Connor was in Arizona yesterday attending a memorial service for her mother and could not be reached for comment, according to court press officer Toni House.

Sources at the court said that the language in O'Connor's letter, including the words "Christian Nation," paralleled language in a 1975 letter by then-librarian Edward G. Hudon written in response to a request for similar information sent to then-Chief Justice Warren E. Burger from a woman in Portland.

House said there was no court policy for responding to such requests for information from the public. "Each [justice] handles mail like this differently," she said. She said O'Connor testified recently to a House subcommittee on the court's budget request that she received hundreds of letters a year from the public and that she felt obliged to respond to many of them.

O'Connor's letter was in response to one written by Annetta Conant, who drafted the "Christian Nation" resolution that passed at the recent Arizona Republican convention.

Conant said yesterday that she and O'Connor had "known each other in Republican Party politics." Conant said that in her letter she "reintroduced . . . [herself] and said a few personal things" and then asked for a copy of the 1892 decision, Church of the Holy Trinity v. United States. In that case the court said "we are a Christian people, and the morality of the country is deeply engrafted upon Christianity."

Conant said that O'Connor in her letter cited two other cases to back the "Christian nation" view, a 1952 opinion by Justice William O. Douglas, a staunch liberal who firmly believed in separation of church and state, and a concurring opinion in a 1961 case written by Justice Felix Frankfurter, who was Jewish.

There are no references to a Christian nation on the pages listed by O'Connor in either of the later opinions.

Douglas, in Zorach v. Clauson, said, "We are a religious people whose institutions presuppose a Supreme Being. We guarantee the freedom to worship as one chooses."

Frankfurter, in a concurring opinion in McGowan v. Maryland, says on the page cited by O'Connor that "Religious beliefs pervade, and religious institutions have traditionally regulated virtually all human activity. It is a postulate of American life . . . that those beliefs . . . shall continue . . . to exist, to function . . . free of the dictates and directions of the state."

Tribe said it "is astonishing for any justice in the late 20th century to treat the court's references to the religious character of our country as somehow equivalent to the . . . proclamation that this is a Christian nation—proclamations that the court has not made since the late 1880s."

Fein, who has been critical of the court's liberal church-state rulings, said that "from the source of the inquiry it was obvious for a reasonable person to assume her answer would be exploited for a political purpose." O'Connor should not have "gratuitously intruded herself into the political process by answering the letter."

THE BRISTOL OAK

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. BARTON of Texas. Mr. Speaker, in nearly every small community throughout America, there is a gathering place for residents to meet and exchange the latest news and developments which affect them. In Bristol, TX, the local assembling spot for an untold number of years has been the Bristol Oak.

Countless birth announcements, meeting notices, and other topical news items have been affixed to the trunk of this grand tree. In a community too small to support a newspaper, this tree has served as the town's information medium.

Unfortunately the residents of Bristol recently lost this focal point of their lives when a tractor-trailer driver lost control of his rig and struck the tree. For more than 150 years this tree has stood as a landmark for the area. Because of the importance of the tree in the lives of the Bristolites, they are understandably saddened by its demise.

Therefore, it is a privilege for me to recognize the Bristol Oak for the sense of community it has helped maintain in Bristol, TX. The spirit of cooperation its physical presence has enhanced will continue to live on, even though the tree itself is now gone.

UNCOVERING THE REAL JOBLESS RATE: COUNTING DISCOURAGED WORKERS

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. COYNE. Mr. Speaker, the official unemployment rate in the Nation has declined over the past year and is now reaching a level that the economists at the Federal Reserve Board fear may touch off increased inflation. The Fed has already begun to tighten the money supply in an effort to slow down the economy and ward off inflation. The 1989 "Economic Report of the President" suggests that the economic policies of the Reagan administration have solved the problem of unemployment facing this Nation. According to President Reagan:

The decline in unemployment rates—since the early 1980's—is dramatic—the overall unemployment rate has been cut in half, down to levels not seen in 14 years.

However, the unemployment rate most widely publicized by the Bureau of Labor Statistics understates the problem of joblessness in the United States. That rate—known as the U-5b rate—does not take into account discouraged workers—those individuals who are no longer seeking employment because they do not believe they can find a job. According to a BLS report on employment statistics for the fourth quarter of 1988, there are close to 1 million discouraged workers in the United States today. If these workers were included as part of the official labor force, the national unemployment rate would be 6.5 percent—an increase of 20 percent and 1 full percentage point above the official rate.

This past January, Samuel M. Ehrenhalt, Regional Commissioner of Labor Statistics for the Department of Labor, reviewed the labor market in New York City and expressed a concern that the unemployment rate had dipped because of decrease in the number of working-age people who are actively looking for work. Because discouraged workers are no longer included in the labor force, it is possible for the unemployment rate in a city, a State or the Nation to drop even if the number of people not in the labor force increases or remains the same.

If you compared employment statistics from December 1987 to December 1988 for my own district which includes the entire city of Pittsburgh, you would find that the unemployment rate dropped almost 2 percentage points—from 5.8 percent to 3.9 percent. I would normally be very pleased that the problem of joblessness seems to have declined significantly in my city. But, if you look more closely at the labor force statistics, you would find that there were actually 1,235 fewer people employed in Pittsburgh in December 1988 than were employed in December 1987. What happened? The unemployment rate fell because the number of workers in Pittsburgh fell. The "improvement in joblessness" was due to almost 5,000 workers leaving the labor force.

In Allegheny County, during the same period, the number of unemployed declined by almost 12,000 individuals, but the number of people in the labor force declined by over 9,000. The country's unemployment rate decreased to 3.7 percent, but I don't believe that is cause for celebration. I believe that much of the decline is due to workers in Pittsburgh and Allegheny County becoming so discouraged, they are no longer looking for jobs. They are part of the hidden joblessness rate, a statistic that is not presently collected by the Bureau of Labor Statistics at the State, city or county level.

Discouraged workers are often those who come from economically disadvantaged backgrounds, those who have not been able to acquire skills that allow them to participate in an increasingly complex economy, and those whose skills are no longer in demand in industries whose markets have been lost to foreign competition. Discouraged workers are those for whom the employment and training programs so lauded by Presidents Reagan and Bush were designed. Yet, ironically, such programs as JTPA may not be allocating funds to these very workers because they are excluded from the work force. Title II and title III of the Job Training Partnership Act allocate funding to States through a formula that depends heavily on the unemployment rate. Yet, because discouraged workers are not included in that rate, the formula misallocates training funds away from those who need it the most.

The Job Training Partnership Act, urban development action grants, the Emergency Food and Shelter Program of FEMA, and the Public Works Program of the Economic Development Administration all depend on estimates of local area unemployment statistics data in order to allocate funds or determine eligibility for program participation. I have asked the General Accounting Office to review the impact of underreported unemployment on the allocation of funds for these programs. Each of these programs is designed to provide assistance for the unemployed or to promote economic growth in a city, county or State. However, their reliance on unemployment data that does not reflect the true rate of joblessness may mean that they are providing aid to areas that are less needy and underallocating funds to the neediest areas of the Nation.

We in Congress are responsible for insuring that the current period of economic growth continues. We have passed legislation intended to prepare this Nation's labor force to compete more effectively in world markets. Yet, we can not create effective policy if we do not have a good understanding of the real labor force in this country. Worse, we have no idea how many individuals who are willing to work live in the districts we represent.

That is why I am introducing today H.R. 1425. This bill requires the Bureau of Labor Statistics to collect and report data on discouraged workers on a monthly basis at the national, State and local levels. It does not replace the U-5b unemployment rate. There are situations in which this rate is an appropriate measure of unemployment and I would not ask BLS to no longer use this rate. It does direct BLS to collect the information on our work force that we need if we are to make informed decisions on economic policy.

Mr. Speaker, I would like to insert in the RECORD a section-by-section summary of this bill:

SECTION-BY-SECTION SUMMARY OF THE MAJOR PROVISIONS OF H.R. 1425, A BILL REQUIRING AN ACTUAL ACCOUNT OF JOBLESS WORKERS

SECTION 1—FINDINGS

States that (1) the number of unemployed Americans is at an unacceptable level; (2) the House Committee on Government Operations has determined that the rate of unemployment would be much higher if discouraged workers were included in the count; (3) the Committee concluded that the U-7 unemployment rate more accurately represents the hardship resulting from economic and labor market fluctuations and that the problems of discouraged workers are directly related to those that are causing unemployment; and (4) a more accurate count of jobless individuals as defined by this Act would assist the Federal Government in developing appropriate and effective economic policy.

SECTION 2—REPORTS CONCERNING THE NATION'S JOBLESS WORKERS

(a) Responsibility of the Bureau of Labor Statistics:

The Bureau of Labor Statistics of the United States Department of Labor (BLS) is required to collect data on a monthly basis on the number and rate of jobless workers (as defined by subsection c) in the Nation, each State, and each metropolitan statistical area.

Data on the level and rate of the jobless workers in the Nation are to be reported monthly in the "The Employment Situation" release and in State and metropolitan statistical areas in the Bureau's monthly report, "State and Metropolitan Area Employment and Unemployment". In its

monthly report on the employment situation, BLS is to emphasize and explain the significance of the jobless worker rate.

(c) Definition of "jobless workers"

Jobless workers are those that are counted as unemployed as defined in Section 4 (25) of the Job Training and Partnership Act (20 U.S.C. 1503(25)) plus individuals who do not look for work because they believe that no jobs are available in their area or that no jobs are available for which they could qualify (discouraged workers). Generally, an unemployed worker is one who did not work during the survey week, was available for work (except for temporary illness), and made some specific effort to find a job sometime during the prior four weeks. The jobless worker rate would be the number of jobless workers as defined above plus the number of discouraged workers, expressed as a percent of the civilian labor force.

(d) Effective date:

The Act is to take effect 6 months after the date of its enactment.

COMMERCE PARTICIPATION IN DEFENSE AGREEMENTS

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. GEPHARDT. Mr. Speaker, today Congressman LEVINE and I introduced legislation to require that the Secretary of Commerce be consulted on all international defense agreements that may impact U.S. industrial competitiveness. This effort, which was initiated by Senator DANFORTH of Missouri, is our response to the debacle that we have witnessed in connection with current deliberations by the National Security Council over the FSX deal with the Japanese.

The Gephardt-Danforth-Levine initiative prohibits the U.S. Government from implementing defense memoranda of understanding and other related agreements if the Secretary of Commerce deems such agreement would adversely impact the international competitive position of the United States. Additionally, this legislation expresses our concern about the long-term effects of technology transfer agreements on the competitiveness of U.S. industry and our economy.

The bill addresses an issue vital to the future economic security of our country. The United States continues to lead the world in technological developments—especially in the aerospace industry. Transferring key technologies should not be done without a thorough examination of the effects on our long-term economic stability. It's time we put our economic concerns at the top of our Nation's policy agenda.

The future national security of the United States depends on its economic security. Allowing the voice of the Secretary of Commerce to be heard in policy deliberations about these issues will help strengthen ths posture of U.S. industries. We can no longer afford to have decisions affecting the long-term competitiveness of our economy made solely by the foreign policy and defense establishment. It is essential that the Secretary of Commerce be at the negotiating table as we look at transfers of key American technologies that will impact America's competitive future.

H.R. 2800, THE WASTE REDUCTION ACT

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. WOLPE. Mr. Speaker, today I am introducing the Waste Reduction Act with Representatives CLAUDINE SCHNEIDER, DENNIS ECKART, MATTHEW RINALDO, and over 150 other colleagues.

A full text of the legislation follows:

H.R. 2800

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

This Act may be cited as the "Waste Reduction Act."

TABLE OF CONTENTS

Sec. 1. Short title and table of contents.
Sec. 2. Findings and policy.
Sec. 3. Definitions.
Sec. 4. EPA activities.
Sec. 5. Grants to States for State technical assistance programs.
Sec. 6. Source reduction clearinghouse.
Sec. 7. Source reduction and recycling data collection.
Sec. 8. EPA report.
Sec. 9. Savings provision.
Sec. 10. Authorization of appropriations.
Sec. 11. Implementation.

SEC 2. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that:

(1) The United States of America annually produces millions of tons of pollution and spends tens of billions of dollars per year controlling it.

(2) There are significant opportunities for industry to reduce or prevent pollution at the source through cost-effective changes in production, operation, and raw materials use. Such changes offer industry substantial savings in reduced raw materials, pollution control, and liability costs as well as help protect the environment and reduce risks to worker health and safety.

(3) The opportunities for source reduction are often not realized because existing regulations, and the industrial resources they require for compliance, focus upon treatment and disposal, rather than source reduction; existing regulations do not emphasize multimedia management of pollution; and businesses need information and technical assistance to overcome institutional barriers to the adoption of source reduction practices.

(b) POLICY.—The Congress hereby declares it to be the national policy of the United States that pollution should be prevented or reduced at the source, whenever feasible; pollution that cannot be prevented should be recycled in an environmentally safe manner, whenever feasible; pollution that cannot be prevented or recycled should be treated in an environmentally safe manner; and disposal or other release into the environment should be employed only as a last resort and should be conducted in an environmentally safe manner.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) The term "agency" means the Environmental Protection Agency.

(3) The term "toxic chemical" means any toxic chemical on the list described in section 313(c) of the Superfund Amendments and Reauthorization Act of 1986.

(4) The term "release" has the same meaning as provided by section 329(8) of the Superfund Amendments and Reauthorization Act of 1986.

(5)(A) The term "source reduction" means any practice which—

(i) reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream (or otherwise released into the environment) prior to recycling, treatment, or disposal; and

(ii) reduces the hazards to public health and the environment associated with the release of such substances, pollutants, or contaminants.

The term includes equipment or technology modifications, process or procedures modifications, reformulation or redesign of products, substitution of raw materials, and improvements in housekeeping, maintenance, training, or inventory control.

(B) The term "source reduction" does not include any practice which alters the physical, chemical, or biological characteristics or the volume of a hazardous substance, pollutant, or contaminant through a process or activity separate from the production of a product or the providing of a service.

(6) The term "multimedia" means air, water, and land.

(7) The term "SIC codes" refers to the 2-digit code numbers used for classification of economic activity in the Standard Industrial Classification Manual.

SEC. 4. EPA ACTIVITIES.

(a) AUTHORITIES.—The Administrator shall establish in the Environmental Protection Agency an office to carry out the functions of the Administrator under this Act. The office shall be independent of the Agency's single-medium program offices but shall have the authority to review and advise such offices on their activities to promote a multimedia approach to source reduction. The office shall be under the direction of such officer of the Environmental Protection Agency as the Administrator shall designate.

(b) FUNCTIONS.—The Administrator shall develop and implement a strategy to promote source reduction. As part of the strategy, the Administrator shall take each of the following actions—

(1) The Administrator shall ensure that the Environmental Protection Agency considers the effect of its existing and proposed programs on source reduction efforts and shall review proposed regulations of the Environmental Protection Agency to determine their effect on source reduction.

(2) The Administrator shall coordinate source reduction activities in each Environmental Protection Agency Office.

(3) The Administrator shall investigate methods of coordinating, streamlining, and improving public access to data collected under existing environmental statutes. The Administrator shall develop an inventory of existing data, consider developing common nomenclature, consistent reporting formats, and compatible data storage and retrieval systems.

(4) The Administrator shall determine what capabilities the Environmental Protec-

tion Agency should have to measure multimedia pollution and pollution control practices in the United States. The Administrator shall determine what, if any, changes are needed in existing agency practices with respect to the collection and handling of data regarding pollution measurement and control.

(5) The Administrator shall facilitate the adoption of source reduction techniques by businesses. This strategy shall include the use of the Source Reduction Clearinghouse and State matching grants provided in this Act to foster the exchange of information regarding source reduction techniques, the dissemination of such information to businesses, and the provision of technical assistance to businesses. The strategy shall also consider the capabilities of various businesses to make use of source reduction techniques.

(6) The strategies shall include measurable goals where appropriate which reflect the overall goal of the strategies, the tasks necessary to achieve the goals, dates at which the principal tasks are to be accomplished, required resources, organizational responsibilities, and the means by which progress in meeting the goals will be measured.

(7) The Administrator shall establish a senior level liaison group with industry, public interest groups, and State source reduction program officials to provide guidance to the Administrator, to provide outreach to the industrial community, and to provide a liaison group for the educational community to promote the introduction of source reduction principles into engineering and management curricula.

(8) The Administrator shall establish an advisory panel of technical experts including representatives from industry, the States, the public, and public interest groups, to advise the Administator on ways to improve collection and dissemination of data.

(9) The Administrator shall establish a training program on source reduction opportunities, including workshops and guidance documents, for State and Federal permit issuance, enforcement, and inspection officials in multimedia pollution programs.

(10) The Administrator shall establish an annual award program under which he surveys the performance of companies having source reduction programs and makes an annual award to recognize and publicize the success of the company or companies which operate outstanding multimedia source reduction programs.

SEC. 5. GRANTS TO STATES FOR STATE TECHNICAL ASSISTANCE PROGRAMS.

(a) GENERAL AUTHORITY.—The Administrator shall make matching grants to States for programs to promote the use of source reduction techniques by businesses.

(b) CRITERIA.—When evaluating the requests for grants under this section, the Administrator shall consider, among other things, whether the proposed State program would accomplish the following:

(1) Make specific technical assistance available to businesses seeking information about source reduction opportunities, including funding for experts to provide onsite technical advice to businesses seeking assistance.

(2) Target assistance to businesses for whom lack of information is an impediment to source reduction.

(3) Provide training in source reduction techniques. Such training may be provided through local engineering schools or any other appropriate means.

(c) MATCHING FUNDS.—Federal funds used in any State program under this section shall provide no more than 50 percent of the funds made available to a State in each year of that State's participation in the program.

(d) EFFECTIVENESS.—The Administrator shall establish appropriate means for measuring the effectiveness of the State grants made under this section in promoting the use of source reduction techniques by businesses.

(e) INFORMATION.—States receiving grants under this section shall make information generated under the grants available to the Administrator.

SEC. 6. SOURCE REDUCTION CLEARINGHOUSE.

(a) AUTHORITY.—The Administrator shall establish a Source Reduction Clearinghouse to compile information generated by States on management, technical, and operational approaches to source reduction. The Administrator shall use the clearinghouse to—

(1) serve as a center for source reduction technology transfer,

(2) mount active outreach and education programs to further the adoption of source reduction technologies; and

(3) collect and compile information reported by States receiving grants under section 5 on the operation and success of State source reduction programs.

(b) PUBLIC AVAILABILITY.—The Administrator shall make available to the public such information on source reduction as is gathered pursuant to this Act, including information about source reduction techniques and the effectiveness of State technical assistance programs. The Administrator may also provide such other pertinent information and analysis regarding source reduction as he deems appropriate. It shall be within the Administrator's discretion to determine the most feasible method for making such information available, including the use of computers.

SEC. 7. SOURCE REDUCTION AND RECYCLING DATA COLLECTION.

(a) REPORTING REQUIREMENTS.—Each owner or operator of a facility required to file an annual toxic chemical release form under section 313 of the Superfund Amendments and Reauthorization Act of 1986 ("SARA") for any toxic chemical shall include with each such annual filing a toxic chemical source reduction and recycling report for the preceding calendar year. The toxic chemical source reduction and recycling report shall cover each toxic chemical required to be reported in the annual release form filed by the owner or operator under section 313(c) of that Act. This section shall take effect with the annual report filed under section 313 for the first full calendar year beginning after the enactment of this Act.

(b) ITEMS INCLUDED IN REPORT.—The toxic chemical waste reduction report required under subsection (a) shall set forth each of the following on a facility-by-facility basis for each toxic chemical:

(1) The quantity of the chemical entering any waste stream (or otherwise released into the environment) prior to recycling, treatment, or disposal during the calendar year for which the report is filed and the percentage change from the previous year. The report filed for any facility which produces only a single product and for which reporting the quantity of chemical entering the waste stream would cause public disclosure of a proprietary process may, at the option of the owner or operator, report only the percentage change from the previous year. When actual measurements of the quantity of a toxic chemical entering the waste streams are not readily available, reasonable estimates should be made based on best engineering judgment.

(2) The amount of the chemical from the facility which is recycled (at the facility or elsewhere) during such calendar year and the percentage change from the previous year.

(3) The source reduction practices used with respect to that chemical during such year at the facility. Such practices shall be reported in accordance with the following categories unless the Administrator finds other categories to be more appropriate:

(A) Equipment, technology, process, or procedure modifications.

(B) Reformulation or redesign of products.

(C) Substitution of raw materials.

(D) Improvement in management, training, inventory control, materials handling, or other general operational phases of industrial facilities.

(4) The amount expected to be reported under paragraphs (1) and (2) for the 2 calendar years immediately following the calendar year for which the report is filed. Such amount shall be expressed as a percentage change from the amount reported in paragraphs (1) and (2).

(5) A ratio of production in the reporting year to production in the previous year. The ratio should be calculated to most closely reflect all activities involving the toxic chemical. In specific industrial classifications subject to this section, where a feedstock or some variable other than production is the primary influence on waste characteristics or volumes, the report may provide an index based on that primary variable for each toxic chemical. The Administrator is encouraged to develop guidelines tailoring the production index requirement to accommodate individual industries.

(6) The techniques which were used to identify source reduction opportunities. Techniques listed should include, but are not limited to, employee recommendations, external and internal audits, participative team management, and material balance audits. Each type of source reduction listed under paragraph (3) should be associated with the techniques or multiples of techniques used to identify the source reduction technique.

(7) The amount of any waste released into the environment and included in the report which resulted from remedial action and is not associated with production processes during the reporting year.

For the first year of reporting under this subsection, comparison with the previous year is required only to the comparison with the previous year is required only to the extent such information is available.

(c) SARA PROVISIONS.—The provisions of sections 322, 325(c), and 326 of the Superfund Amendments and Reauthorization Act of 1986 shall apply to the reporting requirements of this section in the same manner as to the reports required under section 313 of that Act. The Administrator may modify the form required for purposes of reporting information under section 313 of that Act to the extent he deems necessary to include the additional information required under this section.

(d) ADDITIONAL OPTIONAL INFORMATION.—Any person filing a report under this section

for any year may include with the report additional information regarding source reduction, recycling, and other pollution control techniques in earlier years.

(e) AVAILABILITY OF DATA.—Subject to section 322 of the Superfund Amendments and Reauthorization Act of 1986, the Administrator shall make data collected under this section publicly available, on a cost reimbursable basis.

SEC. 8. EPA REPORT.

(a) BIENNIAL REPORTS.—The Administrator shall provide Congress with a report within one year after enactment of this Act and biennially thereafter, containing a detailed description of the actions taken to implement the strategy to promote source reduction developed under section 4(b) and of the results of such actions. The report shall include an assessment of the effectiveness of the clearinghouse and grant program established under this Act in promoting the goals of the strategy.

(b) SUBSEQUENT REPORTS.—Each biennial report submitted under subsection (a) after the first report shall contain each of the following:

(1) An analysis of the data collected under section 7 on an industry-by-industry basis for industries which comprise not less than 5 SIC codes or other categories as the Administrator deems appropriate. The analysis shall begin with those SIC codes or other categories of facilities which generate the largest quantities of toxic chemicals. Each such subsequent report shall cover 5 SIC codes or other categories which were not covered in a prior report until all SIC codes or other categories have been covered.

(2) An analysis of the usefulness and validity of the data collected under section 7 for measuring trends in source reduction and the adoption of source reduction by business.

(3) Identification of regulations that may inhibit source reduction, and of opportunities within exisiting regulatory programs to promote and assist source reduction.

(4) Identification of priority industries and pullutants that would benefit from multimedia source reduction.

(5) Recommendations as to incentives needed to encourage investment and research and development in source reduction.

(6) An identification of any industries for which source reduction is not feasible, due either to the nature of the manufacturing process or cost, together with an analysis of the basis on which source reduction has been determined not to be feasible for each such industry.

SEC. 9. SAVINGS PROVISIONS.

Nothing in this Act shall be construed to modify or interfere with the implementation of title III of the Superfund Amendments and Reauthorization Act of 1986.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Administrator not more than $10,000,000 for each of the 3 fiscal years beginning after the enactment of this Act for functions carried out under this Act (other than State grants) and not more than $8,000,000 for each fiscal year after enactment of this Act for the State grant program.

SEC. 11. IMPLEMENTATION.

The Administrator is authorized to issue such rules, regulations, and orders as may be necessary to carry out the provisions of this Act.

THE DEFICIT VIOLATES OUR SOCIAL OBLIGATIONS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. PORTER. Mr. Speaker, for 200 years, an integral part of the American dream has been to ensure that each generation of children is better off than their parents. The cornerstone of this dream is the assumption that every generation will leave the next with little or no debt and bright hopes for the future.

Unfortunately, this covenant of generational fairness was forgotten in the 1980's. The current generation has borrowed trillions of dollars to finance programs and services that it wanted but was not willing to pay for. Quietly, future generations have been left saddled with the bill.

This ethically bankrupt policy was wonderfully convenient for the older generation—including my own—who were able to live beyond their means. It leaves little hope, however, of a better life for the young whose future incomes will be ravaged by a government desperate to finance the staggering debts left them by their parents.

The following excerpt from the article, "Is the Deficit Really So Bad?"—Atlantic Monthly, February 1989—highlights the injustice of budget deficits. It cuts across political and economic theories to present Federal deficits and the national debt in terms of generational equity and moral fairness. The ideas it contains should play a constructive role in helping individuals of all ideological persuasions to realize the urgent need for deficit reduction.

[From the Atlantic Monthly, February 1989]

IS THE DEFICIT REALLY SO BAD?

THE SIGN OF A COVENANT

The imperative to balance the budget is, at bottom, a rule, like any other. People can and do argue all day about what rule is best on economic grounds—balance the budget, balance it over the course of a business cycle, hold the ratio of the national debt to GNP constant. But whatever we decide, what we are finally talking about is a rule of social behavior, like the rules about property—a rule defining the nature of what it is people are doing together and how they agree to treat each other, today and over time. The enforcement of a rule does not tell you that everybody is playing the right game, so to speak, but it does tell you that everybody is playing the *same* game. In that sense, a balanced budget represents to most people a social sign that, as the political scientist Aaron Wildavsky once put it, things are all right. For Americans, a balanced budget is like the rainbow of Genesis—the sign of a covenant. "The bow shall be seen in the cloud, and I will remember my covenant."

The covenant reaches through two dimensions: up and down the political spectrum in the present, and across the generations through time. In the present the shared goal of balancing the budget—the government taxes no more than it spends, and it spends no more than it taxes—represents a compact between conservatives and liberals. A balanced budget is a sign for liberals that conservatives are paying their share of taxes, and a sign for conservatives that liberals are restraining their spending. Given that there is general disagreement about what it is that government should be doing, a balanced budget is a sign that we have all reached a compromise: I may not support all the programs you like, and you may not support all the ones I like, but we have agreed to restraint, and within that restraint, we are supporting each other.

Republicans were appalled when Democrats, saying that we should balance the economy rather than the budget, waved aside the zero-deficit rule earlier in this century. Democrats, in turn, were horrified when the Reagan-era policies raised the rule-breaking to a new order of magnitude. To the extent that conservatives decided that they would rather have lower taxes and spending than balanced budgets, they were saying that they would be better served by abandoning the game than by compromising with the liberals, and they walked off the playing field. Now many liberals, too, seem to be wandering off the field, unwilling to make big domestic-spending cuts to get the deficit down.

The result is just what we might expect: deep and rending social division over government's role, with an annual war between the Butlers and Fauxes of the world tending to replace annual compromise. This has serious consequences, not least of them friction, demoralization, and often paralysis within the institutions of government. Large budget deficits have become an acute public embarrassment, a sign of the country's inability to cope and of people's unwillingness to make some sort of deal. Inability to solve the problem has become the problem. Beyond that, the budgetary trench warfare that has preoccupied Washington in the 1980s has frozen the liberal's social agenda and is in the process of tearing up the conservatives' defense program. Paralysis will not, in the long haul, do anybody much good.

Perhaps the second dimension of the covenant is more profound still. Because economics cannot tell us what is the right amount for each generation to save, we rely on a fiscal rule: As the previous generation did unto us, so we will do unto the next generation, barring a war or other demand of extraordinary urgency. If every year the budget is more or less balanced, each year's group of voters has to pay its own way, and the burden of financing government remains neutrally distributed among generations. A good case can be made that neutrality is not the best policy—but there is nothing like a consensus on what is a better policy. And to break the long-standing covenant with future generations is a social decision of the gravest import; no wonder it makes Americans uneasy. Whenever one set of voters breaks the rule by running larger-than-normal deficits, it grabs a windfall from the future. The future may never notice the difference—we don't know. But even so, is this the right thing to do? Economics cannot tell us that.

"It's a matter of preference," Herbert Stein told me. "Most people save for their children even though their children are expected to be richer than they are. But I have no problem with someone who says, 'I don't care about that—let my children work their own way,' if that's a deliberate choice. I don't think that was a deliberate choice by the American people. I don't think they realized what was going on."

Now zero deficit is not the only possible rule. Any rule will do, as long as everyone

agrees to it and it is applied more or less uniformly over time. Zero deficit has the advantage of being easy to explain and of being the rule, or at least the goal, that people have lived by in this country for two centuries; it is the rule whose rightness people *feel*. But we can switch if we like. Maybe we have switched. "The rule that the budget should be balanced obviously is not operative," Stein said. "And so I think the direction in which we have to go now is the direction of rational choice."

We have learned in this decade that we throw away the balanced-budget rule at great peril to our machinery of governance and our national conscience, but we have also learned that the economy is unlikely to stop us. After seven years of big deficits, a day of reckoning has come, all right, but it is not the kind of day of reckoning that we have been led to expect. It is not a financial or economic disaster: it is our confrontation with the fact that, like atheists who must learn to set standards in a universe without divine judgment, we are on our own with these deficits. We must choose to balance the budget, or not, without the certainty of economic determinacy and without the prod of calamity.

THE RESEARCH AND EXPERIMENTAL TAX CREDIT AND EXTENSION ACT OF 1989

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. JENKINS. Mr. Speaker, I am introducing today H.R. 1416, a bill to improve the incentive value of the R&E tax credit. This improvement goes a long way toward building America's competitiveness strategy by encouraging private companies to assume the risks associated with increased R&E spending.

This legislation makes three important improvements to the current R&E tax credit, which is currently scheduled to expire at the end of 1989. First, it makes the 20-percent R&E and basic research tax credits permanent. Second, it improves the structure of the incremental credit to increase the incentive effect of the credit. Third, it extends the credit benefits to startup firms which will increase the number of taxpayers, particularly small businesses, eligible for the credit. These changes will increase the effectiveness of the credit to get taxpayers to commit more resources to R&E efforts.

The R&E credit was enacted in 1981 to encourage taxpayers to devote more resources to R&E activities. Although the credit has successfully worked as an incentive to encourage private R&E spending—sending R&E expenditures to all time highs in recent years—we cannot be satisfied with the status quo. Our foreign competitors are all too eager to take up any slack in our R&E endeavors. We must continue to provide incentives to private companies working toward this valuable national goal.

Treasury and several economists have stated that the credit's true incentive value could be made even stronger by restructuring the base period. Because under the current credit, R&E expenditures made in the current year increase the following 3 years' base period amounts, the credit earned in year 1 is often "paid back" in years 2 through 4. Thus, the real incentive value of the credit is not statutory 20 percent rate, but only that which is associated with the time value of money. In addition, the existing base period structure can create an R&E disincentive for taxpayers who are experiencing a decline in R&E spending. For these taxpayers, the credit creates an incentive to cut R&E spending further in order to reduce the base amount so as to increase future credits. Finally, because the credit was enacted for only a trial 5-year period and then extended for an additional 3 years, the temporary nature of the credit creates uncertainty for taxpayers undertaking R&E efforts which are expected to span several years. These problems have caused the credit to be less effective than it could be in stimulating R&E efforts.

In this age of international competition, we must send strong signals to America's companies that we support their R&E contributions which keep America at the forefront of high technology, research, and development. We can do just that by amending the structure of the base period to make the credit a more effective and valuable incentive. Accordingly, my bill introduces a base period structure that utilizes a historical 5 year R&E base which is indexed by a nominal GNP factor which is unrelated to specific taxpayers' R&E spending. Thus, taxpayers will have a 20 percent incentive for each dollar spent on R&E over this base. In addition, my bill provides a 7-percent credit on a reduced base—75 percent of the same historical base—for taxpayers with R&E increasing less rapidly than nominal GNP growth, and thereby not receiving any credit benefits under this new proposal. Firms with qualified research expenditures in 2 or less years of the 5 taxable years between 1984 and 1988 will use special rules for determining their initial base period. Finally, to further increase the credit's incentive value, my bill makes the research tax credit a permanent part of our tax law.

This legislation also retains the half deduction disallowance, which prohibits taxpayers from deducting half of their credit benefits under section 174. Under the current base structure, a deduction disallowance translates into a credit rate reduction. The current credit's incentive value is already too low. Thus, I am strongly opposed to any deduction disallowance in the context of the current base structure. In the context of this new bill, however, the deduction disallowance makes more sense because the new base costs additional revenue. Thus, the half disallowance appropriately serves as a revenue offset device and is retained in my bill. The administration also does not support a deduction disallowance in the context of current law. Rather, the administration's full deduction disallowance was only proposed in conjunction with a restructured base.

This bill is consistent with the President's and Treasury's views regarding an optimal credit structure. Treasury has testified that this improved structure would: First, increase the incentive of the R&E credit in absolute terms and per dollar of credit, second, increase the percentage of R&E performing firms eligible for the credit and third, insulate the credit from the effects of inflation. Moreover, the Treasury reports that this change will produce five times the incentive effect per dollar of revenue cost as compared with current credit.

This bill also makes the R&E credit available to startup ventures. The requirement under current law that R&E expenditures be incurred "in carrying on" a trade or business prevent small startup companies that are developing new products or existing companies that are attempting to enter a new line of business from obtaining credit benefits. These businesses have a built-in disincentive to spend money on R&E because they are often unable to recapture the profit from their efforts. Because these companies neither have a great deal of market identity nor an established distribution network, they are often unable to rapidly penetrate today's markets. Thus, for these companies the risks associated with R&E efforts are enhanced. Without small startup business innovation, we would have no lightbulbs, airplanes or personal computers. The development of new products by all of our Nation's businesses is important to America's competitiveness strategy.

We should encourage the performance of R&E by all companies. The legislation accomplishes this result by permitting research to be eligible if the principal purpose of the taxpayer is to use the results of the research in the active conduct of a present or a future trade or business. Research undertaken for investment purposes will not qualify so that the use of this credit by so-called tax shelters will not be permitted. For the same reason, the extension of the credit to start-up companies will only apply to research conducted in-house by the taxpayer rather than to research contracted out to unrelated parties.

This legislation sends a signal to American companies that we are firmly committed to encouraging the R&E effort. It takes a firm stand against the erosion of the credit that we've seen since it was enacted in 1981. In 1981 the credit rate was 25 percent. Because the base period structure limited the value of the credit, its incentive value was considerably less than the 25-percent statutory rate. Nonetheless, in 1986, when the credit was revised to cutback on the types of activities that could be considered eligible for the credit, the rate was cutback to only 20-percent. This cutback represented a 20-percent reduction in the level of incentive extended to companies contributing to this important goal. Notwithstanding this substantial cutback, in 1988 a 50-percent deduction disallowance was passed denying taxpayers the ability to deduct, under section 174, half of their credit benefits. That change, in effect, reduced the credit rate to 16.6 percent and represents another 17-percent reduction in the incentive effect directed toward R&E. We cannot continue to let the credit atrophy. We must enhance America's ability to compete.

The revenue cost of the bill as a whole is less then the current credit without the recent deduction disallowance. As a whole this cost

is insignificant compared to the short- and long-term benefits to American industry's place in the world economy.

CONTINUATION OF TOLL ROADS IN OHIO

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. APPLEGATE. Mr. Speaker, today I, along with Mr. MCEWEN an introducing an important piece of legislation for the State of Ohio. In 1964, the Ohio Turnpike Commission, the Ohio Department of Transportation and the U.S. Secretary of Transportation entered into an agreement which allowed the commission to establish toll roads in order to meet the growing transportation needs in Ohio. The 1964 agreement mandated that once the bonds that were necessary to finance construction of the turnpike had been paid off, the tolls would be removed. At the time this agreement fit into the transportation policy of the State. Unfortunately, many things have changed within the State and meeting the basic transportation needs has become a financial difficulty. If the tolls are removed from the turnpike, the State will forfeit this important funding mechanism. The responsibility for the care and growth of the turnpike will then fall to the State Department of Transportation. Funding for turnpike improvements or maintenance will then have to come from the tax payer and not the user of the turnpike. Obviously, there is a great deal of concern about the future of the turnpike and the future of the State transportation program.

The legislation which is being introduced today would void the 1964 agreement and allow the commission to continue tolls on the turnpike roads only. Revenues collected from these tolls could only be used to fund turnpike improvements and maintenance. This legislation would not cost the Federal Government a dime, yet it would ensure a continued financing mechanism in the State of Ohio. This would not be the first time that similar agreements have been voided. Virginia, Maine and Kansas all entered into similar agreements and all of these States have sought the same relief from the Federal Government. The bonds are not due to be paid off until 1992, however, all planning on the turnpike, a major artery through the State, have been put on hold until the future of the turnpike can be determined. As we are all aware, infrastructure planning is a 4 to 5 year process. The Commission must be released as soon as possible from this agreement in order to continue with their mission. I am asking for the support of my colleagues from Ohio and from the Public Works and Transportation Committee. This is an urgent matter requiring prompt attention from the committee and the full House of Representatives.

INTRODUCING A BILL CONCERNING RESTRICTIONS ON CONTRA AID

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mrs. COLLINS. Mr. Speaker, I rise to introduce a bill which takes the next logical step on the question of United States assistance to the Nicaraguan Contras. The bill states that the Congress will not consider authorizing additional funds—nor release previously appropriated funds and equipment that remain undelivered—to the Contras until we are satisfied with the Contas' own accounting for all previous assistance.

This bill is based on the continuing stigma of the previous administration's Iran-Contra scandal, one of the greatest embarrassments in American's history. Despite over 2 years of congressional, journalistic, and judicial scrutiny, we still do not have the complete picture of what actually transpired, who was involved, and how the money of American taxpayers was spent. As Lt. Col. North's court proceedings continue, we are reminded of how much remains unknown about the funds given to the Contras and our Government's involvement in the Iran-Contra connection. In fact, new revelations pepper the news every day.

In such a climate, it would be highly inappropriate to continue down the same path. It is likely that the U.S. Government has been taken for a ride by the Contras through misuse of American assistance.

It is time that we discover, once and for all, precisely what happened to the illegal and the legal funds which were received by the Contras. Did the Contras expend all the legally appropriated funds for their intended purposes and beneficiaries? Were "humanitarian" moneys applied to "non-lethal" military support or were "non-lethal" moneys applied toward "lethal" purposes?

Were the illegal moneys of the Iran-Contra diversion applied toward munitions or to medicines? These questions are central to our Nicaraguan policy and must be resolved before we can make appropriate decisions affecting our future relations. The answers must come from the Contras themselves, as only they could supply the definitive response.

Mr. Speaker, Congress must let its voice be heard on this matter now. It is especially important that we register these priorities well in advance of any effort to further entrench our country in what appears to be a highly illegal and deceptive morass.

TRIBUTE TO LILLIE MAE JONES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. MILLER of California. Mr. Speaker, it gives me great pleasure today to share with my colleagues a tribute to an outstanding citizen in my district, Mrs. Lillie Mae Jones.

Lillie Mae was named the 1989 Woman of the Year from California's seventh senate district. The California State Senate and Assembly honored her and 101 other distinguished women at special ceremonies sponsored by the women legislator's caucus. Lillie Mae is the seventh senate district's third recipient of this award which is held in conjunction with Women's History Month.

It is always very gratifying to see a constituent rewarded for all her time and commitment spent for the bettering of her community. Lillie Mae has always been very active in the Richmond community as well as supportive and helpful of my efforts in the district. Her lastest efforts complement my own in the area of AIDS awareness and education among our children and youths.

Her civic involvement goes back four decades. Lillie Mae is currently the president of the coordinating council, an umbrella group of Richmond's 22 neighborhood councils. For the past 20 years, she has been serving on the board of what is now the Private Industry Council, as well as being a charter member of the John T. Knox Freeway Relocation Committee.

I want to extend my personal congratulations and thanks, along with those of the 101st Congress of the United States, to Lillie Mae Jones for all of her hard work and dedication to our community.

NICK COUSSOULIS HONORED

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. LEWIS of California. Mr. Speaker, I rise today to pay tribute to a truly talented and outstanding citizen of San Bernardino County, Mr. Nick Coussoulis. Nick is being honored with the Golden Baton Award by the Inland Empire Symphony, Saturday evening in recognition for his many contributions to the arts. The symphony has a strong student music appreciation program which brings members of the orchestra to local schools. The interest generated has resulted in a 150-percent increase in the number of students enrolled in school music programs, thus making Nick's efforts on the symphony's behalf understandably more significant.

Nick is a longtime resident of the 35th District. He received a bachelor or arts degree from California State University San Bernardino and has fostered arts for the cultural benefit of the Inland Empire ever since. Professionally, Nick is president of Coussoulis Development Co., and is a citrus and cattle rancher. In addition to his career, he is committed as a Governor Deukmejian appointee to the California Arts Council, as well as a member of the following boards of directors and organizations: the Inland Empire Symphony, the advisory board of the San Bernardino County Museum Foundation, the Arrowhead Opera Institute, and the National Orange Show. Through his contributions of time, effort, and money, Nick Coussoulis has created opportunity for artists to receive recognition of their artistic expressions and has given

the citizens of the Inland Empire a gift of painting, sculpture, theater, poetry, dance, and music.

For the last 22 years, Nick has shared his life and love with his wife, Christina. Their marriage was blessed with two daughters: Ria, 21, who graduated from Pepperdine University in 1988 and Angela, 20, who is currently a junior at Pepperdine University. Mr. Speaker, I ask that you join me today in saluting Nick Coussoulis for committing so much of his time and energy to the growth and plenitude of the artistic community in the Inland Empire.

TRIBUTE TO JOHN MORRIS

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. WELDON. Mr. Speaker, I rise today to recognize a leader in southeastern Pennsylvania. On Friday, March 17, 1989, John Morris will be presented with the George Meany Award, which is given annually by the AFL–CIO.

John Morris is currently president of the Pennsylvania Conference of Teamsters. In his role as president of one of our Nation's largest Teamster organizations, John Morris commands the admiration and respect of those who know him.

In speaking to fellow Congressmen from Pennsylvania and New Jersey, the name John Morris and the Pennsylvania Conference of Teamsters enjoy a reputation of strong, representative leadership for their membership. As an elected official and friend, I rely upon John Morris to provide me with timely and correct informtion regarding major labor issues.

In a time when we see increasing tensions between labor and management, John Morris seeks to reach a reasonable solution without ever forgetting the union members who have entrusted him with the goal of furthering the interests of that body.

The George Meany Award is given in recognition of a person in public life who exemplifies the qualities of its namesake, a leader and spokesman of the AFL–CIO. In his service for the AFL–CIO, George Meany influenced a variety of public policies. His interest in the welfare of all people is exemplified by his interest in such important issues as national health care and civil rights.

John Morris truly does embody those qualities about George Meany which endeared him to his colleagues for so many years. John Morris is an outstanding choice as the recipient of this award. I take great pleasure today in sharing with my colleagues the contribution which John Morris has made to his union and his neighborhood.

Mr. Speaker, I ask that my colleagues take a moment to reflect on the contributions which John Morris has made in public service, contributions which are truly worthy of the praise of his colleagues.

THE CASE OF MR. JOSEPH PATRICK DOHERTY

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mrs. KENNELLY. Mr. Speaker, many of us in this Chamber are familiar with the case of Mr. Joseph Patrick Doherty, an Irish national who has been held in the Metropolitan Correction Center in New York for over 5½ years.

The Metropolitan Correction Center was designed as a short-term facility for pretrial confinement. Such has not been the case for Mr. Doherty. His stay at Metropolitan earns him the dubious honor of being the longest standing prisoner in the history of the facility.

Mr. Doherty has never been charged with a criminal offense, not even a misdemeanor, in this country. He was arrested in June 1983, on charges that he had entered the United States illegally. He has been in the correction center ever since.

On a number of occasions during his confinement, the courts and the immigration authorities have ruled in favor of Mr. Doherty. Yet time and again, the Department of Justice, under the past administration, found ways to get around these decisions.

Mr. Speaker, I believe in their zeal to have Mr. Doherty extradited to the United Kingdom, the Justice Department overlooked some of the very basic rights and guarantees that we have come to expect in this country. In this case, the issue is not what Mr. Doherty did in 1980 as a member of the Irish Republican Army. I urge the Justice Department not to continue to treat this case as such.

THE GREAT WESTERN TRAIL

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. HANSEN. Mr. Speaker, since 1968 outdoor enthusiasts have had the unique opportunity of enjoying many of this country's significant scenic, historic, natural, and cultural qualities by traveling our National Trails System. From the Appalachian Scenic Trail to the Pacific Crest Scenic Trail, thousands of Americans and others have had an unprecedented experience along the miles of protected trails. However, some of the most spectacular scenery in the United States has not been accessible. I believe that it is time to address this oversight and today I have introduced legislation to establish a Great Western Trail.

The Great Western Trail legislation would create a corridor of approximately 3,100 miles in length extending from the Arizona-Mexico border to the Idaho-Montana-Canada border. This multiple-use trail would traverse National Forest, Bureau of Land Management, National Park Service, State and private lands. The great forests, deserts, rivers, canyons, and mountains of the American West would provide users with an unmatched outdoor experience. I am hopeful that we can move quickly on this legislation and add to our trails system a valuable new feature.

DIAMOND FIRE DEPARTMENT CELEBRATES CENTENNIAL

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. KANJORSKI. Mr. Speaker, 100 years ago a group of concerned citizens gathered together in the Diamond section of Hazelton, PA, to establish a fire company to protect the lives and property of those in the community. I would like to take this opportunity to honor the past and present members of the Diamond Engine, Hose, Hook & Ladder Co. No. 2 of Hazleton, who have freely given their time—and lives—for the safety and well-being of others over these past 100 years.

It was September 5, 1889, when the men of Hazelton's residential Diamond section decided to take it upon themselves to volunteer their services for the protection of the community from fires and other hazards. When the lives and property of others were threatened, they quickly resonded to offer help. To these fine individuals, we owe our thanks and appreciation.

This spirit of community and cooperation forms an important part of our American heritage. From the first, when the Pilgrims huddled together against the elements on the shores of a strange land, cooperation and community kept them alive, vital, and productive. Working together, our first families remembered well the proverb, "Better is a neighbor that is near than a brother far off." Communities became an invaluable extended family, with neighbors helping neighbors.

This same spirit of community, I am happy to say, still lives on in many communities throughout our Nation. The Diamond Fire Co. of Hazleton embodies this spirit of community. We should be thankful, Mr. Speaker, to these individuals, and all others like them, who give of their time for the betterment of their community. I am certain that the world would be a much nicer place to live if more of our citizens were as generous with their time and talents.

TRIBUTE TO THE OLD LYCOMING TOWNSHIP VOLUNTEER FIRE CO.

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. GEKAS. Mr. Speaker, today I rise to pay tribute to the Old Lycoming Township Volunteer Fire Co., of Williamsport, PA, which has provided dedicated service to the people of my district for nearly 50 years.

The Old Lycoming Township Volunteer Fire Co., which was established in 1940, has grown steadily over the years and continues to move forward today. From humble beginnings with 2 pieces of apparatus protecting some 2,100 residents, to its present incarna-

tion with 9 pieces of apparatus protecting more than 10,000 residents, the fire company has emjoyed remarkable growth. When, in the mid-1980's, they were required to relocate due to road construction, the fire company did so good naturedly, dedicating thousands of volunteer man-hours to the project.

Now, on Friday, March 17, the fire company will hold ground-breaking ceremonies for its new station at Kenwood and Dewey Avenues in Old Lycoming Township. Final completion of the station is expected in the fall of 1989, just in time of the fire company to celebrate its 50th golden anniversary in 1990.

Mr. Speaker, the Old Lycoming Township Volunteer Fire Co. has an honored history in my district. In recognizing their past accomplishments, I also look forward to the next 50 years when, in newly modernized facilities, they will continue to provide topnotch service to the people of the greater Williamsport area.

A TRIBUTE TO STEPHEN DAVISON BECHTEL

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Ms. PELOSI. Mr. Speaker, it is with deep sadness that I rise today in memory of a man whose dreams and visions created opportunities for people all over the world. Stephen Davison Bechtel, senior director of Bechtel Group, Inc., died yesterday, following a brief illness.

Of the many titles he acquired, the one Steve Bechtel liked the best was "builder." Fortune magazine called him the boldest and maybe the biggest builder in the world, placing his name alongside Henry Ford, John D. Rockefeller, Andrew Carnegie and other industrial giants in its hall of fame of business leadership.

Mr. Bechtel was a world business leader who knew Presidents, Prime Ministers, and Kings on a first-name basis. He was just as warm and friendly dealing with the thousands of people who worked in his firm, establishing a tradition of first-name conversation with employees at all levels.

During a career that spanned three-quarters of a century, Mr. Bechtel and his organization helped engineer thousands of projects in more than 100 nations. Among them: Hoover Dam; the San Francisco-Oakland Bay Bridge; World War II shipyards that turned out more than 500 vessels; and the San Francisco Bay area rapid transit system.

Mr. Bechtel was named one of the top 10 construction men of the half-century by the American Society of Civil Engineers, as he made the family name synonymous with macroengineering on a global scale. Since 1960 his son, Stephen D. Bechtel, Jr., now 63, has headed the organization that has worked on all seven continents.

The late Robert Gordon Sproul, longtime president of the University of California, on presenting Mr. Bechtel with an honorary degree in 1954, described him as "an engineer with an affinity for large ideas, ingenious in devising means to solve complicated problems, and truly one who is helping to make this a better world in which to live."

Born in Aurora, IN, on September 24, 1900, Mr. Bechtel was the second of four children born to Warren A. and Clara West Bechtel, founders of the Bechtel Engineering and Construction Organization.

Mr. Bechtel is survived by his wife, Laura Peart Bechtel, of Oakland; their 2 children, Stephen Davison Bechtel, Jr., chairman of Bechtel Group Inc., and Barbara Bechtel Davies; 7 grandchildren and 19 great-grandchildren.

When he received the University of California's citation in 1975, the provost of the professional schools and colleges presented the award saying: "He has set a high standard. It's going to be a darn tough act to follow."

No one knows this better than his son Steve Bechtel, Jr. "My father was a remarkable man," he said. "He was also the best of fathers."

TRIBUTE TO JEFFEREY CRAIG

HON. RICHARD H. STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. STALLINGS. Mr. Speaker, today I would like to recognize Jefferey Craig, a teacher at the Idaho State School for the Deaf and Blind and the recipient of the Christa McAuliffe Fellowship.

Teaching is an important profession—it takes ideas and passes them from generation to generation and shapes the minds of our youth. Mr. Craig has shown a dedication to excellence in this profession.

His proposal to make science more understandable to deaf students shows he is not satisfied with the status quo. Instead, he looks for innovative ways to improve teaching methods.

I know Mr. Craig will put this fellowship to good use. He has plans to share the results of his project with school districts throughout Idaho and across the Nation.

Mr. Speaker, I congratulate Mr. Craig on the fine job he has done for education in Idaho.

TRIBUTE TO PHILIP "FLIP" SMITH

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 15, 1989

Mr. BERMAN. Mr. Speaker, it is a pleasure to ask my colleagues to join me in saluting a respected and popular member of the community, Mr. Philip "Flip" Smith, who will be honored by the Greater Van Nuys Area Chamber of Commerce for his devoted service as president. Although Flip is stepping down as president, he will undoubtedly continue his long record of involvement.

During his tenure as president, Flip has positively affected the lives of many and has diligently worked hard to improve and expand the chamber's activities and involvement in the community. Under his leadership membership has reached over a thousand members for the first time and chamber activities have tripled. Early in his term, Flip initiated the chamber's first Student/Business Career Day. He is also responsible for the "Monthly Business Breakfast," an event which provides a networking opportunity for business owners, and the first annual Valley Business Success Expo, a trade show with business workshops. As a result of his hard work and dedicated efforts he enjoys widespread respect and support throughout the San Fernando Valley. It is very important to Flip that the Greater Van Nuys Area Chamber of Commerce helps the community it serves.

Philip "Flip" Smith's contributions also extend far beyond the chamber of commerce. His seemingly infinite energy has improved the quality of life for all who live and work in the San Fernando Valley. He is the owner of Flip's Tire Center and was chosen Small Business Man of the Year in Van Nuys, CA, in 1987. In addition, he is past president of the Rotary Club of Van Nuys, past chair of Mid-Valley YMCA, and was a member of the Board of Directors of the Ambassadors Valley Presbyterian Hospital, and active in many local organizations. Flip has built a record of commitment and excellence that is an insprir-ation to us all.

It is a pleasure to ask my colleagues to join me in saluting Mr. Philip "Flip" Smith, a lifetime leader of the community and a truly dedicated citizen.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 16, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 17

9:00 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget es-

timates for fiscal year 1990 for Physician Payment Review Commission, Corporation for Public Broadcasting, National Commission on Libraries, U.S. Institute of Peace, National Commission on Financing Post Secondary Education, National Commission on Migrant Education, National Commission on Infant Mortality, U.S. Bipartisan Commission on Comprehensive Health Care, Prospective Payment Review Commission, and the Soldiers' and Airmen's Home.
SD-192

9:30 a.m.
Armed Services
Defense Industry and Technology Subcommittee
To hold hearings on the first annual critical technologies plan.
SR-222

Judiciary
To hold hearings on S. 544, to limit the modification of collective bargaining agreements subject to the Railway Labor Act.
SD-226

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on the Federal Savings and Loan Insurance Corporation, and on S. 413, Financial Institutions Reform, Recovery, and Enforcement Act.
SD-538

Budget
Business meeting, to mark up the concurrent resolution on the fiscal year 1990 budget.
SD-608

Environment and Public Works
Environmental Protection Subcommittee
To hold oversight hearings on policies to prevent destruction of the ozone layer and global warming.
SD-406

Finance
Medicare and Long-Term Care Subcommittee
To resume hearings to examine the current and future status of the Medicare program, focusing on physicians payments.
SD-215

2:00 p.m.
Appropriations
Defense Subcommittee
To hold closed hearings to review global defense matters.
SD-116

APRIL 3

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Surface Mining, Office of the Secretary, Office of the Solicitor, and the Office of Inspector General, of the Department of the Interior.
S-128, Capitol

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Science Foundation.
SD-138

APRIL 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Education, focusing on the Office of the Secretary of Education, Salaries and Education (includes Program Administration, Office for Civil Rights, and Office of the Inspector General), Special Institutions (includes American Printing House for the Blind, National Technical Institute for the Deaf, Gallaudet and Howard Universities).
SD-138

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to review the President's proposed budget request for fiscal years 1990 and 1991 for the National Aeronautics and Space Administration.
SR-253

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Food and Drug Administration, Commodity Futures Trading Commission, Farm Credit Administration, and Farm Credit System Assistance Board.
SD-124

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Science Foundation and the Office of Science and Technology Policy.
SD-116

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the Department of State.
S-146, Capitol

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Critical Materials Council, Executive Office of the President, Vice President's Residence, and the White House Residence.
S-126, Capitol

2:00 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Park Service, Department of the Interior.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Education, focusing on Compensatory Education for the Disadvantaged, Special Programs, Impact Aid, Bilingual Education, Immigrant and Refugee Education, Education for the Handicapped, Rehabilitation Services and Handicapped Research, and Vocational and Adult Education.
SD-138

APRIL 5

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Highway Traffic Safety Administration.
SR-253

10:00 a.m.
Joint Taxation
To hold an organizational business meeting.
H-208, Capitol

10:30 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the administration of foreign affairs and contributions to international organizations.
S-146, Capitol

APRIL 6

9:00 a.m.
Rules and Administration
To hold hearings on proposed legislation authorizing funds for fiscal year 1990 for the Federal Election Commission, proposed legislation authorizing funds for the Civic Achievement Award Program in honor of the Office of the Speaker of the House of Representatives, and proposed legislation authorizing funds for the American Folklife Center.
SR-301

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on global climate change ocean perspective.
SR-253

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Animal and Plant Health Inspection Service, Food Safety and Inspection Service, and Agricultural Marketing Service.
SD-124

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the Federal Communications Commission and the Small Business Administration.
S-146, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Highway Administration and the National Transportation Safety Board.
SD-138

APRIL 7

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the

Department of Education, focusing on Student Financial Assistance, Guaranteed Student Loans, Higher Education, Higher Education Facilities Loans and Insurance, College Housing Loans, Education Research and Statistics, and Libraries.
SD-138

Finance
International Trade Subcommittee
To hold hearings to examine trade disputes between the U.S. and Canada.
SD-215

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of National Drug Control Policy.
SD-116

APRIL 10

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Bureau of Land Management, Department of the Interior, and the Navajo and Hopi Indian Relocation Commission.
S-128, Capitol

10:30 a.m.
Governmental Affairs
To hold hearings on quality assurance at the Department of Defense.
SD-342

1:15 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of Civil Rights, Policy Research, and the Office of Inspector General.
SD-116

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Environmental Protection Agency.
SD-138

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Forest Service of the Department of Agriculture.
SD-192

APRIL 11

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to review the President's proposed budget request for fiscal years 1990 and 1991 for the National Aeronautics and Space Administration, focusing on space science and applications programs.
SR-253

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Farmers Home Administration, Federal Crop Insurance Corporation, and the Rural Electrification Administration.
SD-138

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Environmental Protection Agency and the Council on Environmental Quality.
SD-116

APRIL 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Social Security Administration and the Health Care Financing Administration.
SD-138

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of the Secretary of the Treasury, and the Federal Election Commission.
SD-116

APRIL 13

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Governmental Affairs
To hold hearings on S. 253, establishing a coordinated National Nutrition Monitoring and Related Research Program.
SD-342

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the U.S. Coast Guard.
SD-138

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Family Support Administration and Human Development Services.
SD-138

APRIL 14

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of the Assistant Secretary for Health and the Centers for Disease Control.
SD-138

Commerce, Science, and Transportation
Foreign Commerce and Tourism Subcommittee
To hold hearings on the importance of scenic byways to national tourism.
SR-253

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Management and Budget (Office of Federal Procurement Policy), Commission on Government Ethics, and the National Archives and Records Administration.
SD-116

APRIL 17

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space transportation budget and policy.
SR-253

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for fossil energy and clean coal technology programs.
S-128, Capitol

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans' Affairs.
SD-138

APRIL 18

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Alcohol, Drug Abuse, and Mental Health Administration and the Health Resources and Services Administration.
SD-116

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on Agricultural Stabilization and Conservation Service, Foreign Agricultural Service, Commodity Credit Corporation, General Sales Manager, Soil Conservation Service.
SD-138

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans' Affairs.
SD-192

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the health effects of air pollution.
SH-216

APRIL 19

9:30 a.m.
Governmental Affairs
To hold hearings on trade and technology issues.
SD-342

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Personnel Management.
SD-116

Finance
To resume oversight hearings on the implementation of the Omnibus Trade and Competitiveness Act of 1988.
SD-215

1:30 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for territorial and international affairs.
SD-192

APRIL 20

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Emergency Management Agency.
SD-192

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

MAY 1

9:30
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

MAY 2

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

2:00 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for activities of the Secretary of the Interior and the Secretary of Energy.
S-128, Capitol

MAY 3

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Department of Labor, Health and Human Services, Education and Related Agencies.
SD-192

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

MAY 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Aviation Administration.
SD-138

MAY 5

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 11

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for transportation trust funds.
SD-138

May 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 15

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 16

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 18

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

MAY 19

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

CANCELLATIONS

MARCH 16

10:00 a.m.
Armed Services
Projection Forces and Regional Defense Subcommittee
To hold hearings to discuss the future of naval forces and the enabling research and development, focusing on electric drive.
SR-222

Finance
To continue hearings on revenue increases as contained in the President's proposed budget for fiscal year 1990.
SD-215

2:00 p.m.
Armed Services
Strategic Forces and Nuclear Deterrence Subcommittee
To resume hearings on environmental priorities for U.S. nuclear weapons facilities.
SR-222

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the intelligence community.
SH-219

POSTPONEMENTS

MARCH 16

9:30 a.m.
Veterans Affairs
To hold oversight hearings on veterans' health care issues.
SR-418

10:00 a.m.
Foreign Relations
To continue hearings on the nomination of Lawrence S. Eagleburger, of Florida, to be Deputy Secretary of State.
SD-419

2:00 p.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on global climate change and ocean perspective.
SR-253

Foreign Relations
Western Hemisphere and Peace Corps Affairs Subcommittee
To hold hearings on democracy and debt in Venezuela.
SD-419

HOUSE OF REPRESENTATIVES—*Thursday, March 16, 1989*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Our prayers, O gracious God, are with all those who do not share the traditions of freedom and liberty that we celebrate each day. We remember specially the hostages who are separated from families and friends and we pray that Your bountiful spirit will overcome all the boundaries that separate people from those they love. We pray that Your blessing, O God, will be upon all hostages and their families and give them Your peace and love that passes all human understanding. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Would the gentleman from Vermont lead our colleagues in the Pledge of Allegiance?

Mr. SMITH of Vermont led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 148. Joint resolution designating the month of March in both 1989 and 1990 as "Women's History Month."

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 23. Concurrent resolution providing for a conditional recess or adjournment of the Senate from March 17, 1989, until April 4, 1989, and a conditional adjournment of the House from March 23 or 24, 1989, until April 3, 1989.

THE RURAL ELECTRIFICATION ADMINISTRATION LENDING ASSISTANCE ACT OF 1989

(Mr. BATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BATES. Mr. Speaker, the "Rural Electrification Administration Lending Assistance Act of 1989" authored by myself and the gentleman from California [Mr. HUNTER] is a sensible first step to prune unnecessary and generous benefits from those who do not need such high subsidies from the American taxpayers.

This legislation would replace the current high subsidy interest on the direct loan program with a Federal guarantee program, when assisting legitimate rural borrowers. It would reduce our budget outlays by $5 billion over the next 5 years. In a recent 6-year period, 20 percent of all REA loans, designated for rural borrowers, went to urban areas. Additionally, Government subsidized loans have powered nontaxpaying cooperatives to recharge golf carts at Hilton Head Island and to provide power to ski lifts at Vail, Aspen, and Snowmass. I can assure you that this was not the original intent of President Roosevelt when the REA Program was enacted in 1936.

I urge my colleagues to cosponsor my legislation, H.R. 1232 and help us reduce our massive deficit. It is time to bring the REA into the 1980's and off our golf courses.

TEXTILE MACHINERY MODERNIZATION ACT

Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, today, I am introducing the Textile Machinery Modernization Act. The legislation establishes a fund within the Department of the Treasury to support research for the modernization of the American textile machinery industry.

My legislation requires that a portion of existing revenues collected from duties levied on imports of textile machinery be applied to support research and development of our domestic industry. The Secretary of Commerce would administer the funds in the form of grants to finance the research projects. This bill in no way attempts to roll back or freeze imports of textile machinery.

Based on information from the Department of Commerce, industry shipments of textile machinery increased 4.9 percent in 1988. However, the value of all products and services sold by the U.S. textile machinery industry have declined steadily since 1974. Similarly, the value of foreign imports has steadily increased during this period. The simple fact is that foreign producers of textile machinery maintain a substantial advantage over U.S. manufacturers in the development and commercialization of new technologies.

Research and development is crucial to the future viability of the domestic textile machinery industry. This legislation would establish the necessary R&D funds without raising tariffs or restricting imports. With the concern over the lack of civilian research and development, I believe it is time we took action to bolster a crucial domestic industry and preserve American jobs.

CONDITIONAL RECESS OR ADJOURNMENT OF THE SENATE FROM MARCH 17, 1989, UNTIL APRIL 4, 1989, AND CONDITIONAL ADJOURNMENT OF THE HOUSE FROM MARCH 23, 1989, OR MARCH 24, 1989, UNTIL APRIL 3, 1989

The SPEAKER laid before the House a privileged Senate concurrent resolution (S. Con. Res. 23) providing for a conditional recess or adjournment of the Senate from March 17, 1989, until April 4, 1989, and a conditional adjournment of the House from March 23 or 24, 1989, until April 3, 1989.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 23

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Friday, March 17, 1989, it stand recessed or adjourned until 2:15 post meridiem on Tuesday, April 4, 1989, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this resolution; and that when the House adjourns on Thursday, March 23, 1989, or on Friday, March 24, 1989, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stand adjourned until 12:00 o'clock meridian on Monday, April 3, 1989, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this resolution.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, acting jointly

after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and the House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

ADJOURNMENT TO MONDAY, MARCH 20, 1989

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, March 22, 1989.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, MARCH 22, 1989

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, March 21, 1989, it adjourn to meet at 3 p.m. on Wednesday, March 22, 1989.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REMEMBER TERRY ANDERSON

(Ms. SLAUGHTER of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER of New York. Mr. Speaker, I rise again today to remind my colleagues and the American people of the captivity of Terry Anderson and the eight other American hostages still held in Lebanon. This is the third time, since I came to Congress in 1987, I have come to this podium to call attention to Terry's plight on the anniversary of his captivity. Today marks the beginning of the fifth year of Terry's ordeal. By now, it should be clear to those who are holding Terry that they are not accomplishing anything by doing so. It has been 4 years since Terry Anderson was abducted and Islamic Jihad, the organization that holds Terry, still has not gained anything, except the contempt of the civilized world. Once again I urge those holding Terry and the other hostages in Lebanon to unconditionally release them immediately. This moral outrage must end and end at once.

I had the privilege to attend a ceremony this morning that highlighted the plight of Terry Anderson and the other hostages in Lebanon. It was sponsored by the organization, No Greater Love and by the Journalists Committee to Free Terry Anderson. It brought home to all of us the amazing resilience of the human spirit in the face of adversity, not only on the part of the hostages but on the part of their relatives and friends. In particular, Peggy Say, Terry Anderson's sister, has been a source of inspiration to all of us. She has untiringly worked for Terry's release, meeting with government officials here in the United States and in other countries as well. She has kept the hostages' plight on the international agenda and has shown incredible perseverance and courage in the face of discouragement and difficult obstacles. I commend her efforts and look forward to the day when they will be rewarded with the release of her brother.

□ 1110

TERRY ANDERSON BEGINNING FIFTH YEAR OF CAPTIVITY

(Mr. PAXON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. PAXON. Mr. Speaker, today I rise to join my distinguished colleague, the gentlewoman from New York [Ms. SLAUGHTER], to recall a sad anniversary in this, the life of our country, for this day, March 16, 1989, marks the passing of yet another year in which Terry Anderson remains a hostage of Shiite Muslim terrorists in Lebanon.

Mr. Speaker, since his kidnaping on March 16, 1985, Terry Anderson has been imprisoned in various locations throughout Lebanon as his captors continue to impose their reign of terror on the nine Americans, and five others, who are currently being held hostage there.

Reports of the hostages' cruel and barbaric treatment have reached us here at home in the descriptions relayed by former captives Rev. Benjamin Weir and Rev. Martin Jenco. Reverends Weir and Jenco have described in brutal detail the beatings and death threats that Terry Anderson and the others have endured at the hands of their captors.

Terry Anderson grew up and attended high school in Batavia, NY, a city not far from the heart of my congressional district, where concerned citizens and family members have gathered together to form a group known as the Western New York Friends of Terry Anderson. On Monday, March 13, 1989, I was honored to join with these loyal supporters as well as with religious and community leaders at St. Paul's Episcopal Cathedral in Buffalo, NY, for a spiritual interfaith candlelight ceremony of hope for the release of Terry Anderson, the longest held American hostage, and the other hostages in Lebanon.

In commemoration of this tragic anniversary, let us once again renew our resolve, Mr. Speaker, to do everything possible to secure freedom for these innocent men. Let us also vow never to forget them and refuse to rest until every hostage is returned home to their families and loved ones.

OLDER WOMEN'S CANCER PREVENTION ACT

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, I am pleased to introduce today the Older Women's Cancer Prevention Act.

More than 1 in 10 American women will develop breast cancer sometime in their lives. Fortunately, early detection and treatment, with a low-level xray called a mammogram, can reduce fatality rates significantly.

I believe, however, that the $50 reimbursement cap in current law will not be sufficient to ensure that mammograms will be readily available to women who need them.

In most areas of the country, the only providers who can offer mammograms for $50 are mobile vans that generally hold make-shift screening clinics at shopping centers and other public places.

Such vans, while valuable, should not become the main provider of these important tests.

Screening tests for breast cancer must be readily available in the office of primary-care physicians so women will get them on a regular basis.

The $50 cap on Medicare reimbursement will prevent this from happening. My bill would merely raise the cap to make sure the test will be provided in a variety of settings. This is crucial for an effective cancer-detection program.

FDA SHOULD LIFT THE BAN

(Mr. ROTH asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, America must not allow itself to succumb to blackmail in any form. The FDA ban on fruit imports from Chile should be lifted without further delay.

Of course, it's always better to err on the side of caution. However, FDA in-

vestigators have inspected 12,000 crates of Chilean imported fruit, and what have they found? Traces of cyanide in only two seedless red grapes, and at a level well below what would cause illness. In fact, U.S. officials say that a child would have to eat 2,000 such grapes to ingest a fatal dose.

Some terrorist thug is playing us like a pipe. The anonymous telephone call, warning that poison had been put in United States-bound Chilean fruit, was clearly an attempt to accomplish three political objectives—an attempt which to some extent is succeeding.

One objective is to sabotage the Chilean economy at a time when the country is making a transition to democracy. The enemies of the Chilean people cannot stand the fact that Chile has the strongest economy in South America—an economy which is actually running a trade surplus with Japan.

I hope that the perpetrators of this crime are apprehended and duly punished. The fruit ban triggered by this hoax has brought one of Chile's most vital industries to a virtual standstill. Fresh fruit represents about 10 percent of Chile's total foreign sales, or about 600 million dollar's worth, and the United States normally purchases upward of two-thirds of that amount. According to the Chilean Government, nearly 17,000 Chilean farm workers have been laid off and the number could climb as high as 100,000. Economic losses could run into the hundreds of millions of dollars.

A second terrorist objective is to embitter—or perhaps I should say poison—United States-Chilean relations, and whip up anti-Yankeeism in Chile. The Chilean Government is quite put out with the United States and we have not exactly endeared ourselves to the Chilean farm workers who have been thrown out of work. The United States ability to exert a constructive influence on Chile's transition to democracy will be nil unless normal commercial relations are promptly restored.

A third terrorist objective is to disrupt the operations of the U.S. Government and inflict losses on American businessmen. The Food and Drug Administration has had to devote 15 percent of its 7,000-member staff to this case. American supermarkets and wholesalers may lose tens of millions of dollars in sales, particularly since most U.S. fruit distributors have no insurance covering goods damaged or spoiled due to terrorist acts.

The FDA did what it thought it had to do. But it is time now to lift the ban on Chilean fruit. If we impose a total ban on fruit imports every time one of our Embassies in Latin America receives a threatening phone call, we will be jeopardizing the livelihoods of millions of our Latin neighbors and undermining their ability to achieve stable democratic institutions.

GOOD ECONOMIC REPORT SHOULD NOT OBSCURE NATION'S HOUSING CRISIS

(Mr. PICKETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKETT. Mr. Speaker, recent favorable economic data should not obscure the very real housing crisis that continues to grip this Nation.

According to a recent study by MIT, homeownership for young people under 34 is down 8 percent since 1980. Real rents are higher than they have been in decades. Mortgage rates are increasing. Many public housing projects stand in disrepair. And thousands of our countrymen are homeless.

These troubling facts dictate that immediate action be taken. Much can be done without the expenditure of additional Federal dollars, things like better coordination with State and local governments, increased incentives for private investors, more realistic specifications, support for housing project associations, and more opportunity for self help.

It is not enough to simply rearrange ownership of the existing housing stock. We must adopt policies that increase the supply of housing units if we are ever to cope successfully with the housing crisis.

NEW LEGISLATION WOULD EXPAND USE OF THE DEATH PENALTY

(Mr. GEKAS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, I am today reintroducing legislation that would allow a jury to impose the death penalty for certain heinous crimes committed here and abroad. It would cover that unfortunate tragic situation which we hope will never occur again, the assassination of the President of the United States, God forbid, and other crimes, including treason, espionage, mass murders, and all the kinds of things we read about in the headlines which, even after they occur, the Federal Government is unable to tackle because of the nonexistence of a Federal death penalty statute.

In the last session we were successful in at least plugging that loophole just a little bit with respect to drug offenses. We now have the death penalty for drug dealers who kill, but to leave the remainder of the law unattended with respect to the death penalty is an affront to the criminal justice system.

Mr. Speaker, 80 percent of the American people, according to one poll, favor the imposition of the death penalty in proper cases. It is a deterrent and a just penalty for some of these rampant killings and intentional maimings and destruction of life that occur on a daily basis.

EL SALVADOR

(Mr. McDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, on March 19, for the fifth time since 1982 the Government of El Salvador will hold elections. Over the last 7 years, the United States has insisted that elections are the best means to end the civil war, however the war still rages on with no signs of stopping. At least 70,000 Salvadorans have lost their lives in this bloody struggle. The number of people killed by death squads in 1988 was triple the number murdered during 1987.

In spite of overwhelming U.S. support, the current ruling party, the Christian Democrats, has been unable to produce either prosperity or peace. President Duarte's centrist coalition has crumbled, leaving the country more polarized than ever.

Regardless of the outcome of the elections, little economic progress can be made until the war is stopped; a military victory would do nothing to change the dismal socioeconomic situation. The standard of living for the average Salvadoran continues to decline. The infant mortality rate in El Salvador is one of the highest in the world, and one out of every four children is malnourished.

All of this despite the fact that over the last 8 years the United States has pumped more than $3 billion into El Salvador. Instead of helping to end the civil war in El Salvador, United States policy is perpetuating it and ignoring the very conditions which gave rise to the conflict.

After 8 years, I'm convinced that the ballot box, by itself, will not bring peace to El Salvador. There will be no peace in El Salvador without direct negotiations between the Government, the armed forces, and the rebels.

We must send a clear signal to the Government of El Salvador that we support a negotiated end to the war and that a lack of negotiations will have a direct effect on United States financial support.

□ 1120

S&L LEGISLATION IN CONGRESS

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend

his remarks and include extraneous matter.)

Mr. BEREUTER. Mr. Speaker, I bring to the attention of my colleagues a recent editorial which appeared in the Washington Post regarding the lobbyists for the S&L industry. In the next few weeks, the Banking Committee will markup legislation to bailout the FSLIC and to restructure the savings and loan industry.

At this time, I would discourage my colleagues from making premature commitments to weaken the President's reform plan and the legislation currently before the House Banking Committee. If Members are pressed to take a position on the FSLIC and S&L legislation by that industry or the credit union lobbyists I would ask that you wait until after the Banking Committee has completed its markup in April, and a bill is reported to the full House. In short, keep your powder dry.

Legislation to remedy the current situation at FSLIC is going to be costly for the Federal Government, the financial industry, and taxpayers. Regrettably, we can no longer avoid the S&L problem; nor can we procrastinate in legislating. The longer we delay legislation, the more expensive the solution.

Congress cannot acquiesce to some representatives of the S&L industry again as it did in 1987 when we passed the inadequate provisions of its Competitive Equality Banking Act [CEBA]. Congress was rolled through the early commitment of many of its members and the majority advice of the Banking Committee was rejected on the level of capitalizations. We must have the courage to pass legislation that will put a plan in place that will address the S&L problem once and for all, and more importantly, prevent it from ever happening again.

[From the Washington Post, Mar. 9, 1989]

S&L RECRIMINATIONS

While the savings and loan lobby deserved the denunciations loaded upon it by various outraged senators this week, blame-laying is hardly the main issue now. That lobby—the U.S. League of Savings Institutions—bears much responsibility for the financial disasters of the S&L industry, but one of its gravest sins was to have had too much influence in Congress and to have been too successful in persuading senators to do things that, in retrospect, they wish that they had not done. The U.S. League was appearing before the Senate Finance Committee to protest that President Bush's cleanup bill is too onerous. That bill may not be perfect, but it is very good on those points about which the U.S. League complains most loudly. The real test of senatorial indignation will be the votes on the bill.

The crucial battle is going to be over the capital requirement for S&Ls. The whole explanation of the magnitude of the S&L failures, and the enormous burden now falling on the taxpayer, is that the federal government did not enforce adequate capital requirements in the past. As these institutions' capital fell, the regulators—pushed, let us note, by Congress—kept relaxing the rules and making more exceptions. That's why it is now going to cost perhaps $100 billion in federal deposit insurance to put them out of business. There are hundreds more S&Ls whose capital is dangerously low, threatening further bankruptcies and greater burdens on the deposit insurance fund.

The administration's bill would require the S&Ls to meet the same capital requirements as banks, with no exceptions. Many strong and well-managed S&Ls welcome that standard and are ready to meet it. But there are other institutions that will fight it desperately.

A lot of S&Ls got into trouble because they were operating under loose and permissive state laws allowing them to engage in extremely risky lending practices. The administration's bill would impose federal rules on lending, as a condition of federal insurance. That's going to be another point of much dissension.

Similarly, there's going to be a struggle over the character of the supervision exercised by the federal regulators. Supervision of the S&Ls has for years been inadequate by a wide margin. Now Congress has a chance to build a stronger system of enforcement that will be less vulnerable to political interference.

It is gratifying to know that senators on the Finance Committee realize the extent to which the S&L industry's largest political operation misled them. The question is what they intend to do about it.

UTAH'S WILDERNESS

(Mr. OWENS of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OWENS of Utah. Mr. Speaker, John Kennedy many years ago said "It is our task, in our time and in our generation, to hand down undiminished to those who come after us, the natural wealth and beauty which is ours." Today, with the introduction of H.R. 1500 I am dedicating a portion of my efforts to accomplishing that task with respect to Utah's public domain.

In 1936 naturalist Bob Marshall, the father of the modern wilderness preservation system, who said that Utah's wilderness is second only to Alaska's in beauty and majesty, inventoried 18 million acres of roadless and wild lands in the State of Utah. Much of that land has disappeared from the wilderness category. My bill would protect, through official wilderness designation, the most important and most beautiful 5 million acres that remains.

Some people worry about creating new wilderness—wilderness is not created by legislation—it is the work of God and nature. These 5 million are already public land—already held in trust by the Federal Government for the benefit of all Americans. The real issues presented by this bill are: First, what quality of stewardship will be exercised over Utah's remnant of wilderness and second, how concerned are we that our children have opportunity to see and experience unimpacted wilderness?

The erosional handiwork of the Colorado River has created a national treasure that has already prompted the creation of five national parks. H.R. 1500 would establish protection for the remaining unimpacted wild lands that surround and lie amidst these parks. The uniqueness of this landscape is world renowned, it must not be lost.

A YELLOW RIBBON FOR TERRY ANDERSON

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, it was 4 years ago today that American Terry Anderson was kidnapped by radical Muslims in Lebanon.

Since 1985, other Americans have been taken and released, and there are others who remain captive, but none has been imprisoned longer than Terry Anderson.

Today, the entire Western World is appalled by the death threat against Salman Rushdie issued by the Ayatollah Khomehni. We here in the United States have been especially disturbed because freedom of thought and speech are rights that serve as the foundation of our democracy. Even though Mr. Rushdie is not a citizen of our country, the world still looks to us to lead the battle against all threats to individual freedom. This we have done.

But we cannot forget our own citizens whose freedoms have been taken away by terrorists. We cannot forget Terry Anderson.

We cannot forget his 4 years of suffering.

That's why I've asked my colleagues to join me in placing a yellow ribbon on their office door.

A yellow ribbon that will serve as a constant reminder that Terry Anderson remains separated from those who love him and separated from the freedoms we too often take for granted.

CAPITAL INTRIGUE

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, I take this time today to explain to those who may be observing the actions in the Chamber today about what we characterize as capital intrigue.

Now many newspapers have reported a silence among Democrats who are unwilling to respond in support of the Speaker amid charges that have been

raised against him that are now pending before the Committee on Standards of Official Conduct.

I want to explain that I talked to at least six news reporters yesterday, at least six, during which time I expressed enthusiastic, unequivocal and even undaunted support for the Speaker in my belief that he has committed no wrong, and will be exonerated and that the Committee on Standards of Official Conduct will find that he has not violated a single rule of this House.

The explanation about capital intrigue is that in Washington they have the hanging before they have the trail, and that explanation should be made to the American people who are watching and observing the news media today.

I applaud the Speaker's leadership and his initiative that led to the Central American peace plan. Speaker WRIGHT's courageous role in the Central American peace process is the real basis for much of the discontent among some of our colleagues; it is the Speaker's success in that role that originally created the envy and animosity in the partisan efforts to vilify the Speaker. Democrats should not falter under this attack, but should stand up for fair and unbiased treatment of the Speaker, who has devoted decades of able and dedicated service for our country.

STOP THE KILLING IN EL SALVADOR

(Mrs. MORELLA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MORELLA. Mr. Speaker, on Sunday, the people of El Salvador go to the polls to begin the process of choosing their next President. And while I applaud the regular occurence of elections, I also acknowledge that to most of those who vote, and to the large number who cannot, or have determined that they will not, the result will not matter.

It will not matter because the civil war—which has cost that country more than 70,000 lives and our country more than $3 billion—continues unabated. In such an atmosphere, human rights abuses, in spite of fluctuations in recent months and years, continue at a pace unacceptable in any civilized society. In too many cases, the military fails to distinguish between civilians and guerrillas, and the FMLN engages in such appalling tactics as the killing of mayors and this morning's attack on the Presidential palace. We must recognize that the vast majority of Salvadorans, fearing that the conflict can only intensify further and knowing that this war will not be won on the battlefield, want a negotiated settlement to end it.

Mr. Speaker, the time has come to recognize that the policy set by the Reagan administration achieve as much as it ever will. An FMLN victory has been prevented, democratic institutions have taken root, and the guerrillas have made a commitment to participate in the electoral process. But real democracy and respect for human rights, not withstanding Vice President QUAYLE's recent laudatory efforts, cannot exist in the midst of the civil war.

A process has recently begun in El Salvador, in which all parties to the conflict, spanning the ideological spectrum, have begun to explore the possibilities for a negotiated peace. I commend the President for the support which his administration has given to these talks, and I urge him to strengthen this position.

It is appropriate to recall the words of President Kennedy, whose Alliance for Progress first began to focus American attention on the problems of poverty and injustice in Latin America: "Is not peace, in the last analysis, basically a matter of human rights?"

A KEY MOMENT IN EL SALVADOR-UNITED STATES RELATIONS

(Mr. MOODY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOODY. Mr. Speaker, this Sunday El Salvador will hold the first step in its Presidential elections, with the final winner determined in April.

For the first time in years, the main pillar of U.S. policy in that unfortunate country—Napoleon Duarte—will be gone.

At the same time, independent observers are reporting a marked increase in terror and violence against civilians by both sides of the conflict, including increased killing by right-wing death squads. The Catholic Church's human rights office in El Salvador, Tutela Legal, reports a doubling of human rights abuses over the last 2 years.

Not one single army officer has been charged for killing civilians, despite documented cases by the score.

It is definitely time, Mr. Speaker, for a review of United States policy toward El Salvador.

A recent GAO study for Congress finds that $3.3 billion in United States aid to El Salvador has produced very little benefit and has been marked by tremendous waste and corruption.

The GAO's summary conclusions are:

First, the United States should continue to support a negotiated settlement in that country.

Second, we should condition U.S. assistance on government actions to deal with human rights abuses.

Third, we should enforce far stricter financial controls over our aid.

Fourth, we should implement work toward implementing democratic reforms.

Mr. Speaker, these four key points should underpin future United States policy toward El Salvador.

APEX LEGISLATION

(Mrs. VUCANOVICH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. VUCANOVICH. Mr. Speaker, in May, 1988, an explosion destroyed the Pepcon plant in Henderson, NV, which severely reduced the Nation's capacity to produce solid rocket fuel. Pepcon is only one of two companies that produce ammonium perchlorate in the country. The other company is Kerr-McGee, which is also located in Henderson, a rapidly growing community.

The bill I have introduced today will allow Clark County, NV, to acquire land in an unpopulated area for use as an industrial park. It will also provide for Kerr-McGee to immediately purchase part of that land to relocate its ammonium perchlorate plant. I am pleased that my colleague from Nevada, Congressman BILBRAY, is an original cosponsor, as well as the distinguished chairman of the Science and Technology Committee, Mr. ROE, Mr. WALKER, the ranking minority member, and Mr. MCCURDY, a member of the Science and Technology Committee.

Ammonium perchlorate is the principal component of solid rocket fuel that is essential to the Nation's defense and space programs. It is imperative that the ammonium perchlorate production lost in the Pepcon accident be replaced as quickly as possible as well as firm up existing production capabilities.

This bill will do that. It will provide an immediate location for Kerr-McGee to maintain its existing operations, without the contraints that presently exist because of the population density in henderson.

This is a good bill that will provide desperately needed location for continuation of ammonium perchlorate production. It will also provide Clark County with additional private land for future growth.

THE UNFAIR BUSH BUDGET FREEZE

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, the debate in the coming weeks over the budget will not necessarily be a debate

between Democrats and Republicans. The first stage of that debate may be within the Bush administration itself, a debate between those who would want a kinder and gentler agenda and those who would pursue the so-called flexible freeze; for you see, the flexible freeze is certainly not kind nor gentle to important programs which America has come to value and has come to appreciate as important for our future.

Let me give a few examples. The flexible outlay freeze proposed by President Bush would cut the funds for compensatory education by 46 percent.

It would cut the funds for vocational education by 44 percent.

It would cut student financial assistance and would reduce the amount of money for the Superfund, that is the fund to clean up toxic waste, by 83 percent.

Those are the realities of the flexible freeze. If they sound inconsistent with a kinder and gentler agenda, they are.

At some point the Bush administration must come forward and really spell out to Congress what they stand for. We have all saluted the President for the fine opening that he has in his administration, the good appointments which he has made to his Cabinet, many of the statements he has made, but now in fact we have to sit down at the table, roll up our sleeves and come up with a budget.

In the next few weeks, as a member of the Budget Committee, I will be working with my colleagues on both sides of the aisle to try to promulgate a budget resolution which is realistic in light of this deficit, but which is truly kinder and gentler.

Our Human Resources Task Force is now considering the needs of veterans, the needs of children when it comes to WIC Programs and Head Start Programs.

I am certain that working together with an administration that has come together with real grips on the budget can lead us to a satisfactory conclusion.

For the time being and perhaps during the Easter work period the Bush administration will have time to make its choice between the flexible freeze and the kinder and gentler agenda, which was part of the President's campaign.

SUPPORT HUMAN RIGHTS AND DEMOCRACY IN HONG KONG

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, I am introducing a resolution in support of human rights and democracy in Hong Kong.

In just 8 years, Hong Kong's 5½ million citizens will come under the control of the People's Republic of China. This year, the prospect of Chinese interference is expected to result in the departure of over 45,000 Hong Kong residents.

The territory's post-1997 constitution is being drafted right now and will be finalized in the next 2 years. The present version provides little hope for optimism. Under the draft, the Chief Executive and Legislative Counsel will not be directly elected until at least 2011, and then only if the sitting Chief Executive, who will be favorable to Beijing, concurs. In addition, the provisions of two international covenants on human rights apparently will be left out of Hong Kong's constitution.

In light of the developments in Hong Kong, it is essential that the Congress fully debate this issue in the 101st Congress, and stand firmly in support of human rights and democracy in Hong Kong.

NATIONAL JOURNALISM EDUCATION WEEK

(Mr. BUECHNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUECHNER. Mr. Speaker, I rise today to introduce legislation designating the week of January 7, 1990, as National Journalism Education Week.

The longevity of our Republic speaks to the virtues of a free and untrammeled press far better than I. However, to briefly note its impact—who among us does not sometimes curse, sometimes praise, but always anticipate our morning newspaper? Who among us has not directly benefited from the free exchange of ideas in the journalistic market place? And who among us does not praise the wisdom of the Founding Fathers in preserving as foremost among equals, our first amendment right to engage in free and open discourse.

We in America often take for granted this most precious of our rights. We forget that the values and skills that accompany the crafting of information must be learned. My legislation is a recognition of this fact—as well as a partial payment on the debt we owe to concerned educators past and present. By establishing a week dedicated to journalism education we pay tribute to those who by their teaching have helped preserve and strengthen the foundations on which our democracy rest. In this we will also indicate a commitment to our young people that they be taught the wise use of the written word—and a dedication to use wisely that which they are taught.

AUTHORIZING PRINTING OF COMMITTEE PRINT ENTITLED "COASTAL WATERS IN JEOPARDY: REVERSING THE DECLINE AND PROTECTING AMERICA'S COASTAL RESOURCES"

Mr. BATES. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the resolution (H. Res. 107) authorizing the printing of the committee print entitled "Coastal Waters in Jeopardy: Reversing the Decline and Protecting America's Coastal Resources" as a House document and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. LANCASTER). Is there objection to the request of the gentleman from California?

Mr. ROBERTS. Reserving the right to object, Mr. Speaker, I do so to allow the gentleman from California to explain the resolution, and I yield to the gentleman for that purpose.

Mr. BATES. Mr. Speaker, the resolution provides for the printing of 2,500 copies of a document entitled "Coastal Waters in Jeopardy: Reversing the Decline and Protecting America's Coastal Resources," the oversight report of the Committee on Merchant Marine and Fisheries. The Merchant Marine and Fisheries has exhausted its supply and has asked for 2,500 additional copies. The cost for the additional copies will be $960. The request comes from Chairman JONES and is supported by the ranking minority party member of the committee, Representative DAVIS.

Mr. ROBERTS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 107

Resolved, That the committee print entitled "Coastal Waters in Jeopardy: Reversing the Decline and Protecting America's Coastal Resources", dated December 1988, shall be printed as a House document. In addition to the usual number, 2,500 copies of the document shall be printed for the use of the Committee on Merchant Marine and Fisheries of the House of Representatives.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1140

GENERAL LEAVE

Mr. BATES. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days during which to revise and extend their remarks on

House Resolution 107, the resolution just agreed to.

The SPEAKER pro tempore (Mr. LANCASTER). Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. WEISS] is recognized for 5 minutes.

[Mr. WEISS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. ROTH] is recognized for 5 minutes.

[Mr. ROTH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. KYL] is recognized for 60 minutes.

[Mr. KYL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

[Mr. GONZALEZ addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. PETRI] is recognized for 60 minutes.

[Mr. PETRI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. SMITH] is recognized for 60 minutes.

[Mr. SMITH of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 60 minutes.

[Mr. DREIER of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

TRIBUTE TO THE LATE FORMER CONGRESSMAN JAMES KEE OF WEST VIRGINIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. RAHALL] is recognized for 30 minutes.

Mr. RAHALL. Mr. Speaker, it is with great sadness that I learned this last weekend of the passing of former West Virginia Congressman James Kee. I attended Jim's funeral service in Oak Hill, WV, yesterday at the St. Andrew's Episcopal Church. Officiating was Rev. Curtis Cowell, who spoke from his heart about his friendship with Jim Kee. Jim Kee and his parents through diligent and tireless public service to our great State became true West Virginia legends. Few families in the Nation have such a unique history as the Kee family.

Jim served in the House of Representatives from 1965 to 1973 and represented the former Fifth District of West Virginia. His defeat in the 1972 Democratic primary after West Virginia lost a congressional seat ended 40 years of congressional service by the Kee family.

His father, John Kee was first elected to the House in the 1932 Roosevelt landslide and was chairman of the House Foreign Affairs Committee when he died during his 10th consecutive term in 1951. John's widow, Elizabeth, who had been his executive secretary while he was a Member, was elected to complete the unexpired term in a special election. Mrs. Kee was reelected subsequently six times. She holds the distinct honor of being West Virginia's only woman to serve in the U.S. House of Representatives. Shortly after coming to Congress my legislation designated the Federal building in Bluefield, WV, the "Elizabeth Kee Federal Building," in which one of my district offices is located.

Jim was born in Bluefield, WV, and attended Sacred Heart School in Bluefield, Greenbrier Military School, Southeastern University School of Law and the School of Foreign Service at Georgetown University.

His background before he was elected to serve the people of West Virginia was indeed impressive. He served as assistant to the Clerk of the House of Representatives and housing adviser to the former U.S. Housing Authority. He served in the U.S. Army Air Force and was a career Foreign Service staff officer of the U.S. Department of State. For 12 years prior to his election, Jim served as administrative assistant to his mother.

The Kee's constituency through their 4 decades in Congress was predominantly coal miners. Throughout much of the Kee era, the Fifth District was the biggest coal producer among the Nation's congressional districts. It was reputed at one time that the old Fifth District was the most heavily Democratic congressional district outside the "solid South."

Jim's legislative career was dedicated to serving the people of West Virginia and advancing the economic development of the State. Through his years of service he was successful in securing $1.5 billion in assistance for the Fifth Congressional District. This assistance provided new hospitals, recreation and tourism facilities, postal facilities, general and commercial airports, vocational and educational institutions, sewer and water facilities, elementary, secondary and higher education assistance and much more.

He championed many causes close to my fellow West Virginians' hearts. He was a true friend to the coal miners of my State. He introduced the very first bill in Congress, H.R. 9850, dealing with the respiratory problems of coal miners which later became known as the first black lung legislation. He sponsored and conducted the first congressional districtwide series of conferences dealing with narcotics and dangerous drug abuse in the United States, bringing in representatives from all facets of the local community.

Even after his retirement, Jim was very active in his community of Fayetteville, WV. He was an active member of the Lions Club, the American Legion, the Elks Club and several other organizations dedicated to serving others.

When Jim retired in 1972 many of his colleagues had kind words for a man they admired and respected. I would like to share with you a few words former Representative Don Clausen said about Jim, "The Jim Kee I know and will remember is a courageous, concerned, considerate, and compassionate man that really loved his family, his people and his country—he is truly a 'card carrying American'." I too, share those thoughts.

Mr. Speaker, the people of West Virginia have lost a true friend, one who fostered many causes for the people of my great State of West Virginia. I am one of the many of his admirers who is honored to have known this great West Virginian legend. I would like to offer Jim's wonderful wife, Cookie, and his fine children, many of whom spoke in such a touching manner at their father's funeral yesterday, my love and prayers.

Mr. MOLLOHAN. Mr. Speaker, there has been sadness in the West Virginia congressional delegation this week because of the death of a man who, for more than 32 years served his fellow West Virginians and America in public service. Former Congressman James Kee was a Member of the U.S. House of Representatives for 7 years, from 1965 to 1972, but he was a vital public servant to the institution and to the people of West Virginia in different capacities for many decades. His passing last weekend gives us cause to note his contributions and accomplishments.

It is no exaggeration to say that James Kee's life revolved around the Federal Government and the U.S. House of Representatives. Both of his parents were Members of Congress—his father, from 1933 to 1951, and his mother from 1951 to 1965. James Kee, quite literally, grew up with politics and congressional affairs at the family dinner table. He also grew up with something else—a deep family commitment to helping the people of his district and his State. In living up to that commitment, he made a place for himself in the hearts and memories of his fellow Mountain State residents.

Assistant to the Clerk of the U.S. House of Representatives; housing adviser to the

former U.S. Housing Authority; career foreign Service staff officer with the U.S. Department of State; administrative assistant to his mother, Congresswoman Kee; and finally, U.S. Congressman—James Kee's résumé was a stunning record of service and success.

His service in the House as a staffer and as a Member led to legislation like the Public Works and Economic Development Act; the Appalachian Regional Development Act; Federal Coal Mine Health and Safety Act and much much more. He supported legislation involving watersheds, soil conservation, highways, recreation, tourism, Social Security, veterans' affairs, housing, mining, water pollution, sewer and water systems, and other vital legislative measures and issues that still bear his mark.

He was an early supporter of efforts to find answers to narcotics and dangerous drug abuse and introduced the very first bill in Congress to deal with respiratory problems of coal miners which later became known as black lung legislation.

Mr. Speaker, West Virginians are saddened by the passing of a fine legislator, leader, and friend. I join my colleagues in paying tribute to his memory, his service, and his vision for America.

Mr. WISE. Mr. Speaker, I rise today to pay tribute to a fellow West Virginian and a former Member of this body, James Kee, who passed away on March 11, in Montgomery, WV.

James Kee's service in the House of Representatives from 1965 to 1972 was but one chapter in a life of public service, but it is perhaps the one for which he is best remembered. As a member of legislation which was instrumental in building the infrastructure of America, improving water guality, providing relief from natural disasters, and promoting economic development in the Appalachian region. Through his membership on the Interior and Insular Affairs Committee, he was in the forefront of legislation to improve health and safety coverage in the coal mining industry and to provide for coal miners who suffered with black lung disease.

Congressman Kee came from a tradition of service to West Virginia in the House of Representatives, following both his father, John, and his mother, Elizabeth, as a Member of this body. After graduating from law school, he served as an assistant to the Clerk of the House of Representatives, and as housing advisor to the U.S. Housing Authority. He served in the Army Air Force in World War II, and then as a career Foreign Service officer.

Though his duties took him to many countries, James Kee always remained a servant of his beloved State of West Virginia. He served as president of the West Virginia Society of the District of Columbia and was very active in civic activity in West Virginia through such organizations as the Elks, Kiwanis, and the American Legion. In the House, he worked tirelessly on behalf of his constituents.

While some remain in Washington after leaving public life, Congressman Kee returned to West Virginia, where he lived out his life as a well-respected and active member of his community.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SMITH of Vermont) to revise and extend their remarks and include extraneous material:)

Mr. ROTH, for 5 minutes, today.

(The following Members (at the request of Mr. COSTELLO) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. FORD of Michigan, for 60 minutes, on March 21.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SMITH of Vermont) and to include extraneous material:)

Mr. KOLBE.
Mr. GOODLING.
Mr. SCHULZE.
Mrs. MORELLA.
Mr. FISH.
Mr. CONTE.
Mr. PARRIS in three instances.
Mr. LAGOMARSINO.

(The following Members (at the request of Mr. COSTELLO) and to include extraneous material:)

Mr. MCCLOSKEY.
Mr. FAZIO.
Mr. PENNY.
Mr. CAMPBELL of Colorado.
Mr. FORD of Tennessee.
Mrs. KENNELLY.
Ms. PELOSI.
Mr. KENNEDY in two instances.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 148. Joint resolution designating the month of March in both 1989 and 1990 as "Women's History Month."

ADJOURNMENT TO MONDAY, MARCH 20, 1989

Mr. BATES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 44 minutes a.m.), under its previous order, the House adjourned until Monday, March 20, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

786. Under clause 2 of rule XXIV, a letter from the Acting Administrator, General Services Administration, transmitting informational copies of a report of building project survey for Asheville, NC, and several lease prospectuses, was taken from the Speaker's table and referred to the Committee on Public Works and Transportation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BALLENGER (for himself, Mr. DERRICK, Mr. GINGRICH, Mr. HEFNER, Mr. NEAL of North Carolina, Mr. FRANK, Mr. COBLE, Mr. MCMILLAN of North Carolina, Mr. JONES of North Carolina, Mrs. LLOYD, Mrs. BYRON, Mr. LANCASTER, Mr. ROSE, and Mr. VALENTINE):

H.R. 1461. A bill to amend the Tariff Act of 1930 to require that certain revenues attributable to tariffs levied on imports of textile machinery and parts thereof be applied to support research for the modernization of the American textile machinery industry; to the Committee on Ways and Means.

By Mr. CAMPBELL of Colorado (for himself, Mr. BROWN of Colorado, Mr. SCHAEFER, Mr. HEFLEY, Mr. SKEEN, Mr. RICHARDSON, Mrs. SCHROEDER, and Mr. SKAGGS):

H.R. 1462. A bill to provide for the transfer of the Platoro Reservoir to the Conejos Water Conservancy District of the State of Colorado and for the protection of fish and wildlife habitat on the Conejos River; to the Committee on Interior and Insular Affairs.

By Mr. DELLUMS (for himself, Mr. PARRIS, Mr. STARK, Mr. FAUNTROY, Mr. HOYER, Mrs. MORELLA, Mr. MCMILLEN of Maryland, and Mr. WOLF):

H.R. 1463. A bill to amend the National Capital Transportation Act of 1969 relating to the Washington Metrorail System; to the Committee on the District of Columbia.

By Mr. GEKAS (for himself, Mr. HARRIS, Mr. DENNY SMITH, Mr. ARMEY, Mrs. BENTLEY, Mr. WILSON, Mr. LAGOMARSINO, Mr. PARRIS, Mr. BUECHNER, Mr. MOORHEAD, Mr. COX, Mr. DORNAN of California, Mr. DEWINE, Mr. CLINGER, Mr. EMERSON, and Mr. SHAW):

H.R. 1464. A bill to amend title 18, United States Code, to provide procedures for the imposition of the death penalty; to the Committee on the Judiciary.

By Mr. JONES of North Carolina (for himself, Mr. DAVIS, Mr. STUDDS, Mr. LENT, Mr. HUGHES, Mr. YOUNG of Alaska, Mr. TAUZIN, Mr. HUBBARD, Mr. HUTTO, Mr. FOGLIETTA, Ms. SCHNEIDER, Mr. HERTEL, Mr. DYSON, Mr. LIPINSKI, Mr. BORSKI, Mr. CARPER, Mr. BOSCO, Mr. TALLON, Mr. ORTIZ, Mr. BENNETT, Mr. MILLER of Washington, Mr. MANTON, Mrs. BENTLEY, Mr. PICKETT, Mr. HOCHBRUECKNER, Mr. SOLARZ, Mr. COBLE, Mrs. SAIKI, Mr. LAUGHLIN, Mrs. UNSOELD, Mr. GOSS, Mr. FASCELL, Mr.

MINETA, Mr. THOMAS of Georgia, Mr. AKAKA, Mr. DE LUGO, Mr. WALGREN, Mr. DWYER of New Jersey, Mr. TRAFICANT, Mr. KENNEDY, Ms. PELOSI, Mrs. BOXER, Mr. FRANK, and Mr. ECKART):

H.R. 1465. A bill to establish limitations on liability for damages resulting from oil pollution to establish a fund for the payment of compensation for such damages, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. MICHEL (for himself, Mr. TAUKE, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. BARTLETT, Mr. GUNDERSON, and Mr. SCHUETTE):

H.R. 1466. A bill to amend the Internal Revenue Code of 1986 to authorize a child tax credit and a refundable child and dependent care tax credit; to the Committee on Ways and Means.

By Mr. MICHEL (for himself, Mr. TAUKE, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. BARTLETT, and Mr. GUNDERSON):

H.R. 1467. A bill to authorize additional appropriations for the Head Start program; to the Committee on Education and Labor.

By Mr. GOODLING (for himself, Mr. PETRI, Mr. GAYDOS, Mr. MCDADE, Mr. MURTHA, Mr. YATRON, Mr. WALKER, Mr. GEKAS, Mr. WELDON, Mr. MURPHY, Mr. CLINGER, Mr. BROOMFIELD, Mr. GUNDERSON, Mrs. SAIKI, Mr. DENNY SMITH, Mr. HARRIS, Mr. CALLAHAN, Mr. EMERSON, Mr. SENSENBRENNER, Mr. ERDREICH, Mr. WHITTAKER, Mr. LANCASTER, Mrs. BENTLEY, Mr. MONTGOMERY, Mr. FAWELL, and Mr. VALENTINE):

H.R. 1468. A bill relating to decennial censuses of population for purposes of congressional apportionment, to exclude illegal aliens from the census count, to include in the census count members of the uniformed services and civilian employees of the Government and their dependents assigned to posts of duty outside the United States, and to include in the census count students who are citizens of the United States engaged in academic study in areas outside the United States; jointly, to the Committees on Post Office and Civil Service, Education and Labor, and the Judiciary.

By Mr. HUGHES (for himself, Mr. SAXTON, and Mr. PALLONE):

H.R. 1469. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to establish uniform penalties for violations of title I of such act; to the Committee on Merchant Marine and Fisheries.

By Mr. SIKORSKI (for himself, Mr. CONTE, Mr. BOEHLERT, Mr. UDALL, Mr. RINALDO, Mr. MARKEY, Mr. TAUKE, Mr. FLORIO, Mr. GREEN, Mr. ACKERMAN, Mr. ATKINS, Mr. BATES, Mr. BEILENSON, Mr. BERMAN, Mr. BILBRAY, Mr. BOSCO, Mrs. BOXER, Mr. BROWN of California, Mr. CAMPBELL of California, Mr. CHANDLER, Mr. CLAY, Mrs. COLLINS, Mr. CONYERS, Mr. COUGHLIN, Mr. DEFAZIO, Mr. DELLUMS, Mr. DE LUGO, Mr. DIXON, Mr. DONNELLY, Mr. DOUGLAS, Mr. DOWNEY, Mr. DREIER of California, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. DYSON, Mr. EARLY, Mr. EDWARDS of California, Mr. FAZIO, Mr. FISH, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FRANK, Mr. GALLO, Mr. GARCIA, Mr. GEJDENSON, Mr. GILMAN, Mr. GLICKMAN, Mr. GONZALEZ, Mr. GOODLING, Mr. GUARINI, Mr. HAWKINS, Mr. HAYES of Illinois, Mr. HOCHBRUECKNER, Mr. HORTON, Mr. HOUGHTON, Mr. HUGHES, Mrs. JOHNSON of Connecticut, Mr. KASTENMEIER, Mr. KENNEDY, Mrs. KENNELLY, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LANTOS, Mr. LEACH of Iowa, Mr. LEHMAN of California, Mr. LELAND, Mr. LEVINE of California, Mr. LEWIS of Georgia, Mrs. LOWEY of New York, Mr. MCDERMOTT, Mr. MCGRATH, Mr. MCHUGH, Mr. MACHTLEY, Mr. MARTIN of New York, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MFUME, Mr. MILLER of California, Mr. MINETA, Mr. MOAKLEY, Mrs. MORELLA, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. NAGLE, Mr. NEAL of Massachusetts, Mr. NELSON of Florida, Mr. NOWAK, Mr. OBERSTAR, Mr. OWENS of New York, Mr. OWENS of Utah, Mr. PALLONE, Mr. PANETTA, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. PICKLE, Mr. RANGEL, Mr. RAVENEL, Mr. ROBINSON, Mr. ROE, Mr. ROSE, Mrs. ROUKEMA, Mr. ROWLAND of Connecticut, Mr. ROYBAL, Mr. SABO, Mrs. SAIKI, Mr. SAVAGE, Mr. SAXTON, Mr. SCHEUER, Ms. SCHNEIDER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SHAYS, Mr. SKAGGS, Ms. SLAUGHTER of New York, Mr. SMITH of New Jersey, Mr. SMITH of Iowa, Mr. SMITH of Vermont, Mr. SMITH of New Hampshire, Mr. SOLARZ, Mr. SOLOMON, Mr. STARK, Mr. STUDDS, Mr. TALLON, Mr. TORRES, Mr. TORRICELLI, Mr. VENTO, Mr. WALGREN, Mr. WALSH, Mr. WAXMAN, Mr. WEBER, Mr. WEISS, Mr. WILSON, Mr. WYDEN, Mr. YATES, Mr. AKAKA, Mr. BRYANT, Mr. ENGEL, Mr. FASCELL, Mr. KLECZKA, and Mr. MOODY).

H.R. 1470. A bill to amend the Clean Air Act to control acid deposition; to the Committee on Energy and Commerce.

By Mrs. KENNELLY (for herself, Mr. DONNELLY, Mr. MFUME, Mr. FAUNTROY, Mr. SHAYS, Mr. YATES, Mr. KOSTMAYER, Mr. COYNE, Mr. FASCELL, Mr. MATSUI, Mr. FUSTER, Mr. MILLER of California, Mr. DYMALLY, Mrs. MORELLA, Mrs. BOGGS, Mr. MORRISON of Connecticut, Ms. PELOSI, Mr. LAGOMARSINO, Ms. KAPTUR, Mr. RANGEL, Mr. DORGAN of North Dakota, Mr. MARTINEZ, Mrs. COLLINS, Mrs. LLOYD, Mr. TORRES, Mr. FAZIO, Mr. LEWIS of Florida, Mrs. SAIKI, Mr. MCGRATH, Ms. SLAUGHTER of New York, Mr. KASTENMEIER, Mr. OWENS of New York, Mrs. BOXER, Mr. HUGHES, Mr. ATKINS, Mr. MRAZEK, Mr. MCDERMOTT, Mr. DE LUGO, Mr. FRANK, Mr. DWYER of New Jersey, Mrs. BENTLEY, Mr. SOLARZ, Mr. OBERSTAR, Mr. GIBBONS, Mr. YATRON, Mr. LANCASTER, Mr. TOWNS, Mr. GLICKMAN, Mr. CROCKETT, Mr. ANDREWS, Mr. NEAL of Massachusetts, Mr. SMITH of New Jersey, Mr. BORSKI, Mr. AKAKA, Mr. NEAL of North Carolina, Mr. FOGLIETTA, Mr. JONTZ, and Mr. ACKERMAN):

H.R. 1471. A bill to amend title XVIII of the Social Security Act to provide payment for screening mammography in the same amounts as is provided for similar mammography; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. KILDEE (for himself, Mr. LEVIN of Michigan, Mr. WOLPE, Mr. HENRY, Mr. BONIOR, Mr. TRAXLER, Mr. CONYERS, Mr. CARR, Mr. DINGELL, Mr. HERTEL, Mr. VANDER JAGT, Mr. FORD of Michigan, and Mr. SCHUETTE):

H.R. 1472. A bill to establish the Grand Island National Recreation Area in the State of Michigan, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LAGOMARSINO (for himself and Mr. GALLEGLY):

H.R. 1473. A bill to designate certain lands in Los Padres National Forest as wilderness, to designate Sespe Creek and the Sisquoc River in the State of California as wild and scenic rivers, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MARTINEZ:

H.R. 1474. A bill to establish the Community Service Corps, to provide for education and training of participants in such corps, and for other purposes; jointly, to the Committees on Education and Labor and Interior and Insular Affairs.

By Mr. PARRIS:

H.R. 1475. A bill to amend the Export Administration Act of 1979 and the Federal Deposit Insurance Act to authorize controls on the export of capital from the United States, to control exports supporting terrorism, to prohibit ownership of U.S. banks by Warsaw Pact countries, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

By Mr. RAHALL (for himself, Mr. WISE, Mr. MOLLOHAN, Mr. STAGGERS, Mr. CLINGER, Mr. STENHOLM, Mr. WILSON, Mr. SKEEN, Mr. SARPALIUS, and Mr. HALL of Texas):

H.R. 1476. A bill to amend the Internal Revenue Code of 1986 to clarify the application of the credit for producing fuel from a nonconventional source with respect to gas produced from a tight formation and to make such credit permanent with respect to such gas and gas produced from Devonian shale; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 1477. A bill to amend title 18, United States Code, to provide procedures for the imposition of the death penalty, and for other purposes; to the Committee on the Judiciary.

H.R. 1478. A bill to amend title 18, United States Code, to impose criminal penalties for early disclosure and use of certain time sensitive official economic information; to the Committee on the Judiciary.

H.R. 1479. A bill to amend the Internal Revenue Code of 1986 to increase to $150,000 the amount of group term life insurance which may be provided by an employer and excluded from the gross income of an employee; to the Committee on Ways and Means.

By Mr. SCHULZE (for himself, Mrs. BENTLEY, Mr. ATKINS, Mr. FASCELL, Mr. HARRIS, Mr. KOSTMAYER, Mr. ROE, Mr. HAYES of Louisiana, Mr. DE LUGO, Mrs. MEYERS of Kansas, Mr. MARTINEZ, Mrs. MARTIN of Illinois, and Mr. FOGLIETTA):

H.R. 1480. A bill to provide that pattern coinage of the Bureau of the Mint be deposited at the Smithsonian Institution; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1481. A bill to authorize the Director of the Mint to transfer to the Smithsonian Institution 200 proof sets for purposes of trading these sets with foreign mints, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and House Administration.

By Mr. VANDER JAGT:

H.R. 1482. A bill to suspend for a 3-year period the duty on diphenyldichlorosilane and phenyltrichlorosilane; to the Committee on Ways and Means.

H.R. 1483. A bill to repeal the temporary suspension of duty on C-Amines; to the Committee on Ways and Means.

By Mr. VENTO (for himself, Mr. ATKINS, Mr. AKAKA, Mr. BATES, Mr. BEILENSON, Mr. BENNETT, Mr. BONIOR, Mr. BORSKI, Mr. BOSCO, Mr. BOUCHER, Mrs. BYRON, Mr. CLARKE, Mr. COELHO, Mrs. COLLINS, Mr. DARDEN, Mr. DEFAZIO, Mr. DELLUMS, Mr. DE LUGO, Mr. FASCELL, Mr. FISH, Mr. FOGLIETTA, Mr. GEJDENSON, Mr. GORDON, Mr. HERTEL, Mr. HORTON, Mr. HUCKABY, Mr. JOHNSON of South Dakota, Mr. JONTZ, Mr. KILDEE, Mr. KLECZKA, Mr. KOSTMAYER, Mr. LEVINE of California, Mr. LEWIS of Georgia, Mr. MARKEY, Mr. MCDERMOTT, Mr. MINETA, Mr. MRAZEK, Mr. MURPHY, Ms. OAKAR, Mr. OLIN, Mr. OWENS of Utah, Mr. PALLONE, Mr. PEASE, Ms. PELOSI, Mr. RAHALL, Mr. RAVENEL, Mr. RAY, Mr. SCHUMER, Mr. SLATTERY, Mr. SMITH of Florida, Mr. STUDDS, Mr. SYNAR, Mr. TOWNS, Mr. TRAFICANT, Mr. WALGREN, Mr. WAXMAN, Mr. WHEAT, Mr. WILSON, Mr. WISE, Mr. NELSON of Florida, Mr. FAUNTROY, Mr. KOLTER, Mr. RICHARDSON, Mr. MAVROULES, Ms. KAPTUR, and Mr. BILBRAY):

H.R. 1484. A bill to establish a National Park System Review Board, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. VUCANOVICH (for herself, Mr. BILBRAY, Mr. ROE, Mr. MCCURDY, and Mr. WALKER):

H.R. 1485. A bill to provide for the sale of certain Federal lands to Clark County, NV, for national defense and other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BUECHNER:

H.J. Res. 206. Joint resolution designating the week beginning on January 7, 1990 as "National Journalism Education Week"; to the Committee on Post Office and Civil Service.

By Mr. FAZIO (for himself, Mr. AUCOIN, Mr. BROWN of California, Ms. SCHNEIDER, Mr. PANETTA, Mr. MOORHEAD, Mr. MILLER of California, Mr. OBEY, Mr. FLORIO, Mr. MATSUI, Mr. WEISS, Mr. LEHMAN of California, Mr. FRANK, Mr. DIXON, Mrs. BOXER, Mr. DYMALLY, Mr. MARTINEZ, Mr. HAWKINS, Mr. ROYBAL, Mr. EDWARDS of California, Mr. BLILEY, Mr. LEVINE of California, and Ms. PELOSI):

H.J. Res. 207. Joint resolution to establish that it is the policy of the United States to reduce the generation of greenhouse gases, and for other purposes; jointly, to the Committees on Energy and Commerce; Foreign Affairs; and Science, Space, and Technology.

By Mr. GEKAS (for himself, Mr. SCHUMER, Mr. FISH, Mr. MAZZOLI, Mr. LEVIN of Michigan, Mr. SMITH of Florida, Mr. LANTOS, Mr. COSTELLO, Mr. BEVILL, Mr. SHAW, Mr. LEHMAN of Florida, Mr. LAGOMARSINO, Mr. HEFNER, Mr. JONES of North Carolina, Mr. THOMAS of Georgia, Mr. TOWNS, Mr. FAWELL, Mr. LIPINSKI, Mr. ESPY, Mr. DE LUGO, Mr. QUILLEN, Mr. FUSTER, Mr. HYDE, Mrs. COLLINS, Mr. LIVINGSTON, Mr. LANCASTER, Mr. RANGEL, Mr. RAVENEL, Mr. DEWINE, Mr. MARTIN of New York, Mr. PURSELL, Mr. CROCKETT, Mr. HAYES of Louisiana, Mr. DORNAN of California, Mr. NATCHER, Mr. CONYERS, Mr. HANSEN, Mr. GINGRICH, Mr. CLARKE, Mr. STALLINGS, Mr. BROWN of Colorado, Mr. BORSKI, Mr. DONNELLY, Mr. MOORHEAD, Mr. WOLPE, Mr. BARNARD, Mr. RUSSO, Mr. CARPER, Mr. HILER, Mr. HORTON, and Mr. VALENTINE):

H.J. Res. 208. Joint resolution designating the week of April 9, 1989, as "Crime Victims Week"; to the Committee on Post Office and Civil Service.

By Mr. PARRIS:

H. Con. Res. 78. Concurrent resolution expressing the sense of the Congress with respect to the proposed amendment to the Constitution of the United States relating to compensation for Senators and Representatives; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

36. The SPEAKER presented a memorial of the Legislature of the State of Wyoming, relative to the future management of Federal lands within the boundaries of the State of Wyoming; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 293: Mr. MINETA and Mrs. BENTLEY.

H.R. 520: Mr. TORRICELLI, Mr. BORSKI, Mr. EMERSON, Mr. YATRON, Mr. WALSH, and Mrs. BENTLEY.

H.R. 521: Mr. TORRICELLI, Mr. BORSKI, Mr. EMERSON, Mr. YATRON, Mr. WALSH, and Mrs. BENTLEY.

H.R. 522: Mr. TORRICELLI, Mr. BORSKI, Mr. EMERSON, Mr. YATRON, Mr. WALSH, and Mrs. BENTLEY.

H.R. 523: Mr. TORRICELLI, Mr. BORSKI, Mr. EMERSON, Mr. YATRON, Mr. WALSH, and Mrs. BENTLEY.

H.R. 762: Mr. OLIN, Mr. HATCHER, Mr. WEBER, Mr. BEVILL, Mr. WILLIAMS, and Mr. COLEMAN of Missouri.

H.R. 832: Mr. GEJDENSON.

H.R. 833: Mr. GEJDENSON.

H.R. 855: Mrs. COLLINS, Mr. DWYER of New Jersey, Mr. JONTZ, Ms. OAKAR, Mr. HAYES of Illinois, Mr. RAVENEL, and Mr. HILER.

H.R. 930: Mr. LEHMAN of Florida, Mrs. BOXER, Mr. AKAKA, Mr. FRANK, Mr. MATSUI, Mr. STOKES, Mr. MILLER of California, Ms. PELOSI, Mr. ATKINS, Mr. DYMALLY, Mr. HATCHER, Mr. HOCHBRUECKNER, Mr. DIXON, Mr. GREEN, Mr. RANGEL, Mr. OWENS of New York, Mr. WEISS, Mrs. UNSOELD, Mr. CHANDLER, Mr. FAZIO, Mr. BEILENSON, and Mr. AUCOIN.

H.R. 1109: Mr. COLEMAN of Missouri, Mr. DEFAZIO, Mr. SLATTERY, and Mrs. VUCANOVICH.

H.R. 1153: Mr. CAMPBELL of California.

H.R. 1165: Mr. GORDON, Mr. PENNY, Mr. BROOMFIELD, Mr. BOUCHER, Mr. HORTON, Mr. WHEAT, Mr. OWENS of New York, Mr. ROWLAND of Connecticut, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EMERSON, Mr. LANCASTER, Mr. DORNAN of California, Mr. QUILLEN, Mr. LIPINSKI, Mr. CRAIG, Mrs. SAIKI, Mr. HUGHES, Mrs. COLLINS, Mr. WALSH, Mr. UPTON, Mr. FOGLIETTA, Mr. ATKINS, and Mrs. MORELLA.

H.R. 1199: Mrs. COLLINS, Mr. OWENS of New York, Mr. ERDREICH, Mr. MOAKLEY, Mr. BURTON of Indiana, Mr. BROWN of California, Mr. FISH, Mr. FRANK, Mr. DE LUGO, Mr. NAGLE, Mr. ACKERMAN, and Mr. COLEMAN of Texas.

H.R. 1236: Mr. GLICKMAN, Mr. FEIGHAN, Mr. SMITH of Florida, Mr. STAGGERS, Mr. SYNAR, Mrs. SCHROEDER, Mr. EDWARDS of California, and Mr. FRANK.

H.R. 1286: Mr. FRANK and Mr. HAWKINS.

H.R. 1311: Mr. SMITH of Florida and Mr. BENNETT.

H.J. Res. 132: Mr. MATSUI, Mr. WISE, and Mr. TRAFICANT.

H.J. Res. 188: Mr. MCCOLLUM.

H. Con. Res. 28: Mr. DYMALLY, Mr. BATES, Mr. WHEAT, Mr. OWENS of New York, Mr. MCMILLEN of Maryland, Mr. DELLUMS, Mr. FAZIO, Mr. THOMAS A. LUKEN, Mr. LEWIS of Georgia, Mr. EDWARDS of California, Mr. BILBRAY, Mr. FOGLIETTA, Mrs. COLLINS, and Mr. DE LUGO.

H. Con. Res. 60: Mr. SKAGGS.

H. Res. 18: Mr. WELDON, Mr. BARTLETT, Mr. ARMEY, Mr. RAY, Mr. HEFLEY, Mr. PAXON, Mr. SENSENBRENNER, Mrs. VUCANOVICH, Mr. OXLEY, Mr. UPTON, Mr. SLATTERY, Mr. DORNAN of California, Mr. ROGERS, Mr. LAGOMARSINO, Mr. MICHEL, Mr. SLAUGHTER of Virginia, Mr. BUNNING, Mr. HERGER, Mr. LEWIS of Florida, Mr. MACHTLEY, Mr. BALLENGER, Mrs. ROUKEMA, Mr. BILBRAY, Mr. TAUKE, and Mr. CARPER.

H. Res. 106: Mr. CHENEY, Mr. FISH, Mr. GREEN, Mr. HENRY, Mr. HOUGHTON, and Mr. MOORHEAD.

SENATE—*Thursday, March 16, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable HARRY REID, a Senator from the State of Nevada.

PRAYER

The guest chaplain, Father Robert R. Smith of St. James Episcopal Church, 7 Potomac Avenue, Indian Head, MD, offered the following prayer.

Let us pray:

Lord our Governor, You know the hopes, fears, and concerns of us all. Remind us that our national cares are Your cares. Remind us that You love us all.

Grant that in this knowledge we may enact what pleases You and benefits the people we are called to serve in Your name.

Make us instruments of justice and peace at home; give us our share in making America a blessing for justice and peace among all nations and peoples.

Bless us with the awareness that amid painful questions and difficult decisions, Your wisdom is our guide, Your Spirit is our strength, and Your love is our life and our redemption. In Your holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 16, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARRY REID, a Senator from the State of Nevada, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. REID thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is now recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, there will be a period for morning business until 10:30 a.m., at which time the Senate will proceed to S. 20, the whistleblower bill. That bill is under a time agreement, and any rollcall votes ordered in relation thereto will be stacked to begin at 2 p.m.

The Senate will be in recess from 12 noon until 2 p.m., and after the vote or votes on the whistleblower bill, the Senate will go into closed session to deliberate on Judge Hastings' motions to dismiss certain articles of impeachment.

Mr. President, I reserve the remainder of my time, and I reserve the distinguished Republican leader's time as well.

SENATE CONCURRENT RESOLUTION 23—PROVIDING FOR A CONDITIONAL RECESS OR ADJOURNMENT OF THE SENATE FROM MARCH 17, 1989, UNTIL APRIL 4, 1989, AND A CONDITIONAL ADJOURNMENT OF THE HOUSE FROM MARCH 23 OR 24, 1989, UNTIL APRIL 3, 1989

Mr. MITCHELL. Mr. President, I send to the desk a concurrent resolution and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. PRYOR). The clerk will state the concurrent resolution.

The assistant legislative clerk read as follows:

S. CON. RES. 23

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Friday, March 17, 1989, it stand recessed or adjourned until 2:15 post meridian on Tuesday, April 4, 1989, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this resolution; and that when the House adjourns on Thursday, March 23, 1989, or on Friday, March 24, 1989, pursuant to a motion made by the majority leader, or his designee, in accordance with this resolution, it stand adjourned until 12 o'clock meridian on Monday, April 3, 1989, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this resolution.

SEC. 2. The majority leader of the Senate and the Speaker of the House, acting jointly after consultation with the minority leader of the Senate and the minority leader of the House, shall notify the Members of the Senate and the House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 23) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BOSCHWITZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order there will be now a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m. with Senators permitted to speak therein for 5 minutes each.

VICTIMS' RIGHTS

Mr. REID. Mr. President, last week I introduced legislation to protect and ensure victims' rights.

We can never fully understand the trauma and degradation these people suffer. But we can be more responsive to their needs.

The Chairman of the President's Task Force on Victims of Crime found that "the neglect of crime victims is a national disgrace * * * you cannot appreciate the victim problem if you approach it solely with your intellect. The intellect rebels."

And so, Mr. President, the legislation I propose approaches the victim problem with the heart as well as the mind.

Our heart must respond to the victims who are treated as just another piece of evidence.

We are all familiar with a law enforcement officer's standard response to a suspected criminal. "Let me read you your rights," the officer says. "You have the right to remain silent * * * " and so the recognizable litany begins.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

The suspect is made aware of his rights; the victim is not.

One victim said, "They explained the defendant's constitutional rights to the *n*th degree. And I wondered what mine were. And they told me, I haven't got any."

The victim does have rights, but they are rarely honored.

My bill mandates establishment of a system to evaluate and report on compliance with existing statutes protecting victims' rights.

Last month, on February 22, the Supreme Court ruled that a State has no constitutional due process obligation to protect individuals from private violence.

Supreme Court Justice William Rehnquist said the intent of the Constitution is to "protect the people from the state, not to ensure that the state protected them from each other."

According to this decision, a State is not constitutionally obliged to protect Americans from each other.

My bill will help ensure that, by statute, Americans will get some of the protections they deserve.

In addition, the legislation I propose includes a Federal child victims' bill of rights. Children need special protection and attention. This bill is designed to address their unique needs.

Let me give you a few examples. Young children often lack the maturity to put into words what has happened to them. This is particularly evident in testimony of sexual abuse. My bill allows the court to use anatomical dolls, which will make the child's difficult task somewhat easier.

The child is placed under tremendous anxiety and confusion that results from testifying in the presence of the accused. The suspect is often the child's parent or relative. From the witness chair, the child must look at and incriminate a person he has depended on for love and protection.

My bill enables children to testify outside the courtroom, away from such pressure.

The legislation also includes a provision that allows the court to approve a child attendant—someone who can protect the child's emotional needs. Reaching out to help a child cope with his experience is imperative.

What we can do now with these children may prevent future heartache and suffering for them and their families.

The legislation also requires the court to abide by the assumption that the child is competent to testify.

There is an organization in California called Believe the Children. We should believe them from the beginning. Some argue that children have vivid imaginations that often distort the truth of what transpired. Mr. President, my courtroom experience, and that of many others, dictates just the opposite. Adults, however, are generally more well-schooled in spinning a yarn. They've had many more years to perfect the art of fabrication.

I have talked extensively with individuals and groups interested in improving victims' rights. I found that most of those involved were motivated due to a personal crisis that they or one of their loved ones underwent as a victim.

We cannot wait until we are all victims to exert effort to ensure justice.

Surgeon General C. Everett Koop tells us that "the number of children who are not loved and who are not safe constitutes one of the major health problems that we face in our country today."

I urge my colleagues to cosponsor my victims' rights legislation. Let us show the American people that we are ready to confront this problem head on.

TRIBUTE TO THE MEMORY OF STEPHEN DAVISON BECHTEL

Mr. WILSON. Mr. President, on behalf of myself and my colleague from California, Senator CRANSTON, I rise today to pay tribute to the memory of Stephen Davison Bechtel, a giant of a man who left a legacy as soaring as the Hoover Dam, as broad as the San Francisco-Oakland Bay Bridge, and as enduring as the Saudi Arabian city of Jubail, or the Canadian Trans Mountain Pipeline, or countless other structures which he created for this and future generations, as one of our Nation's foremost construction engineers.

This splendid American and treasured Californian, whose long and productive life left an indelible mark upon the world he so enriched with his vision and talent, will be remembered and revered not only by the writers of history but by those who admire incredible feats of engineering. They will record, as I do here, that Stephen Bechtel was a man of bold enterprise who turned dreams of seemingly complex and impossible construction projects into realities which have positively impacted the lives of millions of people on every continent. They will also record that this man, having inspired and crafted some of the world's most respected engineering marvels, was also a man of the people, equally at ease conferring with heads of state or inquiring about the health and well-being of an employee.

Innumerable awards in the construction and engineering fields, as well national and worldwide recognition, are eloquent testament to the respect this remarkable individual garnered during his lifetime as a pioneering leader of his industry.

The dreams he dreamed, his energy, and his indomitable spirit, will long endure to guide the future of the Bechtel Group, a company he built, with an insistence upon excellence and creative genius, into one of the largest engineering and construction corporation in the world.

I am privileged to honor this man of accomplishment, a man who deserved the renown that had been visited upon him, and I do so with the greatest respect and admiration for what he achieved in his lifetime and for the enduring legacy that he has left behind.

Mr. President, I ask unanimous consent that a more extensive chronicle of the remarkable achievements of this remarkable man be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STEPHEN DAVISON BECHTEL, BUILDER TO AN AGE

SAN FRANCISCO, March 14, 1989.—Stephen Davison Bechtel, Senior Director of Bechtel Group, Inc., died today at Merritt Peralta Medical Center in Oakland at the age of 88, following a brief illness.

Of all the many titles he acquired, the one Steve Bechtel liked best was "builder." Fortune magzine called him "the boldest and maybe the biggest builder in the world," placing his name alongside Henry Ford, John D. Rockefeller, Andrew Carnegie and other industrial giants in its Hall of Fame of Business Leadership.

Mr. Bechtel was a world business leader who knew presidents, prime ministers and kings on a first-name basis. He was just as warm and friendly dealing with the thousands of people who worked in his firm, establishing a tradition of first-name conversation with employees at all levels that continues today.

Most of all Mr. Bechtel was a builder who thought big, often bigger than his competitors, his clients, his industry and his times.

During a career that spanned three-quarters of a century, Mr. Bechtel and his organization helped build thousands of projects in more than one hundred nations. Among them: Hoover Dam; the San Francisco-Oakland Bay Bridge; World War II shipyards that turned out more than 500 vessels; the San Francisco Bay Area Rapid Transit system; the Saudi Arabian city of Jubail; plus thousands of miles of pipelines and scores of hotels, oil refineries and power plants.

Mr. Bechtel was named one of the Top Ten Construction Men of the Half-Century by the American society of Civil Engineers, as he made the family name synonymous with macroengineering on a global scale. Since 1960 his son, Stephen D. Bechtel Jr., now 63, has headed the organization that has worked on all seven continents.

The late Robert Gordon Sproul, longtime President of the University of California, on presenting Mr. Bechtel with an honorary degree in 1954, described him as "an engineer with an affinity for large ideas, ingenious in devising means to solve complicated problems, and truly one who is helping to make this a better world in which to live."

Mr. Bechtel, a resident of Oakland for more than half a century, was known for his ability to look at a problem and instantly design a solution. A few doodles on the back of an envelope often were the key concepts for complex projects.

For example, during a 1949 luncheon, Mr. Bechtel overheard an oil company executive

remark that a pipeline from the Alberta oil fields to the Pacific, across the Rocky Mountains, was a great idea, but impossible. Mr. Bechtel pulled out a pen and began sketching a plan on the tablecloth.

Less than five years later, 80,000 barrels of oil a day were flowing through the 718-mile Canadian Trans Mountain Pipeline, the most difficult pipeline job in history.

A WARM PERSONALITY

In addition to his engineering and corporate leadership successes, Mr. Bechtel had a unique ability to understand client needs. A friend once said of him: "When the competition for a job gets hot, we fly Mr. Bechtel in for lunch."

He never lost that special ability, which is why he never completely retired. Even as Senior Director, he stayed in the mainstream of the business, visiting jobsites around the world, calling on clients, closing agreements. Few associates were surprised when, at the age of 84, he was instrumental in helping his company forge an historic joint engineering venture with the People's Republic of China.

"Rapid expansion of a company is a fairly common twentieth century achievement" Fortune editors wrote in1986. "Rarer is the rapid elevation of a company to far more sophisticated levels of technology and management. That's what happened to the Bechtel [companies], along with expansion during the years of Stephen D. Bechtel's leadership."

Born in Aurora, Indiana on September 24, 1900, Mr. Bechtel was the second of four children born to Warren A. and Clara West Bechtel, founders of the Bechtel engineering and construction organization.

GROWING UP IN CONSTRUCTION CAMPS

Steve Bechtel literally was "on the job" for infancy, living with his family in makeshift railroad cars on rugged railroad construction sites as he grew up in the West. By the time he was 13, he was working beside his father and brothers on construction jobs during school vacations.

After serving in World War I with the 20th Engineers, American Expeditionary Force as a motorcycle dispatch rider, Mr. Bechtel attended the University of California, Berkeley.

"But Dad needed me," he said of the family's growing construction company. And so, at the age of 19, he joined his brothers, Warren Jr. and Kenneth, full time in the family business.

In 1935, two years after his father's death, Mr. Bechtel assumed the presidency of the company, a position he held for a quarter-century. In 1960 he turned over day-to-day management of the Bechtel companies to his son, Stephen D. Bechtel Jr. Mr. Bechtel remained Chairman of the Board of Directors until 1965 when he "retired" to become the orgnization's Senior Director.

The firm he inherited from his father was a growing, but still regional, constructor of railroads, highways, pipelines and dams. When he stepped down from line management 25 years later, it had become one of the largest engineering and construction companies in the world.

Always a dreamer, he expanded the scope of the company's services, opening the door to international markets and devising new ways to manage the sophisticated and far-flung enterprises that came as a result. In the process, he broadened not only his own company but the entire engineering and construction industry as well.

One early success, Hoover Dam, both enhanced Mr. Bechtel's reputation and stimulated his ambitions.

HOOVER DAM A MAJOR FEAT

Mr. Bechtel and his firm played a major role in Six Companies, Inc., a joint venture that constructed the dam, then the largest construction project ever undertaken. It was completed in 1935, less than five years after it was begun; two years ahead of schedule and $1.5 million under budget. The Hoover Dam job was made more difficult by the sudden death in 1933 of Mr. Bechtel's father, W.A. Bechtel, who was serving as President of Six Companies. Steve Bechtel, still in his early thirties, took on bigger roles both at Hoover and in his own company, to carry the load.

From that point, he began shaping his company to meet the construction needs of industries with strong, long-term potential, such as the petroleum and power businesses.

It resulted in ever more sophisticated engineering and design projects—refineries, pipelines, chemical plants, powerhouses and other facilities linked with energy and oil.

The name Stephen D. Bechtel today is associated with many of the world's most remarkable pipeline systems.

Besides Canada's Trans Mountain oil line, they include: Canol, a monumental 1600-mile oil and products pipeline system from the Yukon to Alaska, built under intense emergency conditions during World War II; the 2200-mile Trans Canada gasline; the Trans-Alpine and the Trans-European oil pipeline systems; and the 1100-mile Trans-Arabian pipeline in the Middle East, an outstanding feat of desert construction.

Pipelining was a studied choice. He understood petroleum economics and anticipated the large volume of refinery work that would follow.

Such projects soon became a major source of the company's revenue. The company built many of the terminals and oil refineries in the Middle East, Europe, North Africa, the South Pacific and Canada.

By 1940, the Bechtel companies began to acquire the characteristics of the comprehensive organization their president had envisioned, one that could perform a turnkey service.

DEVELOPS NEW CONSTRUCTION CONCEPTS

"Turnkey"—taking on full responsibility for a project from concept to completion—was a concept developed by Mr. Bechtel. Soon the majority of the company's work was in this category.

Project management—coordinating the work of many specialized contractors on behalf of a client—was another innovation by Mr. Bechtel that became an important element in the company's work.

During World War II, the Bechtel organization was deeply involved in the nation's defense. It constructed and managed shipyards that produced more than 500 ships in record time. It also constructed military aircraft plants, mines, powder and aviation gasoline plants, pipelines, refineries, naval bases, airports and marine terminals on some 28 islands in the Pacific, in the Caribbean and the Middle East.

After the war, Mr. Bechtel led his company through greater growth and expansion. New project lines included chemical and petrochemical facilities as well as plants for food processing, soap making, steel forming and paper manufacturing and hotels, mines, and space facilities in the United States and overseas.

More recently, Mr. Bechtel played key roles in building the U.S.'s first modern rapid transit system, the San Francisco Bay Area's BART; and Jubail, an industrial city for 250,000 residents created from a fishing village in the Saudi Arabian desert.

HELPS DEVELOP NUCLEAR POWER

When electricity demand began to increase rapidly after World War II, Mr. Bechtel decided to develop the staff and the knowledge to harness the potential of atomic energy.

The company was one of the developers of the boiling water nuclear reactor. It did much of the early engineering work for the Atomic Energy Commission (AEC) and built the AEC's Experiemental Breeder Reactor Number 1 at Arco, Idaho in the late 1940's. During the 1950's, Bechtel also built the Dresden Power Station in Illinois, the first large, full-scale central nuclear power station to go into operation.

As a result, the company emerged as a leader in the field of nuclear power plant design and construction.

When he received the University of California's Berkeley Citation in 1975, the provost of the professional schools and colleges presented the award saying: "He has set a high standard. It's going to be a darn tough act to follow."

No one knows that better than his son, Steve Bechtel Jr. "My father was a remarkable man," he said. "He was also the best of fathers."

Mr. Bechtel is survived by his wife, Laura Peart Bechtel, of Oakland; their two children, Stephen Davision Bechtel Jr., Chairman of Bechtel Group, Inc., and Barbara Bechtel Davies; seven grandchildren and nineteen great-grandchildren.

At Mr. Bechtel's request, funeral services will be private. The family indicates that contributions in lieu of flowers can be made to the Ladies Home Society of Oakland, 360—42nd Street, Oakland, CA 94609, or the Piedmont Community Church, 400 Highland Avenue, Piedmont, CA 94611.

HONORS AND MEMBERSHIPS (PARTIAL LIST)

Mr. Bechtel was accorded many honors in his lifetime, among them:

Hall of Fame of Business Leadership, Fortune magazine;

"Top Ten Construction Men of the Half-Century," American Society of Civil Engineers;

1988 Distinguished Citizen of the Year, The Commonwealth Club of California;

Member of the Business Council since 1950, two years as Chairman;

Former trustee of Standard University;

Honorary doctor of laws degrees, University of California at Berekeley, Loyola University, Golden Gate University (San Francisco), and Carroll College (Helena, Montana);

Honorary doctor engineering degrees, University of the Pacific (Stockton, California) and Washington University;

Honorary doctor degree of public service, University of San Francisco; 1982

Alumni Association Award from the University of California at Berkeley;

Berkeley Citation from the University of California, Berkeley, College of Engineering;

1986 Alexis de Tocqueville Award, United Way of Bay Area;

1986 Citizen Diplomacy Award, International Visitors Center of the San Francisco Bay Area;

1987 Marcus A. Foster Educational Institute Distinguished Alumni Award;

1968 California Industrialist of the Year (California Museum of Science and Industry);

1978 International Executive of the Year, Brigham Young University School of Management;

John Fritz Medal and Certificate;

Order of the Cedar (Lebanon), Knight Order of St. Sylvester (Pope Pius);

Medal of Honor from the Government of Indonesia, first time a business leader headquartered outside that country had been so honored;

Inspector General Honorary of the Supreme Council, Ancient and Accepted Scottish Rite of Freemasonry (33rd degree);

Officer of the American Society of the Most Venerable Order of the Hospital of St. John of Jerusalem;

1981 Man of the Year from Brazilian-American Chamber of Commerce;

Member of the Director's Advisory Council of Morgan Guaranty Trust Company of New York and served on its board of directors for many years;

Member of President Eisenhower's Advisory Commission on the National Highway Program, basis for the present Interstate highway system;

Good Scout Award from the Boy Scouts of America;

William F. Knowland Award for his efforts in bringing together minorities, government officials and business community of Oakland;

Easter Seal Society of Alameda County Hummanitarian of the Year Award;

Member of the California Institute of Technology Associates;

The Stephen D. Bechtel Engineering Center at the University of California, Berkeley was named in Mr. Bechtel's honor in 1980.

Mr. WILSON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

OPPORTUNITY IN VIENNA

Mr. WIRTH. Mr. President, last week representatives of the 35 member nations of the Conference on Security and Cooperation in Europe [CSCE] met in Vienna to begin a new phase in European arms control. The opening of conventional force negotiations among the CSCE signatories and between NATO and the Warsaw Pact presents us with an extraordinary opportunity to wind down the military confrontation in Europe. I am greatly encouraged by the initial proposals outlined by the two alliances last week in Vienna, and am hopeful that these negotiations will succeed where the negotiations on mutual and balanced force reductions [MBFR] failed.

The Vienna talks come at a time of profound transition and change in United States-Soviet relations. The negotiations on conventional armed forces in Europe [CFE] between NATO and the Warsaw Pact and the talks on confidence- and security-building-measures [CSBM's] among the CSCE 35 stand to benefit from improved East-West relations and will in turn, I hope, help reshape the post-war security order in Europe away from confrontation and conflict towards cooperation.

Powerful economic incentives are at work in East and West to reduce the burden of military expenditures on our economies and societies. We face serious budgetary problems in our country which will manifest themselves in every aspect of Federal spending, including the defense budget. Partly as a function of the deficit, we are also witnessing increased concern about the high-level of U.S. spending for NATO defense, now approximately $160 billion annually. The combination of the concern about burden sharing and the emerging squeeze on scarce defense resources suggest that there will be growing pressure to reduce United States forces in Europe in the 1990's.

I mention this, Mr. President, because it is evident that General Secretary Gorbachev acknowledges the serious economic problems facing the Soviet Union—and the harm done to that economy by excessive defense spending. This recognition is reflected in the intensive debate within the Soviet Union on conversion of defense industry to civilian applications, and in the fact that the announcement of Soviet and East European unilateral force reductions have all been accompanied by statements of intent to reduce defense expenditures.

These economic incentives coincide with a recognition that the level of military confrontation in Central Europe is out of proportion to any reasonable defense needs or political rationale. The presence of 5 million troops and associated equipment has itself become a source of tension in Europe, sustained by inertia—and the need to field sufficient forces to deter aggression.

The new dimension in the European security debate is largerly a result of the restructuring efforts undertaken by General Secretary Gorbachev. A fundamental shift of Soviet military strategy away from reliance on offensive forces toward defensive sufficiency has resulted in a series of previously unimaginable Soviet actions. Within the last 3 years, the Soviet Union has agreed to onsite inspections in the 1986 Stockholm CSCE document; asymmetrical nuclear reductions to achieve equal outcomes—the INF Treaty; and a public commitment to engage in far-reaching unilateral force reductions—the U.N. speech.

The Vienna negotiations began last week against this background. Many potentially contentious issues have already been settled in the mandate: the geographic area covered by the talks will be the Atlantic to the Urals, with an agreed exception zone in Turkey; nuclear, chemical and naval forces will not be addressed; the elimination of disparities is to be pursued, as is "the elimination, as a matter of priority, of the capability for launching surprise attack and for initiating large-scale offensive action."

What a remarkable change from the world only a few years ago.

More so than in any other arms control negotiation, the opening positions of the two sides are more remarkable for their similarities than for their differences. The announcement of the NATO opening proposal by British Foreign Minister Sir Geoffrey Howe and the Warsaw Pact proposal by Soviet Foreign Minister Shevardnadze earlier this week made clear that both alliances will seek asymmetrical reductions in specified categories of armaments to reach equal residual levels.

This, too, is remarkable that both sides are so close. We have seen the Soviet Union change. We are seeing our ability to respond to that change, as well. Remaining are of course important differences. But those clearly can be resolved by both sides if we have sufficient political will and imagination.

NATO's proposal calls for reductions to 90 to 95 percent of current NATO levels in three categories of armaments, yielding equal limits of 20,000 tanks; 16,500 artillery weapons; and 28,000 armored troop carriers. The proposal also calls for a 30-percent limit on any one country's share of total equipment holdings in Europe, and places sublimits on stationed forces holdings in order to reduce the weight of Soviet military power in Eastern Europe: no nation may deploy more than 3,200 tanks, 1,700 artillery and 6,000 armored troop carriers on another nation's territory.

The Warsaw Pact proposal calls for a three-phase process. The first stage foresees mutual reductions to levels 10- to 15-percent below the lowest level on either side in a wider range of systems: Tanks, artillery, multiple rocket launchers, mortars, armored troop carriers, combat helicopters, tactical fighter aircraft, surface-to-surface missiles and troops. The Soviet proposal also calls for the creation of a special zone along the East-West border in which destabilizing forces would be withdrawn—including short-range nuclear forces. The second stage of the Soviet proposal foresees further reductions of 25 percent in troops and armaments, to be followed by a third phase in which only strictly defensive forces would remain.

While there are important differences in the two sides' proposals, the opening positions at Vienna are re-

markably close on many essential points. The Soviet proposal calls for modestly greater reductions in the three categories outlined by NATO—as well as reductions in additional categories: troops, aircraft, armed helicopters, multiple rocket launchers, and mortars. Some NATO observers had speculated that the Warsaw Pact proposal would seek much more dramatic reductions in order to capture public support. Instead, the Eastern proposal tracks the NATO position quite closely. The differences between the two proposals should not be hard to bridge with sufficient political will and imagination.

The prospects for meaningful and relatively early progress in Vienna have also been much improved by the unilateral reductions General Secretary Gorbachev outlined in his speech to the United Nations on December 7. The removal of 6 tank divisions and a total of 5,000 tanks and 50,000 troops from East Germany, Czechoslovakia and Hungary by 1991—if implemented to achieve Gorbachev's professed defensive intent—would deny the Soviet Union the military option of an unreinforced surprise attack against Western Europe. The forces to be withdrawn from Eastern Europe constitute 50 percent of forward-deployed tanks. These withdrawals are greater than the entire holdings of the United States 7th Army deployed in Europe, and represent 20 percent more equipment than was contemplated in the most ambitious MBFR proposal. In NATO's critical Northern Army Group [Northag] area, the ratio of tanks would be reduced from 2.8:1 to 1.3:1 as a result of the promised unilateral Soviet reductions.

Less noticed, Mr. President, is the fact that five East European states have also announced their intent to reduce their forces unilaterally: Bulgaria, Hungary, East Germany, Czechoslovakia and Poland. Overall, these 5 countries plan to reduce 1,900 tanks and 56,000 troops in conjuction with Soviet reductions of 10,000 tanks and 240,000 troops in the Atlantic to the Urals area. The significance of these unilateral efforts can be measured by the fact that the total number of tanks to be withdrawn by 1991—12,000—represents the holdings of 40 Warsaw Pact tank divisions.

The announced unilateral reductions, which are to occur over the next 2 years, will help set the pace for the Vienna talks. We should applaud those as well. Good faith implementation of these reductions would constitute a confidence building measure in its own right, especially if Western observers are allowed to monitor the process. I am further encouraged by the Warsaw Pact proposal's call for even further deep reductions on the Eastern side—an additional 20,000 Warsaw Pact tanks would be cut under either proposal now on the table in Vienna. Given the large asymmetries between the conventional forces of the two alliances, acceptance of asymmetrical reductions to reach equal limits is a prerequisite for progress in Vienna. That condition appears to have been accepted by both sides last week at the Hofburg Palace—against the background of initial unilateral reductions promised by the Soviet Union and five East European states.

The NATO and Warsaw Pact initial proposals at Vienna both address the stated goal of reducing the capacity for surprise attack. An equally important stated objective for NATO military planners is the elimination of the capability for large-scale, reinforced offensive operations. The source of this concern is not the ready, forward-deployed divisions of the Warsaw Pact in Eastern Europe, but the ability to generate numerically superior forces through wide-scale mobilization in the Soviet Union. The reductions foreseen in the NATO proposal would not eliminate the potential for large-scale offensive operations.

NATO has been reluctant to embrace deep force reductions for a variety of reasons, the most critical being the perceived need to maintain a stalwart forward defense through retention of an operational minimum deployment of one division per 25 to 30 kilometers of NATO-Warsaw Pact border. This formula neglects the altered political-military landscape which would result from mutual reductions to 50 percent of current NATO levels, and reflects the dominance of military rather than political input in NATO deliberations on this score. I believe NATO must elaborate a broader vision of the role conventional arms control might play in building a more cooperative European security order. Continuation of the status quo in alliance strategy and force structure will not be adequate to meet the challenges of transition NATO will face in its fifth decade.

The problems to be overcome in the new conventional force talks should not be underestimated. Differences over what systems to include in first phase reductions, how to count those systems, the issue of special withdrawal zones, and the vast challenge of verifying compliance with such an ambitious regime all remain to be worked out in the course of the negotiations. But I believe that with sufficient political will and with the imagination that should come in with the new energy of a new administration we should be able to overcome these obstacles.

The primary challenge will not likely be, as with MBFR, arriving at an agreed data base. There are large differences in NATO and the Warsaw Pact view of the relevant balance of conventional forces which will take time to resolve. These differences stem largely from varying counting rules. The Warsaw Pact figures for tanks and artillery, for example, encompass a broader definition of what constitutes a tank or artillery. These differences should be relatively easy to surmount through sustained negotiation on counting rules and methodology—and an open data base concerning the disposition of forces from the Atlantic to the Urals.

More difficult will be the negotiation of which systems to include in a reduction regime. The most troublesome issue in that regard will clearly be aircraft: the Warsaw Pact insists that strike aircraft be included, while NATO resists their inclusion, arguing that aircraft do not seize and hold territory and cannot be meaningfully limited because of their mobility. Some NATO observers believe that we will have to include aircraft in the negotiations at some point, and that a careful calculation of the relevant balance would yield rough parity in current deployment numbers. The contention that aircraft are not relevant to negotiations on reduction of offensive forces will be difficult to sustain.

Another difference in the current positions of the two sides is whether to include troops, as opposed to equipment, in a reduction regime. NATO has been unwilling to repeat the MBFR focus on troop reductions, in part because of the daunting verification problems. Two factors suggest that limits on soldiers as well as weapons may make sense at some point in the Vienna process. First, demographic trends will place significant pressure on manning levels in the 1990's. Second, deep force reductions may be easier to monitor if implemented by units, rather than categories of armaments. Ambitious transparency measures may be necessary to monitor compliance with reduction of armaments and troops in units.

As both sides work through these issues in Vienna, we should simultaneously be pursuing early implementation of military glasnost: a set of ambitious confidence- and security-building measures aimed at providing greater transparency of military deployments, activities and doctrine. Sustained and structured discussions between East and West on military doctrine could help evolve a mutual understanding of defensive defense and provide critical insight on the restructuring of forces in that direction.

Much can be done on both sides to improve the appearance of each side to the other. If each of us understands what the other side is doing, each of us is going to be less afraid of surprise attack, each of us is going to be more willing to deal with and trust the other side.

This whole package of confidence and security-building measures, Mr.

President, are items that we can do right away while we work through the remaining differences on conventional arms control. There is an enormous amount that can be done on the CSCE side as well.

As the two-tier negotiations continue we must embrace the concept of conventional arms control along with confidence-building measures.

Much more demanding levels of military openness from the Atlantic to the Urals would build confidence in the process of conventional force reductions—and, in the case of verification, represent an absolute prerequisite to negotiated cuts.

Such measures might include expanding the number of onsite inspections at short notice permitted each year beyond the current CSCE agreed limit of three per year per country. The practice of allowing multinational observers at military exercises could be enhanced by providing for permanent observers at key military sites and roving monitors to complement the inspections and observers. More ambitious still would be an agreed regime for aerial observation by aircraft and helicopters—similar to President Eisenhower's 1955 "Open Skies" proposal. A package of such measures could and should be designed to serve the complementary purposes of monitoring Gorbachev's promised reductions, providing the foundation for a conventional arms control verification regime, and enhancing stability by providing greater warning time of military preparation.

In addition to military benefits, such measures would also generate significant political momentum for the conventional arms control process and help clarify some of the differences in the announced perspectives of the two alliances on the relevant balance of conventional forces from the Atlantic to the Urals. The Mutual and Balanced Force Reduction Talks [MBFR] dragged on for 15 years without result, hung up in large measure over lack of agreed data on the military forces of the two alliances. We have an opportunity now to overcome that impasse and go well beyond it through cooperative monitoring measures.

As the two-tier negotiations on CSBM's and force reductions begin in Vienna, NATO should embrace a strategy toward those talks which combines a willingness to embrace far-reaching change in the European security system with a pragmatic approach to step-by-step implementation of specific measures. Ambitious monitoring provisions can help the West measure the scope and pace of the East's promised unilateral reductions. Successful implementation of those measures over the next 2 years would help build confidence in the more ambitious reductions foreseen in the NATO proposal and the first phase of the Eastern proposal. Such an incremental approach would hold out the possibility of even further reductions to 50 percent or less of current NATO forces.

Decades of mutual mistrust and military confrontation cannot easily or quickly be made to disappear. The new political landscape provides us, however, with an unparalleled opportunity to begin unwinding the cold war confrontation and to build a more cooperative European security order.

Mr. President, I ask unanimous consent that the January 17, 1989, "Mandate for the Negotiations on Conventional Armed Forces in Europe," the speeches delivered on March 6 in Vienna by Foreign Ministers Howe and Shevardnadze outlining the opening proposals of the two alliances, an article entitled "Down to Business" and the associated table of data from the March 11 Economist, data on the conventional balance in Europe compiled by the Arms Control Association, and an article titled "Big Difference between NATO, Warsaw Pact Conventional Force Tallies" in the March edition of the Armed Forces Journal appear in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MANDATE FOR THE NEGOTIATIONS ON CONVENTIONAL ARMED FORCES IN EUROPE (CAFE), JANUARY 17, 1989

PARTICIPANTS

The participants in this negotiation shall be the 23 above-listed States [list at end of text] hereinafter referred to as "the participants."

OBJECTIVES AND METHODS

The objectives of the negotiation shall be to strengthen stability and security in Europe through the establishment of a stable and secure balance of conventional armed forces, which include conventional armaments and equipment, at lower levels; the elimination of disparities prejudicial to stability and security; and the elimination, as a matter of priority, of the capability for launching surprise attack and for initiating large-scale offensive action. Each and every participant undertakes to contribute to the attainment of these objectives.

These objectives shall be achieved by the application of militarily significant measures such as reductions, limitation, redeployment provisions, equal ceilings, and related measures, among others.

In order to achieve the above objectives, measures should be pursued for the whole area of application with provisions, if and where appropriate, for regional differentiation to redress disparities within the area of application and in a way which precludes circumvention.

The process of strengthening stability and security should proceed step-by-step, in a manner which will ensure that the security of each participant is not affected adversely at any stage.

SCOPE AND AREA OF APPLICATION

The subject of the negotiation shall be the conventional armed forces, which include conventional armaments and equipment, of the participants based on land within the territory of the participants in Europe from the Atlantic to the Urals.

The existence of multiple capabilities will not be a criterion for modifying the scope of the negotiation:

No conventional armaments or equipment will be excluded from the subject of the negotiation because they may have other capabilities in addition to conventional ones. Such armaments or equipment will not be singled out in a separate category.

Nuclear weapons will not be a subject of this negotiation.

Particular emphasis will initially be placed on those forces directly related to the achievement of the objectives of the negotiations set out above.

Naval forces and chemical weapons will not be addressed.

The area of application 1 shall be the entire land territory of the participants in Europe from the Atlantic to the Urals, which includes all the European island territories of the participants. 2 In the case of the Soviet Union the area of application includes all the territory lying west of the Ural River and the Caspian Sea. In the case of Turkey the area of application includes the territory of Turkey north and west of the following line: the point of intersection of the border with the 39th parallel, Muradive, Patnos, Karayazi, Tekman, Kemalive, Feke, Ceyhan, Gozne, and thence to the sea.

EXCHANGE OF INFORMATION AND VERIFICATION

Compliance with the provisions of any agreement shall be verified through an effective and strict verification regime which, among other things, will include on-site inspections as a matter of right and exchanges of information.

Information shall be exchanged in sufficient detail so as to allow a meaningful comparison of the capabilities of the forces involved. Information shall also be exchanged in sufficient detail so as to provide a basis for the verification of compliance.

The specific modalities for verification and the exchange of information, including the degree of detail of the information and the order of its exchange, shall be agreed at the negotiation proper.

PROCEDURES AND OTHER ARRANGEMENTS

The procedures for the negotiation, including the agenda, work program and timetable, working methods, financial issues and other organizational modalities, as agreed by the participants themselves, are set out in annex 1 of this mandate. They can be changed only by consensus of the participants.

The participants decided to take part in meetings of the States signatories of the Helsinki Final Act to be held at least twice during each round of the Negotiations on Conventional Armed Forces in Europe in order to exchange views and substantive informaton concerning the course of the Negotiations on Conventional Armed Forces in Europe. Detailed modalities for these meetings are contained in annex 2 to this mandate.

The participants will take into consideration the views expressed in such meetings by other CSCE participating States concerning their own security.

Participants will also provide information bilaterally.

Participants undertake to inform the next CSCE Follow-up Meeting of their work and possible results and to exchange views, at their meeting with the other CSCE participating States on progress achieved in the negotiation.

The participants foresee that, in the light of circumstances at the time, they will pro-

vide in their timetable for a temporary suspension to permit this exchange of views. The appropriate time and duration of this suspension is their sole responsibility.

Any modification of this mandate is the sole responsibility of the participants, whether they modify it themselves or concure in its modification at a future CSCE Follow-up meeting.

CHARACTER OF AGREEMENTS

Agreements reached shall be internationally binding. Modalities for their entry into force will be decided at the negotiation.

SPEECH BY THE FOREIGN SECRETARY, SIR GEOFFREY HOWE, AT THE OPENING OF THE CONVENTIONAL FORCES IN EUROPE CONFERENCE IN VIENNA, ON MONDAY, MARCH 6, 1989

Six weeks ago, we assembled here in Vienna to mark the successful conclusion of the third Helsinki review meeting.

We celebrated agreement then on a concluding document which we hope will strengthen peace and stability on our continent, and help to bring down the barriers that divide East from West.

We meet here again today as a result of that agreement to begin new talks of equal significance.

Four hundred years ago the English seafarer, Sir Francis Drake, said: "There must be a beginning of any great matter, but the continuing to the end until it is thoroughly finished yields the true glory." Besides being one up the great figures from our military history, Francis Drake was someone who was not afraid to explore new territory. I hope we can approach our work in Vienna in the same spirit.

The last conventional arms control talks to be held here—the MBER talks—went on for 16 years, what might be described as the longest phantom pregnancy in the history of arms control. But the MBER talks were not a total failure. They taught more than one important lesson. In particular, there can be no agreement without a climate of confidence in East-West relations.

A CHANGED CLIMATE

Now there is a real sense of hope that we can put the 40 years cold war behind us. This feeling was evident when we met here in January. It has shown itself in other ways. That is a very real gain. Even 5 years ago the prospects for these negotiations would not have looked good.

So what is new? There is nothing new about Western readiness to negotiate seriously. Even during the difficult years, that readiness was always there. There is, however, on our side a new belief that changes in Eastern Europe offer prospects for a different East-West relationship. The real change has come with a willingness from our Eastern partners to think, speak—and sometimes to act—in a new way.

It is interesting to compare what was being said from international platforms five years ago with what is being said today. For instance, at the United Nations in 1984 Mr. Gromyko had the following to say about the international situations "The threat of war has grown, and the foundations of peace have become more shaky."

He was also dismissive of Western verification proposals at the Stockholm conference when he said. "What is proposed under the guise of military and technical measures is a programme of poorly disguised espionage."

Four years later, however, President Gorbachev at the United Nations last December gave a very different assessment of the state of the world when he spoke: "Forces have already taken shape in the world which . . . are inducing the start of a period of peace."

And our colleague, Mr. Shevardnadze, in his speech to last years U.N. General Assembly, also saw verification in a different light: "Verification is something more than a technical check on the parties, compliance to their obligations. It is a material expression of sincerity and honesty, without which it is impossible to make headway today."

I heartily agree with every word of that statement. That is the measure of the change we have seen in the climate of East-West relations.

Five years ago they were characterised by bloc-to-bloc confrontation, pessimism and suspicion. Dialogue, to the extent if continued at all, was sterile. Progress was suspended in all the key sets of security talks: INF, START and MRFR. The Stockholm conference opened in January 1984 against a background of events less favorable and less positive than at any time since the CSCE process began.

Today, the INF Agreement is in place, not least because of Western refusal to be intimidated into abandoning our own deployment. We are making progress over strategic, nuclear and chemical weapons. We have also, in the verification measures of the Stockholm document, a notable success for East-West security. We are talking to, not past, one another.

But we have not yet entirely escaped the legacy of the past. Misunderstandings and misperceptions remain. Mutual trust does not yet run deep enough to prevent the over-concentration of arms in Europe, East and West.

THE WAY FORWARD

How then can we safely slow down the military carousel?

Not by hastening the denuclearization of Europe. The longest uninterrupted peace that Europe has ever seen is largely due to the existence of nuclear weapons. It is impossible to disinvent them, or to find a substitute of comparable deterrent force. Our approach accepts those realities.

Let me here offer the first of several comments that I propose to make, with respect, on Mr. Shevardnadze's thoughtful speech, to which we have just listened.

I note that Mr. Shevardnadze did spread his remarks into nuclear territory. But as he well knows, nuclear weapons are no part of our remit. That is clear from the mandate. Our aim is to tackle the conventional imbalances that lie at the heart of our continent's security. We must concentrate on that central task.

That is why the answer lies in building confidence in each others intentions, by addressing fears directly, through concrete measures to remove the appearance and reality of threat.

So the West has come to Vienna in that spirit. We are ready with bold and specific new proposals for the discussion that lies ahead.

THE WIDER CONTEXT

Let us remember why we are here today, because Europe has been the crucible of the two most catastrophic wars ever seen in the world. Because Europe is still the focus of the heaviest concentrations of forces to be found in the world. Also because all of us want a more stable and secure future for our continent, and have expressed that commitment by participating in the work of the CSCE.

We must not lose sight of that wider context, defences and pursuing arms control. The CSCE process rests on two more basic concepts: First, confidence between states and their neighbours, and secondly, confidence between states and their citizens.

We have long accepted that confidence between states and their neighbours within Europe must rest upon acknowledgment of the fact that we are all sovereign nations. All of us have our own identities, our own traditions, and our own interlocking histories.

As nation states, we are evolving new patterns of relations. In Europe Europe, in the European community, we are combining in a new and active partnership.

In Eastern Europe, too, there are signs of an evolving new relationship. But it has a long way to go before Eastern Europe escapes domination of one nation by another, and all the abuses, resentment and stagnation which have accompanied such domination in the past.

States must trust their neighbours. They must also trust their citizens, trust the people. That is the essence of a free society.

NEGOTIATIONS ON CONVENTIONAL ARMED FORCES

The recent improvement in East-West relations has been welcomed in every home and family in Europe because it offers the hope of lasting peace. We have to give substance to that hope.

Our main objective for the conventional armed forces talks is simple. It is to make it impossible for any country, or group of countries, to threaten or intimidate others by force of arms. It is to make successful aggression a physical impossibility.

Central to this objective are three goals: Fewer forces, a balance of forces, and less threatening deployments of those forces.

We want fewer forces. There are far too many lethal weapons, especially those intended for surprise attack and the conquest of territory—tanks, artillery and armoured troop carriers.

Let me at this point make two further observations on Mr. Shevardnadze's speech. First, to correct a misunderstanding of our own position, by answering his specific question on personnel. We do not, or course, intend to neglect personnel. But one of the lessons of the MBER negotiations is that if we want results then the main focus should be on equipment. And second, on naval forces, although it is clear that the question of naval forces is dear to Mr. Shevardnadze's heart, naval forces are excluded from these negotiations by the mandate. Moreover, NATO needs secure sealanes to ensure its security, just as Warsaw Pact countries need safe land communications to protect their territory.

Let me then return to my three points. Fewer forces certainly, but we want as well a balance of forces. Europe can never feel sure while the Soviet Union and its allies have forces far larger than necessary for their own defence. Even when recently announced reductions are complete, the Warsaw Pact will still outnumber NATO by almost two-to-one in tanks and artillery. The Soviet Union alone possesses more than half the total number of tanks and artillery in Europe.

PART TWO OF TWO PARTS

We want—and this is my third point—less threatening deployments to give substance to concepts of defensive military doctrine and reasonable sufficiency. We shall expect to see these concepts translated into reality. So we are concerned not only with numbers of weapons, but also where they are, whose

they are, and how quickly they could be used for aggression.

We and our allies will therefore propose the following specific measures:

First: an overall limit to the total number of tanks, artillery and armoured troop-carriers in Europe. For tanks, a limit of 40,000. For artillery, 33,000. For armoured troop-carriers, 56,000. Each alliance to be entitled to up to half the total.

Result: a reduction of around 50 percent in tanks and artillery, and a substantial cut in the number of armoured troop-carriers.

That is a truly bold proposal. It would reduce those weapons to levels undreamed of by any of us twenty or even ten years ago.

Second: no one country to have more than 30 percent of these tanks, 10,000 artillery pieces and 16,800 armoured troop-carriers.

Result: a reduction by some two-thirds in the massed ranks of Soviet tanks and artillery in Europe, and by well over half in armoured troop-carriers. They have been the cutting edge of the Iron Curtain. Will Mr. Gorbachev have the courage and imagination to turn them into scrap iron?

That will not harm Soviet security. The Soviet Union will still have more tanks within the area than the United States and the Federal Republic of Germany combined.

But even so, the rest of us will feel a lot safer.

Third: Limitations on these types of forces when stationed outside their own country. It is the huge weight of Soviet armour and artillery deployed in Eastern Europe that we find so threatening. So besides the cuts in numbers, we want to see some of the remaining forces pulled back, so as to reduce the risk of surprise attack.

We agree with Mr. Gorbachev that both sides should cut to below the level of the weaker side, that is, below that of NATO. So we propose a limit of 3,200 tanks stationed outside national borders for each side, 1,700 artillery pieces and 6,000 armoured troop-carriers.

Fourth: we need to prevent undue concentration of forces. This will be done through a series of geographical sub-limits. The aim is to spread security evenly. We are not in the business of creating zones of differing security in Europe.

Mr. Shevardnadze, in his speech, suggests a corridor or zone of disengagement. But we must deal with the huge concentration of forces in Europe as a single problem. Isolating a narrow corridor down the middle of Europe could compound European insecurity, not cure it. It carries the flavour of different levels of security within an alliance—an idea which is certainly alien to the Atlantic Alliance.

We shall also be proposing other measures to reduce the threat of surprise attack, for example, the monitoring of equipment in storage. Of course, we also intend to propose a rigorous verification regime.

Taken together, and translated into practice, these proposals would make a dramatic difference to Europe's military landscape. They go far beyond bean-counting as the saying goes. They address the location, nationality and state of readiness of forces. Their thrust is clear—not superiority, not advantage, but equal and assured security for each side.

For years, Soviet negotiating intransigence kept the security ice pack hard fast and frozen. But recently the Soviet Union has done some ice-breaking of its own in the new East-West climate. Mr. Gorbachev's announcement at the United Nations of unilateral reductions in Soviet tank, artillery and other forces was welcome.

Now NATO is offering a channel to the open sea. Are the Soviet Union and her allies ready to go the full distance, to follow in these negotiations the logic of the first steps they have taken towards righting the military imbalance? That is the challenge and the opportunity that NATO extends today

NEGOTIATIONS ON CONFIDENCE BUILDING

Confidence building is the other, and we attach the same importance to that. We value in particular the fact that all European countries will take part in these CBBM negotiations.

Three years experience of the operation of the Stockholm document has been encouraging. All sides have notified military activities as required. Observation arrangements have generally worked well and challenge inspections—once regarded with horror—have proved to be effective and relatively painless.

Our proposals for these talks consolidate this progress. The measures we propose are intrusive. I see nothing wrong with that. Advances in technical intelligence gathering have made it increasingly difficult to conceal military capabilities and deployments. Concealment, when discovered, can only increase mistrust. We can save ourselves time, effort and money and strengthen confidence—by displaying greater openness now.

So we shall be proposing:

First: a comprehensive annual exchange of information about the size, location and equipment of participating states armed forces, and especially important, a system of random checking to ensure that the information exchanged 18 correct. The proposal echoes the measure proposed by the Western allies at Stockholm, but rejected by the East at that time. The world has since moved on. I hope the Eastern attitude has moved on with it.

Second: notifications of military exercises should provide more detailed information. Suspicion feeds on ignorance.

Third: improved arrangements for observing military activities.

Fourth: other measures to reinforce openness and predictability, including, for example, improved access by accredited diplomatic and military personnel to government authorities, and greater freedom for them to travel.

Fifth: a stronger on-site challenge inspection regime. A good idea is always worth improving.

In all this, the key to confidence is information, information that can be checked by direct observation. And the key to information is openness: openness that helps to allay our mutual fears and mistrust, not the kind of selective display which raises more questions and doubts than it answers. We experienced such dissembling at the Soviet chemical weapons establishment in Shikany last June. We must be prepared to discuss and agree measures that leave no room for prevarication.

The Warsaw Pact recently made an important step in the right direction by publishing for the first time its own interpretation of the military balance. Despite certain shortcomings, it confirms after all imbalances whose existences we in the West have asserted.

I hope that our Eastern partners will continue to be willing to acknowledge such realities during our negotiations. I call on them to show the same imagination as the West has unfailingly displayed at Stockholm and now here in Vienna.

We look forward to discussing our proposals and to studying those of others. I hope that these will be offered in the same spirit as our own.

Mr. Shevardnadze's proposals with interest and attention. Many of them clearly deserve to be discussed carefuly once the negotiations start. The important message that I draw is that Soviet thinking is in many ways close to our own. We must build on the common ground. The Vienna negotiations must not become a competition for who can put forward the more radical proposals. They are a serious quest for stability and security, not a competitive striptease.

After so many years of immobility in conventional arms, it will be a historical achievement to do away with the imbalances and go a little further. What happens after that should be reviewed in the very different circumstances which will then apply.

Three principles underlie the proposals I have set out today: openness, honesty and assurance.

Honesty, I echo and emphasise the very word stressed by Mr. Shevardnadze.

The proposals are realistic. They are specific. They are based on clear objectives which aim to achieve equal security for both sides, and they could prove historic.

Reducing the weapons that guard a divided Europe should be only the prelude to tackling the division itself. We are not negotiating for our generals, but for our people. So let us, from the start, resolve to earn their trust through our conduct of these talks. Our success could transform the prospects for the security of the continent and so build a safer, better Europe.

ADDRESS BY EDUARD SHEVARDNADZE, FOREIGN MINISTER OF THE SOVIET UNION, AT THE VIENNA MINISTERIAL MEETING MARCH 6, 1989

Mr. Chairman, ladies and gentlemen, we are opening unique negotiations—unique not only as regards their formula, format, and set of participants. Memory prompts us that never before has an undertaking with so momentous an objective been conceived.

Reason convinces us that the road leading to that objective is the right one.

Instincts tell us that the willingness to reach the end of the road is common to all of us.

The very chance that has been given to us is unique.

Political intuition and objective analysis makes us conclude that if we make use of it we will get a Europe of new quality and value.

We are in effect opening negotiations not just on reducing troops and conventional arms and on confidence-building measures—we are undertaking the task of overcoming the split of Europe. As we are getting underway, it is appropriate to present our vision of the current state of affairs and of the goals shared by all.

For the better we know each other's views the easier it will be to identify reasonable defense requirements of the European countries. Furthermore, reasonable requirements can only be identified on the basis of reasonable perceptions.

Well, reason is today, more than ever before, a solid pillar of politics, and this, I believe, is also a unique feature of the moment, and the greatest achievement of the new times. Being very different in terms

of outlook, convictions, and value systems, and having no intention of betraying them, we have finally been able to perceive ourselves as a single nucleus of the European entity.

The negotiations of 35 and of 23—the two new branches of Helsinki—are starting at a time when in Europe things that a few years ago seemed impossible have become routine.

The routine nature of these things reveals new standards of international existence.

Soviet and American nuclear missiles are being destroyed as a matter of routine.

Inspections of military facilities are being conducted on a workaday basis.

Notifications of planned military exercises, troop movements, and strategic missile launches are being sent in an equally ordinary way.

These routine things have become the norm, the rule, the canon. It is our duty to extend that also to the reduction of conventional armed forces.

In fact, they are already being reduced—reduced unilaterally by the Soviet Union, Bulgaria, Hungary, the GDR, Poland, Romania, and Czechoslovakia; reduced on a large scale. Thus deeds come ahead of words, obligations precede agreements.

During this year, the Soviet armed forces deployed in the allied countries of Eastern Europe will be cut by over 20,000 men, 2,700 tanks and 300 combat aircraft. Twenty-four tactical missile launchers will be withdrawn from the German Democratic Republic.

By 1991 the armed forces of the Warsaw Treaty countries will have been reduced by 300,000 men, 12,000 tanks, and 930 combat aircraft.

The composition of the remaining Soviet units and formations in those countries will also change substantially. There will be 40 percent fewer tanks in motorized rifle divisions, and 20 percent fewer in tank divisions.

This diplomacy of example, diplomacy of deeds, calls for something more than just a chorus of praise and approval. Let those in the West who are applauding our unilateral steps respond with a step of their own in those categories of arms where they have an advantage.

However substantial the numerical reductions may be, their main significance probably lies in the political signal that they send.

The actions taken by the Soviet Union and other socialist countries reflect above all a new approach to assessing the probability and degree of military threat posed by the West. They reflect growing confidence that security can to an increasing extent be assured by non-military means. The outdated criterion that more weapons means a better guarantee of security has been replaced by a new and all-pervasive resource—the emerging factor of trust.

For our part we would like to hope that our way of thinking and acting is no longer identified in the West with ill will or evil intentions.

The mutual "image of the enemy" that used to pervade both Western and our propaganda is giving way to a more objective and serious look at each other.

Let us together pledge that that image, which not only affects people's feelings but also leaves a grave imprint on policy making, dialogue, and communication, shall not burden these negotiations.

Now, let me present to you our specific positions.

They call for a three-stage reduction of armed forces in Europe down to levels sufficient exclusively for defense.

Recently NATO, too, has put forward a proposal on stability at lower levels of armaments.

These two approaches can be bridged. Notwithstanding serious differences, they can be brought together. For both NATO and the Warsaw Treaty Organization call for eliminating the potential for carrying out a surprise attack and launching large-scale offensive operations. Furthermore, both sides believe that a lower level of overall military confrontation in Europe has to be attained.

That is already a kind of starting point for the negotiations, which is not bad.

This is what we propose. In the first phase, with a duration of 2 or 3 years, imbalances and asymmetries would be eliminated, as regards both troop numbers and the main categories of arms.

To achieve this, it is proposed that reductions focus mainly on the most destabilizing kinds and categories of arms such as front-line attack combat airplanes of tactical aviation, tanks, combat helicopters, combat armored vehicles and armored personnel carriers, and artillery, including multiple rocket launcher systems and mortars.

NATO and the Warsaw Treaty would reduce their armed forces and conventional arms down to equal collective "ceilings" which would be 10-15 percent lower than the lowest levels possessed by either of the political-military alliances.

A small remark here. We do not know what proposals our negotiating partners from NATO will bring to this rostrum, but it is clear from our discussions that they would prefer not to affect troop numbers and would artificially restrict the list of destabilizing armaments subject to priority reductions.

Let me ask: What kind of reductions are these if they do not affect the main component of armed forces—their personnel? And surely airplanes and helicopters can be used for a surprise attack.

The next element: Strips (zones) with reduced levels of arms, from which most dangerous and destabilizing types of conventional arms and hardware would be withdrawn, reduced, or restricted and within which there would be limitations on military activities, would be created along the line of contact between the military-political alliances.

Tactical nuclear arms would also be withdrawn from those zones. Nuclear weapons delivery vehicles would be pulled back from the line of contact to a distance that would make it impossible for them to reach the other side's territory.

All those elements are treated in detail in the proposals of our allies.

In the second phase, also lasting 2-3 years, further cuts would be carried out on an equal-percentage basis to reduce the identical ceilings attained during the first phase.

During that stage the armed forces of each side would be reduced by another 25 percent (i.e., approximately by 500,000 men) with their organic armaments. At the same time other categories of arms would be reduced, and further steps taken to restructure the armed forces on the basis of the principles of sufficiency for defense.

Finally, during the third phase the armed forces would be given a strictly defensive character, and agreements would be reached on ceilings limiting all other categories of arms and on the principles of armed forces development by which the participating countries would have to abide.

One of the most difficult problems, it would seem, is how to avoid the sterile data debate which Vienna has already heard as the requiem for talks on disarmament in central Europe.

It is clear even now that the published figures are causing a great deal of mutual arguments and objections. That is understandable. Differing approaches were applied, and hence the conclusions turned out to be different. We would think that it is not productive now to argue who is right and who is wrong.

Would it not be better just to avoid sterile arguments about data while giving priority to strategy and large-scale politics?

We are not citing any absolute figures for future "ceilings." This is what experts should work on; it is for them to develop a common approach, a single method of account, which must be scientific, fair, and objective.

Any ingenious strategem or undisguised attempt to retain an advantage in a particular kind of arms could torpedo the negotiations.

This is not a matter of arithmetic but more properly of morality. Honesty and fair play are indispensable components of the process of negotiations.

If we—both in the West and in the East—are convinced that growing trust creates a chance to lower military confrontation, that conviction should be translated in practice into greater openness and glasnost, and lower levels of troops and armaments, the only correct and acceptable way to achieve security is to create a situation that rules out mutual threats.

That is why we are saying that at each stage of the process of disarmament the interests of mutual security must be observed. Without that we shall not be able to stop the arms race. It cannot be stopped selectively. True, we can move faster in one area while postponing a decision in another, but it would be naive to think that one has no relation to the other. And since that is so, we have to take, so to say, a broad-spectrum approach, to move ahead, across the broadest front of disarmament, ridding ourselves of nuclear, chemical, conventional, and any other weapons.

We continue to be fully confident of an early conclusion of the Soviet-American treaty to reduce strategic offensive arms by 50 percent. We hope that the day of the signing of the convention banning and eliminating chemical weapons is not far off.

I also want to emphasize that the Vienna mandate is based on the Madrid mandate, which provides that confidence- and security-building measures must apply not only to Europe but also to the adjacent sea area and the air space above.

In going back to this question it is not at all our aim formally to reaffirm our position about the need to include naval armaments, too, within the context of confidence-building measures. Technological advances are changing the role of those armaments. As ships are equipped with long-range cruise missiles, which can perform strategic tasks even though conventionally armed, attack capabilities of naval fleets will be even more powerful than they are now. Surface ships and submarines are becoming ideal offensive weapons, best fit for a surprise attack. Measures that give ground forces a strictly defensive structure, withdrawals of tanks and artillery, and all other steps to rule out surprise attack logically bring about the need for serious efforts to limit destabilizing offensive functions and capabilities of naval forces.

The issue of naval forces has been raised on the eve of these negotiations not as a condition but with only one aim in mind: We have to understand clearly even now that the scope of eventual agreements will to some extent be affected by, among others, the factor of naval arms.

This is equally true of the question of modernizing tactical nuclear arms, if such plans are translated into practical actions.

The reason is not even that modernization is a way to maintain and build up nuclear arsenals. What is more, it can destroy the fragile trust that has just begun to emerge in Europe as a result of decisions genuinely significant militarily, and important politically and psychologically.

If it happens, Europe will be pushed back to what it was before the conclusion of the Soviet-American treaty eliminating INF missiles.

The Soviet Union proposes that separate negotiations be started as soon as possible on reducing and completely eliminating tactical nuclear weapons in Europe.

What Europe needs is not modernization of missiles, but a modernized system of security based on drastic reductions of troops and armaments.

But even then we would of course have to be confident that the new formula of security would work in all situations.

To have such confidence, the most rigorous and reliable verification must be assured. As we see it, that should not be a big problem. In principle we know how it could be done. What is more, we have systems in operation and well-tested methods of control and verification. The implementation of the Stockholm agreements and the practice of monitoring compliance with Soviet-American agreements makes us confident that the problem of verification can be solved in this area as well.

We shall insist on the most stringent and rigorous verification, including inspections without right of refusal, aerial monitoring of the situation, and checking the routes of communication used to reinforce troops and equipment.

In other words, there is no verification measure that we would not be ready to consider and accept on the basis of reciprocity.

Such is our long-term programme of reducing conventional armed forces.

Its implementation begins, naturally, with first steps. Let us try to take them and to conclude the initial agreement within a short time.

We have all that is needed for that.

At the negotiations of 35 we would like not only to improve what was done in Stockholm but also to reach agreement on a new generation of large-scale confidence-building measures under which openness and glasnost would go hand in hand with limitations on all kinds of military activities and with confidence-building measures extended to naval and air forces.

Neutral and non-aligned countries could play an important role here. We for our part will do our best to make sure that their national security interests are fully taken into account.

Let me add another remark.

The evolution of the situation in some regions adjoining Europe makes one think of new dimensions of European security.

In the Near and Middle East, i.e., in close proximity to Europe, powerful weapons arsenals are being created. It is not enough just to mention that 25,000 tanks and 4,500 aircraft are deployed and ready for combat in the Middle East and there is a real danger of nuclear and chemical weapons appearing there—missiles have already appeared with an operational range of 2,500 km; that is, of precisely the same class that is being eliminated from Europe. This new situation is emerging against the background of the mounting trend toward European disarmament. The conclusion is obvious: The processes of disarmament in Europe and settlement in the Middle East have to be synchronized. While the Mediterranean is, in some way, joining in the all-European process, the Near and Middle East remain outside our collective concern. I say collective concern because certain attempts are being made on an individual basis.

Today they are clearly insufficient.

While welcoming the Europeans' Middle East initiative, the Soviet Union is calling for joining the efforts of all premanent members of the United Nations Security Council, the UN secretary general, and the European Community to help the peoples of the region to establish peace, put an end to the arms race, and initiate wide-ranging economic and environmental cooperation. To do so, it is imperative to get rid of the rudimentary mentality that requires acting against each other rather than together with others. There should be no playing on any contradictions—whether it is Israel's conflict with the Arabs or the difficulties in the West's relations with Iran.

There should be respect for the values of those with whom we coexist on our planet—even if they do not fit our own standards.

Going back now to the topic of the coming negotiations of 23 and 35, let me express confidence that they have good chances of succeeding.

I want to assure you that the Soviet Union will do its best to help them succeed. It will do so guided by our view of today's world and of ways to assure its security and solve global and regional problems, as set forth by Mikhail Gorbachev at the session of the United Nations General Assembly.

We have a very difficult road ahead of us. Our experience—the experience of 5 Soviet-American summits and more than 30 ministerial meetings—tells us that without such intensive work on problems of real disarmament there would be no treaty eliminating INF missiles today.

These negotiations will require something similar, but on a larger scale. At certain stages the matter could be considered at the highest level. It is possible that more than one all-European summit meeting will be required. We have to anticipate that at decisive moments, possibly twice a year, foreign ministers might have to meet in order to keep the fire burning at these negotiations and prepare for the summit.

In this area, which is of major importance for the future of Europe, there is a need for maximum concentration of efforts and active cooperation among all states participating in the Helsinke process.

We are firmly counting on that.

Let me wish the participants in these negotiations an early and productive implementation of the mandate.

Our wholehearted gratitude goes to Austria, which has assumed the difficult function of hosting these talks. We thank the government of the Republic and the Austrian people.

ACTIVE OR READY DIVISION CHARACTERISTICS

	Personnel	Tanks	Artillery
U.S. divisions:			
Armored	16,600	348	72
Mechanized	16,800	290	72
Infantry	17,700	116	75
Soviet divisions:			
Tank	11,470	325	110
Motorized rifle	13,500	250	140

Source: CRS Report 88-425, April 1988.

	Warsaw Pact forces		NATO forces	
	Warsaw Pact estimate [1]	NATO estimate	Warsaw Pact estimate	NATO estimate
Personnel	3,573,100	3,090,000	3,660,200	2,213,593
Tanks	59,470	[2] 57,300	30,690	[2] 22,224
Combat aircraft	7,876	8,250	7,130	3,977
Artillery	71,560	[2] 46,270	57,060	[2] 17,328
IFV/APC [3]	70,330	[4] 22,400	46,900	[4] 14,153

[1] Warsaw Pact estimates of personnel and armaments include naval forces.
[2] NATO tank estimates include approximately 5,800 tanks in storage for both sides. Artillery estimates include approximately 2,870 pieces in storage for each side.
[3] Infantry fighting vehicles/armored personnel carriers
[4] NATO estimates include only infantry fighting vehicles.

Sources: Conventional Forces in Europe: The Facts, NATO, November 1988. Statement by the Committee of Ministers of Defense of the Warsaw Treaty Member States, January 1989.

WARSAW PACT VERSUS NATO EQUIPMENT IN EUROPE—IISS ESTIMATE, THE MILITARY BALANCE 1988-89, ATLANTIC TO THE URALS

	Warsaw Pact	NATO	Warsaw Pact: NATO
Weapon type:			
(1) Main battle tanks	53,000	22,200	2.4:1
(2) Artillery (including MRL)	36,000	10,600	3.4:1
(3) ATGW launchers	13,700	11,000	1.2:1
(4) ATC (including APC/IFV	23,600	6,200	3.8:1
(5) Armed helicopters	1,220	864	1.4:1
(6) Air defense/fighters and interceptors	4,432	1,178	3.8:1
(7) Fighter-bomber and ground attack	3,218	3,215	1.0:1

DOD ESTIMATES—SOVIET MILITARY POWER 1988

Weapon	Warsaw Pact	NATO	Warsaw Pact: NATO
In place in Europe/rapidly deployable:			
(1)	32,400	21,100	1.5:1
(2)	23,800	15,300	1.6:1
(3)	20,100	13,200	1.5:1
(4)	42,000	28,900	1.5:1
(5)	1,000	600	1.7:1
(6)	2,700	1,100	2.5:1
(7)	3,000	2,200	1.4:1
Fully reinforced:			
(1)	53,100	25,900	2.1:1
(2)	44,000	18,500	2.4:1
(3)	30,800	22,900	1.3:1
(4)	60,000	34,400	1.7:1
(5)	1,250	1,300	.96:1
(6)	3,100	1,140	2.7:1
(7)	3,450	3,850	.90:1
In place/rapidly deployable (including France and Spain):			
(1)	32,400	23,400	1.4:1
(2)	23,800	19,000	1.3:1
(3)	20,100	14,900	1.4:1
(4)	42,000	34,300	1.2:1
(5)	1,000	780	1.3:1
(6)	2,700	1,380	2.0:1
(7)	3,000	2,600	1.2:1
Fully reinforced (including France and Spain):			
(1)	53,100	28,200	1.9:1
(2)	44,000	22,200	2.0:1
(3)	30,800	24,600	1.3:1
(4)	60,000	39,800	1.5:1
(5)	1,250	1,480	.84:1
(6)	3,100	1,420	2.2:1
(7)	3,450	4,250	.81:1

A MEAN BEAN COUNT

	Warsaw Pact	NATO	Warsaw Pact advantage
Mean of estimates:			
Total military manpower	3,573,000	2,696,300	1.3
Main battle tanks	47,000	19,000	2.5
Armored vehicles	68,400	33,400	2.0
Antitank missiles	23,900	11,900	2.0
Artillery/rocket systems	34,700	12,600	2.8
Combat aircraft	7,000	3,600	1.9
Division equivalents	136	96	1.4

Note.—The range of estimates results from differences in weapon category definition. The mean and its ratio are derived from a wide range of sources, not simply the high and low estimates.

Note.—Adapted from Brookings Review (Winter 1988–89), p. 59.

IN PLACE AND IMMEDIATE REINFORCING DIVISIONS IN CENTRAL EUROPE

	In place	Reinforcing
NATO country:		
United States	5⅓	6
West Germany	12	3⅓
France	3	12
Britain	3	⅔
Belgium	⅔	1⅓
Netherlands	⅓	3
Canada	⅓	
Total	24⅔	26⅓
Total divisions	51	
Total armor division equivalents	34	
WTO country:		
U.S.S.R	24	7
East Germany	6	4
Czechoslovakia	6	
Poland	0	8
Total	36	19
Total divisions	55	
Total armor division equivalents	34	

Source: "Soviet Readiness for War", House Armed Services Committee (Dec. 5, 1988), p. 6.

ARMS CONTROL: DOWN TO BUSINESS

After three days of speechifying from their foreign ministers, negotiators from the 23 countries of NATO and the Warsaw pact sat down together in Vienna on March 9th in an effort to cut their non-nuclear forces in Europe. Europe, for their purposes, stretches from the Atlantic to the Urals, but also includes Britain, Iceland, the Azores and the Canaries. One small region of southern Turkey is left out. Encouragingly, the two sides' opening positions are not that far apart.

The western allies' proposal was outlined on March 6th by Britain's foreign secretary, Sir Geoffrey Howe. It calls for both sides to cut to the same levels, slightly below NATO's present numbers, in tanks, armoured personnel-carriers and artillery. No single country could possess more than 30% of the total allowed to both sides in any of these three categories. And for each alliance there would be limits on the number of these weapons which could be stationed outside the country that owns them (see table).

This would require much deeper cuts by the Warsaw pact than by NATO. The Soviet Union has already accepted the idea of making the big cuts. NATO's 30% rule is aimed mainly at the Russians, who now field around half of the Warsaw pact's armoured vehicles and artillery. The effect of the NATO proposal would be to require even greater reductions in Soviet forces than those Mr. Gorbachev has already promised to make unilaterally by 1991.

The western allies also want sub-limits within each of three geographical areas. For example, each side could have no more than 8,000 of its 20,000 allowed tanks, 11,000 of its armoured personnel-carriers and 4,500 of its artillery pieces within an area consisting of the Benelux countries, the two Germanies, Poland and Czechoslovakia. That is to ensure that neither side can concentrate its forces rapidly for attack.

The Warsaw-pact position was outlined in rather less detail by the Soviet foreign minister, Mr. Edward Shevardnadze. He proposed a three-stage reduction. The first stage (shown in our table), over two to three years, would cut each side's main weapons and troop number to 10–15% below the numbers NATO now has. The Russians also want to cut ground-attack aircraft and helicopters. NATO dislikes this idea, but will eventually have to go along.

EUROPE

	NATO proposal—NATO figures (Note 1)						Warsaw-pact proposal—Warsaw pact figures (Note 1)		
	NATO now	Warsaw pact now	Each side after cuts	NATO "stationed forces" now (Note 2)	Warsaw pact "stationed forces" now	"Stationed forces" after cuts	NATO now	Warsaw pact now	Each side after cuts (12.5%)
Troops	[1]	[1]					2.98m	3.24m	2.60m
Tanks	[2] 22,224	51,500	20,000	5,121	9,790	3,200	30,690	59,470	26,854
Armoured personnel-carriers	[2] 32,475	[3] 70,000	[3] 28,000	[3] 8,500	[3] 13,800	6,000	46,900	70,330	41,038
Artillery	[2] 17,328	43,400	16,500	[4] 850	4,960	1,700	57,060	71,560	49,928
Attack aircraft	[1]	[1]					5,450	5,355	4,686
Combat helicopters	[1]	[1]					5,270	2,785	2,437

[1] Not part of proposal.
[2] Includes equipment in storage.
[3] the Economist estimates.
[4] Of these, no more than 12,000 may be fighting vehicles with mounted guns.

Note 1: NATO and Warsaw-pact figures are not directly comparable because the two sides use different definitions of equipment.
Note 2: "Stationed forces" are forces stationed outside their own national territory.

It will also resist including manpower. The West shied away from proposing manpower limits because the now-defunct MBFR talks found numbers too difficult to nail down. Accurately checking the number of men on the ground will be hard, but if the Russians insist on trying NATO may have to go along with this, too.

The Warsaw pact would also like to apply special limits in a sub-zone, probably a strip about 100 kilometers wide on each side of the border between East and West Germany. There would be limits on military maneuvers in the area, and all tactical nuclear weapons would be barred. However, NATO is committed to defending West Germany smack on its border with the East, so this idea is out. Nor is NATO likely to accept a related proposal to pull all nuclear-weapons launchers—including aircraft, artillery pieces and rocket launchers—so far back that they could not reach enemy territory.

In the second stage, also two to three years long, each side would cut its forces by a further 25%. In the final stage all other weapons would be cut so as to leave each side able to fight only defensively.

Mr. Shevardnadze also served notice that the Warsaw pact's negotiating position will be influenced by "the factor of naval arms". Precisely how remains to be seen. The mandate for these talks, which he initialled in January, specifically excludes both nuclear weapons and naval forces.

Because of the different sorts of cuts being suggested, it is hard to compare the two sides' proposals directly. The Russians are asking for bigger percentage cuts, but they have generally counted more sorts of weapons. The stage-one proposals are therefore within shouting distance of each other.

Mr. Shevardnadze's second and third stages will be a problem. NATO generals do not like the idea of cuts that would weaken the central front by more than about 10%. They believe they could then no longer keep to the agreed strategy of forward defence—they would have to pull back from the front and prepare to fight a war of delay and manoeuvre, which would mean abandoning much of West Germany. They could live with stage one; what is not clear is how hard the Soviet Union will stick to its demand to go on to stages two and three.

Despite the obvious problems ahead, most of those involved in the Vienna talks are optimistic about the prospects of a deal. Sure, the old MBFR talks, which were trying to do much the same things, dragged on for years with no success. But this time things seem different. Many observers believe Mr. Gorbachev wants a deal and will make concessions to get one.

[From the Armed Forces Journal, March 1989]

SOVIET MILITARY DEVELOPMENTS

BIG DIFFERENCES BETWEEN NATO, WARSAW PACT CONVENTIONAL FORCE TALLIES

(By Steven J. Zaloga)

The Warsaw Pact has weighed in on the "bean count" with its first public estimate of the NATO-Warsaw Pact military balance. Not surprisingly, its numbers portray the balance as much less lopsided than NATO's figures do and show a much more modest advantage for the Warsaw Pact in most ground weapons, but a big NATO advantage in tactical air and naval forces.

The Soviet assessment includes naval aviation forces, which NATO's most recent figures did not consider. In other categories, the NATO and Warsaw Pact figures cannot be directly compared because of different counting rules, leading to a skewed apples-and-oranges tally.

The new data were released by the Warsaw Pact Defense Ministers' Committee in the Soviet newspaper Pravda on January 30th as a response to NATO's document "Conventional Forces in Europe: The Facts," released in November (Jan AFJI).

TANKS AND FIGHTING VEHICLES

The issue of the tank imbalance has always been the heart of the bean count. NATO finds a 3.1:1 Warsaw Pact advantage, whole the Soviet figures suggest a more modest 1.9:1 advantage. One reason is that the Soviets label their figures as "tanks" rather than reflecting the NATO criterion of "main battle tank." Since the Warsaw Pact has few light scout tanks (PT-76) in service, NATO light tanks such as the Scorpion and M-41 push up the NATO tank figures. NATO's comparison of the balance includes light scout tanks under the heading of "Other Armed Vehicles."

For example, NATO lists Belgian strength as 320 tanks. This refers to Leopard Is in fully or partialy manned units; however, Belgium has another 14 Leopard Is and about 40 old M-47s in storage. But the Soviets also include 136 Scorpion light scout tanks, bringing the Belgian total to 530.

Many of the other discrepancies are even more difficult to justify, and some appear to be outright fabrications. Several NATO countries are credited with tank inventories far in excess of actual numbers, even allowing for the different Soviet standards. For example, the Warsaw Pact more than doubles Spain's inventory, even though Spain has no substantial quantity of either light tanks or MBTs in storage. Canada is credited with 150 tanks, even though it has purchased only 114 Leopards and stations the majority in Canada. The figures credit France with nearly triple the number given by NATO, which is implausible even if one counts the AMX-13 light tanks in storage. Portugal is an even more ludicrous example. The Warsaw Pact bean count credits Portugal with a total of 470 tanks: Portugal has 66 operational M-48A5s, 16 1944-vintage M-24 light tanks, and about 65 M-47s in various states of dispair. The Portuguese cleared their junkyards of ex-US World War II tanks in the late 1970s and early 1980s, selling them as scrap to logging concerns in the southern US (for use as tractors) and to military vehicle collectors in Europe and the US. The Soviets still seem to be counting 50-year-old Portuguese M-3 Stuart light tanks and similar junk, all of which still fall short of the recently released figures.

The figures also make it difficult to determine whether the Soviet bean counters included their own substantial reserves of stored tanks in their numbers. NATO's figures do not include stored tanks, since they are so difficult to tally.

NATO VERSUS WARSAW PACT TANK COUNTS

	NATO	WP
Belgium	320	530
Canada	60	150
Denmark	228	350
France	1,250	3,190
Germany	4,330	4,900
Greece	1,420	2,000
Italy	1,500	2,330
Netherlands	750	1,250
Norway	117	370
Portugal	66	470
Spain	866	1,850
Turkey	3,000	4,320
United Kingdom	717	2,000
United States	1,800	6,980
Total	16,424	30,690
Bulgaria	1,800	2,200
Czechoslovakia	3,800	4,585
East Germany	3,000	3,140
Hungary	1,300	1,435
Poland	3,400	3,330
Romania	1,200	3,200
USSR	37,000	41,580
Total	51,500	59,470

NATO figures cover only main battle tanks, not light scout tanks (see Light Armored Vehicle table). NATO figures do not include 5,800 MBT's held by NATO countries in storage; comparable figures for the Warsaw Pact are not available but are believed to exceed NATO holdings. Warsaw Pact data include light tanks as well as main battle tanks. Warsaw Pact figures include NATO tanks in storage, but it is unclear if they include Warsaw Pact stored tanks.

The situation is even more complicated when it comes to light armored vehicles. NATO tallies these vehicles under two headings. "Armored Infantry Fighting Vehicles (AIFV)" and "Other Armored Vehicles" in order to distinguish the high-quality types like the Bradley and Marder from older, poorly armed APCs. The Soviets lump all these together. Even if both NATO categories are combined, it is still difficult to make a meaningful comparison between the two sets of figures because of remaining ambiguities. The NATO figures include armored command vehicles (like the M-577), while the Warsaw Pact does not include its own armored command vehicles (like the BTR-60PU). Until both sides explicitly list what vehicles they do and do not include, a reasonable side-by-side comparison of these categories is impossible.

There are similar difficulties in comparing artillery and antitank systems. The greatest discrepancies between the NATO and Warsaw Pact figures come in the artillery category. The Warsaw Pact figure for NATO artillery is more than three times higher than NATO's figure. The Soviets expand the category to include field pieces as small as 75-mm (NATO starts at 100-mm) and include mortars as small as 50-mm. But this does not explain such an enormous discrepancy. For example, Turkey is credited with 2,800 artillery pieces by NATO, but a whopping 14,900 by the Warsaw Pact. The only plausible explanation is that the Warsaw Pact figures include a whole range of weapons not normally considered artillery, like old bazookas, recoilless rifles, and antitank rocket launchers as well as large quantities of stored 81-mm mortars. One presumes that the Soviets do not cover their own large stores of 82-mm mortars, given the modest artillery figures they attribute to themselves. Likewise, the antitank figures are impossible to compare, since NATO's cover vehicles and helicopters with a secondary ATGM mounting (like a BMP with an AT-3 Sagger), which the Soviets exclude. The Soviets count only antitank guided missiles, not all antitank weapons like T-12 towed 100-mm guns or SPG-9 antitank rocket launchers, which would increase the Warsaw Pact total.

NATO VERSUS WP LIGHT ARMORED VEHICLE COUNTS

	NATO	WP
Belgium	1,586	2,020
Canada	400	500
Denmark	787	1,090
France	3,850	4,520
Germany	7,440	6,840
Greece	1,853	1,720
Italy	4,900	6,440
Netherlands	2,020	3,240
Norway	356	190
Portugal	269	280
Spain	2,740	1,720
Turkey	1,700	5,480
United Kingdom	5,048	5,480
United States	6,550	7,590
Total	39,499	46,900
Bulgaria	4,400	2,365
Czechoslovakia	6,100	4,900
East Germany	6,500	5,900
Hungary	2,000	2,310
Poland	6,200	4,855
Romania	4,200	5,000
USSR	64,000	45,000
Total	93,400	70,330

NATO figures combine "AIFV" and "Other Armored Vehicles," which include light tanks. NATO figures do not include 575 AIFV and 7,560 other armored vehicles in storage; comparable data for Warsaw Pact vehicles are lacking, but numbers are believed in excess of NATO holdings. Warsaw Pact figures do not include light tanks, which are covered in Tank Table; they do include NATO stored armored vehicles, but it is unclear if they include Warsaw Pact stored armored vehicles. They appear to include NATO armored command vehicles, but exclude comparble Warsaw Pact types.

NATO VERSUS WARSAW PACT ARTILLERY COUNTS

	NATO	WP
Belgium	248	1,620
Canada	35	170
Denmark	542	1,750
France	780	8,150
Germany	2,220	3,190
Greece	1,752	3,950
Italy	2,100	5,510
Netherlands	667	1,410
Norway	552	2,320
Portugal	260	1,870
Spain	1,038	5,010
Turkey	2,800	14,900
United Kingdom	394	3,320
United States	1,100	3,520
Total	14,458	57,050
Bulgaria	2,000	3,990
Czechoslovakia	2,110	3,445
East Germany	1,700	2,435
Hungary	800	1,750
Poland	2,500	3,065
Romania	1,300	6,600
USSR	33,000	50,275
Total	57,050	71,560

NATO data exclude 2,870 artillery pieces in storage: figures for Warsaw Pact storage are lacking but presumed higher. NATO data include artillery, MRL, and mortars 100-mm and larger, Warsaw Pact data include filed pieces 77-mm and larger and mortars 50-mm and larger.

AIRCRAFT

While there are many mysteries as far as army equipment is concerned, the figures on aircraft and helicopters give a clear idea of the double standards applied by the Soviets to the counting exericse. Unlike the case with ground equipment, both NATO and Warsaw Pact estimates list the type of aircraft which they include in the tally. This makes their counting rules much less enigmatic than in the case of the army equipment.

The combat aircraft category is a bone of contention, since the Soviets argue it should include US and other NATO carrier-based aviation, which NATO does not include. This considerably boosts the NATO tally, although not enough to tip the balance in favor of NATO. The other technique used by the Warsaw Pact which skews the numbers in their favor is counting classes of aircraft for NATO, but not the comparable Warsaw Pact types. So NATO combat-capa-

ble trainers like the Alpha Jet are included, but not comparable Warsaw Pact aircraft like the L-29 or L-39. The Warsaw Pact data also exclude Tu-22M Backfire bombers. The Soviets argue that they are counterparts to British and French strategic nuclear systems and are not relevant to the NATO-Warsaw Pact balance. However, NATO does include Tu-22M Backfires in its tally.

The same problem applies to helicopters: NATO counts only transport and attack helicopters. The Warsaw Pact figures include a wide range of other NATO helicopters, including scout and light liaison helicopters like the OH-6, OH-58, and Bo-105; but they exclude comparable Pact helicopters like the Mi-2 Hoplite.

NATO VERSUS WARSAW PACT ANTITANK GUIDED MISSLE SYSTEM COUNTS

	NATO	WP
Belgium	518	560
Canada	45	70
Denmark	330	310
France	1,460	2,000
Germany	1,710	2,760
Greece	2,267	320
Italy	2,200	2,130
Netherlands	674	764
Norway	550	150
Portugal	362	40
Spain	1,222	190
Turkey	2,400	2,350
United Kingdom	1,196	1,480
United States	3,300	4,940
Total	18,240	18,070
Bulgaria	500	360
Czecholslovakia	2,000	540
East Germany	1,700	620
Hungary	800	270
Poland	2,000	435
Romania	700	400
USSR	36,500	8,840
Total	44,200	11,465

NATO data include helicopters and armored vehicles with ATGM launchers, but not intended primarily as antitank systems. Such secondary role systems account for 2,400 NATO ATGM systems, 23,000 Warsaw Pact. Excluded from NATO data are 2,700 antitank systems in storage, comparable figures for the Warsaw Pact are lacking.

NATO VERSUS WARSAW PACT COMBAT AIRCRAFT COUNTS

	NATO	WP
Belgium	144	170
Canada	40	50
Denmark	87	100
France	450	880
Germany	547	850
Greece	319	450
Italy	250	450
Netherlands	162	200
Norway	78	100
Portugal	99	150
Spain	186	295
Turkey	370	640
United Kingdom	445	835
United States	800	1,960
Total	3,977	7,130
Bulgaria	250	234
Czecholslovakia	400	407
East Germany	350	307
Hungary	150	113
Poland	700	480
Romania	350	380
USSR	6,050	5,955
Total	8,250	7,876

NATO data include combat-capable trainers, land-based naval aircraft, and Tu-22M Backfires. Warsaw Pact data include land-based naval aircraft (except Air Force and Navy Tu-2M Backfire bombers) and exclude combat-capable Warsaw Pact trainers.

NAVAL FORCES

The Warsaw Pact count includes naval forces. NATO figures do not include a naval count, but the Annual report to Congress of the Secretary of Defense does have such an assessment. As in the case of the other categories, the Warsaw Pact figures bear little resemblance to the US figures, due to completely different counting rules. The Soviets exclude small warships like corvettes, which constitute about a quarter of the surface warships of their fleets opposite Europe, while the US tally includes them. As a result, the US counts 302 Warsaw Pact surface warships, but the Warsaw Pact counts only 78. The US figures include some amphibious warfare ships such as LHAs under the heading of "V/STOL and Helicopter Carriers," but not other amphibious warfare ships such as LSDs and LPAs. On the other hand, the Soviets do include amphibious warfare ships in their tallies, adding 84 ships to the NATO total. Both sides count submarines, excluding ballistic missle subs. But the US figures 229 NATO and 308 Warsaw pact submarines, while the Pact counts 200 NATO vs 228 WP subs—due to unexplained counting differences.

Both sides tally aircraft and helicopter carriers in a different fashion. The Warsaw Pact counts nine US aircraft and helicopter carriers and six NATO carriers, while the US total listed in the SecDef's Annual Report to Congress tallies 14 aircraft carriers, 12 helicopter carriers, and nine NATO carriers.

NATO VERSUS WARSAW PACT HELICOPTER COUNTS

	NATO	WP
Belgium	0	0
Canada	0	10
Denmark	0	0
France	220	700
Germany	554	450
Greece	64	130
Italy	170	540
Netherlands	54	20
Norway	0	0
Portugal	0	0
Spain	160	160
Turkey	160	310
United Kingdom	287	700
United States	700	2,180
Total	2,369	5,200
Bulgaria	100	51
Czecholslovakia	200	101
East Germany	150	174
Hungary	100	96
Poland	200	43
Romania	100	220
USSR	2,850	2,200
Total	3,700	2,885

NATO data cover antitank and assault/transport helicopter, but exclude 180 helicopters in storage: comparable data for Warsaw Pack helicopter in storage are lacking. WP figures include naval helicopters and additional categories.

GROUND FORCES

The bean counts of troops are difficult to correlate precisely, due to the different configuration of the Warsaw Pact forces and different counting rules. The Soviet figures break out staff and command troops, air defense troops, rear area support troops, and technical troops under central command, in addition to the troops of the Ground Forces (SV) and airborne forces (VDV). NATO lumps these forces together. However, a comparison is still elusive, since some of the Soviet support troops are used in roles that would be performed by uncounted air force or naval personnel in the NATO forces. The Soviets also include some US and Canadian forces stationed in North America in their grand total for NATO. (In the accompanying charts, these numbers have been excluded.) This matter aside, the personnel count is one of the few areas where the Warsaw Pact and NATO seem to be in the same ball park as far as numbers are concerned.

Some of the differences in the Warsaw Pact count focus attention on NATO advantages which NATO ignores in its own bean count; however, many of the differences seem to stem from the Soviet Union's reluctance to admit the substantial numerical advantages it enjoys in many categories of conventional arms, especially mechanized forces.

The Soviets could address this issue in another fashion by arguing that the raw numbers do not matter. NATO advantages in technology and training give their forces combat power that is not measurable by simple bean counts. The Soviets are reluctant to publicly discuss this matter since it would amount to an admission that many Soviet technologies and military policies are inferior, in some respects, to NATO's.

NATO VERSUS WARSAW PACT GROUND FORCES COUNTS

	NATO	WP
Belgium	68,000	72,300
Canada	5,000	6,500
Denmark	20,540	20,460
France	367,000	309,800
Germany	351,800	386,600
Greece	116,990	152,600
Italy	297,000	298,600
Netherlands	68,000	69,650
Norway	25,059	26,180
Portugal	46,949	48,000
Spain	210,000	211,400
Turkey	380,000	499,600
United Kingdom	140,560	165,300
United States	216,000	218,900
Total	2,312,898	2,485,890
Bulgaria	135,000	106,000
Czechoslovakia	145,000	173,600
East Germany	120,000	154,200
Hungary	80,000	105,200
Poland	230,000	277,000
Romania	180,000	158,200
USSR	2,200,000	1,801,700
Total	3,090,000	2,775,900

Warsaw Pack data for US and Canadian forces in North America not included. Warsaw Pact tally includes all personnel except civil defense, Air Force, and Navy.

ARMS CONTROL IMPLICATIONS

The basic problem with conventional arms negotiations is that they inherently presume an equivalence between Soviet and NATO equipment, even though there is no guaranteed link between numbers of weapons and combat power in a real war. The Soviets, though they are loath to admit it, do not feel that a T-72 with a typical Soviet crew is equal on the battlefield to an M-1 with a typical American crew or a Leopard II with a typical German crew.

This presents a real dilemma to the Soviets when attempting to come to agreement with NATO on reducing conventional arms. NATO analysts do not share the historical anxieties of the Soviets and feel quite simply that a tank is a tank. Bad memories of World War II have little relevance today in assessing modern combat power.

The Soviet release of data on the Warsaw Pact does not bring the two sides much closer to reaching an accord on conventional arms controls. After more than a decade of fruitless Mutual Balanced Force Reduction talks, NATO and the Warsaw Pact are still bogged down debating what to count and how to count it. But this could be a relatively minor arms control problem and could be quickly overcome if both sides would release more detailed and comprehensive information on the specific systems and forces they have counted. This is unlikely to happen soon, given Soviet reluctance to provide details about the organization and force structure of its armed forces. Once this stumbling block is overcome, the debate might

turn to the far more difficult and controversial problem of assessing the relative combat power of the various types of forces to be trimmed under an arms control treaty.

Mr. WIRTH. The confirmation this morning in the Senate Armed Services Committee of Secretary CHENEY and the rapid action on the floor of the Senate seems to me will add momentum to what must be done getting the administration behind this approach with the full support of those of us in the Congress. The promise is great. Let us join together to realize it.

I yield back the remainder of my time.

SENATOR GLADYS PYLE

Mr. PRESSLER. Mr. President, on Tuesday, South Dakotans lost a great leader. Former U.S. Senator Gladys Pyle died in her hometown of Huron, SD, at the age of 98.

Gladys Pyle was the only woman ever elected to represent our great State in this distinguished body. She also was the first Republican woman elected to the Senate. Gladys Pyle's lengthy record of unselfish public service to the people of South Dakota is well known and highly respected by South Dakotans.

Gladys Pyle was a fine citizen and a true leader. I knew her personally and admired the example she set for the men, women, and youth of our State.

Mr. President, I ask unanimous consent that the Gladys Pyle section of my book, "U.S. Senators from the Prairie," be printed in the RECORD, following by an obituary that appeared in the Sioux Falls Argus Leader this morning.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GLADYS PYLE

Date of Birth: October 4, 1890.
Place of Birth: Huron, South Dakota.
Parents: John L. Pyle, Mamie I. Shields.
College/Degrees: Huron College, (B.A.).
Date Entered Senate: November 9, 1938.
Age at Induction: 48.
Date Left Senate: January 3, 1939.

A teacher, business person, and politician, Gladys Pyle was a prominent figure on the South Dakota political scene long before there was an organized women's movement. Pyle was the first women member of the state house of representatives and the first and only woman to date elected to the U.S. Senate from South Dakota. She also ran for governor in 1930 and came within an ace of winning.

Gladys Pyle was born in Huron on October 4, 1890. She attended public schools and graduated from Huron College in 1911. For the next six years she was employed as a teacher in public high schools in Miller, Wessington, and Huron. Pyle serve in the state house of representatives from 1923 to 1927; throughout her tenure she fought for ratification of the proposed constitutional amendment to prohibit child labor. She was secretary of state of South Dakota from 1927 to 1931, and from 1931 to 1933 she was a member of South Dakota's Securities Commission. In 1933 she started a new career in the life insurance business.

A long-time Republican, Pyle made her bid to become South Dakota's first woman governor while she was secretary of state, basing her campaign on a call for reform of the state banking department. In a five-person primary contest, she received a plurality of votes—over twenty-eight percent of the total cast. South Dakota law, however, specifies that if a primary winner does not receive thirty-five percent of the vote, the nomination shall be decided by a state party convention. Pyle received the most votes on several early ballots at the subsequent convention, but ironically Warren Green, the contestant with the fewest votes in the primary, eventually received the GOP nomination and was elected governor in the general election.

In 1938 Republican party officials persuaded Pyle to enter an unusual special election for the remaining two months of the late Peter Norbeck's term, extending from the November general election to the January opening of the next Congress. Democrat Herbert Hitchcock, Norbeck's appointed successor, had left Washington when the Senate adjourned on November 8 to enter the regular senatorial race (and he lost out in the Democratic primary). Republicans, meanwhile, were afraid that President Roosevelt would call a special session of Congress; Pyle agreed that a Republican should represent South Dakota in such a session. She won the special election, while Chan Gurney won the regular general election for the six-year Senate term beginning in January 1939.

As it turned out, Congress did not convene during Pyle's special term and she was never installed in the Senate in a Washington ceremony. All the same, she had the honor of serving as South Dakota's U.S. senator in that brief interim.

Pyle remained active for many years in the insurance business, farm management, and politics. In 1940 she was a delegate to the Republican National Convention. From 1943 to 1957 she served on the South Dakota Board of Charities and Corrections, and she has long been active with the Red Cross and the Salvation Army. The former senator resides in her home town of Huron.

GLADYS PYLE, FIRST SOUTH DAKOTA WOMAN ELECTED TO SENATE, DIES AT 98

HURON.—Gladys Pyle, 98, the first South Dakota woman elected to the U.S. Senate, died Tuesday in Huron Nursing Home.

When Sen. Peter Norbeck died in the fall of 1938, Gladys Pyle ran for his unexpired term to keep a Republican in office in the event Congress was reconvened. She won the special election but Congress was not reconvened so she was not installed. Chan Gurney won the regular general election and took over the South Dakota office in January of 1939.

Gladys Pyle was born Oct. 4, 1890, in Huron. She graduated from Huron College in 1911 and attended the American Conservatory of Music in Chicago from 1911 to 1912. She then taught Latin in Huron, Miller and Wessington.

She was a lector for the League of Women Voters from 1921 to 1922 before becoming the first women to be elected to the state House of Representatives in 1922. She served in the House until 1926 while also serving as assistant secretary of state.

She was secretary of state from 1927 to 1930 and was a gubernatorial candidate in 1930. She started work as an insurance agent for Northwestern Mutual in 1931, but continued her political career.

From 1931 to 1933, she was executive of the state Securities Commission. She was elected to the U.S. Senate in 1938. She served as secretary of the state Board of Charities and Correction from 1943 to 1957 and was a delegate to the National Republican Convention in Philadelphia in 1940.

She retired from the insurance company in 1986.

She received several humanitarian and civic awards including the Beta Sigma Phi First Lady of the Year, 1952; Huron college Alumni Association Distinguished Service Award 1956; Huron College Honorary Degree, Doctor of Laws, 1958: Huron's Chamber of Commerce Citizen of the Year, 1964; Beta Sigma Phi Order of the Rose, 1970; AAUW National Fellowship established in her honor, 1972; South Dakota Press Association Distinguished Service Award; and the state BPW Bicentennial Award, 1976.

Survivors include nieces and nephews.

Memorial services will begin at 2 p.m. Wednesday in United Presbyterian Church in Huron. Her remains will be buried in Riverside Cemetery.

Memorials may be directed to Huron University. YWCA and First Presbyterian Church.

TRIBUTE TO RUSSELL CORP.

Mr. HEFLIN. Mr. President, I rise today to inform my colleagues that the Russell Corp. has been named the "Company of the Year" for Alabama by the Jenks Southeastern Business Letter.

Russell Corp. is a domestic apparel manufacturer headquartered in Alexander City, AL. They produce many different lines of clothes but are perhaps best known for their athletic uniforms.

The Russell Corp. has consistently been one of the premier companies in Alabama. By outfitting its plants with the most advanced equipment in the apparel industry, they have been able to compete effectively against the stiff competition from overseas producers. Russell's earnings and sales have increased in 17 of the last 18 years and that trend should continue with their increased production capacity.

I would like to congratulate the Russell Corp. on this award and on the many jobs they provide for Alabamians. I look forward to their continued success.

TRIBUTE TO DR. FREDERICK P. WHIDDON

Mr. HEFLIN. Mr. President, I rise today to pay tribute to Dr. Frederick P. Whiddon who was selected by the Mobile Civitan Club as the "41st Annual Mobilian of the Year." I can think of no individual more worthy of this award than Dr. Whiddon.

Dr. Whiddon's most obvious and most amazing contributions to Mobile revolve around his duties as the president of the University of South Ala-

bama. He was appointed as the university's first president in 1963 and has guided it through many trials and tribulations to the lofty status it enjoys today. As the university's only president, Dr. Whiddon has seen the University of South Alabama undergo numerous changes during the past 25 years.

In this silver anniversary year of the university of South Alabama, Dr. Whiddon can look back over the tremendous progress he has fostered. One important aspect of a university is the students it attracts. Under Dr. Whiddon's able guidance, the university's enrollment has grown from 234 students to over 10,000 students—an incredible accomplishment by any standards.

Dr. Whiddon has not just ensured the academic success of the university, he has protected its financial security for generations to come. He led the fight to protect and document the university's ownership in Grant's Pass. His leadership in this effort defend the school's property of the Alabama coast provided the university with a perpetual endowment.

Mr. President, you might expect a man like Dr. Whiddon to be only totally immersed in the operations of the university, but that is not the case. He also devotes himself to many worthy causes in the Mobile community, such as the Boy Scouts, the Allied Arts Council, the Mobile Area Chamber of Commerce, the American Red Cross, the Historic Mobile Preservation Society, and the Dauphin Way United Methodist Church.

Many of Dr. Whiddon's efforts to enhance the University of South Alabama have also directly improved the community as a whole. He was largely responsible for restoring the Saenger Theater as a center for the performing arts. He was also instrumental in obtaining Mobile General Hospital for the university and upgrading it into a modern medical facility.

Dr. Whiddon will be honored on April 7 at the awards banquet. Knowing Dr. Whiddon, I suspect he will offer credit to many others for his many accomplishments. Rest assured, Frederick Whiddon has been the driving force and the spirit which has propelled the University of South Alabama to such heights and contributed so much to Mobile. He is most deserving of this reward and I congratulate the Mobile Civitan Club on their most appropriate selection.

Thank you, Mr. President.

TRIBUTE TO DR. ERNEST STONE

Mr. HEFLIN. Mr. President, I rise today to pay tribute to Dr. Ernest Stone of Jacksonville, AL, who died on February 7. Dr. Stone devoted his entire life to the improvement of the educational system in Alabama. We remain indebted to him for his service and his many accomplishments in his various posts.

Dr. Ernest Stone distinguished himself in the classroom as well as in the work force. He earned a bachelor's degree in education from Jacksonville State University as well as bachelor's and master's degrees from the University of Alabama. He also studied at Michigan State University and Columbia University. His stature in the education field has been such that he was awarded honorary doctorates from Samford University, the University of Alabama, and Jacksonville State University.

Dr. Stone's career in education spanned 48 years and included many different areas of the field. Few would have guessed the heights he would scale when he began his career as the principal of Kilpatrick Junior High School in DeKalb County, AL, near where he grew up. He served in many administrative positions before being selected to be the Alabama State school superintendent.

Alabama was fortunate to have a man of Dr. Stone's ability and intelligence serve as our State superintendent of education from 1967 to 1971. He was widely known as an expert in his field and often lent his services to others wishing to improve their education systems.

Dr. Stone believed firmly in the value of a good education at all levels and was able to support this belief while president of his alma mater, Jacksonville State University, from 1971 until he retired in 1981. He led the university through many changes in his 10 years as president and has left a lasting impression. The university has honored him by naming the Ernest Stone Performing Arts Center in his honor.

Mr. President, Dr. Ernest Stone was a fine gentleman and a devoted leader in education. He gave his life to improving education in Alabama and we will miss him greatly.

I ask unanimous consent that two articles describing Dr. Ernest Stone's accomplishments be printed in the CONGRESSIONAL RECORD.

Thank you, Mr. President.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Birmingham Post-Herald, Feb. 9, 1989]

ERNEST STONE

Dr. Ernest Stone, who died Tuesday at age 79, spent his life working to improve education in Alabama.

In his 48-year career, he held a variety of administrative positions, most notably state superintendent of education from 1967 to 1971 and president of Jacksonville State University from 1971 until his retirement in 1981. Such was his reputation that on two occasions, in 1950 and again in 1969, he was asked to study or assess educational systems in other countries.

No individual serving in the positions that Stone held could avoid being involved in controversies not of his own making. But Stone preferred a low-key approach that kept the focus on his goal of providing the best possible education to Alabama's children and young adults. He believed strongly in the value of an education.

Even when serving as an elected state superintendent at a time when desegregation was being used for demagogic purposes by various politicians, he avoided the heated rhetoric and was able to serve as a link between the federal courts and local school systems, a role he took great pride in.

Dr. Ernest Stone served the people of this state well.

[Birmingham Post-Herald, Feb. 8, 1989]

DR. ERNEST STONE, EX-JSU HEAD, DIES

Dr. Ernest Stone, former state school superintendent and former president of Jacksonville State University, died yesterday after a long illness. He was 78.

The president of Jacksonville State from 1971 to 1981, Dr. Stone worked in education in Alabama for 48 years. The Ernest Stone Performing Arts Center on the JSU campus was named in his honor.

JSU's current president, Harold McGee, said Dr. Stone will be missed.

"Ernest Stone was my friend," he said. "I valued his support and continuing commitment to Jacksonville State University. His years at the university were a significant part of my heritage. We mourn the loss of that association."

Dr. Stone began his career in education as principal of Kilpatrick Junior High School in DeKalb County. After serving in various administrative posts, he became state school superintendent in 1967.

Dr. Stone grew up on Sand Mountain in DeKalb County.

Dr. Stone received a bachelor's degree in education at Jacksonville and went on to earn bachelor's and master's degrees from the University of Alabama. He studied at Michigan State University and Columbia University and received honorary doctorates from Samford University, University of Alabama and Jacksonville State University.

Funeral will be held at 3 p.m. at Jacksonville First Baptist Church, with burial at Greenlawn Memorial Gardens, K.L. Brown Funeral Chapel presiding.

Survivors include his wife, Mrs. Katherine Stone; son, Lt. Col. William E. Stone of Fort Jackson, S.C.; sister, Mrs. Addie Wester of Albertville; and brother, D.C. Stone of Dalton, Ga.

THE MAXWELLS

Mr. SPECTER. Mr. President, today I would like to recognize a notable gentleman and a noteworthy occasion.

On March 5, 1989, Mr. Ian Robert Maxwell and his wife, Elizabeth, were awarded honorary doctor of laws degrees by Temple University in Philadelphia, PA. Mr. Maxwell's degree acknowledges his distinguished accomplishments as publisher, global media entrepreneur, philanthropist, and statesman.

Mr. Maxwell was born in eastern Czechoslovakia. Most of his family died at Auschwitz. He escaped from Hungary in 1939, and fought in France and Britain and at Normandy in 1944.

Subsequently, with little formal education but with great energy, ambition, and singular determination, he became an entrepreneur of international repute. He is currently chairman and chief executive of Maxwell Communications Corp., plc, and of Macmillan, Inc. He is also chairman of Maxwell Communications, an international company enploying over 30,000 individuals in 16 countries. Maxwell Communications is the second largest printer in the United States.

In his acceptance speech, Mr. Maxwell emphasized that Jews worldwide must show solidarity with the people of Israel, and took the opportunity to speak of the international conference of Jewish leaders that will convene in Jerusalem from March 19 to March 23, 1989. Robert Maxwell is working with Prime Minister Shamir to plan this important "Conference of Solidarity."

Solidarity may have various gradations of meaning and certainly does not preclude differences of opinion or loyalty to the United States, but it does include the commitment to the preservation of the State of Israel.

Mr. President, I urge my colleagues to consider Mr. Maxwell's interesting and timely message, and accordingly, I ask unanimous consent that his remarks at Temple University and the citation for his degree as presented by Mr. Richard J. Fox, chairman of Temple University's Board of Trustees, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TEMPLE UNIVERSITY,
Philadelphia, PA, March 5, 1989.

CITATION FOR IAN ROBERT MAXWELL, DOCTOR OF LAWS HONORIS CAUSA

MR. PRESIDENT: I have the honor to present for recognition Ian Robert Maxwell—publisher, global media entrepreneur, philanthropist, statesman.

Born to a poor but proud family in Eastern Czechoslovakia, he lost most of his family in the Holocaust. As a teenager, he made his way from the cauldron of Hitler's Europe by various escape routes. Volunteering for the British Army, he was commissioned in the field during the battle of Normandy in 1944. A few months later, he received the Military Cross from Field Marshal Montgomery for outstanding leadership and bravery.

After the war, with an inexhaustible supply of energy and a remarkable vision, he fashioned a revolution in worldwide communications. He launched the scientific and communications enterprise associated with the name "Pergamon." He now publishes over four hundred scientific journals, including Holocaust and Genocide Studies.

Robert Maxwell has been active in public communication as well—purchasing the Mirror Group Newspapers, launching the China Daily worldwide, owning and operating British TV cable services, and acquiring the most important TV station in France. His holdings in the United States now include the MacMillan Company and the Official Airlines Guide. As a member of the House of Commons, he fought successfully for clean air, and he advised Prime Minister Wilson's government to use science to achieve policy objectives. He has embraced such causes as famine relief for the starving people of Ethiopia, and brought hope for the victims of AIDS. His Maxwell Foundation will be a legacy to carry on the struggle for human dignity.

A survivor of the worst tragedy in human history, he has worked, in partnership with his wife, to advance understanding between Christians and Jews and all persons of conscience who dream of a better future than the past we have seen.

Mr. President, I have the singular honor to present Ian Robert Maxwell for the degree of Doctor of Laws, honoris causa.

RICHARD J. FOX,
Chairman, Board of Trustees.

TEXT OF REMARKS BY ROBERT MAXWELL, TEMPLE UNIVERSITY, PHILADELPHIA, PA, ON RECEIPT OF HONORARY DEGREE

I am deeply grateful to this distinguished university for the honors which it has bestowed upon my wife and me today.

Fifty years ago next week, I was in Bratislava when the German armies completed the occupation of Czechoslovakia, the country of my birth. Except for a brief period after the end of the war which the invasion of March 15 made inevitable, Czechoslovakia has never since been free.

The Jewish population of my homeland was almost entirely wiped out by the demented and evil Nazi schemes executed by Heydrich and Eichmann. I was one of the lucky ones. At the end of 1939, still only 16, I escaped from a death sentence in Hungary and joined the Czech army in France and then Britain before the Holocaust began. Six million other Jews, including my father, my mother, my grandfather, three sisters and a brother, were not so lucky. My family died in the gas chambers of Auschwitz. A large part of the Jewish people died in the concentration camps which were established throughout Nazi Europe, the most infamous monuments to man's inhumanity to man which ever existed.

The memories of those camps are still with us, and they shape our innermost feeling and fears. No one can understand the world today, and no one can understand the Jewish people today, unless they can appreciate how close Hitler came to wiping out the Jews and how little the free world recognized his intention until it was too late.

Remember, always remember, six million died; died, moreover, in the most brutal way, without sympathy, without concern; died without humanity, while an entire continent stood indifferently by; died in the execution of a mad racial theory; died, not because they were guilty of any misdeeds, but only because they were Jews.

The Prime Minister of Israel, Yitzhak Shamir, has authorized me today to announce he is convening in two weeks' time a conference of leading Jews throughout the world. I have the honor to be a member of the Steering Committee for the conference, whose purpose is to show the solidarity of the Jews who live and work outside Israel with the people of Israel and the initiative its Government is taking for peace and security in the Middle East. And, let me remind you, that is a coalition Government whose assumption of power and whose peace and security policies have been endorsed in the Knesset by almost 80 percent of its elected members, to be precise 95 out of 120. Nothing could be more important for the State of Israel than this demonstration of unity by world Jewry. Of all the demands on my time by all my many enterprises I can think of nothing more important than my attendance at this conference on Jewish solidarity.

The coincidence of your honoring Betty and me today gives me the opportunity to raise the curtain on this conference and to draw the world's attention to Israel's need and desire for that peace and security.

But the lessons of this century, of the Holocaust, of the history of the Jewish people, are that peace and security cannot be assured by promises, by United Nations resolutions or by professions of good intent, whether they emanate from Washington, London, Moscow or wherever Yasser Arafat's caravan has rested. Israel requires deeds, not words. It does not need paper assurances. It needs guarantees made of steel. Since the civilized world cannot produce such guarantees, Israel must look after its own defense. In the final event, the only people the Jews can trust for their survival are the Jews themselves.

It may be that without the Holocaust the State of Israel would not have existed. But had there been a State of Israel perhaps the Holocaust would not have happened.

We, the Jews of the disapora, must always remember this, for our own sake, and for the sake of our children and grandchildren.

Perhaps the Jews of my childhood were too trusting. Perhaps they believed that the Balfour Declaration would bear fruit much earlier than it did. They believed in the illusion. One thing the Holocaust did is that it ended all illusions. For me, the illusions were finally shattered when I learned in 1944 that the Allies would not bomb the railway lines to Auschwitz because such a raid rated low in the military priorities. Had those lines been destroyed my family and countless other Jewish families might not have died. The thought is almost too much to bear.

Those who are intolerant of the Jewish obsession about security must understand that it is impossible for Israel's leaders to compromise with this imperative. Compromise which threatens the existence of the Jewish State is not compromise but betrayal. In the early years of Hitler, there were Jewish leaders who thought that compromise was possible. They were wrong. There were Jewish leaders who thought that the democracies would protect them. They were wrong. It has taken nearly 2000 years to rebuild the State of Israel. It is the bounden duty of the Jewish people, within and without the borders of Israel, to ensure that never again will it be destroyed, to make certain that it will be maintained at almost all cost because the final cost is the very existence of the Jewish people.

That is the price we are not prepared to pay. We have been let down too often to trust blindly again. We cannot rely upon others for our salvation, however solemn the pledges, however sincere the intent. The road to the Holocaust was paved with good intentions on the part of those democrats who were not Jews.

In the famous words of that great German churchman, Pastor Niemoller who himself was thrown into the camp of Dachau:

"First they came for the Jews. I was silent. I was not a Jew. Then they came for the Communists. I was silent. I was not a Communist. Then they came for the trade unionists. I was silent. I was not a trade unionist. Then they came for me. There was no one left to speak for me."

Never again, if they come for the Jews, will they be silent and passive. They can

find no comfort or safety in the quilty consciences of people like Paster Niemoller, washed in public after the fact. They must, this time, have peace with security within frontiers which they themselves can defend.

It may be said that I am talking of days long gone. That the conditions which led to the Holocaust will never arise again. Well, there is a new cloud on the horizon which says otherwise, and that is Islamic fundamentalism.

Look what has happened in recent days in the Salman Rushdie affair. And look not at those writers and politicians who have defended Mr. Rushdie, but at those booksellers and publishers, authors and politicians, organizations and nations, who have crossed to the other side of the road or who have argued for compromise.

Look at the Prime Minister of New Zealand, who asks why his sheep farmers' livelihoods should be imperilled by what he derisively describes as "a book-writer in London." Look, indeed, at the pusillanimous attitude of the British Government, which had to be goaded into taking a strong line by its partners in Europe. Look how the Muslims in Britain and Canada have threatened, brought pressure to bear and asked for blood.

Look how booksellers in the United States and France and in other nations within the European Community have withdrawn The Satanic Verses from their shelves. Look at all these straws in the wind and then think again about Pastor Niemoller. For a moment, change the words. Begin his famous apologia, instead, with the sentence:

"First they came for Mr. Rushdie. I was silent. I was not Mr. Rushdie . . ."

Israel wants peace and needs peace but peace with security. It cannot afford to lose, unlike other nations, even one single war, because that would mean instant annihilation. And 4 wars have been imposed on it since 1948. It cannot trust its whole existence to promises which may not be kept, which may not be intended to be kept and even if they were so intended may be incapable of being kept. While Israel is ready to negotiate a settlement with its neighbors directly and without preconditioning, it cannot accept an armed terrorist-dominated Palestinian state adjoining it, a State moreover of unremitting hostility only waiting for its revenge, not for the events of the past year or two, but revenge for the establishment of Israel itself.

It is impossible to divorce the events of today from what has gone before. The six million dead are part of today's living history. I am not advocating intransigence. What I am saying is that we cannot betray those who died by risking the lives of those who survived and descended from them. That is the overwhelming reality of Israel today. History only repeats itself when those in command of our nations forget the past.

Let us remember this crucial lesson—Jews and non-Jews alike, all those who believe in freedom and democracy, all those who are dedicated to the human values that are part of our precious heritage.

Israel needs peace just as its Arab neighbors need peace. Deep down, both peoples are impatient to return to the ageless aspirations of their forefathers, to be respected for the high ethical ideals, the intellectual excellence, the ability to invent and to create that which they have demonstrated so often and so brilliantly in the past. I believe that these aspirations are indeed within their grasp. But real peace, with real security, is the unalterable condition of this process, imposed on us by the blood-stained lessons of history, and the catastrophic experience of our own generation.

THE WORKING FAMILY CHILD CARE ASSISTANCE ACT OF 1989 AND THE HEAD START AMENDMENTS OF 1989

Mr. COHEN. Mr. President, yesterday I was pleased to join with the distinguished Republican leader, Senator DOLE, and others as a cosponsor of President Bush's child care legislation. This initiative would put money back into the pockets of working families who need it most to meet child care expenses. It would also bolster an existing program, Head Start, which has demonstrated great potential for overcoming barriers to the early mental and social development of disadvantaged children.

Demographic and economic changes in our society have led to a greatly increased demand for child care services. Economic necessity is bringing more mothers into the work force. In 1950, only 18 percent of mothers were in the labor force. Today, over 60 percent of mothers work outside the home. The Census Bureau estimates that by 1995, the mothers of two-thirds of children under 6 in this country will be working outside the home. Although there are not comprehensive data on the need for child care services in the United States, it is an accepted fact of the public discourse and political debate that the demand for high quality and affordable child care is far from adequately met. The evidence of unmet need includes not only the tremendous increase in the number of working mothers and the relatively small number of regulated child care "slots," but also the need for so many working mothers to resort to whatever temporary, informal, patchwork child care arrangements they can scrape together.

For too many Americans, lack of affordable quality child care becomes an obstacle to education, employment, or training for employment. This scarcity of affordable quality child care services can trap individuals, preventing them from realizing their full potential as productive members of our society. And, of course, the cost of child care can take quite a bite out of the paycheck of a parent struggling to make ends meet.

THE HEAD START PROGRAM

Mr. President, the Head Start Program has been at the forefront of this Nation's efforts to meet the developmental needs of disadvantaged children. The program's timely intervention during the crucial early years of life stimulates and enriches the mental, social, and physical growth of participating children. It not only teaches children, it also teaches parents how to help their children to flourish. The program's demonstrated success also teaches us the possibility and benefits of helping disadvantaged children to reach their fullest potential.

Clearly, Head Start is an investment that pays off. Yet the program reaches too few of those who could benefit from it. The approximately 450,000 children who now participate in the program represent fewer than one-fifth of all eligible children. Over 1,000 counties in the United States still do not participate in Head Start. Accordingly, I feel that an increased investment in Head Start would be money well spent.

CURRENT FEDERAL INVOLVEMENT IN CHILD CARE

The Federal Government already has substantial involvement in the support of child care—more than $6 billion per year of involvement (a 1987 estimate). While there are some 31 Federal programs that contain some funding for child care services, there is no Federal program whose sole purpose is to provide financial assistance to help families pay for child care.

The largest Federal program assisting families with children is the Child and Dependent Care Tax Credit, about $3.9 billion per year. This credit, available to working families with dependent care expenses—including child care—allows these families to deduct between 20 and 30 percent of their dependent care expenses—up to $2,400 for one child and $4,800 for two or more children—from their tax liability. However, because this credit is not refundable, lower income families with little or no tax liability cannot benefit from the credit. Furthermore, the average credit is less than $350 per taxpayer, hardly sufficient to offset child care costs averaging $3,000 per year.

The second largest expenditure on child care is the title XX Social Services Block Grant [SSBG], which provides approximately $2.7 billion per year for a variety of social service activities, including child care. However, only 15 to 18 percent of the funds are used for child care.

The Head Start Program spends about $1 billion to provide social, educational, and nutritional services for disadvantaged children. Most Head Start programs operate on a part-day schedule, however, and therefore cannot meet the child care needs of mothers who work full time.

SUMMARY OF THE BUSH ADMINISTRATION'S CHILD CARE INITIATIVES

Low-income families in which a parent works would be eligible for a tax credit of up to $1,000 per child under age 4. The credit would equal 14 percent of earnings up to a maximum credit of $1,000 per child. Initially, the credit would phaseout over the range of $8,000 to $13,000 in annual family income. This phaseout range would in-

crease to between $15,000 and $20,000 by 1994.

Initially, 2.5 million families would be eligible for the credit. Once the credit was fully implemented, 3.5 million families would be eligible.

Two parent families in which one parent stays at home to care for the children, as well as single parent families and families in which both parents work, would benefit from the credit.

Families would be free to choose the kind of child care that best suits their needs—care through churches, relatives, neighbors, or child care centers.

The credit would be provided in addition to the earned income tax credit [EITC] and would be available, as the EITC is, in advance as a payment in the parents' paychecks.

REFUNDABLE CHILD CARE TAX CREDIT

The current child care tax credit would be made refundable so that low income working families with little or no Federal income tax liability could benefit fully from it.

An additional 1 million families would benefit from this proposal.

The primary beneficiaries would be low-income, single working parents who incur child care expenses in order to work. Such parents, unlike higher income parents whose tax liability enables them to claim the current nonrefundable credit, do not now receive assistance through the Tax Code for meeting child expenses.

HEAD START EXPANSION

The fiscal year 1990 authorization for Head Start would be increased to provide $250 million more than the current appropriations level.

This increase in funding would enable the Head Start Program to serve up to 95,000 more disadvantaged preschool children.

This Head Start expansion would expand the range of choice available to poor families in meeting their children's needs. It would provide the newly participating children with a better start in life, allowing them to carry the gains they have made in Head Start directly into kindergarten.

Mr. President, the Congress must consider carefully the fiscal consequences of any new Federal child care initiative. We must see to it that any new Federal child care program is fair and that its benefits are directed to those families most in need. We must also make every effort to ensure that any new Federal child care initiative promotes and complements—and does not supplant—private, corporate, State, and local child care resources.

The President's child care initiative directs resources to those families which most need them and gives families freedom of choice as to how best to use those resources. It would help families whether a parent chooses to stay home or not and it would benefit families whether their children were cared for by a friend, a relative, in a family day care center, in a church-based program, or in a child care center. To my mind, the focus and flexibility that this legislation offers are great advantages.

Of course, the President's proposal is not the only child care measure before the Congress. I look forward to considering the relative merits of contending child care bills and hope that a spirit of compromise will enable the Congress and the administration to enact comprehensive, fiscally responsible, and genuinely effective child care legislation in the very near future.

RETIREMENT OF LT. COL. ROBERT S. BLUDWORTH

Mr. EXON. Mr. President, when Lt. Col. Robert S. "Bo" Bludworth retires this week from the U.S. Army, the Army will lose one of its best liaison officers to the Senate. Bo is well known to all Senators. His serious "can do" effort is more than tempered by his sense of humor and geniality.

All Senators can surely agree that a few minutes of laughter with Bo on a busy day can lead to renewed strength and energy. His optimism, humor, and genuine warmth are highly contagious.

Bo enlisted in the U.S. Army in 1967, subsequently entered the officer candidate course, and was commissioned as a second lieutenant.

During his 20 years of military service, he served as a helicopter and ground platoon leader, in armored units, training, personnel, protocol, and ROTC training. He spent 8 years outside the Continental United States in Vietnam, Germany, and Hawaii. His awards and decorations included the Silver Star, Distinguished Flying Cross, (two awards), Bronze Star, Air Medal, Army Commendation Medal for Valor, Combat Infantryman's Badge, and numerous awards for service and achievement.

Upon his retirement, Bo will have completed a 5-year assignment as the Army Senate liaison officer. This duty, strenuous by any measurement, included the planning and escorting of more than 75 major congressional fact-finding trips, most of them overseas.

Bo is certainly entitled to a slower lifestyle but he will be sorely missed by me. I could always get a straight answer from him and have confidence in that answer. I will especially miss his sense of humor.

As he embarks upon this new phase in his life, I would like to thank him for his many efforts for my behalf and wish him well.

I would also like to express my deep gratitude to his wife Sheila and their three children for their special understanding and tolerance of his long times away from home. It takes family support to make a military career and this family is certainly reflective of the finest America has to offer.

While it is said that "old soldiers never die, they just fade away," anyone who knows Bo would certainly never apply that phase to him. He is still young, full of energy, and has much yet to offer. I wish him and his family the best in all their future endeavors.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time for morning business has concluded.

WHISTLEBLOWER PROTECTION ACT OF 1989

The ACTING PRESIDENT pro tempore. The Senate will now, under the previous order, proceed to the consideration of S. 20, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 20) to amend title 5, United States Code, to strengthen the protections available to Federal employees against prohibited personnel practices, and for other purposes.

The Senate proceeded to consider the bill.

The ACTING PRESIDENT pro tempore. The time is limited. Who now yields time?

Mr. LEVIN. How much time does the Senator from Illinois need?

Mr. DIXON. Mr. President, I do not need much time at all. I will just have printed two things in the RECORD. I was not aware of the fact we were going to my distinguished colleague's whistleblower bill. If he will grant me a couple minutes, I will print these in the RECORD.

Mr. LEVIN. I will be happy to grant the Senator from Illinois 3 minutes.

Mr. DIXON. Mr. President, I ask unanimous consent to proceed as in morning business for a brief period.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

A TENANT MANAGEMENT SUCCESS STORY

Mr. DIXON. Mr. President, in view of the limited time, I will not read the entire article. I have an article from the Chicago Sun Times of Sunday, March 12, 1989 which says, "CHA Tenants Realize Dream—Own Laundry."

Mr. President, I had the great pleasure of being the sponsor of the tenant management legislation, I think title 7 of the last housing bill we passed in the Congress, which gave tenants occupying housing projects around the country the opportunity to run their own affairs. The LeClaire Courts, which operates under the Chicago

housing authority in Chicago, have now opened up a laundry in their own project which has been paid for by the tenants. They are getting ready to operate a catering business, put out a newsletter and use a bus to transport unemployed tenants out into job-rich Du Page County for employment.

I am deeply pleased, Mr. President, to see that this legislation is working. I ask unanimous consent that the full text of this article from the Sun Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHA TENANTS REALIZE DREAM—OWN LAUNDRY

"I hope you succeed in your wildest dreams."—Mayor Harold Washington at LeClaire Courts

(By Michael Gills)

Admittedly, it looks like a small start. Ten washers, seven dryers, stuck in the basement of a nondescript Chicago Housing Authority building at LeClaire Courts.

While it's not quite the realization of the tenants' wildest dreams, it's a start.

"This might not look significant to you," said Stanley Horn, director of the Clarence Darrow Community Center in the complex at 44th and Cicero. "But you have to remember, the residents did this themselves. They went out, they got the money, and they did it."

The LeClaire Courts Resident Management Corp., an organization of tenants that shares landlord duties with the CHA, will open the complex's first automatic laundry in more than 10 years this Wednesday.

The facility is the first of many projects planned by the tenant corporation, which will take over full responsibility for the 3,000 resident row house development on May 1.

Talk to anyone involved in the laundry or the tenant corporation and you'll find them bubbling with enthusiasm, proud of their newfound abilities and hopeful for the future. It's not what most people expect from CHA tenants.

"People have a bad image of CHA residents," said Horn, "but [this project] is showing what they can do when they have the opportunity and adequate training."

"Five or six years ago we never would have thought we could manage this project," said Lovonzella Van Dyke, a member of the tenant corporation's board. "We're surprised at how far we've come."

The LeClaire Courts tenant management team, which will be the first in the CHA to be granted full control over their homes, has gone through numerous training sessions since they were first given the green light nearly three years ago.

Funded by a $15,000 grant from Continental Bank, the facility will feature coin-operated machines, a new water heater, a television lounge and a bathroom. Organizers hope the machines will make enough money to pay for three tenants to work as attendants.

No one can remember the last time a laundry operated at LeClaire, but it was at least a decade ago. Residents have been using one at 47th and Cicero since then.

"That's a four-block walk for some people, which can be tough when you're carrying loads of laundry, expecially in the winter months," Horn said.

In addition to the laundry—the first such tenant-operated facility in the CHA—tenants are working on several projects, including a catering business, a newsletter and a plan to bus unemployed tenants to job-rich Du Page County.

If the laundry succeeds—both in terms of at least breaking even and in instilling pride in residents—the management corporation hopes to use basements of other buildings for such things as barbershops, beauty parlors and convenience stores—every one of them employing residents.

"Our self-esteem is back," said Van Dyke, "and we're ready to go."

WHISTLEBLOWER PROTECTION ACT OF 1989

The Senate continued with the consideration of the bill.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate is now considering S. 20. Who yields time?

Mr. LEVIN. Mr. President, I yield myself 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized for 10 minutes.

Mr. LEVIN. Mr. President, Government employees who "blow the whistle" on waste, fraud and abuse are front line soldiers in the battle to save the taxpayers' money. Giving real protection to these whistleblowers is a simple and effective way to cut cost overruns, wasteful spending, and the bottom line save taxpayers' dollars.

Mr. President, all too often, Federal employees are faced with extraordinary pressures not to expose waste and mismanagement by their agencies. Those who do "blow the whistle" may be threatened with on-the-job harassment, negative job ratings, unfavorable transfers, denial of promotions, and even dismissal. As a result, recent surveys indicate that 70 percent of Federal employees with knowledge of waste and inefficiency do not report the waste and inefficiency. Seventy percent do not report it because of the fear of retaliation.

Last fall, S. 508, the Whistleblower Protection Act of 1988, was unanimously approved by both Houses of Congress with a clear understanding from the Office of Management and Budget that the bill had the Reagan administration's support. Despite that understanding, the bill was vetoed by President Reagan and a bipartisan storm resulted.

A month ago, I reintroduced the bill as S. 20, the Whistleblower Protection Act of 1989, with Senators GRASSLEY, PRYOR, GLENN, COHEN, ROTH, and 22 other cosponsors. At that time, we vowed to continue the fight for strong new whistleblower protections and expressed the hope that the new administration would see the merits of our legislation.

Mr. President, I am pleased to state that, after extensive discussions with the Justice Department, including a number of discussions with Attorney General Thornburgh, the administration is prepared to accept and support this important bill, as modified by an amendment that I soon will propose with Senators GRASSLEY, PRYOR, COHEN, GLENN, ROTH and HELMS.

I have received a letter from the Attorney General stating that the administration supports this bill. The letter states in part:

This letter will confirm our agreement regarding revisions in S. 20, the Whistleblower Protection Act of 1989. We are persuaded that the bill, as revised by your proposed amendment, will enhance the protections for individuals who report waste, fraud and abuse, while maintaining important safeguards in the federal personnel system. * * * On behalf of the Administration, I pledge our cooperation to discourage any amendments, in either body of Congress, that might in any way interfere with this agreement.

Mr. President, I ask unanimous consent that the full text of this letter be printed in the RECORD following my statement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LEVIN. The battle to change our laws and provide adequate protections to Federal employees who come forward with disclosures of waste and mismanagement has been a long one. I am gratified by the Bush administration's willingness to join in this fight.

This bill is necessary because the Office of Special Counsel—the Federal office charged with protecting whistleblowers—has proven ineffectual in providing such protection. In fact, former Special Counsel William O'Connor was quoted in 1984 as advising whistleblowers, "I'd say that unless you're in a position to retire or are independently wealthy, don't do it. Don't put your head up, because it will get blown off." Mr. President, Federal employee whistleblowers deserve better and the taxpayers of this country deserve better advice than that.

The bill before us is fundamentally unchanged from the bill which passed the last Congress in the new protections that it will afford whistleblowers. Like its predecessor, this bill will make a number of improvements over current law.

First, the bill establishes a simpler and fairer standard for whistleblowers in proving their case of retaliation by their agencies;

Second, the bill gives whistleblowers the right, for the first time, to appeal their own cases to the Merit Systems Protection Board if the Special Counsel fails or refuses to do so.

Third, the bill enhances the independence of the Office of Special Counsel and requires that office to work in the interest of whistleblowers.

Fourth, the bill gives whistleblowers increased procedural protections and important guarantees of confidentiality.

The enactment of this bill will be a victory for all of us who want to protect the taxpayers' pocketbook from being picked by wasteful Government spending.

The agreement that we have reached with the administration would not have been possible without the commitment and support of Senators GRASSLEY and PRYOR. I commend them for their efforts and leadership they have shown in support of this legislation and in support of Federal employee whistleblowers generally. Representatives SCHROEDER and HORTON have been equally committed to whistleblower protection on the House side, and I thank them for their efforts as well. I also thank the majority leader for his support and for his important contribution to this bill.

Finally, President Bush and his administration is owed our thanks for their efforts on this bill. The administration has demonstrated an ability to compromise on issues that we all recognize are important to them. My staff and I have discussed this bill extensively with Attorney General Thornburgh and his staff and have found them willing to work with us in good faith on this matter and to understand our concerns and point of view, as we have sought to understand their concerns and their point of view.

In our discussions with the administration, we have agreed upon several changes from the version of the bill that passed the last Congress. Some of these modifications were suggested by the administration and some by us. We have not agreed to any changes which would in any way weaken the protections afforded to whistleblowers. In fact, the amendment that we will be proposing today makes this a stronger and better bill than the bill which passed the last Congress and vetoed by President Reagan.

There has been a lot of give and take on both sides, and I am pleased that we have been able to agree upon an amendment that meets a number of the Attorney General's concerns without sacrificing important protections for whistleblowers. This amendment is a fair and balanced one.

The amendment would: first, clarify the standard that whistleblowers must meet to prove that they have been retaliated against; second, preclude the Special Counsel from appealing adverse decisions and enforcing subpoenas in court; third, prohibit the Special Counsel from intervening against whistleblowers in cases before the Merit Systems Protection Board; and fourth, prohibit the Special Counsel from disclosing the names of whistleblowers, except in extreme circumstances; and finally, make several minor changes to the bill.

First, our amendment would clarify that in order to prove retaliation a whistleblower must show that the protected disclosure was a contributing factor in the personnel action against him or her. This is not meant to change or heighten in any way the standard in S. 20, which is that the disclosure must be a factor in the action. The word "contributing" is only intended to clarify that the factor must contribute in some way to the action against the whistleblower.

I believe this was clear in the original statutory language. To me, there was no doubt that a factor in an action is something that contributes to that action. Indeed, my dictionary defines a "factor" as "one of the elements contributing to a particular result or situation."

The bottom line is that the words "a contributing factor," like the words "a factor," means any factor which, alone or in connection with other factors, tends to affect in any way the outcome of the decision. This test is specifically intended to overrule existing case law, which requires a whistleblower to prove that his protected conduct was a "significant," "motivating," "substantial," or "predominant" factor in a personnel action in order to overturn that action.

The Attorney General, in his letter to me agrees to that interpretation when he said:

> We have agreed to clarify the word "factor" by adding the word "contributing" in the two places in which the Mt Healthy test appears in the bill. A "contributing factor" need not be "substantial." The individual's burden is to prove that the whistleblowing contributed in some way to the agency's decision to take the personnel action.

Mr. President, I believe that the contributing factor test is the right one. By reducing the excessively heavy burden imposed on the employee under current case law, we will send a strong, clear signal to whistleblowers that we intend to protect them from any retaliation related to their whistleblowing and an equally clear message to those who would discourage whistleblowers from coming forward that reprisals of any kind will not be tolerated. Whistleblowing should never be a factor that contributes in any way to an adverse personnel action; the new test will make this the rule of law.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. LEVIN. Mr. President, I yield myself 5 minutes off the amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, at the same time, however, this new test will not shield employees who engage in wrongful conduct merely because they have at some point blown the whistle on some kind of purported misconduct. In such cases, the agency will, of course, be provided with an opportunity to demonstrate that the employee's whistleblowing was not a contributing factor in the personnel action.

If an employee shows by a preponderance of the evidence that whistleblowing was a contributing factor in a personnel action, the agency action may be upheld only if the agency can demonstrate, by clear and convincing evidence, that it would have taken the same action even in the absence of the whistleblowing. This is the standard in our bill, S. 20, and it is unchanged by our amendment.

"Clear and convincing evidence" is a high standard of proof for the Government to carry. It is intended as such for two reasons. First, this standard of proof comes into play only if the employee has proven by a preponderance of the evidence that whistleblowing was a contributing factor in the action against him or her—in other words, that the agency action was tainted. Second, this heightened burden of proof on the agency also recognizes that when it comes to proving the basis for an agency's decision, the agency controls most of the cards—the drafting of the documents supporting the decision, the testimony of witnesses who participated in the decision, and the records that could document whether similar personnel actions have been taken in other cases. In these circumstances, it is entirely appropriate that the agency bears a heavy burden to justify its actions.

Mr. President, our amendment would also delete provisions of the bill that would give the Special Counsel the authority to go to court to appeal MSPB decisions and enforce subpoenas. These are provisions that the Attorney General felt would unconstitutionally permit the executive branch to "litigate against itself."

I happen to disagree with the assertion that these provisions are in any way unconstitutional. At least four Federal agencies—the Interstate Commerce Commission, the Federal Maritime Commission, the Federal Energy Regulatory Commission, and the Federal Labor Relations Authority—have litigated against the other Federal agencies on a routine basis. There is a long history of cases in which the courts have found no constitutional infirmity in such litigation.

The Attorney General felt strongly about this issue. It is a substantive issue. Although I find the administration's arguments on this point unconvincing, I do not believe that the provisions they have questioned are central to the bill or to the protection of whistleblowers. Accordingly, we have agreed to:

First, drop the provision in the bill that would authorize the Special Counsel to go to court to enforce its subpoenas. In place of this provision, our amendment would authorize the Merit Systems Protection Board to go to court at the request of the Special Counsel, if necessary to enforce subpoenas issued by the Special Counsel. This is consistent with the MSPB's existing authority to enforce its own subpoenas in Federal court.

Second, drop the provision in the bill that would authorize the Special Counsel to appeal MSPB decisions to the Federal circuit court. In place of this provision, our amendment would make it easier for individuals to appeal their own cases to that court by expanding the attorneys' fees provision of the bill.

Mr. President, our amendment also makes two changes to S. 20 that we sought, and to which the Bush administration has agreed.

First, our amendment would delete a provision, put into the bill at the insistence of the last administration, that would have permitted the Office of Special Counsel to intervene against whistleblowers in certain cases before the Merit Systems Protection Board [MSPB]. While the Special Counsel has argued that it needs this authority in order to defend the "merit systems principles," in practice, this could mean supporting the interests of the agency against those of the whistleblower.

We had agreed to this provision only as part of our compromise with the last administration. When that compromise bill was vetoed, we sought and achieved this change to the bill as a part of the new compromise.

It is simply inappropriate and contrary to the spirit and intent of the bill for the Special Counsel to act against the interests of whistleblowers. Until whistleblowers are confident that the Office of Special Counsel is on their side, that office simply cannot be an effective advocate for their cause. Under our amendment, the Special Counsel would be permitted to intervene in a case brought by a Federal employee to the MSPB only with the approval of that employee.

Second, our amendment would delete a provision that would have permitted the Office of Special Counsel, in a number of cases, to disclose the names of Federal employees who come to it with disclosures of waste, fraud, or mismanagement in their agencies. This provision, if it remained in the bill, could seriously undermine our effort to encourage whistleblowers to come forward with disclosures. We cannot expect whistleblowers to help us in the struggle against waste if we threaten to expose their names and thereby expose them to retaliation.

Again, this provision was accepted by us last year only as a part of a compromise with the last administration. We are pleased that the Bush administration has agreed to delete it in this new compromise.

Under our amendment the Special Counsel would be permitted to disclose the name of a whistleblower only where necessary to prevent an imminent danger to the public health or safety or an imminent violation of law. This amendment will help assure whistleblowers that the Special Counsel will be on their side in the future and that information they give to the Special Counsel in confidence will not later be used against them.

Mr. President, in the course of our discussions, the administration expressed the belief that the removal provisions for the Special Counsel and parallel provisions regarding members of the Merit Systems Protection Board are unconstitutional. Again, I disagree with these conclusions. The removal provisions, in particular, are clearly constitutional in light of the decision of the Supreme Court last year in the Independent Counsel case—*Morrison* v. *Olson*, 108 S. Ct. 2597 (1988).

In fact, Representative PAT SCHROEDER and I recently sought and obtained objective opinions on these constitutional issues from two independent authorities—the American Bar Association [ABA] and the American Law Divison of the Congressional Research Service [CRS]. The ABA and CRS both concluded that the Whistleblower Protection Act was constitutional in the form that it passed the last Congress.

Mr. President, I ask unanimous consent that the ABA letter and the introductory and concluding sections of the CRS memorandum be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. LEVIN. In any case, the provisions that the administration finds objectionable are current law, unaffected by our bill. For this reason, the administration has agreed to drop its objections to the bill without any substantive change. The only change that will be made to the bill on these issues is to incorporate these provisions by reference from current law, rather than restating them in their entirety in the bill.

Finally, our amendment would make several minor changes to the bill. These include:

Requiring the Special Counsel to consult with the Attorney General before deciding whether to continue an investigation into a matter that the Justice Department is also investigating. This duty to consult makes explicit what was otherwise understood and practiced. It is not intended to restrict the Special Counsel's discretion, but it recognizes that such discretion should be exercised after consideration of all the relevant factors.

Requiring the Special Counsel to report disclosures involving foreign intelligence information to the National Security Adviser as well as the House and Senate Intelligence Committees. This amendment is not intended to limit the Special Counsel's duty to report such disclosures directly to Congress. It simply requires the Special Counsel to share the same information at the same time with the National Security Adviser.

Requiring that any information or views the Special Counsel may submit to Congress regarding its functions and responsibilities must be transmitted concurrently to the President and appropriate executive branch agencies. The bill, as introduced, permits the Special Counsel to submit his or her views and recommendations directly to the Congress without going through the normal executive branch clearance process. This amendment would leave the substance of that requirement unchanged, but clarifies that the Special Counsel is required to submit such information to the President or other appropriate executive branch agencies at the same time it is submitted to Congress. This provision is not intended to override other provisions of the bill limiting the types of information the Special Counsel may disclose about particular cases.

Extending the authorization of funds for the Special Counsel and the Merit Systems Protection Board for an additional year and deleting the specific funding limitations.

As to other provisions of the bill, there is an extensive legislative history in the deliberations of the last Congress. This legislative history includes Senate Report 100-413 and House Report 100-274, the floor consideration of S. 508 when it first passed the Senate on August 2, 1988, when it passed the House on October 3, 1988, and when it passed the Senate again on October 7, 1988. In addition, an October 5, 1988, letter from Representative PATRICIA SCHROEDER to myself clarifying the statute's confidentiality requirements was published in the CONGRESSIONAL RECORD for October 19, 1988.

Except as to language in the bill that is specifically changed by the amendment we will offer today, this legislative history is controlling as to the intent of Congress in the interpretation of S. 20.

Of particular importance is the joint explanatory statement issued upon final passage of S. 508 in the last Congress. This joint explanatory statement expresses the mutual understanding the Senate and House floor managers of the bill as to the intent of its provisions.

Mr. President, I ask unanimous consent that the joint explanatory statement be printed in the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 3.)

Mr. LEVIN. Mr. President, the Whistleblower Protection Act of 1989, as amended, should send a very strong message to Federal employees and managers that waste and mismanagement will not go undetected, and cannot be tolerated, in our Government.

This is an important bill and I am gratified by the broad bipartisan support it has achieved. I greatly appreciate the support of the bill's 28 cosponsors, Senators GRASSLEY, PRYOR, GLENN, COHEN, NUNN, ROTH, SASSER, BINGAMAN, KOHL, LIEBERMAN, METZENBAUM, DURENBERGER, RIEGLE, SARBANES, ADAMS, BURDICK, MOYNIHAN, BOREN, MATSUNAGA, WIRTH, DECONCINI, KENNEDY, MITCHELL, GORE, ROCKEFELLER, SIMON, CONRAD, and KERRY.

I also appreciate the broad support of the public for the bill, as evidenced in a list of 200 public interest organizations that have signed a petition urging that it be promptly enacted into law.

Mr. President, I ask unanimous consent that this petition, and the list of organizations supporting S. 20, be printed in the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 4.)

Mr. LEVINE. Mr. President, there is no more effective way for us to fight waste and mismanagement in the Federal Government than to encourage employees with knowledge of such problems to come forward with it. S. 20 is an important step toward this important goal.

Finally, let me give special thanks to two of my staff, Linda Gustitus and Peter Levine, and a former staffer, Allie Giles. They have been the truest stalwarts of all.

EXHIBIT 1

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, Mar. 3, 1989.

Hon. CARL LEVIN,
U.S. Senate, Washington, DC.

DEAR SENATOR LEVIN: This letter will confirm our agreement regarding revisions in S. 20, the Whistleblower Protection Act of 1989. We are persuaded that the bill as revised by your proposed amendment will enhance the protections for individuals who report waste, fraud, and abuse while maintaining important safegaurds in the federal personnel system. Moreover, I want to thank you for your efforts in working with us to forge a mutually acceptable resolution of our serious constitutional concerns as well as our objections to the Mt. Healthy test, as originally drafted.

We have agreed to clarify the word "factor" by adding the word "contributing" in the two places in which the Mt. Healthy test appears in the bill. A "contributing factor" need not be "substantial." The individual's burden is to prove that the whistleblowing contributed in some way to the agency's decision to take the personnel action.

Again, we appreciate your willingness to work with us to craft a product representing the good faith efforts of both sides. On behalf of the Administration, I pledge our cooperation to discourage any amendments, in either body of Congress, that might in any way interfere with this agreement. None of the changes to which we have agreed detracts in any way from Congress' intent to strengthen whistleblower protections.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DICK THORNBURGH,
Attorney General.

EXHIBIT 2

AMERICAN BAR ASSOCIATION,
Washington, DC, February 21, 1989.

Hon. CARL LEVIN,
U.S. Senate, and
Hon. PAT SCHROEDER,
U.S. House of Representatives, Washington, DC.

DEAR SENATOR LEVIN AND REPRESENTATIVE SCHROEDER: On behalf of the 350,000 member American Bar Association I write to commend you for so promptly reintroducing the proposed Whistleblower Protection Act, S. 20 and H.R. 25. I earnestly urge the Congress to pass this legislation—as was done last year without dissent—so as to establish a mechanism to more effectively fight government fraud, waste and abuse.

It is also my earnest hope that President Bush will work closely and expeditiously with Congress in bringing this needed law into effect, particularly given his forthright commitment to a more fair and ethical government. This commitment could not be more important in light of President Reagan's unwarranted pocket veto of this legislation last year. Suggestions at that time that this legislation "raised serious constitutional concerns" are without merit. Indeed, the recent holdings of the Supreme Court in the special counsel case of *Morrison* v. *Olson*, 108 S.Ct. 2597 (1988), and the Sentencing Commission case of *Mistretta* v. *United States*, 57 U.S.L.W. 4102 (1989), signal clear validity of the insulation against executive abuse built into the Whistleblower Protection Act.

The purpose of this legislation is simple—to provide a mechanism and standards to protect dedicated public servants who blow the whistle on government fraud and abuse. Such employees should never be subject to adverse personnel actions because of their whistleblowing. To the contrary, we should heartily encourage it. Unfortunately, under current law, the office Congress created to protect these whistleblowers—the Office of Special Counsel (OSC)—has not worked. For instance, during the first six years of the OSC, of the 1,500 requests for OSC assistance, only 16 cases resulted in corrective action.

This legislation corrects this situation by creating an independent OSC, by authorizing wronged employee actions directly to the Merit Systems Protection Board if the OSC proves unsatisfactory, and by establishing a more realistic burden of proof.

The need for this new law, and the wisdom and constitutionality of the construction of your legislation, are not more clearly demonstrated than by the bi-partisan vote of both the House and the Senate last year—without dissent—for good government and protection of taxpayer resources are not partisan matters. We look forward to providing more detailed explanation of our enthusiasm for this legislation at any hearings you might convene, and to otherwise assisting you in bringing this added protector of clean government to reality.

Sincerely,

ROBERT D. RAVEN.

CONGRESSIONAL RESEARCH SERVICE,
Washington, DC, Jan. 26, 1989.

To: Senate Subcommittee on Oversight of Governmental Management, Committee on Government Affairs. Attn: Linda Gustitus. House Subcommittee on Civil Service, Committee on Post Office and Civil Service. Attn: Andrew A. Feinstein.

From: American Law Division.

Subject: Analysis of Constitutional Objections Raised To The Special Counsel Provisions Of S. 508, The Whistleblower Protection Act of 1988.

On October 26, 1988, President Reagan pocket vetoed S. 508, the Whistleblower Protection Act of 1988.[1] Among other objections to the legislation, the President asserted that certain provisions establishing an independent Office of Special Counsel "raised serious constitutional concerns." In particular, he questioned the constitutionality of insulating the Special Counsel from presidential removal except "for inefficiency, neglect of duty, or malfeasance in office"; of prohibiting prior executive review of reports or testimony by the Special Counsel or his employees when requested by a congressional committee; and authorizing the Special Counsel to seek judicial review of decisions of the Merit Systems Protection Board in which he is a party. You have jointly requested that we assess the substantiality of these constitutional objections.

In response, we have reviewed and assessed the legislative history and design of S. 508 in the light of judicial and historical precedents which appear to pertinently bear upon the three questioned provisions. We conclude that those precedents, and in particular the Supreme Court's recent decisions in *Morrison* v. *Olson*,[2] upholding the validity of the independent counsel provisions of the Ethics in Government Act, and *Mistretta* v. *United States*,[3] sustaining the constitutionality of the United States Sentencing Commission, indicate that it is likely that a court reviewing the provisions in question would find them constitutional. In support of that conclusion we submit the following analysis.

VI. CONCLUSION

Congress' prerogative over the administrative bureaucracy, while not unlimited, is broad and far-reaching, encompassing the power to create, abolish, and locate agencies and to define the powers, duties, tenure,

[1] 24 Weekly Comp. Pres. Docs. 1377 (October 31, 1988). S. 508 has been reintroduced in the 101st Congress as H.R. 25, 135 Cong. Rec. H 37 (daily ed. Jan. 3, 1989) and S. 20, 135 Cong. Rec. S 177 (daily ed. Jan. 25, 1989).

[2] 108 S. Ct. 2597 (1988).

[3] 57 U.S.L.W. 4102 (U.S. S. Ct., No. 87-7028, January 18, 1989).

compensation and other incidents of the offices within them. The Supreme Court's most recent pronouncements have indicated that in separation of powers cases where, as here, aggrandizement is not in issue, it will weigh the justifications for the congressional scheme in question, including the necessity to maintain "Congress' ability to take needed and innovative action pursuant to its Article I powers," against the degree of intrusion on the ability of the President to perform his assigned functions. "'De minimis'" disruptions are insufficient to block and otherwise legitimate congressional objective.[179] In *Morrison* v. *Olson* the Court broadly confirmed Congress' ability to insulate officers appointed by the President who perform "purely executive" functions from at will removal and dealt a severe blow to the notion of a unitary executive. In *Mistretta* v. *United States*, the Court underlined the breadth of its rulings in *Schor* and *Morrison* by upholding the location in the judicial branch of an independent agency composed of judges and nonjudges whose sole function was the promulgation of binding policy with respect to sentences that may be imposed by judges. The emphatic nature of these decisions, as well as the long history of consistent congressional practice of controlling the ordering and arrangements of administrative agencies make it likely that the constitutional objections of the President to the provisions of S. 508 respecting the independence of the Special Counsel, his litigating authority, and his ability to avoid prior executive review of his reports and testimony to Congress would not be sustained by a reviewing court.

MORTON ROSENBERG,
Specialist in American Public Law.

EXHIBIT 3

JOINT EXPLANATORY STATEMENT

INTRODUCTION

The Senate, on August 8, 1988, passed S. 508, the Whistleblower Protection Act (See S. Rpt. 100-413). One year earlier, on August 5, 1987, the House Committee on Post Office and Civil Service favorably reported H.R. 25 (See H. Rpt. 100-274).

From the time that the House Committee reported the legislation in August 1987 to the present, there have been extensive negotiations to develop a version of H.R. 25 which would be acceptable to the Administration and address the serious problems with the current federal employee whistleblower protection scheme. The negotiations culminated in a draft dated September 22, 1988. Due to the imminent end of the 100th Congress, Rep. Pat Schroeder and Rep. Frank Horton, the House sponsors of the legislation, decided that it would expedite consideration if differences between S. 508, as passed, and the September 22 draft of H.R. 25 could be resolved prior to House consideration.

The amendment brought to the House today, October 3, is the result of those negotiations with the Senate. If the House passes the Senate bill with the amendment, the same language will be presented to the Senate. Senate passage will clear the legislation for the President.

This joint explanatory statement explains new provisions of the version being considered. Some provisions in the amendment were contained in both H.R. 25, as reported, and S. 508, as passed. Those provisions are not discussed in this document but are fully discussed in the Senate report, the House report, or both.

Code sections cited are in title 5, United States Code, as amended by the House amendment.

1. PURPOSE

Section 2(b) of the bill lays out the purpose of the bill. Simply stated, the bill seeks to eliminate two types of impediments which have made it unduly difficult for whistleblowers and other victims of prohibited personnel practices to win redress. One category of impediments is a string of restrictive Merit Systems Protection Board and federal court decisions. Specific provisions of the bill modify or overturn inappropriate administrative or judicial determinations and make it more likely that whistleblowers and other victims of prohibited personnel practices will win their cases.

The second category of impediments are due to the policies of the Office of Special Counsel and stem from the Special Counsel's view of its role. The clear intent of the Civil Service Reform Act of 1978 (P.L. 94-454) was that the Special Counsel should protect and defend the rights of employees who were the victims of prohibited personnel practices. Nevertheless, the Office of Special Counsel determined that its role was to protect the merit system. And, as the General Accounting Office pointed out in its 1985 report on the operations of the Office of Special Counsel (GAO/GGD-85-53), the law could be read to support the Special Counsel's view.

The two divergent views of the role of the Office of Special Counsel—protection of the victims of prohibited personnel practices and protection of the merit system—do not conflict in most cases. However, the Special Counsel's view of the role of the Office—protecting the merit system—can and has led to instances in which the Special Counsel has acted to the actual detriment of employees seeking help from that Office. Such instances are at odds with our view of the very purpose of this Office. The purpose set out in section 2, as well as a number of operative provisions contained in the bill, is intended to foreclose the possibility that the Special Counsel will act to the detriment of an employee who comes to the Special Counsel for help.

There should be no doubt about legislative intent in passing this bill. Individuals should be able to go to the Special Counsel to make a disclosure under section 1213 of title 5, United States Code, to complain about a prohibited personnel practice under section 1214, or to allege a violation of another law within the jurisdiction of the Special Counsel under section 1216, without any fear that the information they provide or the investigation their disclosure triggers is used against them. Simply put, the Special Counsel must never act to the detriment of employees who legitimately seek the help of the Special Counsel. Unless employees have confidence that they will not be hurt by going to the Special Counsel—that the Special Counsel is a safe haven—the Office can never be as effective as Congress intends in protecting victims of prohibited personnel practices.

Language in the Senate-passed bill saying that the Special Counsel may not act contrary to the interests of employees was deleted as unnecessary.

2. ANTI-HARASSMENT AUTHORITY OF BOARD

Section 1204(e)(1)(B) authorizes the Merit Systems Protection Board to grant protective orders to protect a witness or other individual from harassment either during a proceeding before the Board or during a Special Counsel investigation. Such an order may be granted upon a request from the Special Counsel or any other person, whether or not a party to the case, or on the Board's own motion except that an agency may not request a protective order concerning an investigation by the Office of Special Counsel during the course of such investigation.

This provision is intended to protect witnesses in order to aid the fact-finding process. Without the candid and honest testimony of those involved in the underlying relevant facts, unimpeded by threats or intimidation, prohibited personnel practice cases could easily be undermined by the defendant agency. The authority granted to the Board under this provision is intended to protect employees who are cooperating with such investigation from harassment by other employees.

3. SPECIAL COUNSEL INTERVENTION IN ADVERSE ACTION AND INDEPENDENT RIGHT OF ACTION CASES

Section 1212(d) establishes the rules under which the Special Counsel may intervene in proceedings before the Merit Systems Protection Board. Where the proceeding is an appeal from an adverse action under section 7701 of title 5, United States Code, or an individual right of action, created by newly added section 1221 of title 5, United States Code, the general rule is that the Special Counsel may not intervene without the consent of the individual bringing the action.

Two exceptions are provided. One exception, contained in section 1212(d)(2)(B)(i) provides that the Special Counsel may intervene where the individual has been charged by the agency with conduct constituting a prohibited personnel practice and the Special Counsel has reasonable grounds to believe that such a prohibited personnel practice has occurred, exists, or is to be taken. The Special Counsel could only have such reasonable grounds where through its independent investigation, the Special Counsel has uncovered probative evidence concerning the employee's alleged prohibited personnel practice. Under no other circumstances is intervention, without the consent of the individual bringing the action, permitted.

It should be noted that the Special Counsel can intervene to argue that the conduct alleged by the agency constitutes a prohibited personnel practice other than the one alleged by the agency. It is not permissible, however, for the Special Counsel to intervene and assert a prohibited personnel practice based on different conduct from the conduct which serves as the basis of the agency's action.

The other exception, spelled out in section 1212(d)(2)(B)(ii) concerns cases in which the Special Counsel has granted a waiver to an agency to proceed with disciplinary action notwithstanding the pendency of a Special Counsel investigation.

In addition, this provision authorizes the Special Counsel to "otherwise participate" in proceedings before the Board. This language is intended to authorize the Special Counsel to file amicus briefs on points of law. It is not intended to permit the Special Counsel to examine witnesses, introduce evidence, or otherwise participate in the development of the facts of the case, without the

[179] *Commodity Futures Trading Commission* v. *Schor*, 478 U.S. 833, 851, 852 (1986).

consent of the individual bringing the action.

Under no circumstances may the Special Counsel engage in ex parte contacts with the agency or supply information to agency management which would serve as the basis for agency action against an employee. Once again, the Special Counsel should not act to the detriment of employees who legitimately seek the Office's help.

4. SPECIAL COUNSEL RELEASE OF INFORMATION ABOUT INVESTIGATIONS

Section 1212(h) governs the Special Counsel's response to inquiries and provision of information concerning individuals who come to the Special Counsel for help. Again, the policy behind this provision is that employees should be able to go to the Special Counsel without fear of information being used against them. Section 1212(h)(1) provides that disclosures can only be made in accordance with the provisions of the Privacy Act. The language "as required by any other applicable Federal law" is intended to apply only in cases in which a statute specifically requires the Special Counsel to provide information otherwise protected by this section. It does not authorize the Special Counsel to disclose such information simply because the Special Counsel believes that such disclosure would facilitate the operation of another statute.

Section 1212(h)(2) states that, regardless of what the Privacy Act or some future enactment may provide, the Special Counsel can only release information concerning an employee's work performance, ability, aptitude, general qualifications, character, loyalty, or suitability under one of two circumstances. First, the information can be released with the advance written consent of the individual to whom the information pertains. Second, the information can be released to a federal agency when that agency is conducting a background check to clear an employee for access to Top Secret information, Sensitive Compartmented Information (SCI), or Q restricted data relating to atomic energy. The statutory language "information the unauthorized disclosure of which could be expected to cause exceptionally grave danger to the national security" comes directly from Executive Order No. 12356 and constitutes the definition of Top Secret information. The Special Counsel may not provide any information for a suitability check, a preemployment screening, whether by a private or governmental employer, or a background investigation for a clearance to Secret, Confidential or Restricted data.

It is assumed that agencies conducting security clearance background checks will not establish procedures under which the Special Counsel is queried for any and all information it possesses on any individual who is being investigated for a high level clearance. Rather, inquiries will only be made when the investigators are following a lead otherwise uncovered which takes them to the Office of Special Counsel.

The restrictions on the disclosure of information cover both the period during which the investigation is occurring and the period after the investigation is complete.

5. PROTECTION OF IDENTITY OF INDIVIDUALS MAKING WHISTLEBLOWING DISCLOSURES TO SPECIAL COUNSEL

Section 1213(h)(2) provides that the Special Counsel may disclose the identity of an individual who discloses information to the Special Counsel only (1) with the individual's consent; (2) where necessary to carry out the functions of the Special Counsel; and (3) where "necessary because of an imminent danger to public health or safety or imminent violation of any criminal law." Again, the overriding purpose of the bill is to protect individuals who seek the assistance of the Special Counsel; they should not be subject to harm because they sought help. These exceptions are to be defined narrowly.

The exception concerning the carrying out of the functions of the Special Counsel means that a specific statutory function of the Special Counsel necessitates the disclosure of the individual's name. For example, a decision by the Special Counsel to initiate an action before the MSPB may necessitate the disclosure of the identity of the individual on whose behalf the action is initiated. This provision is not intended to permit the Special Counsel to disclose an individual's identity, without that individual's consent, merely because such disclosure could be helpful in an investigation.

The imminent danger exception recognizes the countervailing public interest in protecting health and safety. The exception is quite narrow: it might be used, for example, where the Special Counsel learns that the individual making the disclosure plans to take violent action against a supervisor.

6. EXHAUSTION REQUIREMENT PRIOR TO FILING INDIVIDUAL RIGHT OF ACTION

Section 1214(a)(3) provides that employees, former employees, and applicants for employment must first seek the assistance of the Office of Special Counsel before bringing an individual right of action under section 1221. If the Special Counsel notifies the individual that the investigation has been terminated, the individual has 60 days in which to file an independent right of action. If the individual receives no notice of termination of the investigation within 120 days of filing the complaint, he or she may file an individual right of action at any time after the 120 day period has elapsed.

7. BURDEN OF PROOF

The bill makes it easier for an individual (or the Special Counsel on the individual's behalf) to prove that a whistleblower reprisal has taken place. To establish a prima facie case, an individual must prove that the whistleblowing was a factor in the personnel action. This supersedes the existing requirement that the whistleblowing was a substantial, motivating or predominant factor in the personnel action.

One of many possible ways to show that the whistleblowing was a factor in the personnel action is to show that the official taking the action knew (or had constructive knoweldge) of the disclosure and acted within such a period of time that a reasonable person could conclude that the disclosure was a factor in the personnel action.

The bill establishes an affirmative defense for an agency. Once the prima facie case has been established, corrective action would not be ordered if the agency demonstrates by clear and convincing evidence that it would have taken the same personnel action in the absence of the disclosure. Clear and convincing evidence is a higher standard of proof than the preponderance of the evidence standard now used.

With respect to the agency's affirmative defense, it is our intention to codify the test set out by the Supreme Court in the case of *Mt. Healthy City School District* v. *Doyle*, 429 U.S. 274, 287 (1977). The only change made by this bill as to that defense is to increase the level of proof which an agency must offer from "preponderance of the evidence" to "clear and convincing evidence".

8. OTHER RESPONSIBILITIES OF SPECIAL COUNSEL

Section 1216 clarifies the existing ancillary responsibilities of the Special Counsel. The authority of the Special Counsel to investigate allegations under section 1216(a)(4) is meant to cover major abuses of the civil service processes, such as political intrusion in personnel decisionmaking. The Special Counsel would be expected to investigate allegations of the type of wholesale politicization of civil service appointment procedures as occurrred in the early 1970's under this authority. In such cases, the Special Counsel is authorized to seek corrective action, but not disciplinary action.

9. SPECIAL COUNSEL PUBLIC INFORMATION

The bill establishes a new section of law (section 1219 of title 5, United States Code) which sets out the requirements on the Office of Special Counsel to maintain and make available to the public certain information. The public files of the Special Counsel should include the comments of the individual who discloses the information under section 1213 which leads to the agency report unless the individual does not consent to the public availability of such comments.

10. STANDARDS FOR STAYS IN INDIVIDUAL RIGHT OF ACTION CASES

Section 1221(c) establishes the standards for stays and their dissolution in individual right of action cases. The bill provides that the Board shall determine whether the stay is appropriate, shall set the duration of the stay, as appropriate, and shall dissolve or modify the stay if appropriate. In making these determinations of appropriateness, the Board shall primarily consider whether there is a substantial likelihood that the individual will prevail on the merits and whether the stay would result in extreme hardship to the agency subject to the stay.

11. TIME LIMITS FOR MSPB DECISIONS IN INDIVIDUAL RIGHT OF ACTION CASES

Section 1221(f)(1) provides that the Board shall issue a decision on an individual right of action as soon as practicable after it is filed. While prompt decisions are strongly encouraged, and, it should be noted, the Board has done a commendable job in meeting time limits in adverse action cases, such prompt decisions should not come at the expense of full discovery. No litigant, whether in an individual right of action or in an appeal from an adverse action, should be deprived of the right to find the information needed to prove his or her case because to permit such discovery would result in the case not being decided within the regulatory time limits.

12. ATTORNEYS FEES

Section 1221(g) provides for the payment of reasonable attorneys fees in all types of proceedings before the MSPB or the courts where the employee, former employee, or applicant for employment prevails and the decision is based on the finding of a prohibited personnel practice. This provision is not limited to independent right of action cases.

MSPB and the courts have established substantial case law on what constitutes reasonable attorneys fees. The additional phrase "and any other reasonable costs incurred" is meant to include costs directly related to the litigation, such as photocopying, long distance telephone calls, and production of evidence, but is not meant to in-

clude other extraneous costs resulting from the prohibited personnel practice but not directly related to the litigation such as job counseling and retraining.

13. ELECTION OF REMEDIES

The House version of the legislation contained a provision requiring an election of remedies between an appeal from an adverse action and an individual right of action. This provision was deleted because of concern that a jurisdictional loss in an adverse action appeal could bar an individual pursuing an individual right of action. Nevertheless, it is not intended that the MSPB hear the same case twice. If an individual has pursued the matter before MSPB on the merits under one right of action, the Board is expected to dismiss a case brought under another authority concerning the same matter under the doctrine of *stare decisis.*

14. RETIREMENT DOES NOT CUT OFF ADVERSE ACTION RIGHT

Section 1221(j) provides that the decision of an employee to retire when faced with a proposed adverse action does not cut off that employee's right to appeal to MSPB to challenge the adverse action. This section is not limited to individual right of action cases. If an individual who has retired or received a lump sum refund is subsequently reinstated pursuant to a MSPB or court decision with back pay, the Back Pay Act (5 U.S.C. 5596) provides that adjustments shall be made to provide that the individual is treated as if the unjustified personnel action had never occurred. Under this theory, the individual receives back pay. If that happens, the money received from the retirement fund should be treated as if it were erroneously paid and the Office of Personnel Management should recover the erroneous payment. The waiver provisions under sections 8346(b) and 8470(b) of title 5 should not be applicable.

15. AVAILABILITY OF OTHER REMEDIES

The bill contains a new section 1222 of title 5, United States Code, which provides that the network of rights and remedies created under chapter 12 and chapter 23 of title 5 is not meant to limit any right or remedy which might be available under any other statute. Other statutes which might provide relief for whistleblowers include the Privacy Act, a large number of environmental and labor statutes which provide specific protections to employees who cooperate with federal agencies, and civil rights statutes under title 42, United States Code. Section 1222 is not intended to create a cause of action where none otherwise exists or to reverse any court decision. Rather, section 1222 says it is not the intent of Congress that the procedures under chapters 12 and 23 of title 5, United States Code, are meant to provide exclusive remedies.

16. CHANGES IN WHISTLEBLOWING PROHIBITED PERSONNEL PRACTICE

The bill makes certain changes in the definition of reprisal for whistleblowing (5 U.S.C. 2302(b)(8)). Among the changes are the inclusion of threats as a prohibited personnel practice, both with relation to whistleblowing and in relation to prohibited personnel practices defined in section 2302(b)(9). Mere harassment and threats, without any formally proposed personnel action, can constitute a prohibited personnel practice under this language.

It is obvious, but worth noting, that no Executive order, regulation, or contract can extinguish the rights provided under section 2302 of title 5. Employees have been required to sign security agreements as a condition for gaining access to classified information which seem to suggest that the signers of such agreements could be punished for disclosures protected by 5 U.S.C. 2302(b)(8). Insofar as these agreements seem to limit the ability of whistleblowers to exercise rights provided under chapters 12 and 23 of title 5, the security agreements are not valid.

Nevertheless, nothing in this bill permits the disclosure of classified information to any uncleared individual. Sections 2302 and 1213 set out clear channels for disclosure of wrongdoing in classified form. Such information can be properly and legally disclosed to the Special Counsel, to the Inspector General of an agency, or to a member of Congress.

17. CHANGES IN APPEAL RIGHT PROHIBITED PERSONNEL PRACTICE

The bill establishes a new prohibited personnel practice which protects employees in their right to refuse to obey an order that would require the individual to violate a law. This is a narrower form of a provision that was in H.R. 25, as reported. The establishment of this protection is meant to achieve a balance between the right of American citizens to a law-abiding government and the desire of management to prevent insubordination.

EXHIBIT 4

PETITION

Whereas Congress has recognized that it is sound public policy to protect from reprisal whistleblowers, who challenge Executive branch misconduct through disclosures of illegality, mismanagement, abuse of authority, gross waste, and substantial and specific dangers to public health or safety; and

Whereas Federal employee whistleblowers who seek protection through their legislatively-designated champion, the Office of the Special Counsel (OSC), have no due process rights before the OSC, which conducts its proceedings in secrecy and recognizes no obligation to contact relevant witnesses or explain its legal decisions to employees who seek help against reprisals; and

Whereas decisions of the Merit Systems Protection Board, the administrative court created along with the OSC by the Civil Service Reform Act of 1978, have created a body of legal precedents making it nearly impossible to successfully exercise the whistleblower defense, which only has succeeded four times in the nine years of the Board's existence; and

Whereas under current law judicial review of MSPB decisions is monopolized by the Federal Circuit Court of Appeals, which only has supported the whistleblower defense once in the six years since the court's 1982 creation; and

Whereas the Whistleblower Protection Act of 1988, S. 508, was a modest proposal that fell far short of the requests by labor and free speech advocates but gave whistleblowers a minimum chance to defend themselves through creating enforceable rights, eliminating the discretion of the Special Counsel to undercut the rights of those seeking assistance, and creating realistic burdens of proof; and

Whereas S. 508 was the product of three years of research and five congressional hearings; and

Whereas the House Post Office and Civil Service Committee has passed the bill unanimously twice, in 1986 the House passed analogous legislation by voice vote and unanimously without dissent, in 1988 the House passed S. 508 by a 418-0 vote, in 1988 the Senate Government Affairs Committee passed the legislation unanimously and the Senate passed the legislation by unanimous consent; and

Whereas the Whistleblower Protection Act of 1988 was endorsed by the American Bar Association House of Delegates, the Federal Bar Association, federal employee unions, the Federal Managers Association, the Senior Executive Association, and some 175 grass roots organizations; and

Whereas an Executive branch that commended and promised to support the legislation waited until Congress had adjourned and then broke its commitment by pocket-vetoing the bill; and

Whereas S. 508 already was the product of so many compromises that if diluted any further it would be impossible to defend as providing even minimal free speech protections and would become an anti-whistleblower bill;

Therefore the undersigned organizations petition Congress to promptly vote on an identical or stronger bill to that which passed unanimously in October 1988, without further compromise, and for the President to demonstrate his commitment to fighting fraud, waste, and abuse by signing the legislation Congress passes.

Yes, we agree the provisions in the Whistleblower Protection Act of 1988, as listed in the enclosed petition are necessary to produce an effective statute. The bill, which has been reintroduced as S. 30 and H.R. 25, should be voted on without further compromise or dilution as the first order of business when Congress reconvenes in January 1989.

Signature:

Organization:

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200 SUPPORTERS OF THE WHISTLEBLOWER PROTECTION ACT FEBRUARY 16, 1989

AFL/CIO Public Employee Department.

American Federation of Government Employees.

American Center for the Quality of Work Life.

American Federation of State, County, and Municipal Employees.

Association for Federal Safety and Health Professionals.

Blacks in Government.

Employees First.

Federal Aviation Science and Technology Association.

Federally Employed Women.

IEEE, Society on Social Implications on Technology.

National Association of Government Employees.

National Association for Human Rights Workers.

National Association for Retired Federal Employees.

National Association of Civil Service Employees.

National Federation of Federal Employees.

National Treasury Employees Union.

Access Reports.

Americans for Democratic Action.

American Library Association.

Aviation Consumer Action Project.

Better Government Association.

Congresswatch.

Constitutional Rights Foundation.

Consumer Federation of America.

Fund for Constitutional Government.

National Committee Against Repressive Legislation.
National Security Archives.
People for the American Way Action Fund.
OMB Watch.
Project on Military Procurement.
Public Law Education Institute.
Scholars & Citizens for Freedom of Information.
Society of Professional Journalists.
South Pasadena Democratic Club.
Texas Center for Policy Studies.
Unitarian Universalists Association of Congregations of North America.
Vietnam Veterans of America, Inc.
Whistleblower Coalition.
Women USA Fund.
Women's Law Project.
Agrarian Action Network.
American Agricultural Movement.
Animal Rights International.
Annie Kay's Whole Foods.
Baltimore Vegetarians.
California Institute for Rural Studies.
Candida Environmental Allergy Support Effort.
Center for Rural Affairs.
Center for Science in the Public Interest.
Center for Women Policy Studies.
Center of Concern.
Coalition for Alternatives in Nutrition and Healthcare.
Colorado Alliance to Protect Our Food.
Nuclear Information and Resource Service.
Ohio Environmental Council.
Ohio Public Interest Campaign.
Powder River Basin Resource Council.
Three Mile Island Alert.
US Public Interest Research Group.
Western Organization of Resource Councils.
Western Coalition Against Toxics.
Toxic Substance Committee.
South Dakota Department of Health.
Sinnissippi Alliance for the Environment.
Siskiyou Citizens for Alternatives to Toxics.
Sierra Club.
Redwood Alliance.
Organizing Media Project.
New Jersey Sane.
League of Conservative Voters.
Harrisburg Center for Peace and Justice.
Environmental Health Association of New Jersey.
Dakota Resource Council.
Council for a Livable World.
Coast Action Group.
Clean Water Action Project.
Citizens for Better Forestry.
Church of World Peace.
Californians for Alternatives to Toxics.
Center for Women's Economic Alternatives.
Rural Advancement Fund.
Nutrition Center.
National Coalition to Stop Food Irradiation.
Community Nutrition Institute.
Vietnam Era Veterans in Congress.
Veterans of Foreign Wars of the USA—post #4257.
United Church of Christ, Office of Church in Society.
Unitarian Universalist Association of Congregations.
People's Coalition of Missouria.
Peace Education Center.
National Committee for an Effective Congress.
National Mobilization for Survival, Inc.
Business Executives for National Security.
Children's Foundation.
Citizen's Alert.
National Coalition for Nursing Home Reform.
U.S. Student Association.
National Office of Jesuit Social Ministries.
Physician's Comm. for Responsible Medicine.
Concerned Consumers League.
Consumer Affairs Association.
Consumers Education and Protection Association.
Cooperative Market.
Durham Food Coop.
Essene Macrobiotic Food Market.
Farm Animal Reform Movement.
Farmers Wholesale Coop.
Flatbush Food Coop.
Food Animal Concerns Trust.
Fran Lee Foundation.
Friends of the Earth.
Grand Forks Food Coop.
Healthy Harvest Natural Foods.
Hoboken Farmboy.
Illinois American Agriculture Movement.
Institute for Alternative Agriculture.
Institute for Local Self-Reliance.
Palo Alto Coop Markets.
International Alliance for Sustainable Agriculture.
Kansas Rural Center.
League of Rural Voters.
National Association Community Health Centers.
National Consumer League.
National Institute for Science, Law and Public Policy.
New Alchemy Institute.
Oregon Coalition to Stop Food Irradiation.
Citizens Clearinghouse for Hazardous Waste.
Pesticide Education and Action Project.
Patrick's Good Food Store.
Public Voice for Food and Health Policy
Rural Cumberland Resources.
Touch the Earth.
Tucson Coop Warehouse.
Women for Economic Alternatives.
Alliance for Survival.
Alternative Energy Resources Organization.
California Coalition for Alternatives to Pesticides.
Citizens Against Rocky Flats.
Citizens Energy Council.
Citizens for a Better Environment.
Coalition Against Toxics.
Cuyahoga County Concerned Citizen.
Environmental Action.
Environmental Defense Fund.
Environmental Task Force.
Environmental Policy Institute.
Erie County Concerned Citizen.
Legal Environmental Assistance Foundation.
Illinois South Project.
Native Americans for a Clean Environment.
National Toxics Campaign.
Natural Rights Center.
Nuclear Control Institute.
National Organization for Legal Services.
Illinois Public Action Counsel.
National Association of Concerned Veterans.
Independent Americans.
Gray Panthers.
Foundation for Advancements in Science and Education.
Fund for Open Information and Accountability.
Eco-Justice.
Democracy Project.
Clifton and Schwartz.
Church of the Brethren, General Board.
American Bar Association.
Alliance for Justice.
United Food and Commercial Workers International Union.
North Carolina Occupational Safety & Health Project.
Employees Legal Project.
Institute for Southern Studies.
California Action Network.
North Coast Environmental Center.
Center for Non-profit Legal Services.
Greenpeace, USA.
Saginaw Human Relations Commission.
Center for Business Ethics.
International Association of Machinists.
National Lawyers Guild.
United Auto Workers.
American Association of School Administrators.
American Protestants for Truth About Ireland.
National Community Action Foundation.
Ohio PIRG.
Quality Technology.
Committee for Children.
Ecology Center of Southern California.
Snake River Alliance.
Institute for Policy Studies.
National Alliance Against Racist and Political Repression.
Potomac Valley Green Network.
People for the Ethical Treatment of Animals.
Government Accountability Project.
Hanford Education Action League.
Program Against Militarism: Interfaith Center on Corporate Responsibility.
Radio Active Waste Campaign.
Vermont PIRG.
National Assoc. of Working Women.
Rural Coalition.

Mr. LEVIN. Mr. President, I thank the Chair and I yield the floor.

Mr. COHEN. Mr. President, I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Maine is recognized for 5 minutes.

Mr. COHEN. Mr. President, before I begin, let me indicate that Senator ROTH, who is the ranking member of the Governmental Affairs Committee, could not be here this morning. He is out of town attending the funeral of a friend. He would like, if I may have the attention of my colleague, to have the opportunity to vote at 3 if at all possible so that he could be here to cast a vote on this particular measure. He certainly is a very strong supporter of the legislation, and if that does not complicate matters perhaps we can arrange it.

Mr. LEVIN. I am wondering if we could seek to clear that with our leadership because of the impeachment proceedings that are ongoing this afternoon. But we will seek to clear it on our side, and I am sure they will on the other side.

The ACTING PRESIDENT pro tempore. The Senators are advised that there is an order now before the Senate that, if a rollcall vote occurs on this matter, it will occur at 2 o'clock.

Mr. COHEN. Mr. President, perhaps we can accommodate Senator ROTH by

allowing the vote to occur following the vote on the motions involving impeachment proceedings. I am sure we can work that out.

Also, Senator WARNER would like to be a cosponsor of Senator LEVIN's amendment, and at the conclusion of the statements of myself and perhaps the Senator from Iowa, I ask unanimous consent to include a statement by Senator WARNER.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. KERREY). Does the Senator from Maine also request that he be added as a cosponsor?

Mr. COHEN. Indeed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COHEN. I am pleased that an agreement has been reached on this important legislation to give Federal workers the protections they need when they disclose mismanagement, waste, abuse, illegality, or threats to public health through good faith whistleblowing.

The need for this legislation has been clear for a long time. This is the third Congress in which I have cosponsored versions of this measure and I am glad that the dedication of Senator LEVIN and several of my colleagues who have worked on this bill for so long will finally result in meaningful protections for Federal employee whistleblowers.

Last fall, President Reagan pocket vetoed S. 508 which had been passed unanimously by the Congress. Given the extensive record that was developed during years of hearings on the need to strengthen the current law and the widespread support in the Congress for additional whistleblower protections, the President's veto was most troubling. The veto sent exactly the wrong message to Federal employees who witness fraud, mismanagement, and corruption in Government agencies. It told them not to bother to report these abuses, and that they will not be given meaningful protection if they do come forth.

Thankfully, in the months since the veto, the sponsors of this bill have been able to work with Attorney General Thornburgh to remove the executive branch's misgivings about this legislation.

The result of that effort is the amended version of S. 20 that we consider today. Senator LEVIN's amendment removes those elements that most concerned the administration. The amendment deletes the provision granting the special counsel independent litigating authority. This removes the administration's major constitutional concern and ensures that one executive branch officer, the special counsel, will not be litigating against another in reprisal cases. The amendment also contains a compromise on the standard that will be used in determining whether a Federal employee's blowing-of-the-whistle has been improperly used against him or her in any adverse personnel action.

The current test that governs this standard—the so-called mount healthy standard—provides that in order to prove retaliation for whistleblowing, an employee must show that the whistleblowing was a significant factor in a personnel action. The agency must prove, in an affirmative defense, that, by a preponderance of the evidence, whistleblowing was not a material factor in the personnel action.

S. 20, as introduced, eased this standard in two ways. It lowered the burden of proof the special counsel and employees would have to meet, while, at the same time, increasing management's burden of proof. In short, it provided that an employee would have to prove only that whistleblowing was a factor in the personnel action and that the agency would have to prove by clear and convincing evidence that whistleblowing was not a material factor.

Last fall in his veto message, President Reagan stated that the "substantially reduced factual showing required of the employee and the substantially increased burden on agencies essentially rigs the—merit system protection—board's process against agency personnel managers in favor of employees."

While I believe that a strong case still exists for the change to the Mount Healthy test that was included in the bill passed by the Congress last year, there was a need for a compromise to accommodate some of the administration's concerns. The amendment that I hope we will pass today accomplishes this by clarifying the standards that whistleblowers must meet to prove that their agencies have threatened retaliation.

As a whole, the compromise amendment preserves the major protections that were passed by the Congress last year and constitutes a major improvement over current law. I am hopeful that the agreement we have now reached will eliminate the threat of court challenges to the law on constitutional grounds, and will eliminate confusion on how to interpret the standards that apply in whistleblowing cases.

For too many years now, Federal employee whistleblowers have been treated shabbily. Too many have paid a personal price for the millions of dollars they have saved the Government. They have lost their jobs, had promising careers derailed or forfeited promotions as the price for exposing wasteful Government spending, illegal activity, or hazardous conditions. Too often, instead of being rewarded for their efforts, whistleblowers appear to have been punished. They have suffered retaliation simply for upholding the public trust. Such treatment must not be tolerated.

One of the goals of the Civil Service Reform Act of 1978 was to strengthen protection for whistleblowers. The law established the Office of Special Counsel to investigate employees' allegations of retaliation and to litigate on their behalf before the Merit Systems Protection Board.

However, since its creation, the Office of Special Counsel has turned down 99 percent of the whistleblower cases brought to it without attempting disciplinary or corrective action. In short, the existing process has not protected legitimate whistleblowers at all.

Indeed, rather than strengthening protection for legitimate whistleblowers, the 1978 Reform Act did little to encourage Federal employees' confidence in their ability to reveal problems in their agencies. Merit Systems Protection Board surveys reveal that there has been a significant increase in fear of reprisal by whistleblowers in the past decade.

This bill contains crucial protections for whistleblowers. It simplifies the process significantly, grants increased confidentiality for employees who disclose fraud and mismanagement, and grants employees the right, for the first time, to appeal their own whistleblowing cases.

The bill ensures the independence of the Office of Special Counsel and clarifies that the roll of the Special Counsel is to act in the interest of whistleblowers.

Mr. President, the words "fraud, waste, and abuse" have this talismanic quality to them. They are invoked almost daily, particularly around election time, unfortunately, when everyone suddenly turns to budgets and says, "We have to clear out fraud, waste, and abuse."

The difficulty, of course, is the people who are in the best position to advise us about fraud, waste, and abuse are those who are at the workplace. These are the individuals who work in the agencies on a day-to-day basis. They see how budgets are, in fact, administered. They see how various practices are employed, and they are the ones who can best tell us that there is fraud, waste, mismanagement, abuse, or illegality. And yet, they are the least protected of all Federal employees, those who wish to call the attention to their superiors that there is something wrong with what is going on.

We recall that our departed friend, from this Chamber at least, Senator Proxmire, used to give the Golden Fleece Award. That received a great deal of notoriety, and frankly, a good deal of attention. We have not had a golden whistleblower award. That is

something that perhaps we ought to institutionalize in order to reward those individuals who point the finger and blow the whistle upon cases of real abuse of the public trust.

Mr. President, this is the third Congress that has taken up this legislation. Let me commend my colleague from Michigan. He and I came to this body at the same time. We have served on the Governmental Affairs Committee for the same time. We have been involved in this issue I think almost from the very beginning. Yet, we thought we had it taken care of in the last session of Congress, and President Reagan vetoed S. 508.

I think it sent precisely the wrong message. What it said to the Federal employees is do not bother. Do not bother blowing the whistle because you are not going to have any protection that is meaningful at all.

President Reagan believed that there were several deficiencies in that legislation. No. 1, we had the prospect of the executive branch litigating against itself. I think that was a legitimate concern. Senator LEVIN's amendment would correct that.

President Reagan thought we had shifted the burden of proof too heavily, that we had rigged it in favor of the employee. Indeed, we did shift the burden. There was a reason for that. But perhaps we shifted it too much. Again, in the spirit of compromise, Senator LEVIN has proposed an amendment that strikes a balance.

Now, the employee must show only that whistleblowing is a contributing factor in personnel actions taken against him or her, not a significant factor, and the agency must show by clear and convincing evidence that it was not a material factor as opposed to simply showing by a preponderance of the evidence. Those are important changes. They mark significant changes in existing law. And they are very important ones that will protect whistleblowers in general.

I want to take this opportunity to commend my colleague from Iowa, Mr. GRASSLEY, who has been one of the real outstanding leaders in this field. He certainly has inherited the mantle of H.R. Gross, a man that I served with in the U.S. Congress for three terms, a solitary figure at the gates trying to stop fraud, waste, and mismanagement. And I think Senator GRASSLEY has certainly inherited justifiably that mantle.

So I believe to sum up, if I could, this legislation represents a significant improvement over current law. If we are going to ask Federal employees to step forward and report abuses and corruption, we have an obligation to ensure that those who do are supported and treated fairly. In many cases, serious problems in Government agencies would never come to light without whistleblowers, as only the insiders know what is going on in the depths of the bureaucracy. I am hopeful this bill is going to encourage good faith whistleblowers. I want to stress the importance of good faith whistleblowers.

We do not want to see a situation where individuals who are either mischievous, maladjusted, or have personal agendas try to hide behind this legislation. That is why I think this represents an appropriate balance of having good faith whistleblowers coming forward making clear that their efforts are going to be protected just as their courage and integrity should be applauded for the millions of taxpayers' dollars that they could save through their courageous exposure of fraud, waste, and abuse.

Again, I want to commend my colleagues from Michigan, and Iowa for their efforts in making this legislation a reality.

I reserve the remainder of my time.

Mr. WARNER. Mr. President, I am pleased to join as a cosponsor today of S. 20, the Whistleblower Protection Act of 1989. I am also pleased to note that this legislation, as amended, reflects the joint commitment of the Congress and the administration to achieve workable, constitutional protection for whistleblowers.

As many of my colleagues are aware, in the last session of Congress on October 7, 1988, this body approved a similar measure which was itself the product of intense negotiations between the White House and the Congress.

By the time the measure reached the desk of President Reagan, however, the new Attorney General, Richard Thornburgh, had assumed his duties, and in what can only be regarded as an appropriate exercise of his office, he indicated to President Reagan reservations he had with this legislation.

President Reagan shared Attorney General Thornburgh's concerns to the extent that he pocket-vetoed the former bill, in an action which took many in both the Congress and the executive branch by surprise.

Since that time, and most intensely in the last few weeks, Attorney General Thornburgh and the Senate leadership have worked to resolve their differences, and we are now ready to adopt an amended version of S. 20 reflecting that joint agreement.

The intent of the Whistleblower Protection Act is to expand legal protections for Federal employees who take upon themselves the initiative of disclosing evidence of waste, fraud, and abuse in the operations of the Federal Government. Protection for these public servants from retaliatory actions has to this point been sorely lacking.

This legislation will create what I believe will become a "safe harbor" for whistleblowers in a newly independent Office of Special Counsel [OSC], no longer a separate function of the Merit Systems Protection Board. OSC can now become what it should have been all along—a true advocacy agency within the executive branch for those civil servants who are moved to place the mission of Government above their own personal considerations.

Mr. President, I would be remiss if I did not acknowledge the leadership of Senators LEVIN, GRASSLEY, PRYOR, ROTH, and COHEN in their efforts to negotiate the whistleblower agreement. The Attorney General and our governmental affairs leadership have both made concessions, and both can claim victory. I encourage all of my colleagues to accept this agreement without further substantive amendment.

The ultimate winners, of course, will be those conscientious Federal employees, many of whom I number among my constituents, who will now have the tools and protections they need to "blow the whistle" on governmental mismanagement in an environment of confidentiality, and with every assurance that their due process rights will be protected.

Mr. President, I urge the expeditious consideration and approval of this important and long-needed legislation.

Mr. BYRD. Mr. President, will the distinguished Senator from Michigan yield for 4 minutes of his time?

Mr. LEVIN. I am happy to yield 5 minutes to my friend from West Virginia, the President pro tempore.

Mr. BYRD. Mr. President, I thank my friend.

Mr. President, I rise in support of the legislation currently before the Senate, the Whistleblower Protection Act of 1989.

Again and again over the years, our Nation has been embarrassed by revelations of waste, fraud, and abuse by some within various agencies and departments of our Federal Government who have betrayed the public's trust. Again and again, we have pledged to end this corruption, which not only drains valuable national resources but also undermines the public's confidence in their Government.

Those courageous Government employees who blow the whistle on waste in our Government programs are playing an important role in ending this scourge. By nature of their positions within agencies, they are able to identify potential problems at an early stage.

The record indicates, however, that too often Federal employee whistleblowers have been punished, rather than rewarded, for their attempts to save the taxpayer's money.

In 1978, as a part of the Civil Service Reform Act of 1978, provisions were included to protect Federal whistleblowers.

The need to strengthen these provisions was clearly demonstrated, however, by surveys conducted in 1980 and 1983 by the Merit Systems Protection Board which showed that as many as 70 percent of Federal employees have knowledge of fraud within their agency, but do not report it, and that those who did not report Government wrongdoing because of fear of reprisal increased from 20 percent in 1980 to 37 percent in 1983.

Reform is essential to the integrity of the Federal bureaucracy, and whistleblowers are a valuable asset in the battle. We need to send a signal, however, that they will be treated fairly.

The bill before the Senate today will afford these men and women the protection they need by establishing fairer standards for whistleblowers in proving retaliation and by giving whistleblowers enhanced procedural protections, including the right to take cases directly to the Merit Systems Protection Board, as well as guarantees of confidentiality.

During the closing days of the 100th Congress, the Senate and the House approved legislation similar to the bill before us today, but it was pocket vetoed by President Reagan. I am glad that a compromise has now been reached with the Bush administration so that the protections embodied in this measure can be implemented.

I thank Senator LEVIN and Senator COHEN for the excellent leadership that they have again demonstrated. I congratulate Mr. LEVIN on the amendment that he has provided. I think it will be certainly an improvement to the legislation. I commend them both, and on behalf of the Senate and the American people, I thank them.

I urge passage of the bill.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. COHEN. I yield to the Senator from Iowa 5 minutes.

The PRESIDING OFFICER. Senator GRASSLEY is recognized for 5 minutes.

Mr. GRASSLEY. Mr. President, first of all, I want to thank Senator COHEN for his kind remarks about me and about our former colleague of the House of Representatives, H.R. Gross. I thank Senator COHEN. I also thank Senator COHEN for his leadership in this area.

I am really pleased that the Senate is considering this bill so early in the 101st Congress. It is long overdue. This bill should have been signed by the last President. I am sorry it was not. I know there were honest reasons it was not signed. I am glad those things are worked out now. I thank Senator LEVIN for his diligent work, not only on the bill but also the effort expended to work out an agreement with the Justice Department so that this bill will be signed by this administration.

Agreement is what we have achieved in this bill. After a number of meetings and substantial give and take on both sides, we made some important changes in this bill, and I am confident that these compromises will prevent surprise veto, such as we experienced last fall. Rather, we want a solid and strong message sent to Federal employees, and this bill sends that message, that discrimination and retaliation against those employees who disclose waste, fraud and abuse, will no longer be tolerated. The Whistleblower Protection Act of 1989 is intended to change current realities.

Now 70 percent of those who see wrongdoing as Federal employees are afraid to disclose that wrongdoing. First, they feel so because they honestly believe nothing will be done to right the wrongs that they might disclose. Second, they do not want to put their careers and reputations at risk, in light of reprisals they suffer.

Our bureaucracy has a very peculiar way of rewarding whistleblowers. They are harassed, they are demoted, and they are even fired for doing what they think is right, exposing wrong.

The Office of Special Counsel, the agency set up more than 10 years ago to investigate whistleblower complaints, has been little more than a rubber-stamp for these reprisals against Federal employees. These courageous employees, in fact, deserve our thanks, and they deserve our praise for their honesty and their integrity. At a very minimum, they should be able to keep their jobs and their careers on track after they blow the whistle on bad government.

So this bill makes some important changes in the Office of Special Counsel, the Merit Systems Protection Board, and the procedures that take place before these agencies. If the Office of Special Counsel does not find merit in the employee's claims, the employee will be able to take his case to the Merit Systems Board for their consideration. Once at the Board, the employee will be able to prove unlawful discrimination by showing that his disclosure was a contributing factor in the adverse action that he suffered.

There was considerable discussion about the burden of proof that the employee would have to meet in order to prove his case. So I want to take a moment to set forth what we intend this burden of proof to be, and I think Senator LEVIN has done a very good job of this. But I think we cannot spend too much time in making this case crystal clear, and that we are very clear in this legislation.

If an employee demonstrates that his disclosure was a contributing factor in the discipline or discharge, then he has made his case. It is just that simple. That means any factor which, alone or in conjunction with other factors, tends to affect or influence, in any manner, the personal decision against.

Once the employee establishes his case, then at that point the burden of proof shifts to the employer. That agency can defend its actions and avoid liability if it proves, by clear and convincing evidence, that it would have imposed the discipline, even if there was no whistleblower.

For more than 10 years, our bureaucracy has not at all been receptive to whistleblowers. This bill should change that attitude. It is about time we recognized the contribution that whistleblowers make to the management of an efficient government. I think it is a great contribution. This is long-awaited and well-deserved legislation. So I urge what I think is going to be a fact, the Senate's speedy passage; and I hope that the House can move quickly, so that President Bush can sign this legislation into law at the earliest possible date and give this protection.

I yield back the remainder of my 5 minutes.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, first, let me thank my friend from Iowa. I reiterate, he has been a steadfast supporter of whistleblowers. Without his support, this bill could not be on this floor today.

I join in the commendation that my friend from Maine made relative to the Senator from Iowa. I also add a good word for Senator COHEN, because he has been on the whistleblower protection effort right from the beginning, and, indeed, this is our third effort, I think. This time it is three strikes and we are in, rather than three strikes and we are out.

Mr. President, I yield 5 minutes to our friend from Connecticut.

Mr. LIEBERMAN. Mr. President, I am very proud to rise in support of S. 20, the Whistleblower Protection Act of 1989. I am proud to be listed as a cosponsor of this measure. Later today, I will be particularly proud to vote for it.

This is the first substantive legislation that will be passed by the Senate in this 101st Congress, and in that sense, it is also the first substantive legislation that I have had the honor to be associated with in my career as a Senator.

I cannot think of a better way to begin. I say that because when this bill becomes law, it will help restore the confidence of the American people in their Government. Their support has, after all, been shaken by stories of waste, mismanagement, and corruption in the corridors of power here in Washington.

Though most of Government clearly is honestly and efficiently run, the people demand, quite correctly, that a higher standard be met. It is their dollars, after all, that make Government a reality. They have a right to expect the very best.

S. 20, this measure, demonstrates our commitment to rooting out fraud, waste, and incompetency, by giving more protection and, thus, more power to those committed public servants willing to blow the whistle on misuse of money or power in government.

Besides helping those who blow the whistle, S. 20 helps us achieve a more streamlined, efficient government. Though much of the debate over the Federal deficit has centered on spending levels and taxation, an important part of the solution lies with cutting fat and eliminating misuse of tax dollars in Federal agencies. Congressional oversight alone cannot identify all wasteful spending. We need whistleblowers, with their special insight and their dedication to good government, if we are to make real headway toward a balanced budget.

Mr. President, I bring some personal experience to this discussion of whistleblowing. During my time as attorney general of the State of Connecticut, I was privileged to have within my office the whistleblowing function, the protection of whistleblowers in the State of Connecticut, and I can report to you one case just a little over a year ago where one brave public servant picked up the phone and reported a problem at the University of Connecticut Medical Center. Under our law, the auditors of our State and the attorney general's office had the power to investigate, and we did. We uncovered widespread misuse of medical research dollars. As a result of that one whistleblower complaint, major changes are underway today at the University of Connecticut that will mean better government for the people of my State.

If there had not been people in government charged with the responsibility of investigating whistleblower complaints and, more important, if we did not have substantial protection for whistleblowers written into law, that employee may not have picked up the phone, and the abuse of public trust would likely be continuing right now.

The people do not know to this day who that Connecticut whistleblower is, but we owe him or her a lot. Thanks to S. 20, there will likely be more people in the Federal Government willing to pick up their phone and make the call that can save us all money and improve our Government and our lives.

Mr. President, I have been here only a little more than 2 months and I formed early impressions. Perhaps I do not have much of a standard of reference, but I have watched the distinguished Senator from Michigan and the distinguished Senator from Maine work painstakingly in this measure and have the patience that is often required in the legislative process to bring about change that really matters. I congratulate both of them.

I thank them and I am proud to urge passage of this very substantial product of their labor.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. Mr. President, I yield myself 1 minute to thank my friend from Connecticut both for his remarks and for his contribution already to this body. We are deeply appreciative of both.

Mr. LIEBERMAN. I thank the Senator.

Mr. METZENBAUM. Mr. President, I rise in strong support of the Whistleblower Protection Act. I am proud to be an original cosponsor of the legislation.

Passage of this bill is long overdue. The fact that this is the first major legislation considered by the 101st Congress is a tribute to the tenacity and dedication of Senators LEVIN and GRASSLEY, the main sponsors of the bill. Both Houses of Congress had unanimously passed this legislation last term. President Reagan, despite representations to the contrary from administration officials, ignored the needs of Federal workers by pocket vetoing the bill.

This last minute defeat did not deter Senators LEVIN or GRASSLEY. If anything, they redoubled their efforts to do the right thing for America's Civil Servants. To his credit, President Bush worked with Congress to craft a compromise that addresses the administration's constitutional concerns while strengthening protection for Federal workers.

Under the current law, Federal employees increasingly are afraid to come forward with information about Government fraud, waste and abuse. Those who do come forward do not get relief from the Office of Special Counsel. Coming forward merely marks them as whistleblowers and targets them for reprisal.

The Whistleblower Protection Act corrects the problem. The bill gives real teeth to the promise of the Civil Service Reform Act by ordering the Office of Special Counsel to act for Federal Whistleblowers instead of against them. The special counsel will no longer be allowed to intervene against whistleblowers before the Merit Systems Protection Board, without the consent of the whistleblower. The compromise proposal would ensure that the Office of Special Counsel is an independent administrative entity, which nonetheless would act through the Merit Systems Protection Board for certain limited procedures. In addition, the compromise strengthens the confidentiality provisions of the bill and clarifies the burden of proof standard for whistleblowers.

I ask unanimous consent that an editorial from the Cleveland Plain Dealer supporting this legislation be placed in the RECORD at the conclusion of my Statement. As that editorial notes, this bill is a "sensible compromise" that will allow Federal employees to "expose abuses without risking retribution from self-serving superiors."

The editorial writer adds that we need similar Federal protection for private sector whistleblowers. That's why I have coauthored with Senator GRASSLEY, the Employee Health and Safety Whistleblower Protection Act. Federal employees are well-served by the Levin-Grassley bill. I would hope that the Metzenbaum-Grassley bill could do the same thing for courageous workers who blow the whistle on health and safety violations.

Whistleblowers make our Government better and our society safer. They deserve our gratitude, but more importantly, they need our protection. I urge my colleagues to support the Whistleblower Protection Act and other efforts to ensure that workers get necessary protection from retaliation.

[From The Cleveland Plain Dealer, Mar. 11, 1989]

HEEDING THE WHISTLE ON WASTE

If waste and fraud within the government are to be reduced, federal employees must be given a way to expose abuses without risking retribution from self-serving superiors. Recognizing the need to police government waste, Congress and the White House have crafted a sensible compromise to strengthen protection for federal "whistleblowers."

The bill, promoted by Sen. Carl Levin of Michigan, would guarantee confidentiality to federal employees who expose wrongdoing; give them the right to appeal any punishment that seems retaliatory; and bolster the independence of the Office of Special Counsel that defends their rights. The bill may become the first measure President Bush signs into law.

Early action on the whistleblower measure is doubly welcome. Not only does it break the legislative logjam backed up behind the John Tower debate but it repairs some of the damage wrought during Ronald Reagan's petulant final days in office. Reagan contrived to kill last year's Whistleblower Protection Act—which had been approved 418-0 in the House and by a unanimous voice vote in the Senate—with a "pocket veto" after Congress had adjourned, thus avoiding any override attempt.

Promoting the whistleblower bill confirmed George Bush's oft-stated willingness to bargain with Congress' Democratic majority. It also tested the agility of a Bush administration holdover from the Reagan era: Attorney General Richard Thornburgh. During Reagan's ploy last autumn, Thornburgh served as the president's heat shield,

defending Reagan's assertion that the proposal was unconstitutional. But after Thornburgh came under pressure from Bush's less dogmatic White House, the Justice Department joined Levin in crafting some minor changes—thus assuring Thornburgh a chance to say that his autumn qualms had been dispelled.

Beyond encouraging public employees to expose waste, legislators should consider the efforts of Ohio's Sen. Howard Metzenbaum to extend whistleblower protection to employees of private firms that perform work for the government. The fact that many private-sector watchdogs were reluctant to attend this week's labor subcommittee hearings on the idea, apparently for fear of their bosses' retribution, suggests that the federal shield should protect such quasi-government workers, too.

Mr. LEVIN. Mr. President, I do not know of anyone else who wishes to address the body.

AMENDMENT NO. 9

(Purpose: To amend title 5, United States Code, to strengthen the protections available to Federal employees against prohibited personnel practices, and for other purposes)

Mr. LEVIN. I send an amendment to the desk at this point and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

The Senator from Michigan Mr. LEVIN, (for himself, Mr. GRASSLEY, Mr. PRYOR, Mr. COHEN, Mr. GLENN, Mr. ROTH, and Mr. HELMS) proposes an amendment numbered 9.

Mr. LEVIN. Mr. President, I ask unanimous consent that further reading of the amendment that I have described to the body be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 12, strike out all through line 23 on page 14 and insert in lieu thereof:

(a) MERIT SYSTEMS PROTECTION BOARD.—Chapter 12 of title 5, United States Code is amended—

(1) in section 1201 in the second sentence by striking out "Chairman and";

(2) in the heading for section 1202 by striking out the comma and inserting in lieu thereof a semicolon;

(3) in section 1202(b)—

(A) in the first sentence by striking out "his" and inserting in lieu thereof "the member's"; and

(B) in the second sentence by striking out "of this title";

(4) in section 1203(a) in the first sentence by striking out the comma after "time";

(5) in section 1203(c) by striking out "the Chairman and Vice Chairman" and inserting in lieu thereof "the Chairman and the Vice Chairman";

(6) by redesignating section 1204 as section 1211(b) and inserting such subsection after section 1211(a) (as added in paragraph (11) of this subsection);

(7) by redesignating section 1205 as section 1204, and amending such redesignated section—

(A) by striking out "and Special Counsel", "the Special Counsel," and "of this section" each place such terms appear;

(B) by striking out "subpena" and "subpenaed" each place such terms appear and inserting in lieu thereof "subpoena" and "subpoenaed", respectively;

(C) in subsection (a)(4) by striking out "(e)" and inserting in lieu thereof "(f)";

(D) by amending subsection (b)(2) to read as follows:

"(2) Any member of the Board, any administrative law judge appointed by the Board under section 3105, and any employee of the Board designated by the Board may, with respect to any individual—

"(A) issue subpoenas requiring the attendance and presentation of testimony of any such individual, and the production of documentary or other evidence from any place in the United States, any territory or possession of the United States, the Commonwealth of Puerto Rico, or the District of Columbia; and

"(B) order the taking of depositions from, and responses to written interrogatories by, any such individual.";

(E) in subsection (c) in the first sentence—

(i) by striking out "(b)(2) of this section," and inserting in lieu thereof "(b)(2)(A) or section 1214(b), upon application by the Board,"; and

(ii) by striking out "judicial";

(F) by redesignating subsections (d) through (k) as subsections (e) through (l), respectively, and inserting after subsection (c) the following new subsection:

"(d) A subpoena referred to in subsection (b)(2)(A) may, in the case of any individual outside the territorial jurisdiction of any court of the United States, be served in such manner as the Federal Rules of Civil Procedure prescribe for service of a subpoena in a foreign country. To the extent that the courts of the United States can assert jurisdiction over such individual, the United States District Court for the District of Columbia shall have the same jurisdiction to take any action respecting compliance under this subsection by such individual that such court would have if such individual were personally within the jurisdiction of such court.";

(G) in subsection (e) (as redesignated by subparagraph (F) of this paragraph)—

(i) in paragraph (1)—

(I) by redesignating such paragraph as subparagraph (A) of paragraph (1); and

(II) by inserting at the end thereof the following new subparagraph:

"(B)(i) The Merit Systems Protection Board may, during an investigation by the Office of Special Counsel or during the pendency of any proceeding before the Board, issue any order which may be necessary to protect a witness or other individual from harassment, except that an agency (other than the Office of Special Counsel) may not request any such order with regard to an investigation by the Office of Special Counsel from the Board during such investigation.

"(ii) An order issued under this subparagraph may be enforced in the same manner as provided for under paragraph (2) with respect to any order under subsection (a)(2).";

(ii) in paragraph (2)—

(I) by redesignating such paragraph as subparagraph (A) of paragraph (2) and striking out "of this section" in the first sentence therein; and

(II) by inserting at the end thereof the following new subparagraph (B):

"(B) The Board shall prescribe regulations under which any employee who is aggrieved by the failure of any other employee to comply with an order of the Board may petition the Board to exercise its authority under subparagraph (A)."; and

(iii) in paragraph (3) by inserting "of Personnel Management" after "Office";

(H) in subsection (f) (as redesignated by subparagraph (F) of this paragraph)—

(i) in paragraph (1) in the first sentence by inserting "of the Office of Personnel Management" after "Director", and by striking out "of this title";

(ii) in paragraph (2)—

(I) in the first sentence by inserting a comma after "subsection";

(II) in subparagraph (A) by striking out "of this title"; and

(III) in subparagraph (B) by striking out "of this title"; and

(iii) in paragraph (3)—

(I) in subparagraph (A) by striking out "(A)";

(II) by striking out subparagraph (B); and

(III) by redesignating subparagraph (C) and clauses (i) and (ii) therein as paragraph (4) and subparagraphs (A) and (B), respectively; and

(I) in subsection (j) (as redesignated by subparagraph (F) of this paragraph) in the second sentence by striking out "of this title" after "chapter 33";

(8) by striking out sections 1206 through 1208;

(9) by redesignating section 1209(a) as section 1205, and inserting before such section the following section heading:

"§ 1205. Transmittal of information to Congress";

(10) by redesignating section 1209(b) as section 1206, and inserting before such section the following section heading:

"§ 1206. Annual report";

(11) by inserting after section 1206 (as redesignated in paragraph (10) of this subsection) the following:

"SUBCHAPTER II—OFFICE OF SPECIAL COUNSEL

"§ 1211. Establishment

"(a) There is established the Office of Special Counsel, which shall be headed by the Special Counsel. The Office shall have an official seal which shall be judicially noticed. The Office shall have its principal office in the District of Columbia and shall have field offices in other appropriate locations.";

(12) by amending section 1211(b) (as redesignated and inserted by paragraph (6) of this subsection)—

(A) in the first sentence by striking out "of the Merit Systems Protection Board" and "from attorneys";

(B) by striking the second sentence and inserting in lieu thereof "The Special Counsel shall be an attorney who, by demonstrated ability, background, training, or experience, is especially qualified to carry out the functions of the position. A Special Counsel appointed to fill a vacancy occurring before the end of a term of office of the Special Counsel's predecessor serves for the remainder of the term."; and

(C) by adding at the end thereof "The Special Counsel may not hold another office or position in the Government of the United States, except as otherwise provided by law or at the direction of the President."; and

(13) inserting after section 1211 the following:

On page 16, line 15, strike out all after the comma through line 22 and insert in lieu thereof "the Special Counsel may apply to the Merit Systems Protection Board to enforce the subpoena in court pursuant to section 1204(c).".

On page 17, strike out lines 9 through 15.

On page 17, strike out "(d)" and insert in lieu thereof "(c)".

On page 17, line 21, strike out "(A)".

On page 17, line 24, beginning with the comma, strike out all through line 25 and insert in lieu thereof a period.

On page 18, strike out lines 1 through 20.

On page 26, beginning with line 20, strike out all through line 2 on page 27 and insert in lieu thereof the following:

"Special Counsel determines that the disclosure of the individual's identity is necessary because of an imminent danger to public health or safety or imminent violation of any criminal law.".

On page 27, line 16, insert "the National Security Advisor," before "the Permanent".

On page 27, line 18, insert a comma before "and the Select".

On page 34, line 6, insert "contributing" before "factor".

On page 34, line 13, beginning with "obtained" strike out all through line 17, and insert in lieu thereof "obtained by any employee, former employee, or applicant for employment adversely affected by such order or decision.".

On page 35, line 12, insert after "Special Counsel" a comma and "after consultation with the Attorney General,".

On page 40, strike out all beginning with line 18 through line 2 on page 41 and insert in lieu thereof:

"§ 1217. Transmittal of information to Congress

"The Special Counsel or any employee of the Special Counsel designated by the Special Counsel, shall transmit to the Congress on the request of any committee or subcommittee thereof, by report, testimony, or otherwise, information and the Special Counsel's views on functions, responsibilities, or other matters relating to the Office. Such information shall be transmitted concurrently to the President and any other appropriate agency in the executive branch.

On page 44, line 14, insert "contributing" before "factor".

On page 45, strike out lines 4 through 9 and insert in lieu thereof:

"(g)(1) If an employee, former employee, or applicant for employment is the prevailing party before the Merit Systems Protection Board, and the decision is based on a finding of a prohibited personnel practice, the agency involved shall be liable to the employee, former employee, or applicant for reasonable attorney's fees and any other reasonable costs incurred.

"(2) If an employee, former employee, or applicant for employment is the prevailing party in an appeal from the Merit Systems Protection Board, the agency involved shall be liable to the employee, former employee, or applicant for reasonable attorney's fees and any other reasonable costs incurred, regardless of the basis of the decision.

On page 46, beginning with line 8, strike out all before line 11 and insert in lieu thereof:

(b) CONFORMING AMENDMENTS.—(1) The table of chapters for part II of title 5, United States Code, is amended by striking the item relating to chapter 12 and inserting in lieu thereof the following:

"12. Merit Systems Protection Board, Office of Special Counsel, and Individual Right of Action ..... 1201".

(2) The heading for chapter 12 of title 5, United States Code, is amended to read as follows:

"CHAPTER 12—MERIT SYSTEMS PROTECTION BOARD, OFFICE OF SPECIAL COUNSEL, AND EMPLOYEE RIGHT OF ACTION".

(3) The table of sections for chapter 12 of title 5, United States Code, is amended to read as follows:

"SUBCHAPTER I—MERIT SYSTEMS PROTECTION BOARD

"Sec. 1201. Appointment of members of the Merit Systems Protection Board.
"Sec. 1202. Term of office; filling vacancies; removal.
"Sec. 1203. Chairman; Vice Chairman.
"Sec. 1204. Powers and functions of the Merit Systems Protection Board.
"Sec. 1205. Transmittal of information to Congress.
"Sec. 1206. Annual report.

"SUBCHAPTER II—OFFICE OF SPECIAL COUNSEL

"Sec. 1211. Establishment.
"Sec. 1212. Powers and functions of the Office of Special Counsel.
"Sec. 1213. Provisions relating to disclosures of violations of law, mismanagement, and certain other matters.
"Sec. 1214. Investigation of prohibited personnel practices; corrective action.
"Sec. 1215. Disciplinary action.
"Sec. 1216. Other matters within the jurisdiction of the Office of Special Counsel.
"Sec. 1217. Transmittal of information to Congress.
"Sec. 1218. Annual report.
"Sec. 1219. Public information.

"SUBCHAPTER III—INDIVIDUAL RIGHT OF ACTION IN CERTAIN REPRISAL CASES

"Sec. 1221. Individual right of action in certain reprisal cases.
"Sec. 1222. Availability of other remedies.".

(4) Chapter 12 of title 5, United States Code, is further amended by inserting before section 1201 the following subchapter heading:

"SUBCHAPTER I—MERIT SYSTEMS PROTECTION BOARD".

On page 52, line 21, strike out "and 1993, $20,000,000" and insert in lieu thereof "1993, and 1994, such sums as necessary".

On page 53, lines 1 and 2, strike out "and 1991, $5,000,000" and insert in lieu thereof "1991 and 1992, such sums as necessary".

The PRESIDING OFFICER. Under the unanimous consent agreement, the Senator from Michigan currently has 3 minutes on the amendment and the Senator from Maine has 15 minutes.

Mr. LEVIN. I yield back the remainder of my time on the amendment.

Mr. ROTH. Mr. President, I rise today to express my strong support for the Whistleblower Protection Act of 1989. This legislation will strengthen protection for Federal employees who expose mismanagement, fraud, or wrongdoing in their agencies—protection that is necessary to continue our efforts to substantially reduce waste and fraud in the Federal Government.

Mr. President, the previous attempt to pass a whistleblower protection bill was pocket vetoed by President Reagan in November of last year. At that time, the President expressed a number of concerns with the legislation, including constitutional questions pertaining to the Special Counsel's litigating authority.

It was clear from the beginning of the new administration that all sides sought greater protection for government whistleblowers. And it was clear when President Bush appointed Attorney General Richard Thornburgh the chief negotiator on this legislation, that the administration would negotiate in good faith. The Attorney General held some very serious concerns. Both the Attorney General and Senator LEVIN negotiated hard and honestly to work out their differences in an effort, Mr. President, to achieve a bill which would protect whistleblowers while addressing the administration's concerns. We are considering this legislation today because that mission was accomplished with the successful efforts of both the Justice Department and Senator LEVIN.

This legislation will strengthen the protections available to Federal employees who blow the whistle on waste and fraud in Federal programs. During my service in the Congress, I have learned first hand that fraud and abuse at the Federal level is widespread and pervasive. The Whistleblower Protection Act is needed to reduce unnecessary and wasteful government spending by encouraging and protecting Federal employees who report such wrongdoing.

As the Governmental Affairs Committee discovered during last session, many Federal employees are reluctant to report wrongdoing for fear of reprisal. I believe that in order to have an effective whistleblower law we must encourage and protect Federal employees who decide to blow the whistle. I believe this legislation strives to accomplish this goal.

Mr. President, this legislation will enhance the role of the Office of Special Counsel [OSC] in protecting the employee by making this office an independent agency, separate from the Merit Systems Protection Board [MSPB]. The legislation also clarifies that the Special Counsel's primary role is the protection of employees, especially whistleblowers. The bill adds an important right for an employee to pursue a claim independent of the OSC. The legislation would also prohibit the Special Counsel from disclosing the names of employees who disclose fraud and abuse.

During the negotiations, the administration raised two central concerns. First, the administration questioned provisions authorizing the Special Counsel to litigate against executive branch agencies. Second, the administration questioned provisions revising the so-called Mount Healthy test which has been applied by the Merit

Systems Protection Board to reprisal cases in recent years.

On both of these points, the administration and Senator LEVIN were able to reach agreement. With regard to the constitutional concern, Senator LEVIN agreed to eliminate the Special Counsel's right to go to court, while making it easier for whistleblowers to appeal their own cases. With regard to the second concern, the Attorney General and Senator LEVIN agreed to clarify the standard that whistleblowers must meet to prove that agencies have threatened retaliation for whistleblowing.

Mr. President, this bill is needed to restore the faith of conscientious Federal employees in the fairness and integrity of our Federal service. It will contribute substantially to our efforts to eliminate the perplexing problem of Government waste and fraud. I am pleased that Attorney General Thornburgh and Senator LEVIN reached a compromise which satisfied the administration's concerns while strengthening what all sides wanted—increased protection afforded whistleblowers.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment (No. 9) was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COHEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, I believe that our friend from Arkansas, Mr. PRYOR, who has been so instrumental in getting this bill to the position that we are now at, may wish to speak on this bill, and I see him entering the Chamber as I speak.

How much time do I have remaining on the bill?

The PRESIDING OFFICER. The Senator has all of 2 minutes and 17 seconds.

Mr. LEVIN. We had time we yielded back on the amendment. We may have to ask unanimous consent for some of that back.

I ask unanimous consent then that the Senator from Arkansas have 3 minutes from my time and the Senator from Maine has offered some of his time to make that possible.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas.

Mr. PRYOR. Mr. President, first I thank my distinguished colleague, Senator LEVIN, of Michigan, and Senator COHEN, of Maine, for yielding me this time. I will try not to take all this time.

Mr. President, I am pleased to join with Senators LEVIN and GRASSLEY in support of the Whistleblower Protection Act of 1989. We are offering an amendment to the bill which contains the substance of a agreement between the Congress and the administration. This bill has been a long time coming and I want to commend Senator LEVIN and his staff for their perseverance and efforts in this area. I have enjoyed working closely with Senator LEVIN on this issue since holding hearings on his whistleblower legislation in July 1987.

Last year, Congress approved a Whistleblower Protection Act which was then pocket vetoed by President Reagan. That same bill was reintroduced this year as S. 20. Since this bill's introduction in January, there have been serious negotiations between the Congress and the Justice Department to try to resolve the disputed issues. After much discussion, we have reached a compromise that addresses the Justice Department's concerns while not diminishing in any way the bill's improvements on current law. In fact, the compromise package contains provisions that had been dropped in negotiations and were not contained in last year's legislation. Our amendment to S. 20 contains the details of this agreement. I believe that the bill is an even better package for whistleblowers than the one we passed last Congress.

The amendment deletes last year's provision giving the Office of Special Counsel [OSC] independent litigating authority. This issue was a main focus of the President's veto message. The Justice Department felt that the provision was unconstitutional by allowing the courts to resolve a dispute between two Federal agencies. While I do not agree with the Justice Department's opinion, the provision was not central to enhancing protections for whistleblowers.

The compromise agreement increases the confidentiality of an employee's disclosure to the OSC by deleting a provision that allowed the special counsel to reveal the employee's identity if necessary to carry out the functions of the office. In addition, the amendment limits the OSC's ability to intervene in an employee's action before the Merit Systems Protection Board [MSPB]. These two changes to S. 20 are real improvements in the way the system works for whistleblowers.

The amendment also makes a change to the bill's so-called Mount Healthy provision. S. 20 provides that an employee would prevail if he could prove that his whistleblowing was a factor in the personnel action taken against him if the agency could not demonstrate by clear and convincing evidence that it would have taken the personnel action without any disclosure by the employees. As a point of clarification, this amendment will insert "contributing" before the word "factor." A contributing factor is any factor which alone, or in connection with other factors, tends to affect in any way the outcome of the agency's decision. I would like to emphasize that this addition is simply a clarification. Congress intends that the standard of "contributing factor" be far lower than the current "significant factor."

This test will provide whistleblowers with real protection from retaliatory or unsubstantiated personnel actions. I am hopeful that this legislation, when implemented by a special counsel committed to protecting Federal employees, will mean whistleblowers will have to fear less for their jobs when they disclose instances of fraud, waste, or abuse.

I urge my colleagues to join me in supporting this amendment and this legislation.

Mr. President, this has been a piece of legislation that has been subject to a great deal of debate, to long hours of hearing, after hearing.

I compliment Senator LEVIN and Senator COHEN for working out the intricate details of not only making this Whistleblower Protection Act a possibility but also a probability of now becoming the law of this land.

This has become a volatile confusing issue for literally decades within our system of government. The compromise that has been structured that has been worked out with all the parties including the Department of Justice and the White House I think is one of the best legislative compromises that I have seen in a very long time.

Once again, Mr. President, let me thank my distinguished colleagues for their years of service in the vineyard, in the trenches, and even in the foxholes on this issue. We are very proud to be able to bring this measure to the floor at this time.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, let me thank our friend from Arkansas for his comments. He has been really in the middle of the forefront of this battle and he also is chairman of the Subcommittee on Governmental Affairs in the last Congress that reported this bill out and really got the ball rolling on it, and we are all grateful to him.

Mr. PRYOR. I thank the Senator.

Mr. LEVIN. Mr. President, I do not know of anyone else who wishes to speak on the amendment.

I do believe that the unanimous-consent agreement had provision for an amendment of the Senator from Kansas, Senator DOLE. I would ask unanimous consent that the clerk call the roll and a quorum call—I was going to put in a quorum call.

Mr. COHEN. Mr. President, will the Senator withhold a moment?

Mr. LEVIN. Yes.

Mr. COHEN. Mr. President, several individuals have not been mentioned. One we should pay tribute to is Attorney General Thornburgh, who has really worked in a very thoughtful way to make this legislation possible.

Also we have two members sitting beside the Senator, Linda Gustitus and Peter Levine, and Mary Gerwin on my staff, who worked over the years to try to make this a reality. We owe them a great deal, as well.

Mr. LEVIN. I thank my friend from Maine for saying that. It is so true what he said about the staffers. As a matter of fact, I was writing out nice words about them to put in the statement. I am glad he said it orally. They are well-deserved words, indeed.

I suggest the absence of a quorum and ask unanimous consent that the time be charged equally against each side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I was prepared to submit an amendment at this time. I think I will just speak generally about what could either be an amendment or a freestanding piece of legislation. I do not want to interfere with the efforts of the Senator from Michigan, the Senator from Maine, the Senator from Iowa, and other Senators who have worked on this whistleblower bill for some time.

Mr. President, I ask unanimous consent to be added as a cosponsor to the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I think it is certainly a significant effort and one that is supported by the administration and one to which the administration, frankly, would prefer there be no amendments offered.

As the Republican leader, I do not want to do what I have asked other Members not to do unless there is some agreement and there is no objection to the amendment, so I would just speak generally to what the purpose of my amendment would be.

Many have seen on television or read about or seen pictures of a U.S. flag and how it is being displayed in Chicago in the art institute. It is placed on the floor in the art institute. Then above the flag there is a register, but to get to the register to sign your name on how the flag should be displayed you have to step on the flag. This has caused an uproar, an uproar by veterans' groups—and I happened to catch I guess seven or eight different TV news accounts of the demonstrations there—Vietnam veterans, World War II veterans, families of veterans, and families of deceased veterans who really do not believe this is the way our flag should be treated.

There have been demonstrations and condemnations. In fact, the city council has threatened to withhold money from another jurisdiction that controls the museum.

But I believe this disgraceful display needs much more than symbolic action. I can recall reading stories and news accounts of how American fighting men have been killed trying to keep the flag from touching the ground. So it seems to me it might be a good opportunity—again, I do not want to mess up the bill before us, but if there is not any objection—and I doubt there would be any on the House side, we have been trying to check that—I would hope that we could leave the amendment in the bill when offered or, if not, as I said, I will be glad to accommodate Senator LEVIN and Senator COHEN.

But, in any event, at the School of the Arts Institute our flag is pinned on the floor directly in front of a ledger in which visitors are invited to write comments. As I said, of course, if you sign the ledger, your feet are squarely placed on Old Glory.

Now I do not know much about art, but I do know desecration when I see it. Title 18 of the United States Code is clear on this point. Trampling the U.S. flag is desecration subject to criminal penalties, and it should be enforced.

In this instance, however, the existing statute might be interpreted to apply to the public and not to the so-called artist who invited this trampling on the flag of the United States.

The amendment I am offering is identical to a bill introduced in the House by Congressman SONNY MONTGOMERY, who is chairman of the Veterans' Committee on the House side. It would simply extend the current statute on desecration of the flag of the United States to include "knowingly displayed on the floor or ground."

Mr. President, the United States Code also currently contains provisions regarding respect for the flag. This section stipulates: "The flag should never touch anything beneath it, such as the ground, the floor, water, or merchandise."

The amendment does not, does not, make a criminal violation of simply having allowed a flag to touch the ground. However any calculated act or scheme to put our flag on the ground should be a strict violation of the law.

The display at the School of Arts Institute in Chicago is not an appropriate use of this Nation's symbol of freedom, our flag. Quite frankly, it shows disrespect and contempt for our flag and should be expressly prohibited by law.

I think it is important that this amendment is supported by the American Legion, the Disabled American Veterans, and the Veterans of Foreign Wars. We are checking with other veterans' groups. I would guess about every veteran's group that we can contact will support this amendment.

Is it important? Well, it is to veterans. It is to a lot of Americans who have had their sons or grandsons in the armed services, wherever this might be, or in the National Guard or in the Reserves or in some program that has been important to our defense. I think it is important to people who come to this country as immigrants and who are taught respect for the flag.

I guess you could figure out some weird sort of an argument where this ought to be a freedom that we should not deprive someone of to walk on the flag and display the flag on the ground. But that was never the intent, as I understand it.

The amendment is supported, or the bill will be supported, by a number of my colleagues, Republicans and Democrats, as follows:

Mr. DOLE (for himself and Mr. MURKOWSKI, Mr. BURNS, Mr. HELMS, Mr. BOND, Mr. HEFLIN, Mr. DIXON, Mr. COHEN, Mr. BYRD, Mr. KASTEN, Mr. SYMMS, Mr. PRESSLER, Mr. MCCAIN, Mr. COATS, Mr. WARNER, Mr. GRASSLEY, Mr. SHELBY, Mr. MATSUNAGA, Mr. BOREN, Mr. COCHRAN, Mr. D'AMATO, Mr. DOMENICI, Mr. GRAMM, Mr. HEINZ, Mrs. KASSEBAUM, Mr. LOTT, Mr. MACK, Mr. MCCLURE, Mr. MCCONNELL, Mr. NICKLES, Mr. ROBB, Mr. RUDMAN, Mr. SIMPSON, Mr. STEVENS, Mr. THURMOND, Mr. WALLOP, and Mr. WILSON).

I do not have any further comment. It is a simple amendment. It is about two lines. Just adds that one additional provision to prevent the flagrant and malicious desecration of the U.S. flag.

Mr. COHEN. Will the Senator yield?

Mr. DOLE. I am hapy to yield to the Senator from Maine.

Mr. COHEN. I wish to take this opportunity to commend the Senator for offering this as an amendment either to this bill or to a freestanding bill.

The Senator made the point a moment ago that perhaps this is an exercise of free speech; that maybe the artist is trying to make a statement. But I would agree with the Senator from Kansas, this is not art. This is an epithet.

We all know that freedom of speech is not without its limitations. Justice Holmes reminded us years ago that you cannot shout fire in a crowded theater. This is an incendiary act of sorts because it is shouting fire, I think, in a crowded theater—it is shouting fire in the hearts of millions of men and women in this country who have either sacrificed themselves

or, as the Senator from Kansas has indicated, lost their loved ones who have tried to defend the integrity and the spirit and the symbolism of that flag.

So I commend the Senator for his amendment and hope it will be adopted.

Mr. DOLE. I thank the Senator from Maine. I would like to include in the RECORD the provision in the United States Code that contains provisions regarding respect for the flag, and also the provision in the United States Code dealing with violations of display of the flag. Some have carried penalties. Some do not.

I ask unanimous consent that both those sections be included in the RECORD so we have a complete record.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

§ 700. Desecration of the flag of the United States: penalties

(a) Whoever knowingly casts contempt upon any flag of the United States by publicly mutilating, defacing, defiling, burning, or trampling upon it shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

§ 176. Respect for flag

No disrespect should be shown to the flag of the United States of America; the flag should not be dipped to any person or thing. Regimental colors, State flags, and organization or institutional flags are to be dipped as a mark of honor.

(a) The flag should never be displayed with the union down, except as a signal of dire distress in instances of extreme danger to life or property.

(b) The flag should never touch anything beneath it, such as the ground, the floor, water, or merchandise.

(c) The flag should never be carried flat or horizontally, but always aloft and free.

(d) The flag should never be used as wearing apparel, bedding, or drapery. It should never be festooned, drawn back, nor up, in folds, but always allowed to fall free. Bunting of blue, white, and red, always arranged with the blue above, the white in the middle, and the red below, should be used for covering a speaker's desk, draping the front of the platform, and for decoration in general.

(e) The flag should never be fastened, displayed, used, or stored in such a manner as to permit it to be easily torn, soiled, or damaged in any way.

(f) The flag should never be used as a covering for a ceiling.

(g) The flag should never have placed upon it, nor on any part of it, nor attached to it any mark, insignia, letter, word, figure, design, picture, or drawing of any nature.

(h) The flag should never be used as a receptacle for receiving, holding, carrying, or delivering anything.

(i) The flag should never be used for advertising purposes in any manner whatsoever. It should not be embroidered on such articles as cushions or handkerchiefs and the like, printed or otherwise impressed on paper napkins or boxes or anything that is designed for temporary use and discard. Advertising signs should not be fastened to a staff or halyard from which the flag is flown.

(j) No part of the flag should ever be used as a costume or athletic uniform. However, a flag patch may be affixed to the uniform of military personnel, firemen, policemen and members of patriotic organizations. The flag represents a living country and is itself considered a living thing. Therefore, the lapel flag pin being a replica, should be worn on the left lapel near the heart.

(k) The flag, when it is in such condition that it is no longer a fitting emblem for display, should be destroyed in a dignified way, preferably by burning.

Mr. BYRD. Mr. President, I rise in support of the legislation that the distinguished minority leader is offering today to strengthen our laws regarding the desecration of the U.S. flag.

The so-called art exhibit at the School of the Art Institute of Chicago, in which a young student has placed the U.S. flag on the floor in a way that encourages people to walk on it, is an abomination.

The U.S. flag is a symbol of all that our Nation stands for: Liberty, justice, religious freedom, and opportunity for all. The flag serves as a manifestation of these goals, which all Americans should recognize and revere.

Henry Ward Beecher once said:

A thoughtful mind when it sees a nation's flag, sees not the flag, but the nation itself. And whatever may be its symbols, its insignia, he reads chiefly in the flag, the government, the principles, the truths, and the history that belong to the nation that sets it forth. The American flag has been a symbol of Liberty and men rejoice in it.

Those words are as true today as they were when Dr. Beecher uttered them more than a century ago. Indeed, as the Queen is to Britain and the Emperor is to Japan, Old Glory is to America!

Unfortunately, some will defend the desecration in Chicago as an act of free speech. On the contrary, the American flag is so displayed on the floor there in an effort to provoke citizens into unlawfully defiling our national symbol. Ostensibly to obtain a response to the flag's manner of display, visitors to the art exhibition are invited to write their comments registering their reaction to the flag's being displayed on the floor in two ledgers, which can only be reached by walking on the flag itself!

Under current Federal law, a number of activities with respect to the flag are already clearly defined as illegal, such as trampling, mutilating, defacing, or defiling the flag. The bill before us today would add "displaying the flag of the United States on the floor or ground" to the list.

It is a sad commentary that we should need such laws to protect our flag, or that we should need to prevent our citizens from defiling their own heritage. But the situation in Chicago demands a response. I support the legislation before us today and urge its passage.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I ask unanimous consent that I be allowed to proceed for 1 minute.

The PRESIDING OFFICER. Without objection.

Mr. LEVIN. Mr. President, first let me join my friend from Maine in what he said about the Senator from Kansas and his amendment. Nobody in this Senate has more standing than our friend from Kansas to stand on this floor and to point out that desecration. I do not know of any objection to the amendment and I am grateful for your willingness to either have it voted upon freestanding or as part of this bill. We are trying to clear a freestanding bill so that it could be voted on this way.

At the moment, at least, I know of no objection to the amendment. If there are objectors, perhaps they could so indicate to our cloakrooms in one way or another so we would know how to proceed since the Republican leader has indicated a willingness to have this come up under a unanimous consent agreement as a feestanding bill with a time limit on it.

Mr. DOLE. Mr. President, I would indicate the present sponsors are myself, Mr. DIXON, Mr. MURKOWSKI, Mr. BURNS, Mr. HELMS, Mr. BOND, Mr. HEFLIN, and Mr. COHEN.

If anybody else wishes to join us as cosponsors, they are welcome.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. I ask unanimous consent to proceed as in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. BOND pertaining to the introduction of legislation are located later in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator is recognized for whatever time as in morning business.

PUERTO RICO'S STATUS

Mr. JOHNSTON. Mr. President, it has been over two decades since the people of Puerto Rico were consulted as to their preference on political status. Much has changed since that time. Many current voters, for example, were not eligible to vote 22 years ago and have thus not had an opportunity to express their choice.

The three principal political parties in Puerto Rico which represent the three alternative status options (commonwealth, independence, and statehood) all included statements supporting the need to resolve the status issue in the platforms they put before the electorate in the November 1988 local elections. In January, the presidents of these three parties communicated to the President of the United States and the leadership of the Congress their desire that the people of Puerto Rico be consulted as to their preferences. Although one of these presidents has since resigned and a new one has assumed office, the new party president has since communicated to me his position in favor of a referendum "which would give the people of Puerto Rico an opportunity to vote on their preference of status and to put an end to our political status dilemma."

I ask unanimous consent that copies of the correspondence I received from the three party presidents in January and the subsequent letter I received in March from the new president of the New Progressive Party be printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JOHNSTON. Mr. President, this desire for the people of Puerto Rico to be consulted on the status issue was transmitted to me in my capacity as chairman of the Committee on Energy and Natural Resources. Under the Standing Rules of the Senate, this committee has principal jurisdiction over insular status matters although other committees will undoubtedly be both interested and involved in the process.

I consider Puerto Rico's political future to be an issue of utmost importance. There is no principle more cherished by the American people, and no principle more closely held by the Founding Fathers, than self-determination. I am therefore committed to serious and expeditious action on this matter.

Mr. President, I know many of my colleagues share my deep interest in this matter. I therefore would like to tell my colleagues what actions we are taking and why we are taking them.

Knowing of the interest of the three principal parties in Puerto Rico in a referendum on political status, I drafted a bill which would provide simply for the people of Puerto Rico to make a choice between the three statuses described in one word or a phrase as, for example, "statehood" or "independence" or "commonwealth." The bill would require a runoff if necessary to obtain a majority for one option, to be followed by a period of negotiation. The objective of that negotiation would be enactment of legislation by Congress. Finally, this bill would provide that the legislation enacted by the Congress would be put before the people of Puerto Rico for approval or disapproval in a second referendum.

In this bill, it was to be understood, of course, that there would not be a guarantee of acceptance by Congress of any particular version of status chosen by the people of Puerto Rico because the terms and definitions of each status can vary widely.

In February, I went to Puerto Rico and had separate meetings with each of the principal party leaders, followed by a joint meeting with all three. It was a repeated theme in these meetings that the status options should be more fully described so that the first referendum would be more meaningful.

While I emphasized the difficulty of fully defining three statuses, the three party leaders believed it could be done. And they thought we ought to try. I then hit upon the idea of having two additional bills.

The second bill would be similar to the first but, when introduced, would instead of saying, for example, "statehood" would state "statehood defined as follows": leaving a blank in the bill, as introduced, to be filled in during the congressional process. This bill would attempt to define the three statuses in general terms and therefore would require the same negotiation with the Congress as described in the first bill. A second congressional bill would be the result of this negotiation followed by a final referendum of the people of Puerto Rico approving it or disapproving it.

The third bill would also have blanks to be filled in for the definitions of the three statuses. However, it is contemplated that in this bill the full legal relationship to be negotiated would be filled in so that upon approval either in the first referendum, or a runoff if necessary to obtain a majority, the status selected would be self-executing. In other words, if the people of Puerto Rico chose a particular status in the referendum, that status would be achieved upon certification of the referendum returns.

We do not know at this point what success we will have in defining these three statuses. If we could fully define the status as provided in the third bill, that would be the most desirable because the people of Puerto Rico would know precisely every detail of their relationship. But we all know what a formidable task this would be. The second bill would be easier but it also presents a formidable task. Although the first bill would lack the definitional clarity of both the second and third bills, and from that standpoint would be less desirable, it would nevertheless present a real choice to the people of Puerto Rico and would certainly be a giant step forward in the self-determination process.

I emphasized to all three parties that it was my intention as chairman of the committee to be evenhanded in this process and not to favor any status during the legislative process. At the same time, I emphasized to the three party leaders that their request to us, which was so urgently and ardently made by all three party leaders, will be treated with the utmost seriousness and that once the process begins it will be my intention to push it to a conclusion, so far as the first legislative round is concerned, in this Congress.

I want to make clear, Mr. President, that these three bills are my product, not those of a particular party. That is, no particular version has been drafted by any of the principal parties. Instead, the three bills will represent attempts by me to respond to the main concern raised by all three parties—the need for precision in definitions of each status option. It is my own view that such precision will be exceedingly difficult to achieve as the complexities of making changes in the current status or changing the current status to another relationship altogether become clear. However, I believe we should make a good faith effort to do so, and I am certainly willing to try. The best forum for defining the status options is the Congress, for ultimately legislation must be passed to implement whatever status option the people choose.

I also outlined an ambitious schedule for the Energy Committee in these meetings with the three party leaders which I would like to share with my colleagues. This schedule is as follows:

Tuesday, April 4: I will introduce three bills (leaving blanks for the required definitions for the second and third bills as described above)

Tuesday, May 9: Deadline for submission to me by each party of paradigm definitions for their respective status options required to complete the second and third bills.

I will introduce these definitions in new bills, or as amendments to the original bills, as soon as possible after receiving the recommendations of the three parties.

Thursday, June 1; Friday, June 2; and Monday, June 5: Target dates for the first hearings by the Senate Committee on Energy and Natural Resources to be held in Washington, DC.

Friday, June 16 and Monday, June 19: Target dates for the second round

of hearings by the Senate Committee on Energy and Natural Resources to be held in San Juan, PR. These dates will be finalized when the Senate's June schedule is announced.

It is very important that we adhere to this schedule because I believe it is important for the first referendum to occur in 1991, and before the next gubernatorial election in Puerto Rico in 1992. It is my view, and a view which I believe all three principal parties share, that the status issue should be considered separate and apart from a general election so that there can be a more meaningful debate on status.

In my discussions with the three party leaders, the need for funding for the three parties for staff, travel, and similar expenses was also discussed. I agreed to seek $500,000 for each party for this purpose to be used during this Congress. I have since spoken to President Bush and with White House representatives whose response has given me confidence that this funding goal will be achieved early in this Congress.

Given the importance of this issue, Mr. President, I wanted to outline the schedule I have developed for the consideration of this matter. I have briefly discussed this approach with President Bush, who in his first State of the Union Message stated his belief that "the people of Puerto Rico should have the right to determine their own political future" and who I believe shares my view that we should move ahead in this Congress to develop a fair process in which the views of the people can be expressed.

At every stage of these proceedings I have kept my esteemed ranking minority member, the distinguished senior Senator from Idaho, advised. He will in due course make his own comments upon this matter. I strongly believe that the matter of Puerto Rico's status should be handled on a nonpartisan basis, and with very close cooperation between the two parties and the excellent staffs of the majority and the minority as we do with so much of our legislation in the Committee on Energy and Natural Resources.

I look forward to working with my many colleagues in the Senate who share my keen interest in this matter over the next 2 years and I hope we will be able to develop legislation by the end of the 101st Congress to which all parties can agree.

In summary, Mr. President, I recently made a trip to Puerto Rico to speak to the leaders of the three parties there—the Statehood Party, the Commonwealth Party, and the Independence Party—to discuss the future status of Puerto Rico. As my colleagues will recall, the President, in his State of the Union Message, mentioned the status of Puerto Rico and its importance. It is a very live and important and enthusiastic issue in terms of the people of Puerto Rico.

After consultation with the leaders of the three parties, it was determined, Mr. President, that in this Congress we should deal with the issue of status and that we should convert legislation leading to a referendum or set of referendums to determine the status of Puerto Rico.

We hit upon a plan to do so, Mr. President, and we planned in the Committee on Energy and Natural Resources, which is the committee of primary jurisdiction over Puerto Rican matters, to introduce legislation to that effect.

I will introduce three bills, Mr. President. The first will call for a referendum in Puerto Rico on the three statuses—that is statehood, commonwealth, and independence—described in a word or two to give them a choice of one of the three statuses with a runoff in case no status gets 50 percent of the vote.

Upon choosing one of these statuses, we would then enter a period of negotiation with Puerto Rico to define that status. For example, if the people in their referendum chose commonwealth, we would enter into a period of negotiations to define how to enhance and improve that commonwealth status. Likewise, if statehood was chosen, we would in the negotiations define the terms of statehood under which Puerto Rico would come into the Union.

That legislation, when adopted by Congress, would envision that we would have another referendum by the people of Puerto Rico to approve that so that, in effect, you have the first referendum and perhaps a runoff to secure a 50-percent choice on one of the three statuses, leading to a choice of one of the three within a period of negotiation leading to a second piece of legislation to define fully that status and leading to a final referendum for the people of Puerto Rico so that they would have in this first bill two choices. First, a choice of which status to negotiate and, second, a choice of approval of the fruits of that negotiation.

Mr. President, I went to Puerto Rico armed with a draft of that bill. I discussed it with the leaders of the three parties who want very much to have the referendum, but who suggested it would be a better referendum if the terms of the three statuses were more fully defined to the people so that if they voted for commonwealth, they would know more precisely what the terms of that status were, and likewise with the other two statuses.

Pursuant to that suggestion, Mr. President, we hit upon the idea of introducing two other bills. The second bill would be similar to that first discussed, except that instead of saying, for example, statehood period, it would say statehood defined as follows, leaving a blank with the congressional process to fill in that blank. Similarly with the other two statuses. You would have the same referendum and runoff leading to a period of negotiation with a second congressional bill and a final referendum. In the second bill, the description would be in general terms and would not attempt fully to define the status.

The third bill, Mr. President, would leave a blank after the one-word description of the status with the blank to be filled in similarly to the second bill. However, it would be the purpose of the third bill to fully and completely define that status so that upon the referendum by the people of Puerto Rico, that status would be self-executing and ipso facto the choice of the people of Puerto Rico would come into being. For example, if it were the independence chosen, then the kind of independence as defined fully would automatically upon certification of the election results be effective.

Mr. President, it is of course a daunting task to define fully and completely the terms of what is a very complicated legal relationship between Puerto Rico and the United States, and we recognize the difficulty of doing that in the second bill, or even of doing it in general terms. Nevertheless, Mr. President, it is clear that we should try to do this, and so accordingly we will introduce those bills.

EXHIBIT 1

JANUARY 17, 1989.

Hon. J. BENNETT JOHNSTON,
Chairman, Energy and National Resources Committee, Washington, DC.

DEAR MR. CHAIRMAN: In the past election held on November 8, 1988, all three political parties, which represent the three alternatives for the ultimate political status of the People of Puerto Rico, included the need for the resolution of the status issue in the platforms they presented to the electorate.

In accordance with the platform of the Popular Democratic Party, the Governor of Puerto Rico announced in his Inauguration the intention of the Government of Puerto Rico to pursue the resolution of the status question with the Government of the United States of America and convened a meeting of the leadership of the three political parties that represent the three formulas.

As a result of this meeting we, the President—of the Popular Democratic Party, representing Commonwealth, the New Progressive Party, representing Statehood, and the Independence Party, representing Independence—have agreed to express to the President and to the Congress of the United States of America, that the People of Puerto Rico wish to be consulted as to their preference with regards to their ultimate political status and the consultation should have the guarantee that the will of the People once expressed shall be implemented through an act of Congress which would establish the appropriate mechanisms and procedures to that effect.

Towards the formulation of such an act of Congress and related policies, we request to meet with you at your earliest convenience.

Conscious that since Puerto Rico came under the sovereignty of the United States of America through the Treaty of Paris in 1898, the People of Puerto Rico have not been formally consulted by the United States of America as to their choice of their ultimate political status, and in the Puerto Rican history and confident of the commitment of the United States of America and of the People of Puerto Rico to the principles of self-determination and government by the consent of the governed, we remain,

Cordially yours,

BALTASAR CORRADA DEL RIO,
President,
New Progressive Party.

RAFAEL HERNANDEZ COLON,
President,
Popular Democratic Party.

RUBEN BERRIOS MARTINEZ,
President,
Puerto Rican Independence Party.

CHARLES ROMERO BARCELO,
FORMER GOVERNOR OF PUERTO RICO,
San Juan, PR, March 13, 1989.

HON. BENNETT JOHNSTON,
Senator, U.S. Senate, Washington, DC.

DEAR SENATOR JOHNSTON: On February 27, 1989 I told you that I would have completed my consultation with the leadership of the New Progressive Party by March 13. I have completed the initial consultation process as I promised.

The local press has reported that you will be giving a report to the Senate on our conversations and discussions regarding the referendum on the status of Puerto Rico. We would like you to have the benefits of the results of my consultation before you make the report to the Senate.

In my discussion with the leadership of the party, it was determined and decided to make it clearly known that we are strongly in favor of a referendum which would give the people of Puerto Rico an opportunity to vote on their preference of status and to put an end to our political status dilemma. We want a consultation that provides for a definite solution. A solution compatible with the democratic principles of our Nation and a solution which provides the people of Puerto Rico with full sovereignty as a State of the Union or as an independent nation. Any alternative which provides for US citizenship, but fails to provide for equal participation in the political process of the Nation that we are citizens of, would be unacceptable.

During the discussion with the leadership of our Party, the letter of January 17, 1989 signed by Baltasar Corrada del rio, Rafael Hernández-Colón and Rubén Berrios-Martinez and the Joint Declaration were considered to be unacceptable to the New Progressive Party. A proposed Executive Order to be signed by the Governor, referred to in the Joint Declaration, may be considered acceptable and a proper way to channel all our efforts locally, but only after the proposed Executive Order is reviewed and its complete text unanimously accepted by Rafael Hernández-Colón, Rubén Berrios-Martinez and myself.

We also consider unacceptable that part of the letter which states that the beginning of the process leading to the holding of a referendum is the result of an initiative by the Governor of Puerto Rico. We do not accept that the conversations and the process now underway are the result of the Governor's initiative. It is, on the contrary, the result of the desire and the constant demands of all those persons who oppose the colonial or territorial status of Puerto Rico. It is also the result of President Bush's commitment and continued remarks during the last campaign in Puerto Rico when he indicated his desire to submit the question of the political status to a vote in Puerto Rico, and that he personally favored statehood. It was the result of all of these pressures upon the Governor that bore upon him to call for a meeting with the Presidents of the other two registered political parties.

We further want to make clear for the record that we cannot accept the last part of the third paragraph of the letter, which states or implies that Congress must honor the result of the referendum, no matter which status formula wins. We cannot and we will never condone, endorse or accept as a definite or permanent solution to our status dilemma, a relationship with the rest of the Nation where we would remain as US citizens, but would be permanently denied our right to vote for President and we would also be denied our right to have two Senators and the corresponding number of Representatives in the House.

The Governor and his Popular Party advocate the "culmination" of the colonial status of Puerto Rico, which under the US Constitution and according to the US Supreme Court is nothing else than an "unincorporated territory". The name Commonwealth does not define a status. It is merely a word used to embellish the negative implication of the word "territory".

Any "improvement" or "enhancement" of Commonwealth which would leave unaltered the basic relationship existing between the 3.4 million US citizens and the rest of the Nation, based on a relationship of permanent union, would constitute a "permanent disenfranchisement". Such a relationship would not only be undemocratic, but should never be condoned, supported or encouraged by Congress.

In 1991, we will be celebrating the 500th anniversary of the Discovery of America. At that time, we should have at least begun to take the first steps to decolonize Puerto Rico. It would be a shame to the Nation if Congress were to sponsor or support any relationship with 3.4 million US citizens which was to include a condition of permanent disenfranchisement.

Although we do not subscribe to the letter and to the Joint Declaration of January 17, 1989 for the above stated reasons, we nevertheless feel that the process has already started pursuant to the conversations held in Puerto Rico on February 27, 1989 at the Condado Plaza under your auspices as Chairman of the Committee on Energy and Natural Resources. For that reason we do not believe that it is necessary at this time to sign any other letter or Joint Agreement. As far as we are concerned, the basis for the process now before us is the initial conversation held by and between Governor Rafael Hernández-Colón, as President of the Popular Democratic Party, Rubén Berrios-Martinez as President of the Independent Party, and myself, as President of the New Progressive Party together with you as Chairman of the Committee on Energy and Natural Resources of the US Senate.

We are encouraged, by what has transpired since then, and as you know, we have been keeping in touch with your staff and moving rapidly to keep-up with your proposed time table.

We will cooperate in every way possible to get legislation through Congress before the end of the year 1990. We want it to be understood, however, that the plebiscite should not be held until the year 1991, preferably during the summer.

We have discussed the reasons why the plebiscite should be held in 1991 and not sooner. Among the many reasons, one is the need for time to reorganize the Party, another is the need to raise the funds and organize the campaign of education necessary for the people to be properly advised as to what they are voting for.

You can count on our support in facilitating the process for the approval of the necessary legislation to guarantee a meaningful and fair vote by the people of Puerto Rico on the status preference. We appreciate your commitment to finding a permanent solution to our political status dilemma.

In 1993, Puerto Rico will have been a colony for 500 years. Let us hope that this process, which is now beginning, will lead us to our dream of equality in political rights and economic and social opportunities with all of the US citizens in the rest of the Nation.

Sincerely yours,

CARLOS ROMERO-BARCELÓ.

Mr. McCLURE. Mr. President, I would like to join my colleague from Louisiana in his remarks. While I do not have the background which he does with respect to Puerto Rico since he served on the ad hoc advisory group in the early 1970's, I do appreciate how difficult it has been to achieve a consensus among the different political aspirations which exist in Puerto Rico. What he has accomplished so far is remarkable, and he is to be commended for his efforts. I share his hope that we will be able to consider and enact legislation early enough so that the three parties will have ample time to present their respective preferences to the people of Puerto Rico at a time when the issue is not clouded by the general elections.

Mr. President, it has been barely 30 years since the last two States were admitted to the Union. We have among our colleagues, Members who were intimately involved in that process and who remember the days of territorial government. They also can remember the debates and the concerns which made the process for Hawaii and Alaska so protracted and at times acrimonious. I have no delusions about the course on which we are about to embark. I am also under no illusions that as we develop legislation, we will be asked by representatives of the various status options to tilt the process in one direction or another. The temptation to acceed to that tilt which individual Members may personally support will have to be resisted.

I remember a few years ago when the Senate and the House considered and enacted a resolution dealing with an effort by Cuba to bring Puerto Rico before the United Nations. We had an interesting debate at that time with respect to the concept of self determi-

nation. Senator JOHNSTON stated at one point during the debate: "I do not know whether the Congress would approve Statehood or not. I do not know whether the Congress would approve the new thesis or not. I do not know whether the Congress would approve independence or not. I honestly do not know what Statehood, new thesis, and Independence mean in all their details. Without that knowledge, it would be dishonest on my part to vote for a resolution indicating I would approve a proposal I haven't seen. I'm not willing to do that with administration proposals sight unseen and I am certainly not going to do it with the future of 3½ million people."

I agree fully with Senator JOHNSTON that we need to provide some parameters so that there is no misconception as to what our fellow citizens in Puerto Rico will have before them. Certainly, I expect that each of the three parties will make claims, both with respect to their preferred status and against the other two options, which will not be accurate. That is the nature of political debate. I concur with Senator JOHNSTON that we need to minimize, if we can not eliminate, any misconceptions. We have an obligation to be fair and even-handed, so will be held. I support the effort being undertaken by Senator JOHNSTON and I plan to work closely with him.

The Committee on Energy and Natural Resources, through its predecessor, the Committee on Interior and Insular Affairs, has institutionally the history of implementation of status options ranging from the Northwest ordinance to Philippine independence to statehood from the Northwest ordinance to Philippine independence to statehood for 37 States. We are responsible for the present Federal relations arrangement with Puerto Rico and have considered and reported other measures for other areas such as Guam, the Virgin Islands, American Samoa, The Northern Mariana Islands, and the freely associated states of the Republic of the Marshall Islands, and the Federated States of Micronesia. We currently have pending before the committee a proposal from Guam to alter certain aspects of their Federal relations. Senator JOHNSTON and I worked closely together on many of those issues and I look forward to working with him, our Senate colleagues, the administration, and the interested parties and individuals in Puerto Rico and elsewhere who will be involved in this process.

WHISTLEBLOWER PROTECTION ACT OF 1989

The Senate continued with the consideration of the bill.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maine wish to be recognized.

Mr. COHEN. Mr. President, I believe that Senator MCCAIN wanted to address the amendment now pending.

Mr. DIXON. Mr. President, will the managers yield for a question?

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. I wonder if the managers would yield to me. I am anxious to support the amendment by my distinguished friend, the minority leader, which I suspect is what my friend, the Senator from Arizona, wants to talk about. I wonder what kind of timeframe and procedural situation we are in here.

The PRESIDING OFFICER. The Chair would inform Senators that there is no time remaining at all on the bill or any pending amendments. Any other statements would have to be presented under unanimous consent.

Mr. LEVIN. I would ask the Senators from Arizona and Illinois how many minutes they need.

Mr. DIXON. I only need a minute or two to express my support for what I understand is the Dole-Dixon amendment. It concerns a matter of desecration of the flag in Chicago, and I certainly want to be on record supporting it but I do not want to take much time.

Mr. LEVIN. I ask unanimous consent that 4 minutes be allocated to the Senator from Arizona and 2 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Chair also informs Senators that at this time a recess is scheduled for 12 noon.

Mr. LEVIN. I understand the majority leader is on his way to the floor.

I ask unanimous consent that the recess begin following disposition of these remarks and that 10 minutes be allocated to the Senator from Colorado prior to that recess.

The PRESIDING OFFICER. Is there an objection? Hearing none, it is so ordered. Under the unanimous-consent agreement, the Senator from Arizona is recognized.

Mr. MCCAIN. I thank the chair. I thank my friend from Michigan for his unanimous-consent request in order to allow me to say a few words about the proposed amendment of the distinguished Republican leader.

Mr. President, I first of all, I should like to thank Senator DOLE for his sponsorship of this amendment and my colleague from Illinois for his sponsorship. I do not know what in the world is going on in Chicago. I have visited that airport on many occasions, sometimes spending the night there. Mr. President, every American who has served their country should understand the issue involved, and what is going on in the name of art—an American flag is placed on the floor in front and directly below a guest book. This guest book is a register that has to be signed in order to enter into this particular establishment, and it forces American citizens to stand on the American flag.

Mr. President, this is not art. This is an insult. This is an insult to the American flag and the men and women of this country who serve it and who have made sacrifices to our country.

Mr. President, I hope we adopt the amendment of the distinguished minority leader and Senator from Illinois as rapidly as possible. Veterans throughout America are calling my office; men and women who have served this country are, understandably, angered by this kind of activity. We do not need it. It is totally unnecessary and it is a needless affront to people who cherish this flag of ours. I hope we get a unanimous vote on passage of this amendment so that we can express the sense of this body that this kind of behavior is not only uncalled for but an affront to all Americans who cherish and revere the symbol of this great Nation. A beacon of freedom simply does not deserve such treatment.

Mr. COHEN. If the Senator will yield, I might point out that the Senator from Arizona made a very powerful speech before the Republican National Convention about the meaning of the flag to one of his colleagues who spent a considerable amount of very difficult time in a North Vietnamese prison camp, and the kind of hope and inspiration it provided for the other men who were confined to that camp. I think that stands in dramatic contrast to what is taking place in Chicago as far as laying out that flag, forcing American people to walk on it to register at that art museum.

The PRESIDING OFFICER. Under the order, the Senator from Illinois is now recognized.

Mr. DIXON. Mr. President, I thank my distinguished friend from Arizona and my friend from Maine for their remarks.

Chicago is a great city, Mr. President, my State is a great State, and the people of my State object just as strenuously to a desecration of the American flag as anybody anywhere in America. I am delighted to be a principal cosponsor with my friend, the distinguished minority leader, of this amendment.

As I understand, the statute now says you may not burn a flag, the statute says you may not trample upon the American flag, and by this amendment we will say that you cannot place the American flag on the ground and treat it with contempt. I support that amendment, Mr. President.

I am shocked at what has occurred in a great city and a great State, and I feel I speak for all 11½ million Illinoisans who are like minded when I say we should pass this amendment at once and express our horror at the desecration of the American flag, which is the institutional, significant banner of our great Nation.

I thank the chair. I thank my colleagues for yielding me this time.

The PRESIDING OFFICER The Senator from Wisconsin.

Mr. LEVIN. Mr. President, will the Senator from Wisconsin yield for a unanimous-consent request?

Mr. KASTEN. I am pleased to yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. LEVIN. Mr. President, I ask unanimous consent that Senator DOLE's amendment be voted on as a separate bill immediately following the final passage vote on S. 20, the whistleblower bill; I further ask unanimous consent that no amendments or motions be in order with respect to Senator DOLE's bill and that the debate thus far on the amendment appear in the RECORD as debate on the bill; I further ask unanimous consent that the votes ordered to occur at 2 o'clock this afternoon occur later today immediately following the impeachment proceedings; and, I further ask unanimous consent that there be a live quorum today at 2 p.m., after which the Senate will go into closed session to deliberate on Judge Hastings' motions.

I also ask unanimous consent it be in order to seek the yeas and nays on Senator DOLE's separate freestanding bill at this time.

The PRESIDING OFFICER The Senator has that right. Does he seek the yeas and nays at this time?

Mr. LEVIN. At this time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Without objection, the proposal as propounded by the Senator from Michigan is so ordered.

Mr. LEVIN. I ask unanimous consent that the yeas and nays be ordered on S. 20 at this time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEVIN. My understanding is that the vote on S. 20 would come first, and then the vote on Senator DOLE's bill. Is that correct?

The PRESIDING OFFICER. Without objection, that will be the order.

Mr. LEVIN. I thank my friend from Wisconsin for accommodating us on this.

Mr. DOLE. I thank my friend.

PRIVILEGE OF THE FLOOR DURING CLOSED IMPEACHMENT PROCEEDINGS OF JUDGE ALCEE L. HASTINGS

Mr. LEVIN. I just have one other unanimous-consent request, if the Senator from Wisconsin will yield.

Mr. President, I ask unanimous consent that floor privileges during today's closed impeachment proceeding of Judge Hastings be granted to:

Michael Davidson, Senate Legal Counsel.

Morgan Frankel, Office of Senate Legal Counsel.

Charles Kinney, Democratic Policy Committee.

George Carrenbauer, Democratic Policy Committee.

Anita Jensen, Senator MITCHELL's staff.

Rebecca Roberts, Office of President Pro Tempore.

Roy Greenaway, administrative assistant to Senator CRANSTON.

Sheila Burke, chief of staff for Republican leader.

Robert Dove, Republican leader's staff.

Dennis Shea, Republican leader's staff.

Jim Whittinghill, Republican leader's staff.

Richard Quinn, Republican leader's staff.

Mike Tongour, Assistant Republican leader's staff.

Jeff Peck, Judiciary Committee majority.

Thad Strom, Judiciary Committee minority.

Terry Wooten, Judiciary Committee minority.

Jack Sousa, Rules Committee majority.

Ron Welch, Judiciary Committee minority.

Kevin Kayes, Assistant Parliamentarian.

Jim Weber, Second Assistant Parliamentarian.

Jennifer Smith, Third Assistant Parliamentarian.

David Tinsley, Assistant Journal Clerk.

Scott Bates, Assistant Legislative Clerk.

William Mohr, Official Reporter.

Frank A. Smonskey, Official Reporter.

Ronald Kavulick, Official Reporter.

Jerald D. Linnell, Official Reporter.

Raleigh Milton, Official Reporter.

Joel Breitner, Official Reporter.

Mary Jane McCarthy, Official Reporter.

Paul A. Nelson, Official Reporter.

Kathy Drummond, staff assistant, Official Reporters.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair informs the Senators that time for the unanimous-consent agreements propounded by the Senator from Michigan has now expired. Any additional requests would have to be under unanimous consent.

Mr. LEVIN. I ask unanimous consent that the Senator from Wisconsin be allowed to proceed as in morning business for 3 minutes, that Senator HOLLINGS be allowed to proceed for 5 minutes, and that then the Senate stand in recess.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wisconsin.

NATIONAL AFFORDABLE HOUSING ACT

Mr. KASTEN. Mr. President, home ownership has been part of the American idea for as long as we've been a nation. Owning your own home gives you a special stake in your community, a special responsibility to your neighbors and fellow citizens.

Today, too many young Americans see the possibility of home ownership only as a distant dream—an option foreclosed by high interest rates, sky-high prices and prohibitive down payments.

With all these obstacles placed in their path, even young families with two incomes find it difficult to become homeowners.

This is an important problem for the next generation. And we can't solve it overnight. But we can make a beginning.

A new bill just introduced by Senators D'AMATO, CRANSTON, myself, and many others would start to give these young people the help they need.

The bill is called the National Affordable Housing Act, and it would allow first-time home buyers to reinvest their savings from individual retirement accounts or employer sponsored 401(k) plans into housing down payments.

The bill decreases Federal Housing Administration down payments. It brings them down from 5 to 3 percent on the first $50,000 of the mortgage, and on the whole mortgage—even above $50,000—for first-time home buyers who have completed a financial counseling program.

This bill helps make the housing market more fair—by setting the FHA mortgage ceiling at 95 percent of the median sales price for the region. It gives State and local governments more flexibility in meeting housing needs, and creates a new project independence to give residents of public housing greater access to employment and other services.

The bill will expand the supply of housing for low- and middle-income Americans by providing $3 billion to State and local governments through the new Housing Opportunity Partnership Program.

The chief goal of any national housing policy ought to be access—the

more men and women have access to the housing market, the better off a community will be.

That is what this bill does. Thanks to this proposal, some 500,000 more Americans will be given an opportunity to own their own homes.

We need to make homeownership as much a part of the lives of the younger generation as it was to my generation when we were that age. By just about any measure, America is a richer county today than when I was growing up. There is no excuse for a country as wealthy and economically healthy as ours to close off this important avenue to young men and women.

HUD Secretary Jack Kemp is in our corner on this proposal, and with his help and the support of would-be home owners all over America, we can make it a reality. We can help create a new generation of home owning Americans—and this bill gives us some speed in the right direction.

FBI SPECIAL INQUIRY (SPIN) INVESTIGATIONS

Mr. HOLLINGS. Mr. President, at this morning's hearing of the Commerce-Justice-State Subcommittee attended by the Senator from New Hampshire [Mr. RUDMAN], the Senator from Texas [Mr. GRAMM], and myself, we received from the FBI a report entitled: "Issue: FBI Special Inquiry [SPIN] Investigations." It was not, of course, classified. It was entered into the record this morning at the hearing.

Mr. President, I ask unanimous consent to have the entire report printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ISSUE: FBI SPECIAL INQUIRY (SPIN) INVESTIGATIONS

SCOPE AND NATURE OF SPIN INVESTIGATIONS

Special Inquiry (SPIN) is a term used by the FBI to characterize background investigations conducted by the FBI for the White House, the National Security Council and several select Congressional committees.

PURPOSE OF SPIN INVESTIGATIONS

The goal of SPIN investigations conducted for the White House is to provide White House officials with accurate and complete information concerning the character, loyalty, reputation and associates of a potential appointee, a White House staff member, or other individuals requiring frequent access to the White House. The scope of the SPIN process and the manner in which it is reported are intended to meet the needs of the President and his staff in nomination, employment and access decisions, as well as to assist in security clearance determinations.

SPIN investigations do not, with the exception of some cases involving the judiciary, focus upon an individual's substantive ability in the area of the prospective appointment. While the FBI does check credit records to ascertain an appointee's financial responsibility, the FBI has not been tasked with conducting inquiries into financial matters (e.g., a nominee's investments or other sources of income, or sources of loans). The FBI merely asks knowledgeable persons whether an appointee lives beyond his/her financial means.

Financial statements of appointees are reviewed by White House personnel and are not provided to the FBI. In addition, IRS records are provided directly to the White House and are not furnished to the FBI. If allegations of improprieties relating to financial matters are developed through other inquiries conducted during the SPIN process, or are brought to the FBI's attention by the White House, the FBI undertakes the investigation necessary to resolve them.

It is important to note that the FBI's investigation is not the only basis upon which the White House makes decisions regarding nominations or filling staff vacancies. Other information is used by the White House in making these decisions including personal interviews, questionnaires concerning personal and financial data, Internal Revenue Service record checks, and name checks.

INVESTIGATIVE PROCESS

Requests for SPIN investigations are handcarried from the White House to the FBI, along with Standard Form 86, Questionnaire for Sensitive Position, a supplementary list of 10 "issue" type questions, the individuals fingerprints and the release necessary for access to educational, occupational, credit and other records. This data is carefully reviewed in the SPIN Unit of the Special Inquiry and Civil Rights Section in the Criminal Investigative Division. The SPIN Unit is responsible for the overall field-wide coordination and administration of these investigations. Checks of FBI records systems, and indices including fingerprint files, at headquarters and in field offices are routinely performed. If no previous background investigation has been conducted concerning the appointee, a full-field investigation is initiated which covers the full extent of the appointee's adult life from high school to the present. Assignments are sent by teletype and facsimile to the FBI field offices covering the appointee's place of birth, places of residence, education and employment, and to offices such as Saint Louis where military personnel records are checked if the appointee served in the military.

Because of their sensitivity, SPIN cases conducted for the White House require the most comprehensive investigation to assure that if derogatory information exists, it is developed fully and resolved whenever possible. This standard of complete thoroughness in SPIN matters is absolutely essential to best serve the President in the nomination process and to assure that the nominee's character is not impugned by spurious information, rumor or innuendo.

As a general rule, a minimum of 35 persons, who can knowledgeably comment on a Presidential appointee's background, are interviewed. About 20 persons are usually interviewed in White House staff cases. These interviews typically include references, associates, colleagues, neighbors, business competitors, and others who can comment on the appointee's loyalty, character and reputation. When allegations or any derogatory information are developed, all logical additional investigation is conducted to resolve the issue and may require locating numerous additional persons who can provide more information regarding the specifics of the particular allegation.

Among the issues explored in SPIN investigations are the following: (a) personal and business credit issues; (b) civil suits as a plaintiff or defendant, including divorces; (c) any removals/dismissals of employment; (d) any contact with representatives of foreign countries; (e) any details of applicant's personal life that could be used to coerce the applicant; (f) any professional grievances; (g) business/investment circumstances involving a possible conflict of interest; (h) details of any psychological counseling; (i) prescription drug, alcohol abuse, or illegal drug use; (j) membership in organizations whose policies restrict membership on the basis of sex, race, creed, color, religion, or national origin; (k) criminal history; and (l) "lifestyle" issues i.e. homosexuality, wife abuse, etc.

Results of SPIN investigations are reported to FBIHQ by teletypes and reports which are then summarized in memorandum form in the SPIN Unit. This summary memoranda is provided to the White House. Derogatory information, if developed, is included in the summary and is attributed to the person or persons who provided the information. If these persons request confidentiality, their identities are concealed but the White House is provided information concerning the individual's association with the appointee and the basis of the individual's knowledge of the derogatory information so that the White House can properly assess the significance and pertinence of the information. Complete texts of such interviews, with the identities concealed where appropriate, are also provided to the White House along with the summary or are incorporated into the text of the summary.

INVESTIGATIVE DEADLINES VS TIMELINESS

By mutual agreement between the White House and the FBI, flexible time frames for the completion of the background investigation by the FBI have been established, dependent on the nature and priority of the particular position.

Presidential Appointment with Senate Confirmation (PAS) or Presidential Appointment, 25 calendar days.

White House staff or access, 35 calendar days.

On board staff or access (5 year update), 75 calendar days.

Limited inquiry or Expanded Name Check, 10 calendar days.

These deadlines are flexible, depending on circumstances and can be shortened by White House upon request. For example, full-field investigations on Cabinet-level appointees have been conducted in as short as 5 working days but have averaged approximately 20–22 days, for completion during the Bush Administration to date.

While timeliness is a major concern, it cannot be allowed to foreshadow the primary importance of thoroughness. Failure to conduct a comprehensive investigation can compromise the integrity of the entire appointment process and erode both political and public trust in the FBI and the President.

Short deadlines often have an adverse impact upon the quality of investigations, although the distinctions in quality may be subtle. For example, interviews that are normally conducted in person may be done by telephone under exceptional circumstances. However, a person so interviewed is less likely to be candid. Leads which will probably be unproductive, but may possibly open new avenues of investigation, are less likely to be pursued.

ROLE OF THE FBI IN THE APPOINTMENT PROCESS

While there has been some question as to the responsibility of the FBI to the Senate regarding SPIN investigations conducted for the White House, precedent and custom have clearly defined the FBI's role in the appointment process. That role has been to provide the President, through the White House Counsel's Office, with accurate and complete information concerning a nominee's character, loyalty, reputation and associates so that the President can make informed nomination decisions.

It is essential that the FBI's role be preserved as an impartial, nonpartisan investigative agency. This is best accomplished when the FBI provides the results of its SPIN investigations to the White House which would then make appropriate disclosure of this information to the Senate, consistent with the needs to secure the confidentiality of sensitive information, sources and law enforcement methods. The appointment of a nominee requiring Senate confirmation requires the interaction and ultimate agreement between the White House and Senate. The FBI has and should have no stake in the nomination or "advice and consent" process. The FBI should not be drawn into this essentially political dialogue. To place the FBI in any other position could endanger the FBI's objectivity and independence upon which both the White House and the Senate must ultimately rely.

ISSUE: THE BACKGROUND INVESTIGATION OF JOHN GOODWIN TOWER

Background: On 12/2/88, the Office of the President-Elect (OPE) requested that the FBI conduct and expedite full field investigation on former Senator John Goodwin Tower, who had been nominated as Secretary of Defense. Contained within the initial request was a White House request to resolve a rumor of Tower's alleged involvement with a female foreign national during his assignment to the Geneva Strategic Arms Reduction Talks during 1985–86.

Almost immediately upon initiation, the FBI began to receive allegations concerning (1) alcohol abuse, (2) sexual misconduct, (3) conflict of interest with defense contractors, (4) improper campaign funding activities, and (5) Tower's involvement in the "Ill Wind" investigation. Tower's nomination became a front page media event resulting in numerous allegations being received by both the FBI and the Senate Armed Services Committee (SASC) on almost a daily basis.

Summary memoranda containing the results of the FBI's current investigative status were furnished to the OPE on December 13 and 23, 1988, on January 6, 13, and 25, 1989 and on February 8, 20, 27, and 28, 1989.

KEY EVENTS AND TALKING POINTS

During the period of February 1–2, 1989, a rift developed between Senator Sam Nunn, Chairman, SASC, and the Office of Counsel to the President (OCP) over the OCP's handling of the Tower confirmation process.

Pursuant to a letter dated 2/2/89 to Director Sessions from Senators Nunn and Warner of the SASC, and with the approval of the White House, additional investigation was requested into SASC concerns of Senator Tower's continued abuse of alcohol and womanizing, focusing on the period since Tower left the Senate (1983–1989).

On 2/7/89, new developments involving plea agreements in "Ill Wind" necessitated the FBI having to ask for additonal time to resolve alleged illegal campaign contribution to Senator Tower by "Ill Wind" principals. The Attorney General and the White House concurred with the need to resolve this issue.

Mr. HOLLINGS. Mr. President, this report is very revealing, especially in as much as it is an impartial assessment. It is written by the Federal Bureau of Investigation. The witness this morning, Floyd Clarke, is in charge of what they call the Special Inquiry Unit of the Federal Bureau of Investigation.

The full report makes several critically important points. No. 1, it notes that in every background investigation the FBI asks about alcohol abuse. Specifically, Senator John Tower was not asked any special question nor put to a special or separate standard. Indeed, it was brought out that Mr. CHENEY was asked the same question. I emphasize here that the standard or question was not different. It was the answer of Mr. Tower that was different. It was the answer that caused particular concern.

The report also points out that the FBI submitted nine summary memoranda, totaling 371 pages with enclosures totaling another 137 pages, regarding Senator Tower.

It states that the FBI interviewed approximately 500 individuals, and reinterviewed 20 of those individuals. The normal number of interviewees in a background check is about 35. In the Tower case, there were 500 interviewees. The FBI summary memorandum addressed 21 separate issues which required the FBI to investigate and resolve 69 separate allegations against Senator Tower.

Mr. President, I am reading this from the FBI report. I refer to another part of the report that I asked the FBI about this morning, and that goes to the matter of the care and concern that the FBI takes with respect to spurious information, rumor, and innuendo. I refer specifically to this paragraph in the report:

Because of their sensitivity, SPIN cases conducted for the White House require the most comprehensive investigation to assure that if derogatory information exists, it is developed fully and resolved whenever possible. This standard of complete thoroughness in SPIN matters is absolutely essential to best serve the President in the nomination process and to assure that the nominee's character is not impugned by spurious information, rumor or innuendo.

So I put the question to the FBI this morning, "Did you send any spurious information, rumor, or innuendo to the White House in this summary?" The answer was, "no." In other words, the FBI sends a summary to the White House, and, in turn, the White House sends a summary to us. This is a matter to be reexamined in the future because we know that, under rules of best evidence, priority is given to factual, direct evidence, eyewitness accounts. Yet here we are relying on summaries, which are not necessarily direct evidence. We will have to look into this matter further.

However, Mr. President, the FBI made a very revealing statement, and I am particularly sensitive to this, because in the Tower confirmation proceedings, this Senator, on this side of the aisle, was accused of character assassination, innuendo, rumor, and so on. Yet we now have a report from the FBI that a special thrust of its investigations is, and I quote, "to assure that the nominee's character is not impugned by spurious information, rumor or innuendo." I was accused of "character assassination" because I used the term "alcohol abuser." I am pleased to note that the FBI vindicates my use of that term, because they drew the same conclusion from the evidence on Senator Tower.

I quote the summary conclusion in the FBI report:

The FBI investigation did not disclose any illegal activity on the part of Senator Tower. However, the investigation did confirm a prior pattern of alcohol abuse, as well as the Senator's continuing sporadic use of alcohol with indications that he had greatly reduced his consumption levels during 1983 and 1989.

That, Mr. President, is the impartial Federal Bureau of Investigation summary conclusion, distilled from 500 interviews focusing on 69 allegations. An express thrust of the investigation was to weed out the rumor and innuendo. The FBI did just that, yet the Bureau confirmed—that is the report's word, "confirmed"—a prior pattern of alcohol abuse, as well as the Senator's continuing sporadic use of alcohol.

Concerning the period between 1983 and 1989, Mr. President, I invited the Senators on a guided tour of the FBI record, stating that I could point out at least 10, and more nearly 25 to 30 instances of alcohol abuse. So, therein, now we have an impartial assessment of the evidence by none other than the FBI's Special Inquiry Unit, and that impartial assessment validates my own conclusions on Senator Tower's alcohol abuse, conclusions for which I was labeled a character assassin. The FBI has had the last word, and that word is to confirm that Senator Tower was an alcohol abuser.

One other comment, Mr. President, to my distinguished colleague, the Senator from Kansas. On Sunday, he said I was the only one who had called Senator Tower an alcoholic abuser. I did, on the 3d of the month, on the floor, use the expression "alcoholic abuser." It is very apparent from the record that what I was talking about was "alcohol abuser." In fact, later on, on the 7th, when the Senator from Kansas and I had an exchange on the floor, he and I both used the term "alcohol abuser," and later on the 9th,

the Senator, himself, used the expression "alcohol abuser."

I know the difference between an "alcoholic abuser" and an "alcohol abuser." Technically speaking, where I used the noun rather than the adjective, used "alcoholic" rather than "alcohol," that would mean an "abuser of alcoholics." Certainly, no one said that Mr. Tower was an abuser of alcoholics.

I tried to be as specific and as correct as I possibly could.

I thank the Chair for the indulgence.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER (Mr. SHELBY). Under the previous order, the Senate will now stand in recess until the hour of 2 p.m.

Thereupon, at 12:19 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the President pro tempore.

QUORUM CALL

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, under the order, the clerk will call the roll to establish a quorum.

The assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 3]

Baucus	Dixon	Metzenbaum
Byrd	Dole	Mitchell
Cranston	Kohl	Simon
DeConcini	Leahy	

The PRESIDENT pro tempore. A quorum is not present. The clerk will call the roll of the absentees.

The assistant legislative clerk resumed the call of the roll.

Adams	Graham	Mikulski
Armstrong	Grassley	Moynihan
Biden	Harkin	Murkowski
Bingaman	Hatch	Nunn
Bond	Hatfield	Pell
Boren	Heflin	Pressler
Bradley	Heinz	Pryor
Bryan	Hollings	Reid
Bumpers	Inouye	Riegle
Burdick	Jeffords	Robb
Burns	Kassebaum	Rockefeller
Chafee	Kasten	Rudman
Coats	Kennedy	Sarbanes
Cohen	Kerrey	Sasser
Conrad	Kerry	Simpson
Danforth	Lautenberg	Specter
Daschle	Levin	Stevens
Dodd	Lieberman	Symms
Exon	Lott	Thurmond
Ford	Lugar	Wallop
Fowler	Matsunaga	Warner
Glenn	McCain	Wilson
Gore	McClure	Wirth
Gorton	McConnell	

CLOSED SESSION

The PRESIDENT pro tempore. A quorum is present. Under the previous order, as modified, the hour of 2:15 p.m. having arrived and a quorum having been established, the galleries of the Senate shall be cleared and the floor shall be cleared of all unauthorized personnel. The doors shall be closed, and the Senate will deliberate on Justice Hastings' two motions in closed session. The Sergeant at Arms will proceed to clear the gallery.

(At 2:15 p.m., the doors of the Chamber were closed. The proceedings of the Senate were held in closed session until 4:39 p.m., at which time the Senate recessed until 4:50 p.m., whereupon the following occurred:)

The PRESIDENT pro tempore. The Senate will come to order.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

There will be order in the Senate. The staff will take their seats.

Mr. MITCHELL addressed the Chair.

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the voting records of those Senators who were Members of the House of Representatives during the 100th Congress and who have been excused from voting on all questions during the impeachment trail not be calculated to include any rollcall votes during the trial.

The PRESIDENT pro tempore. Is there objection?

Mr. DOLE. Mr. President, I want to establish, together with the majority leader, the fact that the unanimous-consent agreement on voting records not be a precedent for calculating voting records on any other occasion.

Mr. MITCHELL addressed the Chair.

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. MITCHELL. Mr. President, the Republican leader is correct. This agreement is being entered into for the protection of the Senate, not for the protection of individual Senators. It is absolutely essential that the Senate, as an institution, ensure that Judge Hastings receive a full and fair hearing, without even the slightest appearance of a lack of impartiality.

Because four Senators were Members of the House of Representatives when the House deliberated on the Hastings impeachment, some might suggest that an appearance of prejudgment exists. Their excuse from participation is intended to protect against such an appearance. Because the unanimous-consent agreement would serve for this singular purpose, and this purpose alone, there is no basis for using this agreement in the future for the protection of individual Senators for their voting records.

The PRESIDENT pro tempore. Is there objection to the request of the majority leader?

The Chair hears none. It is so ordered.

The Sergeant at Arms will issue the proclamation.

The SERGEANT AT ARMS. Hear ye, hear ye, hear ye: All persons are commanded to keep silence on pain of imprisonment while the Senate of the United States is sitting for the trial of the articles of impeachment exhibited by the House of Representatives against Alcee Hastings, U.S. district judge for the southern district of Florida.

Mr. MITCHELL addressed the Chair.

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the respondent's two motions at this time, with one show of seconds.

The PRESIDENT pro tempore. Is there objection?

The Chair hears none. It will be so ordered.

Mr. MITCHELL. Mr. President, I ask for the yeas and nays.

The PRESIDENT pro tempore. Is there a sufficient second?

Obviously, there is a sufficient second, and the yeas and nays are ordered on both questions.

The clerk will call the roll on the first question, the first question being Judge Hastings' motion to dismiss articles I through XV without trial based upon the 1983 jury verdict and lapse of time.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Carolina [Mr. SANFORD] is absent on official business.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. BOSCHWITZ] and the Senator from Utah [Mr. GARN] are necessarily absent.

I also announce that the Senator from Indiana [Mr. COATS], the Senator from Vermont [Mr. JEFFORDS], the Senator from Mississippi [Mr. LOTT], and the Senator from Florida [Mr. MACK] are officially excused from impeachment proceedings.

The PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 1, nays 92, as follows:

(Rollcall Vote No. 22)

(Motion to Dismiss Articles I through XV without trial based on the 1983 jury verdict and lapse of time—Court of Impeachment—Judge Alcee L. Hastings.)

[Rollcall Vote No. 22]

YEAS—1

Metzenbaum

NAYS—92

Adams	Fowler	McConnell
Armstrong	Glenn	Mikulski
Baucus	Gore	Mitchell
Bentsen	Gorton	Moynihan
Biden	Graham	Murkowski
Bingaman	Gramm	Nickles
Bond	Grassley	Nunn
Boren	Harkin	Packwood
Bradley	Hatch	Pell
Breaux	Hatfield	Pressler
Bryan	Heflin	Pryor
Bumpers	Heinz	Reid
Burdick	Helms	Riegle
Burns	Hollings	Robb
Byrd	Humphrey	Rockefeller
Chafee	Inouye	Roth
Cochran	Johnston	Rudman
Cohen	Kassebaum	Sarbanes
Conrad	Kasten	Sasser
Cranston	Kennedy	Shelby
D'Amato	Kerrey	Simon
Danforth	Kerry	Simpson
Daschle	Kohl	Specter
DeConcini	Lautenberg	Stevens
Dixon	Leahy	Symms
Dodd	Levin	Thurmond
Dole	Lieberman	Wallop
Domenici	Lugar	Warner
Durenberger	Matsunaga	Wilson
Exon	McCain	Wirth
Ford	McClure	

NOT VOTING—7

Boschwitz	Jeffords	Sanford
Coats	Lott	
Garn	Mack	

So the motion was denied.

The PRESIDENT pro tempore. The Clerk will call the roll on the second question, Judge Hastings' motion to dismiss article XVII for failure to state a separate impeachable offense.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Carolina [Mr. SANFORD] is absent on official business.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. BOSCHWITZ] and the Senator from Utah [Mr. GARN] are necessarily absent.

I also announce that the Senator from Indiana [Mr. COATS], the Senator from Vermont [Mr. JEFFORDS], the Senator from Mississippi [Mr. LOTT], and the Senator from Florida [Mr. MACK] are officially excused from impeachment proceedings.

The PRESIDENT pro tempore. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 0, nays 93, as follows:

(Rollcall Vote No. 23)

(Motion to dismiss article XVII for failure to state a separate impeachable offense.)

[Rollcall Vote No. 23]

NAYS—93

Adams	Chafee	Ford
Armstrong	Cochran	Fowler
Baucus	Cohen	Glenn
Bentsen	Conrad	Gore
Biden	Cranston	Gorton
Bingaman	D'Amato	Graham
Bond	Danforth	Gramm
Boren	Daschle	Grassley
Bradley	DeConcini	Harkin
Breaux	Dixon	Hatch
Bryan	Dodd	Hatfield
Bumpers	Dole	Heflin
Burdick	Domenici	Heinz
Burns	Durenberger	Helms
Byrd	Exon	Hollings
Humphrey	McClure	Rockefeller
Inouye	McConnell	Roth
Johnston	Metzenbaum	Rudman
Kassebaum	Mikulski	Sarbanes
Kasten	Mitchell	Sasser
Kennedy	Moynihan	Shelby
Kerrey	Murkowski	Simon
Kerry	Nickles	Simpson
Kohl	Nunn	Specter
Lautenberg	Packwood	Stevens
Leahy	Pell	Symms
Levin	Pressler	Thurmond
Lieberman	Pryor	Wallop
Lugar	Reid	Warner
Matsunaga	Riegle	Wilson
McCain	Robb	Wirth

YEAS—0

NOT VOTING—7

Boschwitz	Jeffords	Sanford
Coats	Lott	
Garn	Mack	

So the motion was denied.

COMMITTEE TO RECEIVE AND REPORT EVIDENCE IN WITH RESPECT TO ARTICLES OF IMPEACHMENT AGAINST JUDGE ALCEE L. HASTINGS

The PRESIDENT pro tempore. Under the previous order, the Senate will now turn to the consideration of Senate Resolution 38 which the clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 38) to provide for the appointment of a committee to receive and report evidence with respect to articles of impeachment against Judge Alcee L. Hastings.

The Senate proceeded to consider the resolution.

The PRESIDENT pro tempore. The majority leader.

Mr. MITCHELL. Mr. President, last September the Committee on Rules and Administration reported its advice that the Senate has constitutional authority to appoint a committee pursuant to impeachment rule XI to receive and report to the Senate evidence in an impeachment trial. The Senate then, in Senate Resolution 480 of the 100th Congress, directed the Committee on Rules and Administration to hold a hearing early in the 101st Congress on the appropriate use of an evidentiary committee under rule XI in this particular impeachment. Pursuant to that directive, the Committee on Rules and Administration received and considered the views of Judge Hastings' counsel, who opposed the appointment of an evidentiary committee, and also received and considered the views of the managers.

In making its recommendation to the Senate that a committee be appointed for this impeachment, the Rules Committee concluded that fairness to the parties could be achieved in a manner that is consistent with the Senate's ability to continue to conduct other business of public importance. The Rules Committee made several recommendations to help attain that objective.

Of particular importance, the Rules Committee recommended that the impeachment committee's public proceedings be videotaped so that Members who are not on the committee will have an opportunity to see the testimony of witnesses whom they would like to observe. The Rules Committee further recommended that ample time be provided between the conclusion of the impeachment committee's proceedings and the Senate's deliberations on the articles so that Members will have sufficient time to study the printed record and review any significant portions of the videotaped record.

Committees appointed under impeachment rule XI do not make recommendations to the Senate on the conviction or acquittal of an impeached officer. Senate Resolution 38 adheres to that basic concept, but, to assist the Senate in analyzing the evidentiary record, the resolution authorizes the impeachment committee to include in its report, in addition to the full record of evidence, a statement of uncontested facts and a summary of evidence on contested facts.

It is important to note also that impeachment rule XI preserves the Senate's power to determine the competency, relevancy, and materiality of evidence reported by the committee, and also preserves the Senate's right to send for any witnesses and to hear the testimony of those witnesses before the full Senate.

The provisions of impeachment rule XI, together with the recommendations of the Rules Committee, will help to assure a fair Senate trial of this impeachment. I urge the adoption of Senate Resolution 38.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

Mr. LEVIN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state his parliamentary inquiry.

Mr. LEVIN. Mr. President, does this resolution determine whether or not Judge Hastings will have an opportunity to testify or be cross-examined before the full Senate if he requests to do so following a report of the impeachment committee to the Senate?

The PRESIDENT pro tempore. The Senator will please refer to rule XI of the Rules of Impeachment which clearly sets forth the powers and responsibilities of the committee. The resolution does not address that question.

Mr. LEVIN. I thank the Chair.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

Resolved, That pursuant to Rule XI of the Rules of Procedure and Practice in the Senate When Sitting on Impeachment Trials, the Presiding Officer shall appoint a committee of twelve senators to perform the duties and to exercise the powers provided for in the rule.

SEC. 2. The Majority and Minority Leader shall each recommend six members to the Presiding Officer for apppointment to the committee. The committee shall designate one of its members to be chairman and one of its members to be vice chairman.

SEC. 3. The committee shall be deemed to be a standing committee of the Senate for the purpose of reporting to the Senate resolutions for the criminal or civil enforcement of the committee's subpoenas or orders, and for the purpose of printing reports, hearings, and other documents for submission to the Senate under Rule XI.

SEC. 4. During proceedings conducted under Rule XI the chairman of the committee is authorized to waive the requirement under the Rules of Procedure and Practice in the Senate When Sitting on Impeachment Trials that questions by a Senator to a witness, a manager, or counsel shall be reduced to writing and put by the presiding officer.

SEC. 5. In addition to a certified copy of the transcript of the proceedings and testimony had and given before it, the committee is authorized to report to the Senate a statement of facts that are uncontested and a summary, with appropriate references to the record, of evidence that the parties have introduced on contested issues of fact.

SEC. 6. Necessary expenses of the committee shall be paid from the contingent fund of the Senate from the appropriation account "Miscellaneous Items" upon vouchers approved by the chairman of the committee.

SEC. 7. The Secretary shall notify the House of Representatives and counsel for Judge Alcee L. Hastings of this resolution.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

The PRESIDENT pro tempore. The question is on the motion to reconsider.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENT OF COMMITTEE MEMBERS UNDER IMPEACHMENT RULE XI

The PRESIDENT pro tempore. The majority leader.

Mr. MITCHELL. Mr. President, in accordance with Senate Resolution 38 I recommend to the Chair the appointment of Senators BINGAMAN, LEAHY, PRYOR, BRYAN, KERREY, and LIEBERMAN to be members of the committee under impeachment rule XI.

Mr. President, at the request of the distinguished Republican leader, I hereby recommend to the Chair the appointment of Senators SPECTER, RUDMAN, GORTON, DURENBERGER, BOND, and BURNS to be members of the committee under impeachment rule XI.

The PRESIDENT pro tempore. Pursuant to Senate Resolution 38, and impeachment rule XI, the Chair appoints upon the recommendations of the two leaders, the following Senators: Messrs. BINGAMAN, LEAHY, PRYOR, BRYAN, KERREY, LIEBERMAN, SPECTER, DURENBERGER, RUDMAN, BOND, GORTON, and BURNS to be members of the committee to receive and report evidence in the impeachment of Judge Alcee L. Hastings.

The majority leader is recognized.

STATEMENTS SUBMITTED

Mr. MITCHELL. Mr. President, Senate Resolution 38 provides that the committee shall designate one of its members to be chairman and one of its members to be vice chairman. The Committee on Rules and Administration will be providing its hearing room, Russell SR-301, to the impeachment committee for an organizational meeting tomorrow, March 17, at 8:30 a.m., so that the members of the committee may designate their chairman and vice chairman and take any other initial organizational measures which they deem appropriate.

Pursuant to Senate Resolution 480 of the 100th Congress, the parties submitted to the Senate on February 21, 1989, a joint statement, and the managers submitted a separate statement, on stipulations and other evidentiary matters. I ask unanimous consent that those statements now be referred to the committee appointed under impeachment rule XI.

FILING OF STATEMENTS

The PRESIDENT pro tempore. Without objection, it is so ordered.

The majority leader is recognized.

Mr. MITCHELL. Mr. President, while debate among Senators during an impeachment trial is not permitted in open session, the Senate after a vote on the issue has permitted Senators to file statements explaining their votes.

I ask unanimous consent that Senators now may, if they so wish, file statements with respect to the votes which have just occurred on Judge Hastings' motions to dismiss.

The PRESIDENT pro tempore. Without objection, that will be the order of the Senate.

EXPLANATORY STATEMENT PERTAINING TO SENATOR SPECTER'S VOTE TO DENY THE MOTIONS TO DISMISS

Mr. SPECTER. Mr. President, I have voted to deny the motions to dismiss, because of my view that a motion to dismiss ought to be granted at the outset of the proceeding only if there is a conclusive legal bar to going forward, and there is not in this case.

There appears to be a conflict between fairness and what may be a technical, legal provision, but I submit that the Senate can guarantee fairness through the conclusion of our proceeding, after we hear all of the evidence and consider the matter in full.

The concept of double jeopardy has evolved in a more liberal way with courts now holding double jeopardy applicable, where in the past they had denied such claims. For example, in Pennsylvania it used to be the law that if a defendant was acquitted in the Federal court, he could be tried in the State court; and the Pennsylvania Supreme Court has changed that rule.

Just last week there was a unique decision in the Federal courts on the issue of punitive damages, where in a civil context the Court held that only one plaintiff can collect punitive damages.

That was articulated on the grounds of fairness, but there was a very substantial double jeopardy concept behind it.

So it may be that ultimately this body would conclude that double jeopardy does attach, and while we do articulate the concept that legal principles do not turn on the facts and bad cases make bad law, the reality is that cases are decided in a factual context.

After we hear the details of Judge Hastings perhaps it will set a stage which is sufficiently egregious that we would want to establish a legal principle that after an acquittal by a jury someone should not be called upon to stand in an impeachment proceeding.

The problem that this Senator has is that if we were to dismiss at this time Judge Hastings would stay in office to be a Federal judge. One might say, well, if the principle is established that double jeopardy attaches, as a matter of law, we ought not to be concerned about his staying in office. But, Mr. President, it is precisely that situation that impeachment addresses, that is, whether someone should stay in office as distinguished from whether someone ought to sustain a criminal penalty.

Mr. President, with all due respect to the arguments which we heard yesterday and the time which each of us may have had to consider this matter, I do not believe that we have had an adequate opportunity to examine this very complicated legal issue. I know that speaking for myself I have not.

I noted that the litigation preceding this impeachment has resulted in seven reported opinions from the lower Federal courts in the 11th Circuit and in the Court of Appeals for the District of Columbia, and I have started to scan some of the opinions, and they are very, very complicated. To the extent that I have been able to study them so far they do tend to establish the principle that the jurisdiction of the courts under article III is very different from the jurisdiction of the Senate and the House under the impeachment provisions, so that when Judge Hastings had argued that he should not be first tried before being

impeached the courts said, no, the article III powers are separte jurisdiction. This raises an inference that the impeachment powers of the House and now the Senate are really separate and distinct.

If we had granted the motions we would have established a binding precedent which I think would be very unwise. In the course of our later deliberations I think we can guarantee that fairness will be done. I believe that due process and an orderly deliberation calls upon this body to proceed beyond this point. For these reasons, I voted against the motions to dismiss.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The Senate will please be in order.

The majority leader.

WHISTLEBLOWER PROTECTION ACT OF 1989

The Senate continued with the consideration of the bill.

Mr. MITCHELL. Mr. President, I ask the Chair whether under the previous order a rollcall vote is now in order on S. 20.

The PRESIDENT pro tempore. The majority leader is correct.

Mr. ADAMS. Mr. President, today I rise to express my support for S. 20, the Whistleblower Protection Act.

As my colleagues are aware, S. 20 provides much needed protection for Federal employees who expose waste and mismanagement by Federal agencies. Under current law, whistleblowers who are victims of retaliation by their employing Government agency can direct their complaints to a quasi-judicial body known as the Merit Systems Protection Board [MSPB]. The Office of the Special Counsel [OSC], an investigating and prosecuting arm of the MPSB, then determines wich cases are to be brought before the merit board.

One would think that the present system of review could provide adequate protection for Federal employees who are committed to public service. This is not the case, however. Instead, the OSC has merely acted as a screen to ensure that whistleblower cases are not heard. In its first 8 years, the OSC has turned down more than 99 percent of the whistleblower cases without initiating disciplinary or corrective actions. Further, a GAO study has also found that OSC had not sought corrective action to recover the job of a single whistleblower, and in 1984 the OSC conducted actual investigations for only 8 percent of the employees who requested assistance. This lack of concern by the special counsel, combined with the heavy burden of proof required of a Federal employee, discourages those who seek to improve the management of our Federal agencies.

Of course, such discouragement is reinforced when other Federal workers hear horror stories of retaliatory action against their colleagues. I heard of one FDA scientist who challenged FDA's approval of known carcinogens for use in animal feed and claimed such carcinogens posed a threat to the human food chain. Although a congressional committee confirmed his charges, the scientist was, in essence, fired from his job in charge of quality control for new animal drug applications. I would hope that we live in a country where the Government does not chastize its employees for calling attention to public health hazards.

S. 20 helps us avoid problems such as the one I just described. It reduces the burden-of-proof standard, thereby making it easier for a whistleblower to prove retaliation by an agency. It also allows whistleblowers to appeal directly to the merit board within 60 days of the OSC terminating the investigation or within 120 days of seeking corrective action from the OSC. In addition, the measure restricts the OSC from acting in a manner that is contrary to the complainant's interest such as leaking evidence or information about the complainant to the employer.

Mr. President, such legislation is long overdue. Federal agencies have a duty to obey the law and to follow sound management practices. With the adoption of S. 20, agency retaliation will become more difficult and Federal workers will have a greater incentive to speak out. Therefore, this legislation will lead to more effective and efficient Government.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall the bill pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Carolina [Mr. SANFORD] is absent on official business.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. BOSCHWITZ] and the Senator from Utah [Mr. GARN] are necessarily absent.

The PRESIDING OFFICER (Mr. ROBB). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 24 Leg.]

YEAS—97

Adams	Glenn	McConnell
Armstrong	Gore	Metzenbaum
Baucus	Gorton	Mikulski
Bentsen	Graham	Mitchell
Biden	Gramm	Moynihan
Bingaman	Grassley	Murkowski
Bond	Harkin	Nickles
Boren	Hatch	Nunn
Bradley	Hatfield	Packwood
Breaux	Heflin	Pell
Bryan	Heinz	Pressler
Bumpers	Helms	Pryor
Burdick	Hollings	Reid
Burns	Humphrey	Riegle
Byrd	Inouye	Robb
Chafee	Jeffords	Rockefeller
Coats	Johnston	Roth
Cochran	Kassebaum	Rudman
Cohen	Kasten	Sarbanes
Conrad	Kennedy	Sasser
Cranston	Kerrey	Shelby
D'Amato	Kerry	Simon
Danforth	Kohl	Simpson
Daschle	Lautenberg	Specter
DeConcini	Leahy	Stevens
Dixon	Levin	Symms
Dodd	Lieberman	Thurmond
Dole	Lott	Wallop
Domenici	Lugar	Warner
Durenberger	Mack	Wilson
Exon	Matsunaga	Wirth
Ford	McCain	
Fowler	McClure	

NOT VOTING—3

Boschwitz	Garn	Sanford

So the bill (S. 20), as amended, was passed, as follows:

S. 20

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Whistleblower Protection Act of 1989".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) Federal employees who make disclosures described in section 2302(b)(8) of title 5, United States Code, serve the public interest by assisting in the elimination of fraud, waste, abuse, and unnecessary Government expenditures;

(2) protecting employees who disclose Government illegality, waste, and corruption is a major step toward a more effective civil service; and

(3) in passing the Civil Service Reform Act of 1978, Congress established the Office of Special Counsel to protect whistleblowers (those individuals who make disclosures described in such section 2302(b)(8)) from reprisal.

(b) PURPOSE.—The purpose of this Act is to strengthen and improve protection for the rights of Federal employees, to prevent reprisals, and to help eliminate wrongdoing within the Government by—

(1) mandating that employees should not suffer adverse consequences as a result of prohibited personnel practices; and

(2) establishing—

(A) that the primary role of the Office of Special Counsel is to protect employees, especially whistleblowers, from prohibited personnel practices;

(B) that the Office of Special Counsel shall act in the interests of employees who seek assistance from the Office of Special Counsel; and

(C) that while disciplining those who commit prohibited personnel practices may be used as a means by which to help accomplish that goal, the protection of individuals who are the subject of prohibited personnel practices remains the paramount consideration.

SEC. 3. MERIT SYSTEMS PROTECTION BOARD: OFFICE OF SPECIAL COUNSEL: INDIVIDUAL RIGHT OF ACTION.

(a) MERIT SYSTEMS PROTECTION BOARD.—Chapter 12 of title 5, United States Code is amended—

(1) in section 1201 in the second sentence by striking out "Chairman and";

(2) in the heading for section 1202 by striking out the comma and inserting in lieu thereof a semicolon;

(3) in section 1202(b)—

(A) in the first sentence by striking out "his" and inserting in lieu thereof "the member's"; and

(B) in the second sentence by striking out "of this title";

(4) in section 1203(a) in the first sentence by striking out the comma after "time";

(5) in section 1203(c) by striking out "the Chairman and Vice Chairman" and inserting in lieu thereof "the Chairman and the Vice Chairman";

(6) by redesignating section 1204 as section 1211(b) and inserting such subsection after section 1211(a) (as added in paragraph (11) of this subsection);

(7) by redesignating section 1205 as section 1204, and amending such redesignated section—

(A) by striking out "and Special Counsel", "the Special Counsel," and "of this section" each place such terms appear;

(B) by striking out "subpena" and "subpenaed" each place such terms appear and inserting in lieu thereof "subpoena" and "subpoenaed", respectively;

(C) in subsection (a)(4) by striking out "(e)" and inserting in lieu thereof "(f)";

(D) by amending subsection (b)(2) to read as follows:

"(2) Any member of the Board, any administrative law judge appointed by the Board under section 3105, and any employee of the Board designated by the Board may, with respect to any individual—

"(A) issue subpoenas requiring the attendance and presentation of testimony of any such individual, and the production of documentary or other evidence from any place in the United States, any territory or possession of the United States, the Commonwealth of Puerto Rico, or the District of Columbia; and

"(B) order the taking of depositions from, and responses to written interrogatories by, any such individual.";

(E) in subsection (c) in the first sentence—

(i) by striking out "(b)(2) of this section," and inserting in lieu thereof "(b)(2)(A) or section 1214(b), upon application by the Board,"; and

(ii) by striking out "judicial";

(F) by redesignating subsections (d) through (k) as subsections (e) through (l), respectively, and inserting after subsection (c) the following new subsection:

"(d) A subpoena referred to in subsection (b)(2)(A) may, in the case of any individual outside the territorial jurisdiction of any court of the United States, be served in such manner as the Federal Rules of Civil Procedure prescribe for service of a subpoena in a foreign country. To the extent that the courts of the United States can assert jurisdiction over such individual, the United States District Court for the District of Columbia shall have the same jurisdiction to take any action respecting compliance under this subsection by such individual that such court would have if such individual were personally within the jurisdiction of such court.";

(G) in subsection (e) (as redesignated by subparagraph (F) of this paragraph)—

(i) in paragraph (1)—

(I) by redesignating such paragraph as subparagraph (A) of paragraph (1); and

(II) by inserting at the end thereof the following new subparagraph:

(B)(i) The Merit Systems Protection Board may, during an investigation by the Office of Special Counsel or during the pendency of any proceeding before the Board, issue any order which may be necessary to protect a witness or other individual from harassment, except that an agency (other than the Office of Special Counsel) may not request any such order with regard to an investigation by the Office of Special Counsel from the Board during such investigation.

"(ii) An order issued under this subparagraph may be enforced in the same manner as provided for under paragraph (2) with respect to any order under subsection (a)(2).";

(ii) in paragraph (2)—

(I) by redesignating such paragraph as subparagraph (A) of paragraph (2) and striking out "of this section" in the first sentence therein; and

(II) by inserting at the end thereof the following new subparagraph (B):

"(B) The Board shall prescribe regulations under which any employee who is aggrieved by the failure of any other employee to comply with an order of the Board may petition the Board to exercise its authority under subparagraph (A).''; and

(iii) in paragraph (3) by inserting "of Personnel Management" after "Office";

(H) in subsection (f) (as redesignated by subparagraph (F) of this paragraph)—

(i) in paragraph (1) in the first sentence by inserting "of the Office of Personnel Management" after "Director", and by striking out "of this title";

(ii) in paragraph (2)—

(I) in the first sentence by inserting a comma after "subsection";

(II) in paragraph (A) by striking out "of this title"; and

(III) in subparagraph (B) by striking out "of this title"; and

(iii) in paragraph (3)—

(I) in subparagraph (A) by striking out "(A)";

(II) by striking out subparagraph (B); and

(III) by redesignating subparagraph (C) and clauses (i) and (ii) therein as paragraph (4) and subparagraphs (A) and (B), respectively; and

(I) in subsection (j) (as redesignated by subparagraph (F) of this paragraph) in the second sentence by striking out "of this title" after "chapter 33";

(8) by striking out sections 1206 through 1208;

(9) by redesignating section 1290(a) as section 1205, and inserting before such section the following section heading:

"§ 1205. Transmittal of information to Congress";

(10) by redesignating section 1209(b) as section 1206, and inserting before such section the following section heading:

"§ 1206. Annual report";

(11) by inserting after section 1206 (as redesignated in paragraph (10) of this subsection) the following:

"SUBCHAPTER II—OFFICE OF SPECIAL COUNSEL

"§ 1211. Establishment

"(a) There is established the Office of Special Counsel, which shall be headed by the Special Counsel. The Office shall have an official seal which shall be judicially noticed. The Office shall have its principal office in the District of Columbia and shall have field offices in other appropriate locations.";

(12) by amending section 1211(b) (as redesignated and inserted by paragraph (6) of this subsection)—

(A) in the first sentence by striking out "of the Merit Systems Protection Board" and "from attorneys";

(B) by striking the second sentence and inserting in lieu thereof "The Special Counsel shall be an attorney who, by demonstrated ability, background, training, or experience, is especially qualified to carry out the functions of the position. A Special Counsel appointed to fill a vacancy occurring before the end of a term of office of the Special Counsel's predecessor serves for the remainder of the term."; and

(C) by adding at the end thereof "The Special Counsel may not hold another office or position in the Government of the United States, except as otherwise provided by law or at the direction of the President."; and

(13) inserting after section 1211 the following:

"§ 1212. Powers and functions of the Office of Special Counsel

"(a) The Office of Special Counsel shall—

"(1) in accordance with section 1214(a) and other applicable provisions of this subchapter, protect employees, former employees, and applicants for employment from prohibited personnel practices;

"(2) receive and investigate allegations of prohibited personnel practices, and, where appropriate—

"(A) bring petitions for stays, and petitions for corrective action, under section 1214; and

"(B) file a complaint or make recommendations for disciplinary action under section 1215;

"(3) receive, review, and, where appropriate, forward to the Attorney General or an agency head under section 1213, disclosures of violations of any law, rule, or regulation, or gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety;

"(4) review rules and regulations issued by the Director of the Office of Personnel Management in carrying out functions under section 1103 and, where the Special Counsel finds that any such rule or regulation would, on its face or as implemented, require the commission of a prohibited personnel practice, file a written complaint with the Board; and

"(5) investigate and, where appropriate, bring actions concerning allegations of violations of other laws within the jurisdiction of the Office of Special Counsel (as referred to in section 1216).

"(b)(1) The Special Counsel and any employee of the Office of Special Counsel designated by the Special Counsel may administer oaths, examine witnesses, take depositions, and receive evidence.

"(2) The Special Counsel may—

"(A) issue subpoenas; and

"(B) order the taking of depositions and order responses to written interrogatories;

in the same manner as provided under section 1204.

"(3)(A) In the case of contumacy or failure to obey a subpoena issued under paragraph (2)(A), the Special Counsel may apply to the Merit Systems Protection Board to enforce the subpoena in court pursuant to section 1204(c).

"(B) A subpoena under paragraph (2)(A) may in the case of any individual outside the territorial jurisdiction of any court of the United States, be served in the manner referred to in subsection (d) of section 1204, and the United States District Court for the District of Columbia may, with respect to any such individual, compel compliance in accordance with such subsection.

"(4) Witnesses (whether appearing voluntarily or under subpoena) shall be paid the same fee and mileage allowances which are paid subpoenaed witnesses in the courts of the United States.

"(c)(1) Except as provided in paragraph (2), the Special Counsel may as a matter of right intervene or otherwise participate in any proceeding before the Merit Systems Protection Board, except that the Special Counsel shall comply with the rules of the Board.

"(2) The Special Counsel may not intervene in an action brought by an individual under section 1221, or in an appeal brought by an individual under section 7701, without the consent of such individual.

"(e)(1) The Special Counsel may appoint the legal, administrative, and support personnel necessary to perform the functions of the Special Counsel.

"(2) Any appointment made under this subsection shall be made in accordance with the provisions of this title, except that such appointment shall not be subject to the approval or supervision of the Office of Personnel Management or the Executive Office of the President (other than approval required under section 3324 or subchapter VIII of chapter 33).

"(f) The Special Counsel may prescribe such regulations as may be necessary to perform the functions of the Special Counsel. Such regulations shall be published in the Federal Register.

"(g) The Special Counsel may not issue any advisory opinion concerning any law, rule, or regulation (other than an advisory opinion concerning chapter 15 or subchapter III of chapter 73).

"(h)(1) The Special Counsel may not respond to any inquiry or provide information concerning any person making an allegation under section 1214(a), except in accordance with the provisions of section 552a of title 5, United States Code, or as required by any other applicable Federal law.

"(2) Notwithstanding the exception under paragraph (1), the Special Counsel may not respond to any inquiry concerning a matter described in subparagraph (A) or (B) of section 2302(b)(2) in connection with a person described in paragraph (1)—

"(A) unless the consent of the individual as to whom the information pertains is obtained in advance; or

"(B) except upon request of an agency which requires such information in order to make a determination concerning an individual's having access to the information unauthorized disclosure of which could be expected to cause exceptionally grave damage to the national security.

"§ 1213. Provisions relating to disclosures of violations of law, gross mismanagement, and certain other matters

"(a) This section applies with respect to—

"(1) any disclosure of information by an employee, former employee, or applicant for employment which the employee, former employee, or applicant reasonably believes evidences—

"(A) a violation of any law, rule, or regulation; or

"(B) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety;

if such disclosure is not specifically prohibited by law and if such information is not specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs; and

"(2) any disclosure by an employee, former employee, or applicant for employment to the Special Counsel or to the Inspector General of an agency or another employee designated by the head of the agency to receive such disclosures of information which the employee, former employee, or applicant reasonably believes evidences—

"(A) a violation of any law, rule, or regulation; or

"(B) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

"(b) Whenever the Special Counsel receives information of a type described in subsection (a) of this section, the Special Counsel shall review such information and, within 15 days after receiving the information, determine whether there is a substantial likelihood that the information discloses a violation of any law, rule, or regulation, or gross mismanagement, gross waste of funds, abuse of authority, or substantial and specific danger to public health and safety.

"(c)(1) Subject to paragraph (2), if the Special Counsel makes a positive determination under subsection (b) of this section, the Special Counsel shall promptly transmit the information with respect to which the determination was made to the appropriate agency head and require that the agency head—

"(A) conduct an investigation with respect to the information and any related matters transmitted by the Special Counsel to the agency head; and

"(B) submit a written report setting forth the findings of the agency head within 60 days after the date on which the information is transmitted to the agency head or within any longer period of time agreed to in writing by the Special Council.

"(2) The Special Counsel may require an agency head to conduct an investigation and submit a written report under paragraph (1) only if the information was transmitted to the Special Counsel by—

"(A) an employee, former employee, or applicant for employment in the agency which the information concerns; or

"(B) an employee who obtained the information in connection with the performance of the employee's duties and responsibilities.

"(d) Any report required under subsection (c) shall be reviewed and signed by the head of the agency and shall include—

"(1) a summary of the information with respect to which the investigation was initiated;

"(2) a description of the conduct of the investigation;

"(3) a summary of any evidence obtained from the investigation;

"(4) a listing of any violation or apparent violation of any law, rule, or regulation; and

"(5) a description of any action taken or planned as a result of the investigation, such as—

"(A) changes in agency rules, regulations, or practices;

"(B) the restoration of any aggrieved employee;

"(C) disciplinary action against any employee; and

"(D) referral to the Attorney General of any evidence of a criminal violation.

"(e)(1) Any such report shall be submitted to the Special Counsel, and the Special Counsel shall transmit a copy to the complainant, except as provided under subsection (f) of this section. The complainant may submit comments to the Special Counsel on the agency report within 15 days of having received a copy of the report.

"(2) Upon receipt of any report of the head of any agency required under subsection (c) of this section, the Special Counsel shall review the report and determine whether—

"(A) the findings of the head of the agency appear reasonable; and

"(B) the report of the agency under subsection (c)(1) of this section contains the information required under subsection (d) of this section.

"(3) The Special Counsel shall transmit any agency report received pursuant to subsection (c) of this section, any comments provided by the complainant pursuant to subsection (e)(1), and any appropriate comments or recommendations by the Special Counsel to the President, the congressional committees with jurisdiction over the agency which the disclosure involves, and the Comptroller General.

"(4) Whenever the Special Counsel does not receive the report of the agency within the time prescribed in susbsection (c)(2) of this section, the Special Counsel shall transmit a copy of the information which was transmitted to the agency head to the President, the congressional committees with jurisdiction over the agency which the disclosure involves, and the Comptroller General together with a statement noting the failure of the head of the agency to file the required report.

"(f) In any case in which evidence of a criminal violation obtained by an agency in an investigation under subsection (c) of this section is referred to the Attorney General—

"(1) the report shall not be transmitted to the complainant; and

"(2) the agency shall notify the Office of Personnel Management and the Office of Management and Budget of the referral.

"(g)(1) If the Special Counsel receives information of a type described in subsection (a) from an individual other than an individual described in subparagraph (A) or (B) of subsection (c)(2), the Special Counsel may transmit the information to the head of the agency which the information concerns. The head of such agency shall, within a reasonable time after the information is transmitted, inform the Special Counsel in writing of what action has been or is being taken and when such action shall be completed. The Special Counsel shall inform the individual of the report of the agency head. If the Special Counsel does not transmit the information to the head of the agency, the Special Counsel shall return any documents and other matter provided by the individual who made the disclosure.

"(2) If the Special Counsel receives information of a type described in subsection (a) from an individual described in subparagraph (A) or (B) of subsection (c)(2), but does not make a positive determination under subsection (b), the Special Counsel may transmit the information to the head of the agency which the information concerns, except that the information may not be transmitted to the head of the agency without the consent of the individual. The head of such agency shall, within a reasonable time after the information is transmitted, inform the Special Counsel in writing of what action has been or is being taken and when such action will be completed. The Special Counsel shall inform the individual of the report of the agency head.

"(3) If the Special Counsel does not transmit the information to the head of the agency under paragraph (2), the Special Counsel shall—

"(A) return any documents and other matter provided by the individual who made the disclosure; and

"(B) inform the individual of—

"(i) the reasons why the disclosure may not be further acted on under this chapter; and

"(ii) other offices available for receiving disclosures, should the individual wish to pursue the matter further.

"(h) the identity of any individual who makes a disclosure described in subsection (a) may not be disclosed by the Special Counsel without such individual's consent unless the Special Counsel determines that the disclosure of the individual's identity is necessary because of an imminent danger to public health or safety or imminent violation of any criminal law.

"(i) Except as specifically authorized under this section, the provisions of this section shall not be considered to authorize disclosure of any information by any agency or any person which is—

"(1) specifically prohibited from disclosure by any other provision of law; or

"(2) specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

"(j) With respect to any disclosure of information described in subsection (a) which involves foreign intelligence or counterintelligence information, if the disclosure is specifically prohibited by law or by Executive order, the Special Counsel shall transmit such information to the National Security Advisor, the Permanent Select Committee on Intelligence of the House of Representatives, and the Select Committee on Intelligence of the Senate.

"§ 1214. Investigation of prohibited personnel practices; corrective action

"(a)(1)(A) The Special Counsel shall receive any allegation of a prohibited personnel practice and shall investigate the allegation to the extent necessary to determine whether there are reasonable grounds to believe that a prohibited personnel practice has occurred, exists, or is to be taken.

"(B) Within 15 days after the date of receiving an allegation of a prohibited personnel practice under paragraph (1), the Special Counsel shall provide written notice to the person who made the allegation that—

"(i) the allegation has been received by the Special Counsel; and

"(ii) shall include the name of a person at the Office of Special Counsel who shall serve as a contact with the person making the allegation.

"(C) Unless an investigation is terminated under paragraph (2), the Special Counsel shall—

"(i) within 90 days after notice is provided under subparagraph (B), notify the person who made the allegation of the status of the investigation and any action taken by the Office of the Special Counsel since the filing of the allegation;

"(ii) notify such person of the status of the investigation and any action taken by the Office of the Special Counsel since the last notice, at least every 60 days after notice is given under clause (i); and

"(iii) notify such person of the status of the investigation and any action taken by the Special Counsel at such time as determined appropriate by the Special Counsel.

"(2)(A) If the Special Counsel terminates any investigation under paragraph (1), the Special Counsel shall prepare and transmit to any person on whose allegation the investigation was initiated a written statement notifying the person of—

"(i) the termination of the investigation;

"(ii) a summary of relevant facts ascertained by the Special Counsel, including the facts that support, and the facts that do not support, the allegations of such person; and

"(iii) the reasons for terminating the investigation.

"(B) A written statement under subparagraph (A) may not be admissible as evidence in any judicial or administrative proceeding, without the consent of the person who received such statement under subparagraph (A).

"(3) Except in a case in which an employee, former employee, or applicant for employment has the right to appeal directly to the Merit Systems Protection Board under any law, rule, or regulation, any such employee, former employee, or applicant shall seek corrective action from the Special Counsel before seeking corrective action from the Board. An employee, former employee, or applicant for employment may seek corrective action from the Board under section 1221, if such employee, former employee, or applicant seeks corrective action for a prohibited personnel practice described in section 2302(b)(8) from the Special Counsel and—

"(A)(i) the Special Counsel notifies such employee, former employee, or applicant that an investigation concerning such employee, former employee, or applicant has been terminated; and

"(ii) no more than 60 days have elapsed since notification was provided to such employee, former employee, or applicant for employment that such investigation was terminated; or

"(B) 120 days after seeking corrective action from the Special Counsel, such employee, former employee, or applicant has not been notified by the Special Counsel that the Special Counsel shall seek corrective action on behalf of such employee, former employee, or applicant.

"(4) If an employee, former employee, or applicant seeks a corrective action from the Board under section 1221, pursuant to the provisions of paragraph (3)(B), the Special Counsel may continue to seek corrective action personal to such employee, former employee, or applicant only with the consent of such employee, former employee, or applicant.

"(5) In addition to any authority granted under paragraph (1), the Special Counsel may, in the absence of an allegation, conduct an investigation for the purpose of determining whether there are reasonable grounds to believe that a prohibited personnel practice (or a pattern of prohibited personnel practices) has occurred, exists, or is to be taken.

"(b)(1)(A)(i) The Special Counsel may request any member of the Merit Systems Protection Board to order a stay of any personnel action for 45 days if the Special Counsel determines that there are reasonable grounds to believe that the personnel action was taken, or is to be taken, as a result of a prohibited personnel practice.

"(ii) Any member of the Board requested by the Special Counsel to order a stay under clause (i) shall order such stay unless the member determines that, under the facts and circumstances involved, such a stay would not be appropriate.

"(iii) Unless denied under clause (ii), any stay under this subparagraph shall be granted withing 3 calendar days (excluding Saturdays, Sundays, and legal holidays) after the date of the request for the stay by the Special Counsel.

"(B) The Board may extend the period of any stay granted under subparagraph (A) for any period which the Board considers appropriate.

"(C) The Board shall allow any agency which is the subject of a stay to comment on the Board on any extension of stay proposed under subparagraph (B).

"(D) A stay may be terminated by the Board at any time, except that a stay may not be terminated by the Board—

"(i) on its own motion or on the motion of an agency, unless notice and opportunity for oral or written comments are first provided to the Special Counsel and the individual on whose behalf the stay was ordered; or

"(ii) on motion of the Special Counsel, unless notice and opportunity for oral or written comments are first provided to the individual on whose behalf the stay was ordered.

"(2)(A) If, in connection with any investigation, the Special Counsel determines that there are reasonable grounds to believe that a prohibited personnel practice has occurred, exists, or is to be taken which requires corrective action, the Special Counsel shall report the determination together with any findings or recommendations to the Board, the agency involved and to the Office of Personnel Management, and may report such determinations, findings and recommendations to the President. The Special Counsel may include in the report recommendations for corrective action to be taken.

"(B) If, after a reasonable period of time, the agency does not act to correct the prohibited personnel practice, the Special Counsel may petition the Board for corrective action.

"(C) If the Special Counsel finds, in consultation with the individual subject to the prohibited personnel practice, that the agency has acted to correct the prohibited personnel practice, the Special Counsel shall file such finding with the Board, together with any written comments which the individual may provide.

"(3) Whenever the Special Counsel petitions the Board for corrective action, the Board shall provide an opportunity for—

"(A) oral or written comments by the Special Counsel, the agency involved, and the Office of Personnel Management; and

"(B) written comments by an individual who alleges to be the subject of the prohibited personnel practice.

"(4)(A) The Board shall order such corrective action as the Board considers appropriate, if the Board determines that the Special Counsel has demonstrated that a prohibited personnel practice, other than one described in section 2302(b)(8), has occurred, exists, or is to be taken.

"(B)(i) Subject to the provisions of clause (ii), in any case involving an alleged prohibited personnel practice as described under section 2302(b)(8), the Board shall order such corrective action as the Board considers appropriate if the Special Counsel has demonstrated that a disclosure described under section 2302(b)(8) was a contributing factor in the personnel action which was taken or is to be taken against the individual.

"(ii) Corrective action under clause (i) may not be ordered if the agency demonstrates by clear and convincing evidence that it would have taken the same personnel action in the absence of such disclosure.

"(c)(1) Judicial review of any final order or decision of the Board under this section may be obtained by any employee, former employee, or applicant for employment adversely affected by such order or decision.

"(2) A petition for a review under this subsection shall be filed with such court, and within such time, as provided for under section 7703(b).

"(d)(1) If, in connection with any investigation under this subchapter, the Special Counsel determines that there is reasonable cause to believe that a criminal violation has occurred, the Special Counsel shall report the determination to the Attorney General and to the head of the agency involved, and shall submit a copy of the report to the Director of the Office of Personnel Management and the Director of the Office of Management and Budget.

"(2) In any case in which the Special Counsel determines that there are reasonable grounds to believe that a prohibited personnel practice has occurred, exists, or is to be taken, the Special Counsel shall proceed with any investigation or proceeding unless—

"(A) the alleged violation has been reported to the Attorney General; and

"(B) the Attorney General is pursuing an investigation, in which case the Special Counsel, after consultation with the Attorney General, has discretion as to whether to proceed.

"(e) If, in connection with any investigation under this subchapter, the Special Counsel determines that there is reasonable cause to believe that any violation of any law, rule, or regulation has occurred other than one referred to in subsection (b) or (d), the Special Counsel shall report such violation to the head of the agency involved. The Special Counsel shall require, within 30 days after the receipt of the report by the agency, a certification by the head of the agency which states—

"(1) that the head of the agency has personally reviewed the report; and

"(2) what action has been or is to be taken, and when the action will be completed.

"(f) During any investigation initiated under this subchapter, no disciplinary action shall be taken against any employee for any alleged prohibited activity under investigation or for any related activity without the approval of the Special Counsel.

"§ 1215. Disciplinary action

"(a)(1) Except as provided in subsection (b), if the Special Counsel determines that disciplinary action should be taken against any employee for having—

"(A) committed a prohibited personnel practice,

"(B) violated the provisions of any law, rule, or regulation, or engaged in any other conduct within the jurisdiction of the Special Counsel as described in section 1216, or

"(C) knowingly and willfully refused or failed to comply with an order of the Merit Systems Protection Board, the Special Counsel shall prepare a written complaint against the employee containing the Special Counsel's determination, together with a statement of supporting facts, and present the complaint and statement to the employee and the Board, in accordance with this subsection.

"(2) Any employee against whom a complaint has been presented to the Merit Systems Protection Board under paragraph (1) is entitled to—

"(A) a reasonable time to answer orally and in writing, and to furnish affidavits and other documentary evidence in support of the answer;

"(B) be represented by an attorney or other representative;

"(C) a hearing before the Board or an administrative law judge appointed under section 3105 and designated by the Board;

"(D) have a transcript kept of any hearing under subparagraph (C); and

"(E) a written decision and reasons therefor at the earliest practicable date, including a copy of any final order imposing disciplinary action.

"(3) A final order of the Board may impose disciplinary action consisting of removal, reduction in grade, debarment from Federal employment for a period not to exceed 5 years, suspension, reprimand, or an assessment of a civil penalty not to exceed $1,000.

"(4) There may be no administrative appeal from an order of the Board. An employee subject to a final order imposing disciplinary action under this subsection may obtain judicial review of the order by filing a petition therefor with such court, and within such time, as provided for under section 7703(b).

"(5) In the case of any State or local officer or employee under chapter 15, the Board shall consider the case in accordance with the provisions of such chapter.

"(b) In the case of an employee in a confidential, policymaking, policy-determining, or policy-advocating position appointed by the President, by and with the advice and consent of the Senate (other than an individual in the Foreign Service of the United States), the complaint and statement referred to in subsection (a)(1), together with any response of the employee, shall be presented to the President for appropriate action in lieu of being presented under subsection (a).

"(c)(1) In the case of members of the uniformed services and individuals employed by any person under contract with an agency to provide goods or services, the Special Counsel may transmit recommendations for disciplinary or other appropriate action (including the evidence on which such recommendations are based) to the head of the agency concerned.

"(2) In any case in which the Sepcial Counsel transmits recommendations to an agency head under paragraph (1), the agency head shall, within 60 days after receiving such recommendations, transmit a report to the Special Counsel on each recommendation and the action taken, or proposed to be taken, with respect to each such recommendation.

"§ 1216. Other matters within the jurisdiction of the Office of Special Counsel

"(a) In additional to the authority otherwise provided in this chapter, the Special Counsel shall, except as provided in subsection (b), conduct an investigation of any allegation concerning—

"(1) political activity prohibited under subchapter III of chapter 73, relating to political activities by Federal employees;

"(2) political activity prohibited under chapter 15, relating to political activities by certain State and local officers and employees;

"(3) arbitrary or capricious withholding of information prohibited under section 552, except that the Special Counsel shall make no investigation of any withholding of foreign intelligence or counterintelligence information the disclosure of which is specifically prohibited by law or by Executive order;

"(4) activities prohibited by any civil service law, rule, or regulation, including any activity relating to political intrusion in personnel decisionmaking; and

"(5) involvement by any employee in any prohibited discrimination found by any court or appropriate administrative authority to have occurred in the course of any personnel action.

"(b) The Special Counsel shall make no investigation of any allegation of any prohibited activity referred to in subsection (a)(5), if the Special Counsel determines that the allegation may be resolved more appropriately under an administrative appeals procedure.

"(c)(1) If an investigation by the Special Counsel under subsection (a)(1) substantiates an allegation relating to any activity prohibited under section 7324, the Special Counsel may petition the Merit Systems Protection Board for any penalties provided for under section 7325.

"(2) If the Special Counsel receives an allegation concerning any matter under paragraph (3), (4), or (5) of subsection (a), the Special Counsel may investigate and seek corrective action under section 1214 in the same way as if a prohibited personnel practice were involved.

"§ 1217. Transmittal of information to Congress

"The Special Counsel or any employee of the Special Counsel designated by the Special Counsel, shall transmit to the Congress on the request of any committee or subcommittee thereof, by report, testimony, or otherwise, information and the Special Counsel's views on functions, responsibilities, or other matters relating to the Office. Such information shall be transmitted concurrently to the President and any other appropriate agency in the executive branch.

§ 1218. Annual report

"The Special Counsel shall submit an annual report to the Congress on the activities of the Special Counsel, including the number, types, and disposition of allegations of prohibited personnel practices filed with it, investigations conducted by it, and actions initiated by it before the Merit Systems Protection Board, as well as a description of the recommendations and reports made by it to other agencies pursuant to this subchapter, and the actions taken by the agencies as a result of the reports or recommendations. The report required by this section shall include whatever recommendations for legislation or other action

by Congress the Special Counsel may consider appropriate.

§1219. Public information

"(a) The Special Counsel shall maintain and make available to the public—

"(1) a list of noncriminal matters referred to heads of agencies under subsection (c) of section 1213, together with reports from heads of agencies under subsection (c)(1)(B) of such section relating to such matters;

"(2) a list of matters referred to heads of agencies under section 1215(c)(2);

"(3) a list of matters referred to heads of agencies under subsection (e) of section 1214, together with certifications from heads of agencies under such subsection; and

"(4) reports from heads of agencies under section 1213(g)(10).

"(b) The Special Counsel shall take steps to ensure that any list or report made available to the public under this section does not contain any information the disclosure of which is prohibited by law or by Executive order requiring that information be kept secret in the interest of national defense or the conduct of foreign affairs.

"SUBCHAPTER III—INDIVIDUAL RIGHT OF ACTION IN CERTAIN REPRISAL CASES

"§1221. Individual right of action in certain reprisal cases

"(a) Subject to the provisions of subsection (b) of this section and subsection 1214(a)(3), an employee, former employee, or applicant for employment may, with respect to any personnel action taken, or proposed to be taken, against such employee, former employee, or applicant for employment, as a result of a prohibited personnel practice described in section 2302(b)(8), seek corrective action from the Merit Systems Protection Board.

"(b) This section may not be construed to prohibit any employee, former employee, or applicant for employment from seeking corrective action from the Merit Systems Protection Board before seeking corrective action from the Special Counsel, if such employee, former employee, or applicant for employment has the right to appeal directly to the Board under any law, rule, or regulation.

"(c)(1) Any employee, former employee, or applicant for employment seeking corrective action under subsection (a) may request that the Board order a stay of the personnel action involved.

"(2) Any stay requested under paragraph (1) shall be granted within 10 calendar days (excluding Saturdays, Sundays, and legal holidays) after the date the request is made, if the Board determines that such a stay would be appropriate.

"(3)(A) The Board shall allow any agency which would be subject to a stay under this subsection to comment to the Board on such stay request.

"(B) Except as provided in subparagraph (C), a stay granted under this subsection shall remain in effect for such period as the Board determines to be appropriate.

"(C) The Board may modify or dissolve a stay under this subsection at any time, if the Board determines that such a modification or dissolution is appropriate.

"(d)(1) At the request of an employee, former employee, or applicant for employment seeking corrective action under subsection (a), the Board may issue a subpoena for the attendance and testimony of any person or the production of documentary or other evidence from any person if the Board finds that such subpoena is necessary for the development of relevant evidence.

"(2) A subpoena under this subsection may be issued, and shall be enforced, in the same manner as applies in the case of subpoenas under section 1204.

"(e)(1) Subject to the provisions of paragraph (2), in any case involving an alleged prohibited personnel practice as described under section 2302(b)(8), the Board shall order such corrective action as the Board considers appropriate if the employee, former employee, or applicant for employment has demonstrated that a disclosure described under section 2302(b)(8) was a contributing factor in the personnel action which was taken or is to be taken against such employee, former employee, or applicant.

"(2) Corrective action under paragraph (1) may not be ordered if the agency demonstrates by clear and convincing evidence that it would have taken the same personnel action in the absence of such disclosure.

"(f)(1) A final order or decision shall be rendered by the Board as soon as practicable after the commencement of any proceeding under this section.

"(2) A decision to terminate an investigation under subchapter II may not be considered in any action or other proceeding under this section.

"(g)(1) If an employee, former employee, or applicant for employment is the prevailing party before the Merit Systems Protection Board, and the decision is based on a finding of a prohibited personnel practice, the agency involved shall be liable to the employee, former employee, or applicant for reasonable attorney's fees any other reasonable costs incurred.

"(2) If an employee, former employee, or applicant for employment is the prevailing party in an appeal from the Merit Systems Protection Board, the agency involved shall be liable to the employee, former employee, or applicant for reasonable attorney's fees and any other reasonable costs incurred, regardless of the basis of the decision.

"(h)(1) An employee, former employee, or applicant for employment adversely affected or aggrieved by a final order or decision of the Board under this section may obtain judicial review of the order or decision.

"(2) A petition for review under this subsection shall be filed with such court, and within such time, as provided for under section 7703(b).

"(i) Subsection (a) through (h) shall apply in any proceeding brought under section 7513(d) if, or to the extent that, a prohibited personnel practice as defined in section 2302(b)(8) is alleged.

"(j) In determining the appealability of any case involving an allegation made by an individual under the provisions of this chapter, neither the status of an individual under any retirement system established under a Federal statute nor any election made by such individual under any such system may be taken into account.

"§1222. Availability of other remedies

"Except as provided in section 1221(i), nothing in this chapter or chapter 23 shall be construed to limit any right or remedy available under a provision of statute which is outside of both this chapter and chapter 23.".

"(b) CONFORMING AMENDMENTS.—(1) The table of chapters for part II of title 5, United States Code, is amended by striking the item relating to chapter 12 and inserting in lieu thereof the following:

"12. Merit Systems Protection Board, Office of Special Counsel, and Individual Right of Action .... 1201".

"(2) The heading for chapter 12 of title 5, United States Code, is amended to read as follows:

"CHAPTER 12—MERIT SYSTEMS PROTECTION BOARD, OFFICE OF SPECIAL COUNSEL, AND EMPLOYEE RIGHT OF ACTION".

"(3) The table of sections for chapter 12 of title 5, United States Code, is amended to read as follows:

"SUBCHAPTER I—MERIT SYSTEMS PROTECTION BOARD

"Sec. 1201. Appointment of members of the Merit Systems Protection Board.
"Sec. 1202. Term of office; filling vacancies; removal.
"Sec. 1203. Chairman; Vice Chairman.
"Sec. 1204. Powers and functions of the Merit Systems Protection Board.
"Sec. 1205. Transmittal of information to Congress.
"Sec. 1206. Annual report.

"SUBCHAPTER II—OFFICE OF SPECIAL COUNSEL

"Sec. 1211. Establishment.
"Sec. 1212. Powers and functions of the Office of Special Counsel.
"Sec. 1213. Provisions relating to disclosures of violations of law, mismanagement, and certain other matters.
"Sec. 1214. Investigation of prohibited personnel practices; corrective action.
"Sec. 1215. Disciplinary action.
"Sec. 1216. Other matters within the jurisdiction of the Office of Special Counsel.
"Sec. 1217. Transmittal of information to Congress.
"Sec. 1218. Annual report.
"Sec. 1219. Public information.

"SUBCHAPTER III—INDIVIDUAL RIGHT OF ACTION IN CERTAIN REPRISAL CASES

"Sec. 1221. Individual right of action in certain reprisal cases.
"Sec. 1222. Availability of other remedies.".

(4) Chapter 12 of title 5, United States Code, is further amended by inserting before section 1201 the following subchapter heading:

"SUBCHAPTER I—MERIT SYSTEMS PROTECTION BOARD".

SEC. 4. REPRISALS.

(a) AMENDMENTS TO SECTION 2302(b)(8).—Section 2302(b)(8) of title 5, United States Code, is amended—

(1) by inserting ", or threaten to take or fail to take," after "take or fail to take";

(2) by striking out "as a reprisal for" and inserting in lieu thereof "because of";

(3) in subparagraph (A) by striking out "a disclosure" and inserting in lieu thereof "any disclosure";

(4) in subparagraph (A)(ii) by inserting "gross" before "mismanagement";

(5) in subparagraph (B) by striking out "a disclosure" and inserting in lieu thereof "any disclosure"; and

(6) in subparagraph (B)(ii) by inserting "gross" before "mismanagement".

(b) AMENDMENT TO SECTION 2302(b)(9).—Section 2302(b)(9) of title 5, United States Code, is amended to read as follows:

"(9) take or fail to take, or threaten to take or fail to take, any personnel action

against any employee or applicant for employment because of—

"(A) the exercise of any appeal, complaint, or grievance right granted by any law, rule, or regulation;

"(B) testifying for or otherwise lawfully assisting any individual in the exercise of any right referred to in subparagraph (A);

"(C) cooperating with or disclosing information to the Inspector General of an agency, or the Special Counsel, in accordance with applicable provisions of law; or

"(D) for refusing to obey an order that would require the individual to violate a law;".

SEC. 5. PREFERENCE IN TRANSFERS FOR WHISTLEBLOWERS.

(a) IN GENERAL.—Subchapter IV of chapter 33 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 3352. Preference in transfers for employees making certain disclosures

"(a) Subject to the provisions of subsection (d) and (e), in filling a positon within any Executive agency, the head of such agency may give Executive agency, to transfer to a position of the same status and tenure as the position of such employee on the date of applying for a transfer under subsection (b) if—

"(1) such employee is otherwise qualified for such position;

"(2) such employee is eligible for appointment to such position; and

"(3) the Merit Systems Protection Board makes a determination under the provisions of chapter 12 that a prohibited personnel action described under section 3202(b)(8) was taken against such employee.

"(b) An employee who meets the conditions described under subsection (a)(1), (2) and (3) may volunarily apply for a transfer to a position, as described in subsection (a), within the Executive agency employing such employee or any other Executive agency.

"(c) If an employee applies for a transfer under the provisions of subsection (b) and the selecting official rejects such application, the selecting official shall provide the employee with a written notification of the reasons of the rejection within 30 days after receiving such application.

"(d) An employee whose application for transfer is rejected under the provision of subsection (c) may request the head of such agency to review the rejection. Such request for review shall be submitted to the head of the agency within 30 days after the employee receives notification under subsection (c). Within 30 days after receiving a request for review, the head of the agency shall complete the review and provide a written statement of findings to the employee and the Merit Systems Protection Board.

"(e) The provisions of subsection (a) shall apply with regard to any employee—

"(1) for no more than 1 transfer;

"(2) for a transfer from or within the agency such employee is employed at the time of a determination by the Merit Systems Protection Board that a prohibited personnel action as described under section 2302(b)(8) was taken against such employee; and

"(3) no later than 18 months after such a determination is made by the Merit Systems Protection Board.

"(f) Notwithstanding the provisions of subsection (a), no preference may be given to any employee applying for a transfer under subsection (b), with respect to a preference eligible (as defined under section 2108(3)) applying for the same position.".

(b) TECHNICAL AMENDMENT.—The table of sections for chapter 33 of title 5, United States Code, is amended by inserting after the item relating to section 3351 the following:

"3352. Preference in transfers for employees making certain disclosures.".

SEC. 6. INTERIM RELIEF.

Section 7701 of title 5, United States Code, is amended—

(1) by redesignating subsection (b) as paragraph (1) of subsection (b); and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) If an employee or applicant for employment is the prevailing party in an appeal under this subsection, the employee or applicant shall be granted the relief provided in the decision effective upon the making of the decision, and remaining in effect pending the outcome of any petition for review under subsection (e), unless—

"(i) the deciding official determines that the granting of such relief is not appropriate; or

"(ii)(I) the relief granted in the decision provides that such employee or applicant shall return or be present at the place of employment during the period pending the outcome of any petition for review under subsection (e); and

"(II) the employing agency, subject to the provisions of subparagraph (B), determines that the return or presence of such employee or applicant is unduly disruptive to the work environment.

"(B) If an agency makes a determination under subparagraph (A)(ii)(II) that prevents the return or presence of an employee at the place of employment, such employee shall receive pay, compensation, and all other benefits as terms and conditions of employment during the period pending the outcome of any petition for review under subsection (e).

"(C) Nothing in the provision of this paragraph may be construed to require any award of back pay or attorney fees be paid before the decision is final.".

SEC. 7. SAVINGS PROVISIONS.

(a) ORDERS, RULES, AND REGULATIONS.—All orders, rules, and regulations issued by the Merit Systems Protection Board or the Special Counsel before the effective date of this Act shall continue in effect, according to their terms, until modified, terminated, superseded, or repealed.

(b) ADMINISTRATIVE PROCEEDINGS.—No provision of this Act shall affect any administrative proceeding pending at the time such provisions take effect. Orders shall be issued in such proceedings, and appeals shall be taken therefrom, as if this act had not been enacted.

(c) SUITS AND OTHER PROCEEDINGS.—No suit, action, or other proceeding lawfully commenced by or against the members of the Merit Systems Protection Board, the Special Counsel, or officers or employees thereof, in their official capacity or in relation to the discharge of their official duties, as in effect immediately before the effective date of this Act, shall abate by reason of the enactment of this Act. Determinations with respect to any such suit, action, or other proceeding shall be made as if this Act had not been enacted.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS; RESTRICTION RELATING TO APPROPRIATIONS UNDER THE CIVIL SERVICE REFORM ACT OF 1978; TRANSFER OF FUNDS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated—

(1) for each of fiscal years 1989, 1990, 1991, 1992, 1993, and 1994, such sums as necessary to carry out subchapter I of chapter 12 of title 5, United States Code (as amended by this Act); and

(2) for each of fiscal years 1989, 1990, 1991, and 1992, such sums as necessary to carry out subchapter II of chapter 12 of title 5, United States Code (as amended by this Act).

(b) RESTRICTION RELATING TO APPROPRIATIONS UNDER THE CIVIL SERVICE REFORM ACT OF 1978.—No funds may be appropriated to the Merit Systems Protection Board or the Office of Special Counsel pursuant to section 903 of the Civil Service Reform Act of 1978 (5 U.S.C. 5509 note).

(c) TRANSFER OF FUNDS.—The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available to the Special Counsel of the Merit Systems Protection Board are, subject to section 1531 of title 31, United States Code, transferred to the Special Counsel referred to in section 1211 of title 5, United States Code (as added by section 3(a) of this Act), for appropriate allocation.

SEC. 9. TECHNICAL AND CONFORMING AMENDMENTS.

(a)(1) Section 2303(c) of title 5, United States Code, is amended by striking "the provisions of section 1206" and inserting "applicable provisions of sections 1214 and 1221".

(2) Sections 7502, 7512(E), 7521(b)(C), and 7542 of title 5, United States Code, are amended by striking "1206" and inserting "1215".

(3) Section 1109(a) of the Foreign Service Act of 1980 (22 U.S.C. 4139(a)) is amended by striking "1206" and inserting "1214 or 1221".

(b) Section 3393(g) of title 5, United States Code, is amended by striking "1207" and inserting "1215".

SEC. 10. BOARD RESPONDENT.

Section 7703(a)(2) of title 5, United States Code, is amended to read as follows:

"(2) The Board shall be named respondent in any proceeding brought pursuant to this subsection, unless the employee or applicant for employment seeks review of a final order or decision on the merits on the underlying personnel action or on a request for attorney fees, in which case the agency responsible for taking the personnel action shall be the respondent.".

SEC. 11. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect 90 days following the date of enactment of this Act.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TO PREVENT DESECRATION OF THE UNITED STATES FLAG

The PRESIDING OFFICER. Without objection, the Senate will now proceed to the consideration of S. 607, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 607) to prevent the desecration of the United States Flag.

The Senate proceeded to consider the bill.

Mr. COATS. Mr. President, I can still vividly recall the outrage and revulsion that I felt when I saw the TV pictures of rioting Iranian students stamping on the American flag, burning the American flag during the hostage crisis some years ago. And those same feelings flooded back on me when I saw the stories and viewed the pictures of how the American flag is being used as a doormat in an exhibition at the School of the Arts Institute in Chicago. There is something about this kind of desecration that provokes strong emotional reactions in all of us. It is not that we Americans are insecure or that we blindly follow traditions, but we do care deeply about symbols, especially this one.

The American flag is more than just something to wave on the Fourth of July. It is a symbol of ideals and values for which men and women have sacrificed and died in every generation, and to desecrate that symbol, I believe, is to desecrate their memory and make light of the men and women who made the ultimate sacrifice in the defense and service of their country.

It is easy to be cynical and sophisticated—as easy as repeating supposedly light and flippant opinions. But it is harder to realize that some things really do matter. They matter even if violated in the name of humor. They matter even if violated in the name of art.

Mr. President, there is one thing that we as Americans must never lose—the ability to be outraged, the ability to be offended. It means that we still hold something sacred.

I, like many Americans, am outraged at events in Chicago that desecrate one of our Nation's most sacred symbols. I am offended, and I rise to support Senator DOLE's bill to amend title 18 of the United States Code.

Mr. DIXON. Mr. President, I rise today to voice my support and add my name to a bill that would outlaw the malicious desecration of the flag of the United States of America.

We have a situation in Chicago, Mr. President, where the U.S. flag has been portrayed in art in a manner that has raised the ire and offended the sensibilities of many Americans. You know the situation, Mr. President; the flag is displayed in a way that encourages visitors to the Chicago Art Institute to walk across the flag.

Today, I join as the principal cosponsor with Senator DOLE of a bill that outlaws the "displaying of the flag of the United States on the floor or ground."

Too many men, Mr. President, have died, have given their "last full measure of devotion," for what this flag represents—whether in the smoke-filled trenches of Belleau Wood or on the beaches of Normandy, on Heartbreak Ridge or in Quang Tri Province.

The U.S. flag represents the first line of defense in the fight for the preservation of the rights and liberties of man at home and around the world. We saw our flag trampled in Iran, when our hostages were taken, Mr. President; we do not need to see our flag trampled at home.

Mr. GRAMM. Mr. President, as a cosponsor of this important bill offered by the distinguished Republican leader, I appreciate the opportunity to comment on the situation which gives rise to the need for it.

The young man who created his exhibit at the School of Art Institute in Chicago obviously is aglow with criticism for America, and it is his right to express that criticism. But one expression to which he has neither a legal nor a moral right is the intentional desecration of an American flag.

Our flag is just a yard or so of fabric and pigment, yet it is the symbol of a nation for which millions of American veterans have taken up arms and thousands given their lives.

Most of us love our flag for what it represents and we have never willingly allowed anyone, either domestic critic or foreign enemy, to desecrate it.

Again, Mr. President, I commend the Republican leader for providing an opportunity to take action against those who would sully our American flag.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 607) was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Carolina [Mr. SANFORD] is absent on official business.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. BOSCHWITZ] and the Senator from Utah [Mr. GARN] are necessarily absent.

The PRESIDING OFFICER (Mr. LIEBERMAN). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 25 Leg.]

YEAS—97

Adams	Glenn	McConnell
Armstrong	Gore	Metzenbaum
Baucus	Gorton	Mikulski
Bentsen	Graham	Mitchell
Biden	Gramm	Moynihan
Bingaman	Grassley	Murkowski
Bond	Harkin	Nickles
Boren	Hatch	Nunn
Bradley	Hatfield	Packwood
Breaux	Heflin	Pell
Bryan	Heinz	Pressler
Bumpers	Helms	Pryor
Burdick	Hollings	Reid
Burns	Humphrey	Riegle
Byrd	Inouye	Robb
Chafee	Jeffords	Rockefeller
Coats	Johnston	Roth
Cochran	Kassebaum	Rudman
Cohen	Kasten	Sarbanes
Conrad	Kennedy	Sasser
Cranston	Kerrey	Shelby
D'Amato	Kerry	Simon
Danforth	Kohl	Simpson
Daschle	Lautenberg	Specter
DeConcini	Leahy	Stevens
Dixon	Levin	Symms
Dodd	Lieberman	Thurmond
Dole	Lott	Wallop
Domenici	Lugar	Warner
Durenberger	Mack	Wilson
Exon	Matsunaga	Wirth
Ford	McCain	
Fowler	McClure	

NAYS—0

NOT VOTING—3

Boschwitz	Garn	Sanford

So the bill (S. 607) was passed, as follows:

S. 607

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 700(a) of Title 18, U.S.C. is amended by inserting in subsection (a), following the word "burning", the words "displaying the flag of the United States on the floor or ground".

Mr. FORD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Kentucky.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that there now be a period for morning business not to exceed 1 hour, with Senators permitted to speak therein for not to exceed more than 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

STEPHEN DAVISON BECHTEL

Mr. CRANSTON. Mr. President, California, the Nation, and the world lost one of our true pioneers when Stephen Davison Bechtel died this week.

Steve Bechtel built, from the strong company founded by his father, the

world's largest engineering and heavy construction company. The builder of Hoover Dam, the Canadian Trans Mountain Pipeline, and the Saudi Arabian city of Jubail, he influenced topography, facilitated people's commerce throughout the world, and changed our definition of what is possible to accomplish. Steve was able to visualize solutions, where only prohibitive problems seemed apparent.

Steve Bechtel brought many of his most creative ideas to California, his home for most of his life. The San Francisco-Oakland Bay Bridge and the Bay Area Rapid Transit System owe much inspiration to him and California's outstanding shipbuilding industry traces much of its history of strength to the foundations he established.

A thoughtful and original thinker, Steve Bechtel will be long remembered as one of our Nation's giants. Steve's family, Californians, and the Nation can be proud of his legacy.

GREEK INDEPENDENCE DAY

Mr. BREAUX. Mr. President, I would like to express my sentiments on a joint resolution which passed the Senate on March 2, 1989, a joint resolution which I supported. The joint resolution to which I refer is Senate Joint Resolution 64, which establishes March 25, 1989, as Greek Independence Day: a National Day of Celebration of Greek and American Democracy.

The foundations of our present democratic form of government are found in ancient Greece. Our Founding Fathers relied greatly upon the history and teachings of ancient Greece when establishing the United States Government. As Thomas Jefferson proclaimed: "To the ancient Greeks * * * we are all indebted for the light which led ourselves out of Gothic darkness."

We are indeed indebted to the ancient Greeks, as are all democracies on the face of the Earth. This resolution does more than celebrate the sources of democratic thought, however. March 25, 1989, marks the 168th anniversary of the beginning of the Greek war for independence. Greece had been occupied and oppressed by the Ottomans for nearly 400 years prior to that war. The American Revolution became an ideal which greatly inspired the Greeks as they fought for independence in the 1820's, and America rejoiced in their victory.

Greek Independence Day, therefore, celebrates the common democratic heritage of Greeks and Americans, both in thought and practice. Most importantly, this resolution gives tribute to the close bond between the Greek people and those of the United States, and lauds the contributions made by Greek Americans to our society. I am glad to support it.

A FAMILY DOCTOR RESPONDS TO DR. KOOP ON AIDS

Mr. HELMS. Mr. President, a few days ago, a constituent sent me a copy of an article which appeared in the March 4 edition of World Magazine. The article was headed, "A Family Doctor Responds: Koop Was Wrong on AIDS," and was written by Dr. Franklin E. Payne.

Mr. President, without a doubt, America is facing the most serious plague in our history. There is no medical cure for this disease. Many thousands of Americans have died from AIDS. Hundreds of thousands of other Americans are infected with the virus. Most of the people who are infected don't know they are carrying a deadly virus. Some researchers have concluded that all those infected with the virus will eventually die.

One would think, Mr. President, that by now, public health experts would have launched an all-out assault on the virus. They haven't. Not even the requisite studies have been done to determine the rate and extent that the virus has infected our population, much less any real planning as to how we will care for those infected and protect those not yet infected.

What is amiss, Mr. President? Why is our Government pushing condoms instead of sexual abstinence? Why haven't State governments utilized measures traditionally taken to control the spread of a veneral disease? Why are many in Government determined to protect the rights of the infected at the expense of the uninfected?

Unfortunately, Mr. President, I think the answer lies in this Nation's continual rejection of biblical absolutes. Unless and until we are willing to admit that certain behaviors—adultery, fornication, and homosexuality—are wrong, and that public policy should reject these behaviors, we will continue to watch the innocent die.

Dr. Payne eloquently discusses this matter in his article, and I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A FAMILY DOCTOR RESPONDS: KOOP WAS WRONG ON AIDS

(By Dr. Franklin E. Payne, Medical College of Georgia)

With all due respect to his office and his evangelical commitment, some points that the Surgeon General made were skewed at best and false at worst. This epidemic is sufficiently serious that his position must be countered with another view. It may be that the evangelical community is the only group in our society that has the necessary perspective to influence sorely needed policies.

To be fair, to Dr. Koop, I should stress that an interview does not always bring out a person's complete views on a subject—so the following must be read in that light. Nevertheless, his statements in that interview seem to represent his opinions given at other times. In my writings I have often agreed with the "establishment," sometimes in contrast to other evangelicals who take a more radical position. This interview with Dr. Koop, however, was too extremely not to receive a reply.

Dr. Koop's "most pressing" problems were compassionate care, terminal care, and home-based care of AIDS patients. While these problems are serious, it would seem that the most pressing problem is prevention of this (likely) 100% fatal disease. While it is currently confined to limited populations, the increasing number of cases of heterosexual transmission may potentially infect much greater numbers.

The measures which Dr. Koop did mention are seriously inadequate to deal with the epidemic. There are two reasons for this deficiency: (1) Condoms are no answer, (2) and homosexuals have unduly influenced "official" policy.

Dr. Koop says that the first emphasizes abstinence and "mutually faithful monogamous relationships." While this position has some resemblance to Biblical values, it is woefully non-descript. Some homosexuals think that one partner a month qualifies as this type of relationship and some heterosexuals think that a relationship with only one person for several months also qualifies. What is needed is a bold advocacy of Biblical marriage: public vows by one man and woman to each other for their lifetimes.

Why cannot Dr. Koop be specific? Why does he have to use language that is vague and easily misinterpreted, and thereby dangerous. AIDS, as well as all sexually transmitted disease (STDs) would almost disappear in one generation if God's injunction for sexual relationships were followed.

Since the promiscuous are "still my [Koop's] charge," he advises that condoms are "safer than nothing" and "especially safe when used with a spermicide." Dependence on condoms, however, may actually increase a person's risk for AIDS. First, consider the two situations where they might be used. If neither sexual partner is infected, then a condom is not necessary. But if one is infected, then the condom is not 100% effective. As a physician, I am not willing to say that any risk of infection with a fatal disease is an acceptable medical risk.

To give any assurance of protection is likely to give false assurance—and cause the user to have greater exposure than he or his partner otherwise would have. As evidence, a strong case can be made that prescriptions of birth control pills to unmarried women have actually increased their number of pregnancies. In addition this supposed "protection" from pregnancy has contributed to a modern epidemic of STDs, in spite of the best antibiotics and medical care that the world has ever known.

I am surprised that Dr. Koop would advise that this risk is acceptable. By contrast, he does not advise that smokers use filter cigarettes. He simply says, "Stop." Further, he has declared smoking an addiction, but speaks of promiscuity only as behavior. Now, virtually every physician and psychologist will take the position that an "addiction" is harder to quit than behaviors classified otherwise. Sexual intercourse, of course, is in a different category. People are capable of keeping their sexual expression

within God's boundaries. Therefore, as with smoking, Dr. Koop could have simply advised them to stop, instead of offering condoms, the equivalent of filter cigarettes.

CHRISTIAN INFLUENCE

Why can't a public health official stand on his "very strong, personal moral base"? Aren't Christians responsible to devise methods and give advice to immoral people to lessen the consequences of their behavior?

Without question, we have a responsibility to treat such consequences. But the Bible does not support efforts to ameliorate the effects of sins not yet committed. If anything, it advocates letting sinners feel the full effects of their sin so that they will be driven to the ultimate solution in Jesus Christ—sometimes through the compassionate efforts of healers who then care for them.

Dr. Koop seems to strike out at anyone who would suggest that homosexuals have undue influence in setting government policy. He implies that those who say anything negative about homosexuals are "homophobic" and desire to "bash" homosexuals. I find it strange that he would use such words; they are the words of the liberals toward those who do not accept homosexuality. As a Christian, surely he is aware of God's condemnation of homosexuality.

HOMOSEXUALS' INFLUENCE

In spite of Dr. Koop's protests—"This is not true" (that the government has not "bowed" to the homosexual lobby—it does not take much insight to see the considerable influence that homosexuals have had on official policy.

Consider these facts:

(1) In spite of every evidence that the major route of transmission for the HIV is sexual, it is still not classified officially as a sexually transmitted disease.

(2) Traditional and effective disease control measures, such as contact tracing and routine testing, have not been applied to AIDS except in a few states. Millions of Americans are needlessly threatened because these and other public health measures have not been taken to find out who is infected and to inform their sexual partners.

(3) Special exceptions have been made for patients with AIDS when they apply for Medicaid.

(4) Parents in New York City do not have the right to know if their 10-year-old child has AIDS without the child's signed permission.

(5) Homosexual representatives have been on virtually every commission to "study" and plan for this epidemic.

(6) Homosexual organizations have received millions of dollars for "education," often producing materials that are the worst sort of pornography.

(7) Insurance companies in Washington, D.C., and California are prohibited by law to test directly for the HIV, the first and only disease to be treated in this way.

(8) The legal groundwork has been established to make AIDS a federally-protected and subsidized handicap.

(9) The Food and Drug Administration (FDA) has modified its regulations on new drugs so that they can be used clinically earlier, thereby reducing their efficacy and safety.

(10) Extensive counseling has been considered necessary both before and after testing for the HIV, when such is not provided with any other test. Testing is anonymous for the HIV, when other tests are not. Health care workers are not allowed to know the HIV status of their patients when they can know all other relevant information.

While the government may not have "bowed" to the homosexual lobby, it has surely been significantly influenced. Dr. Koop should not try to make us think otherwise. It is outrageous that he would attack any criticism of this influence as "homophobia."

I do not understand how Dr. Koop could expect us to believe such a distortion of the evidence. Such distortion breeds the fear and hostile behavior that Dr. Koop abhors (and I also abhor). His statements and those of the government actually contribute to mistrust and fear because their statements can so obviously seen to be false. Instead of dousing the flames, such distortions add fuel to the flames of public opinion.

The "Tylenol scare" is a recent example of the capability of the government to mobilize to meet a public health need. Within hours, shipments of the product in question were shut down and recalled for testing. The public was warned. Within months, new regulations for containers were instituted.

But since 1981, when it was first apparent that AIDS was going to be an epidemic, government response has been slow and limited. Perhaps partly to blame are physicians who know the medical and public health measures that should have been applied. For the most part, however, they too have backed off the necessary aggressive response needed for this epidemic.

EVERYTHING HAS COME TRUE?

Dr. Koop also errs when he says, "Everything we have predicted so far has come true." Consider some observations:

(1) The prediction initially was that 5% of those infected with the HIV would develop AIDS. Then those projections become 10%. But as many as 100% may develop AIDS.

(2) Two and one-half years ago it was estimated that 1-1.5 million Americans were infected with the HIV. Two years later, this estimate has not been revised. Yet we are told that new people continue to become infected.

(3) While Dr. Koop says that AIDS cases continue to double each year, the numbers have not been doubling for at least two years. Further, the case definition of AIDS was revised in August 1987. Since then, 31% of cases that would not have been diagnosed as AIDS prior to that time, now are included in the total. Not only are the numbers no longer doubling, if these "re-defined" cases are included; the projections are even further off. Neither Dr. Koop nor any other official explains how the numbers have stayed close to the predictions. While I do not believe that this change was made in order to keep their numbers accurate, I do not think that they should be honest that based upon the original definition, AIDS cases are considerably fewer than perdicted.

ANONYMOUS TESTING

Finally, Dr. Koop advocates anonymous testing because "people won't come in to get tested."

Well, Dr. Koop should concede that current policies are virtually ineffective. Only 2% of those with the HIV know that they have it. Eventually, they will infect all their sexual partners—whether or not they use condoms.

Further, current policies of voluntary testing and rigorous counseling are almost worthless to find those who are infected with the HIV. In New York City, one-third of those who come to be tested actually go through with it after "counseling." Only half of those who are tested come back to know their results.

In a New Mexico STD clinic where everyone who came in was given the opportunity to take an HIV test, 86% agreed to be tested for the HIV and 14% refused. Upon blind testing of both groups, researchers found that the smaller group of refusals actually had more positives than the larger group who agreed to be tested. While I am not yet convinced that universal, mandatory testing is necessary, testing needs to be more extensive than it currently is, if we are really interested to protect the sexual partners of those who are infected.

DIFFICULT POSITION

I do not want to minimize the difficulty of Dr. Koop's position. But good medicine (and public health) is truly good medicine only when it is consistent with Scripture. If Dr. Koop comprehends this fact, why is he willing to provide less than good medical advice to anyone?

He would not advise people to have abortions as good medical care (as many medical leaders do). What he has done for homosexuals, however, is the moral equivalent of helping women to have "safer abortions." In reality, this "safer" approach is more dangerous than following moral (Biblical) standards.

Dr. Koop has failed to uphold Biblical morality clearly and publicly. In so doing he has failed to offer the best standard of health to the American people. These are serious accusations, for sure, but at the least all the evidence should be laid before the evangelical community and American people for their evaluation.

VENTURE CAPITAL GAINS LEGISLATION

Mr. BUMPERS. Mr. President, on March 14 I testified before the Senate Finance Committee on the capital gains issue. This was the 1st hearing in the 101st Congress on capital gains legislation.

I would like to take a minute here to review the issues I raised in my testimony.

BIPARTISAN DEBATE

The capital gains debate has been described by many commentators as a partisan debate between President Bush and congressional Democrats. This is not the case.

The capital gains debate is a bipartisan debate.

There are Democrats in the Congress—and I am one of them—who believe that we should reduce capital gains taxes.

In the Senate there are 14 Democratic Members who are supporting a capital gains tax reduction—Senators DECONCINI, DIXON, GORE, INOUYE, SANFORD, DASCHLE, HEFLIN, SASSER, DODD, KERRY, BURDICK, CRANSTON, SHELBY, and me.

There are only seven Senate Republicans sponsoring a capital gains bill—Senators BOSCHWITZ, MCCLURE, SYMMS, COCHRAN, KASTEN, GARN and LUGAR.

On February 7, 1989, I introduced S. 348, the Venture Capital Gains Act of 1989. S. 348 is cosponsored by more Members of the House or Senate than any other capital gains bill pending in the House or Senate.

Eleven Senate Democrats have joined me as cosponsors of S. 348, including Senator DASCHLE of this committee. In addition, Senator BOSCHWITZ is a cosponsor and he serves as the chairman of the capital gains coalition in the Congress.

And, of course, Chairman BENSTEN has indicated that he supports a reduction in capital gains taxes and he has organized this hearing.

I repeat and I emphasize—the capital gains debate is a bipartisan debate. Democrats are playing a constructive role, proposing alternatives and raising issues, not just opposing the President's proposal.

VENTURE CAPITAL GAINS LEGISLATION

S. 348, the Venture Capital Gains Act, proposes that we provide a modest tax incentive in favor of high-risk, long-term, growth-oriented investments in small business ventures.

I have described the bill and its rationale in my introduction statement of February 7, but when I introduced my bill the President had not as yet announced the details of his proposal, so my statement does not directly compare my bill to his proposal. So let me just make a few key points about my bill as it compares to the President's proposal.

The venture capital gains legislation is different from the President's proposal in nine respects:

First, my bill applies only to investments in stock. His applies to investments in a wide variety of capital assets.

Second, my bill applies only to investments in the stock issued by a small business venture. His applies to any investment in any stock.

Third, my bill applies only to direct purchases of the stock from the small business issuing the stock. It does not apply to trading of the stock in the secondary market. The President's proposal does.

Fourth, my bill only applies to new investments. It does not apply to investments made before the incentive goes into effect. The President's proposal is retroactive in effect.

Fifth, my bill requires a 4-year holding period. The President's requires only a 1-year holding period to start and this gradually increases to a 3-year holding period.

Sixth, my bill grants a 25-percent deduction and sets a 21-percent rate maximum capital gains tax rate. The President has proposed a 45-percent deduction and a 15-percent maximum gains rate.

Seventh, under my bill the alternative minimum tax applies to the deducted gains. With the President's proposal it does not.

Eighth, under my bill the deduction is available to corporate as well as to individual taxpayers. The President's proposal applies only to individual taxpayers.

Ninth, and, most important, I have received a favorable revenue estimate from the Joint Committee on Taxation which finds that S. 348 loses a fraction as much revenue as the President's proposal.

Let me just comment on a few of the differences between the President's proposal and my venture capital gains legislation.

A. SMALL BUSINESS CAPITAL

The availability of capital to start up small business ventures has always been a major problem. The tax reform legislation of 1986 exacerbated the problem by putting a high premium on short-term, income-oriented investments.

Venture capitalists do provide capital to start up ventures, but increasingly they are becoming involved with leveraged buy outs and other financial deals. They are more risk-averse than they used to be, partly as a result of the tax reform law and partly as a result of their experience with how risky start-up ventures can be.

There is no absence of investors who seem to be willing to invest in the established companies whose stock is traded on the major stock exchanges. And they seem to be willing to make these investments despite the absence of any capital gains preference.

My question is, Why should we give these investors a tax break for something that they are already doing without any tax break?

What we need to do is give them an incentive to change their investment strategy to place a greater emphasis to high-risk, long-term, growth-oriented investments in small business ventures.

That's where we have the need. And that's where the incentive should be directed.

B. RETROACTIVITY

The President's proposal gives a tax break for any investment, even investments made before the capital gains tax reduction goes into effect.

This means that it provides a tax break for investments that were made with no expectation that the investor would receive any capital gains preference.

To me this is an undeserved windfall.

My question is, Why should we reward investors for doing what they have already done without any expectation of a tax reward?

I think the reason for this feature of the President's proposal may be that the Treasury Department could not find any other way to make the revenue numbers show a revenue gain in the early years.

You see, if investors can cash in their old investments, they'll receive a huge windfall but they will also pay some tax. They will only pay this tax at the new 15 percent gains rate, not the 28 percent or 33 percent ordinary income rate, but they will pay some tax. I think the Department found it necessary to induce this rush of revenue in order to find that its proposal raises revenue in the first few years.

Treasury Secretary Brady has said that he will review the retroactivity issue and I have asked him in a March 7 letter to provide me with an estimate of the revenue impact of the President's proposal assuming that it is not retroactive. If it turns out that the only reason the President's proposal raises revenue in the first few years is because it confers a huge, and undeserved, tax windfall on investors, the Department may have to go back to the drawing board.

The President presents his capital gains bill as an incentive for investment. It is ironic that the principal impact of the proposal in its first years would be to encourage investors to cash in their old investments.

S. 348 is prospective only and confers no windfall, but the Joint Tax Committee still finds that it loses a fraction as much revenue as the President's proposal. This is true because of the other limitations in S. 348, which I have mentioned.

C. PHASE-IN OF HOLDING PERIOD

S. 348 requires a 4-year holding period for any investment that qualifies for the tax incentive. The President only requires a 1-year holding period for investments made during the first 3 years, 2-year holding period for investments made in 1993 and 1994 and a 3-year holding period for investments made after 1994.

My question is why should we wait to put the longer holding period into effect?

If we want to encourage long-term investments, why should we start out by encouraging shorter-term investments?

I don't understand the logic of phasing in the longer holding period.

There is no fairness problem with immediately requiring a 4-year holding period. Any investor making a new investment would know what the holding period is and would not be surprised in any way if it starts at 3 years. And, if the investor made the investment with no expectation of any capital gains preference, he can hardly complain about a 4-year holding period.

Of course, if the holding period starts at 4 years, more reaping their windfall. This would reduce the rush of revenue to the Treasury Department.

Even if the tax preference applies only to new investments, there would be some slowing of gains realizations if the 4 year holding period goes into effect immediately.

For these reasons the Treasury may have found that if it immedately went to a 3-year holding period, it could not project a revenue gain. In fact, it does acknowledge that the President's proposal would lose $11.3 billion in 1996, right after the 3-year holding period goes into effect. So, the phase in of the holding period is obviously another case of revenue considerations driving tax policy.

But, again, S. 348 puts a 4-year holding period into effect immedately and it does not lose large amounts of revenue in the early years.

Again, the reason why this is true is that S. 348 is focused, targeted, and limited to venture capital investments, where a 4-year holding period is perfectly reasonable. Venture capital investors often could not find a market for their stock in the first 3 or 4 years. The 1-year holding period would be irrelevant to them.

D. 21 PERCENT GAINS RATE AND MINIMUM TAX

S. 348 proposes that the maximum gains tax rate be set at 21 percent, which is less generous than the 15 percent maximum gains rate the President proposes.

I would like to offer investors a more powerful incentive and I found that some of my colleagues would not cosponsor S. 348 because they thought that it did not provide a strong enough incentive.

I chose 21 percent as the maximum gains rate for two reasons.

First, under S. 348 the alternative minimum tax applies. So, if S. 348 were to give investors a 15 percent gains rate, much of the benefits of that rate would be recaptured by the minimum tax, where the rate is 21 percent. The interplay of the gains rate and the minimum tax would amount to a zero sum game for the investors.

I would be very surprised if the Congress would reestablish a differential for capital gains taxes without applying the minimum tax. The minimum tax applied to capital gains before the tax reform law. The principal argument being raised against restoring the capital gains tax preference is that it would principally benefit the wealthy.

S. 348 meets this fairness argument by applying the minimum tax.

And when I applied the minimum tax, the 21-percent maximum gains rate became the logical gains rate as well.

Second, a 15-percent maximum gains rate would lose more revenue than a 21-percent maximum gains rate.

I have asked the Joint Committee on Taxation to give me revenue estimates of S. 348 assuming that it sets a 19-percent, a 17-percent and a 15-percent maximum gains rate and assuming that the minimum tax does not apply.

When I receive these estimates I will reevaluate the provisions in S. 348. As I said, I would like to provide a more powerful incentive for venture capital investments if it is fiscally responsible and fair to do so.

E. REVENUE ESTIMATE

I already have obtained a revenue estimate from the Joint Committee on Taxation on S. 348 as it was introduced.

The Committee gave me this estimate on September 18, 1987, based on the predecessor bill to S. 348, S. 931, which I introduced on April 7, 1987. The capital gains tax incentive provided in S. 931 was available only for companies with $10 million in paid-in capital and the committee found that it would lose only $40 million in the first 5 years. I asked the committee how high this threshold might be raised and not lose $500 million in revenue and the committee said that I could eliminate this threshold and not exceed a 5-year revenue loss of $500 million.

When I reintroduced the bill in this Congress I raised the threshold to $100 million in paid-in capital. This was the only change I made in the bill, so the revenue loss for S. 348 would be what the committee has found in its September 18, 1987, estimate, less than $500 million over 5 years. I have asked the joint committee to confirm this revenue estimate and trust that it will again find that S. 348 is a fiscally responsible bill.

As you know the Joint Committee found that the President's proposal would lose $24 billion in revenue in its first 6 years as law. So, if the President's proposal is sometimes referred to as the "15 percent solution," then maybe S. 348 should be referred to as the "2 percent solution"—2 percent as much revenue loss.

JOINT TAX STUDIES

I have asked the Joint Committee on Taxation to prepare three other studies for me and I hope to receive them shortly.

The first is on the interplay between the gains rate and the minimum tax. I have asked the committee to quantify the extent to which there is a zero sum game between the gains rate and the minimum tax.

The second is on the distribution of benefits by income class for the President's proposal and S. 348. Fairness is a key issue with the capital gains tax and I want to know how the two proposals compare.

And third, I have asked the committee to try to determine to what extent the President's proposal and S. 348 simply reward investors for doing what they are inclined to do without any tax preference. If we are looking at tax incentives, we should know how much new activity of the desired type we expect to generate.

POLITICAL REALITY

S. 348 is a realistic capital gains bill. I didn't run for President and S. 348 is not a campaign-type proposal.

I am trying to legislate, not to make everyone happy.

S. 348 does not overpromise. It does not promise that you can "have it all." It is not fancy.

It is focused. It is a bill we need and it is a bill we can afford.

I do not challenge the revenue estimates of the joint committee. I do not have to do that. I voted against supply side economics in 1981 and it was one of the best votes I ever cast. I do not rely on magic to argue that we can cut tax rates and generate more revenue. S. 348 does lose some revenue, but it is a manageable amount.

My bill is prospective only and confers no windfall on past investment.

It rewards capitol formation, not shuffling of assets among investors.

It is fair because the minimum tax applies.

In my view, the sooner the President and his supply side supporters begin to focus on these issues, the sooner we can have a real debate on capital gains taxes here in the Congress.

Finally, I am trying to turn this debate into a bipartisan debate, with Democrats speaking out in favor of capital gains tax reductions, instead of just opposing the President's proposal.

I ask unanimous consent that a chart summarizing the differences between the President's proposal and S. 348 be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARISON OF CAPITAL GAINS PROPOSALS

	President Bush	Senator Bumpers (S. 348)
Maximum tax rate	15 percent	21 percent.
Exclusion on gain	45 percent	25 percent.
Holding period	1 year until 1992, 2 years in 1993–94 and 3 years after 1994.	4 years—favors long-term investments.
Investments covered.	Many capital assets	Stock of small business ($100 million paid in capital).
Capital formation	Covers secondary market trading.	Covers only direct investments that put capital in hands of enterpreneurs.
Taxpayers	Individual	Individual and corporate.
Windfall	Retroactive to past investments, conferes huge windfall.	Only applies to new investments, no windfall.
Minimum tax apply	No	Yes, ensuring fairness.
Revenue loss	$24 billion over 6 years: Joint Tax Committee..	Less than $500 million over 5 years: Joint Tax Committee.

MARCH 25, 1989—GREEK INDEPENDENCE DAY

Mr. PELL. Mr. President, on March 25, 1989, the Nation will continue its longstanding tradition of celebrating Greek Independence Day. I have supported legislation for many years to

mark this fitting tribute to the ties that bind Greece and the United States. This year, I was both pleased and proud to offer my cosponsorship of legislation to be introduced by my colleagues, Senators SPECTER and LAUTENBERG, to continue the tradition and designate this national day of recognition in 1990.

Two thousand years ago, the Greek statesman Pericles proclaimed that the Greek "Constitution is called a democracy because power is in the hands not of a minority, but of the whole people." One can easily recognize the extent to which America's Founding Fathers looked to the Greeks as they crafted our own Constitution and shaped our Nation. The Greek contribution to the democratic heritage of our country was epitomized by Thomas Jefferson when he stated that "to the ancient Greeks we are all indebted for the light which led us out of Gothic darkness." This contribution is especially compelling to Americans as we are now completing the celebration of the bicentennial of our Constitution.

However, the contributions that Greeks have made to American society go far beyond the words and guidelines of the ancient Greeks. Over the years, Greek immigrants have had a tremendous impact on American society. Greek Americans have contributed significantly to all aspects of our culture, including the areas of literature, art, medicine, music, sports, and politics. Indeed, a son of Greek immigrants, Michael S. Dukakis, was last year chosen as the standard-bearer of the Democratic Party in its bid for the Presidency. I can think of no better tribute to our deep ties to Greece than the fact that an American of Greek heritage was selected as a candidate for the Presidency of the United States.

Mr. President, as America is thankful to Greece for so much of its culture, so too has Greece benefited from its close relationship with the United States. Just as the democratic principles of the ancient Greeks inspired a young America, so did the American Declaration of Independence inspire the modern Greeks in their struggle for their own independence in the 1820's. Greek intellectuals translated our Declaration of Independence and embraced it as their own. In 1821, a Greek commander stood before the Messenian Senate of Calamata and appealed to the citizens of the United States with these words:

> Having formed the resolution to live or die for freedom, we are drawn toward you by a just sympathy since it is in your land that liberty has fixed her abode, and by you that she is prized as by our fathers.

This Greek and American love of liberty again brought us together as we fought side by side against oppression in World War II. It continued as Greece and America determined the necessity to overcome the threat of communism through the Truman doctrine, which exemplified the commitment of our Nation to a free and independent Greece, and marked a watershed in United States foreign policy.

As we look to the celebration of Greek Independence Day this year, we are reminded of the common bonds that exist between the United States and Greece. We celebrate the tremendous contributions that Greek Americans have made to our way of life, and we commemorate the freedoms and principles that are dear to Greeks and Americans. I am proud to be an original cosponsor to legislation that would enable us to observe once again this celebration next year, and I urge the support of my colleagues.

MAYOR FLAHERTY'S PROPOSALS FOR THE HOMELESS

Mr. PELL. Mr. President, in the past several years the America people have come to the shocking realization that our Nation faces a serious problem of homelessness.

We have come to the realization that the scope of the problem is greater than we had imagined, and we are learning that the homeless population is different than we had assumed it to be.

We now know that this is a national problem, not limited to one or two of our large cities. We now know that the problem is not limited to the mentally disturbed homeless found in large inner cities. Homelessness is now being found in middle- and upper-class suburban cities and its victims include children, single parents, and even low- to moderate-income working couples who cannot come up with the down payments and security deposits required to purchase or rent housing even if it is available.

This situation has posed a new challenge to city govenments, and in many cases municipal leaders are leading the way in meeting the challenge. In the State of Rhode Island, for example, Mayor Francis X. Flaherty of the suburban city of Warwick has undertaken an energetic program to aid the homeless. I recently had the opportunity to meet with Mayor Flaherty to discuss this and other problems confronting our cities, and just yesterday the Providence, RI Journal published an excellent article by Mayor Flaherty on the problem of homelessness, what has been done and what remains to be done.

As he points out in the article, solving the problem of homelessness effectively will require combined and cooperative action by local, State and Federal governments.

Mr. President, I think my colleagues will find Mayor Flaherty's article of interest as the Senate faces the challenge of dealing effectively with the problem of homelessness and I ask unanimous consent that the article entitled "Consider the Homeless and Their Families," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONSIDER THE HOMELESS AND THEIR FAMILIES

(By Francis X. Flaherty)

At a time in our nation of relative prosperity, it is easy for us to take for granted the prosperous economic good fortune, and the resultant benefits of an economic boom, including housing. I ask that we reflect on this prosperity by considering the plight of those less fortunate, who are not able to benefit from such wealth: Namely, the homeless.

I speak of the growing number of homeless families. Around the country, in our own state, and yes, even in the city of Warwick, the fastest growing population of homeless are children. Take a minute to consider the life of a child waking up in a strange place, being shuffled from one place or one shelter to another, and even sleeping in a cold house or car. Consider that child's view of the world around him or her, worrying about where the next meal will come from, or whether or not he or she will go to school.

Then consider the families who are working with an income of $16,000–$22,000. Though they struggle to maintain a stable life for their children, they surely know that the next rent increase will most definitely put them on the streets or in their car.

Let's not forget the elderly, those who can no longer afford to keep their homes and who cannot find affordable housing elsewhere. And finally, consider the young people who are priced out of the housing market by skyrocketing prices, and accordingly must spend 50, 60 and even 70 percent of their income on rents without ever being able to save or afford their own house.

We must ask ourselves if we have done enough to help others.

I recognize that the housing problem is a national issue which calls for the cooperation of federal, state and local governments. For too long the federal government has abandoned its responsibility in setting a comprehensive, national housing policy. Now, however, the Bush Administration has taken a first step in renewing its responsibility towards the homeless by calling for full funding of the McKinney Act, which provides funds for programs for the homeless.

We have heard much talk about the housing crisis in Rhode Island by our governor. But, to date, we have not seen results. And although legislation was passed in the last session of the General Assembly establishing a rental assistance program, the growing numbers of homeless families have not benefited from the effects of such legislation.

Warwick cannot wait for the actions of others. Last October, we developed an innovative model program to relocate 13 abandoned houses from the Green Airport "clear zone" to other parts of the city. I am pleased to state that last month the City Council approved the city's petition to rezone the property, thereby enabling the city to use city-owned land for the relocation of the homes. The houses will soon be made available to families needing housing assistance. I was also able to convince the

state to allow us to turn two additional abandoned houses into shelters for Warwick's homeless families.

These are good programs, but the city still has a list of 450 families who have asked us for housing assistance. We hope to do more. Last year, Warwick qualified for a $25,000 state grant to study the issue of affordable housing, to be overseen by the city's Affordable Housing Board. We have completed that study and hope to begin implementation of the recommendations contained in the report.

Our first priority should be to provide housing assistance to the homeless and to families with children headed by single parents. Only slightly less urgent is the need to help the elderly and renters who live in substandard dwellings.

Since Rhode Island's housing market became so attractive, housing prices have skyrocketed, and more of our residents have been left unable to enter the housing market. With prices up, and the supply of suitable housing sites ever-dwindling, government has an obligation to address affordable housing issues. The first thing government must do is recognize the problem. We need a Rhode Island Housing Policy which addresses the needs of all those seeking affordable housing.

After that, there are a variety of program ideas which, if persuaded as part of an overall policy, could help alleviate affordable housing problems. These include local initiatives to encourage development of affordable housing where appropriate, establishment of a state trust fund for use in development of affordable housing-equity programs to help the elderly, enhanced enforcement of local and state building codes to bring about rehabilitation of substandard housing, and improved "equity-sharing" programs for first-time buyers.

Here in Warwick we are currently examining a program that offers tax incentives to owners of retail property willing to participate in the Warwick housing Section 8 program, specifically providing affordable housing for families. This program would be designed to offer returns at a lower market rate in return for a "tax incentive" or credit on their property tax bill.

As we begin to act at the local level to address this very important problem, it is paramount that a federal and state policy be developed to quickly begin addressing the needs of those families and individuals who are without adequate housing. Our initiatives in Warwick are just a beginning in the movement to end the crisis in the life of a homeless child and family.

Much more remains to be done, and action must begin immediately.

SENATOR DANIEL PATRICK MOYNIHAN COMMEMORATES 20TH ANNIVERSARY OF THE WILSON INTERNATIONAL CENTER FOR SCHOLARS

Mr. PELL. Mr. President, on March 7, 1989, the Wilson International Center for Scholars celebrated its 20th anniversary. On this occasion, our distinguished colleague from New York, Senator MOYNIHAN, reflected on the meaning that the anniversary holds for him, and, by extension, all who have been involved with the center during its existence.

As one who has been closely tied to the development of the Wilson Center since its inception, Senator MOYNIHAN is singularly qualified to speak of the significance of its 20th anniversary. Drawing from his experiences as the first vice chairman of the center, Senator MOYNIHAN in his remarks offers a fascinating account of the little-known history of the events surrounding the foundation of the center. At that time, and indeed ever since, I was very interested in and followed very closely the advancement of the Wilson Center. As chairman of the Smithsonian Subcommittee of the Senate Committee on Rules, I conducted hearings and was floor manager of the legislation that established the Wilson Center. Yet despite my close association with the Wilson Center, I learned a great deal from Senator MOYNIHAN's remarks.

Senator MOYNIHAN captures perfectly the hopes that we all held for the Wilson Center. His eloquent discourse on the center's namesake gives us a rich and balanced portrait of one of America's greatest statesmen. In calling to mind the goals, ideals and vision of President Wilson, Senator MOYNIHAN validates the import and distinction that the Wilson Center enjoys today.

It is an excellent speech and I commend it to my colleagues. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR DANIEL PATRICK MOYNIHAN

Woodrow Wilson was not, one fears, unfailingly accommodating. He would have judged that a form of indulgence, providing pleasure not only to others but to one's own self, and on a sustained basis. Hence, a disposition to be kept at a distance.

The more then, thinking back some thirty years now, are we struck at how accommodating others have been to him, or rather to his memorial. From the moment the proposal of an International Center for scholars appeared, it was uniformly agreed by the city planners, the Congress, as in the person of Sidney Yates, Frank Thompson and Claiborne Pell, the various agencies involved that it ought to be done, and it was done with dispatch. Most especially are we struck by the enthusiasm of recent Presidents, from John F. Kennedy in 1961 who signed a joint resolution of Congress creating the Woodrow Wilson Memorial Commission to consider the enterprise, to President Bush who has done us the singular honor of coming to speak on this occasion of our Twentieth Anniversary.

It happens that I had the opportunity to observe this Presidential disposition at first hand, and at a moment of some delicacy. Lyndon B. Johnson signed the legislation creating the Center on October 24, 1968. The bill provided for a 15-member Board of Trustees of which there would be seven from "within the Federal Government; and eight appointed by the President from private life." The Chairman is to be appointed from among the Private Members.

On January 18, two days before leaving office, President Johnson exercised his undoubted right to appoint the Private Members. Among these was Hubert H. Humphrey, who he also named Chairman.

As is well known, the records of that turbulent era are incomplete and often misleading. Thus, for example, no mention of these appointments will be found in the "Public Papers of Lyndon B. Johnson." Yet, it is reasonably well established that on January 18, 1969, Hubert Humphrey was Vice President of the United States and remained such until noon on January 20. In which event he would not have been eligible for appointment as a Private Member and Chairman of the Board of Trustees. On January 21, I was named an Assistant to the New President, and owning to my earlier involvement with the Center, it fell to me to point out this nicety to Richard M. Nixon.

President Nixon was not the least put off. He much approved of the idea of a Wilson Center, being an admirer and a student of Wilson. (He would relax by reading out loud long passages from Wilson's works.) And he was an admirer of Hubert Humphrey. He insisted that Humphrey stay on as Chairman and, perhaps to emphasize his support, he appointed me Vice Chairman, beginning a practice, now verging on a tradition, of Presidents appointing a member of the White House staff to the Board of Trustees.

For the first and last time in his adult life, Hubert Humphrey had no other public business, and he turned to the work of Chairman with that great energy and indomitable enthusiasm, thus beginning what we may hope will also become a tradition of exceptional chairs. Dillon Ripley, with accustomed laconic magnificence, turned over the Smithsonian Castle on the Mall to the new Center as interim quarters, and in no time the institution was off and going.

It didn't have to happen, but it needed to happen. Those years, 1968 and 1969, strained the Wilsonian tradition at home and abroad to the breaking point, and in the view of many, past that point. Now ours is not a center of Wilson Studies. Princeton University carries forward that task with great distinction. Even so, an international center for scholars cannot and would not wish to avoid the issue which absorbed Wilson in his final years, which is to say the quest for legitimacy in the world order. He had, of course, the most emphatic views on this matter, and if they are frequently derided as Wilsonian idealism, it may be worth pointing out that time and again he went to war in the name of such ideals.

No American has ever so influenced the world. No other person, before or since, has attained such stature. Herbert Hoover, in his own last book, "The Ordeal of Woodrow Wilson," put the matter fairly:

"For a moment at the time of the Armistice, Mr. Wilson rose to intellectual domination of most of the civilized world. With his courage and eloquence, he carried a message of hope for the independence of nations, the freedom of men and lasting peace. Never since his time has any man risen to the political and spiritual heights that came to him."

We would do well to remember that the world forgot this. Wilson was seen to have failed. Lenin had appeared on the international scene and a half century of hell ensured, as a totalitarian Marxist state asserted its claim to be the next stage in history. We would also do well to concentrate on the overwhelming evidence that that claim now lies in ruins. There is a clear sense in which

it falls to the coming political generation, here and around the world, to resume the Wilsonian enterprise, to establish a world order in which legitimacy derives from lawfulness, accommodation, and above all, the affirmation of political and personal freedom. That we have been given this second chance is in some measure surely owed to the redemptive power of that ordeal.

Wilson died just 65 years ago, on February 3, 1924. Yet, in a legitimate sense he had died of a stroke five years earlier on September 25, 1919 on a railroad train near Pueblo, Colorado barnstorming across the country in quest of support for the League of Nations which was going down in the Senate. His public life thereupon came to a close. We remember Wilson for practicing, as Martin Green has it, the politics of "precise intelligence". Yet the man was capable of transcendent passion.

Fifteen years ago I was asked to speak at the Center on the Fiftieth year from the time of his death. I thought of his last words. They were surely a premonition, an evocation almost, of death. A speech from the cross. A speech, to be sure, by a Presbyterian Saint Jerome, contesting texts to the very end, but a Passion withal. It is a premonition of his own death, and a prophecy, I suppose, of the death of the Western civilization that would not be saved. Excepting always that, while those who believed would be saved, the city would not be saved: the city would be lost to war and rumors of war.

The biblical cadence, the New Testament ecstasy in that extempore speech are as moving as anything in the language of the American presidency:

"Again and again, my fellow citizens, mothers who lost their sons in France have come to me and taking my hand, have shed tears upon it not only, but they have added, "God bless you, Mr. President." Why, my fellow citizens, should they pray God to bless me? I advised the Congress of the United States to create the situation that led to the death of their sons. I ordered their sons overseas. I consented to their sons being put in the most difficult parts of the battle line, where death was certain, as in the impenetrable difficulties of the forest of Argonne. Why should they weep upon my hand and call down the blessings of God upon me? Because they believe that their boys died for something that vastly transcends any of the immediate and palpable objects of the war. They believe and they rightly believe that their sons saved the liberty of the world. They believe that wrapped up with the liberty of the world is the continuous protection of that liberty by the concerted powers of all civilized people. They believe that this sacrifice was made in order that other sons should not be called upon for a similar gift—the gift of life, the gift of all that died—and if we did not see this thing through, . . . and now dissociated ourselves from those alongside whom we fought in the war, would not something of the halo go away from the gun over the mantelpiece or the sword? Would not the old uniform lose something of its significance? These men were crusaders. They were not going forth to prove the might of the United States. They were going forth to prove the might of justice and right, and all the world accepted them as crusaders, and their transcendent achievement has made all the world believe in America as it believes in no other nation organized in the modern world. There seems to me to stand between us and the rejection or qualification of this treaty the serried ranks of those boys in khaki, not only these boys who came home but those dear ghosts that still deploy upon the fields of France."

He tells of visiting a cemetery in France where French women tended American graves:

"France was free and the world was free because America had come. I wish some men in public life who are now opposing the settlement for which these men died could visit such a spot as that. I wish that the thought that comes out of those graves could penetrate their consciousness. I wish that they could feel the moral obligation that rests upon us not to go back on those boys, but to see the thing through, to see it through to the end and make good their redemption of the world. For nothing less depends upon this decision, nothing less than the liberation and salvation of the world."

Did he know how close he was to collapse? I do not know; I don't know how you would know. But for certain Wilson understood the price he new mode of Presidential politics was exacting. He had watched Bryan in 1896 and commented in his lectures on "Constitutional Government in the United States," given at Columbia:

"Men of ordinary physique and discretion cannot be presidents and live, if the strain be not somehow relieved. We shall be obliged always to be picking our chief magistrates from wise and prudent athletes—a small class."

In any event, we are no longer comfortable with political discourse that intense, iambic, salvific. Nor ought we be. The 20th century has knocked a lot of that out of us. Yet there is an essential Wilson that remains, and his case remains, essentially, the American case. I for one would hope to see us press it once more. To a world that might listen a little more intelligently than it was doing a quarter century ago.

It was at about that time that Charles Blitzer and I drew up a prospectus for the new Center. We proposed "an institution of learning that the 22nd Century will regard as having influenced the 21st." Not bad for hedging your bets. Yet, I dare to think that events are speeding up; that the relevance and significance of the Woodrow Wilson Center has become greater sooner than we had hoped for. But not a moment too soon!

JAMES MADISON'S BIRTHDAY

Mr. LEAHY. Mr. President, today is James Madison's Birthday. Madison was one of the first to propound rights for all Americans that we now take for granted. He believed passionately in the separation of church and state, and in the importance of protecting the rights of the minority in a democracy. Having watched in horror the crisis surrounding author Salman Rushdie in the past few weeks, it is important to remember these principles.

Madison believed in the importance of the public's access to government information. Madison wrote, in an 1822 letter:

[Knowledge] throw(s) that light over the public mind which is the best security against crafty and dangerous encroachments on the public liberty.

Since 1822, we have been reminded over and over of the importance of the public's access to the information generated by those the public entrusts with governance.

Recent investigations discovered that safety problems were directly linked to poor management within NASA; that some of America's most distinguished writers have been the subject of surveillance over the last half century; that opposition to American foreign policy in Central America can get the FBI on your trail; that cigarettes pose a greater danger to health than previously suspected; and that certain medication given mothers during childbirth impair infant brain development.

In every case, the investigations that led to disclosure were carried out by private organizations and reporters who requested Government documents under the Freedom of Information Act. Access to Government information ensures accountability.

The Freedom of Information Act is the most important tool for that access. Healthy open Government is the result. The FOIA grants the American people the statutory right to information about Government decisions, processes and actions, giving meaning to our first amendment right "to petition the Government for a redress of grievances."

Government agencies are not always forthcoming with information about problems and mistakes. Many Government officials complain about the Freedom of Information Act. They say citizens' FOIA requests get in the way of the "real" business of Government. They say it is too time-consuming to respond to requests for information, that it costs too much money to photocopy Government records, and that disclosures only make running the country more difficult.

These are excuses for Government secrecy. And they could be an impenetrable shield for failed policies and political embarrassment—were it not for the Freedom of Information Act.

Informing the public is an integral part of the "real" business of Government in a democracy: Without it, democracy cannot exist.

It is often through the persistence of journalists, scholars and other individuals making FOIA requests that examples of Government waste, fraud and abuse are brought to the attention of Congress. Thus, the Freedom of Information Act also plays a critical role for those of us in Congress who are charged with Government oversight.

For example, we now know that there were serious problems in past years at NASA with management and safety, but NASA officials kept quiet about it, despite inquiries from Congress. After journalists and others requested information through the FOIA and made it public after the *Challenger* tragedy, we in Congress found out and were able to conduct

more effective oversight. Journalists obtained information through the FOIA that NASA should have volunteered to us, but did not.

This is just one example of the crucial role that the FOIA plays in making Government accountable to the people and preventing "crafty and dangerous encroachments on the public liberty."

James Madison could never have anticipated such horrors, but he had the foresight to realize that a democracy thrives only when the public is informed about its Government. That is as true today as it was in 1822.

I am pleased to say that the Bush administration has given us no indication that gutting the FOIA is high on its agenda. In fact, I understand Vice President QUAYLE spoke this noon at the National Press Club and noting his own first amendment roots, addressed the importance of the Freedom of Information Act for an informed public which is the basis of our democracy. I look forward to working with the new administration to promote accountable government.

A strong FOIA is the best way to do it.

TOBACCO AND NICOTINE HEALTH AND SAFETY ACT OF 1989

Mr. BINGAMAN. Mr. President, today in the House of Representatives, Mr. WHITTAKER and 14 of his distinguished colleagues introduced the Tobacco and Nicotine Health and Safety Act of 1989. I commend my friends for taking this important step toward the final demise of what may be one of the greatest killers of all time—tobacco.

I pledge to work with Mr. WHITTAKER on this important issue, and I urge the Members of this body to join our effort. Shortly after the Senate's Easter recess, I will introduce legislation identical to the House bill, and I will look to my good friends and colleagues for their support and cosponsorship.

I would hope that every Member of the Congress would join Mr. WHITTAKER and me, but I know that such an expectation is unrealistic. That is a shame because before this day ends, 1,000 people will die from smoking or chewing tobacco. Tomorrow another 1,000 will die. And they will continue to die until we make a serious commitment to addressing the dangers of tobacco use.

Indeed, the Surgeon General of the United States has named tobacco use as the single most preventable cause of death and disability in our country. Every year tobacco products kill more Americans—about 350,000—than does alcohol and drug abuse, accidents, and suicides combined.

But aside from the personal loss of life, the economic and social costs of tobacco use are enormous. Estimates are that tobacco use costs our country more than $60 billion in lost productivity and health care expenses. And every day, more than 3,000 American teenagers—or 60 percent of all new smokers—start smoking.

Yet the manufacture and sale of tobacco products remain virtually unregulated, and tobacco products are largely exempted from the laws we have established to protect the public from unsafe consumer products. All of this despite the fact that we now know without question that cigarettes and other tobacco products containing nicotine are highly addictive.

It is time for a change. It is time for the Federal Government to take an active role in regulating the manufacture and sale of tobacco products. It is time for the Federal Government to provide the American public with the facts they need to make informed decisions about the use of tobacco products.

The Tobacco and Nicotine Health and Safety Act of 1989 will lay the foundation for the type of change we need, and it will lead to a safer, healthier America.

The act will:

Prohibit the sale of tobacco products to anyone under the age of 18;

Provide the Secretary of the Department of Health and Human Services with the authority to reduce the levels of harmful additives or prohibit the use of those additives entirely;

Provide the Food and Drug Administration with the authority to regulate nontobacco products that contain nicotine, which shall be categorized as drugs;

Require that tobacco manufacturers fully disclose all chemical additives in tobacco products;

Prohibit the distribution of free samples and coupons for cigarettes; and

Require a new warning label on the addictive nature of tobacco use.

This is important legislation, and again I commend Representative WHITTAKER and all of his cosponsors in the House for their commitment to this issue.

INTRODUCTION OF THE PRESIDENT'S CHILD CARE INITIATIVE

Mr. HATCH. Mr. President, I am truly delighted to join the distinguished minority leader, Senator DOLE, as a cosponsor of the child care legislation submitted by President Bush and hope that the Congress will give it the consideration it is due.

The President has been true to his word. During the campaign he promised to put forward a workable child care bill based on freedom of choice for families, and he has delivered on that promise.

I have been working on the child care issue for several years now and have come to several conclusions.

First, any child care bill, to be effective, needs to address all three of the major problems areas—availability and options for care, affordability for low-income families, and quality of care.

Second, tax credits, such as outlined in the President's proposal, can be of enormous value to American families struggling to make ends meet on limited incomes and who deserve the same child care choices as other families.

Third, we must recognize the costs of caring for young children that are incurred whether the children are in out-of-home child care or not. Clearly, there is a cost to sacrificing an income to care for children. Federal child care legislation which does not account for this sacrifice will be seriously flawed.

Fourth, a bipartisan approach to child care is necessary, not only to achieve passage of child care legislation, but also to ensure the success of the program once it is enacted. While any Federal program must certainly have proper oversight, I do not think that it is healthy for us to establish a new Federal role in child care, no matter how limited or broad that role may ultimately be, and then subject that program to constant political second guessing. A child care bill rammed through Congress by one party will be doomed by the political bitterness left in its wake.

It has been my pleasure to cross the chasm of political party on this issue and work with Senators DODD and MIKULSKI in an effort to develop a compromise. Senator DODD has been a tireless advocate for programs he believes will benefit children and families, and I have appreciated Senator MIKULSKI's personal insights as a former social worker and local government official. It is my fervent wish that this bipartisanship can continue and that our incorporation of the President's recommendations into the debate will be constructive and not political.

The President has submitted an excellent proposal. He has indicated his wilingness to work with us. He actively seeks the enactment of responsible, effective child care legislation. We cannot ask for a more open invitation than that from the White House. I urge all Senators to take this invitation seriously, to look at the merits of the President's tax credit proposal, and to participate in the development and eventual enactment of a landmark child care bill.

JOURNALISTS' COMMITTEE TO FREE TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I have at the desk a resolution prepared by the Journalists' Committee to Free Terry Anderson, Senate Resolution 81.

It will be called up later by the majority leader. I ask now simply to record that the resolution is submitted for myself, Mr. MITCHELL, Mr. DOLE, Mr. PELL, Mr. ARMSTRONG, Mrs. KASSEBAUM, Mr. GRAHAM, and Mr. MATSUNAGA.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, this morning in the caucus room of the Cannon House Office Building, there was an extraordinary, moving, persuasive, and evocative ceremony recording the fourth anniversary of the kidnaping in Beirut of Terry Anderson of the Associated Press, who is still alive and still there. It was a ceremony on behalf of all the hostages in Lebanon, and I would like to take a moment of the Senate's time to read their names. It is so important that their names never disappear from our memory. They are Americans, Terry Anderson, Thomas Sutherland, Frank Herbert Reed, Joseph James Cicippio, Edward Austin Tracy, Alann Steen, Jesse Jonathan Turner, Robert Polhill, and, of course, the most recent hostage, Lt. Col. William Higgins of the U.S. Marine Corps, who was there with a United Nations peacekeeping force.

Of the British hostages there are Alec Collett, who was seized just a week after Terry Anderson, John McCarthy, and Terry Waite. Of the Irish, Brian Keenan, and Italian, Alberto Mlinari. The program from our ceremony notes that since the war began in 1975, more than 3,000 Lebanese citizens have been kidnaped and held hostage in the Middle East.

On this occasion, we heard from some remarkable persons. Foremost in my view, and I think the Senate would so share, was Bruce Laingen, who was the head of our delegation in Tehran in those long 440 days that ended only on January 20, 1981. We heard from James Reston of the New York Times, who covered Beirut with Mr. Anderson; from Bob Schieffer of CBS News; from David Ignatius of the Washington Post, all of whom had been there; and from Peggy Say, the sister of Terry Anderson.

Mr. Schieffer's remarks begin in a most extraordinarily perceptive, powerful statement. He said:

> The historian Ariel Durant once wrote that civilization is not imperishable but must be relearned by every generation.
>
> "Barbarism," she observed, "is like the jungle. It does not die out but only retreats behind the barriers that civilization has thrown up against it, and waits there always to reclaim that to which civilization has temporarily laid claim."
>
> Because we live on civilization's side of the barrier, it is sometimes easy to forget that there is still evil in the world.

In conclusion, Mr. President, with respect to this whole question of civilization, I hope there would be those in Tehran and those in Beirut who would know that all they have done is hurt their own causes by this barbarism. They should not ever suppose that the resources of civilization against its enemies are exhausted. They are not, sir. We have only begun to deploy them; that we should do so with greater urgency and, if necessary, an equivalent violence it seems to this Senator to be not only appropriate but necessary.

Mr. President, I see the Republican leader is on the floor.

The PRESIDING OFFICER. The Chair recognizes the Republican leader.

Mr. DOLE. Mr. President, I have been made a cosponsor of the resolution?

Mr. MOYNIHAN. Yes.

Mr. DOLE. I thank the distinguished Senator from New York. I certainly appreciate his efforts and I hope, as he does, we will have an appropriate response. One day longer is too long.

COMMENDATION OF JO-ANNE COE

Mr. DOLE. Mr. President, I have cleared this with the majority leader's staff. It is simply a commendation resolution. I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 84) commending Jo-Anne Coe.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 84) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

> Whereas Jo-Anne Coe became an employee of the Senate of the United States on January 3, 1969, and since that date has ably and faithfully upheld the high standards and traditions of the staff of the Senate of the United States for a period that included ten Congresses;
>
> Whereas Jo-Anne Coe has served as Senior Advisor to the Republican Leader from January 6, 1987 until January 31, 1989;
>
> Whereas Jo-Anne Coe served prior to 1987 as Secretary of the Senate, Administrative Director of the Committee on Finance, Administrative Director of the Office of Senator Bob Dole and other posts under Senator Dole;
>
> Whereas Jo-Anne Coe faithfully discharged the difficult duties and responsibilities of her positions on the staff of the Senate of the United States with great efficiency, devotion, and dedication;
>
> Whereas Jo-Anne Coe's clear understanding of the challenges facing the Nation has left her mark on many areas of public life;
>
> Whereas Jo-Anne Coe retired from the Senate of the United States on January 31, 1989; Now, therefore, be it
>
> *Resolved*, That the Senate of the United States commends Jo-Anne Coe for her exemplary service to the Senate and the Nation, and wishes to express its deep appreciation and gratitude for her long, faithful, and outstanding service.
>
> SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Jo-Anne Coe.

Mr. DOLE. I move to reconsider the vote by which the resolution was agreed to.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that I be made a cosponsor of the resolution in honor of Jo-Anne Coe.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. I move to table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. FORD). The Senator from Kansas is recognized.

(The remarks of Mrs. KASSEBAUM pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

EASTERN AIRLINES STRIKE

Mr. KENNEDY. Mr. President, I understand that in just a few moments the majority leader will be urging the Senate to consider emergency legislation to deal with the Eastern Airlines strike. I hope the Senate will take up this emergency legislation that was adopted yesterday in the House of Representatives by a vote of 252 to 167. I believe the Senate has a responsibility to act on this matter before we begin our recess tomorrow.

It is wrong for us to prolong the current impasse, where a more satisfactory alternative is so obviously available. The question comes to us is, who is to prevail? The national interest, or the interest of Frank Lorenzo.

We are about to enter the third week of a bitter strike. Thousands of employees are out of work, hundreds of thousands of passengers have been disrupted, and many of them have been stranded.

In similar instances in the past, Presidents have created Emergency Boards in air and rail disputes. In fact, every single President has done so, from Roosevelt to Reagan. No exceptions. Ten times it was recommended to President Reagan that he create an Emergency Board, and 10 times President Reagan did so.

The inaction of President Bush may be unprecedented, but congressional action is not. In 1978, Congress created an Emergency Board by statute in an Alaska airlines dispute. Three years ago, in the Maine Central Railroad

dispute, Congress created a Congressional Advisory Board to recommend a settlement.

For over a half a century, the Railway Labor Act has contained provisions for use in precisely this sort of situation. The President should appoint the Emergency Board authorized by the statute to encourage the parties back to work, then to bargain in good faith.

In the face of Presidential inaction, this legislation is our best available means to put striking employees back to work and save a once-proud airline. I urge the Senate to enact it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EASTERN AIRLINES STRIKE—EMERGENCY BOARD LEGISLATION

Mr. MITCHELL. Mr. President, yesterday, the House of Representatives voted 252 to 167 in support of legislation to require the President to appoint an Emergency Board to review the ongoing dispute between Eastern Airlines and the International Association of Machinists.

That legislation, H.R. 1231, has arrived in the Senate. It is now our responsibility to act. It is my hope that the Senate will do so expeditiously.

The Eastern Airlines strike poses serious consequences for the United States and our air transportation system. Since the strike began at midnight on March 4, almost 2 weeks ago, Eastern Airlines has filed for bankruptcy.

There is uncertainty about the fate of the airline and the impact of the strike on the aviation industry. Eastern is the Nation's sixth largest airline. In 1988, Eastern carried 35.6 million passengers representing 7.5 percent of our total domestic airline traffic.

On many air routes in the eastern United States, Eastern is the dominant carrier. In the first three quarters of 1988, the airline carried 67 percent of the New York-Miami market; 57 percent of LaGuardia-Boston and New York-Washington; and 52 percent of the Miami-Atlanta market.

Under the Federal Railway Labor Act, the primary responsibility for action in disputes of this nature rests with the President. Under the law, if a dispute between a transportation carrier and its employees should in the judgment of the National Mediation Board "threaten substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service," the Board shall notify the President, who in his discretion may create an Emergency Board "to investigate and report" respecting such a dispute.

On February 24, the National Mediation Board did make such a determination and did notify the President. On March 3, the President declined to appoint an emergency board.

That was the President's prerogative.

That was his judgment at that time—before the strike began.

That was the President's judgment—in spite of the fact that in over 30 cases involving the airline industry, when the National Mediation Board has recommended creation of an emergency board order, an emergency board always has been created.

But that was 2 weeks ago.

We now face the issue under drastically changed circumstances.

Before the strike began, no one could be certain whether the Eastern's pilots would honor machinist picket lines. Today we know they did. They are. They will, as long as the strike continues. Except for a very few flights, Eastern Airlines is no longer flying.

Eastern is in bankruptcy. And according to the House committee report on H.R. 1231, issued following a full day of hearings on March 7:

> Unless the labor disputes can be resolved promptly, Eastern is unlikely to be able to reorganize and resume operations as a major airline.

Since the strike began, thousands of Eastern passengers have found their travel plans disrupted. There has been an immediate adverse impact.

These conditions by themselves may warrant imposition of an emergency board. However, the need for an emergency board is now required by the even broader implications of Eastern's present situation.

The loss of Eastern Airlines would represent a loss of up to 30,000 jobs and substantial damage to communities where Eastern operations are based.

The loss of Eastern would represent a loss of competition in the domestic air transportation industry. Although Eastern Airline passengers were impacted adversely during the last 2 weeks, the short-term disruption is nothing compared to the long-term structural, competitive implications if the dispute continues on its present course.

In the last few years, there have been 10 mergers of major airlines. Of the 22 new airlines that entered the domestic market since deregulation, only 5 are still operating as separate airlines.

From 1983 to 1987, the market share of the top 8 airlines increased from 74 to 91 percent. The loss of Eastern Airlines would add to this concentration of power within the airline industry.

According to the House committee report:

> If Eastern is not able to resume operations as a major carrier, the company's assets will be liquidated in bankruptcy. There is no assurance that the purchaser or purchasers of assets will duplicate Eastern's important competitive service. To the extent that Eastern's assets were acquired by companies already serving Eastern's routes, there would be one less carrier and a loss of competitive service. Even if Eastern's assets were purchased by carriers which were not competing with Eastern before the strike, there is no assurance that the end result would be a pattern of competitive service as extensive and effective as that which Eastern provided.

The stakes are bigger than just Eastern or just this dispute. The impact is broader than just the inconvenience already suffered by Eastern ticketholders, and by communities which depend on service through Eastern airport hubs.

The stakes are high. They also are imminent, and the Federal Government should not simply sit waiting for something more to happen.

The urgency of the situation—and the 2 weeks that already have gone by—are reflected in the legislation passed by the House. The ordinary provisions for an Emergency Board and the cooling-off period that results have been shortened. Under the Railway Labor Act, an Emergency Board has up to 30 days to report back to the President, after which the "conditions out of which the strike arose" cannot be changed for another 30 days.

Under H.R. 1231, the period for the emergency board's investigation has been shortened to 14 days, with the opportunity for the President to extend it up to 5 days if necessary.

Instead of an additional 30 days after the emergency board submits its report, the cooling-off period under H.R. 1231 will extend an additional 7 days.

The total cooling-off period will last only between 21 and 26 days, depending on whether the President grants the Board an extension before making its report. This is reasonable. And it is necessary.

On March 7, the Secretary of Transportation told the House Aviation Subcommittee that Eastern Airlines and its unions are nowhere near an agreement, and in fact, are even further apart today than they were at earlier stages in the dispute.

On March 3, when the President declined to create an emergency board, he indicated that there was no reason to believe that additional investigation or delay of the strike would produce an agreement. What this assessment overlooked was the likelihood of dete-

rioration in negotiations between the parties.

It also overlooked the very dramatic difference between an emergency board investigation and standard negotiations. The traditional procedure of an emergency board in reporting to the President has been to include specific recommendations for resolving the underlying labor dispute.

As the product of impartial analysis, such recommendations traditionally carry great weight. They become a model for ultimate settlement of the dispute—either as a result of continued negotiations, or if it becomes necessary, congressional legislation.

According to the House committee report, "there appears to be little prospect the company and the unions could reach agreement through ordinary collective bargaining negotiations. On the other hand, we believe there is a reasonable possibility that the parties would be able to agree to accept the recommendations of an impartial board."

A cooling-off period will not hurt. It will not prevent the parties from seeking a negotiated settlement of the strike on their own.

It will help.

It will not interfere with bankruptcy proceedings, nor will it prevent management from taking actions—including job reductions—that it considers necessary under existing financial circumstances.

Nor will this legislation impose any terms stacked in favor of either labor or management. No one can know ahead of time what findings and recommendations an emergency board will make to the President.

A cooling-off period will not hurt.

What will hurt is further delay or further inaction. And those who will be hurt the most are the American people—and the public interest.

Accordingly, Mr. President, I ask unanimous consent that the Senate proceed to immediate consideration of H.R. 1231.

Mr. DANFORTH. Mr. President, reserving the right to object.

Mr. President, it is my understanding that the majority leader does have the parliamentary right to make a nondebatable motion to proceed as early as tomorrow. Therefore, it is within the ability of the majority leader to get us on this bill at a very early time. We could go on the bill tomorrow, assuming that he has the votes for a nondebatable motion to proceed, or, in the alternative, we could wait until after the forthcoming recess and bring it up at that time. I do not think the majority leader intends us to stay here during the recess.

Therefore, I think that the practical effect of what we are discussing right now is whether the Senate is going to proceed to this matter very shortly after the recess is over without any committee consideration or instead whether it would be more advisable for this to be referred to committee, the Labor Committee in this case, for at least a limited period of time. Earlier this afternoon, I suggested to the majority leader that one possibility that he might consider would be to provide for the referral of the bill to the Labor Committee for a 1-week period of time.

It had been my understanding that the leader wanted to go to the minimum wage bill as soon as we returned from the recess. During that time, the committee could at least have 5 days to consider this legislation. Then we could agree to bring it to the floor on the week that begins Monday, the 10th of April.

Now, why do I think this is a matter that requires at least some committee attention? Because it is a very unusual situation at any time to utilize the Mediation Board, but it is unique under present circumstances.

A petition in bankruptcy has been filed. The bankruptcy court has assumed jurisdiction over Eastern Airlines. I am told that there is no case law informing us as to the relationship between a bankruptcy proceeding and the existence of a mediation board. In other words, a mediation board could be in existence staying activity relating to Eastern Airlines, ordering employees back to work, trying to maintain the status quo at the time that the bankruptcy court has jurisdiction over the operation of the airline.

A second course of fluidity at this time is the fact that apparently there are negotiations, at least if the newspapers are correct, there are negotiations going on with respect to the sale of Eastern Airlines. And a lot of people view the possible sale of the airline as the great hope for its future. I would think that some considerations should be given not only to the effect of this on the bankruptcy court but to the effect on the possible sale to purchasers of Eastern Airlines.

Therefore, Mr. President, it would seem to this Senator that the more logical and orderly way to proceed, instead of getting this on the floor of the Senate without any committee consideration, is to refer this to a committee not for the sake of deep-sixing the legislation, but for the sake of giving the committee maybe 5 days to consider it. Why be on the floor of the Senate debating the bill without any committee consideration when we could proceed with the minimum wage bill, dispose of that one way or another, or move from that to this bill at some day certain, say, the 10th of April?

So that is the reason for my reservation and that is the question that I would put to the leader.

I think that, Mr. President, there will be an objection from somebody on the floor right now to this particular unanimous-consent request. But I also believe that there is a desire for us to not bottle this thing up forever. We realize that the Eastern strike is a very serious matter. It is certainly a serious matter for the families that are involved.

But we would simply ask the majority leader whether the better course of action would not be to allow the Labor Committee at least some time to consider the novel legal and economic issues that would be raised by the invoking of a mediation board at this time.

Mr. HATCH. If the Senator will yield for a few comments, if I may, and I also would reserve the right to object to this matter and I believe the minority leader will object.

I think there are two or three things that need to be brought up. First of all, negotiations have gone on for 17 months with the help of the National Mediation Board for most of that time without any effect. Both sides were so far apart there was no way they could be brought together. That was one of the paramount considerations that the President made when he decided that it would have been futile to have that Presidential Emergency Board. But now that Eastern has been taken into bankruptcy, this becomes much more complicated.

I join in the request of the distinguished ranking member of the Commerce Committee that this matter, before we debate it on the floor, contains so many legal implications that it really ought to be referred on an expedited basis if necessary to both the Labor and Human Resources Committee, upon which I am the Republican leader and ranking member, and to the Judiciary Committee where I am next ranking member.

Now, why? Well, first of all, the President decided not to convene a Presidential emergency board. I think he is entirely right in doing what he has done. Presidential emergency boards have almost invariably—and I do not know of any instance where they have not favored one side over the other, and that is the unions. Because what they do is they come up with a recommendation that generally splits the difference. The unions make outrageous demands, sometimes the businesses make outrageous offers, and the next thing you know, they split the difference and it generally is in favor of the unions and everybody knows that.

It has worked very well in the railroad industry because of the Railway Labor Act. Pursuant to that act, they have a right to secondarily picket. And with that right, nobody wants to put up with that because that could shut

down the transportation industry in this country and inconvenience everybody and hurt the country economically. And so what they do is they generally convene a Presidential emergency board. Both sides understand that. And they split the difference and they have learned to live with that in the railroad industry.

But here you have a difficult situation. In this particular situation, we have Eastern Airlines trying to make it on its own. When it was apparent that they could not do it, because the pilots would not cross over the picket lines and fly the planes, they then decided they had to go into bankruptcy. Now, I knew that had to be the case whether the pilots crossed over or not. I predicted that they would go into bankruptcy.

If an Emergency Board was convened, they would have gone into bankruptcy for keeps, it seems to me. Without the Emergency Board, they have gone into chapter 11 bankruptcy in the fond hope that Eastern Airlines will survive and that someone will come along, and it may even be the union consortium that will come along and take over Eastern Airlines and run it from that point on.

Because it is in bankruptcy, it is very complicated. Because if we now by congressional enactment force the President to convene a Presidential Emergency Board, that may constitute tremendous interference with the requisites of the Bankruptcy Code under circumstances that have never arisen before.

Let me just say this. A Presidential Emergency Board now, given the bankruptcy proceeding, cannot help but raise serious legal questions. The Bankruptcy Code otherwise governs and specifically sets up procedures regarding the use of Eastern resources. The use of a Presidential Emergency Board might in this regard jeopardize these very bankruptcy proceedings that might lead to the salvation of Eastern in one form or another.

And, I might say, that the imposition of a Presidential Emergency Board on one specific chapter 11 debtor raise tremendous constitutional questions. These include the constitutional requirement that empowers Congress to enact uniform laws on the subject of bankruptcy. That is in article 1, section 8, clause 4. There are cases on this point. I will be happy to cite those tomorrow, if we are able to resolve this matter.

A second constraint may be imposing a Presidential Emergency Board on Eastern requiring restoration of the status quo, which will constitute an uncompensated taking of private property for a public purpose. That would, therefore, violate the just compensation clause of the fifth amendment.

There are many other serious legal ramifications. And to just ram this thing forward on the floor, with today, tomorrow, or when we get back, immediately, without some sort of hearing—and I think in both of those important committees—I think is just rushing blindly into a situation where we might really doom any potential Eastern Airlines has to save itself at all. So, what seems to be such a nice idea really is not a nice idea unless we approach it in the most intelligent fashion and that is, it seems to me, listening to the top experts in the country through hearings. So the distinguished Senator from Missouri raises some very important issues.

What I would suggest to the majority leader is that maybe the way to do this would be to agree to move this on a debatable basis. We chatted about this. And as soon as we get back, either debate the matter, have cloture, or allow enough time for the two committees to hold at least a hearing on this matter, perhaps in the first week we are back, and try to get to the matter fully on the next Monday.

We get back on Tuesday. We ought to be able to hold some hearings on that. However, if we are going into the minimum wage, that is going to take both Senator KENNEDY and me and other members of the Labor Committee to participate on the floor all day long in those battles. If not all day on the floor, all day anyway, because it takes that kind of work to handle those kinds of battles.

I would suggest what we try to do is, in that first week, hold a couple of hearings in both committees, get the very best advice we possibly can out of those committees, and then try to shoot for bringing this matter to the floor, say the Monday following the Tuesday when we come back.

That would be an expedited approach. You would have the benefit of at least erudition from outside people who understand these matters, perhaps better than we in the Congress do. Or at least we would have the benefit of hearings.

I think that is an appropriate way to do it. I would hate to rush into a bankruptcy proceeding and impose an emergency board on the bankruptcy proceeding with the concomitant violations of bankruptcy law and maybe unconstitutional law. And, in the end, signal the complete doom of Eastern Airlines.

I can see Eastern surviving even what has happened to it up to now. I can perceive how the unions, in a consortium, if they are able to do it, and able to get the people who would help them, could take over Eastern Airlines. Then they would have the problem of running it, which the managers have had over the last 10 years. And they can see how they can run it, paying the rates and using the forms and procedures of employment that they have used over the last 10 years. Maybe they will make Eastern even a better airline than it has been in the last 10 years. But they will at least have a shot at it like anybody else.

But it may very well be that another purchaser may come, union or nonunion, that may be able to save this airline and keep it flying and keep the competition going that would come from the airline. So there is much to be said in the position of the President; much to be said in backing the position the President has taken on this matter.

To just rush into this because one side of the issue thinks that Presidential emergency review board might help matters I think is a real mistake. It may be that in these hearings they will conclude that an emergency board is doable. It is a possibility. It may be a type of a thing that will happen. I doubt that seriously. In fact, I think it would be very unwise to convene an emergency board after Eastern has gone into bankruptcy.

But at least let us look at it and get the best minds that we can on both sides of the issue and approach this intelligently rather than just try to ramrod it through and have Congress tell the executive branch of Government what has to be done in this matter. I hope we can resolve it but those would be the suggestions I would make to the distinguished majority leader.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, if I could make a few comments in response to what we have just heard? A great American theologian, Harvey Cox, has attributed to him the quotation of, "Not to decide is to decide." We are at one of those moments where a nondecision or a decision to postpone decision for the time suggested is effectively to decide the demise of this airline.

I have spent most of my life in the shadow of Eastern Airlines' primary facility in Miami. I suggest I know this airline well. It has been a great airline, a premier standard of service to the public and corporate responsibility for much of its history.

It is an airline now which has fallen onto distressingly and increasingly difficult times. It is an airline which has moved from the outpatient clinic to the hospital to the emergency room and some would say now in the ambulance to the morgue.

I was one, frankly, who favored letting the marketplace, the collective bargaining process work as long as possible. For the better part of 2 years that process moved forward with zero positive contribution.

Then we entered into a 30-day period of intensive impasse with even more involvement by the mediation

service. At the end of that 30 days, zero.

The President made a decision to let the process of collective bargaining function a little longer. Five days later, the airline was in bankruptcy. Thousands of customers, thousands of families of employees, the threat of the removal of a major competitive factor within the airline industry, the chilling effect that all of the above has had on third parties who might be interested in acquiring this airline—those have been the product of the 2 weeks that we will celebrate at midnight tomorrow of this strike.

Now we have a suggestion that we ought to wait another 3 weeks or more before the Senate even begins the serious process of considering this matter. I think that we ought to be frank and candid, that if that is the decision, we have already made the decision. That is the decision that Eastern Airlines as an independent airline will not exist.

I am reluctant to come to the conclusion, which I have now reached, that if this airline is to have any chance of independent survival, it has got to have some external force which can establish a relationship between management and labor which may not be acceptable to the current parties involved in Eastern Airlines, but could create a standard by which new third parties could be induced to seriously look at acquiring this airline because they would have a basis upon which they could make an economic judgment as to whether it was in their interests to do so.

In my judgment, our highest priority in terms of serving the public is to maintain Eastern as an independent airline for all of the service to the public and economic benefits that would flow from that. A decision to wait 3 weeks will see this hemorrhage stop because we are now talking about a corpse, not a very ill body.

Mr. HATCH. If the Senator will yield on that? You are not talking about a corpse. Chapter 11 connotes the fact there may be a way of saving the airline. If you want to guarantee a corpse, put it into a Presidential emergency review board which restores the status quo ante. It restores the full costs of that airline and imposes all of the things that caused the demise of the airline thus far.

Let me make another point. The National Mediation Board is part of this process of disallowing the collective bargaining process to work. They held onto this matter for 17 months, and they knew it. Even the New York Times last April said, "What's going on here? Why don't you let the parties go to battle here and get this matter resolved?"

They held on from April of last year to March of this year, almost 11 months, after the New York Times came out. If you want to really have Eastern Airlines go down once and for all, interfere with the rights of the creditors and the rights under chapter 11 for companies to come in and maybe save this airline, and you will see it will go down once and for all because you cannot restore the full collective bargaining package as it existed then and have Eastern survive. You just cannot do that. That is what is being proposed here by the distinguished majority leader and by yourself.

Let me tell you something, that is a guarantee that collective bargaining does not work, and that is a guarantee the process is going to fail; that is a guarantee that you are going to interfere with the bankruptcy process that holds out some measure of hope that Florida and many other States and the unions will have a chance of participating in the salvation of this airline, or maybe not have a chance of participating.

Mr. DANFORTH addressed the Chair.

Mr. GRAHAM. Do I still have the floor, Mr. President?

The PRESIDING OFFICER. The floor is in possession of the majority leader.

Mr. MITCHELL. I yield to the Senator from Florida to permit him to complete his statement, and then I will be pleased to yield to anybody else.

The PRESIDING OFFICER. The Chair will point out the request of the majority leader is still pending.

Mr. GRAHAM. Just to complete my statement and respond to the comments of the Senator from Utah, there is no credible evidence or rationale that by deferring this decision until April 10, or another 3 weeks, for an airline which is now losing substantially more in its current circumstance than it was losing when it was operating 30 days ago, that there will be any viable entity left.

I believe the kind of issues that the Senator from Utah is raising are exactly the kind of issues that we ought to be debating, but there is no basis to say we ought to put this debate off for 3 weeks when we will virtually assure that all we will be doing is looking at a signed death warrant on this airline and all of the negative consequences that will flow from that demise.

So, Mr. President, I urge that at the earliest moment that this Senate take up legislation which has already been passed by a substantial majority in the House of Representatives and at least give us the opportunity to be a positive force for the traveling public and for the families of Eastern Airlines and not be subject to the criticism that we decided the demise by our unwillingness to decide.

Mr. MITCHELL. Mr. President, if I may respond to the question initially posed to me by the Senator from Missouri, indeed the request is not merely to postpone the decision for 3 weeks until April 10. Rather, as I understand the request, and I will ask a clarification, it is to postpone consideration of the matter in the full Senate until April 10 because, am I not correct, in asking the Senator from Missouri, when you suggest that we refer to committee with instructions to report it out on April 10, you are suggesting merely that we begin consideration of the matter at that time and you do not propose, indeed would not agree, to a request to vote at that time or at any specified time thereafter; am I correct in that understanding?

Mr. DANFORTH. Yes, I think, Mr. President, that the issue before the Senate is when and under what circumstances do we commence this debate. My understanding of the position of the majority leader is that he wishes to proceed to consideration of this legislation. Then at the close of business tomorrow, the Senate will be in recess until the Monday after Easter, which would be the 3d of April. In fact, it is the 4th of April, Tuesday, after Easter that we would come back.

And then beginning on that Tuesday that it would be the hope of the majority leader to take up the minimum wage bill so that, under those circumstances, the earliest we would be able to get to the Eastern bill to commence action on the Eastern bill would be sometime late in that week that begins on April 3.

My suggestion is that if that is, in fact, the case, this bill should be referred to committee. In fact, we shopped it on this side, we have put it on the hot line, and we could give unanimous consent to an agreement under which this bill would be referred to the Labor Committee with instructions to report it out or be discharged by the close of business on Friday, April 7, and with the leader then being able to bring the bill up beginning on Monday, April 10.

So the real question is not when we begin discussions, debate on this bill. Yes, I am sure it will be a healthy debate. The question is not when we finish debate, rather when we begin it and under what circumstances. I think that under both proposals, we will begin it about the same time and probably finish it about the same time.

So really the issue is, is this going to be referred to the Labor Committee and is someone going to have the responsibility of looking at the legal and economic implications of convening a mediation board at this time?

Mr. MITCHELL. I believe the Senator has misunderstood my position because what triggered this discussion was my request, to obtain unanimous consent to begin consideration of the bill now. I have not proposed that we begin consideration of the bill on April

4 or April 7 or April 10. I propose that we begin consideration of it right now. It is that to which the Senator has indicated an intention to object.

Now, then, the question is, hold within your rights under the rules the opportunity to prevent consideration of the bill now, which is what I would like to do, and we are confronted with the most unfortunate coincidence of facing an emergency situation on the one hand, and having a recess beginning tomorrow on the other hand, when after the recess could we commence it? It has been my intention to take up the minimum wage bill, but I will say to the Senator that I think this is an emergency and when we come back, we ought to go on this.

I would also say that it is very clear that whatever the intention of the Senator, the plain effect of the proposal he would have would be merely to delay commencement of consideration of this matter until April 10 with the full expectation that there would be an extremely lengthy debate by Senators who oppose the measure in any event. So really what you are talking about is delaying for 3 weeks beginning the process and then assuring that there will be a lengthy, difficult procedure before we get to any vote on it.

Mr. DANFORTH. Mr. President, if the Senator will yield, I have not heard the Senator suggest that he intends to keep the Senate in session during the 2 weeks that are closed for the recess.

Mr. MITCHELL. No, I do not intend that. I think it is impractical.

Mr. DANFORTH. Further, I do not think the majority leader believes this bill can be passed in 1 day or that it would be responsible if we tried to do it in 1 day without any hearings. That would be to pass major legislation without even debate.

Mr. MITCHELL. No; I am in favor of debate and passage; not in favor of hearings. I think we confront an emergency. I cannot do it. I think you prevent me from doing it.

Mr. DANFORTH. However, realistically then, the most we are talking about, is it not true, is a few days from when we begin the debate? Either we are going to begin the debate at the earliest on Tuesday, 4th of April, or in the alternative we will begin debate on Monday, the 10th. We are not talking about 3 weeks. We are talking about 6 days and whether or not we can take that time for the purpose of holding hearings. That really is the issue before us. It is not here are these unreasonable people on the other side of the aisle trying to delay something for 3 weeks that we should do right now. Rather, it is going to be delayed for 2 weeks anyhow for the recess. Can we not at least have a time for committee consideration? Under the procedure that has been recommended by the majority leader, the committee process will be nonexistent.

Mr. MITCHELL. I think the distinguished Republican leader ought to have a chance to get a word in edgewise here so I will yield to him. I just say when you say "anyhow," the anyhow of not being able to take it up now is the Senator's objection to my request to take it up now. He is assuming that as a fact and I accept it as a fact, but it is not my desire and it is contrary to my wishes and is contrary to what I think should be done.

Mr. DANFORTH. Whether we take it up now or not, the bill cannot be disposed of prior to Easter, and I think the majority leader would agree to that as a practical matter.

Mr. MITCHELL. It cannot because the Senator objects to it.

Mr. DANFORTH. No, if we did not object and we proceeded right now to consideration of the bill, it really is not possible. As a practical matter, as an experienced legislator, it is not possible for us to dispose of this legislation before Easter.

Mr. MITCHELL. It is not possible because of the objections to it by the Senator and his colleagues.

Mr. DANFORTH. No. That is not the reason.

Mr. MITCHELL. Oh, it is. We could pass this bill——

Mr. DANFORTH. Tomorrow?

Mr. MITCHELL. I have seen major legislation passed in a short period of time here when there is a will by 60 or more Senators to do so.

Mr. DANFORTH. All right. Well, then, the Senator's position is that we should pass it neither with committee consideration nor with floor debate. That is possible——

Mr. MITCHELL. I want floor debate.

Mr. DANFORTH. Procedurally, I think it is possible. I just do not think it is wise.

Mr. MITCHELL. I think we should let the distinguished Republican leader get a word in edgewise here.

Mr. DOLE. I just wanted to make a parliamentary inquiry. Is there a unanimous-consent request pending?

The PRESIDING OFFICER. There is a request pending.

Mr. DOLE. That request would be to go to the bill immediately, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DOLE. Mr. President, for the reasons stated, I must say, without debating the issue tonight, it is a problem, no doubt about it. There are people out of work, people with families. Commuters, travelers, and consumers of all kinds have been disrupted. The airline is losing money. I understand there has not been an emergency board in the airline industry for 20 years. But it would seem to me at this point, as stated by both my colleagues, Senator DANFORTH and Senator HATCH, and others who I visited with earlier to see if we could grant this request, the debate will be—I do not say there will be a filibuster but the debate would be intense and I think there are a lot of different views. I cannot accommodate the distinguished majority leader, although I know he is sincere in his request. Therefore, I object.

The PRESIDING OFFICER. Objection has been heard.

Mr. MITCHELL. Mr. President, I now ask unanimous consent that H.R. 1231 be placed on the calendar and that it be in order to make a debatable motion to proceed to the bill at 9 a.m. tomorrow morning. I further ask unanimous consent that the time between 9 a.m. and 10:30 a.m. on this matter be equally divided between Senators KENNEDY and HATCH or their designees.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE addressed the Chair.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Mr. President, in the spirit of accommodation—and we do want to accommodate the majority leader every time we can—I have no objection to this request except I am wondering if we can work it out on this side. I think Senator HATCH has indicated he would like the distinguished Senator from Missouri, if he could, to control the time from 9 to 9:30 on this side tomorrow.

Mr. DANFORTH. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, let me see if I understand what the intention of the majority leader is. The majority leader's intention is to commence a debatable motion to proceed tomorrow, and it is my understanding that if that motion to proceed is not agreed to tomorrow and then we go into recess, it would not be the intention of the majority leader to then attempt to arrange a nondebatable motion to proceed, so that any motion to proceed that would be made with respect to this legislation would be a debatable motion?

Mr. MITCHELL. I was asked that question earlier with respect to tomorrow morning, and that clearly is my intention as the Senator has stated it with respect to tomorrow morning. I would like to reserve my rights beyond that. My intention, as stated, is to make a debatable motion to proceed tomorrow morning, have discussion for 90 minutes on it, during which time it is my intention to file a cloture petition, which I then understand would be in order for vote on the Wednesday

following our return, Wednesday, April 5. It is not my intention to do anything with respect to a nondebatable motion tomorrow morning, and I have made no decision with respect to that—indeed, I had not even thought about it until the question was raised—beyond tomorrow morning, that is, when we return. So I would like, if I could, to reserve my rights on that, not expressing any intention one way or the other, with respect to the time when we return.

Mr. DANFORTH. Mr. President, further reserving the right to object, this really presents a very serious problem in the opinion of this Senator, because if it is the intention of the leader to vote on cloture on the Wednesday after we return and then let us say that cloture is invoked, or is not invoked, then to proceed on that course, that is one entirely different situation from reserving the possibility of, say, the Tuesday after we come back of arranging for a nondebatable motion to proceed. It was my understanding that the leader intended not to utilize the nondebatable motion.

Mr. MITCHELL. As I indicated in my response just prior to this, I had not intended that in any event. In a discussion prior to our open debate, I was asked a specific question whether I proposed to do that tomorrow morning. I said I did not. Frankly, I had not thought of it prior to then with respect to either tomorrow morning or the period after the recess.

I am glad now to put in a brief quorum call and discuss that further, but the Senator from Missouri is asking me a question now which had not previously been asked of me in the discussion prior to our open debate. I would like a moment to reflect on it and discuss it with my colleagues before making a decision in that regard.

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

UNANIMOUS-CONSENT AGREEMENT—H.R. 1231

Mr. MITCHELL. Mr. President, it is my intention to proceed to a vote on cloture on this matter as soon as that occurs under the rules, which I understand will be, if the cloture petition is filed tomorrow, on Wednesday, April 5.

Accordingly, Mr. President, I renew my request, which I will restate, that H.R. 1231 be placed on the calendar, and that it be in order to make a debatable motion to proceed to the bill at 9 a.m. tomorrow morning.

I further ask unanimous consent that the time between 9 and 10:30 a.m. be equally divided between Senators KENNEDY and HATCH or their designees.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

THE CHENEY NOMINATION

Mr. MITCHELL. Mr. President, I further ask unanimous consent that the Senate go into executive session tomorrow at 10:30 a.m. to consider the nomination of Congressman RICHARD CHENEY to be Secretary of Defense.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:45 a.m. tomorrow; and that on tomorrow, the time for the two leaders be reduced to 5 minutes each; after which there will be a period for morning business not to extend beyond 9 a.m. with Senators permitted to speak therein for up to 1 minute each.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair at this particular point on behalf of the Vice President, pursuant to 22 U.S.C. 276d-276g, as amended, appoints the Senator from Alaska [Mr. STEVENS] as the Vice Chairman of the Senate Delegation to the Canada-United States Interparliamentary Group during the 101st Congress.

MESSAGES FROM THE HOUSE

At 10:25 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 553. An act to provide for more balance in the stocks of dairy products purchased by the Commodity Credit Corporation.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1231. An act to direct the President to establish an emergency board to investigate and report respecting the dispute between Eastern Airlines and its collective-bargaining units.

The message further announced that pursuant to title III of the Energy Policy and Conservation Act, as amended by section 4(a) of Public Law 100-494, the Speaker appoints Mr. ALEXANDER to the U.S. Alternative Fuels Council on the part of the House.

At 2:14 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 23. A concurrent resolution providing for a conditional recess or adjournment of the Senate from March 17, 1989, until April 4, 1989, and a conditional adjournment of the House from March 23 or 24, 1989, until April 3, 1989.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 148. Joint resolution designating the month of March in both 1989 and 1990 as "Women's History Month."

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, March 16, 1989, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 64. Joint resolution to designate March 25, 1989, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-720. A communication from the Assistant Secretary of the Army (Financial Management), transmitting, pursuant to law, a report on the value of property, supplies and commodities provided by the Berlin Magistrate for the quarter October 1 to December 31, 1988; to the Committee on Armed Services.

EC-721. A communication from the Acting Assistant Secretary of the Interior (Land and Minerals Management), transmitting, pursuant to law, a report on compensatory royalty agreements for oil and gas entered into during fiscal year 1988 which involved unleased Government lands; to the Committee on Energy and Natural Resources.

EC-722. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on the use of excess foreign currency; to the Committee on Foreign Relations.

EC-723. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on Worker Rights Reporting; to the Committee on Foreign Relations.

EC-724. A communication from the President of the United States, transmitting, pursuant to law, notice of his intention to sign an Executive order to extend the waiver of the application of the relevant export criterion of the Nuclear Non-Proliferation Act for an additional 12 months from March 10,

1989; to the Committee on Foreign Relations.

EC-725. A communication from the Director of the Office of Personnel Management, transmitting a draft of proposed legislation to amend title 5, United States Code, to ensure the equitable application of a General Schedule alternative plan or other pay limitation to certain other Federal employees, and for other purposes; to the Committee on Governmental Affairs.

EC-726. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, notice of the approval of a Federal Aviation Administration personnel management demonstration project; to the Committee on Governmental Affairs.

EC-727. A communication from the Deputy Director of Central Intelligence (Administration), transmitting, pursuant to law, the annual report of the Agency under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-728. A communication from the Acting Chairman of the National Endowment for the Arts, transmitting, pursuant to law, the annual report of the Endowment under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

MEASURES PLACED ON THE CALENDAR

The following bills were read the first and second times by unanimous consent, and placed on the calendar:

H.R. 1231. An act to direct the President to establish an emergency board to investigate and report respecting the dispute between Eastern Airlines and its collective bargaining units.

H.J. Res. 117. A joint resolution to proclaim March 20, 1989, as "National Agriculture Day."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Special Report entitled "Legislative Review Activity" (Rept. No. 101-9).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services:

Richard B. Cheney, of Wyoming, to be Secretary of Defense (with additional views) (Exec. Rept. No. 101-3)

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PELL, from the Committee on Foreign Relations:

Lawrence S. Eagleburger, of Florida, to be Deputy Secretary of State.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. BENTSEN, from the Committee on Finance:

Edith E. Holiday, of Georgia, to be General Counsel for the Department of the Treasury; and

David W. Mullins, Jr., of Massachusetts, to be an Assistant Secretary of the Treasury.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CRANSTON, from the Committee on Veterans' Affairs:

Anthony Joseph Principi, of California, to be Deputy Secretary of Veterans Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced; read the first and second time by unanimous consent, and referred as indicated:

By Mr. BOSCHWITZ (for himself and Mr. GORE):

S. 603. A bill to establish, within the Department of State, the Office of Global Warming, and for other purposes; to the Committee on Foreign Relations.

By Mr. BIDEN (for himself, Mr. MOYNIHAN, Mr. SIMON, and Mr. DECONCINI):

S. 604. A bill to amend title 31 of the United States Code to increase settlement authority and expand coverage relating to claims for damages resulting from law enforcement activities; to the Committee on the Judiciary.

By Mr. BRYAN (for himself, Mr. GORE, Mr. KERRY, and Mr. REID):

S. 605. A bill to authorize appropriations for the Consumer Product Safety Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BOND (for himself, Mr. CONRAD, Mr. NICKLES, Mr. MURKOWSKI, Mr. GORE, Mr. HARKIN, and Mr. BOSCHWITZ):

S. 606. A bill to amend the Agricultural Act of 1949 to permit producers to plant supplemental and alternative income-producing crops considered to be planted to a program crop; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOLE (for himself, Mr. MURKOWSKI, Mr. BURNS, Mr. HELMS, Mr. BOND, Mr. HEFLIN, Mr. DIXON, Mr. COHEN, Mr. BYRD, Mr. KASTEN, Mr. SYMMS, Mr. PRESSLER, Mr. MCCAIN, Mr. COATS, Mr. WARNER, Mr. GRASSLEY, Mr. SHELBY, Mr. MATSUNAGA, Mr. BOREN, Mr. COCHRAN, Mr. D'AMATO, Mr. DOMENICI, Mr. GRAMM, Mrs. KASSEBAUM, Mr. LOTT, Mr. HEINZ, Mr. MACK, Mr. MCCLURE, Mr. MCCONNELL, Mr. NICKLES, Mr. ROBB, Mr. RUDMAN, Mr. SIMPSON, Mr. STEVENS, Mr. THURMOND, Mr. WALLOP, and Mr. WILSON):

S. 607. A bill to prevent the desecration of the U.S. flag; considered and passed.

By Mr. WALLOP (for himself and Mr. HELMS):

S. 608. A bill to require that catastrophic health coverage under Medicare part B be listed as a separate benefit and to allow for the separate election of such benefit, and for other purposes; to the Committee on Finance.

By Mr. HELMS (for himself, Mr. ARMSTRONG, Mr. GARN, Mr. GRAMM, Mr. HATCH, Mr. HUMPHREY, Mr. LOTT, Mr. MACK, Mr. MCCLURE, Mr. NICKLES, Mr. SHELBY, and Mr. SYMMS):

S. 609. A bill to provide nonlethal assistance to the Nicaraguan democratic resistance; to the Committee on Foreign Relations.

By Mr. HEFLIN:

S. 610. A bill to amend the Internal Revenue Code of 1986 to restore income averaging for farmers, to restore the investment tax credit and accelerated cost recovery for property used in the trade or business of farming, and for other purposes; to the Committee on Finance.

By Mr. INOUYE (for himself, Mr. BREAUX, Mr. D'AMATO, Mr. DODD, Mr. HATFIELD, Mr. JOHNSTON, Mr. LEVIN, Mr. PACKWOOD, Mr. PELL, Mr. RIEGLE, Mr. SANFORD, and Mr. SHELBY):

S. 611. A bill to establish administrative procedures to determine the status of certain Indian groups; to the Select Committee on Indian Affairs.

By Mr. SARBANES (for himself, Ms. MIKULSKI, Mr. ROBB, Mr. WARNER, and Mr. SASSER):

S. 612. A bill to amend the National Capital Transportation Act of 1969 relating to the Washington Metrorail System; to the Committee on Governmental Affairs.

By Mr. CRANSTON (by request):

S. 613. A bill to amend title 38, United States Code, to index rates of veterans' disability compensation and surviving spouses' and children's dependency and indemnity compensation to automatically increase to keep pace with the cost of living; to the Committee on Veterans' Affairs.

By Mr. SIMON:

S. 614. A bill to amend title XIX of the Social Security Act to require States to make prompt payment for medical assistance provided under such title; to the Committee on Finance.

By Mr. DECONCINI:

S. 615. A bill providing for a 14-year extension of the patent for the badge of the American Legion; to the Committee on the Judiciary.

S. 616. A bill providing for a 14-year extension of the patent for the badge of the American Legion Auxiliary; to the Committee on the Judiciary.

S. 617. A bill to provide for a 14-year extension of the patent for the badge of the Sons of the American Legion; to the Committee on the Judiciary.

By Mr. SARBANES (for himself, Mr. KERRY, Mr. INOUYE, Ms. MIKULSKI, Mr. PRESSLER, Mr. PELL, Mr. BURDICK, Mr. LIEBERMAN, and Mr. LAUTENBERG):

S. 618. A bill to authorize the Indian Forum for Political Education to establish a memorial to Mahatma Gandhi in the District of Columbia; to the Committee on Rules and Administration.

By Mr. SARBANES (for himself, Mr. RIEGLE, Mr. INOUYE, Ms. MIKULSKI, Mr. HATCH, Mr. BRADLEY, Mr. DODD, Mr. HOLLINGS, Mr. BURDICK, and Mr. LAUTENBERG):

S. 619. A bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr. in the District of

Columbia; to the Committee on Rules and Administration.

By Mr. STEVENS:

S. 620. A bill for the relief of Leroy W. Shebal of North Pole, Alaska; to the Committee on Energy and Natural Resources.

By Mr. CONRAD (for himself, Mr. BOND, Mr. BURDICK, Mr. DASCHLE, Mr. HARKIN, Mr. GLENN, Mr. KENNEDY, Mr. BOSCHWITZ, Mr. FOWLER, and Mr. SIMON):

S. 621. A bill to provide financial assistance for the commercialization of agricultural research, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DECONCINI (for himself, Mr. DURENBERGER, Mr. ADAMS, and Mr. GORTON):

S. 622. A bill to amend title 35 of the United States Code to clarify the Drug Price Competition and Patent Term Restoration Act of 1984 with respect to medical devices, to promote increased competition and innovation in life-saving medical technologies and to improve patient and physician access to advanced experimental therapeutical alternatives; to the Committee on the Judiciary.

By Mr. HARKIN:

S. 623. A bill to amend the Federal Food, Drug, and Cosmetic Act to prescribe labeling requirements for foods which contain vegetable oils and for other purposes; to the Committee on Labor and Human Resources.

By Mr. REID (for himself and Mr. BRYAN):

S. 624. A bill to provide for the sale of certain Federal lands to Clark County, Nevada, for national defense and other purposes; to the Committee on Energy and Natural Resources.

By Mr. NICKLES (for himself and Mr. FORD):

S. 625. A bill to eliminate artificial distortions in the natural gas marketplace, to promote competition in the natural gas industry, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH (for himself, Mr. DECONCINI, Mr. BRADLEY, Ms. MIKULSKI, and Mr. JEFFORDS):

S. 626. A bill to amend the Lanham Trademark Act regarding gray market goods; to the Committee on the Judiciary.

By Mr. BOREN:

S. 627. A bill to provide that congressional newsletters shall not be franked mail, to restrict certain congressional mass mailings, to require disclosure of certain costs of congressional mailings, and for other purposes; to the Committee on Rules and Administration.

By Mr. RIEGLE:

S. 628. A bill to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections; to the Committee on Rules and Administration.

By Mr. CRANSTON (for himself, Mr. HOLLINGS, Mr. GORE, and Mr. WILSON):

S. 629. A bill to amend the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701); to the Committee on Commerce, Science, and Transportation.

By Mr. BREAUX (for himself, Mr. MITCHELL, and Mr. JOHNSTON):

S. 630. A bill to conserve, protect, and to restore the coastal wetlands of the State of Louisiana, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BREAUX (for himself and Mr. INOUYE):

S. 631. A bill to further the development and maintenance of an adequate and well-balanced American merchant marine; to the Committee on Commerce, Science, and Transportation.

By Mr. BREAUX:

S. 632. A bill to amend the Internal Revenue Code of 1954 to exempt from tax earnings on certain investment accounts for savers and investors; to the Committee on Finance.

By Mr. MATSUNAGA (for himself, Mr. MURKOWSKI, Mr. BINGAMAN, Mr. INOUYE, Mr. WIRTH, Mr. PELL, and Mr. LIEBERMAN):

S. 633. A bill to promote the development of technologies which will enable fuel cells to use alternative fuel sources; to the Committee on Energy and Natural Resources.

S. 634. A bill to develop a national policy for the utilization of fuel cell technology; to the Committee on Energy and Natural Resources.

By Mr. McCLURE (for himself, Mr. JOHNSTON, Mr. GARN, Mr. NICKLES, Mr. BRADLEY, and Mr. MURKOWSKI):

S. 635. A bill to prevent the unintended licensing of federally nonjurisdictional pre-1935 unlicensed hydroelectric projects; to the Committee on Energy and Natural Resources.

By Mrs. KASSEBAUM:

S. 636. A bill to amend the Foreign Assistance Act to improve management of economic assistance, and for other purposes; to the Committee on Foreign Relations.

By Mr. WILSON:

S. 637. A bill to designate certain lands in Los Padres National Forest as wilderness, to designate Sespe Creek and the Sisquoc River in the State of California as wild and scenic rivers, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. KASTEN:

S. 638. A bill to authorize a certificate of documentation for the vessel *Nor'wester;* to the Committee on Commerce, Science, and Transportation.

By Mr. MATSUNAGA (for himself, Mr. INOUYE, Mr. WIRTH, Mr. PELL, and Mr. LIEBERMAN):

S. 639. A bill to establish a hydrogen research and development program; to the Committee on Energy and Natural Resources.

By Mrs. KASSEBAUM (for herself, Mr. BOND, Mr. CHAFEE, Mr. DANFORTH, Mr. DOLE, Mr. EXON, Mr. FORD, Mr. GARN, Mr. HATCH, Mr. HEINZ, Mr. HUMPHREY, Mr. INOUYE, Mr. KASTEN, Mr. KERRY, Mr. LOTT, Mr. McCAIN, Mr. PELL, Mr. PRESSLER, Mr. RUDMAN, Mr. SYMMS, Mr. WALLOP, and Mr. WILSON):

S. 640. A bill to regulate interstate commerce by providing for uniform standards of liability for harm arising out of general aviation accidents; to the Committee on Commerce, Science, and Transportation.

By Mr. LAUTENBERG:

S. 641. A bill to amend title 23, United States Code, with relation to the reduction in apportionment of Federal-aid highway funds to certain States, and for other purposes; to the Committee on Environment and Public Works.

By Mr. HATFIELD (for himself, Mr. HARKIN, Mr. CRANSTON, Mr. JEFFORDS, and Mr. DASCHLE):

S. 642. A bill to restrict United States military assistance for El Salvador, and for other purposes; to the Committee on Foreign Relations.

By Mr. DIXON:

S.J. Res. 81. Joint resolution to designate the week of October 1 through 7, 1989, as "National Health Care Food Service Week"; to the Committee on the Judiciary.

By Mr. HELMS (for himself, Mr. D'AMATO, Mr. DECONCINI, and Mr. LOTT):

S.J. Res. 82. Joint resolution disapproving the certification by the President under section 481(h) of the Foreign Assistance Act of 1961; to the Committee on Foreign Relations.

By Mr. KERRY:

S.J. Res. 83. Joint resolution to establish a bipartisan commission on Third World debt; to the Committee on Foreign Relations.

By Mr. HATCH:

S.J. Res. 84. Joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day"; to the Committee on the Judiciary.

By Mr. ARMSTRONG (for himself and Mr. GLENN):

S.J. Res. 85. Joint resolution to designate the week of July 24-30, 1989, as the "National Week of Recognition and Remembrance for Those Who Served in the Korean War"; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself, Mr. BRADLEY, Mr. WILSON, Mr. CONRAD, Mr. INOUYE, Mr. COATS, Mr. ROBB, Mr. SANFORD, Mr. METZENBAUM, Mr. PRYOR, Mr. STEVENS, Mr. MITCHELL, Mr. SIMPSON, and Mr. BOSCHWITZ):

S.J. Res. 86. Joint resolution designating November 17, 1989, as "National Philanthropy Day"; to the Committee on the Judiciary.

By Mr. DOLE (for Mr. BOSCHWITZ (for himself, Mr. PELL, Mr. HELMS, Mr. MOYNIHAN, Mr. MITCHELL, Mr. DOLE, and Mr. GRAHAM)):

S.J. Res. 87. Joint resolution to commend the Governments of Israel and Egypt on the occasion of the 10th anniversary of the Treaty of Peace between Israel and Egypt; considered and passed.

By Mr. WIRTH (for himself, Mr. JOHNSTON, Mr. HEINZ, Mr. CHAFEE, Mr. DURENBERGER, Mr. LUGAR, Mr. BUMPERS, Mr. GORE, and Mr. CRANSTON):

S.J. Res. 88. Joint resolution to establish that it is the policy of the United States to reduce the generation of carbon dioxide and for other purpose; ordered held at the desk.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE (for himself, Mr. MOYNIHAN and Mrs. KASSEBAUM):

S. Res. 84. Resolution to commend Jo-Anne Coe; considered and agreed to.

By Mr. MITCHELL:

S. Con. Res. 23. Concurrent resolution providing for a conditional recess or adjournment of the Senate from March 17, 1989, until April 4, 1989, and a conditional adjournment of the House from March 23 or 24, 1989, until April 3, 1989; considered and agreed to.

By Mr. MACK (for himself, Mr. GRAHAM, Mr. WILSON, Mr. BOSCHWITZ, Mr. KASTEN, Mr. ROBB, Mr. HOLLINGS, Mr. DECONCINI, Mr. HATCH, and Mr. DIXON):

S. Con. Res. 24. Concurrent resolution expressing the sense of the Congress that the Cuban Government permit a free and open plebiscite on whether the Cuban people wish to continue to be ruled by Fidel Castro and the Cuban Communist Party; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BOSCHWITZ (for himself and Mr. GORE):

S. 603. A bill to establish within the Department of State, the Office of Global Warming, and for other purposes; to the Committee on Foreign Relations.

GLOBAL WARMING ACT

Mr. BOSCHWITZ. Mr. President, today I am introducing the Global Warming Response Act of 1989.

Last year, I addressed the United Nations on the threat of global warming. In that speech, I stressed the importance of international cooperation. No one nation, acting alone, can substantially affect global warming. Water and air move without reference to national boundaries. If we are going to have a substantial effect, we must act on a multilateral basis.

The administration has expressed a willingness to move in that direction. During his campaign, President Bush promised to convene an international conference on the environment during this year. In his first speech as Secretary of State, Secretary Baker signaled a commitment to global environmental issues. "The political ecology is now ripe for action," he said. "Time will not make the problem go away."

As we in the Congress consider global warming legislation, we must have an international scope. If the United States acts alone, the effect will not be enough. If we work together with other nations, we can address the problem effectively. The legislation I am introducing today would help establish such an approach.

It works to heighten cooperation among nations on research. It makes our foreign assistance more sensitive to environmental concerns. And it lays the groundwork for negotiations to reduce the emission of harmful gases worldwide.

The destruction of tropical forests is increasing the concentration of greenhouse gases and adding greatly to the threat of global warming. Twenty-five percent of carbon dioxide emissions worldwide come from deforestation, primarily from the destruction of tropical forests through slash-and-burn agriculture. In this bill, I expand AID support for reforestation and provide for grants to nongovernmental organizations.

U.S. executive directors of multilateral development banks would also be required to oppose loans to countries that have not established goals for forestation.

Mr. President, we must preserve the biological resources of the world. This bill would call for renewed efforts through AID and the multilateral development banks to preserve biological diveristy.

In recent days, there has been a number of international meetings to consider further reductions in the level of chlorofluorocarbons. Recent reports from the Arctic have raised serious concerns about the effects of these gases on the ozone layer. These same gases, along with carbon dioxide, nitrous oxide, and methane, are the principal gases related to global warming. This legislation would call on the administration to negotiate binding agreements with other nations for reduction of these emissions, modeled on the experience of the Montreal protocol.

This legislation would establish an Office of Global Warming within the State Department, headed by a deputy assistant secretary. The Office would work to develop a clearly defined, coordinated effort on global warming, in consultation with all other Federal agencies involved in the issue. Working to heighten international attention on global warming, the bill also urges the administration to gain designation of an International Year of Global Climate Protection within the U.N. system.

In the last 2 years, the Agency for International Development has made important strides in making our foreign assistance environmentally sound. This bill would strengthen those efforts and require AID to evaluate foreign assistance projects to encourage sustainable development in the areas of energy, environment, and natural resources.

It would also take steps to improve the lending policies of multilateral development banks such as the International Monetary Fund and the World Bank. As a matter of policy, the U.S. executive directors of these MDB's would urge that each loan be assessed for energy efficiency and environmental effects. The bill would also establish a $10 million trust fund for the World Bank to use in assessing the environmental impact of all projects.

In the area of research, this bill supports both domestic and international research efforts, working to coordinate information and avoid duplication of efforts.

Our current aid and lending programs do not adequately promote energy efficiency. This bill instructs the U.S. directors of the development banks to urge that, within 4 years, 80 percent of all energy-sector loans adopt efficiency measures.

As I stated at the outset, Mr. President, the United States cannot solve the global warming issues alone. It takes international cooperation, with U.S. support. This bill increases our support for the U.N. Environment Programme and other international efforts. The success of the Montreal protocol points to UNEP's invaluable role in facilitating international agreements. We must continue to support those efforts.

Mr. President, we can, if we commit ourselves, prevent the deterioration of our global environment. There are steps we should take in our domestic policy, but we also need to develop an international strategy. I believe this bill will help establish that strategy as well as U.S. leadership on this issue.

Mr. President, I ask unanimous consent that the bill be printed in full. I also ask unanimous consent that an article from the National Journal on this subject be inserted in the RECORD at this point. I yield the floor.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—ESTABLISHMENT OF A SINGLE COORDINATING BODY ON GLOBAL WARMING

SEC. 101. SHORT TITLE; FINDINGS.

(a) This Act may be cited as the "Global Warming Response Act of 1989".

(b) The Congress finds that—

(1) problems of the global environment require the coordinated attention of the United States on both foreign and domestic levels. Among the environmental problems requiring national and international attention are changes in climate, depletion of the ozone layer, loss of the ecosystems (especially tropical rain forests), loss of biodiversity, depletion of fossil fuels, acidification of the biosphere and other significant changes to water resources;

(2) although some global climate changes are naturally occurring over geologic time frames, human activities have accelerated the rate and magnitude of changes in recent history;

(3) given the increasing number of efforts underway domestically and internationally with regard to the global warming issues, there is an urgent need to coordinate domestic and international efforts in the areas of global warming research, policy and response;

(4) the following three areas require immediate study in order to respond with policy initiatives to global environmental problems—

(A) quantification of the amount of pollution emissions that result from human activities;

(B) the effects of those emissions on altering natural global processes, including global climate systems; and

(C) the effects of other human-initiated changes, such as the destruction of ecosystems, on natural global processes;

(5) the United States Government must develop policy responses to effectively change human activities that are causing global environmental effects and determine the extent to which these changes in policy will affect the rate and magnitude of change to the global environment;

(6) scientific research in global change is being coordinated by the Committee on

Earth Sciences of the Federal Coordinating Council on Science, Engineering and Technology, within the Office of Science and Technology Policy, incorporating the work of seven Federal agencies;

(7) to increase the benefit of scientific research, a parallel policy research effort providing recommendations on global policy based on current scientific understanding must be developed, and such effort must be responsive to future changes in scientific understanding of the phenomena; and

(8) a coordinating office, located in the Department of State, is required to oversee the design and implementation of strategies to develop policy responses to global warming problems and encourage energy efficiency and use of renewable resources.

SEC. 102. ESTABLISHMENT OF OFFICE; FUNCTIONS.

(a) Effective on the date of expiration of the 90-day period following the date of enactment of this Act, there is established, within the Bureau of Oceans and International Environmental and Scientific Affairs of the Department of State, the Office of Global Warming (hereinafter in this Act referred to as the "Office"). The Office shall be headed by a Deputy Assistant Secretary for Global Warming, who shall be appointed by the President. The Office shall serve as the single point of coordination for the United States on all global warming policy and response matters.

(b) The Office shall establish an interagency team for ongoing formulation of policy and response mechanisms to the global warming problem. Responsibilities and authorities of team members shall be consistent with those decided upon by the task force established by the Global Climate Protection Act of 1987. Efforts of the team shall be coordinated with the Intergovernmental Panel on Climate Change. The team shall consist of such members as shall be appointed by the Deputy Assistant Secretary, and the ex-officio members designated by subsection (b) or designated by the Deputy Assistant Secretary pursuant to subsection (c).

(c) Ex-officio members of the team shall include, but not be limited to representatives of, the Administrator of the Environmental Protection Agency, the Secretary of State, the Secretary of the Interior, the Secretary of Commerce, the Administrator of the Agency for International Development, the Secretary of Defense, the Secretary of Agriculture, the Secretary of Transportation, the Secretary of the Treasury, the Secretary of Energy, the Secretary of Health and Human Services, Director of the Office of Management and Budget, the Administrator of the National Aeronautics and Space Administration, the Director of the National Science Foundation, and the Director of the President's Office on Science and Technology Policy.

SEC. 103. DUTIES AND FUNCTIONS.

(a) The Office shall develop within 12 months of the date of enactment of this Act and update every year thereafter and transmit to the President and the Congress, a Global Warming Strategy Plan (hereinafter referred to as the "Plan") which will coordinate policy, research and response efforts. The Plan shall be fully coordinated with the scientific policy research efforts developed and implemented by the Committee on Earth Sciences, and the Office of Science and Technology. The Plan shall also incorporate efforts of the Intergovernmental Panel on Climate Change, and shall coordinate and incorporate efforts among all Federal agencies, and all United States supported bilateral and multilateral aid institutions (including but not limited to the United States Agency for International Development, and the World Bank). The Plan shall make every effort to encourage all participating Federal agencies and United States supported aid institutions to avoid unnecessary duplication of effort in global warming research and policy.

(b) The Secretary of State based on recommendations of the Office shall consult with and advise the President on the effects of United States policy and scientific research on global warming problems focusing on international problems of climatic changes, depletion of the stratospheric ozone layer, acidification of the biosphere, deforestation, energy efficiency, loss of biodiversity, air emissions, waste disposal, generation and minimization. Additional problems related to global environmental deterioration as it effects global warming may also be considered by the Office. The Secretary of State shall also advise the President on these and similar issues, as requested by the President. The Secretary of State shall consult with the President and report to the Congress, on an annual basis, as to the progress made in areas of research, policy, response, and future plans to decrease global warming and consequent environmental deterioration. This report shall include information and views about any Federal policies which, in the opinion of the Secretary of State, retard the progress of the United States in reaching the goals established under section 103, or any other provision of this Act, without review, clearance or approval by any other administrative authority.

(c) The Office shall also serve as a focal point for all United States efforts undertaken on global environmental policy with the United Nations Environment Programme and other international organizations developing environmental policy by ensuring that United States participation on these bodies is fully coordinated with efforts of the Office.

(d) All Federal agencies shall develop guidelines for review of proposed regulations and policy to minimize the negative effects on global warming problems and to, if possible, make a positive contribution to the improvement of the global environment, in coordination with the Plan.

SEC. 104. AUTHORIZATION.

There is authorized to be appropriated to the Office for implementation of the provisions of this Act, $3,000,000 for each of the fiscal years, 1990, 1991, 1992, and 1993.

SEC. 105. SUPPORT STAFF.

The Deputy Assistant Secretary for Global Warming shall hire such staff for the Office as shall be necessary to accomplish the purposes of this Act. Such staff shall not concurrently serve as full- or part-time officers in the State Department or of any other department, agency, or instrumentality of the Federal Government.

SEC. 106. AMBASSADOR AT LARGE FOR THE ENVIRONMENT.

The President may appoint an ambassador to represent the United States in negotiations relevant to global warming and related environmental issues. The ambassador shall closely coordinate his efforts with the Plan developed by the Office of Global Warming of the Department of State.

SEC. 107. DESIGNATION OF 1990 AS THE "INTERNATIONAL YEAR OF GLOBAL CLIMATE PROTECTION".

It is the sense of Congress that—

(1) The President should promote and support—

(A) global and domestic research and response efforts with respect to the greenhouse effect and other global environmental issues;

(B) the efforts of the United Nations with regard to global warming, such as the International Geosphere-Biosphere Programme's study on global change, the efforts of United Nations Environment Programme, the efforts of the World Meteorological Organization and the Intergovernmental Panel on Climate Change;

(C) the goals of the Global Climate Protection Act of 1987, which called for the focus of international attention and concern on the global warming problem and also called for the early designation of an International Year of Global Climate Protection;

(2) the President should instruct the Ambassador at Large to the United Nations to call for the United Nations to declare 1990 to be the International Year of Global Climate Protection;

(3) the President should take all appropriate actions, in cooperation with the United Nations Environment Programme and other international organizations, to establish a long-term cooperative, international program with respect to global warming issues. Such activities should work to foster cooperation among nations to develop more extensive research efforts, promote transfer of technologies that reduce or eliminate emissions related to global warming and identify the potential alternative policies to avoid a continuing trend of buildup of emissions;

(4) any such program established by the President should be started during calendar year 1990 and the 12-month period beginning January 1, 1990, shall be known as the "International Year of Global Climate Protection";

(5) the participation of the United States in any such program established by the President should be planned and coordinated on behalf of the United States by the Office, in cooperation with the interagency team established in section 102.

SEC. 108. MULTILATERAL GLOBAL CLIMATE PROTECTION CONVENTION.

The President is called upon to instruct that the Secretary of State, in consultation with the Administrator of the Environmental Protection Agency, the Secretary of Energy, and interested science agencies, to convene an international meeting to be held to actively encourage the adoption of binding multilateral agreements to adopt measures to reduce the threat of global warming, such as reduction of global emissions and destruction of tropical ecosystems as specified in this Act. The Secretary of State shall sponsor such other meetings as may be necessary to ensure that the convention or conventions are opened for signature no later than the end of calendar year 1993. Such efforts shall be fully coordinated with actions taken by the Intergovernmental Panel on Climate Change.

TITLE II—GLOBAL SUSTAINABLE ECONOMIC DEVELOPMENT

SEC. 201. FINDINGS.

The Congress finds that—

(1) current policies have attempted to recognize that the United States has failed in the past to actively encourage economically and ecologically sustainable development in its lending and aid programs and that the past practices have had a negative effect on global warming trends;

(2) planning for economic development must include planning for sound ecological management as part of an integrated approach to sustainable growth;

(3) an integrated approach to sustainable growth should be applied to United States supported financial assistance from the Agency for International Development;

(4) despite recent progress toward an integrated approach in the United States and abroad, one of the most important continuing shortcomings is the absence of public information concerning proposed major projects to be financed by multilateral development banks; and

(5) actions taken by the World Bank, other multilateral development banks and the International Monetary Fund can have a powerful influence on global ecological issues.

SEC. 202. UNITED STATES SUPPORTED FINANCIAL ASSISTANCE.

(a) Section 119 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151q) is amended to read as follows:

"SEC. 119. (a) The Administrator of the Agency for International Development shall—

"(1) establish a central bureau for planning and implementing environmental, energy and natural resources projects;

"(2) in connection with such bureau, place special emphasis on projects which encompass economically and ecologically sustainable development in areas of energy, environment, and natural resources development as well as agriculture and conservation of water resources;

"(3) continue to emphasize agricultural development program which works directly with farmers, encourages small-scale agriculture, encourages technology transfer at the local level and establishes a full dialogue with recipients;

"(4) establish an early warning system to avoid negative global environmental impact of United States supported projects and serve as technical advisor to the United States Executive Directors of Multilateral Development Banks concerning projects which have the potential for negative environmental impact to the world;

"(5) provide technical assistance to the Overseas Private Investment Corporation in conducting environmental assessment of sustainable development projects, especially with regard to energy, environment and natural resources and to assist the Overseas Private Investment Corporation in the encouragement of United States private investment in ecologically and economically sustainable development; and

"(6) establish an interagency task force concerning sustainable economic and ecological development and its effects on global warming, preservation of biodiversity, preservation of forests and forest restoration, sustainable agriculture and other environmental policy with the Departments of State, Interior, Energy, Commerce, Agriculture, Treasury, the Overseas Private Investment Corporation and the Environmental Protection Agency. The interagency task force efforts shall be coordinated with United States participation on the Intergovernmental Panel on Climate Change and the interagency team on global warming issues established by the Department of State.

"(b) There is authorized to be appropriated to the Administrator of the Agency for International Development $50,000,000 for fiscal year 1991, and $60,000,000 for each of the fiscal years 1992 and 1993, to carry out the provisions of this title. The Administrator of the Agency for International Development shall make not more than 10 percent of the funds appropriated pursuant to this authorization available to the Overseas Private Investment Corporation for use in environmental assessment and development of ecologically and economically sustainable development. This authorization shall be in addition to authorization of programs already in place in the Agency for International Development.

"(c) The Administrator of the Agency for International Development shall—

"(1) develop, with the cooperation of recipient countries, a strategy to maintain biological diversity in those countries building upon existing efforts;

"(2) develop a strategy for United States participation in global conservation of biological diversity;

"(3) cooperate with appropriate international organizations both governmental and nongovernmental;

"(4) engage in dialogues and exchanges of information with recipient countries which stress the importance or conserving biological diversity for the long-term benefit of those countries and which identify and focus policies of those countries which directly or indirectly contribute to the loss of biological diversity;

"(5) analyze current assistance and plans for assistance for the direct value (such as consumptive use, productive use) and indirect value (such as nonconsumptive use, option use, extensive value) of the recipient countries biological resources;

"(6) in consultation with the recipient countries, develop economic incentives (such as rewards to villagers, community organizations, compensation for damage, grants, subsidies, land banks) and disincentives (such as fines, denial of future assistance) for United States supported projects to conserve biological diversity;

"(7) provide technical assistance to the Overseas Private Investment Corporation to analyze the direct and indirect values of biological resources involved in proposed projects and to encourage United States private sector investment in projects which preserve biological diversity;

"(8) support training and education efforts which improve the capacity of the recipient countries to prevent further loss of biological diversity;

"(9) whenever possible, enter into long-term agreements in which the recipient country agrees to protect ecosystems or wildlife habitats recommended for protection, and provide additional assistance necessary for the establishment and maintenance of protected areas;

"(10) support efforts to identify and survey ecosystems in recipient countries which may be deemed worthy of protection;

"(11) cooperate with and support the efforts of other Federal agencies and coordinate all activities through the Office of Global Warming;

"(12) review the environmental regulations of the Agency of International Development and revise them to ensure that ongoing and proposed actions do not inadvertently damage the biological diversity of a given area. The Administrator shall incorporate this review into the report to Congress required in section 402(a);

"(13) ensure that the country profiles regarding the environment sponsored by the Agency for International Development are updated as necessary to include information for the preservation of biological diversity; and

"(14) at the discretion of the Administrator, deny assistance to any recipient who takes actions to significantly degrade national parks or other protected areas.

"(d) Each country development strategy statement or other country plan prepared by the Agency for International Development shall include an analysis of—

"(1) the actions necessary in that country to conserve biological diversity; and

"(2) the extent to which the actions proposed for support by the Agency for International Development meets the needs identified in clause (1).

"(e) To the fullest extent possible, projects supported under this section shall include close consultation with and involvement of local people at all stages of design and implementation.

"(f) Whenever feasible, the objectives of this section shall be achieved through projects managed by private and voluntary organizations or international, regional, or national nongovernmental organizations active in the country where the project is located.".

SEC. 203. REPORT BY THE ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

(a) Not later than 12 months after the date of the enactment of this title, the Administrator of the Agency for International Development, in consultation with the Secretary of State and the Secretary of the Treasury, shall submit to the Secretary of State a report describing options and strategies for the use of bilateral and multilateral assistance programs sponsored by the United States to control emissions into the atmosphere of carbon dioxide, oxides of nitrogen, methane and other greenhouse gases and to provide energy utilizing renewable resources as a substitute for fossil fuels and other energy efficient technologies to be included in the report to Congress required in such section 103(b). The report shall also assess the potential raising of productivity of small landholders, the role of nongovernmental organizations in sustainable development, the role of private investment in sustainable development and other areas which may bring about sustainable economic development while diminishing global climate change. The report shall also specifically address direct and indirect values of biological resources, forest resources, and other global natural resources and shall examine methods and policies to create economic incentives and disincentives to protection of these resources, where appropriate, in order to ensure that the effects of global warming are diminished.

(b) The Secretary of the Treasury shall, within 12 months following the date of enactment of this Act, develop, with the Administrator of the Agency for International Development, an analysis of mechanisms by which strategies to encourage forest preservation, minimization of global climate change, reforestation, sustainable agriculture, energy conservation, end use energy efficiency and renewable energy resources can be incorporated into the programs of the International Monetary Fund. This report shall be submitted to the Secretary of State to be included in the report to Congress required in section 103(b). The report shall make recommendations on methods by which the United States Executive Director of the International Monetary Fund shall urge policy and staff changes to establish a systematic review of the projected environmental effects of current policy and to add long-term ecologically and economically sus-

tainable development as a goal of its stabilization and adjustment policies. The report shall examine the viability of adding additional staff to the International Monetary Fund specifically devoted to the ongoing analysis of the environmental effects of the International Monetary Fund policies and for such additional staff to have a direct influence over the revision of the International Monetary Fund policies and formulation of new policies. The report shall specifically examine the long-range implications of debt policies and make recommendations on the plausibility of implementing reforms to adjust debt while encouraging sound environmental practices and energy efficiency. The report shall also establish a timetable for adoption of recommended changes by the United States Executive Director of the International Monetary Fund. All United States contributions to the International Monetary Fund shall be examined by the Secretary of the Treasury to ensure that United States participation in the International Monetary Fund does not negatively effect the global environment.

SEC. 204. MULTILATERAL DEVELOPMENT BANK SUPPORT OF SUSTAINABLE ECONOMIC DEVELOPMENT.

(a) The Secretary of the Treasury shall instruct the United States Executive Director to the World Bank to request that all future energy sector lending for new energy supplies be contingent on a finding by the Director of the World Bank Environment Department that the quantity of energy services specified in each loan proposal could not be delivered at the same or lower cost by improving the efficiency of energy use and use of renewable resources. The United States Executive Director shall also urge that within the 24-month period following the date of the enactment of this Act the World Bank shall establish as a goal that one-half of all energy sector loans shall be for least cost energy efficient projects utilizing to the maximum extent possible renewable resources and that 80 percent of all energy sector loans within the 48-month period following expiration of the 48-month period following the date of the enactment of this Act shall be for least cost energy efficient projects utilizing to the maximum extent possible renewable resources.

(b) The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks to promote use of funds in an ecologically sound manner and to urge that an assessment be made on the effects of all projects on the global environment prior to the initiation of such projects. The United States Executive Directors shall especially focus on effects to forested areas and areas where water resources are scarce. The United States Executive Directors shall urge that all loans be made for projects which are economically and ecologically sustainable in the recipient country. The United States Executive Directors shall also urge that the assessments be made available to contributing countries prior to approval of such loans to ensure that all contributors are aware of the environmental impact of the proposed loans. The United States Executive Directors shall request a report from the multilateral development banks regarding the environmental factors taken into consideration by the multilateral banks on each individual project before voting on each individual project. The United States Executive Directors shall carefully analyze each project to ensure that the project is environmentally acceptable, especially with regard to global warming. The United States Executive Directors shall report to the Secretary of the Treasury, on an annual basis, on the reports received from the multilateral development banks on each project on the environmental factors taken into account on each project, the United States Executive Directors' assessment of the environmental effects, especially as regards global warming and on their votes on each such project.

SEC. 205. WORLD BANK FUND.

(a) The Secretary of State shall establish a designated fund as a portion of the United States contributions to the World Bank to provide specifically for environmental assessments of all projects, especially with regard to the impact of such projects on global warming and sustainable development. The Secretary of State shall urge other countries contributing to the World Bank to also contribute to such fund.

(b) There is authorized to be appropriated to the fund established pursuant to subsection (a) $10,000,000 for each of the fiscal years 1991, 1992 and 1993 for implementation of this section. This authorization shall be in addition to established United States contributions to the World Bank.

TITLE III—RESEARCH AND DEVELOPMENT OF POLICY RESPONSES

SEC. 301. FINDINGS.

(a) The Congress finds that both global change scientific research and policy must receive guaranteed funding over their multiyear duration, and Federal coordination of the effort must be carried out within the Executive Office of the President.

(b) The strategic plan for the United States Global Change Research Program, to be developed by 1989 by the Office of Science and Technology Policy, shall be used by the Office of Global Warming to incorporate into the strategic plan required in section 103(a). The strategic plan shall be coordinated with efforts of the Intergovernmental Panel on Climate Change.

(c) In providing information to the Office of Global Warming, the Committee on Earth Sciences shall provide the following:

(1) scientific research findings from the United States Global Change Research Program;

(2) policy research findings by the various Federal agencies, especially those serving as ex-officio members of the interagency team chaired by the Office of Global Warming;

(3) progress in addressing key uncertainties in the global climate change models; and

(4) policy updates and recommendations based on the best available scientific understanding of global climate change.

(d) The Committee on Earth Sciences of the Federal Coordinating Council on Science, Engineering and Technology shall continue to serve as the central point of coordination of scientific research for Federal agencies on global climate change. The Committee shall ensure that its efforts are fully incorporated by the Office of Global Warming into all policy development on global climate change. All budget submissions by the participating Federal agencies shall separately identify elements which involve research on global climate change as coordinated by the Committee.

SEC. 302. UNITED STATES SUPPORT FOR THE INTERNATIONAL GEOSPHERE-BIOSPHERE PROGRAMME.

It is the sense of Congress that—

(1) the United States Government should participate in and give full support to the agencies participating in the International Geosphere-Biosphere Programme, whose objective is to describe and understand the interactive physical, chemical, and biological processes that regulate the total Earth system, the unique environment that it provides for life, the changes that are occurring in this system, and the manner in which they are influenced by human actions; and

(2) the Secretary should incorporate into the strategic plan required in section 103(a) a description of the program for participation of the United States in the International Geosphere-Biosphere Programme.

SEC. 303. SUPPORT FOR RESEARCH ON THE ROLE OF THE ARCTIC, ANTARCTICA, AND TROPICAL FORESTS IN GLOBAL WARMING.

The Congress finds that—

(1) the polar regions of the Arctic and Antarctica are a focus of attention in connection with global warming because of—

(A) growing evidence that the polar regions play a key role in the physical processes responsible for global climatic fluctuations and in some cases may be a prime mover in such fluctuations;

(B) recent findings on the expansion of the hole in the ozone layer over Antarctica and findings by the National Oceanic and Atmospheric Administration on the thinning of the ozone layer over the Arctic may be linked to accumulation in the global atmosphere of greenhouse gases;

(C) widening appreciation of the polar regions as a natural repository of information about past climatic fluctuations and about past Earth-environmental events causally related to climatic fluctuations; and

(D) mounting concerns that future global climate changes may disturb the equilibrium of polar ice masses and hence global sea levels;

(2) the United States should support the ongoing efforts of the National Oceanic and Atmospheric Administration to continue its study and research of the effects of global warming and climate changes on the Arctic region;

(3) the President should support the development of an Antarctica research component of the International Geosphere-Biosphere Programme, and the Antarctic research component should include the recommendations prepared by the ad hoc Scientific Committee on Antarctic Research of the International Council of Scientific Unions; and

(4) the tropical forests are vast repositories of carbon, and as significant components of the global carbon cycle, may play an important role in mitigating the buildup of carbon dioxide, the most abundant greenhouse gas, that the tropical forests play a fundamental role in the global water cycle, with important consequences for precipitation patterns in nearby regions, and that the role of tropical forests in global and regional processes must be better understood and quantified.

SEC. 304. SUPPORT FOR MISSION TO PLANET EARTH.

The Congress finds that—

(1) the Mission to Planet Earth is a great and important initiative because of its fundamental importance to humanity's future;

(2) the initiative directly addresses the problems that will be facing humanity in the coming decades, and its benefits are clear to a public that is increasingly concerned about global environmental problems;

(3) the proposed Earth Observing System and the related polar platforms and geostationary platforms for satellite observation

will be of particular utility in research efforts on global warming trends;

(4) for these reasons, the initiative should enjoy sustained United States Government support and interest; and

(5) while the United States is the only country currently capable of leading a Mission to Planet Earth, the program is designed to include participation by the European Space Agency and the Japanese National Space Development Agency, and thus requires international cooperation, and that the initiative therefore represents an important opportunity for the United States to exercise leadership in an increasingly significant area.

TITLE IV—FOREST PRESERVATION, REFORESTATION, AND SUSTAINABLE FOREST RESOURCES.

SEC. 401. TROPICAL FORESTS AND ECOSYSTEMS.

The Congress finds that the importance of tropical forests, ecosystems and tree cover to the developing countries is vital. The Congress is particularly concerned about the continuing and accelerating alteration, destruction, and loss of tropical ecosystems in developing countries, which pose a serious threat to development and the environment. The Agency for International Development has to date devoted only a small portion of its efforts to forest preservation, reforestation and forest maintenance. The Congress further finds that properly managed forests provide a sustained flow of resources essential to the economic growth of developing countries, as well as genetic resources of value to developed and developing countries alike, and that the destruction and loss of tropical ecosystems can—

(1) result in shortages of wood, especially wood for fuel; loss of biologically productive wetlands; siltation of lakes, reservoirs and irrigation systems; floods; destruction of indigenous peoples; extinction of plant and animal species; reduced capacity for food production and loss of genetic resources;

(2) result from the burning of forested areas to clear land for marginal agricultural purposes and can cause up to 20 percent of carbon dioxide emissions, contributing to the accumulation of greenhouse gases;

(3) result in desertification and destabilization of the Earth's climate; and

(4) result in diminished absorption of carbon dioxide emissions contributing further to the global warming trend.

SEC. 402. INTERNATIONAL TROPICAL FORESTRY PROGRAM.

(a) Not later than 12 months after the date of the enactment of this title, the Secretary of State, in conjunction with the Secretary of the Treasury, the Administrator of the Agency for International Development, the Secretary of Commerce, the Secretary of the Interior, and the Secretary of Agriculture, shall transmit to Congress a report containing—

(1) a description and satellite inventory of the existing resources in all tropical countries of the world in conjunction with current efforts of the United Nations;

(2) recommendations for the continued use of Landsat satellite photography for monitoring the status of tropical ecosystems and the effects on global warming trends;

(3) an evaluation of the potential in each tropical nation for reforestation, afforestation, and conservation of existing forest resources;

(4) a description of appropriate mechanisms in each country for preserving forest resources and creating new forested area, including but not limited to choice of mixed species to encourage a diverse forest and discourage monoculture estates, and involvement of local groups in the design, implementation, and monitoring of projects; and

(5) the potential for reducing, mitigating, or preventing climate disruption by providing bilateral development assistance and other forms of financial assistance and incentives to tropical countries for reforestation, afforestation, and conservation of existing forest resources.

(b) The report referred to in this section shall be prepared in consultation with the government and the public in each tropical country and shall be updated and transmitted to the Congress every 3 years thereafter. The findings of this report shall be incorporated into the strategic plan required in section 103(a).

SEC. 403. ASSISTANCE TO DEVELOPING COUNTRIES.

(a) Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by redesignating section 118 (22 U.S.C. 2151p) as section 117;

(2) by deleting subsection (d) of section 118; and

(3) by inserting at the end of section 117 (as redesignated) the following new section 118—

"SEC. 118. (a) In providing assistance to developing countries, the President, through the efforts of the Agency for International Development and the Department of State's Office of Global Warming, shall—

"(1) place a high priority on conservation and sustainable management of tropical forests;

"(2) upgrade existing efforts to assist recipient countries with protection of existing and proposed forested areas including incentives to preserve areas adjacent to national forests and parks;

"(3) to the fullest extent feasible, engage in dialogues and exchanges of information with recipient countries—

"(A) which stress the importance of conserving and sustainably managing forest resources for the long-term economic benefit of those countries, as well as the irreversible losses associated with forest destruction;

"(B) which identify and focus on policies of those countries which directly or indirectly contribute to deforestation;

"(C) identify and analyze the direct values (such as consumptive value, productive use value) and the indirect values (such as nonconsumptive value, option value, existence value) of forest resources prior to determining appropriate support projects; and

"(D) provide technical assistance to the Overseas Private Investment Corporation to analyze the direct and indirect values of forest resources in environmental assessments and to encourage United States private sector investment in forest preservation, reforestation and sustainable development of forest resources;

"(3) to the fullest extent feasible, support projects and activities—

"(A) which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests;

"(B) which help developing countries identify and implement alternatives to colonizing forested areas; and

"(C) which provide direct and indirect support for conserving forest resources (such as enhanced land tenure, food for work, subsidies for reforestation);

"(4) to the fullest extent feasible, support training programs, educational efforts, and the establishment or strengthening of institutions which increase the capacity of developing countries to formulate forest policies, engage in relevant land-use planning, and otherwise improve the management of their forests;

"(5) to the fullest extent feasible, help end destructive slash-and-burn agriculture by supporting stable and productive farming practices in areas already cleared or degraded and on lands which inevitably will be settled, with special emphasis on demonstrating the feasibility of agroforestry and other techniques which use technologies and methods suited to the local environment and traditional agricultural techniques and feature close consultation with and involvement of local people;

"(6) to the fullest extent feasible, help conserve forests which have not yet been degraded, by helping to increase production on lands already cleared or degraded through support of reforestation, fuelwood, and other sustainable forestry projects and practices, making sure that local people are involved at all stages of project design and implementation;

"(7) to the fullest extent feasible, support projects and other activities to conserve forested watersheds and rehabilitate those which have been deforested, making sure that local people are involved at all stages of project design and implementation;

"(8) to the fullest extent feasible, support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing, including reforestation, soil conservation, and other activities to rehabilitate degraded forest lands;

"(9) to the fullest extent feasible, support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation, including research in agroforestry, sustainable management of natural forests, small-scale farms and gardens, small-scale animal husbandry, wider application of adopted traditional practices, and suitable crops and crop combinations;

"(10) to the fullest extent feasible, conserve biological diversity in forest areas by—

"(A) supporting and cooperating with United States Government agencies, other donors (both bilateral and multilateral), and other appropriate governmental, intergovernmental, and nongovernmental organizations in efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis;

"(B) whenever appropriate, making the establishment of protected areas a condition of support for activities involving forest clearance or degradation; and

"(C) helping developing countries identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas;

"(11) to the fullest extent feasible, engage in efforts to increase the awareness of United States Government agencies and other donors, both bilateral and multilateral, of the immediate and long-term value of tropical forests;

"(12) to the fullest extent feasible, utilize the resources and abilities of all relevant United States Government agencies; and

"(13) require that any program or project under this Act significantly affecting tropical forests (including projects involving the planting of exotic plant species)—

"(A) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land; and

"(B) take full account of the environmental impacts of the proposed activities on biological diversity;
as provided for in the environmental procedures of the Agency for International Development.

"(b) There is authorized to be appropriated to the Administrator of the Agency for International Development $5,000,000 for each of the fiscal years 1991, 1992, and 1993, to carry out the provisions of this section. There is authorized to be appropriated to the Administrator for the Agency for International Development $1,000,000 to be used for efforts with the Overseas Private Investment Corporation for each of the fiscal years 1991, 1992, and 1993. These efforts include environmental assessment of projects affecting forest resources, and encouraging United States private sector investment in forest preservation, reforestation and sustainable development of forest resources. This authorization is in addition to programs already established.".

(b) The Congress finds that—

(1) current efforts by the Agency for International Development in reforestation and development of sustainable forest resources are to be commended;

(2) especially noted are efforts to reduce soil erosion and development of sustainable forest resources in Costa Rica with the establishment of a protective zone in national forests in cooperation with nongovernmental organizations, efforts in Haiti to develop sustainable forest resources and reduce soil erosion, and the fuelwood project in Central America; and

(3) current levels of the Agency for International Development are inadequate to remedy the massive deforestation and additional efforts must be extended to the developing nations, especially to Latin America and Africa.

(c) There is authorized to be appropriated to the Administrator of the Agency for International Development $25,000,000 for each of the fiscal years 1991, 1992, and 1993. Funds appropriated pursuant to this authorization shall be in addition to funds appropriated for programs already established for protection of national forest areas, forestation and sustainable development of forest resources.

(d) Upon the expiration of the 24-month period following the date of the enactment of this Act, the Secretary of the Treasury shall instruct the United States Executive Director to each of the multilateral development banks to oppose loans and other financial or technical assistance to any borrowing country that has not established and successfully implemented a program setting reasonable goals for that country for preserving existing forest resources and creating new forested areas, except where the Secretary determines that such goals are advanced more effectively by actions other than voting against such assistance.

(e) The Secretary of State shall instruct the United States representatives to the United Nations Food and Agriculture Program to promote the establishment and coordinate the implementation of forestry plans for tropical countries containing economic incentives for reforestation, forest maintenance and afforestation and economic disincentives to discourage deforestation.

(f) The Secretary of State shall instruct the United States Ambassador to the United Nations to encourage the United Nations Development Program to adopt and implement forestry programs for recipient countries that contain incentives to encourage afforestation and disincentives to discourage deforestation. Upon the expiration of the 24-month period following the date of the enactment of this Act, the Secretary of State shall instruct the United States Ambassador to the United Nations to oppose the adoption of any country programs for any recipient country that has not established and successfully implemented a program setting reasonable goals for that country for preserving existing forest resources and creating new forested areas, except where the Secretary determines that such goals are advanced more effectively by actions other than opposing the adoption of such a plan.

(g) The Secretary of State shall instruct the United States representative to the International Tropical Timber Organization to promote—

(1) a major emphasis by the Organization on conservation activities and financing of forest conservation projects; and

(2) the adoption of codes of conduct for commercial logging and private sector timber operations.

(h) Upon the expiration of the 24-month period following the date of the enactment of this Act, and annually thereafter, the Secretary of the Treasury and the Secretary of State, in coordination with the Administrator for International Development, shall submit to the Congress a report describing progress by each of the multilateral development banks, the United Nations Food and Agriculture Program, the United Nations Development Program, and the International Tropical Timber Organization in adopting and implementing programs meeting the standards set out in this section, including in particular—

(1) efforts by the Department of the Treasury, the Department of State, and other Federal agencies to assure implementation of multilateral development programs;

(2) progress by the United Nations Food and Agriculture Organization in promoting the establishment and coordinating the implementation of forestry plans for tropical countries;

(3) progress in the identification of each multilateral development bank, the United Nations Food and Agriculture Program, the United Nations Development Program of the potential for afforestation by recipient countries;

(4) progress in the establishment of goals by each multilateral development bank, the United Nations Food and Agriculture Program, and the United Nations Development Program for afforestation by each recipient country;

(5) the nature of incentives and disincentives created by each multilateral development bank and the United Nations Development Program to encourage afforestation and to discourage deforestation, respectively;

(6) the extent to which the allocation of the resources of each multilateral development bank and the United Nations Development Program to recipient countries is proportional to the success or lack of success of such country in creating new forest areas and protecting existing forest areas;

(7) a description of proposed loans affecting forested areas, involving deforestation or other impacts on forestry and emissions of greenhouse gases, country programs, and other financial and technical assistance and the reports on environmental factors taken into consideration, votes and other actions on proposals by the United States executive director to the relevant multilateral development bank and the United States Ambassador to the United Nations; and

(8) a plan for future proposed loans, country programs, financial and technical assistance which provides incentives for a recipient country's successful implementation of forestry plans and disincentives for failure to implement those plans.

(i) All national and foreign projects funded with United States funds determined to entail major environmental effects on forested areas shall be brought to the attention of the Department of State Office of Global Warming by the evaluating agency in its role as advisor to the President.

(j) Whenever feasible, the President shall accomplish the objectives of this section through projects managed by private and voluntary organizations or international regional or national nongovernmental organizations which are active in the region or country where the project is located.

SEC. 404. GRANTS FOR FOREST PRESERVATION AND FOREST RESTORATION.

(a) The Secretary of Agriculture is authorized to make grants to nongovernmental entities for purposes of forestation, forest preservation and reforestation and maintenance of forest resources for both foreign and domestic efforts. The Secretary of Agriculture shall, on an annual basis, report to the Department of State Office of Global Warming on the recipients of such grants, and the progress made in efforts toward forest restoration, reforestation, and forest preservation and maintenance. Grants under this section shall be made at such times, in such amounts, and subject to such conditions as the Secretary of Agriculture, by regulation, shall provide.

(b) There are authorized to be appropriated to the Secretary of Agriculture for use in implementing this section $10,000,000 for each of the fiscal years 1991, 1992, and 1993. This authorization shall be in addition to any programs already established.

SEC. 405. PRESERVATION OF THE AMAZON BASIN.

The Congress finds that—

(1) the Government of Brazil, responding to the national perception that the compelling needs and aspirations of its people require promotion of the development of the Amazon Basin in a manner which seems certain not only to threaten Brazil's own natural endowment, but that of the entire planet;

(2) the Government of Brazil is aware of this danger, and would act to deal with it, but for the fact that its options are sharply constrained by severe problems in other sectors of its economy aggravated by its heavy international debt;

(3) the Government of Brazil cannot be expected to act as conservator of a global resource, unless the international community is prepared to act responsibly;

(4) recognizing the sovereignty of the Brazilian people, it remains evident that the natural resources of the Amazon Basin like many other areas of the world are of importance to the global community, especially due to the effects of the slash and burn agricultural practices on the generation of carbon dioxide;

(5) the United States Government should cooperate with the international community to devise mechanisms to assist Brazil to develop economically and ecologically sustainable projects that they determine to be necessary and which do not contribute to the degradation of the world's environment;

29-059 O-90-14 (Pt. 4)

(6) that members of the international community, including international lending institutions, should reassess their investment policies to assure that these do not contribute to the accelerated destruction of the Amazon Basin rain forest; and

(7) United States directors of multilateral development banks and other development assistance institutions should urge the development of an approach which more fully blends Brazil's requirements for national and ecologically sustainable development with global environmental imperatives.

SEC. 406. ENVIRONMENTAL CONSERVATION AND DEBT REDUCTION.

(a) It is the policy of the United States that the Secretary of the Treasury, in consultation with interested members of the public, including commercial banks, shall enter into negotiations with selected developing country governments to obtain improvements in policies in the forestry and energy sectors by those countries as a condition of reducing or converting sovereign and private debt owed to creditors in the United States. As a condition of the adoption of policies or programs to preserve existing forested areas, encourage the creation of new forested areas, or promote energy conservation or end use energy efficiency, the Secretary may reduce the principal of, extend payments on, or reduce the rate of interest on up to one-half of the total sovereign debt owed to the United States by developing country governments.

(b) Not later than 12 months after the date of the enactment of this title, the Secretary of the Treasury, in consultation with interested members of the public including commercial banks, shall promulgate regulations to implement the program established in subsection (a). Such regulations shall—

(1) identify those developing countries that are promising candidates for participation in such a program from the point of view of their contribution to global climate disruption and the total amount of debt owed to official and private creditors in the United States;

(2) establish a timetable of the initiation of negotiations with each such country; and

(3) establish criteria and standards for the adoption, implementation, and monitoring or programs and policies in the forest and energy sectors by developing country governments that wish to participate in the program established by subsection (a).

(c) There is authorized to be appropriated to the Secretary of the Treasury $1,000,000 for each of the fiscal years 1991, 1992, and 1993 to provide technical assistance to commercial banks, nongovernmental organizations and foreign countries in the implementation of this section.

TITLE V—BIOLOGICAL DIVERSITY

SEC. 501. FINDINGS.

The Congress finds that—

(1) the Earth's biological diversity is being rapidly reduced at a rate without precedent in human history, and this rate is certain to increase greatly in the near future;

(2) reduced biological diversity may endanger the functioning of ecosystems and critical ecosystem processes that moderate climate change, and may endanger support of tropical forests;

(3) most losses of biological diversity are unintended and largely avoidable consequences of human activity;

(4) humans depend on biological resources, including plants, animals, and microorganisms, for food, medicine, shelter, and other important products;

(5) biological diversity is valuable as a source of intellectual and scientific knowledge, recreation, and aesthetic pleasure;

(6) reduced biological diversity may have serious consequences for human welfare as untapped resources for research and agricultural, medicinal, and industrial development are irretrievably lost;

(7) a comprehensive and coordinated Federal strategy is needed to arrest the loss of biological diversity and also, where possible, to restore biological diversity both through natural recovery and active management; and

(8) because it cannot be predicted which biological resources will be most important for future needs, maintaining the diversity of living organisms in their natural habitats is prudent policy.

SEC. 502. MULTILATERAL ASSISTANCE TO FOREIGN COUNTRIES.

It is the policy of the United States that sustainable economic growth must be predicated on sustainable use of natural resources. The Secretary of the Treasury shall instruct the United States Executive Directors of the Multilateral Development Banks to promote the use of existing mechanisms, and the development of, new mechanisms to promote the Conservation of biological diversity. Existing resources shall include, but not be limited to, the conservation data centers.

SEC. 503. AUTHORIZATION.

There is authorized to be appropriated to the Administrator of the Agency for International Development $5,000,000 for each of the fiscal years 1991, 1992, and 1993 to carry out the provisions of section 119 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151q) as amended by section 502 of this Act. The Administrator shall make available to the Overseas Private Investment Corporation not more than 10 percent of this authorization for environmental assessment of the direct and indirect value of biological resources for proposed projects. This authorization is in addition to programs already established in the Agency for International Development.

TITLE VI—INTERNATIONAL NEGOTIATIONS ON CONTROL OF GREENHOUSE GASES

SEC. 601. FINDINGS.

The Congress finds that—

(1) depletion of the stratospheric ozone and global warming resulting from the emissions of chlorofluorocarbons and other halogenated carbons and emissions of other gases including carbon dioxide, methane, and oxides of nitrogen, endanger the global public health and environment;

(2) the best available scientific evidence shows that manufactured substances, including those containing chlorofluorocarbons, are contributing to the pollution of the atmosphere and destroying the stratospheric ozone layer, as well as contributing to global warming and other changes to the atmosphere;

(3) no specified level of stratospheric ozone depletion or global warming resulting from human-induced causes may be assessed to be safe;

(4) depletion of stratospheric ozone increases levels of solar ultraviolet radiation at the Earth's surface;

(5) increased levels of solar ultraviolet radiation may be linked to increased rates of disease (such as skin cancer), threaten agricultural crops and animal husbandry in certain areas and otherwise damage the global environment;

(6) substitutes for certain types of chlorofluorocarbons are already developed and being readied for manufacturing; and

(7) emissions of carbon dioxide, methane, and oxides of nitrogen result from a variety of human activities including but not limited to industrial processes, usage of chemical products, usage of automobility and burning of forests.

SEC. 602. MEETING TO REASSESS THE MONTREAL PROTOCOL CONTROL MEASURES.

(a) No later than 12 months after the date of the enactment of this Act, the Secretary of State, in coordination with the Intergovernmental Panel on Climate Change, shall request such meetings of the parties to the Montreal Protocol on Substances that Deplete the Ozone Layer as may be necessary for the reassessment of the control measures contained therein. The Secretary may convene meetings in the United States to discuss the reassessment. The Secretary shall consult with the Administrator of the Environmental Protection Agency in developing the United States position on reassessment.

(b) The Secretary of State shall actively encourage the adoption of additional measures requiring the virtual elimination of emissions of all substances identified in the Montreal Protocol within 5 to 7 years from the date of the enactment of this Act and appropriate measures for other ozone-depleting chemicals not identified in the Montreal Protocol.

SEC. 603. LISTING OF REGULATED SUBSTANCES.

(a) Within 120 days after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall publish a priority list of manufactured substances which are known or may be reasonably anticipated to cause or contribute to stratospheric ozone depletion or global warming. The initial list shall include chlorofluorocarbon-11, chlorofluorocarbon-12, chlorofluorocarbon-113, halon-1211, halon-1301, and carbon tetrachloride. At any time, the Administrator may reclassify a substance from subsection (b) to subsection (a) of this section if environmental concerns dictate such action.

(b) Simultaneously with publication of the priority list, the Administrator shall create a list of other manufactured substances which meet the criteria set forth in subsection (a). If these substances, in the judgment of the Administrator, contribute to stratospheric ozone depletion or global warming, such substances shall be placed on the list. The list shall include, but not be limited to, chlorofluorocarbon-22, chlorofluorocarbon-114, methyl chloroform, methylene chloride, and chlorofluorocarbon-115. At least annually, the Administrator shall publish a proposal to add to the list other manufactured substances which meet the criteria set forth in subsection (a). Within 180 days after publication of the list, after allowing an opportunity for public comment, the Administrator shall promulgate a final regulation adding the proposed substances to the list unless he determines, on the evidence presented, that the substance does not meet the criteria in subsection (a).

SEC. 604. IMPORTING OF LISTED SUBSTANCES.

(a) Effective 12 months after the date on which a substance is placed on the priority list pursuant to section 603, it shall be unlawful for any person to import such substance, any product containing such substance, or any product manufactured with a process that uses such substance unless the Administrator, in consultation with the Sec-

retary of State, has published a decision, after notice and opportunity for public comment, certifying that the nations in which such substance or product was manufactured and from which such substance or product is imported have established and are fully implementing programs that require reduced production of such listed substance, and limit production of other substances covered by this Act, on a schedule and in a manner that is at least as stringent as the reduction schedule for, and limitations on, domestic production, which apply under this Act. The prohibition on the import of any product manufactured with a process that uses a substance listed under subsection (a) of section 603 shall include, after notice and opportunity for public comment, any product which the Administrator has reason to believe may have been manufactured with a process that uses such substance. The Administrator's decision that a product may have been manufactured with a process that uses such substance shall constitute a rebuttable presumption.

(b) The Administrator shall not certify any national program under subsection (a) unless it is determined that—

(1) the Nation has adopted legislation or regulations which give the reduction schedule for each listed substance the force of law; and

(2) the legislation or regulations include reporting requirements and enforcement provisions no less stringent than those specified in this Act, and that the information contained in such reports is available to the Administrator and the Secretary.

(c) At least annually, the Administrator, in consultation with the Secretary, shall review each certification made under this section and shall revoke such certification, after notice and opportunity for public comment, unless it is determined that the conditions of subsections (a) and (b) remain satisfied and that the reduction schedule for each listed substance is in fact being carried out in such nations. Any such revocation shall take effect 180 days after notice of the revocation has been published.

SEC. 605. METHANE SOURCE IDENTIFICATION AND ASSESSMENT.

(a) Not later than January 1, 1991, the Administrator of the Environmental Protection Agency, in consultation with the Administrators of the National Oceanic and Atmospheric Administration, the National Aeronautics and Space Administration, and the Secretary of State, shall submit to the Congress a report detailing the following:

(1) the contribution of methane to global climate change;

(2) the sources and sinks of methane;

(3) the methods of controlling emissions of methane; and

(4) the relationship between methane and concentrations of other trace gases, including the hydroxyl radicals.

(b) Following submission of this report, the Secretary of State shall establish within 12 months a goal for reduction of methane to be incorporated into binding multilateral negotiations. This goal shall be considered in the Multilateral Global Climate Protection Convention to be developed under section 108 of this Act.

(c) Not later than January 1, 1993, the Administrator of the Agency for International Development and the Department of State (in conjunction with efforts of the Intergovernmental Panel on Climate Change) shall issue a report advising the President and Congress of the policy recommendations it has developed for providing United States supported financial assistance and developing multilateral agreements to achieve significant reductions of methane emissions.

(d) There is authorized to be appropriated to the Administrator of the Agency for International Development $2,000,000 for each of the fiscal years 1991 and 1992 to develop the policy recommendations specified in subsection (c).

SEC. 606. ASSESSMENT OF METHODS TO OBTAIN REDUCTION OF CARBON DIOXIDE.

(a) The Secretary of State shall examine the global contributions of carbon dioxide emissions to global environmental deterioration and shall encourage the establishment of a special office in the United Nations Environment Programme and the World Meteorological Organization to monitor annual generation of carbon dioxide and other trace gases on a nation-by-nation basis. Such office shall be responsible for assisting in global negotiations on global environmental deterioration and for administering protocols developed through these negotiations. Efforts of such office shall be coordinated with the Intergovernmental Panel on climate change.

(b) The Secretary of State shall seek to make as a goal of all environmental multilateral or global negotiations in which the United States is a participant, a reduction of carbon dioxide of not less than 20 percent over 1988 levels of global generation by the year 2000. In addition, the goal shall also be a reduction of not less than 50 percent by the year 2015. This goal shall be considered in the Multilateral Global Climate Protection Convention to be developed under section 108 of this Act. The Administrator of the Agency for International Development shall take these goals into account when approving applications for United States supplied financial assistance emphasizing assistance to provide renewable resources and deemphasizing activities which increase greenhouse gases. The Secretary of the Treasury shall instruct the United States Executive Directors of the Multilateral Development Banks to vigorously promote the adoption of these goals for recipient countries.

SEC. 607. ASSESSMENT OF METHODS TO OBTAIN REDUCTION OF OXIDES OF NITROGEN.

(a) Not later than 12 months after the date of the enactment of this Act, the Secretary of State, in consultation with the Administrator of the Environmental Protection Agency, the Secretary of Energy, the Administrators of the National Oceanic and Atmospheric Administration, and the National Aeronautics and Space Administration, shall initiate negotiations on behalf of the United States and actively encourage the adoption, by the end of 1991, of a binding multilateral agreement requiring reductions of not less than 30 percent in emissions of oxides of nitrogen over 1988 levels by the year 2000. This goal shall be considered in the Multilateral Global Climate Protection Convention to be developed under section 108 of this Act. The Administrator of the Agency for International Development shall take these goals into account when approving applications for United States supplied financial assistance. The Secretary of the Treasury shall instruct the Executive Director of the Multilateral Development Banks to vigorously promote the adoption of these goals for recipient countries.

(b) The Secretary of State should also encourage the special office within the United Nations Environment Programme in section 606(a) to assist in global negotiations on reductions of oxides of nitrogen and in administering protocols agreed to in the negotiations.

(c) The Administrator of the Environmental Protection Agency shall promulgate regulations under the Clean Air Act to conform with negotiated protocols achieved under this title.

SEC. 608. AUTHORIZATION OF UNITED NATIONS ORGANIZATIONS.

There is authorized to be appropriated to the Secretary of State, for contributions to the United Nations Environment Programme and the World Meteorological Organization $1,500,000 for the United Nations Environment Programme and $1,500,000 for the World Meteorological Organization for each of the fiscal years 1991, 1992, and 1993 for implementation of this title. Moneys appropriated pursuant to this authorization shall be in addition to the established contributions of the United States to the United Nations Environment Programme and the World Meteorological Organization.

TITLE VII—GLOBAL ENERGY EFFICIENCY

SEC. 701. BILATERAL ENERGY PROGRAM.

(a) The Congress finds that—

(1) power shortages in developing countries are proving to be costly in terms of health, education, quality of life, employment, income, and therefore may contribute to political instability;

(2) the ongoing efforts of the Agency for International Development should be commended, especially the Asia and Near East workshops on power generation, studies on privatization of utility functions for Pakistan, Thailand, India, Barbados, the Philippines, and the Dominican Republic, and the assistance provided to the programs for energy conservation in Pakistan; and

(3) energy conservation, improvements in end use efficiency and energy production from renewable, decentralized sources have great potential for meeting energy needs in developing nations.

(b) Section 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151d) is amended by—

(1) changing the heading of the section to read: "Sustainable Energy Development, Private Voluntary Organizations, and Selected Development Activities.";

(2) deleting all of subsection (a)(1) except the first 2 sentences and amending subsection (a)(2) to read as follows:

"(2) The Congress finds that energy conservation, improvements in end use energy efficiency, and energy production from renewable, decentralized sources have great potential for meeting energy needs in developing nations, especially the needs of the rural poor. These techniques can enable developing countries to make efficient use of scarce resources; minimize environmental harm (including warming of the Earth's atmosphere due to the "greenhouse effect"); lessen the danger of nuclear weapons proliferation; and reduce dependence on dwindling oil reserves and expensive imported energy. Often, energy needs can be met more cheaply and more employment can be generated by these methods than by production of energy from conventional sources.";

(3) deleting the last sentence of subsection (b)(2), redesignating that subsection as subsection (a)(3), and inserting at the end of that subsection the following: "Such programs also may include any type of assistance aimed at energy efficiency, improvements in end use energy efficiency, and assistance for transmission facilities to in-

crease the availability of energy in rural areas. No assistance shall be furnished under this Act for large-scale production of energy from fossil fuels without first exploring all practicable energy efficient alternatives.";

(4) inserting the following new subsection (a)(4) immediately after subsection (a)(3) as redesignated by this section:

"(4) In providing assistance to developing countries as authorized in subsection (a)(3), the President, through the Agency for International Development and the Department of State, shall—

"(A) prepare for each aid-receiving country, in cooperation with the government and public in that country and interested members of the public in the United States, an analysis—

"(i) describing feasible actions that can reduce emissions of 'greenhouse gases', while at the same time meeting development needs, through actions which improve end use energy efficiency, promote reliance on renewable energy sources, or encourage energy efficiency or use of alternative fuels;

"(ii) comparing the economic and environmental costs of the actions described in subparagraph (i) with the economic and environmental costs of investments to provide additional supplies of energy; and

"(iii) analyzing the need for foreign assistance, and especially United States bilateral assistance, to make possible the actions described in subparagraph (i).

"(B) provide technical assistance and support projects to improve energy efficiency, with emphasis on training, information, and institution-building in all sectors; improvement of indigenous capabilities to develop and implement least cost planning strategies and programs of energy efficiency; developing indigenous capabilities to adapt technologies of energy conservation and end use energy efficiency; and, in transportation, energy-saving methods of mass transit (such as light rail, buses, and van pools), energy-efficient motor vehicles and railroads, traffic management techniques (such as computerization of traffic signals and fuel savings at airports), and transfer of appropriate United States technologies;

"(C) support projects to develop and demonstrate energy conservation, improvements in end use energy efficiency, and small-scale, decentralized, renewable energy sources for rural areas. Such projects shall use appropriate technologies and methods suited to the local environment, shall feature close consultation with and involvement of local people at all stages of project design and implementation, and shall be directed toward the earliest possible widespread application. Appropriate technologies include but are not limited to biomass, biogas, wind energy, passive solar, solar electricity, and low-head hydroelectric generation;

"(D) whenever appropriate, accomplish the objectives of this subsection through projects managed by private and voluntary organizations or international or regional or national nongovernmental organizations;

"(E) direct the Administrator of the United States Agency for International Development, in consultation with the President of the Export-Import Bank and the President of the Overseas Private Investment Corporation, to encourage private sector investment in energy efficient technologies in developing countries;

"(F) make the analyses referred to in subsection (a) available to the public and transmit them to the Congress as a portion of the report required in section 103(b) at least annually;

"(G) beginning 12 months after the date of the enactment of this Act, refuse to approve any project or program authorized by this subsection involving the obligation of more than $500,000 unless such an analysis has been prepared;

"(H) promote vigorously the adoption by other bilateral donors of energy efficiency programs for countries that receive development assistance that emphasize least-cost energy planning, energy conservation, and end use energy efficiency; and

"(I) not later than 12 months after the date of enactment of this title, and annually thereafter, submit to the Congress a report describing progress under the program established by this section, including in particular the nature of all projects supported; their costs and results; progress in reducing emissions of greenhouse gases; and progress by other bilateral donors in implementing programs of least-cost energy planning, energy conservation, and end use energy efficiency for aid-receiving countries."; and

(5) deleting subsection (b), redesignating subsection (c) as subsection (a)(5), and redesignating subsections (d) and (e) as subsections (b) and (c), respectively.

(c) There is authorized to be appropriated to the Administrator of the Agency for International Development $1,000,000 for each of the fiscal years 1991, 1992, and 1993 for supplying technical assistance to developing countries for developing energy efficient power sources. Moneys appropriated pursuant to this authorization shall be in addition to moneys already available for programs for energy efficiency.

SEC. 702. PILOT PROJECT FOR ENERGY EFFICIENT MASS TRANSIT.

(a) The Administrator of the Agency for International Development, in consultation with the Department of Transportation, shall select one project for United States provided financial assistance which shall demonstrate and implement energy-efficient mass transit for an urban area. Such a pilot program shall also comply with standards or negotiated agreements for reduction of greenhouse gases such as oxides of nitrogen and shall, if possible, use fuels generated from renewable resources. The Administrator shall prepare a report on an annual basis for submission to the Department of State's Office of Global Warming on the recipient of the assistance for the pilot project and the effectiveness of the technology, especially in meeting standards for emissions reduction and in use of renewable resources.

(b) There is authorized to be appropriated to the Administrator of the Agency for International Development $15,000,000 for each of the fiscal years 1991, 1992, and 1993 for implementation of the pilot program under this section.

SEC. 703. RENEWABLE ENERGY EXPORTS.

(a)(1) Congress finds that—

(A) among the major problems in promoting exports of renewable energy technology are the lack of available information on overseas markets and the absence of financing for the purchase of the technologies; and

(B) the Committee on Renewable Energy, Commerce, and Trade established under the Renewable Energy Industry Development Act (Public Law 98-370) currently coordinates Federal Government activities to promote renewable energy exports.

(2) The purposes of this section are to evaluate current efforts to promote exports of renewable energy technology, to establish a joint government-industry plan to identify promising technologies and increase the financing available for exports of renewable energy technologies, to target potential markets for these technologies and to authorize funding of these activities.

(b) In order to provide reliable information on overseas markets for renewable energy technology, the Secretary of Energy shall review the activities of the Committee on Renewable Energy, Commerce, and Trade in order to determine if current efforts by such Committee to promote exports of renewable energy technology are sufficient and whether additional efforts are necessary. The Secretary of Energy shall report to Congress the results of such review on or before the expiration of the 180-day period following the date of the enactment of this section.

(c) The Committee on Renewable Energy, Commerce, and Trade shall—

(1) establish a joint government-industry plan to maintain or increase the market share of the United States in international trade in renewable energy technologies, including technologies for production of alcohol fuels, biomass energy, geothermal energy, wood energy, and in technologies for passive solar energy conversion, photovoltaics, solar thermal energy conversion and wind energy conversion. Such plan shall include guidelines for agencies that are members of the Committee with respect to the financing of exports of such renewable energy technologies;

(2) develop, in consultation with representatives of affected industries, administrative guidelines for Federal export loan programs to simplify application by firms seeking export assistance for renewable energy technologies from agencies implementing such programs; and

(3) target renewable energy technology markets for primary emphasis by Federal export loan programs, development programs, and private sector assistance programs.

(d) There is hereby authorized to be appropriated to the Secretary of Energy for activities of the Committee on Renewable Energy, Commerce, and Trade an amount not to exceed—

(1) $1,500,000 for fiscal year 1990;

(2) $2,200,000 for fiscal year 1991; and

(3) $2,500,000 for fiscal year 1992.

SEC. 704. PILOT PROJECT FOR DEVELOPMENT OF RENEWABLE ENERGY TECHNOLOGY FOR UNITED STATES SUPPORTED ASSISTANCE.

(a) The Congress finds that—

(1) current efforts of the Agency for International Development in support of renewable energy resources are to be commended;

(2) especially noted are such agency's projects providing formal energy conservation and demand management for 31 countries, and the renewable energy programs established in India, Egypt, and Morocco; and

(3) such efforts should be extended to reduce energy consumption and consequent generation of carbon dioxide.

(b) The Agency for International Development, in cooperation with the Committee on Energy Conservation and Renewable Energy Technology Exports, shall select one project to demonstrate and apply the use of renewable energy technology with diminished generation of greenhouse emissions in a developing nation. Such pilot project shall be completed by the end of the calendar year 1995. Its progress shall be evaluated on

an ongoing basis during the project's life and shall be used to assess the viability of future projects of similar scope.

(c) There is authorized to be appropriated to the Administrator for the Agency for International Development $20,000,000 for each of the fiscal years 1991, 1992, and 1993 to implement this section. This authorization is in addition to programs already administered by the Agency for International Development for renewable energy. In addition, there is authorized to be appropriated to the Administrator $2,000,000 for each of the fiscal years 1991, 1992, and 1993 for assessment, development of incentives and grants for private sector investment in renewable resources.

SEC. 705. AMENDMENT TO THE EXPORT-IMPORT BANK ACT OF 1945.

Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635e) is amended by adding at the end thereof the following:

"(c) Not less than .025 percent of the loan authority of the bank shall be available only for solar and renewable energy loans.".

SEC. 706. SPECIAL ACTIVITIES OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION.

Section 234(e) of the Foreign Assistance Act of 1961 is amended—

(1) in the first sentence, by inserting immediately after "cooperatives" the following: "and including the initiation of incentives, grants, and studies for renewable energy and other small business activities"; and

(2) by adding at the end of subsection (e) the following new sentence: "Administrative funds may not be made available for incentives, grants, and studies for renewable energy and other small business activities.".

TITLE VIII—COOPERATION WITH INTERNATIONAL ORGANIZATIONS

SEC. 801. FINDINGS.

The Congress finds that—

(1) the scope of global environmental deterioration is inherently international in nature;

(2) the participation of the United States in all international efforts to remedy global environmental problems is vital to the preservation of the country;

(3) the United States should make assistance available for scientific, policy and research support in this arena;

(4) full cooperation with the United Nations Environment Programme is necessary to address the total scope of global environmental programs, and that additional support of the United States is also necessary for the World Metereological Organization; and

(5) support at current levels should continue for the United Nations Economic Commission for Europe, the Organization for Economic Cooperation and Development, and the International Energy Agency.

SEC. 802. AUTHORIZATIONS.

There is authorized to be appropriated to the Environment Fund of the United Nations under the Foreign Assistance Act of 1961 $15,000,000 for each of the fiscal years 1991, 1992, and 1993. In addition, there is authorized to be appropriated to the World Metereological Organization of the United Nations under the Foreign Assistance Act of 1961 $1,000,000 for each of the fiscal years 1991, 1992, and 1993 for support of the Intergovernmental Panel on Climate Change. Additionally, there is authorized to be appropriated to the Intergovernmental Oceanographic Commission of the United Nations under the Foreign Assistance Act of 1961 $1,000,000 for each of the fiscal years 1991, 1992, and 1993. Further, there is authorized to be appropriated to the International Geosphere-Biosphere Programme Study of Global Change of the United Nations under the Foreign Assistance Act of 1961 $400,000 for each of the fiscal years 1991, 1992, and 1993.

[From the National Journal, Mar. 4, 1989]

GREENHOUSE DIPLOMACY

(By Rochelle L. Stanfield)

James A. Baker III had been Secretary of State only five days when he made his first speech to an international gathering. His 500-word welcome—to delegates from 40 countries at a workshop on global warming—took just a few minutes to deliver, but its symbolism and its message continue to reverberate in widening political and policy circles.

Symbolically, Baker's choice of an environmental audience for his maiden speech as Secretary of State underscored the high priority that the Bush Administration says it gives to global environmental issues. "We face the prospect of being trapped on a boat that we have irreparably damaged—not by the cataclysm of war, but by the slow neglect of a vessel we believed to be impervious to our abuse," Baker told the assembled delegates, quoting President Bush.

At the same time, Baker claimed global warming as his issue: "This is a transnational issue. We are all in the same boat." The establishment last fall of the International Panel on Climate Change and the creation of its Response Strategies Working Group—the audience that he addressed on Jan. 30—testifed to that fact, Baker said. "We face more than simply a scientific problem," He went on. "It is also a diplomatic problem of when and how we take action."

Signaling a clear break from the Reagan Administration policy—that more research must be conducted before nations embark on ambitious enviromental programs—Baker said' "The political ecology is now ripe for action. We can probably not afford to wait until all of the [scientific] uncertainties have been resolved. . . . Time will not make the problem go away."

The speech got rave reviews. But foreign delegates, domestic environmentalists and Members of Congress who praised the rhetoric are still waiting for the action.

Their initial disappointment came within minutes of the speech, when representatives of 14 federal agencies presented the U.S. plan for how the working group, which the United States chairs, should proceed. Many of the foreign delegates severely criticized the U.S. proposal at the closed-door session, according to participants. Some critics said that the complex data-gathering exercise recommended by the U.S. delegation looked suspiciously like the Reagan approach—that is, stalling in the guise of doing more research. Contributing to that skepticism was the presence on the U.S. interagency group of staff members who attempted to derail the 1987 international ozone treaty.

Bush failed to mention global warming in his Feb. 9 budget address to a joint session of Congress, although his backup document devoted two pages to the subject. Bush's fiscal 1990 budget would cut the appropriation for the United Nations Environmental Program, the parent body of the climate change panel, by $1.5 million, from $9.5 million in 1989.

"I was disappointed that [global warming] wasn't in the speech, but I'm not sure how to interpret that yet," said Rafe Pomerance, a senior associate with the World Resources Institute, a Washington think tank.

"We have not heard Baker issue another word since that day about this thing, so my question is, where's the follow-up?" said an aide to Sen. John F. Kerry, D-Mass. Kerry, a Foreign Relations Committee member, asked Baker several questions about the administration's international environmental commitments at Baker's confirmation hearings in mid-January.

To try to find out what Baker plans to do, the House Appropriations Subcommittee on Foreign Operations questioned Frederick M. Bernthal, assistant secretary of State for oceans and international environmental and scientific affairs, at a hearing on Feb. 21. The next day, Bernthal testified at a similar hearing by the Senate Commerce, Science and Transportation Committee. He did not list specific program initiatives even when pressed to do so by House subcommittee chairman David R. Obey, D-Wis., and by Kerry.

Such congressional scrutiny is more intense these days than it used to be, but it isn't new. For several years, the global environment has been a prominent topic not only in Congress but in the Environmental Protection Agency (EPA) and the State and Treasury Departments. The United States spearheaded the international negotiations that resulted in the ozone treaty signed in Montreal.

Now the heads of other industrialized countries—and of some developing countries—have placed the world environment high on their agendas. Soviet leader Mikhail S. Gorbachev mentioned its prominently in his address at the United Nations last December. And British Prime Minister Margaret Thatcher planned to host a March 6 conference on ozone depletion, one of about eight high-level environmental meetings scheduled around the world this year.

"The politics have gone international, with some competition among industrialized countries," Pomerance said. "Who's going to lead on the environment? Margaret Thatcher or George Bush or [French President] Francois Mitterrand, or will it be Gorbachev?"

Bush, who has indicated he wants the United States to remain the dominant power on environmental issues, is planning his own summit meeting on world environment but hasn't announced a schedule.

HIGH STAKES

The global environmental campaign has opened a new age of international diplomacy that factors profound scientific complexities and uncertainties into the political, economic, philosophic and cultural calculus of traditional negotiations. Global warming—or the so-called greenhouse effect—adds further complications. Actions to slow the greenhouse effect could include controls on the burning of fossil fuels, and such measures would have sweeping ramifications for agriculture, energy, industry and trade. Just about every U.S. Cabinet department—and practically every ministry in other nations—has strong views on the subject. Like the problems being addressed, the stakes are exceedingly, if immeasurably, high.

To prevail in the international arena, the specialists agree, the Bush Administration must mount a clearly defined, coordinated interagency effort. But, although Baker's speech to the working group seemed to set a clear direction, the U.S. interagency group demonstrated an absence of coherence.

"It showed considerable confusion and lack of clear direction in the U.S. government," said Thomas B. Stoel Jr., a senior attorney who specializes in international issues for the Washington office of the New York City-based Natural Resources Defense Council Inc. (NRDC). "We can't afford another episode like that."

The White House is working on an executive order to delineate responsibilities within the Administration—in general, by giving foreign policy supremacy on the global warming issue to the State Department and the domestic policy lead to EPA. "The complexity of this issue will force a lot of decisions about turf," Stoel said.

Who will head the Administration's effort is yet to be determined. If it's Baker, he will have plenty of clout with the White House—much more than EPA administrator William K. Reilly would have, for example. But Baker won't be able to devote undivided attention to the task. Reilly is heading the U.S. delegation to Thatcher's meeting on ozone. He also has plans to upgrade and expand EPA's international activities.

"On questions like where will the lead effort reside in trying to deal with the many tasks under the Response Strategies Working Group, for example, there hasn't been a final decision on some of those elements yet," Bernthal, who currently is chairman of the group, said in an interview. "But the opinions that Secretary Baker expressed are certainly indicative of the commitment that the President had already made, before his election, to an active role."

If the State Department retains the lead role, Bernthal—or his successor, if Bernthal is replaced—will supervise the project. That could prove a boon to the struggling Oceans and International Environmental and Scientific Affairs Bureau, which is trying to emerge from a forgotten corner of the State Department. Such a contentious assignment could also overwhelm the bureau, however, as was demonstrated by the interagency battles for turf that surfaced in the Jan. 30 staff proposal to the working group.

In the meantime, the Administration is relying upon Baker's rousing speech to keep up the momentum. "I thought the speech Baker gave was terrific, succinct and clear and established priorities that I think people heard," Reilly said in an interview.

LOOKING FOR SIGNALS

While they wait for action on the global warming issue, the advocates are looking for signals in symbolic gestures, Administration appointments and other such indicators.

Baker's speech raised many expectations. "It was very significant that he chose that particular meeting to make his first appearance," said Richard E. Benedick, the former deputy assistant secretary of State who negotiated the ozone treaty and who is now on departmental assignment as a senior fellow at the Conservation Foundation. "From the standpoint of protocol, it did not cry for an address by the Secretary of State. There were no ministers or deputies, but mostly delegates from lower in the bureaucracies [of foreign countries]."

Even before the speech, international environmentalists had high hopes for Baker as Secretary of State, based on his efforts as Treasury Secretary, to persuade multilateral development banks to include envrionmental impacts in their loan calculations. "Baker's interest in the environment goes back to when he was Secretary of the Treasury," Benedick said. "He is not a newcomer to this subject."

Those hopes extend to State Department counselor Robert B. Zoellick, who served as Baker's counselor at Treasury. He has had a keen interest in international environmental issues for years and is expected to take the behind-the-scenes lead on the global warming issue at State.

Another augury of an activist Administration approach is the appointment of Robert E. Grady as associate director of the Office of Management and Budget (OMB) for natural resources, energy and science. "To me, the most encouraging appointment the Administration has made in this whole area is Grady's," said John C. Topping Jr., president of the Climate Institute, a Washington organization that promotes governmental action to prevent climate change and ozone depletion.

As Bush's campaign speechwriter, Grady wrote Bush's rather aggressive environmental speeches in an effort to distance Bush from the Reagan Administration. Grady also served as Bush's liaison to environmental groups during the campaign. Previously, he was director of communications for Republican New Jersey Gov. Thomas H. Kean. In his new position, Grady has a say in the budgets of the environmental, scientific and energy agencies that will participate in the global warming talks, although his jurisdiction doesn't include the State Department's budget.

To environmentalists, perhaps the most positive signal from the U.S. government came right before last November's election, at the first meeting of the international climate change panel in Geneva, when Bernthal volunteered U.S. chairmanship of the response strategies group. At that meeting, it was decided to set up three working groups: on the science of climate change, on impacts and on responses. Britain agreed to chair the first; the Soviet Union, the second; and the United States, the third and certainly the most controversial. "It put us right in the spotlight," Stoel said.

Response strategies may include wrenching, expensive changes in energy, industrial and agricultural policies to cut emissions of carbon dioxide and other gases that cause climate change. The strategies may also deal with measures to cope with coastal flooding and radically altered patterns of rain and drought.

That then-Secretary of State George P. Shultz placed this nation in such a key spot did not surprise environmentalists, who viewed Shultz as one of the few activists on the issue in the Reagan Administration. But Shultz and his deputies often wrangled with other Cabinet departments, such as Interior and Commerce.

These observers now are looking for signals of the Bush Administration's commitments and the enthusiasm of agencies such as the Energy and Transportation Departments that will play a crucial role in domestic policies that will influence U.S. foreign policy on climate change.

HATS AND SUNGLASSES

A notable reference point in U.S. international environmental negotiations was the development of the 1987 ozone depletion treaty. That exercise set several precedents for global negotiations but also fomented interagency disputes within the Reagan Administration.

"The ozone treaty certainly plowed new ground institutionally within our own government and internationally as well," Bernthal said. "It was the first time an issue arose in the international arena that everyone understood was a problem of all countries and would require cooperation worldwide to address. . . . There's no question that that set the form institutionally."

Those negotiations also brought about a close working relationship between EPA and the State Department—specifically, in the partnership of then-EPA administrator Lee M. Thomas and State's Benedick. "There's a direct parallel [between global warming and ozone], an issue where we worked very closely with EPA because EPA has to handle the domestic regulations and implement the international treaty," Benedick said. "But in terms of leading the international negotiations, that's clearly the State Department's métier."

The precedent that worries advocates of a strong U.S. position on global warming was the effort in the Cabinet Council on Natural Resources, led by then-Interior Secretary Donald P. Hodel, to hamstring the American negotiating team after the U.S. position had been cleared by the White House and had been used in treaty negotiations.

That episode is known as the "hats-and-sunglasses" battle because Hodel and others wanted to substitute adaptive measures—such as wearing hats and sunglasses to avoid the sun's damaging ultraviolet rays—for control measures, such as reducing emissions of chlorofluorocarbons (CFCs), the gases that deplete the earth's protective ozone layer.

The dispute went up to Reagan, who decided in favor of the Shultz-Thomas team.

What worries environmentalists now is that several mid-level staff members who worked on the hats-and-sunglasses proposal participated in drafting the widely criticized U.S. proposal for the climate change working group.

The questions being raised are whether these officials, some of whom are career civil servants, will continue to take part in the global warming project, whether they will receive new instructions and, if so, how they will carry out those directives.

David M. Gibbons, deputy associate OMB director for natural resources, for example, used delaying tactics in the ozone talks, according to participants. Gibbons is also referred to as "bright," "not dogmatic" and "willing to listen to reason." "Grady is now Gibbons' boss, and that could make a big difference," Topping said. Gibbons did not respond to requests for an interview.

Another member of the hats-and-sunglasses group was Beverly J. Berger, assistant director for life sciences of the White House Office of Science and Technology Policy. "She told me personally that she opposes [climate protection policies]," said David D. Doniger, an NRDC attorney who lobbied for a strong ozone treaty. Berger declined a request for an interview but said through a spokeswoman that "she had no problem with Secretary Baker's remarks" at the climate change session.

And Acting Energy Secretary Donna R. Fitzpatrick is perceived by environmentalists as an opponent of action because of her testimony before the House Energy and Commerce Subcommittee on Energy and Power last September in her role as Energy undersecretary. She said then, "These scientific uncertainties must be reduced before we commit the nation's economic future to drastic and potentially misplaced policy responses."

A spokesman for Fitzpatrick said her views conform to Baker's on Jan. 30 when Baker said, "We should focus immediately on prudent steps that are already justified on grounds other than climate change." The

Energy spokesman said, "Because we're an agency that has to come up with the solution, and we understand perhaps a little more clearly how difficult it is to deal with these problems, we're a little more cautious."

After foreign delegates to the climate change meeting criticized the U.S. plan, an international subgroup rewrote and simplified the proposal, which was then adopted unanimously.

Administration officials dismiss the upset as minor. "To say they trashed the proposal is a misperception," a U.S. official said. Others pointed out that the final plan closely resembles the U.S. proposal and that the problem with the first version was that it was developed in a policy vacuum because the transition led to turf battles within the interagency drafting group.

Several steps have been taken to avoid a repeat of the hats-and-sunglasses episode. Congress in late 1987 attached the Global Climate Protection Act to the foreign relations authorization bill: That law gives EPA authority to develop a coordinated national policy on global climate change and gives the State Department responsibility for coordinating foreign policy on the issue.

In his backup budget document, Bush promised to issue an executive order on global climate change "setting out responsibilities of federal agencies and departments as well as establishing effective coordination mechanisms."

Ultimately, observers agree, the personalities of the players will determine how the policy turns out. "A lot of these things really come down to how people come together," Topping said.

At Baker's confirmation hearing, Kerry asked him: "There are many people who believe that membership [in the climate change working group] is made up of people who have helped to frustrate the Montreal protocol [on ozone]. Do you intend to review the membership?"

"I'm not sure that I would agree that we will, of necessity, have the same tensions within the old, because we're going to have new faces, for one thing, around the table," Baker replied. "And I think that there is a real, honest, solid appreciation on the part of this new President of the problems that are presented in this area," he said. "He's not going to let bureaucratic interagency differences get in the way. It just isn't going to happen."

Global warming is an infinitely more complex issue than ozone depletion, with profound ramifications for industrialized and developing societies alike. No one expects easy agreement in domestic debates or international negotiations.

"The degree of scientific consensus does not match that achieved in the case of CFCs and ozone," Bernthal said. "The economic ramifications are yet to be assessed. The substance of the problem is far more complex and is going to be more difficult to address. If you have unresolvable differences and if the agencies are unable to agree, finally the President decides. I don't think that's terribly surprising. That's his job."

NEW DIPLOMACY

Global warming negotiations will be part of a new type of diplomacy that presents Bernthal's bureau with significant opportunities and the State Department with substantial challenges.

The Montreal ozone treaty put the oceans bureau on the map. Congress had created it in 1974 to consolidate scattered scientific functions, foisting it on an unreceptive State Department. Traditionally, the department has viewed diplomacy as a complex of country-by-country relationships, not as a means to solve global problems such as environmental degradation or exploitation of the oceans.

When negotiations got under way on ozone, the assistant secretary in charge of the bureau was John D. Negroponte, a career foreign service officer whom Bush has named ambassador to Mexico. Negroponte is credited by State Department insiders with promoting the bureau's mission and its image. Benedick, who worked for Negroponte, received one of six departmental distinguished service awards in 1988 for his role in the ozone treaty. And a new departmental publication, State, featured the bureau in its premier issue in January.

Some observers believe that emerging international issues might have forced the bureau into prominence in any event. But traditional diplomacy doesn't adjust easily to new imperatives. Foreign service rules still prevail at the bureau; its staff members are rotated every two or three years to new postings. Tradition keeps many of the best foreign service officers from volunteering for the bureau because it's not on the usual career track to an ambassadorial appointment. But a new departmental personnel structure is being designed to enhance promotion, assignment and training prospects for foreign service officers specializing in science.

The State Department, meanwhile, could find itself in competition with EPA as Reilly expands the agency's international contingent. He has said he will promote the head of that division from associate administrator to assistant administrator.

Whatever the configuration of the U.S. negotiating team on the global warming issue, environmentalists agree that it faces a staggering task. "The stakes couldn't be larger," Pomerance said. "The three largest producers of carbon dioxide are the United States, the Soviet Union and China. If you want to solve this problem, you have to get cooperation among three nations that don't have a great habit of doing things together. And you can't get by with rhetoric."

By Mr. BIDEN (for himself, Mr. MOYNIHAN, Mr. SIMON, and Mr. DECONCINI):

S. 604. A bill to amend title 31 of the United States Code to increase settlement authority and expand coverage relating to claims for damages resulting from law enforcement activities; to the Committee on the Judiciary.

SETTLEMENT OF CERTAIN CLAIMS

● Mr. BIDEN. Mr. President, today I am introducing a bill to raise from $500 to $50,000 the ceiling on the amount that Federal agencies are permitted to pay in settlement of claims to third parties who are innocently injured in the course of law enforcement activities. A very similar bill, H.R. 972, has been introduced in the House by Representative EDWARDS of California.

Under current law, there are two ways for an innocent third party to recover for injuries caused by a Federal law enforcement agency. If the injury was the result of the negligence of Government agents, or of some other tortious act, the injured party may file suit under the Tort Claims Act. If, however, the injury was not the result of any tortious conduct, but rather resulted from the proper and lawful exercise of the agency's law enforcement responsibilities, the injured party can only recover under 31 U.S.C. 3724. This statute, which currently applies only to the FBI, allows the Government to pay up to $500 to any innocent third party who is injured in the course of the Bureau's law enforcement activities.

There are many ways in which nontortious injuries can occur to innocent third parties in the course of law enforcement activities. For example, agents in pursuit of a fleeing suspect may collide with an innocent person's car, fire a bullet through his window, or be required to break down his door. In such cases, the injured party may not recover under the Tort Claims Act unless the Government agents are held to have been negligent. Damages arising from nonnegligent acts may be compensated under section 3724, but only if the injury was caused by the FBI, and only up to the amount of $500.

The bill would amend section 3724 in two ways. First, it would raise the $500 limit to $50,000. This amount is considered necessary to cover damages to automobiles, vessels, and residences. Second, because there is no reason that the statute should apply only to the FBI, the bill would expand it to include other law enforcement agencies of the Department of Justice, including the Drug Enforcement Administration, the Immigration and Naturalization Service, and the Marshal's Service.

The effective date provision would make the amendment applicable to any claim arising in the future, any claim pending at the time of enactment, and any claim arising before the date of enactment for which the time for making a claim under current law had not yet expired.

I hope my colleagues will support this useful legislative change. I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 604

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY TO SETTLE CLAIMS.

(a) Section 3724 of title 31, United States Code, is amended—

(1) in the section heading, by inserting "or other law enforcement component of the Department of Justice" after "Investigation";

(2) in subsection (a), by striking "$500" and inserting "$50,000";

(3) in subsection (a), by striking out "Director" and all that follows through "Investigation" and inserting "any officer or em-

ployee of the Federal Bureau of Investigation, Drug Enforcement Administration, United States Marshal's Service, or Immigration and Naturalization Service"; and

(4) in subsection (b), by amending the first sentence to read as follows: "The Attorney General shall make an annual report to the Congress on any settlements made under this section.".

(b) The item for section 3724 in the table of sections for chapter 37 of title 31, United States Code, is amended by inserting "or other law enforcement component of the Department of Justice" after "Investigation".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall apply to—

(1) any claim arising on or after the date of the enactment of this act;

(2) any claim pending on the date of enactment of this Act; and

(3) any claim arising before the date of enactment of this Act for which the time for presenting the claim to the Attorney General under the last sentence of section 3724(a) of title 31, United States Code, has not expired.●

By Mr. BRYAN (for himself, Mr. GORE, Mr. KERRY, and Mr. REID):

S. 605. A bill to authorize appropriations for the Consumer Product Safety Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CONSUMER PRODUCT SAFETY COMMISSION AUTHORIZATION ACT

● Mr. BRYAN. Mr. President, today I am introducing, on behalf of myself and Senators GORE and KERRY, legislaltion that authorizes funds to be appropriated for the Consumer Product Safety Commission [CPSC] and addresses some of the concerns surrounding the CPSC.

The last enactment of a CPSC authorization bill was during the reconciliation process in 1981. For any number of reasons, Congress has been unable to move a bill through the entire legislative process since that time. It is critical that we enact such legislation now because the CPSC needs to be revitalized.

Congress made the decision in 1972 to establish the CPSC and gave it a charter to protect American consumers. For example, in the area of toy safety, the CPSC has a vital role in protecting the most vulnerable portion of America's population—our children. There are approximately 150,000 different toys available in the United States, and they bring much enjoyment to children. Unfortunately, toys also sometimes cause injuries, and most of the harm from toys is caused to children under the age of 15. It is unrealistic to expect consumers will always be able to evaluate these toys and recognize the harm a poorly designed or constructed toy can cause. We cannot wait until a child is brought into an emergency room suffering from a toy-related injury before the hazard is identified and corrected.

There are, of course, other kinds of hazards we encounter daily. In 1987, there were 185,000 injuries from playground equipment, including fractures, internal injuries, and concussions; 40 percent of those injuries involved children younger than 6 years of age. In 1985, the Nation lost 164 elderly persons to fires caused by sleepwear that ignited. The very furnishings in our homes and offices are cited as sources of indoor air pollution, posing harmful health effects. So, all of us are the CPSC's constituency, and we all need the CPSC to be effective.

It is not just the American consumer who is harmed by problems at the CPSC. American business also suffers when an important agency like the CPSC is not as effective as it could be, for then our businesses do not know what to expect from the very Federal unit that is charged with monitoring their product-related activities.

Unfortunately, the CPSC has suffered in recent years from reduced funding, internal conflict and lack of direction. I believe it is time to refocus the CPSC, and spur it on to protect American consumers.

The legislation that I introduce today provides this impetus in several ways. First, it addresses the administration and structure of the CPSC. The recent history of the CPSC has been contentious. This division does not advance the public safety; it hinders its progress, and needs to be eliminated. We need a CPSC that will work together on behalf of product safety. But how does one legislate responsibility and discretion? The short answer is that we cannot. Instead, we must appoint individuals who are aware of safety issues and dedicated to furthering them. That is why this legislation requires the President to consider individuals with safety experience in making appointments to the CPSC.

When the Consumer Product Safety Act was enacted in 1972, Congress envisioned that a collegial body would exchange ideas and suggest alternative solutions to safety problems. That objective has succeeded, to some extent. I believe the basic premise behind that legislative determination is valid: Several minds are better than one. However, to address some of the internal difficulties that have recently crept into the CPSC, this legislation also provides that the heads of all of the major departments at the CPSC shall be appointed and removed by the Chairman of the CPSC, with the approval of the full Commission. This will avoid having any employee fear that disagreement with any particular commission or point of view will bring retribution.

Finally, since the CPSC is currently limited to three members by appropriations constraints, the bill provides that, during the life of this authorization, two members of the CPSC shall constitute a quorum for the transaction of business. Current law requires that three members must be present for action to occur. But under recent circumstances, in the event of illness, resignation or other absence of one member, the CPSC has been unable to act. In fact, today the CPSC cannot meet to attack product safety concerns because there are only two members at the Commission, since the resignation earlier this year of the Chairman. This bill will permit the CPSC to meet even when it is operating with less than the full complement of members provided under the Consumer Product Safety Act.

Second, we must consider the question of how the CPSC approaches its substantive responsibilities. Since 1981, the CPSC is to defer to a voluntary standard developed by industry whenever the CPSC determines substantial compliance with the standard is likely and that compliance with the standard will eliminate or adequately reduce the risk of injury involved. This authority is restricted to situations where the CPSC had already undertaken action on a problem by commencing an advance notice of proposed rulemaking. It has been suggested that the authority has been misapplied and/or misperceived as an indication that the CPSC cannot or should not act to address safety matters. Some industries have been forthcoming and active participants in the development of voluntary standards, but others have not.

This legislation addresses the issue of voluntary standards by permitting certain parties to file a petition with the CPSC alleging that the development of a voluntary standard is either proceeding too slowly or that the standard will be inadequate to address the risk of injury. The CPSC must act on the petition within 120 days of its filing. This will ensure that the CPSC will focus on a potential safety matter in a timely, responsible matter.

In addition, the legislation requires the CPSC to defer to a voluntary standard pursuant to section 9 of the Consumer Product Safety Act only where the standard actually exists. This should preclude even the appearance that the CPSC is to defer to a mere hope or promise that voluntary action will be taken. Also, the bill mandates that interested persons have the opportunity to comment on a voluntary standard before the CPSC defers to it. Finally, the bill provides that the CPSC establish a system to monitor compliance with the voluntary standards which are used by industry, to ensure that these standards are being met.

This legislation also would require the CPSC to conclude any rulemaking proceeding within 1 year after it is

begun by the publication of an advance notice of proposed rulemaking. In those circumstances where the CPSC requires more time to develop a rule—for example, because of complex subject matter—the bill permits a 6-month extension. Testimony produced at previous Consumer Subcommittee hearings suggest that CPSC rulemakings on average take as long as 4½ years to be completed. This bill will ensure that the CPSC acts expeditiously to conclude its formal rulemaking process.

The legislation contains a section precluding the CPSC from conducting a formal, mechanical cost-benefit analysis in situations where a manufacturer voluntarily indicates that it will take corrective action with regard to a product. Also, this section makes it clear that the CPSC is not required to conduct this kind of detailed analysis in each case where it acts under sections 12 and 15 of the Consumer Product Safety Act.

Section 15 of that act requires manufacturers to provide notice about potential defects in their products. This is a kind of early warning system to alert the CPSC and others to the fact that a product may be dangerous. The bill adds requirements that manufacturers provide this notification when their product is not in compliance with a voluntary standard on which the CPSC has relied under section 9 of the Consumer Product Safety Act, or when the product is the subject of a civil action for serious injury or for death. This should assist the CPSC to identify those products that need attention.

The legislation also increases the amount of civil penalties in the Consumer Product Safety Act. When the act was enacted in 1972, the amount of these penalties was set at $2,000. Due to inflation since that time, the current value of those penalties has been significantly reduced. The bill raises the level to $5,000 to counter the erosion in value caused by inflation. The bill also adds civil penalties to the Federal Hazardous Substances Act. The absence of these penalties was felt quite recently when a young girl was killed by a lawn dart, and the CPSC was not able to assess penalties to enforce the lawn dart regulations which had been promulgated under the Federal Hazardous Substances Act.

We have an obligation to ensure that America's products are safe, and that consumers can use them with confidence. Our products cannot be competitive in the marketplace if they are not safe and if our citizens cannot rely on their construction. The CPSC has a vitally important function to perform, and this legislation will set new directions for the CPSC and help it to achieve its mandate. I invite my colleagues to join me in support of this legislation.●

● Mr. KERRY. Mr. President, I am pleased to join as a cosponsor of legislation to revitalize the Consumer Product Safety Commission. Sadly, the SPSC has been an ineffective voice on behalf of consumers in recent years.

I cosponsor this legislation because I believe that it will help to redirect the CPSC's priorities. The provisions requiring the CPSC to receive public input on its agenda, to conclude its rulemakings in an expeditious fashion, and to improve its procedures regarding voluntary standards should help to address some of the more egregious shortcomings in the CPSC's recent past.

The CPSC is a vital agency, and it has been bogged down lately in conflict and turmoil. Consumers have suffered from this lack of direction, and we cannot allow this important agency to continue to drift.

I understand that the Consumer Subcommittee will consider this legislation in a hearing next week, and I look forward to working with my colleagues to get the agency moving once again.●

By Mr. BOND (for himself, Mr. CONRAD, Mr. NICKLES, Mr. MURKOWSKI, Mr. GORE, Mr. HARKIN, and Mr. BOSCHWITZ):

S. 606. A bill to amend the Agricultural Act of 1949 to permit producers to plant supplemental and alternative income-producing crops on acreage considered to be planted to a program crop; to the Committee on Agriculture, Nutrition, and Forestry.

INDUSTRIAL CROP LEGISLATION

Mr. BOND. Mr. President, on behalf of Senators CONRAD, NICKLES, MURKOWSKI, GORE, HARKIN, and BOSCHWITZ I am introducing legislation which is a very important component in the new linkage of American agriculture and industry. Recent technological advances have led to the development of many new industrial uses for such unfamiliar crops as crambe, high erucic rapeseed and guayule. I am convinced that given proper support, these crops will become viable alternatives to traditional crops such as soybeans and wheat.

There is no doubt that agriculture is at a crossroads. Emerging technologies such as biotechnology and genetic engineering are ushering agriculture into a new era. Advances in processing technologies are opening vast new doors to agricultural commodities. For our Nation's farmers to realize the potential benefits of these new markets, we must ensure that any potential roadblocks are eliminated.

Even though there are several new crops ready for significant expansion, farmers remain wary due to the structure of farm programs. Under current law, a farmer's crop acreage base is simply the average of the previous 5 year's acreage devoted to the crop. In other words, decisions to experiment with industrial crops must be weighed against the economics of a corresponding base reduction. Given the benefits of producing program crops, this artificial impediment has been difficult to overcome.

Mr. President, my legislation would simply remove this disincentive associated with current farm programs by protecting farmers' crop acreage bases. Farmers will have the flexibility to produce for specific markets, not Government programs. In addition to promoting alternatives for our Nation's farmers, this legislation could also reduce Government spending on traditional crops by reducing deficiency payments to traditional crops.

Farmers who produce these new crops will not be eligible for any Federal farm program payments on production foregone. For example, a farmer would not be eligible to receive deficiency payments on corn acreage which is shifted to the production of an approved new crop.

Although the bill identifies six industrial crops which would be eligible for base protection, the Secretary of Agriculture is given the authority to expand the list to new industrial crops. The six crops identified in the bill are: crambe, high erucic rapeseed, meadowfoam, kenaf, guayule and milkweed.

For the record, I'll expound on a couple of these crops. Crambe is an annual crop which produces seeds with high levels of erucic acid. Erucic acid is an industrial raw material used to manufacture nylon, plastics, and lubricants. Increased production could decrease, or eliminate, our current dependence upon imported sources of high erucic acid.

Guayule is a shrub, native to northern Mexico and southwestern Texas, which has both strategic and industrial importance as a source of domestic rubber. A domestic source of natural rubber could improve our balance of trade as imports amounted to $655 million in 1983.

Mr. President, this bill should be viewed as an important first step. But we must realize that research and production are both useless without a commercialization component. In this regard, there is a distinct lack of financing and technical assistance available to companies interested in commercializing new industrial products.

I am very pleased to work with my distinguished colleague from North Dakota, Senator CONRAD, in addressing this pressing need. The Agricultural Research Commercialization Act of 1989, which will also be introduced today, recognizes the importance of assisting companies as they progress from the research stage to the commercialization stage. While our re-

search network is second to none, we have not been so successful in capitalizing in our efforts. Together, these two pieces of legislation will enable American agriculture to expand its involvement in the industrial sector.

Mr. President, I ask unanimouis consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CROP ACREAGE BASES.

Effective for each of the 1989 and 1990 cropyears, section 504 of the Agricultural Act of 1949 (7 U.S.C. 1464) is amended—

(1) in subsection (b)(2)—

(A) in subparagraph (D)(iii) by striking out "and" at the end thereof;

(B) by redesignating subparagraph (E) as subparagraph (F); and

(C) by inserting immediately after subparagraph (D), the following new subparagraph:

"(E) notwithstanding the provisions of subparagraph (D), in the case of each of the 1989 and 1990 crop years, acreage in an amount not to exceed 100 percent of the permitted acreage for a program crop for each of the 1989 and 1990 crop years, if—

"(i) the acreage considered to be planted is planted to supplemental and alternative income-producing crops (as identified under subsection (e)); and

"(ii) payments are not received by producers under section 101A(c)(1)(B), 103(c)(1)(B), 105C(c)(1)((B), or 107D(c)(1)(C) as the case may be; and"; and

(2) by adding at the end thereof the following new subsection:

"(e)(1) The supplemental and alternative income-producing crops referred to in subsection (b)(2)(E)(i) are kenaf, crambe, guayule, high erucic rapeseed, milkweed and meadowfoam.

"(2) The Secretary shall have the authority to add additional crops to those referred to in paragraph (1), and interested parties may petition the Secretary for such.

"(3) The Under Secretary for International Affairs and Commodity Programs and the Assistant Secretary for Science and Education shall make recommendations to the Secretary regarding the inclusion of additional crops under paragraph (1).

"(4) The Secretary shall promulgate regulations necessary to carry out this section.".

By Mr. WALLOP (for himself and Mr. HELMS):

S. 608. A bill to require that catastrophic health coverage under Medicare part B be listed as a separate benefit and to allow for the separate election of such benefits, and for other purposes; to the Committee on Finance.

VOLUNTARY CATASTROPHIC HEALTHCARE ACT

● Mr. WALLOP. Mr. President, today I am joined by my colleague from North Carolina, Mr. HELMS, in introducing legislation to provide a necessary modification of the Medicare catastrophic health benefit enacted last year. This legislation revives an amendment I offered to the catastrophic health-care bill when it was considered by the Senate on October 27, 1987. That amendment and our bill represent an attempt to balance the sometimes overwhelming coercive power of the State with the right of individuals to exercise some control over their actions. What we are proposing is to allow Medicare beneficiaries to make a voluntary choice whether to participate in the new benefit.

When the Senate originally debated this health benefit, the first major expansion of Medicare since its enactment, this provision was included in the Part B Program. Now, part B of Medicare covers physician services and is voluntary participation program. In other words, when a retired or disabled individual becomes eligible for Medicare, they are automatically covered for part A benefits. Coverage is automatic because it is funded by the payroll taxes paid during the working years of the beneficiary. When they are eligible for part A, they can also elect to participate in the Part B Program. Part B is funded by premiums paid by beneficiaries and by general revenues. But, it is up to the individual to choose whether to pay the premium and receive part B coverage.

The new catastrophic benefit also involves a premium. It is fully funded by participants. And, like the Part B Program, this coverage should be voluntary. I believe the benefit package, which includes acute long term hospital care and prescription drugs, is an important health benefit which everyone should have. I also believe that utilizing the user pay, user benefits policy for this new benefit is an appropriate decision. However, the third component is missing, the right to decide whether they will receive this coverage through Medicare or through private insurance. The legislation we are introducing today provides this missing element.

There are some who worry that making the program voluntary will mean that so few will participate that the program will be unworkable, unaffordable. They base this assumption on the fact that the premium is means tested. Those with higher, taxable, income will pay a higher rate. If the program is voluntary, opponents of my amendment have argued, these individuals will not participate. I obviously do not agree with that scenario.

The Medicare catastrophic healthcare benefit is a good buy for most individuals. By 1993, when the benefits are fully implemented, the basic premium for each individual eligible for Medicare will be $122.40 per year. This is all that a majority of participants will pay. The supplemental premium will be capped at $1,050 in 1993. So, the total maximum premium payment that an individual would have to pay for coverage will be $1,172.40 in 1993. I will not hazard a guess as to that private health insurance for the same benefits will cost in 1993, but it will probably be comparable. Our argument is that individuals should be able to decide which approach to use, public or private health insurance.

The new catastrophic health-care benefit is a marvelous benefit. It will be hard to match the coverage with a similar policy from the private sector. When the Finance Committee reviewed this subject as we drafted the Medicare catastrophic bill, we discovered that private premiums would cost about the same or slightly more than the Medicare coverage. Since it will be such a good buy for most seniors, participation should be close to the maximum. We can use the current Part B Program as a rough guide for participation rates; 95 percent of all those eligible have voluntarily chosen the Part B Program, along with its premium payments. I suspect that similiar participation rates would occur for the catastrophic health-care benefit. But, people should have the opportunity to make the decision whether or not to participate.

It is ironic that so many senior citizens have objected to this benefit despite the fact that it is the first major expansion of Medicare in 20 years. Many are concerned about the potential cost. Others are upset that this benefit duplicates existing benefits they now receive. As to the first concern, I have already described the cost of the premium. In regards to the latter point, many Federal and railroad retirees have catastrophic coverage. Private sector employers have also provided such coverage to their retirees as part of their employee benefit package. Some retirees may want to continue this arrangement. We should allow them that option.

The American Association of Retired Persons did a survey of members. While a substantial majority of seniors supported the new benefits, about 40 percent surveyed objected to the new income tax surcharge. I have received quite a bit of mail from my constituents also objecting to the financing. They have raised very legitimate concerns and I am sympathetic, up to a point. Catastrophic health-care coverage is necessary. The hospitals in my State have been severely burdened by uncompensated care. This coverage will relieve some of that problem.

The way to resolve this concern is to make the program voluntary. We will preserve the very important principle that the benefits be self-financing. Individuals will decide whether to obtain these self-financed benefits through Medicare or a private policy. By maintaining self financing and recognizing a role for private sector insurance, we set the framework for our up-coming work on long-term care.

The bill we are introducing today should resolve the remaining financing controversy surrounding the new catastrophic health-care benefit. We had an opportunity to adopt this approach when the Senate first debated this matter back in 1987. We obviously made a mistake in not approving this amendment. I urge the Senate to take up this matter at an early date.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ELECTION TO RECEIVE CATASTROPHIC COVERAGE BENEFITS.

(a) IN GENERAL.—Title XVIII of the Social Security Act is amended by adding at the end thereof the following new sections:

"ELECTION TO RECEIVE CERTAIN BENEFITS UNDER PARTS A AND B

"SEC. 1893. (a) An individual is described in this section for any period of time in which the individual elects in accordance with subsection (b) to receive the additional benefits under this title established by the amendments made by the Medicare Catastrophic Coverage Act of 1988 and to pay the appropriate monthly catastrophic coverage premium amount under section 1839(g) and (if required for such individual) applicable supplemental premium under section 59B of the Internal Revenue Code of 1986.

"(b) An election made under subsection (a) shall be made under procedures established by the Secretary and (subject to section 1894) shall be effective with respect to any calendar year beginning after the date on which the election is made.

"CONSTRUCTION OF TITLE WITH REGARD TO MEDICARE SUPPLEMENTAL POLICIES

"SEC. 1894. Nothing in this title shall be construed as to prohibit the offering of a medicare supplemental policy which provides benefits that duplicate any benefits provided by any section of this title which is subject to voluntary participation.".

(b) MODIFICATION OF SUPPLEMENTAL PREMIUM.—Section 59B(b) of the Internal Revenue Code of 1986 (26 U.S.C. 59B(b)) is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new paragraph:

"(3) such individual elects in accordance with section 1893(b) of the Social Security Act to pay the appropriate monthly catastrophic coverage premium amount under section 1839(g) of such Act and is otherwise subject to a premium under this subsection and elects to pay such premium in accordance with section 1893(b) of such Act.".

(c) ADJUSTMENT OF MEDICARE PART B BENEFITS.—Section 1839(g) of the Social Security Act (42 U.S.C. 1395r(g)) is amended—

(1) by striking out "the monthly premium for each individual enrolled under this part otherwise determined, without regard to this subsection" in paragraph (1)(A) and inserting in lieu thereof "the monthly premium, otherwise determined without regard to this subsection, for each individual enrolled under this part and who elects in accordance with section 1893(b) to pay the appropriate monthly catastrophic coverage premium amount under this subsection"; and

(2) by striking out "the monthly premium for each individual enrolled under this part otherwise determined, without regard to this subsection" in paragraph (4)(A) and inserting in lieu thereof "the monthly premium, otherwise determined without regard to this subsection, for each individual enrolled under this part and who elects in accordance with section 1893(b) to pay the appropriate monthly catastrophic coverage premium amount under this subsection";

(d) FUTURE ADJUSTMENT OF PREMIUMS.—The Secretary of Health and Human Services shall report to Congress within 120 days after the date of enactment of this Act with regard to the effect of the amendments made by this section on the financing mechanism for catastrophic coverage benefits established under the Medicare Catastrophic Coverage Act of 1988.

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective with respect to elections under section 1893 of the Social Security Act (as added by subsection (a) of this section) made on or after the date of enactment of this Act.●

By Mr. HELMS (for himself, Mr. ARMSTRONG, Mr. GARN, Mr. GRAMM, Mr. HATCH, Mr. HUMPHREY, Mr. LOTT, Mr. MACK, Mr. MCCLURE, Mr. NICKLES, Mr. SHELBY, and Mr. SYMMS):

S. 609. A bill to provide nonlethal assistance to the Nicaraguan democratic resistance; to the Committee on Foreign Relations.

ASSISTANCE TO NICARAGUAN DEMOCRATIC RESISTANCE

Mr. HELMS. Mr. President, I am today introducing, on behalf of myself and 11 distinguished colleagues, a bill to provide $75 million in nonlethal assistance for the Nicaraguan freedom fighters. This bill might more appropriately be called the Congressional Credibility Restoration Act of 1989. It is the last chance for this body to put some semblance of substance behind the hundreds of hours of debate that we have heard in this Chamber about the importance of democracy in Nicaragua. The 11 cosponsors are Senators ARMSTRONG, GARN, GRAMM, HATCH, HUMPHREY, LOTT, MACK, MCCLURE, NICKLES, SHELBY, and SYMMS.

Mr. President, time is not running out on the Nicaraguan freedom fighters—it has run out. In 16 days the last paltry amounts of U.S. humanitarian assistance for the freedom fighters will expire. Once again, the freedom fighters will be left high and dry, their very livelihood dependent upon this body, which has walked away from them time and again in recent years.

This legislation is a very modest effort—when one considers that the fate of Central America and the security of this hemisphere hang in the balance. It provides the President with the authority to transfer from the unobligated funds of the Department of Defense, not less than $75 million in nonlethal assistance to the Nicaraguan democratic resistance. And we define nonlethal as economic assistance, fuel, spare parts, telecommunications, clothing and boots, and appropriate political, military science, and civic actions programs.

None of these categories would allow the freedom fighters to mount military operations against the Sandinistas; but it is unreasonable to expect to maintain military forces in readiness for an indefinite period of up to 1 year without basic nonlethal supplies. No one could oppose these items in good faith unless he believes that we should immediately capitulate to the oppression of the Sandinista regime. Indeed Mr. President, I believe that readiness for the defense of freedom is itself a humanitarian mission.

This bill also contains a sense of the Congress section that "at the appropriate time" the Congress will consider authorizing the President to transfer not more than $50 million in military assistance to the freedom fighters. However, the bill also states that no military assistance should go to the freedom fighters if the Sandinistas stick to their much touted pledge to hold free elections in February 1990, and meet their decade-old commitments to the Organization of American States. Mr. President, I cannot imagine a more reasonable proposal.

This bill is based on the very basic premise that the Nicaraguan democratic resistance must be sustained as the last opportunity to promote peace and democracy in Nicaragua, and indeed Central America. Frankly, it is embarrassing that while Mikhail Gorbachev sends hundreds of millions in economic and military aid to his friends in Managua, we sit here in the Senate and quibble over whether or not boots, fatigues, radios, and gasoline constitute "nonlethal" assistance.

It must be remembered that the prime obstacle to democratic reform in Nicaragua is not the suppression of political discussion and practice, but the total identification of the Sandinistas political party with the massive power of the Sandinista military forces. No democratic system can develop in such an environment. The only hope of counterbalancing this Marxist despotism, supported so strongly by the Soviet Union, is to maintain a military option for the resistance in reserve throughout the period allotted for the installation of political reforms.

It is incomprehensible to me, that there are some Senators who feel that by disarming the freedom fighters, we will promote democracy in Nicaragua. Yet, every time another so-called "peace plan" emerges, many Senators want to abandon the freedom fighters and "give peace a chance." Mr. President, we have given peace a chance—again and again, and again. While

we're busy here "giving peace a chance," Daniel Ortega is working overtime to consolidate his grip on Nicaragua.

This June 23 marks the 10th anniversary of the Sandinista commitments to the Organization of American States to old "free elections as soon as possible, that will lead to the establishment of a truly democratic government that guarantees peace, freedom, and justice." Ten years, Mr. President—10 years the Nicaraguan people have been waiting for freedom.

The U.S. Congress in 1985 even wrote those commitments into the foreign aid bill as acceptable criteria for resolving the conflict. And even today, Mr. President, we aren't proposing new ideas for solving the crisis in Nicragua. We are just asking the Sandinistas to live up to their promises.

Two years ago this month, the Senate voted on a resolution supporting the thrust of Arias peace plan. I urge Members to review the debate on that resolution, because there was much grand talk about how the Arias plan was the "last best hope" of achieving peace in Central America. Eleven months later when the Congress defeated another request from the President for assistance to the freedom fighters, one Senator stated:

> Finally, I want to say something about the "myth" around this town these days—that Contra aid is the "pressure" which is needed to keep the Sandinistas at the peace table. Those who think this way believe that as soon as we stop funding the Contras, the Sandinistas will walk away from peace and toward greater militarization, repression, and export of revolution to their neighbors. That conclusion just isn't logical.

Mr. President, it is obvious that what that Senator said would not happen, is precisely what has happened.

Well Mr. President, we've had plenty of time to observe how the Sandinistas react once we end military aid to the freedom fighters. Throughout all of 1988, the Congress did not appropriate 1 cent in military aid for the resistance. And what were the gains for peace and stability in Central America? The generosity of the U.S. Congress was rewarded by the expulsion of the U.S. Ambassador, the jailing of hundreds of dissidents, the closing of Radio Catolica.

Violence throughout Central America is on the rise, as the Communist guerrillas in El Salvador are gaining strength and terrorizing and killing hundreds of elected mayors and other political figures. And last January, in the streets of Honduras, Marxist terrorists gunned down the former Honduran Commander of the Armed Forces, General Alvarez. Terrorists have also shot and killed two key Nicaraguan freedom fighters in Honduras.

In 1988 the Soviets supplied more than half a billion dollars in military aid to the Sandinista government. And there are those who still argue that United States aid to the Contras is the source of Soviet militarization in Central America.

Lately, I have heard disturbing suggestions that we should appropriate "relocation" aid for the freedom fighters of Nicaragua. Well, Mr. President, there is no greater gift that we could deliver Daniel Ortega than a package of "relocation aid"—or more appropriately "sell out" aid for our friends in Nicaragua. I have talked with the resistance leaders. They don't want to be "resettled" in Miami or any other country. They want to be resettled in a free Nicaragua.

Mr. President, this bill is the very least we can do. Despite the terrible economic conditions in Nicaragua, and despite the deep discontent among the people, the Sandinistas have one aim: To finish off the Nicaraguan resistance so that it is no longer a threat to the Sandinista power. They will continue to seek this disintegration by intervention in the U.S. political process.

Therefore, any plan for aid to the resistance should have as its goal a concerted effort to support and sustain the military forces of the resistance as a credible power until the Sandinistas have kept their promise for free and fair elections, and a transition to the new government has been made. If the military forces are disbanded, there is no leverage at all to make sure that the Marxist Sandinistas fulfill their promises.

Mr. President, that is why the Congress must immediately vote to renew vital assistance for the Nicaraguan freedom fighters, and in doing so, send a clear message to the Marxist government in Managua.

By Mr. HEFLIN:

S. 610. A bill to amend the Internal Revenue Code of 1986 to restore income averaging for farmers, to restore the investment tax credit and accelerated cost recovery for property used in the trade or business of farming, and for other purposes; to the Committee on Finance.

FARMERS RECOVERY TAX ACT

● Mr. HEFLIN. Mr. President, I rise to introduce a vital piece of legislation for our Nation's farmers. No one needs to be reminded of the terrible drought that this country suffered last year. As I travelled through the State talking with Alabama farmers, they all told me of the problems caused by this drought. The second thing they were concerned about was not a natural disaster, however, it was a situation which Congress has created. The simple truth is that the changes wrought by the Tax Reform Act of 1986 have been a financial disaster for our Nation's farmers.

Farming is unique: Farmers face risks that other businesses do not. Not only do farmers have to contend with the vagaries of the market in setting the prices for which they can sell their crops, they also must contend with the weather, with pests, and with disease. These are all factors beyond their control. A farmer's life was hard enough before the passage of the 1986 Tax Reform Act. Now Congress has added to the farmers' burdens by stripping away any help that the Government had provided farmers in the Tax Code. The provisions of the law that were eliminated were not boondoggles or tax shelters for the rich; they were provisions designed to help hardworking farmers weather the bad times and encourage them to keep going in the face of economic obstacles.

As I am sure many Senators will remember, we were successful in correcting some of the problems of the original version of the Tax Reform Act passed by the Senate. Unfortunately, these vital provisions were deleted at conference. The end result was a bill that was a body blow to America's farms. For that reason, I voted against the final version of the Tax Reform Act. Since then I have worked to correct the mistakes that were made in the act. We have had some successes: the notorious "Heifer Tax" was eliminated last year, as was the requirement that farmers pay tax on diesel fuel and then apply for a refund. These changes help, but more help is needed. For that reason, I am reintroducing a bill I introduced in the last session of Congress. This bill is the Farmers Recovery Tax Act.

The Farmers Recovery Tax Act will restore income averaging for farmers, the investment tax credit for the purchase of farm equipment, and the accelerated cost recovery system of depreciation for qualified farm property. In addition, this act will reinstate a capital gains differential for farmers, including individual timber growers.

A farmer cannot be guaranteed a steady, even income, year in and year out. Farmers have good years and bad years. It makes no sense for the Tax Code not to take this fact into account. A farmer who has one good year on the heels of a string of bad years should not be penalized for having a good year. But that is exactly what happens under the law today. Before the Tax Reform Act, the pain of this cycle of good and bad years was helped by income averaging. With income averaging, farmers with good and bad years can even out the volatility in income caused by weather, pests, disease, and other factors beyond their control.

The weather last year should remind us all that a farmer's income is dependent upon things beyond his control. For example, parts of my State have experienced drought for the last 4 years. Last year was one of the driest

years on record in north Alabama. Much of the cotton in north Alabama that should have been harvested last year was literally too low to the ground to pick. Likewise in south Alabama, where early double-cropping is common, most of the first crop was worthless because the drought hit immediately after planting. Other farmers in Alabama found the soil too dry to even get a crop in the ground. There is no question that these farmers desperately need income averaging to survive disasters like this drought.

The Tax Reform Act of 1986 also repealed the investment tax credit for qualifying capital investments. Most farm machinery and equipment, some farm structures, and certain livestock qualified for the 10-percent credit. This bill will reinstate this credit to provide the incentive needed for farmers to continue to make the investments necessary to continue operations. The investment tax credit helps more than just farmers, of course. Farm equipment dealers and other agricultural businesses were all hurt when the credit was repealed in the 1986 Tax Reform Act. Economic growth in the farm belt is dependent upon the purchases made by farmers. Without the added incentive of the investment tax credit, the rural economy cannot recover.

The Tax Reform Act of 1986 also repealed the accelerated cost recovery system. The Farmers Recovery Tax Act will restore ACRS for qualified farm property. The depreciation schedules that farmers must now use are only hindering the recovery in the farm economy.

Finally, Mr. President, I propose to reinstate a capital gains differential for farmers, including individual timber growers. The maximum tax rate on capital gains will be 20 percent.

Capital gains deduction are certainly needed in the risky industries and businesses which involve the natural biological cycles and reproductive processes. Farmers that raise cattle, for instance, cannot expect immediate income from the purchase of brood cows. Income that results from the sale of such livestock is the product of several years of hard work.

Mr. President, I urge my colleagues to consider the natural hardships which farmers face in trying to feed America and most of the world three times a day and then consider the inequity and injury which the Tax Reform Act of 1986 inflicted upon them. America's farms are truly one of this country's natural treasures. We must do all we can to encourage and preserve this treasure. I therefore urge my colleagues to support the Farmers Recovery Tax Act.●

By Mr. INOUYE (for himself, Mr. BREAUX, Mr. D'AMATO, Mr. DODD, Mr. HATFIELD, Mr. JOHNSTON, Mr. LEVIN, Mr. PACKWOOD, Mr. PELL, Mr. RIEGLE, Mr. SANFORD, and Mr. SHELBY):

S. 611. A bill to establish administrative procedures to determine the status of certain Indian groups; to the Select Committee on Indian Affairs.

INDIAN FEDERAL ACKNOWLEDGMENT ADMINISTRATIVE PROCEDURES ACT

● Mr. INOUYE. Mr. President, I am pleased to introduce today, along with my colleagues, Senators BREAUX, D'AMATO, DODD, HATFIELD, JOHNSTON, LEVIN, PACKWOOD, PELL, RIEGLE, SANFORD, and SHELBY, the Indian Federal Acknowledgment Administrative Procedures Act of 1989. This bill is intended to provide statutory guidelines for the administrative process of extending Federal acknowledgment to petitioning Indian tribes.

The 95th Congress established the American Indian Policy Review Commission which conducted extensive research on unrecognized and unacknowledged Indian groups. It was the Commission that first expressed the need for an independent office to review petitions for acknowledgment under a consistent set of standards without prejudicing those Indian groups which have had a history of dealing with the United States on a government-to-government basis. But the Congress has never authorized the creation of an administrative procedure and office to review, evaluate, and grant Federal acknowledgment to Indian tribes.

In 1978, the Department of the Interior, acting in response to proposed legislation but without statutory guidance, promulgated regulations to establish formal administrative procedures to extend acknowledgment.

Subsequently, an office entitled "Branch of Acknowledgment and Research" has created within the Bureau of Indian Affairs which has extended acknowledgment to 8 petitioners and has denied acknowledgment to 11 petitioners. Before and since 1978, other tribes have been recognized through judicial action. Alternatively, the Congress itself has extended Federal recognition to various tribes by enacting special legislation. This approach of having separate and basically uncoordinated actions by the three branches of government has necessarily resulted in inconsistent standards and a lack of attention to basic considerations of due process.

In May 1988, the Select Committee on Indian Affairs held an oversight hearing on the BIA's current acknowledgment process where it reported that over 100 petitions for acknowledgment are now pending before the Department of the Interior. The Bureau of Indian Affairs has completed its review of an average of two petitions per year. The BIA Office responsible for handling these petitions is overburdened and understaffed. The consensus of testimony before the committee was that the BIA's criteria for acknowledgment needs reexamination by experts in the various fields, particularly history and anthropology. As a result of the present unexamined procedures, deserving Indian groups have apparently been denied acknowledgment without recourse to any other process and sometimes without justification. Following the most recent oversight hearing, I requested that several national Indian organizations prepare materials for drafting objective legislation.

This proposed legislation is intended to establish a process that will be fair, efficient, and reliable. It will create an independent review board and an efficient timeframe for processing petitions. Most importantly this bill will provide clear standards for reviewing petitions consistently.

This bill is not intended to affect in any degree the relationship between the United States and any tribe that is presently federally recognized. Likewise, the Federal acknowledgment that this bill will extend to tribes that petition sucessfully, will be equal in every way to that enjoyed by tribes that are currently acknowledged. The relationship between the Federal Government and newly acknowledged tribes will correspond to that between the Federal Government and currently acknowledged tribes. An Indian tribe acknowledged pursuant to this bill will not receive any greater rights than that tribe would receive under the existing acknowledgment process.

This bill also provides an additional opportunity to petition to a small number of tribes that have been denied acknowledgment under the currrent process. In my view it would be abhorrent to prohibit tribes who have been denied under such standards, another opportunity to petition under a process which will be fair and consistent.

Mr. President, this bill would create a presumption of acknowledgment in petitioners that have had specific treaty or statutory recognition as a tribe in the past. For political and moral reasons, the United States recognized the signatories of treaties as sovereign entities with autonomous governmental powers so that these entities could dispose on their possessions. Clearly, it would be indefensible to recognize a tribe in order to acquire its sources of livelihood and resources and then to abandon any further obligation to that tribal government. However, if the Department can prove that the petitioner has not existed as a tribe, continually exercising governmental autonomy since the time of recognition, or does not now exist as a contemporary community, that peti-

tioner will be denied Federal acknowledgment.

This legislation is not intended to supplant the Congress' power to legislatively recognize specific tribes with unique circumstances if the situation should arise again. Further, this legislation is not intended to preclude subsequent legislation which may address the unique circumstances of certain regions of the country such as California where the history of some tribes is less accommodating to scientific, social, and historical documentation.

Mr. President, I look forward to conducting field hearings in the near future on this bill and the issue of tribal acknowledgment. This bill represents an attempt to treat with justice and fairness, groups that have persisted for many years in their efforts to assert their tribal identities. It is important that the Congress exercise its constitutional responsibility to legislate standards, criteria, and procedures on this issue which is fundamental to the Federal Indian relationship.

Mr. President, I ask unanimous consent that a section-by-section analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE BILL

Section 1 provides that the act may be cited as the "Indian Federal Acknowledgment Administrative Procedure Act of 1989".

Section 2 sets forth the findings of the Congress.

Section 3 sets forth the purposes of the Act.

Section 4 provides the definitions of terms as used in the Act.

Section 5 provides for the establishment within the Department of Interior of an "Office of Federal Acknowledgment".

Section 6 provides for a list of candidates from which will be chosen a panel to review administrative rulings.

Section 7 sets out the guidelines for determining to whom the Act will apply, the standards to which a petition must conform, and two separate sets of criteria by which petitions will be reviewed.

The criteria under subsection 7(c) applies to those petitioners with no substantial history of government-to-government dealings with the United States.

The criteria under section 7(d) applies to those petitioners with a substantial history of government-to-government dealings with the United States, including treaties, specific statutory references, and administrative approval of tribal constitutions.

Any petitioner who meets the threshold standard under subsection 7(d) may elect to have its petition reviewed under either subsection 7(c) or 7(d), since the criteria for review under 7(d) are in some respects more difficult to meet.

Those petitioners that meet the threshold criteria for proceeding under subsection 7(d) are presumed to have met the criteria for acknowledgment, the burden of proving otherwise shifting to the Department. In order to deter frivolous attempts to petition under subsection 7(d), those petitioners that choose to petition under subsection 7(d) and subsequently fail to meet the threshold criteria will be placed at the bottom of the list to petition under subsection 7(c).

Section 8 sets out time deadlines for rulings, other administrative actions, and for the petitioner's responses, and provides enforcement mechanisms which apply to the review of petitions submitted under section 7(c).

Section 9 sets out time deadlines for rulings, other administrative actions, and for the petitioner's responses, and provides enforcement mechanisms which apply to the review of petitions submitted under section 7(d).

Section 10 sets out the procedures and standards for reviewing appeals made by the petitioner.

Section 11 requires the Director to submit to the Congress a report on the status of all petitions currently on file, and an annual report listing all currently acknowledged tribes, all submitted petitions, and an explanatory progress report on all petitions upon which actions have been taken.

Section 12 provides general provisions on the relationship between tribes acknowledged under this Act and the United States and other tribes, and other provisions.

Section 13 authorizes a grant within the Administration for Native Americans to support petitioners in their research and tribal functions while their petitions are under review.

Section 14 transfers all pending petitions to the new office, allows for petitioners denied under the previous process to reapply, and provides for a transitional period of two years with some modified time deadlines.

Section 15 authorizes appropriations necessary to carry out the provisions of this bill.●

By Mr. SARBANES (for himself, Ms. MIKULSKI, Mr. ROBB, Mr. WARNER, and Mr. SASSER):

S. 612. A bill to amend the National Capital Transportation Act of 1969 relating to the Washington Metrorail System; to the Committee on Governmental Affairs.

NATIONAL CAPITAL TRANSPORTATION AMENDMENTS ACT OF 1989

● Mr. SARBANES. Mr. President, today, along with my colleagues from Virginia and Maryland, Senators JOHN WARNER and CHARLES ROBB, and Senator BARBARA MIKULSKI, and the chairman of the Subcommittee on Government Efficiency, Federalism, and the District of Columbia, Senator JIM SASSER, I am introducing legislation to reauthorize completion of the Washington Metrorail System.

The current Federal authorization for Metrorail construction, Public Law 96-184, referred to as Stark-Harris, provides funding sufficient only to compete 89.5 miles of the 103-mile adopted regional system. WMATA's fiscal year 1990 request for an appropriation of $193 million would exhaust the funds available under the Stark-Harris authorization. The bill being introduced today will enable Congress' vision of completing the full 103-mile system to become reality. The National Capital Transportation Amendments of 1989 reaffirm the Federal commitment to serving the vital transportation needs of the Nation's Capital with its large Federal work force, 17 million visitors annually from across the Nation and around the world, and residents of the region.

The legislation authorizes the $2.16 billion Federal share of the estimated costs of completing the Adopted Regional System. In introducing this authorizing legislation we are cognizant that its implementation is subject to annual appropriations and budget review. These funds are envisioned to be appropriated in $200 million increments over an 11-year period. Estimates of the cost to complete the system are mindful of Federal fiscal constraints, yet assure an orderly and cost-effective construction program. If annual appropriation levels contemplated in the cost estimates are not achieved, as with any capital construction project, cost increases will inevitably result from a stretched-out construction schedule.

The participating local jurisdictions will provide a matching share of 25 percent of the Federal share—or 20 percent of the total cost. The Federal/local cost-sharing set forth in this bill is identical to that established in the Stark-Harris legislation. At that time it was recognized that the participating local jurisdictions would meet the remainder of the capital costs and establish a stable and reliable funding source to meet operating expenses. The jurisdictions in this region have always met their commitment to provide subsidies to meet Metro's operating costs, as well as the local share of construction costs, and will continue to do so.

Since its inception, construction of the Metrorail system has proceeded with the understanding among the participating jurisdictions and the Federal Government that the entire system would be built. Many jurisdictions in the region have contributed to the construction of the system which is operating today in the expectation that lines in their area would be completed. This understanding has formed the basis for a unique Federal/local partnership, enabling Metrorail to be constructed crossing through many local subdivisions, States, the District, and on parcels of Federal land. This region, including local government, business, and community representatives, has put aside parochial concerns and come together in an unprecedented fashion to support this system. Congress has demonstrated its support time and again, not only through the efforts of the regional delegation, but with the active bipartisan support of Members from geographic regions across the country.

I would like to take this opportunity to describe for my colleagues what is included in the 13.5 miles to be constructed. This legislation will enable

the final portion of the long-delayed Inner Green Line, which will serve the most transit-dependent population of the region, to be completed. Also on the Green Line U Street and Fort Totten Stations will be connected with intermediate stops at Columbia Heights and Georgia Avenue. The southern leg of the Green Line will extend from the Anacostia Station in Southeast Washington to Branch Avenue near the beltway, providing a vital intercept for traffic in rapidly developing southern Prince Georges County. The Branch Avenue Station will permit convenient access to Andrews Air Force Base and add a valuable maintenance yard to the system. This line will also have stations at Congress Heights, Southern Avenue, Naylor Road, and Suitland, serving two hospitals and the major U.S. Government complex in this area.

In addition, the Red Line will be extended from Wheaton to Glenmont, providing access to a vital service and inspection yard, thus enhancing operational efficiency. It will also relieve substantial traffic congestion at Wheaton, the temporary terminus, which was not originally designed to be a terminal point.

Finally, the Yellow Line will be extended to Franconia/Springfield where parking facilities and highway intercepts will draw traffic from I-95, I-395, and I-495, increasing capacity, reducing traffic, and enhancing safety in that overburdened corridor. As in the case of the Red Line at Wheaton, the temporary terminus at Van Dorn is not suitable for operating for an extended period of time, due to local traffic conditions. The $2.16 billion Federal share includes basic construction costs, as well as additional railcars; power, computerized train control, communications, and fare collection systems; start-up management; and all other expenses associated with bringing the final 13.5 miles into revenue operation.

Over 20 years ago, Congress embarked on a vital mission to address the problems posed by the enormous growth forecasts for the National Capital region. Ensuring orderly commercial and residential development, enhancing critical mobility for the millions of visitors and the massive Federal work force scattered about the region, and providing residents of many transit-dependent neighborhoods a means to travel to their jobs or to visit with family and friends were all important considerations when Congress first addressed the transportation needs of the region.

These goals remain important national priorities today, and Metrorail is a shining example of what a Federal/local partnership can achieve. But while ridership is exceeding all projections, and by every conceivable indicator Metrorail is an outstanding success, much remains to be done. Gridlock still threatens our roadways today as the planners' growth forecasts become a reality, and many of the most transit-dependent neighborhoods continue to wait patiently for Metrorail's long-promised arrival.

Congress has long maintained its commitment to completion of the entire Metrorail system. Today we merely seek reaffirmation of that commitment. I ask my colleagues to join me in supporting this critical legislation which will provide optimal operational efficiency of our transit network and ease the region's traffic congestion. These have been and should remain important national priorities.●

● Mr. WARNER. Mr. President, I am pleased to join my colleagues from across the Potomac, the Senators from Maryland, Senators SARBANES and MIKULSKI, and my own Virginia partner, Senator ROBB, in introducing legislation to authorize the completion of the full Metrorail system.

The Federal commitment to the Metrorail construction program has spanned some 25 years and 6 administrations. Ever since President Kennedy first called the plan for Metro "both sound and necessary," Presidents of both parties have sought Federal funds to support the Metrorail construction program. Similarly, Members of both Houses of Congress of both parties, and representing constituencies across this great Nation, have underscored time and again the need for sustaining the Federal commitment to completion of Metrorail—America's Subway.

The rail system is the product of more than 30 years of discussion, planning, and construction. Extraordinary efforts from citizens and local elected officials alike helped shape the adopted regional plan for a 103-mile rapid transit system to relieve traffic congestion and its attendant pollution, and to improve the physical character, economic growth and well-being of the national capital region.

As early as 1960, Congress recognized in the National Capital Transportation Act:

> That an improved transportation system of the National Capital Region is essential to the continued growth and effective performance of the functions of the government of the United States, for the welfare of the District of Columbia, for the orderly growth and development of the national capital region, and for the preservation of the beauty and dignity of the Nation's capital . . .

In correspondence to Congress in 1963, then-President Kennedy said that any such

> . . . improved transportation system must include a major rapid transit system. The alternatives would be steadily-worsening congestion with what all that congestion means in losses in time and money, or an enlarged highway and freeway system program entailing additional expense, major disruptions of persons and businesses, and substantial impairment of the appearance and attractiveness of the city.

The political consensus forged among the eight local governments in Maryland, Virginia, and the District of Columbia to support a coherent and orderly plan for construction of such a rapid transit system has remained intact. This local jurisdictional compact formed a partnership with the Federal Government to advance a cost-shared construction program—a partnership that has now built 70 miles of Metrorail. Recognized by the American Public Transit Association this year as "the outstanding transit system in North America," Metrorail has proven itself a safe, reliable, and clean system. With ridership exceeding half a million daily it now is second only to New York MTA in ridership.

The Federal-local partnership that has yielded this fine system must be sustained to fully realize the dreams of those pioneering and visionary planners some 30 years ago. With this year's appropriations request by WMATA of $193 million, funds available under the current, so-called Stark-Harris authorization will be depleted. With the agreement and support of Congress and the Urban Mass Transit Administration, these remaining funds will permit the authority to bring 89.5 miles into full-revenue service.

The adopted regional system, however, provides for a 103-mile system. This will require adoption of new authorizing legislation. One of the great champions of Metro has been former Senator Charles Mathias of Maryland. During the 1979 floor debate on the Stark-Harris legislation, Senator Mathias said:

> It would . . . be a tragic breach of promise were the Federal government to renege . . . on its share of the Metrorail dream for those not yet served by the system.

And indeed, that is the sentiment today of hundreds of thousands of residents throughout the region, many of whom reside in the most transit-dependent neighborhoods which have long been the targets for improved access to mass transit.

For residents of Prince Georges County, MD, along the outer green line, those living in the District's urban core along the inner green line, and yet others who must compete with traffic gridlock in Glenmont along the red line or Springfield-Franconia on the yellow line—for all these residents who have waited patiently for so long to receive Metrorail service, we must keep our promise. Each of the eight jurisdictions in the regional compact have dutifully extended their share of construction funds over the last 20 years to ensure that those segments

planned for their areas would indeed be built.

I urge my colleagues to join us in supporting this authorization bill so that we may underscore our commitment to the Federal-local partnership necessary to complete the entire Metrorail system. It is our responsibility to fulfill the hopes and promises of those visionaries who conceived and now have nearly completed this landmark rapid transit system. We owe this to the millions of future riders that will enjoy enhanced access to Government offices, businesses, family, friends, and the many fine attractions of the National Capital area.●

● Mr. SASSER. Mr. President, I am pleased today to join my distinguished colleagues, Senators SARBANES, MIKULSKI, ROBB, and WARNER, in sponsoring the National Capital Transportation Amendments Act of 1989. This legislation carries through on Congress' commitment to the completion of a first-class Metrorail transportation system for the Nation's Capital.

Our bill extends authorization for funding of the remaining 13.5 miles of the Metro system as it was originally designed. It provides for substantial matching of Federal funds by local jurisdictions. The importance of completing the Washington Metro, not only to the thousands of members of the Federal work force who are local residents but to the millions of visitors to our Nation's Capital, can hardly be overstated. Let me briefly point out some additional reasons why this legislation deserves the support of our colleagues.

First, I think it is crucial that there be no lapse in authorization for Metro planning and design. Although funding remains authorized under the Stark-Harris Act of 1980, for which I voted, this will suffice for completion of only 89.5 miles of the projected 103-mile system.

That would leave significant gaps in the system which will place continued strain on existing Metrorail and surface transportation in the Washington region. Undue delay would, I believe, only increase the ultimate cost of completing the Metro system. Indeed, a hiatus in planning could lead to needlessly redundant start-up costs when construction is resumed.

Moreover, the areas which will be served by completion of the Metro under our bill include some of the more transit-dependent, and predominantly moderate-income segments of the local population. They too, in many cases, are members of or contribute to the support of the Federal Establishment. Fairness and good faith suggest that their transit needs should be met as provided for under the original Metro system design.

Finally, let me point out that Metro authorization is not competitive with funding for other urban jurisdictions. On the contrary, because of Congress' constitutional jurisdiction over the District of Columbia, and the special importance of Metro to the Federal Government and our constituents who visit Washington for business or pleasure, its funding authorization has always been considered an object of special legislation. Indeed, to the extent that special authorizations were not available, the Washington Metropolitan Transit Authority actually would be competing with other municipalities for funding, under section 3 of the Urban Mass Transportation Assistance Act.

Mr. President, as chairman of the Subcommittee on General Services, Federalism, and the District of Columbia, of the Committee of Governmental Affairs, I commend this legislation to my colleagues and I look forward to working with them to secure its timely passage.●

● Ms. MIKULSKI. Mr. President, 2 months ago, on January 20, President Bush stood on the Capitol steps to take his oath of office. Here to witness that oath were hundreds of thousands of Americans crowded on to the Mall as far as you could see. How did they get here? Metro. Metro carried over 600,000 passengers by rail on Inauguration Day. Just imagine what gridlock we would have had that day without Metro.

Metro now has trains running on 70 miles of track and stopping at 64 stations. Metro carries the Federal work force to work everyday—from the flight controller at National Airport to the nuclear regulator in White Flint, from the defense expert at the Pentagon to the Commerce Department trade analyst at Federal Triangle—the way to work is Metro.

Metro is also how millions of visitors get to the museums, monuments and places of interest around their Nation's Capital—from Arlington Cemetery to the National Zoo.

Metro has become so much a part of the capital that it is an attraction in its own right. Visitors do not want to leave Washington without riding Metro, even if they just get on for one stop. In a sense, Metro is a monument.

It is a monument to the cooperation of Federal, State, and local government in meeting the transportation needs of the Nation's capital. But it is an unfinished monument, and I caution my colleagues that unless Congress acts Metro could remain unfinished, much like the Capital's first Washington Monument.

Mr. President, undoubtedly all of my colleagues have seen the two distinct colors of stone in the Washington Monument. The stone changes color about one forth of the way up. Visitors to the monument have learned that, after 6 years, construction stopped at 150 feet because they ran out of money. For 22 years the monument was an unfinished stump, until Congress voted in 1876 to complete it. Now we all enjoy the majesty of the Washington Monument; it's spectacular. But the line where the stone changes color is a permanent reminder.

The Metro monument is in danger of the same fate. But the mark that will be left will not be the color of its stone. Its mark will be the people of color left out of the system.

The long-delayed Green Line has two vital sections that have not yet been authorized by Congress—the inner line from U Street to Ft. Totten, and the Branch Avenue line to Anacostia. We wil hear that the people who live in these areas are "the most transit dependent population in the region." We will hear that these areas are "some of the most socioeconomically disadvantaged sections of the District." The 1980 census tells us that this is true, but what does that mean? I'm a former social worker, but you don't have to have a masters degree to know that we are talking about the poor. We are talking about minorities. We are talking about people who don't have cars, but who have to get to work. These are the people that will be left out if Metro is not completed. This is the mark that would be left on the Metro monument.

For 20 years the surrounding jurisdictions—Prince Georges County, Montgomery County, Arlington and Fairfax Counties, Alexandria, the District of Columbia, Maryland, and Virginia—have met their obligations. They have paid their share of construction costs with the understanding that their link to Metro would be built.

Today we have introduced legislation to fulfill Congress' commitment to Metro. The bill we have introduced authorizes Federal funds to complete the final 13½ miles of the system. I urge my colleagues to support this bill, to reaffirm Congress' commitment to finish America's subway—to finish the monument.●

By Mr. CRANSTON (by request):

S. 613. A bill to amend title 38, United States Code, to index rates of veterans' disability compensation and surviving spouses' and children's dependency and indemnity compensation to automatically increase to keep pace with the cost of living; to the Committee on Veterans' Affairs.

VETERANS' AND SURVIVORS' COMPEANSATION INDEXING ACT

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 613, the proposed "Veterans' and Survivors' Compensation Indexing Act." The then-Acting Administrator of Veterans' Affairs sub-

mitted this legislation by letter dated March 2, 1989, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, such legislation. In this case, as I have stated on many occasions, I am totally opposed to the concept in the proposed legislation of providing for automatic compensation COLA's based on consumer price index increases rather than through legislation enacted each year.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point, together with the March 2, 1989, transmittal letter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 613

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND REFERENCES

SECTION 1. (1) This Act may be cited as the "Veterans' and Survivors' Compensation Indexing Act."

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provisions of title 38, United States Code.

DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION RATE INCREASES

SEC. 2. Section 3112 is amended by redesignating subsection (c) as subsection (d) and inserting the following new subsection:

"(c)(1) Effective December 1 of each year, each rate of disability compensation under sections 314 and 315, dependency and indemnity compensation under sections 411, 413, and 414, and the clothing allowance under section 362 shall be increased by the percent change in the price index for the base quarter of such year over the price index for the base quarter of the immediately preceding year, adjusted to the nearest 1/10 of 1 percent.

"(2) For the purpose of this section—

"(A) "price index" means the Consumer Price Index published monthly by the Bureau of Labor Statistics;

"(B) the term 'base quarter,' as used with respect to a year, means the calendar quarter ending on September 30 of such year; and

"(C) the price index for a base quarter is the arithmetical mean of such index for the 3 months comprising such quarter."

SEC. 3. The redesignated subsection (d) of section 3112 is amended by redesignating paragraph (2) as paragraph (3) and inserting the following new paragraph:

"(2) Whenever disability compensation, dependency and indemnity compensation, and clothing allowance rates are increased under subsection (c) of this section, the Secretary shall publish such new rates in the Federal Register as soon as practicable."

SEC. 4. The Secretary may, consistent with the increases authorized by this title, administratively adjust the rates of disability compensation payable to persons within the purview of section 10 of Public Law No. 85-857 who are not in receipt of compensation payable under chapter 11 of title 38, United States Code. Notice of any adjustments made under this section will be published in accordance with section 3, above.

VETERANS' ADMINISTRATION,
Washington, DC, March 2, 1989.

Hon. DAN QUAYLE,
President of the Senate, Washington DC.

DEAR MR. PRESIDENT: I am pleased to forward a draft bill to provide automatic increases in the rates of disability compensation to veterans, and dependency and indemnity compensation (DIC) to surviving spouses and children. The bill's short title is the "Veterans' and Survivors' Compensation Indexing Act."

The substantive provisions of the bill are, with minor technical changes, identical to those contained in title I of the draft bill submitted on March 31, 1987, entitled the "Veterans' Compensation and Benefits Improvement Act of 1987", introduced as S. 940 and H.R. 2011, and the draft bill submitted on April 1, 1988, entitled the "Veterans' Compensation and Benefits Improvement Act of 1988," introduced as S. 2267 and H.R. 4672. I respectfully request that this bill be referred to the appropriate committee and enacted promptly.

The draft bill would authorize automatic annual increases in the rates of disability compensation for veterans (including clothing allowances for certain disabled veterans) and DIC for surviving spouses and children, based upon changes in the Consumer Price Index (CPI). As you are aware, automatic adjustments have, since 1979, been provided under 38 U.S.C. § 3112 for disability and death pension and for DIC for dependent parents, based upon cost-of-living increases in Social Security benefits. Increases in Social Security benefits are based upon the Consumer Price Index under section 215 of the Social Security Act, codified in 42 U.S.C. § 415.

Disability compensation benefits are payable under chapter 11 of title 38, United States Code, to provide monetary relief from impairments in earning capacity suffered by veterans disabled during, or as a result of, military service. Rates of compensation vary with the degrees of disability demonstrated, and additional compensation is payable for dependents if the veteran's disability is rated 30 percent or more disabling. Section 362 of title 38, also appearing in chapter 11, authorizes a clothing allowance to be paid to each veteran receiving disability compensation who wears or uses a prosthetic or orthopedic appliance which tends to wear out or tear the veteran's clothing.

Dependency and indemnity compensation benefits are payable under chapter 13 of title 38 to the surviving spouses and children of veterans whose deaths were service-connected. Payments at DIC rates may also be made if a veteran's death was not service-connected but the veteran was rated totally disabled for a specified period prior to death. Surviving spouses' DIC rates are based on the veterans' military pay grades. A surviving spouse may receive additional payments for the veteran's children under the age of 18, or if the surviving spouse is disabled. Children over the age of 18 who become helpless before reaching that age may receive DIC, as may those ages 18 to 23 attending approved educational institutions. If there is no surviving spouse, a child under the age of 18 may also receive DIC.

The administration of the disability compensation and DIC programs is one of the VA's most important missions. We recognize a duty to recommend periodic adjustments in monthly rates as economic conditions change. In recent years, compensation adjustments have generally been keyed to indexed cost-of-living allowances (COLA's) in Social Security and VA pension. However, these adjustments have not been automatic. Rather, they have been accomplished by the enactment of separate public laws designed for that purpose, the last being Public Law No. 100-687, approved by the President on November 18, 1988, and effective December 1, 1988. Since 1973, annual legislation has been enacted granting increases in these benefits to compensate for increases in the cost of living, with the exception of 1983, for which legislation was enacted the following year. The Administration consistently supported these adjustments.

Tying compensation and DIC rates to the Consumer Price Index would remove the computation of rate increases from the political arena and the pressures of the annual budget process. Thus, it would save Congress the difficulty of regularly considering new veterans' COLA legislation, as it has been required to do virtually every year for over a decade and twice in the same year in one instance. It would also eliminate COLA delays such as have been experienced in the past, and would ensure full and timely benefit adjustments to veterans and their survivors.

Based on the 3.6 percent COLA estimated for fiscal year 1990, which is needed to carry out the President's FY 1990 budget plan, and the projected changes in the CPI for fiscal years 1991 through 1994, and taking into consideration the compensation/DIC increase of 4.1 percent effective December 1, 1988, it is estimated that automatic increases in compensation and DIC rates under this proposal would result in the following additional costs. The first-year costs are included in the President's 1990 Budget.

Fiscal year	Cost
1990	$318,100,000
1991	740,200,000
1992	1,115,500,000
1993	1,429,200,000
1994	1,683,100,000
Total (5 years)	5,286,100,000

There could be a small administrative savings associated with the proposal, since VA could process benefit checks with the COLA adjustment in a timely and orderly way.

The Office of Management and Budget advises that there is no objection to the presentation of this proposal to Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

THOMAS E. HARVEY,
Acting Administrator.

By Mr. DECONCINI:

S. 615. A bill providing for a 14-year extension of the patent for the badge

of the American Legion; to the Committee on the Judiciary.

S. 616. A bill providing for a 14-year extension of the patent for the badge of the American Legion Auxiliary; to the Committee on the Judiciary.

S. 617. A bill providing for a 14-year extension of the patent for the badge of the Sons of the American Legion; to the Committee on the Judiciary.

AMERICAN LEGION DESIGN PATENT EXTENSION

● Mr. DECONCINI. Mr. President, the American Legion and its related organizations, the American Legion Auxiliary and the Sons of the American Legion, have design patents on their emblems which give them exclusive rights over the emblems. These patents were first issued in 1919 and over the past 70 years the American Legion sought and received congressional support in enacting private laws to renew and extend the patents. This last occurred in the 94th Congess when Private Laws 94-38, 94-39, and 94-40 were enacted, extending for 14 years patents for the American Legion, the American Legion Auxiliary, and the Sons of the American Legion.

Collectively, the three bills I introduce today extend the design patents on the badges of the American Legion, the American Legion Auxiliary, and the Sons of the American Legion. By granting 14 year extensions on these design patents the bills will prevent the patents from expiring in April 1990.

While I have this opportunity, I would like to acknowledge the Legion's tremendous contribution to America. The American Legion consists of nearly 3 million veterans who served their country honorably during wartime. Another 1 million spouses of Legionnaires belong to the American Legion Auxiliary. This year the American Legion is celebrating its 70th anniversary. Over the last 70 years the Legion has been invaluable as a representative and advocate for veterans. One example of this representation is the landmark GI bill of rights which the Legion drafted and Congress passed after World War II.

Yet the American Legion does much more than just represent veterans. This nonprofit organization sponsors American Legion baseball, operates highly successful blood drives and is involved in various other community programs. The American Legion also helps our Nation's youth by sponsoring Boy Scout troops and donating several million dollars annually in college scholarships.

Because the American Legion has done so much for America, I am proud to introduce these bills to extend the design patents for the Legion and its related organizations. I ask unanimous consent that the full text of the bills be printed at this point in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce, acting through the Commission of Patents and Trademarks, shall, when a certain design patent numbered 54,296 (for the badge of the American Legion) expires, extend such patent for a period of 14 years after such date, with all the rights and privileges pertaining thereto.

S. 616

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce, acting through the Commission of Patents and Trademarks, shall, when a certain design patent numbered 55,398 (for the badge of the American Legion Auxiliary) expires, extend such patent for a period of 14 years after such date, with all the rights and privileges pertaining thereto.

S. 617

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce, acting through the Commission of Patents and Trademarks, shall, when a certain design patent numbered 92,187 (for the badge of the American Legion) expires, extend such patent for a period of 14 years after such date, with all the rights and privileges pertaining thereto.●

By Mr. SARBANES (for himself, Mr. KERRY, Mr. INOUYE, Ms. MIKULSKI, Mr. PRESSLER, Mr. PELL, Mr. BURDICK, Mr. LIEBERMAN, and Mr. LAUTENBERG):

S. 618. A bill to authorize the Indian American Forum for Political Education to establish a memorial to Mahatma Gandhi in the District of Columbia; to the Committee on Rules and Administration.

MEMORIAL TO MAHATMA GANDHI

● Mr. SARBANES. Mr. President, I am reintroducing a bill to authorize the Indian American Forum for Political Education to establish a memorial to Mahatma Gandhi in the District of Columbia. Senators KERRY, INOUYE, MIKULSKI, PRESSLER, PELL, BURDICK, LIEBERMAN, and LAUTENBERG are joining me in introducing this bill.

Forty years after his tragic death, Mahatma Gandhi remains one of the most revered world leaders of this century. He spent his life as a relentless champion of human rights and human dignity everywhere. He helped sow the seeds of freedom following World War II. Through his unshakeable faith in the power of nonviolent struggle, he inspired the civil rights movement in this country under the leadership of Dr. Martin Luther King, Jr. I think it is important to establish a memorial to Gandhi as a symbol of the importance of human rights, human dignity, and nonviolence.

My bill would authorize the Indian American Forum for Political Education to establish the memorial to Gandhi in the District of Columbia. The forum is a nonpartisan educational organization established in 1982 with membership throughout the United States. It is the only national organization solely designed for the political education of Americans of Asian-Indian origin. The forum has now taken on the major project of placing a statue of Mahatma Gandhi in Washington, DC. The statue will be entirely funded by private contributions.

In 1949, the 81th Congress passed a resolution memorializing Gandhi which cited his "selfless devotion to peace" and stated that Gandhi's life should "awaken and keep alive in people everywhere the sense of their individual dignity and independence, as well as an abhorrence for civil, religious, and communal strife anywhere." This memorial will be a simple but powerful tribute to the extraordinary life and achievements of Gandhi. I urge my colleagues to join me in supporting this legislation.●

By Mr. SARBANES (for himself, Mr. RIEGLE, Mr. INOUYE, Ms. MIKULSKI, Mr. HATCH, Mr. BRADLEY, Mr. DODD, Mr. HOLLINGS, Mr. BURDICK, and Mr. LAUTENBERG):

S. 619. A bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr. in the District of Columbia; to the Committee on Rules and Administration.

ESTABLISHMENT OF MARTIN LUTHER KING, JR. MEMORIAL

● Mr. SARBANES. Mr. President, I am again introducing legislation to authorize Alpha Phi Alpha, the oldest black fraternity in the United States, to establish a monument to Martin Luther King, Jr. on Federal land in the District of Columbia. Senators RIEGLE, INOUYE, MIKULSKI, HATCH, BRADLEY, DODD, HOLLINGS, BURDICK, and LAUTENBERG are joining with me to introduce this legislation. This bill passed the Senate by unanimous consent during the 100th Congress, but failed to see action in the House.

The Alpha Phi Alpha Fraternity, of which Dr. King was a member, having joined on June 22, 1952, at Sigma chapter in Boston, MA, will coordinate the design and funding of the monument. The bill provides that the monument be established at no cost to the United States. The Department of the Interior, in consultation with the National Capital Park and Planning Commission and the Commission on Fine Arts, shall select the site and approve the design.

Alpha Phi Alpha was founded in 1906 at Cornell University. It now has

700 chapters across the country, and counts among its 125,000 members many prominent citizens, including Supreme Court Justice Thurgood Marshall and a number of our Nation's mayors. Alpha Phi Alpha has formally endorsed the Martin Luther King, Jr. Memorial project and has committed its considerable human resources to the project's development.

Twenty-four years ago, Dr. Martin Luther King, Jr. led freedom marchers from Selma to Montgomery, AL, seeking voting rights long denied. Through the long efforts to achieve equal treatment for all Americans, Martin Luther King, Jr., remained devoted to nonviolent means of achieving his goals; and he inspired thousands to conform to the principles of nonviolence.

A memorial to Dr. King erected in the Nation's Capital will provide continuing inspiration to all who visit it, particularly to the thousands of students and young people visiting Washington, DC, every year. These young people have no personal memory of the condition of civil rights in America before Dr. King, nor of the struggle in which he was the major figure. They do understand, however, that there is still more to be done.

Coretta Scott King said:

Young people in particular need nonviolent role models like him. In many ways, the Civil Rights movement was a youth movement. Young people of all races, many of whom were jailed, were involved in the struggle, and some gave their lives for the cause. Yet none of the youth trained by Martin and his associates retaliated in violence, including members of some of the toughest gangs of urban ghettos in cities like Chicago and Birmingham. This was a remarkable achievement. It had never been done before; it has not been duplicated since.

Mr. President, what we hope is that the young people who visit the monument will come to understand that it recognizes not only the enormous contribution of this great leader, but also two very basic principles for the healthy functioning of our society. One is that change, even very fundamental change, is to be achieved through nonviolent means; that this is the path down which we should go as a nation in resolving some of our most difficult problems. And the other basic principle is that the reconciliation of the races, the inclusion into the mainstream of American life of all its people, is essential to the fundamental health of this Nation. Dr. King preached, taught, and practiced these essential principles. I urge my colleagues to support this legislation.●

By Mr. STEVENS:

S. 620. A bill for the relief of Leroy W. Shebal of North Pole, AK; to the Committee on Energy and Natural Resources.

RELIEF OF LEROY W. SHEBAL

● Mr. STEVENS. Mr. President, this bill would direct the Secretary of the Interior to sell a parcel of Federal land along Beaver Creek to Leroy Shebal of North Pole, AK.

Leroy filed on this land under the Small Tract Act of 1958—a year before Alaska became a State. He was given a lease on the land in 1960. Five years later, the Bureau of Land Management offered to sell the land to Leroy for $650. Leroy was unable to accept the offer at the time because of an illness in his family. He was given assurances that the offer to sell would remain open until his financial situation improved.

In September 1971 Leroy accepted the BLM's offer to sell the land. The BLM failed to process Leroy's application in a timely fashion. As a result, before the BLM took any action to reclassify the land and sell it to Leroy, a public land order prohibiting land sales in the Beaver Creek area was promulgated. A year and a half after he had written to BLM to accept its offer, Leroy received a letter from the agency rejecting his acceptance.

The public land order that prevented the BLM from selling the Beaver Creek parcel is no longer in effect. The Alaska National Interest Lands Conservation Act of 1980, however, included the Beaver Creek in the National Wild and Scenic Rivers System. The Wild and Scenic Rivers Act prohibits the sale of any land within the System.

Mr. President, for more than two decades, Leroy Shebal has operated an environmentally sound guiding operation on Beaver Creek. He has made substantial improvements to the property he leased from the Federal Government in reliance on the assurance of the Bureau of Land Management that he would eventually be able to purchase the property. He has done everything possible to meet the terms of the BLM's offer of sale. It would be a grave injustice if Congress did not authorize the sale of the Beaver Creek property to him.

I ask unanimous consent to print the bill in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 620

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That

SECTION 1. (a) notwithstanding section 8 of the Wild and Scenic Rivers Act (16 U.S.C. 1279), or any provision of the public land laws of the United States, the Secretary of the Interior, as soon as practicable after the conditions of paragraphs (1) and (2) are met, shall sell the property described pursuant to section 2 and transfer title to such property in fee simple to Leroy W. Shebal of North Pole, Alaska, upon receipt of—

(1) notification made pursuant to subsection (b) within one year after the date of enactment of this Act; and

(2) the sum of $650 in consideration of the purchase of such property.

(b) Within one year after the date of enactment of this Act, the said Leroy W. Shebal may notify the Secretary of the Interior of his intention to purchase the property described pursuant to section 2.

SEC. 2. The property referred to in the first section of this Act is the real property located at township 8 north, range 1 west, section 36, west half of southwest quarter, Fairbanks meridian.●

By Mr. CONRAD (for himself, Mr. BOND, Mr. BURDICK, Mr. DASCHLE, Mr. HARKIN, Mr. GLENN, Mr. KENNEDY, Mr. BOSCHWITZ, Mr. FOWLER, and Mr. SIMON):

S. 621. A bill to provide financial assistance for the commercialization of agricultural research, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL RESEARCH COMMERCIALIZATION ACT

● Mr. CONRAD. Mr. President, I am pleased to introduce today the Agricultural Research Commercialization Act of 1989. It is intended to bridge a serious gap that impedes the ability of American industries to develop and commercialize our farm and forest products.

The version that I am introducing today represents the compromise reached by Senate Agriculture Committee members during committee consideration of S. 1729, the Rural Economy Act of 1988. A similar measure passed the House last year.

I would particularly like to thank Senator HARKIN for his leadership and vision in the area of new uses—the development of new products using agricultural commodities as feedstocks. His bill, S. 970, which would increase research funding for the development of new uses, overwhelmingly passed the Senate three times last year. Senator HARKIN was an original cosponsor of ARCC last year, and sees ARCC as the logical extension of his research effort, which will ensure that these products are brought to the market. I look forward to working with him to achieve passage of both of our new uses initiatives this year.

I would also like to thank Senator KIT BOND and his staff for their tireless efforts to shape the bill to accommodate the Members' suggestions and concerns. In addition, I want to recognize Senator GLENN for his efforts to promote the development of new uses.

Mr. President, I stood on the floor of the Senate last year to introduce this bill, and I talked about the efficiency of our U.S. farmers. I said that the United States has a tremendous capacity to produce renewable resources. Our highly sophisticated farming methods have increased productivity

by 938 percent since the end of World War II. I said that U.S. farmers produce 41 percent of the world's corn supply, and 11 percent of the world's wheat. In total, over one-fifth of the world's wheat and coarse grains is produced in the United States.

I talked about how little U.S. consumers pay for food in comparison to other countries. The American farmers' efficiency means that Americans spend only 11 percent of their consumer dollar on food—12 percent if farm program costs are included—less than any country in the world.

Mr. President, as we all know, last year we experienced the worst drought since the 1930's. However, a return to normal weather means that our farmers will continue to produce far more than world demand can absorb.

Our productivity and efficiency are indisputable. Unfortunately, this efficiency does not necessarily translate into profits for the farm economy. Until the 1988 drought caused an increase in commodity prices, cash receipts from the market for feed grain, food grain and oilseed producers were at a 25-year low in real dollars.

I hope that the tragic drought of last year does not distract my colleagues from addressing the need to find new markets for our incredibly productive agricultural industries, which are the envy of many other countries.

Mr. President, back on June 24, 1987, I held a hearing in the Subcommittee on Agricultural Research and General Legislation to hear the report of the new farm and forest products task force of the U.S. Department of Agriculture. The testimony I heard was exciting. The witnesses discussed the dramatic opportunities presented by the development of new industrial uses for agricultural products. These ideas developed by our productive agricultural research system can make agricultural commodities, which we normally think of only as food stocks, into industrial feedstocks.

I asked why these new products were not already in the marketplace. The witnesses said that while our country has done a tremendous job in developing new uses through research, it has often failed to commercialize these products. Why, I asked?

Witnesses described numerous difficulties that companies experience in trying to develop, produce and market these new industrial products. The commercialization process requires the expertise of scientists, engineers, market developers, financiers and business managers. Most companies simply do not have all the needed expertise. In addition, the costs and risks associated with commercializing new products are very high. Few companies or entrepreneurs have the resources, and few financial institutions will take the risks involved in commercializing these new industrial products. Investors are reluctant because they are not able to precisely predict the market for new products. The future of such ventures is inherently unpredictable.

The task force also said that our country lacks a national commitment to develop and commercialize these new industrial products. In contrast, our competitors in Japan and elsewhere, supported by their governments, are very successful in commercializing new technologies.

To resolve these problems, the task force recommended that the Federal Government establish an independent, nonprofit corporate entity to facilitate the commercialization of new farm and forest products.

I acted on that report by introducing legislation to establish the Agricultural Research Commercialization Corporation—ARCC. ARCC will provide bridge financing and technical assistance to small businesses to speed new nonfood, nonfeed agricultural and forestry products and processes into production and sales. It also represents the establishment of a national policy to promote and assist in the commercialization of the products developed through our agricultural research.

As I have worked with my colleagues, particularly the eight cosponsors, over the last year to pass this legislation, we have grown even more convinced of the need for it. ARCC provides targeted assistance to overcome two serious national problems—the economic decline of our final communities and the failure to commercialize the fruits of our agricultural research.

Our ability to create new jobs will be the primary determinant of our success in providing opportunity to our citizens, particularly in rural areas.

One of the most promising opportunities for creating jobs is the development, production, and marketing of new industrial products derived from agricultural and forestry commodities. Many of our traditional agricultural commodities—corn, soybeans, sunflowers, and rapeseed—and new crops—kenaf, meadowfoam, crambe, and guayule, for example, can be used to produce substances which replace chemicals and other industrial products currently derived from nonrenewable resources, much of which we import.

The expansion of new uses of agricultural commodities will have a strong multiplier effect on our economy. First, commercialization will create new jobs in manufacturing, processing, and management. Second, it will increase the demand for agricultural and forestry crops, benefiting rural businesses and communities. Third, it will make us more competitive in the world economy, reducing our trade deficit.

How will ARCC work?

ARCC will establish a vital partnership between the Federal Government, private industry, universities, and State and local governments to overcome the financial and technical barriers to commercialization of new uses. It will establish the Agricultural Research Commercialization Corporation within the U.S. Department of Agriculture. ARCC will have regional centers around the country which will: First, develop a network of experts who must play a role in the commercialization of agricultural research and, second, provide financial assistance and business and technical guidance to companies seeking to commercialize new industrial products.

One question I am often asked is: Why do we propose to establish a corporation rather than a traditional government agency? The answer is rather straightforward. A bureaucratic government agency is not conducive to making the tough business decisions that are at the heart of ARCC's activities.

This is not a bill to increase agricultural research. It is designed to move the products of that research into the market by assisting smaller businesses to commercialize new nonfood products.

ARCC will assume part of the initial risk of these commercialization ventures. It will help finance commercialization projects through low-interest loans, loan guarantees, convertible debentures, repayable grants matched by other funds, and umbrella bonding.

ARCC will be comprised of four to nine regional centers around the country serving diverse agricultural regions, and will be responsible for providing financial assistance to carefully screened projects. This assistance can be used for all aspects of the commercialization process, from prototype testing and market development to factory construction and worker training.

Each regional center will accept applications from companies seeking to commercialize new industrial products and processes using agricultural and forestry commodities. Applications will be evaluated for scientific soundness, technical feasibility and market potential. Applicants must also demonstrate that they have committed their own resources to the project. They must show that adequate private sector funding is not available without ARCC participation. Proposals demonstrating that matching funds are available from the public or private sector will receive priority.

Finally, each applicant must show that once started, the business project can be self-sustaining. ARCC is designed to provide short-term assistance to get a company off the ground—not perpetual aid.

Regional centers will develop a network of experts from the scientific, financial, managerial, engineering, agricultural, and marketing sectors. This network will review proposals and provide expert advice and information on all aspects of product commercialization to assist applicants with their projects. In addition, the regional centers can help coordinate commercialization and research projects around the country to help prevent duplication and to identify market needs.

The regional director of each regional center, in consultation with an advisory council and other expert project reviewers, shall make recommendations on the applications. The Board of Directors of the Corporation, appointed by the Secretary of Agriculture, shall review the recommendations and shall vote on whether and how to assist the applicants.

After an initial appropriation over several years, ARCC is designed to be self-financing through a revolving fund. Successful companies are required to repay ARCC for the financial assistance it provides. These repayments, in addition to other contributions from State and private sources, are to be used solely for the continuation of ARCC's activities.

The need for Federal assistance to provide a boost to entrepreneurs seeking to commercialize new products and processes is clear. This financing does not compete with private financial institutions. Instead, it fills a financing gap in the early growth period of innovative firms. In fact, I have learned that such early public financing actually attracts private venture capital which would not be available otherwise.

We met with considerable success last year in moving this important legislation. My colleagues on the Senate Agriculture Committee agreed to include it in S. 1729, the Rural Economy Act. Unfortunately, that bill was not reported out of committee.

In the House, Congressman TIM PENNY introduced ARCC, and we succeeded in passing it in the House as part of H.R. 5056, the Agricultural Research Act of 1988.

ARCC has earned the support of the National Governors Association, the National Association of State Departments of Agriculture, the National Association of Development Organizations, the National Farmers Union, the National Farmers Organization, American Agriculture Movement, the National Corn Growers Association, the National Sunflower Association, and Communicating for Agriculture. It is also supported by universities and researchers around the country. Mr. President, I ask unanimous consent that some of their letters of support be inserted in the RECORD at the end of my statement.

I am gratified by the growing support for ARCC. We are convinced that one of the most promising opportunities for strengthening the Nation's economy is through the development, production and marketing of new industrial products made from agricultural commodities. ARCC will turn this opportunity into a reality.

I look forward to working with ARCC's supporters to achieve passage of this vital legislation during the 101st Congress. I urge my colleagues to join me in supporting ARCC.

I ask unanimous consent that a summary of the legislation and the legislative language and other supporting material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 621

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Agricultural Research Commercialization Act of 1989".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) many of the emerging new ideas, products, and processes resulting from agricultural research have never been commercialized because of the high initial financing costs and high risk; and

(2) the careful targeting of financial assistance to entrepreneurs for the commercialization of new industrial uses of agricultural and forestry products will be a cost effective means of stabilizing the agricultural sector and redeveloping the rural economy.

(b) PURPOSE.—It is the purpose of this Act through the Corporation established pursuant to section 4—

(1) to commercialize new nonfood, nonfeed uses for traditional and new agricultural crops in order to create jobs, to enhance the economic development of the rural economy, and to diversify markets for raw agricultural and forestry products;

(2) to encourage cooperative development and marketing efforts among manufacturers, financiers, universities, and private and government laboratories in order to accelerate the commercialization of new industrial uses for agricultural and forestry products; and

(3) to direct, to the maximum extent possible, commercialization efforts toward the development of new products from crops that can be raised by family-sized agricultural producers.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) ASSISTANT SECRETARY.—The term "Assistant Secretary" means the Assistant Secretary of Agriculture for Science and Education.

(2) BOARD.—The term "Board" means the Board of Directors established pursuant to section 8.

(3) COMMERCIALIZATION.—The term "commercialization" or "commercialize" includes—

(A) activities associated with the development of prototype products or manufacturing plants;

(B) the application of technology and techniques to the development of industrial production; and

(C) the market development of new industrial uses of new and traditional agricultural and forestry products and processes that will lead to the creation of goods and services that may be marketed for profit.

(4) CORPORATION.—The term "Corporation" means the Agricultural Research Commercialization Corporation established in section 4.

(5) HOST INSTITUTION.—The term "host institution" means an entity that is located in the region that is—

(A) a university or other institution of higher education;

(B) an Agricultural Research Service laboratory;

(C) a State Agricultural Experiment Station;

(D) an Extension Service facility; or

(E) another organization that is involved in the development or commercialization of new industrial uses for agricultural commodities, or is involved in rural economic development.

(6) REGIONAL CENTER.—The term "Regional Center" means a Center established pursuant to section 6.

(7) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. 4. ESTABLISHMENT OF CORPORATION.

(a) IN GENERAL.—There is established within the Department of Agriculture a body corporate to be known as the "Agricultural Research Commercialization Corporation".

(b) CENTRAL OFFICE.—The Secretary shall provide facilities for the principal office of the Corporation within the National Agricultural Library located in Beltsville, Maryland.

(c) ESTABLISHMENT OF REGIONAL CENTERS.—The Corporation shall establish a minimum of four and a maximum of nine Regional Centers in the United States, as provided for in section 6.

SEC. 5. POWERS OF THE CORPORATION.

(a) NONPROFIT CORPORATE POWERS.—To carry out this Act, the Corporation has the powers conferred on a nonprofit corporation under the District of Columbia Nonprofit Corporation Act.

(b) GENERAL POWERS.—In addition to any specific power granted to the Corporation elsewhere in this Act, the Corporation shall have the power—

(1) to adopt, alter, and rescind bylaws and to adopt and alter a corporate seal, which shall be judicially noticed;

(2) to make agreements and contracts with persons and private or governmental agencies, except that the Corporation shall not provide any financial assistance unless specifically permitted under this Act;

(3) to lease, purchase, accept gifts or donation of, or otherwise to acquire, and to use, own, hold, improve, or otherwise deal in or with, and to sell, convey, mortgage, pledge, lease, exchange, or otherwise dispose of, any property, real, personal, or mixed, or any interest therein;

(4) to sue and to be sued in its corporate name and to complain and defend in any court of a competent jurisdiction;

(5) to represent itself, or to contract for representation, in all judicial, legal, and other proceedings, except actions cognizable under the Federal Tort Claims Act (28 U.S.C. 2671 et seq.), in which actions it will be represented by the Attorney General;

(6) subject to this Act, to select, employ, and fix the compensation of any such officers, employees, attorneys and agents as

shall be necessary for the transaction of the business of the Corporation;

(7) to make provision for and designate such committees, and the functions thereof, as the Board of Directors may consider necessary or desirable;

(8) to indemnify Directors and officers of the Corporation, as the Board of Directors may consider necessary or desirable;

(9) with the approval of the agency concerned, to make use of services, facilities, and property of any board, commission, independent establishment, or executive agency or department of the executive branch in carrying out this Act and to pay for such use, such payments to be credited to the applicable appropriation that incurred the expense;

(10) to obtain the services and fix the compensation of consultants;

(11) to use the United States mails on the same terms and conditions as the executive departments of the United States Government; and

(12) to exercise all other lawful powers necessarily or reasonably related to the establishment of the Corporation, to carry out this section, and to the exercise of its powers, purposes, functions, duties, and authorized activities.

(c) VOLUNTARY SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Corporation is authorized to accept and utilize voluntary and uncompensated services.

(d) GOVERNMENT CORPORATE CONTROL ACT.—The Corporation shall be considered a wholly-owned corporation for the purposes of the Government Corporate Control Act.

SEC. 6. REGIONAL CENTERS.

(a) LOCATION.—

(1) IN GENERAL.—Each Regional Center established by the Corporation pursuant to section 4 shall be located in a different State, reflective of regional climatic conditions, rural economic stress, and the qualifications of the applicant to serve as the host institution for a Regional Center and to carry out the duties of the Corporation.

(2) COMPETITIVE AWARDING.—Host institutions desiring to have a Regional Center located in their region shall submit a proposal for such location to the Board. The Board shall determine the location of such centers based on a competitive review of the contents of such proposals.

(3) HOST INSTITUTIONS.—Each Regional Center shall be located at a host institution in the region.

(4) MATCHING OF FUNDS.—

(A) IN GENERAL.—Each candidate host institution submitting a proposal for a Regional Center under this section shall provide assurances—

(i) that adequate funds or in-kind support (including office space, equipment and staff support) shall be provided to match the amount of funds used for administrative costs that are provided by the Federal government under this Act;

(ii) that it is qualified to carry out the activities required of a Regional Center;

(iii) concerning such other factors as the Corporation shall determine appropriate.

(B) APPLICANTS.—The matching funds required under subparagraph (A) may be provided by a consortia that may include the host institution and other public or private entities existing within various regions of the United States, including State and local governments, entities created by State and local governments, charitable organizations, public and private universities and other institutions of higher education, cooperatives, and economic development organizations.

(b) ACTIVITIES.—Each Regional Center shall carry on activities provided for in this Act and such other activities as the Board shall from time to time delegate to such Centers.

(c) REGIONAL DIRECTOR.—Each Regional Center shall be headed by a full-time Regional Director who shall—

(1) be selected by the Board;

(2)(A) have a scientific or engineering background; or

(B) have experience in the development of new products or processes in the public or private sector.

(d) ADVISORY COUNCILS.—

(1) APPOINTMENT.—The Board shall appoint an Advisory Council for each Regional Center. Such Council shall advise the Regional Director concerning all applications for assistance as described in section 15.

(2) COMPOSITION.—An Advisory Council shall be comprised of representatives of the public sector, the financial sector, the private business community, State and local governments, educational institutions, private and Federal laboratories, the agricultural sector, scientists, and engineers. An Advisory Council shall be subject to the Federal Advisory Committee Act (5 U.S.C. App. 2).

(3) DUTIES.—

(A) PRIMARY DUTY.—The primary duty of the members of an Advisory Council shall be to review or coordinate the review of the technical, engineering, financial, and managerial soundness and marketing potential of the applications for assistance received under this Act.

(B) MONITORING ACTIVITIES.—An Advisory Council may assist a Regional Director in monitoring the progress of ongoing projects by providing technical and business counseling when needed.

(C) TECHNICAL AND BUSINESS COUNSELING.—An Advisory Council may provide technical and business counseling to entities not seeking financial assistance from the Corporation, but that are engaged in commercializing nonfood, nonfeed uses of agricultural and forestry commodities.

SEC. 7. ACTIVITIES OF THE REGIONAL CENTERS.

A Regional Center shall—

(1) encourage interaction among private and Federal laboratories, National Science Foundation centers, Department of Agriculture research programs, and other Federal resources, State and local regional economic development programs, universities, colleges, the private sector and the financial community, for the purpose of evaluating and commercializing new, nonfood, nonfeed uses of agricultural and forestry products;

(2) identify broad areas where commercialization of new products and processes can contribute to the economic growth in rural areas of the United States, through the development of new, nonfood, nonfeed uses for farm and forest products by private companies and businesses;

(3) provide technical assistance and related business and financial counseling for small American businesses to commercialize new, nonfood, nonfeed uses of agricultural and forestry products;

(4) identify new nonfood, nonfeed products and processes that are worthy of financial assistance;

(5) make use of existing programs in scientific, engineering, technical and management education that will support the accelerated commercialization of new, nonfood, nonfeed products and processes using farm and forest products;

(6) advise the Corporation on the viability of specific proposals submitted for financial assistance and on the type of assistance, if any, to be provided; and

(7) coordinate their activities with the Small Business Development Centers authorized by section 21 of the Small Business Act (15 U.S.C. 648).

SEC. 8. CORPORATE BOARD OF DIRECTORS.

(a) MEMBERSHIP.—

(1) IN GENERAL.—The Board shall consist of nine members, who shall be citizens of the United States, of which—

(A) one member shall be the Assistant Secretary;

(B) one member shall be the Under Secretary of Agriculture for Small Community and Rural Development; and

(C) seven members shall be appointed by the Secretary.

(2) EXPERIENCE.—In appointing the members to the Board under paragraph (1), the Secretary shall assure that the members appointed under subparagraph (C) are representative of the agricultural, scientific, financial, and managerial community.

(3) CHAIRPERSON.—The Board shall elect a Chairperson from among the members of the Board referred to in paragraph (1).

(4) OTHER EMPLOYMENT.—A Director may hold a position in the private sector at the same time as such director is serving on the Board.

(b) TERM OF OFFICE.—

(1) IN GENERAL.—A member of the Board appointed under subsection (a)(1)(C) shall be appointed for a term of 5 years.

(2) INITIAL MEMBERS.—The initial members of the Board appointed under subsection (a)(1)(C) shall serve as follows:

(A) Three members shall serve a term of 4 years.

(B) Three members shall serve a term of 3 years.

(C) One member shall serve a term of 2 years.

(c) OATH.—Before assuming office, each member of the Board shall take an oath to faithfully discharge the duties of the individual's position as a member of such Board.

(d) MEETINGS, QUORUM, ACTIONS.—

(1) MEETINGS.—The Board shall meet in accordance with the bylaws of the Corporation, and at any time pursuant to the call of the Chairperson, but the Board shall not meet less than twice annually to review financial applications. For the purpose of section 552b of title 5, United States Code, the Board shall be considered to be an agency.

(2) QUORUM AND ACTIONS.—A majority of the Board members shall constitute a quorum. Any action by such Board shall require a majority vote of all members of the Board.

SEC. 9. POWERS AND DUTIES OF CORPORATE BOARD.

(a) POWERS.—

(1) VESTING.—The powers of the Corporation shall be vested in the Board.

(2) OFFICERS.—The Board shall establish the offices and appoint the officers of the Corporation (which may include a General Counsel, Treasurer, and an Executive Director) and define the duties of such offices.

(b) DELEGATION OF AUTHORITY.—

(1) CORPORATE BOARD.—The Board may, by resolution, delegate to the Chairperson and any other director any function, power, or duty assigned to the Corporation under this section other than those expressly vested in the Board.

(2) CHAIRPERSON.—The Chairperson may, by written instrument, delegate such function, power, or duty as is assigned to the Chairperson pursuant to this section, to such other director, officer, or employee of the Corporation as the Chairperson considers appropriate.

(c) DELEGATION NOT PERMITTED.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary and any other officer or employee of the United States shall not make any delegation to the Board, the Chairperson, or the Corporation of any power, function, or authority not expressly authorized by this Act, except where such delegation is pursuant to an authority in law that expressly makes reference to this Act.

(2) REORGANIZATION ACT.—Notwithstanding any other provision of law, chapter 9 of title 5, United States Code, shall not apply to authorize the transfer to the Corporation of any power, function, or duty.

(d) BYLAWS.—The Board shall adopt, and may from time to time amend, such bylaws as are necessary for the proper management and functioning of the Corporation.

(e) ORGANIZATION.—The Board shall provide a system of organization to fix responsibility and promote efficiency within the Corporation.

(f) GOVERNMENT EMPLOYMENT LAWS.—Directors, officers, and employees of the Corporation shall be subject to all laws of the United States relating to governmental employment, including the provisions of title 5, United States Code, relating to compensation.

(g) POLITICAL QUALIFICATIONS.—No political test or qualifications shall be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers, agents, and employees of the Corporation.

SEC. 10. COMPENSATION.

(a) CORPORATE BOARD.—Members who serve on the Board, except for the Under Secretary identified in section 8(a)(1)(B) and the Assistant Secretary, shall receive compensation at a rate equivalent to the daily rate paid under Level II of the Executive Schedule under section 5312 of title 5, United States Code, as well as reasonable expenses incurred in carrying out the business of the Corporation, as approved by the Board.

(b) OFFICERS AND EMPLOYEES.—The Board may, if determined necessary and approved by the Secretary, fix the rate of compensation of no more than one officer position or other position at a rate or rates in excess of that prescribed for Level II of the Executive Schedule under section 5312 of title 5, United States Code.

SEC. 11. FINANCIAL DISCLOSURE AND CONFLICTS OF INTEREST.

(a) FINANCIAL DISCLOSURE.—The Ethics in Government Act of 1978 (2 U.S.C. 701 et seq.) shall apply to the Directors and all of the other officers and employees of the Corporation as if such individuals were Federal employees.

(b) CONFLICTS OF INTEREST.—

(1) IN GENERAL.—Except as permitted in paragraph (3), no member of the Board shall vote on any matter respecting any application, contract, claim, or other particular matter pending before the Corporation, in which, to the knowledge of the member, such member, spouse or minor child of such member, partner or organization (other than the Corporation) in which such member is serving as officer, director, trustee, partner, or employee, or any person or organization with whom such member is negotiating or has any arrangement concerning prospective employment, has a financial interest.

(2) REMOVAL.—Action by a member of the Board that is contrary to the prohibition contained in paragraph (1) shall be cause for removal of such member pursuant to the powers of the Corporation in section 5, but shall not impair or otherwise affect the validity of any otherwise lawful action by the Corporation in which the member or officer participated.

(3) INFORMED CONSENT.—The prohibition contained in paragraph (1) shall not apply if—

(A) the member of the Board—

(i) advises the Board of the nature of the particular matter in which such member proposes to participate in; and

(ii) makes a full disclosure of such financial interest, prior to any participation; and

(B) the Board determines, by majority vote, that the financial interest is too remote or too inconsequential to affect the integrity of such member's services to the Corporation in that matter.

The member involved shall not participate in such determination.

SEC. 12. AUTHORIZATION OF ADMINISTRATIVE EXPENDITURES.

(a) CORPORATE EXPENDITURES.—In each fiscal year the Corporation is authorized to expend amounts for—

(1) reasonable and necessary administrative expenses, not to exceed 5 percent of amounts made available in any fiscal year; and

(2) generic studies and specific reviews of individual proposals for financial assistance, which shall not exceed 3 percent of amounts made available in any fiscal year.

(b) ADMINISTRATIVE EXPENDITURES.—For purposes of this section, administrative expenditures shall include—

(1) all ordinary and necessary expenses (including all compensation for personnel and consultants, expenses for computer usage, or space needs of the Corporation and similar expenses); and

(2) reimbursement to members of the Board for reasonable expenses that are incurred in connection with the service of the Corporation.

(c) LIMITATION.—Expenditures authorized under subsection (a)(2) shall not be available—

(1) for administrative expenses;

(2) for the reimbursement of governmental agencies for the salaries of personnel of such agencies detailed to the Corporation; or

(3) for operating expenses.

(d) REAL PROPERTY.—Funds authorized for administrative expenditures shall not be available for the acquisition of real property.

SEC. 13. CRIMINAL SANCTIONS.

Section 1905 of title 18, United States Code, shall apply—

(1) to Directors, officers, and employees of the Corporation as if they were officers or employees of the United States; and

(2) to the Corporation as if it were a Federal agency.

SEC. 14. FINANCIAL ASSISTANCE.

(a) IN GENERAL.—The Corporation, through the Regional Directors, in accordance with the criteria provided for in section 15, may provide, to projects for the commercialization of new, nonfood, nonfeed products using agricultural and forestry commodities, financial assistance in the form of—

(1) loans made or insured by the Corporation (backed by the full faith and credit of the United States);

(2) interest subsidy payments made by the Corporation to the lender equal to an amount determined pursuant to and agreement between the Corporation, the lender, and the borrower;

(3) venture capital invested by the Corporation in the form of a convertible debenture;

(4) repayable grants that are matched by private, State or local public funds and that are repaid as agreed in a contract between the Corporation and entity; and

(5) umbrella bonding.

(b) DISCRETIONARY FUNDS.—The Board may establish a discretionary fund for each Regional Center of not more than 1 percent of the amounts made available to carry out this section. Such funds shall be used for activities related to financial assistance described under this section and section 15. Each 6 months, a regional Director shall prepare and submit to the Board a report that accounts for expenditures made from this fund.

(c) OVERSIGHT OF PROJECTS.—

(1) IN GENERAL.—The Corporation shall monitor the progress of the projects that receive financial assistance under this Act.

(2) TYPE OF OVERSIGHT.—Such oversight may include on-site reviews, written reports, and supportive business and technical counseling, as needed. The Director may call on the Advisory Council to assist in such monitoring.

(3) DEMONSTRATION BY APPLICANTS.—The Corporation may require that applicants demonstrate that the use of financial assistance is in compliance with the contractual agreement.

SEC. 15. ELIGIBILITY CRITERIA FOR FINANCIAL ASSISTANCE.

(a) ELIGIBLE ENTITIES.—

(1) IN GENERAL.—To obtain financial assistance from the Corporation, an entity shall—

(A) be a university or other institution of higher education, a nonprofit organization, a cooperative, or a small business concern; and

(B) file an application with the Regional Director of a Regional Center.

(2) DEFINITIONS.—As used in paragraph (1):

(A) NONPROFIT ORGANIZATION.—The term "nonprofit organization" means an organization that is—

(i) described in section 501(c) of the Internal Revenue Code of 1986; and

(ii) exempt from taxation under section 501(a) of such Code.

(B) SMALL BUSINESS CONCERN.—The term "small business concern" shall have the same meaning given such term in section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and in implementing rules issued by the Administrator of the Small Business Administration under such section.

(b) APPLICATION.—An application submitted to the Regional Director under subsection (a) shall—

(1) describe the proposal of the entity for the commercialization of a new product consistent with this section, including documentation that such proposal is—

(A) scientifically sound;

(B) technologically feasible; and

(C) marketable;

(2) provide documentation that adequate private sector funding is not available, but that the applicant has the ability to obtain

matching funds from the public or private sectors;

(3) provide documentation that the applicant's own resources, including time and money, have been invested in the project;

(4) provide documentation that the product or process has broad application and has the potential to be commercially viable without continual assistance;

(5) provide documentation that the proposal will be carried out with broad participation by representatives of the sectors described in section 6(d)(2);

(6) provide documentation that the managerial ability or established relationship exists between the applicant and other entities to give the applicant access to private business assistance;

(7) provide assurances of legal compliance by the applicant with the terms and conditions for the receipt of assistance under this Act; and

(8) provide assurances that the proposal will result in the creation of new jobs in rural areas.

(c) SELECTION CRITERIA.—

(1) IN GENERAL.—The Board shall give priority to—

(A) applications that create jobs in economically distressed rural areas;

(B) applications that have State or local government financial participation; and

(C) applications that have private financial participation.

(2) ADDITIONAL CRITERIA.—The Board shall establish additional criteria for use in selecting among equivalent applications. Such criteria shall emphasize—

(A) the quantity and quality of jobs that shall be created;

(B) the amount of the financial participation by State or local governments or private entities;

(C) the qualifications of the management to be used in the project;

(D) the level of market demand for the product to be marketed; and

(E) the level of returns to the revolving fund established under section 17.

(d) APPLICATION REVIEW PROCESS.—

(1) IN GENERAL.—A Regional Director shall work in consultation with an Advisory Council to review and evaluate the proposals submitted to the Regional Center.

(2) ADVISORY COUNCIL.—The Advisory Council shall review proposals submitted to the Regional Centers. The Advisory Council shall, by majority vote, make a nonbinding recommendation on the proposal to the Regional Director.

(3) REGIONAL DIRECTOR.—The Regional Director, on consideration of the Advisory Council's recommendation and any other comments received from interested parties, shall make and submit the Director's recommendation to the Board along with the recommendation of the Advisory Council.

(4) CORPORATE BOARD.—The Board shall, by majority vote, make the final decision on whether and how to provide assistance to the applicant.

(5) CONFIDENTIALITY.—The Board shall establish procedures that shall ensure the confidentiality of applications submitted under this section.

(e) NOTICE OF APPLICATIONS.—The Board shall publish in the Federal Register a notice that it is receiving applications for assistance under this Act not later that 30 days prior to the period established for receipt of such applications.

SEC. 16. REPAYMENT OF FINANCIAL ASSISTANCE.

(a) REPAYMENT.—An entity receiving financial assistance under this Act shall repay the Corporation in accordance with the contract between the Corporation and the entity.

(b) WAIVERS.—The Board may waive the repayment of financial assistance for such reasonable grounds as the Board may from time to time determine.

(c) MAXIMUM REPAYMENT TIME LIMIT.—Financial assistance made available under this Act shall have a maximum repayment period that is not in excess of 12 years.

SEC. 17. REVOLVING FUND.

(a) ESTABLISHMENT.—There is established a revolving fund to be administered by the Board as provided for in this section.

(b) CONTENTS.—Funds received by the Regional Centers under section 16 as a result of any financial assistance made pursuant to this Act, shall be converted into and become a part of the revolving fund established under subsection (a).

(c) USE OF FUND.—The revolving fund established under subsection (a) shall be available, as provided in appropriation Acts, to provide financial assistance under sections 14 and 15, and to pay for the costs of operation as provided for in section 5.

(d) CONTRIBUTIONS.—Amounts received from contributions from State tax check-off programs, or other independent sources, may also become part of the revolving fund established under this section. Such amounts may be specified by the donor for any form of financial assistance for a project in a particular region or State.

SEC. 18. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act for each of the fiscal years 1990 through 1999.

AGRICULTURAL RESEARCH COMMERCIALIZATION CORPORATION EXECUTIVE SUMMARY, MARCH 16, 1989

Section 1: Short Title.—This Act is entitled the "Agricultural Research Commercialization Corporation Act of 1989".

Section 2: Findings and Purpose.—Congress finds that many of the emerging new ideas, products and processes resulting from agricultural research have never been commercialized because of the high initial financing costs and high risk. Congress believes that the careful targeting of financial assistance to entrepreneurs for the commercialization of new industrial uses of agricultural and forestry products will be a cost effective means of redeveloping the rural economy and stabilizing the agricultural sector.

It is the purpose of this Act to lend a hand in the difficult process of commercializing nonfood, nonfeed products and processes using agricultural and forestry crops. It will provide the vital coordination of cooperative development efforts among manufacturers, financiers, universities and private and public laboratories to speed the commercialization of these products and processes. The goals are to strengthen the rural economy; to create jobs, to expand the market for traditional crops and new crops which are suitable for production on family-sized farms; and to enhance U.S. competitiveness in international markets.

Section 3: Definitions.—This section defines terms used in this bill, including the term "commercialization" which means all activities related to product commercialization from the development of prototype products or industrial plants to the market development on new industrial uses.

Section 4: Establishment of Corporation.—an nonprofit corporation is established within the United States Department of Agriculture, entitled the "Agricultural Research Commercialization Corporation" (ARCC). The Corporation shall serve as the hub for 4 to 9 Regional Centers, where its main activities shall be carried out.

Section 5: Powers of the Corporation.—ARCC shall have general corporate powers. As a wholly-owned government corporation, ARCC shall be subject to the more stringent standards of auditing and oversight under the Government Corporate Control Act.

Section 6: Regional Centers.—Each Regional Center shall be located in a different state, which reflects to the extent possible the regional climatic conditions and rural economic stress. States which apply for a Center must demonstrate the ability to develop a partnership between private and public sector and universities to commercialize new industrial products made from agricultural commodities. The location of regional centers shall be competitively awarded based on proposals submitted to the Board of Directors of ARCC.

Regional centers must be located at host institutions, which include universities or other institutions of higher education, Agricultural Research Service laboratories, State Agricultural Experiment Stations, Extension Service facilities, or other organizations which are involved in the development or commercialization of new industrial uses for agricultural commodities, or in rural economic development. In addition, states must provide for the matching of funds provided by the Federal government for administrative costs, which may include in-kind support such as office space, equipment and staff support.

Each Regional Center shall be headed by a Regional Director, selected by the Board, to carry out the activities of the Corporation, who will work in consultation with an Advisory Council appointed by the Board of Directors and a broad network of volunteers available for project review. Each Regional Director shall have a small support staff.

Section 7: Activities of the Regional Center.—The Regional Centers shall (1) develop a network of scientists, engineers, financiers, business managers, and other specialists to assist in project review; (2) provide business and technical counseling to small businesses to commercialize new industrial uses of agriculture and forestry products; (3) seek out new, nonfood, nonfeed agricultural product ideas which can contribute to rural economic growth; and (4) evaluate and recommend applicants for assistance. The Regional Centers shall coordinate their activities with the Small Business Development Centers.

Section 8: Corporate Board of Directors.—The Board of Directors shall be composed of nine members appointed by the Secretary, including the Assistant Secretary for Science and Education and the Undersecretary of Agriculture for Small Community and Rural Development. The other Directors shall be members of the community holding full-time jobs in the agricultural, scientific, financial, and managerial sectors and shall serve staggered five-year terms. The Board of Directors shall elect a Chairman.

The Board of Directors shall make the final evaluation of project proposals and determine the type and amount of assistance.

Section 9: Powers and Duties of the Corporate Board.—The Board has the authority to delegate to the Regional Centers the bulk of the activities of the Corporation. The

Corporation shall adopt bylaws, develop an organizational structure, and hire a limited number of staff members, which may include a General Counsel, Treasurer, and Executive Director, who shall be considered federal employees. The choice of officers and employees shall be nonpartisan.

Section 10: Compensation.—Board members, except for the Assistant Secretary and the Administrator, shall receive compensation equivalent to the daily prorated amount of Level II of the Executive Schedule, plus reimbursement for reasonable expenses. If absolutely necessary, the Board may, with the Secretary's approval, pay one officer or employee above the federal pay scale.

Section 11: Financial Disclosure and Conflicts of Interest.—Members of the Board of Directors and all other officers and employees are subject to the Ethics in Government Act.

A Director is precluded from voting on any matter in which such individual has a financial interest. Directors who violate this rule shall be removed from the Board.

Section 12: Authorization of Administrative Expenditures.—Administrative expenses are required to be kept to a minimum in order to make available more money for financial assistance for commercialization projects.

Section 13: Criminal Sanctions.—The Corporation and its Directors, officers and employees are subject to criminal sanctions for releasing proprietary information.

Section 14: Financial Assistance.—The Corporation is authorized to provide low-interest loans, loan guarantees, interest subsidies, repayable grants matched by private, State or local public funds, umbrella bonding and debentures to eligible applicants to commercialize industrial products using agricultural and forestry crops.

The Board may establish a discretionary fund for each Regional Center to be used for activities related to the financial assistance described above. The Regional Directors shall account for expenditures from these funds twice a year.

The Corporation, through the Regional Centers, shall monitor the progress of ongoing projects and provide supportive business and technical counseling as needed, assisted by the Advisory Council.

Section 15: Eligibility Criteria for Financial Assistance.—An applicant may be eligible for financial assistance if such applicant's proposal to commercialize a new, nonfood, nonfeed agricultural product or process is scientifically sound, technologically feasible and marketable. Priority shall be given to proposals which create jobs in economically distressed rural areas, and have financial participation by state or local government or the private sector.

The entities eligible for assistance shall be small businesses as defined under the Small Business Act, universities or other institutions of higher education, nonprofit organizations and cooperatives.

The applicant must show that the proposal has broad application, will create new jobs in rural areas, and that the applicant's own resources are invested in the project, but that adequate public or private sector funding is not available without ARCC participation. The Corporation shall ensure the confidentiality of proposals.

The Corporation shall establish additional criteria for use when choosing among equivalent applications. These criteria shall emphasize the quantity and quality of jobs created, the level of financial participation by state or local government or private entities, the qualifications of the management, and the level of market demand for the product.

Section 16: Repayment of Financial Assistance.—A business entity shall repay the financial assistance it receives from the Corporation according to its contract with the Corporation. The Corporation is given great flexibility in negotiating the amount and type of this repayment. The maximum repayment period for financial assistance shall be 12 years. The Board may waive the repayment of financial assistance if necessary.

Section 17: Revolving Fund.—The Corporation is designed to be self-funding. A revolving fund is established to receive sums from the repayment of financial assistance and contributions to the Corporation. Administered by the Board, the fund shall be used to provide financial assistance authorized by this section and pay operational costs.

Section 18: Authorization of Appropriations.—The Corporation is authorized to receive such sums as may be appropriated through fiscal year 1999.

EXCERPT OF TESTIMONY PRESENTED BY SCOTT SHEARER, EXECUTIVE DIRECTOR, NATIONAL CORN GROWERS ASSOCIATION BEFORE THE SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

New product development and market introduction is a long, arduous, and expensive process. It requires commitment, discipline, and persistence. The "Agricultural Research Commercialization Act of 1988" is a major step forward in this effort.

This legislation provides for a long term and consistent national commitment in the development of new agricultural products for industrial uses. It provides for a means to take our research and technology from the laboratory to the market place. The revolving fund provides a long term source of funding for cooperative private and public programs.

The development of new industrial uses and markets for our renewable resources, agricultural products, will provide for a viable agricultural economy in the future. It will also help establish new industries, employment and economic activity for our communities. And it will also help us to be competitive in the world market place.

Senator Conrad, the National Corn Growers Association commends you and the other co-sponsors of this legislation. We support this legislation and are willing to assist in your efforts.

THE NATIONAL ASSOCIATION OF STATE DEPARTMENTS OF AGRICULTURE,
Washington, DC, November 29, 1988.

Hon. KENT CONRAD,
Chairman, Subcommittee on Agricultural Research and General Legislation, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR SENATOR CONRAD: The National Association of State Departments of Agriculture supports legislation you introduced in the 100th Congress, the Agricultural Research Commercialization Act of 1988, and would favor its reintroduction in the 101st Congress. We believe that this legislation, which would provide bridge financing and technical assistance to small companies to commercialize new industrial uses for agricultural and forestry commodities, is vital to American agriculture.

On September 28, 1988, the NASDA membership adopted a resolution, MAD-23, which urges increased emphasis on the development of non-food uses of farm and forest products. A copy of the resolution is enclosed. Your bill could be the vehicle to accomplish the goals set forth in our resolution.

We look forward to working with you and your staff toward passage of this legislation in 1989.

Sincerely,

ROBERT AMATO,
Assistant Executive Secretary.

Enclosure.

[From the National Association of State Departments of Agriculture, Washington, DC, 1988]

POLICY NO. MAD-23—NEW FARM, NONFOOD PRODUCTS

The importance of new uses for farm products is recognized as becoming a national priority, and that significant opportunities exist for farm and forest products to meet market needs, particularly in industrial, non-food application areas.

Resolved, That the National Association of State Departments of Agriculture, meeting in Reno, Nevada on September 28, 1988, urges increased emphasis of the development of non-food uses of farm and forest products, establish increased public/private cooperation in the development of these products, establish and facilitate agricultural technology transfer between public and private industrial sectors, expand biotechnological development in agricultural application, and establish a program to identify the development of new farm and forest programs. NASDA will facilitate such action by cooperating and making available assistance on state, regional and national levels with expertise from member states.

NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS,
Washington, DC, January 24, 1988.

Hon. KENT CONRAD,
Chairman, Subcommittee on Agricultural Research and General Legislation, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the members of the National Association of Development Organizations (NADO), I am writing in support of legislation to establish the Agricultural Research Commercialization Corporation (ARCC).

NADO was founded in 1967 by a group of economic development districts to encourage the creation and retention of jobs in rural America. Today, our members are multi-county planning and development organizations which help local governments and the private sector work together on business, community and economic development programs.

Natural resource industries continue to be the economic foundation for most rural areas. Unfortunately, all of these industries, in various degrees, display the symptoms of mature industries: slow growing markets, limit product differentiation, and stiff competition from foreign producers. Under these circumstances, rural America's economic base faces a continuing and protracted decline. However, research into new industrial products and processes using agricultural and forestry crops provide great promise. Our members believe that this research proves that innovative alternatives exist for expanding economic opportunities in the natural resources of rural areas.

The Agricultural Research Commercialization Corporation would help serve as the

catalyst for this economic growth. There remains a significant need for bridge financing in rural economic development. All too frequently, we have been unable to attain equity capital or private financing because of the embryonic stage of the venture; yet, the research has been completed. What remains to be done is the commercialization. Currently, only local revolving loan funds have attempted to solve this serious problem.

NADO members look forward to working with you to enact the Agricultural Research Commercialization Act during the 101st Congress.

Sincerely,

GEORGE F. ALFORD,
President.

NATIONAL FARMERS UNION
January 19, 1989.

Hon. KENT CONRAD,
U.S. Senate, 361 Dirksen Senate Office Building, Washington, DC.

Dear Senator Conrad: I am writing to express the National Farmers Union's wholehearted support for the concept underlying your proposal for an Agricultural Research Commercialization Corporation (ARCC). The proposal represents a coordinated national approach to the problem of rural economic development, without sacrificing local control of development initiatives and without abandoning the traditional source of wealth in rural America—agricultural commodities.

There is little doubt that the bountiful resources in this country can supply more food and fiber products than we currently need. But, too often in recent years, government has tried to tackle an imbalance between supply of farmers. History has demonstrated that driving farmers out of business with depressed market prices does not reduce commodity surpluses. However, it does create havoc in rural communities as families lose their livelihoods and their homes. Your proposal could address both problems by fostering new demand for agricultural products.

The structure and purposes of the ARCC allow the government to take a positive role in rural development that does not overwhelm the issue with regulation, but rather facilitates American ingenuity. Giving priority consideration to projects which can secure matching funds will keep costs down and provide an extra level of screening to protect taxpayers' investments.

The long-term future of family sized farming operations well may rest on our ability to develop new uses for our agricultural commodities, though many great ideas are still "on the drawing board" for lack of start up capital. I and my staff would be happy to offer whatever assistance you may feel is necessary.

Sincerely,

LELAND H. SWENSON,
President.

NATIONAL FARMERS ORGANIZATIONS,
Washington, DC, January 25, 1989.

Hon. KENT CONRAD,
Chairman, Subcommittee on Agricultural Research and General Legislation, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR CHAIRMAN CONRAD: We appreciate the opportunity to review the current version of S. 2143, the Agricultural Research Commercialization Act. Your efforts, and those of your colleagues who joined you in 1988 in development of this bill, have resulted in a commendable approach to a difficult problem.

In our organization, as you know, we must be concerned with the challenge to bargain successfully for our members in the marketing of their production. We are pressed continuously to turn a profit in order to survive in farming. The economic experience of the 1980s for farm producers has often been reflected in the profit and loss statements of the business houses with whom we deal. Stated very briefly, funds for venturesome endeavors in recent years have been severely limited. Consequently, the effective use of technology developed in our research stations has not been fully utilized.

In the same period of time, some of our competitors in other countries have been able to push into the food markets at our expense. We have production capabilities that may well be converted to non-food uses. The American people will benefit by such developments in many ways.

It is absolutely necessary to ensure a continuing stable and ample supply of high quality food while reducing the drag on the public treasury for farm program assistance. That will be most readily accomplished by providing for the survival of the mid-range independent owner-operators in farming and the small business houses with whom they deal in rural communities. We need expanding markets for our production.

As an example, the major sources of energy to operate our productive enterprises are finite in character. The condition of our total environment has deteriorated steadily in recent years. The portent of increasing populations around the globe may not have been intentionally ignored, but one may conclude that only a few authorities are undertaking to plan for the food, shelter and well being of those generations soon to come. National boundaries no longer serve to isolate one group of people from the problems of others.

In our best judgment, the results of some valuable research efforts really need to be put into operation in the best interest of all our people. Let's get these efforts moving in rural America. If they are not all successful, so be it. The survival of the better propositions will be ample reward for the effort. We support the thrust of S. 2413 and urge that it be moved early in this session of congress.

Sincerely,

CHARLES L. FRAZIER,
Director, Washington Office.

AMERICAN AGRICULTURE MOVEMENT, INC.,
Washington, DC, January 23, 1989.

Senator KENT CONRAD,
Chairman, Subcommittee on Agricultural Research and General Legislation, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the American Agriculture Movement, Inc., I am writing in support of your proposal to establish the Agricultural Research Commercialization Corporation within the U.S. Department of Agriculture. AAM believes ARCC could serve an important role in providing financial and technical assistance necessary for the development of new commercial uses for agriculture products.

This proposal would help address the deteriorating economic condition in many rural sections of our country. Reflecting the plight of many of our family farmers, our small towns and rural communities continue to see more and more of their store fronts boarded up and their small businesses closed. Rural job opportunities are fewer each year, contributing to the decline in rural population as more rural citizens are forced to move to urban centers to seek employment. As the local tax base shrinks, our small towns and rural communities are finding it more and more difficult to maintain decent schools, hospitals, roads, and other services necessary to provide an acceptable quality of life. In short, many of our rural communities are dying.

While no single governmental initiative can be expected to turn this situation around, it's urgent that Congress begin to address this problem in a number of ways. Your initiative should be an important part of an overall program aimed at revitalizing the economy in rural America. Every project which qualifies for financial and technical assistance under your proposal will provide new jobs in the community, and will offer the possibility of local economic growth and development which otherwise would not exist. The cumulative effect of these grants over several years should contribute in a meaningful way to the economic recovery that is necessary if our small town are going to survive.

We applaud your plan to establish several regional centers in various states to carry out the principal activities of the corporation. This will assure better availability to those who might benefit from the services offered and greater sensitivity to the local and regional needs and conditions which may be relevant.

As farmers, we are naturally supportive of efforts to create new uses for agricultural products. Despite the lowered production resulting from the drought of 1988, in most years we continue to produce far more agricultural products in this country than we can sell. This results in excessive costs to the government and hurts farmers by driving down prices. By making a modest investment in the necessary long range goal of creating new markets from new uses, your proposal addresses this problem. We must fully utilize our federal research dollars—and the results of that research should be seen in new marketable products, expanding sales and more profitable agriculture.

AAM appreciates your efforts to stimulate new commercial uses for agricultural products and is pleased to support this legislative proposal.

Sincerely,

HARVEY JOE SANNER,
National President.

EXCERPT OF TESTIMONY PRESENTED BY SCOTT SHEARER, EXECUTIVE DIRECTOR, NATIONAL CORN GROWERS ASSOCIATION BEFORE THE SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

New product development and market introduction is a long, arduous, and expensive process. It requires commitment, discipline, and persistence. The "Agricultural Research Commercialization Act of 1988" is a major step forward in this effort.

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The development of new industrial uses and markets for our renewable resources,

agricultural products, will provide for a viable agricultural economy in the future. It will also help establish new industries, employment and economic activity for our communities. And it will also help us to be competitive in the world market place.

Mr. Chairman, the National Corn Growers Association commends you and the other co-sponsors of this legislation. We support this legislation and are willing to assist in your efforts.

NATIONAL SUNFLOWER ASSOCIATION,
Bismarck, ND, January 24, 1989.

Hon. KENT CONRAD,
Chairman, Subcommittee on Agricultural Research and General Legislation, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR SENATOR CONRAD: I understand you are preparing to reintroduce your legislation to establish an Agricultural Research Commercialization Corporation, or "ARCC". As in the case of S. 2413, introduced last year, the purpose of ARCC would be to stimulate the development of "new uses" for U.S. agricultural commodities, principally in non-food and non-feed applications.

As you know, the National Sunflower Association strongly endorsed the ARCC proposal in June 1988, and recommended that a "maximum content" level be established to enable products, used as food ingredients, to be eligible for assistance. I understand this broader definition was to be included in the report language to last year's bill, and hope that your new version of ARCC will also reflect consideration of additive-type agricultural products.

The ARCC proposal would be a cost-effective method for stimulating the development and commercialization of new products derived from agricultural commodities, in sunflower areas as well as nationwide. With prospects for increased farm production in 1989 and future years, ARCC would make a major contribution to the effort to find profitable ways to use our abundant agricultural resources, and prevent the rebuilding of price-depressing surpluses. As before, the National Sunflower Association warmly applauds your initiative in reintroducing the ARCC proposal, and will assist in efforts to enact this legislation during the 101st Congress.

Sincerely,

LARRY KLEINGARTNER,
Executive Director.

COMMUNICATING FOR AGRICULTURE,
Bloomington, MN, January 27, 1989.

Hon. KENT CONRAD,
Chairman, Subcommittee on Agricultural Research and General Legislation, Senate Agriculture Committee, U.S. Senate, Washington, DC.

DEAR SENATOR CONRAD: On behalf of the members of Communicating for Agriculture, I want to commend you for reintroducing the legislation to create the Agricultural Research Commercialization Corporation (ARCC) early in the new session, and to express our strongest encouragement that Congress move forward quickly to approve this measure.

This bill would create a new program that is specifically designed to encourage commercialization of new ag research processes, particularly industrial uses of agricultural commodities. CA supports this bill so strongly because we believe industrial uses of agricultural products hold tremendous promise for improving agricultural markets over the long-term and yielding lasting economic benefits for the overall rural economy.

We have learned from researchers, including top people with USDA's Agricultural Research Service, about many promising ag utilization research efforts underway. Biodegradable plastics made from corn starch are causing a great deal of excitement. Paper produced from Kenaf, a new annual crop; printers ink made from soybean oil; and other products that often use farm-produced renewable resources in place of finite petroleum products, are among a host of promising new applications that have the potential to be commercial successes.

Yet, we've also learned that there often is a built-in intertia on the part of American business when it comes to investing in research and development of innovative new products. We've told that while Japanese companies regularly visit our research centers seeking new ideas, our own American companies all too often have a common response when presented with an entirely new product concept—"Fine, let a small company develop it. If it works, we'll buy them out."

Throughout most of the 1980s, America's farm families and agribusinesses have been buffeted by powerful and damaging economic forces. Many have left their occupation and their rural communities. Congress has responded to these challenges with many initiatives and unquestionably has helped to stem the negative tide. But most of government's efforts have been akin to plugging fingers in the dike—actions taken to cut the losses. Efforts that would yield real ongoing progress in improving the farm economy have been few and far between.

The ARCC bill seeks to prime the pump of ag product commercial development in new markets. Provisions which would target its benefits to small and medium-sized businesses, and create regional offices to make its financial assistance and information programs more accessible to rural businesses, in our judgment, are particularly welcome.

In a 1988 survey of Communicating for Agriculture's membership, an overwhelming 97 percent said that encouraging research and development of new uses of existing ag products should be a priority for our organization. The ARCC bill is one of the most promising proposals we have seen come forward. It will spur creativity and market responsiveness in agriculture, exactly what the rural economy needs.

We thank you again for your work and urge Congress to give it prompt approval.

Sincerely.

BRUCE ABBE,
Vice President of Legislative Affairs.

COMMISSIONER OF AGRICULTURE,
Austin, TX, January 20, 1989.

Hon. KENT CONRAD,
U.S. Senate, Washington, DC.

DEAR SENATOR CONRAD: Thank you for your leadership in legislation to commercialize new agricultural products. Over the last five years, the Texas Department of Agriculture (TDA) has been working in Texas to encourage production and processing of new crops and products. This experience has persuaded me that federal legislation is required to overcome the obstacles in the way of commercial development for new crops, and I would like to indicate my strong support for the Agricultural Research Commercialization Act.

TDA's experience in Texas also suggests, that the Agricultural Research Commercialization Act could be strengthened by incorporating new language that targets the Act's resources to the needs of sustainable agriculture and family farmers.

Specifically, I suggest four priorities for your consideration:

1. research that will have a positive impact on crop diversity, soil fertility and regeneration, and the use of crop rotation to reduce chemical inputs;

2. creation of jobs or new self-employment opportunities specifically in distressed rural areas;

3. utilization of crops which can be purchased from family-sized farms; and

4. development of financial partnerships with existing non-profit loan programs such as state finance authorities and community development loan funds.

I believe these four priorities will provide additional encouragement for the kind of economic growth that we will desire for rural America—based on family farms, strong communities, and a healthy, sustainable agricultural system.

If you care to discuss these recommendations at greater length, please feel free to contact me at your convenience.

Best regards,

JIM HIGHTOWER.

STATE OF MINNESOTA,
DEPARTMENT OF AGRICULTURE,
Saint Paul, MN, January 20, 1989.

Hon. KENT CONRAD,
Chairman, Subcommittee on Agricultural Research and General Legislation, Washington, DC.

DEAR CHAIRMAN CONRAD: I am writing to give my strong support to your proposal to establish the Agricultural Research Commercialization Corporation within the U.S. Department of Agriculture (ARCC). ARCC will serve as an important way to provide financial and technical assistance necessary for the development of new commercial uses for agricultural products.

This proposal would help address the economic crisis facing the rural areas of our state. Rural job opportunities are shrinking, forcing rural citizens to move to the city to seek employment, making it more difficult to maintain our schools, hospitals, roads and other services.

It is urgent that Congress begin to address these issues. Your initiative will be a critical element of an overall plan to revitalize rural America. Your proposal will provide new jobs in our rural community, and will offer the possibility of real long-term growth. As you know, our own state government has initiated a small effort of a similar nature, but we need federal leadership.

I appreciate all of your efforts to aid rural America. Your bill to credit the ARCC will be very important to all of us in rural America.

Sincerely,

JIM NICHOLS,
Commissioner.

NORTH DAKOTA STATE UNIVERSITY,
Fargo, ND, March 15, 1989.

Senator KENT CONRAD,
Dirksen Building, Washington, DC.

DEAR SENATOR CONRAD: I am personally very pleased that you are reintroducing the bill, "Agricultural Research Commercialization" this March 16, 1989.

The State of North Dakota, and indeed this region, have long needed this major emphasis to promote the public/private linkages for research and development of end user products that have added value.

Too often, we in North Dakota, produce the finest raw commodities and turn them over, in time, for someone else to "add value."

The concepts in this bill have been promoted by me for many years, as I felt that publically funded universities and agricultural experiment stations have a vested interest in what you propose.

Please find enclosed several statements and brochures that you may find helpful to "sell" this concept.

We need your leadership on this one! Your staffers, especially Suzette Dittrich, have been super to help to keep me informed on this topic.

Sincerely,

H. RONALD LUND,
Dean and Director.●

● Mr. GLENN. Mr. President, it is with great pleasure that I join with Senator CONRAD in introducing the Agricultural Research Commercialization Corporation Act of 1989. This is a forward-looking initiative which addresses what is in my judgment the single most important issue facing American agriculture today—the development of new nonfood uses for our Nation's agricultural commodities.

I have long supported the need to expand our research effort into new uses. The research this country has conducted in the agricultural field has been the envy of the world. It is time that we build upon our past success and redirect our research efforts to discover new markets for our agricultural commodities.

Significantly expanded research into new nonfood uses is one option to meet this goal. Nonfood uses for farm products are not far-off fantasies that will take years to develop. Right now, cornstarch is used not just in producing alcohol, but also in manufacturing paper and plastic products, building materials, textiles, and adhesives. In fact, earlier this year I introduced and my colleague Senator CONRAD cosponsored, the Agricultural Commodities Based Plastics Development Act to promote and expand the market for some of these products.

I know that research is being done on new nonfood uses at the Agricultural Research Service. Unfortunately, it amounts to only about $13 million out of a total ARS research budget of about $540 million in fiscal year 1988. Scattered research on new product development is also being done in the land grant system. Nevertheless, expenditures on new nonfood uses of agricultural products still lag far behind the money being spent on production research.

The Agricultural Research Commercialization Corporation Act of 1989 complements the need to expand our research efforts into new uses. This bill will provide financial assistance to help selected new-uses projects move from the laboratory to the marketplace. This, along with other efforts to place greater emphasis on new nonfood uses research and products, will further our effort to establish a cohesive framework to fully utilize one of our Nation's greatest natural resources—American agriculture.

The problems facing American agriculture are complex. They will not be solved quickly; rather they require a comprehensive strategy which addresses market development as well as research into new nonfood uses of our agricultural commodities. I believe that this legislation is a vital part of that solution and I look forward to working with Senator CONRAD to help ensure its passage.●

● Mr. SIMON. Mr. President, I am pleased today to join Senator CONRAD and several of my colleagues in introducing the Agricultural Research Commercialization Corporation Act.

For years, the United States has been a leader in agricultural research. We are creating many new uses for agricultural products, and the development of these uses has the potential to increase demand for the crops produced by our farmers. Unfortunately, commercialization of these new products has not kept pace with our research advances.

This bill will create the Research Commercialization Corporation within the U.S. Department of Agriculture. Its purpose will be to provide financial and technical assistance to small, mostly rural companies seeking to commercialize new farm products. Not only will this help bridge the gap between research and commercial use, it will give our rural areas an economic boost and create jobs.

In addition, we will be increasing demand for our agricultural products and commodity prices will go up. Finally, as we develop markets for these new products, we will become more competitive in the world market.

I have long supported agricultural research. Last year, I became the first Member of Congress to publish a newsletter printed with soy-based ink. I have also been a strong supporter of ethanol use. These are just two examples of new uses for our agricultural products. I will continue to support agricultural research and am pleased today to support this bill to bring our research developments into the marketplace. I believe the Agriculture Research Commercialization Corporation is not only good for the agricultural industry—it's good for America.●

By Mr. DECONCINI:

S. 622. A bill to amend title 35 of the United States Code to clarify the Drug Price Competition and Patent Term Restoration Act of 1984 with respect to medical devices, to promote increased competition and innovation in lifesaving medical technologies and to improve patient and physician access to advanced experimental therapeutical alternatives; to the Committee on the Judiciary.

MEDICAL TECHNOLOGY COMPETITIVENESS ACT

● Mr. DECONCINI. Mr. President, I rise today along with my colleagues Senators DURENBERGER, ADAMS, and GORTON to introduce the Medical Technology Competition Act of 1989. This bill clarifies the Drug Price Competition and Patent Term Restoration Act of 1984 with respect to medical devices; it promotes increased competition and innovation in life-saving medical technologies; and it improves the access of physicians and patients to advanced experimental therapeutical alternatives.

My bill addresses what has become a point of some controversy with Public Law 98-417, the Drug Price Competition and Patent Term Restoration Act of 1984. This law authorized the extension of certain patents in order to restore the patent time lost due to the period of FDA regulatory review for the patented inventions; and it also provided an experimental use or research exemption from infringement under which competitors can test experimental products. That is, the law permits competitors to engage in noncommercial research and development during the term of a patent so that commercial competition can proceed as soon as the patent expires. The law reversed the holding of *Roche Products* v. *Bolar Pharmaceutical Co.*, 221 U.S.P.Q.937 (1984) by means of 35 U.S.C. 271(e)(1), which provides

> It shall not be an act of infringement to make, use, or sell a patent invention (other than a new animal drug or veterinary biological product) * * * solely for uses reasonably related to the development and submission of information under a Federal law which regulates the manufacture, use, or sale of drugs.

The 1984 law was explicit with respect to human drug products and, with the enactment of Public Law 100-670, is now explicit with respect to animal drug products. The law is not explicit with respect to medical devices and this must be clarified. The American Bar Association Section of Patent, Trademark and Copyright Law stated in its 1988 committee report:

> In summary, the [ABA] subcommittee wishes to state its conviction that such an experimental or research exemption either does exist or should exist. Such a research exemption should apply to all products, not just to generic drugs.

My bill provides the necessary statutory clarification for medical devices and reaffirms the purpose behind the 1984 law—to balance the rights of patent holders—who were provided with the ability to secure patent extensions—with the public good of immediate increased competition once the patent expires.

Even more alarming than the evident legal unfairness with the state of the law at this point is its apparent effect of prohibiting physicians from conducting clinical evaluations of

state-of-the-art experimental medical devices that are desperately needed to treat serious heart conditions. A number of well-respected physicians at this country's leading hospitals and medical institutions have told me of seriously ill patients in need of an experimental medical device that cannot be used because it infringes the patent of a device already on the market. These physicians are, in effect, being blocked from practicing medicine to the best of their ability. The patients are immediate losers in this situation. We should also realize that, to a degree, we all are losers—because technological innovation is hampered, because medical progress is slowed, and because free competition and the ability to experiment are obstructed.

It is not often that one has the opportunity to take an action that will have as great an impact on patients' lives as will the passage of this bill. I am mindful of the rights of patent holders, and I value the need to protect intellectual property rights. This bill will not change the term of the patent. However, it will ensure that there is not a de facto extension which occurs when competitors are forced to wait until after the patent expires before even beginning the experimental use required for FDA approval.

While this issue came to my attention as a result of a current legal controversy, my motivation in introducing this bill is not to side with one patent holder over another; and it is not to choose one course of medical treatment or medical device over another. My purpose is to restore the proper balance in our patent laws and to do it as quickly as possible in light of the immediate patient care situation. I am pleased that several of my colleagues upon learning of the importance of this issue have joined me in sponsoring this legislation and I urge my other colleagues to support this much-needed legislation. Mr. President, I ask unanimous consent that the bill be printed in the RECORD following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medical Technology Competitiveness Act of 1989".

SEC. 2. INFRINGEMENT OF PATENT.

Section 271(e) of title 35, United States Code, is amended)

(1) in paragraph (1) by inserting ", medical devices" before "or veterinary biological products";

(2) in paragraph (2) by—

(A) striking out "or" at the end of subparagraph (A);

(B) adding "or" at the end of subparagraph (B);

(C) inserting between subparagraph (B) and the matter that follows such subparagraph, the following:

"(C) an application under section 515(c) of such Act (21 U.S.C. 360e(c)) for a medical device which is claimed in a patent or the use of which is claimed in a patent,"; and

(D) inserting ", medical device" before "or veterinary biological products"; and

(3) in paragraph (4) by inserting ", medical device" before "or veterinary biological product" each place it appears in subparagraphs (A), (B), and (C).●

By Mr. HARKIN:

S. 623. A bill to amend the Federal Food, Drug, and Cosmetic Act to prescribe labeling requirements for foods which contain vegetable oils, and for other purposes; to the Committee on Labor and Human Resources.

LOW CHOLESTEROL CONSUMER EDUCATION ACT

● Mr. HARKIN. Mr. President, I am today introducing the Low Cholesterol Consumer Education Act of 1989. An identical bill is being introduced in the House by Congressman DAN GLICKMAN (D-Kansas). This bill is the result of extensive research by public and private groups and agencies. It is the result of much effort, discussion and even debate among health and nutrition groups, public interest groups, commodity groups and trade groups.

Changes have been made in last year's bill to maximize the available nutrition information provided to the consumer, avoid potential trade problems and minimize the economic impact on the food industry.

I want to thank each of these groups for their cooperation and patience in working to put together a useful and meaningful piece of legislation.

Heart disease is the No. 1 killer in America today. It is a slowly progressive disease that begins early in life but rarely produces symptoms until middle age. It is responsible for more than a million deaths annually and costs Americans more than $60 billion annually. Millions of Americans suffer from symptomatic heart disease and millions more suffer from undiagnosed coronary heart disease. That's the bad news.

The good news is that appropriate changes in our diet will reduce blood cholesterol levels and lower the risk of heart disease. More than one out of every two Americans has a cholesterol count in the danger zone, or in other words, associated with increased likelihood of coronary heart disease.

Many researchers and associations have warned against the continued high dietary intake of fat—particularly saturated fat.

According to NIH studies, one out of four Americans ought to be on some form of treatment in order to reduce their serum cholesterol levels. Yet many consumers—under doctor's orders to reduce their consumption of cholesterol, saturated fat and total fat—have found it impossible to determine the actual ingredients in some food products because of vague, misleading, or imprecise labeling of foods on their grocer's shelves.

This is not a trivial matter. For many this is truly a matter of life and death. According to a recent survey by the American Association of Retired Persons, one of the many groups that supports this bill, 89 percent of its 30 million members read food labels and purchase food products accordingly. Three out of four surveyed said they had changed their dietary habits due to nutrition and ingredient labeling. This is a significant change from just a few years ago.

In my office I have two pictures of arteries provided by the National Institutes of Health, that show the difference between the artery of a person with a high cholesterol level and a person with a low cholesterol level. The one shows the plaque buildup associated with a high cholesterol level. There is a severe restriction in the size of this artery. A relatively small blood clot could not pass through the artery of the person with the high cholesterol buildup but it could easily have passed through the artery of the person with the lower cholesterol level.

For the person with the high cholesterol and resulting plaque buildup proper diet was probably a life and death situation. My legislation is designed to aid consumers, so they can have the information they need for healthy diets and productive lives.

It mandates that more accurate consumer information be published relative to the appropriate amounts of total fat, saturated fat and cholesterol that can safely be consumed. It mandates standards for comparing nutrition information currently found on food labels. It requires nutrition labeling for food products that make a claim about vegetable oil or cholesterol content.

A problem that has vexed consumers in recent years and has been the object of much discussion in medical, nutrition, and public interest circles, is the labeling of vegetable oils and fats with saturated fat levels ranging from 9 to 92 percent.

Advertisements highlighting that a product "Contains 100 percent vegetable oil—no cholesterol" create expectations of a healthy product—perhaps even healthier than alternative products. Upon seeing such a claim on the product's label, a consumer might assume that the product would have lower saturated fat than a product made with lard or beef tallow.

As you can see from this chart however, that is not necessarily the case. All vegetable oils are not equal in saturated fat content, especially after processing occurs; and all vegetable

oils and not lower in saturated fat content than lard or beef tallow.

Finally, my bill requires that disjunctive labeling be done away with—this is the practice of stating on the ingredient label "may contain one or more of the following vegetable oils * * *" or alternatively—that accurate nutrition labeling relative to total fat, saturated fat and cholesterol be displayed on the product's package or label.

With growing evidence of a strong link between good nutrition and good health, this bill is an important step in providing consumers with the information they need to reduce their saturated fat intake.

All of us as consumers have a right to know this kind of information. As a society, we must do all we can to reduce spiraling medical costs—and replace treatment with prevention in any way we can.

This bill moves us in that direction. I urge my colleagues to join me in cosponsoring this legislation.

Mr. President, I ask unanimous consent that the text of the bill and an accompanying table be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 623

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Low Cholesterol Consumer Education Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the Surgeon General has warned Americans that they should reduce consumption of fat, especially saturated fat and cholesterol,

(2) the "Dietary guidelines for Americans" published by the Secrtary of Agriculture and the Secretary of Health and Human Services has warned that consumers should avoid too much fat, saturated fat, and cholesterol,

(3) the National Institutes of Health have advised that the blood cholesterol level of most Americans is undesirably high, in large part because of high dietary intake of saturated fat and cholesterol, and that the treatment of high blood cholesterol levels requires the lowering of total fat, saturated fat, and cholesterol consumption,

(4) private and public studies by experts in the fields of medicine and nutrition unanimously support the conclusion that Americans should know how much fat, particularly saturated fat, they consume and should guard against too much consumption of fat in general and saturated fat in particular,

(5) the American Heart Association has indicated that too much saturated fat consumption can lead to increased serum cholesterol levels which can lead to coronary heart disease, the number one killer in America,

(6) the American Medical Association has indicated that the risk of developing coronary heart disease is directly related to the amount of cholesterol in a person's blood and that most people can lower their cholesterol levels into the desirable range by reducing their intake of saturated fats, and

(7) the National Academy of Sciences has recommended providing consumers with more information on the fat and cholesterol content of foods through improved labeling, particularly the saturated fat levels of some vegetable oils.

SEC. 3. STANDARDS.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall establish and publish in the Federal Register in proposed form—

(1) standards for the recommended maximum daily levels of total fat, total saturated fat, and cholesterol in total dietary intake, expressed as a percentage of calories from fat and total grams of fat, and

(2) relevant and appropriate standards for determining serving sizes of foods for purposes of enabling consumers to make comparisons of fat content contained in similar or like products.

SEC. 4. LABELING REQUIREMENTS.

Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343) is amended by adding at the end the following:

"(q) If its labeling (in a place separate from its list of ingredients) includes a statement that the food contains a vegetable oil or a statement about cholesterol content unless the labeling of the food—

"(1) complies with the nutrition labeling requirements of the secretary (21 C.F.R. 101.9),

"(2) identifies the total amount of saturated fat and cholesterol included in the food, and

"(3) highlights for the purchaser, in accordance with regulations of the Secretary, the nutrition labeling required by the secretary and this paragraph.

"(r) If it contains a vegetable oil unless (1) the labeling of the food specifically identifies which vegetable oil is in the food, or (2) the labeling of the food—

"(A) complies with the nutrition labeling requirements of the Secretary (21 C.F.R. 101.9), and

"(B) identifies the total amount of saturated fat and cholesterol included in the food.".

FATTY ACID COMPOSITION OF OILS AND FATS, PERCENTAGE OF TOTAL FATTY ACIDS, NEWS CONFERENCE CHART INFORMATION

[In percent]

Oil/fat	Saturated	Monounsaturated	Polyunsaturated
Safflower oil	9	13	78
Sunflower oil	11	20	69
Corn oil	13	25	62
Olive oil	14	77	9
Soybean oil	15	24	61
Soybean oil (lightly hydrogenated)	16	46	38
Peanut oil	18	48	34
Vegetable shortening (hydrogenated)	26	48	26
Cottonseed oil	27	19	54
Lard	41	47	12
Palm oil	51	39	10
Butterfat	66	30	4
Palm kernel oil	86	12	2
Coconut oil	92	6	2

Source: Handbook No. 8–4 and Human Nutrition Information Services USDA, American Heart Association (lightly hydrogenated soybean oil hydrogenated vegetable shortening).●

By Mr. REID (for himself and Mr. BRYAN):

S. 624. A bill to provide for the sale of certain Federal lands to Clark County, Nevada, for national defense and other purposes; to the Committee on Energy and Natural Resources.

SALE OF CERTAIN FEDERAL LANDS TO CLARK COUNTY, NEVADA

● Mr. REID. Mr. President, on May 4, 1988, an explosion destroyed the Pacific Engineering and Production Co. [Pepcon] facility in Henderson, NV. The blast which resulted in two deaths and over $75 million worth of damage to surrounding private property, was caused by the highly explosive chemical ammonium perchlorate.

Ammonium perchlorate [AP] is a strong oxidizer chemical compound and is a major component of the solid propellant used by NASA in the Space Shuttle Program and by DOD in numerous rocket and missile programs. Pepcon was one of two domestic ammonium perchlorate producers in America a product vital to the Nation's space program and defense readiness. The other is the Kerr-McGee Corp. which is located in the middle of Henderson, NV, the town that endured the last AP blast.

Mr. President let me give you an example of the importance of this substance. The propellant in the space shuttle booster rockets contain about 70-percent AP, 16-percent aluminum powder and 14-percent polymer. Similar amounts of AP are used in the propellant for military rockets and missiles. Today there is no substitutes for AP that can provide comparable performance.

The Department of Defense and the National Aeronautics and Space Administration desire to see the production of AP increased to cover the current product shortage as well as to meet long-term product needs once lost production capacity has been rebuilt. However, Kerr-McGee as a good corporate citizen understands that the residents of Henderson and surrounding Clark County are nervous about having another tragic explosion in their community. That is why Kerr-McGee is interested in relocating their plant to a safer area. We in Nevada are also interested in keeping this vital industry in our State and have the work force to help rebuild the productive capability.

DOD and NASA must replace the capacity destroyed by the Pepcon explosion and stabilize the overall AP supply situation. Thus, DOD and NASA want Pepcon and Kerr-McGee to get their new plants underway as soon as possible. Pepcon's new plant is under construction in Utah. Kerr-McGee is proceeding with engineering and will start construction as soon as a site is available.

Today I am introducing a bill to transfer public land for the relocation of the Kerr-McGee plant operations for the production of AP. This is consistent with the Governor's task force

recommendations and Clark County. About 90 percent of Clark County is owned by the Federal Government and land available from State or private land is severely limited. This area of Federal land, known as the "Apex Site" is administered by the Bureau of Land Management [BLM] within Clark County. The county is willing to purchase, at fair market value, the necessary land for an industrial park in which Kerry-McGee could safely resume production of AP away from any populated area. After such transaction the county intends to sell the land to Kerr-McGee.

Mr. President, passage of this bill is required to replace the productive capacity of ammonium perchlorate in this Nation and to provide for National Defense and reliability in the space program.

Thank you, Mr. President, and I ask unanimous consent that the complete text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 101. CONGRESSIONAL FINDINGS—

Congress finds that:

(a) Clark County, Nevada ("Clark County") has long served the Nation's defense program by hosting Nellis Air Force Base, Indian Springs Air Force Base, the operational headquarters for the Nevada Atomic Test Site, and the Basic Management Industrial Complex near Henderson which was established during World War II.

(b) The only two domestic producers of ammonium perchlorate, a principal component of solid rocket fuel essential to the Nation's defense and space programs, are Pacific Engineering and Production Co., Inc. ("Pepcon") and Kerr-McGee Chemical Corporation ("Kerr-McGee"), which have long maintained their production facilities near the City of Henderson in Clark County. On May 4, 1988, an explosion destroyed the Pepcon plant, thereby substantially reducing the Nation's capacity to produce solid rocket fuel.

(c) A commission subsequently appointed by the Governor of Nevada to examine the adequacy of existing policies and regulations pertaining to the manufacture and storage of certain industrial materials has recommended new policies which imply the desirability of relocating a part of Kerr McGee's plant and other industries to a less densely populated part of Clark County, but within reasonable distance of the present work force.

(d) The Department of Defense and the National Aeronautics and Space Administration strongly desire to replace the domestic ammonium perchlorate production capacity lost in the Pepcon accident and to firm up existing production capabilities in order to meet current shortages and long-term requirements.

(e) Kerr-McGee may be unable to maintain its existing operations for the production, storage and blending of ammonium perchlorate because of population densities and constraints on land availability.

(f) Approximately 84 percent of the State of Nevada and over 90 percent of Clark County is owned by the United States; this severely limits the availability of state or privately owned land for the Kerr-McGee plant.

(g) The optimum site for the relocation of the Kerr-McGee plant operations described above, consistent with the State's and Kerr-McGee's desires, is some 3,840 acres of land ("Kerr-McGee Site"), which is part of an area of federal lands, known as the Apex Site", administered by the Bureau of Land Management ("BLM"). Clark County has advised the BLM it would like to purchase the Apex Site for an industrial park under section 203 of the Federal Land Policy and Management Act ("FLPMA"), 90 Stat. 2750, which contains acreage limitations on the amount of land that may be transferred under its provisions without further congressional approval.

(h) Clark County and Kerr-McGee have identified the location of potential utility and transportation rights-of-way needed to support the Kerr-McGee plant.

(i) The rapid growth of Clark County and the restraining impact of Federal land ownership make it appropriate to accommodate Clark County's request for a reasonable block of Federal lands, together with supporting transportation and utility rights-of-way, for use as a heavy industrial park removed from the high population densities in the County.

(j) Clark County and Kerr-McGee have prepared an environmental assessment on the proposed transfer of the Kerr-McGee Site and supporting utility and transportation rights-of-way, entitled "Apex Nevada Land Transfer Proposal and Proposed Kerr-McGee Ammonium Perchlorate Facility", dated March 1989. That document reflects review of and comments on the proposed land transfer by the BLM and interested State agencies and environmental organizations in Nevada. It does not identify any substantial environmental impacts likely to result from the transfer of the site and supporting rights-of-way to the county that cannot be avoided or satisfactorily mitigated with appropriate control measures. Clark County and Kerr-McGee have agreed with BLM to provide those measures necessary to prevent or mitigate adverse environmental impacts identified in the environmental assessment.

(k) The Federal lands comprising the Apex Site are presently classified for retention and multiple use by the applicable BLM land use plan. At the time the current land use plan was developed, disposal of large parcels of land immediately outside the Las Vegas Valley was not identified as a possibility. However, the transfer of the Kerr-McGee Site and rights-of-way to Clark County will serve a critical national need which cannot be achieved prudently or feasibly on non-Federal land in Clark County and which outweighs other existing and potential public uses of the lands which would be served by maintaining them in Federal ownership.

(l) It is essential to accomplish the transfer of the Kerr-McGee Site and the supporting utility and transportation rights-of-way to Clark County as expeditiously as possible. The rest of the county's proposal should proceed in accordance with the provisions of the Federal Land Policy and Management Act and implementing regulations, except as modified by section 103 of this Act. The Secretary should expedite such processing to the maximum extent possible.

(m) The BLM, recognizing that the desert tortoise habitat found in Nevada, and elsewhere, is being significantly affected, especially within the Mojave Desert, by the rapid development associated with industrial growth and by other human activities, has prepared a rangewide plan for desert tortoise habitat management on the public lands. The goal of this plan is to ensure that viable desert tortoise populations will continue to exist through cooperative resource management aimed at protecting the species and its habitat. The BLM's schedule to implement this plan should be accelerated.

SEC. 102. APEX PROJECT LAND TRANSFER.—

(a) Subject to all valid existing rights, the Secretary of the Interior ("Secretary") is directed to convey by a standard form general warranty deed the lands, comprising approximately 3,840 acres, depicted as the "Kerr-McGee Site" on a map entitled "Apex Heavy Industrial Use Zone" dated March 1989, on file with the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, to Clark County, solely for sale to Kerr-McGee, in return for payment of the land's appraised fair market value, as determined by the Secretary in accordance with established appraisal practices.

(b) Subject to all valid existing rights, the Secretary is directed to grant the following described utility and transportation rights-of-way to Clark County for subsequent grant by Clark County of easement rights to Kerr-McGee or others designated by Kerr-McGee for the Kerr-McGee Site:

(1) a road and telephone line from State Highway 93, (2) a railroad and utility corridor from the Union Pacific Railroad tracks near Highway I-15, (3) electric transmission lines and (4) a water distribution line from the proposed facilities of Las Vegas Valley Water District, all as generally described and located on the map designated Figure 3.6-1 in the environmental assessment referred to in subsection 101(j) of this Act.

Each right-of-way shall not exceed 200 feet in width and shall be subject to the standard rental payments and other conditions provided for in the Secretary's regulations implementing title V of FLPMA, 43 U.S.C. §§ 1761-71.

(c) Subject to sections (a) and (b) above, the Secretary shall offer to sell the lands described in subsection (a) of this section at the lands' appraised fair market value and shall offer to grant the rights-of-way described in subsection (b) of this section to Clark County within 30 days of the effective date of this Act, but the Secretary's duty to transfer such lands and rights-of-way shall not lapse if they are not offered to the County within the prescribed time. If Clark County fails to purchase such lands within 60 days of receiving the Secretary's offer, the lands shall become subject to the authorization provided for in section 103 of this Act, and the total acreage authorized for disposition shall be increased by the amount of such acreage.

SEC. 103. AUTHORIZATION FOR ADDITIONAL TRANSFERS UNDER SECTION 203 AND TITLE V OF THE FEDERAL LAND POLICY AND MANAGEMENT ACT.—

(a) Notwithstanding the existing BLM land use plan for the Apex Site and the acreage limitations and competitive bidding requirements of section 203 of FLPMA, the Secretary is authorized, subject to the other conditions of that section, to transfer to Clark County up to 17,000 acres of the lands

within the "Apex Site", depicted on the map referred to in Section 102(a), that lie outside the boundaries of the Kerr-McGee Site at the property's appraised fair market value as determined by the Secretary in accordance with established appraisal procedures.

(b) The Secretary is authorized to enter into a land sales agreement with Clark County which provides for the transfer to be made in amounts and at times requested by Clark County over a period not to exceed 10 years. The purchase price for each parcel shall reflect its appraised fair market value at the time of the agreement, adjusted for inflation up to the date of transfer as measured by the annual Consumer Price Index published by the Department of Labor.

(c) Consistent with Title V of FLPMA, the Secretary may grant Clark County such rights-of-way as may be reasonably necessary to support the development of an industrial park on the lands that may be transferred pursuant to this section.

(d) Nothing in this section shall relieve the Secretary from compliance with all laws applicable to the proposed transfer, including, but not limited to, the National Environmental Policy Act; provided that any environmental studies prepared shall be on the total acreage proposed for purchase by Clark County even though portions may be transferred over a period of years as authorized in subsection (b) of this section.

(e) Subject to valid existing rights, the lands authorized for transfer under this section are hereby withdrawn from all forms of entry and appropriation under the public land laws, including the mining laws, and from operation of the mineral leasing and geothermal leasing laws. This withdrawal shall continue in effect until the land transfers are completed pursuant to this section.

SEC. 104. RESERVATION OF RIGHT-OF-WAY CORRIDORS.—

The transfer of lands pursuant to Sections 102(a) and 103 of this Act shall be subject to the reservation to the United States of the right-of-way corridors depicted on a map entitled "Right-of-Way Corridors Across the Apex Heavy Industrial Use Zone" dated March 1989, on file with the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. These corridors shall be administered by the Secretary who may grant rights-of-way over, upon, under and through the corridors consistent with Title V of FLPMA. The Secretary, in the administration of such corridors, shall to the maximum extent feasible locate rights of way so as to impact to the least extent possible, the heavy industrial uses being carried out on the site.

SEC. 105. ENVIRONMENTALLY SENSITIVE LAND ACQUISITION FUND.—

(a) Funds received from the sale of lands under this Act shall be used by the Secretary to acquire environmentally-sensitive lands, or interests in such lands, in the State of Nevada which can be managed as part of an existing federal land management unit. Funds shall be deposited into an account within the Treasury of the United States for the purpose of carrying out land exchanges or purchasing environmentally-sensitive lands in the State to mitigate for the loss of public lands at the Apex Site. In determining the lands to be acquired, the Secretary shall consult with appropriate state and local officials and interested environmental organizations.

(b) Until appropriated, the funds deposited in the Treasury pursuant to this section may not be obligated.

SEC. 106. LEGAL DESCRIPTIONS.—

As soon as practicable after the date of enactment of this Act, the Secretary shall file legal descriptions of the lands to be transferred pursuant to this Act with the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Such legal descriptions shall have the same force and effect as if included in this Act, except that the Secretary may correct clerical and typographical errors in such legal descriptions. The legal descriptions shall be on file and available for public inspection in the offices of the Director of the BLM.

SEC. 107. SHORT TITLE OF ACT.—

This Act may be cited as the Apex Project, Nevada Land Transfer and Authorization Act of 1989.●

● Mr. BRYAN. Mr. President, I rise in support of the legislation that is offered by my friend and colleague, Senator REID. An identical measure is to be introduced in the House of Representatives today by Nevada's Representatives Mrs. VUCANOVICH and Mr. BILBRAY.

On May 4, 1988, the Las Vegas Valley was rocked by an explosion which destroyed one of the Nation's two producers of ammonium perchlorate, a critical fuel component for both civilian and military solid rocket systems. The force of the explosion was so intense it has been compared to that of a small nuclear weapon. The property damage estimate was in excess of $75 million.

As Nevada's Governor, I commissioned a panel of experts to examine the causes of the disaster and to propose solutions that would protect the citizens of Clark County from similar accidents in the future. The legislation before you was engendered from the commission's recommendations.

The Nation's only remaining producer of ammonium perchlorate, Kerr-McGee, operates a plant about a mile from the location of the May 4, 1988 explosion. It is estimated that over a quarter of a million citizens live within a 10-mile radius of the plant. A similar explosion at the Kerr-McGee plant would be even more destructive.

This legislation is critical to both my State and the Nation. It will allow the Interior Secretary to sell to Clark County 3,800 acres of land at Apex immediately and allow the expeditious relocation, consistent with the recommendations of the task force I commissioned as Governor. The country will also receive authority to acquire additional land over a 10-year period to create a heavy industry development site so that other dangerous but necessary industrial activities can be relocated outside the increasingly urban areas of Clark County.

The legislation is critical to the Nation because ammonium perchlorate is a major component of the fuel used by NASA in the space shuttle program and by the Department of Defense in its numerous rocket and missile programs. The remaining production capacity is insufficient to meet the Nation's need and the planned 40-million-pound-per-year facility proposed will be an essential part of the Nation's strategic resources as soon as production is commenced.

The Apex site is ideal for this purpose since it is close to Las Vegas which has the infrastructure and labor pool necessary for economic operation of the facility, and yet is far enough removed from the population center to protect the citizens. I therefore, urge my colleagues to support prompt enactment of this important legislation.●

By Mr. NICKLES (for himself and Mr. FORD):

S. 625. A bill to eliminate artificial distortions in the natural gas marketplace, to promote competition in the natural gas industry, and for other purposes; to the Committee on Energy and Natural Resources.

NATURAL GAS REGULATORY REFORM ACT

Mr. NICKLES. Mr. President, Senator FORD and I, along with Senators WALLOP, GARN, BREAUX, and BOREN are pleased to introduce the Natural Gas Regulatory Reform Act of 1989. This bill is a compromise among the many complex interests in the natural gas industry. It is a bipartisan, "clean" bill, free from special interest provisions that would hinder or block legislation to repeal natural gas price controls.

Natural gas decontrol will increase the efficiency of the natural gas industry, promote domestic natural gas use and benefit consumers. We believe that the prolonged abundance of natural gas and the increasing influence of free market forces in the natural gas industry create an excellent opportunity for the Congress to end its 35-year legacy of controls on natural gas production.

Natural gas is the key to Oklahoma's successful future in energy and decontrol will stimulate the operation of efficient market mechanisms in the natural gas industry. Decontrol of natural gas is needed to help producers meet tomorrow's demands for natural gas by allowing the proper price signals to reach those who explore for an produce new reserves.

Natural gas is today the only commodity over which the Federal Government still has price controls at its source. Congress has already decontrolled the majority of the domestic natural gas, and the time is ripe to decontrol the remainder.

Today, less than 30 percent of domestic natural gas remains subject to Federal price ceilings. The vast majority of even the remaining controlled gas is effectively decontrolled, because

the wellhead price for that gas is far below the maximum ceiling price. Only 7 percent of domestic natural gas is controlled below $2 per Mcf.

It is, therefore, easy to see why these Federal price ceilings no longer protect the consumer from prevailing market prices. Irrespective of the presence of these price ceilings, the gas prices consumers pay today are determined by the laws of supply and demand, which includes such factors as the cost of imported gas and energy alternatives such as coal and oil.

If price controls were merely useless and without negative impact, there might not be the need to pass legislation to repeal them. Unfortunately, Federal price controls have been causing enormous economic inefficiencies in the natural gas market. The Congress encouraged the production of higher cost gas as opposed to letting industry select the most cost-effective gas resources to produce.

Maintaining natural gas price controls has an administrative cost as well. Pipelines and producers have to maintain complex tracking procedures to follow the many categories of gas and their ceiling prices. And these costs are also passed on to the gas consumer.

Our Nation's energy security has been adversely affected by the gas price ceilings. As we discovered with oil decontrol, industry is better than the Federal Government at efficient allocation of investment capital. The rapid rise in oil imports in the late 1970's and the gasoline shortage that hit U.S. cities in 1979 were wrought by the inefficiencies of the Federal oil price and allocation controls. Fortunately, these controls were finally terminated in 1981.

Removal of Federal controls which interfere with the exploration for and production of natural gas paves the way for a market responsive natural gas industry and is able to quickly and efficiently match supply and demand. As the current excess deliverability begins to decline, there will be an increase in the need for additional gas reserves. Decontrol will allow new supplies of natural gas to be brought forth at prices based on market signals, not Federal controls.

Clearly, the economy, the Nation's energy security, the natural gas industry, and natural gas consumers will all be better off by completing the decontrol of natural gas. We hope that you can join us by cosponsoring this legislation.

Mr. President, I ask unanimous consent that the summary and text of the bill be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 625

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "National Gas Regulatory Reform Act of 1989".

TITLE I—DECONTROL OF NATURAL GAS

SEC. 101. ELIMINATION OF WELLHEAD PRICE CONTROLS.

Title I of the Natural Gas Policy Act of 1978 (15 U.S.C. 3311-3333) is repealed.

SEC. 102. COORDINATION WITH THE NATURAL GAS ACT.

Section 601(a)(1)(A) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3431(a)(1)(A)) is amended to read as follows:

"(A) APPLICATION TO FIRST SALES.—For purposes of section 1(b) of the Natural Gas Act, the provisions of the Natural Gas Act and the jurisdiction of the Commission under such Act shall not apply to natural gas solely by reason of any first sale of such natural gas.".

SEC. 103. TECHNICAL AND CONFORMING AMENDMENTS.

The Natural Gas Policy Act of 1978 is amended as follows:

(1) The table of contents in section 1(b) (15 U.S.C. 3301 note) is amended by striking the items relating to title I and section 503 and 507.

(2) Section 312(c) (15 U.S.C. 3372(c)) is amended by striking "any natural gas" and all that follows through "(3)" and inserting in lieu thereof "any natural gas".

(3) Section 315(a)(1) (15 U.S.C. 3375(a)(1)) is amended by striking "or (B)".

(4) Section 501(c) (15 U.S.C. 3411(c)) is repealed.

(5) Section 502(d) (15 U.S.C. 3412(d)) is repealed.

(6) Section 503 (15 U.S.C. 3413) is repealed.

(7) Section 504 (15 U.S.C. 3414) is amended—

(A) in subsection (a), by striking "person" and all that follows through "to otherwise" and inserting in lieu thereof "person to";

(B) in paragraph (b)(1), by striking "paragraphs (2) and (3)" and inserting in lieu thereof "paragraph (2)";

(C) by striking paragraph (b)(3); and

(D) in paragraph (b)(4), by striking "paragraph (1), (2) or (3)" and inserting in lieu thereof "paragraph (1) or (2)", and by redesignating paragraph (b)(4) as (b)(3).

(8) Section 506(d) (15 U.S.C. 3416)) is repealed.

(9) Section 507 (15 U.S.C. 3417)) is repealed.

(10) Section 601 (15 U.S.C. 3431) is amended—

(A) by striking subparagraphs (B) and (E) of paragraph (a)(1);

(B) by redesignating subparagraphs (C) and (D) of paragraph (a)(1) as subparagraphs (B) and (C), respectively;

(C) in subparagraph (a)(1)(C) (as redesignated by subparagraph (B) of this paragraph), by striking "subparagraph (A), (B), or (C)" and inserting in lieu thereof "subparagraph (A) or (B)";

(D) by amending subparagraph (b)(1)(A) to read as follows:

"(A) FIRST SALES.—Except as otherwise provided in this subsection, for purposes of sections 4 and 5 of the Natural Gas Act, any amount paid at any first sales of natural gas shall be deemed to be just and reasonable.";

(E) in subparagraph (b)(1)(D), by striking "if such amount does not exceed the applicable maximum lawful price established under title I of this Act"; and

(F) in paragraph (c)(2), by striking "purchase of natural gas" and all that follows through "under section 202)," and inserting in lieu thereof "purchase of natural gas if, under subsection (b) of this section, such amount is deemed to be just and reasonable for purposes of sections 4 and 5 of such Act,".

(11) Section 602 (15 U.S.C. 3432) is amended by striking "(a) AUTHORITY TO PRESCRIBE" and all that follows through "(b) COMMON CARRIERS.—".

SEC. 104. EFFECTIVE DATE OF TITLE I.

The provisions of Title I become effective January 1, 1993.

TITLE II—TRANSITIONAL PROVISIONS

SEC. 201. DECONTROL OF NATURAL GAS SUBJECT TO A NEWLY EXECUTED CONTRACT, A RENEGOTIATED CONTRACT, A TERMINATED CONTRACT, OR TO A CONTRACT WHICH EXPIRES.

Section 121 of the Natural Gas Policy Act of 1978 (15 U.S.C. 3331) is amended by the deletion of the words "Subject to the reimposition of price controls as provided in section 122, the" and inserting in lieu thereof "The", and by the addition of a new subsection (f) to read as follows:

"(f) SPECIAL RULE.—The provisions of subtitle A shall not apply to—

"(1) gas subject to any contract for the first sale of natural gas that is executed after the date of enactment of this subsection, or

"(2) gas subject to any contract for the first sale of natural gas that is renegotiated after the date of enactment of this subsection if such renegotiated contract expressly provides that the provisions of subtitle A shall not apply, or

"(3) gas subject to any contract for the first sale of natural gas that will expire, lapse, or terminate after the date of enactment of this subsection at such time as that contract expires, lapses, or terminates, or

"(4) gas previously subject to any contract for the first sale of natural gas that has expired, lapsed, or was terminated on or before the date of enactment of this subsection.".

SEC. 202. COORDINATION WITH THE NATURAL GAS ACT.

Section 601(a)(1)(B) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3431(a)(1)(B)) is amended by striking "or" at the end of clause (ii), by replacing the period at the end of clause (iii) with "; or" and by the addition of a new clause (iv) to read as follows:

"(iv) natural gas exempted from the operation of subtitle A of title I pursuant to section 121(f).".

SEC. 203. EFFECTIVE DATE OF TITLE II.

The provisions of Title II are effective on the date of enactment of this Act.

SUMMARY OF THE NATURAL GAS REGULATORY REFORM ACT OF 1989

TITLE I. DECONTROLS ALL NATURAL GAS ON JANUARY 1, 1993

SEC. 101. Repeals on January 1, 1993, all remaining Natural Gas Policy Act of 1978 wellhead price controls on natural gas.

SEC. 102. Repeals Natural Gas Act jurisdiction over deregulated natural gas.

SEC. 103. Technical amendments to conform the NGPA to sections 101 and 102, above.

SEC. 104. Effective date of full decontrol is January 1, 1993.

TITLE II. TRANSITIONAL PROVISIONS

SEC. 201. Between the date of enactment and January 1, 1993, certain volumes of natural gas will be decontrolled. Gas will be decontrolled if the contract it is subject to is:

Entered into after date of enactment;

Renegotiated by the parties after date of enactment;

Terminated or expires after the date of enactment; or

Already expired or terminated before date of enactment but not subject to a new contract between the same parties before the date of enactment.

SEC. 202. Repeals Natural Gas Act jurisdiction with respect to gas decontrolled during the transition period.

Mr. FORD. Mr. President, today, I am sponsoring Senator NICKLES' bill for the phased decontrol of natural gas prices.

Natural gas is the only commodity that the Federal Government still price controls, at least in part, at its source. Pursuant to the complex scheme of partial wellhead price decontrol established by the Natural Gas Policy Act of 1978 [NGPA], a majority of the Nation's gas supply is already decontrolled as to price. Despite fears to the contrary, including my own, the average price paid at the wellhead has dropped following partial decontrol in 1985 and 1987.

The gas that remains controlled as to price is effectively decontrolled in the marketplace, since most of that gas is subject to maximum lawful prices in excess of current market prices. That small volume of the Nation's gas supply which remains subject to maximum lawful prices below spot market levels may be renegotiated up to market prices pursuant to Federal Energy Regulatory Commission [FERC] Order No. 451.

Thus, elimination of the remaining Federal price controls for natural gas will not result in higher prices for consumers. Gas prices are already being determined by the economics of supply and demand rather than by the existence of price ceilings. Elimination of the remaining price controls will reduce the administrative cost of maintaining wellhead price controls to producers, pipelines, the FERC and, ultimately, the consumer. Elimination of Federal price controls at a date certain will also halt the unnecessary automatic escalation of prices tied to Federal price controls, some of which rise at an annual rate which exceeds inflation by 4 percent.

There are, however, certain pipeline systems which purchase more low cost price controlled gas than other systems. Immediate complete decontrol might result in inequities causing unnecessary price increases to consumers served by those pipelines. Delaying final removal of wellhead price controls until January 1, 1993, should prevent this result by permitting these reserves to be depleted under the terms of their existing contracts, unless the parties mutually agree to renegotiate, and preserve the benefits of those contracts for consumers.

The transition period in the bill will also permit the gradual and orderly transition to complete price decontrol. Decontrol of gas subject to new contracts, renegotiated contracts or expired contracts will permit a smooth adjustment to complete decontrol without disturbing the sanctity of contracts.

All segments of the natural gas industry—producers, pipelines and local distribution companies—agree today that it is in the long term best interest of the Nation's energy supply that wellhead price controls should be eliminated; the only major issue in dispute is when. This bill strikes a reasonable compromise between those who advocate immediate decontrol and those who prefer decontrol in 5 years or later. The transition features of this bill will permit an orderly transition to the benefits of decontrol, while protecting consumers from any adverse consequences that might result from a more hasty movement to decontrol.

By Mr. HATCH (for himself and Mr. DECONCINI, Mr. BRADLEY, Ms. MIKULSKI, and Mr. JEFFORDS):

S. 626. A bill to amend the Lanham Trademark Act regarding gray market goods; to the Committee on the Judiciary.

TRADEMARK PROTECTION ACT OF 1989

● Mr. HATCH. Mr. President, last Congress I introduced S. 2903, the Trademark Protection Act of 1988, to protect trademark owners against gray market goods. That bill was introduced in response to what many consider to be the incorrect interpretation of the law by the U.S. Customs Service, which through regulation has permitted the importation and sale of gray market goods. This situation has resulted in the serious undermining of our intellectual property laws and the infringement of the rights of American trademark owners.

Also during the 100th Congress, the U.S. Supreme Court addressed this issue, in the case of K Mart Corp. versus Cartier, Inc. In that case, the Supreme Court decided to restrict some "gray market" importation, but permit other such imports to continue. Unfortunately, the case was decided on narrow technical grounds. The Court did not address the intellectual property or consumer issues surrounding the gray market and left the gray market situation just as unclear as it had been before its decision.

This problem now involves billions of dollars per year and results not only in serious harm to the American consumer and laborer but also to the American intellectual property system. Clarification of the trademark laws, through legislation, is necessary. We must resolve this situation with respect to both trademark owners and consumers.

In simple terms, resolution for the trademark owners means greater trademark protection, and for the consumers means greater disclosure. Therefore, my colleagues and I are introducing the Trademark Protection Act of 1989, to address the problems not answered by the Supreme Court and to finally resolve these important issues.

In addressing this issue, it is important that all of my colleagues have a clear understanding of what is meant by the gray market and the dangers that it poses to our intellectual property system.

TRADEMARK LAW

The use of trademarks has long been an important part of our system of intellectual property. They serve several useful purposes that are vital to free market enterprise. In his testimony before the Subcommittee on Patents, Copyrights and Trademarks, Guy Blynn, chairman and president of the U.S. Trademark Association, stated that a trademark's purpose is, among other things, to:

(a) Foster competition by enabling particular business entities to identify their goods or services and to distinguish them from those sold by others; (b) facilitate distribution by indicating that particular products or services emanate from a reliable though often anonymous source; (c) aid consumers in the selection process by denoting a level of quality relating to particular goods or services: (d) symbolize the reputation and good will of the owner, thereby motivating consumers to purchase or avoid certain trademarked products or services; and (e) protect the public from confusion or deception by enabling purchasers to identify and obtain desired goods or services. (Statement before Senate Subcommittee on Patents, Copyrights and Trademarks. February 17, 1987).

In 1946, after nearly 5 years of work, Congress passed the Lanham Trademark Act, to organize and simplify our trademark laws. The purpose of the act, as stated in the Senate report, was,

To place all matters relating to trademarks in one statute and to eliminate judicial obscurity, to simplify registration and to make it stronger and more liberal, to dispense with mere technical prohibitions and arbitrary provisions, [and] to make procedure simple.

For over 40 years, the Lanham Act has been surprisingly resilient to changes in the United States and world business practices. The growth and interdependence of the world economy since World War II has resulted in part from the tremendous growth of international trade. While this growth has produced many benefits, it has also produced some unfavorable side effects. One such side effect is growing infringement of the rights of American trademark owners.

In response to this growing problem, the measure that we are introducting today would eliminate the frustration and uncertainty common to this country's trademark owners by addressing

the problems surrounding gray market products.

DEFINITION OF GRAY MARKET GOODS

In an opinion in which it was asked to consider the issue, the U.S. Court of Appeals for the District of Columbia defined gray market goods as follows:

These are goods manufactured abroad bearing legitimate foreign trademarks that are identical to American trademarks. This situation typically arises when a foreign producer creates an American subsidiary that then registers the American trademark. Both the foreign producer and its American subsidiary often wish to be exclusively controlled by the American subsidiary. If, however, the price at which the American subsidiary sells the goods exceeds the price at which the goods are sold abroad, other importers have an obvious incentive to purchase the goods abroad (typically from a third-party who has legitimately purchased directly from the foreign producer) and resell them in the United States—perhaps without certain associated services or warranties—at a price below that charged by the American subsidiary. The same result can occur, however, if the American trademark owner is the parent and the goods are manufactured abroad by a foreign subsidiary. *Copiat* v. *United States*, 790 F.2d 903, 904 (D.C. Cir. 1986).

THE GRAY MARKET PROBLEM

The gray market problem arises with the importation into the United States of goods bearing a trademark, familiar to the American consumer, but which are made for sale abroad and are brought into this country without the authorization of the U.S. trademark owner. Because gray market goods are not produced for sale in the United States, they often fail to meet the same high quality standards imposed upon merchandise manufactured for sale here. Moreover, gray market goods often are not subject to the same care in shipment and do not carry the usual warranties entitling the consumer to service at an authorized service center. In short, gray market goods present serious problems for American consumers. As the National Consumers' League, one of America's oldest and most respected consumer organizations, has stated.

Gray market products often differ from the American trademarked products manufactured for sale in this country. Gray market imported foods, pharmaceuticals, and cosmetics can pose serious safety hazards. . . .

Gray market products do not carry U.S. manufacturers' or authorized distributors' warranties and frequently do not have English language instructions. Gray market manufacturers frequently conceal this fact from consumers or mislead them by offering a warranty which appears to be the manufacturer's but is not. . . .

Gray market goods are not necessarily cheaper. Gray marketeers argue that discount houses and discounted sales will disappear if the gray market is restricted. Frequently, gray market and domestic health care products are found together in a store and are offered at the same price.

The American consumer is not the only segment of our society that is harmed by the gray market. At a time when we are concerned about a record trade deficit and a sufficiency of meaningful manufacturing jobs for American workers, the gray market substitutes imports for United States goods and exports jobs. As a consequence, the gray market phenomenon has been strongly opposed by the great preponderance, if not all, of organized labor.

This is not to say that all the legitimate goods that gray market sales displace are United States products. The point is not that gray market goods are bad because they are imports. Rather, the point is that gray market goods are unfair competition in violation of the spirit, if not the letter, of our intellectual property laws.

This brings me to my final and perhaps most important point. Gray market goods undermine our intellectual property system. Specifically with respect to trademarks, which are most affected, gray market imports contravene the two basic purposes of the law. First, trademarks serve to prevent consumer deception and confusion. However, gray market goods are inherently confusing. Most often, as noted above, gray market goods are different products from their legitimate counterparts. Even where gray market and authorized goods are essentially identical physically, gray market goods often lack the quality and warranties that the consumer expects to receive in conjunction with the trademarked item. Again, as the National Consumers League has stated:

Consumers assume that an American trademark represents strict and uniform standards for the production of trademarked goods. The current gray market confuses consumers about the reliability of trademarks. There is also clear and mounting evidence that the importation of gray market goods facilitates the manufacture and sale of counterfeit goods in the United States.

The gray market undercuts another important pillar of our trademark laws by depriving the U.S. trademark owner of a fair return on his investment. That is, the gray marketeer is able to sell the gray market good only because of the substantial investment made by the trademark owner that creates consumer acceptance of the brand. Although the gray marketeer profits, often handsomely, from the gray market sale, he does not contribute to help the U.S. trademark owner recoup on his investment.

The gray marketeer misleads the consumer by not telling the consumer that he or she is buying a gray market good rather than an authorized good. And when there is resulting consumer dissatisfaction, this dissatisfaction causes substantial harm to the reputation and goodwill associated with the trademark of the U.S. registered trademark owner, thereby diminishing and infringing the trademark in question.

This free ride that the gray marketeer takes on the back of the U.S. trademark owner is not mitigated by the fact that the trademarked good was initially purchased from the foreign manufacturer even if that foreign entity is related to the U.S. trademark owner. Our trademark laws are territorial in nature. Our laws recognize that the goodwill created in a trademark in one country through the time, effort and money spent in that country may be very different from the goodwill created in another country.

In addition, this recognition by our laws of separate goodwills in the same mark makes sense because the same symbols or words that make up a trademark not only have a separate legal basis but also a different factual significance in each country where the local trademark owner has created independent goodwill in the mark. Put simply, our laws recognize that in a complex world with different legal systems governing goods manufactured and sold in different countries, a brand "X" widget authorized for sale in the United States may be materially different from a brand "X" widget intended for sale in another country, and thus it is necessary to protect U.S. trademarks and U.S. trademark owners from their foreign counterparts.

As a consequence, our laws, most importantly section 526 of the Tariff Act, do in fact contain provisions to protect U.S. trademark owners against the importation and sale in the United States of gray market goods. These laws provide for both a private right of action and Government enforcement. For years these laws were fully enforced by the U.S. Customs Service. Unfortunately, as a result of misplaced and outmoded views about the antitrust laws, the U.S. Customs Service has in recent years failed to enforce these laws as they are written.

Unfortunately too, the Supreme Court decision did not go the whole way in requiring Customs to enforce section 526 to stop all gray market imports. As a consequence, Congress should and must act to effect this result. For this reason, my colleagues and I are introducing this bill to require customs agents to reject gray market goods at our borders.

Finally, it bears emphasis that while I am convinced that gray market goods are bad for America, and that gray market importation should be stopped, the gray market controversy is fundamentally an intellectual property dispute and not an attempt to embargo merchandise. The law does not, and should not, prevent any person from importing goods that otherwise meet our health and safety standards just because the goods were manufactured abroad and may be quite similar, though not identical, to goods sold in

the United States by a U.S. trademark owner, provided that these imports do not bear the U.S. trademark owner's trademark. That is, our intellectual property laws do not prevent a person from importing into the United States noncounterfeit goods even when they bear a trademark identical to a U.S. trademark, provided that before importation the trademark is removed or obliterated. And, it should be further emphasized that this right is not illusory. Many companies, for example, Sears & Roebuck, sell goods made by a U.S. trademark owner or an affiliate of a U.S. trademark owner under their own brand name or as a generic.

Thus in the end, enforcement of the laws to prevent gray market imports will markedly reduce consumer deception, enhance United States employment, and ensure that entrepreneurs earn a sufficient return on their investment so as to continue to bring the maximum number of products and services to the U.S. market. This fully reflects what has been and should continue to be the essence of our intellectual property system.

PROPOSED LEGISLATION

The legislation that my colleagues and I are introducing today meets precisely that goal. Under its provisions, the Lanham Trademark Act is amended to provide that no person may import into or sell within the United States any good that is manufactured outside the United States if that good bears a trademark that is identical to a trademark owned and properly registered by a person, corporation, or other entity, unless the U.S. trademark owner consents to such sale or importation.

This prohibition would apply regardless of whether the foreign manufacturer of the goods or foreign trademark owner whose trademark appears on the goods is related in any way to the owner of the U.S. trademark. The prohibition would also apply regardless of whether the owner of the U.S. trademark owns or has registered the trademark abroad. And, finally, the prohibition would apply regardless of whether the owner of the U.S. trademark has authorized the use of the trademark abroad.

This legislation would empower the Secretary of the Treasury to exclude gray market goods if the U.S. trademark owner has registered that trademark with the Patent and Trademark Office and then files a copy of the certificate of registration with the Secretary of the Treasury. The U.S. trademark owner would also be allowed to bring an action against an importer or seller of gray market goods to enjoin the importation or sale and to obtain monetary damages and lost profits because of any such importation or sale.

By enacting this legislation, we will reduce unjust inroads upon trademark owners' rights, such as disincentives to investments resulting from free riding gray market goods; consumer concerns based on unserviceable and inferior products; and litigation expenses incurred by trademark owners to protect their trademarks against gray market goods.

This simple piece of legislation to the Lanham Trademark Act is one important way we can help our beleaguered American industries to once again perform on the cutting edge of competition.

Mr. President, I ask unanimous consent that a copy of the bill appear in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 626

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trademark Protection Act of 1989".

(b) The Congress finds that—

(1) the importation and/or sale of gray market goods (which are, for purposes of this Act, goods manufactured abroad to which a foreign trademark is lawfully applied by which are imported into the United States without the authorization of the United States owner of the identical or similar trademark), fundamentally violate United States trademark law;

(2) gray market goods cause confusion to consumers that trademark laws are designed to avoid because such goods, intended for sale abroad, frequently differ in their physical characteristics from goods intended for sale in the United States, such as—

(A) gray market cosmetics may contain ingredients that are either banned in the United States or are otherwise considered less desirable from the perspective of a United States consumer;

(B) gray market vehicles may not include safety devices common in vehicles manufactured for sale in the United States market;

(C) gray market batteries may have shorter lives when sold to a United States consumer simply because of delays and lack of care in transshipment; and

(D) gray market goods are frequently not subject to the same quality control, warranties provided in the United States and other features that consumers may expect from a particular trademarked good;

(3) whether or not consumers are confused by gray market goods, the importation or sale of such goods deprives United States trademark owners of their investment in their trademark;

(4) trademarks foster vigorous competition and increased research and development and such interbrand competition ultimately benefits consumers with lower prices and increased quality and selection;

(5) the loss of goodwill occasioned by gray market goods is in violation of fundamental tenants of our trademark laws; and

(6) the importation and sale of gray market goods in the United States must be prevented to preserve the integrity of our trademark system.

(c) The Act of July 5, 1946, the Lanham Trademark Act (15 U.S.C. 1051 et seq.), is amended by adding at the end thereof the following new section:

"SEC. 52. (a) No person may import into or sell within the United States any good that is manufactured outside the United States if such good, or the label, sign, print, package, wrapper, or receptacle, bears a trademark that is identical to a trademark—

"(1) owned by a person that is a citizen of the United States or by a corporation or other entity created within the United States under the laws thereof or the laws of one of the States, the District of Columbia, one of the territories, or the Commonwealth of Puerto Rico, without regard to the citizenship of its incorporators, shareholders, officers, or directors, and

"(2) registered by such person with the Patent and Trademark Office under the provisions of this Act,

unless such person consents to such importation or sale.

"(b) The prohibitions of subsection (a) apply regardless—

"(1) of whether the foreign manufacturer of the goods or foreign trademark owner whose trademark appears on the goods is related in any way, by corporate affiliation or otherwise, to the owner of the United States trademark;

"(2) of whether the owner of the United States trademark owns or has registered the trademark abroad; or

"(3) of whether the owner of the United States trademark has authorized the use of the trademark abroad.

"(c) The Secretary of the Treasury shall exclude from entry into the United States any good the importation of which is in violation of subsection (a), provided that the person who owns the trademark in question in the United States and who has registered that trademark with the Patent and Trademark Office files a copy of the certificate of registration for such trademark with the Secretary of the Treasury.

"(d) Any owner of a United States trademark may bring an action against the importer or seller of goods that bear identical trademarks in violation of section (a) in any Federal district court to enjoin such importation or sale and to obtain money damages and loss profits for the wrongful use of a trademark by reason of such importation or sale, under the provisions of this Act.

"(e) For purposes of this section, the term—

"(1) 'person' means any individual or entity including but not limited to any corporation or partnership; and

"(2) 'United States' means the territory comprising the 50 States, the District of Columbia, and Puerto Rico.

"(f) The exceptions to the prohibitions of section 526(a) of the Tariff Act of 1930, set forth in section 526(d) of that Act, apply to the prohibitions set forth herein.

"(g) The Secretary may promulgate regulations to implement subsection (b) but such regulations must enforce subsection (b) fully for any owner of a trademark in the United States regardless of whether—

"(1) such trademark owner or its subsidiary or other affiliate manufactures or sells goods bearing an identical or similar trademark abroad;

"(2) such trademark owner owns and/or has registered such trademark abroad; or

"(3) such trademark owner has authorized the use of such trademark abroad.".●

By Mr. BOREN:

S. 627. A bill to provide that congressional newsletters shall not be franked mail, to restrict certain congressional

mass mailings, to require disclosure of certain costs of congressional mailings, and for other purposes; to the Committee on Rules and Administration.

CONGRESSIONAL NEWSLETTERS

● Mr. BOREN. Mr. President, today I send to the desk legislation to curtail the abusive spending of taxpayer dollars for excessive newsletters and mass mailings produced and mailed by congressional offices.

There are several reasons why this legislation is needed. First, competition in congressional elections is stifled when incumbents make excessive use of free printing, production, and postage of newsletters. Second, while citizens have a legitimate right to know about our actions in Washington, they also have a right to know how much we spend on that communication. And finally, we should not allow the growth in mailing costs for what essentially has become campaign propaganda to be paid for by the taxpayer.

Mr. President, there are three basic provisions of this legislation.

First, it disallows the use of the "frank" to send out newsletters to a Member's constituents;

Second, it changes the 60-day prohibition of "mass mailings" to "1 year before an election"; and

Third, it requires that each Member of the House and Senate submit to the Senate Rules and Administration Committee and the House Commission on Congressional Mailing Standards, a disclosure statement which details that office's expenditures for mass mailings for the previous 6 months, and do so on a semiannual basis.

Mr. President, several years ago, I stopped sending newsletters to my constituents. While I sent them previously as a way to elicit their views and ideas as well as report on legislation of interest to Oklahoma, I concluded after reviewing the results that it was not a cost-effective use of taxpayer funds. I, as many of my colleagues do, try to keep in touch with the views of our citizens with direct interaction in our home States as well as through the ample opportunity we have with an interested and aggressive news media. Many of these costs are already paid for through our normal office expenses each year. To continue the additional, costly allowance for newsletters is at least, a questionable use of funds. While I agree that contact with our constituents is imperative, the television age into which the Senate has now entered and our ability to communicate through public meetings and forums and through a free, open and unbiased media, is adequate.

Further, as an advocate for strong, comprehensive campaign finance reform, I could not help but be moved by the comments of the opponents of our bill who last year incorrectly criticized it as "incumbency protection." I would like to suggest with this bill, that we can help balance the scales between challengers and incumbents, and save taxpayer dollars at the same time by restricting mass mailings and banning newsletters. It is not hard to see that more is spent for such expenses in even numbered election years than in odd numbered years. As campaigns approach, newsletters and mass mailings proliferate. In 1987, the cost of such mailings were $137 million and estimates are much more for 1988. A competent challenger to a sitting incumbent is disadvantaged even before he or she decides to run for office, because of this perk of office.

Mr. President, I ask my colleagues to seriously review this bill. It is all too rare that the Congress has an opportunity to vote against its own self interest. The Senate did so just last month overwhelmingly on the pay raise issue, and was saluted for its restraint. We can do one better by restricting this abused privilege. I ask consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 627

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CONGRESSIONAL NEWSLETTERS NOT FRANKABLE MAIL

SECTION 1. (a) Section 3210(a) of title 39, United States Code, is amended—

(1) in paragraph (3)—

(A) by striking out subparagraph (B); and

(B) by redesignating subparagraphs (C) through (J) as subparagraphs (B) through (I), respectively;

(2) in paragraph (5)—

(A) in subparagraph (D)—

(i) by redesignating such subparagraph as subparagraph (E); and

(ii) in the second sentence of such subparagraph by striking out "clause (D), the term 'mass mailing' shall mean newsletters and similar mailings" and inserting in lieu thereof "subparagraph, the term 'mass mailing' shall mean mailing";

(B) in subparagraph (C)—

(i) by striking out "or" at the end thereof; and

(ii) by inserting after such subparagraph the following new subparagraph:

"(D) the usual and customary congressional newsletter or press release which may deal with such matters as the impact of laws and decisions on State and local governments and individual citizens, reports on public and official actions taken by Members of Congress, and discussions of proposed or pending legislation or governmental actions and the positions of the Members of Congress on, and arguments for or against, such matters; or";

(3) in paragraph (6)(E) in the first sentence by striking out "newsletters and similar"; and

(4) by inserting at the end thereof the following new paragraph:

"(7) The Senate Committee on Rules and Administration and the House Commission on Congressional Mailing Standards shall prescribe for their respective Houses such rules and regulations and shall take such other action, as the Commission or Committee considers necessary and proper for the Members and Members-elect to conform to the provisions of paragraph (5)(D) and applicable rules and regulations. Such rules and regulations shall include, but not be limited to, provisions defining what matter constitutes a newsletter.".

(b) Rule XL of the Standing Rules of the Senate is amended—

(1) in paragraph 1. by striking out "section 3210(a)(5)(D)" and inserting in lieu thereof "section 3210(a)(5)(E)"; and

(2) in paragraph 3. (a) by striking out "section 3210(a)(5)(D)" and inserting in lieu thereof "section 3210(a)(5)(E)".

PROHIBITION OF CONGRESSIONAL MASS MAILINGS WITHIN ONE YEAR BEFORE AN ELECTION

SEC. 2. Section 3210(a)(6) of title 39, United States Code, is further amended—

(1) in subparagraph (A)(i) by striking out "fewer than 60 days" and inserting in lieu thereof "within one year"; and

(2) in subparagraph (A)(ii)(II) by striking out "fewer than 60 days" and inserting in lieu thereof "within one year"; and

(3) in subparagraph (C) by striking out "fewer than 60 days" and inserting in lieu thereof "within one year".

DETAILED AND SEPARATE DISCLOSURE OF FRANKED MAILING COSTS

SEC. 3. Section 3210 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(h) Each Member of Congress, Member-elect to Congress, and other official to whom the provisions of this section apply shall on the first January 1 following the date of the enactment of this subsection and every six months thereafter submit to the Senate Committee on Rules and Administration, or the House Commission on Congressional Mailing Standards, as appropriate, a disclosure statement containing a summary detailing all costs for every mass mailing conducted by such Member of Congress, Member-elect of Congress, or official during the preceding six month period.

"(2) For purposes of paragraph (1), the term 'mass mailing' shall have the same meaning as such term is defined under subsection (a)(5)(E).".●

By Mr. RIEGLE:

S. 628. A bill to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections; to the Committee on Rules and Administration.

UNIFORM POLL CLOSING TIME

● Mr. RIEGLE. Mr. President. I rise today to introduce legislation which, if enacted, would establish a single poll closing time in the continental United States for Presidential elections. This legislation is identical to which has been introduced in the House of Representatives by Congressman SWIFT.

Mr. President, I believe the chilling effect of early projections on voter turnout and voter participation in Presidential elections has been well documented in hearings by both Houses of Congress, and I have sponsored legislation both in the 99th Congress (S. 2080) and in the 100th Congress (S. 182) to establish a uniform

poll closing time to minimize the effect of such projections.

The legislation I am introducing today, which is identical to legislation I sponsored in the 100th Congress, would establish a uniform poll closing time in the continental United States of 9 p.m. eastern standard time [EST]. In addition, daylight saving time [DST] would be extended for 2 weeks in the Pacific time zone [PTZ] allowing polls located in that region of the country to close at 7 p.m.

Earlier this year, I joined with Senator ADAMS and others in sponsoring S. 136 which would also establish a uniform poll closing time for Presidential elections. Unlike the bill I am introducing today, however, polls would close at 10 p.m. e.s.t. and there would be no extensions of daylight saving time.

I believe that introduction of both of these bills underscores the importance of this issue in the Senate and to the American public and demonstrates the need for the House and the Senate to act quickly to resolve the current situation. It is my hope that the Senate will act in the coming months to address this issue, and I urge my colleagues to support uniform poll closing legislation.

Mr. President. I ask unanimous consent that the text of the bill be printed in the RECORD directly following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 628

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SINGLE POLL CLOSING TIME FOR PRESIDENTIAL GENERAL ELECTIONS IN THE CONTINENTAL UNITED STATES.

Chapter 1 of title 3, United States Code, is amended by—

(1) redesignating section 21 as section 22; and

(2) inserting after section 20 the following new section:

"§ 21. Single poll closing time in continental United States

"(a) Each polling place in the continental United States shall close, with respect to a Presidential general election, at 9:00 o'clock post meridiem, eastern standard time. Any person who, as determined under the law of the State involved, arrives at a polling place after that time shall not be permitted to vote in the Presidential general election.

"(b) Notwithstanding subsection (a), a polling place shall close, with respect to a Presidential general election, as provided by the law of the State involved, in the case of a polling place at which each person who is eligible to vote has voted.

"(c) As used in this section, the term—

"(1) 'continental United States' means the States of the United States (other than Alaska and Hawaii) and the District of Columbia;

"(2) 'Presidential general election' means the election for electors of President and Vice President; and

"(3) 'State' means a State of the United States and the District of Columbia.".

SEC. 2. EXTENDED DAYLIGHT SAVING TIME IN PACIFIC TIME ZONE IN PRESIDENTIAL ELECTION YEARS.

Section 3 of the Uniform Time Act of 1966 (15 U.S.C. 260a) is amended by adding at the end the following new subsection:

"(d)(1) Notwithstanding subsection (a) of this section, in each year in which a Presidential general election takes place, the period of time during which the standard time shall be advanced with respect to the Pacific time zone shall end at 2:00 o'clock ante meridiem on the first Sunday after the date of that election.

"(2) As used in this subsection, the term 'Presidential general election' means the election for electors of President and Vice President.".

SEC. 3. TECHNICAL AMENDMENTS.

(a) AMENDMENTS TO TITLE 3, UNITED STATES CODE.—The table of sections for chapter 1 of title 3, United States Code, is amended—

(1) by striking out the item relating to section 21 and inserting in lieu thereof the following:

"22. Definitions."; and

(2) by inserting after the item relating to section 20 the following new item:

"21. Single poll closing time in continental United States.".

(b) AMENDMENTS TO UNIFORM TIME ACT OF 1966.—Section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)) is amended by striking out "2 o'clock antemeridian" each place it appears and inserting in lieu thereof "2:00 o'clock ante meridiem".●

By Mr. CRANSTON (for himself, Mr. HOLLINGS, Mr. GORE, and Mr. WILSON):

S. 629. A bill to amend the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701): to the Committee on Commerce, Science, and Transportation.

EARTHQUAKE HAZARDS REDUCTION ACT OF 1977 AMENDMENTS ACT

Mr. CRANSTON. Mr. President, on behalf of myself and my distinguished colleagues Senator HOLLINGS, Senator GORE, and Senator WILSON, I today introduce for appropriate reference a bill to make structural and management changes in the National Earthquake Hazards Reduction Program.

Twelve years ago the Congress enacted the Earthquake Hazards Reduction Act of 1977—Pub. L. 95-124—which I authored. The NEHRP was designed "to reduce the risks of life and property from future earthquakes in the United States through the establishment and maintenance of an effective earthquake hazards reduction program." I have maintained a keen and steady interest in the progress of the NEHRP since enactment. My own observations and the findings of numerous experts in the field suggest that it is time for a change in both the direction and conduct of this critical Federal Earthquake Program.

When we initiated this program over a decade ago, our science, engineering and policy knowledge of earthquakes and their impact was limited. Limited, too, was the capability of Government and business to act on what we knew. Few individuals were capable of effectively advancing the field of earthquake research and application. So our first goal under the program was to develop knowledge about earthquakes together with a clear capability to use that knowledge. We also needed to bring both knowledge and capability to a point that it accurately reflected the national extent of the earthquake threat and the pressing need to mitigate the impacts of the earthquakes we knew would occur in the future.

Clearly, the first decade of the NEHRP has succeeded in its dual mission. We have created both the expertise and the capability needed to make major reductions in earthquake consequences, and earthquakes are now viewed as a national, not regional, threat. Whereas earthquake preparedness was once focused only in California and Alaska, we can now point to well-mounted preparedness efforts in the Northwest, the Intermountain region, the Midwest, the Southeast, and the Northeast. Whereas engineering and scientific research was previously concentrated in Western universities, with a few expert individuals in other regions, we now have major efforts and centers of expertise in the East. Whereas the public perception in 1977 was of earthquakes as a Western problem, citizens are much more aware of their vulnerability in other areas of the country and they are beginning to seek protection.

These are major shifts in attitude, perception, and expertise, and they are directly attributable to the success of the NEHRP. Now, through what we've learned since 1977, we have what we need to initiate more aggressive, effective actions to prepare for, mitigate, and recover from earthquakes. It is time, based upon the program's success in its original mission, to reorient the NEHRP away from the basic research and capacity-building effort of the first decade and toward a goal-oriented, centrally-managed program of earthquake hazards reduction.

Redirecting the Earthquake Program in an issue of some urgency because the threat of earthquakes in the United States is more clear to us now than ever before. In 1988 the U.S. Geological Survey, in a report prepared by the Working Group of the National Earthquake Prediction Evaluation Council, established a 60-percent probability that a 7.5 or greater earthquake will occur on the San Andreas Fault in southern California in the next 30 years and a 50-percent probability that a magnitude 7.0 earthquake will occur on the San Andreas or Hayward Faults in the San Francisco Bay region in the same period of time. In the Central United States, a recent study by Memphis State University estimates a 40- to 63-percent probabilty of a magnitude 6.0 earthquake occurring on the New Madrid Fault before

the turn of the century—less than 11 years away.

Wherever and whenever these earthquakes occur, the effect on human life and the economy of the Nation will be staggering. The Federal Emergency Management Agency estimates that if a quake measuring 7.6 percent on the Richter scale were to strike the New Madrid Seismic Zone—the site of the biggest quake in U.S. history, in 1811—by day, some 2,523 people would die from structural failure in Memphis. The injured would outnumber the available hospital beds; 460,000 people in the six-city Memphis region would be homeless. Restoration of buildings and facilities would add up to a staggering $51 billion.

A major quake on California's San Andreas Fault, totaling $50 billion or more in damages, could trigger some $62 billion in total insurance claims, wiping out half of the insurance industry's capital, causing insurers to dump stocks and bonds onto the market all at once and gravely depressing the market. If major computer and telecommunications center are hit—as they would be, if either California or New York were hit—the U.S. economic communications labyrinth would be seriously disrupted. Data-transfer failures in one part of the country would rapidly affect banks everywhere. Loss of real estate equity or lack of insurance would spur loan defaults and bankruptcies. This would occur on top of large-scale loss of life, gas pipeline failure, electrical sewer and water line breakage, and release of stored toxic substances. Rail transportation and highways would be seriously disrupted, as would commercial telephone service. Fires would be numerous, dams could break, structural failure would be widespread, and injuries would likely overwhelm medical capabilities.

A 1980 report by the National Security Council—which also concluded that major earthquakes in both the Western and Eastern United States were inevitable—said that local officials were not prepared for an event of a magnitude that could kill thousands of people and cause billions of dollars in property damage. The report concluded that coordinated plans for dealing with major earthquakes could save thousands of lives and prevent large-scale economic losses. Yet to date there has been no serious Federal effort to plan to cope with such a catastrophe in the Eastern United States. And in the Western United States, the effort lags in translating research findings into application.

Simply put, we have lots of knowledge about what to do, but we come up short on application.

NEED FOR REDIRECTING THE NEHRP

Developing a prediction capability was a major intent of the 1977 act, but we have learned in 10 years that the prediction of earthquakes is more difficult than had been expected. We have been more successful in identifying regional hazards, or the degree of activity of individual faults, than we had expected. There has been completed, but not yet implemented, an Executive order for Federal building regulation incorporating current seismic building regulation approaches. We have participated in a number of successful international activities that have benefited the U.S. program. These and other advancements have stemmed from the original basic research and capacity-building mandate and orientation of the NEHRP. The operational strategy of the 1977 act was to stimulate efforts by several Federal agencies to work with their natural constituencies. It was an approach that rested on coordination rather than single agency direction, and it was an approach that was totally appropriate at the time.

But the organizational structure set forth in 1977 is no longer suited for today's needs. In fact, a key problem has emerged in the conduct of the NEHRP because of the organizational structure that now exists. Over the years, each of the five agencies that share NEHRP responsibilities has pursued the program within the context of the agency's dominant assignment. That is, the National Science Foundation [NSF] emphasizes basic research values; the Federal Emergency Management Agency [FEMA] bases its actions within the context of civil defense; The U.S. Geological Survey approaches the NEHRP as an inhouse science development process; the National Institute for Standards and Technology; although minimally involved, looks for staff support for people not otherwise supported. This strategy worked well when there was so much to be done that a focused, tightly managed program would not have worked, but times have changed.

As just partial evidence of this, in 1987 an expert review committee appointed by FEMA—the lead agency for the NEHRP—reviewed the program and made unanimous recommendations both as to program directions and the best structure for accomplishing the mission of the NEHRP. The report raised serious questions about the performance of FEMA as lead agency and, in fact, about the ability of any of the four agencies to provide effective leadership under the current program structure.

Over the years of the NEHRP the programmatic performance by FEMA has not been at issue, nor is it at issue here. The criticisms put forth by the FEMA Commission report and other critiques of the NEHRP do not center as much on the performances of any single agency as they do from an overall review of the program itself.

The role of FEMA is to coordinate the NEHRP, but the leadership capability of the agency has been severely hampered not only by insufficient resources, but by a clear inability to effect the programs of individual agencies—whether expressed as program priorities, budget requests, the allocation of agency resources among competing needs, or details of program management. As a result, the NEHRP stands today as a series of independent programs linked in name only. In fact, most of the NEHRP agencies request program appropriations under their organic legislation, not the NEHRP, and there is little evidence from the record that NEHRP coordination has lead any of the agencies to alter their budget requests in a coordinated manner.

Coordination is not now an effective means to lead the NEHRP. While an advantageous concept in the early years, it is now becoming destructive as the agencies forget why the program was developed and start to direct the NEHRP to their organic interests rather than those of the act.

The Expert Review Commission also concluded that "every part of the NEHRP is now funded at a level well below that required to achieve the primary goal of reducing losses of life and property on a time scale acceptable to society." But in an uncertain budget future, it will likely be even more difficult to persuade either the administration or the Congress to fund adequately a program that lacks a demonstrated coherence, particularly when four agencies and four different appropriations are involved. Moreover, increased appropriations alone would not refocus the mission of the NEHRP, nor would increased appropriations alone provide a more clearly delineated, effective leadership stucture.

Concern for the NEHRP has become widespread, not only among groups that have taken a formal look at the program, but within the community of engineering professionals. Various solutions have been proposed, including the creation of an independent Federal commission that would exercise the NEHRP leadership role currently assigned to FEMA. The proposed commission would have no research or operational roles, but would have the authority to recommend to the President the roles, responsibilities, goals, priorities, target dates, and budgets for Federal agencies involved in the NEHRP. Generally, I have questions about the efficacy of such a commission, and moreover, I doubt seriously the wisdom of undertaking to create a new, additional governmental structure.

In the legislation I introduce today, several significant changes are proposed that I believe can greatly en-

hance the effectiveness of the NEHRP.

First, the bill adds a series of congressional findings drawn from our 10 years' experience with the act, setting forth our concern for the vulnerability of existing buildings and facilities, including federally connected facilities, and our belief that the protection of the infrastructure offers our best hope of reducing future earthquake impacts.

Second, and most importantly, the U.S. Geological Survey is designated as lead agency. Under the bill, USGS is charged with the authority to plan, coordinate, and manage the NEHRP, through an interagency committee comprised of the directors of agencies currently involved in the NEHRP. USGS shall recommend to the President what role and responsibility each agency shall carry with respect to the overall program and shall also recommend goals, priorities, budgets, and target dates for implementation of the program. A plan for the program must be submitted annually to the Congress, setting forth specific tasks and goals, as part of an annual report on program progress.

Third, the goal of research funded under the act is shifted from an emphasis on understanding how and why earthquakes occur to a focus on effectively reducing earthquake hazards and to ways of combining earthquake hazard reduction measures with those of other natural and technological hazards reduction.

Mr. President, the USGS is designated as lead agency for several reasons. It is the only one of the four NEHRP agencies with resident technical staff. It is a field-oriented agency, which is especially important if the NEHRP is to emphasize application. USGS' administration and staff have excellent working relationships in States and regions. Some 60 to 70 percent of current NEHRP appropriations go to USGS. The agency is clearly and demonstrably interested in the future of the NEHRP.

We have been fortunate that the damaging earthquakes of the past decade have not cast doubt on the wisdom of our original decision to build knowledge and capability before we focused on application. Though the earthquakes in California, Idaho, Kentucky, Alaska, and Hawaii have caused damage and life loss, they have not forced the massive soul searching that the Soviets have had to face in Armenia. There, the seismic hazard was well known and the engineering well understood, but the practical, implementing actions were lacking. The result was tens of thousands of lives lost and tens of billions of dollars in economic damage. The hazard in many parts of the United States is no less certain than it was in Armenia. The challenge that faces us now is to take the actions necessary to use our new capability and capacity for earthquake hazards reduction before we have to face the public and explain our inaction—as the Soviets now must.

Senators HOLLINGS, GORE, and WILSON share with me the imperative to act forcefully and promptly toward consideration of our bill. The threat is clear and the necessary actions apparent.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 629

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Earthquake Hazards Reduction Act of 1977 Amendments Act".

FINDINGS

SEC. 2. (a) Section 2 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701) is amended by inserting the following new paragraph between paragraphs (3) and (4) and renumbering paragraphs (4), (5), (6), (7), and (8) as paragraphs (5), (6), (7), (8), and (9), respectively:

"(4) The geological study of active faults and features can reveal how recently and how frequently major earthquakes have occurred on those faults and how much risk they pose. Such long-term seismic risk assessments are needed in virtually every aspect of earthquake hazards management, whether emergency planning, public regulation, detailed building design, insurance rating or investment decision.".

(b) Section 2 of such Act is amended by inserting the following new paragraphs immediately after paragraph (8) and renumbering succeeding paragraphs accordingly:

"(10) The vulnerability of buildings, lifelines, public works, and industrial and emergency facilities can be reduced through proper earthquake resistant design and construction practices. The economy and efficacy of such procedures can be substantially increased through research and development.

"(11) The vulnerability of existing buildings and facilities pose the predominant seismic risk throughout the country for the immediate future and thereby offer the most likely opportunity for the reduction of future earthquake impacts.

"(12) Programs and practices of departments and agencies of the United States are important to the communities they serve; some function, such as emergency communications and national defense, and facilities, such as dams, bridges and public works, must remain in service during and after an earthquake. Federally owned, operated and influenced structures and facilities should pose hazards to their occupants and to the community that are no greater than those posed to the community by other structures and facilities that are under private, local or State control or regulation.

LEAD AGENCY

SEC. 3. (a)(1) The heading of subsection (b) of section 5 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704(b)) is amended by deleting "Director of Federal Emergency Management Agency" and inserting in lieu thereof "Director of the United States Geological Survey".

(b) Section 5(b)(2) of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704(b)(2)) is amended to read as follows:

"(2) The United States Geological Survey (hereinafter referred to as the 'Survey') is designated as the agency with the primary responsibilities to plan, coordinate, and manage the National Earthquake Hazards Reduction Program. The Director of the Survey (hereinafter referred to as the 'Director') shall—

"(A) manage, through the mechanisms outlined in this section, the National Earthquake Hazards Reduction Program;

"(B) recommend to the President the role and responsibility of each appropriate Federal department, agency, and entity with respect to each object and element of the program;

"(C) recommend to the President goals, priorities, budgets, and target dates for implementation of the program;

"(D) establish and chair an interagency committee, which will meet regularly, composed, in addition, of the Directors of the Federal Emergency Management Agency, the National Science Foundation, the National Institute for Standards and Technology, and of such other agencies involved in the program as the Director of the Survey deems appropriate, for the purpose of developing plans, tasks and milestones and of assuring close cooperation and coordination among the Federal agencies involved in the execution of those plans, and for evaluating the effectiveness of their implementation;

"(E) provide a method for cooperation and coordination with, and assistance (to the extent of available resources) to, interested governmental entities in all States, particularly those containing areas of high or moderate seismic risk;

"(F) provide for qualified and sufficient staffing for the program and its components;

"(G) compile and maintain a written plan for the program specified in subsections (a), (e), (f), and (g) of this section, which shall include specific tasks and milestones for the coming and future years for each agency involved in the program, and which will be submitted to the Congress as part of the annual report, and updated at such times as may be required by significant program events;

"(H) recommend appropriate roles for State and local units of government, individuals, and private organizations;

"(I) utilize other Federal agencies, when and as appropriate, for the conduct of specific program activities;

"(J) bring to the attention of the President those proposed Federal programs, regulations, and practices with implications for earthquake hazards reduction and recommend to the President changes that offer improved safety with an assessment of the implications of these changes on safety and economy;

"(K) appoint an advisory committee, which will meet regularly, review program activities and advise the Director of program goals, objectives, plans and performance and which will have balanced representation from the disciplines and communities at interest; including appropriate representatives of State and local governments, the design professions, research community and the public, including representatives of business and industry;

"(L) make, in cooperation with those agencies determined by the Director to be appropriate under subparagraph (D) of this paragraph, the Federal Emergency Management Agency, the National Science Foundation, and the National Institute for Standards, and Technology an annual presentation to the appropriate committee of the Congress within 60 days after the end of each fiscal year for the purpose of communicating any events and any programmatic requirements deemed significant by the National Earthquake Hazards Reduction Program; and

"(M) to the extent practical, assure that the process leading to the recommendations to the President on the roles and responsibilities of the Federal departments, agencies and entities and their relative priorities and budgets for the purposes of the national program, are separated from the operational management of those research and implementation aspects of the national program for which the Geological Survey has operational responsibility.".

(c) Subsection (c) of section 5 of such Act (42 U.S.C. 7704(c)) is amended (1) by deleting "and" at the end of paragraph (6); (2) by deleting the period at the end of paragraph (7) and inserting a semicolon and the word "and"; and (3) by adding at the end thereof the following:

"(8) Performance of problem focused basic, applied and developmental research on all aspects of earthquake hazards reduction (including mitigation, prediction, hazard identification, insurance, preparedness, response, recovery, and utilization of developed knowledge and information).".

(d) Subsection (d) of section 5 of such Act is amended by inserting immediately after "Department of Housing and Urban Development," the following: "Department of Education,".

(e) Subsection (e) of section 5 of such Act is amended by deleting "The research elements of the program shall include—" and inserting in lieu thereof "The research elements of the program shall include problem focused basic, applied and developmental research to—".

(f) Subsection (e) of section 5 of such Act is amended (1) by deleting "and" immediately after the semicolon at the end of paragraph (8); (2) by deleting the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and the word "and"; and (3) by adding at the end thereof the following:

"(10) development of approaches to combine earthquake hazard reduction measures with those of other natural and technological hazards reduction.".

EARTHQUAKE ADVISORY

SEC. 4. (a) The first sentence of section 5(f)(1) of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704(f)(1)) is amended to read as follows: "The Director of the Survey is authorized to issue an earthquake prediction or other earthquake advisory as he deems necessary. The Director of the Federal Emergency Management Agency shall be notified as soon as possible, in advance of public release if practical.".

(b) The last sentence of section 5(f)(1) of such Act is amended by inserting immediately after "Director" the following: "of the Federal Emergency Management Agency".

(c) Section 5(f)(7) of such Act is amended to read as follows:

"(7) the development and revision by the Director of the Federal Emergency Management Agency of preparedness plans for response to earthquake predictions for those areas specified by the Director of the Survey, and in carrying out such development and revision, the Director of the Federal Emergency Management Agency shall take action to assure that—

"(A) such prediction response plans are integrated with preparedness response plans;

"(B) such plans are coordinated with State and local government efforts; and

"(C) such plans are reviewed and revised as necessary as new and relevant information is available.".

(d) Section 5(i) of such Act is repealed.

ANNUAL REPORT

SEC. 5. Section 6 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7705) is amended by inserting immediately after "section 5(b)(2)(E)" the following: "and the plans described in sections 5(b)(2) and 5(f)".

THE DIRECTOR OF THE GEOLOGICAL SURVEY

SEC. 6. (a) Section 7(a)(7) of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7706(2)) is amended (1) by deleting "Director, to carry out the provisions of sections 5 and 6" and inserting in lieu thereof "Director of the Federal Emergency Management Agency, to carry out the provisions"; and (2) by deleting "$5,798,000" and inserting in lieu thereof "$5,513,000".

(b) Section 7(a) of such Act is amended by adding at the end thereof the following:

"(8) There is authorized to be appropriated to the Director of the Survey for carrying out his functions under this Act the sum of $385,000 for the fiscal year ending September 30, 1990.".

Mr. HOLLINGS. Mr. President, I am pleased to be an original cosponsor of the Earthquake Hazards Reduction Act of 1977 Amendments Act, and I commend Senator CRANSTON for introducing this bill. As chairman of the Commerce Committee I have watched the evolution of our Nation's earthquake program. From the early seventies, Senator CRANSTON has been reminding us of the hazard that earthquakes pose. In the midseventies, he worked with me and others on the Commerce Committee to fashion the National Earthquake Hazards Reduction Program [NEHRP]. This program was designed to improve our Nation's earthquake preparedness by combining the talents of four Federal agencies, the U.S. Geological Survey [USGS], the National Science Foundation [NSF], the Federal Emergency Management Agency [FEMA], and the National Institute of Standards and Technology [NIST].

I strongly support the National Earthquake Hazards Reduction Program. Most people do not know, it but my hometown of Charleston was devastated by a major earthquake in 1886, just over 100 years ago. More than 60 people died, hundreds of buildings were destroyed, and losses exceeded $5 million. Today, on many of the old homes in Charleston you can still see "earthquakes bolts" that were used to repair the damage from the quake.

Charleston's population has grown a lot over the past 100 years. A repeat of the 1886 quake would result in hundreds of deaths, maybe thousands. The 1886 quake was a major earthquake, comparable in magnitude to the recent Armenia quake, which killed tens of thousands, and left hundreds of thousands homeless and jobless. That catastrophe reminded us of what a major earthquake can do to an urban area that is unprepared for an earthquake.

Since the birth of NEHRP in 1977, Federal agencies have improved our knowledge of earthquakes, allowing Americans to take steps to reduce the earthquake threat. Geologists have mapped active faults. Geotechnical engineers have developed techniques for identifying areas where unstable soils could lead to building collapse in an earthquake. Structural engineers have developed techniques for designing earthquake-resistant buildings and strengthening old ones. Disaster response managers have learned a lot about coping with the fires, transportation disruptions, and injuries that a major earthquake will cause.

In many ways the National Earthquake Hazards Reduction Program has been a success. We have learned a great deal about preparing for earthquakes. However, we have not done enough to apply that knowledge. Geological maps are often not available to developers and others who could use them. The advances made in earthquake-resistant building design often are not being put to use by architects and builders. The main problem is a lack of awareness. The continental United States has not experienced a catastrophic earthquake since the 1906 San Francisco earthquake, and people do not appreciate what a major earthquake could do. In my hometown, many residents do not know about the 1886 quake. So the necessary planning snd preparation are not being done.

I think that Senator CRANSTON's bill will help remedy this. He proposes to make the U.S. Geological Survey lead agency for the earthquake program. The USGS gets a majority of the funds for the earthquake program and has a large staff of technically trained people who have been instrumental in improving our understanding of earthquakes and in helping Americans prepare for them.

The USGS is well suited to apply what we have learned so far. In 1980, the Federal Emergency Management Agency was put in charge of the earthquake program and at the time, that made sense. FEMA's mission is to be there after a disaster, be it a flood, a hurricane, or an earthquake, to pick up the pieces. In 1980, we did not know as much as we know today about what can be done to prevent earthquake damage. So it made sense to put our focus on disaster planning by putting FEMA in charge of the program.

However, NEHRP has succeeded in providing us with new measures we

can take before an earthquake strikes to save lives and property. Geologists at the U.S. Geological Survey have identified seismic danger zones, researchers at the National Science Foundation have developed techniques for building safer buildings, and engineers at the National Institute of Standards and Technology and FEMA have worked with architects to incorporate these techniques into buildings. We need to apply all this new knowledge. It is a bit like medicine. When we started the earthquake program we focused on treating the disease, after the fact. Now we have developed the knowledge to practice preventative medicine. We have the techniques required to keep a major earthquake from being a major catastrophe. The Armenian quake taught us the need for this kind of preventative medicine.

The change in lead agency proposed by Senator CRANSTON should not be taken as an indication that we should deemphasize disaster planning. FEMA has helped communities recognize the threat that earthquakes pose and ensured that the resources are in place in case one occurs. But while FEMA has done a good job on disaster planning, it has not had the resources needed to ensure that the work done by the other agencies in the earthquake program is fully applied in the field. This bill will help correct this problem.

Senator CRANSTON's bill will also strengthen the already strong research programs at NSF, the USGS, and NIST. These programs have added greatly to our understanding of earthquakes. Having the USGS as lead agency should allow for better coordination between researchers in the different agencies. This is critical because we will continue to need an active earthquake research program. There is much yet to be learned. We need to improve our understanding of earthquake hazards while we apply what we have already learned.

This bill represents a useful step in improving our national earthquake program. Several members of the Commerce Committee, including Senators DANFORTH and GORE, are concerned about the threat that earthquakes pose, especially to the Eastern and Central United States. In the months ahead, our committee will look closely at this bill and other ways to improve America's earthquake program. This is a national program to address a serious national problem. It is a program that needs to be strengthened, and I thank Senator CRANSTON for his efforts to do so.

● Mr. GORE. Mr. President, I am pleased to be an original cosponsor of the Earthquake Hazards Reduction Act of 1977 Amendments. I fully believe that these amendments will reinvigorate the National Earthquake Hazards Reduction Program [NEHRP], refocusing it on the act's goal of reducing hazards. I also want to congratulate my distinguished colleague from California [Mr. CRANSTON] on his efforts to improve the national program to reduce the hazards from earthquakes.

The Earthquake Hazard Reduction Act of 1977, which Senator CRANSTON authored, was designed "to reduce the risks of life and property from future earthquakes in the United States through the establishment and maintenance of an effective earthquake hazards reduction program." The first decade of the National Earthquake Hazards Reduction Program [NEHRP] advanced our understanding of earthquakes and what should be done to prevent deaths, injuries, and damage from them. Under the aegis of NEHRP, basic research efforts have added tremendous amounts of information to what we know about earthquakes.

Yet despite the program's successes, Members of Congress, structural engineers, State and local emergency management agency directors, and many others are concerned about the direction and future of the program. For example, since the program was established, its funding has declined 40 percent in real dollars. We need to make sure that we allocate adequate funds for critical earthquake research and mitigation programs. At the same time, we need to apply effectively the research and knowledge that we have already developed. I am quite concerned that NEHRP, so successful in studying eathquakes and the associated hazards, has neglected to implement this information or transfer it to the right people. Like my colleague from California, I believe that we need to take a fresh look at the national program. We need to shift the emphasis from basic research to applications with direct impact on hazards reduction. We know what needs to be done. But we need to do it.

After studying the problems in NEHRP, I concluded that we had to restructure the program and refocus our efforts on hazard mitigation. I believe that this legislation, amending the Earthquake Hazards Reduction Act of 1977, moves us from a strongly research-oriented program to one that continues important research programs but also transfers that research into practical prevention and hazard mitigation programs, using what we have learned about earthquakes to prevent deaths and minimize destruction in the event of one.

Changing the lead agency from the Federal Emergency Management Agency [FEMA] to the U.S. Geological Survey [USGS] is the main part of this bill. In December 1987, an expert review committee appointed by FEMA called into question FEMA's role as lead agency for NEHRP. In fact, that committee questioned whether any agency could satisfactorily run the program which is hampered by insufficient resources and has to coordinate the work of four agencies—FEMA, USGS, the National Science Foundation, and the National Institute of Standards and Technology. However, I believe that the USGS can do the job. The field-oriented Survey has a proven record of success, works well with State and local governments, and has a large and highly respected staff which is extremely knowledgeable about earthquakes. This legislation takes key steps to reform the Nation's earthquake program without requesting more funds. Having traveled far in 10 years, we need to recalibrate our position and aims and make sure that the NEHRP Program is headed in the right direction. I firmly believe that this legislation does that.

In the past few years, we have begun to recognize that earthquakes are not just California's problem. For example, in the winter of 1811-12, three of the most devastating earthquakes in history struck the Mississippi Valley at New Madrid, MO, a hundred miles upriver from what is now Memphis. According to one account of those powerful earthquakes, "the ground sank, trees were whirled away, and the Mississippi reversed its current." The shocks rang church bells as far away as Boston. Today, we must make sure that the national earthquake program takes full advantage of our accumulated knowledge and applies it to reduce the danger from earthquakes.

As chairman of the Science, Technology, and Space Subcommittee with jurisdiction over NEHRP, I plan to hold hearings to discuss thoroughly this legislation. Again, I want to thank my distinguished colleague from California for his hard work on this national problem. I look forward to working with him and others to make sure that the National Earthquake Hazards Reduction Program does what it is intended to do: Reduce the danger from earthquakes.

By Mr. BREAUX (for himself, Mr. MITCHELL, and Mr. JOHNSTON):

S. 630. A bill to conserve, protect, and to restore the coastal wetlands of the State of Louisiana, and for other purposes; to the Committee on Environment and Public Works.

LOUISIANA COASTAL WETLANDS CONSERVATION AND RESTORATION ACT

● Mr. BREAUX. Mr. President, I rise to speak about one of the most pressing environmental issues facing this Congress—wetlands loss. Why should we be concerned about the loss of our Nation's wetlands? We are familiar with the old line: "Well, if you believe this one, I'll sell you some swamp land in Florida." This one liner gives the

impression that wetlands are not valuable. And, in the past, conversion of wetlands to other uses was encouraged because wetlands were considered wastelands. So, is swamp land valuable? The answer is an emphatic "Yes."

ECONOMIC AND ENVIRONMENTAL VALUES OF WETLANDS

The citizens of the United States benefit daily from the numerous economic and environmental benefits of wetlands in both their natural and their developed state. The environmental values of wetlands include providing valuable habitat for aquatic, terrestrial, and migratory bird species; enhancing and maintaining water quality; forming barriers to waves, floods, and erosion; and nurturing valuable commercial and recreational fisheries. The economic values of wetlands include providing: Valuable fish, fur, energy, and other natural resources; land for water dependent activities such as port and marina development; and land for agriculture, housing, and business development.

WETLANDS LOSS—A NEW NATIONAL PRIORITY

Last year, the National Wetlands Policy Forum, a coalition of environment, industry, academic and Government interests convened to examine the causes of, and solutions for, wetlands loss. The forum report estimates that the United States has lost over 50 percent of its wetlands since European settlement began. This report has thrust wetland loss to the forefront of national attention. The report calls for a goal of no net loss of wetlands to arrest the rapid rate of loss. President Bush has embraced a goal of no net loss of wetlands.

Mr. President, the State of Louisiana contains 25 percent of the vegetated wetlands in the lower 48 States and 40 percent of the Nation's coastal wetlands. I fully recognize the national importance of wetlands resources and fully support the goal of no net loss of wetlands. The bill I am introducing today is an important step in defining and achieving that goal.

CONCERN ABOUT WETLANDS LOSS IS NOT NEW TO LOUISIANA AND FEDERAL AGENCIES

The concern about wetlands loss is not new to the citizens of Louisiana or to the Federal Government. The State of Louisiana is experiencing a disproportionate share of the Nation's wetlands loss; 80 percent of the total loss of coastal wetlands in the United States is occurring in Louisiana. If this loss is not arrested, the State of Louisiana is estimated to lose an area 1⅓ times the size of the State of Rhode Island by the year of 2040.

Beginning in 1967, the House and the Senate passed resolutions to study coastal wetlands loss in Louisiana. Since that time, the State and the Federal Government have devoted large amounts of time and resources to study the causes of the rapid rate of loss of coastal wetlands. The U.S. Environmental Protection Agency, the U.S. Army Corps of Engineers, and the U.S. Fish and Wildlife Service have all published reports that address the issue of coastal wetlands loss.

There is consensus among the Federal agencies that activities of the Federal Government to develop the Mississippi River for navigation, flood control, and port development projects are a major cause of coastal wetlands loss in Louisiana. Since 1928, $5.9 billion has been spent to construct a series of levees and flood control structures along the Mississippi River under the congressionally authorized Mississippi River and tributaries project. This project has been credited with preventing 111.3 billion dollars' worth of flood damages along the Mississippi River.

While beneficial, the flood control levees have confined the flow of the Mississippi River and its sediments. The river, before being constrained between the levees, used to overflow its banks and move water and sediment into adjacent marshes. This constant supply of sediment helped build and enrich the wetlands. However, the levees are preventing the natural nourishment process and the adjacent wetlands have been, in effect, starved. The levees prevent freshwater from entering the wetlands. Freshwater acts to push back salt water. Lack of freshwater results in saltwater intrusion onto the wetlands and kills the non-salt tolerant marshes and replaces them with open water.

The forum report affirms the conclusion of these agencies, and specifically recognizes the importance of coastal wetlands in Louisiana:

> One nationally important wetlands system that should be a focus of this initiative is the Louisiana Coast * * * this area is suffering extremely high wetlands losses from erosion and subsidence, largely as a result of government flood control and other water resource projects. Proposals for diverting Mississippi River sediment into this region to offset these losses should be developed and implemented.

Loss of coastal wetlands in Louisiana will be felt far more broadly than in the State of Louisiana. Loss of coastal Louisiana wetlands alone will result in: an estimated loss of 30 percent of the total commercial fish and fur harvest in the gulf coast by the year 2040 (Louisiana alone contributes 46 percent of the Nation's total shrimp harvest) and loss of wintering habitat of nearly 5 million migratory birds. The loss, if unchecked, will require billions of dollars to protect or relocate Federal, State, and local infrastructure development including, 155 miles of banks on the Mississippi River built by the Federal and State governments; 100 miles of Federal and State highways, 27 miles of railroad tracks, 1,570 miles of oil and gas pipelines, and 383 miles of gas, water, and electric power and telephone lines.

After nearly 20 years of concern and study of wetlands loss in Louisiana, now is the time to take action to restore coastal wetlands and to minimize future losses of coastal wetlands.

SUMMARY OF THE BILL

The problems of coastal wetlands loss in Louisiana have been extensively studied. The coastal wetlands of Louisiana are unique, the disproportionate rate of loss of those wetlands is unprecedented, and the cause of the losses of those wetlands is unique. Coastal wetlands loss in Louisana is reaching crisis proportions and the time for action is now. The legislation I am sponsoring today is designed to arrest the rapid rate of loss of coastal wetlands and to prevent further erosion.

Under this bill, the Governor of Louisiana may elect to enter into an agreement with the Secretary of the Army and the EPA to develop a coastal wetlands restoration and conservation plan. One office within the State will be in charge of developing the plan. The State has 3 years to develop the plan in consultation with the corps and EPA. The bill authorizes that the State receive $5 million for planning assistance for each of 3 years until the plan is completed.

The plan is to have two major components. The plan shall include provisions to deal with development related wetland loss over which the State can exercise control, and provisions to restore coastal wetlands lost as a result of taming the Mississsippi River to provide national navigation and flood control benefits.

First, the plan shall include a program that builds on ongoing Federal work to develop solutions to coastal wetland erosion and restoration. The plan shall identify coastal wetlands in need of restoration and identify projects to restore those areas. The restoration activities will not be counted toward the no net loss goal. Rather, restoration activities will result in a net gain of wetlands in Louisiana.

Second, it shall include a wetland permitting program applicable to the coastal area of Louisiana, to be developed, implemented, and enforced by a single agency in the State under State law. The program is to achieve a goal of "no net loss" of coastal wetlands as a result of development activities causing the loss or conversion of wetlands.

The State would have flexibility in determining how the no net loss goal would be achieved, except that it is not the intent of this bill to require no net loss on a project-by-project basis or to require on-site compensation if it is not possible.

Restoration activities included in the plan, and approved by the corps and EPA, will be funded through a trust fund established by this bill. The trust fund would be financed by 5 percent

of annual revenues received from Federal Outer Continental Shelf [OCS] development in the form of bonuses, rents, and royalties. In 1987, that figure would have amounted to $145 million.

Why use OCS revenues? The State of Louisiana alone contributes 64 percent of the total OCS revenues to the General Treasury. It seems more than equitable to dedicate a small portion of OCS revenues generated from coastal Louisiana development to restoration of Louisiana's coast.

CONCLUSION

Mr. President, we have learned the lesson that wetlands are not wastelands. Louisiana has known this fact for many years and has seen its coastline rapidly diminish. Coastal wetlands are a vital national resource and provide critical habitat for fish, fur, and bird resources. Louisiana contains 40 percent of those wetlands but is experiencing 80 percent of the total wetlands loss. This loss is mainly the result of the taming of the Mississippi River through Federal navigation and flood control projects. By controlling the river upstream, we have starved the delta, the mouth of the Mississippi, which has resulted in the unprecedented loss of coastal wetlands.

Arresting wetlands loss is an important national objective. The National Wetlands Policy Forum and the President endorse a no net loss of wetlands goal. This bill is an important first step in achieving this goal. With a requirement of no net loss of wetlands resulting from development in coastal Louisiana combined with aggressive wetlands restoration projects, I believe we will go a long way toward saving this critical national resource and setting the tone for wetlands protection nationwide.●

By Mr. BREAUX (for himself and Mr. INOUYE):

S. 631. A bill to further the development and maintenance of an adequate and well-balanced American merchant marine; to the Committee on Commerce, Science, and Transportation.

FURTHERING DEVELOPMENT OF THE AMERICAN MERCHANT MARINE

● Mr. BREAUX. Mr. President, today I rise to introduce legislation on behalf of myself and Senator INOUYE which is intended to further the development and maintenance of an adequate and well-balanced American merchant marine. Title I is identical to a measure which passed the Senate unanimously in 1986; it would amend the Merchant Marine Act of 1936, by reestablishing the requirement that vessels of U.S.-registry be used for any international ocean transportation of mail originating in the United States. Title II attempts to respond to several of the recent recommendations of the Presidential Commission on Merchant Marine and Defense. That Commission concluded that there was a clear and growing danger to the national security in the deteriorating condition of America's maritime industries. To remedy this perilous situation the Commission made several recommendations, including:

First. A reaffirmation and restatement of our national maritime policy;

Second. Federal departments and agencies must take all steps within their current authority and discretion to preserve and begin the rebuilding of the U.S.-flag merchant marine and the U.S. maritime industrial base;

Third. Federal departments and agencies must refrain from any policies and programs that are contrary to the national maritime policy and detrimental to the maritime industries;

Fourth. Continuation of and strict adherence to existing statutory programs to reserve cargo for U.S. flag carriers is essential;

Fifth. The President should ensure the adequacy of the existing Federal structure to incorporate the legitimate interests of the maritime industries into international negotiations and actions;

Sixth. Many Government programs have addressed only parts of the maritime program and coordinated action is essential;

Seventh. The Government should provide an environment free of artificial, noneconomic, or discriminatory obstacles, including domestic regulations and tax laws, that currently impair the ability of American maritime businesses to compete on a fair basis, both among themselves and with their foreign competitors; and

To monitor and evaluate the Governmentwide efforts necessary to implement these recommendations, the Commission felt that ongoing considerations and evaluations of the maritime situation by a senior interagency group of the Federal Government could be of value.

Title II of my bill creates a mechanism for raising the level of awareness of the importance of the U.S. merchant marine in the decision making process of departments throughout the Federal Government; and provides a realistic way for ensuring that these Government agencies take into account the recommendations of the Presidential Commission on Merchant Marine and Defense Commission when adopting and implementing their policies and programs which impact our martime industry.

Mr. President, while there may not be agreement on everything that needs to be done to restore the vitality of the industry, everyone, I believe, would agree that the Government's extensive involvement in martime matters should be efficient and rational. In my judgment, therefore, it is only prudent to begin our task of revitalization by making that role more effective and efficient; and in that process make better use of the taxpayers' dollars. For example, it makes no sense for the Maritime Administration to pay hundreds of millions of dollars annually to promote the U.S. merchant fleet by subsidizing U.S.-flag operators so that they may compete for cargo in the U.S. international trades; while at the same time, other Federal agencies in the administration of their programs, are disregarding other laws intended to promote the U.S. merchant marine by requiring that at least half and in some cases all Government impelled cargo move on U.S. bottoms. All too often, executive branch agencies attempt to sacrifice the objectives of our maritime laws and policy for foreign policy objectives, without prior and full consultation with the relevant Federal maritime agencies, and adequate consideration of the relative merits of the competing policy objectives. When this occurs, our maritime laws and policies are frequently undermined, or Congress is often forced to resolve interagency differences. In my view, neither of these consequences is desirable.

The history of the United States-Canadian Free-Trade Agreement is, I believe, a case in point. During most of those negotiations, the U.S. side was prepared to negotiate away the absolute protection our cabotage laws and national maritime policy give U.S.-flag vessels. The rationale given by the Special Trade Representative was that there were other, nonmaritime concessions which the United States wanted, and our cabotage laws were only one part of a larger package the United States was offering in return. To my knowledge, at no time prior to making this offer was there an adequate and full opportunity for our maritime agencies to present the case against doing so to the special trade representative. At the eleventh negotiating hour, after a strong reaction from Congress, the issue was taken off the table, however.

Mr. President, title II of my bill attempts to make sense out of the Government's efforts to promote the U.S. merchant marine, and regulate our international waterborne liner trades so that all participants may complete on a level playing field.●

By Mr. BREAUX:

S. 632. A bill to amend the Internal Revenue Code of 1951 to exempt from tax earnings on certain investment accounts for savers and investors; to the Committee on Finance.

SAVERS AND INVESTORS ACT OF 1989

● Mr. BREAUX. Mr. President, private savings and investments are the backbone of our economy. From bank deposits to the purchase of stocks, bonds and mutural funds; all of these

add to the formation of capital used by individuals, entrepreneurs, and established industry alike. But the United Stats is facing a growing crisis in the failure of individuals to save.

An inadequate supply of capital can cause interest rates to rise and the rate of new business ventures to shrink. As a result, wages and the supply of jobs suffer, investment in new machinery and equipment are cut back, and planning for future retirement and long-term health care needs become even more unreliable. Last but not least are the troublesome implications associated with financing our debt with ever increasing amounts of foreign capital.

The United States has a problem with savings. We do not save enough. Our hibits dictate that we spend more money on credit than we put in the bank. Our national household rate of savings in 1987 was the lowest in the developed world; 3.3 percent. This is compared to Japan, which has a household savings rate of 16.8 percent, Germany with 12.4 percent, Italy with 21.9 percent and Canada with 9.7 percent. These figures reflect the percentage of a household's disposable income that is devoted to savings. I do not believe that emulation of Japan is the solution to the United States' economic problems. It would be hard to dispute, however, that Japan's high savings rate—more than five times our own—is one of the factors that has contributed to Japan's economic success, and that we could benefit from following their example in this area.

A strong habit of national savings is essential to successful and long-term economic growth. As people save, the amount of money that is available for investment increases. This is a simple concept. But the Federal Government has done less than it could to promote the idea among the American people. In fact, we have set a bad example; the Federal budget deficit is by far the largest source of dissavings, or debt, in our economy.

The legislation that I am introducing today, the Savers and Investors Act of 1989, is intended to be a vehicle for discussion and a starting point for action. This bill would create tax deferred accounts [TDA's] which will be as accessible to the average citizen as their present savings account. Upon withdrawal, the proceeds of these accounts would be taxable as part of the account-holder's gross income.

Mr. President, economic models show that the best way to improve our overall national savings rate is to reduce the deficit. We have a long way to go, but we are working on doing that. We have already seen the enactment of legislation that permits certain forms of tax-free savings for postsecondary education. Additional proposals would give tax incentives to individuals who are trying to buy a house, save for long-term health care needs and so on. What we are doing here is taking these ideas one step further. Savings are vital to the health of our economy. We need to encourage savings, and I hope that my colleagues will join me in working toward this goal.●

By Mr. MATSUNAGA (for himself and Mr. MURKOWSKI, Mr. BINGAMAN, Mr. INOUYE, Mr. WIRTH, Mr. PELL, and Mr. LIEBERMAN):

S. 633. A bill to promote the development of technologies which will enable fuel cells to use alternative fuel sources; to the Committee on Energy and Natural Resources.

S. 634. A bill to establish a national policy for the utilization of fuel cell technology; to the Committee on Energy and Natural Resources.

RENEWABLE ENERGY/FUEL CELL SYSTEMS INTEGRATION ACT OF 1989

FUEL CELLS ENERGY UTILIZATION ACT OF 1989

● Mr. MATSUNAGA. Mr. President, at this time, I am also introducing two bills to advance the energy technology of fuel cells, together with Senators MURKOWSKI and BINGAMAN, as well as the cosponsors of my hydrogen measure: Senators INOUYE, WIRTH, PELL, and LIEBERMAN.

These measures passed the Senate by unanimous vote in the 100th Congress after being reported favorably by a unanimous vote of the Energy and Natural Resources Committee. Unfortunately, House action was not completed on them prior to adjournment.

Fuel cell energy technology is perhaps the most developed example of hydrogen energy. It is also an example of a technology pioneered in the United States for its space program and rapidly being taken up by other countries. The bills I am introducing today are based on recommendations of a Congressional Research Service report on how best to bring this technology to commercial fruition.

The first bill, the Renewable Energy/Fuel Cell Systems Integration Act supports research on the use of renewable energy sources to produce hydrogen for use in fuel cells, as well the use of this technology as a backup system to renewable power systems in rural and isolated areas. Fuel cells have the potential to provide system continuity for unreliable renewable energy systems such as wind power. The bill would authorize $5 million for this integrative renewable energy/fuel cell research.

The second bill, the Fuel Cell Energy Utilization Act, would include fuel cells under the provisions of the Renewable Energy Industry Development Act as a fuel conservation technology, by itself or when used for cogeneration. This would empower the Department of Commerce to assess international markets for the technology and identify export barriers as well as opportunities. Included in this coverage would be integrated systems of fuel cells with renewable power technologies. The bill also would require the Environmental Protection Agency to prepare guidelines for the benefit of local governments in order to permit the use of fuel cells, subject to environmental and safety standards.

Mr. President, these two bills reflect needed legislation and, again, I urge my colleagues to join me in achieving their speedy adoption.●

By Mr. McCLURE (for himself and Mr. JOHNSTON, Mr. GARN, Mr. NICKLES, Mr. BRADLEY, and Mr. MURKOWSKI):

S. 635. A bill to prevent the unintended licensing of federally nonjurisdictional pre-1935 unlicensed hydroelectric projects; to the Committee on Energy and Natural Resources.

HYDROELECTRIC FAIRNESS ACT OF 1989

● Mr. McCLURE. Mr. President, along with Senators JOHNSTON, GARN, NICKLES, BRADLEY, and MURKOWSKI, I am today introducing the Hydroelectric Fairness Act of 1989. The purpose of this legislation is to prohibit third parties from misusing the Federal hydroelectric licensing system to obtain a license for nonjurisdictional, pre-1935 unlicensed hydroelectric projects owned by others—"claim jumping" in other words.

There are about 350 of these projects now at risk; they are owned by electric utilities, municipalities, irrigation districts, private industry and others. The loss of a project would have serious economic consequences to its owner and the consumers of the project's low-cost electricity.

These projects are at risk because they don't have the protection of a Federal license; and they don't have a license because in 1935 Congress "grandfathered" them from Federal jurisdiction.

In 1935, Congress modified the Federal hydroelectric licensing system by enacting the Federal Power Act [FPA]. The FPA requires only "new"; that is, post-1935 hydroelectric projects to obtain a license. Pre-1935 projects located on nonnavigable rivers were "grandfathered" from Federal jurisdiction and the requirement to obtain a license, as long as no "new" construction takes place. If new construction, other than normal maintenance and repair does occur, Federal jurisdiction does apply to the facility and a Federal license must be obtained.

Unfortunately, by relieving pre-1935 projects from the requirement to obtain a license, Congress inadvertently enabled third parties to use the FPA to claim jump them. This can happen in two different ways.

First, a claim jumper could seek a license for the pre-1935 project by proposing "new" construction on it, for example increasing the height of the dam. This new construction would make the project jurisdictional, thereby triggering the FPA's licensing requirements (sec. 23(b)). But because there is nothing in the FPA which requires the license applicant to be the project owner, the license for the project could be granted to a nonowner. If the owner does not want to give up its project that's just too bad; once the claim-jumper has the license, it can use the FPA's power of eminent domain to force the owner to sell out. Obviously, Congress failed to foresee this possible abuse of law, and there is no question that Congress would have forbid it had it been anticipated.

There is a second provision of the FPA (sec. 4(e)) which can also be used to claim jump an unlicensed project, but in this case the claim jumper doesn't even have to propose any project improvements. This is because section 4(e) has been interpreted by the Federal Energy Regulatory Commission and the Federal courts as allowing the "voluntary" licensing; for example, at an applicant's request, of an unlicensed project. Again, as with section 23(b), there is nothing in section 4(e) which requires the applicant to be the owner: any person can file to obtain a license—even you or I could. This possibility was recently noted by a Federal court which observed that:

> * * * pre-1935 project owners [are] at risk because volunteer applicants need not be project owners. *Thus, the owner of a project not requiring a license may find himself the target of a license application by strangers. Cooley v. FERC,* 843 F.2d 1464, 1470 (D.C. Cir., 1988) (Emphasis added).

Again, there is no question that Congress did not intend the FPA to be interpreted in this manner.

One might ask: Why don't the owners of these unlicensed projects just apply for a license? After all, if they had one wouldn't they be protected?

There are several significant reasons why owners are reluctant to seek the protection of a license. First, filing for a license is an invitation for others to file a competing application, which is explicitly encouraged by the Federal Power Act. And there is no guarantee that the owner would ultimately obtain the license which, in the case of an electric utility, would mean significant increases in electricity prices for its customers if they don't win. Second, filing for a license is expensive. It costs several thousands of dollars, and often many hundreds of thousands of dollars, to prepare the documents necessary for a license application. For a smaller project, that cost might make it uneconomic and result in it being shut down. Or the additional costs may be passed on to consumers through higher prices. Third, once licensed the project would be taken out of State regulatory jurisdiction; the Federal Government would then dictate how the project is to be operated and maintained, not the State.

The owner of a hydroelectric facility that has been granted a congressional "grandfather" from licensing should not be forced—either by the Commission on its own initiative, or as the result of a claim jumping attempt by a third party—to seek a license merely to protect its rights. That is the opposite of what Congress had in mind when creating the "grandfather."

Despite the existence of these potential misuses of the Federal Power Act for more than five decades, the Federal licensing system wasn't abused. It wasn't, that is, until a sharp operator decided it wanted to "claim jump" a nonjurisdictional, unlicensed project.

This situation involves the Orange and Rockland Utilities, an electric utility which serves thousands of residential, commercial, and industrial customers in New York, New Jersey, and Pennsylvania. They own one of these pre-1935 nonjurisdictional, unlicensed hydroelectric projects on which an outsider, Rio Hydroelectric Associates, filed for a license. Orange and Rockland has estimated that if they lose the project, they would have to pay $50 million to Rio Hydro over the next 30 years to purchase the power back from that project. And recall that another Federal law, the Public Utility Regulatory Policies Act of 1978, requires electric utilities to purchase power from "qualifying facilities" at "full avoided cost"—costs would then simply be passed on to Orange and Rockland's customers through higher electricity prices.

Whether or not Rio Hydro ultimately wins in its efforts to "claim jump" Orange and Rockland's project—which will turn on the facts of the case and not the application of the law—what we are seeing is the proverbial "tip of the iceberg." There are literally hundreds of these nonjurisdictional, unlicensed projects scattered throughout the United States. They are located in: Alaska, Arizona, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Iowa, Idaho, Illinois, Indiana, Kentucky, Massachusetts, Maryland, Maine, Michigan, Minnesota, North Carolina, Nebraska, New Hampshire, New Jersey, Nevada, New York, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Virginia, Vermont, Washington, Wisconsin, and Puerto Rico. Each and every one of these projects faces the prospect of a "hostile takeover" if Congress does not step in to prevent it.

The Hydroelectric Fairness Act of 1989 would prevent this claim jumping by prohibiting the issuance of an original license for a pre-1935 nonjurisdictional project to any person other than the owner of the project. The act does so by prohibiting the Commission from issuing an original license for any project works located on nonnavigable waters and on which there has been no construction within the meaning of section 23(b) since August 26, 1935, to any person, State or municipality other than the owner of the project works. This prohibition would apply in the case of a "voluntary" (section 4(e)) license application. The prohibition would also apply in the case of a mandatory (section 23(b)) license application. Current law provides that new construction may not be undertaken at a pre-1935 facility until a Federal license has been issued. By limiting the issuance of such licenses to the owner of the facility, this act would eliminate the possibility that a nonowner could obtain a license simply by proposing new cosntruction at such facility. Under this legislation, once the project is licensed this prohibition would no longer apply to that project; when the original license expires, the project would face relicensing competition just as would any other licensed project.

This act would not expand or modify the Commission's licensing jurisdiction under part I of the Federal Power Act; and it would not require the licensing of a facility where existing law does not so require. By proposing this legislation, I am not intending to speak to the validity of the theory of licensing under section 4(e) of the FPA as articulated by FERC in its Clifton Power Corp. decision; that will ultimately be resolved by the courts. Finally, and most importantly, this amendment would not in any way limit, restrict or affect the Commission's exercise of its duties and obligations under the Federal Power Act to ensure that a license would be in the overall public interest, and would contain necessary and appropriate fish and wildlife protection, mitigation and enhancement.

This legislation would expand the protection against claim jumpers currently enjoyed by owners of licensed projects, to include the unlicensed projects that Congress grandfathered from Federal licensing in 1935. The Federal Power Act prevents claim jumping of licensed projects, and when it is enacted section 32 will provide the same protection to nonjurisdictional, unlicensed projects.

This legislation is obviously needed, it is without question justified, and it is clearly in the overall public interest. It would prevent the unintended use of Federal law by third parties to unfairly claim jump projects owned by others. Failure to prevent claim jumping would allow serious harm to befall the owners of the projects and the customers they serve. It would not be

good public policy to allow that to happen, and Congress should act to prevent it.

Mr. President, it is for these reasons that I am today introducing this legislation, and I am urging the other Members of the Senate to cosponsor this legislation.●

By Mrs. KASSEBAUM:

S. 636. A bill to amend the Foreign Assistance Act of 1961 to improve management of economic assistance, and for other purposes; to the Committee on Foreign Relations.

ECONOMIC ASSISTANCE REFORM ACT

● Mrs. KASSEBAUM. Mr. President, reforming our foreign aid process has received increased attention largely due to the efforts of the House Task Force on Foreign Assistance. The work that the task force has undertaken in reassessing our foreign aid program deserves high marks.

I strongly share the concerns that the shrinking pool of foreign aid funds, due to our budget problems, is creating a greater need for us to make sure that the money is being managed efficiently. These are important issues under ideal budget conditions. They become even more critical at a time when we are facing a funding crisis in foreign aid.

As a member of the Foreign Relations Committee, I have been concerned for some time about whether our foreign assistance program is working. This concern was initially the outgrowth of my frustration with our development programs in Africa. In the spring of 1985, I held a series of hearings to review U.S. development programs in order to gain information on how our assistance activities can be improved.

What I found parallels very closely with the findings of the Task Force on Foreign Assistance to the House Foreign Affairs Committee. The foreign aid procedure both here in Congress and in the executive branch can be improved.

We have spent years in Congress piling new programs and new priorities on the Foreign Assistance Act without ever stepping back to look at what we have created. Our assistance programs include an amazing array of earmarks and setasides. Superimposed upon this are specific functional accounts which may or may not coincide with development priorities.

In response to this problem, I introduced legislation in the 100th Congress which would have reformed our foreign economic assistance process. Today I am reintroducing this legislation.

Perhaps the most important change in this bill is that it will no longer allow congressional earmarks on the foreign aid account. Every year Congress not only determines the overall levels that are to be spent on development and economic support funds but adds earmarks on an ad hoc basis for specific countries and special projects. Last year's earmarks, for example, ensured that only 10 developing nations receive 70 percent of all U.S. foreign aid. And, even more importantly, these ad hoc earmarks severely compound the effect of overall budget cuts on those programs and countries which are not earmarked.

This reform bill would replace this ad hoc approach to budgeting with regional accounts. This approach has the benefit of making our budget efforts more systematic. It also will distribute much more evenly any budget cuts. Furthermore, Congress would be shifting to a budget process which parallels the administration budgeting process. Hopefully this shift will also result in our directly relating development programs to the needs of the specific regions we are assisting. Under the reform bill, Congress would authorize development assistance and economic support assistance by region.

The bill also streamlines the number of areas where we would direct our development aid. The bill sets out just four areas for development projects—health, education, agriculture and infrastructure. The intent of this streamlining is to avoid overcommitting ourselves to projects. Under the reform bill these areas are no longer budgeted by Congress, but they do remain mandatory guidelines.

The bill also outlines that it is the sense of the Congress that foreign assistance should be funded on a 2-year cycle and that the appropriations and authorization committees should coordinate their efforts more closely.

Improving the congressional process is only one part of the equation. The executive branch is also required by the bill to make a number of management reforms. Without reforms which require reducing costs, keeping budgets lean, and maximizing efficiency, our development efforts will only continue to be frustrated. The bill also seeks to improve donor coordination, as well as coordination within our own Government on foreign aid priorities.

Mr. President, I have been encouraged by the dedicated effort the House Foreign Affairs Committee has made to reforming our foreign aid process. I think it is important that the Houses of Congress consider the enactment of a new international economic cooperation act, which would aim to narrow the objectives of our foreign assistance program, provide greater flexibility and accountability of our foreign aid program, improve management in the executive branch and improve donor coordination.

The United States, which has played a leadership role in bilateral aid, has a responsibility to set the pace on efficiency and coordination. Also, we here in Congress have an important responsibility in meeting our foreign policy commitments despite budget constraints. It is for these reasons, I am reintroducing my bill which I hope will spark an open debate on how we run our foreign assistance programs.●

By Mr. WILSON:

S. 637. A bill to designate certain lands in Los Padres National Forest as wilderness, to designate Sespe Creek and the Sisquoc River in the State of California as wild and scenic rivers, and for other purposes; to the Committee on Energy and Natural Resources

DESIGNATION OF CERTAIN WILD AND SCENIC RIVERS IN CALIFORNIA

● Mr. WILSON. Mr. President, today I am introducing a bill to designate lands in the Los Padres National Forest as wilderness and establish the Sespe Creek and the Sisquoc River as components of the Wild and Scenic Rivers System. This legislation reflects the U.S. Forest Service's recommendations contained in its land management plan for the Los Padres National Forest.

My respected colleague from California, Mr. LAGOMARSINO, whose district encompasses a significant portion of the Los Padres National Forest, is introducing this same bill in the other body. Working with Representative LAGOMARSINO and representatives of the Forest Service, I have determined that protection of lands and waters in the Los Padres National Forest is essential for ensuring the continued enjoyment of this region for future visitors.

In designating nearly 245,000 acres in the Los Padres National Forest as wilderness, my bill establishes two new wilderness areas and expands a third.

The largest of these proposed wilderness areas is the Sespe Wilderness, which rests primarily in the Los Padres, but also extends into the adjoining Angeles National Forest. This 197,000-acre region serves as a major basin for the Piru, Sespe and Cuyama Rivers and is also an important habitat for many critical California wildlife species. The Bighorn Sheep and the Endangered California Condor are two examples of the kind of wildlife that inhabit the Sespe area.

In addition, the area is also represented by several natural and geologic landmarks, including Topatopa Mountain, Sespe Hot Springs and the 53,000-acre Sespe Condor Refuge. Wilderness designation for this sanctuary is particularly important in that it will provide even stronger Federal protection for this critical nesting and roosting habitat of the California Condor. My bill ensures that any oil and gas exploration in the area must be conducted in an environmentally safe manner outside the refuge. Furthermore, such development would be sub-

ject to the strict regulations embodied in the Forest Plan. Only then can we assure complete protection for this sensitive area and its important wildlife.

Additionally, my bill would establish the Matilija Wilderness in the Santa Ynez Mountains. This 30,000-acre region provides habitat to numerous animal species, including deer, mountain lion, bear, bobcat, and fox, as well as the California Condor.

This legislation also proposed to establish a 16,500-acre addition to the existing San Rafael Wilderness. The so-called La Brea addition would extend westerly along the southern incline of the Sierra Madre Mountains, encompassing the entire Horse Canyon watershed to its junction with the Sisquoc River.

The bill I am introducing also proposes to add 58.5 combined miles of the Sespe Creep and Sisquoc River to the National Wild and Scenic Rivers System. Protecting these additions fits in neatly with action that we have taken at my behest over the last several years in protecting four other great California rivers, the Tuolumne, Kings, Kern and Merced Rivers.

As proposed in the completed forest plan, the 27.5-mile segment of the Sespe—from its junction with Trout Creek to the Devil's Gate area north of the city of Fillmore—would be identified as a "wild" river. The 31-mile segment of the Sisquoc River—which flows through the San Rafael Wilderness—would also be designated as "wild." Such designation will help to preserve the esthetic quality of these two great natural watercourses as well as protect important plant and animal species in these areas.

I am aware that some may feel this legislation is too far-reaching. Yet, there will still be others who believe my bill does not do enough to protect sensitive areas in the Los Padres. Let me say that I am open to suggestions on how to improve this legislation, and I look forward to congressional hearings to discuss these matters.

I am confident that in the end we will have a bill that is in the interests of the State of California and the Nation. I urge my colleagues to give this legislation the prompt consideration that it deserves.

I ask unanimous consent that the full text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 637

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS AND POLICY.

The Congress finds that—

(1) areas of undeveloped National Forest System land on Los Padres National Forest have outstanding natural characteristics giving them high value as wilderness and will, if properly preserved, contribute as an enduring resource of wilderness for the benefit of the American people;

(2) it is in the national interest that certain of these areas be promptly designated as components of the National Wilderness Preservation System in order to preserve such areas as an enduring resource of wilderness which shall be managed to promote and perpetuate the wilderness character of the land and its specific multiple values for watershed preservation, wildlife habitat protection, scenic and historic preservation, scientific research and educational use, primitive recreation, solitude, physical and mental challenge, and inspiration for the benefit of all of the American people of present and future generations; and

(3) geologic evidence and production data suggest that a producing oil and gas field adjacent to the proposed Sespe Wilderness extends into such area.

SEC. 2. DESIGNATION OF WILDERNESS AREAS.

In furtherance of the purposes of the Wilderness Act, the following National Forest system lands are hereby designated as wilderness and, therefore, as components of the National Wilderness Preservation System—

(1) certain lands in Los Padres National Forest, California, which comprise about 197,047 acres, which are generally depicted on a map dated May 1988, entitled "Sespe Wilderness Area—Proposed", and shall be known as the Sespe Wilderness;

(2) certain lands in Los Padres National Forest, California, which comprise about 30,017 acres, which are generally depicted on a map dated May 1988, and entitled "Matilija Wilderness Area—Proposed", and shall be known as the Matilija Wilderness; and

(3) certain lands in Los Padres National Forest, California, which comprise about 16,516 acres, which are generally depicted on a map dated May 1988, and entitled "San Rafael Wilderness Addition—Proposed", and which lands are hereby incorporated in, and shall be deemed to be a part of, the San Rafael Wilderness.

SEC. 3. ADMINISTRATION OF WILDERNESS AREAS.

(a) IN GENERAL.—Subject to valid existing rights, each wilderness area designated by this Act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act. Any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

(b) FIRE PREVENTION AND WATERSHED PROTECTION.—Notwithstanding any provision of the Wilderness Act, in order to provide for the continued viability of the watershed affected by these wilderness designations, and to provide for the continued health and safety of the communities serviced by such watersheds, the Secretary of Agriculture is authorized to take whatever actions in the Sespe, Matilija, and San Rafael Wilderness areas which are deemed necessary for fire prevention and watershed protection including, but not limited to, fire presuppression and fire suppression measures and techniques utilized elsewhere on the National Forest System.

(c) SESPE CONDOR SANCTUARY.—Notwithstanding any provision of the Wilderness Act (16 U.S.C. 1131 et seq.), the Secretary of Agriculture may take such measures and utilize such facilities as are necessary for the management of the Sespe Condor Sanctuary, including (but not limited to) road, vehicular, and helicopter access, and related facilities. Such measures are to be taken only for the preservation and protection of the California Condor and related habitat as part of the recovery program for the Condor.

(d) SPECIAL MANAGEMENT RESTRICTION.—Notwithstanding any provision of the Wilderness Act (16 U.S.C. 1131 et seq.) and section 5112 of the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (30 U.S.C. 226-3), the Secretary of the Interior may, under existing authority, issue oil and gas leases for the subsurface of the Sespe Wilderness. Such leases shall not allow surface occupancy and may be entered only by directional drilling from outside the Sespe Wilderness.

(e) BUFFER ZONES.—The Congress does not intend that wilderness areas designated under this Act lead to the creation of protective perimeters or buffer zones around such wilderness areas. The fact that nonwilderness activities or uses can be seen or heard from areas within the wilderness shall not, of itself, preclude such activities or uses up to the boundary of the wilderness area.

SEC. 4. FILING OF MAPS AND DESCRIPTIONS.

As soon as practicable after enactment of this Act, a map and a legal description of each wilderness area designated in section 2 shall be filed with the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives, and each such map and description shall have the same force and effect as if included in this Act. Correction of clerical and typographical errors in each such legal description and map may be made. Each such map and legal description shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture, Washington, District of Columbia.

SEC. 5. RELEASE OF SESPE-FRAZIER AND MATILIJA WILDERNESS STUDY AREAS.

The table contained in section 111(e) of the California Wilderness Act of 1984 (98 Stat. 1631) is amended by striking—

(1) the line relating to the Matilija further planning area, Los Padres National Forest, area identification number 05129, and

(2) the line relating to the Sespe-Frazier further planning area, Los Padres National Forest, area identification number 05002.

SEC. 6. JOHNSTON RIDGE TRAIL STUDY.

(a) IN GENERAL.—The Secretary of Agriculture is directed to conduct a study of the Johnston Ridge Trail located on the Ojai Ranger District, Los Padres National Forest, for the purposes of ascertaining the appropriate management of the trail in relation to other portions of the Ojai Ranger District. Management options to be considered shall include a range of alternatives including both closure and maintenance of existing uses. In particular, the study will consider the environmental impacts of mechanized vehicles. The study may be prepared in the context of ongoing land management planning for Los Padres National Forest, or in such other context as the Secretary of Agriculture deems appropriate, and the study shall only require preparation of an environmental assessment. The study shall be completed within two years of the date of enactment of this Act and submitted to the Committee on Energy and Natural Resources of the Senate, and the Committee on Interior and Insular Affairs of the House of Representatives.

(b) OFF-HIGHWAY VEHICLE USE.—Pending completion of the study required by this section and a final management determination by Congress, it is the intent of Congress that the trail shall remain open to off-highway vehicle use subject to applicable laws, rules, and regulations governing such use. Nothing herein shall preclude management actions deemed necessary or desirable by the Forest Service to prevent considerable adverse effects on soil, vegetation, wildlife, wildlife habitat, adjacent wilderness, other recreation uses or facilities, or cultural or historic resources within Los Padres National Forest.

SEC. 7. DESIGNATION OF WILD RIVERS.

In order to preserve and protect for present and future generations the outstandingly remarkable values of Sespe Creek and the Sisquoc River, both in California, section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding the following new paragraphs at the end:

"( ) SESPE CREEK, CALIFORNIA.—The 27.5-mile segment of the creek extending from its confluence with Trout Creek downstream to where it leaves section 26, township 5 north, range 20 west, to be administered by the Secretary of Agriculture as a wild river.

"( ) SISQUOC RIVER, CALIFORNIA.—The 31-mile segment of the river extending from its origin downstream to its confluence with Burro Creek, to be administered by the Secretary of Agriculture as a wild river.".●

By Mr. KASTEN:

S. 638. A bill to authorize a certificate of documentation for the vessel *Nor'wester;* to the Committee on Commerce, Science, and Transportation.

AUTHORIZING DOCUMENTATION FOR THE VESSEL NOR'WESTER

● Mr. KASTEN. Mr. President, I am introducing today a bill to authorize issuance of a certificate of documentation for the vessel *Nor'wester* so that this United States-built sailing schooner may be used for charter cruising on the Great Lakes.

Section 27 of the Merchant Marine Act of 1920, commonly known as the Jones Act, coupled with the Coast Guard vessel documentation provisions of title 46 of the United States Code, require that vessels engaged in the domestic Great Lakes and coastwise trade be built and documented in the United States. A vessel may not be documented if it has ever been owned by an alien, and the owner of a vessel seeking documentation of a vessel must prove that it has always been owned by citizens of the United States.

The vessel *Nor'wester,* official number 913451, is a 38-foot Alden schooner that was built in 1926 at Marinette, WI, by Hemmy Larsen. The vessel, which has always been used solely for recreational purposes, was purchased on October 15, 1986, by Mr. Thomas Church, who has been working to restore the vessel for recreational sailing on the Great Lakes. Mr. Church hopes to defray some of the costs he has incurred in restoring the vessel by chartering it for recreational sailing to people who would otherwise never have the opportunity to sail on an authentic schooner.

The problem is that the chartering of the *Nor'wester,* as Mr. Church proposes, constitutes Great Lakes or coastwise trade. In order to obtain the necessary documentation for such trade, the law requires that Mr. Church produce a complete chain of title for the vessel and certification that each of the previous owners back to 1926 was a citizen of the United States.

Although Mr. Church has made diligent efforts to satisfy these requirements, he has been unable to reconstruct the chain of title to prove by clear and convincing evidence, as is required by the Coast Guard, that the *Nor'wester* has always been owned by citizens of the United States. Mr. Church is unaware of any past alien ownership of the *Nor'wester,* but he simply cannot prove the absence of such ownership, and a legislative waiver is necessary before the vessel can be used for the intended purpose. This bill provides the requisite legislative waiver, and I look forward to its adoption.

I request unanimous consent that the text of my statement and of the bill be printed at this point in the RECORD and that it be referred to the appropriate committee.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 638

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding sections 12105, 12106, 12107, and 12108 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), as applicable on the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating may issue a certificate of documentation for the vessel *Nor'wester,* United States official number 913451.●

By Mr. MATSUNAGA (for himself, Mr. INOUYE, Mr. WIRTH, Mr. PELL, and Mr. LIEBERMAN):

ESTABLISHING A HYDROGEN RESEARCH AND DEVELOPMENT PROGRAM

● Mr. MATSUNAGA. Mr. President, I rise to introduce, together with my senior colleague from Hawaii [Mr. INOUYE], the junior Senator from Colorado [Mr. WIRTH], the senior Senator from Rhode Island [Mr. PELL], and the junior Senator from Connecticut [Mr. LIEBERMAN], legislation which would advance a multitude of causes.

Seldom can a single bill be said to address the gamut of legislative issues, both environmental and economic, facing a new Congress and a new administration. After all, what common thread exists between global climatic change and those activities spawning greenhouse gases, on the one hand, and the U.S. trade deficit and American competitiveness in world markets, on the other?

Energy is the thread, Mr. President, and a national program for hydrogen research and development is the measure that touches all the aforementioned bases.

The form of energy we use is at the heart of virtually all environmental issues. The location of our energy sources is at the crux of our trade imbalance. And in no area of economic endeavor is overseas competition more keenly felt than in the quest for new energy technologies.

For all these reasons I am once more introducing the National Hydrogen Research and Development Program Act, legislation I first offered in the 97th Congress and have urged ever since. Mine has not been a lone voice on this subject, Mr. President. Throughout his career in this Chamber former Senator Dan Evans cosponsored and strongly advocated my hydrogen legislation. In this connection, it is significant that Senator Evans has been the only professional engineer to serve in the Senate in recent memory, save for Mike Mansfield, who was a mining engineer, and the late Stewart Symington, who was self-taught in mechanical and electrical engineering. If they were still with us, I am certain that both would be cosponsors, Mr. President. Moreover, the principal sponsor of companion legislation in the House, Representative GEORGE BROWN of California, is one of the very few scientists serving in that body.

Mr. President, hydrogen is one of the most abundant elements in the universe, with water, a primary source of hydrogen, covering three-fourths of the Earth. Indeed, hydrogen plays a role in such varied, every-day products as peanut butter, vitamin C, and aspirin, not to mention such larger products as clear plate glass windows.

As a transportation fuel, hydrogen's environmental benefits are particularly apparent, as was evident by its inclusion in the national energy policy legislation offered by Senator WIRTH in the last Congress to address the concerns over global warming, acid rain, and the greenhouse effect and introduced again this year. Moreover, hydrogen can be transported more efficiently and at less cost than electricity over long distances.

While hydrogen has definite environmental advantages over fossil fuels, because the product of hydrogen combustion with air is essentially water vapor, it also offers benefits in the utilization of numerous energy alternatives—ranging from coal and natural gas, to nuclear as well as to solar and the renewables. Injected into declining natural gas fields, hydrogen can serve as an enhancer, stretching out the life of dwindling supplies.

For those concerned with the interests of the coal industry, hydrogen also figures in an attractive scenario. If coal-gassed reactors were to be built at the seashore, they could eject carbon dioxide into the sea instead of into the air, and transmit energy in the form of hydrogen from coal. It is claimed that this could give us perhaps another half century of coal availability without adding anything to the world greenhouse effect.

For those interested in advancing nuclear power, hydrogen can be seen as a vehicle for hurling the safety barrier. Because energy is cheap to transport long distances with hydrogen as the storage medium and after 300 to 400 miles, increasingly cheaper than to transmit through electric wires, nuclear reactors could be located at greater distances from populated areas, even mounted on sea borne rigs.

Hydrogen's appeal to solar proponents is apparent since it is environmentally benign; indeed, it can act in behalf of environmental enhancement. For example, hydrogen has a key role in the process of nitrogen fixation whereby agricultural soils are replenished periodically. Also, there is the search for a replacement for the fully halogenated halocarbons used in refrigerants, solvents and the like that have been found to be the culprit in the erosion of the ozone layer. One criterion in the search for a replacement is that it should be capable of introducing hydrogen into its chemical bond.

Furthermore, the renewables represent the most promising source for hydrogen's production in terms of energy expended in the process. Finally, hydrogen is key to assuring continuity of supply for solar power by providing a ready storage medium whether overnight or until the clouds scatter in the sky.

If it were not for our dependence upon imported foreign oil, our trade balance would not reflect a deficit but rather a surplus. Hydrogen, then, offers a key to achieving energy security. Moreover, our national objective of designing and operating transatmospheric aerospace craft, such as the "Orient Express," is dependent upon the development of hydrogen fuel. For all these reasons, this legislation is absolutely essential, Mr. President, and must be acted upon in this new Congress.

For years now on this floor I have been citing the hydrogen work of other countries as evidence of how we have fallen behind in a field of research that we ourselves pioneered. Last spring Soviet television announced the triumph of an ordinary airplane flight using hydrogen fuel for the first time and showed the plane in the air with its jet stream of condensing steam instead of the usual kerosene smoke. Since then West Germany has commenced sea tests of a hydrogen fuel cell-powered submarine with a range said to be several times that of a conventional diesel-electric powered submarine.

Soviet success in hydrogen isn't confined to the skies, Mr. President; they also are moving on the ground and have announced plans to turn out 100 hydrogen fuel cell-powered vans. Recently, the Soviets joined forces with the Hungarian bus manufacturer Ikarus to adapt a 6,500 kilogram vehicle to a 40 kilowatt hydrogen-air fuel cell bus. A number of 12-passenger vehicles are being operated in Moscow with this technology on a hybrid basis with gasoline and there have been reports of at least five automobiles and three taxis operating exclusively on hydrogen in Moscow and Kharkov over the past year.

Elsewhere in Europe, the municipal government of Hamburg, West Germany is considering converting the city's 823 buses to hydrogen while in Italy the city of Milan, which operates 2,000 buses, is also weighing such an idea as well.

Over the past few weeks has come the startling announcement by the European Economic Community and the provincial government of Quebec of a joint feasibility study on the establishment of $500 million hydrogen energy project involving transatlantic energy shipments from Canada to Europe. The 2-year, $4 million study could lead to the construction of a liquid hydrogen plant in the 100 megawatt range on the St. Lawrence Seaway with its output shipped to Europe in either liquid cryogenic form as ammonia or as a form of liquid hydride. There it would be used as fuel for transport, for testing advanced aerospace engines and for district heating purposes, among others. Shipments would be made aboard a 20,000-ton gas tanker yet to be built but designed for at least 15 round trips a year. There is great interest in this undertaking among West German industrialists who forsee hydrogen fuels rapidly becoming cost competitive with fossil fuels as the cost of pollution becomes fully reflected in the price of energy.

Mr. President, in the race for a hydrogen economy the rest of the world is already out of the starting gate while we in the United States are hardly pawing the ground. This technology is too important to get away from us. The United States must get serious above hydrogen research and development. My bill signals this intention. The legislation I am offering today calls for two 5-year development programs: one of $55 million for research and development in hydrogen production and use and the other of $100 million for hydrogen fueled aircraft R&D. I welcome the support of my colleagues in cosponsoring this vital legislation whose time is now at hand this year and I urge its speedy adoption.●

By Mrs. KASSEBAUM (for herself, Mr. BOND, Mr. CHAFEE, Mr. DANFORTH, Mr. DOLE, Mr. EXON, Mr. FORD, Mr. GARN, Mr. HATCH, Mr. HEINZ, Mr. HUMPHREY, Mr. INOUYE, Mr. KASTEN, Mr. KERRY, Mr. LOTT, Mr. MCCAIN, Mr. PELL, Mr. PRESSLER, Mr. RUDMAN, Mr. SYMMS, Mr. WALLOP, and Mr. WILSON):

S. 640. A bill to regulate interstate commerce by providing for uniform standards of liability for harm arising out of general aviation accidents; to the Committee on Commerce, Science, and Transportation.

GENERAL AVIATION PRODUCT LIABILITY STANDARDS ACT

Mrs. KASSEBAUM. Mr. President, for a number of years now, I have shared my concerns over aviation accident liability standards with my colleagues in the Senate. I introduced legislation to address the need for uniform liability standards at the beginning of the 99th and the 100th Congresses. I am continuing that tradition today with the introduction of the General Aviation Accident Liability Standards Act of 1989.

The bill I am introducing along with Senators BOND, CHAFEE, DANFORTH, DOLE, EXON, FORD, GARN, HATCH, HEINZ, HUMPHREY, INOUYE, KASTEN, KERRY, LOTT, MCCAIN, PELL, PRESSLER, RUDMAN, SYMMS, WALLOP, and WILSON, is identical to the legislation I introduced in the two preceding Congresses. Both of those bills, S. 473 last Congress and S. 2794 in the 99th Congress, were reported out of the Senate Commerce Committee—in the case of S. 2794, the report was without objection.

The Commerce Committee has, over the past 4 years, held hearings on this legislation. The testimony taken at those hearings documented a liability crisis of major, if not catastrophic, proportions. In addition to Commerce Committee hearings, those previous bills have twice been referred to, and twice discharged from, the Judiciary Committee.

The bill has widespread support. It received broad-based support from the last administration. It was supported by the Department of Justice, the Department of Commerce, and the Department of Transportation.

Mr. President, I ask unanimous consent that the letters outlining that support be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mrs. KASSEBAUM. Mr. President, my cosponsors and I are offering this

legislation because the general aviation industry in the United States is in serious trouble. During the past year, for the first time in a decade, the industry has shown some improvement in both sales and revenues. While this is certainly welcome news, it by no means signals that the industry's problems are over. The major problem that still has to be addressed is the soaring cost of product liability.

Contrary to claims made in a recent publication by the American Trial Lawyers Association, the general aviation industry has indeed suffered over the past decade from increased liability insurance costs and exorbitant damage awards. Only 10 years ago, $24 million was the total amount paid out by general aviation manufacturers and their insurers in liability claims. Today, that amount is well over $200 million. This astronomical increase occurred over a period during which the safety record of general aviation has greatly improved, with the number of accidents down to approximately 2,300 per year in 1988 versus more than 3,800 in 1979. The total accident rate and fatality rate for the industry has continually declined over recent years.

So, the question remains: Why are insurance costs rising while safety is improving? The answer, in part, lies in the liability standards to which this industry is subject. The source of the increase in insurance costs has not been in the number of claims against manufacturers; but, rather, in the size of the awards and in the expanding number of situations in which manufacturers are held responsible for damages.

Mr. President, I am not saying that the general aviation industry has been hurt solely because of rising insurance costs—there are many other factors affecting the industry which have contributed to the troubles manufacturers now face. And I believe it is important to understand that this is not an insurance problem. General aviation manufacturers are primarily self-insured. In fact, last year, all major manufacturers were self-insured for the first $100 million. Yet, with only a handful of domestic insurance companies providing any type of aviation liability insurance, it is fast becoming impossible for general aviation manufacturers to secure insurance at any level.

What this legislation addresses is the severe threat which the general aviation industry faces due to the upwardly spiraling product liability costs. These rising costs pose a very real problem on an already troubled industry.

To address this crisis, my legislation proposes the creation of Federal liability standards for this highly regulated industry. These standards were not selected in an arbitrary fashion. They are the product of many, many hours of negotiation. They reflect accommodations made over the past 4 years, including accommodations reached with those who have opposed the measure in years past.

Contrary to what the trial lawyers and others might imply, this bill is not an aviation manufacturer's relief bill. It will not impose obstacles to compensation for injured victims and their families. The language of the bill remains strict liability. It retains completely, joint and separate liability between the manufacturers of all subsystems and component parts and enacts comparative responsibility among other parties. It also establishes a 20-year statute of repose for aircraft and replacement parts—which begins anew each time a part is replaced.

The legislation also does not cap damages in any way. It does not cap or limit attorneys' fees. It does not waive the manufacturer's responsibility to supply warnings against dangers. Those responsibilities continue regardless of the age of the product. Nor does the measure limit the right to sue.

What the bill does do is establish uniform Federal standards of liability. Uniform standards are critical, and there is ample precedent for setting those standards at the Federal level. The Federal Government regulates the aviation industry from design to production. It regulates the training and licensing of pilots and mechanics. The air traffic control system is federally operated and regulated.

The Federal interest and presence in aviation is all-pervasive except in one area. Litigation is conducted under individual and widely varying State laws. Federal product liability standards are necessary to provide uniformity and predictability.

In 1979, over 17,000 general aviation aircraft were sold in the United States. Yet, in contrast, only 1,143 units were sold last year. The erosion of U.S. general aviation competitiveness is, in great part, the result of the devastating effects of our current product liability environment; its future is largely dependent on the resolution of the problem.

Unemployment in the domestic industry has risen drastically over the years. An example of this may be seen in the experience of the three largest general aviation aircraft manufacturers based in Wichita, KS, which, on aggregate, currently employ only 37 percent of the workers they employed in 1980. Such massive unemployment not only strips workers of a means of livelihood; it takes away the skills and dedicated work force necessary if we are to ever rebuild this industry.

Technology and innovation are being stifled because of prohibitive product liability costs. Airframe manufacturers are finding it increasingly difficult to find component manufacturers, as many businesses are totally giving up their aviation product lines because they are too costly to maintain. All of this adds up to even more American jobs lost. The increasing export of this industry is a tragedy.

Mr. President, this legislation is fair and balanced. It attempts to afford judicial protections to both plaintiff and defendant. It would guarantee compensation for innocent victims that is timely and fair. But, it would do so in a manner that provides treatment of product manufacturers that is reasonable and just.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

SECTION 1.—SHORT TITLE

This section contains the short title of the legislation, the "General Aviation Accident Liability Standards Act of 1989".

SECTION 2.—FINDINGS AND PURPOSE

Subsection (a) sets forth Congressional findings regarding the necessity for the legislation.

Subsection (b) states that the purpose of the bill is to establish standards for determining liability for harm arising out of general aviation accidents.

SECTION 3.—DEFINITIONS

This section contains definitions of 8 terms used in the bill. Paragraph (4) defines "general aviation aircraft" to include all aircraft which have been issued a type certificate or airworthiness certificate by the FAA; at the time the certificate was issued had a maximum seating capacity of 20 persons; and were not, at the time of the accident, engage in scheduled passenger carrying operations.

Paragraph (5) defines "general aviation manufacturer" to include the builder of the airframe, engine, or any system, component, subassembly or other part of a general aviation aircraft.

Paragraph (6) contains the definition of the term "harm," which is defined to include property damage, bodily injury, death resulting from bodily injury, pain and suffering caused by such bodily injury, and emotional harm caused by such bodily injury.

SECTION 4.—PREEMPTION; APPLICABILITY

Section 4(a) provides that this bill supersedes any State law regarding recovery, under any legal theory, for harm arising out of a general aviation accident, to the extent that this bill establishes a rule of law or procedure applicable to the claim. With respect to matters not addressed by this bill, courts may make reference to applicable State law.

Section 4(b) provides that this bill shall not be construed to supersede, waive or affect any defense of sovereign immunity asserted by the United States or any State.

Section 4(c) provides that this bill shall not be construed to affect liability with respect to any aircraft that is not a general aviation aircraft for damages arising out of the operation of an aircraft that is not a general aviation aircraft.

Section 4(d) provides that this bill provides that no right of action for harm exists under this bill if the right would be incon-

sistent with the provisions of any applicable worker's compensation law. The intent of this provision is to maintain the employer's immunity from tort liability for injuries to its employees to the extent provided under applicable State workers's compensation law.

Section 4(e) provides that the act applies to manufacturers, owners, or operators of any general aviation aircraft, and any person who repairs, maintains, or provides any other support for such an aircraft. The Act also applies to occupants of general aviation aircraft, persons who bring an action on behalf of such an occupant, and nonoccupants if they are bringing an action based on harm to an occupant. For example, the surviving spouse of an occupant killed in a general aviation accident may bring an action for bereavement or loss of consortium. That action would be subject to the provisions of the bill since it arises out of harm to an occupant of a general aviation aircraft.

The bill does not apply to actions brought by or on behalf of nonoccupants for their own injuries caused by a general aviation aircraft, such as persons on the ground at the time of an accident.

SECTION 5.—UNIFORM STANDARDS OF LIABILITY FOR GENERAL AVIATION ACCIDENTS

Section 5 provides that liability for harm arising out of a general aviation accident may be established on the basis of negligence or, in three circumstances, an alternative standard. Subsection (a) provides that any person claming damages for harm arising out of a general aviation accident may bring an action and may recover damages for a party, if such party was negligent and such negligence is a proximate cause of the claimant's harm.

Subsection (b)(1) provides for liability based on defects in design or construction. Damages may be recovered if (a) the product left the control of the manufacturer in "a defective condition unreasonably dangerous for its intended purpose according to engineering and manufacturing practices which were reasonably feasible", (b) the defect is a proximate cause of the harm, and (c) the aircraft was being used at the time of the accident for a purpose and a manner for which it was designed and manufactured.

The phrase "defective condition unreasonably dangerous for its intended purpose" is not defined in the bill, but is intended to incorporate the standard of strict liability for products set out in the Restatement (Second) of Torts. The Restatement uses the same phrase to establish liability for products, and the states have used a variety of tests for determining whether a product is in a "defective condition unreasonably dangerous."

Determination of the defective condition of the product under the bill would involve application of engineering and manufacturing knowledge in existence at the time the product left the manufacture's control.

A claimant must prove, as part of a prima facie case under the bill, that the aircraft was being used at the time of the accident within the operating limits for which it was designed and manufactured.

Subsection (b)(2) establishes a cause of action against a general aviation manufacturer for failure to provide warnings or instructions. The manufacturer is liable if, at the time the product left the manufacturer's control, the manufacturer (a) knew or should have known about a danger connected with the product; and (b) failed to provide warnings or instructions that a person exercising reasonable care would have provided with respect to the danger, unless such warnings would not have materially affected the conduct of the user of the product. The manufacturer is also liable if, after the product left the manufacturer's control, the manufacturer knew or reasonably should have known about a danger connected with the product, and failed to provide warnings or instructions that would have been provided by a person exercising reasonable care, unless such warnings would not have materially affected the conduct of the user of the product. In all instances, the failure to warn must be a proximate cause of the claimant's harm.

Subsection (b)(3) establishes a cause of action against a manufacturer arising out of an express warranty provided by the manufacturer. Liability exists if (a) the manufacturer makes an express warranty with respect to the product, (b) the warranty relates to the aspect of the product which causes the harm, (c) the product fails to conform to the warranty, and (d) the failure to conform to the warranty is a proximate cause of the harm. The focus is on the product's failure to conform to express representations about it made by the manufacturer.

Subsection (c) establishes a defense to actions brought based on subsection (b). Paragraph (1) provides that there shall be no liability if the manufacturer proves, by a preponderance of the evidence, that a defective condition could have corrected by compliance with either an FAA airworthiness directive or a manufacturer's service bulletin. The bulletin must have been issued within a reasonable time before the accident occurred, and after the product left the control of the manufacturer. Under the Federal Aviation Act of 1958, the owner or operator of an aircraft, not the manufacturer, has the legal responsibility for compliance with airworthiness directives.

Paragraph (2) permits evidence of compliance with FAA standards, conditions or specifications to be admissible with regard to the defective condition of a product.

SECTION 6.—COMPARATIVE RESPONSIBILITY

This section establishes a general rule of comparative responsibility among the parties to an action arising out of a general aviation accident.

Subsection (a) states that the claimant's negligence reduces the amount of damages payable in proportion to the percentage of responsibility attributable to the claimant. It requires the trier of fact to determine comparative responsibility by making a determination of the respective percentage of responsibility for the claimant's harm attributable to the claimant, each defendant, and persons not parties to the action.

Subsection (b) establishes, subject to exceptions in subsection (c), that each defendant's liability shall be several, but not joint, and in proportion to the defendant's share of the responsibility for the claimant's harm.

Subsection (c) provides for joint and several liability in two circumstances. First, a manufacturer who is the builder or manufacturer of the airframe of the aircraft involved in an accident is jointly and severally liable when the harm is caused by a defective system, component, subassembly or other part that the manufacturer either installed or certified as part of the original type design. Second, a manufacturer of a system or component of the aircraft is jointly and severally liable for harm caused by a defective subassembly or other part of such system or component. Thus, manufacturers are made jointly liable for actions in the manufacture of the aircraft over which they could exercise control.

Subsection (d) provides that any persons jointly liable under this section shall have the right to bring an action for indemnity or contribution from any person with whom they are jointly liable.

SECTION 7.—TIME LIMITATION ON LIABILITY

This section establishes a time limit after which an aviation manufacturer no longer has any liability for harm caused by an aircraft, often referred to as a statute of repose. Subsection (a)(1) provides that no action alleged to have been caused by an aircraft may be brought for harm which occurs more than twenty years from either (A) the date of delivery of the aircraft to its first purchaser if delivered directly from the manufacturer, or (B) the date of first delivery to a person engaged in selling or leasing aircraft. Paragraph (2) deals with replacement or additional parts or systems. No action can be brought for harm which occurs more than twenty years after the replacement or addition.

Subsection (b) provides that the twenty year time limit does not apply if there is an express warranty from the manufacturer or seller of the product causing the harm that it would be suitable, for the purpose intended, for a period longer than twenty years. In such instances, the manufacturer would be liable for the longer period provided in the warranty.

Subsection (c) makes clear that the section does not affect a person's duty to provide additional or modified warnings or instructions regarding the use of maintenance of an aircraft, system, component or part.

SECTION 8.—SUBSEQUENT REMEDIAL MEASURES

This section expressly adopts Rule 407 of the Federal Rules of Evidence for actions covered by the bill. It provides that evidence of any measure taken after an event which, if taken previously, would have lessened the likelihood of the event's occurring, is inadmissible to prove liability, and is admissible only to the extent permitted by Rule 407.

SECTION 9.—ADMISSIBILITY OF CERTAIN EVIDENCE

This section provides that evidence of the tax liability attributable to earnings and profits alleged to have been lost as a result of an accident is admissible in connection with the proof of the claimant's harm, as is evidence of the present value of future earnings.

SECTION 10.—PUNITIVE DAMAGES

This section establishes the standards for awards of punitive damages in general aviation liability actions.

Subsection (a) provides that punitive damages may be awarded only if the claimant establishes by clear and convincing evidence that the harm was "the direct result of conduct manifesting a conscious, flagrant indifference to . . . safety. . . ."

Subsection (b) limits the admissibility of evidence regarding the financial worth of a defendant or other evidence relating solely to punitive damages. Such evidence is admissible only if the claimant can establish, before the evidence is offered, the ability to present prima facie proof of the existence of evidence to justify an award of punitive damages.

Subsection (c) relates to wrongful death actions where applicable state law provides that only damages termed punitive are recoverable. In such situations, punitive dam-

ages are in fact a substitute for compensatory damages. Subsection (c) provides that a defendant may be liable for any such damages, regardless of whether a claim is asserted under section 10 of this bill. The subsection further provides that recovery of such punitive damages under state law will not bar a claim under section 10 of this bill.

SECTION 11.—TIME LIMITATION ON BRINGING ACTIONS

Section 11 preempts state law statutes of limitations, establishing the time within which actions may be brought, with respect to actions governed by this bill. Section 11 provides that any action arising out of a general aviation accident is barred if a complaint is not filed within two years after the date on which the accident occurred, and the summons and complaint are not properly served within 120 days after the filing of the complaint. The section provides for an exception from the service requirement for good cause, or in cases of service of process in foreign countries pursuant to Rule 4(i) of the Federal Rules of Civil Procedure or similar state law.

SECTION 12.—SANCTIONS

This section requires the strict enforcement of the sanctions provided for by Rule 11 of the Federal Rules of Civil Procedure, in actions governed by the Act. Rule 11 provides for appropriate sanctions, including a party's expenses and attorney's fees, should an opposing party or attorney file a pleading without a reasonable belief that it is well grounded in fact and law, or for an improper purpose such as delay.

SECTION 13.—JURISDICTION

Subsection (a) provides jurisdiction for Federal district courts, concurrent with state courts, over civil actions arising out of general aviation accidents, without regard to the amount in controversy. Subsection (b) permits a defendant in such an action in state court to remove the action to Federal district court without the consent of any other party. Subsection (c) gives the Federal district court in such cases jurisdiction to determine all claims arising under State law if a substantial question of fact is common to the State law claims and the Federal claim, defense or counterclaim. Subsection (d) provides that venue of such a case in Federal court may be in the district in which the accident occurred, or in which any plaintiff or defendant resides. Transfer of venue is permitted on the court's own motion or the motion of any party, for the convenience of parties and witnesses in the interest of justice. Subsection (e) provides that, for venue purposes, a corporation is considered a resident of any State in which it is incorporated, licensed to do business, or doing business.

SECTION 14.—SEVERABILITY

This section provides that if any provision of the bill, or the application of any provision to any person or circumstance, is held invalid, the remainder of the Act and its application to any other person or circumstance shall be unaffected.

SECTION 15.—EFFECTIVE DATE

This section makes the bill applicable to any civil action otherwise covered by the act which is filed on or after the date of enactment of the bill. It further provides that, for any action governed by the bill and filed within 180 days after enactment of the bill, a party shall be given liberal leave to amend any filing to conform with the provisions of the bill.

EXHIBIT 1

OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, July 26, 1988.

Hon. ROBERT C. BYRD,
Senate Majority Leader, Washington, DC.

DEAR MR. LEADER: It has come to the Department's attention that S. 473, the General Aviation Accident Liability Standards Act of 1987, has reached the floor of the Senate and may soon be considered there. The Department previously provided its views on the bill in a letter dated June 13, 1988, to Senator Ernest F. Hollings, Chairman of the Committee on Commerce, Science, and Transportation. Apparently, there is some confusion about our position on S. 473. I would like to take this opportunity to erase any ambiguities.

The Department has steadfastly supported tort reform measures as a means of resolving the product liability problems faced by our American companies, and we have been seeking a comprehensive national approach to product liability reform rather than industry-by-industry reforms. This preference, however, does not draw the Department into opposition to this legislation, which offers generally well considered and workable solutions to the problems faced by the domestic general aviation industry. Our letter of June 13, 1988 did not oppose the bill. Rather, it was intended to focus on several amendments, technical in nature, that will add to the clarity and purpose of the bill.

As we stated in our letter to Chairman Hollings, the provisions of S. 473 should not be viewed as preempting the rights of States to pass additional tort reform measures deemed appropriate. For this reason, we suggested adding the language from the Department's product liability legislation:

"The provisions of this Act shall preempt and supersede any State law to the extent such law is inconsistent with the limitations contained in such provisions. The provisions of this Act shall not preempt or supersede any State law that provides defenses or places limitations on a person's liability in addition to those contained in this Act."

We would hope that this language, or similar language will be offered as an amendment to the Bill.

Section 4(b) of S. 473 preserves to the United States sovereign immunity defenses in the following language:

"Nothing in this Act shall be construed to supersede or to waive or affect any defense of sovereign immunity asserted by the United States or any State."

This savings clause, without some clarification, may affect the Federal Tort Claims Act's ("FTCA") statutory framework in ways which are not intended, such as FTCA provisions affecting venue. To alleviate any ambiguity, therefore, we suggest that a new phrase be added to the end of the savings clause, at section 4 (b), to provide the following: "nor shall any provision of this Act be construed to supersede, waive or affect any condition, limitation, or procedure pertaining to any claim, action, or proceeding for damages otherwise applicable to the United States or any State."

The only additional technical change we feel is necessary would be to adopt the "amount in controversy" jurisdictional limits of Federal District Courts found at 28 U.S.C. § 1332. This amendment could be effected by deleting from section 13(a), the phrase "without regard to the amount in controversy" and substituting in its place the phrase "in cases where the amount in controversy exceeds the sum provided in 28 U.S.C. § 1332(a)." This would be consistent with current federal court practice, and would ensure that less complex matters involving small amounts in controversy (i.e., below $10,000) would not be brought in federal district courts. This would avoid any unnecessary burden being placed on the already overcrowded federal court system.

As previsouly stated, we believe these amendments are technical in nature, and as such, do not reflect on the substantive desirability of adopting S. 473, which the Department otherwise supports. We hope the Senate will move swiftly in acting favorably on this legislation.

The Office of Management and Budget has advised this Department that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

THOMAS M. BOYD,
Acting Assistant Attorney General.

THE SECRETARY OF COMMERCE,
Washington, DC, September 6, 1988.

Hon. NANCY LANDON KASSEBAUM,
U.S. Senate, Washington, DC.

DEAR NANCY: Thank you for your letter regarding S. 473, the "General Aviation Accident Liability Standards Act." The general aviation industry has been particularly hard hit in recent years with rising product liability costs and the inadequacies of the tort liability system beng major contributing factors to the decline. The Department of Commerce thinks that S. 473 is a very postive response to the problems of the general aviation industry. We also think that the success of this bill in obtaining meaningful Federal tort reform for the aviation industry will increase efforts to obtain comprehensive reform of the entire tort system.

We will continue to work actively within the Administration, with Congress and with the business community to obtain significant Federal reform of the tort system by lending our support for legislation like S. 473.

We have been advised by the Office of Management and Budget that there is no objection to the submission of this report to the Congress from the standpoint of the Administration's program.

Sincerely,

BILL,
Secretary of Commerce.

U.S. DEPARTMENT OF TRANSPORTATION,
Washington, DC, June 21, 1988.

Hon. JOSEPH R. BIDEN,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Department of Transportation would like to provide its views on S. 473 as reported June 2 from the Committee on Commerce, Science, and Transportation, the General Aviation Accident Liability Standards Act of 1988.

This Department is seriously concerned about the tort liability crisis, especially as it affects the manufacture of general aviation aircraft. The tort liability system is threatening the existence of the domestic manufacture of general aviation aircraft and, if left uncorrected, this industry may well be forced to move offshore to survive. Product liability insurance for these manufacturers is so expensive, and the deductibles are so high that manufacturers are no longer able to protect themselves adequately from the effects of this exposure. Even where a manufacturer's alleged negligence is only a small factor in a general aviation accident,

the lack of other financially responsible parties will make a manufacturer in effect the insurer of last resort under widely accepted principles of joint and several liability. Thus, a single judgment alleging a defect in a plane manufactured over twenty years ago can rob a manufacturer of its profits for an entire year, no matter how insignificant the risk caused by the alleged defect.

In our judgment, the bill takes a significant step towards correcting these and other inequities in the operation of the tort system for this particular industry. Accordingly, the Department supports the bill, deferring to the Department of Justice on technical aspects of the drafting.

Sincerely,

B. WAYNE VANCE.

Mrs. KASSEBAUM. Mr. President, I yield to a cosponsor of the legislation, the ranking member of the Aviation Subcommittee, who has taken a major role in addressing this issue.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona.

Mr. McCAIN. Mr. President, I wish to take this opportunity to congratulate and express my appreciation to my distinguished friend and colleague from Kansas on this legislation, and express my strong support for this effort.

Mr. President, general aviation could not have a greater champion than my colleague from Kansas. I am not going to repeat some of the facts that my distinguished friend, Senator KASSEBAUM, just stated, like the fact that this legislation does not cap any damages, like the fact that it does not impose any restrictions on attorneys' fees. It does not limit or waive the responsibility to provide warnings to the public on known dangers or possible defects. It does not affect the rights of persons injured on the gound or affect more than general areas of product liability law.

Although I think it bears repeating, Mr. President, because opponents of this legislation will come forward, in my view, with a great deal of misinformation about exactly what this legislation does and does not do.

Mr. President, the situation in general aviation in America today is grave. We are in danger of losing an industry. We are losing our ability to compete with foreign manufacturers of general aviation aircraft. When you look at the trade deficit and the problems we are having with trade and look at the way general aviation business is being taken over by foreign manufacturers, I think it should give us all pause.

A December 8, 1986, report from the United States Foreign Commercial Services staff in Switzerland provides an interesting trade perspective. "United States-made single-engine aircraft, especially at present exchange rates, would find a ready market in Switzerland as nearly half of the existing fleet will have to be replaced within the next 2 to 5 years. However, the present high cost of the U.S. product liability insurance makes most U.S. small aircraft uncompetitive."

This will inevitably take its toll in other foreign markets as well as in this country.

Cessna Aircraft, the oldest manufacturer of general aviation in this country, has been building aircraft as long as any of us can remember. Cessna Aircraft, the world's largest general aviation manufacturer, has suspended production of all piston aircraft engines through the 1987 model year. Piper Aircraft has stated that it may be forced to manufacture only one piston engine aircraft, and Beech Aircraft has cut back its production significantly. No training aircraft are being made in the United States today.

As foreign manufacturers move in to fill this near vacuum in domestic airplane supplies, the U.S. industry's negative trade balance will likely increase.

Mr. President, it was in the United States that the Wright brothers flew at Kitty Hawk. It is in the United States that the first jet aircraft was flown. It is the United States that had the first major jet commercial aircraft.

What is the outlook over the next decade for general aviation if we do not enact this legislation? In my view I see the disappearance of this industry as we know it unless we adopt some reasonable standards as embodied in the bill proposed by my colleague from Kansas.

Mr. President, I know the hour is late. I wish again to express my deep appreciation to my dear friend and colleague from Kansas, and I wish to close by relating one incident that took place at an aviation hearing which both Senator KASSEBAUM and I attended.

One of the witnesses was Col. Frank Borman, former astronaut, former Air Force pilot, and former president of Eastern Airlines, a man who I think is extremely well qualified to discuss general aviation in this country.

The hearing was on another issue. At the end of the hearing Mr. Borman said he would like to make a point to the committee. That point was that he, after leaving Eastern Airlines, was now going back to the endeavors and enjoyment of his youth which was basically flying small light aircraft around the State of New Mexico as he had done as a youth. He was struck, angered, and terribly upset about the fact that there are no young people around airports any more learning to fly; there are no young people who are bumming a ride and getting in the back seat of someone's aircraft going from one place to another, whether it be a crop duster or somebody out for a short ride, and learning how to fly as generations of Americans have been able to do since Kitty Hawk. Why are they not able to? Because frankly, Mr. President, they are no longer able to afford to fly.

It seems to me that there is a wide range of compelling reasons, including training pilots of general aviation for airlines for which there is going to be an ever-increasing demand, allowing Americans to enjoy the recreation and sheer enjoyment of flying aircraft, particularly in the Southwest of this country as well as the rest of it, and also keep Americans at work, to keep Americans at work in States like Kansas, Missouri, and the State of Washington and others where manufacturing of general aviation aircraft is an important and vital part of their economy.

Mr. President, this bill has been discussed, debated, and gone over for years, literally years. It is time we moved on it.

I hope that the long and arduous crusade of my friend and respected colleague, the Senator from Kansas, will be brought to fruition not for her benefit but for the benefit of the American people.

I yield back to my colleague.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I would just like to add how much I value the leadership of Senator MCCAIN on this issue because he well understands—he is a pilot himself—the importance of this industry as he mentioned in training and encouraging new pilots but more than that the technology, too, that simply must come and start with the general aviation industry.

Mr. FORD. Mr. President, I am pleased, once again, to cosponsor the General Aviation Liability Standards Act of 1989, which has been introduced today by my distinguished colleague and friend from Kansas, Senator KASSEBAUM. Mr. President, identical legislation was considered and approved in the Commerce Committee in both the 99th and 100th Congress.

The need for this legislation remains as strong as ever: rising product liability costs continue to bring about the biggest single annual increase in the costs of new general aviation aircraft. This decade-long trend of increasing product liability costs has occurred despite the fact that the general aviation safety record has improved consistently during that time span. The impact of these liability costs on the general aviation industry has been well cataloged, and it has been devastating. Sales of domestic aircraft have declined from almost 18,000 units in 1978 to only 1,143 units in 1988. Consequently, employment by most general aviation manufactuers has plummeted, as entire aircraft model lines have been discontinued and factories closed.

Mr. President, we have heard significant discussion in this Chamber over the past few years about U.S. competitiveness and our steadily eroding international balance of trade. Outrageous and unwarranted product liability actions against general aviation manufacturers have strained the resources of this industry, which now spends too much time and money defending unfair lawsuits and as a result has too little time and money to spend on the technology development necessary to remain internationally competitive. Foreign manufacturers have, of course, moved rapidly to fill the void left by U.S. companies that have been forced out of business. In the past decade, the general aviation industry endured an 875 percent increase in product liability litigation costs, from $24 million to $209 million, despite its improving safety record. How can this industry compete internationally under this yoke?

I would like to briefly highlight the major provision of the general aviation liability bill. First, the bill establishes uniform, Federal liability standards that would apply to the general aviation industry. I note that every aspect of this industry is federally regulated, except the liability scheme. The design and manufacture of the aircraft and its component parts, the licensing of pilots and mechanics, control of air traffic and accident investigation—all are federally regulated. Second, the bill would limit the liability of manufacturers and suppliers to a fixed period of time and establish a comparative liability standard in assessing liability after an accident. Third, the bill would apply only to general aviation aircraft seating fewer than 20 passengers in nonscheduled service. Fourth, the bill would allow a plaintiff to file a claim in Federal or State court and a defendant to remove a State court action to Federal court.

Mr. President, now let me tell you what this bill would not do, despite what you might believe if you listened to the bill's detractors. The bill does not place a cap on the victim's potential award or place limitations on attorney's fees. The bill does not unfairly cut off a plaintiff's remedy—it does recognize that the manufacturer cannot be responsible indefinitely, particularly for causes not of his own making. The operators and maintenance personnel must assume proportionate responsibility for the working condition of aging aircraft, and they must heed information included in aviation safety circulars sent out by the manufacturers.

Let me make one further point on this subject: after a hearing which I chaired on the legislation in the 100th Congress, I offered to consider any changes proposed by critics of this bill to the provision which limits a manufacturer's liability to 20 years after the date of the aircraft's delivery. In fact, this provision was crafted as a compromise by Senator INOUYE in the 99th Congress. To date, they have offered no such proposal, though they continue to claim that a manufacturer should be liable for more than 20 years. I can only conclude that they do not really desire to negotiate on this issue.

Lastly, this bill is not intended to be, nor will it be, a burden on the Federal court system. In 1986 and 1987 there were only a total of 62 general aviation cases that actually went to trial, 23 in Federal court and 39 in State court. Even if all these cases, averaging 30 per year in 2 recent years, were brought in Federal court, as this bill allows, you could hardly say that they impose an undue burden on the Federal court system.

I want to speak for a moment about materials which were recently circulated by opponents of the legislation. Despite statements of the bill's critics, the industry has never claimed that it is suffering from an insurance crisis. The fact is that most major general aviation companies, such as Piper, Cessna, and Beech are fully or largely self-insured, so increases in insurance rates are highly irrelevant. The industry is, however, suffering from a crisis of spiralling, uncontrolled product liability costs brought on by a legal system that encourages forum shopping and results in disparity in the verdicts from jurisdiction to jurisdiction. The merits of an individual case, the fault, and whose fault—these issues are swept aside by a system that rewards artful pleading over the actual quality of an individual claim.

Critics also allege that the industry seeks to limit its liability for the manufacture of defective aircraft. Nothing could be further from the truth, and I defy anyone to show that this legislation has that purpose or accomplishes that result. The bill does provide the industry with some measure of protection against the court-determined liability of others. Comparative liability is hardly a novel concept. The fact that many manufacturers are often saddled with a court judgment, or the threat of one, for which they are minimally or not at all responsible helps to explain the economic situation with which the industry is confronted today.

One suggestion has been that better-built airplanes would reduce accidents and the number of claims. The answer to this point is two-fold. First, general aviation aircraft is being better-built, as evidenced by the continually improving safety record of the industry. As I pointed out earlier, however, safety and the number and amount of claims have not been directly related in recent years. Further, it is not new aircraft, and how well they are built, that is at issue in explaining the industry's accident statistics. Rather, the statistics show that accidents result primarily from improper care and maintenance of older aircraft. The industry does stand behind its product, and it regularly sends out information regarding the use and upkeep of its products—it is imperative that recommended inspections and maintenance occur.

The Federal Aviation Administration [FAA] safety standards have been mischaracterized as "minimum standards," when in fact the actual standards are "minimum necessary for safety." Despite claims to the contrary, there is no self/regulation in this industry. The FAA does not issue a type certificate for any airplane that is not performance tested using standards that are the "minimum necessary for safety."

Finally, critics charge that consumer groups oppose this bill. Mr. President, I can only respond by noting that the consumer groups relevent to this industry—the aircraft owners and operators—strongly back this bill. These are the groups that fly the planes with friends and family aboard. These are the groups that are aware of the state of the industry, which produces a product they can hardly still afford. These are the groups that should be heard because they have a legitimate stake in this issue.

I urge my colleagues to support this important, much needed legislation.

Mr. DOLE. Mr. President, I am proud to join as a cosponsor of the General Aviation Accident Liability Standards Act of 1989, which has been introduced today by my colleague from Kansas, Senator Kassebaum. Over the past several years, it has become clear to me that the general aviation industry is in the midst of a liability crisis. Liability insurance claims have skyrocketed to over $200 million annually, even though safety in the general aviation industry has dramatically improved. Aviation manufacturers in my home State of Kansas, for example, have been particularly hard hit as liability costs have increased.

The bill introduced today would create uniform Federal liability standards for the general aviation industry. Uniform standards are absolutely essential if we are to bring some rationality and predictability back into a system of liability allocation that is clearly not serving the public interests.

By Mr. LAUTENBERG:

S. 641. A bill to amend title 23, United States Code, with relation to the reduction in apportionment of Federal-aid highway funds to certain States, and for other purposes; to the Committee on Environment and Public Works.

APPORTIONMENT OF FEDERAL AID HIGHWAY FUNDS

● Mr. LAUTENBERG. Mr. President, I rise today to introduce legislation to roll back the speed limit on our Nation's rural interstate highways to 55 miles per hour.

Mr. President, this is not a new issue to the Senate. In 1987, the Senate approved a provision on the highway reauthorization bill to allow States to raise the speed limit to 65 on rural interstates.

In doing so, this body turned its back on 13 years of experience with the 55 speed limit. It turned its back on the estimated 36,000 lives that were saved because of 55. It turned its back on the 2,500 to 4,500 serious injuries that were prevented each year because of 55. It turned its back on a 60-percent reduction in paralyzing spinal injuries. And it turned its back on sound energy conservation policy, the reason 55 was adopted in the first place.

This Senator could not support the abandonment of the many benefits of 55. I voted against the amendment.

Unfortunately, Mr. President, the support for a higher speed limit was overwhelming, and within months of the passage of the legislation, 38 States had adopted the higher speed limits.

Since that time, we've had a chance to look at the impact of higher speeds. In January, the Department of Transportation released a study on the safety impacts of 65. The results were startling, but not totally unexpected.

DOT found that on highways posted at 65, fatalities rose by 10 percent over the previous year, when those same roads had a speed limit of 55. The DOT study has helped shed a new light on this issue. With this sort of solid, scientifically valid data, I think the choice becomes clear. A few minutes saved is not worth a life lost.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 641

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Subsection (a) of section 154 of title 23, United States Code, is amended—

(1) by striking out "other than a highway on the Interstate System located outside of an urbanized area of 50,000 population or more" in clause (1),

(2) by striking out clause (2),

(3) by redesignating clause (3) as clause (2), and

(4) by striking out "Clause (3) of " in the last sentence thereof and inserting in lieu thereof "Clause (2) of".

(b) Section 101(1) of Public Law 100-202 (101 Stat. 1329-383; 23 U.S.C. 154, note) is amended by striking out section 329, relating to a demonstration program for sixty-five MPH limit.

SEC. 2. (a) Subsection (f) of section 154 of title 23, United States Code, is amended to read as follows:

"(f)(1) If the Secretary determines, on the basis of a formula provided in regulations the Secretary shall prescribe, that a State is not enforcing the maximum speed limit described in subsection (a), the Secretary shall, notwithstanding any other provision of law—

"(A) withhold up to 10 percent of each of the apportionments otherwise to be made to such State under paragraphs (1), (2), and (6) of section 104(b) for the fiscal year succeeding the fiscal year in which such determination is made, and

"(B) use the funds withheld from such State under subparagraph (A) to fund those highway safety programs of such State under section 402 that have the primary effect of improving enforcement in such State of the maximum speed limit described in subsection (a).

"(2) The formula provided in the regulations the Secretary is required to prescribe under paragraph (1) shall—

"(A) assign greater weight to violations of the maximum speed limit described in subsection (a) in proportion to the amount by which the speed of the motor vehicle exceeds that maximum speed limit;

"(B) differentiate between the type of road on which the violations occur;

"(C) consider enforcement efforts made by the State; and

"(D) consider data on the fatalities and serious injuries that have occurred on roads in the State.

"(3) The funds available for highway safety projects of a State by reason of paragraph (1)(B) shall be in addition to any other funds available to such State for such projects under section 402 or under any other provision of law.".

(b) Subsection (a) of section 154 of title 23, United States Code, is amended—

(1) by striking out "a reduction in" and inserting in lieu thereof "the withholding of an",

(2) by striking out "reduced" and inserting in lieu thereof "withheld under subsection (f)", and

(3) by striking out "such reduction" and inserting in lieu thereof "the withholding".

(c) Subsection (h) of section 154 of title 23, United States Code, is amended to read as follows:

"(h) Any funds withheld from a State under subsection (f)(1)(A) that have not been expended for a highway safety program described in subsection (f)(1)(B) shall be made available to the State for the purpose for which such funds were originally available as soon as the Secretary determines, on the basis of the regulations prescribed under subsection (f)(1), that the State is enforcing the maximum speed limit described in subsection (a).".

SEC. 3. (a) By no later than the date that is 90 days after the date of enactment of this Act, the Secretary of Transportation shall prescribe, in preliminary form, and publish in the Federal Register the regulations that—

(1) provide the formula required under section 154(f)(1) of title 23, United States Code, for improved enforcement of the maximum speed limit described in section 154(a) of such title,

(2) improve the reporting requirements under section 154 of such title, and

(3) improve the certification requirements under section 141(a) of such title.

(b) The Secretary of Transportation shall publish in the Federal Register the final form of the regulations described in subsection (a) by no later than the date that is 180 days after the date of enactment of this Act.

SEC. 4. The Secretary of Transportation shall not withhold apportionments by reason of section 154(f) of title 23, United States Code, during fiscal year 1989 or at any time before the final form of the regulations described in section 3(a) are published in the Federal Register.●

By Mr. HATFIELD (for himself, Mr. HARKIN, Mr. CRANSTON, Mr. JEFFORDS, and Mr. DASCHLE):

S. 642. A bill to restrict U.S. Military Assistance for El Salvador, and for other purposes; to the Committee on Foreign Relations.

DEMOCRACY DEVELOPMENT AND PEACE IN EL SALVADOR ACT OF 1989

● Mr. HATFIELD. Mr. President, on behalf of myself, Senator HARKIN, Senator JEFFORDS, Senator DASCHLE, and Senator CRANSTON, I rise today to introduce the Democracy, Development, and Peace in El Salvador Act of 1989. Patterned after an amendment we offered last fall to the fiscal year 1989 foreign operations appropriations bill—which was defeated by one vote in the full committee markup—this bill is designed to underscore our support for negotiations and development in the deeply troubled country.

As much as we have tried to avoid it, Mr. President, El Salvador is about to become an issue again. Once the focus of our attention in Central America, El Salvador has been all but forgotten in recent years. After the election in 1984 of Christian Democrat Jose Napoleon Duarte, we were told El Salvador had become a democracy. We were told the economy would improve, the civil war would wind down, the death squads would disappear. So we appropriated the aid—$3.6 billion since 1981, $1.3 million a day since 1984—and then turned our attention to Nicaragua.

But the unfortunate truth is that we have not been bankrolling democracy in El Salvador—we have been bankrolling failure. As grand as the dreams and as good as the intentions of President Duarte, the economy is worse, the civil war continues and hundreds of thousands of innocent men, women, and children continue to suffer from indiscriminate violence and widespread poverty. Under- and unemployment hover around 50 percent, as does the percentage of the population without access to clean water. One in every 10 Salvadorans now lives as a refugee, per capita income—about $500—has declined almost 40 percent since 1980. One in every four Salvadoran children is malnourished, almost 1 in 10 does not survive its first year, and roughly half of the children who do survive are not in school.

As El Salvador prepares for a transition of power from President Duarte—the first round in the elections are

scheduled for this Sunday—death squad killings have more than tripled and guerrilla attacks on civilian targets have escalated dramatically. In all, the Roman Catholic Church's Legal Education Office reports that deaths resulting from human rights violations rose to 261 in 1988—a 67-percent increase over the 1987 total.

Things are not getting better in El Salvador, Mr. President. For all our aid, for all the genuine commitment to democracy, things in El Salvador are getting worse. Unfortunately, that remains one of the best kept secrets in this city: indeed, the Senate has not had a single vote on our policy in El Salvador for 5 years.

The obvious and legitimate question is why—why, have we ignored the reality of El Salvador for so long? Because the failure we have been bankrolling is our failure. Our policy has been to pursue a military solution to the civil war. That policy, Mr. President, has prove itself to be a total and complete failure. Our failure.

We started appropriating more military assistance and sending the Salvadorans better military hardware. The guerrillas simply broke into smaller groups and changed their tactics. We started appropriating more economic assistance—the guerrillas simply started destroying infrastructure faster than our dollars could repair it. In 9 years, never once did anyone stop to think that maybe, just maybe, there was another way. Never once did anyone stop to think that the civil war is fueled by the poverty and repression and hunger which have been rampant for so many years in El Salvador. Never once did anyone stop to think that the bargaining table might be a more effective place to seek an end to the war than the battlefield.

To the great credit of the Bush administration, all that has started to change. When the Salvadoran Government immediately denounced a guerilla proposal to lay down their arms if the Presidential elections were delayed 6 months, the United States suggested publicly that the proposal was "worthy of serious consideration." Suddenly the Salvadorans changed their tune—if anyone ever needed proof that our position makes a difference in El Salvador, that what is said and done in the United States makes a difference, the dialog which ensued is it.

But that was just a start. The negotiations eventually fell apart—and the elections are going to go ahead as scheduled. Our choice now is to pretend that opening, the space, never existed and go back to our support for a military solution to the war—or to make crystal clear our strong support for negotiations.

The legislation Senator HARKIN and I are introducing embraces the second option—it would hold 50 percent of United States military assistance for 6 months and until we have had 15 days to review a report submitted to the Congress on efforts made by the administration and the Government of El Salvador to seek a negotiated settlement to the civil war. There is no litmus test, no requirement of progress—indeed, it may well be that the guerillas, not the government, are dragging their feet. We just want to know what is being done—what the Salvadorans are doing and what we are doing—to seek a negotiated settlement. We want the Salvadoran Government—whomever that may be—to understand that we are convinced that the only way democracy can survive is through peace and development.

The report also would contain information on human rights and the judicial system in El Salvador. It is really very simple—and, I believe, consistent with the Bush administration's stated support for negotiations.

At this point, Mr. President, let me remind my colleagues that it has been the stated policy of the United States to encourage negotiations for many years. Time and time again the Reagan administration said that. In a 1987 report to Congress, they went so far as to call it our moral responsibility. And yet our policy—and our aid—really was based on the contention that the Salvadoran military could—and should—eventually win the war on the battlefield.

Behind that policy were those who believed that negotiations—our support for negotiations—would legitimize the guerrillas. I ask my colleagues: Does our support for negotiations in the Middle East—indeed, our recent recognition of the PLO—necessarily legitimize the tactics of the Palestinian Liberation Organization? Does our support for negotiations in southern Africa necessarily legitimize the tactics of the Cubans, the Soviets, the Angolans, or the South Africans? Or does our support for negotiations in Southeast Asia necessarily legitimize the tactics of the Vietnamese, the Chinese, or even the Cambodians? The answer is no.

Our enthusiasm for negotiations in all of those conflicts, as it should be for negotiations in El Salvador, is a direct result of our recognition of reality. The reality in the Middle East, in southern Africa, in Southeast Asia, and in El Salvador is that a lot of innocent civilians are being killed in the name of politics and the struggle for power. At least 60,000 people—probably more like 70,000 people—have been killed in El Salvador since 1981. There should be no alternative but to remove those struggles from the battlefield and put them squarely in the middle of the bargaining table.

Mr. President, some people will oppose our legislation because they support a political settlement to the civil war in El Salvador only if it means that the guerrillas are militarily defeated and rendered irrelevant to the process. There are those who will oppose our legislation—as they have opposed the recent dialog in El Salvador—because they believe anything short of military victory to be unacceptable, that negotiations are tantamount to surrender.

But, Mr. President, I am convinced those people are increasingly in the minority—both in Congress and in the administration. I am convinced that most people now realize—at least privately—that El Salvador is going down the tubes. They know that the "democracy" we all cheered in 1984 may one day soon fall apart at the seams.

The question is: What are we going to do about it? Are we going to wait for more bloodshed, more hunger, more instability—or are we going to act now?

Are we going to wait until it really is too late to save democracy in El Salvador—or are we going to act now to lend our full support to negotiations, peace, and development?●

● Mr. HARKIN. Mr. President, I am pleased to join Senator MARK HATFIELD in introducing the Democracy, Development, and Peace in El Salvador Act of 1989. Joining us as cosponsors are Senators ALAN CRANSTON and JAMES JEFFORDS.

This legislation would delay obligation of 50 percent of El Salvador's military assistance for fiscal year 1990 until after April 1 of next year.

In order to release those funds, the President is required to submit to Congress a report on the status of peace talks in El Salvador.

It specifies that the report describe efforts made by the Salvadoran Government, the Salvadoran rebels, and the United States to achieve a peace settlement as called for by the Esquipulas II accords signed in August 1987.

It also specifies that the report describe efforts made by the Government of El Salvador to reduce death squad activity and to punish perpetrators of human rights abuses against Salvadoran and American citizens.

Finally, it requires that half of all economic support funds approved for fiscal 1990, which will total $180 million, be used for projects and programs in health, education, judicial, and agricultural reform.

An amendment to the fiscal year 1989 foreign operations appropriations bill, on which this bill is patterned, was defeated by a one vote margin in the full Senate appropriations.

The introduction today of the Democracy, Development and Peace in El Salvador Act marks the advent of a new era of congressional concern about United States policy in El Salvador.

Equally important, this Sunday marks the passing of an historic era of Salvadoran politics, as voters elect a successor to President Jose Napoleon Duarte.

For the past 5 years, El Salvador enjoyed a free ride from Congress, with the American taxpayers footing the bill. Nearly $4 billion in United States aid later, it's time to determine whether the Salvadoran and the American people have received a fair return on that investment.

By most standards, U.S. policy has failed the test.

Sixty thousand Salvadorans have been killed during the country's civil war. Yet not a single military officer has been prosecuted for a human rights abuse.

In many respects, according to a recent GAO report, the poor in El Salvador are worse off than a decade ago.

More than half the population is under- or unemployed.

Just more than 1 in 10 Salvadoran peasants today have access to safe drinking water, down from 3 in 10 just 4 years ago. And the infant mortality rate has surged to nearly 1 in 10, the highest in Central America.

Over the past 8 years, while the United States has pumped in $1 billion of military aid into El Salvador and quadrupled the size of the Salvadoran Armed Forces to their present size of 56,000 troops. Yet the war grinds on.

I commend to my colleagues' attention the findings of a 1988 report by four U.S. Army lieutenant colonels who were fellows at Harvard's Kennedy School. That study concluded:

> The FMLN—tough, competent, highly motivated—can sustain its current strategy indefinitely. The Salvadorans have yet to devise a persuasive formula for winning the war.

According to the colonels, "The war in El Salvador is stuck * * * [and] unhappily, the United States finds itself stuck with the war."

Despite President Duarte's courageous efforts—not to mention $3.6 billion in U.S. aid—the democratic center has failed to stabilize either the Salvadoran economy or its politics.

In March's parliamentary elections, Duarte's Christian Democratic party suffered a stunning defeat at the hands of the right wing Arena party. This Sunday, Salvadoran voters are likely to put Arena, the party founded by death squad leader Roberto D'Aubuisson, in control of the Presidency, giving them power over all three branches of government.

U.S. policy appears to be unraveling * * * and the Bush administration knows it.

Vice President QUAYLE's recent visit, when he warned top Salvadoran military officers of aid cuts unless human rights conditions improve, signals a renewed interest in El Salvador by the Bush administration. But it also indicates the depth of the administration's concern.

Moreover, our Embassy's decision to encourage the Salvadoran Government to take seriously the FMLN's January 23 election proposal is a welcome development. Following Sunday's Presidential election, the United States should work with all political parties and the Salvadoran military to revive peace discussions with the rebels.

Staying the course in El Salvador could be a prescription for disaster: further polarization, further suffering, and conceivably the fall of democracy. The Vice President knows that, the army colonels know that and the Congress knows it.

The legislation Senator HATFIELD and I are introducing today is a call for a correction of United States policy in El Salvador, not an abandonment of it.

Our bill would make this correction in policy by pushing harder for human rights improvements, for a peaceful settlement of the civil war and for programs that address the root causes of that war. It puts more legislative teeth into this commitment and sends a strong signal to the Salvadoran military.

In 1984, Salvadorans elected Napoleon Duarte President because they shared his platform of peace, reform, and democracy. But the previous administration oftentimes sacrificed Duarte's sincere efforts to consolidate democracy to its single-minded pursuant of military victory over the rebels. Eight years of Reagan administration policy has shown that you cannot pursue democracy while waging war at the same time.

Our legislation is designed to ensure that U.S. policy and aid not only reaffirms Duarte's original platform of peace, reform, and democracy but works to achieve those goals.

We owe it to the Salvadoran people, and the legacy of Napoleon Duarte to help make their dreams of a democratic and peaceful El Salvador a reality.●

Mr. CRANSTON. Mr. President, on Sunday elections will be held in El Salvador. Whoever wins, the Christian Democrats, Arena or the Democratic Convergence must be mindful of one point. Although the January rebel initiative to begin a dialog for peace and the subsequent meeting between the rebels and the political parties did not lead to peace, one thing is very clear. The people of El Salvador want peace. They are tired of being pawns in a war that has ravaged their country, displaced families and taken more than 60,000 lives.

Mr. President, the political elites and the rebel leadership owe it to their people to work for peace.

I believe the United States, which has poured over $3 billion in economic and military aid into El Salvador over the last 8 years, can contribute to this peace process.

We need to reevaluate the situation in El Salvador, and we need to formulate a new policy toward that country. I believe our policy should support a negotiated solution to the war.

That is why I have joined Senators HARKIN, HATFIELD, and JEFFORDS in cosponsoring legislation which addresses the issue of peace in El Salvador.

Our bill seeks to promote a refinement in U.S. policy. We believe our policy should seek to encourage the Government of El Salvador to make significant efforts to promote a negotiated solution. It is also crucial that death squad activity be curbed and that respect for the rule of law be promoted aggressively.

I was pleased to learn that during his recent visit to El Salvador, Vice President QUAYLE warned Salvadoran military officials that continued aid would be dependent on an improved Salvadoran human rights record.

The bill releases half of El Salvador's military aid for fiscal year 1990. The rest of the aid would be withheld while the United States Government assesses the efforts of both the Government of El Salvador and the armed opposition to resolve the conflict, as well as what steps can be taken toward this end. Our government would also assess efforts taken to reduce the death squad activities and to prosecute those found of human rights violations.

Under this legislation the administration will report to Congress on these issues on April 1, 1989. If the administration seeks release of the remaining 50 percent of the aid, it will inform the appropriate Foreign Affairs and Appropriating committees of its intent. They will then review the administration's report and will have 15 days to act on the President's notification of intent to use the funds.

Mr. President, the administration and Congress need to work together to reevaluate and refine our policy toward El Salvador. Our bill is an important step in this process.

By Mr. DIXON:

S.J. Res. 81. Joint resolution to designate the week of October 1 through 7, 1989, as "National Health Care Food Service Week"; to the Committee on the Judiciary.

NATIONAL HEALTH CARE FOOD SERVICE WEEK

Mr. DIXON. Mr. President, today I am introducing a joint resolution which calls for the declaration of the week of October 1 through 7, 1989, as "National Health Care Food Service Week."

The resolution is intended to highlight the importance of health care food service employees to the overall health care delivery system. Nutrition is an essential component of the care

and treatment process for patients in hospitals and long-term care facilities. Health care food service workers, chefs, dietitians, dietary assistants, and hospital and long-term care administrators work in concert with other professionals to provide good patient care.

I understand that as of today, over 35 States and many city and county governments have honored America's health care food service employees by setting aside a week to recognize their efforts.

With the passage of this resolution, we hope to generate public awareness of the hard work and the caring that are provided by health care food service employees.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD and I urge its prompt approval.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 81

Whereas health care food service is a vital function of the provision of care and treatment of hospitalized persons;

Whereas health care food service workers, chefs, dietitians, dietary assistants, and administrators work in concert with other health care professionals to provide the best possible patient care; and

Whereas the provision of nutrition and sustenance is an essential component of the care and recovery of hospitalized persons: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 1 through 7, 1989, is designated as "National Health Care Food Service Week", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe that week with appropriate ceremonies and activities.

By Mr. HELMS (for himself, Mr. D'AMATO, Mr. DECONCINI, and Mr. LOTT):

S.J. Res. 82. Joint resolution disapproving the certification by the President under section 481(h) of the Foreign Assistance Act of 1961; to the Committee on Foreign Relations.

DISAPPROVAL OF CERTAIN PRESIDENTIAL CERTIFICATIONS

Mr. HELMS. Mr. President, on March 1, the State Department released its annual narcotics control strategy report—and for the third year in a row, the State Department has certified that the Government of Mexico has fully cooperated with the United States during the last 12 months in our efforts to control the flow of illegal drugs into our country. Under the Anti-Drug Abuse Act of 1986, economic, military, and other U.S. assistance must be suspended for any country unless the President so certifies.

Mr. President, today I introduce a resolution of disapproval of the certification of Mexico. Joining me as cosponsors are Senators D'AMATO, DECONCINI, and LOTT.

I have become increasingly concerned that the entire certification process is a sham. Although the issue has often been discussed on this floor, for the benefit of new Members I will review how the narcotics certification requirement became law.

Under the provisions of the Anti-Drug Abuse Act of 1986, countries must be certified as having cooperated fully in the previous 12 months in three areas: Crop eradication, interdiction of traffickers, and money laundering. I repeat that the standard of the law is in the words "cooperated fully."

Mr. President, when the law was debated in this Chamber under the management of the senior Senator from Indiana, I do not recall that one single Senator rose to oppose the provision on drug certification. But for the last 2 years since the law was enacted, I have heard Senators say "the standards in the law are too high," or "we have too much at stake to risk offending these countries." But the law is clear, and to date it has not been changed.

Furthermore, the law does not say that we are going to have to get tough with every country except Mexico. No, Mexico is not exempt. The same standard applies.

Mr. President, I listened to a lot of rhetoric about "the war on drugs" last year. But now comes the real test. Will Members of the U.S. Congress say one thing in their home States on the campaign trail, and then come to Washington and do another? I hope they will not.

I do not accept the argument that decertification of a noncooperating country will hurt U.S. economic or diplomatic interests. That is pure poppycock.

I remind my colleagues that Mexico is the No. 1 single-country source for heroin, and the No. 2 source for the marijuana pouring over our Southern border, and destroying and killing our youth. Mexico is also a major transit country for shipping cocaine from South America to the United States. No one disputes these facts. The question is not even whether Mexico is cooperating. The question is whether Mexico is fully cooperating.

Mr. President, on March 3, an op-ed article appeared in the New York Times entitled "The Giant Loophole" by A.M. Rosenthal regarding the certification process. I believe that Mr. Rosenthal is right on the mark when he says that we have a right to ask the President to use the economic incentives and weapons at his command to try to wage the war on drugs. We might ruffle some feathers and raise some eyebrows, but in the long-run, our relations with Mexico and the other countries will be significantly strengthened. As Mr. Rosenthal states so eloquently, if the President "expects to reduce demand at home, he has to say no to the rest of the world." And we in Congress have the responsibility to help the President do just that.

Mr. President, I ask unanimous consent that the New York Times op-ed article be included in the RECORD at the conclusion of my remarks.

Mr. President, I do not intend to go into great detail today on Mexico's dismal record of noncooperation in the drug war in the past year. I will do that when the entire Senate debates this issue sometime next month. I will, however, at this time lay out the principal reasons why I believe that Congress must vote to disapprove the President's certification of Mexico.

I imagine that there will be some this year who will say, "Mexico has a new President, so let's give them the benefit of the doubt this year." Well, try telling that to the mother of a drug addict. And remember, the countries are certified on the basis of their cooperation from March 1, 1988 to March 1, 1989. If Mexico has not given us full cooperation for that 12-month period, then Mexico should not be certified. Any casual observer could review the record and conclude that Mexico clearly has not given us its cooperation. For example:

The United States has made repeated requests for overflight and hot pursuit by U.S. law enforcement aircraft. The requests have been denied.

The United States has repeatedly asked to join in participation of air surveillance flights for interdiction efforts. The requests have been denied.

The United States has asked for bank records to assist in carrying out narcotics related investigations. These requests have also been denied.

Mexico has not prosecuted the principal suspects in the murder of United States DEA agent Camarena, or in the torture of DEA agent Cortez. This is not full cooperation.

The Mexican Army will not let the United States verify its eradication figures, or any other statistics. I argue, therefore, that the figures are meaningless. This is not full cooperation.

The State Department's statement of explanation for the certification of Mexico states: "Corruption remains a serious impediment to program effectiveness, and many major traffickers remain at large." I do not call that full cooperation.

The Mexican Government claims to have arrested 12,000 persons on drug charges in 1988. But they will not tell the United States how many of those people were tried, charged, sentenced and served time. It is not cooperation to merely arrest someone for a period of hours or days. Success is much more accurately measured by the

number of persons convicted and sentenced.

The State Department report admits that Mexico refused to extradite convicted terrorist, William Morales, to the United States last year. That is not cooperation.

Mr. President, I do not believe that this is too much to ask of the Mexican Government. The new Mexican President, Carlos Salinas de Gortari has had some tough antidrug rhetoric—but in his 3½ months in office, there is very little action to back up his words.

Mr. President, of particular interest and concern to this Senate are the long-standing issues of the 1985 murder of the U.S. DEA agent, Enrique Camarena, and the 1986 torture of U.S. DEA agent, Victor Cortez. We have long known the identity of the major suspects for both of these heinous crimes. But have these people been prosecuted? No. And what does the State Department annual report have to say about this? I quote from the report:

> Verdicts from the trial in Guadalajara for the 1985 kidnaping and murder of DEA special agent Enrique Camarena are expected in 1989. The court case related to the 1986 detention of DEA special agent Victor Cortez by Jalisco state police continues, and should also be resolved in 1989.

This was the same story we were given about these cases last year. Frankly, I am tired of waiting. Enrique Camarena's family is tired of waiting, and so are our other DEA agents who continue to risk their lives in Mexico and other countries so that our children might live in a safer country.

Mr. President, now I must discuss the No. 1 reason why I cannot in good conscience agree with the State Department's certification of Mexico. I know of no other country, with the exception of Panama, where narcotics-related corruption so thoroughly permeates the highest levels of the Government. And Mexico cannot wage any kind of war against drug traffickers if Mexico's own law enforcement officials are involved in the protection of those traffickers.

The Mexican Government routinely dismisses the drug issue as solely a United States problem. They maintain that as long as there is a demand in the United States, drugs will be produced in Mexico. Many Senators have used this same argument. While it is true that the majority of the consumers are in our country, there is a fundamental difference in the way the two countries are fighting the war on drugs—I have never heard one allegation that the highest law enforcement officials in the United States are involved in any form of drug trafficking, or in the protection of traffickers. I know of no one who would allege that Attorney General Thornburgh, or our Directors of DEA, FBI, or Customs are involved in drug-related activities. Unfortunately, this is not the case in Mexico.

Mr. President, I know that there are honorable Mexicans who are dedicated to fighting this international war on drugs. Some have even lost their lives while on duty. Those men are to be commended. But they are crying out for help from the highest levels of their Government—or their labor will be in vain.

As I have already stated, President Salinas has had some good rhetoric in his first 3 months. His actions, however, have done little to allay the concerns of many Mexicans and Americans.

Mr. Salinas has bragged about how many resources and new personnel he will put to work on the drug issue. But who did he name to spearhead his war against drugs? The President named his new Attorney General to run the war—Mr. Enrique Alvarez del Castillo. And what do we know about Mr. Alvarez? We know that he is the former Governor of Jalisco State where our DEA agent Camarena was kidnaped and murdered. That is also the state where our DEA agent Cortez was brutally tortured by police. We know that Mr. Alvarez was absolutely noncooperative in assisting us in these investigations. It is a matter of record that as Governor of Jalisco, Mr. Alvarez did nothing to fight drugs in a state where drug traffickers run rampant and free.

Mr. President, it is tragic enough that the new Attorney General is believed to be a friend of drug kingpins—but he is not alone. There are many new appointees in the Salinas administration who have alleged ties to the drug world, and they have been rewarded with top law enforcement posts.

On January 26, 1989—7 weeks ago—I wrote to Secretary Baker regarding my concern with ratifying the Mutual Legal Assistance Treaty with Mexico. Incidentally, many of my concerns about entering into the permanent MLAT Treaty with Mexico, are the same concerns I have with certifying Mexico on drug cooperation. I have not received a response to my letter yet.

In my letter to Secretary Baker, I said:

> The problem with the Salinas administration is not that one or two individuals may have dubious connections, but that a significant number of key officials connected with law enforcement is reported allegedly to be tied to criminals, or in fact themselves accused of criminal actions.

Mr. President, I attached to my letter a list of 14 high-level officials named to the new administration in Mexico about whom I have reliable information which links them to various drug-related criminal activities.

Just days before the March 1 certification report was to be released, the Mexican Government saw it convenient to relieve one official of his duties—the chief of the Mexico City Police Investigative Service. That is only 1 out of 14. But they may have felt pressured to do so insomuch as the individual has been indicted in the United States, and we have asked for his extradition. Time will tell if his dismissal was a publicity stunt, or if Mexico is serious and will extradite Mr. Nazar Haro to the United States.

Mr. President, the Mexican officials I included on my list were not low-level persons. They are the people who occupy some of the most crucial posts in Mexican law enforcement. They include the Secretaries of the Interior and of National Defense, the Mexico City Police Chief, the Assistant Attorney General for Anti-Narcotics, Deputy Attorney General for Investigations, the Chief of the Anti-Narcotics Police Unit, and the Director of Eradication.

Mr. President, I ask unanimous consent that my letter to Secretary Baker be included in the RECORD at the conclusion of my remarks. I also ask unanimous consent that two articles be included at the end of my remarks; the Washington Post, January 7, 1989, entitled "Newly Named Mexican Officials Linked to Drugs" by William Branigan, and the Los Angeles Times, January 7, 1989, entitled "U.S. Officials Worry About Mexico Police Appointees" by Marjorie Miller.

Thus far, it appears that Mexico is planning to conduct business as usual. And up to this time, Mexico has been in the business of protecting drug kingpins. We saw the same situation in Panama—but no one wanted to act until it was too late. Had we not closed our eyes and ears to the facts about Mr. Noreiga and Panama, Mr. Noriega may not have been able to maintain himself in power. But we all remember that just 2 short years ago, the State Department actually certified Panama, telling us privately that we would ruin our relations with them if we did otherwise. Well look at our relations with Panama now.

Mr. President, last April, the Senate voted 63 to 27 to disapprove the President's certification of Mexico. It was most unfortunate that the House of Representatives buckled under the pressure from outside lobbyists representing the Government of Mexico and decided not to vote on this crucial issue. Although the House is not under expedited procedures, I would strongly urge House Members to take a stand on the issue and schedule a vote on this resolution.

Last year the Senate sent a clear message. Once again this year, I urge the Senate to approve the resolution to decertify Mexico. If we do not act decisively this year, we may as well remove this law from the books. But my hope is that not only the Senate,

but the entire Congress will send an ever-stronger message to the Mexican Government this year. We must act before it is too late.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXHIBIT A

[From the New York Times, Mar. 3, 1989]

THE GIANT LOOPHOLE

(By A.M. Rosenthal)

Here we have it, plain, painful and perifidous, in a State Department report to the Congress of the United States:

"Political and economic instability in drug-producing areas around the world have resulted in the subordination of our drug control agenda to other pressing concerns."

That is about as clear a statement as we can expect in a report that is a confession that our Government says one thing and does another. But put this way it might be a lot clearer:

"President Reagan and President Bush said they understood that drugs are poisoning our society and are the public's number one concern. They promised they would do everything in their power to fight drugs.

"Forget it. For two terms, Mr. Reagan went along with the advice he got from State Department and other advisers not to hurt drug-producing nations because it might be against our diplomatic or economic interests. Now President Bush is doing the same thing."

So who is deciding that foreign instability should result in the "subordination" of our own drug agenda? The State Department and our Presidents.

Our Presidents have been switching priorities on us. They tell us at election time that the drug fight is number one. Then, whenever there is a choice, they decide the stability of drug-producing countries and our relations with them are more important. Stepping back and trying to keep cool. I think this is what is going on:

The law requires drug-producing countries to either cooperate in reducing their role as drug producers and transit centers or lose American aid, loans, tariff benefits, air travel agreements—substantial penalties.

But there is an escape clause: no penalties at all if the President decides it would harm our national interests to use them. Every year President Reagan used it. He certified major drug-producing countries for United States aid, making the law one giant loophole—as President Bush is doing.

Mr. Bush's report says drug production is increasing. He refuses to invoke sanctions against the countries that are doing the increasing—execpt for a few with which we have little or no relations, like Laos and Panama.

The excuse is that countries like Peru, Colombia, Bolivia and Mexico might be "destabilized" if they lost U.S. help.

Enough of cool. Drugs have already destabilized our own country. With all the international good will in the world, that seems more important than the politics of Bolivia. Thousands of murders a year on the streets of America, millions of lives wrecked, gang warfare making killing fields of American cities—those things seem truly destabilizing.

Senator Dennis DeConcini, Democrat of Arizona, a longtime drug fighter, says certification of major drug-producing countries is a circumvention of the law. He intends to vote against certification for Mexico.

No, sanctions will not end the drug trade. But they sure might help. President Nixon once picked up the phone and told the Turks that unless they cut back hard on opium production, he would put them on the sanction list, ally or no ally. They did cut back, and the United States helped the Turkish peasants find a substitute crop.

We have a right to ask the President to use the economic incentives and weapons at his command to try to cut down drug production, as the law intended. If he expects to reduce demand at home, he has to say no to the rest of the world.

International drug withdrawal will hurt, but in the end it will help relations between countries as it did between Turkey and the United States.

But the way it is now, says Representative Charles Rangel of New York, chairman of a House committee on drug control, the State Department does not even use the threat of sanctions seriously in negotiations with drug-producing nations.

Well, President Bush is new in the job and happily he can redeem his record on fighting drugs abroad.

He can call a summit meeting with leaders of drug-producing nations, establish clear criteria for automatically imposing sanctions and offer American help to make them unnecessary.

He can give substantial responsibility for making recommendations on sanctions to the Drug Enforcement Administration and William J. Bennett, who will be the anti-drug director, instead of allowing the State Department a monopoly over anti-drug policy. It seems fair that agents who risk their lives should at least be represented when decisions are made in the drug war—assuming it resumes.

EXHIBIT B

COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, January 26, 1989.

Hon. JAMES A. BAKER III,
Secretary of State, Department of State, Washington, DC.

DEAR JIM: During your nomination hearings, I asked whether you would withhold asking for approval of the Mutual Legal Assistance Treaty (MLAT) with Mexico until the President is in a position to assure the Senate that leading officials in the administration of President Carlos Salinas de Gortari were not connected with drug-trafficking and other international crimes.

My great concern is that the MLATs are a two-way street, but it's a street loaded with land-mines from the standpoint of the United States. We can ask the other party for information on specific cases, and they can ask us for information on specific cases. If we comply with a request from Mexico's law-enforcement authorities and provide confidential information, that information could easily fall into the hands of criminals who have connections within the government. There is always a risk in transmitting any confidential information, but that risk is multiplied many times if we know in advance that any official in the foreign law enforcement administration had criminal connections.

The problem with the Salinas Administration is not that one or two individuals may have dubious connections, but that a significant number of key officials connected with law enforcement is reported allegedly to be tied to criminals, or in fact themselves accused of criminal actions. According to information that is available in the press and that has come to me privately, the pattern of criminality is so widespread in Mexican law enforcement that it is difficult to believe that a U.S. administration could prudently comply with Mexican requests under the proposed MLAT treaty.

Our concern should be to ensure that high-level law enforcement officials of the Salinas Administration and at the state level are not involved in the production of narcotics, drug-trafficking, the protection of drug-traffickers, money-laundering, the receiving of illegal gratuities, consorting with known criminals, or other illegal activities. Obviously, the standard of evidence for setting prudent policy should be accurate, but need not be as high as required for a court of law. Nor need the information be publicly revealed. This rule should be especially true when there is a pattern of involvement by many officials across the roster of Mexican government.

Therefore I ask that the names of the specific individuals in the Salinas Administration on the list appended to this letter be checked against any derogatory information of criminal activities which may be contained in the files of any U.S. law enforcement or intelligence agency, including the CIA, DIA, NSA, FBI, DEA, Customs, the Criminal and International divisions of the Department of Justice, and appropriate bureaus and embassies of the Department of State. The names on this list have not been chosen at random; they have been chosen on the basis of specific information which I am not in a position to evaluate, but which comes from sources which have proved reliable in the past. Unless the Senate has such information, I do not see how this body could fulfill responsibly its duties under the advice and consent clause of the U.S. Constitution.

As you can surmise from the extent of the attached list, the problem could be one of the utmost gravity.

Sincerely,

JESSE HELMS.

ATTACHMENT A

Attorney General: Enrique Alvarez del Castillo.

Secretary of the Interior: Fernando Gutierrez Barrios.

Secretary of Fisheries: Maria del Los Angeles Moreno Iruegas.

Secretary of of National Defense: Antonio Riviello Bazan.

Secretary of Public Education: Manuel Bartlett.

Chief, Mexico City Police: Javier Garcia Paniagua.

Chief, Investigative Service, Mexico City Police: Miguel Nazar Haro.

Assistant Attorney General for Anti-Narcotics: Hector Castaneda Jimenez.

Assistant Attorney General for Preliminary Investigations: Abraham Polo Uzcanga.

Deputy Attorney General for Judicial Matters and Social Progress: Luis Octavio Porte Petit.

Deputy Attorney General for Investigation and Fight against Narcotics: Javier Coello Trejo.

Chief, Anti-Narcotics Police Unit of Attorney General's Office: Pablo Aleman Diaz.

Chief, Special Narcotics Division: Fausto Valverde Salinas.

Director, Eradication Campaign: Jose Ramirez Franco.

EXHIBIT C

[From the Washington Post, Jan. 7, 1989]

NEWLY NAMED MEXICAN OFFICIALS LINKED TO DRUGS

(By William Branigan)

MEXICO CITY, January 6.—Several top antinarcotics and law enforcement officials in the new government of President Carlos Salinas de Gortari are suspected of having links to major Mexican drug traffickers, according to Mexican and foreign sources.

Their appointments have aroused intense criticism here and alarmed Mexico-watchers in the U.S. government.

One recent appointee, Miguel Nazar Haro, the chief of a newly created intelligence unit in the Mexico City police department and a reported former top CIA informant here, is wanted in the United States on charges of involvement in a huge international car-theft ring that was smashed in 1981 by the FBI and California police.

Some of the new appointments have shocked officials in Washington, who view them as flying in the face of Salinas' tough rhetoric on combating drug trafficking. The U.S. government is known to have expressed concern to the Salinas administration over some of the antinarcotics appointees but generally has adopted a wait-and-see attitude.

"The previous activities of some of these individuals is a cause for some concern," U.S. Customs Commissioner William von Raab said in Washington." "The proof of the pudding is going to be in their actions."

"Maybe it takes a thief to catch a thief," said one source here in trying to sound an optimistic note about some of the more questionable to deliver on Salinas' promise to "make life miserable for drug traffickers in Mexico" and put a lid on Mexico's rising crime rate.

Another source of optimism, Mexican and foreign officials said, was the naming of a tough former government prosecutor, Javier Coello Trejo, to a new senior post in the Mexican attorney general's office in charge of the fight against drug trafficking.

However, the prevailing U.S. attitude is one of pessimism, and knowledgeable officials are bracing for the likelihood of an eventual confrontation between the new U.S. administration and the Mexican government over drug trafficking.

"It's very discouraging what we're seeing right now," said one foreign law-enforcement official. "There are people in key positions [in the Mexican government] that we know have direct links with the underworld." He said that in particular, some new government appointees "have very close relations" with Miguel Angel Felix Gallardo, who is described by U.S. authorities as the head of one of Mexico's top drug trafficking organizations.

According to a well-informed former Mexican government official, the connections of some new appointees with narcotics dealers stem from past service in the Federal Security Directorate, a national security police force considered the Mexican equivalent of the CIA. Created in 1946 under the Interior Secretariat, the Federal Security Directorate was disbanded in 1985. In a crackdown following the torture-murder of U.S. Drug Enforcement Administration agent Enrique Camarena and his Mexican pilot, a number of Federal Security Directorate agents were implicated in protection rackets for drug traffickers and other corrupt practices.

In an apparent indication of the defensive attitude that the government is taking in response to the criticism of its appointees, a senior government official, speaking on condition that he not be identified, asserted in an interview this week that Camarena himself had been "involved up to his ears" as an accomplice of international drug traffickers. The official claimed to have read a "Mexican intelligence report" detailing this allegation, but he declined to produce the report or offer any evidence of the charge.

A knowledgeable U.S. source said there was "no substance" to the charge, which he described as a "smokescreen" to divert attention from the new Mexican appointees and a tactic typical of some of the old-school politicians who have been given key posts in the new administration.

Besides Mexico City intelligence chief Nazar Haro, some of the appointees who have come under heavy criticism here are Attorney General Enrique Alvarez del Castillo, Interior Secretary Fernando Gutierrez Barrios, Mexico City police chief Javier Garcia Paniagua and a director of the Federal Judicial Police, Col. Pablo Aleman Diaz.

Until he took office Dec. 1 as the head of the Mexican government department responsible for antinarcotics efforts, Alvarez del Castillo had been governor of Jalisco State, a major drug-trafficking area and headquarters of the traffickers who killed Camarena. Officials in Washington have complained that the governor did little to help the investigation of the Camerana murder, in which state police were implicated, or rein in the major traffickers. Before assuming his current post, Aleman had served as the Jalisco State security chief under Alvarez del Castillo.

The governor "showed a total lack of concern and lack of effort during the [Camarena] tragedy, one senior U.S. law-enforcement official said in Washington. "He was not helpful at all—zero."

David Westrate, assisted DEA adminstrator for operations, played down the concerns, noting that in the Camerena investigation, U.S. officials dealt mostly with Mexican federal authorities and not with Jalisco State officials under Alvarez del Castillo.

Gutierrez Barrios and Garcia Paaniagua each headed the Federal Security Directorate under previous administrations and have come under criticism from opposition groups here for presiding over alleged human rights abuses and political repression during the 1970's. Garcia Paniagua, a former head of the ruling Institutional Revolutionary Party and a contender for the nomination as the party's presidential candidate before Mexico's 1982 elections, has been out of government for the last six years.

The brunt of the criticism, however, has come down on Nazar Haro, who was named Dec. 16 by Garcia Paniagua as "director of intelligence services a newly created and so far ill-defined post under the Mexico City police department. The appointment, which one senior official in Washington termed "a bad joke," was made with the approval of Manuel Camacho Solis, a youthful technocrat and close ally of Salinas. Camacho, who earlier had named Garcia Paniagua as police chief, was himself appointed by Salinas Nov. 30 as the new chief of the Federal District, in effect mayor of Mexico City.

The Mexican news weekly Proceso recently reported detailed charges that Nazar Haro had been personally involved in the torture of leftist government opponents while serving as chief of the Federal Security Directorate in the late 1970s.

In April 1982, Nazar Haro was indicted in San Diego on charges of involvement in a car-theft ring that U.S. authorities said had smuggled about 600 stolen American luxury cars and vans from southern California to Mexico. While a San Diego grand jury was investigating the case in early 1982, U.S. Attorney William H. Kennedy said that the CIA and the Justice Department were holding up the indictment of Nazar Haro because he was a top CIA informant in Mexico. President Reagan subsequently fired Kennedy for making the remarks, which then-Attorney General William French Smith called "highly prejudicial to the interests of the United States."

Nazar Haro, who had been forced to resign from his federal security post in January 1982 after he was implicated in the ring, vigorously denied involvement with either the CIA or the car-theft scheme. But he fled back to Mexico after posting $200,000 bail and has since remained a fugitive from U.S. justice. He is subject to arrest under an outstanding warrant for skipping bail if he reenters the United States, the U.S. Embassy here confirmed.

Since he was appointed last month, Nazar Haro has denied knowing anything about the case and has refused to discuss it.

In seeking to explain the appointment of Nazar Haro and other controversial figures, a senior government official said that crime, particularly in Mexico City, had become a major problem and that tough, experienced people with "political weight" were needed to deal with it. He said such attributes outweighed the "political cost" of appointing them and that in government, "sometimes you have to choose the lesser of two evils."

The official added that he did not know whether the U.S. charges against Nazar Haro were true or not, but that "for us this was not a determining factor" in his appointment.

A former government official who is now a prominent critic of the Mexican administration acknowledged that, despite his unsavory reputation, Nazar Haro had been "very effective in controlling crime" and was one of Mexico's best-trained and most experienced investigators.

EXHIBIT D

[From the Los Angeles Times, Jan. 7, 1989]

U.S. OFFICIALS WORRY ABOUT MEXICO POLICE APPOINTEES

(By Marjorie Miller)

MEXICO CITY.—U.S. officials are expressing fear that appointments to several top Mexican police posts, including that of a fugitive from the United States, signal a lack of commitment by new President Carlos Salinas de Gortari to crack down on narcotics trafficking and improve law enforcement.

Salinas, who took office Dec. 1, has called drug trafficking a national security problem and told visiting U.S. congressmen last month that its eradication is a priority. He vowed "to make life miserable " for traffickers.

But the attorney general Salinas appointed, Enrique Alvarez del Castillo, comes to the job after five years as governor of the state of Jalisco, home to several Mexican drug lords. U.S. and Mexican sources said drug trafficking and related killings increased in Jalisco during his tenure. Among the cases cited is the 1985 kidnaping by state judicial police of Enrique S. Camarena, an agent of the U.S. Drug Enforcement Administration who was tortured and murdered along with his Mexican pilot.

"Putting that governor in as attorney general is a complete insult to any hope of working with Mexico," said a U.S. Senate investigator who has worked on drug issues. "It's a joke."

Sources here and in Washington, who spoke on the condition that they not be identified, said American officials also were irked by the appointment of Miguel Nazar Haro as Mexico City police intelligence chief. Nazar was indicted in 1982 by a U.S. grand jury in San Diego on car theft and conspiracy charges. He was arrested in the United States, posted $200,000 bail and fled the country.

Nazar, also a one-time CIA source, was named to the new and still-undefined intelligence post by Mexico City Police Chief Javier Garcia Paniagua, a former director of the federal security police and a resident of Guadalajara, in Jalisco state, for the last few years.

Sources said they were baffled by the great gap between the government's rhetoric, which "has been extremely good," and the appointments. They said they are taking a "wait-and-see" approach.

"There is the theory that it takes one to know one, that these people are certainly wise to what is going on. They are not criminally or politically naive," said one source.

Added another, "Who knows, maybe all bets are off and tomorrow they'll bring in [reputed drug lords] Felix Gallardo and Manuel Salcido. If those things happen, we'll have to give the devil his due."

The concern in the U.S. government is not unanimous. David L. Westrate, assistant administrator of the DEA, for example, cited the assurances that Salinas gave President-elect Bush when they met last month that combatting drugs would be among his top priorities.

Asked about such individuals as Nazar, Alvarez del Castillo and Garcia Paniagua, he pointed out that they are state or city officials—not federal authorities.

"We deal with federal officials," Westrate said. "We don't deal with state officials.

The appointments have come under unusually strong attack by the Mexico City press, coming at the same time as a police scandal over the suppression of a riot last month in the state jail at Tepic, about 110 miles northwest of Guadalajara in Nayarit state, that officials said left 23 dead.

A Mexico City SWAT team called the Zorros stormed the jail after prisoners took over the administrative offices with hostages. The prisoners killed the warden and commander of the SWAT team, but at least five of the prisoners who were filmed giving their names to police after surrendering were later listed as among the dead.

Mexican officials insist that there was no impropriety in the jail capture and defend the law enforcement appointees as capable officers. But in what appears to be a political move to counter the bad publicity, a Mexican official asserted to two reporters that the Guadalajara-based DEA agent Camarena had been a drug trafficker himself.

The official, who declined to be identified, claimed to have seen a Mexican intelligence report that Camarena "was up to his ears" in narcotics trafficking before his murder. He implied that Camarena had worked for Colombians competing with Mexican drug kingpin Rafael Caro Quintero, who is in jail for masterminding the killing.

No other U.S. or Mexican police officials could be found who had seen the report and nothing like it has been leaked in the four years since the killing. The source refused to give details.

The Mexican press has focused attention on Nazar, who, in addition to his indictment in the United States, is accused of having personally tortured political prisoners in the 1970's. While with the federal security police, Nazar was a leader of the Brigada Blanca, an interagency task force established to fight an urban guerrilla movement. The Brigada Blanca was widely accused of torture and of being behind the disappearance of several thousand students and political opponents.

Those familiar with police work describe Nazar, 64, as efficient and brutal, a 20-year veteran of the federal security police and director of that now-defunct agency from 1977 until he resigned in January, 1982, apparently because of the American indictment.

At a press conference last week, Police Chief Garcia Paniagua said Nazar is perhaps the best police investigator in Mexico.

"He has been accused by U.S. authorities, but here, in this country, I don't know of any case against him or any arrest warrant," Garcia Paniagua said. Asked if the U.S. accusation was false, he said, "If they are wrong, that's their problem, not mine. I am not interested in their opinion either."

Nazar was accused of participating in an $8.4 million car theft ring that smuggled luxury cars stolen from Orange and San Diego counties into Mexico for sale. Nazar testified before a grand jury in San Diego that he was innocent and was being framed.

A U.S. attorney was fired over the case after he publicly accused the CIA and Justice Department of having delayed the indictment because Nazar was regarded as an "indispensable" CIA source.

While Nazar's appointment is viewed as something of a slap in the face to the United States, sources appeared more worried about the implications of Alvares del Castillo's appointment as attorney general for drug eradication efforts.

Under Alvarez del Castillo, Jalisco drug traffickers operated with near impunity, they said, charging that either Alvarez had been bought off to do nothing or was totally unaware of what was going on in his own state.

U.S. officials also are concerned about some of the people Alvarez del Castillo brought with him from Jalisco.

(Times staff writer Ronald J. Ostrow, in Washington, contributed to this article.)

Mr. LOTT. Mr. President, I am deeply concerned about the State Department certification of Mexico. The State Department, in a classic example of saying one thing and doing another, stated in its annual narcotics report:

Political and economic instability in drug-producing areas around the world have resulted in the subordination of our drug control agenda to other pressing concerns.

I would suggest that it is the State Department itself that has subordinated our Nation's war against drugs to other not so pressing concerns, such as a fear of offending major drug-producing countries.

The State Department would have us believe that Mexico has met the standard of "full cooperation" in our antinarcotics legislation. I think the evidence shows that Mexico is not cooperating to any significant degree with our antinarcotics efforts and that is why I am cosponsoring this resolution.

This resolution sends a clear signal that the Senate will not tolerate the Mexican Government's indifference to the narcotics problem for which they themselves are in large measure responsible.

The simple facts are that Mexico is the No. 1 source, I repeat the No. 1 source, for heroin in the United States.

Mexico is the No. 2 source, I repeat, the No. 2 source, for marijuana coming into the United States.

Mexico is the main transit country, I repeat the main transit country, for cocaine coming into the United States.

Mr. President, U.S. law requires that for a country to be certified there must be full cooperation in three major areas: crop eradication, money laundering, and drug interdiction.

With respect to crop eradication, the fact is that the Mexican Government refuses to let us verify their statistics.

With respect to money laundering, the Mexican Government has repeatedly denied requests from the U.S. Customs Service to turn over bank records for inspection and analysis.

With respect to drug interdiction, the Mexican Government has denied us hot pursuit and overflight rights. The Mexican Government has even denied joint crewing of air surveillance flights such as we had back in the 1970's.

Mr. President, I am saddened that it is necessary to present this situation in such harsh and stark terms. Mexico is our friend and our neighbor. The Mexican people are our friends and we share common values such as our belief in strong family ties, the belief in the value and dignity of hard work, and a strong sense of national pride.

Neither Americans nor Mexicans want to see their children addicted to narcotics.

Neither Americans nor Mexicans want narcotics to destroy public health and thereby undermine economic productivity.

Neither Americans nor Mexicans want their sovereignty undermined by the narcotics mafia.

Mr. President, we would not be good friends or good neighbors if we followed the State Department's certification and swept the narcotics problem under the rug in order to have diplomacy as usual. The real test of friendship and good neighborliness is honesty and frank communication.

We know that we have a massive problem on the demand side. We admit this problem and President Bush has stated his intention to do everything in his power to solve this problem. I would point out that Mexico has a growing internal demand problem as well, so the problem is not just on our side of the border.

But today it is the supply side of the problem that is before us. We must be honest about the situation. We must be frank about the situation. The Mexican Government simply has not fully cooperated with us in the antidrug effort. It does our relationship no good to pretend otherwise.

Mr. President, I do not doubt the sincerity of President Salinas. He is a fine man; he came to our country for his higher education and had a distinguished record at Harvard University; he understands our country and he wants to be a friend and a good neighbor.

The problem that we have is not with President Salinas. The problem that we have is with the massive corrupt governmental apparatus in Mexico which is undermining the antidrug war. It is this corrupt governmental apparatus that President Salinas must reform in order to save his own country from economic collapse, social disintegration, and drug addiction.

This resolution sends a clear signal to those corrupt elements in Mexico who are counting on the State Department to take the heat off of them by glossing over and covering up the real and serious problems that both countries face in the antidrug war. In my view, by being an honest and frank friend we can help President Salinas in his own efforts to fight the drug war and to prevent Mexico from losing its sovereignty to the international drug mafia.

By Mr. KERRY:

S.J. Res. 83. Joint resolution to establish a bipartisan Commission on Third World Debt; to the Committee on Foreign Relations.

COMMISSION ON THIRD WORLD DEBT

● Mr. KERRY. Mr. President, today I am reintroducing a joint resolution to establish a bipartisan Commission on Third World Debt, a proposal I introduced originally on September 30, 1987, as Senate Joint Resolution 193.

At that time I noted that a bipartisan Commission was needed to forge a national consensus on an issue that has cast a cloud over the international economy, has stymied economic growth and development in Third World countries, and has threatened the political stability of emerging democracies.

The events of the past several weeks have shown us once again just how serious a problem we face. The outbreak of massive demonstrations in Venezuela in reaction to government austerity measures resulted in the death of some 300 people, and sent shock waves throughout Latin America—waves that have reached our shores. In the aftermath of this huge catastrophe, Secretary Brady has announced a reversal of administration policy, and has acknowledged what many have argued all along: that the Baker plan is dead and that debt reduction must be a part of any successful strategy to deal with this problem.

There is a real opportunity now for the United States to play a leading role in shaping the international policy response to the debt problem, but we cannot do so unless we have the institutional means to examine the options and build a bipartisan national consensus on how to proceed. While various committees of Congress and agencies of the executive branch can and must address those aspects of the problem that fall within their jurisdiction, there must be a broader effort to frame the issues—in a context that brings together representatives of both parties, the Congress, the administration, academics, the media, and the private sector.

Such a Commission can help not only to explore innovative options, but to build an understanding and support for these options among the American public. For example, one element of several proposals is to increase the use of swaps that enable creditor countries to offer some debt forgiveness in exchange for certain environmental protection measures which would otherwise be extremely difficult to achieve. Viewed in this context, debt forgiveness need not be seen as a bailout but rather as an investment in the protection and preservation of our global environment. Similarly, there are direct benefits of debt restructuring in terms of increased U.S. exports and renewed, balanced economic growth that are not now fully appreciated by the general public.

There have been, of course, many studies and panel reports on the debt situation convened by a variety of distinguished foundations and similar organizations. But now, as we begin with a new administration, and a new approach to the debt problem, it is a timely opportunity to establish a bipartisan Commission of the kind that was used so successfully to forge a national consensus on Social Security in 1982.

If we had acted on this proposal when it was originally introduced, we would now have before us a blueprint for action, we would be debating the specifics of implementing solutions today, and we would have a foundation for a national consensus.●

By Mr. HATCH:

S.J. Res. 84. Joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day"; to the Committee on the Judiciary.

NATIONAL SOCIETY OF THE SONS OF THE AMERICAN REVOLUTION CENTENNIAL DAY

Mr. HATCH. Mr. President, I rise to introduce a joint resolution (S.J. Res. 84) to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennnial Day."

The Sons of the American Revolution is one of the oldest and largest patriotic societies in America. It was organized on April 30, 1989, and incorporated under Public Law 59-214. The Sons of the American Revolution's objectives are patriotic, historical, and educational. Its activities perpetuate the memory of those who by their services during the American Revolution achieved the independence of our Nation. These activities are also intended to engender respect for the principles of government established by our forebears.

I want to take this opportunity to urge my colleagues to salute the Sons of the American Revolution as they celebrate their 100th anniversary by approving this resolution. I extend my personal congratulations to them.

By Mr. ARMSTRONG (for himself and Mr. GLENN):

S.J. Res. 85. Joint resolution to designate the week of July 24-30, 1989, as the "National Week of Recognition and Remembrance for Those Who Served in the Korean War"; to the Committee on the Judiciary.

NATIONAL WEEK OF RECOGNITION AND REMEMBRANCE FOR THOSE WHO SERVED IN THE KOREAN WAR

● Mr. ARMSTRONG. Mr. President, our country is fortunate to have many heroes. Some of our greatest heroes are the men and women who served in the military during the Korean war. Because those who served the cause of freedom have never been forgotten, I am pleased to once again introduce a resolution with Senator GLENN which designates the week of July 24-30, 1989, as "National Week of Recognition and Remembrance for Those Who Served in the Korean War." This resolution will not only authorize the President to issue a proclamation calling on the people of the United States to observe the week with proper ceremonies, but it will also encourage the country to fly the American flag at half staff in honor of those brave Americans who died as a result of their service in Korea.

In June 1950, waves of Communist soldiers from North Korea poured over the 38th parallel for the sole purpose of subjecting the people of the south. Until that time, most Americans had little knowledge of that Asian peninsula. However, when President Truman, honoring our commitment to democratic principles, authorized combat support by United States troops, some 5.7 million Americans went to Korea to put their lives on the line. The cost was high. More than 54,000 Americans gave their lives and 100,000 more were wounded.

On July 27, 1958, after 3 years of active hostilities, the territorial integ-

rity of the Republic of Korea was restored, and the freedom and independence of its people are assured even to this date. In recent years, an increasing number of Korean war veterans are setting aside July 27, the anniversary of the armistice, as a special day to remember those with whom they served and to honor those who made the supreme sacrifice for freedom and for their country.

Mr. President, it is fitting that we honor those Americans who so valiantly served this Nation in the Korean war. I am sure my colleagues will remember with pride that Congress and the President of the United States enacted a law to honor the forgotten warriors of the Korean war by establishing a Korean War Memorial. This site has been designated, and the design of the memorial is being reviewed.

America is blessed with many heroes. I am proud to be part of the effort to recognize those heroes who served the cause of freedom in Korea, and I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 85

Whereas on June 25, 1950, the Communist army of North Korea invaded and attacked South Korea, initiating the Korean War;

Whereas the week of July 24-30, 1989 includes July 27, the 36th anniversary of the Cease Fire agreement that ended the active combat of the Korean War;

Whereas the Korean War was brought to an end primarily through the effort of the United States Armed Forces;

Whereas for the first and only time in history a United Nations Command was created, with the United States as the executive agent, to repel this invasion and preserve liberty for the people of the Republic of Korea;

Whereas, in addition to the United States and the Republic of Korea, twenty other member nations provided military contingents to serve under the United Nations banner;

Whereas, after three years of active hostilities, the territorial integrity of the Republic of Korea was restored, and the freedom and independence of its people are assured even to this date;

Whereas, over 5.7 million American servicemen and women were involved directly or indirectly in the war;

Whereas American casualties during that period were 54,246 dead, of which 33,629 were battle deaths, 103,284 wounded, 8,177 listed as missing or prisoners of war, and 328 prisoners of war are still unaccounted for;

Whereas although the Korean War has been known as America's "Forgotten War", those who served have never forgotten, and this nation should never forget the sacrifice made by those who fought and died in Korea for the noble and just cause of freedom;

Whereas the Congress and the President of the United States have enacted a law authorizing the establishment of a Korean War Veterans Memorial in the Nation's Capital to recognize and honor the service and sacrifice of those who participated in the Korean War;

Whereas increasing numbers of Korean War veterans are setting aside July 27, the anniversary date of the Armistice, as a special day to remember those with whom they served and to honor those who made the supreme sacrifice in a war to preserve the ideals of freedom and independence; and

Whereas on this significant anniversary of the cease fire which started the longest military armistice in modern history, it is right and appropriate to recognize, honor, and remember the service and sacrifice of those who endure the rigors of combat and the extremes of a hostile climate under the most trying conditions and still prevailed to preserve the independence of a free nation: Now, therfore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the week of July 24-30, 1989, is designated as the "National Week of Recognition and Remembrance for Those Who Served in the Korean War." The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities, and to urge the departments and agencies of the United States and interested organizations, groups and individuals to fly the American flag at half staff on July 27, 1989 in honor of those Americans who died as a result of their service in Korea.●

By Mr. RIEGLE (for himself, Mr. BRADLEY, Mr. WILSON, Mr. CONRAD, Mr. INOUYE, Mr. COATS, Mr. ROBB, Mr. SANFORD, Mr. METZENBAUM, Mr. PRYOR, Mr. STEVENS, Mr. MITCHELL, Mr. SIMPSON, and Mr. BOSCHWITZ):

S.J. Res. 86. Joint resolution designating November 17, 1989, as "National Philanthropy Day"; to the Committee on the Judiciary.

NATIONAL PHILANTHROPY DAY

● Mr. RIEGLE. Mr. President, I am introducing a resolution today to designate Friday, November 17, 1989, as "National Philanthropy Day." The purpose of this legislation is to recognize the generous efforts of the many people who support charitable organizations and the important role these organizations play in meeting the diverse needs of our society.

Philanthropy is an American tradition, dating back to colonial days. Thomas Jefferson and Benjamin Franklin were two early promoters of the need to give of oneself to benefit both the individual and society—"enlightened self-interest" they called it. Early Americans worked together to develop schools and educational institutions, lending libraries, and societies for the advancement of learning, and to provide essential community services such as fire protection and health care.

Alexis de Tocqueville, the French historian, admired the American propensity to organize philanthropic associations to meet the needs of society, as well as our tendency to "make great and real sacrifices for the common good." He attributed the growth of these traits to the prevalence of free democratic institutions in the United States.

Today, the spirit of philanthropy and voluntarism is stronger than ever. We currently have over 800,000 nonprofit philanthropic organizations in the United States, employing more than 10 million people. Americans gave $94 billion to these organizations in 1987. In addition, 89 million people participated in some kind of volunteer work.

Mr. President, there are many things that we can do, many problems that we can address if we pool our resources and work together, both through small community groups or large national institutions. By publicly declaring November 17, 1989 as National Philanthropy Day, we can encourage efforts to carry on this vital tradition of giving.

Mr. President, I ask unanimous consent that the full text of the resolution be printed in the RECORD directly following my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 86

Whereas there are more than 800,000 nonprofit philanthropic organizations in the United States;

Whereas such organizations employ more than 10,000,000 individuals, including 4,500,000 volunteers;

Whereas the people of the United States contributed approximately $94,000,000,000 in 1987 to support such organizations;

Whereas philanthropic organizations are responsible for enhancing the quality of life of people throughout this Nation and the world;

Whereas the people of this Nation owe a great debt to the schools, churches, museums, art and music centers, youth groups, hospitals, research institutions, and community service organizations, and to the institutions and organizations which aid and comfort disadvantaged, sick or elderly individuals; and

Whereas the people of the United States should demonstrate gratitude and support for philanthropic organizations and for the efforts, skills and resources of individuals who carry out the missions of such organizations: Now therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 17, 1989, is designated as "National Philanthropy Day" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.●

By Mr. WIRTH (for himself, Mr. JOHNSTON, Mr. HEINZ, Mr. CHAFEE, Mr. DURENBERGER, Mr. LUGAR, Mr. BUMPERS, Mr. GORE, and Mr. CRANSTON):

S.J. Res. 88. Joint resolution to establish that it is the policy of the United States to reduce the generation

of carbon dioxide and for other purposes; which was ordered held at the desk until the close of business March 17, 1989.

GLOBAL ENVIRONMENT POLICY

Mr. WIRTH. Mr. President, the recent decision by the European Community to accelerate controls on chemicals that harm the Earth's ozone shield—front page news around the world—once again demonstrated that global environmental issues are emerging very rapidly. This global campaign to protect the atmosphere offers President Bush an opportunity and a challenge to lead the world.

It is my belief that the emergence of issues like ozone depletion and global warming occurs in the context of a dramatically changing world. Restructuring in the Soviet Union, new peace initiatives in the Middle East and the laying down of arms in Latin America and Africa are reminders of a world in flux. On the diplomatic front, competition for world leadership is intense, characterized by initiatives to seize the high ground in global cooperation—from bold arms control proposals to conflict resolution in Angola, Afghanistan, and elsewhere.

Increasingly, the initiatives being pursued by world leaders demonstrate that global environmental protection has become a source of international prestige.

The British Prime Minister, Margaret Thatcher, convened what was probably the most significant conference to date on ozone depletion and Mrs. Thatcher has taken the lead on multilateral efforts to protect the ozone layer.

Similarly, Soviet General Secretary Mikhail Gorbachev and Foreign Minister Eduard Shevardnadze each called for global environmental cooperation in their most recent speeches to the United Nations. The leaders of West Germany and Canada have also been vocal proponents of environmental issues. Despite reports about political and economic difficulties, even the Government of Brazil is making in addressing environmental issues with worldwide implications—specifically, the widespread destruction of tropical rainforests. The dean of these efforts is the Norwegian Prime Minister, Gro Harlem Brundtland, who has pioneered the provocative concept of sustainable economic and environmental development.

President Bush, too, has proclaimed himself an environmental President. However, it is ironic that the United States, which guided the development of the historic Montreal protocol on ozone-depleting substances, followed the European Communities' call for stronger controls on chlorofluorocarbons [CFC's]. Commendably, the President endorsed the EC's call for a complete phase out of CFC's by the year 2000. Now it is time to develop a regulatory structure to accomplish this goal—and perhaps to set a more ambitious timeline. Strong controls are warranted by the increasing evidence of ozone layer damage and because CFC's are the most potent substances that scientists believe are trapping heat and warming the globe.

We are fortunate in the U.S. Senate to have had strong leadership in the fight to prevent ozone depletion. As in the 100th Congress, bipartisan legislation, sound and responsible legislation, has been introduced by Senators BAUCUS, CHAFEE, and GORE. I commend my colleagues for their efforts. It is time now for the new administration to endorse these efforts or submit a plan of its own.

Indeed, the development of global environmental initiatives requires the President's immediate attention. The United States must, as it always has, lead the world to protect the planet's natural systems.

How can we regain our leadership position?

First, the President should schedule now the international environmental summit he pledged to host during last year's campaign. If heads of state are to be involved, and they must, a date must be determined soon.

Second, the President should establish as a top priority for domestic policy, measures to protect the global environment. At the top of both our energy and environmental agendas should be energy efficiency. More than 10 consecutive years of energy efficiency improvements have screeched to a halt, according to recent data. Consequently, oil imports are rising and emissions of greenhouse gases and air pollutants are increasing unabated. A strong program of research and new initiatives to encourage efficiency in all sectors of our economy should be developed. The most optimistic forecasts show that we could cut our $440 billion energy bill in half; reduce emissions that contribute to global warming, acid rain and local air pollution; and lessen our dependency on imported oil (now at levels greater than the oil crisis days of the 1970's) and cut the resulting trade deficit for energy. Yes, Mr. President, good environmental policy can be good economic policy and good energy policy. Unfortunately, President Bush's 1990 budget calls for further cuts in energy efficiency programs and alternative energy programs.

Third, the President should take on the issue of world population growth. Unless we are able to address the question of swelling numbers of inhabitants on Earth, our other efforts at global environmental protection will be futile. At current growth rates, 1 billion individuals will be added to today's 5 billion during the next 10 years—another China's worth of inhabitants. Population growth adds precipitously to the demand for energy, the pressures on tropical rainforests and to the generation of greenhouse gases and air pollutants. The President's first opportunity to demonstrate his commitment will come late this spring, when the United States will be asked to resume support for the United Nations Fund for Population Assistance.

Fourth, the United States should strengthen its commitments to such multilateral institutions as the United Nations Environment Programme and the World Bank to promote research and develop accords in these areas and to provide assistance to the developing nations that will help them manage their natural resources more soundly.

Finally, we should demonstrate to the world that we are serious about preventing global warming by establishing a goal for reducing carbon dioxide (CO_2) emissions.

Today, I am introducing a joint resolution with Senator JOHNSTON and a number of my colleagues that would establish that it is the policy of the United States to reduce emissions of greenhouse gases. Specifically, this bill sets as a goal, a 20-percent reduction in CO_2 emissions by the year 2000. This ambitious goal, and it is only a goal, was adopted only 2 weeks ago by the international conference on global climate change held in New York by the National Governors Association, Cornell University and Governors Mario Cuomo of New York, Thomas H. Kean of New Jersey, and Madeline Kunin of Vermont.

I urge all of my colleagues to join me in support of this resolution. I believe it is exactly the kind of signal we in the U.S. Senate should be sending to the rest of the world. Judging from my discussions with other Senators, this issue will be the focus of a great deal of activity in this body in the months and years ahead.

In closing, Mr. President, leadership, from the international to local level, is needed now to halt the assault on the atmosphere. To succeed, the leaders of the world must accept what the public already knows: We are pushing the limits of our environmental systems. We must act to reverse these trends. President Bush should seize this opportunity for world leadership and reestablish the United States at the forefront of global environmental protection.

Mr. President, I ask unanimous consent that the joint resoluton and several of the articles I referred to be printed in the RECORD at this point, and that the bill held at the desk until the close of business Friday, March 17.

There being no objection, the joint resolution and material was ordered to be printed in the RECORD, as follows:

S.J. RES. 88

Whereas, the concentration of the so-called greenhouse gases—including carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, tropospheric ozone—is rising:

Whereas, since the start of the industrial revolution 150 years ago the atmospheric concentration of carbon dioxide, the most prevalent of these gases, has increased by 25 percent; the concentration of methane has increased by 100 percent; the concentration of nitrous oxide has increased by 10 percent; the concentration of CFC's has increased from zero 60 years ago at an average rate of 5 percent per year; and concentrations of tropospheric ozone continues to increase by one percent per year.

Whereas, the leading scientists of the world have warned policy makers that increased concentrations of these gases will alter climate; and that such climatic alterations could have devastating effects on weather patterns, agricultural productivity, coastal population centers due to rising sea levels, and biological health;

Whereas, the majority of these gases are generated in the production of energy;

Whereas, the Department of Energy's National Energy Policy Plan projects the United States' generation of carbon dioxide to increase from 1985 levels by 38 percent in the year 2010;

Whereas, the leading scientists of the world, including the National Academy of Sciences, the National Academy of Engineering and the Institute of Medicine have urged the President to take action to reduce the generation of these gases by the United States;

Whereas, international negotiations are underway to develop strategies to reduce the generation of these gases;

Whereas, the United States is chair of the response strategies working group of the Intergovernmental Panel on Climate Change (IPCC), which was established by the United Nations Environment Programme and the World Meterological Organization;

Whereas, at the first meetings of the IPCC's response strategies working group, the Secretary of State urged the nations of the world to act to reduce the generation of "greenhouse" gases;

Whereas, action by the United States to reduce the generation of greenhouse gases will encourage other nations to take similar action to reduce the generation of these gases. Now therefore, be it

Resolved, by the Senate and the House Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This act may be cited as the "National Global Warming Policy Act."

SEC. 2. NATIONAL GLOBAL WARMING POLICY.

It is the policy of the United States: (1) to reduce the generation of "greenhouse" gases in the United States, with an initial goal of reducing emissions of carbon dioxide from calendar year 1988 levels (as determined by the Department of Energy) by 20 percent by the end of calendar year 2000; (2) to host, in 1989, an international summit meeting on global warming and global environmental concerns; (3) to encourage other nations to undertake measures to reduce the generation of greenhouse gases; (4) to develop binding multilateral agreements with other nations by the end of calendar year 1992 to reduce, or as early as is practicable, the global generation of greenhouse gases; (5) to assist in the worldwide protection of tropical rainforests; (6) to require each Federal agency to examine its programs to determine the impacts of global warming on its missions and activities and to evaluate and propose policies under its authority that could reduce the generation of greenhouse gases; and (7) to develop new technologies that will provide reliable supplies of energy and services for the citizens of the United States while reducing the generation of greenhouse gases.

[From the Washington Post, Mar. 11, 1989]

ANOTHER ENVIRONMENTAL SUMMIT OPENS, ILLUSTRATING ISSUE'S NEW CURRENCY

(By Edward Cody)

THE HAGUE, March 10.—A hastily organized 24-nation summit conference opened here today seeking strengthened international authority to protect the global environment, a suddenly fashionable issue that has world leaders jockeying for preeminence.

The two-day conference, which France initiated and put together with help from Norway and the Netherlands, follows by only three days an international conference on the ozone layer sponsored by Prime Minister Margaret Thatcher in London. It also comes only a week after European Community environment ministers unexpectedly committed the 12 member states to try banning ozone-threatening chlorofluorocarbon gases by the year 2000.

As high-level attention to environmental threats intensified in Europe, reports from Washington said President Bush has complained that the conference here is premature. During last year's election campaign, Bush pledged to organize his own high-level environmental conference in Washington, but the United States was not invited to this one.

After the European ministers acted on the ozone issue on March 2 in Brussels, however, Bush endorsed their decision and announced the United States would join in the effort to the degree that safe alternatives to chlorofluorocarbons become available.

Thatcher, whose London conference was overshadowed somewhat by the European ministers, declined to attend the gathering here, although Dutch officials said she was invited. A Dutch Environment Ministry spokeswoman, Marjan van Giezen, said Thatcher objected to a draft resolution calling for increased supranational power in the United Nations to enforce environmental standards against member governments.

The United States also is likely to look askance at creating a new U.N. authority over the environment or expanding the U.N. Environment Program's bureaucracy, an informed diplomatic source said. French and Dutch officials said these proposals were put forward for inclusion in the final conference declaration, which officials negotiated today for presentation to heads of government on Saturday.

Unexpectedly, more hesitation came from the European Commission in Brussels. The commission president, Jacques Delors, expressed fear the conference might create something that would supplant the community's own authority to regulate the European environment.

Delors' fellow French Socialist, Prime Minister Michel Rocard, initially suggested today's conference in private contacts last fall with Prime Ministers Ruud Lubbers of the Netherlands and Gro Harlem Brundtland of Norway, officials said.

A Dutch official said the Rocard proposal intrigued some officials in The Hague, where France traditionally has been considered among the countries least willing to take steps to protect the environment.

Similarly, officials here expressed amusement at Thatcher's new role as a champion of environmental protection. Previously, they recalled, the conservative British leader tended to lump environmentalists together with pacifists, viewing them as political leftists.

A Dutch official said Thatcher's decision to take up the issue stems from recent advances by British industry in finding substitutes for the ozone-damaging chlorofluorocarbons, or CFCs, that are widely used in air conditioning and refrigeration equipment, computer chip cleaning and, in Europe, aerosol spray cans.

These gases have been blamed for depleting the ozone layer that protects the Earth from harmful sun rays. Increasingly inescapable scientific evidence on the gases' effects has been piling up, contributing to the swell of political concern over the issue.

The United States and other major industrialized nations, in the 1987 Montreal Protocol, had agreed to halve CFC production by 1997. With the new European Community decision endorsed by Bush, that goal suddenly has been outdone by the new objective of a complete ban on the harmful gases.

Van Giezen said it was hoped the meeting here would create a political environment in the Third World as well as in Europe for making those resolutions stick. In addition, she said the draft declaration proposes an organization with power to impose the new rules on governments.

The United States was not invited here, French officials maintained, because decisions on who would attend were made during the U.S. election campaign. But Lubbers told reporters last week that the United States, the Soviet Union and China were excluded to avoid turning the conference into an East-West competition.

R.A. van Swinderen, the Dutch Foreign Ministry's European affairs director general, said the invitations were meant to reflect a world-wide balance of small and medium-sized countries, ranging from West Germany and New Zealand to India, Egypt and Zimbabwe. Dutch officials said 17 of the 24 governments were represented by their prime ministers, presidents or, in the case of Jordan, its king.

[From the Washington Post, Mar. 12, 1989]

GLOBAL ENVIRONMENTAL POWER SOUGHT

(By Edward Cody)

THE HAGUE, THE NETHERLANDS, March 11.—Representatives of 24 nations, gathered here at an environmental summit conference, called today for increased authority in the United Nations to police the global atmosphere and for "appropriate measures" to enforce its directives.

The appeal by leaders of 15 nations and ranking envoys from nine others marked the broadest and highest-level expression to date of political determination to take swift steps to organize worldwide protection of the earth's threatened atmosphere, the officials declared. They called on "all states of the world" to endorse their work and join in negotiating the new U.N. authority and financing its operations.

"People are aware, and they are worried," said Prime Minister Gro Harlem Brundtland of Norway, who organized the two-day conference along with Prime Ministers Michel Rocard of France and Ruud Lubbers of the Netherlands.

"The principles we have endorsed are in fact radical, but anything less would not serve us," she added. "This authority must have power."

It was difficult, however, to assess the impact of an initiative launched without participation from four of the five permanent U.N. Security Council members and which, as President Francois Mitterrand of France noted, implies "the idea of renouncing a bit of national sovereignty."

The absent great powers—Britain, China, the Soviet Union and the United States—are among the world's greatest polluters of the atmosphere. Because of their size and wealth, the United States and the Soviet Union also would be expected to become principal providers of compensatory financing to Third World countries unable to bear the cost of the conservation and antipollution measures outlined in the conference declaration.

But Rocard, expressing hope the absent governments will follow the environmental course set here, said, "This is a call for the big powers of the world to give their agreement".

Lubbers explained that the major powers were excluded to avoid turning the conference into an East-West confrontation. Prime Minister Margaret Thatcher of Britain was invited, Dutch officials said, but she refused to be associated with an appeal for increased supranational authority in the United Nations.

Apparently with such reluctance in mind, the 24 governments stepped back from earlier proposals by French, Dutch and Norweigian officials that the declaration call for a new U.N. authority, to be named "Globe", with power to impose sanctions on governments refusing to heed antipollution rules it would lay down. In fact, in anticipation that such a proposal would be included in the final declaration, security passes for conference officials were stamped with "Globe" in bold letters.

Instead, the "Declaration of The Hague" endorsed a more modest principle defined as:

"Developing, within the framework of the United Nations, new instituitonal authority, either by stregnthening existing institutions or by creating a new institution, which, in the context of the preservation of the earth's atmosphere, shall be responsible for combating any further global warming of the atmosphere and shall involve such decision-making procedures as may be effective even if, on occasion, unanimous agreement has not been achieved." This language left questions about specific powers and procedures of such a global authority open for further negotiation among all U.N. members, Rocard said.

Similarly, the 24 governments meeting here avoided the word "sanctions", speaking instead of "appropriate measures to promote the effective implementation of and compliance with the decisions of the new instituional authority".

The leaders, who included Mitterrand, King Hussein of Jordan, Chancellor Helmut Kohl of West Germany and President Robert Mugabe of Zimbabwe, also urged "fair and equitable assistance" to Third World nations. Participants said environmental protection would pose a special financial burden on developing countries that bear only marginal responsibility for atmospheric pollution.

Calls for such financial aid to poor countries emerged as a chief feature of another environmental conference sponsored by Thatcher earlier this week in Britain.

That conference, as did this one, underlined the participants' view that swift action is needed to protect the earth's ozone layer. Scientists say the ozone has come under particular attack from chlorofluorocarbons, or CFCs, in gases widely used in refrigeration equipment and as aerosol spray propellants.

Increasingly clear scientific evidence of damage to the ozone layer has given a sense of urgency to politicians' desire to deal with the issue, an informed official explained, and politicians have recognized environmentalism as an issue with a growing constituency.

[From the Washington Post, Mar. 4, 1989]

BRAZIL DECLINES INVITATION TO CONFERENCE ON ECOLOGY

SARNEY FEARS AMAZON WILL BE SINGLED OUT

(By Richard House)

SAO PAULO, BRAZIL, March 3.—President Jose Sarney has refused an invitation to attend next week's international environmental conference at The Hague on grounds that Brazil already has been singled out for unfair criticism because of its failure to protect the Amazon rain forest.

Sarney had accepted French President Francois Mitterrand's invitation to attend the conference, organized by the Dutch. The meeting, which begins March 10, is expected to debate the creation of an international environmental group to monitor tropical areas.

After a meeting with the chiefs of the Army and the military intelligence service, however, Sarney changed his mind yesterday. Instead he issued a fresh attack on "intolerable" meddling in Brazil's domestic affairs.

"We are masters of our destiny and will not permit any interference in our territory," Sarney said.

A presidential palace official said Sarney wanted to attend the meeting but was told that he would be the target of criticism while his arguments would not be taken seriously. The official said military chiefs believed Sarney's presence would represent a breach of sovereignty, because a domestic subject—the Amazon—would be discussed by other nations.

Sarney's presence "would be politically inconvenient because at The Hague, Brazil will be the villain of the piece," a senior diplomat said.

Sarney's refusal will exacerbate the emotional climate surrounding the issue of the Amazon. In recent weeks, ministers have said that the rise of world concern for the forest conceals sinister economic interests and territorial ambitions.

Army Minister Gen. Leonidas Pires Goncalves recently attacked "false ecologists" whose objective he said was to "internationalize Amazonia." The rapid mobilization of lobby groups and international press coverage of the recent gathering of Indians at Altamira in the Amazon also have been offered by officials as proof of a sinister plot.

Brazils leading ecologist, Jose Lutzemberger, challenged the minister to name the "false ecologists" and pointed out that part of the destruction is being caused by Brazilian state-owned companies that export minerals below world prices. He also said Sarney was afraid to go to The Hague because of the shameful things he would hear about his country there.

Fabio Feldmann, leader of the ecological movement in the National Congress, said there is no proof of any international conspiracy and that Sarney's refusal shows a lack of statemanship. Instead, he charged there is "a sinister alliance of people inside Brazil who benefit from what's happening in Amazonia and who now have the ear of Sarney. The government is getting more and more xenophobic and right-wing, and Sarney has become a demagogue using dangerous arguments."

Feldmann said public opinion is being confused and manipulated by groups with interests in lumber, mining and construction in the Amazon region, which occupies half of Brazil's territory.

Though it announced six months ago that it planned firm measures in response to international criticism that deforestation of the Amazon contributes to global warming, Brazil's government is only now beginning to draft new legislation to protect the forest.

This month the government is drafting 10 bills to control deforestation, the invasion of Indian reservations and the activities of mineral prospectors in the Amazon. Brazil is looking for support from its seven neighbors in the Amazon Pact—Bolivia, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela. At an Amazon Pact meeting in Quinto, Ecuador, next week, Brazil will propose joint measures to protect the forest.

[From the Washington Post, Mar. 4, 1989]

"GREENING" OF THATCHER SURPRISES MANY BRITONS

(By Jonathan C. Randal)

LONDON, March 3.—In a decade as prime minister, Margaret Thatcher has often been characterized as The Iron Lady because of her fierce struggle against socialism, but few ever expected her to go into battle under the green banner of environmentalism.

Only four years ago she was denouncing environmentalists as "the enemy within," and Environment Secretary Nicholas Ridley was dismissing the green lobby as "pseudo-Marxists." But nothing better illustrates her conversion that the 112-nation conference she will host here starting Sunday to push for quicker action by industrialized and less developed nations to save the Earth's ozone layer from erosion by man-made clorofluorocarbons (CFCs).

She even appeared unfazed when her old nemesis, the 12-nation European Community, yesterday upstaged the London conference goal of an 85 percent reduction in global emissions of CFCs by calling for a complete ban on these chemicals by the year 2000.

Still high on her agenda is to use the London conference to project a world leadership role for Britain on the issue—especially by persuading the Third World to wait for substitute chemicals that British industry is now perfecting to replace CFCs, which are used in refrigerators, air conditioners, foam insulation and aerosols.

"The Greening of Maggie," as the tabloid press calls her conversion to environmental issues, became evident at the annual conference of her ruling Conservative Party, where 10 percent of the resolutions were related to the environment.

If her conversion is sometimes compared to that of St. Paul on the road to Damascus, exactly how and why her change of heart of environmental issues occurred so suddenly remain obscure.

Crispin Tickell, British ambassador to the United Nations and an amateur climatologist, is credited by some people with convincing her of the urgency of ecological

problems in a detailed report on the damage to the ozone layer and the danger of the related "greenhouse effect," which threatens to raise world temperatures.

Thatcher's advisers also noted that she was educated as a chemist at Oxford and has retained her ability to absorb complicated scientific data along with the mountain of detail that makes her one of the best-informed of world leaders.

With the benefit of hindsight, her partisans now claim she was edging toward embracing environmental issues as early as 1982. She then overruled budget cutters and insisted on maintaining funds for the scientists who eventually helped locate the "hole" in the ozone layer over the South Pole.

At no point has she publicly recognized the slightest influence on her thinking of Britain's outspoken environmentalists, who include Queen Elizabeth, Prince Philip and Prince Charles, or of binding European Community antipollution edicts she once ignored.

But whatever their past reservations, even the most determined environmentalists are willing to take her new found faith at face value and try to hold her to account.

Jonathon Porrit, executive director of the environmental group Friends of the Earth, recalled recently how amazed he had been by a speech she gave last fall emphasizing her new commitment. "Blimey," he recalled saying, "the speech is impressive, a milestone for the environment."

An environmental specialist at the 24-nation Organization for Economic Cooperation and Development in Paris said the speech marked an end to British obstruction of efforts to curb acid-rain-producing coal-fired power plants, automobile emissions and other kinds of pollution that long have vexed Scandinavian and other European states.

Since then, British officials have demonstrated a "much more activist approach," the specialist said.

Yet despite Thatcher's unflappable assurance on a British Broadcasting Corp. environmental program last night that "in the next five years I think we will get rid of most of our problems," the environmentalists are wary.

She is fundamentally opposed to state regulations, and no plans exist for a British equivalent of the U.S. Environmental Protection Agency to enforce and monitor decisions.

Her critics claim her government has been reluctant to finance antipollution measures, a charge she obliquely accepts by insisting that the wealth her rule has helped create can now be spent on the environment.

[From the Washington Post, Mar. 4, 1989]

BUSH ENDORSES PHASING OUT CFC'S BY YEAR 2000

(By Michael Weisskopf)

President Bush called yesterday for elimination of chlorofluorocarbons (CFCs) by the turn of the century, joining a diplomatic initiative in Europe to phase out one of the most versatile but destructive chemicals of the past 100 years.

Bush, in remarks to winners of high school science awards, said that recent scientific reports indicate that a 1987 treaty in which industrial nations agreed to halve production of CFCs within a decade "may not be enough" to stop the chemicals' threat to the stratospheric ozone layer that protects life on Earth from harmful solar rays.

Bush said he has instructed Environmental Protection Agency Administrator William K. Reilly to support the European Community in calling for a phase-out by the year 2000 at an international conference scheduled to start Sunday in London.

The conference will provide a forum for environmental officials of more than 100 nations and set the stage for a meeting of treaty signatories in Helsinki two months later. The treaty, which becomes effective in July, is not supposed to be revised before April 1990, but European nations are expected to use the Helsinki session to speed up negotiations aimed at a phase-out.

Bush's remarks have little direct significance at home since industry is already planning to phase out CFCs, nearly ubiquitous chemicals used as refrigerants, computer chip solvents and gasses to shape plastic foam products. Bush set as a condition for the phase-out that "safe alternatives are available."

Nor did Bush pledge, as some environmentalists wished, a unilateral U.S. ban on the chemical, which wafts into the stratosphere and eats up the gaseous ozone layer that helps prevent skin cancers, crop damage and higher temperatures.

But by joining the European Community, Bush adds momentum to an effort for further international controls that has inspired little interest from Japan and the Soviet Union. Moreover, a united front by the West, where nearly two-thirds of the world's CFC supply is produced, could increase pressure on developing nations to join the pact.

Reilly said in an interview before leaving for London that Bush's remarks indicate that he intends to continue U.S. leadership on the control of CFCs, which were banned in aerosol sprays in this country in the 1970s. He said the president has staked out an "ambitious position" that reflects sensitivity to the "evolving scientific picture," particularly recent findings that huge masses of CFCs have accumulated in the Arctic stratosphere.

Bush, speaking at the National Academy of Sciences, notes that "scientific advancement" identified the dangers of ozone and the need to "reduce CFCs that deplete our precious upper atmospheric resources." Findings of the ozone hole in Antarctica prompted the treaty signed in Montreal in 1987 and ratified by 36 countries.

"But recent studies indicate that this 50 percent reduction may not be enough," he said, apparently referring to the Arctic findings and a U.S. government report last year detailing significant ozone damage over Europe and North America.

The treaty provides mechanism for revision but only after studies are completed in August to assess ozone damage, environmental effects and the economics of the 50 percent phase-down. Parties are barred from any changes until April 1990, six months after their representatives meet to consider the studies.

Representatives of CFC users and manufacturers yesterday endorsed the Bush initiative, noting with relief that he called for safe alternatives as condition.

But senators seeking legislation to speed up the timetable for a phase-out were critical. Sen. Albert Gore Jr. (D-Tenn.), a member of the U.S. delegation to the London conference who want to eliminate CFCs within five years, said "there is no reason to wait" for further damage to the ozone layer.

[From the New York Times, Mar. 4, 1989]

BUSH BACKS PROPOSAL TO ELIMINATE USE OF OZONE-DEPLETING CHEMICAL

(By Philip Shabecoff)

WASHINGTON, March 3.—President Bush today endorsed a proposal that the use of industrial chemicals that deplete the earth's protective ozone shield be eliminated by the year 2000.

Mr. Bush announced his decision a day after the 12 European Community countries unexpectedly vowed to ban production and use of the chemicals, chlorofluorocarbons, by the end of the century.

Administration officials said the United States would seek worldwide elimination of the chemicals through the strengthening of an existing treaty, which calls for cutting by 50 percent the production and use of the chemicals by the year 2000.

SEVENTY-FIVE PERCENT OF WORLD PRODUCTION

Together the United States and the European Community account for more than 75 percent of world production of chlorofluorocarbons, the most pervasive of several chemicals that many scientists now believe are depleting the ozone in the upper atmosphere.

Scientists have warned that as the ozone layer gets thinner, more ultraviolet radiation from the sun will penetrate to the earth's surface. This would cause more cases of skin cancer, cataracts and other health problems among humans, as well as damage to wildlife and crops.

Mr. Bush said in a talk at the National Academy of Sciences today that his support for the elimination of the chlorofluorocarbons, which are used by industry in refrigerants, foams, solvents and a wide range of other applications, is contingent upon the development of adequate substitutes.

But William K. Reilly, Administrator of the Environmental Protection Agency, said industry leaders had assured him that substitutes would be available in time for a complete phaseout of the chemicals over the next decade.

In addition to chlorofluorocarbons, the President is supporting the elimination of halons, chemicals used in fire extinguishers, which also destroy ozone in the atmosphere, he reported.

Mr. Reilly left this evening for London to take part in a 112-nation meeting called by Prime Minister Margaret Thatcher to discuss the next steps in protecting the ozone layer.

Under a treaty signed in Montreal in 1987, which went into effect at the end of the year, use and production of chlorofluorocarbons are frozen at 1986 levels starting this year and are to be reduced by 50 percent worldwide by the end of the century.

HOLE IN OZONE LAYER

But emerging scientific data, including reports of a gaping hole in the ozone layer over Antarctica and the probability of similar losses in the Arctic region, have indicated that such a reduction would be inadequate. Without a complete phaseout, the chemicals would continue to accumulate in the atmosphere and destroy ozone molecules for another century, scientists say.

The parties to the treaty plan to determine in 1990 whether further measures are needed to protect the ozone shield. But in a telephone interview today, Mr. Reilly said that because of the gravity with which the problem is viewed, international action to eliminate the chemicals was possible this year.

He said Mr. Bush's support of a complete ban on the chemicals demonstrated that "the United States is continuing to maintain the leadership position on this issue that we held ever since we phased out aerosols using CFC's in the 1970's."

He also said that to encourage wide participation by other countries, particularly the developing countries, in getting rid of the chemicals, the United States would share its knowledge about substitutes as well as "share our sense of urgency."

Mr. Reilly had strongly urged Mr. Bush to support the elimination of the chemicals. His predecessor at the environmental agency, Lee M. Thomas, called for a ban on the chemicals last September.

URGENCY IS STRESSED

Irving M. Mintzer, a senior associate of the World Resources Institute, a Washington-based research and policy group, said today that it was crucial to provide information on substitutes and the technology to use them to developing countries. Dr. Mintzer is one of the American members of an international panel that will meet in Brussels next week to assess the economic effects of ending the use of the chemicals.

He noted that under the existing treaty, developing countries, that now use very little of the chemicals, are allowed to increase their production and consumption of the chemicals as part of their industrialization projects. But if countries like China, India, Indonesia and Brazil increase use of chlorofluorocarbons as much as permitted by the treaty, he said, the chemicals would continue to accumulate in the atmosphere even if the industrial countries barred them completely.

Signers of the ozone treaty plan to meet in Helsinki in June to review new information and to decide the next steps to take in meeting the threat.

If a decision is reached to take stronger action to eliminate the threat to the ozone shield, no additional approval by Congress is needed as the treaty is written, a State Department spokesman said.

Senators Al Gore, Democrat of Tennessee, and John H. Chafee, Republican of Rhode Island, called Mr. Bush's decision an important step forward and said the chemicals should be eliminated well before the end of the century.

Mr. Gore has introduced legislation that would require the United States to end all production and use of chlorofluorocarbons within five years and would ban imports of the chemical and products that use them. "Each additional year we continue putting these poisons in the environment means an extra 10 years required to remove them," he said.

Mr. Chafee, who has introduced a bill to require a halt in use of the chemicals, said, "No time is too soon to end CFC production and use."

[From the Washington Post, Mar. 6, 1989]

ACCELERATED GOALS URGED ON OZONE

(By Jonathan C. Randal)

LONDON, March 5.—The European Community's environmental commission today proposed advancing by several years the date set only last week by the 12-nation group for a ban on all chemicals harmful to the atmosphere's ozone shield.

Speaking on the opening day of a 124-nation conference to save the ozone, Commissioner Reapa di Meana also advocated providing Third World countries with financial aid and alternative chemicals to replace ozone-depleting chloro-fluoro-carbons (CFCs) — synthetic gases — in refrigerators, air conditioners, aerosol spray propellants, foam insulation and solvents for computers.

Kenya's President Daniel arap Moi, the conference keynote speaker, warned that "the world community, especially the industrialized nations, must help these nations make the right choice and order their priorities properly.

"They must be prepared to bear the burden of conserving the global ozone layer equitably with the less industrialized nations," he said. "They, too, must make sacrifices commensurate in magnitude with those expected from the Third World nations that must forgo the use of these ozone-depleting chemicals."

CFCs do not break down in the atmosphere like other chemicals but erode the gaseous layer of ozone that blocks out harmful sun rays. The compounds are also believed to trap heat in the atmosphere and contribute to the warming of the planet.

The EC last Thursday agreed at a meeting in Brussels to institute a ban on all chemicals that harm the ozone by the end of the century, a significant advance over a 1987 Montreal agreement calling for a 50 percent reduction in CFC production by 1999. Di Meana said last week's decision marked a "turning point" because the United States had "decided to follow" the EC lead.

Di Meana proposed today moving up the ban on all CFC production to "maybe in 1996 or 1997." Meeting the accelerated goal "will require total commitment and concerted cooperation between governments and industry," he said.

William K. Reilly, the U.S. Environmental Protection Agency Administrator, echoed the commitment for financial and technological aid for developing countries and pledged that worldwide environmental problems would be "President Bush's very high priority."

Reilly said recent discussions with officials from E.I. du Pont de Nemours & Co., the world's largest CFC manufacturer, indicated that CFC "substitutes were coming on even faster than expected," with one promising new chemical costing only 5 percent more than CFCs.

British Prime Minister Margaret Thatcher called the three-day conference here in large part to win Third World backing for the ban on CFCs because such major regional powers as Brazil, China and India are only now embarking on large-scale expansion of their refrigeration, air conditioning and electronics and plastic industries.

Di Meana told reporters that the developed countries, which produce an estimated 96 percent of CFCs, should avoid "preaching what is good or bad" to the Third World.

ADDITIONAL COSPONSORS

S. 13

At the request of Mr. CRANSTON, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 13, a bill to amend title 38, United States Code, to increase the rates of disability compensation and dependency and indemnity compensation for veterans and survivors, to increase the allowances paid to disabled veterans pursuing rehabilitation programs and to the dependents and survivors of certain disabled veterans pursuing programs of education, and to improve various programs of benefits and health-care services for veterans; and for other purposes.

S. 15

At the request of Mr. CRANSTON, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 15, a bill to amend the Public Health Service Act to improve emergency medical services and trauma care, and for other purposes.

S. 20

At the request of Mr. LEVIN, the names of the Senator from Texas [Mr. BENTSEN], the Senator from Virginia [Mr. WARNER], and the Senator from California [Mr. WILSON] were added as cosponsors of S. 20, a bill to amend title 5, United States Code, to strengthen the protections available to Federal employees against prohibited personnel practices, and for other purposes.

At the request of Mr. ROTH, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 20, supra.

S. 38

At the request of Mr. WILSON, the names of the Senator from Delaware [Mr. BIDEN], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 38, a bill to make long-term care insurance available to civilian Federal employees, and for other purposes.

S. 58

At the request of Mr. BOSCHWITZ, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 58, a bill to amend the Housing and Community Development Act of 1987 to improve the enterprise zone development program, to amend the Internal Revenue Code of 1986 to provide tax incentives for investments in enterprise zones, and for other purposes.

S. 89

At the request of Mr. SYMMS, the names of the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Vermont [Mr. JEFFORDS], the Senator from Mississippi [Mr. LOTT], the Senator from Arizona [Mr. MCCAIN], the Senator from Michigan [Mr. LEVIN], the Senator from Montana [Mr. BURNS], the Senator from California [Mr. WILSON], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Illinois [Mr. DIXON] were added as cosponsors of S. 89, a bill to delay for 1 year the effective date for section 89 of the Internal Revenue Code of 1986.

S. 135

At the request of Mr. GLENN, the names of the Senator from Maryland [Ms. MIKULSKI] and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of S. 135, a bill to amend title 5, United States Code, to restore

to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 260

At the request of Mr. MOYNIHAN, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 260, a bill to amend the Internal Revenue Code of 1986 to make the exclusion from gross income of amounts paid for employee educational assistance programs.

S. 269

At the request of Mr. RIEGLE, the names of the Senator from Kentucky [Mr. FORD] and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of S. 269, a bill to prohibit the disposal of solid waste in any State other than the State in which the waste was generated.

S. 335

At the request of Mr. MCCAIN, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 335, a bill to amend title XVIII of the Social Security Act and other provisions of law to delay for 1 year the effective dates of the supplemental Medicare premium and additional benefits under part B of the Medicare Program, with the exception of the spousal improverishment benefit.

S. 339

At the request of Mr. BRADLEY, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Alabama [Mr. HEFLIN], the Senator from California [Mr. CRANSTON], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 339, a bill to amend title XIX of the Social Security Act to reduce infant mortality through improvement of coverage of services to pregnant women and infants under the Medicaid Program.

S. 353

At the request of Mr. EXON, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 353, a bill to amend the Internal Revenue Code of 1986 to allow the use of U.S. savings bonds for any individual's higher education expenses to qualify for an income exclusion.

S. 355

At the request of Mr. RIEGLE, the names of the Senator from California [Mr. WILSON], and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of S. 355, a bill to amend the Internal Revenue Code of 1986 to extend through 1992 the period during which qualified mortgage bonds and mortgage credit certificates may be issued.

S. 378

At the request of Mr. ROCKEFELLER, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 378, a bill to extend the Steel Import Stabilization Act for an additional 5 years.

S. 389

At the request of Mr. BOSCHWITZ, the names of the Senator from Kansas [Mrs. KASSEBAUM] and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of S. 389, a bill to amend the Department of Energy Organization Act to establish the position of Assistant Secretary for Natural Gas, and for other purposes.

S. 412

At the request of Mr. PACKWOOD, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 412, a bill to amend the Internal Revenue Code of 1986 to increase the amount of the credit for expenses with respect to child care for dependent children, to make such credit refundable, to amend the Social Security Act to increase the funds for available child care, and for other purposes.

S. 416

At the request of Mr. DOMENICI, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Maryland [Ms. MIKULSKI], the Senator from Rhode Island [Mr. PELL], and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of S. 416, a bill to provide that all Federal civilian and military retirees shall receive the full cost-of-living adjustment in annuities payable under Federal retirement systems for fiscal years 1990 and 1991, and for other purposes.

S. 430

At the request of Mr. DASCHLE, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 430, a bill to amend title XIX of the Social Security Act to provide coverage for certain outreach activities undertaken at the option of a State for the purpose of identifying pregnant women and children who are eligible for medical assistance and assisting them in applying for and receiving such assistance, and for other purposes.

S. 431

At the request of Mr. NUNN, the names of the Senator from Maryland [Mr. SARBANES], the Senator from New York [Mr. MOYNIHAN], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of S. 431, a bill to authorize funding for the Martin Luther King, Jr., Federal Holiday Commission.

S. 432

At the request of Mr. ROCKEFELLER, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 432, a bill to direct the Secretary of Transportation to identify scenic and historic roads and to develop methods of designating, promoting, protecting, and enhancing roads as scenic and historic roads.

S. 441

At the request of Mr. GRAHAM, the names of the Senator from California [Mr. WILSON] and the Senator from Texas [Mr. GRAMM] were added as cosponsors of S. 441, a bill to amend the Immigration and Nationality Act to make available funds to reimburse localities which are impacted by substantial increases in aliens applying for political asylum.

S. 447

At the request of Mr. BOSCHWITZ, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 447, a bill to require the Congress and the President to use the spending levels for the current fiscal year—without adjustment for inflation—in the preparation of the budget for each new fiscal year in order to clearly identify spending increases from one fiscal year to the next fiscal year.

S. 458

At the request of Mr. DECONCINI, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 458, a bill to provide for a General Accounting Office investigation and report on conditions of displaced Salvadorans and Nicaraguans, to provide certain rules of the House of Representatives and of the Senate with respect to review of the report, to provide for the temporary stay of detention and deportation of certain Salvadorans and Nicaraguans, and for other purposes.

S. 466

At the request of Mr. BIDEN, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 466, a bill to amend title 18 of the United States Code to prohibit the use of the mails to sell or solicit the sale of anabolic steroids.

S. 502

At the request of Mr. BAUCUS, the names of the Senator from Texas [Mr. BENTSEN], the Senator from Wisconsin [Mr. KOHL], and the Senator from Washington [Mr. GORTON] were added as cosponsors of S. 502, a bill to extend the application deadline for assistance under the Impact Aid Program.

S. 512

At the request of Mrs. KASSEBAUM, the name of the Senator from Colorado [Mr. ARMSTRONG] was added as a cosponsor of S. 512, a bill to amend the State Dependent Care Development Grants Act to enhance and improve the quality of the child care services provided under such act, and for other purposes.

S. 563

At the request of Mr. MATSUNAGA, the names of the Senator from Mississippi [Mr. LOTT] and the Senator from Alabama [Mr. SHELBY] were added as

cosponsors of S. 563, a bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Forces to receive retired pay concurrently with disability compensation after a reduction in the amount of retired pay.

S. 564

At the request of Mr. MATSUNAGA, the names of the Senator from Maryland [Ms. MIKULSKI] and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 564, a bill to provide for an Assistant Secretary of Veterans' Affairs to be responsible for monitoring and promoting the access of members of minority groups, including women, to service and benefits furnished by the Department of Veterans' Affairs.

S. 565

At the request of Mr. CRANSTON, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 565, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing; to increase homeownership; and for other purposes.

S. 566

At the request of Mr. CRANSTON, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 566, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing, to increase homeownership, and for other purposes.

S. 585

At the request of Mr. LAUTENBERG, the names of the Senator from Maine [Mr. COHEN] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 585, a bill to implement the national objective of pollution prevention by establishing a source reduction program at the Environmental Protection Agency, by assisting States in providing information and technical assistance regarding source reduction, and for other purposes.

S. 586

At the request of Mr. KENNEDY, the names of the Senator from Texas [Mr. BENTSEN], the Senator from Vermont [Mr. JEFFORDS], the Senator from Maryland [Ms. MIKULSKI], the Senator from Oregon [Mr. PACKWOOD], the Senator from Oregon [Mr. HATFIELD], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 586, a bill to amend title III of the Public Health Service Act to extend the program relating to certain treatment drugs, and for other purposes.

S. 601

At the request of Mr. DOLE, the names of the Senator from Oregon [Mr. HATFIELD], the Senator from Indiana [Mr. COATS], the Senator from Indiana [Mr. LUGAR], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Colorado [Mr. ARMSTRONG] were added as cosponsors of S. 601, a bill to amend the Internal Revenue Code of 1986 to authorize a child tax credit and refundable child and dependent care tax credit.

S. 602

At the request of Mr. DOLE, the names of the Senator from Oregon [Mr. HATFIELD], the Senator from Indiana [Mr. COATS], the Senator from Indiana [Mr. LUGAR], the Senator from Colorado [Mr. ARMSTRONG], and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of S. 602, a bill to authorize additional appropriations for the Head Start Program.

SENATE JOINT RESOLUTION 24

At the request of Mr. DECONCINI, the names of the Senator from Washington [Mr. ADAMS], the Senator from Colorado [Mr. ARMSTRONG], the Senator from Texas [Mr. BENTSEN], the Senator from Missouri [Mr. BOND], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from New Jersey [Mr. BRADLEY], the Senator from Nevada [Mr. BRYAN], the Senator from North Dakota [Mr. BURDICK], the Senator from Montana [Mr. BURNS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Indiana [Mr. COATS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Kansas [Mr. DOLE], the Senator from New Mexico [Mr. DOMENICI], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Utah [Mr. GARN], the Senator from Tennessee [Mr. GORE], the Senator from Florida [Mr. GRAHAM], the Senator from Alabama [Mr. HEFLIN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Hawaii [Mr. INOUYE], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Massachusetts [Mr. KERRY], the Senator from Wisconsin [Mr. KOHL], the Senator from Michigan [Mr. LEVIN], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Indiana [Mr. LUGAR], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Idaho [Mr. MCCLURE], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maine [Mr. MITCHELL], the Senator from Maryland [Ms. MIKULSKI], the Senator from New York [Mr. MOYNIHAN], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Oregon [Mr. PACKWOOD], the Senator from Rhode Island [Mr. PELL], the Senator from South Dakota [Mr. PRESSLER], the Senator from Arkansas [Mr. PRYOR], the Senator from Nevada [Mr. REID], the Senator from Michigan [Mr. RIEGLE], the Senator from Virginia [Mr. ROBB], the Senator from North Carolina [Mr. SANFORD], the Senator from Tennessee [Mr. SASSER], the Senator from Alabama [Mr. SHELBY], the Senator from Illinois [Mr. SIMON], the Senator from Wyoming [Mr. SIMPSON], the Senator from Alaska [Mr. STEVENS], the Senator from South Carolina [Mr. THURMOND], the Senator from Virginia [Mr. WARNER], the Senator from California [Mr. WILSON], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of Senate Joint Resolution 24, a joint resolution to designate the period commencing on May 1, 1989, and ending on May 7, 1989, as "National Older Americans Abuse Prevention Week."

SENATE JOINT RESOLUTION 42

At the request of Mr. PACKWOOD, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of Senate Joint Resolution 42, a joint resolution to designate March 16, 1989, as "Freedom of Information Day."

SENATE JOINT RESOLUTION 54

At the request of Mr. DECONCINI, the names of the Senator from Washington [Mr. ADAMS], the Senator from Delaware [Mr. BIDEN], the Senator from Texas [Mr. BENTSEN], the Senator from Missouri [Mr. BOND], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from New Jersey [Mr. BRADLEY], the Senator from Nevada [Mr. BRYAN], the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. BURDICK], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Indiana [Mr. COATS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Maine [Mr. COHEN], the Senator from North Dakota [Mr. CONRAD], the Senator from California [Mr. CRANSTON], the Senator from New York [Mr. D'AMATO], the Senator from Illinois [Mr. DIXON], the Senator from Kansas [Mr. DOLE], the Senator from New Mexico [Mr. DOMENICI], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Utah [Mr. GARN], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HEFLIN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Hawaii [Mr. INOUYE], the Senator from Vermont [Mr. JEFFORDS], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Wisconsin [Mr. KOHL], the Senator from Michigan [Mr. LEVIN], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Indiana [Mr. LUGAR], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maryland [Ms. MIKULSKI], the Senator from Maine [Mr. MITCHELL], the Senator from New York [Mr. MOYNIHAN], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Georgia [Mr. NUNN], the Senator from Oregon [Mr. PACKWOOD], the Senator from Rhode Island

[Mr. PELL], the Senator from South Dakota [Mr. PRESSLER], the Senator from Arkansas [Mr. PRYOR], the Senator from Nevada [Mr. REID], the Senator from Michigan [Mr. RIEGLE], the Senator from Delaware [Mr. ROTH], the Senator from Tennessee [Mr. SASSER], the Senator from Alabama [Mr. SHELBY], the Senator from Alaska [Mr. STEVENS], the Senator from South Carolina [Mr. THURMOND], the Senator from Virginia [Mr. WARNER], and the Senator from California [Mr. WILSON] were added as cosponsors of Senate Joint Resolution 54, a joint resolution to designate the months of April 1989, and 1990, as "National Child Abuse Prevention Month."

SENATE JOINT RESOLUTION 55

At the request of Mr. SIMON, the names of the Senator from Nevada [Mr. REID], the Senator from Missouri [Mr. DANFORTH], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Colorado [Mr. WIRTH], the Senator from North Dakota [Mr. BURDICK], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of Senate Joint Resolution 55, a joint resolution to designate the week of October 1, 1989, through October 7, 1989, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 67

At the request of Mr. DOMENICI, the names of the Senator from Montana [Mr. BAUCUS], the Senator from Colorado [Mr. WIRTH], and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of Senate Joint Resolution 67, a joint resolution to commemorate the 25th anniversary of the Wilderness Act of 1964 which established the National Wilderness Preservation System.

At the request of Mr. DOMENICI, the name of the Senator from Utah [Mr. HATCH] was withdrawn as a cosponsor of Senate Joint Resolution 67, supra.

SENATE CONCURRENT RESOLUTION 22

At the request of Mr. GORE, the names of the Senator from Delaware [Mr. ROTH], the Senator from Washington [Mr. GORTON], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of Senate Concurrent Resolution 22, a concurrent resolution to recognize the contributions of C-SPAN on the occasion of its 10th anniversary.

SENATE RESOLUTION 81

At the request of Mr. BOREN, his name was added as a cosponsor of Senate Resolution 81, a resolution relating to the fourth anniversary of the kidnaping of Terry Anderson.

At the request of Mr. MITCHELL, his name was added as a cosponsor of Senate Resolution 81, supra.

SENATE RESOLUTION 82

At the request of Mr. PELL, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of Senate Resolution 82, a resolution expressing the concern of the Senate for the ongoing human rights abuses in Tibet.

At the request of Mr. BOREN, his name was added as a cosponsor of Senate Resolution 82, supra.

SENATE CONCURRENT RESOLUTION 23—PROVIDING FOR A CONDITIONAL RECESS OR ADJOURNMENT OF THE SENATE AND A CONDITIONAL ADJOURNMENT OF THE HOUSE

Mr. MITCHELL submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 23

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Friday, March 17, 1989, it stand recessed or adjourned until 2:15 post meridiem on Tuesday, April 4, 1989, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this resolution; and that when the House adjourns on Thursday, March 23, 1989, or on Friday, March 24, 1989, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stand adjourned until 12:00 o'clock meridian on Monday April 3, 1989, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this resolution.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and the House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

SENATE CONCURRENT RESOLUTION 24—CALLING FOR AN OPEN PLEBISCITE IN CUBA

Mr. MACK (for himself, Mr. GRAHAM, Mr. WILSON, Mr. BOSCHWITZ, Mr. KASTEN, Mr. ROBB, Mr. HOLLINGS, Mr. DECONCINI, Mr. HATCH, and Mr. DIXON) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 24

Whereas social and political development in Latin America over the past decade has been toward freedom and democracy, and a number of countries in the region have made important strides in fostering full self-government and the rule of law;

Whereas Fidel Castro and the Cuban Communist Party have denied the Cuban people participation in this democratic development and have ruled Cuba for 30 years without allowing Cubans to express their will through a free and open election or plebiscite;

Whereas the recent overthrow of the military government in Paraguay leaves Fidel Castro the longest reigning dictator in Latin America;

Whereas the human rights report of the Cuba Working Group of the United Nations documents widespread incidents of "torture, cruel, inhuman or degrading treatement, missing people, murder . . ." and a "lack of all fundamental liberties" in Cuba;

Whereas the Working Group's report charges that the Cuban Government imposed imprisonment, beatings, and other reprisals on Cuban citizens who testified before the Working Group, in violation of the government's promise not to harass these witnesses;

Whereas according to a State Department human rights report, Cuba ranks with North Korea and Romania as the world's worst violators of human rights;

Whereas the Cuban economy since 1959 has failed to share in the level of economic growth achieved by other Latin American countries, and despite $5 billion a year in direct Soviet economic and military aid, Cuba's gross national product has fallen in each of the last four years, dropping 3.5 percent in 1987 alone;

Whereas the Cuban Government has sent tens of thousands of soldiers to fight in support of regimes in Angola, Ethiopia, Mozambique, and Nicaragua; and

Whereas 169 internationally recognized artists, writers, intellectuals, and human rights activists have called upon Castro to hold a plebiscite to let the Cuban people decide on his rule: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. SHORT TITLE.

This resolution may be cited as the "Resolution on a Plebiscite in Cuba".

SEC. 2. STATEMENT OF POLICY.

It is the sense of Congress that—

(1) after 30 years, Fidel Castro has failed to recognize the basic human rights, aspirations, and freedoms of the Cuban people;

(2) oppressive government policies and economic mismanagement have increased the suffering and hardship on the people of Cuba;

(3) the Cuban people should be allowed to express their view on their country's political future, that the Cuban Communist Party permit a plebiscite, by a secret "yes/no" ballot, of the people's approval of rejection of Castro's continued rule;

(4) in order to guarantee an open and honest plebiscite, the Government of Cuba meet the following conditions—

(A) allow opposition and human rights groups to organize publicly and repeal all laws curtailing freedom of expression and assembly;

(B) grant all opposition groups equal access to national press, radio, and television media;

(C) release all political prisoners; and

(D) invite a neutral, international commission to oversee the voting and ensure the legitimacy of the results;

(5) should the "no" vote on Castro's rule prevail, the regime would respect the will of the people, initiate a period of democratic openness, and hold prompt national elections through which the Cuban people could freely choose their leaders; and

(6) that normalized relations between the Governments of the United States and Cuba should one day be restored, and that a democratic Cuban Government elected by all the people must be an essential condition for such normalization.

● Mr. MACK. Mr. President, today I am submitting a concurrent resolution calling on the Cuban Government to permit a free and open plebiscite on whether the Cuban people wish to

continue to be ruled by Fidel Castro and the Cuban Communist Party. Joining me are Congressman CHUCK DOUGLAS and 52 cosponsors in the House, and Senators GRAHAM, ROBB, WILSON, HOLLINGS, BOSCHWITZ, DECONCINI, and KASTEN.

Mr. President, Fidel Castro is now, following the fall of General Stroessner in Paraguay, the longest reigning dictator in Latin America. Castro is standing increasingly alone in the face of a democratic tide that is sweeping Latin America and the world. At a time when even the Soviet Union is liberalizing, Castro remains a tragic anachronism and a blight on the Cuban people.

The Cuba Plebiscite campaign was initiated by Cuban novelist Reinaldo Arenas last year. By December 1988, over 170 writers, actors, and scientists signed an open letter to Fidel Castro calling on him to hold a plebiscite. The most recent example of such a plebiscite was in Chile on October 5, 1988. In that plebiscite a majority of the Chilean people voted against continuing the rule of Augusto Pinochet. As a result, elections will be held in Chile this year in which General Pinochet will not be a candidate.

This resolution sends a strong message to Cuba and the world that we cannot accept the tyrannical rule of a dictator 90 miles from our shores.

The Cuban people have a right to be heard and determine their form of government. We must stand behind the principle that democracy is the cornerstone of a free open society.

In addition to calling for a plebiscite, the resolution calls on Castro to allow opposition groups to organize publicly; grant opponents equal media access; release all political prisoners and ask that a neutral commission oversee the election.

Mr. President, a United Nations human rights panel has documented in a 400-page report human rights abuses in Cuba. According to a State Department human rights report, Cuba ranks with North Korea and Romania as the world's worst violators of human rights. Now, more than ever, is the time to let the Cuban people decide whether Castro should stay or go.

At this point I would like to ask unanimous consent to print in the RECORD the text of the open letter to Fidel Castro that was published in the New York Times on December 27, 1988.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[Advertisement from the New York Times, Dec. 27, 1988]

OPEN LETTER TO FIDEL CASTRO, PRESIDENT OF THE REPUBLIC OF CUBA

On January 1, 1989 you will have been in power for thirty years without having, so far, celebrated elections to determine if the Cuban people do wish you to continue as President of the Republic, President of the Council of Ministers, President of the Council of State and Commander-in-Chief of the Armed Forces.

Following the recent example of Chile, where after fifteen years of dictatorship, the people were able to express their view freely on their country's political future, we request by this letter a plebiscite so that Cubans, by free and secret ballot, could assert simply with a yes or a no their agreement or rejection to your staying in power.

In order to guarantee the impartiality of the plebiscite, it is essential that the following conditions be met:

1. The naming of a neutral international commission to oversee the plebiscite.

2. The freeing of all political prisoners and the suspension of laws that curtail the free expression of public opinion.

3. That all exiles be allowed to return to Cuba and, together with other sectors of the opposition, permitted to campaign using all means of communication (press, radio, television, etc.).

4. The legalization of human rights committees within Cuba.

Should the no prevail, it would be incumbent upon you to respect the will of the majority by giving way to a period of democratic openness and promptly calling an election where the Cuban people could freely elect its leaders.

Josefina Aché Venezuela/diplomat. Pierre Alechinsky France/writer. Néstor Almendros Spain/cineaste, Academy Award for Cinematography. Gustavo Alvarez Gardeazabal Colombia/writer. Vicente Aranda Spain/film director. Fernando Arrabal Spain/playwright. Héctor Babenco Argentina/film director. Stephen Baclu Rumania/poet. Saul Bellow USA/Nobel Prize in Literature. Robert Benton USA/film director, screenwriter, Academy Award winner. Jaime Benitez Puerto Rico/educator. Corbin Bernsen USA/actor.

Maurice Blanchot France/writer. Margarita Camacho Spain/painter. Pureza Canelo Spain/poet. Camilo José Cela Spain/writer. Lucio Colletti Italy/philosopher. Jose de la Colina Mexico/writer. Alvaro Custodio Spain/playwright-novelist. Pierre Daix. Jean Daniel France/editor of Nouvel Observateur. Jean Dausset France/Nobel Prize in Medicine. Gerard Depardieu France/actor. Jacques Derrida France/critic. Cristian Dobles Costa Rica/artist. Xavier Domingo Spain/writer. Federico Fellini Italy/cineaste. José Ferrater Mora Spain/philosopher.

Ben Ami Fihman Venezuela/writer. Carlos Franzetti Argentina/composer. Luis Garcia Planchard Venezuela/writer. Jaime Gil de Biedman Spain/poet. Pere Gimferrer Spain/poet. Salvador Giner Spain, sociologist. Andre Glucksmann France/philosopher. Juan Goytisolo Spain/writer. Félix Grande Spain/poet. José Luis Guarner Spain/film critic. Eloy Gutiérrez Menoyo Spain-Cuba/former Comandante of the Cuban Revolution. Cristina Guzmán Venezuela/editor. Williams M. Hoffman USA/playwright, author of As If. Sofia Imber Venezuela/journalist. Eugene Ionesco France/writer. Anthony Kerrigan Ireland/translator. John Kobal Canada, writer. Leszek Kolakowsky Poland/essayist. Monique Lange France/writer. Bernard Henri Levy France/philosopher. Jacques Levorf France/writer. Juan Liscano Venezuela/writer. André Lwoff France/Nobel Prize in Medicine. Manuel Malavar Venezuela/editor. Juan Marsé Spain/writer. Ibsen Martínez Venezuela/playwright. Vladimir Maximov USSR/writer. Aharon Megged Israel/writer. Plinio Apuleyo Mendoza Colombia/writer.

Alberto Miguez Spain/writer. Vincente Molina Foix Spain/writer. Yves Montand France/actor. Arturo Morales Carrlón Puerto Rico/educator. Jack Nicholson USA/actor, filmmaker. Maurice Ohana France/writer. Octavio Paz Mexico/poet. Leo Petrovic Yugoslavia/writer. Eduard Pignon France/painter. Manuel Pulg Argentina/writer. Valerio Riva Italy/journalist-writer. Jean Francois Revel France/essayist. David Rieff USA/writer. Nelson Rivera Venezuela/literary editor. Arturo Rodriguez Fernández Dominican Republic/film critic. Richard Roud USA/cineaste, film critic-essayist. Isabella Rossellini Italy/actress. Claude Roy France/writer. Xavier Ruber Ventós Spain/writer. Fernando Sabater Spain/writer. Ernesto Sábato Argentina/writer/head of the Tribunal about the desaparecidos. Carlos Semprún Spain/writer. Suzanne Schiffman France/filmmaker. Barbet Schroeder France/film director. Claude Simon France/Nobel Prize in Literature. Phillipe Sollers France/writer. Susan Sontag USA/president USA PEN Club. Rene Tavernier France/essayist/president French PEN Club. Babel Tigrid Czechoslovakia/academician. Salvador Tió Puerto Rico/member Royal Academy of Language. Olivier Todd France/journalist. Fernando Trueba Spain/film director. Javier Tusell Spain/writer. José Miguel Ullán Spain/poet.

José Angel Valente Spain/poet. Mario Vargas Liosa Peru/writer. Jeanine Verdes Leroux France/writer. Chuck Workman USA/Academy Award winner-filmmaker/President International Documentary Association. 1. Yannakakis Poland/historian. Peng Yao China/writer/PEN Club. Gabriel Zald Mexico/critic. CUBAN SIGNATORTIES: Iván Acosta playwrite. Roberto Agramonte diplomat/former minister of Foreign Relations, first Revolutionary Government. Fernando Alvarez medical doctor. Alberto Aragón advertising. Juan Arcocha writer. Reinaldo Arenas writer. Octavio Armand poet. Maria Badias painter. Vicente Báez editor/leader of the resistance against Batista. Mario Bauzá musician. Antonio Benitez Rojo essayist/academician. Ricardo Bofill human rights activist. Lydia Cabrera writer/etnologist. Guillermo Cabrera-Infante writer. Jorge Camacho painter. Lázaro Carriles photographer. Carios Castafieda journalist/editor of El Nuevo Dia (San Juan, PR), Natallo Chediak cineaste/director of the Miami Film Festival. Samuel Cherson critic. Raúl Chibás educator/former Comandante of the Rebel Army. Miguel Correa writer. Cella Cruz singer. José Manuel Cubas advertising. Guy Cuevas artist. Bélkis Cuza Malé poet. Siro del Castillo human rights activist.

Tirso del Junco medical doctor. Paquito D'Rivera musician. Roberto Estopiñán sculptor. Daisy Expósito advertising. Hilda Felipe human rights activist/former member of the Communist Party. Joaquin Ferrer painter. Eugenio Florit poet. Carlos Franqui writer/former director of Radio Rebelde and the daily Revolución. Martha Frayde medical doctor/writer/former Cuban representative to UNESCO. Ileana Fuentes art professor. Natividad González Freyre critic. Emilio Guede cineaste/former leader of the anti-Batista struggle. José Guerra-Alemán writer. Andy Carcia actor. Ariel Gutiérrez businessman. Horacio Gutiérrez pianist. Ivette Hernández pianist. Rosario Hiriart writer. León Ichaso film di-

rector. Orlando Jiménez-Leal cineaste/co-director of Improper Conduct. René Jordán film critic. Enrique Labrador Ruiz novelist. Cézar leante writer. Carlos López-Lay attorney. Levi Marrero historian/former ambassador to the OAS in the first Revolutionary Government. Fausto Masó writer. José M. Mijares painter. Marcelino Miyares television producer. Carlos Alberto Montaner writer. Chico O'Farrill musician.

Julian Orbón composer. Herberto Padilla poet. Eduardo Palmer attorney/TV producer. Felipe Pazos economist/former president of the Cuban National Bank in the first Revolutionary Government. Hilda Perera novelist. Daniel Ponce percussionist. Manuel Ray engineer/former minister of Public Works in the first Revolutionary Government. Octavio Roca journalist. Marl Rodriguez-Ichaso journalist. Justo Rodriguez Santos poet. Miguel Sales poet. Pio E. Serrano poet. Maria Sifonte Vasquez economist. Leonardo J. Soriano writer. Ismsal Suárez de la Paz leader in the anti-Batista struggle. Ramón F. Suárez cinematographer. José Triana playwright. Enrique Trueba businessman. Jorge Ulla cineaste/co-director of Nobody Listened. Roberto Valero poet. Armando Valladres human rights activist/writer/author of Against All Hope. Carlos Verdecia former vice-minister of Trade of the Revolutionary Government/editor of El Nuevo Herald. Camilo Vila film director. Mario Villar Roces writer.

(Sponsored by Committee of La Carta de Los Cien 45 W. 45th St. Suite 206, N.Y., N.Y. 10036)

Paris, December 20, 1988.

After the publication of the Open Letter, the following also called for a plebiscite in Cuba:

Jose Luis de Aranguren Spain, philosopher, Pierre Alechniski France, painter, Fernando Claudin Spain, writer. Jean Ellenstein France, writer. Elena Garro Mexico, writer. Jean Lacouture France, writer. Elaine Parmelain France, writer. Pier Luigi Picci Italy, theater director. Jose Luis Cuevas Mexico, painter. Louis Malle France, film director. Leslie Caron France, actress. Elaine Robb Grillet France, writer. Bertrand Tavenier France, film director. Allen Ginsberg USA, poet. Ana Maria Moix Spain, writer. Julian Rios Spain, philosopher. Vladimir Bukovski USSR, writer. Joseph Brodsky USSR, Nobel Prize in Literature. Elie Wiesel Israel, Nobel Peace Prize. Victoria Abril Spain, actress. Liliane Hasson France, writer. Jorge Edwards Chile, writer. Czeslaw Milozs Czechoslovakia, Nobel Prize in Literature. Paloma Picasso France, designer. Manuel Veacia Altoaguirre Mexico, poet. Ulalume Gonzalez de Leon Mexico, poet. Jose Horacio de Almeida Nascimento Costa Brazil, writer. Hugh Thomas England, historian.●

Mr. GRAHAM. Mr. President, on February 3, of this year, 30 Members of the Senate sent a letter to Cuban leader Fidel Castro, echoing a worldwide sentiment for free elections in Cuba. I am pleased to join with Senator MACK and others in introducing this resolution which more formally expresses our challenge to Fidel Castro. The challenge is a direct and simple one. Let the Cuban people freely decide who they want to lead them.

This summer will mark the 30th anniversary of the Cuban revolution. Those 30 years of dictatorship have not been kind to the Cuban people. Families have been fragmented. Their economy has suffered. Human rights have been callously disregarded.

With the recent departure of Paraguay's Alfredo Stroessner, Cuba has the longest-running dictatorship in the hemisphere.

If a successful revolution reflects the will of the people to recapture their dignity, their free choice, their responsiblity for their own national destiny—how then has Cuba's revolution failed to evolve to free and open elections in 30 years?

Such a dramatic case of arrested development has set Cuba aside from the tide toward democracy which has swept through our hemisphere and indeed through many developing parts of the world.

It has unfairly penalized the Cuban people—denying them the joys and security of a peaceful and prosperous society. Instead they have seen deprivation, political and religious persecution, torture, propaganda campaigns—three decades of their lives bartered for political posturing.

It is time that Cuba rejoins the vital ebb and flow of life in our hemisphere. It is time for the Cuban people to state their choice of leadership clearly and without coercion. It is time that Fidel Castro turn the fragile vessel of his rule to flow with the current of freedom and growth which is gaining in strength all around him.

So, Mr. President, I propose, along with my colleagues who share my concerns about Cuba, the following:

That the people of Cuba should be offered a plebiscite in which they can accept or reject the continuing rule of Fidel Castro.

That these conditions be met to guarantee the impartiality of this plebiscite:

First, the naming of a neutral international commission to oversee the plebiscite.

Second, the freeing of all political prisoners and the suspension of laws that curtail the free expression of public opinion.

Third, the repatriation of all exiles who desire to return to Cuba, together with other sectors of the opposition, and permission for them to campaign using all means of communication.

Fourth, the legalization of human rights committees within Cuba.

The nations of this hemisphere are not blind, nor are the Cuban people blind. After 15 years of dictatorship, Chileans voted overwhelmingly for a democratic future.

After 30 years of dictatorship, Paraguay ousted an authoritarian figure and declared itself ready for democratic elections.

After decades of internal and external political strife, Central Americans have agreed to begin the process to restore peace and democratic freedoms to all their people.

The tide for democracy is rising. Castro would do well to test those waters, to release his tyrannical grip on the Cuban people, before he is swept away by the irresistible longing of the human spirit for freedom.

Mr. President, I would like to ask unanimous consent to print in the RECORD following my statement editorials from the Washington Post and the New York Times supporting the idea of a plebiscite.

I also would like to ask unanimous consent to print in the RECORD a recent letter I wrote to United Nations General Secretary Javier Perez de Cuellar urging him to act quickly on the resolution approved by the U.N. Human Rights Commission on March 9, 1989, and request that the Castro government provide a full explanation of the reprisals carried out against Cuban citizens who testified before the commission study group when it visited Cuba last September to investigate human rights abuses.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Dec. 30, 1988]

HOW ABOUT A CUBAN PLEBISCITE?

The longtime rightwing dictator of Chile conducted a vote on his rule, lost and agreed to step down, so why shouldn't Cuba's twice-as-longtime leftwing dictator run and accept the results of a similar plebiscite? This impeccably logical challenge by a group of international writers has now elicited a response from Havana. "The Cuban people held a grand plebiscite concerning their destiny 30 years ago," a spokesman for Fidel Castro actually said, referring to the Communist takeover, "and they repeat that action every day with their decision to continue with socialism".

Fidel Castro is surely the best judge of how he would fare in an honest poll. Nothing on the horizon appears to threaten his power. It is evident all around, however, that his regime is going through a bad patch. The economy has never been harder up to pay for vital imports. Although his defiance of the Americans still warms the Latin left, the contrast between persistance of his police state and the rise of the democratic tide elsewhere in Latin America has never been sharper. His rejection of the reforms now embraced by his Soviet patrons ($6.8 billion in annual subsidies) does not indicate that Moscow is about to dump him but must raise questions about the future.

One sign of Mr. Castro's uneasiness is his bid to improve relations with Washington. He has reinstated the immigration agreement he suspended in 1984, learned to live with the American Radio Marti, opened up to American-stirred international demands to inspect his prisons and released some political prisoners. Cuba's 50,000-man expeditionary force in Angola is now due to be withdrawn on terms that meet some but not all of Havana's earlier demands.

But it would be a mistake to rush on, as some would, toward what has always been for Cuba the great diplomatic prize, lifting the American economic embargo. Some lesser items on the common agenda could

usefully be addressed. Sen. Claiborne Pell, a recent Havana visitor, suggests telephone calls and visas, and cooperative measures in Coast Guard and drug trafficking are also on the list. But as long as Fidel Castro keeps putting Cuban soldiers at imperial Soviet service, provides Moscow military bases and supports armed Latin revolutions, Washington has no interest in dropping the embargo and making it easier for him to build—to rescue—his sort of socialism in Cuba. Of course if he were to run a plebiscite, that might be another story.

[From the New York Times Jan. 2, 1989]

THIRTY YEARS OF FIDEL CASTRO

Thirty years ago on the New Year's Day, Cubans acclaimed Fidel Castro as the youthful liberator who felled the corrupt tyranny of Fulgencio Batista. Today the 62-year-old Mr. Castro himself resembles one of those crabbed caudillos in the novels of his Colombian friend, Gabriel Garcia Márquez.

Last week, an open letter from an international group of 170 writers and actors urged Mr. Castro to hold a plebiscite on his rule. "Absurd and inconceivable," retorted the Cuban Foreign Ministry adding with dictatorial haughtiness: "Our people had a referendum 30 years ago on the day of the triumph of the revolution."

Inconceivable, perhaps, but hardly absurd. After 15 years of military rule, Chile's Augusto Pinochet submitted to a free vote last fall, which he lost. "To say that the Cuban people made their decision 30 years ago is silly and inadmissible," remarked the Mexican poet Octavio Paz, a signer of the letter. "A country does not marry its ruler, as in a religious marriage, forever." It's worth adding that two million Cubans reached a different decision with their feet, choosing exile.

Weighing the good and bad in Mr. Castro's revolution depends on whose scales are used. Sympathizers point to real gains in health standards and literacy, elimination of shaming social and economic inequalities and the assertion of a defiant sovereignty. But Costa Rica, a country with fewer resources, has built as generous a welfare state without sacrificing democracy. And in a turbulent region, Costa Rica took the truly revolutionary step of abolishing its armed forces. Cuba remains an armed camp, despite the security from military attack promised by Washington in 1962 as part of the deal for removing Soviet missiles.

No Latin country has had more long-term political prisoners than Cuba, and few Communist countries boast a more conformist and obsequious press. While reforms sweep the Soviet Union, Cuba remains rooted in stagnation. Mr. Castro opposes even small-scale farmer's markets, and in contrast with Soviet openness, his regime jams Radio Marti, the Voice of America's Cuban service.

True, Mr. Castro has given a small country a global resonance, but at the cost of thousands of casualties in African wars. The island's economy remains shackled to a single crop its old dependence on the U.S. sugar quota has given way to a new reliance on Moscow's willingness to buy at inflated prices.

Cuba after 30 years remains poor, unfree and dependent. And a country whose economy in 1958 was among Latin America's most advanced has skidded to the middle ranks. No wonder this tropical dictator-for-life fears a real popular judgment.

U.S. SENATE,
Washington, DC, March 12, 1989.

Hon. JAVIER PEREZ DE CUELLAR,
Secretary General, the United Nations, New York, NY.

DEAR MR. SECRETARY GENERAL: I am writing to urge that you act quickly on the resolution approved by the U.N. Human Rights Commission on March 9, 1989, and request that the Castro government provide a full explanation of the reprisals carried out against Cuban citizens who testified before the Commission study group when it visited Cuba last September to investigate human rights abuses.

I am deeply disappointed that the U.N. Human Rights Commission failed to permit continuing formal monitoring of the human rights situation in Cuba, as called for under a resolution sponsored by the United States. But the Commission did approve a weaker resolution requiring Havana to cooperate with you in settling unresolved issues raised by the human rights study group.

One of those unresolved issues concerns the dozens of people arrested and beaten following their testimony before the study group when it visited Cuba. This harassment took place despite earlier assurances by the Cuban government that no action would be taken against citizens who testified.

The study group complained to the Cuban government, which denied the allegations but maintained that Cubans having contact with the study group "in no sense (are) afforded immunity under the Cuban legal system." The regime, however, refuses to respond officially. The study group has since issued a report that charges the government with reprisals as well as widespread abuse of human rights under Fidel Castro.

Chief U.S. delegate Armando Valladares, citing this harassment, said, "Those who will have serious problems are those who are left behind in Cuba, those who put their faith in the group which went to Cuba and interviewed them."

I share his concern and emphasize the U.N.'s obligation to those who took the risks to bring before the world Castro's systematic abuse of the human rights. These brave citizens of Cuba deserve the U.N.'s continuing involvement, commitment and protection. That is why I urge you to act immediately to guarantee the safety of those who testified.

Sincerely,

BOB GRAHAM,
U.S. Senator.

SENATE RESOLUTION 84—TO COMMEND JO-ANNE COE

Mr. DOLE (for himself, Mr. MOYNIHAN, and Mrs. KASSEBAUM) submitted the following resolution; which was considered and agreed to:

S. RES. 84

Whereas Jo-Anne Coe became an employee of the Senate of the United States on January 3, 1969, and since that date has ably and faithfully upheld the high standards and traditions of the staff of the Senate of the United States for a period that included ten Congresses;

Whereas Jo-Anne Coe has served as Senior Advisor to the Republican Leader from January 6, 1987 until January 31, 1989;

Whereas Jo-Anne Coe served prior to 1987 as Secretary of the Senate, Administrative Director of the Committee on Finance, Administrative Director of the Office of Senator Bob Dole and other posts under Senator Dole;

Whereas Jo-Anne Coe faithfully discharged the difficult duties and responsibilities of her positions on the staff of the Senate of the United States with great efficiency, devotion, and dedication;

Whereas Jo-Anne Coe's clear understanding of the challenges facing the Nation has left her mark on many areas of public life;

Whereas Jo-Anne Coe retired from the Senate of the United States on January 31, 1989; Now, therefore, be it

Resolved, That the Senate of the United States commends Jo-Anne Coe for her exemplary service to the Senate and the Nation, and wishes to express its deep appreciation and gratitude for her long, faithful, and outstanding service.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Jo-Anne Coe.

AMENDMENTS SUBMITTED

WHISTLEBLOWER PROTECTION ACT

LEVIN (AND OTHERS) AMENDMENT NO. 9

Mr. LEVIN (for himself, Mr. GRASSLEY, Mr. PRYOR, Mr. COHEN, Mr. GLENN, Mr. ROTH, Mr. HELMS, and Mr. BENTSEN) proposed an amendment to the bill (S. 20) to amend title 5, United States Code, to strengthen the protections available to Federal employees against prohibited personnel practices, and for other purposes; as follows:

On page 3, line 12, strike out all through line 23 on page 14 and insert in lieu thereof:

(a) MERIT SYSTEMS PROTECTION BOARD.—Chapter 12 of title 5, United States Code is amended—

(1) in section 1201 in the second sentence by striking out "Chairman and";

(2) in the heading for section 1202 by striking out the comma and inserting in lieu thereof a semicolon;

(3) in section 1202(b)—

(A) in the first sentence by striking out "his" and inserting in lieu thereof "the member's"; and

(B) in the second sentence by striking out "of this title";

(4) in section 1203(a) in the first sentence by striking out the comma after "time";

(5) in section 1203(c) by striking out "the Chairman and Vice Chairman" and inserting in lieu thereof "the Chairman and the Vice Chairman";

(6) by redesignating section 1204 as section 1211(b) and inserting such subsection after section 1211(a) (as added in paragraph (11) of this subsection);

(7) by redesignating section 1205 as section 1204, and amending such redesignated section—

(A) by striking out "and Special Counsel", "the Special Counsel," and "of this section" each place such terms appear;

(B) by striking out "subpena" and "subpenaed" each place such terms appear and inserting in lieu thereof "subpoena" and "subpoenaed", respectively;

(C) in subsection (a)(4) by striking out "(e)" and inserting in lieu thereof "(f)";

(D) by amending subsection (b)(2) to read as follows:

"(2) Any member of the Board, any administrative law judge appointed by the Board under section 3105, and any employee of the Board designated by the Board may, with respect to any individual—

"(A) issue subpoenas requiring the attendance and presentation of testimony of any such individual, and the production of documentary or other evidence from any place in the United States, any territory or possession of the United States, the Commonwealth of Puerto Rico, or the District of Columbia; and

"(B) order the taking of depositions from, and responses to written interrogatories by, any such individual.";

(E) in subsection (c) in the first sentence—

(i) by striking out "(b)(2) of this section," and inserting in lieu thereof "(b)(2)(A) or section 1214(b), upon application by the Board,"; and

(ii) by striking out "judicial";

(F) by redesignating subsections (d) through (k) as subsections (e) through (l), respectively, and inserting after subsection (c) the following new subsection:

"(d) A subpoena referred to in subsection (b)(2)(A) may, in the case of any individual outside the territorial jurisdiction of any court of the United States, be served in such manner as the Federal Rules of Civil Procedure prescribe for service of a subpoena in a foreign country. To the extent that the courts of the United States can assert jurisdiction over such individual, the United States District Court for the District of Columbia shall have the same jurisdiction to take any action respecting compliance under this subsection by such individual that such court would have if such individual were personally within the jurisdiction of such court.";

(G) in subsection (e) (as redesignated by subparagraph (F) of this paragraph)—

(i) in paragraph (1)—

(I) by redesignating such paragraph as subparagraph (A) of paragraph (1); and

(II) by inserting at the end thereof the following new subparagraph:

"(B)(i) The Merit Systems Protection Board may, during an investigation by the Office of Special Counsel or during the pendency of any proceeding before the Board, issue any order which may be necessary to protect a witness or other individual from harassment, except that an agency (other than the Office of Special Counsel) may not request any such order with regard to an investigation by the Office of Special Counsel from the Board during such investigation.

"(ii) An order issued under this subparagraph may be enforced in the same manner as provided for under paragraph (2) with respect to any order under subsection (a)(2).";

(ii) in paragraph (2)—

(I) by redesignating such paragraph as subparagraph (A) of paragraph (2) and striking out "of this section" in the first sentence therein; and

(II) by inserting at the end thereof the following new subparagraph (B):

"(B) The Board shall prescribe regulations under which any employee who is aggrieved by the failure of any other employee to comply with an order of the Board may petition the Board to exercise its authority under subparagraph (A).";

(iii) in paragraph (3) by inserting "of Personnel Management" after "Office";

(H) in subsection (f) (as redesignated by subparagraph (F) of this paragraph)—

(i) in paragraph (1) in the first sentence by inserting "of the Office of Personnel Management" after "Director", and by striking out "of this title";

(ii) in paragraph (2)—

(I) in the first sentence by inserting a comma after "subsection";

(II) in subparagraph (A) by striking out "of this title"; and

(III) in subparagraph (B) by striking out "of this title"; and

(iii) in paragraph (3)—

(I) in subparagraph (A) by striking out "(A)";

(II) by striking out subparagraph (B); and

(III) by redesignating subparagraph (C) and clauses (i) and (ii) therein as paragraph (4) and subparagraphs (A) and (B), respectively; and

(I) in subsection (j) (as redesignated by subparagraph (F) of this paragraph) in the second sentence by striking out "of this title" after "chapter 33";

(8) by striking out sections 1206 through 1208;

(9) by redesignating section 1209(a) as section 1205, and inserting before such section the following section heading:

"§ 1205. Transmittal of information to Congress";

(10) by redesignating section 1209(b) as section 1206, and inserting before such section the following section heading:

"§ 1206. Annual report";

(11) by inserting after section 1206 (as redesignated in paragraph (10) of this subsection) the following:

"SUBCHAPTER II—OFFICE OF SPECIAL COUNSEL

"§ 1211. Establishment

"(a) There is established the Office of Special Counsel, which shall be headed by the Special Counsel. The Office shall have an official seal which shall be judicially noticed. The Office shall have its principal office in the District of Columbia and shall have field offices in other appropriate locations.";

(12) by amending section 1211(b) (as redesignated and inserted by paragraph (6) of this subsection)—

(A) in the first sentence by striking out "of the Merit Systems Protection Board" and "from attorneys";

(B) by striking the second sentence and inserting in lieu thereof "The Special Counsel shall be an attorney who, by demonstrated ability, background, training, or experience, is especially qualified to carry out the functions of the position. A Special Counsel appointed to fill a vacancy occurring before the end of a term of office of the Special Counsel's predecessor serves for the remainder of the term."; and

(C) by adding at the end thereof "The Special Counsel may not hold another office or position in the Government of the United States, except as otherwise provided by law or at the direction of the President."; and

(13) inserting after section 1211 the following:

On page 16, line 15, strike out all after the comma through line 22 and insert in lieu thereof "the Special Counsel may apply to the Merit Systems Protection Board to enforce the subpoena in court pursuant to section 1204(c).".

On page 17, strike out lines 9 through 15.

On page 17, strike out "(d)" and insert in lieu thereof "(c)".

On page 17, line 21, strike out "(A)".

On page 17, line 24, beginning with the comma, strike out all through line 25 and insert in lieu thereof a period.

On page 18, strike out lines 1 through 20.

On page 26, beginning with line 20, strike out all through line 2 on page 27 and insert in lieu thereof the following:

"Special Counsel determines that the disclosure of the individual's identity is necessary because of an imminent danger to public health or safety or imminent violation of any criminal law.".

On page 27, line 16, insert "the National Security Advisor," before "the Permanent".

On page 27, line 18, insert a comma before "and the Select".

On page 34, line 6, insert "contributing" before "factor".

On page 34, line 13, beginning with "obtained" strike out all through line 17, and insert in lieu thereof "obtained by any employee, former employee, or applicant for employment adversely affected by such order or decision.".

On page 35, line 12, insert after "Special Counsel" a comma and "after consultation with the Attorney General,".

On page 40, strike out all beginning with line 18 through line 2 on page 41 and insert in lieu thereof:

"§ 1217. Transmittal of information to Congress

"The Special Counsel or any employee of the Special Counsel designated by the Special Counsel, shall transmit to the Congress on the request of any committee or subcommittee thereof, by report, testimony, or otherwise, information and the Special Counsel's views on functions, responsibilities, or other matters relating to the Office. Such information shall be transmitted concurrently to the President and any other appropriate agency in the executive branch.

On page 44, line 14, insert "contributing" before "factor".

On page 45, strike out lines 4 through 9 and insert in lieu thereof:

"(g)(1) If an employee, former employee, or applicant for employment is the prevailing party before the Merit Systems Protection Board, and the decision is based on a finding of a prohibited personnel practice, the agency involved shall be liable to the employee, former employee, or applicant for reasonable attorney's fees and any other reasonable costs incurred.

"(2) If an employee, former employee, or applicant for employment is the prevailing party in an appeal from the Merit Systems Protection Board, the agency involved shall be liable to the employee, former employee, or applicant for reasonable attorney's fees and any other reasonable costs incurred, regardless of the basis of the decision.

On page 46, beginning with line 8, strike out all before line 11 and insert in lieu thereof:

(b) CONFORMING AMENDMENTS.—(1) The table of chapters for part II of title 5, United States Code, is amended by striking the item relating to chapter 12 and inserting in lieu thereof the following:

"12. Merit Systems Protection Board, Office of Special Counsel, and Individual Right of Action ..... 1201".

(2) The heading for chapter 12 of title 5, United States Code, is amended to read as follows:

"CHAPTER 12—MERIT SYSTEMS PROTECTION BOARD, OFFICE OF SPECIAL COUNSEL, AND EMPLOYEE RIGHT OF ACTION".

(3) The table of sections for chapter 12 of title 5, United States Code, is amended to read as follows:

"SUBCHAPTER I—MERIT SYSTEMS PROTECTION BOARD

"Sec. 1201. Appointment of members of the Merit Systems Protection Board.
"Sec. 1202. Term of office; filling vacancies; removal.
"Sec. 1203. Chairman; Vice Chairman.
"Sec. 1204. Powers and functions of the Merit Systems Protection Board.
"Sec. 1205. Transmittal of information to Congress.
"Sec. 1206. Annual report.

"SUBCHAPTER II—OFFICE OF SPECIAL COUNSEL

"Sec. 1211. Establishment.
"Sec. 1212. Powers and functions of the Office of Special Counsel.
"Sec. 1213. Provisions relating to disclosures of violations of law, mismanagement, and certain other matters.
"Sec. 1214. Investigation of prohibited personnel practices; corrective action.
"Sec. 1215. Disciplinary action.
"Sec. 1216. Other matters within the jurisdiction of the Office of Special Counsel.
"Sec. 1217. Transmittal of information to Congress.
"Sec. 1218. Annual report.
"Sec. 1219. Public information.

"SUBCHAPTER III—INDIVIDUAL RIGHT OF ACTION IN CERTAIN REPRISAL CASES

"Sec. 1221. Individual right of action in certain reprisal cases.
"Sec. 1222. Availability of other remedies.".

(4) Chapter 12 of title 5, United States Code, is further amended by inserting before section 1201 the following subchapter heading:

"SUBCHAPTER I—MERIT SYSTEMS PROTECTION BOARD".

On page 52, line 21, strike out "and 1993, $20,000,000" and insert in lieu thereof "1993, and 1994, such sums as necessary".

On page 53, lines 1 and 2, strike out "and 1991, $5,000,000" and insert in lieu thereof "1991 and 1992, such sums as necessary".

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Thursday, April 6, 1989, in SR-301, to hold hearings. The committee will receive testimony on the following: the Federal Election Commission's fiscal year 1990 budget authorization request at 9 a.m.; reauthorization of the Civil Achievement Award Program in honor of the Office of the Speaker of the House of Representatives at 9:45 a.m.; and reauthorization of the American Folklife Center at 10:30 a.m.

For further information regarding these hearings, please contact Carole Blessington of the Rules Committee staff on 224-0278.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce for the public that field hearings have been scheduled before the Subcommittee on Public Lands, National Parks and Forests.

The purpose of the hearings is to receive testimony on S. 237, a bill to reform the Tongass timber supply fund; and S. 346, the Tongass Timber Reform Act.

The first hearing will take place in Ketchikan, AK, on April 24, 1989. The second hearing will be held in Sitka, AK, on April 25, 1989. The exact location and time of each hearing will be announced in the near future.

Those wishing to testify before the subcommittee at either hearing should call Senator MURKOWSKI's office in Ketchikan at (907) 225-6880 or his office in Juneau at (907) 586-7400 between March 20 and March 31. If you wish to testify you may also send in a written request in the form of a postcard or letter to Senator MURKOWSKI's Ketchikan office at 109 Main Street, Ketchikan, AK 99901 or his Juneau office at Box 1647, Juneau, AK 99802. The card or letter should include your name, address, telephone number and place you wish to testify. All requests must be received by Senator MURKOWSKI's offices by March 31. The subcommittee will then notify each individual who will be on the witness lists.

The subcommittee will make every effort to accommodate as many people as possible in the limited time available. In anticipation of the large number of requests to testify, it may be necessary, in the interest of fairness, to select a portion of the witness list at random through a drawing of names. The subcommittee will make every effort to hear as many perspectives on this important issue as possible.

If you would like to submit a written statement for the hearing record, but do not plan to attend the hearing in person, please send two copies of your statement to the Subcommittee on Public Lands, National Parks and Forests, U.S. Senate, SD-364, Washington, DC 20510.

Those wishing additional information regarding the hearings may call Beth Norcross of the subcommittee staff at (202) 224-7933.

Mr. BUMPERS. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on April 5, 1989, beginning at 2 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on three bills currently pending before the subcommittee. The measures are:

S. 85, a bill to authorize the acceptance of certain lands for addition to Harpers Ferry National Historical Park, WV;

S. 280, a bill to amend the Wild and Scenic Rivers Act by designating a segment of the Niobarra River in Nebraska as a component of the National Wild and Scenic Rivers System; and

S. 338, a bill to authorize the Secretary of the Interior to provide for the development of a trails interpretation center in the city of Council Bluffs, IA, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the Subcommittee on Public Lands, National Parks and Forests, SD-364, Washington, DC 20510.

For further information regarding the hearing, please contact Beth Norcross of the subcommittee staff at (202) 224-7933.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the Senate and the public that a hearing has been scheduled before the Subcommittee on Energy Research and Development on the Committee of Energy and Natural Resources.

The purpose of the hearing is to hear testimony on S. 83, a bill to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers, and proposed Senate amendment No. 6, to establish a wholly owned Government corporation to manage the Nation's uranium enrichment enterprise, operating as a continuing, commercial enterprise on a profitable and efficient basis.

The hearing will take place on April 19 and 20, 1989, both at 2 p.m. in SD-366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to submit written testimony for the printed hearing record should send it to the Committee on Energy and Natural Resources, Subcommittee on Energy Research and Development, U.S. Senate, Washington, DC 20510. Written comments must be received by May 1, 1989.

For further information, please contact Cheryl Moss or Ben Cooper at (202) 224-7569.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON CHILDREN, FAMILY, DRUGS AND ALCOHOLISM

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Children, Family, Drugs and Alcoholism, of the Committee on Labor and Human Resources, be authorized to meet on Thursday, March 16, 1989, at 10, a.m. during the session

of the Senate to conduct a hearing on "Health Effects of Pesticide Use on Children."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Employment and Productivity, of the Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Thursday, March 16, 1989, at 10 a.m. to conduct a hearing on "JTPA Youth Employment Amendments of 1989," S. 543.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. MITCHELL. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing and executive session on the nomination of Anthony J. Principi to be Deputy Secretary of Veterans Affairs on Thursday, March 16, 1989, at 9 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on March 16, 1989, at 9:30 a.m. to hold a hearing on the President's fiscal year 1990 budget request for the Space Station Freedom Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, March 16, 1989, at 9:30 a.m. in open session to vote on the nomination of RICHARD B. CHENEY to be Secretary of Defense.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate Thursday, March 16, 1989, at 10 a.m. to continue its oversight hearings on the problems of the Federal Savings and Loan Insurance Corporation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on March 16, 1989, at 10 a.m. to hold a hearing on and to consider the nominations of Edith E. Holiday to be General Counsel of the Department of Treasury, and David W. Mullins, Jr., to be an Assistant Secretary (Domestic Finance) of the Department of Treasury.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON LABOR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Labor, of the Committee on Labor and Human Resources, be authorized to meet on Thursday, March 16, 1989, at 10:15 a.m. during the session of the Senate to conduct a hearing on "Age Discrimination in Employment Waiver Protection Act of 1989," S. 54.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO LOUIS L. RAMSEY, JR.

● Mr. PRYOR. Mr. President, on March 30, patrons of the Arkansas Arts and Science Center will pay tribute to one of Arkansas' most distinguished citizens, Louis Ramsey of Pine Bluff.

Among his many accomplishments, Louis is the only individual to have ever been chosen president of both the Arkansas Bankers Association and the Arkansas Bar Association.

A native of Fordyce, AR, Louis played quarterback for the Arkansas Razorbacks before seeing action as a U.S. Army pilot during World War II. After completing law school, he became associated with the Pine Bluff law firm of Coleman & Gantt, now Ramsey, Cox, Bridgforth, Gilbert, Harrelson & Starling.

In 1970, Louis became president and later chairman of the board of directors of Simmons First National Bank. He has also served as chairman of the Board of Trustees of the University of Arkansas, chairman of the board of trustees at Blue Cross-Blue Shield, and chairman of the Arkansas Sesquicentennial Celebration in 1986.

A tireless and dedicated individual, Louis has always been at the forefront of charity and humanitarian pursuits in Pine Bluff and all across our State.

Our Governor, Bill Clinton, probably said it best when he observed that Louis L. Ramsey, Jr., "represents everything that is best about our State."

Mr. President, I know of no more deserving Arkansan than Louis Ramsey for this honor and evening of tribute from his many friends and business associates. I join them in proudly saluting Louis Ramsey.●

WILD HORSES

● Mr. McCLURE. Mr. President, I would like to take just a moment to talk about wild horses and recognize a recent article found in Wild Times, a game and fish publication distributed to students. As you know, I have always been a strong supporter of developing better management techniques to control competing native species of wildlife.

A more accurate description of "wild" horses is "feral," which means "domestic animals no longer in captivity." Emotionalism has been a main cause of both misinforming the public and allowing feral horse populations to grow out of control. This article clearly explains some of the problems that exist when feral animals are allowed to compete with native wildlife. It replaces legend with fact and romanticism with reality.

Certainly a major part of the solution lies in making people aware of the problems and the facts so that the political decisions can be based on good, scientific data rather than romantic notions, legends, and emotionalism. Few people would like to see all the feral horses removed from our public lands, but common sense tells us that we need to provide for adequate control measures. Federal land managers must be given the tools necessary to ensure that these horses are not allowed to continue to increase their numbers at the expense of native species of wildlife.

Even though this article is targeted for students, its significance warrants a larger audience. For this reason, I ask that the article be printed in the RECORD.

The article follows:

[From the Wild Times, January 1989]

WILD HORSES

Horses played an important part in the history and heritage of the West and, in particular, Wyoming. Horses are a highly romanticized and popular species, what with cowboys and Indians, rustlers, bank robbers, possees, and ranchers. Many famous men who made history during the time the West was settled depended upon horses as their means of transportation. Such men included bad guys Jesse James, Butch Cassidy, Billy the Kid, and good guys like Wyatt Earp. Even now, horses remain an important livestock species for ranch work and rodeos, which commemorate an "Old West" lifestyle.

But sometimes people confuse horses (which are domesticated livestock) with wildlife. Horses, as a wild species, became extinct in North America about 8,000 years ago. Horses were the last common livestock species to be domesticated—about 3,500 years ago. There is today only one species of truly wild horse extant (alive). This species is known as Przewalski's horse—the only survivors of the species are kept in zoos. All other species of horses (besides Przewalski's horses) are domesticated, much like cattle, hogs, chickens, and other barnyard animals. You may have heard about "wild" horses that occur throughout the West, and specif-

ically in the Red Desert of western Wyoming. A more accurate description than "wild" would be "feral," which means "domestic animals no longer in captivity."

It is interesting to note that legend and folklore equate the feral horses that inhabit the Red Desert of Wyoming with descendants of Spanish mustangs that escaped Hernando Cortez's expedition in 1519 near Vera Cruz, Mexico. In truth, these feral horses are descendants of ranch horses released into the wild during World War II. Horses were used extensively (almost exclusively) for ranch work before the war. During the war, few men were available for ranch work, and after the war, automobiles and pickup trucks gradually replaced the horse for most ranch work. As a result, ranchers released their surplus horses onto the desert. Periodically, they conducted roundups to gather horses when they needed them for ranch work and to prevent numbers of feral horses from exceeding the habitat's ability to feed them. Because of confusion over the feral status of these horses (some people are misinformed and believe they are actually wild), a huge political problem developed, and the feral horse population grew out of control.

To more clearly state the problem, feral horses (domestic livestock no longer in captivity) have reproduced in such numbers as to overpopulate the range in some areas. This displaces native ungulates (hooved animals) such as pronghorn antelope, mule deer, and elk on our public lands. Because of the political problem mentioned earlier, feral horse management programs have not effectively addressed the problem of overpopulation.

Most of the feral horses occur on public lands administered by the Bureau of Land Management, or BLM. Much of the land in the Red Desert, as you might guess, does not receive much moisture. Thus, water for drinking is scarce, and the vegetation is sparse. The habitat is only able to support a limited number of animals. Several species of ungulates compete for these resources. Domestic livestock includes cattle, sheep, and feral horses. Native wildlife includes pronghorn antelope, mule deer, and elk. The BLM manages livestock numbers and attempts to control stocking rates so that the range is not overgrazed. The agency's management plans include consideration for native wildlife. Cattle and sheep numbers are most easily controlled and monitored, as stockmen and the BLM cooperate to achieve proper stocking rates. Surplus numbers of native ungulates are harvested during hunting seasons. Feral horses are captured and put up for adoption in the "Adopt-a-Horse" program. These removals of feral horses are in such small numbers that reproduction exceeds their removal rates. Feral horse populations continue to increase. They are a long-lived species, and there are no predators that are consistently capable of taking feral horses.

Another aspect of the problem is in the behavior of horses. They tend to associate in family and social groups known as bands. During certain times of the year, bands of horses join to make herds. They sometimes remain in one area, such as an important watering hole or spring, and exlcude other competing ungulates. There are areas nearly denuded of vegetation in the wake of feral horse concentrations. These areas remain unavailable after the horses move on because, with limited rainfall, desert habitats recover slowly from overgazing.

Political constraints continue to prevent a real solution to the problem—inadequate control and management of feral horse populations. Political decisions are often made because of the emotional aspects of an issue. People in the United States are proud of our Western heritage, and horses were an important part of that era. The issue becomes very emotional because of the popularity of horses. What many people do not understand is that these horses are merely domestic animals that are in captivity. They have been turned loose and have reproduced in numbers that defy existing control measures and are in turn destroying habitat values for our native species of wildlife. Our native wild species are also an important part of our heritage and define who we are in Wyoming. The solution to the problem is in making people aware of the problems and the facts so that the political decisions can be based on good, scientific data, rather then romantic notions, legends, and emotionalism. Few people would like to see the entire feral horse population removed from our public lands. But it only makes good sense to provide for adequate control measures to ensure that feral horses are not allowed to continue to increase their numbers at the expense of native species of wildlife.●

TRIBUTE TO HOWARD UNIVERSITY LAW SCHOOL DEAN WILEY BRANTON

● Mr. PRYOR. Mr. President, when asked about his years of service to the civil rights movement and particularly to the 1957 crisis at Little Rock Central High School, Wiley Branton replied "I was just doing my job." Such a statement was characteristic of Mr. Branton, who is remembered as a hard-working, sincere man. Although a gifted attorney, he was quiet and unassuming. It is his humility and desire to always put the goals of the civil rights movement before self which probably accounts for the fact that Wiley Branton was not more famous than he was.

Wiley Austin Branton was a native of Pine Bluff, AR, and a graduate of Arkansas AM&N College, now the University of Arkansas at Pine Bluff. His career of service to this country began as a member of the U.S. Army in service during World War II in the Pacific. Returning home after the war, Mr. Branton began teaching blacks how to complete an election ballot. He was arrested and convicted for these activities, but he was not deterred.

In 1948, he enrolled at the University of Arkansas Law School, becoming one of the first blacks to attend. After his graduation in 1953, he immediately involved himself in the Little Rock segregation battle. Despite numerous threats to him and his family, Wiley Branton's commitment to this struggle was unwavering.

One of his greatest contributions to the movement was as chief counsel representing the nine black students who were attempting to integrate Little Rock Central. Prior to the events of 1957 which drew national attention to Little Rock, Wiley Branton was already busy fashioning the circumstances surrounding the Little Rock segregation problem as a catalyst for school integration across the country. After the initial suit filed by the students was dismissed, Branton, with NAACP Legal Defense Fund Director Thurgood Marshall, appealed the decision. The two argued that the school board was delaying integration in violation of the 1954 Supreme Court integration order. This appeal was dismissed as well.

Although the opportunity existed to appeal the dismissal to the Supreme Court, and such an appeal would have brought Wiley Branton to the visible forefront of the movement, he chose not to make the appeal. He felt that the risk that such a watered down plan might become the national model was too great, and that the importance of the integration movement must take priority to any career or personal benefits he might receive by making the appeal.

Wiley Branton was named executive director of the President's Council on Equal Opportunity by Vice President Hubert Humphrey in 1965. He served as chief aide to the Vice President and President Johnson and traveled throughout the South registering blacks to vote under the 1965 Voting Rights Act. Mr. Branton also served as special assistant to the Attorney General in his capacity as executive director of the United Planning Organization, the Washington antipoverty agency. Mr. Branton became the eighth dean of the Howard University Law School in 1977. He had served as chairman of the D.C. Judicial Nomination Commission and as vice president of the NAACP Legal Defense Fund. Mr. Branton was also the recipient of numerous awards and honors, including recognition from the Washington Bar Association, the Bar Association of the District of Columbia, the Lawyer's Committee for Civil Rights Under the Law, and the D.C. Public Library.

Certainly the life of Wiley Branton serves as a model for us all. His dedication to the principles of fairness and equality teaches us the importance of commitment and tenacity. His quiet dynamism teaches us the importance of humility and selflessness. His distinguished career in public service teaches us the importance of duty and generosity.

It is my hope that we never forget the lessons of this life given for the benefit of others. Let us rededicate ourselves to those principles for which Wiley Branton lived and for which he will always be remembered.●

NATIONAL AGRICULTURE DAY

● Mr. McCLURE. Mr. President, I stand to voice my salute to all those involved in agriculture, this Nation's

largest and most important industry. Few people realize that the current farm assets of nearly $1 trillion are equal to almost two-thirds of the total capital assets of all manufacturing corporations in the United States. This Nation's food and fiber system alone accounted for 16.6 percent of the total gross national product in 1986. Agriculture is also this Nation's largest employer. Requiring the services of about 18.9 million people to store, transport, process, and merchandise the output of this Nation's 2.3 million farms. Farming itself employs roughly 2.1 million workers, as many as the combined work forces of transportation, the steel industry, and the automobile industry. It is only right that we celebrate "National Agriculture Day" and recognize these agricultural producers and affiliates for their contributions to America.

Some interesting facts show the trends in the increasing efficiency of agricultural production. In 1985, U.S. farmers produced over 40-percent more crop output on an acre of land than they did in 1965. One hour of farm labor produced 7.8 times as much food and other crops in 1985 as it did in 1947. One farmworker now supplies enough food and fiber for 75 people. Only 10 years ago, the farmworker was producing enough for 58. Nowhere else in the world do so few provide so much for so many.

We find ourselves in a time where the agricultural economy as a whole is making real progress in recovering from previous distress. In contrast to the $17.5 billion drop in exports during the 6-year period from 1981 to 1986, our agricultural exports increased $9 billion during the last 3 years. These exports make a substantial net contribution to U.S. trade balance. Land value trends have reversed and are now increasing: up by 3 percent in 1987 and by 6 percent in 1988. Commercial farm lenders have reported stronger loan portfolios in 1988, while the number of delinquent accounts, write-offs, and foreclosures have declined. Changes in Government programs have allowed more competitive pricing of U.S. farm products on the world market. And only about 5 percent of our farm businesses were financially vulnerable a year ago, which is half as many as were in the same position 2 years previous.

The future outlook of agricultural production also appears promising; 1989 agricultural exports are projected to increase $2.5 billion over last year's level. This will help us maintain our position as a reliable supplier in the world market. Net farm income is expected to increase about $5 to $9 billion in 1989. Also, land and other asset values should modestly rise this year.

As you know, Mr. President, agriculture is extremely important to the great State of Idaho. Consequently, Idaho's contributions are important to the Nation's total agricultural economy. I am proud of the fact that Idaho is the No. 1 producer of potatoes, as well as one of the top producers of barley, sugarbeets, hops, and mint.

I realize that any future production performance is sensitive to supply developments in both the United States and overseas. And of course, changing United States and foreign policies as well as general economic conditions also have direct effects on the agricultural industry. These are factors which are difficult to control. But while many of the statistics and trends may look good, we cannot relax our efforts to help the agricultural industry become more efficient. Dependence on Government payments remains fairly high for producers of certain commodities. And there are still a substantial number of financially vulnerable farms. The farm financial crisis of the 1980's in addition to the recent drought has had the effect of forcing rural areas to realize that economic security lies with diversification. By being more aware of agricultural concerns, we can influence even greater efficiency.

Again, I salute all those who are associated with and improve agriculture in this country. Recognizing this "National Agriculture Day" is a way both to celebrate this great industry and to increase our awareness of our current agricultural positions.●

TRIBUTE TO CHRISTOPHER SKINNER

● Mr. PRYOR. Mr. President, recently Christopher McLean Skinner of Little Rock, AR, was awarded the top prize in the 48th annual Westinghouse science talent search.

This competition, the oldest high school scholarship program in existence, draws entries from top science students all across our country.

I am most proud of the accomplishment of this young man—proof that our educational system produces some of the Nation's finest.

The New York Times carried an article on the winners in its March 7 edition. I would like to include that article at this point in the RECORD.

The article follows:

[From the New York Times, Mar. 7, 1989]

ARKANSAS YOUTH WINS THE SCIENCE TALENT SEARCH

WASHINGTON, March 6.—A 16-year-old high school senior from Arkansas today won the 48th annual Westinghouse Science Talent Search, the pre-eminent competition for aspiring scientists.

The winner, Christopher McLean Skinner, first in his class of 428 at Hall High School in Little Rock, was awarded a $20,000 scholarship for his research on number theory. Mr. Skinner, who plans to attend the University of Michigan at Ann Arbor next year, was judged best among 1,461 applicants.

Scholarships of $15,000 for second and third places were presented to Jordan S. Ellenberg, 17, of Potomac, Md., and Richard H. Christie, 15, of Penfield, N.Y. Mr. Ellenberg submitted a mathematics project and Mr. Christie, the youngest of 40 finalists, entered a paper on interactions between the nervous and immune systems.

The event is billed as the oldest high school scholarship competition in the United States, Five former winners later won Nobel Prizes. More than half of the former winners are either teaching or engaged in research at colleges or universities.

FOUR WINNERS FROM NEW YORK STATE

Students from New York State schools won 4 of the top 10 awards. Mr. Skinner's victory marks the first time in 4 years and only the third time in 10 years that the top prize has not gone to a student from a New York City school.

The winners were announced at a banquet here tonight that climaxed a five-day visit for the 40 finalists. They were flown to Washington for the last in a series of judging rounds and for meetings with scientists and members of Congress. President Bush addressed a gathering of the students Friday.

On Sunday, before the awards were announced, the finalists displayed their projects for the public. Mr. Skinner explained how his study of several journal articles and numerical problems prompted him to solve a complex equation in a unique way. "I've been interested in mathematics for a long time, about as far back as I can remember," Mr. Skinner said. He said the project took him six months to complete.

Mr. Ellenberg drew a crowd from among the visitors at the National Academy of Sciences Sunday as he explained his project with the air of an animated auctioneer.

"What is the least common denominator," he shouted, directing the onlookers to numbers scribbled on a board. "Not you," he joked with one woman. "You answer too many questions."

Later Mr. Ellenberg, first in his class of 497 at Winston Churchill High School in Potomac, said he had worked on his project, which centered on the relationship among the numbers 2, 3 and 5, intermittently for four years.

Mr. Christie said his interest in neuroscience began when he was 10 years old, when he took a community college course on the subject. The next year, Mr. Christie went to work in a research lab and became fascinated with the interactions between the nervous and immune systems and the way they affect the brain.

Mr. Christie, who skipped the first and third grades, is a senior at Penfield High School and will attend the Massachusetts Institute of Technology next year.

OTHERS IN TOP 10

The other award winners in the top 10 were, in order:

Stacy E. Benjamin, 16, of Queens ($10,000)

S. Celeste Posey, 17, of Cary, N.C. ($10,000)

Allene M. Whitney, 17, of Helena, Mont. ($10,000)

Kevin N. Heller, 17, of Dix Hills, N.Y. ($7,500)

Andrew W. Jackson, 18, of Medfield, Mass. ($7,500)

Andrew J. Gerber, 16, of Brooklyn ($7,500)

Divya Chander, 17, of River Vale, N.J. ($7,500)

Daniel A. Sherman, 17, of Columbia, MO., and Simon R. Zuckerbraun, 17, of New York City were selected as first, and second alternatives.

Each of the other 30 finalists received a $1,000 scholarship, making the total value of the awards $140,000.

The five days the finalists spent in Washington were filled with a hectic schedule: a series of interviews with a panel of scientists, appointments with Congressmen, two afternoons fielding questions from interested visitors and a number of lectures.

PRESIDENT DRAWS LAUGHS

In his appearance Friday, Mr. Bush boasted jokingly of his technical knowledge of the students' projects. "I've done a lot in the field of the viability of M.V.M. parvovirus," he said, citing a project. "Then at night, I like to curl up with a book on mapping mutants. And every once in a while, when I have some spare time, Barbara and I read aloud about the behavior of the inhibitions of Sialidaeses," referring to a family of insects.

"But I'll tell you," he added, to laughter, "I'm glad there's no quiz."

An award in the talent search can enhance the reputation of a represented school. The New York City Board of Education has encouraged city students to enter the contest and provided them with material explaining the best routine to winning an award.

The Westinghouse Electric Corporation has sponsored the competition since 1942.

Mr. President, again, all of Arkansas is proud of Christopher's showing in this most preeminent of science competitions.●

WILDFIRE SUPPRESSION ASSISTANCE ACT

● Mr. LEAHY. Mr. President, on yesterday Senator MAX BAUCUS introduced S. 575, which would permanently authorize cooperation with Canada and other countries in fighting wildfires is an important piece of legislation. Those of us on the Senate Committee on Agriculture, Nutrition, and Forestry are delighted Senator BAUCUS brought this issue to our attention. It is extremely important that the Congress give the Secretaries of Agriculture and Interior the authority to cooperate with other countries before the summer fire season of 1989.

In introducing this legislation, Senator BAUCUS is already demonstrating his value as a member of our committee. I look forward to working with him on other important forestry issues.●

GREEK INDEPENDENCE DAY

● Mr. BRADLEY. Mr. President, I am honored to join with many of my colleagues in the U.S. Senate to pay tribute to people of Greek descent on the occasion of the 168th anniversary of the beginning of the revolution which gave Greeks their independence. As March 25, 1989 nears I applaud the Greek people in their long struggle for freedom and independence from the Ottoman empire.

Greece was under the Ottoman empire from the fall of Constantinople in 1423 until its declaration of independence in 1821. During this 400-year period the Greek traditions and heritage remained strong. Today we are reminded of the strength of the Greek influence in our everyday lives. Many Greek Americans have risen to prominence in business, law, medicine, politics, education, and entertainment. Their significant contributions have enriched the diversity of American life.

Today it is fitting to remember the importance of Greece in the history of democracy. As Thomas Jefferson said, "* * * to the ancient Greeks * * * we are all indebted for the light which led ourselves out of Gothic darkness." The root of the democratic process, which we all cherish as Americans, lies in the minds and spirits of ancient Greeks. And, we as Americans, contributed to Greek independence when Greek intellectuals translated our Declaration of Independence and used it as their own declaration.

We, as a nation, must not forget our struggle for freedom and on this day of recognition let us rededicate ourselves to the cause of freedom. We stand together with the Greek people who have attained freedom and remember those who are tireless in their efforts to be free.●

EDITORIAL FROM "THE NEW MEXICAN" ON THE CONFIRMATION PROCESS

● Mr. BINGAMAN. Mr. President, Robert McKinney, editor and publisher of "The New Mexican," kindly sent me a copy of the editorial from Tuesday's paper which expresses his opinion of the importance of the confirmation process. I found his comments very interesting. Mr. McKinney has sent copies to a number of other Members of the Senate, but for the benefit of those who might not have received it, I ask that it be included in the RECORD.

The editorial follows:

[From the Santa Fe (NM) New Mexican, Mar. 14, 1989]

LIVE AND LEARN

Last week's dramatic events in Washington has an unforseen outcome.

The events:

The Senate debated and rejected the President's choice for a key post in his cabinet.

Anticipated outcome:

Proof that conflict between a president of one party and a congress controlled by another party would paralyze government.

Actual outcome:

Proof that conflict can strengthen government by improving the caliber of men elevated to high government posts.

Mr. Tower's rejection paralyzed nothing. Within 24 hours the president sent the Senate the name of a replacement nominee; Rep. Richard B. Cheney of Wyoming. Unlike Mr. Tower, Mr. Cheney's conduct and character are beyond question; there are no conflicts of interest. Mr. Cheney's qualifications include six years on White House staffs, two of them as chief of staff to a president. Even his partisan political credentials are strong: five terms as chairman of the House Republican Policy Committee. Senate hearings on Mr. Cheney should be brief; his confirmation could be unanimous.

And the end result of last week's shooting? The country gets a better Secretary of Defense. So much for the episode just ending at the Pentagon.

Now for the coming episode at Foggy Bottom.

James A. Baker (former Treasury Secretary) has been confirmed as Secretary of State. Because Mr. Baker's experience in international affairs is limited, President Bush wisely sought a candidate with wide international experience for the No. 2 post at State. Lawrence S. Eagleburger was nominated for Deputy Secretary. His confirmation hearings will open soon.

On the surface, Mr. Eagleburger appears a good choice; 27 years in the foreign service, three tours of duty at the White House, important posts abroad, a career crowned by two years as Under Secretary of State for Political Affairs.

Since 1984, Mr. Eagleburger has been president of a foreign relations consultant firm, Kissinger Associates Inc. There lies the rub.

Conflict of interest concerns that disqualified Mr. Tower can also be raised about Mr. Eagleburger—raised, perhaps, even more strongly. Kissinger Associates continues in business; the firm would certainly not lose clients if its president were to become Deputy Secretary of State.

Mr. Eagleburger could have heavy sailing in his confirmation hearings. This time, happily, the questions will not be about conduct or character; the questions will be about potential conflicts of interest. What individuals, what corporations, what foreign governments are the firm's clients? What fees do they pay?

And in the background will loom "His Grey Eminence," Henry A. Kissinger, former Secretary of State, now chairman of Kissinger Associates. Will clients of the consulting firm have easy access to decision centers in the State Department while outsiders wander, lost, through the corridors?

For the sake of peace and quiet, one would hope that Mr. Eagleburger's ordeal is brief and that he survives. Nevertheless, the Senate Foreign Relations Committee has a duty and will perform it.

Should Mr. Eagleburger not be confirmed, events might follow the pattern set in Mr. Tower's case: quick replacement by a nominee whom the Senate could confirm in good conscience. Strong Republicans with strong qualifications abound, among them the outgoing Deputy Secretary of State, John C. Whitehead.

These past and prospective confirmation conflicts should persuade President Bush to re-evaluate the White House appointments staff and procedures. Are camels being swallowed while gnats are being strained?●

FOREIGN CURRENCY REPORTS

● In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees

of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Richard C. Shelby:									
Russia	Dollar		800.00						800.00
Turkey	Lira	452,290	316.00					452,290	316.00
Greece	Drachma	39,812	269.00			51,409	347.36	91,221	616.36
Senator Steve Symms:									
Russia	Dollar		491.50				84.50		576.00
Turkey	Lira	452,290	316.00					452,290	316.00
Greece	Drachma	39,812	269.00			51,409	347.36	91,221	616.36
Senator Phil Gramm:									
Russia	Dollar		800.00						800.00
Turkey	Lira	452,290	316.00					452,290	316.00
Greece	Drachma	39,812	269.00			51,409	347.36	91,221	616.36
Senator Richard C. Shelby:									
South Korea	Won	286,310	396.00					286,310	396.00
	Dollar				358.00				358.00
Taiwan	New Taiwan dollar	11,371	398.00					11,371	398.00
Hong Kong	Dollar	2,636.70	338.00					2,636.70	338.00
Thailand	Baht	11,992	471.00					11,992	471.00
Indonesia	Rupiah	686,760	404.00					686,760	404.00
Total			5,853.50		358.00		1,126.58		7,338.08

SAM NUNN,
Chairman, Committee on Armed Services, Sept. 30, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John G. Walsh:									
West Germany	Dollar		736.00		709.00				1,445.00
Total			736.00		709.00				1,445.00

WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban Affairs,
Oct. 6, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORATION, FOR TRAVEL AUG. 13–30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ernest F. Hollings:									
South Korea	Won	286,310	396.00					286,310	396.00
	Dollar				358.00				358.00
Taiwan	New Taiwan dollar	11,371	398.00					11,371	398.00
Hong Kong	Dollar	2,636.70	338.00					2,636.70	338.00
Thailand	Baht	11,992	471.00					11,992	471.00
Indonesia	Rupiah	686,760	404.00					686,760	404.00
Robert D. Sneed:									
South Korea	Won	286,310	396.00					286,310	396.00
	Dollar				358.00				358.00
Taiwan	New Taiwan dollar	11,371	398.00					11,371	398.00
Hong Kong	Dollar	2,636.70	338.00					2,636.70	338.00
Thailand	Baht	11,992	471.00					11,992	471.00
Indonesia	Rupiah	686,760	404.00					686,760	404.00
Delegation expenses: [1]									
Hong Kong							857.19		857.19
Thailand							1,013.88		1,013.88
Indonesia							1,237.66		1,237.66
South Korea							549.73		549.73
Taiwan							549.72		549.72
Total			4,014.00		716.00		4,208.18		8,938.18

[1] Delegation expenses include direct payments and reimbursements to the Department of State and to the Department of Defense under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

Note.—The following individuals traveled with the delegation under authorization as noted: Senator Richard Shelby, Armed Services Committee; Sally Walsh, majority leader. Reports of their expenditures appear in the report of the authorizing source.

ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science, and Transportation,
Nov. 8, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Chris Van Hollen:									
Turkey	Lira	940,379	594.00					940,379	594.00
United States	Dollar				1,813.80				1,813.80
Cyprus	Pound	179.92	346.00			16.52	34.25	196.44	380.25
Greece	Drachma	93,399.15	633.00	14,170	96.04			10,756.91	729.04
Turkey	Lira	188,931.6	132.00					188,931.6	132.00
United States	Dollar				2,208.00				2,208.00
Janice O'Connell:									
United Kingdom	Pound	641.51	1,155.00					646.51	1,155.00
United States	Dollar				935.00				935.00
Lenora Odeku:									
Italy	Lire	274,365	195.00					274,365	195.00
South Africa	Rand	1,291.15	527.00					1,291.15	527.00
Botswana	Pula	277.42	142.00					277.42	142.00
Zimbabwe	Dollar		102.00						102.00
Greece	Drachma	21,715	144.00					21,715	144.00
United States	Dollar				821.00				821.00
Barry Sklar:									
Sweden	Kronor	2,755.40	452.00					2,755.40	452.00
Nancy Stetson:									
Italy	Lire	274,365	195.00					274,365	195.00
South Africa	Rand	1,291.15	527.00					1,291.15	527.00
Botswana	Pula	277.42	142.00					277.42	142.00
Zimbabwe	Dollar		102.00						102.00
Greece	Drachma	21,715	144.00					21,715	144.00
United States	Dollar				821.00				821.00
William Triplett:									
Sweden	Kronor			1,795	314.91			1,795	314.91
Senator Terry Sanford:									
Sweden	Kronor	2,755.40	452.00					2,755.40	452.00
Senator Paul Simon:									
Italy	Lire	274,365	195.00					274,365	195.00
South Africa	Rand	1,291.15	527.00					1,291.15	527.00
Botswana	Pula	277.42	142.00					277.42	142.00
Zimbabwe	Dollar		102.00						102.00
Greece	Drachma	21,715	144.00					21,715	144.00
United States	Dollar				821.00				821.00
Geryld Christianson:									
Mexico	Peso	1,839,55	810.00					1,839,55	810.00
United States	Dollar				453.00				453.00
Peter Galbraith;									
Turkey	Lira	940,379	594.00					940,379	594.00
United States	Dollar				1,813.80				1,813.80
William Green:									
Sweden	Kronor	2,755.40	452.00					2,755.40	452.00
Senator Christopher J. Dodd:									
Mexico	Peso	192,360	84.00					192,360	84.00
Guatemala	Quetzale	486	180.00					486	180.00
Costa Rica	Colone	26,899.84	352.00					26,899.84	352.00
Robert H. Dockery:									
Mexico	Peso	192,360	84.00					192,360	84.00
Guatemala	Quetzale	486	180.00					486	180.00
Costa Rica	Colone	26,899.84	352.00					26,899.84	352.00
Janice M. O'Connell:									
Mexico	Peso	192,360	84.00					192,360	84.00
Guatemala	Quetzale	486	180.00	486	180.00				
Costa Rica	Colone	26,899.84	352.00					26,899.84	352.00
Total			10,798.00		10,097.55		34.25		20,929.80

CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, Oct. 6, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Jeanne McNaughton			1,670.00		2,316.84				3,986.84
Marvin Ott			789.00		2,341.00				3,139.00
John Nelson			566.00		3,174.00				3,740.00
James Martin			496.00		2,465.24				2,961.24
Gerry Montoya			774.00		2,465.24				3,239.24
Gerry Cater			774.00		2,465.24				3,239.24
Gerry Montoya			1,256.00		2,762.00				4,018.00
Gerry Cater			1,256.00		2,762.00				4,018.00
Christopher Straub			684.36		3,323.00				4,007.36
James Dykstra			880.00		3,290.00				4,170.00
David Holliday			1,406.00		5,490.00				6,896.00
John Despres			1,730.00		2,341.00				4,071.00
John Despres			815.00		3,323.00				4,138.00
Senator Arlen Specter			267.00						267.00
Total			13,372.36		38,518.56				51,890.92

DAVID L. BOREN,
Chairman, Select Committee on Intelligence, Sept. 26, 1988.

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), JOINT ECONOMIC COMMITTEE, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1987

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
David Freshwater:									
United States	Dollar		93.45						93.45
Total			93.45						93.45

PAUL SARBANES,
Chairman, Joint Economic Committee, Sept. 30, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), JOINT ECONOMIC COMMITTEE, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Ruth Kurtz:									
United States	Dollar		90.00				78.50		168.50
Richard Kaufman:									
United States	Dollar		500.00		1,993.00				2,493.00
Total			590.00		1,993.00		78.50		2,661.50

PAUL SARBANES,
Chairman, Joint Economic Committee, Oct. 3, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), JOINT ECONOMIC COMMITTEE, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Daniel Melnick:									
United States	Dollar				2,522.00				2,522.00
Japan	Yen	307,440	2,440.00					307,440	2,440.00
Hunter Monroe:									
United States	Dollar				335.00		465.00		800.00
Stephen Quick:									
United States	Dollar		75.00		599.00				674.00
Mexico	Peso	1,026,000	450.00					1,026,000	450.00
John Starrels:									
United States	Dollar				957.00				957.00
United States	Dollar		600.00		1,000.00				1,600.00
Total			3,565.00		5,413.00		465.00		9,443.00

PAUL SARBANES,
Chairman, Joint Economic Committee, Oct. 3, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), JOINT ECONOMIC COMMITTEE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Daniel Melnick:									
United States	Dollar				2,495.00				2,495.00
China	Yuan	2,518.25	678.08					2,518.25	678.08
David Freshwater:									
United States	Dollar				1,699.00				1,699.00
United States	Dollar						200.00		200.00
Argentina	Australe	11,578.20	816.00					11,587.20	816.00
Total			1,494.08		4,194.00		200.00		5,888.08

PAUL SARBANES,
Chairman, Joint Economic Committee, Oct. 3, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Michael Meyers:									
United States	Dollar				4,359.00				4,359.00
Pakistan	Rupee	9,548	545.00	800	140.00			10,348	685.00
Switzerland	Franc	13,149	438.30					13,149	438.30
Jerry Tinker:									
United States	Dollar				4,359.00				4,359.00
Pakistan	Rupee	9,548	545.00	800	140.00			10,348	685.00
Switzerland	Franc	13,149	438.30					13,149	438.30
Richard W. Day:									
United States	Dollar				4,251.00				4,251.00
Pakistan	Rupee	9,548	545.00	800	140.00			10,348	685.00
Gregory Craig:									
United States	Dollar				4,359.00				4,359.00
Pakistan	Rupee	9,548	545.00	800	140.00			10,348	685.00
Switzerland	Franc	13,149	438.30					13,149	438.30
Total			3,494.90		17,888.00				21,382.90

JOE BIDEN,
Chairman, Committee on the Judiciary, Sept. 26, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Jane S. Fisher:									
Austria	Schilling	22,199	1,692.00					22,199	1,692.00
United States	Dollar				1,281.00				1,281.00
Total			1,692.00		1,281.00				2,973.00

DENNIS DeCONCINI,
Chairman, Commission on Security and Cooperation in Europe,
Sept. 26, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FROM JULY 1 TO SEPT. 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Wyche Fowler, Jr.:									
Mexico	Peso	384,384	168.00					384,384	168.00
United States	Dollar				631.00				631.00
Sally Walsh:									
South Korea	Won	286,310	396.00					286,310	396.00
	Dollar				358.00				358.00
Taiwan	New Taiwan dollar	11,371	398.00					11,371	398.00
Hong Kong	Dollar	2,636.70	338.00					2,636.70	338.00
Thailand	Baht	11,992	471.00					11,992	471.00
Indonesia	Rupiah	686,760	404.00					686,760	404.00
Walter J. Stewart:									
People's Republic of China	Yuan	5,970.03	1,608.00					5,970.03	1,608.00
Hong Kong	Dollar	5,981.80	766.50					5,981.80	766.50
Jan Paulk:									
People's Republic of China	Yuan	5,970.03	1,608.00					5,970.03	1,608.00
Hong Kong	Dollar	5,981.80	766.50					5,981.80	766.50
Total			6,924.00		989.00				7,913.00

ROBERT C. BYRD,
Majority Leader, Jan 9, 1989.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER FROM JULY 1 TO SEPT. 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Thomas P. Madine:									
Colombia	Peso	57,952.88	188.00					57,952.88	188.00
Bolivia	Peso	188.42	79.00					188.42	79.00
Peru	Inta	39,816	168.00					39,816	168.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER FROM JULY 1 TO SEPT. 30, 1988—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Steven M. Hilton:									
Columbia	Peso	39,349	127.65					39,349	127.65
Bolivia	Peso	188.41	79.00					188.41	79.00
Peru	Inta	39,816	168.00					39,816	168.00
Senator Robert T. Stafford:									
People's Republic of China	Yuan	5,429.24	1,462.34					5,429.24	1,462.34
Hong Kong	Dollar	5,981.80	766.50					5,981.80	766.50
Neal Houston:									
People's Republic of China	Yuan	5,970.03	1,608.00					5,970.03	1,608.00
Hong Kong	Dollar	5,981.80	766.50					5,981.80	766.50
Total			5,412.99						5,412.99

ROBERT J. DOLE,
Republican Leader, Oct. 3, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER FROM APR. 29 TO MAY 7, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Robert J. Dole:									
Greece	Drachma	47,784	356.59					47,784	356.59
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	226.04	162.00					226.04	162.00
Portugal	Escudo	40,700	297.08					40,700	297.08
Senator Larry Pressler:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00
Portugal	Escudo	46,854	342.00					46,854	342.00
Senator Don Nickles:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00
Portugal	Escudo	46,854	342.00					46,854	342.00
Jo-Anne L. Coe:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00
Portugal	Escudo	46,854	342.00					46,854	342.00
Jim Whittinghill:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00
Portugal	Escudo	46,854	342.00					46,854	342.00
Al Lehn:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00
Portugal	Escudo	46,854	342.00					46,854	342.00
Jan Paulk:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00
Portugal	Escudo	46,854	342.00					46,854	342.00
Dave Smith:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00
Portugal	Escudo	46,854	342.00					46,854	342.00
Tom Carter:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00
Portugal	Escudo	46,854	342.00					46,854	342.00
Dale Tate:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00
Portugal	Escudo	46,854	342.00					46,854	342.00
Alan Porter:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00
Portugal	Escudo	46,854	342.00					46,854	342.00
Dean Burridge:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00
Portugal	Escudo	46,854	342.00					46,854	342.00
Mike Glassner:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00
Portugal	Escudo	46,854	342.00					46,854	342.00
Marilyn Sayler:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER FROM APR. 29 TO MAY 7, 1988—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Portugal	Escudo	46,854	342.00					46,854	342.00
Pat Wade:									
Greece	Drachma	57,888	432.00					57,888	432.00
Turkey	Lira	195,000	154.00					195,000	154.00
Switzerland	Franc	293.01	210.00					293.01	210.00
Portugal	Escudo	46,854	342.00					46,854	342.00
Delegation expenses:[1]									
Greece						3,562.71			3,562.71
Turkey						3,215.71			3,215.71
Switzerland						3,905.27			3,905.27
Portugal						10,357.75			10,357.75
Total				16,901.67		21,041.44			37,943.11

[1] Delegation expenses include direct payments and reimbursements to the State Department and to the Defense Department under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and 179, agreed to May 25, 1977.

ROBERT J. DOLE,
Republican Leader, Oct. 13, 1988.

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Tom Harkin:									
France	Franc			1,575	262.50			1,575	262.50
Senator Kent Conrad:									
France	Franc			1,575	262.50			1,575	262.50
Kent Hall:									
France	Franc			1,575	262.50			1,575	262.50
Ellen King-Huntoon:									
France	Franc			1,575	262.50			1,575	262.50
Total					1,050.00				1,050.00

PATRICK LEAHY,
Chairman, Committee on Agriculture, Nutrition, and Forestry, July 29, 1988.

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1987

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Charles Riemenschneider:									
England	Pound					22.50	39.47	22.50	39.47
Total							39.47		39.47

PATRICK LEAHY,
Chairman, Committee on Agriculture, Nutrition, and Forestry, July 29, 1988.

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
J. Keith Kennedy:									
Bahrain	Dollar		156.00						156.00
Kuwait	Dollar		228.00						228.00
Israel	Dollar		462.00						462.00

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1988—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Belgium	Dollar		195.00						195.00
Total			1,041.00						1,041.00

JOHN C. STENNIS,
Chairman, Committee on Appropriations, July 12, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Steven Cortese:									
Austria	Schilling	4,758.32	406.00					4,758.32	406.00
Czechoslovakia	Koruna	1,356	342.00					1,356	342.00
Poland	Zloty	207,234	522.00					207,234	522.00
Penny German:									
Austria	Schilling	4,758.32	406.00					4,758.32	406.00
Czechoslovakia	Koruna	1,356	342.00					1,356	342.00
Poland	Zloty	207,234	522.00					207,234	522.00
Warren W. Kane:									
Peoples Republic of China	Yuan	3,289.50	886.00	627.95	169.13			4,175.50	1,055.13
Hong Kong	Dollar	1,264.70	162.00					1,264.70	162.00
John G. Shank:									
Peoples Republic of China	Yuan	3,289.50	886.00	627.95	169.13			4,175.50	1,055.13
Hong Kong	Dollar	5,058.90	648.00					5,058.90	648.00
Sean O'Keefe:									
Sweden	Dollar		678.00						678.00
Ireland	Dollar		615.00						615.00
Ireland	Dollar		191.00						191.00
Senator Ted Stevens:									
Japan	Dollar		882.00						882.00
Sean O'Keefe:									
Japan	Dollar		882.00						882.00
Maureen Byrnes:									
Sweden	Krona	8,154.98	1,356.00					8,154.98	1,356.00
Total			9,726.00		338.26				10,064.26

JOHN C. STENNIS,
Chairman, Committee on Appropriations, July 14, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Bob Graham:									
Brazil	Dollar		188.00						188.00
Venezuela	Dollar		292.00						292.00
Argentina	Dollar		255.00				35.00		290.00
United States	Dollar				2,391.00				2,391.00
Leslie Woolley:									
Brazil	Dollar		188.00						188.00
Venezuela	Dollar		192.00						192.00
Argentina	Dollar		255.00						255.00
United States	Dollar				2,322.00				2,322.00
Lula Rodrigues:									
Brazil	Dollar		188.00						188.00
Venezuela	Dollar		192.00						192.00
Argentina	Dollar		255.00						255.00
United States	Dollar				2,322.00				2,322.00
John C. Dugan:									
Philippines	Dollar		252.00						252.00
Ivory Coast	Dollar		612.00						612.00
United States	Dollar				4,750.00				4,750.00
Martin Gruenberg:									
Ivory Coast	Dollar		1,015.00						1,015.00
United States	Dollar				2,459.00				2,459.00
Steven Harris:									
Ivory Coast	Dollar		1,015.00						1,015.00
United States	Dollar				2,459.00				2,459.00
Jennifer Hillman:									
Ivory Coast	Dollar		1,015.00						1,015.00
United States	Dollar				2,459.00				2,459.00
Carolyn Jordan:									
Ivory Coast	Dollar		612.00						612.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
United States	Dollar				2,459.00				2,459.00
Patrick Mulloy:									
Ivory Coast	Dollar		1,015.00						1,015.00
United States	Dollar				2,459.00				2,459.00
W. Lamar Smith:									
Philippines	Dollar		252.00						252.00
Ivory Coast	Dollar		612.00						612.00
United States	Dollar				4,572.00				4,572.00
John Walsh:									
Ivory Coast	Dollar		472.00						472.00
United States	Dollar				2,487.00				2,487.00
Total			8,877.00		31,139.00		35.00		40,051.00

WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs,
Sept. 8, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Douglas M. Cook:									
Sweden	Krona	3,661.20	678.00					3,661.20	678.00
Ireland	Pound	357.55	615.00					357.55	615.00
Ireland	Pound	93.59	191.00					93.59	191.00
Senator Pete V. Domenici:									
Japan	Yen	147,000	1,176.00			250,568	1,967.51	397,568	3,143.51
Taiwan	New Taiwan dollar	13,256	464.00			863	30.14	14,119	494.14
United States	Dollar				3,398.00				3,398.00
Denise Greenlaw:									
Japan	Yen	147,000	1,176.00					147,000	1,176.00
Taiwan	New Taiwan dollar	13,256	464.00					13,256	464.00
United States	Dollar				3,398.00				3,398.00
K.P. Lau:									
Japan	Yen	147,000	1,176.00					147,000	1,176.00
Taiwan	New Taiwan dollar	13,256	464.00					13,256	464.00
United States	Dollar				3,552.00				3,552.00
Total			6,404.00		10,348.00		1,997.65		18,749.65

LAWTON CHILES,
Chairman, Committee on the Budget, Aug. 29, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Thomas W. Cohen:									
England	Dollar		384.00						384.00
Portugal	Dollar		366.00						366.00
United States	Dollar				1,479.00				1,479.00
Regina M. Keeney:									
England	Dollar		384.00						384.00
Portugal	Dollar		466.00						466.00
United States	Dollar				1,479.00				1,479.00
Ralph B. Everett:									
England	Dollar		384.00						384.00
Portugal	Dollar		466.00						466.00
United States	Dollar				1,479.00				1,479.00
Costa Rica	Colon	19,324.80	268.40					19,324.80	268.40
Guatemala	Quetzal	460.80	184.32			176.25	70.50	637.05	254.82
Senator Ernest F. Hollings:									
Guatemala	Quetzal	192.60	77.04			176.25	70.50	368.85	147.54
David A. Rudd:									
Costa Rica	Colon	19,324.80	268.40					19,324.80	268.40
Guatemala	Quetzal	460.80	184.32			176.25	70.50	637.05	254.82
Robert D. Sneed:									
Costa Rica	Colon	19,324.80	268.40					19,324.80	268.40
Guatemala	Quetzal	460.80	184.32			176.25	70.50	637.05	254.82

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1988—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Total			3,885.20		4,437.00		282.00		8,604.20

ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science, and Transportation,
July 26, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Svend Brandt-Erichsen:									
New Zealand	Dollar		950.00						950.00
United States	Dollar				1,458.00				1,458.00
Total			950.00		1,458.00				2,408.00

ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science, and Transportation,
July 26, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FROM MAR. 31 TO APR. 10, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator J. Bennett Johnston:									
Soviet Union	Dollar		1,650.00						1,650.00
Senator James A. McClure:									
Soviet Union	Dollar		1,650.00						1,650.00
Senator Frank H. Murkowski:									
Soviet Union	Dollar		1,650.00						1,650.00
Senator Chic Hecht:									
Soviet Union	Dollar		1,650.00						1,650.00
Senator Kent Conrad:									
Soviet Union	Dollar		1,650.00						1,650.00
Senator Daniel J. Evans:									
Soviet Union	Dollar		1,650.00						1,650.00
Senator Timothy E. Wirth:									
Soviet Union	Dollar		1,650.00						1,650.00
Daryl H. Owen:									
Soviet Union	Dollar		1,650.00						1,650.00
D. Michael Harvey:									
Soviet Union	Dollar		1,650.00						1,650.00
Richard D. Grundy:									
Soviet Union	Dollar		1,650.00						1,650.00
Gary G. Ellsworth:									
Soviet Union	Dollar		1,650.00						1,650.00
Suzanne Massie:									
Soviet Union	Dollar		1,650.00						1,650.00
Delegation expenses: [1]									
Soviet Union	Dollar						8,936.71		8,936.71
Total			19,800.000				8,936.71		28,736.71

[1] Delegation expenses include direct payments and reimbursements to the Department of State and to the Department of Defense under authority of sec. 502(b) of the Mutual Security Act of 1954 as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

Note.—The following individuals traveled with the delegation under authorizations as noted: Senator Brock Adams, Senator Bob Graham, W. Proctor Jones, and Jan Paulk, Majority leader; Senator Alan K. Simpson and Senator Paul S. Trible, Minority leader. Reports of their expenditures appear in the report of the authorizing source.

J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, July 7, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Benjamin S. Cooper:									
Republic of Marshall Islands	Dollar		494.94						494.94
United States	Dollar				2,433.92				2,433.92
James P. Beirne:									
Republic of Marshall Islands	Dollar		673.12						673.12
United States	Dollar				2,856.96				2,856.96
Mary Louise Wagner:									
Republic of Marshall Islands	Dollar		681.06						681.06
United States	Dollar				2,433.92				2,433.92
Frank M. Cushing:									
Republic of Marshall Islands	Dollar		390.31						390.31
United States	Dollar				3,034.96				3,034.96
Leslie G. Black:									
Canada	Dollar		520.87						520.87
United States	Dollar				333.93				333.93
Senator J. Bennett Johnston:									
Japan	Yen	110,250	882.00					110,250	882.00
Federated States of Micronesia	Dollar		300.00						300.00
United States	Dollar				3,442.00				3,442.00
Daryl H. Owen:									
Japan	Yen	110,250	882.00					110,250	882.00
Federated States of Micronesia	Dollar		300.00						300.00
United States	Dollar				3,442.00				3,442.00
Total			5,124.30		17,977.69				23,101.99

J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, July 7, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Curtis A. Moore:									
England	Pound	134.19	251.00					134.19	251.00
Netherlands	Guilder	2,375.10	1,260.00					2,375.10	1,260.00
United States	Dollar				2,065.00				2,065.00
Total			1,511.00		2,065.00				3,576.00

QUENTIN BURDICK,
Chairman, Committee on Environment and Public Works, June 30, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FINANCE, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John D. Rockefeller IV:									
Japan	Yen	91,500	732.00	8,500	68.01	16,989	137.01	116,989	937.02
Korea	Won	214,840	288.00	2,500	3.35	14,820	19.86	232,160	311.21
United States	Dollar				4,225.00				4,225.00
Ira Wolf:									
Japan	Yen	152,500	1,220.00	8,500	68.01	16,989	137.01	117,989	1,425.02
Korea	Won	214,840	228.00	2,500	3.35	14,820	19.86	232,160	311.21
United States	Dollar				2,422.00				2,422.00
Total			2,528.00		6,789.72		313.74		9,631.46

LLOYD BENTSEN,
Chairman, Committee on Finance, June 24, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Nancy L. Kassebaum:									
Japan	Yen	113,250	906.00					113,250	906.00
Senator Larry Pressler:									
Thailand	Baht	10,721	428.00	312.50	12.36	5,236.50	209.11	16,270	649.47
Vietnam	Dollar		225.00						225.00
United States	Dollar				4,774.00				4,774.00
David B. Bartel:									
Japan	Yen	176,900	1,415.00					176,900	1,415.00
United States	Dollar				2,334.00				2,334.00
Geryld B. Christianson:									
Switzerland	Franc	581.10	420.00					581.10	420.00
Austria	Schilling	3,007	254.00	600	51.00			3,607	305.00
United States	Dollar				2,317.00				2,317.00
Gerald E. Connolly:									
United Kingdom	Pound	480.56	896.00					480.56	896.00
Ireland	Dollar		699.00						699.00
United States	Dollar				959.00				959.00
Pho Ba Long:									
Thailand	Baht	10,721	428.00	312.50	12.36	5,236.50	209.11	16,270	649.47
Vietnam	Dollar		225.00						225.00
United States	Dollar				4,774.00				4,774.00
Douglas L. Miller:									
Thailand	Baht	10,721	428.00	312.50	12.36	5,236.50	209.11	16,270	649.47
Vietnam	Dollar		225.00						225.00
United States	Dollar				4,774.00				4,774.00
Frank A. Sieverts:									
Thailand	Baht	10,721	428.00	312.50	12.36	5,236.50	209.11	16,270	649.47
Vietnam	Dollar		225.00						225.00
United States	Dollar				4,774.00				4,774.00
Amendment to 1st quarter of 1988:									
Philip L. Christenson:									
Thailand	Baht	12,110	485.00					12,110	485.00
Indonesia	Rupiah	892,350	540.00		131.23			892,350	671.23
India	Rupee	6,208	474.98					6,208	474.98
Egypt	Dollar		294.00						294.00
Italy	Lire	251,732	206.00	70,000	56.18			321,732	262.18
United States	Dollar				3,069.00				3,069.00
Amendment to 4th quarter of 1987:									
Senator Daniel J. Evans:									
Panama	Dollar		70.40						70.40
Costa Rica	Colone	8,044	121.00					8,044	121.00
Christine L. Dawson:									
Panama	Dollar		70.40						70.40
Costa Rica	Colone	8,044	121.00					8,044	121.00
Amendment to 3d quarter of 1987:									
Philip L. Christenson:									
Soviet Union	Dollar		600.00						600.00
Czechoslovakia	Dollar		294.00						294.00
Hungary	Dollar		202.00						202.00
Belgium	Franc	9,978	266.00					9,978	266.00
United States	Dollar			2,067.00					2,067.00
Total			10,946.78		30,129.85		836.44		41,913.07

CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, July 11, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Daniel F. Rinzel:									
Finland	Finmark	652.05	161.00					622.05	161.00
Germany	Deutsche mark	760.50	450.00					760.50	450.00
Soviet Union	Dollar		732.00		68.00				800.00
United States	Dollar				2,743.00				2,743.00
Mary Vinson:									
Finland	Finmark	652.05	161.00					622.05	161.00
Germany	Deutsche mark	760.50	450.00					760.50	450.00
Soviet Union	Dollar		732.00		68.00				800.00
United States	Dollar				2,743.00				2,743.00
Eleanore J. Hill:									
Finland	Finmark	652.05	161.00					622.05	161.00
Germany	Deutsche mark	760.50	450.00					760.50	450.00
Soviet Union	Dollar		732.00		68.00				800.00
United States	Dollar				2,743.00				2,743.00
John F. Sopko:									
Finland	Finmark	652.05	161.00					622.05	161.00
Germany	Deutsche mark	760.50	450.00					760.50	450.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1988—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Soviet Union	Dollar		732.00		68.00				800.00
United States	Dollar				2,743.00				2,743.00
David S. Buckley:									
Finland	Finmark	652.05	161.00					622.05	161.00
Germany	Deutsche mark	760.50	450.00					760.50	450.00
Soviet Union	Dollar		732.00		68.00				800.00
United States	Dollar				2,743.00				2,743.00
Total			6,715.00		14,055.00				20,770.00

JOHN GLENN,
Chairman, Committee on Governmental Affairs, Sept. 7, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Barbara Kammerman:									
Mexico	Peso	1,685,519	737.00					1,685,519	737.00
United States	Dollar				1,602.40				1,602.40
Leonard Willis:									
Mexico	Peso	1,685,519	737.00					1,685,519	737.00
United States	Dollar				1,602.40				1,602.40
Mary K. Vinson:									
Mexico	Peso	1,685,519	737.00					1,685,519	737.00
United States	Dollar				1,602.40				1,602.40
Total			2,211.00		4,807.20				7,018.20

JOHN GLENN,
Chairman, Committee on Governmental Affairs, Sept. 7, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Michael Pillsbury:									
United States	Dollar				3,624.00				3,624.00
China	Dollar		1,730.00						1,730.00
Hong Kong	Dollar	2,113	272.00	1,448	186.00			3,561	458.00
Total			2,002.00		3,810.00				5,812.00

ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Michael Pillsbury:									
United States	Dollar				3,587.00				3,587.00
Russia	Dollar		340.00						340.00
Afghanistan	Dollar		62.50						62.50
China	Dollar		384.00		112.50				496.50
Taiwan	Dollar	5,427	135.00					5,427	
Senator Gordon Humphrey:									
United States	Dollar				3,587.00				3,587.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Russia	Dollar		340.00						340.00
Afghanistan	Dollar		62.50						62.50
China	Dollar		384.00		112.50				496.50
Taiwan	Dollar	5,427	135.00					5,427	135.00
Total			1,843.00		7,399.00				9,242.00

EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, July 20, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Gordon Humphrey:									
United States	Dollar				3,055.00				3,055.00
Pakistan	Dollar		270.00						270.00
Michael Pillsbury:									
United States	Dollar				3,074.00				3,074.00
Pakistan	Dollar		270.00						270.00
Thomas Kleine:									
United States	Dollar				2,999.00				2,999.00
Pakistan	Dollar		270.00						270.00
Kevin McGuiness:									
United States	Dollar				885.00				885.00
Switzerland	Franc	902.15	630.00					902.15	630.00
Total			1,440.00		10,013.00				11,453.00

EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, July 20, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Alan Specter			462.00						462.00
Charles Battaglia			462.00		1,285.00				1,747.00
David Holliday			1,800.00		2,777.00				4,577.00
John Nelson			826.00		3,424.00				4,250.00
Gerry Montoya			1,164.00		3,424.00				4,588.00
Gerry Carter			1,164.00		3,424.00				4,588.00
Total			5,878.00		14,334.00				20,212.00

DAVID L. BOREN,
Chairman, Select Committee on Intelligence, June 29, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY AND THE MINORITY LEADERS, FOR TRAVEL APR. 1–9, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John H. Glenn, Jr.:									
Austria	Schilling	4,758.32	406.00					4,758.32	406.00
Czechoslovakia	Koruna	1,356	342.00					1,356	342.00
Poland	Zloty	207,234	522.00					207,234	522.00
Senator Ted Stevens:									
Austria	Schilling	4,758.32	406.00					4,758.32	406.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY AND THE MINORITY LEADERS, FOR TRAVEL APR. 1–9, 1988—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Czechoslovakia	Koruna	1,356	342.00					1,356	342.00
Poland	Zloty	207,234	522.00					207,234	522.00
Senator Thad Cochran:									
Austria	Schilling	4,758.32	406.00					4,758.32	406.00
Czechoslovakia	Koruna	1,356	342.00					1,356	342.00
Poland	Zloty	207,234	522.00					207,234	522.00
Senator Barbara A. Mikulski:									
Austria	Schilling	4,758.32	406.00					4,758.32	406.00
Czechoslovakia	Koruna	1,356	342.00					1,356	342.00
Senator Harry Reid:									
Austria	Schilling	4,758.32	406.00					4,758.32	406.00
Czechoslovakia	Koruna	1,356	342.00					1,356	342.00
Poland	Zloty	207,234	522.00					207,234	522.00
Senator Christopher S. Bond:									
Austria	Schilling	4,758.32	406.00					4,758.32	406.00
Czechoslovakia	Koruna	1,356	342.00					1,356	342.00
Poland	Zloty	207,234	522.00					207,234	522.00
Valerie Belon:									
Austria	Schilling	4,758.32	406.00					4,758.32	406.00
Czechoslovakia	Koruna	1,356	342.00					1,356	342.00
Poland	Zloty	207,234	522.00					207,234	522.00
Pat Buckheit:									
Austria	Schilling	4,172.32	356.00					4,172.32	356.00
Czechoslovakia	Koruna	1,356	342.00					1,356	342.00
Poland	Zloty	207,234	522.00					207,234	522.00
Yvonne L. Hopkins:									
Austria	Schilling	4,758.32	406.00					4,758.32	406.00
Czechoslovakia	Koruna	1,356	342.00					1,356	342.00
Poland	Zloty	207,234	522.00					207,234	522.00
Dan Thompson:									
Austria	Schilling	4,758.32	406.00					4,758.32	406.00
Czechoslovakia	Koruna	1,356	342.00					1,356	342.00
Poland	Zloty	207,234	522.00					207,234	522.00
Donald Wilson:									
Austria	Schilling	3,879.32	331.00					3,879.32	331.00
Czechoslovakia	Koruna	1,275.12	322.00					1,275.12	322.00
Poland	Zloty	199,294	502.00					199,294	502.00
Delegation expenses: [1]									
Austria							6,289.69		6,289.69
Czechoslovakia							2,748.25		2,748.25
Poland							2,981.74		2,981.74
Iceland							2,425.32		2,425.32
Total			13,805.00				14,445.00		28,250.00

[1] Delegation expenses include direct payments and reimbursements to the State Department and to the Defense Department under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

ROBERT C. BYRD,
Majority Leader.
JOHN H. GLENN, JR.,
Delegation Chairman, July 26, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), AUTHORIZED BY THE REPUBLICAN LEADER FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Paul S. Trible:									
Soviet Union	Dollar		1,650.00						1,650.00
Senator Alan K. Simpson:									
Soviet Union	Dollar		1,650.00						1,650.00
Total			3,300.00						3,300.00

ROBERT J. DOLE,
Republican Leader, Sept. 6, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FOR TRAVEL FEB. 6–14, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Robert C. Byrd:									
Germany	Deutsche Mark	339.69	201.00					339.69	201.00
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	521,246	418.00					521,246	418.00
Senator Claiborne Pell:									
Germany	Deutsche Mark	299.38	177.15					299.38	177.15
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,627.40	465.03					2,672.40	465.03
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	521,246	418.00					521,246	418.00
Senator Sam Nunn:									
Germany	Deutsche Mark	199.69	118.16					199.69	118.16
England	Pound	220.25	387.47					220.25	387.47
France	Franc	2,057.16	364.10					2,057.16	364.10
Senator John W. Warner:									
Germany	Deutsche Mark	297.44	176.00					297.44	176.00
England	Pound	253.52	446.00					253.52	446.00
France	Franc	2,491.65	441.00					2,491.65	441.00
Turkey	Lira	137,170	120.00					137,170	120.00
Italy	Lira	458,895	368.00					458,895	368.00
Senator David L. Boren:									
Germany	Deutsche Mark	339.69	201.00					339.69	201.00
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	465,131	373.00					465,131	373.00
Walter J. Stewart:									
Germany	Deutsche Mark	339.69	201.00					339.69	201.00
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	521,246	418.00					521,246	418.00
ward O. Greene, Jr.:									
Germany	Deutsche Mark	339.69	201.00					339.69	201.00
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	521,246	418.00					521,246	418.00
Barbara Videnieks:									
Germany	Deutsche Mark	339.69	201.00					339.69	201.00
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	521,246	418.00					521,246	418.00
C. Richard D'Amato:									
Germany	Deutsche Mark	339.69	201.00					339.69	201.00
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	521,246	418.00					521,246	418.00
Jeanine Drysdale Lowe:									
Germany	Deutsche Mark	339.69	201.00					339.69	201.00
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	521,246	418.00					521,246	418.00
Linda Peek:									
Germany	Deutsche Mark	339.69	201.00					339.69	201.00
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	521,246	418.00					521,246	418.00
Christina Evans Loescher:									
Germany	Deutsche Mark	339.69	201.00					339.69	201.00
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	521,246	418.00					521,246	418.00
Scott Harris:									
Germany	Deutsche Mark	339.69	201.00					339.69	201.00
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	521,246	418.00					521,246	418.00
George W. Ashworth:									
Germany	Deutsche Mark	256.50	151.78					256.50	151.78
England	Pound	256.87	452.00					256.87	452.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	469,670	376.64					469,670	376.64
Richard D. Finn:									
England	Pound	256.37	451.00					256.37	451.00
France	Franc	2,339.78	414.12					2,339.78	414.12
Robert F. Bott:									
Germany	Deutsche Mark	255.19	151.00					255.19	151.00
England	Pound	216.01	380.00					216.01	380.00
France	Franc	2,293.90	406.00					2,293.90	406.00
Turkey	Lira	81,160	71.00					81,160	71.00
Italy	Lira	441,438	354.00					441,438	354.00
George Tenent:									
Germany	Deutsche Mark	339.69	201.00					339.69	201.00
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Christopher C. Straub:									
France	Franc	1,178.84	190.46					1,178.84	190.46
Turkey	Lira	89,500	78.29					89,500	78.29
Italy	Lira	297,800	238.80					297,800	238.80

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FOR TRAVEL FEB. 6–14, 1988—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Jan Paulk:									
Germany	Deutsche Mark	339.69	201.00					339.69	201.00
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	521,246	418.00					521,246	418.00
Wendy Deker:									
Germany	Deutsche Mark	339.69	201.00					339.69	201.00
England	Pound	287.63	506.00					287.63	506.00
France	Franc	2,802.40	496.00					2,802.40	496.00
Turkey	Lira	160,034	140.00					160,034	140.00
Italy	Lira	521,246	418.00					521,246	418.00
Delegation expenses: [1]									
Germany							7,128.21		7,128.21
England							6,018.75		6,018.75
France							4,665.55		4,665.55
Turkey							2,393.64		2,393.64
Italy							4,055.94		4,055.94
Total			30,768.00				24,262.09		55,030.09

[1] Delegation expenses include direct payments and reimbursements to the State Department and to the Defense Department under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

ROBERT C. BYRD,
Majority Leader, Aug. 8, 1988.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1988

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Brock Adams:									
Soviet Union	Dollar		1,650.00						1,650.00
Senator Bob Graham:									
Soviet Union	Dollar		1,650.00						1,650.00
W. Proctor Jones:									
Soviet Union	Dollar		1,650.00						1,650.00
Jan Paulk:									
Soviet Union	Dollar		1,339.00						1,339.00
Senator Claiborne Pell:									
Switzerland	Franc	871.00	630.00					871.60	630.00
United States	Dollar				2,193.00				2,193.00
Total			6,919.00		2,193.00				9,112.00

ROBERT C. BYRD,
Majority Leader, July 22, 1988.●

PEG WILSON'S RETIREMENT

● Mr. DODD. Mr. President, when I became a Member of the Congress 15 years ago, I looked forward to the opportunity to work on issues that help America's families. Among the areas in which I have tried to help make a difference are child care, parental leave, reducing infant mortality, and improving educational opportunities. But I rise today to credit someone who has been working on these issues far longer than I and who has influenced me in devoting my time to them. I speak of Peg Wilson, a resident of Norwich, CT, and executive dean of Eastern Connecticut State University.

Peg has been a friend to me and my family for more years than I can count; more important, she has been a fighter for stronger families, healthier babies, more humane health care, and an improved status for the women of this world. She is about to conclude a chapter by retiring after 30 years of work at Eastern, a fine institution. Of the many people I meet in the course of my duties, few can come close to the level of energy and commitment Peg shows every day.

Her retirement will no doubt mean she will have more time to devote to the many interests she has outside her vocation, and I look forward to continuing to work with her, listen to her, and be inspired by her.

I ask that my colleagues indulge me by joining in tribute to Peg Wilson as she turns a page and opens a new chapter. I wish her the best of luck.●

THE RULES OF THE SPECIAL COMMITTEE ON AGING, 101ST CONGRESS

● Mr. PRYOR. Mr. President, pursuant to the requirements of paragraph 2 of Senate rule XXVI, I ask to have printed in the CONGRESSIONAL RECORD the rules of the Special Committee on Aging for the 101st Congress adopted by the committee on January 26, 1989.

The rules are as follows:

I. CONVENING OF MEETING AND HEARINGS

1. *Meetings.* The Committee shall meet to conduct Committee business at the call of the chairman.

2. *Special meetings.* The members of the Committee may call additional meetings as provided in Senate Rule XXVI (3).

3. *Notice and agenda:*

(a) Hearings. The Committee shall make public announcement of the date, place, and subject matter of any hearing at least one week before its commencement.

(b) Meetings. The Chairman shall give the members written notice of any Committee meeting, accompanied by an agenda enumerating the items of business to be considered, at least *5 days* in advance of such meeting.

(c) Shortened notice. A hearing or meeting may be called on not less than 24 hours notice if the Chairman, with the concurrence of the ranking minority member, determines that there is good cause to begin the hearing or meeting on shortened notice. An agenda will be furnished prior to such a meeting.

4. *Presiding officer.* The Chairman shall preside when present. If the Chairman is not present at any meeting or hearing, the ranking majority member present shall preside. Any member of the Committee may preside over the conduct of a hearing.

II. CLOSED SESSIONS AND CONFIDENTIAL MATERIALS

1. *Procedure.* All meetings and hearings shall be open to the public unless closed. To close a meeting or hearing or portion thereof, a motion shall be made and seconded to go into closed discussion of whether the meeting or hearing will concern the matters enumerated in Rule II.3. Immediately after such discussion, the meetings or hearing may be closed by a vote in open session of a majority of the members of the Committee present.

2. *Witness request.* Any witness called for a hearing may submit a written request to the Chairman no later than twenty-four hours in advance for his examination to be in closed or open session. The Chairman shall inform the Committee of any such request.

3. *Closed session subjects.* A meeting or hearing or portion thereof may be closed if the matters to be discussed concern: 1) national security; 2) Committee staff personnel or internal staff management or procedure; 3) matters tending to reflect adversely on the character or reputation or to invade the privacy of the individuals; 4) Committee investigations; 5) other matters enumerated in Senate Rule XXVI (5) (b).

4. *Confidential matter.* No record made of a closed session, or material declared confidential by a majority of the Committee, or report of the proceedings of a closed session, shall be made public, in whole or in part by way of summary, unless specifically authorized by the Chairman and ranking minority member.

5. *Broadcasting:*

(a) Control. Any meeting or hearing open to the public may be covered by television, radio, or still photography. Such coverage must be conducted in an orderly and unobtrusive manner, and the Chairman may for good cause terminate such coverage in whole or in part, or take such other action to control it as the circumstances may warrant.

(b) Request. A witness may request of the Chairman, on grounds of distraction, harassment, personal safety, or physical discomfort, that during his testimony cameras, media microphones, and lights shall not be directed at him.

III. QUORUMS AND VOTING

1. *Reporting.* A majority shall constitute a quorum for reporting a resolution, recommendation or report to the Senate.

2. *Committee business.* A third shall constitute a quorum for the conduct of Committee business, other than a final vote on reporting, providing a minority member is present. One member shall constitute a quorum for the receipt of evidence, the swearing of witnesses, and the taking of testimony at hearings.

3. *Polling:*

(a) *Subjects.* The Committee may poll (1) internal Committee matters including those concerning the Committee's staff, records, and budget; (2) other Committee business which has been designated for polling at a meeting.

(b) *Procedure.* The Chairman shall circulate polling sheets to each member specifying the matter being polled and the time limit for completion of the poll. If any member so requests in advance of the meeting, the matter shall be held for meeting rather than being polled. The clerk shall keep a record of polls; if the Chairman determines that the polled matter is one of the areas enumerated in rule II.3, the record of the poll shall be confidential. Any member may move at the Committee meeting following a poll for a vote on the polled decision.

IV. INVESTIGATIONS

1. *Authorization for investigations.* All investigations shall be conducted upon a bipartisan basis by Committee staff. Investigations may be initiated by the Committee staff upon the approval of the Chairman and the ranking Minority Member. Staff shall keep the Committee fully informed of the progress of continuing investigations, except where the Chairman and the ranking Minority member agree that there exists temporary cause for more limited knowledge.

2. *Subpoenas.* Subpoenas for the attendance of witnesses or the production of memoranda, documents, records, or any other materials shall be issued by the Chairman, or by any other member of the Committee designated by him. Prior to the issuance of each subpoena, the ranking minority member, and any other member so requesting, shall be notified regarding the identity of the person to whom the subpoena will be issued and the nature of the information sought, and its relationship to the investigation.

3. *Investigative Reports.* All reports containing findings of recommendations stemming from Committee investigations shall be printed only with the approval of a majority of the members of the Committee.

V. HEARINGS

1. *Notice.* Witnesses called before the committee shall be given, absent extraordinary circumstances, at least forty-eight hours' notice, and all witnesses called shall be furnished with a copy of these rules upon request.

2. *Oath.* All witnesses who testify to matters of fact shall be sworn unless the Committee waives the oath. The Chairman, or any member, may request and administer the oath.

3. *Statement.* Any witness desiring to make an introductory statement shall file 50 copies of such statement with the Chairman or clerk of the Committee 24 hours in advance of his appearance, unless the Chairman and ranking Minority member determine that there is good cause for a witness' failure to do so. A witness shall be allowed no more than ten minutes to orally summarize his prepared statement.

4. *Counsel:*

(a) A witness' counsel shall be permitted to be present during his testimony at any public or closed hearing or deposition or staff interview to advise such witness of his rights, provided, however, that in the case of any witness who is an officer or employee of the government, or of a corporation or association, the Chairman may rule that representation by counsel from the government, corporation, or association creates a conflict of interest, and that the witness shall be represented by personal counsel not from the government, corporation or association.

(b) A witness who is unable for economic reasons to obtain counsel may inform the Committee at least 48 hours prior to the witness' appearance, and it will endeavor to obtain volunteer counsel for the witness. Such counsel shall be subject solely to the control of the witness and not the Committee. Failure to obtain counsel will not excuse the witness from appearing and testifying.

5. *Transcript.* An accurate electronic or stenographic record shall be kept of the testimony of all witnesses in executive and public hearings. Any witness shall be afforded, upon request, the right to review that portion of such record, and for this purpose, a copy of a witness' testimony in public or closed session shall be provided to the witness. Upon inspecting his transcript, within a time limit set by the committee clerk, a witness may request changes in testimony to correct errors of transcription, grammatical errors, and obvious errors of fact; the Chairman or a staff officer designated by him shall rule on such request.

6. *Impugned persons.* Any person who believes that evidence presented, or comment made by a member of staff, at a public hearing or at a closed hearing concerning which there have been public reports, tends to impugn his character or adversely affect his reputation may;

(a) file a sworn statement of facts relevant to the evidence or comment, which shall be placed in the hearing record;

(b) request the opportunity to appear personally before the Committee to testify in his own behalf; and

(c) submit questions in writing which he requests be used for the cross-examination of other witnesses called by the Committee. The Chairman shall inform the Committee of such requests for appearance or cross-examination. If the Committee so decides, the requested questions, or paraphrased versions or portions of them, shall be put to the other witness by a member or by staff.

7. *Minority witnesses.* Whenever any hearing is conducted by the Committee, the minority on the Committee shall be entitled, upon request made by a majority of the minority members to the Chairman, to call witnesses selected by the minority to testify or produce documents with respect to the measure or matter under consideration during at least one day of the hearing. Such request must be made before the completion of the hearing or, if subpoenas are required to call the minority witnesses, no later than three days before the completion of the hearing.

8. *Conduct of witnesses, counsel and members of the audience.* If, during public or executive sessions, a witness, his counsel, or any spectator conducts himself in such a manner as to prevent, impede, disrupt, obstruct, or interfere with the orderly administration of such hearing the Chairman or presiding Member of the Committee present during such hearing may request the Sergeant at Arms of the Senate, his representative or any law enforcement official to eject said person from the hearing room.

VI. DEPOSITIONS AND COMMISSION

1. *Notice.* Notices for the taking of depositions in an investigation authorized by the Committee shall be authorized and issued by the Chairman or by a staff officer designated by him. Such notices shall specify a time and place for examination, and the name of the staff officer or officers who will take the deposition. Unless otherwise specified, the deposition shall be in private. The Committee shall not initiate procedures leading to criminal or civil enforcement proceedings for a witness' failure to appear unless the deposition notice was accompanied by a Committee subpoena.

2. *Counsel.* Witnesses may be accompanied at a deposition by counsel to advise them of their rights, subject to the provisions of Rule V.4.

3. *Procedure.* Witnesses shall be examined upon oath administered by an individual authorized by local law to administer oaths. Questions shall be propounded orally by Committee staff. Objections by the witnesses as to the form of questions shall be noted by the record. If a witness objects to a question and refuses to testify on the basis of relevance or privilege, the Committee staff may proceed with the deposition, or may at that time or at a subsequent time, seek a ruling by telephone or otherwise on the objection from a member of the Committee. If the member overrules the objection, he may refer the matter to the Committee or he may order and direct the witness to answer the question, but the Committee shall not initiate the procedures leading to civil or criminal enforcement unless the witness refuses to testify after he has been ordered and directed to answer by a member of the Committee.

4. *Filing.* The Committee staff shall see that the testimony is transcribed or electronically recorded. If it is transcribed, the witness shall be furnished with a copy for review. No later than five days thereafter, the witness shall return a signed copy, and the staff shall enter the changes, if any, requested by the witness in accordance with Rule V.6. If the witness fails to return a signed copy, the staff shall note on the transcript the date a copy was provided and the failure to return it. The individual administering the oath shall certify on the transcript that the witness was duly sworn in his presence, the transcriber shall certify that the transcript is a true record to the testimony, and the transcript shall then be filed with the Committee clerk. Committee staff may stipulate with the witness to changes in this procedure; deviations from the procedure which do not substantially impair the reliability of the record shall not relieve the witness from his obligation to testify truthfully.

5. *Commissions.* The Committee may authorize the staff, by issuance of commission, to fill in prepared subpoenas, conduct field hearings, inspect locations, facilities, or systems of records, or accompanied by instructions from the Committee regulating their use.

VII. SUBCOMMITTEES

1. *Establishment.* The Committee will operate as a Committee of the Whole, reserving to itself the right to establish temporary subcommittees at any time by majority vote. The Chairman of the full Committee and the Ranking Minority Member shall be ex-officio members of all subcommittees.

2. *Jurisdiction.* Within its jurisdiction, as described in the Standing Rules of the Senate, each subcommittee is authorized to conduct investigations, including use of subpoenas, depositions, and commissions.

3. *Rules.* A subcommittee shall be governed by the Committee rules, except that its quorum of all business shall be one-third of the subcommittee membership, and for hearings shall be one member.

VIII. REPORTS

Committee reports incorporating Committee findings and recommendations shall be printed only with the prior approval of the Committee, after an adequate period for review and comment. The printing, as Committee documents, of materials prepared by staff for informational purposes, or the printing of materials not originating with the Committee or staff, shall require prior consultation with the minority staff; these publications shall have the following language printed on the cover of the document: "Note: This document has been printed for informational purposes. It does not represent either findings or recommendations formally adopted by the Committee."

IX. AMENDMENT OF RULES

The rules of the Committee may be amended or revised at any time, provided that not less than a majority of the Committee present so determine at a Committee meeting preceded by at least 3 days notice of the amendments or revisions proposed.●

CENTENNIAL CELEBRATION OF MOUNT PLEASANT

● Mr. LEVIN. Mr. President, this week, the city of Mount Pleasant, MI, is celebrating its 100th anniversary. Mount Pleasant is a city with character and charm, a city with many successes to its credit.

In 1855, John Hursh and his family arrived in central Michigan and became the first settlers of what is now Mount Pleasant. Later that year, a treaty between the United States and the Chippewa Indians established Mount Pleasant as an Indian settlement. Mount Pleasant grew rapidly and in 1879, it was connected to the Pere Marquette Railroad, making it a commercial post for farm and timber products. In 1889, Mount Pleasant became a city, and soon after, Central Michigan College was founded there. Central Michigan is now a major university which educates thousands of students each year.

We should certainly thank the residents of Mount Pleasant for making the city what it is today. Those citizens are still showing initiative and breaking new ground. In fact, just 4½ years ago, John Buckley of Mount Pleasant launched his 17-foot canoe from Milwaukee and, in the course of 3 weeks, became the first person to paddle a canoe alone across all five Great Lakes.

I want to congratulate Mayor William McCarthy and the entire Mount Pleasant community on the 100th anniversary of the city.●

ASIAN AMERICANS AND THE MODEL MINORITY LABEL

● Mr. SIMON. Mr. President, throughout this decade Asian Americans have been heralded by teachers, editorial writers, and elected officials as "the model minority." Parents of Asian American students, and the Nation as a whole, stand rightly proud of the Westinghouse Award winners, valedictorians, and military academy graduates.

This title, however, has come to be a mixed blessing. As Virginia Kee, a teacher at the Sun Yat Sen Intermediate School 131 in New York's Chinatown recently told the New York Times, "The stereotype is a compliment, but lots of Asian Americans need lots of help, and the stereotype makes it harder to get the resources to help them."

Some use the term "model minority" to point to Asian Americans as a minority group which has succeeded educationally and economically in this country. They use the success of Asian Americans as a reason for cutting back on affirmative action programs which other Asians and other minorities utilize to improve their status and enter the mainstream. Using the term "model minority" in this way is unfortunate because Asian Americans are not a monolithic group. The broad brush of "model minority" masks the language barriers and impoverished economic conditions of some Asian Americans and health care and housing shortages in Chinatowns and refugee communities. It pits one minority group against another and puts undue pressure on youngsters who are blamed for not fulfilling the "model."

We need to take a closer look at the conditions of Asian Americans in the United States. The Census Bureau recently decided to retain its 1980 census questionnaire which collected information about Asian Americans broken down into nine different subgroups. Information collected in this way will enable policymakers to better define the status of all Asian Americans and address their needs. I hope that in the future we can continue to hail the accomplishments of Asian Americans but do so more realistically without the term "model minority."

Mr. President, I ask that the previously referred to materials from the New York Times be printed in the RECORD.

The materials follows:

MEETING THE NEEDS OF ASIAN-AMERICANS WHO DON'T FIT THE "MODEL MINORITY" MOLD

(By Edward B. Fiske)

Asian-American students are widely viewed as a "model minority" who adapt quickly and successfully to American ways. Students like Richard Yao are the reason why.

A ninth grader at Sun Yat Sen Intermediate School 131 in Chinatown, Mr. Yao was born on a farm outside Canton and arrived in the United States in 1982 at the age of 8. He worked hard at his studies because, as he put it, "our families want others to think well of them." Last year, writing in his second language, he won a prize in the Board of Education's annual poetry contest.

But consider, too, the case of one of his classmates, also a member of the "model minority." She has cut school more than 50 times this year, is failing major subjects and will probably be asked to repeat ninth grade. Teachers say that she has musical talent, but it has gone undeveloped.

The contrast between Mr. Yao and his classmate and others like them is becoming increasingly worrisome to educators working with Asian-American young people. The New York City Board of Education estimates that 13 percent of Asian-American students drop out of high school. While this is half the official overall rate, it contrasts sharply with the popular stereotype that most Asian-American students are valedictorians on their way to Nobel Prizes.

"The stereotype is a compliment," said Virginia Kee, a teacher at Sun Yat Sen. "But lots of Asian-Americans need lots of help, and the stereotype makes it harder to get the resources to help them."

A wide body of research has shown that the academic performance of immigrant children is strongly influenced by family background, parents and the circumstances that led to their arrival on American shores.

Among Hispanic-American people, for example, the children of the middle-class Cubans who fled Fidel Castro's Cuba for political reasons have as a group, fared better academically than the children of poorly educated Mexican farm workers who crossed the river out of economic desperation.

Likewise, the immigrants from Hong Kong and Taiwan, as well as the first boat people from Vietnam, who began creating the "model minority" image in the mid-1970's were for the most part middle-class families who arrived with a passion for education.

Jane Shapiro, the assistant principal, recalls taking a group of students to the Metropolitan Museum and watching them startle bystanders by taking off their shoes. "It was their way of showing how important the museum looked to them," she said.

But recent immigrants have come with different luggage. "The change began when China opened up in the late 1970's," said Betty Lee Sung, a City College sociologist. "Poorly educated students from rural areas of China began to arrive as well as refugees from Southeast Asia. You don't have to be wealthy and educated to flee violence."

These newer immigrants have the problems common to disadvanaged students of all backgrounds as well as a few special ones. With both parents working long hours, the students are frequently left on their own. "The parents want them to do well in school, but since many of them don't speak English, they aren't in a position to be much help," said Archer Wah Dong, principal of Sun Yat Sen.

Some seventh graders arrive with no formal education. For others, schooling involved a few months of sitting on benches listening to moral homilies from itinerant teachers.

In dealing with students who have been taught not to challenge authority, American teachers find it easy to misinterpret a student's silence as comprehension. Likewise, said Mr. Dong, students from a culture that discourages outward displays of emotion "frequently have trouble adapting to a culture where you are supposed to deal with problems in terms of emotion."

Teachers say the anti-intellectual strains of the Cultural Revolution of 1966 to 1976 can be seen in students whose parents attended rural schools at that time. "There's a whole group of young adults in their 30's who did not have much schooling," Ms. Kee said. The flip side is that such students tend to be more assertive in class. "They'll even tell you that your desk is a mess," Ms. Shapiro said.

The staff at Sun Yat Sen has developed techniques to meet these special needs. Newly arrived immigrants are put into a special "Welcome School" with small class and assigned another student as their "buddy" to show them the ropes. Language classes emphasize oral communication, and teachers make use of peer tutoring. Pace University has helped set up an after-school "Stay in School" program that offers counseling and recreational activities.

Teachers at Sun Yat Sen cite Richard Yao, whose parents were farmers with minimal education, as evidence that students from any background can succeed. Their odds are better, though, if the public does not assume that all Asian-Americans fit the "model minority" image.●

TRIBUTE TO FLORETTE ANGEL

● Mr. ROCKEFELLER. Mr. President, today I wish to speak in praise of a fellow West Virginian, a long time colleague and a true friend. I pay tribute to Florette Angel, this year's winner of the Susan B. Anthony Award from West Virginia's chapter of the National Organization of Women. This is a highly deserved recognition of Florette's longstanding leadership and commitment to the people—particularly women and children—of our State and the rest of the Nation.

Florette's unfaltering spirit and voluntarism have been honored many times in the past by both friends and other organizations. But it is especially fitting for her to receive an award named after Susan B. Anthony, one of history's great advocates for women's rights. Over the years, Florette Angel has contributed to many organizations and efforts devoted to advancing the rights and conditions of women. She has raised our consciousness about the problems of women, children, and the poor, and has worked relentlessly to spur changes and solutions to erase those problems.

Florette Angel has that magical ability to aspire to ambitious and bold goals, but at the same time has the discipline and intuition to direct herself and others toward the "art of the possible." Florette doesn't leave only words and wishes in her wake. She leaves tangible improvements and contributions that affect people's lives and attitudes. She knows how to get things done, and she has produced results that are truly impressive.

Her work to date involves numerous organizations, coalitions, and projects that would take pages to list. Her current endeavors signify her commitment to serving others and her special values. Currently, Florette directs the West Virginia Youth Coalition, a voice and force in our State for a generation so often misunderstood or neglected. She also is the West Virginia State Public Affairs Chair for the National Coalition for Jewish Women.

Florette Angel is part of a family who shares values and love that should inspire us all. Married 25 years to Philip Angel, she and her husband have raised three delightful sons, Philip, Emile, and Antony.

I commend my friend and fellow West Virginian, Florette Angel, for her life of public service and accomplishment. Knowing her, I am sure we haven't seen half of the contributions she will make to society. I personally look forward to continuing to work with Florette for many years to come. She is an inspiration to me, and these words of praise today are intended to share that inspiration with many, many others.●

THE NATIONAL DEMOCRATIC INSTITUTE'S REPORT ON ELECTIONS IN EL SALVADOR

● Mr. MOYNIHAN. Mr. President, on March 19 the voters of El Salvador will elect a new President. This most important event is the subject of a report issued by the National Democratic Institute for International Affairs, an organization that has done much to promote democratization around the world. Indeed, the nonpartisan political development programs NDI has conducted in Chile, Pakistan, the Philippines, and elsewhere exemplify why this organization merits our continued support.

"The 1989 Salvadoran Election: Challenges and Opportunities" concludes that the election may well lead to a lawful and orderly transfer of power, an important step toward the consolidation of democracy in El Salvador. More specifically, the NDI report concludes, in response to the questions that had been raised in the past few weeks, that—

The process established by laws and regulations for the conduct of the March 19 presidential election in El Salvador is basically sound.

Mr. President, a brief word about the provenance of this judgment. The National Democratic Institute is the nonprofit international affairs institute associated with the Democratic Party which conducts nonpartisan political development programs abroad. Working with political parties and other institutions, NDI seeks to promote, maintain, and strengthen demo-

cratic institutions and pluralism in new and emerging democracies.

Although NDI's work is supported by private contributions, it also receives public funds—which suggests that the Congress should inform itself as to the work NDI performs. Senators will be familiar with NDI's important work in Chile, the Philippines, Pakistan, and Northern Ireland, among its numerous programs. In the case of this report on the upcoming Salvadoran election, it is fair to say that NDI has performed an important service for the international community.

The report is based on the findings of an international team of independent experts in election law, who contributed their expertise and their time on a pro bono basis. The team included: Jorge Mario Garcia LaGuardia, alternate magistrate of the Constitutional Tribunal of Guatemala; Enrique Raven, director of operations, Supreme Electoral Council of Venezuela; Samuel Quinones, director of the Center for Electoral Studies for the State Election Commission, in the Commonwealth of Puerto Rico; Eva Loser, research associate at the Center for Strategic and International Studies, in Washington; George Vickers, director of the Institute for Central American Studies at the City University of New York. The project director for NDI was Stephen J. Del Rosso, who was assisted by Michael Stoddard.

This team visited El Salvador February 18 to 23 and conducted interviews with elections officials, leading members of all parties, civic leaders, and independent analysts. The examination focused on the newly enacted electoral code reforms, the administration preparations for the election, the campaign climate, and recent proposals by the Farabundo Marti National Liberation Front [FMNLN] as they relate to the electoral process.

The team determined that the Salvadoran electoral system has, overall, accommodated the basic needs of the political parties and the electorate. Despite the country's politically polarized atmosphere and increasing climate of violence, the following conclusions were set forth:

A comprehensive framework for a procedurally correct election has been devised;

Remaining concerns about the impact of certain electoral code reforms do not undermine the basic integrity of the electoral process;

The central election council has thus far fulfilled its responsibilities in a generally fair and expeditious manner;

The contending parties themselves are satisfied with the commitment of the authorities to the electoral process, and they do not view present conditions as an insurmountable obstacle to their participation in the election;

Although general preparations for the election appear, by and large, to be progressing smoothly, an extension of the deadline for delivery of voting cards would have allowed a greater number of Salvadorans to exercise their right vote;

Unless carefully scrutinized, the electoral reforms contained in the FMLN proposals could cause considerable problems in their implementation.

These are important observations to have before us as election day approaches, all the more valuable because they come from a group of independent and recognized experts in the field of elections law in Latin America.

The most important assessment of the Salvadoran electoral process, however, as NDI notes in its conclusion, will be made by the people of El Salvador on election day and in the days that follow. We are all better able to understand their situation, as we develop our own response and policies, thanks to the good work of the National Democratic Institute for International Affairs.

Mr. President, I ask that the executive summary and conclusion of the report I have cited be printed at this point in the RECORD.

The material follows:

[National Democratic Institute for International Affairs]

THE 1989 SALVADORAN ELECTION: CHALLENGES AND OPPORTUNITIES

(A Pre-Election Survey Report February 18-23, 1989)

EXECUTIVE SUMMARY

An international delegation, sponsored by the National Democratic Institute for International Affairs (NDI), visited El Salvador February 18-23, 1989 to review the legal and administrative framework for the March 19 presidential election. The delegation met with a variety of government and non-government officials, including representatives of the Central Election Council, the Supreme Court, the political parties, the Catholic Church, human rights groups, the Ministry of Defense, labor organizations, lawyer federations and the academic community.

Given NDI's continuing interest in supporting democratic institutions, including electoral systems, the delegation focused its efforts on the newly-enacted Electoral Code reforms, the administrative preparations for the election, the campaign climate and the recent proposals by the Farabundo Marti National Liberation Front (FMLN) as they relate to the electoral process.

Based on the information received while in El Salvador, the delegation offers the following summary conclusions:

The process established by laws and regulations for the conduct of the March 19 election is basically sound. A comprehensive framework for a procedurally correct election has been devised.

The Central Election Council has thus far fulfilled its responsibilities in a generally fair and expeditious manner.

The actual implementation of the legal and administrative procedures in the period preceding, during and after election day will determine the ultimate fairness of the election.

Observations on the specific issues reviewed are as follows:

Electoral code reforms

A recent agreement between the executive and legislative branches formally resolved a three-month dispute over reforms to the Electoral Code. Remaining concerns about the impact of certain reforms do not undermine the basic integrity of the electoral system.

Administrative process

General preparations for the election appear, by and large, to be progressing smoothly. Nevertheless, concerns were raised that as many as 15 percent of the eligible electorate would not be able to vote because of problems with the processing and delivery of voting cards. Analysis of the electoral results may indicate whether the delays were the consequence of bureaucratic problems or an attempt to disenfranchise certain segments of the population for political reasons, or some combination of the two.

The campaign climate

The electoral campaign has occurred within a climate of increasing violence. Despite the undeniable hardship this situation has created, the contending parties are generally satisfied with the commitment of the authorities to the electoral process, and they do not view present conditions as an insurmountable obstacle to their participation.

FMLN reforms

The electoral reforms contained in the recent FMLN proposals—relating to the extension of the vote to Salvadorans living outside of the country, the expansion of the Central Election Council, and the role of the military in the electoral process—merit appropriate study and consideration. The FMLN claims the proposals are designed to increase participation and confidence in the process. However, unless carefuly scrutinized, they could cause considerable problems in their implementation.

In summation, the delegation concludes that, despite current circumstances in El Salvador, the electoral system has accommodated the basic needs of the political parties and the electorate. Thus, the potential exists for a free and fair presidential election. The delegation hopes that all Salvadorans will recognize that a vibrant democratic system offers the best means for resolving societal conflicts, and for resisting the challenges posed by extremists who take up arms to advance their cause.

CONCLUSION

El Salvador's electoral system is a product of the country's developing democracy. Still young and largely untested, its deficiencies are well known to those familiar with it. However, as described in this report, the system, by and large, has proven responsive to the basic needs of the political parties and the electorate. Thus, the potential exists for a free and fair presidential election. Although a free and fair election can play a vital role in promoting a stable and democratic transfer of power, post-election developments will ultimately determine whether Salvadoran democracy can be sustained.

It is hoped that this report will assist prospective election observers by shedding light on certain aspects of the electoral process. Such information can help provide a basis for evaluating the legitimacy of the election. The final judgment, however, must be

made by the Salvadoran people who will live with its consequences.●

A VIEW FROM THE MIT PRESSURE COOKER

● Mr. KERRY. Mr. President, I want to insert into the RECORD an interview in the Wall Street Journal with a leader in the academic community, Dr. Paul Gray, president of the Massachusetts Institute of Technology.

Throughout the 1980's, Paul Gray has proven to be a leader of great insight. In this interview, as in his actions as president of MIT, Dr. Gray recognizes America's need to improve international competitiveness, and particularly to increase productivity. As a leading member of the academic community, he speaks with great authority on the increasing importance of precollege education in math and the sciences, and accurately points out the benefits which American society will receive if we pay more attention to educating our children.

Additionally, Dr. Gray addresses the increasing problem of global warming. He agrees that we must raise national awareness of the problem and increase our conservation efforts.

The interview follows:

A VIEW FROM THE MIT PRESSURE COOKER

(By Gary Putka)

Paul Gray has been president of the Massachusetts Institute of Technology throughout the 1980's. His term has seen recognition for MIT's role in stimulating local prosperity, and many attempts to replicate this elsewhere. Some 460 Massachusetts companies were started by MIT graduates or faculty, the largest being Digital Equipment Corp.

As president, Mr. Gray also headed a U.S. technological temple during the first period of doubt about American scientific primacy. This month, Mr. Gray said he would resign in July to become chariman of the school's governing board, MIT Corp. In this Cambridge, Mass., office, Mr. Gray answered questions on a wide range of topics. Here are edited excerpts:

What's your assessment of U.S. competitiveness in the 10 years since you became president?

There's been a transition from a period in which our competitiveness in international markets was declining to one in which we have made changes [that will make] us more competitive. Through most of the '60s and '70s, we were increasing manufacturing productivity less than our competitors. That caused us to lose markets—consumer electronics being the most conspicuous example—and it caused us a lot of pain in areas like automobiles.

The problem was not really understood until some time in the '80s. And we now have seen efforts to turn this situation around. There has been a concerted effort by automobile manufacturers to make products that are more attractive, which are more reliable and which can be made less expensively. We are now the world's low-cost producers in many grades of steel. So I think there has begun to be some attention to these problems.

What more needs to be done?

We need to pay considerably more attention to the first 12 years of school, particularly to achieve higher competence in math and science. Youngsters all study math up to about the eighth grade, and [then] about half drop out each year, so by 12th grade, only a very small fraction have studied enough math to be able to use it in their employment. Therefore they have difficulty adapting to techniques that the Japanese have pioneered—in which the manufacturing worker becomes an important resource to the company. [Such a worker] understands the nature of the manufacturing process, suggests improvements and sees ways in which quality can be improved or costs can be reduced.

We also need to pay more attention to the education of [engineers and managers]. In engineering schools generally, the focus has been on underlying science, the basic principles of the field and design. There has been very little attention paid to the manufacturing process. There needs to be recognition that someone who makes a manufacturing line run well has a skill that needs to be rewarded.

There's also been concern about fewer U.S. engineering degrees.

If we were to expect of all of our high school graduates considerably more understanding of mathematics, and somewhat more understanding of science, the possibilities of a career in engineering would at least be open to a youngster. As it is now, that future is almost foreclosed to them.

Do you see dangers in the increasing closeness between business and higher education? Haven't research scandals grown as business has been more involved on campus?

I believe that's mostly coincidence. If you look at the kind of competition in academic research that has led to misrepresentation—even outright fraud—those people were not motivated by the possibility for commercial gain. They may have been motivated by desire for the Nobel Prize. The spinoff of industry from academics does not get you into tensions. The place where tensions arise is when an industry sponsors research on campus. It is perfectly possible in that circumstance to work out common ground rules that do not breach moral or ethical responsibilities.

You've talked in the past about global warming. How worried should we be?

I think that global warming is inevitable simply because we are pumping large quantities of gas into the atmosphere. Only in doubt is what the detailed consequences will be. Politicians and industrialists [must] recognize that actions have to be taken now [or] the world will be a lot less pleasant place for our grandchildren. We have to put a lot more emphasis on conservation. We need to consider alternatives to fossil fuels. Nuclear power needs to be one of those alternatives.

Do you have some ideas about the promotion of safer nuclear energy?

I believe the present generation of nuclear reactors can be operated safely. But—a big but—the public are not persuaded that these reactors with their multiply-redundant safety systems can be operated safely. It's possible to conceptualize, design and build a different kind of reactor, smaller in size, with a different structure of fuel, different mode of cooling, different design. The advantage is you can pull out all the control rods, take the entire staff and walk away, and it won't damage itself. If you build a reactor that is what scientists call "passively safe," you have some chance of persuading the public that the hazard of a meltdown is not what they think it is.

Why doesn't MIT build it?

You're talking about an investment of tens of billions of dollars—and no one wants to make that investment. The government isn't interested in it at the moment. The nuclear power industry isn't going to get burned again, having been burned at Seabrook, Shoreham and other places.

There have been some well-publicized cases of student suicides here in your tenure. Is MIT a pressure cooker?

Looking at it over 25 years, we're just about at the norm in suicides for colleage-age students. It nonetheless is a high-pressure environment. The youngsters who come here have all done extremely well. The freshman class of about 1,000 includes about 300-350 valedictorians. Ninety percent have been in the top 10% of their high school. They come here and one of the first great discoveries is that there's a bottom half of the class. The social and intellectual adjustment to knowing you [will] not be in the top 10% of class anymore is a tough one. I said in my inaugural remarks that the place would be better off if we turned the throttle back a little. I was not talking about making the place Suntan U, but simply turning the throttle back a little. Did I succeed? No. I never even laid a glove on it.●

GREEK INDEPENDENCE DAY

● Mr. SIMON. Mr. President, on March 25, citizens of Greece and Greek Americans will be commemorating the 168th anniversary of the start of the revolution for Greek independence. I am proud to be cosponsoring the resolution honoring Greek Independence Day, because Greece and Greek Americans have given us so much.

Few other nations have had such an overwhelming effect on Western civilization than has Greece. I am in complete agreement with Percy Bysshe Shelly's famous quotation: "We are all Greeks! Our laws, our literature, our religion, our art, have their roots in Greece."

On March 25, 1821, the Greek nation proclaimed its independence from the Ottoman Empire and began its hard-fought and bloody war of independence from the Ottomans. Just as we looked to ancient Greece for inspiration and for a model for our new Nation during our struggle for independence, the 19th-century Greeks held our young Nation and the American Revolution as their model for struggle and their ideal nation-state. Greek commander in chief, Petros Mavomichalis, said at the time, addressing the United States, "having formed the resolution to live or die for freedom, we are drawn toward you by a just sympathy since it is in your land that liberty has fixed her abode, and by you that she is prized as by our fathers. Hence, honoring her name, we invoke yours at the same time, trusting that in imitating you, we shall imitate our ancestors and be thought

worthy of them if we succeed in resembling you. * * *"

Today, democracy in Greece is alive and vibrant and Greeks continue to contribute importantly to Western society both in Greece and abroad. During the early 1900's, many Greeks emigrated to the United States to begin a new life and they and their families made a strong and positive impact in this country. The contributions Greek Americans have made to this country in the fields of politics, religion, popular culture and entertainment, science, medicine, and the arts have been significant and beneficial. The United States and Greece have enjoyed an exemplary and mutually profitable relationship.

It is with distinct pleasure that I join in this celebration of Greek Independence Day, a celebration in large part of democracy itself.●

RULES OF THE SELECT COMMITTEE ON ETHICS

● Mr. HEFLIN. Mr. President, in accordance with rule XXVI of the Standing Rules of the Senate, I ask that the Rules of Procedure of the Select Committee on Ethics, which were adopted February 23, 1978, be printed in the CONGRESSIONAL RECORD for the 101st Congress.

The material follows:

RULES OF THE SELECT COMMITTEE ON ETHICS

(Adopted February 23, 1978)

PART I:—ORGANIC AUTHORITY

Subpart A—S. Res. 338 as amended

Resolved, That (a) there is hereby established a permanent select committee of the Senate to be known as the Select Committee on Ethics [1] (referred to hereinafter as the "Select Committee") consisting of six Members of the Senate, of whom three shall be selected from members of the majority party and three shall be selected from members of the minority party. Members thereof shall be appointed by the Senate in accordance with the provisions of Paragraph 1 of Rule XXIV of the standing rules for the Senate at the beginning of each Congress.[1] For purposes of paragraph 4 of rule XXV of the Standing Rules of the Senate, service of a Senator as a member or chairman of the Select Committee shall not be taken into account.

(b) Vacancies in the membership of the Select Committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments thereto are made.

(c)(1) A majority of the Members of the Select Committee shall constitute a quorum for the transaction of business involving complaints and allegations of misconduct, including the consideration of matters involving sworn complaints, unsworn allegations or information, resultant preliminary inquiries, initial reviews, investigations, hearings, recommendations or reports and matters relating to Senate Resolution 400, agreed to May 19, 1976.

(2) Three Members shall constitute a quorum for the transaction of routine business of the Select Committee not covered by the first paragraph of this subparagraph, including requests for opinions and interpretations concerning the Code of Official Conduct or any other statute or regulation under the jurisdiction of the Select Committee, if one Member of the quorum is a Member of the Majority Party and one Member of the quorum is a Member of the Minority Party. During the transaction of routine business any Member of the Select Committee constituting the quorum shall have the right to postpone further discussion of a pending matter until such time as a majority of the Members of the Select Committee are present.

(3) The Select Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.[2]

[3] "(d)(1) A member of the Select Committee shall be ineligible to participate in any initial review or investigation relating to his own conduct, the conduct of any officer or employee he supervises, or the conduct of any employee of any officer he supervises, or relating to any complaint filed by him, and the determinations and recommendations of the Select Committee with respect thereto. For purposes of this subparagraph, a Member of the Select Committee and an officer of the Senate shall be deemed to supervise any officer or employee consistent with the provision of paragraph 11 of rule XXXVII of the Standing Rules of the Senate.

"(2) A member of the Select Committee may, at his discretion, disqualify himself from participating in any initial review or investigation pending before the Select Committee and the determinations and recommendations of the Select Committee with respect thereto. Notice of such disqualification shall be given in writing to the President of the Senate.

"(3) Whenever any member of the Select Committee is ineligible under paragraph (1) to participate in any initial review or investigation or disqualifies himself under paragraph (2) from participating in any initial review or investigation, another Member of the Senate shall, subject to the provisions of subsection (d), be appointed to serve as a member of the Select Committee solely for purposes of such initial review or investigation and the determinations and recommendations of the Select Committee with respect thereto. Any Member of the Senate appointed for such purposes shall be of the same party as the Member who is ineligible or disqualifies himself."

SEC. 2. (a) It shall be the duty of the Select Committee to—

(1) receive complaints and investigate allegations of improper conduct which may reflect upon the Senate, violations of law, violations of the Senate Code of Official Conduct [4] and violations of rules and regulations of the Senate, relating to the conduct of individuals in the performance of their duties as Members of the Senate, or as officers or employees of the Senate, and to make appropriate findings of fact and conclusions with respect thereto;

(2) recommend to the Senate by report or resolution by a majority vote of the full committee disciplinary action (including, but not limited to, in the case of a Member: censure, explusion, or recommendation to the appropriate party conference regarding such Member's seniority or positions of responsibility; and, in the case of an officer or employee: suspension or dismissal)" [5] to be taken with respect to such violations which the Select Committee shall determine, after according to the individuals concerned due notice and opportunity for hearing, to have occurred;

(3) recommend to the Senate, by report or resolution, such additional rules or regulations as the Select Committee shall determine to be necessary or desirable to insure proper standards of conduct by Members of the Senate, and by officers or employees of the Senate, in the performance of their duties and the discharge of their responsibilities; and

(4) report violations by a majority vote of the full committee of any law to the proper Federal and State authorities.

"(b)(1) Each sworn complaint filed with the Select Committee shall be in writing, shall be in such form as the Select Committee may prescribe by regulation, and shall be under oath.

"(2) For purposes of this section, 'sworn complaint' means a statement of facts within the personal knowledge of the complainant alleging a violation of law, the Senate Code of Official Conduct, or any other rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate.

"(3) Any person who knowingly and willfully swears falsely to a sworn complaint does so under penalty of perjury, and the Select Committee may refer any such case to the Attorney General for prosecution.

"(4) For the purposes of this section, 'investigation' is a proceeding undertaken by the Select Committee after a finding, on the basis of an initial review, that there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred.

"(c)(1) No investigation of conduct of a Member or officer of the Senate, and no report, resolution, or recommendation relating thereto, may be made unless approved by the affirmative recorded vote of not less than four members of the Select Committee.

"(2) No other resolution, report, recommendation, interpretative ruling, or advisory opinion may be made without an affirmative vote of a majority of the members of the Select Committee voting.

"(d)(1) When the Select Committee receives a sworn complaint against a Member or officer of the Senate, it shall promptly conduct an initial review of that complaint. The initial review shall be of duration and scope necessary to determine whether there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred.

"(2) If as a result of an initial review under paragraph (1), the Select Committee determines by a recorded vote that there is not such substantial credible evidence, the Select Committee shall report such determination to the complainant and to the party

[1] Changed by Section 102 of S. Res. 4 (February 4, 1977).

[2] Changed by S. Res. 78 (February 24, 1981).

[3] Added by S. Res. 110 (April 2, 1977).

[4] Added by section 201 of S. Res. 110 (April 2, 1977).

[5] Added by Section 205 of S. Res. 110 (April 2, 1977).

charged together with an explanation of the basis of such determination.

"(3) If as a result of an initial review under paragraph (1), the Select Committee determines that a violation is inadvertent, technical or otherwise of a *de minimus* nature, the Select Committee may attempt to correct or prevent such a violation by informal methods.

"(4) If as a result of an initial review under paragraph (1), the Select Committee determines that there is such substantial credible evidence but that the violation, if proven, is neither of a de minimus nature nor sufficiently serious to justify any of the penalties expressly referred to in subsection (a)(2), the Select Committee may propose a remedy it deems appropriate. If the matter is thereby resolved, a summary of the Select Committee's conclusions and the remedy proposed shall be filed as a public record with the Secretary of the Senate and a notice of such filing shall be printed in the Congressional Record.

"(5) If as the result of an initial review under paragraph (1), the Select Committee determines that there is such substantial credible evidence, the Select Committee shall promptly conduct an investigation if (A) the violation, if proven, would be sufficiently serious, in the judgment of the Select Committee, to warrant imposition of one or more of the penalties expressly referred to in subsection (a)(2), or (B) the violation, if proven, is less serious, but was not resolved pursuant to paragraph (4) above. Upon the conclusion of such investigation, the Select Committee shall report to the Senate, as soon as practicable, the resuits of such investigation together with its recommendations (if any) pursuant to subsection (a)(2).

"(2) Upon the conclusion of any other investigation respecting the conduct of a Member or officer undertaken by the Select Committee, the Select Committee shall report to the Senate, as soon as practicable, the results of such investigation together with its recommendations (if any) pursuant to subsection (a)(2).

"(e) When the Select Committee receives a sworn complaint against an employee of the Senate, it shall consider the complaint according to procedures it deems appropriate. If the Select Committee determines that the complaint is without substantial merit, it shall notify the complainant and the accused of its determination, together with an explanation of the basis of such determination.

"(f) The Select Committee may, in its discretion, employ hearing examiners to hear testimony and make findings of fact and/or recommendations to the Select Committee concerning the disposition of complaints.

"(g) Notwithstanding any other provision of this section, no initial review or investigation shall be made of any alleged violation of any law, the Senate Code of Official Conduct, rule, or regulation which was not in effect at the time the alleged violation occurred. No provisions of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code. The Select Committee may conduct an initial review or investigation of any alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Select Committee.

"(h) The Select Committee shall adopt written rules setting forth procedures to be used in conducting investigations of complaints."[6]

[7] (i) The Select Committee from time to time shall transmit to the Senate its recommendation as to any legislative measures which it may consider to be necessary for the effective discharge of its duties.

SEC. 3. (a) The Select Committee is authorized to (1) make such expenditures; (2) hold such hearings; (3) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (4) require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (5) administer such oaths; (6) take such testimony orally or by deposition; (7) employ and fix the compensation of *a staff director, a counsel, an assistant counsel, one or more investigators, one or more hearing examiners,*[8] and such technical, clerical, and other assistants and consultants as it deems advisable; and (8) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, by contract as independent contractors or, in the case of individuals, by employment at daily rates of compensation not in excess of the per diem equivalent of the highest rate of compensation which may be paid to a regular employee of the Select Committee.[9]

[10] (b)(1) The Select Committee is authorized to retain and compensate counsel not employed by the Senate (or by any department or agency of the executive branch of the Government) whenever the Select Committee determines that the retention of outside counsel is necessary or appropriate for any action regarding any complaint or allegation, which, in the determination of the Select Committee is more appropriately conducted by counsel not employed by the Government of the United States as a regular employee.

"(2) Any investigation conducted under section 2 shall be conducted by outside counsel as authorized in paragraph (1), unless the Select Committee determines not to use outside counsel."; and

[11] "(c) With the prior consent of the department or agency concerned, the Select Committee may (1) utilize the services, information and facilities of any such department or agency of the Government," and (2) employ on a reimbursable basis or otherwise the services of such personnel of any such department or agency as it deems advisable.

With the consent of any other committee of the Senate, or any subcommittee thereof, the Select Committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the chairman of the Select Committee determines that such action is necessary and appropriate.

"(d) Subpoenas may be issued (1) by the Select Committee or (2) by the chairman and vice chairman, acting jointly. Any such subpoena shall be signed by the chairman or the vice chairman and may be served by any person designated by such chairman or vice chairman. The chairman of the Select Committee or any member thereof may administer oaths to witnesses." [12]

[13] "(e)(1) The Select Committee shall prescribe and publish such regulations as it feels are necessary to implement the Senate Code of Official Conduct.

"(2) The Select Committee is authorized to issue interpretative rulings explaining and clarifying the application of any law, the Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction.

"(3) The Select Committee shall render an advisory opinion, in writing within a reasonable time, in response to a written request by a Member or officer of the Senate or a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

"(4) The Select Committee may in its discretion render an advisory opinion in writing within a reasonable time in response to a written request by any employee of the Senate concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

"(5) Notwithstanding any provision of the Senate Code of Official Conduct or any rule or regulation of the Senate, any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of paragraphs (3) and (4) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

"(6) Any advisory opinion rendered by the Select Committee under paragraphs (3) and (4) may be relied upon by (A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered: *Provided, however,* That the request for such advisory opinion included a complete and accurate statement of the specific factual situation; and, (B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

"(7) Any advisory opinion issued in response to a request under paragraph (3) or (4) shall be printed in the Congressional Record with appropriate deletions to assure the privacy of the individual concerned. The Select Committee shall, to the extent practicable, before rendering an advisory opinion, provide any interested party with an opportunity to transmit written comments to the Select Committee with respect to the request for such advisory opinion. The advisory opinions issued by the Select Committee shall be compiled, indexed, reproduced, and made available on a periodic basis.

"(8) A brief description of a waiver granted under paragraph 2(c) of rule XXXIV or

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[6] Added by Section 202 of S. Res. 110 (April 2, 1977).

[7] Changed by Section 202 of S. Res. 110 (April 2, 1977).

[8] Added by Section 204 of S. Res. 110 (April 2, 1977).

[9] Added by S. Res. 230 (July 25, 1977).

[10] Added by Section 204 of S. Res. 110 (April 2,

[11] Changed by Section 204 of S. Res. 110 (April 2, 1977).

[12] Section added by S. Res. 312 (Nov. 1, 1977).

[13] Section added by Section 206 of S. Res. 110 (April 2, 1977).

paragraph 1 of rule XXXV of the Standing Rules of the Senate shall be made available upon request in the Select Committee office with appropriate deletions to assure the privacy of the individual concerned."

"SEC. 4. The expenses of the Select Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Select Committee.

SEC. 5. As used in this resolution, the term "officer or employee of the Senate" means—

(1) an elected officer of the Senate who is not a Member of the Senate;

(2) an employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

(3) the Legislative Counsel of the Senate or any employee of his office;

(4) an Official Reporter of Debates of the Senate and any person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties;

(5) a member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate;

(6) an employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate; and

(7) an employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate.

Subpart B—Public Law 93-191—Franked mail, provisions relating to the select committee

SEC. 6. (a) The Select Committee on Standards and Conduct of the Senate shall provide guidance, assistance, advice and counsel, through advisory opinions or consultations, in connection with the mailing or contemplated mailing of franked mail under section 3210, 3211, 3212, 3218(2) or 3218, and in connection with the operation of section 3215, of title 39, United States Code, upon the request of any Member of the Senate or Member-elect, surviving spouse of any of the foregoing, or other Senate official, entitled to send mail as franked mail under any of those sections. The select committee shall prescribe regulations governing the proper use of the franking privilege under those sections by such persons.

(b) Any complaint filed by any person with the select committee that a violation of any section of title 39, United States Code, referred to in subsection (a) of this section is about to occur or has occurred within the immediately preceding period of 1 year, by any person referred to in such section (a), shall contain pertinent factual material and shall conform to regulations prescribed by the select committee. The select committee, if it determines there is reasonable justification for the complaint, shall conduct an investigation of the matter, including an investigation of reports and statements filed by that complainant with respect to the matter which is the subject of the complaint. The committee shall afford to the person who is the subject of the complaint due notice and, if it determines that there is substantial reason to believe that such violation has occurred or is about to occur, opportunity for all parties to participate in a hearing before the select committee. The select committee shall issue a written decision on each complaint under this subsection not later than thirty days after such a complaint has been filed or, if a hearing is held, not later than thirty days after the conclusion of such hearing. Such decision shall be based on written findings of fact in the case by the select committee. If the select committee finds, in its written decision, that a violation has occurred or is about to occur, the committee may take such action and enforcement as it considers appropriate in accordance with applicable rules, precedents, and standing orders of the Senate, and such other standards as may be prescribed by such committee.

(c) Notwithstanding any other provision of law, no court or administrative body in the United States or in any territory thereof shall have jurisdiction to entertain any civil action of any character concerning or related to a violation of the franking laws or an abuse of the franking privilege by any person listed under subsection (a) of this section as entitled to send mail as franked mail, until a complaint has rendered a decision under subsection (b) of this section.

(d) The select committee shall prescribe regulations for the holding of investigations and hearings, the conduct of proceedings, and the rendering of decisions under this subsection providing for equitable procedures and the protection of individual, public, and Government interests. The regulations shall, insofar as practicable, contain the substance of the administrative procedure provisions of sections 551-559 and 701-706 of title 5, United States Code. These regulations shall govern matters under this subsection subject to judicial review thereof.

(e) The select committee shall keep a complete record of all its actions, including a record of the votes on any questions on which a record vote is demanded. All records, data and files of the select committee shall be the property of the Senate and shall be kept in the offices of the select committee or such other places as the commitee may direct.

Subpart C—Standing orders of the Senate regarding unauthorized disclosure of intelligence, information, S. Res. 400, 94th Congress, provisions relating to the select committee

SEC. 8. * * *

(c)(1) No information in the possession of the select committee relating to the lawful intelligence activities of any department or agency of the United States which has been classified under established security procedures and which the select committee, pursuant to subsection (a) or (b) of this section, has determined should not be disclosed, shall be made available to any person by a Member, officer, or employee of the Senate except in a closed session of the Senate or as provided in paragraph (2).

(2) The select committee may, under such regulations as the committee shall prescribe to protect the confidentiality of such information, make any information described in paragraph (1) available to any other committee or any other Member of the Senate. Whenever the select committee makes such information available, the committee shall keep a written record showing, in the case of any particular information, which committee or which Members of the Senate received such information. No Member of the Senate who, and no committee which, receives any information under this subsection, shall disclose such information except in a closed session of the Senate.

(d) It shall be the duty of the Select Committee on Standards and Conduct to investigate any unauthorized disclosure of intelligence information by a Member, officer or employee of the Senate in violation of subsection (c) and to report to the Senate concerning any allegation which it finds to be substantiated.

(e) Upon the request of any person who is subject to any such investigation, the Select Committee on Standards and Conduct shall release to such individual at the conclusion of its investigation a summary of its investigation together with its findings. If, at the conclusion of its investigation, the Select Committee on Standards and Conduct determines that there has been a significant breach of confidentiality or unauthorized disclosure by a Member, officer, or employee of the Senate, it shall report its findings to the Senate and recommend appropriate action such as censure, removal from committee membership, or expulsion from the Senate, in the case of a Member, or removal from office or employment or punishment for contempt, in the case of an officer or employee.

Subpart D—Public Law 95-105, section 515, relating to receipt and disposition of foreign gifts and decorations received by Members, officers and employees of the Senate or their spouses or dependents, provisions relating to the Select Committee on Ethics

SEC. 515. (a)(1) Section 7342 of title 5, United States Code, is amended to read as follows:

§ 7342. Receipt and disposition of foreign gifts and decorations.

"(a) For the purpose of this section—

* * * * *

"(6) 'employing agency' means—

"(A) the Committee on Standards of Official Conduct of the House of Representatives, for Members and employees of the House of Representatives, except that those responsibilities specified in subsections (c)(2)(A), (e), and (g)(2)(B) shall be carried out by the Clerk of the House;

"(B) the Select Committee on Ethics of the Senate, for Senators and employees of the Senate;

"(C) the Administrative Office of the United States Courts, for judges and judicial branch employees; and

"(D) the department, agency, office, or other entity in which an employee is employed, for other legislative branch employees and for all executive branch employees.

"(b) An employee may not—

"(1) request or otherwise encourage the tender of a gift or decoration; or

"(2) accept a gift or decoration, other than in accordance with the provisions of subsections (c) and (d).

"(c)(1) The Congress consents to—

"(A) the accepting and retaining by an employee of a gift of minimal value tendered and received as a souvenir or mark of courtesy; and

"(B) the accepting by an employee of a gift of more than minimal value when such gift is in the nature of an educational scholarship or medical treatment or when it appears that to refuse the gift would likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States, except that—

"(i) a tangible gift of more than minimal value is deemed to have been accepted on behalf of the United States and, upon acceptance, shall become the property of the United States; and

"(ii) an employee may accept gifts of travel or expenses for travel taking place entirely outside the United States (such as transportation, food, and lodging) of more than minimal value if such acceptance is appropriate, consistent with the interests of the United States, and permitted by the em-

ploying agency and any regulations which may be prescribed by the employing agency.

"(2) Within 60 days after accepting a tangible gift of more than minimal value (other than a gift described in paragraph (1)(B)(ii)), an employee shall—

"(A) deposit the gift for disposal with his or her employing agency; or

"(B) subject to the approval of the employing agency, deposit the gift with that agency for official use. Within 30 days after terminating the official use of a gift under subparagraph (B), the employing agency shall forward the gift to the Administrator of General Services in accordance with subsection (e).

"(3) When an employee deposits a gift of more than a minimal value for disposal or for official use pursuant to paragraph (2), or within 30 days after accepting travel or travel expenses as provided in paragraph (1)(B)(ii) unless such travel or travel expenses are accepted in accordance with specific instructions of his or her employing agency, the employee shall file a statement with his or her employing agency or its delegation containing the information prescribed in subsection (f) for that gift.

"(d) The Congress consents to the accepting, retraining, and wearing by an employee of a decoration tendered in recognition of active field service in time of combat operations or awarded for other outstanding or unusually meritorious performance, subject to the approval of the employing agency of such employee. Without this approval, the decoration is deemed to have been accepted on behalf of the United States, shall become the property of the United States, and shall be deposited by the employee, within sixty days of accepting, with the employing agency for official use or forwarding to the Administrator of General Services for disposal in accordance with subsection (e).

"(e) Gifts and decorations that have been deposited with an employing agency for disposal shall be (1) returned to the donor, or (2) forwarded to the Administrator of General Services for transfer, donation, or other disposal in accordance with the provisions of the Federal Property and Administrative Services Act of 1949. However, no gift or decoration that has been deposited for disposal may be sold without the approval of the Secretary of State, upon a determination that the sale will not adversely affect the foreign relations of the United States. Gifts and decorations may be sold by negotiated sale.

"(f)(1). Not later than January 31 of each year, each employing agency or its delegate shall compile a listing of all statements filed during the preceding year by the employees of that agency pursuant to subsection (c)(3) and shall transmit such listing to the Secretary of State who shall publish a comprehensive listing of all such statements in the Federal Register.

"(2) Such listings shall include for each tangible gift reported—

"(A) the name and position of the employee;

"(B) a brief description of the gift and the circumstances justifying acceptance;

"(C) the identity, if known, of the foreign government and the name and position of the individual who presented the gift;

"(D) the date of acceptance of the gift;

"(E) the estimated value in the United States of the gift at the time of acceptance; and

"(F) disposition or current location of the gift.

"(3) Such listings shall include for each gift of travel or travel expenses—

"(A) the name and position of the employee;

"(B) a brief description of the gift and the circumstances justifying acceptance; and

"(C) the identity, if known, of the foreign government and the name and position of the individual who presented the gift.

"(4) In transmitting, such listing for the Central Intelligence Agency, the Director of Central Intelligence may delete the information described in subparagraphs (A) and (C) of paragraphs (2) and (3) if the Director certifies in writing to the Secretary of State that the publication of such information could adversely affect United States intelligence sources.

"(g)(1) Each employing agency shall prescribe such regulations as may be necessary to carry out the purpose of this section. For all employing agencies in the executive branch, such regulations shall be prescribed pursuant to guidance provided by the Secretary of State. These regulations shall be implemented by each employing agency for its employees.

"(2) Each employing agency shall—

"(A) report to the Attorney General cases in which there is reason to believe that an employee has violated this section;

"(B) establish a procedure for obtaining an appraisal, when necessary, of the value of gifts; and

"(C) take any other actions necessary to carry out the purpose of this section.

"(h) The Attorney General may bring a civil action in any district court of the United States against any employee who knowingly solicits or accepts a gift from a foreign government not consented to by this section or who fails to deposit or report such gift as required by this section. The court in which such action is brought may assess a penalty against such employee in any amount not to exceed the retail value of the gift improperly solicited or received plus $5,000.

"(i) The President shall direct all Chiefs of a United States Diplomatic Mission to inform their host government that it is a general policy of the United States Government to prohibit United States Government employees from receiving gifts or decorations of more than minimal value.

"(j) Nothing in this section shall be construed to derogate any regulation prescribed by any employing agency which provides for more stringent limitations on the receipt of gifts and decorations by its employees.

"(k) The provisions of this section do not apply to grants and other forms of assistance to which section 108A of the Mutual Educational and Cultural Exchange Act of 1961 applies.

(2) The amendment made by paragraph (1) of this subsection shall take effect on January 1, 1978.

SELECT COMMITTEE ON ETHICS

Rule 1. General procedures

(a) Officers: The Committee shall select a Chairman and a Vice Chairman from among its members. In the absence of the Chairman, the duties of the Chair shall be filled by the Vice Chairman or, in the Vice Chairman's absence, a Committee member designated by the Chairman.

(b) Procedural Rules: The basic procedural rules of the Committee are stated as a part of the Standing Orders of the Senate in Senate Resolution 338, 88th Congress, as amended, as well as other resolutions and laws. Supplementary Procedural Rules are stated herein and are hereinafter referred to as the Rules. The Rules shall be published in the Congressional Record not later than thirty days after adoption, and copies shall be made available by the Committee office upon request.

(c) Meetings:

(1) The regular meeting of the Committee shall be the first Thursday of each month while the Congress is in session.

(2) Special meetings may be held at the call of the Chairman or Vice Chairman if at least forty-eight hours notice is furnished to all members. If all members agree, a special meeting may be held on less than forty-eight hours notice.

(3)(A) If any member of the Committee desires that a special meeting of the Committee be called, the member may file in the office of the Committee a written request to the Chairman or Vice Chairman for that special meeting.

(B) Immediately upon the filing of the request the Clerk of the Committee shall notify the Chairman and Vice Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman or the Vice Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, any three of the members of the Committee may file their written notice in the office of the Committee that a special meeting of the Committee will be held at a specified date and hour; such special meeting may not occur until forty-eight hours after the notice is filed. The Clerk shall immediately notify all members of the Committee of the date and hour of the special meeting. The Committee shall meet at the specified date and hour.

(d) Quorum:

(1) A majority of the members of the Select Committee shall constitute a quorum for the transaction of business involving complaints and allegations of misconduct, including the consideration of matters involving sworn complaints, unsworn allegations or information, resultant preliminary inquiries, initial reviews, investigations, hearings, recommendations or reports and matters relating to Senate Resolution 400, agreed to May 19, 1976.

(2) Three members shall constitute a quorum for the transaction of the routine business of the Select Committee not covered by the first subparagraph of this paragraph, including requests for opinions and interpretations concerning the Code of Official Conduct or any other statute or regulation under the jurisdiction of the Select Committee, if one member of the quorum is a Member of the Majority Party and one member of the quorum is a Member of the Minority Party. During the transaction of routine business any member of the Select Committee, constituting the quorum shall have the right to postpone further discussion of a pending matter until such time as a majority of the members of the Select Committee are present.

(3) The Select Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(e) Order of Business: Questions as to the order of business and the procedure of the Committee shall in the first instance be decided by the Chairman and Vice Chairman, subject to reversal by a vote by a majority of the Committee.

(f) Hearings Announcements: The Committee shall make public announcement of the date, place and subject matter of any hearing to be conducted by it at least one week before the commencement of that hearing, and shall publish such announcement in the Congressional Record. If the

Committee determines that there is good cause to commence a hearing at an earlier date, such notice will be given at the earliest possible time.

(g) Open and Closed Committee Meetings: Meetings of the Committee shall be open to the public or closed to the public (executive session), as determined under the provisions of paragraphs 5(b) to (d) of Rule XXVI of the Standing Rules of the Senate. Executive session meetings of the Committee shall be closed except to the members and the staff of the Committee. On the motion of any member, and with the approval of a majority of the Committee members present, other individuals may be admitted to an executive session meeting for a specified period or purpose.

(h) Record of Testimony and Committee Action: An accurate stenographic or transcribed electronic record shall be kept of all Committee proceedings, whether in executive or public session. Such record shall include Senators' votes on any question on which a recorded vote is held. The record of a witness' testimony, whether in public or executive session, shall be made available for inspection to the witness or his counsel under Committee supervision; a copy of any testimony given by that witness in public session, or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session shall be made available to any witness if he so requests. (See Rule 6 on Procedures for Conducting Hearings.)

(i) Secrecy of Executive Testimony and Action and of Complaint Proceedings:

(1) All testimony and action taken in executive session shall be kept secret and shall not be released outside the Committee to any individual or group, whether governmental or private, without the approval of a majority of the Committee.

(2) All testimony and action relating to a sworn complaint shall be kept secret and shall not be released by the Committee to any individual or group, whether governmental or private, except the respondent, without the approval of a majority of the Committee, until such time as a report to the Senate is required under Senate Resolution 338, 88th Congress, as amended, or unless otherwise permitted under these Rules. (See Rule 9 on Procedures for Handling Committee Sensitive and Classified Materials.)

(j) Release of Reports to Public: No information pertaining to, or copies of any Committee report, study, or other document which purports to express the view, findings, conclusions or recommendations of the Committee in connection with any of its activities or proceedings may be released to any individual or group whether governmental or private, without the authorization of the Committee. Whenever the Chairman or Vice Chairman is authorized to make any determination, then the determination may be released at his or her discretion. Each member of the Committee shall be given a reasonable opportunity to have separate views included as part of any Committee report. (See Rule 9 on Procedures for Handling Committee Sensitive and Classified Materials.)

(k) Ineligibility or Disqualification of Members and Staff:

(1) A member of the Committee shall be ineligible to participate in any Committee proceeding that relates specifically to any of the following:

(A) The member's own conduct;

(B) The conduct of any employee or officer that the member supervises, as defined in paragraph 11 of Rule XXXVII of the Standing Rules of the Senate;

(C) The conduct of any employee or any officer that the member supervises; or

(D) A complaint, sworn or unsworn, that was filed by a member, or by any employee or officer that the member supervises.

(2) If any Committee proceeding appears to relate to a member of the Committee in a manner described in subparagraph (1) of this paragraph, the staff shall prepare a report to the Chairman and Vice Chairman. If either the Chairman or the Vice Chairman concludes from the report that it appears that the member may be ineligible, the member shall be notified in writing of the nature of the particular proceeding and the reason that it appears that the member may be ineligible to participate in it. If the member agrees that he or she is ineligible, the member shall so notify the Chairman or Vice Chairman. If the member believes that he or she is not ineligible, he or she may explain the reasons to the Chairman and Vice Chairman, and if they both agree that the member is not ineligible, the member shall continue to serve. But if either the Chairman or Vice Chairman continues to believe that the member is ineligible, while the member believes that he or she is not ineligible, the matter shall be promptly referred to the Committee. The member shall present his or her arguments to the Committee in executive session. Any contested questions concerning a member's eligibility shall be decided by a majority vote of the Committee, meeting in executive session, with the member in question not participating.

(3) A member may also disqualify himself from participating in a Committee proceeding in other circumstances not listed in subparagraph (k)(1).

(4) The President of the Senate shall be given written notice of the ineligibility or disqualification of any member from any initial review, investigation, or other proceeding requiring the appointment of another member in accordance with subparagraph (k)(5).

(5) Whenever a member of the Committee ineligible to participate in or disqualifies himself from participating in any initial review, investigation, or other substantial Committee proceeding, another Member of the Senate who is of the same party shall be appointed by the Senate in accordance with the provisions of paragraph 1 of Rule XXIV of the Standing Rules of the Senate, to serve as a member of the Committee solely for the purposes of that proceeding.

(6) A member of the Committee staff shall be ineligible to participate in any Committee proceeding that the staff director or outside counsel determines relates specifically to any of the following:

(A) the staff member's own conduct;

(B) the conduct of any employee that the staff member supervises;

(C) the conduct of any Member, officer or employee for whom the staff member has worked for any substantial period; or

(D) a complaint, sworn or unsworn, that was filed by the staff member. At the direction or with the consent of the staff director or outside counsel, a staff member may also be disqualified from participating in a Committee proceeding in other circumstances not listed above.

(l) Recorded Votes: Any member may require a recorded vote on any matter.

(m) Proxies; Recording Votes of Absent Members:

(1) Proxy voting shall not be allowed when the question before the Committee is the initiation or continuation of an initial review or an investigation, or the issuance of a report or recommendation related thereto concerning a Member or officer of the Senate. In any such case an absent member's vote may be announced solely for the purpose of recording the member's position and such announced votes shall not be counted for or against the motion.

(2) On matters other than matters listed in paragraph (m)(1) above, the Committee may order that the record be held open for the vote of absentees or recorded proxy votes if the absent Committee member has been informed of the matter on which the vote occurs and has affirmatively requested the Chairman or Vice Chairman in writing that he be so recorded.

(3) All proxies shall be in writing, and shall be delivered to the Chairman or Vice Chairman to be recorded.

(4) Proxies shall not be considered for the purpose of establishing a quorum.

(n) Approval of Blind Trusts and Foreign Travel Requests Between Sessions and During Extended Recesses:

During any period in which the Senate stands in adjournment between sessions of the Congress or stands in a recess scheduled to extend beyond fourteen days, the Chairman and Vice Chairman, or their designees, acting jointly, are authorized to approve or disapprove blind trusts under the provision of Rule XXXIV, and to approve or disapprove foreign travel requests which require immediate resolution.

(o) Committee Use of Services or Employees of Other Agencies and Departments:

With the prior consent of the department or agency involved, the Committee may (1) utilize the services, information, or facilities of any such department or agency of the Government, and (2) employ on a reimbursable basis or otherwise the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee, the Committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the Chairman and Vice Chairman of the Committee, acting jointly, determine that such action is necessary and appropriate.

Rule 2: Procedures for sworn complaints

(a) Sworn Complaints: Any person may file a sworn complaint with the Committee, alleging that any Senator, or officer, or employee of the Senate has violated a law, the Senate Code of Official Conduct, or any rule or regulation of the Senate relating to the conduct of any individual in the performance of his or her duty as a Member, officer, or employee of the Senate, or has engaged in improper conduct which may reflect upon the Senate.

(b) Form and Content of Complaints: A complaint filed under paragraph (a) shall be in writing and under oath, and shall set forth in simple, concise and direct statements:

(1) The name and legal address of the party filing the complaint (hereinafter, the complainant);

(2) The name and position or title of each Member, officer, or employee of the Senate who is specifically alleged to have engaged in the improper conduct or committed the violation (hereinafter, the respondent);

(3) The nature of the alleged improper conduct or violation, including if possible, the specific provision of the Senate Code of

Official Conduct or other law, rule, or regulation alleged to have been violated.

(4)(A) A statement of the facts within the personal knowledge of the complainant that are alleged to constitute the improper conduct or violation..

(B) The term "personal knowledge" is not intended to and does not limit the complainant's statement to situations that he or she personally witnessed or to activities in which the complainant was a participant.

(C) Where allegations in the sworn complaint are made upon the information and belief of the complainant, the complaint shall so state, and shall set forth the basis for such information and belief.

(5) The complainant must swear that all of the information contained in the complaint either (a) is true, or (b) was obtained under circumstances such that the complainant has sufficient personal knowledge of the source of the information reasonably to believe that it is true. The complainant may so swear either by oath or by solemn affirmation before a notary public or other authorized official.

(6) All documents in the possession of the complainant relevant to or in support of his or her allegations may be appended to the complaint.

(c) Processing of Sworn Complaints:

(1) When the Committee receives a sworn complaint against a Member, officer or employee of the Senate, it shall determine by majority vote whether the complaint is in substantial compliance with paragraph (b) of this rule.

(2) If it is determined by the Committee that a sworn complaint does not substantially comply with the requirements of paragraph (b), the complaint shall be returned promptly to the complainant, with a statement explaining how the complaint fails to comply and a copy of the rules for filing sworn complaints. The complainant may resubmit the complaint in the proper form. If the complaint is not revised so that it substantially complies with the stated requirements, the Committee may in its discretion process the complaint in accordance with Rule 3.

(3) A sworn complaint against any Member, officer, or employee of the Senate that is determined by the Committee to be in substantial compliance shall be transmitted to the respondent within five days of that determination. The transmittal notice shall include the date upon which the complaint, was received, a statement that the complaint conforms to the applicable rules, a statement that the Committee will immediately begin an initial review of the complaint, and a statement inviting the respondent to provide any information relevant to the complaint to the Committee. A copy of the Rules of the Committee shall be supplied with the notice.

Rule 3: Procedures on receipt of allegations other than a sworn complaint; preliminary inquiry

(a) Unsworn Allegations or Information: Any member or staff member of the Committee shall report to the Committee, and any other person may report to the Committee, any credible information available to him or her that indicates that any named or unnamed Member, officer or employee of the Senate may have—

(1) violated the Senate Code of Official Conduct;

(2) violated a law;

(3) violated any rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate; or

(4) engaged in improper conduct which may reflect upon the Senate. Such allegations or information may be reported to the Chairman, the Vice Chairman, a Committee member, or a Committee staff member.

(b) Sources of Unsworn Allegations or Information: The information to be reported to the Committee under paragraph (a), may be obtained from a variety of sources, including but not limited to the following:

(1) sworn complaints that do not satisfy all of the requirements of Rule 2;

(2) anonymous or informal complaints, whether or not satisfying the requirements of Rule 2;

(3) information developed during a study or inquiry by the Committee or other committees or subcommittees of the Senate, including information obtained in connection with legislative or general oversight hearings;

(4) information reported by the news media; or

(5) information obtained from any individual, agency or department of the executive branch of the Federal Government.

(c) Preliminary Inquiry:

(1) When information is presented to the Committee pursuant to paragraph (a), it shall immediately be transmitted to the Chairman and the Vice Chairman, for one of the following actions.

(A) The Chairman and Vice Chairman, acting jointly, may conduct or may direct the Committee staff to conduct, a preliminary inquiry.

(B) The Chairman and Vice Chairman, acting jointly, may present the allegations or information received directly to the Committee for it to determine whether an initial review should be undertaken. (See paragraph (d).)

(2) A preliminary inquiry may include any inquiries or interviews that the Chairman and the Vice Chairman deem necessary or appropriate. In particular, the preliminary inquiry may seek independent credible evidence that tends to corroborate the information received and may also include discussions or correspondence with the complainant, if any, and the respondent, if any.

(3) At the conclusion of a preliminary inquiry, the Chairman and Vice Chairman shall receive a full report of its findings. The Chairman and Vice Chairman, acting jointly, shall then determine what further action, if any, is appropriate in the particular case, including any of the following:

(A) No further action is appropriate, because the alleged improper conduct or violation is clearly not within the jurisdiction of the Committee;

(B) No further action is appropriate, because there is no reason to believe that the alleged improper conduct or violation may have occurred; or

(C) The unsworn allegations or information, and a report on the preliminary inquiry, should be referred to the Committee, to determine whether an initial review should be undertaken. (See paragraph (d).)

(4) If the Chairman and the Vice Chairman are unable to agree on a determination at the conclusion of a preliminary inquiry, then they shall refer the allegations or information to the Committee, with a report on the preliminary inquiry, for the Committee to determine whether an initial review should be undertaken. (See paragraph (d).)

(5) A preliminary inquiry shall be completed within sixty days after the unsworn allegations or information were received by the Chairman and Vice Chairman. The sixty day period may be extended for a specified period by the Chairman and Vice Chairman, acting jointly. A preliminary inquiry is completed when the Chairman and the Vice Chairman have made the determination required by subparagraphs (3) and (4) of this paragraph.

(d) Determination Whether to Conduct an Initial Review: When information or allegations are presented to the Committee by the Chairman and the Vice Chairman, the Committee shall determine whether an initial review should be undertaken.

(1) An initial review shall be undertaken when—

(A) there is reason to believe on the basis of the information before the Committee that the possible improper conduct or violation may be within the jurisdiction of the Committee; and

(B) there is reason to believe on the basis of the information before the Committee that the improper conduct or violation may have occurred.

(2) The determination whether to undertake an initial review shall be made by recorded vote within thirty days following the Committee's receipt of the unsworn allegations or information from the Chairman or Vice Chairman, or at the first meeting of the Committee thereafter if none occurs within thirty days, unless this time is extended for a specified period by the Committee.

(3) The Committee may determine that an initial review is not warranted because (a) there is no reason to believe on the basis of the information before the Committee that the improper conduct or violation may have occurred, or (b) the improper conduct or violation, even if proven, is not within the jurisdiction of the Committee.

(A) If the Committee determines that an initial review is not warranted, it shall promptly notify the complainant, if any, and any known respondent.

(B) If there is a complainant, he or she may also be invited to submit additional information, and notified of the procedures for filing a sworn complaint. If the complainant later provides additional information, not in the form of a sworn complaint, it shall be handled as a new allegation in accordance with the procedures of Rule 3. If he or she submits a sworn complaint, it shall be handled in accordance with Rule 2.

(4)(A) The Committee may determine that there is reason to believe on the basis of the information before it that the improper conduct or violation may have occurred and may be within the jurisdiction of the Committee, and that an initial review must therefore be conducted.

(B) If the Committee determines that an initial review will be conducted, it shall promptly notify the complainant, if any, and the respondent, if any.

(C) The notice required under subparagraph (B) shall include a general statement of the information or allegations before the Committee, and a statement that the Committee will immediately begin an initial review of the complaint. A copy of the Rules of the Committee shall be supplied with the notice.

(5) If a member of the Committee believes that the preliminary inquiry has provided sufficient information for the Committee to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred, the member may move

that the Committee dispense with the initial review and move directly to the determinations described in Rule 4(f). The Committee may adopt such a motion by majority vote of the full Committee.

Rule 4: Procedures for conducting an initial review

(a) Basis for Initial Review: The Committee shall promptly commence an initial review whenever it has received either (1) a sworn complaint that the Committee has determined is in substantial compliance with the requirements of Rule 2, or (2) unsworn allegations or information that have caused the Committee to determine in accordance with Rule 3 that an initial review must be conducted.

(b) Scope of Initial Review:

(1) The initial review shall be of such duration and scope as may be necessary to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred.

(2) The initial review may include any inquiries or interviews that the Committee deems appropriate to obtain the evidence upon which to make the determination required by subparagraph (1), including the taking of sworn statements and the use of subpoenas.

(c) Opportunity for Response: An initial review may include an opportunity for any known respondent or his designated representative, to present either a written or oral statement, or to respond orally to questions from the Committee. Such an oral statement or answers shall be transcribed and signed by the person providing the statement or answers.

(d) Status Reports: The Committee staff or outside counsel shall periodically report to the Committee in the form and according to the schedule prescribed by the Committee. The reports shall be confidential.

(e) Final Report: When the initial review is completed, the staff or outside counsel shall make a confidential report to the Committee on findings and recommendations.

(f) Committee Action: As soon as practicable following submission of the report on the initial review, the Committee shall determine by a recorded vote whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred. The Committee may make any of the following determinations:

(1) The Committee may determine that there is no such substantial credible evidence. In this case, the Committee shall report its determination to the complainant, if any, and to the respondent, together with an explanation of the basis for the determination. The explanation may be as detailed as the Committee desires, but it is not required to include a complete discussion of the evidence collected in the initial review.

(2) The Committee may determine that there is such substantial credible evidence, but that the alleged violation is inadvertent, technical, or otherwise of a de minimis nature. In this case, the Committee may attempt to correct or to prevent such violation by informal methods. The Committee's final determination in this matter shall be reported to the complainant, if any, and to the respondent, if any.

(3) The Committee may determine that there is such substantial credible evidence, but that the alleged violation, if proven, although not of a de minimis nature, would not be sufficiently serious to justify the severe disciplinary actions specified in Senate Resolution 338, 88th Congress, as amended (i.e., for a Member, censure, expulsion, or recommendation to the appropriate party conference regarding the Member's seniority or positions of responsibility; or for an officer or employee, suspension or dismissal). In this case, the Committee, by the recorded affirmative vote of at least four members, may propose a remedy that it deems appropriate. If the respondent agrees to the proposed remedy, a summary of the Committee's conclusions and the remedy proposed and agreed to shall be filed as a public record with the Secretary of the Senate and a notice of the filing shall be printed in the CONGRESSIONAL RECORD.

(4) The Committee may determine, by recorded affirmative vote of at least four members, that there is such substantial credible evidence, and also either:

(A) that the violation, if proved, would be sufficiently serious to warrant imposition of one of the severe disciplinary actions listed in paragraph (3); or

(B) that the violation, if proven, is less serious, but was not resolved pursuant to the procedure in paragraph (3). In either case, the Committee shall order that an investigation promptly be conducted in accordance with Rule 5.

Rule 5: Procedures for conducting an investigation

(a) Definition of Investigation: An "investigation" is a proceeding undertaken by the Committee, by recorded affirmative vote of at least four members, after a finding on the basis of an initial review that there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within its jurisdiction has occurred.

(b) Scope of Investigation: When the Committee decides to conduct an investigation, it shall be of such duration and scope as is necessary for the Committee to determine whether a violation within its jurisdiction has occurred. In the course of the investigation, designated outside counsel, or if the Committee determines not to use outside counsel, the Committee or its staff, may conduct inquiries or interviews, take sworn statements, use compulsory process as described in Rule 7, or take any other actions that the Committee deems appropriate to secure the evidence necessary to make this determination.

(c) Notice to Respondent: The Committee shall give written notice to any known respondent who is the subject of an investigation. The notice shall be sent to the respondent no later than five working days after the Committee has voted to conduct an investigation. The notice shall include a statement of the nature of the possible violation, and a description of the evidence indicating that a possible violation occurred. The Committee shall offer the respondent an opportunity to present a statement or to respond to questions from members of the Committee, the Committee staff, or outside counsel.

(d) Right to a Hearing: The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate.

(e) Progress Reports to Committee: The Committee staff or outside counsel shall periodically report to the Committee concerning the progress of the investigation. Such reports shall be delivered to the Committee in the form and according to the schedule prescribed by the Committee, and shall be confidential.

(f) Report of Investigation:

(1) Upon completion of an investigation, including any hearings held pursuant to Rule 6, the outside counsel or the staff shall submit a confidential written report to the Committee, which shall detail the factual findings of the investigation and which may recommend disciplinary action, if appropriate. Findings of fact of the investigation shall be detailed in this report whether or not disciplinary action is recommended.

(2) The Committee shall consider the report of the staff or outside counsel promptly following its submission. The Committee shall prepare and submit a report to the Senate, including a recommendation to the Senate concerning disciplinary action, if appropriate. A report shall be issued, stating in detail the Committee's findings of fact, whether or not disciplinary action is recommended. The report shall also explain fully the reasons underlying the Committee's recommendation concerning disciplinary action, if any. No recommendation or resolution of the Committee concerning the investigation of a Member, officer or employee of the Senate may be approved except by the affirmative recorded vote of not less than four members of the Committee.

(3) Promptly, after the conclusion of the investigation, the Committee's report and recommendation shall be forwarded to the Secretary of the Senate, and a copy shall be provided to the complainant and the respondent. The full report and recommendation shall be printed and made public, unless the Committee determines by majority vote that it should remain confidential.

Rule 6: Procedures for hearings

(a) Right to Hearing: The Committee may hold a public or executive hearing in any inquiry, initial review, investigation, or other proceeding. The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate. (See Rule 5(e).)

(b) Non-public Hearings: The Committee may at any time during a hearing determine in accordance with paragraph 5(b) of Rule XXVI of the Standing Rules of the Senate whether to receive the testimony of specific witnesses in executive session. If a witness desires to express a preference for testifying in public or in exceutive session, he or she shall so notify the Committee at least five days before he or she is scheduled to testify.

(c) Adjudicatory Hearings: The Committee may, by majority vote, designate any public or executive hearing as an adjudicatory hearing; and, any hearing which is concerned with possible disciplinary action against a respondent or respondents designated by the Committee shall be an adjudicatory hearing. In any adjudicatory hearing, the procedures described in paragraph (j) shall apply.

(d) Subpoena Power: The Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such correspondence, books, papers, documents or other articles as it deems advisable. (See Rule 7.)

(e) Notice of Hearings: The Committee shall make public an announcement of the date, place, and subject matter of any hearing to be conducted by it, in accordance with Rule 1(f).

(f) Presiding Officer: The Chairman shall preside over the hearings, or in his absence the Vice Chairman. If the Vice Chairman is also absent, a Committee member designated by the Chairman shall preside. If an oath or affirmation is required, it shall be administered to a witness by the Presiding Officer, or in his absence, by any Committee member.

(g) Witnesses:

(1) A subpoena or other request to testify shall be served on a witness sufficiently in advance of his or her scheduled appearance to allow the witness a reasonable period of time, as determined by the Committee, to prepare for the hearing and to employ counsel if desired.

(2) The Committee may, by majority vote, rule that no member of the Committee or staff or outside counsel shall make public the name of any witness subpoenaed by the Committee before the date of that witness' scheduled appearance, except as specifically authorized by the Chairman and Vice Chairman, acting jointly.

(3) Any witness desiring to read a prepared or written statement in executive or public hearings shall file a copy of such statement with the Committee at least two working days in advance of the hearing at which the statement is to be presented. The Chairman and Vice Chairman shall determine whether such statements may be read or placed in the record of the hearing.

(4) Insofar as practicable, each witness shall be permitted to present a brief oral opening statement, if he or she desires to do so.

(h) Right to Testify: Any person whose name is mentioned or who is specifically identified or otherwise referred to in testimony or in statements made by a Committee member, staff member or outside counsel, or any witness, and who reasonably believes that the statement tends to adversely affect his or her reputation may—

(1) Request to appear personally before the Committee to testify in his or her own behalf; or

(2) File a sworn statement of facts relevant to the testimony or other evidence or statement of which he or she complained.

Such request and such statement shall be submitted to the Committee for its consideration and action.

(i) Conduct of Witnesses and Other Attendees: The Presiding Officer may punish any breaches of order and decorum by censure and exclusion from the hearings. The Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(j) Adjudicatory Hearing Procedures:

(1) Notice of Hearings: A copy of the public announcement of an adjudicatory hearing, required by paragraph (e), shall be furnished together with a copy of these Rules to all witnesses at the time that they are subpoenaed or otherwise summoned to testify.

(2) Preparation for Adjudicatory Hearings:

(A) At least five working days prior to the commencement of an adjudicatory hearing, the Committee shall provide the following information and documents to the respondent, if any:

(i) a list of proposed witnesses to be called at the hearing;

(ii) copies of all documents expected to be introduced as exhibits at the hearing; and

(iii) a brief statement as to the nature of the testimony expected to be given by each witness to be called at the hearing.

(B) At least two working days prior to the commencement of an adjudicatory hearing, the respondent, if any, shall provide the information and documents described in divisions (i), (ii) and (iii) of subparagraph (A) to the Committee.

(C) At the discretion of the Committee, the information and documents to be exchanged under this paragraph shall be subject to an appropriate agreement limiting access and disclosure.

(D) If a respondent refuses to provide the information and documents to the Committee (see (A) and (B) of this subparagraph), or if a respondent or other individual violates an agreement limiting access and disclosure, the Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(3) Swearing of Witnesses: All witnesses who testify at adjudicatory hearings shall be sworn unless the Presiding Officer, for good cause, decides that a witness does not have to be sworn.

(4) Right to Counsel: Any witness at an adjudicatory hearing may be accompanied by counsel of his or her own choosing, who shall be permitted to advise the witness of his or her legal rights during the testimony.

(5) Right to Cross-Examine and Call Witnesses:

(A) In adjudicatory hearings, any repondent who is the subject of an investigation, and any other person who obtains the permission of the Committee, may personally or through counsel cross-examine witnesses called by the Committee and may call witnesses in his or her own behalf.

(B) A respondent may apply to the Committee for the issuance of subpoenas for the appearance of witnesses or the production of documents on his or her behalf. An application shall be approved upon a concise showing by the respondent that the proposed testimony or evidence is relevant and appropriate, as determined by the Chairman and Vice Chairman.

(C) With respect to witnesses called by a respondent, or other individual given permission by the Committee, each such witness shall first be examined by the party who called the witness or by that party's counsel.

(D) At least one working day before a witness' scheduled appearance, a witness or a witness' counsel may submit to the Committee written questions proposed to be asked of that witness. If the Committee determines that it is necessary, such questions may be asked by any member of the Committee, or by any Committee staff member if directed by a Committee member. The witness or witness' counsel may also submit additional sworn testimony for the record within twenty-four hours after the last day that the witness has testified. The insertion of such testimony in that day's record is subject to the approval of the Chairman and Vice Chairman acting jointly within five days after the testimony is received.

(6) Admissibility of Evidence:

(A) The object of the hearing shall be to ascertain the truth. Any evidence that may be relevant and probative shall be admissible, unless privileged under the Federal Rules of Evidence. Rules of evidence shall not be applied strictly, but the Presiding Officer shall exclude irrelevant or unduly repetitious testimony. Objections going only to the weight that should be given evidence will not justify its exclusion.

(B) The Presiding Officer shall rule upon any question of the admissibility of testimony or other evidence presented to the Committee. Such rulings shall be final unless reversed or modified by a majority vote of the Committee before the recess of that day's hearings.

(7) Supplementary Hearing Procedures: The Committee may adopt any additional special hearing procedures that it deems necessary or appropriate to a particular adjudicatory hearing. Copies of such supplementary procedures shall be furnished to witnesses and respondents, and shall be made available upon request to any member of the public.

(k) Transcripts:

(1) An accurate stenographic or recorded transcript shall be made of all public and executive hearings. Any member of the Committee, Committee staff member, outside counsel retained by the Committee, or witness may examine a copy of the transcript retained by the Committee of his or her own remarks and may suggest to the official reporter any typographical or transcription errors. If the reporter declines to make the requested corrections, the member, staff member, outside counsel or witness may request a ruling by the Chairman and Vice Chairman, acting jointly. Any member or witness shall return the transcript with suggested corrections to the Committee offices within five working days after receipt of the transcript, or as soon thereafter as is practicable. If the testimony was given in executive session, the member of witness may only inspect the transcript at a location determined by the Chairman and Vice Chairman, acting jointly. Any questions arising with respect to the processing and correction of transcripts shall be decided by the Chairman and Vice Chairman, acting jointly.

(2) Except for the record of a hearing which is closed to the public, each transcript shall be printed as soon as is practicable after receipt of the corrected version. The Chairman and Vice Chairman, acting jointly, may order the transcript of a hearing to be printed without the corrections of a member or witness if they determine that such member or witness has been afforded a reasonable time to correct such transcript and such transcript has not been returned within such time.

(3) The Committee shall furnish each witness, at no cost, one transcript copy of that witness' testimony given at a public hearing. If the testimony was given in executive session, then a transcript copy shall be provided upon request, subject to appropriate conditions and restrictions prescribed by the Chairman and Vice Chairman. If any individual violates such conditions and restrictions, the Committee may recommend by majority vote that he or she be cited for contempt of Congress.

Rule 7: Subpoenas

(a) Procedure: Subpoenas may be issued either—

(1) by majority vote of the Committee, or

(2) by the Chairman and Vice Chairman, acting jointly.

All subpoenas shall be signed by the Chairman or the Vice Chairman and may be served by any person eighteen years of age or older, who is designated by the Chairman or Vice Chairman. Each subpoena shall be served with a copy of the Rules of the Committee and a brief statement of the purpose of the initial review, investigation, or other proceeding.

(b) Subpoena Power: Pursuant to Federal law (2 U.S.C. 190(b)), the Committee is authorized to sit and act at such times and

places during the sessions, recesses, and adjourned periods of the Senate at it deems advisable. The Committee is similarly authorized to require by subpoena or otherwise the attendance of such witnesses or the production of such correspondence, books, papers, documents, or other articles as it deems advisable.

(c) Withdrawal of Subpoena: The Committee may, by majority vote, withdraw any subpoena issued by it or issued by the Chairman and Vice Chairman, acting jointly.

The Chairman and Vice Chairman, acting jointly, may withdraw any subpoena issued by them.

Rule 8: Violations of Law; perjury; legislative recommendations; and applicable rules and standards of conduct

(a) Violations of Law: Whenever the Committee determines by majority vote that there is reason to believe that a violation of law may have occurred, it shall report such possible violation to the proper state and federal authorities.

(b) Perjury: Any person who knowingly and willfully swears falsely to a sworn complaint or any other sworn statement to the Committee does so under penalty of perjury. The Committee may refer any such case to the Attorney General for prosecution.

(c) Legislative Recommendations: The Committee shall recommend to the Senate by report or resolution such additional rules, regulations, or other legislative measures as it determines to be necessary or desirable to ensure proper standards of conduct by Members, officers, or employees of the Senate. The Committee may conduct such inquiries as it deems necessary to prepare such a report or resolution, including the holding of hearings in public or executive session and the use of subpoenas to compel the attendance of witnesses or the production of materials. The Committee may make legislative recommendations as a result of its findings in an initial review, investigation, or other proceeding.

(d) Applicable Rules and Standards of Conduct:

(1) No initial review or investigation shall be made of an alleged violation of any law, rule, regulation, or provision of the Senate Code of Official Conduct which was not in effect at the time the alleged violation occurred. No provision of the Senate Code of Official Conduct shall apply to, or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code.

(2) The Committee may conduct an initial review or investigation of an alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Committee.

Rule 9: Procedures for handling committee sensitive and classified materials

(a) Procedures for Handling Committee Sensitive Materials:

(1) Committee Sensitive information or material is information or material in the possession of the Select Committee on Ethics which pertains to illegal or improper conduct by a present or former Member, officer, or employee of the Senate; to allegations or accusation of such conduct; to any resulting preliminary inquiry, initial review, or investigation by the Select Commttee on Ethics into such allegations or conduct; to the investigative techniques and procedures of the Select Committee on Ethics; or to other information or material designated by the staff director, or outside counsel designated by the Chairman and Vice Chairman.

(2) The Chairman and Vice Chairman of the Committee shall establish such procedures as may be necessary to prevent the unauthorized disclosure of Committee Sensitive information in the possession of the Committee or its staff. Procedures for protecting Committee Sensitive materials shall be in writing and shall be given to each Committee staff member.

(b) Procedures for Handling Classified Materials:

(1) Classified information or material is information or material which is specifically designated as classified under the authority of Executive Order 11652 requiring protection of such information or material from unauthorized disclosure in order to prevent damage to the United States.

(2) The Chairman and Vice Chairman of the Committee shall establish such procedures as may be necessary to prevent the unauthorized disclosure of classified information in the possession of the Committee or its staff. Procedures for handling such information shall be in writing and a copy of the procedures shall be given to each staff member cleared for access to classified information.

(3) Each member of the Committee shall have access to classified material in the Committee's possession. Only Committee staff members with appropriate security clearances and a need-to-know, as approved by the Chairman and Vice Chairman, acting jointly, shall have access to classified information in the Committee's possession.

(c) Procedures for Handling Committee Sensitive and Classified Documents:

(1) Committee Sensitive and classified documents and materials shall be segregated in secure filing safes. Removal from the Committee offices of such documents or materials is prohibited except as necessary for use in, or preparation for, interviews or Committee meetings, including the taking of testimony, or as otherwise specifically approved by the staff director or by outside counsel designated by the Chairman and Vice Chairman.

(2) Each member of the Committee shall have access to all materials in the Committee's possession. The staffs of members shall not have access to Committee Sensitive or classified documents and materials without the specific approval in each instance of the Chairman, and Vice Chairman, acting jointly. Members may examine such materials in the Committee's offices. If necessary, requested materials may be taken by a member of the Committee staff to the office of a member of the Committee for his or her examination, but the Committee staff member shall remain with the Committee Sensitive or classified documents or materials at all times except as specifically authorized by The Chairman or Vice Chairman.

(3) Any Member of the Senate who is not a member of the Committee and who seeks accesss to any Committee Sensitive or classified documents or materials, other than documents or materials which are matters of public record, shall request access in writing. The Committee shalll decide by majority vote whether to make documents or materials available. If access is granted, the Member shall not disclose the information except as authorized by the Committee.

(4) Whenever the Committee makes Committee Sensitive or classified documents or materials available to any Member of the Senate who is not a member of the Committee, or to a staff person of a Committee member in response to a specific request to the Chairman and Vice Chairman, a written record shall be made identifying the Member of the Senate requesting such documents or materials and describing what was made available and to whom.

(d) Non-disclosure Policy and agreement:

(1) Except as provided in the last sentence of this paragraph, no member of the Select Committee on Ethics, its staff or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics shall release, divulge, publish, reveal by writing, word, conduct, or disclose in any way, in whole, or in part, or by way of summary, during tenure with the Select Committee on Ethics or anytime thereafter, any testimony given before the Select Committee on Ethics in executive session (including the name of any witness who appeared or was called to appear in executive session), any classified or Committee Sensitive information, document or material, received or generated by the Select Committee on Ethics or any classified or Committee Sensitive information which may come into the possession of such person during tenure with the Select Committee on Ethics or its staff. Such information, documents, or material may be released to an official of the executive branch properly cleared for access with a need-to-know, for any purpose or in connection with any proceeding, judicial or otherwise, as authorized by the Select Committee on Ethics, or in the event of termination of the Select Committee on Ethics, in such a manner as may be determined by is successor or by the Senate.

(2) No member of the Select Committee on Ethics staff or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics, shall be granted access to classified or Committee Sensitive information or material in the possession of the Select Committee on Ethics unless and until such person agrees in writing, as a condition of employment, to the non-disclosure policy. The agreement shall become effective when signed by the Chairman and Vice Chairman on behalf of the Committee.

Rule 10: Broadcasting and news coverage of committee proceedings

(a) Whenever any hearing or meeting of the Committee is open to the public, the Committee shall permit that hearing or meeting to be covered in whole or in part, by television broadcast, radio broadcast, still photography, or by any other methods of coverage, unless the Committee decides by majority vote that such coverage is not appropriate at a particular hearing or meeting.

(b) Any witness served with a subpoena by the Committee may request not to be photographed at any hearing or to give evidence or testimony while the broadcasting, reproduction, or coverage of that hearing, by radio, television, still photography, or other methods is occurring. At the request of any such witness who does not wish to be subjected to radio, television, still photography, or other methods of coverage, and subject to the approval of the Committee, all lenses shall be covered and all microphones used for coverage turned off.

(c) If coverage is permitted, it shall be in accordance with the following requirements:

(1) Photographers and reporters using mechanical recording, filming, or broadcasting

apparatus shall position their equipment so as not to interfere with the seating, vision, and hearing of the Committee members and staff, or with the orderly process of the meeting or hearing.

(2) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(3) Personnel providing coverage by the television and radio media shall be currently accredited to the Radio and Television Correspondents' Galleries.

(4) Personnel providing coverage by still photography shall be currently accredited to the Press Photographers' Gallery Committee of Press Photographers.

(5) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and the coverage activities in an orderly and unobtrusive manner.

Rule 11: Procedures for advisory opinions

(a) When Advisory Opinions are Rendered:

(1) The Committee shall render an advisory opinion, in writing within a reasonable time, in response to a written request by a Member or officer of the Senate or a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(2) The Committee may issue an advisory opinion in writing within a reasonable time in response to a written request by any employee of the Senate concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(b) Form of Request: A request for an advisory opinion shall be directed in writing to the Chairman of the Committee and shall include a complete and accurate statement of the specific factual situation with respect to which the request is made as well as the specific question or questions which the requestor wishes the Committee to address.

(c) Opportunity for Comment:

(1) The Committee will provide an opportunity for any interested party to comment on a request for an advisory opinion—

(A) which requires an interpretation on a significant question of first impression that will affect more than a few individuals; or

(B) when the Committee determines that comments from interested parties would be of assistance.

(2) Notice of any such request for an advisory opinion shall be published in the Congressional Record, with appropriate deletions to insure confidentiality, and interested parties will be asked to submit their comments in writing to the Committee within ten days.

(3) All relevant comments received on a timely basis will be considered.

(d) Issuance of an Advisory Opinion:

(1) The Committee staff shall prepare a proposed advisory opinion in draft form which will first be reviewed and approved by the Chairman and Vice Chairman, acting jointly, and will be presented to the Committee for final action. If (A) the Chairman and Vice Chairman cannot agree, or (B) either the Chairman or Vice Chairman requests that it be taken directly to the Committee, then the proposed advisory opinion shall be referred to the Committee for its decision.

(2) An advisory opinion shall be issued only by the affirmative recorded vote of a majority of the members voting.

(3) Each advisory opinion issued by the Committee shall be promptly transmitted for publication in the Congressional Record after appropriate deletions are made to insure confidentiality. The Committee may at any time revise, withdraw, or elaborate on any advisory opinion.

(e) Reliance on Advisory Opinions:

(1) Any advisory opinion issued by the Committee under Senate Resolution 338, 88th Congress, as amended, and the rules may be relied upon by—

(A) Any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered if the request for such advisory opinion included a complete and accurate statement of the specific factual situation; and

(B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

(2) Any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of Senate Resolution 338, 88th Congress, as amended, and of the rules, and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

Rule 12: Procedures for interpretative rulings

(a) Basis for Interpretative Rulings: Senate Resolution 338, 88th Congress, as amended, authorizes the Committee to issue interpretative rulings explaining any clarifying the application of any law, the Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction. The Committee also may issue such rulings clarifying or explaining any rule or regulation of the Select Committee on Ethics.

(b) Request for Ruling: A request for such a ruling must be directed in writing to the Chairman or Vice Chairman of the Committee.

(c) Adoption of Ruling:

(1) The Chairman and Vice Chairman, acting jointly, shall issue a written interpretative ruling in response to any such request, unless—

(A) they cannot agree,

(B) it requires an interpretation of a significant question of first impression, or

(C) either requests that it be taken to the Committee, in which event the request shall be directed to the Committee for a ruling.

(2) A ruling on any request taken to the Committee under subparagraph (1) shall be adopted by a majority of the members voting and the ruling shall then be issued by the Chairman and Vice Chairman.

(d) Publication of Rulings: The Committee will publish in the Congressional Record, after making appropriate deletions to ensure confidentiality, any interpretative rulings issued under this Rule which the Committee determines may be of assistance or guidance to other Members, officers or employees. The Committee may at any time revise, withdraw, or elaborate on interpretative rulings.

(e) Reliance on Rulings: Whenever an individual can demonstrate to the Committee's satisfaction that his or her conduct was in good faith reliance on an interpretative ruling issued in accordance with this Rule, the Committee will not recommend sanctions to the Senate as a result of such conduct.

(f) Rulings by Committee Staff: The Committee staff is not authorized to make rulings or give advice, orally or in writing, which binds the Committee in any way.

Rule 13: Procedures for complaints involving improper use of the mailing frank

(a) Authority to Receive Complaints: The Committee is directed by section 6(b) of Public Law 93-191 to receive and dispose of complaints that a violation of the use of the mailing frank has occurred or is about to occur by a Member or officer of the Senate or by a surviving spouse of a Member. All such complaints will be processed in accordance with the provisions of these Rules, except as provided in paragraph (b).

(b) Disposition of Complaints:

(1) The Committee may dispose of any such complaint by requiring restitution of the cost of the mailing if it finds that the franking violation was the result of a mistake.

(2) Any complaint disposed of by restitution that is made after the Committee has formally commenced an initial review or investigation, must be summarized, together with the disposition, in a notice promptly transmitted for publication in the CONGRESSIONAL RECORD.

(3) If a complaint is disposed of by restitution, the complainant, if any, shall be notified of the disposition in writing.

(c) Advisory Opinions and Interpretative Rulings: Requests for advisory opinions or interpretative rulings involving franking questions shall be processed in accordance with Rules 11 and 12.

Rule 14: Procedures for waivers

(a) Authority for Waivers: The Committee is authorized to grant a waiver under the following provisions of the Standing Rules of the Senate:

(1) Section 101(h) of the Ethics in Government Act of 1978, as amended (Rule XXXIV), relating to the filing of financial disclosure reports by individuals who are expected to perform or who have performed the duties of their offices or positions for less than one hundred and thirty days in a calendar year;

(2) Section 102(a)(2)(D) of the Ethics in Government Act, as amended (Rule XXXIV), relating to the reporting of gifts;

(3) Paragraph 1 of Rule XXXV relating to acceptance of gifts; or

(4) Paragraph 5 of Rule XLI relating to applicability of any of the provisions of the Code of Official Conduct to an employee of the Senate hired on a per diem basis.

(b) Requests for Waivers: A request for a waiver under paragraph (a) must be directed to the Chairman or Vice Chairman in writing and must specify the nature of the waiver being sought and explain in detail the facts alleged to justify a waiver. In the case of a request submitted by an employee, the views of his or her supervisor (as determined under paragraph 11 of Rule XXXVII of the Standing Rules of the Senate) should be included with the waiver request.

(c) Ruling: The Committee shall rule on a waiver request by recorded vote, with a majority of those voting affirming the decision.

(d) Availability of Waiver Determinations: A brief description of any waiver granted by the Committee, with appropriate deletions to ensure confidentiality, shall be made available for review upon request in the

Committee office. Waivers granted by the Committee pursuant to the Ethics in Government Act of 1978, as amended, may only be granted pursuant to a publicly available request as required by the Act.

Rules 15: Definition of "officer or employee"

(a) As used in the applicable resolutions and in these rules and procedures, the term "officer or employee of the Senate" means:

(1) An elected officer of the Senate who is not a Member of the Senate;

(2) An employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

(3) The Legislative Counsel of the Senate or any employee of his office;

(4) An Official Reporter of Debates of the Senate and any person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties;

(5) A member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate;

(6) An employee of the Vice President, if such employee's compensation is disbursed by the Secretary of the Senate;

(7) An employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate;

(8) An officer or employee of any department or agency of the Federal Government whose services are being utilized on a full-time and continuing basis by a Member, officer, employee, or committee of the Senate in accordance with Rule XLI(3) of the Standing Rules of the Senate; and

(9) Any other individual whose full-time services are utilized for more than ninety days in a calendar year by a Member, officer, employee, or committee of the Senate in the conduct of official duties in accordance with Rule XLI(4) of the Standing Rules of the Senate.

Rule 16: Committee staff

(a) Committee Policy:

(1) The staff is to be assembled and retained as a permanent, professional, nonpartisan staff.

(2) Each member of the staff shall be professional and demonstrably qualified for the position for which he or she is hired.

(3) The staff as a whole and each member of the staff shall perform all official duties in a nonpartisan manner.

(4) No member of the staff shall engage in any partisan political activity directly affecting any congressional or presidential election.

(5) No member of the staff or outside counsel may accept public speaking engagements or write for publication on any subject that is in any way related to his or her employment or duties with the Committee without specific advance permission from the Chairman and Vice Chairman.

(6) No member of the staff may make public, without Committee approval, any Committee Sensitive or classified information, documents, or other material obtained during the course of his or her employment with the Committee.

(b) Appointment of Staff:

(1) The appointment of all staff members shall be approved by the Chairman and Vice Chairman, acting jointly.

(2) The Committee may determine by majority vote that it is necessary to retain staff members, including a staff recommended by a special counsel, for the purpose of a particular initial review, investigation, or other proceeding. Such staff shall be retained only for the duration of that particular undertaking.

(3) The Committee is authorized to retain and compensate counsel not employed by the Senate (or by any department or agency of the Executive Branch of the Government) whenever the Committee determines that the retention of outside counsel if necessary or appropriate for any action regarding any complaint or allegation, initial review, investigation, or other proceeding, which in the determination of the Committee, is more appropriately conducted by counsel not employed by the Government of the United States as a regular employee. The Committee shall retain and compensate outside counsel to conduct any investigation undertaken after an initial review of a sworn complaint, unless the Committee determines that the use of outside counsel is not appropriate in the particular case.

(c) Dismissal of Staff: A staff member may not be removed for partisan, political reasons, or merely as a consequence of the rotation of the Committee membership. The Chairman and Vice Chairman, acting jointly, shall approve the dismissal of any staff member.

(d) Staff Works for Committee as Whole: All staff employed by the Committee or housed in Committee offices shall work for the Committee as a whole, under the general direction of the Chairman and Vice Chairman, and the immediate direction of the staff director or outside counsel.

(e) Notice of Summons to Testify: Each member of the Committee staff shall immediately notify the Committee in the event that he or she is called upon by a properly constituted authority to testify or provide confidential information obtained as a result of and during his or her employment with the Committee.

Rule 17: Changes in supplementary procedural rules

(a) Adoption of Changes in Supplementary Rules: The Rules of the Committee, other than rules established by statute, or by the Standing Rules and Standing Orders of the Senate, may be modified, amended, or suspended at any time, pursuant to a majority vote of the entire membership taken at a meeting called with due notice when prior written notice of the proposed change has been provided each member of the Committee.

(b) Publication: Any amendments adopted to the Rules of the Committee shall be published in the Congressional Record not later than thirty days after adoption.

PART III—SUBJECT MATTER JURISDICTION

Following are sources of the subject matter jurisdiction of the Select Committee:

(a) The Senate Code of Official Conduct approved by the Senate in Title I of S. Res. 110, 95th Congress, April 1, 1977, and stated in Rules 34 through 42 of the Standing Rules of the Senate;

(b) Senate Resolution 338, 88th Congress, as amended, which states, among others, the duties to receive complaints and investigate allegations of improper conduct which may reflect on the Senate, violations of law, violations of the Senate Code of Official Conduct and violations of rules and regulations of the Senate; recommend disciplinary action; and recommended additional Senate Rules or regulations to insure proper standards of conduct;

(c) Residual portions of Standing Rules 41, 42, 43 and 44 of the Senate as they existed on the day prior to the amendments made by Title I of S. Res. 110;

(d) Public Law 93-191 relating to the use of the mail franking privilege by Senators, officers of the Senate; and surviving spouses of Senators;

(e) Senate Resolution 400, 94th Congress, Section 8, relating to unauthorized disclosure of classified intelligence information in the possession of the Select Committee on Intelligence.

(f) Public Law 95-105, Section 515, relating to the receipt and disposition of foreign gifts and decorations received by Senate members, officers and employees and their spouses or dependents;

(g) Preamble to Senate Resolution 266, 90th Congress, 2d Session, March 22, 1968; and

(h) The Code of Ethics for Government Service, H. Con. Res. 175, 85th Congress, 2d Session, July 11, 1958 (72 Stat. B12).

Except that S. Res. 338, as amended by Section 202 of S. Res. 110 (April 2, 1977), provides:

"(g) Notwithstanding any other provision of this section, no initial review or investigation shall be made of any alleged violation of any law, the Senate Code of Official Conduct, rule or regulation which was not in effect at the time the alleged violation occurred. No provision of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code. The Select Committee may conduct an initial review or investigation of any alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect the violation was not a matter resolved on the merits by the predecessor Select Committee.

APPENDIX A—OPEN AND CLOSED MEETINGS

Paragraphs 7 (b) to (d) of Rule XXVI of the Standing Rules of the Senate read as follows:

(b) Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by a committee or a subcommittee thereof on the same subject for a period of no more than fourteen calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in classes (1) through (6) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(6) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

(c) Whenever any hearing conducted by any such committee or subcommittee is open to the public, that hearing may be broadcast by radio or television, or both, under such rules as the committee or subcommittee may adopt.

(d) Whenever disorder arises during a committee meeting that is open to the public, or any demonstration of approval or disapproval is indulged in by any person in attendance at any such meeting, it shall be the duty of the Chairman to enforce order on his own initiative and without any point of order being made by a Senator. When the Chair finds it necessary to maintain order, he shall have the power to clear the room, and the committee may act in closed session for so long as there is doubt of the assurance of order.

APPENDIX B—"SUPERVISORS" DEFINED

Paragraph 11 of Rule XXXVII of the Standing Rules of the Senate reads as follows:

For purposes of this rule—

(a) a Senator or the Vice President is the supervisor of his administrative, clerical, or other assistants;

(b) a Senator who is the chairman of the committee is the supervisor of the professional, clerical, or other assistants to the committee except that minority staff members shall be under the supervision of the ranking minority Senator on the committee;

(c) a Senator who is a chairman of the subcommittee which has its own staff and financial authorization is the supervisor of the professional, clerical, or other assistants to the subcommittee except that minority staff members shall be under the supervision of the ranking minority Senator on the subcommittee;

(d) the President pro tempore is the supervisor of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, the Chaplain, and Legislative Counsel, and the employees of the Office of the Legislative Counsel;

(e) the Secretary of the Senate is the supervisor of the employees of his office;

(f) the Sergeant at Arms and Doorkeeper is the supervisor of the employees of his office;

(g) the Majority Whips are the supervisors of the research, clerical, or other assistants assigned to their respective offices;

(h) the Majority Leader is the supervisor of the Secretary for the Majority and the Secretary for the Majority is the supervisor of the employees of his office; and

(i) the Minority Leader is the supervisor of the Secretary for the Minority and the Secretary for the Minority is the supervisor of the employees of his office.●

ARCHBISHOP IAKOVOS

● Mr. D'AMATO. Mr. President, April 1 marks a signifcant date for those of the Greek Orthodox faith, and for people of all faiths as well. On this day, we will commemorate the 30th anniversary of the enthronement of Archbishop Iakovos as primate of the Greek Orthodox Archdiocese of North and South America.

While the archbishop is obviously a spiritual leader of millions of Greek Orthodox, the entire world has benefited from his work. Internationally recognized as an advocate for human and civil rights, justice and freedom, Archbishop Iakovos and his work have made the world a better place.

Baptized as Demetrios Coucouzis, Archbishop Iakovos was born on the Island of Imbros, Turkey. Prior to his ordination in 1934, he earned degrees from Ecumenical Patriarchate's Theological School and Harvard University-School of Divinity. He had served the Greek Orthodox faithful throughout the United States for years when elected Bishop of Melita in 1954. On February 14, 1959, he was elected archbishop of North and South America by the Holy Synod of the Ecumenical Patriarchate of Constantinople. On April 1, he was enthroned as archbishop in the Americas, and soon afterward named primate.

In addition to his duties as primate, Archbishop Iakovos is Exarch of the Ecumenical Patriarchate of Constantinople; president, board of education, Greek Orthodox Archdiocese of North and South America; founder and chairman, Standing Conference of Canonical Orthodox Bishops in the Americas [SCOBA]; chairman, SCOBA "Ecumenical Commission for Dialogue" with Roman Catholic Bishops' Committee for Ecumenical and Interreligious Affairs; honorary board, Advisory Council on Religious Rights in Eastern Europe and the Soviet Union—United States Senate Foreign Relations Committee; among other influential positions.

His ecumenical activities and achievements are also numerous. From 1955 to 1959 he was a personal representative of the ecumenical patriarch of Constantinople at the World Council of Churches in Geneva, Switzerland. Archbishop Iakovos has worked hard to bring the Greek Orthodox and Roman Catholic Churches closer together. As the first Greek Orthodox archbishop to visit the Pope in 350 years, he was received in private audience by Pope John XXIII at the Vatican in 1959. He accompanied Patriarch Athenagoras to Jersualem for the historic meeting with Pope Paul VI in 1965. Pope Paul VI received Archbishop Iakovos in private audience twice—once in 1965, and also in 1967.

He has tirelessly worked to improve relations and communications with other religions, as well. He initiated and established dialogs between the Greek Orthodox Church and Judaism, Anglicans, Lutherans, Southern Baptists and black church leaders. The archbishop has worked for human rights for all people. As an outspoken religious leader, he strongly supported the American civil rights movement, and joined the late Dr. Martin Luther King, Jr., to march in Selma, AL. In 1974 he initiated a campaign to assist Greek Cypriot refugees following the invasion of Cyprus by Turkish Armed Forces. Speaking out for those who cannot speak for themselves, he has fought human rights violators, religious persecutors, and oppressive governments throughout the world.

He is a world traveler, speaks four languages, authored "Faith for a Lifetime: A Spiritual Journey" and numerous articles. Various organizations have recognized Archbishop Iakovos and his achievements—he has received over 20 awards, medals, and honors, and over 35 honorary degrees.

For over 50 years, Archbishop Iakovos has been a world-renown and beloved spiritual leader. Tirelessly, he labors to help bring freedom and civil liberty to those who suffer in tyranny. He has brought the grace of the Eastern Orthodox Church to millions of faithful in the Americas and beyond. I salute Archbishop Iakovos on his courage, dedication, and lifetime of accomplishments. Mr. President, I am sure all of my colleagues join me in congratulating him on the 30th anniversary of his enthronement. I wish Archbishop Iakovos many more years of success.●

AMERICA'S RELATIONSHIP WITH JAPAN

● Mr. DASCHLE. Mr. President, "In many respects, we hold in our hands jointly the future of the Pacific Basin—which could well determine over a period of time, the future of the rest of the world," former Ambassador to Japan, Mike Mansfield, reflecting on the changing and challenging relationship of two powerful countries—the United States and Japan.

Mr. President, I would like to take a moment to address a subject which has increasingly been on the public mind in this country—namely, the economic and military obligations of the evolving relationship between the United States and Japan.

As policymakers struggle with the vexing imperatives of the budget and trade deficits, many citizens in my State of South Dakota and across the country pursue their personal aspirations on a treadmill of illusion as their purchasing power declines and economic uncertainty looms ahead. In such times, some measure of diversion can often be found in the specter of

external forces which present convenient targets on which to vent frustration and anger.

I understand the concern of those Americans who fear the impact of the growing economic reach of Japan and other Pacific rim countries. I also agree that our allies around the globe should both assume a greater share of the defense burden of the free world, and that all countries should seriously evaluate the short-term cost of their trade policies against the longer-term benefits of fair trade. At the same time, however, U.S. policymakers must approach these complex issues with a clear and objective mind, paying attention to both the immediate and longer-term implications of our policy toward our allies.

Consider the case of Japan and her impact on the United States economy.

Japan is undeniably a formidable economic power. Her economic strength is reflected in the country's 10 percent share of the world's gross national product [GNP] and the fact that she is the world's number one creditor country. Moreover, Japan's GNP is estimated to be 365 trillion yen in 1988—$2.84 trillion American. Many American observers interpret those figures as a danger to the American economy. We do have cause for concern about certain Japanese trade policies. We should aggressively pursue resolution of our grievances in bilateral and multilateral negotiations. But to let our legitimate concerns blind us to the potential for clear benefits to the United States from her growing relationship with Japan would be shortsighted.

For example, the United States, embattled by fiscal exigencies at home, is hampered in its efforts to provide economic assistance to Third World countries. Japan is in a position to assume a greater role in international efforts to meet important global developmental objectives.

We should not lose sight of the fact that the level of cooperation between the United States and Japan has never been greater. It is in our mutual interest to continue working together, for, together, our nations account for nearly half of the global GNP.

At a farewell address last year, former Ambassador to Japan, Mike Mansfield, offered the official American perspective on how United States-Japan relations stood as President-elect Bush prepared to take office. Ambassador Mansfield said that the Reagan administration left office with a strong sense of satisfaction that United States-Japan relations are stronger and more vital than they have ever been. He noted resolution of many of our most important trade issues and cited progress in bringing financial and investment patterns more into line with the times. Much still remains to be done, but the foundation has been laid.

By all accounts, the Bush administration is attempting to build on this foundation. The President's recent trip to Japan for Emperor Hirohito's funeral is an indication of the importance of this relationship to the new administration. While in Japan, Prime Minister Takeshita and President Bush reaffirmed that Japan and the United States should work to promote policy coordination for world peace and prosperity.

Japan's spectacular economic success is well-known, but its progress with regard to burden-sharing—both military and economic—has often been overlooked by critics who demand more effort by the Japanese Government. In fairness, this progress should be noted when assessing the United States-Japanese relationship.

Japan has done more in recent years to improve its own defense capabilities than any other U.S. ally and has set impressive goals for the future. Japan has almost 60 destroyers in its self-defense force stationed in the Northwest Pacific—the United States has 25 destroyers in the Pacific at present—and by 1990, Japan hopes to have 100 antisubmarine aircraft deployed—the United States has 23 antisubmarine aircraft deployed in the Pacific.

Japan currently spends more on defense than our traditional allies in Europe. Japan's military budget has risen at an average of 5 percent a year for the last 8 years. The New York Times recently reported that this year, when Pentagon spending is expected to be frozen, Japan's military outlays will rise 5.9 percent, to $31.4 billion.

Japan pays almost 40 percent of the costs associated with the stationing of United States Armed Forces in Japan. The New York Times reported that Japan pays about $1.3 billion of the more than $6 billion it costs for housing, feeding and training American forces in Japan: "including other payments, like rent subsidies on some installations, the Japanese contribute about $2.8 billion, a figure far higher than the support NATO countries offer American forces." And, Japanese officials have expressed a willingness to be more actively involved in sharing these costs.

Furthermore, Japan contributes the world's largest amount of foreign assistance to developing countries. In the past, criticism has been focused on Japan's choices for the recipients of this aid. Today, Japan's assistance focuses less on Asian countries and conditions less aid on specific trade relationships. Japan's official development assistance [ODA] budget for fiscal year 1989 is up by 7.8 percent, the highest increase rate among all Japanese budget items. Moreover, the Government of Japan plans to increase the aggregate amount of ODA during 1988-92 to more than $50 billion, thus more than doubling that of ODA disbursed in the past 5 years.

In just over 40 years, Japan has grown to become America's major economic partner. What nation can better assist those countries that are still growing and developing?

While it is fair to evaluate the actions of our allies with a critical eye, it is also important to acknowledge that while the United States deals with its huge budget and trade deficits and decreases its foreign aid expenditures, Japan is making a serious and admirable effort to commit much-needed resources to international development assistance. Contrary to popular assumptions, there is a surprising level of mutuality to the United States-Japan relationship.

The United States buys 36.5 percent of Japan's exports, and Japan is best customer for United States agricultural products. Japan's imports from the United States increased by more than $10 billion in 1988, resulting in a 9-percent decrease in Japan's trade surplus with the United States. And Japan is projecting an increase in global imports to $202 billion in fiscal year 1989. The imbalance is still significant, but the ratio of surplus to GNP has gone down steadily since 1986. We should work with Japanese leaders to bring it down further.

Our relationship with Japan as a comparable economic power is new. If we understand that relationship and foster a spirit of mutual respect and cooperation, we can develop an attitude over time that will not only benefit our two countries, but the world. It is important to promote our national interest as it has evolved in the 1980's and will evolve in the 1990's, not as it was defined in the 1950's and 1960's.

As we must acknowledge Japan's increased presence in the world market, so must Japan accept the responsibility of her role. The world is open to Japan, and Japan should make herself open to the world. Japan's increased economic strength has taken her from a developing country to an industrial power. It has opened doors into the Third World, creating the potential for many of those countries to learn from Japan's post-war experience.

The newly opened door between the United States and Japan must swing both ways. We should recognize Japan's advancement and maturity. However, with maturity comes responsibility—not just for the assumption of more economic and military burden-sharing, but also for an enlightened role in global leadership.

We should be willing to discuss with Japanese leaders the whole range of issues affecting our countries—from our concerns about their trade policies, to proposals relating to the Inter-

national Monetary Fund, to strategies that will meet global security needs. As two world powers, the United States and Japan should try to define their fundamental interests within an international as well as national framework.

Mr. President, the American relationship with Japan is strong and growing. One can hope that wise leadership, and a clear vision, in the United States and Japan will build on this foundation for the benefit of both countries and the world.●

HISTORIC PRESERVATION IN SILVER CITY, NM

● Mr. DOMENICI. Mr. President, New Mexico's cultural heritage has long been recognized as a great strength to our States, as well as to the Nation. New Mexico, historically, has been a crossroads of many varying cultures, each of which has left distinct impressions on the people and the land.

The March/April edition of "Historic Preservation" contains a fascinating article to the efforts to increase the awareness of the exciting history of Silver City, NM. With the assistance of the National Trust's Main Street Program, and enthusiastic support of many residents, Silver City is restoring its downtown area to the splendor of the era when silver was mined in the hills outside town.

Fortunately early planners enforced strict building codes, ones that enabled Silver City to avoid the decay that has, sadly afflicted many western boom towns.

The article does not mention that Silver City is also the hometown of my colleague from New Mexico, Senator BINGAMAN. I know that he is delighted with the efforts of the citizens of Silver City, particularly in light of the recent hardships many experienced due to the depressed copper industry, which provides much of the employment in that area of New Mexico.

Mr. President, I ask that a copy of the article in Historic Preservation be included in the RECORD following my remarks. I hope that in recognizing the success of the programs in Silver City, we will encourage other similar programs in other cities of the West.

The article follows:

THE DREAMERS OF SILVER CITY—HOW A NEW MEXICO MINING TOWN IS RECAPTURING ITS HERITAGE—AND ITS VITALITY

(By Lawrence W. Cheek)

Even in their advancing age, the mining towns in the mountains of the West are steeped in dreams. The old dreams are frozen in the architecture—visions of sudden, extravagant wealth; fantasies of instant civilization imposed on a rude wilderness. The new ones are born in the ruins of the old, and often inspired by them.

Mark Wilson is one of the dreamers. He studied architecture in Seattle, then nine years ago came to Silver City, N.M., to try life as a painter. "Every artist's prime concern is low rent, so Silver City is ideal," Wilson says. He rents a studio in the shell of a Mission Revival-style theater for $35 a month.

Julie Good is another dreamer. Two years ago she paid $24,000 for an antique Conoco station on downtown's edge, dressed it in scandalous pinks, mauves and maroons and reopened it as the Last Ditch Café. "For me, this building was love at first sight," she explains.

I'm just visiting Silver City, and unlike Wilson and Good, I'm not yet bewitched by it. I'm looking at buildings with Sandy Solenberger, manager of the National Trust's Main Street revitalization program here, and my mood is fluttering between ebullience and annoyance. There's a lot of wonderful architecture in Silver City, along with a lot of dumb, thoughtless renovations from the 1960s and '70s.

Yet I dream a little, too. We stop at the Texas-New Mexico Power Company building, a diminutive jewel with windows of Beaux-Arts aspirations and terra-cotta curlicues dancing on its parapet. It's in decent condition, but I fantasize perfection. I rip out the aluminum casements, replace that strange and garish steel awning over the entrance and burn the sign that juts perpendicularly from the large arched window. That's all the exterior preservation it needs.

And why not, Solenberger says. "The neat thing abut working here is that often $2,000 or $3,000 can make a big difference on the facade of a building. So many of the problems here are manageable."

Silver City was founded 119 years ago in a frenzy typical of mining towns. John Bullard, a farmer and prospector, was hunting for gold when he stumbled across several hills rich instead with silver ore. Word spread rapidly, and miners thronged to the area. In less than a year a newspaper reported that Silver City had grown from a cluster of three huts to "a town of over eighty nice shingle-roofed, eastern-looking buildings * * * full of live, energetic, and intelligent men who have come there to stay." This report sounds tinted with hype, but it wasn't.

"It was a different kind of community from the beginning," says Susan Berry, director of the Silver City Museum and the preeminent local historian. "It was more family-oriented than most mining communities. It had the first independent school district in New Mexico and the first brick school. It attracted people of strong character. The women here were extraordinarily spunky; they couldn't vote, yet they lobbied the territorial legislature for funds to build the hospital and normal school."

In 1880 the town enacted an ordinance that further insured its stability: Every new building would be of masonry. This law spared the city from the fires that routinely ravaged other mining towns. And over time it also created a texture that indeed implied a place of "intelligent men who have come to stay." Other mining towns—Bisbee, Ariz., for example—today appear funky and engaging raffish, like adolescents who never grew up.

Berry says the quick fortunes all were made before the 1890s, when the bottom fell out of the silver-mining economy. Ever since, the community has persevered through cyclic booms and busts. For a decade or two in the early 1900s it was a mecca for tuberculosis patients. The normal school grew into Western New Mexico University, which now has 1,600 students. Nevertheless, the town gradually drifted into an economic snooze that still is apparent today.

Beginning in the 1930s many of the mansions were remodeled, not elegantly, into apartment houses. In the 1950s downtown began to skid toward dereliction. "By the beginning of the 1980s there hadn't been any money invested in downtown in 20 or 30 years," says Solenberger. "It looked incredibly shabby—there were stores where you couldn't decide whether they were in business or not, the window displays looked so poor." It took the convergence of several forces to begin turning things around.

One, says Berry, was the demolition of some treasured buildings in the 1970s, most notably the 1915 Santa Fe depot. That prompted the Silver City Museum to adopt preservation as a mission. Volunteers assembled slide programs and staged preservation conferences, and in 1979 they undertook a historic-buildings survey that landed three districts on the National Register. In 1984 a family of lawyers did a good exterior restoration of the Bell Block, a downtown office building with an exuberant cast-iron Italianate facade a full block long. That helped trigger other restorations. Then in 1985 Silver City entered the National Trust's Main Street program.

Part of Solenberger's Main Street efforts are in the form of festivals and street fairs designed to get Silver Cityans once again equating downtown with good times. Another is cajoling building owners to part with some loose change and spiff things up. In this she has had to be grateful for small improvements—a Victorian cornice uncovered and painted or a regiment of cast-iron Corinthian pilasters repaired. This is the not-so-neat thing about preservation in Silver City: The rents are so low (typically $140 to $300 for a downtown store) that they won't justify complete and meticulous renovations.

"If the entire building is worth only $20,000 to $30,000, the owner can't spend $20,000 on the facade," says Solenberger. Not, at least, unless they're willing to dream.

It's just after dawn on a clear, cold winter morning, and I'm climbing the spine of one of the low mountains that cradle Silver City. These environs are lovely. The gray-green mountains are dotted with rotund juniper and scrub oak as well as cholla cacti and daggerbladed yucca; it's a schizy biological zone that can't decide whether it's forest or desert. Five or six miles in any direction but south are the towering evergreens of Gila National Forest, which boasts the first designated wilderness (1924) in the United States. Forty-five miles north are the Gila Cliff Dwellings, abandoned by the Mogollon in the 14th century.

I reach the summit and study the city below. Its cottonwood trees, bare for the winter, wear coats of frost that shimmer in the early light—like silver.

I spend the day walking the historic districts, checking out the 42 buildings covered in three walking-tour brochures available at City Hall, as well as dozens more detailed in *Built to Last*, a thorough architectural history co-authored by Susan Berry. It proves rewarding. Silver City is not a cavalcade of spectacles like, say, Galveston, Tex. But one of the joys of studying architecture is that you learn to read the cultural history of a community even in its most modest buildings.

For example, in La Capilla, an old Hispanic neighborhood, the Julian Esquibel house (1902–11) is an adobe cottage in the very simple Mexican vernacular style—adorned only with an intricate, spindly wooden ve-

randa. I like to think Esquibel was declaring his aspiration to share in the wealth being generated across town, for in Mexican tradition a homeowner would not make such an extravagant gesture on the outside of his house.

Across town, where extravagance is equivalent to good taste, I detect a 10-to-20-year lag between the peaks of certain styles elsewhere, such as the Second Empire, and their appearance in Silver City. This too makes sense: Pioneer miners and entrepreneurs came to this remote town, worked ferociously for 10 or 20 years to make their money, then built what they remembered.

I inspect, a little sadly, the Neoclassical 1923 bank building that now serves as City Hall. It was designed by Henry Trost of El Paso, arguably the Southwest's best architect between 1900 and the Depression. It's ornamented in wonderfully busy terracotta tracery bursting with seashells, fleurs-de-lis and coiled garlands. It's in good condition, but Trost's artistry has been distorted by a bureaucrat's pre-Main Street vision of adaptive use—once again, aluminum casements and interior partitions of rumpus-room paneling.

But this damage isn't irreversible, and I think of something interesting that Susan Berry told me earlier: "The visitors who most appreciate Silver City are the ones who can see things in the past and future tenses." Especially the future. Silver Cityans expect mining to continue to decline, but what once was just a trickle of tourists, artists and retirees is increasing. That translates into more incentives and more resources for restoration. Says Berry, "Silver City is still attracting people of strong character."

Brandon Beard, an old-house buff and former mayor, has a more dramatic dream. "I see Silver City," he says, "as a future Santa Fe."

(Lawrence W. Cheek is a freelance writer and photographer from Tucson, Ariz., who specializes in architecture. He is an honorary member of the American Institute of Architects.)●

A NOTABLE 100TH ANNIVERSARY

● Mr. PELL. Mr. President, this year marks the 100th anniversary of the founding of a remarkable retail merchandise business that has become a central part of the history and traditions of the city of Woonsocket, RI.

It was 100 years ago that James M. McCarthy opened the McCarthy Dry Goods Co. in a 40-by-60-foot salesroom on Main Street in Woonsocket.

Through the past 100 years, McCarthy Dry Goods has not only survived, but thrived. Through wars, recessions, and the Great Depression; through good times and bad; through periods of takeovers and mergers, and through revolutionary changes in the marketing and retailing industries, McCarthy Dry Goods has continued to serve the people of the Woonsocket area.

Remarkably, in a time when retailing is dominated by large chains, McCarthy Dry Goods remains an independent, family owned store. The business today is headed by William L. McCarthy, grandson of the founder, who serves as chairman of the board; and by James L. Kane, Jr., president and treasurer, and Tessa L. Jannoli, vice president.

Today, McCarthy Dry Goods serves its customers from a large modern facility at Walnut Plaza in Woonsocket, having moved there from its long-time home in a five-story building at Main and Court Streets in Woonsocket.

I am pleased to extend to McCarthy Dry Goods, to the McCarthy family, and to company's employees my hearty congratulations on their 100th anniversary of the founding of the company, and my best wishes for the future.●

TOWN OF IRONDEQUOIT

● Mr. D'AMATO. Mr. President, I offer my congratulations to the town of Irondequoit, NY on the occasion of its sesquicentennial celebration.

The city of Rochester almost "lost" the suburb of Irondequoit several times. In the early 1800's, the settlers of the future town built several bridges over the Genesee River to Rochester, but all of these bridges subsequently collapsed. Finally, the Driving Park Bridge opened in 1890, and remains standing today.

Irondequoit has become famous throughout the world for its melons and peaches. New York's Waldorf-Astoria, London's Savoy, and even wealthy homes in the Swiss Alps have all served the Irondequoit melon as a delicacy.

Irondequoit Bay remains central to Rochester area boating activity. Numerous marianas and clubs are found here, and offer races and other water sports. In fact, the Newport Yacht Club boasts the second largest Lightning sailboat fleet in the United States.

Though over the past 150 years Irondequoit has grown in population and economic development, its sense of community pride has remained strong. I salute the residents of Irondequoit on their sesquicentennial celebration. I am sure my colleagues will join me in sending our warmest wishes to them on this occasion, and best of luck for another successful 150 years.●

NATIONAL WEEK OF RECOGNITION AND REMEMBRANCE FOR THOSE WHO SERVED IN THE KOREAN WAR

● Mr. GLENN. Mr. President, I am pleased to join my distinguished colleague from Colorado, Mr. ARMSTRONG, in again sponsoring legislation to designate a national week of recognition and remembrance for those who served in the Korean War. That war has often been referred to as America's "forgotten war," however, I can confidently predict that the millions of Americans who served there will never forget it. It was a tough little war and I have nothing but the most profound admiration for those with whom I served in Korea. I believe that their sacrifices, their bravery deserve to be remembered with gratitude by all who cherish freedom. Hence I am proud to be associated with the effort to establish a Korean War Memorial down on the Mall in our Nation's Capital and with this resolution to set aside a week to recognize and remember the contributions of all who served the cause of freedom in the Korean war. I hope that all my colleagues will join the Senator from Colorado and myself in honoring our Korean war veterans by cosponsoring this resolution.●

GREEK INDEPENDENCE DAY

● Mr. HEINZ. Mr. President, we Americans enjoy strong ethnic and cultural ties to many countries of Europe. But our ties to one country, Greece, go beyond mere blood kinship. Our form of government, the very word for it, "democracy," we owe to Greek civilization.

March 25, 1989, will mark the 168th anniversary of Greek independence, when Greece threw off the Ottoman yoke. We owe much to Greek political history, but in this case we were able to contribute as well, for the American Revolution is one of the events that inspired the Greek people in their quest for independence early in the last century.

Greek independence was not just an issue of the 19th century. After World War II, Greece was the first West European battleground in the cold war. The Greek conflict against Communist rebels gave birth to the Truman doctrine, and paved the way to the successful American strategy of protecting Western Europe from Soviet ambitions and allowing it to recover and rebuild.

Mr. President, the deities of our political culture are the Greeks who pioneered the concepts of democracy. Greek Americans can be very proud of their heritage and its connection to our way of life, and all Americans can take satisfaction in the way our two cultures have inspired and helped each other.●

GREEK INDEPENDENCE DAY—A NATIONAL DAY OF CELEBRATION OF GREEK AND AMERICAN DEMOCRACY

● Mr. ROTH. Mr. President, sad to say, the vast majority of men and women who come into this world are not destined to live under a democratic system of government. According to the widely respected institution, Freedom House, only 36.1 percent of the world's population live in freedom. This is the largest proportion in 15

years of recordkeeping, but before we celebrate, we should remember that, according to the same institution, 39.3 percent of the world's population have no measure of freedom and 23.6 percent live under systems classified as only partly free.

Indeed, Mr. President, freedom is a precious commodity and it is with this in mind that we celebrate March 25 as a salute both to Greek and American democracy. All free nations celebrate their original independence in some form, and it is doubly appropriate that we should join in the celebration of Greek Independence Day because not only does this day commemorate the emergency of a modern state, it also honors that nation as the fount of all democracies, as the nation where the concept of democracy first took hold and from whence it spread. And let us not forget that, to date, the democratic political system is the only one which has proven capable of guaranteeing the freedom of the men and women who live under it.

When this Nation first came to chart its political destiny it looked, first and foremost, to the example of ancient Greece. Thomas Jefferson himself acknowledged that all Americans were indebted to the Ancient Greeks, "for the light which led ourselves out of the gothic darkness." Similarly, James Madison and Alexander Hamilton utilized the Federalist Papers to point out American debts to the Greek example, "among the confederacies of antiquity the most considerable was that of the Grecian republics * * * from the best accounts transmitted of this celebrated institution it bore a very instructive analogy to the present confederation of the American states."

This historical tie has stood the test of time and persisted to the present day. As they fought for their own independence, Greek intellectuals translated our own declaration of independence and used it as their own declaration. During the early years of this century, one in every four Greek males left his native country for these shores and during the dark years of World War II, over 600,000 Greeks died fighting for the allied cause. None of these phenomena or sacrifices can, or should, be brushed aside. Rather, they should be publicized and commemorated. Thus, it was with great pleasure that I cosponsored the resolution to designate March 25, 1989, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."●

CERTIFICATION OF MEXICO

● Mr. D'AMATO. Mr. President, I support the resolution to decertify Mexico on the grounds that it is not cooperating fully with the United States and has not taken adequate steps on its own in antinarcotics efforts.

The record speaks for itself. The State Department's 1989 International Narcotics Control Strategy Report is replete with examples of noncooperation. Year after year, we hear testimony from individuals who point to the corruption and narcotics problems in Mexico. Yet, the situation never improves.

One year ago, on March 16, 1988, Customs Commissioner William Von Raab testified before the Senate Caucus on International Narcotics Control on the status of illicit narcotics production and trafficking in Mexico. I believe that a restatement of some of his testimony is necessary. Commissioner Von Raab stated:

With respect to Mexico, that there is corruption among senior-level Mexican law enforcement officials, and corruption is pervasive throughout the law enforcement and military systems. And that a concerted effort to synthesize examples of official corruption would shock the American public.

This corruption has effectively precluded our working with Mexican authorities on narcotics interdiction and has inordinately increased the resources we are forced to commit to the Southwest border. The amount of drug entering the United States through Mexico continues to climb steadily. And Customs cannot fulfill its obligation to the American public of preventing drugs from entering the country as long as the present corrupt situation exists.

The law enforcement information available to us suggested that at best Mexico is making a token effort to address the issue of narcotics trafficking within its borders * * * our own investigations as well as extensive contacts with State and local law enforcement officials indicate that powerful Mexican officials are providing safe havens to drug trafficking, making it possible for narcotics to be smuggled into and out of Mexico with impunity.

When we have approached the Mexican Government about cooperative efforts, such as overflight, the response has been negative. In addition, Mexican officials were so unresponsive to our request for narcotic-related financial information that out of frustration we have ceased working with the Mexicans. It further stated that the problems in Mexico were so severe and ingrained that strong action by the U.S. Government was essential.

Mr. President, it is now exactly 1 year after Commissioner Von Raab testified. There is no evidence to show that the situation has significantly changed.

The State Department's 1989 International Narcotics Control Strategy Report lists many examples of Mexican failures to cooperate fully. The following statements are from pages 107 to 111 of that report, and I quote:

Mexico is a major producer of opium poppy and cannabis and continues to be a primary source of heroin and marijuana entering the United States.

Additionally, traffickers increasingly use Mexico as a transit country for shipping cocaine from South America to the United States.

Corruption continues to undermine effective drug law enforcement. The emergence in 1988 of an increasing number of Colombian traffickers within Mexico, involved primarily with facilitating the transhipment of cocaine to the United States, has contributed to an already complex situation. There is little information to measure the degree to which the government addressed high-level drug-related corruption during 1988.

Mexican financial institutions, which are governed by strict financial privacy laws, are not viewed as major conduits for large scale money laundering, but have been used to facilitate the laundering of narcotics proceeds.

Mexican commercial banks, all but two of which are nationalized, do not provide information to United States officials on their activities. * * * For the most part, narcotics-generated funds are invested in real estate and attractive commercial ventures in Mexico or in the United States and other countries. Because Mexican currency exchange houses and commercial business operations are less stringently regulated than commercial banks and they deal in currency without conversion into pesos, drug traffickers are expected to increase their heretofore limited use of them to launder money.

Verdicts from their [Rafael Caro Quintero and Ernesto Fonseca Carrillo] trial in Guadalajara for the 1985 kidnapping and murder of DEA special agent Enrique Camarena are expected in 1989. The court case related to the 1986 detention of DEA special agent Victor Cortez by Jalisco State Police continues, and should also be resolved in 1989.

DEA participation in Operation Vanguard, the bilateral reconnaissance and eradication verification effort, was suspended by DEA headquarters in April, pending a reevaluation of the program. Future United States participation in the Mexican verification program is currently being reviewed in Washington.

According to the Mexican military, it manually eradicated 6,781 hectares (84,370 fields) of opium poppy and 8,785 hectares (74,216 fields) of cannabis in 1988. U.S. officials are unable to verify these claims which, when combined with reported PGR eradication totals, equal or exceed U.S. estimates of total cultivation. The Mexican military does not permit civilian (Embassy or PGR) scrutiny of its official activities.

Nevertheless, the United States Government continues to urge the Government of Mexico to undertake counter narcotics activities with Operation Alliance on our mutual border * * * the government, for reasons of sovereignty, has declined to grant open-ended or unrestricted rights to the U.S. Customs Service to cross the Mexican border in pursuit of suspect aircraft. Various alternatives have been proposed by both sides without resolution.

These measures probably curbed some abuses, especially compared with the excesses during the two previous administrations, but it is unclear whether the level of narcotics-related corruption has diminished, either in absolute terms or in its impact on programs. With regard to enforcement of laws which deal with corruption * * * the extent to which the government may have addressed high-level corruption in 1988 is unclear.

Statutes against drug trafficking are sound, but their enforcement is less satisfactory.

Some traffickers have taught farmers more advanced growing techniques, such as

using irrigation and improved seeds and fertilizers to increase and enhance yields. Nevertheless, in many rural areas the cultivation of opium poppy and marijuana remains unchanged over the past 40 years.

Opium poppy, traditionally grown only in the tristate region of Sinaloa, Chihuahua, and Durango, is now also found extensively in the states of Michoacan, Nayarit, Guerrero, Oaxaca, and Chiapas.

Both black tar heroin and the traditional Mexican brown variety are still produced in Mexico. According to drug abuse warning network [DAWN] statistics, the higher purity and lower price black tar herion has resulted in increased hospital emergency admissions, as well as overdose fatalities, in the United States.

Mr. President, so many of the State Department remarks in this 1989 report parallel the remarks from the 1988 International Narcotics Control Strategy Report. What has been accomplished in a year? The trials for the murder of DEA agent Enrique Camarena and detention of DEA agent Victor Cortez still have hot been resolved. Efforts to combat corruption have been minimal. Our law enforcement people cannot effectively work with the Mexican law enforcement establishment.

Yet, the amount of drugs entering the United States through Mexico continues unabated. Mr. President, this is not full cooperation.

The evidence of Mexico's lack of cooperation is clear and massive. We cannot afford to ignore this situation. Inaction signals to the world that we are not truly serious about our commitment to a war on drugs.

I urge my colleagues to support this important resolution. We just cannot turn a blind eye to the undeniable reality of Mexico's failure to give full cooperation.●

RETIREMENT OF LT. COL. ROBERT S. BLUDWORTH

● Mr. WARNER. Mr. President, I want to take this opportunity to commend a good friend of the Senate who is retiring from active duty in the U.S. Army after over 20 years service to our Nation and over 5 years service in the Army's Senate Liaison Office.

Lt. Col. Robert S. (Bo) Bludworth, in addition to his liaison functions, has brought to the Senate a depth of experience and insight from the Department of Defense that has been invaluable.

Bo enlisted in the U.S. Army in 1967, and after completing officer candidate school was commissioned as a 2d lieutenant. He has completed many key assignments during his distinguished military career including service in Vietnam as a helicopter platoon leader, in the United States and Germany as a commander of armor units, in the 25th Infantry Division in Hawaii as division training officer and chief of protocol, and at the University of West Florida as a professor of military science.

Dedicated and hard working, Bo is not one to allow the spotlight to shine on him; however, I know that he has been highly decorated during his career. He is the recipient of the Nation's third highest award for valor, the Silver Star, for gallantry in action, as well as two awards of the Distinguished Flying Cross, the Bronze Star, the Air Medal, the Army Commendation Medal for Valor, and the Combat Infantryman's Badge. During retirement ceremonies on Capitol Hill yesterday, which I know many of my distinguished colleagues attended, Bo received the Legion of Merit—a final tribute to a fine soldier.

As Bo moves to the civilian sector, I would like to express my appreciation to him for his outstanding service and support. I am sure that my distinguished colleagues will join me in wishing Bo, his lovely wife Sheila, and their children James, Stephanie, and Todd the very best in all their future endeavors.●

MORTGAGE INTEREST DEDUCTION

● Mr. RIEGLE. Mr. President, yesterday, I submitted a concurrent resolution, Senate Concurrent Resolution 21, with Senator D'AMATO and others expressing the sense of the Congress that there should be no further restrictions on the Federal tax deduction for mortgage interest.

Today, I would like to call to the attention of colleagues in the Senate an article from the most recent issue of Forbes magazine which examines the future of the mortgage interest deduction. The article states that "chances are slim that lawmakers would repeal the mortgage interest wholesale. More likely the deduction would die by inches." The article concludes by warning its readers to "think twice before you buy your dream house, especially if you are counting on the deduction to help meet the payments and the appreciation to fund your retirement."

Mr. President, I urge my colleagues to take a few moments from their busy schedules to review the Forbes article, and if you agree with its conclusions, I urge you to cosponsor Senate Concurrent Resolution 21.

Mr. President, I ask that the text of the article be printed in the RECORD.

The article follows:

HOUSE-HUNTING? READ THIS FIRST

(By Laura Saunders)

Is the tax deduction for mortgage interest sacred? Should it be?

Even to ask these questions is to risk sounding un-American or—worse, in some quarters—politically naive. Destroy the American dream of homeownership? Put young families, already hard-pressed, on the street? Deliver a karate chop to home prices everywhere, punishing worthy elders counting on their home equity to cushion their golden years? The last politician who seriously proposed a cut in the mortgage interest deduction was Jesse Jackson. The closest you'll find in Washington today is senior House Ways and Means Committee member Sam Gibbons (D-Fla.), who has run unopposed in the last two elections.

Nevertheless, the possibility of limiting the mortgage interest deduction is being oh so quietly, oh so tentatively discussed by serious people to a degree that would have astonished political professionals a few years ago. "The idea just keeps popping up," says Kent Colton, a very worried official of the National Association of Home Builders, "even though nobody admits to being the father of it".

Washington works in mysterious ways. Recall that even a week before it passed, you could get odds all over Congress that the Tax Reform Act of 1986 was dead. The votes that finally put it over came together in a burst of energy and sudden compromise few had thought possible only days before.

And for all its standing as a sacred cow, remember, the mortgage-interest deduction has already been tinkered with. Under current law, interest on mortgage debt above $1 million is not deductible. Though he says he favors the status quo, Sam Gibbons, a supporter of the $1 million cap, is not entirely in the lobbyists' camp. He got interested in mortgage deduction limits several years ago, he says, after learning that 2 of America's 150 million taxpayers were deducting interest on $10 million mortgages and another had a $15 million note. "I have no objections when the deduction goes for houses," he says. "When it goes for castles, I do."

An interesting thought, that. What's a castle? Says who? In most of the country, less than $1 million will get you something approaching a mansion, if not a castle. Does the American dream extend to a government-subsidized mortgage on a mansion? Congressmen from wealthy districts would surely fight a lowering of the mortgage cap, but would your average liberal vote against it?

Conscientious conservatives would have their own problems. This year lawmakers must come up with $18 billion to $27 billion of spending cuts or extra revenue to meet the Gramm-Rudman deficit target. The mortgage interest deduction for owner-occupied homes now costs Uncle Sam $35 billion a year in foregone tax revenues, third only to pension contributions and accelerated depreciation. This at a time when lawmakers sweat blood to find even $50 million. Could conservatives object to something that would so greatly help balance the budget? And you say you want a capital gains tax cut to stimulate investment? Okay, but swallow this with it.

There's another angle that could give pause to liberals and conservatives alike—doing something about the pathetically low national savings rate. The interest deduction is, after all, a subsidy for indebtedness. It's antisaving, say some economists, and helps explain why the Japanese have better factories than we do.

Such calculations have produced a House resolution backed by the National Association of Home Builders that declares opposition to any lowering of the $1 million ceiling. Its lead sponsor is Representative Marge Roukema (R-N.J.), whose Bergen County district includes New York suburbs where a modest three-bedroom can run $350,000. The home builders are trying to get congressmen to "take the pledge" by signing on as cosponsors. Over a third of the House members have done so, but not one of them is a member of the all-important House Ways and Means Committee.

The threat of congressional action on the mortgage interest deduction is serious enough that Tom Ochsenschlager, a Washington tax expert with accounting firm.

Grant Thornton, warns of it in speeches around the country: "Nobody believes it, but I just tell them, 'Remember, you heard it first from me and Jesse.' "

Like many in Washington, Ochsenschlager views the present $1 million cap, slipped into the 1987 tax bill at the last minute, as a foot in the door of your $600,000 colonial. "It is such a silly number, and raises so little revenue," he says, "that everyone thinks they just put it in as groundwork for future limits."

Perhaps the thing that spooks real estate lobbyists most right now is the fact that schemes to curtail the deduction are showing up on lists of revenue options, complete with estimates of the dollars they would raise. This, given budget pressures, could be a crucial step in putting a proposal in play. Revenue, cynics assure you, is far more important than merit when it comes to passing a law.

As recently as 1987, estimates of revenues to be generated by various deduction limits didn't turn up on one major list because few took the possibility seriously. "Now," says Ernst & Whinney Washington tax expert David Berenson, "it's like they're looking at it through a telescopic sight but saying, 'We're not going to shoot.' "

If the unthinkable should happen, would it destroy the American dream of homeownership?

No. Look abroad. Canada has never had a mortgage interest deduction and it has 62% homeowership, compared with a 64% rate in the U.S. Japan has none either, but its ownership rate is nearly that of the U.S. "Very few countries give as generous mortgage relief as the U.S., and those that do are mostly high-tax countries like Sweden," notes Richie Zook, a tax manager with Price Waterhouse.

Would less deductibility of interest hurt first-time home buyers? Not necessarily. Government-conferred benefits tend to get capitalized into the price of assets, says Harvard economist Dale Jorgenson, whether the asset in question is a home, a taxi medallion, or tobacco acreage subject to a grower's allotment. Existing players are enriched, but newcomers pay more to get in. Yes, deductions have helped make older homeowners wealthy, but they have also helped push home prices beyond the reach of young people.

Plenty of economists would cheer the deduction's demise. "It a national travesty," exclaims Jorgenson, despite the fact that he gets "fat" deductions from his Cambridge, Mass. Coop. Former top Treasury official Gerard Brannon likens the interest deduction to "an original sin" that has "resisted baptism."

Why? Because, they say, the current system has a bias toward real estate and away from other investment. It comes from a flaw implanted in the tax code soon after it was enacted in 1913. Congress allowed mortgage interest to be deducted. This made sense, because most taxpayers' personal debt was used to finance farms or small businesses. Paying interest was a cost of doing business.

But then lawmakers neglected the other side of the ledger: the income homeowners get in the form of free rent. Economists call this "imputed rent." Some countries, notably West Germany, actually levy taxes on such rent. But in the U.S. it is a tax-free perk of ownership, and an encouragement to buy ever bigger houses.

Business interest and home interest are both deductible, but while income from an investment in a die-caster is taxed one or more times (depending on whether you buy the tool directly or buy GM stock), the income from a house you live in is untaxed. A capital gain on GM stock is taxable, but a capital gain from homes is almost entirely exempt, thanks to rules on rolling over profits and on selling a home after reaching age 55.

So people invest more in houses than in the stock market. "Houses are great tax shelters—the only one the 1986 tax reform didn't touch," says Jorgenson. "But while tax shelters are great for individuals, they are rotten for society. We are the most overhoused population in the world."

Perhaps you don't agree. You may ask, do we really want to live like the Japanese, families of five in three drafty rooms with thin walls and a kerosene heater? But the same reasoning, while it would go far to justify the tax holiday for imputed rent, doesn't justify a deduction for interest at all.

Why not? Because the interest deduction is based not on how much housing you own but on how much money you owe. So long as you can deduct interest, there's little incentive to save by taking out a smaller mortgage or paying down the one you have. That's why interest deductions are antisavings. The 1986 tax "reform" that phased out consumer interest deductions didn't correct this bias toward consumption. Many taxpayers have simply shifted the debt from cars and credit cards to houses.

Some homeowners take all their equity out whenever they trade up. "The way the code is," says Grant Thornton's Ochsenschlager, "you can buy a house for $100,000 and wait till it's worth $200,000. Then you can buy an identical house in the same development for $200,000, put down the minimum payment and blow $60,000 of your appreciation on a trip of Vegas. I've seen it happen."

Look at the poor rewards for savers in this country. Invest your Christmas bonus in a bond and you might get 10%, which is 6% after taxes and maybe 1% after inflation. The mortgage interest deduction extends this rough treatment to thrifty homeowners. Pay down a mortgage and you earn 10% on the savings, that being the interest cost you avoid by paying off debt. Again, you get only 6% after taxes—since cutting your interest deduction raises your tax bill—and a meager 1% after inflation. Why bother to save for a crummy 1% return? Take a vacation and enjoy life.

But, protests the Home Builders' Kent Colton, homes are a form of capital formation. "For many Americans, their house is how they build real savings," he says. True, up to a point. If you save up $25,000 for a down payment, you are adding to the nation's capital. So, too, if you pay down a mortgage. But would you save any less avidly in a world without interest deductions? You might save more, because debt would hurt more on an aftertax basis. You would put down more and take a 15-year mortgage if you could swing it.

The ivory tower dwellers are right about another thing: Much of the apparent accumulation in housing is a paper gain, not true capital formation. House prices in Palo Alto, Calif., for example, have doubled since 1984. Stanford economist John Shoven tells of seeing a $500,000 "fixer-upper" recently. Some homeowners may not be saving for retirement, figuring they can cash in at 65 and move to Arkansas. This isn't true capital formation because it doesn't actually increase the number of houses or factories.

Congress usually turns a deaf ear to economic arguments until they prove useful politically, of course. Times and revenues being what they are, they may soon prove irresistible.

Chances are slim that lawmakers would repeal the mortgage interest deduction wholesale. That would produce a public revolt, a collapse in house prices and more savings and loan bankruptcies. It would also—heaven forbid—eliminate the housing lobbies as a lucrative source of campaign contributions.

More likely the deduction would die by inches. Among the possibilities:

Limit interest deductions to $12,000 per single return (the first year's interest on a $120,000 mortgage at 10%) or $20,000 per joint return (first year's interest on a $200,000 mortgage at the same rate), for a tax increase of about $1.5 billion a year after 1990. This has the political advantage of preserving the full benefit for the vast majority of taxpayers. But it would hit high-priced urban and suburban areas hard. Note: This option might apply to mortgage interest paid net of all interest received. Thus, if you received $30,000 in taxable bond interest and paid $40,000 in mortgage interest, you could deduct all the mortgage interest.

Limit the value of deductions to 15%, the lowest tax rate. This raises huge revenues—about $10 billion a year—once up and going, and has been rumored to be the personal favorite of Ways and Means Chairman Dan Rostenkowski (D-Ill.), though he denies it. But it cuts deep into deductions taken by the middle class, as the 28% rate kicks in at $31,000 of taxable income on a joint return.

Move the mortgage cap down to $750,000 or $500,000. No public estimates yet, but this affects so few voters that it has considerable appeal.

Phase out the deduction for upper-income taxpayers. No estimates on this either, but it could work like the phase-out of the 15% base rate now in effect for taxpayers with adjusted gross incomes above $75,000.

As a further nibble, disallow mortgage deductions on second homes, for a tax hike of $300 million a year. This ran into stiff opposition in 1986 from members from Florida, Colorado, and other second-home locales.

What if supporters beat back these and other attacks? In one sense the battle is already lost. Congress, when it imposed the $1 million cap in 1987, did not index it for inflation. "Somebody tried to, and we wouldn't let them," notes Representative Gibbons. The current rate of inflation will halve the value of mortgages covered by the deduction in 15 years.

Any way you look at it, the unlimited mortgage interest deduction is gone. So think again before you buy your dream house, especially if you're counting on the deduction to help meet the payments and the appreciation to fund your retirement. Real estate may not do as well for the next generation as it did for the last one.●

NATIONAL AFFORDABLE HOUSING ACT

● Mr. CHAFEE. Mr. President, yesterday I was pleased to join Senators CRANSTON and D'AMATO and 18 other of my Senate colleagues as an original cosponsor of S. 565, the National Affordable Housing Act. This bill addresses one of the most urgent prob-

lems confronting the towns, cities, and States of this Nation today: the dearth of affordable housing.

The Cranston-D'Amato bill is the product of 2 years of exhaustive discussion and debate on developing comprehensive housing legislation. It grew out of the recommendations of the National Housing Task Force, chaired by developer James Rouse and Fannie Mae Chairman David Maxwell.

If enacted, it will be the basis for most, if not all, of the further debate on housing. The bill is large in scope because the problem is large and daunting. In short, it is a large dosage of strong medicine. But that is because the ailment—America's housing crisis—is so harmful and nagging.

First and foremost, Mr. President, the National Affordable Housing Act provides $3 billion in totally new Federal spending for new housing production, subject to congressional appropriation, and an additional $1.1 billion to, among other things, ensure full funding of the McKinney Homeless Assistance Act, as President Bush has himself proposed. The money would be allocated to the States and localities, which would have to provide a 25-percent match using their own resources. The aid would go into a revolving trust fund which the States and localities could use to promote affordable housing construction. This would come in the form of grants, loans, or a combination thereof. Any repayment of the grant money would be channeled back into the revolving trust fund.

Now, I realize that this $4 billion figure is steep. And I have no illusions about the reality or gravity of our budget constraints. But this legislation is a good first step toward where we would eventually like our national housing policy to be. The bill is certainly not perfect, nor is it a panacea. It is, however, a realistic approach to the problem, and I look forward to working with the sponsors to refine it where necessary.

The Cranston-D'Amato bill places a premium on creativity and flexibility. That is, it encourages the States and localities to devise creative programs to alleviate their housing shortages and then provides them with flexibility in implementing those programs.

The bill's other major provisions are as follows. It requires States and localities receiving assistance to submit comprehensive housing affordability strategies. It permits first-time home buyers to withdraw funds from their individual retirement accounts [IRA's] for a home down payment, a proposal similar to one I introduced in the last Congress. It gives States and local governments more responsibility to design and implement housing programs. And the bill seeks to preserve existing low-income housing and establish one form of rental assistance, "rental credits."

In addition, this legislation provides permanent authority for the low-income rental housing tax credit, something I've long been a proponent of and which has proved itself as an effective program. In Rhode Island for instance, this credit resulted in the production of 170 units of affordable housing just in its first year of operation.

The bill also establishes the position of Assistant Secretary for Supporting Housing to administer housing programs serving elderly, handicapped, and homeless persons. It reauthorizes modernization and operating subsidies for public housing. And finally, the Cranston-D'Amato bill addresses the matter of rural poverty by reauthorizing existing FmHA programs and permitting the FmHA to serve very-low-income families with deferred-payment mortgages under certain conditions.

Mr. President, let me address the five features of the bill that I find most appealing.

First, this legislation includes provisions to update and strengthen FHA mortgage insurance programs to make them more useful and accessible. One way the bill accomplishes this is by permitting first-time home buyers and others who have not owned a home in 3 years to use funds in their IRA's or 401(k) retirement plans for investment in a home. It also lowers FHA downpayments to 3 percent on the first $50,000 of the mortgage, among other things. This should encourage home ownership, which is, of course, a dream of all American citizens.

Second, it gives States and local governments more responsibility to design and implement housing programs. By creating the HOME Corporation within HUD and the Housing Opportunity Partnership [HOP] to promote partnerships for affordable housing among State and local government, private industry, and nonprofits, the Cranston-D'Amato bill should spur the production of new low-cost housing. The principle is to provide new Federal funding for housing and use it to leverage State and local funds.

Third, Mr. President, the National Affordable Housing Act establishes a new Office of Affordable Housing Preservation within HUD with responsibility for retaining affordable housing for low- and moderate-income persons wherever feasible. Thus, it attempts to preserve the housing we already have.

The new office would be specifically charged with working with project owners and State and local governments to ensure that existing housing subsidies can be extended or to preserve the use of existing housing units by low- or very-low-income persons. The bill also establishes one form of rental assistance, "rental credits," which combines the best features of section 8 certificates and vouchers.

Fourth, this bill includes something I've long been a booster of, that of providing permanent authority for the low-income housing tax credit. This tax credit was created as part of the Tax Reform Act of 1986 to encourage construction and rehabilitation of housing for low-income Americans. The credit has the potential for expanding the supply of available and affordable housing, and is necessary to provide the incentive to develop or renovate housing for the poor.

Fifth and finally, Mr. President, the National Affordable Housing Act addresses the heartbreaking problem of homelessness by ensuring full $1.1 billion funding of the McKinney Homeless Relief Act. This is an issue on which the President campaigned and which I believe he sincerely wishes to address.●

PAUL CRAIG ROBERTS TESTIMONY ON CAPITAL GAINS

● Mr. KASTEN. Mr. President, two days ago the Senate Finance Committee held a hearing on the taxation of capital gains. I want to take this opportunity to commend Chairman LLOYD BENTSEN for assembling a fair and balanced list of witnesses to testify on this important issue. Under Senator BENTSEN's continued leadership, I am confident that can set aside the demagogic rhetoric on capital gains—and debate the issue on its economic merits.

In this regard, I recommend to the Senate the testimony of Dr. Paul Craig Roberts. Dr. Roberts notes that the capital gains tax is an unfair tax on the rise in the price of an asset—and that the capital gains tax is yet another layer of taxation of saving and investment. He argues that there is nothing to be lost from reopening the 1986 Tax Reform Act and everything to be gained if Congress uses the opportunity to cut the capital gains tax to foster economic opportunity and improve our competitive position in the world.

Roberts refutes the claim that a capital gains tax cut is a giveaway to the rich. He notes that this claim relies on a peculiar definition of rich —a definition devised to include the capital gains when, for example, a middle-class businessman swells his income to several hundred thousand dollars, and he is "rich" for that year. The next year his income goes back down to $40,000 or $50,000, and someone else sells a business, becoming rich for a year. The IRS data—in appendix 1 of Dr. Roberts' testimony—show that people with recurring annual income below $20,000 receive a larger proportion of capital gains than those earn-

ing over $200,000. Moreover, at least 50 percent of all capital gains go to people earning less than $60,000 annually.

I ask that Dr. Roberts' testimony be entered into the RECORD immediately following my remarks:

The testimony follows:

TESTIMONY BEFORE THE SENATE FINANCE COMMITTEE ON CAPITAL GAINS TAXATION, MARCH 14, 1989

(By Paul Craig Roberts)

SUMMARY

The capital gains tax is an unfair tax on the rise in the price of an asset. If the price rises because of inflation, there is no real gain at all, and the tax is nothing but a confiscation device. If the price rises because of improved earnings, these earnings are already subject to double taxation, first as company income and then as dividend income to individuals. Taxing the capital gain simply taxes the same income a third time.

The most serious bias in the U.S. tax code results from the multiple taxation of saving, which reduces the overall rate and level of investment, labor productivity, and labor income. By restraining the creation of new capital, our tax code protects old, established wealth from the upstarts who bust up the status quo, create opportunities, and undermine the protected enclaves of the rentier class. New capital is the best thing an egalitarian society has going for it.

The 1986 tax reform bill was a psychological victory: It brought the top tax rate down to the maximum that feudal Robber Barons could extract from medieval serfs. For the first time in my lifetime, a "free" American became a majority shareholder in his own income. This victory helped to spur the worldwide revival of capitalism.

However, the 1986 bill did not reduce the cost of capital or improve our competitive position in the world economy. There is nothing to be lost from reopening the bill and everything to be gained if the Congress uses the opportunity to construct a tax code that fosters opportunity and success in place of one that panders to envy and covetousness.

Mr. Chairman, members of the Finance Committee, I am Paul Craig Roberts. I have a research appointment at the Center for Strategic and International Studies here in Washington, where I occupy the William E. Simon Chair in Political Economy, and at the Hoover Institution at Stanford University, where I am a Senior Research Fellow. I am a former Assistant Secretary of the Treasury, a former editor and columnist for the Wall Street Journal, and a former professor at several universities. I have worked for the Congress both in the House and Senate and on members' and committee staffs. I have known some of you, such as yourself, Mr. Chairman, since those days.

I am a columnist for Business Week, the Scripps Howard News Service, the Financial Post of Canada, the Washington Times, and for European publications—opportunities that came my way because of the independence of my views. I do not speak for any interests. I am testifying at the request of this Committee. My careers are those of a scholar, a public servant, and journalist. I have both worked for the Reagan Administration and been honored by the socialist president of France.

Having said this, it is not clear to me which, if any, organized interests are pushing for a lower capital gains tax. It has never been an important issue to the corporate community. Perhaps there is an association of individual investors or a group of talented people with comfortable jobs in large organizations who need an inducement to chuck their security and go chase their dream.

However, organized interests are actively opposing a lower capital gains tax rate, specifically organized labor and its spokesmen. As an economist, I find labor's opposition perplexing, even mindless. Tax actions that reduce the cost of capital bring about an increase in capital investment, which, in turn, improves labor productivity and raises labor's income.

The imbecilic argument that capitalists benefit from capital and labor benefits from wages is a proposition from which communist countries themselves are in full retreat. In the United States we are increasingly a capital intensive economy, but capital's share of income is not rising. This means that labor's income is rising in step with capital's sharing the gains.

I am distressed when people cut off their noses to spite their faces. The claim that a reduction in the capital gains tax is unfair because it benefits the rich is a perfect example of self-multilating behavior. It is also an example of a definition of fairness drawn so narrowly as to be self-defeating. From a rational standpoint, fairness has to be measured in terms of the relative success of our country is a competitive world economy. A tax policy designed to hold back "the rich" is not only unfair to the rich but also to labor and our competitive position. It is interesting, Mr. Chairman, that not a single country in the world agrees with the view that capital only benefits the rich. If we were to decide to punish the rich by giving away our capital, every country would be pleased to take it.

If capital benefits other people in addition to its owners, to whom is it unfair if we have more of it? How has the growth of capital in the U.S. over the past 300 years disadvantaged labor or the poor?

The only people disadvantaged by new capital are those with old, established wealth. New capital unleashes upstarts who bust up the status quo, create opportunities, and undermine the protected enclaves of the rentier class. New capital is the best thing an egalitarian society has going for it.

Moreover, as Appendix 1 shows, people with recurring annual incomes below $20,000 receive a larger percent of capital gains than those earning over $200,000.

To go to the crux of the matter, a capital gains tax is an unfair tax. It is not a tax on income, but on the rise in the price of an asset, reflecting either inflation or the stock market's estimate that a company's future earnings will be higher.

If the price of the asset rises because of inflation, there is no real gain at all, and the tax is nothing but a confiscation device.

If the price rises because the company's earnings improve then these earnings will be subject to double taxation, first as company income and then as dividend income to individuals. Taxing the capital gain simply taxes the same income a third time.

When the unfair capital gains tax hurts ordinary people, we give them a special exclusion, such as the rollover and exclusion of the capital gains people have in their homes. However, when the capital gains tax hurts investment, envy crowds out logic and the economy suffers.

It is a puzzle to me that U.S. tax law treats capital gains as income, even though the national income accounts do not regard them as income and do not include them in the measurement of gross national product. What we have achieved is the triumph of envy over policy.

Ideologically, the American left sees the capital gains tax as a wealth tax. For those whose first allegiance is to equality, the more wealth taxes the better. For them, this is the real issue. Arguments about the revenue and economic effects of capital gains taxation are little more than a smokescreen to keep us from the crux of the real issue.

It is destructive of sound tax policy to confuse wealth taxes with income taxes. Moreover, it has allowed the political left to establish a wealth tax without having to be forthright and to make a case before the Congress and the American people.

The government of the world's leading capitalist nation should be able to do a more honest job of defining capital income. A good starting point is to reject the supposition that fairness in tax policy mandates discrimination against capital. Unlike income that is consumed, income that is saved and invested is subject to multiple taxation. This is a highly irrational tax policy for a country that is worried about its competitiveness, about long-range real funding for Social Security, about budget deficits, and about the smooth absorption of large numbers of immigrants from the Third World.

America needs all the capital that it can get, particularly in light of the flood of immigrants. This inflow is likely to rise as socialist failures around the world continue to come home to roost, causing people to give up on their own countries and to migrate here, legally or illegally, in pursuit of opportunity. We can no longer afford tax laws whose main purposes are to indulge envy and to provide idelogical gratification for the anti-capitalist mentality, no mattter what its economic cost.

I agree that one reason a lower capital gains tax rate produces more revenue is that it allows "the rich" to make more money. I agree that it gets the left-wing's hackles up for "the rich" to have more money. But I object to those who oppose a lower capital gains tax on the narrow grounds of what it would do for the rich.

If envy prevents you from cutting the capital gains tax rate, you can at least index it for inflation. That way only real gains in value would be taxed, and this would introduce a small element of fairness into an unfair tax.

The argument is made that we cannot cut the capital gains tax rate without opening up the 1986 tax reform bill, I fail to understand the logic of this argument, but so what? Let's open up the bill. That bill is no great accomplishment. Compared to the Treasury's proposal more than a decade ago of a cash-flow tax, the 1986 bill is not worth much. Blueprints for Basic Tax Reform, published in January 1977, presents a comprehensive reform that would make our tax system neutral in its treatment of saving. It is pointless to complain about low saving when the tax code is extremely biased against saving.

For reasons I will show, the 1986 bill largely missed the point. Indeed, if it had not been for this Committee at the last minute, the bill would have been a disaster and would have wrecked the U.S. economy. It was certainly a psychological victory to get the top tax rate down to 33%. That's about the maximum tax that could be ex-

tracted from a medieval serf. It is a victory that the American people no longer have to pay federal tax rates in excess of what the Robber Barons were able to extract from feudal serfs. Though, of course, when you add in Social Security, state and local taxes, Americans are far more heavily taxed than medieval serfs. You need to ask yourselves in what sense a person is free who is not a majority shareholder in his own income.

It has become fashionable in some circles to present the 1986 tax bill as some sort of final deal cut between the forces of opportunity and the forces of envy. According to various people, including some of those with power over tax legislation, we cannot improve the prospect for capital investment in one part of the tax code without worsening it in another.

For example, the argument has been made that if we want to cut the capital gains tax rate, we have to offset it by raising the personal income tax rate. In other words, if we are going to help the economy in one way, we must hurt it in another. Otherwise, the rich will benefit too, along with the rest of us.

The Tenth Commandment is "Thou shalt not covet." I don't see any great achievement in a tax bill that strikes a 50-50 deal with covetousness. I don't see why we should establish our tax code on covetousness. A good tax code is one that doesn't have an ounce of covetousness in it. Considering the ungodly nature of us humans, that might be hard to accomplish, but there is no reason we shouldn't try.

The opportunity to truly reform our tax system was lost in the 1986 tax reform legislation. One group used the bill to close "tax loopholes" in blind pursuit of their goal of "fairness," using a definition altogether lacking in merit. Others simply wanted a revenue-neutral bill that would lower tax rates in order to demonstrate a second major Reagan success.

For their part, economists focused on the improved economic efficiency that would be achieved by abolishing differential "tax preferences," or "loopholes" that distort the choice or mix of investments, and they completely missed the larger issue: The most serious bias in our tax code results from the multiple taxation of saving, which reduces the overall rate and level of investment.

As a consequence of the multiple taxation of saving, the rate of return that an individual realizes from his investment is substantially smaller than the economic return of the investment to society. The amount of money he has to invest is first reduced by the personal income tax. If he invests his after-tax savings in a corporation which uses them to purchase capital equipment, the income earned by the capital investment itself is subject to taxation. First the return from this investment is taxed at the corporate rate, and if the remainder is passed on in the form of a dividend, it is taxed as regular income at the personal rate. If, instead, the remainder is reinvested, the return will be capitalized in the worth of the stock, adjusted for future corporate taxation. If the individual were to sell the stock and realize a capital gain, then this amount is subject to further taxation. These multiple layers of taxation are further compounded by such taxes as the property tax, resulting in reduced investment and lower growth in labor productivity.

Specific investment incentives, such as the investment tax credit and what is called a capital gains differential, can distort the choice of investments. However, they also reduce the tax bias against saving and investment. A reform that sets out, as the 1986 bill did, to eliminate distortions that affect the mix of investments can easily do so in a way that increases the bias against the overall level of investment.

Consequently, the cost of capital would rise and frustrate the expectations of better performance from efficiency gains. This important consideration was neglected in the tax reform bill until the last minute when this Committee, in its wisdom, further reduced the personal and corporate tax rates in order to avoid a substantial increase in the cost of capital.

The 1986 tax bill did not reduce the tax bias against saving, nor did it make the tax system neutral or fair in its treatment of investment. Indeed, the bill's contribution to the economy might not be enough to compensate for the two year hiatus in investment while the economy waited for the legislative outcome of the tax reform debate.

Mr. Chairman, members of the Committee, there is no doubt whatsoever that the capital gains tax affects the cost of capital. Anyone who doubts this should be prepared to raise the capital gains tax to 100 percent.

The capital gains tax is only one element in the cost of capital. It would help to lower it, but not if it is offset by hiking some other element in the cost of capital.

More importantly than how it affects the cost of capital, the capital gains tax affects our human capital by its energizing impact on the incentive to take risk. There are a variety of silly arguments that try to cover up this connection, such as "money for venture capital comes from tax-exempt entities unaffected by the capital gains tax rate." Yes, it often does, but the organizers of the ventures are taxpayers. Pension funds don't dream up new inventions and new technology. On this point see Appendix 2.

If you are concerned with the dispersion or loss of our technology, you might also consider that in today's international economy, the location of high risk new technology will be affected by the international taxation of capital gains. Not entirely, of course, but on the margin. On this point see Appendix 3.

The margin is important. Since World War II the margin we have held over the rest of the world has been shrinking. This process is accelerating as Europe unifies, as the Far East becomes a center of economic power, and as communist countries repudiate an envy-driven economy policy. If we allow envy to drive our tax policy, we will deserve to be the second-rate country we will become.

APPENDIX 1

DISTRIBUTION OF CAPITAL GAINS BY RECURRING INCOME: 1985

	Capital gains (billions)	Percent of all gains
Income group:		
Under 10	35.30	20.79
10 to 20	8.90	5.24
20 to 30	10.70	6.30
30 to 40	10.10	5.95
40 to 50	11.10	6.54
50 to 75	17.50	10.31
75 to 100	12.50	7.36
100 to 150	13.10	7.71
150 to 200	8.70	5.12
Over 200	41.90	24.68
Total	169.80	100.00

Source: Internal Revenue Service, 1985 individual tax model file, public use sample.

The erroneous claim is often made that the rich are the primary beneficiary of capital gains. This claim relies on a peculiar definition of rich—a definition devised to include the capital gains when, for example, a middle class businessman retires and sells his business. That year the capital gain swells his income to several hundred thousand dollars, and he is "rich" for that year. The next year his income goes back down to $40 or $50 thousand, and someone else sells a business, becoming rich for a year.

The IRS data show that people with *recurring* annual income below $20,000 receive a larger proportion of capital gains than those earning over $200,000. Moreover, at least 50 percent of all capital gains go to people earning less than $60,000 annually.

APPENDIX 2

The two tables below are drawn from an empirical study by Dr. John Freear and Dr. William Wetzel, University of New Hampshire. Their paper was prepared for the Babson Entrepreneurship Conference in Calgary, Alberta, Canada in May 1988.

Their evidence shows that individuals provide the bulk of the money for small capitalization new technology firms. Individuals also provide most of the seed and start-up funds for new technology firms.

FINANCIAL ROUNDS OF CAPITAL INVESTED IN NEW TECHNOLOGY—BASED FIRMS

	Private individuals		Venture capital funds		All other sources		Total	
	Number	Percent [1]	Number	Percent [1]	Number	Percent [1]	Number	Percent [1]
Size of round:								
Less than $250,000	102	84	8	6	12	10	122	100
$250,000 to $499,000	43	58	14	19	17	23	74	100
$500,000 to $999,000	15	26	31	55	11	19	57	100
Greater than $1,000,000	17	9	120	63	55	28	192	100
Total	177		173		95		455	

[1] Percent of total.

ROUNDS OF CAPITAL INVESTED IN NEW TECHNOLOGY-BASED FIRMS

	Private individuals		Venture capital funds	
	Number	Percent [1]	Number	Percent [1]
Stage of financing:				
Seed	52	29	11	6
Start-up	55	31	38	22
1st stage	29	16	56	32
2d stage	26	25	46	27
3d stage	10	6	19	11
Bridge	5	3	3	2
Total	177	100	173	100

[1] Percent of total.

APPENDIX 3

COMPARISON OF INDIVIDUAL TAXATION OF CAPITAL GAINS ON PORTFOLIO STOCK INVESTMENTS IN 1987

	Maximum short-term capital gain tax rate [1]	Maximum long-term capital gain tax rate [1]	Period to qualify for long-term gain treatment	Maximum annual net worth tax rate
Countries industrialized:				
United States [2]	38.5 percent	28 percent	6 months	None.
Australia [3]	50.25 percent	50.25 percnet	1 year	None.
Belgium	Exempt	Exempt	None	None.
Canada [4]	17.51 percent	17.51 percent	None	None.
France [5]	16 percent	16 percent	None	None.
Germany [6]	56	Exempt	6 months	0.5 percent
Italy	Exempt	Exempt	None	None.
Japan	Exempt	Exempt	None	None.
Netherlands	Exempt	Exempt	None	0.8 percent
Sweden	45 percent	18 percent	2 years	0.3 percent
United Kingdom [7]	30 percent	30 percent	None	None.
Pacific basin:				
Hong Kong	Exempt	Exempt	None	None.
Indonesia	35 percent	35 percent	None	None.
Malaysia	Exempt	Exempt	None	None.
Singapore	Exempt	Exempt	None	None.
South Korea	Exempt	Exempt	None	None.
Taiwan	Exempt	Exempt	None	None.

[1] State, provincial and local tax rates not included.
[2] As of Jan. 1, 1988, the nominal tax rate for long- and short-term capital gains rate is to 28 percent. The marginal rate, however rises to 33 percent for joint returns betweeen $71,900 and $149,250 and for single returns between $43,150 and $89,560.
[3] The above maximum long- and short-term rates are comprised of 1.25 percent Medicare levy and 19 percent income tax. Prior to July 1, 1987, the Medicare levy will remain at 1.14 percent and the income tax will remain at 57.0 percent (aggregating 58.225 percent). There is no distinction in rate, however, the 1-year holding period is for special exemption and indexing.
[4] Canadian residents are allowed an annual capital gains exemption of Canadian 30,000 ($22,998*) subject to a cumulative exemption of up to Canadian 500,000 ($383,300*) in 1990.
[5] Gains from proceeds of up to FF 272,000 (45.288*) are exempt from taxation in a given taxable year.
[6] The first Dm 1,000 ($554*) of short-term capital gains is exempt from tax.
[7] The first $6,300 ($10,096*) of annual gains is exempt.
*Based on exchange rates of Mar. 31, 1987.

Source: Prepared by Arthur Andersen & Co. for the Securities Industries Association.●

RESERVE OFFICERS TRAINING CORPS

● Mr. DURENBERGER. Mr. President, I rise today to call my colleagues' attention to an excellent speech delivered last week by Congressman IKE SKELTON to the Association of Military Colleges and Schools.

For more than a decade Congressman SKELTON has represented the Fourth District of Missouri in the House of Representatives. Through his service on the Armed Services Committee, Congressman SKELTON has developed a reputation as a thoughtful and independent advocate of a robust national defense. Like his district's most famous politician Harry S Truman, IKE SKELTON believes in an America willing and able to defend the cause of freedom around the world.

Congressman SKELTON knows firsthand the importance of military education. He attended Wentworth Military Academy in Lexington, MO. But his interest extends far beyond ties to an alma mater. Congressman SKELTON has been particularly involved in issues relating to educating future generations of U.S. military leaders. In the 100th Congress, he served as chairman of a special group established to review the U.S. advanced military education system. The Panel on Military Education of the House Armed Services Committee analyzed the curriculum at the five U.S. command and staff colleges and the five U.S. war colleges. The panel's work has been widely hailed as a groundbreaking study of the strengths and weaknesses of how the United States educates its future generals and admirals.

In his speech, Congressman SKELTON elaborates his views on the importance of training future officers in strategy and military history and discusses the importance of the Reserve Officers Training Corps in the military education system. Congressman SKELTON also points to some of the challenges current and future ROTC graduates will face in the years to come. His speech draws heavily on military history—demonstrating that lessons from past victories—and defeats—hold tremendous importance for future strategists.

Mr. President, like Congressman SKELTON, I have personal experience with military education in this country. I have a special spot in my heart for the Reserve Officers Training Corps: I was a member of the first Army ROTC graduating class from Saint John's University in Collegeville, MN, in 1955. Through my ROTC education, I learned the importance of combining civic duty with higher learning, military skills with civilian leadership.

After my pioneering education, I went on to serve as an officer in Army intelligence—experience that gave me valuable perspective years later when I was selected to serve on the Senate Select Committee on Intelligence. I remain committed to a strong Reserve Officers Training Corps in the United States as an invaluable program for our future military and civilian leaders.

I have another personal connection with military education. As a father, I was proud to see my son, David, Jr., choose to attend the Marion Military Institute in Alabama. Like his father, David benefited from combining military and civilian education. David went on to serve his country in the U.S. Marine Corps.

I commend Congressman SKELTON for his leadership on the vital issues of national defense and urge my col-

leagues to read his speech. I ask that the speech be printed in the RECORD at this point.

The remarks follow:

ADDRESS BY CONGRESSMAN IKE SKELTON, ASSOCIATION OF MILITARY COLLEGES AND SCHOOLS, MARCH 9, 1989

My sincere thanks for your generous recognition of my work and for placing me as the first on this honorable list. It adds much to this occasion that my good friend and fellow Wentworth student, who is now superintendent at that school, Col. J.M. Sellers, Jr., is here today as a leader within your association.

I feel a special tie to your schools, as two generations of my family have attended Wentworth Military Academy and one of our sons is a graduate of North Georgia College as well. Thus, the important role that military schools play within our country is known to me personally. Many Americans who have attained noteworthy success in our society can claim the roots of their desire to honorable achievement stemmed from your institutions.

Yours is the job of preparing young Americans for leadership—both in military and in civilian life. In this task, you have succeeded, and I compliment you on your great contribution to our American past. It will be your continuing task to prepare leaders for even more difficult days that lie ahead for our Nation.

The Reserve Officers Training Corps [ROTC] is an integral part of your institutions, and because of that, I want to speak to you about some of the challenges the armed services will face over the next few years and how those challenges will affect the Reserve Officer Training Corps in that same time period.

From fiscal year 1987 to fiscal year 1988 the four armed services experienced reductions totaling 36,000 active duty personnel. The Department of Defense has actually witnessed 4 straight years of real cuts in the defense budget, increases have not matched costs due to inflation. It's not hard to see that we will be facing flat budgets for at least the next few years, barring some emergency or world crisis.

In this budget climate, the incentive in the Pentagon will be to cut force structure in order to preserve readiness, a lesson learned from the hard experiences of the late 1970's and early 1980's. Then we did the opposite, and ended up with ships that couldn't sail, aircraft unable to fly, and a hollow Army. At the same time that we will be trying to preserve readiness, however, Pentagon and congressional budgeters will be focusing sharp scrutiny on the various training and education programs of the Armed Forces. The challenge in these next few months and years will be not cut training and education to such an extent that we actually find ourselves guilty of eating our own seed corn. Education, it must be remembered, is the foundation upon which we build for the future. As Sir Francis Bacon noted "knowledge is power," and a strong military must have wise leaders who have not suffered because of excessive cuts in training and education.

During the Great Depression of the 1930's, in a far harsher budgetary climate, all of the services found themselves reduced to pauperdom. The size of the forces were drastically cut and modernization programs postponed and then cancelled. Too poor to train and equip their forces, the Army and the Navy took advantage of a difficult situation by sending their best officers to various schools—to study, to teach, and to prepare for the future. The infantry school at Ft. Benning, the Command and General Staff College at Ft. Leavenworth, the Naval War College at Newport, and the Army War College here in Washington experienced a renaissance. It was during the interwar years, the "golden age" of American military education, that such renowned World War II military leaders as Dwight Eisenhower, Omar Bradley, Chester Nimitz, Raymond Spruance, and "Hap" Arnold attended one of the two war colleges. "Bull" Halsey, who commanded the central Pacific amphibious campaign against the Japanese during World War II, attended both the Army and the Navy War Colleges. George Marshall taught at the Army War College and was the assistant commandant of the Army infantry school. In short, we won the victories of the 1940's in the war college classrooms of the 1920's and 1930's.

Let me now shift from the recent past to the more uncertain future and discuss the important task of educating our future military leaders. A first rate ROTC program will prepare future military officers by providing them the most important foundation for any leader—a genuine appreciation of history. I cannot stress this enough because a solid foundation in history gives perspective to the problems of the present. And a solid appreciation of history provided by a first rate ROTC program will prepare students for the future, whether they decide to spend 30 years in one of the services or decide to re-enter the civilian world after a few years of military service.

In the March issue of Parameters, the U.S. Army War College Quarterly, Gen. John Galvin, Surpeme Allied Commander, Europe, describes why our country needs strategists—in each of the services, at all levels. "We need senior generals and admirals who can provide solid military advice to our political leadership," he writes, "and we need young officers who can provide solid military advice—options, details, the results of analysis—to the generals and admirals." He lists three elements in an agenda for action: formal schooling, in-unit education and experience, and self-development. The first and third items on the agenda apply to any quality ROTC program.

In brief, the young military student should learn the historical links of leadership, being well versed in history's pivotal battles and how the great captains won those battles. Hannibal, Caesar, Napoleon, MacArthur—all were in the debt of outstanding soldiers of the past. Stonewall Jackson's successful Shenandoah Valley campaign resulted from his study of Napoleon's tactics, and Napoleon, who studied Frederick the Great, once remarked that he thought like Frederick. Alexander the Great's army provided lessons for Frederick, 2,000 years before Frederick's time. The Athenian general, Miltiades, who won the Battle of Marathon in 491 BC, provided the inspiration that also won the Battle of El Alamein in 1942; the Macedonian, Alexander the Great, who defeated the Persians at Arbela in 331 BC, set the example for the Roman victory at Pydna 155 years later. The English bowmen who won Crecy in 1346 also won Waterloo in 1815; Montgomery, Bradley or MacArthur, who won battles in the 1940's might well win battles a century or so hence. Thus, I believe that every truly great commander has linked himself to the collective experience of earlier generals by reading, studying, and having an appreciation of history.

The German Army, with its traditions reaching back to the 18th century, provides a revealing example of the great care and attention taken toward the education of an officer, in the nurturing of military excellence. There is much there to draw upon.

The selection, training, and education of both prospective officers and staff officers was marked by a well-organized educational system that was highly competitive and challenging. I will give you one example. Officers in the German Army of the 1920's who hoped to serve on the general staff first underwent a 5-month preparatory course conducted by correspondence. This was followed by two 3-day evaluations that culminated in a 4-day examination. Two-hundred seventy officers in 1927 passed the preliminary cuts—the preparatory course and the two 3-day evaluations—and were eligible for the final exam. Of that total only 37 were selected for general staff candidate training. This system of competitive selection and thorough training accounts for the tactical brilliance for which the German armies of the past century are justly well regarded.

But on a higher level, the German military educational system failed. Tactical brilliance and great technical proficiency could not make up for two major weaknesses: The inability of German officers to question higher authority, most glaringly evident during the Nazi period, and the lack of strategic vision at the highest levels of military leadership. We in the United States succeeded at this higher level prior to World War II. Because of our military war colleges during the 1920's and 1930's America produced officers of exceptional character and strategic vision. They enabled us to emerge victorious from the Second World War.

Unfortunately, after the war we became complacent. Strategic thinking atrophied after 1945. In the nuclear age many believed that the ideas and thoughts associated with classical military strategy had been rendered obsolete. The bitter experience of Vietnam, which resulted from a loss of strategic vision, sent American military men back to the study of war and military history.

This process, however, must begin prior to the commissioning of an officer—be it at one of the three service academies, through an ROTC program, or at officer candidate school. In other words, you gentleman in this room must start the process. For students in an ROTC program, education should be emphasized, not just training. This means extensive reading, research, written analysis, seminar discussios, and old fashioned thinking. Instructors must not only know their subjects well, but also possess the gift of being able to kindle the student's interest and cause him to think.

At the same time, a quality ROTC program must instill in its students the notion that a military career includes a life long commitment to self-development. Commissioning day is simply the completion of the first small step of a process of education, of study, or reading, and of thinking that will continue for the rest of the young officer's professional life.

You gentleman have a sacred trust—to teach, to inspire, and to help mold America's future military leaders. Yes tactical proficiency is very important but so too is strategic vision. You here today will not be able to provide such vision to the young people in your charge, that can only come after years of careful reading, study, reflection, and experience. But you can help start the process by making those entrusted to your

care aware of the natural yardstick of 4,000 years of recorded history. Thucydides, Plutarch, Sun Tzu, Clausewitz, Napoleon, Mahan and Mackinder have much to offer tomorrow's military officers. You must make those future officers aware of this inheritance.

Winston Churchill put this idea in these words: "professional attainment, based upon prolonged study, and collective study at colleges, rank by rank, and age by age—those are the title reeds of the commanders of the future armies, and the secret of future victories."

Again, thank you for your kindness and your presentation to me today. You who produce young leaders for our country are to be commended for your great contributions. I hope that I may continue to be of some small help in your endeavors. Thank you, so much and God bless.●

CONTRIBUTIONS OF C-SPAN

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Concurrent Resolution 22, a concurrent resolution commemorating April 3, 1989, as the 10th anniversary of C-SPAN, and that the Senate proceed to its immediate consideration; that it be agreed to; that the motion to reconsider the vote by which it was agreed to be laid on the table and that its preamble be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution, with its preamble, was agreed to, as follows:

S. CON. RES. 22

Whereas the Cable Satellite Public Affairs Network, popularly known as "C-SPAN", began operations on April 3, 1979, broadcasting proceedings on the floor of the House of Representatives, and has been broadcasting proceedings on the floor of the Senate since June 2, 1986, through C-SPAN II;

Whereas having started in 1979 with an audience of about 3,500,000 households, C-SPAN now reaches more than 40,000,000 households in this country and has begun broadcasting overseas through the United States Information Agency's Worldnet system;

Whereas during the past ten years C-SPAN has continually expanded its schedule to include a variety of programs relating to the Nation's public policy and political process;

Whereas C-SPAN's schedule now includes, in addition to floor proceedings—

(1) coverage of Congressional hearings;

(2) two daily viewer call-in programs in which viewers question elected officials, policy makers, and journalists on issues of the day;

(3) weekly addresses by newsmakers at the National Press Club;

(4) a weekly program on "Process and Policy" wherein professionals give their analyses of current National issues;

(5) a weekly program on "Communications Today" that examines media trends and technology and communications law;

(6) a weekly "Supreme Court Review" that discusses cases currently before the Court; and

(7) occasional special programs on a variety of matters of interest in the field of public affairs, which last year included detailed coverage of the Presidential campaign and full gavel-to-gavel coverage of the Democratic and Republican conventions;

Whereas the cable industry has recently funded a program to provide equipment and scholarships to allow and encourage the use of C-SPAN in the classroom to educate students in the political process; and

Whereas C-SPAN has made a tremendous contribution to the cause of democracy by making immediately available to the public a comprehensive, accurate, and unbiased exposition of the political process in this country: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That on the occasion of the tenth anniversary of C-SPAN on April 3, 1989, the cable television industry is commended for the invaluable contribution it has made and continues to make toward informing and educating the citizenry of this Nation and thereby enhancing the quality of its government of, by and for the people.

FREEDOM OF INFORMATION DAY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of House Joint Resolution 167, a joint resolution to designate March 16, 1989, as "Freedom of Information Day"; that the Senate proceed to its immediate consideration, that it be passed, that a motion to reconsider be laid on the table, and its preamble be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the joint resolution (H.J. Res. 167) was passed.

FOURTH ANNIVERSARY OF THE KIDNAPING OF TERRY ANDERSON

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 28, Senate Resolution 81, relating to the fourth anniversary of the kidnaping of Terry Anderson.

The PRESIDING OFFICER (Mr. GRAHAM). The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 81) relating to the fourth anniversary of the kidnaping of Terry Anderson.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MOYNIHAN. Mr. President, today marks the fourth anniversary of the kidnaping of Terry Anderson in Lebanon. Mr. Anderson is one of nine American citizens now being held in that nation. None have been there longer than he.

Four years ago, Mr. Anderson was serving as chief Middle East correspondent for the Associated Press, working out of Beirut. On his way back from a tennis game on March 16, 1985, the former marine was apprehended by gunmen and taken hostage.

Mr. Anderson has spent the last 4 years as a prisoner, often shackled and blindfolded in a small windowless room in Beirut. He has been kept from the sunlight, kept from exercising, kept from the news of the world. His father and brother have died since he was taken captive; his wife gave birth to a daughter. He can only hear what he is told. Perhaps most disturbing to his family here, there is no indication Mr. Anderson will be freed soon.

Mr. Anderson is reportedly being held by Hezbollah, a fundamentalist Muslim group with close ties to Iran. The group has demanded that before Mr. Anderson is released, the Government of Kuwait must release the "Daw'a 17," a collection of terrorists who bombed the French and American Embassies in Kuwait in the autumn of 1983. The Government of Kuwait has no intention of releasing these criminals, and the United States Government will not ask them to, nor should it.

But to assert that there is nothing that can be done to free Mr. Anderson or the other hostages, that the U.S. Government should just wait for events to change, shows a certain callousness to the plight of those who are being held.

When Americans are kidnapped, as has happened periodically over the last 4 years, our Government has often responded with a massive effort to win these Americans' freedom. When TWA flight 847 was hijacked to Beirut, our Government pursued every diplomatic means to win the passengers' release. I should add that in that case, the terrorists' initial demands were the same as those made for Terry Anderson's release. Are we to understand from the executive branch's inaction that the U.S. Government has given up on Terry Anderson, Thomas Sutherland, Frank Herbert Reed, Joseph James Cicippio, Edward Austin Tracy, Jesse Turner, Robert Polhill and Alann Steen? I most certainly hope not.

Surely we should reject the explanation that nothing can be done. Something must be done. The executive branch must seek to use every avenue—formal and informal—to win these hostages' freedom. Our diplomats cannot forget. While many Americans may be numbed by the thought of spending 4 years as a capative in a foreign country, Terry Anderson must face that reality daily, with no idea when he might be released. This is a human tragedy of the greatest proportions.

Mr. President, to mark this occasion and to remind the American people of the plight of Terry Anderson and the

eight other American hostages being held in Lebanon, yesterday I introduced Senate Resolution 81. I did so on behalf of myself, the esteemed chairman of the Committee on Foreign Relations [Mr. PELL], and the senior Senator from Colorado [Mr. ARMSTRONG].

I ask unanimous consent that a statement by Bob Scheiffer pertaining to this subject be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY BOB SCHEIFFER

The historian Ariel Durant once wrote that civilization is not imperishable but must be relearned by every generation.

"Barbarism," she observed, "is like the jungle. It does not die out but only retreats behind the barriers that civilization has thrown against it, and waits there always to reclaim that to which civilization has temporily laid claim."

Because we live on civilization's side of the barrier, it is sometimes easy to forget that there is still evil in the world.

Because we are a civilized people, the taking of hostages is all but incomprehensible to us—an irrational, barbaric act for which we can ascribe no sane motive.

Our government is a government of laws and our system of values is based on reason. Yet, even here at the very seat of our government, we need look no farther than the metal detectors through which we now pass to board an air plane or enter most public gathering places to recognize that there are growing numbers of people who would not hesitate to harm the innocent to call attention to their own cause, and that we must protect ourselves against them.

We need reflect back no farther than the news of this morning which told of the latest developments in the investigation of the downing of the Pan Am airliner, to be reminded that there are still those who would use human suffering as a weapon of war.

When I came to Washington some twenty years ago, one could walk into most government buildings including the Pentagon without a pass, but today I must be fingerprinted, photographed and carry an identification card in order to be admitted to most places where I do my work as a journalist.

We complain about the inconvenience of all this but we have resigned ourselves to its necessity. These security measures are more than just protective devices, however. They are also symbols of how even here, in the capital of the world's most powerful democracy, that we, too, are victims of terrorism.

When we must submit to security checks, when the natural beauty of our great Capitol must be altered by ugly concrete it is a sign that terrorists have placed limits on our freedom.

For us, however, the terrorist has brought only inconvenience. For Terry Anderson and his family, for the families of all the hostages and the loved ones who have been taken from them, there has been much more. Real suffering and pain made all the more excruciating because it has been inflicted by those who would seem to have no grievance against any of them.

When we recognize the limits that have been placed on our freedoms by those who would threaten violence, let us hope that it will remind us of the suffering of the families who are with us today. Let us hope that it will remind us that their suffering is our suffering, and that when limits are placed on one man's freedom, that the freedom of all mankind is diminished.

We have come here today to say a powerful message no more complicated than this—that we remember Terry Anderson. It is a powerful message because it reaffirms a great strength of America. We are a people who remember each other.

We are a people whose soldiers do not turn their backs on fallen comrades, who have always been willing even in the face of great danger to themselves, to rescue the wounded, and even to recover the dead from the battlefield, in order that they be given a proper burial.

We are a civilized people whose value system is based on reason and caring for one another and those who place no value on human life, those who would bring suffering to the innocent for their own selfish goals must understand that we place the highest value on human life and that we will not forget senseless acts, nor will we ever accept terrorism as the normal course of events. We care too much for each other and because of that we will—in the end—prevail.

As he struggled to understand the Holocaust, Eli Wiesel once wrote that, "We must teach . . . about the origins and consequences of violence. In a society of distrust, skepticism, and moral anguish, we must tell our contemporaries that whatever the answer is, it must grow out of human compassion and reflect man's basic quest for justice.

To the families of the hostages what comfort can we offer to ease the pain of this long and inexplicable ordeal?

How wonderful it would be if there were one pronouncement we could make, one work we could say which would take the pain away.

But there is no such word.

All we can do is say to them that we remember and that we care.

God bless you Peggy Say and God bless the families of all the hostages.

As the pain and suffering that your loved ones have endured has been a tragic reminder that there are those who would do evil to advance their own selfish purposes. Your actions have shown us mankind's finest attributes, great courage and a determination never to forget, never to give up, until this awful thing is righted.

And God bless the hostages. May God give them strength to endure.

Mr. PELL. Mr. President, today I join my distinguished colleague, Senator MOYNIHAN of New York, in sponsoring legislation to mark the fourth anniversary of the kidnaping of journalist Terry Anderson in Lebanon. This is a day of deep sorrow, not only for the friends and family of Mr. Anderson, but for all of those who share the sadness and pain of the nine remaining hostages and their families.

Too often the world is shocked by the taking of yet another hostage by terrorists. In the immediate wake of each incident, all Americans react with grief and a strong sense of urgency that our Government take whatever steps may be appropriate to resolve the incident. Too often, as time goes by, the incident and the victims fade in our collective memory as we resume our daily activities. Our purpose today is to return the attention of our colleagues and the Nation to the hostages in Lebanon and to express our strong support for a renewed drive to secure their release.

At the beginning of 1988, eight Americans were being held against their will in Lebanon, including Mr. Anderson, Thomas Sutherland, Jesse Turner, Joseph Cicippio, Alann Steen, Edward Tracy, Robert Polhill, and Frank Reed. I am sad to report that rather than achieving any progress with these hostages since that time, we have witnessed instead yet another kidnaping. Lt. Col. William Higgins of the United States Marines was taken hostage last February while in Lebanon in connection with his official duties as a member of the U.N. Peacekeeping Force.

Mr. President, despite efforts by both the administration and the United Nations to free the nine hostages in Lebanon, there they remain. It is time for a renewed drive to free these captive Americans. I urge our new President and Secretary of State to redouble their efforts and work in tandem with the global community to secure the release of the hostages. I commend the United Nations for its attempts to resolve the hostage situation in Lebanon, and I call upon the Secretary General to extend these efforts to the maximum possible extent. Last, I wish to reassure the families and friends of the hostages that we remember their cause and share their grief.

TERRY ANDERSON

Mr. LEVIN. Mr. President, today marks a disturbing milestone in our Nation's history—the fourth anniversary of Terry Anderson's abduction in Lebanon. As one of nine American citizens who remain in captivity in Lebanon, Terry Anderson bears the distinction of the longest detention of any foreign hostage in that country.

Four years ago. Anderson, the Middle East bureau chief for the Associated Press, was dragged from his car and taken hostage by Islamic Jihad. He has been cut off from the world since then.

It is impossible for us to comprehend the suffering that Terry Anderson has endured in the last 4 years. Descriptions of life in captivity have come from the few hostages who have since been freed. The circumstances of their detention sound like a living nightmare.

Terry Anderson has been detained in a small, filthy, roach-infested cell. He has gone on hunger strikes and, in frustration, he once pounded his head against the wall until the blood flowed. He is often blindfolded and his ankle is shackled to a rusty manacle that burns his skin. There are reports that Terry Anderson, an ex-marine, has been beaten and harassed, and

that he has been held in solitary confinement.

The anguish that the Anderson family has experienced throughout this ordeal has also taken its toll. Terry Anderson's father and brother have died in the last 4 years. His wife has given birth to a daughter. Their courage and persistence is inspiring, especially because there is no discernible end in sight.

Islamic Jihad has announced that it will not release Terry Anderson until the Kuwaiti Government releases 17 terrorists charged with bombing the French and American Embassies. To date, they have not done so, and that is as it should be. Our policy is not to negotiate with terrorists. However, this does not preclude talking and other efforts. We must not give up in our attempts to bring them home.

I would like to pay special tribute to the individuals and organizations that have dedicated themselves to keeping the hostages in the forefront of our national consciousness—organizations such as "The Journalists Committee To Free Terry Anderson," which held an event this morning in the House of Representatives, and, in my own State of Michigan, the Pontiac Bicentennial of the Constitution Committee, which invited the relatives of the hostages to come to Pontiac last month to call attention to their plight, and to allow the families to meet and draw comfort from each other.

As Terry Anderson begins his fifth year of captivity, we must not forget him and the other Americans held hostage: Thomas Sutherland, Frank Reed, Joseph James Cicippio, Edward Austin Tracy, Robert Polhill, Alann Steen, Jesse Turner, and William R. Higgins. My hopes and prayers are with the hostages and their families.

The PRESIDING OFFICER. Is there further debate on the resolution? If not, the question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 81

Whereas hostage taking abridges human rights, harms the cause of world peace, and endangers the lives of innocent individuals;

Whereas nine Americans: Terry Anderson, Thomas Sutherland, Frank Reed, Joseph James Cicippio, Edward Austin Tracy, Jesse Turner, Robert Polhill, Alann Steen, and William Higgins, are missing and believed held hostage by groups operating within the borders of Lebanon;

Whereas March 16, 1989, marks the fourth anniversary of the kidnapping of Terry Anderson in Beirut;

Whereas Terry Anderson was serving with distinction as Middle East Bureau Chief of the Associated Press at the time of his kidnapping; and

Whereas Terry Anderson sought through his work and his writings to further the world's knowledge and understanding of the Middle East, and as a result of his captivity is prevented from so doing: Now, therefore, be it

Resolved, That the United States Senate hereby condemns all forms of hostage taking for whatever purposes by individuals, groups, or governments, and be it further

Resolved, That the Senate calls upon the nations of the world to condemn all forms of hostage taking, and to work for the release of all hostages.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution and its preamble were agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HUMAN RIGHTS ABUSES IN TIBET

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar item No. 32, Senate Resolution 82, which expresses the concern of the Senate for the ongoing human rights abuses in Tibet.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 82) expressing the concern of the Senate for the ongoing human rights abuses in Tibet.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, read as follows:

S. RES. 82

Whereas for the past four decades, repressive actions by the Chinese have resulted in the deaths of as many as one million Tibetans, the destruction of a large part of Tibet's unique cultural heritage, the flight of the Dalai Lama and tens of thousands of Tibetans from their homeland;

Whereas despite a short period (1978-82) when a Chinese policy attempt was initiated to address the grievances of the Tibetan people, recent reports issued by credible human rights organizations, including Asia Watch and Amnesty International and the international press confirm mounting human rights violations in Tibet, including arbitrary arrest and detention, the use of excessive force on peaceful demonstrators, restrictions on religious freedoms, torture, and a systematic pattern of discrimination;

Whereas Congress passed, and President Reagan signed into law on December 22, 1987, legislation stating that "the Government of the People's Republic of China should respect internationally recognized human rights and end human rights violations against Tibetans . . . and should actively reciprocate the Dalai Lama's efforts to establish a constructive dialogue on the future of Tibet";

Whereas on September 16, 1988, the United States Senate unanimously passed S.Con. Res. 129 commending the Dalai Lama for his efforts to resolve the problems of Tibet through negotiations, supporting his proposal to promote peace, protect the environment, and gain democracy for the people of Tibet, and calling on the Government of the People's Republic of China to enter into discussions to resolve the question of Tibet along the lines proposed by the Dalai Lama;

Whereas on September 21, 1988, the Chinese Government welcomed negotiations with the Dalai Lama and stated: "the venue of the talks can be Beijing, Hong Kong, or any of the Chinese embassies and consulates abroad. Should the Dalai Lama find these places inconvenient, he can choose any place at his discretion provided that no foreigners participate in the talks";

Whereas the Chinese Government has yet to accept negotiations with representatives of the Dalai Lama, and no such negotiations have taken place;

Whereas Tibetans continue to demonstrate in support of human rights and democratic freedoms in Tibet. On March 5, 6, and 7, 1989, at least thirty and, according to some reports, as many as sixty people died and hundreds were injured when Chinese authorities fired on unarmed Tibetan demonstrators in Lhasa;

Whereas Chinese officials in Beijing have declared martial law in the Tibetan capital of Lhasa and its environs. Western tourists in Lhasa during these demonstrations have reported random mass arrests and mistreatment of Tibetans by Chinese authorities: Now, therefore, be it

Resolved, That the Senate—

(1) condemns the recent use of violence against unarmed Tibetan demonstrators on March 5, 6, and 7, 1989;

(2) expresses sympathy for those Tibetans who have suffered and died as a result of Chinese policies in Tibet over the past four decades;

(3) urges the People's Republic of China to respect internationally recognized human rights and end human rights violations in Tibet;

(4) urges the People's Republic of China to lift the government-imposed restrictions on foreign press and human rights monitoring groups in Tibet.

(5) urges the Administration to propose that a United Nations observer team monitor the situation in Tibet;

(6) urges the United States to make the treatment of the Tibetan people an important factor in its conduct of relations with the People's Republic of China;

(7) urges the United States through the Secretary of State, to address and call attention to, in the United Nations and in other international fora, the rights of the Tibetan people;

(8) supports the efforts of the Dalai Lama and others to resolve peacefully the situation in Tibet; and

(9) calls upon the Government of the People's Republic of China to meet with representatives of the Dalai Lama to begin initiating constructive dialog on the future of Tibet.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL AGRICULTURE DAY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 117, a joint resolution to designate March 20, 1989, as National Agriculture Day, just received from the House of Representatives.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 117) to proclaim March 20, 1989, as National Agriculture Day.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was ordered to a third reading, was read the third time, and passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRAUMA AWARENESS MONTH

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 68, a joint resolution designating May 1989 as Trauma Awareness Month, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 68) designating May 1989 as Trauma Awareness Month.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 68

Whereas more than eight million individuals in the United States suffer traumatic injury each year;

Whereas traumatic injury is the leading cause of death of individuals of less than forty years of age in the United States;

Whereas every individual is a potential victim of traumatic injury;

Whereas traumatic injury can occur without warning;

Whereas traumatic injury frequently renders its victims incapable of caring for themselves;

Whereas past inattention to the causes and effects of trauma has led to the inclusion of trauma among the most neglected medical conditions;

Whereas the people of the United States spend more than $110,000,000,000 annually on the problem of trauma;

Whereas the problem of trauma can be remedied only by prevention and proper treatment through emergency medical services and trauma systems; and

Whereas the people of the United States must be educated in the prevention and treatment of trauma and in the proper and effective use of emergency medical services and trauma systems: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 1989 is designated as "National Trauma Awareness Month", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate ceremonies and activities.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TENTH ANNIVERSARY OF ISRAELI-EGYPTIAN PEACE

Mr. DOLE. Mr. President, I send to the desk a joint resolution and ask for its immediate consideration, on behalf of Senators BOSCHWITZ, HELMS, MOYNIHAN, MITCHELL, DOLE, and GRAHAM.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 87) to commend the Governments of Israel and Egypt on the occasion of the 10th anniversary of the Treaty of Peace between Israel and Egypt.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. BOSCHWITZ. Mr. President, today the Senate takes note of a historic treaty which, for the first time since the founding of Israel in 1948, proved that differences in the Middle East can be settled peacefully. I am pleased to introduce, along with my colleagues Senator PELL, Senator HELMS, and Senator MOYNIHAN, a resolution congratulating both Israel and Egypt for their decade of observance to their peace treaty. In a region so sorely harmed by violence, this treaty proves that once former enemies can move willingly along the previously uncharted paths of peace.

What a message this sends to other peoples and nations in the Middle East, so deeply steeped in conflicts. Perhaps the most important lesson we learn from the events leading to the peace treaty is that peace comes not because nations want war less, but because they want peace more. Once the psychological adjustment is made to try to achieve peace, everything else is possible.

The treaty stands as a testament and beacon of what can be accomplished through the diligence, persistence, and vision of national leaders committed to peace. To achieve the treaty, great acts of courage were taken. President Sadat's journey to Jerusalem broke the psychological and physical barriers separating Israel and Egypt. Similarly, Prime Minister Begin reflected the strong desire of his people for peace and seized the opportunity for peace when it arose. His courage in agreeing to return the entire Sinai Peninsula, an oil-rich area twice the size of Israel, is an example of statesmanship that will not soon be forgotten.

President Jimmy Carter showed vision and determination, tirelessly working for the achievement of the treaty. In the process, he accomplished a task which many had said was impossible.

Unfortunately, the other parties to the conflict have yet to see the wisdom of the course charted in the peace treaty. Had others followed the path of Israel and Egypt, years of violence could have been voided and the current Palestinian uprising might never have occurred.

Nevertheless, today we see some glimmers of hope on the horizon. And while a comprehensive formal peace may still be some distance away, I am optimistic that the day will come when direct negotitions among the parties will begin, bringing hope of peace to a region which deserves and needs it perhaps more than any other.

Mr. President, I strongly urge my colleagues to adopt this resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble reads as follows:

S.J. RES. 87

Whereas in Washington, District of Columbia, on March 26, 1979, the Governments of Israel and Egypt, with the support and encouragement of the United States, signed a treaty of peace formally ending their state of war;

Whereas this treaty, the only peace agreement between Israel and an Arab nation, remains a crucial element in fostering peace in the Middle East;

Whereas under terms of this historic document Israel and Egypt agreed to end the state of war between them, Israel fully withdrew its military forces and civilian settlements from the Sinai Peninsula, and Israel and Egypt established formal diplomatic relations, including the exchange of ambassadors;

Whereas the establishment of peace between Israel and Egypt demonstrates that direct bilateral negotiations are the most effective way to resolve the Arab-Israeli conflict and can lead to lasting and mutually beneficial results;

Whereas the other parties to the conflict have been unwilling to enter into direct bilateral negotiations but continue to maintain a state of war against Israel;

Whereas the continuation of the conflict has exacted a high cost in human lives and human suffering from both Israelis and Arabs; and

Whereas the treaty has allowed the peoples of Israel and Egypt to begin to build a network of cultural, economic, personal, and political contacts among themselves; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Government—

(1) Commends Israel and Egypt for their historic act of courage and statesmanship in signing the Treaty of Peace of March 26, 1979;

(2) calls upon the President to mark this historic anniversary with appropriate public activities;

(3) welcomes the willingness of Israel and Egypt to continue to observe the international obligations they have accepted which have contributed to the peace and stability of the region; and

(4) calls upon other Arab nations and the Palestinians to follow the example of Israel and Egypt, to join actively in the peace process, to renounce the state of war and acts of violence, and to enter into face-to-face negotiations to achieve a just and lasting peace.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the following nominations en bloc: Executive Calendar Nos. 44, 45, 46, 47, and all nominations placed on the Secretary's desk in the Air Force, Army, Navy, Public Health Service.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

[NEW REPORTS]

IN THE ARMY

The following-named officer for appointment to the grade indicated, under the provisions of title 10, United States Code, section 601(a), in conjunction with assignment to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a):

To be general

Lt. Gen. Colin L. Powell, [redacted], U.S. Army.

The following-named officer for appointment to the grade indicated, under the provisions of title 10, United States Code, section 601(a), in conjunction with assignment to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Donald W. Jones, [redacted], U.S. Army.

The U.S. Army Reserve officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, sections 593(a), 3371 and 384:

To be major general

Brig. Gen. Joseph H. Brooks, [redacted].
Brig. Gen. James W. Holsinger, Jr., [redacted].
Brig. Gen. Homer A. Johnson, Jr., [redacted].
Brig. Gen. James R. Land, [redacted].
Brig. Gen. John R. McWaters, [redacted].
Brig. Gen. Eugene J. Yonno, [redacted].

To be brigadier general

Col. William J. Collins, Jr., [redacted].
Col. Edgardo A. Gonzalez, [redacted].

CENTRAL INTELLIGENCE

Richard J. Kerr, of Virginia, to be Deputy Director of Central Intelligence, vice Robert M. Gates, resigned.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY, PUBLIC HEALTH SERVICE

Air Force nominations beginning Eugene A. Beardslee, and ending Floyd J. Wygant, II, which nominations were received by the Senate on March 1, 1989, and appeared in the CONGRESSIONAL RECORD of March 2, 1989.

Air Force nominations beginning David L. Cloe, and ending Roger P. Suro, which nominations were received by the Senate on March 1, 1989, and appeared in the CONGRESSIONAL RECORD of March 2, 1989.

Air Force nominations beginning Michael L. Abbott, and ending Daniel C. Zook, which nominations were received by the Senate on February 1, 1989, and appeared in the CONGRESSIONAL RECORD of March 2, 1989.

Air Force nominations beginning Timothy L. Abel, and ending William P. Zuber, which nominations were received by the Senate on March 1, 1989, and appeared in the CONGRESSIONAL RECORD of March 2, 1989.

Army nominations beginning Barbara M. Alving, and ending Edmund P. Wiker, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 3, 1989.

Army nominations beginning Eric D. Adrian, and ending Charles J. Yowler, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 3, 1989.

Army nominations beginning Shirley O. Ford, and ending Charles Ferris, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 3, 1989.

Army nominations beginning Kenneth P. Adgie, and ending Karl D. Zetimeir, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 3, 1989.

Army nominations beginning Michael C. Aaron, and ending Randal D. Robinson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 3, 1989.

Army nominations beginning Frank E. Chapple, II, and ending Bonnie L. Smoak, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 8, 1989.

Army nominations beginning Bram H. Bernstein, and ending James R. Woods, Jr., which nominations were received by the Senate on March 1, 1989, and appeared in the CONGRESSIONAL RECORD of March 2, 1989.

Army nominations beginning John M. Long, and ending Thomas E. Rigsbee, which nominations were received by the Senate on March 1, 1989, and appeared in the CONGRESSIONAL RECORD of March 2, 1989.

Army nominations beginning Robert H. Langston, and ending Gary S. Madonna, which nominations were received by the Senate on March 1, 1989, and appeared in the CONGRESSIONAL RECORD of March 2, 1989.

Navy nominations beginning Arne J. Anderson, and ending Kristen C. Zeller, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 3, 1989.

Navy nominations beginning Michael J. Epstein, and ending Benjamin T. Po, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 7, 1989.

Navy nominations beginning Kelly N. Alvey, and ending David B. Hurst, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 7, 1989.

Navy nominations beginning John B. Anderson and ending Jerry Lee Zumbro, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 7, 1989.

Navy nominations beginning David A. Austin, and ending Sheldon L. Weider, which nominations were received by the Senate on March 1, 1989, and appeared in the CONGRESSIONAL RECORD of March 2, 1989.

Public Health Service nominations beginning Duane F. Alexander, and ending Beverly A. Roth, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 3, 1989.

RICHARD KERR

Mr. MURKOWSKI. Mr. President, I am pleased to join in the unanimous recommendation of the Select Committee on Intelligence to the Senate that Richard Kerr be confirmed as Deputy Director of Central Intelligence. This is a matter of some consequence because the Deputy Director is second in command of the diverse agencies and vast resources that comprise the intelligence community of the United States.

Like his predecessor, Mr. Kerr is a career officer of the CIA. This is as it should be. While the President must have an individual of his own choosing as the Director, it is critical that political considerations play no role in the selection of the subordinate management of the intelligence process if that process is to maintain its integrity. There is no place for "good news only" intelligence that tries to tailor facts and analysis to fit policy and politics.

The requirement for unbiased intelligence is matched by the need to provide that intelligence to the key policymaking element of the Government. The Congress shares with the executive branch primary responsibility for formulating foreign and national security policy. This responsibility carries with it a right to relevant available information, including intelligence. This is particularly true of the Intelligence Committees which have both an oversight responsibility toward the intelligence community and are charged by the Congress to be the channel of access to the most sensitive intelligence information.

In his responses to questions for the record I detected a reluctance on Mr. Kerr's part to accept the right of the Intelligence Committees to have full and assured access to intelligence—including the reporting that goes into finished intelligence and to all special compartments. The precise conditions of access can be worked out in specific cases, but the principle is not negotiable.

Assuming agreement on this point, I look forward to a constructive and cordial working relationship with Mr. Kerr in his new, and important, capacity.

Mr. COHEN. Mr. President, I join with Senator BOREN in recommending to my colleagues the nomination of Richard J. Kerr to be Deputy Director of Central Intelligence.

Mr. Kerr is an intelligence professional in the truest sense of the term, having spent his entire career with the Central Intelligence Agency. Although he may not be well known to the public or, indeed, to Members of this body, he is well known to the Intelligence Committee. We have worked closely with him in the past, and have come to respect his integrity and abilities. We anticipate that he will continue to work with the committee in a spirit of candor and cooperation.

In my statement at Mr. Kerr's confirmation hearing, I observed that the Intelligence Committees spend a great deal of time in the area of covert actions, and that the relationship between the intelligence community and the committees has, for the most part, been excellent.

However, I also said that I was not satisfied with the way things have been left with respect to the requirements for reporting covert actions to Congress. Last year, I introduced legislation, S. 1721, which would have established a time certain of 48 hours for the President to report covert actions to the Congress. We passed that bill by a 71-to-19 vote, but it never came before the full House for a vote.

So we are still left with the Reagan administration's Justice Department determination that a President has unfettered discretion to interpret what his obligations are under the existing language calling for reporting "in a timely fashion." Last year's vote shows that this formulation is not acceptable to the Senate and it is a matter which must be resolved. I stated that I would work to reach an accommodation with the new administration, but if that was not possible—indeed, if progress was not made in the near future—I would reintroduce legislation requiring that notice of covert actions be given within 48 hours.

I asked the nominee about his views with regard to the requirement that the President report a finding authorizing a covert action to the two Intelligence Committees. Mr. Kerr testified that the congressional oversight role should be to examine the foreign policy premise of a proposed covert action, and to ensure that it is consistent with publicly stated U.S. policy and that the intelligence community had examined the risks of a proposed action in detail. Mr. Kerr also testified that it would be difficult for him to imagine a circumstance where the committees would not be informed in advance of a proposed action.

In Mr. Kerr's view, the congressional oversight function is necessary and positive. His testimony indicates that he believes the intelligence committees should be kept fully and currently informed of covert actions and other intelligence activities. I am pleased that Mr. Kerr has taken that position and look forward to working with him.

His confirmation in the position of Deputy Director of Central Intelligence will add another experienced and capable member to the President's national security team. I believe the appointment of Mr. Kerr will have a salutary effect on policymaking not only within the intelligence community, but within the Government as a whole. I urge the Senate to confirm him.

Mr. WARNER. Mr. President, I am pleased to join my colleagues from the Intelligence Committee to recommend for Senate confirmation Mr. Richard Kerr to be Deputy Director of Central Intelligence.

I congratulate Dick on receiving the President's nomination to serve as the Deputy Director of Central Intelligence. Such a nomination is clear evidence of the trust which the President places in him. I am confident that this trust is the result of Dick's vast experience in the intelligence community and his impeccable personal attributes.

Dick joined the Central Intelligence Agency in 1960 as an analyst. He has worked hard, performed well, and, accordingly, progressed through the ranks. Over the last 15 years, he has held a variety of senior level positions, both at the CIA and on the intelligence community staff. Since early 1986, he has served as the Deputy Director for Intelligence, the highest analytical position at the CIA. He is also a member of the Covert Action Review Group.

Along with his vast experience, Dick has had many noteworthy accomplishments over the years.

In the early 1960's, as a junior analyst, Dick was directly involved in supporting our policymakers during the Cuban missile crisis. Initially, he prepared the daily current intelligence reports on the confrontation, and later, was responsible for the daily reports on the subsequent withdrawal of Soveit missiles from Cuba. I might add that there are few intelligence analysts remaining in public service whose career spanned the Cuban missile crisis, the most serious confrontation of the post war era. The experience Dick gained during this time has prepared him well for handling critical national security emergencies.

During the 1970's, Dick's performance was consistently exemplary. He led an intelligence community planning group, the first of its kind, that was responsible for developing a major new collection program which provided timely and useful information for the intelligence community. The success of this effort is well-known within the U.S. Intelligence community.

In the 1980's Dick initiated the daily briefings of senior administration officials to ensure that they receive the most accurate and up-to-date intelligence data in order to make informed decisions.

Throughout his career, Dick Kerr's contributions have had a highly significant impact on the intelligence community. In recognition of these contributions, Dick has received the National Intelligence Distinguished Service Medal and the Distinguished Intelligence Medal.

Mr. President, when I review Dick's experience and peformance, it is clear to me that, because of his almost 30 years of dedicated work at various levels within the intelligence community, Dick Kerr has reached the top of his profession because he has truly earned it.

Additionally, let me note that Dick Kerr's answer to the committee's questions during the confirmation hearings were both thoughtful and open. He assured us that, as the Deputy Director of Central Intelligence, he would continue to be truthful and forthcoming with the committee, and that he would work to ensure that the intelligence community as a whole would do the same.

In summary, Dick Kerr's experience, intelligence, honesty and hard work have equipped him to deal effectively with the critical issues and challenges which face the United States and the intelligence community in the decade of the 1990's. Without a doubt, he is well qualified to assume the important

and delicate position of Deputy Director of the Central Intelligence. I am fully confident that he will manage and represent the intelligence community well in this position, ensuring the best possible support to policymakers in both the executive and legislative branches of Government.

Mr. President, I strongly recommend that the Senate confirm Mr. Richard Kerr to the position of Deputy Director of Central Intelligence.

Mr. SPECTER. Mr. President, as we move to Senate consideration to confirm Richard Kerr as Deputy Director of Central Intelligence, I would like to say that I am impressed with Mr. Kerr's extensive background, broad experience and familiarity with the full range of intelligence issues. With nearly 30 years in key positions at CIA and on the intelligence community staff, he unequivocally qualifies for the accolade of career intelligence professional. Therefore, I plan to cast my vote in support of his nomination.

But, being a career professional carries special responsibilities for Mr. Kerr. The administration, the Congress and the American public can rightfully assume that he not only understands fully the laws, rules and needs of intelligence, but also knows when, where and how to speak up when policies or programs are running adrift of those very laws, rules and needs. I think it appropriate to say again today, as I have told Mr. Kerr privately and before the Intelligence Committee, that I harbor concerns about the timely reporting on covert actions. Second, I am concerned that the current management structure of the intelligence community is outmoded and will not allow him to perform effectively.

In the wake of the entire Iran-Contra affair, we are no closer to a binding agreement in law on when covert activities will be reported to the Congress. And, in fact we may have regressed. My pending legislation calling for reporting within 24 hours has a very sound basis. It is to ensure that covert activity is based on sound, coherent foreign policy and that all of the statutory members of the National Security Council are aware of and in support of the policy and planned covert activity.

In addition, it is to ensure that there is effective oversight over the agency implementing the covert action. One of the most devastating things that can happen to U.S. foreign policy and our intelligence agencies is for a Secretary of State to appear before the Congress and state that:

> One of the reasons the President was given * * * wrong information * * * was that the Agency or the people in the CIA were too involved in this—that I had come to have great doubts about the objectivity and reliability of some of the intelligence I was getting * * *.

Those were the words of former Secretary Shultz on the CIA's role in the Iran-Contra affair.

Mr. Kerr will be making decisions together with the DCI on all covert actions. He has told us that in "almost all instances the Intelligence Committees should be given prior notice of them." He has told us that the Intelligence Committees could have been notified earlier on the Iran covert action. This seems to suggest that in the future the Congress will be informed of a covert action somewhere in the uncertain range of prior to such activity but less that the 14 months of the Iran covert action. Because of this uncertainty, I shall continue to seek legislation to require the reporting of all covert actions within 24 hours.

Second, I am concerned that—given the outmoded management structure of the intelligence community—Mr. Kerr can effectively contribute the leadership needed. For this, he needs some legislative assistance.

Mr. Kerr has stated to us that he expects his role as DDCI will be somewhat more of the day-to-day manager of CIA and community activities because the DCI is so heavily focused on relations with Congress and direct contacts with policy makers.

In my view this is a near-impossible task.

Today, the director of central intelligence is trying to manage simultaneously the vast entities of the intelligence community and the CIA. In 1947, those entities were relatively small. Now, however, the intelligence community—that vast and complex network of some 14 departments, agencies and offices has grown to staggering proportions in terms of budget, people and missions.

When we add to that the need for interdependency, close coordination, cooperation and timeliness of information, the demand for a full time intelligence community director becomes all too apparent. As an example, in the 1990's, a far greater amount of satellite data will be available. But, in the face of tight budgets, the plans of the several intelligence agencies competing for exploitation resources must be better coordinated and managed. The consequences of inadequate coordination and management may well be a lack of confidence in the assessments of conventional force reductions in the Soviet Union and Eastern Europe. The leadship hand of the DCI must be more apparent.

Before he retired last year, Lieutenant General Odom, Director of the National Security Agency stated publicly that the intelligence community is "institutionally fragmented."

In my view, the reason why it is fragmented is because the management system is outmoded. It lacks the close day-to-day management which only a full time director can provide. The closest I can draw in parallel is to envision the Secretary of Defense also trying to manage the Navy Department—on a day-to-day basis, while also trying to manage the entire defense establishment. I am convinced that the deck is stacked against Mr. Kerr.

Mr. President, I shall vote "yea" on Mr. Kerr's nomination, but I am concerned about efficient senior management of the intelligence community. I also believe that there need to be a better mechanism to ensure the vetting, control and reporting of covert actions. Therefore, in the months ahead, I shall seek to achieve passage of my legislation to enhance the management and leadership of the intelligence community and covert actions by calling for a full time Director of National Intelligence.

Mr. BOREN. Mr. President, the nomination of Richard J. Kerr to be Deputy Director of Central Intelligence was reported to the Senate yesterday pursuant to a unanimous vote of the Senate Select Committee on Intelligence with a recommendation that he be confirmed. On behalf of myself and Senator COHEN, in our respective capacities as chairman and vice chairman of the committee, we urge the Senate to act favorably on this nomination.

The committee made a complete and thorough inquiry of the nominee's qualifications as well as his views on issues of mutual concern, and concluded that he is qualified by both experience and temperament to hold this sensitive and critical position.

As you may be aware, Mr. President, this position is established by the National Security Act of 1947. The incumbent is given responsibility, comparable to the Director of Central Intelligence, both to manage and supervise the activities of the Central Intelligence Agency, as well as coordinate the activities of the U.S. intelligence community. Obviously, he carries out these responsibilities under the direction of the Director of Central Intelligence, but it is important to recognize that the authorities of the Deputy correspond to those of the Director himself.

In the remainder of my remarks, I will summarize for my colleagues the nature of the committee's inquiry, and highlight the key features of Mr. Kerr's testimony to the committee.

SUMMARY OF COMMITTEE INQUIRY

Although the committee did not officially receive the nomination until February 21, 1989, President-elect Bush had announced his intention to appoint Richard J. Kerr to be Deputy Director of Central Intelligence on December 29, 1988.

The committee required Mr. Kerr to submit sworn answers to its standard questionnaire for Presidential appointees, setting forth his background and

financial situations. It also required sworn answers to its questions concerning Mr. Kerr's involvement in the so-called Iran-Contra affair. These were submitted to the committee on January 19, 1989.

The committee reviewed all statements previously made by Mr. Kerr before it as well as his statement before the Iran-Contra committees. The statements of other witnesses involved in the Iran-Contra affair were also reviewed for information bearing upon Mr. Kerr's involvement in this matter. All statements attributed to Mr. Kerr on the public record were also reviewed, and informal inquiries were made of present and former colleagues.

On February 21, 1989, the committee received a letter from the Director of the Office of Government Ethics transmitting a copy of the financial disclosure statement submitted by Mr. Kerr. The Director advised the committee that it disclosed no real or potential conflict of interest.

The chairman and vice chairman also reviewed the FBI investigation done for the White House on Mr. Kerr.

The committee held a confirmation hearing on Mr. Kerr on February 28, 1989, at which time the nominee was questioned on a variety of topics. Subsequently, written questions were submitted to the nominee for additional responses.

Based upon this inquiry, the committee reported the nomination to the Senate on March 14, 1989, by a unanimous vote, with a recommendation that Mr. Kerr be confirmed.

HIGHLIGHTS OF TESTIMONY

BACKGROUND OF NOMINEE

Mr. Kerr, 53, is currently Deputy Director for Intelligence at the Central Intelligence Agency, a post he has held since April 1986. He has spent his entire professional career at CIA, having joined the Agency upon his graduation from the University of Oregon in 1960. During his tenure at CIA, in addition to his present capacity, he has served as Deputy Director for Administration, 1986; Associate Deputy Director for Intelligence, 1982–85; Director for East Asian Analysis, 1981–82; and Director of Current Operations, 1979–81. He has also served a total of 7 years on the intelligence community staff, which serves as the DCI's staff for exercise of his community responsibilities.

The nominee holds a bachelor's degree from the University of Oregon, where he also had a year of graduate study. He is married with four children, and lives in Virginia.

VIEWS ON CONGRESSIONAL OVERSIGHT

In his opening remarks to the committee, Mr. Kerr described Congress' oversight of the Intelligence Community as both "necessary" and "positive." While saying that such oversight has not been without its problems and difficult moments, Mr. Kerr:

It assures the American people that activities that must be conducted in secret are being reviewed by their elected representatives, and are also being carried out in a lawful manner.

To make this process act effectively, the nominee continued:

It is vital that there be confidence and trust between the Intelligence Community and Members and staffs of the Intelligence Committees. Members must have confidence that they are receiving complete and candid answers, and that the intelligence professionals are telling them the full story and not holding back information.

The nominee pledged such candor and truthfulness in his future dealings with the committee.

On the question of reporting covert actions to the two intelligence committees, the nominee stated that he found it "difficult to imagine" any circumstance where Presidential findings, authorizing covert actions, could not be reported to the two Intelligence Committees within a matter of several days. He furthermore stated that any decision to withhold prior notice of such operations would have to be made by the President based upon "sensitive, compelling" circumstances, and ultimately upon his determination that—

That decision outweighed his commitment for notification of Congress and involvement of Congress in a bipartisan activity.

With regard to the failure of the previous administration to notify Congress of the Iran arms sales finding, Mr. Kerr stated that:

I believe that the committee could have been notified earlier * * * than it was.

The nominee also pledged to report illegal activities to the Intelligence Committees if they were undertaken by employees of, or persons acting on behalf of, the intelligence community. He stated further that he thought advising the committees of illegal activities on the part of others with whom the intelligence community had relationships "wise," and "would fall into the general provisions of notifications of significant activity."

ROLE AS DDCI

In explaining the role of the DDCI, the nominee responded:

The role of the DDCI is to assist the DCI by performing such functions as the DCI assigns or delegates. He acts for and exercises the powers of the DCI in his absence. My role in managing the Intelligence Community will be to support the DCI in the coordination of Community priorities and requirements, development of the National Foreign Intelligence Program budget, and examination of critical cross disciplinary intelligence problems. I expect my role will be somewhat more of the day-to-day manager of the CIA and Community activities because the DCI is so heavily focused on relations with Congress and direct contacts with senior policymakers.

The nominee also told the committee that as DDCI, he—

* * * will work with the DCI to sharpen the intelligence product and make it more relevent to policymakers. A(nother) major responsibility is to assist the DCI in assuming a stronger leadership role in the community. This will be more critical as budgetary constraints force hard decisions on resource issues. I plan to take some of the day-to-day administrative burdens off the DCI, but it is clear to me he intends for me to be involved in all of the major issues as well.

Commenting upon his goals as DDCI, the nominee further stated:

The provisions of timely, accurate, and objective information to our policymakers so that they can make informed decisions is in my view the most important function of the CIA and the Intelligence Community. We are not policymakers. Our role is to provide policymakers with unbiased intelligence, even if the intelligence does not support the policy being advocated, or even the policy that has been adopted.

ROLE IN THE IRAN-CONTRA AFFAIR

Mr. Kerr had a peripheral role in the Iran-Contra affair, beginning with his appointment in May, 1986, as Deputy Director for Intelligence.

In May 1986, Mr. Kerr was asked to provide intelligence on Soviet forces on the Soviet-Iran border for use by the McFarlane delegation going to Tehran in the middle of that month. Mr. Kerr inquired as to whether the provisions of such intelligence had been properly authorized by the President, and he was provided such assurance by the Deputy Director of CIA.

In "late summer, 1986," Mr. Kerr was advised for the first time by the national intelligence officer for counterintelligence, Charles Allen, of the arms sales to Iran as well as Allen's speculation that profits from the arms sales were being diverted to aid the Nicaraguan resistance. Mr. Kerr states he communicated these concerns to the Deputy Director of CIA "shortly thereafter," although the Deputy Director has, in other fora, testified he has no recollection of such a conversation. Mr. Kerr testifies that the Deputy Director asked him to keep him—the Deputy Director—advised of any future developments, but Mr. Kerr took no further actions in this regard.

In October 1986, Mr. Kerr was twice asked to support the then-ongoing Iran initiative. First, he was requested to provide intelligence to be passed to the Iranians involved in the negotiations. Later, he was asked to have CIA analysts evaluate maps reportedly provided by Iran purporting to show Soviet forces on the Iran-Iraq border. Mr. Kerr testified that on both occasions he sought approval from his superiors to ensure there were no objections to providing the support being requested.

The committee concluded that Mr. Kerr's role in the Iran-Contra affair had been peripheral, and, on the basis

of available information, did not disclose any improper or illegal activity on his part.

INTELLIGENCE ANALYSIS

The nominee provided assurances to the committee that intelligence analysis would remain objective and opportunities for dissenting views to be made known would be preserved. He also advocated challenging from time to time the accepted policy consensus:

You need to sensitize people to thinking about problems in different ways * * * bring in outside people and have them talk to those on the inside * * * (to) probe the organizational point of view.

Mr. Kerr also expressed his belief that too much intelligence analysis focused upon providing answers to problems rather than identifying opportunities for the policymaker:

I think intelligence has a role in identifying where opportunities might exist, where there is leverage, or where there are things that a policymaker can take advantage of * * * we tend to focus too much on the problem as opposed to the opportunity.

In commenting upon perceptions by one Member that the intelligence community had failed to predict certain actions on the part of the Soviet Union, for example, the Gorbachev proposals at Reykjavik, the nominee commented that he did not necessarily agree that it was the responsibility of the intelligence community to—

Predict outcomes in clear, neat ways, because that is not doable * * * What our business should be in this is to provide enough understanding of the issue * * * the possible outcomes and their implications for the policymaker * * * and, if we can, (provide) the one we think is most likely based upon the intelligence that we have.

CHALLENGES FACING THE INTELLIGENCE COMMUNITY

The nominee, in his testimony, identified a number of challenges facing the intelligence community.

First, he pointed out that:

The Soviet Union is attempting extraordinary and unprecedented change. It will be vital to have timely and accurate information * * * on the impact of Gorbachev's reforms on Soviet domestic and foreign policy. We must also analyze closely European and other foreign reactions to the * * * new Soviet policy initiatives.

He also pointed to arms control and the ability of the intelligence community to "monitor the numbers, deployments, and capabilities of Soviet strategic forces." And he pointed to the need to monitor such critical developments as "continuing Third World debt and instability" and "the emergence of Asia as an economic powerhouse."

The nominee also pointed out that:

A more focused and better coordinated effort against narcotics traffickers needs to be established within the Intelligence Community, and the support mechanism between the Intelligence Community and the drug enforcement agencies must be improved.

He also stated that:

The counterintelligence threat continues to grow, and we must build upon improvement already made * * * if we are to be successful in defeating the challenge posed by hostile intelligence services.

Finally, he noted the challenges posed by the proliferation of chemical and biological weapons capabilities, illegal technology transfer, and international terrorism are "as great as ever." While he noted that "a good deal" had been done already, "we need to do more."

CONCLUSION

The foregoing summarizes only the highlights of the record the committee, which is, of course, available to all Members in its entirely at the Intelligence Committee.

Based upon the nominee's statements to the committee, however, his exemplary record of distinguished service to the intelligence community, and the absence of any derogatory or otherwise disqualifying information concerning him, the Select Committee on Intelligence voted to report his nomination to the Senate with a recommendation that he be confirmed by the full Senate as Deputy Director of Central Intelligence.

Mr. METZENBAUM. Mr. President, as we move to confirm the nomination of Mr. Richard Kerr as Deputy Director of Central Intelligence, I would like to make some observations.

First, when I look at Mr. Kerr's background, I largely like what I see. I am glad to see an intelligence professional in one of the two top intelligence positions. Judge Webster's FBI background gives him experience in counterintelligence and in aspects of the fight against terrorism and narcotics trafficking. Mr. Kerr will add a familiarity with foreign countries, with foreign policy, and with intelligence community operations and programs.

I am also pleased that the new Deputy Director of Central Intelligence will have experience in intelligence analysis. The public often thinks of intelligence in terms of secret operations, and we on the Intelligence Committee often concentrate on the big budget items. But day in and day out, the analytic functions of our intelligence agencies have the most profound impact on U.S. policies. It is the analysts who use the technical data and the information from secret sources; most of the time it is the analytic officials who interact with policymakers and produce the intelligence that they read.

I am still not sure, however, that Mr. Kerr will contribute the kind of leadership we need from the senior professional in the intelligence community. He has the background, but his performance too often seems bureaucratic and uninspired. This was particularly the case in some of his answers to questions for the record.

When we asked whether the Presidential Finding on the Iran arms sale program could have been given to the committee within 24 or 48 hours, Mr. Kerr's answer was: "In my view, I believe the committee could have been notified earlier of the Iran finding than it was." That is not a very forthcoming response.

When we asked about the need for budget cuts, Mr. Kerr replied, "we will be making some difficult choices." But he gave neither specifics nor any criteria by which he would make those choices.

Mr. Kerr gave a rather puzzling answer to the committee's question regarding access, when necessary, to raw intelligence. He granted the committee "the responsibility to carefully examine the evidential basis for intelligence community judgments," but opposed "its own competitive analysis" and ended up saying the committee should "ask us hard questions about the sources of our information and their reliability, and * * * our analytic approach and the process of review." I don't know where that leaves us.

In the covert action field, we asked whether Mr. Kerr had ever disagreed with a decision. His reply was as follows: "Any reservations I have had about covert action proposals have been included in the documentation going forward to the DCI. My concerns have always been well addressed." That is a fine expression of loyalty to Bill Casey, Bob Gates, and Bill Webster. But it doesn't tell us much about where Mr. Kerr is going to come out.

When it comes to intelligence analysis, Mr. Kerr believes that the CIA already does a good job of providing forthright analysis relating to covert action programs. He sees no lessons to be learned from the history of the national intelligence estimates relating to the Iran arms sales. And he sees few problems in the relationship between intelligence and policy, partly because "most policy issues can be phrased in legitimate intelligence terms."

Mr. Kerr's answers for the record are consistent with his performance in the Iran-Contra affair. When he was told to prepare material for Bud McFarlane to use in briefing Iran, he made sure that the program was duly authorized, but did not determine whether it was wise or whether the material he prepared had been useful. When he heard one professional's view that funds might be going to the Contras, he told his immediate superior but did nothing more. He went by the book, asking only those questions necessary to ensure that his people were not breaking the law. This was despite the fact that he was a member of the Covert Action Review Group—a panel that was supposed to review all covert

action programs, but had not been consulted on this one.

Mr. President, I am voting in favor of Mr. Kerr's confirmation despite my reservations. I hope that his background and his professionalism will prompt Mr. Kerr, once he becomes Deputy Director of Central Intelligence, to assert himself and to make sure that the experience and wisdom of intelligence professionals are brought to bear on high-level decisions relating both to intelligence operations and to the intelligence judgments presented to policymakers.

Richard Kerr has been an intelligent and able bureaucrat. Now he must go beyond that and help lead the intelligence community through both the normal trials of dealing with policymakers and the special challenges that a tight budget will impose. I hope he understands that need and will be an active leader—not merely a loyal member of the team.

Mr. MITCHELL. Mr. President, I ask unanimous consent that a motion to reconsider en bloc be laid upon the table, and that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPUBLICAN LEADER TIME ON TOMORROW

Mr. DOLE. Mr. President, I wish to indicate that I will not be using my leader time. If anyone needs that time in the morning, it is available.

RECESS UNTIL 8:45 A.M. TOMORROW

Mr. MITCHELL. Mr. President, if the Republican leader has no further business and if no Senator is seeking recognition, I ask unanimous consent that the Senate stand in recess under the previous order until 8:45 a.m. tomorrow.

There no objection, the Senate, at 9:04 p.m., recessed until Friday, March 17, 1989, at 8:45 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 16, 1989:

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. COLIN L. POWELL, xxx-xx-xxxx, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. DONALD W. JONES, xxx-xx-xxxx, U.S. ARMY.

IN THE ARMY

THE U.S. ARMY RESERVE OFFICERS NAMED HEREIN FOR APPOINTMENT AS RESERVE COMMISSIONED OFFICERS OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593(A), 3371 AND 3384:

To be major general

BRIG. GEN. JOSEPH H. BROOKS, xxx-xx-xxxx
BRIG. GEN. JAMES W. HOLSINGER, JR., xxx-xx-xxxx
BRIG. GEN. HOMER A. JOHNSON, JR., xxx-xx-xxxx
BRIG. GEN. JAMES R. LAND, xxx-xx-xxxx
BRIG. GEN. JOHN R. MCWATERS, xxx-xx-xxxx
BRIG. GEN. EUGENE J. YONNO, xxx-xx-xxxx

To be brigadier general

COL. WILLIAM J. COLLINS, JR., xxx-xx-xxxx
COL. EDGARDO A. GONZALEZ, xxx-xx-xxxx

CENTRAL INTELLIGENCE

RICHARD J. KERR, OF VIRGINIA, TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING EUGENE A. BEARDSLEE, AND ENDING FLOYD J. WYGANT, II, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 2, 1989.

AIR FORCE NOMINATIONS BEGINNING DAVID L. CLOE, AND ENDING ROGER P. SURO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 2, 1989.

AIR FORCE NOMINATIONS BEGINNING MICHAEL L. ABBOTT, AND ENDING DANIEL C. ZOOK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 2, 1989.

AIR FORCE NOMINATIONS BEGINNING TIMOTHY L. ABEL, AND ENDING WILLIAM P. ZUBER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 2, 1989.

IN THE ARMY

ARMY NOMINATIONS BEGINNING *BARBARA M. ALVING, AND ENDING *EDMUND P. WIKER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 3, 1989.

ARMY NOMINATIONS BEGINNING ERIC D.* ADRIAN, AND ENDING CHARLES J.* YOWLER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 3, 1989.

ARMY NOMINATIONS BEGINNING SHIRLEY O. FORD, AND ENDING CHARLES FERRIS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 3, 1989.

ARMY NOMINATIONS BEGINNING KENNETH P. ADGIE, AND ENDING KARL D. ZETMEIR, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 3, 1989.

ARMY NOMINATIONS BEGINNING MICHAEL C. AARON, AND ENDING RANDAL D. ROBINSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 3, 1989.

ARMY NOMINATIONS BEGINNING FRANK E. CHAPPLE, II, AND ENDING *BONNIE L. SMOAK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 8, 1989.

ARMY NOMINATIONS BEGINNING BRAM H. BERNSTEIN, AND ENDING JAMES R. WOODS, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 2, 1989.

ARMY NOMINATIONS BEGINNING JOHN M. LONG, AND ENDING *THOMAS E. RIGSBEE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 2, 1989.

ARMY NOMINATIONS BEGINNING *ROBERT H. LANGSTON, AND ENDING *GARY S. MADONNA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 2, 1989.

NAVY

NAVY NOMINATIONS BEGINNING DAVID A. AUSTIN, AND ENDING SHELDON L. WEIDER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 2, 1989.

NAVY NOMINATIONS BEGINNING ARNE J. ANDERSON, AND ENDING KRISTEN C. ZELLER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 3, 1989.

NAVY NOMINATIONS BEGINNING MICHAEL J. EPSTEIN, AND ENDING BENJAMIN T. PO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 7, 1989.

NAVY NOMINATIONS BEGINNING KELLY N. ALVEY, AND ENDING DAVID B. HURST, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 7, 1989.

NAVY NOMINATIONS BEGINNING JOHN B. ANDERSON, AND ENDING JERRY LEE ZUMBRO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 7, 1989.

PUBLIC HEALTH SERVICE

PUBLIC HEALTH SERVICE NOMINATIONS BEGINNING DUANE F. ALEXANDER, AND ENDING BEVERLY A. ROTH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 3, 1989.

EXTENSIONS OF REMARKS

INTRODUCTION OF GLOBAL WARMING RESOLUTION

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. FAZIO. Mr. Speaker, today Congressman AUCOIN and myself, along with a number of our colleagues in the House are introducing a joint resolution which is intended to reestablish the role of the United States as a world leader in developing and implementing solutions to the problem of global climate change.

Last week's decision by the European Community to accelerate controls on chemicals that harm the Earth's ozone shield once again demonstrated that global environmental issues are front-burner concerns here and around the world. International activity is accelerating on the global warming issue as well.

The United Nations Environment Programme [UNEP] and the World Meteorological Organization [WMO] have helped organize an Intergovernmental Panel on Climate Change [IPCC] to investigate the scientific background, potential impacts and necessary policy responses to global climate change. The United States, which chairs the IPCC's working group on policy responses, must be an international leader on global warming.

The United States generates at least 20 percent of the greenhouse gases emitted around the world.

The Department of Energy's national energy policy plan projects that by the year 2010 the U.S. generation of carbon dioxide will increase by 38 percent from 1985 levels. Without our aggressive leadership, other nations—particularly in the developing world—will be reluctant to adopt policies urgently needed to slow down the generation of greenhouse gases.

In recent public statements, the leaders of the Soviet Union, West Germany, and Canada have urged stepped up international cooperation on matters of the global environment. Despite reports about political and economic difficulties, even the Government of Brazil is making progress in addressing environmental issues with worldwide implications. And last weekend, more than 30 nations gathered in The Hague to develop a declaration of support for actions to protect the atmosphere.

The United States must reestablish its role as a world leader in environmental protection. In this interest, Congressman AUCOIN and I are introducing the following global warming resolution. Senator WIRTH has introduced the same resolution in the other body. The purpose of this bill is to establish a goal for reductions in the U.S. emissions of greenhouse gases, including carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, and tropospheric ozone. Specifically, the bill requires that emissions of carbon dioxide be reduced by 20 percent by the end of calendar year 2000. In addition, the bill calls for the United States to host an international summit meeting on global warming and global environmental concerns in 1989.

As the new administration and Congress search for public policy measures to encourage reduction of generation of greenhouse gases, this resolution will send a clear signal to the international community that we are serious about addressing this challenging issue.

I urge my colleagues to cosponsor this resolution, and ask that the resolution be printed in full in the RECORD at this time.

Whereas the concentration of the so-called greenhouse gases—including carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, tropospheric ozone—is rising;

Whereas since the start of the industrial revolution 150 years ago the atmospheric concerntration of carbon dioxide, the most prevalent of these gases, has increased by 25 percent; the concentration of methane has increased by 100 percent; the concentration of nitrous oxide has increased by 10 percent; the concentration of CFC's has increased from zero 60 years ago at an average rate of 5 percent per year; and concentrations of tropospheric ozone continues to increase by 1 percent per year;

Whereas the leading scientists of the world have warned policy makers that increased concentrations of these gases will alter climate; and that such climate alterations could have devastating effects on weather patterns, agricultural productivity, coastal population centers due to rising sea levels, and biological health;

Whereas the majority of these gases are generated in the production of energy;

Whereas the Department of Energy's National Energy Policy Plan projects the United States' generation of carbon dioxide to increase from 1985 levels by 38 percent in the year 2010;

Whereas the leading scientists of the world, including the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine have urged the President to take action to reduce the generation of these gases by the United States;

Whereas international negotiations are underway to develop strategies to reduce the generation of these gases;

Whereas the United States is chair of the response strategies working group of the Intergovernmental Panel on Climate Change [IPCC], which was established by the United Nations Environment Programme and the World Meterological Organization;

Whereas at the first meetings of the IPCC's response strategies working group, the Secretary of State urged the nations of the world to act to reduce the generation of "greenhouse" gases and;

Whereas action by the United States to reduce the generation of greenhouse gases will encourage other nations to take similar action to reduce the generation of these gases: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Global Warming Policy Act".

SEC. 2. NATIONAL GLOBAL WARMING POLICY.

It is the policy of the United States: (1) to reduce the generation of "greenhouse" gases in the United States, with an initial goal of reducing emissions of carbon dioxide from calendar year 1988 levels (as determined by the Department of Energy) by 20 percent by the end of calendar year 2000; (2) to host, in 1989, an international summit meeting on global warming and global environmental concerns; (3) to encourage other nations to undertake measures to reduce the generation of greenhouse gases; (4) to develop binding multilateral agreements with other nations by the end of calendar year 1992 to reduce, or as early as is practicable, the global generation of greenhouse gases; (5) to assist in the worldwide protection of tropical rainforests; (6) to require each Federal agency to examine its program to determine the impacts of global warming on its missions and activities and to evaluate and propose policies under its authority that could reduce the generation of greenhouse gases; and (7) to develop new technologies that will provide reliable supplies of energy and services for the citizens of the United States while reducing the generation of greenhouse gases.

UNTIED LENDING TO THE SOVIET BLOC—SELLING THE ROPE BY WHICH TO HANG US WITH

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. PARRIS. Mr. Speaker, I am pleased to have the opportunity today to address a matter of vital importance to both the economic and national security interests of the United States. During the 100th Congress, my distinguished colleagues, Representatives KEMP (NY) and ROTH (WI) introduced legislation, H.R. 3095, to examine the issue of Western commercial bank lending to the Soviet Union and Eastern Europe. The West, through undisciplined lending practices, has financed a large portion of the Soviet Empire's hard currency requirements at a multibillion dollar annual cost to Western taxpayers in higher defense and foreign assistance spending. In my judgment, capital controls are a necessary parallel to national security export controls, in order to deny the Soviets hard currency resources needed to modernize and upgrade their military capability. Such controls are fundamental in evaluating our lending habits to countries that would seek to destabilize freely elected democratic governments.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Conventionally accepted figures indicate that Soviet indebtedness has almost doubled in the past 4 years reaching nearly $45 billion. This gross debt figure, however, does not include as much as $5–10 billion in Western bank deposits in Soviet-owned banks located in the West. Moreover, since 1985, the Soviet Union has secured such moneys from the West in the form of untied cash loans. Untied loans, that is, money which can be used for any purpose with no questions asked, are offered to the Soviet bloc at a rate of about 7½ percent—rates which the American farmer, businessman, homebuyer, car purchaser, or college student could hardly obtain.

There are some who maintain that the Soviet Union is regarded as a sound and attractive credit risk at a time when there are relatively few creditworthy sovereign borrowers. However, the long-term creditworthiness of the Soviet Union, as perceived, is often predicated upon several misconceptions. With regard to hard currency assets, although the Soviets retain large gold reserves, they would be unable to tap such reserves without increasing global market concern over Soviet financial troubles. Furthermore, the Soviets' large scale reserves of oil and gas, in many cases, are not accessible for extract, processing and transport without heavy investment by Western partners. The monetary worth of such assets is therefore negated in the absence of Western financing.

The Soviets' hard currency loan portfolio to Third World countries is, also, significantly overvalued. The bulk of Soviet credits have been used to fund arms sales to impoverished client states which are unable to meet debt obligations, and such credits are in part funded by U.S. taxdollars. This, coupled with acknowledged Soviet policy to encourage Third World countries to oppose economic policies advocated by the West and to repudiate their debts to Western banks and governments, raises questions as to the soundness of Western lending to such countries.

Even in the recent spirit of glasnost and Perestroika, and in the fervor to improve superpower relations, the West cannot ignore the fact that souring economic conditions often result in government bailouts. Under depressed economic circumstances, total Soviet bloc indebtedness, which has risen to roughly $140 billion, could pave the road for U.S. taxdollar financing of Soviet defaults to U.S. businesses and banks. I believe untied lending to the Soviet Union and bloc countries is economically unsound, particularly given a potential $100 billion Federal bailout of U.S. savings and loan institutions, the international debt crisis, and the risks associated with bank-financed leveraged buy-outs.

From our strategic and national security perspective, the Soviet Union continues to represent a formidable adversary which has increased its military power at a level greater than any seen during the pre-Gorbachev period. The Soviets' military capabilities, even after promised unilateral force reductions are engaged, far exceed any legitimate defensive requirements and maintains Soviet conventional superiority well in excess of a 2-to-1 ratio over NATO forces. Western untied lending to the Soviet bloc has helped to finance both an expanding military budget and aggressive foreign activities—it cannot be overemphasized that the USSR's effort to acquire Western capital resources and technology continues to fuel growth in the Soviet armed forces and military infrastructure and pose an increasing threat to the West's long-term security interests.

The legislation I am proposing would require banks to disclose, to stockholders, shareholders, investors, and bank depositors, the amounts and conditions of untied loans to the Soviet bloc and Warsaw Pact nations. In addition, this legislation would give the President discretionary authority to regulate the export of financial assets or the extension of credit to (one) the USSR and Warsaw Pact nations, if such action were believed to undermine the national security interests of the United States, or (two) to any country supporting international terrorism whereby such export might be used in support of or in the commission of a terrorist act against the United States or a U.S. citizen. Finally, this legislation would also give the appropriate Federal banking agency jurisdiction to disapprove any proposed acquisition or control of a U.S.-insured bank by the U.S.S.R. or Warsaw Pact nation.

At a time when we maintain such a vital stake in the interests of developing nations and Third World countries, at a time when we are enacting policy to restructure and refinance debt and grant favorable credit conditions; at a time when we are faced with the institutional health crisis of our savings and loans, when we are burdened with an unacceptable Federal budget deficit, clearly it is contrary to our future economic stability and national security requirements to offer greater monetary incentives to the Soviet bloc than are offered to American citizens and to our allies abroad. I believe this legislation is a first step toward addressing these concerns, and I would urge my colleagues to join me in working toward its prompt passage during this session of the 101st Congress.

NORTHERN IRELAND: THE VIOLENCE CONTINUES

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. KENNEDY. Mr. Speaker, tomorrow, March 17, is St. Patrick's Day. St. Patrick's Day is a festive holiday that causes Americans—many of Irish descent but many not—to turn their attention to Ireland and to Irish-Americans. We are reminded of all those Irish-Americans who have helped make America great and to the countless contributions they have made to America and the world. But we should not let all our celebrating cause us to forget Northern Ireland, where the violence and economic distress continue.

On February 12, Protestant militants murdered Pat Finucane in his kitchen in front of his wife and 3 children. Pat Finucane was a well-known criminal attorney who often represented IRA defendants. He was the first criminal attorney murdered in 20 years of sectarian violence. The Ulster Freedom Fighters claimed responsibility for Finucane's death and claimed he was a member of the IRA. Sinn Fein stated that Mr. Finucane was not a member of the IRA or Sinn Fein, the IRA's political organization.

As offensive as the murder of Mr. Finucane is, it is made worse by the fact that it follows a mid-January statement by Douglas Hogg, a conservative Member of Parliament, that some attorneys in Northern Ireland were "unduly sympathetic" to terrorist groups. What right does a legislator have to make such an inflamatory remark? An op-ed piece written by Francis Costello in the Boston Globe on March 3, 1989, captures the outrage that all civilized people feel about Mr. Hogg's remark and Mr. Finucane's murder, and I respectfully request that it be placed in the RECORD immediately followed my statement.

The Finucane murder has touched off a new wave of violence. On March 7, the IRA shot and killed three Protestants in County Tyrone. On March 8, the IRA killed two and wounded six while blowing up a British Army vehicle near Londonderry. On March 10, two Catholics and one Protestant were wounded in Ulster shootings, and one Catholic was shot to death in West Belfast. Furthermore, British authorities found a large IRA supply of explosives, weapons, and ammunition near Scarborough, the site of Prime Minister Thatcher's meeting with Conservative Party leaders.

The IRA and Protestant extremist groups should be condemned for their wanton violence and murder. But we must do more than condemn violence. We must ensure that the underlying causes of the violence—the poverty and the lack of opportunity for all citizens of Northern Ireland and especially the unfair treatment and the repression of the Catholics—are addressed. Killing more British soldiers will not solve the problem. Nor will tighter security, better intelligence, or even crippling the IRA by locking up or murdering all its members. In order to find a peaceful, political solution, inequities such as the fact that the unemployment rate for Catholics is 2½ times the rate for Protestants must be rectified.

The United States must not be reluctant to use its influence to help rectify these inequities. We must make sure that United States defense contracts and other United States contracts do not go to Northern Ireland firms that practice discrimination. We must also encourage United States businesses to invest in Northern Ireland. The best approach to correct the discrepancy in unemployment rates is to create new jobs in Northern Ireland so there will be more jobs for everyone. Finally the United States must use its foreign aid, through the International Fund for Ireland and through other vehicles, to improve the situation in Northern Ireland.

More than 2,600 people have died in 20 years of sectarian violence in Northern Ireland. And the situation is no better today than it was 20 years ago.

[From the Boston Globe, Mar. 3, 1989]

The Law of Terror

(By Francis Costello)

Attempting to work within the legal framework of a fundamentally lawless society such as that of Northern Ireland can be an occupational hazard.

For Belfast attorney Patrick Finucane, that hazard ended in death recently, when three semi-automatic-wielding Protestant paramilitaries burst into his Belfast home and murdered him in front of his family. Finucane was the first criminal attorney killed by either side in the 20-year-old conflict.

At 38, Finucance had established himself as an effective advocate for IRA defendants. But his most prominent professional involvement occurred last November when he mounted a successful challenge to a coroner's ruling that the Northern Ireland policemen (Royal Ulster Constabulary) involved in the shooting deaths of unarmed Catholics were exempted from giving evidence.

The British attorney general had declared that the police officials involved in what was called a "shoot-to-kill policy" would not be prosecuted out of "considerations of national security."

Yet just as the British government's commitment to the impartial administrtaion of justice was called into question by that action, its hands are also unclean in connection with the events leading up to the murder of Finucane. Less than three weeks before the murder, Douglas Hogg, a conservation member of Parliament and a minister in the Home Affairs Office, declared that certain Northern Ireland attorneys were "unduly sympathetic" in their defense of accused paramilitaries. Given Finucane's reputation as one of the most effective legal activists in challenging the crown's shoddy approach to justice in Northern Ireland, there was little need to single him out by name. But Hogg's intemperate remarks had the same effect in placing the life of Finucane and other Catholic attorneys in Northern Ireland in jeopardy.

Hogg has yet to receive even a reprimand from Prime Minister Thatcher, let alone a demotion. Ironically, three days after Finucane's death. Ayatollah Khomeini issued threats against Salman Rushdie, the author of "The Satanic Verses."

"Nobody," Hogg said, "has the right to incite people to violence on British soil or against British subjects." Evidently the British government makes exceptions to that dictum if the source of the incitement is one of Thatcher's ministerial appointments and the victim is a Northern Ireland Catholic.

It is by this double standard that the British government has conveyed to Northern Ireland Catholics that their lives and safety are low priorities. Why else would Douglas Hogg had felt so free to utter his comments with impunity? Why else would a convicted murderer of an unarmed and politically uninvolved Catholic in Belfast be returned last year to the ranks of the British army, despite the protests of the Irish Government and the Catholic hierarchy? Why else would a government that decries terrorism outlaw the IRA but not the equally lethal Ulster Defense Association, which harbors the Protestant terroists who killed Patrick Finucane and hundreds of other Catholics since the 1970s?

Nationalists (Catholic) and legal rights groups have condemned the murder of Finucance and have been critical of the British government and Hogg. The statement of the impartial Committee on the Administration of Justice termed the murder an "attack on civil liberties and the rule of law," Pointing directly to the British government, the committee said: "We are especially disurbed that the murder so closely follows Home Office Minister Douglas Hoggs's statement that the government regards some lawyers as sympathetic to terrorism."

Unfortunately, this admonition may be lost on the British government, whose policy has perpetuated the steady erosion of dueprocess rights and fundamental press freedom in Northern Ireland, while turning a blind eye to the use of excessive force by police and security forces. Hogg will be able to sleep contentedly in the knowledge that his comments will cost him little. But the family of Patrick Finucane, and many other Northern Ireland Catholics, will not be able to sleep so lightly—for good reason.

DEVONIAN SHALE AND TIGHT SANDS GAS CREDIT

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. RAHALL. Mr. Speaker, I am introducing legislation which would make permanent the nonconventional fuel tax credit, also known as the section 29 credit, for gas produced from Devonian shale formations and ensure the applicability of this credit for gas produced from tight sands formation as well.

Joining me in sponsoring this bill are my colleagues from West Virginia, BOB WISE, ALAN MOLLOHAN, and HARLEY STAGGERS, Jr.; BILL CLINGER from Pennsylvania; JOE SKEEN of New Mexico; and from the Texas delegation, CHARLIE STENHOLM, CHARLIE WILSON, BILL SARPALIUS, and RALPH HALL.

Mr. Speaker, I have the highest regard for the great State of Texas and the support of my colleagues from that State for this bill is deeply appreciated. I do want to note, however, that Texas, and Oklahoma for that matter, do not have a monopoly on gas production in this country. I know that may come as a surprise to some, but the fact is that in 1988 my own State of West Virginia had the second highest number of producing natural gas wells in the country. Moreover, throughout what is known as the Appalachian Basin, there is substantial and significant gas producing activity.

The tax credit that is the subject of this legislation is intended to provide an incentive to produce gas from relatively inaccessible sources. Simply stated, there is a higher degree of risk associated with drilling for gas in Devonian shale and tight sands formations than in more common deposits. One writer recently described a tight sands structure in this fashion: "It is a type of formation that is almost like concrete."

Under the legislation, the existing section 29 credit for wells drilled in Devonian shale formations, which soon expires, would be made permanent. The bill would also reinstate, and make permanent, the section 29 credit for tight sands production. Further, these credits would be allowable against the alternative minimum tax.

Mr. Speaker, I would be underestimating the situation if I said that ensuring the continued exploration, drilling and production of gas from Devonian shale and tight sands formations is necessary. It is essential. Gas produced from these formations make an invaluable contribution to the industrial vitality of the Nation, and to our energy security. I would urge my colleagues to consider this matter, and to lend it their support.

MEDICAID COMMUNITY CARE FOR THE FRAIL ELDERLY, H.R. 1453

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. WAXMAN. Mr. Speaker, last week I had the opportunity to testify before the Budget Committee's Human Resources Task Force on the fiscal year 1990 health budget. I urged Chairwoman BOXER and her colleagues to set aside in the fiscal year 1990 budget resolution new entitlement authority for a number of high-priority Medicaid initiatives affecting poor pregnant women and children, individuals with mental retardation, and the frail elderly. At the time I testified, all but one of these initiatives had been introduced. Yesterday, I joined Representative WYDEN, Representative SCHUMER, Chairman ROYBAL of the Select Committee on Aging, and six colleagues from the Committee on Energy and Commerce in introducing the remaining bill, HR. 1453, the Medicaid Frail Elderly Community Care Amendments of 1989.

Under this legislation, States would be given the option to extend Medicaid coverage for community care services to low-income, functionally disabled elderly individuals. Community care services would include homemaker/home health aide services, chore services, respite care, adult day health, and other services for which Federal Medicaid matching funds are now available only under a limited waiver authority. Whatever community care services a State chooses to offer would have to be provided through a community care plan developed specifically for each eligible individual and administered by a case manager.

The services that the State elects to offer would be subject to minimum Federal quality standards, along with rigorous monitoring and enforcement. Such standards and enforcement mechanisms are particularly important in light of the recent findings presented by the General Accounting Office in its report "Board and Care: Insufficient Assurances that Residents' Needs Are Identified and Met" (GAO/HRD–89–50). Board and care facilities as well as other community-based settings are the places where many of the community care services would be provided to the frail elderly under this bill. The GAO study found serious problems in some licensed board and care homes, including physical abuse, unsanitary conditions, and lack of medical attention. The quality, monitoring, and enforcement standards that would be established in this legislation are designed to ensure that such abuses do not take place.

The legislation is not a comprehensive solution to the long-term care crisis facing this Nation. Instead, it is a modest, incremental reform of the Medicaid Program, targeted at the most vulnerable of the low-income frail elderly. I believe that the Federal Government needs to respond to the long-term care needs

of the elderly and disabled in this country, and I will soon be introducing a proposal for a comprehensive program. However, we do not have to await the enactment of a comprehensive long-term care program to make long-overdue improvements in Medicaid that will help to keep the poorest of the frail elderly out of nursing homes as long as possible.

Final CBO cost estimates are not available. However, preliminary, informal discussions with CBO staff indicate that the costs of this bill to the Federal Government will not exceed $100 million per year. The most important limitations on costs structured into the bill are: First, the strict definition of the eligible population as functionally disabled and poor under current Medicaid eligibility rules; second, the ceiling on payment amounts at 50 percent of the Medicare nursing home rate; third, the State maintenance of effort requirement; and fourth, the optional nature of the benefit.

While I had hoped that many of these constraints would not have to be added to the bill, it is clear that without these limits the costs would be unrealistic in the current budget climate. However, we cannot afford to lose the opportunity in this Congress to reduce the institutional bias in the Medicaid Program. This bill will do that, by giving the States the option to offer these community-based services even though they are not able to demonstrate budget neutrality, as required under the current section 2176 waiver authority. What follows is a brief summary of the bill.

BRIEF SUMMARY OF MEDICAID FRAIL ELDERLY COMMUNITY CARE AMENDMENTS OF 1989 H.R. 1453

OPTIONAL EXPANSION OF COMMUNITY-BASED SERVICES

Allows States, at their option, to cover under their Medicaid programs "community care" for functionally disabled elderly individuals. Unlike the current "section 2176" home and community-based services waiver, this option would not require the States to demonstrate budget neutrality or limit participation to those at risk of institutional care. The bill directs the Secretary of Health and Human Services (HHS) to develop interim and final quality requirements for such care, and establishes a monitoring and enforcement process to ensure compliance with these requirements. Effective the later of January 1, 1990, or 30 days after publication of interim requirements.

DETERMINATIONS OF FUNCTIONAL DISABILITY AND USE OF CASE MANAGEMENT SERVICES

To be eligible for this community care benefit, an individual must be (1) 65 years of age or older, (2) eligible for Medicaid in the community due to low income and resources (i.e., receiving Supplemental Security Income (SSI) or qualifying as "medically needy"), and (3) determined to be functionally disabled. Functional disability is to be determined on the basis of a comprehensive assessment conducted by an interdisciplinary team designated by the State and used to evaluate an individual's ability to perform activities of daily living (bathing, dressing, eating, toileting, and transferring) or "ADLs". Those individuals who (1) are unable to perform at least 2 (or, at State option, 3 or 4) ADLs or (2) have a primary or secondary diagnosis of Alzheimer's disease would be eligible for services. Based upon this assessment, an individual community care plan (ICCP) is to be developed and periodically reviewed and revised by a qualified care manager who is responsible for assuring that the community care specified in an ICCP is being provided. States may assign an eligible individual to a case manager, but only if the individual has the right, at his or her discretion, to choose another qualified case manager.

QUALITY ASSURANCE FOR COMMUNITY CARE

Requires the Secretary to establish quality standards for community care and for settings in which community care is provided. Such standards must include minimum qualifications for personnel providing community care and the establishment of a patients' bill of rights. The requirements established by the Secretary must also assure, through methods other than reliance on State licensure, that individuals receiving community care are protected from neglect, physical and sexual abuse, financial exploitation, inappropriate involuntary restraint, and provision of health care services by unqualified personnel in board and care facilities and other community settings. States would retain the right to impose quality standards more stringent than the minimum Federal requirements developed by the Secretary.

PAYMENT FOR COMMUNITY CARE

Requires States to assure that payment rates for community services are reasonable and adequate to meet the costs of providing services, on an efficient and economical basis, in conformity with applicable State and Federal laws, regulations, and quality and safety standards.

CEILING ON PAYMENTS FOR COMMUNITY CARE SERVICES

Aggregate State Medicaid expenditures for the optional benefit could not exceed the product of the (1) the average number of individuals receiving the benefit in a given quarter times (2) 50 percent of the average State per diem rate for Medicare skilled nursing facility (SNF) services times (3) the number of days in such quarter.

MAINTENANCE OF EFFORT

States would be required to report to the Secretary all funds other than Medicaid funds spent on community care for the elderly in FY 1989 and every year thereafter. States electing this new option would be required, each fiscal year, to maintain their State-only expenditures for such services at the FY 1989 level. Failure to do so would result in a reduction of Federal matching payments for these services to the extent of the shortfall in State-only spending.

ATTITUDE OF SOUTH KOREA TOWARD ISRAEL

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. ACKERMAN. Mr. Speaker, I would like to call my colleagues' attention to the attitude of South Korea toward Israel. This problem should be a concern for all proponents of free trade. South Korea is an emerging economic power and—as part of Seoul's admirable moves toward greater openess—is even exploring trade links with North Korea and other Eastern bloc countries. But Israel, which has full diplomatic relations with South Korea, continues to suffer from overt discrimination in both its trade and diplomatic contacts with Seoul.

Virtually no major Korean company will trade openly or directly with Israel today. The Koreans continue to refuse to allow Israel to reopen its Seoul Embassy, which was shut in 1979 due to budgetary constraints. Official Korean trade statistics inexplicably include every country in the world except Israel. I find South Korea's bias against Israel in the international community inexcusable, and I hope that Seoul will immediately re-examine this regrettable policy.

I am inserting for the record an excellent article from the Los Angeles Herald Examiner, entitled "Why Seoul Has a Bias Against Israel." This piece contains the best information I have seen on the trade relations between South Korea and Israel. I urge my colleagues to read it.

[From the Los Angeles Herald Examiner, Dec. 18, 1988]

WHY SEOUL HAS A BIAS AGAINST ISRAEL

(By Willy Stern)

SEOUL.—With South Korea emerging as a world economic power and struggling to convince the international community that it is moving toward a true democracy, it is even exploring tentative trade links with its arch enemy in the north and other Eastern bloc countries. But Israel—a country with which Seoul has full diplomatic relations—continues to suffer from overt discrimination.

Consider the following:

Virtually no major Korean company will trade openly or directly with Israel. (Ironically, those same firms lobby against passage of protectionist legislation in Washington on "free trade" grounds.)

The Koreans continue to refuse to allow Israel to reopen its Seoul embassy, which was shut down in 1979 because of budgetary constraints.

Official Korean trade statistics include every trading partner except Israel. (Bilateral Korean-Israeli trade now approaches $100 million annually.)

The Korean foreign ministry in Seoul will not grant interviews to the Israel media for fear of angering Arab leaders.

The Koreans reneged on a promise to host, in Seoul, an Israeli trade mission that visited the Far East last year, after Saudi Arabia privately protested the move.

There are two primary reasons for South Korean's commercial and political discrimination against Israel. One is its perceived reliance on Arab oil and Arab business. "Unofficially" encouraged by the Seoul government, most major Korean firms submit to the Arab economic boycott of Israel, which proclaims that any company trading with Israel cannot also do business with an Arab company. American law, enacted in the 1970s, makes it illegal to comply with the boycott. As a result, American traders find themselves at a competitive disadvantage with Korea in the Mideast.

Only Korea and Japan continue to bow to what amounts to economic blackmail. For example, the two largest Korean car manufacturers, Hyundai Motor Corp. and Daewoo Motor Corp., openly admit they cannot sell autos to Israel because it might jeopardize their lucrative sales in the Arab world. Korea now sells $3 billion a year in goods and services to the Arab countries.

The second reason for South Korea's anti-Israel bias is Seoul's worry that Soviet-

backed North Korea might pre-empt its precious export markets. South Korea bends over backward to avoid any action that might be construed as pro-Israel and thus useful to North Korean diplomats seeking to drive a wedge between Seoul businessmen and their Arab counterparts. As in Japan, commercial and diplomatic self-interest prevails over morality in trade calculations.

For the last two years, the South Koreans said their quest for a harmonious and successful Olympics precluded any sensitive diplomatic initiatives—like moving closer to Israel. But Korean officials promised both Israelis and visiting American Jews that that situation would change after the Games. In recent weeks, however, Israeli diplomats in the Far East say it has become apparent the Olympics were just an excuse to avoid Israel.

Meanwhile, the Korea Times, Seoul's English-language newspaper, reported earlier this year that anti-Semitism had spread from Japan to Korea. Leading Koreans, according to the newspaper, blame trade disputes with the U.S. on an America dominated by "Jewish Mafias in control of business, press media and even the CIA."

In the last 18 months, Korean trade officials have watched Japan move closer to Israel, fearing that alienating the American Jewish community isn't good business. Koreans privately admit that U.S. pressure would compel changes in Seoul's trading policy with Israel, but thus far American attention has been directed at Tokyo.

That must change. The Bush administration should encourage the South Korean government to ignore the Arab-sponsored boycott against Israel and urge Seoul to allow Israel to reopen its embassy.

The United States has always tried to stand up for itself, for its friends and for fairness in international trade and diplomacy. These same principles could and should be applied to South Korea's shabby treatment of Israel.

CONSTITUTIONAL AMENDMENT TO CONGRESSIONAL PAY RAISE

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. PARRIS. Mr. Speaker, some time ago, a Virginian stood before this body to introduce a constitutional amendment to address the congressional pay raise situation. This was not in response to the most recent pay raise fiasco, although the distinguished Representative would surely have been outraged and disappointed by that episode. No, as I said, this was some time ago—200 years to be exact. The Virginian was James Madison, rightfully known as "the Father of the Constitution," and the amendment that he introduced read as follows:

No law varying the compensation for the services of the Senators and Representatives shall take effect, until an election of Representatives shall have intervened.

This amendment was 1 of 12 proposed in 1789, 10 of which became the Bill of Rights. Like the other 1789 amendments, this amendment was passed by the Congress and submitted to the States for ratification. To date 26 States have ratified it, 6 around the time of its introduction, 1 in 1873, and another 19 in the past 11 years.

I think that it is clear that this amendment is still valid and susceptible to ratification. Beginning with the 18th amendment, Congress has specified a time limit for ratification within its amendment—my distinguished colleagues will undoubtedly recall the 7-year limit for the equal rights amendment that was subsequently extended. At the time of the pay raise amendment, however, this was not the practice. In the only Supreme Court case which directly addressed the time limit applicable to an amendment in which no limit is specified, the Court deflected the issue to Congress. [*Coleman* v. *Miller,* 307 U.S. 433 (1939).] The Court held the validity of ratifications to be a "political question" to be decided by Congress, if and when three-quarters of the States purport to ratify an amendment. One of the objectives of our resolution is to express the willingness of Congress to certify all of the ratifications of the pay raise amendment should be three-fourths figure—38 States—be reached.

The wisdom of this amendment should be clear. Like the other 1789 amendments that became the Bill of Rights, this provision was intended to protect the people against unfair governmental action. Just as property cannot be seized without fair process, the peoples' tax money should not be appropriated for Member salaries without procedural safeguards. This is one area where it is unreasonable to expect the Congress always to place the interests of their constituents first. The specter of self-interested action looms large.

The postponement of Member salary increases until after an intervening election provides a check on Member action, and involves the people in the process. Voters will have an opportunity to turn out a Member at the polls if they feel that he or she has voted for an unreasonable salary increase, and they will be able to make such a choice before the Member touches his ill-gotten gains.

Finally, I think that it is important that such a protection be embodied in the Constitution. Unlike an amendment to the House rules or to the United States Code, a constitutional amendment will place this rule of fairness beyond the reach of even the most sorely tempted congressional majority. In closing, I will ask my colleagues in the House to support prompt action on this resolution, and send a signal to the States: that we will certify the final 12 ratifications; and to the people: that we are willing to bind our hands, and the hands of our successors, in order to keep them out of the public coffers. Let us have a system where the people of America decide the value of our service to them.

JAMES R. FERGUSON

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. KENNEDY. Mr. Speaker, The Eighth District has lost a large part of its history, its heart, and its soul with the passng of Jim Ferguson. Jim served Speaker Tip O'Neill for many years as his friend, advisor, and chief assistant. And for the past 2 years he helped me in my efforts in serving the people of our neighborhoods.

But his great legacy is left to the people of our district. The countless disabled veterans who received jobs, the widows who obtained deserved benefits, the families that moved into desperately needed housing, and young people who received crucial educational assistance all had their lives changed for the better by Jim Ferguson.

He was a decent and modest man who rarely received public credit for his good work. Yet, Jim Ferguson leaves a quiet record of accomplishment and personal service that the people of our district will never forget.

PERSONAL EXPLANATION

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. RAHALL. Mr. Speaker, yesterday I was absent to attend the funeral of former Member, James Kee of West Virginia. I strongly support H.R. 1231, the Eastern Airlines Strike Resolution, and had I been present, I would have voted aye on the rule—rollcall 7—and aye on final passage—rollcall 8.

ACID DEPOSITION CONTROL ACT OF 1989

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. WAXMAN. Mr. Speaker, today, I have the privilege of announcing that over 140 House Members from both parties have joined together to introduce comprehensive acid rain control legislation.

This is a vitally important effort. Acid rain is destroying lakes and forests from Maine to Florida and from the Adirondacks to the Sierras. It is threatening the health of tens of thousands of people each year. And it is eroding buildings and bridges and irreplaceable statuary, causing billions of dollars in damages annually. It simply must be stopped.

It has been nearly a decade since the National Academy of Sciences recommended that we take "prompt action" to protect our ecosystems and our economy from acid rain. This call for action has been repeated again and again by the academy and other leading experts, as scientists have learned more and more about the widespread threat to our lakes and forests.

I believe we are finally going to listen to our scientists, and the overwhelming public opinion in this country, and take effective action to stop the acid assault. For the first time, the President of the United States is publicly committed to acid rain control. We have an ardent supporter of acid rain control as Senate majority leader. The Speaker of the House has identified the Clean Air Act as one of his top

priorities for this session. And we now have an effective acid rain control bill with broad bipartisan support in the House of Representatives.

Many of the Members here today first supported this bill in 1986. We showed then that environmental issues enjoy extraordinary bipartisan support that cut across regional lines. And we proved that acid rain control can be crafted to overcome regional differences.

Today, because of the tireless efforts of my colleagues, this bill has again earned wide bipartisan support from all regions of the country.

The secret of the success of this bill lies in three basic principles—effectiveness, flexibility, and fairness.

This bill is effective. The litmus test of any acid rain bill is "How much and how soon." We need large reductions in sulfur dioxides and nitrogen oxides—and we need them soon—to save thousands of lakes and streams from death through acidification. This bill will deliver a 10 million ton reduction of SO_2 and a 4 million ton reduction of NO_x by 1998. There is no bill in the House that does as much as soon.

This bill is also flexible. It sets the reduction targets, but lets the States pick the control strategies. Governors can opt for fuel switching. Or they can opt for technological solutions, such as scrubbers, that protect high-sulfer coal jobs. Or they can opt for a mix of control methods. No bill gives States more options.

And this bill is fair. It guarantees that residential rates will not increase more than 10 percent as a result of acid rain controls by making Federal subsidies available. More residential rate payers will face less than a 1-percent rate increase.

Since the bill's original introduction in 1986, I have learned of ways to improve its already sound fundamentals. Energy conservation should be further promoted. And we need to make our gains in this bill last by limiting backsliding. I will work for these improvements.

It is no surprise to me that this bill has become the acid rain bill in the House. Some of the most talented Members of the House from both sides of the aisle have developed its concepts and forged its compromises. Among them are Republicans SILVIO CONTE, TOM TAUKE, SHERRY BOEHLERT, MAT RINALDO, and BILL GREEN, and Democrats GERRY SIKORSKI, MO UDALL, ED MARKEY, and JIM FLORIO. I commend them all for their efforts.

We begin this year in a new climate and, according to White House meteorologists, with a fresh breeze blowing. I believe that in this climate the bipartisan effort we have launched today will move forward to provide the country with permanent relief from acid rain.

In conclusion, let me announce that the Subcommittee on Health and the Environment will move expeditiously to hold hearings on this bill. I expect to hold hearings on the bill beginning on April 6.

A summary of the bill follows:

SUMMARY OF THE ACID DEPOSITION CONTROL ACT OF 1989

The bill establishes an acid rain control program that reduces sulfur dioxide emissions by 10 million tons and nitrogen oxide emissions by 4 million tons by 1998. The major provisions are summarized below:

SO_2 EMISSION REDUCTIONS

The bill requires a two-phase reduction in sulfur dioxide (SO_2) emissions from electric utilities and other stationary sources burning fossil fuels. By 1994, states must achieve a statewide average rate of SO_2 emissions from utilities of 2 pounds per million Btu (lbs/mmBtu). By 1998, states must achieve statewide average rates of SO_2 emissions from utilities and industrial boilers of 1.2 lbs/mmBtu. And by 1998, they must also reduce SO_2 emissions from industrial processes by an amount that the U.S. Environmental Protection Agency determines to be economically and technologically feasible. These reductions are estimated to lower SO_2 emissions by 5 million tons by 1994 and by 10 million tons by 1998.

NO_x EMISSION REDUCTIONS

The bill also requires reductions in nitrogen oxide (NO_x) emissions from utilities, industrial boilers, and industrial processes. By 1998, states must achieve statewide average rates of NO_x emissions from utility and industrial boilers burning fossil fuels of 0.6 lbs/mmBtu, and they must reduce NO_x emissions from industrial processes by an amount determined by EPA to be economically and technologically feasible. In addition, EPA must tighten existing emission standards for new coal-fired, electric utility plants and establish such standards for new fossil-fueled industrial boilers. These reductions are estimated to lower NO_x emissions by 2.7 to 3.5 million tons by 1998.

STATE IMPLEMENTATION PLANS

The bill allows states to choose any control strategy to achieve the statewide average emission rates for SO_2 and NO_x mandated by the bill. If a state fails to submit a complying implementation plan, congressionally imposed emission limitations apply to the utilities and industrial boilers in the state.

MIDCOURSE CONGRESSIONAL REVIEW IN 1994

The bill requires EPA to submit a report to Congress in 1994 that assesses the reductions in acid rain achieved by 1994 and the feasibility of meeting the 1998 reduction requirements.

PROTECTION AGAINST EXCESSIVE RATE INCREASES

The bill entitles electric utilities to receive federal subsidies to protect residential customers from rate increases attributable to SO_2 controls that exceed 10% after rates are equalized and levelized across the state. The subsidy is to be funded by a federal trust fund created by levying a fee not to exceed ½ mill per kilowatt hour on power generated by electric utilities. The level of the fee is to vary in proportion to the levels of SO_2 emitted by the utility.

ASSISTANCE FOR INNOVATIVE TECHNOLOGIES

The bill allows a federal program, funded by an in-state fee on electricity generation, to be established at the option of any state to provide financial assistance for innovative technologies to control SO_2 or NO_x emissions.

EMISSION REDUCTIONS FROM MOBILE SOURCES

The bill requires mobile sources to meet tighter emission standards for NO_x and hydrocarbons. It requires fuel manufacturers to reduce the sulfur content of diesel fuel to 0.05% by weight by 1991. And it requires EPA to control evaporative hydrocarbon emissions by issuing regulations within six months of enactment requiring on board canisters or stage II controls (gas-station vapor recovery) or both. These requirements are estimated to lower SO_2 emissions by 0.5 million tons and NO_x emissions by 0.5 million tons by 1998.

TRIBUTE TO CHANDLER ELEMENTARY SCHOOL FOR THEIR ARBOR DAY PROJECT

HON. FRANK McCLOSKEY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. McCLOSKEY. Mr. Speaker, I recently received a letter from Mr. Earl E. Pfettscher, principal of Chandler Elementary School, Chandler, IN, informing me of an exceptional Arbor Day project the school has planned. Each student at Chandler has pledged to plant one tree on April 14, Arbor Day. The dream of these children is that students nationwide will follow their example and join in this practical and innovative plan to improve the future of the environment and the quality of their lives. During Arbor Week, April 10–14, the students will study the greenhouse effect, the climate, and the environment. One of the major causes of the greenhouse effect is the increase in atmospheric carbon dioxide due to the destruction of our forests. The loss of these valuable trees has greatly reduced the amount of plants available to absorb this ever increasing excess of carbon dioxide in the air. In addition, planting trees around buildings is an effective means of energy conservation.

The Chandler students are taking positive action to better their environment. However, the 700 tree seedlings which the Chandler students will plant represent only a preliminary step in a possible national movement toward renewing our natural resources. The American Forestry Association estimates that there are 100 million spaces where additional trees could be planted around American homes and communities. With their school serving as a role model, the Chandler students' goal is for every student in the nation to make the same simple pledge they have taken:

Trees play an important part in affecting our environment. We the undersigned members of Chandler Elementary School have agreed to plant a tree in recognition of Arbor Day, 1989. We urge other students in the United States to join us by doing the same.

I can is the name of the program at Chandler Elementary School that teaches positive attitude. These students have taken an optimistic and practical initiative toward improving our environment. I praise them for their innovative project and their belief that they can make a definite impact on their future. In furthering their goal, I urge my colleagues to notify the schools in their districts of the Chandler School Arbor Day project. Finally, I hope the Chandler School project encourages not only students but all Americans nationwide to make a great investment in the future by spending a small amount of time and energy on April 14 to plant a seedling.

Individually, the impact of a seedling planted this Arbor Day may not appear so great. However, when these trees mature in Indiana and,

hopefully, across the Nation, the importance of each tree, and of the contribution of those who planted them, will be obvious. The poet Cicero, quoting Caesilius Statius, wrote 2,000 years ago, "Serit arbores quae alteri seculo prosint" which translates as "Trees does he plant to be of service to the coming age." Clearly the children of Chandler Elementary are being of service to the coming age.

My congratulations and best wishes to Mr. Pfettscher and the students of Chandler Elementary School.

THE ACID DEPOSITION CONTROL ACT OF 1989

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. BOEHLERT. Mr. Speaker, today I am pleased to be joining a bipartisan coalition in introducing the Acid Deposition Control Act of 1989, which is essentially identical to H.R. 2666 of the 100th Congress, and H.R. 4567 of the 99th.

I coauthored this bill in 1986 along with other Members of the House working group on acid rain. It has endured as a standard with the broadest support from all regions, Republicans and Democrats, conservatives, moderates, and liberals. The bill is not perfect—I haven't seen a perfect piece of legislation yet, and there are changes I would like to make.

But the bill has drawn strong support for a good reason. Not only would it achieve deep emission reductions on an expedited timeframe—the goal which is so important to us wherever acidic snow and rain corrode our lakes, forests, and health. This bill is the least costly to society and average folks, the most reasonable to implement, and the most favorable to protection of regional economic concerns.

The balance and fairness of our approach was indicated last June, when the Governors of Ohio and New York tendered an acid rain plan based very substantially on this bill. I was proud to offer that legislation as a symbol that regional differences can be ironed out.

While I have the opportunity, I would like to share with my colleagues some special information which has come to me over the past few days.

First, a little context. From the earliest days of campaign 1988 to the weeks immediately following George Bush's election to the last 10 days, I have been working personally with George Bush and his team to end the acid rain stalemate. The President has made an unequivocal, personal commitment to breaking that stalemate.

I am happy to report administration assurances to me that the President will offer his acid rain action plan in short order.

The President's proposal will be a strong, responsible plan for breaking the stalemate and reversing this environmental disaster, and I will be proud to sponsor that package and work for its enactment.

An equal priority, however, is the urgent need to get the Energy and Commerce Committee moving. As George Bush has said, the years of study alone are over, the time for action is now. After years of delay, we can count on the Senate taking action by September. We need a bill reported to the floor of the House this year.

I have every confidence that a bill based on these principles will ensure a bipartisan consensus that serves the national interest.

NATIONAL CAPITAL TRANSPORTATION AMENDMENTS OF 1989

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mrs. MORELLA. Mr. Speaker, in 1988, the Washington Metropolitan Area Transit Authority was nationally recognized when it received the Public Transportation System Outstanding Achievement Award. Today I speak in strong support of the legislation being introduced, which would complete the 103-mile metrorail system for the Nation's Capital. The 13.5 miles, which remain to be built, are critical to the system. The system was designed as a whole, and these final miles contain necessary storage yards, inspection facilities, and traffic intercepts which are vital to assure the efficient and effective operation of the system.

The Red Line from Wheaton, MD, to Glenmont, MD, is a part of the remaining 13.5 miles to be built. It will provide badly needed transportation to the upper Georgia Avenue corridor. This corridor is experiencing rapid growth in housing and office development. The Glenmont station will link this rapidly developing center for jobs and housing with commercial and residential areas throughout the metropolitan region.

The Glenmont portion of the metrorail system must be built because it will provide a badly needed transportation alternative in one of the fastest growing corridors in Montgomery County and the region. It will provide mobility to transit dependent riders from Howard County, Baltimore County, and other local jurisdictions to the north of Montgomery County. Without this portion of the Red Line, the authority will be forced to operate the Wheaton station as a terminal station, which was never intended, thus causing enormous traffic problems. Finally, to most efficiently operate the Red Line from Shady Grove to the terminus on the Glenmont line, the authority must construct a yard at Glenmont to provide needed maintenance services, car storage, and minor repairs. The yard will increase operating efficiency and reduce operating costs.

Mr. Speaker, I stand in strong support of the National Capital Transportation Amendments of 1989. We must finish the subway that serves the Federal work force, our visiting constituents, and visitors from around the world. It will permit the realization of the vision by Congress of building the full 103-mile system.

THE OIL POLLUTION LIABILITY AND COMPENSATION ACT OF 1989

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. JONES of North Carolina. Mr. Speaker, on behalf of the leadership of the Merchant Marine and Fisheries Committee, I am proud to introduce H.R. 1465, the Oil Pollution Liability and Compensation Act of 1989. The legislation, when enacted, will establish a comprehensive oil pollution liability and compensation system. The concept of oil spill legislation enjoys the broad support of the majority of the oil industry, the administration, environmental groups, States and the Congress. The House has addressed the issue frequently since 1978 and has come close to enactment, most recently at the end of the 99th Congress. This bill builds upon past efforts and is indeed legislation whose time has come. Allow me to briefly outline some major components of the bill:

It replaces four separate oil pollution liability systems with one single comprehensive Federal system, and replaces four existing small cleanup funds with one large fund;

It covers oil spills from vessels and facilities, both offshore and onshore;

It imposes strict, joint, and several liability on those responsible for oil spills;

It establishes liability for a broad class of damages, including cleanup costs, damages to natural resources, and third party damages;

It authorizes up to $500 million to cover claims against the fund arising out of a single incident, with the revenues to come from the industry and not the general taxpayer, as is currently the case under the Clean Water Act; and

It implements two international protocols establishing a similar liability and compensation regime globally, which are strongly supported by the administration.

Oil spills over the past few months continue to demonstrate the need for this legislation. So far this year, sizable spills have occurred in Washington and Hawaii while a mystery oil slick was spotted off the Florida keys, potentially threatening the Key Largo National Marine Sanctuary and the John Penekamp Coral Reef State Park. The current Federal system is lacking in many respects and could have failed to provide adequate compensation for those who have been damaged by these spills.

While the energy and transportation industries continue to work hard to minimize the risk of spills, accidents happen. Regretfully, oil spills will continue to occur. The time for a comprehensive Federal oil spill law is long overdue. Please join me in supporting this important legislation.

INTRODUCTION OF THE DELLUMS/PARRIS METRO REAUTHORIZATION ACT

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. PARRIS. Mr. Speaker, Mr. DELLUMS and I, as chairman and vice chairman of the Committee on the District of Columbia, have today introduced legislation with a number of our colleagues that will provide for the completion of our "Nation's Subway"—Washington's Metrorail System. Specifically, this bill will authorize the appropriation of Federal matching funds over approximately 11 years for the final 13.5 miles of this 103-mile system.

The current Federal authorization for the initial 89.5 miles of this system, Public Law 96–184, enacted in 1980 will soon expire. The DELLUMS-PARRIS reauthorization legislation will pick up where the current authority leaves off, allowing for the completion of the Green Line in the District and Maryland and of the Yellow Line in Virginia.

Of considerable importance to me and my constituents is the long-awaited extension of the Yellow Line from Van Dorn to the Springfield-Franconia site—one of the fastest growing areas in Northern Virginia and, indeed, in the entire Washington Metropolitan area. Without this vital rail link, there can be no question that the I–95/I–395 corridor will become virtually gridlocked. It is also a fact that no amount of road construction in this congested area could possibly replace the benefit to be realized in connecting Springfield-Franconia to Washington's Metrorail System.

Metrorail and Metrobus feeder service has far surpassed original expectations in the role it plays today as perhaps the most important component of the Washington area's transportation infrastructure. I invite my colleagues to imagine life in today's Washington without Metrorail.

In closing, I believe it is important to point-out for the record that while there does exist an understandable degree of parochial interest in this legislation by members of the Virginia, Maryland and D.C. delegations, this is, in fact, the "Nation's Subway," located in the Nation's Capital and serving its millions of visitors annually, and helping ensure that the business of Government may continue unimpeded by local infrastructure deficiencies.

I am most pleased with the level and intensity of support for this legislation which has been expressed by so many of my colleagues so early in the process. I am also looking forward to working with Chairman DELLUMS in aggressively pursuing this critical legislation in our District of Columbia Committee early in this session of the 101st Congress.

BETTER MANAGEMENT FOR NATIONAL PARKS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. VENTO. Mr. Speaker, the National Park System was authorized by the Congress in 1916. The National Park Service was established to manage and protect units of the Park System so as to prevent degradation of the lands and resources in perpetuity.

The Congress has subsequently reaffirmed that the protection of units of the National Park System should be given the highest priority and has enacted legislation—Public Law 91–383—which provides that these lands shall be managed to prevent derogation of the values for which they were created.

Management of natural and cultural resources in the Park System in perpetuity required the development of a highly professional organization that was trained to protect these natural and cultural resources on the basis of reaching objectives in scores of even hundreds of years: The National Park Service is the result of that requirement and carried out the mandate in a highly professional manner during its first 50 years. But then things began to change. An outstanding professional Park Service Director was fired because he refused to agree with development plans of a political insider that would have destroyed a park in Florida. And that Director was replaced not with a first rate professional land manager—but rather a professional political campaign advance man. Since then we have had a continuous stream of Assistant Secretaries and Deputy Assistant Secretaries and assistants to the Assistant Secretaries—all political appointees—with limited or even no knowledge of how to protect our national treasures that make up the National Park System, second guessing, overturning, and interfering with professional park managers' decisions about how to protect the parks.

Finally, we reached the point over the last few years where the decisions on personnel qualifications, location of development, research conclusions, interpretive programs, management guidelines, and a host of other day-to-day operational decisions were made by political appointees whose histories, more often than not, were as representatives of the very groups, organizations, and businesses whose primary mission was to undermine the National Park System.

Mr. Speaker, the Congress has, one by one, established what is now considered the greatest amenity the United States has; its natural and cultural treasures all within the National Park System. That System and those treasures are being destroyed by a variety of threats and intrusions, but none more insidious nor more effective than bad management by political appointees, who make expedient decisions that help developers or timber or mining interests and impair the resources we thought were protected because they were national parks.

Mr. Speaker, today I am introducing a bill to return the National Park System to people who know how to protect those resources, to people who have dedicated their lives to caring about these unique areas and to people who are committed to carrying out the intent of Congress to maintain these resources in perpetuity; to the now depleted National Park Service professional land managers. My bill to establish a National Park System Review Board passed the House in the 100th Congress by an overwhelming majority but was not acted upon by the Senate. I have reintroduced that bill today with 65 cosponsors and ask my colleagues to join me in passing this bill to give us the relevant professional management that the special resources of our National Park System need and deserve.

UKRAINIAN-AMERICANS 71ST ANNIVERSARY

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. KOLBE. Mr. Speaker, last January Ukrainian-Americans celebrated the 71st anniversary of the proclamation of Ukrainian independence. The suppression of Ukrainian culture is a brutal chapter in the history of Eastern Europe. I would like to take this opportunity to urge support for the Ukrainian peoples and to encourage the Soviet Union to grant greater religious freedom, cultural practices, and individual rights for the citizens of the Ukrainian Republic.

Mr. Speaker, on the occasion of the 71st anniversary of the proclamation of the free and independent Ukrainian National Republic, the Honorable Thomas J. Volgy, mayor of Tucson, proclaimed Friday, January 20, 1989, to be Ukrainian Independence Day in our community. I would like to include that proclamation into the RECORD on behalf of the Ukrainian community of Southern Arizona.

Proclamation by the Honorable Tom Volgy, mayor of Tucson:

PROCLAMATION

Whereas, January 22, 1989 will mark the 71st anniversary of the proclamation of the free and independent Ukrainian National Republic; and

Whereas, the young Ukrainian National Republic fell in 1920 as the first victim of Communist Russia, and for more than half a century Ukraine has suffered untold persecution, man-made famine, religious oppression, and outright linguistic genocide in the form of Russification; and

Whereas, the people of Ukraine in 1986 experienced untold sufferings for generations to come from the nuclear disaster at Chornobyl which was under Moscow's control; and

Whereas, on April 23, 1988 the U.S. Commission on the Ukraine Famine reported its findings that the Great Famine of 1932–33 was premeditated genocide against Ukrainians perpetuated by Joseph Stalin and those around him; and

Whereas, in April 1988 the U.S. Congress passed a resolution calling for the legalization of the Ukrainian Orthodox and Catholic Churches in the Soviet Ukraine; and

Whereas, on this occasion, it is appropriate to reflect upon our perception and un-

derstanding of the Ukrainian people and their aspirations; and

Whereas, today's celebration salutes the determination of the people of Ukraine to live in freedom,

Now, therefore, I, Thomas Volgy, Mayor of the City of Tucson, Arizona, do hereby proclaim Friday, January 20, 1989 to be "Ukrainian Independence Day" in this community and call upon all of our citizens to join those of Ukrainian descent in prayers for peace and freedom throughout the world.

INTRODUCTION OF PLATORO RESERVOIR BILL

HON. BEN NIGHTHORSE CAMPBELL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. CAMPBELL of Colorado. Mr. Speaker, I am introducing a bill, cosponsored by the entire Colorado congressional delegation, which provides for the transfer of the Platoro Reservoir to the local irrigation district and provides for the protection of fish habitat in the Conejos River in southern Colorado.

The Platoro Reservoir was built in 1951 by the Bureau of Reclamation as part of the San Luis Valley irrigation project. Because of the administration of the interstate Rio Grande Compact, the reservoir has never been used.

The Conejos District will make an advance, lump-sum payment of $500,000 to the Federal Government for the purchase of the Federal project. This sum represents the present value of the district's future obligations under the repayment contract, taking into account the Federal savings of operation and maintenance costs.

The reservoir and underlying lands will then be transferred to the district, which is responsible for operating, maintaining and repairing the dam. The district believes that after assuming the risk and responsibility for making this irrigation project work, they can implement an aggressive local water management program to realize the project's irrigation benefits.

This bill is also intended to end a longstanding environmental problem caused by the original construction of the reservoir, namely maintaining satisfactory in-stream flows in the Conejos River for fish and wildlife.

The Platoro was designed in the 1930's and 1940's; it was built in 1951—all before NEPA or the Fish and Wildlife Coordination Act. No in-stream flows were provided below the dam. This bill requires the Conejos District to provide in-stream flows by releasing water that would have been used for irrigation. This reduced yield for irrigation will be compensated by the further reduction in the lump-sum payment price.

The State of Colorado will manage the water rights protecting these released waters. Because of the State's provision of low-interest financing to the Conejos District, the result is a three-way shared responsibility to provide for the enhancement of the Conejos' fish habitat.

This transfer allows the Federal Government to discount and sell off a questionable loan. The risk of meeting compact obligations and the task of implementing a water management program is passed to the local water users.

The Conejos District is ready to meet the challenge of being directly responsible for the success of the project. This bill gives the district the opportunity to free itself from Federal bureaucratic overhead which makes the financial operation of the reservoir nearly impossible.

Platoro Reservoir is located in one of the poorest rural counties in the country. The local operation of Platoro Reservoir is seen as a key economic development issue and the Colorado General Assembly has overwhelmingly provided funding to the district in the form of a loan package to allow this transfer to go forward.

This bill deserves to be judged on its merits. The local water users are willing to take a Federal irrigation project which has not worked and assume responsibility for its success. This bill makes good sense for both the Federal Government and the Conejos District and I urge you to support it.

INTRODUCTION OF APEX LEGISLATION

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. BILBRAY. Mr. Speaker, today Representative BARBARA VUCANOVICH and myself introduced legislation to provide Federal land near Apex in southern Nevada for the development of a specialized industrial facility which could accommodate defense-related and other industries requiring expansive space to operate safely.

A similar measure will be introduced by Nevada's two Senators, Senator HARRY REID and Senator RICHARD BRYAN.

On May 4, 1988, the southern Nevada community of Henderson suffered a series of fires and explosions at a rocket fuel plant which killed 2 and left more than 350 injured.

The devastation wrought extensive property damage as far as 12 miles from the site of the explosion in Las Vegas, and the effects of a 5-square-mile toxic cloud created by the fires was felt by the residents of the towns of Moapa, Logandale, and Overton, NE.

Schools were closed and hundreds of residents were evacuated. One report indicated a ring of destruction 8 miles wide.

The blast and fires destroyed the Pacific Engineering & Production Co. [Pepcon] as well as the Kidd & Co. marshmallow factory contiguous to the rocket fuel plant. The Kerr-McGee Chemical Corp., also located in Henderson, was not damaged.

Together with Pepcon, Kerr-McGee is the only company in the United States to produce ammonium perchlorate. Once blended to specific needs, the chemical provides the fuel for our solid rocket motors used by the Air Force and NASA to power the space shuttle and a variety of military missiles.

As a result of the blast, Federal, State, and local officials explored the idea of building a plant far enough away from populated areas so a Pepcon-like disaster wouldn't have any affect on residents or businesses.

The package we introduce today meets this need. It provides for the relocation of the Kerr-McGee plant operations on 3,840 acres of Federal land. For future needs, the legislation transfers up to 17,000 acres of land within the Apex site for future heavy industrial needs.

The legislation would allow the diversification of the economy in southern Nevada while insuring the safety of its citizens. Further, the measure is consistent with the findings of the Henderson Commission which recommended the siting of certain industries in areas well removed from population centers.

We acknowledge as Nevadans that ammonium perchlorate is essential to the Nation's defense efforts, our space program, and the commercial launch industry. But Nevadans expect the Federal Government to treat us just as fairly. A community that supports two of the most important plants in the country should be treated with compassion and concern.

I urge immediate action by the Congress.

A BILL TO MAKE ILLEGAL DUMPING WASTE INTO OCEAN WATERS A CRIMINAL OFFENSE

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. HUGHES. Mr. Speaker, today I am introducing two bills to make illegal dumping of waste into ocean waters a Federal criminal offense. These bills impose stiff fines up to $250,000 per violation and jail sentences of up to 5 years on anyone convicted of dumping waste illegally into the ocean. Additionally, the bills include provisions imposing forfeiture of property used to commit the crime.

During the 100th Congress, a number of legislative initiatives were enacted to develop measures that will protect the marine environment from a variety of pollution sources. One such bill, the Ocean Dumping Ban Act, places a deadline on sewage sludge and industrial waste dumping by municipal sewage authorities and industries currently dumping pursuant to a permit or court order. It also places tough new restrictions and penalties on the dumping of medical wastes in marine waters, and sets stringent regulations on the handling and transportation of garbage by barge.

Although this legislation was a major step in cleaning up our oceans, there are still areas within the law that need to be strengthened to achieve our overall goal of protecting our marine environment.

Currently, illegal dumping of waste materials into ocean waters is merely a misdemeanor offense—resulting in little incentive to stop such activities. The two bills that I am introducing today will increase the seriousness of such a crime by making it a felony, and serve as a significant deterrent against such intolerable practices.

Mr. Speaker, I believe that these two bills are both necessary and timely. They are good bills and it is my hope that Congress will move quickly to enact these measures.

IN REMEMBRANCE OF DR. EDMUND MORGAN, JR., OF GREENFIELD, MA

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. CONTE. Mr. Speaker, I rise today to pay tribute to Dr. Edmund Morgan, Jr., of Greenfield, MA, who was called from us Sunday, March 5, at the age of 66.

Dr. Morgan was a gentleman and a scholar. A graduate of Harvard and Tufts medical schools, where he had been a member of the Alpha Omega Alpha Medical Honor Society. Ed was a surgeon of the first caliber. He served his internship and residency at the Charity Hospital in New Orleans, and later served as a surgeon with the U.S. Coast Guard, on the Goedetick Surveyors Ship, the *Explorer*.

Dr. Morgan was also a chief surgeon in American Samoa and during the Korean war he served with the 187th Airborne Division as captain in the Medical Corps. For 2 years, he worked in the U.S. Army Hospital in Japan before returning to private practice in Boston in 1964.

In 1976, Dr. Morgan moved his wife and six children to Greenfield, MA, which is in my First Congressional District. He continued to practice medicine at the Franklin Medical Center and the Veterans' Administration Hospital in Leeds.

Besides his love of medicine, Ed cherished his wife and six children. An educated man who wanted the best for his offspring, Ed worked hard to ensure that they received a proper education. His deep concern for their futures became evident to me several years ago when I had the pleasure of meeting the doctor and his son Ed at a picnic in Holyoke, MA. Dr. Morgan beamed with pride over his son's accomplishments and dreamed one day of seeing his son in uniform as a cadet at the U.S. Military Academy. His son attended a military prep school in New Mexico and worked hard to gain admittance into the Academy. In 1988, their dream was fulfilled when young Ed received an appointment to West Point.

Dr. Morgan's dedication to his country and his family was unquestionable. Through his selflessness he gave to others and through his kindness he won the hearts of those who had the pleasure of his acquaintance. I share the sense of loss the Morgan family is feeling during this trying period but am confident that all the wonderful memories of times shared will help them get through the difficult days ahead. Dr. Morgan, a true American, will be sorely missed.

HELP PROTECT OUR DEMOCRATIC FORM OF GOVERNMENT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. GOODLING. Mr. Speaker, I am introducing legislation to make the 1990 census a more equitable and realistic tool for conducting congressional reapportionment. This bill will only affect the census for purposes of reapportionment and will not impact on the present allocation of Federal benefits, based on census data, to individuals deserving of such assistance.

My legislation directs the Secretary of Commerce to exclude illegal aliens from the census count and also requires the inclusion of U.S. military personnel, civil servants, and their dependents stationed overseas in the enumeration. In addition, the bill mandates the counting of U.S. students studying abroad, a small but important group of citizens who deserve to be included in the reapportionment process.

As a Represenstative from Pennsylvania, I share a unique concern about the upcoming census. According to recent projections, the Commonwealth will lose at least two seats, and perhaps three, as a result of reapportionment in 1992. If the Census Bureau can be directed by Congress to exclude illegal aliens from the count used to apportion congressional districts, Pennsylvania, and other States adversely affected by demographic change—Illinois, Iowa, Kansas, Massachusetts, Michigan, Montana, New York, Ohio, West Virginia, and Wisconsin—can be spared additional injury and insult caused, by current Census Bureau policies.

Our Founding Fathers had several purposes in mind when they established the census; to help pay debts incurred from the Revolutionary War and, according to a Commerce Department pamphlet, "to establish a truly representative government to sit in the two Houses of Congress." Under the present system, the census fails to achieve one of its primary goals. The inclusion of illegal aliens in the census count violates the basic constitutional rights of representation guaranteed to U.S. citizens.

Because of current Census Bureau policies, voters in States with large numbers of illegal aliens enjoy a distinct advantage over citizens in other parts of the country. Fewer U.S. citizens are needed to elect a Representative to Congress in these areas, and they enjoy, on the basis of their location, a greater amount of political power than citizens in areas with few illegal aliens. This is not what the framers of the Constitution intended. In fact, the Supreme Court ruled in 1964 in Wesberry versus Sanders that article 1, section 2 of the Constitution mandates that "as nearly as practicable, one man's vote in a congressional election is to be worth as much as another's."

It is ironic that the Constitution originally excluded from the census the original inhabitants of the United States, American Indians, and current interpretations of the Constitution result in the inclusion of individuals who are living in the United States in violation of the law. Unless attempts to correct current Census Bureau policies are successful, the United States will be faced with a unique situation in the 21st century: citizens who live in areas of the country with large numbers of undocumented aliens will have a disproportionate and unrealistic amount of influence in determining the policies and direction of our country. Is this what the Founding Fathers had in mind? Most definitely not. Something must be done now to correct this situation, not only for the sake of the millions of Americans directly affected in 1990, but also in order to ensure our democratic form of government does not become another casualty of illegal immigration.

MEDICARE COVERAGE OF MAMMOGRAPHY

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mrs. KENNELLY. Mr. Speaker, I am pleased to reintroduce the Older Women's Cancer Prevention Act, legislation which will significantly improve the Medicare Program.

More than 1 in 10 American women will develop breast cancer sometime in their lives. This devastating disease is the leading cause of cancer deaths among women, taking over 45,000 lives in 1987 alone. Older women are even more susceptible to this cancer. Yet early detection and treatment of this condition can reduce fatality rates significantly. Thus it is recommended by the American Cancer Society that women over the age of 40 undergo complete breast examinations annually. Each exam should include a physical exam, instruction in self-examination, and a low level x ray called a mammogram. The examination should also include comparison of new mammograms to past ones to identify changes over time, and counseling and followup by doctors for their patients who show positive results.

While Medicare generally does not cover preventive care, Medicare coverage for screening mammography was included in the Medicare Catastrophic Coverage Act which we passed last spring. I supported that provision wholeheartedly. It has become clear, however, that the reimbursement cap will not be sufficient to ensure that mammography will be readily available to women who need it. The current $50 cap on reimbursement severely limits provider options and defeats the intent of the legislation, which was to increase the number of women who are being screened and treated for early signs of breast cancer.

In the 1950's cervical cancer was killing American women at a similar rate to the current one of breast cancer. A test existed which would allow for early detection and treatment of cervical cancer. Yet only 1 of 10 women were tested for this type of cancer because few doctors offered the test in their offices. As the test became widely available in the offices of primary care physicians, however, the number of women receiving the test in-

creased until, today, 9 out of 10 women are regularly tested for cervical cancer. The incidence of deaths from cervical cancer has decreased by over 70 percent since them.

Similarly, screening tests for breast cancer need to be made readily available in the office of primary care physicians so women will undergo these tests on a regular basis. Not only is a woman more likely to undergo the test when under the care of someone she knows and with whom she is comfortable, but doctors are more able to identify changes over time, and are able to provide the analysis, counseling, and followup that are necessary to effectively care for patients who are found to have positive test results.

Yet in most areas of the country, the only providers who can offer mammograms for $50 are mobile vans which old make-shift screening clinics at shopping centers and other public places. Even these vans often can offer the tests at such a bargain only because they are heavily subsidized by charitable organizations.

These mobile vans provide a well-intentioned and valuable service which we should encourage to continue. However, such vans cannot and should not become the main provider of these important tests. For example, in the whole of my own State of Connecticut there are only two of these mobile vans. This is clearly inadequate to meet demand. More importantly, however, most women, especially older women, simply will not submit to being examined by a stranger in a van in the parking lot of a shopping mall. In addition, by necessity the care offered by these units is considerably less comprehensive than that provided in a clinic or a doctor's office. These van visits are one-shot deals, where a physician is rarely available to examine and counsel the woman. There is no comparison with older mammograms, so any change in the physiology of the patient cannot be detected. Followup is nonexistent. A woman receives her test results in the mail, and, if the test is at all suspicious, is merely directed to visit her doctor. This can cause undue confustion and alarm, especially for older women.

For these reasons it is very important that screening tests for breast cancer become widely available in doctors' offices. The $50 cap on Medicare reimbursement will prevent this from happening. Doctors and even high-volume clinics cannot realistically offer the test for $50, and will not do so.

The irony of the whole thing is that this test is virtually the same test as the diagnostic mammography currently reimbursable under Medicare. Yet that test is reimbursed at a rate which is "reasonable," allowing for regional adjustment for the price of the test. This is much more realistic in terms of the actual price of the test, which currently ranges from about $80 to $200. Coverage at this level would allow more doctors to begin to offer the test in their offices.

The legislation which I am introducing would be a minor adjustment to the Medicare provisions of the Social Security Act, but would be of major benefit to older women in the early detection and treatment of breast cancer. The bill would merely raise the cap on the screening test to be in line with coverage for the diagnostic test, which falls under the same payment schedule as other radiology treatments and would be adjusted by regional costs.

If we raise the reimbursement cap for screening mammography to reasonable levels, mammography will become widely available to older women. With this availability will come more frequent testing, and with more frequent testing will come the early detection and treatment of breast cancer. Thus we can expect the same dramatic decrease in mortality from breast cancer that we experienced for cervical cancer when Pap smears became widely available. It is for this reason that I am reintroducing the Older Women's Cancer Prevention Act.

The bill currently has 57 cosponsors, and I invite the rest of my colleagues to join us in supporting the goal of saving lives by the early detection and treatment of breast cancer.

A TRIBUTE TO TERESA O'BRIEN

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. FISH. Mr. Speaker, I would like to take this opportunity to commend Ms. Teresa O'Brien for a lifetime of outstanding service to her family and her community. Ms. O'Brien will celebrate her 94th birthday on March 18, and is a lifetime resident of Bedford, NY, in my congressional district.

Teresa O'Brien is the eldest of a generation of a family that has provided much to the community of northern Westchester County. Teresa's father, Thomas O'Brien, and her brother-in-law, John Kinkel of Bedford, founded O'Brien & Kinkel, a major Mt. Kisco builder of quality homes until the 1960's. O'Brien & Kinkel built St. Patrick's Catholic Church in Bedford in 1930 on land donated to the Archdiocese of New York by the O'Brien family.

Teresa was first hired by O'Brien & Kinkel as a secretary. She was soon promoted to treasurer and later to a vice-president position in the firm. This marked a considerable accomplishment for a woman in those times and exemplifies Teresa's lifetime habits of hard work and dedication to the family business.

In addition to Teresa's personal accomplishments, her family's community service over the last century is worthy of our recognition. William O'Brien, past president of O'Brien & Kinkel and Teresa's brother, was named "Mr. Mt. Kisco" in 1956 in honor of his many civic accomplishments.

Teresa's sister, Mary O'Brien, was postmistress of Bedford from 1925–45, and was a familiar sight to Bedford's citizens as she bicycled through the town delivering urgent mail during the war years.

Her sister Annie O'Brien was the organist and choir director at St. Patrick's Church for decades, and taught Latin to generations of alter boys at the church.

John Kinkel, husband of Teresa's sister, Katherine, was the volunteer fire chief in Bedford for a quarter century, 1925–50, in addition to his responsibilities at O'Brien & Kinkel. On his 90th birthday in 1966, at a ceremony to honor his many contributions to the community, he was named "Mr. Bedford."

Indeed, a great tradition of civic generosity has been synonymous with the personal success of the O'Brien & Kinkel families. Ms. O'Brien's great-nephew, Mr. Brien Kinkel, who resides in Silver Spring, MD, also is an accomplished professional, who is representative of his proud family tradition.

Mr. Speaker, Teresa O'Brien can look back with tremendous pride on her own accomplishments and those of her family. I rise today to salute her and ask my colleagues to join me in wishing Ms. Teresa O'Brien, continued blessings and prosperity on the occasion of her 94th birthday.

WORKING FAMILY CHILD CARE ASSISTANCE BILL OF 1989

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. MICHEL. Mr. Speaker, the President yesterday submitted his child care proposal to Congress, and I am today introducing it in bill form.

The proposal implements the President's commitment during the campaign to provide a tax credit for up to $1,000 per child for low-income working parents to assist them in meeting their child care needs. The tax credit concept leaves the decision in the hands of parents as to the type of child care most suited for their children, and avoids heavy-handed Federal standards that could go so far as to license grandmothers who care for their grandchildren.

This proposal also assists those families who may feel it is most appropriate for one parent to stay at home to care for young children. Parents should not be forced to place children in day care centers in order to receive help, and the President's proposal allows that flexibility.

The provisions in this proposal basically track with those outlined in the President's budget submissions. A tax credit of up to $1,000 per child would be provided for children under age 4 in low-income families where at least one parent works. It would be refundable, which means families would receive a cash payment from the Government if the credit to which they are entitled exceeds the taxes they pay.

The President's proposal would retain the existing child care tax credit and would also make that refundable. This will better enable more moderate income families to meet their child care needs.

The President's proposal represents a sound base from which to address the child care issue. We may want to make some adjustments in specific provisions, and in fact we have a Republican task force under the chairmanship of TOM TAUKE that is in the process of developing a comprehensive proposal. But the President's proposal represents a solid way to go, and I invite all Members interested to join me in cosponsoring the bill.

INTRODUCING LEGISLATION TO DESIGNATE TWO WILD AND SCENIC RIVERS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. LAGOMARSINO. Mr. Speaker, today I am introducing legislation to designate two wild and scenic rivers, establish two new wilderness areas and expand an existing wilderness within Los Padres National Forest. The legislation would implement key recommendations of the U.S. Forest Service following completion of the final management plan for the forest. I am pleased to sponsor this bill which will protect and preserve these outstanding natural and scenic resources for the enjoyment of future generations.

My bill proposes to add approximately 58.5 miles to the national wild and scenic rivers system through designation of segments of Sespe Creek and Sisquoc River. As proposed by the Forest Service following completion of the forest plan, the 27.5-mile segment of Sespe Creek extending from its junction with Trout Creek just east of the popular Lions Campground to the Devil's Gate area north of Fillmore would be designated as a wild river. As the river winds through the National Forest, it offers numerous scenic and recreational opportunities. Many varieties of plants and trees can be found along the river's banks, including willow and sycamore. The unique landscape also serves as important habitat for several species of birds and mammals, including beavers. The 53,000-acre Sespe Condor Sanctuary is located on lands adjacent to the river and protects critical nesting and roosting habitat for the endangered California condor. The Sespe is also known as an excellent trout fishery and a portion of the river was recently designated as a State wild trout stream. Recreational activities along the Sespe include swimming, camping, hiking, horseback riding, and fishing. Several trails parallel or cross the river at various points.

This segment of Sespe Creek lies entirely within an area of Los Padres Forest I am proposing for wilderness. This dual designation would serve to protect the many outstanding features of the river.

The 31-mile segment of the Sisquoc River flows entirely through the San Rafael Wilderness and would therefore be designated as a wild river. It is known for its recreational opportunities as a wild river. It is known for its recreational opportunities, including hiking, horseback riding, and fishing which are enhanced by a foot and equestrian trail paralleling the entire length of the river. The Sisquoc flows through diverse terrain, including rugged and rocky slopes, dense chaparral, and several small meadows. Deer, black bear, and several other species of wildlife can be found along the river. The upper reaches of the river border the Sisquoc Condor Sanctuary and provide critical bathing and roosting habitat for the endangered condor. Several cultural sites are also located along the river, including remnants of early homesteads and Chumash Indian villages.

The Sespe and Sisquoc Rivers deserve the protection this legislation will afford. In addition, my bill would establish the Sespe and Matilija Wilderness areas and expand the existing San Rafael Wilderness.

The proposed 197,000-acre Sespe Wilderness begins just east of the Dick Smith Wilderness which was established largely through my efforts with passage of the 1984 California Wilderness Act. This area is characterized by rugged and diverse topography and serves as a major watershed for the Piru, Sespe, and Cuyama Rivers. Although the wilderness lies almost entirely within Los Padres National Forest, a small portion of it extends into adjacent Angeles National Forest.

The Sespe area serves as important habitat for many sensitive bird and animal species, including the recently reintroduced bighorn sheep and the endangered California condor. The area is also known for its unique natural and geologic features, including Topatopa Mountain, Sespe Hot Springs, and the Pristine Sespe Condor Sanctuary. Wilderness designation for the sanctuary will provide even stronger protection for this critical habitat. Provisions I have included in my bill will insure that any oil and gas exploration and development in this area must be conducted in an environmentally safe manner from outside the sanctuary, thereby prohibiting any type of surface disturbance. In addition, such development will be subject to strict stipulations contained in the forest plan to insure protection of this fragile area and its sensitive bird and animal species.

Nature study, fishing and hunting are popular recreational activities in this area. Numerous trails through the area and several trail camps enhance other activities such as cross-country hiking and backpacking. Recreational access to Sespe Hot Springs would be allowed to continue via the Johnson ridge trail pending completion of a study by the Forest Service to determine appropriate future management of the area.

My legislation would also establish the Matilija Wilderness encompassing 30,000 acres in the Santa Ynez Mountains. This region is noted for its steep canyons and rugged chaparral-covered slopes. It was extensively burned during the Wheeler fire of 1985 and is currently an excellent example of a recovering southern California chaparral ecosystem. The Matilija provides habitat for numerous animal species including deer, bear, mountain lion, bobcat and fox, as well as the California condor.

Finally, my bill would establish the La Brea addition to the San Rafael Wilderness. The 16,500-acre addition would extend westerly along the southern slopes of the Sierra Madre Mountains, bringing the total acreage of this wilderness to approximately 167,500 acres. The proposed addition encompasses the entire Horse Canyon watershed to its junction with the Sisquoc River.

Mr. Speaker, the legislation I am introducing today provides for comprehensive and far-reaching additions to the National Wilderness System and the National Wild and Scenic Rivers System. It will preserve and protect in perpetuity some of our most serene and secluded canyons, rivers, and peaks. In addition, by virtue of their close proximity to the urban areas of Southern California, these resources will continue to provide numerous diverse recreational opportunities to meet the demands of an ever increasing population. Therefore, I urge my colleagues to cosponsor and support this important legislation.

PEACE FOR EL SALVADOR

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. MFUME. Mr. Speaker, over the last 9 years the civil war in El Salvador has claimed an estimated 70,000 lives and displaced about one out of every four Salvadorans. Many of these Salvadorans eagerly await the day that they can not only return to their homelands, but also live in peace, raise their families and resume their disrupted life styles.

Mr. Speaker, Salvadorans will go to the polls on Sunday, March 19, 1989, to elect their nation's new leadership. Usually one would be optimistic about the prospects for change with an incoming administration; however, it appears that El Salvador's future will be even more uncertain after this election than it is at the present time.

Congress has approved aid to El Salvador in the current fiscal year of a little over $1 million a day. I hope that we can begin to exert more influence within this nation in order to have the ruling party improve El Salvador's human rights record and negotiate an end to the bloody and costly civil war for the sake of her own people.

SMITHSONIAN NUMISMATIC COLLECTION

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. SCHULZE. Mr. Speaker, the Smithsonian Institution has grown tremendously since its founding in 1848. One area, however, which is in need of greater attention is that of the Smithsonian's numismatic collection. The national numismatic collection is one of the most complete collections of coins and medals both from American history and other nations.

At virtually no cost to the American taxpayer, the numistmatic collection could be significantly improved with the two bills I am introducing today.

The first measure would require the U.S. Mint to provide the Smithsonian with specimens of pattern coins, trial strikes, experimental pieces, and other products made in the production of coinage by the U.S. Mint. These are now routinely destroyed by the mint and could be given to the Smithsonian at no cost.

The second bill would require the mint to provide the Smithsonian annually with 200 proof sets of U.S. coins. As a result, the Smithsonian would be in a posture to trade with other mints and national museums around the world for sets of contemporary

coinage. The transfer of U.S. coins from the mint to the Smithsonian would be very inexpensive, as the face value cost of 200 proof sets is only $182, and even less in manufacturing costs. The value of these proof sets and those acquired through trading with other countries will undoubtedly increase in the future, thus accentuating the wisdom of purchasing contemporary coinage now at low-manufacturing costs instead of paying higher prices in the years ahead.

The Smithsonian and the American people will certainly benefit from having the uncirculated mint sets or proof sets of the more than 156 nations on Earth that produce money as well as a complete collection of contemporary U.S. coins, including patterns and trial strikes.

I urge all my colleagues to join me in improving the Smithsonian's numismatic collection.

TRIBUTE TO PRESIDENT DUARTE

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. MAVROULES. Mr. Speaker, this Sunday, elections will be held in El Salvador. While we in America applaud the Salvadoran's respect for a democratic electoral process, we also recognize that after the elections the civil war will still go on, human rights will still be abused, and the freedoms afforded by American democracy will still be denied to many Salvadorians.

El Salvador's fragile democracy requires our continued careful attention and support. We want to promote a political solution to the 8-year-old guerrilla conflict; we want to see an end to the heinous death squads; we want to see an improvement in human rights; and we want to eventually reach peace in the entire region. United States aid should be structured to promote these objectives.

President Duarte leaves office after serving his country for 4½ years. During this time, he fought hard to institute reform and achieve peace. Today, we honor his efforts. Let's hope that this great leader's vision will one day be realized for his ravaged country.

EL SALVADOR

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Ms. PELOSI. Mr. Speaker, this Sunday, the people of El Salvador go to the polls to elect a new President. Elections, when they are free and fair, are an important step in the development of democratic institutions.

Unfortunately, according to many accounts, the Salvadoran people have lost faith in the electoral process, in great measure because they do not believe that the elections will end the tragic civil war which has destroyed so many lives in this tiny country.

The electoral process has been a cornerstone of United States policy toward El Salvador over the past 8 years. Combined with $3 billion in U.S. funding, elections, and military assistance have done nothing to stop the civil war. According to U.S. Government data, social, and economic conditions are worse now than in 1980 when the war first erupted.

The rebels offering of a peace proposal, combined with the interest of the Salvadoran political parties in opening discussions with the rebels, have created a unique opportunity to achieve a negotiated political settlement to the civil war. I believe that the U.S. Government should aggressively pursue this avenue to peace. The Salvadoran elections will not stop the civil war, only negotiations will.

SALVADOR KILLINGS RISE DESPITE U.S. PLEA

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 16, 1989

Mr. MOAKLEY. Mr. Speaker, I rise today to express my deep concern regarding the situtation in El Salvador and to express my outrage over our Government's continued deportation of Salvadoran refugees who have sought temporary safety in the United States.

Despite Vice President QUAYLE's recent visit to El Salvador and his stern warning to the military that they must improve their human rights record or face the loss of future U.S. aid—the situation has worsened. In fact, according to Tutela Legal, the human rights office of the Catholic Church, the number of death-squad-style killings has risen dramatically.

Mr. Speaker, the war goes on; both sides continue to target civilians for persecution; thousands are currently displaced from their homes; and, unless real steps towards peace are taken soon—the death toll will escalate.

It will take more than tough talk and more than elections to change the course in El Salvador.

In the meantime, while Congress and the administration reevaluate our policy, let us have the compassion and the simple decency to temporarily halt deportations—at least until the conflict has calmed.

Mr. Speaker, I would like to submit to the RECORD the following article which appeared in the Los Angeles Times on March 9.

SALVADOR KILLINGS RISE DESPITE U.S. PLEA—QUAYLE'S THREAT OF AMERICAN AID CUTOFF IGNORED, OFFICIALS SAY

(By Kenneth Freed)

SAN SALVADOR.—Vice President Dan Quayle's trip here last month to demand that the government end human rights violations or face the loss of American aid has had almost no impact, with the number of killings actually increasing since his visit, according to diplomats and human rights groups.

In the month before the vice president's February trip, the number of civilian deaths attributed to death squads and the military was eight. However, since Feb. 3, when Quayle told the Salvadoran military that the United States "expects them to work toward the elimination of human rights violations," killings attributed to rightwing death squads and the military have matched the earlier monthly average of 20 a month, according to figures compiled by human rights organizations.

And, although pressure from Quayle for action in one case has resulted in movement in that instance, many diplomats are still skeptical that anyone will actually be punished.

That case involves the so-called San Sebastian massacre of Sept. 21, in which members of the army's 5th Brigade allegedly killed 10 civilians suspected of supporting the Marxist rebel organization, the Farabundo Marti National Liberation Front.

After the U.S. Embassy here became convinced that the army had covered up the direct responsibility of senior officers for the killings, Quayle was asked to put pressure on the military. He arrived with the names of three army officers, all members of the 5th Brigade, and said that action had to be taken against them.

The three are Col. Jose Emilio Chavez Caceres, the brigade's commander; Maj. Mauricio de Jesus Beltran, its intelligence chief, and the officer in charge of the San Sebastian operation, known only as Lt. Vasquez.

SALVADORANS OUTRAGED

Quayle adopted a tactic used in 1983 by then-Vice President George Bush. Bush came here with a list of nine people he said were responsible for many of the human rights violations by death squads and the military. Bush's trip is credited by many Salvadoran and foreign officials with moderating the human rights abuses of that period.

Quayle met privately with military leaders, told them of his concern and then handed a sealed envelope containing the three names to the U.S. Ambassador William Walker, who passed it on to the minister of defense, Gen. Carlos Vides Casanova.

Sources close to the military high command said Vides Casanova and other officers were outraged at what they felt was unacceptable interference in their affairs. Yet they heeded the warning that a lack of action would endanger the $430 million a year that El Salvador receives from the United States.

As a result, Col. Chavez Caceres has been suspended as 5th Brigade commander and brought to the capital, though he is not under arrest. Maj. Beltran and Lt. Vasquez are being held at military installations in San Salvador, as is a fourth officer, a Lt. Galvez, who was a platoon commander during the San Sebastian operation.

Sources close to the military say the action in the San Sebastian case is little more than a sop to pacify the United States and that Quayle's message is being largely disregarded.

There has been no progress in several other prominent human rights cases on which the United States had demanded action.

According to Tutela Legal, the human rights office of the Catholic Church here, and several Western diplomats, the overall Salvadoran record is bleak. Even diplomats who are critical of Tutela Legal, and who try to minimize the human rights situation, acknowledge that Quayle's visit "doesn't appear to have had any effect."

Meanwhile, there has been a steady stream of disappearances of people assumed by Tutela Legal and diplomatic sources to be victims of death squads.

In the past month, court officials have ordered several exhumations at what were called "body dumps" in the early 1980s,

when death squads were killing people and dumping them at these places at the rate of 800 a month.

Last Saturday, three bodies were dug up near the suburb of Soyapango, all men who had been taken from their homes, tortured and shot. The three were residents of Soyapango, an area often used as a body dump and controlled by the air force, which has a reputation of taking extreme measures against suspected guerrillas and their sympathizers.

Tutela Legal has also accused the army of killing a woman doctor and a 14-year-old girl acting as a nurse last month at a guerrilla field hospital in northern Chalatenango province. In addition to allegedly killing these two, allegedly after raping them, the army is also accused of killing three paramedics and five wounded guerrillas being cared for in the hospital.

Despite the action taken as a result of the San Sebastian incident, sources close to the proceeding doubt that the case will go much further. Col. Chavez Caseres, the former brigade commander, was a military academy classmate of the army chief of staff, Col. Rene Emilio Ponce, and several other influential officers.

U.S. officials acknowledge that no Salvadoran military officer has been convicted of a crime since 1979. A European diplomat said that "if there is any public attempt to punish [the officers in the San Sebastian incident], it will cause a military reaction."

Although Chavez Caseres has been suspended and other officers arrested, the army has not complied with court procedure by turning over evidence and delivering the officers for questioning.

Nor has the court been given a videotape, made by the army just minutes after the killings, that contradicts an almost uniform account of the incident given by enlisted men who were at the scene. These men testified that the civilians had been killed in a guerrilla ambush, but their account is challenged by sources close to the investigation.

In Washington, Quayle's spokesman, David Beckwith, said the United States wants those accused to be brought to "a fair trial . . . we want justice to be done."

The United States "can't dictate their procedures, but it has to be perceived as a fair investigation."

Adding to the doubts about a just conclusion to the San Sebastian case, or any other violation of human rights, is the fear that clings to any such investigation here. The judge who originally investigated the incident has been forced to resign and go into hiding.

"I am afraid," Judge Ediz Alcides Guardique Calvallo said in an interview. "If they threaten me or hurt my family, I will have to leave. Now there is great international pressure, and that is stopping them. But what will I do later? Later they can get me."

SENATE—*Friday, March 17, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by the Honorable TIMOTHY E. WIRTH, a Senator from the State of Colorado.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Eternal God, Father of us all, always present everywhere, thank Thee for the promise throughout Scripture of Your unceasing presence with us. As the Senate disperses for recess, may the promise to Joshua be real: *"* * * As I was with Moses, so I will be with thee: I will not fail thee nor forsake thee."*—Joshua 1:5.

Infinite God, keep us aware that Thou art ever before us, behind us, above us, beneath us, around us, and within us. Thank Thee, gracious Lord, for this incalculable security.

"The Lord bless thee and keep thee; the Lord make His face to shine upon thee; the Lord lift up His countenance upon thee and give thee His peace."

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 17, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TIMOTHY E. WIRTH, a Senator from the State of Colorado, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. WIRTH thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, this morning, after a brief period of morning business, at 9 a.m. I will move to proceed to H.R. 1231, the Eastern Airlines labor dispute legislation. The time for debate this morning on that motion will be equally divided until 10:30 a.m. between Senators KENNEDY and HATCH or their designees.

I intend to file a cloture motion on this motion, to proceed today. That will result in a cloture vote on Wednesday, April 5.

At 10:30 a.m. this morning the Senate will go into executive session to consider the nomination of Congressman RICHARD CHENEY to be Secretary of Defense.

It is also my hope that we will be able to move to and act on the nomination of Lawrence S. Eagleburger today. We are requesting approval on that and I will have an announcement with respect to that in the near future.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time and also reserve the time for the distinguished Republican leader.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for not to exceed beyond the hour of 9 a.m. with Senators permitted to speak therein for 1 minute each.

QUORUM CALL

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator form North Dakota is recognized.

(The remarks of Mr. CONRAD pertaining to the introduction of legislation are located later in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. CONRAD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FRIENDS OF IRELAND ST. PATRICK'S DAY STATEMENT—1989

Mr. KENNEDY. Mr. President, for the past 8 years, the Friends of Ireland in Congress have joined together in an annual St. Patrick's Day statement on Northern Ireland.

Formed in 1981, the Friends of Ireland is a bipartisan group of Senators and Representatives dedicated to maintaining the close historical ties between the United States and Ireland, and developing a United States policy that promotes a just, lasting and peaceful settlement of the conflict in Northern Ireland—a tragedy that has cost over 2,700 lives in the past 19 years, and has brought economic devastation and political instability to the region.

The Friends of Ireland statement this year urges all sides to the conflict to reject the path of violence and work for a negotiated settlement that addresses the concerns and needs of both communities in Northern Ireland.

Mr. President, I believe that all our colleagues will be interested in this statement, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ST. PATRICK'S DAY STATEMENT—FRIENDS OF IRELAND, U.S. SENATE AND HOUSE OF REPRESENTATIVES, MARCH 17, 1989

We join again this St. Patrick's Day to honor the people of Ireland, and renew our calls for peace, justice, fair employment, an end to discrimination, and a spirit of reconciliation in Northern Ireland. Our Nation has a unique and special relationship with both Ireland and Great Britain, and we must re-dedicate ourselves to assisting both of these nations in any efforts to achieve a just and lasting peace. Our new President, George Bush, will, we are sure, be as supportive of our efforts as was his predecessor, Ronald Reagan.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

In the strongest possible terms, we condemn the violence and bloodshed in Northern Ireland. Absolutely and unequivocally, we abhor all attempts to achieve political goals in Northern Ireland through a campaign of hate and terror. We oppose all those in Ireland, the United States, or anywhere in the world who lend support to this terrorism, and we call on them to cease any political or financial support for violence.

We call first this year for renewed attempts by the British Government to guarantee fair and equal justice in Northern Ireland. There must be even-handed administration of justice, and impartial behavior by security forces, including the part-time members of the Ulster Defense Regiment. Knowing that violence begets violence—from whatever side of the conflict—we call on the British Government to work toward the creation of a public security force representative of all peoples in the community. Perceptions of fairness and compassion in the justice system will, we believe, lead to a decrease in violence.

The Friends of Ireland are strongly supportive of those who want to preserve and develop the Irish heritage, both cultural and linguistic. Therefore, we believe that it is important that Northern Ireland children continue to be given the opportunity to learn the Irish language, particularly in school. It is vitally important that these children be encouraged to achieve fluency in the language of their ancestors.

In addition, we call on the British Government to take all necessary steps to provide fair employment opportunities to all citizens of Northern Ireland, including a positive drive to encourage companies to invest in areas of high unemployment. No one should be denied the fundamental right to earn a fair, honest, decent living, free from religious discrimination and bigotry. We remain troubled by the high unemployment rates in Northern Ireland, and continue to express concern over the unacceptable discrepancy in unemployment rates between the majority and minority communities. Unemployment in some Catholic communities reaches as high as sixty percent.

We welcome the introduction into the British Parliament of legislation designed to promote fair employment in Northern Ireland. The British proposal takes important steps toward ending anti-Catholic discrimination, but it does not go far enough. Specific references to goals and timetables and mention of affirmative action principles are critical. We will closely monitor the implementation of these new initiatives.

In addition, we express our belief that United States companies operating in Northern Ireland should comply with fundamental standards of fairness and equal opportunity in employment. When the laws of the United States provide tax incentives for U.S. companies to operate overseas, we expect that they will not discriminate against any persons, regardless of their religious or political beliefs.

As members of the United States Congress, we renew our support for the historic Anglo-Irish Agreement signed in 1985. This unique agreement, in our view, provides the best hope for establishing a framework to end the strife and discord in Northern Ireland.

An integral part of the Agreement is the International Fund for Ireland, to which the United States has been a significant contributor. We dedicate ourselves to seeking continued funding of the Fund this year, in a way that insures that those who most need the Fund's assistance receive it. We hope that other nations will participate in the Fund as well. Finally, we urge the British Government to inform and consult with the Irish Government fully on these and any future issues relating to Northern Ireland, as required by the Anglo-Irish Agreement.

We welcome the legislation passed in the last Congress providing an opportunity for the people of Ireland to emigrate to the United States. We intend to pursue legislation in the current Congress to achieve fair and permanent reform of the U.S. immigration laws which discriminate unfairly against immigrants from Ireland and many other countries.

In conclusion, we re-iterate our desire for a peaceful end to the conflict in Northern Ireland. We look forward to working with President Bush in the years ahead in continuing the strong tradition established by President Reagan in working toward that goal. Finally, we call on all parties responsible for this conflict to lay aside their arms and to resolve their differences in a new spirit of reconciliation, peace, and cooperation. Our commitment to the unity of the Irish people will never waiver as we build on the foundation of recent years to achieve progress toward these aims.

SECURING AMERICAN PROSPERITY

Mr. BENTSEN. Mr. President, as a member of the Senate democratic working group on economic competitiveness, Senator KERRY has developed a reputation among his colleagues as a perceptive champion of the needs of American business. His recent speech to the Boston Chamber of Commerce cogently outlines both the challenges to American prosperity and suggests ways we can act to keep the American economy strong.

Senator KERRY sees the connections: The way we lag behind our competitors in areas like systems development, automation, and education; the way the public and private sectors can work as partners to create the best-educated labor force and the most competitive industry in the world by the year 2000.

Senator KERRY is not the first American from Massachusetts to sound the alarm about a dangerous situation. He has done more than that, however. In this speech he also charts the road to safety—and does it most persuasively. I urge all my colleagues to read Senator KERRY's speech and ask unanimous consent that it be inserted in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SECURING AMERICAN PROSPERITY

I have been privileged to represent this great commonwealth in elected office for 6 years now—as Senator and Lieutenant Governor. In addition, I have been advocating issues of my generation for some 20 years.

Never in the course of any of those years have we faced a set of choices as compelling and as important to our future as we do today.

It is hard to impress the reality of that fact let alone the reality of the choices themselves. The body politic of this country has less patience today with ideas and certainly less patience with descriptions of public challenges, particularly given that the average person feels consumed by the daily personal challenges of just getting by.

But political leadership is not supposed to be satisfied with just getting by—and I am not. I was certainly not elected to merely go along with conventional thinking and besides, Massachusetts has too strong a tradition of independence to permit us to do so.

So it is that despite the fact that we are in the 76th consecutive month of growth, I believe we must counter several trends in order to guarantee our long-term competitive viability. And many of the decisions needed to counter these trends are of a critical nature, demanding clear and forceful leadership at the highest levels.

One of the problems we face is that the electorate has grown too used to expecting very little or even expecting grotesque failure from our political leadership. We have, all of us, been burned by lofty rhetoric which has promised too much, delivered too late, and cried wolf too often about crises which seem to have not materialized. It is safe to say that leadership has its own crisis of credibility, saved only by low expectations. Needless to say, we cannot prosper as the America we have always known and loved if expectations remain low.

So it is that I believe we face a failure of political leadership—legislative and executive. And I say this in nonpartisan fashion and I criticize my own party equally.

In fact many of the issues most important to growth over the next 20 years—tax policy that favors savings and investment over spending and consumption, economic policies that approach Government budgeting from a pay as you go standpoint, regulation of economic enterprise in the least intrusive manner consistent with protecting the public welfare, and much more—many of these are issues which my party has dealt with ineptly, inappropriately or not at all for too many years.

Of course, the opposition party, while perhaps doing a better job of explaining their concern on these issues, has done little regarding its promises on the deficit and enhancement of incentive—not to mention a host of choices important to future competition and to American families.

So I would plead today for a new bipartisanship that can build the compromise coalition necessary to release the entrepreneurial energy of this country into long term, job creating, productive enterprise.

Given our current set of choices I believe it honest to say that it will take all the resources, policy support and political courage we can summon to remain No. 1 and keep the American standard of living rising. We are quite literally in a new economic era—an entirely new marketplace. And people in positions of public leadership must translate into public policy the realities of this transition.

While some of my observations may sound an alarm, they are not warnings of current gloom or doom. They are just that—alarms—meant to set out a series of choices we confront and a group of issues we must think about. If we do think about these issues and make the choices, our future is unlimited.

It seems to me that ever since the industrial revolution, American businesses have been able to play by a set of rules that are

significantly outdated in this modern marketplace. We grew used to winning and winning easily because we had all the advantages on our side, and those advantages sometimes became easily masked as "skill" or even "genius."

We had better resources, better technology, better financial services, better transportation, better research and development, better education; and those betters produced a nation that could lead the world through World War I and World War II and through the cold war.

But in the aftermath of World War II something funny happened on the way to the marketplace. The Marshall plan, the occupation of Japan, and the rebuilding of whole nations created a new competitive force, which even today we are having difficulty coming to terms with.

No longer can we coast and win. No longer can we make bad business decisions, and bad public policy decisions, yet still win because of our vast array of advantages.

Instead, today we find ourselves facing rapacious business practices and aggressive public economic policy from nations that appear hungrier than we. Our students lag behind theirs, our savings are a fraction of what they save, our resources—depleted in some sectors and dependent on them in others, are no longer providing the same advantage. Public officials have failed to face up to these changes and translate this into public policy.

Clearly, it is essential that America come to terms with the rapidity with which the world is changing. We are all well aware of the aggressive competition from Japan and the Pacific rim. But as much as we might choke on the words, the fact is that Gorbachev's overtures to Korea, to Eastern Europe, indeed to the whole world, indicate an understanding of this economic transformation which we have been too willing to avoid. That is not to say the Soviet Union will transition easily or at all.

Frankly, if the people of this country were experiencing the kinds of problems that Soviet workers and consumers face every day, we too would see movement and political leadership of an extraordinary nature.

With the emergence of the European Common Market as a single force in 1992, the potential for yet another huge dislocation in markets, with its threats but more importantly opportunities exists.

It is also important to understand that the labor costs we face today are not to blame for this crisis. Manufacturing workers in Japan earn as much as their American counterparts—and in West Germany, they're earning substantially more.

The simple truth is, we're not as competitive as we once were, because we're not as productive as we once were. And we're not as productive as our rivals are right now. The truth is we are not producing many of the products the world wants, at the price and quality of our competitors.

I've had the privilege of serving as a member of the Democratic task force on competitiveness. For 1 year we gathered the views of experts on this confrontation with our future.

A few quick observations. While American productivity has been increasing recently, as it always does during a recovery, it has been increasing more slowly than in the past and more slowly than that of the nations against whom we compete.

According to the Department of Labor, in the 14 years since the first oil crisis, the productivity of U.S. manufacturers rose an average of only 1.4 percent a year. This compares to average productivity increases of 3.8 percent for West Germany, 4.5 percent for France, 5.6 percent for Japan, and 5.7 percent for Belgium. Even Britain, notorious for its industrial sluggishness, beat the United States, with gains averaging 2.8 percent.

Productivity, of course, is a direct result of savings and investment patterns in an economy and on both counts, we have done poorly in recent years.

Our personal savings rate is the lowest of any industrial nation by a factor of three, and it continues to drop. As a result, despite a host of tax incentives, and the necessity for retooling as a result of technological changes, our manufacturers are investing less in new equipment than ever before.

Real productive investment in the United States has declined from an average annual growth rate of 8.4 percent in the 1960's to barely 4 percent in the 1970's to only 2.2 percent in the 1980's. And not surprisingly, when compared to our trading partners, the level of the United States investment in plant, equipment, and inventories as a percent of GNP is significantly lower than in West Germany, Japan, Italy, and other industrial countries.

The shortcomings of U.S. manufacturers were highlighted in a recent Harvard Review study which found that:

In the past 5 years, Japan has outspent the United States by 2 to 1 in automation.

Systems development in Japan is accomplished in 1.25 to 1.75 years, but more than twice as long, 2.5 to 3 years, in the United States.

Fifty-five percent of the machine tools introduced in Japan in the last 5 years were computer numerically controlled, compared to only 18 percent of those installed in the United States.

So when we review these trends—GNP growth, employment, productivity, savings, and investment—you can't help but see disturbing signs. And these same ominous trends continue when we look at trends in basic research—an area where the United States has long considered itself preeminent—without peer.

U.S. companies today are getting fewer patents than they did 15 years ago while patents issued to foreigners are steadily increasing. Foreign corporations had a 45-percent increase in patents filed. Japan increased by 15 percent—we increased by 3 percent.

Civilian R&D expenditures in the United States as a percentage of GNP lag far behind Japan and West Germany.

In 1980, U.S. funds for military and nonmilitary R&D were split 50/50. Today, the military consumes 72 percent of the total Federal research dollar, leaving just 28 percent for all other research.

These are the powerful forces endangering American prosperity, and it is the business of all of us to face up to them. It is all of our business to shape our actions and move those forces, in order to remake our economy in the image of long-term prosperity.

The fact is, America grew more slowly in the 1980's than in any other decade since World War II. There was less investment than at any time since that war. Translation: There are fewer new businesses, fewer new inventions, fewer factories, and fewer skilled workers.

Meanwhile as a government, we spend $150 billion more a year than we collect in revenues. As a people, we consume $150 billion more a year than we produce.

And there's nothing mysterious about how we do that, we borrow the difference—more than $400 billion in the last 4 years—from those who still follow the old American ethics of producing more than they consume and saving the rest—from the Japanese, from the Germans, from the British, from the Canadians, from oil-producing nations, from almost every developed nation.

What do they do with the $400 billion? Our gracious lenders are using those dollars to take possession of our assets.

Foreign investors today own 10 percent of our manufacturing base: 13 million acres of American farmland: and from one-third to one-half of the prime commercial real estate in Los Angeles, Houston, and Washington, DC, and parts of Boston. We are busy selling off assets that took us 200 years to accrue—and we are doing so at a discount.

Here's a small calculation. In just the last 12 months, we sent $150 billion abroad through the trade deficit. At current stock prices, that would be enough for foreign investors to come back and buy all the common shares of GM, Ford, and Chrysler, plus Texaco, McDonald's, and Coca Cola—with enough left over to buy all the farmland in California and Ohio.

By many measures, Japan is already richer than we are. And Western Europe is just 3 years away from an historic economic consolidation that will make them the largest economic power in the world. Even the Soviet Union is facing the economic future, straight-on, for the first time since the October revolution.

So this moment, is indeed a most critical moment in our history. We have to compete not just against ourselves, but against others as resourceful and determined if not more so than we are.

I am absolutely confident of our capacity to do so once we decide to. But we must decide to and we must use common sense. Americans have a unique capacity to join hands in common enterprise when asked to. It's time we asked.

For as long as modern capitalism has been around, economic growth has depended on investing in the factors that drive economic productivity. So, cutting the budget deficit will not be enough. We have to also invest in the elements of growth—in upgrading the skills of our workers; in developing new technologies of production; in building new plants and equipment for growing businesses; and in constructing the roads, bridges, and other infrastructure that bind markets together.

For nearly two centuries, this kind of investment was our natural, national habit. Our parents invested their labor and savings to educate us; inventors invested their efforts and ingenuity to create new materials and machines; entrepreneurs invested the capital of their communities to build new enterprises.

It worked. Our gross national product doubled roughly every 30 years. And parents deeded to their children a country and economy richer and stronger than the one they had inherited.

Somehow, we lost track of the habits of prosperity. Consuming more than we produce; spending more than we earn; saving and investing less than we need and these new habits are what gave us in the 1980's the slowest growth of any decade since World War II—and the highest average unemployment rate and the slowest growth of personal incomes of any postwar decade. In the 1980's, the incomes of average American families inched ahead at

barely 1 percent a year, and the real wages of average workers stagnated. I believe that is a path of decline—in our world leadership, in our standard of living, and in our self-respect as a people.

So our task is really very clear: We must recover our heritage of prosperity by investing again in the factors of economic growth.

How do we do this? First, centuries of progress have taught us that technology does play a crucial role in economic growth. That's common sense, and it's confirmed by experts who trace as much as 70 percent of all productivity gains since World War II to technological advances. Nowhere have we learned the lesson better than here in Massachusetts.

Despite the fact that we taught the world what "high technology" means, last year we ran a $30 billion trade deficit in high-technology products with the countries of Asia, and over the last 2 years we actually ran a worldwide, high-technology trade deficit.

I do not believe this loss is attributed to a decline in American genius. The fault lies in our weakening commitment to support the development of the products of genius. Defense technologies with little commercial application absorb most of our Federal investment in research and development. And the private sector, driven by the compulsion for avoiding disappointing quarterly returns, has allowed its real investment in R&D to stagnate as well.

So it should be clear: We must recommit ourselves to investing in the research and development that will produce the technologies of the future. And that may mean breaking out of the ideological shackles that are outmoded. For example, if we want American companies to play an important role in high definition TV, we may have to loosen and reform the antitrust laws that prevent our technology companies from collaborating. We may need Government sanctioned consortia to compete with those of competitor countries and we may have to have Government R&D funds help to share some of the risk—and it may already be too late.

I believe we in Congress can assist in forming a Federal R&D strategy. Today, we support some 700 national labs, as well as thousands of projects by the National Science Foundation and by more than a dozen military and civilian offices and agencies. The truth is, no one has even taken a serious inventory of all federally financed research and development. It's time we take that inventory, eliminate duplication, focus our energies and set priorities that will promote our long-term economic growth.

Let me state unequivocally that moving ideas into the world marketplace is the business of business—not Government. But Government can help create a framework that encourages that move. Some of those things we have already done.

When I was Lieutenent Governor, I testified before Congress to push for the R&D tax credit. And when I first got to the Senate I immediately made its extension a priority. Last week Senators DANFORTH, BAUCUS, and I submitted legislation to make the credit stronger and permanent and I will continue to push for passage of our R&D initiative.

That is also why I wrote, together with Commerce Committee Chairman FRITZ HOLLINGS, The provision of the trade law creating new centers for manufacturing technology, modeled on our own State's centers of excellence. These centers will sponsor joint ventures among universities and businesses in order to develop promising new manufacturing processes. Already three such centers have been funded throughout the United States and they are already focusing on the competitiveness problems of small manufacturers. We need more commitment to this effort.

Another major drag on America's technology lead during the 1980's has been an overly restrictive and inefficiently administered export control regime.

Following the release of a National Academy of Science report in 1986—which found that this system unnecessarily cost us $8 billion a year in U.S. exports and contributed to a narrowing of our lead in critical technologies—I introduced, along with Senator CRANSTON, legislation to streamline the system. This legislation became a part of the trade bill, and is now being implemented, though far too slowly.

Another provision in the trade bill which I authored authorized federally funded development assistance funds to the People's Republic of China, to train Chinese Government and industry technicians in the United States on American equipment. (The training will be designed and administered by U.S. companies—not the Government.)

We simply have to do this, because other countries have been doing it for years, and the huge Chinese market is being snatched away.

Another program I helped develop with my colleague on the economic competitiveness task force, Senator JAY ROCKEFELLER—provides for the establishment of an office in Japan to seek out the best technical literature published in Japanese and to translate it and make it available to American companies, researchers, and students.

But we can do more—much more—to stoke the technological engine for growth. We should encourage more business collaborations for developing new products, such as the Semetch venture for semiconductors.

We should rethink Judge Green's absolute ban on the right of regional telephone companies to manufacture or even joint-venture with companies like DEC on the development of state-of-the-art network telecommunications products. Before the break-up of AT&T, the United States was a net exporter of Telecom products—now we have large and growing deficit in Telecom, and a diminishing capacity to innovate and remain competitive in this critical field.

Most imperative, we must create incentives for middle-income Americans to increase their savings. In 1986, I fought hard and voted to keep the full $2,000 IRA deduction in the Tax Code—we lost, on a close vote, and I think that this is one factor responsible for the continued decline in household saving. I believe we must return to full IRA's, but I would go further.

Many young people in the country have given up the hope of securing the one item for which people have always been willing to save—a home of their own. It is my hope we can increase savings and help this dream at the same time.

As a coauthor of the major housing legislation that will be introduced by Senators CRANSTON, D'AMATO, and myself later this week, I am working on a program that will "guarantee" the down payment on a home of a given type and value to be purchased a specific number of years in the future. This guarantee will be supported by future buyers participating in a monthly savings program with tax benefits as an incentive to do so.

I believe that if we can give people more hope of achieving homeownership, we can increase the savings we desperately need while simultaneously helping to deal with the problem of attracting skilled workers for our business in Massachusetts.

Second, I believe we must reinstitute a tax preference for income earned from investing in business, especially gains from investing in the new growth-oriented enterprises that create jobs.

While our deficit cannot now justify as broad-based a capital-gains incentive as we once had, we positively should be encouraging long-term investments that directly generate economic activity.

Accordingly I will be introducing a capital gains reduction with a reduced rate for investments made in the stock of a business with $100 million or less in outstanding stock—the stock held for at least a year and a second tier of very reduced rate on gains resulting from investment in companies of $10 million or less of outstanding stock.

It is vital that we attract capital away from debt oriented investment and put it into risk taking, start-up efforts which create new jobs and new wealth.

All of these investment strategies and capital formation tools are vital to our survival in the marketplace of the future. But they will mean nothing unless we have a work force that can take advantage of them.

There is one industry that is central to improving America's competitiveness without lowering our standard of living. We spend over 6 percent of the GNP, more than the entire Pentagon budget, in this industry. But this industry is failing and failing badly. It is not meeting, let alone beating the competition. That industry is American education. And, unless we fix it, the rest of what we have mentioned today won't make much difference.

As David Kearns, chairman and CEO of Xerox said recently, "Education is a bigger factor in productivity growth than increased capital, economies of scale or better allocation of resources."

There is no single proposal, no set of actions by the private sector or any unit of Government that will accomplish what must be our mission—the best prepared labor force in the world by the year 2000. Hundreds of decisions on contracts, on curricula, on budgets on organization, particularly at the community level, are what will really matter. If these decisions reflect our resolve to be the best we shall in our uniquely American way, succeed and reach our goal.

But, there are many specific actions that we all can take—each in our own sphere.

In Washington, we can fight to have increased funding for education items from chapter I to the WIC Program! But there are some new initiatives we can undertake as well.

One, we must be certain that every child that enters our school system has a chance to succeed. Undoubtedly the most important investment in educational success is in early childhood. Head Start and other programs that provide nutrition, health screening, child development, and the like have been extraordinarily successful. However, fewer than 20 percent of the children that need these programs can now be served.

President Bush talked in the campaign about extending Head Start to all 4-year-olds. I've cosponsored legislation with Senator KENNEDY to do just that. It is in all our interests to see that the words and money carry the same message.

For the majority of kids attending public school in the next decade, research demon-

strates conclusively that if they have had preschool they are: About half as likely to have a teenage pregnancy; over a third less likely to be arrested; nearly half as likely to be on welfare; less than half as likely to suffer mental retardation; and nearly twice as likely to go on to higher education.

Our shortsightedness in funding preschool, unless corrected, will contribute enormously to a decline in U.S. competitiveness and to our standard of living.

Two, we must revalue teaching as a profession. You simply cannot expect to teach an increasingly more difficult to teach student body, an increasingly sophisticated curriculum, unless you can attract many more of the highest quality and best trained graduates of higher education to public elementary and secondary school teaching.

Go into any college and ask students, "Who plans to go into teaching?" Rarely does a hand get raised. No wonder we face a severe shortage of teachers. How in today's world can you ask people to see value in impoverishment? How can you say to a math or a science teacher, "Come to work for $18,000 and maybe one day you'll earn $30,000," when within months they can earn twice that in the private sector.

It is no wonder that the Carnegie task force on teaching found that only about 6 percent of college freshman have an interest in a teaching career (80 percent drop in the last 14 years) and that the SAT scores of those interested in teaching lagged substantially behind the SAT scores of classmates with other career interests. We have our work cut out for us.

We must attract quality teachers with quality pay and then demand that they perform.

But money is only a small part of the solution. In exchange for increased salaries teachers must also look to new strategies. We must enhance the professionalism of teachers, reduce the prescriptive interference, and let teachers do what they are professionally trained to do—teach. We need to decentralize responsibility and accountability if we are to attract and retain good teachers and help them give us the good schools and improved student achievement we all want.

Teachers and administrators in site after site around the country are demonstrating that school-based management works. This requires dedication, hard bargaining, lots of imagination, plenty of patience, but in the end the children benefit. I know that in Boston, there is an emerging consensus that such changes are due. We must get politics out of our schools and get education back in.

We must demand standards for curricula, attendance and testing which will guarantee that people are learning what they need to do. In Japan, students go to school for 240 days and longer hours. In Europe they cannot graduate unless they pass a standard test.

In America we go to school for 180 days and take no test. The Federal Government should extend a large carrot to local school districts and State boards of education by offering grants and scholarships to those who demonstrate objective educational success and meet higher standards.

The private sector must be motivated to lend its expertise and personnel—not on a haphazard basis, but on a wholesale scale, which recognizes its stake in this investment for the future.

I also believe that it is time to challenge America's young people with a teacher corps designed to recruit bright young people to the mission of making America's education the best in the world by the year 2000. The teachers corps would forgive student loans for its members and provide scholarships for "teacher training" for those who wished to join.

I will soon introduce legislation suggested to me by the Massachusetts High Technology Council that will provide college and graduate school students, loan forgiveness for science, math and engineering majors who commit to at least a partial career in teaching.

Three, I believe we must pay much more attention to those with limited skills who are currently in the labor force and will be for decades. We must make the concept of "lifelong education" more than just a cliche. Yet most businesses, particularly small and medium size businesses, don't have the resources or the expertise to do anything but the most specific functional training.

As chairman of the Urban and Minority Small Business Subcommittee, I am working on a plan that would assist and encourage small business to upgrade the basic and technical skills of their workers. It is critical that we equip noncollege educated workers to make a contribution to productivity that produces a much higher standard of living than what is in store for them without good training. There is no free lunch in tomorrow's work place.

So the challenges are many and they are difficult. But we have always been a resourceful people, capable of overcoming the greatest challenge.

Let me in closing make that point as clearly as I can—America can remain No. 1. As the freest people on the face of this planet, it's up to us to use our brains and summon the will to make the necessary choices to do so and we have yet to put the full energy of this Nation into this effort.

We know from our history that there's nothing we can't accomplish when we tap into our national pride. We must do so now in the effort to enhance our position of leadership into the next century.

As President Kennedy reminded us: "A journey of a thousand miles begins with a single step." It's time for us to take that step.

EASTERN AIRLINES

Mr. KERRY. Mr. President, today we are considering legislation designed to get Eastern Airlines flying, to get workers back on the job and to get passengers to their destinations.

Mr. President, it is most regrettable that this legislation must also be designed to get the President to do what he can already do by law and should have done weeks ago. In fact, during the past 50 years the National Mediation Board has only recommended, as in the case before us, the appointment of an emergency board on 34 occasions. Over that long period, and under Republicans and Democrats alike, a President has never failed to take the advice of the Mediation Board and established the emergency panel in major labor disputes. Unfortunately, this President has broken with that precedent by rejecting the Board's advice to establish a cooling-off period during which negotiations to resolve this dispute can occur.

Mr. President, none of us will gain if stalemate continues and Eastern Airlines is destroyed. We need a healthy Eastern competing vigorously for business in order to keep the pressure on for efficiency and reasonably priced air fares for travelers. Obviously, the 31,000 Eastern employees, many of whom have helped to build up this airline, will suffer a personal and family tragedy as well as thousands of others whose jobs depend upon this airline.

Finally, Mr. President, let me make it clear exactly what this very limited legislation does. This proposal would simply direct an emergency board to make a settlement recommendation in 14 days, and give the parties 7 days to consider such a recommendation. Obviously the parties to this dispute need to be moved closer together and such a board just might be able to do so. This legislation does not impose a settlement on either labor or management.

Prior to this strike I urged the President to take the action we are now considering as legislation. His refusal to do so has seen the virtual grounding of Eastern and its filing for bankruptcy, the elimination of thousands of jobs, and an extraordinary cost to travelers who had planned important parts of their business or private lives around Eastern.

Mr. President, I urge my colleagues to support consideration of this important legislation and to join me in favoring establishment of the Emergency Board.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, yesterday marked the fourth anniversary of the seizure of Terry Anderson by terrorists in Beirut. This is the 1,462d day of his captivity.

Yesterday in Le Monde, journalist and former hostage Jean-Paul Kauffmann expressed his thoughts on this situation.

> The truth is that the hostages in Lebanon today have become the damned of the West. Without hope of being saved, imprisoned in silence and darkness, deprived of the sight of the world of the living, forgotten, they no longer represent anything.* * * The most tragic thing is that this torment is administered as much from the outside by countries and people indifferent to their fate as on the inside by their captors.

I ask unanimous consent that articles from today's editions of the Washington Post, the New York Times, and from yesterday's Associated Press be reprinted in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 17, 1989]

A CAPTIVE IN A TRAGIC LAND—ANDERSON IN 5TH YEAR AS HOSTAGE IN LEBANON

(By Nora Boustany)

BEIRUT, March 16.—It was a sunny morning in March four years ago today when American journalist Terry Anderson, shaking off suspicions that he was being observed and followed, decided to go ahead with his tennis game in a city where he felt he belonged.

But within minutes, gunmen intercepted his car, dragged him out and bundled him into a Mercedes with drawn curtains.

After covering the news of tragedies in Lebanon as The Associated Press bureau chief here, Anderson, now 41, became the news himself, as threatening statements from his pro-Iranian captors, the Islamic Jihad, shaped fears and expectations about his fate.

Today, he began his fifth year in captivity as the longest-held foreign hostage in Lebanon. Except for occasional messages, pictures and videocassettes distributed by his captors and containing appeals to the U.S. government and public, Anderson now rarely makes headlines, having become yet another nearly forgotten symbol of Lebanon's despair and chaos.

During his captivity, Anderson's father and a brother have died. A daughter, born shortly after his capture, has never seen him. Four other American hostages have been freed, as have all the French hostages.

One of the released Frenchmen, journalist Jean-Paul Kauffmann, freed last year after being held three years, made an impassioned plea today for rekindled public interest in the hostages, The Associated Press reported from Paris.

In the daily newspaper Le Monde, Kauffmann lamented that the hostages are no longer objects of mass compassion, no longer bargaining chips, no longer even political pawns.

"The truth is that the hostages in Lebanon today have become the damned of the West," he wrote. "Without hope of being saved, imprisoned in silence and darkness, deprived of the sight of the world of the living, forgotten, they no longer represent anything. . . .

"The most tragic thing is that this torment is administered as much from the outside by countries and people indifferent to their fate as on the inside by their captors."

Trapped in an unending game of conflicting interests involving Iran, Syria and local Lebanese groups that specialize in the business of hostage-taking, Anderson and the eight other Americans still held hostage have become the only constant factor—their captivity a kind of insurance policy for their captors.

Although prospects of their release seemed to improve with a cease-fire in the Persian Gulf war last summer, Tehran's crisis with the West over a book many Moslems consider blasphemous to Islam has dashed hopes that Anderson and other hostages will soon be freed.

The controversial book, "The Satanic Verses," by British author Salman Rushdie, led to a reversal of Iran's moves toward rapprochement with western powers. The row over the book, deemed deeply offensive by Moslems, overshadowed the significance of detente between Iran and the West and the importance of the liberation of foreign hostages.

The other Americans still held captive are Thomas Sutherland, kidnaped in June 1985; Frank Herbert Reed, Joseph James Cicippio and Edward Austin Tracy, kidnaped in 1986; Alann Steen, Jesse Jonathan Turner and Robert Polhill, held since 1987, and Marine Lt. Col. William Higgins, kidnaped in 1988. Other hostages include Terry Waite, a representative of the Church of England, seized in 1987.

The kidnaping of Anderson has had a devastating effect on first-hand western press coverage of Lebanon, driving most foreign journalists from the country. The virtual absence now of outside journalists in a country that once served as a window for understanding the forces at play in the Middle East has had grave implications for international understanding and press freedom in the region.

Anderson—and the others—have become casualties in a struggle against a kind of darkness that has set in. In a desperate country that is daily at war or on the brink of war, the cause of absent journalists is fading. Concern over blockades, airport closures, safety and the bare instincts of life and death now predominate.

[From the Washington Post, Mar. 17, 1989]

THE LONG VIGIL OF THE HOSTAGES' FAMILY AND FRIENDS

(By Marjorie Williams)

It fell to Peggy Say, Terry A. Anderson's older sister, to find the emotional center. Over the four years of her brother's captivity in Lebanon, Say has often spoken tearfully or angrily, but yesterday she spoke with a tart exhaustion of how Anderson had beaten his head against the wall of his prison until blood ran down his face. "Today," she said, "we know that of the nine American hostages being held, one has gone mad, another has twice attempted suicide. Two attempted to escape and were beaten senseless."

Her account was based on the reports of recently released French hostages and described, respectively, Edward Austin Tracy, Thomas Sutherland, Frank Reed and Alann Steen.

Say was the second person to breach the ruminative tone at yesterday's "Human Rights Ceremony" in honor of Associated Press correspondent Anderson and all other hostages held in Lebanon. The first was Thomas L. Friedman, chief diplomatic correspondent of The New York Times, who said, "I have a confession to make: I rarely think about Terry Anderson." For when he does, he explained, "I am filled with such anger and bile to those who are holding him."

It was, finally, an explicit statement of the helplessness implicit in all the affectionate solemnity Anderson's colleagues lavish on him at this time every year.

As for the other journalists gathered in the Cannon House Office Building on the fourth anniversary of Anderson's kidnaping, they did what journalists always do in the face of events they can only chronicle. They recited particulars. Facts and figures:

There are nine Americans, three Britons, one Irishman and an Italian now being held in Lebanon, the printed program reminded the audience, listing the dates of their abductions.

Of the 66 foreigners kidnaped in Beirut since 1984, Cable News Network anchor Bernard Shaw noted, 28 have been journalists.

Washington Post Associate Editor David Ignatius, a former Middle East correspondent for The Wall Street Journal, noted that Anderson had filed 126 bylines for AP between his arrival in Lebanon in 1982 and his kidnaping in 1985.

Present in the audience, "NBC Nightly News" anchor Tom Brokaw said, were 16 members of the families of Anderson and other hostages.

Among the speakers was the Rev. Lawrence Martin Jenco, Anderson's roommate in captivity until July 26, 1986, who came to "body-lobby," as he put it, and lead a prayer.

Lebanese Ambassador Abdallah Bouhabib said of all the Western hostages, "I feel very strongly they were serving the cause of peace, in both Lebanon and the region" when they were taken hostage. "We pray that all hostages, as well as my country, will be free soon."

In the audience were Peter Burleigh, deputy assistant secretary of state for Near Eastern affairs; Sen. Daniel P. Moynihan (D-N.Y.), a member of the Senate Foreign Relations Committee; and Don Mell, who was a 22-year-old AP photographer in Beirut when Anderson was snatched before his eyes "at 8:19 exactly" on a Saturday morning, after their regular tennis game. The ceremony was cosponsored by No Greater Love, a humanitarian organization, and the Journalists Committee to Free Terry Anderson.

It is Anderson's ordeal that brings journalists out in force for these ceremonies; it is therefore Anderson whom the hostage families, in their hard-won pragmatism, have learned to put forward. They gathered—before at least 10 camera crews—in the hope that they might move the hostages' captors to mercy, might push the U.S. government to action, might touch the hostages themselves with hope.

Said Ambassador L. Bruce Laingen, who as chargé d'affaires to Iran was one of the American hostages held for 444 days in the U.S. embassy in Tehran, "Today we say to those who hold them in Beirut: We have heard your message. You have made your point long, long ago . . . Surely it's time in Lebanon, and in the Middle East as a whole, for an act of peace and brotherhood."

Echoed Friedman, "Surely there is nothing that has damaged the Arab and Islamic cause more than the way it has been personalized, to Americans, by the holding of Terry and others in Beirut."

At the end, uniformed students from St. Thomas More School in Arlington—all of them 12 years old, like Lebanon's war—walked to the front of the room to present black-and-white photographs of the nine Americans, three Britons, one Irishman and one Italian as Shaw read the roll. Anderson's picture was carried by the only 12-year-old from out of town—his first cousin once removed, Eric Anderson, who with parents Tom and Sue came down from Long Island for the occasion.

"We've come to the end of this small but moving ceremony," intoned Brokaw, helpless to stop anchoring.

"I think this sort of thing really shows the limits of [the media's] power," said Mell, helpless to forget the powerlessness of his forced witness to Anderson's abduction. "Or the linits of how we use our power."

"I'm disappointed with the press a little bit," said Tom Anderson, helpless to hide his anger. At home, he said, he is keeping the remnants of a bottle of expensive cognac Terry brought on a visit four years ago; he is keeping it for a celebration, when ever, and every night he lights a candle for his cousin in his front window. "We see the press just once a year, and everybody puts on a big show and writes articles," he said with gentle dudgeon. "And he's over there

365 days a year. I mean, he's one of your own, for God's sake!"

The ceremony was lovely, he said. But when asked how many of these ceremonies he has attended in four years, he denied himself the consolation of particulars: "I couldn't count 'em for you."

[From the New York Times, Mar. 17, 1989]

TERRY ANDERSON'S JAILER IS . . .

(By Don Mell)

The last time I saw my friend Terry Anderson, chief Middle East correspondent for The Associated Press, was March 16, 1985. We had just finished an early morning game of tennis and Terry was dropping me off in front of my apartment.

We were chatting when suddenly a green Mercedes pulled up in front of us. I had seen the car passing by twice at the courts. It had a sinister look, but I didn't think much of it at the time. You get used to seeing things like this in Beirut.

Three bearded gunmen jumped out of the car. They approached slowly at first, then like cats going for the kill. "I don't like this," I yelled to Terry. "Get out of here." I thought they were after me.

The first gunman leveled his 9-millimeter pistol at my forehead. I started to back away as the others raced up to Terry's car. One dragged Terry out of the car and into the street holding him in a bear hug. I was frozen in terror. This wasn't part of the deal. Kidnappings happened to "other" people, not journalists. We were telling these people's story to the world.

I wanted to rescue Terry, but I couldn't. I just stood there on a street so familiar to me, staring at a black pistol. Not a word was spoken.

At that moment Terry's eyes met mine. They said, "Don, do something." Mine said, "Terry, I can't." Terry had the look of a man who knew he was doomed.

The gunmen pushed Terry into the Mercedes. They sped toward the ruins of Beirut's green line, the line dividing East and West Beirut, and into hell.

Four years later, Terry Anderson is still a hostage.

He spends most of his time in a small room chained to his bed. As he gets thinner his shackles are tightened. He has not seen daylight since his abduction. He is allowed 12 minutes, once a day, in the bathroom—no more, no less.

Terry Anderson and his fellow captives (there are eight other Americans among the 15) have simply slipped into obscurity.

Terry Anderson has been forgotten by his country and abandoned by his profession. His frustration has driven him to beat his head against the wall of his cell until blood pours down his face.

At the same time that threats against Salman Rushdie are condemned, no mention is made of Terry Anderson and his ordeal, least of all by those who should be most concerned: journalists, writers and intellectuals. There are exceptions but, as a rule, these people—and the institutions they represent—just aren't interested.

Is Terry Anderson under any less a death threat than Mr. Rushdie? While a price has been put on Mr. Rushdie's head, Terry Anderson lives out another day on borrowed time, constantly under the threat of immediate execution. Another hostage, William Buckley, was allowed to die barely an arm's length from him.

Is the incarceration of a journalist for 1,462 days any less a violation of the principles of freedom of thought and expression than a threat against an author for his work?

The front line against this sort of terrorism is not at Barnes and Noble on Fifth Avenue in New York or with book publishers in Britain. It lies in the Abdul Azziz barracks in south Beirut in a filthy, rat-infested basement where Terry Anderson is kept prisoner—his pen silenced.

When the subject of the Beirut hostages comes up, those who do nothing hide behind a veil of not knowing who holds the hostages or why, and claim they do not know to whom to protest.

There is no phone number, no address, no one to deal with, they say. Well, if there's no one to deal with, then with whom did Oliver North deal to secure the release of some of Terry's earlier cell mates?

Terry Anderson is being held captive by a man named Imad Mughniyah. Mr. Mughniyah is no stranger to Americans when it comes to terrorism. He played a major role in the 1985 hijacking of TWA Flight 847 from Athens to Rome. He also helped hijack a Kuwaiti plane last year. He has been indicted by the U.S. Government for his role in the TWA affair, but the indictment has been sealed and kept from the public.

What does he hope to gain? His brother in law made the bomb that blew up the American Embassy in Kuwait in 1983. The Kuwaitis captured him and he is now sentenced to die. Mr. Mughniyah kidnapped Terry Anderson in hopes of gaining freedom for his relative.

Mr. Mughniyah calls his organization Islamic Jihad, or Islamic Holy War. It is part of Hezbollah, a fundamentalist Shiite organization armed, financed and supported by elements in Iran. It is an organization that is barely tolerated by Syria, whose troops patrol much of the area where the hostages are being held. Nevertheless, the Syrians have never dared move against these fundamentalists. They want to avoid upsetting their tenuous alliance with Iran and they are afraid that any moves against the terrorists might result in harm to the hostages.

It would be simple to just point a finger at Iran as the guilty party, but this is not a simple situation. There are plenty of people in the Iranian leadership who see the hostage situation as a detriment to Iran's interests. Unfortunately, however, those forces in Iran who influence the hostage takers of Beirut have the upper hand in Teheran at the moment. The hostage affair is very much part of the domestic political intrigue in Teheran.

Nevertheless, until freedom is secured for Terry Anderson and his fellow captives, it is inexcusable that their lives should be swept under the rug.

I challenge those who profess to be the keepers of the freedoms that Terry Anderson represents to stand up and speak out resolutely and in solidarity with his plight. It is unconscionable that this man has been allowed to suffer for so long. For Terry Anderson, silence equals shame.

[From the Associated Press, Mar. 16, 1989]

OBSERVANCES MARK FOURTH ANNIVERSARY OF ANDERSON'S CAPTIVITY

(By Joan Mower)

WASHINGTON.—Terry Anderson began his fifth year as a hostage in Lebanon Thursday with the Bush administration calling his detention a "criminal act which serves no cause" and joining his relatives and fellow journalists in demanding his release.

"Enough is enough. . . . This cannot continue," Peggy Say, Anderson's sister, told a ceremony attended by members of Congress, Anderson's colleagues and relatives of the hostages. Her brother, she said, is "tired of being caged like an animal."

"Our hearts cry out in protest" over Anderson's plight, said Louis D. Boccardi, president of The Associated Press, Anderson's employer.

"It's time for those holding Terry Anderson to release him and to end the unconscionable suffering of an innocent man. Each of us in our own special way should mark this day with contemplation and prayer for Terry's release," Boccardi said in a statement transmitted to the AP's staff.

President Bush, through his spokesman, expressed sympathy for Anderson's family and for those of the eight other American hostages held in Lebanon as State Department officials said they "have not forgotten the hostages."

"The President certainly is concerned about the hostages," said Marlin Fitzwater, Bush's spokesman, who was in Houston with the President. "He is aware of Terry Anderson's captivity being four years now."

"Marking these anniversaries is difficult for the families," but they serve to remind all Americans that their countrymen are held in Lebanon, he said.

The administration pledged to continue working for the release of Anderson, the longest held of the American hostages, but officials repeated their policy of not cutting deals with pro-Iranian Moslem Shiites believed to be holding the hostages.

"We continue to hold the kidnappers responsible for the safety and well-being of the hostages," said State Department spokesman Charles Redman. "Their continued detention is a criminal act which serves no cause."

He said the captors should release the hostages "immediately and unconditionally" in accordance with "universal humanitarian obligations."

"We call on all countries with influence over the hostages, such as Iran, to use that influence to obtain freedom for all the hostages," Redman said, adding that the administration is working with the United Nations and other governments to achieve freedom for the eight.

Journalists' unions worldwide used the occasion to demand more intensive diplomatic efforts to free all 15 foreign hostages held in Lebanon.

At the European Parliament meeting in Strasbourg, France, the International Federation of Journalists urged the diplomatic community not to forsake the hostages.

The parliament adopted a resolution demanding the immediate release of the hostages and calling on the 12-member European Economic Community to inform Middle East governments known to "have influence" on the kidnappers that good relations with Europe "depends on the release of the hostages."

The Committee to Protect Journalists, a New York-based group, called on Bush to use "every means at his disposal to bring Terry Anderson home."

At the anniversary ceremony in a House office building, Tom Brokaw, of NBC News, said Anderson has not been forgotten by his colleagues during the four years he has lived in a small, dingy room often without light. The ceremony was co-sponsored by No Greater Love, a humanitarian organization, and the Journalists Committee to Free Terry Anderson.

"We can't turn our backs when people are denied human rights," Brokaw said.

Colleagues who knew and worked with Anderson, 41, talked of his dedication to his job, his desire to tell the story of the war-torn nation and his willingness to take risks. Anderson, a native of Lorain, Ohio, grew up in Batavia, N.Y.

"He has paid an awful price these last four years," said David Ignatius, an associate editor of The Washington Post.

Thomas Friedman, diplomatic correspondent for The New York Times, said he is filled with "anger and bile" when he thinks of Anderson's state. Speaking to Anderson's Moslem Shiite kidnappers, Friedman said, "The only way your story is ever going to be told again is if our comrades are free."

The Rev. Lawrence Martin Jenco, a former hostage held for a time with Anderson, said that before his own release on July 26, 1986, he promised the journalist "that I would never forget him, that others would never forget him."

Attending the ceremony were Sen. Daniel P. Moynihan, D-N.Y., a member of the Senate Foreign Relations Committee, and a handful of representatives, including Cliff Stearns, R-Fla.; Nick Joe Rahall, D-W.Va; Thomas Foglietta, D-Pa., and Mary Rose Oakar, D-Ohio. Also in attendance were Lebanese Ambassador Abdallah Bouhabib and Peter Burleigh, the deputy assistant secretary of state for Near East affairs.

Moynihan introduced a resolution in the Senate condemning hostage-taking.

In other developments, the Rhode Island Senate voted unanimously to proclaim Thursday as National Hostage Remembrance Day.

In London, relatives of two British hostages, television journalist John McCarthy and Anglican envoy Terry Waite, held private talks with Sir Geoffrey Howe, the foreign secretary.

Officials say different factions hold the nine American hostages who have been seized in Lebanon, but they are elements of the umbrella group Hezbollah, over which Iran exhibits control.

The other American hostages are:

Thomas Sutherland, dean of agriculture at the American University of Beirut, held since June 9, 1985.

Frank Herbert Reed, director of the Lebanon International School in Beirut, held since Sept. 12, 1986.

Joseph James Cicippio, acting comptroller of the American University of Beirut, held since Sept. 12, 1986.

Edward Austin Tracy, author, held since Oct. 21, 1986.

Jesse Jonathan Turner, visiting professor of mathematics and computer science at Beirut University College, held since Jan. 24, 1987.

Robert Polhill, assistant professor of business at Beirut University College, held since Jan. 24, 1987.

Alann Steen, journalism professor at Beirut University College, held since Jan. 24, 1987.

Marine Lt. Col. William R. Higgins, head of a 75-man observer group attached to the U.N. Interim Force in Lebanon, held since Feb. 17, 1988.

STRATEGIES FOR FIGHTING DRUG ABUSE

Mr. MOYNIHAN. Mr. President, some things work and some things do not. When we drafted last year's Anti-Drug Abuse Act of 1988 we recognized this and sought an antidrug strategy that would be effective.

Frank Hall, the chief of the New York City Police Department's Narcotics Division is retiring after 36 years on the force. He knows what works. Last year, the 1,300 officers he commanded made 90,000 arrests in a city where 83 percent of arrestees test positive for cocaine. Yet, in a March 12, 1989, interview with the New York Times Chief Hall said: "There has been entirely too much emphasis on enforcement as the solution to the drug problem."

Mr. President, before the Senate took up the task last year of devising a new strategy for fighting drug abuse, the Federal effort in combating drugs had emphasized reducing supply. In 1987, 73 percent of the Federal anti-drug budget was devoted to drug interdiction, eradication, and law enforcement. The public supported that emphasis. The respondents to a New York Times/CBS News poll published on April 10, 1988, said that reducing the supply of illegal drugs was more important than stopping their use by a 50- to 35-percent margin.

But that strategy had produced remarkably little in the way of success. Both drug use, and the supply of drugs entering the country were on the rise. In search of an answer, we consulted what little research existed on the subject. We learned what we could. And we concluded, perhaps to the surprise of many, that a change in priorities was in order.

On June 29, 1988, the Democratic Working Group on Substance Abuse, comprising 15 Democratic Senators, issued a concept paper entitled "Epidemics." It stated:

> As long as demand for drugs persists, smugglers and domestic producers will find ways to supply it.

The first thing we had learned was that the supply of drugs is unlimited. The concept paper revealed that 96 square miles of coca in Bolivia, just 14 percent of the worldwide crop, could supply the United States with cocaine for a year; 16 square miles of poppy in Pakistan, just 2 percent of the worldwide crop, could supply the United States with heroin. Both crops grow in isolated corners of countries where governmental authority is weak, if it exists at all. Both the world's largest producer of coca, Peru, and the world's largest producer of opium, Burma, are embroiled in insurgencies which stimulate their drug economies and make enforcement indistinguishable from counterinsurgency efforts.

We had also learned to observe drug trafficking as an economic activity. It is, surely, a criminal activity, but it is ultimately done for the purpose of making money. We discovered that the price of cocaine upon landing in Florida is but one-tenth of its eventual street price in New York, and that to double its landed price through interdiction would add only 10 percent to the street price. Moreover, the concept paper stated, "users, and especially addicts, do not decrease their consumption of drugs as fast as the price increases." It is elemental that if a product costs $1 on one side of a fence and $1,000 on the other side someone will find some way to bring it across. That there is a demand and that suppliers from abroad will bring drugs into the United States until that demand is met.

The concept paper came to what we regarded a sound conclusion:

> A useful distinction can be made between strategies directed to the demand for drugs and the supply of them * * * We conclude that resources in this package should be divided 60% for demand reduction and 40% for supply reduction.

And the bipartisan bill which followed and which passed the Senate on October 14 retained a 60-40 ratio between spending on demand reduction and spending on supply.

Frank Hall understood this all along. "Look at the South Florida Task Force," he says. "An enourmous amount of money was spent. Now ask me what impact that had on the availability of cocaine in New York, and my answer is: None, zero." And if we could keep cocaine out of this country, Chief Hall argues that synthetic drugs would take their place. "That's one of the reasons I've never been a big fan of interdiction," Hall says. "Let's imagine for a minute that we could stop all drugs coming into the United States. * * * Synthetic drugs would take over within 2 months." Just as domestic marijuana has replaced every pound of foreign marijuana interdicted by our law enforcement agencies. Just as domestic industries always profit when they are protected from foreign competition.

I believe most of us recognize this. Yet we continue to seek ways to expand interdiction and eradication, at the expense of treatment, local law enforcement, and prevention. We may even acquiesce to the singular delusion that large scale aerial coca eradication in South America will reduce drug use in the United States. Mind, it will divert our attention. It will divert blame. But it will not divert cocaine from our cities. And it will weaken, rather than strengthen, the authority of the Peruvian and Bolivian Governments in the Andes.

Mr. President, money spent in the Gulf of Mexico will not help drug addicts in New York, or Chicago, or Los Angeles get off drugs. Money spent on treatment and prevention will. A 10-percent success rate in treatment is meaningful in a way that a 10-percent success rate in interdiction is not. Money spent in Peru will not convince drug dealers to stop murdering one an-

other over turf. Money spent to put police officers on our streets will. Our spending priorities must follow from what we know to be true. That they do not now represents an unacceptable failure.

Mr. President, I ask, unanimous consent that an interview with Chief Frank Hall that appeared in Sunday's New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 12, 1989]

REPORT FROM THE FIELD ON AN ENDLESS WAR

Since May 1985, when Francis C. Hall was named commander of the Police Department's 1,300-member narcotics division, drug arrests in New York City have risen steeply, to 3 of every 10 arrests, and the number of armed attacks on police officers has risen to unheard of levels.

"Drug suspects don't surrender any more," the assistant chief said. "They fight, they grab you, and a lot of them will kill you if they can."

Last week Chief Hall retired after 36 years on the force; he is to meet in Washington soon with William J. Bennett, head of the new Office of National Drug Control Policy, who is looking for deputies.

Last Wednesday, a few hours before he left his office in lower Manhattan for the last time, Chief Hall talked with David E. Pitt, a New York Times reporter, about the war on drugs.

Question. What kind of role do you think you might be able to play in Washington?

Answer. What really interests me is strategy and prevention. There's been entirely too much emphasis on enforcement as the solution to the drug problem. Enforcement has a very, very important part to play in the picture, but that's only because we're really the only game in town at the moment.

Q. That seems to be the public's impression.

A. You can't blame the public for that. But no intelligent person would ever suggest that the police should eliminate murders or robberies or burglaries. Yet people expect us to eliminate drugs. Some of them use expressions like drug-free zones, drug-free communities. Unrealistic! Totally unrealistic. It's certainly not going to happen in my lifetime.

I like to remind people that the war on drugs was first declared by Teddy Roosevelt in 1907. And here it is 1989—that's 82 years. If we're still fighting a war after that long, you would think that prudent people would take a step back and look at whether we're fighting the right enemy.

There have been peaks and valleys. In the 1960's it was heroin and marijuana and LSD. But the past three years have been something else again. I've been around a long time; not much surprises me or shocks me any more. But crack is really devastating.

Q. Do you think that any of the new tools, like property forfeiture or saturation arrests, have significantly improved drug enforcement?

A. I know of no tool that's any kind of magic wand. Forfeiture is a very valuable way to go because you can whack traffickers in their assets.

You can't be too grandiose, you know. You pick an area that has a deeply entrenched drug problem, such as the Pressure Point One area on the Lower East Side, and you say, "Let's see if we can sanitize it. And after we sanitize it, let's see if we can maintain it." Well, it's been five years now, and if you walk through Pressure Point One, you don't see blatant street sales of drugs.

Now, we certainly have not, by any stretch of the imagination, eliminated drugs in that area. But it appears to be cleaner than it was. And appearances are very important when it comes to narcotics enforcement. It's a quality-of-life issue.

Q. You have likened police narcotics work to the job of the Sanitation Department, which picks up garbage day after day, knowing that every morning there's going to be more of it.

A. What is the alternative? You know the kind of recommendations I get? I get these every day. Things like, "Why don't the police start whacking the drug dealers around? Why don't you do what they do in China to drug traffickers? "

Well, summary executions would be very effective. But we have impediments—they're called the Constitution and due process. And we have a responsibility to uphold the Constitution.

You know what's interesting, when I look back on my 36 years in this job? That the police have become the civil libertarians of the 80's. The police! If you were to listen in on these high-level conferences that I've sat in on every day, you'd hear, starting with the Police Commissioner: "We don't step over the line." Because the first time you do step over it, you're going to have a problem. We saw it in Queens with those cops who were using stun guns to question suspects. Easy to understand: frustrated cops, locking up these same mutts day in and day out. Some of them lose control—and you know the rest of the story.

Q. What's your assessment of the country's overall commitment to fighting drugs, especially in view of complaints that there's not nearly enough money to do the job?

A. Look at the South Florida Task Force; an enormous amount of money was spent. Now ask me what impact that had on the availability of cocaine in New York, and my answer is: none, zero.

Yet they made some massive seizures. They've had some great press conferences. They've patted a lot of people on the back. But these press conferences don't represent success. They represent failure.

WHY THE DEMAND?

Here I am looking at 5,000 pounds of cocaine [from a single recent seizure in New York City]. All right, we did a good job, but it represents failure. Who the hell wants all of this cocaine? Why is it there are so many people in this country who want drugs? That's the issue that has to be addressed. Who do these people want drugs?

Years ago in the 60's, if you made, say, a 30- or 40-kilo seizure of heroin, there would be a period of time when it was difficult to buy heroin. You don't see that any more.

There is so much cocaine in New York today, it is beyond measure. Beyond measure. When I look at 5,000 pounds, I say to myself, how many more of these stash houses are there around here?

Q. Well, how do you stave off total despair?

A. You have to put things in perspective. Take cancer. Scientists have been working on a cure as long as I can remember. They have not cured cancer. They have made some progress. There are certain cancers they have cured, others they have put into remission.

And that's what we do. We can put areas of the city into temporary remission by a commitment of law-enforcement people. But we shouldn't kid anybody that we've cured anything. Now, no one's going to criticize the medical profession: "Holy cow, you've been at this 50 years now, when are you guys going to come up with a cure?" And I don't see any cure for the drug problem on the horizon, either.

Q. How serious a threat are the synthetic drugs and the designer drugs?

A. Synthetic drugs are a potential threat beyond most people's imagination. They're cheaper to make than botanical drugs, and more potent; the experience in California with "ectasy" is absolutely frightening. They're here now—amateur chemists can duplicate the properties of most drugs in labs at home. We haven't seen them to any significant extent in New York because we have so much of the other drugs.

That's one of the reasons I've never been a big fan of interdiction. Let's imagine for a minute that we could stop all drugs coming into the United States—all heroin, all cocaine. Synthetic drugs would take over within two months.

So we really have to stop and say, "Holy cow, is the problem really in Colombia?" Well, no, the problem is here.

And no one really knows anything about drug education. Education tends to work with the more affluent. I think that in the past few years, you've probably seen some decline in illegal drug use among the middle class and the upper classes. In the entertainment business, cocaine use is now a no-no. That's encouraging. But when you get into the inner cities, it's a serious problem.

Q. If there is, as you seem to be suggesting, a correlation between drug use and poverty, what difference is education going to make?

A. It's a damn good question, and I don't have the answer. I hope someone can come up with it, because I know of nothing more important to this country right now than reducing drug use in the inner cities. The social problems associated with drugs are mind-boggling—crack babies, babies born with AIDS. The death rate in Harlem among infants is as high as it gets in third world countries. It's outrageous, a national disgrace.

It never really occurs to me that I need anything to get high. I have other things in life.

But if you're some kid who lives in the South Bronx, or Harlem, or Bed-Stuy, particularly when they can watch television and see an awful lot of affluence that they don't share in—if you want to feel good, crack will make you feel good. It'll do terrible things to you, too, but these kids don't have the insight to realize that. When you take a puff out of that crack pipe, you feel good for maybe 10 or 15 minutes. So when you come down, it's only natural to want to feel good again.

But here I'm talking about the user, not the guy who sells the drugs. The average person doesn't realize the viciousness of people involved in trafficking, and the total lack of fear they have of law enforcement. My biggest fear in leaving is that I'm going to see more cops shot, and I'm concerned not only as a retired chief, I'm concerned as the father of two cops.

If you recall LSD, it did wacky things to people. But it seemed to peter out in about two years. The thing about crack is how sus-

tained it's been and how active the entrepreneurs who sell it are. You know, you can buy an ounce of cocaine for $900—twice the value of gold—and in a few hours convert it into 437 vials of crack.

Q. It's kind of a nightmare form of free enterprise.

A. Yes, a cottage industry, free enterprise gone mad. And now they're all organized, with so many different groups involved in it—Jamaicans, Hispanics, blacks, Palestinians. We had a major case in Brooklyn involving Israelis. Among all of them, the common denominator is profit. I know of nothing you can sell where you can make a greater profit than drugs—if you survive.

Narcotics enforcement is like the Vietnam War to this extent: If you recall, in Vietnam we kept pouring in resources. I think when we finally decided that the war was lost, we had better than half a million people in Vietnam. We had body counts in Vietnam; we used to measure our success by how many Viet Cong we killed. We measure our success here by how many arrests we make—90,000 last year. That's our body count.

But there comes a point when you have to say, what is the optimum number of people we should have directly involved in narcotics enforcement? We may have reached it. If we continue to pour in resources, it may not make things much better.

Unless people who are arrested for selling drugs receive some meaningful punishment, you are going to encourage other people to sell drugs. Kids are not stupid. They see a guy in their neighborhood who's earning upward of $500 a day selling drugs, and they see the cops grab him. And then they see him back on the street tomorrow. There really is no deterrent there. They'll think, why shouldn't I do it? He drives a Mercedes, he wears that nice jewelry.

Q. What do you mean meaningful punishment? Do you think the death penalty would make any difference?

A. No. I don't. I am not philosophically opposed to the death penalty. I don't believe in draconian punishment because it's rarely imposed, and when it is, it takes too long to impose it.

I think we have to give serious thought to a totally different form of incarceration. The individual-cell prisons cannot accommodate as many people as I think should be accommodated. You have to get to the camp-type prisons.

Overall, there has to be a reduction in the demand for drugs, and enhancement on the risks in using and selling them.

ARCTIC NATIONAL WILDLIFE REFUGE

Mr. BAUCUS. Mr. President, as the new chairman of the Environmental Protection Subcommittee, I am today announcing my intentions concerning consideration of the future management of the Arctic National Wildlife Refuge's coastal plain.

I and other members of the subcommittee have a strong interest in the U.S. Fish and Wildlife Service's management of units within the National Wildlife Refuge System, inlcuding the Arctic National Wildlife Refuge.

Consequently, the subcommittee will consider and conduct hearings in the months ahead on two major items that have been referred to the Committee on Environment and Public Works relating to this subject.

First, the committee has before it the communication from the Secretary of the Interior transmitting the final legislative environmental impact statement [LEIS] on the coastal plain, pursuant to title X of the Alaska National Interest Lands Conservation Act.

The subcommittee will review this document to determine whether it is adequate and satisfies the legal requirements of the National Environmental Policy Act.

Last year, under Senator MITCHELL, the subcommittee initiated review of Interior Secretary Hodel's LEIS and his recommendation to make the entire 1.5 million-acre Arctic Refuge coastal plain available for oil and gas leasing.

This year I intend to explore more fully the following questions about the LEIS, which in my opinion have yet to be answered adequately by the Department of the Interior and the Environmental Protection Agency:

Have the impacts to fisheries and wildlife from oil exploration, development, and production been considered fully and properly?

Are the report and the recommended development consistent with our international treaty obligations with respect to caribou, polar bears, and migratory birds?

Have the effects on air and water quality and the supply of fresh water resources been assessed thoroughly?

Have the effects of oil and gas development in the Arctic Refuge's coastal plain been examined critically in terms of the cumulative impacts of such development in the Arctic region?

Has a complete review of the coastal plain's wilderness and recreational potential been conducted and assessed fairly?

Has adequate consideration been given to alternatives to leasing the coastal plain's oil and gas resources at this time?

Was there adequate evaluation of alternatives that would defer development of the coastal plain pending pursuit of other possibilities such as development of other potential sources of oil, development of other sources of energy, and improved energy conservation?

I believe that under the National Environmental Policy Act and title X of the Alaska Lands Act, these questions must be answered as thoroughly and definitively as possible before any decisions are made by Congress with respect to changing the present management of the coastal plain.

A second item before the committee concerning the future management of the Arctic National Wildlife Refuge is the bill (S. 39) by Senators ROTH, BRADLEY, CHAFEE, DURENBERGER, LIEBERMAN, and others to designate the refuge's coastal plain as wilderness. This legislation has not been considered previously in any depth and we will want to do so this year.

I and other subcommittee members also will want to review and discuss a number of new developments, such as the recently released draft report by EPA staff on management of oil and gas wastes on Alaska's North Slope, which bear on any decision about development of the Arctic National Wildlife Refuge.

Finally, it is my intention that the subcommittee schedule allow members of the committee, who have not had an opportunity so far, to visit the coastal plain and other areas of the North Slope prior to any action on pending legislation.

I am aware that our colleagues on the Committee on Energy and Natural Resources are in the process of marking up legislation that would affect the fisheries and wildlife of the Arctic Refuge's coastal plain.

Because the Environment and Public Works Committee clearly has interest and jurisdiction in these matters, I hope that our respective committees will cooperate to the extent possible in the consideration of any legislation on this subject.

THE RETIREMENT OF LT. COL. ROBERT (BO) BLUDWORTH

Mr. HOLLINGS. Mr. President, one of the most capable soldiers in the U.S. Army, Lt. Col. Bo Bludworth, is retiring at the end of this month after a very distinguished career of 22 years in the service. Bo Bludworth has served for 5 years in Army Senate liaison. During this time, each of my colleague's knowledge of the Army—and of our military policy—has been advanced by Bo's professionalism, his keen understanding of facts, and his extraordinary ability to give concise and honest answers to the most complex questions. And we all know that he is never without an answer.

Colonel Bludworth served in Vietnam as a helicopter and ground platoon leader. He has held various personnel staff positions, both in the United States and overseas. Among his decorations are the Silver Star, Distinguished Flying Cross, Bronze Star, Air Medal, Army Commendation Medal for Valor, and Combat Infantryman's Badge.

During his service to the Senate, Bo has planned and escorted delegations on more than 75 major fact-finding missions. I have traveled several times with him, and it was during these trips that I recognized the asset he is to the Army.

He has been an effective representative and spokesman for our military, and the Army is losing a dedicated of-

ficer. As he starts his new career, my best wishes go to Bo and his charming wife, Sheila, and their children, James, Stephanie, and Todd. I am fully confident that Bo's career in private enterprise will match his military service record.

WELCOME, INDIANAPOLIS SYMPHONY ORCHESTRA

Mr. COATS. Mr. President, on April 5 the renowned Indianapolis Symphony Orchestra, under the direction of Raymond Leppard, will appear at the Kennedy Center for the Performing Arts in a concert of English, French, and German symphonic works featuring European opera star Marianne Rorholm in her United States debut, and sponsored by Ameritech and Indiana Bell.

The Indianapolis Symphony Orchestra continues its 60-year tradition of musical excellence under Raymond Leppard, now in his second season as music director. Since its founding in 1930 by Ferdinand Schafer, the orchestra has grown and developed into one of the finest symphonic ensembles in the country under the leadership of past music directors Fabien Sevitzky (1935-55), Izler Solomon (1956-75) and John Nelson (1976-87). Maestro Leppard is regarded as one of the most versatile and sought-after conductors on the international music scene and has appeared with most of the world's major orchestras. For his contributions to music as conductor, composer and author Mr. Leppard has been honored with the title of Commander of the Order of the British Empire.

Over the years the ISO has gained a well-deserved reputation across this Nation and abroad as an organization of the highest musical caliber, as well as America's symphonic "Goodwill Ambassador." During the fifties and early sixties one concert each season was designated as a musical salute to a foreign city. In cooperation with the Voice of America, the annual salutes were tape recorded and flown to the celebrated country for broadcast there, and that country, in turn, sent a recorded salute concert by a national orchestra for broadcast in Indianapolis. As a consequence, in 1962 the ISO received a special greeting from former President John F. Kennedy, and was awarded a Distinguished Service Citation from the U.S. Information Agency in recognition of "exceptional services on behalf of this Nation."

The Indianapolis Symphony Orchestra is a very popular institution in Indiana and a very busy orchestra, with many competing demands on its heavy year-around schedule. Its current season includes 18 weeks of classical series concerts featuring internationally famous guest artists and 8 weeks of pops concerts with stars from the world of popular entertainment. The orchestra offers many other series of concerts each week throughout the year for Indiana concert goers. The orchestra draws enthusiastic audiences to free concerts in the city parks, summer pops concerts in the Circle Theater and its highly acclaimed "Symphony on the Prairie" summer series on the grounds of Conner Prairie north of Indianapolis. Several performances each year feature the 150-voice Indianapolis Symphonic Choir in choral music concerts and productions with the Indianapolis Opera Company and Indianapolis Ballet Theater.

The ISO also presents many educational programs designed for young people and public schoolchildren, as well as an annual young musicians contest and the statewide young people's art contest.

Support from volunteers in the community is essential to the orchestra's success. The board of directors of the Indiana State Symphony Society, the orchestra's governing body, is made up of 62 prominent local citizens who give generously of their time to set policies and monitor the operation of the orchestra. The 3,000-member symphony women's committee is not only the largest organization of its kind in the country, but one of the most active as well.

Hoosiers give generously in support of the arts, and the ISO has been a worthy recipient of their largesse. The 1987-88 annual fund and other special gifts generated more than $1.3 million for the orchestra's operating income, contributed by more than 5,600 individuals and over 200 corporations. The ISO's 5-year endowment campaign, "Prelude to Greatness," ended successfully in August 1988, when it exceeded its $14.75 million goal.

The concert on April 5 will mark the Indianapolis Symphony Orchestra's third appearance in Washington, DC. In previous concert tours the orchestra has received uniformly rave notices. For instance, critic Harold Schonberg wrote in the New York Times that "the orchestra's string section is one of the best anywhere." The New Yorker magazine called the ISO "simply one of the most magnificent orchestras in the country."

On both prior visits to Washington, DC, in 1978 and 1980 the ISO, then under the direction of John Nelson, received uniformly rave reviews. Paul Hume of the Washington Post wrote of the 1978 performance in the Kennedy Center: "Nelson conducted an account of the Berlioz Requiem that was absolutely magnificent. * * * Indianapolis did itself proud indeed." Back home in Indiana, the Indianapolis News gave front page headlines to its Washington correspondents with "ISO Scores D.C. Triumph." After the orchestra's 1980 Kennedy Center appearance, Joseph McLellan, writing in the Washington Post, called the performance triumphant in spirit, adding that "conductor John Nelson's solid grasp of the score and unwavering drive pushed the orchestra into an interpretation that was consistently satisfying and, at its best, inspired." He noted that the conductor "kept his eye—and the orchestra's—on projecting the music to the audience, which responded with a standing ovation."

On April 5 the Indianapolis Symphony will perform works by Elgar, Chausson, Canteloube, and Beethoven, a repertoire chosen by Maestro Leppard to showcase the orchestra's range and flexibility in programming. The concert should be thrilling and another triumph for one of America's outstanding orchestras.

We Hoosiers are justly proud of the Indianapolis Symphony Orchestra. Marcia and I are looking forward to attending this musical event, and I invite my colleagues, their staffs and their families to come out to the Kennedy Center to join us for an evening with the Indianapolis Symphony Orchestra.

Mr. President, I am pleased to take this occasion to extend my warm welcome and the greetings of the Congress and the people of the Nation's Capital to Maestro Leppard and the members of the Indianapolis Symphony Orchestra.

HYDROGEN LEGISLATION: A BILL FOR ALL INTERESTS

Mr. MATSUNAGA. Mr. President, I rise to introduce, together with my senior colleague from Hawaii, Senator INOUYE, the junior Senator from Colorado, Senator WIRTH, the senior Senator from Rhode Island, Senator PELL, and the junior Senator from Connecticut, Senator LIEBERMAN, legislation which advances a multitude of causes.

Seldom can a single bill be said to address the gamut of legislative issues, both environmental and economic, facing a new Congress and a new administration. After all, what common thread exists between global climatic change and those activities spawning greenhouse gases, on the one hand, and the U.S. trade deficit and American competitiveness in world markets, on the other?

Energy is the thread, Mr. President, and a national program for hydrogen research and development is the measure that touches all the aforementioned bases.

The form of energy we use is at the heart of virtually all environmental issues. The location of our energy sources is at the crux of our trade imbalance. And in no area of economic endeavor is overseas competition more keenly felt than in the quest for new energy technologies.

For all these reasons I am once more introducing the National Hydrogen

Research and Development Program Act, legislation I first offered in the 97th Congress and have urged ever since. Mine has not been a lone voice on this subject, Mr. President. Throughout his career in this Chamber former Senator Dan Evans cosponsored and strongly advocated my hydrogen legislation. In this connection, it is significant that Senator Evans has been the only professional engineer to serve in the Senate in recent memory, save for Mike Mansfield, who was a mining engineer, and the late Stewart Symington, who was self-taught in mechanical and electrical engineering. If they were still with us, I am certain that both would be cosponsors, Mr. President. Moreover, the principal sponsor of companion legislation in the House, Representative GEORGE BROWN of California, is one of the very few scientists serving in that body.

Mr. President, hydrogen is one of the most abundant elements in the universe, with water, a primary source of hydrogen, covering three-fourth of the Earth. Indeed, hydrogen plays a role in such varied, everyday products as peanut butter, vitamin C, and aspirin, not to mention such larger products as clear plate glass windows.

As a transportation fuel, hydrogen's environmental benefits are particularly apparent, as was evident by its inclusion in the national energy policy legislation offered by Senator WIRTH in the last Congress to address the concerns over global warming, acid rain and the greenhouse effect and introduced again this year. Moreover, hydrogen can be transported more efficiently and at less cost than electricity over long distances.

While hydrogen has definite environmental advantages over fossil fuels, because the product of hydrogen combustion with air is essentially water vapor, it also offers benefits in the utilization of numerous energy alternatives—ranging from coal and natural gas, to nuclear as well as to solar and the renewables. Injected into declining natural gas fields, hydrogen can serve as an enhancer, stretching out the life of dwindling supplies.

For those concerned with the interests of the coal industry, hydrogen also figures in an attractive scenario. If coal-gased reactors were to be built at the seashore, they could eject carbon dioxide into the sea instead of into the air, and transmit energy in the form of hydrogen from coal. It is claimed that this could give us perhaps another half century of coal availability without adding anything to the world greenhouse effect.

For those interested in advancing nuclear power, hydrogen can be seen as a vehicle for hurdling the safety barrier. Because energy is cheap to transport long distances with hydrogen as the storage medium and after 300 to 400 miles, increasingly cheaper than to transmit through electric wires, nuclear reeactors could be located at greater distances from populated areas, even mounted on sea borne rigs.

Hydrogen's appeal to solar proponents is apparent since it is environmentally benign; indeed, it can act in behalf of environmental enhancement. For example, hydrogen has a key role in the process of nitrogen fixation whereby agricultural soils are replenished periodically. Also, there is the search for a replacement for the fully halogenated halocarbons used in refrigerants, solvents, and the like that have been found to be the culprit in the erosion of the ozone layer. One criteria in the search for a replacement is that it should be capable of introducing hydrogen into its chemical bond.

Furthermore, the renewables represent the most promising source for hydrogen's production in terms of energy expended in the process. Finally, hydrogen is key to assuring continuity of supply for solar power by providing a ready storage medium whether overnight or until the clouds scatter in the sky.

If it were not for our dependence upon imported foreign oil, our trade balance would not reflect a deficit but rather a surplus. Hydrogen, then, offers a key to achieving energy security. Moreover, our national objective of designing and operating transatmospheric aerospace craft, such as the "Orient Express," is dependent upon the development of hydrogen fuel. For all these reasons, this legislation is absolutely essential, Mr. President, and must be acted upon in this new Congress.

For years now on this floor I have been citing the hydrogen work of other countries as evidence of how we have fallen behind in a field of research that we ourselves pioneered. Last spring Soviet television announced the triumph of an ordinary airplane flight using hydrogen fuel for the first time and showed the plane in the air with its jet stream of condensing steam instead of the usual kerosene smoke. Since then West Germany has commenced sea tests of a hydrogen fuel cell powered submarine with a range said to be "several times" that of a conventional diesel-electric powered submarine.

Soviet success in hydrogen isn't confined to the skies, Mr. President; they also are moving on the ground and have announced plans to turn out 100 hydrogen fuel cell powered vans. Recently, the Soviets joined forces with the Hungarian bus manufacturer Ikarus to adapt a 6,500 kilogram vehicle to a 40 kilowatt hydrogen-air fuel cell bus. A number of 12 passenger vehicles are being operated in Moscow with this technology on a hybrid basis with gasoline and there have been reports of at least five automobiles and three taxis operating exclusively on hydrogen in Moscow and Kharkov over the past year.

Elsewhere in Europe, the municipal government of Hamburg, West Germany is considering converting the city's 823 buses to hydrogen while in Italy the city of Milan, which operates 2,000 buses, is also weighing such an idea as well.

Recently there was the startling announcement by the European Economic Community and the provincial government of Quebec of a joint feasibility study on the establishment of $500 million hydrogen energy project involving transatlantic energy shipments from Canada to Europe. The 2-year, $4 million study could lead to the construction of a liquid hydrogen plant in the 100 megawatt range on the St. Lawrence Seaway with its output shipped to Europe in either liquid cryogenic form as ammonia or as a form of liquid hydride. There it would be used as fuel for transport, for testing advanced aerospace engines and for district heating purposes, among others. Shipments would be made aboard a 20,000 ton gas tanker yet to be built but designed for at least 15 round trips a year. There is great interest in this undertaking among West German industrialists who forsee hydrogen fuels rapidly becoming cost competitive with fossil fuels as the cost of pollution becomes fully reflected in the price of energy.

Mr. President, in the race for a hydrogen economy the rest of the world is already out of the starting gate while we in the United States are hardly pawing the ground. This technology is too important to get away from us. The United States must get serious about hydrogen research and development. My bill signals this intention. The legislation I am offering today calls for two 5-year development programs: one of $55 million for research and development in hydrogen production and use and the other of $100 million for hydrogen fueled aircraft R&D. I welcome the support of my colleagues in cosponsoring this vital legislation whose time is now at hand this year and I urge its speedy adoption.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 639

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—HYDROGEN PRODUCTION AND USE

FINDINGS AND PURPOSE

SEC. 101. (a) The Congress finds that—

(1) due to the limited quantities of naturally occurring petroleum-based fuels, viable alternative fuels and feedstocks must be developed;

(2) with a growing concern over the many environmental problems affecting the planet, priority should be given to the development of alternative fuels with universal availability that have virtually no harmful environmental impacts;

(3) hydrogen is one of the most abundant elements in the Universe, with water, a primary source of hydrogen, covering three-fourths of the Earth;

(4) hydrogen appears promising as either an alternative or as an extender to finite fossil fuels capable of modifying their environmental impacts;

(5) hydrogen can be transported more efficiently and at less cost than electricity over long distances;

(6) renewable energy resources are potential energy sources that can be used to convert hydrogen from its naturally occurring states into high quality fuel, feedstock, and energy storage media; and

(7) it is in the national interest to accelerate efforts to develop a domestic capability to economically produce hydrogen in quantities which will make a significant contribution toward reducing the Nation's dependence on conventional fuels.

(b) The purpose of this title is to—

(1) direct the Secretary of Energy to prepare and implement a comprehensive 5-year plan and program to accelerate research and development activities leading to the realization of a domestic capability to produce, distribute, and use hydrogen economically within the shortest time practicable;

(2) direct the Secretary of Energy to implement a technology assessment and information transfer program among the Federal agencies and aerospace, transportation, energy, and other market-driven entities; and

(3) develop renewable energy resources as primary energy sources to be used in the production of hydrogen.

COMPREHENSIVE MANAGEMENT PLAN

SEC. 102. (a) The Secretary shall prepare a comprehensive 5-year program management plan for research and development activities which shall be conducted over a period of no less than 5 years and shall be consistent with the provisions of sections 103 and 104. In the preparation of such plan, the Secretary shall consult with the Administrator of the National Aeronautics and Space Administration, the Secretary of Transportation, the Hydrogen Technical Advisory Panel established under section 106, and the heads of such other Federal agencies and such public and private organizations as he deems appropriate. Such plan shall be structured to permit the realization of a domestic hydrogen production capability within the shortest time practicable.

(b) The Secretary shall transmit the comprehensive program management plan to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate within 6 months after the date of the enactment of this Act. The plan shall include—

(1) the research and development priorities and goals to be achieved by the program;

(2) the program elements, management structure, and activities, including program responsibilities of individual agencies and individual institutional elements;

(3) the program strategies including technical milestones to be achieved toward specific goals during each fiscal year for all major activities and projects;

(4) the estimated costs of individual program items, including current as well as proposed funding levels for each of the 5 years of the plan for each of the participating agencies;

(5) a description of the methodology of coordination and technology transfer; and

(6) the proposed participation by industry and academia in the planning and implementation of the program.

(c) Concurrently with the submission of the President's annual budget to the Congress for each year after the year in which the comprehensive 5-year plan is initially transmitted under subsection (b), the Secretary shall transmit to the Congress a detailed description of the current comprehensive plan, setting forth appropriate modifications which may be necessary to revise the plan as well as comments on and recommendations for improvements in the comprehensive program management plan made by the Hydrogen Technical Advisory Panel established under section 106.

RESEARCH AND DEVELOPMENT

SEC. 103. (a) The Secretary shall establish, within the Department of Energy, a research and development program, consistent with the comprehensive 5-year program management plan under section 102, to ensure the development of a domestic hydrogen fuel production capability within the shortest time practicable.

(b)(1) The Secretary shall initiate research or accelerate existing research in areas which may contribute to the development of hydrogen production and use.

(2) Areas researched shall include production, liquefaction, transmission, distribution, storage, and use including use in surface transportation. Particular attention shall be given to developing an understanding and resolution of all potential problems of introducing hydrogen production and use into the marketplace.

(c) The Secretary shall give priority to those production techniques that use renewable energy resources as their primary energy source.

(d) The Secretary shall, for the purpose of performing his responsibilities pursuant to this title, solicit proposals for and evaluate any reasonable new or improved technology, a description of which is submitted to the Secretary in writing, which could lead or contribute to the development of economic hydrogen production storage and utilization technologies.

(e) The Secretary shall conduct evaluations, arrange for tests and demonstrations, and disseminate to developers information, data, and materials necessary to support efforts undertaken pursuant to this section, consistent with section 105.

DEMONSTRATIONS AND PLAN

SEC. 104. (a)(1) The Secretary shall conduct demonstrations of promising hydrogen economic technologies, preferably in self-contained locations, so that technical and nontechnical parameters can be evaluated to best determine commercial applicability of the technology.

(2) Concurrently with activities conducted pursuant to section 103, the Secretary shall conduct small-scale demonstrations of hydrogen technology at self-contained sites.

(b) The Secretary shall, in consultation with the Secretary of Transportation, the Administrator of the National Aeronautics and Space Administration, and the Hydrogen Technical Advisory Panel established under section 106, prepare a comprehensive large-scale hydrogen demonstration plan with respect to demonstrations carried out pursuant to subsection (a)(1). Such plan shall include—

(1) a description of the necessary research and development activities that must be completed before initiation of a large-scale hydrogen production and storage demonstration program;

(2) an assessment of the appropriateness of a large-scale demonstration immediately upon completion of the necessary research and development activities; and

(3) an implementation schedule with associated budget and program management resource requirements.

TECHNOLOGY TRANSFER PROGRAM

SEC. 105. (a) The Secretary shall implement a program designed to accelerate wider application of hydrogen production, storage, utilization and other technologies available in the near term as a result of aerospace experience as well as other research progress. The Secretary shall direct the program with the advice and assistance of a panel of industry, academia, government and other hydrogen-related interests with the intent to disseminate relatively near-term business and research opportunities that can lead to a long-term increase in hydrogen production, and utilization. The objective in seeking this advice is to increase participation of private industry in the demonstration of near commercial applications.

(b) The Secretary, in carrying out the program authorized by subsection (a), shall—

(1) undertake an inventory and assessment of hydrogen technologies and their commercial capability to economically produce, store or utilize hydrogen in aerospace, transportation, electric utilities, petrochemical, chemical, merchant hydrogen, and other industrial sectors; and

(2) develop a National Aeronautics Space Administration, Department of Energy, and industry information exchange program to improve technology transfer for—

(A) application of aerospace experience by industry;

(B) application of research progress by industry and aerospace;

(C) application of commercial capability of industry by aerospace; and

(D) expression of industrial needs to research organizations.

The information exchange program may consist of workshops, publications, conferences, and a data base for the use by the public and private sectors.

COORDINATION AND CONSULTATION

SEC. 106. (a) The Secretary shall have overall management responsibility for carrying out programs under this title. In carrying out such programs, the Secretary, consistent with such overall management responsibility—

(1) shall use the expertise of the National Aeronautics and Space Administration and the Department of Transportation; and

(2) may use the expertise of any other Federal agency in accordance with subsection (b) in carrying out any activities under this title, to the extent that the Secretary determines that any such agency has capabilities which would allow such agency to contribute to the purpose of this title.

(b) The Secretary may, in accordance with subsection (a), obtain the assistance of any department, agency, or instrumentality of

the Executive branch of the Federal Government upon written request, on a reimbursable basis or otherwise and with the consent of such department, agency, or instrumentality. Each such request shall identify the assistance the Secretary deems necessary to carry out any duty under this title.

(c) The Secretary shall consult with the Administrator of the National Aeronautics and Space Administration, the Administrator of the Environmental Protection Agency, the Secretary of Transportation, and the Hydrogen Technical Advisory Panel established under section 106 in carrying out his authorities pursuant to this title.

TECHNICAL PANEL

SEC. 107. (a) There is hereby established a technical panel of the Energy Research Advisory Board, to be known as the Hydrogen Technical Advisory Panel, to advise the Secretary on the programs under this title.

(b)(1) The technical panel shall be appointed by the Secretary and shall be comprised of such representatives from domestic industry, universities, professional societies, Government laboratories, financial, environmental, and other organizations as the Secretary, in consultation with the Chairman of the Energy Research Advisory Board, deems appropriate based on his assessment of the technical and other qualifications of such representatives. Appointments to the technical panel shall be made within 90 days after the enactment of this Act. The technical panel shall have a chairman, who shall be elected by the members from among their number.

(2) Members of the technical panel need not be members of the full Energy Research Advisory Board.

(c) The activities of the technical panel shall be in compliance with any laws and regulations guiding the activities of technical and fact-finding groups reporting to the Energy Research Advisory Board.

(d) The heads of the departments, agencies, and instrumentalities of the Executive branch of the Federal Government shall cooperate with the technical panel in carrying out the requirements of this section and shall furnish to the technical panel such information as the technical panel deems necessary to carry out this section.

(e) The technical panel shall review and make any necessary recommendations on the following items, among others—

(1) the implementation and conduct of programs under this title; and

(2) the economic, technological, and environmental consequences of the deployment of hydrogen production and use systems.

(f) The technical panel shall prepare and submit annually to the Energy Research Advisory Board a written report of its findings and recommendations with regards to the programs under this title. The report shall include—

(1) a summary of the technical panel's activities for the preceding year;

(2) an assessment and evaluation of the status of the programs; and

(3) comments on and recommendations for improvements in the comprehensive 5-year program management plan required under section 102.

(g) After consideration of the technical panel report and within 30 days after its receipt, the Energy Research Advisory Board shall submit the report, together with any comments which the Board deems appropriate, to the Secretary.

(h) The Secretary shall provide such staff, funds, and other support as may be necessary to enable the technical panel to carry out the functions described in this section.

DEFINITIONS

SEC. 108. As used in this title—

(1) the term "Secretary" means the Secretary of Energy; and

(2) the term "capability" means proven technical ability.

AUTHORIZATION OF APPROPRIATIONS

SEC. 109. There is hereby authorized to be appropriated to carry out the purpose of this title (in addition to any amounts made available for such purpose pursuant to other Acts)—

(1) $3,000,000 for the fiscal year beginning October 1, 1989;

(2) $7,000,000 for the fiscal year beginning October 1, 1990;

(3) $10,000,000 for the fiscal year beginning October 1, 1991;

(4) $15,000,000 for the fiscal year beginning October 1, 1992; and

(5) $20,000,000 for the fiscal year beginning October 1, 1993.

TITLE II—HYDROGEN-FUELED AIRCRAFT RESEARCH AND DEVELOPMENT

FINDINGS AND PURPOSE

SEC. 201. (a) The Congress finds that—

(1) long-term future decreases in petroleum-base fuel availability will seriously impair the operation of the world's air transport fleets;

(2) hydrogen appears to be an attractive alternative to petroleum in the long term to fuel commercial aircraft;

(3) it is therefore in the national interest to accelerate efforts to develop a domestic hydrogen-fueled supersonic and subsonic aircraft capability; and

(4) the use of liquid hydrogen as a commercial air transport fuel has sufficient long-term promise to justify a substantial research, development, and demonstration program.

(b) The purpose of this title is to—

(1) direct the Administrator of the National Aeronautics and Space Administration to prepare and implement a comprehensive 5-year plan and program for the conduct of research, development, and demonstration activities leading to the realization of a domestic hydrogen-fueled aircraft capability within the shortest time practicable;

(2) establish as a goal broad multinational participation in the program; and

(3) provide a basis for public, industry, and certifying agency acceptance of hydrogen-fueled aircraft as a mode of commercial air transport.

COMPREHENSIVE MANAGEMENT PLAN

SEC. 202. (a) The Administrator shall prepare a comprehensive 5-year program management plan for research, development, and demonstration activities consistent with the provisions of sections 203, 204, and 205. In the preparation of such plan, the Administrator shall consult with the Secretary of Energy, the Secretary of Transportation, and the heads of such other Federal agencies and such public and private organizations as he deems appropriate. Such plan shall be structured to permit the realization of a domestic hydrogen-fueled aircraft capability within the shortest time practicable.

(b) The Administrator shall transmit the comprehensive 5-year program management plan to the Committee on Science, Space, and Technology of the House of Representatives and the Committees on Commerce, Science, and Transportation and Energy and Natural Resources of the Senate within 6 months after the date of the enactment of this Act. The plan shall include—

(1) the research and development priorities and goals to be achieved by the program;

(2) the program elements, management structure, and activities, including program responsibilities of individual agencies and individual institutional elements;

(3) the program strategies including detailed technical milestones to be achieved toward specific goals during each fiscal year for all major activities and projects;

(4) the estimated costs of individual program items, including current as well as proposed funding levels for each of the 5 years of the plan for each of the participating agencies;

(5) a description of the methodology of coordination and technology transfer; and

(6) the proposed participation by industry and academia in the planning and implementation of the program.

(c) Concurrently with the submission of the President's annual budget to the Congress for each year after the year in which the comprehensive 5-year plan is initially transmitted under subsection (b), the Administrator shall transmit to the Congress a detailed description of the current comprehensive plan, setting forth appropriate modifications which may be necessary to revise the plan as well as comments on and recommendations for improvements in the comprehensive program management plan made by the Hydrogen-Fueled Aircraft Advisory Committee established under section 207.

RESEARCH AND DEVELOPMENT

SEC. 203. (a) The Administrator shall establish, within the National Aeronautics and Space Administration, a research and development program consistent with the comprehensive 5-year program management plan under section 202 to ensure the development of a domestic hydrogen-fueled aircraft capability within the shortest time practicable.

(b) The Administrator shall initiate research or accelerate existing research in areas which may contribute to the development of a hydrogen-fueled aircraft capability.

(c) In conducting the program pursuant to this section, the Administrator shall encourage the establishment of domestic industrial capabilities to supply hydrogen-fueled aircraft systems or subsystems to the commercial marketplace.

(d) The Administrator shall, for the purpose of performing his responsibilities pursuant to this Act, solicit proposals for and evaluate any reasonable new or improved technology, a description of which is submitted to the Administrator in writing, which could lead or contribute to the development of hydrogen-fueled aircraft technology.

(e) The Administrator shall conduct evaluations, arrange for tests and demonstrations and disseminate to developers information, data, and materials necessary to support efforts undertaken pursuant to this section.

FLIGHT DEMONSTRATION

SEC. 204. (a) Concurrent with the activities carried out pursuant to section 203, the Administrator shall, in consultation with the Secretary of Transportation, the Secretary of Energy, and the Hydrogen-Fueled Aircraft Advisory Committee established under section 207, prepare a comprehensive flight demonstration plan, the implementation of

which shall provide confirmation of the technical feasibility, economic viability, and safety of liquid hydrogen as a fuel for commercial transport aircraft. The comprehensive flight plan shall include—

(1) a description of the necessary research and development activities that must be completed before initiation of a flight demonstration program;

(2) the selection of a domestic site where demonstration activities can lead to early commercialization of the concept;

(3) an assessment of a preliminary flight demonstration to occur concurrently with the later stages of research and development activities; and

(4) an implementation schedule with associated budget and program management resource requirements.

(b) The Administrator shall transmit such comprehensive flight demonstration plan to the Congress within 2 years after the date of the enactment of this Act.

HYDROGEN PRODUCTION AND GROUND FACILITIES

SEC. 205. (a) The Administrator, in consultation with the Secretary of Transportation and the Secretary of Energy, shall define the systems, subsystems, or components associated with the production, transportation, storage, and handling of liquid hydrogen that are specifically required for and unique to the use of such fuel for commercial aircraft application.

(b) The Administrator shall structure the research and development program pursuant to section 203 to allow the development of the systems, subsystems, or components defined pursuant to subsection (a) of this section.

(c) The research and development program for hydrogen production, transportation, and storage systems, subsystems, and components which are suitable for inclusion as part of a fully integrated hydrogen-fueled aircraft system, but which are not being specifically developed for such application shall be the responsibility of the Secretary of Energy. Such activities shall be included as part of the program established pursuant to title I of this Act, and shall be so conducted as to ensure compliance with hydrogen-fueled aircraft system constraints.

COORDINATION AND CONSULTATION

SEC. 206. (a) The Administrator shall have overall management responsibility for carrying out the program under this title. In carrying out such program, the Administrator, consistent with such overall management responsibility—

(1) shall utilize the expertise of the Departments of Transportation and Energy to the extent deemed appropriate by the Administrator, and

(2) may utilize the expertise of any other Federal agency in accordance with subsection (b) in carrying out any activities under this title, to the extent that the Administrator determines that any such agency has capabilities which would allow such agency to contribute to the purposes of this title.

(b) The Administrator may, in accordance with subsection (a), obtain the assistance of any department, agency, or instrumentality of the Executive branch of the Federal Government upon written request, on a reimbursable basis or otherwise and with the consent of such department, agency, or instrumentality. Each such request shall identify the assistance the Administrator deems necessary to carry out any duty under this title.

(c) The Administrator shall consult with the Secretary of Energy, the Administrator of the Environmental Protection Agency, the Secretary of Transportation, and the Hydrogen-Fueled Aircraft Advisory Committee established under section 207 in carrying out his authorities pursuant to this title.

ADVISORY COMMITTEE

SEC. 207. (a) there is hereby established a Hydrogen-Fueled Aircraft Advisory Committee, which shall advise the Administrator on the program under this title.

(b) The Committee shall be appointed by the Administrator and shall be comprised of at least 7 members from industrial, academic, financial, environmental, and legal organizations and such other entities as the Administrator deems appropriate. Appointments to the Committee shall be made within 90 days after the enactment of this Act. The Committee shall have a chairman, who shall be elected by the members from among their number.

(c) the heads of the departments, agencies, and instrumentalities of the Executive branch of the Federal Government shall cooperate with the Committee in carrying out the requirements of this section and shall furnish to the Committee such information as the Committee deems necessary to carry out this section.

(d) The Committee shall meet at least 4 times annually, notwithstanding subsections (e) and (f) of section 10 of Public Law 92-463.

(e) The Committee shall review and make any necessary recommendations on the following items, among others—

(1) the implementation and conduct of the program under this title; and

(2) the economic, technological, and environmental consequences of developing a hydrogen-fueled aircraft capability.

(f) The Committee shall prepare and submit annually to the Administrator a written report of its findings and recommendations with regard to the program under this title. The report shall include—

(1) a summary of the Committee's activities for the preceding year;

(2) an assessment and evaluation of the status of the program; and

(3) comments on and recommendations for improvements in the comprehensive 5-year program management plan required under section 202.

(g) The Administrator shall provide such staff, funds, and other support as may be necessary to enable the Committee to carry out the functions described in this section.

DEFINITIONS

SEC. 208. As used in this title—

(1) the term "Administrator" means the Administrator of the National Aeronautics and Space Administration;

(2) the term "capability" means proven technical ability; and

(3) the term "certifying agency" means any government entity with direct responsibility for assuring public safety in the operation of the air transport system.

AUTHORIZATION OF APPROPRIATIONS

SEC. 209. There is hereby authorized to be appropriated to carry out the purpose of this title—

(1) $10,000,000 for the fiscal year beginning October 1, 1989;

(2) $15,000,000 for the fiscal year beginning October 1, 1990;

(3) $20,000,000 for the fiscal year beginning October 1, 1991;

(4) $25,000,000 for the fiscal year beginning October 1, 1992; and

(5) $30,000,000 for the fiscal year beginning October 1, 1993.

FUEL CELL TECHNOLOGY

Mr. MATSUNAGA. Mr. President, at this time, I am also introducing two bills to advance the energy technology of fuel cells, together with Senators MURKOWSKI and BINGAMAN, as well as the cosponsors of my hydrogen measure: Senators INOUYE, WIRTH, PELL, and LIEBERMAN.

These measures passed the Senate by unanimous consent in the 100th Congress after being reported favorably by a unanimous vote of the Energy and Natural Resources Committee. Unfortunately, House action was not completed on them prior to adjournment.

Fuel cell energy technology is perhaps the most developed example of hydrogen energy. It is also an example of a technology pioneered in the United States for its space program and rapidly being taken up by other countries. The bills I am introducing are based on recommendations of a Congressional Research Service report on how best to bring this technology to commercial fruition.

One, the Renewable Energy/Fuel Cell Systems Integration Act supports research on the use of renewable energy sources to produce hydrogen for use in fuel cells, as well as the use of this technology as a backup system to renewable power systems in rural and isolated areas. Fuel cells have the potential to provide system continuity for unreliable renewable energy systems such as wind power. The bill would authorize $5 million for this integrative renewable energy/fuel cell research.

The second bill, the Fuel Cell Energy Utilization Act, would include fuel cells under the provisions of the Renewable Energy Industry Development Act as a fuel conservation technology, by itself or when used for cogeneration. This would empower the Department of Commerce to assess international markets for the technology and identify export barriers as well as opportunities. Included in this coverage would be integrated systems of fuel cells with renewable power technologies. The bill also would require the Environmental Protection Agency to prepare guidelines for the benefit of local governments in order to permit the use of fuel cells, subject to environmental and safety standards.

Mr. President, these bills reflect needed legislation and, again, I urge my colleagues to join me in achieving their speedy adoption. I ask unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 633

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Renewable Energy/Fuel Cell Systems Integration Act of 1989".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that while the Federal Government has invested heavily in fuel cell technology over the past 10 years ($334,700,000 in research and development on fuel cells for electric power production), research on technologies that enable fuel cells to use alternative fuel sources needs to be undertaken in order to fulfill the conservation promise of fuel cells as an energy source.

(b) PURPOSE.—The purpose of this Act is to authorize funds for research on technologies that will enable fuel cells to use alternative fuel sources.

SEC. 3. RESEARCH PROGRAM.

(a) PROGRAM AUTHORIZATION.—The Secretary of Energy shall implement and carry out a research program, pursuant to the Federal Non-Nuclear Energy Research and Development Act of 1974, for the purpose of—

(1) exploring the operation of fuel cells employing methane gas generated from various forms of biomass;

(2) developing technologies to use renewable energy sources, including wind and solar energy, to produce hydrogen for use in fuel cells; and

(3) determining the technical requirements for employing fuel cells for electric power production as backup spinning reserve components to renewable power systems in rural and isolated areas.

(b) GRANTS.—In carrying out the research program authorized in subsection (a), the Secretary of Energy may, subject to appropriations, make grants to, or enter into contracts with, private research laboratories.

SEC. 4. REPORT TO CONGRESS.

The Secretary of Energy shall transmit to the Congress on or before September 30, 1992, a comprehensive report on research carried out pursuant to this Act.

SEC. 5. AUTHORIZATION.

There are hereby authorized to be appropriated $5,000,000 for fiscal year 1990 to the Secretary of Energy to be used to conduct research as provided in this Act.

S. 634

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fuel Cells Energy Utilization Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) while the Federal Government has invested substantially in fuel cell technology through research and development during the past 10 years, there is no national policy for acting upon the findings of this research and development; and

(2) if such a national policy were developed, the public investment in fuel cell technology would be realized through reduced dependency on imported oil for energy and the consequent improvement in the international trade accounts of the United States.

SEC. 3. INCLUSION OF FUEL CELLS AS A FUEL CONSERVATION TECHNOLOGY UNDER REIDA.

Section 256 of the Energy Policy and Conservation Act is amended by inserting at the end thereof the following:

"(e) For purposes of this section, the term 'domestic renewable energy industry' shall include industries using fuel cell technology.".

SEC. 4. ENVIRONMENTAL PROTECTION AGENCY GUIDELINES FOR USE OF FUEL CELL TECHNOLOGIES.

Within 180 days of the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall prepare Federal guidelines for cities and municipalities specifying environmental and safety standards for the use of fuel cell technology. In the preparation of the guidelines, the Administrator shall utilize the successful experience of the New York City Fire Department in the use of fuel cell technologies.

SEC. 5. DEPARTMENT OF COMMERCE INVESTIGATION OF EXPORT MARKET POTENTIAL FOR INTEGRATED FUEL CELL SYSTEMS.

Within 180 days of the date of enactment of this Act, the Secretary of Commerce shall assess and report to Congress concerning the export market potential for integrated systems of fuel cells with renewable power technologies.

THE SOCIETY OF AMERICAN FLORISTS

Mr. HEINZ. Mr. President, I am pleased to join today in honoring the commendable and diligent efforts of the Society of American Florists in coordinating the floral designs for all the official bicentennial inaugural events. This tremendous undertaking was chaired by one of this country's finest retail florists from my own State of Pennsylvania, Charles Kremp III. Mr. Kremp's leadership, dedication, and resourcefulness was evident in each of the meticulously crafted floral arrangements. Each elaborate floral display lent an air of beauty, individuality, and pride to the various events and to the inauguration as a whole.

The Society of American Florists [SAF] is the only national trade association that represents all segments of the floral industry and each segment was represented in the group of more than 200 volunteers who came from around the country, at their own expense, to procure, prepare and design over 300,000 stems for the inaugural celebration. Growers, wholesalers and retailers donated their time, talents, expertise and resources to this effort. The industry should be proud of its accomplishment and congratulated on its success.

This is a time in our history when nations are recognizing the necessity of global cooperation, and neighborhoods are joining forces to enhance the lives of all community members. It serves as an example that the united efforts of a national industry, the floral industry, could result in unprecedented success on this celebrated occasion, as our country and the world focused attention on our Nation's Capital and the inauguration of the U.S. 41st President.

I would like to give special recognition and thanks to the inauguration floral volunteers from my State of Pennsylvania: Ira and Helen Bitner of Hanover, Frederick W. Davis of Wyomissing, John and Torrie Dillon of Bloomsburg, Chris Drummond of King of Prussia, Scott Edwards of Danville, Walter Fedyshyn of Pittsburgh, Daniel Firth of Burham, Nancy Gingrich of Lancaster, Andrew and Warren Goll of Bensalem, Frank Grau of Doylestown, Jeff Harmon of York, Debbie Keyes of Camphill, Charles and Gina Kremp III and Scott, Chad, and Andrew Kremp of Willow Grove, Thomas L. Luscombe of Greensburg, Gary E. and Kathryn Olson of Warren, Robert L. Pekula of Elkins Park, Chris Polites of Drexel Hill, Tim Rettger of Erie, Paul Saywell of Willow Grove, and Dennis and Carol Wolnick of University Park.

I salute the Society of American Florists, Charles Kremp, the volunteers from all over the country, and the floral industry for helping to make this historical bicentennial inauguration one to remember.

THE LIFE OF THE LATE PAUL M. BATOR

Mr. HUMPHREY. Mr. President, a few days ago, America lost one of its brightest legal minds, and a man of supreme personal and professional integrity and principle—Paul M. Bator.

Professor Bator, who was the John P. Wilson Professor at the University of Chicago Law School, died February 24, 1989, after a long illness. Despite his relatively young age, 59, Professor Bator had amassed an impressive record as a lawyer, legal scholar and educator, Supreme Court advocate, and public servant.

Professor Bator was born in Budapest in 1929 and came to America when he was 10 years old. He was graduated from Princeton in 1951 summa cum laude and class valedictorian.

He earned a master's degree in history from Harvard University and went on to get a law degree from Harvard Law School where he was editor of the Law Review and was graduated summa cum laude.

He also clerked for U.S. Supreme Court Justice John M. Harlan in 1956–1957 before going into private practice in New York.

In 1959, he joined the faculty of Harvard Law School and became a full professor in 1962 and taught there until 1982.

While there, Professor Bator wrote one of the most important articles on

the use of Federal habeas corpus in the Harvard Law Review, "Finality in Criminal Law and Habeas Corpus for State Prisoners."

Professor Bator examined the circumstances under which the habeas corpus jurisdiction of the Federal courts should be used to redetermine the merits of Federal questions decided in State court proceedings.

He argued that the use of Federal habeas corpus was appropriate in challenging the decisional processes used by State courts but not their results.

The bottom line of the article was that there has to be some point at which all judicial proceedings end, and that Federal habeas corpus has been misused to prevent that from happening in State court cases. Since it was written, it has been cited many times in opinions from the High Court.

Professor Bator also was an expert on the Federal courts and constitutional law.

He was coauthor of the second and third editions in 1973 and 1988 of "Federal Courts and the Federal System," a leading text on Federal jurisdiction. According to one colleague of Professor Bator, "it is more than a textbook. It is a treatise."

Harvard was Professor Bator's home until 1982 when he took a leave to serve President Ronald Reagan and his country as Deputy Solicitor General in the Justice Department.

He argued and won eight cases before the Supreme Court and wrote the briefs for many more during his tenure before being made counsel to the Solicitor General. The cases he argued and won included Hishon versus King & Spalding, holding that the civil rights statutes protect women associates at law firms; Grove City College versus Bell, narrowly construing the provisions of title IX of the Civil Rights Act—a decision subsequently reversed by Congress; Watt versus Community for Creative Non-Violence, establishing that the Constitution does not guarantee the homeless the right to camp in the memorial parks of Washington, DC; and Regan versus Wald, upholding the validity of currency restrictions imposed on travelers to Cuba.

Professor Bator was nominated for the Federal bench in 1984, but was forced to withdraw his name due to cardiac illness.

He returned to Harvard but in 1986 left to join the faculty at the University of Chicago Law School. While there he was also counsel to the law firm of Mayer, Platt & Brown, and engaged in an active appellate practice.

His most recent Supreme Court appearance was on October 4, 1988, for the U.S. Sentencing Commission, in a case challenging the constitutional validity of the Commission and the sentencing guidelines that the Congress instructed it to design.

On January 18, 1989, the Supreme Court upheld the Commission's position—and upheld the act of Congress that established the Commission. That decision was a victory for the Commission, for Congress, and for the superb appellate advocate who presented the persuasive argument.

His departure from Harvard for Chicago caused quite a stir in legal academic circles. He left, in part, because of disagreement over the critical legal studies movement there. For those who don't know what the "crits" are all about, a brief description: It is small radical movement in the law that argues that the laws, and even the Constitution, are simply tools that dominant factions in society used to oppress others. But even this bizarre notion was not what drove Professor Bator away.

It was, instead its anti-intellectual nature and subversive political tendencies that caused its disciples to try and take over power at the law school and to block appointments to the faculty of those who disagreed with their theories.

A true advocate of intellectual and academic freedom, Professor Bator was not opposed to the critical legal studies adherents' explorations in the law, but instead their attempts to preclude all others.

He left Harvard, therefore, to find intellectual freedom; that's truly the mark of an intellectual in the best sense of the word.

As for his own philosophy, Professor Bator was an adherent to the principle of judicial restraint which he learned from one of the great practitioners, the second Justice Harlan, for whom he clerked. When the great Justice died in 1971, Professor Bator praised Harlan's "faithfullness to law 'in the largest sense—the sense that makes democracy possible.' He was 'one of those rare public men for whom democratic faith meant fidelity to the whole law, every day and not every other day, fidelity not only to those rules which define other people's power but also those which limited his own.'"

The young clerk learned well, for now, after his own passing, the same could be said about Professor Bator.

He would have made a fine judge and I would have been honored to support his confirmation in 1984 had he not been forced to withdraw for health reasons.

Professor Bator also believed that the original intent of the framers should be earnestly sought and heeded wherever it could fairly be discerned. In a 1986 interview in Chicago Lawyer, Professor Bator was asked:

Is the extrapolation of the original intent of the framers of the Constitution the proper antidote to judicial activism?

The following excerpt from his answer, I think, explains precisely why original meaning is so important in interpreting the Constitution and why he was such a powerful force in the law.

The art of interpretation—interpretation that is animated by fidelity to the law—is a difficult one and a creative one. It is not completely unlike one of musical interpretation.

We think that it would be absolutely ridiculous if somebody said that a pianist could take a Beethoven sonata and then could play any note he wants to because Beethoven's intentions have nothing to do with it.

I agree with many who feel that the style of a very free-wheeling, subjective, decision-making policy had gone way too far. It is a good thing that there is a call for a more disciplined, objective, and restrained judicial style.

Mr. President, Professor Bator gave a much longer and even more eloquent exposition of his judicial philosophy at the investiture of Judge Kenneth W. Starr to the U.S. Court of Appeals for the D.C. Circuit in 1983.

I would ask that an excerpt from that speech be included in the RECORD at the conclusion of my remarks.

My personal contact with Professor Bator came during the hearings on the nomination of Judge Robert Bork to the U.S. Supreme Court.

Professor Bator came to testify on behalf of Judge Bork. His words were clear and simple. They cut through the hysteria of the time and set out the dangerous precedent the Senate was creating:

The practice of converting the confirmation process to a plebescite based on constitutional philosophy seems to me mistaken.

To testify on behalf of Judge Bork entailed a certain amount of risk.

It has been not quite 2 years since his nomination, but my colleagues no doubt still remember the atmosphere. Clearly it would have been easier for Professor Bator not to testify, as some of Judge Bork's former colleagues chose not to testify.

But Professor Bator felt strongly about the role law professors played in the Bork confirmation battle.

He worried about the difference they made in the fight, and felt that they lent an aura of respectability to the opposition when, in fact, their opposition to Judge Bork's legal philosophy was anti-intellectual.

Indeed he incisively noted that in his testimony:

What has been characteristic about the attack on Judge Bork, it seems to me, is precisely that a single—and highly controversial—theory of constitutional interpretation has been put forward as the only legitimate one, and all those who disagree with it read out of the mainstream. And, of course, it is particularly ironic that those who are now so cheerfully and aggressively encouraging the Senate to impose this narrow orthodoxy are persons who, on other days, never tire of flaunting their special fervor about the first amendment.

To step forward and be counted in the firestorm was an act of friendship, but to be sure it was proof of a conviction to principle, intellectual and academic freedom.

Men and women like Paul Bator are rare. Students and professors alike should look and learn from his example of rigorous intellectual honesty.

And even though I did not know him well, I mourn his passing, as do many thousands across our land.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

EASTERN AIRLINES LABOR DISPUTE LEGISLATION

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 9 o'clock having arrived, the majority leader is authorized to proceed to consideration of H.R. 1231.

Mr. MITCHELL. Mr. President, I move to proceed to Calendar Order No. 33, H.R. 1231, the Eastern Airlines labor dispute legislation.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion.

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I understand there is a time agreement; am I correct?

The ACTING PRESIDENT pro tempore. The Senator is correct; there is a time agreement, time to be equally divided between now and 10:30 a.m.

Mr. KENNEDY. So each side has 45 minutes; is that correct?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. KENNEDY. Mr. President, I yield myself such time as I may use.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I rise in strong support of H.R. 1231, and urge the Senate send it to the White House at the earliest opportunity.

I am sure we will hear in this debate that since Eastern is in bankruptcy, Congress should not intervene. That somehow the shroud of bankruptcy sanctifies all that lies beneath.

But I think that if we lift that shroud and take a good look at what isn't there, we may find that the need for our intervention is even greater than we thought.

First, we have to recognize we are dealing with a master.

Frank Lorenzo has used the bankruptcy process before to get rid of the workers at Continental, and it seems clear he is trying it again at Eastern.

Our bankruptcy laws were intended to give businesses in distress the chance to seek court protection while they reorganize their affairs.

But our bankruptcy laws should not provide a roadmap by which union-busting management can strip a business of its valuable assets and leave behind a debt-ridden shell unable to carry on its business.

That's exactly what Texas Air has done with its subsidiary, Eastern. Over the last 3 years, Texas Air has systematically looted Eastern of its most valuable assets in a long series of highly questionable transactions. I will just mention of few of the more egregious ones:

In April 1987, Eastern sold its vaunted computer reservation system to Texas Air for a give-away price of $100 million, payable over 25 years at 6 percent.

Eastern now pays Texas Air $10 million a month to use their old reservation system! Texas Air makes more each year from the system than it will have to pay Eastern 25 years after the purchase.

Eastern sold 11 gates at Newark Airport to Continental for a $10 million dollar, 10-percent note due in 1998, half the appraised value.

Eastern also pays Texas Air $12 million a year in fuel service fees and $6 million a year in management—or should we say mismanagement—fees.

Eastern also tried to sell its shuttle to Texas Air for $125 million in cash and a $100 million note. Far below the $365 million Donald Trump has agreed to pay.

These dubious deals, and a host of other questionable loans, fees, payments, and other transactions between Eastern and Texas Air have enriched the Texas Air while driving Eastern into bankruptcy.

Some claim Frank Lorenzo intentionally stripped Eastern and intentionally has driven it into bankruptcy. Others feel he is merely utterly incapable of running an airline.

I think there is ample evidence supporting both positions. But there is no evidence on which he can base his claim that his employees wages are the cause of his problems, or that slashing them further will save the airline.

If union-busting and low wages were the solution, Continental would not be losing as much money as Eastern. But it is.

Eastern is not going to survive sitting on the ground.

Frank Lorenzo will carve it up and sell it for scrap. The only hope for the airline to survive as anything more than a spare parts bin for Texas Air is to get back in the air, while a panel of experts recommends a fair and workable settlement in this festering dispute.

I share the concerns expressed last night by my colleague from Florida. Each day of delay, each day of a moribund Eastern losing millions of dollars and thousands of customers is another nail in the coffin for what was once a great airline.

Over 30,000 workers and their families—the Eastern family—face collectively the worst crisis in their lives. And unless an emergency board is created and the planes get back in the air and the passengers fill those seats, it could be the end.

The President chose to be the first President not to follow the recommendations of the mediation board. One of the reasons for not acting cited by the Secretary of Transportation was that Eastern was losing a million dollars a day.

Look at what Eastern is losing now, Mr. Secretary, and tell me whether Eastern is better off financially by your inaction.

Another reason cited by the Secretary of Transportation was that there would be no disruption.

Look at the shambles in Miami, New England, the Eastern seaboard, Mr. Secretary. A major competitor is grounded, airlines depending on Eastern connections are shutting down, and many towns have been deprived of their only air service.

The Secretary of Transportation claimed this would not be a national emergency, and the President would not intervene and Congress should not intervene.

Yet not 7 months ago, this same Secretary, Samuel Skinner, wrote to us in Congress demanding intervention in a rail dispute in Chicago. Mr. Skinner claimed "it is Congress' public responsibility to this region," to intervene.

Over the objection of the local union, we did intervene, and imposed the recommendations of the emergency board.

By unanimous consent, we did what rail management and Samuel Skinner urged us to do, and not a single Member of this body objected.

But they object now, and Secretary Skinner somehow has changed his views about Congress' "public responsibilities."

Mr. President, I hope that we will be able to address this issue and take the action which is necessary in order to preserve the airline, to protect the employees and the passengers, and the regions that will be affected by this bankruptcy, and that we take the action and pass the legislation which is before us.

Mr. President, I reserve the remainder of my time.

The PRESIDENT pro tempore. The Senator from Missouri.

Mr. DANFORTH. Mr. President, the time on this side has been under the control of Senator HATCH. However, Senator HATCH is not on the floor right now and I have been asked to control the time on this side.

The PRESIDENT pro tempore. The Senator may proceed. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, I think that the real question before us is whether we are going to act before this legislation receives at least some attention from the Labor Committee or whether we are going to have a review of the legislation by the Labor Committee before we act. The time is about the same either way.

The present situation is that 1½ hours has been allocated today to debate a motion to proceed. In other words, there is no chance at all that this legislation is going to be passed today; nor is it going to be passed next week because the Senate will be in recess. Nor will it be passed the week after, because the Senate will be in recess.

The earliest we can get to this bill is on April 4, the Tuesday after the Easter recess. That is the earliest we could get to it under any circumstances, and the majority leader has indicated that he prefers that we proceed not to this bill, but instead to the minimum wage bill.

So let us take a very optimistic view of the minimum wage bill and say it is on the floor just a couple of days and say that we invoke cloture on the motion to proceed on the Wednesday after we return, which would be April 5. Then eventually we would get on this bill, but it would probably be the week that begins April 10 before we would get on the bill.

So we are not talking about whether or not we are going to pass legislation now. That is not the issue that is before us. The issue is, during the interim period, prior to sometime around April 10, when this legislation will be on the floor, is the Labor Committee going to address the matter at all? Is the Labor Committee going to ask the experts what the effect of the legislation is? Is the Labor Committee going to hold any hearings? Even send out any questionnaires asking for information? Or instead, are we going to proceed to consideration of this bill without referring it to the committee?

I made the suggestion to the majority leader yesterday that the orderly way to go about this was to shop a unanimous-consent agreement referring the bill to the Labor Committee, discharging the Labor Committee on Friday of the week after we return, and bringing the bill to the floor the following Monday, which would be April 10, about the same time the bill would come to the floor in any event.

And, in fact, on this side, we put out the hot line. We asked Senators their opinion, and there was agreement. We have unanimous consent on this side to proceed to this bill on April 10 provided there is an opportunity by the Labor Committee to consider the meaning of the legislation in the first place.

Mr. President, I am not standing on the floor either to attack or defend Mr. Frank Lorenzo. That is not the question. All of us want the strike ended. All of us want the planes flying. All of us want competition in the airline industry. All of us want Eastern to survive in the strongest fashion possible. The issue is, Do we really know whether this legislation is going to make it more or less likely for Eastern to survive?

I think an argument can be made that if we were to pass this legislation, we would make matters worse, not better. I believe an argument can be made that this legislation would make the airline weaker; that it would minimize the possibility that another buyer could be found for the airline; that it would interfere with the operation of the bankruptcy court. I think those arguments can be made, but I do not know if they can be made successfully. That is why I believe the Labor Committee should address this matter even for 5 days, and I do not understand why the Labor Committee does not want to address this matter for 5 days. I cannot imagine why the committee could not spend just a short amount of time exploring the meaning of the bill.

Here is one problem, Mr. President. One problem is that a bankruptcy court has assumed jurisdiction of this matter, has assumed jurisdiction over the operations of Eastern Airlines. I have been informed that there is no law telling us the relationship between the jurisdiction of a bankruptcy court, which has to approve all agreements on one hand, and the operation of a Presidential emergency board on the other hand.

I am informed that there has never been a case where they have both existed simultaneously. Maybe I am wrong. I would be happy to stand corrected, but if it is novel for a bankruptcy court and an emergency board to operate at the same time, how do they work together? Who makes decisions? And should we not know, and why should we not know the answer to that question if we are not going to be voting on this matter until the week of April 10 anyhow?

Then there is the question of the purchasers. The papers have been filled with stories about potential purchasers of Eastern Airlines. Mr. Donald Trump has apparently agreed to purchase the Eastern shuttle. The employees of Eastern Airlines are exploring the possibility of purchasing it. Carl Icahn has explored the possibility of purchasing the airline with the encouragement of the International Association of Machinists. Eastern itself has asked the firm of Drexel Burnham Lambert to look into the possibility of finding buyers.

How does that quest for purchasers key into the appointment of an emergency board? I could imagine that the appointment of an emergency board, which would put things on hold for 26 days after passage of the legislation and then make recommendations which Congress could act on relating to these labor contracts, I think a case could be made that the very existence of such a board would have a chilling effect on any consideration of purchase.

We do not know the answer to these questions, Mr. President, and I do not understand why we do not have the curiosity to at least find out. I think that it is very possible that if we were to pass this bill, we would not make things better for the employees of Eastern Airlines; we would make things much worse. I think that it is very possible that if we were to pass this legislation, their agony would be prolonged. I believe that it is possible that if we were to pass this legislation, this matter might drag on through March, through April, well into May, maybe into the summer before it is resolved. And, therefore, I think this should be referred to committee, and I believe that is the issue before the Senate, and I am puzzled at the apparent lack of interest by the Labor Committee insomuch as having a hearing on this matter.

I reserve the remainder of my time.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. The suggestion that is made by my good friend is that we ought to have a hearing. The legislation that provided for a board to consider the recommendations of the mediation board has been in effect for 60 years—60 years. This is the first President since Franklin Roosevelt that has refused to appoint a board to make recommendations for the employees, as well as for the employers.

President Reagan did it 10 times. Not once did he refuse to do so. But this President did. All we are attempting by congressional action is to do what every President has done since Franklin Roosevelt. And he says we have to have another hearing. You tell that to the tens of thousands of workers and their families. You tell them we are going to have another hearing. We are not taking a new procedure. This has been going on for years and years and year and years. All we want to do is to follow the time honored precedent of the past.

Now, if the Senator is suggesting that we, in the Labor Committee, take a look at what this panel will recommend in terms of the employers and the employees, maybe that makes some sense. But why not convene that board now and then permit the Labor Committee to take a look at that rec-

ommendation, whether we in fact then will take legislative action that will affect the employees and the employers. That perhaps makes some sense. But why wait? Why wait now for the 2-week period when all we are trying to do is follow time honored precedent and say, OK, we have an emergency. This President would not convene the board, which was recommended by the Mediation Board, the first one in 34 air disputes—first one, the first President who refused to convene a board. Why do that? Oh, that is what we are attempting to do, Mr. President.

Now, maybe the Senator feels that in another 2 weeks while the Senate is in recess we can tell these employees, men and women who have to put food on the table and pay their mortgages and who have health care bills, they can wait for a hearing. What we are attempting to do today is to assure that the procedures will be followed and that we will have a 14-day review. It can be extended by Presidential discretion by 5 days. Seven days to consider the recommendations of the board and then if necessary we can take action. Perhaps then, prior to the final action, it makes sense but certainly not today.

So, Mr. President, we ought to recognize what is going on the floor of the Senate, that this administration is effectively blocking any kind of action. Make no mistake about it. They talk about bankruptcy, they talk about hearings, they talk about everything else. But they are saying no to any kind of action. No. No, to the workers, their families, no to the passengers, no to the communities, in New England and all along the eastern seaboard. The answer is no, we will not permit action.

If that is going to be the position of the administration, we can understand it since this President refused to appoint a board to make the recommendations. Now apparently the supporters of the President, are saying no to the Senate. A few hours debate in the House of Representatives and this measure was overwhelmingly approved, by Republicans and Democrats alike. But not in the Senate.

That is really what we are faced with. We know it is Friday, but, Mr. President, it is an emergency. This body can act when it is faced with an emergency and an emergency is what is before us. That is why President Reagan acted 10 times and previous Presidents over a period of 50 years have acted 20 times. But in this case evidently this administration wants to say no to taking what is a reasonable course of action, establishing an emergency board. This would give us an opportunity to consider what that board might recommend, and then take legislative action if we must, but at least it would get Eastern Airlines back in the air. The public knows there is a dispute now.

We hear, "well, we can't do that because it is going to cost resources. Eastern was losing a million dollars a day."

Well, it is losing five times as much as that every day it is on the ground. Why not get it back in the air, give the board an opportunity for a reasonable period of time, the 14 days to study this and several days for the parties to consider the recommendations. When we come back from the recess, we will be able to take the action and be able to make a final judgment. In some cases it makes sense to delay, but in this case we are talking about an emergency. That is why it is essential that we move on this legislation today.

Mr. DANFORTH addressed the Chair.

Mr. KENNEDY. Mr. President, I will be glad to yield to the Senator from Illinois whatever time he wishes.

Mr. SIMON. I thank the Senator from Massachusetts, the chairman of the committee.

Mr. President, my colleagues in the Senate, I think this bill should pass. As the Senator from Massachusetts has said, every President since the 1940's, when we faced this kind of a situation, has used that emergency power. It is very interesting that the emergency board's recommendations in 34 of those disputes, 34 of those 36 have been solved because both labor and management accepted the recommendations of the emergency board.

Now, this legislation does not say they are going to have to work for another 60 days. This legislation is modest legislation that says let us move on this thing, let us have a report in 14 days. Let us see that we can get things worked out.

Just in general, Mr. President, we have better labor-management relations in this country, and I am pleased to say it. I would say to my friend from Missouri, if Frank Lorenzo was the chief executive officer of Ralston Purina, instead of that stock selling for $75 or $80, it would be selling for $7 or $8 today in the market. What has happened is you have what the Wall Street Journal calls "upstreaming" of the funds from Eastern. We are not talking about a company that is broke. We are talking about a corporation whose funds have been drained by the chief executive officer.

Let me just give you two examples. Eastern purchased a small commuter airline for $1.5 million. They paid a financial advisory fee to the parent corporation of $1 million for the financial advice. That is pretty healthy fee for financial advice.

Let me give you another example. Eastern had a computer reservation system that according to their own documents was worth somewhere between $200 million and $500 million. They sold it for $100 million, not in cash, $100 million in notes and then signed a contract to pay $130 million for the use of the reservation system, and of course the corporation that they sold it to was another Lorenzo corporation. What is happening is you are simply having the money from Eastern being drained off, upstreamed in this particular case.

Why invoke this emergency legislation? Because we are doing great harm to the Nation. We are doing harm to the aviation industry. We are doing harm to the communities involved—Miami, Boston, LaGuardia, Washington National. Eastern is the largest single carrier in each one of those cities. We are doing harm to families. we are doing harm to the whole climate of labor-management relations. There is no guarantee that if this emergency legislation is invoked and there is a report back in 2 weeks as to what should happen it is going to be effective. It may be that 2 weeks from now we will be back in a strike situation. But let us try to avoid it.

I cannot help but contrast what is happening here with seeing a picture of Lee Iaccoca the other day handing a check, profit sharing check, to a member of the United Automobile Workers. Lee Iaccoca and Chrysler recognize that management and labor have to get together and work together as we have in most industries in this country. That is unfortunately not recognized by the chief executive officer of Eastern.

Let us see if we cannot get this thing settled. We are setting a bad precedent if we do not enact this emergency legislation. The President for reasons I do not comprehend has made a decision that is unprecedented in terms of refusing to act in this airlines strike.

I hope we will do the responsible thing and respond.

I yield the remainder of my time to the chairman of the committee.

Mr. DANFORTH addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

Mr. DANFORTH. I wonder if the Senator will yield me 5 minutes?

Mr. President, my suggestion was that hearings be held by the Labor Committee before we act. Senator KENNEDY suggested, well, this is just a delaying tactic and that we should act quickly. But it is not a delaying tactic. I think the problem that he is referring to is not any delay that is caused by any Senator on this side of the aisle, but rather the fact that a recess of 2 weeks has been scheduled.

If the Senator is correct that it is truly an emergency, then we should work through the recess. Nobody on this side of the aisle scheduled the recess. My suggestion to the majority leader was on the assumption that we

were going to have the recess, and then after the recess the Labor Committee could meet for a week. Then we could bring it to the floor. We were willing to set a date certain for bringing it to the floor. But this Senator does not see any reason why we should not speed the matter up just so long as we could have some consideration by the Labor Committee.

If the Labor Committee were to hold its hearings next week, if the chairman and the ranking member of the Labor Committee could convene a hearing next week, hear from some experts about the relationship between the appointment of an emergency board and the bankruptcy court, hear some testimony about what the appointment of an emergency board would do with reference to trying to get other parties interested in purchasing the airline, then make a report, then we could bring it back immediately after Easter. If that is what the Senator is suggesting, we could move this process forward.

But I do not think we should move it forward without thinking. I mean maybe thinking first is not a requirement for acting in the government. A lot of people would suggest that. Maybe we do not have to have hearings or even debate, just bring things up and pass them, report bill numbers. We do not have to even have the titles reported, I suppose. But it seems to me that government sometimes does more harm than good.

I think this is a case where government can do more harm than good. I think this is a case where government by its action can actually delay the resolution of this problem. I think that if we were to pass this legislation without knowing what we were doing, the possibility is by passing it we would be saying no to those employees of Eastern Airlines and no to their families.

I do not want to do that. I want to help them, not hurt them. I do not want to pass legislation that is going to hurt those people. I do not want to pass legislation that is going to make it impossible for the planes to get back in the air. I want to do something that is wise and not foolish.

We did not set the schedule of the Senate on this side. We did not set the recess schedule. If we want to cancel the recess schedule I will be here, and I am confident members of the Labor Committee could be brought here. They might have to cancel some plans in order to do that and make some people unhappy. But if it is all that rush, rush, let us rush; but let us not rush without thinking.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. KENNEDY addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am really quite amazed at my good friend suggesting that we need a long hearing. You know, I can remember when being on the floor here in 1986 the Senator from Missouri offered an amendment affecting the TWA-Ozark Airline merger in order to preserve the working conditions for employees. He did not ask for days of hearings at that time. We might have had 1 hour of debate on it. Why? Because the Senator said it is an emergency. It is an emergency. We ought to act now.

There are people, families, that are going to be discombobulated if we do not do that now. There are going to be men and women who live in "my" own State whose lives are going to be affected, trying to put bread on the table, heating their homes, and pay their mortgages. We need to act now, said the Senator from Missouri. We need to act right now.

He was not suggesting at that time to the Senator from Utah and myself, let us have some hearings. No, he said, "Now; it is an emergency."

And what happened? It ended up being a 49-49 vote. Now the employees that live down in Miami, he is saying, "Let us have either some hearings next week so we can act 2 weeks from now perhaps." No suggestion of a time certain for final action or disposition. Oh, no. But he wanted a final time to his position when it affected the merger between TWA and Ozark Airlines.

Mr. HATCH. Will the Senator yield for a question?

Mr. KENNEDY. Not yet.

You cannot have it both ways. What is sauce for the goose is sauce for the gander, for those workers all along the eastern seaboard. I am amazed at that argument. I am really amazed at that argument.

So, Mr. President, it is time to act—more hearings? Our good friends over in the House of Representatives had 1 day, and they took action—1 day. Four hundred and thirty-five Members of the House of Representatives knew what they were dealing with. They were dealing with time-honored precedents.

This is not a new issue, Mr. President. This is an old issue. We have considered all of the facts in terms of this whole process and procedure. We do not need hearings on whether to establish a board. We know what that has been.

Mr. President, it is an emergency. We can act now. We can act today. Let us move ahead and call the roll.

So I would hope, Mr. President, that the kind of urgency that the Senator from Missouri exhibited at another time when it affected so many workers in his constituency, the same passion which he echoed—I think it was on an evening, on the continuing resolution—I think these other workers are entitled to that kind of consideration.

So I yield to the Senator.

Mr. HATCH. I just would like to point out to the Senator and ask him a question. I would like to point out to the Senator——

Mr. KENNEDY. Could I just find out how much time I have left?

The PRESIDING OFFICER (Mr. BREAUX). The Senator from Massachusetts controls 21 minutes and 20 seconds.

Mr. KENNEDY. I would be glad to yield.

Mr. HATCH. How much time do I have?

The PRESIDING OFFICER. The Senator from Utah controls 30 minutes.

Mr. KENNEDY. I am glad to yield to the Senator from Utah on his time.

Mr. HATCH. Why do I not withdraw? I will make my point because I think it rebuts the distinguished Senator from Massachusetts.

Mr. KENNEDY. I withhold the balance of my time.

Mr. HATCH. Mr. President, I remind the distinguished Senator from Massachusetts that as much as he is finding fault with the suggestion of the distinguished Senator from Missouri, the Senator from Missouri happens to be right here.

I can remember just a few years ago when the distinguished Senator from Massachusetts and myself insisted on hearings in a nationwide rail strike. It was during those hearings that the whole matter was resolved. We actually reached an accommodation right there at those hearings that, as far as I could see, actually resulted in the settling of the whole nationwide rail strike.

The Senator from Missouri is right. This is not something that is an emergency right now. This dispute has been going on for 17 months, now 18 months, during which time the National Mediation Board kept it bottled up, knowing that the parties were getting farther apart. It was not until January, 13 months after the contract expired, that the Board finally declared an impasse.

The thing that bothers me is that Senators and Congress people like my good friend from Massachusetts are constantly saying, let us let the collective bargaining process work. That is, until it is not working the way they want it to work. Then, suddenly, there is a so-called emergency, and they want to impose a Federal Government solution to that emergency. They want to impose it on both parties.

Now, the reason they want to do so is that, invariably, those impositions favor their side of the equation, as they view it. In my view, neither side of the equation deserves to be favored in this matter. They both appear to be

wrong to me. Neither of them appears to have worked hard to try to resolve this, neither management nor labor. They say they have worked hard, but they have actually moved farther apart, with all the help of the National Mediation Board, for 18 months now.

The President has taken a principled position. That position is that this is a dispute between two private parties and we are going to let them settle it within the framework of the collective bargaining system.

What ultimately happened, though, is that management felt that the pilots would cross over if the machinists struck and they did not. When they did not cross over, in management's view, it had no choice. Losing at least a million and a half dollars a day, having lost many millions of dollars before this, in their opinion the only recourse was to put Eastern Airlines into chapter 11 bankruptcy.

The fact that Eastern is now in bankruptcy substantially complicates this matter. I have extremely serious concerns that requiring the establishment of an emergency board, which would result in restoring the status quo ante, will operate to the detriment of every creditor of Eastern Airlines—and, I might add, to the detriment of Eastern Airlines and every worker of Eastern Airlines. This is because the only chance of resolving this mess is through the bankruptcy courts, and the establishment of an emergency board would substantially complicate and interfere with the bankruptcy proceeding. I think there is a good chance Eastern can be saved. But, if we go the route of the distinguished Senator from Massachusetts and his friends in the House, kiss Eastern Airlines goodbye. It is unfortunate to say this, but I believe that there are those who want this so-called emergency board for one reason: They want to kiss Eastern Airlines goodbye.

I do not believe that management is part of that particular group. They want to save Eastern if they can, realizing that there is no way this can be accomplished if they are required to restore the status quo in terms of wages and working conditions during an emergency board's tenure.

Mr. President, at this point, I would like to read portions of a letter from the distinguished Secretary of Transportation sent to the Representatives in the House. In the letter, Secretary Skinner says:

We understand that the House may act this week on H.R. 1231, a bill that seeks to force the President not only to empanel an Emergency Board with respect to the dispute between Eastern Airlines, Inc. ("EAL") and the International Association of Machinists and Aerospace Workers ("IAM"), but also to place the government squarely in the middle of two other ongoing labor disputes with EAL that have not even reached impasse. So that there can be no doubt—the President strongly opposes this bill, and his senior advisors would recommend that he veto this or any similar bill.

So even if this bill does pass, the President is going to veto it. I believe that veto would be upheld. If that is so, then it appears to me that this is an exercise in politics rather than an exercise in trying to save Eastern Airlines. It may be an exercise to try to embarrass the President, when the President has taken a very principled position: Let the collective bargaining process work between two independent entities that are fighting each other.

The Secretary's letter continues as follows:

As you are aware, the President already has decided that no compelling reason exists to justify formation of an Emergency Board. The President announced his decision on March 3, 1989, and no new facts exist to warrant a different conclusion. At the time of his decision, the President cited his strong aversion to unwarranted government intervention in the collective bargaining process. This applies with even greater force today, as we have witnessed the dynamics of the marketplace rapidly unfold, with other carriers quickly filling the void left by EAL's scaled-back operations.

In short, no emergency exists, and the President strongly believes that government should not be dictating the economic terms of labor contracts. Moreover, it is unlikely that such "stop gap" measures ultimately will inure to the benefit of the public and, as recent events have made so painfully clear, an additional cooling-off period after 17 months of fruitless negotiations will not be a panacea to resolve this dispute. It is only the specter of secondary boycotts, which are strictly limited in all other labor disputes, that threatens to disrupt our Nation's transportation system. If boycotts were to occur, the solution is not legislation requiring an Emergency Board, but legislation to disallow secondary boycotts across the board.

Additional reasons militate against passage of this bill, including:

Not only does the bill address the machinists who are on strike without a contract, but it also applies to the Air Line Pilots Association and the Transport Workers Union of America. A mandated settlement for all three unions, two of which are still under contract, would be an unwarranted intrusion into the collective bargaining process.

Now that Eastern is within the jurisdiction of the bankruptcy court, a solution to a labor/management dispute imposed by the executive or legislative branch is especially inappropriate. Under bankruptcy law, the presiding judge is now the focal point and arbiter of creditor, employee, and stockholder rights, without special, "add on" direction from bills such as H.R. 1231.

Return of the parties to pre-strike conditions, as envisioned in H.R. 1231, could require expenditures of millions of dollars to prepare for traffic that never materializes, draining the company of assets that should contribute to reorganization. Ticket-holders, vendors, and the federal government are just some of the parties in addition to the employees that stand to lose.

Finally, the constitutionality of the bill itself is open to question. Article I, section 8, clause 4 requires that Congress establish "uniform Laws on the subject of Bankruptcies throughout the United States." H.R. 1231 would clearly apply to Eastern alone, impact directly on the operations of the debtor-in-possession, and arguably provide a favorable status for employees over the airline's creditors.

At the bottom, the long-running dispute between EAL and the machinists has benefited as much as it can from federally mandated "status quo" and "cooling-off" periods. It is time for management and labor, now under the auspices of the bankruptcy court, to work out their differences and reach an agreed-upon solution to this dispute. If America is to remain a competitive force in our global economy, labor and management can and must negotiate and work together, without undue governmental intrusion, to provide the best products and services at the lowest cost to the most people.

I agree with the Secretary's views. Imposing a Presidential emergency board under the current circumstances is both unprecedented and unwarranted. As he points out, return of the parties to prestrike conditions as envisioned in H.R. 1231 could require expenditures of millions of dollars to prepare for traffic that never materializes and thus drain the company's assets, which would otherwise aid its reorganization. Such a drain would come at the expense of numerous parties including ticketholders, creditors, and the Federal Government and its taxpayers.

Now, I have sympathy for the employees, too, but given that Eastern is in bankruptcy, we ought to allow these very carefully thought-out laws to work. It is the only way this airline might have a chance at being saved which will ultimately be to the benefit of all concerned. Furthermore, I share the Secretary's concerns about the constitutionality of establishing the emergency board given the pending bankruptcy proceeding. In sum, I think that the Secretary's letter basically says it all.

At this particular point, I also ask unanimous consent that additional materials including five editorials and a series of other statements that provide further support for the President's position be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From USA Today]

KEEP GOVERNMENT OUT OF EASTERN STRIKE

President George Bush is right not to interfere in the Eastern Airlines strike. And Congress should butt out, too.

The president has been under intense pressure to order the strikers back to work for 60 days to cool off. Congress is rushing to pass a law to make him do it.

That would be a big mistake, despite what AFL-CIO President Lane Kirkland writes on the opposite side of this page.

Eastern's contract dispute with its machinists and baggage handlers has been going on for 17 months. The workers want an 8 percent raise; Eastern wants to cut their paychecks.

A federally mandated 30-day cooling-off period that ended last week didn't bring them any closer to agreement.

Another 60 days wouldn't help, either. It might have delayed Eastern's filing for bankruptcy, Thursday. It definitely would discourage serious bargaining for two months.

Bankruptcy shouldn't be used to break a strike. It won't end this one. It only keeps creditors off Eastern's back.

The outcome of this strike will reach beyond Eastern's employees in Boston and Miami, and passengers it serves in New York and Washington. Workers and air passengers in Los Angeles, Dallas and St. Louis have a stake, too.

If Eastern busts the union, it could have a domino effect in labor-management relations elsewhere. And if Eastern dies, the reduced competition means everybody probably will pay more to fly on the remaining airlines.

Eastern workers and their families who are sacrificing for what they believe in deserve our consideration. And we all should be concerned about the bankruptcy of an airline.

But that doesn't make it a national emergency. Not yet.

Right now, this battle is between Eastern's managers and workers. They should be left alone to solve their problems.

As for the traveling public, there are plenty of alternatives. More than 1.2 million passengers fly daily aboard 3,300 aircraft making 16,000 flights. Eastern flies only 100,000 passengers on 1,040 scheduled flights aboard 250 aircraft.

Eastern and its unions have snarled at each other for years. The fighting turned vicious when Frank Lorenzo, who has a reputation for union busting, made the airline part of his Texas Air empire in 1986.

Lorenzo's relations with his Eastern employees got so bad that Federal investigators concluded last year the fighting could jeopardize flying safety.

Once the USA's third largest airline, Eastern has slipped to seventh. It has lost $1.2 billion the last 14 years and has $2.5 billion in debts, costing $800,000 a day in interest.

And unionized Eastern workers have taken three pay cuts or pay freezes since 1976.

There are no heroes in this sorry saga.

Instead of compromising, Lorenzo would rather surrender control of the airline to a bankruptcy court. Instead of compromising, the unions are willing to let this proud, 63-year-old airline die.

That's a formula for failure. Frank Lorenzo and the unions should sit down and work out their differences.

But not in the White House. Or in Congress. Strikes should be settled at the bargaining table.

[From the New York Times, Mar. 12, 1989]

KEEP THE PUBLIC INTEREST FLYING

Is there life after bankruptcy for Eastern Airlines? It's too early to tell. What's already clear, though, is that if Eastern dies, competition will be reduced and travelers will pay higher fares.

After a week in which Eastern strikers portrayed themselves as the victims of a ruthless robber baron and rail unions threatened to sever vital transport links in sympathy, it was easy to conclude that great principles were on the line. In fact, this is an ordinary strike and an ordinary bankruptcy, costumed as class warfare by union officials.

Eastern hobbled by pugnacious unions and by managers slow to adjust to open competition, had fallen deeply into debt by 1986 when Texas Air bought it. The new management quickly decided that the airline's best hope for survival was to confront labor on wages and work rules, and to use the savings to underprice the competition.

The strategy has thus far failed. Eastern asked its ground crews to take a one-third pay cut from a top wage of $15 an hour, offering in return to train them, free, for mechanics' jobs. The union responded with a flat refusal and a campaign to discredit Eastern's safety practices. They didn't win over inspectors but did scare away passengers. And when regulators finally released the airline from the provisions of their expired labor contracts, Eastern was unable to persuade pilots to cross the picket lines.

Bankruptcy does not permit Eastern to escape legal obligations to creditors, pensioners or workers still under contract. But it does allow management to delay debt payments, giving it a few months' leeway to rebuild the airline and coax back its customers. It also signals Eastern's determination to carry on with or without striking workers.

Ground services have been contracted out. And as the recent history at T.W.A. shows, striking flight attendants can be quickly replaced. Only pilots are in scarce supply. Eastern will have to bid away talent from other carriers by offering younger pilots a quick jump to the captain's seat.

Eastern's striking pilots and mechanics will be able to find other jobs. But the company's decision to fight rather than settle could prove catastrophic for ground workers, many of whom will be unable to find work paying even half the union scale. That, however, is the risk strikers always take.

There may still be an acceptable way out for the machinists' local that represents the ground crews. Texas Air seems willing to sell Eastern for a reasonable price. If the machinists are prepared to make wage and productivity concessions, they could probably find a buyer—or raise the capital for an employee takeover.

Either outcome would serve the public. A leaner Eastern run by Texas Air could once again play price cutter in markets that would otherwise be dominated by Delta or USAir. An independent, union-run Eastern or an Eastern merged with a relatively weak carrier like T.W.A. would almost certainly play a similar role. And since either restructuring would protect the creditors, either would likely satisfy the bankruptcy judge.

The biggest risk from the public's perspective is that Congress will intervene on behalf of the strikers and order Eastern to extend its expired contract with the machinists. That would put planes back in the air temporarily. But it would bleed Eastern to the point that no one would dare try to build a competitive airline from the remains. And such meddling would set a terrible precedent, giving other politically connected unions, let alone employers, an incentive to look to Washington to settle, wage disputes.

Eastern's bankruptcy is bad news for labor and management. Ordering it to fly without restoring its economic health mocks free enterprise.

[From the New York Times, Mar. 8, 1989]

BLAME THE LAW, NOT THE STRIKE

Should Eastern Airlines strikers be permitted to hold other airlines, rail freight and even commuter rail lines hostage to their demands? Surely not, but under the Railway Labor Act, which covers labor relations in both the rail and airline industries, sympathy walkouts are apparently legal. Congress needs to act promptly to prevent this abuse of the right to strike.

Even before the machinists' strike against Eastern ends, it's time to press for major reforms in the whole outdated system for settling rail and airline labor disputes.

Federal law has long barred sympathy strikes. But two years ago the Supreme Court ruled that rail and airline employees retained the right to take secondary actions under the Railway Labor Act. The courts have yet to decide, however, whether affected union members are bound by the no-strike pledges in their own labor contracts. If the courts rule in the machinists' favor, secondary boycotts could disrupt commuter service in many cities, adding to the pressure on President Bush to intervene in the strike.

Mr. Bush deserves credit for stubbornly resisting pressure to get the White House into the Eastern strike. But staying the course won't settle the larger question of how to settle air and rail labor disputes in the future. Only outright repeal of the Railway Labor Act would push unions and corporations to settle their own battles.

Under the act, expired labor contracts remain in force and strikes are barred until the National Mediation Board declares a bargaining impasse. Once an impasse is declared, the President is empowered to delay a strike while an emergency board ponders the equities and recommends a legislated settlement to Congress.

That may have made sense when regulated railroads were the only way to move people and freight around the country. Today, airlines and railroads must compete with cars, trucks, pipelines and barges—as well as with each other. With the exception of commuter railroads, no labor dispute is likely to damage commerce. And in the case of the commuter lines, Federal law actually weakens the public's defenses by superseding tougher state statutes that bar strikes altogether.

Typically, the Railway Labor Act slows the pace of bargaining. One side usually has an interest in keeping the old contract in force by dragging out negotiations. And once an impasse is declared, the Government is often pressed to dictate settlement terms. One side or the other usually believes that it can get a better deal from an arbitrator than from negotiation.

Labor's friends in Congress are sure to fight any attempt to repeal the Railway Labor Act. Transportation unions, under pressure for givebacks, like the law's bias toward the status quo. And they love the mediation board's current chairman, Walter Wallace, who barely conceals his affection for organized labor.

But times change. Inflation could give management a reason to cling to old contracts, and new mediation board members could reverse the prolabor bias. The question that will endure is whether air and rail labor disputes should be settled by bureaucrats or by bargaining. As the threat to commuters makes dramatically clear, the only right answer is bargaining.

[From the Washington Post, Mar. 3, 1989]

SHOWDOWN FOR EASTERN

Neither Eastern Air Lines nor the machinists' union is entitled to much of your sym-

pathy. Eastern is dominated by Frank Lorenzo, who has made a career and a fortune out of pushing down the wages of the people who work for his airlines. He wants a reduction of $150 million a year in the pay of the ground crews represented by the union, with the heaviest cuts falling on the baggage handlers. The union wants raises amounting to $50 million a year from Eastern, an airline already running heavy losses, and it wants Congress to write a settlement into law.

Deregulation has led to heavy pressure downward on wages at all airlines, but most of them have managed to maintain a reasonably civilized atmosphere in dealing with their employees. Eastern was well known for poor labor relations before Mr. Lorenzo arrived, and since then they have turned dramatically worse. The next stage of this duel between them will proceed, unfortunately, under the Railway Labor Act, the provisions of which have little correspondence to the realities of the air travel industry.

The National Mediation Board has urged President Bush to appoint an emergency panel. The panel would recommend a settlement, and if the airline and the union refused to accept it voluntarily, Congress would enact it into law. This peculiar procedure was devised early in this century to protect innocent third parties—shippers and travelers—from the enormous losses that a rail strike threatened at a time when most people had no other means of transportation. Under deregulation, any airline can serve any airport.

The union says it will do its best to take as many innocent hostages as possible by running secondary boycotts against as many other airlines, and as many commuter railroads, as it can manage. Despite that risk of disruption, Mr. Bush and Congress have to stay out of this one.

Many people in the airline industry have suffered pay cuts, and even lost their jobs, as a result of deregulation. It would be utterly unfair for Congress now to rush in and legislate raises and job security for Eastern's machinists and baggage handlers. Perhaps Eastern will succeed in shedding the machinists' union. Perhaps the union will deliver the final fatal blow to Eastern. Both sides are in danger. But it's not the president's job to rescue them from the accumulated results of their own misjudgments and bad temper. In the deregulated airline industry, their fate is up to them.

[From the Journal of Commerce, Mar. 1, 1989]

NO EMERGENCY

The National Mediation Board has blundered once more into the airline industry's longest-running labor dispute. By requesting that President Bush appoint an emergency board to look into the dispute between Eastern Airlines and the International Association of Machinists, the Mediation Board is doing its best to keep matters from ending up where failed contract negotiations belong on the picket line.

It's been 17 months since Eastern and the machinists began bargaining over changes in their labor agreement, with the airline demanding cuts in wages as well as major work rule changes. In most other industries, a strike deadline would have brought matters to a head. But in the airline industry, things are different. The Railway Labor Act which governs the industry's labor relations, prohibits strikes or unilateral contract changes until 30 days after the National Mediation Board declares bargaining at an impasse.

With management barred from imposing a contract that lowers wages, the union has had little incentive to bargain seriously. Only the looming prospect of a strike will force agreement.

Last month, the Mediation Board finally declared negotiations at an impasse, clearing the way for the company to impose its latest offer on March 4 and allowing the union to strike. But bowing to labor union pressure, the board last week changed its mind, asking the president to appoint an emergency fact-finding panel. If Mr. Bush gives in, the strike deadline would be pushed back for another 60 days—leading, no doubt, to 60 more days of deadlock. With travelers already steering clear of the strike-threatened airline, prolonging negotiations could be as damaging to Eastern as a strike.

The ostensible reason for seeking presidential intervention is the threat that, because the law does not forbid secondary boycotts by rail and airline workers, the machinists could extend a walkout at Eastern to every railroad and airline in the United States. That scenario is most unlikely. The willingness of rail workers to strike in support of their airline brethren is doubtful, and the legality of spreading an airline industry strike to railroads, which interchange no traffic with the airline concerned, has never been tested in court.

A stoppage at Eastern will leave no place in the country without air service, and, under deregulation, any other carrier is free to begin operating on Eastern's routes. There will undoubtedly be some inconvenience to the public. But an inconvenience is not an emergency. There is no cause for Mr. Bush to intervene.

PRESIDENT BUSH'S STATEMENT ON THE EASTERN AIRLINES INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS LABOR DISPUTE, MARCH 3, 1989

The National Mediation Board has recommended that I appoint an emergency board before March 4, pursuant to section 10 of the Railway Labor Act, as amended, to investigate the dispute between Eastern Airlines and the International Association of Machinists and Aerospace Workers. I have decided not to accept this recommendation.

The National Mediation Board has for many months attempted unsuccessfully to bring the parties to an agreement, and I have no reason to believe that an additional investigation or the 60-day delay that would be entailed would produce such an agreement. In light of the well-publicized threats of a strike and related activities, the Department of Transportation will monitor the situation and will, in addition, take whatever steps are needed to protect the safety of the traveling public.

I urge responsible labor officials not to try to influence resolution of this dispute by disrupting the Nation's transportation systems through secondary boycotts against uninvolved parties. Such boycotts would unfairly burden millions of citizens, not only preventing necessary travel but also affecting shipment of consumer goods and the ability of many workers to earn a living. For these reasons, secondary boycotts are not permitted in any other sector of the economy.

Accordingly, if secondary boycotts threaten to disrupt essential transportation services, I will submit, and urge that Congress promptly enact, legislation making it unlawful to use secondary picketing and boycotts against neutral carriers. We cannot allow an isolated labor-management dispute to disrupt the Nation's entire transportation system.

From the CONGRESSIONAL RECORD, Mar. 13, 1989]

EASTERN AIRLINES STRIKE—H.R. 1231

Mr. HAMMERSCHMIDT. Mr. Speaker, on March 9, the Committee on Public Works and Transportation reported H.R. 1231 to establish a Presidential emergency board to investigate the labor dispute at Eastern Airlines.

The minority position on this legislation follows as well as two pertinent editorials.

MINORITY VIEWS

This legislation would mandate the establishment of a Presidential Emergency Board (PEB) under the Railway Labor Act (45 U.S.C. 151) to deal with the dispute between Eastern Airlines and its unions. In our view, the establishment of such a Board is not justified on either legal or policy grounds.

Under the Railway Labor Act (RLA), the President has the discretion to appoint a PEB if the labor dispute "threaten(s) substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service." Since the late sixties, the government has not viewed a single-carrier strike in the airlines industry as threatening such an interruption. This was, no doubt, due to the fact that other carriers were available to provide the essential transportation services.

What was not justified then is even less justified now. Since the advent of airline deregulation, airlines have been free to adjust their routes in response to passenger demand. Indeed, in this case, some airlines have increased their flights to accommodate passengers. Others already fly Eastern's routes and have accepted tickets of Eastern's passengers. Although there is certainly inconvenience to passengers, there is not the deprivation of essential transportation service that would justify a PEB under the statute.

We recognize that the use of secondary picketing, which some unions have threatened, could cause the sort of disruption that the statute was meant to prevent. If a serious disruption in transportation occurs as a result of secondary picketing, however, the appropriate solution is to prohibit such picketing rather than to establish a PEB. The Nation's economy and the movement of its people and goods should not be held hostage by the picketing of companies that have nothing to do with the dispute. This could not be done in any other American industry because Federal labor laws put severe restrictions on this sort of secondary picketing. Thus, the way to prevent the disruption created by secondary picketing is to eliminate secondary picketing.

Notwithstanding the fact that the law speaks only in terms of disruption of commerce, proponents of a PEB urge adoption of this legislation in order to save Eastern Airlines and prevent the disruption to its employees that would be caused by the loss of their jobs. We share their fervent hope for the survival of Eastern and feel just as deeply for the agony being experienced by Eastern's many fine employees. However, we believe their faith in a PEB as the way to solve this problem is sorely misplaced.

The parties have been in mediation under the auspices of the National Mediation Board (NMB) for over a year without

coming close to an agreement. There is no reason to believe that they will do any better under another Board, the PEB, during the short timeframe set forth in the legislation. The Board has no power to mandate a solution. It can only recommend. In all likelihood, the recommendations of the PEB would be rejected by one or both of the parties. This would put the dispute right back to where it is now, with an airline that is much weaker for having to endure the further delay.

Of course, Congress could always make the PEB's recommendations mandatory by enacting legislation to that effect. But that would put it in the awkward position of forcing a resolution that management feels would bankrupt the company or that labor would refuse to live with, or both. In that event, the intolerable labor-management situation at Eastern would simply be perpetuated. In this connection, it is important to note that neither Eastern nor the machinist's union have agreed to be bound by the recommendations of the PEB.

Moreover, the unions have made it quite clear that the real problem here is Frank Lorenzo, the head of Eastern's parent, Texas Air. If Frank Lorenzo is their problem, a PEB cannot be their solution. Whatever this Board can accomplish, it cannot change Eastern's ownership. Therefore, even if its recommendations were accepted, the source of all the employees' anger would still remain.

On March 9, 1989, the company filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. Eastern's present intentions are to operate the shuttle and several South American routes. This new development in the labor dispute has further complicated a very complex set of labor questions which we frankly do not believe a Presidential Emergency Board would be prepared to deal with. Furthermore, in our opinion, there are simply too many unanswered legal questions which have arisen because of the bankruptcy to proceed at this time.

The bill requires, pursuant to Section 10 of the RLA, that during the investigation by the board and for the cooling off period that follows its report, no change, except by consent of the parties, "shall be made . . . in the conditions out of which the dispute arose" (45 U.S.C. 160). In other words, union employees are eligible for the same wages and working conditions that were in effect prior to the strike.

The Committee has scrambled to report this legislation without making an adequate analysis of its effects on the requirement for a return to the status quo. Enactment of this legislation could pose both legal and practical problems for a prompt resolution of the dispute.

It is unclear what a return to the status quo means with respect to the rights of the workers. It is our understanding that the company intends to honor the expired contracts of the Airline Pilots Association (ALPA) and the Transport Workers Union (TWU). However, under the provisions of the RLA, the company is now free to pay the International Association of Machinists' (IAM) members whatever it sees fit and has the right to change working conditions. The machinists' pay, of course, is the major issue in this dispute.

Does this legislation require the company to bring all workers back at full pay whether or not there is a job for them to perform? Or, does the company bring them back and go through furlough procedures to lay them off. Currently, the company is operating about six percent of the normal number of flights. Obviously, it will take time for the company to put additional flights in service. If pilots are brought back on an as-needed basis, what are the seniority rights of these workers? Do pilots have to be retrained to fly different aircraft because of seniority requirements? If this is the case, retraining will take time.

These same questions could be posed for the flight attendants, machinists, baggage handlers, and cleaners. If the company must bring all workers back immediately, whether or not there is a job for them to do, there may be serious adverse economic consequences to this bankrupt carrier.

Also, there is the question of potential constitutional infirmities. It is unclear whether this legislation would survive scrutiny under Article I, section 8, clause 4 of the U.S. Constitution which gives Congress the power "To establish . . . "uniform Laws on the subject of Bankruptcies throughout the United States." The recent case of *Railway Labor Executives Association* v. *Gibbons*, 455 U.S. 457 (1982), raises substantial questions about its applicability to the situation at Eastern Air Lines. In that case, Congress passed legislation requiring the Rock Island Railroad, which had filed for reorganization under the bankruptcy laws, to pay benefits to certain employees. The Supreme Court concluded that the uniformity requirement of the U.S. Constitution prohibits Congress from enacting bankruptcy laws that specifically apply to the affairs of only one named regional debtor.

Arguably, we may be violating this holding if we enact H.R. 1231 because the legislation requires that a specific company, Eastern Air Lines, which is in bankruptcy, return its employees to the wages and working conditions that existed prior to the strike.

Also, there are questions as to whether we are, in effect, modifying the rights of a Bankruptcy Judge to adjust collective bargaining agreements under the U.S. Bankruptcy Code. Today, the company is free to unilaterally set wages and working conditions for the members of the machinists union. This legislation, however, would obviously require a higher wage than what the company would be willing to pay today. The question is: does this return to the status quo affect or override the power of a Bankruptcy Judge to carry out his authority to change the terms, conditions, wages, benefits, or work rules for employees?

It can also be argued that the legislation constitutes an uncompensated taking of private property for a public purpose in violation of the Just Compensation Clause of the 5th Amendment. Courts have held that a "taking" occurs when three conditions exist: (1) the required action imposes a severe economic impact on the claimant; (2) it substantially interferes with financial expectations; and (3) the governmental action appropriates the claimants property for a public use. *Penn Central Transportation Co.* v. *New York City*, 438 U.S. 104 (1978). Certainly, these three conditions appear to exist with respect to Eastern.

Today, the company has implemented a wage scale below that which existed before the strike. If a Presidential Emergency Board is established and workers are returned to the pre-strike status quo, it can be argued that the IAM members are accorded a status in the bankruptcy proceeding that they do not now enjoy because they will be receiving much higher wages by the operation of the legislation. These wage levels are, of course, a major reason for the financial straits the company is in. This is certainly contrary to the expectations of the company and amounts to a governmental taking of the estate's assets to pay employees a higher wage.

Also, a related issue is whether this could potentially affect the rights of creditors in any liquidation situation and whether irreparable damage to the estate may result through a legislative requirement to return to the status quo. Conceivably, this may present a "taking" which requires the government to compensate the company.

In short, we believe that the best way to resolve this dispute and save Eastern Air Lines is to have both sides come together at the bargaining table and reach a mutually acceptable resolution. The only way this will ever happen is by the pressure put on the parties through the process of self-help and strikes that we have now reached. We recognize that this is a painful process for many. But it is a necessary one. The establishment of a PEB would only drag out this process that much longer.

We recognize that this bill would shorten the 60-day delay that is typical in Railway Labor Act cases but we believe this presents a false hope. Even under the 30-day limit in the current law, the average duration of a hearing involving past airline emergency boards was 75 days. One took 200 days. It is not realistic to expect the emergency board in this case to complete its work in the 14 or 19 days contemplated by H.R. 1231.

That is especially true here where the board would have to evaluate the cases of not just one but three unions, two of which have not even completed the negotiating process. And its task is further complicated by the fact that the company is in bankruptcy.

It should also be pointed out that this legislation would establish a questionable precedent because ALPA and TWU have not negotiated to the stage of impasse requiring the intervention of the NMB. In other words, this legislation bypasses the regular procedure for collective bargaining and mediation by requiring a PEB for two unions whose labor situation is not ripe for consideration by such an emergency board. This totally distorts the RLA process and may set the stage for further legislation and Congressional intervention in labor disputes before the collective bargaining process has had the chance to run its course.

It may be that Eastern will not survive. It will almost certainly not survive as we knew it. But if it dies, it should die as a result of its own failures, those of its management and its employees, and not because of ill-conceived government intervention.

[From the New York Times, Feb. 24, 1989]

LABOR THREATENS THE PRESIDENT

Like President Reagan before him, President Bush faces an early challenge from labor in the air transport industry. Mr. Reagan stood firm against a strike by air traffic controllers that could have grounded civil aviation. The question now is whether Mr. Bush will stand up with equal courage to unions that threaten to shut down the railroads unless the White House intervenes in their dispute with beleaguered Eastern Airlines.

The cost of appeasement could be enormous. If the President sides with labor, Eastern is likely to fail, which would sharply reduce price competition in the deregulat-

ed airline industry, and other transport unions would be encouraged to settle their disputes in the political marketplace.

Eastern has been battling with its unions for years, trying (and mostly failing) to reduce labor costs. Those costs are one reason Eastern has lost $1.4 billion since 1978. But the battle only turned ugly in 1986. The carrier's new owner, Texas Air, demanded concessions from baggage handlers, whose compensation averaged $45,000 a year. Eastern's unions struck back, with among other things, a public relations campaign, frightening passengers with allegations of safety violations.

The conflict probably would have been resolved last year when the baggage handlers' contract expired, forcing both sides to stare at the real chance of a strike. But under the Railway Labor Act, airline contracts remain in force until an obscure agency, the National Mediation Board, decides that collective bargaining has failed.

The board's two members delayed, unwilling to risk the wrath of labor's friends in Congress by freeing Eastern from contract provisions highly favorable to the baggage handlers. So for 13 months, Eastern had to absorb million-dollar-a-day losses, selling asssets to raise cash. Not till last month did the board finally declare an impasse, setting the stage for a strike or lockout on March 4.

Now organized labor has switched tactics. It is urging the White House to create an emergency mediation board. That would postpone a strike—and drain Eastern's cash—for 60 more days. Even if the airline weathered the delay, it might not survive subsequent pressure to settle on the panel's terms. In the past, such boards have recommended settlements at prevailing industry wages, far above the means of a deeply indebted airline operating primarily in low-fare markets.

If the President does not intervene, the A.F.L.-C.I.O. president, Lane Kirkland, threatens the public with more than the inconvenience of a work stoppage at Eastern. Labor, he warns, will disrupt vital transport links by staging sympathy strikes against railroads.

Mr. Kirkland is probably bluffing. Rail and airline unions are the only unions legally permitted to stage such secondary boycotts. But rail workers are not likely to risk losing this precious leverage in support of generously paid airline employees. Whether he is bluffing or not, capitulating to these demands could make the traveling public pay.

The failure of Eastern would knock out the carrier with the strongest incentive to build market share by lowering prices. And it would increase market concentration in an industry already dominated by a few airlines that cover high costs by charging high fares.

Beyond economic loss, any short-term political benefits the White House might gain by avoiding labor conflict would be overwhelmed by the cost of the precedent. If baggage handlers can blackmail Washington, why would any transport union hesitate to try drawing the President into its labor disputes? The best time to defend the principle of collective bargaining is before it has been violated. And that time is now.

STATEMENT OF SECRETARY SAMUEL K. SKINNER, DEPARTMENT OF TRANSPORTATION, MARCH 7, 1989

Mr. Chairman and members of the committee: I appreciate the opportunity to appear before this committee to discuss the Eastern Airlines management/labor dispute. As you know, after 17 months of arduous bargaining, the parties are exercising their rights under the Railway Labor Act to pursue self-help in the attainment of their economic objectives. We do not take sides in this dispute, nor do we believe it appropriate, in light of the history of the dispute and the precarious financial condition of a major commercial carrier in our deregulated aviation environment, to empanel a Presidential emergency board.

Having said that, I am well aware that some of my friends and distinguished members of this committee originally believed that the President should empanel a board and prolong the standoff for another 60 days, perhaps imposing a legislated settlement thereafter.

We respectfully differ with this approach, and believe that empaneling a Presidential emergency board is wholly inappropriate. This administration believes in free market principles—we should allow the collective bargaining process to take its normal course. We do not believe that Government should be in the business of drafting the economic terms of labor agreements. The plain fact of the matter is that a strike at Eastern alone does not substantially disrupt this Nation's transportation system. It is only the specter of secondary activity that threatens to hold hostage this Nation's economy and our global competitive position. If this specter is removed by Congress, safe and certain travel of perhaps millions of innocent passengers can be preserved. If widespread secondary action occurs, I am confident that the Congress can act quickly and expeditiously, just as speedily as it achieved a solution for Chicago's mass transit riders on the C&NW last fall when I headed the regional transportation authority of northeastern Illinois.

Before going any further, I want to emphasize that our first and foremost goal at the Department is to assure that the safety of the air transportation system, at Eastern and at any other point in the system affected by the Eastern situation, is not compromised in any respect. Heightened FAA surveillance and staffing procedures are in place to assure that safety is not affected by the strike. We are aware of intentions by some to "fly by the book," and we will deal with that by continuing to put safety first and efficiency next. The air traveler wants to get to the destination on time, of course, but wants above all to get there safely. We agree.

I need not dwell on the facts of the strike that precipitated this hearing. Essentially, Eastern Airlines and one of its major unions were unable to reach a satisfactory resolution of widely divergent goals, and the National Mediation Board declared an impasse in the negotiations between the Machinists Union and Eastern at the beginning of February. Under the processes of the Railway Labor Act, a 30-day "cooling off" period was triggered, at the end of which the parties were entitled to exercise self-help. Eastern indicated that it intended to impose new wages and work rules, and the machinists availed themselves of their right to self-help at midnight Friday night, walking out and posting pickets, which were honored by nearly all of the pilots and flight attendants at Eastern. Most Eastern service was shut down as a result.

The President has assessed this situation as it has developed, most particularly because the Railway Labor Act permits his intervention in a case when a section of the country is threatened with loss of "essential transportation service". The President's decision to appoint an emergency board to make recommendations for a settlement is discretionary. Last Friday afternoon, the President concluded that the facts of this labor dispute do not justify the appointment of a Presidential emergency board.

Two fundamentals underlie the President's decision. Most important, this administration believes that labor/management disputes can be and should be worked out by the involved parties, without recourse to the President or Congress. The Railway Labor Act preserves the rights of the parties to exercise self help if bargaining and the mediation efforts of the National Mediation Board are unsuccessful. Eastern and the Machinists Union have reached this point, and the Federal Government should not impose a compromise on them. The Nation's economic vitality is a reflection of the fact that solutions reached by private entities most often are better than those imposed by Government.

This reaches the second fundamental point. The United States is part of a global economy, and our manufacturing and service industries must remain as competitive as possible to maintain our place in the world. The economic deregulation of transportation has reaped untold benefits in making our transportation system competitive. Our competitive stance should not be interfered with. Decisions based on market factors, not Government fiat, will best preserve our competitive abilities.

Since airline deregulation in 1978, the situation of domestic airlines has changed dramatically. Because there are no bars to serving domestic routes, a reduction or cessation of Eastern service to a particular point will not mean an end to service. As was the case with five significant strikes against air carriers since 1978, other carriers fill in quickly to provide needed passenger and cargo service, and we have already seen that happening in this case as Delta, Pan Am, and other carriers are moving to accommodate passengers unable to fly Eastern.

This ability of other airlines to provide supplementary service where needed means that the history of previous Presidential emergency boards is no longer relevant in today's economic environment. In the last 20 years, only one emergency board has been appointed in the airline business, and that was pursuant to section 44 of the Airline Deregulation Act. It involved the Wein-Air Alaska dispute in which the Congress ordered the emergency board despite the fact that the Mediation Board had not recommended one. Intervention in that case, which was based on the particular facts of the dispute, should not serve as a precedent for interfering in the Eastern controversy more than a decade later.

In analyzing the situation before us, another new factor exists by virtue of the 1987 Burlington Northern Supreme Court decision. For the first time since the inception of the Railway Labor Act in 1926, it was ruled that a party is not barred by the act from conducting "secondary activity" against other companies. This is an anomaly in the overall context of U.S. labor law and at variance with the law governing most other Industries (section 8(b)(4) of the National Labor Relations Act). Secondary picketing in the building trades and trucking industries was barred by the Taft-Hartley Act in 1947, and has not been available in any sector of the economy since that time, excepting the Supreme Court ruling in 1987

for air and rail transportation. In my view, that decision has upset the balance of forces anticipated to be available under U.S. labor law, and secondary activity is fundamentally unfair to truly "neutral" parties, for instance, commuters in Chicago and New York, that can be affected by it.

At this point, secondary activity has been threatened but has not occurred, due to the temporary restraining orders entered during the past week addressing commuter rail services and other airlines. The reasoning underlying the decisions is being further tested and we must await the outcome. However, the President has indicated the correct approach to dealing with secondary activity against truly neutral parties would be to amend the Railway Labor Act so that it does not permit such activity. Then, neutral parties would unambiguously be able to seek proper injunctive relief. I see no reason why railroad commuters in New York or Chicago, or air travelers in San Francisco or Minneapolis, should be deprived of service because of a dispute between Eastern and its machinists in Miami. The administration is prepared to transmit corrective legislation should circumstances require.

With regard to the legislation before the committee today, my considered view is that such an approach would not serve the interests of the parties or the public. The FAA is vigorously upholding its responsibilities for assuring the safety of the system. We believe that the public will generally find alternate transportation on other airlines which serve all of Eastern's major points. We are prepared to deal with any "fly by the book" actions by assuring system safety and by minimizing delays where feasible.

The appointment of a board under these circumstances would merely delay, for up to 60 days, the self-help process which is already underway and being dealt with safely. It is far superior to allow the economic realities of the dispute to dictate the outcome.

This completes my statement. I would be pleased to respond to questions from the committee.

Mr. HATCH. Mr. President, it is nice to stand here and hear my colleagues say that they are fighting for employees. Well, that is a good thing to do. But generally, unions' efforts are and ought to be directed toward making collective bargaining work. The problem is, however that when they do not win in the collective bargaining arena, they come in as they have in connection with the Eastern dispute, and ask for an emergency board. What they are doing is seeking Government intervention in an effort to secure more favorable terms than they were able to secure at the bargaining table.

The establishment of a Presidential emergency board is not an appropriate solution to this dispute, as a policy or a legal matter. Rather, this board will likely jeopardize rather than enhance the prospects for Eastern's continued viability and the possibility that the rights and interests of Eastern's creditors and others will be safeguarded.

In 1978, bankruptcy procedures were substantially revised in order to provide for a workable chapter 11 bankruptcy proceeding which emphasized preserving the business and the jobs it provided. Again in 1984 Congress further amended the code to establish what it concluded were the best and the most workable procedures and standards by which to determine the debtor's continuing obligations under its collective baragaining agreement.

This bill, however, would impose a Presidential emergency board on this carefully crafted process and thus threaten to hamper the operations of the bankruptcy court and to dissipate the resources necessary for a successful reorganization. A successful reorganization, I note, is perhaps the only hope that Eastern Airlines will be saved, that employees' rights will be preserved, and that these employees may be able to work again.

This bill, as I understand it, would essentially roll back the clock insofar that it would obligate Eastern to restore prestrike wage levels and benefits. As we well know, however, we cannot really roll back the clock given a major intervening event Eastern's bankruptcy under chapter 11 of the Bankruptcy Code.

This bankruptcy proceeding is being governed by a law which Congress has carefully drafted so as to safeguard the rights of creditors, the parties, and the public to the greatest extent possible. All rights are going to be preserved and protected under those bankruptcy proceedings, not just the rights of some, which is what this bill would do. These proceedings, under the strict supervision of the bankruptcy court, hold out not only the best but the only viable means for Eastern's survivial.

Given the current bankruptcy proceeding, what exactly are we doing here today? Are we suspending these bankruptcy proceedings? I know of no precedent for the action being contemplated and I am seriously concerned that establishing a Presidential emergency board under these circumstances would set a dangerous precedent for the whole airline industry in general.

What does it say to airline creditors, ticket holders and potential buyers and investors? Does it say that if an airline goes bankrupt under chapter 11, the process and safeguards in the Bankruptcy Code may at any juncture be suspended by intervening events, by the whimsy of Congress?

I would certainly hope that the answer is no and that Congress will recognize and be sensitive to the fact that superimposing the Emergency Board on the ongoing bankruptcy proceeding is treading in very hazardous and largely unchartered waters.

There are, in addition, serious constitutional questions raised by the action which is being contemplated here today and which I referred to earlier. Specifically, the imposition of a Presidential Emergency Board may potentially conflict with article I, section 8, clause 4, of the Constitution, as pointed out by Secretary Skinner. That clause empowers the Congress to enact uniform bankruptcy laws on the subject of bankruptcy and it was this clause that the Supreme Court in 1982 relied upon in striking down congressional action targeted at a single debtor. Further, to the extent that the Emergency Board's recommendations degrade the rights of other creditors and stockholders which they may well do, these groups might sue for just compensation from the Government under the takings clause of the Constitution.

In addition to the concerns which I have expressed, I also have a great number of questions regarding the bill itself. I will reserve some of my time to bring up some of those questions as we get into this.

Might I ask how much time does the Senator from Utah have?

The PRESIDING OFFICER. The Senator from Utah controls 15 minutes and 20 seconds.

Mr. HATCH. I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KENNEDY. Mr. President, I listened to my good friend from Utah talk about the position of Mr. Skinner, the Secretary of Transportation, and his position on this particular dispute.

It was only on September 7, 1988, that Sam Skinner made these comments: RTA chairman—this is the Regional Transportation Authority chairman in Chicago.

The head of the Regional Transportation Authority Wednesday called on Federal legislators to uphold their public responsibility and head off a looming strike against the Chicago Northwestern Railroad.

RTA chairman Sam Skinner said a strike against the railroad by the members of the UTU scheduled on Friday would result in massive disruption of service for area commuters—

Area commuters—

Skinner urged Federal legislators to intervene in the dispute over freight train crew size, saying it is Congress' public responsibility to this region to keep commuter lines open.

He was talking about the 41,000 commuters. There are 30,000 workers for Eastern. He is concerned that Congress must act, Congress' public responsibility is to act. It should act to preserve the commuter lines in Chicago, but you do not have to act to preserve the commuter lines for hundreds of thousands of Americans on the eastern seaboard, where we see just in our region of the country constant examples of small businesses shutting down all throughout the region.

Sam Skinner, the Secretary of Transportation, who is quoted out here now, says we ought to act to pre-

serve for commuters but now with regards to Eastern Airlines.

Well, is that not fine?

Mr. President, all this action suggests is that we follow the Mediation Board. Both of the Mediation Board members were appointed by President Reagan, unanimously recommended what we are attempting to do today.

So, Mr. President, I find it difficult to be persuaded by my good friend from Utah when he quotes Sam Skinner, the Secretary of Transportation, just like I found it difficult for the Senator from Missouri when he was out here asking for action to protect his workers.

So, I would hope, Mr. President, that we would have the opportunity to take some action.

I see my good friend in the Chamber.

Mr. HATCH. Will the Senator withhold just for 1 minute to me?

Mr. KENNEDY. Yes.

Mr. HATCH. If I could just take 1 minute.

Mr. KENNEDY. I withhold the remainder of my time.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. I was interested in those arguments as well, but as I understand it the National Mediation Board recommended a Presidential emergency board for the dispute involving two parties—Eastern and its machinist union. This bill, however, would apparently also apply the emergency board to two other Eastern unions, the pilots and transport workers unions. These are not parties that, to my knowledge, have exhausted the procedures under the Railway Labor Act, procedures which are a prerequisite for an emergency board under that act. So, it appears that we are not simply distorting the Bankruptcy Code here but the Railway Labor Act as well.

Again, including all three of these unions increases the extent to which H.R. 1231 will drain Eastern's assets.

This is, therefore, not some simple little problem that is a matter of employee rights. This is a matter of a lot of people's rights as I've previously noted.

Let me tell you, in this regard, that there are a lot of people who feel that both sides are wrong here, that both sides have brought this about and that it is time for other people's rights to be protected. It is my hope that if Congress resists interfering with the bankruptcy proceeding this will be done. I have confidence that the chapter 11 bankruptcy judges will handle this in a very appropriate and efficient way.

I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, I see the former Transportation Secretary on the floor.

I would like to be able to yield to the Senator from West Virginia for 5 minutes.

The PRESIDING OFFICER (Mr. DIXON). The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I urge my colleagues to vote for the motion to proceed to H.R. 1231 which passed the House on Wednesday by a vote of 252 to 167.

This is important legislation. It would direct the President to appoint a board to review the facts in the dispute between Eastern Airlines and its unions and to make recommendations as to the terms on which the dispute might be resolved. The board would be required to report to the President after 14 days, although this period may be extended an additional 5 days upon the request of the board. After the report has been completed, parties to the dispute would have 7 days to agree upon the resolution. This legislation would provide not only the much needed 26-day cooling-off period, but equally as important, this legislation would provide a much needed independent and objective third party authorized to arbitrate this dispute.

Eastern Airlines, which is this Nation's sixth largest airline, has already filed for bankruptcy and discontinued most of its service. Negotiations between the airline and its unions are at a standstill. We have reached this point primarily because the President has thus far failed to act. One month ago, in an effort to end this dispute which began in 1987, the National Mediation Board declared negotiations between Eastern Airlines and the International Association of Machinists Union to be at an impasse. The board initially proposed that both sides agree to resolve the dispute through binding arbitration. The machinists' union accepted the board's offer, but Eastern's management did not.

As a result, the National Mediation Board then recommended to President Bush that he appoint a Presidential emergency board to examine the issues and propose a settlement. Had President Bush acted on the emergency board's recommendation, an automatic 60-day cooling-off period would have been established during which Eastern management and employees would have continued normal operations while the board worked with all parties to reach an agreement.

But, the President did not act. In fact, he refused to act. The result has been devastating. Eastern Airlines, which in 1988 carried 35.6 million passengers representing 7.5 percent of this Nation's domestic air traffic, has now filed under chapter 11 bankruptcy proceedings. A $3.5 billion company is about to be laid to waste, and more than 30,000 employees are being thrown out of work.

Our new President must begin to understand that with his new authority, comes a new responsibility. President Bush has not acted decisively in this situation. His inaction has stranded travelers and cost working men and women their livelihoods. Worst of all, he has impeded the collective bargaining process. His failure to act has the effect of complementing and promoting Lorenzo's efforts to bust the machinist's union.

Mr. President, the public's interest must be served. If we are to restore an essential transportation service and put people back to work, there must be a cooling off period. If we are to save this airline, the integrity of the collective bargaining process must also be restored. If the President refuses to act, we must act.

Mr. President, I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, I yield such time as the Senator from Washington might need. The former Secretary of Transportation speaks with great authority on this issue.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. ADAMS. Mr. President, I came to the floor today as this debate started because it is a chapter in what I see as an unfolding tragedy for labor/management relations in the United States.

This is the first time, as was pointed out by Senator SIMON, that a President has not invoked an emergency board when the mediation board said that it should be done. Twenty years ago, the first time I met Senator KENNEDY, then-Senator McCormick sent me as a young Congressman over to a conference to deliver papers to have an emergency board established so the railroads of the United States would not stop.

There is a history, Mr. President, behind this particular dispute, and I am dismayed that the President of the United States has not followed what every President for the last 40 years has done and appointed an emergency board. Because what will happen in this case is a tearing of the fabric between labor and management in industry after industry.

The reason that management does not want to have an emergency board here—and it is management that is creating this filibuster, that is preventing us from having a vote on this as the House did. And we should not even have to have a vote, Mr. President, because the President of the United States can do this like that and, with the stroke of a pen, establish this cooling off period. The reason management is so opposing it is because management in this case has used the

powers of deregulation. And I rue the day, I rue the day, Mr. President, that those of us that worked on the deregulation bill in the early 1970's when I was Secretary of Transportation were not able to be here in the 1980's to enforce it so that these things would not happen.

The history of this particular dispute and its bitterness goes back to what President Lorenzo of Texas Air did in the Continental strike.

I might state to the Senator from Utah that the bitterness that arose in this case was because he used the bankruptcy proceedings in that case to abrogate every labor contract in the Continental thing. We had to pass a law to change that.

Mr. HATCH. Will the Senator yield?

Mr. ADAMS. Yes, I yield.

Mr. HATCH. Well, the reason he did so was that he was trying to save Continental which itself was in trouble. Now, he has had lots of difficulty with Continental. It has lost a lot of money, too, although I understand that it is coming out of its difficulty.

But, be that as it may, the bankruptcy laws were such that he could do what he did. He acted within the law and today he runs Continental Airlines.

Mr. ADAMS. If the Senator will yield back to me, I understand that situation very well.

Mr. HATCH. So do I. I was there.

Mr. ADAMS. And what we have here is the beginning of an effort in the transportation industry by a very clever man—the Senator from Utah and I have both known Frank Lorenzo for a long time—to have taken one airline, destroyed its labor contracts, made it nonunion, put it into a holding company, buy out Eastern Airlines, which is unionized, take the assets out of Eastern within his holding company, which has been done by the computer system which was bought for a note and which now the Eastern system has to pay for. He does not care if he has the destruction of this airline because he feels he can put Continental planes on those routes and fly them.

Now, a lot of us have had some experience with Continental and we know what happens when they come into an area. They are there for a while; they pull back for a while. Then maybe they will put some more planes in and maybe they will not.

We, I might state to the Senator from Utah, have just lost a gateway through a very clever legal procedure like this one in the Department of Transportation where they wanted United to stay as a gateway in Seattle. Instead, we have Continental. What does that mean to us? It means that we will have no more nonstop service within the next year. It means a whole series of things.

So what I am saying is transportation is not like every other business that you could just treat it in or out of bankruptcy courts, in or out of various business dealings, put a company out of business, put Continental on its routes, try to sell off the shuttle, which is what he did and is still trying to do, because transportation affects whole sections of the country.

The little story I started with of why we invoked the emergency procedures—and we, in fact, went beyond the emergency board in the seventies again and again, I might state to the Senator from Utah—was in order to prevent a complete stoppage of the railroads which are under this act, like airlines are, very different from the National Labor Relations Act because a whole section of the country, in this case New England, would have been blanked out from rail service.

Now what we have here is we have one of the largest carriers in the country, not just 30,000 people involved, but we are about to blank this out and substitute a much lesser service for that. That can happen in the business world. But as this starts to happen in this case, why should we, the legislative body, see the fractioning between labor and management created by this one man in this one case, stop service that runs in the whole Eastern part of the United States——

Mr. HATCH. Will the Senator yield?

Mr. ADAMS. I will in just a moment. Hopefully that others will flow in or flow back out and in effect set back labor-management relations of attempting to achieve harmonious relationships between them so that we have a safe, a safely maintained, a safely flown aviation system. The breaking down of labor-management relations in the aviation industry is a safety problem as well as a service problem for the entire United States. That is the tragedy of this.

So all we are asking is that we have an emergency board. This is not mediation to finality. I do not know why they are so afraid of it at management at Texas Air. I think what they are afraid of is that an independent board appointed by the President will come in and say, "You should do these things for the harmony and benefit of the Nation," which will give a powerful impetus to settling this matter. At that point, we would begin to build labor relations, not drive them apart.

That is why we are asking only for 26 days here and for the President to do it himself. Senator KENNEDY is not going to appoint this board. I am not going to appoint this board. The Senator from Utah is not going to appoint this board. This is done by the President of the United States and it has always been done in the past.

This is what we mean by lowering our voices, making this a fairer and gentler country, letting people in labor understand that the Government is not against them, that it is prepared to listen to their problems, it is prepared to take the time as it has for many years.

I know the Senator from Utah is a very fair man and that is what we want to have happen. It may well be, and I will join with the Senator in the committee, that we wish to do more in terms of legislation here. But this fabric will tear and it will be irreparably torn if we do not do something at this time, before we go to the hearings.

I yield to the Senator, my friend from Utah.

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Massachusetts has 6 minutes. The Senator from Utah has 14.

Mr. ADAMS. I need 1 minute.

Mr. KENNEDY. I yield 1 additional minute to the Senator from Washington.

The PRESIDENT pro tempore. The Senator from Washington is recognized for 1 more minute.

Mr. HATCH. If I could just ask this question. I respect the Senator from Washington and I respect his service as a former Secretary of Transportation and his knowledge in this industry. But is the Senator not somewhat concerned about the fact that this is in bankruptcy and that there are rights of all kinds of people involved here that could be trampled upon in favor of management and labor, in this case, to the disregard of shareholders, creditors, and the Government. In this regard, I would note that the taxpayers may also be hurt if the bankruptcy court is not allowed to perform its function and if the resources of Eastern are further drained by a return to the status quo under H.R. 1231.

Are you not concerned about that? Are you not also concerned about the fact that this bill apparently covers three unions although, the National Mediation Board called only for an emergency board for just the International Association of Machinists Union and Eastern?

This bill covers International Association of Machinists, the Transportation Workers Union, and the pilots union. Are you not concerned about this? Those are not just legal technicalities. Those are important issues.

The PRESIDING OFFICER. May I say to the Senator from Utah, his question consumed over a minute and a half.

Mr. HATCH. Let me add a minute and a half to the time of the other side.

The PRESIDING OFFICER. From your time? I thank the Senator from Utah.

Mr. HATCH. The Senator is welcome.

Mr. ADAMS. Of course we are concerned with this. We went through this with the railroads. The railroads went through the Senator's part of the country back in the seventies. We used the bankruptcy procedures. I am very familiar with it being used in transportation issues.

What will happen if we do not solve this strike is that we will have enormous losses suffered by the creditors of bankruptcy as the crushdown occurs in the bankruptcy court and assets are pulled out and used in Continental Airlines and the routes are lost, the counters are lost, the employees are lost. The status of this airline will be in a state of liquidation and the losses of creditors and other parties to that bankruptcy will be enormous. We are trying to avoid that.

This is a great tragedy that is occurring both in American labor-management relations and to all the people who have been involved in Eastern Airlines throughout the whole seaboard.

I hope, Mr. President, that we will be granted a chance to vote on such a bill. Then I hope that we will have hearings later to help. I will put in amendments on labor protection provisions. I can tell the Senator this: If this bill does not pass, the creditors that he refers to and the other parties, that are not either in labor or management, will be the ones that will suffer the most and you will see the destruction of one of America's great airlines. I thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Massachusetts has 4 minutes and 40 seconds.

Mr. KENNEDY. Mr. President, it has been suggested during the course of this debate that somehow, if we impose this board, that it is going to some way affect the creditors of Eastern Airlines. I think the Senator from Washington has really made the most cogent argument. That is, unless Eastern goes back to flying, there will not be much around in any event. That is the point No. 1. Eastern was losing $1 million a day before bankruptcy; now they are losing $5 million a day in bankruptcy.

What we are trying to do is to get Eastern Airlines to fly again.

Then there is the question, well, if they move ahead and go ahead and create a board, what is going to be the impact on the bankruptcy proceedings? Well, Mr. President, there are court decisions. The Overseas National Airways case (238 F. Supp. 359) in which the district court held that the bankruptcy court would follow the Railway Labor Act is directly on point. An airline in bankruptcy and the creation of a board, what was going to be the impact on the creditors? It is all laid out in the Overseas National Airways case.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. KENNEDY. I will withhold the remainder of my time.

The PRESIDING OFFICER. The Senator from Utah has 12 minutes.

Mr. HATCH. Mr. President, let us just be honest about it. What we have here is we have almost 18 months of labor negotiations, all fruitless. The former Secretary of Transportation, the distinguished Senator from Washington, said that we can get this back on track and get good labor negotiations going on. Nobody believes that.

And there have been a lot of attacks on Mr. Lorenzo here. I am not apologizing for Mr. Lorenzo. I think he has made some mistakes, just like I think the unions have made some mistakes here as well. But I will say this, that having taken over Continental—and I have some reasonable contacts with Continental and I have talked to many of their employees—I can tell you that what I hear from them is that they are nonunion now and they would not go back to union for anything. Why? Well perhaps because they are afraid of exactly this: A recalcitrant union leader who takes them out regardless of their own best interests and who basically is only interested in destroying the company or taking it over so that it is totally owned by the union.

I do not think that is going to happen unless they can get a consortium of companies that is going to be willing to live with paying baggage handlers $48,000 a year and with machinists earning more than that. I do not think many business people are interested in involving themselves in that type of a situation.

I do not begrudge anybody making whatever they can and trying to negotiate the best deal they can get. But there comes a point where the bank is busted. And it was not just what happened to Mr. Lorenzo. Mr. Borman, who was a man of credibility and honesty and decency, who tried to build Eastern and tried to buy the best equipment he could was unable to deal with them either.

So let us not just blame Mr. Lorenzo. Let us understand that the unions have been pretty tough in this matter, too. But now they come to the Congress of the United States with their friends in the House of Representatives and say: We need a bill. We want a bill that ignores all the rights of everybody else and requires action by the President at this late date. We want a bill despite the fact that we have sat through months and months of negotiations and did not budge.

What happens is they come in and they say we want the President to set up an emergency board so that that board can somehow bring this dispute to a conclusion. I would emphasize, however, that it is not clear how the board would do this absent Congress ultimately imposing the board's recommendation on the parties. The problem with all of this is that the matter is in bankruptcy where it should be right now because of the impasse and because of the losses that have been occurring. Those losses were astronomical when the pilots refused to cross the picket lines and go to work. Since Eastern could not have survived very long under those circumstances, it had no choice but to go into chapter 11.

When they chose to go into chapter 11, that triggered very specific procedures and safeguards to protect the interests of everybody, not just the International Association of Machinists or the Airline Pilots Union or the Transport Workers Union, or Mr. Lorenzo and management.

There are lots of people who are going to be hurt by this if there is not some reasonable way, through bankruptcy and through chapter 11, to enable a business to reorganize and to save itself without the onus of labor and without the onus of management. The problem with this bill is that it is contrary to everybody's interests because it will destroy Eastern Airlines once and for all by restoring the status quo ante and creating massive losses to Eastern. It will destroy the rights of creditors, shareholders, our own Government, and our taxpayers, who are going to foot the bill in the end if Eastern does go completely through bankruptcy rather than reorganization. Thus, this benefit to these three unions will be to the detriment of all other interested parties.

The President has acted responsibly here.

I might add, he has acted in a manner that would normally be accepted by the unions because he says let the collective bargaining system work. The unions now have a right to put together their consortium and try to take over Eastern Airlines. That is a right they should have. And I, for one, wish them success in being able to do so, if they can.

Mr. Lorenzo has a right as the leader of the management team to try to put together a consortium to save Eastern Airlines through reorganization as best he can. I wish him success as well because whatever side that can save this airlines would be a wonderful side. Both sides have been wrong and both sides have been right from time to time. What we have here with this bill is a desire to prefer one side over the other side, and I think that is improper and it is wrong.

I will reserve the remainder of my time.

The PRESIDING OFFICER. The Senator has 6 minutes and 20 seconds. The Senator from Massachusetts has 3 minutes.

Mr. KENNEDY. I yield 2½ minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, for the last several years, we have witnessed the slow and painful deterioration of labor-management relations at Eastern Airlines.

Mr. President, as a native of Miami—the headquarters of this great air carrier—this situation has been especially agonizing.

It is difficult to imagine Florida without Eastern Airlines.

I have followed closely the efforts of the National Mediation Board.

I have been in contact with the parties in the negotiations. It was my hope that an agreement could be reached to enable Eastern to once again become a strong, economically viable airline, responsive to the needs of customers and its employees.

We have watched 16 months of talks at the National Mediation Board.

The result was zero.

We have watched a 30-day cooling-off period.

The result was zero.

Tonight, it has been 2 weeks since the strike began.

And we all know the results.

Eastern has gone into bankruptcy.

Passengers have been grounded.

Families in Florida and throughout our Nation have suffered.

Our aviation system has been wounded.

And, communities face the reeling impact of economic loss and future loss.

In Miami, it is estimated that every job lost at Eastern would impact three other jobs related to the airline.

Since the National Mediation Board declared negotiations at an impasse, we have held back on Government involvement, allowing time for a remedy to develop in the marketplace.

But no remedy is in sight, and therefore, it is appropriate for us to ask the President to exercise the powers vested in him under the Railway Labor Act.

The President should appoint a board to investigate and make recommendations on the dispute between management and labor at Eastern Airlines.

The President's emergency action should not be viewed as a tilt to labor or to management. Our goal is to preserve a great airline.

Our goal is to maintain competition in a deregulated industry.

Our goal is economic health—not economic ruin.

Given the efforts to negotiate an agreement over the last 18 months, it may be that even a Presidential board is unable to resolve this dispute.

However, it is an option we must explore.

If both sides are unwilling to accept the recommendation of the board, in the very least we will have achieved finality to a situation which has dragged on too long and torn at the very soul of the airline.

Perhaps we will have set the stage for a third party to enter the picture and make an offer acceptable to both the airline and to labor.

I support the House's resolution to direct establishment of an emergency board. I hope that the President will act expeditiously in naming the board members and that, in turn, the appointees will work diligently and in a timely fashion to recommend a resolution.

Delay serves no one. Delay in this Chamber, or delay by the President, will mean that we are headed toward a funeral of a great airline.

I do not want to attend a funeral. I want Eastern in the sky—not in the ground.

In summary, Mr. President, I would like to speak to two points. One, what is our objective? Our objective as a nation and appropriate to the Federal Government is to preserve the independence of Eastern Airlines. Why are we interested in the preservation of a commercial airline? We are interested in that because it is an integral part of America's transportation system.

In the last several months, as this process has dragged through negotiation, impasse, and now at midnight tonight 2 weeks of a strike, we have seen enormous disruption of our domestic and international transportation system. We have seen tens of thousands of passengers and users of the cargo system of this airline unable to move. We have seen thousands of families placed in great distress. We have seen many other thousands of persons who depend upon Eastern Airlines for their own economic well-being put in great jeopardy.

We also see, Mr. President, the prospect of the seventh largest airline in this Nation going out of existence with significant adverse effects on the competitive structure of our deregulated airline. This Nation has now for 10 years been operating in essentially a deregulated economic environment. One of the things we have learned is the importance in such an environment of maintaining the maximum amount of competition for service to the customers and to assure that there would be a competitive pricing structure. That is at risk. That is why our primary goal today is one of preserving the independence of Eastern Airlines, not to tilt in a labor/management dispute to one side or the other. I believe that what has been proposed by the House of Representatives is a reasonable step to contribute to that objective.

The second point, Mr. President, briefly, is the timeliness of our action. If we do not move with a sense of urgency and expedition, this matter will be resolved by indecision, by the inability to take affirmative action.

If I could conclude with a short story, it reminds me of the callow youth who came to the wise man with a bird behing his back and asked the wise man, "Is the bird alive or dead?" The wise man pondered for a few moments and then said to the youth, "As you will it; you have it within your power to either crush the bird or let it fly free."

To some extent, we stand in the same position of that youth. We have the ability by acting and acting in the way that has been suggested by the House of Representatives to at least give the opportunity for this airline to fly again and not be consigned to the graveyard. Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I believe I have about a half a minute, is that correct? Will the Senator yield to me?

Mr. HATCH. How much time do I have?

The PRESIDING OFFICER. The Senator from Utah has 6 minutes.

Mr. HATCH. I will be happy to yield 2 minutes of my time to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, just in conclusion, according to Aviation Daily, during the last 2 years, Eastern has lost $517 million. During the same period, Continental, which is non-union, and also owned by Lorenzo has had losses of $573 million. By comparison, in the same 2-year period, United reported profits of $595 million; American had profits of $675 million; USAir had profits of $360 million; Northwest had profits of $328 million.

Mr. Lorenzo does not know how to run an airline. It is a shell game, Mr. President. I will put in the RECORD the number of billion of seat miles flown by Eastern and Continental. In 1983, 1984, 1985, 1986 it increased. What happened in 1986? Lorenzo bought it. Since that time it has lost 20 percent of its passenger miles. On the other side, since 1983, Continental increased its passenger seat miles by 400 percent.

This is a corporate shell game, and, Mr. President, this action is absolutely essential if we are going to help these people. That is the issue. Are we concerned about people? The workers and the passengers, that is the issue, and I hope we will be able to get a vote to show that we are.

The PRESIDING OFFICER. The time of the Senator from Massachu-

setts has expired. The Senator from Utah has 4 minutes.

Mr. HATCH. Mr. President, let us be honest here. This is unprecedented. What the people in the House did and what their counterparts in the Senate are asking for is for Congress to interfere with a bankruptcy proceeding that is set up to protect the rights of everybody in such a way as to prefer only the rights of a few. That is after almost 18 months of negotiations, where neither side has really been able to get together.

I get a little tired of the main argument being that Mr. Lorenzo is the cause of all these problems. The fact of the matter is that both sides are the cause of these problems. They are both intractable, and that is why the collective-bargaining process and the bankruptcy process ought to be allowed to work without the interference and infringement on the rights of everybody else.

Frankly, I do not know whether Mr. Lorenzo knows how to run an airline or not. But I understand Continental is doing quite well now. I also understand balance sheets and financial statements and how losses can be attributed during individual years.

What supporters of H.R. 1231 want to do is to amend the Railway Labor Act with this bill. There is no evidence that this dispute meets the standard established under the Railway Labor Act for establishing an emergency board. Under the act, the Presidential emergency board may be convened if the airline dispute "threatens substantially to interrupt commerce to a degree to deprive any section of a country of essential transportation service." No such threat exists with regard to this dispute, so further, they want to impose an emergency board on three unions rather than the one union that was involved in the dispute to begin with.

Let me tell you, no board is justified under this particular circumstance. Nobody should have to violate the Constitution, no President should have to violate it by being forced to convene an emergency board under these circumstances. Let us let the process work. Let us let the bankruptcy laws work. Let us give Eastern a chance for reorganization and survival. Let us not throw it all down the drain because one side hates Eastern Airlines and hates Mr. Lorenzo.

A Presidential emergency board can damage Eastern and long-term employment prospects now that it is in bankruptcy. The bankruptcy court has jurisdiction over this matter and that is where it belongs. And this proceeding ought not to preclude the parties from reaching a mutually acceptable accommodation if that is possible. So let us let the bankruptcy court work and let us protect everyone's rights, not just the interests of unions and not those of management.

CLOTURE MOTION

Mr. KENNEDY. Mr. President, I send to the desk a cloture motion.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the cloture motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisons of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to H.R. 1231, an act to direct the President to establish an emergency board to investigate and report respecting the dispute between Eastern Airlines and its collective bargaining units:

Alan Cranston, Wendell Ford, Jay Rockefeller, Bob Graham, George Mitchell, Timothy E. Wirth, Edward M. Kennedy, Kent Conrad, Paul Simon, Brock Adams, Robert C. Byrd, Alan J. Dixon, Daniel K. Inouye, Christopher J. Dodd, Patrick J. Leahy, Howard Metzenbaum, Bill Bradley.

EXECUTIVE SESSION

The PRESIDING OFFICER. The hour of 10:30 having arrived, the Senate is in executive session to consider the nomination of RICHARD CHENEY to be Secretary of Defense. The clerk will report.

DEPARTMENT OF DEFENSE

The assistant legislative clerk read the nomination of RICHARD B. CHENEY, of Wyoming, to be Secretary of Defense.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the executive session to consider the nomination of RICHARD CHENEY to be the next Secretary of Defense.

Mr. NUNN. Mr. President, is there any time allocation or time limit on this nomination?

The PRESIDING OFFICER. There is none.

The senior Senator from Georgia, Mr. NUNN, is recognized.

Mr. NUNN. Mr. President, I will make a few opening remarks, and then I will defer to my friend and colleague from Virginia, Mr. WARNER.

Mr. President, I am pleased to bring before the Senate the nomination of the Honorable RICHARD B. CHENEY to be Secretary of Defense.

After careful and thorough consideration, it is the unanimous opinion of the Committee on Armed Services that Representative DICK CHENEY is qualified to be Secretary of Defense and that this nomination should be confirmed by the Senate.

The Committee has filed a favorable report on Representative CHENEY's nomination which has been available for all Senators to review since approximately noon yesterday. The written report accompanying the nomination was distributed to each Senator's office and also put on each Senator's desk on the Senate floor at noon on Thursday, March 16.

I would like to take a few moments, Mr. President, to outline the scope of the committee's review of this nomination and summarize the committee's conclusions on the nominee's qualifications to this important position.

SUMMARY OF THE COMMITTEE'S PROCEEDINGS

President Bush announced his intention to nominate Representative CHENEY to be Secretary of Defense on March 10, 1989. At that time, the committee contacted Representative CHENEY to outline the committee's requirements and to start the preparation of the necessary paperwork associated with his nomination.

On March 14, President Bush formally submitted to the Senate the nomination, which was referred to the Armed Services Committee on that date. The committee met in public session on March 14 to receive testimony from Representative CHENEY on national and international security policy issues. Excerpts of these views are included as appendix 1 to the committee report on this nomination.

On March 15, the committee met with the nominee in executive session to examine confidential financial and other matters. On March 16, the committee completed its deliberations on the nomination in a public session by voting unanimously—20 to 0—to favorably report the nomination to the Senate with a written report.

I want to point out that the committee followed our normal procedures and took no short cuts in reviewing this nomination. All of us I think were in the mood to move expeditiously but we also wanted to make certain that we insisted on thoroughness and fairness, and I think we have done all three.

The committee's ability to process Representative CHENEY's nomination was greatly assisted by the existence of detailed financial disclosure information that he had filed as a Member of Congress; by the fact that we had a thorough but timely FBI report with no problem areas and no impediments

in that report to his ability to serve as Secretary of Defense; and, also by the nominee's and the executive branch's ability to meet the committee requirements in a quick manner.

I ask unanimous consent that a list of the material provided by Representative CHENEY and the executive branch related to this nomination be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. NUNN. Mr. President, during the 100th Congress, the Armed Services Committee initiated new procedures for consideration of nominations for civilian appointed positions in the Department of Defense. In addition, the committee adopted standards to guide its consideration of the qualifications of nominees which Senator WARNER and I outlined to Governor Dukakis and then Vice President Bush before the election last November. The Committee applied these procedures and standards during consideration of Representative CHENEY's nomination.

And we intend to continue to apply those standards to the more than 50 nominees that will come before our committee this year from the executive branch, to fill the important slots in the Department of Defense.

As part of its review of Presidential nominations, the committee requires each nominee to complete a questionnaire relating to the nominee's qualifications and potential conflicts of interest. Representative CHENEY's response to the committee questionnaire, which the committee received on March 13, provided basic biographical and financial information and served as the starting point for the committee's inquiry into Representative CHENEY's qualifications and suitability for the position of Secretary of Defense.

CONFLICT OF INTEREST

The committee carefully reviewed the nominee's personal financial records and other materials in reviewing the conflict of interest area. The committee obtained Representative CHENEY's financial disclosure forms for the last 10 years and his tax records for the last 3 years. The committee also received the letters on conflict of interest and related matters required of the nominee, the Office of Government Ethics, and the general counsel of the Department of Defense. The committee concluded that the nominee is in compliance with all applicable laws and regulations governing conflict of interest, as did the Office of Government Ethics and the general counsel of the Department of Defense. We all had the same conclusion.

SUMMARY OF FBI BACKGROUND INFORMATION

On March 15, the White House provided the committee with the summary memorandum on the background investigation of the nominee by the FBI. This document was reviewed by Senator WARNER and me, and we briefed the committee on our review in executive session. I will have a little more to say about our procedure in this respect in just a few minutes.

The committee also received the required letter from the counsel to the President outlining the nature and scope of the FBI background investigation and agency checks. The committee concluded that there is nothing in Representative CHENEY's background, as reflected in the FBI investigation, that would preclude him from serving as Secretary of Defense.

MEDICAL CONDITION

The committee looked into Representative CHENEY's medical condition, particularly his recovery from coronary bypass surgery in the summer of 1988. The committee received a letter from Representative CHENEY's physician, Dr. Alan M. Ross, director of the division of cardiology at the George Washington University Medical Center. This letter indicates that Representative CHENEY's "recovery has been excellent and he has been advised to pursue unrestricted professional and recreational objectives" and that "the congressman is presently fit to accept any position requiring the highest intellectual behavior and physical performance."

At the committee's request, more detailed information on Representative CHENEY's medical condition was provided by his physician and is retained by the committee in its executive files.

I add, for the public record, there is nothing inconsistent in this report with the public record just quoted.

In addition, after receiving the nominee's permission, Senator WARNER and I reviewed the medical information provided by Representative CHENEY's physician with other physicians and briefed the committee on their views. Again, this information was entirely consistent with the public record.

The committee also discussed Representative CHENEY's medical condition in both public and executive sessions. The committee concluded that there is no medical reason that would preclude Representative CHENEY from serving as Secretary of Defense.

COMMITTEE CONCLUSION

Mr. President, after a careful review the committee concluded that Representative CHENEY is highly qualified to serve as Secretary of Defense.

Representative CHENEY has had a distinguished career of public service, serving in senior leadership positions in both the legislative and executive branch of our Government. After serving as a congressional fellow in the late 1960's, Representative CHENEY began a series of assignments in the executive branch, culminating in the position of White House Chief of Staff for President Ford, a very important and responsible position.

In November 1978, Representative CHENEY was first elected to the House of Representatives. This past January, he began his sixth term as the at-large Representative for Wyoming.

After only one term in the House, Representative CHENEY was chosen by his Republican colleagues to serve as chairman of the House Republican Policy Committee, a position he held for four terms. In June 1987 he was unanimously elected chairman of the House Republican Conference, and in December 1988 he was unanimously elected House Republican whip.

Beyond his leadership and management experience, Representative CHENEY has substantial expertise in national security and intelligence issues. He has been a member of the House Permanent Select Committee on Intelligence, serving as ranking Republican on the Subcommittee on Program and Budget Authorization. He was also the ranking Republican on the House Select Committee To Investigate Covert Arms Deals with Iran.

I have already mentioned that a summary of the nominee's position on key national security issues from the confirmation hearings is included in the committee's report on this nomination.

Finally, the Armed Services Committee concluded that Representative CHENEY's high standards of personal conduct and integrity would set an excellent leadership example for the men and women in the U.S. Military Establishment and would help to restore public confidence in the integrity of defense management.

Mr. President, we face some very tough choices in the area of national security policy in the months ahead. We need a strong, capable, and effective Secretary of Defense heading up the Department of Defense. I believe President Bush has made an excellent choice in nominating Representative CHENEY for this difficult assignment, and I urge my colleagues to support the nomination.

Mr. President, I yield the floor.

MATERIAL SUBMITTED TO THE COMMITTEE ON ARMED SERVICES CONCERNING REPRESENTATIVE CHENEY'S NOMINATION TO BE SECRETARY OF DEFENSE

1. Representative Cheney completed and submitted to the Committee the following items:

(a) The Committee Background Questionnaire containing questions and answers on biographical, financial and other matters, and the standard required letter from the nominee.

(b) His draft Standard Form 278 which is his public financial disclosure form. The official version came with the Office of Government Ethics letter. The Committee also obtained his public financial disclosure reports for the last ten years.

(c) His tax returns for the years 1985, 1986, and 1987.

(d) Statements from his doctor concerning his medical condition.

2. The Committee has received the following items from the Executive Branch:

(a) The Committee required letter from the Office of Government Ethics—which reviews the public financial disclosure form—and comments on conflict of interest and other matters.

(b) The Committee required letter from the DoD General Counsel covering the same matters.

(c) The Committee required letter from the White House Counsel indicating the nature and scope of the background investigation.

(d) The FBI background investigation material which Senator NUNN and Senator WARNER reviewed and briefed to Members of the Committee.

The PRESIDING OFFICER (Mr. BRYAN). The minority manager, the Senator from Wyoming, is recognized.

Mr. WALLOP. Mr. President, let me begin by thanking the distinguished chairman of the Armed Services Committee for his support and for the manner in which the nomination was expedited. I say "for his support" because the nominee is a long-time personal friend of mine.

In addition to being a long-time personal friend, he is one of those rare human beings whose behavior in what might have otherwise been a competitive circumstance—Members from the same party vying in our State for the same press and our party for the same adoration, as it were—as attracted, without exception, my admiration, my affection, and my astonishment at the depth of his ability, continuing to learn, even on areas where he is considered by most of the world to be an expert.

Many have suggested that if there is any drawback at all to this nominee's presence as Secretary of Defense, it might be his lack of experience in defense matters. One, I think that those who are suggesting his lack of experience probably would be surprised at the depth and breadth of that experience, from setting up arms control summits with President Ford in Vladivostok to his service on the Intelligence Committee, to his service as one of the leaders of his party in the House of Representatives, to experience that he may have had with President Ford's National Security Council.

Were those not the case, that hands-on experience with the defense establishment policy, having this man, someone who has the appropriate amount of modesty, and for someone taking on a challenge of this nature, an appropriate amount of modesty, Mr. President, it is really a rather simple statement. It is to know when you do not know, and to know where to go to find out. It is not to be so self-satisfied that your opinions are based on some God-given gift that no change need be contemplated.

This is a modest, self-confident westerner. He is a man with whom I have campaigned, with whom I have fished, with whom I have—yes, in this day and age—sat down and had a beer with, believe it or not. I trust DICK CHENEY. I trust how he behaves in life. I trust his intelligence, trust his integrity, and I trust his friendship.

It is not going to be an easy time for Senator SIMPSON and myself who have grown so smugly used to having a State delegation whose party positions and whose committee positions have so completely covered the interest of our State that we have been able, working in coordination with one another, to do far more things for a State the size of ours than might have otherwise been expected.

It was with some sentimentality, Mr. President, that the three of us sat probably certainly for the last time as a delegation, while Senator SIMPSON and I introduced our friend and colleague to the Senate Armed Services Committee as President Bush's nominee.

I will not belabor any points any further, Mr. President, except to say that I am grateful to the committee for their swift action. I was not surprised by it, having known DICK CHENEY as long as I have, that they found nothing but exemplary performance not only in the conduct of life but in the performance of tasks that he has shouldered in life.

So now we have what this country so badly needs or will have shortly a Secretary of Defense to guide us in times when the leaders of the Western World have told us the threat we face may be diminishing and they are at the same time going to be asking for resources and finances to confront the threat that exists. Those are two difficult concepts for a Democracy to accommodate at the same time, on the one hand to decry our inability to confront the threat and on the other hand to proclaim that the threat is now in such a state of diminishment as to be an occasion for national confidence and peace break out.

DICK CHENEY I think has the intellectual capacity, the philosophical capacity, and the steadfastness and toughness to confront that challenge. He will serve President Bush well. He will serve America well, and he will make this Senate proud for having confirmed that nomination.

Again, I would like to thank Senator WARNER, who will return here momentarily for his statements, but, Mr. President, this is a day that shows when the Senate sets its mind to it, it can move swiftly, expeditiously, and responsibly to put in place the Government of the United States that it so desperately needs.

I yield to my colleague from Wyoming.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming.

Mr. SIMPSON. I thank the Senator from Wyoming, my friend and colleague. I, too, thank the chairman of the committee, Senator NUNN, for his great efforts in this matter, fair and firm as we know him to be, and Senator WARNER, the ranking member, the two of them worked very closely together to the benefit of the Senate and to the country.

I think the thing that I would say in very brief remarks is to elaborate and touch on what my friend Senator WALLOP has said. I think you seldom see in this place, either in the House or the Senate, a delegation that in some sense does not compete with itself for that little press release or for this letter to an agency head, even when both are of the same party. It is a common thing. There is nothing wrong with it, but it is common.

But I think that has been the most delightful part of the 10-year relationship with MALCOLM WALLOP and DICK CHENEY. There was never a shred of jealousy. No one tried to win the race to the gallery. No one tried to get out the first press release. And that was a special, special relationship.

There is not any need to elaborate on what DICK CHENEY has done. He has been through all this course before. He had the full investigation when he became part of the Nixon White House. He had the full investigation when he became part of the Ford White House and then Chief of Staff of the President of the United States of America.

So, there is his record just as clear and appropriate as one can imagine.

I have heard people in my 10 years here speak of the "DICK CHENEY model" as chief of staff of the President, and they said that with the greatest respect. That is because DICK CHENEY tackled that job as he does every single task, with admirable confidence and professionalism and dedication.

So when he came back from the White House and came to Wyoming and decided to run for the House of Representatives, the people in Wyoming saw that and they were impressed and they figured since you only get one vote in the U.S. House of Representatives, 435 of them over there, you might just as well load the cannon, and so they did. And DICK CHENEY rose in a meteoric way through the ranks of the Republican Party in the House of Representatives to "No. 2," and he learned the issues, and he participated, he was fair and firm, with this remarkable degree of common sense.

So, I will not go further on that but just to say that the great pleasure of the day, the elation of the day for those of us in Wyoming is that we are very proud to offer a native son to be Secretary of Defense of the United

States of America. You can imagine that that is very deeply pleasing to a population of 470,000 people, ranging around in 98,000 square miles, and they take a fierce pride in this, but they also know that his replacement, whoever that may be, will not have the distinctions and the honors and the rare political savvy that DICK CHENEY has had.

So, my day is tempered by a sense of personal sadness, just a shred of that. I will miss this man. I, too, like MALCOLM have campaigned with him, laughed with him, joshed with him, even had a suds or two with him, if you can believe that I would do that in my off hours.

So we have had a lot of fun and we are going to miss our friend, but that sense of selfishness will not last. I know what DICK CHENEY is going to do when he gets over there. He is going to learn the issues to where he will be on a par with any Congressman. He will be able to deal with any field grade officer there and in about 6 months he is going to call one of them in and say, "What is the purpose of your job?" And that will be a shocking thing for some of those people because you see part of the problem at the Pentagon is that if you are a field grade officer you have to have somebody to command and a lot of them do not have anybody to command. It is very frustrating for them.

I think DICK CHENEY will find those who are the true commanders and those who need not be further beleaguered with their activities over there. He will find that out. He is a realist, a pragmatist and he is going to be able to deal very effectively with this chairman, his friend, SAM NUNN, very effectively with Senator WARNER, very effectively with the Armed Services Committee, very effectively with the House leadership of both parties, and he is just the man to make the important decisions on defense that are going to be required right out of the box, whether it is MX—we deal with that continually—or the rail garrison, Midgetman, all of those heavy decisions early on, and Senator WALLOP expressed it beautifully in one word, trust. You do have to come away with trust about DICK CHENEY when you talk about DICK CHENEY.

The American people are going to learn to trust him. The American service men and women are going to learn to trust him and look up to him and greatly admire him.

So you have before you in DICK CHENEY the ultimate legislator, the creative leader, the knowledgeable and spirited man who in every sense will make a difference.

His wife, Lynne, a multi-talented woman of extraordinary effervescence and creativity and his two daughters, Liz and Mary, whom Senator WALLOP and I have watched grow to womanhood in the 10 years since we campaigned together first with their little baskets and their blue buttons, and we watched all that.

So, to all the family, our sincere congratulations. Our sense of pride is high and I am sure that DICK CHENEY will attain whatever goals he has set for himself in this cause. He is one of the most steady and unflappable men I have ever met anywhere, at any time, under my circumstances, ever, and he will need it all. This is a remarkable choice for a tough job and America is the singular winner in this instance.

I thank the Chair and I thank my colleagues.

Mr. WALLOP. Mr. President, I yield to Senator LOTT.

Mr. LOTT. Mr. President, I thank the Senator for yielding me a few brief moments here.

I am delighted, and without any hesitation or reservation at all, to endorse the nomination of Congressman DICK CHENEY to be Secretary of Defense.

I, too, want to join in commending the Armed Services Committee for moving very expeditiously in this instance on this very fine nomination. Also, I must say I was very pleased that President Bush did not hesitate and moved quickly in making this recommendation just 7 days ago.

So one and all now have been working together to fill this most important position. We all know that we need aggressive, competent leadership at the Pentagon, and DICK CHENEY will certainly provide that leadership.

I had the great pleasure of getting to know DICK CHENEY well as a Member of the House of Representatives. We served together for 10 of the 16 years that I served in the House and we served in the leadership together for the past 8 years.

DICK CHENEY is truly a unique individual. I know him to be a man of great experience, keen intellect, and superb leadership ability.

Also, I think I need to change the record just a little bit from his two colleagues from Wyoming who know him so well. And it really is a credit to the man that the three of them have had such a good relationship in the Wyoming congressional delegation. You do not always hear that type of personal warm friendship and relationship that they have had together and it means a lot, I am sure, to Congressman CHENEY and it does to all of us.

But I also know DICK CHENEY to be a man of great moderation in his participation with the suds, as the Senator from Wyoming just said. While he is a man of conservative character and philosophy, he certainly is very moderate in that particular area.

DICK CHENEY has been active in legislation in the House of Representatives. Not only has he been a member of the leadership cadre where he always provided very good counsel, he was active.

He has been involved with the complex subject of military strategy for some time. The definition of military strategy is the "art and science of employing the Armed Forces of a nation to secure the objective of national policy by application of force or the threat of force." As a member of the House Permanent Select Committee on Intelligence, he is intimately familiar with the various threats posed to our national security. A firm understanding of the threat is fundamental to devising a rational national strategy to minimize risk in the full spectrum of possible conflict with potential adversaries. He is the ranking minority member on the Budget and Program Authorization Subcommittee on Intelligence. This subcommittee conducts exhaustive reviews of all intelligence programs to ensure that they support strategic policy goals. Congressman CHENEY cosponsored with Senator WARNER the national security strategy portions of the Goldwater-Nichols legislation on defense reorganization. This, together with his extensive knowledge of the Soviet Union and frequent involvement in various forums on defense such as the Aspen Institute, gives further evidence that DICK CHENEY is a wise choice to lead our Defense Establishment.

Congressman CHENEY's ability as a consensus builder is widely known and will be invaluable in his role as the President's spokesman on national security. He has been a participant in a number of bipartisan efforts to achieve consensus on defense issues including a working group jointly sponsored by the Center for Strategic and International Studies and the Johns Hopkins Foreign Policy Institute which published a report on how best to implement defense reforms proposed by the Packard Commission. He has been involved in similar bipartisan defense efforts with the Institute for Foreign Policy Analysis, which is associated with the Tufts University Fletcher School of Law and Diplomacy. Until recently, he served as cochairman of the advisory board for the Center for Strategic and International Studies along with our distinguished colleague, Senator NUNN.

Congressman CHENEY is a proven champion of the principles of freedom and democracy. He has long been a staunch supporter of democracy in Central America including assistance to the Nicaraguan freedom fighters. His efforts in the House of Representatives to support the freedom fighters have been instrumental in maintaining a viable resistance to the repressive Sandinista regime. His appointment would signal this administration's continuing commitment to the principle of democracy for all nations.

Congressman CHENEY's service as White House Chief of Staff under President Ford gave him a unique perspective from which to observe the many competing national priorities. But I want to build on that. One of the things we do not always stop to think about is that the chief of staff is always there with the President, on trips to places like Vladivostok, but also at meetings of the National Security Council. This experience will stand him in good stead as the Nation faces the difficult choices ahead in determining strategic priorities and balancing national security requirements in a constrained budget environment.

The task of leading the Department of Defense with its 5 million men and women in the Active, Ready Reserve, and civilian components is a demanding challenge of the first order. I can assure you without reservation that this is the man who can meet that challenge. His leadership ability is unquestioned. I recognized his superb natural leadership skill during his early days in the House of Representatives and I came to rely on that skill as a member of the Republican leadership team. When I left the House, he was unanimously elected to succeed me as House Republican whip. I felt good about DICK CHENEY being in that position. I knew he would do the job and do it well.

But now he is moving on to this greater opportunity and it is good for the country, it is good for Wyoming, it is good for all of us that we have a man of this moral character and leadership ability to be Secretary of Defense. So I trust and I urge my colleagues in the Senate to support wholeheartedly and hopefully unanimously this very fine choice to be Secretary of Defense.

I thank the Senator for yielding.

Mr. NUNN. Mr. President, I have already gone over this, both in the committee report and to some extent in my presentation earlier today on this nomination, but I want to review this for everyone's attention. I hope Senators who are not on the floor would pay heed to these comments, because I think it is important for every Member to understand the committee's procedures regarding information furnished by the nominee himself that we deem to be confidential, unless it is needed to be made available to all the Members, and also committee's procedures regarding the FBI report.

I have said in the last 2 or 3 weeks on several occasions that the Senate itself is the device and consent body in this Government under our constitutional scheme. It is not the Armed Services Committee. We are only the trustee for the Senate in presenting to the Senate the nomination and in taking from witnesses as well as the nominee and the FBI certain information that we sort through to determine what should be presented to the Senate. So it is important that this whole body understand the way we are handling nominations.

I know other committees have their own responsibilities and there are very, very important nominees coming through other committees. We are not the only committee that serves as trustee for the Senate.

We do have more nominations coming through our committee than almost any other committee, with the possible exception of the Foreign Relations Committee. We have some 50 nominations or more that will come through our committee in the next 3 months. And in each one of them we will go through this general procedure. So it is important for people to understand that this nomination is being treated like others and it is going to also reflect what we will be doing in the future. So my remarks now are not aimed at the Cheney nomination per se but have a broader application to our general procedures.

First, we receive a letter from the nominee and a detailed response to the committee's questionnaire. That questionnaire covers personal background and financial information. Again, unless we believe there is something in there that needs to be made public in order for the public and for our colleagues to make a judgment, we do not normally make the personal background information available to the public. The questionnaire states that such information will not be made public unless it is voted on by the committee. So that is important for people to understand.

We encourage candor, we encourage frankness here, and we ask for certain information that could be relevant, in some cases it is not relevant, but could be relevant to our own deliberations and to the Senate's deliberations.

The next step is our review of the nominee's financial disclosure forms and conflict of interest opinions from the Office of Government Ethics as well as the Department of Defense general counsel. The nominee fills out standard form 278, which is processed in the executive branch. It goes to the Office of Government Ethics. They review it, they comment on it, and their commenter we provided to the committee and to the President. Also, the Department of Defense general counsel reviews that same form. So we get a three-way check on that form on conflict of interest. One is the Office of Government Ethics, the second the Department of Defense general counsel, and third is our own counsel on both sides of the aisle, Republican and Democrat. So we have a three-way check on that. We deem it important and we review it carefully.

In addition we review the nominee's tax returns, usually for the last 3 years, unless we run into some unusual situation.

We have done all of those things in this case. The chairman and the ranking minority member review the FBI material—and this is the way we handled it so far and we have done it for the last 2 years, and this nomination is no different. Senator WARNER and myself, as trustees for the committee, review the FBI summary memorandum that they send to the committee. They do not send us the interviews. They send us the summary. And we also get a letter from the executive branch detailing the scope of the FBI investigations.

People do not realize this, but it is important. There are all sorts of FBI investigations, anything from an agency check, which means simply looking at other Government agencies and what information they may have on the nominee, to a full field investigation, which involves going out and interviewing people by the scores.

So, there are different kinds of FBI checks and we get a letter from the Counsel for the President, stating what kind of FBI summary we are, indeed, examining.

What Senator WARNER and I do after we receive that FBI report, and after we have read it, is to come to a conclusion. The staff does not read that report unless there is an unusual situation. In the last nomination we did have staff access by specific written agreement.

After we come to a conclusion Senator WARNER and I act collectively. Normally we do not disagree, but if we did disagree we would, each one, state our individual views to the committee. Regardless of our individual conclusions, Senator WARNER and I collectively decide what information in that report could, by anyone's possible interest, be deemed relevant to the membership in making a decision. If we believe there is anything in that report that any member of the committee might really focus on in terms of their own concern about the nomination, then we believe it is our obligation to present that particular information to the committee.

If we do not find any material like that then we do not reveal the contents of that FBI report to the committee. But, if any member asks to be briefed on that FBI report or to have access, then it has been my position and will continue to be, that I will then go to the White House and ask permission for that particular member to have access to the report.

So nobody is blocked out here on the committee from viewing that report if they deem it is necessary for their own deliberations.

We have followed our normal procedure in this case, in the Cheney matter. We reviewed it and we did give

the membership an oral briefing on the FBI report.

There were a couple of items in it that we ourselves did not believe had any bearing on our determination on the Cheney nomination but we briefed every member of the committee. The committee, all 20 people, came to the same judgment that we had, that there was no information in that FBI report that was in any way an impediment to DICK CHENEY's ability to serve as Secretary of Defense.

So we have done the same thing here as we will do with other nominations in the future and have done in the past. In this case there was a consensus in the committee, after receiving the summary from Senator WARNER and myself of certain factual information that had been in the FBI report and certain factual information that had been in the confidential questionnaire filled out by DICK CHENEY, that there was nothing that would constitute an impediment to his serving as Secretary of Defense.

That was an agreement of every member of the committee, all 20. There was no dissent.

It is my judgment that reasonable people would agree that the committee had served as trustee for the Senate, that we had done our job, and that there was nothing from the confidential information which should be brought to the attention of the entire U.S. Senate or be made public.

If we had five or six people who felt otherwise, then we would have had a different kind of determination to make. Or even two or three people. But we had no one who felt there was anything in that material that would serve as an impediment to DICK CHENEY taking his position to serve as Secretary of defense.

Again, I am pointing out that unless we are instructed otherwise by the leadership or the Senate itself, this is the way we will handle all the other nominations. I am not dwelling on this one. I am just saying this is the way we are handling all of them.

To summarize our procedures, Senator WARNER and I review the FBI report. We also review the financial data, and the other confidential data. We bring to the attention of our committee any information that we believe would in any way possibly be relevant to anyone's consideration. The committee makes a determination whether there is anything in that report that we give them, the oral summary, that should be brought to the full attention of the Senate. And in this case the committee unanimously felt there was no impediment to this nomination.

The other thing I want to point out to the Members is that our committee's questionnaire specifically identifies those portions that will not be revealed to the public unless the committee votes on it.

The committee did not believe anything in the financial or personal information should be made public. We found no impediments there. Therefore, there was nothing that would in any way compel us to make that information public or even insinuate that we should.

But I want everyone to know now, on the floor of the Senate, that if there is anything that they want to review from the committee's questionnaire, we will make it available. We do not have it in our authority to grant access to the FBI report, but we do have the committee's confidential questionnaire.

I would say that Congressman CHENEY was candid. He was frank in his responses to our questionnaire. We found he had given us everything we asked for and more in terms of our questions.

But, if any Member of this body—and I hope everyone understands that on this nomination or the other—if any Senator would like to review that personal financial and biographical information in the questionnarie, it is sitting right here—it will be. Put it there. [Laughter.]

It is right here. Come look at it.

I repeat what I said before, and Senator WARNER said the same thing: We find nothing in that financial information and biographical information that is in any way an impediment.

I will close by just saying Representative CHENEY was frank and candid in his responses to the questionnaire of the committee. The financial and personal aspects of the questionnaire are not relayed to the public unless the committee votes to do so. But, again, if any Member would like to review that questionnaire on the Senate floor, all they have to do is come up and do that. I am sure that Senator WARNER would say the same thing for his side.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming.

Mr. WALLOP. Mr. President, on behalf of Senator WARNER—and I was in on the conference that was the foundation for the chairman's explanation of the process, I totally agree with it. I know Senator WARNER does. And I would say one of the reasons by which this nomination cleared so quickly was the very nature and exemplary behavior of the nominee.

There was no complicated trails to follow. There was just a man who has served his country and his family. He was married over a quarter of a century, raised two beautiful children, and has conducted his life in public. The consequence is just as the chairman has stated it.

The report is there and the committee, not just the chairman, invites Members to look at it.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from West Virginia.

Mr. BYRD. Mr. President, I support the nomination of Mr. CHENEY for the post of Secretary of Defense. It is a pleasure to support a nominee whose background and experience are well known to all of us. It is well known that he brings substantial experience in the national security and intelligence fields. He served on the House Intelligence Committee and on the committee investigating the Iran arms-for-hostages scandal. No serious questions have arisen in the course of the Armed Services Committee investigation and hearings over Mr. CHENEY's fitness for the office, or his integrity, or over the issues related to conflict of interest. On the contrary, I think the record is clear that by virtue of his temperament, his character, his experience, his commitment to public service, that this is an excellent nominee. I welcome his nomination, and I look forward to a solid working relationship with him in sorting out the very difficult issues on national security that we face in the light of our fiscal constraints.

It is going to take a sustained, consistent and positive effort by both the Congress and the Department to fulfill our most important responsibility, to provide for the security of our Nation.

While I welcome this nomination, it does not mean that there will not be differences of opinion over policy, over emphasis, over the various directions in which we must move, over the configuration of the defense budget in some areas. This is to be expected, but I hope that, after vigorous scrutiny and debate under the leadership of the distinguished chairman of the Armed Services Committee and Mr. WARNER, the ranking member, a renewed consensus on our national security posture will emerge. The image of the Pentagon must also be rehabilitated from the shock of the procurement scandals that have arisen over the last few years by a steady and effective reform program. It is very easy to lose a reputation, it is harder to build one, and even harder to rebuild one. So, the challenge is to rebuild both the reputation of the Defense Establishment and the consensus that has been so foolishly squandered over the last few years. I am sure that the Armed Services Committee members and the Senate are committed to that, and I have every reason to believe that Mr. CHENEY is as well.

There is one area of policy and, I think, basic viewpoint, with which I do differ with Mr. CHENEY, and that is illustrated by a recent paper which he authored entitled "Congressional Overreaching in Foreign Policy." The paper focuses on certain areas where

MR. CHENEY objects to what he calls congressional "overreaching" and "aggrandizement." He refers particularly to diplomatic bargaining tactics by individual Members of Congress and foreign powers, to covert operations and to the continued unresolved problem of the workability of the War Powers Resolution. On the last issue, as my colleagues are aware, the distinguished majority leader, and the distinguished chairman of the Armed Services Committee and a number of other Senators, including the leadership on the other side of the aisle of both the Armed Services and Intelligence Committees, have introduced legislation, that substantially revises the War Powers Act to enhance the consultative relationship between the Congress and the President on the matter of introducing Armed Forces into certain situations. It also removes the 60-day deadline requirement for the removal of any troops committed beyond our shores by the President.

I am not saying that that legislation is perfect by any means. I think it is a good starting point. I certainly share with Mr. CHENEY and some of the customs with respect to the legislation. It certainly can be improved, and I would welcome the best talents of the Members on both sides of the aisle in an effort to improve the legislation and bring it forward for debate and, hopefully, enactment.

I would encourage Mr. CHENEY, as did the distinguished chairman of the Armed Services Committee, Mr. NUNN, during his confirmation hearing, to take a serious look at that legislation.

On the matter of personal diplomacy by Members of the Congress and foreign powers, there is a line between conferring with foreign leaders which my colleagues regularly do, for an exchange of views, and I, myself, have done frequently, and the situation where one engages in some kind of negotiations.

Undoubtedly, that line has been crossed in the past, and I do think there is an important dividing line between the two branches on the matter of negotiations, per se.

On the matter of the legislation dealing with covert operations, S. 1721, that Mr. CHENEY refers to, which passed this body overwhelmingly last year, by a vote of 71–19, we have a fundamental disagreement. Part of the problem of the arms-for-hostages affair, was the fact that nobody in the Congress knew about the finding, knew about the policy.

As a matter of fact, the President himself in that January 17, 1986, finding authorized the transfer of arms for hostages and directed the CIA not to inform the Congress of the finding; not to inform the Congress. Part of the problem of the arms-for-hostages affair, as I say, was because of that deliberate and intentional policy on the part of the President that Congress not be informed, that the committees be eschewed, left out and avoided, circumvented with respect to that information. I am sure that had that information been divulged to the leaders in the Congress, that that terrible mistake would not have ever occurred because there would have been strong objections to such an approach, and the President would have been well guided by having revealed such plans to the leadership and certainly by the reactions that undoubtedly would have been strongly voiced to such an approach.

It would have been roundly condemned, and I am sure the reaction on the part of the leadership would have been such that such a finding would long ago have been buried and the events, the tragic events that followed in its wake, would never have occurred.

Mr. CHENEY says in his paper that situations like that, which might be so egregious, would not go forward because of leaks. He says that he is "confident Congress eventually will find out in this leaky city about decisions of any consequence."

Mr. President, it was many months before Congress found out about that decision and that was a decision of great consequence, it weakened the Presidency, weakened the President and undermined the integrity of the Nation in the eyes of the world, as well as in the eyes of our own citizens here at home.

Unfortunately, that was not true in the arms-for-hostages decision, a decision whose results damaged the credibility of our country, and could have been avoided if the finding on the covert action had been submitted to the Congress. The one single major legislative result of the whole affair was legislation requiring that a finding be submitted to the intelligence committees prior to the initiation of covert activities not later than 48 hours after it is signed by the President. It is, Mr. President, a rare event for a finding by a President to be challenged, but on some occasions a poorly conceived policy, as that one surely was, might be delayed or even terminated if the judgment of the intelligence committees is strongly opposed to the agency. In those circumstances the country might be saved an embarrassment as it certainly would have been in that instance, from a poorly conceived policy as that certainly was.

This is a government of laws and not men, but the Iran-Contra Committee found, generally, that the real problem in the arms-for-hostages affair was the "failure of individuals to observe the law, not from deficiencies in existing law or in our system of governance." While I subscribe to that conclusion, I also feel that the 48-hour notice requirement on findings is a needed adjustment to the laws now in place governing intelligence activities, and I am hopeful that this Congress will pass that measure again. I also hope that Mr. CHENEY will reexamine his views on this matter, in light of his new responsibilities.

Mr. President, I reiterate my support for this nomination. The Pentagon has been too long adrift without responsible, vigorous leadership, and I am sure that Mr. CHENEY will begin putting his team and things together immediately.

I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia.

Mr. President, I rise in strong support of the nomination of Representative RICHARD B. CHENEY of the State of Wyoming to be the next Secretary of Defense. I join the chairman, Mr. NUNN, in his remarks regarding the procedures of the committee covering executive department nominations, and as ranking member, I accept responsibility and accountability for the preparation of the record for committee review and full Senate consideration of nominees.

I commend the President for his selection of this outstanding nominee.

I strongly urge all my colleagues to vote for his immediate confirmation.

DICK CHENEY is extremely well qualified—in terms of experience, capabilities, integrity, and character—for this highly demanding and critical position.

His background and experience in government have prepared him well to serve as the Secretary of Defense.

I think it is fair to say that the report did not contain any information, covering the relevant period of his adult life, raising any question about DICK CHENEY's qualifications to serve as Secretary of Defense and on that point there is no room for reasonable men to disagree.

As President Ford's chief of staff, he participated in numerous, critical national security crisis situations at the very top levels of our Government.

He knows from firsthand experience how to cope with such crises and has been described as "absolutely unflappable" under extreme pressure and tension.

I indicated, upon first being informed by the President that Representative CHENEY would be his nominee, how very much I admired this man and his family. His talented wife, Lynne—a full partner in every way and an accomplished professional in her own right, serving as the chairperson of our National Endowment on the Humanities—and his two lovely daughters clearly reflect the family traditions and values that are dear to all Americans.

Representative CHENEY has a clear understanding and appreciation of the importance of those family relationships for our military families who face frequent and extended separations in fulfilling their military duties and responsibilities, particularly overseas assignments.

If we allow budgetary reductions to further reduce the size of our military forces, these family hardships could get worse.

In 1986, DICK CHENEY and I sponsored together—he in the House of Representatives and I here in the Senate—legislation requiring the President to provide a foundation report on our national security strategy to the Congress at the beginning of each year.

Eventually our legislation was included in the Goldwater-Nichols Department of Defense Reform Act and became law.

Little did DICK CHENEY know then that in 1989 he would have to participate in writing this Presidential document.

Representative CHENEY's clear understanding of the need to match military and diplomatic commitments with our available military resources was obvious then, as it was during his appearance before our committee when he stated, and I quote:

I would like to be able to come back to the committee and say, look, here is the strategy we decided upon in order to achieve the national goals and objectives that we all share, and I can carry out this strategy but it is going to cost *x* amount—or these are the choices and tradeoffs you as a Congress are going to have to make.

I would like to bring to my colleagues' attention a few other short statements made by Representative CHENEY during his confirmation hearing on Tuesday.

I believe these statements, in response to committee members' questions, clearly reflect this man's thoughtfulness about and clear understanding of a wide range of the critical national security issues we are facing. And I quote:

On Low Intensity Conflict: "* * * I think we will find, Mr. Chairman, that in the years ahead, especially if current trends continue, that is to say if we see a lessened Soviet threat, that increasingly our military requirements are going to be influenced by the need to deal with conflicts in the Third World, to deal with low-intensity conflict, as you have stated."

On Procurement Reform: "I am aware that the question of the power and authority of the Under Secretary for Acquisition was an important one with respect to the deliberations on the Goldwater-Nichols bill. I believe firmly in the proposition that we have got to do a lot more than we have in the past."

On Arms Control and Defense Policy: "I think that for us to proceed into the arena of arms control, especially when we look at the complexity of such issues as agreements on conventional force reduction or START accords, that it is absolutely vital that the Defense Department and our military services be consulted thoroughly before proposals are put on the table."

On Maritime Superiority: "My experience where carriers are concerned has been that the first thing a President does when he gets into a crisis is ask where is the nearest carrier." "* * * I have consistently been a supporter of the 600 ship Navy."

As a former Secretary of the Navy, I certainly concur with those remarks.

I noted that when Representative CHENEY appeared before our committee for his confirmation hearing, he was wearing cowboy boots, in the proud tradition of the West and his home State of Wyoming.

It may now be time for him to also put on his spurs—as he tackles the difficult challenges of directing our national security apparatus—as it may be a rough ride for even the toughest of cowboys.

In closing, Mr. President, I would like to quote that great American and great Virginian, Thomas Jefferson, who stated so eloquently: "Go grant that men of principle shall be our principal men."

The President has referred to us a man of principle and asked our advice and consent to his nomination.

I urge this body to give its unanimous support to this nomination so that RICHARD B. CHENEY can assume his duties as one of this Nation's principal men.

I first would like to thank my distinguished colleague from Wyoming for taking my place briefly while I had to leave the floor. Second, I want to associate myself with the remarks of the distinguished chairman of the Armed Services Committee relating to the procedure of the committee. He knows full well from our service together now for 2 years in our respective positions that I accept fully the responsibility and accountability for the manner in which we prepare records for our committee and records for the Senate as a whole with respect to executive department nominations.

I wish to say a very brief word here. Before doing so, I will yield a brief period, I hope, to my distinguished colleague from Idaho, followed by my distinguished colleague from Pennsylvania. I see the Senator from Maine on the floor. I presume he would like a brief period.

Mr. COHEN. If the Senator will yield, I would like to have a brief period to discuss Senator Tower. Perhaps it would be appropriate for me to include my remarks either as part of morning business or subsequent to the colloquy on Mr. CHENEY.

Mr. WARNER. I ask the Senator from Maine if he might consult with the Republican leader who is due on the floor momentarily, and then we will accommodate the Senator from Maine. First the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. SYMMS. Mr. President, following the vote last week to deny President Bush his first choice of nominees to the Secretary of Defense, I was greatly concerned with the course this body seemed to be taking regarding the security and defense of this Nation. I asked my colleagues the rhetorical question: "Where do we go from here?"

Yet, less than 24 hours after the defeat of Senator Tower, President Bush surprised many by quickly sending the name of House Minority Whip RICHARD CHENEY as his second choice.

I believe President Bush answered my question.

I highly compliment the President for his excellent choice of a person to lead the thousands of men and women who wear the service uniforms.

Representative CHENEY has distinguished himself as an excellent executive and legislator; most recently in his role as minority whip in the House of Representatives.

Mr. President, I had the privilege of working with him as a Member of that body until 1980. During that time, I found Representative CHENEY to be knowledgeable, competent, and tough on the various issues that faced Congress.

I have read through the Armed Services Committee's report, Mr. President, and I am pleased Representative CHENEY meets the qualifications and requirements the committee established for determining defense-related nominations. Frankly, Mr. President, I had little doubt to the contrary.

The nine standards—from the nominee's personal integrity to his commitment to public service—were met by Representative CHENEY with high accolades.

Moreover, his answers to some very tough questions clearly demonstrates his concern, understanding, and desire to implement President Bush's proposals to provide for a strong defense, utilize the "Peace Through Strength" initiative, and remain firm when dealing with the Soviets in strategic and conventional arms discussions.

Representative CHENEY recognizes these needs. However, as a man with a distinguished 20-year public service record, Representative CHENEY realizes a defense on the cheap is a recipe for disaster.

In his remarks before the committee, Representative CHENEY stated:

It is my hope that while we obviously have to respond to the budget realities we are faced with that we not fall into the trap of assuming that only budget considerations should drive our decisions.

I know Representative CHENEY will work closely with Congress. I believe this Government and, in particular, the Defense Department will go through some dramatic changes over

the next few years. President Bush must depend on a Secretary of Defense who provides competent advice, can promote the President's defense agenda, and bring with him a good working relationship with Congress.

Everyone realizes that one person cannot accomplish singularly the complex tasks facing the Department of Defense. I think, Mr. President, President Bush knows it best. That is why he has chosen a man of Representative CHENEY's high caliber and capabilities.

Furthermore, Representative CHENEY's high standards in conduct and personal and professional integrity will certainly assist in promoting greater confidence among Americans in the Defense Department.

Finally, Mr. President, what I'm sure will be the overwhelming approval of the Senate in this confirmation, I wish Representative CHENEY well in his new role and responsibilities, and I look forward to working with him as the new administration and this Congress tackle the tough issues ahead.

The citizens of Wyoming will be losing a distinguished legislator. However, their loss certainly will be every American's gain.

I believe there is one person who knows Representative CHENEY well and has included his very eloquent opinion on the nomination in the committee report. Mr. President, I ask unanimous consent that Senator WALLOP's additional views be printed in the RECORD following my statement, and I urge my colleagues to support this nomination.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDITIONAL VIEWS OF SENATOR MALCOLM WALLOP

I cannot find the right words to express my enthusiasm for the President's nomination of DICK CHENEY to be Secretary of Defense. It is a moment of great celebration for the Nation, and one not without some sentimentality on my part. Congressman CHENEY will not be leaving a Congressional delegation which has labored together closely for some ten years. While this represents some loss to the State of Wyoming, it also represents a great benefit to the Nation and in turn does our great State proud.

I have fished with DICK. I have campaigned with DICK. I have labored with him on issues of national moment and on issues of purely Wyoming interest. I know him as both friend and colleague. In my long experience with him, I have learned that he is above all an able, tough, and shrewd executive and legislator. In matters of great national importance, I came to know him as open-minded and fair, and as a man who is able to know what he does not know, and able to recognize and discover where to go to find out.

He brings to this monumental task before him a sense of humility and a sense of presence that shall serve him, and America, well. He is a studious man. Even though he is an undisputed expert on many questions, he still continues to study, to expand his horizons of knowledge. Although a modest man by nature he possesses that peculiar western talent and ability to be both confident and self-deprecating.

Finally, he brings to this high office one more trait that I admire greatly: a sense of historical perspective. As executive, as policy-maker, and as legislator, he has always demonstrated that in order to move the world forward toward the loftly goals all Americans share, it is absolutely essential to understand where we have been and the constraints that history places on us.

This is a big loss to Wyoming and to its Congressional delegation, as well as to the House Republicans. But it is a big gain for America. And in that gain for America it is, as well, a big gain for Wyoming and to the President of the United States. I am proud to see one of Wyoming's finest ascend to this distinguished office. And I am proud that it is DICK CHENEY, my friend, who has been so honored. God give him the strength, the wisdom, and the vision to meet the challenges of the future as he has always met those of the past.

Mr. SPECTER. Mr. President, I seek recognition to make a very brief comment first about Congressman CHENEY. I think he is very well qualified to serve in the important position of Secretary of Defense.

Mr. President, I believe that today there ought to be some mention and some focus on the rush to judgment the Senate has undertaken on this nomination procedure. Less than a week ago, President Bush suggested the name of Congressman CHENEY for Secretary of Defense, and the chairman of the Armed Services Committee announced on Saturday that hearings would be held next week, later scheduled for Tuesday. There was a committee vote on Thursday, and the matter really is hardly ripe for decision.

I say that because very frequently on nominations we hear from people across the country who have something to say. Even if you deal with a regulation on some minor matter administratively, Mr. President, there is notice, there is publication, there is a 30-day period for response and there is an opportunity for people to be heard. There has hardly been a chance for people to find out about Congressman CHENEY's nomination in the press or the media, to sit down and write a letter, have it delivered and opened and read by a Senator or a staffer. So I think there is no question about a rush to judgment here.

I think we are correct and I am prepared to vote for Congressman CHENEY, but I do think this timetable ought not to set a precedent. Had it not been for John Tower's imbroglio and the fact that we are about to recess for 2 weeks, I think it undeniable that we are on the speed track on this nomination today. You can rush to judgment and be right, but it is a bad precedent.

Mr. WARNER. Mr. President, will the Senator yield at an appropriate time for a response from one of the managers?

Mr. SPECTER. Right now.

Mr. WARNER. Fine. I thank the Senator.

Mr. President, I take issue with my colleague that there has been any rush to judgment which would in any way jeopardize the Senate's ability to render an informed decision on this nomination. The facts are that the National Security Adviser called the chairman and myself, and the majority and the Republican leaders, last Friday afternoon and advised us of the President's decision to forward the name of Congressman CHENEY as the nominee for Secretary of Defense. So far as I know, all four parties contacted at that time indicated complete concurrence in the President's judgment that Congressman CHENEY was the best-qualified individual to be Secretary of Defense; so stated the President later in a television program.

Now, Mr. President, Congressman CHENEY, by virtue of his membership in the House of Representatives, already has on file a substantial percentage of the factual material, the information that is required by the Senate Armed Services Committee in fulfilling its role on executive department nominees.

In addition, Congressman CHENEY expedited bringing the supplemental material, that is, his financial, his tax and other matters, quickly to the attention of the committee. The chairman and I were present on Monday and began to process that information together with our staffs. The FBI performed, I think, a very thorough and complete examination. In excess of 100 individuals were contacted; indeed, that report has been referred to by the distinguished chairman, and I likewise stated yesterday that the very brief report contained in our collective judgment no material on which reasonable men and women could differ.

Now, Mr. President, having said that, if we would look at the Carlucci nomination, there is almost an identical footprint between the time required for that nomination and the time required by the Senate Armed Services Committee for this nomination. Congressman CHENEY appeared before the committee in open session. We had the opportunity within the committee structure to have a full examination, and I think in every way the committee has met its responsibilities with respect to this nomination.

Mr. SPECTER. Mr. President, it grieves me to disagree slightly with my dear friend from Virginia, but I think I must in this situation. When he started his presentation, I was struck with the similarity between Congressman CHENEY and Senator Tower; when the matters came to this body, when they were referred to committee, both were strongly recommended by many people in this Chamber. Both

had records which were well known. But over a period of time people came forward. Most of them really had nothing to say about Senator Tower of substance. There is on occasion something to be heard from the American people or from someone who may have known the nominee in the past. And when you have a nomination cleared in the course of less than a week, it simply is not ripe, there is not an opportunity for the people to be heard.

I think we are correct in proceeding to confirm DICK CHENEY today and I said that at the outset. You can rush to judgment and be right, but let us not make any mistake about it; this is a rush to judgment and it ought not to be a precedent.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Georgia.

Mr. NUNN. Mr. President, I think we are about ready to vote, but let me say in brief response to my friend from Pennslyvania, if this is a rush to judgment today, we were rushing to judgment on a number of other nominations in this administration, including the Secretary of State, the Secretary of Labor, and number of others.

I would suggest the Senator is not correct in saying that this is a rush to judgment. We have gone through normal procedures. We have gone through the normal process. We have all the financial information. We have had hearings. We have had any opportunity for anyone who wanted to be heard. The truth of it is there is just no problem with this nomination.

I am reminded, thinking of the nomination, about the old story that is told about the fellow who was accused of being inebriated and setting a bed on fire in a hotel and his plea was that he was innocent. He said, "Judge, the bed was on fire when I got into it."

This bed was not on fire, and I think that is a very important distinction.

Mr. SPECTER addressed the Chair.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. I am about to propound a unanimous-consent request with respect to this vote and the vote on Mr. Eagleburger. I believe it has been cleared with the Republican leader.

Mr. DOLE. It has been raised. It has not been cleared.

Mr. MITCHELL. All right.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the nomination of Lawrence Eagleburger to the Deputy Secretary of State upon the disposition of the Cheney nomination; that the vote on the Cheney nomination occur at 11:55 a.m., that it be a 15-minute rollcall vote; and that immediately following that vote, the Senate, without any intervening action, proceed to a rollcall vote on the confirmation of Mr. Eagleburger; and that at the conclusion of these votes the motions to reconsider en bloc be laid on the table and that the President be immediately notified.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Republican leader.

Mr. DOLE. I want to expedite this as much as I can. I need about 3 or 4 minutes, the Senator from South Carolina needs a couple minutes, the Senator from Maine needs 3 minutes, and the Senator from Nebraska 2 minutes.

Mr. SPECTER. And the Senator from Pennsylvania 1 minute.

Mr. MITCHELL. Mr. President, I am trying to accommodate all Senators. I am also trying to accommodate the President and the Secretary of State. I will then, after I add up all those times, renew my request with the change that the vote occur at noon.

Mr. President, I withdraw that request and propound the following request: That the Senate vote on the Cheney nomination beginning at noon, and that it be a rollcall vote; that following that vote, without any intervening action, the Senate proceed to vote on the confirmation of Mr. Eagleburger but I am not at this time asking that that be a rollcall vote. I propound that request.

Mr. DOLE. Will the Senator yield?

Mr. MITCHELL. Yes.

Mr. DOLE. We are trying to work it out so there will not be a rollcall on Eagleburger. That will help some of the Senators who are in a hurry. So we may have a report on that very soon.

Mr. MITCHELL. We certainly welcome that. The request for a rollcall vote came from a Republican Senator.

Mr. DOLE. It came from this side, and we are working with that Senator to see if Mr. Eagleburger can be voice voted.

Mr. MITCHELL. So the current request is that we vote on Cheney, and a rollcall vote at noon. In other respects my request respecting how the matter would be handled at the conclusion of the votes remains the same.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. Mr. President, I have no objection.

Mr. DOLE. I think that will work. That will be about 11 minutes.

Mr. MITCHELL. I will amend my request to ask that the Senate proceed to the vote on Mr. CHENEY at 12:05 p.m., all other aspects of the request remaining the same.

Mr. SPECTER. Mr. President, reserving the right to object, I reserve 1 minute.

Mr. MITCHELL. Mr. President, I ask for the yeas and nays on the nomination of RICHARD B. CHENEY to be Secretary of Defense.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that immediately upon the disposition of the Cheney nomination there follow without any intervening action a voice vote in the Senate on the confirmation of Lawrence Eagleburger to be Deputy Secretary of State.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, we canvassed our side. We are now advised this can be done on a voice vote. That will accommodate a number of us.

The PRESIDING OFFICER. If there is no objection, it is so ordered.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I want to congratulate once again, as I have so many times, the chairman of the Armed Services Committee, Senator NUNN, and the ranking member, the distinguished Senator from Virginia, Senator WARNER for another outstanding job well done.

There was no rushing of this nomination whatsoever. It was a totally uncontroversial nomination. I am delighted that the President nominated DICK CHENEY. I am delighed to enthusiastically support him. He has a very tough job to do with the budget crunch. We on the Armed Services Committee will be working with him.

I think he will be a great Secretary of Defense. I urge unanimous vote in support of the nominee.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, for the benefit of my colleagues, there will be no rollcall votes today after the vote on the Cheney nomination.

Mr. DOLE. Mr. President, I yield 1 minute to the Senator from Pennsylvania.

THE BAKER-ELIZABETH DOLE ANALOGY

Mr. SPECTER. Mr. President, I will take less than a minute.

I simply wanted to respond to the Baker-Elizabeth Dole analogies. Secretary Baker's prospective appointment to be Secretary of State was indicated shortly after the election in November. It was not confirmed until after January 20. Elizabeth Dole's nomination was announced Christmas Eve. She was not confirmed for more than a month later. So it is not like the case at hand.

Mr. DOLE. Mr. President, I yield 2 minutes to the Senator from South Carolina.

THE CHENEY NOMINATION

Mr. THURMOND. Mr. President, I rise in support of the nomination of the Congressman RICHARD CHENEY to be the Secretary of Defense. The loss for the State of Wyoming is the country's gain.

Mr. CHENEY has had an outstanding career, and I am confident that he will be an excellent leader for the Department of Defense.

Mr. President, we are well into the year and we need to confirm a Secretary of Defense, so that President BUSH's revised budget can be finalized for submission to the Congress.

The Senate Armed Services Committee has reviewed Mr. CHENEY's qualifications in public and private sessions. We have fouund him to be a man of high moral character and strong personal convictions, and he was approved by the Armed Services Committee unanimously.

He should be able to provide firm leadership to the Department of Defense in the months ahead when strong leadership will be a necessity.

Mr. President, Congressman DICK CHENEY has served this country in a variety of positions. He has worked for two Presidents of the United States and has respresented the State of Wyoming for 10 years as their single Member of the House of Representatives.

The task before him at the Department of Defense is great. Declining defense budgets make decisions more difficult and more divisive. I believe, however, that the President has picked the right man for the job, and I urge all Senators to support him.

Incidentally, Mr. CHENEY is endorsed highly by both Senators from Wyoming. He is endorsed by Senator SIMPSON and Senator WALLOP, both of whom are held in high esteem here.

In closing, I want to say Mr. CHENEY has a reputation of being a man of integrity, a man of capacity, a man of compassion, and a man who is tough. We need a tough man in that job.

Mr. DOLE. I yield to the Senator from Montana.

Mr. BURNS. Mr. President, I rise today to offer my wholehearted support of my good friend from Wyoming, DICK CHENEY, as Secretary of Defense. We all know that the circumstances leading to this event are less than optimal, but it is clear that President BUSH's second choice is in no way second best. DICK is a good friend of mine and I speak from a personal as well as a professional perspective when I say that I don't think the President could have made a better choice.

As a fellow westerner, I look forward to having a Secretary of Defense who understands the contribution we make to our national defense. In fact, the rest of you may want to note that if Montana, Wyoming, and North Dakota seceded from the United States, we would be the third largest nuclear power in the world. So now you can rest assured that with DICK CHENEY as Secretary of Defense, we will remain on your side.

In all seriousness though, DICK CHENEY's nomination for Secretary of Defense makes a lot of sense for several reasons. No. 1—DICK is a leader and that is what the Pentagon most needs right now. He was first elected to Congress in 1978 and was first involved in the House minority leadership in 1981—that shows leadership. He has the ability to "take the bull by the horns" as we say out west and make a difference. We all know that the Pentagon has faced some harsh criticism lately in the procurement area and I can think of no person better equipped to deal with that than DICK CHENEY. He will look at the facts, admit that some mistakes have been made, and sit down to come up with a plan of action which will correct the problems.

Second, DICK has common sense—a quality that is too often lost in the inside the beltway mentality. I believe that he will be able to balance our national security and defense needs with the ever-increasing fiscal pressure caused by the Federal budget deficit. In the years to come some tough choices will have to be made, and I am confident that DICK can make the right choices.

I could probably go on and on, Mr. President, but in the interest of time I will just point out one more quality which I think speaks highly of DICK CHENEY. He is fair. He will be willing to listen to both sides of the issue. He will be able to work well in the spirit of bipartisanship that President BUSH has tried so hard to foster. I also think his views on the parameters of the executive versus the legislative branch serve to his advantage. He will make the transition well and can not be criticized for having any predisposed leanings toward his previous profession.

I know that DICK CHENEY will serve this Nation proud as Secretary of Defense and I urge my colleagues to vote to confirm the President's nominee.

Mr. DOLE. Mr. President, the Committee on Armed Services has found our House colleague, DICK CHENEY, to be highly qualified, and I could not agree more. DICK CHENEY is going to be a great Secretary of Defense. He has had a long, distinguished career in business and public service. He is exactly the kind of leader we want at the Pentagon. He knows the American people and the values we must defend. He knows Capitol Hill and the White House. And after a good decade of good work in the House, he is thoroughly familiar with defense and national security issues.

DICK CHENEY is smart, but he is also tough; tough enough to pursue a solid, realistic defense policy and to ensure that our arms control proposals derive from that policy; tough enough to reform the defense procurement process whether that means taming the Pentagon bureaucracy, disciplining contractors, or standing up to Congress. DICK CHENEY is tough enough to keep America strong and smart enough to know how to do it. We wish him well.

As our new Secretary of Defense crosses the Potomac it is the right time for us to pause and consider what the Senate has wrought during the past 2 months.

Interestingly, in just 9 days, the fates of three men, John Tower, Alcee Hastings, and DICK CHENEY, have fallen into our hands. I am not going to go back and rehash the Tower battle. But I think the Cheney nomination took 4 hours and 36 minutes, as I understand it, in the committee—4 hours and 36 minutes—and the Tower matter consumed 7 weeks.

Apparently, some of my colleagues are not content even with the John Tower defeat. They are still out trying to assassinate the character of an honorable man.

I ask unanimous consent that these two stories, one which appeared in the Washington Post and one in the Dallas Morning News, be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follow:

[From the Dallas Morning News, March 17, 1989]

FBI MEMO SAYS TOWER ABUSED ALCOHOL

WASHINGTON.—The FBI official who supervised the background check on former Sen. John Tower said in an internal briefing paper that the investigation found a "pattern of alcohol abuse" that Mr. Tower had taken steps to correct by 1983.

It was not clear from the document whether the bureau believed that Mr. Tower dealt with his drinking problem before 1983 or whether it simply focused on that period because senators considering Mr. Tower's nomination as defense secretary wanted to know if the alcohol abuse continued after he left the Senate in 1985.

The document was prepared by Thomas Kirk, head of the FBI's special inquiry unit, and was released Thursday by Sen. Ernest Hollings, D-S.C.

It appeared to contradict assertions by the White House and Republican senators that the FBI report did not provide conclusive evidence that Mr. Tower, whom the Senate rejected last week for the Pentagon job, abused alcohol.

White House counsel C. Boyden Gray and Senate Armed Services Committee Chairman Sam Nunn, D-Ga., said the FBI file submitted to the panel did not contain any summarizing conclusions about Mr. Tower's drinking habits but was simply compendium

of interviews with witnesses and other information.

White House officials and Mr. Tower have acknowledged that he "drank to excess" in the 1970s. But they consistently said that he stopped drinking spirits in 1976.

Mr. Tower has denied that he had a history of "alcohol abuse," and the White House has said the FBI report turned up no evidence that he suffered from "the disease of alcoholism."

According to FBI spokesman Milt Ahlerich, Mr. Kirk prepared the document as a briefing paper for FBI Director William Sessions, who testified Thursday before Mr. Hollings' appropriations subcommittee.

Mr. Hollings has said that the White House and Mr. Tower's supporters misrepresented the FBI report in their effort to clear the former senator.

[From the Washington Post, Mar. 17, 1989]

"PRIOR PATTERN" OF ALCOHOL ABUSE BY TOWER CITED IN FBI DOCUMENT

The long FBI investigation into former senator John G. Tower found "a prior pattern of alcohol abuse" as well as "indications" that Tower had sharply cut back on his drinking in recent years, according to an internal Federal Bureau of Investigation document made public yesterday by Sen. Ernest F. Hollings (D-S.C.).

The document, which a bureau official said was prepared for use by FBI director William Sessions, provides the first official, although partial, verification of what the FBI discovered in its background investigation of Tower, whose nomination to be secretary of defense was defeated by the Senate last week.

The FBI review of Tower's past included 500 interviews in 38 cities and seven foreign countries.

Investigators looked into 69 separate allegations and produced nine memoranda on Tower which ran 371 pages, plus another 137 pages of enclosures.

"The FBI investigation did not disclose any illegal activity on the part of Sen. Tower," the document said.

"However, the investigation did confirm a prior pattern of alcohol abuse, as well as the senator's continuing sporadic use of alcohol, with indication that he had greatly reduced his consumption levels during 1983-1989."

Mr. DOLE. We will hear more about this so-called FBI report and about how it fell into certain hands, and how it became public information.

I might say that whatever was given out would demonstrate that Senator Tower did not abuse alcohol. I mention this because one of my colleagues stood on this floor and referred to Senator Tower as "Mr. Alcoholic Abuser." That was his statement, and he will have to defend it. Even if they are untrue, statements like this is embarrassing. I think we should all agree not to embarrass John Tower further.

I suggest that we have had our say on John Tower. Now I think we have properly accorded Mr. CHENEY and the President the respect they deserve by moving toward a swift confirmation. It would seem to me it is in our interest to move ahead, as I have said, here in the Senate. At the same time, I think we should not forget that the Tower case was unique. I guess that if every case was handled like the Tower case, we would never have anybody confirmed for anything.

I suggest that we missed an opportunity to have someone with uncommon expertise in defense. Fortunately, we have a good replacement in DICK CHENEY, and I applaud the Senate Armed Services Committee for their efforts. We are, as I understand, prepared to vote on this side.

I yield back any time.

● Mr. JEFFORDS. Mr. President, as a former Member of the House of Representatives, I have known Representative DICK CHENEY since he first came to Congress in 1979, and through our association on the House Wednesday Group. He and I were also members of a very select group—the six at-large Members of the House. I am pleased that President Bush chose someone from this small but august group to serve as Secretary of Defense. As the lone Congressman from Wyoming, DICK CHENEY has gained the respect of the House and Senate leadership as well as national political leaders.

As my colleagues know, Representative CHENEY has had more experience on both ends of Pennsylvania Avenue than most Members of Congress, rising quickly through the ranks of the Ford White House and the House of Representatives. His keen political sense combined with astute intellect are readily acknowledged by those who agree with him and those who disagree with his stand on issues. Representative CHENEY's service on the House Intelligence Committee has given him a unique perspective on national security matters and the intricacies of interdepartmental relations.

I am pleased that the Armed Service Committee has acted swiftly in reviewing the nominee and sending his confirmation to the Senate floor. I trust that Representative CHENEY will act with equal dispatch in assembling his team as soon as he is confirmed. The important national security business of the Nation has been kept waiting for too long.●

Mr. DURENBERGER. Mr. President, I am pleased to rise today in support of Representative RICHARD CHENEY of Wyoming to be the next Secretary of Defense.

Just 8 days ago the Senate rejected the nomination of John Tower by a vote of 53 to 47, only the ninth time in history a President's Cabinet nominee had been rejected. Many predicted the divisive debate that characterized the Tower nomination would leave deep and lasting wounds on the kind of bipartisanship necessary to conduct effective national security policy. I indicated after the Tower vote I did not think the damage would be enduring. I believe today's vote will illustrate that the Senate and the President can work together promptly and effectively.

Yesterday, the Senate Armed Services Committee unanimously supported Representative CHENEY's nomination. And today, with unanimous consent, the full Senate is considering his nomination. The differences between the Tower and the Cheney nominations reflect differences in the nominees—not the Senate process of providing advice and consent.

Many legitimate questions were raised about Senator Tower after his nomination. The allegations about alcohol use, relations with women, and potential conflicts of interest deserved—and received—close scrutiny. After a review of the evidence—not merely the accusations—I concluded Senator Tower deserved my support as he received President Bush's support.

After Senator Tower's rejection by the Senate, President Bush moved rapidly to nominate Representative CHENEY. There have been no anonymous tips about DICK CHENEY, no allegations of womanizing, drinking, or conflicts of interest—not because the Senate or the media have adopted different standards but because of the differences between John Tower and DICK CHENEY.

In 1976, DICK CHENEY was named by the Jaycees as one of the 10 outstanding young men in America—a prescient decision. Representative CHENEY's career is a record of distinguished public service—to Wyoming and to America. He served Presidents Nixon and Ford in a number of positions, notably White House chief of staff from 1975 to 1977. First elected to Congress in 1978, he rose rapidly in the House Republican leadership: chairman of Republican Policy in 1981; chairman of the Republican Conference in 1987; and minority whip last year. He served on the House Permanent Select Committee on Intelligence and as ranking Republican member of the House Select Committee to Investigate Covert Arms Deals with Iran.

This impressive record of public service—when combined with Representative CHENEY's testimony at his confirmation hearings—have convinced me that he will make an outstanding Secretary of Defense.

In the area of "low intensity conflict"—insurgency, terrorism, illegal narcotics—I was pleased to see Representative CHENEY's testimony:

> I think we will find, Mr. Chairman, that in the years ahead, especially if current trends continue * * * that increasingly our military requirements are going to be influenced by the need to deal with conflicts in the Third World, to deal with low intensity conflicts. . . . I realize it has been something of a controversial issue with prior administrations, but it is certainly the law of the land. * * *

Representative CHENEY recognizes that in today's budget situation, "We cannot afford everything we would like to buy. * * *" He addressed many important issues in his hearing, includ-

ing our defense industrial base, burden sharing with our allies, and relations with the Soviet Union. In the area of arms control, he concluded:

I am basically inclined to believe that [the Soviets] are sincere in seeing arms control agreements. * * * I believe that the opportunity exists, the possibility exists that we may well be able to reach further accords.

I have quoted briefly from Representative CHENEY's testimony because such issues were completely overshadowed in the debate over the previous nominee. The decisive action by President Bush, and the quick response by the Senate now means we can move on. The unquestioned integrity and ability of Representative CHENEY means the Department of Defense will get the leadership it must have. Our Nation will be better for it.

Mr. GORTON. Mr. President, yesterday, the Armed Services Committee voted unanimously to confirm the nomination of Congressman DICK CHENEY to become the 18th Secretary of Defense since that Department was founded in 1947.

I want to commend the President for acting swiftly and for sending us one of the most qualified men in this country to head our Defense Establishment.

DICK CHENEY has distinguished himself throughout his 20 years of public service. His leadership experience in both the executive and legislative branches of our Government will have prepared him well for the challenges he will face in the Pentagon.

It goes without saying that DICK CHENEY personifies the high standards of personal conduct and integrity that all who serve in the public trust should aspire to.

Congressman CHENEY's grasp of the important national security issues facing this country was amply demonstrated when he appeared before the Armed Services Committee on March 14. He brings to the job the intelligence, character, and commitment necessary to perform his duties as policymaker, manager, commander, and leader of our Armed Forces.

I, therefore, commend to my colleagues, and in the strongest terms, the nomination of DICK CHENEY to be Secretary of Defense.

Thank you, Mr. President.

Mr. CONRAD. Mr. President, I rise in support of the nomination of Representative DICK CHENEY to be Secretary of Defense.

Representative CHENEY has a long and distinguished record of public service: six terms in the House of Representatives, during which he served on the House Intelligence Committee and on the congressional committee investigating the Iran-Contra scandal; chief of staff in the Ford White House; and he has had experience in the Federal bureaucracy at the Office of Economic Opportunity. His character and personal conduct are not in question, and I believe he can be trusted to lead the Department of Defense with integrity.

I am glad to see that the Armed Services Committee and the full Senate were able to act on this nomination promptly and expeditiously. I expect the vote on Representative CHENEY's nomination to be overwhelming—perhaps unanimous, and I hope this action will help to heal wounds from the divisive debate over the previous nomination of Senator Tower. We need to work together on the Nation's problems and, with this nomination to complete the Cabinet, should now move ahead with renewed commitment and vigor.

Mr. DOMENICI. Mr. President, I rise to support the nomination of Congressman DICK CHENEY to be the new Secretary of Defense.

I have had the privilege of working with DICK on numerous occasions over the past decade and can declare unequivocally that I believe he will be a great Secretary of Defense. I have witnessed firsthand his abilities: diplomacy, leadership, analytical acumen, his dedication to public service.

I also support DICK CHENEY because I believe he is the right man at the right time. The Department of Defense is in a period of transition. Transition from a period of a strong, concerted and fruitful rebuilding, to one of tighter budgets that will require a keen and thoughtful review of our programs and priorities. A transition in international politics from one of an uneasy and sometimes volatile period of détente, to one that appears to be ushering in a new, more cooperative and less confrontational relationship between the superpowers.

This is also a period in which a deft and firm hand will be needed to restore to the Pentagon the reputation of respectability and responsibility that it deserves and which has been tarnished recently by the allegations surrouding the ill wind investigation.

I believe DICK CHENEY is the leader who can restore the proper reputation and who can build a lasting, working relationship that will bridge the Potomac.

This is not the first time that a President has turned to a Member of Congress to be his Secretary of Defense. Of the former 16 Secretaries since 1947, 2 had served on Capitol Hill.

From 1969 to 1973, Mel Laird served under President Nixon. Laird had been an eight-term Congressman from Wisconsin. Like DICK CHENEY, Mel Laird had been chairman of the House Republican Conference at the time of his transition to the Pentagon.

Just as there existed significant challenges for Congressman Laird, so too are challenges awaiting Congressman CHENEY. Ironically, many of the issues that faced Secretary Laird 20 years ago—January 1969—now await Secretary CHENEY: calls for troop withdrawals overseas, the need for improved procurement practices, burdensharing, the maintenance of U.S. technological superiority in defense R&D, and base closures.

Just as Secretary Laird accomplished much during his tenure—the establishment of the Defense Investigative Service, the Defense Mapping Agency, the Office of Net Assessment, and the Defense Security Assistance Agency—so, too, I believe will Secretary CHENEY be an effective and productive leader at the Pentagon.

The second Congressman turned Secretary was, of course, Don Rumsfeld who served admirably as President Ford's Defense Secretary from 1975 to 1977. Parallels exist not only between DICK CHENEY and Mel Laird, but between DICK CHENEY and Don Rumsfeld as well.

For instance, Don Rumsfeld, a four-term Congressman from Illinois, worked with DICK CHENEY on President Ford's transition team in August 1974 and subsequently in the President's White House staff. In fact, when Don Rumsfeld moved over to the Pentagon in November 1975, DICK CHENEY became White House Chief of Staff.

So now, we have come to the moment when another Member of Congress will assume command of one of the largest and most important departments of the U.S. Government. As did the 16 Secretaries of Defense before him, DICK CHENEY will perform responsibly, pragmatically, and effectively in his new role.

Although I am not Irish, I think it is appropriate that today, St. Patrick's Day, I wish upon DICK an Irish blessing for the months and years ahead.

May the wind be always at your back.
May the sun shine warm upon your face,
the rains fall soft upon your field,
and, until we meet again, may God hold you in the palm of His hand.

Good luck, Secretary CHENEY. You have my support and, I hope, the strong support of the Congress, the Department of Defense and the American people.

Mr. COATS. Mr. President, I am extremely pleased that the Senate Armed Services Committee voted overwhelmingly to recommend that DICK CHENEY be confirmed by the Senate as our next Secretary of Defense. I am confident that he will be tough, decisive, and thoughtful in making the difficult choices facing the Department of Defense, currently and in the future.

I listened with great interest and admiration as Representative CHENEY responded to questions from members of the Senate Armed Services Committee this Tuesday. I was truly impressed by

his knowledge, honesty, and open-mindedness. I would like to comment on a number of issues raised during this hearing.

The Congress and the administration will clearly have to work together to reconcile differences and competing priorities related to the defense budget. In this regard, I applaud Representative CHENEY's suggestion that we place consideration of the defense budget in the context of what military capability is needed in order to achieve our national security objectives. Clearly we must be guided by sound budgetary planning, but until we place defense expenditures firmly in an integrated strategic context we will continue to pursue budget priorities in an inefficient manner.

I am pleased and encouraged by Representative CHENEY's support of the 2-year defense budget. Biennial budgeting would facilitate, and should foster a more long-term approach to defense planning and budgeting, and engender a greater degree of stability in program development and procurement.

Of course, the concept of a 2-year budget will be thoroughly undermined if the Gramm-Rudman-Hollings sequestration provisions are activated. Representative CHENEY's expressed desire "to avoid a sequester at all costs" is thus a positive signal. I must also reiterate and amplify my support for the chairman and ranking minority member of the Armed Services Committee in encouraging the Budget Committee "to establish a comprehensive agreement, consistent with the Gramm-Rudman-Hollings deficit targets, for a 2-year period so that a biennial budget for defense is feasible."

Implementation of the Goldwater-Nichols Act and the Packard Commission recommendations presents an important challenge to the Congress and the Department of Defense alike. Congressman CHENEY's stated commitment to pursue these endeavors is clearly a positive indication. These are areas that we will deal with extensively in the Defense Industry and Technology Subcommittee, and I look forward to working with DICK CHENEY on these matters.

Now that we have been presented with President Bush's revised defense budget figures for fiscal year 1990-92, we face many tough decisions. I eagerly await the President's strategic review, which I hope will provide an integrated concept for budgeting and procurement now and in the years ahead.

The strategic defense initiative [SDI] is clearly one of the most important strategic force development programs that Congress must oversee. Representative CHENEY's strong support for the SDI encourages me to believe that we will continue in the direction charted by President Reagan in 1983. Strategic defenses should not be regarded as an alternative to deterrence, but as a means of bolstering it. In my view, we should continue to move away from the threat of nuclear retaliation upon civilians as the principal means of deterrence, to the more humane, and indeed the more credible, method of protecting Western civilization and denying enemies the ability to successfully attack the United States and its allies.

My desire to augment the existing offense-dominant mode of deterrence does not mean that we can ignore strategic offensive forces, which will remain essential for the foreseeable future. Tough choices face the Congress in the coming months with regard to the modernization of our land-based intercontinental ballistic missile [ICBM] force. I am hopeful that we will approve a secure and stablizing basing mode, whether it be based on the MX or the small ICBM, or some combination of the two. The survivability of our ICBM force directly correlates with the stablility of the strategic balance and is therefore an extremely high priority item. We face similar challenges with respect to the other two legs of our strategic triad—the bomber force and the sea-based force.

Before we proceed with either strategic modernization or strategic arms control, we must have a clear idea of how the two processes interact. Arms control should serve the security interests of the United States and the West and must therefore be viewed as an integral factor in our strategic force planning process, not an alternative.

In the areas of conventional and theater nuclear forces the United States and its allies must also make difficult decisions. As with strategic forces, we must ensure that the West integrates its planning in the areas of conventional arms control and force modernization. I am confident that Congressman CHENEY will be willing and able to provide informed guidance in these areas.

I am also pleased by Representative CHENEY's cautious attitude in evaluating change in the Soviet Union. Although there is undeniable change taking place, I agree that "there is a real danger in the West that the perception of change in the Soviet Union will exceed the reality of change in the Soviet Union." This does not mean that we should not seek to improve relations with the Soviet Union, only that we should not lower our guard.

I agree entirely with Representative CHENEY that "the Defense Department does have assets and capabilities that are useful in terms of trying to interdict the illicit flow of drugs." I am pleased that we will have a Secretary of Defense who will be willing to do everything within his power to contribute to the war on drugs.

In all the areas that I have mentioned, I am encouraged that DICK CHENEY will be extremely competent and effective. I have all the confidence in the world that he will be a first-rate Secretary of Defense. I look forward to working with DICK CHENEY and wish him the best.

Mr. MCCAIN. Mr. President, I am proud to vote for DICK CHENEY as Secretary of Defense for many reasons. He is a friend. He is a former colleague in the House. He is experienced in policymaking at the White House level. He is a proven manager, and he has proven expertise in defense.

DICK CHENEY is a man who can help bridge the gap between the executive branch and the Congress without ever losing sight of the fact that our very real problems with the budget deficit must be balanced against the fact our Nation faces very real military threats. I believe that he is the kind of man who can make the difficult choices that need to be made to reevaluate the roles and missions of our forces, and to bring our force plans into balance with the resources that are likely to be available.

Equally importantly, I believe that DICK CHENEY is the kind of man who understands that we cannot maintain effective forces, or reach secure arms control agreements, without a new national consensus on defense.

DICK CHENEY is the kind of man who understands both the strengths and weaknesses of the intelligence community in communicating its data on the threat in a form that is persuasive to the Congress and the American people. He is the kind of man who understands that public and congressional support for defense spending must be built upon a sound understanding of a net assessment of our capabilities and those of potentially hostile nations. He is the kind of man who understands that all our defense expeditures must be kept to the minimum level necessary to meet those threats and that our defense dollars must be spent as efficiently and honestly as possible.

I look forward to working with DICK CHENEY and President Bush in achieving these objectives. I am all too conscious of the challenges that both we in the Congress and the Bush administration face in dealing with glasnost, with a national budget crisis, with defense waste and fraud, with procurement reform, with defense manpower and readiness problems, and a host of other issues. I know that we live in interesting times.

At the same time, we live in times where there is an opportunity to make major reforms in the way we structure our defense budget, to improve the linkage between defense spending and defense strategy, and to rebuild a defense consensus. DICK CHENEY is the

kind of man who can transform challenges into opportunities and that is precisely the kind of man we need as Secretary of Defense.

Mr. COCHRAN. Mr. President, it is a true pleasure to be able to express my support for the confirmation of DICK CHENEY to be Secretary of Defense. He is one of the finest men serving in the Congress.

He is well prepared to assume the responsibilities of this important position. In all of his previous undertakings he has shown that he is reliable, conscientious, and talented. His level of intelligence is enviable.

The fact that he was recommended so quickly by the Armed Services Committee is an indication of the widespread respect that others have for him.

I observed DICK CHENEY as he served in the White House as Chief of Staff for President Gerald Ford. I worked with him after his election to the House of Representatives.

From my personal vantage point I know him to be very competent and well equipped to deal with the wide range of issues and problems he will face as our Secretary of Defense. I have complete confidence in him as an experienced and qualified leader, and I'm pleased that he will be serving in the President's Cabinet.

Mr. SASSER. Mr. President, I rise today in support of the nomination of Representative DICK CHENEY to be Secretary of Defense. I have known and worked with DICK CHENEY for several years. He is a man who I am pleased to support for this crucial position.

Representative CHENEY is a man of dedication, honor, and integrity. Combined with his experience in public service and his expertise in areas of national security and intelligence, Representative CHENEY's personal attributes will enable him to perform his duties as Secretary of Defense in an exemplary manner. I believe that he has the ability to restore public confidence in the Department of Defense and the officials who operate it.

The Department of Defense is in need of a strong leader—one who will bring with him administrative skills to bring defense spending under control and the management experience to handle this complex and demanding position. DICK CHENEY is the right man at the right time for this crucial position.

Thus, I am pleased to support my friend and colleague, DICK CHENEY.

Mr. COHEN. Mr. President, it is indeed an honor and a pleasure for me to support Congressman DICK CHENEY's nomination to be Secretary of Defense.

Congressman CHENEY is highly qualified to serve as Secretary of Defense. He will bring to his new post more than 20 years of distinguished public service in both the executive and legislative branches. He served in the Nixon White House in several economic posts. During the Ford administration, he served as White House Chief of Staff. Since 1978, he has been a Member of the House of Representatives, where he has been a member of the Permanent Select Committee on Intelligence, overseeing matters of the utmost importance to our Nation's security. The high regard in which he is held by his colleagues was demonstrated by his election after only one term to the House Republican leadership and his recent unanimous election to be the House Republican whip, the second ranking Republican leadership post. He combines an intimate knowledge of national security issues with proven leadership, administrative, and managerial skills.

Mr. President, at a time when the Congress and American people are concerned about enormous deficits and the management of the defense acquisition process, the Department of Defense needs a leader who can persuasively make the case for a continuing commitment to a strong national defense, who can make the difficult decisions that will be necessary in setting priorities for our defense programs, and who can restore confidence in our procurement practices.

I am confident that DICK CHENEY's integrity, experience, and lifelong commitment to excellence will make him a superb choice for this important post, and I urge his speedy confirmation.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Chair recognizes the Senator from Georgia.

Mr. NUNN. Mr. President, how much time is remaining on this side?

The PRESIDING OFFICER. There is no time remaining, in that sense. We have agreed to have a vote at a time certain—namely, 12:05.

Mr. NUNN. I am prepared to yield back all the time and go ahead and vote. I do not think the majority leader will object to going on and voting now. I hesitate to do it without his representative being here.

Mr. President, I ask unanimous consent that the rollcall vote immediately occur.

The PRESIDING OFFICER. Is there objection to the request that the rollcall vote occur immediately?

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Is there time remaining?

Mr. DOLE. There is no time remaining.

Mr. NUNN. Does the Senator desire time? I do not have any time left. We did have a time certain for the rollcall vote. Everybody is trying to expedite that, if possible.

Mr. BUMPERS. I will not slow it up.

Mr. NUNN. Does the Senator want to make a statement?

Mr. BUMPERS. No.

Mr. NUNN. Mr. President, I renew my request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Will the Senate advise and consent to the nomination of RICHARD B. CHENEY, of Wyoming, to be the Secretary of Defense?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Carolina [Mr. SANFORD] is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina [Mr. SANFORD] would vote "yea."

Mr. SIMPSON. I announce that the Senator from California [Mr. ARMSTRONG], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Utah [Mr. GARN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Vermont [Mr. JEFFORDS], and the Senator from Idaho [Mr. MCCLURE] are necessarily absent.

I also announce that the Senator from Texas [Mr. GRAMM] is absent due to death in the family.

I further announce that, if present and voting, the Senator from California [Mr. ARMSTRONG], the Senator from Utah [Mr. GARN], and the Senator from Pennsylvania [Mr. HEINZ] would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 92, nays 0, as follows:

[Rollcall Vote No. 26 Ex.]

YEAS—92

Adams	Fowler	Metzenbaum
Baucus	Glenn	Mikulski
Bentsen	Gore	Mitchell
Biden	Gorton	Moynihan
Bingaman	Graham	Murkowski
Bond	Grassley	Nickles
Boren	Harkin	Nunn
Bradley	Hatch	Packwood
Breaux	Hatfield	Pell
Bryan	Heflin	Pressler
Bumpers	Helms	Pryor
Burdick	Hollings	Reid
Burns	Humphrey	Riegle
Byrd	Inouye	Robb
Chafee	Johnston	Rockefeller
Coats	Kassebaum	Roth
Cochran	Kasten	Rudman
Cohen	Kennedy	Sarbanes
Conrad	Kerrey	Sasser
Cranston	Kerry	Shelby
D'Amato	Kohl	Simon
Danforth	Lautenberg	Simpson
Daschle	Leahy	Specter
DeConcini	Levin	Stevens
Dixon	Lieberman	Symms
Dodd	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Durenberger	Matsunaga	Wilson
Exon	McCain	Wirth
Ford	McConnell	

NOT VOTING—8

Armstrong	Gramm	McClure
Boschwitz	Heinz	Sanford
Garn	Jeffords	

So the nomination was confirmed.

The PRESIDING OFFICER. The Chair recognizes the minority leader.

Mr. DOLE. Mr. President, I want to thank the majority leader for holding the vote which we do not normally do.

The distinguished Senator from Pennsylvania, Mr. HEINZ, who would have been here had it not been for a plane problem, would have voted in the affirmative. I thank the distinguished majority leader.

THE TOWER NOMINATION

Mr. COHEN. Mr. President, this morning a Dallas Morning News item appeared with the bold headline which says: "FBI Memo Says Tower Abused Alcohol." I have serious concerns about any Member [revealing] an internal memo to the Director of the FBI concerning any individual under investigation. But according to this particular account, which apparently is reprinted from the New York Times news service, this particular memo was then used to say:

> It appeared to contradict assertions by the White House and Republican senators that the FBI report did not provide conclusive evidence that Mr. Tower, whom the Senate rejected last week for the Pentagon job, abused alcohol.

How anyone can judge from this particular memo that it provided conclusive evidence I do not know. The logic escapes me. Nonetheless, it is interesting to see how a headline like this can be used against a man who has been rejected.

Then we have another item that appeared in the Washington Post, which I thought was much more balanced. It says:

> The long FBI investigation into former senator John G. Tower found "a prior pattern of alcohol abuse" as well as "indications" that Tower had sharply cut back on his drinking in recent years. * * *

I think that is one of the dangers that has always been inherent with the use of internal memos or references to FBI reports as opposed to files. Great damage has been done to an individual based upon allegations contained in the internal memoranda that are provided for use by various personnel, including the Director of the FBI.

I think it is an unfortunate incident. I hope it does not set a precedent for future years. But a man has been maligned once again by a headline as a result of the improper use of that kind of memo.

DEPARTMENT OF STATE

The PRESIDING OFFICER. Under the previous order, the clerk will report Executive Calendar No. 49, the nomination of Lawrence S. Eagleburger to be Deputy Secretary of State.

> The assistant legislative clerk read the nomination of Lawrence S. Eagleburger, of Florida, to be Deputy Secretary of State.

Mr. PELL. Today the Senate will consider the nomination of Lawrence S. Eagleburger to be Deputy Secretary of State.

Mr. Eagleburger is well known to the Senate and, as I stated during the committee hearing, well regarded for his past service in government, for his pragmatic approach to issues, and for his honorable and candid behavior in the rough and tumble of executive legislative interaction on the subject of American foreign policy. I believe that his experience and personal qualities could prove immensely valuable during a period in which the United States will be called upon to consider far-reaching changes affecting our relations with both longtime allies and longtime adversaries.

Since 1984, Mr. Eagleburger has been president of Kissinger Associates and a member of Kent Associates, which are both international consulting firms. During the committee hearings, questions were raised bout the activities of Kissinger and Kent Associates with respect to their foreign clients. Members were particularly concerned about whether Mr. Eagleburger ever represented foreign governments or acted as an agent for a foreign principal, which would have required him to register with the Justice Department under the Foreign Agents Registration Act. In response to specific questioning, Mr. Eagleburger stated that Kissinger and Kent Associates do not lobby or represent any client before any agency or official of the U.S. Government. They do not have any foreign government as a client. They do not act as an agent of any foreign principal in carrying out activities, including any political or propaganda activities, requiring it to register under the Foreign Agents Registration Act.

Another issue raised during the committee hearings centered on whether Mr. Eagleburger's representation of certain clients on behalf of Kissinger Associates and Kent Associates presented a conflict of interest with his responsibilities at the Department of State.

On that point, Mr. Eagleburger set out his recusal undertaking in a letter to the State Department's legal adviser of March 7, 1989. In that letter, Mr. Eagleburger makes clear that he will have no conflict of interests in his position as Deputy Secretary of State because he has terminated—or will terminate upon swearing in—each and every business and commercial affiliation he had. He has also divested himself of every equity interest that he held. Under the law, therefore, there will be no conflict because he will have no financial interests.

In order to avoid even the appearance of conflict of interests, Mr. Eagleburger has agreed to the following recusals:

First, Mr. Eagleburger will voluntarily recuse himself from any matter specifically involving Kissinger Associates or Kent Associates.

Second, Mr. Eagleburger will also recuse himself, for 1 year after appointment, from any matter specifically involving any client of those two firms for whom he provided in excess of $5,000 worth of services over the last 2 years.

Finally, throughout Mr. Eagleburger's Government service, he will recuse himself from participation, on a case-by-case basis, from any other particular matter in which, in his judgment, it would be desirable for him to do so in order to avoid the possible appearance of impropriety, despite the lack of any actual conflict of interest.

In accordance with this case-by-case recusal, Mr. Eagleburger has already stated that he will voluntarily recuse himself, for 1 year after appointment, from any matter specifically involving any client of Kissinger Associates or Kent Associates during the last 2 years, including those clients for whom Mr. Eagleburger did not provide any services.

In addition, Mr. Eagleburger's counsel has spoken with Dr. Kissinger and Dr. Kissinger has agreed to contact all foreign clients of Kissinger Associates during the last 2 years for whom Mr. Eagleburger did not provide any services to find out if they would agree to provide their names on a confidential basis to the chairman and the ranking minority member of the Senate Committee on Foreign Relations.

It should be noted that the above recusal commitment and disclosure actions by Mr. Eagleburger are purely voluntary. The committee did not mandate this action nor should this action be considered a precedent for future nominations. It was undertaken by Mr. Eagleburger as an effort to remove any and all appearances of a conflict of interest. His action is highly commendable and confirms my belief in his integrity and professionalism.

I have no doubt that Mr. Eagleburger will be an excellent Deputy Secretary of State and I urge my colleagues to vote in favor of his nomination.

Mr. HELMS. Mr. President, the nomination of Lawrence Eagleburger brings into focus the difficult dilemma which faces the administration in choosing the nominees: How to find experienced nominees who are able to leave their private interests behind on the doorstep when they come in to the new administration.

In Mr. Eagleburger's case, the dilemma was painfully acute because of the nature of his private activity. As president of Kissinger Associates and Kent Associates, he presided over lucrative operations. According to information submitted to the committee, Mr. Eagleburger earned the following amounts: $460,238 in salary and bonuses from Kissinger Associates; $213,872 in salary and bonuses from Kent Associates; $112,879 in severance pay from Kissinger Associates; and $130,000 in severance pay from Kent Associates;

In addition, two future payments, by agreement, will be made in July 1989 for services rendered before Mr. Eagleburger's resignation: $87,121 in further severance pay from Kissinger Associates; and $110,000 in further severance pay from Kent Associates.

Mr. President, by my addition, that amounts to $1,114,110 in 1 year, just from the provision of advice to clients. Pretty good inside work—and no heavy lifting. A point in his favor, at least with this Senator, is that he did it without becoming a lawyer.

Furthermore, there was another $300,000 to $400,000 from various other fees, dividends, and honoraria.

Obviously Mr. Eagleburger's clients must have thought that these fees were worth their while, because the clients kept coming back. But now Mr. Eagleburger is going back into Government to give the same kind of advice at a tiny fraction of his former fees.

Mr. President, Mr. Eagleburger's situation is unique. Most persons who come into government from private enterprise have been entrepreneurs, managers, lawyers, or experts in trade and commerce. It is not hard to separate themselves from the specifics of their former activities. That's easy for the public to understand.

But Mr. Eagleburger's career in private enterprise has been at a level that is beyond the ordinary practical experience of most citizens. They find it hard to understand exactly what he has been doing that is worth $1.4 million a year. They are not prepared to impugn his character, but they wonder whether the advice he might give to the President or the Secretary of State might be colored by the ongoing interests of these business firms, particularly the foreign firms, that have been paying enormous fees.

Mr. President, the committee discussed these matters frankly with Mr. Eagleburger, not only in the public sessions, but in private sessions. In addition, Mr. President, I discussed these matters privately with Mr. Eagleburger and with his lawyers, Mr. William D. Rogers and Mr. Kenneth Juster.

In preparing his papers for the Office of Government Ethics, Mr. Eagleburger publicly listed those clients of Kissinger Associates and Kent Associates with whom he worked to a value of more than $5,000. Mr. Eagleburger promised to recuse himself from any dealings with these former clients for 1 year. However, there were other clients of the two firms who were not listed because Mr. Eagleburger did not work with them directly. Nevertheless, Mr. Eagleburger testified that his salaries, bonuses, and severance pay were paid not from specific clients, but from the general revenues of the two firms.

This situation raised problems not only for me, but for some of my colleagues on this committee. In particular, the problem is colored by the fact that some of the clients were foreign industrial firms, whose interests may be at variance with the interests of the policy of the United States. Because of Mr. Eagleburger's high position in the Department of State, some of us felt that his role might be misunderstood. Speaking for myself only, I felt that the committee would be remiss in its duties to examine the suitability of the nominee, unless there were full disclosure of all clients that contributed to the nominee's remuneration, whether he worked with them directly or not.

If the nominee were going into any other department, the question of recusal would be a simple one and a practical one. A department that had contracts with specific companies headquartered in the United States would present a relatively easy problem. But the State Department deals worldwide. An issue that concerns a foreign company might conflict with U.S. policies in a way that would not be present in dealings with a domestic corporation operating under U.S. law.

A further complication is that each of the contracts which Kissinger Associates and Kent Associates had with their clients contained a confidentiality clause forbidding not only disclosure of the nature of the client relationship and the advice rendered, but even the very existence of the client relationship—without the permission of both parties.

As a result of the discussions we had with Mr. Eagleburger, he voluntarily offered to ask Dr. Kissinger to seek permission to disclose the names of the remaining clients, particularly the foreign clients, to this committee in a confidential manner; and he would further recuse himself also from any dealings with these former clients. The procedure to be followed would be similar to that followed in dealing with FBI files on nominees; namely, the names would be available only to the chairman and the ranking Republican member, in confidence. It is important to understand that we are talking about a mere handful of clients.

Mr. President, I am confident that Mr. Eagleburger's eloquence and Dr. Kissinger's eloquence will succeed in persuading these clients to be revealed to the committee in confidence. Mr. Eagleburger worked with the majority of the clients of the two firms, and they have already given permission to have their names publicly revealed.

So we are talking about just a few more, a very small number, whose fees contributed to Mr. Eagleburger's personal remuneration. This is not a case of a law firm with thousands of clients; the client base is very small, but the impact is greater because of the large fees involved. It should be recalled that Mr. Eagleburger was the president of Kissinger Associates, and therefore stood in a different relationship to the business of the firm than other employees.

Mr. President, as a result of Mr. Eagleburger's voluntary offer, I decided to support his nomination, and I will so cast my vote.

Mr. President, another aspect of the situation is the fact these firms, particularly Kissinger Associates, were engaged in political consulting for foreign principals. I raised the question during the hearings as to whether or not this kind of political consulting fell within the definitions of the Foreign Agents Registration Act.

Although Mr. Eagleburger's testimony suggested very strongly that the work done by Kissinger Associates fell almost exactly within the definition of political consultants in the Foreign Agents Registration Act, Mr. Rogers—not only counsel to Mr. Eagleburger, but a board member of Kissinger Associates—testified that Kissinger Associates had never submitted an inquiry to the Department of Justice as to its liability to register.

If Mr. Eagleburger inadvertently were acting as a foreign agent, the problem of disclosure of foreign clients and recusal is even more important. At a later date I shall analyze the issue in greater detail.

Mr. President, I ask unanimous consent that a list of purported clients of Kissinger Associates, as identified by the major news media, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, I ask unanimous consent that a copy of my letter to Mr. C. Boyden Gray, Counsel to the President, of March 1, 1989, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 2.)

Mr. HELMS. Mr. President, I note with regret that a member of the minority, Mr. HUMPHREY, was denied by committee vote the opportunity to have a committee report on Mr. Eagle-

burger and to present his additional views, despite the fact that he announced support for the nominee. In a matter as complex as the finances of Mr. Eagleburger, and further complicated by the unique ethical questions which the committee discussed at length, it is a pity that the deliberations and conclusions of the committee will not receive a printed report.

Mr. President, since there will be no printed report on the ethical questions, I ask unanimous consent that the bipartisan committee memorandum on this issue, prepared by staff for the committee discussions, be printed in the RECORD at the conclusion of my remarks so that Members will have the benefit of the facts and issues laid out therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

EXHIBIT 1

COMPANIES IDENTIFIED IN PRESS ACCOUNTS AS BEING CLIENTS OF KISSINGER ASSOCIATES

Enerjoprojeckt [Washington Post, Feb. 16, 1989].

Chase Manhattan Bank [The Washingtonian, Feb. 1989; New York Times, Jan. 24, 1989; Business Week, Dec. 2, 1985].

Shearson Lehman/American Express [The Washingtonian, Feb. 1989; New York Times, Jan. 24, 1989, Apr. 20, 1986; Houston Post, Apr. 22, 1986; Business Week, Dec. 2, 1985].

General Electric (Britain) [New York Times, Jan. 24, 1989; Business Week, Dec. 2, 1985].

Atlantic Richfield [The Washingtonian, Feb. 1989; Houston Post, Apr. 22, 1986; New York Times, Apr. 20, 1986; Time, Feb. 17, 1986; National Journal, June 22, 1985].

Montedison (Italy) [Houston Post, Apr. 22, 1986; New York Times, Apr. 20, 1986; Business Week, Dec. 2, 1985].

Fluor Corp. [Houston Post, Apr. 22, 1986; Time, Feb. 17, 1986; National Journal, June 22, 1985].

S.G. Warburg (Britain) [Time, Feb. 17, 1986].

Merck [Business Week, Dec. 2, 1985].

G.W. Warburg (Britain) [Business Week, Dec. 2, 1985].

International Energy Corp. [Houston Post, Apr. 22, 1986].

EXHIBIT 2

COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, March 1, 1989.

Hon. C. BOYDEN GRAY,
Counsel to the President, The White House, Washington, DC.

DEAR MR. GRAY: In order to assist in expediting the process with respect to the expected nomination of Lawrence S. Eagleburger to be Deputy Secretary of State, I request that you ask Mr. Eagleburger to prepare the following information for use by the Committee.

A description of Mr. Eagleburger's role as President of Kissinger Associates.

A list of all client relationships maintained by Kissinger Associates during the past five years in which Mr. Eagleburger served as President of the firm.

A description of Mr. Eagleburger's relationship and degree of involvement with each of those clients.

A list of the fees charged to, and the compensation received by Mr. Eagleburger on behalf of each of those clients.

A description of the services rendered by Mr. Eagleburger, and his colleagues, on behalf of each of those clients.

Additionally, I have read in the newspaper that Mr. Eagleburger may be considering recusing himself from matters involving former clients of Kissinger Associates. If that is accurate, it would also be useful to have a description of his intended recusal affecting each client.

I believe this information would save considerable time in connection with confirmation hearings of Mr. Eagleburger.

Many thanks for your assistance.

Sincerely,

JESSE HELMS.

EXHIBIT 3

COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, March 13, 1989.

MEMORANDUM

To: All Members.

Through: Jerry Christianson and James P. Lucier.

From: Dave Keaney and Bob Friedlander.

Subject: Conflict of Interest Issues—Nomination of Lawrence S. Eagleburger, Deputy Secretary of State.

On March 10, 1989, at 6 P.M. we met with Mr. Eagleburger at the Department of State for approximately 90 minutes to review various issues concerning his Committee Questionnaire and Office of Government Ethics Financial Disclosure Report. Also present, at Mr. Eagleburger's request, were attorneys William D. Rogers and Kenneth Juster, and Janet Mullins, Assistant Secretary of State for Legislative Affairs. The following subjects were discussed at that meeting.

KISSINGER ASSOCIATES AND KENT ASSOCIATES

In 1978, Kissinger Associates was created as an international consulting firm, reportedly with loans from various investment banks, including Goldman Sachs, E. M. Warburg and Pincus and Company. It is in the business of providing "global strategic—geopolitical—economic analysis" for a fixed fee reported to be in the range of $150,000 to $200,000 per client.

The firm is located in Washington, D.C. and New York. It has approximately 30 clients and is reported to have annual revenues of $5 million. Advice is always provided orally.

The firm is wholly owned and controlled by Henry Kissinger. All other individuals associated with the firm are salaried employees, including Mr. Eagleburger, who served as President and as a member of the Board of Directors. The primary associates are: Mr. Kissinger; Mr. Eagleburger; Brent Scowcroft, President Nixon's military aide and National Security Adviser to President Ford and President Bush; Alan Stoga, an economist, formerly of the First National Bank of Chicago, who served in staff jobs in the Department of Treasury under Presidents Ford and Carter; and Jeffrey Cunningham, formerly with Chase Manhattan Bank.

In addition to the primary associates, the firm employs approximately 25 support staffers.

The firm's Board of Directors includes: William D. Rogers, a former Under Secretary of State and now a Washington lawyer; Saburo Okita, former Japanese Foreign Minister; Pehr Gyllenhammar, chief executive officer of Volo; William E. Simon, former Treasury Secretary; Sir Y.K. Kan, former chairman of the Bank of East Asia; Robert O. Anderson, former chairman of Atlantic Richfield; Lord Roll, chairman of S.G. Warburg and Company; and Edward L. Palmer, former chairman of the executive committee of Citibank.

Kent Associates, an affiliate of Kissinger Associates, was created in 1986 and "renders advice on business affairs." Mr. Scowcroft is the only primary member of Kissinger Associates who did not work for Kent Associates.

A complete list of the Board of Directors of both Kissinger and Kent Associates is attached to this memo. (See Attachment I.)

The clients of Kissinger Associates enter into a contract with the firm that prohibits the disclosure of any information concerning this contractual arrangement. Mr. Eagleburger emphasized that he had been authorized to identify only those clients with which he had a consulting relationship. He was adamant in his refusal to discuss any specific details concerning his advice to any client. He believes that such disclosure would violate the firm's contractual obligation. A copy of his client list is attached to this memo, along with a sample of the contract clause prohibiting disclosure. (See Attachments II and III). He refused to identify other clients of the firm and maintained that he was excluded from specific information about them.

Mr. Eagleburger emphasized that Kissinger and Kent Associates "do not lobby or represent any client before any agency or official of the U.S. government. They do not have any foreign government as a client. They do not act as an agent of any foreign principal in carrying out activities, including any political or propaganda activities, requiring it to register under the Foreign Agents Registration Act. They take no financial interest in any of their clients."

While it has been reported that Mr. Kissinger gives free advice to foreign governments, Mr. Eagleburger stated that he does not provide such service. However, he did indicate that he has, on occasion, talked to foreign governments on behalf of a client.

BOARD OF DIRECTORS OR TRUSTEE

Mr. Eagleburger was a member of the Board of Directors or Trustee for the following for-profit private organizations: Alcatel; Bethlehem Rebar; BestMart; Josephson International; Mutual of New York; LBS Bank; and Global Motors, Inc. A list of the fees paid by these organizations and others is attached to this memo. (See Attachment IV.)

PENSIONS AND SEVERANCE PAYMENTS

Mr. Eagleburger received severance payments of $112,879 from Kissinger Associates and $130,000 from Kent Associates. In July 1989, he will receive the balance of these severance payments—$87,121 from Kissinger Associates and $110,000 from Kent Associates.

He has $27,000 in the Kissinger Associates Pension Plan (Fidelity Cash Reserves), which is fully vested. In addition to this plan, he will receive at age 65, $11,840 from the ITT Pension Plan for outside Directors. This is an unfunded plan with payments coming out of general corporate funds.

All U.S. Government pension payments will be suspended during the course of his service as Deputy Secretary.

CRIMINAL OR CIVIL INVESTIGATIONS, INDICTMENTS OR SUITS

Six various corporations, or divisions thereof, associated with Mr. Eagleburger have or are undergoing criminal or civil investigations, indictments or suits. Attach-

ment V provides Mr. Eagleburger's explanation of these cases.

RECUSAL COMMITMENT

Attachment VI is the recusal commitment of Mr. Eagleburger. This commitment has been reviewed by the Office of Government Ethics and is in full compliance with their regulations.

ISSUES INVOLVING CLIENTS

Mr. Eagleburger is reluctant to discuss any advice that he may have provided to a client of Kissinger and Kent Associates. However, Members should be aware of the following issues raised by a variety of press reports:

DAEWOO CORPORATION

In 1985, the Customs Service sued Daewoo International, a South Korean conglomerate, for $110 million in damages alleging that the company "dumped" cheap steel on the U.S. market to lure businesses away from American steel companies.

It has been reported that Daewoo has been selling American-designed M-16 rifles built in Korea to foreign countries in violation of a U.S.-Korean co-production agreement. Colt Industries, Inc. believes that its licensing arrangement has been violated. However, it has refrained from commencing litigation. According to a news article, a GAO report indicates that despite Colt's entreaties, the State Department has never filed an official protest with the South Korean government.

In 1972, Libya contracted to purchase 8 C-130 H's from the Lockheed-Georgia Company for $40 million. The State Department has refused to grant an export license to allow these aircraft to be exported to Libya. All Libyan assets, including these aircraft, have been frozen and placed under the control of the Department of Treasury's Office of Foreign Assets Control. On November 23, 1987, Korea and Libya signed a contract that would allow Korea to obtain these aircraft as repayment (credits) for a $61 million debt owed to Daewoo by Libya. A petition to release these aircraft is pending before Treasury.

During our interview, Mr. Eagleburger stated that he did not give advice to Daewoo on arms sales policy or the steel dumping issue. His lawyers intervened before we could ask about the C-130 issue.

HUNT OIL COMPANY

The Hunt Oil Company has drilling and refining operations in North Yemen and Jordan. This company was involved in a legal dispute over the acquisition of rights in North Yemen. According to news reports, Mr. Eagleburger provided an affidavit as an expert witness on political relationships in the area. His testimony supported Hunt's position, but according to news reports, his affidavit did not disclose that Hunt Oil was a client of Kissinger Associates. Hunt won the case by a summary judgment in a Texas state court.

UNION CARBIDE

Union Carbide recently settled its suit arising out of its fatal accident that occurred in 1984 in Bhopal, India.

Union Carbide is reported to maintain a subsidiary in South Africa.

SUGGESTED QUESTIONS

1. Recusal Commitment.—You have provided to the Department's Legal Adviser a proposed recusal undertaking.

Could you explain for the record this recusal commitment?

Why are you recusing yourself for only one year from matters specifically involving your previous clients and organizations on whose boards of directors or trustees you served?

2. South Africa.—I note that two of your previous clients, Union Carbide and Midland Bank, have subsidiaries in South Africa.

Did you provide any advice to these clients concerning the continuation of their operations in South Africa?

3. Future Relationship with Kissinger and Kent Associates.—The State Department regulations governing ethical responsibilities state the following:

Sec. 10.735-201—General.—

(a) Proscribed actions.—An employee shall avoid any action, whether or not specifically prohibited by the regulations in this part, which might result in, or create the appearance of:

(1) Using public office for private gain;

(2) Giving preferential treatment to any person;

(3) Impeding Government efficiency or economy;

(4) Losing independence or impartiality;

(5) Making a Government decision outside official channels; or

(6) Affecting adversely the confidence of the public in the integrity of the Government.

In light of the Department's regulations, how will you conduct yourself with respect to Kissinger and Kent Associates?

4. Commitment for Future Employment.—Do you have any commitment to return to Kissinger and Kent Associates after your government service?

Do you have any commitment to return as a member of the board of directors or as a trustee for any organization after your government service?

5. Kissinger Associates.—

While you were in the employ of Kissinger Associates, did you at any time lobby foreign governments?

[If answer is "no"]—Did you at any time give advice to foreign governments?

You say that Kissinger Associates provides services to its clients "of the general geostrategic consulting variety." Can you clarify this statement and be more precise in your explanation?

Could you explain the difference between Kissinger Associates and Kent Associates?

Isn't the difference between geopolitical and business strategy the difference between risk assessments and recommending government contracts?

6. Daewoo.—

Were you aware, as Under Secretary of State for Political Affairs, that charges were raised concerning the Korean Daewoo Corporation's dumping of steel on world markets and concerning the sale of American designed M-16 semi-automatic rifles in violation of commitments made to the U.S. government?

Did your advice to the Daewoo Corporation include the subjects of steel production and distribution, M-16 rifles, or C-130 air transport planes?

7. Board of Directors.—

Have you resigned from all the Board of Directors which you listed on your confirmation forms? If not, why not?

8. Global Matters and the Yugo.—

Who owns Global Motors? Who owns Yugo America?

Who manufactures the Yugo in Yugoslavia? Is it not the same state enterprise which is primarily engaged in arms production?

9. Enerjoprojeckt.—

The Washington Post in a story on Mr. Eagleburger, on February 16, 1989, identified what it claimed to be a number of Mr. Eagleburger's clients. In his OGE filing, Mr. Eagleburger says he was active in consulting with 14 clients, including all those cited in the Post article except for Enerjoprojeckt. The article described Enerjoprojeckt as "a Yugoslavia-based firm that eight years ago was the 16th largest engineering and construction company in the world with multimillion-dollar projects in Iraq, Kuwait and Gabon. The company ran into economic problems recently and no longer is a Kissinger client."

Did you consult with Enerjoprojeckt in connection with your work at either Kissinger Associates or Kent Associates?

If so, should this company be added to the list of companies from which you will recuse yourself?

10. Yugo.—

Jack Anderson on February 21, 1989, reported that the Yugo automobile was "built by a division of the huge conglomerate which is the backbone of the Yugoslavian arms industry. Among its clients are Iraq, Libya and East European countries."

Were you aware of the connection between the Yugoslavian arms industry, known as Zavodi Crvena Zastava, and its manufacture of the Yugo? If so, did you deem this connection acceptable?

The Anderson column also reports that the Yugo was "dumped" on the U.S. market—selling for $4,000 what cost $8,000 to produce—in an attempt to raise hard currency for the Yugoslavian economy.

Was this, in fact, a part of the Yugoslavian purpose in bringing the Yugo to the U.S. market? If so, did you find that purpose an acceptable one?

11. U.S. Loans to Yugoslavia.—

The New York Times reported on March 10, 1983 that then-Under Secretary of State Eagleburger was pressing U.S. bankers to increase their loans to Yugoslavia even though that was contrary to the official Administration policy as outlined by then-Treasury Secretary Don Regan. The Times reported:

"Defense Secretary Caspar W. Weinberger argues that loans to any of the [Eastern European] countries indirectly aid the Soviet Union. * * * But even some inside the State Department felt that Lawrence Eagleburger, the Under Secretary of State, went too far when he summoned executives of nine major banks to Washington last month to encourage them to keep lending to Yugoslavia even if they were severely rationing their other credits to Eastern Europe * * * Treasury Secretary Donald T. Reagan was described as 'quite upset' when he heard about it. In his view, the Government had no business intervening and should let the bankers manage their own affairs. If any intervention was necessary, that was a function of the Treasury, he is said to believe."

Did you meet with U.S. banking executives to urge their continued lending to Yugoslavia? Was this, in fact, a contradition of official U.S. policy as developed by the Treasury Department? If so, why would you take such a position?

12. LBS Bank Indictment.—

The LBS Bank of New York was indicted in December 1988, for allegedly laundering more than $1.4 million in drug trafficking profits in a sting operation of the U.S. Customs Service and the IRS. The Bank itself was indicted, as well as its Chairman of the Board, Mr. Vinko Mir, and four other individuals, including the Yugoslavian consul in Chicago. Mr. Eagleburger served as a

member of the Board of Directors of the bank.

What was your role in providing oversight or management for the bank?

The LBS Bank is described as being a "wholly owned subsidiary" of the Ljubljanska Banka, owned by the Yugoslavian government.

What considerations led you to serve as a director of the bank?

Did you see any potential conflict of interest in serving on the board of a bank that was a subsidiary of a state-owned bank in Yugoslavia?

Did you see any potential conflict of interest in serving on the board of a bank that was a subsidiary of a bank in a country to which you had served as Ambassador?

To what extent were you aware of the activities of Vinko Mir, the Chairman of the LBS Bank of New York, Inc.? To what extent were you aware of the Bank's alleged involvement in money laundering and filing false currency transaction reports?

How do you view your legal obligations under New York law as a member of the LBS Bank Board of Directors? Are you aware of the standard of care imposed upon bank directors by the state of New York (due diligence, reasonable care, exercised in good faith by an ordinarily prudent person in like circumstances)?

ATTACHMENT I

MARCH 13, 1989.

BOARD OF DIRECTORS OF KISSINGER ASSOCIATES, INC.

The Honorable Henry A. Kissinger.
The Honorable William E. Simon.
Lord Peter Carrington.
Lord Eric Roll.
Sir Y.K. Kan.
Mr. Robert O. Anderson.
Mr. Pehr Gyllenhammer.
Mr. Edward L. Palmer.
Mr. William D. Rogers.
Mr. T. Jefferson Cunningham, III.
Mr. Alan J. Stoga.
Viscount Etienne Davignon.

BOARD OF DIRECTORS OF KENT ASSOCIATES, INC.

The Honorable Henry A. Kissinger.
Mr. T. Jefferson Cunningham, III.

ATTACHMENT II

SCHEDULE D—PART II

Kissinger Associates, Inc. is an international consulting firm. It does not lobby or represent any client before any agency or official of the U.S. government. It does not have any foreign government as a client. It does not act as an agent of any foreign principal in carrying out activites, including any political or propaganda activities, requiring it to register under the Foreign Agents Registration Act. It takes no financial interest in any of its clients.

As an employee and officer of Kissinger Associates, I was active in consulting with the following clients: Anheuser-Busch; ASEA; Daewoo Corporation; L.M. Ericsson; Fiat, S.p.A; H.J. Heinz Company; Hunt Oil Company; Kriti Management, Inc.; ITT Corporation; Midland Bank; Three Cities Research; A.B. Volvo; Global Motors; and Union Carbide.

ATTACHMENT III

SCHEDULE D—PART II

Kent Associates, Inc. is affiliated with Kissinger Associates and renders advice on business affairs. It does not lobby or represent any client before any agency or official of the U.S. government. It does not have any foreign government as a client. It does not act as an agent of any foreign principal in carrying out activites, including any political or propaganda activities, requiring it to register under the Foreign Agents Registration Act. It takes no financial interest in any of its clients.

As an employee and officer of Kissinger Associates, I was active in consulting with the following clients: Bell Telephone Manufacturing Co., Belgium; Coca-Cola; Global Motors, Inc.; and Midland Bank.

ATTACHMENT IV

1988 INTEREST AND DIVIDENDS

Investment	Amount received
New Canaan Bank and Trust CD	$100 to $1000 (I).
Capital Guardian Trust IRA	$100 to $1000 (D).
Equitable Financial Companies IRA	$100 to $1000 (I).
USAA Tax Exempt High Yield Fund	$100 to $1000 (D).
Keogh Capital Guardian Trust	$5001 to $15,000 (D).
Keogh Plan—Connecticut Savings	$100 to $1000 (I).
Banyon Club Limited Partners	None.
Carlyle Limited Partners	$100 to $1000 (D).
Marriot Residence Limited	$100 to $1000 (R).
Smith Barney Tax Free Money Market	$1000 to $2500 (D).
Vanguard Technical Intl. (sold)	$1000 to $2500 (C).
ITT Corporation Common (sold)	$2500 to $5000 (C).
Cineplex Odeon Corp (sold)	$1000 to $2500 (C).
Global Motors (being sold)	None.
USX Corp Common (sold)	None.
Smith Barney Tax Exempt	$100 to $1000 (I).
Kissinger Associates Pension Plan	$1000 to $2500 (D).
Citibank Common	$100 to $1000 (C).
State Department Credit Union	None.

1988 Income

Corporation	Amount
ITT Corp. (director fee)	$84,759
Alcatel (director fee)	30,000
Mutual of New York (director fee)	36,860
University of South Carolina (salary)	50,000
United States-Mexico Bilateral Commission (commissioner fee)	10,000
Josephson International (director fee)	25,000
Best Mart (director fee)	5,000
Institute for Defense Analysis (trustee fee)	3,225
LBS Bank (director fee)	5,000
British Broadcasting Corporation (interview)	140
Kissinger Associates, Inc. (salary/bonus)	460,238
Kent Associates, Inc. (salary/bonus)	213,872
Foreign Service retirement system (retirement payment)	40,635
Total 1988	964,729

1988 HONORARIA

Entity	Reason	Date	Amount
Allied Signal	Speech	2/26/88	$2,500
National Affairs	Book review	3/14/88	200
Tufts University	Interview	6/07/88	700
Anti-Defamation League	Speech	6/08/88	1,000
Mutual Benefit Life	do	7/19/88	5,000
Columbia University	Article	12/19/88	1,000
Honoraria total, 1988			10,400

Severance Pay

Corporation	Amount
Kissinger Associates, Inc	$112,879
Kent Associates, Inc	130,000
Kissinger Associates, Inc. (future agreement)	[1] 87,121

Severance Pay—Continued

Corporation	Amount
Kent Associates, Inc. (future agreement)	[1] 110,000
Severance pay total, 1988	440,000
Total income 1988 (excluding investments)	1,415,129

[1] July 1988.

ATTACHMENT V

PART E, No. 6

1. For approximately 2½ years, and until recently, I was one of five U.S. outside directors of the New York State chartered FDIC Bank which is wholly owned by a Yugoslav parent bank. This bank, LBS Bank of New York, and one of its inside directors, a Yugoslav national, has been subjected to a single criminal charge of conspiring to violate the law in respect of the filing of two allegedly false or inaccurate currency transaction reports.

I am informed that the case is pending in the U.S. District Court for the Eastern District of Pennsylvania.

I played no role whatsoever in the transaction in question, nor in any operation of the bank. I have not been approached or questioned by the authorities and do not anticipate being a witness in the case. I have been further assured by counsel to the Bank, who has inquired of the Government, that no wrongdoing whatsoever has been imputed to me.

2. In October 1988 ITT Corporation (of which I have been an outside Director since 1984) Gilfillan Division pleaded guilty to a single count of conspiracy to defraud the U.S. Air Force (18 U.S.C. § 371) by obtaining proprietary documents related to the procurement process through payment of illegal gratuities, *e.g.*, lunches, theatre tickets, liquor, and golf for government employees. Three other counts in the indictment charging conversion of government documents (18 U.S.C. § 641) were dismissed by the prosecutor. ITT was fined $200,000 (maximum penalty: $500,000).

3. ITT Blackburn was the subject of a criminal investigation relating to violations of the Iranian Boycott Regulations in 1980. This led to an indictment in December 1985 and a conviction of the Corporation in August 1986. However, on appeal, the 8th Circuit reversed, set aside the jury verdict, and dismissed the indictment on the ground that the grand jury had not intended to indict ITT Corporation when it named the Blackburn Division as a defendant.

4. Federal Electric Corporation, a subsidiary of ITT, has been the subject of an extended investigation by DCAA of its time charging and manning practices on the DEW Line and BMEWS service contracts. While this investigation could have led to a criminal proceeding, ITT has been informed by the investigator that his final report will *not* recommend referral to the U.S. Attorney and instead will conclude that a civil resolution is appropriate.

5. ITT Dialcom, an indirectly owned ITT subsidiary, since sold to British Telephone, was the subject of a criminal investigation in 1984–85 relating to mischarging of government telephone calls on several GSA contracts. Restitution was made by the company, and in 1985 the Department of Justice closed its investigation without seeking indictments of either the company or any individual.

As a member of the ITT Board I played no role whatsoever in the transactions in

question, nor in the operations of ITT or its subsidiaries.

6. In January 1989, Global Motors filed for reorganization under Chapter 11 of the federal bankruptcy laws. I am advised that a creditor of Global has now filed suit against the investment bank that acted as financial adviser to Global, certain of the individual members of that firm, Global's subsidiary, Yugo Credit, and the officers and members of the Board of Directors of Global. As an outside Director at the time of the transactions in question, I was apparently included as a defendant in that suit, though I have not yet been served. I understand that I am named in the complaint, not by virtue of any allegation that I was directly involved in the transactions in dispute, but by virtue of the legal theory that the directors are responsible for actions of the corporation, whether they were personally involved or not.

ATTACHMENT VI

MARCH 7, 1989.

Re Recusal Undertaking.

ABRAHAM D. SOFAER,
Legal Adviser, U.S. Department of State, Washington, DC.

DEAR JUDGE SOFAER: From June 1984 through 1988, following almost 30 years in U.S. Government service, I was employed by Kissinger Associates, Inc. and, from December 1986 through 1988, by its affiliate Kent Associates, Inc. I resigned from those firms effective January 6, 1989. I own no stock and have no remaining financial interest in either firm. (I do have a vested interest in the Kissinger Associates, Inc. Pension Plan, which is fully funded through the Fidelity Cash Reserves mutual fund.) I will receive the final installment of severance payments from Kissinger Associates, Inc. and Kent Associates, Inc. in July 1989; these severance payments reflect services provided to, contributions to, and work performed for the firms before my resignation, and have been approved by the Office of Government Ethics.

As reflected in my Financial Disclosure Report, I have divested myself of every equity investment that I held. In addition, I have already resigned from or, if appointed as Deputy Secretary of State, will resign from every board of directors or trustees, or other active positions with private for-profit and non-profit organizations. This includes both compensated and uncompensated positions.

Accordingly, with two exceptions, I no longer have any financial holdings or private positions that could potentially create a financial conflict of interest with my prospective government position in violation of applicable conflicts of interest laws. The two exceptions are: 1) I intend to take leave without pay from my position as Visiting Distinguished Professor at the University of South Carolina; and 2) I have a right to receive a pension from ITT Corporation for my service on its board if and when I attain the age of 65.

If appointed as Deputy Secretary of State, I will recuse myself from any matter in which the University of South Carolina is a formal party or in respect of which it is known to me to have a direct and predictable financial interest. I will also recuse myself from any matter in which ITT Corporation is a formal party or in respect of which it is known to me to have a direct and predictable effect on my interest in the ITT pension plan for outside directors.

In addition, in order to avoid even the appearance of conflict of interest, I will voluntarily recuse myself from any matter specifically involving Kissinger Associates, Inc. or Kent Associates, Inc. I will also voluntarily recuse myself, for one year after appointment, from any matter specifically involving any client of those two firms with whom I actually consulted. As reflected in my Financial Disclosure Report, those clients are: Anheuser-Busch; ASEA; Bell Telephone Manufacturing Co., Belgium; Coca-Cola; Daewoo Corporation; L.M. Ericsson; Fiat, S.p.A; H.J. Heinz Company; Hunt Oil Company; Kriti Management, Inc.; Midland Bank; Three Cities Research; A.B. Volvo; Global Motors, Inc.; and Union Carbide.

Again to avoid even the appearance of conflict, for one year after appointment I will voluntarily recuse myself from any matter specifically involving any for-profit private organization on whose board of directors or trustees I served, or with which I served in any other active capacity, since January 1, 1987. As reflected in my Financial Disclosure Report, these private organizations are: Alcatel; Bethlehem Rebar; Best-Mart; Josephson International; Mutual of New York; LBS Bank; and Global Motors, Inc. (The recusal on the latter two may go beyond one year, as set forth below.)

Finally, throughout my government service, I will recuse myself from participation, on a case by case basis, from any other particular matter in which, in my judgment, it would be desirable for me to do so in order to avoid the possible appearance of impropriety, despite the lack of any actual conflict of interest. I believe that this general policy, to which I am committed, will avoid not only the occurrence of any actual conflict of interest, but even the appearance of any conflict between my duties as an officer of the government and my personal interests.

In this regard, in light of the litigation regarding LBS Bank and Global Motors, Inc., I will voluntarily recuse myself as long as the litigation is pending from all matters specifically involving not only those U.S. companies but also the parent bank of LBS, Ljubijanska Bank of Yugoslavia, and the Yugo car marketed by Zavodi Crvena Zastava of Yugoslavia and its affiliates.

If appointed as Deputy Secretary of State, I will provide the Secretary of State, the Executive Secretary, and other appropriate officials with a list of entities subject to my recusal commitment and instruct them in writing to handle all matters specifically involving the above-listed entities.

Sincerely yours,

LAWRENCE S. EAGLEBURGER.

Mr. DOLE. Mr. President, I am pleased to join in urging the confirmation of Larry Eagleburger as Deputy Secretary of State.

During his career in the State Department, he was an outstanding diplomat—one of those who understood both our foreign relations, and how Washington works.

Since leaving our diplomatic service, he has been active in the business world, and in writing and speaking on foreign affairs. He has also been called upon from time to time to contribute to our diplomatic efforts, for example, through his leadership role in a panel former Secretary Shultz set up on southern Africa.

In short, he's got the experience and the talent to do the job.

He also brings great balance to the very senior levels of the State Department, being from the Foreign Service and with a long background in our foreign affairs. He obviously has the trust of the President and Secretary Baker, and will join with them, General Scowcroft, DICK CHENEY and others to form an outstanding foreign policy team.

I'm pleased that the Foreign Relations Committee gave him a clean bill of health and a unanimous vote, and I hope and urge the full Senate to do the same now.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Lawrence S. Eagleburger, of Florida, to be Deputy Secretary of State?

So the nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the motions to reconsider both nominations, that is, of RICHARD B. CHENEY and Lawrence S. Eagleburger, are tabled en bloc, and the President will be notified of the Senate's action.

LEGISLATIVE SESSION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senator BRADLEY be added to the cloture motion on the motion to proceed to House Report 1231.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business not to extend beyond 3 p.m. with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who wishes to be recognized?

The Chair recognizes the Senator from Arkansas.

(The remarks of Mr. PRYOR pertaining to the introduction of legislation appear in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Idaho.

(The remarks of Mr. SYMMS pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

IMPORTATION OF SEMI-AUTOMATIC FIREARMS

Mr. SYMMS. Mr. President, I wish to address a matter which I think is of great importance regarding the importation of so-called semiautomatic weapons.

This week, the Washington Times carried a front-page story with the following headline: "Bennett Moves on Assault Rifles, Consults Barry." That pretty aptly sums up the substance and symbol of the actions taken Monday by our new drug czar, Bill Bennett, in his first day on the job.

I have to say that this Senator, having watched Bill Bennett serve the President very ably in the last administration as Secretary of Education, was stunned to see the headlines and to hear the decision made by the administration on imported semiautomatic weapons. I think it was a very bad decision and sends the wrong signals, hits the wrong target and only adds fuel to the apprehension and concerns of many Americans.

Mr. Bennett first announced an immediate suspension on the importation of assault-type weapons which, as all innocent victims of the media hype on this subject must now believe, are the root cause of drug-related violence and most other maladies across the country.

It is no wonder people feel that way because that is the impression given daily in the newspapers, on television, and on radio that somehow assault rifles are causing the drug problem in the United States.

After announcing the ban, Mr. Bennett went downtown to see the District's Mayor Barry, leader of the anti-crime and drug campaigns in what has become, under that leadership, the Nation's most murderous city. No doubt, Czar Bennett was taking notes on the Mayor's equally well-reasoned and effective drug crime programs. I say that with tongue-in-cheek, but I think this serious subject should be more carefully considered as the new drug czar starts on his road to serve the country and this President.

What strikes me most readily and violently about this import ban is the appearance that the Bush administration has brought into the argument of the liberal gun control crows that says it is the guns rather than the criminals our laws must protect us against.

Mr. President, it is an old argument. Many of the rifles held by Americans are semiautomatic rifles, semiautomatic shotguns. That has not changed. What has changed is this country, through soft criminal justice, has allowed people to get away with and profit from illegal activities, including selling drugs and murder.

I know President Bush does not buy the illogical gun control argument, but the ban announced this week needlessly leaves the appearance that gun control advocates have won the debate even before the debate starts.

Banning the importation of certain firearms to keep criminals from using them only works if criminals get their firearms through legal channels. How many people in this Chamber think that a drug pusher in the District of Columbia or Los Angeles or Cleveland, OH, or in any other city is going to worry about whether he gets his gun through a legal channel or an illegal channel?

Obviously, most criminals do not get their guns—automatic, semiautomatic, single action—legally. They buy them from the black market, which will exist and prosper notwithstanding any law restricting the availability of legal firearms.

So the import ban on semiautomatic weapons will only affect law-abiding gun owners. It is an old story, Mr. President, but the logical truths never change.

I must say, what a disappointment to see Colt manufacturing at the drop of a hat cave in on this issue. It is obvious to this Senator the manufacturing of guns must not be a very large portion of the profits of Colt Industries or they would not rush—what I call wet finger politics—to do something they think will make them look good in the eyes of the American people and then go ahead and manufacture other things.

Obviously, manufacturing firearms is a small part of Colt Industries today, otherwise they would not do this. It is disappointing to see a major corporation led by very able people cave in on the principles of constitutional law, the rights of individuals in order to get on the bandwagon with the political people in Washington, DC.

I would just say to Bill Bennett, President Bush, my colleagues in the Senate, and other Americans who might have an interest in this, if the drug kingpins can smuggle into the country thousands of pounds of cocaine, marijuana, and other illegal drugs which have long been the target of expensive Federal interdiction programs, why should anyone believe that they will not be able to smuggle in as many semiautomatic weapons as they want no matter what the U.S. policy is regarding the legal importation of these weapons? The drug dealers did not bring them in legally in the first place. Who thinks that they are going to be able to stop them?

Aside from the merely practical considerations regarding the uselessness of this import ban as a crime control measure, there are the much more important constitutional questions at issue here. I believe an indefinite suspension on the importation of firearms clearly infringes on the right to keep and bear firearms guaranteed in the second amendment. If the Government can prohibit private citizens access to certain types of firearms, what is there to prevent the same Government at some point from taking similar actions against all firearms? Where is the constitutional line drawn here?

If you read the history of the second amendment, Mr. President, you find it was not only a right of citizens to have guns, gun ownership was encouraged by the States and some States even provided the guns for people. They wanted the citizens to be armed with rifles that could be included in a defense for the country with the Continental Army. They wanted citizens to have the same weapons and abilities as the military.

I would remind my colleagues and those who may be listening across the Nation that there is no definition in law or common use of the term assault-type weapon which was the term used by Mr. Bennett and widely repeated in the media. Exactly what are assault-type weapons? Do they include all semiautomatic guns? If not, why not? If so, how long will it be before Congress or the administration are considering an import or manufacturing ban on such weapons.

I understand the concern many people feel about hoodlums in big cities, who are involved in the drug trade, gang warfare, et cetera, carrying weapons that can raise great havoc with innocent bystanders if they happen to get in the line of fire.

But I also think we should remember that when Adolf Hitler was deciding whether to take Switzerland or France, the German staff told the Fuhrer that taking Switzerland would require a million troops, more than a year's time, and hundreds of thousands of casualties because everyone in the country was armed. They all had the weapons in their homes. They were prepared to organize the militia. They would have to go house to house at great cost of casualties in order to do that. He said how about France? They said it will take 6 weeks and less than 5,000 casualties. So obviously they took France.

Switzerland managed to sit through that tragic Second World War and maintain neutrality. One of the reasons was individual Swiss citizens were prepared to defend themselves against any invasion.

I support the second amendment to the Constitution because it guarantees people's ability to defend themselves, their property, and their families. The burden of providing that protection is too great to be borne solely by the local police. The police cannot be everywhere. Three thousand times a day in this country someone defends their home, their property, their family, and their lives with their own firearm. That is often forgotten.

But setting that aside, 20 to 30 million Americans own semiautomatic weapons. I wonder how many of them are not law-abiding citizens. I would venture to say 99.9 percent of those people are law-abiding citizens. I wonder how long it will be before the political winds will give license to those who would ban the manufacture and sale of all semiautomatics under the guise of the fight against crime knowing that too few people will rise up to protect their right to keep and bear arms.

I have referred many times in the past to a fine report entitled "The Right to Keep and Bear Arms" produced in 1982 by the Senate Subcommittee on the Constitution. I commend it again to the attention of my colleagues. Senator HATCH, the subcommittee chairman, at that time wrote some very important introductory remarks reflecting on the history and purpose of the second amendment and the weight of the historical evidence against gun control as a means toward crime control. I want to quote our good friend from Utah, Senator ORRIN HATCH. I hope that the new administration will listen carefully to these important points of Senator HATCH.

If gun laws in fact worked, the sponsors of this type of legislation should have no difficulty drawing upon long lists of examples of crime rates reduced by such legislation. That they cannot do so after a century and a half of trying—that they must sweep under the rug the southern attempts at gun control in the 1870-1910 period, the northeastern attempts in the 1920-1939 period, the attempts at both federal and state levels in 1967-1976—establishes the repeated, complete and inevitable failure of gun laws to control serious crime.

The inevitable failure of gun laws to control serious crime, Mr. President. Serious crime can and should be controlled, capital punishment and mandatory sentencing laws would be a good start in that direction. I repeat that, Mr. President. If we want to do something about the use of assault rifles by drug dealers and kingpins, what this Congress should do is enact legislation with tough mandatory sentencing and capital punishment for these criminals. Gun control does not limit, never has limited crime. Gun control only limits freedom.

Mr. President, I ask unanimous consent that the introductory remarks of Senator HATCH which I referred to be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SYMMS. I commend the Senator from Utah for the excellent report that he produced, and I close with another powerful quote of the chairman of the subcommittee, ORRIN HATCH:

When I became chairman of the Subcommittee on the Constitution, I hoped that I would be able to assist in the protection of the constitutional rights of American citizens, rights which have too often been eroded in the belief that government could be relied upon for quick solutions to difficult problems.

Both as an American citizen and as a United States Senator I repudiate this view. I likewise repudiate the approach of those who believe to solve American problems you simply become something other than American. To my mind, the uniqueness of our free institutions, the fact that an American citizen can boast freedoms unknown in any other land, is all the more reason to resist any erosion of our individual rights. When our ancestors forged a land "conceived in liberty", they did so with musket and rifle. When they reacted to attempts to dissolve their free institutions, and established their identity as a free nation, they did so as a nation of armed free men. When they sought to record forever a guarantee of their rights, they devoted one full amendment out of ten to nothing but the protection of their right to keep and bear arms against government interference. Under my chairmanship the Subcommittee on the Constitution will concern itself with a proper recognition of, and respect for, this right most valued by free men.

Mr. President, I hope those words give pause to administration officials and Members of this body who might otherwise be too willing to erode individual liberties in a vain attempt to appease the justifiable public outcry against the growing tide of drug-related violence. Let us take firm, decisive action against drug kingpins, drug dealers and users, and anyone who uses a gun in the commission of a crime. Lock them up without parole and provide an effective capital punishment statute that brings swift justice to those who threaten innocent lives with impunity. Do everything possible to make our families and our homes safer without eroding the individual liberties that make this Nation, this people a beacon of hope the world over.

EXHIBIT 1

PREFACE

"To preserve liberty, it is essential that the whole body of the people always possess arms, and be taught alike, especially when young, how to use them." (Richard Henry Lee, Virginia delegate to the Continental Congress, initiator of the Declaration of Independence, and member of the first Senate, which passed the Bill of Rights.)

"The great object is that every man be armed . . . Everyone who is able may have a gun." (Patrick Henry, in the Virginia Convention on the ratification of the Constitution.)

"The advantage of being armed . . . the Americans possess over the people of all other nations . . . Notwithstanding the military establishments in the several Kingdoms of Europe, which are carried as far as the public resources will bear, the governments are afraid to trust the people with arms." (James Madison, author of the Bill of Rights, in his Federalist Paper No. 26.)

"A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed." (Second Amendment to the Constitution.)

In my studies as an attorney and as a United States Senator, I have constantly been amazed by the indifference or even hostility shown the Second Amendment by courts, legislatures, and commentators. James Madison would be startled to hear that his recognition of a right to keep and bear arms, which passed the House by a voice vote without objection and hardly a debate, has since been construed in but a single, and most ambiguous, Supreme Court decision, whereas his proposals for freedom of religion, which he made reluctantly out of fear that they would be rejected or narrowed beyond use, and those for freedom of assembly, which passed only after a lengthy and bitter debate, are the subject of scores of detailed and favorable decisions. Thomas Jefferson, who kept a veritable armory of pistols, rifles and shotguns at Monticello, and advised his nephew to forsake other sports in favor of hunting, would be astounded to hear supposed civil libertarians claim firearm ownership should be restricted. Samuel Adams, a handgun owner who pressed for an amendment stating that the "Constitution shall never be construed . . . to prevent the people of the United States who are peaceable citizens from keeping their own arms," would be shocked to hear that his native state today imposes a year's sentence, without probation or parole, for carrying a firearm without a police permit.

This is not to imply that courts have totally ignored the impact of the Second Amendment in the Bill of Rights. No fewer than twenty-one decisions by the courts of our states have recognized an individual right to keep and bear arms, and a majority of these have not only recognized the right but invalidated laws or regulations which abridged it. Yet in all too many instances, courts or commentators have sought, for reasons only tangentially related to constitutional history, to construe this right out of existence. They argue that the Second Amendment's words "right of the people" mean "a right of the state"—apparently overlookng the impact of those same words when used in the first and Fourth Amendments. The "right of the people" to assemble or to be free from unreasonable searches and seizures is not contested as an individual guarantee. Still they ignore consistency and claim that the right to "bear arms" relates only to military uses. This not only violates a consistent constitutional reading of "right of the people" but also ignores that the second amendment protects a right to "keep" arms. These commentators contend instead that the amendment's preamble regarding the necessity of a "well regulated militia . . . to a free state" means that the right to keep and bear arms applies only to a National Guard. Such a reading fails to note that the Framers used the term "militia" to relate to every citizen capable of bearing arms, and that Congress has established the present National Guard under its power to raise armies, expressly stating that it was not doing so under its power to organize and arm the militia.

When the first Congress convened for the purpose of drafting a Bill of Rights, it delegated the task to James Madison. Madison did not write upon a blank tablet. Instead, he obtained a pamphlet listing the State proposals for a bill of rights and sought to produce a briefer version incorporating all the vital proposals of these. His purpose was to incorporate, not distinguish by technical changes, proposals such as that of the Pennsylvania minority, Sam Adams, or the New Hampshire delegates. Madison proposed

among other rights that "That right of the people to keep and bear arms shall not be infringed; a well armed and well regulated militia being the best security of a free country; but no person religiously scrupulous of bearing arms shall be compelled to render military service in person." In the House, this was initially modified so that the militia clause came before the proposal recognizing the right. The proposals for the Bill of Rights were then trimmed in the interests of brevity. The conscientious objector clause was removed following objections by Elbridge Gerry, who complained that future Congresses might abuse the exemption to excuse everyone from military service.

The proposal finally passed the House in its present form: "A well regulated militia, being necessary to the security of a free state, the right of the people to keep and bear arms, shall not be infringed.:" In this form it was submitted into the Senate, which passed it the following day. The Senate in the process indicated its intent that the right be an individual one, for private purposes, by rejecting an amendment which would have limited the keeping and bearing of arms to bearing "For the common defense".

The earliest American constitutional commentators concurred in giving this broad reading to the amendment. When St. George Tucker, late Chief Justice of the Virginia Supreme Court, in 1803 published an edition of Blackstone annotated to American law, he followed Blackstone's citation of the right of the subject "of having arms suitable to their condition and degree, and such as are allowed by law" with a citation to the Second Amendment, "And this without any qualification as to their condition or degree, as is the case in the British government." William Rawle's "View of the Constitution" published in Philadelphia in 1825 noted that under the Second Amendment: "The prohibition is general. No clause in the Constitution could by a rule of construction be conceived to give to Congress a power to disarm the people. Such a flagitious attempt could only be made under some general pretense by a state legislature. But if in blind pursuit of inordinate power, either should attempt it, this amendment may be appealed to as a restraint on both." The Jefferson papers in the Library of Congress show that both Tucker and Rawle were friends of, and corresponded with, Thomas Jefferson. Their views are those of contemporaries of Jefferson, Madison and others, and are entitled to special weight. A few years later, Joseph Story in his "Commentaries on the Constitution" considered the right to keep and bear arms as "the palladium of the liberities of the republic", which deterred tyranny and enabled the citizenry at large to overthrow it should it come to pass.

Subsequent legislation in the second Congress likewise supports the interpretation of the Second Amendment that creates an individual right. In the Militia Act of 1792, the second Congress defined "militia of the United States" to include almost every free adult male in the United States. These persons were obligated by law to possess a firearm and a minimum supply of ammunition and military equipment. This statute, incidentally, remained in effect into the early years of the present century as a legal requirement of gun ownership for most of the population of the United States. There can be little doubt from this that when the Congress and the people spoke of a "militia", they had reference to the traditional concept of the entire populace capable of bearing arms, and not to any formal group such as what is today called the National Guard. The purpose was to create an armed citizenry, which the political theorists at the time considered essential to ward off tyranny. From this militia, appropriate measures might create a "well regulated militia" of individuals trained in their duties and responsibilities as citizens and owners of firearms.

If gun laws in fact worked, the sponsors of this type of legislation should have no difficulty drawing upon long lists of examples of crime rates reduced by such legislation. That they cannot do so after a century and a half of trying—that they must sweep under the rug the southern attempts of gun control in the 1870-1910 period, the northeastern attempts in the 1920-1939 period, the attempts at both Federal and State levels in 1965-1976—establishes the repeated, complete and inevitable failure of gun laws to control serious crime.

Immediately upon assuming chairmanship of the Subcommittee on the Constitution. I sponsored the report which follows as an effort to study, rather than ignore, the history of the controversy over the right to keep and bear arms. Utilizing the research capabilities of the Subcommittee on the Constitution, the resources of the Library of Congress, and the assistance of constitutional scholars such as Mary Kaaren Jolly, Steven Halbrook, and David T. Hardy, the subcommittee has managed to uncover information on the right to keep and bear arms which documents quite clearly its status as a major individual right of American citizens. We did not guess at the purpose of the British 1689 Declaration of Rights; we located the Journals of the House of Commons and private notes of the Declaration's sponsors, now dead for two centuries. We did not make suppositions as to colonial interpretations of that Declaration's right to keep arms; we examined colonial newspapers which discussed it. We did not speculate as to the intent of the framers of the second amendment; we examined James Madison's drafts for it, his handwritten outlines of speeches upon the Bill of Rights, and discussions of the second amendment by early scholars who were personal friends of Madison, Jefferson, and Washington and wrote while these still lives. What the Subcommittee on the Constitution uncovered was clear—and long-lost—proof that the second amendment to our Constitution was intended as an individual right of the American citizen to keep and carry arms in a peaceful manner, for protection of himself, his family, and his freedoms. The summary of our research and findings forms the first portion of this report.

In the interest of fairness and the presentation of a complete picture, we also invited groups which were likely to oppose this recognition of freedoms to submit their views. The statements of two associations who replied are reproduced here following the report of the Subcommittee. The Subcommittee also invited statements by Messrs. Halbrook and Hardy, and by the National Rifle Association, whose statements likewise follow our report.

When I became chairman of the Subcommittee on the Constitution, I hoped that I would be able to assist in the protection of the constitutional rights of American citizens, rights which have too often been eroded in the belief that government could be relied upon for quick solutions to difficult problems.

Both as an American citizen and as a United States Senator I repudiate this view. I likewise repudiate the approach of those who believe to solve American problems you simply become something other than American. To my mind, the uniqueness of our free institutions, the fact that an American citizen can boast freedoms unknown in any other land, is all the more reason to resist any erosion of our individual rights. When our ancestors forged a land "conceived in liberty", they did so with musket and rifle. When they reacted to attempts to dissolve their free institutions, and established their identity as a free nation, they did so as a nation of armed freemen. When they sought to record forever a guarantee of their rights, they devoted one full amendment out of ten to nothing but the protection of their right to keep and bear arms against government interference. Under my chairmanship the Subcommittee on the Constitution will concern itself with a proper recognition of, and respect for, this right most valued by free men.

ORRIN G. HATCH,
Chairman, Subcommittee on the Constitution.

JANUARY 20, 1982.

Mr. LEVIN. Mr. President, I would like to point out an area of concern with regard to Mr. Eagleburger's employment with Kissinger Associates, that I feel should have been addressed, particularly in light of the recent rejection of former Senator John Tower to be Secretary of Defense. Mr. Eagleburger served in 1984 as Under Secretary of State for Political Affairs in the State Department. One month after he left that post he went to work for Kissinger Associates. Kissinger Associates is an international consulting firm in the business of providing "global strategic—geopolitical—economic analysis" to its clients for a fixed annual fee reported to be in the range of $150,000 to $200,000.

In his previous job in the State Department, Mr. Eagleburger was presumably privy to highly confidential information regarding various policies, proposals, and negotiations critically important to the U.S. Government. Within a month after leaving the State Department, Mr. Eagleburger joined Kissinger Associates to serve as a consultant to private companies on geopolitical issues. Apparently Mr. Eagleburger refused the Foreign Relations Committee's request to discuss specific details concerning his advice to any of the Kissinger clients.

I believe the Foreign Relations Committee should have asked Mr. Eagleburger whether the issues on which he advised his Kissinger Associate clients were the same issues on which he had access to inside information as a top State Department employee. Apparently he was not asked that question, but I think it is an important one in assessing his sensitivity to the ethical issues involving the use of inside information.

I am not suggesting here that Mr. Eagleburger was in the same situation

as Mr. Tower and therefore should not be confirmed. We know that Mr. Tower not only sold his advice on the probable outcome of the START talks to private clients with a direct product interest in those talks. Mr. Tower's advice had been enlightened by his service as the lead negotiator on those START talks. We also know that Mr. Tower said he did not see any appearance problem with what he did. One of his principal assignments as the new Secretary of Defense would have been to address, in part, the issues of integrity in the defense procurement process and particularly the effect of the revolving door on public confidence in that system.

I think we should have obtained more information from Mr. Eagleburger in this area, and I regret that we did not do so.

I do want to say, however, that I am pleased that Mr. Eagleburger has seen fit to address the appearance problems stemming from his prior association with Kissinger Associates as he enters the State Department. He has terminated his financial relationship with that firm and agreed to recuse himself from any matters having to do with his former clients. That action evidences an appropriate sensitivity to the demands and importance of maintaining the public's confidence in public officeholders.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

COLLEGE OF SIENA BASKETBALL VICTORY

Mr. D'AMATO. Mr. President, on a note of some levity, and happiness, I might note that the College of Siena set a proud tradition. It is a small educational institution located outside the capital of the great State of New York, in Albany. It is an institution that my oldest son, Daniel, was fortunate enough to have the opportunity to attend and attends today. He and a number of his fellow students have not been able to attend one of their basketball games over the past 10 or 11 games because of a measles epidemic in the region among students. So consequently this team played their last 10 or 11 games without any spectators.

They won quite an unusual game at the last second against Boston University by one point, with 2 seconds remaining in the game. And they were given little if any chance, the institution with less than 3,000 students, to make it to the NCAA's, but they confounded the experts, won their tournament and indeed did get that grand opportunity.

And, oh, how the papers and pundits cried out this morning as they echoed the results of last night's triumphant win by Siena, that small but spirited school, which had an opportunity to play its first game and its last dozen before a crowd. It played mighty Stanford.

Mr. President, I am pleased and delighted to point out to this august body that once again that small but undaunted school and its team emerged victorious. Once again, as the clock ticked down to the end with 2 seconds remaining, they scored the final 2 points, two free throws and beat Stanford 82 to 78.

So we salute Siena as we take this brief hiatus and go into our recess. We will look back at least at this first tournament that they have been able to enter in the NCAA's and this great victory. Who knows what will take place at the end of this. Maybe the mighty Hoyas of Georgetown will have an opportunity to meet these undaunted giants from the small school of upstate New York. Who knows what might take place?

That I will review at another time.

ST. PATRICK'S DAY

Mr. HEFLIN. Mr. President, it is interesting to note that St. Patrick's Day is a holiday that is celebrated only in Ireland and the United States. On this day, the color green is worn in both countries.

Ireland and the United States share many other bonds besides the recognition of this day. There is a deep love for individual freedom and liberty now and in the history of both countries.

In the early years of America, another bond which existed between the two countries was a common enemy—the English crown. Americans and Irishmen both experienced the tyranny of the English King, and the oppression of British troops. Our forefathers were able to remove the yoke of the British rule in the Revolutionary War, and eliminate the harassment of the English crown in the War of 1812. In Ireland in 1798, there was a similar effort. A group of men formed a resistance that was known as the United Irishmen. To demonstrate their allegiance to their cause and to one another, they wore the color green. Although this band of Irishmen fought valiantly, they were defeated by the much larger army commanded by General Charles Cornwallis.

After Cornwallis' victory in Ireland, the British tried to break the Irish spirit by declaring that the wearing of the color green was forbidden by law. Many songs and poems were written to protest such tyranny. I recall parts of a poem that was entitled "The Wearin' O' the Green":

O Paddy dear, an' did ye hear the news that's goin' round?
The shamrock is by law forbid to grow on Irish ground!
No more Saint Patrick's Day we'll keep, his colour can't be seen
For there's a cruel law again the wearin' o' the green

It is hard to believe that just as our forefathers were beginning to enjoy the rights for which they had fought, men and women in Ireland were being imprisoned and some hanged for wearing of the green. For the wearing of the green was symbolic of their individual resistance. Many had to leave their homeland to escape death, imprisonment, oppression, and tyranny. They sought freedom in this country where freedom of speech, religion, expression, and assembly prevailed, and where one of the purposes of our Government was the protection of the individual against governmental tyranny.

The following final stanza of this poem, as paraphrased, mirrors the fleeing Irishmen's hopes:

But if at last our colour should be torn from Ireland's heart,
Her sons with shame and sorrow from the dear old isle will part;
I've heard a whisper of a country that lies beyond the sea,
Where rich and poor stand equal in the light of freedom's day.
O Erin, must we leave you, driven by a tyrant's hand?
Must we ask a mother's blessing from a strange and distant land?
Where the cruel cross of tyranny shall nevermore be seen
And where, please God, we'll live and die still wearin' o' the Green.

Although this poem is Irish, it underscores the love of liberty that exists in America. Because of the bravery, the determination, and the sacrifice of our forefathers, the United States stands today as a citadel of freedom and liberty in a world in which most of the world's population is still burdened with totalitarianism and oppression.

The Irish have contributed much to our Nation. They have fought in our wars, and have served our communities. They have added to America's enjoyment with their stories and fun-loving, often lifting depressed spirits. Finally, they have become great Americans who still love their Irish heritage. The sons of St. Patrick have reminded Americans of the true importance and value of individual rights and they have always been among the first to rise to the defense of this Nation.

So, on this St. Patrick's Day, let us remember our Irish heritage, and those who fought in the old country for freedom and liberty. And let us proudly wear the green. But, dear God, let us never forget that, above all else, we are Americans—and Americans strong and free.

Mr. D'AMATO. Mr. President, I commend the distinguished senior Senator from Alabama on his poignant remarks. They are momentous. It certainly was educational to this Senator and to anyone who has an opportu-

nity to hear the Senator's remarks, and to those who may have the opportunity to read them as recorded.

"DANGO" AT THE BASES

Mr. MURKOWSKI. Mr. President, I rise before my colleagues today to address a matter that has been of longstanding interest in our security and trade relations with our good friends in Japan.

First of all, I want to express my concern over the status of efforts which have been made by many in this body, as well as the previous administration, to encourage the Japanese to open up their markets for construction services. Last year, in an effort to address a portion of the tremendous imbalance in our bilateral trade and construction services and, I might add as an addendum, Japanese exports, in other words, Japanese construction services in the United States currently exceed $2.2 billion. Yet, counter to that, United States construction services in Japan currently total just $7 million. So it is quite clear that the Japanese appropriately so, have found the markets in the United States for architectural engineering, design, and building supplies to be quite profitable and, to the tune of $2.2 billion, they are a significant factor.

The only difficulty is the lack of equity, Mr. President, and the fact that we have only been able to do about $7 million in Japan.

Now, the United States and Japan entered into an arrangement aimed at removing some of the procedural barriers to United States firms entering the Japanese market. Almost 1 year after that agreement, there is evidence today that bid rigging, boycotts of American firms, and other roadblocks continue to pose major obstacles for United States firms attempting to enter into the Japanese construction market.

The Senator from Alaska happens to believe that the markets of the United States are open in the area of construction. All we ask for is reciprocity. This is not an effort to bash Japan by any means. What I am concerned with is a situation in which the ultimate losers are both the Japanese and the American taxpayers who are footing the bill for overpriced construction projects in our various countries. Specifically, I am concerned over current bid rigging activities by Japanese construction firms on United States military bases in Japan and our own Department of Defense's tolerance for blatant violations of our Federal procurement regulations in contracts that add up to millions of dollars.

For example, Mr. President, in May of last year, the Japanese Fair Trade Commission began an investigation, at last, into longstanding allegations of dango. That is the Japanese term for bid rigging, which simply means, in effect, that there is not a competitive bid but generally an understanding among the contractors that are basically in line on kind of a take-a-turn basis as to who gets the bids. Well, this was a case of bid rigging at Yokosuka Naval Base in Japan. This is a U.S. naval base. The investigation involved 140 Japanese construction firms who were members of an organization called "Seiyukai" or "Friends of the Stars and Stripes." Now, it is interesting to note that the JETC, or the Japanese Fair Trade Commission, was investigating evidence that the Seiyukai served as a forum in which winning bids were rotated among the member firms for contracts that were being let at the base. In September of 1988, the JFTC notified the U.S. Navy that the investigation was underway. In December, the JFTC issued warnings to 70 of the Japanese construction firms and fined the other 70 for bid-rigging activities occurring over a 3½-year period. The JFTC recommended that the 70 firms that received fines be banned from bidding on Japanese Government projects for a 6- to 9-month period, a rather significant penalty, Mr. President. The JFTC's recommendation, however, was strongly opposed by the Japanese Ministry of Construction and the Japanese construction industry. The Ministry of Construction would only agree to bar the 70 firms for a 1-month period from December 8, 1988, to January 8, 1989. Mr. President, it is well known that December to January is the slowest time of year for the construction industry in Japan. The short duration of the ban guaranteed that it would have little impact on the firms, and insured that all the contractors would be eligible to bid on the next major public works project—the $10 billion Trans-Tokyo Bay Bridge-Tunnel—one of the projects covered by the United States/Japan construction agreement.

United States firms say that in addition to engaging in dango or bid-rigging, Japanese general contractors have warned their subcontractors not to work for United States firms or they will be blacklisted in Japan. In an article which appeared in the October 1988 edition of the magazine Business Tokyo, one United States firm, Pacific Architects and Engineers, who had been doing business in Japan for nearly 30 years, indicated that fear of reprisals is so great that a Japanese subcontractor working for PAE on a contract for toilet facilities at Yokosuka had his employees wear PAE's uniforms so it would not be known his firm was doing work for an American contractor. Well, Mr. President, I think you would agree it is a serious problem.

Mr. President, boycotts are also a violation of Japanese domestic laws, but again, enforcement is not used as an effective deterrent. This raises serious doubts about whether the construction agreement alone will result in fair access for United States firms in Japan's market for construction services.

What is even more disturbing is the U.S. Navy's rather lax attitude towards these violations. In December 1988, when I learned of the JFTC's action, I contacted our Embassy in Tokyo, which is responsible for monitoring implementation of the construction agreement, to request any information they had regarding the case. Over months later, on February 20, the Embassy responded by sending me press clips from Japanese language newspapers. I again contacted our Embassy to express my dissatisfaction with this initial response, and asked that I be provided with the names of the firms that were fined. I also asked the Embassy to find out what, if any action the Department of Defense or the Navy had taken to bar the Japanese firms involved or to investigate allegations of bid rigging at other United States military facilities in Japan. I was then referred to the Navy's Assistant Secretary for Shipbuilding and Logistics in the Pentagon. I wrote to the Assistant Secretary to request as much information as possible regarding the Navy's actions on the case. While I have not received a response in writing, I have learned from the Assistant Secretary's office that, despite the fact that the Navy was formally notified by the Japenese Government of the possible violations in September 1988, and was given the names of the 70 violators in December, his office in Washington was not notified of the outcome of the JFTC investigation until January 30, 1989—2 months after the information was supplied by the Japanese Government. I suspect that had I not been persistent in pressing to find out what was being done about the case, Washington may never have been notified.

Today, over 4 months after formal action was taken by the Government of Japan, the United States Navy still has not decided whether or not to bar the guilty firms from bidding on other projects at the bases.

I believe it is appropriate to note that some of the firms involved are the largest construction firms in Japan. The JFTC will not publicly release the names of all 70 firms that were fined for bid rigging activity until its annual report is published in the spring of 1990. However, the JFTC was required to make public the names of the firms listed on the Tokyo Stock Exchange. Fifteen of the largest construction companies in Japan fell into this category including firms such as Shimizu, Chioda, Taisei, Hitachi, and Kajima—all of whom have active operations in the United States.

It would appear that the Navy is more concerned with getting projects built than with enforcing procurement regulations. This is simply outrageous. If there is one place in Japan where United States construction firms should be assured that they will be bidding in a fair and competitive environment it should be at our bases. This experience could prove invaluable as our firms seek to expand their operations in Japan, the second largest construction market in the world.

Mr. President, it is in our economic and security interests to insure that there is fair bidding for contracts at our bases overseas. We must insure that our limtied resources are used in the most cost efficient way possible. The expanded presence of U.S. firms could result in dramatic decrease in the cost of construction services at the bases. As an example, I would like to submit for the RECORD a copy of bids that were submitted for the toilet facility at Yokosuka which I mentioned earlier. The U.S. Government estimated the project would cost 9,200,000 yen—approximately $70,000. PA&E, the only U.S. firm to submit a bid, was the low bidder at 9,989,000 yen—approximately $72,000. Of the 17 other bids, all submitted by Japanese construction firms, the next lowest bid was almost double the Government's estimate: 17,480,000 — approximately $140,000. Had PA&E not been successful in convincing the Japanese subcontractor to work for them, the Navy would have paid almost double what they did for the facility.

Numerous U.S. firms familiar with the situation at the bases say that absence of truly competitive bidding has meant that we are paying far too much for construction on the bases. The situation is exacerbated by the close relationship between the Japanese nationals working in the base procurement and the Japanese construction industry.

Mr. President, I want to reiterate that I am not raising this issue in an attempt to "bash Japan." It is United States and Japanese taxpayers who are footing the bill for overpriced construction projects. I am urging the Japanese Government to strengthen enforcement of Japanese domestic laws prohibiting such anticompetitive practices as dango and subcontractor boycotts as part of their commitment to open up their market to United States construction services in the same manner in which United States markets are opened to Japanese construction firms doing business in the United States. In addition, to address the problem at our bases overseas, I am considering legislation to mandate that the procurement offices be staffed by U.S. citizens. I am satisfied that we have enough military personnel and military wives available to staff these positions in Japan rather than employ Japanese nationals on our bases.

I am also urging the Department of Defense to investigate allegations of bid-rigging at other U.S. bases and to take swift action to bar those firms that have already been found guilty of these anticompetitive practices.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of Japanese construction companies which I mentioned in my statement on the dango practices of Japan.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Project: Construct toilet facility, contract No. N62836-86-0275.
Bid date: 17 March 1987.
Location: U.S. Naval Facility Engineering Command, Yokosuka, Japan.
Competitive bid results.
Compnay name, bid price.
Inoya Kogyo, 17,900,000 yen.
Nihon Tatemono, 18,280,000 yen.
Shonan Shoko, 17,800,000 yen.
Sogo Kensetsu, 18,800,000 yen.
Kyoritsu Plant Construction, 18,000,000 yen.
Hanazaki Sangyo, 19,860,000 yen.
Rinkai Construction, 18,500,000 yen.
Hissei Koji Company, 18,470,000 yen.
Takenori Company, 19,820,000 yen.
Kyodo Construction, 20,000,000 yen.
Sato Gumi Construction, 18,200,000 yen.
Nakamura Gumi, 19,000,000 yen.
Ebara Sangyo, 19,830,000 yen.
Mitaka Kogyo Sho, 18,500,000 yen.
Nagisa Kogyo, 17,480,000 yen.
Taiken Kohyo, 18,160,000 yen.
PAE International,[1] 9,989,317 yen.
U.S. Government estimate, 9,200,000 yen.

The PRESIDING OFFICER. The Senator from Pennsylvania, [Mr. HEINZ].

(The remarks of Mr. HEINZ pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

WHITE HOUSE CONFERENCE ON HOMELESSNESS ACT

Mr. HEINZ. Mr. President, I am pleased to cosponsor the White House Conference on Homelessness Act. Our failure to provide Americans with adequate food and shelter is more than an embarrassment to this country; unless addressed, homelessness will drain us of the human potential needed to remain a great nation.

Responding to homelessness requires meeting immediate human needs. But to achieve long-term success, we must recognize the complicated factors fueling the alarming growth of the number of homeless Americans, estimated by some to include 1 million people each night.

Approximately 60,000 people in my home State of Pennsylvania had only a curb-side address in 1987. These statistics alone are appalling. When we match number for number with a homeless man, woman or child, whose existence is defined by the struggle to survive one more night on the street, the statistics are truely horrifying.

Two weeks ago, I visited three Philadelphia city shelters with Housing and Urban Development Secretary Jack Kemp, and we witnessed first hand the personal tragedy of homelessness. As I spoke with homeless men and women, I heard stories of disbelief, humiliation, anger, and hopelessness. Our Nation's homeless are needy of more than food and shelter, they are needy for the opportunity to regain their dignity and start again.

The homeless are not simply people who have been turned out of mental institutions without adequate community based services or supervision. Homeless America is a cross section of individuals teetering on the brink: Those addicted to drugs and alcohol, poor families with children, the unemployed, the disabled. Homelessness magnifies those elements of crisis that threaten not just poor America, but our entire Nation—crime, drug abuse, shortages of affordable housing, mental illness, lack of job training and health care, and declining public education.

The solution to homelessness will be most successfully developed by addressing the range of factors that contribute to the homeless problem, and must be the shared responsibility of Federal, State and local government. No matter how much leadership is provided in Washington, no matter how effective one city's efforts to end the homeless problem, new and existing programs cannot succeed without a united approach that will have staying power.

The White House Conference on Homelessness is a catalyst for achieving this unity. The conference will bring together those individuals responsible for combating homelessness in their own communities, and will provide a valuable forum for shaping coherent, national homelessness policy.

Mr. President, I strongly support the White House Conference on Homelessness Act. It is clearly time for all of us to combine our economic and intellectual resources to respond to the immediate and long-term needs of this Nation's homeless.

Mr. BYRD address the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. I yield to the distinguished Senator from Vermont. I ask I may be protected of my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

[1] Sole American firm bidding.

GEORGE A. McINTYRE

Mr. LEAHY. Mr. President, this past spring, Norwich University of Vermont recognized a very honored gentleman and dear friend. Dr. George A. McIntyre of Montpelier, VT, received an honorary Doctor of Humanities degree at the commencement exercises of Vermont College.

Dr. McIntyre has been my family's doctor for as long as I can remember. All the Leahys have come to depend on him for his patience, caring, and advice. I have literally known him all my life as he is the physician who delivered me on March 31, 1940.

George McIntyre, a native of Burlington, VT, earned both a bachelor of science and an M.D. from the University of Vermont. He served as an Army physician from 1942 until 1946, primarily in New Guinea and the southern Philippines. He was an attending physician at Heaton Hospital and its successor the Central Vermont Hospital for 46 years, and he was the attending physician at Vermont College for 31 years during the administrations of four Presidents.

Dr. McIntyre pursued postgraduate education at the New York Postgraduate Hospital, the University of Chicago, the Billings General Hospital and St. Luke's Hospital in Chicago. He is a member of the Washington County Medical Society, the Vermont State Medical Society, and the American Medical Association.

After his retirement as an active physician, he was the director of the library at the Central Vermont Hospital, the president of the Washington County Cancer Society, the editor of the newsletter for the Lake Mansfield Trout Club and a member of "The Club," a Montpelier literary association. He is the author of a history of Christ Church of Montpelier.

A NEW POLICY IN CENTRAL AMERICA

Mr. LEAHY. Mr. President, 5 years ago the Kissinger Commission issued its report on Central America. It described a region in crisis, fueled by poverty and repression, and exacerbated by Soviet, Cuban, and Nicaraguan support for insurgencies in El Salvador and Guatemala.

The Commission rightfully saw that crisis as a threat to our own security. It recommended a huge increase in economic aid—$1.2 billion per year for 5 years—to salvage the declining economies and institutionalize democracy.

It also called for major increases in military aid to El Salvador and Honduras, continued military and other pressure on Nicaragua, and diplomatic efforts to achieve a regional peace settlement.

With this massive influx of aid the Commission hoped the Central American countries would be on their way to economic recovery. Economic growth of 6 percent a year was forecast. Per capita incomes were expected to recover to their 1980 level by the end of the decade. Military aid would help hold off the insurgencies until growing economies and democratic governments removed the basis for the conflicts.

Congress gave the Reagan administration virtually everything it asked for to carry out the Commission's recommendations. Almost $5 billion in American tax dollars have poured into Central America since 1984, placing it in per capita terms second only to Israel as the top recipient of United States aid.

Mr. President, there has been some progress in some areas. There are elected governments in nearly all the Central American countries. But much of this progress is more superficial than real.

The hard truth is that after 5 years of extraordinary assistance to Central America, economic recovery and genuine democracy are still a distant hope for the majority of its people. Despite glowing reports by the State Department, last year El Salvador and Honduras had negative growth rates. Yet, together these two countries, with less than 10 million population combined, received 62 percent of our aid to the entire region.

By any standard whatsoever, Mr. President, this is a tragedy.

A tragedy because millions of Central Americans still lack the barest necessities of life, while their children play in the streets next to mutilated corpses.

A tragedy because so many millions of scarce American foreign aid dollars have achieved so little, at the same time other important aid programs were underfunded. The generosity of the American people has been misused, wasted and, in some cases, stolen by the very governments we were trying to help.

There are many reasons for this failure. Some, perhaps most, can be traced to the Central Americans themselves—rampant official corruption at the highest levels; a long history of military rule; contempt for democracy by the ruling elites; unparalleled brutality by the security forces against their own people; selfishness and cruelty by an oligarchy that remains blind to the urgent need for fundamental change; a refusal to adopt the economic reforms that are the key to progress.

Others are due to factors largely outside their control—high interest rates on a foreign debt that saps the region's wealth like a festering sore. Falling commodity prices, low investment, inflation, lack of capital, extreme unemployment and underemployment, lack of technical skills—all have combined to crush the hopes for economic growth.

Yet beyond these reasons—and worsening their impact—has been an American policy badly flawed from the start. I believe our country has followed, with the best of intentions combined with poor understanding of Central American realities, a policy which, on the whole, has actually fueled tensions and instability.

Rather than attempting to remove the root causes of social, political and economic conflict, we have instead tried to defeat insurgencies militarily. While we have paid lip service to the ideals of democracy, social reform, economic growth and justice, we have put our best efforts into winning a military victory.

What have we reaped, after nearly a decade of war, immense amounts of military and security assistance, untold thousands of deaths, an influx of hundreds of thousands of refugees, and deep internal divisions in our own country? We have a hostile Nicaragua, a dependent Honduras, and an El Salvador that is ravaged by an unwinnable war.

It is time to admit frankly that despite the Kissinger Commission's emphasis on economic recovery, the real thrust of our policy has been military.

In El Salvador, the goal of the Reagan administration became first and foremost military victory over the FMLN leftist guerrillas. Other parts of American policy have been subordinated to this overriding goal, including our efforts to institutionalize democracy, reform the military, and rebuild a shattered economy.

The policy toward Nicaragua was its own undoing, as the Reagan administration resorted to illegal arms sales and deception to get around the law and the will of Congress. Our own country became as badly divided as the fractious Contra leadership.

Mr. President, it is beyond question that the United States has vitally important interests in Central America. We all know what those are—economic development, democratic government, human rights, and an end to Soviet and Cuban interference. Republicans and Democrats are united in our commitment to advance those interests.

The question which has divided us, is how?

From my perspective, if our goal was to encourage democracy in Nicaragua and reduce Soviet influence there, it did not make sense to cut ourselves off from that country by imposing a trade embargo.

It did not make sense to support a disjointed, discredited rebellion based on the old Somoza National Guard. That simply gave the Sandinistas a justification to import huge amounts of Soviet arms and impose a state of emergency curtailing the very political

and human rights we were trying to protect.

If our goal was to fight poverty and nurture democracy in El Salvador, it did not make sense for us to provide unstinting support to that government without requiring—really requiring, not just urging—an end to military abuse of human rights, a sharp reduction in official corruption, and a genuine effort to find a political settlement.

It did not make sense to give hundreds of millions of dollars in weapons to a military that considered itself above the law and acted that way, without requiring—not just suggesting or requesting—the prosecution or at least the removal of the individuals responsible for flagrant abuses of human rights.

The policy has been a costly failure. Costly in human suffering, and in American tax dollars.

The Sandinistas are still in Managua. The rebels in El Salvador are still capable of waging war all over the country.

We are paying the price for this failure, and not only in foreign aid dollars. Refugees are flooding our southern cities, not to mention 60,000 Salvadorans and Nicaraguans in Washington, DC alone.

Law enforcement and social services throughout this country, already unable to control a drug epidemic and care for thousands of homeless families, are overwhelmed.

And the historic resentment of many Central Americans toward their "Yankee" northern neighbor for meddling in their affairs is as intense as ever. Even in Honduras our embassy was the target of a violent demonstration last year.

Mr. President, today we are at a crossroads.

We and the Central Americans share a hemisphere of great contrasts and inequities. The United States is vastly more powerful, and we have not always used our power wisely. The Central Americans are trying hard to stabilize their relationships with each other, and to limit the power of the United States within mutually acceptable bounds.

Even during the Reagan years, despite billions of dollars of aid, our ability to dictate events in the region was shrinking. Thirty years ago the United States accounted for three-quarters of all foreign investment in the Latin countries. Today it is about one-quarter.

Multilateralism is becoming the name of the game there as it is everywhere. The Japanese and Europeans are competing hard right under our noses.

Yet it is we who have the most to gain in fighting drugs, supporting democracy, promoting trade, saving tropical rain forests, controlling migration. We need to recoup valuable time lost, by replacing ideological and partisan division with reason, compromise, and shared objectives.

The Bush administration must seriously ask what it wants in Central America—peace through negotiated political settlements, security agreements, and cooperation with independent governments? Or, and this really is the alternative, continued war through proxy armies, corrupt and subservient governments, dependent economies and alienated populations?

Secretary of State Baker has asked Congress to join the administration in designing a new Central American policy and I welcome that offer. I have joined my colleagues, Senators KASTEN, DODD, and LUGAR, as the chairmen and ranking members of the Foreign Operations Subcommittee and the Western Hemisphere Subcommittee, in writing the Secretary of State that we stand ready to sit down with him to try to find common ground.

I am encouraged by the initial signs of moderation and flexibility by the Bush administration. Secretary Baker has said the administration will not seek new military aid for the Contras. President Bush has called for a bipartisan approach to Central America. Vice President QUAYLE pressed the Salvadoran Government on human rights, and warned that failure to improve its record could lead to reduction in United States aid. The administration urged President Duarte to give serious consideration to the FMLN peace offer recently, and the administration praised the Duarte counteroffer.

Clearly, the Bush administration is not the Reagan administration. Ideology appears not to drive fundamental policy decisions, certainly not to the degree it did in the Reagan White House.

I have always believed that a sound foreign policy must be cooperatively arrived at and broadly supported by both parties. I have told Secretary Baker I will do everything I can in my new role as chairman of the Subcommittee on Foreign Operations to help achieve that kind of policy if it is at all possible without compromising my deeply held views.

We must begin by finding a common point of reference. We need to explore together honestly and without finger pointing what went wrong, and how Central America today is different from what it was 8 years ago when we started down our present course. We need to seriously ask how recent changes in the Soviet Union may be relevant here. We must weigh far-reaching economic changes sweeping the world, including the massive burden of debt, adverse terms of trade and collapse of economic growth throughout the Third World.

Only then will we be ready to design a policy toward Central America that is tailored for the future rather than the past.

A great deal has happened already.

A month ago, the five Central American presidents agreed to a plan to disband the Contras in Honduras and give them amnesty in Nicaragua in return for the release of political prisoners held by the Sandinistas, democratic reforms, and a guarantee of early elections in Nicaragua with international observers.

The Central American presidents have invited the United Nations to provide observers to monitor the borders of hostile nations to prevent clandestine support of insurgencies.

The United States can regain the initiative by finding a decent, honorable way to end the Contra policy. It is clear they are not going to get any more arms. Having created the Contras, we should now help them resettle, inside Nicaragua, if possible, or to a third country, if necessary. But we should be clear to them the war is over.

Turning to the Nicaraguans themselves, we should formulate a broadly supported, clear policy: an end to the Soviet and Cuban military connection; a binding commitment to the nonintroduction of Soviet or Cuban forces, bases or offensive weapons; binding commitments to leave their neighbors alone. If necessary, we should consider, in accordance with our constitutional processes, security guarantees to Nicaragua's neighbors.

We should be prepared to hold out inducements for compliance and progress toward pluralism and democracy, including the prospect of significant American and international economic assistance, participation in the Caribbean Basin Initiative, enhanced trade and investment, our support in rejoining the community of nations, and other positive measures.

In El Salvador, the Reagan administration said we had to fight the war in order to consolidate democracy. But while we financed the war, we tolerated the undermining of faltering steps toward democracy in a country with no tradition of civilian government. Very bluntly, without strong American pressure on the government to seek a political solution, without an American demand to an end to political corruption and institutionalized incompetence, without American insistence that the military respect the law, there was no way a weak, uncertain democratic center could emerge from the bloodshed.

But even in El Salvador, there is new hope, something on which a new American approach oriented toward a political solution might be built. Two weeks ago the guerrillas offered for the first time to forgo their longstand-

ing demand for power sharing in the government prior to participation in elections. They promised to respect the outcome of elections held under the existing Salvadoran Government. The FMLN proposes that the elections be delayed 6 months so they can participate, and they offer a 60-day truce to allow the elections to take place without violence.

President Duarte, after initial hesitation, and with U.S. encouragement, offered to postpone the elections 6 weeks.

I deeply regret that the FMLN proposal and President Duarte's counteroffer have not led to agreement to reschedule the elections and to begin a truce.

Nevertheless, the FMLN proposal and the Duarte counterproposal has changed the Salvadoran political landscape. FMLN willingness to join the political process and respect the outcome of elections could be a significant break in the Salvadoran tragedy. It represents changes in the basic FMLN position which the rebels cannot easily reverse. It is also important because it has led to contacts between the rebels and the Salvadoran political parties. From this could begin a dialog, and eventually a process that could offer an alternative to endless war.

I do not believe the FMLN regards itself as beaten on the battlefield, or is ready to give up its pursuit of power in El Salvador. But it is possible that, under the right conditions, they are prepared to shift their struggle to the political arena and seek a respite from the fighting. The key, which should be our aim, is to get a process in place which makes the sides sit down at the bargaining table instead of planning new military attacks.

But whatever the outcome of this possible opening, the United States has a major role to play in resolving the conflict in El Salvador, as it does throughout the region. We agree on what our goals are. They were President Duarte's goals and they are President Arias' goals—economic reform and the institutionalization of democracy.

We do not need to change our goals, we just need to get serious about them. We have got to be willing to tell the political and military leaders in El Salvador our aid will be cut if they do not build democracy and eliminate abuses. We have got to make clear to them that there is a consensus in the United States that a political solution—not military victory—is our policy for ending this war. We should make them understand that the American people will not finance endless war to maintain a corrupt oligarchy and a savage military in power.

I hope President Bush has learned from the past. We are a great country not just because of our military strength, not just because of our economic power, but because of the force of our ideals and what we stand for. We just have failed to insist on what we believe in.

We are the longest existing democracy. We believe in the rule of law. We believe in helping people in need. People whose human rights are respected, who are part of the political process, will stand up for democracy. Let us design a policy worthy of all the Americas.

Mr. President, once again I wish to express my appreciation to the distinguished senior Senator from West Virginia, the President pro tempore, for his customary courtesy in yielding me this time.

Mr. BYRD. Mr. President, may I assure my friend that he is welcome.

FLORENCE KING'S RETIREMENT

Mr. BYRD. Mr. President, as I sometimes do when a particularly faithful and helpful member of my staff retires, I would like to make a statement of gratitude to one such staff aide, Mrs. Florence H. King, who is retiring from Capitol Hill at the end of this month.

Mrs. King has served on my staff for more than two decades primarily in the capacity of case worker specializing in student aid, education, and health issues. In all these efforts, Florence made important contributions to the lives of countless numbers of my constituents and their families throughout West Virginia.

She is the widow of the late Lt. Col. Robert C. King, Sr., retired. Florence joined my staff shortly after her husband's death.

A native of Philadelphia, throughout her marriage to Colonel King, Florence traveled around the world with her husband and family as Colonel King fulfilled his duties in the U.S. Army Medical Corps. The Kings were stationed variously in Puerto Rico, Trinidad, Japan, and West Germany, and during that time Mrs. King found time to lend her talents to teaching kindergarten to military dependents.

She is deservedly proud of her four sons, who in some way boast service-related careers.

Florence's eldest son, Robert, Jr., works for the Veterans' Administration here in Washington.

Lt. Col. Peter King serves with the U.S. Air Force and is stationed in London, England.

Her son Anthony is a civilian employee of the U.S. Navy at the Philadelphia shipyards.

And Anthony's twin brother, Sfc. Jeffrey King, is stationed with U.S. Army Special Forces in West Germany.

Not surprisingly, Florence is a grandmother and counts nine grandchildren who can distract her and call on her special affection in her retirement.

I know that Florence will also otherwise make the most of her time in her retirement as well. Among her hobbies, she numbers golf, bridge, and art, as well as gardening, in which she hopes to advance her expertise by participating in an experimental rose program with a major plant company, I am told.

As her employer over these two decades, I want to express my appreciation to Mrs. King for her 20 years-plus of service as a valuable member of my staff. Moreover, as a fellow American, I want to express to Mrs. King my admiration for the contributions that she made as a service wife, laboring as she did for many years beside her military husband in distant and foreign places, and in rearing four sons to take their places as patriotic and responsible citizens of our country.

Upon her retirement, I hope that Florence King will take with her my best wishes for a rich and rewarding, useful life ahead, and for the rewards of selfless, giving life that has contributed to America a family of sterling character and civic, patriotic pride.

Mr. President, my good friend, Senator MATSUNAGA, is on the floor. I do not want to keep him waiting. I still have another statement. I ask unanimous consent that I may yield to him without losing my rights to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, I thank the distinguished President pro tempore for yielding.

ST. PATRICK'S DAY

Mr. MATSUNAGA. This being St. Patrick's Day, as you can plainly see I am wearing a green tie, and I do that because I am really one-quarter Irish. People look at my face and say, "How can you be?" Well, I have a grandson who is half Irish. I made him half Japanese by descendancy and he made me quarter Irish by ascendancy. That is how I happen to be quarter Irish. So happy St. Patrick's Day to all who are Irish.

(The remarks of Mr. MATSUNAGA pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. President, I thank the distinguished President pro tempore for yielding. I now return the floor to him.

Mr. BYRD. Mr. President, I thank my friend, the happy Irishman whose name is "SPARKY PATRICK" MATSUNAGA.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, has the time for morning business expired?

The PRESIDING OFFICER (Mr. ROBB). Under the order, 3 o'clock is the time set for the expiration of morning business. Unanimous consent can be requested to extend if the President pro tempore desires to do so.

Mr. BYRD. Mr. President, I thank the Chair.

I ask unanimous consent that morning business may be extended—I see Senator LAUTENBERG on the floor as well. I will need 10 minutes, I suppose.

Mr. LAUTENBERG. If the President pro tempore will yield, I ask if he would include in that unanimous consent about 10 minutes beyond that for my statement.

Mr. BYRD. Very well. I ask unanimous consent that morning business may be extended under the same conditions for an additional 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. BYRD pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the period for morning business be extended to no later than 3:30, so that we can be sure that we cover the business that I have at hand, including what I believe will be a response from the Republican side.

The PRESIDING OFFICER. Without objection, the time for morning business will be extended to 3:30.

The Senator from New Jersey has the floor.

SECURITY OF AIR TRAVEL

Mr. LAUTENBERG. Mr. President, very soon I am going to be sending a Senate resolution to the desk on behalf of myself, Senator HOLLINGS, Senator FORD, Senator BRADLEY, Senator MIKULSKI, Senator D'AMATO, Senator HEINZ, Senator SARBANES, and Senator MOYNIHAN.

This resolution calls on the President to appoint a commission to investigate the events surrounding the bombing of Pan Am 103 over Lockerbie, Scotland.

The time has come to get the full story. The revelations of these past couple days make it clear that we in the Congress and the public have not received the full story. It was revealed yesterday that our Government and the British Government knew, had solid information about the possibility, that terrorists might hide explosives in an attack on a commercial flight just prior to the Pan Am tragedy.

The aviation officials had specific details on the type of device that might be used—in fact, the type of device that was used. What was done? What steps did our carriers take? What did our aviation officials tell them to do? The answer is, we do not know, and we should know. It has been almost 3 months since Pan Am 103 was destroyed, taking 270 innocent lives.

In that time, families and friends of the Pan Am 103 victims have been frustrated in their attempts to find out how their loved ones were murdered, and why more could not have been done to try to prevent that. I share their frustration.

Three days ago, my Transportation Appropriations Subcommittee held a hearing to investigate the events preceding and following the bombing. The inability of the FAA and the State Department to explain their policies and procedures for dealing with terrorist threats was beyond comprehension. At no time did FAA officials tell us what we now know they knew.

Mr. President, at our hearing, a hearing of over 4 hours, we explored the events that led up to the Pan Am bombing. We explored the matter of a telephone threat. We reviewed it in detail. Yet FAA said nothing about a November bulletin to air carriers, the bulletin that warned them about the possibility of a radio cassette tape player containing a bomb, a bomb with a barometric device that would trigger the explosion in the air.

Mr. President, I asked Mr. Ray Salazar—he is the chief of security at FAA—directly what was known. I am quoting now from our hearing. I asked: "Well, is it being suggested that that"—referring to telephone threats—"was the only warning that might have come?"

The quote goes on, "And again now we have dismissed that warning as a significant warning. Did we have any other information that indicated to FAA or Pan Am or our State Department that something else was coming?"

Now, I repeat, what I asked was, did we have any other information that indicated to FAA to Pan Am or our State Department that something else was coming? This was in the context of a warning about an explosive device or a terrorist attack.

The security chief of FAA, Mr. Salazar, said: "No, sir, nothing preceding the event that led Pan Am 103."

Mr. President, I ask unanimous consent that a page of the transcript of the hearing of that day be printed in the RECORD.

There being no objection, the transcript page was ordered to be printed in the RECORD, as follows:

TRANSCRIPT OF MARCH 14, TRANSPORTATION APPROPRIATIONS SUBCOMMITTEE HEARING ON AVIATION SECURITY

Senator LAUTENBERG. But once it was established or it was believed that this was not going to be the route taken by the terrorists, what changed, if anything, before the fateful day in terms of precaution of procedure to continue the pressure against the possibility of a terrorist attack?

Mr. SALAZAR. We did not discount the tactic, sir. What we did discount was the individual that telephoned the threat. This individual has a history of being a known hoax maker. And that was what we learned subsequently to our publication of the bulletin.

Senator LAUTENBERG. Well, is it being suggested that that was the only warning that might have come? And, again, now we have dismissed that warning as a significant warning, did we have any other information that indicated to FAA or Pan Am or our State Department that something else was coming?

Mr. SALAZAR. No, sir, nothing preceding the event that led to Pan Am 103.

Mr. LAUTENBERG. Mr. President, it is intolerable to have important information withheld from the Congress. It is intolerable to have information withheld from the families and the friends of the victims of Pan Am 103. It is worse to think that valuable information about possible threats might have gotten trapped in bureaucratic channels.

After all this time, the families and friends of the victims of Pan Am 103 still have not heard one word from the White House—it is almost 3 months—not a word of condolence, not a word of explanation, not a word of commitment that this administration will do what it can to prevent future tragedies like Pan Am 103.

Mr. President, this resolution calls on the President to appoint a commission to investigate the Pan Am 103 bombing. We want to know just what was known, when it was known, and by whom.

It is also clear that we need a full review of American policies for dealing with threats to aviation. You do not need a road map to follow the flow of information about threats to aviation security. And it seems to me there are too many detours and too many dead ends.

The appointment of an independent commission would provide us with a means to review those policies.

It is important to know if inadequacies in those policies may have reduced our chances to avoid the tragedy over Lockerbie, Scotland. It is essential that we identify shortcomings, so that everything possible is done to prevent more tragedies like Pan Am 103.

As I said before, it is almost 3 months since that tragic bombing, and we still do not have the full story from our Government and the air carriers about what they knew, when they knew it, and what they did about it. I think it is time for an independent

special commission that will open up the files and provide the answers.

Mr. President, I believe that the Senate should act today on this resolution. The time has come for answers. The Senate is about to go into a 2-week recess. This is a simple resolution, but an important one. We must act now if we are to be true to the memories of the deceased and to those who survive who want to save others from the grief that they experienced.

This resolution has been cleared on the Democratic side, and I understand that there may be an objection from the Republican side. We will wait to hear from them. If there is, it will be a terrible disappointment. This is a sense-of-the-Senate resolution. We do not need hearings to know that a great tragedy occurred. We do not need hearings to know that the full story has yet to be told. It has been in all the newspapers. It has been on television. It has been on radio. We do not need hearings to know. The full story has yet to be told, and we do not need hearings to know that we need answers and we need it from an independent review.

The resolution calls on the President to appoint an independent commission. It calls on the President to give us the full story of Pan Am 103 and a complete review of how this Government tries to assure the safety of air travelers.

Mr. President, I spoke to Secretary of Transportation Skinner this morning. He told me about his own plans for an internal review. I applaud that initiative, but I would like to make two points.

First, given the kind of information that we now know has been withheld from the Congress and the public and perhaps even from the Secretary of Transportation himself, we ought to have that independent review if we are going to have the confidence that we have finally gotten the full story.

Second, I would add that the transportation agency is not the only agency involved here. The State Department is involved in gathering and disseminating intelligence information related to a terrorist's threat on aviation security.

This problem crosses the departmental lines. It goes beyond a review that might be conducted within the Department of Transportation.

And that is why we need an independent Presidential review of how this Government is going to protect the flying public.

Mr. President, I held a hearing, as I said, of my Transportation Subcommittee of Appropriations this week.

The victims' families were brutalized more than once. First, the shocking news that their children, their brothers, their sisters, their sons and daughters were destroyed in a tragedy over Scotland, and now it is suggested that perhaps there was advance information of this event occurring.

This was so brazenly handled after the tragedy with total distance from our Government to the victims of this crash. They did not know who to go to. They got mealy-mouthed answers from the State Department. The State Department referred them to Pan Am.

In one instance, a man testified at my hearing that he was advised sometime after the bombing occurred that he could pick up his shipment at the cargo area at JFK Airport, the Pam Am cargo area. His shipment was the remains of his brother described as a shipment.

I cannot believe that we cannot get unanimous consent to ask the President of the United States, to form a commission of his choice, to form it quickly, and to get on with responding to the American public and in particular the families, the friends, of those who died we believe now needlessly in that accident.

Mr. President, I was hoping for unanimous consent to have this sense-of-the-Senate resolution acted on. This is not legislation. It has I understand been cleared on the Democratic side and I would ask the acting Republican leader if there is any objection to that unanimous consent to have this introduced and acted upon.

Mr. SIMPSON. Mr. President, on this side of the aisle, and I speak on behalf of the leader, we have an objection to be rendered toward this unanimous-consent request. It has nothing to do with the tragedy or the passion of discussion of the tragedy. We know those things.

There is not a single one of us here who thinks this is the way that a civilized people should conduct their business, but we do have one or two of our Members who feel that this should go through the committee hearing process and I think it surely will very swiftly because Chairman HOLLINGS is a cosponsor of this resolution. Members of the Commerce Committee want consideration of this in committee.

So I respectfully object to the unanimous consent request, not with any attempt to denigrate or dilute the issue. It is a simple matter of trying to follow the procedures of the Senate and for that reason I object.

Mr. LAUTENBERG. Mr. President, I thank the acting Republican leader.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that we extend morning business by another 10 minutes.

The PRESIDING OFFICER. Without objection, morning business will be extended for another 10 minutes.

Mr. LAUTENBERG. Mr. President, the acting Republican leader, someone I know and someone I work with on many things, has differing opinions on occasion, but always with an objective in mind to do the right thing. I respect his comments that he was not objecting based on the substance, but based, as I understood it, on the process.

Mr. President, we do not need the process to tell us that 270 people were murdered in the skies in an American airplane. An extension of our country was in the sky over Scotland. We do not need a hearing to tell those people that got that awful news that day, December 21, just before Christmas. They do not have to be reminded that they lost, in one family from New Jersey, two twin 20-year-old sons. They do not have to be reminded that a father lost a 16-year-old daughter in that crash. They do not have to be reminded that breadwinners from their families were taken from them. They do not have to be reminded that a father who stood at that hearing and said, "My son, a lieutenant in the American Army, proudly serving his country, died in that crash."

They do not have to be reminded that the British Government and the West German Government notified people, notified airlines, notified airport authorities. The FAA, our own FAA, sent out a bulletin. It went to the following people—and the date, by the way, was November 18. This bombing, I remind everybody, took place on December 21. They sent it out to all the FAA regions. They sent it to the Airport Transport Association. They sent it to the National Air Carrier Association. They sent it to FAA representatives in Berlin, Dakar, London, Paris, Rome, Tokyo, and Rio, all over the place. But they did not do what they could have, in my view, to alert Pan Am—perhaps we ought to find out—to what was coming on that airplane.

The German Government sent out a picture, a colored photograph, of something called—would you believe the irony of this—the Toshiba bombeat. That is the name of the audio cassette player—b-o-m-b-e-a-t; a bombeat. Because the West German Government saw this as a new device. They called it an improvised explosive device. They saw it. They knew it was in the hands of terrorist organizations. They cautioned their own airlines. They cautioned others: Be careful, be on the lookout for this kind of thing.

So, Mr. President, when I discussed this with Senator HOLLINGS, who is the chairman of the Commerce Committee, when I discussed it with Senator FORD, who is the chairman of the Aviation Subcommittee of the Commerce Committee—and I think the distinguished occupant of the Chair also serves on that committee—when I discussed it with those two leaders, they did not tell me they wanted to hold it up for process. They did not tell me it was their turf that was being invaded.

They said, "We have to solve this problem. We owe it to these people." And their response was immediate.

The Republican side had a chance to review this. We are going to be out of here for 2 weeks. Everybody knows it. That is no secret. So we want these people to sit on their hands and wait once again for a phone call, the phone call that never came from this administration. They are going to have a vigil out in front of the White House at the beginning of April. Do we want them to sit out there and say, "No, no, your Government is inactive because the process has not been appropriately observed. We want to go through hearings. We want to be sure that that airplane was knocked out of the sky. We want to be sure that those people are dead. We want to be sure that those families experienced the grief that they did."

That is what we are saying, Mr. President. This perhaps is a futile discussion, but it is something I had to get off my chest because I have sat with those families. Many of them came from New Jersey; a lot of them from New York; a lot of them from all over the country, from West Virginia, from Kansas. Families were touched by that particular incident as no aviation tragedy before in America. Young kids, Syracuse students off on a college excursion, coming home to be with their families at Christmas.

We were told—we were misled, let me say, by the testimony given in front of the subcommittee. We have an obligation to try and find out, because everybody who sets foot on an airplane has a right to know whether this Government is doing what it should to protect them. And we have asked for the best route, in my view, to find out—the President of the United States. We trust him. We believe in him and we believe in his judgment to pick the right kind of people to serve on this panel and get back to the American people and say, "Look, we screwed up"; or, "We didn't and we are going to tighten things up if we should have."

The fact of the matter is that it is time for action. I regret the decision that those who are holding this up have made. As I said, the Democratic side cleared it.

Mr. President, I ask unanimous consent that a letter that I, Senator HOLLINGS, and Senator FORD sent to President Bush be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, March 17, 1989.

Hon. GEORGE W. BUSH,
President, The White House, Washington, DC.

DEAR MR. PRESIDENT: We have learned that important information relating to terrorist explosive devices was available to our government well in advance of the tragic bombing of Pan Am 103 over Lockerbie, Scotland.

It is now apparent that specific information, provided by West German authorities, was conveyed by the FAA to our air carriers operating overseas. That communication included detailed information on altitude-sensitive explosive devices concealed within a specific brand of portable radio, and warned of a possible terrorist threat. It was exactly this type of device that destroyed Pan Am 103, murdering 270 innocent people.

Mr. President, it is unconscionable to think that information that might have helped prevent the Pan Am 103 tragedy was in the hands of U.S. officials and air carriers well in advance of the December 21 tragedy, but that the warning was not adequately used.

On March 14, the Senate Subcommittee on Transportation Appropriations held a hearing to investigate the events surrounding the Pan Am 103 bombing. It was made painfully clear at that hearing that Federal policies for dealing with terrorist threats are, at best, unclear. Further, despite repeated inquiries at that hearing, the fact that our government had this information, and had advised our carriers of this threat, was not shared with the Subcomittee. Clearly, a thorough review is warranted.

Therefore, we respectfully request that you appoint a special, independent commission to investigate the Pan Am bombing and government policies and procedures for dealing with terrorist threats. Such an investigation should scrutinize the events leading up to the bombing, including a review of what information was available to whom, when that information was available, and how that information was used. The commission can also play a vital role in reviewing and recommending changes in our policies for addressing terrorist threats to civil aviation.

We are today introducing a resolution in the Senate urging the creation of an independent Commission by March 30 to investigate the events surrounding the bombing of Pan Am 103. We respectfully request that you exercise your authority to convene such a panel in anticipation of Congressional action on this resolution.

Finally, Mr. President, the families and friends of the victims of Pan Am 103 continue to be distressed by the reaction of the Federal government. In the almost three months following the bombing, there has been no contact with them from the White House. It's essential that they know that their government is behind them, sharing in their grief, and committed to do all it can to prevent recurrences of this tragedy. On behalf of the families and friends of the victims of Pan Am 103, we hope such a commitment will be forthcoming and that you will move quickly to establish an independent Commission to investigate these issues.

Sincerely,

FRANK R. LAUTENBERG.

Mr. LAUTENBERG. Mr. President, I send to the desk for introduction a Senate resolution in which I am joined by Senators that were named earlier.

I also ask unanimous consent that a statement sent by Bert Ammerman, chairman of the Political Action Committee for the Victims of Pan Am flight 103, applauding our efforts to try to get at the bottom of this, be printed in the RECORD.

Mr. President, I ask unanimous consent that this resolution be appropriately referred in keeping with the wishes of the Republican Senators or Senator who objected so that it goes through the appropriate process.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY BERT AMMERMAN, CHAIRMAN OF THE POLITICAL ACTION COMMITTEE FOR THE VICTIMS OF PAN AM FLIGHT 103

I applaud U.S. Senator Frank R. Lautenberg for taking a leadership role in assisting Americans in finding the true facts about the bombing of Pan Am Flight 103.

We heartily endorse the bill so that our governmental leaders with the leadership of the Senate and the President can protect all citizens from this type of tragedy ever happening again.

Our organization is ready to assist and support this investigation.

Mr. SIMPSON. Mr. President, reserving the right to object, and I doubt that I will. I just want to be certain here that we are dealing now with the entry of two letters into the RECORD and a referral of this resolution to committee where it will remain until we return from our recess period. Is that the understanding of the Chair?

The PRESIDING OFFICER. The resolution will be received and appropriately referred under the rules of the Senate.

The resolution reads as follows:

S. RES. 86

Whereas, on December 21, 1988, Pan American World Airways flight 103 (hereinafter referred to as Pan Am 103) was deliberately and maliciously destroyed over Lockerbie, Scotland, by a terrorist explosive device;

Whereas 259 passengers and crew members on board Pan Am 103 were killed;

Whereas 11 individuals in and around Lockerbie, Scotland, were also killed;

Whereas relatives and friends of the victims of Pan Am 103 have been unable to obtain satisfactory information regarding the events leading up to the destruction of Pan Am 103;

Whereas investigations have revealed that the terrorist explosive device apparently was concealed within a portable radio cassette tape player and likely designed to explode upon attaining a specific altitude;

Whereas on November 18, 1988, the Federal Aviation Administration alerted United States Department of State officials and United States air carriers operating overseas that a terrorist group had prepared an explosive device hidden in a portable radio cassette tape player that included a device that could be used to trigger the explosive in an aircraft;

Whereas it has been revealed that the Government of the United Kingdom had the same information as the Federal Aviation Administration in November 1988, and that such Government issued a notice on November 22, 1988, and on December 19, 1988, two days prior to the bombing of Pan Am 103, distributed additional information, to United Kingdom airports and airlines and certain non-United Kingdom airlines, including photographs of the explosive device and portable radio cassette tape player;

Whereas complete information relating to the actions of United States and foreign diplomatic officials, aviation officials, and air

carriers, including any responses to official warnings and security bulletins, preceding the destruction of Pan Am 103 has not yet been fully disclosed to the Congress or to the public;

Whereas the issue of selective notification of threats of terrorist action on flights, such as in the case of Pan Am 103, must be resolved;

Whereas serious questions remain as to the adequacy of United States and foreign aviation security procedures to safeguard the traveling public on domestic and international flights;

Whereas the events surrounding the destruction of Pan Am 103 affects the public's confidence in the ability of the Government of the United States to ensure, to the maximum extent possible, the safety of travelers on domestic and international flights;

Whereas an independent, objective assessment of both the facts and circumstances surrounding the destruction of Pan Am 103 and of the adequacy of aviation security procedures may help prevent recurrences of tragedies such as the destruction of Pan Am 103; and

Whereas complete information surrounding the events leading to the destruction of Pan Am 103 may assist in bringing the responsible parties to justice: Now, therefore, be it

Resolved, That it is the sense of the United States Senate that—

(1) the President should appoint, not later than March 30, 1989, a special commission to investigate the events surrounding the destruction of Pan Am 103;

(2) the commission should have the power to conduct hearings;

(3) consistent with national security, the commission should have access to classified information, subject to appropriate safeguards;

(4) the commission should hold its first meeting not later than April 15, 1989;

(5) the commission should submit, not later than August 31, 1989, to the President, and to the Committees on Commerce, Sciences and Transportation and Appropriations of the Senate, and the appropriate Committees of the House of Representatives, a report including, but not limited to—

(A) its findings relating to the relevant information available to the Government of the United States, and to commercial air carriers, prior to December 21, 1988;

(B) an assessment of the adequacy of all known aviation security procedures;

(C) recommendations for changes in all laws and regulations relating to security of commercial air carriers; and

(D) the commission should also prepare a copy of its report, for public distribution, excluding such information that is classified or the disclosure of which would threaten the safety of air travelers or others.

SEC. 2. The Clerk of the United States Senate shall transmit a copy of this resolution to the President with the request that the President further transmit copies of this resolution to the Secretary of Transportation and the Secretary of State.

Mr. SIMPSON. Mr. President, I think that will be appropriate. I will not object.

But I would say this, without delaying, that if one will refer to this resolution, it is so very sweeping. So let us try to get this back into perspective, because we do this type of thing so often in this place. I know Senator LAUTENBERG. He is tough, fair, and firm. We have belted each other's lights out a time or two with regard to legislation and various activities.

There is not anyone in this body that feels lesser about this tragedy. That is what always puzzles me about this place; that somehow others have a greater degree of compassion or care or love of our fellow humans. This was a terrible disaster.

But what this resolution does—I am not on the committee, but I know what it says: While we are in recess, there will be the appointment of a special commission. The commission will have the power to conduct hearings. The commission will have the power to subpoena witnesses. The commission will have access to classified information, which information will be appropriately safeguarded. It will hold its first meeting not later than April 15. They will submit to the Congress a report, and here we go.

We do not know what that is going to entail. There is not any question about the fact that it will be something that will take the interest of many of us, and perhaps it should.

But I just say that the Senator from New Jersey and I have worked on a lot of things. It always seems to do with something emotional: Superfund, acid rain, toxic chemicals.

I think too, that sometimes, as we look at the list of resolutions that come before this body, they are a veritable torrent.

I say this, I guess, with all the charity I can muster for it certainly has nothing to do with the Senator from New Jersey. But, if we did not have so many staff people sitting around here watching every single television program, every single news release, every single everything and then cranking one out every morning so that the world would be sure that somebody here cared, we would do better in this remarkable body.

I am not saying that with regard to the Senator from New Jersey. I am saying that to the hundreds of sets of eyeballs that are right now tuned to CNN, or CBS, or NBC, or ABC, to see what it is they can pick up from the day's activity that will make it the big blast of the day.

I, frankly, am one Senator who gets a little tired of that glassy-eyed stream of staff who just wait out there for that singular purpose. And then we have to process it. And we do it all the time, somehow, from Chilean grapes to dioxin.

This is not a new or refreshing thing. I have tired of it long ago. Things are always tilted to emotion, fear, guilt, or racism or something like that, to trigger us to do a resolution or a "Sense of the Senate" project. And we lean and lurch in the wind with that kind of activity. I do not think it is to our best interests because the American people see right through it.

Is there anybody in America who does not believe this airline tragedy is the most grotesque act, performed by madmen in the world? And yet it is amazing the investigators have come this far. I am very pleased. I am sure the Senator from New Jersey is as pleased as I am as to what they are finding, and what their investigation has revealed. They are finding the bomb and the bomber out of the wreckage of these fine human beings. Murder—yes, I will call it that, too.

But we are here to legislate. That is our job. We are not here to do sense-of-the-Senate resolutions. We should not even appoint commissions. But we do that all the time.

We appoint MX commissions because we will not deal with it. We appoint Social Security commissions so we will not deal with it. We appoint a National Economic Commission so we will not deal with it.

Every one of us comes here to the floor and prattles on about it. We ought to do something about the Social Security System because in the year 2030 the thing will be headed for the bow-wows. But we do not touch it. We ought to do something about the deficit. But we will not touch it.

That is the way we do our business. It is not the way the Founding Fathers intended that we do our business. But that is the way we do it. And then we pound our breasts and go home and say, well, we have this commission working on it. I did that. I hope the next National Economic Commission will do its work. They could not do it this time. There are many reasons for that and they are all political, on both sides of the aisle.

But, really, I have gone too far. I could have just rambled over here and given the objections, but my juices were running because I have been through this. I have been through all this many times. And I get very tired of it.

It does not matter what it is. The people of America deserve better. And I am not making this a personal reference to the Senator from New Jersey. I admire what he has done on Superfund. I was on the conference committee with him. I know the intensity he feels about toxic wastes and having his beaches fouled. I understand that. But the American public are waiting for us to do something instead of just talk, talk, talk.

So, let us legislate and try to do that. I will pledge to do that with my friend from New Jersey, as we do on the Environment and Public Works Committee. He chairs a vital subcommittee of that committee and he is going to do a great job and he is going to take under his wing some of the toughest issues in America. And he will do them with toughness and fairness. And he will come out with some legislation.

But, this business of commission after commission and responding to the news flash of the day, pumped down through the staff in order to come up with something the next day. I am sure they are just going to have to get along without us for a couple of weeks. God willing the entire country will prevail in our absence and they can keep cranking it out but there will not be anybody here to put it on the floor and that will be very frustrating for them.

I always call that the dashed hopes syndrome. They will have to suffer along with that for 2 weeks. So, I have unleashed another terrible blast at the staff. I will pay dearly, in ways that I will never even know. But I have done it. I yield the floor.

The PRESIDING OFFICER. The Chair will observe that the time reserved to extend morning business has expired.

The Chair recognizes the Senator from New Jersey.

EXTENTION OF MORNING BUSINESS

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that morning business be extended until such time as this debate ends.

Mr. SIMPSON. No; I would object to that, having no time certain.

Mr. LAUTENBERG. I ask unanimous consent that we extend morning business for 15 more minutes.

The PRESIDING OFFICER. Without objection, morning business will be extended for 15 minutes more.

Mr. LAUTENBERG. Mr. President, the acting minority leader made several comments. And I do not take personal offense at being described as a breast beater, a prattler, a tool of my staff, a carrier of legions of resolutions and trivia. I do not take offense at that.

Mr. SIMPSON. Mr. President, that was not a personal reference in any way.

Mr. LAUTENBERG. That is why I do not take offense at it.

Mr. SIMPSON. Good.

Mr. LAUTENBERG. But, Mr. President, we compare this to these things that we deal with here, things like Superfund and toxic waste, at which it was acknowledged that I am somewhat of an expert. I thought perhaps I would be described as the prince of pollution control along the way. But reference was readily made to my skill and prowess, a knowledgeable person on the matters of environment.

The fact of the matter is, Mr. President, that there is no comparison with anything that we have talked about here to this incident and its timeliness. It is just on the eve of a recess. And I guess the message that goes out to those families: Listen, your loved ones were not here for Christmas, but it is all right, they will not be here for Easter either. We are not going to talk about them. We are not going to find out what happened. We are not going to get to the bottom of this thing. Easter? It does not mean that we do not have to be responsive to these people. This is just another one of these things that we throw out, another for television, another set of glazed-over eyeballs.

Mr. President, in all fairness, this Senator rarely uses this floor. My work is done most effectively in the committee environment. I am here on the floor when I have things that I think are meaningful to talk about.

It is not often. Yes, I feel passionate about some things, I really do. That is why I work so hard on a lot of issues. This one is different. This is not part of the usual flow.

The reason that this request was made was to expedite the process. And not for us to talk about the commission's parameters, but rather to recommend to the President of the United States. We assume that he has within his staff, within his organization, the knowledge, the skill, the objectivity, to use the mechanism.

We are not calling witnesses. That is why I wanted to get it out of here. That is why I want to move it out of the Congress, move it out of the Department of Transportation. Let the President of the United States step into this.

As I said in earlier remarks, these families have yet to hear one word of condolence, one solicitous word from the White House. No letters, nothing from the White House.

We met. A relatively minor official testified on this matter. Families came. Families sat there and they listened and they wept and they spoke out.

What we are asking for is expedited treatment of something that can avoid the hearing process. Hearings are not necessary. This is a sense-of-the-Senate resolution. We are not enacting a bill here. We are asking for the sentiment of this body: "Do you, Senators, each one of you individually, object to having the President of the United States appoint a neutral commission? Mr. President, you choose them. They can be all Republicans, all Democrats, or Independents. We are not picking them. You, the President of the United States, pick them and you direct them. We will get it out of turf squabbles and things of that nature. Do each of you Senators feel that we owe it to those families to respond to them, tell them why it is we did not use the information that came from West Germany or Great Britain or from our own FAA, why we did not use it, why did not we give those people an opportunity?" Perhaps, just perhaps, we could have avoided what befell them.

This isn't the usual stuff. This isn't the Superfund bill, and it is not transportation, and it is not education, and it is not housing. We had an event visited upon the United States second to none—terrorism. It is the same thing they did to our marines in Beirut. They were expecting a little bit more there, because of the atmosphere. We are now seeing challenged the ability of the free world to move its people around. But we must go through the process.

Mr. President, the arguments have been made, the objections have been raised. Somebody or some person on the other side of the aisle has objected to an expedited review of this tragedy. It is too bad. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the acting Republican leader, the Senator from Wyoming.

Mr. SIMPSON. Mr. President, now you can see why the Senator from New Jersey and I like to mix it up occasionally. I understand the sarcasm that goes with all that. I understand also it is not directed to me, which is the heartening part of it. But I want to correct something that is so bad. It is to think that there was not one word of condolence to these people at the time. It is not so. It is a crude and unattractive statement because this event happened on December 21, 1988, and the President of the United States—the present one was not the President of the United States—when it happened, Ronald Reagan showered his condolences upon every single victim's family involved. So I hope we will not have to get into that kind of stretch of fact because that is absurd. President Ronald Reagan expressed that in the most beautiful terms and so did President George Bush and so did everybody else in the land. For Heaven's sake, that is exactly what I am talking about. We should not even have to grace it with comment.

Of course, it is not "the usual stuff." But I can tell you what is the usual stuff. We are an hour away from a 2-week recess, and this tragedy happened December 21, 1988. We have been in session since January 24. That is the issue. Do not pull one out of the hat with an hour to go until recess where we have to immediately abdicate our legislative responsibilities to others at a time when we will not be here. That is the issue. That is not me objecting, but it is certainly one I represent on our side of the aisle. We would not find out anything anyway from the commission in our absence. How could it be expedited?

I understand the frustration that comes from constituents. It must be a wrenching and hideous thing to have people sitting in your office who had relatives on this plane. That is exactly what I was talking about a few minutes ago, and that is exactly what I am talking about now. But to think there

was no one here who cared, no one here who paid attention, Heavens, the whole world paid attention. That is what I am talking about. That is not a becoming thing. I have nothing further to say.

Mr. LAUTENBERG. Mr. President, in order that this record reflect something different than was suggested that this was a closing-hour opportunity to flash this issue past the U.S. Senate, it is only in the last couple of days that we found out that our Federal Aviation Administration did not tell us the truth. It had to come from newspaper stories that were published in the last couple of days. The acting minority leader would say so we sat on our butts here for 3 months. Nothing happened. There was no direction from the White House. There was no direction from the State Department. There was no direction from the FAA to say, "Let us get at the bottom of this."

This is an event that has moved along by circumstances. We just learned, to our chagrin, that these people were not told the truth; that they were reflected to Pan Am's spokesman, and that is where they would get their information.

Now, Mr. President, however we want to color this issue on this day, there was an objection by the Republican side to expedite a review of this because it did not meet the test of process. That is what we have learned today.

Mr. SIMPSON. Mr. President, I respectfully say that is exactly the parentheses to put on this, and also the emphasis. When we in the legislature of the United States of America gauge all of our actions on what we read in the press or see on television, then we are in deep trouble in this country. To think that those are the oracles of our land is part of the problem. Just because we read it in the newspaper or see it on television and then have it work through the staff and on to the floor of the Senate is a demeaning process and we are the losers—the American public are the losers.

That is exactly what we see here. When we see something in the Washington Post last week that was withheld by the chairman of the Armed Services Committee as being irrelevant and uncorroborated and then see it on the front page of the paper, and believe that, and get into that kind of a mental attitude, we are in trouble in this country. That is exactly what I was saying. It could not have been more well emphasized by my fine friend from New Jersey.

RUSS BROWN

Mr. MURKOWSKI. Mr. President, an outstanding professional staff member of the Energy and Natural Resources Committee has recently left the Senate for other pastures in the Department of the Interior. Although he would dislike me using the cliche, I'll use it anyway: Russ Brown's leaving us is surely the Senate's loss and Interior's gain.

I have a particular reason to pay tribute to Russ Brown because I came to trust his judgment and rely on his expertise early in my Senate career. Russ was staff director of the Water and Power Subcommittee, and I was privileged to work with him when I served as chairman and later ranking member of the subcommittee. In his nearly two decades of service to the Senate, Russ because our expert on water and power issues, which, as many of my colleagues recognize, can be most contentious, especially in the West. But, Russ learned from Senator Henry Jackson the ins and outs of the Senate's process, and that background served him well as he worked an extraordinary variety of legislative measures through this body.

Russ was, and still is, a part of my legislative family. Our respect and affection for Russ was forged in a variety of ways: whether in the formal setting of a subcommittee hearing, or flying in a floatplane in southeast Alaska, or simply visiting on a Friday afternoon at the end of a busy week. Russ Brown remains a "one of a kind" person who made working in the Senate a pleasure.

Mr. President, as I noted earlier in these remarks, the Senate's loss is the Department of the Interior's gain, and I know that the Department's work will be strengthened by the addition of Russ Brown. But Russ should know that our door is always open, and me and my office family hope he will visit us from time to time.

EXTENSION OF TREATMENT DRUG PROGRAM FOR PEOPLE WITH AIDS AND RELATED CONDITIONS

Mr. KENNEDY. Mr. President, in the face of the AIDS public health crisis, the Senate has made it very clear that it is prepared to take every reasonable and humane step possible to bring the epidemic under control. Beginning in September 1986, the Senate first acted to see that people with AIDs—related illness were not denied access to potentially lifesaving treatments simply because they were too poor. We formalized that program in June 1987.

Sadly, the AIDS therapeutics acquisition program will expire on March 31—while the Senate is in recess.

I had hoped that it would be possible to act today to extend the authority of the Department of Health and Human Services to administer this program, which is making the costly drug AZT available to those who cannot afford it. We had hoped to authorize HHS to shift $5 million to the AZT program for the rest of the current fiscal year. By pushing back the March 31 date until September 30, we can assure that no person is abruptly cut off from lifesaving treatment.

We need to renew our bipartisan commitment to save lives while we search for more enduring and systemic answers to the serious problems of AIDS health care and service delivery. An extension of the existing AIDS therapeutics purchase program is by no means a cure-all. There is no global plan in place or even on the table that addresses the many questions about how to finance the health care and treatment needs for people with AIDS and HIV disease.

In certain cities, the pressure on both public and private hospitals and other service agencies created by the AIDS epidemic is reaching unacceptable levels. As the demographics of the epidemic shift, more and more stress is being placed on inner city health resources serving low income people—resources that are already severely overburdened and underfunded.

How do we fund and deliver appropriate medical care and other support services? How do we pay for the broad range of diagnostic and treatment services that are required? And who should be responsible for shouldering which portion of the total bill? We do not have good answers for any of these questions.

Those are the issues we must face when we return. We can postpone them no longer.

NATIONAL DAY OF GREEK INDEPENDENCE

Mr. KENNEDY. Mr. President, I am proud to be a sponsor of Senate Joint Resolution 64, designating March 25, 1989, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

It has been said that "except the blind forces of Nature, nothing moves in this world which is not Greek in origin." In a sense, we are all of Greek heritage. We all share the rich benefits of the Greek culture and its lasting contributions to modern society. The ancient system of free choice and democracy developed there over two thousand years ago continues to provide a shining standard of liberty and justice today.

On this occasion, we are reminded of the strong and continuing ties between Greece and the United States—and of the major contributions that Greece has made to America, through its great civilization and strong political and economic traditions, through generations of immigrants who have come to our shores, and through the leadership of so many Americans of Greek

descent who have contributed so much to this country.

We are also reminded of the continuing tragedy in Cyprus, and of the need for a lasting political settlement based on the legitimate rights of both the Greek majority and the Turkish minority. Americans care deeply about the future of Cyprus. We have an obligation to redouble our efforts to bring peace to the eastern Mediterranean and an end to the conflict between Greece and Turkey.

Today, in recognizing Greek Independence Day, let us also remember that we honor the close and lasting bonds between the United States and Greece. Let us recall the vital ties between our two nations, and reaffirm our strong support for a continuing close relationship between our two countries. For in honoring the Greek contributions to our history, we honor the best in America too.

JOHN GRAYKOWSKI

Mr. RIEGLE. Mr. President, a valued employee and adviser will be leaving the Senate today after serving for 10 years as a legislative assistant in my office.

During the past 10 years, John Graykowski has been active in a variety of issues including: agriculture, autos, environment, communications, and space. In all of these areas, John had a firm grasp of pending legislation as well as the key aspects of issues of concern to many people. He was especially helpful on farm issues and in what was needed to rebuild our space program after the shuttle disaster.

John's experience and expertise should serve as a model for the many young people who come to Washington looking for a career in public service. He began work as an intern more than a decade ago—and through hard work and a keen knowledge of issues, rose to a responsible position on a major committee. Along the way John never forgot that we are all working for the people.

John will be missed. His hard work and dedication is greatly appreciated.

NATIONAL AGRICULTURE DAY

Mr. DOLE. Mr. President, March 20 has been celebrated as National Agriculture Day since 1973. I have joined as a cosponsor of the joint resolution the Senate has passed to once again designate March 20 as National Agriculture Day. This noteworthy effort helps to remind all Americans of the importance of agriculture to their State and to the Nation as a whole.

IMPORTANCE TO KANSAS

Agriculture is a cornerstone of the Kansas economy as well as the national economy. According to the 1987 census, the most recent census on agriculture, Kansas has about 70,000 farms which sell about $6.5 billion in agricultural products. Crop farmers sold $1.7 billion of this amount while sales from livestock and related products totaled $4.8 billion. Many of our rural communities understand that agriculture is at the heart of their economic activity.

IMPORTANCE TO THE NATION

The Nation's farming industry represents an important sector of our society's economic activity as well. The U.S. ag labor force represents only three-tenths of 1 percent of the world's labor force, yet it produces 8 percent of the world's food grains, 20 percent of the world's feed grains, and 25 percent of the world's beef. The United States is the world's largest exporting nation of agriculture products and last year had a trade balance of over $14 billion.

The 1985 farm bill has helped the American farmer get back on his feet by protecting farm income and promoting exports, which are the lifeblood of American agriculture. Needless to say, our farm exports have an economic ripple effect, creating jobs throughout the economy in the handling, processing, transporting and shipping, and related sectors.

CONCLUSION

The American farmer has been the most productive in the world, and we all benefit from his productivity. It is only appropriate to remind ourselves next week that we have an abundant supply of wholesome food because of the efforts and toil of our farm families.

THE COMING OF AGE OF AMERICAN SOCIAL POLICY

Mr. PELL. Mr. President, it is with real pleasure that I would draw to our colleagues' attention the excellent and stimulating speech that Mr. MOYNIHAN, the senior Senator from New York, gave at Brown University, in Providence, RI, on March 13, 1989. It contains much wisdom and erudition, qualities which we all seek, and I ask unanimous consent that it be printed in the RECORD following these remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE COMING OF AGE OF AMERICAN SOCIAL POLICY

(By Daniel Patrick Moynihan)

This is the first occasion on which I have had the privilege of lecturing at Brown University. I am here both at your invitation, at the urging of my distinguished colleagues, Senators Pell and Chafee, and on the eve of Vartan Gregorian's ascension to the Presidency. I am concerned on all scores not to disappoint. What follows may seem to some excessively academic; yet, this is hallowed ground and deserving of all the rigor I can as yet summon for such occasions.

We are just three days short of a quarter century from the time I sat alongside Sargent Shriver in the hearing room of the House Committee on Education and Labor as he presented the opening testimony on what was to become the Economic Opportunity Act of 1964.[1] Whereupon began the War on Poverty.

In recent years this effort has been judged a failure. At least by many, and not least by former President Reagan who was fond of declaring that, "* * * the Federal government declared war on poverty, and poverty won."[2]

In a new political setting, one in which we may hope for a return to social policy at some level of deliberateness, I would offer a radically different view. If one sees the 1960s and early 1970s as the culmination of a long effort, beginning in the Progressive era, to eliminate the particular kinds of poverty and distress associated with industrialism, these were hugely successful years. The effort was not, however, successful in dealing with an emergent form of dependency and difficulty which I associate with post-industrial society. Whether such an effort could have succeeded is not something we can know, for we did not try. Instead, there was a massive denial that there were any such problems.

There has been a great deal of writing about this subject. I have contributed my share, and would as leave allow the matter rest, awaiting the judgment of historians. Still, there needs to be some prologue to the era of social policy which may now be in prospect.

The century-long effort to which I have referred sorts itself out, roughly, as three periods of notable energy, as much as enactment. Using presidential terms as a kind of shorthand, we see the period of Roosevelt to Wilson, the New Deal; Roosevelt and Truman; and lastly, Kennedy to Nixon. Some will note that this does not leave many presidents out, and that is correct. This was more a continuous exercise than otherwise; but some periods saw particular bursts of energy.

This is key to understanding the third period. The essential social legislation of the twelve-year period 1961-1973 basically extended and concluded the initiatives of the previous period. Medicaid and Medicare (1965) provided the health insurance that Truman had called for; the indexation of Social Security benefits (1972) insured the stability of Roosevelt's retirement benefits; while Supplemental Security Income (1972) rounded out such benefits for the indigent aged, blind, and disabled.

Each of these programs provided for cash transfers or for services in kind—health care—which would otherwise have had to be purchased or foregone. Each has parallels in the social legislation of Europe where industrialization created new social problems, such as unemployment, and, simultaneously, the collective resources with which to address them.

It is helpful to think of this final period in which a new set of problems also appeared, call them post-industrial, which engaged the period, but produced no very conclusive results. (Is there a parallel in the Progressive era?) This was termed the problem of poverty, but is better understood in the common formulation poverty-amidst-plenty. This is to say, as against more or less readily comprehended problems, the anomaly of poverty amidst the evident riches of the time.[1]

[1] These distinctions are not simple. Obviously it was the general rise in living standards that in turn

This anomaly was graphically set forth in the report of the President's Task Force on Manpower Conservation entitled, "One-Third of A Nation: A Report on Young Men Found Unqualified for Military Service," which as much as anything served as the data base on which we fashioned the Economic Opportunity Act of 1964. It was a project I had conceived in the summer of 1963 as Assistant Secretary of Labor for Policy Planning and Research. At that time, half the young men called up for military service failed either the mental or the physical test, or both. It occurred to me that a closer inquiry might provide support for the enactment of our Youth Employment Act, S.1, then languishing. (This, in fact, became Title I of the Economic Opportunity Act.) A survey and analysis of 2,500 young men who had failed to pass the Armed Forces Qualification Test was undertaken, enabling us to "correct," as the statisticians say, for the fact that only a portion of all the eligible males were actually tested or examined. Some were in college, some had enlisted, and so on. We established that if everyone were "called up," the rejection rate would be one-third.

The report was finished January 1, 1964, whereupon the Secretary of Labor flew off in a military plane to the LBJ ranch, where it was presented to President Johnson. We had a considerable sense of having learned some things of consequence. On January 5 the President issued a statement which I believe I drafted, but which in any event reflects my understanding at the time. The statement begins:

"* * * I am releasing today the report of the Task Force on Manpower Conservation, appointed by President Kennedy on September 30, 1963. I regard with utmost concern the two principal findings of that report.

"First, that one-third of the Nation's youth would, on examination, be found unqualified on the basis of standards set up for military service and

"Second, that poverty is the principal reason why these young men fail to meet those physical and mental standards.

"The findings of the Task Force are dramatic evidence that poverty is still with us, still exacting its price in spoiled lives and failed expectations. For entirely too many Americans the promise of American life is not being kept. In a Nation as rich and productive as ours this is an intolerable situation.

"I shall shortly present to the Congress a program designed to attack the roots of poverty in our cities and rural areas. I wish to see an America in which no young person, whatever the circumstances, shall reach the age of twenty-one without the health, education, and skills that will give him an opportunity to be an effective citizen and a self-supporting individual. This opportunity is too often denied to those who grow up in a background of poverty."

Looking back, I do not have the confidence I then had as to the second finding. Indeed, it now seems to me that the data could lead to quite different conclusions. It comes to this. The overall number, one-third, was a composite of hugely varied rates of mental and medical failure both between subgroups in the population and between political jurisdictions. And it is the latter differences which are the most pronounced.

Thus, the number of 1962 draftees who failed the mental test in Rhode Island was 14.3 percent, whereas for neighboring New York (our boundary is in Long Island Sound) the rate was 34.2 percent. In our (New York's) neighbor, Vermont, only 6.4 percent of draftees failed the mental test.[3]

Why did I write that this was the result of poverty? Why did I not write that poverty was the result of this?

Ignorance, as Dr. Johnson observed. I don't know how to describe my "understanding" of social structure a quarter century ago, save that it was not especially formed. I was surely no Marxist. What Ralf Dahrendorf was to call the "concealed romanticism of a revolutionary Utopia a la * * * Marx" had never in the least appealed to or persuaded me. (Nor to this moment do I understand how it held three generations of the 20th Century in thralldom.) Yet I thought, as a good Madisonian, that "the various and unequal distribution of property," accounted for a lot of behavior, political and otherwise. What I had not thought through, as indicated above, was the degree to which these unequal divisions of property were in turn dependent variables of a yet more powerful agent, which is to say, behavior.

Dahrendorf had but two years earlier given his lecture "On the Origin of Inequality among Men" at the University of Tubingen. I came upon it shortly after it appeared in English, in 1968, and may have begun, for the first time, to think to some purpose about this subject.

Dahrendorf's essay is readily available , and I will only summarize it. All societies establish norms of behavior to which some individuals adapt better than others. Hence, inequality is inevitable. Notions that, for example, the abolition of private property would end inequality were romantic and naive. Consider the Soviet experiment, albeit an imperfect one. Social expectations exist, and those who most fulfill them will have a higher status than those who least fulfill them.

"* * * the hard core of social inequality can always be found in the fact that men as the incumbents of social roles are subject, according to how their roles relate to the dominant expectational principles of society, to sanctions designed to enforce these principles."[4]

It needs to be emphasized (I suppose) that Dahrendorf's model of social stratification is value free. The normative orders that different societies reward can be vastly disparate, ranging from that of St. Francis of Assissi to that of Vlad the Impaler. No matter. Some will excel at charity, some at barbarity. Inequality ensues. The economist, John Kenneth Galbraith, 6 feet 9 inches tall, has perfected a brief discourse on "Why Tall Men Are Best Suited To Govern." From a Scots Presbyterian point of view, the logic is ineluctable. Tall men, being more conspicuous than their fellows, are more readily watched by their neighbors. Being more readily watched, of necessity they behave better. Behaving better, they are therefore best suited to govern. At a reception following the funeral of President Kennedy, Dr. Galbraith recounted this theorem to General De Gaulle. "Le Grand Charles" commented that the reasoning was sound but omitted an essential correlative, which was to say that "tall men should show small men * * * no mercy."

Let us return to "One-Third of a Nation." Re-reading it I am struck by how prominently we pointed to the variation among the different states.

The State with the highest proportion of persons failing the mental examination had a rate 19 times as great as the State with the lowest.

The lowest was Minnesota with a failure rate of 2.7 percent. This is scarcely above the incidence of mental retardation in a large population.[5] South Carolina, with 51.8 percent was, well, insanely out of line. What was going on down there? Or over there?

The answer, surely, was that people were behaving differently. Rewarding different things, punishing different things. This was, after all, the United States of America in the seventh decade of the 20th century. We lived under the same constitution, shared essentially the same material culture.

Yet some jurisdictions were turning out citizens who were going to be poor and others who were not. Economics could not account for that much of the difference. Surely not between jurisdictions as comparable as Rhode Island and New York. There is no more elemental form of wealth than a well-educated, healthy cohort of young people. In some parts of the United States this "wealth" was being produced in abundance. To cite the charter of Brown University, young people were coming along able to lead "lives of usefulness and reputation." Other parts of the nation were producing the social infrastructure of poverty.

Hence, this period of social reform was most successful—was hugely successful—where we simply transferred income and services to the elderly, a stable, settled population group. It had little success—if you like, it failed—where poverty had its origin in social behavior.

More. It could not have succeeded because of a massive denial that there was any real problem there. This period is already receding in our history, and the memory may be difficult to retrieve. But that is about what happened. In a series of policy papers prepared for President Johnson and then President Nixon, I commenced to argue, for example, that family structure was an emerging problem. Class, not race, is the way I would state it. Both Presidents were receptive. However, their initiatives in this direction never survived the fierce criticism they evoked, and after a period the subject was more or less banished from public discourse.

A recent Census Bureau publication, the Bureau's innovative effort to improve poverty statistics by counting income and government tax and transfer (both cash and in-kind) benefits, summarizes the quarter century aftermath:

"The data show clearly that the effect of government transfers on the poverty status of persons 65 years and over is very large compared to the effect of such transfers on the poverty status of young persons. The percent of older persons (65 years and over) in poverty was 47.5 percent before government transfers were added to the income definition. The addition of nonmeans-tested cash transfers (primarily Social Security) reduced the rate to 14.0 percent and the addition of other government transfers

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gave rise to the notion of social insurance. Nor was sympathy universal. We recall the celebrated passage from Beatrice Webb's "Our Partnership" (London: Longman's, 1948, p. 479):

"To us, the compulsory insurance with automatically distributed money, allowances during illness of worklessness, with free choice of doctor under the panel system, would not and could not prevent the occurrence of sickness or unemployment. Indeed, the fact that sick and unemployed persons were entitled to money incomes without any corresponding obligation to get well and keep well, or to seek and keep employment, seemed to us likely to encourage malingering and a disinclination to work for their livelihood.

brought the rate to 9.0 percent. The total effect of adding government transfers was to reduce the poverty rate of older persons by 81.1 percent. Among those under 18 years of age, the before-transfer poverty rate was 24.0 percent and the addition of all government transfers brought the rate to 17.1 percent. The effect of government transfers was to reduce the poverty rate of young persons by 28.8 percent." [6]

It begins to appear that family structure is now a principle correlate of poverty in the United States. This in turn has revived an age category of poverty. The poorest group in our population are children, at last count 23 percent of those under 6 years of age. They live, overwhelmingly, in single parent families.

In 1988 a quarter—24 percent to be precise—of our 63 million children lived with only one parent. That was double the proportion of 1970—12 percent—and a yet higher multiple of the ratio a quarter century ago. Children in female headed households have a poverty rate of 55 percent. This is five times the poverty rate—11 percent—of children in families excepting those headed by single mothers.

Single parent, female headed families have become a norm. The Bureau of the Census estimates that only 39 percent of all children born last year will live with both their parents through their 18th birthdays. Put the other way, over 60 percent of children will live with only one parent for a period of time before reaching maturity. The vast majority of them will live with just their mothers and over half of them will be poor (46 percent white, 68 percent black, and 70 percent Hispanic).

Since 1973, median family income has been virtually flat. Adjusted for inflation, the 1987 median income for all families ($30,853) is only $33 more than the all-time high of $30,820 in 1973.

However, the mean real income for two-parent families with children having increased by 18 percent between 1967 and 1973, declined only by 3 percent between 1973 and 1984.

By contrast, female-headed families with children saw their mean real income increase by only 1.3 percent between 1967 and 1973 and by 1.1 percent between 1973 and 1979. Then, between 1979 and 1984, the mean income for female-headed families fell by 9 percent.[7] Lagging behind, then falling faster. (Note that these families begin with only 40 percent of the income of two-parent families.)

From a one-time Census study, "Household Wealth and Asset Ownership: 1984," we know that median net worth for all families was $32,677. Median net worth for all families with incomes under $11,000 was $5,080. These are published data. Unpublished information supplied by Gordon Green of the Bureau of the Census indicate that black female heads of households with incomes under $11,000 have a median net worth of −$18.

I have speculated that family structure may now prove to be the principle conduit of class structure. There are wonderfully able scholars at work on just this question. McLanahan, Bumpass, Garfinkel, Gottschalk, Burkhauser, Duncan, Hoffman, Hill, Ponza. Evidence of intergenerational transmission of poverty and dependency is certainly there, but not as yet overwhelming. On the other hand we have just entered this period in social history, and it could well take another half century to sort things out.

However, it appears to me that one matter is already clear. We have entered a new social condition, which is clearly post industrial. Here we are in a state of full or overfull employment, enjoying the longest unbroken peace time economic expansion in our history, whilst, as I put the matter in 1986, "In many if not most of our major cities we are facing something like social regression."[8]

Moreover, we are facing it alone. For most of the 20th century, the social problems of the United States—always excluding that of race—first appeared in Europe, as had the first responses. With a one or two generation lag, we adopted them here: Workman's Compensation, Unemployment Insurance, Social Security, medical care, and such like. (We do not have universal health insurance, but public spending on health care is huge.) But now we have a new set of problems and there is no European "solution" at hand.[9]

That is why I speak of the Coming of Age of American Social Policy. We are going to have to work our own way through these issues. It doesn't follow that we will, but I don't know why we won't.

It is fairly obvious that the normative order of American society still very much rewards "traditional" family patterns, and punishes those which previously would have been openly labeled as deviant. What is not at all obvious is why this is obscure to so many. The matter may not be left to rest: We must either change our norms, or change our behavior. Recent trends are dysfunctional in the extreme. As are recent trends of substance abuse, although these have been with us—at intervals—for a longer period in our history.

I would note that the 100th Congress, just concluded, enacted two major bills addressed to these issues. The Family Support Act of 1988 was the first redefinition of the purposes and expectations of the welfare system since it began as a temporary widows' pension in 1935. And, for the first time since Theodore Roosevelt declared war on drugs in 1907, the Anti-Drug Abuse Act of 1988 addressed this issue from the perspective of treatment and demand reduction.

Our difficulty is that there does not now exist within the Executive branch of government the institutional capacity to put either of these new laws into effect. Worse, there is no great enthusiasm for them. Editorial comment was restrained at best. Subsequent commentary has generally been negative, while advocacy groups have on the whole been hostile or indifferent. (State governments being the great exception.) Still, the Congress found the energy and, I believe, the insights to enact them. If we want to believe that "nothing happened," then nothing will. Another generation will pass before we try again. But that need not be the outcome.

Mind, these are not the only aspects of American society that aren't working as they ought. The 1980s saw a period of wildly irresponsible fiscal policies on the part of the national government. In eight years of peace we increased the national debt by an amount nearly that which was incurred in World War II. In the course of doing so, we ended up a debtor nation, with nothing like our post-1945 capacity to retire the debt and resume a strong path of saving and investment directed to future growth. Which growth would presumably provide resources that a new era of social policy will require.

In last year's Taubman Lecture here at Brown, Frank Levy observed that there are all too many parallels between the level of national savings and the current condition of children—our provisions for the future. We will need, he insisted, values to guide behavior, simple benefit/cost calculations at the individual level—the classic free rider phenomenon—won't get us there. Still, we are surely a nation in which such values can be found. And summoned. In the context of a tough-minded approach to post-industrial social issues, we may yet see the coming of age of American social policy.

FOOTNOTES

[1] March 16, 1964. Adam Yarmolinsky was the third member of our party.

[2] January 25, 1988, State of the Union Address.

[3] These are the raw percentages. The result of reanalysis would have been to lower the proportions but not the ratios.

[4] See p. 167 in Ralf Dahrendorf, "On the Origin of Inequality among Men," in *Essays in the Theory of Society*, Stanford: Stanford University, 1968, pp. 151-178.

Dahrendorf's is not a static model. To the contrary.

"* * * the system of social stratification is only a measure of conformity in the behavior of social groups, inequality becomes the dynamic impulse that serves to keep social structures alive. Inequality always implies the gain of one group at the expense of others; thus every system of social stratification generates protest against its principles and bears the seeds of its own suppression. Since human society without inequality is not realistically possible and the complete abolition of inequality is therefore ruled out, the intrinsic explosiveness of every system of social stratification confirms the general view that there cannot be an ideal, perfectly, just and therefore non-historical human society. (pp. 177-178)"

Still, while a set of social expectations is in place, it will take its toll.

[5] The U.S. Administration on Developmental Disabilities estimates that 1.7 percent of the population is developmentally disabled. See its "Special Report on the Impact of the Change in the Definition of Developmental Disabilities," Office of Human Development Services, Department of Health and Human Services, May 1981.

[6] U.S. Department of Commerce, Bureau of the Census, Current Population Report, Series P-60, "Measuring the Effect of Benefits and Taxes on Income and Poverty: 1986," p. 12.

[7] Sheldon Danziger and Peter Gottschalk, "How Have Families with Children Been Faring?", prepared for the Joint Economic Committee of the Congress, November 1985.

[8] Daniel Patrick Moynihan, *Came the Revolution*, San Diego: Harcourt, Brace, Jovanovich, 1988, p. 291.

[9] The Luxembourg Income Study data indicate that, like the United States, Canada and Sweden also have more children than elderly in poverty. However, Sweden has no poverty among the aged and virtually none among children. Still, we must entertain the thought that a more universal, post-industrial pattern is emerging. Mature social insurance systems gradually eliminate poverty among the aged. At the same time, marital instability and tenuous labor markets will leave a fair number of children poor even in prosperous countries.

EXECUTIVE SESSION

DEPARTMENT OF VETERANS' AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Anthony Principi to be Deputy Secretary of the Department of Veterans' Affairs, calendar item No. 52; that a motion to reconsider be laid upon the table; and that the President be immediately no-

tified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination is considered and confirmed.

NOMINATION OF ANTHONY J. PRINCIPI TO BE DEPUTY SECRETARY OF VETERANS' AFFAIRS

Mr. CRANSTON. Mr. President, I am delighted to bring before the Senate the recommendation of the Veterans' Affairs Committee that the President's nominee for the first Deputy Secretary of Veterans' Affairs—Anthony J. Principi of California—be confirmed in that position.

BACKGROUND

At the outset, I note how appropriate it is that we are moving forward with this nomination today. Just 2 days ago, March 15, was a historic day in the annals of veterans' affairs as the Veterans' Administration became the Department of Veterans' Affairs and its head a member of the President's Cabinet. Just prior to a very splendid ceremony on the South Lawn of the White House celebrating this elevation, President Bush appointed and swore in Edward Derwinski as the first Secretary of Veterans' Affairs. If the Senate acts today to confirm the first Deputy Secretary of Veterans' Affairs—as I am certain we will—the new Department will be well equipped to proceed productively into this new era with its top two leadership positions well and effectively filled.

Mr. President, our committee held a hearing on this nomination yesterday morning. Our committee then met early yesterday afternoon and voted unanimously to report this nomination to the Senate favorably, and I am now asking the concurrence of the full Senate in our affirmative recommendation.

NOMINEE'S QUALIFICATIONS

Mr. President, until July of last year, Tony Principi was the chief counsel and staff director for the Republican members of our committee and is therefore no stranger to veterans issues nor to the challenges that he will face if confirmed as Deputy Secretary.

One aspect of this nomination is particularly worthy of note. If confirmed, Tony Principi will continue a tradition dating back to 1977—more than 12 years ago—of having a Vietnam veteran in one of the top two positions at VA. I congratulate President Bush for carrying on that tradition.

Mr. President, Tony Principi's background as a decorated combat veteran, counsel to the Senate Armed Services Committee, Associate Deputy Administrator at the VA for Congressional and Public Affairs, and chief counsel and staff director and minority chief counsel and staff director for our committee will provide the new Department and Secretary Derwinski with a most valuable and necessary reservoir of experience, knowledge, and leadership.

As I noted at yesterday's hearing as well as at a committee meeting last July when Tony left the committee to return to private life in California, Tony Principi has always been a man of honor and a man of his word. Likewise, his strong intellect, his deep respect for military service—gained directly through distinguished combat service—his strong commitment to veterans, and his firm dedication to principle will serve him and the new Department very well. As I have noted, my regard for Tony is not diminished in any way by knowing that he and I will not always see an issue the same way or that, when there is disagreement, he is a strong advocate for his viewpoint. In fact, these traits give me confidence that Tony will continue to do his job in a most effective and professional way.

CONFIRMATION HEARING

Mr. President, at yesterday's confirmation hearing we received many statements of support for this nomination, including a very strong statement from my counterpart in the House, Chairman G.V. "SONNY" MONTGOMERY. Among other things, Chairman MONTGOMERY said of Tony, "He's a man of his word and a man of actions." I agree wholeheartedly.

Tony then delivered a very fine and heartfelt statement which demonstrated his keen sensitivity to the mission of the VA and to the overall obligations that we owe to those who served our Nation in its hours of need. I was particularly impressed by a series of pledges of accountability that Tony made as part of his statement. Specifically, Tony made the following statement:

> And I state now for the record that I hold myself accountable—to this committee for the trust which you have shown in me; to the Congress which provides the funding for the programs we administer, to the American people who, through their elected representatives and with their hard-earned tax dollars, have supported a vast array of programs for our veterans; and most of all to the veterans, the men and women for whom these programs were created.
>
> To all of you, I hold myself accountable and pledge to do the very best that I can to get the most out of this extraordinary system that America has created to give back to our veterans some of what they have given to all of us.

In response, I told Tony that, on behalf of our committee, I accepted his pledge to do his very best as Deputy Secretary and to keep open the lines of communication between VA and our committee. I agreed with him that such a process was vital and promised our best efforts to ensure that there was a two-way street of open communications.

CONCLUSION

On a personal note, I view Tony as a trusted friend and colleague, as well as a most distinguished and highly qualified Presidential nominee. Perhaps most significantly, I am proud of Tony as a valued California constituent, whose wonderful family, his loving and highly supportive wife, Liz, and his fine sons, Tony, Jr., Ryan, and John, as well as his parents and sister are also my constituents. As I said to Tony at the confirmation hearing yesterday: "I am sure your wonderful family is bursting with pride. We all are." That's the way I feel about this nominee and this nomination.

Mr. President, assuming that the Senate votes in support of this nomination—which I certainly do assume—I look forward to continuing to work closely with Tony Principi and Ed Derwinski on behalf of our Nation's veterans.

Mr. President, I urge our colleagues to give this nomination their unanimous support.

ANTHONY J. PRINCIPI, THE FIRST DEPUTY SECRETARY OF VETERANS' AFFAIRS

Mr. MURKOWSKI. Mr. President, I am very pleased to have this opportunity to speak in support of Anthony J. Principi to be the first Deputy Secretary of Veterans' Affairs.

The job of Deputy Secretary of the VA is extremely important. The VA is a vast Department in terms of staff and budget. The VA employs more than 245,000 employees and operates the largest health care delivery system in the United States. Decisions relating to VA programs affect more than 27 million veterans, as well as their survivors and dependents.

As a consequence, the Deputy Secretary of the VA must have a rare combination of qualities: loyalty, competence, aggressive leadership, and knowledge.

Many of us know Tony from his long and distinguished service in this body. Tony served me as my staff director and chief counsel when I was chairman and later ranking minority member of the Committee on Veterans' Affairs. I know Tony well and he without a doubt meets the criteria necessary to serve in this vital position. I know his work, his expertise, and his personality. I know that he would bring his special talents to the new Department of Veterans' Affairs.

On March 16 the committee held a hearing on Tony's nomination and voted unanimously to recommend his confirmation. The committee has demonstrated their confidence in Tony's ability to be an effective and successful Deputy. The veterans service organizations have also expressed confidence in and support of Tony's nomination.

I would like to thank the distinguished chairman and the committee members for expediting the committee's consideration of this nomination. I am pleased that Members on both

sides of the aisle were able to work so closely together on a nomination that will significantly affect our Nation's veterans.

In closing, I am confident that Tony appreciates the importance the Congress and the Nation place on the veterans' programs created to serve those who have served us. I cannot recommend Tony more highly to my colleagues. I urge my colleagues to vote unanimously in favor of confirming Tony Principi to be the first Deputy Secretary of Veterans' Affairs.

DEPARTMENT OF THE TREASURY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate now proceed to the following nominations en bloc, calendar item No. 50, Edith E. Holiday to be general counsel for the Department of the Treasury; calendar item No. 51, David W. Mullins, Jr., to be an Assistant Secretary of the Treasury; that the motions to reconsider be laid on the table en bloc; that the President be immediately notified; and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF THE TREASURY

Edith E. Holiday, of Georgia, to be general counsel for the Department of the Treasury.

David W. Mullins, Jr., of Massachusetts, to be an Assistant Secretary of the Treasury.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURES READ THE FIRST TIME

The following bill, which was ordered held at the desk until the close of business on March 17, 1989, was read the first time:

S.J. Res. 88. Joint resolution to establish that it is the policy of the United States to reduce the generation of carbon dioxide, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CONRAD:

S. 643. A bill to amend the Internal Revenue Code of 1986 to allow an individual a credit against income tax for certain expenditures for the purpose of reducing radon levels in the principal residence of the individual, and for other purposes; to the Committee on Finance.

By Mr. McCAIN:

S. 644. A bill to amend the National Science and Technology Policy, Organization, the Priorities Act of 1976 in order to provide for improved coordination of national scientific research efforts to develop substitutes for certain substances, and for other purposes; to the Committee on Commerce, Science and Transportation.

By Mr. BOSCHWITZ:

S. 645. A bill to amend the Internal Revenue Code of 1986 to provide for the indexing of certain assets, and to increase the holding period for capital assets from 1 to 3 years; to the Committee on Finance.

By Mr. DODD (for himself and Mr. HEINZ) (by request):

S. 646. A bill to amend the Federal securities laws in order to facilitate cooperation between the United States and foreign countries in securities law enforcement; to the Committee on Banking, Housing, and Urban Affairs.

S. 647. A bill to amend the Federal securities laws in order to provide additional enforcement remedies for violations of those laws; to the Committee on Banking, Housing, and Urban Affairs.

S. 648. A bill to amend the Securities Exchange Act of 1934; to the Committee on Banking, Housing, and Urban Affairs.

S. 649. A bill to amend the Securities Exchange Act of 1934 to require that members of exchanges, brokers, dealers, banks, associations, or other entities that exercise fiduciary powers holding securities as nominees provide proxy and other shareholder communications to investment company beneficial security holders; to require these same entities, holding securities as nominees, to provide information statements to investment company and non-investment company beneficial security holders; and to require investment companies to provide information statements to record holders prior to any security holder vote when proxies, consents, or authorizations are not solicited; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KENNEDY (for himself, Mr. DODD, and Mr. INOUYE):

S. 650. A bill to establish a national program to expand opportunities for Americans, especially students, to serve their communities; to the Committee on Labor and Human Resources.

By Mr. DODD (for himself and Mr. HEINZ) (by request):

S. 651. A bill to amend the Trust Indenture Act of 1939; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KENNEDY (for himself, Mr. PELL, Mr. MOYNIHAN, Mr. KERRY, Mr. SIMON, and Mr. BOSCHWITZ):

S. 652. A bill to revise the format of the Presidential report to Congress on voting practices in the United States; to the Committee on Foreign Relations.

By Mr. GLENN (for himself, Mr. McCAIN, and Mr. WARNER):

S. 653. A bill to amend title 37, United States Code, to revise and improve the aviator career incentive pay program, to extend for three years the aviator bonus program, and for other purposes; to the Committee on Armed Services.

By Mr. PRYOR (for himself, Mr. DURENBERGER, Mr. BOREN, Mr. HEINZ, Mr. BAUCUS, Mr. DASCHLE, Mr. DANFORTH, Mr. MITCHELL, Mr. MOYNIHAN, Mr. HARKIN, Mr. BUMPERS, Mr. BINGAMAN, Mr. GORE, Mr. DECONCINI, Mr. CRANSTON, Mr. HEFLIN, and Mr. CONRAD):

S. 654. A bill to amend the Internal Revenue Code of 1986 to provide for the establishment of simplified health arrangements meeting the requirements of section 89, to modify the definition of part-time employee for purposes of section 89, and to simplify the application of section 89; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. GARN, Mr. GLENN, Mr. SIMPSON, Mr. MATSUNAGA, Mr. ARMSTRONG, Mr. WIRTH, Mr. THURMOND, Mr. HARKIN, Mr. LUGAR, and Mr. HATFIELD):

S. 655. A bill to amend the Public Health Service Act to require public conveyances to certify that the public is not involuntarily exposed to passive smoke when exposed to such conveyance, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. GRASSLEY (for himself, Mr. DANFORTH, Mr. DURENBERGER, Mr. BINGAMAN, Mr. D'AMATO, Mr. COCHRAN, Mr. WILSON, Mr. SYMMS, and Mr. HELMS):

S. 656. A bill to amend the Internal Revenue Code of 1986 to restore the deduction for interest on educational loans; to the Committee on Finance.

By Mr. MITCHELL (for himself, Mr. CHAFEE, Mr. LAUTENBERG, Mr. DURENBERGER, Mr. BAUCUS, Mr. GRAHAM, Mr. MOYNIHAN, Mr. COHEN, Mr. PRESSLER, Mr. WIRTH, Mr. GORE, Mr. CONRAD, Mr. SARBANES, Mr. ADAMS, Mr. REID, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. HUMPHREY, and Mr. BRADELY):

S. 657. A bill to authorize a national program to reduce the threat to human health posed by exposure to contaminants in the air indoors; to the Committee on Environment and Public Works.

By Mr. PELL (for himself, Mrs. KASSEBAUM, Mr. KENNEDY, and Mr. HATCH by request):

S. 658. A bill to amend the Carl D. Perkins Vocational Education Act of 1984 to authorize appropriations for fiscal year 1990 and succeeding years, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. SYMMS:

S. 659. A bill to repeal the estate tax inclusion related to valuation freezes; to the Committee on Finance.

By Mr. DECONCINI:

S. 660. A bill to amend the Social Security Act and the Internal Revenue Code of 1986 to modify beginning in 1990 the funding

mechanism for Medicare catastrophic coverage by repealing the increase in the part B premium and the imposition of a supplemental premium and funding such coverage by eliminating the limit on wages or self-employment income subject to the hospital insurance tax and through general revenues; to the Committee on Finance.

By Mr. SYMMS (for himself and Mr. MCCLURE):

S. 661. A bill to amend title 23, United States Code, to authorize the Secretary of Transportation to approve the use of Interstate safety rest areas for limited commercial enterprises; to the Committee on Environment and Public Works.

By Mr. SYMMS:

S. 662. A bill to amend the Internal Revenue Code of 1986 to increase and index the calendar quarter wage threshold for determining agricultural labor employers for purposes of imposing the Federal unemployment tax; to the Committee on Finance.

By Mr. HEFLIN:

S. 663. A bill to provide for additional contingent termination liability for the Advanced Solid Rocket Motor Program; to the Committee on Commerce, Science, and Transportation.

By Mr. ARMSTRONG (for himself, Mr. DECONCINI, Mr. SIMPSON, Mr. KASTEN, Mr. SYMMS, Mr. BOSCHWITZ, and Mr. WALLOP):

S. 664. A bill to amend the Internal Revenue Code of 1986 to provide for the indexing of certain assets; to the Committee on Finance.

By Mr. HEINZ:

S. 665. A bill to amend title XVI of the Social Security Act by extending eligibility for supplemental income benefits, by promoting the efficient administration of such benefits, by extending eligibility for Medicaid benefits, and for other purposes; to the Committee on Finance.

By Mr. MURKOWSKI:

S. 666. A bill to enroll 20 individuals under the Alaska Native Claims Settlement Act; to the Committee on Energy and Natural Resources.

By Mr. MATSUNAGA:

S. 667. A bill to amend the Federal Unemployment Tax Act with respect to employment performed by certain employees of educational institutions; to the Committee on Finance.

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 668. A bill to amend the Energy Policy and Conservation Act with respect to the Strategic Petroleum Reserve; to the Committee on Energy and Natural Resources.

By Mr. WILSON (for himself and Mr. CRANSTON):

S. 669. A bill to require the Secretary of Energy to convey to the State of California by quitclaim deed certain lands in a naval petroleum reserve and to provide that money received from a naval petroleum reserve shall be treated the same as money received from other public lands; to the Committee on Armed Services.

By Mr. ARMSTRONG (for himself, Mr. BENTSEN, Mr. BINGAMAN, Mr. BOND, Mr. BOREN, Mr. COATS, Mr. COHEN, Mr. DASCHLE, Mr. DECONCINI, Mr. DOLE, Mr. EXON, Mr. GLENN, Mr. GRAMM, Mr. HATCH, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. MATSUNAGA, Ms. MIKULSKI, Mr. MITCHELL, Mr. MURKOWSKI, Mr. PELL, Mr. PRESSLER, Mr. WIRTH, Mr. RUDMAN, Mr. SASSER, Mr. WARNER, Mr. WILSON, and Mr. HEFLIN):

S. 670. A bill to recognize the organization known as The Retired Enlisted Association, Incorporated; to the Committee on the Judiciary.

By Mr. HEINZ (for himself and Mr. SPECTER):

S. 671. A bill to provide for the inclusion of the Washington Square area within Independence National Park, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HEINZ:

S. 672. A bill to increase and extend the authorization of appropriations for highway bridge replacement and rehabilitation, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BRYAN:

S. 673. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1990 and 1991, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HEINZ:

S. 674. A bill to regulate above ground storage tanks having the capacity to store at least one million gallons of petroleum, and for other purposes; to the Committee on Environment and Public Works.

By Mr. CRANSTON (for himself, Mr. KENNEDY, Mr. SIMON, Mr. SPECTER, Mr. ADAMS, and Mr. JEFFORDS):

S. 675. A bill to eliminate discriminatory barriers to voter registration, and for other purposes; to the Committee on the Judiciary.

By Mr. BAUCUS (for himself, Mr. DURENBERGER, and Mr. LIEBERMAN):

S. 676. A bill relating to global atmospheric and environmental preservation; to the Committee on Environment and Public Works.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 677. A bill to amend the Arctic Research and Policy Act of 1984 to improve and clarify its provisions; to the Committee on Governmental Affairs.

By Mr. HEINZ (for himself and Mr. ROCKEFELLER):

S. 678. A bill to provide improved programs for training individuals receiving unemployment compensation; to the Committee on Finance.

By Mr. INOUYE:

S. 679. A bill for the relief of Walter Chang; to the Committee on the Judiciary.

S. 680. A bill to restore the traditional observance of Memorial Day and Veterans Day; to the Committee on the Judiciary.

By Mr. BAUCUS (for himself, Mr. BURNS, Mr. ADAMS, Mr. GORTON, Mr. MCCLURE, Mr. SYMMS, Mr. BURDICK, Mr. CONRAD, Mr. SIMPSON, Mr. WALLOP, Mr. PRESSLER, Mr. DASCHLE, Mr. HATCH, Mr. LEVIN, Mr. CRANSTON, Mr. PRYOR, and Mr. GARN):

S. 681. A bill to require the Secretary of the Treasury to mint and issue coins in commemoration of the 100th anniversary of the statehood of Idaho, North Dakota, South Dakota, Washington, and Wyoming, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SIMON:

S. 682. A bill to amend chapter 33 of title 18, United States Code, to prohibit the unauthorized use of the names "Visiting Nurse Association", "Visiting Nurse Service", "VNA", "VNS", or "VNAA", or the unauthorized use of the name or insignia of the Visiting Nurse Association of America; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. PELL, Mr. DODD, Mr. DECONCINI, and Mr. SANFORD):

S. 683. A bill to amend the Peace Corps Act to extend the authorizations of appropriations for the Peace Corps through fiscal year 1991, to shorten the period during which a former Peace Corps employee is ineligible for reemployment by the Peace Corps, and to establish a Peace Corps foreign exchange fluctuations account; to the Committee on Foreign Relations.

By Mr. DOLE:

S.J. Res. 89. Joint resolution to designate the week beginning April 2, 1989, as "National Auctioneers Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BYRD (for himself, Mr. MITCHELL, Mr. DOLE, Mr. BOREN, Mr. BRADLEY, Mr. HOLLINGS, Mr. GORE, Mr. HUMPHREY, and Mr. HELMS):

S. Res. 85. Resolution relating to the future of Afghanistan; to the Committee on Foreign Relations.

By Mr. LAUTENBERG (for himself, Mr. HOLLINGS, Mr. FORD, Mr. BRADLEY, Ms. MIKULSKI, Mr. D'AMATO, Mr. HEINZ, Mr. SARBANES, and Mr. MOYNIHAN):

S. Res. 86. Resolution to request the President of the United States to appoint a special commission to consider the destruction of Pan American World Airways Flight 103, and the security of air travel; to the Committee on Commerce, Science, and Transportation.

By Mr. GRASSLEY:

S. Con. Res. 25. Concurrent resolution expressing the sense of the Congress that the number of refugees admitted to the United States and the appropriation for programs for refugee migration and resettlement should be increased and that the Department of Justice should reestablish the presumption that Jews and members of other religious minorities emigrating from the Soviet Union qualify for refugee status for admission to the United States; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CONRAD:

S. 643. A bill to amend the Internal Revenue Code of 1986 to allow an individual a credit against income tax for certain expenditures for the purpose of reducing radon levels in the principal residence of the individual, and for other purposes; to the Committee on Finance.

RADON TAX CREDIT LEGISLATION

Mr. CONRAD. Mr. President, I am sending to the desk today, for appropriate referral, a bill to help people defray some of the costs associated with reducing the concentration of radon gas in their homes.

Mr. President, up to 20,000 people will die of lung cancer this year from long-term exposure to radon gas, and the source of this poison is inside their

own homes. According to the Environmental Protection Agency, indoor air pollution can cause more serious health problems than outdoor pollution, and radon is the most deadly of the indoor pollutants. It is estimated that people spend up to 70 percent of their time in their own home. If a home is contaminated with radon, it means the residents are constantly being exposed to this deadly gas. The problem is even more serious with young children, who not only spend a greater percent of their time in the home, but are more susceptible to radon's damaging radiation than are adults.

Last year the Congress passed, and the President signed into law, an historic bill which started the process of collecting information on radon and developing methods to test and reduce radon levels in buildings. On the basis of research done partly as a result of this legislation, the EPA estimates that 10 million homes may have radon levels which are above the threshold that requires mitigation—a level that is the nuclear radiation equivalent of 200 chest x rays per year. The agency also estimates that it will cost from at least several hundred dollars to more than $3,000 to reduce the radon concentration to an acceptable level in a home. For the average homeowner, such costs may be very dificult to bear.

The bill which I am introducing today would provide for a 20-percent Federal tax credit to individuals to help reduce the cost of radon mitigation in their principal residence. If all 10 million homes in this country which have elevated levels of radon were treated to reduce the concentration to a safe level, the total cost to the taxpayers would be only one-tenth the health care costs alone of treating 20,000 people for lung cancer.

In addition to the tax credit, there is another important provision of this bill. It contains a 10-year sunset clause. This will help control the cost to the taxpayers and ensure that people take timely advantage of the bill's provisions.

Mr. President, unlike with other suspected carcinogens, we know where radon comes from, how it causes cancer, how many people it will affect and, most important, how to get rid of it. This bill would provide important, needed help for people who have elevated levels of radon in their homes and want to do something about it.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 643

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CREDIT FOR EXPENDITURES FOR REDUCING RADON LEVELS IN CERTAIN PRINCIPAL RESIDENCES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25 the following new section:

"SEC. 25A. EXPENDITURES FOR REDUCING RADON LEVELS IN CERTAIN PRICIPAL RESIDENCES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified radon-reduction expenditures with respect to an eligible principal residence.

"(b) QUALIFIED RADON-REDUCTION EXPENDITURES.—For purposes of subsection (a)—

"(1) IN GENERAL.—In the case of any dwelling unit, the qualified radon-reduction expenditures are 20 percent of so much of the radon-reduction expenditures made by the taxpayer during the taxable year with respect to such unit as does not exceed $3,000.

"(2) PRIOR EXPENDITURES BY TAXPAYER ON SAME RESIDENCE TAKEN INTO ACCOUNT.—If for any prior year a credit was allowed to the taxpayer under this section with respect to any dwelling unit, paragraph (1) shall be applied for the taxable year with respect to such dwelling unit by reducing the dollar amount contained therein by the prior year expenditures taken into account under such paragraph.

"(c) DEFINITIONS.—For purposes of this section—

"(1) RADON-REDUCTION EXPENDITURES.—The term 'radon-reduction expenditure' means any expenditure made by the taxpayer for property (or for the original installation of such property) installed in or on a dwelling unit (which, at the time such expenditure is made, is an eligible principal residence) if such property—

"(A) is designed to reduce the radon in the air inside such residence,

"(B) can reasonably be expected to remain in operation, or continue to have effect, for at least 3 years, and

"(C) meets the appropriateness, performance, and quality standards (if any) which—

"(i) have been prescribed by the Administrator of the Environmental Protection Agency by regulations, and

"(ii) are in effect at the time of the acquisition of the property.

"(2) ELIGIBLE PRINCIPAL RESIDENCE.—The term 'eligible principal residence' means a dwelling unit—

"(A) which is located in the United States,

"(B) which is used by the taxpayer as his principal residence, and

"(C) which is determined under a technique approved by the Environmental Protection Agency to have a radon level which requires action to be taken to reduce such level.

"(d) SPECIAL RULES.—

"(1) WHEN EXPENDITURE MADE; AMOUNT OF EXPENDITURES.—

"(A) IN GENERAL.—An expenditure with respect to an item shall be treated as made when original installation of the item is completed.

"(B) AMOUNT.—The amount of any expenditure shall be the cost thereof.

"(2) PRINCIPAL RESIDENCE.—The determination of whether or not a dwelling unit is a taxpayer's principal residence shall be made under principles similar to those applicable to section 1034, except that—

"(A) no ownership requirement shall be imposed, and

"(B) the period for which a dwelling is treated as the principal residence of the taxpayer shall include the 30-day period ending on the first day on which it would (but for this subparagraph) be treated as his principal residence.

"(3) CERTAIN RULES TO APPLY.—Paragraph (10) of section 23(c), and paragraphs (1), (2), and (3) of section 23(d), shall apply for purposes of this section.

"(e) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(f) TERMINATION.—This section shall apply to amounts paid or incurred during the 10-year period beginning on the date of the enactment of this section."

(b) TECHNICAL AMENDMENT.—Subsection (a) of section 1016 of such Code (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (26), by striking out the period at the end of paragraph (27) and inserting in lieu thereof ", and", and by adding after paragraph (27) the following new paragraph:

"(28) to the extent provided in section 25A(e), in the case of property with respect to which a credit has been allowed under section 25A."

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25 the following new item:

"Sec. 25A. Expenditures for reducing radon levels in certain principal residences."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

By Mr. McCAIN:

S. 644. A bill to amend the National Science and Technology Policy, Organization, and Priorities Act of 1976 in order to provide for improve coordination of national scientific research efforts to develop substitutes for certain substances; to the Committee on Commerce, Science, and Transportation.

COORDINATION OF NATIONAL SCIENTIFIC RESEARCH EFFORTS

● Mr. McCAIN. Mr. President, the family of nations may disagree on many topics. We must never forget, however, the many, and most important, things we hold in common, including an intense responsibility for the health of spaceship Earth as Buckminster Fuller once called it.

Mankind and our biosphere are now confronted by an environmental danger of enormous scope and with far-reaching implications. I am speaking about the depletion of the stratospheric ozone layer.

Scientists have discovered that chlorine from manmade industrial compounds—known as chlorofluorocarbons and halons—play a serious role in depleting the layer which protects the Earth from the most dangerous solar ultraviolet rays. The Earth's increased exposure to U-V-B radiation which will result if this phenomenon remains

unchecked, portends a variety of harmful consequences. They include a higher incidence of skin cancer and cataracts, suppression of the human body's immune system, and reduced crop growth and yield.

EPA estimates that if ozone depletion trends continue, we could expect 40 million excess skin cancers and an additional 800,000 deaths within the next 80 years. In addition, CFC's have been identified with global warming, contributing an estimated 20 percent to the greenhouse effect. The resulting climate change predicted by some experts could mean a variety of untold effects on the terrestrial and aquatic ecosystems.

The urgent need to address this situation has not been lost on the world community, Mr. President. In 1987, the United States along with 24 other nations and the European Economic Community signed the Montreal Protocol on substances that deplete the ozone layer.

The parties to that treaty pledged to reduce 1986 world CFC production levels 50 percent by the year 1998, and to freeze halon production at 1986 levels. This body voted unanimously to ratify that treaty last year.

While the ink was drying on the protocol, however, the latest scientific data indicated that the situation may be more serious than previously supposed. The information came from the second of two expeditions to Antarctica and a study conducted by the International Ozone Trends Panel.

The Panel was comprised of representatives from NASA, the National Oceanic and Atmospheric Administration, the Federal Aviation Administration, the World Meteorological Organization, and the United Nations Environment Program.

One hundred scientists spent 1 year peer reviewing ozone measurement data, including information gathered by NASA's Nimbus 7 satellite. The Panel confirmed the seasonal hole which occurs in the ozone layer over Antarctica and estimated that between 1969 and 1986, depletion in the ozone layer averaged between 1 and 3 percent over the entire Northern Hemisphere.

Because of this latest information and the findings from a recent expedition to the Arctic to assess atmospheric conditions at the North Pole, many authorities now believe we must ban CFC production altogether.

Two weeks ago at an international environmental conference in London, Prime Minister Margaret Thatcher announced that Britain would ban production of CFC's by the turn of the century. Shortly thereafter, President Bush announced that the United States would follow suit—provided that safe-substitutes are available.

World attention is focused squarely on this issue. Eliminating the environmental threat posed by CFC's is high on the national and international agenda. Let there be no mistake, meeting this responsibility will be no simple task. CFC's are pervasive industrial compounds used widely throughout the world for many important purposes. Eliminating them will have an enormous impact upon many industries and consumers.

CFC's are used as refrigerants in air conditioners, refrigerators and freezers. They are employed as foam blowing agents in such items as insulation and packaging materials. And they are used extensively as solvents. This Nation has 130 billion dollars' worth of installed capital equipment using CFC and halon compounds, many of which we do not yet have safe substitutes for.

Mr. President, clearly, to protect the ozone layer as we must, and to avoid potential widespread economic and industrial disruption, we must commit ourselves to the development of—and transition to—safe and suitable CFC alternatives. This effort must be a top domestic priority. And the gravity of this situation requires that we marshal the available resources and technical expertise of the public, as well as the private sector, to help achieve our goals.

Today, I am introducing legislation which I believe will help make the Federal Government a full, committed and more effective partner in the search for safe substitutes. It would do so by establishing a special working group under the Federal Coordinating Council for Science, Engineering, and Technology. The group will be comprised of representatives from the National Institute of Standard Technology, the National Oceanic and Atmospheric Administration, the Department of Energy, the Environmental Protection Agency, and other Federal Departments. Together they will work closely with an advisory panel from the CFC and halon manufacturing and user industries.

Their job will be to coordinate, develop and implement Federal governmental research and other initiatives involving CFC's, so that we can maximize and improve the use of Federal resources. A number of agencies including the Department of Commerce, Department of Energy, Environmental Protection Agency, and Department of Defense have money, research facilities, and scientific expertise to assist in the guest for replacement compounds. Coordination and better employment of those resources is critical.

Furthermore, the working group will recommend programs for appropriate intergovernmental, international, and commercial technology transfer. Information sharing will not only facilitate efforts at home, but is essential if we are to gain the cooperation of the developing world.

We must understand that many third world countries are anxious to improve living standards with refrigeration, and are reluctant to agree to severe CFC restrictions. Industrial commitments to the manufacture of controlled CFC's by some of these countries, would substantially undermine ozone protection efforts in other parts of the world.

Ozone depletion is a global problem requiring a global solution. The faster we can find suitable replacement compounds, and share that vital information and technology with developing countries, the more likely we are to receive their cooperation, without impeding the efforts of those countries to better the lives of their citizens. This is something we should all have an interest in. The working group will provide a coordinated and centralized distribution point for essential industrial, technical, and scientific data.

Mr. President, the working group will have a number of other important functions. Among them will be to review Federal, State, and local laws to ensure that they are consistent with our efforts to promote substitutes. Furthermore, they will seek ways to promote recycling and remove barriers which may exist to the recycling industry.

We must not lose sight of the fact that capital equipment containing CFC's pervades our economy and will for many years to come—even if substitutes were found tomorrow. The recycling and conservation of CFC's, therefore, are critical under any circumstances. In light of this, the working group will examine ways we can develop and encourage proper handling and field practices to reduce ozone depleting emissions.

While regulations requiring proper handling are well intentioned, unfortunately, many times they are unenforceable. The key is education. A logical first step would be to ensure that the tradespeople who work with CFC's understand the problem and receive the proper training they need to handle those compounds as safely and conservatively as possible. Perhaps the working group could work with industry and other areas of the Government to develop curriculum and resource material on proper handling techniques. We can then ensure that this material is introduced to practitioners and students involved in refrigeration, air conditioning, and auto repair, updating the curriculum as technology and public policy change. Trade schools should be especially targetted for such a program. This seems like a fair and prudent step to take.

Finally, Mr. President, this legislation will require us to look at Federal procurement policies, practices and governmental uses of ozone-depleting substances and develop measures to

29-059 O-90-21 (Pt. 4)

promote the earliest possible transition to alternative products as they are available. It should come as no surprise that the Federal Government is one of the largest buyers of products containing CFC's and halons. Taking immediate action to replace those items with environmentally safe products would provide Federal leadership and stimulate producers to meet the demand for alternatives.

Mr. President, I believe this legislation will play a vital role in helping us to find safe industrial substitutes and to take the affirmative actions necessary to protect the ozone layer in an efficient, effective, and cooperative fashion.

We have august responsibilities as the privileged stewards of this Earth. With our leadership and through continued international cooperation, the world community can meet its obligations—and it must.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 644

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 401 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651) is amended to read as follows:

"FUNCTIONS OF COUNCIL

"SEC. 401. (a) The Federal Coordinating Council for Science, Engineering, and Technology (hereinafter referred to as the 'Council') shall consider problems and developments in the fields of science, engineering, and technology and related activities affecting more than one Federal agency, and shall recommend policies and other measures designed to—

"(1) provide more effective planning and administration of Federal scientific, engineering, and technological programs;

"(2) identify research needs, including areas requiring additional emphasis;

"(3) achieve more effective utilization of the scientific, engineering, and technological resources and facilities of Federal agencies, including the elimination of unwarranted duplication; and

"(4) further international cooperation in science, engineering, and technology.

"(b) The Council may be assigned responsibility for developing long-range and coordinated plans for scientific and technical research which involve the participation of more than two Federal agencies. Such plans shall—

"(1) identify research approaches and priorities which most effectively advance scientific understanding and provide a basis for policy decisions;

"(2) provide for effective cooperation and coordination of research among Federal agencies; and

"(3) encourage domestic and, as appropriate, international cooperation among government, industry, and university scientists.

"(c) The Council shall perform such other related advisory duties as shall be assigned by the President or by the Chairman of the Council.

"(d) for the purpose of carrying out the provisions of this section, each Federal agency represented on the Council shall furnish necessary assistance to the Council. Such assistance may include—

"(1) detailing employees to the Council to perform such functions, consistent with the purposes of this section, as the Chairman of the Council may assign to them; and

"(2) undertaking, upon request of the Chairman, such special studies for the Council as come within the scope of authority of the Council.

"(e) For the purpose of developing interagency plans, conducting studies, and making reports as directed by the Chairman, standing committees and working groups of the Council may be established.

"(b) Section 207(a)(1) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6616(a)(1)) is amended by striking "established under Title IV".

SEC. 2. The National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 et seq.) is amended by adding at the end the following new title:

"TITLE VI—OZONE DEPLETION WORKING GROUP

"FINDINGS AND PURPOSE

"SEC. 601.(a) Congress finds and declares the following:

"(1) The ozone layer in the upper atmosphere is deteriorating as a result of chemical interactions with chlorofluorocarbons and halons emitted into the atmosphere in the course of human activity.

"(2) The United States is a party to and is implementing the Montreal Protocol, which calls for a 50 percent reduction in 1986 worldwide production levels of chlorofluorocarbons by 1998 and a freeze and 1986 production levels of halons.

"(3) The Ozone Trends Panel Report of the National Aeronautics and Space Administration presents new and disturbing information that should intensify efforts to develop safe alternatives to the existing chlorofluorocarbon and halon compounds.

"(4) Further reductions in the production and use of chlorofluorocarbons and halons are likely to be necessary in light of this new information.

"(5) Chlorofluorocarbons and halons are pervasive industrial components and the United States should be commercially and industrially prepared for further reductions.

"(6) The Federal Government is one of the largest purchasers of products containing chlorofluorocarbons and halons.

"(7) The rapid development of and transition to safe substitutes for chlorofluorocarbons and halons and alternative technology are vital to the national and international interest.

"(8) The Federal Government should—

"(A) devise initiatives and assist industry to facilitate the development of safe substitutes for chlorofluorocarbons and halons and alternative technology;

"(B) identify statutory and regulatory impediments to chlorofluorocarbon and halon reduction and recycling;

"(C) cooperate with the private sector to identify opportunities for additional such recycling and conservation initiatives;

"(D) identify governmental procurement and use of chlorofluorocarbons and halons; and

"(E) undertake initiatives, including government-supported research, to assist industry in accomplishing the transition to safe substitutes and alternative technology as soon as practicable.

"WORKING GROUP

"SEC. 602.(a) The President, through the Council, shall establish a working group which, in accordance with title IV and the provisions, findings, and purposes of this title, shall—

"(1) coordinate, develop, and help implement initiatives on research and other activities of Federal agencies and departments to facilitate the development of and transition to safe substitutes for chlorofluorocarbons and halons and alternative technology; and

"(2) conduct a comprehensive study for the purpose of determining the steps which can be taken to reduce the emission of chlorofluorocarbons and halons.

"(b) In carrying out the study required by subsection (a), the working group shall—

"(1) determine whether any Federal, State, or local laws and regulations are impeding the reduction of chlorofluorocarbons and halons and the transition to safe substitutes and alternative technology;

"(2) recommend Federal research programs and other activities to assist industry in identifying alternatives to the use of chlorofluorocarbons and halons as refrigerants, solvents, fire retardants, foam-blowing agents, and other commercial applications and in achieving a transition to those alternatives;

"(3) identify steps to promote or assist in chlorofluorocarbon and halon recycling and conservation;

"(4) examine Federal procurement practices with respect to chlorofluorocarbons and halons and recommend measures to promote the earliest possible transition by the Federal Government to the use of safe substitutes where they are available;

"(5) specify initiatives, including appropriate intergovernmental, international, and commercial information and technology transfers, to promote the development and use of chlorofluorocarbon and halon substitutes, and alternative technology;

"(6) identify steps and initiatives to foster proper handling processes and field practices involving chlorofluorocarbons and halons to reduce ozone-depleting emissions; and

"(7) take other such steps as are necessary to fulfill the purposes of the working group as set forth in subsection (a).

"(c) The working group shall address, where appropriate, the relevant programs and activities of, and shall include representatives from, the following Federal agencies and departments:

"(1) the Department of Commerce, particularly the National Oceanic and Atmospheric Administration and the National Institute for Standards and Technology;

"(2) the National Science Foundation;

"(3) the National Aeronautics and Space Administration;

"(4) the Environmental Protection Agency;

"(5) the Department of Energy;

"(6) the Department of Agriculture;

"(7) the Department of the Interior;

"(8) the Department of Defense;

"(9) the Department of State; and

"(10) such other agencies and departments as the President, or the Chairman of the Council, considers appropriate, including the General Services Administration and the Office of the United States Trade Representative.

"(d)(1) The President, or the Chairman of the Council, shall designate one of the

members of the working group to serve as chairman.

"(2) The President shall call the first meeting of the working group prior to the expiration of the 120-day period following the date of enactment of this title.

"(e) The Council shall, not later than 12 months after the date of enactment of this title, report the results of the study required by subsection (a) to the President and to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives. Such report shall include the findings of the working group and its recommendations for such statutory and regulatory changes, research progams, and other initiatives as the working group determines necessary in order to assist in the effort to reduce the use of chlorofluorocarbons and halons in the United States, to assure a smooth transition to the use of safe substitutes, and to meet the purposes of this title.

ADVISORY BOARD

"SEC. 603. (a) The Director shall establish an advisory board to assist the Council and the working group established under section 602 in carrying out the purposes of this title.

"(b) The advisory board shall consist of at least six members, two of whom shall be industry representatives from chlorofluorocarbon and halon manufacturers and four of whom shall be industry representatives from chlorofluorocarbon and halon users.

"(c) Members of the advisory board shall serve without compensation in addition to compensation they may otherwise be entitled to receive, but shall be reimbursed for travel, subsistence, and other such expenses incurred in the actual performance of duties vested in the advisory board.

"(d) The advisory board shall be established not later than three months following the date of enactment of this title and shall continue to exist as long as the working group established under section 602 is in existence.

"DEFINITIONS

"SEC. 604. For purposes of this title—

"(1) the term 'chlorofluorocarbon' means any controlled substance listed in Group I of Annex A of the Montreal Protocol;

"(2) the term 'halon' means any controlled substance listed in Group II of such Annex A of the Montreal Protocol; and

"(3) the term 'Montreal Protocol' means the Montreal Protocol on Substances that Deplete the Ozone Layer, done at Montreal on September 16, 1987.".●

By Mr. DODD (for himself and Mr. HEINZ) (by request):

S. 646. A bill to amend the Federal securities laws in order to facilitate cooperation between the United States and foreign countries in securities law enforcement; to the Committee on Banking, Housing, and Urban Affairs.

INTERNATIONAL SECURITIES ENFORCEMENT COOPERATION ACT

● Mr. DODD. Mr. President, today my friend and ranking minority member of the Securities Subcommittee, Senator HEINZ, and I are introducing legislation requested by the Securities and Exchange Commission to improve the flow of information to shareholders, streamline the issuance of debt securities, ensure the integrity and efficiency of our capital markets, and strengthen the SEC's enforcement tools to protect investors and police the securities markets here and abroad.

This legislation, which we are introducing as five separate bills, includes: the International Securities Enforcement Cooperation Act of 1989; the Securities Law Enforcement Remedies Act of 1989; the Market Reform Act of 1989; the Shareholder Communications Improvement Act of 1989; and the Trust Indenture Reform Act of 1989. We are introducing these proposals as submitted to Congress by the SEC in order to solicit public comment about the need for these measures, as well as about the technical drafting of their provisions.

A number of these provisions are controversial, and we look forward to an active and constructive debate involving investor and business representatives, as well as other commentators. Although we are not endorsing all of these measures at this time, we believe the subcommittee has a responsibility to give serious consideration to legislation proposed by the expert agency created by Congress to protect investors and ensure the integrity of the capital-raising process. There is no specific timetable for reporting the legislation, but I hope we can move expeditiously in our consideration of these measures. I therefore urge interested parties to make their views known to the subcommittee at the earliest opportunity.

Mr. President, before I discuss the legislation, I want to take this opportunity to discuss what Senator HEINZ and I anticipate will be some of the broader issues examined by the Securities Subcommittee in this Congress.

SECURITIES ISSUES TO BE CONSIDERED IN THE 101ST CONGRESS

I think we all agree that the securities markets in this country are a vital national asset. They have long been considered the strongest, fairest and most liquid markets in the world. Thousands of American businesses, large and small, depend upon these markets to help raise the capital needed for long-term investments and economic growth. Indeed, the dynamic growth and productivity of American companies over many decades is a result of the efficiency of our broad, public markets in raising capital for their needs. The jobs of millions of Americans, as well as the health of our economy as a whole, depends upon the continued vigor of these markets in serving the capital needs of our companies.

Just as important, millions of Americans rely upon the fairness of these markets when they invest their savings, whether they are simply putting away funds for future purchases, for their children's education, or for their own retirement. They invest in our markets, and make their funds available for American industry, because they have confidence—not that they will be protected from all losses—but that the risks of losses will be fully disclosed, that all participants enter the markets on an even-handed basis, and that the markets as a whole are sound.

Our securities markets have changed dramatically in recent years, and some of the changes we see—while offering important opportunities for both businesses and investors—could affect the capital-raising process. Thus, the subcommittee has a special responsibility to examine these changes and ensure that the regulatory agencies and organizations have considered them and are equipped to meet them.

Senator HEINZ and I hope to draw upon the best minds in the private sector and in the respective regulatory agencies to work with the subcommittee in our review of the significant developments and trends in our capital markets. Through reports and papers prepared for the subcommittee, informal forums and hearings, we hope to generate creative thinking on the direction of our markets over the next decade, and the adequacy of current laws and the regulatory framework to oversee those markets. While some of our effort will be directed to legislative proposals, such as those requested by the SEC, we anticipate that the subcommittee's attention will also be broadly focused.

SEC resources and regulatory and enforcement tools

The subcommittee will begin with a hearing April 6 on the SEC's budget authorization request. As the agency with responsibility for protecting investors and ensuring the integrity of the markets, the SEC simply must have the resources to do its job. We, therefore, must evaluate whether our markets have expanded beyond the resources of our supervisory organizations and regulatory agencies and thus present risks that cannot be managed under current resources.

For example, from 1980 through 1987, annual trading on the Nation's stock exchanges increased 312 percent, volume on the options exchanges grew 215 percent, and trading on NASDAQ increased 466 percent. In this same period, the number of registered borker-dealers grew 80 percent, the number of registered representatives grew 135 percent, and the number of registered investment advisers and investment companies more than tripled. Within this remarkable period of growth, the number of documents filed with the SEC increased significantly. However, in terms of staff years, SEC resources have remained relatively stagnant.

Numbers do not tell the whole story, however. While the growth in activity

in the market is impressive, even more important has been the increase in the sophistication and complexity of the securities markets. New financing products and trading strategies, and enhancements in technology, mandate a regulatory staff that has the expertise and experience to keep pace with a rapidly changing marketplace.

There is no reason to believe this growth in the size and complexity of the securities market will abate. Consequently, the subcommittee, together with the agencies and organizations responsible for overseeing these markets, must carefully evaluate the personnel and other resource needs of the SEC.

In addition, at the April hearing and in future hearings or meetings with investor groups, the corporate community, securities industry officials and other experts, the subcommittee will have an opportunity to review the Commission's current regulatory policies. It is critical that the Commission have sufficient flexibility to protect investors and meet the needs of an evolving trading marketplace. During recent years, the SEC has undertaken a number of significant regulatory initiatives. However, the agency's authority is being challenged on a number of fronts, ranging from its promulgation of rules relating to shareholder disenfranchisement, to rules relating to the trading of new securities products.

The subcommittee also will have an opportunity to examine the effectiveness of the Commission's enforcement program and will consider whether additional authority or enforcement tools may be needed by the SEC to better carry out its investor protection responsibilities.

The evolution of new securities and securities-related instruments and trading strategies—post "crash" and other issues

Trading in financial futures began in 1975, and trading in the first stock index futures contract began only 7 years ago. Today, these instruments dominate trading on the futures exchanges. As the Presidential Task Force on Market Mechanisms reported in January of last year, the market for stock index futures and the market in the underlying stocks are inextricably linked. New trading strategies, such as "program trading" and the use of "portfolio insurance," have had a dramatic impact on our capital markets.

The futures market certainly is not the only source of new securities and securities-related instruments. Banks, insurance companies and other institutions continue to create new "hybrid" products. The securities industry itself is creating new securities instruments, ranging from "unbundled" stock units, to participation in "baskets" of stocks. The continued move toward securitization of assets, ranging from mortgages to car loans, promises still more benefits for borrowers, more flexibility for lenders, and more choices for investors. At the same time, this trend poses still greater challenges for those agencies and organizations with responsibility to oversee the expanding securities markets.

The subcommittee will consider these developments, beginning with an examination of some of the "post-crash" market reform legislation developed by the SEC. We intend to engage the SEC, other regulators, industry participants and experts from the financial and corporate communities, in a discussion of whether sufficient safeguards have been adopted to address future, major market disturbances. In additions, it appears that new product development will continue to raise jurisdictional tensions among regulators, resulting in a need for Congress to further examine these matters.

Globalization of the securities markets

Concurrent with the growth in trading volume and market participants, and the development of new instruments and trading strategies, the securities markets have expanded beyond our borders into a global, trading arena. Developments in information and communications technology have facilitated global trading, and the marketplace today extends beyond the supervision of any one market regulator. Undoubtedly, this trend poses increased challenges for domestic markets and our own investor protection standards.

From 1980 through 1987, the value of foreign trading in U.S. stocks grew 543 percent and U.S. trading in foreign stocks increased 950 percent. Our financial institutions have expanded into financial centers around the globe, just as foreign institutions have entered our market. Markets here and abroad have become increasingly interdependent, so that a failure in one market can quickly be felt in others. This trend also poses increased challenges in the enforcement of U.S. antifraud and other laws, when insider trading and other illegal activities are conducted offshore, beyond the reach of our law enforcement officials.

These developments also have implications for our own laws and regulations, as well as for American competitiveness. It is in our national interest to have a strong and vibrant securities industry. We want to consider how best to ensure the competitiveness of that industry, while at the same time providing investors the protections and fairness they have come to expect from our markets.

We anticipate that the subcommittee will explore these matters in future hearings. We will consider legislative proposals developed by the SEC to facilitate international enforcement efforts. In addition, we clearly should look beyond that specific legislation to issues such as the adequacy of clearance and settlement on an international level, the ability of regulators to coordinate market oversight, and the disparity in multinational disclosure and financial reporting requirements.

DEVELOPMENT IN CORPORATE PRACTICES

While State laws have an important role in governing corporate practices, the Federal securities laws and SEC regulation also have set many of the standards for the protection of shareholders in contests for corporate control, including proxy contests, hostile and friendly tender offers, and management leveraged buyouts. Innovations in acquisition techniques used by bidders, as well as innovations in "defensive" tactics used by corporate management, have prompted proposals to amend the Federal statutes governing tender offers and other acquisitions. In addition, many States have amended and sought the adoption of State statues to limit corporate acquisitions.

For a number of years, various committees of the Congress have considered legislation relating to corporate takeovers, and during the beginning months of this Congress, the attention has turned to leveraged buyouts, with hearings in a number of committees. I certainly agree that those hearings are in order and hope to learn a great deal from the record that has been established. But I also hope that the subcommittee can build upon that record to understand more broadly the evolution of contests for corporate control, so that our efforts will further the shareholder protection goals of the Federal securities laws, as well as the interests all of us have in seeing American companies that are well-managed and competitive over the long term. Senator HEINZ and I look forward to engaging some of the best minds in the corporate and financial communities, as well as investor groups, in a discussion of these issues.

INSTITUTIONALIZATON OF THE MARKETS; THE IMPACT OF PENSION FUNDS

The nature of the "shareholder" or "investor" has changed dramatically in recent years. While, at the time of adoption of the Securities Act in 1933 the individual investor was the typical shareholder, today, institutional trading dominates New York Stock Exchange issues and plays a smaller, but increasingly larger role in issues of smaller companies. The increase in participation by ERISA funds raises a new set of concerns related to the obligations of pension fund managers in deciding matters of corporate governance and other issues.

I believe these developments warrant the subcommittee's review. The trend toward an institutionally dominated market affects many other areas we will examine, from corporate governance, to questions of volatility in the marketplace, to changes in SEC

rules relating to disclosure requirements.

SPECIAL CONCERNS OF SMALL INVESTORS AND SMALL BUSINESSES RAISING CAPITAL

We must pay particular attention to developments that affect small investors. Following the events of October 1987, small investors left the market in large numbers, and many have not returned. There is a perception, if not a reality, that the markets are dominated by big institutions, or, alternatively, that they are rigged for the benefit of market professionals with an "inside" track. Many small investors have been lured into fraudulent "penny stock" offerings. Still others have been turning to those individuals and firms offering services as financial planners. The growth of the mutual fund industry may reflect some uncertainty on the part of individual investors about entering the market on their own.

Individual investors have always been, and should remain, an important part of our capital markets. Their presence has been significant in maintaining the liquidity of the market and has helped to ensure that small businesses can raise capital from a broad range of investors. This is an area I have talked about with State regulators and investor groups, and I am hopeful that it can be an important part of the subcommittee's securities agenda.

THE LEGISLATION

Mr. President, let me now turn to a brief discussion of the legislation we are introducing today.

THE INTERNATIONAL SECURITIES ENFORCEMENT COOPERATION ACT OF 1989

Mr. President, the International Securities Enforcement Cooperation Act of 1989 is designed to strengthen international cooperation in the enforcement of securities laws, so that U.S. investors will continue to be afforded the protection of our laws in an increasingly global trading environment. This proposal was submitted to Congress by the Securities and Exchange Commission on March 1 of this year, and we are introducing it at the request of the agency.

The legislation would further international cooperation among securities regulators by giving the Commission the authority to maintain the confidentiality of certain foreign evidence. The Commission has expressed concern that in the past, negotiations of bilateral assistance agreements have been frustrated by the agency's inability to assure foreign authorities that documents and testimony they transmit to the Commission will be kept confidential, as is often required under their resident laws. The Commission currently has disclosure obligations under the Freedom of Information Act and pursuant to third party subpoenas. This legislation would exempt documents furnished to the Commission from disclosure if the foreign authority represents that the disclosure of the documents would violate confidentiality requirements of its country's laws.

The bill also would make explicit the Commission's rulemaking authority to provide documents and other information to foreign and domestic authorities.

In addition, the bill would amend the Exchange Act, the Investment Advisers Act, and the Investment Company Act to authorize the Commission, based upon the findings of a foreign court or foreign securities authority, to censure, revoke the registration of, or impose employment restrictions upon securities professionals registered to do securities business in the United States. The Commission already has this authority as to illegal or improper activity in this country, and it has imposed limitations on activities of securities professionals based upon the findings of a foreign court as to certain illegal activity abroad. This bill would make this authority explicit, and would add to the Commission's authority as well. The legislation would give the Commission authority to suspend or bar securities professionals who have made false filings with foreign authorities; who have been convicted of certain crimes by foreign courts; who have been enjoined by a foreign court from committing securities law violations; who have violated foreign securities laws; or who have aided and abetted such violations.

The legislation also would expand the grounds on which a self-regulatory organization could deny a person membership in, participation in, or association with a member of, the SRO. It would permit the Commission and the SRO's to provide special scrutiny of persons who have been convicted of crimes that currently are not specified as grounds for denying a person membership, participation, or association, such as drug trafficking, assault, and other crimes.

Finally, the bill would permit the Commission to accept reimbursement from a foreign securities authority for travel and other expenses incurred by the Commission in carrying out investigations for that foreign authority.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a more detailed section-by-section analysis of the legislation, which was prepared by the Securities and Exchange Commission. I further ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 646

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "International Securities Enforcement Cooperation Act of 1989".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Release of records by the Commission.
Sec. 3. Sanctions against broker or dealer, associated person, or persons seeking association.
Sec. 4. Definition of foreign financial regulatory authority.
Sec. 5. Sanctions against investment advisers or persons associated or seeking association with a registered investment adviser or investment company.
Sec. 6. Definitions of foreign securities authority and foreign financial regulatory authority.
Sec. 7. Reimbursement of expenses incurred in an investigation undertaken at the request of a foreign securities authority.

SEC. 2. RELEASE OF RECORDS BY THE COMMISSION.

Section 24 of the Securities Exchange Act of 1934 (15 U.S.C. 78x) is amended—

(a) in subsection (b) by striking "Nothing in this subsection shall authorize the Commission to withhold information from the Congress."; and

(b) by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of law, the Commission may, in its discretion and upon a showing that such information is needed, provide all 'records' (as defined in subsection (a)) and other information in its possession to such persons, both domestic and foreign, as the Commission by rule deems appropriate if the person receiving such records or information provides such assurances of confidentiality as the Commission deems appropriate.

"(d) Notwithstanding the provisions of Section 552 of title 5, United States Code, popularly referred to as the Freedom of Information Act, or of any other law, the Commission shall not be compelled to disclose records obtained from a foreign securities authority if the foreign securities authority has in good faith represented to the Commission that public disclosure of such records would be contrary to the laws applicable to that foreign securities authority.

"(e) Nothing in this section shall—

"(1) alter the Commission's responsibilities under the Right to Financial Privacy Act, (12 U.S.C 3401 *et seq.*), as limited by Section 21(h) of the Securities Exchange Act, (15 U.S.C. 78u(h)), with respect to transfers of records covered by such statutes, or

"(2) authorize the Commission to withhold information from the Congress or prevent the Commission from complying with an order of a court of the United States in an action commenced by the United States or the Commission."

SEC. 3. SANCTIONS AGAINST BROKER OR DEALER, ASSOCIATED PERSONS, OR PERSONS SEEKING ASSOCIATION.

(a) AUTHORITY OF THE COMMISSION TO SANCTION BROKERS AND DEALERS FOR FOREIGN VIOLATIONS.—Section 15(b) (15 U.S.C. 78o(b)) of the Securities Exchange Act of 1934 is amended—

(1) in paragraph (4)(B), by inserting after "misdemeanor" the following: "or has been convicted within ten years of a substantially

equivalent crime by a foreign court of competent jurisdiction";

(2) in paragraph (4)(B)(i), by inserting after "burglary," the following: "any substantially equivalent activity however denominated by the laws of the relevant foreign government";

(3) in paragraph (4)(B)(ii)—

(A) by inserting after "transfer agent," the following: "foreign person performing a function substantially equivalent to any of the above,";

(B) by inserting after "(7 U.S.C. 1 *et seq.*)" the following: "or any substantially equivalent foreign statute or regulation";

(4) in paragraph (4)(B)(iii), by inserting after "securities," the following: "or substantially equivalent activity however denominated by the laws of the relevent foreign government,";

(5) in paragraph (4)(B)(iv), by inserting after "United States Code" the following: ", or a violation of a substantially equivalent foreign statute.";

(6) in paragraph (4)(C)—

(A) by inserting after "transfer agent," "foreign person performing a function substantially equivalent to any of the above,";

(B) by inserting after "Commodity Exchange Act" each time it appears, "or any substantially equivalent foreign statute or regulation"; and

(C) by inserting after "insurance company," "foreign entity substantially equivalent to any of the above,"; and

(7) by inserting after subparagraph (F) of paragraph 4 the following:

"(G) has been found by a foreign financial regulatory authority to have—

"(i) made or caused to be made in any application for registration or report required to be filed with a foreign financial regulatory authority, or in any proceeding before a foreign financial regulatory authority with respect to registration, any statement that was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any application or report to the foreign financial regulatory authority any material fact that is required to be stated therein;

"(ii) violated any foreign statute or regulation regarding transactions in securities, or contracts of sale of a commodity for future delivery, traded on or subject to the rules of a contract market or any board of trade;

"(iii) aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of any statutory provisions enacted by a foreign government, or rules or regulations thereunder, empowering a foreign financial regulatory authority regarding transactions in securities, or contracts of sale of a commodity for future delivery, traded on or subject to the rules of a contract market or any board of trade, or has been found, by a foreign financial regulatory authority, to have failed reasonably to supervise, with a view to preventing violations of such statutory provisions, rules, and regulations, another person who commits such a violation, if such other person is subject to his supervision."

(b) EXTENSION OF DEFINITION OF STATUTORY DISQUALIFICATION TO INCLUDE FOREIGN VIOLATIONS.—Section 3(a)(39) of such Act (15 U.S.C. 78c(a)(39)) is amended—

(1) in subparagraph (A)—

(A) by inserting after "self-regulatory organization," the following: "foreign equivalent of a self-regulatory organization, foreign or international securities exchange,"; and

(B) by inserting after both "(7 U.S.C. 7)," and "(7 U.S.C. 21),", the following: "or any substantially equivalent foreign statute or regulation,";

(C) by inserting after "contract market", the following: "or foreign equivalent";

(2) in subparagraph (B)—

(A) by striking "Commission or other appropriate regulatory agency" and inserting "Commission, other appropriate regulatory agency, or foreign financial regulatory authority";

(B) by inserting after "government securities dealer," the first place it appears, the following: "or limiting his activities as a foreign person performing a function substantially equivalent to any of the above,";

(C) by inserting after "government securities dealer," the second place it appears, the following: ", or foreign person performing a function substantially equivalent to any of the above,";

(D) by striking the semicolon and inserting the following: ", or is subject to an order by a foreign financial regulatory authority denying, suspending, or revoking the person's authority to engage in transactions in contracts of sale of a commodity for future delivery or other instruments traded on or subject to the rules of a contract market, board of trade, or foreign equivalent thereof;".

(3) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively;

(4) by inserting after subparagraph (C) the following:

"(D) by his conduct while associated with any broker, dealer, municipal securities dealer, government securities broker, government securities dealer, or any other entity engaged in transactions in securities, or while associated with an entity engaged in transactions in contracts of sale of a commodity for future delivery or other instruments traded on or subject to the rules of a contract market, board of trade, or foreign equivalent thereof, has been found to be a cause of any effective suspension expulsion, or order by a foreign or international securities exchange or foreign financial regulatory authority empowered by a foreign government to administer or enforce its laws relating to financial transactions as described in subparagraph (A) or (B) of this paragraph;";

(5) in subparagraph (E) (as redesignated by paragraph (3) of this subsection) by striking "(A), (B), or (C)" and inserting "(A), (B), (C), or (D)".

(6) in subparagraph F (as redesignated) by striking "(D) or (E)" and inserting in lieu thereof "(D), (E), or (G)" and by inserting after "such paragraph (4)" the first place it appears the following: "or any other felony".

(c) CONFORMING AMENDMENTS.—The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended—

(1) in sections 15(b)(6), 15B(c)(2), 15B(c)(4), 15C(1)(A), 15C(c)(1)(c), 17A(c)(3)(A), and 17A(c)(3)(C), by striking "(A), (D), or (E)" and inserting "(A), (D), (E), or (G)"; and

(2) in section 15C(f)(2), by striking "or the rules or regulations under any such other provision" and inserting "the rules of regulations under any such other provision, or investigations pursuant to section 21(a)(2) of this title to assist a foreign securities authority.".

SEC. 4. DEFINITION OF FOREIGN FINANCIAL REGULATORY AUTHORITY.

Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)), is further, amended by adding at the end thereof the following new paragraph:

"(51) The term 'foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade, or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate participation of its members in activities listed above."

SEC. 5. SANCTIONS AGAINST INVESTMENT ADVISERS OR PERSONS ASSOCIATED OR SEEKING ASSOCIATION WITH A REGISTERED INVESTMENT ADVISER OR INVESTMENT COMPANY.

(a) INVESTMENT COMPANY ACT OF 1940.—Section 9(b) of the Investment Company Act of 1940 (15 U.S.C. 80a-9(b)) is amended—

(1) by striking "or" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting a semicolon; and by inserting after paragraph (3) the following:

"(4) has been found by a foreign financial regulatory authority to have—

"(A) made or caused to be made in any application for registration or report required to be filed with a foreign securities authority, or in any proceeding before a foreign securities authority with respect to registration, any statement that was at the time and in light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any application or report to a foreign securities authority any material fact that is required to be stated therein;

"(B) violated any foreign statute or regulation regarding transactions in securities or contracts of sale of a commodity for future delivery traded on or subject to the rules of a contract market or any board of trade;

"(C) aided, abetted, counseled, commanded, induced, or procured the violation by any other person of any foreign statute or regulation regarding transactions in securities or contracts of sale of a commodity for future delivery traded on or subject to the rules of a contract market or any board of trade;

"(5) within ten years has been convicted by a foreign court of competent jurisdiction of a crime, however denominated by the laws of the relevant foreign government, that is substantially equivalent to an offense set forth in paragraph (1) of subsection (a); or

"(6) by reason of any misconduct, is temporarily or permanently enjoined by any foreign court of competent jurisdiction from acting in any of the capacities, set forth in paragraph (2) of subsection (a), or a substantially equivalent foreign capacity, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security."

(b) INVESTMENT ADVISERS ACT OF 1940.—Section 203(e) of the Investment Advisers

Act of 1940 (15 U.S.C. 80b-3(e)) is amended—

(1) in paragraph (2) by inserting after "misdemeanor" the following: "or has been convicted within ten years of a substantially equivalent crime by a foreign court of competent jurisdiction";

(2) in paragraph (2)(A), by inserting after "burglary," the following: "any substantially equivalent activity however denominated by the laws of the relevant foreign government,";

(3) in paragraphs (2)(B) and (3)—

(A) by inserting after "transfer agent" the following: "foreign person performing a function substantially equivalent to any of the above,"; and

(B) after "Commodity Exchange Act" each place it appears, the following: "or any substantially equivalent statute or regulation";

(4) in paragraph (2)(C), by inserting after "securities" the following: "or substantially equivalent activity however denominated by the laws of the relevant foreign government";

(5) in paragraph (2)(D) by inserting after "United States Code" the following: ", or a violation of a substantially equivalent foreign statute";

(6) in paragraph (3)—

(A) by inserting after "court of competent jurisdiction" the following: ", including any foreign court of competent jurisdiction,"; and

(B) by inserting after "insurance company," the following: "foreign entity substantially equivalent to any of the above,";

(7) in paragraph (5), by inserting after "this title," the following: "the Commodity Exchange Act,";

(8) by inserting after paragraph (6) the following new paragraph:

"(7) has been found by a foreign financial regulatory authority to have—

"(A) made or caused to be made in any application for registration or report required to be filed with a foreign securities authority, or in any proceeding before a foreign securities authority with respect to registration, any statement that was at the time and in light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any application or report to a foreign securities authority any material fact that is required to be stated therein;

"(B) violated any foreign statute or regulation regarding transactions in securities or contracts of sale of a commodity for future delivery traded on or subject to the rules of a contract market or any board of trade;

"(C) aided, abetted, counseled, commanded, induced, or procured the violation by any other person of any foreign statute or regulation regarding transactions in securities or contracts of sale of a commodity for future delivery traded on or subject to the rules of a contract market or any board of trade, or has been found, by the foreign financial regulatory authority, to have failed reasonably to supervise, with a view to preventing violations of statutory provisions, and rules and regulations promulgated thereunder, another person who commits such a violation, if such other person is subject to his supervision."

(c) CONFORMING AMENDMENT.—Section 203(f) of the Investment Advisors Act of 1940 (15 U.S.C. 80b-3(f)) is amended by striking "paragraph (1), (4), or (5)" and inserting "paragraph (1), (4), (5), or (7)".

SEC. 6. DEFINITIONS OF FOREIGN SECURITIES AUTHORITY AND FOREIGN FINANCIAL REGULATORY AUTHORITY.

(a) INVESTMENT COMPANY ACT OF 1940.—Section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)) is amended by inserting after paragraph (48) the following:

"(49) 'Foreign securities authority' means any foreign government or any governmental body or regulatory organization empowered by a foreign government to administer or enforce its laws as they relate to securities matters.

"(50) 'Foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for further delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above."

(b) INVESTMENT ADVISORS ACT OF 1940.—Section 202(a) of the Investment Advisors Act of 1940 (15 U.S.C. 80b-2(a)) is amended by inserting after paragraph (22) the following:

"(23) 'Foreign securities authority' means any foreign government, or any governmental body or regulatory organization empowered by a foreign government to administer or enforce its laws as they relate to securities matters.

"(24) 'Foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate participation of its members in activities listed above."

SEC. 7. REIMBURSEMENT OF EXPENSES INCURRED IN AN INVESTIGATION UNDERTAKEN AT THE REQUEST OF A FOREIGN SECURITIES AUTHORITY.

Section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78d(c)) is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any other provision of law, the Commission may accept payment and reimbursement, in cash or in kind, from a foreign securities authority, or made on behalf of such authority, for necessary expenses incurred by the Commission, its members, and employees in carrying out any investigation pursuant to section 21(a)(2) of this title or in providing any other assistance to a foreign securities authority. Any payment or reimbursement accepted shall be considered a reimbursement to the appropriated funds of the Commission."

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED LEGISLATION—THE INTERNATIONAL SECURITIES ENFORCEMENT COOPERATION ACT OF 1989

Section 2.—Section 2 of the Act amends Section 24 of the Exchange Act by adding new subsections authorizing the Commission to withhold from disclosure documents furnished to the Commission by foreign securities officials upon certain conditions.

Section 2(a).—Section 2(a) is an amendment necessitated by the scheme of amended Section 24 of the Exchange Act, to which the Act adds several subsections. It strikes from Section 24(b) the sentence, "Nothing in this subsection shall authorize the Commission to withhold information from the Congress." That sentence becomes part of new Section 24(e) of the Exchange Act under Section 2(b) of the Act.

Section 2(b).—Section 2(b) adds new subsections (c), (d), and (e) to Section 24 of the Exchange Act. New Section 24(c) clarifies the Commission's authority to provide records, as defined in Section 24(a) of the Exchange Act, in its discretion and upon a showing that the information is needed, to any persons deemed appropriate by the Commission by rule. The subsection conditions this discretionary authority on the person receiving the information assuring its confidentiality as the Commission deems appropriate. Section 2(b) of the Act also adds new Section 24(d) to the Exchange Act. Section 24(d) states that notwithstanding the provisions of the Freedom of Information Act or of any other law, the Commission shall not be compelled to disclose records obtained from a foreign securities authority, if the foreign authority has in good faith represented to the Commission that public disclosure of such records would be contrary to the laws applicable to that foreign securities authority. This amendment will allow the Commission to obtain otherwise unobtainable confidential documents from foreign countries for law enforcement purposes. New Section 24(e) clarifies that nothing in Section 24 authorizes the Commission to withhold information from Congress or not to comply with an order of a United States court in an action initiated by the United States or the Commission. It also clarifies that this section does not alter the Commission's responsibilities under the Right to Financial Privacy Act, 12 U.S.C. 3401 *et seq.*, as limited by Section 21(h) of the Exchange Act, with respect to transfers of records covered by these statutes.

Section 3.—Section 3 of the Act amends the Exchange Act to authorize the Commission to impose sanctions on brokers or dealers, their associated persons, and individuals seeking to become associated persons of brokers or dealers on the basis of misconduct in a foreign country.

Section 3(a).—Section 3(a) of the Act amends Section 15(b) of the Exchange Act, the Exchange Act's registration provision. Subsection (a)(1) provides for Commission censure of, limitations on the activities of or revocation or suspension of the registration of brokers or dealers, based upon a conviction within ten years rendered by a foreign court of competent jurisdiction of a crime which is substantially equivalent to a felony or misdemeanor as provided by Section 15(b)(4)(B). The Act thus clarifies the Commission's authority to consider offenses from foreign jurisdictions that might not classify crimes formally as felonies or misdemeanors, *e.g.*, non-common law jurisdiction.

Section 15(b)(4)(B)(i) lists offenses involving the purchase or sale of any security, the taking of a false oath, the making of a false report, bribery, perjury, burglary, or conspiracy to commit any such offense as within the class of felonies and misdemeanors that permit the Commission to sanction brokers or dealers. Subsection (a)(2) of the Act amends this provision by including within this list any substantially equivalent activity, however denominated by the laws of a foreign government. The Act therefore clarifies the Commission's authority to consider such activities even if the foreign government does not denominate them as precisely the same offenses that they constitute within the United States.

Section 15(b)(4)(B)(ii) also allows the Commission to consider offenses arising out of the conduct of various securities-related businesses, including the business of a broker, dealer, municipal securities dealer, government securities broker, government securities dealer, investment adviser, bank, insurance company, fiduciary, or transfer agent. Subsection (a)(3)(A) of the Act amends Section 15(b)(4)(B)(ii) by including any substantially equivalent activity, however denominated by the laws of a foreign government. The Act accordingly clarifies the Commission's authority to consider such offenses regardless of the employment terms involved, which may differ in foreign countries. Section 15(b)(4)(B)(ii) also permits the Commission to consider offenses arising out of the conduct of the business of an entity or person required to be registered under the Commodity Exchange Act (7 U.S.C. 1 et seq.). Subsection (a)(3)(B), therefore, also amends Section 15(b)(4)(B)(ii) by including any equivalent foreign statute or regulation. The Act thus clarifies the Commission's authority to consider foreign offenses arising out of the commodities trading business.

Section 15(b)(4)(B)(iii) includes larceny, theft, robbery, extortion, forgery, counterfeiting, fraudulent concealment, embezzlement, fraudulent conversion, and misappropriation of funds or securities within the list of offenses that trigger Commission sanctions. Subsection (a)(4) of the Act adds any substantially equivalent activity, however donominated by the laws of a foreign government.

Section 15(b)(4)(B)(iv) of the Exchange Act includes violations of Sections 152, 1341, 1342, or 1343 or Chapter 25 or 47 of Title 18 of the U.S. Code within the list of offenses that the Commission may consider. These provisions concern concealment of assets, false oaths and claims, and bribery in connection with bankruptcy; mail fraud; wire fraud; counterfeiting and forgery; and fraud and false statements, respectively. Subsection (a)(5) amends Section 15(b)(4)(B)(iv) by including a violation of a substantially equivalent foreign statute.

Section 15(b)(4)(C) also empowers the Commission to impose sanctions on the basis of permanent or temporary injunctions against acting in the securities-related or commodities-related capacities enumerated in Section 15(b)(4)(B)(ii) and against engaging in or continuing any conduct or practice in connection with such activity or in connection with the purchase or sale of any security. Section (a)(6)(A) amends Section 15(b)(4)(C) by including foreign persons performing substantially equivalent functions, and subsection (a)(6)(C) includes substantially equivalent foreign entities. The Act thereby clarifies the Commission's authority on this point in the same way and for the same reasons as subsection (a)(3)(A). Subsection (a)(6)(B) amends Section 15(b)(4)(C) by including any foreign statute or regulation substantially equivalent to the Commodity Exchange Act, thus clarifying the Commission's authority with the same basis and purpose as subsection (a)(3)(B).

Subsection (a)(7) adds new Section 15(b)(4)(G) to the Exchange Act. Subparagraph (G) empowers the Commission to base sanctions on findings by a foreign securities authority of (1) false or misleading statements in registration or reporting materials filed with the foreign securities authority, (2) violations of statutory provisions concerning securities or commodities transactions, or (3) aiding, abetting, or otherwise causing another person's violation of such foreign securities or commodities provisions, or failing to supervise a person who has committed such a violation. Subparagraph (G) substantially parallels the provisions of existing Sections 15(b)(4) (A), (D), and (E) concerning such findings by the Commission or other securities and commodities regulatory authorities.

Section 3(b).—Section 3(b) of the Act amends Section 3(a)(39) of the Exchange Act, which concerns statutory disqualification from self-regulatory organization ("SRO") membership. Under the present statutory and regulatory scheme, a person subject to statutory disqualification is not excluded automatically from the securities business. However, when such a person seeks to become associated with a member of an SRO, that SRO and the Commission have the opportunity, under Section 15A(g)(2) of the Exchange Act and Rule 19h-1 thereunder, to give special review to the person's employment application or to restrict or prevent reentry into the business where appropriate for the protection of investors. This structural use of statutory disqualification does not change with the Act's amendments. Rather, the amendments expand, by incorporation, the list of findings that result in statutory disqualification.

Section 3(b)(1) of the Act amends Section 3(a)(39)(A), which now lists expulsion or suspension from membership or participation in, or association with a member of, an SRO, commodity contract market, or futures association as resulting in statutory disqualification, to include exclusion in the described manner from the foreign equivalent of an SRO, foreign or international securities exchange, or a foreign contract market, board of trade, or futures association.

Similarly, Section 3(b)(2) amends Section 3(a)(39)(B) by expanding it. It currently refers to orders of the Commission or another appropriate regulatory agency suspending or revoking registration as a broker, dealer, municipal securities dealer, or government securities dealer or broker. The amendments to Section 3(a)(39) apply to brokers, dealers, municipal securities dealers, government securities brokers, and government securities dealers of any nationality, because these terms are defined in Exchange Act Sections 3(a)(4), 3(a)(5), 3(a)(30), 3(a)(43), and 3(a)(44) without reference to nationality. Under Section 3(b)(2), orders by an appropriate foreign financial regulatory authority denying, suspending, or revoking authority to engage in transactions in contracts of sale of a commodity for future delivery traded on or subject to the rules of a contract market, board of trade, or foreign equivalent also will result in statutory disqualification.

Section 3(b)(3) redesignates subparagraphs (D) and (E) of Section 3(a)(39) as subparagraphs (E) and (F), respectively. Section 3(b)(4) adds new subparagraph (D), which includes among the conditions that result in statutory disqualification findings by a foreign or international securities exchange, foreign securities authority, or other foreign authority empowered by a foreign government to administer or enforce its laws relating to financial transactions, to the effect that an individual, by his conduct, was a cause of a suspension, expulsion, or order by the foreign securities authority or other foreign financial regulator or administrator.

Sections 3(b) (5) and (6) of the Act make conforming amendments in newly redesignated subparagraphs (E) and (F) of Section 3(a)(39) of the Exchange Act, adding references to new Sections 3(a)(39)(D) and 15(b)(4)(G) of the Exchange Act, respectively. In addition, under the Act, subparagraph (F), which by cross reference to Section 15(b)(4) of the Exchange Act makes persons convicted of specified felonies and misdemeanors subject to statutory disqualification, adds "any other felony" to the list of crimes that warrant special review. This provision permits the Commission and the SROs to provide special scrutiny of persons who have been convicted of crimes that are not currently specified, such as taking of property, assault, murder, and drug trafficking. This amendment does not automatically exclude every person convicted of a felony from the securities business. Rather, it permits SROs, subject to Commission review, to consider the facts and circumstances surrounding a particular felony and to impose necessary safeguards to protect the markets and investors from unreasonable risks.

Section 3(c).—Section 3(c) of the Act makes conforming amendments. It amends Section 15(b)(6) of the Exchange Act, which authorizes the Commission to censure, limit the activities of, or bar or suspend from association with a broker or dealer any person who has committed or ommitted any act or omission enumerated in subparagraphs (A), (D), or (E), has been convicted of any offense enumerated in subparagraph (B), or has been enjoined as specified in subparagaph (C). By adding to Section 15(b)(6) findings by a foreign securities authority under new subparagraph (G), Section 3(c) authorizes the Commission to consider such findings when imposing sanctions upon persons who are, or who seek to become, associated persons of a broker or dealer.

Section 3(c) similarly amends Sections 15B(c)(2), 15B(c)(4), 15C(1)(A), 15C(c)(1)(C), 17A(c)(3)(A), and 17A(c)(3)(C) of the Exchange Act by adding new subparagraph 15(B)(4)(G) as a basis for Commission action under those provisions.

Sections 15B(c) (2) and (4), which concern the Commission's disciplinary authority over municipal securities dealers and their associated persons, and which parallel Sections 15(b) (4) and (6), are amended to include a reference to new Section 15(b)(4)(G). Findings of misconduct by a foreign securities authority thus can support Commission sanctions against municipal securities dealers and their associated persons.

Sections 15C)(c)(1) (A) and (C), which concern the Commission's sanctioning authority over government securities brokers and dealers and their associated persons, and which also parallel Sections 15(b) (4) and (6), are amended to include a reference to new Section 15(b)(4)(G), for the same reason as above.

Sections 17A(c)(3) (A) and (C), which concern the Commission's sanctioning authority over transfer agents and their associated persons, and which further parallel Sections 15(b) (4) and (6), are amended to include a reference to new Section 15(b)(4)(G) for the same reason.

Section 15C(f)(2) of the Exchange Act currently forbids the Commission from investigating or taking any other action under the Exchange Act against a government securities broker or dealer or its associated persons for violations of Section 15C or the rules or regulations thereunder. The exception is where the Commission, rather than one of the banking regulators (Comptroller of the Currency for national banks, Board of Governors of the Federal Reserve System for state member banks, Federal Deposit Insurance Corporation for insured nonmember state banks, and Federal Home Loan Bank Board for federally insured savings and loan associations), is the appropriate regulatory agency for the government securities broker or dealer. Section 15C(f)(2), by its own terms, also does not limit the Commission's authority with respect to violations of any other provisions of the Exchange Act or of corresponding rules or regulations. Section 6(c) of the Act extends this exception by forbidding limitations on investigations pursuant to Section 21(a)(2) of the Exchange Act to assist a foreign securities authority.

Section 4.—In order to ensure that orders of any regulatory body, foreign or domestic, with authority to suspend or revoke registration or its equivalent are available to the Commission, Section 4 of the Act adds a new definition of the term "foreign financial regulatory authority," as Section 3(a)(51) of the Exchange Act. A "foreign financial regulatory authority" is defined to include any foreign securities authority, which is defined in Section 3(a)(50) of the Exchange Act; governmental or regulatory bodies empowered to administer or enforce laws relating to enumerated financial matters; and membership organizations that regulate members' participation in financial matters. Pursuant to the Act's amendments to Section 3(a)(39) of the Exchange Act, orders of foreign financial regulatory authorities are deemed sufficient to result in "statutory disqualification," as will such an order limiting registration of the foreign equivalent of any of the enumerated entities.

Section 5.—Section 5 of the Act makes parallel amendments to the Investment Company Act of 1940 ("1940 Act") and the Investment Advisers Act of 1940 ("Advisers Act") to clarify and strengthen violations of foreign law, on investment advisers or on persons associated or seeking to become associated with an investment adviser or a registered investment company.

Section 5(a).—Section 5(a) of the Act amends Section 9(b) of the 1940 Act. Section 9(a) of the 1940 Act generally prohibits a person convicted of a felony or misdemeanor involving securities or the securities business or subject to a temporary or permanent injunction restricting his ability to engage in the securities business from serving as an employee, officer, director, member of an advisory board, investment adviser, or depositor of any registered investment company, or principal underwriter for any registered open-end company, unit investment trust, or face-amount certificate company. The automatic statutory disqualification in Section 9(a) is supplemented by the Commission's authority under Section 9(b). Under Section 9(b), the Commission may, after notice and opportunity for hearing, prohibit a person from serving in any of the capacities cited in Section 9(a) or as an affiliated person of a registered investment company's investment adviser, depositor, or principal underwriter if the person has willfully caused a false or misleading statement to be made in any registration statement, application, or report filed with the Commission or if the person has willfully violated or willfully aided and abetted a violation of any provision (including rules and regulations) of the federal securities laws or the Commodity Exchange Act.

In an amendment parallel to Sections 3(a)(7) and 5(b)(8) of the Act, Section 9(b) is amended to add a new paragraph (4) that will authorize the Commission to restrict the activities of any person that has been found by a foreign authority to have (1) made any false or misleading statement in an application or report filed with a foreign securities authority or in a proceeding before the foreign securities authority, or (2) violated or aided and abetted the violation of foreign securities or commodities statutes. Paragraph (4) will therefore, parallel the provisions of paragraphs (1), (2), and (3) of Section 9(b), and extend the statute to equivalent foreign violations.

Section 9(b) also is amended to add two new provisions, Sections 9(b)(5) and 9(b)(6), that will allow the Commission by order to prohibit a person from serving in any of the designated capacities if the person has been convicted by a foreign court of any of the offenses designated in Section 9(a)(1) or has been enjoined by a foreign court in a manner set forth in Section 9(a)(2). Sections 9(a) (1) and (2) automatically disqualify anyone who within the past 10 years has been convicted of any felony or misdemeanor involving, or is subject to a permanent or temporary injunction relating to, acting as an underwriter, broker, dealer, investment adviser, municipal securities dealer, or entity or person required to be registered under the Commodity Exchange Act, or as an affiliated person, salesman, or employee of any investment company, bank, insurance company, or entity or person required to be registered under the Commodity Exchange Act, or in connection with the purchase of sale of any security. Although a conviction or injunction under Section 9(a) (1) or (2) results in an automatic statutory disqualification, a substantially equivalent foreign conviction or injunction would not. However, a substantially equivalent foreign finding will provide a basis for a Commission order prohibiting the individual's association with a registered investment company in any of the capacities designated in the statute. The automatic disqualification provisions of Section 9(a), coupled with the Commission's exemptive authority under Section 9(c) to avoid any inequitable results, are indispensable means of safeguarding the integrity of registered investment companies. The amended Section 9(b) does not automatically bar a person solely on the basis of a foreign finding of a violation of foreign law without any prior notice or opportunity for hearing by a U.S. court or adminstrative agency. Instead, amended Section 9(b) provides that the Commission may impose a bar on a case-by-case basis if it determines that the foreign finding justifies such a sanction. The amendment does not create competitive disparities because, just as Section 9(a) applies equally to U.S. and foreign persons that have been convicted or enjoined in a manner specified in the statute, Section 9(b), as amended, grants the Commission authority to institute an administrative proceeding against either a U.S. or foreign person that has committed an equivalent foreign violation and has been sanctioned by a foreign authority.

Section 5(b).—Section 5(b) of the Act amends Section 203(e) of the Advisers Act. Section 203(e) authorizes the Commission to censure, place limitations on the activities of, suspend for up to twelve months, or revoke the registration of an investment adviser where the adviser or an associated person of the adviser has committed, or has been sanctioned for, certain specified violations. Section 5(b) of the Act amends Section 203(e) to include, among the factors that the Commission may consider, violations of foreign law that are substantially equivalent to a violation currently set forth in the statute.

Subsection 203(e)(2) of the Advisers Act authorizes the Commission to consider convictions within the past ten years of certain felonies and misdemeanors. Section 5(b)(1) of the Act amends this section to include convictions by a foreign court of competent jurisdiction of crimes substantially equivalent to a felony or misdemeanor. The Act thus clarifies the Commission's authority to consider foreign criminal findings that the foreign jurisdiction may not classify as a "felony" or "misdemeanor."

Section 203(e)(2)(A) of the Advisers Act lists offenses involving the purchase or sale of any security, the taking of a false oath, the making of a false report, bribery, perjury, burglary, or conspiracy to commit any such offense as within the class of felonies and misdemeanors that authorize the Commission to discipline investment advisers. Section 5(b)(2) of the Act amends Section 203(e)(2)(A) by including within this list any substantially equivalent activity, however denominated by the laws of a foreign government.

Section 203(e)(2)(B) of the Advisers Act authorizes the Commission to consider offenses arising out of the conduct of various securities-related businesses. Included is any broker, dealer, municipal securities dealer, government securities broker, government securities dealer, investment adviser, bank, insurance company, fiduciary, transfer agent, or entity or person required to be registered under the Commodity Exchange Act. Subsection 5(b)(3) of the Act amends Sections 203(e)(2)(B) and (e)(3) to include offenses arising out of the conduct of any foreign person performing a function substantially equivalent to any of the above.

Section 203(e)(2)(C) of the Advisers Act includes larceny, theft, robbery, extortion, forgery, counterfeiting, fraudulent concealment, embezzlement, fraudulent conversion, and misappropriation of funds or securities within the list of offenses that may trigger Commission sanctions. Section 5(b)(4) of the Act adds any substantially equivalent offense, however denominated by the laws of a foreign government.

Section 203(e)(2)(D) of the Advisers Act includes violations of Sections 152, 1341, 1342, or 1343 or Chapter 25 or 47 of Title 18 of the U.S. Code within the list of offenses that the Commission may consider. These provisions concern concealment of assets, false oaths and claims, and bribery in connection with bankruptcy; mail fraud; wire fraud; counterfeiting and forgery; and fraud and false statements, respectively. Section 5(b)(5) of the Act amends Section 203(e)(2)(D) to include a violation of a substantially equivalent foreign statute.

Section 203(e)(3) of the Advisers Act authorizes the Commission to impose sanctions where an investment adviser or associated person has been enjoined from acting as an investment adviser, underwriter, broker, dealer, municipal securities dealer, government securities broker, government securities dealer, or entity or person required to be registered under the Commodity Exchange Act, or as an affiliated person or employee of any investment company, bank or insurance company or entity or person required to be registered under the Commodity Exchange Act, or from engaging in any practice in connection with any of these activities or in connection with the purchase or sale of any security. Sections 5(b)(3) and 5(b)(6) of the Act amend Advisers Act Section 203(e)(3) to include injunctions issued by any foreign court of competent jurisdiction that concern substantially equivalent activities.

Section 5(b)(7) of the Act is a technical amendment to Section 203(e)(5) of the Advisers Act. Section 203(e)(5) is amended to include violations of the Commodity Exchange Act. This technical amendment conforms Section 203(e)(5) with Section 203(e)(4) of the Advisers Act and Sections 15(b)(4)(D) and 15(b)(4)(E) of the Exchange Act.

Section 5(b)(8) of the Act adds new Section 203(e)(7) to the Advisers Act. This new subsection empowers the Commission to base sanctions on findings by a foreign financial regulatory authority of (1) false or misleading statements in registration or reporting materials filed with a foreign securities authority, (2) violations of statutory provisions concerning securities or commodities transactions, or (3) aiding, abetting, or otherwise causing another person's violation of such foreign securities or commodities provisions, or failing to supervise a person who has committed such a violation. Subsection (e)(7) substantially parallels the provisions of existing Section 203(e)(1), (4) and (5) concerning such findings by the Commission or other securities and commodities regulatory authorities. This section of the Act parallels Sections 3(a)(7) and 5(a) of the Act, which adds Subsection 15(b)(4)(7) and 5(a) of the Act, which add Subsection 15(b)(4)(7) of the Exchange Act and Section 9(b)(4) of the 1940 Act.

Section 5(c).—Section 5(c) of the Act amends Section 203(f) of the Advisors Act, which authorizes the Commission to impose sanctions upon persons associated or seeking to become associated with an investment adviser if the person has committed or omitted any act or omission set forth in Sections 203(e)(1), (4) or (5) or has been convicted or enjoined as set forth in Sections 203(e)(2) or 203(e)(3). Section 203(f) is amended to include a reference to new Section 203(e)(7), thus authorizing the Commission to consider such findings when imposing sanctions upon persons who are, or seek to become, associated with an investment adviser.

Section 6.—Section 6 amends Section 2(a) of the 1940 Act and Section 202(a) of the Advisers Act to include definitions of "foreign securities authority" and "foreign financial regulatory authority". These definitions are identical to the definitions of foreign securities authority in Section 21(a)(2) of the Exchange Act and the definition of foreign financial regulatory authority added by Section 4 of the Act.

Section 7.—Section 7 adds a new subsection (f) to Section 4 of the Exchange Act to authorize the Commission to accept reimbursement of expenses from or on behalf of foreign securities authorities for expenses incurred by the Commission in conducting investigations on their behalf or in providing other assistance. This new subsection is similar to subsection (c) of the section, which authorizes the Commission to accept reimbursement from private sources for the expenses incurred by Commission members and employees in attending meetings and conferences concerning the functions or activities of the Commission.●

By Mr. DODD (for himself and Mr. HEINZ) (by request):

S. 647. A bill to amend the Federal securities laws in order to provide additional enforcement remedies for violations of those laws; to the Committee on Banking, Housing, and Urban Affairs.

SECURITIES LAW ENFORCEMENT REMEDIES ACT

● Mr. DODD. Mr. President, the Securities Law Enforcement Remedies Act of 1989 is designed to strengthen the enforcement capabilities of the Securities and Exchange Commission and enable the Commission to tailor enforcement remedies more appropriate for particular facts and defendants. It was submitted to Congress by the Commission on January 18 of this year, and we are introducing it at the request of the agency.

This legislation in large measure builds upon the philosophy underlying the Insider Trading Sanctions Act and subsequent amendments to that act, which gave the Commission authority to seek civil penalties for insider trading violations. This legislation would authorize the Commission to request that Federal courts impose civil penalties for certain other violations of the Federal securities laws. In addition, it would authorize the Commission to impose civil penalties in certain administrative proceedings under the Securities Exchange Act of 1934, the Investment Company Act of 1940, and the Investment Advisers Act of 1940.

In addition to the civil penalty provisions, the proposal contains three other new enforcement remedies. It contains express authority to provide that Federal courts can, as ancillary relief in Commission injunctive actions, prohibit an individual from serving as an officer or director of any reporting company. It would permit the Commission to impose such a prohibition in its administrative proceedings under section 15(c)(4) of the Exchange Act, and it would give the SEC authority to bring administrative proceedings against officers and directors and principal stockholders for violations of the reporting provisions of section 16(a) of the Exchange Act.

In its memorandum in support of the legislation, the Commission stated that the legislation was based in large part upon the Commission's response to certain recommendations of the National Commission on Fraudulent Financial Reporting, known as the Treadway Commission. In addition, the Insider Trading and Securities Fraud Enforcement Act of 1988 directed the Commission to submit to Congress recommendations with respect to civil penalties and administrative fines.

The Commission has urged Congress to adopt this legislation on the basis that the additional sanctioning authority will enable the Commission to tailor enforcement remedies more precisely to particular facts, and thereby to maximize the effectiveness of its enforcement actions. In addition, the Commission has said the creation of more severe penalties would inject a greater general deterrence aspect into its enforcement program. The Commission currently believes that it does not have the flexibility in seeking or imposing civil money damages that several of the self-regulatory organizations have. Finally, the Commission has urged that, by giving it express authority to impose corporate bars and suspensions, the legislation would resolve any doubts about the propriety of this remedy, which has been obtained in Commission injunctive actions by consent.

Let me add that, while I believe the subcommittee should give serious attention to this proposal, I also believe we should proceed cautiously. New civil penalties alone will not solve the tremendous challenges before the SEC in an expanding, increasingly complicated trading environment. Commentators have raised questions about the breadth of the new remedies, particularly as they relate to corporate officials. Others suggest that these proposals could shift the emphasis of SEC enforcement efforts from a program primarily focused upon remedial action for the protection of investors, to one that is more punitive in nature. I invite, and look forward to, a full airing of these views.

I ask unanimous consent to insert in the RECORD at this point a more detailed section-by-section analysis of the legislation prepared by the SEC. I further ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 647

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; EFFECTIVE DATE.

(a) SHORT TITLE.—This Act may be cited as the "Securities Law Enforcement Remedies Act of 1989".

(b) TABLE OF CONTENTS.—

TITLE I—AMENDMENTS TO THE SECURITIES ACT OF 1933

Sec. 101. Authority of a court to prohibit persons from serving as officers and directors.

Sec. 102. Monetary penalties in civil proceedings.
TITLE II—AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934
Sec. 201. Amendments to section 15(c)(4).
Sec. 202. Enforcement of title.
Sec. 203. Monetary penalties in administrative proceedings.
Sec. 204. Conforming amendment to section 15B.
TITLE III—AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940
Sec. 301. Monetary penalties in administrative proceedings.
Sec. 302. Enforcement of title.
TITLE IV—AMENDMENTS TO THE INVESTMENT ADVISERS ACT OF 1940
Sec. 401. Monetary penalties in administrative proceedings.
Sec. 402. Enforcement of title.
Sec. 403. Conforming amendment to section 214.

(c) EFFECTIVE DATE.—The amendments made by this Act shall not apply to any conduct occurring before the date of the enactment of this Act.

TITLE I—AMENDMENTS TO THE SECURITIES ACT OF 1933

SEC. 101. AUTHORITY OF A COURT TO PROHIBIT PERSONS FROM SERVING AS OFFICERS AND DIRECTORS.

Section 20(b) of the Securities Act of 1933 (15 U.S.C. 77t(b)) is amended by inserting after the first sentence thereof the following: "In any proceeding under this subsection, the court may prohibit, conditionally or unconditionally, either permanently or for such period of time as it shall determine, any person found to have violated any provision of this title or any rule or regulation thereunder from acting as an officer or director of any issuer that has a class of securities registered pursuant to section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l) or that is required to file reports pursuant to subsection (d) of section 15 of such Act (15 U.S.C. 78o)."

SEC. 102. MONETARY PENALTIES IN CIVIL PROCEEDINGS.

Section 20 of the Securities Act of 1933 (15 U.S.C. 77t) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

"(c)(1) Whenever it shall appear to the Commission that any person has violated any provision of this title or the rules or regulations thereunder, the Commission may bring an action seeking to impose, and the court shall have jurisdiction to impose, based upon a finding of a violation, a civil penalty against such person. The amount of the penalty shall be determined by the court in light of the facts and circumstances. For each violation, the amount of the penalty shall not exceed the greater of (1) $100,000 for a natural person or $500,000 for any other person, or (2) the gross amount of pecuniary gain to such defendant as a result of the violation. The penalty shall be payable into the Treasury of the United States.

"(2) If a person upon whom a penalty is assessed under this subsection fails to pay such penalty within the time prescribed in the court's order, the Commission shall refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court.

"(3) The actions authorized by this subsection may be brought in addition to any other actions that the Commission or the Attorney General is entitled to bring. For purposes of section 22 of this title, actions under this subsection shall be actions to enforce a liability or a duty created by this title.".

TITLE II—AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934

SEC. 201. AMENDMENTS TO SECTION 15(C)(4).

Section 15(c)(4) of the Securities Act of 1934 (15 U.S.C. 78o(c)(4)) is amended—

(1) by striking ", or" the first time it appears; and

(2) by inserting after "15" the following: ", or subsection (a) of section 16"; and

(3) by adding at the end thereof the following: "In such an order, the Commission may also prohibit, conditionally or unconditionally, either permanently or for such period of time as it shall determine, any person found to have failed to comply or to have been a cause of the failure to comply from acting as an officer or director of any issuer that has a class of securities registered pursuant to section 12 of this title or that is required to file reports pursuant to subsection (d) of section 15 of this title, if the Commission finds that such prohibition is in the public interest.".

SEC. 202. ENFORCEMENT OF TITLE.

Section 21(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)) is amended to read as follows:

"(d)(1) Whenever it shall appear to the Commission that any person is engaged or is about to engage in acts or practices constituting a violation of any provision of this title, the rules or regulations thereunder, the rules of a national securities exchange or registered securities association of which such person is a member or a person associated with such member, the rules of a registered clearing agency in which such person is a participant, or the rules of the Municipal Securities Rulemaking Board, the Commission may in its discretion bring an action in the proper district court of the United States, the United States District Court for the District of Columbia, or the United States courts of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. In any proceeding under this paragraph, the court may prohibit, conditionally or unconditionally, either permanently or for such period of time as it shall determine, any person found to have violated any provision of this title or the rules and regulations thereunder from acting as an officer or director of any issuer that has a class of securities registered pursuant to section 12 of this title or that is required to file reports pursuant to subsection (d) of section 15 of this title. The Commission may transmit such evidence of acts or practices as may constitute a violation of any provision of this title or the rules or regulations thereunder to the Attorney General, who may, in his discretion, institute the necessary criminal proceedings under this title.

"(2) Whenever it shall appear to the Commission that any person has violated any provision of this title or the rules or regulations thereunder, other than by committing a violation subject to a penalty pursuant to section 21A, the Commission may bring an action seeking to impose, and the court shall have jurisdiction to impose, based upon a finding of a violation, a civil penalty against such person. The amount of the penalty shall be determined by the court in light of the facts and circumstances. For each violation, the amount of the penalty shall not exceed the greater of (A) $100,000 for a natural person or $500,000 for any other person, or (B) the gross amount of pecuniary gain to such defendant as a result of the violation. The penalty shall be payable into the Treasury of the United States. If a person upon whom such a penalty is assessed shall fail to pay such penalty within the time prescribed in the court's order, the Commission shall refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court. The action authorized by this paragraph may be brought in addition to any other action that the Commission or the Attorney General is entitled to bring. For purposes of section 27 of this title, actions under this paragraph shall be actions to enforce a liability or a duty created by this title.".

SEC. 203. MONETARY PENALTIES IN ADMINISTRATIVE PROCEEDINGS.

The Securities Exchange Act of 1934 is amended by inserting after section 21A (15 U.S.C. 78u-1) the following:

"MONETARY PENALTIES IN ADMINISTRATIVE PROCEEDINGS

"SEC. B. (a) In any proceeding instituted pursuant to section 15(c)(4) of this title against any person, the Commission may assess a civil penalty if it finds, on the record after notice and opportunity for hearing, that such person—

"(1) failed to comply with any provision of sections 12, 13, 14, subsection (d) of section 15, or subsection (a) of section 16 of this title, or any rule or regulation thereunder, in any material respect, or

"(2) was a cause of any other person's failure to so comply due to an act or omission the person knew or should have known would contribute to the failure to comply,

and that such penalty is in the public interest. The maximum amount of the penalty for each failure to comply or for each such failure to comply for which a person was a cause, shall be $100,000 for a natural person or $500,000 for any other person.

"(b) In any proceeding instituted pursuant to section 15(b)(4), 15(b)(6), 15B, 15C, or 17A of this title against any person, the Commission or the appropriate regulatory agency may assess a civil penalty if it finds, on the record after notice and opportunity for hearing, that such person—

"(1) has wilfully violated any provision of the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.), or this title, or the rules or regulations thereunder, or the rules of the Municipal Securities Rulemaking Board;

"(2) has willfully aided, abetted, counseled, commanded, induced, or procured such a violation by any other person;

"(3) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission or with any other appropriate regulatory agency under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time in the light of the circumstances under which it was made false or misleading with respect to any material fact, of has omitted to state in any such application or report any material fact which is required to be stated therein; or

"(4) has failed reasonably to supervise within the meaning of section 15(b)(4)(E) of

this title, with a view to preventing violations of the provisions of such statutes, rules and regulations, another person who commits such a violation, if such other person is subject to his supervision;
and that such penalty is in the public interest. The maximum amount of penalty for each such act or omission shall be $100,000 for a natural person or $500,000 for any other person.

"(c) In consideration under this section whether a penalty is in the public interest, the Commission or the appropriate regulatory agency may consider—

"(1) whether the act or omission for which such penalty is assessed involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement;

"(2) the harm to other persons resulting either directly or indirectly from such act or omission;

"(3) the extent to which any person was unjustly enriched, taking into account any restitution made to persons injured by such behavior;

"(4) whether such person previously has been found by the Commission, other appropriate regulatory agency, or self-regulatory organization to have violated the Federal securities laws, State securities laws, or the rules of a self-regulatory organization, or has been enjoined by a court of competent jurisdiction from violations of such laws or rules;

"(5) the need to deter such person and other persons from committing such acts or omissions; and

"(6) such other matters as justice may require.

"(d) In any proceeding in which the Commission or the appropriate regulatory agency may assess a penalty under this section, a respondent may present evidence of the respondent's ability to pay such penalty. The Commission or the appropriate regulatory agency may, in its discretion, consider such evidence in determining whether such penalty is in the public interest. Such evidence may relate to the extent of such person's ability to continue in business, and the collectability of a penalty, taking into account any other claims of the United States of third parties upon such person's assets and the amount of such person's assets.".

SEC. 204. CONFORMING AMENDMENTS TO SECTION 15B.

Section 15B(c)(6)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(c)(6)(A)) is amended—

(1) by striking "and" after "identity of such municipal securities dealer or person associated with such municipal securities dealer" and inserting a comma;

(2) by inserting a comma after "proposed action"; and

(3) by inserting before "(ii)" the following: "whether the Commission is seeking a monetary penalty against such municipal securities dealer or such associated person pursuant to section 21B of this title; and".

TITLE III—AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940

SEC. 301. MONETARY PENALTIES IN ADMINISTRATIVE PROCEEDINGS.

Section 9 of the Investment Company Act of 1940 (15 U.S.C. 80a-9) is amended—

(1) by redesignating subsection (d) as subsection (e);

(2) by inserting after subsection (c) the following:

"(d)(1) In any proceeding instituted pursuant to subsection (b) against any person, the Commission may assess a civil penalty if it finds, on the record after notice and opportunity for hearing, that such person—

"(A) has willfully violated any provision of the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.), or this title, or the rules or regulations thereunder;

"(B) has willfully aided, abetted, counseled, commanded, induced, or procured such a violation by any other person; or

"(C) has willfully made or caused to be made in any registration statement, application, or report required to be filled with the Commission under this title, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such registration statement, application, or report any material fact which was required to be stated therein;
and that such penalty is in the public interest. The maximum amount of the penalty for each such act or omission shall be $100,000 for a natural person or $500,000 for any other person.

"(2) In considering under this section whether a penalty is in the public interest, the Commission may consider—

"(A) whether the act or omission for which such penalty is assessed involved fraud, deceit, manipulation, of deliberate or reckless disregard of a regulatory requirement;

"(B) the harm to other persons resulting either directly or indirectly from such act or omission;

"(C) the extent to which any person was unjustly enriched, taking into account any restitution made to persons injured by such behavior;

"(D) whether such a person previously has been found by the Commission, other appropriate regulatory agency, of self-regulatory organization to have violated the Federal securities laws, State securities laws, or the rules of a self-regulatory organization, or has been enjoined by a court of competent jurisdiction from violations of such laws or rules;

"(E) the need to deter such person and other persons from committing such acts or omissions; and

"(F) such other matters as justice may require.

"(3) In any other proceeding in which the Commission may assess a penalty under this section, a respondent may present evidence of the respondent's ability to pay such penalty. The Commission may, in its discretion, consider such evidence in determining whether such penalty is in the public interest. Such evidence may relate to the extent of such person's ability to continue in business, and the collectability of a penalty, taking into account any other claims of the United States or third parties upon such person's assets and the amount of such person's assets."; and

(3) in redesignated subsection (e), by striking the following: "subsections (a) through (c) of".

SEC. 302. ENFORCEMENT OF TITLE.

Section 42 of the Investment Company Act of 1940 (15 U.S.C. 80a-41) is amended by—

(1) inserting after the first sentence of subsection (d) the following: "In any proceeding under this subsection the court may prohibit, conditionally or unconditionally, either permanently or for such period of time as it shall determine, any person found to have violated any provision of this title or any rule, regulation, or order hereunder from acting as an officer or director of any issuer that has a class of securities registered pursuant to section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l) or that is required to file reports pursuant to subsection (d) of section 15 of such Act (15 U.S.C. 78o(d))."; and

(2) adding at the end the following:

"(e) Whenever it shall appear to the Commission that any person has violated any provision of this title or the rules or regulations thereunder, the Commission may bring an action seeking to impose, and the court shall have jurisdiction to impose, based upon a finding of a violation, a civil penalty against such person. The amount of the penalty shall be determined by the court in light of the facts and circumstances. For each violation, the amount of the penalty shall not exceed the greater of (1) $100,000 for a natural person or $500,000 for any other person, or (2) the gross amount of pecuniary gain to such defendant as a result of the violation. The penalty shall be payable into the Treasury of the United States. If a person upon whom such a penalty is assessed shall fail to pay such penalty within the time prescribed in the court's order, the Commission shall refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court. The actions authorized by this subsection may be brought in addition to any other actions that the Commission or the Attorney General is entitled to bring. For purposes of section 44 of this title, actions under this subsection shall be actions to enforce a liability or a duty created by this title.".

TITLE IV—AMENDMENTS TO THE INVESTMENT ADVISERS ACT OF 1940

SEC. 401. MONETARY PENALTIES IN ADMINISTRATIVE PROCEEDINGS.

Section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3) is amended by adding at the end the following:

"(i)(1) In any proceeding instituted pursuant to subsection (e) or (f) against any person, the Commission may assess a civil penalty if it finds, upon the record after notice and opportunity for hearing, that such person—

"(A) has willfully violated any provision of the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), or this title, or the rules and regulations thereunder;

"(B) has willfully aided, abetted, counseled, commanded, induced, or procured such a violation by any other person;

"(C) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such registration statement, application, or report any material fact which was required to be stated therein; or

"(D) has failed reasonably to supervise, within the meaning of section 203(e)(5) of this title, with a view to preventing violations of the provisions of this title and such rules and regulations, another person who

commits such a violation, if such other person is subject to his supervision;

and that such penalty is in the public interest. The maximum amount of the penalty for each such act or omission shall be $100,000 for a natural person or $500,000 for any other person.

"(2) In considering under this section whether a penalty is in the public interest, the Commission may consider—

"(A) whether the act or omission for which such penalty is assessed involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement;

"(B) the harm to other persons resulting either directly or indirectly from such act or omission;

"(C) the extent to which any person was unjustly enriched, taking into account any restitution made to persons injured by such behavior;

"(D) whether such a person previously had been found by the Commission, other appropriate regulatory agency, or self-regulatory organization to have violated the Federal securities laws, State securities laws, or the rules of a self-regulatory organization, or has been enjoined by a court of competent jurisdiction from violations of such laws or rules;

"(E) the need to deter such person and other persons from committing such acts or omissions; and

"(F) such other matters as justice may require.

"(3) In any proceeding in which the Commission may assess a penalty under this section, a respondent may present evidence of the respondent's ability to pay such penalty. The Commission may, in its discretion, consider such evidence in determining whether such penalty is in the public interest. Such evidence may relate to the extent of such person's ability to continue in business, and the collectability of a penalty, taking into account any other claims of the United States or third parties upon such person's assets and the amount of such person's assets.".

SEC. 402. ENFORCEMENT OF TITLE.

Section 209 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-9) is amended—

(1) by inserting after the first sentence of subsection (d) the following: "In any proceeding under this paragraph, the court may prohibit, conditionally or unconditionally, either permanently or for such period of time as it shall determine, any person found to have violated any provision of this title, or of any rule, regulation, or order hereunder or has aided, abetted, counseled, commanded, induced, or procured such a violation, from acting as an officer or director of any issuer that has a class of securities registered pursuant to section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l) or that is required to file reports pursuant to subsection (d) of section 15 of such Act (15 U.S.C. 78o)."; and

(2) by adding at the end the following:

"(e) Whenever it shall appear to the Commission that any person has violated any provision of this title or the rules or regulations thereunder, the Commission may bring an action seeking to impose, and the court shall have jurisdiction to impose, based upon a finding of a violation, a civil penalty against such person. The amount of the penalty shall be determined by the court in light of the facts and circumstances. For each violation, the amount of the penalty shall not exceed the greater of (1) $100,000 for a natural person or $500,000 for any other person, or (2) the gross amount of pecuniary gain to such defendant as a result of the violation. The penalty shall be payable into the Treasury of the United States. If a person upon whom such a penalty is assessed shall fail to pay such penalty within the time prescribed in the court's order, the Commission shall refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court. The actions authorized by this subsection may be brought in addition to any other actions that the Commission or the Attorney General is entitled to bring. For purposes of section 214 of this title, actions under this subsection shall be actions to enforce a liability or a duty created by this title.".

SEC. 403. CONFORMING AMENDMENT TO SECTION 214.

Section 214 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-14) is amended—

(1) by inserting after "all suits in equity", the following: "and actions at law brought to enforce any liability or duty created by, or"; and

(2) by inserting after "Any suit or action", the following: "to enforce any liability or duty created by, or".

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED LEGISLATION—THE SECURITIES LAW ENFORCEMENT REMEDIES ACT OF 1989

Section 101. Section 101 of the Act amends Section 20(b) of the Securities Act of 1933 ("Securities Act") by adding language to clarify the ability of the Commission to obtain court orders barring persons from serving as officers or directors of any issuer that has a class of securities registered under Section 12 of the Securities Exchange Act of 1934 ("Exchange Act") or that is required to file periodic reports under Section 15(d) of the Exchange Act. While Section 20(b) as currently in force does not refer to any form of relief other than an injunction, courts have recognized that they have available the full range of equitable remedies, including disgorgement, appointment of a receiver, and a prohibition against acting as a director or officer of reporting companies. For example, in *J.I. Case Company* v. *Borak*, 377 U.S. 426, 433 (1964), the Supreme Court held that under the Exchange Act a court could order all relief necessary for the protection of investors. See also *SEC* v. *Materia*, 745 F.2d 197 (2d Cir. 1984) (once equity jurisdiction invoked, court has power to order all equitable relief necessary under the circumstances).

This amendment is intended to clarify the court's authority to enter an order barring an individual from serving as an officer or director of a reporting company, a remedy which has been obtained by the Commission in prior cases. See, e.g., *SEC* v. *San Saba Nu-Tech, Inc.*, Litig. Rel. 10,531, 31 S.E.C. Dock. 510 (D.D.C. 1984); *SEC* v. *Florafax International, Inc.*, Litig. Rel. 10,617, 31 S.E.C. Dock. 1038 (N.D. Okla. 1984). It is intended that by specifying this particular type of ancillary relief, the Act does not restrict the Commission's ability to obtain other forms of such relief. These could include the appointment of a special agent to conduct an investigation or insure compliance, see e.g., *SEC* v. *Beisinger Indus. Corp.*, 552 F.2d 15, 18 (1st Cir. 1977), setting aside a merger, see *Mills* v. *Electric Auto-Lite Co.*, 396 U.S. 375, 386 (1970), ousting or appointing directors, see *International Controls Corp.* v. *Vesco*, 490 F.2d 1334, 1339-40 (2d. Cir.), cert. denied, 417 U.S. 932 (1974), freezing assets, see *Deckert* v. *Independence Shares Corp*, 311 U.S. 282, 290 (1940), establishing an audit committee, see *SEC* v. *Mattell, Inc.*, 4 S.E.C. Doc. 724, [1974-75] Fed. Sec. L. Rep. (CCH) ¶ 94,754 (D.D.C. 1974), or ordering a defendant to perform specified acts not otherwise required by law, see, e.g., *Wright* v. *Heizer Corp.*, 560 F.2d 236, 256 (7th Cir. 1977). Parallel amendments are made to the Exchange Act, the Investment Company Act of 1940 and the Investment Advisers Act of 1940, in Sections 202, 302, and 402, respectively.

Section 102. Section 102 of the Act amends Section 20 of the Securities Act, by redesignating current subsection (c) as subsection (d), and by adding a new subsection (c), to provide that the Commission may seek civil penalties in civil actions. A court can impose such penalties in any case where it finds a violation of the federal securities laws. The amount of the penalty is determined by the court in light of the facts and circumstances in the particular case, but cannot exceed the greater of (1) $100,000 for natural persons or $500,000 for other persons or (2) the gross amount of pecuniary gain to the defendant as a result of the violation. The penalty is payable into the Treasury, and the Attorney General is charged with enforcing payment of penalties. Parallel amendments are made to the Exchange Act, the Investment Company Act and the Investment Advisers Act, in Sections 202, 302, and 402, respectively. Although it is contemplated that civil penalties will be sought in conjunction with actions seeking to enjoin future violations, under new Section 20(d) of the Securities Act and those subsections added to the other acts by the parallel amendments, a court may impose a money penalty even if it finds that there is an insufficient basis to grant injunctive relief.

Section 201. Section 201 of the Act makes two changes to the Commission's authority in proceeding under Section 15(c)(4) of Exchange Act. first, it adds violations of Section 16(a) of the Act to the list of bases for proceedings.

Second, Section 201 authorizes the Commission to bar or suspend a respondent from acting as officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file periodic reports pursuant to Section 15(d) of the Exchage Act. Such bars can be imposed against any person found to have failed to comply with Sections 12, 13, 14, subsection (d) of Section 15, or subsection (a) of Section 16 or to have been a cause of such failure to comply, if the Commission finds that the bar was in the public interest. The bar can be either conditional or unconditional, and for such period of time as the Commission determines.

Section 202. Section 202 of the Act makes amendments to the Exchange Act, paralleling those made to the Securities Act by Sections 101 and 102. First, it amends Section 21(d) of the Exchange Act by redesignating it as paragraph (1) of that section, and by adding language to that paragraph to clarify the authority of courts to prohibit persons from serving as officers or directors of any issuer that has a class of securities registered under Section 12 of the Exchange Act or that is required to file periodic reports under Section 15(d) of the Exchange Act. This language parallels the language added to Section 20(b) of the Securities Act by Section 102, to Section 42(d) of the Investment Company Act by Section 302 and

to Section 209(d) of the Investment Advisers Act by Section 402.

Second, it adds new paragraph (2) to permit the Commission to seek and a court to impose monetary penalties in injunctive actions for violations of the securities laws. The provision excepts those violations that are subject to the civil penalty provisions of Section 21A. This new paragraph parallels new Section 20(c) of the Securities Act added by Section 102, new Section 42(e) of the Investment Company Act added by Section 302, and new Section 209(e) of the Investment Advisers Act added by Section 402.

Section 203. Section 203 of the Act adds new Section 21B to the Exchange Act, to authorize the Commission or other appropriate regulatory agency to impose civil penalties in administrative proceedings. Subsection (a) of Sections 15(c)(4) of the Exchange Act. Subsection (b) of Section 21B authorizes such penalties in proceedings under Section 15(b)(4), 15(b)(6), 15B, 15C and 17A of that Act. Under subsections (a) and (b) of Section 21B, the Commission may assess a penalty if it finds that the respondent violated the federal securities laws; or willfully aided, abetted, counseled, commanded, induced or procured a violation by any other person; or made willful misstatements in any registration application, report required to be filed, or Commission proceeding with respect to registration; or failed reasonably to supervise, with a view to preventing violations of the federal securities laws, another person who committed a violation, if the other person was subject to his supervision; and also finds that a penalty is in the public interest. By authorizing the imposition of civil penalties against securities firms in administrative proceedings, this section is not intended to expand the substantive scope of firm liability for the misconduct of controlled or supervised persons. Subsection (c) of Section 21B provides that in determining whether the penalty is in the public interest, the Commission or other appropriate regulatory agency may consider the following factors:

(1) whether the act or omission for which such penalty is assessed involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement;

(2) the harm to other persons resulting either directly or indirectly from such act or omission;

(3) the extent to which any person was unjustly enriched, taking into account any restitution made to persons injured by such behavior;

(4) whether such person previously has been found by the Commission, other appropriate regulatory agency, or self-regulatory organization to have violated the federal securities laws, state securities laws, or the rules of a self-regulatory organization, or has been enjoined by a court of competent jurisdiction from violations of such laws or rules;

(5) the need to deter such person and other persons from committing such acts or omissions; and

(6) such other matters as justice may require.

The maximum amount of the penalty is $100,000 for natural persons or $500,000 for all other persons. The penalty is payable into the Treasury, and the Attorney General is charged with enforcing payment of penalties.

The six factors enumerated in these subsections are intended to be permissive considerations in determining whether a penalty is in the public interest, taken into account according to the facts of any given case. They are intended to be specific, yet flexible enough to allow the Commission to assess appropriate penalties for a broad range of violations.

Subsection (d) of Section 21B provides that a respondent may present evidence that the Commission or other appropriate regulatory agency may consider in determining whether a penalty is in the public interest. That evidence could relate to his ability to pay a penalty, including evidence of his ability to continue in business, and the collectability of the penalty, taking into account other claims of the United States or third parties upon his assets and the amount of his assets. This subsection is intended to give respondents the opportunity to show their inability to pay a penalty. It is appropriate for a respondent to have the burden of proof as to his ability to pay, because he has better access to his financial records than does the Commission. Under this subsection, the Commission has the discretion to impose a penalty even if a respondent presents evidence that his business would be affected adversely by imposition of a penalty.

Section 204. Section 204 of the Act is a conforming amendment to Section 15B of the Exchange Act, necessitated by the Commission's authority to seek a penalty in administrative proceedings pursuant to new Section 21B. It requires the Commission to inform the appropriate regulatory agency for a municipal securities dealer of whether the Commission is seeking a penalty against the dealer pursuant to new Section 21B of the Exchange Act.

Section 301. Section 301 of the Act adds new subsection (d) to Section 9 of the Investment Company Act of 1940 authorizing the Commission to assess monetary penalties in administrative proceedings instituted pursuant to Section 9(b) of the Investment Company Act. This new subsection parallels new Section 21B of the Exchange Act added by Section 203, and new Section 203(i) of the Investment Advisers Act added by Section 401. Section 301 also makes conforming amendments to Section 9 by redesignating current subsection (d) as subsection (e), and by amending subsection (e) so that the clarification of the term "investment adviser" applies to all of Section 9.

Section 302. Section 302 of the Act makes amendments to Section 42 of the Investment Company Act paralleling those made to the Securities Act by Sections 101 and 102, to the Exchange Act by Section 202, and to the Investment Advisers Act by Section 402.

First, it adds language to Section 42(d) to clarify the authority of courts to enter orders prohibiting persons from serving as officers or directors of any issuer that has a class of securities registered under Section 12 of the Exchange Act of 1934 or that is required to file periodic reports under Section 15(d) of the Exchange Act. This language parallels the language added to Section 20(b) of the Securities Act by Section 102, to newly redesignated Section 21(d)(1) of the Exchange Act by Section 202, and to Section 209(d) of the Investment Advisers Act by Section 402. Other provisions of the Investment Company Act provide prohibitions against securities law violators from serving as an officer or director, among other things, of any registered investment company. First, Section 9(a) of the Investment Company Act makes unlawful such service by any person who within 10 years has been criminally convicted of, or who has been enjoined by a court from securities law violations. Second, Section 9(b) authorizes the Commission to prohibit service as an officer or director of a registered investment company by persons who have violated the federal securities laws. Third, Section 36(a) authorizes the Commission to institute a civil injunctive action against any person who has served as an officer or director of a registered investment company and who engaged in or is about to engage in any breach of fiduciary duty involving personal misconduct in respect of any registered investment company for which he acts as an officer or director, to obtain an injunction from such service.

Second, it adds new subsection (e) to Section 42 to permit the Commission to seek and a court to impose monetary penalties in injunctive actions. This new subsection parallels new Section 20(c) of the Securities Act added by Section 102, new Section 9(d) of the Investment Company Act added by Section 202, and new Section 209(e) of the Investment Advisers Act added by Section 402.

Section 401. Section 401 of the Act adds new subsection (i) to Section 203 of the Investment Advisers Act of 1940 to authorize the Commission to assess monetary penalties in administrative proceedings instituted pursuant to Sections 203 (e) or (f) of the Investment Advisers Act. This new subsection parallels new Section 21B of the Exchange Act added by Section 203, and new Section 9 (d) of the Investment Company Act added by Section 301.

Section 402. Section 402 of the Act makes amendments to Section 209 of the Investment Advisers Act paralleling those made to the Securities Act by Sections 101 and 102, to the Exchange Act by Section 202, and to the Investment Company Act by Section 302. First, it adds language of Section 209 (d) of the Investment Company Act to clarify the ability of the Commission to obtain court-ordered bars prohibiting persons from serving as officers or directors of any issuer that has a class of securities registered under Section 12 of the Exchange Act of 1934 or that is required to file periodic reports under Section 15(d) of the Exchange Act. This language parallels the language added to Section 20(b) of the Securities Act by Section 102, to newly redesignated Section 21(d)(1) of the Exchange Act by Section 202, and to Section 42(d) of the Investment Company Act by Section 302.

Second, it adds new subsection (e) to Section 209 of the Investment Advisers Act to permit the Commission to seek and a court to impose monetary penalties in injunctive actions. This new subsection parallels new Section 20(c) of the Securities Act as added by Section 102, new Section 9(d) of the Investment Company Act added by Section 202, and new Section 42(e) of the Investment Company Act added by Section 302.

Section 403. Section 403 of the Act is a conforming amendment that amends Section 214 of the Investment Advisers Act to expand the jurisdiction of the district courts of the United States to include actions at law, as well as equitable or injunctive actions, under that act. This amendment is necessitated by the addition of the new Section 209 (e), the civil penalty provision, to the Investment Advisers Act, since that new section requires the courts to have jurisdiction in penalty actions.●

By Mr. DODD (for himself and Mr. HEINZ) (by request):

S. 648. A bill to amend the Securities Exchange Act of 1934; to the Committee on Banking, Housing, and Urban Affairs.

MARKET REFORM ACT

● Mr. DODD. Mr. President, the Market Reform Act of 1989 is designed to address potential gaps and weaknesses in current market regulation and market practices identified in studies by the Securities and Exchange Commission and others following the October 1987 market crash. The legislation was submitted to Congress by the Commission on June 23, 1988, as four separate provisions. At the time, the Commission unanimously endorsed the provisions, stating that they were necessary to increase investor confidence in the stability and resiliency of the U.S. securities markets. The Commission urged prompt enactment of the measures. The agency has not reconsidered the proposal after the addition of a new, fifth Commissioner.

Although the proposals were the subject of a number of discussions involving representatives of the securities and futures industry and the staffs of the Commission, CFTC, and Senate, the measures were not introduced as legislation, and no hearing record was established. Consequently, we believe it is useful to introduce them in this Congress in order to continue those discussions as part of a public debate over the need to improve and strengthen our capital markets.

The four measures, which are identical to provisions requested by the Commission in its letter of June 23, 1988, have been combined for the purpose of introduction as the Market Reform Act of 1989. Let me briefly discuss each provision.

EMERGENCY AUTHORITY/TRADING HALTS

The legislation would provide the Commission with authority to take temporary emergency action without procedural delay in response to a major market disturbance. This authority would include, but not be limited to, the ability to alter, supplement, suspend, or impose requirements or restrictions with respect to hours of trading, position limits and clearance and settlement. This emergency authority could be exercised if there is a substantial threat of sudden and excessive fluctations of securities prices generally that would threaten fair and orderly markets, or a substantial disruption of a safe or efficient operation of the national system for clearance and settlement of securities. The Commission's action taken under this legislation would be subject to judicial review.

LARGE TRADER REPORTING

The legislation also would provide the Commission with authority to adopt reporting rules relating to large securities transactions and certain transactions in the futures markets that are related to transactions in the securities market. In its memorandum supporting the legislation, the Commission noted that this section is modeled after the large trader reporting authority of the CFTC. It is designed to assist the Commission in its surveillance of the U.S. securities markets by providing it with broad authority to adopt reporting rules for the purpose of monitoring the impact on the securities markets of large transactions in publicly traded securities involving a substantial volume or a large market value in equity index futures and options on such futures. The Commission could use information contained in the reports for surveillance, enforcement, and other regulatory purposes.

It is my understanding that this provision has caused some consternation among industry participants, who have argued that the benefits of large trader reporting may be outweighed by its effects on longstanding trading practices. I look forward to hearing those views, as well as the further views of the Commission and self-regulatory organizations on the need for, and consequences of, large trader reporting.

RISK ASSESSMENT FOR HOLDING COMPANY SYSTEMS

The legislation would expressly authorize the Commission to require certain entities registered with the Commission, including brokers and dealers, to report information relating to their associated persons that may have a material impact on the financial or operational condition of the registered entity. Under this legislation, the Commission could adopt rules requiring information concerning, among other things, assets, liabilities, contingent liabilities, material contracts, loan commitments, trading or investment positions, lines of credit, letters of credit, and financial guarantees. However, where information regarding the activities of banks, insurance companies, futures Commission merchants and other regulated institutions is available to another supervisory agency, information would not be required under this provision. Moreover, the Commission would have exemptive authority.

As with the provisions on large trader reporting, the merits of this provision have been questioned by some industry participants, who believe that these reporting requirements may not be necessary and could simply be too burdensome. I look forward to hearing their views, as well as the Commission's views, as the Securities Subcommittee explores the benefits and burdens inherent in these provisions.

COORDINATED CLEARING

The legislation would direct the Commission and the Commodity Futures Trading Commission, in consultation with the Board of Governors of the Federal Reserve System, to facilitate the establishment of linked, coordinated, or centralized facilities for clearance and settlement.

In its memorandum in support of the legislation, the Commission observed that the clearing system for securities, securities options, futures contracts and options on futures, and commodity options affect the Nation's financial systems. The clearing procedures employed for these products potentially can affect, through settlement default or lack of coordination with other clearing systems, other cleared products, clearing systems, and financial systems.

The clearance and settlement systems are an important component of our financial system. Resolving any potential weakness, under this legislation, would require amendments to the Commodity Exchange Act, as well as the Securities Exchange Act. I hope to work closely with members of the Committee on Agriculture, as well as with officials from both the SEC and CFTC, to enhance and strengthen our clearance and settlement systems.

I ask unanimous consent to insert in the RECORD at this point an analysis of the legislation prepared by the Commission.

I further ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 648

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Market Reform Act of 1989".

SEC. 2. EMERGENCY AUTHORITY; TRADING HALTS.

Section 12 of the Securities Exchange Act of 1934 (12 U.S.C. 781) is amended by adding at the end the following:

"(m)(1) The Commission, in an emergency, may by order summarily take such action to alter, supplement, suspend, or impose requirements or restrictions with respect to any matter or action subject to regulation by the Commission or a self-regulatory organization under this title, as the Commission determines is necessary in the public interest and for the protection of investors to maintain or restore fair and orderly securities markets (other than markets in exempted securities) or to ensure prompt and accurate clearance and settlement of transactions in securities (other than exempted securities). An order of the Commission under this paragraph shall continue in effect for the period specified by the Commission, and may be extended, except that in no event shall the Commission's action continue in effect for more than 10 business days, including extensions. In exercising its authority under this paragraph, the Commission shall not be required to comply with the provisions of section 553

of title 5, United States Code, or with the provisions of section 19(c) of this title.

"(2) In the exercise of its emergency powers pursuant to paragraph (1) of this subsection, the Commission is authorized to suspend summarily all trading in any or all securities (other than exempted securities) on any national securities exchange or otherwise for such period specified by the Commission, or until such time as the Commission authorizes the resumption of trading, but not for more than 24 hours. The Commission, with the approval of the President, may determine to extend such suspension for not more than two additional 24-hour periods.

"(3) The President may direct that emergency action taken by the Commission under paragraph (1) or (2) of this subsection shall not continue in effect.

"(4) For purpose of this subsection, the term 'emergency' means a major market disturbance characterized by, or constituting—

"(A) a substantial threat of sudden and excessive fluctuations of securities prices generally that threaten fair and orderly markets, or

"(B) a substantial disruption of the safe or efficient operation of the national system for clearance and settlement of securities.

"(5) No member of a national securities exchange, broker, or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security in contravention of an order entered by the Commission under this subsection unless such order has been stayed, modified, or set aside as provided in paragraph (6) of this subsection.

"(6) Any action taken by the Commission pursuant to this subsection shall be subject to review only as provided in section 25(a) of this title. Review shall be based on an examination of all the information before the Commission at the time such action was taken. The reviewing court shall not enter a stay, writ of mandamus, or similar relief unless the court finds, after notice and hearing before a panel of the court, that the Commission's action is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.".

SEC. 3. LARGE TRADER REPORTING.

Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end the following:

"(h)(1) For the purpose of monitoring the impact on the securities markets of securities transactions involving a substantial volume or a large fair market value or exercise value, and related transactions in equity index futures and options on such futures, every person who, for his own account or an account for which he exercises investment discretion, effects—

"(A) transactions for the purchase or sale of any publicly traded securities or options, or

"(B) transactions in contracts of sale (or options on such contracts) for future delivery of a group or index of publicly traded securities (or any interest therein or based on the value thereof) that are related to transactions in publicly traded securities or options,

by use of any means or instrumentality of interstate commerce or of the mails, or of any facility of a national securities exchange or board of trade, during any 24-hour period in an amount equal to or in excess of such amount as shall be fixed from time to time by the Commission, shall file reports regarding such transactions with the Commission, or any self-regulatory organization as the Commission shall designate by rule, regulation or order to receive such reports. Reports required under this subsection shall be filed at such times, and include such information with respect to any transaction or series of transactions subject to this subsection, as the Commission, by rule, regulation, or order may prescribe.

"(2) For purposes of this subsection—

"(A) the term 'publicly traded securities or options' means any equity securities, including options on individual equity securities, and options on a group or index of such securities, listed, or admitted to unlisted trading privileges, on a national securities exchange, or quoted in an automated interdealer quotation system;

"(B) two or more persons acting as a partnership, limited partnership, syndicate, or other group, for the purpose of effecting transactions described in paragraph (1) of this subsection, shall be deemed a 'person'.

"(3) The Commission may prescribe rules governing the manner in which transactions and accounts shall be aggregated for the purpose of paragraph (1) of this subsection.

"(4) Notwithstanding the provisions of section 552 of title 5, United States Code, or of any other law, the Commission shall not be compelled to disclose any information required to be reported under this subsection. Nothing in this subsection shall prevent the Commission from complying with a request for information from a duly authorized committee or subcommittee of the Congress or complying with an order of a court of the United States in an action commenced by the United States or the Commission.

"(5) The Commission, by rule, regulation or order, may exempt any person or classes of persons or any transaction or classes of transactions, either conditionally or upon specified terms and conditions or for stated periods, from the operation of this subsection, and the rules and regulations thereunder.".

SEC. 4. RISK ASSESSMENT FOR HOLDING COMPANY SYSTEMS.

Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q), is amended by adding at the end the following:

"(h)(1) For the purpose of monitoring the financial and operational condition of persons subject to this section, and to provide greater protection for investors, every person who is (A) a registered broker or dealer, or (B) a government securities broker, or government securities dealer, for which the Commission is the appropriate regulatory agency, shall make such reports as the Commission, by rule, regulation, or order prescribes concerning any aspect of the financial or operational condition of its associated persons, other than a natural person, that the Commission determines is reasonably likely to have a material impact on the financial or operational condition of such registered broker or dealer, government securities broker, government securities dealer, or municipal securities dealer. Reports prescribed by the Commission under this section may include, but shall not be limited to, information concerning assets, liabilities, contingent liabilities, material contracts, loan commitments, trading or investment positions, lines of credit, letters of credit, and financial guarantees.

"(2) No information shall be required of any person subject to paragraph (1) of this subsection regarding any associated person that is—

"(A) a financial institution as defined in section 3(a)(46) of this title;

"(B) a bank holding company, as defined in section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a));

"(C) a savings and loan holding company, as defined in section 408(a)(1)(D) of the National Housing Act (12 U.S.C. 1730a(a)(1)(D));

"(D) an insurance company, as defined in section 2(13) of the Securities Act of 1933 (15 U.S.C. 77b(13)); or

"(E) a futures commission merchant or introducing broker as defined in section 2(a)(1)(A) of the Commodity Exchange Act (7 U.S.C. 2);

if information substantially similar to that required to be included in reports under paragraph (1) of this subsection is available to a supervisory agency, as defined in section 1101(6) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401(6)), a State insurance commission, or similar State agency, or the Commodity Futures Trading Commission.

"(3) The Commission, by rule, regulation or order, may exempt any person or classes of persons, or any transaction or classes of transactions, either conditionally or upon specified terms and conditions or for stated periods, from the provisions of this subsection, and the rules and regulations thereunder. In granting such exemptions, the Commission shall consider, among other factors, the primary business of any associated person, the nature and extent of domestic or foreign regulation of the associated person's activities and, with respect to the person required to report pursuant to this subsection and its associated persons, on a consolidated basis, the proportion of assets devoted to, and revenues derived from, activities in the United States financial markets.

"(4) Notwithstanding the provisions of section 552 of title 5, United States Code, or of any other law, the Commission shall not be compelled to disclose any information required to be reported under this subsection. Nothing in this subsection shall prevent the Commission from complying with a request for information from a duly authorized committee or subcommittee of the Congress or complying with an order of a court of the United States in an action commenced by the United States or the Commission.".

SEC. 5. COORDINATED CLEARING.

(a) Section 17A(a)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78q-1(a)(1)) is amended by adding at the end the following:

"(E)(i) The clearance and settlement systems for transactions in securities, securities options, contracts of sale for future delivery and options thereon, and commodity options are integrally related.

"(ii) The absence of links or coordination among clearing facilities for transactions in securities, securities options, contracts of sale for future delivery and options thereon, and commodity options may impose unnecessary costs and add unnecessary liquidity demands to the nation's financial systems.".

(b) Section 17A(a)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78q-1(a)(2)) is amended to read as follows:

"(2)(A) The Commission is directed, therefore, having due regard for the public interest, the protection of investors, the safeguarding of securities and funds, and maintenance of fair competition among brokers and dealers, clearing agencies, and transfer agents, to use its authority under this title—

"(i) to facilitate the establishment of a national system for the prompt and accurate clearance and settlement of transactions in securities (other than exempted securities); and

"(ii) to facilitate the establishment of linked, coordinated, or centralized facilities for clearance and settlement of transactions in securities, securities options, contracts of sale for future delivery and options thereon, and commodity options in accordance with the findings and to carry out the objectives set forth in paragraph (1) of this subsection. The Commission shall use its authority under this title to assure equal regulation under this title of registered clearing agencies and registered transfer agents. In carrying out its responsibilities set forth in clause (ii) of this subparagraph, the Commission shall consult with the Commodity Futures Trading Commission and the Board of Governors of the Federal Reserve System.

"(B) The Securities and Exchange Commission and the Commodity Futures Trading Commission, in consultation with the Board of Governors of the Federal Reserve System, shall examine progress toward establishing linked, coordinated, or centralized facilities for clearance and settlement of transactions in securities, securities options, contracts of sale for future delivery and options thereon, and commodity options, and shall submit to Congress, not later than 2 years from the date of enactment of this provision, a report detailing and evaluating such progress.".

(c) Section 17A of the Securities Exchange Act of 1934 (15 U.S.C. 78q-1) is amended by adding at the end the following:

"(f) In order to promote prompt and accurate clearance and settlement of securities transactions, notwithstanding any provision of State law, the Commission is authorized to adopt rules concerning the transfer of certificated or uncertificated securities or limited interests (including security interests) therein (but is not authorized to adopt rules concerning the transfer of securities or limited interests (including security interests) therein with respect to government securities issued pursuant to chapter 31 of title 31, United States Code, or securities otherwise processed within a book-entry system operated by the Federal Reserve Banks) if the Commission finds that, in the absence of such rules, the safe and efficient operation of the national system for clearance and settlement of securities transactions is substantially impeded. In exercising its authority under this subsection, the Commission shall consult with the Secretary of the Treasury.".

(d)(1) Section 5 of the Commodity Exchange Act (7 U.S.C. 22) is amended by adding at the end the following:

"(c)(1) The Congress finds that:

"(A) Commodity clearing organizations play a vital role in the functioning of contract markets and in ensuring the financial integrity of the marketplace in which transactions are executed.

"(B) The clearance and settlement systems for securities, securities options, contracts of sale for future delivery and options thereon, and commodity options are integrally related.

"(C) The absence of links or coordination among clearing facilities for contracts of sale for future delivery and options thereon, commodity options, securities, and securities options may impose unnecessary costs and add unnecessary liquidity demands to the Nation's financial systems.

"(2) The Commission is directed, therefore, having due regard for the public interest and maintenance of fair competition among contract markets, commodities and futures clearing organizations, members thereof, and futures commission merchants, to use its authority under this Act to facilitate the establishment of linked, coordinated, or centralized facilities for clearance and settlement of contracts of sale for future delivery and options thereon, commodity options, securities, and securities options, in accordance with the findings set forth in paragraph (1). In carrying out its responsibilities set forth in this paragraph, the Commission shall consult with the Securities and Exchange Commission and the Board of Governors of the Federal Reserve System.".

(3) The Commodity Futures Trading Commission and the Securities and Exchange Commission, in consultation with the Board of Governors of the Federal Reserve System, shall examine progress toward establishing linked, coordinated, or centralized facilities for clearance and settlement of transactions in securities, securities options, contracts of sale for future delivery and options thereon, and commodity options, and shall submit to Congress, not later than 2 years from the date of enactment of this subsection, a report detailing and evaluating such progress.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED LEGISLATION—THE MARKET REFORM ACT

SECTION 2.—EMERGENCY AUTHORITY/TRADING HALTS

This section would authorize the Commission, by order, to take temporary emergency action with respect to any matter subject to regulation under the Exchange Act. The Commission's authority to take summary action under this section would extend to all matters subject to regulation under the Exchange Act by the Commission, and the securities self-regulatory organizations, including, but not limited to, the ability to alter, supplement, suspend, or impose requirements or restrictions with respect to hours of trading, position limits, and clearance and settlement. Thus, the Commission's emergency authority could be used to relax or to impose more stringent requirements or restrictions in an emergency. However, under current law, the Commission would not have the authority to relax or restrict initial levels of margin for transactions in any security other than options.

Prior to taking temporary emergency action, the Commission would be required to make only those findings required by this section, and would not be required to make findings or observe procedures prescribed by any other provisions of the Exchange Act. To ensure that the Commission would be able to take emergency action without procedural delay, the section would expressly exempt the Commission, in exercising its emergency authority, from the agency rulemaking requirements prescribed by the Administrative Procedures Act, and from the requirements prescribed by Exchange Act Section 19(c) for abrogating, adding to, or deleting from the rules of a self-regulatory organization.

Emergency actions ordered by the Commission under this section would remain in effect for the time specified by the Commission. The Commission would be authorized to extend the effectiveness of emergency actions, but in no event would any action taken in response to a particular emergency remain in effect for more than ten business days, including extensions. This limitation would not apply with respect to actions taken in response to any other emergency that might occur during the ten business day period. While many of the measures authorized under this section would necessary only for very short periods, perhaps hours or minutes, other matters, such as those relating to hours of business and clearance and settlement, might be required for longer periods, up to ten days, in order to be effective.

In exercising its emergency powers, the Commission would be authorized summarily to suspend all trading in any or all securities (other than exempted securities) on any exchange or otherwise. However, the Commission's trading suspension authority is expressly limited in three respects. First, the Commission would be authorized to suspend trading for a maximum of twenty-four hours. Second, although the Commission would be authorized to extend a suspension of trading for not more than two additional twenty-four hour periods, specific approval of the President would be required for such extension. Third, the section provides that the President may terminate any suspension of trading or other summary action by the Commission under this section. It should also be noted that, by the terms of the section, only members of a national securities exchange, brokers, and dealers are expressly subject to orders issued by the Commission.

The section defines "emergency" to mean a major market disturbance characterized by, or constituting a substantial threat of sudden and excessive fluctuating of securities prices generally that threaten fair and orderly markets, or a substantial disruption of the safe or efficient operation of the national system for clearance and settlement of securities. While the characterization of circumstances as an emergency would depend on the particular facts, the authority provided by this section is not intended to be used to prevent or limit market downturns or fluctuations in securities prices generally, other than those that threaten fair and orderly markets. It is intended to permit the Commission to act, through actions directed to specific problems, in response to extraordinary situations in which there is a major disturbance in the securities markets, like the October 1987 market break, or imminent danger of such a disturbance.

Emergency action taken by the Commission under this section would be subject to judicial review in the United States Courts of Appeals as provided in Section 25(a) of the Exchange Act, based on an examination of all information before the Commission at the time such action was taken, subject to the assertion of any applicable privilege by the Commission. The reviewing court would be prohibited from entering a stay, writ of mandamus or similar relief unless the courts finds, after notice and hearing before a panel of the court, that the Commission's action is arbitrary, capricious, and abuse of discretion, or otherwise not in accordance with law. Thus, a court reviewing emergency action taken by the Commission would be permitted to act only after the Commission had an opportunity to explain the basis for its action.

SECTION 3.—LARGE TRADER REPORTING

This section is modeled after the large trader reporting authority of the Commodity Futures Trading Commission and is designed to assist the Commission in its surveillance of the U.S. securities markets by providing it with broad authority to adopt

reporting rules for the purpose of monitoring the impact on the securities markets of large transactions in publicly traded securities involving a substantial volume or a large fair market value or exercise value, and related transactions in equity index futures and options on such futures. The section only applies to transactions effected using the U.S. jurisdictional means. The Commission is authorized to adopt rules requiring any person effecting such large transactions for its own account, or for an account for which it exercises investment discretion, to file reports with the Commission or with a self-regulatory organization designated by the Commission. The Commission could use information contained in these reports for surveillance, enforcement, and other appropriate regulatory purposes.

The section applies to large transactions, or series of transactions, in "publicly traded securities or options," and related transactions in futures on such securities and options thereon. The term "publicly traded securities or options" is defined in the section to mean any equity security, including options on individual equity securities, and options on an index or group of equity securities, listed, or admitted to unlisted trading privileges on a national securities exchange, or quoted in an automated inter-dealer quotation system.

The Commission would also be authorized to adopt rules prescribing the manner in which transactions and accounts would be aggregated for the purposes of this section. Two or more persons acting as a partnership, limited partnership, syndicate or other group, including joint trading accounts, for the purpose of trading, acquiring, holding, or disposing of securities would be considered a "person." The section would permit the Commission, by rule, regulation or order, to exempt any person, transactions, or classes of persons or transactions, either conditionally or upon specified terms and conditions or for stated periods of time, from the operation of this section and the rules and regulations thereunder.

In adopting rules pursuant to its authority under this section, the Commission would take into account whether other means of obtaining the relevant information are available. In this connection, the Commission would consult with the CFTC in order to avoid duplicative reporting whenever practical. With respect to foreign persons or accounts, the Commission would continue its current program of negotiating memoranda of understanding with foreign governments and would seek to include within such agreements the exchange of trading information for investigatory purposes. The Commission generally would not seek to use its authority under this section to obtain information concerning foreign persons or accounts under the jurisdiction of a foreign government if the Commission has entered into an agreement for sharing investigatory information with that government.

The Commission could not be compelled to disclose publicly any information required to be reported under this section for which disclosure might otherwise be required pursuant to the Freedom of Information Act, 5 U.S.C. 552. However, the Commission is not authorized under this section to withhold information from Congress or a court of the United States in an action commenced by the United States or the Commission.

SECTION 4.—RISK ASSESSMENT FOR HOLDING COMPANY SYSTEMS

This section would enhance the Commission's ability to monitor the financial and operational condition of brokers and dealers, and government securities brokers, government securities dealers, and municipal securities brokers or dealers for which the Commission is the appropriate regulatory agency, by clarifying the Commission's authority to require reports regarding the activities of associated persons that have the potential materially to affect the financial or operational condition of such entities. The section would permit the Commission to adopt rules requiring information concerning, among other things, assets, liabilities, contingent liabilities, material contracts, loan commitments, trading or investment positions, lines of credit, letters of credit, and financial guarantees.

The section would not require information to be provided concerning the activities of any natural person. In addition, information would not be required relating to certain classes of regulated entities. Specifically, information regarding the activities of banks, savings and loan associations, bank holding companies, savings and loan holding companies, insurance companies, futures commission merchants and introducing brokers would not need to be provided directly to the Commission, so long as similar information is available to a supervisory agency as defined in 12 U.S.C. 3401(6), a state insurance commission or similar state agency, or the Commodity Futures Trading Commission.

In addition to enumerating classes of entities for whom information need not be provided directly to the Commission, the section permits the Commission to provide exemptions from the reporting requirements either conditionally or upon specified terms and conditions or for stated periods. Among other things, this provision would allow the Commission to exclude from the reporting requirement any information regarding diversified holding companies and international financial organizations that do not devote a significant portion of their consolidated assets to activities in the U.S. financial markets. The section also notes that in granting exemptions, the Commission shall consider the primary business of any associated person, and the nature and extent of domestic or foreign regulation of the associated person's activities. Thus, for example, the Commission may wish to exclude small broker-dealers from the reporting requirements, or not to require information concerning holding companies or their affiliates who are primarily engaged in non-financial activities, such as merchandising, or major foreign banks whose subsidiaries or affiliates include a U.S. broker-dealer.

The Commission could not be compelled to disclose publicly any information required to be reported under this section for which disclosure might otherwise be required pursuant to the Freedom of Information Act, 5 U.S.C. 552. However, the Commission is not authorized under this section to withhold information from Congress or a court of the United States in an action commenced by the United States or the Commission.

SECTION 5.—COORDINATED CLEARING

Securities Exchange Act Amendments

These provisions would amend Section 17A(a)(1) of the Exchange Act to add congressional findings concerning the need for linked or coordinated facilities for clearance and settlement of transactions in securities, securities option, contracts of sale for future delivery and options thereon, and commodity options to the findings already contained in Section 17A(a)(1) of the Exchange Act. The findings recognize that clearing systems for securities, securities options, contracts of sale for future delivery and options thereon, and commodity options (collectively, "cleared products") affect the nation's financial systems. The clearing procedures employed for any cleared product potentially can affect, through settlement default or lack of coordination with other clearing systems, other cleared products, clearing systems, and financial systems.

In addition to these congressional findings, Exchange Act Section 17A(a)(2) would be amended to direct the Securities and Exchange Commission ("SEC") to use its authority under the Exchange Act to facilitate the establishment of linked, coordinated, or centralized facilities for clearance and settlement of transactions in securities, securities options, contracts of sale for future delivery and options thereon, and commodity options. This section does not mandate any particular clearance or settlement system structure, although Section 17A(a)(1)(E) contains a finding that the absence of links or coordination among clearing facilities may impose unnecessary costs and liquidity demands on the nation's financial systems. Although centralization of clearance and settlement facilities is included in Section 17A(a)(2) as an option, the factors listed in Section 17A(a)(2)(A), as well as other competitive considerations discussed below, must be considered in conjunction with any regulatory efforts, pursuant to this section, to centralize the clearing facilities of the securities, options and contract markets.

Although this amendment applies to all cleared products, it is expected that the SEC will exercise its authority only in instances where a particular cleared product or clearing system within its jurisdiction demonstrates a significant effect on other cleared products, clearing systems, or the financial system generally. In carrying out this responsibility, the SEC would be directed to consult with the Commodity Futures Trading Commission ("CFTC") and the Board of Governors of the Federal Reserve System ("FRB").

These provisions also would amend Section 17A of the Exchange Act to authorize the SEC to promulgate rules concerning the transfer and pledge of certificated and uncertificated securities. New Section 17A(f) would authorize the SEC to preempt state commercial laws (such as those based on the Uniform Commercial Code) governing transfer and pledge of securities, but only upon a finding that state commercial laws substantially impede the safe or efficient operation of the national system for clearance and settlement of securities transactions (for example, due to the lack of scope or inconsistent standards of such state laws). The SEC would not be authorized to promulgate rules with respect to government securities issued pursuant to Chapter 31 of Title 31, United States Code, or securities otherwise processed within a book-entry system operated by the Federal Reserve Banks. Because the Department of the Treasury has similar expertise and authority in this area with regard to government securities, the Commission would be required to consult with the Department of the Treasury in exercising its authority under this Section.

The provisions would direct the SEC and the CFTC, in consultation with the FRB, to

examine progress toward the establishment of linked, coordinated, or centralized facilities for clearance and settlement of transactions in securities, securities options, contracts of sale for future delivery and options thereon, and commodity options and to submit to Congress within two years from the date of enactment of this amendment a report detailing and evaluating such progress.

Commodity Exchange Act Amendments

These provisions would amend the Commodity Exchange Act by adding Section 5c to that Act. Section 5c(1) would set forth certain congressional findings concerning the need for linked or coordinated facilities for clearance and settlement of transactions in contracts of sale for future delivery and options thereon, commodity options, securities, and securities options. Those findings recognize that clearing systems for contracts of sale for future delivery and options thereon, commodity options, securities, and securities options (collectively, "cleared products") affect the nation's financial systems. The clearing procedures employed for any cleared product potentially can affect, through settlement default or lack of coordination with other clearing systems, other cleared products, clearing systems, and financial systems. Section 5c(2) would direct the CFTC to use its authority under the Commodity Exchange Act, in accordance with the findings set forth in Section 5c(1), to facilitate the establishment of linked, coordinated, or centralized facilities for clearance and settlement of transactions in contracts of sale for future delivery and options thereon, commodity options, securities and securities options. Section 5c(2) requires the CFTC to consider, among other factors, the maintenance of fair competition among contract markets. A corresponding provision is not specifically added to the Securities Exchange Act because Sections 11A and 23 of that Act already impose an obligation on the SEC to consider competition among securities markets when using its authority under that Act. In this regard, it is not intended that the enumeration of specific competitive concerns will operate to the exclusion of others. Thus, the maintenance of competition between and among contract markets, securities markets, clearing organizations, broker-dealers, and futures commission merchants is a proper subject for the CFTC's and the SEC's consideration under these amendments.

Although Section 5c(2) applies to all cleared products (*i.e.*, it includes non-financial contracts of sale for future delivery such as agricultural products), it is expected that the CFTC will exercise its authority only in instances where a particular cleared product or clearing system within its jurisdiction demonstrates a significant effect on other cleared products, clearing systems, and financial systems generally. The scope of the amendment, however, is necessary to recognize that the clearing systems for those products often involve the same money payment systems. Section 5c(2) would direct the CFTC to consult with the SEC and the FRB in carrying out its responsibilities under Section 5c.

The provisions would direct the SEC and the CFTC, in consultation with the FRB, to examine progress toward the establishment of linked, coordinated, or centralized facilities for clearance and settlement of transactions in securities, securities options, contracts of sale for future delivery and options thereon, and commodity options and to submit to Congress within two years from the date of enactment of this amendment a report detailing and evaluating such progress.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED LEGISLATION—THE SHAREHOLDER COMMUNICATIONS IMPROVEMENT ACT OF 1989

Section 2: Section 2 of the Act amends Section 14 of the Securities Exchange Act of 1934.

Section 2(a)(1): Section 2(a)(1) will extend to investment company security holders the benefits of the shareholder communications rules which require brokers and dealers, banks, associations, and other entities that exercise fiduciary powers holding securities as nominees to provide proxies, consents, and authorizations to beneficial security holders and to provide registrants, upon request, with beneficial owner information so that registrants can send annual reports and voluntary communications directly to the beneficial security holders. Currently, Section 14(b) and the rules adopted thereunder only apply with respect to securities registered under Section 12 of the Exchange Act, which most investment company securities are not. This amendment recognizes the changes that have occurred in the form of ownership of investment company securities and will facilitate communication between investment companies and beneficial owners of investment company securities.

Section 2(a)(2): Section 2(a)(2) of the Act will amend Section 14 (b) to require broker and bank nominees to transmit information statements to the beneficial owners of securities. Currently, only proxies, consents, and authorizations are required to be delivered to beneficial owners of securities when securities are held in nominee name. This amendment will assure that beneficial owners of securities held in nominee name receive information statement as well as proxies.

Section 2(b): Section 2(b) of the Act will amend Section 14(c) of the Exchange Act to require investment companies, in addition to other registrants, to transmit information statements to security holders of record. Currently, Section 14(c) requires the issuance of information statements only with respect to securities registered pursuant to Section 12 of the Exchange Act. Like the amendments to Section 14(b), this amendment will facilitate communication between security holders and issuers of information statements and will provide investment company security holders the same communications as that accorded to non-investment company security holders.

Section 3: Section 3 of the Act provides for its effective date. The amendment to Section 14(b) will be effective on the expiration of one-hundred and eighty days after the date of enactment so that nominees can integrate investment company security holders into their established proxy delivery and communication systems. The delayed effective date also will permit broker and bank nominees to extend existing proxy delivery systems to include information statements. The amendment to Section 14(c) also would take effect on the expiration of one hundred and eighty days after the date of enactment to allow invesment companies to extend established communication systems for proxy delivery to include information statements.●

By Mr. DODD (for himself and Mr. HEINZ) (by request):

S. 649. A bill to amend the Securities Exchange Act of 1934 to require that members of exchanges, brokers, dealers, banks, associations, or other entities that exercise fiduciary powers holding securities as nominees provide proxy and other shareholder communications to investment company beneficial securityholders; to require these same entities, holding securities as nominees, to provide information statements to investment company and noninvestment company beneficial security holders; and to require investment companies to provide information statements to recordholders prior to any securityholder vote when proxies, consents, or authorizations are not solicited; to the Committee on Banking, Housing, and Urban Affairs.

SHAREHOLDER COMMUNICATIONS IMPROVEMENT ACT

● Mr. DODD. Mr. President, the Shareholder Communications Improvement Act of 1989 is designed to improve the flow of information to mutual fund and other investment company shareholders. The proposal was submitted to Congress by the Securities and Exchange Commission on June 13 of last year, and we are introducing it at the request of the agency.

The legislation would extend to mutual fund and other investment company securityholders the benefits of the Commission's shareholder communication rules which now require brokers and dealers, banks, associations, and other entities that exercise fiduciary powers holding securities in nominee name to deliver proxy materials to the beneficial owners and to supply registrants, upon request, with beneficial owner information so that they can send annual reports and voluntary communications directly to beneficial owners.

It also would require broker and bank nominees to transmit information statements to the beneficial owners of the securities. In addition, beneficial owners of investment company securities also will be included among those securityholders to whom nominees must deliver information statements.

The Commission has urged passage of this legislation, because the number of mutual fund shares being held on behalf of customers is increasing, and banks are getting more involved in the administration and distribution of shares, especially mutual fund shares. The amendments will encourage better communication between beneficial shareholders and the issuers of shares, thus increasing investor protection. In addition, the amendments will ensure that—whether their shares are held by a broker or a bank—mutual fund shareholders will have the opportunity to exercise their voting rights.

I ask unanimous consent to insert in the RECORD at this point an analysis of the legislation. I further ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 649

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act shall be cited as the "Shareholder Communications Improvement Act of 1989."

SEC. 2. AMENDMENTS TO 1934 ACT.

(a) SECTION 14(B).—Section 14(b)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78n(b)(1)) is amended by—

(1) striking "section 12 of this title" and inserting "section 12 of this title or any security issued by an investment company registered under the Investment Company Act of 1940"; and

(2) striking "or authorization" and inserting "authorization, or information statement".

(b) SECTION 14(C).—Section 14(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78n(c)) is amended by striking "title" and inserting "title or a security issued by an investment company registered under the Investment Company Act of 1940".

SEC. 3. EFFECTIVE DATE.

The amendments made by section 2 of this Act shall take effect upon the expiration of 180 days after the date of enactment of this Act.●

By Mr. KENNEDY (for himself, Mr. DODD, and Mr. INOUYE):

S. 650. A bill to establish a national program to expand opportunities for Americans, especially students, to serve their communities; to the Committee on Labor and Human Resources.

SERVE AMERICA, THE SERVICE TO AMERICA ACT

Mr. KENNEDY. Mr. President, in his inaugural address more than a quarter century ago, President Kennedy inspired the Nation and the world when he called upon Americans of all ages to ask what they could do for their country. Citizens responded by the millions, and today the Peace Corps, VISTA, the Older American Volunteer Programs, and numerous projects in communities across America bear witness to those words and their enduring appeal.

In recent years, however, the worth of national service has been obscured by other values of society. Too often, young people are not asked to serve. They are viewed as part of the problem, not part of the solution. And that easily becomes a self-fulfilling prophecy.

I am introducing legislation today to renew President Kennedy's challenge for our own day and generation. We do not have to compel young Americans to serve their country. All we have to do is ask—and provide the opportunity.

The purpose of the legislation is to establish nationwide opportunities for voluntary service for Americans of all ages, without distinctions because of class or income. The special emphasis of the bill will be on school-based and college-based programs for pupils and students at every level to serve in their own communities.

Our goal is to make such programs available by 1995 to every student in America, from kindergarten through college. The "me decade" is over. The 1990's can be the decade when we rediscover the importance of giving something back to our country, in return for all it has given us.

I call this idea serve America, and I am proposing a $100 million appropriation to enable schools and local agencies to create service opportunities for young people in thousands of communities across the Nation to serve their country. Before long, I hope to see a familiar poster in every classroom in the United States, with the figure of Uncle Sam saying "America needs you"—because we do.

Under my proposal, matching grants will be available to schools, colleges, and community-based organizations to create or expand service opportunities. Communities will have the flexibility to design programs that meet local needs, but all projects will include an age-appropriate learning component, training for students and supervisors, and a sustained commitment by students. The best projects will receive grants for up to 3 years to pay for a program coordinator, training, transportation costs, insurance, and other startup costs.

While the legislation will be primarily concerned with school and college-based service, it will contain other provisions as well. Using existing Federal resources, serve America will also encourage the creation of full-time service corps for out-of-school youth and summer service corps for all youth. National recognition awards will be established for the best participants and programs in each State. To make the most effective use of Federal resources, the legislation will mandate that all Federal agencies seek ways, in their existing programs, to provide or expand opportunities for service; President Bush could do this with the stroke of a pen—by executive order—and I urge him to do so as part of the youth service initiative he is planning.

In addition to serve America, I will soon introduce three small bills that use cost-effective programs for adults to respond to critical national needs.

For 25 years, VISTA volunteers—receiving only subsistence level stipends—have served in the front lines in the war on poverty. It is time to bring VISTA back to full strength. At a minimum, we should double the number of volunteers by 1993, which would restore the program to its peak level of the past.

Older Americans also represent an indispensable resource in meeting the country's most urgent challenges, especially in areas such as long-term care and home care for the elderly, services to teenage parents, and assistance to the disabled. Today, 450,000 senior citizens serve in the Older American Volunteer Programs run by the ACTION Agency. As part of our comprehensive approach to community service, we should substantially expand the corps of older volunteers working in such areas.

Finally, we should revitalize the National Health Service Corps as part of our nationwide effort to deal more effectively with the aids crisis.

Serve America also builds on effective existing programs. Across the country, young Americans are working against homelessness and hunger, crime and drug abuse, illiteracy and pollution. They serve in schools and hospitals, shelters and senior citizen centers and other community agencies.

These young citizens know that the satisfaction of helping their communities is the reward for their efforts. Their teachers and parents have seen the students' self-esteem grow, as they learn through helping others that they can take charge of their own lives. And their communities have learned that young people who serve others become good neighbors and good citizens.

Too often, however, service programs of the sort represented here are the exception, not the rule. The 60 million students from kindergarten through college across America are a powerful national resource that is largely untapped. The time has come to harness their energy, ability and idealism to meet our most pressing national goals.

Equally important, the pupils of today are the voters and leaders of tomorrow. Community service should be the common experience of all citizens—and the call to service should come early. It should be a vital part of the education for citizenship in every school system in the Nation. The genius of America education is that we are not just educating the young to be teachers, doctors, lawyers, scientists, workers, or business men and women—we are educating them to be Americans. The lesson of service to their country to be learned in youth will last a lifetime, and produce a better, fairer, and stronger America in the years ahead.

I urge my colleagues to support Serve America.

I ask unanimous consent that the letters in support of Serve America be placed in the RECORD.

I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 650

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as "Serve America, the Service to America Act of 1989".

SEC. 2. TABLE OF CONTENTS.

This table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Findings and purposes.

TITLE I—SCHOOL AND CAMPUS-BASED COMMUNITY SERVICE.

Sec. 101. Program authorized.
Sec. 102. Definitions.
Sec. 103. Authorization of appropriations.
Sec. 104. Allocation of funds.
Sec. 105. State applications.
Sec. 106. Local application.
Sec. 107. Use of funds.
Sec. 108. Reports.
Sec. 109. Federal activities.
Sec. 110. Evaluation.
Sec. 111. Nondiscrimination.
Sec. 112. Prevention of worker displacement.
Sec. 113. Political activities.
Sec. 114. Notice, hearing, and grievance procedures.

TITLE II—YOUTH SERVICE CORPS AMENDMENTS

Sec. 201. Use of funds.
Sec. 202. Training and technical assistance.

TITLE III—NATIONAL RECOGNITION

Sec. 301. Presidential awards for service.
Sec. 302. Congressional awards for service.

TITLE IV—MANDATE FOR A COMPREHENSIVE FEDERAL SERVICE STRATEGY

Sec. 401. Comprehensive service strategy.

SEC. 3. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) service to the community is a responsibility of all American citizens, regardless of their economic level or age;

(2) children who become engaged in community service early will understand better the responsibilities of citizenship and often continue to serve the community into adulthood;

(3) serving others builds self-esteem and teaches teamwork, decisionmaking, and problem-solving; and

(4) America's 60-million students, from kindergarten to college, offer a powerful, largely untapped resource for community service.

(b) PURPOSE.—The purposes of this Act are—

(1) to enable the call to service to begin in the earliest grades, to grow into sustained community action in secondary schools and colleges, and to become a lifelong habit;

(2) to provide out-of-school youth with service opportunities;

(3) to build on the existing organizational framework provided by state and local educational agencies, schools, institutions of higher education, and community agencies;

(4) to promote the expansion of full-time and summer youth corps programs;

(5) to inspire others to serve by providing national and local recognition to outstanding individuals and programs involved in community service; and

(6) to involve agencies of the Federal Government in seeking ways through existing programs to expand service opportunities for all Americans.

TITLE I—SCHOOL AND CAMPUS BASED COMMUNITY SERVICE

SEC. 101. PROGRAM AUTHORIZED.

(a) IN GENERAL.—The Secretary is authorized, in accordance with the provisions of this Act, to make grants to States or local applicants to create or expand service opportunities for students and out-of-school youth.

(b) TERM OF GRANT.—The term of the grants may be for a period of not longer than 3 years.

SEC. 102. DEFINITIONS.

For purposes of this title—

(1) The term "community-based agency" means a private nonprofit organization that is representative of a community or a significant segment of a community and that is engaged in meeting human, social, educational, or environmental community needs.

(2) The term "education institution" means a local educational agency, elementary or secondary school, institution of higher education, or a community-based agency that provides educational services.

(3) The term "elementary school" has the same meaning given that term in section 1471(8) of the Elementary and Secondary Education Act of 1965.

(4) The term "institution of higher education" has the same meaning given that term in section 1201(a) of the Higher Education Act of 1965.

(5) The term "local educational agency" has the same meaning given that term in section 1471(12) of the Elementary and Secondary Education Act of 1965.

(6) The term "local government agency" means a public agency that is engaged in meeting human, social, educational, or environmental needs.

(7) The term "out-of-school youth" means an individual who has not attained the age of 25, has not completed high school or the equivalent, and is not enrolled in an elementary or secondary school or institution of higher education.

(8) The term "participant" means a student or out-of-school youth who provides services pursuant to a program funded under this title.

(9) The term "project" means any activity that results in a specific identifiable service or product that otherwise would not be done with existing funds, and which shall not duplicate the routine services or functions of the employer to whom participants are assigned.

(10) The term "secondary school" has the same meaning given that term in section 1471(21) of the Elementary and Secondary Education Act of 1965.

(11) The term "Secretary" means the Secretary of Education.

(12) The term "service opportunity" means a program or project enabling students or out-of-school youth to perform meaningful and constructive service in agencies, institutions, and situations where the application of human talent and dedication may help to meet human, social, educational, and environmental community needs, especially those relating to poverty.

(13) The term "State" means a State, the Commonwealth of Puerto Rico, Guam, the District of Columbia, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, or the Trust Territory of the Pacific Islands.

(14) The term "State agency for higher education" means the State board of higher education or other agency or officer primarily responsible for the State supervision of higher education, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(15) The term "State educational agency" has the same meaning given that term in section 1471(23) of the Elementary and Secondary Education Act of 1965.

(16) The term "student" means an individual who is enrolled full-time or part-time in an elementary or secondary school or institution of higher education.

SEC. 103. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for the purposes of carrying out the provisions of this title $100,000,000 for each of the fiscal years 1990, 1991, 1992, 1993, and 1994.

SEC. 104. ALLOCATION OF FUNDS.

(a) IN GENERAL.—The Secretary shall allocate 85 percent of the funds appropriated under section 103 according to the chapter 1 basic grant formula described in section 1005 of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 to States that have applications approved under section 105.

(b) REMAINDER.—The Secretary shall use the remaining 15 percent of the funds appropriated under section 103 for program support, evaluation, training, technical assistance, and activities described in section 109.

(c) LOCALITY APPLICATION.—(1) If a State does not apply for assistance under this Act or if a State does not have an application approved under section 105, the Secretary, in consultation with the Director of the ACTION Agency, may make grants directly to local applicants. The Secretary shall apply the criteria described in section 106 in evaluating such local applications.

(2) In no case shall the aggregate amount of funds awarded to local applicants in a State exceed the amount the State would have been entitled to receive under subsections (a) and (b).

SEC. 105. STATE APPLICATION.

(a) APPLICATION REQUIRED.—Each State desiring to receive a grant under this Act shall submit an application to the Secretary at such time and in such manner as the Secretary may reasonably require. Each of such applications shall describe how—

(1) local applications will be ranked according to criteria described in section 106;

(2) the State will coordinate service programs in the State;

(3) the State will encourage cooperative efforts among education institutions, local government agencies, community-based agencies, businesses, and State agencies to provide service opportunities, including those that involve the participation of urban, suburban, and rural youth working together;

(4) the State will ensure that economically and educationally disadvantaged students are offered service opportunities;

(5) the State will evaluate service programs receiving funds under this title;

(6) the State educational agency and State agency for higher education will ensure that programs funded under this Act will serve urban and rural areas and any tribal areas that exist in such State;

(7) the State will provide technical assistance and training to service programs in the State; and

(8) the State intends to use non-Federal funds to expand service opportunities for students and out-of-school youth.

(b) APPROVAL.—The Secretary, in consultation with the Director of the ACTION Agency, shall review State applications and approve those applications which meet the requirements of this Act.

(c) STATE LEGISLATION.—Nothing in this Act shall be interpreted to preclude the enactment of State legislation providing for the implementation, consistent with the provisions of this Act, of the programs administered under this Act.

SEC. 106. LOCAL APPLICATION.

(a) APPLICATION REQUIRED.—Any education institution, local government agency, community-based agency, or consortia thereof desiring to receive a grant under this Act shall apply to the State educational agency and the State agency for higher education at such time and in such manner as the State educational agency or State agency for higher education may reasonably require. Each of such applications shall—

(1) contain a written agreement between one or more education institutions and one or more representatives of the community where service opportunities will be provided that the program was jointly developed by the parties and that the program will be jointly executed by the parties;

(2) contain assurances that the local labor organization representing employees who are engaged in the same or similar work as that proposed to be carried out in a project assisted under this title, has been provided an opportunity to review and comment on the application required by this section;

(3) describe the goals of the program, including goals that are quantifiable, measurable, and show benefits to the participants and the community;

(4) set forth the service opportunities to be provided;

(5) describe how participants will be recruited;

(6) describe how participants were or will be involved in the design and operation of the program;

(7) describe an age-appropriate learning component for participants that includes, but is not limited to, a chance for participants to reflect on their service experiences and expected learning outcomes;

(8) describe whether or not participants will receive academic credit for their participation;

(9) describe the membership and role of any advisory committee associated with administration of service programs assisted under this Act;

(10) state the name, if available, qualifications, and responsibilities of the coordinator of any program assisted under this Act;

(11) describe preservice and inservice training to be provided to supervisors and participants;

(12) describe the means by which outstanding service will be recognized;

(13) set forth the target numbers of students and out-of-school youth who will participate;

(14) set forth the target numbers of hours of service such participants will provide individually and as a group;

(15) describe the proportion of expected participants who are educationally or economically disadvantaged;

(16) describe the ages or grade levels of expected participants;

(17) include other relevant demographic information about expected participants;

(18) describe the activities and services for which assistance is sought;

(19) describe potential resources that will permit continuation of the program, if needed, upon the conclusion of Federal funding; and

(20) provide assurances that participants will be provided with information on VISTA, the Peace Corps, the Montgomery G.I. Bill Act of 1984, and other service options and their benefits, such as student loan deferment and forgiveness, as appropriate.

(b) APPROVAL.—The State educational agency and the State higher education agency shall approve only local applications describing programs that provide—

(1) an age-appropriate learning component for participants to reflect on service experiences;

(2) preservice and inservice training for both supervisors and participants involving representatives of the community where service opportunities will be provided; and

(3) evidence that participants will make a sustained commitment to the service project.

(c) PRIORITY.—In providing assistance pursuant to this Act, the State educational agency and the State agency for higher education shall give priority to applications describing—

(1) programs which involve participants in the design and operation of the program;

(2) programs in greatest need of assistance;

(3) programs which involve individuals of different ages, races, sexes, ethnic groups, and economic backgrounds serving together.

(d) DURATION.—Grants to local applicants under this title may be for up to a 3-year period and are renewable for a second period of up to 3 years to expand or improve an existing program or to initiate a new program.

SEC. 107. USE OF FUNDS.

(a) FEDERAL SHARE.—(1) Funds provided pursuant to this title may not be used by a local applicant to pay more than—

(A) 80 percent of the costs of programs assisted under this title for the first year in which the applicant receives funds under this title;

(B) 70 percent of the costs of programs assisted under this title for the second year in which the applicant receives funds under this title;

(C) 60 percent of the costs of programs assisted under this title for the third year in which the applicant receives funds under this title; and

(D) 50 percent of the costs of programs assisted under this title for the fourth and each succeeding year in which the applicant receives funds under this title.

(2) The portion of the costs of programs assisted under this title that are to be paid from sources other than Federal funds may be paid in cash or in kind, fairly evaluated.

(3) If the portion of the costs of programs assisted under this title to be paid from sources other than Federal funds are paid by private profitmaking organizations then subsection (a) shall be applied by substituting—

(A) "85 percent" for "80 percent";

(B) "75 percent" for "70 percent"; and

(C) "65 percent" for "60 percent".

(b) COSTS OF ADMINISTRATION.—States shall use no more than 5 percent of funds allocated under section 103 for the costs of administration, including training, technical assistance, and coordination activities.

(c) LOCAL APPLICANTS.—Local applicants may use funds provided under this title for supervision of participants, program administration, training, reasonable transportation costs, insurance, and other reasonable expenses.

(d) STIPENDS.—Funds provided under this title shall not be used to pay any stipend, allowance, or other financial support to any participant except reimbursement for transportation, meals, and other reasonable out-of-pocket expenses incident to participation in a program assisted under this title.

(e) PROHIBITION.—(1) Funds provided under this title shall not be used by program participants and program staff to—

(A) give religious instruction, conduct worship services, or engage in any form of proselytization; or

(B) assist, promote, or deter union organizing.

(2) No project assisted under this title shall impair existing contracts for services or collective bargaining agreements.

(f) SUPPLEMENTATION.—(1) All Federal funds and funds used to pay the remainder of the costs of programs assisted under this title shall be used to supplement the level of State and local public funds expended for services assisted under this title in the previous fiscal year.

(2) The supplementation requirement of this subsection shall be satisfied with respect to a particular program if the aggregate expenditure in such program for the fiscal year in which services are to be provided will not be less than the aggregate expenditure in such program in the previous fiscal year, excluding Federal funds and funds used to pay the remainder of the costs of programs assisted under this title.

SEC. 108. REPORTS.

(a) STATE REPORTS.—Each State receiving funds pursuant to section 104 shall submit an annual report to the Secretary on the status of youth service programs in the State. Each State may require local grantees to supply such information as is necessary to complete such report, including a comparison of actual accomplishments with the goals established for the program, the number of participants in the program, the number of service hours generated, and problems, delays or adverse conditions that have affected or will affect the attainment of program goals.

(b) ANNUAL REPORT.—The Secretary shall, not later than 120 days after the end of each fiscal year, prepare and submit to the appropriate authorizing and appropriation committees in Congress a report on programs funded under this title. Such report shall summarize information contained in State reports required under subsection (a). Such report shall reflect the findings and actions taken as a result of any evaluation conducted pursuant to section 110.

SEC. 109. FEDERAL ACTIVITIES.

(a)(1) The Secretary, in consultation with the Director of the ACTION Agency, is authorized to fund one or more national or regional clearinghouses on service.

(2) Public and private nonprofit agencies with extensive experience in community service programs, particularly those involving students, shall be eligible to receive funds under paragraph (1) of this subsection.

(3) National and regional clearinghouses funded under paragraph (1) shall provide information, curriculum materials, technical

assistance, and training to States and local entities eligible to receive funds under section 106.

(b)(1) The Secretary, in consultation with the Director of the ACTION Agency, is authorized to fund national model youth service programs.

(2) States, education institutions, local government agencies, community-based agencies, or consortia of the above organizations shall be eligible to receive grants under paragraph (1) of this subsection.

(3) The Secretary shall widely disseminate information about national model youth service programs funded under paragraph (1) of this subsection.

SEC. 110. EVALUATION.

(a) The Secretary shall provide, through grants or contracts, for the continuing evaluation of programs assisted under this title, including evaluations that measure and evaluate the impact of programs authorized by this title, in order to determine program effectiveness in achieving stated goals in general and in relation to cost, the impact on related programs, and the structure and mechanisms for delivery. Such evaluations shall include, where appropriate, comparisons with appropriate control groups composed of individuals who have not participated in such programs. Evaluations shall be conducted by individuals not directly involved in the administration of the program evaluated.

(b) STANDARDS.—The Secretary shall develop and publish general standards for evaluation of program effectiveness in achieving the objectives of this title. Reports submitted pursuant to section 108 shall describe the actions taken as a result of evaluations carried out pursuant to this section.

(c) INPUT.—In carrying out evaluations under this title, the Secretary shall include the opinions of program participants and members of the communities where services are delivered concerning the strengths and weaknesses of such programs.

(d) PUBLICATION.—The Secretary shall publish summaries of the results of evaluations of program impact and effectiveness no later than 60 days after the completion of such evaluation.

(e) OWNERSHIP OF PROPERTY.—All studies, evaluations, proposals, and data produced or developed with assistance under this title shall become the property of the United States.

SEC. 111. NONDISCRIMINATION.

(a) IN GENERAL.—Any financial assistance provided under this Act shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and the regulations issued thereunder.

(b) NONDISCRIMINATION.—No person with responsibility for the operation of a program funded under this title shall discriminate with respect to any activity or program funded under this title because of race, religion, color, national origin, sex, age, handicap, or political affiliation.

SEC. 112. NONDUPLICATION AND NONDISPLACEMENT.

(a) NONDUPLICATION.—(1) Funds provided under this title shall be used only for activities which do not duplicate, and are in addition to, programs and activities otherwise available in the locality.

(2) No funds available under this title may be provided to any private nonprofit entity to conduct activities that are the same or substantially equivalent to activities provided by the State or local government agency unless the requirements of subsection (b) are met.

(b) NONDISPLACEMENT.—(1) No employee shall be displaced by any employer (including partial displacement such as reduction in hours, wages, or employment benefits) as a result of the use of a participant in a program established by this title.

(2) No service opportunities shall be created in a promotional line that will infringe in any manner upon the promotional opportunities of employed individuals.

(c) SPECIAL RESTRICTIONS REGARDING FULL-TIME PARTICIPANTS.—(1) No participant shall be assigned on a full-time basis to any local government agency unless the number of employees in such agency is at least equal to the number of regular employees who were employed in such agency in the preceding year.

(2) No participant shall be assigned on a full-time basis to any position in a State agency or local government agency if the rate of increase in such agency in the number of employees in substantially equivalent positions is less than the rate of increase of regular local employees in all positions of such agency in the 2 preceding years.

(3) No participant shall be assigned on a full-time basis to any position in a State agency or local government agency if the rate of increase in the number of employees in such agency is less than the rate of increase of employees in all agencies of such State or local government in the 2 preceding years.

(d) COMPLIANCE REPORT.—Any local labor organization representing government employees who are engaged in work similar to the service performed by participants on a full-time basis may request local grantees to furnish to the local labor organization an annual report demonstrating compliance with subsection (b).

(e) LABOR ORGANIZATION APPROVAL.— In order to conduct a program or project assisted under this Act, a grantee must obtain the approval of any labor organization representing employees who are engaged in the same or similar work as that proposed to be carried out in such program or project.

SEC. 113. POLITICAL ACTIVITIES.

(a)(1) IN GENERAL.—No funds provided pursuant to this title shall be used to finance, directly or indirectly, any activity designed to influence the outcome of any election to Federal office or the outcome of any election to any State or local public office, or any voter registration activity.

(2) DEFINITIONS.—As used in this section—

(A) the term "election" has the same meaning (when referring to an election for Federal office) given such term by section 301(1) of the Federal Election Campaign Act of 1971; and

(B) the term "Federal office" has the same meaning given that term by section 301(3) of the Federal Election Campaign Act of 1971.

(b) PROHIBITIONS.—(1) No funds provided pursuant to this title shall be used to finance, directly or indirectly—

(A) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office;

(B) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or

(C) any voter registration activity.

(2) No funds provided under this title shall be used by any program assisted under this title in any activity for the purpose of influencing the passage or defeat of legislation or proposals by initiative petition, except—

(A) in any case in which a legislative body, a committee of a legislative body, or a member of a legislative body requests any participant in or employee of such a program to draft, review, or testify regarding measures or to make representations to such legislative body, committee, or member; or

(B) in connection with an authorization or appropriations measure directly affecting the operation of the program.

(c) RULES AND REGULATIONS.—The Secretary shall issue rules and regulations to provide for the enforcement of this section, which shall include provisions for summary suspension of assistance for no more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided.

SEC. 114. NOTICE, HEARING, AND GRIEVANCE PROCEDURES.

(a) IN GENERAL.—(1) The Secretary is authorized, in accordance with the provisions of this title, to suspend payments or to terminate payments under any contract or grant providing assistance under this title whenever the Secretary determines there is a material failure to comply with the provisions of this title or the applicable terms and conditions of any such grant or contract issued pursuant to this title. The Secretary shall prescribe procedures to ensure that—

(A) assistance under this title shall not be suspended for failure to comply with the applicable terms and conditions, except in emergency situations for 30 days; and

(B) assistance under this title shall not be terminated for failure to comply with applicable terms and conditions unless the recipient has been afforded reasonable notice and opportunity for a full and fair hearing.

(b) HEARINGS.—Hearings or other meetings as may be necessary to fulfill the requirements of this section shall be held at locations convenient to the recipient agency.

(c) TRANSCRIPT OR RECORDING.—A transcript or recording shall be made of any hearing conducted under this section and shall be available for inspection by any individual.

(d) GRIEVANCE PROCEDURE.—(1) The State educational agency and the State agency for higher education shall establish and maintain a procedure for grievances from participants, labor organizations, and other interested persons concerning projects funded under this title. Hearings on any grievance shall be conducted within 30 days of filing of a grievance and decisions shall be made not later than 60 days after the filing of a grievance. Except for complaints alleging fraud or criminal activity, complaints shall be made within 1 year after the date of the alleged occurrence.

(2) Upon the occurrence of an adverse grievance decision, or where the Secretary, or the Secretary of Labor in the case of a grievance or complaint filed by a labor organization, has reason to believe that a State educational agency or State agency for higher education is failing to comply with the requirements of this title, the Secretary, or the Secretary of Labor in the case of a grievance or complaint filed by a labor organization, shall investigate the allegation within the complaint and determine, within

129 days after receiving the complaint, whether such allegation is true.

TITLE II—YOUTH SERVICE CORPS AMENDMENTS

SEC. 201. DEFINITION.

Section 4 of the Job Training Partnership Act (hereinafter in this title referred to as the "Act") is amended by adding the following at the end thereof:

"(30) The term 'youth service corps' means a program offering full-time, stipended productive work with visible community benefits in a natural resource or human service setting and giving participants a mix of work experience, basic and life skills education, training, and support services.".

SEC. 202. USE OF FUNDS.

Section 204 of the Job Training Partnership Act is amended by—

(1) redesignating paragraphs (27) and (28) as paragraphs (28) and (29), respectively; and

(2) adding the following new paragraph after paragraph (26):

"(27) full-time youth service corps programs,".

SEC. 203. TRAINING AND TECHNICAL ASSISTANCE.

(a) Section 455(a) of the Act is amended by—

(1) inserting "and youth service corps leaders" after "job skills teachers"; and

(2) inserting "and to youth service corps programs" after "migrant and seasonal farmworkers".

(b) Section 455(b) of the Act is amended by inserting ", including exemplary youth service corps programs," after "exemplary program experience".

(c) YOUTH SERVICE CORPS.—Part E of title IV of the Act is amended by adding the following new section at the end thereof:

"YOUTH SERVICE CORPS

"SEC. 466. The Secretary of Labor shall take appropriate steps to encourage States and local communities to use funds provided pursuant to this Act to establish or expand summer and year-round youth service corps."

(d) TECHNICAL AMENDMENT.—The table of contents of the Act is amended by adding after "Sec. 465. Job bank program." the following:

"Sec. 466. Youth service corps.".

(e) SUPPLEMENTATION.—The Secretary of Labor shall encourage States and local communities to supplement Federal assistance with non-Federal resources to allow summer and year-round youth service corps programs to include youth of all social and economic backgrounds.

TITLE III—NATIONAL RECOGNITION

SEC. 301. PRESIDENTIAL AWARDS FOR SERVICE.

(a) PRESIDENTIAL AWARDS.—(1) The President is authorized to make Presidential Awards for service to individuals demonstrating outstanding community service and to outstanding service programs.

(2) The President is authorized to make 1 individual and 1 program award in each Congressional district, and 1 statewide program award in each State. The President shall consult with the Governor of each State in the selection of individuals and programs for Presidential Awards. Individuals receiving awards need not be participants in programs assisted under this Act.

(b) INFORMATION.—The President shall ensure that information concerning individuals and programs receiving awards is widely disseminated.

SEC. 302. CONGRESSIONAL AWARDS FOR SERVICE.

(a) IN GENERAL.—The Secretary and the Director of the ACTION Agency shall publicize the Congressional Award program authorized under the Congressional Award Act.

(b) ELIGIBILITY AMENDMENT. Section 3(a) of the Congressional Award Act is amended by striking "aged fourteen through twenty-three" and inserting "through age twenty-four".

TITLE IV—MANDATE FOR A COMPREHENSIVE FEDERAL SERVICE STRATEGY

SEC. 401. COMPREHENSIVE SERVICE STRATEGY.

The President shall design a comprehensive Federal service strategy. Such strategy shall include—

(1) the review of existing programs to identify and expand opportunities for service, especially by students and out-of-school youth;

(2) the designation of a senior official in each Federal agency who will be responsible for developing youth service opportunities in existing programs nationwide;

(3) establishment of service projects in each Federal agency;

(4) encouraging Federal employees to participate in service projects;

(5) designation of an executive branch official to coordinate the Federal service strategy; and

(6) annual recognition of outstanding service programs by a Federal agency.

NATIONAL EDUCATION ASSOCIATION,
Washington, DC, February 17, 1989.

Hon. EDWARD M. KENNEDY,
Chairman, Senate Labor and Human Resources Committee, 632 Hart Senate Office Building, Washington, DC.

DEAR CHAIRMAN KENNEDY: I am writing to express the strong support of the National Education Association for your new initiative, "Serve America: the National Youth Service Act."

NEA has long recognized both the importance of appropriate volunteer efforts to society and the value of service experiences for our nation's youth. The legislation which you propose would rightly provide federal assistance for the creation of opportunities for our nation's youth to provide meaningful service to their communities while simultaneously gaining a valuable educational experience.

Your proposed bill correctly targets local schools as a key element of youth service initiatives at the local level. As you are no doubt aware, many local schools and communities have already undertaken youth service projects of their own. These efforts deserve the recognition and support that the Youth Service Act will provide. The inclusion of provisions for an age-appropriate learning component to allow students to achieve maximum benefit from their service experiences is also something NEA strongly endorses. In addition, your recognition of the need for training for both service supervisors and the young people providing service is insightful and will facilitate the implementation of local programs.

We applaud your leadership in addressing this critical area of need. NEA will be providing you and other Members of the Labor and Human Resources Committee with a more detailed analysis as the Committee proceeds with hearings on the bill.

As always, if I can be of any further assistance to you, please do not hesitate to contact me.

Sincerely,

KENNETH F. MELLEY,
Director of Government Relations.

[From the American Federation of State, County and Municipal Employees, AFL-CIO, Washington, DC, Feb. 17, 1989]

AFSCME SUPPORTS STUDENT COMMUNITY SERVICE

Gerald W. McEntee, president of the 1.1 million-member American Federation of State, County and Municipal Employees, expressed his support for the concept of student community service announced today by Senator Edward Kennedy (D-MA) and Congressman Major Owens (D-NY).

"It is time," McEntee said, "to turn away from the self-centeredness of the last decade and instead to nurture the values of generosity and responsibility toward our neighbors and community. Through programs like voluntary student community service, we can encourage young people to discover the satisfaction of helping others and in so doing increases their self-esteem and sense of control over their lives."

In particular, McEntee praised the proposal's focus on schoolbased programs, its mandate for an educational component, and its emphasis on student involvement in the development of projects. "Early intervention through programs like this can help young people resist the temptation of drugs and crime as an escape from the hopelessness of poverty in the inner cities or the boredom and isolation of the suburbs," McEntee said. "By designing the federal program as a catalyst for local programs operated by educational institutions, Senator Kennedy and Congressman Owens have found a way to stimulate local programs, without increasing pressure on the federal budget."

COUNCIL OF CHIEF STATE SCHOOL OFFICERS,
Washington, DC, February 17, 1989.

Hon. EDWARD M. KENNEDY,
Chairman, Senate Labor and Human Resources Committee, Washington, DC.

DEAR SENATOR KENNEDY: The Council of Chief State School Officers applauds your initiative for federal support of programs which enable young people to serve their communities. We support "SERVE AMERICA: The National Youth Service Act of 1989."

Title I of your proposal promotes a close relation between education and community service. It incorporates the key principles our Council recommends for youth service legislation and will increase the numbers of elementary, secondary, and postsecondary students who participate in community service programs.

The proposal provides that school- and campus-based community service programs are to be connected closely to the student's academic study and the concept of service integrated into the curricula. It provides for efficient and effective administration of this program through state plans and state education agencies.

Our Council supports the four major parts of your proposed bill. We look forward to continuing our work with you and your colleagues toward enactment of this important legislation.

Sincerely,

GORDON M. AMBACH.

YOUTH SERVICE AMERICA,
Washington, DC.

Senator EDWARD M. KENNEDY,
Room 315, Russell Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: We applaud and welcome the introduction of your bill, Students Engaged in Reviving Voluntary Efforts (SERVE). Youth Service America has worked for many years to insure that youth service legislation should:

Ensure that young people from all segments of our society participate, with the goal of expanding young people's opportunities to serve until the ethic of service becomes a regular part of growing up in America.

Promote and encourage a wide diversity of program models, including school- and campus-based programs, kindergarten through college, as well as programs for young people who do not go on to college.

Build on the established base of workable program models (rather than creating a cumbersome and costly administrative structure) so that increasing numbers of young Americans are involved in community service from childhood to adulthood, generation after generation.

Ensure that substantive work is accomplished and that these accomplishments are reported to the public—including conservation, housing rehabilitation, and such human services as education/tutoring, literacy, daycare, and maintaining the quality of life for our elderly citizens.

Encourage innovation, creativity, and long-term sustainability of youth service, and utilize funds to leverage more public/private support—including state and local support—for youth service.

Recognize that good programs require training and reflection for both supervisors and students, and that service requires a sustained commitment, at least several hours a week and/or fulltime during the summer.

Your bill embodies all these principles of proven value and recognizes that service is an important component of learning. We in the youth service movement congratulate you.

Sincerely yours,

FRANK SLOBIG,
Codirector, Youth Service America.

[From the National Association of Service & Conservation Corps, Washington, DC, Feb. 21, 1989]

SENATOR KENNEDY'S PROPOSAL FOR YOUTH SERVICE WELCOMED BY NATIONAL ORGANIZATION

The National Association of Service and Conservation Corps (NASCC) today announced support for Senator Ted Kennedy's new national youth service initiative, "Serve America".

"NASCC applauds Senator Kennedy for offering a legislative proposal that will provide service opportunities to a wide variety of America's children and youth," said Margaret Rosenberry, Executive Director of the Association. "School-based programs and other project designs are important components of a national youth service system. It is time that they have a federal partner."

Serve America offers community service, volunteer, and youth development opportunities for children, other students, and their young people, some of whom may be economically or educationally disadvantaged. Senator Kennedy's proposal also provides for training and technical assistance to states, schools, and community groups that want to establish youth service programs.

"Too often we view young people as clients of our social service system and not as resources," said Ms. Rosenberry. "They have much to give, and the federal government has a role to play in providing them with opportunities to serve."

NASCC is a national, non-profit membership organization for youth conservation and service corps programs and program supporters. Headquartered in Washington, D.C., NASCC provides information, training, and other technical services to its members and to federal, state, and local officials and organizations.

NATIONAL CRIME PREVENTION COUNCIL,
Washington, DC, February 20, 1989.

Senator EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: We are delighted that you will soon introduce legislation to create "Serve America," a school- and college-based program using the talents of our young people as resources to address pressing community problems.

As you know, the National Crime Prevention Council has been active in developing and promoting the youth as resources ethic in community-building endeavors. The Lilly Endowment has sponsored one of our major efforts, teen-led projects which confront some of our most vexing social issues—teen pregnancy, drug abuse, hunger, poor housing, illiteracy and more. Our Teens, Crime and the Community Initiative challenges teens in more than 300 secondary schools in 20 major cities to make their schools and communities safer and better.

By taking active, responsible roles in such service, young people not only solve community problems but develop their own sense of self-worth and stake in the community's future.

Our just-published book, "Reaching Out: School-Based Community Service Programs," capsulizes the many lessons we've learned from those who have pioneered these programs at the local level. It is a worthy companion to our two prior books in this field—"Making A Difference" and "Teens, Crime and the Community."

We look forward to working with you in bringing the skills of our young people to bear on pressing local needs throughout our nation.

Sincerely,

JOHN A. CALHOUN,
Executive Director.

[From People For the American Way Action Fund, Washington, DC, Feb. 21, 1989]

PEOPLE FOR THE AMERICAN WAY ACTION FUND ENDORSES KENNEDY STUDENT COMMUNITY SERVICE PROPOSAL

People For the American Way Action Fund, a 275,000 member nonpartisan citizens organization dedicated to promoting democratic values, enthusiastically endorses legislation introduced by Senator Edward Kennedy to support and promote student community service. We believe that this vital legislation recognizes a serious national need.

Those who are involved in community service know their participation can make a difference to them and to those they serve. Evidence is abundant, however, that today's youth feel less a part of the community than previous generations. This has been documented in a number of studies, including a recent report by the Carnegie Foundation for the Advancement of Teaching. In 1988, People For the American Way commissioned a series of youth "focus groups"—small group discussions with a cross section of youth between the ages of 18 and 24. These young Americans offered uninformed, hollow definitions of what it means to be a "good citizen." In their view, good citizenship was confined to not breaking the laws. There was no recognition that citizens not only have rights, but also responsibilities; not only benefits, but also obligations. Their definition of citizenship did not reflect an understanding of community and the many ways in which individuals can serve and enrich community life.

The habits of good citizenship must be fostered in the early grades and continue through adolescence and beyond. The civics lessons taught in our schools need to be understood and realized through citizen action in the community. Sen. Kennedy's bill recognizes both these principles. It targets children in kindergarten through college, and it recognizes the need to integrate community service with the school experience.

Many laudable "service" proposals aimed primarily at college-age youth already have been introduced in this Congress. Existing programs such as the Peace Corps and VISTA deserve increased support. Sen. Kennedy's Student Service approach fills another, perhaps even more basic need: the need to help younger Americans experience and benefit from service to others. If the communitarian spirit that is essential to a democracy is to be revitalized, it must be translated into programs that will provide today's young Americans the opportunity to learn the worth of helping others. At its core, community service is what good citizenship is all about.

Passage of this legislation is a priority for People For the American Way Action Fund. We believe that it deserves the bipartisan support of the Congress and of all Americans.

THE COUNCIL OF THE GREAT CITY SCHOOLS,
Washington, DC, February 20, 1989.

Hon. EDWARD KENNEDY,
Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: On behalf of the Council of the Great City Schools, a coalition of the nation's largest urban public school systems, I would like to express our enthusiasm and support for your new "Youth Community Service Program" proposal. This legislation, in both concept and form, is badly needed to encourage state and local volunteerism among our young people.

A recent survey of big city school systems conducted by the St. Paul Public Schools showed that many are in the first throes of doing exactly what your bill would provide resources for. Urban school systems are attempting to develop local programs that will encourage their own students to volunteer in the community, and for the community to volunteer in the schools. The Dade County Public Schools and others even have plans to require such service of students as part of their educational growth. One of the important aspects of your bill is that it would encourage such local efforts, provide the resources to expand them, and provide others with information on how such efforts can work.

We are also pleased to see that your proposal does not tie other educational aid or benefits to such service. To do so would be punative, we believe. Rather, your bill would encourage local collaboration in program planning and operation, and would emphasize learning, training and sustained commitment—all essential ingredients to successful programs of this type.

As the measure moves through the legislative process, we would be pleased to testify on its behalf, offer additional ideas, and to assist in its progress. Thank you for seeking our suggestions and support for your bill. If we can be of assistance to you, please do not hesitate to call on us.

Sincerely,

MICHAEL CASSERLY,
Associate Director.

THE INSTITUTE FOR EDUCATIONAL LEADERSHIP, INC.,
Washington, DC, February 17, 1989.

DEAR SENATOR KENNEDY: Young people become leaders through the experience of leadership. But only through the experience of service to others will tomorrow's leaders be equipped as citizens in a kinder and gentler society.

The youngest schoolchild's every instinct is to help others—not only to show how much he or she knows—but also out of genuine concern for the other's well-being. While sports, social groups, and academic activities provide young people with valuable avenues to excellence, they do little to tap young people's natural idealism and to fuel their belief in their own ability to make the world a better place. If college freshmen today—the young men and women who will lead our corporations, write and implement our laws, and raise the next century's children—show more interest in becoming "well-off financially" than in participating in the civic life of their communities, their comments only reflect a society that too narrowly defines success and provides young people with few opportunities to know the rewards of contribution and service.

Young people need more chances to be all that they can be. Senator Kennedy's youth service proposals will put those opportunities where they belong—in schools and community-based organizations—where young people can work with adults to shape programs that meet local needs. Whether planting flowers in a community garden, recycling bottles or newspapers, peer tutoring, running a visiting service for shut-ins, delivering meals to the elderly or in countless other acts of service and mutual responsibility, the Senator's service proposal can build stronger neighborhoods, better neighbors, healthier cities, and good citizens. America needs them all, and youth service is one effective way to achieve them all.

MICHAEL D. USDAN,
President.

CAMPUS COMPACT,
Providence, RI, February 18, 1989.

Senator EDWARD KENNEDY,
Chairman, Senate Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: I would like to endorse in principle the bill, Serve America, that you are planning to introduce in the Senate in support of youth community service. The bill will help to provide the necessary resources to school and campus based community service programs to support well designed and responsible programs that encourage student to serve their communities.

The Campus Compact is a national coalition of 150 college and university presidents established to create public service opportunities for their students and to develop an expectation of service as an integral part of students' undergradute education. The Campus Compact is a project of the Education Commission of the States. The coalition represents the full spectrum of higher education institutions in the United States—large public research institutions, community colleges, small private colleges. The efforts of the Compact staff are directed at assisting the campuses to build effective programs to engage students in working with their communities to meet critical human needs. In the four years that the Compact has been organized, we have witnessed a remarkable response on the part of college students to the call to service. I believe that the time is right to ask students to become part of the solution to the problems of their communities. Their energy, talents and commitment is needed in communities all across the United States.

I especially commend you for the important emphasis that your bill places on the educational value of service. As schools and colleges, we must find ways of linking the powerful learning that results through community service with classroom learning. The financial resources made available through your legislation will be essential to creating programs, training faculty and staff, and involving community learders in that process.

Sincerely,

SUSAN STROUD,
Director.

THE WILLIAM T. GRANT FOUNDATION, COMMISSION ON WORK, FAMILY AND CITIZENSHIP,
Washington, DC.

YOUTH AND AMERICA'S FUTURE

DEAR SENATOR KENNEDY: In its two-year study of America's 16-24-year-olds, Youth and America's Future: The William T. Grant Foundation, Commission on Work, Family and Citizenship concluded that a major unmet need of many young Americans is for more rewarding association with adults and participation in activities valued by adults. Youth service is a particularly effective way to connect young people to the real world, to activities that adults care about. Any time any of us do something that others, whose approval we seek, think is important, we are likely to do it again and again. It is from this crucible of learning—good citizenship by doing good citizenship—that the next generation can prepare itself for the large challenges that face us.

While a central value of youth is its rile in citizenship education, there are many other reasons to support youth service activities—school and campus-based, as well as full-time year-around and intensive summer programs. Great numbers of our youth have idealism and energy. The efforts of tens of millions of young people—tutoring, working with older people, working to clean up the environment, feeding the hungry, rehabilitating housing for the homeless—can make an important and measurable difference. The nation's needs are great, but the talents embodied in our youth are nearly endless. We must mobilize and tap those boundless resources.

Community service, we also believe, is one of the most effective ways known to bridge the economic, social, racial, ethnic, and other social divisions that still plague our society. At its best, service brings together youth of all backgrounds in the pursuit of solutions to common problems.

Finally, youth service helps equip young people to be productive workers. Every genuine employability skill that is a priority for most employees—punctuality, teamwork, discipline, following directions, accepting responsibility—is present in any decent youth community service assignment. Service complements the lessons of school and paid employment as an invaluable way to help our youth grow in competence and self-esteem.

We applaud your youth service initiative and the strong national leadership it provides for the significant expansion of locally-designed and operated youth service programs.

HAROLD HOWE, II, *Chairperson.*

CONSTITUTION RIGHTS FOUNDATION,
Los Angeles, CA, February 17, 1989.

Senator EDWARD M. KENNEDY,
Chairman, Senate Committee on Labor & Human Resources, Senate Russell Office Building, Washington, DC.

DEAR SENATOR KENNEDY: The Constitutional Rights Foundation operates one of the largest school-based youth community service programs in the United States. Our program is active in 22 schools throughout Los Angeles and involves over 20,000 students annually in service projects. We believe this program helps participants develop strong positive attitudes toward voluntary service, as well as the skills needed to become effective citizens.

As a community-based organization, we are delighted to hear of the legislation you are planning to introduce to provide financial incentives to help underwrite the development of school-based service programs. Financial support of the type you propose will be of great assistance in stimulating the growth of this important initiative.

We stand ready to assist you in any way possible as you work toward this important goal.

Sincerely,

TODD CLARK,
Education Director.

THE NATIONAL ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS,
Reston, VA, February 17, 1989.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: The National Association of Secondary School Principals applauds your leadership in proposing a voluntary national youth service initiative. The NASSP, representing more than 41,000 secondary school principals, has long believed that youth providing service to their communities, develop a life long ethic of a civic obligation, gain in valuable work and life experience, build their self esteem, expand their interests, compliment their academic experience with practical experience, and grow in their belief that they have genuinely contributed to the life in their communities.

For decades, service has been recognized as an integral part of scholarship. In fact, The National Honor Society, adopted in 1921 and sponsored by NASSP, has long identified school and community service as a major requirement for eligibility in the society, along with character and leadership qualities.

National leadership and resources are needed to establish such opportunities for our youth. Unmet needs exist in every community in the nation. Whether youth participate in peer tutoring, assisting handi-

capped or the elderly, working in a local day care center, working on a local soil or water conservation project, or assisting local authorities in a park beautification project, both the community and its youth are beneficiaries.

Many schools already integrate their curriculum with out-of-school activities, because educators know that youth gain important problem solving skills, develop a sense of responsibility, and learn to work cooperatively with others, ultimately applying their academic experiences to their life experience.

We at NASSP pledge our help in your effort to give youth in every locality the opportunity to contribute and become productive citizens within their community.

Sincerely yours,

SCOTT THOMPSON,
Executive Director.

AMERICAN FEDERATION OF TEACHERS, AFL-CIO,
Washington, DC, February 21, 1989.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: We are pleased to learn that you will soon introduce legislation to encourage the development of voluntary service programs for our country's youth. We understand that your bill will emphasize school and college-based initiatives.

The AFT believes that voluntary youth service programs foster a sense of community, helps establish an attitude of civic responsibility and provides youth with valuable work or service experience. Such programs also provide youth with an opportunity to contribute to the common welfare and to receive recognition for their efforts.

The AFT looks forward to working with you and the other members of the Senate to enact a Youth Service Bill.

Sincerely,

GREGORY A. HUMPHREY,
Director of Legislation.

STATE HIGHER EDUCATION EXECUTIVE OFFICERS,
Denver, CO, February 20, 1989.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR MR. KENNEDY: Last Thursday, the Committee's Chief Advisor for Education, Terry Hartle, briefed the members of the SHEEO Federal Relations Committee on the outlines of your proposed National Youth Service Act of 1989. Due to the fact that we did not have a draft of the proposed legislation during our meeting, our members were unable to take a formal position on it. Therefore, while I am writing as chair of the SHEEO Federal Relations Comittee, this letter only reflects my personal views. I believe, however, that most if not all of my fellow state higher education executive officers would subscribe to the thoughts set forth in this letter.

SHEEO has long endorsed the concept of student involvement in community service. Indeed, as you are doubtless aware from your knowledge of Massachusetts and elsewhere, many States have established service learning programs to encourage just such involvement. We therefore applaud your efforts to sponsor legislation that would provide additional resources to increase opportunities for our young people to participate in such programs. We are particularly pleased that the proposal acknowledges the critical role of the States in the effective development and implementation of community service efforts, and that it likewise recognizes the importance of forging partnerships among all levels of education, from primary school through college, to accomplish these goals.

I believe I am speaking for all my colleagues in saying that we look forward to continuing to work with you and all those who are supporting new approaches to the concept of community service.

Sincerely,

GARY S. COX,
Chair, Federal Relations Committee.

THE COLLEGE BOARD,
Washington, DC, February 17, 1989.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building, U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: Providing increased opportunities for American citizens to render service to the nation and their communities is clearly an important item on the agenda of the 101st Congress.

I support and commend your legislative initiative that will focus particular attention on service opportunities incorporating a learning component for students from kindergarten through college. Service should be an integral part of every young person's education and the College Board looks forward to working with you and other Members of Congress to develop legislation that will advance this objective.

Thank you for your endeavors in support of American education and citizen service to the country.

Sincerely,

LAWRENCE E. GLADIEUX,
Executive Director.

UNIVERSITY OF NOTRE DAME,
Notre Dame, IN, February 17, 1989.

NICK LITTLEFIELD,
Staff Director, Senate Committee on Labor and Human Resources.

I would like to support strongly Senator Edward Kennedy's initiative in backing the most creative idea in America today, voluntary service. Senator Kennedy is right on target when he plans to support voluntary service at the earliest possible age. When young Americans serve, they will also serve for the rest of their lives. I am proud of the fact that almost half of our undergraduate students give several hours a week in voluntary service to the less fortunate. This creates great hope for the future of America.

(Rev.) THEODORE M. HESBURGH,
C.S.C., *President Emeritus, University of Notre Dame.*

PROJECT SERVICE LEADERSHIP,
Seattle, WA.,

Senator EDWARD KENNEDY,
Chairman, Labor and Human Resources Committee, 315 Russell Building, Washington, DC.

DEAR SENATOR KENNEDY, I strongly support SERVE AMERICA: The National Youth Service Act of 1989. As a classroom teacher, as a coordinator of service projects, and currently as director of Project Service Leadership, I have seen firsthand the benefit of school-based service projects.

As a teacher in an inner-city eighth grade classroom, I have seen a student who could not read above the second grade reading level suddenly develop a strong commitment to reading and an improved sense of himself when he helped second graders learn to read. To his "students" he became "Mr. Jones, the teacher", and he began to live up to this new image of himself. This same student increased his reading level by four grade levels in one year. I know that much of his success came because he felt valued for the first time.

As a teacher in an affluent private school, I saw adolescents develop a greater compassion for the needs of their society. Students who provided meals for shut-ins discovered that they were frequently the only visitors that these shut-ins received. The students then began to question how could this happen in our society and how could they prevent the problem.

As a social studies teacher, I have seen hunger become more than an article in the newspaper as a student raised $3,000 to help Cambodian relief. I still remember the tears in one student's eyes as she shared with her classmates the fact that her contribution had helped provide food for over 215 children.

As director of Project Service Learning, I am currently working schools and communities throughout Washington State which are committed to infusing service into their curriculum. Schools participating in the project are interested in enabling students to be of service to their peers, to their schools, and to their communities. One of the districts, Tacoma School District plans to require all students to be involved in community contribution in a way that links that contribution with classroom curriculum, insuring that all students have the opportunity to experience the joy of being needed.

These are just a few of many possibilities that your legislation can support. The benefits of community service are extensive.

Students who frequently feel needy can know for the first time that they are also needed.

School learning no longer is an abstraction but to enables them to make the community a better place address and engages students.

It develops compassion and empathy.

It develops a sense of civic virtue and responsibility.

It helps create channels by which at-risk youth can receive assistance from older students and peers.

It creates an important link to help students know that they are important members of their community.

Please let me know if there is any way I can be helpful to you and your efforts to promote an ethic of service within our communities.

Sincerely yours,

KATE MCPHERSON,
Director, Project Service Leadership.

TUFTS UNIVERSITY,
CENTER FOR ENVIRONMENTAL MANAGEMENT,
March 8, 1989.

Senator KENNEDY,
Senate Labor Committee, Washington, DC.

DEAR SENATOR KENNEDY: At President Mayer's suggestion I am writing to support your legislative proposal to establish a student community service program. As faculty advisor to the Leonard Carmichael Society (LCS) I can tell you that it is a very welcome proposal which will enhance the efforts of existing student volunteering programs and encourage the development of other programs.

The LCS at Tufts is an all-student volunteer organization oriented toward communi-

ty service in Somerville and Medford where the Tufts undergraduate campus is located. Attached is the latest newsletter which describes LCS activities. LCS is very well respected inside the Tufts community and in the larger community because of its dedication to helping people and its policy of being apolitical.

LCS which is named after Leonard Carmichael, president of Tufts from 1938 to 1952, is growing in membership with over 400 students. Your proposal to foster community responsibility and encourage a commitment to community service is a welcome shot in the arm, since LCS has a goal of having every Tufts student do some community service volunteering to help the larger community which has made it possible for them to have the opportunity for higher education. Your proposal would allow LCS to get adult supervision, training programs for volunteers and to expand programs in the community. We have been trying to get funding for these functions with little success. The idea that we could achieve our goal through your legislation is very exciting.

As you know, volunteers started public education, boards of health, the women's suffrage movement, civil rights organizing and environmental protection, to name a few. We cannot hope to improve society and to care for the less advantaged if we do not encourage individual and collective action to assume our community responsibility.

I hope you will be successful in your efforts. I know that the LCS students join me in applauding your efforts and in pledging our support to assist you in getting the legislation passed. Thank you again for your efforts and for your past support of Tufts University.

Sincerely,

ANTHONY D. CORTESE, Sc.D.
Director.

NATIONAL STUDENT SERVICE AND COLLEGE ADMISSION

The National Association of College Admission Counselors looks with favor upon proposals to encourage the youth of the country to engage in meaningful and necessary service to their communities and the nation. Indeed, most of our colleges and universities and many of our schools already have such programs. Some make such service a prerequisite to graduation.

The opportunities to serve are numerous and varied including work with charities; at hospitals; nursing homes, and hospices; in schools; to name a few.

Because of the growing number of new bills before Congress that propose to set up nationwide student service plans, NACAC outlines below criteria that we believe should be present in such legislation.

1. Present student aid programs should not be weakened to fund national service proposals. Funds should supplement and not supplant programs such as Pell Grants, Stafford Loans, and College Work-Study. Over the years, these and other programs have been the cornerstones on which students of ability but with limited means have gained entrance to higher education.

2. No one program can be right for all students. A variety of approaches such as service before, during, and upon completion of a course of study should be included. And, this should be an option, not a requirement for federal financial aid.

3. The issue of interrupting the educational continuum of young adults is one that has many educators concerned. Most vulnerable are the "at-risk learners." To require extensive service before enrollment means that many would never even begin postsecondary education. The distinct needs of the older, part time student should also be addressed in a flexible program because this group is a larger component of our student bodies each year.

4. For youth who are not strong academically and who enroll in a national service plan before they enter higher education, support programs such as tutoring and services such as academic and admission counseling are needed. This would ensure that these students are ready to take on the demands of higher education when they are accepted at the institution.

5. Whatever form the final program takes, a pilot program should be set up and operated for a sufficient number of years to fine tune it into an instrument that serves our country and the students who take part.

MOUNT WACHUSETT COMMUNITY COLLEGE,
Gardner, MA, February 24, 1989.

Hon. EDWARD M. KENNEDY,
Senator for Massachusetts, U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: I have read your proposal to expand the Student Community Service Program with great interest. It is well worth pursuing.

This proposal, if converted to legislation, will provide a known and workable strategy to help solve some of this nation's appalling social problems, e.g., homelessness, elderly care and substance abuse. The idea of using students for community service promotes a mutually beneficial effect to student and client. This inclusion of academic credit and an "age appropriate learning component" will ensure that significant student learning takes place and can be demonstrated. I especially like the notion of specifically including the participation of disadvantaged students. The mix of students with varied backgrounds is an important feature as well.

My concern is with the requirement that the program be institutionalized upon termination of a three-year award. Why should a good idea be threatened with extinction because the institution could not take over the funding? This is of particular concern in Massachusetts as we in public higher education face many fiscal uncertainties over the next three to five years.

Your initiative should be considered as a pilot project over the three-year time span with careful record-keeping required for later evaluation. Such a database of demonstrated effectiveness should go a long way to ensure continuity. If this legislation is passed, Mount Wachusett Community College will definitely be one of the first applicants.

Thank you for sharing this idea with us and allowing for our comments.

Sincerely,

DANIEL M. ASQUINO,
President.

THE CHILDREN'S MUSEUM OF INDIANAPOLIS,
Indianapolis, IN, Feb. 22, 1989.

Hon. EDWARD M. KENNEDY,
U.S. Senator, Russell Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: As the Executive Director of the largest youth museum in the world (1.6 million visitors in 1988), I hope that you will understand that cultural institutions play a vital role in enriching the lives of young people. Therefore, as a concept of a youth service corps develops into legislation, there should be provision to encourage youthful volunteer work in our cultural agencies.

For example, The Children's Museum of Indianapolis now has over 350 young people ages ten to seventeen volunteering in our activities. They run our Computer Center, maintain our live animal exhibits, act as demonstrators in our science displays as well as serve in a Youth Advisory Board to our adult Board of Trustees. There are, however, additional linkages which could be extremely important in the community. For example, young people could work with the elderly both at cultural institutions and in home settings to enrich their lives. In addition, young people could serve as a catalysts to be involved in issues relating to their future such as recycling and other environmental concerns. Young people could also serve as tutors for other youngsters who are at risk, or who are failing in our school systems, or have already dropped out.

The possibilities are extensive and the network already exists. Representatives of the American Association of Museums and/or directors from individual organizations throughout the country could serve as advisors to you as you and your staff develop legislation.

Again, I applaud the concept and stand ready to help in any way that we can.

Sincerely yours,

PETER V. STERLING,
Executive Director.

THE ASSOCIATION OF URBAN UNIVERSITIES,
Washington, DC, Mar. 3, 1989.

Mr. TERRY HARTLE,
Senate Committee on Labor and Human Resources, Washington, DC.

DEAR TERRY: Thank you for the opportunity to examine the draft text of Senator Kennedy's youth service bill.

All in all, it seemed like a very elegant draft. Only one question occurs to me—and it runs so close to what I assume to be the heart of your bill that I don't seriously offer it as a drafting suggestion.

But the question continues to occur to me as I read not only your bill, but several of the others—why do so many of these bills focus specifically on a single, youthful age group? It would seem to me—and we may mention it in testimony, that the elimination of the age limitations would do very little to the underlying concept of the bill. I am not suggesting the Nunn approach of having people below 26 do the work, and old gaffers like me do the Administration. I think if anything, that is more of a cliche than having a youth (alone) service bill.

But I would hope that the Senator might contemplate opening the ranks of the service corps to people somewhat beyond the age given in the draft. To be sure, most of the over-25 students are already working, already involved in independent family life, and do not really need the opportunity to learn what work is about. But it would be nice, given the ⅓ or so of our college students who are over 25, if we could open these bills to their participation.

That's not exactly a nit-pick, but neither does it suggest a technical flaw in the bill as drafted. Obviously the bill as it is is intentionally focussed on youth. It does a good job based on that reasonable premise. Thanks again for the opportunity, and I hope we can participate early in the hearings.

Sincerely,

JIM HARRISON.

THOMAS JEFFERSON FORUM, INC.,
Boston, MA, Feb. 17, 1989.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: Your proposed legislation regarding students engaged in voluntary service offers great encouragement to all of us working in the student community service field.

We at the Thomas Jefferson Forum have been supporting high school-based community service programs for nearly three years, and we are currently involved with 23 high schools in the Greater Boston, Merrimack Valley and Worcester areas of our state. Our experience has shown that there is tremendous potential and enthusiasm in schools and among students for voluntary service in their communities. What is needed to realize this potential is some initial leadership, focus and structure to enable young people and adult volunteers to envision the first step and encourage continued participation. Your Bill is designed to do just this, in a way that will require comparatively little money compared to the significant volunteer service it will generate.

I believe it behooves all of us who are concerned with participation of youth in our society to support initiatives such as yours. I am delighted to do whatever I can to help.

Yours truly,

T.J. COOLIDGE, JR.,
President, Thomas Jefferson Forum.

NATIONAL SCHOOL BOARDS ASSOCIATION,
Alexandria, VA, Feb. 17, 1989.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Washington, DC

DEAR SENATOR KENNEDY: The National School Boards Association (NSBA), on behalf of the 96,000 local school board members across the country, supports the concept of a federal initiative to encourage youth service programs embodied in your proposed bill.

School board members know well how great are the unmet needs in their schools and communities for services and yet how limited are the resources of government and community programs to provide them. School board members also recognize the great potential for service that is present, though often untapped, among their students. Furthermore, increasing numbers of school districts are adopting youth service programs because of the invaluable educational experience they provide for the participants as well as the benefits for those assisted.

Your proposal to provide federal funds for quality youth service programs sponsored by public schools in collaboration with other government, educational, and community agencies promises to be a powerful catalyst for improving the social well-being of local communities and the nation at-large.

NSBA looks forward to working with you in the development and refinement of this bill. Thank you for your leadership in support of public education.

Sincerely,

LEONARD ROVINS,
President.

THOMAS A. SHANNON,
Executive Director.

THE PUBLIC SCHOOLS OF SPRINGFIELD, MA,
Feb. 17, 1989.

Senator EDWARD KENNEDY,
Senate Labor Committee, Washington, DC

DEAR SENATOR KENNEDY: Based on the experiences we have had in the Springfield Public Schools, we wholeheartedly endorse the legislative proposal, "Students Engaged In Reviving Voluntary Efforts," that you are announcing on Tuesday, February 21st.

In 1987, at the urging of our former mayor, now Congressman Richard E. Neal, our school system initiated a community service learning program, kindergarten through grade twelve. The rationale for the program is that those children who become engaged in their community from an early age and follow in a continuum throughout their schooling will learn a sense of service, a greater sense of responsibility and the meaning of participation. In the elementary schools, community service learning can be integrated into the curriculum as a natural process. In the middle/junior high schools, students can thrive on the activities that community service provides as the culminating experience of a unit of study. In addition to serving the curriculum, community service learning provides the educational means to address adolescent idealism and development.

If, indeed, we are to make "service part of every young American's person agenda", as the New York Times suggested in an editorial on January 22, 1989, we should be working to create an environment for this to take place throughout a young person's education. The comprehensive approach that you are proposing will provide opportunities for our young people to contribute and encourage voluntarism to become part of the fabric of our society.

Sincerely,

EDWIN T. SHEA,
Deputy Superintendent.

PARTNERS IN EDUCATION, INC.,
Alexandria, VA, Feb. 17, 1989.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Washington, DC

DEAR SENATOR KENNEDY: The National Association of Partners in Education, the organization representing school volunteers and business-education partnerships across the Nation, strongly supports your youth community service initiative.

During the past several years, we have witnessed both the growth and value of local progams that involve young people in a variety of community service activities. Students working in senior citizen homes, tutoring peers or younger children in basic skills, serving the handicapped, and volunteering in countless other ways have contributed much to the vitality of their communities.

Our future depends on the active involvement and caring of the next generation. We are very pleased that your bill will help connect young people, nationwide, with their communities and show them—first hand—that volunteering and caring are a part of good citizenship. This initiative will help all of us, young and old together, build a strong America.

THE CARNEGIE FOUNDATION FOR THE ADVANCEMENT OF TEACHING,
Princeton, NJ, Feb. 20, 1989.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I have long supported youth service as an essential part of education, both at the school and college levels.

Students urgently need to connect learning and living, and in our report High School, we proposed that every student complete a community service requirement—a new "Carnegie" unit—to involve them in activities beyond the classroom. In our 1987 report College, we urge that undergraduates become engaged in the larger communities of which they are a part.

Community service will do much to help build, within the young people of the nation, a sense of common purpose. National leadership is now needed to help schools and colleges link this larger vision to academic goals.

Sincerely,

ERNEST L. BOYER,
President.

ASSUMPTION COLLEGE,
Worcester, MA, Mar. 8, 1989.

Hon. EDWARD M. KENNEDY,
Senate Office Building, Washington, DC.

DEAR TED: Thank your for your recent letter regarding your proposal to encourage students to become more involved in community service activities. I appreciate the opportunity to comment on this proposal and to describe the community service programs that we have for the students of Assumption College.

I am very supportive of the intent of the various community service bills now before Congress but also concerned about the provisions of some of the legislation. From an educational standpoint, I find your proposal to be most encouraging because it offers students the opportunity to take part in the design and the delivery of service activities, favors programs that provide learning as well as service experiences, and requires the establishment of local advisory boards composed of educational and service agency representatives. Your proposal will also benefit students by supplementing rather than replacing the federal need-based aid programs that are necessary to maintain equal access to our colleges and universities.

Assumption College offers several opportunities for student involvement in community service. For several years now, our Office of Campus Ministry has sponsored a two-week summer program for students in San Ildefonso, Mexico. This program allows students to work with the impoverished families in the village, be totally immersed in a culture vastly different from their own and reflect upon the experience in a systematic, in-depth fashion. Campus Ministry sponsors a similar program for students to work with the homeless, handicapped and disadvantaged of West Phildelphia. *Communitas,* a very active student service group on campus, supervises a Big Brother/Big Sister program, organizes fund drives for the homeless and various charitable organizations, and works with the sick, the handicapped and the poor.

I hope I have been of some assistance in this matter.

With best wishes,

Sincerely,

JOSEPH H. HAGAN,
President.

By Mr. DODD (for himself and Mr. HEINZ) (by request):

S. 651. A bill to amend the Trust Indenture Act of 1939; to the Committee on Banking, Housing, and Urban Affairs.

TRUST INDENTURE REFORM ACT

● Mr. DODD. Mr. President, the Trust Indenture Reform Act of 1989, which we are introducing today at the request of the Securities and Exchange Commission, is designed to

streamline and improve the disclosure requirements for the issuance of debt securities and enhance the protection of security holders. The legislation was first submitted to Congress by the SEC on November 17, 1987, and it was introduced at the request of the agency by Senators PROXMIRE and GARN on June 24 of last year. Subsequent to its introduction, there have been discussions involving the Commission, industry representatives, and congressional staff with respect to further changes in the proposal. We are introducing the bill today for the purpose of continuing discussions begun on this measure in the last Congress.

The Commission developed this legislation for the purpose of modernizing the Trust Indenture Act of 1939, which currently regulates the public issuance of debt securities and the relationships among security holders, the indenture trustee, and the obligor. Since the adoption of the current law, there have been significant changes in the markets, with respect to both the types of debt securities offered to the public and the techniques for their sale. As a result, the Commission has advised Congress that aspects of the act have become administratively or substantively obsolete.

The Commission has further stated that this legislation would modernize the law while continuing to mandate necessary protections for debtholders. For example, while current law requires that indentures set forth certain mandatory requirements, this legislation would make those requirements self-executing by law, those avoiding unnecessary "boilerplate" language in disclosure documents.

The legislation would also give the Commission greater exemptive authority in order to permit the Commission to adjust requirements to particular needs when their application would impose undue restrictions and would be unnecessary to serve the act's purposes of the law. The legislation would make further revisions in the conflict of interest provisions of current law, as well as revisions affecting the qualifications of foreign trustees.

Mr. President, I ask unanimous consent that a section-by-section analysis of the legislation be included in the RECORD at this point. I further ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 651

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Trust Indenture Reform Act of 1989".

SEC. 2. Section 303(8) of the Trust Indenture Act of 1939 (15 U.S.C. 77ccc(8)) is amended by inserting "section 305 or" after "provided for in".

SEC. 3. Section 304 of the Trust Indenture Act of 1939 (15 U.S.C. 77ddd) is amended—

(1) by striking ", as heretofore amended," in subsection (a)(4)(A); and

(2) by striking subsection (d) and inserting in lieu thereof the following:

"(d) The Commission may, by rules or regulations upon its own motion, or by order on application by an interested person, exempt conditionally or unconditionally any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any one or more of the provisions of this title, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by this title. The Commission shall by rules and regulations determine the procedures under which an exemption under this subsection shall be granted, and may, in its sole discretion, decline to entertain any application for an order of exemption under this subsection.".

SEC. 4. Section 305(b) of the Trust Indenture Act of 1939 (15 U.S.C. 77eee(b)) is amended—

(1) by striking "The" and inserting "(1) Except as may be permitted by paragraph (2) of this subsection, the";

(2) by redesignating paragraph (1) as subparagraph (A) and inserting "or" at the end thereof;

(3) by striking paragraph (2);

(4) by redesignating paragraph (3) as subparagraph (B); and

(5) by adding at the end thereof the following:

"(2) In the case of securities registered under the Securities Act of 1933, which securities shall not be sold until a date subsequent to the effective date of the registration statement relating to such securities, the Commission shall not be required to issue the order described in paragraph (1) if, prior to the sale of such securities, the obligor of such securities has filed an application for qualification for the indenture under which such securities shall be issued pursuant to such rules and regulations as the Commission may prescribe. The Commission shall issue an order prior to the effective date of such an application for qualification refusing to permit such application to become effective, if it finds that—

"(i) the security to which such application relates has not been or is not to be issued under an indenture; or

"(ii) any person designated as trustee under such indenture is not eligible to act as such under subsection (a) of section 310 or has any conflicting interest as defined in subsection (b) of section 310;

but no such order shall be issued except after notice and opportunity for hearing within the periods and in the manner required with respect to refusal orders pursuant to section 8(b) of the Securities Act of 1933. If and when the Commission deems that the objections on which such order was based have been met, the Commission shall enter an order rescinding such refusal order, and the application shall become effective at the time provided in section 8(a) of the Securities Act of 1933, or upon the date of such rescission, whichever shall be the later.".

SEC. 5. Paragraph (2) of section 309(a) of the Trust Indenture Act of 1939 (15 U.S.C. 77iii(a)) is amended by inserting "section 305 or" after "pursuant to".

SEC. 6. Section 310(a) of the Trust Indenture Act of 1939 (15 U.S.C. 77jjj(a)) is amended—

(1) by inserting at the end of paragraph (1) the following: "The Commission may, pursuant to such rules and regulations as it may prescribe, or by order on application, permit a corporation or other person organized and doing business under the laws of a foreign government to act as sole trustee under an indenture qualified or to be qualified pursuant to this title if—

"(A) such corporation or other person—

"(i) is authorized under such laws to exercise corporate trust powers; and

"(ii) is subject to supervision or examination by authority of such foreign government or a political subdivision thereof substantially equivalent to supervision or examination applicable to United States institutional trustees; and

"(B) under such laws, a United States institutional trustee is eligible to act as sole trustee under an indenture relating to securities sold within the jurisdiction of such foreign government.";

(2) by striking "The indenture to be qualified shall require that there" in paragraph (1) and inserting "There";

(3) by striking "The indenture to be qualified shall require that such" in paragraph (2) and inserting "Such";

(4) by striking "such indenture shall provide that" in paragraph (3); and

(5) by striking "the indenture to be qualified shall require that" from paragraph (4), and inserting "shall" after "the indenture trustee or trustees".

SEC. 7. Section 310(a) of the Trust Indenture Act of 1939 (15 U.S.C. 77jjj(a)) is amended by adding at the end the following:

"(5) No obligor upon the indenture securities or person directly or indirectly controlling, controlled by, or under common control with such obligor shall serve as trustee upon such indenture securities.".

SEC. 8. Section 310(b) of the Trust Indenture Act of 1939 (15 U.S.C. 77jjj(b)) is amended to read as follows:

"(b) DISQUALIFICATION OF TRUSTEE.—If any indenture trustee has or shall acquire any conflicting interest as hereinafter defined, (i) such trustee shall, within 90 days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign, and the obligor upon the indenture securities shall take prompt steps to have a successor appointed in the manner provided in the indenture; (ii) in the event that such trustee fails to comply with the provisions of clause (i) of this subsection, such trustee shall, within 10 days after the expiration of such 90-day period, transmit notice of such failure to the indenture security holders in the manner and to the extent provided in subsection (c) of section 313; and (iii) subject to the provisions of subsection (e) of section 315, any security holder who has been a bona fide holder of indenture securities for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of such trustee, and the appointment of a successor, if such trustee fails, after written request therefor by such holder to comply with the provisions of clause (i) of this subsection.

"For the purposes of this subsection, an indenture trustee shall be deemed to have a conflicting interest if the indenture securities are in default (as such term is defined in such indenture, but exclusive of any

period of grace or requirement of notice) and—

"(1) such trustee is trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of an obligor upon the indenture securities are outstanding or is trustee for more than one outstanding series of securities, as hereafter defined, under a single indenture of an obligor, unless (A) the indenture securities are collateral trust notes under which the only collateral consists of securities issued under such other indenture, or (B) such other indenture is a collateral trust indenture under which the only collateral consists of indenture securities, or (C) such obligor has no substantial unmortgaged assets and is engaged primarily in the business of owning, or of owning and developing or operating, real estate, and the indenture to be qualified and such other indenture are secured by wholly separate and distinct parcels of real estate: *Provided*, That the indenture to be qualified may contain a provision excluding from the operation of this paragraph other series under such indenture, another indenture or indentures under which other securities, or certificates of interest or participation in other securities, of such an obligor are outstanding, if (i) the indenture to be qualified and any such other indenture or indentures are wholly unsecured, and such other indenture or indentures are specifically described in the indenture to be qualified or are thereafter qualified under this title, unless the Commission shall have found and declared by order pursuant to subsection (b) of section 305 or subsection (c) of section 307 that differences exist between the provisions of the indenture to be qualified and the provisions of such other indenture or indentures which are so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify such trustee from acting as such under one of such indentures, or (ii) the issuer shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that trusteeship under the indenture to be qualified and such other indenture or under more than one outstanding series under a single indenture is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify such trustee from acting as such under one of such indentures or series;

"(2) such trustee or any of its directors or executive officers is an underwriter for an obligor upon the indenture securities;

"(3) such trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control with an underwriter for an obligor upon the indenture securities;

"(4) such trustee or any of its directors or executive officers is a director, officer, partner, employee, appointee, or representative of an obligor upon the indenture securities, or of an underwriter (other than the trustee itself) for such an obligor who is currently engaged in the business of underwriting, except that (i) one individual may be a director and/or an executive officer of the trustee and a director and/or an executive officer of such obligor, but may not be at the same time an executive officer of both the trustee and of such obligor, (ii) if and so long as the number of directors of the trustee in office is more than 9, one additional individual may be a director and/or an executive officer of the trustee and a director of such obligor, and (iii) such trustee may be designated by any such obligor or by any underwriter for any such obligor, to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent, or depositary, or in any other similar capacity, or, subject to the provisions of paragraph (1) of this subsection, to act as trustee, whether under an indenture or otherwise;

"(5) 10 per centum or more of the voting securities of such trustee is beneficially owned either by an obligor upon the indenture securities or by any director, partner, or executive officer thereof, or 20 per centum or more of such voting securities is beneficially owned, collectively by any 2 or more of such persons; or 10 per centum or more of the voting securities of such trustee is beneficially owned either by an underwriter for any such obligor or by any director, partner, or executive officer thereof, or is beneficially owned, collectively, by any 2 or more such persons;

"(6) such trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default as hereinafter defined, (i) 5 per centum or more of the voting securities, or 10 per centum or more of any other class of security, or an obligor upon the indenture securities, not including indenture securities and securities issued under any other indenture under which such trustee is also trustee, or (ii) 10 per centum or more of any class of security of an underwriter for any such obligor;

"(7) such trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default as hereinafter defined, 5 per centum or more of the voting securities of any person who, to the knowledge of the trustee, owns 10 per centum or more of the voting securities of, or controls directly or indirectly or is under direct or indirect common control with, an obligor upon the indenture securities;

"(8) such trustee is the beneficial owner of, or holds as the collateral security for an obligation which is in default as hereinafter defined, 10 per centum or more of any class of security of any person who, to the knowledge of the trustee, 50 per centum or more of the voting securities of an obligor upon the indenture securities;

"(9) such trustee owns, on the date of default upon the indenture securities (as such term is defined in such indenture but exclusive of any period of grace or requirement of notice) or any anniversary of such default while such default upon the indenture securities remains outstanding, in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator, or in any other similar capacity, an aggregate of 25 per centum or more of the voting securities, or of any class of security, of any person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraphs (6), (7), or (8) of this paragraph. As to any such securities of which the indenture trustee acquired ownership through becoming executor, administrator or testamentary trustee of an estate which include them, the provisions of the preceding sentence shall not apply for a period of not more than 2 years from the date of such acquisition, to the extent that such securities included in such estate do not exceed 25 per centum of such voting securities or 25 per centum of any such class of security. Promptly after the dates of any such default upon the indenture securities and annually in each succeeding year that the indenture securities remain in default the trustee shall make a check of its holding of such securities in any of the above-mentioned capacities as of such dates. If the obligor upon the indenture securities fails to make payment in full of principal or interest under such indenture when and as the same becomes due and payable, and such failure continues for 30 days thereafter, the trustee shall make a prompt check of its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such 30-day period, and after such date, notwithstanding the foregoing provisions of this paragraph, all such securities so held by the trustee, with sole or joint control over such securities vested in it, shall be considered as though beneficially owned by such trustee, for the purposes of paragraphs (6), (7), and (8); or

"(10) except under the circumstances described in paragraphs (1), (3), (4), (5) or (6) of section 311(b) of this title, the trustee shall be or shall become a creditor of the obligor.

"For purposes of this subsection and of section 316(a) of this title, the term 'series of securities' or 'series' means a series, class or group of securities issuable under an indenture pursuant to whose terms holders of one such series may vote to direct the indenture trustee, or otherwise take action pursuant to a vote of such holders, separately from holders of another such series: *Provided*, That 'series of securities' or 'series' shall not include any series of securities issuable under an indenture if all such series are wholly unsecured, unless the Commission shall have found and declared by order pursuant to subsection (b) of section 305 or subsection (c) of section 307 that differences exist between the series under the indenture which are so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify such trustee from acting under one such series.

"The specification of percentages in paragraphs (5) through (9) shall not be construed as indicating that the ownership of such percentages of the securities of a person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of subparagraph (3) or (7).

"For the purposes of paragraphs (6), (7), (8), and (9)—

"(A) the terms 'security' and 'securities' shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a person by one or more banks, trust companies, or banking firms, or any certificate of interest or participation in any such note or evidence of indebtedness;

"(B) an obligation shall be deemed to be in default when a default in payment of principal shall have continued for 30 days or more, and shall not have been cured; and

"(C) the indenture trustee shall not be deemed the owner or holder of (i) any security which it holds as collateral security (as trustee or otherwise) for any obligation which is not in default as above defined, or (ii) any security which it holds as collateral security under the indenture to be qualified, irrespective of any default thereunder, or (iii) any security which it holds as agent for collection, or as custodian, escrow agent or depositary, or in any similar representative capacity.

"For the purposes of this subsection, the term 'underwriter' when used with reference to an obligor upon the indenture securities means every person who, within 1 year prior to the time as of which the determination is made, was an underwriter of any security of such obligor outstanding at the time of the determination.

"Except in the case of a default in the payment of the principal of or interest on any indenture security, or in the payment of any sinking or purchase fund installment, the indenture trustee shall not be required to resign as provided by this subsection if such trustee shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that (A) the default under the indenture may be cured or waived during the period and under the procedures described in such application, and (B) a stay of the trustee's duty to resign will not be inconsistent with the interests of holders of the indenture securities.

"Any resignation of an indenture trustee shall become effective only upon the appointment of a successor trustee and such successors' acceptance of such an appointment.".

SEC. 9. Section 311(a) of the Trust Indenture Act of 1939 (15 U.S.C. 77kkk(a)) is amended—

(1) by striking "the indenture to be qualified shall provide that";

(2) by striking "four" in all references to "four months" or "four months' " and inserting "3" in lieu thereof; and

(3) by adding the following at the end of the subsection:

"In any case commenced under the Bankruptcy Act of July 1, 1898, or any amendment thereto enacted prior to November 6, 1978, all references to periods of 3 months shall be deemed to be references to periods of 4 months.".

SEC. 10. Section 312 of the Trust Indenture Act of 1939 (15 U.S.C. 77lll) is amended—

(1) in subsection (a), by striking "The indenture to be qualified shall contain provisions requiring each obligor upon the indenture securities to" and inserting in lieu thereof "Each obligor upon indenture securities shall"; and

(2) in subsection (b), by striking "The indenture to be qualified shall also contain provisions requiring that, within" and inserting in lieu thereof "Within".

SEC. 11. Section 313(a) of the Trust Indenture Act of 1939 (15 U.S.C. 77mmm(a)) is amended—

(1) by striking "The indenture to be qualified shall contain provisions requiring the indenture trustee to" and inserting in lieu thereof "The indenture trustee shall";

(2) by inserting "any of the following events which may have occurred within the previous 12 months; if no such event has occurred within such period no report need be filed;" after "a brief report with respect to";

(3) by inserting at the beginning of paragraphs (1), (3) and (4) "any change to"; and

(4) by striking from paragraph (1) ", or in lieu thereof, if to the best of its knowledge it has continued to be eligible and qualified under such section, a written statement to such effect".

SEC. 12. Section 313 of the Trust Indenture Act of 1939 (15 U.S.C. 77mmm) is amended—

(1) in subsection (b), by striking "The indenture to be qualified shall also contain provisions requiring the indenture trustee to" and inserting in lieu thereof "The indenture trustee shall"; and

(2) in subsection (c), by striking "The indenture to be qualified shall also provide that reports" and inserting in lieu thereof "Reports"; and

(3) in subsection (d), by striking "The indenture to be qualified shall also provide that a copy" and inserting in lieu thereof "A copy".

SEC. 13. Section 314 of the Trust Indenture Act of 1939 (15 U.S.C. 77nnn) is amended—

(1) in subsection (a)—

(A) by striking "The indenture to be qualified shall contain provisions requiring each" and inserting in lieu thereof "Each";

(B) by inserting "shall" after "thereby";

(C) by striking "to" at the beginning of paragraphs (1), (2), and (3);

(D) by striking "and" at the end of paragraph (2);

(E) by striking the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(F) by inserting at the end of paragraph (3) the following new paragraph:

"(4) file with the indenture trustee, at stated intervals of not more than 12 months, a brief certificate from two officers of such obligor as to their knowledge of such obligor's compliance with all conditions and covenants under the indenture. For purposes of this subsection, such compliance shall be determined without regard to any period of grace or requirement of notice provided under the indenture.";

(2) in subsection (b)—

(A) by striking "such indenture shall contain provisions requiring"; and

(B) by striking "to furnish" and inserting in lieu thereof "shall furnish";

(3) in subsection (c)—

(A) by striking "The indenture to be qualified shall contain provisions requiring the obligor" and inserting in lieu thereof "The obligor"; and

(B) by striking "to furnish" and inserting in lieu thereof "shall furnish";

(4) in subsection (d)—

(A) by striking "such indenture shall contain provisions" and inserting in lieu thereof "the obligor upon the indenture securities shall furnish to the indenture trustee a certificate or opinion of an engineer, appraiser, or other expert as to the fair value"; and

(B) by striking "requiring the obligor upon the indenture securities to furnish to the indenture trustee a certificate or opinion of an engineer, appraiser or other expert as to the fair value" from paragraphs (1), (2), and (3).

SEC. 14. Section 315 of the Trust Indenture Act of 1939 (15 U.S.C. 77ooo) is amended—

(1) in subsection (a), by striking "such indenture shall contain provisions requiring the indenture trustee to examine" and inserting in lieu thereof "the indenture trustee shall examine";

(2) in subsection (b), by striking "The indenture to be qualified shall contain provisions requiring the indenture trustee to" and inserting in lieu thereof "The indenture trustee shall"; and

(3) in subsection (c), by striking "The indenture to be qualified shall contain provisions requiring the indenture trustee to" and inserting in lieu thereof "The indenture trustee shall".

SEC. 15. Section 316 of the Trust Indenture Act of 1939 (15 U.S.C. 77ppp) is amended—

(1) in paragraphs (1) and (2) of subsection (a), by inserting "or of the series of securities" after "principal amount of the indenture securities";

(2) in subsection (b), by striking "The indenture to be qualified shall provide that, notwithstanding any other provision thereof," and inserting in lieu thereof "Notwithstanding any other provision thereof, the indenture shall provide that"; and

(3) by adding at the end the following new subsection:

"(c) The obligor upon any indenture qualified under this title may set a record date for purposes of determining the identity of indenture security holders entitled to vote or consent to any action by vote or consent authorized or permitted by subsection (a) of this section. Unless the indenture provides otherwise, such record date shall be the later of not more than 30 days prior to the first solicitation of such consent or the date of the most recent list of holders furnished to the trustee pursuant to section 312 of this title prior to such solicitation.".

SEC. 16. Section 317 of the Trust Indenture Act of 1939 (15 U.S.C. 77qqq) is amended—

(1) in subsection (a), by striking "to be qualified shall contain provisions" and inserting in lieu thereof "trustee shall be authorized";

(2) by striking "authorizing the indenture trustee" in paragraphs (1) and (2) of subsection (a); and

(3) in subsection (b), by striking "The indenture to be qualified shall provide that each" and inserting in lieu thereof "Each".

SEC. 17. Section 318 of the Trust Indenture Act of 1939 (15 U.S.C. 77rrr) is amended—

(1) by striking subsection (a) and inserting in lieu thereof the following:

"(a) If any provision of the indenture to be qualified limits, qualifies, or conflicts with the duties imposed by operation of subsection (c) of this section, the imposed duties shall control."; and

(2) by adding at the end the following new subsections:

"(c) Those provisions of sections 310 through 317, inclusive, that impose duties upon any person are a part of and govern every qualified indenture, whether or not they are physically contained therein. Those provisions of sections 310 through 317, inclusive, that may be included at the option of the obligor are not a part of such an indenture unless they are specifically included.

"(d) The provisions of this title shall be deemed to apply to any indenture heretofore or hereafter qualified under this title.".

SEC. 18. Section 322(b) of the Trust Indenture Act of 1939 (15 U.S.C. 77vvv(b)) is amended by inserting "or duty" after "any liability".

SECTION-BY-SECTION ANALYSIS OF THE TRUST INDENTURE REFORM ACT OF 1989

Section 1. Section 1 contains the Act's title.

Section 2. The amendment adds a new reference to section 305 in paragraph (8) of section 303, a change necessitated by new procedures for qualification of indentures after the effective date of the related Securities Act registration statement.

Section 3. The Act extends the Commission's exemptive power through amendments to section 304(d), which in its present form is limited to exemptions by order for debt offerings of foreign persons. New section 304(d) permits the Commission to waive or modify the statutory requirements where their application would be unnecessary or inappropriate for the protection of inves-

tors. The Commission will be able to adapt the statutory requirements to particular situations and developing market conditions under standards that look to the statute's fundamental purposes. Changes in the types of debt securities, in the methods of public financing and in the character of relations between obligors and their financial intermediaries have produced situations where the exact demands of the law's requirements do not serve its own intent and are incompatible with reasonable business terms. Under present law, the Commission is unable to provide relief. General exemptive authority is a necessary complement to the self-executing inclusion of mandatory indenture terms effected through new section 318(c). Without such authority in the Commission, needless costs and restrictions may be imposed without corresponding public benefit.

The amendment allows the Commission to grant an exemption from any provisions to any person, security or transaction or any class or classes hereof. Exemptions may be granted in full or in part and with or without such conditions as the Commission may require. Both exemptive rules and orders are contemplated. The Commission will be required to adopt rules prescribing procedures for grants of exemption. Such rules would be designed to expedite the exemptive process without imposing undue burdens on the Commission. The new subsection also vests in the Commission discretion to decline to entertain any application for exemption, a decision that would not be subject to judicial review.

Section 3 also deletes a qualification from section 304(a)(4)(A) that misleadingly suggests a limitation on Trust Indenture Act exemptions related to enumerated exemptions from section 3(a) of the Securities Act.

Sections 4 and 5. These sections allow for qualification of indentures in registered debt offerings after the effectiveness of the Securities Act registration statement covering the offering. Under present law, effectiveness of qualification is coordinated with that of the registration statement, a procedure based on the premise that all indenture terms would be fixed at the time of the registration's effectiveness. While this premise conformed to the administrative and financial customs extant in 1939, it has become obsolete because of delayed or continuous offerings now permitted under Securities Act rule 415. The indentures used in such offerings frequently do not specify business terms with significance under the Trust Indenture Act until the actual sale of the securities at some date later than the effective date. Post-effective qualification may be appropriate in delayed offerings and in offerings where debt securities must be included on a registration statement but may never be issued, as is the case with preferred stock exchangable into debt at the issuer's election. Post-effective procedures also would be a useful mechanism in conjunction with section 304(d) applications for exemptive orders where variation from the Act's requirements would be appropriate.

Section 6. Section 6 gives the Commission the power to permit certain foreign persons to act as sole trustee under the indenture of a foreign obligor. The section will allow for trusteeships by business organizations that are not in corporate form, but are not natural persons.

The conditions for availability will be substantial equivalence of trust powers and regulation to the powers and regulation of institutional trustees in the United States, and reciprocal treatment of United States trustees. Trustees not meeting these standards would be required to seek permission to serve under amended section 304(d).

The Commission's authority under section 6 may be exercised by rule or order. Rulemaking authority will permit the Commission to exempt trustees of an entire jurisdiction upon a finding of comparability of trust powers and regulation of such jurisdiction's system and reciprocity.

Section 7. Section 7 relocates the proscription of an obligor's or its affiliate's serving as trustee under its own indenture. The change is necessitated by the amendment to section 310(b), generally making conflicts of interest irrelevant to a trustee's eligibility prior to default. An obligor should not serve as its own trustee under any circumstances.

Section 8. Significant changes to section 310(b) are effected by section 8. Most notably, the amendment will permit a trustee to serve under a qualified indenture so long as there is no default under the indenture. The technical conflicts currently described in section 310(b) furnish no incentive to a trustee to act against the interests of indenture security holders so long as no default exists. Prior to default, the indenture trustee's duties are ministerial, involving no substantial exercise of discretion on behalf of indenture security holders. In contrast, at the time of default, the indenture trustee is transformed into an active party representing the indenture security holders, so that insistence on strict standards of independence is ordinarily necessary.

"Default" for purposes of this amendment means default as defined within the indenture. Periods of grace and requirements of notice, however, must be disregarded for purpose of the conflicts standard in order to prevent avoidance of the disqualification standard through definitions in the indenture.

As further assurance of the trustee's independence after default, the amendment adds new paragraph (10) to section 310(b) to define creditor status as a proscribed conflict. Lending relationships between trustee banks and obligors are conventional and, prior to default, involve little possibility of prejudice to the interests of holders under an indenture. Although present law does not prohibit a trustee that lends to an obligor from serving under a qualified indenture at any time, such trustee almost invariably will resign after a material default, in acknowledgement of the conflict of interest that the lending relationship entails.

New section 310(b)(10) recognizes this reality. The amendment makes exceptions to the disqualification of creditors in the situations described in paragraphs (1), (3), (4), (5) and (6) of section 311. These exceptions generally allow for incidental creditor relations, such as debt acquired through the trustee's ownership of the obligor's debt securities or incurred through rented property, which ordinarily do not involve opportunity for material conflict with the interests of indenture security holders.

The amendment to section 310(b)(1) codifies an interpretative position concerning the possibility of conflict to a trustee serving under several series of a single indenture. Contemporary forms of indenture often allow for significant differences between separate series under a single indenture. The definition of series at the end of the subsection will generally confine application of the position to series with separate voting rights, and, consistent with section 310(b)(1)(i), will create no conflict between series that are wholly unsecured and rank *pari passu*.

Section 310(b) (2) and (3) are modified to delete reference to obligors. The prohibition of an obligor's acting as trustee on its own indenture is now covered by new section 310(a)(5), which applies before and after default. The definition of "underwriter" for 310(b) purposes has been changed to reduce the relevant period from three years to one year. Section 310(b)(9) is amended to relate the present check of holdings of the obligor's securities in other fiduciary capacities to the date of default and anniversaries thereof while the indenture securities remain in default.

A new provision has been added to the subsection to create a procedure under which the trustee's duty to resign may be stayed in certain cases. The mechanism is intended to prevent unnecessary resignation in the event of a curable technical default. The provision concerning effectiveness of trustee's resignations is relocated and modified to apply to all resignations, rather than compelled resignations, to prevent abandonment of a trusteeship in anticipation of an obligor's default.

The subsection has been changed to substitute direct statutory commands for the directives to include required provisions within the indenture. This conforms to the operation of new subsection 318(c). Statements such as "the indenture shall provide," which would suggest the necessity to include required terms in the text of qualified indentures, have been eliminated.

Section 9. In addition to the change to statutory commands, the amendment changes the period for preferential collections from four months to make the Trust Indenture Act consonant with the Bankruptcy Reform Act of 1978. The four-month period is preserved for actions commenced under prior law.

Section 10. Section 10 amends section 312 to impose duties by statutory command.

Section 11 and 12. The amendment eliminates the requirement for a trustee to report on its eligibility and other matters where no change in eligibility or other specified event has occurred. Present law requires the report annually. The change to statutory command is also made.

Section 13. In addition to the change to statutory commands, section 314 is amended to require an annual no-default certification from the obligor. Periods of grace and notice again will be disregarded for this purpose.

Section 314(d) is also amended to eliminate repetition.

Section 14. This makes the editorial change to section 315, imposing duties by statutory command.

Section 15. In addition to the editorial change, section 15 applies section 316's requirements on voting procedures to separately voting series covered by section 310(b)(1). New subsection (c) authorizes an obligor to set a record date for solicitations of votes or consents, a technical addition that will alleviate considerably administrative problems in the conduct of such solicitations. The reference to votes or consents permitted by section 316(a) is intended to exclude any inference that the record date procedure is available only when section 316(a) specifically describes the action under consideration. As a result, the record date procedure may be used for any vote, so long as the action is not forbidden by the statute.

29-059 O-90-22 (Pt. 4)

Section 16. This section makes the editorial change to section 317, consistent with section 14.

Section 17. Section 318(a) is amended editorially. New section 318(c) is the operative provision for self-executing inclusion of mandatory indenture terms. The new subsection will eliminate the necessity of reciting the required terms within qualified indentures. The second sentence is intended to make it clear that optional provisions permitted by sections 310 to 317 are not part of a qualified indenture unless actually included.

New section 318(d) makes the Act's benefits available to indentures qualified under existing procedures. Because of the terms of existing section 318(b), the Act will not prevent future indentures from prescribing higher standards of independence or conduct.

Section 18. The addition clarifies the status of prescribed indenture provisions as federal questions. Jurisdiction is concurrent in federal and state courts to preserve a plaintiff's right to select a forum.●

By Mr. KENNEDY (for himself, Mr. PELL, Mr. MOYNIHAN, Mr. KERRY, Mr. SIMON, and Mr. BOSCHWITZ):

S. 652. A bill to revise the format of the Presidential report to Congress on voting practices in the United Nations; to the Committee on Foreign Relations.

UNITED NATIONS VOTING REPORT REVISIONS

Mr. KENNEDY. Mr. President, I send to the desk a bill on behalf of Senators PELL, MOYNIHAN, KERRY, SIMON, BOSCHWITZ, BIDEN, and myself to revise the format of the annual report to Congress on Voting Practices in the United Nations.

Congress originally intended the voting practices report to measure the extent to which other nations support U.S. policy at the United Nations. Over the years however, subsequent statutes have required the Department of State to use a flawed methodology to generate "voting coincidence" scores that focus only on U.N. rollcall votes, make no differentiation between proposals on topics important to the United States and ones of peripheral concern, ignore important U.N. decisions reached by consensus, and exclude abstentions and absences from consideration in the report.

It is not our intention to stack the deck in favor of the United Nations or to make it look better than it actually is. We simply seek to replace the present, flawed methodology with one that will enable the report to be unbiased, nonpartisan, and accurate. Our bill preserves the requirement that the President submit an annual report on voting practices at the United Nations. That requirement is entirely appropriate, what is needed is a report that provides reliable information to Congress.

Most of the provisions in this bill were first proposed during the Senate debate on this issue last July. At that time, the Senate was informed that the Department of State had already sought independent expert advice on this issue. Our bill benefits from that advice, as well as from an analysis of this legislation prepared by the State Department.

VOTING COINCIDENCE

One purpose of this bill is to eliminate the report's voting coincidence percentage scores, because they have no methodological validity. Many experts on U.N. voting, including former Permanent Representatives Jeane J. Kirkpatrick and Vernon A. Walters, and the current Representative Thomas R. Pickering have cautioned that these percentage scores are not a legitimate measure of foreign governments' support for U.S. policy in the United Nations.

Currently, the law requires the State Department to calculate "support" for U.S. policy in the United Nations by counting the number of times each nation voted the same way as the United States. While this technique measures one form of support, it excludes other important forms of support for U.S. policy, and it does not even reflect accurately whether one country supported or opposed U.S. policy more than another.

An example from last year's report which illustrates the failure of this methodology is a comparison of the scores of Japan and Australia. Japan received a score of 60 percent while Australia received only 52 percent. Anyone looking at this report would naturally assume that Japan voted the same way as the United States more often than Australia. Such an assumption would be wrong—Australia voted the same way as the United States 46 times while Japan did so 45 times. The higher percentage score for Japan reflects the fact that the methodology requires Australia and Japan be compared against a different pool of votes.

Each country's score is based on a different pool of votes. Another example of the absurdity of this is the case of Dominica. Dominica received a score of 100 percent in 1987—but that score is based on only two votes, the only two in which Dominica participated. This discrepancy is directly attributable to the flawed methodology. As Lincoln Bloomfield, professor of political science at MIT, told the State Department:

> The methodology used thus far is fatally flawed, and if applied by one of my students . . . would justify a failing grade. The only wonder is why it has been tolerated so long by those interested in a serious analysis of the situation.

CONSENSUS DECISIONS

The majority of General Assembly actions are taken by consensus—that is, without a vote. Because of the large number of such consensus decisions, the report, to the meaningful, must take account of them. The current report prevents Congress from learning about most of the General Assembly actions. As Charles Maynes, editor of Foreign Policy, whom the Department of State consulted on this issue, wrote:

> Clearly, the United States has an interest in encouraging the practice of consensus voting in the United Nations. . . . That being so, it seems counterproductive for our government to insist on putting out a voting analysis that deliberately ignores all . . . consensus [actions]. By our words and interest we should be indicating to the rest of the world how important we regard the tendency of the body to settle issues by consensus.

To avoid unnecessary difficulties over reporting consensus data in a quantitative manner, and to simplify the report, we propose that the U.S. Representative to the United Nations present a qualitative analysis of relevant actions taken by consensus.

ABSENCES AND ABSTENTIONS

Absences and abstentions are also important types of voting behavior in the United Nations. The law currently requires "voting coincidence" information to exclude absences and abstentions from the determination of the "voting coincidence" percentages. Since absences and abstentions often reflect a nation's political orientation on the issues, the report should contain information about these forms of voting behavior as well. Our proposal provides for the inclusion of these data in a sound, easy-to-understand form.

KEY ISSUES

The current law arbitrarily limits the number of key issues in the report to 10. Rather, the report should focus on all issues of special importance to the United States. This bill requires the report to include a list of all actions by the General Assembly that are of special importance to the United States and a comparison of each country with the United States on these issues. It also requires a brief description of each of these important issues, to assist Congress in understanding the U.S. position and why the issues were judged to be important.

IMPORTANCE OF ISSUES

Currently, the report, makes no distinction between votes on issues of special importance to the United States and all other votes. This leads to unfair assumptions about the degree to which other nations support U.S. policy in the United Nations.

Western Samoa is one victim of these methodological distortions. According to last year's report, Western Samoa voted the same as the United States only 23 percent of the time in 1987. Yet, even using the same flawed methodology, an entirely different picture emerges on issues of importance to the United States—Western Samoa

voted the same as the United States 69 percent of the time.

This legislation overcomes this problem by requiring two separate tables. One will provide continuity with the past by comparing overall voting practices of the United Nations. In addition to this country-by-country analysis, a second table will compare the voting of each country with the United States on issues of special importance to us.

The legislation also provides for a side-by-side comparison of voting on matters of special importance to the United States and overall voting practices. This will give Congress a clearer idea of support in the United Nations on matters of special importance to U.S. foreign policy.

SECURITY COUNCIL

The legislation requires the section of the report dealing with the Security Council to include a section in which the U.S. Representative provides a qualitative discussion of voting practices in the Council.

SUBMISSION DATE

Current law requires the President to submit the report not later than January 31 of each year, or at the time of the transmittal by the President to the Congress of the annual presentation of materials on foreign assistance, whichever is earlier. This deadline is unrealistic, and it has never been met. Sometimes, the General Assembly has not even completed its session by that date. In fact, the current General Assembly did not do so until early this month. The legislation requires the report to be submitted not later than 90 days after the usual suspension of the U.N. General Assembly in December.

The bill also includes a provision requiring the report to contain information about the steps taken to keep our diplomatic missions informed about U.N. activities. This addition was proposed by Senator MOYNIHAN in light of his experience as U.S. Ambassador to India and Permanent Representative to the United Nations.

The recent session of the General Assembly has been extremely important to the United States. In light of U.N. initiatives in many regions of the world and the ongoing debate in this country about our role in the United Nations, it is imperative to have accurate information about its voting practices. The format outlined in this bill will allow us to receive a more complete, accurate, and nonpartisan analysis of U.N. actions, and I look forward to working with my colleagues to enact this measure into law at an early date, so that its provisions will be reflected in the report to be submitted next year.

By Mr. GLENN (for himself, Mr. MCCAIN, and Mr. WARNER):

S. 653. A bill to amend title 37, United States Code, to revise and improve the aviator career incentive pay program, to extend for 3 years the aviator retention bonus program, and for other purposes; to the Committee on Armed Services.

AVIATION CAREER IMPROVEMENT ACT OF 1989

Mr. GLENN. Mr. President, I am introducing a bill today, which is cosponsored by my friend Senator JOHN MCCAIN, who is the ranking minority member on the Subcommittee on Manpower and Personnel of the Committee on Armed Services which I chair. The bill—the Aviator Career Improvement Act of 1989—addresses a very serious manpower problem that is growing in our military services. This problem is the declining rate of retention of experienced military pilots which has the near term potential of seriously impairing the combat readiness of our military aviation forces.

This is not an alarmist bill. The need is real and it is now. Last summer we talked about this and about the shortage of pilots, and the Navy told us that they were 1,100 pilots short. That was last summer. That means we had 1,100 pilot billets in the Navy not being filled. I do not think most Members of this body were aware of that shortage. That number has now grown to the latest figures we have as of yesterday to 1,500 Navy pilots short. The Air Force has a problem, but it is not quite that bad yet. It is going in that direction. They estimate they are about 250 pilots short right now. By 1994 they estimate they will be 2,500 pilots short. So this is not an alarmist bill. This is something that is happening right now and something which we absolutely have to address.

Mr. President, this problem was brought to the attention of the Subcommittee on Manpower and Personnel of the Committee on Armed Services last year. In the subcommittee hearings I chaired on manpower authorizations for fiscal year 1989, Department of Defense witnesses warned of a sharp drop in aviator retention rates—the most serious drop being in the jet pilot community. According to these witnesses, a threefold increase in demand for experienced aviators in the airlines over the past few years is largely responsible for the problem.

I guess when we went to deregulation on the airlines we had no way of really foreseeing or contemplating this problem. The requirement for pilots in the airlines is filled mostly by former military pilots. These pilots leave the military or are enticed out by the airlines at the end of their committed period of service often long after they get their wings.

In order to counteract the downward spiral of retention of experienced aviators, specifically in the Navy and the Air Force, the Department of Defense submitted a proposal as part of fiscal year 1989 defense authorization bill for an enhanced and expanded retention bonus for Navy and Air Force aviators.

The argument advanced by the Department of Defense for the expanded bonus was that the compensation offered by the airlines was so attractive compared to military compensation that the military could not compete effectively with the airlines in the tug-of-war for experienced military aviators who have completed their military service obligations, especially since the increased demand for aviators in the airlines offered so many choices. The Department of Defense believed that by supplementing military compensation with a retention bonus that the Navy and Air Force could begin to reverse the falling aviator retention trend.

At the time the Department of Defense submitted its proposal, the Navy already had authority to pay an aviator retention bonus. This authority, which was limited to the Navy, was first authorized in 1980 because of poor aviator retention in the Navy. The bonus supplemented aviation career incentive pay, a monthly payment of up to $400 per month, to aviators in all services. The bonus was targeted to critical aviation specialties where shortages existed due to substandard retention rates. Bonus payments under this authority were $4,000 per year for annual extensions of service of 3 years or less, and $6,000 per year for annual extensions of 7 years of more. Testimony from the Navy indicated that this authority was effective in reversing, to a large extent, the deteriorating retention trends in critical aviation communities.

The situation the Navy faced at the time this bonus was authorized was created by a surge in airline hiring in the late 1970's. This surge hurt the Navy the most but the Air Force also felt the heat.

The Navy of course has cruised 6 months away from home, shipboard duty, and has some of the most onerous living conditions of any of the services during peacetime operation. So they were first to feel the effect of airline hiring when people were somewhat dissatisfied already with time away from home, and so forth.

What we have now, is a repeat of the situation the Navy experienced in 1980, except this time it is more severe. Instead of a surge in airline hiring, there is a sustained projection of increased airline hiring at twice the rate of the peak of the surge in 1978, or around 7,000 new hires a year over the next 10 years. During 1988 the major airlines hired over 7,100 new pilots.

In reaction to the problem, the Congress, at the recommendation of the

Committee on Armed Services, authorized temporary authority for the Department of Defense to pay an enhanced retention bonus to aviators in critical aviation skills in the Navy and the Air Force. The bonus was structured to permit the payment of not more than $12,000 per year for extensions of service to 14 years of total service, or $6,000 per year for extensions of 2 years or less. This authority was provided as a Band-Aid to a situation that required a longer term remedy. It was granted to staunch the immediate out flow of experienced aviators from the Navy and the Air Force.

In recommending this authority, the Committees on Armed Services noted that the proposal advanced by the Department of Defense failed to address the issue of aviator retention comprehensively. The Congress acted by mandating that the Secretary of Defense provide the Committees on Armed Services with a comprehensive report on the retention of aviators in the Armed Forces. As a minimum, the report was to include the following:

First, an analysis of aviators requirements and inventories—current and projected—of the Armed Forces by grade and years of service, including a list of those aviators who are assigned to duty other than operational flying duty and a justification for such assignments.

Second, an analysis of current and projected aviator retention rates in the Armed Forces and of those current and projected retention rates actually needed to meet the requirements of the Armed Forces.

Third, such recommendations as the Secretary considered appropriate regarding: The initial active duty service commitment of aviators; the integration of the aviator career incentive pay under section 301(a) of title 37, United States Code, and retention bonus under this section into a structure that more effectively supports the retention requirements for aviators in the Armed Forces; and changes in the aviator management policies of the Armed Forces that would eliminate the disincentives cited by aviators as retention detractors.

Fourth, also required were specific proposals for such legislation as the Secretary considered necessary to retain on active duty the aviators required to meet the needs of the Armed Forces.

Now, the Secretary of Defense submitted the required study as mandated.

Let me just add here I think they did an excellent job in putting the report together. They put together a wealth of data and background material that helped a great deal. It was an excellent report. I would commend its reading to all of my colleagues here before we have to debate this on the floor or discuss it on the floor later after it has been to committee. It is an excellent report. I think it was deficient in only one major respect and that is it did not go far enough with the recommendations that should be at the end of that excellent statistical study that they submitted.

That is what we have taken up at that point. Our staff members on the committee, principally Mr. Fred Pang, who is with me here today, took that challenge, worked on it, I think has taken their data, and come up with an excellent solution to this whole problem of aviator retention, one I think will work.

In addition to submitting that required study to us as was mandated, the Secretary of Defense also implemented the temporary authority granted last year to pay the retention bonus effective January 1 of this year.

It is on the basis of this study, inputs I have received from military aviators, and analyses supplied by the Congressional Budget Office and the General Accounting Office, that I am introducing this bill—the Aviator Career Improvement Act of 1989—today.

The bill improves the compensation and management of military aviators on a comprehensive and systematic basis. These improvements, which I will summarize, are directed at increasing the retention of aviators to levels consistent with the desired retention rate of aviators in the military services. The improvements also recognize the unique nature of the duties military aviators perform and the valuable national resource they represent—a resource that has become more and more disgruntled by a perception of lack of real concern for the value of their skills, their flying proficiency, their job satisfaction, their compensation and benefits envelopes, and their assignment preferences.

Mr. President, at this point I would like to briefly summarize the key provisions of the bill we are introducing today.

AVIATION CAREER INCENTIVE PAY

The bill I have introduced would restructure and enhance aviation career incentive pay, the basic long-term compensation incentive for aviators.

The bill would increase the rate of aviation career incentive pay in the retention sensitive years—especially for aviation service over 6 years—from $400 a month to $650 a month. This increase would restore the value of this incentive to its worth relative to basic military compensation when it was first authorized in 1974. The bill would also smooth out the rates for aviators who have over 18 years of aviation service who take a monthly pay cut because of the sharply declining aviation career incentive pay scale for aviators who have over 18 years of aviation service. The adjustments I have proposed would preserve the declining scale but do it at a slope that would remove the negative feature of pay inversions.

Concurrently with these rate adjustments, the bill would require aviators to perform more years of operational flying duty in order to be entitled to continuous monthly aviation career incentive pay. Under the current entitlement structure, aviators are required to perform 6 of the first 12 years of aviation service and 11 of the first 18 years of aviation service in operational flying duties in order to be entitled to continuous monthly aviation career incentive pay. The bill would increase the operational flying duty requirements to 9 of the first 12 years of aviation service and 12 of the first 18 years of aviation service respectively. This change is consistent with aviation career plans described in the Department of Defense aviator retention study and the desire expressed by the overwhelming majority of aviators for a greater percentage of time in operational flying duties during an aviation career—a view I support.

I know their feeling on that. Pilots want to fly. They have been trained to fly. They want to go out there and fly. Too often they are put off on other duties.

The bill would also index aviation career incentive pay to military pay raises so that it would retain its relative worth—something that I think is fair—and provide authority to the Service Secretaries to decide when it would be appropriate to implement the aviation career incentive pay changes within their respective services subject to the approval of the Secretary of Defense—a measure of flexibility I believe is necessary given the unique nature of aviation service and retention among the services.

AVIATOR RETENTION BONUS

The bill would extend the existing temporary authority for the services to pay a retention bonus to aviators in critical aviation skills for 3 years, through fiscal year 1992.

The early data on the existing bonus program which was implemented on January 1, this year, indicates a take rate which should begin to reverse the negative retention trend. I believe the services will continue to need this temporary authority and can use it in an economically efficient and flexible way to restore retention to desired levels.

In order to determine the continued need of this temporary authority beyond the expiration date, the bill would require the Secretary of Defense to report to the Committees on Armed Services on the actual and expected effect of the bonus on aviator retention. I would expect that the other improvements in the bill, operating in synergy with the bonus, would

improve manning in aviation skills over the next few years to a point where the bonus can be phased down if not phased out completely.

REDUCTION IN NON-OPERATIONAL FLYING POSITIONS

The bill would require the Secretary of Defense to reduce nonoperational flying positions in the Department of Defense—in other words, where we have pilots assigned to positions that do not necessarily require a pilot.

We train pilots for a purpose, for a need, because we have pilot positions in the services that need to be filled. That is there is a combat need for pilots in this country. We siphon off too many people into other positions. There are 27,181 nonoperational flying positions recorded in the Department of Defense study on aviator retention. The following figure that I give now is a shocker to me. This number amounts to 40 percent of all aviator positions in the Department of Defense, 40 percent assigned to nonflying positions.

I believe firmly that the Department of Defense has failed to adequately justify the need for so many nonoperational flying positions. Therefore, the bill would reduce the number of nonoperational flying positions in the Department of Defense by 5 percent, but do it in a way that gives the services flexibility and a chance to address this program and justify the situation they have right now.

No. 1, in the defense authorization bill coming up for fiscal year 1990, we would not reduce these positions at all. There would be zero reductions in 1990, but there would be a 2-percent reduction taken in fiscal year 1991, and the remaining 3 percent would be taken in fiscal year 1992, unless the Secretary of Defense can provide an analytically compelling justification to support repeal of this reduction.

It is not intended that this would reduce overall end strength in the Navy or reduce officers strength overall, but we want to give some time for the services to address this problem of assigning 40 percent of the pilots to nonoperational flying billets. Some may be justified, like shipboard duty on carriers, where a refueling officer on deck is not assigned as part of a squadron, but is actually assigned to ship's company, and his knowledge of aircraft may be absolutely essential in carrying out that job.

So I would not say that we are trying to eliminate all such positions. That is just one example. Where we have 40 percent of our pilots assigned to nonflying jobs, we have to look at that very carefully; and we will give the Department time to do that before we put our mandatory reductions into play.

I believe the reduction I have proposed is necessary to bring more discipline to the classification of nonoperational flying positions. For example, it is difficult for me to understand why positions such as administrative officer, public affairs officer, personnel officer, supply officer, security police officer, budget officer, cost analyst officer, historical officer, and so forth, all listed, I might add, in the Department of Defense report, all classified as positions requiring an aviator. These ones I listed just a moment ago are not duties in addition to flying. These positions are the primary duties, and their flying, if any, is secondary. I think we have to reverse that and alter that and get a better balance on it.

MINIMUM ACTIVE DUTY SERVICE OBLIGATION FOR AVIATORS

The bill would establish minimum active duty service obligations for aviators of 9 years for fixed-wing jet pilots and 7 years for all other aviators. The reason there is a difference there, is because of their relative attractiveness to the airlines. They want experienced jet pilots before they have to dip into other pilot qualifications for their hiring needs. As to these obligations of 9 years and 7 years, the obligation would begin upon completion of undergraduate aviation training—in other words, the day after these aviators receive their wings.

This provision in the bill would standardize the different active-duty service commitment policies that exist among the services. We do not want to just target bonuses in our attempt to retain these people, small areas of specialty of one different group or another. All that means is we are setting up a floating target, a changing target for the airlines to aim at in trying to hire pilots. The longer term for fixed-wing jet pilots recognizes the higher expense involved in their training and they are prime targets. I believe these commitments would ensure that the taxpayer gets a fair return on his or her investment, an investment in which this Nation takes a raw product and turns it into a valuable one that is in high demand.

AVIATOR INSURANCE

The bill would require the Secretary of Defense to submit a proposal to the Committee on Armed Services which would provide $100,000 of accidental death insurance to aviators performing operational flying. Such insurance would be at no cost to covered aviators and could be contracted out. I think this would recognize the risks involved, even in peacetime military flying. Families of military aviators certainly deserve such consideration.

REPORT ON AVIATOR ASSIGNMENT POLICIES AND SYSTEMS

The bill would task the Congressional Budget Office to evaluate the aviator assignment policy and systems of the military services and to report to the Committees on Armed Services on the effectiveness and efficiency of the policies and systems in assigning aviators to aviator positions and in accommodating individual preferences within the operational needs of the services.

Inputs I have received from military aviators indicate substantial and serious anguish about the lack of assignment visibility and a perceived preoccupation with filling squares, with little regard to individual desires.

Mr. President, that may be a valid concern, but if it is not, the perception is there. I think something needs to be done about it. I believe military aviators have the right to expect every bit as much visibility and stability in the assignment process as any other officers assigned to the Defense Department.

I do not expect 100 percent satisfaction, because not every aviator's desires, obviously, can be accommodated. But I have a very strong feeling that the services can do better in this area. An outside look at this by the Congressional Budget Office will hopefully help to correct problems or perceptions that are detrimental to retention.

COMMISSION ON THE NATIONAL SHORTAGE OF AVIATORS

Finally, the bill would indicate that it is the sense of the Congress that the President should convene a commission composed of representatives of the airline industry, the Department of Defense, and other interested parties, to address the problem of the national shortage of aviators, to recommend solutions to the problem, and to make appropriate legislative recommendations to the Senate and the House of Representatives.

There are a lot of things that can be done in this area. Just when pilots become eligible for 20-year retirement from the military is when they are usually around 45 years of age. This leaves 15 years or so of good flying time left to them in the airlines, if the airlines wanted to cooperate in setting up some programs to hire them at that time. That means they would be flying up to the age of 60, which is a current FAA regulation and may be a figure that can be advanced a little one of these days, also. We will deal with that at another time.

Mr. President, I believe the problem of aviator retention in our military services is part of a larger problem: the burgeoning demand for aviators in the airline industry and a limited supply of aviators in this country. Indeed, the problem is an international one, because other countries, such as Canada, Great Britain, the Federal Republic of Germany, and Spain, are also experiencing difficulties in retaining their military pilots because of airline hiring.

The question that this major bill address is: What should be done about

this problem? What must we do about this problem? It seems to me that it is time for us to get an answer to this question. It is a difficult one to answer, and it will require thoughtful consideration by the best minds we can bring to bear on it.

Mr. President, that summarizes briefly the key provisions of the bill. The bottom line for me is that enactment of this bill not only keeps pilots in, but also, this bill, I believe, will help to increase the combat efficiency of our flying forces.

I believe the payoff will show up in better experience levels, in lower turnover, in better flying safety, and in higher aviator morale. All of this translates to improved combat readiness, the basic reason why we even train pilots. That is a vital element of deterrence and an insurance policy for peace.

Mr. President, in terms of cost, I expect the bill will result in savings. Although the increase in aviation career incentive pay will cost about $118 million, I expect this cost to be more than offset by savings resulting from improved retention.

Let me give just one example. We look at pilots in the military as really being fully effective once they get out to about the 800- to 1,000-hour time period of experience. So the replacement cost for an experienced F-16 fighter pilot, one who has 1,000 hours of flying in that weapons system is—hold your seat—$5½ million per pilot. This is the amount that has been invested in his training, including his pay and allowances.

Using this example, improved retention of just 21 F-16 pilots in a year would result in a break-even offset against the increase in aviation career incentive pay. Obviously, a more definitive cost analysis is required and I will be asking the Congressional Budget Office to assist accordingly.

Mr. President, there are a lot of comparisons we could make—the cost of what it takes just to get your wings, the cost of completion of training out of a replacement air group or RAG before you go to your first assigned squadron, or the cost of 1,000 hours of experience. You take any of those figures versus the amount that is necessary to give an incentive to keep pilots in and it comes out as being insignificantly cheap compared to the replacement and retraining cost of starting over again and, along with that, the reduction in combat readiness that goes along with that delay in pilots going back through the training pipe.

So, Mr. President, I want to conclude by saying that I believe the bill that we are introducing today will provide a comprehensive framework for dealing with the problem of aviator retention in the military services. We certainly do not claim it is perfect. There may be some modifications that are appropriate. And I look forward to working with the Department of Defense and other interested parties on this matter.

I, accordingly, plan to ask the military services for their comments on this bill and to convene the Subcommittee on Manpower and Personnel of the Committee on Armed Services to have a hearing on this bill shortly after we return from the Easter recess. We have tentatively set aside time for this from 9 o'clock to 12 o'clock on April 6, 1989. So we would ask the Department of Defense to get going, now that this has been submitted, on their considerations so they will be ready to comment on April 6.

Mr. President, it is my intention that the bill I am introducing today will eventually be incorporated into the Defense Authorization Act for fiscal year 1990-91. I believe the improvements it makes in military aviator compensation and management are urgently needed to not only correct the retention problem I have discussed but to treat the military aviator community with the regard and respect to which it is due. Most importantly, we want to keep the combat punch that comes from a professional force of pilots.

Mr. President, I want to thank my good friend, Senator JOHN MCCAIN, who is joining me in cosponsoring this bill. He is a very valued member of the committee and of our subcommittee. I have the very highest regard for his contributions and for his past experience also. He was a Navy pilot for many years.

I think Members of this body are aware of his experiences during the Vietnam war where he had the unfortunate experience to be a guest of the Hanoi Hilton for some 5½ or 6 years, I do not recall exactly what it was. It is much longer than I know I would have wanted to spend in similar circumstances.

So he knows the rigorous life that is required for our pilots and knows what is required to train new pilots. He has been involved with that himself as a Navy pilot for many years. He spent time at sea. He has taken those risks and knows also what it means to maintain a combat capability with squadrons out there when the going gets tough.

That is something that you cannot calculate in dollars, that willingness of people to get out there to do that flying job, and that willingness to take risks for our Nation.

Mr. President, I ask unanimous consent that the entire bill be printed in the RECORD and I ask, just prior to the printing of that bill, that there also be printed a summary of the Aviation Career Improvement Act of 1989 which goes through these same points in very brief detail and which will be a ready reference for what we are trying to do with this bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF AVIATOR CAREER IMPROVEMENT ACT OF 1989

ACIP.—Restoral of value to retention sensitive zone; restructure to avoid pay inversions; and more operational flying.

Bonus.—Continue temporary authority for 3 years; and require annual reports of effectiveness

Reduce non-oprational flying positions.—Reduce by 5%; 0% in FY 90; 2% in FY91 and 3% in FY92; and reduction to take effect if DOD does not provide compelling justification for repeal.

Minimum Service Obligations.—Fixed Wing Jet Pilots: 9 years after UPT: others: 7 Years after UPT/UNT: and sets floors; Services can require more.

Aviator Insurance.—Require DOD proposal to provide $100,000 accidental death insurance for operational flying, and no cost to individual—less than $10 per aviator.

Aviator Assignment Policies/System.—CBO to evaluate and make recommendations; and, a major issue with aviators, many of whom feel they are not treated fairly.

Commission on National Shortage of Aviators.—Require President to form Commission and report to the Congress on actions it should take to work this problem

S. 653

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Aviation Career Improvement Act of 1989".

SEC. 2. AVIATION CAREER INCENTIVE PAY.

(a) ENTITLEMENT REQUIREMENTS.—Section 301a(4) of title 37, United States Code, is amended by striking out the first two sentences and inserting in lieu thereof the following: "To be entitled to continuous monthly incentive pay, an officer must perform the prescribed operational flying duties (including flight training but excluding proficiency flying) for 9 of the first 12, and 12 of the first 18, years of his aviation service. However, if an officer performs the prescribed operational flying duties (including flight training but excluding proficiency flying) for at least 10 but less than 12 of the first 18 years of his aviation service, he will be entitled to continuous monthly incentive pay for the first 22 years of his officer service.".

(b) MONTHLY RATES.—(1) The table in section 301a(b)(1) of such title is amended to read as follows:

"Phase I

"Years of aviation service (including flight training) as an officer:	Monthly rate:
2 or less	$125
Over 2	156
Over 3	188
Over 4	206
Over 6	650

"Phase II

"Years of service as an officer as computed under section 205:	Monthly rate:
Over 18	$585
Over 20	495
Over 22	385
Over 25	250".

(2) The table in section 301a(b)(2) of such title is amended to read as follows:

"Years of aviation service as an officer:	Monthly rate:
2 or less	$125
Over 2	156
Over 3	188
Over 4	206
Over 6	650".

(c) INCREASES IN INCENTIVE PAY LINKED TO INCREASES IN BASIC PAY.—Section 301a of such title is further amended by striking out subsection (e) and inserting in lieu thereof the following:

"(e)(1) Whenever the rates of basic pay of members of the uniformed services is adjusted upward pursuant to section 1009 of this title, the President shall immediately make an upward adjustment of the rates of monthly incentive pay provided for in subsection (b).

"(2) An adjustment under this subsection shall have the force and effect of law and shall (A) carry the same effective date as that applying to the compensation adjustments in basic pay of members of the uniformed services, and (B) provide the same percentage as the overall average percentage increase referred to in section 1009(b)(3) of this title.".

(d) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section shall become effective October 1, 1989.

(2) The Secretary of a military department may delay implementation of such amendments, with respect to the department of that Secretary, subject to the approval of the Secretary of Defense, until such time as the Secretary of that department determines that implementation of such amendments is necessary to meet the needs of that department. If the Secretary of a military department delays the implementation of such amendments with respect to his military department, the provisions of section 301a of title 37, United States Code, as in effect on September 30, 1989, shall continue to apply, in the case of such department, to the payment of aviation career incentive pay under such section (A) until such date as the Secretary may prescribe, and (B) in the same manner as if the amendments made by this section had not been made.

SEC. 3. AVIATOR RETENTION BONUSES

(a) EXTENSION OF PROGRAM.—Section 611(a) of the National Defense Authorization Act, Fiscal Year 1989 (37 U.S.C. 301b note), is amended by striking out "September 30, 1989" and insert in lieu thereof "September 30, 1992".

(b) REPORTING REQUIREMENTS.—(1) Subsection (h) of section 611 of such Act is amended to read as follows:

"(h) REPORTS.—(1) Not later than November 1 each year, the Secretary of each military department, the Secretary of Transportation with respect to the Coast Guard, the Secretary of Commerce with respect to the National Oceanic and Atmospheric Administration, and the Secretary of Health and Human Services with respect to members of the Public Health Service, shall submit to the Secretary of Defense a report analyzing the effect that the aviator retention bonus program provided for under this section has had during the preceding fiscal year on the retention of qualified aviators in the Secretary's department, including a description of the marginal cost of paying bonuses under this section to officers who enter into an agreement referred to in clause (A) of subsection (a)(2) and a description of the marginal cost of paying bonuses under this section to officers who enter into an agreement referred to in clause (B) of such subsection.

"(2) Not later than December 1 each year, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives copies of the reports submitted to him pursuant to paragraph (1) together with such comments and recommendations as the Secretary considers appropriate.".

(2) The first reports required under section 611(a)(h) of the National Defense Authorization Act, Fiscal Year 1989, as amended by paragraph (1), shall be submitted to the Committees on Armed Services of the Senate and the House of Representatives not later than December 1, 1989.

(c) LIMITATION ON OBLIGATIONS.—Section 611 of such Act is further amended by striking out subsections (i) and (j) and inserting in lieu thereof the following:

"(i) The total amount of payments that may be made to Navy officers and Air Force officers under this section during fiscal year 1990 may not exceed—

"(1) $30,000,000, in the case of the Navy; or

"(2) $78,000,000, in the case of the Air Force.".

SEC. 4. REDUCTION IN NONOPERATIONAL FLYING DUTY POSITIONS

(a) IN GENERAL.—The Secretary of Defense shall take such action as may be necessary to reduce, by not later than September 30, 1992, the number of nonoperational flying duty positions in the Army, Navy, Air Force, and Marine Corps by a number equal to not less than 5 percent below the total number of such positions in existence on September 30, 1989. The Secretary shall effectuate a reduction of not less than 2 percent by September 30, 1991. Subject to paragraph (2), the Secretary shall effectuate the remainder of the required reduction not later than September 30, 1992.

(b) LIMITATION ON INCREASES IN NONOPERATIONAL FLYING DUTY POSITIONS AFTER FISCAL YEAR 1991.—(1) No increase in the number of nonoperational flying duty positions referred to in subsection (a) may be made after September 30, 1991, unless the increase is specifically authorized by law.

(2) As used in this section, the term "nonoperational flying duty positions" means positions in a military department identified by the Secretary of that department as positions that require the assignment of an aviator but that do not include operational flying duty (as defined in section 301a(6) of title 37, United States Code).

SEC. 5. MINIMUM SERVICE REQUIREMENT FOR AVIATORS

(a) IN GENERAL.—Chapter 37 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 653. Minimum service requirement for certain flight crew positions

"(a) PILOTS.—The minimum active duty obligation of any member who successfully completes training in the armed forces as a pilot shall be 9 years, if the member is trained to fly fixed wing jet aircraft, and 7 years, if the member is trained to fly any other type of aircraft.

"(b) NAVIGATORS AND NAVAL FLIGHT OFFICERS.—The minimum active duty obligation of any member who successfully completes training in the armed forces as a navigator or naval flight officer shall be 7 years.

"(c) DEFINITION.—In this section, the term 'active duty obligation' means the period of active duty required to be served after completion of undergraduate pilot training in the case of training as a pilot, completion of undergraduate navigator training in the case of training as a navigator, or completion of undergraduate training as a naval flight officer in the case of training as a naval flight officer.".

(b) TECHNICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"653. Minimum service requirement for certain flight crew positions.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to persons who begin undergraduate pilot training, undergraduate navigator training, or undergraduate naval flight officer training, as the case may be, after September 30, 1990.

SEC. 6. AVIATOR INSURANCE

Not later than December 1, 1989, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a legislative proposal for an accidental death insurance plan for aviators serving on active duty that provides, at no cost to the insured, for the payment of death benefits in the amount of $100,000 for death resulting directly from the performance of operational flying duty (as defined in section 301a(a)(6) of title 37, United States Code).

SEC. 7. REPORT ON AVIATOR ASSIGNMENT POLICIES AND PRACTICES

The Director of the Congressional Budget Office shall conduct a comprehensive study of the aviator assignment policies and practices of the Armed Forces. The Director shall submit the results of such study to the Committees on Armed Services of the Senate and the House of Representatives not later than February 15, 1990. The Director shall include in such report an analysis of the effectiveness and efficiency of the aviator assignment policies and practices of the Armed Forces, including an analysis of the policies and practices followed in accommodating the assignment preferences of aviators within operational needs of the Armed Forces.

SEC. 8. SENSE OF CONGRESS REGARDING ESTABLISHMENT OF COMMISSION TO CONDUCT A STUDY ON THE NATIONAL SHORTAGE OF AVIATORS

(a) IN GENERAL.—In view of the critical shortage of qualified aviators in both the Armed Forces and in the commercial airline industry of the United States, it is the sense of Congress that—

(1) the President should establish a commission to study the reasons for such shortages and to consider effective and practicable means of eliminating the shortages;

(2) the President should include among persons appointed to the commission representatives from the commercial airline industry, representatives from the Department of Defense, and representatives from such other sources as the President considers appropriate;

(3) the President should appoint all members of the commission not later than February 15, 1990; and

(4) the commission should be required to submit a report on the results of its study to the President and Congress not later than March 1, 1991, together with specific recommendations for eliminating the shortage of aviators in the United States.

Mr. GLENN. Mr. President, I appreciate the work that Senator MCCAIN has done on this bill, and the staff, along with Fred Pang and other members of the committee. This bill, I hope, will go a long way toward addressing the problem that I will address only briefly today.

I yield the floor.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER (Mr. KOHL). The Chair recognizes the Senator from Arizona.

Mr. McCAIN. Thank you, Mr. President. It is a great pleasure for me to join with my good friend from Ohio, a former marine aviator, former astronaut, indeed national hero, Senator JOHN GLENN.

I must respond to his comments, if I might, about getting shot down. I would think it is well to point out that in the Korean war Senator GLENN did the shooting down and in a different war I was shot down. I think there is a considerable difference in talents and skills that is patently obvious.

It is not well known to many Americans of the incredible aviation skills of JOHN GLENN outside of his astronaut capabilities, including, among many other feats, the fact that for many years he held the coast-to-coast speed record in a jet airplane. Some of the records that he established have still not been broken.

He is a man of incredible skill. Perhaps more important, I do not think there is another Member of the Congress who is more qualified to address the issue that is propunded in this legislation which is being proposed today. He not only understands how critical it is to maintain combat readiness, which is indeed the most important thrust of this bill, but he also has a keen undertanding of the requirement to maintain qualified Navy, Air Force, Army, and Marine Corps pilots. He has a keen sensitivity to their morale and clearly understands the sacrifices that they make on a day-to-day basis all over the world. He understands their willingness to risk their lives in defense of this Nation's freedom.

The bill that is introduced today is designed to address one of the most serious problems facing our Nation in the area of military manpower. That problem is the exodus of trained pilots from the military services.

During the last few years, Mr. President, pilot retention within the Air Force and the Navy has declined markedly. The normal military detractors of long hours, hazardous duty requirements, and prolonged family separation have taken their toll as they always do.

What has exacerbated the problem is the hiring practices of the commercial airlines. Mr. President, I hope that all my colleagues will take the opportunity to look at the airlines' demand, both this year and last year, for pilots. In addition, to look at the increased demand for pilots in the future as we continue to experience a dynamic growth in commercial aviation in this country.

The fact is, Mr. President, we simply do not have the basic reservoir of pilots necessary to man the military and satisfy the requirements of the commercial airlines in America today. That is a long-term problem that I and I hope my friend, Senator GLENN, and others on the Commerce Committee, with members of the Aviation Subcommittee, will try to address.

I fully understand and appreciate that we must man commercial airliners with qualified men and women who have the experience, talent, and capability to make our skies safe. We must assure that when American citizens get on an airline to go from one place to another, that the people in the cockpit are skilled and qualified.

The military has long been a source of highly skilled pilots for the airlines industry. Following World War II, Korea, and Vietnam, when our military force structure was shrinking in the immediate aftermath of war, airline hiring practices did not have a significant impact on our military preparedness.

Mr. President, the situation is quite different today. Our military force structure will likely remain static for the foreseeable future while the airline industry is experiencing very rapid expansion.

The airlines are hiring pilots at twice the rate they were just 10 years ago. In 1988 alone, more than 7,100 pilots were hired to fly for the airlines, and it is estimated that over the next 10 years, the airlines will hire more than 7,000 pilots annually.

The first efforts by the Congress to curb military aviator separations came in 1980 when the Navy was authorized a bonus program to help pilot retention. Last year, as my good friend from Ohio has explained at length, the Congress acted again at the behest of the Navy and the Air Force to provide incentives to enhance pilot retention.

I would like to interject here that it is an interesting phenomenon to me that the Marine Corps is not experiencing the exodus of pilots that the Navy and Air Force are. I think we ought to carefully scrutinize this unusual situation. The services are under the same basic pay system and operate with roughly the same degree of sacrifice. Family separation is roughly the same in the Marine Corps as it is in the Navy and the Air Force, yet the Marine Corps has experienced the same problems with pilot retention.

I, frankly, think that it has to do with their esprit and their loyality to the service. I think it is something we ought to examine very carefully.

Also, Mr. President, the Congress required the Department of Defense to submit a comprehensive report on aviator retention, as my distinguished colleague from Ohio has outlined. Unfortunately, the Department of Defense report, in our opinion, was not as comprehensive an approach to the problem as we had hoped for.

That brings us, Mr. President, to the proposal that we are introducing today. The Aviation Career Improvement Act of 1989 is structured to provide a comprehensive approach to the problem of pilot retention. Coupled with efforts by the military services to lessen the burden of career turbulence for aviators, Senator GLENN and I believe that we can substantially improve pilot retention.

Before I go any further, I would like to commend Admiral Trost and General Welch for their efforts to institute various management initiatives aimed at reducing career turbulence for aviators. The services are taking the steps that they can to retain pilots in the career force, and this bill is the first step that the Congress can take toward solving the long term problem of pilot retention.

This legislation is simple and straightforward, Mr. President, and while my good friend from Ohio has described in detail the provisions of the bill, I would like to reiterate some key points—the first being aviation career incentive pay, commonly referred to as ACIP.

AVIATION CAREER INCENTIVE PAY

Mr. President, ACIP was initially provided to aviators in recognition of the unique hazards associated with military aviation. Unfortunately, this incentive pay has not kept pace with the increased value of basic military pay since ACIP was instituted in 1974. Our proposal would raise the maximum ACIP from $400 to $605—for aviators with more than 6 years of service and less than 18 years of service. At 18 years of service ACIP will gradually decline.

One might ask, what do the taxpayers get in return for this increase in incentive pay. The answer is simple, Mr. President.

OPERATIONAL FLYING REQUIREMENTS AND SERVICE OBLIGATION

To receive ACIP on a continual basis, a pilot must occupy an operational flying billet during 9 of the first 12 years of service. Previously, a pilot was required only to fly 6 of the first 12 years of service. The requirement for operational flying at 18 years of service was only increased from 11 to 12 years because of joint duty offi-

cer requirements of the Goldwater-Nichols Department of Defense Reorganization Act of 1986.

In addition, Mr. President, this bill will require a minimum service obligation after pilot training of 9 years fixed wing jet aviators and 7 years for all others. It should be noted that the Congress has never enacted such a requirement into law. In the past, the services have been allowed to set service obligation as a matter of policy within each service. We feel, however, that incentives contained in this bill more than justify the minimum service requirements we have outlined today.

Mr. President, my good friend from Ohio has discussed in some detail the extension of the aviator retention bonus, the requirements for reductions in nonoperational flying positions occupied by aviators, the peacetime aviator insurance program, the review of aviator assignment policies, and the sense-of-the-Congress provision calling for a Presidential Commission to be established to review the national shortage of aviators. Therefore, I will not elaborate further on these points. I would, however, like to point out some concerns that I have.

One of my initial concerns, and one that was voiced by my good friend from Ohio during the drafting of this legislation, is the length of service commitment required upon completion of pilot training. While I fully support a 9-year service obligation, I am not fully satisfied that more cannot or should not be required, especially in light of the fact that any other service obligations that an aviator has incurred, such as the obligation for attendance at one of the service academies or for an ROTC scholarship, run concurrently and not consecutively. Because we felt that it may be inadvisable to expect a 12- or 14-year service obligation from a 22-year-old, we settled on 9 years. The services should note, however, that we consider this a floor and not a ceiling. We fully expect the services to review the matter and propose longer service obligations if they are warranted.

Another concern I have, Mr. President, involves the aviator bonus program. We have extended the program for 3 years, but I am very concerned that the bonuses remain targeted to shortages only. We fully intend to monitor the bonus program each year to ensure that the intent of Congress is met.

Mr. President, we are aware that this legislation may seem too expensive to many people, but they must consider the fact that it costs more than $4 million to train one aviator, and this does not take into account the value of the experience lost when a pilot with 14 or more years of service resigns his commission. We strongly believe that the savings over the long term will fully justify the costs of our bill. The shortsighted approach of some that would deny the incentives we have outlined for those who risk their lives for our country, remind me of President Coolidge's statement about military aviation years ago when he said that we should buy just one plane and let them take turns flying it.

My last concern, Mr. President, has to do with the sense of the Congress provision calling for a Presidential Commission to review the national shortage of aviators. I want to point out that this is a national problem and a serious one. But I also want to counsel the airline industry that they cannot expect a free ride much longer when it comes to drawing on our Nation's military resources to provide trained pilots for their industry. Mr. President, there's no such thing as a free lunch.

I look forward to the opportunity of working with the airlines out in helping them work a way of acquiring new pilots, since clearly the future of commercial aviation rests on acquiring and maintaining qualified, trained, capable airline pilots.

I would like to conclude my remarks by thanking my good friend and colleague, Senator JOHN GLENN, who is the chairman of the Manpower and Personnel Subcommittee of the Senate Armed Services Committee. I look forward to working very closely with him during the 101st Congress. I would like to thank Mr. Phil Upschulte and Mr. Milt Beach of Senator GLENN's staff and Mr. Fred Pang and Mr. Ken Johnson of the Senate Armed Services Committee along with Tony Cordesman and Rocky Rosacker of my staff. They have done a great job balancing a great number of competing priorities and coming up with what I believe is an outstanding framework for discussion, debate, and eventually legislation that would help address what I believe is a near crisis in military aviation today.

Mr. President, we have watched with pride as Naval aviators, Marine aviators, and Air Force aviators, have performed throughout the world in combat when called upon. I do not think it is accidential that we have won most of the air battles that we have engaged. I think it is in part, due to the quality of the aircraft we provided our pilots. More importantly I feel that it is due to the quality and training of the individuals in those cockpits.

I believe it is of utmost importance to the future security of this Nation that we retain the qualified men and women who are serving in the military today. I hope that this legislation will be rapidly approved by this Congress.

I note with some interest that a former member of the Marine Corps now is on his feet. The Senator from Idaho has had significant involvement in Marine Corps aviation. We appreciate his service to our country and I would welcome any comment he might have on this issue.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. SYMMS Mr. President, I am going to speak on another matter. But I am very pleased that the two Senators who just preceded me have addressed a great deal of their time and energy to this issue. I did have the privilege of being on the Armed Services Committee in the 100th Congress, and was exposed to the issue.

I can tell the Presiding Officer that it is a most important issue that we must address fully. I know of no two Senators in this Chamber who have had more practical and personal experience to enable them to deal with this issue and find what it will take to extend the careers of some of our younger, finer aviators.

I wish both of them well and hope I may be helpful to their efforts. They can count on my support.

By Mr. PRYOR (for himself, Mr. DURENBERGER, Mr. BOREN, Mr. HEINZ, Mr. BAUCUS, Mr. DASCHLE, Mr. DANFORTH, Mr. MITCHELL, Mr. MOYNIHAN, Mr. HARKIN, Mr. BUMPERS, Mr. BINGAMAN, Mr. GORE, Mr. DECONCINI, Mr. CRANSTON, Mr. HEFLIN, and Mr. CONRAD):

S. 654. A bill to amend the Internal Revenue Code of 1986 to provide for the establishment of simplified health arrangements meeting the requirements of section 89, to modify the definition of part-time employee for purposes of section 89, and to simplify the application of section 89; to the Committee on Finance.

SECTION 89 SIMPLIFICATION ACT

Mr. PRYOR. Mr. President, I rise today in behalf of 12 colleagues to introduce the Section 89 Simplification Act. In this bill we attempt to provide some relief to employers from the complexity and cost of complying with the welfare nondiscrimination rules presently in effect under Internal Revenue Code section 89.

Recently, I have been hearing from many of my constituents about the arduous recordkeeping and testing requirements of section 89. Two years ago, I introduced the Small Business Retirement and Benefit Extension Act to delay the implementation of section 89 for 2 years while Congress and the Treasury Department studied the need for such complex rules. Last year I worked very closely with Chairman LLOYD BENTSEN in the Technical Corrections Act to provide some relief from the worst excesses of these rules.

Since the rules went into effect on January 1 of this year, I have been discussing with the many business groups concerned with section 89 on how to simplify and make the rules more fair.

I see this bill as the first step in reforming section 89, and I in no way consider this to be the finished product. I look forward to continuing my discussions with employers on how to solve this problem. For example, I would anticipate further review of the issues of testing of former employees and leased employees and of problems concerning the present 90/50 testing requirements.

Probably, the most significant relief provided in the Section 89 Simplification Act is the creation of simplified health arrangements. Under this alternative to section 89, an employer does not have to perform the section 89 nondiscrimination testing if its health arrangement is available to at least 90 percent of its employees and mandatory employee contributions are limited for employee-only coverage to $6.70 a week and limited for dependent coverage to $13.40 a week—both amounts are indexed and are tied to increases to the minimum wage.

I believe that this provision is significant because for the first time many employers will be able to avoid the recordkeeping and testing requirements of the present rules and instead look to the construction of the plan itself in order to determine if it complies with the law. The bottom line is that simplified health arrangements will save many employers significant time and money.

Additionally, the bill expands the rule for testing part-time employees. Under present law, employers must track all employees for testing purposes working 17½ hours or more. The bill would loosen this requirement by allowing employers to track only those employees working 30 hours or more in 1989, 27½ hours or more in 1990, and 25 hours or more in 1991 and beyond. This change should make it easier for employers to comply with the present testing requirements.

The bill would also repeal the harsh penalties for failure to meet the qualification standards of section 89. The present rule would penalize innocent low-income employees for the mistakes of the employer. The bill would target the penalty to high-paid management and limit it to the cost of health coverage.

Additionally, under this bill nonprofit organizations and local governments without highly compensated employees would be exempted from section 89 testing. This change would be particularly significant to the small towns and rural counties of many States, including Arkansas.

Finally, the bill would provide a number of changes to section 89 to help alleviate data gathering and testing costs, and would in general make it easier for employers to comply with the present rules. I believe that these changes will go a long way toward mitigating the excesses of section 89. It will not repeal it. Let me just say I know it might be popular to stand here and at this moment advocate, Mr. President, repeal of section 89. However, I think as we look down the long road we might find that that repeal would be unwise policy and could well lead to the taxing of fringe benefits for all employees.

I look forward to continuing this discussion and this dialog which I hope will begin today, with various business groups and the working groups to reform section 89.

Mr. President, I ask unanimous consent that an outline of this bill and the copy of the legislation be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 654

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Section 89 Simplification Act".

SEC. 2. ESTABLISHMENT OF SIMPLIFIED HEALTH ARRANGEMENTS.

(a) IN GENERAL.—Part II of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating section 90 as section 91 and by inserting after section 89 the following new section:

"SEC. 90. SIMPLIFIED HEALTH ARRANGEMENTS.

"(a) GENERAL RULE.—If a statutory employee benefit plan is a simplified health arrangement for any testing year, such plan shall not be treated as a discriminatory employee benefit plan for purposes of section 89.

"(b) SIMPLIFIED HEALTH ARRANGEMENT.—For purposes of this section, the term 'simplified health arrangement' means a health plan which, with respect to a testing year, meets—

"(1) the requirements of section 89(k) (relating to requirement that plan be in writing, etc.),

"(2) the eligibility requirements of subsection (c), and

"(3) the cost requirements of subsection (d).

"(c) ELIGIBILITY REQUIREMENTS.—A plan meets the requirements of this subsection for any testing year if—

"(1) at least 90 percent of all employees are eligible to participate in such plan or in any other plan of the employer of the same type, and

"(2) such plan and all other plans of the employer of the same type have the same employer-provided benefit.

"(d) COST REQUIREMENTS.—

"(1) IN GENERAL.—A plan meets the requirements of this subsection for any testing year if the cost to any employee (determined on a weekly basis) for either—

"(A) employee-only coverage, or

"(B) coverage for spouse or dependents,

does not exceed the applicable premium.

"(2) APPLICABLE PREMIUM.—For purposes of paragraph (1)—

"(A) IN GENERAL.—The applicable premium is $6.70 per week.

"(B) INFLATION ADJUSTMENT.—In the case of a testing year beginning after 1990, the dollar amount referred to in subparagraph (A) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the testing year begins by substituting '1989' for '1987' in subparagraph (B) thereof.

"(3) COORDINATION OF APPLICABLE PREMIUM WITH MINIMUM WAGE.—Notwithstanding paragraph (2), the applicable premium for any testing year beginning in a calendar year shall not be less than 5 percent of the amount equal to—

"(A) the minimum wage in effect under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) as of the close of the preceding calendar year, multiplied by

"(B) 40.

"(e) DEFINITIONS.—For purposes of this section, any term used in this section which is also used in section 89 shall have the meaning given such term by section 89."

(b) CONFORMING AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 90 and inserting the following new items:

"Sec. 90. Simplified health arrangements.

"Sec. 91. Illegal Federal irrigation subsidies."

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 1151 of the Tax Reform Act of 1986.

SEC. 2. TREATMENT OF PART-TIME EMPLOYEES.

(a) IN GENERAL.—Section 89(h)(1)(B) of the Internal Revenue Code of 1986 (relating to excluded employees) is amended by striking out "17½ hours per week" and inserting "25 hours per week".

(b) TRANSITION RULE.—In the case of any testing year beginning in 1989 or 1990, section 89(h)(1)(B) of the Internal Revenue Code of 1986 shall be applied by substituting the following for "25 hours per week":

(1) 30 hours per week in the case of testing years beginning in 1989.

(2) 27½ hours per week in the case of testing years beginning in 1990.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the amendments made by section 1151 of the Tax Reform Act of 1986.

SEC. 3. SIMPLIFICATION AND CLARIFICATION OF SECTION 89.

(a) INCOME INCLUSION FOR CERTAIN FAILURES ONLY TO APPLY TO HIGHLY COMPENSATED EMPLOYEES.—

(1) IN GENERAL.—Paragraph (1) of section 89(k) of the Internal Revenue Code of 1986 (relating to requirement that plan be in writing, etc.) is amended by striking out "gross income of an employee" and inserting "gross income of a highly compensated employee".

(2) VALUATION OF INCLUSION.—

(A) IN GENERAL.—Section 89(k) of such Code is amended by striking out paragraph (3) and by redesignating paragraphs (4) and (5) as paragraphs (3) and (4).

(B) CONFORMING AMENDMENT.—Subparagraph (A) of section 89(g)(3) of such Code is amended by striking out "Except as provided in subsection (k), an" and inserting "An".

(b) PLANS WITH NO HIGHLY COMPENSATED EMPLOYEES.—

(1) REPEAL OF RULE AT LEAST ONE OFFICER TAKEN INTO ACCOUNT.—Subparagraph (B) of section 414(q)(5) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new sentence: "This subparagraph shall not apply for purposes of section 89."

(2) SECTION 89 NOT TO APPLY IF NO HIGHLY COMPENSATED EMPLOYEES.—Section 89(i) of such Code (relating to statutory employee benefit plan) is amended by adding at the end thereof the following new paragraph:

"(5) EXCEPTION FOR PLANS WITH NO HIGHLY COMPENSATED EMPLOYEES.—For purposes of this section (other than subsection (k) thereof), a plan shall not be treated as a statutory employee benefit plan for any testing year if no participants in such plan for such year are highly compensated employees."

(c) TIME FOR TESTING.—

(1) IN GENERAL.—Paragraph (6) of section 89(g) of the Internal Revenue Code of 1986 is amended by striking out subparagraph (B) and by redesignating subparagraphs (C), (D), (E), and (F) as subparagraphs (B), (C), (D), and (E).

(2) CONFORMING AMENDMENTS.—Subparagraph (D) of section 89(g)(6) of such Code (as redesignated by paragraph (1)) is amended by striking out "subparagraph (D)(i)" each place it appears and inserting "subparagraph (C)(i)".

(d) SPECIAL RULES FOR TESTING OF SPOUSE AND DEPENDENT CARE COVERAGE.—Paragraph (2) of section 89(g) of the Internal Revenue Code of 1986 (relating to special rules for applying benefit requirements to health plans) is amended by adding at the end thereof the following new subclause:

"(F) SPECIAL RULES FOR TESTING SPOUSAL AND DEPENDENT HEALTH COVERAGE.—If an election is made under subclause (ii) of subparagraph (A), the requirements of subsection (e) or (f) shall be treated as met with respect to coverage of spouses or dependents under any health plans if—

"(i) such requirements are met with respect to employee-only coverage,

"(ii) under the plans all employees who are not highly compensated employees and who have employee-only coverage are eligible to participate in spouse or dependent coverage on the same basis as highly compensated employees, and

"(iii) the cost to any employee who is not a highly compensated employee for coverage for spouse or dependents does not exceed the applicable premium for the testing year determined under section 90(d)(2)."

(e) DEFINITION OF COMPARABLE PLANS.—

(1) IN GENERAL.—Subclause (II) of section 89(g)(1)(E)(i) of the Internal Revenue Code of 1986 is amended by striking out "$100" and inserting "$365".

(2) CONFORMING AMENDMENT.—Section 89(g)(1)(E)(v) of such Code is amended by striking out "$100" and inserting "$365".

(f) VALUATION OF EMPLOYER-PROVIDED BENEFIT UNDER HEALTH PLANS.—Subparagraph (B) of section 89(g)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

"(B) SPECIAL RULES FOR HEALTH PLANS.—The value of the coverage provided by any health plan—

"(i) except as provided in clause (ii), shall be determined in substantially the same manner as costs under a health plan are determined under section 4980B(f)(4), and

"(ii) for purposes of determining whether the requirements of subsection (d), (e), or (f) are met, shall, at the election of the employer, and except as provided in regulations prescribed by the Secretary, be determined under any other reasonable method selected by the employer."

(g) EFFECTIVE DATE.—The amendments made by this section shall apply in the same manner as if included in the amendments made by section 1151 of the Tax Reform Act of 1986.

PROPOSED SECTION 89 CHANGES

1. Simplified Health Arrangements.—The bill creates an alternative to section 89. Under this alternative, an employer does not have to perform the section 89 nondiscrimination testing if its health arrangement is available to at least 90 percent of its employees and mandatory employee contributions are limited for employee-only coverage to $6.70 a week and limited for employee-only coverage to $6.70 a week and limited for dependent coverage to $13.40 a week (both amounts will be indexed and will increase with changes in the minimum wage). Employers will continue to comply with the qualification requirements of section 89(k) as under present law.

2. Testing of Part-Time Employees.—The current rule allowing employers to exclude part-time employees with 17½ hours or less would be expanded in the following manner:

Testing years beginning in:	Cutoff for part-time status
1989	Under 30 hours.
1990	Under 27½ hours.
1991 and later	Under 25 hours.

3. Failure to Comply With Section 89(k).—Under the present qualification rules, if a plan fails to comply, every employee who receives benefits under the plan during the year must include in income an amount equal to the full value of the benefits he or she actually receives. The bill would modify this provision, so that if a plan fails the qualification requirements, highly compensated employees would have to include in taxable income only the full value (COBRA cost) of the insurance coverage.

4. Lack of Highly Compensated Employees.—Under the present rules, if an employer has no highly compensated employees (example: local municipalities or nonprofits), the highest paid employee must be designated as the highly compensated employee under the plan. The bill would repeal this requirement (section 414(q)(5)(B)) and would establish that if there are no highly compensated employees then employers do not have to perform the section 89 nondiscrimination testing.

5. One-Time-a-Year Data Gathering.—Presently, employers can designate any day during a plan year as the testing date. However, when a highly compensated employee elects to change coverage during the plan year (e.g. employee marries and changes employee coverage to family coverage), the data as of the testing date must be adjusted to reflect the election. This additional tracking would add a great deal of needless cost to the testing process. The bill would eliminate this exception to the one-day-a-year data gathering rule (section 89(g)(6)(B)).

6. Deemed Coverage Rule.—Dependent coverage would be deemed to satisfy the benefits test and the 80 percent test to the same extent that employee-only coverage does, provided all non-highly compensated employees receiving employee-only coverage have dependent coverage available on the same basis as highly compensated employees. To be available for this rule, the dependent coverage must not cost non-highly compensated employees more than $6.70 a week.

7. Aggregation Rule.—Under present rules, for purposes of the 80 percent rule, two or more accident or health plans are treated as comparable and therefore can be aggregated for testing purposes if: (1) such plans are available to all employees within the group on the same terms, and (2) the difference in annual employee cost between the plans in the group with the smallest and largest employee cost is no more than $100 (indexed). In order to apply this safe harbor, employee contributions must be made on the same pre- or post-tax basis. The bill would increase the cost differential to $365.

8. Valuing Coverage.—Present law provides a transition rule for employers in valuing coverage under a health plan. The rule applies until the IRS publishes guidance on valuation. The present transition rule allows the employer to use any reasonable method for valuing a health plan and specifies that the cost of the health plan is a reasonable method of valuation. In valuing coverage, the rule allows the employer to use the cost of the applicable premium used for continuation coverage under a group health plan and is permitted to adjust the premium for differences related to geographic locale, the demographics of the participant population, and utilization. The bill would make the transition rule permanent.

Mr. DURENBERGER. Mr. President, I am pleased to join the distinguished Senator from Arkansas, Senator PRYOR, and several of my colleagues in introducing the Section 89 Simplification Act. I believe this legislation will go a long way toward alleviating much of the burdensome complexity that currently makes compliance with section 89 a difficult and needlessly costly task, especially for small employers. At the same time, this legislation preserves the principle nondiscrimination goals that underlie section 89.

Mr. President, when Congress adopted the Tax Reform Act of 1986, it included a set of nondiscrimination rules for health and welfare benefit plans which ultimately became the foundation for section 89. Our purpose in adopting these rules was to broaden the availability of employer-provided health coverage so as to ensure that companies which provide such plans to their executives and officers also make such plans available to a broader segment of their work force.

Supporters of the section 89 nondiscrimination rules recognize that this provision, by itself, would not overcome the problem of access to health insurance for the 37 million uninsured. We believed, and still maintain, that its adoption will expand participation in company sponsored health insurance and serve as an important step in expanding the number of people who have access to company-sponsored health insurance benefits.

In addition, section 89 brings a measure of fairness and equity to the lower paid and mid-level employees in many companies. All of us are aware of cases where companies have provided very expensive health coverage for their top executives while at the same time ignoring or minimizing the health insurance needs of their other employees. Section 89 seeks to prevent such abuses by establishing strict coverage and benefit comparability rules. We think such nondiscrimination rules are only fair especially when on considers that the deduction for employer-provided health insurance is the second largest tax expenditure provided by Congress.

Unfortunately, Mr. President, while we may all agree on the goals underlying section 89, I believe in its execution, the statute and the regulations are far too complex for most businesses to understand. And because of this complexity, I think we see not only massive non-compliance by many companies, but we will also breed increased cynicism about a tax code that seems to become ever-more complex as each year passes.

Last year I joined several of my colleagues on the Finance Committee in developing several modifications of the original section 89 rules. Although these modifications made section 89 somewhat more workable, the final legislation that emerged from the House-Senate conference failed to address all of the difficulties surrounding section 89.

Because I thought the modifications of section 89 did not go far enough, and because the IRS did not provide timely regulatory guidance to employers, late last year I joined Senator PRYOR in writing a letter to the Commissioner of the Internal Revenue Service asking that the Service delay enforcement of section 89. Although the Service has given employees until July 1, to satisfy the requirements of section 89, I think it is now incumbent on Congress to reconsider some of the most onerous provisions currently contained in this section of the law.

Mr. President, the Section 89 Simplification Act that we are introducing today should resolve many ofthe problems associated with compliance with this statute. One of the most important features of this bill is the model simplified health arrangement that will serve as an automatic safe harbor for any company offering such a plan. Under this approach, if an employer offers employee and dependent care coverage to at least 90 percent of its employees, and an employee is required to pay no more than $6.70 per week for employee coverage, or no more than $13.40 per week for dependent care coverage, the employer's health plan will automatically comply with section 89. These employee-contribution levels will be automatically indexed for inflation and tied to increases in the minimum wage.

If a company offers a plan that fits within the contours of the model simplified health arrangement, no futher section 89 testing or paperwork will be required. Mr. President, simply stated, this approach allows an employer to get out from under the mass of section 89 paper work if 90 percent of his full-time employees are asked to pay less than $1 a day for employee-only coverage, and less than $2 a day for dependent care coverage.

In addition to the model simplified health arrangement, we have made several other changes to the current rules. The definition of a part-time employee has been modified so that in 1989 employers will be able to exclude from section 89 testing employees who work fewer than 30 hours per week. In 1990, employers will be able to exclude part-timers who work fewer than 28½ hours a week, and in 1991 the part-time exclusion will apply only to people who work fewer than 25 hours a week.

This legislation also modifies the noncompliance penalties under section 89(k) so that if an employer fails to comply with the rules, all of his highly compensated employees would have to include in taxable income the full value—COBRA cost—of the health insurance provided by the company.

We have also modified the 80 percent aggregation rules to better reflect the disparities in cost between dependent care coverage and employee-only coverage. Under the current law, two or more health plans are treated as comparable and can be aggregated for testing purposes if the plans are available to all employees within the group and the difference in annual employee costs between the plans in the group with the lowest and highest employee costs is no more than $100. Under our legislation, the cost-differential would be increased to $365.

In addition, to respond to the complaints that we have heard from many officials of State and local governments, we have eliminated the current rule that requires an employer to designate its highest paid employee as a highly compensated person for purposes of section 89 testing, even if that person is not a highly compensated person as defined by section 414(q)(5)(B). The net effect of this provision is to exempt an employer from the testing provisions of section 89 if the organization does not employ a person who earns approximately $50,000 a year.

Mr. President, this legislation is not a panacea for all of the problems confronting companies that are in good faith attempting to comply with section 89. It is, however, a first step. I look forward to receiving constructive comments and suggestions from my colleagues and from the employee benefits community that will further improve this legislation.

I look forward to working with my colleagues to make this bill law before the end of this year.

Mr. HEINZ. Mr. President, I am pleased to be able to join my colleague from Arkansas in introducing this legislation to give employers an opportunity to avoid the tremendous burden of testing health plans for compliance with section 89. We need to do something quickly to allow employers to sidestep section 89, and I commend Senator PRYOR for his leadership in getting his bill introduced today.

Mr. President, the health plan testing rules in section 89 of the Internal Revenue Code are ridiculously complex and confusing. Large corporations with huge computers and well-staffed employee benefits departments are having enough trouble figuring out how to comply with the rules. Small companies can only throw up their hands, or worse yet, throw away their money on consultants. Even worse, many employers have decided to pay section 89's penalties for noncompliance rather than go through all the expense of testing their plans. It is time to give honest employers a simple alternative to section 89—and that is what we are doing today.

Section 89 is a good idea that got lost in drafting. In my judgment, Congress started out with a simple concept in 1986—to ensure that workers had access to their employer's health plans and that employers did not intentionally or unintentionally exclude low-paid workers from participating in their best or executive-only health plans. Actually, I think we could have done this with a simple requirement that the design of a qualified health plan not preclude low-paid workers from participating, and that all plans be available to all or nearly all of the workers.

Instead, the conferees on the 1986 tax act adopted lengthy rules to ensure that workers actually elected and received health benefits in a nondiscriminatory fasion. The concept of a nondiscriminatory result in the election of benefits is important, but it is also the father of all the complexity in the section 89 rules.

The complexity of the 89 rules may be more than burdensome—it may actually work against our health policy goals of expanding health insurance coverage and restraining the increasing cost of health care. I honestly think it is a little bizarre that the tax lawyers have played such a major role in rewriting health policy. We might wish for tax purposes that the world of health benefits was simple, but we have to remember that there are a lot of other policy goals we are serving with health benefits than merely paying equitable taxes.

In my judgment, Mr. President, the legislation we are introducing today allows us to return to the simpler concept we started with. The simplified health arrangement provided in this bill under section 90 would allow an employer to bypass all of section 89's complex testing rules. This new section would make it possible for an insurers to put together a health plan that was prequalified by design. As long as the employer properly notified employees about the plan and made the plan available to 90 percent of the employees, the plan would be tax qualified. The employer would know in advance that the plan would be acceptable, and would not have to divide workers into highly compensated and nonhighly compensated categories and test to ensure that the election of plans was not discriminatory.

Of course, there are many employers who operate plans that would be too complex to conform to the section 91's new simplified health arrangement and would prefer to keep this complexity. While these employers would still have to pass the section 89 tests, the bill we are introducing today would make that process simpler and clearer as well. The bill also provides a much better transition rule for the inclusion of part-time workers in section 89 testing to deal with one of the most difficult section 89 requirements for many employers.

Mr. President, this bill would give us the answer many of our constituents have asked for—a way around section 89. I think it would relieve a tremendous burden for many employers. At the same time, it does not relax our commitment to nondiscrimination in health benefits. I am pleased to join so many of my colleagues on the Finance Committee, and others in the Senate, I hope we can bring this bill before the Finance Committee quickly, and assure those employers who must begin to comply with section 89 shortly that relief is on the way.

Mr. BAUCUS. Mr. President, I am pleased to cosponsor this legislation to revise section 89. This bill should get us started on the road to rewriting a tax law that was intended to help workers but has backfired. It is hard to criticize the objectives of section 89. But I must say, it is a baby that only its mother could love. And at this point, no one wants to claim the child.

Last year, we tried to solve some of the problems with section 89 as part of the 1988 tax act. Well, we did solve some of the problems. But we also ended up with so many new bells and whistles added to the old version that now it looks like it was put together by Rube Goldberg.

Now we will see if we can streamline things a bit—at least for the small firms that cannot afford to spend a lot of time and money trying to figure out if they comply with section 89.

The point of section 89 is to encourage broader health benefits coverage for employees—at all levels of the workplace hierarchy. This legislation moves us in that direction.

One of the more important provisions in this bill is the creation of a model simplified health arrangement. This model arrangement means that most small businesses should not have to deal with the nondiscrimination tests of section 89. That is significant for the small firms that are so important to the economy of Montana.

This bill is a step in the right direction and I am sure that soon we will have a final version to take care of the problems with the current version of section 89.

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. GARN, Mr. GLENN, Mr. SIMPSON, Mr. MATSUNAGA, Mr. ARMSTRONG, Mr. WIRTH, Mr. THURMOND, Mr. HARKIN, Mr. LUGAR, and Mr. HATFIELD):

S. 655. A bill to amend the Public Health Service Act to require public conveyances to certify that the public is not involuntarily exposed to passive smoke when exposed to such conveyance, and for other purposes; to the Committee on Labor and Human Resources.

PUBLIC PROTECTION FROM PASSIVE SMOKE ACT

Mr. HATCH. Mr. President, I think it is time we in Congress caught up with the scientific evidence. Cigarette smoking is both a health and safety risk to smokers and nonsmokers who travel. Passengers on interstate public conveyances are often forced to sit for hours in confined areas, breathing air contaminated by tobacco smoke.

In 1985, Congress asked the Office of Technology Assessment to review the scientific evidence on whether cigarette smoke causes illness and disease in nonsmokers. In May 1986, OTA issued a report entitled "Passive Smoking in the Workplace: Selected Issues," which contained the following conclusions:

There is ample evidence that nonsmokers are exposed to elements of tobacco smoke when they are around people who are smoking * * * Children and people with pre-existing lung disease might be more susceptible than healthy adults to some of the effects of passive smoking.

Most importantly, the report stated:

More than a dozen studies have been published during the 1980s that address the possible association of passive smoking and lung cancer. Taken one by one, the studies cannot be considered "definitive"; however, most investigators have found that passive smoking elevates a nonsmoker's risk of lung cancer, and results in about half the studies were statistically significant. The consistency of the results argues for stronger conclusions than could be drawn from individual studies: examined together, the evidence is generally consistent with an increased risk of lung cancer, on the order of a doubling of risk, among nonsmokers regularly exposed to environmental cigarette smoke compared with nonsmokers without exposure.

Congress also asked the National Research Council to evaluate cigarette smoking on commercial aircraft. In their 1986 report entitled "The Airliner Cabin Environment, Air Quality and Safety," the council concluded:

A contaminant in aircraft cabins that can be detected by its characteristic odor and visibility is environmental tobacco smoke—the combination of exhaled mainstream smoke and the smoke generated by smoldering cigarettes. Environmental tobacco smoke is a hazardous substance, and is the most frequent source of complaint about aircraft air quality.

Because of the high concentration of environmental tobacco smoke generated in the smoking zone, it cannot be compensated for by increased ventilation in that zone. Moreover, strict separation of the airplane into smoking and nonsmoking zones does not prevent exposure of flight attendants and nonsmoking passengers to environmental tobacco smoke.

The scientific experts considered several ways of reducing environmental tobacco smoke in aircraft including structural or engineerng changes, but concluded that such changes were not economically feasible.

The National Research Council went on to recommend:

A ban on smoking on all domestic commercial flights, for four major reasons: to lessen irritation and discomfort to passengers and crew, to reduce potential health hazards to cabin crew associated with environmental tobacco smoke, to eliminate the possibility of fires caused by cigarettes, and to bring the cabin air quality into line with established standards for other closed environments.

Other specific experts have been just as definitive. In a 1981 report entitled "Indoor Pollutants," the National Research Council stated:

Public policy should clearly articulate that involuntary exposure to tobacco smoke has adverse health effects and ought to be minimized or avoided where possible.

But perhaps the strongest conclusions have been reached by the Surgeon General of the United States, C. Everett Koop. In his 1986 report entitled "The Health Consequences of Involuntary Smoking," the Surgeon General made the following statement:

The comparison of the chemical composition of smoke inhaled by active smokers with that inhaled by involuntary smokers suggests that the toxic and carcinogenic effects are quantitatively similar, a similarity that is not too surprising because both mainstream smoke and environmental tobacco smoke result from the combustion of tobacco.

The Surgeon General study made the following three major conclusions:

First. Involuntary smoking is a cause of disease, including lung cancer in healthy nonsmokers.

Second. The children of parents who smoke compared with the children of nonsmoking parents have an increased

frequency of respiratory infection, increased respiratory symptoms, and slightly smaller rates of increase in lung function as the lung matures.

Third. The simple separation of smokers and nonsmokers within the same airspace may reduce, but does not eliminate, the exposure of nonsmokers to environmental tobacco smoke.

Mr. President, similar results and opinions can be found in other reports such as a 1986 report by the National Research Council entitled "Environmental Tobacco Smoke: Measuring Exposure and Assessing Health Effects"; a 1985 Surgeon General's report, "Health Consequences of Smoking: Cancer and Chronic Lung Disease in the Workplace"; and other studies by private researchers and State and local governments.

There seems to be little disagreement among objective scientific experts on the adverse health consequences of passive smoking. Passive smoking threatens the health of everyone who is exposed, and it is especially hazardous to the very young and very old. It is not a theoretical health hazard. We are not talking about assumptions based on the death of a few laboratory specimens.

Tobacco users exposes the nonsmoker to the 4,000 chemicals contained in tobacco smoke, 43 of which are known to cause cancer. The Surgeon General has estimated that the 1,000 cigarette smokers who die prematurely every day are killing 12 to 15 nonsmokers with their tobacco smoke. Up to 5,000 nonsmokers die prematurely each year from exposure to the cigarette smoke of others.

Mr. President, during this Congress, there will be much debate about protecting our basic rights as individuals against a variety of threats and challenges. Well, passive smoking is a real threat to perhaps our most fundamental individual right: the right to live. Those individuals who are affected adversely by passive smoking should have rights too.

Let me share with you a letter I received from Anna Carroll of Alexandria, VA. She has been diagnosed as having nonhereditary pulmonary emphysema. Not only has she never smoked, no one in her family has smoked, including her husband. Medical experts told her that her emphysema was directly related to the fact that she was surrounded by chain smokers at work for more than 25 years.

As tragic as her story is, that wasn't the reason she contacted me. Her reason was to request legislation to protect nonsmokers while traveling. She stated that when she attempts to use public transportation—trains, buses, or airplanes—she has severe reactions due to exposure to tobacco smoke. The flight attendants would have to keep a close watch on her and provide her with supplemental oxygen because of the tobacco smoke. She also gets chest pains and must struggle to breathe when exposed to cigarette smoke.

When I introduced legislation on January 6, 1987, to ban smoking on airplanes and other public conveyances, I put Ms. Carroll's letter in the CONGRESSIONAL RECORD, and an interesting thing happened. I received letters from others like her. I won't read all of them, but I would like to read a few lines from a representative few.

Ms. Loretta M. Skewes from Michigan stated:

> On Flight 004 the smoking was very heavy, and although I complained to the attendant, nothing was done and I suffered a breathing problem which resulted in a full blown asthma attack. I had not suffered an attack for years but now the allergic cycle has been restarted.

Gerald and Sharon Campbell of Woodside, NY, said in their letter:

> Since smoke sensitive people also find it necessary to travel on public conveyances, and they find it necessary to breathe during these trips, to permit smoking is to deny others the opportunity to travel. Senate Bill 51 will give us the "right" to travel without paying the penalty of an asthma attack, the infliction of carcinogenic and radioactive materials on our innocent lungs and the possibility of long-term illness and shortened lifespans.

Mrs. Wanda F. Tozer of Cincinnati, OH, wrote:

> My respiratory system is highly sensitive to smoke. Yet there are times when I must fly to get somewhere on time. I find myself dreading each time I must fly because I nearly panic knowing that I will barely be able to breathe.

I could go on and on with these letters. I have received many letters from Utah and all over the country in support of this legislation. I have even received letters from Boy Scouts who are members of troop 55 in Amalga, UT. I have had flight attendants stop me on airplanes and tell me about the health problems they have developed as a result of chronic exposure to tobacco smoke during flights. I could go on and on, but I want to read one more paragraph from Anna Carroll's letter. She said:

> Letters to the Secretary of Transportation, the FAA, airlines, etc., have done little to any good. There are no laws on the books, so nobody takes responsibility for protection of the innocent nonsmoker.

Mr. President, people choose to smoke, but there is no choice about breathing. We should not ban individuals from airplanes or other public conveyances simply because they cannot safely breathe the air which has been polluted by other passengers' cigarette smoke. Our much-heralded freedom of movement should not be subject to the risks posed by passive smoking.

There is another factor we should consider, Mr. President. Smoking on airlines also poses a safety risk to all passengers. A study by the Federal Aviation Administration found that 6 percent of in-flight aircraft fires were caused by careless smoking.

Perhaps Michael Brown of Arlington, TX, put it most succinctly when he wrote in an editorial:

> Consider this; we put an average of 150 people inside of an enclosed metal cylinder filled with highly flammable oxygen and tons of explosive jet fuel, pressurize the cabin, take the aircraft six miles above the earth and then allow smokers to pull out an open flame and light up.

Mrs. Georgia Schafer, a flight attendant from Golden, CO, wrote about another safety problem. She stated:

> I experienced on a flight the cabin pressure going crazy. This caused people's ears to block, causing pain as well as headaches. The flight engineer could not control the cabin pressure. When the mechanics came to repair the problem, they found that the valves were covered with nicotine and the valves had stuck shut.

There have also been studies which show that tobacco smoke affects our pilots. Tobacco smoke, coupled with the increase in cabin altitude of an airplane, decreases the amount of oxygen in the bloodstream. This decrease in oxygen can affect a pilot's night vision and judgment. Mr. President, we are fortunate that cigarette smoking has not yet resulted in a fatal airline crash in this country, but how long will our luck last?

The opponents of banning smoking on airlines have raised two principal arguments. First, they contend that a ban will increase the risk of in-flight fires because it will encourage smokers to sneak back to the restrooms and light up. Mr. President, to my knowledge this has not been a problem since we established the 2-hour airline smoking ban.

The Federal Aviation Administration [FAA] has already taken steps to address this concern. I ask unanimous consent that section 121.308 of the Federal Aviation Regulations on Lavatory Fire Protection be placed in the RECORD along with parts (e) and (f) of section 25.854.

These regulations require every lavatory in a commercial airplane to be equipped with a smoke detector and every trash receptacle to be equipped with a fire extinguisher. If a smoke alarm sounds as soon as a cigarette is lit, notifying flight attendants, it is unlikely that smokers will continue to try to smoke in airplane lavatories.

The second argument frequently raised against the proposed ban is the need to protect the rights of smokers. Smokers do have rights but, as with every right, there are limits. Smokers have the right to endanger their own health, but that right ends when they

start endangering the health and safety of others.

The evidence is clear that lighting up a cigarette on a public conveyance does just that, it endangers the health and safety of others. Our laws are replete with examples of the regulation of individual conduct which poses a health or safety risk to others. Banning smoking from public conveyances would be consistent with previous action we have taken to protect the health and safety of all Americans.

Today, we began the process of correcting this failure. We have the chance to protect the Anna Carrolls of this country and give them the right to travel that the rest of us enjoy. We have the chance to protect our children, our parents, and ourselves from the dangers of tobacco smoke.

The public supports this move. A Gallup Poll which I have cited before found that 85 percent of nonsmokers, 75 percent of former smokers, and 63 percent of smokers felt that smokers should not smoke around nonsmokers. The Society for Respiratory Care surveyed 2,306 travelers in the Salt Lake City Airport. Sixty-six percent said they wanted smoking banned compared to only 26 percent who did not.

Today, Mr. President, Senator KENNEDY and a number of our colleagues are joining me in introducing the Public Protection From Passive Smoke Act. This legislation requires every domestic interstate public conveyance to certify to the Surgeon General of the Public Health Service that they will not voluntarily expose the public to passive smoke. This certificate must be displayed to the public, and anyone who violates the certificate may be fined up to $1,000.

Titles II and III of this legislation will also codify our existing public education efforts on cigarette and smokeless tobacco products.

The effect of this legislation, Mr. President, is to give the Nation's top health official, the Surgeon General, the authority to protect the public from the health risks of passive smoke on interstate public conveyances.

The scientists of this country have spoken; the American public has spoken; and the flight attendants have spoken. Now it is time for the Senate to support them. It is time for us to protect the health and safety of passengers on public conveyances by eliminating tobacco smoke from those conveyances.

The American Cancer Society, the American Lung Association, the American Heart Association, a number of other health associations, and even some of our air carriers support this legislation. I hope my colleagues will join us in supporting this legislation so that we can once and for all give Anna Carroll and others like her the right they deserve, the right to travel.

SECTION 121.308 LAVATORY FIRE PROTECTION

(a) After October 29, 1986, no person may operate a passenger-carrying transport category airplane unless each lavatory in the airplane is equipped with a smoke detector system or equivalent that provides a warning light in the cockpit or provides a warning light or audio warning in the passenger cabin which would be readily detected by a flight attendant, taking into consideration the positioning of the flight attendants throughout the passenger compartment during various phases of flight.

(b) After April 29, 1987, no person may operate a passenger-carrying transport category airplane unless each lavatory in the airplane is equipped with a built-in fire extinguisher for each disposal receptacle for toilets, paper, or waste located within the lavatory. The built-in fire exinguisher must be designed to discharge automatically into each disposal receptacle upon occurrence of a fire in the receptacle.

SECTION 25.854

(e) Each disposal receptacle for towels, paper, or waste must be fully enclosed and constructed of at least fire resistant materials, and must contain fires likely to occur in it under normal use. The ability of the disposal receptacle to contain those fires under all probable conditions of wear, misalignment, and ventilation expected in service must be demonstrated by test. A placard containing the legible words "No Cigarette Disposal" must be located on or near each disposal receptacle door.

(f) Lavatories must have "No Smoking" or "No Smoking in Lavatory" placards located conspicuously on each side of the entry door, and self-contained removable ashtrays located conspicuously on or near the entry side of each lavatory door, except that one ashtray may serve more than one lavatory door if the ashtray can be seen readily from the cabin side of each lavatory door served. The placards must have red letters at least one-half inch high on a white background of at least one inch high. (A "No Smoking" symbol may be included on the placard.)

By Mr. GRASSLEY (for himself, Mr. DANFORTH, Mr. DURENBERGER, Mr. BINGAMAN, Mr. D'AMATO, Mr. COCHRAN, Mr. WILSON, Mr. SYMMS, and Mr. HELMS):

S. 656. A bill to amend the Internal Revenue Code of 1986 to restore the deduction for interest on educational loans; to the Committee on Finance.

RESTORING THE TAX DEDUCTION ON EDUCATIONAL LOANS

● Mr. GRASSLEY. Mr. President, today, I rise to reintroduce legislation that will reinstate the deduction for interest on student loans. Senators DANFORTH, DURENBERGER, BINGAMAN, D'AMATO, COCHRAN, WILSON, SYMMS, and HELMS are joining me in reintroducing this legislation.

As you know, under the Tax Reform Act of 1986, the consumer interest deduction will be phased out after the 1990 tax year. Unfortunately, educational expenses were lumped together with consumer interest and the deduction for student loan interest will also be terminated.

Mr. President, by taking this action, Congress has, in effect, imposed an additional tax on individuals who are attempting to better themselves or their families through education.

Congress justified repealing the interest deduction on the grounds that it was a significant disincentive to saving. However, unlike loans for most other personal items, student loans have become a necessity for many students and their families who are unable to afford the rising costs of an education.

In addition, consumer interest, up to a limit, remains deductible if the loan is secured by a taxpayer's residence. Even if this home equity loan is used for educational expenses, the interest is deductible. Consequently, current law discriminates against lower income taxpayers who are not fortunate enough to own a home and able to borrow on the home's equity.

The present law regarding interest deductions for education is neither fair nor productive, and it is time to make an adjustment. We all agree that education is a national investment which will be a determining factor in the future of America. A well-educated work force is vitally important if we are to compete effectively in the international marketplace. Restoring the interest deduction for student loans is an expression of the value we place on education and its role in maintaining the position of the United States as the leader of the free world.

Therefore, I urge my colleagues to join me and the cosponsors of this legislation in supporting the education and future of America by adjusting the Tax Code to allow a fair deduction to all Americans for reasonable educational expenses.

Mr. President, I ask unanimous consent to print the bill in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 656

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (2) of section 163(h) of the Internal Revenue Code of 1986 (defining personal interest) is amended by striking out "and" at the end of subparagraph (D), by redesignating subparagraph (E) as subparagraph (F), and by inserting after subparagraph (D) the following new subparagraph:

"(E) any interest on a qualified educational loan, and".

(b) QUALIFIED EDUCATIONAL LOAN.—Section 163(h) of such Code is amended by adding at the end thereof the following new paragraph:

"(6) QUALIFIED EDUCATIONAL LOAN.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified educational loan' means any indebtedness incurred to pay qualified educational expenses which are paid or incurred within a reasonable period of time before or after the indebtedness is incurred.

"(B) COORDINATION WITH HOME EQUITY INDEBTEDNESS LIMITS.—Any qualified education loan which is also home equity indebtedness

shall not be taken into account for purposes of applying the limitation of paragraph (3)(C)(ii).

"(C) QUALIFIED EDUCATIONAL EXPENSES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'qualified educational expenses' means qualified tuition and related expenses of the taxpayer, his spouse, or a dependent for attendance at an educational institution described in section 170(b)(1)(A)(ii).

"(ii) QUALIFIED TUITION AND RELATED EXPENSES.—The term 'qualified tuition and related expenses' has the meaning given such term by section 117(b), except that such term shall include any reasonable living expenses while away from home.

"(iii) DEPENDENT.—For purposes of this subparagraph, the term 'dependent' has the meaning given such term by section 152."

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1988.●

By Mr. MITCHELL (for himself, Mr. CHAFEE, Mr. LAUTENBERG, Mr. DURENBERGER, Mr. BAUCUS, Mr. GRAHAM, Mr. MOYNIHAN, Mr. COHEN, Mr. PRESSLER, Mr. WIRTH, Mr. GORE, Mr. CONRAD, Mr. SARBANES, Mr. ADAMS, Mr. REID, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. HUMPHREY, and Mr. BRADLEY):

S. 657. A bill to authorize a national program to reduce the threat to human health posed by contaminants in the air indoors; to the Committee on Environment and Public Works.

INDOOR AIR QUALITY ACT

Mr. MITCHELL. Mr. President, today I am introducing legislation to reduce the health threats posed by exposure to contaminants in the air indoors.

I am pleased that Senators CHAFEE, LAUTENBERG, DURENBERGER, BAUCUS, GRAHAM, MOYNIHAN, COHEN, PRESSLER, WIRTH, GORE, CONRAD, SARBANES, ADAMS, REID, LIEBERMAN, MIKULSKI, HUMPHREY, and BRADLEY are joining me in introducing this important legislation.

Americans spend up to 90 percent of the day indoors and have a significant exposure to contaminants in the air in workplaces, schools, homes, and other buildings. Indoor air contaminants such as radon, asbestos, volatile organic chemicals, combustion byproducts, and respirable particles pose serious threats to human health.

The Environmental Protection Agency [EPA] has reported that exposure to contaminants in indoor air is among the most significant environmental causes of cancer. A single indoor air contaminant, radon gas, is estimated to cause between 5,000 and 20,000 lung cancer deaths each year. Indoor air contaminants are also known to cause respiratory illness, skin and eye irritation, and other illnesses.

The health effects caused by these contaminants result in increased medical costs and increased sick leave. The Consumer Federation of America has testified that the total cost to society of indoor air pollution is in the tens of billions of dollars.

The EPA's own research program offers convincing documentation of the health threats posed by indoor air contaminants. In June 1987, the EPA published a major, four volume, multiyear study of total exposure to air pollutants. The report states:

> The major finding of this study is the observation that personal and indoor exposures to these toxic and carcinogenic chemicals are nearly always greater—often much greater—than outdoor concentrations. We are led to the conclusion that indoor air in the home and at work far outweighs outdoor air as a route of exposure to these chemicals." (p. 7, Summary and Analysis Volume)

In hearings on this issue during the last Congress in the Environment and Public Works Committee and the House Science and Technology Committee, witnesses confirmed the general conclusions of the EPA study and agreed that exposure to contaminants in the air in workplaces, schools, homes, and other buildings poses a significant health threat.

Since these hearings, EPA has published a major study of indoor air quality in public buildings. This study, released in September 1988, concluded that—

> VOC's (volatile organic chemicals) are ubiquitous indoors . . . About 500 different chemicals were identified in just four buildings . . . Almost every pollutant was at higher levels indoors than out . . . New buildings had levels of some chemicals that were 100 times higher than outdoor levels. . . .

Just last week, a coalition of public interest groups and insurance companies issued a major consumer health and safety agenda. Indoor air contamination is identified as one of seven major public health problems needing attention. The report specifically recommends enactment of legislation very similar to the bill we are introducing today.

Several general conclusions can be drawn from these studies and the testimony of witnesses at hearings during the last Congress. First, the health threats posed by indoor air contaminants are well documented. Second, there is not an adequate effort by Federal agencies and States to conduct research on indoor air contaminants or to develop comprehensive response plans addressing these contaminants. And, finally, it is time to consider legislation to provide a comprehensive framework for addressing this problem.

I first introduced legislation authorizing a national program to reduce the threat to human health posed by contaminants in indoor air in August 1987. The Indoor Air Quality Act of 1987—S. 1629—was reported by the Senate Environment Committee in July of last year.

The bill we are introducing today is virtually identical to the legislation reported by the Environment Committee. This legislation is intended as a reasonable response to the health threats posed by indoor air contamination.

A key objective of the bill is to expand and strengthen research of indoor air contaminants. The bill establishes a comprehensive research program for indoor air quality, describes basic research authorities, and creates a grant program to encourage development of indoor air pollution control technology.

Another objective of the bill is to assure the develop of "health advisories" on contaminants in the indoor air indicating the health risks at a range of concentrations, including a "no adverse effect level".

This information will help the Federal Government focus efforts on the most serious contaminants and will help avoid duplication of effort by States in conducting research and assessments of contaminants. I want to stress that the bill does not provide for setting enforceable standards for indoor air contaminants.

A key section of the bill provides for a "national response plan" which will focus and direct authorities for control of various sources of indoor air contamination which exist in current statutes. The response plan is intended to provide a general description of the indoor air pollution problem nationally, identify contaminants of concern, and identify specific response actions to reduce exposures to these contaminants.

The bill provides no new authority to regulate indoor air contaminants beyond the authorities which already exist in current statutes and regulations. Instead, the bill directs that Federal agencies use the "response plan" to make effective use of the authority in existing statutes and to develop needed education and informational programs.

Another key objective of the bill is to demonstrate development of very basic indoor air quality management strategies and assessments at the State level. States have the option of applying for grant assistance to develop management strategies and assessments. States may also apply for grant assistance to respond to individual indoor air contaminants, such as radon or asbestos, in specific areas of a State or in specific types of buildings.

States have proven to be essential partners in implementing many of our environmental programs.

The bill also addresses the problem of coordination of indoor air quality activities among Federal agencies. The nature of indoor air pollution problems requires that a wide range of Federal agencies participate in assess-

ment and control efforts. The bill establishes a Council on Indoor Air Quality to oversee and coordinate the indoor air activities of various Federal agencies.

In response to comments from witnesses at hearings on the bill, we added a section addressing the problem of "sick buildings". The section expands the authority of the National Institute of Occupational Safety and Health [NIOSH] to conduct assessments of buildings with indoor air quality problems.

Building assessments are to identify suspected contaminants in indoor air, identify sources of contaminations, review health effects, and identify appropriate response measures. The bill authorizes expenditures of $5 million per year for this important effort.

Finally, the bill is designed as a general management framework. It does not preempt the development of additional legislation addressing specific contaminants, such as asbestos, and does not preempt State laws or initiatives.

Mr. President, I ask that the bill and a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 657

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. TITLE.—(a) This Act, together with the following table of contents, may be cited as the "Indoor Air Quality Act of 1989".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.
Sec. 2. Findings.
Sec. 3. Purpose.
Sec. 4. Definitions.
Sec. 5. Indoor air quality research.
Sec. 6. Indoor air contaminant health advisories.
Sec. 7. National indoor air quality response plans.
Sec. 8. Federal building response plan and demonstration program.
Sec. 9. State indoor air quality programs.
Sec. 10. Office of Indoor Air Quality.
Sec. 11. Council on Indoor Air Quality.
Sec. 12. Indoor air quality information clearinghouse.
Sec. 13. Building assessment demonstration.
Sec. 14. State and Federal authority.
Sec. 15. Authorizations.

FINDINGS

SEC. 2. The Congress finds that—

(1) Americans spend up to 90 per centum of a day indoors and, as a result, have a significant potential for exposure to contaminants in the air indoors;

(2) exposure to indoor air contamination occurs in workplaces, schools, public buildings, residences, and transportation vehicles;

(3) recent scientific studies indicate that pollutants in the indoor air include radon, asbestos, volatile organic chemicals (including, formaldehyde and benzene), combustion byproducts (including, carbon monoxide and nitrogen oxides), metals and gases (including, lead, chlorine, and ozone), respirable particles, environmental tobacco smoke, biological contaminants, microorganisms, and other contaminants;

(4) a number of contaminants found in both ambient air and indoor air may occur at higher concentrations in indoor air than in outdoor air;

(5) indoor air pollutants pose serious threats to public health (including cancer, respiratory illness, multiple chemical sensitivities, skin and eye irritation, and related effects);

(6) the National Academy of Sciences estimates that up to 15 per centum of the United States population may have heightened sensitivity to chemicals and related substances found in the air indoors;

(7) radon is among the most harmful indoor air pollutants and is estimated to cause between five thousand and twenty thousand lung cancer deaths each year;

(8) other selected indoor air pollutants are estimated to cause between three thousand five hundred and six thousand five hundred additional cancer cases per year;

(9) indoor air contamination is estimated to cause significant increases in medical costs and declines in work productivity;

(10) as many as 20 per centum of office workers may be exposed to environmental conditions manifested as "sick building syndrome";

(11) sources of indoor air pollution include conventional ambient air pollution sources, building materials, consumer and commercial products, combustion appliances, indoor application of pesticides and other sources;

(12) there is not an adequate effort by Federal agencies to conduct research on the seriousness and extent of indoor air contamination, to identify the health effects of indoor air contamination, and to develop control technologies, education programs, and other methods of reducing human exposure to such contamination;

(13) there is not an adequate effort by Federal agencies to develop response plans to reduce human exposure to indoor air contaminants and there is a need for improved coordination of the activities of these agencies;

(14) there is not an adequate effort by Federal agencies to develop methods, techniques, and protocols for assessment of indoor air contamination in non-residential, non-industrial buildings and to provide guidance on measures to respond to contamination; and

(15) State governments can make significant contributions to the effective reduction of human exposure to indoor air contaminants and the Federal Government should assist States in development of programs to reduce exposures to these contaminants.

PURPOSE

SEC. 3. The purposes of this Act are to—

(1) establish at the Environmental Protection Agency and at other agencies of the United States a comprehensive and coordinated program of research and development concerning the seriousness and extent of indoor air contamination, the human health effects of indoor air contaminants, and the technological and other methods of reducing human exposure to such contaminants;

(2) establish a process whereby the existing authorities of Federal statutes will be directed and focused to assure the full and effective application of these authorities to reduce human exposure to indoor air contaminants where appropriate;

(3) provide support to State governments to demonstrate and develop air quality management strategies, assessments, and response programs; and

(4) to authorize activities to assure the general coordination of indoor air quality-related activity, to provide for reports on indoor air quality to Congress, to provide for assessments of indoor air contamination in specific buildings by the National Institute for Occupational Safety and Health, to assure that data and information on indoor air quality issues is available to interested parties, to provide training, education, information, and technical assistance to the public and private sector, and for other purposes.

DEFINITIONS

SEC. 4. For the purposes of this Act, the term—

(1) "Agency" means the United States Environmental Protection Agency;

(2) "indoor" refers to the enclosed portions of buildings including non-industrial workplaces, public buildings, Federal buildings, schools, commercial buildings, residences, and the occupied portions of vehicles;

(3) "indoor air contaminant" means any solid, liquid, semisolid, dissolved solid, biological organism, aerosol, or gaseous material, including combinations or mixtures of substances in indoor air which may reasonably be anticipated to have an adverse effect on human health;

(4) "Federal agency" or "agency of the United States" means any department, agency or other instrumentality of the Federal Government, including any independent agency or establishment of the Federal Government or government corporation;

(5) "Federal building" means any building which is owned or leased by the Federal Government and managed by the General Services Administration;

(6) "Administrator" means to the Administrator of the Environmental Protection Agency;

(7) "Director" means the Director of the National Institute of Occupational Safety and Health;

(8) "local education agency" means any educational agency as defined in section 198 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3381); and

(9) "local air pollution control agency" means any city, county, or other local government authority charged with the responsibility for implementing programs or enforcing ordinances or laws relating to the prevention and control of air pollution including indoor air pollution.

INDOOR AIR QUALITY RESEARCH

SEC. 5. (a) AUTHORITY.—(1) The Administrator shall, in cooperation with appropriate Federal agencies, establish a national research, development, and demonstration program to assure the quality of air indoors and as part of such program shall promote the coordination and acceleration of research, investigations, experiments, demonstrations, surveys, and studies relating to the causes, sources, effects, extent, prevention, detection, and correction of contamination of indoor air.

(2) In carrying out the provisions of this section, the Administrator is authorized to—

(A) collect and make available to the public through publications and other appropriate means, the results of research, development and demonstration activities conducted pursuant to this section;

(B) conduct research, development and demonstration activities and cooperate with other Federal agencies, with State and local government entities, interstate and regional agencies, other public agencies and authorities, nonprofit institutions and organizations and other persons in the preparation and conduct of such research, development and demonstration activities;

(C) make grants to the States or to local government entities, to other public agencies and authorities, to nonprofit institutions and organizations, and to other persons;

(D) enter into contracts or cooperative agreements with public agencies and authorities, nonprofit institutions and organizations, and other persons;

(E) conduct studies, including epidemiological studies, of the effects of indoor air contaminants or potential contaminants on mortality and morbidity and clinical and laboratory studies on the immunologic, biochemical, physiological, and toxicological effects including the carcinogenic, teratogenic, mutagenic, cardiovascular, and neurotoxic effects of indoor air contaminants or potential contaminants;

(F) develop and disseminate informational documents on indoor air contaminants describing the nature and characteristics of such contaminants in various concentrations;

(G) develop effective and practical processes, methods, and techniques for the prevention, detection, and correction of indoor air contamination and work with the private sector to encourage the development of innovative techniques to improve indoor air quality;

(H) construct such facilities and staff and equip them as may be necessary to carry out the provisions of this section;

(I) call conferences concerning the potential or actual contamination of indoor air giving opportunity for interested persons to be heard and present papers at such conferences;

(J) utilize, on a reimbursable basis, facilities and personnel of existing Federal scientific laboratories and research centers; and

(K) acquire secret processes, technical data, inventions, patent applications, patents, licenses, and an interest in lands, plants, equipment and facilities and other property rights, by purchase, license, lease, or donation.

(b) PROGRAM REQUIREMENTS.—The Administrator shall conduct or assist research, investigations, studies, surveys, or demonstrations with respect to, but not limited to, the following—

(1) the effects on human health of contaminants or combinations of contaminants at various levels whether natural or anthropogenic, that are found or are likely to be found in indoor air;

(2) the exposure of persons to contaminants that are found in indoor air (including exposure to such substances from sources other than indoor air contamination including drinking water, diet, or other exposures);

(3) the identification of populations at increased risk of illness from exposure to indoor air contaminants and assessment of the extent and characteristics of such exposure;

(4) the exposure of persons to contaminants in different building classes or types, and in vehicles, and assessment of the association of particular contaminants and particular building classes or types and vehicles;

(5) identification of building classes or types and design features or characteristics which increase the likelihood of exposure to indoor air contaminants;

(6) assessment of the exposure of workers in non-industrial settings to indoor air contaminants, including assessment of resulting health effects, declines in productivity, such time use, increased use of employer paid health insurance, and workers compensation claims, and the costs of such declines in productivity, sick time use, and benefits claims;

(7) identification of the sources of indoor air contaminants including association of contaminants with outdoor sources, building or vehicle design, classes or types of products, building management practices, equipment operation practices, building materials, and related factors;

(8) assessment of relationships between contaminant concentration levels in ambient air and the contaminant concentration levels in the indoor air;

(9) development of methods and techniques for characterizing and modeling indoor air movement and flow within buildings or vehicles, including the transport and dispersion of contaminants in the indoor air;

(10) assessment of the fate, including degradation and transformation, of particular contaminants in indoor air;

(11) development of methods and techniques to characterize the association of contaminants, the levels of contaminants, and the potential for contamination of new construction with climate, building location, seasonal change, soil and geologic formations, and related factors;

(12) assessment of indoor air quality in facilities of local education agencies and development of measures and techniques for control of indoor air contamination in such buildings;

(13) development of methods, techniques and instruments for sampling indoor air to determine the presence and level of contaminants including sample collection and the storage of samples before analysis and development of methods to improve the efficiency and reduce the cost of analysis;

(14) development of air quality sampling methods and instruments which are inexpensive and easy to use and may be used by the general public;

(15) development of control technologies or other measures to prevent the entrance of contaminants into buildings or vehicles (for example, air intake protection, sealing, and related measures) and to reduce the concentrations of contaminants indoors (for example, control of emissions from internal sources of contamination, improved air exchange and ventilation, and related measures);

(16) development of materials and products which may be used as alternatives to materials or products which are now in use and which contribute to indoor air contamination;

(17) development of building or vehicle management practices and related activities which will contribute to the reduction of indoor air contaminants;

(18) development of equipment and processes for removal of contaminants from the indoor air; and

(19) research, to be carried out in conjunction with the Secretary of Housing and Urban Development, for the purpose of developing—

(A) methods for assessing the potential for radon contamination of new construction, including (but not limited to) consideration of the moisture content of soil, porosity of soil, and radon content of soil; and

(B) design measures to avoid indoor air pollution.

(c) TECHNOLOGY DEMONSTRATION PROGRAM.—(1) The Administrator may enter into cooperative agreements or contracts, or provide financial assistance in the form of grants, to public agencies and authorities, nonprofit institutions and organizations, employee advocate organizations, local educational institutions, or other persons, to demonstrate practices, methods, technologies, or processes which may be effective in controlling sources or potential sources of indoor air contamination, preventing the occurrence of indoor air contamination, and reducing exposures to indoor air contamination.

(2) The Administrator may assist demonstration activities under paragraph (1) of this subsection only if—

(A) such demonstration activity will serve to demonstrate a new or significantly improved practice, method, technology or process or the feasibility and cost effectiveness of an existing, but unproven, practice, method, technology, or process and will not duplicate other Federal, State, local, or commercial efforts to demonstrate such practice, method, technology, or process;

(B) such demonstration activity meets the requirements of this section and serves the purposes of this Act;

(C) the demonstration of such practice, technology, or process will comply with all other laws and regulations for the protection of human health, welfare, and the environment; and

(D) in the case of a contract or cooperative agreement, such practice, method, technology, or process would not be adequately demonstrated by State, local, or private persons or in the case of an application for financial assistance by a grant, such practice, method, technology, or process is not likely to receive adequate financial assistance from other sources.

(3) The demonstration program established by this subsection shall include solicitations for demonstration projects, selection of suitable demonstration projects from among those proposed, supervision of such demonstration projects, evaluation of the results of demonstration projects, and dissemination of information on the effectiveness and feasibility of the practices, methods, technologies and processes which are proven to be effective.

(4) Within one hundred and eighty days after the date of enactment of this Act, and no less often than every twelve months thereafter, the Administrator shall publish a solicitation for proposals to demonstrate, prototype or at full-scale, practices, methods, technologies, and processes which are (or may be) effective in controlling sources or potential sources of indoor air contaminants. The solicitation notice shall prescribe the information to be included in the proposal, including technical and economic information derived from the applicant's own research and development efforts, and other information sufficient to permit the Administrator to assess the potential effectiveness and feasibility of the practice, method, technology, or process proposed to be demonstrated.

(5) Any person and any public or private nonprofit entity may submit an application to the Administrator in response to the solicitations required by paragraph (4) of this section. The application shall contain a proposed demonstration plan setting forth how

and when the project is to be carried out and such other information as the Administrator may require.

(6) In selecting practices, methods, technologies or processes to be demonstrated, the Administrator shall fully review the applications submitted and shall evaluate each project according to the following criteria—

(A) the potential for the proposed practice, method, technology, or process to effectively control sources or potential sources of contaminants which present risks to human health;

(B) the consistency of the proposal with the recommendations provided pursuant to paragraph (8) of section 7(d);

(C) the capability of the person or persons proposing the project to successfully complete the demonstration as described in the application;

(D) the likelihood that the demonstrated practice, method, technique, or process could be applied in other locations and circumstances to control sources or potential sources of contaminants, including considerations of cost, effectiveness, and technological feasibility;

(E) the extent of financial support from other persons to accomplish the demonstration as described in the application; and

(F) the capability of the person or persons proposing the project to disseminate the results of the demonstration or otherwise make the benefits of the practice, method, or technology widely available to the public in a timely manner.

(7) The Administrator shall select or refuse to select a project for demonstration under this subsection in an expeditious manner. In the case of a refusal to select a project, the Administrator shall notify the applicant of the reasons for the refusal.

(8) Each demonstration project under this section shall be performed by the applicant, or by a person satisfactory to the applicant, under the supervision of the Administrator. The Administrator shall enter into a written agreement with each applicant granting the Administrator the responsibility and authority for testing procedures, quality control, monitoring, and other measurements necessary to determine and evaluate the results of the demonstration project.

(9) The Administrator shall enter into arrangements, wherever practicable and desirable, to provide for monitoring testing procedures, quality control, and such other measurements necessary to evaluate the results of demonstration projects or facilities intended to control sources or potential sources of contaminants.

(10) Each demonstration project under this section shall be completed within such time as is established in the demonstration plan. The Administrator may extend any deadline established under this subsection by mutual agreement with the applicant concerned.

(11) Total Federal funds for any demonstration project under this section shall not exceed 75 per centum of the total cost of such project. In cases where the Administrator determines that research under this section is of a basic nature which would not otherwise be undertaken, or the applicant is a local educational agency, the Administrator may approve grants under this section with a matching requirement other than that specified in this subsection, including full Federal funding.

(12) The Administrator shall, from time to time, publish general reports describing the findings of demonstration projects conducted pursuant to this section. Such reports shall be provided to the Indoor Air Quality Information Clearinghouse provided for in section 12 of this Act.

(d) TECHNOLOGY AND MANAGEMENT PRACTICE ASSESSMENT BULLETINS.—(1) The Administrator shall publish bulletins providing an assessment of technologies and management practices for the control and measurement of contaminants in the air indoors.

(2) Bulletins published pursuant to this subsection shall, at a minimum—

(A) describe the control or measurement technology or practice;

(B) describe the effectiveness of the technology or practice in control measurement of indoor air contaminants;

(C) assess the feasibility of application of the technology or practice in buildings of different types, sizes, ages, and designs; and

(D) assess the cost of application of the technology or practice in buildings of different types, sizes, ages, and designs, including capital and operational costs.

(3) The Administrator shall establish and utilize a standard format for presentation of the technology and management practice assessment bulletins. The format shall be designed to facilitate assessment of technologies or practices by interested parties, including homeowners and building owners and managers.

(4) The Administrator shall provide that bulletins published pursuant to this subsection shall be published on a schedule consistent with the publication of health advisories pursuant to subsection 6(b) of this Act to the extent practicable.

(5) In development of bulletins pursuant to this subsection, the Administrator shall provide for public review and shall consider public comment prior to publication of bulletins.

(6) Bulletins published pursuant to this subsection shall be provided to the Indoor Air Quality Information Clearinghouse provided for in section 12 of this Act and, to the extent practicable, shall be made available to architecture, design, and engineering firms and building owners and managers and to organizations representing such parties.

(e) CHILD CARE FACILITIES.—(1) The Administrator shall develop protocols for the measurement of radon gas in child care facilities within six months after the date of enactment of this Act.

(2) The Administrator shall make available to the appropriate agency of each State, to organizations representing child care facilities, and to the public, information concerning appropriate techniques to measure radon levels in child care facilities, areas and physical characteristics of buildings housing child care facilities with high radon risks and mitigation measures for reducing radon levels.

(3) The Administrator is authorized to make available to the appropriate agencies of the State, as designated by the Governor of such State, canisters or other suitable devices for use by such agencies in conducting tests for radon within child care facilities in the State. The Administrator is authorized to make available to such agencies the use of laboratories of the Environmental Protection Agency, or to recommended laboratories, to evaluate any such canisters or devices for the presence of radon levels.

(4) The Administrator is authorized to undertake diagnostic and remedial efforts to reduce the levels of radon in nonresidential child care facilities. Such diagnostic and remedial efforts shall be carried out with a view to developing technology and expertise for the purpose of making such technology and expertise available to any child care facility and the several States.

(5) The Administrator shall submit a report to the Congress on his actions to implement this subsection within twelve months after the date of enactment of this Act and annually thereafter.

(f) EXPOSURE ASSESSMENT.—(1) The Administrator shall conduct a study of the appropriateness, feasibility, and implications of considering human exposure to a pollutant in indoor air in development of ambient air quality standards under section 109 and national emissions standards for hazardous air pollutants under section 112 of the Clean Air Act (42 U.S.C. 7409, 7412).

(2) The Administrator shall establish an advisory group, made up of representatives of the scientific community, industrial and commercial entities and consumer and environmental groups to provide guidance and direction in the development of the study.

(3) The Administrator shall report to the Congress the results of the study not later than three years after the date of enactment of this Act including any recommendations for actions to implement the findings of the study.

(g) SCHOOL ASSESSMENTS.—(1) The Administrator shall conduct a national assessment of the seriousness and extent of indoor air contamination in buildings owned by local educational agencies.

(2) The Administrator shall establish an advisory group made up of representatives of school administrators, teachers, parents and service employees and other interested parties to provide guidance and direction in the development of the national assessment.

(3) The Administrator shall provide a report to Congress of the results of the national assessment not later than two years after the date of enactment of this Act. The report required by this paragraph shall provide such recommendations for activities or programs to reduce and avoid indoor air contamination in buildings owned by local educational agencies as the Administrator determines to be appropriate.

(h) CLARIFICATION OF AUTHORITY.—Title IV of the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. 7401 note) is repealed.

INDOOR AIR CONTAMINANT HEALTH ADVISORIES

SEC. 6. (a) LIST OF CONTAMINANTS.—(1) Within two hundred and forty-days after the date of enactment of this Act, the Administrator shall prepare and publish in the Federal Register a list of the contaminants which are known to occur (or which are expected to occur) in indoor air. The list may include combinations or mixtures of contaminants and may refer to such combinations or mixtures by a common name.

(2) The Administrator shall from time to time and as necessary to carry out the provisions of this Act, but not less often than biennially, review and revise such list adding other contaminants pursuant to the requirements of this Act.

(3) The list provided for in paragraph (1) of this subsection shall include, at a minimum—

(A) any air pollutant listed pursuant to section 108(a)(1) of the Clean Air Act (42 U.S.C. 7408(a)(D);

(B) any hazardous air pollutant listed pursuant to section 112(b)(1)(A) of the Clean Air Act (42 U.S.C. 7412(b)(1)(A)); and

(C) any other contaminants which are known to occur (or which are expected to occur) in indoor air.

(4) In development of the list provided for in paragraph (1) of this subsection or in revision of such list pursuant to paragraph (2), the Administrator shall provide for public review and shall consider public comment prior to issuance of a final list.

(5) The listing of contaminants under this subsection is not an agency rulemaking. In considering objections raised in any judicial or related action, the Administrator's decision to list a particular contaminant shall be upheld unless the objecting party can demonstrate that the decision was arbitrary or capricious or otherwise not in accordance with the law. The list of contaminants prepared in accordance with this subsection shall not be construed to indicate that those contaminants not listed are safe for human exposure or without adverse health effect.

(6) Upon application of the Governor of a State showing that a contaminant or potential contaminant in the indoor air which is not listed pursuant to paragraph (1) of this subsection may reasonably be anticipated to have an adverse effect on human health as a result of its presence in the indoor air, the Administrator shall, within ninety days, revise the list established by paragraph (1) of this subsection to include such contaminant or publish in the Federal Register the reasons for not making such a revision.

(b) CONTAMINANT HEALTH ADVISORIES.—(1) The Administrator shall, in consultation with the advisory panel, provided for in subsection (c) of this section, and after providing for public review and comment, pursuant to paragraph (7), publish advisory materials addressing the adverse human health effects of individual contaminants listed pursuant to subsection (a) of this section. Such advisory materials shall, at a minimum, describe—

(A) the physical, chemical, biological, and radiological properties of the contaminant;

(B) the adverse human health effects of the contaminant in various indoor environments and in various concentrations;

(C) an analysis of the risk posed by the contaminant to human health at various concentrations including risk to subpopulations which may be especially sensitive to exposure to the contaminant;

(D) the concentration of the contaminant at which there is no known or anticipated human health effect, with an adequate margin of safety;

(E) the extent to which the contaminant, or a mixture of contaminants, is associated with a particular substance or material and emissions rates which are expected to result in varying levels of contaminant concentration in indoor air; and

(F) any indoor air contaminant standards or related action levels which are in effect under any authority of a Federal statute or regulation, the authority of State statutes or regulations, the authority of any local government, or the authority of another country, including standards or action levels suggested by appropriate international organizations.

(2) Health advisories published pursuant to this section shall in no way limit or restrict the application of requirements or standards established under any other Federal statute.

(3) The Administrator may publish health advisories for contaminants for which a standard has been established pursuant to section 109 or 112 of the Clean Air Act (42 U.S.C. 7409, 7412).

(4) The Administrator shall establish and utilize a standard format of presentation of indoor air contaminant health advisories. The format shall be designed to facilitate public understanding of the range of risks of exposure to indoor air contaminants and shall include a summary of the research and information concerning the contaminant which is understandable to public health professionals and to those who lack training in toxicology.

(5) The Administrator shall publish health advisories for individual indoor air contaminants listed pursuant to subsection (a) of this section as expeditiously as possible. At a minimum, the Administrator shall publish not less than six advisories within eighteen months of the date of enactment of this Act and shall publish an additional six advisories within thirty-six months of the date of enactment of this Act.

(6) Health advisories shall be based on the most current available scientific and related findings or information and shall be reviewed, revised, and republished to reflect new scientific and related findings or information on a periodic basis but not less frequently than every five years.

(7) In development and revision of health advisories pursuant to this subsection, the Administrator shall provide for public review and comment, including provision of notice in the Federal Register of the intent to publish a health advisory not less than ninety days prior to publication.

(c) ADVISORY PANEL.—The Indoor Air Panel of the EPA Science Advisory Board shall advise the Administrator with respect to the implementation of this section including, but not limited to, the listing of contaminants, the contaminants for which advisories should be published, the order in which advisories should be published, the content, quality, and format of advisory documents, and the revision of such documents. The Administrator shall provide that a representative of the Agency for Toxic Substances and Disease Registry, and the National Institute for Environmental Health Sciences shall participate in the work of the Board as ex officio members.

NATIONAL INDOOR AIR QUALITY RESPONSE PLAN

SEC. 7. (a) AUTHORITY.—(1) The Administrator shall, in consultation with appropriate Federal agencies, develop and publish a national indoor air quality response plan.

(2) The response plan shall provide for implementation of a range of response actions which will result in the reduction of human exposure to indoor air contaminations listed pursuant to section 6(a) of this Act and attainment, to the fullest extent practicable, of indoor air contaminant concentration levels at which there is no known or anticipated human health effect, with an adequate margin of safety.

(b) EXISTING AUTHORITY.—The Administrator shall include in the plans provided for in subsection (a) of this section a description of specific response actions to be implemented based on existing statutory authorities provided in—

(1) the Clean Air Act (42 U.S.C. 7401 et seq.);

(2) the Toxic Substances Control Act (15 U.S.C. 201 et seq.);

(3) the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.);

(4) the Safe Drinking Water Act (42 U.S.C. 300 et seq.);

(5) the authorities of the Consumer Product Safety Commission;

(6) the authorities of the Occupational Safety and Health Administration; and

(7) other regulatory and related authorities provided under any other Federal statute.

(c) SUPPORTING ACTIONS.—The Administrator shall include in the plans provided for in subsection (a) of this section a description of specific supporting actions including, but not limited to—

(1) programs to disseminate technical information to public health, design, and construction professionals concerning the risks of exposure to indoor air contaminants and methods and programs for reducing exposures to such contaminants;

(2) development of guidance documents addressing individual contaminants, groups of contaminants, sources of contaminants, or types of buildings or structures and providing information on measures to reduce exposure to contaminants including—

(A) the estimated cost of such measures;

(B) the technologic feasibility of such measures; and

(C) the effectiveness and efficiency of such measures.

(3) education programs for the general public concerning the health threats posed by indoor air contaminants and appropriate individual response actions;

(4) technical assistance to States and local air pollution control organizations and related groups concerning the risks of exposure to indoor air contaminants and methods and programs for reducing exposures to such contaminants; and

(5) development of model building codes, including ventilation rates, for various types of buildings designed to reduce levels of indoor air contaminants.

(d) CONTENTS OF PLAN.—In describing specific actions to be taken under subsections (b) and (c) of this section, the Administrator shall—

(1) identify the contaminant or contaminants to be addressed by a particular action;

(2) identify the statutory basis for the action;

(3) identify the schedule and process for implementation of the action;

(4) identify contaminants, or circumstances of contamination, for which immediate action to protect public health is necessary and appropriate and describe the actions needed and the schedule for action;

(5) identify the Federal agency which will implement the action;

(6) identify the financial resources needed to implement the specific action and the source of these resources;

(7) identify contaminants, or circumstances of contamination, where existing regulatory or statutory authority is not adequate to address an identified contaminant or circumstance of contamination and recommend legislation to provide needed authority; and

(8) identify contaminants, or circumstances of contamination, where continued reduction of contamination requires development of technology or technologic mechanisms, and identify the Federal agency responsible for such development, the schedule for such development effort, and an estimate of the cost of the development effort.

(e) SCHEDULE.—The response plan provided for in subsection (a) shall be submitted to Congress within twenty-four months of enactment of this Act and biennially thereafter.

(f) REVIEW.—(1) The Administrator shall provide for public review and comment on the response plan provided for in this section, including provision of notice in the Federal Register for public review and comment not less than three months prior to submission to the Congress. The Adminis-

trator shall include in the response plan a summary of public comments.

(2) The Administrator shall provide for the review and comment on the response plan by the Council on Indoor Air Quality provided for under section 11 of this Act. The Administrator shall include in the response plan a letter and any supporting materials providing the comments of the Council on Indoor Air Quality.

FEDERAL BUILDING RESPONSE PLAN AND DEMONSTRATION PROGRAM

SEC. 8. (a) AUTHORITY.—The Administrator and the Administrator of the General Services Administration shall develop and implement a program to respond to and reduce indoor air contamination in Federal buildings and to demonstrate methods of reducing indoor air contamination in new Federal buildings.

(b) FEDERAL BUILDING RESPONSE PLAN.—(1) The Administrator of the General Services Administration, in consultation with the Administrator, shall prepare a response plan addressing indoor air quality in Federal buildings and shall provide for the implementation of such plan. The plan shall, to the fullest extent practicable, be developed in conjunction with the response plan pursuant to section 7 of this Act.

(2) The response plan shall provide for implementation of a range of response actions which will result in the reduction of human exposure to indoor air contaminants listed pursuant to section 6(a) of this Act and attainment, to the fullest extent practicable, of indoor air contaminant concentration levels at which there is no known or anticipated human health effect, with an adequate margin of safety.

(3) Federal building response plans provided for in paragraph (1) of this subsection shall include—

(A) a list of all Federal buildings;

(B) a description and schedule of general response actions including general management practices, product purchase guidelines, air quality problem identification practices and methods, personnel training programs, and other actions to be implemented to reduce exposures to indoor air contaminants in those buildings listed in paragraph (A);

(C) a list of individual Federal buildings listed in paragraph (A) for which there is sufficient evidence of indoor air contamination or related employee health effects to warrant assessment of the building pursuant to section 13 of this Act and a schedule for development and submittal of building assessment proposals pursuant to subsection 13(d) of this Act;

(D) a description and schedule of specific response actions to be implemented in each specific building identified in paragraph (C) and assessed pursuant to section 13 of this Act;

(E) an identification of the Federal agency responsible for funding and implementation of each response action identified in paragraphs (B) and (D); and

(F) an identification of the estimated costs of each response action identified in paragraphs (B) and (D) and the source of these resources.

(4) The response plan provided for in this subsection shall address each Federal building identified in paragraph 3(A), except that specific buildings may be exempted from coverage under this subsection. Such buildings may be exempted on the grounds of—

(A) national security;

(B) anticipated demolition or termination of Federal ownership within three years; and

(C) specialized use of a building which precludes necessary actions to obtain applicable standards or concentration levels.

(5) The Administrator of the General Services Administration shall provide, by regulation, a method and format for filing of comments and complaints concerning indoor air quality in Federal buildings by workers in such buildings and by the public. The Administrator of the General Services Administration shall provide a listing of each such filing and an analysis of such filings in the plan required pursuant to this section.

(6) The plan provided for in subsection (b) shall be submitted to Congress within twenty-four months of enactment of this Act and biennially thereafter.

(7) The Administrator of the General Services Administration shall provide for public review and comment on the response plan provided for in this section, including provision of notice in the Federal Register not less than three months prior to submission to the Congress. The response plan shall include a summary of public comments. The Council on Indoor Air Quality, provided for under section 11 of this Act, shall review and comment on the plan and such comments and any supporting materials shall be included in the plan.

(c) INDOOR AIR QUALITY RESERVE.—(1) The Administrator of the General Services Administration shall reserve 0.5 per centum of any funds appropriated for construction of new Federal buildings for design and construction of measures to reduce indoor air contaminant concentrations within such buildings.

(2) Measures which may be funded with the reserve provided for in this subsection may include, but are not limited to—

(A) development and implementation of general design principles intended to avoid or prevent contamination of indoor air;

(B) design and construction of improved ventilation techniques or equipment;

(C) development and implementation of product purchasing guidelines;

(D) design and construction of contaminant detection and response systems;

(E) development of building management guidelines and practices; and

(F) training in building and systems operations for building management and maintenance personnel.

(3) Upon completion of construction of each Federal building covered by this section, the Administrator of the General Services Administration shall file with the Administrator, with the Clearinghouse established under section 12 of this Act, and with the Council established under section 11 of this Act, a report describing the uses made of the reserve provided for in this subsection. Such report shall be in sufficient detail to provide design and construction professionals with models and general plans of various indoor air contaminant reduction measures adequate to assess the appropriateness of such measures for application in other buildings.

(4) The Administrator of the General Services Administration, with the concurrence of the Administrator, may exempt a planned Federal building from the requirements of this section if he finds that such exemption is required on the grounds of national security or that the intended use of the building is not compatible with the authority of this section.

(d) NEW EPA BUILDING.—Any new building constructed for use by the Environmental Protection Agency as headquarters shall be designed, constructed, maintained, and operated as a model to demonstrate principles and practices for protection of indoor air quality.

STATE AND LOCAL INDOOR AIR QUALITY PROGRAMS

SEC. 9. (a) MANAGEMENT AND ASSESSMENT STRATEGY DEMONSTRATION.—(1) The Governor of a State may apply to the Administrator for a grant to support demonstration of the development and implementation of a management strategy and assessment with respect to indoor air quality within such State.

(2) State indoor air quality management strategies shall—

(A) identify a lead agency and provide an institutional framework for protection of indoor air quality;

(B) identify and describe existing programs, controls or related activities concerning indoor air quality within State agencies including regulations, educational programs, assessment programs, or other activities;

(C) identify and describe existing programs, controls, or related activities concerning indoor air quality of local and other sub-State agencies and assure coordination among local, State, and Federal agencies involved in indoor air quality activities in the State; and

(D) assure coordination of indoor air quality programs with ambient air quality programs and related activities.

(3) State indoor air quality assessment programs shall—

(A) identify indoor air contaminants of concern and, to the extent practicable, assess the seriousness and the extent of indoor air contamination by contaminants listed in section 6(a) of this Act;

(B) identify the classes or types of buildings or other indoor environments in which indoor air contaminants pose the most serious threat to human health;

(C) if applicable, identify geographic areas in the State where there is a reasonable likelihood of indoor air contamination as a result of the presence of contaminants in the ambient air or the existence of sources of a contaminant;

(D) identify methods and procedures for indoor air contaminant assessment and monitoring;

(E) provide for periodic assessments of indoor air quality and identification of indoor air quality changes and trends; and

(F) establish methods to provide information concerning indoor air contamination to the public and to educate the public and interested groups, including building owners and design and engineering professionals, about indoor air contamination.

(4) As part of a management strategy and assessment pursuant to this subsection, the applicant may develop contaminant action levels, guidance, or standards and may draw on health advisories developed pursuant to section 6 of this Act.

(5) States which are selected to demonstrate the development of management and assessment strategies shall provide a management strategy and assessment pursuant to subsections (2) and (3) to the Administrator within thirty-six months of selection and shall certify to the Administrator that the strategy and assessment meet the requirements of this Act.

(6) States shall provide for public review and comment on the management strategy and assessment prior to submission of such strategy and assessment to the Administrator.

(b) RESPONSE PROGRAMS.—(1) A Governor of a State or the executive officer of a local air pollution control agency may apply to the Administrator for grant assistance to develop a response program designed to reduce human exposure to an indoor air contaminant or contaminants in the State, or in a specific class or type of building in that State, or in a specific geographic area of that State.

(2) A response program shall—

(A) address a contaminant or contaminants listed pursuant to section 6(a) of this Act;

(B) identify existing data and information concerning the contaminant or contaminants to be addressed, the class or type of building to be addressed, and the specific geographic area to be addressed;

(C) describe and schedule the specific actions to be taken to reduce human exposure to the identified contaminant or contaminants;

(D) identify the State or local agency or public organization which will implement the response actions;

(E) identify the Federal, State, and local financial resources to be used to implement the response program; and

(F) provide for the assessment of the effectiveness of the response program.

(3) As part of a response program pursuant to this subsection, an applicant may develop contaminant action levels, guidance, or standards based on health advisories developed pursuant to section 6 of this Act.

(c) GRANT MANAGEMENT.—(1) Grants under subsection (a)(1) of this subsection shall not be less than $75,000 for each fiscal year.

(2) In selecting States for demonstration and implementation of management strategies and assessments under subsection (a)(1) the Administrator shall consider—

(A) the previous experience of the State in addressing indoor air quality issues;

(B) the seriousness of the indoor air quality issues identified by the State; and

(C) the potential for demonstration of innovative management or assessment measures which may be of use to other States.

(3) In selecting States for demonstration of management strategies and assessments under subsection (a)(1), the Administrator shall focus resources to assure that sufficient funds are available to selected States to provide for the development of comprehensive and thorough management strategies and assessments in each selected State and to adequately demonstrate implementation of such strategies and assessments.

(4) Grants under subsection (b)(1) of this section shall not exceed $250,000 per fiscal year and shall be available to the State for a period of not to exceed three years.

(5) In selecting response programs developed under subsection (b) for grant assistance, the Administrator shall consider—

(A) the potential for the response program to bring about reductions in indoor air contaminant levels;

(B) the contaminants to be addressed, giving priority to contaminants for which health advisories have been developed pursuant to section 6 of this Act;

(C) the type of building to be addressed, giving priority to building types in which substantial human exposures to indoor air contaminants occur;

(D) the potential for development of innovative response measures or methods which may be of use to other States or local air pollution control agencies; and

(E) the State indoor air quality management strategy and assessment, giving priority to States with complete indoor air management strategies and assessments.

(6) The Federal share of grants under subsections (a) and (b) of this section shall not exceed 75 per centum of the costs incurred in demonstration and implementation of such activities and shall be made on the condition that the non-Federal share is provided from non-Federal funds.

(7) Funds granted pursuant to subsections (a) and (b) in a fiscal year shall remain available for obligation for the next fiscal year in which obligated and for the next following fiscal year.

(8) No grant shall be made under this section in any fiscal year to a State or local air pollution control agency which in the preceding year received a grant under this section unless the Administrator determines that such agency satisfactorily implemented such grant activities in such preceding fiscal year.

(9) States and air pollution control agencies shall provide such information in applicants for grant assistance and pertaining to grant funded activities as the Administrator requires.

OFFICE OF INDOOR AIR QUALITY

SEC. 10. (a) ESTABLISHMENT.—The Administrator shall establish an Office of Indoor Air Quality within the Office of Air and Radiation at the Environmental Protection Agency.

(b) RESPONSIBILITIES.—The Office of Indoor Air Quality shall—

(1) list indoor air contaminants and develop health advisories pursuant to section 6 of this Act;

(2) develop national indoor air quality response plans as provided for in section 7 of this Act;

(3) manage Federal grant assistance provided to air pollution control agencies under section 9 of this Act;

(4) assure the coordination of Federal statutes and programs administered by the Agency relating to indoor air quality and reduce duplication or inconsistencies among these programs;

(5) work with other Federal agencies to assure the effective coordination of programs related to indoor air quality; and

(6) work with public interest groups and the private sector in development of information related to indoor air quality including the health threats of human exposure to indoor air contaminants, the development of technologies and methods to control such contaminants, and the development of programs to reduce contaminant concentrations.

(c) ORGANIZATION.—The Office of Indoor Air Quality shall—

(A) be directed by a director who shall be a member of the Senior Executive Service;

(B) include a staff of not less than ten permanent, full-time employees; and

(C) be supported by not less than one permanent, full-time employee in each Agency regional office.

COUNCIL ON INDOOR AIR QUALITY

SEC. 11. (a) AUTHORITY.—There is established a Council on Indoor Air Quality.

(b) RESPONSIBILITIES.—THE COUNCIL ON INDOOR AIR QUALITY SHALL—

(1) provide for the full and effective coordination of Federal agency activities relating to indoor air quality;

(2) provide a forum for resolution of conflicts or inconsistencies in policies or programs related to indoor air quality;

(3) review and comment on the national indoor air response program developed pursuant to section 7 of this Act and the Federal Building Response Plan developed pursuant to section 8(b); and

(4) prepare a report to Congress pursuant to subsection (d) of this subsection.

(c) ORGANIZATION.—(1) The Council on Indoor Air Quality shall include senior representatives of Federal agencies involved in indoor air quality programs including—

(A) the Environmental Protection Agency;

(B) the Department of Health and Human Services;

(C) the Department of Labor;

(D) the Department of Housing and Urban Development;

(E) the Department of Energy;

(F) the Department of Transportation;

(G) the Consumer Product Safety Commission; and

(H) the General Services Administration.

(2) The Environmental Protection Agency shall chair the Council.

(3) The Council shall be served by a staff to include an Executive Director and not less than three full-time equivalent employees.

(d) REPORT TO CONGRESS.—(1) The Council shall submit to the Congress, within eighteen months of enactment of this Act, and biennially thereafter, a report which shall—

(A) describe and assess the seriousness, extent, and characteristics of indoor air contamination throughout the country;

(B) summarize the major research issues concerning the protection of indoor air quality, describe the research accomplishments of Federal agencies over the previous two years, and provide an agenda of indoor air quality research for individual Federal agencies over a three-year period;

(C) provide a general description of the activities to be conducted by Federal agencies to address indoor air quality problems over the following three-year period; and

(D) make recommendations for any actions needed to assure the quality of indoor air, including recommendations relating to institutional structures, funding, and legislation.

(2) The Council shall provide for public review and comment on the report required by this subsection.

INDOOR AIR QUALITY INFORMATION CLEARINGHOUSE

SEC. 12. (1) The Administrator is authorized and directed to establish a national indoor air quality clearinghouse to be used to disseminate indoor air quality information to other Federal agencies, State, and local governments, and private organizations and individuals.

(2) The clearinghouse shall be a repository for reliable indoor air quality related information to be collected from and made available to government agencies and private organizations and individuals. At a minimum, the clearinghouse established by this section shall make available reports, programs, and materials developed pursuant to the requirements of this Act.

(3) The clearinghouse shall operate a toll-free "hotline" on indoor air quality which shall be available to provide to the public general information about indoor air quality and general guidance concerning response to indoor air quality contamination problems.

(4) The Administrator may provide for the design, development, and implementation of the clearinghouse through a contractual agreement with a nonprofit organization.

BUILDING ASSESSMENT DEMONSTRATION

SEC. 13. (a) AUTHORITY.—(1) The Director of the National Institute for Occupational Safety and Health shall, in consultation with the Administrator, implement a Building Assessment Demonstration Program to support development of methods, techniques, and protocols for assessment of indoor air contamination in non-residential, non-industrial buildings and to provide assistance and guidance to building owners and occupants on measures to reduce indoor air contamination.

(2) In implementation of this section, the Director shall have the authority to conduct on-site assessments of individual buildings, including Federal, State, and municipal buildings.

(3) Nothing in this section shall in any way limit or constrain existing authorities pursuant to the Occupational Safety and Health Act of 1970 (29 U.S.C. 651).

(b) ASSESSMENT ELEMENTS.—Assessments of individual buildings conducted pursuant to this section shall, at a minimum, provide—

(A) an identification of suspected contaminants in the air in the building and the level of such contaminants;

(B) an assessment of the probable sources of contaminants in the air in the building;

(C) a review of the nature and extent of health concerns and symptoms identified by building occupants;

(D) an assessment of the probable association of indoor air contaminants with the health and related concerns of building occupants including assessment of occupational and environmental factors which may relate to the health concerns;

(E) identification of appropriate measures to control contaminants in the air in the building, to reduce the concentration levels of contaminants, and to reduce exposure to contaminants; and

(F) evaluation of the effectiveness of response measures in control and reduction of contaminants and contaminant levels, the change in occupant health concerns and symptoms, the approximate costs of such measures, and any additional response measures which may reduce occupant's health concerns.

(c) ASSESSMENT REPORTS.—(1) The Director shall prepare—

(A) a preliminary report of each building assessment which shall document findings concerning assessment elements (A) through (E) of subsection (b); and

(B) a final report which shall provide an overall summary of the building assessment including information on the effectiveness and cost of response measures, and the potential for application of response measures to other buildings.

(2) Preliminary assessment reports shall be prepared not later than one hundred and eighty days after the selection of a building for assessment. Final assessment reports shall be prepared not later than one hundred and eighty days after completion of the preliminary report.

(3) Preliminary and final reports shall be made available to building owners, occupants, and the authorized representatives of occupants.

(d) BUILDING ASSESSMENT PROPOSAL.—(1) The Director shall consider individual buildings for assessment under this section in response to a proposal identifying the building and the building owner and providing preliminary, background information about the nature of the indoor air contamination, previous responses to air contamination problems, and the characteristics, occupancy, and uses of the building.

(2) Building assessment proposals may be submitted by a building owner or occupants or the authorized representatives of building occupants, including the authorized representatives of employees working in a building.

(e) BUILDING ASSESSMENT SELECTION.—(1) In selection of buildings to be assessed under this section, the Director shall consider—

(A) the seriousness and extent of apparent indoor air contamination and human health effects of such contamination;

(B) the proposal for a building assessment submitted pursuant to subsection (d) of this section;

(C) the views and comments of the building owners;

(D) the potential for the building assessment to expand knowledge of building assessment methods including identification of contaminants, assessment of sources, and development of response measures; and

(E) the listing of a building pursuant to paragraph (C) of section 8(b)(3).

(2) The Director shall provide a preliminary response and review of building assessment proposals to applicants and the applicable building owner within sixty days of receipt of a proposal and, to the extent practicable, shall provide a final decision concerning selection of a proposal within one hundred and twenty days of submittal.

(f) BUILDING ASSESSMENT SUPPORT.—(1) The Director may enter into agreements with private individuals, firms, State and local governments, or academic institutions for services and related assistance in conduct of assessments under the authority of this section.

(2) The Director may enter into agreements with other Federal agencies for the assignment of Federal employees to a specific building assessment project for periods of up to one hundred and eighty days.

(g) SUMMARY REPORT.—(1) The Director shall provide, on an annual basis, a report on the implementation of this section to the Administrator of the Environmental Protection Agency and to the Council on Indoor Air Quality established pursuant to section 11 of this Act.

(2) The Director shall, from time to time and in consultation with the Administrator, publish general reports containing materials, information, and general conclusions concerning assessments conducted pursuant to this section. Such reports may address concerns related to remediation of indoor air contamination problems, assessment of health related concerns, and prevention of such problems through improved design, materials and product specifications, and management practices.

(3) Reports prepared pursuant to this subsection and subsection (c) of this section shall be provided to the Indoor Air Quality Information Clearinghouse provided for in section 12 of this Act and, to the extent practicable, such reports shall be made available to architectural, design and engineering firms and to organizations representing such firms.

STATE AND FEDERAL AUTHORITY

SEC. 14. Nothing in this Act shall be construed, interpreted, or applied to preempt, displace, or supplant any other State or Federal law, whether statutory or common or any local ordinance.

AUTHORIZATIONS

SEC. 15. (a)(1) For the purpose of carrying out sections 5 and 6 of this Act there is authorized to be appropriated $20,000,000 for each of the fiscal years ending September 30, 1990, 1991, 1992, 1993, and 1994. Of such sums appropriated, one quarter shall be reserved for implementation of section 6 of this Act and one quarter shall be reserved for implementation of section 5(c) of this Act.

(2) For the purpose of carrying out sections 7, 8, 10, and 12 there is authorized to be appropriated $10,000,000 for each of the fiscal years ending September 30, 1990, 1991, 1992, 1993, and 1994. Of such sums appropriated, one-fifth shall be reserved for implementation of section 12 and one-fifth shall be reserved for implementation of section 8.

(3) For the purpose of carrying out section 9 of this Act, there is authorized to be appropriated $12,000,000 for each of the fiscal years ending September 30, 1990, 1991, 1992, 1993, and 1994. Of such sums appropriated, one-third shall be reserved for the purpose of carrying out section 9(b) of this Act.

(4) For the purpose of carrying out section 11 of the Act there is authorized to be appropriated $1,500,000 for each fiscal year ending September 30, 1990, 1991, 1992, 1993, and 1994.

(5) For the purpose of carrying out section 13 of this Act there is authorized to be appropriated $5,000,000 per year for each fiscal year ending September 30, 1990, 1991, 1992, 1993, and 1994.

INDOOR AIR QUALITY ACT OF 1989

SECTION-BY-SECTION ANALYSIS

The Indoor Air Quality Act of 1989 authorizes a comprehensive, national program to reduce the threats to human health posed by exposure to contaminants in the air indoors. The Act includes the following provisions—

Sec. 1: Title—The title of the bill and table of contents are identified.

Sec. 2: Findings—Contaminants in the air indoors pose a serious threat to human health. Federal and State governments have not responded adequately to this problem.

Sec. 3: Purposes—The purpose of the legislation is to establish a coordinated research program on indoor air contamination, to institute a process for directing and focusing the authorities of existing Federal statutes to reduce indoor air contamination, and to demonstrate and develop State and local responses to indoor air contamination problems.

Sec. 4: Definitions—Key terms are defined.

Sec. 5: Indoor Air Quality Research—The legislation:

Provides the EPA with general authority to conduct research on indoor air contamination and identifies specific research topics to be addressed;

Establishes a program to demonstrate various technologies which may contribute to the reduction of indoor air contamination and provides grant assistance to governments and others for such demonstrations;

Calls for the development of technical and management practice bulletins providing assessments of technologies for control and measurement of indoor air contaminants.

Sec. 6: Indoor Air Contaminant Health Advisories—The bill provides that the EPA will develop a list of indoor air contaminants and health advisory documents for each of those contaminants. Health advisory documents are to include descriptions of the characteristics of each contaminant and health threats posed at various concentra-

tions, including a no adverse health effect level.

Sec. 7: National Indoor Air Quality Response Plans—The EPA is to develop a national response plan identifying actions to be taken to reduce contaminants in indoor air. The response plan is to be submitted to Congress within 24 months of enactment and biennially thereafter.

Sec. 8: Federal Building Response Plan/Demonstration Program—A Federal Building Response Plan is to address air quality in Federal buildings. The plan is to identify general management practices for improving indoor air. Buildings with identified indoor air quality problems will be considered for assessment under section 13 of this Act. The plan is to be submitted to Congress 24 months after enactment of the Act and biennially thereafter.

Sec. 9: State and Local Indoor Air Quality Programs—The bill provides grants to States for demonstrating management and assessment strategies. State management strategies are to identify a lead agency for protection of indoor air quality, describe existing programs at the State and substate levels, and assure coordination with programs addressing ambient air quality. State assessment programs are to identify contaminants of concern by geographic areas experiencing problems and provide for periodic assessments of indoor air conditions and trends.

States or other air pollution control agencies also may develop response programs to address a particular indoor air contaminant, class of buildings, or buildings in a specific geographic area.

Sec. 10: Office of Indoor Air Quality—An Office of Indoor Air Quality is established within the EPA to manage indoor air activities and to work with other Federal agencies.

Sec 11: Council on Indoor Air Quality—The bill establishes an interagency Council on Indoor Air Quality to coordinate indoor air activities of Federal agencies.

Sec. 12: National Indoor Air Quality Information Clearinghouse—The EPA is to establish a national clearinghouse of information related to indoor air quality.

Sec. 13: Building Assessment Demonstration—The Director of the National Institute of Occupational Safety and Health [NIOSH] is to carry out a program to demonstrate methods of assessment and mitigation of indoor air contamination in "sick buildings". This provision establishes a process for the assessments and is based on an existing NIOSH effort.

Sec. 14: State and Federal Authority—Nothing in this title shall preempt any State or Federal law or local ordinance.

Sec. 15: Authorizations.—The bill authorizes total funding of $48.5 million for each fiscal year from 1990 to 1994 including $20 million for research and health advisories, $10 million for EPA operations, $12 million for State management and response grants, $1.5 million for the National Indoor Air Quality Council, and $5 million for the building assessment program.

Mr. CHAFEE. Mr. President, today I join with Senators MITCHELL, DURENBERGER, LAUTENBERG, and others in introducing legislation to address the serious health threats posed by contaminations in the air indoors.

Over the last decade we have made considerable progress in abating some of the most harmful pollutants of our outdoor environment. Emission from cars are no longer as injurious to the air quality, and leaded gasoline, known to cause health effects in children, is being phased out. Once unsightly rivers are now returning to a state where they are fishable and swimmable.

Yet for all this progress, we have not turned our attention to the environment where Americans spend an average of 90 percent of their time: indoors. Much is known about the effects of some indoor contaminants, such as radon, asbestos, and tobacco smoke. However, there are several other contaminants prevalent in the indoor environment about which very little is known. These include formaldehyde, volatile organic chemicals, combustion byproducts, and respirable particles.

In a significant development, the Environmental Protection Agency now concludes that the risk to human health from indoor air contaminants may be at least as great as those from the outdoor environment. In a soon-to-be-released report, EPA notes that:

> Sufficient evidence exists to conclude that indoor air pollution represents a major portion of the public's exposure to air pollution and may pose serious acute and chronic health risks. This evidence warrants an expanded effort to characterize and mitigate this exposure.

This statement represents a major step forward in the agencies thinking about what needs to be done to address indoor air pollution.

At a hearing last year on the health effects of indoor air pollution before the environmental protection subcommittee of the committee on environment and public works, it became painfully clear that there is not an adequate effort by Federal agencies or States to conduct research on indoor air contaminants. The legislation we are introducing today will direct the various agencies responsible for indoor air quality to coordinate their response plans to address these contaminants. The bill will place the Environmental Protection Agency squarely in the lead in developing the Federal response to indoor air contamination.

I would like to make it clear that this legislation does not place the Federal Government in the living rooms of Americans. The bill does not provide authority to regulate indoor air contaminants, but rather takes an informational approach. The bill instructs EPA to develop health advisories which would indicate the health risks at various concentration levels, and inform homeowners of ways to reduce and minimize the risk from various contaminants.

The primary purpose of the bill, however, is to establish a coordinated research program on indoor air contamination. In addition, the bill will instruct EPA to assist States in developing strategies for the management and assessment of indoor air quality.

Mr. President, this legislation is long overdue. Americans need to know how to insure that the quality of the air inside their home is healthy. This bill takes a giant step toward addressing the health threat posed by contaminants of the air indoors. I urge my colleagues to join with us in supporting this.

Mr. LAUTENBERG. Mr. President, today I am joining Senator MITCHELL, Senator CHAFEE, Senator DURENBERGER, and others in introducing the Indoor Air Quality Act of 1989. This legislation would require EPA to comprehensively address the threat of human health posed by indoor air contamination.

Indoor air pollutants such as radon, asbestos, volatile organic compounds, environmental tobacco smoke, carbon monoxide, biological contaminants, and pesticides, pose a serious threat to the health of our citizens. EPA Administrator Bill Reilly, prior to his being nominated, has said that:

> The national debate has not really begun about how to respond to the discovery that indoor air pollution often far exceeds minimum health standards for air outdoors.

Reilly went on to say that indoor air pollution is a serious problem not being addressed by current programs.

EPA also shares the concern about the risks posed by indoor air pollutants. In 1987, EPA identified indoor radon and other indoor air pollutants as areas of relatively high risk but low EPA efforts.

In a more recent EPA study of indoor air quality in 10 large buildings focusing on a class of pollutants known as volatile organic compounds [VOC's], EPA concluded that VOC's are ubiquitous indoors, almost every compound is found at higher levels indoors than out, and in some new buildings some VOC's were measured at levels 100 times higher than outdoor levels. Similarly, the World Health Organization has determined that up to 30 percent of new or remodeled commercial buildings may have high rates of health or comfort complaints related to indoor air pollutants.

This is of particular concern because people spend approximately 90 percent of their time indoors, making the risk to health from indoor air pollutants potentially greater than air pollution outdoors. And the people most exposed to indoor air pollution, the young, the elderly, and the chronically ill, are often the most susceptible to its adverse effects.

The effects of indoor air pollutants are serious. Radon is estimated to cause up to 20,000 cancer deaths a year. The Surgeon General has determined that environmental tobacco smoke is a cause of disease, including lung cancer, in nonsmokers. Other

long-term effects to exposure of harmful levels of indoor air pollutants include respiratory illnesses, central nervous system disorders, and reproductive problems. Acute reactions to certain pollutants include headaches, throat, skin and eye irritation, fatigue, shortness of breath, and nausea.

In addition, an estimated 15 percent of the U.S. population have an increased allergic sensitivity to common chemicals. Many of these people have a predisposition to become allergic to certain chemicals after a sensitizing exposure. Hypersensitivity can occur upon reexposure. Among the more common symptoms are those involving the nervous system including tension and fatigue and the respiratory system.

EPA has been slow to react to the threat poised by indoor air pollutants. That's why the majority leader and I introduced the legislation, which was enacted as title IV of the Superfund Amendments and Reauthorization Act of 1986, requiring EPA to establish a radon and indoor air pollution research program.

The Indoor Air Quality Act of 1989 builds on our prior legislation. It would require EPA to:

Expand and strengthen indoor air research,

Develop health advisories on indoor air contaminants,

Prepare a response plan for indoor air contaminants using existing regulatory authorities, and

Make grants to States to develop and implement indoor air pollution strategies.

The bill also expands the authority of the National Institute of Occupational Safety and Health to conduct assessments of sick buildings.

As chairman of the Senate Subcommittee on Superfund, Ocean and Water Protection which has jurisdiction over this legislation, I am committed to moving this bill. I urge my colleagues to support the bill.

Mr. GORE. Mr. President, Americans are becoming increasingly concerned about what they are learning of the world environment around them. The greenhouse effect, too little stratospheric ozone, too much ground level ozone, no place to dump our garbage, garbage washing up on our shores are becoming mainstream issues on main streets around the country.

The connection between the frozen wilderness of Antarctica, the vast diminishing rainforests of the Amazon, and the quality of all of our lives is slowly coming into focus as we witness the environmental upheaval being brought on by a growing list of trends whose curves point sharply upward.

These threats can seem so far away, though, in the controlled indoor environments in which we spend so much of our time. We rightly expect our homes to be among the safest places on Earth. We spend nearly 90 percent of our day indoors. We even exercise indoors. But how safe is it?

Take the case of Betty Page in Aspen, CO. On a night in 1984, she awoke suddenly with violent stomach pains, that were, at the time, unexplainable. After tests and visits to the doctor that sometimes seemed as though they would never end, she realized on her own that the sickness began about the same time her exterminator began using a new ant insecticide. The insecticide, intended to kill the ants invading her home, were threatening her as well.

The Environmental Protection Agency estimates that the average home contains some 45 chemical-spraying aerosal cans and more than 350 organic chemicals in the air. We find them in the form of spray paints, insecticides, furniture polish, hair sprays—pieces of our everyday lives that hold unseen but oftentimes dangerous consequences.

The safety of our homes is not all that is threatened by what is now being called indoor pollution. The concept of the sick building is becoming a more common part of our working lives.

As we worked for energy efficiency during the 1970's, we developed office buildings that put a priority on insulation and saving the air that was already inside. It was certainly much cheaper and more efficient than having to cool or heat air coming from the outside.

What we did not see, however, was that by trapping air inside, we were also trapping indoor contaminants from carpet fibers and copying machines, radon, asbestos fibers, bacteria, hazardous dust, and carbon dioxide, allowing them to escape only into our own lungs. The World Health Organization now estimates that up to 30 percent of new and remodeled office buildings are believed to cause some type of health problem. EPA tells us that some 3,500 cancer deaths a year can be blamed on exposure to indoor air pollutants.

Ironically, EPA is itself a victim of the growing problem of sick buildings. EPA employees at the new Waterside Mall building have begun experiencing burning sensations in their throats, and ears, and eyes. The cause? The building is so poorly ventilated that it is becoming a bubble of chemical contaminants released from new furnishings and the everyday activities of a modern workplace. This agency, set up to identify and protect us from environmental hazards, is instead an example of indoor environmental pollution.

The EPA revealed last year that radon—a gas caused by decaying uranium and the second-leading cause of lung cancer after smoking—has become a national problem, focusing public awareness on the problem of indoor pollution and sick buildings more than ever before. But much is left to do.

We are constantly reminded of the danger we face from the exhaust fumes from cars or the acid seeping out of toxic waste containers if only because we can see them. We have been educated about them, and we demand that Federal and State agencies regulate them. Indoor pollution, however, is often invisible and odorless. We have not asked for health standards for the indoor and nonindustrial workplace because the threat is so new. The result, however, is that little is known about the effects of different indoor substances and chemicals on our lives.

We have a lot of work to do in learning just how sick our buildings and homes are. Evidence indicates that there is not an adequate effort by Federal and State agencies to even analyze polluting substances or to develop an appropriate response to the problem.

That is why, today, Mr. President, I join Senators MITCHELL, CHAFEE, DURENBERGER, and LAUTENBERG in introducing the Indoor Air Quality Act of 1989, which will address those problems. The Indoor Air Quality Act of 1989 is an important first step in identifying the everyday substances that hold the most danger to the public health and in developing a strategy to address the problem of indoor pollution.

This new bill puts a major priority on research and filling our knowledge gap on the issue of indoor pollution. We know there is a problem—the numbers of people who have become the victims of their own homes and places of work are increasing daily. But it is difficult, if not impossible, to correct a problem when you do not have a clear idea of what is the cause of that problem. This bill will emphasize a research program to determine exactly what chemical contaminants are most common in our daily lives.

The Indoor Air Quality Act of 1989 also calls for a system of health advisories on indoor air contaminants which will detail their possible health risks. The bill does not call for any new regulatory agency or ask the EPA to set standards on indoor pollution at this time, but it does seek to educate people on what indoor pollutants are most hazardous and common to their environment.

One of the things most lacking in our effort to understand and control our indoor environment is the absence of any institutional base for indoor air study. This bill seeks to remedy that problem by expanding the authority of the National Institute of Occupational Safety and Health to enable it

to examine sick buildings. The Institute will be given the job of determining just what a sick building is and what measures are needed to cure them. The bill will also create an indoor air office at the EPA, as well as an interagency Council on Indoor Air Quality. These measures are the necessary first steps toward developing a strategy to deal directly with the indoor air pollution problem.

Finally, the Indoor Air Quality Act of 1989 takes into account the necessary role of the States in adequately addressing the problem of indoor pollution. The bill allows individual States to seek grants to aid them in developing their own indoor pollution programs, as well as to deal with any specific contamination problems they might have.

The problem of indoor air pollution is one that goes far beyond just the question of worker health. It is a problem that is bound to have lasting effects on worker productivity, not to mention future labor negotiations.

The Indoor Air Quality Act of 1989 is a good first step toward a comprehensive approach to solving our growing indoor pollution problem. I urge my colleagues to join in supporting it.

By Mr. PELL (for himself, Mrs. KASSEBAUM, Mr. KENNEDY, and Mr. HATCH) (by request):

S. 658. A bill to amend the Carl D. Perkins Vocational Education Act of 1984 to authorize appropriations for fiscal year 1990 and succeeding fiscal years, and for other purposes; to the Committee on Labor and Human Resources.

CARL D. PERKINS VOCATIONAL-TECHNICAL EDUCATION ACT AMENDMENTS

● Mr. PELL. Mr. President, today I am introducing, by request, the Carl D. Perkins Vocational-Technical Education Act Amendments of 1989 on behalf of the American Vocational Association [AVA]. I am very pleased to be joined in its introduction by Senators KASSEBAUM, KENNEDY, and HATCH.

Mr. President, since 1926, the American Vocational Association has served as the Nation's only professional organization with a full-time commitment to helping vocational educators and institutions provide effective programs preparing students for work in areas as diverse as agriculture, business, health, trade and industry. AVA currently represents 46,000 vocational teachers, administrators, researchers, and guidance counselors who are involved in planning and conducting vocational programs at the secondary, postsecondary, and adult levels.

For the past 2 years, AVA has undertaken an extensive process to develop model legislation for the reauthorization of the Carl D. Perkins Vocational Education Act of 1984. I am very pleased to introduce their proposed legislation. I am hopeful that my colleagues will give it careful review and consideration in preparation for our work on reauthorization.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Carl D. Perkins Vocational-Technical Education Act Amendments of 1989".

SEC. 2. STATEMENT OF PURPOSE.

Section 2 of the Carl D. Perkins Vocational Education Act (hereafter in this Act referred to as the "Act") (20 U.S.C. 2301) is amended—

(1) in paragraph (1)—

(A) by striking "assist" and inserting "provide on-going assistance to"; and

(B) by inserting "and personnel" after "programs";

(2) in paragraph (2)—

(A) by inserting "representatives of racial or ethnic minorities, women," after "especially individuals who are";

(B) by inserting ", especially women," after "single parents"; and

(C) by inserting ", especially juveniles," before "who are incarcerated in correctional institutions.";

(3) in paragraph (3), by inserting "in striving to meet national economic priorities," after "education in the States,";

(4) in paragraph (4), by inserting "secondary and postsecondary" after "improve the academic foundations of";

(5) in paragraph (5), by inserting "which are employment related and job specific" after "vocational education services";

(6) in paragraph (7)—

(A) by striking "to" the first place it appears; and

(B) by inserting "and to prevent school dropouts and promote their reentry" before the semicolon at the end;

(7) by striking "and" at the end of paragraph (8);

(8) in paragraph (9), by striking the period and inserting "; and"; and

(9) by adding at the end the following new paragraph:

"(10) assure that disadvantaged parents who are dependent upon assistance provided under the Aid to Families with Dependent Children program are assured access to quality vocational education programs, including secondary, postsecondary, and skills training programs, in order to improve their employability and promote their independence.".

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

Section 3 of the Act (20 U.S.C. 2302) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 3. (a) There are authorized to be appropriated to carry out the provisions of titles I (other than section 117) and II $1,070,000,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year.

"(b)(1) There are authorized to be appropriated to carry out part A of title III, relating to State assistance for vocational education support programs by community-based organizations, $19,200,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year.

"(2) There are authorized to be appropriated to carry out part B of title III, relating to consumer and homemaking education, $50,000,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year.

"(3)(A)(i) There are authorized to be appropriated to carry out subpart 1 of part C of title III, relating to the basic program for adult training, retraining, and employment development, $44,800,000 for the fiscal year 1990, and such sums as may be necessary for each succeeding fiscal year.

"(ii) There are authorized to be appropriated to carry out subpart 2 of part C of title III, relating to the special program for adult training, retraining, and employment development, $30,000,000 for the fiscal year 1990, and such sums as may be necessary for each succeeding fiscal year.

"(B) Of the amount appropriated in each fiscal year pursuant to subparagraph (A)(i) 50 percent shall be available for the purpose described in section 201(b)(4), except that the amount made available by this subparagraph shall not exceed $38,400,000 in any fiscal year.

"(C) There are authorized to be appropriated an additional $15,000,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year to carry out part C of title III for workers described in section 322(c).

"(4) There are authorized to be appropriated to carry out part D of title III, relating to career guidance and counseling, $30,000,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year.

"(5)(A) There are authorized to be appropriated to carry out part E of title III, relating to industry-education partnerships for training in high-technology occupations, $50,000,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year.

"(B) There are authorized to be appropriated an additional $15,000,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year to carry out part E of title III for workers described in section 343(d).

"(6) There are authorized to be appropriated to carry out part F of title III, relating to tech-prep education programs, $200,000,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year.

"(c) There are authorized to be appropriated to carry out section 117, relating to State councils on vocational education, $10,200,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year.

"(d) There are authorized to be appropriated to carry out part A of title IV, relating to research and professional development, $25,000,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year.

"(e) There are authorized to be appropriated to carry out part B of title IV, relating to cooperative demonstration programs, $20,000,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year.

"(f) There are authorized to be appropriated to carry out part C of title IV, relating to vocational education and occupational information data systems, $20,000,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year.

"(g) There are authorized to be appropriated to carry out part D of title IV, relating to the National Council on Vocational Education, $650,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year.

"(h) There are authorized to be appropriated to carry out part E of title IV, relating to bilingual and limited English proficiency vocational training programs, $40,000,000 for the fiscal year 1990 and such sums as may be necessary for each succeeding fiscal year.".

TITLE I—AMENDMENTS TO TITLE I

SEC. 100. AMENDMENT TO TITLE HEADING.

The heading for title I of the Act is amended to read as follows:

"TITLE I—VOCATIONAL AND ADULT EDUCATION".

PART A—OFFICE OF VOCATIONAL AND ADULT EDUCATION

SEC. 101. OFFICE OF VOCATIONAL AND ADULT EDUCATION.

Title I of the Act is amended—

(1) by redesignating parts A and B as parts B and C;

(2) by redesignating sections 101 through 103 and sections 111 through 115 as sections 111 through 113 and sections 116 through 120, respectively; and

(3) by inserting after the title heading the following new part:

"PART A—OFFICE OF VOCATIONAL AND ADULT EDUCATION

"ESTABLISHMENT OF OFFICE

"SEC. 101. (a) There is hereby established an Office of Vocational and Adult Education within the Department of Education under the general authority of the Secretary.

"(b)(1) The Office shall be headed by the Assistant Secretary for Vocational and Adult Education, who shall be appointed by the President with the advice and consent of the Senate, from among individuals having a comprehensive background in vocational-technical and adult education as demonstrated by preparation, work experience, and recognized professional achievement.

"(2) The Assistant Secretary shall report directly to the Secretary. The Secretary shall not approve or require any delegation of the functions of the Assistant Secretary to any office not directly responsible to the Assistant Secretary nor to any of its grantees or contractors.

"(3) The Secretary shall carry out the duties of the Secretary under this Act through the Office.

"PURPOSE

"SEC. 102. It shall be the purpose of the Office of Vocational and Adult Education to—

"(1) provide national leadership in the improvement and expansion of vocational education, as defined in this Act, so that significant contributions may be made by the enterprise toward the goal of preparing the national work force to function effectively in a competitive and highly technological economy;

"(2) encourage the strengthening of State vocational education agencies and the greater involvement of the private sector, both profit and nonprofit; and

"(3) administer all aspects of this Act in such a balanced manner as to assure the States and other participating entities of maximum decisionmaking flexibility consistent with its requirements and to assure the Congress of basic compliance with these requirements.

"FUNCTIONS OF THE ASSISTANT SECRETARY

"SEC. 103. (a) In carrying out the functions of this Act, it shall be the duty and function of the Assistant Secretary to—

"(1) serve as the effective and visible advocate for vocational and adult education within the Department of Education and with other departments, agencies, and instrumentalities of the Federal Government by maintaining active review and commenting responsibilities over all Federal policies affecting vocational and adult education and training;

"(2) deliver services to the vocational education enterprise by—

"(A) providing expert technical assistance in instructional program content and in management procedures that may be necessary to achieve the purposes of this Act, including industrial arts/technology education, vocational agricultural education, business education, career guidance and vocational counseling, health occupations education, home economics education, marketing education, technical education, trade and industrial education, administration, apprenticeship training, adult vocational training, cooperative work experience education, sex equity coordination, as well as vocational education and training for individuals who are handicapped, disadvantaged, limited English proficient, adults in need of training or retraining, single parents, homemakers and single pregnant women, participants in programs to eliminate sex bias and stereotyping, criminal and delinquent offenders, and professional development;

"(B) convening regional meetings which shall provide input to the Assistant Secretary on the content of proposed regulations and which shall include representatives of Federal, State, and local administrators, representatives of business, industry, and labor, parents, teachers, students, and members of State and local boards of education involved with implementation of local educational programs under title II of this Act;

"(C) prescribing regulations consistent with this Act to award, administer, modify, evaluate, reject, or deny all grants and applications and plans for funds made available under this Act; and

"(D) administering discretionary grants and contracts for applied research development, demonstration, and dissemination;

"(3) provide for the measurement and certification of compliance with all requirements of this Act, by States and other direct recipients of funds under this Act, through such actions as—

"(A) reviewing and approving plans and reports;

"(B) performing comprehensive programmatic audits in the States and at the worksites of other entities receiving direct funding under this Act;

"(C) preparing analyses of strengths and weaknesses of State programs, services, and activities under this Act, together with nonbinding recommendations for improvement of such programs, services, and activities;

"(D) resolving financial audits; and

"(E) acquiring needed data pertinent to these matters that are unavailable from other sources;

"(4) act in concert with efforts of other agencies, organizations, firms, and individuals whose objectives generally meet the purposes of this Act, including other Federal departments having workforce training responsibilities;

"(5) perform comprehensive evaluation of programs, services, and activities funded under this Act, on a nationwide basis, and prepare such reports as are required by this Act or requested by the Congress, or that prove useful to other agencies, organizations, and individuals.

"(b) In executing the duties and functions of the Office under this Act and carrying out the programs and activities provided for by this Act, the Assistant Secretary shall take all possible steps to encourage and permit voluntary groups active in vocational and adult education, especially vocational student organizations active at the secondary or postsecondary levels, to participate and be involved individually or through representative groups in such programs or activities, to the maximum extent feasible, through the performance of advisory or consultative functions, and in other appropriate ways.

"STAFFING AND PERSONNEL

"SEC. 104. (a) The Office shall acquire, maintain, and provide appropriate resources for, a staff that is sufficient in number and qualifications to perform, fully and optimally, all of the foregoing functions under this Act. All vocational education staff shall have—

"(1) relevant experience in vocational education and in needed areas of specialization;

"(2) familiarity with vocational education operations at the State and local level; and

"(3) understanding of vocational student organizations.

"(b) At a minimum, under the direction of the Assistant Secretary, the staff appointed under subsection (a) shall plan, undertake, and complete the following required activities—

"(1) perform all State plan, progress report, and strength-and-weakness reviews in close cooperation with the grantees, and consistent with any time periods specified by this Act;

"(2) clear all pending audits in a prompt and efficient manner;

"(3) conduct comprehensive programmatic audits in each of the participating States and territories at least once during each planning cycle, including the preparation of detailed guidelines and manuals as may be appropriate;

"(4) provide States and local education agencies with technical assistance in the design and administration of vocational instructional programs and support services and conduct a minimum of 4 major, State-level technical assistance efforts in instructional programs content, annually, in each of the major occupational fields specified in this Act, and an additional 4, annually, in appropriate management procedures;

"(5) conduct on-site audit exception prevention programs in each of the participating States and territories, at least once during each planning cycle and sufficiently in advance of scheduled audits, including the preparation of detailed guidelines and manuals, as may be appropriate;

"(6) conduct at least 2 on-site reviews, per year, of funding for each project funded with discretionary moneys under this Act, other than any national center program, and, at least 4 reviews for any such national center program; and

"(7) conduct at least 1 national and 4 regional conferences on leadership and personnel development and cooperative demonstration results aimed at program improvement.

"(c) The Assistant Secretary is authorized to appoint, for terms not to exceed 3 years, without regard to the provisions of title 5, United States Code, governing appointment in the competitive service, and may compensate without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classifications and General Schedule pay rates, such supplementary technical or professional employees of the Office as the Assistant Secretary deems necessary to assist its permanent vocational staff in accomplishing its functions under this Act. The number of such supplementary employees shall, at no time, exceed ⅕ of the number of full-time, permanent technical or professional employees of the Office, but shall be considered as regular staff members of the Office, while so employed.

"ADMINISTRATIVE ACCOUNTABILITY

"SEC. 105. As part of the annual report by the Secretary to the Congress on the status of vocational education, submitted on the last day of each fiscal year, the Secretary shall—

"(1) report on how the staff of the Office was specifically utilized to accomplish its required tasks under this Act during the preceding fiscal year; and

"(2) state in detail how that staff is being and will be utilized during the fiscal year in which such annual report is submitted.".

PART B—VOCATIONAL EDUCATION ASSISTANCE TO THE STATES

SEC. 110. AMENDMENTS TO HEADINGS.

(a) PART HEADING.—The heading for part B of title I of the Act (as redesignated by section 101 of this Act) is amended to read as follows:

"PART B—VOCATIONAL EDUCATION ASSISTANCE TO THE STATES".

(b) SUBPART HEADING.—

(1) SUBPART 1.—Part B of title I of the Act (as redesignated by section 101 of this Act) is further amended by inserting after the part heading the following new heading:

"Subpart 1—Allotment and Allocations".

(2) SUBPART 2.—Part C of title I of the Act (as redesignated by section 101 of this Act) is redesignated as subpart 2 and the heading of such subpart is amended to read as follows:

"Subpart 2—State Organizational and Planning Responsibilities".

Subpart 1—Allotment and Allocations

SEC. 111. ALLOTMENT.

Section 111 of the Act (as redesignated by section 101 of this Act) is amended—

(1) by inserting "Assistant" before "Secretary" each place it appears; and

(2) in subsection (a)—

(A) by amending paragraph (1) to read as follows:

"(1) From the sums appropriated pursuant to section 3(a), the Assistant Secretary shall reserve 1½ percent for the purpose of carrying out section 113, of which—

"(A) 1¼ percent shall be for the purposes of section 113(b); and

"(B) ¼ percent shall be for the purposes of section 113(c).."; and

(B) in paragraph (3)(B)(ii), by striking "150" and inserting "120".

SEC. 112. WITHIN STATE ALLOCATION.

Section 112 of the Act (as redesignated by section 101 of this Act) is amended—

(1) in subsection (a)(1), by striking "111(b)" and inserting "116(b)";

(2) in subsection (a)(2), by striking "113(b)(4)" and inserting "118(b)(4)"; and

(3) by adding at the end the following new subsection:

"(c) From the remainder of its allotment of funds appropriated under section 3(a) for each fiscal year—

"(1) at least 25 percent shall be available for activities in postsecondary education, including education for adults in out-of-school settings; and

"(2) at least 25 percent shall be available for activities in secondary education.".

SEC. 113. INDIAN AND HAWAIIAN NATIVES PROGRAMS.

Section 113 of the Act (as redesignated by section 101 of this Act) is amended—

(1) in subsection (a)(2)—

(A) by striking "101(a)(1)(B)" and inserting "111(a)(1)(B)"; and

(B) by inserting "Assistant" before "Secretary";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "101(a)(1)(B)(i)" and inserting "111(a)(1)(B)(i)";

(ii) by inserting "Assistant" before "Secretary" the first and third time it appears; and

(iii) by striking "101(a)(1)(B)" and inserting "111(a)(1)(B)"; and

(B) in paragraph (2), by inserting "Assistant" before "Secretary" the first and third time it appears; and

(3) in subsection (c)—

(A) by striking "101(a)(1)(B)(ii)" and inserting "111(a)(1)(B)(ii)"; and

(B) by inserting "Assistant" before "Secretary".

Subpart 2—State Organizational and Planning Responsibilities

SEC. 116. STATE ADMINISTRATION.

Section 116 of the Act (as redesignated by section 101 of this Act) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "113(b)(9)" and inserting "118(b)(9)";

(ii) in subparagraph (B)—

(I) by inserting "Assistant" before "Secretary";

(II) by striking "113" and inserting "118"; and

(III) by striking "114" and inserting "119";

(iii) in subparagraph (C), by striking "112" and inserting "117";

(iv) by striking "and" at the end of subparagraph (D);

(v) in subparagraph (E), by striking the period at the end and inserting "; and"; and

(vi) by adding at the end the following new subparagraph:

"(F) the provision of technical assistance and guidance to local eligible recipients by individuals who by virtue of training and experience are qualified as program specialists, with such assistance and guidance being available in areas such as industrial arts/technology education, vocational agricultural education, business education, career guidance and vocational counseling, health occupations education, home economics education, marketing education, technical education, trade and industrial education, administration, apprenticeship training, professional development, adult vocational training, cooperative work experience education, sex-equity coordination, and vocational education and training for individuals who are handicapped, disadvantaged, limited English proficient, adults in need of training or retraining, single parents, homemakers, and single pregnant women, participants in programs to eliminate sex bias and stereotyping, and criminal and delinquent offenders."; and

(B) in paragraph (2), by inserting "Assistant" before "Secretary"; and

(2) in subsection (b)(1)—

(A) by inserting "full-time" before "individual";

(B) by inserting "to serve as the State's sex equity coordinator and sufficient staff (as determined by the State director of vocational education)" before "within the appropriate agency";

(C) by striking "full time" after "to work";

(D) by inserting after "this Act" the following: "under the supervision of the State director of vocational education (who shall be appointed from among individuals qualified by relevant experience),";

(E) by amending subparagraph (A) to read as follows:

"(A) administering the sex equity program described in section 201(g) and, at the discretion of the State director of vocational education, administering the program of vocational education for single parents, homemakers, and single pregnant women described in section 201(f)"; and

(F) in subparagraph (C), by striking "(including career guidance and counseling)" and inserting "(including career guidance, vocational counseling, and programs for persons with limited English proficiency)".

SEC. 117. STATE COUNCIL OF VOCATIONAL EDUCATION.

Section 117 of the Act (as redesignated by section 101 of this Act) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by inserting "vocational" before "counseling"; and

(B) in the last sentence, by inserting before the period at the end the following: ", and to student members of vocational student organizations";

(2) in subsection (b)—

(A) by inserting "Assistant" before "Secretary"; and

(B) by striking "113(a)(1)" and inserting "118(a)(1)".

(3) in subsection (c), by inserting "Assistant" before "Secretary";

(4) in subsection (d)(9)(B), by inserting "Assistant" before "Secretary" the first place it appears; and

(5) in subsection (f)—

(A) by inserting "Assistant" before "Secretary" each place it appears; and

(B) in paragraph (1)(A)—

(i) by striking "101(a)(2)" and inserting "111(a)(2)";

(ii) by striking "$120,000" and inserting "$155,000"; and

(iii) by striking "$225,000" and inserting "$300,000".

SEC. 118. STATE PLANS.

Section 118 of the Act (as redesignated by section 101 of this Act) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting "Assistant" before "Secretary";

(ii) in subparagraph (B), by striking "paragraph (1)" and all that follows through "Job Training Partnership Act" and inserting the following: "section 104(a) of the Job Training Partnership Act shall be coterminous with the planning program periods required by paragraph (1)"; and

(B) in paragraph (2)(A), by striking "112" and inserting "122";

(C) in paragraph (3)(B), by inserting after "skill requirements" the following: "and examine the availability of vocational student organization activities with the State";

(2) in subsection (b)—

(A) in paragraph (2)—

(i) by inserting "including the planned distribution of such funds by eligible recipient," after "vocational education"; and

(ii) by striking "113(a)(3)" and inserting "118(a)(3)";

(B) in paragraph (4), by striking "100" and inserting "at least 95";

(C) in paragraph (9)(A)—

(i) by striking "and" at the end of clause (ii);

(ii) by inserting "and" at the end of clause (iii); and

(iii) by adding at the end the following new clause:

"(iv) the level of placement to be achieved by secondary and postsecondary vocational education graduates, which will reflect the employment needs of vocational education students;";

(D) in paragraph (10)—

(i) by inserting "programs conducted under other Acts, with special emphasis on" before "programs conducted";

(ii) by inserting "as well as programs conducted under" before "the Adult Education Act,";

(iii) by striking "Act, and" and inserting "Act,"; and

(iv) by inserting "the Family Support Act of 1988," after "the Rehabilitation Act of 1973,"; and

(E) by amending paragraph (15) to read as follows:

"(15)(A) provide assurances that the State will provide leadership, supervision, and resources for comprehensive career guidance, vocational counseling, and placement programs; and

"(B) provide assurances, as a component of the assurances under subparagraph (A), that for each fiscal year, expenditures for career guidance and vocational counseling from allotments for title II and part D of title II will not be less than the expenditures for such guidance and counseling in the State for the fiscal year 1988."; and

(3) in subsection (c), by inserting "Assistant" before "Secretary" each place it appears.

SEC. 119. APPROVAL.

Section 119 of the Act (as redesignated by section 101 of this Act) is amended—

(1) by inserting "Assistant" before "Secretary" each place it appears; and

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by inserting "from individuals who by virtue of training and experience are qualified as program specialists" after "assistance and guidance"; and

(ii) by striking "113(a)(3)" and inserting "118(a)(3)"; and

(B) in paragraph (2)(A), by striking "113" and inserting "118".

SEC. 120. LOCAL APPLICATION.

Section 120 of the Act (as redesignated by section 101 of this Act) is amended—

(1) in subsection (a)—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(3) describe efforts, including the creation of local vocational instructional program advisory committees, to encourage articulation programs among various educational institutions in the local area which, where appropriate, promote curriculum continuum between secondary and postsecondary vocational programs, including the development of technical preparatory/associate degree programs for occupational education programs begun in the junior year of high school and completed in a community, technical, or junior college.".

TITLE II—BASIC GRANTS FOR VOCATIONAL EDUCATION

PART A—VOCATIONAL EDUCATION OPPORTUNITIES

SEC. 201. USES OF FUNDS.

Section 201 of the Act (20 U.S.C. 2331) is amended—

(1) in subsection (a), by striking "101" and inserting "111";

(2) in subsection (b)(6), by inserting "and delinquent" after "criminal";

(3) in subsection (h)(1)—

(A) by inserting "which develops and reinforces core academic competencies" after "education students";

(B) by striking "related" and inserting "relates"; and

(C) by adding at the end the following new sentence: "States and local education agencies are encouraged to grant academic credit for those vocational education courses into which core academic competencies have been successfully integrated.".

SEC. 202. DISTRIBUTION OF ASSISTANCE.

Section 202 of the Act (20 U.S.C. 2332) is amended—

(1) by inserting "(a)" after "SEC. 202.";

(2) in paragraph (1)—

(A) by inserting "an amount equal to" before "10 percent"; and

(B) by inserting before the semicolon at the end the following: ", except that up to 5 percent of such amount shall be available for statewide program activities specifically designed to assist handicapped individuals, including, but not limited to, model demonstration programs, teacher education and skill upgrading, technical assistance for local program development, applied research and development, and curriculum adaptation/revision;";

(3) in paragraph (2)—

(A) by inserting "an amount equal to" before "22 percent"; and

(B) by inserting before the semicolon at the end the following: ", except that up to 5 percent of such amount shall be available for statewide program activities specifically designed to assist disadvantaged individuals, including, but not limited to, model demonstration programs, teacher education and skill upgrading, technical assistance for local program development, applied research and development, and curriculum adaptation/revision;";

(4) in paragraph (3)—

(A) by inserting "an amount equal to" before "12 percent"; and

(B) by inserting before the semicolon at the end the following: ", especially those who are displaced or unemployed;";

(5) in paragraph (4)—

(A) by inserting "an amount equal to" before "8.5 percent";

(B) by inserting a comma after "parents";

(C) by striking "and"; and

(D) by inserting ", and single pregnant women" after "homemakers";

(6) in paragraph (5), by inserting "an amount equal to" before "3.5 percent";

(7) in paragraph (6)—

(A) by inserting "an amount equal to" before "1 percent"; and

(B) by inserting "and delinquent" after "criminal"; and

(8) by adding at the end the following new subsection:

"(b) A State, after documenting the need to do so in its State plan and receiving the written approval of the Assistant Secretary, may transfer up to 20 percent of the funds allotted to any category of special population allotments described in this section to another category of such population allotments.".

SEC. 203. CRITERIA FOR SERVICES AND ACTIVITIES FOR THE HANDICAPPED AND DISADVANTAGED.

Section 204 of the Act (20 U.S.C. 2334) is amended—

(1) in paragraph (a)(2)—

(A) by inserting "work-site programs such as" before "cooperative education"; and

(B) by inserting "vocational work-study" after "and apprenticeship programs"; and

(2) in subsection (c)—

(A) in paragraph (3)—

(i) by inserting "career" before "guidance"; and

(ii) by inserting "vocational" before "counseling"; and

(B) in paragraph (4)—

(i) by inserting "vocational" before "counseling"; and

(ii) by inserting ", apprenticeship programs," before "and career opportunities".

PART B—VOCATIONAL EDUCATION PROGRAM IMPROVEMENT, INNOVATION, AND EXPANSION

SEC. 251. USES OF FUNDS.

Section 251 of the Act (20 U.S.C. 2341) is amended—

(1) in subsection (a)—

(A) by striking "101" and inserting "111";

(B) in paragraph (1), by inserting "cooperative education," after "title III";

(C) in paragraph (4)—

(i) by striking "or to promote" and inserting ", to promote"; and

(ii) by inserting before the semicolon at the end the following: ", and to promote and stimulate greater cooperation and coordination between business, industry, labor, and education with regard to technical education and technical training";

(D) in paragraph (7)—

(i) by striking "counseling and"; and

(ii) by inserting "and vocational counseling" after "guidance";

(E) in paragraph (8), by inserting before the semicolon at the end the following: "and the development of articulation programs which encourage greater curriculum collaboration between secondary and postsecondary vocational and technical education programs";

(F) in paragraph (10), by inserting "and upgrading" after "acquisition";

(G) in paragraph (13), by inserting before the semicolon at the end the following: ", including activities designed to promote supervision, coordination, training, leadership, human relations, and entrepreneurship, as well as programs which provide a testing base for the knowledge and skills learned in vocational education";

(H) by amending paragraph (15) to read as follows:

"(15) programs of modern industrial and agricultural arts" and inserting the following: "programs of industrial arts/technology education, vocational agriculture education, business education, career guidance and vocational counseling, health occupations education, home economics education, marketing education, technical education, and trade and industrial education;";

(I) in paragraph (16)—

(i) by striking "111(b)" and inserting "116(b)"; and

(ii) by striking "102(b)" and inserting "112(b)";

(J) in paragraph (17), by inserting "Assistant" before "Secretary";

(K) in paragraph (21), by inserting "and upgrading" after "acquisition";

(L) in paragraph (22), by inserting ", through the use of staff with occupational expertise in vocational education," after "equivalent preparation";

(M) in paragraph (23), by inserting ", upgrading," after "acquisition";

(N) in paragraph (25), by striking "and";

(O) in paragraph (26), by striking the period at the end and inserting "; and"; and

(P) by adding at the end the following new paragraph:

"(27) research designed to study, evaluate, and assess new and innovative approaches, as well as programs and activities currently in operation."; and

(2) by amending subsection (b) to read as follows:

"(b) From the portion of the allotment of each State under section 111 available for this part from amounts appropriated pursuant to section 3(a) for each fiscal year, each State shall use grants—

"(1) for the provision of inservice and preservice training designed to increase the competence of vocational education teachers, counselors, and administrators, including special emphasis on the integration of handicapped and disadvantaged students in regular courses of vocational education;

"(2) for the provision of inservice training to help State and local leaders develop, administer, and supervise State plans and programs;

"(3) for the provision of training to potential vocational/technical education leaders; and

"(4) for the provision of training and teacher education designed to upgrade and further develop vocational education professionals, including industrial update workshops for vocational and technical instructors.".

TITLE III—SPECIAL PROGRAMS

PART A—STATE ASSISTANCE FOR VOCATIONAL EDUCATION SUPPORT PROGRAMS BY COMMUNITY-BASED ORGANIZATIONS

SEC. 301. APPLICATIONS.

Section 301 of the Act is amended in paragraph (4) by inserting ", industry, and labor" after "business".

SEC. 302. USES OF FUNDS.

Section 302 of the Act (20 U.S.C. 2352) is amended—

(1) in subsection (a), by striking "101" and inserting "111"; and

(2) in subsection (b)—

(A) in paragraph (3) by inserting ", industry, or labor" after "business";

(B) in paragraph (4)—

(i) by inserting "foster care youth making the transition to independent living," after "inner-city youth,"; and

(ii) by striking "non-English speaking youth" and inserting "youth with limited English proficiency";

(C) by striking the word "and" at the end of paragraph (6);

(D) in paragraph (7)—

(i) by inserting "career" before "guidance";

(ii) by inserting "vocational" before "counseling"; and

(iii) by striking the period at the end and inserting "; and"; and

(E) by adding at the end the following new paragraph:

"(8) model programs suitable for replication utilizing vocational education approaches to prevent youth from dropping out of school or to promote their reentry.".

PART B—CONSUMER AND HOMEMAKER EDUCATION

SEC. 311. CONSUMER AND HOMEMAKER EDUCATION GRANTS.

Section 311 of the Act (20 U.S.C. 2361) is amended—

(1) by striking "101" and inserting "111";

(2) by inserting "Assistant" before "Secretary"; and

(3) by inserting "individual and family health," before "consumer education,".

SEC. 312. USE OF FUNDS FROM CONSUMER AND HOMEMAKER EDUCATION GRANTS.

Section 312 of the Act (20 U.S.C. 2362) is amended—

(1) in subsection (a), by striking "114" and inserting "119"; and

(2) in subsection (b)(1)—

(A) by striking "managing home and work responsibilities" and inserting "balancing work and family";

(B) by inserting "(including family violence and child abuse)" after "family crises";

(C) by inserting "(especially among teenage parents)" after "parenting skills";

(D) by inserting "preventing teen pregnancy," before "assisting aged";

(E) by inserting "assisting at-risk populations (including the homeless)," after "handicapped individuals,";

(F) by inserting "individual, child, and family" before "nutrition"; and

(G) by inserting "and wellness" after "nutrition".

SEC. 313. INFORMATION DISSEMINATION AND LEADERSHIP.

The second sentence of section 313(a) of the Act (20 U.S.C. 2363) is amended by striking "State leadership" and all that follows through "preparation" and inserting "State leadership and full-time State administrators qualified by experience and educational preparation".

PART C—ADULT TRAINING, RETRAINING, AND EMPLOYMENT DEVELOPMENT

Subpart 1—Basic Program

SEC. 321. FINDINGS AND PURPOSE.

Section 321 of the Act is amended in subsection (b) by inserting "the unemployed," after "workers fifty-five and older,".

SEC. 322. AUTHORIZATION OF GRANTS AND USES OF FUNDS.

(a) GRANTS TO STATES.—Section 322 of the Act (20 U.S.C. 2372) is amended—

(1) in subsection (a)—

(A) by striking "101" and inserting "111"; and

(B) by inserting "Assistant" before "Secretary";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (C)(i), by inserting "cooperative education and" before "apprenticeship";

(ii) in subparagraph (G), by inserting "career guidance and vocational" before "counseling";

(iii) by inserting ", including the development of occupational education programs begun in the junior year of high school and completed in a community, technical, or junior college" before the semicolon at the end of subparagraph (H);

(iv) by striking "and" at the end of subparagraph (I);

(v) by striking the period at the end of subparagraph (J) and inserting "; and"; and

(vi) by adding at the end the following new subparagraph:

"(K) industry training.";

(B) in paragraph (2)—

(i) by inserting "Assistant" before "Secretary"; and

(ii) in subparagraph (A), by striking "112" and inserting "117"; and

(3) by adding at the end the following new subsection:

"(c)(1) Funds made available pursuant to section 3(b)(3)(1) of this Act may be used, in accordance with this subpart, to provide vocational training and retraining to individuals in order to assist their entry into, or advancement in, high technology occupations or to meet the technological needs of other industries or businesses.

"(2) Special consideration shall be given to individuals described in paragraph (1) who have attained 55 years of age.".

Subpart 2—Special Programs

SEC. 326. AUTHORIZATION OF GRANTS AND USES OF FUNDS.

Section 327 of the Act (20 U.S.C. 2377) is amended—

(1) in subsection (a)—

(A) by inserting "Assistant" before "Secretary"; and

(B) by striking "101" and inserting "111";

(2) in subsection (b), by striking "111" and inserting "116"; and

(3) in subsection (d)—

(A) by inserting "Assistant" before "Secretary"; and

(B) in paragraph (1), by striking "112" and inserting "116".

PART D—COMPREHENSIVE CAREER GUIDANCE AND VOCATIONAL COUNSELING PROGRAMS

SEC. 331. COMPREHENSIVE CAREER GUIDANCE AND VOCATIONAL COUNSELING PROGRAMS.

The heading for part D of the Act is amended to read as follows:

"COMPREHENSIVE CAREER GUIDANCE AND VOCATIONAL COUNSELING PROGRAMS".

SEC. 332. GRANTS FOR CAREER GUIDANCE AND VOCATIONAL COUNSELING.

(a) AMENDMENT OF SECTION HEADING.—The heading for section 331 of the Act (20 U.S.C. 2381) is amended to read as follows:

"GRANTS FOR CAREER GUIDANCE AND VOCATIONAL COUNSELING".

(b) GENERAL AUTHORITY.—Section 331 of the Act (20 U.S.C. 2381) is amended by striking "101" and inserting "111".

SEC. 333. USE OF FUNDS FROM CAREER GUIDANCE AND VOCATIONAL COUNSELING GRANTS.

(a) AMENDMENT OF SECTION HEADING.—The heading for section 332 of the Act is amended to read as follows:

"USE OF FUNDS FROM CAREER GUIDANCE AND VOCATIONAL COUNSELING GRANTS".

(b) GENERAL AUTHORITY.—Section 332 of the Act (20 U.S.C. 2382) is amended—

(1) in the first sentence of subsection (a), by inserting "vocational" before "counseling";

(2) in subsection (b)—

(A) in the first sentence, by inserting "vocational" before "counseling";

(B) in paragraph (2)—

(i) by inserting "vocational" before "counseling"; and

(ii) by inserting "career information delivery system development," after "acquisition,"; and

(C) in paragraph (3), by inserting "vocational" before "counselors"; and

(3) by adding at the end the following new subsection:

"(d) Not less than 20 percent of the sums made available to a State under this part shall be used for research and demonstration projects to establish and implement or demonstrate student/client outcome standards delivered through comprehensive career guidance and vocational counseling programs. Eligible recipients funded by the State for this purpose shall, in collaboration with the State and other State designated eligible recipients, review, set, or make known the student/client outcome standards against which the adequacy and effectiveness of future career guidance and vocational counseling programs supported under this Act will be measured.".

SEC. 334. INFORMATION DISSEMINATION AND LEADERSHIP.

Section 333(a) of the Act (20 U.S.C. 2383(a)) is amended—

(A) by inserting "career" before "guidance"; and

(B) by inserting "vocational" before "counseling".

PART E—BUSINESS-INDUSTRY-EDUCATION PARTNERSHIP FOR TRAINING IN HIGH TECHNOLOGY OCCUPATIONS

SEC. 341. BUSINESS-INDUSTRY-EDUCATION PARTNERSHIP FOR TRAINING IN HIGH TECHNOLOGY OCCUPATIONS.

The heading for part E of the Act is amended to read as follows:

"PART E—BUSINESS-INDUSTRY-EDUCATION PARTNERSHIP FOR TRAINING IN HIGH TECHNOLOGY OCCUPATIONS".

SEC. 342. FINDINGS AND PURPOSE.

Section 341 of the Act (20 U.S.C. 2391) is amended—

(1) in subsection (a)(2), by inserting ", including small business," after "private business"; and

(2) in subsection (b)(2), by inserting "persons with limited English proficiency," after "handicapped,".

SEC. 343. AUTHORIZATION OF GRANTS.

Section 342 of the Act (20 U.S.C. 2392) is amended—

(1) in subsection (a)—

(A) by striking "101" and inserting "111";

(B) by inserting "Assistant" before "Secretary"; and

(C) by inserting "business-" before "industry-education";

(2) in subsection (b)—

(A) by inserting "Assistant" before "Secretary";

(B) in paragraph (1), by inserting "and cooperative education," before "apprentices)";

(C) by striking "and" at the end of paragraph (4);

(D) in paragraph (5)—

(i) by striking "112" and inserting "117"; and

(ii) by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following new paragraph:

"(6) business and industry will be actively involved in the planning, designing, operating, and monitoring of the vocational education and training programs so that their needs will be met."; and

(3) in subsection (c), by inserting "services," before "facilities,".

SEC. 344. USE OF FUNDS.

Section 343(a) of the Act (20 U.S.C. 2393(a)) is amended—

(1) in paragraph (2), by inserting "career" before "guidance";

(2) in paragraph (3)—

(A) by inserting "career" before "guidance"; and

(B) by inserting ", including the development of occupational programs begun in the junior year of high school and completed in a community, technical, or junior college" before the semicolon at the end;

(3) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(4) by inserting after paragraph (3) the following new paragraph:

"(4) activities which encourage collaboration between small business enterprises and vocational education to develop appropriate high-technology skills relevant to the needs of small business and to develop placement opportunities for trained students;".

PART F—TECH-PREP EDUCATION PROGRAMS

SEC. 351. TECH-PREP EDUCATION PROGRAMS.

Title III of the Act (20 U.S.C. 2351 et seq.) is amended by adding at the end the following new part:

"PART F—TECH-PREP EDUCATION PROGRAMS

"SHORT TITLE

"SEC. 351. This part may be cited as the 'Tech-Prep Education Act'.

"FINDINGS AND PURPOSES

"SEC. 352. (a) The Congress finds that—

"(1) rapid technological advances and global economic competition demand increased levels of skilled vocational-technical education preparation and readiness on the part of youths entering the workforce;

"(2) effective strategies reaching beyond the boundaries of traditional schooling are necessary to provide early and sustained intervention by parents, teachers, and educational institutions in the lives of students;

"(3) a combination of nontraditional school-to-work vocational-technical education programs, using state-of-the-art equipment and appropriate technologies, will reduce the dropout rate for high school students in the United States and will produce youths who are mature, responsible, and motivated to build good lives for themselves;

"(4) the establishment of systematic vocational-technical education articulation agreements between secondary schools, postsecondary vocational technical schools, and community colleges is necessary for providing youth with skills in the liberal and practical arts and in basic academics and with the intense vocational-technical preparation necessary for finding a position in the changing workplace;

"(5) by the year 2000, an estimated 15,000,000 manufacturing jobs will require more advanced technical skills, and an equal number of service jobs will become obsolete;

"(6) more than 50 percent of the jobs that are currently developing will require skills greater than those currently provided by existing educational programs;

"(7) dropout rates in urban schools are currently 50 percent or higher and more than 50 percent of all Hispanic youth drop out of school;

"(8) each year, as a result of 1,000,000 youths dropping out of high school with inadequate preparation to enter the workforce, the United States loses $240,000,000,000 in earnings and taxes; and

"(9) employers in the United States pay an estimated $210,000,000,000 annually for formal and informal training, remediation, and in lost productivity as a result of untrained and unprepared youth joining, or attempting to join, the workforce of the United States.

"(b) It is therefore, the purpose of this part—

"(1) to provide State administered planning and demonstration grants to consortia of local educational agencies, postsecondary vocational technical schools, and community colleges, for the development and operation of 4-year programs designed to provide a tech-prep education program leading to an associate degree or 2-year postsecondary certificate for youths; and

"(2) to provide, in a systematic manner, strong, comprehensive links between secondary schools, postsecondary vocational technical schools, and community colleges.

"GENERAL AUTHORITY

"SEC. 353. (a) From the portion of the allotment of each State under section 111, the Assistant Secretary shall make grants to the States, in accordance with State plans, to pay the Federal share of the cost of activities carried out under this part to consortia of—

"(1) local educational agencies or area vocational schools serving secondary school students; and

"(2) community colleges and postsecondary vocational technical schools.

"(b) The Federal share of the cost of any activity carried out with assistance under this part may not exceed—

"(1) for the first year that a grant is received, 100 percent of such cost with respect to development purposes;

"(2) for the second year that a grant is received, 80 percent of such cost with respect to implementation and operation;

"(3) for the third year that a grant is received, 70 percent of such cost with respect to implementation and operation;

"(4) for the fourth year that a grant is received, 60 percent of such cost with respect to operation; and

"(5) for the fifth year that a grant is received, 50 percent of such cost with respect to operation.

"USES OF FUNDS FROM TECH-PREP EDUCATION GRANTS

"SEC. 354. (a) In accordance with State plans, each grant recipient shall use amounts provided under the grant to develop and operate a 4-year tech-prep education program.

"(b) Any such program shall—

"(1) be carried out under an articulation agreement between participants in the consortium;

"(2) consist of the 2 years of secondary school preceding graduation and 2 years of postsecondary education, with a common core of required proficiency in mathematics, science, communications, and technologies designed to lead to an associate degree or 2-year postsecondary certificate in a specific career field;

"(3) include the development of tech-prep education program curriculum appropriate to the needs of the consortium participants; and

"(4) include in-service training for teachers that—

"(A) is designed to train teachers to implement effectively tech-prep education curriculum;

"(B) provides for joint training for teachers from all participants in the consortium; and

"(C) may provide such training in weekend, evening, and summer sessions, institutes, or workshops.

"(c) Any such program may also—

"(1) provide for training programs for counselors designed to enable counselors more effectively to recruit students for tech-prep education programs, ensure their

successful completion of such programs and their placement in appropriate employment; and

"(2) provide for the acquisition of tech-prep education program equipment.

"APPLICATION

"SEC. 355. (a) Each consortium that desires to receive a grant under this section shall submit an application to the State at such time and in such manner as the State shall prescribe.

"(b) Each application submitted under this subsection shall contain a 5-year plan for the development, implementation, and operation of activities under this part.

"(c) Each State shall approve applications based on their potential to create an effective tech-prep education program as provided for in section 354.

"(d) Each State shall give special consideration to applications which—

"(1) provide for effective employment placement activities or transfer of students to baccalaureate degree programs;

"(2) demonstrate commitment to continue the program after the termination of assistance under this part;

"(3) are developed in consultation with business, industry, and labor unions; and

"(4) address effectively the issues of dropout prevention and reentry, the needs of minority youth, the needs of youth with limited English proficiency, and the needs of handicapped and disadvantaged youth.

"(e) In making grants, each State shall ensure an equitable distribution of assistance among a cross section of urban and rural consortium participants.

"REPORTS

"SEC. 356. In accordance with State plans, each grant recipient, with respect to assistance received under this part, shall submit to the State such reports as may be required by the State and the Assistant Secretary to ensure that such grant recipient is complying with the requirements of this part.

"DEFINITIONS

"SEC. 357. For the purposes of this part:

"(1) The term 'articulation agreement' means a commitment to a program designed to provide students with a nonduplicative sequence of progressive achievement leading to competencies in a tech-prep education program.

"(2) The term 'community college' has the meaning provided in section 1201(a) of the Higher Education Act of 1965 for an institution which provides not less than a 2-year program which is acceptable for full credit toward a bachelor's degree.

"(3) The term 'area vocational school' has the meaning provided in section 521(3).

"(4) The term 'postsecondary vocational technical school' means a technical institute or vocational school used exclusively or principally for the provision of vocational education to individuals who have completed or left high school and who are available for study in preparation for entering the labor market.

"(5) The term 'local education agency' has the meaning provided in section 521(19).

"(6) The term 'tech-prep education program' means a combined secondary and postsecondary program which—

"(A) leads to an associate degree or 2-year postsecondary certificate;

"(B) provides advanced technical preparation in such fields as agriculture, business, health, industrial or mechanical trades or applied science;

"(C) provides competence in mathematics, science, and communications (including competence gained through applied academics); and

"(D) leads to placement in employment or further education.".

TITLE IV—NATIONAL PROGRAMS

PART A—RESEARCH AND PROFESSIONAL DEVELOPMENT

SEC. 401. RESEARCH AND PROFESSIONAL DEVELOPMENT.

(a) AMENDMENT OF PART HEADING.—The heading for part A of title IV of the Act (20 U.S.C. 2401 et seq.) is amended to read as follows:

"PART A—RESEARCH AND PROFESSIONAL DEVELOPMENT".

(b) RESEARCH.—Part A of title IV of the Act (20 U.S.C. 2401 et seq.) is amended by inserting after the part heading the following new heading:

"Subpart 1—Research".

Subpart 1—Research

SEC. 402. RESEARCH OBJECTIVES.

Section 401(1) of the Act (20 U.S.C. 2401) is amended by inserting "training or" before "retraining".

SEC. 403. RESEARCH ACTIVITIES.

Section 402 of the Act (20 U.S.C. 2402) is amended—

(1) in subsection (a)—

(A) by inserting "Assistant" before "Secretary" each place it appears;

(B) in the first sentence, by inserting "which may include long-range research," after "research";

(C) in the second sentence—

(i) by striking "the National Institute of Education or";

(ii) by striking "other"; and

(iii) by inserting "or may be conducted through field initiated research" after "appropriate";

(D) in paragraph (1), by inserting "who are in need of training or retraining," after "adults"; and

(E) in paragraph (2), by inserting ", including cooperative education" after "education";

(2) in subsection (b), by inserting "Assistant" before "Secretary";

(3) in subsection (c), by inserting "Assistant" before "Secretary"; and

(4) in subsection (d)—

(A) in paragraph (1), by inserting "Assistant" before "Secretary"; and

(B) by amending paragraph (2) to read as follows:

"(2) The Secretary shall include in the annual report of the Secretary—

"(A) research criteria employed for national level research, including documentation of State input in the development of such criteria;

"(B) a summary of activities funded under this section; and

"(C) a summary of their contributions to the improvement and expansion of vocational education.".

SEC. 404. NATIONAL ASSESSMENT OF VOCATIONAL EDUCATION PROGRAMS ASSISTED UNDER THIS ACT.

Section 403 of the Act (20 U.S.C. 2403) is amended—

(1) in subsection (a)—

(A) in the first sentence—

(i) by inserting "Assistant" before "Secretary";

(ii) by striking "by the" and inserting "under the auspices of the";

(iii) by striking "National Institute of Education" each place it appears and inserting "Office of Educational Research and Improvement";

(B) in paragraph (5), by inserting after "students" the following: ", comparing, where practicable, the impact of nonvocational secondary education and liberal arts postsecondary education programs on such opportunities";

(C) in paragraph (7), by striking "113" and inserting "118";

(2) in subsection (b)—

(A) by inserting "Assistant" before "Secretary"; and

(B) by striking "113" and inserting "118";

(3) in subsection (c)—

(A) by striking "National Institute of Education" and inserting "Office of Educational Research and Improvement"; and

(B) by inserting "Assistant" before "Secretary"; and

(4) in subsection (d)—

(A) by striking "20 percent" and inserting "$1,000,000"; and

(B) by inserting "section 3(d)" after "under".

SEC. 405. NATIONAL CENTER FOR RESEARCH IN VOCATIONAL EDUCATION.

Section 404 of the Act (20 U.S.C. 2404) is amended—

(1) in subsection (a)(2), by inserting "Assistant" before "Secretary" each place it appears;

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by inserting "who are in need of training or retraining," after "nontraditional fields"; and

(II) by inserting ", including juveniles," before "who are incarcerated"; and

(ii) in subparagraph (B), by inserting ", including cooperative education" after "education";

(B) in paragraph (2), by inserting "and personnel" after "leadership"; and

(C) in paragraph (6), by inserting "Assistant" before "Secretary";

(3) in subsection (c)—

(A) by inserting "Assistant" before "Secretary" each place it appears;

(B) in paragraph (2), by inserting "vocational" before "education"; and

(C) in paragraph (9)—

(i) by inserting "career" before "guidance"; and

(ii) by inserting "vocational" before "counseling"; and

(4) by adding at the end the following new subsection:

"(d) Of the amounts available pursuant to section 3(d) for any fiscal year for this part, there shall be available for each fiscal year not less than $7,700,000 to carry out the purposes of this section relating to the National Center for Research in Vocational Education.".

Subpart 2—Professional Development

SEC. 406. PROFESSIONAL DEVELOPMENT.

Part A of title IV of the Act (20 U.S.C. 2401 et seq.) is further amended by adding at the end the following new subpart:

"Subpart 2—Professional Development

"VOCATIONAL EDUCATION PERSONNEL DEVELOPMENT ASSISTANCE

"SEC. 406. (a) From funds available under this section, the Assistant Secretary shall provide—

"(1) opportunities for experienced vocational educators, community-based organization staff, and administrators of programs funded by the Job Training Partnership Act that operate in vocational settings to participate in advanced study of vocational education;

"(2) opportunities for—

"(A) certified teachers, who have been trained to teach in other fields, to become vocational educators, if those teachers have skills and experience in fields which facilitate their training as vocational educators, especially skills and experience teaching individuals with limited English proficiency;

"(B) persons in industry who have skills and experience in vocational fields for which they can be trained to be vocational educators;

"(C) vocational educators to update or maintain technological currency in their fields; and

"(3) opportunities for gifted and talented vocational education secondary and postsecondary students to intern with Federal or State agencies, nationally recognized vocational education associations and student organizations, the National Center for Research in Vocational Education, or leadership research institutes established by section 407 of this Act.

"(b)(1) In order to meet the needs of all States for qualified vocational education leaders (such as administrators, supervisors, teacher educators, researchers, career guidance and vocational counseling personnel, vocational student organization leadership personnel, and teachers in vocational education programs), the Assistant Secretary, following recipient designation by respective State directors of vocational education, shall make available leadership development awards in accordance with the provisions of this subsection only after determination by the respective State director of vocational education that, for the purposes of subsection (a)(1), persons selected for awards—

"(A) have had not less than 3 years of experience in vocational education or in industrial training or, in the case of researchers, experience in social science research which is applicable in vocational education;

"(B) are currently employed or are reasonably assured of employment in vocational education and have successfully completed, as a minimum, a baccalaureate degree program;

"(C) are recommended by their employer, or others, as having leadership potential in the field of vocational education and have been accepted for admission as a graduate student in a program of higher education approved by the Assistant Secretary; and

"(D) have made a commitment to return to the field of vocational education upon completion of education provided through the leadership development award.

"(2) The Assistant Secretary shall, for a period of not to exceed 3 years, pay to persons selected for leadership development awards such stipends (including allowances for tuition, nonrefundable fees, and other expenses for such persons and their dependents) as the Assistant Secretary may determine to be consistent with prevailing practices.

"(3) The Assistant Secretary shall, in addition to the stipends paid to persons under subsection (b)(2), pay to the institution of higher education at which such persons are pursuing a course of study such amount as the Assistant Secretary may determine, not to exceed $9,000 per person per academic year or its equivalent and $3,000 per person per summer session or its equivalent, except that any amount charged such person for tuition and nonrefundable fees and deposits shall be deducted from the amount payable to the institution of higher education under this subsection. Any funds from grants received under this paragraph which remain after deducting normal tuition fees, and deposits attributable to such students, shall be used by the institution receiving such funds for the purpose of improving the program of vocational education offered by that institution, including leadership development pursuant to section 407.

"(4) The Assistant Secretary shall approve the application of the vocational education program of an institution of higher education for the purposes of this section only upon finding that—

"(A) the institution offers a comprehensive program in vocational education with adequate supporting services and disciplines such as education administration, career guidance and vocational counseling, research, and curriculum development;

"(B) such program is designed to substantially advance the objective of improving vocational education through providing opportunities for graduate training of vocation teachers, supervisors, and administrators, and of university level vocational education teacher educators and researchers; and

"(C) such programs are conducted by a school of graduate study in the institution of higher education.

"(5) The Assistant Secretary shall approve the application of the vocational education program of any institution of higher education, for the purposes of this subsection, designated as a leadership research institute, pursuant to section 407.

"(6) The Assistant Secretary, in carrying out this subsection, shall apportion leadership development awards equitably among the States, taking into account such factors as the State's vocational education enrollments, the need for additional vocational education personnel.

"(7) Persons receiving leadership development awards under the provisions of this subsection shall continue to receive the payments provided in subsection (b)(2), not to exceed 3 years, only during such periods as such persons are maintaining satisfactory proficiency in, and devoting essentially, full time to study in the field of vocational education in an approved institution of higher education, or to research in a leadership development research institute designated pursuant to section 407, and are not engaging in gainful employment other than part-time employment by such institution or institute in teaching, research, or similar activities.

"(c)(1) In order to meet the need to provide adequate numbers of teachers and related classroom instructors in vocational education who are technologically current in their fields, to take full advantage of the education which has been provided to already certified teachers who are unable to find employment in their fields of training and of individuals employed in industry who have skills and experiences in vocational fields, and to encourage more instructors from minority groups, as well as teachers with skills and experience with persons with limited English proficiency, the Assistant Secretary, following recipient designation by respective State directors of vocational education, shall make available fellowships, in accordance with the provisions of this subsection, to such individuals upon determination that, for the purpose of subsection (a)(2), individuals selected for such fellowships are—

"(A) currently employed in vocational education and need to update or maintain the currency of their technological skills;

"(B) presently certified, or had been certified within the last 10 years, by a State as teachers in secondary schools, area vocational technical schools/institutes, or in community and junior colleges and have past or current skills and experiences in vocational fields for which they can be trained to be vocational educators, especially skills and experience teaching those with limited English proficiency; or

"(C) employed in agriculture, business, or industry (who need not be baccalaureate degree holders) who have skills and experiences in vocational fields for which there is a need for vocational educators, and that individuals receiving such awards have been accepted by an institution of higher education in a program to assist those persons in gaining the skills to become a vocational educator.

"(2) The Assistant Secretary shall, for a period not to exceed 2 years, pay to persons selected by the State director of vocational education for personnel development fellowships under this subsection, stipends (including such allowances for tuition, nonrefundable fees, and subsistence and other expenses for such persons and their dependents) as the Assistant Secretary may determine to be consistent with prevailing practices.

"(3) The Assistant Secretary shall approve personnel development fellowships at institutions of higher education only upon finding that—

"(A) the institution offers a comprehensive program in vocational education with adequate supporting services and disciplines such as education administration, career guidance and vocational counseling, research and curriculum development; and

"(B) such program is available to persons receiving these fellowships so that they can receive the same quality of education and training being offered in the institution for undergraduate students who are preparing to become vocational education teachers.

"(4) The Assistant Secretary, in carrying out this subsection shall apportion the fellowships equitably among the States, taking into account such factors as the State's vocational education enrollments, the need for additional vocational education personnel, especially minorities and those with skills and experience in teaching persons with limited English proficiency.

"(5) Persons receiving personnel development fellowships under the provisions of this subsection shall continue to receive payments provided in paragraph (2) only during such periods as such persons are maintaining satisfactory proficiency, and devoting full time to study in the field of vocational education in an institution of higher education and are not engaging in gainful employment other than part-time employment by such institution.

"(6)(A) In carrying out this subsection, the Assistance Secretary shall, before the beginning of each fiscal year, based on information from the National Occupation Information Coordinating Committee, State Occupational Information Coordinating Committees, the National Vocational Education Data System established by section 421, and other appropriate sources, publish a listing—

"(i) of the areas of teaching in vocational education which are presently in need of additional personnel;

"(ii) of the areas of teaching which will likely have need of additional personnel in the future; and

"(iii) of areas of teaching in which technological upgrading may be especially critical.

29-059 O-90-23 (Pt. 4)

"(B) In selecting recipients for fellowships under this subsection, respective State directors of vocational education shall grant these fellowships, to the maximum extent feasible to persons seeking to become teachers or upgrade their skills in the areas identified.

"(d)(1) In order to meet the need of attracting gifted and talented vocational education students into further study and professional development in the field of vocational education, the Assistant Secretary shall make available stipends for internships for gifted and talented vocational education secondary and postsecondary students to intern in Federal and State agencies, nationally recognized vocational education associations, the National Center for Research in Vocational Education or leadership development research institutes established by section 407, for a period not to exceed 9 months, only upon determination that—

"(A) persons selected are recommended as gifted and talented by a vocational educator at the secondary or postsecondary school the student attends; and

"(B) the persons selected will be provided professional supervision by an individual qualified and experienced in the field of vocational education at the agency or institution at which the internship is offered.

"(2) The Assistant Secretary shall approve internships for a period not to exceed 9 months to persons selected for the internships under this subsection to cover subsistence and other expenses for such persons as the Assistant Secretary may determine to be consistent with prevailing practices.

"(e) Of the amounts available pursuant to section 3(d) for any fiscal year for this part, there shall be available in each fiscal year not less than $5,000,000 to carry out the provisions of this section.

"LEADERSHIP DEVELOPMENT RESEARCH INSTITUTES

"SEC. 407. (a) From funds available under this section, the Assistant Secretary is authorized to establish and support, through grants or contracts to public colleges and universities, no more than 10 leadership development research institutes to improve the ability of vocational education to better respond to the needs of the labor market and special populations, to further develop professional leadership within the field of vocational education, and to enhance teacher education in the field of vocational education.

"(b) The Assistant Secretary shall award grants or contracts for such leadership development research institutes from among eligible applicants through a competitive process. Such institutes shall be supported for a 5-year period, upon determination each year by the Assistant Secretary that such institute has complied with such performance requirements as the Assistant Secretary shall establish, and be eligible for renewal at the end of 5 years at the discretion of the Assistant Secretary.

"(c) The Secretary shall establish through regulations the process for the selection of the leadership development research institutes and shall set forth priorities of critical national significance upon which eligible applicants may choose to conduct applied research and leadership development activities designed to improve the quality of vocational education. Such areas of significance may include—

"(1) providing quality vocational education and training to handicapped individuals;

"(2) improving the recruitment, preparation, and retention of vocational education teachers;

"(3) delivering vocational education and training to adults who are in need of training or retraining, especially unemployed, dislocated, and older workers, and financially stressed farmers, agricultural workers, and rural families;

"(4) providing vocational education and training to individuals who are single parents, homemakers, or single pregnant women, including education and training related to parenting skills and balancing the roles of work and family;

"(5) developing the role of vocational education in the prevention of 'at risk' students from dropping out of school;

"(6) providing vocational education and training to disadvantaged individuals, including—

"(A) parents eligible for Aid to Families with Dependent Children who are involved in welfare/work related activities;

"(B) youth in foster care and other homeless youth making the transition to independent living; and

"(C) inner-city youth and adults in need of education, training, or retraining;

"(7) improving the role of secondary and postsecondary vocational education in the economic development of communities and the advancement of entrepreneurship education;

"(8) developing curriculum materials and instructional methods relating to new and emerging technologies and the assessment of the nature of change in the workplace, including its effect on individual jobs;

"(9) developing innovative methods to better select and prepare leadership personnel at State or local levels;

"(10) developing the constructive involvement of business and industry in public, secondary, and postsecondary vocational education programs, including cooperative education and advisory councils;

"(11) integrating and reinforcing basic academic skills in vocational settings;

"(12) developing and evaluating programs to enhance learning in the workplace, especially programs designed to reduce adult illiteracy;

"(13) evaluating and improving equity and access to vocational education for all students;

"(14) providing quality vocational education and career development to gifted and talented individuals; and

"(15) providing teacher education and training pursuant to the implementation of tech-prep education and articulation programs.

"(d) Any leadership development research institute selected and established under this section by the Assistant Secretary shall—

"(1) provide leadership and personnel development through advanced study, in-service education, and research activities for State and local leaders in vocational education;

"(2) provide advanced study and research activities appropriate for the recipients of professional leadership development awards provided pursuant to section 405(b)(1);

"(3) offer comprehensive programs of vocational education leading to baccalaureate, masters, and doctoral degrees;

"(4) demonstrate faculty capability in research and professional development activities directly related to vocational education and the specific priority area of national significance upon which it has chosen to focus;

"(5) demonstrate an established record of successful collaboration with Federal agencies, State and local vocational education agencies, postsecondary institutions, business, industry, and labor;

"(6) provide adequate support services such as computer facilities, libraries, and fiscal management;

"(7) provide a substantial contribution (in cash or in kind, including facilities, overhead, personnel, equipment, and services) toward its establishment as a leadership development institute;

"(8) provide assurance that designation as a leadership development research institute will improve the programs of vocational education offered by the institution and contribute to the development of teacher education, leadership, and personnel in the field of vocational education, in conjunction with the provisions of section 406; and

"(9) provide a plan to develop model programs and curriculum suitable for replication.

"(e) The Assistant Secretary shall compile and disseminate the results of research and leadership development projects conducted by leadership development research institutes and promote replication of successful approaches.

"(f) Of the amounts available pursuant to section 3(d) for any fiscal year for this part, there shall be available for each fiscal year up to $7,500,000 to carry out the purposes of this section relating to leadership development research institutes. Of such grants or contracts that the Secretary shall approve for the purposes of this section, no such grant or contract shall exceed $750,000 nor be less than $500,000 during any given fiscal year for which the grant or contract is awarded.".

PART B—DEMONSTRATION PROGRAMS

Subpart 1—Cooperative Demonstration Programs

SEC. 411. PROGRAM AUTHORIZED.

Section 411 of the Act (20 U.S.C. 2411) is amended—

(1) in subsection (a)—

(A) by inserting "Assistant" before "Secretary";

(B) in paragraph (2)(A), by inserting ", cooperative education, after "experience";

(C) in paragraph (3)—

(i) by inserting ", especially those in new and emerging occupations" after "Commerce"; and

(ii) by striking "and" at the end;

(D) by redesignating paragraph (4) as paragraph (7);

(E) by inserting after paragraph (3) the following new paragraphs:

"(4) programs to provide for professional leadership development designed to attract qualified individuals, especially minorities, to full-time study and preparation for leadership within the field of vocational education;

"(5) model programs, including but not limited to, child growth and development labs and centers, which carry out those programs described in section 312(b)(1);

"(6) programs with secondary vocational school students designed to provide participating students with the skills needed for employment or further education by forming partnerships with business, industry, and labor for the purpose of incorporating into school curriculums—

"(A) practical applications of academic subjects;

"(B) career exploration;

"(C) instruction relating to job seeking skills, career choices, and the use of information relating to the labor market; and

"(D) school monitored work experience programs, designed to equip each vocational high school graduate with a resume as well as a diploma; and"; and

(F) in paragraph (7) (as redesignated by subparagraph (E) of this paragraph), by inserting "Assistant" before "Secretary";

(2) in subsection (b), by inserting "Assistant" before "Secretary"; and

(3) in subsection (d), by inserting "Assistant" before "Secretary".

Subpart 2—State Equipment Pools

SEC. 413. PROGRAM AUTHORIZED.

Section 413 of the Act (20 U.S.C. 2413) is amended by inserting "Assistant" before "Secretary" each place it appears.

Subpart 3—Demonstration Centers for the Retraining of Dislocated Workers

SEC. 415. PROGRAM AUTHORIZED.

Section 415 of the Act (20 U.S.C. 2415) is amended by inserting "Assistant" before "Secretary".

Subpart 4—Model Centers for Vocational Education for Older Individuals

SEC. 417. PROGRAM AUTHORIZED

Section 417 of the Act (20 U.S.C. 2417) is amended—

(1) in subsection (a), by inserting "Assistant" before "Secretary";

(2) in subsection (b)(1), by inserting ", including worksite programs such as cooperative education," after "retraining" the second place it appears; and

(3) in subsection (c), by inserting "Assistant" before "Secretary".

PART C—VOCATIONAL EDUCATION AND OCCUPATIONAL INFORMATION DATA

SEC. 421. NATIONAL VOCATIONAL EDUCATION DATA SYSTEM.

Section 421 of the Act is amended to read as follows:

"NATIONAL VOCATIONAL EDUCATION DATA SYSTEM

"SEC. 421. (a) The Assistant Secretary shall, by September 30, 1991, establish a National Vocational Education Data System using comparative information elements and uniform definitions which shall include, but not necessarily be limited to, information on—

"(1) vocational students (including information concerning race, sex, handicapping condition, and representation among special populations);

"(2) vocational student outcomes (including completers, leavers, placement, and follow-up information);

"(3) vocational education programs (including prevocational, secondary, postsecondary, adult, part-time, and all other types of programs offered by occupational specialty;

"(4) student participation in vocational education programs (including the participation of special populations), including disadvantaged and handicapped individuals, women, persons with limited English proficiency, and minorities, in such a manner that longitudinal comparisons may be made;

"(5) vocational education staff; and

"(6) vocational education fiscal expenditures relating to the requirements of this Act, including expenditures by eligible recipients and expenditures for each category of special populations.

"(b)(1) In order to establish, operate, and update such system and develop comparative information elements and uniform definitions, the Assistant Secretary shall establish a task force to be chaired by the Assistant Secretary.

"(2) The task force shall include representation from the National Center for Education Statistics, the Office of Vocational and Adult Education, the Office of Postsecondary Education, the National Center for Research in Vocational Education, the National Occupational Information Coordinating Committee (NOICC) State directors of vocational education, the Committee on Evaluation and Information Systems (CEIS), and national vocational education organizations and associations.

"(3) The task force shall advise the Assistant Secretary concerning the development of comparative information elements and uniform definitions, methodologies to be used, group sample sizes, the frequency with which data in this section are to be collected, and appropriate uses of data and information.

"(c) The data system established by the Assistant Secretary with the advice of the task force shall establish linkages between the data system and evaluations, State plans, performance reports, and local applications required by this Act to facilitate quality use of the data by Federal, State, and local administrators.

"(d)(1)(A) In maintaining and updating the data system, the Assistant Secretary shall endeavor to the fullest extent feasible to make use of other National Center for Education Statistics data collection systems in order to allow for comparability of data across educational programs and to reduce the burden on States for duplicative data collection efforts.

"(B) The Administrator of the National Center for Education Statistics shall provide all necessary assistance to the Assistant Secretary in carrying out the provisions of this section.

"(C) The Assistant Secretary shall endeavor to the fullest extent feasible to make the system compatible with the occupational information system established pursuant to section 422 of this Act, with the vocational data systems authorized under section 161(a) of the Vocational Education Act of 1963, with other systems developed or assisted under the Job Training Partnership Act, and with information collected pursuant to the Education of the Handicapped Act.

"(2) Any State receiving assistance under this Act shall cooperate with the Assistant Secretary in supplying the information required to be submitted by the Assistant Secretary. Each State shall submit the data required to carry out this subsection to the Assistant Secretary in a format developed by the Assistant Secretary with the advice of the task force.

"(3) The Assistant Secretary shall review and update the National Vocational Education Data System in conjunction with the task force every 2 years and prepare acquisition plans of data for operating the system. In carrying out the requirements under this paragraph, the Secretary shall use methodologies developed in conjunction with the task force to ensure comparisons with the general student population and across program areas, except that the information with respect to a handicapped student shall be furnished in accordance with section 423.

"(4) The Assistant Secretary may conduct special studies on vocational education programs to answer specific questions regarding the enrollment and participation of special populations, the success of occupationally specific instruction programs to fulfill workplace needs, and other similar subjects which the Assistant Secretary deems appropriate.

"(e) In carrying out responsibilities under this section, the Assistant Secretary shall cooperate with the Secretary of Labor in implementing section 463 of the Job Training Partnership Act to ensure that the data system operated under this section is compatible with and complementary to other occupational supply and demand information systems developed or maintained with Federal assistance.

"(f) The Assistant Secretary shall prepare an annual report on the operation and findings of the National Vocational Education Data System to be distributed to the States and included as part of the annual report by the Secretary of Education to the Congress on the status of vocational education, submitted on the last day of each fiscal year.

"(g) Of the amounts available pursuant to section 3(f) for each fiscal year for this part, there shall be available in each fiscal year not less than $10,000,000 to carry out the provisions of this section. Of such amounts, not less than 75 percent shall be distributed equitably among the States to assist States in providing data and information relative to the purposes of this section. The Assistant Secretary may retain up to 25 percent of such amounts to enable the task force to carry out its purposes under this part and for discretionary use pursuant to the purposes of subsection (d)(4) of this section.".

SEC. 422. OCCUPATIONAL INFORMATION SYSTEM.

Section 422 of the Act (20 U.S.C. 2422) is amended—

(1) in subsection (a)—

(A) in the second sentence, by striking "section 451" and inserting "this section";

(B) by striking "and" at the end of paragraph (3);

(C) by redesignating paragraph (4) as paragraph (5); and

(D) by inserting after paragraph (3) the following new paragraph:

"(4) develop and implement a labor market data base which is representative of actual jobs, new jobs, replacements, and trends; and"; and

(2) by adding at the end the following new subsection:

"(c) Of the amounts available pursuant to section 3(f) for each fiscal year for this part, there shall be available in each fiscal year not less than $6,000,000 to carry out the provisions of this section. Of such amounts available for the purposes of this section, not less than 75 percent shall be used by the National Occupational Information Coordinating Committee to support State occupational information coordinating committees for carrying out State occupational information systems and career information delivery systems.".

SEC. 423. INFORMATION BASE FOR VOCATIONAL EDUCATION DATA SYSTEM.

The first sentence of section 423 of the Act (20 U.S.C. 2423) is amended by inserting "Assistant" before "Secretary".

SEC. 424. NATIONAL NETWORK FOR CURRICULUM COORDINATION IN VOCATIONAL AND TECHNICAL EDUCATION.

Part C of title IV of the Act (20 U.S.C. 2421 et seq.) is amended by adding at the end the following new section:

"NATIONAL NETWORK FOR CURRICULUM COORDINATION IN VOCATIONAL AND TECHNICAL EDUCATION

"SEC. 424. (a) From the sums allocated to carry out this section, the Assistant Secretary shall establish through grants or contracts a National Network for Curriculum Coordination in Vocational and Technical Education consisting of six regional curricu-

lum coordination centers. The Network shall encourage the designation of a State liaison representative in each of the States. It shall be the purpose of the Network to—

"(1) provide leadership and technical assistance in vocational and technical education curriculum design, development, and dissemination;

"(2) coordinate vocational and technical education curriculum information sharing among all the States and territories;

"(3) reduce duplication of effort in vocational and technical education curriculum development activities among the States and territories; and

"(4) promote the use of vocational and technical education curriculum research findings.

"(b) Of the amounts available pursuant to section 3(f) for any fiscal year for this part, there shall be available in each fiscal year not less than $1,000,000 to carry out the purposes of this section.".

PART D—NATIONAL COUNCIL ON VOCATIONAL EDUCATION

SEC. 431. COUNCIL ESTABLISHED.

Section 431 of the Act (20 U.S.C. 2431) is amended—

(1) in the second sentence of subsection (a)(2), by inserting after "Job Training Partnership Act," the following: "at least one member shall be enrolled as a student in a secondary or postsecondary vocational education program and be an active participant in a vocational student organization,";

(2) in subsection (b)—

(A) by inserting "Assistant" before "Secretary"; and

(B) in paragraph (2), by inserting ", including worksite programs such as cooperative education," after "education";

(3) in the first sentence of subsection (e), by inserting "Assistant" before "Secretary"; and

(4) in the first sentence of subsection (g), by inserting "Assistant" before "Secretary".

PART E—BILINGUAL AND LIMITED ENGLISH PROFICIENCY VOCATIONAL TRAINING

SEC. 440. BILINGUAL AND LIMITED ENGLISH PROFICIENCY VOCATIONAL TRAINING.

(a) AMENDMENT OF PART HEADING.—The heading for part E of title IV of the Act (20 U.S.C. 2441 et seq.) is amended to read as follows:

"PART E—BILINGUAL AND LIMITED ENGLISH PROFICIENCY VOCATIONAL TRAINING".

(b) FINDINGS AND PURPOSE.—Part E of title IV of the Act (20 U.S.C. 2441 et seq.) is amended by inserting after the part heading the following new section:

"FINDINGS AND PURPOSE

"SEC. 440. (a) The Congress finds that—

"(1) persons with limited English proficiency comprise a significant and ever growing portion of our national population;

"(2) with their language, cultural diversity, and strong work ethic, limited English proficient persons represent a valuable resource for this country's future productivity, competitiveness, and defense;

"(3) one of 10 Americans aged 5 and older, representing more than 23,000,000 people, speak a language other than English at home;

"(4) minorities and immigrants will comprise the largest share of new entrants into the labor force between now and the year 2000;

"(5) in the last census, only 21 percent of limited English proficient adults aged 25 and older were high school graduates, compared to 69 percent for persons who spoke only English;

"(6) the unemployment rate of limited English proficient adults 16 years old and older is almost twice that of the general population;

"(7) vocational education can play an important role in assisting persons with limited English proficiency become self-sufficient and productive workers;

"(8) although gains are being made, persons with limited English proficiency are still critically under represented in education and vocational education and training programs; and

"(9) if access and equality of educational opportunity are to be ensured for limited English proficient populations, special vocational education and training programs, targeted to need, must be provided which address the barriers imposed by cultural and language differences.

"(b) It is therefore the purpose of this part—

"(1) to provide direct and targeted assistance for necessary programs and services for persons with limited English proficiency to ensure their access to and successful participation in vocational education and training programs;

"(2) to develop technical assistance and staff development capacity, including recruitment of instructors and staff with bilingual skills or experience in teaching persons with limited English proficiency, within State vocational education departments to better assist local programs serving persons with limited English proficiency; and

"(3) to develop, evaluate, and disseminate information regarding model vocational education and training programs, suitable for replication, designed to assist persons with limited English proficiency.".

(c) SUBPART HEADING.—Part E of title IV of the Act (20 U.S.C. 2441 et seq.) is further amended by inserting after section 440 the following new heading:

"Subpart 1—Bilingual Vocational Training".

Subpart 1—Bilingual Vocational Training

SEC. 441. PROGRAM AUTHORIZED.

Section 441 of the Act is amended—

(1) in subsections (a) through (d), by inserting "Assistant" before "Secretary" each place it appears;

(2) in subsection (a)(1)—

(A) by inserting "20 percent of" after "From";

(B) by striking "section" the first place it appears and inserting "part";

(C) by striking "3(d)" and inserting "3(h)"; and

(D) by striking "English" the first place it appears and inserting the following: "English. Of such sums as are available for this subpart, a portion shall be used"; and

(3) in subsection (b)—

(A) by amending paragraph (1) to read as follows:

"(1) Of such sums as are available for this subpart, a portion shall be used for training for instructors and staff of bilingual vocational education and training programs.";

(B) in paragraph (2)(A)—

(i) by inserting "career guidance and vocational" before "counselors,";

(ii) by inserting "and staff" after "ancillary personnel"; and

(iii) by inserting "serving individuals with limited English proficiency" after "programs" before the semicolon at the end;

(4) in subsection (c), by amending paragraph (1) to read as follows:

"(1) Of such sums as are available for this subpart, a portion shall be used for the development of instructional and curriculum materials, methods, or techniques for bilingual vocational training.";

(5) in subsection (d)—

(A) in paragraph (2), by striking "111" and inserting "116";

(B) in paragraph (5), by striking "111" and inserting "116"; and

(C) in paragraph (6), by striking "section" each place it appears and inserting "subpart";

(6) in subsection (e)—

(A) in paragraph (1)—

(i) by inserting "Assistant" before "Secretary" the first place it appears; and

(ii) by striking "section" and inserting "subpart";

(B) in paragraph (2), by striking "section" and inserting "subpart"; and

(C) in paragraph (3), by striking "Secretary of Education" where it appears and inserting "Assistant Secretary of Education"; and

(7) in subsection (f), by striking "section" each place it appears and inserting "subpart".

Subpart 2—Targeted Assistance for Persons with Limited English Proficiency

SEC. 445. TARGETED ASSISTANCE FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY.

Part E of title IV of the Act (20 U.S.C. 2441 et seq.) is amended by adding at the end the following new subpart:

"Subpart 2—Targeted Assistance for Persons with Limited English Proficiency

"PROGRAM AUTHORIZED

"SEC. 445. (a) From 80 percent of the sums made available to carry out this part in each fiscal year under section 3(h), the Assistant Secretary shall allot to each State for each fiscal year an amount which bears the same ratio to such sums as the population of linguistic minorities in such State, according to the most recent census data, bears to the population of linguistic minorities in all States. Up to 7 percent of such amount shall be available for State administration of programs carried out pursuant to this subpart.

"(b) Any State desiring to receive funds from its allotment for any fiscal year shall include an application as a part of its State plan submitted pursuant to section 123 of this Act. The State board shall conduct public hearings in the State, after appropriate and sufficient notice, for the purpose of affording all segments of the public, but especially organizations and groups representing linguistic minorities, an opportunity to present their views and make recommendations regarding the application. A summary of such recommendations and the State board's response shall be included with the application.

"(c) In developing the State application, the State shall—

"(1) provide assurances that the State will provide leadership, supervision, and resources for assuring access to vocational education and training programs by individuals with limited English proficiency and, as a component of such assurances, further assure that, for each fiscal year, expenditures from allotments for title II for limited English proficient programs and bilingual vocational training will not be less than the expenditures for such programs and training in the State for the fiscal year 1988;

"(2) include enrollment information regarding the limited English proficient

within the State, by specific occupational programs, by grade level, completers and leavers, and State and local expenditures on the limited English proficient;

"(3) provide assurances that the State will provide technical assistance to local programs serving the limited English proficient at the secondary, postsecondary, and adult levels; and

"(4) provide assurances that the State will evaluate programs funded under this subpart in terms of their success in meeting stated objectives and their appropriateness for statewide and national replication.

"(d) From sums made available to carry out this subpart in each fiscal year, States are authorized to make grants and to enter into contracts with appropriate State agencies, local educational agencies, postsecondary educational institutions, private nonprofit vocational training institutions, and other nonprofit organizations specially created to serve persons with limited English proficiency.

"(e) Grants and contracts under this subpart may be used for the development of model programs potentially suitable for statewide or national replication serving persons with limited English proficiency, including—

"(1) vocational education, training, and worksite programs, including bilingual programs, which integrate instruction in the English language into the curriculum or training program to ensure that students or participants in such training will be equipped to pursue work in an English language environment;

"(2) business-industry-labor-education partnership programs which encourage private employer participation in the design and implementation of cost-effective, technology-based worksite training programs for young, limited English proficient individuals;

"(3) vocational skill training for finding and keeping a job, designed specifically for persons with limited English proficiency;

"(4) programs which provide increased access to vocational education and training programs and appropriate support services for those persons with limited English proficiency;

"(5) special services which address the barriers imposed by cultural and language differences;

"(6) staff development and leadership training, including activities to improve the recruitment of linguistic minorities and the preparation of vocational personnel to work with the limited English proficient;

"(7) programs, in cooperation with the State sex-equity coordinator described in section 116, to assure access and equality of opportunity to linguistic minority women;

"(8) programs to create and strengthen collaborative efforts linking vocational education and training programs with bilingual education, adult literacy, career guidance and vocational counseling, and human service providers to better serve those persons with limited English proficiency; and

"(9) transitional education skills programs which teach vocational specific language, literacy, and math skills to prepare limited English proficient persons for entry into vocational education.".

PART F—GENERAL PROVISIONS

SEC. 451. GENERAL PROVISIONS.

Part F of title IV of the Act (20 U.S.C. 2451) is repealed.

TITLE V—GENERAL PROVISIONS

PART A—FEDERAL ADMINISTRATIVE PROVISION

SEC. 501. PAYMENTS.

Section 501 of the Act (20 U.S.C. 2461) is amended—

(1) in subsection (a)—

(A) by inserting "Assistant" before "Secretary"; and

(B) by striking "101" and inserting "106"; and

(2) in subsection (b), by inserting "Assistant" before "Secretary".

SEC. 502. FEDERAL SHARE.

Section 502(b) of the Act (20 U.S.C. 2462(b)) is amended—

(1) in the first sentence—

(A) by striking "equitably" and inserting "in aggregate"; and

(B) by inserting "(including private sector and third-party contributions)," after "local sources" the first place it appears; and

(2) in the second sentence, by striking "local sources" and inserting "State and local sources (including private sector and third party contributions)".

SEC. 503. MAINTENANCE OF EFFORT.

Section 503 of the Act (20 U.S.C. 2463) is amended by inserting "Assistant" before "Secretary" each place it appears.

SEC. 504. WITHHOLDING JUDICIAL REVIEW.

Section 504 of the Act (20 U.S.C. 2464) is amended by inserting "Assistant" before "Secretary" each place it appears.

PART B—DEFINITIONS

SEC. 521. DEFINITIONS.

Section 521 of the Carl D. Perkins Vocational Education Act of 984 is amended—

(1) in paragraph (4), by inserting "vocational" before "counseling";

(2) in paragraph (7), by adding at the end the following new sentence: "Student employment shall be compensated in conformity with Federal, State, and local laws, unless a waiver for compensation is justified and approved by the Assistant Secretary.";

(3) in paragraph (8), by inserting "or delinquent" after "criminal";

(4) in paragraph (9)(F), by inserting "or delinquent" after "criminal";

(5) in paragraph (11)—

(A) by inserting "vocational" before "counseling"; and

(B) by inserting "career" before "guidance";

(6) in the second sentence of paragraph (12), by inserting ", foster care youth making the transition to independent living," after "proficiency";

(7) in paragraph (13), by inserting "Assistant" before "Secretary";

(8) in the second sentence of paragraph (17), by inserting "Assistant" before "Secretary";

(9) in paragraph (20), by inserting "Assistant" before "Secretary";

(10) in paragraph (22), by inserting "Assistant" before "Secretary" each place it appears;

(11) in paragraph (24), by inserting after "Education" the following: "and the term 'Assistant Secretary' means the Assistant Secretary for Vocational and Adult Education";

(12) in paragraph (25), by inserting ", divorced," after "unmarried";

(13) in paragraph (27)—

(A) by striking "and"; and

(B) by inserting before the period the following: "the Marshall Islands, Micronesia, and, upon the effective date of the Compact of Free Association with Palau, Palau";

(14) in paragraph (31)—

(A) by striking "modern industrial and agricultural arts" and inserting "programs of industrial arts/technology education, programs of vocational agriculture education";

(B) by inserting "vocational" before "counseling"; and

(C) by inserting "(including cooperative education)" after "instruction"; and

(15) by adding at the end the following new paragraphs:

"(33) The term 'Office' means the Office of Vocational and Adult Education established by section 101.

"(34) The term 'postsecondary education' means vocational education for persons who have completed or left high school and who are enrolled in organized programs of study for which credit is given toward an associate or other degree, but which programs are not designed as baccalaureate or higher degree programs.

"(35) The term 'prevocational' means any organized, sequential educational program which is directly related to the preparation of individuals for entry into vocational education programs.".

TITLE VI—CONFORMING AMENDMENTS

SEC. 601. AMENDMENT TO TABLE OF CONTENTS.

The table of contents contained in section 1 of the Act is amended—

(1) by striking the item relating to title I and all items that follow through the item relating to section 115 and inserting the following:

"TITLE I—VOCATIONAL AND ADULT EDUCATION

"PART A—OFFICE OF VOCATIONAL AND ADULT EDUCATION

"Sec. 101. Establishment of Office.

"Sec. 102. Purpose.

"Sec. 103. Functions of the Assistant Secretary.

"Sec. 104. Staffing and personnel.

"Sec. 105. Administrative accountability.

"PART B—VOCATIONAL EDUCATION ASSISTANCE TO THE STATES

"Subpart 1—Allotment and Allocation

"Sec. 111. Allotment.

"Sec. 112. Within State allocation.

"Sec. 113. Indian and Hawaiian native programs.

"Subpart 2—State Organizational and Planning Responsibilities

"Sec. 116. State administration.

"Sec. 117. State council on vocational education.

"Sec. 118. State plans.

"Sec. 119. Approval.

"Sec. 120. Local application.";

(2) by striking the item relating to part D of title III and inserting the following:

"PART D—COMPREHENSIVE CAREER GUIDANCE AND VOCATIONAL COUNSELING PROGRAMS";

(3) by striking the item relating to section 331 and inserting the following:

"Sec. 331. Grants for career guidance and vocational counseling.";

(4) by striking the item relating to section 332 and inserting the following:

"Sec. 332. Use of funds from career guidance and vocational counseling grants.";

(5) by striking the item relating to part E of title III and inserting the following:

"PART E—BUSINESS-INDUSTRY-EDUCATION PARTNERSHIP FOR TRAINING IN HIGH-TECHNOLOGY OCCUPATIONS";

(6) by inserting after the item relating to section 343 the following new items:

"PART F—TECH-PREP EDUCATION PROGRAMS

"Sec. 351. Short title.
"Sec. 352. Findings and purposes.
"Sec. 353. General authority.
"Sec. 354. Uses of funds from tech-prep education grants.
"Sec. 355. Application.
"Sec. 356. Reports.
"Sec. 357. Definitions.";

(7) by striking the item relating to part A of title IV and inserting the following:

"PART A—RESEARCH AND PROFESSIONAL DEVELOPMENT";

(8) by inserting after the item relating to part A of title IV (as amended by paragraph (8) of this section) the following new item:

"Subpart 1—Research";

(9) by inserting after the item relating to section 404 the following new items:

"Subpart 2—Professional Development

"Sec. 406. Vocational education personnel development assistance.
"Sec. 407. Leadership development research institutes.";

(10) by striking the item relating to section 421 and inserting the following:

"Sec. 421. National vocational education data system.";

(11) by inserting after the item relating to section 423 the following new item:

"Sec. 424. National network for curriculum coordination in vocational and technical education.";

(12) by striking the item relating to part E of title IV and inserting the following:

"PART E—BILINGUAL AND LIMITED ENGLISH PROFICIENCY VOCATIONAL TRAINING";

(13) by inserting after the item relating to part E of title IV (as amended by paragraph 12 of this section) the following new items:

"Sec. 440. Findings and Purpose.

"Subpart 1—Bilingual Vocational Training";

(14) by inserting after the item relating to section 441 the following new items:

"Subpart 2—Targeted Assistance for Persons With Limited English Proficiency

"Sec. 445. Program authorized.";

(15) by striking the item relating to part F; and

(16) by striking the item relating to section 451.●

By Mr. SYMMS:

S. 659. A bill to repeal the estate tax inclusion related to valuation freezes; to the Committee on Finance.

REPEAL OF ESTATE TAX INCLUSION RELATED TO VALUATION FREEZES

Mr. SYMMS. Mr. President, I rise today to introduce S. 659, to repeal section 2036(c) of the Internal Revenue Code of 1986, an estate tax provision relating to valuation freezes. Section 2036(c) has eliminated so-called "estate freezes" as a practical way of passing family businesses from one generation to the next. It is difficult enough to build a family business and pass it on to the next generation. This law makes it even more difficult.

Family owned businesses are the essence of the American dream. Hard work, ingenuity, resourcefulness, pride, these are the ingredients of a successful family business. These businesses provide jobs, tax revenue, essential products and services, and play a vital leadership role in our communities. It is not easy to build a family business, and we owe a debt to those America families who have chosen this often difficult road.

There are of course many rewards that come of building a family business. Perhaps the greatest is the knowledge that a business that is the result of a lifetime of hard work can be passed on to one's children and grandchildren. Unfortunately, passing on the family business can often be a difficult task. When the founder of a family business dies the value of that business can be subject to estate tax rates up to 55 percent. If the business is a valuable one, a great deal of cash will be required to pay the estate taxes. If the cash is not available, and if the heirs cannot afford to buy the business, that business will have to be sold to pay the taxes. Not only is this unfair to the family involved, it is also bad public policy. It is extremely shortsighted to substitute the one-time estate tax payment of a business that must be sold, and sometimes dissolved, for the potential steady stream of tax revenue from a family business that survives and grows. As the American College of Probate Counsel has pointed out, section 2036(c) "unfairly favors families whose wealth is represented by cash and marketable securities over those who own farms or small businesses."

In order to avoid the tragedy of a family business having to be sold to pay estate taxes, many families have used a technique called an estate freeze. An estate freeze typically involves the aging founder recapitalizing the business. Much of the current value and voting power is allocated to perferred stock which is retained by the founder. The founder then sells or gives common stock to his heirs. The future growth of the business is allocated to this common stock. There is no attempt to avoid taxes, the founder pays the appropriate taxes on this transfer. The difference is that the future growth in the value of the businesses is attributable to the stock held by the heirs, and will not revert back to the founder's estate upon his or her death. The founder's perferred stock will not rise in value, and at death may constitute a small percent of the total value of the business. Likewise, the founder's estate taxes will have been locked in by the freeze. A smaller sum of cash will be needed to pay the taxes or buy the founder's stock than would have been necessary without an estate freeze.

The estate freeze is not unfair to the Treasury. When the firm is recapitalized, the founder is typically old and the heirs are the ones whose hard work makes the business more valuable. The taxes on that value should be paid by the heirs when they either sell the business or die.

Section 2036(c) has largely eliminated this method of passing a family business from one generation to another. That law treats the typical estate freeze after December 17, 1987, as though it never occurred. Upon the founder's death the entire value of the business reverts back to the founder's estate and the heirs or estate must either come up with vast sums of cash or stand by as the family business is sold to the highest bidder to pay estate taxes. It is not difficult to see that this law can have a devastating effect on family businesses. I urge the support of my colleagues in this effort to repeal section 2036(c).

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 659

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (c) of section 2036 of the Internal Revenue Code of 1986 (as amended by the Technical and Miscellaneous Revenue Act of 1988) is hereby repealed.

(b) The repeal made by subsection (a) shall apply in the case of property transferred after December 17, 1987.

By Mr. DECONCINI:

S. 660. A bill to amend the Social Security Act and the Internal Revenue Code of 1986 to modify beginning in 1990 the funding mechanism for Medicare catastrophic coverage by repealing the increase in the part B premium and the imposition of a supplemental premium and funding such coverage by eliminating the limit on wages or self-employment income subject to the hospital insurance tax and through general revenues; to the Committee on Finance.

MEDICARE CATASTROPHIC COVERAGE REFINANCING ACT

● Mr. DECONCINI. Mr. President, I am introducing a bill which proposes to restructure the financing of the catastrophic health benefits which were added to Medicare by Public Law 100-360, the Medicare Catastrophic Coverage Act of 1988. My proposal repeals the part B monthly premium increase and the supplemental premium authorized by Public Law 100-360. To pay for the additional benefits, I propose to uncap the amount of earnings now subject to the Medicare hospital insurance portion of the Social Security payroll tax and to apply the additional revenues collected to the Medicare trust funds. Under my bill, these

proposed changes would be effective January 1990.

In the months since enactment of the Medicare Catastrophic Coverage Act, the public debate about the merits of the new law has been clouded by strong objections to the funding mechanism used to pay for the new benefits. Since it is the first time Congress has applied the principle of progressive financing by the Medicare beneficiary population, some have denounced the new law in its entirety and have called for its repeal. Others have proposed various kinds of delays in the implementation of the law so we can review the fundamental way the act responds to the critical need for protection against catastrophic illness among the elderly. Most will acknowledge that the additional protection offered by the law does meet a number of critical acute care needs which are of particular concern to the elderly.

Mr. President, I joined 86 of my Democratic and Republican colleagues last year to approve the Medicare Catastrophic Coverage Act because I believed that the initial step toward addressing the catastrophic health care needs of the elderly had to begin with the improvement of Medicare. Medicare is the primary source of health insurance for our 31 million older Americans. These are the members of our communities who must live on fixed incomes in a decade when health care costs have outstripped their ability to pay. However, as health care costs have escalated, Medicare has fallen further and further behind in covering the actual health care expenses of the elderly. With each passing year Medicare has paid an increasingly smaller share of covered services, forcing the recipients to make greater out-of-pocket payments primarily for physician services and hospital care.

From 1977 until 1984, the elderly saw a 138-percent increase in their out-of-pocket expenses. They were spending $30.2 billion for these costs by 1984. Their payments for health care have increased at a rate which is 1½ times faster than their incomes have risen from 1980 to 1988. So by 1988, an elderly person was spending $2,394 on health care—18 percent of his or her income—compared to $966 or 12 percent in 1980. This is a substantial amount of money for anyone, let alone the elderly who generally have fewer resources outside of their Social Security or retirement pensions. They undoubtedly have been experiencing a serious erosion in their buying power. In fact, as recently as 1985, we had 2.9 million older Americans struggling to make ends meet on $99 or less a week. Any kind of illness is devastating for them. They must resort to making cruel choices about whether they go see a doctor for basic medical care or put food on their tables.

We as a country decided in 1965 that no elderly citizen in this Nation should have to endure such hardship and enacted Medicare. None of us today would question the wisdom Congress exercised then to provide needed insurance protection for the elderly. I certainly am glad our leaders had the foresight 23 years ago to take the steps they did in enacting Medicare. As a matter of principle, I believe we have a responsibility to protect those who are most vulnerable to the ravages of runaway health care costs. I suspect most of us share that view.

Three years ago most of us welcomed President Reagan's State of the Union commitment to address the issue of catastrophic protection for Americans of all ages. We saw it as a crucial turning point in a decade when affordable health care was slipping beyond the economic means of too many citizens. While the report of the Secretary of Health and Human Services, Otis Bowen, addressed three components of the catastrophic coverage protection, the first response to the findings focused on the financial burden which was being borne by the elderly. Secretary Bowen identified the considerable gaps which had developed in Medicare coverage for the elderly and disabled as a critical area needing our immediate attention. I joined the President when he presented his proposal to shore up the fundamental protection offered by Medicare to the elderly.

Many people felt that this proposal did not go far enough. I agreed, but I also believed it was an important first step in our efforts to respond to our elderly's health care needs. Those who criticized the President's proposal urged expansion of Medicare coverage to include prescription drugs and long-term care. Throughout 1987 the Senate and House grappled with the most fiscally reasonable way to close the Medicare gaps and to alleviate the high acute care costs encountered by the elderly while looking for ways to add coverage for additional benefits like prescription drugs, respite care, skilled care, and home health care. But the Federal Government's fiscal problems placed severe constraints on our ability to develop a satisfactory package of benefits which would make everyone happy.

In the face of such difficult circumstances, it became necessary to make some hard choices. We clearly could not do everything. In addition to catastrophic protection for physician and hospital care, we chose to include phased-in coverage of prescription drugs and add certain types of long-term care benefits. These are all benefits which are not generally available to the elderly through policies offered by private insurers. For those individuals who are fortunate enough to have the resources to buy private insurance, the annual premium costs alone averaged $550 to $600 per year. And these policies are not necessarily comprehensive since many exclude coverage for preexisting conditions. Medicare, on the other hand, is designed to provide coverage to all beneficiaries regardless of income and prior health history. The size of the Medicare population and the program's relatively low administrative costs enable Medicare to provide the needed protection at a lower cost than private insurers.

When fully implemented, the prescription drug benefit alone will benefit 5.8 million Medicare enrollees. Without this coverage, many of these are people who could not follow their doctor's orders to use a prescribed drug simply because they lacked the money to pay for the prescription. Those who were able to marshal their resources to cover their drug therapy expenses were estimated to have spent over $9 billion in 1986. In this age of medical miracles, the miracle of drug therapy unfortunately is not equally accessible to all beneficiaries and the inclusion of the drug benefits corrects this inequity.

Few if any supplemental policies provide coverage for important health care services like respite care, hospice, and home health care. Unfortunately, when it is offered by private policies, many elderly are unable to access affordable policies because they suffer from preexisting illnesses or conditions. So only those with the most resources to spare can pay for the coverage for these vital benefits through Medigap policies. The Catastrophic Health Care Act removes this barrier for more than a million elderly who need these types of care.

Another important long-term care related reform enacted by the new law protects the income, savings, and assets of the wife or husband who remains at home when his or her spouse is living in a nursing home. Now couples will no longer have to spend themselves into poverty before the institutionalized spouse could get financial assistance from the Federal Government.

It is important to consider the value of the added measure of protection gained by the elderly as the result of the new law in the context of their economic status as compared to the rest of the population. In general, the economic status among the elderly is more unequal than among the nonelderly. While their overall poverty rate is lower, a much higher proportion of the elderly than the nonelderly must make do with below-average incomes. In the State of Arizona, the average income for an elderly person in 1984 was $7,700. Nationally in 1984, nearly one-third of the elderly, compared to

less than one-fifth of the nonelderly, had incomes between only one and two times the poverty level. The net wealth of the aged is highly concentrated in the top 5 percent of the elderly households. This 5 percent accounts for over 50 percent of total net wealth for the elderly. Home equity is the only significant form of wealth that is widespread among the lower- and middle-income households of senior citizens.

While the lifetime risk for nursing home institutionalization definitely increases with age, only 5 percent of the elderly are now in nursing homes. In addition to these individuals, the elderly who face the greatest economic insecurity are the one-half to two-thirds who fall into the broadly defined lower-middle income class. These are the members of our communities who are dependent on Medicare to a large extent. They are the ones whose personal budgets take the brunt of the escalating medical costs. They live with the spectre of financial disaster caused by the high out-of-pocket expenses associated with any serious illness requiring hospitalization, doctors' services, and prescription drug treatment as well as the expensive costs of long-term nursing home care should they ever need it.

The ideal solution would provide protection for everyone against all medical expenses whether they are the direct result of acute care or long-term care. But our resource limitations left us very little choice but to address the acute care needs first. I do not like to make these kinds of choices, but these are the difficult decisions we were elected to make.

Unfortunately, developing a solution to the long-term care need had to be deferred. Financing long-term care presented a particularly difficult set of circumstances which had to be carefully thought out. How we respond to this problem holds tremendous implications for the future course of health policy in this country. Rather than moving into uncharted territory to make commitments of significant public resources with little understanding of their long range implications, Congress delayed action but pledged to address this issue during the 101st Congress.

In fact, the Pepper Commission which was authorized by the new law has, been appointed and the members are now sitting down to hammer out a national policy on long-term care. I look forward to receiving their recommendations by the end of the year. Being the eminent experts and leaders in health and aging policy that they are, they surely will provide us with policy recommendations upon which we can fashion a sensitive and reasonable long-term care program that we can all be proud to offer all older Americans.

I know that 86 of my colleagues and President Reagan shared my dilemma. Others argued that the lack of long-term care made the package unacceptable. I had to disagree because to reject the proposal would have amounted to shirking our responsibility to the most vulnerable members of our society. But I agree that the use of beneficiary-paid premiums needs reconsideration.

When President Reagan insisted that the beneficiaries pay for the costs of the bill, all the parties who were involved in the process got the message that he would deny all Medicare beneficiaries additional benefits they needed rather than bend on that point. The consensus was to use his solution—have the beneficiaries pay for the costs through additional premiums. Every effort was made to distribute the financing equitably. However, there are still those in the elderly community who feel that the financing method treats them unfairly. Perhaps we ought to have forced the issue with the President. It is unlikely, however, that we would have won that battle and today the elderly would be without any kind of comprehensive protection against financial bankruptcy caused by serious illness.

It is always easier in retrospect to think that maybe a different approach would have produced different results. Rather than dwelling on that, I offer my proposal to finance the catastrophic benefits provided by the new law by removing the income cap—$45,000—on payroll contributions to the Medicare Trust Fund. I urge my colleagues to consider the financing modifications it proposes. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 660

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Catastrophic Coverage Refinancing Act of 1989".

SEC. 2. REPEAL INCREASE IN PART B PREMIUM.

(a) IN GENERAL.—Section 1839(g) of the Social Security Act (42 U.S.C. 1395r(g)) is amended to read as follows:

"(g)(1) Except as provided in paragraph (2) and subsections (b) and (f), the monthly premium for each individual enrolled under this part otherwise determined, without regard to this subsection, shall be increased by the catastrophic coverage monthly premium of $4.00 for months in 1989.

"(2)(A) In the case of an individual who is a resident of Puerto Rico or who is a resident of another United States commonwealth or territory during any month, instead of the premium increase provided under paragraph (1), subject to subsection (b), the monthly premium for each individual enrolled under this part otherwise determined without regard to this subsection, shall be increased by the catastrophic coverage monthly premium for months in 1989 of $1.30 for a resident of Puerto Rico and $2.10 for a resident of another United States commonwealth or territory.

"(B) For purposes of this paragraph, the term 'United States commonwealth or territory' means Puerto Rico, the United States Virgin Islands, Guam, American Samoa, or the Northern Mariana Islands.".

(b) CONFORMING AMENDMENT.—Section 1389(b) of such Act (42 U.S.C. 1395r(b)) is amended by striking out "(without regard to subsections (f) and (g)(6))" and inserting in lieu thereof "(without regard to subsection (f))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to monthly premiums for months beginning with January 1990.

SEC. 3. REPEAL SUPPLEMENTAL MEDICARE PREMIUM.

Section 59B of the Internal Revenue Code of 1986 (relating to the supplemental medicare premium) is amended by adding at the end thereof the following new subsection:

"(g) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 1989.".

SEC. 4. ELIMINATION OF LIMIT ON WAGES OR SELF-EMPLOYMENT INCOME SUBJECT TO HOSPITAL INSURANCE TAX.

(a) ELIMINATION OF LIMIT.—

(1) IN GENERAL.—Section 230 (42 U.S.C. 430) is amended by adding at the end the following new subsection:

"(e) Notwithstanding any other provision of this Act or of the Internal Revenue Code of 1986, this section shall not have the effect of limiting the total amount of any individual's net earnings from self-employment or remuneration for employment which is subject to the hospital insurance tax under section 1401(b), 3101(b), or 3111(b) of the Internal Revenue Code of 1986; and sections 1402(b)(1) and 3121(a)(1) of such Code shall not apply in determining the amount of any individual's wages and self-employment income for purposes of that tax.".

(2) CONFORMING AMENDMENTS.—

(A) SELF-EMPLOYMENT INCOME.—Section 1402(b) of the Internal Revenue Code of 1986 is amended by striking "except that such term shall not include" in the matter preceding paragraph (1) and inserting "except that (subject to section 230(e) of the Social Security Act) such term shall not include".

(B) WAGES.—Section 3121(a) of such Code is amended by striking "except that such term shall not include" in the matter preceding paragraph (1) and inserting "except that (subject to section 230(e) of the Social Security Act) such term shall not include".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to remuneration paid after December 31, 1989, and with respect to earnings from self-employment attributable to taxable years beginning after December 31, 1989.

SEC. 5. CONFORMING AMENDMENTS TO FEDERAL HOSPITAL INSURANCE CATASTROPHIC COVERAGE RESERVE FUND, FEDERAL CATASTROPHIC DRUG INSURANCE TRUST FUND, AND MEDICARE CATASTROPHIC COVERAGE ACCOUNT.

(a) RESERVE FUND.—Paragraph (2) of section 1817A(a) of the Social Security Act (42 U.S.C. 1395i-1a(a)) is amended—

(1) by striking out the first sentence thereof and inserting in lieu thereof the following: "There are hereby appropriated to the Reserve Fund from premiums attributa-

ble to the amendments made by section 4 of the Medicare Catastrophic Coverage Refinancing Act of 1989, and such sums as may be necessary (if any) from the general fund in the Treasury amounts equivalent to 100 percent of the amount of outlays made under this part attributable to the amendments made by the Medicare Catastrophic Coverage Act of 1988.", and

(2) by striking out the last sentence thereof.

(b) DRUG FUND.—

(1) Paragraph (2) of section 1841A(a) of the Social Security Act (42 U.S.C. 1395t-1(a)) is amended—

(A) by striking out the first sentence thereof and inserting in lieu thereof the following: "There are hereby appropriated to the Trust Fund from such premiums attributable to the amendments made by section 4 of the Medicare Catastrophic Coverage Refinancing Act of 1989 and remaining after appropriations under section 1817A(a)(2), and such sums as may be necessary (if any) from the general fund in the Treasury, amounts equivalent to 100 percent of the payments described in subsection (c).", and

(B) by striking out the last sentence thereof.

(2) Paragraph (1) of section 1841A(d) of such Act (42 U.S.C. 1395t-1(d)) is amended to read as follows:

"(d)(1) The Secretary of the Treasury, in consultation with the Board of Trustees of the Trust Fund, shall publish in the Federal Register, not later than July 1 of each year (beginning with 1992), information on—

"(A) outlays made from the Trust Fund in the preceding year, and

"(B) the balance in the Trust Fund as of the close of the preceding year.".

(3) Paragraph (2) of section 1841A(d) of such Act (42 U.S.C. 1395t-1(d)) is amended by striking out "and of premiums established under section 1839(g) and under section 59B of the Internal Revenue Code of 1986".

(4) Subsection (i) of section 1840 of such Act (42 U.S.C. 1395s) is repealed.

(5) Subsection (a) of section 1841 of such Act (42 U.S.C. 1395t) is amended by striking out the last 3 sentences thereof.

(c) ACCOUNT.—Section 1841B of the Social Security Act (42 U.S.C. 1395t-2) is amended—

(1) by striking out "and section 59B of the Internal Revenue Code of 1986," in subsection (a),

(2) by striking out "and for purposes of section 59B of the Internal Revenue Code of 1986" in subsection (a),

(3) by striking out subparagraph (A) of subsection (b)(1) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively,

(4) by striking out paragraph (1) of subsection (c) and inserting in lieu thereof the following:

"(c)(1) The Secretary of the Treasury shall publish in the Federal Register, not later than July 1 of each year (beginning with 1990), information on—

"(A) the outlays made from the Account in the preceding year, and

"(B) the balance in the Account as of the close of the preceding year.", and

(5) by striking out "and of the premiums established under section 1839(g) and under section 59B of the Internal Revenue Code of 1986" in subsection (c)(2).

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on January 1, 1990.●

By Mr. SYMMS (for himself and Mr. MCCLURE):

S. 661. A bill to amend title 23, United States Code, to authorize the Secretary of Transportation to approve the use of interstate safety rest areas for limited commercial enterprises; to the Committee on Environment and Public Works.

OPERATION OF CERTAIN COMMERCIAL ENTERPRISES AT INTERSTATE SAFETY REST AREAS

Mr. SYMMS. Mr. President, today I am pleased to be joined by the senior Senator from Idaho, Mr. MCCLURE, in introducing legislation that will allow States celebrating centennial or other extraordinary State historical observances to operate concessions at rest areas along the Interstate System. In 1989 and 1990, six Northwest States, North and South Dakota, Montana, Wyoming, Idaho, and Washington, will celebrate their centennials.

These celebrations are important to each State; activities planned include centennial commissions, centennial license plates, native and cultural heritage exhibits, and even a designation of 1,200 miles of refurbished trails in my State of Idaho. These special occasions draws attention to the highly varied and distinct history of cultures and heritage that make up each respective State. Commemorating these historical events is an important study in State history that undoubtedly will draw attention to activities and people that are much a part of this Nation's founding history.

This legislation authorizes the Secretary of Transportation to approve the use of interstate safety rest areas for limited commercial enterprises. Current Federal law prohibits commercial establishments or any charge to the public at safety rest areas. This provision provides all States this opportunity but also requires that these activities be conducted at appropriate information centers that will not interfere with the normal operations of a safety rest area. In addition, any State wishing to use rest area facilities for this purpose is required to provide adequate information regarding how the facilities will be used and what items will be sold well in advance of any celebratory occasion.

Mr. President, State historical observances are rare occasions and celebrating them to their fullest extent is important to citizens of all ages. I urge this Congress to pass this provision that will affect each and every State in the coming years.

I ask unanimous consent that the bill be printed in the RECORD at the end of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 661

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Section 111 of title 23, United States Code, is amended—

(1) by adding the following new subsection:

"(C) STATE HISTORICAL OBSERVANCES.—Notwithstanding subsections (a) and (b) any state may operate concessions in safety rest areas located on rights-of-way of the Interstate System in conjunction with extraordinary State occasions such as centennial, sesquicentennial, and similar celebrations. Such activities are to be conducted at appropriate information centers so situated as to not interfere with the normal operations of a safety rest area. The State shall provide adequate information about such facilities to the Secretary sufficiently in advance of the occasion.

Mr. MCCLURE. Mr. President, I rise in support of the legislation offered by my colleague from Idaho, Mr. SYMMS. This bill will amend section 111 of title 23 to allow States to operate concessions in safety rest areas located on rights-of-way of the Interstate System. Concessions will be allowed only in conjunction with extraordinary State occasions such as centennial celebrations.

Mr. President, Idaho will celebrate its centennial next year. The Idaho Centennial Commission and local centennial committees in each of the Idaho's 44 counties are planning events and projects which will involve all of Idaho's 1 million citizens in the celebration. In addition, other activities are designed to attract people from outside of Idaho and give them the opportunity to share in our celebration.

The bill we introduce today will provide another opportunity to share a little of Idaho with traveling motorists by allowing the State to set up roadside concession stands at rest areas. Current law prohibits such activity but our bill authorizes the Secretary of Transportation to approve limited commercial activities for extraordinary State events such as centennials.

Mr. President, Idaho covers approximately 83,000 square miles—that's roughly the size of Pennsylvania and Ohio combined. The distance between Idaho's northern and southern borders is the equivalent of driving from Washington, DC to Boston. Many visitors are unable to see the beauty of the entire State due to its vast area. Most see only the scenery from the interstate highways as they pass through the State. Therefore, by allowing the State to establish concession enterprises at the rest areas, Idahoans can make available to the traveling public items and goods which will provide a much broader experience of our great State.

Mr. President, I am proud to represent the "Gem State" and look forward to the many activities and events which will commemorate its 100th year.

By Mr. SYMMS:

S. 662. A bill to amend the Internal Revenue Code of 1986 to increase and index the calendar quarter wage threshold for determining agricultural labor employees for purposes of imposing the Federal unemployment tax; to the Committee on Finance.

FEDERAL UNEMPLOYMENT COMPENSATION

Mr. SYMMS. Mr. President, I rise to introduce legislation to update language in the unemployment compensation law that is extending a larger tax burden on more and more small family farms because of its insensitivity to inflation.

Currently, under the Federal Unemployment Tax Act [FUTA] employers of agricultural labor must pay a payroll tax on a portion of wages paid in order to finance our unemployment compensation system. However, when Congress authorized FUTA, there was a desire to exempt small family farms from this contribution. This was done by defining, as liable to contribute, only employers who pay more than $20,000 for agricultural labor in any calendar quarter during the current or preceding calendar year. The problem with this exemption is that it was established in 1977 and has not kept up with inflation or the increased labor costs associated with the Immigration Reform and Control Act of 1986. Clearly, if Congress is serious about the commitment it has historically made to the small family farm, this FUTA threshold ought to be raised.

The legislation I am introducing today would not only right this wrong, but also would adjust the small family farm exemption for future inflation. I propose to accomplish this by raising the minimum quarterly wage payment provision from $20,000 to $40,000 and by tying this dollar amount in the future to the cost-of-living adjustment.

The bill would also allow agricultural employers to more fairly compensate tenured workers by paying them higher wages. Small employers currently have no incentive to do this if it would mean being pushed into FUTA contributing status. This makes it even harder for small farmers to compete with the larger farming operations' wages and it also makes it harder for experienced workers to stay with a smaller farm.

In closing, this bill is needed to lift an unforeseen tax burden on small farming operations and to prevent a future burden to be laid upon them. I urge my colleagues to support the legislation, and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 662

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CALENDAR QUARTER WAGE THRESHOLD FOR DETERMINING AGRICULTURAL LABOR EMPLOYERS INCREASED TO $40,000.

(a) IN GENERAL.—Paragraph (2) of section 3306(a) of the Internal Revenue Code of 1986 (defining employer) is amended—

(1) by striking out "$20,000" in subparagraph (A) and inserting in lieu thereof "$40,000", and

(2) by adding at the end thereof the following new sentence:

"In the case of any calendar year beginning after 1989, the dollar amount referred to in subparagraph (A) shall be increased by an amount equal to such dollar amount, multiplied by the cost-of-living adjustment (determined under section 1(f)(3) for the calendar year by substituting 'calendar year 1989' for 'calendar year 1987' in subparagraph (B) thereof).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to any calendar year beginning after December 31, 1989.

By Mr. HEFLIN:

S. 663. A bill to provide for additional contingent termination liability for the Advanced Solid Rocket Motor Program; to the Committee on Commerce, Science, and Transportation.

ADVANCED SOLID ROCKET MOTOR CONTINGENT LIABILITY ACT

Mr. HEFLIN. Mr. President, I rise today to introduce legislation to provide for additional contingent liability for NASA's Advanced Solid Rocket Motor Program. Contingent liability can also be termed "termination liability."

As many of my colleagues know, whenever the Federal Government enters into a contract with a private concern and the contract contains any element of private financing, the Federal department or agency initiating the contract must have the authority to cover any losses that the private contractor might incur in the event that the Government, for reasons of its own, terminates the contract.

In the case of the ASRM Program, NASA's original intention was to develop a Government-owned contractor operated [GOCO] facility in which to build the new powerful rocket motors. However, the Reagan administration, through OMB, decided that private financing of the facility should be considered. As a result, contractors bidding on the ASRM Program were also required to propose bids which offered private financing options to NASA for the construction of the facility. Thus, there was no question that the issue of contingent liability would have to be addressed.

Mr. President, this is substantially the same language that had been included in section 207 of the Senate-passed version of the NASA authorization bill for fiscal year 1989. However, in the closing days of the 100th Congress, the House stripped this important portion of section 207 from that bill.

Officials at OMB and NASA, along with Senate supporters of the ASRM, felt that omission of this Senate language dealing with contingent liability was serious enough that something had to be done or else the entire program would be delayed to the extent that the entire program could be killed.

In order to resolve this matter, the distinguished Senator from South Carolina and chairman of the Commerce Committee, Senator HOLLINGS; Dr. Fletcher, the Administrator of NASA; senior officials at OMB and I worked diligently together in the last days of the 100th Congress to establish an agreement that insured that the $27 million authorized in the bill for the construction of the plant could be used as interim contingent liability should it become necessary. Legislative history was made to establish that $27 million in construction money would be available for contingent liability. This was established through discussions and agreements between NASA, senior officials at OMB, and the backers of the Senate bill, as well as the author of the Senate bill. In order to finalize these discussions and agreements into the legislative history, a colloquy occurred between the author of the bill, Senator HOLLINGS, and myself, on the floor of the Senate during final consideration of the NASA authorization bill after it had come back from the House, to clearly establish that the $27 million in construction money could be used toward contingent liability. With this assurance NASA went ahead and conducted a fair and open competition that would allow the consideration of both privately and publicly financed facilities.

NASA officials have related to me that this action, in which legislative history was created to allow the $27 million construction money to be used for contingent liability, kept the program from being killed. However, we must realize that the availability of these moneys from the construction aspect of the program is merely interim and temporary relief as it would relate to contingent liability. In order to proceed it is necessary that we have language substantially similar to the language that was contained in said Senate passed bill which will clearly provide for contingent liability over the lifetime of the project. Therefore, this legislation is necessary and needed.

An additional reason for the necessity of this legislation is that the President in the submission of his budget did not request funds for the construction of the facilities. This clearly and unmistakenly points out that the Bush administration wants this project to proceed under a private financing arrangement.

Mr. President, based on last fall's discussions and the legislative record, NASA's position is that a contractor can be selected under the current status. It is anticipated that NASA will select a contractor for the advanced solid rocket motor in April of this year. However, should a proposal which contains private financing on the Government selected site be selected, the contract could not be signed responsibly and in good conscience without the legislation that I am proposing today. It is important, therefore, that the Congress proceed with this legislation so that should NASA choose to select a private financing option, there will be no delays in the program.

In that regard, I am pleased to introduce this bill and urge expeditious action by the Senate.

Mr. President, I ask unanimous consent that a copy of the bill be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 663

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Advanced Solid Rocket Motor Contingent Liability Act."

SEC. 2. If, pursuant to Section 207 of the National Aeronautics and Space Administration Authorization Act, Fiscal Year 1989 (Public Law 100-685) the Administrator selects a proposal for an Advanced Solid Rocket Motor (ASRM) offering a privately financed production facility to be constructed on a government site, the Administrator is authorized, notwithstanding any provision of law to the contrary, to provide for the payment for contingent liability in excess of available appropriations in the event the Government for its convenience terminates such contract, if any such contract limits the amount of the payments that the Federal Government is allowed to make under such contract to amounts to be provided in advance in appropriation Acts.

By Mr. ARMSTRONG (for himself, Mr. DECONCINI, Mr. SIMPSON, Mr. KASTEN, Mr. SYMMS, Mr. BOSCHWITZ, and Mr. WALLOP):

S. 664. A bill to amend the Internal Revenue Code of 1986 to provide for the indexing of certain assets; to the Committee on Finance.

INDEXING OF CERTAIN ASSETS

Mr. ARMSTRONG. Mr. President, just about every student of elementary economics is familiar with the Invisible Hand, Adam Smith's personification of capitalism. And in America, the land of capitalism, we've relied on the Invisible Hand to build up capital, to promote enterprise, and to create jobs.

For two centuries, it's done a pretty good job. The United States, with its capitalist economy, has been a successful model for the rest of the world. We flourished because capital—the tangible result of investment and productivity—was safe. American homeowners don't live in the fear that the Government will confiscate their biggest capital investment. Corporations don't live in fear that triple-digit inflation or a capricious monarch will obliterate their businesses.

But in the United States in 1989, the Invisible Hand holds an Invisible Knife. The unseen forces guiding the economy aren't working the way Adam Smith envisioned. The economic forces that built the powerful American economy—investment, productivity, and savings—are no longer gently encouraged by the Invisible Hand. They are steadily carved out by oppressive capital gains tax rates and by the invisible tax on capital gains caused by inflation.

Both problems should be remedied: Congress should reduce capital gains rates, as President Bush has requested, and index the basis of capital gains.

Today, I am introducing legislation to do the latter: to index the basis of capital gains tax rates to keep pace with inflation. American taxpayers and businesses desperately need protection from capital erosion, the higher taxes that result when inflation artificially increases the value of capital.

Indexing would reduce the effective capital gains rate and would protect taxpayers from a patently unfair tax. For example, if a family bought a farm for $40,000 in 1963, worked hard for 25 years and built it up, and sold it last year for $300,000, they owed capital gains tax on $260,000. But most of that $260,000 increase in price is due to inflation. That family had to pay taxes, not just on the real gains in their capital investment, but on paper gains caused by inflation.

That's not fair. Forcing individuals, families, and businesses to pay taxes on inflation runs counter to every notion of basic equity that ought to be the guiding principle of the American tax system. The solution is as simple as the problem: index the basis of the capital gains tax to offset that part of the price increase caused purely by inflation.

For the family selling the farm, that would make a big difference. Instead of paying taxes on a $260,000 gain, they could adjust the original purchase price of the farm to keep pace with inflation. If $160,000 of the gain is inflationary, they pay taxes on only the $100,000 of the real gain in their assets.

Basic fairness to the American taxpayer isn't the only problem with American capital gains treatment. As you might expect, what's good for American taxpayers and businesses is good for the economy as a whole: if the Invisible Knife in our present capital gains tax structure stops carving away at American savings and investment, the efficiency and productivity of the whole economy improves. We would stimulate long-term investment, boost employment, increase national output, and in turn fuel Federal revenues from virtually every tax the Government collects.

With our current, destructive capital gains tax, we unwittingly discourage the sale and exchange of assets. We have erected giant roadblocks on the paths of productivity where Adam Smith's Invisible Hand would otherwise guide investment. Savings, entrepreneurial ventures, investment in new plant and equipment, and new technologies all suffer under the attack of the Invisible Knife. Families and homeowners see the investment of their lives evaporate as if by black magic. American businesses are dragged down in their efforts to compete in international markets.

In fact, America—the model of the capitalist system—probably has the most anticapital tax system in the free world. The respected magazine, the Economist, has reported: "At a time when most of the capitalist world is moving toward cutting capital gains taxes * * * America is moving in the opposite direction." West Germany, Belgium, Italy, Holland, Taiwan, Singapore, Hong Kong, and South Korea have no long-term capital gains tax at all. While the United States maximum rate rose from 20 to 33 percent, even the socialist Governments of France and Sweden imposed rates of only 16 and 18 percent, respectively. In Canada, the top rate is 17.51 percent, applied only after the first $22,650 per year in capital gains is realized. And Japan, perceived as our toughest international competitor, has a capital gains rate of only 5 percent.

America needs capital gains indexing. It would be one of the most important tax initiatives that has ever been undertaken by the Congress. Tax law, in the wake of the 1986 reforms, punishes capital investment more than ever. Not long ago, 60 percent of all capital gains were tax-exempt, and taxable gains faced a maximum rate of 20 percent—a rate much lower than ordinary income. But the 1986 act repealed the capital gains exclusion. Capital gains are now taxed at the same rate as wages, salaries, dividends, and other sources of earned income. They face a Federal tax rate as high as 33 percent.

In its rush to tax capital gains more heavily to fuel the tax-and-spend machine, Congress has revealed its institutional amnesia. History is clear: Raising tax rates does not raise revenues. In fact, the opposite has been true. In 1969, the capital gains tax rate was hiked from 35 to 49 percent, and within 2 years revenues fell more than 40 percent. Despite the gloomy predic-

tions of the Carter Treasury Department in 1978 that cutting capital gains taxes to 28 percent would cost more than $2 billion per year, Congress did lower the top rate to that level. The result? Capital gains revenues jumped 44 percent in 1 year.

Mr. President, indexing capital gains is not a new idea. The Senate has passed this type of legislation twice; it has passed the House of Representatives; and it has been endorsed by the U.S. Chamber of Commerce, by many thoughtful journals of opinion, and by leading economists such as Martin Feldstein, former chairman of the President's Council of Economic Advisers.

Nor is indexing unprecedented for the Tax Code. Individual income taxes are already indexed for inflation, so Americans are no longer bumped into higher brackets or slapped with a bigger tax bill just because their salaries increase with inflation. The same principle applies to capital gains: it's ironic, and just plain unfair, for the Government to create inflation in the first place, then to try to make the taxpayers pay for it.

How would capital gains indexing work? My legislation removes the inflation tax by letting taxpayers adjust the basis of certain assets using the gross national product deflator. The adjustment is the percent increase in inflation as measured by the GNP deflator from the time the asset was purchased or the effective date of legislation, whichever is later, until the time the asset is sold. Then, the capital gains tax will apply only to the real gain and not to the false, inflationary gain.

Under this bill, capital gains indexing applies only to corporate stock and real property purchased when capital gains rates were at near historical lows and which are now taxed at ordinary tax rates. It does not apply for purposes of determining depreciation, cost depletion, or amortization. Debt is completely excluded from the inflation adjustment. Other provisions apply the inflation adjustment to index assets for determining corporate earnings and profits, and allow the indexing benefit to be passed on to shareholders and owners in conduit organizations such as partnerships, subchapter S corporations, regulated investment companies, and real estate investment trusts.

Mr. President, I hope Congress will soon debate the issue of capital gains rate reduction. President Bush has given the idea a high profile ever since the campaign, by promoting his plan to lower the top capital gains rate from 33 to 15 percent. That will be a worthwhile debate. In the meantime, however, I hope Congress will look favorably on my more modest proposal to index the basis of capital gains.

I'm sure, in this debate, we'll hear the same tired old arguments we always hear about reducing the capital gains tax burden: First, that it would cost the Treasury revenues. Even the most critical estimates project indexing would cost the Treasury very little. Many estimate it would, in fact, boost revenues as overall productivity increases. Second, we'll hear that improving capital gains treatment benefits only the wealthy. Who believes that? Not the lower middle income family selling its home, paying taxes on an illusory, inflated gain when the inflation-adjusted value of the home has actually decreased. Who believes it? Not the small businessman who bought a laundromat 10 years ago in the hope of making an investment, worked hard for a decade, then saw all his profits taxed as a result of phantom, paper gains.

Mr. President, I hope Congress doesn't believe those old arguments anymore. Somewhere along the line, U.S. policymakers got the idea they could make taxpayers pay for inflation, increase revenues, and expand the economy all at once. But all the indicators now tell us capitalism won't work if we punish the capital. Improving treatment of capital gains is the first step toward putting it back.

Finally, Mr. President, I ask unanimous consent that the text of our bill indexing capital gains be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 664

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN OR LOSS.

(a) IN GENERAL.—Part II of subchapter O of chapter 1 of the Internal Revenue Code of 1986 (relating to basis rules of general application) is amended by inserting after section 1021 the following new section:

"SEC. 1022. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN OR LOSS.

"(a) GENERAL RULE.—

"(1) INDEXED BASIS SUBSTITUTED FOR ADJUSTED BASIS.—Except as provided in paragraph (2), if an indexed asset which has been held for more than 1 year is sold or otherwise disposed of, for purposes of this title the indexed basis of the asset shall be substituted for its adjusted basis.

"(2) EXCEPTION FOR DEPRECIATION, ETC.—The deduction for depreciation, depletion, and amortization shall be determined without regard to the application of paragraph (1) to the taxpayer or any other person.

"(b) INDEXED ASSET.—

"(1) IN GENERAL.—For purposes of this section, the term 'indexed asset' means—

"(A) stock in a corporation, and

"(B) tangible property (or any interest therein), which is a capital asset or property used in the trade or business (as defined in section 1231(b)).

"(2) CERTAIN PROPERTY EXCLUDED.—For purposes of this section, the term 'indexed asset' does not include—

"(A) CREDITOR'S INTEREST.—Any interest in property which is in the nature of a creditor's interest.

"(B) OPTIONS.—Any option or other right to acquire an interest in property.

"(C) NET LEASE PROPERTY.—In the case of a lessor, net lease property (within the meaning of subsection (h)(1)).

"(D) CERTAIN PREFERRED STOCK.—Stock which is fixed and preferred as to dividends and does not participate in corporate growth to any significant extent.

"(E) STOCK IN CERTAIN CORPORATIONS.—Stock in—

"(i) an S corporation (within the meaning of section 1361),

"(ii) a personal holding company (as defined in section 542), and

"(iii) a foreign corporation.

"(3) EXCEPTION FOR STOCK IN FOREIGN CORPORATION WHICH IS REGULARLY TRADED ON NATIONAL OR REGIONAL EXCHANGE.—Clause (iii) of paragraph (2)(E) shall not apply to stock in a foreign corporation the stock of which is listed on the New York Stock Exchange, the American Stock Exchange, or any domestic regional exchange for which quotations are published on a regular basis other than—

"(A) stock of a foreign investment company (within the meaning of section 1246(b)), and

"(B) stock in a foreign corporation held by a United States person who meets the requirements of section 1248(a)(2).

"(c) INDEXED BASIS.—For purposes of this section—

"(1) INDEXED BASIS.—The indexed basis for any asset is—

"(A) the adjusted basis of the asset, multiplied by

"(B) the applicable inflation ratio.

"(2) APPLICABLE INFLATION RATIO.—The applicable inflation ratio for any asset is the percentage arrived at by dividing—

"(A) the gross national product deflator the calendar quarter in which the disposition takes place, by

"(B) the gross national product deflator for the calendar quarter in which the asset was acquired by the taxpayer (or, if later, the calendar quarter ending December 31, 1988).

The applicable inflation ratio shall not be taken into account unless it is greater than 1. The applicable inflation ratio for any asset shall be rounded to the nearest one-tenth of 1 percent.

"(3) GROSS NATIONAL PRODUCT DEFLATOR.—The gross national product deflator for any calendar quarter is the implicit price deflator for the gross national product for such quarter (as shown in the first revision thereof).

"(4) SECRETARY TO PUBLISH TABLES.—The Secretary shall publish tables specifying the applicable inflation ratios for each calendar quarter.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) TREATMENT AS SEPARATE ASSET.—In the case of any asset, the following shall be treated as a separate asset:

"(A) a substantial improvement to property,

"(B) in the case of stock of a corporation, a substantial contribution to capital, and

"(C) any other portion of an asset to the extent that separate treatment of such por-

tion is appropriate to carry out the purposes of this section.

"(2) ASSETS WHICH ARE NOT INDEXED ASSETS THROUGHOUT HOLDING PERIOD.—

"(A) IN GENERAL.—The applicable inflation ratio shall be appropriately reduced for calendar months at any time during which the asset was not an indexed asset.

"(B) CERTAIN SHORT SALES.—For purposes of applying subparagraph (A), an asset shall be treated as not an indexed asset for any short sale period during which the taxpayer or the taxpayer's spouse sells short property substantially identical to the asset. For purposes of the preceding sentence, the short sale period begins on the day after the substantially identical property is sold and ends on the closing date for the sale.

"(3) TREATMENT OF CERTAIN DISTRIBUTIONS.—A distribution with respect to stock in a corporation which is not a dividend shall be treated as a disposition.

"(4) SECTION CANNOT INCREASE ORDINARY LOSS.—To the extent that (but for this paragraph) this section would create or increase a net ordinary loss to which section 1231(a)(2) applies or an ordinary loss to which any other provision of this title applies, such provision shall not apply. The taxpayer shall be treated as having a long-term capital loss in an amount equal to the amount of the ordinary loss to which the preceding sentence applies.

"(5) ACQUISITION DATE WHERE THERE HAS BEEN PRIOR APPLICATION OF SUBSECTION (a)(1) WITH RESPECT TO THE TAXPAYER.—If there has been a prior application of subsection (a)(1) to an asset while such asset was held by the taxpayer, the date of acquisition of such asset by the taxpayer shall be treated as not earlier than the date of the most recent such prior application.

"(6) COLLAPSIBLE CORPORATIONS.—The application of section 341(a) (relating to collapsible corporations) shall be determined without regard to this section.

"(e) CERTAIN CONDUIT ENTITIES.—

"(1) REGULATED INVESTMENT COMPANIES; REAL ESTATE INVESTMENT TRUSTS; COMMON TRUST FUNDS.—

"(A) IN GENERAL.—Stock in a qualified investment entity shall be an indexed asset for any calendar month in the same ratio as the fair market value of the assets held by such entity at the close of such month which are indexed assets bears to the fair market value of all assets of such entity at the close of such month.

"(B) RATIO OF 90 PERCENT OR MORE.—If the ratio for any calendar month determined under subparagraph (A) would (but for this subparagraph) be 90 percent or more, such ratio for such month shall be 100 percent.

"(C) RATIO OF 10 PERCENT OR LESS.—If the ratio for any calendar month determined under subparagraph (A) would (but for this subparagraph) be 10 percent or less, such ratio for such month shall be zero.

"(D) VALUATION OF ASSETS IN CASE OF REAL ESTATE INVESTMENT TRUSTS.—Nothing in this paragraph shall require a real estate investment trust to value its assets more frequently than once each 36 months (except where such trust ceases to exist). The ratio under subparagraph (A) for any calendar month for which there is no valuation shall be the trustee's good faith judgment as to such valuation.

"(E) QUALIFIED INVESTMENT ENTITY.—For purposes of this paragraph, the term 'qualified investment entity' means—

"(i) a regulated investment company (within the meaning of section 851),

"(ii) a real estate investment trust (within the meaning of section 856), and

"(iii) a common trust fund (within the meaning of section 584).

"(2) PARTNERSHIPS.—In the case of a partnership, the adjustment made under subsection (a) at the partnership level shall be passed through to the partners.

"(3) SUBCHAPTER S CORPORATIONS.—In the case of an electing small business corporation, the adjustment under subsection (a) at the corporate level shall be passed through to the shareholders.

"(f) DISPOSITIONS BETWEEN RELATED PERSONS.—

"(1) IN GENERAL.—This section shall not apply to any sale or other disposition of property between related persons except to the extent that the basis of such property in the hands of the transferee is a substituted basis.

"(2) RELATED PERSONS DEFINED.—For purposes of this section, the term 'related persons' means—

"(A) persons bearing a relationship set forth in section 267(b), and

"(B) persons treated as single employer under subsection (b) or (c) of section 414.

"(g) TRANSFERS TO INCREASE INDEXING ADJUSTMENT OR DEPRECIATION ALLOWANCE.—If any person transfers cash, debt, or any other property to another person and the principal purpose of such transfer is—

"(1) to secure or increase an adjustment under subsection (a), or

"(2) to increase (by reason of an adjustment under subsection (a)) a deduction for depreciation, depletion, or amortization,

the Secretary may disallow part or all of such adjustment or increase.

"(h) DEFINITIONS.—For purposes of this section—

"(1) NET LEASE PROPERTY DEFINED.—The term 'net lease property' means leased real property where—

"(A) the term of the lease (taking into account options to renew) was 50 percent or more of the useful life of the property, and

"(B) for the period of the lease, the sum of the deductions with respect to such property which are allowable to the lessor solely by reason of section 162 (other than rents and reimbursed amounts with respect to such property) is 15 percent or less of the rental income produced by such property.

"(2) STOCK INCLUDES INTEREST IN COMMON TRUST FUND.—The term 'stock in a corporation' includes any interest in a common trust fund (as defined in section 584(a)).

"(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section."

(b) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of such chapter 1 is amended by inserting after the item relating to section 1021 the following new item:

"Sec. 1022. Indexing of certain assets for purposes of determining gain or loss."

(c) ADJUSTMENT TO APPLY FOR PURPOSES OF DETERMINING EARNINGS AND PROFITS.—Subsection (f) of section 312 (relating to effect on earnings and profits of gain or loss and of receipt of tax-free distributions) is amended by adding at the end thereof the following new paragraph:

"(3) EFFECT ON EARNINGS AND PROFITS OF INDEXED BASIS.—

For substitution of indexed basis for adjusted basis in the case of the disposition of certain assets after December 31, 1988, see section 1022(a)(1)."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions after December 31, 1988, in taxable years ending after such date.

● Mr. DECONCINI. Mr. President, I am pleased today to be joining my distinguished colleague, Senator ARMSTRONG, in introducing legislation to correct a longstanding wrong. Under current law, an individual can see his illusory, inflationary gains on real property or other capital assets taxed as real gains. This is unfair. And that is why today Senator ARMSTRONG and I are introducing this bill which will index the basis of capital gains to inflation.

Because current capital gains law makes no allowance for inflation's effect, America's taxpayers are being taxed on inflation not on real gain. The Armstrong-DeConcini bill seeks to correct that injustice by adjusting the basis of capital gains to inflation through the GNP deflator.

While ideally our bill would take into account past inflationary gains, that simply isn't possible or practical. Therefore our bill applies to capital gains realized after December 31, 1989, and begins to index to inflation after that same date. Additionally, our bill would require a 1-year holding period before this indexation of the basis to inflation would take place.

I congratulate my colleague Senator ARMSTRONG for moving forward on this important legislation and am pleased to join him as his principal cosponsor.●

By Mr. HEINZ:

S. 665. A bill to amend title XVI of the Social Security Act by extending eligibility for supplemental income benefits, by promoting the efficient administration of such benefits, by extending eligibility for Medicaid benefits, and for other purposes; to the Committee on Finance.

SUPPLEMENTAL SECURITY INCOME REFORM ACT

Mr. HEINZ. Mr. President, I rise today to introduce legislation which will benefit thousands of poor elderly and disabled men, women, and children, by reforming title XVI of the Social Security Act, the Supplemental Security Income [SSI] Program.

Since the beginning of the program in 1972, the purpose of the SSI Program has been to ensure that the disabled and elderly poor in our country have adequate resources available to maintain a basic standard of living. However, estimates indicate that for every person currently receiving SSI, there is at least another out there that, for one reason or another, has not been able to obtain any of the benefits of the program. The provisions of the SSI Reform Act of 1989 are intended to reach those people, to make SSI available to all of the low-income disabled people, not just half of them, so that the original purpose of the program can be realized.

Mr. Chairman, the people this bill would help are truly needy. They are the disabled and elderly people who live on monthly incomes below $368 for an individual or $553 for a couple and who have assets below $2,000 or $3,000 respectively.

They are disabled children like Jason E., age 5, who was denied SSI benefits and Medicaid because the rigid medical criteria the Social Security Administration uses in determining disability in children does not adequately consider the functional limitations caused by the disease or illness. When Jason first applied for SSI, his combination of medical and functional problems did not meet the inflexible criteria the SSA required. Jason suffered from muscular dystrophy. He had difficulty walking, could not hold a pencil, needed help dressing and eating, and had difficulty speaking because of deteriorating mouth and vocal cords. It was not until 4 years later, after many appeals and court battles, that Jason finally got SSI. Because of this long delay, Jason was deprived of valuable Medicaid and SSI benefits and could not afford to pay for the expensive physical and occupational therapy he needed. Unfortunately, by the time he did get benefits, he was totally confined to a wheelchair and had to be carried by his family.

They are the hundreds and hundreds of Pittsburgh area senior citizens who had been living without SSI, even though they were poor enough to qualify for SSI, until the outreach efforts of the American Association of Retired Persons and the local area agency on aging got them to finally sign up. These people had not filed for SSI before, because either they did not know about the program and its eligibility guidelines, or possibly, they just did not know how to go about applying for benefits. The disconcerning fact is, that without the valuable information provided during this 3-month outreach effort, they still would not be getting SSI.

They are the 100,000 disabled people of all ages who have been removed from the SSI Program solely because the value of their assets were too high to meet the resource limit guideline. Yet, had the level of the resource eligibility limit not eroded in value since the beginning of the program in 1972, but had instead kept up with inflation, they would still be getting benefits.

Mr. Chairman, the above examples tell the story of some of the problems with the current SSI Program. My bill will work toward correcting these problems. Among other things, it addresses the need for a better system of determining disability for our children, a system which would be more successful in evaluating the total medical and functional effect of the child's illness or injury. It would expand the outreach efforts of the Social Security Administration and require that a separate national effort be initiated to target impoverished and disabled children and adults, and of course, the elderly. And, it would increase the current resource limit to the level it would now be, had the original 1974 limit been indexed to keep up with inflation, so that truly disabled people are not deprived of benefits just because of our eroding eligibility limit.

Mr. Chairman, the SSI Reform Act of 1989 is desperately needed. It is needed to ensure that the poor, disabled members of our society do not go without the food and clothing and care they need. It is my hope that this bill will be a first step, not a final solution, toward solving some of today's problems in the SSI Program. I would like to urge the expedient review of this bill in the Finance Committee and would ask that a copy of the bill be included for the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Supplemental Security Income Reform Act of 1989".

SEC. 2. INCREASES IN SSI RESOURCE LIMITS.

(a) IN GENERAL.—Section 1611(a)(3) of the Social Security Act (42 U.S.C. 1382(a)(3)) is amended—

(1) in subparagraph (A)—

(A) by striking out "and" before "to $3,000"; and

(B) by inserting before the period the following: ", and to $6,300 on January 1, 1990, (or if greater, the amount determined under section 1617(b) for any calendar year thereafter)"; and

(2) in subparagraph (B)—

(A) by striking out "and" before "to $2,000"; and

(B) by inserting before the period the following: ", and to $4,200 on January 1, 1990 (or if greater, the amount determined under section 1617(b) for any calendar year thereafter)".

(b) ADJUSTMENT OF SSI RESOURCE LIMITS.—Section 1617 of the Social Security Act (42 U.S.C. 1382f) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(2) by inserting after subsection (a), the following new subsection:

"(b) with respect to any calendar year after 1990, each of the dollar amounts in effect for the preceding calendar year under subparagraphs (A) and (B) of section 1611(a)(3) shall be increased by the percentage increase in the CPI (as determined under section 1839(g)(8)(C)) for the 12-month period ending with September of the preceding calendar year."; and

(3) by inserting "or (b)" after "by reason of subsection (a)" in subsection (c), as redesignated by this subsection.

(c) EFFECTIVE DATE.—The amendments made under this section shall take effect on January 1, 1990.

SEC. 3. AMENDMENTS RELATING TO THE DETERMINATION OF CHILDHOOD DISABILITY.

(a) REVISIONS IN CRITERIA FOR DETERMINING DISABILITY IN CHILDREN.—Section 1614(a)(3)(A) (42 U.S.C. 1382c(a)(3)(A)) is amended—

(1) by striking "An individual" and inserting "(i) An individual (other than a child who has not attained the age of 18 years)";

(2) by striking "(or, in the care" and all that follows through "severity)"; and

(3) by adding at the end thereof the following new clause:

"(ii) A child who has not attained the age of 18 years shall be considered to be disabled for purposes of this title if the child suffers from any medically determinable physical or mental impairment which severely interferes with the activities of daily living, as measured by the degree and extent to which medical support and intervention are required to enable the child to engage in such activities. Any child who is born with any genetic or congenital condition which is extremely likely to result in disability shall be presumed to be disabled from birth for purposes of this title until the child attains the age of 3 years, at which time a determination shall be made as to whether the child is disabled within the meaning of the preceding sentence.".

(b) STUDY AND REPORT RECOMMENDING APPROPRIATE CRITERIA FOR DETERMINING DISABILITY IN CHILDREN.—(1) The Secretary of Health and Human Services (hereinafter in this subsection referred to as the "Secretary") shall enter into a contract with the Institute of Medicine of the National Academy of Sciences or with any other appropriate nonprofit private group or association with equivalent professional qualifications, under which the Institute, group or association agrees to develop appropriate and meaningful criteria which may be used to determine whether or not a child should be considered to be disabled for purposes of title XVI of the Social Security Act. In conjunction with the development of such criteria, such Institute, group or association shall review all childhood impairment listings and make proposals that take account of age-appropriate medical and functional criteria, and submit to the Secretary a report and recommendations for revisions of the current listings and any standard of comparable severity under section 1614(a)(3)(A)(ii) of the Social Security Act (42 U.S.C. 1382c(a)(3)(A)(ii)) (as added by subsection (a) of this section).

(2) The Secretary shall, within 18 months after the date of enactment of this Act, publish the proposed criteria and revisions in such listings (as described in paragraph (1)) as a notice of proposed rulemaking.

(c) IMMEDIATE PUBLICATION OF CHILDHOOD MENTAL IMPAIRMENT LISTING.—Not later than 30 days after the date of enactment of this Act, the Secretary of Health and Human Services shall publish a revision of the listings of mental and emotional disorders under section 112.00 of part B of appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations (as in effect on the date of enactment of this Act), as a notice of proposed rulemaking, and, in such notice, explain and justify each deviation of such revised listings from the recommendations contained in the Revised Childhood Listings of Mental Impairments submitted by the Mental Impairment Listings Workgroup to the Associate Commissioner for Disability on April 1, 1986.

(d) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 1990.

SEC. 4. COUNTING RESOURCES FOR THE PURPOSES OF DETERMINING THE ELIGIBILITY OF A BLIND OR DISABLED CHILD.

(a) TREATMENT OF INCOME PRODUCING PROPERTY IN AGRICULTURAL USE.—Notwithstanding the regulations relating to property essential to self-support and relating to the counting of such property under 20 CFR 416.1220 and 20 CFR 416.1222, respectively, as in effect on the date of enactment of this Act, for purposes of counting the resources of a parent (or the spouse of such parent) of a disabled or blind child in making a determination of the eligibility of such child, equity in any property, including real and personal property, used in the trade or business of agriculture shall be deemed to meet the 6 percent return requirement under 20 CFR 416.1222.

(b) DETERMINATION OF FAMILY RESOURCES COUNTED AS AVAILABLE TO A BLIND OR DISABLED CHILD.—Paragraph (2) of section 1614(f) of the Social Security Act (42 U.S.C. 1382c(f)(2)) is amended to read as follows:

"(2) For purposes of determining eligibility for and the amount of benefits for any individual who is a child under age 18, the income of such individual and the resources of such individual shall be deemed to include—

"(A) the income of such individual and the income of a parent (or the spouse of such parent) of such individual who is living in the same household as such individual;

"(B) the resources of such individual and the resources of a parent of such individual (or the spouse of such parent), except that in calculating the resource limit of such individual under this paragraph, the Secretary shall use the greater of:

"(i) the resource limit for an individual under section 1611(a)(1)(B)(ii), or

"(ii) the dollar amount of the resource limit for an individual under clause (i), multiplied by 50 percent of the number of children in the household of such individual (excluding such individual) and parents in such household (including any spouse of any parent in such household).".

(c) EFFECTIVE DATE.—The provisions of subsection (a) and the amendments made by subsection (b) shall take effect January 1, 1990.

SEC. 5. ESTABLISHMENT AND CONDUCT OF SSI OUTREACH PROGRAMS FOR ADULTS AND CHILDREN.

(a) IN GENERAL.—Part B of title XVI of the Social Security Act (42 U.S.C. 1383 et seq.) is amended by adding at the end thereof the following new section:

"SSI OUTREACH PROGRAMS FOR ADULTS AND CHILDREN

"SEC. 1635. (a)(1) Within 180 days after the date of enactment of the Supplemental Security Income Reform Act of 1989, the Secretary shall establish and conduct an ongoing adult SSI outreach program to provide information about supplemental security income benefits (including State supplemental income benefits) to low-income aged, blind, and disabled adult individuals who are not receiving such benefits.

"(2) In conducting the program under paragraph (1) the Secretary shall appoint a full-time Coordinator (hereinafter in this subsection referred to as the 'Coordinator') of such program who shall—

"(A) implement and operate such program;

"(B) consult with the Secretary and other Federal, State, local, and private agencies which may be able to provide information about low income aged, blind, or disabled individuals who may be eligible for supplemental security income benefits and who are not receiving such benefits, especially those individuals who are currently receiving social security benefits for whom applicable benefit levels are less than applicable supplemental security income benefit levels, and, to the extent available, obtain lists of such individuals from such agencies;

"(C) not less frequently than annually, oversee the provision of notice of the availability of supplemental security income benefits by mailing such information to all such individuals (in providing such notice, the Secretary, acting through the Coordinator, may enter into an agreement with a Federal agency whereby such agency provides such notice to all individuals on any list that such agency provides under subparagraph (B));

"(D) implement public information campaigns which—

"(i) are designed to inform homeless individuals, illiterate individuals, and low-income individuals who do not speak English, of the availability of supplementary security income benefits; and

"(ii) to utilize to the extent practicable, other means of communication as alternatives to written materials, which shall supplement any written materials used in such campaigns.

"(b)(1) Within 180 days after the date of enactment of the Supplemental Security Income Reform Act of 1989, the Secretary shall establish and conduct an ongoing children's SSI outreach program of outreach to children who may be eligible for benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) by reason of blindness or disability.

"(2) In conducting the program under paragraph (1) the Secretary shall appoint a full-time Coordinator (hereinafter in this subsection referred to as the 'Coordinator') of such program who shall—

"(A) implement and operate such program;

"(B) develop a set of strategies for identifying blind or disabled children who may be eligible for benefits under title XVI of the Social Security Act.

"(3) The Secretary, acting through the Coordinator, shall enter into agreements with Federal, State, or local departments, agencies, or hospitals which may have knowledge of children who are potentially eligible for such benefits by reason of blindness or disability, under which such entities will notify the parents or guardians of such children of such potential eligibility. In addition, the Secretary shall take such additional steps as may be necessary to identify any potentially eligible children and notify the parents or guardians of such children of such potential eligibility.

"(c) Within 180 days after the date of enactment of the Supplemental Security Income Reform Act of 1989, the Secretary shall require that all Federal supplemental security income application forms contain a questionnaire which requests each applicant to provide information concerning how such applicant learned about the availability of supplemental security income benefits.

"(d) The Secretary shall conduct an evaluation program to determine the progress of the programs under subsections (a) and (b) in notifying potentially eligible individuals, and shall, no later than September 30, 1989, and annually thereafter, submit to the Congress a report on such progress, with separate sections for the adult SSI outreach program and for the children's SSI outreach program. Such report shall also specify statistics on the response to the questionnaire on supplemental security income application forms, described in subsection (c).".

By Mr. MURKOWSKI:

S. 666. A bill to enroll 20 individuals under the Alaska Native Claims Settlement Act; to the Committee on Energy and Natural Resources.

ENROLLMENT OF CERTAIN INDIVIDUALS UNDER THE ALASKA NATIVE CLAIMS SETTLEMENT ACT

Mr. MURKOWSKI. Mr. President, I am introducing legislation today to resolve a long standing disagreement over the enrollment of 20 Alaska Natives under the Alaska Native Claims Settlement Act [ANCSA]. Even though these people have been found eligible for enrollment by the Department of Interior, they have been continually denied enrollment by the BIA and thereby denied the benefits granted to them by Congress in the ANCSA.

Under the regulations promulgated by the Secretary of the Interior to carry out his responsibilities under ANCSA, the Alaska regional solicitor was delegated the final authority for determining eligibility for ANCSA enrollment. In 1984, the regional solicitor reconsidered a previous denial of eligibility for 20 Alaska Natives and found them eligible contingent on the filing of an affidavit of Native ancestry. Their eligibility had been originally denied because of their inability to prove blood quantum. The 20 individuals obtained the required affidavit from the Kenai Native Association indicating that they were regarded as Native by their community and filed it with the Bureau of Indian Affairs [BIA].

This should have resulted in the enrollment of these people under ANCSA. However, the BIA refused to abide by the regional solicitor's decision and would not enroll these people. As a result, 13 of these people brought suit against the BIA to try to enforce the decision.

Mr. President, the Native corporations to which these Native people should be enrolled, Cook Inlet Region, Inc. and Kenai Native Association, did not oppose the court action and agreed before the Federal court that the Native plaintiffs ought to be enrolled and issued stock in the corporations. Neither corporation opposes this legislation and can see no reason for continuing to deny stock to these individuals who have been found eligible for enrollment and who are accepted as Natives by the very corporations to which they will be enrolled.

Following initiation of the law suit, the Assistant Secretary of the Interior responsible for Indian Affairs issued an order purporting to vacate the regional solicitor's 1984 decision. This

action arguably denies these people any opportunity to benefit from the enrollment provisions of the recently enacted amendments to the ANCSA because they may no longer be considered eligible for enrollment.

Mr. President, I introduce this legislation to correct this wrong and to further the policy the ANCSA to ensure that the settlement is accomplished in "conformity with the real economic and social needs of the Natives and without litigation". The regulations under which the regional solicitor acted have now been withdrawn and the circumstances which have lead to this conflict are incapable of being repeated. These individuals are the only people who have been determined eligible for enrollment by the Interior Department and who have not been subsequently enrolled. This legislation will break this unfortunate deadlock and further the purposes of ANCSA.

I ask that the text of the bill be printed in full following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Notwithstanding any other provision of law, the Secretary of the Interior is authorized and directed to enroll the following named individuals as Natives under the Alaska Native Claims Settlement Act (Public Law 92-203): Marilyn Jean (Warren) Sanchez, Theresa A. (Warren) Forbes, Linda Graham, Carol Graham, Debra (Sellers) Page, Glen Sellers, David P. Schmalzried, Odman H. Schmalzried, Carol Guzialek, Corbin Kooly, Charmaine I. (Warren) Forbes, John A. Warren, Jr., Phillip Graham, Sharon Graham, Wanda (Sellers) Clancy, Georgia A. (Schmalzried) Flood, Rhonda S. (Schmalzried) Koski, Paula Guzialek, Pamela Kooly, and Darrell Kooly. Each individual is entitled to receive 100 shares of stock in the Kenai Natives Association, and Cook Inlet Region, Inc. and such other benefits as the boards of directors of those corporations may approve.

By Mr. MATSUNAGA:

S. 667. A bill to amend the Federal Unemployment Tax Act with respect to employment performed by certain employees of educational institutions; to the Committee on Finance.

AMENDMENTS OF FEDERAL UNEMPLOYMENT TAX ACT WITH RESPECT TO CERTAIN EMPLOYEES OF EDUCATIONAL INSTITUTIONS

Mr. MATSUNAGA. Mr. President, I am today introducing legislation to allow the States to extend unemployment compensation benefits to nonprofessional school employees between academic terms. This legislation is identical to a bill which I introduced in the 100th Congress as S. 2600. Congressman MATSUI of California has introduced comparable legislation (H.R. 290) in the House.

Mr. President, the Social Security Amendments Act of 1983—Public Law 98-21—contained a provision requiring that the States deny unemployment compensation benefits to nonprofessional educational service employees between academic years or terms if the employees have a "reasonable assurance" of returning to work in the next academic year. Prior to the adoption of this provision, States were granted the option of granting or denying unemployment compensation benefits to such workers during these periods.

Mr. President, the legislation I am introducing today would reinstate the State option to either provide or deny unemployment compensation benefits between academic terms to nonprofessional educational workers such as cafeteria workers, custodians, crossing guards, and secretaries. The current blanket denial of benefits to nonprofessional educational employees is particularly harmful to such workers because they are among the lowest paid workers in the United States. With the exception of educational employees and professional athletes, all other employees with major seasonal occupations are eligible to apply for unemployment compensation benefits. In addition, adequate mechanisms already exist within the Federal-State unemployment compensation system for denying unworthy benefit claims. Upon the enactment of this legislation, nonprofessional educational employees would have to satisfy the eligibility requirements set forth under State law for receiving unemployment compensation benefits.

Mr. President, this legislation is consistent with the basic objective of the unemployment compensation program, which is to provide temporary protection for qualified workers who lose their jobs until they may be rehired or find new employment. This legislation would remove an inequity in our current program and I therefore urge my colleagues to support this much needed bill.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 667

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EMPLOYEES PROVIDING SERVICES TO EDUCATIONAL INSTITUTIONS.

(a) IN GENERAL.—Clauses (ii)(I), (iii), and (iv) of section 3304(a)(6)(A) of the Internal Revenue Code of 1986 (relating to approval of State laws) are each amended by striking out "shall be denied" and inserting in lieu thereof "may be denied".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply in the case of compensation paid for weeks beginning on or after the date of the enactment of this Act.

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 668. A bill to amend the Energy Policy and Conservation Act with respect to the Strategic Petroleum Reserve; to the Committee on Energy and Natural Resources.

STRATEGIC PETROLEUM RESERVE AMENDMENTS

Mr. MATSUNAGA. Mr. President, today I am introducing legislation together with my senior colleague from Hawaii, Mr. INOUYE, to amend the Energy Policy and Conservation Act of 1975 in order to establish regional petroleum reserves for areas of our Nation that would be exceptionally vulnerable in the event of a loss of oil imports.

EPCA, the original legislation that established the Strategic Petroleum Reserve, conferred discretionary authority on the Security of Energy to establish regional reserves—in lieu of central SPR storage—in insular or petroleum import-dependent areas of the country. My own State of Hawaii qualifies on both counts. However, the Department of Energy has consistently maintained that it is most economic to serve Hawaii from the central SPR on the gulf coast or from the diversion of tankers at sea carrying foreign or Alaskan North Slope crude oil.

I submit, Mr. President, that this line of reasoning on DOE's part is not convincing and will not stand up to examination of the facts. Indeed, a recent study concludes that neither the gulf coast nor Alaska will provide energy security for Hawaii during the 1990's, and supplies from the Pacific basin will become increasingly in tight supply.

This is because the industrial nations will become increasingly dependent on imported oil during the next decade, a period in the United States when North Slope production in Alaska will begin a precipitous decline. The"swing-producers" for imports into the United States will be in the Middle East, notably Saudi Arabia. It will be a period when U.S. dependency on foreign oil exceeds half of the Nation's consumption

But the Aloha State's oil dependency is far greater right now, Mr. President. Petroleum represents 90 percent of Hawaii's energy supply, half of it from foreign sources, and we are totally oil-dependent for transportation fuels, such as jet fuel upon which our economy is based.

By 1994, only 5 years from today, it is anticipated that Hawaii will be totally dependent on foreign imports for its crude oil supply. The west coast States are expected to import approximately one-third of their oil from overseas a few years later but before the turn of the century.

Today, Mr. President, the Pacific basin imports half of its oil from the Middle East. If there is a supply disruption—especially one in the Persian Gulf—the Pacific basin demand for available Australian and Southeast Asian crude oils will increase dramatically. Figures indicate that U.S. ship-

ping requirements must be met by foreign tankers and the domestic tanker fleet is inadequate to meet distruption scenario demand, as the head to the Military Sealift Command has recently warned us. There is also a deficiency in the number of small tankers, those below 80,000 dead weight tons designed to carry product rather than crude, within the domestic U.S. fleet.

For all these reasons, Mr. President, regional petroleum reserves are vitally needed and necessitate the measure I am introducing today.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 668

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REGIONAL PETROLEUM RESERVE.

(a) IN GENERAL.—Section 157 of the Energy Policy and Conservation Act (42 U.S.C. 6237) is amended by adding at the end the following new subsection:

"(d)(1) The Strategic Petroleum Reserve Plan shall provide for, and the Secretary shall establish and maintain (with funds appropriated for the Strategic Petroleum Reserve for fiscal year 1990 and fiscal years beginning thereafter), a Regional Petroleum Reserve for each region described in subsection (a) which contains a State—

"(A) in which imports of crude oil, residual fuel oil, or any refined petroleum product, during the 24-month period preceding the date of computation, equal more than 50 percent of demand for such oil or product in such region during such period, as determined by the Secretary annually; and

"(B) into which such oil or product is transported exclusively by means other than pipeline, rail, or highway.

"(2) Each such Regional Petroleum Reserve shall be located in the State described in paragraph (1).

"(3) The Secretary shall accumulate and maintain in any such Regional Petroleum Reserve volumes of such oil or product, described in paragraph (1), of a nature and at a level adequate to provide substantial protection against an interruption or reduction in imports of such oil or product to such State or region.".

(b) CONFORMING AMENDMENTS.—Section 157 of such Act (42 U.S.C. 6237) is amended—

(1) in subsections (a) and (c), by striking out "The" in the first sentence of each such subsection and inserting in lieu thereof "Subject to subsection (d), the"; and

(2) in subsection (b), by striking out "To" in the first sentence and inserting in lieu thereof "Subject to subsection (d), to".

By Mr. WILSON (for himself and Mr. CRANSTON):

S. 669. A bill to require the Secretary of Energy to convey to the State of California by quitclaim deed certain lands in a naval petroleum reserve and to provide the money received from a naval petroleum reserve shall be treated the same as money received from other public lands; to the Committee on Armed Services.

CONVEYANCE OF CERTAIN LANDS

Mr. WILSON. Mr. President, today I am joined by my senior colleague from California, the distinguished majority whip, in introducing legislation that would return to the State of California lands that were promised to it over 130 years ago by Congress through the School Lands Act. The land in question is in the Elk Hills Naval Petroleum Reserve near Bakersfield, CA. In addition, this bill will provide that moneys received from Federal lands in a naval petroleum reserve will be treated as any other Federal lands under the Mineral Leasing Act for revenue disbursement purposes. I would like to take this opportunity to say a few words about this bill and to note that identical legislation has been introduced in the other body by Representatives LAGOMARSINO, THOMAS, and MATSUI.

The school lands grants began in 1785 in an ordinance relating to the Northwest Territory. Since then, all but five of the States admitted to the Union have had a school land grant of one or more sections per township. The idea was to give Federal lands to the States and allow the revenues generated from these lands to be used for the public school system.

The school grants constitute what the Supreme Court has called a solemn agreement between the States and the Federal Government, under which the public land States agreed to refrain from objecting to the retention of large tracts of land by the United States in return for a representative portion of the public lands. These lands were to be held in trust by the affected State and administered for the support of the public school system to compensate for tax revenues which the States would otherwise have collected. The State has fully lived up to its part of the bargain.

So long as the naval petrolum reserve was in fact operated as a reserve, the State did not object. However, in 1977 President Carter authorized full production of oil at the Elk Hills Reserve in order to provide revenues to help balance the budget. The reserve has been operating at maximum production capacity ever since, but has continued to be classified as a naval petroleum reserve. This oil production has generated over $12 billion in general revenues to the U.S. Treasury since 1977.

In short, Elk Hills has been treated like any other tract of public land held by the Bureau of Land Management with two very discriminatory exceptions: First, title to the school lands sections is still denied to the State; and second, the oil and gas revenues from the operation of the reserve are not shared with the State.

More recently, the Bush admininstration proposed a complete sale of the Elk Hills Reserve as part of its asset divestiture program. It is increasingly apparent that the reserve is no longer considered a vital part of the Naval Petroleum Reserve Program. If production continues at the current rate, the reserve will be empty in 20 years. If the Federal Government continues to rely on Elk Hills as a revenue producer rather than a petroleum reserve, title to the disputed lands should return to the State of California.

This legislation is designed to correct an inequity that has gone uncorrected for too long. It would recognize the State's rights in the two school land sections within Elk Hills, land that, but for the existence of the reserve, would long ago have passed to the State and been used for the benefit of the public school system. In as much as Elk Hills has been operated for profit as an oil field since 1976, this bill subjects naval petroleum reserve revenues to the same revenue disbursement requirements of the Mineral Leasing Act, to which all other operating oil fields on Federal lands are subject.

Congress' recognition of the State's rights to the lands affected by the school lands grant—approximately 6 percent of the total producing reserve—will not, however, affect the operation at Elk Hills. It would merely confirm the State of California's title to the disputed lands. This would allow needed revenues to begin flowing back into the public school system. California State law has declared that revenues from this land shall be used to help fund the State teachers' retirement system, thus allowing the State to reward its retired teachers and encourage quality educators to teach in the State schools.

No effort is made in this legislation to reap a cash bonanza from past defaults of the Federal administration. If the metamorphosis of Elk Hills into a commercial field had been honestly recognized in 1977, California would have received over $6 billion of the $12 billion in Federal revenues from sales since then. I am not suggesting, however, that these funds be repaid, This legislation is prospective only. It directs that title to the school lands be transferred, and that the remaining lands, as well as lands in other naval pertroleum reserves, be administered under the Mineral Leasing Act just as all other public lands are for revenue disbursement purposes.

I urge my colleagues to support this bill, and ask unanimous consent that it be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 669

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds the following:

(1) Section 6 of the Act of March 3, 1853 (Chapter CXLV; 10 Stat. 246), granted to the State of California sections 16 and 36 of each township surveyed on public lands in the State to benefit public education in the State.

(2) The grant of lands referred to in paragraph (1) is similar to grants of public lands made to other States, and grants of this type compensated States for the loss of revenues that they would receive in real property taxes if public lands were privately owned.

(3) Because of the inclusion of sections 16 and 36 of township 30 south, range 23 east, Mount Diablo Principle Meridian, California, in naval petroleum reserve numbered 1, the Secretary of Energy has not accepted the claim of the State of California of holding title to such sections.

(4) The failure to comply with section 6 of the Act referred to in paragraph (1) unfairly discriminates against the State of California and impairs the ability of the State to support public education.

(5) Fifty percent of all money received from sales, bonuses, royalties, and rentals of public lands under the Mineral Leasing Act (30 U.S.C. 181 et seq.) and the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) is paid to each State within which the lands are located to be used for planning, constructing, and maintaining public facilities and for providing public services, except that all money received from lands in a naval petroleum reserve is deposited in the general fund of the Treasury.

(6) No reason exists to treat money received from lands in a naval petroleum reserve differently from money received from other public lands.

(7) The failure to treat money received from lands in a naval petroleum reserve the same as money received from other public lands unfairly discriminates against States which contain lands included in a naval petroleum reserve.

SEC. 2. CONVEYANCE OF TITLE.

(a) CONVEYANCE REQUIRED.—The Secretary of Energy shall execute a quitclaim deed, without consideration, confirming and conveying to the State of California any right, title, and interest of the United States in the property described in subsection (b) if the State of Califorina agrees to accept—

(1) all existing agreements for the operation and development of the mineral resources of such property; and

(2) all restrictions applicable to such property and imposed on an owner of land within naval petroleum reserve numbered 1 for the purposes for which such reserve is maintained.

(b) DESCRIPTON OF PROPERTY.—The property referred to in subsection (a) is sections 16 and 36 of township 30 south, range 23 east, Mount Diablo Principal Meridian, California.

SEC. 3. TREATMENT OF MONEY RECEIVED FROM LANDS IN A NAVAL PETROLEUM RESERVE.

(a) AMENDMENT OF THE MINERAL LEASING ACT.—Section 35 of the Mineral Leasing Act (30 U.S.C 191) is amended by striking ": *Provided,* That all moneys which may accrue" and all that follows through "(52 Stat. 1252)".

(b) AMENDMENT OF TITLE 10.—Section 7433(b) of title 10, United States Code is amended by inserting before the period the following: "and paid out in the manner provided in section 35 of the Mineral Leasing Act".

Mr. CRANSTON. Mr. President, I am delighted to join my colleague from California, Mr. WILSON, in introducing legislation today which will resolve a long-standing controversy between the State of California and the Federal Government over the Elk Hills Naval Petroleum Reserve located in Kern County, CA.

The history on this matter is a long one; it goes back to 1853 when California, as part of its statehood entitlement, was granted by Congress two sections of Federal land in each township in the State to support the State's public schools. This school land grant was similar to those given virtually every public land State since 1804, a grant which the Supreme Court in 1980 characterized as a "solemn agreement" by the United States to give lands to the State the revenues of which were to be used by the State to educate its citizens.

The two school sections in question are located in what was later to become the Elk Hills Naval Petroleum Reserve. These sections comprise about 6 percent of the total reserve. California did not assert its claim to the school land sections while production at Elk Hills was used for naval purposes. However, since 1977, production at Elk Hills has been sold on the open market and the proceeds have gone exclusively into Federal coffers. Nearly 1 billion barrels of oil, or well over half the recoverable oil estimated to exist in Elk Hills, has already been extracted without California receiving a penny. The remainder will be largely depleted in a few years at current production levels.

In 1986, the Reagan administration first proposed the sale of Elk Hills, including the two school sections, as an emergency budget-balancing measure. President Bush remains committed to the sale of the Elk Hills Naval Petroleum Reserve without addressing California's claims.

The bill I am cosponsoring today does not address the question of the sale of Elk Hills in any way. I, myself, am opposed to the sale of Elk Hills. What this bill does is address the claim of the State of California to its two school land sections and a portion of the Federal revenues from Elk Hills oil and gas production. The bill specifically provides that first, title be recognized and conveyed to California and, second, that money received by the United States from naval petroleum reserves be disbursed as provided in the Mineral Leasing Act.

The United States has been treating Elk Hills like other tracts of public land held by the Bureau of Land Management, with two major exceptions. It does not yet recognize that this changed status requires the administration to acknowledge the State's title to the school lands within that tract, as with the school grants on public lands in other States. It also does not yet acknowledge that mineral revenues from the remainder of these public lands should be shared with the State under the Mineral Leasing Act.

Furthermore, the bill provides prospective relief only. It does not seek to collect California's portion of the revenues generated since 1977. Instead, it merely seeks its share of future revenues as would be provided to any other oilfield on Federal lands under the Mineral Leasing Act. California's share of the production, while substantial, would depend on the current price of oil and gas. A Department of Energy consultant estimates that the net present value of revenues from the two school land sections to be about $300 million for the period of mid-1988 through the remainder of the field's production.

By State law, any revenues from land California may receive in satisfaction of its Elk Hills grant will be used to support the teachers' retirement system, a function essential to attracting quality teachers to the public schools of California, and a system that is currently substantially underfunded.

Many retired teachers in California receive no health benefits upon retirement, their pensions have lagged behind inflation, and the California State Teacher's Retirement System does not have the ability to augment its retirees' pensions. With this piece of legislation, we provide further opportunity for the teachers to remedy their situation.

Mr. President, this legislation does not seek to provide retribution for past inequities; it merely would recognize the rights of the State of California to lands that were promised to it over 130 years ago.

I ask my colleagues for their support of this legislation.

By Mr. ARMSTRONG (for himself, Mr. BENTSEN, Mr. BINGAMAN, Mr. BOND, Mr. BOREN, Mr. COATS, Mr. COHEN, Mr. DASCHLE, Mr. DECONCINI, Mr. DOLE, Mr. EXON, Mr. GLENN, Mr. GRAMM, Mr. HATCH, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. MATSUNAGA, Ms. MIKULSKI, Mr. MITCHELL, Mr. MURKOWSKI, Mr. PELL, Mr. PRESSLER, Mr. WIRTH, Mr. RUDMAN, Mr. SASSER, Mr. WARNER, Mr. WILSON, and Mr. HEFLIN):

S. 670. A bill to recognize the organization known as the Retired Enlisted Association, Inc.; to the Committee on the Judiciary.

RETIRED ENLISTED ASSOCIATION, INC.

● Mr. ARMSTRONG. Mr. President, I am again introducing legislation which

would grant a Federal charter to the Retired Enlisted Association. TREA was chartered by my home State of Colorado in 1963. It is a nonprofit corporation which is open to membership to any enlisted person retired from the armed services of the United States for length of service or permanently medically retired.

The organization has over 40 chapters nationwide with approximately 50,000 members representing all 50 States, Guam, Puerto Rico, the Virgin Islands, and overseas. In a practical sense TREA serves its members by lobbying Congress to protect the rights and benefits of retired military personnel and to alert members to legislation that affects them. TREA also promotes national security objectives, runs a scholarship program, and veterans assistance programs.

The members of TREA are those brave men and women who answered the call of their country when they were needed, and who served with honor, dedication, and personal sacrifice. It is most appropriate that the Congress of the United States recognize this organization, and gratefully acknowledges the service its members gave to our country.

I urge my colleagues to join me in cosponsoring this legislation so that TREA may further its work on behalf of enlisted retirees.●

By Mr. HEINZ (for himself and Mr. SPECTER):

S. 671. A bill to provide for the inclusion of the Washington Square area within Independence National Park, and for other purposes; to the Committee on Energy and Natural Resources.

ADDITION TO INDEPENDENCE NATIONAL PARK

Mr. HEINZ. Mr. President, I rise today to introduce legislation to protect an important part of America's heritage. My bill would include Washington Square within the Independence National Historic Park in Philadelphia, PA.

Conditions at the square have been disgraceful, and, if not for the volunteer efforts of the crew of the U.S.S. *Kitty Hawk*, would remain so today.

The square was planned in 1683 as one of the four central areas around which Philadelphia would be built, and is one of the first examples of renaissance city planning in America.

During the Revolutionary War, Washington Square was a burial ground for soldiers of the Continental Army. As many as 2,000 colonial volunteers were laid to rest there in paupers' graves.

The Tomb of the Unknown Soldier of the Revolutionary War stands in Washington Square today to commemorate the sacrifice made by these nameless, faceless heroes who were among the first to die so that freedom could live.

Members of this body, our veterans and the American public would be incensed if the Tomb of the Unknown Soldier at Arlington Cemetery was allowed to be desecrated because our Park Service didn't care enough to make room for honoring those who died for this country. Yet that is what has transpired at Washington Square.

For the benefit of my colleagues, let me explain the condition of Washington Square only last year. The eternal flame which guards the Tomb of the Unknown Revolutionary War Soldier was constantly extinguished by people who cooked over it, threw trash on it, and even urinated on it. The American flag, raised above the tomb of those who died so that it might wave, must now be locked because others have been stolen, ripped, and torched. Bottles, cans, and paper littered the area.

The situation was intolerable and disgraceful. But the honor to our Nation's first military men has been restored by our newest. The crew of the U.S.S. *Kitty Hawk*, under the direction of Capt. F. Lee Tillotson, has singlehandedly gone about the restoration of the square. Every morning, the crew of the *Kitty Hawk* cleans up the square and raises the American flag over the Tomb of the Unknown Revolutionary War Soldier.

On behalf of the people of my State, I want to publicly express our gratitude. Because of those young men and women, Washington Square is once again a beautiful park.

But valuable parkland should not depend upon the generosity of our service men and women. The *Kitty Hawk* should not have to shoulder this burden alone, and there is no guarantee that Philadelphia will host another carrier crew as dedicated as this one when the *Kitty Hawk* sails away to rejoin the fleet.

I urge my colleagues to join me in supporting this legislation so that when the *Kitty Hawk* weighs anchor in early 1990, Washington Square does not fall victim once again to vandalism and disrespect.

Mr. President, I ask unanimous consent that the text of the legislation appear in the RECORD at the conclusion of my remarks. The legislation would authorize the Secretary of the Interior to enter into a cooperative agreement with the city of Philadelphia to provide technical assistance in the preservation and interpretation of Washington Square.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 671

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of June 28, 1948 (62 Stat. 1061; 16 U.S.C. 407m et seq.), is amended by adding the following new section at the end thereof:

"SEC. 8. (a) The area known as Washington Square (bounded generally by Walnut Street on the north, Sixth Street on the east, and the intersecting streets named 'Washington Square' on the west and south) is hereby included within the Independence National Historical Park.

"(b) The Secretary of the Interior is authorized to enter into a cooperative agreement with the city of Philadelphia (acting through its designated agency, the Fairmount Park Commission) to provide technical assistance in the preservation and interpretation of the property known as Washington Square. Such agreement shall contain, but shall not be limited to, provisions that the Secretary, through the National Park Service, shall have right of access at all reasonable times to all public portions of the property for the purpose of conducting visitors through the grounds and interpreting them to the public, and that no major changes or alterations shall be made in the property, including its buildings and grounds, except by mutual agreement between the Secretary and the city.".

By Mr. HEINZ:

S. 672. A bill to increase and extend the authorization of appropriations for highway replacement and rehabilitation, and for other purposes; to the Committee on Environment and Public Works.

BRIDGE IMPROVEMENT ACT

Mr. HEINZ. Mr. President, I rise today to introduce critically needed legislation to improve and repair our Nation's troubled bridges.

Last year, the National Journal reported, "One out of four bridges is considered unsafe. Every two days, a bridge collapses. More than 4,125 bridges are closed because of dangerous conditions." To twist the title of a famous song by Simon and Garfunkel, Mr. President, we are confronted with troubled bridges over water.

In my own State of Pennsylvania, the southwestern Pennsylvania region has 4,789 bridges; most are long, major structures. The Southwestern Regional Planning Commission recently reported that 1,866 of this region's bridges are deficient, nearly 39 percent—up from 37 percent in 1986. This is in spite of the State's approximately $2 billion investment in bridge repair and replacement since 1982. Recognizing this problem, Pennsylvania has slated an additional 765 bridge rehabilitation and replacement projects statewide over the next 4 years, at a cost of $720 million over and above the $2 billion already invested. Even with this commendable effort, the planning commission estimates that an additional $829 million will be needed to address southwestern Pennsylvania's bridge problem.

For example, the Smithfield Bridge, which crosses the Monongahela River, linking downtown Pittsburgh and the city's Southside, Side, has been identified as needing rehabilitation work for over a decade. It is in danger of being permanently closed. This bridge, and thousands like it across our Nation, should not have to wait so long for

repair, or wait so long that they become closed to vehicular or any traffic. They are catastrophies waiting to happen.

Our roads and bridges, waterways and railroads, streets and sidewalks, are the economic lifelines that provide raw materials for manufacturers, carry goods to markets, and enable consumers to meet their needs. America's economic future depends on a reliable and structurally sound infrastructure.

I have taken a long hard look at our Nation's bridge needs and have been successful in the past in expanding the Federal bridge program. In 1977, I introduced the Bridge Safety Act, which authorized an expansion of the Federal bridge program. this act was included in modified form into the 1978 Highway Act, which increased the Federal commitment to bridge repair and replacement from $200 to $300 million per year prior to 1978 to $1 billion per year from 1978 to 1982. Subsequent Highway Acts in 1982 and 1987 increased bridge funding to its present authorized level of $1.63 billion.

Mr. President, given the bridge crisis our Nation now faces, I think it is time that Congress again expand these efforts and do so in an innovative way.

For this reason, I am introducing the Bridge Improvement Act of 1989. This legislation would increase authorizations for bridge replacement and rehabilitation by $2.5 billion over 5 years. This would raise the annual Federal commitment by $500 million, from the present $1.63 billion to $2.13 billion.

Mr. President, this is a modest proposal when one considers that even if the trust fund were to cease receiving receipts today, there would be an approximate $10 billion balance for use. Moreover, my legislation would only bring total program spending up to slightly below the Highway Act levels. And, given the surplus in the highway trust fund, we can certainly sustain this level of spending—for which motorists pay with the 9 cents per gallon Federal gas tax. Eight cents of that tax goes for highways and bridge repair. The tax is expected to generate $13.6 billion this year alone.

My legislation is also designed to help those States which help themselves. It requires the Department of Transportation to conduct a study of the efforts made by each State to fund bridge replacement and rehabilitation in the State. DOT would study the percentage of non-Federal money a State spends on bridge repairs, as well as the rate at which each State is reducing its number of deficient bridges. The latter would be measured as the number of bridges improved less the number of bridges deteriorating on an annual basis. I have already asked DOT to begin this work.

Based on this study, the Department would be required to make recommendations for a new allocation formula which could be used to allocate the additional funds that are authorized to be appropriated under this legislation. Until and unless Congress develops an allocation formula based on DOT's recommendations, the additional funding would be spent under the existing formula.

Mr. President, this legislation will provide the resources needed to protect public safety and promote commerce. We cannot continue to identify deteriorating bridges and do nothing for lack of resources. The resources are there. My legislation will help ensure that we will actually be able to cross the bridge when we come to it. I urge my colleagues to support this effort.

I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 672

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bridge Improvement Act of 1988".

SEC. 2. INCREASE AND EXTENSION OF THE AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Paragraph (5) of section 106(a) of the Federal-Aid Highway Act of 1987 (101 Stat. 145) is amended—

(1) by striking out "$1,630,000,000" and inserting in lieu thereof "$2,130,000,000", and

(2) by striking out "and 1991" and inserting in lieu thereof "1991, 1992, and 1993".

(b) CONFORMING AMENDMENTS.—Section 144 of title 23, United States Code, is amended by striking out "and 1991" in paragraphs (1) and (3) of subsection (g) and inserting in lieu thereof "1991, 1992, and 1993".

SEC. 3. STUDY OF STATE FUNDING EFFORT.

(a) IN GENERAL.—The Secretary of Transportation shall conduct a study of the efforts made by each State to fund bridge replacement and rehabilitation in the State.

(b) REPORT.—By no later than April 1, 1990, the Secretary of Transportation shall submit to the Congress a report on the study conducted under subsection (a). The report shall include—

(1) recommendations for a formula which—

(A) could be used to allocate the additional funds that are authorized to be appropriated by reason of the amendments made by section 2 of this Act, and

(B) is based on the efforts made by the States to fund bridge replacement and rehabilitation in the State;

(2) the percentage of the total expenditures of each State for bridge replacement and rehabilitation that is funded from non-Federal sources;

(3) the total amount expended by each State for bridge replacement and rehabilitation;

(4) the rate at which each State is reducing its inventory of deficient bridges (as defined in the Secretary's Annual Report on the Highway Bridge Replacement and Rehabilitation pursuant to section 144(i) of title 23, United States Code) which includes the number of bridges removed from the inventory through improvements and the number of bridges being added to the inventory because of deterioration; and

(5) such other factors as the Secretary of Transportation may deem appropriate.

SEC. 4. FORMULA USED IN ALLOCATION.

The additional funds that are authorized to be appropriated by reason of the amendments made by section 2 of this Act shall be allocated among the States in accordance with the formula provided on the date of enactment of this Act under subsection (e) of section 144 of title 23, United States Code, until such time as the Congress enacts a law to change such formula on the basis of the report submitted to the Congress under section 3(b) to reflect the efforts made by the States to fund bridge replacement and rehabilitation.

By Mr. BRYAN (for himself, Mr. HOLLINGS, Mr. DANFORTH, Mr. GORTON, Mr. GORE, Mr. KERRY, and Mr. MCCAIN):

S. 673. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicles Information and Cost Savings Act to authorize appropriations for fiscal years 1990 and 1991, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION AUTHORIZATION ACT

● Mr. BRYAN. Mr. President, today I am introducing legislation to provide authorization for the National Highway Traffic Safety Administration [NHTSA] through 1991. Authorization legislation for this agency was passed by the Senate early in the first session of the last Congress, but was not considered by the House of Representatives. I am hopeful that by getting an early start again in this Congress we can begin a meaningful dialog with our House colleagues that will lead to enactment of this important legislation.

NHTSA was created in 1966 with the purpose of reducing the number of deaths and serious injuries on our highways. The agency has many important responsibilities, including the establishment of vehicle safety standards, investigation of vehicles for safety-related defects, preparation of safety-related consumer information, and administration of fuel efficiency standards. NHTSA's activities constitute one of the most important and effective public safety programs at the national level. Motor vehicle fatalities for every 100,000 licensed drivers has decreased from 50.3 in 1966 to 28.6 in 1987. NHTSA studies have estimated that over a 10-year period NHTSA safety standards have saved over 90,000 lives and prevented many more injuries.

Unfortunately, the agency's work is far from complete. In 1987, the most recent year for which full data is available, 46,386 people were killed in

motor vehicle accidents, an increase of 0.6 percent from the year before. While there was a slight decrease in the deaths per vehicle miles traveled, the loss of over 46,000 people in highway travel is simply unacceptable. We must continue to assist NHTSA in it efforts in every way possible, and to guarantee that safety issues are promptly addressed.

In the past year, we have seen increased evidence of the continued commitment to highway safety in many different sectors—from the automakers' announcing intentions to install significant numbers of airbags, to the forming of a coalition of consumers and insurers to work toward the common goal of reducing injuries. Those of us who legislate in this area, like those who work in the area of auto safety both inside and outside of NHTSA, have an opportunity to save lives. It is as simple as that. And we must work diligently toward that end. This bill is an effort to do just that.

The legislation includes most of the issues addressed by the authorization legislation—S. 853—passed by the Senate in the 100th Congress. I am pleased to note that, since Senate passage of S. 853, NHTSA and the auto manufacturers have both taken action on their own to address some of the matters the Senate had indicated were top priorities. This bill recognizes the actions that have begun voluntarily, and mandates completion of those actions.

For example, one prominent feature of this legislation is a requirement that NHTSA complete a rule improving the ability of vehicles to withstand side impact crashes. NHTSA estimates that almost one-third of occupant fatalities occur in side impacts. The bill would require completion of a rule for passenger cars within 1 year of enactment, and for multipurpose vehicles, within 2 years of enactment. Everyone involved in this issue, including the automakers, agrees that the current side impact standard, written in the 1970's, must be upgraded. There is disagreement over the proper method of upgrading and over the time it will take. But NHTSA has been studying this issue for over a decade. After the passage of the Senate's 1987 bill, NHTSA initiated a rulemaking, and this legislation will require its timely completion

This legislation also addresses the important issue of safety standards for vehicles referred to as multipurpose vehicles [MPV's] such as light trucks and minivans. These vehicles, once used primarily for carrying cargo, have replaced passenger cars in many households. While many of the safety standards applicable to passenger cars currently apply to these MPV's, some important additional standards remain to be considered. This bill would require NHTSA to complete rulemaking to consider application of roof crush standards, requirements for head restraints, passive restraints, and high-mounted stoplamps, and standards to protect against rollover of these vehicles. The bill also requires NHTSA to consider its vehicle classification system to ensure that it accurately reflects the current status of vehicles. Since 1987, NHTSA has begun consideration of some of these issues on its own. I hope that this legislation will ensure timely completion of those efforts.

Another area in which NHTSA has begun to work since 1987 involves rear seatbelts. Current requirements mandate only lapbelts in the rear seats, despite the accepted fact that combination lap and shoulder belts are more effective in preventing injuries. This legislation would require amendment of the current rule to provide rear seat lap/shoulder belts in all passenger vehicles except convertibles manufactured after September 1, 1989, and in all multipurpose vehicles and convertibles manufactured after September 1, 1990.

Finally, as in the 1987 legislation, this bill would, among other things, require NHTSA to study the feasibility of providing the consumer with accurate information about comparative crashworthiness of vehicles, and would require labeling of vehicles with information about the bumper capacity to withstand impact. It would provide for use of certain unexpended trust fund moneys for community programs of airbag and drunk driving prevention education. The bill would further provide NHTSA with additional authority to ensure that recalls of defective vehicles are more effectively carried out.

This legislation also contains several additional measures which we have recognized as necessary since the passage of the 1987 bill. It would require a rulemaking to ensure the safety of child booster seats, which allow toddlers and older children to use a safety belt. While a rule exists to regulate child safety seats for infants, nothing has been done to ensure that the protection systems for older children are adequate and effective.

This bill also would encourage manufacturers to equip greater numbers of moderately priced vehicles with airbags as opposed to other passive restraint systems by requiring that, to the extent it is economically feasible, passenger cars purchased for the Federal fleet be equipped with airbags as of the effective date of the current passive restraint requirement, beginning with driver's side passive restraints in model year 1991.

Additionally, an incentive grant program to encourage the States to improve the rate of safety belt usage by their citizens and provide education about the proper use of child restraint systems is established. Both of these activities save lives and can be effectively implemented only in partnership with the States.

In order to ensure a careful and accurate consideration of the appropriate fuel efficiency standards, the bill would require that all petitions for rulemaking filed to request NHTSA to reduce corporate average fuel economy standards be filed 24 months in advance of the vehicle model year to which they apply. The statute required such leadtime for petitions applicable to model years 1978-80, but there has been no such time requirement for subsequent model years. In order to permit orderly consideration of the issues and to provide automakers with time to exercise various options for improving fuel efficiency, the 24-month time limit would be reinstituted. This time limit would apply to any petition filed, and no subsequent petitions could be filed after the expiration of that time limit.

Two additional measures serve important ends, but are not without complexity. There are differences of opinion about the facts relevant to consideration of these provisions and the wisdom of their enactment. Because of the important issues they raise, they have been included in the bill for purposes of discussion at our subcommittee's hearing and otherwise. I expect that the subcommittee will receive a complete hearing record on these issues, and will review that record with an open mind to determine whether these two measures should be retained in the final version of this bill.

The first provision would address the process in current law which permits any interested party to petition NHTSA to begin an investigation to consider whether a particular vehicle has a safety defect. If the petition is granted, it does not mean that the vehicle is defective or that a recall will be ordered, but only that an investigation will begin. If a recall ultimately is ordered, the automakers may obtain review in court of that decision. However, if the petition is denied, the ability of the petitioner to obtain court review of that denial has been called into question by a recent decision of the Court of Appeals for the District of Columbia circuit. Since Congress already has created access to the agency's investigation process for petitioners, it appears unfair to preclude their access to the courts to review the agency's decision, particularly when automakers have such review should their vehicles be found to be defective.

Additionally, since the petition process was created in 1977, only 1 case has been filed seeking judicial review of a denial, even though between 20 and 30 petitions per year are filed and only about one-fourth of those are granted. Thus, it would not appear that clarifying the availability of judicial review

would have a dramatic effect on the agency's workload. However, I am aware that some believe such judicial review would permit unwarranted interference with the agency's functions, and I will consider further information on that issue.

Finally, a provision is included that would require a return to the 5 miles per hour bumper standard that was rescinded in 1982. Prior to that time, bumpers had to be constructed to withstand an impact at 5 miles per hour without sustaining damage to the safety-related features of the car such as the lights and fuel system, or to the exterior of the vehicle. Additionally, the bumper had to withstand that impact with only minimal damage to the bumper itself. In 1982, NHTSA revised its rule to a 2.5 miles per hour standard. While it appears obvious that a return to the 5 miles per hour standard will save consumers some repair costs, the subcommittee does not have current information on the increased cost to consumers of purchasing the upgraded bumpers. I understand that many vehicles manufactured today withstand at least damage to safety features and vehicle exteriors at 5 miles per hour. I expect to receive further information on the arguments for and against a return to the full 5 miles per hour standard during our hearing.

Last, but certainly not least, this bill authorizes the expenditure of funds for fiscal year 1990 at the level requested by the Bush administration. This amount is increased by the inflation factor recommended by the Congressional Budget Office for 1991.

This bill is the product of considerable effort on the part of many interested parties, including consumer groups, insurance industry representatives, automakers, and NHTSA itself. I would particularly note the longstanding efforts in the area of highway safety of the ranking Republican member of the Commerce Committee, Senator DANFORTH. I am hopeful that this bill can be quickly enacted into law and become a part of the most important undertaking of all—the effort to save human life.

Mr. President, I ask unanimous consent that the text of the bill be inserted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 673

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Highway traffic Safety Administration Authorization Act of 1989".

DEFINITIONS

SEC. 2. As used in this Act, the term—

(1) "multipurpose passenger vehicle" and "passenger automobile" shall have the meaning given such terms by the Secretary; and

(2) "Secretary" means the Secretary of Transportation.

TITLE I—AUTHORIZATION OF APPROPRIATIONS GENERAL AUTHORIZATIONS

SEC. 101. (a) Section 121 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1409) is amended—

(1) by striking "and"; and

(2) by striking the period and inserting in lieu thereof", $65,424,000 for fiscal year 1990 and $68,433,000 for fiscal year 1991.".

(b) Section 111 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1921) is amended—

(1) by striking "and"; and

(2) by striking the period and inserting in lieu thereof", $336,000 for fiscal year 1990, and $351,000 for fiscal year 1991.".

(c) Section 209 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1949) is amended—

(1) by striking "and"; and

(2) by striking the period and inserting in lieu thereof ", $2,384,000 for fiscal year 1990, and $2,493,000 for fiscal year 1991.".

(d) Section 417 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1990g) is amended—

(1) by striking "and"; and

(2) by striking the period and inserting in lieu thereof", $640,000 for fiscal year 1990, and $669,000 for fiscal year 1991.".

(e) Section 211(b) of the National Driver Register Act of 1982 (23 U.S.C. 401 note) is amended—

(1) by striking "and" the second time it appears; and

(2) by inserting immediately before the period at the end the following: "not to exceed $5,315,000 for fiscal year 1990, and not to exceed $5,559,000 for fiscal year 1991"."

COMMUNITY EDUCATION PROGRAM

SEC. 102. In order to carry out a national program of community education regarding (1) drunk driving prevention and (2) the use and effectiveness of airbag technology, the Secretary may derive an additional amount not to exceed $10,000,000 from unobligated balances of funds made available for highway safety programs under section 408 of title 23, United States Code. Of the funds allocated to such efforts, not less than one-half shall be used for educational efforts related to airbags. Such amounts shall remain available until expended.

TITLE II—SIDE IMPACT PROTECTION AND CRASHWORTHINESS DATA SIDE IMPACT PROTECTION

SEC. 201. (a) The Secretary shall, not later than twelve months after the date of enactment of this Act, issue a final rule amendment Federal Motor Vehicle Safety Standard 214, published as section 571.214 of title 49, Code of Federal Regualtions. The rule shall establish performance criteria for improved protection for occupants of passenger automobiles in side impact accidents.

(b) Not later than sixty days after the date of enactment of this Act, the Secretary shall issue a notice of propsed rulemakig to extend the applicability of such Standard 214 to multipurpose passenger vehicles. The Secretary shall, not later than two years after such date of enactment, issue a final rule on such extension, taking into account the performance criteria established by the final rule issued in accordance with subsection (a).

AUTOMOBILE CRASHWORTHINESS DATA

SEC. 202. (a)(1) The Secretary shall, within thirty days after the date of enactment of this Act, enter into appropriate arrangements with the National Academy of Sciences to conduct a comprehensive study and investigation regarding means of establishing a method for calculating a uniform numerical rating which will enable consumers to compare meaningfully the crashworthiness of different passenger automobile and multipurpose passenger vehicle makes and models.

(2) Such study shall include examination of current and proposed crashworthiness tests and testing procedures and shall be directed to determining whether additional objective, accurate, and relevant information regarding the comparative crashworthiness of different passenger automobile and multipurpose passenger vehicle makes and models reasonably can be provided to consumers by means of a crashworthiness rating rule. Such study shall include examination of at least the following proposed elements of a crashworthiness rating rule:

(A) information on the degree to which different passenger automobile and multipurpose passenger vehicle makes and models will protect occupants across the range of motor vehicle crash types when in use on public roads;

(B) a repeatable and objective test which is capable of identifying meaningful differences in the degree of crash protection provided occupants by the vehicles tested, with respect to such aspects of crashworthiness as occupant crash protection with and without use of manual seatbelts, fuel system integrity, and other relevant aspects;

(C) ratings which are accurate, simple in form, readily understandable, and of benefit to consumers in making informed decisions in the purchase of automobiles;

(D) dissemination of comparative crashworthiness ratings to consumers either at the time of introduction of a new passenger automobile or multipurpose passenger vehicle make or model or very soon after such time of introduction; and

(E) the development and dissemination of crashworthiness data at a cost which is reasonably balanced with the benefits of such data to consumers in making informed purchase decisions.

(3) Any such arrangement shall require the National Academy of Sciences to report to the Secretary and the Congress not later than nineteen months after the date of enactment of this Act on the results of such study and investigation, together with its recommendations. The Secretary shall, to the extent permitted by law, furnish to the Academy upon its request any information which the Academy considers necessary to conduct the investigation and study required by this subsection.

(4) Within sixty days after transmittal of the report of the National Academy of Sciences to the Secretary and the Congress under paragraph (3) of this subsection, the Secretary shall initiate a period (not longer than ninety days) for public comment on implementation of the recommendations of the National Academy of Sciences with respect to a rule promulgated under title II of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.) establishing an objectively based system for determining and publishing accurate comparative crashworthiness ratings for different makes and models of passenger automobiles and multipurpose passenger vehicles.

(5) Not later than one hundred and eighty days after the close of the public comment period provided for in paragraph (4) of this subsection, the Secretary shall determine,

on the basis of the report of the National Academy of Sciences and the public comments on such report, whether an objectively based system can be established by means of which accurate and relevant information can be derived that reasonably predicts the degree to which different makes and models of passenger automobiles and multipurpose passenger vehicles provide protection to occupants against the risk of personal injury or death as a result of motor vehicle accidents. The Secretary shall promptly publish the basis of such determination, and shall transmit such determination to the Congress.

(b)(1) If the Secretary determines that the system described in subsection (a)(5) of this section can be established, the Secretary shall, subject to the exception provided in paragraph (2) of this subsection, not later than three years after the date of enactment of this Act, promulgate a final rule under section 201 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1941) establishing an objectively based system for determining and publishing accurate comparative crashworthiness ratings for different makes and models of passenger automobiles and multipurpose passenger vehicles. The rule promulgated under such section 201 shall be practicable and shall provide to the public relevant objective information in a simple and readily understandable form in order to facilitate comparison among the various makes and models of passenger automobiles and multipurpose passenger vehicles so as to contribute meaningfully to informed purchase decisions.

(2) The Secretary shall not promulgate such rule unless (A) a period of sixty calendar days has passed after the Secretary has transmitted to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives a summary of the comments received during the period for public comment specified in subsection (a)(4) of this section, or (B) each such committee before the expiration of such sixty-day period has transmitted to the Secretary written notice to the effect that such committee has no objection to the promulgation of such rule.

(c) If the Secretary promulgates a rule under subsection (b) of this section, not later than six months after such promulgation, the Secretary shall by rule establish procedures requiring passenger automobile and multipurpose passenger vehicle dealers to make available to prospective passenger automobile and multipurpose passenger vehicle purchasers information developed by the Secretary and provided to the dealer which contains data comparing the crashworthiness of passenger automobiles and multipurpose passenger vehicles.

TITLE II—MISCELLANEOUS PROVISIONS

STANDARDS COMPLIANCE

SEC. 301. Section 103 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1392) is amended by adding at the end the following new subsection:

"(j)(1) The Secretary shall establish a schedule for use in ensuring compliance with each Federal motor vehicle safety standard established under this Act which the Secretary determines is capable of being tested. Such schedule shall ensure that each such standard is the subject of testing and evaluation on a regular, rotating basis.

"(2) The Secretary shall, not later than six months after the date of enactment of this subsection, conduct a review of the method for the collection of data regarding accidents related to Federal motor vehicle safety standards established under this Act. The Secretary shall consider the desirability of collecting data in addition to that information collected as of the date of enactment of this subsection, and shall estimate the costs involved in the collection of such additional data, as well as the benefits to safety likely to be derived from such collection. If the Secretary determines that such benefits outweigh the costs of such collection, the Secretary shall collect such additional data and utilize it in determining which motor vehicles should be the subject of testing for compliance with Federal motor vehicle safety standards established under this Act.".

INVESTIGATION AND PENALTY PROCEDURES

SEC. 302. (a) Section 112(a)(1) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1401(A)(1)) is amended by adding at the end the following: "The Secretary shall establish written guidelines and procedures for conducting any inspection or investigation regarding noncompliance with this title or any rules, regulations, or orders issued under this title. Such guidelines and procedures shall indicate timetables for processing of such inspections and investigations to ensure that such processing occurs in an expeditious and thorough manner. In addition, the Secretary shall develop criteria and procedures for use in determining when the results of such an investigation should be considered by the Secretary to be the subject of a civil penalty under section 109 of this title. Nothing in this paragraph shall be construed to limit the ability of the Secretary to exceed any time limitation specified in such timetables where the Secretary determines that additional time is necessary for the processing of any such inspection or investigation.".

(b) Section 109(a) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1398(a)) is amended by adding at the end thereof the following: "The Secretary shall establish procedures for determining the manner in which, and the time within which, a determination should be made regarding whether a civil penalty should be imposed under this section. Nothing in this subsection shall be construed to limit the ability of the Secretary to exceed any time limitation specified for making any such determination where the Secretary determines that additional time is necessary for making a determination regarding whether a civil penalty should be imposed under this section.".

TRAFFIC SAFETY FOR HANDICAPPED INDIVIDUALS

SEC. 303. (a) The Congress finds that—

(1) a number of States fail to recognize the symbols of other States for the identification of motor vehicles transporting individuals with handicaps that limit or impair the ability to walk; and

(2) the failure to recognize such symbols increases the likelihood that such individuals will be involved in traffic accident incidents resulting in injury or death, posing a threat to the safety of such individuals as well as the safety of the operators of motor vehicles and others.

(b)(1) Section 402(b) of title 23, United States Code, is amended by adding at the end the following:

"(3)(A) After the date that is eighteen months following the date of enactment of the National Highway Traffic Safety Administration Authorization Act of 1989, the Secretary shall not approve any State highway safety program under this section unless the program provides for the implementation of a uniform system for handicapped parking designed to enhance the safety of handicapped and nonhandicapped individuals.

"(B) For purposes of this paragraph, a uniform system or handicapped parking designed to enhance the safety of handicapped and nonhandicapped individuals is a system which—

"(i) adopts the International Symbol of Access (as adopted by Rehabilitation International in 1969 at its 11th World Congress on Rehabilitation of the Disabled) as the only recognized symbol for the identification of vehicles used for transporting individuals with handicaps which limit or impair the ability to walk;

"(ii) provides for the issuance of license plates displaying the International Symbol of Access for vehicles which will be used to transport individuals with handicaps which limit or impair the ability to walk, under criteria determined by the State;

"(iii) provides for the issuance of removal windshield placards (displaying the International Symbol of Access) to individuals with handicaps which limit or impair the ability to walk, under criteria determined by the State;

"(iv) provides that fees charged for the licensing or registration of a vehicle used to transport such individuals with handicaps do not exceed fees charged for the licensing or registration of other similar vehicles operated in the State; and

"(v) for purposes of easy access parking, recognizes licenses and placards displaying the International Symbol of Access which have been issued by other States and countries.".

(2) Section 402(c) of title 23, United States Code, is amended by inserting immediately after, "as appropriate" the first place it appears the following: "; except that in the case of a failure to obtain approval of or implement a highway safety program because of noncompliance with subsection (b)(3), such funds shall be reduced by amounts equal to 2 per centum of the amounts that would otherwise be apportioned to the State under this section, until such time as the Secretary approves such program or determines that the State is implementing an approved program, as appropriate".

(c) Beginning not later than twenty-four months after the date of enactment of this Act, the Secretary shall annually evaluate compliance by the States with the amendments made by this section. The Secretary shall submit to Congress an annual report regarding such evaluation.

MULTIPURPOSE PASSENGER VEHICLE SAFETY

SEC. 304. (a) The Congress finds that—

(1) multipurpose passenger vehicles have become increasingly popular during this decade and are being used increasingly for the transportation of passengers, not property; and

(2) the safety of passengers in multipurpose passenger vehicles has been compromised by the failure to apply to them the Federal motor vehicle safety standards applicable to passenger automobiles.

(b) In addition to the rulemaking requirements applicable to multipurpose passenger vehicles under other provisions of this Act, the Secretary shall initiate (not later than sixty days after the date of enactment of this Act) and complete not later than twelve months after such date of enactment) a

rulemaking to revise, where appropriate, in accordance with the applicable provisions of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1381 et seq.), including the provisions of section 103(a) of such Act (15 U.S.C. 1392(a)) requiring that Federal motor vehicle safety standards be practicable, meet the need for motor vehicle safety, and be stated in objective terms—

(1) Federal Motor Vehicle Safety Standard 216, published as section 571.216 of title 49, Code of Federal Regulations, to provide minimum roof crush resistance standards for multipurpose passenger vehicles;

(2) Federal Motor Vehicle Safety Standard 108, published as section 571.108 of title 49, Code of Federal Regulations, to provide for a single, high-mounted stoplamp on multipurpose passenger vehicles; and

(3) Federal Motor Vehicle Safety Standard 208, published as section 571.208 of title 49, Code of Federal Regulations, to extend the requirements of outboard front seat passive restraint occupant protection systems to multipurpose passenger vehicles.

(c) In accordance with the applicable provisions of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1381 et seq.), the Secretary shall, not later than twelve months after the date of enactment of this Act, complete a rulemaking—

(1) to review the system of classification of vehicles with a gross vehicles weight under ten thousand pounds to determine if such vehicles should be reclassified;

(2) to revise Federal Motor Safety Standard 202, published as section 571.202 of title 49, Code of Federal Regulations, to provide for head restraints for multipurpose passenger vehicles; and

(3) to establish a Federal Motor Vehicle Safety Standard to protect against unreasonable risk of rollover of multipurpose passenger vehicles.

REAR SEATBELTS

SEC. 305. (a) In accordance with applicable provisions of the National Traffic and Motor Vehicles Safety Act of 1966 (15 U.S.C. 1381 et seq.), the Secretary shall complete, within twelve months after the date of enactment of this Act, a rulemaking to amend Federal Motor Vehicle Safety Standard 208, published as section 571.208 of title 49, Code of Federal Regulations, to provide that the outboard rear seat passengers of all passenger automobiles, except convertibles, manufactured after September 1, 1989, shall have lap and shoulder seatbelt protection, and that the outboard rear seat passengers of all multipurpose passenger vehicles and all convertible passenger automobiles manufactured after September 1, 1990, shall have lap and shoulder seatbelt protection.

(b) Notwithstanding any other provision of law, not less than 10 percent of the funds authorized to be appropriated under section 209 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1949) in fiscal year 1990 and 1991 shall be utilized to disseminate information for consumers regarding the manner in which passenger automobiles may be retrofitted with lap and shoulder rear seatbelts.

CERTIFICATION OF BUMPERS

SEC. 306. The Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.) is amended by inserting after section 102 the following new subsection:

"DISCLOSURE OF BUMPER IMPACT CAPABILITY

"SEC. 102A. (a) The Secretary shall promulgate, in accordance with the provisions of this section, a regulation establishing passenger motor vehicle bumper system labeling requirements. Such regulation shall apply to passenger motor vehicles manufactured for model years beginning more than one hundred and eighty days after the date such regulation is promulgated, as provided in subsection (c)(2) of this section.

"(b)(1) The regulation required to be promulgated in subsection (a) of this section shall provide that, before any passenger motor vehicle is offered for sale, the manufacturer shall affix a label to such vehicle, in a format prescribed in such regulation, disclosing an impact speed at which the manufacturer represents that the vehicle meets the applicable damage criteria.

"(2) For purposes of this subsection, the term 'applicable damage criteria' means the damage criteria applicable under section 581.5(c) of title 49, Code of Federal Regulations (as in effect on the date of enactment of this section).

"(c)(1) Not later than ninety days after the date of enactment of this section, the Secretary shall publish in the Federal Register a proposed initial regulation under this section.

"(2) Not later than one hundred and fifty days after such date of enactment, the Secretary shall promulgate a final initial regulation under this section.

"(d) The Secretary may allow a manufacturer to comply with the labeling requirements of subsection (b) of this section by permitting such manufacturer to make the bumper system impact speed disclosure required in subsection (b) of this section on the label required by section 506 of this Act or section 3 of the Automobile Information Disclosure Act (15 U.S.C. 1232).

"(e) The regulation promulgated under subsection (a) of this section shall provide that the information disclosed under this section be provided to the Secretary at the beginning of the model year for the model involved. As soon as practicable after receiving such information, the Secretary shall furnish and distribute to the public such information in a simple and readily understandable form in order to facilitate comparison among the various types of passenger motor vehicles. The Secretary may by rule require automobile dealers to distribute to prospective purchasers any information compiled pursuant to this subsection.

"(f) For purposes of this section, the term 'passenger motor vehicle' means any motor vehicle to which the standard under part 581 of title 49, Code of Federal Regulations, is applicable.".

CHILD BOOSTER SEATS

SEC. 307. (a) In accordance with applicable provisions of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1381 et seq.), the Secretary shall conduct a rulemaking to amend Federal Motor Vehicle Safety Standard 213, published as section 571.213 of title 49, Code of Federal Regulations, to increase the safety of child booster seats used in passenger automobiles. The rulemaking shall be initiated not later than thirty days after the date of enactment of this Act and completed not later than twelve months after such date of enactment.

(b) As used in this section, the term "child booster seat" has the meaning given the term "booster seat" in section 571.213 of title 49, Code of Federal Regulations, as in effect on the date of enactment of this Act.

AIRBAG REQUIREMENT FOR FEDERAL PASSENGER VEHICLES

SEC. 308. The Secretary, in cooperation with the Administrator of General Services and the heads of other appropriate Federal agencies, shall establish a program requiring that all passenger automobiles acquired after September 30, 1990, for use by the Federal Government be equipped, to the maximum extent practicable, with driver-side airbags and that all passenger automobiles acquired after September 30, 1993, for use by the Federal Government be equipped, to the maximum extent practicable, with airbags for both the driver and front seat outboard passenger seating positions.

STATE MOTOR VEHICLE SAFETY INSPECTION PROGRAMS

SEC. 309. Part A of title III of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1961 et seq.) is amended by adding at the end the following new section:

"STATE MOTOR VEHICLE SAFETY INSPECTION PROGRAMS

"SEC. 304. (a) The Secretary shall, within thirty days after the date of enactment of this section, enter into appropriate arrangements with the National Academy of Sciences to conduct a study of the effectiveness of State motor vehicle safety inspection programs in—

"(1) reducing motor vehicle accidents that result in injuries and deaths; and

"(2) limiting the number of defective or unsafe motor vehicles on the highways.

"(b)(1) The study shall include an evaluation of the implementation, inspection criteria, personnel, budgeting, and enforcement of all types of State motor vehicle inspection programs or periodic motor vehicle inspection programs, including inspections of motor vehicle brakes, glass, steering, suspension, and tires.

"(2) If warranted by the study, the National Academy of Sciences shall develop and submit to the Congress recommendations for an effective and efficient State motor vehicle safety inspection program.

"(c) The study shall also consider the feasibility of use by States of private organizations to conduct motor vehicle safety inspection programs and of combining safety and emission inspection programs.

"(d) Appropriate public and private agencies and organizations, including the Secretary, the Administrator of the Environmental Protection Agency, affected industries and consumer organizations, State and local officials, and the motor vehicle insurance industry should be consulted in conducting the study required under this section.

"(e) The study required by subsection (a) shall be completed and transmitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives within nineteen months after the date of enactment of this section.".

RECALL OF CERTAIN MOTOR VEHICLES

SEC. 310. (a) Section 153 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1413) is amended by adding at the end the following new subsections:

"(d) If the Secretary determines that a notification sent by a manufacturer pursuant to subsection (c) of this section has not resulted in an adequate number of vehicles or items of equipment being returned for remedy, the Secretary may direct the manufacturer to send a second notification in such manner as the Secretary may by regulation prescribe.

"(e)(1) Any lessor who receives a notification required by section 151 or 152 pertain-

ing to any leased motor vehicle shall send a copy of such notice to the lessee in such manner as the Secretary may by regulation prescribe.

"(2) For purposes of this subsection, the term 'leased motor vehicle' means any motor vehicle which is leased to a person for a term of at least four months by a lessor who has leased five or more vehicles in the twelve months preceding the date of the notification.".

(b) Section 154 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1414) is amended by adding at the end the following:

"(d) If notification is required under section 151 or by an order under section 152(b) and has been furnished by the manufacturer to a dealer of motor vehicles with respect to any new motor vehicle or new item of replacement equipment in the dealer's possession at the time of notification which fails to comply with an applicable Federal motor vehicle safety standard or contains a defect which relates to motor vehicle safety, such dealer may sell or lease such motor vehicle or item of replacement equipment only if—

"(1) the defect or failure to comply has been remedied in accordance with this section before delivery under such sale or lease; or

"(2) in the case of notification required by an order under section 152(b), enforcement of the order has been restrained in an action to which section 155(a) applies or such order has been set aside in such an action.

Nothing in this subsection shall be construed to prohibit any dealer from offering for sale or lease such vehicle or item of equipment.".

STUDY OF DARKENED WINDOWS

SEC. 311. The Administrator of the National Highway Traffic Safety Administration shall conduct a study of the use of darkened windshields and window glass in passenger automobiles. In particular, the study shall consider the effects of such use on the safe operation of passenger automobiles, as well as on the hazards from such use to the safety of law enforcement personnel. In conducting such study, the Administrator shall consult with appropriate industry representatives, officials of law enforcement departments and agencies, and consumer representatives. The Administrator shall submit the results of such study to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives not later than six months after the date of enactment of this Act.

PETITIONS REGARDING CORPORATE AVERAGE FUEL ECONOMY STANDARDS

SEC. 312. Section 502(d)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002(d)(1)) is amended by striking "1980. Such application" and inserting in lieu thereof the following: "1980, or for any model year after model year 1991. Any application seeking such modification".

JUDICIAL REVIEW OF ACTIONS ON CERTAIN PETITIONS

SEC. 313. Section 124(d) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1410a(d)) is amended by adding at the end the following: "The denial of such petition is final agency action subject to judicial review as provided in section 706 of title 5, United States Code.".

BUMPER STANDARD

SEC. 314. (a) Not later than one year after the date of enactment of this Act, the Secretary shall, in accordance with section 102 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1912), amend the bumper standard published as part 581 of title 49, Code of Federal Regulations, to ensure that such standard is identical to the bumper standard under such part 581 which was in effect on January 1, 1982. The amended standard shall apply to all passenger automobiles manufactured after September 1, 1990.

(b) Nothing in this section shall be construed to prohibit the Secretary from requiring under such part 581 that passenger automobile bumpers be capable of resisting impact speeds higher than those specified in the bumper standard in effect under such part 581 on January 1, 1982.

GRANT PROGRAM CONCERNING USE OF SEATBELTS AND CHILD RESTRAINT SYSTEMS

SEC. 315. (a) Chapter 4 of title 23, United States Code, is amended by adding at the end of the following new section: "§ 411. Seatbelt and child restraint programs

"(a) Subject to the provisions of this section, the Secretary shall make grants to those States which adopt and implement seatbelt and child restraint programs which include measures described in this section to foster the increased use of seatbelts and the correct use of child restraint systems. Such grants may only be used by recipient States to implement and enforce such measures.

"(b) No grant may be made to a State under this section in any fiscal year unless such State enters into such agreements with the Secretary as the Secretary may require to ensure that such State will maintain its aggregate expenditures from all other sources for seatbelt and child restraint programs at or above the average level of such expenditures in its two fiscal years preceding the date of enactment of this section.

"(c) No State may receive grants under this section in more than three fiscal years. The Federal share payable for any grant under this section shall not exceed—

"(1) in the first fiscal year a State receives a grant under this section, 75 percent of the cost of implementing and enforcing in such fiscal year the seatbelt and child restraint program adopted by the State pursuant to subsection (a) of this section;

"(2) in the second fiscal year the State receives a grant under this section, 50 percent of the cost of implementing and enforcing in such fiscal year such program; and

"(3) in the third fiscal year the State receives a grant under this section, 25 percent of the cost of implementing and enforcing in such fiscal year such program.

"(d) Subject to subsection (c), the amount of a grant made under this section for any fiscal year to any State which is eligible for such a grant under subsection (e) of this section shall equal 20 percent of the amount apportioned to such State for fiscal year 1990 under section 402.

"(e) A State is eligible for a grant under this section if such State—

"(1) has in force and effect a law requiring all occupants of a passenger automobile to use seatbelts;

"(2) has achieved—

"(A) in the year immediately preceding a first-year grant, the lesser of either (i) 70 percent seatbelt use by occupants of passenger automobiles in the State or (ii) an increase of at least 20 percent over the rate of seatbelt use by such occupants achieved in 1989;

"(B) in the year immediately preceding a second-year grant, the lesser of either (i) 80 percent seatbelt use by such occupants or (ii) an increase of at least 35 percent over the rate of seatbelt use by such occupants achieved in 1989; and

"(C) in the year immediately preceding a third-year grant, the lesser of either (i) 90 percent seatbelt use by such occupants or (ii) an increase of at least 45 percent over the rate of seatbelt use by such occupants achieved in 1989; and

"(3) has in force and effect an effective program, as determined by the Secretary, for encouraging the correct use of child restraint systems.

"(f) As used in this section, the term 'child restraint system' has the meaning given such term in section 571.213 of title 49, Code of Federal Regulations, as in effect on the date of enactment of this section.

"(g) There are authorized to be appropriated, from any funds in the Treasury not otherwise appropriated, to carry out this section, $10,000,000 for the fiscal year 1990, and $20,000,000 for each of the fiscal years 1991 and 1992.".

(b) The analysis of chapter 4 of title 23, United States Code, is amended by adding at the end thereof the following: "411. Seatbelt and child restraint programs.".●

● Mr. HOLLINGS. Mr. President, I am pleased to join with my Commerce Committee colleagues Senator BRYAN, Chairman of the Consumer Subcommittee, Senator GORTON, ranking Republican member of the subcommittee, and others in cosponsoring this important safety legislation [NHTSA]. In the 100th Congress I was a cosponsor of S. 853, which addressed many of the safety issues covered in this bill. I was disappointed that, despite the Senate's passage of NHTSA authorization legislation very early in the 100th Congress, the House of Representatives did not take up this matter in the last Congress. However, these are important matters, and we will try again to complete our work in the Senate in a timely fashion with the hope that the House also will consider these issues.

There is no question that NHTSA's work remains a vital part of our efforts to protect the public safety. Nearly 900 Americans die each week as a result of automobile accidents, and many of these deaths could be prevented by efforts in which NHTSA can assist. Availability of lap/shoulder seat belts in both the front and rear seats of cars, and efforts to make sure that people use them, would save many lives. Prevention of drunk driving and education of the public vehicle safety features would also save many lives. This bill addresses those and other issues.

Equally as important, this bill continues efforts, underway for too many years, to ensure that vehicles provide adequate protection in side impact crashes, and that multipurpose vehicles contain as many safety features as possible. Several Commerce Commit-

tee measures over the years have attempted to resolve these issues.

I am convinced that, by creating and supporting NHTSA, Congress has gone a long way in preventing needless deaths and injuries. We must continue to be vigiliant and to improve highway safety. This bill is an important part of that effort, and I urge my colleagues to support it.●

● Mr. DANFORTH. Mr. President, improving highway safety does not get the attention it deserves. More than 94 percent of all transportation-related fatalities occur on our highways. Last year nearly 47,000 Americans were killed in highway accidents, and increase of more than 500 fatalities from 1987. The toll would have been worse if the Congress, with the support of local governments, industry, and the safety community, had not toughened drunk driving laws and enforcement and made improvements in heavy truck and bus safety.

The Congress has done little in recent years to improve the safety of passenger cars, small trucks, minivans, and sport utility vehicles. For this reason, I am pleased to cosponsor the National Highway Traffic Safety Administration Authorization Act of 1989. This bill contains a number of long overdue safety measures. For example, it requires improved side impact protection. It has been known for 10 years that the existing standards does little to protect occupants in car-to-car side crashes. Our bill also requires that light trucks and minivans have basic safety protections such as minimum roof crush resistance, head restraints, high center-mounted brake lights, passive restraints and minimum stability. Several of these standards have been required for passenger cars for 20 years. Moreover, our bill requires shoulder/lap belt combinations for rear seat passengers. For 21 years these combination belts have been required for front seat occupants because they are safer than lap only belts. Mr. President, this is not a list of luxury options. These are basic safety protections that every family deserves.

Highway safety has long been a bipartisan issue in the Senate. I am glad to be joining Senator BRYAN, the new chairman of the Consumer Subcommittee; Senator HOLLINGS, the chairman of the Commerce Committee; Senator GORTON, the ranking Republican on the Consumer Subcommittee, and others in introducing this important legislation.

Mr. President, let me summarize some of the long overdue safety measures in this legislation.

SIDE IMPACT

Mr. President, each year 9,000 Americans are killed in side impact crashes. In 1979, the National Highway Traffic Safety Administration [NHTSA] recognized that the current passenger car side impact standard, which requires a door beam, is inadequate. NHTSA closed its side impact rulemaking in 1982 and did not reopen it until 1988. Our bill would require NHTSA to write an improved side impact standard.

CRASHWORTHINESS RATINGS

Crashworthiness ratings would provide valuable information to the American family buying a vehicle and needing to know how its safety compares with that of other vehicles. Our bill instructs NHTSA and the National Academy of Sciences to work together to develop such a rating system.

MULTIPURPOSE VEHICLES

Multipurpose vehicles [MPV's], which include pickups, minivans, and four-wheel drive vehicles, are among the hottest items in dealer showrooms. Between 1971 and 1987, the MVP share of light-duty vehicle market jumped from 15 to 32 percent. MPV sales 4.6 million in 1987. MPV sales have mushroomed because these relatively inexpensive vehicles are being used as pleasure cars. The pickup is used more in the city and suburbs than on the farm, and the minivan is the station wagon of the 1980's.

Unfortunately, the family that takes a pickup or minivan to get groceries or pick up the kids is using a vehicle that lacks many basic safety features. Although MPV's compete directly with passenger cars, NHTSA has exempted them from many of the passenger car safety standards. These exemptions have contributed to the annual toll of more than 7,200 MPV fatalities.

Today's bill requires NHTSA to take six steps to improve MPV safety. Five of these steps were in NHTSA legislation previously passed by the Senate.

The first step NHTSA must take is to require head restraints for MPV's. These devices, which prevent head and neck injuries, have been required in passenger cars since 1968. Head restraints in MPV's are not required, even though, for example, a small truck passenger's head is only inches from the rear window.

The second step would be to require high center mounted rear brake lights. These lights might prevent some of the 270,000 annual MPV rear-end collisions.

The third step would apply the passive retraint rule to MPV's. According to an Insurance Institute for Highway Safety [IIHS] study, a major cause of death in MPV crashes is passenger ejection during rollover. IIHS found passenger ejection was the cause of death in 46 percent of single vehicle crashes involving small utility vehicles. In contrast, 16 percent of small car single vehicle accidents involve ejection. Applying the passive restraint rule's requirement of either automatic seat belts or airbags would help prevent these ejections.

A fourth safety improvement, which is new in this year's NHTSA bill, is a MPV rollover prevention standard. Many MPV's, particularly sport utility vehicles, have high centers of gravity, which can cause them to roll over. For example, NHTSA reports that 64 percent of all single-vehicle Suzuki Samurai accidents involve rollover. The rollover rate for full-sized sedans is only 8 percent. The problems with the Samurai were highlighted in tests conducted by the Consumers Union, publishers of Consumer Reports. Consumers Union had "never before come across a vehicle so vulnerable to rolling over" in its 25 years of vehicle testing. In addition, this week NHTSA announced that it is opening an investigation into rollover accidents involving Ford Bronco II's. Our legislation would require NHTSA to establish a standard for MPV stability in order to prevent rollover problems.

A fifth safety need, which is related to the MPV rollover standard, is minimum roof crush resistance. Passenger cars have had this standard since 1971. MPV's should have this standard because when rollover occurs, MPV passengers need assurance that the vehicle's roof will not collapse.

Finally, NHTSA would be required to conduct a rulemaking to review its system of classification of vehicles under 10,000 pounds. The changing use pattern of MPV's and the recent controversy surrounding tariff treatment of sport utility vehicles both demonstrate the need for a clearer definition of what is an MPV and what is a passenger car.

REAR SEAT SHOULDER BELTS

For 21 years, front seat passengers have had the protection of lap/shoulder belt combinations. Seat belts in the rear seat do not have to have shoulder straps. In August 1986, the National Transportation Safety Board [NTSB] issued a report stating that, in some instances, persons using rear seat lap belts may be inadequately protected against injury and may sustain severe abdominal injuries from the belt itself. Following NTSB's report, NHTSA wrote a concerned parents' group in August 1986, saying it would open a rulemaking on this matter. NHTSA finally opened a rulemaking in November 1988, but still there is no requirement of rear seat shoulder belts.

Today's legislation would direct NHTSA to complete a rulemaking requiring clearly superior rear seat lap/shoulder belts in all newly manufactured cars. It also would require NHTSA to use some of its consumer information program money to inform owners of older cars about retrofitting their cars with these belts.

CHILD BOOSTER SEATS

A booster seat is a small car seat without a back or sides that is used for a child too big to fit into a toddler safety seat. Generally, booster seats

are recommended for children between 30 and 60 pounds.

Booster seats are designed to elevate children so that they are in the proper position to use lap and shoulder belts. Until 1984, these seats were designed with an upper body harness and tether strap to protect children in seating positions without shoulder belts. Many parents used these seats without installing the tether. Seats installed this way often failed during crashes. As a result, all but one booster seat manufacturer discontinued production of boosters using the tether.

When the upper body restraint was discontinued, manufacturers supplemented the seat with an abdominal shield that is supposed to hold a child in the seat during a crash. A study conducted for NHTSA shows that many of these shields place extreme pressure on the abdomen during a crash.

Our bill requires a solution to this problem. First it requires that rear seat belts have shoulder harnesses that can be used with booster seats. Moreover, it requires NHTSA to modify its child safety seat standard to ensure the effectiveness of booster seats.

BUMPER IMPROVEMENTS

Mr. President, our bill requires DOT to raise the bumper collision standard to 5 miles per hour [mph]. In 1982, NHTSA lowered its standards for bumpers from 5 mph to a 2.5 mph standard. Since this change, car bumpers have become so weak as to be useless. A recent study conducted by the IIHS tested the bumper strength of 34 different cars in a 5 mph crash test. Twenty-eight of those vehicles incurred damages of over $1,000. In the worst case, the Isuzu Impulse sustained damages totaling just under $3,500. Before the bumper standard was lowered, the 1981 Ford Escort sustained no damages from the same test.

Our bill also requires NHTSA to write a rule under which automakers would label the bumpers of their vehicles to indicate the maximum speed at which they could prevent the vehicle from withstanding structural damage. NHTSA promised to establish such a bumper information system 7 years ago, and has still failed to do so.

AIRBAGS IN FEDERALLY PURCHASED VEHICLES

Mr. President, airbags are the most effective technology for preventing injuries and fatalities in frontal crashes. When used with a seat belt, an airbag can prevent serious injury in all but the most severe accidents.

Under DOT's passive restraint rule, 10 percent of model year 1987 cars, 25 percent of model year 1988 cars, 40 percent of model year 1989 cars and 100 percent of all cars manufactured in model year 1990 and beyond must be equipped with passive restraints. To comply with the passive restraint rule, manufacturers have the choice of equipping their cars with either airbags, automatic seat belts or specially padded interiors.

Mr. President, I am pleased that many automakers have chosen airbags to comply with the passive restraint rule. Chrysler has made driver side airbags standard on all its models. Ford has announced plans to put driver side airbags in 1 million cars in model year 1990. Ford's installation will cover 11 model lines, including models in the lower price ranges. Finally, General Motors has announced plans to install 3 million driver side airbags by model year 1992. All these manufacturers also have plans to install passenger side airbags as well.

Mr. President, the Federal Government has had great success with the 6,500 driver side equipped Ford Tempos it has purchased; 126 of these vehicles have been involved in crashes severe enough to deploy the airbag. None of these deployment crashes have resulted in death and only three of these crashes have seriously injured the car's driver. Airbags have not only prevented death and injury, they have saved the Government payments for medical treatment, hospitalization and survivors' and disability benefits.

Mr. President, beginning with model year 1991, our bill would require Federal Government, to the extent practicable, to purchase vehicles with driver side airbags. Beginning with model year 1994 vehicles, federally purchased vehicles would have both driver and passenger side airbags.

SEAT BELT AND CHILD SAFETY SEAT INCENTIVES

Mr. President, increasing seat belt use is critical to better highway safety. A recent University of Illinois-Chicago study of 1,304 traffic crash victims found that, when victims wore seat belts, their hospital admissions decreased 65 percent. Similarly, another recent study found that North Carolina's mandatory seat belt law will annually prevent 1,100 severe and fatal injuries in that State.

Currently, 31 States have mandatory seat belt laws, but belt use ranges between 27 and 68 percent in these States. States without mandatory belt laws have use rates as low as 15 percent.

Experience demonstrates that there are several key factors to increasing belt use. First, a State must have a belt use law that can be effectively enforced. Laws that provide a minimal fine or only permit citations of drivers guilty of additional traffic violations are less effective. Second, there must be vigorous enforcement and extensive public education about the belt use law. For example, according to a 1986 NHTSA survey, Dallas and Houston both achieved over 70 percent belt use. This success was attributed to extensive publicity, effective organizing by community groups, and a strong enforcement program.

Child care seats are another area needing improvement. All 50 States have laws requiring the use of child cars seats, and between 1981 and 1988 their use rose from 23 to 83 percent. Unfortunately, about 30 percent of safety seats are grossly or partially misused. This greatly reduces their value in reducing death and injury.

Mr. President, our bill would provide States incentives to achieve high belt use rates and encourage proper child safety seat use. To qualify for an initial grant a State would have to: First, establish a child safety seat education program; and second, achieve either 70-percent belt use or a 20-percent increase in belt use from the previous year. Additional grants would require further increases in belt use.

CONCLUSION

Mr. President, our bill contains a number of other worthy provisions on issues such as airbag education, and the development of grassroots efforts to fight drunk driving. These provisions are also important to this comprehensive attack on highway death and injury. I urge my colleagues to support this important legislation.●

● Mr. GORTON. Mr. President, I am pleased to cosponsor the National Highway Traffic Safety Authorization Act of 1989. The National Highway Traffic Safety Administration [NHTSA] is an agency with several important missions—improving highway safety, providing information to those purchasing vehicles and establishing fuel economy standards for motor vehicles.

Despite the importance of NHTSA, no legislation authorizing this agency has been enacted since 1982. In the last 7 years, the Senate Commerce Committee has reported three NHTSA related bills and the full Senate has approved, without opposition, two of these bills. We have not been able to reach agreement with the House on this legislation, however.

Our bill would require NHTSA action on a number of important safety, consumer, and fuel economy issues that have been ignored during this legislative stalemate. Let me summarize some of its more important provisions.

Improving highway safety is NHTSA's most important mission and rightly so. Last year, 47,000 Americans died in highway crashes. That is, on average, almost 130 people killed every day.

This is a record on which we can improve. Our bill would establish a schedule for improving safety. It would require NHTSA to finish the improved side impact protection standard that has been pending for 10 years. Our bill would improve the safety of small trucks and minivans by

making sure that they have basic safety protections such as minimum roof crush resistance, head restraints, high center mounted brake lights, and passive restraints. Our bill would also ensure that vehicles have sufficient stability so that they are not prone to roll over. Finally, it would require shoulder straps for rear seat safety belts just as they have been required for front seat safety belts since 1968.

NHTSA also has a mandate to help those who purchase vehicles under the Motor Vehicle Information and Cost Savings Act. One of NHTSA's responsibilities under this act is the establishment of minimum standards for bumpers. In 1982, NHTSA lowered its bumper standard from 5 to 2.5 miles per hour [mph]. At the time, it promised to develop a rating system to inform consumers about the strength of automobile bumpers, but it never developed such a system.

We never should have allowed the bumper standard to be lowered. Each year the Insurance Institute for Highway Safety [IIHS] conducts crash tests with bumpers. More than 80 percent of the 1989 models IIHS tested had damages of over $1,000 in the 5 mph test. The 2.5 mph standard is unacceptable. With the ever-increasing cost of automobile insurance and higher deductible levels, carowners cannot afford to drive vehicles equipped with tissue paper bumpers that offer no protection from low speed collisions.

Our bill would address the bumper issue in two ways. First, it would require NHTSA to return to its 1982 5 mph bumper standard. Second, it would require automakers to inform consumers of the maximum speed at which a vehicle's bumper can prevent damage to the vehicle.

NHTSA also administers the corporate average fuel economy [CAFE] standards. These standards are important for energy conservation. CAFE also has positive environmental consequences because it encourages the development of vehicles that burn fuel efficiently. Our bill recognizes the need for better planning in the CAFE area. It requires that any automaker's request that NHTSA lower the CAFE standard be filed 24 months in advance of the model year for which the decrease is sought. This will provide NHTSA time to weigh the economic benefit of a lower CAFE standard for an automaker against the energy and environmental consequences of the requested decrease.

In conclusion, I urge my colleagues to support this important legislation, and I will push for its early consideration by the Commerce Committee and the Senate.●

● Mr. KERRY. Mr. President, I am pleased be a cosponsor of the National Traffic and Safety Administration Authorization Act of 1989. Similar legislation passed the Senate in the 100th Congress but, unfortunately, was not enacted. I sincerely hope that disagreements will be worked out so that this important legislation will be signed by the President as soon as possible.

This reauthorization legislation incorporates some provisions not included in S. 853. It would restore the 5 mile per hour bumper standard and the requirement that petitions to reduce CAFE standards be filed 24 months in advance of the model year to which they apply. In addition, there are provisions intended to improve the safety of children's booster seats and to encourage seatbelt use.

It concerns me that we are forced to include in this legislation a handicapped parking provision that was enacted last year but which the Department of Transportation has refused to enforce.

Recent correspondence from the Department stated:

> The handicapped parking legislation to which you refer directed the Secretary of Transportation to adopt regulations to provide a uniform system of handicapped parking and to encourage adoption of such system by all States. A highway funding penalty for failure to adopt the uniform handicapped parking regulation was included in an earlier version of the bill that led to this legislation, but the final legislation does not include such a provision. Under these circumstances, it would not be reasonable to conclude that Congress intended the regulations to be binding on the States or that the Department mandate that the States comply with the rules.

Mr. President, I am disappointed at the Department of Transportation's interpretation of congressional intent. It is clear that the Department should issue strict regulations to force the States to adopt a uniform system of parking for individuals who are disabled. In discussions with former Secretary Burnley, I had made it clear why it was necessary for DOT to step in and force the States to comply and what the intent of the Congress was. Furthermore, upon final passage of the enacting legislation, I again reiterated my intent as well as concern.

Because the Department has chosen not to implement the enacted provision, it is again included in this legislation in its original form with the high, way funding penalty.

There is an overwhelming need for Federal legislation. Over 6.5 million disabled Americans use automobiles and require special parking permits. States often do not honor other States' permits. States have dragged their feet in accommodating the problems the disabled have in traveling. Even if a State does offer reciprocity, enforcement officials often do not recognize a handicapped plate because a uniform plate does not exist.

Because of the lack of enforcement by the Department and because of the need for enforcement, it is imperative that we act on the handicapped parking provision again this year.●

By Mr. HEINZ:

S. 674. A bill to regulate above ground storage tanks having the capacity to store at least 1 million gallons of petroleum, and for other purposes; to the Committee on Environment and Public Works.

REGULATING ABOVE GROUND STORAGE TANKS

Mr. HEINZ. Mr. President, the bill I am introducing today, the Above Ground Storage Tank Spill Prevention Act of 1989, will require EPA to promulgate national requirements concerning large holding tanks that pose a risk of catastrophic failure.

My bill comes too late to prevent the property damage, water contamination, and hardships caused by an oil tank collapse outside my hometown last year. But I am proposing it in order to ensure that our Pennsylvania experience is not repeated anywhere else in this country.

The incident I refer to took place on January 2, 1988. At the town of Floreffe in Allegheny County, a fully loaded, 4 million gallon above ground storage tank owned by the Ashland Oil Co. burst. Inside of 10 seconds, nearly 1 million gallons of No. 2 diesel fuel spilled into the Monongahela River.

The spill contaminated the Monongehala and Ohio Rivers, both of which provide drinking water to hundreds of cities and towns. As the oil made its way downriver, many public water systems in Pennsylvania, West Virginia, and Ohio communities—Robinson, North Fayette, West View, Midland, Toronto, Wheeling, and Sisterville, to name a few—were forced to close or heavily restrict their water intakes.

Mr. President, during the course of this emergency, many of our local leaders had to improvise to ensure an adequate supply of water for emergency as well as normal daily needs. In the back of everyone's minds was the fear that a major fire would erupt before the water mains could be reopened.

Clean up efforts were prompt, comprehensive and strenuous, yet only marginally successful—only 20 percent of the spilled fuel was isolated and recovered.

More than 830,000 people went completely without or with considerably curtailed drinking water until the black slime dissipated a number of weeks later. During these weeks, the contamination killed thousands of birds and fish indigenous to the rivers.

Mr. President, in reviewing how the disaster happened, there are certain conclusions to be drawn.

First, there has been little regulation, and less coordination among gov-

ernments, to ensure environmental safeguards are met.

There is a conspicuous lack of Federal and State requirements to monitor the use and operation of aboveground storage tanks that contain large volumes of liquid petroleum products.

Federal regulation applies only to containment plans and does not directly address tank integrity.

State and local law may require an owner or operator of an aboveground storage tank to obtain a permit for construction of the tank and to have the tank inspected after construction is complete. However, these regulations vary widely from locale to locale: they are often difficult to enforce; the technical expertise to do so may be lacking especially at the local level; and there is not a regular means of monitoring these tanks after permits have been issued.

Experience has made us all too aware that large capacity aboveground storage tanks that have been operating for a long time or that have been altered through reconstruction or relocation are most likely to have structural integrity problems.

The larger the tank, the more likely the environmental damage will be severe.

My legislation requires EPA to develop regulations. It requires either EPA or an EPA-approved State program to implement and enforce these regulations; it requires owners or operators of tanks that experience a failure and spill their petroleum contents into the environment to take corrective action, and it requires States to compile an inventory of aboveground storage tanks.

And given our limited resources, we must direct our efforts at the large capacity tanks. My bill would focus on tanks with the capacity to store up to 1 million gallons of petroleum and are at least 30 years old or have been relocated or reconstructed.

New inspection and permitting requirements contained in the bill are aimed directly at preventing environmental contamination. Inspections by trained experts, periodic reinspections, permitting, and permit renewals will reduce the risk that a tank will fail. Requiring that a tank be properly dismantled at the end of its useful life will prevent spills from a tank that is no longer required to be monitored and inspected.

This legislation requires tank owners or operators to report a spill to the relevant regulatory agency, either EPA or its State-level equivalent. In such a scenario, corrective actions required of owners or operators would include cleaning up surface and ground water, surface and subsurface soils, the air, and, if necessary, as in the tragedy in Pennsylvania in January 1988, supplying alternative drinking water sources.

Owners and operators will be required to demonstrate beforehand that they have the financial ability to take all required corrective actions without delay. After a spill has occurred, it an owner or operator cannot or does not take corrective actions as required, the EPA or EPA-approved State agency would be required to take corrective actions and impose penalties.

In order to ensure that EPA or a State agency has access to sufficient funds to clean up a spill and to assist injured communities and people where there is not a responsible party, this bill allows the leaking underground storage tank trust fund to be used. In this way if a spill takes place, and there is no financially responsible party—an absolutely worst-case scenario—the so-called LUST trust fund, financed by a tax on gasoline, will be sufficient to pay for cleanup and compensation for spills.

These requirements will ensure that the tanks are properly maintained and are used for the purpose for which they were designed. As introduced, the act will ensure that the party responsible for a spill follow EPA procedures for proper cleanup.

I urge my colleagues to support this legislation so that we might avoid another catastrophe like the Ashland spill.

I ask unanimous consent that the bill and a section-by-section summary be printed in the RECORD at this point.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 674

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Solid Waste Disposal Act is amended by adding the following new subtitle after subtitle I:

"SUBTITLE J—REGULATION OF ABOVE GROUND STORAGE TANKS

"DEFINITIONS AND EXEMPTIONS

"SEC. 9020. For purposes of this subtitle—

"(1) The term 'above ground storage tank' means any one or combination of tanks located above ground (including underground pipes connected thereto) which has or have the capacity to hold, and is or are used to contain an accumulation of, at least one million gallons of petroleum. Such term does not include any—

"(A) pipeline facility to the extent (including gathering lines) regulated under—

"(i) the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. App. 1671, et seq.),

"(ii) the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. App. 2001, et seq.), or

"(iii) which is an intrastate pipeline facility regulated under State laws comparable to the provisions of law referred to in clause (i) or (ii) of this subparagraph,

"(B) surface impoundment, pit, pond, or lagoon,

"(C) liquid trap or associated gathering lines directly related to oil or gas production and gathering operations.

The term 'above ground storage tank' shall not include any pipes connected to any tank which is described in subparagraphs (A) through (C).

"(2) The term 'petroleum' means petroleum, including crude oil and refined products thereof (including fuel oil) or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 per square inch absolute).

"(3) The term 'regulated substance' means any substance defined in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (but not including any substance regulated as a hazardous waste under subtitle (C)).

"(4) The term 'owner' means—

"(A) in the case of an above ground storage tank in use on the date of enactment of this section, or brought into use after that date, any person who owns an above ground storage tank used for the storage, use, or dispensing of petroleum, and

"(B) in the case of any above ground storage tank in use before the date of enactment of this section, but no longer in use after such date of enactment, any person who owned such tank immediately before the discontinuation of its use.

"(5) The term 'operator' means any person in control of, or having responsibility for, the daily operation of the above ground storage tank.

"(6) The term 'release' means any spilling, leaking, emitting, discharging, escaping, leaching, or disposing from an above ground storage tank into ground water, surface water, surface or subsurface soils.

"(7) The term 'person' has the same meaning as provided in section 1004(15), except that such term includes a consortium, a joint venture, a commercial entity, and the United States Government.

"(8) The term 'nonoperational storage tank' means any above ground storage tank in which petroleum will not be deposited or from which petroleum will not be dispensed after the date of the enactment of this section.

"NOTIFICATION

"SEC. 9021. (a) REQUIREMENTS.—(1) Within 18 months after the date of enactment of this section, each owner of a storage tank located above ground, with a capacity of at least 25,000 gallons, shall notify the State or local agency or department designated pursuant to subsection (b)(1) of the existence of such tank, specifying the age, size, type, location, assembly history, and uses of such tank.

"(2) Any owner which brings into use a storage tank located above ground, with a capacity of at least 25,000 gallons, after the initial notification period specified under paragraph (1), shall notify the designated State or local agency or department within 30 days of the existence of such tank, specifying the age, size, type, location, assembly history, and uses of such tank.

"(3) Paragraphs (1) and (2) of this subsection shall not apply to tanks for which notice was given pursuant to section 103(c) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or section 9002 of this Act.

"(4) Beginning 30 days after the Administrator prescribes the form of notice pursuant to subsection (b)(2) and for 18 months thereafter, any person who deposits petroleum in an above ground storage tank shall reasonably notify the owner or operator of such tank of the owner's notification requirements pursuant to this subsection.

"(b) AGENCY DESIGNATION.—(1) Within 180 days after the enactment of this section, the Governor of each State shall designate the appropriate State agency or department or local agencies or departments to receive the notifications under subsection (a) (1) or (2).

"(2) Within 12 months after the date of enactment of this section, the Administrator, in consultation with State and local officials designated pursuant to paragraph (1), and after notice and opportunity for public comment, shall prescribe the form of the notice and the information to be included in the notifications under subsection (a) (1) or (2).

"(c) STATE INVENTORIES.— Each State shall make an inventory of all above ground storage tanks in such State. In making such an inventory, the State shall utilize and aggregate the data in the notification forms submitted pursuant to subsection (a) of this section. Each State shall submit such aggregated data to the Administrator not later than 24 months after the date of enactment of this subsection.

"RELEASE PREVENTION, CORRECTION, AND FINANCIAL RESPONSIBILITY REGULATIONS

"SEC. 9022. (a) REGULATIONS.—The Administrator, after notice and opportunity for public comment, and at least 3 months before the effective dates specified in subsection (f), shall promulgate prevention, correction, and financial responsibility regulations applicable to owners and operators of above ground storage tanks, as may be necessary to protect human health and the environment.

"(b) APPLICABILITY.—The regulations issued under this section shall apply to above ground storage tanks that—

"(1) are 30 or more years old;

"(2) have been reassembled in whole or in part; or

"(3) have been relocated from their site of original placement.

"(c)(1) REQUIREMENTS.—The regulations promulgated pursuant to this section shall include, but need not be limited to, the following requirements respecting above ground storage tanks—

"(A) requirements for inspection of the structural integrity of regulated above ground storage tanks;

"(B) requirements for the granting of operating permits pursuant to an inspection by the regulatory authority to ensure the integrity of the tank structure in order to prevent a release of petroleum into the environment;

"(C) requirements for subsequent periodic inspections of the above ground storage tanks and renewal of the operating permit;

"(D) requirements for immediate reporting of any releases and corrective action taken in response to a release from an above ground storage tank;

"(E) requirements for taking corrective action in response to a release from an above ground storage tank;

"(F) requirements for closure of above ground storage tanks to prevent future releases of petroleum into the environment; and

"(G) requirements for maintaining evidence of financial responsibility for the estimated costs of closure and for taking corrective action and compensating third parties for bodily injury and property damage caused by sudden accidental releases arising from operating an above ground storage tank.

"(2) In promulgating regulations under this section, the Administrator may take into consideration factors, including, but not limited to: location of the tanks, proximity of the tanks to drinking water supplies; age of tanks; condition of the tanks; history of maintenance; sizes of the tanks; any reassembling or altering of the tanks; type of petroleum contained in the tanks; existence of secondary containment designed and constructed to contain any release, including a release caused by a sudden and complete rupture of the tank; existing State programs regulating above ground storage tanks; and current industry recommended practices.

"(d) FINANCIAL RESPONSIBILITY.—

"(1)(A) The Administrator, in promulgating financial responsibility regulations under this section, shall conduct a study to determine the appropriate amounts of coverage, both per occurrence and aggregate. The factors to be evaluated by the Administrator in conducting the study to determine the appropriate amounts of coverage shall include, but not be limited to: the estimated costs of cleaning up navigable waters, groundwater, and surface and subsurface soils; the costs of correcting any other environmental damage; the costs of mitigating harm to wildlife; the costs incurred by Federal, State, and local government entities resulting from actions to protect public health and the environment; the costs incurred by private third parties due to the release; the availability of insurance and other methods of financial responsibility; and the ability of owners or operators to self-insure and to establish risk retention groups.

"(B) On the basis of the results of the study conducted under this subsection, the Administrator shall require owners or operators to demonstrate financial responsibility for the costs of cleaning up a release and compensating third parties injured by a release.

"(C) The Administrator, in promulgating financial responsibility requirements under this section, shall require owners or operators to demonstrate financial responsibility in an amount adequate to cover the costs of closure.

"(2) Financial responsibility required by this subsection may be established in accordance with regulations promulgated by the Administrator by any one, or any combination, of the following: insurance, guarantee, surety bond, letter of credit, qualification as a self-insurer, or any other method satisfactory to the Administrator. In promulgating requirements under this subsection, the Administrator is authorized to specify policy or other contractual terms, conditions, or defenses, which are necessary or are unacceptable in establishing such evidence of financial responsibility in order to effectuate the purposes of this subtitle.

"(3) In any case where the owner or operator is in bankruptcy, reorganization, or arrangement, pursuant to the Federal Bankruptcy Code or where with reasonable diligence jurisdiction in any State court of the Federal courts cannot be obtained over an owner or operator likely to be solvent at the time of judgment, any claim arising from conduct for which evidence of financial responsibility must be provided under this subsection may be asserted directly against the guarantor providing such evidence of financial responsibility. In the case of any action pursuant to this paragraph such guarantor shall be entitled to invoke all rights and defenses which would have been available to the owner or operator if any action had been brought against the owner or operator by the claimant and which would have been available to the guarantor if an action had been brought against the guarantor by the owner or operator.

"(4) The total liability of any guarantor shall be limited to the aggregate amount which the guarantor has provided as evidence of financial responsibility to the owner or operator under this section. Nothing in this subsection shall be construed to limit any other State or Federal statutory, contractual or common law liability of a guarantor to its owner or operator including, but not limited to, the liability of such guarantor for bad faith either in negotiating or in failing to negotiate the settlement of any claim. Nothing in this subsection shall be construed to diminish the liability of any person under section 107 or 111 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 or other applicable law.

"(5) For the purpose of this subsection, the term 'guarantor' means any person, other than the owner or operator, who provides evidence of financial responsibility for an owner or operator under this subsection.

"(6) The Administrator may waive the financial responsibility requirements under this section upon the determination that the owner or operator has demonstrated that secondary containment designed and constructed to be adequate to hold any release, including a release caused by a sudden and complete rupture of the above ground storage tank, exists at the tank site.

"(e) EFFECTIVE DATE.—Regulations issued pursuant to this section shall be effective not later than 30 months after the date of enactment of this section.

"(f) EPA RESPONSE PROGRAM FOR PETROLEUM.—

"(1) BEFORE REGULATIONS.—Before the effective date of regulations under this section, the Administrator (or a State pursuant to paragraph (6) of this subsection) is authorized to—

"(A) require the owner or operator of an above ground storage tank to undertake corrective action with respect to any release of petroleum when the Administrator (or the State) determines that such corrective action will be done properly and promptly by the owner or operator of the above ground storage tank from which the release occurs; or

"(B) undertake corrective action with respect to any release of petroleum into the environment from an above ground storage tank if such action is necessary, in the judgment of the Administrator (or the State), to protect human health and the environment. The corrective action undertaken or required under this paragraph shall be such as may be necessary to protect human health and the environment.

"(2) AFTER REGULATIONS.—Following the effective date of regulations under subsection (c), all actions or orders of the Administrator (or a State pursuant to paragraph (6)) described in paragraph (1) of this subsection shall be in conformity with such regulations. Following such effective date, the Administrator (or the State) may undertake corrective action with respect to any release of petroleum into the environment from an above ground storage tank only if such action is necessary, in the judgment of the Administrator (or the State), to protect human health and the environment and one or more of the following situations exists:

"(A) A situation which requires prompt action by the Administrator (or the State) under this paragraph to protect human health and the environment.

"(B) The owner or operator of the tank has failed or refused to comply with an order of the Administrator under this subsection or section 9025 or with the order of a State under this subsection to comply with the corrective action regulations.

"(3) CORRECTIVE ACTION ORDERS.—The Administrator is authorized to issue orders to the owner or operator of an above ground storage tank to carry out subparagraph (A) of paragraph (1) or to carry out regulations issued under subsection (c)(1)(E). A State acting pursuant to paragraph (6) of this subsection is authorized to carry out subparagraph (A) of paragraph (1) only until the State's program is approved by the Administrator under section 9023 of this subtitle. Such orders shall be issued and enforced in the same manner and subject to the same requirements as orders under section 9025.

"(4) ALLOWABLE CORRECTIVE ACTIONS.—The corrective actions undertaken by the Administrator (or a State pursuant to paragraph (6)) may include temporary or permanent relocation of residents and alternative household water supplies. In connection with the performance of any corrective action under paragraph (1) or (3), the Administrator may undertake an exposure assessment as defined in paragraph (9) of this subsection or provide for such an assessment in a cooperative agreement with a State pursuant to paragraph (6) of this subsection. The costs of any such assessment may be treated as corrective action for purposes of paragraph (5), relating to cost recovery.

"(5) RECOVERY OF COSTS.—

"(A) IN GENERAL.—Whenever costs have been incurred by the Administrator, or by a State pursuant to paragraph (6), for undertaking corrective action or enforcement action with respect to the release of petroleum from an above ground storage tank, the owner or operator of such tank shall be liable to the Administrator or the State for such costs. The liability under this paragraph shall be construed to be the standard of liability applicable under section 311 of the Federal Water Pollution Control Act.

"(B) RECOVERY.—In determining the equities for seeking the recovery of costs under subparagraph (A), the Administrator (or a State pursuant to paragraph (6) of this subsection) may consider the amount of financial responsibility required to be maintained under subsections (c) and (d) of this section and the factors considered in establishing such amount.

"(C) EFFECT ON LIABILITY.—

"(i) NO TRANSFERS OF LIABILITY.—No indemnification, hold harmless, or similar agreement or conveyance shall be effective to transfer from the owner or operator of any above ground storage tank or from any person who may be liable for a release or threat of release under this subsection. Nothing in this subsection shall bar any agreement to insure, hold harmless, or indemnify a party to such agreement for any liability under this section.

"(ii) NO BAR TO CAUSE OF ACTION.—Nothing in this subsection, including the provisions of clause (i) of this subparagraph, shall bar a cause of action that an owner or operator or any other person subject to liability under this section, or a guarantor, has or would have, by reason of subrogation or otherwise against any person.

"(D) FACILITY.—For purposes of this paragraph, the term 'facility' means, with respect to any owner or operator, all above ground storage tanks used for the storage of petroleum which are owned or operated by such owner or operator and located on a single parcel of property (or on any contiguous or adjacent property).

"(6) STATE AUTHORITIES.—

"(A) GENERAL.—A State may exercise the authorities in paragraphs (1) and (2) of this subsection, subject to the terms and conditions of paragraphs (4), (8), (9), and (10), if—

"(i) the Administrator determines that the State has the capabilities to carry out effective corrective actions and enforcement activities; and

"(ii) the Administrator enters into a cooperative agreement with the State setting out the actions to be undertaken by the State.

"(B) COST SHARE.—Following the effective date of the regulations under this section, the State shall pay 10 per centum of the cost of corrective actions undertaken either by the Administrator or by the State under a cooperative agreement, except that the Administrator may take corrective action at a facility where immediate action is necessary to respond to an imminent and substantial endangerment to human health or the environment if the State fails to pay the cost share.

"(7) EMERGENCY PROCUREMENT POWERS.—Notwithstanding any other provision of law, the Administrator may authorize the use of such emergency procurement powers as he deems necessary.

"(8) DEFINITION OF OWNER.—As used in this subsection, the term 'owner' does not include any person who, without participating in the management of an above ground storage tank and otherwise not engaged in petroleum production, refining, and marketing, holds indicia of ownership primarily to protect the owner's security interest in the tank.

"(9) DEFINITION OF EXPOSURE ASSESSMENT.—As used in this subsection, the term 'exposure assessment' means an assessment to determine the extent of exposure of, or potential for exposure of, individuals to petroleum from a release from an above ground storage tank based on such factors as the nature and extent of contamination and the existence of or potential for pathways of human exposure (including ground or surface water contamination, air emissions, and food chain contamination), the size of the community within the likely pathways of exposure, and the comparison of expected human exposure levels to the short-term and long-term health effects associated with identified contaminants and any available recommended exposure or tolerance limits for such contaminants. Such assessment shall not delay corrective action to abate immediate hazards or reduce exposure.

"(10) FACILITIES WITHOUT FINANCIAL RESPONSIBILITY.—At any facility where the owner or operator has failed to maintain evidence of financial responsibility in amounts at least equal to the amounts established by subsection (d)(1)(B) of this section for whatever reason, the Administrator shall use the authorities provided in subparagraph (A) of paragraph (1) and paragraph (3) of this subsection and section 9025 of this subtitle to order corrective action to clean up such releases. States acting pursuant to paragraph (6) of this subsection shall use the authorities provided in subparagraph (A) of paragraph (1) and paragraph (3) of this subsection to order corrective action to clean up such releases. Notwithstanding the provisions of this paragraph, the Administrator may take the corrective actions authorized by paragraph (4) of this subsection to protect human health at such facilities and shall seek full recovery of the costs of all such actions pursuant to the provisions of paragraph (5)(A) of this subsection and without consideration of the factors in paragraph (5)(B) of this subsection. Nothing in this paragraph shall prevent the Administrator (or a State pursuant to paragraph (6) of this subsection) from taking corrective action at a facility where there is no solvent owner or operator or where immediate action is necessary to respond to an imminent and substantial endangerment of human health or the environment.

"APPROVAL OF STATE PROGRAMS

"SEC. 9023. (a) ELEMENTS OF STATE PROGRAM.—Beginning 30 months after the date of enactment of this section, any State may, submit an above ground storage tank release prevention, correction, and financial responsibility program for review and approval by the Administrator. A State program may be approved by the Administrator under this section only if the State demonstrates that the State program includes the following requirements and provides for adequate enforcement of compliance with such requirements—

"(1) requirements for inspection of the structural integrity of regulated above ground storage tanks;

"(2) requirements for the granting of operating permits pursuant to an inspection by the regular authority to ensure the integrity of the tank structure in order to prevent a release of petroleum into the environment;

"(3) requirements for subsequent periodic inspections of the above ground storage tanks and renewal of the operating permit;

"(4) requirements for immediate reporting of any releases and corrective action taken in response to a release from an above ground storage tank;

"(5) requirements for taking corrective action in response to a release from an above ground storage tank;

"(6) requirements for closure of above ground storage tanks to prevent future releases of petroleum into the environment;

"(7) requirements for maintaining evidence of financial responsibility for taking corrective action and compensating third parties for bodily injury and property damage caused by sudden accidental releases arising from operating above ground storage tank; and

"(8) requirements—

"(A) for notifying the appropriate State agency or department (or local agency or department) designated according to section 9021(b)(1) of the existence of any operational or nonoperational storage tank; and

"(B) for providing the information required on the form issued pursuant to section 9021(b)(2).

"(b) FEDERAL STANDARDS.—(1) A State program submitted under this section may be approved only if the requirements under paragraphs (1) through (7) of subsection (a) are no less stringent than the corresponding requirements standards promulgated by the Administrator pursuant to section 9022(a).

"(c) EPA DETERMINATION.—(1) Within 180 days of the date of receipt of a proposed State program, the Administrator shall, after notice and opportunity for public comment, make a determination whether the State's program complies with the provisions of this section and provides for adequate enforcement of compliance with the

requirements adopted pursuant to this section.

"(2) If the Administrator determines that a State program complies with the provisions of this section and provides for adequate enforcement of compliance with the requirements adopted pursuant to this section, he shall approve the State program in lieu of the Federal program and the State shall have primary enforcement responsibility with respect to requirements of its program.

"(d) WITHDRAWAL OF AUTHORIZATION.—Whenever the Administrator determines after a public hearing that a State is not administering and enforcing a program authorized under this subtitle in accordance with the provisions of this section, he shall so notify the State. If appropriate action is not taken within a reasonable time, not to exceed 120 days after such notification, the Administrator shall withdraw approval of such program and reestablish the Federal program pursuant to this subtitle.

"INSPECTIONS, MONITORING, TESTING, AND CORRECTIVE ACTION

"SEC. 9024. (a) FURNISHING INFORMATION.—For the purposes of issuing and renewing operating permits, developing or assisting in the development of any regulation, conducting any study, taking any corrective action, or enforcing the provisions of this subtitle, any owner or operator of an above ground storage tank shall, upon request of any officer, employee, or representative of the Environmental Protection Agency, duly designated by the Administrator, or upon request of any duly designated officer, employee, or representative of a State, with an approved program, acting pursuant to subsection (f)(6) of section 9022, furnish information relating to such tanks, their associated equipment, their contents, conduct monitoring or testing, permit such officer at all reasonable times to have access to, and to copy, all records relating to such tanks, and to have access for corrective action. For the purposes of issuing and renewing operating permits, developing or assisting in the development of any regulation, conducting any study, taking corrective action, or enforcing the provisions of this subtitle, such officers, employees, or representatives are authorized—

"(1) to enter at reasonable times any establishment or other place where an above ground storage tank is located;

"(2) to inspect and obtain samples from any person of any substance contained in such tank;

"(3) to conduct monitoring or testing of the tanks, associated equipment, contents, or surrounding soils, air, surface water or ground water; and

"(4) to take corrective action.

Each such inspection shall be commenced and completed with reasonable promptness.

"(b) CONFIDENTIALITY.—(1) Any records, reports, or information obtained from any persons under this section shall be available to the public, except that upon a showing satisfactory to the Administrator (or the State, as the case may be) by any person that records, reports, or information, or a particular part thereof, to which the Administrator (or the State, as the case may be) or any officer, employee, or representative thereof has access under this section if made public, would divulge information entitled to protection under section 1905 of title 18 of the United States Code, such information or particular portion thereof shall be considered confidential in accordance with the purposes of that section, except that such record, report, document, or information may be disclosed to other officers, employees, or authorized representatives of the United States concerned with carrying out this subtitle, or when relevant in any proceeding under this subtitle.

"(2) Any person not subject to the provisions of section 1905 of title 18 of the United States Code who knowingly and willfully divulges or discloses any information entitled to protection under this subsection shall, upon conviction, be subject to a fine of not more than $5,000 or to imprisonment not to exceed 1 year, or both.

"(3) In submitting data under this subtitle, a person required to provide such data may—

"(A) designate the data which such person believes is entitled to protection under this subsection, and

"(B) submit such designated data separately from other data submitted under this subtitle.

A designation under this paragraph shall be made in writing and in such manner as the Administrator may prescribe.

"(4) Notwithstanding any limitation contained in this section or any other provision of law, all information reported to, or otherwise obtained, by the Administrator (or any representative of the Administrator) under this Act shall be made available, upon written request of any duly authorized committee of the Congress, to such committee (including records, reports, or information obtained by representatives of the Environmental Protection Agency).

"FEDERAL ENFORCEMENT

"SEC. 9025. (a) COMPLIANCE ORDERS.—(1) Except as provided in paragraph (2), whenever on the basis of any information, the Administrator determines that any person is in violation of any requirement of this subtitle, the Administrator may issue an order requiring compliance within a reasonable specified time period or the Administrator may commence a civil action in the United States district court in which the violation occurred for appropriate relief, including a temporary or permanent injunction.

"(2) In the case of a violation of any requirement of this subtitle where such violation occurs in a State with a program approved under section 9023, the Administrator shall give notice to the State in which such violation has occurred prior to issuing an order or commencing a civil action under this section.

"(3) If a violator fails to comply with an order under this subsection within the time specified in the order, he shall be liable for a civil penalty of not more than $25,000 for each day of continued noncompliance.

"(b) PROCEDURE.—Any order issued under this section shall become final unless, no later than 30 days after the order is served, the person or persons named therein request a public hearing. Upon such request the Administrator shall promptly conduct a public hearing. In connection with any proceeding under this section the Administrator may issue subpoenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and may promulgate rules for discovery procedures.

"(c) CONTENTS OF ORDER.—Any order issued under this section shall state with reasonable specificity the nature of the violation, specify a reasonable time for compliance, and assess a penalty, if any, which the Administrator determines is reasonable, taking into account the seriousness of the violation and any good faith efforts to comply with the applicable requirements.

"(d) CIVIL PENALTIES.—(1) Any owner who knowingly fails to notify or submits false information pursuant to section 9021(a) shall be subject to a civil penalty not to exceed $10,000 for each tank for which notification is not given or false information is submitted.

"(2) Any owner or operator of an above ground storage tank who fails to comply with—

"(A) any requirement promulgated by the Administrator under section 9022; or

"(B) any requirement of a State program approved pursuant to section 9023;

shall be subject to a civil penalty not to exceed $10,000 for each tank for each day of violation.

"FEDERAL FACILITIES

"SEC. 9026. (a) APPLICATION OF SUBTITLE.—Each department, agency, and instrumentality of the Federal Government having jurisdiction over any above ground storage tank shall be subject to and comply with all Federal, State, interstate, and local requirements, applicable to such tank, both substantive and procedural, in the same manner, and to the same extent, as any other person is subject to such requirements, including payment of reasonable service charges. Neither the United States, nor any agent, employee, or officer thereof shall be immune or exempt from any process or sanction of any State or Federal court with respect to the enforcement of any such injunctive relief.

"(b) PRESIDENTIAL EXEMPTION.—The President may exempt any above ground storage tanks of any department, agency, or instrumentality in the Executive branch from compliance with such a requirement if he determines it to be in the paramount interest of the United States to do so. No such exemption shall be granted due to lack of appropriations unless the President shall have specifically requested such appropriations as a part of the budgetary process and the Congress shall have failed to make available such requested appropriations. Any exemption shall be for a period not in excess of 1 year, but additional exemptions may be granted for periods not to exceed 1 year upon the President's making a new determination. The President shall report each January to the Congress all exemptions from the requirements of this section granted during the preceding calendar year, together with his reason for granting each such exemption.

"JUDICIAL REVIEW

"SEC. 9027. Section 7006(b) is amended by adding "and section 9022" after "section 3005" and adding "and section 9028" after "section 3006".

"STATE AUTHORITY

"SEC. 9028. Nothing in this subtitle shall preclude or deny any right of any State or political subdivision thereof to adopt or enforce any regulation or requirement respecting above ground storage tanks that is more stringent than a regulation requirement in effect under this subtitle or to impose any additional liability with respect to the release of regulated substances within such State or political subdivision.

"STUDY OF ABOVE GROUND STORAGE TANKS

"SEC. 9029. (a)(1) DEADLINE.—Not later than 12 months after the date of enactment of this section, the Administrator shall com-

plete a study of above ground storage tanks used for the storage of petroleum.

"(2) ELEMENTS OF STUDIES.—The studies under paragraph (1) shall include an assessment of the ages, sizes, types (including methods of manufacture, coatings, protection systems, the compatibility of the construction materials and the installation methods) and locations (including the climate of the locations and proximity to drinking water sources) of such tanks; soil conditions, water tables, and the hydrogeology of tank locations; the relationship between the foregoing factors and the likelihood of releases from above ground storage tanks; the effectiveness and costs of secondary containment; the effectiveness and costs of inventory systems and tank testing systems; and such other factors as the Administrator deems appropriate.

"(3) REPORTS.—Upon completion of the studies authorized by this section, the Administrator shall submit reports to the President and to the Congress containing the results of the studies and recommendations respecting whether or not such tanks should be subject to the preceding provisions of this subtitle and whether the capacity level of 1,000,000 gallons should be revised to a more appropriate level in order to protect human health and the environment.

"(b)(1) DEADLINE.—Not later than 12 months after the date of enactment of this section, the Administrator shall complete a study of above ground storage tanks used for the storage of regulated substances.

"(2) ELEMENTS OF STUDIES.—The studies under paragraph (1) shall include an assessment of the ages, sizes, types (including methods of manufacture, coatings, protection systems, the compatibility of the construction materials and the installation methods) and locations (including the climate of the locations and proximity to drinking water sources) of such tanks; soil conditions, water tables, and the hydrogeology of tank locations; the relationship between the foregoing factors and the likelihood of releases from above ground storage tanks; the effectiveness and costs of secondary containment; the effectiveness and costs of inventory systems and tank testing systems; and such other factors as the Administrator deems appropriate.

"(3) REPORTS.—Upon completion of the studies authorized by this section, the Administrator shall submit reports to the President and to the Congress containing the results of the studies and recommendations respecting whether above ground storage tanks containing regulated substances should be subject to the preceding provisions of this subtitle.

"(c) STUDY AND REPORT.—The Administrator shall conduct a study and submit a report to the Congress regarding the cause and environmental effects of the petroleum spill into the Monongahela River on January 2, 1988.

"INSPECTOR TRAINING PROGRAM

"SEC. 9030. (a) PROGRAM.—The Administrator shall, by regulation, establish and carry out inspector training programs in all the regional offices of the Environmental Protection Agency.

"(b) INSPECTOR TRAINING PROGRAMS.—Inspector training programs under this section shall be available to all inspectors carrying out responsibilities pursuant to this Act. Such programs shall include, among others, classroom based programs, review of regulations of the Environmental Protection Agency, apprenticeship programs for prospective inspectors, and the development of a nationwide training manual.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 9031. For fiscal year 1990, and each of the next following 4 fiscal years, there are authorized to be appropriated, out of the Leaking Underground Storage Tank Fund established by section 9508 of the Internal Revenue Code of 1986, such sums as may be necessary to carry out the provisions of this subtitle.".

SEC. 2. The table of contents of the Solid Waste Disposal Act is amended by inserting the following after the items relating to subtitle I:

"Subtitle J—Regulation of Above Ground Storage Tanks

"Sec. 9020. Definitions and exemptions.
"Sec. 9021. Notification.
"Sec. 9022. Release prevention, correction, and financial responsibility regulations.
"Sec. 9023. Approval of State programs.
"Sec. 9024. Inspections, monitoring, testing, and corrective action.
"Sec. 9025. Federal enforcement.
"Sec. 9026. Federal facilities.
"Sec. 9027. Judicial review.
"Sec. 9028. State authority.
"Sec. 9029. Study of above ground storage tanks.
"Sec. 9030. Inspector training program.
"Sec. 9031. Authorization of appropriations.".

SECTION-BY-SECTION SUMMARY

The Solid Waste Disposal Act is amended by adding the following new Subtitle J, Regulation of Above Ground Storage Tanks.

SECTION 9020. DEFINITIONS AND EXEMPTIONS

This section defines above ground storage tank, petroleum, regulated substance, owner, operator, release, person, and nonoperational storage tank. Included in the tanks exempt from the regulations are above ground storage tanks that are regulated by other safety laws.

SECTION 9021. NOTIFICATION

This section requires owners of above ground storage tanks that can contain at least 25,000 gallons to notify a designated state or local agency of the existence of their tank. The tank owners must specify the age, size, type, location, assembly history, and uses of each tank. The information reported will be used for a state inventory.

SECTION 9022. RELEASE PREVENTION, CORRECTION, AND FINANCIAL RESPONSIBILITY REGULATIONS

This section requires the Environmental Protection Agency (EPA) to develop regulations, as may be necessary to protect human health and the environment, applicable to above ground storage tanks that have the capacity to contain at least one million gallons of petroleum and that are at least 30 years old or have been relocated or reassembled.

The regulations must include requirements for: inspection of the structual integrity of the tanks (EPA may set procedures for certified self-inspections); permitting of tanks that pass inspection; periodic reinspections and permit renewals; reporting of releases and corrective actions taken in response to a release; proper corrective action; sound tank closure practices; and financial responsibility for closure, corrective action, and compensable damages. These regulations must be effective no later than 30 months after the enactment of this section.

EPA is required to conduct a study to determine the appropriate amount of per occurrence and aggregate coverage for the costs of cleanup and damage claims. Factors EPA may consider in establishing amounts of coverage include estimated costs cleaning up the spill and restoring all natural resources, both public and private parties' damages, and the availability of financial assurance mechanisms. The amount of financial assurance for closure costs are to be based on estimated costs.

This section also mandates EPA to establish a response program to ensure prompt and effective cleanup of a petroleum spill from an above ground storage tank. A state program that has been approved by EPA may also direct a response program to satisfy the requirements of this section. Under the response program, EPA must require an owner or operator of a tank that experienced a spill to cleanup the spill according to the corrective action requirements, which should address mitigating threats to human health (e.g., temporary or permanent relocation of residents and supply of alternative drinking water), restoring the environment, and compensating damaged parties. EPA is authorized under the section to issue orders to owners or operators to take corrective actions.

In the event that EPA determines that an ower or operator fails to take a corrective action, EPA is required to take the necessary corrective action and recover the costs from the owner or operator.

SECTION 9023. APPROVAL OF STATE PROGRAMS

As previously noted, a state agency may implement the requirements of this bill. A state program is required under this section to submit to EPA an application demonstrating that the state has promulgated comprehensive requirements that are at least as stringent as the corresponding federal requirements. A state must also demonstrate that its enforcement procedures are adequate to bring about maximum compliance. EPA is encouraged to develop their regulations and approval requirements to enable states to operate their own programs.

SECTION 9024. INSPECTIONS, MONITORING, TESTING, AND CORRECTIVE ACTION

This section requires owners and operators to allow federal and state officials to have access, upon request and at reasonable times, to their tanks and records. Tank owners and operators may request that any information to which an EPA or state official may have access be considered confidential and not available to the public. Otherwise, all information is available to the public.

SECTION 9025. FEDERAL ENFORCEMENT

This section empowers EPA to issue orders requiring compliance with any requirement of this subtitle. EPA is authorized to levy administrative penalties in the amount of $25,000 for each day of continued noncompliance. In addition, this section grants EPA the authority to seek civil penalties of $10,000 for each failure to submit proper notification and of $10,000 for each day of continued noncompliance with any of the requirements of this subtitle.

SECTION 9026. FEDERAL FACILITIES

The federal government is subject to the requirements of this subtitle except where the President grants annual exemptions.

29-059 O-90-24 (Pt. 4)

SECTION 9027. JUDICIAL REVIEW

This section amends section 7006 of the Solid Waste Disposal Act to provide that an owner or operator may appeal an EPA permit decision and a state may appeal an EPA authorization decision to the Circuit Court of Appeals for the federal district in which the person resides or transacts business.

SECTION 9028. STATE AUTHORITY

This section clarifies that nothing in this subtitle precludes a state or political subdivision of a state to adopt or enforce requirements stricter that those of this subtitle.

SECTION 9029. STUDY OF ABOVE GROUND STORAGE TANKS

This section requires EPA to conduct several studies and submit corresponding reports to the President and the Congress. The first study required is to assess various factors related to above ground storage tanks that contain petroleum. This study is intended to assist EPA in the development of the requirements of this subtitle. Upon completion of this study, EPA shall submit a report to the President and Congress presenting the study results and EPA recommendations regarding whether or not the above ground storage tanks covered by subtitle should be subject to the requirements of this subtitle and whether defining the tank population to be regulated by this subtitle as those with a capacity of at least one million gallons is appropriate.

The second study required by this section concerns above ground storage tanks that contain regulated substances. EPA must study and recommend whether or not chemical tanks should be subject to the same requirements as petroleum tanks.

The final study and report required under this section is required to analyze the cause and effects of the one million gallons diesel fuel spill into the Monongahela River on January 2, 1988.

SECTION 9030. AUTHORIZATION OF APPROPRIATIONS

This section authorizes the appropriation of such sums as may be necessary to carry out the provisions of this subtitle.

By Mr. CRANSTON (for himself, Mr. KENNEDY, Mr. SIMON, Mr. SPECTER, Mr. ADAMS, and Mr. JEFFORDS):

S. 675. A bill to eliminate discriminatory barriers to voter registration, and for other purposes; to the Committee on the Judiciary.

EQUAL ACCESS TO VOTING ACT

Mr. CRANSTON. Mr. President, I am today introducing legislation, the proposed Equal Access to Voting Act of 1989, aimed at eliminating barriers to voter registration. I am pleased to be joined in introducing this measure by the distinguished Senator from Massachusetts [Mr. KENNEDY], the Senator from Illinois [Mr. SIMON] who serves as the chairman of the Judiciary Committee's Subcommittee on the Constitution, the Senator from Pennsylvania [Mr. SPECTER] who is the ranking Republican member of that Subcommittee, the Senator from Washington [Mr. ADAMS], and the Senator from Vermont [Mr. JEFFORDS].

Mr. President, the right to vote is the most fundamental and important right of citizens of a democracy. It is through the electoral process in a democracy that the people express their will. The Democratic institutions cannot function effectively unless citizens participate in the electoral process. Tragically, the United States is increasingly becoming a nonparticipatory democracy. Fewer and fewer of our citizens reach the voting booth on election day. If this decline is not halted, the legitimacy of the decisions reached by our Government will come into question. And those who don't like the decisions could be tempted to turn to nondemocratic means to change them.

Our most recent Presidential election produced the lowest voter turnout in 64 years. Barely 50 percent of the eligible voting age population voted in last November's election. The 1986 congressional election had an even more dismal turnout. Barely one-third of the eligible voters voted in that election.

The reasons why many Americans fail to exercise their right to vote are diverse and complex. But one factor stands out—restrictions on voter registration prevent many Americans from voting. A poll done by the New York Times and CBS News last year revealed that the major reason given by individuals who did not vote was registration. Nearly 40 percernt of those surveyed who failed to vote could not because they were not registered. Two-thirds of those said that they would have voted but for the fact that they were not registered.

In many States, the burden is on the potential voter to figure out the complex path to registration.

In many States, limitations and restrictions on the registration process are obstacles a voter must overcome to get to the ballot box.

In many States, the impact of these restrictions and limitations falls most heavily upon minority, low-income, or disabled citizens.

Mr. President, in this country voting is a fundamental right of our citizens, not a privilege to be granted begrudgingly to a select few. We must make sure that restrictions on the voter registration process do not disenfranchise otherwise eligible voters.

We need to bring about reforms in voter registration laws—reforms that will eliminate the barriers that keep our citizens from registering to vote and reforms that will eliminate the discriminatory effects of our current registration procedures. The legislation that I am introducing today is designed to achieve that end—elimination of barriers to registration.

REGISTRATION REQUIREMENTS—ROOTED IN DISCRIMINATION

Mr. President, to understand fully the adverse impact that restrictive registration requirements have on the exercise of the right to vote, it is important to recognize why many of these restrictions were first established.

Registration requirements, like the poll tax and literacy tests, were developed and refined after the Civil War, when the 15th amendment extended the franchise to blacks. Like the poll tax and literacy tests, registration requirements were often designed to be deliberate barriers to prevent black citizens from voting. Lengthy residency and registration requirements were also developed in the later part of the 19th century to prevent immigrants and other "undesirables" from voting. And they worked. Turnout in Presidential elections declined dramatically from a high of almost 88 percent in 1880 to 67 percent in 1928.

Mr. President, poll taxes and literacy tests were abolished during the civil rights struggles of the 1960's. But registration restrictions remained and continue to keep citizens from the polling place, sometimes inadvertently, but often deliberately.

The discriminatory impact of many restrictions on voter registration requirements has been well documented over the years. In 1959, the U.S. commission on Civil Rights reported on how registration practices operated to deny citizens the right to vote. Those findings were instrumental in bringing about passage of the Voting Rights Act of 1965.

Unfortunately, Mr. President, although we have made great strides as a nation in eliminating discrimination at the ballot box, minority voters continue to be disenfranchised by registration barriers. In 1981, the U.S. Commission on Civil Rights found that registration rates for minorities continued to lag well behind the rates for whites in States covered by the Voting Rights Act. The 1981 Commission found this disparity resulted from such factors as openly hostile local registrars, refusals to allow representations of minority organizations to act as deputy registrars or to establish satellite sites in minority communities, and selective purges or preregistration requirements.

In 1984, the Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee, chaired by my good friend and colleague from California, Representative DON EDWARDS, held hearings on registration barriers to the exercise of the right to vote. The subcommittee in a report entitled, "After the Voting Rights Act: Registration Barriers," found that there remained a notable discrepancy between white and minority registration in a number of States covered by the 1965 act. The report noted that barriers to registration—nationwide, not just in the South—effectively prevented many minority citizens from registering. The report listed the types

of barriers described during the hearings.

A number of States were reported to have limited registration to a single central location in a county, usually the county courthouse. This created a series of problems. Often these sites are open only on weekdays and during normal business hours. Many closed during lunch hours, making it very difficult for working people to get registered.

In one instance described, the registrar's office was located in the basement of the county jail.

The location of the county courthouse itself often caused problems since they are rarely located in minority communities. Particularly in rural communities, getting into town without public transportation can be exceedingly difficult. The subcommittee cited one example where the courthouse was a 60-mile trip for many black residents.

Another problem encountered was intimidation. Witnesses testified that in one county the white sheriff "makes a point of stationing himself outside the door of the voter registration office in the courthouse when blacks come to register."

The House subcommittee report also highlighted the problems associated with the use of deputy registrars. Over half the States allow local registrars to deputize volunteers to participate in registration efforts, but the local registrars often exercise broad discretion over who to deputize and where and when deputies may register voters. The subcommittee's record indicated numerous instances of discrimination in the exercise of that discretion—for example, registrars refusing to deputize volunteers from low-income neighborhoods. Other types of restrictions on time, place, and manner in which deputy registrars are allowed to function severely limited their ability to help citizens register. For example, restrictive rules in some communities prohibit door-to-door registration or limit registration to permanent satellite registration sites.

In other instances, the subcommittee report noted resistance in a number of States to allowing volunteer registrars to register citizens at social services agencies. Such prohibitions have been successfully challenged in court litigation, but the practice is still widespread.

The 1984 report cites other barriers such as limited access to mail-in registration forms and overly complex forms. One State required mail-in forms to be notarized, thus requiring a potential voter to find and pay for a notary service. In effect, this served as a kind of poll tax. Lengthy deadlines for registration prior to election day also contribute to the problem. Potential voters' attention frequently only turns to an election shortly before its date, too often too late to get registered. Some States require dual registration—separate registration for both city and county elections.

Finally, purging policies in many States operate to disenfranchise potential voters. The subcommittee noted that purge laws, while not on their face objectionable, can operate unfairly, citing States where purging was done selectively, resulting in purging primarily predominately black communities.

DISCRIMINATORY IMPACT CONTINUES

Mr. President, there is overwhelming evidence that voter registration restrictions continue to have a discriminatory impact. In the testimony presented to Congress last year on the voter registration legislation which Representative JOHN CONYERS and I introduced in the 100th Congress, the continuing incidence of discriminatory barriers to registration was repeatedly documented.

Arthur Flemming, chairman of the Citizen's Commission on Civil Rights and former Chairman of the U.S. Commission on Civil Rights described in his testimony before both the House and Senate committees the results of 6 days of field hearings which the Citizens' Commission on Civil Rights held on barriers to voter registration in connection with its 1988 report, "Barriers to Registration and Voting: An Agenda for Reform." The Commission, based upon its investigation, concluded that "substantial barriers to registration and voting continued to exist in many areas of the country and that now, as in the 1960's, discriminatory practices continue to inhibit the participation of citizens in the electoral process on account of race, age, income level, and physical disability."

The Commission observed in its 1988 report that although the restrictive practices of State and local officials affect the voting rights of all citizens, they have a disproportionately adverse effect on minority, low-income, and disabled citizens. It found that while the enactment and enforcement of the Voting Rights Act of 1965 eliminated many blatantly discriminatory practices, remnants of the old systems of disenfranchisement persist.

For example, the Commission found that where State laws permitted the use of satellite registration locations, local officials sometimes refused to designate sites in black communities. There was testimony regarding the refusal of such officials to allow members of black community groups to serve as deputy registrars. Registrars were also reported to require excessive identification for black applicants or subjected Hispanic or Asian voters to undue scrutiny. In one State, white churches were allowed to register voters on Sundays while registrars in communities with large black populations forbid any registration activities on Sundays.

Other witnesses presented similar findings of discrimination. Laughlin McDonald, director of the Southern Regional Office of the American Civil Liberties Union Foundation, testified about recent litigation involving minority citizens who had been denied the right to register and vote. He described a case brought in a county where 60 percent of the age eligible white residents were registered but only 48 percent of the black residents. The pastor of a black church submitted a request to the county board of registrars that his church be allowed to conduct voter registration, something explicitly authorized under State law. The local registrar refused. Subsequent litigation, in which the State attorney general sided with the black petitioners, was thrown out of court on the grounds the designation of registration was a matter of discretion for the local authorities. The State supreme court affirmed the dismissal on the grounds that the plaintiffs had not established that they had an "actual controversy." Local registrars were determined to have "absolute and unreviewable discretion in designating additional sites for voter registration and local citizens had no enforceable legal rights" to challenge discriminatory decisions.

In another case described, an advocacy organization for low-income and minority citizens was forced to bring suit against a State which announced a new policy prohibiting voter registration at any food stamp distribution center. Subsequently, the State assessed the new policy and agreed to rescind it. Similar policies, unfortunately, persist in other States.

Another disturbing example presented in last year's hearings involved barriers to registration for native Americans. Incidents of blatant discrimination against native Americans seeking to vote or register were documented in a Federal district court case where it was found that native Americans had been denied access to voter registration cards, subjected to discrimination, and had their names removed from voter registration lists without justification.

Other examples cited in the testimony included registrars permitting satellite registration in white, but not black communities, cancellation of neighborhood registration drives after the NAACP and the League of Women Voters requested permission to conduct registration campaigns, and purging of the names of large numbers of voters from registration lists for failure to comply with stringent registration requirements.

Mr. President, the discriminatory impact of restrictive voter registration procedures does not fall only upon mi-

nority individuals. There is also ample evidence indicating that young voters and disabled citizens are also unduly impacted by limited access to registration. Philip Calkin, national coordinator of Disabled but Able to Vote, reiterated in his congressional testimony last year that procedures that inhibit voter registration generally inhibit the registration of persons with disabilities even more. Similarly, young, first-time voters are more likely to be deterred from the election process when they have difficulties finding out how to get registered. However, once young people succeed in getting registered, they do vote in proportions similar to the general population.

Indeed, that is true of all segments of the voting age population. Once individuals are registered, the percentage of those who actually vote is high. The problem is getting people registered.

PROCEDURES TO ELIMINATE BARRIERS AND INCREASE REGISTRATION

Mr. President, in the last Congress, I introduced legislation in the Senate, S. 2061, which would have established uniform national standards for Federal elections. All States would be required to provide for registration by mail, at agencies which serve the public, and on election day. Identical legislation was introduced in the House of Representatives by Representative JOHN CONYERS, who has long been a leader in the effort to bring about reform in the voter registration area.

The bill that I am introducing today takes a somewhat different approach, although the purpose and the goal of eliminating barriers to registration remain the same. The new legislation focuses more upon achieving the desired result—increase in voter registration and elimination of disparities in registration between minority and nonminority votes—than on selecting specified procedures to achieve those results.

There is clear evidence that certain procedures can be effective in increasing voter registration rates among all citizens.

Election day registration is by far the most effective. Three States—Minnesota, Wisconsin, and Maine—currently have election day registration and a fourth, North Dakota, has no registration. Voter turnout in these States is among the highest in the United States. When election day registration was introduced in Minnesota, the State went from being 12th in the Nation to 1st in the percentage of citizens who turned out to vote. When election day registration was introduced in Wisconsin, Wisconsin went from 33d in the country to 4th in turnout. Similarly, Maine's ranking went from 21st to 8th in turnout. These four States rated in the top five for voter turnout in the 1988 election. Minnesota had the highest turnout in the Nation (66.3 percent) with Maine (62.2 percent), Wisconsin (62 percent), and North Dakota (61.5 percent) following in 3d, 4th, and 5th place respectively.

Mail registration can also increase voter registration. Twenty-seven States currently provide mail-in registration. With mail registration, a form can be filled out at a citizen's convenience. With mail registration, inconvenient registration sites and registration hours cease to hinder registration.

Agency-based registration can also result in increased registration. Nineteen States currently permit some type of registration activity in public agencies. Private agencies can also make an important contribution. In 1984, 1,500 private agencies offered voter registration services, registering thousands of individuals.

Motor voter registration programs are another particularly effective technique. A number of States provide voter registration programs at motor vehicle agencies. In several, the motor vehicle registration and voter registration forms are one form. Representative AL SWIFT, chairman of the Subcommittee on Elections of the House Committee on House Administration, has proposed very innovative legislation, H.R. 15, which would, among other things, require simultaneous drivers licenses and voter registration applications for Federal election registration. It is estimated this approach would reach close to 90 percent of potential voters.

Mr. President, there are a number of States which are able to maintain high percentages of their voting age population on the voter registration rolls. Generally, States which have adopted the procedures described above, or done things like shorten the registration time period, have been able to maintain significantly high percentages of registered voters.

For example, we know that each of the States with the highest rates of voter registration and voter turnout utilizes one or more of the preceding techniques or something similar.

Colorado, with 1988 registration of 82-percent provides for simultaneous voter registration with motor vehicle licensing.

Idaho, also with an 82-percent registration rate, has shortened its registration deadline to 10 days before an election.

Iowa, with an 80-percent registration rate, uses mail-in, motor vehicle, and agency-based registration and has only a 10 day-prior-to-election deadline.

Michigan, with an 88-percent registration rate, utilizes agency-based registration.

Montana, which ranks 2d in the Nation in voter turn-out and among the top 10 in registration—uses both mail-in and agency registration.

Mr. President, the list goes on. States with high registration rates have done something to achieve those rates. And although election-day registration is clearly the most effective way to remove registration barriers to voting, States can achieve high rates of registration with a determined effort along a variety of lines.

At the same time, however, it is also clear that simply adopting a procedure—such as mail-in registration—is not likely to produce the desired result unless it is done effectively. If the mail-in forms are not widely distributed, if they are too complex and invite errors that will disqualify the potential voter, a mail-in registration program will not result in increased voter registration.

APPROACH OF NEW LEGISLATION

The bill we are introducing today focuses on requiring reforms in those States which have restrictions or limitations in their voter registration procedures which prevent otherwise eligible voters from registering. The States determined to have barriers to voter registration are given flexibility in determining what reforms they make in their registration procedures—so long as the reforms bring about the desired result. In other words, the legislation focuses more on results than on how a State achieves those results. It thus encourages States to devise reforms that suit their individual needs. There are different procedures which, if implemented effectively, can increase registration rates. The bill sets forth the results States must achieve, but lets States determine how to reach those results—as long as the method chosen actually works.

SECTION-BY-SECTION SUMMARY

Mr. President, let me briefly describe the basic provisions of the proposed Equal Access to Voting act of 1989.

SECTION 2—FINDINGS AND PURPOSE

Mr. President, section 2 of the proposed legislation sets forth the congressional findings and purpose of the legislation.

Section 2(a) provides that Congress finds that restrictions on voter registration have had a discriminatory impact on the basis of race, color, national origin, age, and disability and have operated to deprive persons of the equal protection of the law by denying them the opportunity to exercise their fundamental right to vote.

Section 2(b) provides that Congress finds it is necessary to eliminate barriers to voter registration in order to secure the constitutional right of citizens to enjoy equal access to the right to vote.

Section 2(c) sets forth the purpose of the act which is to ensure that all citizens, regardless of race, color, national origin, sex, age, or disability, enjoy full and equal access to the vote.

SECTION 3.—REVIEW OF STATE VOTER REGISTRATION PROGRAMS

Section 3 provides that the Attorney General of the United States shall establish and carry out a program to review and assess the voter registration requirements of such State and require such reforms as shall be necessary to increase voter registration where barriers to registration have had a discriminatory impact or operated to deny individuals the opportunity to exercise their fundamental right to vote.

SECTION 4.—DETERMINATION OF STATES REQUIRED TO IMPLEMENT REFORMS

Section 4 requires the chief State election official of each State which the Attorney General determines has barriers to registration which have a discriminatory impact or deny individuals the opportunity to exericse their fundamental right to vote to develop and submit to the Attorney General a plan to eliminate such barriers.

Section 4 defines "barriers to registration" as limitations on the availability of opportunities to register, inadequate facilities or procedures to assure that any individual who is eligible to vote is afforded the opportunity to register, restrictions on the time, place, and manner provided for voter registration, and such other restrictions or limitations which the Attorney General shall, by regulations, specify.

Section 4 further provides that a State shall be deemed to have barriers to registration if the per centum of minority registration to nonminority registration is less than the per centum established by the Attorney General by regulation. In other words, a showing that there is a disparity between the registration rates of minority residents compared to nonminority is prima facia evidence that barriers needed to be eliminated. Other evidence of barriers—for example, overall registration rates falling below a certain level—might also be a basis for a State being obligated to develop a plan to remove barriers. The Attorney General is charged, under the bill, with establishing, by regulation, the criteria for determining which States would be required to develop and submit a voter registration plan.

Section 4 provides that once a State plan has been submitted and approved by the Attorney General, it shall apply to the first general election following approval, and to all elections thereafter except that the provisions of the act shall not be applicable to any State which for two successive general elections maintains the minority registration to nonminority registration at levels established by the Attorney General. However, if the disparity between minority and nonminority registration rates continue after two successive general elections, the Attorney General is required to require the States to develop a modification of its plan for the purpose of eliminating such disparity.

Any change to a State's voter registration plan must be submitted to the Attorney General for approval.

Section 4 provides that none of its provisions shall be construed to affect any other procedures which a State may be subject to under the Voting Rights Act of 1965.

Finally, Mr. President, section 4(f) provides that the determinations of the Attorney General shall be based upon statistics compiled by the Director of the Census pursuant to the provisions of the Voting Rights Act. It also requires the Attorney General, in conjunction with the Director of the Census, to devise a reliable system for compiling statistics on registration rates. This provision was explicitly included in the legislation because of concerns about the accuracy and reliability of some of the registration statistics now available through the Census Bureau. Currently, the data compiled is based upon interviews with individuals, and it is widely believed that the figures provided by the Census Bureau overstate registration rates, particularly of minority individuals. The legislation thus requires the Attorney General and the Director of the Census to work together to develop a more accurate and reliable system than presently available.

SECTION 5.—REQUIREMENTS OF STATE PLANS

Mr. President, section 5 contains some of the most critical elements of the proposed legislation.

First, section 5(a) requires a State to allow an individual to register to vote in the manner provided by a State plan which has been approved under the act.

Second, section 5(b) requires that the State plan include provisions that eliminate barriers to registration and disparities between minority and nonminority registration rates, insure accurate, inclusive and uniform voter registration lists, insure that all eligible voters are permitted to exercise their right to vote, and such other provisions as the Attorney General determines necessary to carry out the purposes of the act. The focus of the State plan must be on achieving these results.

Section 5(b) authorizes the Attorney General to promulgate through regulations the criteria for determining whether a State plan satisfies the purposes of the act, taking into account the need to provide adequate safeguards to establish the identity, place of residence, and qualifications of individuals seeking to vote and the need to remove unnecessary barriers to the exercise of the right to vote. The legislation does not require that the State adopt any particular procedures for achieving the mandated results, but it does require the Attorney General to evaluate the provisions of proposed State plans in terms of whether provisions of such plans are as apt or more apt to result in elimination of barriers to registration than certain specified procedures—mail-in registration, agency-based registration, simultaneous voter registration with applications to State motor vehicle agencies, and election day registration—which have already been demonstrated, as I discussed earlier, to increase voter registration and eliminate barriers to voter registration.

Again, the States are not required to adopt any specific procedures as long as they can demonstrate that the provisions of their State plan will achieve the mandated results regarding registration. Any State plan must first satisfy the requirements of sections 5(b) and (c) regarding elimination of barriers. In determining whether to approve a particular plan, the Attorney General may consider whether it provides for implementation of the procedures described in section 5(d). As indicated earlier, if a State plan satisfies the requirements of section 5(b) and (c) by some other procedures not listed in section 5(d), it can be approved so long as the Attorney General determines it will achieve the desired results. For example, Mr. President, a State might elect to establish a universal enrollment system such as utilized in Canada where government officials undertake to register all eligible voters. It might provide for simultaneous voter registration with other contacts with State officials, such as through a combination of contacts through the Postal Service, public utility services, social service agencies, or educational agencies. The determination of whether such a plan satisfied the requirements of the act would be based upon the results it produces. If it fails to achieve the results required, the Attorney General must require revisions to achieve those results.

Again, Mr. President, the focus of these provisions is on eliminating barriers to citizens exercising their fundamental right to vote, not the specific mechanism a State chooses to use so long as it achieves the result of eliminating disparities in registration rates and eliminates barriers confronting citizens seeking to vote.

SECTION 6.—FURTHER PROVISIONS

Mr. President, section 6 provides that a State plan must provide satisfactory assurances that voters will not be purged from the voter registration lists unless the voter has died, changed voting residence, been convicted of a criminal offense or adjudicated mentally incapacitated which, under State law, results in a denial of the right to vote, or the voters requested their name be removed. It also requires assurances that challenges to voters or registrants be made in writing by per-

sons designated by State law, that voters with sufficient documentation as to eligibility to vote be permitted to vote, and challenged individuals who do not have sufficient documentation be permitted to vote by affidavit ballot and be informed of that right. The act sets forth in section 13 the requirements for affidavit ballots.

Mr. President, it is not sufficient to allow individuals to register to vote if they can be capriciously removed from the voter registration lists or subjected to unjustifiable challenges on election day. The proposed legislation addresses these problems in section 6.

SECTIONS 7-8.—RESPONSIBILITIES OF THE ATTORNEY GENERAL AND ENFORCEMENT PROVISIONS

Sections 7 and 8 charge the Attorney General of the United States with the authority to administer the act and to make such rules, regulations and orders as necessary to carry out the act and provide advice and technical assistance to States in developing and maintaining voter registration systems. The Attorney General is also directed to conduct a study of the effectiveness of certain voter registration procedures and to report to Congress every 2 years on the effectiveness of voter registration activities under the act. The Attorney General is also authorized to take action if a State fails to comply with the provisions of the act, including commencing civil action against any person, State or governmental agency in violation of the requirements of the act or a plan submitted under the act.

A private right of action by an aggrieved person is also authorized. Attorneys fees are recoverable by a prevailing plaintiff.

SECTION 9.—PROHIBITIONS AND PENALTIES

Section 9 establishes criminal penalties for fraudulent registration or interference with an individual's efforts to vote or register.

SECTION 10.—SAVINGS PROVISION

Section 10 provides that no provision of this act shall be construed to restrict any other right relating to voter registration an individual may have under any other law.

SECTION 11.—YEAR-ROUND REGISTRATION

Section 11 provides that notwithstanding any other provision of law, all public agencies that serve the public and any private agency that volunteers to do so, shall offer nonpartisan voter registration services.

Mr. President, this provision is intended to supersede any other provision which prevents such agencies from engaging in these important activities.

SECTION 12.—ASSISTANCE TO STATES

Section 12 authorizes the Attorney General to make grants to States to help carry out voter registration programs approved under this act. It also authorizes the Attorney General to establish an advisory council of State and local election officials to advise States on carrying out the purposes of the act. In light of the fact that it is impossible to estimate the number of States required to submit plans, the bill simply authorizes such sums as may be necessary to carry out the provisions of this section. The actual amount of funding made available under this section would thus be established through the appropriations process.

SECTION 13.—DEFINITIONS

Section 13 sets forth the pertinent definitions for terms used under the act.

SECTION 14.—REPORT ON OTHER SIMULTANEOUS APPLICATIONS

Section 14 requires the Attorney General, in consultation with the heads of other Federal agencies, to identify and develop additional simultaneous applications for voter registration and report back to Congress within 18 months on the implementation of this provision.

Mr. President, motor vehicle registration forms have already been identified as excellent opportunities for simultaneous voter registration applications. There are numerous other forms submitted to public officials which could also be used for simultaneous voter registration. This provision is designed to require the Attorney General, with the heads of other agencies, to begin work in this direction.

CONCLUSION

Mr. President, we must find a way to increase the participation of our citizens in our electoral process. The strength of our democracy depends, to a great extent, upon the participation of our citizens. Alex de Tocqueville warned 150 years ago that unless individual citizens were regularly involved in governing themselves, self-government would gradually pass away. We must take steps to revitalize citizen participation in our electoral process. The United States is the only Western democracy which places the responsibility for registering to vote entirely upon its citizenry. No other Western democracy tolerates a registration system as difficult as ours. We have an obligation at least to remove the barriers that prevent our citizens from registering and voting. And above all, we have an obligation to make sure that all citizens, regardless of race, color, national origin, sex, age, or disability, have equal access to voting. The proposed Equal Access to Voting Act of 1989 is aimed at moving forward in that direction. I look forward to working closely with the members of the Judiciary Committee and other Members of the Senate along with the many organizations concerned with removing barriers to registration in perfecting and refining this legislation so that these goals can be effectively achieved.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 675

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Access to Voting Act of 1989".

FINDING AND PURPOSE

SEC. 2. (a) The Congress finds that restrictions on voter registration have had a discriminatory impact on the basis of race, color, national origin, age, and disability, and have operated to deprive persons of the equal protection of the laws by denying them the opportunity to exercise their fundamental right to vote.

(b) The Congress hereby declares that in order to secure the constitutional right of citizens to enjoy equal access to the right to vote, it is necessary to eliminate barriers to voter registration.

(c) The purpose of this Act is to ensure that all citizens enjoy full and equal access to the vote, regardless of race, color, national origin, sex, age, or disability.

REVIEW OF STATE VOTER REGISTRATION PROGRAMS

SEC. 3. In order to assure that the right of citizens of the United States to vote is not denied or abridged on account of voter registration requirements which have a discriminatory impact upon individuals on the basis of race, color, national origin, sex, age, disability, or other factors, the Attorney General shall establish and carry out an ongoing program to review and assess the voter registration requirements of each State not less than once every four years and to require the implementation of such programs as may be necessary to increase voter registration where barriers to registration have had a discriminatory impact on the basis of race, color, national origin, sex, age, disability, or other factors, or have operated to deprive persons of the equal protection of the laws by denying them the opportunity to exercise their fundamental right to vote. Each State shall make available to the Attorney General such information as the Attorney General determines is necessary to carry out the provisions of this Act.

SUBMISSION OF STATE PLAN

SEC. 4. (a) Within one year after the date of a determination by the Attorney General made pursuant to the provisions of this section, the chief State election official of each State which the Attorney General determines has barriers to registration which have had a discriminatory impact on the basis of race, color, national origin, sex, age, disability or other factors or have operated to deprive persons of the equal protection of the law by denying them the opportunity to exercise their fundamental right to vote, shall submit to the Attorney General, for approval by such Attorney General, a State plan designed to eliminate such barriers. For the purposes of this Act, "barriers to registration" means limitations on the availability of opportunities to register, inadequate facilities or procedures to assure that any individual who is eligible to vote is afforded the opportunity to register, restrictions on the time, place, and manner provided for voter registration, and such other restrictions or limitations which the Attorney

General shall, by regulations, specify. A State shall be deemed to have barriers to registration if the per centum of minority registration to nonminority registration is less than the per centum established by the Attorney General by regulation. The Attorney General shall issue the regulations provided for under this section not later than 180 days after the date of enactment of this Act and shall make the determinations provided for under this section not later than 180 days after issuance of such regulations.

(b) The Attorney General shall, within 120 days after the date required for submission of a plan under subsection (a), approve or disapprove such plan or any portion thereof. The Attorney General shall approve such plan if the Attorney General determines that it was adopted after reasonable notice and hearing and includes all provisions necessary to satisfy the requirements of this Act.

(c) Once the State plan has been approved by the Attorney General, such plan shall be implemented by the State and shall apply to the first general election following approval, and to all elections thereafter, except that in the case of any State which has maintained, for two successive general elections, the per centum of minority registration to nonminority registration at or above levels which the Attorney General has established the provisions of this Act shall not be applicable for so long as such State maintains or exceeds such per centum of minority registration to nonminority registration. If a disparity between minority and nonminority registration rates continues after two successive general elections, the Attorney General shall require modifications of the plan for the purpose of eliminating such disparity.

(d) Any change to a State's voter registration plan after the plan has been approved by the Attorney General shall be submitted to the Attorney General for approval.

(e) Nothing in this Act shall be construed to affect any procedures required by the Voting Rights Act of 1965 (42 U.S.C. 1973aa et seq.).

(f) The determination of the Attorney General under this section shall be based upon statistics compiled by the Director of the Census pursuant to the provisions of the Voting Rights Act of 1965 (42 U.S.C. 1973aa). The Attorney General, in conjunction with the Director of the Census, shall devise a reliable system for compiling statistics on registration rates of voters based on race, color, national origin, age, and disability.

STATE PLAN PROVISIONS

SEC. 5. (a) In the case of any State which the Attorney General has determined pursuant to section 4(a) is required to submit a State plan, the State shall allow an individual to register to vote in the manner provided by a State plan which has been approved under this Act.

(b) The State plan shall include provisions that eliminate barriers to registration and disparities between minority and nonminority registration rates, insure accurate, inclusive and uniform voter registration lists, insure that all eligible voters are permitted to exercise their right to vote, and such other provisions as the Attorney General determines necessary to carry out the purposes of this Act.

(c) The Attorney General shall establish, through regulations, criteria for determination of whether a State plan submitted under section 4 satisfies the requirements of this Act. In establishing such criteria, the Attorney General shall take into account the need to provide for adequate safeguards to establish the identity, place of residence, and qualifications of individuals seeking to vote and the need to remove unnecessary barriers to the exercise of the right to vote. In determining whether a State plan satisfies the requirements of this Act, the Attorney General shall evaluate whether the provisions of such plan are apt or more apt to result in elimination of barriers to registration than the procedures described in subsection (d).

(d) The Attorney General may certify that a State plan is in compliance if it meets the criteria set forth in subsections (b) and (c). In determining whether a State plan is in compliance the Attorney General shall consider the extent to which the State plan provides for the establishment of the following procedures—

(1) registration by mail,

(2) registration at any Federal, State, county or municipal agency that serves the public directly and at any private agency that voluntarily agrees to register voters,

(3) simultaneous voter registration with applications submitted to the State motor vehicle agency, or

(4) permits any individual who is eligible to register to vote to register and vote on the date of the election involved.

REMOVAL AND CHALLENGES

SEC. 6. The regulations promulgated by the Attorney General pursuant to section 5(c) shall—

(1) require satisfactory assurances that no voter will be removed from the list of eligible registered voters unless such voter has—

(A) died;

(B) changed voting residence, more than 30 days previously, from the voting jurisdiction which maintains the voter registration list for the place in which the voter was previously registered;

(C) been convicted of a criminal offense which, under State law, results in the denial of the right to vote, and no appeals remain;

(D) been adjudicated mentally incapacitated which, under State law, results in the denial of the right to vote; or

(E) requested that their name be removed from the voter registration list; and

(2) require that the State plan sets forth the basis for challenges to voters or registrants and provide assurances that—

(A) challenges will only be made in writing by persons designated by State law,

(B) any challenged individual who has sufficient documentation as to eligibility to vote be permitted to vote, and

(C) challenged individuals who do not have sufficient documentation be permitted to vote by affidavit ballot and be informed of such right.

The State plan shall provide that the validity of challenges shall be determined within a fixed period of time after the polls close.

RESPONSIBILITY OF THE ATTORNEY GENERAL

SEC. 7. (a) The Attorney General is authorized to administer this Act and to make such rules, regulations, and orders as the Attorney General deems necessary or appropriate for the efficient and expeditious administration of this Act.

(b) The Attorney General shall provide advice and technical assistance to States in developing voter registration plans and in establishing and maintaining voter registration systems in accordance with this Act.

(c)(1) The Attorney General shall provide for the conduct of a study to determine the impact on voter registration of the various procedures set forth in section 4(d) on achieving the purposes of this Act.

(2) The Attorney General shall report to the Congress every 2 years on the effectiveness of efforts to establish and maintain voter registration procedures that eliminate barriers to exercise of the right to vote.

ENFORCEMENT

SEC. 8(a). The Attorney General shall prepare and publish proposed regulations within 120 days, setting forth an implementation plan, or portion thereof, for a State if—

(1) the State fails to submit a State plan for voter registration, pursuant to section 4(a), which meets the requirements of this Act; or

(2) the plan, or any portion thereof, submitted for such State is determined by the Attorney General not to be in accordance with the requirements of this Act or any rules or regulations prescribed by the Attorney General and such State fails, within 90 days after notification by the Attorney General, to revise a State plan for voter registration as required by the Attorney General.

FEDERAL ENFORCEMENT PROCEDURES

(b) Whenever, on the basis of any information available to the Attorney General, the Attorney General determines that any person, State, or other governmental body is in substantial violation of any requirement of a voter registration plan submitted under this Act, the Attorney General shall notify such person, State, or governmental body, and the State in which the plan applies, of such finding. If such violation extends beyond the 30th day after the date of the notification, the Attorney General shall—

(1) issue an order requiring such person, State, or governmental body to comply with the requirements of such plan; or

(2) bring a civil action in accordance with subsection (b).

(c) The Attorney General may commence a civil action for a permanent or temporary injunction against any person, State, or other governmental body that—

(1) violates or fails or refuses to comply with any order issued under subsection (a) of this section; or

(2) violates any requirement of a voter registration plan submitted under the provisions of this Act more than 60 days after being notified by the Attorney General under subsection (a)(1) of a finding that such person, State, or body is violating such requirement.

Any action under this subsection may be brought in the district court of the United States for the district in which the violation occurred or in which the defendant resides, and such court shall have jurisdiction to restrain such violation, to require compliance, and to assess a civil penalty. In the case of any State which the Attorney General has issued an order based upon section 8(a), the court shall order immediate implementation of the State plan developed pursuant to section 8(a) during the pendancy of any action brought under this section.

(d) Whenever any person has engaged or there are reasonable grounds to believe that any person is about to engage in any act or practice prohibited by this Act, the Attorney General or any aggrieved person may institute an action for preventive relief, including an application for a temporary or permanent injunction, or a restraining order.

(e) An aggrieved person may commence a civil action against any person, including

the United States or any State, or other governmental instrumentality, who is alleged to be in violation of a voter registration plan submitted pursuant to section 4(a) after giving notice of the violation (i) to the Attorney General, (ii) to the State in which the violation occurs, and (iii) to any alleged violator of the plan.

(f) The district courts shall have jurisdiction, without regard to the amount in controversy, to enforce such an approved State plan, or to order any person to perform such act or duty, as the case may be.

(g) If the Attorney General or State has commenced a civil action to require compliance with the plan but is delinquent in prosecuting such action, an aggrieved person may intervene as a matter of right.

(h) Notice under this section shall be given in such manner as the Attorney General shall prescribe by regulation.

(i) Any order of the Attorney General under this Act shall be reviewable, by the United States Court of Appeals for the circuit in which the State involved is located, on the filing of a petition by any aggrieved person. The appellee shall not be liable for costs in such court.

(j) In any action under this section, the Attorney General, if not a party, may intervene as a matter of right.

(k)(1) In any action or proceeding under this Act, the court shall allow any prevailing plaintiff (including an intervening plaintiff), other than the United States, a reasonable attorney fee, together with reasonable costs of litigation.

(2) Fees incurred in complying with the notice requirements of this section or in pursuing the vindication of rights protected under this Act through administrative proceedings, shall be recoverable by a prevailing plaintiff.

PROHIBITIONS AND PENALTIES

SEC. 9. (a) Any person, including any election official, who knowingly and willfully—

(1) registers, or attempts to register to vote under this Act for the purpose of voting more than once in any election;

(2) conspires with any person for the purpose of enabling such person to make false registration to vote or for the purpose of enabling or encouraging any individual to make such false registration to vote;

(3) falsifies any information for the purpose of establishing eligibility to register to vote under this Act;

(4) takes action which results in the improper removal of any voter from the list of eligible voters based on race, color, membership in a language minority, sex, religion, political affiliation, or for nonvoting; or

(5) intimidates, threatens, or coerces any person for (A) voting or attempting to vote, (B) urging or aiding any person to vote or to attempt to vote, or (C) exercising any right under this Act, or attempts to do so;

shall be fined in accordance with title 18, United States Code, or imprisoned not more than 5 years, or both.

(b) In the case of any second or subsequent conviction under this section, the person convicted shall be fined in accordance with title 18, United States Code, or imprisoned not more than 10 years, or both.

SAVINGS PROVISION

SEC. 10. Nothing in this Act shall be construed to restrict any right which any person may have under any statute, the common law, or the Constitution, to seek enforcement of any voter registration requirement or to challenge any voter registration requirement or plan, or to seek any other relief.

PERMITTING YEAR-ROUND REGISTRATION

SEC. 11. Notwithstanding any other provision of law, Federal, State, county, and municipal agencies that serve the public directly, and any private agency that voluntarily agrees to register voters, shall, during the entire year, offer nonpartisan voter registration services, including distributing voter registration forms, answering questions, assisting in completing such forms, and collecting and forwarding completed registration forms to the proper local election officials.

ASSISTANCE TO STATES

SEC. 12. (a) The Attorney General is authorized to make grants to the chief State election official of any State which has a State plan approved by the Attorney General under this Act in order to carry out the provisions of such plan.

(b) The Attorney General may establish an advisory council of State and local election officials to advise States about eliminating barriers to registration which have a discriminatory impact on the basis of race, color, national origin, sex, age, disability, or other factors, or have operated to deprive persons of the equal protection of the laws by denying them the opportunity to exercise their fundamental right to vote.

(c) Except as provided in subsection (d), in submitting voter registration programs to the Attorney General, each State desiring funds also shall submit a request for funds to implement such programs, including a description of the intended uses of such funds. The Attorney General shall develop a formula for the allocation of funds to the States and shall allocate funds to the States. In allocating funds, the Attorney General shall take into account the voting age population of the State as established by the current population survey of the Bureau of the Census, the percentage of registered voters in the State, and the current voter registration programs in the State.

(d) If the Attorney General determines that any amount made available to a State will not be required by that State or that a program proposed by a State does not qualify under this Act, the amount not used shall be available for reallocation as determined by the Attorney General, except that the Attorney General shall deposit in the Treasury, as miscellaneous receipts, any amount that is unused at the end of the fiscal year for which such amount was appropriated.

(e)(1) The chief State election official of each State shall administer grants made to that State under this section and shall make such reports with respect to grants as the Attorney General may prescribe by regulation.

(2) Each State may allocate any part of a grant under this Act to a city, county, or other political subdivision of such State if such subdivision conducts voter registration.

(f) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

DEFINITIONS

SEC. 13. As used in this Act, the terms—

(1) "approved State plan" means a State plan for voter registration which has been approved by the Attorney General as in accordance with the provisions of this Act;

(2) "local election official" means the individual who exercises primary responsibility with respect to the registration of qualified voters in a unit of local government;

(3) "chief State election official" means the official, agency, or board of a State who exercises primary responsibility with respect to the registration of qualified voters or with respect to the conduct or supervision of any election for Federal office, or any election to a statewide office in such State, as certified to the Attorney General by such State;

(4) "election" has the meaning given that term in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431);

(5) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and any territory or possession of the United States;

(6) "unit of general local government" means a city, county, town, parish, village, or other general-purpose political subdivision of a State;

(7) "voter registration list" means the list of all voters registered and eligible to vote in an election; and

(8) "affidavit ballot" means a document or set of documents including—

(A) a statement, made under penalty of perjury as provided by the applicable State or Federal law, signed by the affiant—

(i) certifying that the affiant is qualified to vote in that election;

(ii) providing the address for which the affiant was most recently registered to vote; and

(iii) providing the affiant's current residence address; and

(B) a ballot for the appropriate election—

(i) which will be separated from the statement described in subparagraph (A) once the voter qualifications have been determined as prescribed in subsection (d);

(ii) which contains no information by which the identity of the voter may be determined; and

(iii) which is designed and handled in such a way as to preserve the complete security of the ballot;

(9) "minority" and "nonminority" have the meaning given these terms under the Voting Rights Act of 1965 (42 U.S.C. 1973aa et seq.).

SEC. 14. The Attorney General, in consultation with the heads of other Federal agencies, shall undertake to identify and develop such additional simultaneous applications for voter registration as may be feasible and appropriate to increase voter participation where barriers to registration have had a discriminatory impact on the basis of race, color, national origin, sex, age, disability, or other factors, or have operated to deprive persons of the equal protection of the laws by denying them the opportunity to exercise their fundamental right to vote. Within 18 months after the date of enactment of this Act, the Attorney General shall provide to the appropriate committees of Congress a report on implementation of this provision.

Mr. KENNEDY. Mr. President, I am pleased today to be joining with Senator CRANSTON, Senator SPECTER, Senator SIMON, Senator JEFFORDS, and Senator ADAMS in introducing the Equal Access to Voting Act of 1989.

The right to vote is the cornerstone of our democracy. Without it, all our other rights are in danger. We are proud of our democracy, and our history has been marked by a continuing

struggle to extend the franchise to all Americans.

In the past century, a number of key amendments to the Constitution have enlarged the right to vote:

The 15th amendment in 1870 prohibited voting discrimination because of race.

The 17th amendment in 1913 provided for direct popular election of Senators.

The 19th amendment in 1920 prohibited voting discrimination because of sex.

The 23d amendment in 1961 granted citizens of the District of Columbia the right to vote.

The 24th amendment in 1964 prohibited the use of poll taxes to restrict the right to vote.

And the 26th amendment in 1971 granted the right to vote of citizens 18 years of age or older.

These are impressive achievements, but the words of the Constitution are not always self-enforcing, and in many cases, it has been left to Congress to enact statutes to carry out the intent of the Constitution.

This is one such time. We adopted the 15th amendment to prohibit race discrimination in voting. But following its ratification, restrictive voter registration procedures were adopted to discourage the freed slaves from exercising their right to vote. For nearly a century, the promise of democracy was effectively denied to generations of black Americans.

In 1959, the first report on voting rights by the U.S. Commission on Civil Rights revealed a disturbing gap between democratic principles and actual practice with respect to voter registration.

In March 1963, President Kennedy created the President's Commission on Registration and Voting Participation to study the reasons for low voter turnout and recommend solutions. Concerning registration, the Commission found:

> Restrictive legal and administrative procedures in registration and voting are disfranchising millions.

With the enactment of the Voting Rights Act of 1965, we made a national commitment to fulfill the proud promise of the 15th amendment. But 13 years after passage of the act, the Citizens' Commission on Civil Rights, in its 1988 report "Barriers to Registration and Voting: An Agenda for Reform," found that—

> Substantial barriers to registration and voting continue to exist in many areas of the country. * * * it appears that discriminatory practices inhibit the participation of citizens in the electoral process on account of race, sex, age, income level and physical disability.

Although we have written the right to vote into our national law, we have not done enough to ensure that it can be exercised in practice. For millions of Americans, particularly in minority communities, cumbersome and inefficient registration procedures have posed insurmountable barriers to the exercise of this fundamental right.

The bill we are introducing today is intended to remove barriers to registration which have a discriminatory impact on minorities and which have deprived persons of the equal protection of the laws by denying them the fundamental right to vote. Our measure will require the Attorney General to review the voter registration requirements of each State. Those States with barriers to registration which have a discriminatory impact or which deny persons the opportunity to vote must develop plans to eliminate these barriers and increase registration.

Barriers to registration are defined as: First, limitations on the availability of opportunities to register; second, inadequate facilities or procedures to assure that any eligible person has the opportunity to register; third, restrictions on the time, place, and manner of registration; and fourth, other limitations or restrictions as determined by the Attorney General.

A State is automatically deemed to have barriers to registration if minority registration rates fall below nonminority registration rates. The bill requires that the Attorney General and the Census Bureau develop accurate measures of minority and nonminority registration rates.

The State plan required in such cases must include provisions to eliminate barriers to registration and disparities between minority and nonminority registration, provide for accurate and inclusive voter registration lists, and ensure that all eligible persons are able to exercise their right to vote.

The Attorney General is authorized, through regulations, to establish criteria for evaluating the adequacy of State plans, which must take into account the need to provide adequate safeguards to establish the identity, place of residence, and qualifications of individuals seeking to register and the need to eliminate unnecessary barriers to registration.

In evaluating any State plan, the Attorney General must determine whether its provisions are as well suited or better suited to result in elimination of barriers to registration as four alternative techniques—mail registration, agency-based registration, motor-voter registration, and election-day registration.

The Attorney General may certify that a State plan is in compliance if it meets these criteria. He must also consider the extent to which the State plan provides for the establishment of these procedures.

By focusing primarily on registration procedures that have a discriminatory impact on minorities, we do not intend to acquiesce in registration procedures that discourage others from voting. But in light of our country's long history of voting discrimination, barriers in such cases are especially objectionable, and it is long past time for Congress to remove them.

I am looking forward to working with my colleagues on this measure, and I urge the Judiciary Committee to act promptly, so that all Americans will finally be able to exercise their right to vote, free of discrimination.

By Mr. BAUCUS (for himself, Mr. DURENBERGER, and Mr. LIEBERMAN):

S. 676. A bill relating to global atmospheric and environmental preservation; to the Committee on Environment and Public Works.

GLOBAL ENVIRONMENTAL PROTECTION ACT OF 1989

● Mr. BAUCUS. Mr. President, there is probably no greater problem facing the Earth today than that posed by the spectre of global warming. The gases that our modern industrial society spews into the atmosphere—by burning fossil fuels and cooling our buildings—are trapping heat in the Earth's atmosphere and warming the planet.

How much warming will these greenhouse gases cause? What will be the effect of this warming? The future impact of global warming is very difficult to predict. But left unchecked, global warming will leave us in a world different from the world that exists today.

We can project a raised sea level. We can project that areas will get drier and some areas will get wetter. We can project the reoccurrence of drought—like last summer's devastation.

But we don't really understand the environmental consequences of these changes. We don't know what this means in terms of human suffering. We are moving into a future we cannot predict and for which no analog exists from the past.

This bill focuses on global air polution. But in considering this legislation, we must also address the larger question of whether or not the United States can assume a leadership position in addressing what must be considered a global problem of catastrophic proportions.

In short, the time has come to develop a plan for action.

A recent report provided Congress by the EPA makes a compelling argument for action now. The question confronting us, is will we heed this warning?

Some will ignore it—as warnings concerning CFC's were ignored and policymakers were lulled into inaction under the guise of "truth" and "facts."

The price of waiting has been high. Our delay in phasing out CFC's has exposed current and future generations to increased exposure to ultraviolet radiation.

For naysayers who ask for more data to measure just how much the global climate is changing, the Policy Options report holds a simple promise: If we wait for proof beyond any doubt, it will be too late to take preventive steps.

Without action now, the Earth will experience a 40-percent increase in warming by the year 2050 over what it otherwise would have been.

The United States is the largest single source of greenhouse gases in the world. This amount is significant, but it only represents about 20 percent of greenhouse emissions globally. We cannot solve the problem alone. But we must act, if we want other countries to act. Our domestic initiatives must demonstrate our commitment to respond to global climatic change.

The challenge that all of us must face as we confront global warming is how to move the United States toward less wasteful ways and lead the world to environmentally safe growth.

Eliminating all CFC's must be a first step.

But we cannot stop there. Carbon dioxide is a pollutant and we must control its emission into the atmosphere. We must consider methane a pollutant and control its emission as well.

We need to aggressively pursue measures to make our cars, trucks, homes, and factories more efficient. And we must direct the scientific and technological capabilities of our Nation toward finding new and environmentally safe methods to produce energy.

If we fail in this task, we cannot expect the rest of the world to follow. We have an opportunity. In the recent Policy Options report, the administration has, in effect, provided us with a blueprint for future actions. This legislation will ensure that this opportunity is not missed, that this warning is not ignored.

The legislation I am introducing today sets forth a comprehensive program treating greenhouse gases as pollutants. Chlorofluorocarbons account for approximately 20 percent of all greenhouse gas emissions globally. The United States alone is responsible for approximately a third of all CFC emissions. This legislation will prohibit the use of CFC's in newly manufactured goods after 1994. Foam legislation will be allowed an additional 24 months to allow time for substitutes to be developed. All uses of these chemicals must cease by the year 2000. The use, and disposal of these substances is regulated to insure that emissions are held to the lowest achievable level.

Standards to control emissions of carbon dioxide from automobiles, trucks, residential furnaces, and air-conditioners are established. Four high carbon dioxide emitting industries, cement, iron and steel, pulp and paper, and synthetic fiber manufacturers are required to reduce carbon dioxide emission, 25 and 35 percent by the year 2000.

Senator WIRTH and others have proposed revitalizing national energy planning to achieve increases in the efficiency of the U.S. electricity utilities. I believe that this approach is a step in the right direction. In considering this legislation, I plan to carefully evaluate how best to regulate carbon dioxide as a pollutant.

A national energy plan approach provides maximum flexibility and freedom of choice. This is positive if we are to insure the marketplace is utilized to the maximum extent.

I am concerned that this degree of flexibility will also have a negative impact. It may result in promising but high risk long-term technology development to cease.

For over a decade, the Federal Government and private industry has cooperatively worked together to develop magnetohydrodynamic technology [MHD] as a means to burn fossil fuels both more efficiently and with lower air pollution emissions. This technology is now ready to be tested on a full-scale boiler. In the near term it is estimated that 42-percent efficiency can be achieved. Over the longer term efficiency of 60 percent may be achievable.

The question I plan to explore is what types of policies are needed to ensure that technologies to allow for the safer use of fossil fuels continue to be developed. It is unlikely that in the short term we can move away from fossil fuels. In the case of the undeveloped countries of the world, they may have no options except to use fossil fuels.

The legislation I am introducing does not include any proposal to address oxides of nitrogen or hydrocarbons. Both of these pollutants cause tropospheric ozone, a potent greenhouse gas. These pollutants need to be addressed.

The committee is currently developing legislation to address the serious problem of ozone nonattainment. Protecting public health by reducing these pollutants will have the added benefit of reducing the threat of global climate change. When Congress reauthorizes the Clean Air Act this year, an important step in the control of greenhouse gases will be taken.

The final greenhouse gas addressed by this legislation is methane. Methane is the fastest growing greenhouse gas emission. It is both a direct anthropocentric emission and a biological feedback of a warming climate. It is a pollutant that requires much more attention and focus by the scientific community. The legislation being introduced today would begin to control these emissions through controls on gas production and methane escaping from landfills. More is needed, but until we have a better understanding of its sources and sinks, these additional steps cannot be taken.

The National Environmental Policy Act [NEPA] is amended to ensure that environmental impact statements adequately consider global climate change.

The proposal by Mr. SYMMS to require that the U.S. directors to the development banks consider environmental impacts of proposed developments prior to approving loans to developing countries, is incorporated into this legislation.

The threat of global climate change is similar to the threat of global warfare. If it is to be addressed, new international institutional mechanisms are required. The President is required to petition the United Nations to establish a new agency to develop these new institutional mechanisms.

Similarly, if the threat posed by greenhouse gases is to be minimized, a new cooperative effort in which the private and public sector can work cooperatively will be required. A national organization on energy production standards and practices to encourage and promote the use of energy efficient technologies is proposed. This institute will allow us as a Nation to meet the environment challenge posed by greenhouse emissions and to ensure that American industry is prepared to compete in a world where these types of technologies are mandated.

Mr. President, I request unanimous consent that the text of the bill be printed in the RECORD.●

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 676

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Global Environmental Protection Act of 1989".

SEC. 2. FINDINGS.

The Congress, recognizing the profound, irreversible and potentially catastrophic impacts of humanity's activities on the global atmosphere and the world's environment, and the inability of science to predict with certainty the consequences for humanity of any such changes, hereby declares that each person has a responsibility and obligation to avoid contamination of the atmosphere.

TITLE I—ELIMINATION AND REGULATION OF GLOBAL CHANGE POLLUTANTS

PART A—CHLOROFLUOROCARBONS AND RELATED CHEMICALS

SEC. 101. SHORT TITLE.

This title may be cited as the "Global Stratospheric Ozone and Climate Preservation Act of 1989".

SEC. 102. FINDINGS.

The Congress finds that—

(1) the best available scientific evidence shows that manufactured substances, including chlorofluorocarbons, are polluting the atmosphere and destroying stratospheric ozone, as well as contributing to global climate change, and other atmospheric modifications;

(2) no level of stratospheric ozone depletion or global climate change caused by human activities can be deemed safe;

(3) stratospheric ozone depletion will lead to increased incidence of solar ultraviolet radiation at the surface of the Earth;

(4) increased incidence of solar ultraviolet radiation will cause increased rates of disease in humans (including skin cancer), threaten food crops, and otherwise damage the natural environment;

(5) stratospheric ozone depletion and global climate change from continued emissions of chlorofluorocarbons and other halogenated carbons with ozone depleting potential, and emissions of other gases, imperil human health and the environment worldwide;

(6) in order to stabilize and eventually reduce concentrations of chlorine and bromine in the stratosphere, to conserve the stratospheric ozone layer (an exhaustible natural resource), and to reduce the extent of global climate change—

(A) emissions of chlorofluorocarbons and other substances covered by this title, including halogenated carbons with ozone depleting potential, should be terminated rapidly, and

(B) it is necessary to control international trade in substances covered by this title and products containing or made with processes that use such substances;

(7) the highest priority must be given to developing and deploying safe substitutes to replace ozone depleting substances within 4 years; and

(8) the United States needs to develop and deploy safe substitutes to replace ozone depleting substances in order to demonstrate to the world its commitment to protect the stratosphere.

SEC. 103. OBJECTIVES AND NATIONAL GOAL.

(a) The objectives of this title are to restore and maintain the chemical and physical integrity of the Earth's atmosphere and to protect human health and the global environment from all known and potential dangers due to atmospheric or climatic modification, including stratospheric ozone depletion, that is or may be related to the chlorofluorocarbons or other substances covered by this title by—

(1) reducing significantly the production and emission into the atmosphere of pollutants caused by human activities;

(2) promoting the rapid development and deployment of alternatives to the use of the chlorofluorocarbons and other substances covered by this title; and

(3) promoting additional scientific research on atmospheric or climatic modification, including stratospheric ozone depletion, and on the known and potential adverse effects therefrom on human health and the global environment.

(b) In order to achieve the objectives of this title, it is the national goal to eliminate atmospheric emissions of manufactured substances with ozone depleting potential, including chlorofluorocarbons and other halogenated carbons with ozone depleting potential, and to reduce significantly emissions of other gases caused by human activities that are likely to affect adversely the global climate.

SEC. 104. DEFINITIONS.

As used in this title, the term—

(1) "Administrator" means the Administrator of the Environmental Protection Agency;

(2) "household appliances" means noncommercial personal effects, including air conditioners, refrigerators, and motor vehicles;

(3) "import" means to land on, bring into, or introduce into, or attempt to land on, bring into, or introduce into, any place subject to the jurisdiction of the United States, whether or not such landing, bringing, or introduction constitutes an importation within the meaning of the customs laws of the United States;

(4) "manufactured substances" means any organic or inorganic chemical substances of a particular molecular identity, or any mixture, that has been manufactured for commercial purposes;

(5) "medical purposes" means medical devices and diagnostic products (A) for which no safe substitute has been developed and (B) which, after notice an opportunity for public comment, has been approved and determined to be essential by the Commissioner of the Food and Drug Administration, in consultation with the Administrator;

(6) "person" means an individual, corporation (including a government corporation), partnership, firm, joint stock company, trust, association, or any other private entity, or any officer, employee, agent, department, or instrumentality of the Federal Government, of any State or political subdivision thereof (including any interstate body), or of any foreign government (including any international instrumentality); and

(7) "substances covered by this title" means those substances which are known or may reasonably be anticipated to cause or contribute to atmospheric or climatic modification, including stratospheric ozone depletion, and are listed under subsections (a) or (b) of section 105.

SEC. 105. LISTING OR REGULATED SUBSTANCES.

(a) Within 60 days after the date of the enactment of this title into law, the Administrator shall publish a priority list, to be designated as number 1, of manufactured substances which are known or may reasonably be anticipated to cause or contribute to atmospheric or climatic modification, including stratospheric ozone depletion. The initial list shall include chlorofluorocarbon-11, chlorofluorocarbon-12, chlorofluorocarbon-113, chlorofluorocarbon-114, chlorofluorocarbon-115, halon-1211, and halon-1301.

(b) Simultaneously with publication of such priority lists, the Administrator shall create a list of other manufactured substances which, in the judgment of the Administrator, meet the criteria set forth in the first sentence of subsection (a). The list of other substances shall be subject to the limitations on ozone depletion potential under section 109 of this title and shall include chlorofluorocarbon-22, carbon tetrachloride, methyl chloroform, and methylene chloride. At least annually thereafter, the Administrator shall publish a proposal to add to such list each other manufactured substance which, in the judgment of the Administrator, meets the criteria set forth in the first sentence of subsection (a). Within 180 days of any such proposal, after allowing an opportunity for public comment, the Administrator shall promulgate a regulation adding each such substance to the list, unless the Administrator determines that such substance clearly does not meet the criteria set forth in the first sentence of subsection (a).

(c) Simultaneously with publication of the list or additions thereto under this section, and at least annually thereafter, the Administrator shall assign to each listed substance a numerical value representing the ozone depletion potential of such substance, on a mass (per kilogram) basis, as compared with chlorofluorocarbon-11. The numerical value shall, for the purposes of section 9, constitute the ozone depletion factor of each such substance. Until the Administrator promulgates regulations under this subsection, the following ozone depletion factors shall apply:

Substance	Ozone depleting factor
chlorofluorocarbon-11	1.0
chlorofluorocarbon-12	1.0
chlorofluorocarbon-22	0.05
chlorofluorocarbon-113	0.78
halon-1211	2.69
halon-1301	11.43

SEC. 106. REPORTING REQUIREMENTS.

(a) Within 90 days after the date of the enactment of this title into law, each person producing a substance listed pursuant to subsections (a) and (b) of section 105 shall file a report with the Administrator setting forth the amount of the substance that was produced by such person during calendar year 1986. Not later than December 31, 1989, and annually thereafter, each producer shall file a report with the Administrator setting forth the production levels of such substance in each successive 12-month period until such producer ceases production of the substance. Each such report shall be signed and attested by a responsible corporate officer.

(b) Within 90 days of the date on which substance is placed on the list under subsection (c) of section 105, each person shall file a report with the Administrator setting forth the amount of the substance that was produced by such person during the 12 months preceding the date of listing. Not less than annually thereafter, each producer shall file a report with the Administrator setting forth the production levels of such substance in each successive 12-month period until such producer ceases production of the substance. Each such report shall be signed and attested by a responsible corporate officer.

SEC. 107. PRODUCTION PHASEOUT.

(a) Effective January 1, 1989, it shall be unlawful for any person to produce a substance listed pursuant to subsection (a) of section 105 in annual quantities greater than that produced by such person during calendar year 1986.

(b) Effective January 1, 1993, it shall be unlawful for any person to produce a substance listed pursuant to subsection (a) of section 105 in annual quantities greater than 80 per centum of that produced by such person during calendar year 1986.

(c) Effective January 1, 1998, it shall be unlawful for any person to produce a substance listed pursuant to subsection (a) of section 105 in annual quantities greater than 50 per centum of that produced by such person during calendar year 1986.

(d) Effective January 1, 1999, it shall be unlawful for any person to produce a substance listed pursuant to subsection (a) of section 105 in annual quantities greater

than 25 per centum of that produced by such person during calendar year 1986.

(e) Effective January 1, 2000, it shall be unlawful for any person to produce or release a substance listed pursuant to subsection (a) or (b) of section 105 for any use other than medical purposes.

SEC. 108. LIMITATION ON USE.

Effective January 1, 1994, it shall be unlawful to introduce into interstate commerce or to use a substance listed under subsection (a) of section 105 except for medical purposes approved by the Commissioner of the Food and Drug Administration, in consultation with the Administrator, in any newly manufactured good, except for a period not to exceed 24 months for insulating foam purposes.

SEC. 109. LIMITATION ON OZONE DEPLETION POTENTIAL.

(a) Effective January 1, 2010, it shall be unlawful for any person to produce substances covered by subsection (b) of section 105 in annual quantities that, based upon the ozone depletion factor assigned to each such substance under subsection (c) of section 105, yield a total ozone depletion or greenhouse warming potential greater than 5 per centum of that produced by such substances listed in subsection (a) of section 105 during calendar year 1986.

(b) The Administrator shall promulgate regulations, after notice and opportunity for public comment, which require each producer to reduce its production of—

(1) a substance listed under subsection (a) of section 105 more rapidly than the schedule provided under this title; or

(2) a substance listed under subsection (b) of section 105 on a specific schedule not otherwise provided for in this title,

if the Administrator determines that such revised or specific schedule (A) based on new information regarding the harmful effects on the stratosphere or climate which may be associated with a listed substance, is necessary to protect human health and the environment, or (B) based on the availability of substitutes for a listed substance, a substitute is attainable. Any person may petition the Administrator to issue such regulations. The Administrator shall issue such regulations within 180 days after receipt of any such petition, unless the Administrator denies the petition.

SEC. 110. PRODUCTION PHASEOUT EXCEPTION FOR NATIONAL SECURITY.

The President may issue such orders regarding production and use of halon-1211 and halon-1301 at any specified site or facility as may be necessary to protect the national security interests of the United States if the President personally finds that adequate substitutes are not available and that the production and use of such substance is necessary to protect such national security interests. Such orders may include, where necessary to protect such interests, an exemption from any requirement contained in this title. The President shall notify the Congress within 30 days of the issuance of an order under this paragraph providing for any such exemption. Such notification shall include a statement of the reasons for the granting of the exemption. An exemption under this paragraph shall be for a specified period which may not exceed 1 year. Additional exemptions may be granted, each upon the President's issuance of a new order under this paragraph. Each such additional exemption shall be for a specified period which may not exceed 1 year. No exemption shall be granted under this paragraph due to lack of appropriated funds unless the President shall have specifically requested such funds as a part of the budgetary process and the Congress shall have failed to make them available.

SEC. 111. CERTIFICATION OF EQUIVALENT PROGRAMS.

(a) Effective 12 months after the date on which a substance is placed on the priority list pursuant to section 105, it shall be unlawful for any person to import such substance, any product containing such substance, or any product manufactured with a process that uses such substance unless the Administrator, in consultation with the Secretary of State, has published a decision, after notice and opportunity for public comment, certifying that the nations in which such substance or product was manufactured and from which such substance or product is imported have established and are fully implementing programs that require reduced production of such listed substance, and limit production of other substances covered by this title, on a schedule and in a manner that is at least as stringent as the reduction scheduled for, and limitations on, domestic production which apply under this title. The prohibition on the import of any product manufactured with a process that uses a substance listed under subsection (a) of section 105 shall include, after notice and opportunity for public comment, any product which the Administrator has reason to believe may have been manufactured with a process that uses such substance. The Administrator's decision that a product may have been manufactured with a process that uses such substance shall constitute a rebuttable presumption.

(b) The Administrator shall not certify any national program under subsection (a) unless it is determined that—

(1) the nation has adopted legislation or regulations which give the reduction schedule for each listed substance the force of law; and

(2) the legislation of regulations include reporting requirements and enforcement provisions no less stringent than those specified in this title, and that the information contained in such reports is available to the Administrator and the Secretary of State.

(c) At least annually, the Administrator, in consultation with the Secretary of State, shall review each certification made under this section and shall revoke such certification, after notice and opportunity for public comment, unless it is determined that the conditions of subsections (a) and (b) remain satisfied and that the reduction schedule for each listed substance is in fact being carried out in such nations. Any such revocation shall take effect 180 days after notice of the revocation has been published.

(d) Any person who imports a substance covered by this title or a product containing such substance shall, for the purposes of section 107 (production phaseout for priority list) and section 109 (limitation on ozone depletion potential), shall be deemed to have produced an equivalent amount of such substance on the date of such importation.

SEC. 112. LABELING.

Effective 90 days after the date on which a substance is placed on a list maintained under subsection (a) or (b) of section 105, no container in which such substance is stored or transported, no product containing such substance, and no product manufactured with a process that uses a listed substance shall be introduced into interstate commerce unless it bears a label stating either of the following, as appropriate:

(1) "Contains (insert name of listed substance) a substance which harms public health and environment by destroying ozone in the upper atmosphere and by disrupting the climate".

(2) "Manufactured with (insert name of listed substance), a substance which harms public health and environment by destroying ozone in the upper atmosphere and by disrupting the climate".

The Administrator shall issue regulations to implement the labeling requirements of this section within 6 months after enactment of this section into law, after notice and opportunity for public comment. Such regulations shall require all containers and products which are subject to this section and introduced or reintroduced into commerce later than 90 days after promulgation of such regulations to bear the appropriate label. Unless and until such regulations have been promulgated and become effective, the required label shall be permanently affixed on the face of such product, with the lettering and background in contrasting colors and the letters themselves not less than two inches in height (or 20 percent of the height of the product which is less than four inches in height). Neither the labeling requirement nor any other provision of the Global Climate Protection Act of 1987 shall constitute, in whole or part, a defense to liability or a cause for reduction in damages in any suit, whether civil or criminal, brought under any law, whether Federal or State, other than a suit for failure to comply with the labeling requirements of this section.

SEC. 113. LIMITATIONS ON USE AND DISPOSAL.

(a) The Administrator shall, not later than July 1, 1991, promulgate regulations establishing standards and requirements regarding the use of substances covered by this Act. Such regulations shall include requirements that reduce the use and emission of such substances to the lowest achievable level and may include requirements to use alternative substances (including substances which are not covered by this Act), minimize use of substances covered by this Act, or maximize the recapture and recycling of substances covered by this Act.

(b) The Administrator shall promulgate regulations establishing standards and requirements regarding the use of any manufactured substance that may, either directly as a radiatively important trace gas or indirectly as a substance that reduces the energy efficiency of products which incorporate or use such substance, exacerbate the problem of human induced global climate change.

(c) The Administrator shall, before January 1, 1994, promulgate regulations establishing standards and requirements for the recapture, recycling, and safe disposal of substances covered by this Act. Such regulations shall include requirements that—

(1) substances covered by this Act that are contained in bulk in appliances, machines or other goods (including but not limited to refrigerators and air-conditioners) shall be removed from each such appliance, machine or other good prior to the disposal of such item;

(2) any appliance, machine or other good containing a substance covered by this Act in bulk shall not be manufactured or distributed in commerce unless it is equipped with a servicing aperture which will allow the recapture of such substance during service and repair of such item; and

(3) any product in which a substance covered by this Act is incorporated so as to constitute an inherent element of such product, including but not limited to rigid and soft foams, shall be disposed of in a manner that prevents the release of such substance into the environment.

(d) Effective January 1, 1993, it shall be unlawful for any person to knowingly vent into the atmosphere or otherwise knowingly use, release, or dispose of any substance covered by this Act (other than halon-1211, halon-1301, and halon-2402) in a fashion which permits such substance to enter the environment. Releases associated with the approved use of medical devices and diagnostic products for medical purposes and de minimus releases associated with good-faith attempts to recapture and recycle or safely dispose of any substance covered by this Act shall not be covered by the preceding sentence. The first sentence of this subsection shall not apply to releases associated with the servicing or repair of equipment which contains substances covered by this Act but does not include a servicing aperture which allows the recapture of such substances if, during the first servicing or repair after the effective date of this Act, such servicing aperture or other similar features are installed.

PART B—CARBON DIOXIDE

SEC. 114. SHORT TITLE.

This part may be cited as the Act to Reduce and Stabilize Atmospheric Concentrations of Carbon Dioxide.

SEC. 115. FINDINGS.

The Congress finds that—

(1) there is widespread agreement, and no credible scientific dispute, that increases in atmospheric concentrations of carbon dioxide will increase the temperature of the planet;

(2) current emissions of carbon dioxide are approximately 70 times as great as those a century ago;

(3) average concentrations of carbon dioxide in the absence of major contributions from human activity have ranged between 180 and 280 parts per million;

(4) the current concentration of carbon dioxide is approximately 380 parts per million;

(5) concentrations of carbon dioxide because of human activity are increasing at the rate of about 4 percent per decade;

(6) there has already been an observed increase in globally-averaged temperature of 0.7 degrees centigrade during the last century;

(7) increases in North Atlantic ocean temperatures of 0.2 to 0.3 degrees centigrade have been measured;

(8) ocean water levels have increased;

(9) the years 1981, 1983, 1987, and 1988, are the hottest on record;

(10) elevated temperatures and drought are now prevailing in many of the world's agricultural areas;

(11) all of these changes are consistent with predictions that increases in carbon dioxide will lead to global temperature increases;

(12) further temperature increases of as much as 4 degrees centigrade will be experienced by the year 2030 if concentrations of carbon dioxide and other trace gases continue to accelerate at current rates;

(13) even with stringent and immediate controls, global average temperatures are predicted to increase 1.0 to 2.5 degrees centigrade;

(14) scientists are unable to state with certainty whether the global environment will respond predictably to further temperature increases, especially if they occur in combination with other alterations in the atmosphere and oceans;

(15) probably consequences of further warming will include, but cannot with certainty be said to be limited to, the following:

(A) sea level rise of between 1 and 4 feet, accompanied by widespread flooding, estuary destruction, and increased frequency of extreme storm events such as cyclones;

(B) disappearance of many tree and plant species in areas where they now predominate; and

(C) widespread and endemic drought in many areas of the world which now supply the bulk of humanity's foods;

(16) to minimize further climate destruction and mitigate that which is already inevitable will require that atmospheric concentrations of carbon dioxide be stabilized;

(17) the level of carbon dioxide emission reductions necessary to achieve atmospheric stabilization is uncertain, but has been estimated by some to be 50 percent or more;

(18) given the uncertainty of the response of the global environment to further temperature increases, the prudent policy is to strive to minimize carbon dioxide emissions through all possible means rather than establish an arbitrary goal;

(19) between 20 and 25 percent of the worldwide emissions of carbon dioxide originate in the United States;

(20) technologies and practices exist which could reduce carbon dioxide emissions substantially;

(21) the adoption of these technologies and practices would increase the efficiency and competitiveness of the United States business and industrial sector, decrease the Nation's dependence on foreign supplies of fuel, protect the agricultural sector, preserve the natural environment, and simultaneously achieve reductions in other chemicals which cause acid rain, ground level ozone, and fine particle pollution; and

(22) therefore, the United States can protect the global environment directly by reducing emissions of carbon dioxide emissions and indirectly protect such environment by demonstrating the technologies and practices which can be applied elsewhere.

SEC. 116. STATIONARY SOURCE CONTROLS.

(a) Not later than January 1, 1990, the Administrator of the Environmental Protection Agency shall revise the standards under section 111(b) of the Clean Air Act to require a standard for carbon dioxide emissions applicable to nonutility stationary sources, expressed in terms of emissions of such pollutant per unit or product output.

(b) Standards pursuant to the requirements of subsection (a) shall be established for each class or category of stationary sources which is more than a minimal emitter of carbon dioxide. Not later than January 1, 1992, the Administrator shall promulgate standards applicable to—

(1) cement kilns, which standards shall require, not later than January 1, 2000, an emission rate equivalent to a reduction in carbon dioxide emissions per unit of production of not less than 25 percent from 1988 average levels unless the Administrator determines that such a requirement is technologically infeasible;

(2) iron and steel manufacturing operations, which standards shall require, not later than January 1, 2000, an emission rate equivalent to a reduction in carbon dioxide emissions per unit of production of not less than 25 percent from 1988 average levels unless the Administrator determines that such a requirement is technologically infeasible;

(3) pulp and paper mills, which standards shall require, not later than January 1, 2000, an emission rate equivalent to a reduction in carbon dioxide emissions per unit of production of not less than 25 percent from 1988 average levels unless the Administrator determines that such a requirement is technologically infeasible; and

(4) synthetic fiber plants, which standards shall require, not later than January 1, 2000, an emission rate equivalent to a reduction in carbon dioxide emissions per unit of production of not less than 35 percent from 1988 average levels unless the Administrator determines that such a requirement is technologically infeasible.

SEC. 117. MOBILE SOURCE CONTROLS.

(a) The Clean Air Act is amended as follows:

(1) in section 202(a)(3)(A)(i), by inserting before the period at the end of the first sentence, the following: "and, for emissions of carbon dioxide, during and after model year 1990";

(2) in section 202(a)(3)(A)(ii) by striking out the period at the end of clause (II) and inserting in lieu thereof a comma and the word "and", and by adding at the end thereof the following new clause:

"(III) 1990 in the case of carbon dioxide shall contain standards which require a reduction of at least 10 percent in 1990; at least 25 percent in 1995; at least 50 percent in 2000; and at least 75 percent in 2010."; and

(3) inserting immediately after section 202(b)(1)(B) the following new language:

"The regulations under subsection (a) applicable to emissions of carbon dioxide from light-duty vehicles and engines shall provide that emissions of carbon dioxide may not exceed—

"(I) 360 grams of carbon dioxide per vehicle mile from light-duty vehicles and engines manufactured during and after model year 1990;

"(II) 300 grams per mile for light-duty vehicles and engines manufactured during and after model year 1995;

"(III) 200 grams per mile for light-duty vehicles and engines manufactured during and after model year 2000; and

"(IV) 100 grams per mile for light-duty vehicles and engines manufactured during and after model year 2010.".

SEC. 118. RESIDENTIAL CONTROLS.

(a) Not later than January 1, 1991, the Administrator shall promulgate regulations identifying the best available residential control technology available for central furnaces, air conditioners, and hot water heaters designed and sold for installation in single-family dwellings. For purposes of this section, "best available residential control technology" means that technology which achieves in a unit which is commercially available the maximum degree of reduction of emissions of carbon dioxide, whether directly through combustion or indirectly through consumption of electrical energy. Unless and until such regulations are promulgated and become effective, the best available control technology shall be deemed to be as follows:

(1) for furnaces, that which achieves and AFUE of .90 for oil, and AFUE of .95 for gas and a COP of 2.6 for electric heat pumps;

(2) for central air conditioners, that which achieves an Energy Efficiency Rating of not less than 15.0; and

(3) for hot water heaters, that which achieves and EF of 64 for gas and 96 for electricity.

(b) Each new single-family dwelling for which a building permit is issued on or after January 1, 1992, which is equipped with a central furnace, central air conditioner or hot water heater, shall be equipped only with one which meets or exceeds the emission limitation achieved by the best available residential control technology.

(c) Effective January 1, 1993, each replacement central furnace, central air conditioner, or hot water heater installed in a single-family dwelling shall meet or exceed the emissions limit achieved by the best available residential control technology.

(d) Not later than January 1, 1990, the Secretary of the Treasury shall recommend to the Congress means of encouraging the replacement of central furnaces, air conditioners, and water heaters and otherwise minimizing the emissions of carbon dioxide and other greenhouse gases from residential units through a system of tax or other incentives.

PART C—METHANE

SEC. 126. SHORT TITLE.

This part may be cited as the "Methane Emission Elimination Act".

SEC. 127. METHANE SOURCE IDENTIFICATION AND ASSESSMENT.

(a) Not later than January 1, 1992, the Administrator of the Environmental Protection Agency, in consultation with the Administrators of the National Oceanic and Atmospheric Administration and the National Aeronautics and Space Administration, shall submit to the Congress a report on the following:

(1) the contribution of methane to global climate change;

(2) the sources and sinks of methane;

(3) the methods of controlling emissions of methane; and

(4) the relationship between emissions of methane and concentrations of other trace gases, including the hydroxyl radical.

(b) The Solid Waste Disposal Act is amended by—

(1) inserting in section 4001 immediately before "are environmentally" the following: "minimize emissions and other releases to the environment and which otherwise";

(2) in section 4002(c)(1) striking the words "reasonable protection of ambient air quality" and substituting "and the minimization of emissions and other releases to the environment of pollutants including, but not limited to, methane or other harmful gases or materials";

(3) in section 4003(a) adding a new paragraph (7) as follows:

"(7) The plan shall provide for methods (including prohibitions on the nature of materials which are disposed), practices, or technologies which minimize emissions of methane and other gases, both during operation and after closure."; and

(4) in section 4007(a) inserting immediately before the period at the end of the second sentence the following: ", provided that the Administrator determines that such plan satisfies the requirements of paragraph (7) of section 4003. Plans which fail to satisfy such requirements shall be disapproved".

(c) Not later than January 1, 1992, the Administrator shall promulgate regulations implementing the requirements of this section and requiring State plans developed under subtitle D of the Solid Waste Disposal Act to be amended and either approved or disapproved by July 1, 1993. Any plan not affirmatively approved by such date shall be deemed disapproved for purposes of the Solid Waste Disposal Act. Amended plans shall require all facilities constructed after January 1, 1993, subject to subtitle D to be designed, constructed, and operated so as to minimize emissions of methane and shall require all existing facilities to be modified prior to January 1, 1993, and thereafter operated so as to minimize emissions of methane and other pollutants.

(d) Effective January 1, 1994, mass releases of methane, whether through intentional venting of wells or otherwise, and flaring of methane are prohibited.

PART D—MISCELLANEOUS PROVISIONS

SEC. 128. FEDERAL ENFORCEMENT.

(a)(1) Whenever on the basis of any information the Administrator determines that any person has violated or is in violation of any requirement of this title, the Administrator may issue an order assessing a civil penalty for any past or current violation, requiring compliance immediately or within a specified time period, or both, or the Administrator may commence a civil action in the United States district court in the district in which the violation occurred for appropriate relief, including a temporary or permanent injunction.

(2) Any order issued pursuant to this subsection may include a suspension or revocation of any permit issued by the Administrator and shall state with reasonable specificity the nature of the violation. Any penalty assessed in the order shall not exceed $25,000 per day of noncompliance for each violation of a requirement of this Act. In assessing such a penalty, the Administrator shall take into account the seriousness of the violation and any good faith efforts to comply with applicable requirements.

(b) Any order issued under this section shall become final unless, no later than 30 days after the order is served, the person or persons named therein request a public hearing. Upon such request the Administrator shall promptly conduct a public hearing. In connection with any proceeding under this section the Administrator may issue subpenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and may promulgate rules for discovery procedures.

(c) If a violator fails to take corrective action within the time specified in a compliance order, the Administrator may assess a civil penalty of not more than $25,000 for each day of continued noncompliance with the order and the Administrator may suspend or revoke any permit issued to the violator.

(d) Any person who—

(1) knowingly exceeds the production limits under section 107 (production phaseout for initial list) or section 109 (limitation on ozone depletion potential);

(2) knowingly introduces into interstate commerce a substance that was produced in violation of section 107 or section 109;

(3) knowingly imports a substance listed under section 105, a product containing such substance, or a product manufactured with a process that uses such substance, in violation of section 111 (certification of equivalent programs);

(4) knowingly introduces into interstate commerce a substance or product in violation of section 108 (limitation on use) or section 112 (labeling);

(5) knowingly omits material information or makes any false material statement or representation in any application, record, report, permit, or other document filed, maintained, or used for purposes of compliance with this title; or

(6) knowingly produces, transports, distributes, or uses any substance listed under section 105, a product containing such substance, or a product manufactured with a process that uses such substance, and who knowingly destroys, alters, conceals, or fails to file any record, application, report, or other document required to be maintained or filed for purposes of compliance with this title

shall, upon conviction, be subject to a fine in accordance with title 18 of the United States Code, for each day of violation, or imprisoned not to exceed 2 years, or both. If conviction is for a violation committed after a first conviction of such person under this paragraph, the maximum punishment under the respective paragraph shall be doubled with respect to both fine and imprisonment.

(e) Any person who violates any requirement of this title shall be liable to the United States for a civil penalty in an amount not to exceed $25,000 for each such violation.

(f) Each day of violation of any requirement of this title shall, for purposes of this section, constitute a separate violation. In addition, for purposes of section 107 (production phaseout for initial list), section 108 (limitation on use), section 109 (limitation on ozone depletion potential), and paragraphs (1), (2), (3), and (4) of subsection (d) of this section, the production, introduction into commerce, or importation of each 100 pounds of a substance listed under section 105 that is in excess of the production limits under section 107 or section 109 shall constitute a separate violation.

SEC. 129. JUDICIAL REVIEW OF FINAL REGULATIONS AND CERTAIN PETITIONS.

Any judicial review of any final action of the Administrator pursuant to this title shall be in accordance with sections 701 through 706 of title 5 of the United States Code, except that—

(1) a petition for review of any final action of the Administrator may be filed by any interested person in the Circuit Court of Appeals of the United States for the Federal judicial district in which such person resides or transacts business, and such petition shall be filed within 90 days from the date of such promulgation or denial or after such date if such petition is for review based solely on grounds arising after such ninetieth day; action of the Administrator with respect to which review could have been obtained under this subsection shall not be subject to judicial review in civil or criminal proceedings for enforcement; and

(2) if a party seeking review under this Act applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that the information is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Administrator, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Administrator, and to be adduced upon the hearing in such manner and upon such terms and conditions as the court may deem proper; the Administrator may modify administrative findings as to the facts, or make new findings, by reason of the additional evidence so taken, and shall file with the court such modified or new findings and the Administrator's recommendation, if any, for the modification or setting aside of the original administra-

tive order, with the return of such additional evidence.

SEC. 130. CITIZEN SUITS.

(a) Except as provided in subsections (b) and (c) of this section, any person may commence a civil action on his own behalf—

(1) against any person (including (a) the United States, and (b) any other governmental instrumentality or agency, to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of any permit, regulation, condition, requirement, prohibition, or order which has become effective pursuant to this title; or

(2) against the Administrator where there is alleged a failure of the Administrator to perform any act or duty under this title which is not discretionary with the Administrator.

Any action under paragraph (a)(1) of this subsection shall be brought in the district court for the district in which the alleged violation occurred. Any action brought under paragraph (a)(2) of this subsection may be brought in the district court for the district in which the alleged violation occurred or the District Court of the District of Columbia. The district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce the permit, regulation, condition, requirement, prohibition, or order, referred to in paragraph (1), to order such person to take such other action as may be necessary, or both, or to order the Administrator to perform the act or duty referred to in paragraph (2), as the case may be, and to apply any appropriate civil penalties.

(b) No action may be commenced under subsection (a)(1) of this section—

(1) prior to 60 days after the plaintiff has given notice of the violation to—

(A) the Administrator; and

(B) to any alleged violator of such permit, regulation, condition, requirement, prohibition, or order; or

(2) if the Administrator has commenced and is diligently prosecuting a civil or criminal action in a court of the United States to require compliance with such permit, regulation, condition, requirement, prohibition, or order.

In any action under subsection (a)(1), any person may intervene as a matter of right. Any action respecting a violation under this Act may be brought under this section only in the judicial district in which such alleged violation occurs.

(c) No action may be commenced under paragraph (a)(2) of this section prior to 60 days after the plaintiff has given notice to the Administrator that he will commence such action. Notice under this subsection shall be given in such manner as the Administrator shall prescribe by regulation.

(d) In any action under this section the Administrator, if not a party, may intervene as a matter of right.

(e) The court, in issuing any final order in any action brought pursuant to this section or section 125, may award costs of litigation (including reasonable attorney and expert witness fees) to the prevailing or substantially prevailing party, whenever the court determines such an award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(f) Nothing in this section, or this title, shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of any standard or requirement or to seek any other relief (including relief against the Administrator).

SEC. 131. SEPARABILITY.

If any provision of this title, or the application of any provision of this title to any person or circumstance, is held invalid, the application of such provision to other persons or circumstances, and the remainder of this title, shall not be affected thereby.

SEC. 132. RELATIONSHIP TO OTHER LAWS.

(a) Nothing in this title shall be construed to diminish the authority of the Administrator under the Clean Air Act, the Resource Conservation and Recovery Act or the Toxic Substances Control Act, or any other law, or to affect the authority of any other department, agency, or instrumentality of the United States under any provision of law to promulgate or enforce any requirement respecting the control of any substance, practice, process, or activity for purposes of protecting the stratosphere or ozone in the stratosphere, or the global environment.

(b) Nothing in this Act shall preclude or deny any State or political subdivision thereof from adopting or enforcing any requirement respecting the control of any substance, practice, process, or activity for purposes of protecting the stratosphere or ozone in the stratosphere or the global environment.

SEC. 133. AUTHORITY OF ADMINISTRATOR.

The Administrator is authorized to prescribe such regulations as are necessary to carry out this Act.

TITLE II—GLOBAL CHANGE ADJUSTMENT AND MITIGATION

SEC. 201. SHORT TITLE.

This title may be cited as the "Environmental Adjustment Act of 1989".

SEC. 202. FINDINGS.

The Congress finds that—

(1) there has been an observed increase in global average temperatures of 0.7 degree centigrade in the last century;

(2) regardless of any action taken by humanity, there will be further global average temperature increases of up to 1 degree centigrade;

(3) such temperature increases will manifest themselves in widespread alterations of the current environment;

(4) such changes may include, but will almost certainly not be limited to, the following:

(A) a rise in the level of oceans, bays, sounds, and other bodies of water, with ensuing destruction of natural and manmade structures;

(B) shifts in patterns of rainfall and soil moisture, resulting in marked changes in agricultural productivity;

(C) changes in the distribution and seasonal availability of fresh water resources, including the exhaustion of surface and ground water supplies;

(D) increased political instability, with the potential for international conflict; and

(E) accelerated extinction of plant and animal species, including many now classified as endangered;

(5) the adverse effects of some such changes can be mitigated through proper long-range planning, analysis and, most importantly, action; and

(6) substantial resources can be saved through the adoption of a program to systematically identify the impacts of proposed actions on global environmental change and the effects of such changes on the natural environment and engineered structures and systems.

SEC. 203. AMENDMENT TO THE NATIONAL ENVIRONMENTAL POLICY ACT WITH REGARD TO GREENHOUSE GASES.

The National Environmental Policy Act of 1969 is amended by adding at the end thereof a new title as follows:

"TITLE III—GLOBAL PROTECTION

"Subtitle A—Atmospheric Protection

"SEC. 301. SHORT TITLE.

"This subtitle may be cited as the 'Atmospheric Protection Act of 1989'.

"SEC. 302. FINDINGS.

"The Congress, recognizing the profound and irreversible and potentially catastrophic impacts of humanity's activities on the global atmosphere and the world's environment, and the inability of science to predict with certainty the consequences for humanity of any such changes, hereby declares that each person has a responsibility and obligation to avoid contamination of the atmosphere.

"SEC. 303. INTERPRETATION.

"The Congress authorizes and directs that, to the fullest extent possible: (1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this Act, and (2) all agencies of the Federal Government shall, with respect to pollutants, substances, products or practices which may contribute to global climate change, stratospheric ozone depletion or trace gas modification of the atmosphere—

"(A) utilize a systematic, interdisciplinary approach which will insure the integrated use of the natural and social sciences and the environmental design arts in planning and in decisionmaking which may have an impact on man's environment;

"(B) identify and develop methods and procedures, in consultation with the Council on Environmental Quality established by subchapter II of this chapter, which will assure that environmental contamination is minimized;

"(C) include in every recommendation on report or proposals for legislation and other major actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on—

"(i) the environmental impact of the proposed action,

"(ii) any adverse environmental effects which cannot be avoided should the proposal be implemented,

"(iii) alternatives to the proposed action,

"(iv) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and

"(v) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

Such pollutants and substances shall include, at a minimum, the following: carbon dioxide, oxides of nitrogen, chlorofluorocarbons, halons, methyl chloroform, carbon tetrachloride and methane. Prior to making any detailed statement, the responsible Federal official shall consult with and obtain the comments of any Federal agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate Federal, State, and local agencies, which are authorized to develop and enforce environ-

mental standards, shall be made available to the President, the Council on Environmental Quality and to the public as provided by section 552 of title 5, United States Code, and shall accompany the proposal through the existing agency review processes;

"(D) study, develop, describe and select appropriate alternatives which recognize and minimize the environmental impacts of such proposed action;

"(E) make available to States, counties, municipalities, institutions, and individuals, advice and information useful in restoring, maintaining, and enhancing the quality of the environment;

"(F) initiate and utilize ecological information in the planning and development of resource-oriented projects; and

"(G) assist the Council on Environmental Quality established by subchapter II of this chapter.".

TITLE III—INTERNATIONAL FINANCING

SEC. 301. NATIONAL ENVIRONMENTAL POLICY-INTERNATIONAL FINANCING.

The Congress finds that—

(1) the United States plays a significant role in determining the projects, policies, and lending practices of international financial institutions, devoting more financial resources to such institutions than any other nation;

(2) such institutions have failed in some cases to assess the environmental consequences of their actions, resulting at times in deforestation, desertification, erosion, water pollution, water-borne disease, and other manifestations of unsustainable development;

(3) while such institutions are making some progress in their environmental performance, assessment of projects for environmental consequences is not always consistent, timely, or publicly accessible;

(4) consistent, timely assessment and public scrutiny of the environmental and social impacts of proposed international financial projects are essential to ensure sustainable development;

(5) models for the conduct of such assessments exist in various forms, including, but not limited to—

(A) the National Environmental Policy Act, its regulations, and its history in the courts of the United States;

(B) the goals and principles of Environmental Impact Assessment adopted by the Governing Council of the United Nations Environment Programme in June 1987; and

(C) the measures required to facilitate the environmental impact assessment of development assistance projects and programs recommended by the Council of the Organization for Economic Cooperation and Development at its 649th Meeting in October 1986;

(6) methods and procedures for environmental impact assessment should be adopted and utilized by borrowing countries or international financial institutions themselves, and cannot be imposed unilaterally by the United States; and

(7) the United States should encourage, to the extent possible, environmental impact assessment of the international financial activities in which it participates, with the goal of adoption by borrowing countries of their own procedures for assessing environmental impacts and alternatives.

SEC. 302. ENVIRONMENTAL ASSESSMENT INTERNATIONAL FINANCIAL ACTIVITIES.

Title I of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) is amended by adding at the end thereof the following new section:

"SEC. 106. (a) Effective July 1, 1991, at least 120 days prior to a vote of the United States on a proposed action significantly affecting the quality of the human environment by an institution listed in section 22 of the Export-Import Bank Act Amendments of 1986, the official responsible for casting such vote shall request of the institution a detailed statement which meets the criteria set forth pursuant to subsection (b). All information received as a result of such request shall accompany the proposal through agency review processes, and shall be made available to borrower and donor countries and to the public.

"(b) The Council on Environmental Quality shall establish criteria for environmental impact assessment of international financial activities, sufficient to facilitate the consideration of environmental impacts in lending decisions. Such criteria shall include the solicitation of public comments, review of alternatives, and any other criteria found to be internationally recognized as an element of adequate environmental impact assessment.

"(c) The responsible official identified in subsection (a) shall not be required to verify the accuracy of the content of documents obtained under this section, except as necessary to identify:

"(1) minimum criteria which are not met; and

"(2) information pertinent to environmental impact assessment absent from the statement, but available to the responsible official through means other than the institution proposing the action.

A statement of findings under this subsection should accompany the proposed action through agency review processes, and shall be made available to borrower and donor countries and to the public.".

SEC. 303. COOPERATION AND TECHNICAL ASSISTANCE.

(a) Within 1 month after the date of enactment of this Act, and as necessary thereafter, officials charged with requesting a statement under section 305 of the National Environmental Policy Act of 1969 shall—

(1) inform the management of the institutions listed in section 22 of the Export-Import Bank Act Amendments of 1986 of the expected nature of such statements; and

(2) begin negotiations with institution management and representatives of other institution members, within the framework of international agreements, as necessary to facilitate the conduct of environmental impact assessments.

(b) The Secretary of the Treasury, assisted by the Secretary of State, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, the Chairman of the Council on Environmental Quality, the Administrator of the Agency for International Development, the Administrator of the National Oceanic and Atmospheric Administration, and representatives of other interested agencies, shall, in cooperation with institutions referenced in paragraph (1) of subsection (a), make available upon the request of such institutions the appropriate United States Government personnel to assist in the following areas:

(1) the training of institution staff in environmental impact assessment procedures;

(2) the provision of long- and short-term advisers on environmental issues;

(3) participation in preparing environmental studies for projects with potentially significant environmental impacts; and

(4) the preparation of documents for public release, and the development of procedures to provide for the inclusion of interested nongovernmental organizations in the environmental review process;

and shall encourage other institution member countries to provide similar assistance.

(c) The Secretary of the Treasury shall also take steps with both donor and borrower nations to expand international consensus on the importance of environmental issues and to focus efforts on the need for reform, with particular emphasis on developing greater agreement on standards for projects that may affect ecosystems such as, but not limited to, tropical moist forests, wetlands, savannas, and other areas, and on securing greater support for programs and policies that encourage energy efficiency and conservation and integrated pest management.

SEC. 304. PROGRESS REPORT TO CONGRESS.

(a) The Secretary of the Treasury shall prepare and submit to the Committee on Environment and Public Works in the Senate, and the Committee on Merchant Marine and Fisheries in the House of Representatives, a detailed report, not later than 12 months after enactment of this Act, including an evaluation of the progress achieved by each international financial institution in adopting and implementing procedures for systematically assessing the environmental impacts of institution activities, and in the implementation of section 306 of the National Environmental Policy Act of 1969. The report shall be made available to borrower and donor countries and to the public.

(b) Not later than March 1, 1992, and again not later than January 1, 1993, the Council on Environmental Quality shall submit an interim progress report, and a detailed report respectively, to the Committee on Environment and Public Works in the Senate, and the Committee on Merchant Marine and Fisheries in the House of Representatives, on the efficacy of efforts by the United States to encourage consistent, timely environmental impact assessment within international financial institutions. The report shall be made available to borrower and donor countries and to the public.

SEC. 305. INVENTORY AND REVIEW OF FEDERAL FACILITIES, HOLDINGS AND ACTIVITIES.

(a)(1) Not later than January 1, 1991, the President shall direct each department, agency and other instrumentality of the United States to undertake a systematic and comprehensive survey of all Federal lands and structures to ascertain their vulnerability to changes associated with changes in the global environment. To the maximum extent practicable, such survey shall include the lands and structures of State and local government and Indian tribes as well. Such survey shall include, but not be limited to, the following:

(A) public highways, bridges, tunnels, and other transportation structures;

(B) ports, waterways, locks and dams;

(C) public buildings and monuments;

(D) publicly owned treatment works;

(E) national parks, forests, wilderness areas, wildlife refuges, marine sanctuaries, and all other comparable facilities; and

(F) national defense facilities, including but not limited to military bases and reservations, whether located in the United States or elsewhere.

(2) Not later than January 1, 1993, the President shall submit a report to the Congress containing the results of the survey re-

quired by this section and recommending both generic and site-specific actions and policies to—

(A) preclude further public or private investment in areas susceptible to loss or damage due to global environmental change; and

(B) minimize and mitigate the loss or damage due to the global environmental change which is likely to occur.

SEC. 306. GROUND WATER PROTECTION AND RECHARGE.

(a) The Congress finds that—

(1) a consequence of global climate change may be the exhaustion of ground and surface water resources essential to the maintenance of agricultural productivity, the loss of which could jeopardize the national economy and security;

(2) existing knowledge and technology of artificial recharge of ground water is inadequate to meet existing and anticipated future water resource problems and to take advantage of possible water resource opportunities; and

(3) a program to support and assure the study and development of artificial ground water recharge techniques is essential.

(b) The Secretary of the Army (hereinafter in this section referred to as the "Secretary") acting through the Chief of Engineers, is authorized to undertake a program of research, development, and demonstration of artificial ground water recharge techniques. The purpose of such program shall be to—

(1) demonstrate the usefulness of artificial ground water recharge as a method for improving ground water quantity and for preventing degradation of, or improving ground water quality;

(2) determine the economic viability of artificial ground water recharge as a method of augmenting existing water supplies and improving ground water quality on a local or regional basis; and

(3) develop new and more efficient techniques for the transfer of surface water to existing or potential water bearing underground strata.

(c) In order to advance the purpose of this section, the Secretary shall, at different locations throughout the United States, design, construct, and operate and maintain projects to demonstrate different artificial ground water recharge techniques. To the maximum extent feasible, such locations shall be chosen to reflect a variety of geological, physical, and chemical conditions affecting ground water quality and quantity. In selecting such locations, and carrying out such work, the Secretary shall consult and coordinate with appropriate State and local governmental agencies.

(d) In order to prevent any unnecessary duplication of effort, and in order to fully utilize the available expertise of other agencies and departments of the United States, the Secretary, in carrying out subsection (b) of this section, shall consult and coordinate with the United States Geological Survey, the Environmental Protection Agency, the Bureau of Reclamation, and other appropriate agencies and departments of the United States.

(e) To the extent possible, activities undertaken pursuant to subsection (b) of this section shall utilize existing or authorized Corps of Engineers water resources projects, programs, facilities, and personnel.

(f) Not later than May 30, 1993, the Secretary shall transmit to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works in the Senate, a final report describing the results of activities undertaken pursuant to this section. Not later than 30 months after the date of enactment of this Act, the Secretary shall transmit to such Committees of Congress a brief report describing the progress of such activities.

(g) For purposes of this section, the term—

(1) "artificial ground water recharge" shall include but not be limited to techniques to supplement or otherwise affect ground water supplies such as wells, pits, ponds, spreading basins, or gravel chains; and

(2) "non-Federal sponsor" shall mean a State, city, county, or any other entity which derives its powers from a State constitution, or was created pursuant to an Act of a State legislature.

(h) This section shall be known as the "Ground Water Recharge Research and Demonstration Act".

TITLE IV—INTERNATIONAL COOPERATION

SEC. 401. FINDINGS.

The Congress finds that—

(1) complete elimination of chlorofluorocarbons and related chemicals which are destroying the Earth's protective ozone layer and adding to global temperature increases requires concerted international agreement and action;

(2) the most effective controls on emissions of carbon dioxide, hydrocarbons, oxides of nitrogen, methane and other trace gases which are increasing global temperatures will require concerted international agreement and action;

(3) international agreements to address some aspects of these global threats are already underway and include—

(A) an international protocol to reduce production and use of chlorofluorocarbons;

(B) an international agreement to reduce emissions and trans-boundary transport of oxides of sulfur; and

(C) an international agreement to reduce emissions and trans-boundary transport of oxides of nitrogen; and

(4) in the absence of such international cooperation and agreement, the interests of the United States will be directly and substantially threatened due to—

(A) damage to the domestic environment;

(B) damage to the national economy;

(C) increased international tension; and

(D) increased danger of international armed conflict.

SEC. 402. INTERNATIONAL COOPERATION.

(a) The President is hereby directed to request that the United Nations promptly establish a temporary new agency to be headed by the director of the United Nations Environmental Program, to—

(1) coordinate international efforts to minimize and mitigate the effects of unavoidable environmental alterations; and

(2) provide financial, technical and other assistance to developing nations to facilitate improvements in their domestic standards of living while minimizing or eliminating contributions to global, continental and subcontinental scale environmental damages.

(b) The President is hereby directed to request that the United Nations establish a temporary program of forestation to—

(1) assist and encourage nations in halting activities which are resulting in destruction of the world's forests; and

(2) undertake a global program of reforestation.

(c) The President is hereby directed to instruct the United States representatives to bilateral and multilateral organizations other than the United Nations to review the activities of such organizations to assure that their actions and programs are consistent with the goals and objectives of this Act and, where necessary, to persuade such organizations to adopt programs to implement the goals and objectives of this Act.

SEC. 403. NATIONAL GOAL.

It is hereby established as a national goal of the United States to derive 50 percent of the national supply of energy from nonpolluting technologies and practices by the year 2000 and 100 percent by the year 2050.

TITLE V—DEVELOPMENT OF NONPOLLUTING ENERGY SOURCES

SEC. 501. NATIONAL NEW ENERGY DEVELOPMENT INSTITUTE.

(a) The Administrator is authorized to charter a national organization on energy production standards and practices. The organization shall be called the National New Energy Development Institute (hereinafter referred to as the "institute"). The institute shall be incorporated in the District of Columbia and shall have a board of directors of not less than 11 members which shall be representative of the interests of energy manufacturing industries, utilities, industries and commercial concerns which are major users of energy. The board may also include representatives of the public interest, persons with expertise in energy development, and elected or appointed officials of State utility commissions. The Administrator shall grant (or deny) a charter on the basis of a prospectus or other proposal from a prospective board of directors.

(b) It shall be the purpose of the institute to encourage and promote the use of energy efficient technologies which, with due regard for the cost, will—

(1) minimize the quantity of carbon dioxide and other greenhouse gases which enters the atmosphere;

(2) minimize the consumption of scarce resources;

(3) meet the needs of both developed and lesser developed economies;

(4) insure that United States industry can remain competitive both domestically and internationally; and

(5) assure that human health and the environment (include impacts on global climate) will not be adversely affected.

(c)(1) The institute shall have power to receive, purchase, hold, sell and convey real property; to sue and be sued, complain and defend in courts of law and equity within the jurisdiction of the United States; to make, adopt and amend a constitution, bylaws, rules, and regulations for the conduct of its business; and to provide for the election of its officers and to define their duties: *Provided*, That such constitution, bylaws, rules and regulations are not inconsistent with the provisions of this section or any other law of the United States or of any States thereof.

(2) All powers necessary to govern, direct and manage the institute, including the power to—

(A) establish energy technology standards,

(B) identify and promote the use of these technologies both domestically and internationally,

(C) appoint and replace members of the board, and

(D) hire personnel, enter into contracts and otherwise conduct all business necessary and appropriate to carry out the purposes of the institute, shall be vested in the board of directors.

(d) The institute shall establish industry energy technology standards which address the design, application, efficiency, and other standards of performance deemed appropriate to protect the global climate which shall further the purposes of subsection (b) when implemented on a voluntary basis by entities in the energy industry.

(e) In deciding whether to grant or extend a charter under this section, the Administrator shall take into account any information with respect to the following criteria as evidenced in the prospectus prepared and presented by the prospective board of the institute:

(1) the ability of the board to work with the energy industry and its commercial clients to assure implementation of the standards established under subsection (d) to the fullest extent practicable;

(2) the expertise available to the board in energy management practices and the measures necessary to protect public health and the environment (including global climate) from any adverse effects which may result from such practices; and

(3) financial support for the programs of the board committed to the board or through its affiliate organizations to carry out the programs of the institute.

(f) The board shall conduct its business in open meetings (subject to the requirements for privacy in personnel matters and review of confidential business information) and shall, to the maximum extent practicable, seek public comment and participation in the development of its programs.

(g) The initial charter of the institute shall extend for a period of not more than 4 years with an option for continuous renewal at 7-year intervals thereafter. The Administrator may establish a term of shorter duration or may grant a charter on specified conditions of performance, if it is necessary and appropriate to secure the purposes of this section.

(h)(1) The Administrator is authorized to make grants to the institute in an amount not to exceed $1,000,000 in any fiscal year.

(2) There are authorized to be appropriated $2,500,000 for the fiscal year ending September 30, 1990, and $1,000,000 for each succeeding fiscal year through September 30, 1994, to carry out the purposes of subsection (e)(3) and $1,000,000 for each fiscal year during the period ending prior to October 1, 1994, to carry out the provisions of paragraph (1) of this subsection.

By Mr. MURKOWSKI (for himself and Mr. STEVENS):

S. 677. A bill to amend the Arctic Research and Policy Act of 1984 to improve and clarify its provisions; to the Committee on Governmental Affairs.

ARCTIC RESEARCH AND POLICY ACT AMENDMENTS

Mr. MURKOWSKI. Mr. President, today I rise on behalf of myself and Senator STEVENS to introduce legislation amending the Arctic Research and Policy Act of 1984.

The Arctic Research and Policy Act, or ARPA, has worked well in the 5 years since its enactment. It has given us the mechanisms to focus new and badly needed scientific attention on the Arctic.

The Arctic deserves this attention:

The February 17 editorial in Science magazine stated that a greater understanding of the Arctic was the key to understanding world climate. If we want answers about global warming trends, we must first seek answers about the Arctic.

And that is simply one of many critical aspects about the Arctic that warrant increased scientific attention:

For instance, the Nation wants and needs the Arctic's energy and mineral resources. But the American people, and the residents of the Arctic that Senator STEVENS and I represent, insist that we protect the Arctic's unique and pristine ecosystem. Enhancing our knowledge will help us to do this.

The Arctic also provides the nutrients for the greatest single concentration of protein harvested for human consumption—the Bering Sea, North Pacific, and North Atlantic fishery resources. If we want to adequately manage these resources, we must learn more about the Arctic.

The provisions of ARPA, the Arctic Research Commission, the work of the Interagency Arctic Research Policy Committee, and the efforts of the National Science Foundation's Arctic staff, have all laid the foundation for a greater knowledge about the Arctic. While ARPA is working well, these amendments will help it work even better.

In addition to making some largely technical and administrative modifications in the act, these amendments expand the Commission from five to seven members, and they require Federal agencies to actively respond to recommendations made by the Commission.

Mr. President, I ask unanimous consent that a section-by-section outline of the bill, as well as the full text of the bill, appear in the RECORD in full as if read at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, except as specifically provided in this Act, whenever in this Act an amendment or repeal is expressed as an amendment to, or repeal of a provision, the reference shall be deemed to be made to the Arctic Research and Policy Act of 1984.

SEC. 2. Section 103(b)(1) (15 U.S.C. 4102(b)(1)) is amended—

(1) in the text above clause (A), by striking out "five" and inserting in lieu thereof "seven";

(2) in clause (A), by striking out "three" and inserting in lieu thereof "four"; and

(3) in clause (C), by striking out "one member" and inserting in lieu thereof "two members".

SEC. 3. Section 103(d)(1) (15 U.S.C. 4102(d)(1)) is amended by striking out "GS-16" and inserting in lieu thereof "GS-18".

SEC. 4. (a) Section 104(a) (15 U.S.C. 4103(a)) is amended—

(1) in paragraph (4), by striking out "suggest" and inserting in lieu thereof "recommend";

(2) in paragraph (6), by striking out "suggest" and inserting in lieu thereof "recommend";

(3) in paragraph (7), by striking out "and" at the end thereof;

(4) in paragraph (8), by striking out the period and inserting in lieu thereof a semicolon; and

(5) by adding at the end thereof the following new paragraphs:

"(9) recommend to the Interagency Arctic Policy Group, established within the Department of State, and the Interagency Committee the means for developing international scientific cooperation in the Arctic; and

"(10) not later than January 31 of the year following the date of enactment of this paragraph, and every 2 years thereafter, publish a statement of goals and objectives with respect to Arctic research to guide the Interagency Committee established under section 107 in the performance of its duties.".

(b) Section 104(b) is amended to read as follows:

"(b) Not later than January 31 of each year, the Commission shall submit to the President and to the Congress a report describing the activities and accomplishments of the Commission during the immediately preceding fiscal year.".

SEC. 5. Section 105 (15 U.S.C 4104) is amended by adding at the end thereof the following new subsection:

"(d) Any recommendation made by the Commission to the Chairman of the Interagency Committee or other Federal officials shall be responded to by those individuals within 120 days after receipt thereof. Any recommendation which is not followed or adopted shall be referred to the Commission, together with a detailed written explanation of the reasons why the recommendation was not followed or adopted.".

SEC. 6. Section 106 (15 U.S.C. 4105) is amended—

(1) in paragraph (3), by striking out "and" at the end thereof;

(2) in paragraph (4), by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(5) appoint, and accept without compensation the services of, scientists and engineering specialists to be advisors to the Commission. Each advisor may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code. The provisions of the Federal Advisory Committee Act (5 U.S.C. App. I) shall not apply to the participation in Commission deliberations of advisors appointed under this paragraph. Except for the purposes of chapter 81 of title 5 (relating to compensation for work injuries) and chapter 171 of title 28 (relating to tort claims) of the United States Code, an advisor appointed under this paragraph shall not be considered an employee of the United States for any purpose.".

SEC. 7. Section 108(a)(7) (15 U.S.C. 4107(a)(7)) is amended by inserting "in consultation with the Commission," before "coordinate".

SEC. 8. Subsection (b) of section 108 (15 U.S.C. 4107(b)) is amended to read as follows:

"(b) Not later than January 31, 1990, and biennially thereafter, the Interagency Committee shall submit to the Congress through the President a brief, concise report containing a statement of the activities and ac-

complishments on the Interagency Committee since its last report.".

SECTION-BY-SECTION OUTLINE OF S. 677, A BILL TO AMEND THE ARCTIC RESEARCH AND POLICY ACT OF 1984 TO IMPROVE AND CLARIFY ITS PROVISIONS

SECTION 2

Authorizes appointments of two additional Commissioners-one from the scientific community and one from the private sector.

New breakdown would be as follows: Scientific Community (4), Private Sector (2), Indigenous resident (1).

This provision will facilitate greater scope of scientific discussion/inquiry and help to assure quorum at business meetings.

SECTION 3

Authorizes limited compensation to Commissioners at daily rate equal to GS-18.

As a practical matter, this has little effect. Commissioners are only compensated for the days they attend meetings *provided* they have no other employment. The purpose of this provision is to keep this Commission on par with the Marine Mammal Commission, upon which the Arctic Research Commission was originally modeled.

SECTION 4

Eliminates inconsistencies in the statutory description of the Commission's advisory role by designating its functions to include the making of recommendations rather than simply suggestions;

Provides express authority to consult with the Interagency Arctic Policy Group (an existing entity chaired by the State Department) on the means to promote international scientific cooperation in the Arctic:

Modifies a reporting requirement:

Instead of requiring "goals and objectives" report annually, the Commission would have to make these reports every two years.

SECTION 5

Requires an agency to respond to a recommendation made by the Commission.

In cases where an agency does not follow or adopt a Commission recommendation, the agency must explain why.

SECTION 6

Allows the Commission to utilize scientific and engineering advisors without compensation except for travel expenses and per diem in lieu of subsistence.

Exempts Advisors from Federal Advisory Committee Act requirements because they render technical information to an advisory commission.

SECTION 7

To assure consistency with Section 4, this provision authorizes the Commission, in addition to the Interagency Arctic Policy Committee, to help coordinate and promote scientific research programs with other nations.

SECTION 8

Deletes a redundant reporting requirement. Currently, the Interagency Committee must report on the Commission's activities . . . something the Commission already does. This provision would eliminate this redundancy.

By Mr. HEINZ (for himself and Mr. ROCKEFELLER):

S. 678. A bill to provide improved programs for training individuals receiving unemployment compensation; to the Committee on Finance.

TRAINING FOR THE UNEMPLOYED ACT

Mr. HEINZ. Mr. President, the Senator from West Virginia, Mr. ROCKEFELLER, and I are today introducing legislation to improve the opportunities available to unemployed workers.

Every year this Nation spends approximately $15 billion on unemployment insurance. That represents a significant investment in our human capital. But the question we must ask is: Are we getting the best return on this investment? Are the workers who receive unemployment compensation getting the services they need to get back into the labor force?

The answer, sadly, is "No." Of 18 million workers who sought help from the U.S. Employment Service last year, only 3.2 million found jobs. Only 7 million even received a job reference. Even more astonishing is the fact that less than 100,000 were placed in job training. The job service cannot do its job if it does not know what the needs and capabilities of its clients are. And they do not know. As funds for employment services have dried up, the assessment and counseling of unemployed workers, once a standard function, has become a luxury. In 1988 only 559,000 workers received counseling services, a decline of more than 50 percent from 1980 levels.

In field hearings which I held throughout Pennsylvania, I learned first hand what these failures lead to. Workers are placed in training programs which lead nowhere, or fail to be placed in training at all. Others are not provided adequate information about training and employment opportunities until their unemployment insurance has run out, and they are without income support, and are unable to afford job training. Still others are turned away from services all together, even though they are fully eligible for a full range of benefits. To cite only one example of the many, Mr. Jim Sobinski of the Pittsburgh area was turned away from training in 1987. Late last year he learned, second-hand, that he might have been eligible for veterans education assistance and trade adjustment assistance, but now, after he has exhausted unemployment compensation, he must appeal his benefits through an administrative maze to get his benefits. Timely assessment and counseling might have gotten Jim back to work by now.

The problem is not so much that there aren't any programs to help these workers; there are. Senator ROCKEFELLER and I authored legislation, now law, to dramatically expand the availability of job training and job search services. The problem is the failure of the existing system to deliver these services. The failure to adequately assess a worker's needs, and counsel him or her on the options available, hampers the employment service's ability to do its job, and makes it difficult if not impossible to place the long-term unemployed in the right kind of training program. I would define such a program as being skill-intensive, and closely tied to local labor market needs.

Our bill requires States to designate a lead agency which shall be responsible for placing unemployed workers in training, when appropriate, as quickly as possible. The Secretary of Labor must assist the States in this process by developing model criteria, and supplying needed data.

To encourage State participation, unemployment compensation payments made to workers in training can be credited against interest owed on outstanding unemployment compensation loans.

To facilitate prompt placement in training, the legislation authorizes appropriations for States to provide assessment, testing, and counseling services to identify the skills and aptitudes of unemployed workers and to determine the different occupants or training programs which might be suitable. Funds may also be used for job search assistance.

The result of this legislation, Mr. President, will be powerful incentives for States to provide job training and job placement assistance to the unemployed as early as possible, and thus avoid painful and costly periods of long-term unemployment among our workers.

If we are serious about reducing unemployment, about maintaining our competitive edge, then we must, at minimum, enact these commonsense approaches to workers displacement.

Mr. President, I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 678

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Training for the Unemployed Act of 1989".

TITLE I—DEMONSTRATION PROJECTS

SEC. 101. PROMOTION OF TRAINING PROGRAMS FOR INDIVIDUALS RECEIVING UNEMPLOYMENT COMPENSATION.

(a) ASSISTANCE TO STATES.—The Secretary of Labor (hereinafter in this section referred to as the "Secretary") shall take steps to promote training programs for individuals receiving unemployment compensation. In carrying out this section, the Secretary shall—

(1) develop model criteria that States can use—

(A) in approving training programs for individuals receiving unemployment compensation; and

(B) in approving individuals to participate in such programs while receiving unemployment compensation;

(2) provide technical assistance to States in developing and implementing the criteria described in paragraph (1); and

(3) make available data and other information concerning State laws and regulations that are in effect with respect to such training programs for individuals receiving unemployment compensation.

(b) RESPONSIBILITIES OF GOVERNORS.—

(1) APPROVAL OF TRAINING PROGRAMS.—

(A) The Governor of each State shall, in connection with the unemployment compensation program carried out under the State law approved under section 3304 of the Internal Revenue Code of 1986, designate a State agency that shall be responsible for making prompt determinations with respect to which training programs are approved for individuals receiving unemployment compensation.

(B) For purposes of determinations described in subparagraph (A), the State agency shall approve any training program offered by an accredited training or educational institution unless the agency determines, from a preponderance of evidence, that the training is entirely unrelated to employment or is for a vocation for which employment opportunities do not exist and are unlikely to become available.

(2) APPROVAL OF INDIVIDUALS' PARTICIPATION IN TRAINING.—

(A) The Governor of each such State shall, in connection with the unemployment compensation program carried out under the State law approved under section 3304 of the Internal Revenue Code of 1986, designate a State agency that shall be responsible for making prompt determination of the eligibility of individuals to participate in training programs approved pursuant to paragraph (1).

(B) For purposes of determinations described in subparagraph (A), the State agency shall consider whether an individual's prospects for obtaining suitable employment in the area in which the individual resides will be improved as a result of such training, taking into consideration the employment opportunities that are or may be expected to become available in such area. The State agency shall approve an individual's participation in any training program approved pursuant to paragraph (1) unless the agency determines, from a preponderance of evidence, that the training is entirely unrelated to employment or is for a vocation for which employment opportunities do not exist and are unlikely to become available.

(c) DATA COLLECTION.—(1) The Secretary shall collect data on an annual basis for the purpose of evaluating the implementation of this section.

(2) In carrying out this subsection, the Secretary shall consider at least the following:

(A) The average period during which unemployment compensation was paid to individuals who participated in training programs and the average period during which such compensation was paid to other individuals.

(B) Whether individuals who participated in training programs received higher paying jobs than those who did not, although the individuals had similar skills before participation in such a program.

(C) Whether individuals' participation in training programs increased or reduced costs of administering and paying unemployment compensation.

(D) Whether participation in training programs had any effect on other State or Federal assistance programs, including the food stamp program, the aid-for-families-with-dependent-children program, medicaid, or general assistance programs.

(3) The Secretary shall report to the Congress not later than 1 year after the date of the enactment of this title. Such report shall include an evaluation of the effectiveness of the programs established under this section.

(d) INTEREST CREDITS.—Section 1202 of the Social Security Act (42 U.S.C. 1322) is amended by adding the following subsection at the end thereof:

"(c) Beginning with fiscal year 1988, the Secretary of the Treasury shall credit, by September 30 of the fiscal year with respect to which the credit is made, to the account (in the Unemployment Trust Fund) of a State an amount equal to the amount which the Secretary of Labor certifies to the Secretary of the Treasury as the amount paid, during such fiscal year, by such State (and not compensated for by the Federal Government) as unemployment compensation to individuals who, while receiving such compensation, were in training with the approval of a State agency. Any such amount shall be credited against, and shall operate to reduce, any interest owed with respect to such fiscal year by the State on the balance of advances made under section 1201 to the State."

(e) REPORTS.—(1) Each State shall submit a report to the Secretary of Labor on a quarterly basis with the following information:

(A) The amount of unemployment compensation paid by the State (and not compensated for by the Federal Government) during the quarter to individuals who, while receiving such compensation, were in training with the approval of a State agency.

(B) The number of such individuals.

(C) The total number of weeks with respect to which such compensation was paid during such quarter to all such individuals.

(D) The number of such individuals who during such quarter were in training programs conducted with funds provided under title III of the Job Training Partnership Act or under the Economic Dislocation and Worker Adjustment Assistance Act, and the number of such individuals who were in other State approved training programs during such quarter.

(E) The number of individuals who, during such quarter, applied for a continuation of unemployment compensation benefits while in training with the approval of a State agency.

(2) The Secretary of Labor shall transmit to each House of the Congress an annual report, beginning not later than October 31, 1989, containing a detailed accounting of—

(A) the implementation of this section during the fiscal year preceding the fiscal year in which such report is transmitted; and

(B) the regulations and administrative procedures carried out by the various States during such preceding fiscal year in order to comply with section 3304(a)(8) of the Internal Revenue Code of 1986.

(f) STATE SOLVENCY.—Notwithstanding any other provision of law, the provisions of this section and activities carried out pursuant to such provisions shall not be taken into consideration in determining whether there has been a net decrease in the solvency of any State unemployment compensation system.

TITLE II—ASSESSMENT

SEC. 201. ADDITIONAL SERVICES.

(a) IN GENERAL.—In addition to funds annually appropriated and allotted to States for the operation of State employment service agencies, there are authorized to be appropriated from the Federal Unemployment Account such sums as may be necessary annually to provide—

(1) assessment, testing, and counseling services to identify the skills and aptitudes of unemployed persons who are unlikely to return to their former occupations and to determine different occupations or training opportunities for which they may qualify; and

(2) instruction in job search techniques so that unemployed persons may find work without assistance from public or private employment agencies.

(b) ALLOTMENT.—Funds shall be allotted to States in the manner prescribed under the Act of June 6, 1933, known as the Wagner-Peyser Act.

(c) RESTRICTION.—Funds provided under this title shall be used only for activities which are in addition to those which would otherwise be available in the State in the absence of such funds.

(d) PRIORITIES.—(1) In providing services under this title, States shall give priority to those most in need of assistance, including—

(A) dislocated workers;

(B) other long-term unemployed who are receiving or have exhausted unemployment insurance benefits; and

(C) economically disadvantaged adults and youth.

(2) Priorities for services shall be established and services delivered in accordance with section 8 of the Wagner-Peyser Act.

(e) WORKERS LIKELY TO RETURN TO FORMER EMPLOYMENT.—If a State employment service agency determines that a worker has a reasonable chance of returning to his former employment within 8 weeks, such worker shall not be required to participate in a training program under this title.

(f) DEFINITIONS.—For purposes of this title—

(1) the terms "dislocated worker" and "economically disadvantaged" mean such individuals as defined in the Job Training Partnership Act;

(2) the term "long-term unemployed" means individuals who have been without jobs for 15 weeks and who want and are available for work; and

(3) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

By Mr. INOUYE:

S. 680. A bill to restore the traditional observance of Memorial Day and Veterans Day; to the Committee on the Judiciary.

TRADITIONAL OBSERVATION OF MEMORIAL DAY AND VETERANS DAY

● Mr. INOUYE. Mr. President, this bill would authorize the President to issue a proclamation calling upon the people of the United States to observe Memorial Day and Veterans Day as days for prayer and ceremonies showing respect for American veterans of wars and other military conflicts. The bill would help to restore the traditional observance of Memorial Day and Veterans Day.●

By Mr. BAUCUS (for himself, Mr. BURNS, Mr. ADAMS, Mr. GORTON, Mr. MCCLURE, Mr. SYMMS, Mr. BURDICK, Mr. CONRAD, Mr. SIMPSON, Mr. WALLOP, Mr. PRESSLER, Mr. DASCHLE, Mr. HATCH, Mr. LEVIN, Mr. CRANSTON, Mr. PRYOR, and Mr. GARN):

S. 681. A bill to require the Secretary of the Treasury to mint and issue coins in commemoration of the 100th anniversary of the statehood of Idaho, Montana, North Dakota, South Dakota, Washington, and Wyoming, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

STATEHOOD CENTENNIAL COMMEMORATIVE COIN ACT OF 1989

● Mr. BAUCUS. Mr. President, today I am introducing legislation, along with Senators BURNS, ADAMS, BURDICK, CONRAD, DASCHLE, GORTON, MCCLURE, PRESSLER, SIMPSON, SYMMS, WALLOP, HATCH, LEVIN, CRANSTON, PRYOR, and GARN to strike a palladium and a silver commemorative coin to mark the centennial of Montana, Idaho, North Dakota, South Dakota, Washington, and Wyoming.

Mr. President, this is an amended version of the bil we introduced last Congress and which the Senate passed on four separate occasions. I feel confident that the agreement this legislation represents will be acceptable by all parties involved and hope we can achieve early enactment so that these coins can be struck and distributed throughout our States during our centennial year.

Providing this unique official congressional recognition of the 100th birthday of those six States, which were admitted to the Union in 1889 and 1890, is certainly appropriate given their unique heritage and importance.

These States represent the culmination of Thomas Jefferson's dream of one land—from sea to shining sea; statehood for territories stretching from the Minnesota border to the Straits of San Juan de Fuca, from the Canadian border to the Laramie Trail—statehood for the great agricultural heartland—to the northern tier of the Rockies—to the Pacific Ocean.

This legislation recognizes that these six States, though sparsely populated, represent a great portion of the resource base of our country—metals and minerals, oil, timber, water, and power.

This is a land of immigrants from Europe and the Orient and a land where native Americans are a proud part of our heritage: Montana, Idaho, North Dakota, South Dakota, Washington, and Wyoming. The six-State commemorative recognizes the brilliance of Jefferson's Louisiana Purchase; it recognizes our foresight to claim to the Oregon Territory; and it recognizes the wisdom of Daniel Webster, who brilliantly negotiated a lasting boundary with our neighbor to the north in Webster-Ashburton Treaty.

Rain forests and the Rockies, seafood and submarines, coal and cattle, Yellowstone Park and Glacier Park, the Olympic Peninsula and Lake Coeur d'Alene—sturdy people, a part of America's past and a part of her future; unique as the coin we propose to strike from palladium, sister of platinum, rare to this continent.

The Stillwater mine near Yellowstone Park currently produces 120,000 ounces of platinum group metals every year, and soon will produce twice that amount. The mine, located on the edge of the Absaroka Beartooth Wilderness, was designed and built to complement the wilderness without damage to the beauty of the region nor degradation of the crystal clear Stillwater River.

Mr. President, I hope we can achieve early enactment so that this coin can be struck and distributed throughout our States during our centennial year.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.●

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 681

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—STATEHOOD CENTENNIAL COIN

SEC. 101. SHORT TITLE.

This title may be cited as the "Statehood Centennial Commemorative Coin Act of 1989".

SEC. 102. SPECIFICATIONS OF COINS.

(a) AUTHORIZATION.—Subject to subsection (b), the Secretary of the Treasury (hereinafter referred to as the "Secretary") shall mint and issue—

(1) not more than 350,000 five-dollar palladium coins, and

(2) not more than 1,000,000 one-dollar silver coins,

in commemoration of the 100th anniversary of the statehood of Idaho, Montana, North Dakota, South Dakota, Washington, and Wyoming.

(b) SPECIFICATIONS.—

(1) PALLADIUM COINS.—Each five-dollar palladium coin shall—

(A) weigh 31.103 grams;

(B) have a diameter of 1.500 inches; and

(C) contain 23.327625 grams of palladium (.75 fine troy ounce) and shall contain an alloy of such metals and in such proportion as may be deemed necessary by the Secretary.

(2) SILVER COINS.—The silver coins shall—

(A) weigh 26.73 grams;

(B) have a diameter of 1.500 inches; and

(C) be composed of 90 percent silver and 10 percent alloy.

(c) DESIGN.—The design of the coins minted in accordance with this section shall contain an engraving of the Centennial States' regional logo on one side; and on the other side, the bust of Thomas Jefferson, and the busts of Lewis and Clark overlooking the Missouri River. Each coin shall bear a designation of the value of the coin, the year 1989, and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum". The reverse may also contain the words "Northwest Centennial" and "Statehood 1889-1890". Modifications to these designs may be made, if necessary, by the Secretary upon consultation with a duly authorized representative of the 6 States' Centennial Commissions. The design for each coin authorized by this title shall be selected by the Secretary upon consultation with the Commission of Fine Arts.

(d) NUMISMATIC ITEMS.—For purposes of section 5132(a)(1) of title 31, United States Code, all coins minted under this title shall be considered to be numismatic items.

(e) LEGAL TENDER.—The coins referred to in subsection (a) shall be legal tender as provided in section 5103 of title 31, United States Code.

SEC. 103. SOURCES OF BULLION.

(a) PALLADIUM.—The Secretary shall obtain palladium for the coins referred to in this title by purchase of palladium mined from natural deposits in the United States within one year after the month in which the ore from which it is derived was mined and by purchase of palladium refined in the United States. The Secretary shall pay not more than the average world price for the palladium. In the absence of available supplies of such palladium at the average world price, the Secretary shall purchase supplies of palladium pursuant to the authority of the Secretary under existing law. The Secretary shall issue such regulations as may be necessary to carry out this provision.

(b) SILVER.—The Secretary shall obtain silver for the coins minted under this title only from stockpiles established under the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.).

SEC. 104. MINTING AND ISSUANCE OF COINS.

(a) UNCIRCULATED AND PROOF QUALITIES.—The coins minted under this title may be issued in uncirculated and proof qualities, except that not more than 1 facility of the United States Mint may be used to strike each quality.

(b) COMMENCEMENT OF ISSUANCE.—The Secretary may issue the coins minted under this title as soon as practicable.

(c) TERMINATION OF AUTHORITY.—Coins may not be minted under this title after December 31, 1990.

SEC. 105. SALE OF COINS.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall sell the coins minted under this title at a price equal to the face value, plus the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, and overhead expenses).

(b) BULK SALES.—The Secretary shall make any bulk sales of the coins minted under this title at a reasonable discount to reflect the lower costs of such sales.

(c) PREPAID ORDERS.—The Secretary shall accept prepaid orders for the coins minted under this title prior to the issuance of such coins. Sale prices with respect to such prepaid orders shall be at a reasonable discount to reflect the benefit of prepayment.

(d) SURCHARGES.—Sales of coins minted under this title shall include a surcharge of $20 for the palladium coin or $7 for the silver coin.

SEC. 106. FINANCIAL ASSURANCES.

(a) NO NET COST TO THE GOVERNMENT.—The Secretary shall take such actions as may be necessary to ensure that minting and issuing coins under this title will not

result in any net cost to the United States Government.

(b) PAYMENT FOR COINS.—A coin shall not be issued under this title unless the Secretary has received—

(1) full payment for the coin;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration Board.

SEC. 107. DISPOSITION OF PROCEEDS.

(a) IN GENERAL.—Except as provided in subsection (b), notwithstanding any other provision of law—

(1) all amounts received from the sale of coins issued under this title shall be deposited in the coinage profit fund;

(2) the Secretary shall pay the amounts authorized under this title from the coinage profit fund; and

(3) the Secretary shall charge the coinage profit fund with all expenditures under this title.

(b) REDUCTION OF NATIONAL DEBT.—An amount equal to $1,500,000 of all surcharges received by the Secretary from the sale of coins minted under this title shall be provided to the "Documents West" exhibition program and administered by the Idaho Centennial Foundation. These funds shall be used for the sole purpose of promoting the exhibition of historical and educational artifacts pertaining to the six Centennial States. The remaining amount of surcharges that are received by the Secretary from the sale of coins minted under this title shall be deposited in the general fund of the Treasury and shall be used for the sole purpose of reducing the national debt.

SEC. 108. AUDITS.

The Comptroller General shall have the right to examine such books, records, documents, and other data of the Idaho Centennial Commission as may be related to the expenditure of amounts paid under section 107.

SEC. 109. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods and services necessary for carrying out the provisions of this title.

(b) EQUAL EMPLOYMENT OPPORTUNITY.—Subsection (a) shall not relieve any person entering into a contract under the authority of this title from complying with any law relating to equal employment opportunity. No firm shall be considered a Federal contractor for purposes of 41 C.F.R. part 60 et seq. as a result of participating as a United States Mint coin consignee.

TITLE II—SILVER PROOF SETS

SEC. 201. SHORT TITLE.

This title may be cited as the "Silver Coin Proof Set Act".

SEC. 202. DENOMINATIONS, SPECIFICATIONS, AND DESIGN OF SILVER PROOF SETS.

Section 5112 of title 31, United States Code, is amended by redesignating subsections (h) and (i) as subsections (i) and (j), respectively, and by inserting after subsection (g) the following new subsection:

"(h)(1) Notwithstanding this section and section 5111(a)(1) of this title, the Secretary may mint and issue, in quantities the Secretary decides are necessary to meet the public demand, proof sets containing coins described in paragraphs (5) and (6) of subsection (a), and coins described in paragraphs (1), (2), (3), and (4) of subsection (a) that—

"(A) are an alloy of 90 percent silver and 10 percent copper,

"(B) have a design and inscriptions consistent with subsection (d)(1),

"(C) have reeded edges;

"(D) have a mintmark indicating their place of manufacture; and

"(E) bear a hallmark as determined by the Secretary evidencing their fine metal content.

"(2) The Secretary shall sell the proof sets minted under this subsection to the public at a price equal to the market value of the bullion at the time of sale, plus the cost of minting, marketing, and distributing such coins (including labor, materials, dyes, use of machinery, and overhead expenses).

"(3) For purposes of section 5132(a)(1) of this title, all coins minted under this subsection shall be considered to be numismatic items.".

SEC. 203. SOURCE OF SILVER FOR PROOF SETS.

Section 5116(b) of title 31, United States Code is amended by adding at the end thereof the following new paragraph:

"(3) The Secretary shall obtain silver for the coins authorized under section 5112(h) of this title by purchase from stockpiles established under the Strategic and Critical Materials Stock Piling Act and from Treasury stocks on hand. At such time as the Secretary determines that a surplus no longer exists with respect to the sources referred to in the preceding sentence, the Secretary shall acquire silver for such coins by purchase of silver mined from natural deposits in the United States, or in a territory or possession of the United States, within 1 year after the month in which the ore from which it is derived was mined. The Secretary shall pay not more than the average world price for the silver. The Secretary may issue such regulations as may be necessary to carry out this paragraph.".

● Mr. BURDICK. Mr. President, I am pleased to rise today in support of the Centennial Coin bill. I want to thank my good friend and colleague from Montana, Mr. BAUCUS, and his fine staff for their efforts in putting together a bill to create a commemorative coin for the States of North Dakota, Montana, South Dakota, Idaho, Washington, and Wyoming.

Mr. President, this bill will require the Secretary of the Treasury to mint and issue a total of up to 1,350,000 coins including the first palladium coins ever minted in this country. I think the production of this special coin is fitting to the significance of this very special event—the anniversary of statehood of six of the most beautiful and productive States in these United States.

I urge all my colleagues in the Senate to take part in this celebration by joining me in cosponsoring the centennial coin bill.●

● Mr. McCLURE. Mr. President, I rise in support of the Statehood Centennial Commemorative Coin Act of 1989 of which I am an original sponsor. This bill commemorates the centennial of statehood for six Northwestern States—Idaho, Montana, North Dakota, South Dakota, Washington, and Wyoming—by minting silver and palladium coins.

Mr. President, legend has it that the name "Idaho" comes from an Indian word meaning "light on the mountains" or "gem of the mountains." Although historians have done their jobs and told we Idahoans that our long-held belief about the origin of our State's name is a myth, the reality is that Idaho is the gem of the mountains.

The Commemorative Coin Act will help celebrate the 100th year of the "gem of the mountains" by minting 1 million silver coins. Silver is one of Idaho's gems. In fact, Idaho is the largest silver producer the United States. It accounts for close to one-fourth of the Nation's production.

The silver coins will be 90-percent silver and 10-percent alloy. The coins will be engraved on one side with the centennial States' regional logo which depicts the centennial States and on the other with busts of Thomas Jefferson, and Lewis and Clark overlooking the Missouri River. Silver for the coins will come from the national defense stockpile.

In addition, profits from coin sales will go to reduce the deficit and to provide $1.5 million for Documents West.

Mr. President, I am pleased to be an original sponsor of this important legislation and ask my colleagues to join in our effort to celebrate this historic event.●

By Mr. SIMON:

S. 682. A bill to amend chapter 33 of title 18, United States Code, to prohibit the unauthorized use of the names "Visiting Nurse Association," "Visiting Nurse Service," "VNA," "VNS," or "VNAA," or the unauthorized use of the name or insignia of the Visiting Nurse Association of America; to the Committee on Foreign Relations.

PROHIBITING THE UNAUTHORIZED USE OF THE VISITING NURSE ASSOCIATION NAMES AND INSIGNIAS

● Mr. SIMON. Mr. President, I am pleased to rise for the purpose of introducing legislation designed to protect the name of the Visiting Nurse Association [VNA], also known as the Visiting Nurse Service [VNS] and the Visiting Nurse Association of America [VNAA]. The VNA is comprised of voluntary, nonprofit, community-based organizations dedicated to providing quality home health care for all people. The name of the VNA is well recognized with a reputation for quality and dependability. The VNA lends its name only to organizations committed to high quality home health care. As more and more Americans are relying on home health care, especially many members of our senior commu-

nity, we need to do all we can to make sure that the services they use are reliable. The VNA name stands as a guarantee for people who need health care, and the purpose of this legislation is to protect that name from misuse by organizations which do not meet the high standards set by the VNA.

Specifically, the legislation will amend chapter 33 of title 18, U.S.C. to prohibit the unauthorized use of any of the Visiting Nurse Association names or insignias. By enacting this bill we will protect unsuspecting consumers from organizations which use the VNA, VNS, or VNAA name without permission and trade on the reputation and good will of these organizations. I urge my colleagues to support this bill, which is identical to the bill introduced in the other body by Representative STAGGERS; you will be helping the VNA continue to assure high quality home health care for all Americans.

I ask unanimous consent that the full text of this bill be printed in the RECORD.●

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 682

SECTION 1. PROHIBITION OF UNAUTHORIZED USE OF NAME OR INSIGNIA OF VISITING NURSE ASSOCIATION OF AMERICA.

(a) IN GENERAL.—Chapter 33 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 716. Visting Nurse Association; Visiting Nurse Service

"(a) Whoever, not being a Visiting Nurse Association, a Visiting Nurse Service, or a member or agent of the Visiting Nurse Association of America—

"(1) knowingly uses the words 'Visiting Nurse Association', 'Visiting Nurse Service', 'Visiting Nurse Association of America', 'VNA', 'VNS', or 'VNAA', or any combination or variation of such words alone or with other words; or

"(2) knowingly uses the insignia of the Visiting Nurse Association of America or any imitation thereof, "for the purpose of inducing the belief that he or she is a member or agent of the Visiting Nurse Association of America or that he or she operates as a Visiting Nurse Association or Visiting Nurse Service, shall be fined under title 18, United States Code, or imprisoned not more than 6 months, or both.

"(b) For purposes of this section—

"(1) the term 'Visiting Nurse Association' and the term 'Visiting Nurse Service' mean a voluntary, community-based home health agency which is controlled by an independent, voluntary board of directors, is exempt from Federal taxation under section 501(a) of the Internal Revenue Code of 1986, and is described in section 501(c)(3) of such Code; and

"(2) the term 'Visiting Nurse Association of America' means an organization which is exempt from Federal taxation under section 501(a) of the Internal Revenue Code of 1986, is described in section 501(c)(3) of such Code, and is a national, nonprofit coalition of Visiting Nurse Associations and Visiting Nurse Services.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 33 of title 18, United States Code, is amended by adding at the end the following new item:

"716. Visiting Nurse Association; Visiting Nurse Service.".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall take effect 6 months after the date of the enactment of this Act.

By Mr. CRANSTON (for himself, Mr. PELL, Mr. DODD, Mr. DECONCINI, and Mr. SANFORD):

S. 683. A bill to amend the Peace Corps Act to extend the authorizations of appropriations for the Peace Corps through fiscal year 1991, to shorten the period during which a former Peace Corps employee is ineligible for reemployment by the Peace Corps, and to establish a Peace Corps foreign exchange fluctuations account; to the Committee on Foreign Relations.

PEACE CORPS ACT AMENDMENTS OF 1989

Mr. CRANSTON. Mr. President, I am today introducing S. 683, legislation to extend the authorization of appropriations for the Peace Corps through fiscal year 1991—at a level that would enable the Peace Corps to continue making progress toward achieving the congressionally established goal of a Peace Corps volunteer strength of 10,000, as enacted in section 1102 of the International Security and Development Cooperation Act of 1985, Public Law 99-83—and to make certain other improvements in Peace Corps operations. Joining me in introducing this measure are the chairmen of the Foreign Relations Committee, Senator PELL, and of the committee's Subcommittee on Western Hemisphere and Peace Corps Affairs, Senator DODD, committee member Senator SANFORD, and Senator DECONCINI, a key Appropriations Committee member and long time Peace Corps supporter.

For more than 27 years, Peace Corps volunteers have promoted international peace and friendship by helping persons in many nations overcome the often harsh circumstances—including malnutrition, lack of clean water, disease, and illiteracy—of their lives. Since the Peace Corps' establishment in 1961, over 130,000 American men and women have served as volunteers in 95 nations around the world. Of this total, I am terribly proud that 16,826 have come from California and returned so much wiser and more effective in their chosen fields of endeavor.

Mr. President, this bill would amend the Peace Corps Act, first to authorize increased appropriations for fiscal years 1989, 1990, and 1991; second, place a 30-month cap on the length of time that a former Peace Corps employee must remain out of the Peace Corps in order to be eligible for reemployment in the agency, and third, establish a foreign currency fluctuations account from which the Peace Corps could draw when the costs of its operations increase as a result of a decline in the value of the U.S. dollar.

AUTHORIZATION OF APPROPRIATIONS

Mr. President, section 2 of this bill would amend section 3 of the Peace Corps Act to authorize Peace Corps appropriations of $157 million for fiscal year 1989, $172.8 million for fiscal year 1990, and $185.3 million for fiscal year 1991. These levels of funding would enable the Peace Corps to continue to make progress toward achieving the congressionally established goal of a 10,000-volunteer strength. As the Senate author of the provision establishing this goal, I believe that the Congress should take the steps necessary to provide the Peace Corps with the resources to make steady progress toward realizing that goal.

Following the establishment of the 10,000-volunteer goal, I and the leadership, and a number of other members of the Senate Foreign Relations Committee and of the House Foreign Affairs Committee, requested that Loret Ruppe, the very effective Director of the Peace Corps, develop a phased, realistic, and programmatically appropriate plan to meet that goal. Director Ruppe's plan, submitted to Congress on March 5, 1986, provides a realistic blueprint for moderate Peace Corps growth through the end of this decade and into the beginning of the next. The funding levels called for in that plan for fiscal years 1990 and 1991 are the amounts that would be authorized to be appropriated by the bill we are introducing.

With respect to the current fiscal year, fiscal year 1989, I would note that the $157 million figure is also the level proposed in the plan. It is the amount that we proposed in the authorization bill, S. 2054, that we introduced last year, and the amount that was included in the Senate-passed appropriation for the Peace Corps—in H.R. 4637, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989. Unfortunately, in conference with the House, that amount was reduced to $153.5 million and the agency is now in dire need of supplemental fiscal year 1989 funding of about $2,395,000 in order to maintain its level of operations.

Mr. President, the funding levels proposed in this bill are essential if the Peace Corps is to continue to move forward toward making the 10,000-volunteer goal a reality. By the end of the current fiscal year, there will be 6,800 men and women serving in the Peace Corps—as compared to a low of 5,000 volunteers in 1984. The prospect for continued growth are good. For example, in fiscal year 1988, there were 12,505 applicants for 3,722 volunteer positions, and the number of volunteers placed in host countries in-

creased by 25 percent between fiscal years 1987 and 1988.

However, in fiscal year 1989 that increase will have slowed to 3 percent. A major reason for this is that the $157 million called for in the 10,000-volunteer plan for fiscal year 1989 was not fully appropriated. As I have noted, the Peace Corps received only $153.5 million for the current fiscal year. If appropriations in the amount called for in the 10,000-volunteer plan for fiscal year 1990 are provided, the Peace Corps will be able to resume more substantial program growth and expand to 7,300 volunteers by the end of 1990.

Mr. President, unfortunately the funding levels in the plan I have been discussing have been inadequate to sustain the rate of growth necessary to reach the 10,000-volunteer goal by the target year of fiscal year 1992. This is amply illustrated by the revised plan which Director Ruppe submitted to us on April 17, 1987, which specifies substantially higher funding needs. Because of the great need to restrain Federal spending, however, we have not chosen to move forward with the figures in the revised plan.

Mr. President, I ask unanimous consent that the April 17, 1987, letter from Director Ruppe setting forth the revised plan be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PEACE CORPS,
Washington, DC, April 17, 1987.

Hon. ALAN CRANSTON,
Chairman, Subcommittee on East Asian and Pacific Affairs, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing in response to your earlier letter requesting an update to the plan submitted last year for attaining a volunteer strength of 10,000. We continue to feel very strongly that such an increase would be very much in the best interests of overall U.S. foreign policy. We also recognize, of course, that any such plan must conform to national economic planning objectives.

As you know, the original plan reflected assumptions about funding levels for FY 1987 which did not occur. The impact of lower funding levels this year would normally be seen in lower voluntary levels in FY 1988 and FY 1989. We feel that these reductions can be minimized by a more rapid increase in our trainee levels in these two years, but some impact on total volunteer levels will be inevitable.

We estimate that the annualized impact of the Federal Employees' Retirement System (FERS) and the 1987 and 1988 pay raises to be between $2.5 million and $3.4 million. We estimate tht FAAS costs will rise by between $.3 million and $2.3 million between now and 1992, while FECA costs will rise by between $1 million and $3 million. Other uncontrollables (rents, mail, severance pay, and communications) are projected to increase by between $1 million and $4 million. Estimates of the impact of currency revaluations and in-country inflation are, as you know, dependent on both the international trade situation and the economic situation in each country in which we serve, and are therefore very difficult to predict. If we assume roughly the status quo, we would project a need for roughly $2 million each year to preclude a reduction in real dollars available for our programs.

The net effect of these projections, partially offset in FY 1987 and FY 1988 by lower volunteer levels, would be to revise the budget requirements identified in our original plan as follows:

	Original plan (million)	Revision
Fiscal year:		
1988	146.2	149.4
1989	157.0	164.7
1990	172.8	182.4
1991	185.3	197.8
1992	196.2	210.9

We are continually seeking ways to reduce our operating costs, so some reductions to these estimates may be possible. As with any projections so far into the future, our revised plan reflects our best estimates of future costs, assuming that authorizations and appropriations will occur in a timely enough fashion to permit effective planning for orderly growth.

We would be happy to answer any questions you may have about these revisions. We greatly appreciate your continued interest in Peace Corps' programs. We completely agree that the long range value to the United States of our continued people-to-people support to the developing world can not be overestimated.

Sincerely,

LORET MILLER RUPPE,
Director.

FOREIGN CURRENCY FLUCTUATIONS ACCOUNT

Mr. CRANSTON. Mr. President, in addition to insufficient appropriations, another reason for the slowed growth in fiscal year 1989 toward the 10,000-volunteer goal is the decreased value of the Peace Corps' funding due to foreign currency fluctuations.

In a February 27, 1989, letter to me, Director Ruppe stated that, due to the falling dollar, $1.8 million was lost in fiscal year 1988, and an estimated $3 million will be lost in fiscal year 1989. In order to avoid such losses in the future, section 4 of the bill would establish a foreign currency fluctuations account for the Peace Corps—patterned after similar accounts established for the Departments of Defense and State in 10 U.S.C. 2779 and 22 U.S.C. 2696, respectively, and for the American Battle Monuments Commission in 36 U.S.C. 138(c)—and would authorize appropriations of amounts sufficient to maintain a balance of $5 million in the account. Such a foreign currency fluctuations account would stabilize Peace Corps fiscal support and hence would help to ensure that the congressionally intended levels of program operations are achieved. The account would provide a mechanism for redistributing savings realized in certain years when the value of the dollar has risen to offset losses in other years in which the dollar has dropped.

Mr. President, I ask unanimous consent that a copy of Director Ruppe's February 27 letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PEACE CORPS,
OFFICE OF THE DIRECTOR,
Washington, DC, February 27, 1989.

Hon. ALAN CRANSTON,
U.S. Senate, Washington, DC.

DEAR SENATOR CRANSTON: As you requested, enclosed is information relative to the establishment of a currency fluctuation account for the Peace Corps. Should such an account be established, Peace Corps would benefit in three ways:

It will help alleviate program erosion. Currently, funds that could be used for program growth are reduced because we must pay exchange rate losses out of our annual appropriation. For example, in FY'87 we estimated a loss of $3.2 million, FY'88 $1.8 million, FY'89 $3.0 million, and FY'90 $3.4 million. The most vulnerable are our West African countries whose economies are based on the Franc. In the first quarter of FY'87, the dollar's devaluation in West Africa caused an $800,000 shortfall.

A fluctuation account will provide an efficient mechanism to centrally redistribute funds as needed. Should the legislation require that the fund be replenished, savings in Peace Corps countries where the dollar is strong could be used to offset losses in countries where the dollar is weak.

By having a multi-year account, the Peace Corps could potentially stabilize fluctuation by being able to plan and budget across fiscal years. If for example, exchanges are favorable in FY'89, the Peace Corps could use these savings in FY'90.

Attached is a summary data sheet for the Philippines which illustrates which expenses are most vulnerable to foreign currency fluctuation. Also attached is a report on uncontrollable expenses for FY '89 and FY '90.

In reference to your inquiry regarding the in-and-out rule, the major justification for its adjustment to a maximum of 2½ years out before rehire, is that it would afford more excellent employees the opportunity to return to the agency with expanded knowledge and skills. As it currently stands, American Peace Corps employees above the GS 8 grade level, must leave the agency for as long as they were employees, thus making it almost impossible for some of our brightest and best to return.

Please let me know if you need more detailed information on the impact of currency fluctuations on our budget or further details relative to a shortened in-and-out rule.

With best wishes,

Sincerely,

LORET MILLER RUPPE,
Director.

PEACE CORPS EMPLOYEES

Mr. CRANSTON. Mr. President, under legislation enacted in 1965—in section 7(a) of the Peace Corps Act, 22 U.S.C. 2506(a)—Peace Corps employees are generally precluded from serving for more than 5 years, normally consisting of two 30-month appointments, with the exception that the Director of the Peace Corps may personally grant 1-year extensions in individual cases where the Director finds that

special circumstances warrant the extension. Over the 8-year period fiscal year 1981 through 1988, the Director granted a total of 140 1-year extensions, an average of about 17 per year.

Additionally, under 1985 amendments to section 7(a) which I authored, service for a third 30-month tour is authorized for exceptional employees—not to exceed 15 percent of the Peace Corps' U.S. citizen employees—in certain specified circumstances in which the individual's extended service would be particularly valuable to the Peace Corps. Such appointments were given to 11, 28, and 24 employees in fiscal years 1986, 1987, and 1988, respectively.

An essential corollary to these limits is a rule—known as the "in-out" rule—which prescribes how long an employee must remain outside Peace Corps employment before being reemployed. Under current law, the rule is that the former employee is ineligible for reemployment for a period of time equal to the length of his or her previous period of employment.

These limits on length of employment and the in-out rule are intended to prevent Peace Corps employment from becoming a career unto itself and to ensure that turnover in employment provides a substantial number of openings for former volunteers to return to Peace Corps employment with new ideas and field experience. However, for those employees who have served for long periods—which now may extend to 6 years, 7½ years, and even 8½ years—the in-out rule can be unduly restrictive. From discussions with Peace Corps officials and others, I am convinced that a modification of this rule would be beneficial in affording highly effective former employees whom the agency would like to rehire the opportunity to return to the Peace Corps while still maintaining the essential purpose of the in-out rule.

Thus, section 3 of the bill would modify the rule to place a 30-month maximum limit on the length of time that a former Peace Corps employee must remain out of the Peace Corps in order to be eligible for reemployment there.

CONCLUSION

Mr. President, of all the international efforts we make to achieve world peace and understanding, there is no greater contribution than that which the American people make through the Peace Corps. The investment in the Peace Corps is a sound one, and I truly believe that we should take all necessary steps to stay on the path we have forged toward achievement of the 10,000-volunteer goal and to continue to find ways to improve Peace Corps operations and administration.

I urge my colleagues to support this measure.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 683

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Peace Corps Act Amendments of 1989".

SEC. 2. AUTHORIZATIONS OF APPROPRIATIONS FOR THE PEACE CORPS.

The first sentence of section 3(b) of the Peace Corps Act (22 U.S.C. 2502(b)) is amended to read as follows: "There are authorized to be appropriated to carry out the purposes of this Act $157,000,000 for fiscal year 1989, $172,800,000 for fiscal year 1990, and $185,300,000 for fiscal year 1991.".

SEC. 3. PERIOD OF INELIGIBILITY FOR PEACE CORPS REEMPLOYMENT.

Section 7(a)(2)(B) of the Peace Corps Act (22 U.S.C. 2506(a)(2)(B) is amended by inserting before the period at the end "or 30 months, whichever is shorter".

SEC. 4. PEACE CORPS FOREIGN CURRENCY FLUCTUATIONS.

(a) ESTABLISHMENT OF FOREIGN CURRENCY FLUCTUATIONS ACCOUNT.—The Peace Corps Act (22 U.S.C. 2501 et seq.) is amended by inserting after section 15 the following new section:

"FOREIGN CURRENCY FLUCTUATIONS ACCOUNT"

"SEC. 16. (a) There is hereby established in the Treasury an account to be known as the 'Foreign Currency Fluctuations, Peace Corps, Account'. The account shall be used for the purpose of providing funds to pay expenses for operations of the Peace Corps outside the United States which, as a result of fluctuations in currency exchange rates, exceed the amount appropriated for such expenses. The account may not be used for any other purpose.

"(2) Funds in the account may be transferred, upon the certification of the Director of the Peace Corps (or the Director's designee) that the transfer is necessary for the purpose specified in paragraph (1), to the account containing funds appropriated for the expenses of the Peace Corps.

"(b) Funds transferred under subsection (a) shall be merged with and be available for the same time period as the appropriation to which they are applied. A provision of law limiting the amount of funds the Peace Corps may obligate in any fiscal year shall be increased to the extent necessary to reflect in exchange rates from those used in preparing the budget submission.

"(c) An obligation of the Peace Corps payable in the currency of a foreign country may be recorded as an obligation based upon exchange rates used in preparing a budget submission. A change reflecting fluctuations in exchange rates may be recorded as a disbursement is made.

"(d) Funds transferred from the Foreign Currency Fluctuations, Peace Corps, Account my be transferred back to that account—

"(1) if the funds are not needed to pay obligations incurred because of fluctuations in currency exchange rates of foreign countries in the appropriation to which the funds were originally transferred; or

"(2) because of subsequent favorable fluctuations in the rates or because other funds are, or become, available to pay such obligations.

"(e) A transfer back to the account under subsection (d) may not be made after the end of the second fiscal year after the fiscal year in which the appropriations to which the funds were originally transferred is available for obligation.

"(f) Not later than the end of the second fiscal year following the fiscal year for which appropriations for the expenses of the Peace Corps have been made available to the Peace Corps, unobligated balances of such appropriation provided for a fiscal year may be transferred into the Foreign Currency Fluctuations, Peace Corps, Account, to be merged with and available for the same period and purposes as that account.

"(g) There are authorized to be appropriated to the Foreign Currency Fluctuations, Peace Corps, Account for a fiscal year such sums as are sufficient to maintain a balance of $5,000,000 in such account at the beginning of such fiscal year.

"(h) The Director of the Peace Corps shall submit to the appropriate committees of the Congress each year a report on funds transferred under this section.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to each fiscal year after fiscal year 1989.

By Mr. DOLE:

S.J. Res. 89. Joint resolution that the week beginning April 2, 1989, be designated "National Auctioneers Week"; to the Committee on the Judiciary.

NATIONAL AUCTIONEERS WEEK

Mr. DOLE. Mr. President, I rise today to introduce legislation designating the week beginning on April 2, 1989, as "National Auctioneers Week." This commemorative week has been recognized by State and local governments and private institutions for more than 15 years.

Auctioneering is one of the world's most visible and influential techniques for the marketing and sale of real and personal property. Already a $100 billion-a-year industry, auctioneering continues to grow by selling a wider range of goods and by diversifying its clientele.

The auction is truly an integral part of the American economy. Through competitive bidding, a fair market value can be established for goods and services, to the benefit of both the buyer and the seller. At the same time, the scope of property sold at auctions is expanding, ranging from residential real estate to valued works of art.

The success of this industry would be impossible without the efforts of our Nation's auctioneers. While maintaining the highest in professional and ethical standards, these individuals help ensure that all customers, whether buyers or sellers, are treated fairly.

In closing, I believe this legislation offers an excellent opportunity to improve public awareness of auctions and the role they play in our free enterprise system. I would encourage all my colleagues to join me in support of "National Auctioneers Week."

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 89

Whereas auctions of real and personal property historically have been an integral and influential marketing tool in the United States and countries around the world;

Whereas auctions demonstrate how the free enterprise system establishes fair market value;

Whereas trained professional auctioneers ensure that auctions are conducted in a manner fair to both buyers and sellers;

Whereas a national auctioneers week has been observed for more than 15 years by State and local governments and private organizations;

Whereas the designation of National Auctioneers Week by the Congress and the President will heighten the awareness of the people of the United States of the contributions made by auctions and auctioneers to the economy of the Nation and the culture and way of life of the people of the Nation: Now, therefore, be it:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning April 2, 1989, is designated as "National Auctioneers Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 5

At the request of Mr. DODD, the names of the Senator from Vermont [Mr. JEFFORDS] and the Senator from Ohio [Mr. GLENN] were added as cosponsors of S. 5, a bill to provide for a Federal program for the improvement of child care, and for other purposes.

S. 34

At the request of Mr. HUMPHREY, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of S. 34, a bill to amend title 28 of the United States Code to clarify the remedial jurisdiction of inferior Federal courts.

S. 60

At the request of Mr. INOUYE, the names of the Senator from California [Mr. CRANSTON] and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 60, a bill concerning the naturalization of natives of the Philippines through active-duty service in the Armed Forces during World War II.

S. 62

At the request of Mr. INOUYE, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 62, a bill to amend the Public Health Service Act to give the Director of the National Center for Nursing Research certain authorities commensurate with those of the Directors of the National Research Institute.

S. 82

At the request of Mr. THURMOND, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 82, a bill to recognize the organization known as the 82d Airborne Division Association, Inc.

S. 84

At the request of Mr. BIDEN, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 84, a bill to amend title 28, United States Code, to provide Federal debt collection procedures.

S. 134

At the request of Mr. GLENN, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 134, a bill to establish the Congressional Scholarships for Science, Mathematics, and Engineering, and for other purposes.

S. 137

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 137, a bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multicandidate political committees, and for other purposes.

S. 190

At the request of Mr. MATSUNAGA, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 190, a bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Forces to receive compensation concurrently with retired pay without reduction in the amount of the compensation and retired pay.

S. 195

At the request of Mr. PELL, the names of the Senator from Michigan [Mr. LEVIN] and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of S. 195, a bill entitled the "Chemical and Biological Weapons Control Act of 1989."

S. 244

At the request of Mr. GLENN, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 244, a bill to require the Administrator of the General Services Administration to encourage the development and use of plastics derived from certain commodities, and to include such products in the General Services Administration inventory for supply to Federal agencies, and for other purposes.

S. 247

At the request of Mr. METZENBAUM, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from Pennsylvania [Mr. HEINZ], the Senator from North Dakota [Mr. BURDICK], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 247, a bill to amend the Energy Policy and Conservation Act to increase the efficiency and effectiveness of State energy conservation programs carried out pursuant to such act, and for other purposes.

S. 256

At the request of Mr. HARKIN, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 256, a bill to direct a study by the Secretary of Agriculture of the classification of anhydrous ammonia as a poisonous gas for purposes of the Hazardous Materials Transportation Act, and for other purposes.

S. 258

At the request of Mr. RIEGLE, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 258, a bill to amend the National Flood Insurance Act of 1968 to extend the program of flood insurance for structures on land subject to imminent collapse or subsidence.

S. 273

At the request of Mr. HEINZ, the name of the Senator from New Hampshire [Mr. RUDMAN] was added as a cosponsor of S. 273, a bill to amend title 39, United States Code, to designate as nonmailable matter solicitations of donations which could reasonably be misconstrued as a bill, invoice, or statement of account due, solicitations for the purchase of products or services which are provided either free of charge or at a lower price by the Federal Government connection or endorsement, unless such matter contains an appropriate, conspicuous disclaimer, and for other purposes.

S. 302

At the request of Mr. PRYOR, the names of the Senator from Utah [Mr. HATCH], the Senator from Iowa [Mr. GRASSLEY], and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of S. 302, a bill to amend title 39, United States Code, with respect to the budgetary treatment of the Postal Service, and for other purposes.

S. 324

At the request of Mr. WIRTH, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 324, a bill to establish a national energy policy to reduce global warming, and for other purposes.

S. 355

At the request of Mr. RIEGLE, the names of the Senator from Indiana [Mr. LUGAR] and the Senator from Utah [Mr. GARN] were added as cosponsors of S. 355, a bill to amend the Internal Revenue Code of 1986 to extend through 1992 the period during

which qualified mortgage bonds and mortgage credit certificates may be issued.

S. 369

At the request of Mr. BOSCHWITZ, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 369, a bill to seek the eradication of the worst aspects of poverty in developing countries by the year 2000.

S. 375

At the request of Mr. HOLLINGS, the names of the Senator from Minnesota [Mr. BOSCHWITZ] and the Senator from Kansas [Mr. DOLE] were added as cosponsors of S. 375, a bill to provide for the broadcasting of accurate information to the people of Cuba, and for other purposes.

S. 439

At the request of Mr. PELL, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of S. 439, a bill to establish a program of grants to consortia of local education agencies and community colleges for the purposes of providing technical preparation education, and for other purposes.

S. 446

At the request of Mr. METZENBAUM, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 446, a bill to amend the Price Anderson provisions of the Atomic Energy Act of 1954 to provide for the financial accountability of certain contractors of the Department of Energy, and for other purposes.

S. 448

At the request of Mr. SIMON, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 448, a bill to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States.

S. 459

At the request of Mr. GORE, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 459, a bill to amend title 35, United States Code, and the National Aeronautics and Space Act of 1958, with respect to the use of inventions in outer space.

S. 461

At the request of Mr. GRASSLEY, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 461, a bill to amend title XVIII of the Social Security Act to permit payment for services of physician assistants outside institutional settings.

S. 507

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 507, a bill to prohibit investments in, and certain other activities with respect to, South Africa, and for other purposes.

S. 519

At the request of Mr. LAUTENBERG, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 519, a bill to prohibit smoking on any scheduled airline flight in intrastate, interstate, or overseas air transportation.

S. 527

At the request of Mr. BAUCUS, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 527, a bill to amend title XVIII of the Social Security Act to reclassify certain hospitals as sole community hospitals, and for other purposes.

S. 551

At the request of Mr. CRANSTON, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 551, a bill to amend the Internal Revenue Code of 1986 to restore a capital gains tax differential, and for other purposes.

S. 563

At the request of Mr. MATSUNAGA, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 563, a bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Forces to receive retired pay concurrently with disability compensation after a reduction in the amount of retired pay.

S. 601

At the request of Mr. DOLE, the name of the Senator from New Hampshire [Mr. HUMPHREY] was added as a cosponsor of S. 601, a bill to amend the Internal Revenue Code of 1986 to authorize a child tax credit and refundable child and dependent care tax credit.

S. 602

At the request of Mr. DOLE, the name of the Senator from New Hampshire [Mr. HUMPHREY] was added as a cosponsor of S. 602, a bill to authorize additional appropriations for the Head Start Program.

S. 619

At the request of Mr. SARBANES, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 619, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

S. 625

At the request of Mr. NICKLES, the names of the Senator from Utah [Mr. GARN], the Senator from Wyoming [Mr. WALLOP], the Senator from Louisiana [Mr. BREAUX], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of S. 625, a bill to eliminate artificial distortions in the natural gas marketplace, to promote competition in the natural gas industry, and for other purposes.

S. 626

At the request of Mr. HATCH, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 626, a bill to amend the Lanham Trademark Act regarding gray market goods.

SENATE JOINT RESOLUTION 10

At the request of Mr. THURMOND, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of Senate Joint Resolution 10, a joint resolution to designate the month of May 1989 as "National Foster Care Month."

SENATE JOINT RESOLUTION 14

At the request of Mr. THURMOND, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of Senate Joint Resolution 14, a joint resolution proposing an amendment to the Constitution of the United States to allow the President to veto items of appropriation.

SENATE JOINT RESOLUTION 53

At the request of Mr. D'AMATO, the names of the Senator from Connecticut [Mr. DODD] the Senator from New Hampshire [Mr. HUMPHREY] were added as cosponsors of Senate Joint Resolution 53, a joint resolution to designate May 25, 1989, as "National Tap Dance Day."

SENATE JOINT RESOLUTION 55

At the request of Mr. SIMON, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of Senate Joint Resolution 55, a joint resolution to designate the week of October 1, 1989, through October 7, 1989, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 61

At the request of Mr. CHAFEE, the names of the Senator from South Carolina [Mr. THURMOND], the Senator from Montana [Mr. BURNS], the Senator from Maryland [Mr. SARBANES], the Senator from Delaware [Mr. ROTH], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of Senate Joint Resolution 61, a joint resolution to designate April 1989 as "National Recycling Month."

SENATE JOINT RESOLUTION 63

At the request of Mr. RIEGLE, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of Senate Joint Resolution 63, a joint resolution designating June 14, 1989, as "Baltic Freedom Day," and for other purposes.

SENATE JOINT RESOLUTION 64

At the request of Mr. SPECTER, the names of the Senator from Washington [Mr. GORTON] and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of Senate Joint Resolution 64, a joint resolution to designate March 25, 1989, as "Greek Independence Day: A National Day of

Celebration of Greek and American Democracy."

SENATE JOINT RESOLUTION 66

At the request of Mr. HELMS, the names of the Senator from Virginia [Mr. WARNER], the Senator from Idaho [Mr. SYMMS], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Alaska [Mr. STEVENS], the Senator from Arkansas [Mr. BUMPERS], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Arkansas [Mr. PRYOR], the Senator from North Dakota [Mr. BURDICK], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Mississippi [Mr. COCHRAN], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Tennessee [Mr. SASSER], the Senator from Georgia [Mr. FOWLER], the Senator from California [Mr. WILSON], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Tennessee [Mr. GORE], the Senator from Oklahoma [Mr. BOREN], the Senator from Kansas [Mr. DOLE], and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of Senate Joint Resolution 66, a joint resolution to designate the third week of June of 1989, as "National Dairy Goat Awareness Week."

SENATE JOINT RESOLUTION 67

At the request of Mr. DOMENICI, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Joint Resolution 67, a joint resolution to commemorate the 25th anniversary of the Wilderness Act of 1964 which established the National Wilderness Preservation System.

SENATE JOINT RESOLUTION 72

At the request of Mr. RIEGLE, the names of the Senator from Wyoming [Mr. SIMPSON], and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of Senate Joint Resolution 72, a joint resolution to designate the period commencing May 7, 1989, and ending May 13, 1989, as "National Correctional Officers Week."

SENATE JOINT RESOLUTION 76

At the request of Mr. HELMS, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from Tennessee [Mr. GORE], the Senator from Idaho [Mr. MCCLURE], the Senator from North Carolina [Mr. SANFORD], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of Senate Joint Resolution 76, a joint resolution to designate the period commencing on June 21, 1989, and ending on June 28, 1989, as "Food Science and Technology Week."

SENATE JOINT RESOLUTION 88

At the request of Mr. WIRTH, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of Senate Joint Resolution 88, a joint resolution to establish that it is the policy of the United States to reduce the generation of carbon dioxide and for other purposes.

SENATE RESOLUTION 13

At the request of Mr. DOLE, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Hawaii [Mr. INOUYE], the Senator from New Mexico [Mr. DOMENICI], the Senator from Wyoming [Mr. SIMPSON], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Illinois [Mr. DIXON], were added as cosponsors of Senate Resolution 13, a resolution to amend Senate Resolution 28 to implement closed caption broadcasting for hearing-impaired individuals of floor proceedings of the Senate.

SENATE RESOLUTION 63

At the request of Mr. SYMMS, the names of the Senator from Mississippi [Mr. LOTT], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of Senate Resolution 63, a resolution expressing the sense of the Senate that the Federal excise taxes on gasoline and diesel fuel shall not be increased to reduce the Federal deficit.

SENATE CONCURRENT RESOLUTION 25—RELATING TO SOVIET REFUGEES

Mr. GRASSLEY submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 25

Whereas an unusual opportunity now exists for the Government of the United States to rescue individuals in the Soviet Union who have long been fearful for the security of their lives and liberties;

Whereas the Soviet Union has recently permitted increased numbers of individuals to emigrate from the Soviet Union, including increased numbers of Jews, Armenians, and Pentacostal Christians;

Whereas 19,323 individuals were given permission to emigrate from the Soviet Union in 1988, which is more than in any year since 1980 and significantly more than the Department of Justice of the United States predicted;

Whereas if the trend of increasing numbers of individuals emigrating from the Soviet Union continues, between 35,000 and 40,000 Jews will flee from the Soviet Union in 1989;

Whereas the United States is a signatory nation to the Final Act of the Conference on Security and Cooperation in Europe (known as the Helsinki Final Act) and the Concluding Document of the Conference on Security and Cooperation in Europe (known as the Vienna Concluding Document), which call for the establishment of open emigration policies;

Whereas the credibility of the advocacy of open emigration policies by the Government of the United States has been based upon the willingness of the Government of the United States to admit Soviet Jews who were permitted and chose to emigrate to the United States;

Whereas because the actual number of Soviet emigrants in 1988 significantly exceeded the number predicted at the time of consultation between the President and the Congress, the amount of funds appropriated for 1988 for programs of the Department of Justice and the Department of Health and Human Services for refugee migration and resettlement was insufficient to permit the admission to the United States of all Soviet emigrants who were eligible for and desired admission;

Whereas the Department of Justice has unilaterally changed the admission policy for emigrating Soviet Jews by eliminating the long-standing presumption that Soviet Jews and members of other religious minorities qualify for refugee status because they have a well-founded fear of persecution in the Soviet Union, thereby reducing the number of Soviet emigrants admissible into the United States;

Whereas Soviet Jews still face considerable popular anti-Semitism in the Soviet Union including activities by State-sanctioned organizations like Pamyat;

Whereas the presumption that emigrating Soviet Jews are refugees fleeing the Soviet Union because of a well-founded fear of persecution is still valid;

Whereas the admission to the United States of refugee Soviet Jews should not decrease the number of other refugees admitted to the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the President and the Congress should conduct emergency consultation to increase the number of refugees admitted to the United States so that the number is sufficient to provide for the increased number of Soviet Jews and other emigrants permitted to emigrate from the Soviet Union;

(2) the appropriation for programs for refugee migration and resettlement should be increased for fiscal year 1989 to provide for the admission to the United States of the increased number of Soviet Jews and other emigrants permitted to emigrate from the Soviet Union; and

(3) the Department of Justice should reestablish the admission policy that presumes, subject to rebuttal, that Jews and members of other religious minorities emigrating from the Soviet Union qualify for refugee status because they have a well-founded fear of persecution in the Soviet Union.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President and the Attorney General.

● Mr. GRASSLEY. Mr. President, the situation facing Soviet refugees has grown very serious. While General Secretary Gorbachev has improved the prospects for emigration for many citizens, the United States has been unprepared for the influx of these refugees. Clearly, we need to respond. Therefore, I am submitting a sense of the Congress resolution on this important issue. I am pleased to be cosponsoring this resolution with Congressman SIKORSKI in the House.

This concurrent resolution, Mr. President, expresses the sense of the Congress in the three areas which make up the current problem. First, it recognizes that the number of spaces we have allocated for Soviet refugees is inadequate. Last fall, former Secre-

tary of State Shultz appeared before the Senate Judiciary Committee to consult on fiscal year 1989 refugee allocations. At that time, he firmly stated that if the proposed number proved inadequate, there could be an emergency consultation and an additional allocation. The time has come for that emergency consultation and additional allocation. We need the President's designee to meet with us and address the problem now.

Second, the concurrent resolution expresses the sense of the Congress that additional money be appropriated for refugee migration and resettlement. I realize that we are in the midst of a very serious budget crisis. But I am confident that close scrutiny of the budget will produce funds which could be expended for this critical situation. And, Senators KENNEDY and KASTEN have already identified one possible source of additional funding. They recently introduced a bill, which I have cosponsored, providing for the use of moneys appropriated to the States, but unused by them, for immigration programs under the 1986 Reform Act.

Third, the concurrent resolution expresses the sense of the Congress that the Justice Department return to its practice of presuming the refugee status of Soviet Jews and other religious minorities. In the last several months, INS officers have deviated from this longstanding practice, by requiring that Soviet citizens prove they have a well-founded fear of persecution. Clearly, the Soviet Union's history of persecution of religious followers, and of state-sponsored antisemitism in particular, warrants that these people be considered refugees.

For the last 8 years, Mr. President, we have made human rights, and emigration in particular, a centerpiece in our discussions with Soviet leaders. They have, in the last 2 years, begun improving their performance in this critical area. We must be prepared to take on the responsibilities of this major foreign policy success. I urge my colleagues to join me on this sense of the Congress resolution so that we send this important message to the President, as well as to those Soviet refugees, so that they know they have not been abandoned.●

SENATE RESOLUTION 85—RELATING TO THE FUTURE OF AFGHANISTAN

Mr. BYRD (for himself, Mr. MITCHELL, Mr. DOLE, Mr. BOREN, Mr. BRADLEY, Mr. HOLLINGS, Mr. GORE, Mr. HUMPHREY, and Mr. HELMS) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 85

Whereas the Soviet Union invaded the sovereign territory of Afghanistan on December 27, 1979, and attempted to subjugate that nation through the use of force, relying upon a puppet regime and an occupying army of an estimated 120,000 Soviet troops;

Whereas the Soviet Union, having concluded that it could not militarily subjugate Afghanistan, announced its intention to withdraw its troops from that country;

Whereas on April 14, 1988, the Soviet Union signed accords at Geneva, Switzerland, which obligated the Soviet Union to withdraw all its military forces from Afghanistan by February 15, 1989;

Whereas on February 15, 1989, the Soviets announced they had completed their withdrawal from Afghanistan, the invasion of which having cost the Soviet Union roughly 15,000 lives and billions of rubles;

Whereas United States aid has been a critical element in the success of the Afghan resistance in regaining the territorial integrity of Afghanistan against the Soviet invasion;

Whereas President Bush in a statement on February 16, 1989, announced that "as long as the resistance struggle for self-determination continues, so too will America's support";

Whereas the Soviet invasion of Afghanistan directly resulted in the deaths of more than one million Afghans, the economic, social, and environmental devastation of Afghanistan, and created the world's largest refugee population, including more than three million refugees in Pakistan and two million in Iran;

Whereas despite the withdrawal of Soviet troops from Afghanistan, the Soviet-backed puppet government remains in Kabul, Afghanistan, along with several hundred Soviet advisors, receiving direct military assistance from the Soviet Union;

Whereas more than 400 delegates to a special consultative council, including members of the seven resistance parties, elected an interim government on February 23, 1988;

Whereas the election of this interim government represents a step in the right direction toward eventual free elections for a popular representative government; and

Whereas it is important that Afghanistan in this period of transition not become isolated from its friends and the international community and that the Afghan resistance continue to work in unity toward the goal of freeing their land and establishing a representative government so that the Soviet Union is not tempted to act to destabilize Afghanistan and thereby achieve by other means what it failed to accomplish through military occupation and action: Now, therefore, be it

Resolved, That the Senate hereby—

(1) reiterates its firm conviction that the only acceptable formula for settlement of the Afghan situation is one which—

(A) provides for the self-determination of the Afghan people, without interference and pressure from outside powers,

(B) results in a government genuinely representative of the Afghan people,

(C) provides for the restoration of civic order and peaceful economic development, and

(D) provides for the return and resettlement of refugees in a timely and safe manner;

(2) expresses its strong belief that the Government of the United States should not cease, suspend, or diminish lethal assistance to the Afghan resistance or take actions which might limit the ability of the Afghan resistance to receive assistance—

(A) until it is absolutely clear that the Soviet Union has terminated its military assistance to, and significant control over, its political proxies in Afghanistan; and

(B) so long as the effects of the recent provision of massive military assistance by the Soviet Union to its puppet regime and forces directed by that regime continue to give the Soviet proxy regime and its forces an unbalanced or overbearing advantage against the forces of the Afghan resistance;

(3) believes United States assistance programs should be configured—

(A) to continue to support the replacement of the puppet regime in Kabul to promote true self-determination in Afghanistan,

(B) to aid in the reconstitution of civil society and further economic and democratic development,

(C) to assist in the expeditious resettlement of 5 million refugees, both those currently located outside Afghanistan and those internally displaced,

(D) to assist in the removal of the remnants of war, particularly the mines strewn about the country by Soviet invading forces, and

(E) to help bring Afghanistan back into the mainstream of international political and economic life;

(4) believes that, if it becomes apparent that United States military assistance is not promoting the resolution of internal differences, but is instead fueling intra-resistance conflict, such assistance should be appropriately reduced or redirected;

(5) believes that the President should seek to identify resources to increase substantially the level of United States emergency humanitarian assistance inside Afghanistan;

(6) urges the President to devote sufficient resources from the cross-border assistance program for the democratic political reconstruction of Afghanistan, with particular attention to the promotion of pluralistic institutional development and respect for the rule of law, and to disburse these funds through private, nongovernmental organizations;

(7) commends the long-standing exemplary record of the government of Pakistan, often under extreme and violent attack by forces and parties controlled by the Soviet Union, for supporting the resistance and caring for the refugees, and encourages the President to continue to work closely with the government of Pakistan;

(8) calls upon the President to increase significantly the direct interaction of the United States Government with the Afghan resistance through the naming of an ambassadorial-level envoy to the Afghan resistance; and

(9) calls upon the President to report to the Majority Leader and the Minority Leader of the Senate and the chairmen and the ranking minority members of the appropriate committees of the Senate within 90 days, in both classified and unclassified form, the details of the current United States policy, taking into account the most likely options for political, economic, and military developments in Afghanistan over the next year, including—

(A) an assessment of the adequacy of the current level of assistance to Afghanistan during the period of transition prior to the replacement of the regime in Kabul and the implementation of a new United States policy on Afghanistan;

(B) an assessment of the circumstances under which the current level of military assistance would be suspended, diminished, or redirected into other forms of assistance;

(C) a description of how United States policy will promote the development of pluralistic institutions and political reconstruction of Afghanistan toward true self-determination, specifically identifying how funds will be obligated and expended to promote such purposes;

(D) consideration of a new economic aid program for Afghanistan, subject to the formation of a stable, pluralistic government whose policies are not inimicable to United States interests; and

(E) a description of the circumstances under which the United States will recognize a new Afghan government achieved through a process of self-determination.

SEC. 2. The Secretary of the Senate shall transmit of copy of this resolution to the President.

Mr. BYRD. Mr. President, the resolution which I shall send to the desk shortly sets forth the outline of our policy toward Afghanistan in the immediate wake of Soviet combat forces withdrawal and serves as a look down the road for as far as we see at this time. The gallant and courageous forces of the Afghan resistance guerrillas, the Mujahidin, have served as an inspiration to me and to all of us who value our independence, our Nation's sovereignty, and our freedoms. The incredible persistent bravery of these people has been a constant reminder, over a decade, of how dear our freedoms are and how very difficult it is to win them back once they have been wrested away from us by tyranny, brutality, and invasion. The Soviet Union's barbaric behavior toward the Afghan people and its extreme attempts to subjugate the Afghans should be a reminder of how very much the Soviet leadership wanted that prize. It was an answer to the age-old Russian dream of a route to warm water south, to the building of buffer states on its border, and a foothold with which to eventually destabilize Pakistan and thereby take firm control of South Asia. Only reluctantly, and after great human cost to its armies, great political cost to its diplomacy in the Arab world, and after it was clear that victory was fading from view, did the Soviet leadership recognize the better side of valor and withdraw.

We can take pride in the role that this Senate played over the years. The Senate pushed for a robust program of support, including lethal support, unwavering even at times when the administration, itself, was reluctant to commit the necessary level of resources. It was this Senate, at a crucial time last year when some fast diplomacy was overcoming our common sense, that reiterated our support for the freedom fighters even while a sophisticated Soviet political offensive was tempting us to prematurely withdraw from our allies.

Now, Mr. President, comes a dangerous period. We cannot flag in our attention to the ongoing situation. The Soviet proxy Government is armed to the teeth, it may be on the defensive but it is still in power. It may control ever smaller slices of Afghan territory but it is today, still in power in Kabul. Who can doubt that the Soviet Union will make every effort, short of another military intervention, to promote a government pliable to its needs or, in the alternative, a fractured Afghanistan which eventually disassembles politically and as a viable economic unit. Either result will accomplish for the Soviets the goals which were frustrated on the battlefields of that rugged country. As a recent article pointed out with regard to the Geneva accords of 1988:

> These are obviously accords that the Soviet Union was eager to see signed, preferably with but even without American guarantees. They fulfill the first and most essential requirement of its time-tested strategy for subduing resistance and armed insurrections, i.e., to isolate the area, the rebellious population and its forces. Once isolated, they can in time be crushed. Tsars and commissars alike have tested and developed this strategy, from the Caucasus in the 1850's to Turkestan in the 1920's; the process has usually taken about 20 to 25 years to complete. Thus, to their critics, the Geneva negotiations and the resulting accords have provided a solution to the wrong problem: an arrangement for the long-term Soviet consolidation of control in Afghanistan without the overt use of its uniformed military forces, and in a manner satisfactory to world opinion.

Our country has a remaining, consistent heavy responsibility to Afghanistan. The resolution I offer today spells it out: First, we need to continue our lethal aid support so long as the Soviet client regime is using Soviet firepower to maintain political control. But, if our overall goal is the restoration of the political independence, integrity, self-determination of those people, without outside interference, there is a need for the restoration of civic order and economic development. There is a need for a political settlement among the factions which make up the Mujahidin movement so as to govern the nation and repair the ravages of the Soviet invader.

American influence and resources, together with our faithful ally in the region, Pakistan, need to be directed wisely in a situation where political turmoil will most likely persist even after the demise of the present Soviet proxy regime. We cannot dictate the future Government of Afghanistan any more than the Soviets should or, for the matter, the Pakistanis. So long as it is independent, can govern, reasserts the sovereignty and integrity of that Nation, we must allow the chips to fall where they may. We should not attempt to play politics there, but use our aid program in ways that will challenge our skill. As the resolution points out, our assistance programs should be configured to promote the resolution of internal differences by peaceful means, to aid in the reconstitution of civil society and further economic resettlement of 5 million refugees, both those currently located outside Afghanistan and those internally displaced. Most particularly, we should assist in the removal of the remnants of war and dedicate the technologies we now have for mine removal in an energetic and vigorous program to clean up the rural countryside.

Mr. President, it is clear that lethal aid cannot be suspended so long as Soviet aid and the results of massive Soviet aid shipments toward the end of their occupation put the Soviet proxy regime in a position of strength, vis-a-vis the guerrilla forces. It is also clear that military aid should not be redirected to the advantage of one another of the factions now vying for the future political power of the country. Further, the transformation of military to economic assistance should occur as soon as it is prudent to do so, and such economic aid should be tailored carefully in concert with Pakistan and the rest of the international community.

Mr. President, the Soviets are engaged in very active diplomacy throughout the Middle East and the Arab world at this time. Their withdrawal from Afghanistan has removed a stone from around the Soviet diplomatic neck and they are challenging us in that region as never before. Our diplomacy needs to match and exceed theirs. We have an inherent advantage in Afghanistan, if we exercise it properly. We can show the world of Islam what kind of friend the United States can be by staying in the game, helping repair the damage done by the Soviets and by highlighting the contrast between our way of life and our values with those which still hold sway in Moscow. The opportunity for an enlightened approach is before us and this resolution puts the Senate on record for such a long-term involvement.

Finally, Mr. President, the resolution asks the President to report to the Congress on the most likely options for political, military, and economic developments in Afghanistan over the coming year, and how we should be responding to these options with our assistance programs. We look forward to working closely with the new administration to continue what has been a unique bipartisan approach in close collaboration between the executive and legislative branches, for over a decade. In South Asia, we should look forward to a decade of peace in the 1990's an American decade in stark contract to what went before.

Mr. President, I now send to the desk for appropriate referral a Senate resolution, whch I introduce on behalf of myself and Senators MITCHELL,

DOLE, BOREN, BRADLEY, HOLLINGS, GORE, and HUMPHREY.

I yield the floor.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

Mr. MITCHELL. Mr. President, despite the Soviet military withdrawal from Afghanistan, a critical struggle continues—a struggle that will have an important effect not only on the character and future of Afghanistan, but on the stability of the entire region.

As events unfold, the United States must carefully evaluate its policy toward Afghanistan and the Mujahidin who continue to fight against the Soviet-backed regime in Kabul.

I therefore am pleased to cosponsor this resolution authored by the distinguished Senator from West Virginia. I believe that it is valuable to reiterate the Senate's support for existing United States policy toward Afghanistan while encouraging the Executive to thoroughly examine the future goals and direction of that policy.

The Soviet Union's decision to resume military aid to its proxy forces underscores the need for continued American support for the Mujahidin. Until the foreign-imposed Najibullah government is defeated, the Mujahidin deserves continued military assistance from the United States.

Despite our firm support for the liberation effort, the United States must not lose sight of our ultimate goals in Afghanistan.

We seek to promote a peaceful and democratic future for the Afghan people.

We cannot guarantee that outcome.

But we can ensure that our policy and actions contribute toward that end.

We therefore must consider carefully the limits of our military commitment to the Mujahidin and how we can best assist the Afghan people in the political and economic reconstruction of their country.

The purpose of our military assistance is to enable the Afghan resistance to remove the foreign-installed government and gain independence for Afghanistan. Once this goal is achieved, there should be no need for further military aid.

Moreover, military aid is counterproductive if it fuels conflict among the factions of the Mujahidin instead of helping them achieve their shared goal of liberating the country. This resolution clearly states these points.

In continuing military assistance as long as necessary and effective, the United States also must remain mindful of the need to stem the proliferation of sophisticated weapons in the region.

We all hope that the day is near when we can focus our energies and resources upon the rebuilding of a peaceful and democratic Afghanistan.

This resolution anticipates that day, urging the administration to consider and communicate to the Senate the outlines of a future United States policy toward Afghanistan.

Afghanistan faces countless hurdles in its reconstruction. The challenges range from overcoming deep political divisions and building democratic institutions, to resettling millions of refugees and clearing the land of countless Soviet mines.

This resolution urges the administration to consider how we can best assist the people of Afghanistan in their effort to solve these problems.

I look forward to working with the administration in support of a comprehensive policy toward the political and economic reconstruction of Afghanistan.

Mr. HUMPHREY. Mr. President, I commend the distinguished President pro tempore of the Senate for introducing this important resolution on Afghanistan. This is the fourth year in a row that this Senator has worked with the Senator from West Virginia in focusing the Senate's energies on Afghanistan. I am grateful to the Senator for incorporating into his resolution suggestions which I offered.

Mr. President, the resolution makes it clear that the war in Afghanistan is far from over. The Soviets may have withdrawn their military forces, but the Communist puppet regime in Kabul—set up at the point of 120,000 bayonets—is still in power. The puppet government still controls Kabul, and Kandahar, and Herat, and Jalalabad. The Soviets are still massively resupplying their clients with military hardware. The Soviets still have military advisors in Afghanistan. The nation of Afghanistan is physically and economically devastated. And refugees are still pouring into Pakistan—not back into Afghanistan. Mr. President, even if the Kabul regime were replaced tomorrow by a truly representative government arrived at through a process of self-determination, it will takes years, and years, to restore that nation to some semblance of normalcy.

I fear, Mr. President, that every day the Kabul regime stays in power, it gains more opportunities to entrench itself, as Communist regimes always do. This Senator heard time and again from the State Department that the Kabul regime would come tumbling down as soon as the Soviet troops withdrew. Just yesterday, I heard the same argument from the State Department. I have never believed that argument—nor did the Afghan resistance for that matter. We must seize every opportunity at this juncture to bolster the momentum of the resistance, and expedite the collapse of the genocidal regime in Kabul.

As the resolution clearly states, now would be the worst possible time for the United States to walk away from the Afghan cause. There is a serious danger that all the gains, and the enormous losses of the past 10 years could be jeopardized, if the United States and the international community walk away from Afghanistan merely because Soviet forces have been withdrawn. Now, more than ever before, we must work to consolidate the gains of this historic war.

Mr. President, for the past 5 years, the Congress has been far ahead of the administration in shaping policy on Afghanistan. The Congress, year after year, mandated one program after another to increase support for the resistance. In fact, a resolution unanimously adopted by this body in February 1988, was responsible for a major shift in United States policy on Afghanistan, averting a cutoff in military aid to the Afghan resistance.

The time has come for the administration to take the initiative. So far, the steps taken by President Bush and Secretary Baker, have been encouraging. As this resolution notes, President Bush has forcefully committed the United States to continue support for the Afghan resistance until the fall of the Kabul regime, and the restoration of self-determination in Afghanistan. Secretary Baker swiftly closed the U.S. Embassy in Kabul—a move that was long overdue in my view.

But there is much more that we can do. As evidenced by the cosponsorship of this resolution, there is broad consensus in this body for doing much more.

This resolution reiterates a position unanimously adopted by this body more than 1 year ago, that we must continue our military support for the resistance. But it also states that U.S. assistance programs should be configured to support the replacement of the puppet regime in Kabul and to promote true self-determination in Afghanistan—free from any outside interference, and if our assistance is not achieving those urgent objectives, it should be appropriately redirected to ensure these objectives are being met.

We must immediately increase the level and frequency of our direct diplomatic interaction with the Afghan resolution. Once again, the Senate is calling for the immediate naming of an ambassadorial-level envoy for Afghanistan. This is the third time, Mr. President that this body has expressed its views on that issue. I have heard that a decision by the administration is imminent. However, I have been hearing that for weeks. Meanwhile, the Afghan resistance has formed an interim government, and the war is reaching a critical phase.

We should also immediately sever diplomatic relations with the Kabul regime. It is hard to believe, Mr. President, that we still have diplomatic ties with the puppet government in Kabul.

Several weeks ago, when Secretary Baker wisely withdrew American personnel from Kabul, a number of other countries followed our example—to the dismay of the Communist dictator in Kabul. We must now close the Afghan Embassy in Washington, and throw their diplomats out of the country. I discussed this matter earlier this week with the Deputy Secretary-designate, Larry Eagleburger, who shared my view. But again, we must move expeditiously.

Finally, Mr. President, the humanitarian needs in Afghanistan are overwhelming. For 5 years in a row, the Congress significantly increased the appropriation for cross border humanitarian assistance. Currently, the AID-administered program is far ahead of the United Nations in delivering emergency assistance inside Afghanistan. This resolution calls on the President to indentify resources to substantially increase our contribution. Lives, Mr. President, are at stake.

Mr. President, this resolution calls for an expeditious report to the Senate on the new administration's policy. We badly need a plan to ensure that the aspirations of the Afghan resistance are achieved. This resolution provides an important outline for such a plan.

SENATE RESOLUTION 86—RELATING TO THE APPOINTMENT OF A COMMISSION TO CONSIDER THE DESTRUCTION OF PAN AM FLIGHT 103 AND THE SECURITY OF AIR TRAVEL

Mr. LAUTENBERG (for himself, Mr. HOLLINGS, Mr. FORD, Mr. BRADLEY, Ms. MIKULSKI, Mr. D'AMATO, Mr. HEINZ, Mr. SARBANES, and Mr. MOYNIHAN) submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 86

Whereas, on December 21, 1988, Pan American World Airways flight 103 (hereinafter referred to as Pan Am 103) was deliberately and maliciously destroyed over Lockerbie, Scotland, by a terrorist explosive device;

Whereas 259 passengers and crew members on board Pan Am 103 were killed;

Whereas 11 individuals in and around Lockerbie, Scotland, were also killed;

Whereas relatives and friends of the victims of Pan Am 103 have been unable to obtain satisfactory information regarding the events leading up to the destruction of Pan Am 103;

Whereas investigations have revealed that the terrorist explosive device apparently was concealed within a portable radio cassette tape player and likely designed to explode upon attaining a specific altitude;

Whereas on November 18, 1988, the Federal Aviation Administration alerted United States Department of State officials and United States air carriers operating overseas that a terrorist group had prepared an explosive device hidden in a portable radio cassette tape player that included a device that could be used to trigger the explosive in an aircraft;

Whereas it has been revealed that the Government of the United Kingdom had the same information as the Federal Aviation Administration in November 1988, and that such Government issued a notice on November 22, 1988, and on December 19, 1988, two days prior to the bombing of Pan Am 103, distributed additional information, to United Kingdom airports and airlines and certain non-United Kingdom airlines, including photographs of the explosive device and portable radio cassette tape player;

Whereas complete information relating to the actions of United States and foreign diplomatic officials, aviation officials, and air carriers, including any responses to official warnings and security bulletins, preceding the destruction of Pan Am 103 has not yet been fully disclosed to the Congress or to the public;

Whereas the issue of selective notification of threats of terrorist action on flights, such as in the case of Pan Am 103, must be resolved;

Whereas serious questions remain as to the adequacy of United States and foreign aviation security procedures to safeguard the traveling public on domestic and international flights;

Whereas the events surrounding the destruction of Pan Am 103 effects the public's confidence in the ability of the Government of the United States to ensure, to the maximum extent possible, the safety of travelers on domestic and international flights;

Whereas an independent, objective assessment of both the facts and circumstances surrounding the destruction of Pan Am 103 and of the adequacy of aviation security procedures may help prevent recurrences of tragedies such as the destruction of Pan Am 103; and

Whereas complete information surrounding the events leading to the destruction of Pan Am 103 may assist in bringing the responsible parties to justice: Now, therefore, be it

Resolved, That it is the sense of the United States Senate that—

(1) the President should appoint, not later than March 30, 1989, a special commission to investigate the events surrounding the destruction of Pan Am 103;

(2) the commission should have the power to conduct hearings;

(3) consistent with national security, the commission should have access to classified information, subject to appropriate safeguards;

(4) the commission should hold its first meeting not later than April 15, 1989;

(5) the commission should submit, not later than August 31, 1989, to the President, and to the Committees on Commerce, Science and Transportation and Appropriations of the Senate, and the appropriate Committees of the House of Representatives, a report including, but not limited to—

(A) its findings relating to the relevant information available to the Government of the United States, and to commercial air carriers, prior to December 21, 1988;

(B) an assessment of the adequacy of all known aviation security procedures;

(C) recommendations for changes in all laws and regulations relating to security of commercial air carriers; and

(D) the commission should also prepare a copy of its report, for public distribution, excluding such information that is classified or the disclosure of which would threaten the safety of air travelers or others.

SEC. 2. The Clerk of the United States Senate shall transmit a copy of this resolution to the President with the request that the President further transmit copies of this resolution to the Secretary of Transportation and the Secretary of State.

AMENDMENTS SUBMITTED

COST OF URANIUM ENRICHMENT PROGRAM

DOMENICI (AND OTHERS) AMENDMENT NO. 10

(Ordered referred to the Committee on Energy and Natural Resources.)

Mr. DOMENICI (for himself, Mr. BINGAMAN, Mr. SIMPSON, Mr. WALLOP, Mr. GARN, and Mr. HATCH) submitted the following amendment intended to be proposed by them to the bill (S. 83) to establish the amount of costs of the Department of Energy's Uranium Enrichment Program that have not previously been recovered from the enrichment customers in the charges of the Department of Energy to its customers; as follows:

At the end of the bill add the following:

"TITLE II—URANIUM

"Subtitle A—Short Title, Definitions, and Savings Provision

"SEC. 201. SHORT TITLE.

"This title may be cited as the 'Uranium Revitalization, Tailings Reclamation and Enrichment Act of 1988.'

"SEC. 202. DEFINITIONS.

"For purposes of subtitles A, B, and C of this title—

"(1) the term 'active site' means—

"(A) any uranium processing site, including the mill, containing by-product material for which a license (issued by the Nuclear Regulatory Commission or its predecessor agency under the Atomic Energy Act of 1954, as amended, or by a State as permitted under section 274 of such Act (42 U.S.C. 2021)) for the production at such site of any uranium derived from ore—

"(i) was in effect on January 1, 1978;

"(ii) was issued or renewed after January 1, 1978; or

"(iii) for which an application for renewal or issuance was pending on, or after January 1, 1978; and

"(B) any other real property or improvement on such real property that is determined by the Commission to be—

"(i) in the vicinity of such site; and

"(ii) contaminated with residual byproduct material;

"(2) the term 'active thorium site' means—

"(A) any thorium processing site, including the mill, containing by-product material for which a license (issued by the Nuclear Regulatory Commission or its predecessor agency under the Atomic Energy Act of 1954, as amended, or by a State as permitted under section 274 of such Act (42 U.S.C. 2021)) for the production at such site of any thorium derived from ore—

"(i) was in effect on January 1, 1978;

"(ii) was issued or renewed after January 1, 1978; or

"(iii) for which an application for renewal or issuance was pending on, or after January 1, 1978; and

"(B) any other real property or improvement on such real property that is determined by the Commission to be—

"(i) in the vicinity of such site; and

"(ii) contaminated with residual byproduct material;

"(3) the term 'Administrator' means the Administrator of the Environmental Protection Agency;

"(4) the term 'byproduct material' has the meaning given such term in section 11(e)(2) of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2014(e)(2);

"(5) the term 'civilian nuclear power reactor' means any civilian nuclear powerplant required to be licensed under section 103 or section 104 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2133);

"(6) the term 'Commission' means the Nuclear Regulatory Commission;

"(7) the term 'Corporation' means the United States Enrichment Corporation;

"(8) the term 'Department' means the Department of Energy;

"(9) the term 'domestic uranium' means any uranium that has been mined in the United States including uranium recovered from uranium deposits in the United States by underground mining, open-pit mining, strip mining, in-situ recovery, leaching and ion recovery, or recovered from phosphoric acid manufactured in the United States;

"(10) the term 'domestic uranium producer' means a person or entity who produces domestic uranium and who has, to the extent required by State and Federal agencies having jurisdiction, licenses and permits for the operation, decontamination, decommissioning, and reclamation of sites, structures and equipment.

"(11) the term 'enrichment tails' means uranium in which the quantity of the U235 isotope has been depleted in the enrichment process.

"(12) the term 'overfeeding' means the use of natural uranium from stockpiles or inventories to produce enriched uranium when—

"(A) an enrichment services customer supplies less natural uranium than the amount actually used to produce its enriched uranium requirements; and

"(B) for purposes of achieving efficient operation of enrichment facilities, natural uranium from stockpiles or inventories is used to satisfy the shortfall in natural uranium supplied by such customer;

"(13) the term 'pre-production of enriched uranium' means the use at a given point in time of natural uranium from stockpiles or inventories to produce enriched uranium in excess of amounts required to satisfy then current obligations to provide enrichment services;

"(14) the term 'reclamation, decommissioning and other remedial action' includes long-and short-term monitoring, except for the purpose of determing the date when reclamation, decommissioning and other remedial action is complete for the purpose of making refunds under section 222. Such term shall include mill decommissioning only if the owner or licensee of an active site elects to make the contributions provided for in section 212(b)(1)(C);

"(15) the term 'Secretary' means the Secretary of Energy;

"(16) the terms 'source material' and 'special nuclear material' have the meanings given such terms in section 11 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2014); and

"(17) the term 'tailings' means the wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content.

"Subtitle B—Uranium Revitalization

"SEC. 210. REPEAL OF SECTIONS 161v. and 170B.

"Sections 161v. and 170B of the Atomic Energy Act of 1954, as amended, are repealed and the remaining sections are relettered accordingly.

"SEC. 211. URANIUM REVITALIZATION FUND.

"(a) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a separate fund, to be known as the Uranium Revitalization Fund (referred to in subtitles A, B, and C of this title as the 'Fund'). The Fund shall consist of—

"(1) all contributions to the Fund from the States in which active sites are located as provided in section 212(a);

"(2) all contributions to the Fund from owners or licensees of active sites as provided in section 212(b);

"(3) all contributions to the Fund by the Corporation as provided in section 212(c);

"(4) all fees received from owners or operators of civilian nuclear power reactors as provided in section 212(d); and

"(5) all interest earned on sums in the Fund.

"(b) USE OF FUND.—The Secretary shall make expenditures and reimbursements from the Fund only in accordance with subtitles B and C of this title.

"(c) ADMINISTRATION OF THE FUND.—(1) The Secretary of the Treasury, after consultation with the Secretary, shall annually submit to the Congress a report on the financial condition and operation of the Fund during the preceding fiscal year.

"(2) The Secretary shall submit the budget of the Fund to the Office of Management and Budget annually along with the budget of the Department in accordance with chapter 11 of title 31, United States Code. The budget of the Fund shall consist of the estimates made by the Secretary of receipts by and expenditures and reimbursements from the Fund and other relevant financial matters for the succeeding three fiscal years, and shall be included in the Budget of the United States Government.

"(3) If the Secretary determines that the Fund contains at any time amounts in excess of current needs, the Secretary shall request the Secretary of the Treasury to invest such amounts, or any portion of such amounts as the Secretary determines to be appropriate, in obligations of the United States—

"(A) having maturities determined by the Secretary of the Treasury to be appropriate to the needs of the Fund; and

"(B) bearing intertest at rates determined to be appropriate by the Secretary of Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the maturities of such investments, except that the interest rate on such investments shall not exceed the average interest rate applicable to existing borrowings.

"(4) Receipts, proceeds, and recoveries realized by the Secretary for the Fund under this title, and expenditures and reimbursements of amounts from the Fund, shall be exempt from annual apportionment under the provisions of subchapter II of chapter 15 of title 31, United States Code.

"(5) Receipts, proceeds and recoveries realized by the Secretary under this title shall be deposited in the Fund and shall be available until expended without further appropriations. For fiscal year 1989, total expenditures from the Fund shall not exceed total receipts, proceeds and recoveries.

"SEC. 212. CONTRIBUTIONS TO THE FUND.

"(a) CONTRIBUTIONS BY STATES CONTAINING ACTIVE SITES.—(1) Each State containing an active site or sites may contribute from non-Federal fund to the Treasury of the United States to be deposited in the Fund the sum of $0.10 for each dry ton of tailings at an active site within such State listed in section 220(d)(1) whose owner or licensee has elected to participate in reclamation, decommissioning and other remedial action through the Fund as determined under section 221.

"(2) Such payment shall be made in five equal annual installments commencing January 1, 1990.

"(3) If any State containing an active site or sites, whose owner or licensee has elected to participate in reclamation, decommissioning and other remedial action through the Fund, fails or refuses to make the contributions, or any portion thereof, such failure or refusal shall not affect the right of the owner or licensee of an active site in such State to participate in reclamation, decommissioning and other remedial action through the Fund.

"(b) CONTRIBUTIONS BY OWNERS OR LICENSEES OF ACTIVE SITES.—(1) Each owner or licensee of an active site listed in section 220(d)(1) who elects to participate in reclamation, decommissioning and other remedial action, through the Fund shall contribute to the Treasury of the United States, to be deposited in the Fund, for each such site as to which it is the owner or licensee

"(A) $2,000,000 per site, of which,

"(i) $1,000,000 shall be contributed on or before January 31, 1990; and

"(ii) $1,000,000 shall be contributed on or before January 31, 1991;

"(B) $1 per dry ton for all tons of tailings at such active site, the uranium from which was processed for commercial sales prior to the effective date of the Act, of which—

"(i) $0.50 per dry ton for all tons of tailings at such active site, the uranium from which was processed for commercial sales prior to the effective date of this Act, shall be contributed on or before January 31, 1992; and

"(ii) $0.50 per dry ton for all tons of tailings at such active site, the uranium from which was processed for commercial sales prior to the effective date of this Act, shall be contributed on or before January 31, 1993; and

"(C) an additional $500,000 to be paid on or before January 31, 1994 if the owner or licensee elects to decommission the mill at such site as a part of the reclamation, decommissioning and other remedial action.

"(c) CONTRIBUTIONS BY THE CORPORATION.—The Corporation shall contribute to the Treasury of the United States, to be deposited in the Fund, the total of $450 million. The sum of $90 million shall be deposited in the Fund on December 15, 1989 and the remaining $360 million deposited in the Fund in equal annual installments beginning December 15, 1990 and each December 15 thereafter through December 15, 1993.

"(d) CONTRIBUTIONS BY LICENSEES OF CIVILIAN NUCLEAR POWER REACTORS.—(1) Licensees for civilian nuclear power reactors shall contribute to the Treasury of the United States, to be deposited in the Fund, the sum of $1 billion. The contribution shall be derived from a fee of $72.00 per kilogram of uranium contained in fuel assemblies initially loaded into each civilian nuclear power reactor during each of the calendar

years beginning with January 1, 1988 and paid until the $1 billion is contributed to the Fund. In the year that the $72 per kilogram fee would result in the total contribution to the Fund exceeding $1 billion, the fee for that year shall be reduced on a prorate basis to each licensee so that the total contribution to the Fund under this section will not exceed $1 billion.

"(2) The $72 per kilogram fee provided under paragraph (1) shall apply to fuel on its initial loading into the reactor and not to previously loaded fuel being loaded again; Provided, That the fee shall only be charged for one third of the total kilograms of uranium contained in the first core loading of a new reactor. In calculating the total annual obligation by a licensee, fuel loaded in loadings during refueling outages that begin in one calendar year and are completed in the subsequent year may be deemed to have occurred in either year but not both. Fees paid pursuant to paragraph (1) shall be considered as a component of fuel cost for accounting and regulatory purposes.

"(3) The fee from each user so affected will be due on January 31 the following year with the first such payment due on January 31, 1989.

"(4) The contribution of this fee shall constitute the total obligation of licensees of civilian nuclear power reactors for uranium revitalization and mill tailings reclamation, except to the extent that a licensee of a civilian nuclear power reactor may be the owner or licensee of a uranium mill or as provided by contract executed prior to the effective date of this Act.

"(5) Not later than ninety days after the date of enactment of this Act the Secretary shall establish procedures for the collection and payment of the fee established by this subtitle.

"SEC. 213. MAINTENANCE OF FUND BALANCE.

"The Secretary shall manage expenditures and disbursements from the Fund such that it never is in a deficit on a cash basis. Priority of expenditures and disbursements from the Fund shall be given to the purchase of domestic uranium under sections 214 and 215 of this title. Reimbursements to owners or licensees of active sites for reclamation, decommissioning and other remedial action may be delayed until receipts allow disbursements. In such cases, owners or licensees of active sites will be treated pro-rata where only partial reimbursements can be made.

"SEC. 214. EARLY PURCHASE PROGRAM.

"(a) The Secretary shall obligate from the Fund the sum of $80 million dollars in approximately equal quarterly installments in calendar year 1989 to purchase domestic uranium from small domestic uranium producers.

"(b) The purchase process shall be accomplished using the same competitive bidding system as established in subsections (c) and (d) of section 215.

"(c) For the purpose of this section, a small domestic uranium producer is a domestic uranium producer with net assets of less than $200 million as of the date bids are submitted. The net assets of a domestic producer shall be determined in conformity with generally accepted accounting principles on a consolidated basis and shall include the assets and liabilities of affiliated companies, as determined in the manner the Secretary provides in regulations. The domestic uranium producer shall certify that it is an eligible small domestic uranium producer, as defined in such regulations, as of the date bids are submitted.

"(d) The domestic uranium delivered under this section shall be:

"(1) domestic uranium actually produced by the small domestic uranium producer after the enactment of this Act, or

"(2) domestic uranium actually produced by the small domestic uranium producer before the enactment of this Act and held by it without sale, transfer or redesignation of the national origin of such uranium on a DOE/NRC form 741.

"(e) In the event that the $80 million provided for purchases of domestic uranium under this section is not fully obligated, any amounts remaining shall be used for purchases of domestic uranium under section 215 of this title. Such amounts shall be in addition to the amounts provided in section 215.

"SEC. 215. DEMAND ENHANCEMENT.

"(a) COMMITMENT.—The Secretary shall obligate from the Fund the following amounts per calendar year to purchase domestic uranium:

"Calendar Year:	Expenditures
1989 (fourth quarter)	$80,000,000
1990	$150,000,000
1991	$140,000,000
1992	$130,000,000
1993	$120,000,000
1994	$50,000,000

"(b) TIMING OF SOLICITATIONS OF BIDS TO SELL.—Solicitations of bids to sell domestic uranium under this section shall begin on October 15, 1989 and shall be made quarterly so as to obligate approximately equal amounts out of each annual amount provided in subsection (a).

"(c) DELIVERIES.—Deliveries of the domestic uranium purchased by the Secretary shall be made in accordance with customary uranium industry practice to locations specified by the Corporation through the Secretary, and payment shall be made within thirty days after delivery.

"(d) COMPETITION.—Purchases of domestic uranium by the Secretary shall be accomplished using a competitive bidding system. The Secretary shall implement a bidding system which the Secretary determines to be appropriate. Purchases of domestic uranium by the Secretary shall be restricted to quantities deliverable within not more than twelve months of the contract award.

"(e) ELIGIBLE BIDS.—(1) Bidding shall be restricted to domestic uranium meeting one or more of the following criteria:

"(A) domestic uranium actually produced by a domestic uranium producer after the enactment of this Act;

"(B) domestic uranium actually produced by a domestic uranium producer before the enactment of this Act and held by it without sale, transfer or redesignation of the origin of such uranium on a DOE/NRC form 741;

"(C) domestic uranium returned to a domestic uranium producer pursuant to the settlement or final order of a lawsuit initiated prior to May 26, 1988; or

"(D) domestic uranium purchased by a domestic producer prior to January 1, 1988, to the extent that an equal amount of domestic uranium has been produced by such producer after January 1, 1988.

"(2) Contract awards under this section shall be limited to one million pounds of domestic uranium per domestic uranium producer per calendar year, subject to waiver if in the judgment of the Secretary it appears unlikely that the entire amount provided during a calendar year by subsection (a) will be obligated during that calendar year.

"(3) In the event that the entire amount provided during a calendar year by subsection (a) is not obligated during that calendar year, the unobligated balance shall be carried forward and added to subsequent monthly purchase obligations until the total amount of the Fund available for domestic purchases is expended.

"(4) Domestic producers that submit bids under this section or section 214 shall certify that the uranium to be delivered is eligible under paragraph (1) or subsection 214(d) as appropriate. The Secretary may impose penalties up to three times the bid price against any person or entity that knowingly submits a false certification.

"SEC. 216. PROMOTION OF EXPORT OF DOMESTIC ORIGIN URANIUM.

"(a) ENCOURAGE EXPORT.—The Department, with the cooperation of the Department of Commerce, the United States Trade Representative and other governmental organizations, shall encourage the export of domestic uranium.

"(b) IMPLEMENTATION.—Within one hundred and eighty days of the date of the enactment of this Act, the Secretary shall develop recommendations and implement government programs to promote the export of domestic uranium. The Secretary shall report annually to the Senate Committee on Energy and Natural Resources and the appropriate House Committees on the progress of government programs to promote the export of domestic uranium.

"SEC. 217. CERTIFICATION.

"(a) REACTORS.—The owner or operator of any civilian nuclear power reactor shall certify to the Secretary by January 31 of each year beginning January 31, 1989, and ending when the $1 billion has been contributed to the Fund as specified in section 212(d)(1), the total weight of uranium in new fuel assemblies loaded during such year.

"Sec. 218. OWNERSHIP OF PURCHASED URANIUM AND RESTRICTIONS ON USE OF URANIUM AND ENRICHMENT TRAILS.

"(a) GOVERNMENT URANIUM.—The use of natural uranium contained in stockpiles or inventories owned by the Department as of the date of enactment of this title, including its agencies and instrumentalities, shall be restricted to military purposes, Government research, working inventory for purposes of enrichment, overfeeding and preproduction of enriched uranium by the Corporation. In no event shall such use decrease the demand for natural uranium by United States utilities in comparison to the demand that would exist in the absence of such use. The United States, its agencies and instrumentalities shall not sell natural uranium contained in stockpiles or inventories owned by the Department as of the date of enactment of this title.

"(b) URANIUM PURCHASES UNDER THIS SUBTITLE.—All natural uranium purchased under sections 214 and 215 of this subtitle shall be the property of the Corporation without need for payment other than the contribution required under section 212(c). The use of such uranium shall be restricted to overfeeding and preproduction of enriched uranium by the Corporation. In no event shall such use decrease the demand for natural uranium by United States utilities in comparison to the demand that would exist in the absence of such use.

"(c) ENRICHMENT TAILS.—The Corporation may use or recycle available enrichment tails only for military purposes or for purposes of replacing uranium provided by the Corporation's enrichment customers which

was previously used in overfeeding. In no event shall the Corporation or the Federal government use or recycle enrichment tails in such a manner as to decrease the demand for natural uranium by United States utilities in comparison to the demand that would exist in the absence of such use or recycling.

"SEC 219. SECRETARY'S AUTHORITY TO MAKE REGULATIONS.

"The Secretary shall issue appropriate regulations to accomplish the purposes of this subtitle.

"Subtitle C—Remedial Action Performed by the Owner or Licensee of Active Sites

"SEC. 220. REMEDIAL ACTION.

"(a) IN GENERAL.—The owner or licensee of an active site shall select and perform reclamation, decommissioning, and other remedial actions, at active sites.

"(b) REMEDIAL ACTION TO BE PERFORMED IN ACCORDANCE WITH APPLICABLE STANDARDS.—Any reclamation, decommissioning or other remedial action performed under subsection (a) by an owner or licensee shall comply with all applicable requirements established pursuant to the Uranium Mill Tailings Radiation Control Act of 1978, as amended, or where appropriate, with requirements established by a State that is a party to a discontinuance agreement under section 274 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2021).

"(c) COSTS OF REMEDIAL ACTION TO BE PAID FROM URANIUM REVITALIZATION FUND.—The costs incurred by the owner of licensee who has elected to participate under section 221 for reclamation, decommissioning and other remedial action, performed by the owner or licensee under this subtitle shall be reimbursed under sections 222, 223, and 224 from the Fund established in section 211.

"(d) LISTS OF SITES AND TAILING DETERMINATION.—(1) The following active sites qualify for reimbursement from the Fund in accordance with the terms of this subtitle:

"Site:	Estimated tons of mill tailings July 1, 1985
Cotter—Cannon City Mill, Cannon City, CO	2,200,000
UMETCO—Uravan Mill, Uravan, CO	10,300,000
Sohio Western—L-Bar Mill, Seboyeta, NM	2,100,000
United Nuclear—Churchrock Mill, Churchrock, NM	3,500,000
Anaconda—Bluewater Mill, Grants, NM	23,600,000
Quivera Mining—Ambrosia Lake Mill, Grants, NM	33,000,000
Homestake—Grants Mill, Grants, NM	21,800,000
Conoco—Pioneer Nuclear, Conquista Project, Falls City, TX	8,800,000
Chevron Resources—Panna Maria Mill, Hobson, TX	4,600,000
Exxon—Felder Facility, Three Rivers, Texas	400,000
Rio Algom—Lisbon Mill, Moab, UT	3,000,000
Atlas—Moab Mill, Moab, UT	10,500,000
Dawn—Ford Mill, Ford, WA	3,000,000
Western Nuclear—Sherwood Mill, Wellpinit, WA	2,900,000
American Nuclear—Gas Hills Mill, Riverton, WY	5,900,000
Pathfinder—Lucky McMill, Riverton, WY	9,500,000
Western Nuclear—Split Rock Mill, Jeffrey City, WY	7,700,000
UMETCO—East Gas Hills Mill, Riverton, WY	9,200,000
Exxon—Highland Mill, Douglas, WY	7,200,000
Rocky Mountain Energy—Bear Creek Mill, Douglas, WY	5,000,000
Pathfinder—Shirley Basin Mill, Shirley Basin, WY	5,800,000
Petrotomics—Shirley Basin Mill, Shirley Basin, WY	6,300,000
Energy Fuels/UMETCO—White Mesa Mill, Blanding, UT	1,900,000
Minerals Exploration—Red Desert, Rawlins, WY	1,000,000
UMETCO—Maybell, Maybell, CO	2,000,000
Tennessee Valley Authority, Edgemont, SD	2,000,000

"(2) Within one hundred and eighty days of the date of enactment of this title the Secretary shall determine the actual amounts of mill tailings at each of the active sites listed in paragraph (1) on the date of enactment of this title.

"(3) No reimbursement under this subtitle shall be made for the reclamation, decommissioning and other remedial action performed for an active site not listed in paragraph (1) or for reclamation, decommissioning and other remedial action of mill tailings at a listed active site in excess of the actual amount of tailings determined by the Secretary under paragraph (2).

"SEC. 221. ELECTION TO PARTICIPATE.

"The owner or licensee of an active site listed in section 220(d)(1) may elect to perform reclamation, decommissioning and other remedial action through the Fund and be entitled to receive reimbursement under this subtitle for the cost incurred by such owner or licensee for reclamation, decommissioning and other remedial action performed in connection with the owner's or licensee's active site by notifying the Secretary of such election on or before January 1, 1990. If an owner or licensee makes an election to participate, the notice shall specify whether the owner or licensee elects to have decommissioning undertaken pursuant to the Fund. Such election to participate or not to participate shall be irrevocable.

"SEC. 222. REIMBURSEMENT OF COSTS INCURRED FOR RECLAMATION, DECOMMISSIONING OR OTHER REMEDIAL ACTION FROM FUND.

"(a) IN GENERAL.—The Secretary shall make reimbursement from the Fund to the owner or licensee of an active site listed in section 220(b)(1) who has elected to participate as provided in section 221, the costs incurred by such owner or licensee for the reclamation, decommissioning and other remedial actions in connection with such site as follows:

"(1) From the contributions made to the Fund by the Corporation as provided in section 212(c), by the States as provided in section 212(a), and by the licensees of civilian nuclear power reactors as provided in section 212(d), plus the interest earned upon such contributions, the owner or licensee of an active site shall be reimbursed an amount equal to two-thirds of the total cost of reclamation, decommissioning, and other remedial action at such site.

"(2)(A) From the contributions made by the owner or licensee of such active site plus the interest earned thereon, such owner or licensee shall be reimbursed one-third of the cost of reclamation, decommissioning and other remedial action at such site.

"(B) Notwithstanding (A), if the contributions made by the owner or licensee of such active site plus interest earned thereon exceed one-third of the cost of reclamation, decommissioning and other remedial action at such site, such excess shall be refunded to such owner or licensee. The payment of such excess shall be considered a refund and not reimbursement. If the contributions made or to be made by the owner or operator of such active site, plus interest earned thereon, is less than one-third of the cost of reclamation, decommissioning and other remedial action at such site, then the amount by which one-third of the cost of reclamation, decommissioning and other remedial action at such site exceeds the amount of contributions made by the owner or licensee of such active site plus interest earned thereon, shall be borne by the owner or licensee thereof.

"(3) Notwithstanding paragraphs (1) and (2), the owner or licensee of an active site shall also bear, and not be reimbursed for, any amount by which the cost of reclamation, decommissioning and other remedial action at such site exceeds a sum equal to $4.50 multiplied by the dry tons of tailings at such site as determined under section 220(d)(2).

"(4) Before an owner or licensee of an active site elects to participate as provided in Section 221, the owner or licensee shall dismiss, with prejudice, any pending action it has against the United States for reclamation, decommissioning and other remedial action at active sites covered by this title, or withdraw with prejudice its participation in such an action.

"(5) The successor to the owner or licensee of an active site (other than the United States or agency thereof or a State as provided by law) shall be entitled to credit for contributions made by its predecessor and interest earned thereon and be entitled to receive any reimbursements or refunds.

"(b) OWNER'S OR LICENSEE'S ACCOUNT.—The Secretary shall maintain accounts for each participating owner or licensee to reflect contributions by such owner or licensee, interest deemed earned on such contributions, reimbursements to such owner or licensee from the Fund, and the cost incurred by the owner or licensee for the reclamation, decommissioning or other remedial action in connection with such active site.

"(c) ACCOUNTS FOR OTHER CONTRIBUTORS TO THE FUND.—(1)(A) For the purpose of accounting, two-thirds of the costs incurred by participating owners or licensees at active sites, up to the maximum of $4.50 per dry ton of tailings at such sites as of the effective date of this Act (such two-thirds being $3 per dry ton based upon $4.50 per dry ton of tailings), shall be deemed to have been reimbursed from the Fund out of the portion of the Fund contributed:

"(i) by or on behalf of the Corporation as provided in section 212(c);

"(ii) by the States which have contributed as provided in section 212(a);

"(iii) by the licensees of civilian nuclear power reactors as provided in section 212(d); and from interest deemed earned upon such contributions.

"(B) The Secretary shall maintain accounts for each such person or entity making contributions to the Fund, reflecting the date and amount of such contributions, and the interest deemed earned thereon.

"(2) The Secretary shall determine as of January 31, 1994, whether the amount remaining in the Fund (other than the

amounts contributed by participating owners or licensees of active sites and interest deemed earned thereon) when considered with the $4.50 per dry ton limit on reimbursement exceeds the total cost reimbursable to the participating owners or licensees of active sites (other than that deemed reimbursed out of such participating owners' or licensees' contributions and interest deemed earned thereon or to be borne by owners or licensees), where reclamation, decommissioning and other remedial action has not been completed.

"(3) If the Secretary determines there is an excess, then the excess shall be refunded as set forth in subsection (d): *Provided, however,* That no amounts contributed to the Fund by the participating owners of licensees of active sites and interest deemed earned thereon shall be refunded to any person or entity other than the owner or licensee making such contribution, or their successors or assigns.

"(d) REFUNDS TO CERTAIN CONTRIBUTORS.—The Secretary shall make a determination annually after January 31, 1994, whether an excess as calculated pursuant to subsection (c) exists in the Fund. If, as of January 31, 1994, and each January 31 thereafter, the Secretary determines that the Fund contains an excess as calculated in subsection (c), then the Secretary shall refund or use the excess in the following order:

"(1) the Secretary shall refund the excess to the States which have made contributions to the Fund as provided in section 212(a), until such States have been refunded the full amount of their contributions;

"(2) up to $100 million shall be used for the purchase of domestic uranium as described in section 215; and

"(3) the remaining excess, if any, shall be refunded to the licensees of civilian power reactors.

"(e) INTEREST DEEMED EARNED.—For the purposes of this subtitle, the contributions made by any person or entity shall be deemed to have earned interest annually on the contribution from the date made. The appropriate interest rate for each year shall be determined by the Secretary, taking into consideration the average market yield on outstanding marketable obligations of the United States with one year maturity during the year for which calculation is being made: *Provided, however,* That contributions made by any participating owners or licensees of active sites shall be deemed to bear interest during any such year only to the extent that the contributions made by such owner or licensee exceed one-third of the costs reimbursed out of the Fund to such owner or licensee up to such time.

"SEC. 223. LIMITATION OF REIMBURSEMENT.

"(a) $4.50 PER TON LIMIT.—The total reimbursement from the Fund to the owner or licensee of an active site shall not exceed an amount equal to $4.50 multiplied by the dry tons of tailings located at the site as of the effective date of this subtitle, as determined in accordance with the requirements of section 220(d). Costs in excess of $4.50 per ton shall be borne by the owner or licensee of the active site on its own account outside the Fund.

"(b) INFLATION ESCALATION INDEX.—The $4.50 per dry ton multiplier provided in subsection (a) shall be increased annually based upon an inflation escalation index. The Secretary shall determine the appropriate index to apply.

"SEC. 224. TAILINGS GENERATED AFTER THE DATE OF THE ENACTMENT OF THE TITLE.

"(a) IN GENERAL.—An owner or licensee of an active site who has elected to participate pursuant to section 220 shall be entitled to reimbursement from the Fund to the limits provided, for the costs incurred for the reclamation, decommissioning and other remedial action in connection with such active site on the basis of tailings existing at such active site as of the date of enactment of this title. The participating owner or licensee of an active site shall be responsible on its own account outside the Fund for the costs incurred for the reclamation, decommissioning and other remedial action associated with tailings generated at such active site after the date of the enactment of this title.

"(b) ACTIVE SITES CONTAINING TAILINGS GENERATED BEFORE AND AFTER THE DATE OF ENACTMENT OF THIS TITLE.—If an active site owner or licensee has elected to participate contains tailings generated both before and after the date of the enactment of this title, then it shall be assumed that the costs incurred by the owner or licensee for the reclamation, decommissioning and other remedial action in connection with such site were incurred pro-rata based on the dry tons of tailings generated before and after the date of the enactment as determined on the basis of the Secretary's findings under section 220(d)(2), unless the Secretary determines that the costs incurred in connection with the tailings generated after the date were less than would result from the pro-rata formula, in which event such lower amount shall be used for the purpose hereof.

"SEC. 225. THORIUM SITES.

"(a) IN GENERAL.—The cost of reclamation, decommissioning, and other remedial action at active thorium sites shall be borne by the licensee or owner, subject to reimbursement by the United States for a portion of the costs at any such sites if tailings at the site were generated as an incident of sales to the United States or any of its agencies and instrumentalities. The portion of the costs to be allocated to the United States shall be determined by the ratio of the volume of tailings that were generated as an incident of sales to the United States, or any of its agencies and instrumentalities, to the total volume of tailings at the site. Owners or licensees shall decide by January 1, 1989, whether they have tailings subject to Federal reimbursement and so notify the Secretary. Subject to such notification and confirmation of the existence of tailings eligible for reimbursement as described above, the Secretary shall enter into a cooperative agreement with the owner or licensee of the site providing for the payment by the United States of its portion of the cost of reclamation, decommissioning and other remedial action.

"(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out the provisions of this section, such funds as necessary are hereby authorized to be appropriated.

"SEC. 226. INTEREST ON COSTS INCURRED.

"Reimbursement from the Fund for costs incurred shall include interest at the rate provided in section 222(e) on costs incurred by the participating owner or licensee of an active site from the date a statement for reimbursement of such cost is submitted by the owner or licensee to the Secretary until reimbursement for such cost is made from the Fund.

"SEC. 227. LIMITATION OF FINANCIAL OBLIGATIONS.

"The contributions made and work performed by the owners or licensees of the active sites shall be the sole liability and obligation imposed under Federal laws in connection with the reclamation, decommissioning and other remedial action at active uranium and thorium sites; Provided, however, that nothing herein contained shall affect the obligation of every owner or licensee to provide for such long-term care or other reclamation requirements (including financial requirements) as are provided in the Uranium Mill Tailings Radiation Control Act of 1978, as amended, the regulations of the Commission thereunder, and the regulations of the Environmental Protection Agency thereunder. The financial requirements provided in the Commission's regulations under the Uranium Mill Tailings Radiation Control Act of 1978, as amended, as of the date of enactment of this Act shall remain in effect until the Commission has promulgated regulations implementing this subtitle.

"SEC. 228. RECLAMATION ALREADY UNDERTAKEN.

"The owner or licensee of a participating active site who has undertaken reclamation, decommissioning or other remedial action at such site prior to the date of the enactment of this title shall be entitled to reimbursement for the cost thereof as if the work was done after such date if such work, including disposal work, was accomplished in order to comply with the standards under section 220(b). The timing of such reimbursement shall be subjected to the management of the Fund as specified in section 213. An owner or licensee of an active site which has elected to participate in the Fund and has performed reclamation work prior to the effective date of enactment of this Act may have any sums to which it is entitled to be reimbursed credited against any sums it is required to contribute. The Commission shall determine whether work performed at a site prior to the enactment of this title was accomplished in order to comply with the standards under section 220(b) and advise the Secretary accordingly.

"SEC. 229. SECRETARY'S AUTHORITY TO MAKE REGULATIONS AND REIMBURSEMENTS.

"The Secretary shall adopt and issue appropriate regulations to accomplish the purposes of this title and shall review statements by participating owners or licensees for reimbursement from the Fund of costs incurred for reclamation, decommissioning and other remedial actions. Any such statement for reimbursement found appropriate shall be approved by the Secretary and reimbursement therefore shall be made from the Fund.

"SEC. 229. STANDARDS AND INSTRUCTIONS FOR BONDING, SURETY, OR OTHER FINANCIAL ARRANGEMENTS, INCLUDING OR OTHER PERFORMANCE BONDS.

"Section 161x. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2201x.), is amended by inserting after the word 'ensure' in the matter preceding paragraph (1) a comma and the following: 'for the share of costs for which the licensee is responsible'.

"SEC. 230. PAYMENTS TO URANIUM REVITALIZATION FUND.

"The Secretary, or the United States Enrichment Corporation, as the case may be, shall make annual payments to the Uranium Revitalization Fund of $90 million for five years, for a total of $450 million. Of each $90 million payment, $60 million shall

be credited against payments owned to the Treasury on the initial debt.".

● Mr. DOMENICI. Mr. President, today I introduce legislation to foster restoration of the viability of our Nation's uranium industry. This measure is cosponsored by Senators BINGAMAN, SIMPSON, WALLOP, GARN, and HATCH.

Our domestic uranium industry is now in even worse condition than it was last year when the Senate passed similar legislation to that I introduce today. Once again—for the fourth consecutive year—the Secretary of Energy has found our domestic uranium industry to be nonviable. Import levels are so high that he has asked the Secretary of Commerce to initiate a study under section 232 of the Trade Expansion Act to determine the national security impacts of uranium imports.

Uranium prices are at record lows. Currently, only three uranium mills are currently producing and domestic uranium production has declined from 43 million pounds in 1980 to little more than 12 million pounds—only 30 percent of demand.

Revitalization of this industry is not only important to my State of New Mexico, but it is important to our national security. Almost one-half of the capital base of our domestic utility industry is invested in over 100 uranium-fueled nuclear reactors. These reactors will burn more than 2 billion pounds of uranium over their operational lives. In addition, vital U.S. defense programs depend on reliable sources of uranium—notably, 150 nuclear subs. By any standard, uranium is a critical strategic material.

Last year the Senate approved a three part initiative to revitalize our domestic uranium industry. Last month, the distinguished Senator from Kentucky, introduced one part of last years triad as amendment No. 6 to S. 83. His amendment reorganizes the DOE's uranium enrichment program by establishing the U.S. Enrichment Corporation to manage the Federal program on a commercial basis.

The amendment I introduce today contains the other two parts of the uranium triad approved by the Senate last year. First, it establishes a 5-year, $750 million program for the Federal purchase of domestic uranium by the Secretary of Energy. Second, it provides a system for funding the reclamation of uranium mill tailings at active mill sites.

To finance these other two programs, the legislation establishes the uranium revitalization fund in support of both the purchase program and the tailings reclamation. Contribution to the fund will be $450 million from the revenues of the U.S. Enrichment Corporation, a $300 million contribution from uranium producers, and a $1 billion contribution from the licensees of nuclear reactors.

The two programs in my amendment represent the compromise reached last year following negotiations between the Reagan administration, the utility industry and domestic uranium producers.

The proposed uranium purchase program could help restore a viable industry by increasing the demand for domestic uranium by some 6 million pounds a year over the next 5 years.

There was a time, Mr. President, when 65 percent of the Nation's uranium production came from my State of New Mexico. We had 7,000 people employed in an industry where today we have few more than 100 active miners at work. I do not deceive myself in believing that the legislation that I am submitting today will restore the uranium industry to the levels of employment that once existed in New Mexico and other major uranium States. But what it will do is help preserve the nucleus of an industry that is critically important to our Nation's energy security and military security.

Importantly, Mr. President, the legislation also will aid the uranium industry by providing assistance for the reclamation of mill tailings. Most of the affected tailings were generated at a time when tailings were not viewed as hazardous and the price paid for uranium by the Government and utilities did not include the heavy costs of complying with stringent standards later imposed retroactively by Congress. It is entirely appropriate that both the utilities and the Government pay a fair-share of these environmental restoration costs with the owners of active mill sites, who remain responsible for doing the required reclamation work.

I recognize, Mr. President, that circumstances have changed in recent months. The free-trade agreement with Canada has now been ratified and is being implemented. Canadian uranium, which comprises some 60 percent of our uranium imports, is now exempt from any restrictions which might otherwise be imposed on the enrichment of foreign uranium. Nevertheless, there continues to be strong support among many of my colleagues for efforts to preserve a viable uranium industry by addressing all the problems of the front end of the nuclear fuel cycle.

When reporting uranium legislation in 1987, the Energy Committee reaffirmed that—

> Congress has considered a viable domestic uranium industry as vital to the U.S. national defense and security.

The committee went on to state that:

> While dependency on other nations for strategic minerals generally, and for uranium in particular, may bring some short-term gain, it also involves long-term economic and energy security risks to the Nation's common defense and security.

Despite this significance of uranium to the Nation's common defense and security, the United States has pursued policies which contributed greatly to the depressed condition of the industry. The inventories which currently overhang the market and depress prices today largely the result of past Government enrichment policies.

In addition, there is the problem of subsidized uranium imports that our trade officials have consistently declined to address. They have been well aware of these problems for years.

It is not too late, however, for action by both Congress and the executive branch to restore a viable domestic uranium industry. Clearly, we are not bound by the specifics of the specific proposals in my amendment which were approved by the committee and the Senate last year. The details of any final legislation will once again have to be negotiated with all interested parties. Nevertheless, these proposals can serve as the basis for further discussion and negotiations.

I anticipate that the committee will consider Senator FORD's proposal for a U.S. Enrichment Corporation and my two proposals as a triad, as was done during the last Congress. In this effort I intend to work with Senator FORD and my other colleagues on the Energy Committee, as well as the Bush administration to achieve early resolution of the remaining outstanding issues.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate Friday, March 17, 1989, at 10 a.m. to continue its oversight hearings on the problems of the Federal Savings and Loan Insurance Corporation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate Friday, March 17, 1989, at 10 a.m. to conduct an oversight hearing on policies to prevent destruction of the ozone layer and global warming.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MEDICARE AND LONG-TERM CARE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Medicine and Long-

Term Care of the Committee on Finance be authorized to meet during the session of the Senate Friday, March 17, 1989, at 10 a.m. to hold a hearing on the Physician Payment Review Commission's report to Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON DEFENSE INDUSTRY AND TECHNOLOGY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Defense Industry and Technology of the Committee on Armed Services be authorized to meet during the session of the Senate Friday, March 17, 1989, at 9:30 a.m. in open session to receive testimony on the first annual critical technologies plan.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Friday, March 17, 1989, at 9:30 a.m., to hold a hearing on S. 544.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BREATHING LIFE—AND A FUTURE—INTO AMTRAK

● Mr. HOLLINGS. Mr. President, a recent edition of Modern Railroads published an article commending W. Graham Claytor, Jr., for the success that our National Passenger Railroad Corporation—Amtrak—has achieved under his tutelage. In fact, Graham Claytor has been named Modern Railroads, "Railroader of the Year" for 1989. I want to commend Modern Railroads for its excellent selection and salute my friend Graham Claytor for the tireless leadership he has provided Amtrak. The success Amtrak has achieved in recent years can be measured by the increase in ridership and miles traveled, significant improvements in its revenue-to-cost ratio, as well as the $1.1 billion in revenue earned in fiscal year 1988. I ask that the following article be reprinted.

The article follows:

BREATHING LIFE—AND A FUTURE—INTO AMTRAK

(By Greg Borzo)

Three years ago, Amtrak did not seek private financing to purchase the new cars and locomotives it needed. Perhaps it knew better than to try. At worst, loans would have been denied; at best, they would have been difficult to secure, even at a premium rate.

At that time, Amtrak's very future was in question. The Reagan Administration had again requested zero dollars for Amtrak—a position that would be taken four years in a row. As long as it seemed destined for extinction, Amtrak's ability to repay loans was on a par with, let's say, Brazil's.

During the last several months, however, Amtrak has secured financing for 100 new passenger cars from the builder and an affiliated financier. Last year it did the same for new locomotives, and just recently refinanced the transaction with a third party. These funds, extended on very competitive terms, marked Amtrak's first major entree into the financial market in almost a decade. The good credit rating says a lot about Amtrak's new vigorous health; most of all, it says that the national passenger railroad system is here to stay.

"It's very difficult to get any kind of money when they think you might be out of business within a year; that doesn't do anything for your credit," said W. Graham Claytor Jr., president and chairman of the board of Amtrak since 1982. "How well we do is going to depend, to a great extent, on whether or not we get enough capital to keep moving. I'm confident we'll get it."

For turning Amtrak around and for leading Amtrak to its best year in revenue, operating ratio and ridership—as well as just about any other yardstick—Claytor has been named Modern Railroads' Railroader of the Year for 1989.

In a way, Amtrak's improved standing in the financial community tells the whole story. Lenders who once didn't want to talk to Amtrak are now willing to extend credit. Why?

Because revenue keeps growing. From 1981 to 1988 (fiscal years), it grew more than 30 percent, after accounting for inflation.

Because Amtrak's revenue-to-cost ratio, or operating ratio, has improved steadily from 48 percent in 1981 to 69 percent in 1988.

Because ridership continues to grow; in fact Amtrak has to turn away customers for want of equipment. With sold-out trains in the West and 200,000 standees in the Northeast Corridor last year, new equipment is a sound investment.

Because, for the second year in a row, Amtrak covers all short term, above the rail costs with revenue.

And because it's the one major railroad that has managed to reduce labor costs and keep them in line.

Amtrak's improved standing in the financial community is a vote of confidence in the man at the helm and demonstrates that Amtrak is capable of solving its own problems rather than relying on the federal government.

"We've already done a significant amount of private financing. If we get more federal funds, it will be easier to get more private financing. Even just words of support from Washington—which we are now getting [from President-elect Bush]—will help us get financing on the outside."

CREATIVE REVENUING

Besides seeking capital funds from financial institutions, Claytor has generated much-needed capital by exploring new revenue options. In 1987, for example, Amtrak began carrying some 10 million yearly commuters under contract for the Massachusetts Bay Transportation Authority. In 1988, that grew to 15 million. Next, Claytor hopes to provide similar services for transit agencies in Connecticut and Florida, for Caltrans, and for the Virginia Railway Express' proposed services out of Washington, D.C.

Real estate development represents another promising area. With 70 acres of air rights in downtown Philadelphia, and extensive center-city property in Chicago, New York and Washington, D.C., Amtrak is sitting pretty. Development of these properties, and station renovation including leases to commercial ventures, will generate significant new revenue.

Mail and express freight also generate profit and represent potential earnings. This traffic has been growing at eight to 10 percent a year during the past several years. Clayton expects Amtrak to carry more and more of it—but only where it's profitable.

Amtrak is selling its passenger seat reservation system to Via Rail in Canada, and has negotiations under way with Australia and France. This leads Claytor to hope that the system may become an international standard.

But most "extra" revenue in 1988, about $30 million, was generated by the corporate development department. This includes leasing the right-of-way for fiber optics; leasing equipment, such as high speed tampers and track laying machinery; track work and welding rail, mostly for commuter lines; and assembling rail cars. Even safe harbor leasing still generates a few million a year, although it lessens every year.

Amtrak's aggressive pursuit of new revenue streams has raised a few objections in the rail supply industry. Some suppliers believe that Amtrak benefits from an unfair competitive advantage because it receives federal funds, but Claytor claims that the suppliers just don't want the competition.

"Congress said that we should reduce the federal budget deficit by making a profit on anything we could," he said. "It also said, from the very beginning, that we have to include in our bid all capital costs that you would have to include if you were a fully private operation. We lean over backwards in that area. In fact, we load it up so much that we've lost a lot of bids."

Claytor pointed out that some politicians think Amtrak should in fact be given preferential treatment when it comes to providing car assembly or contracting services for transit agencies. That would help reduce the budget deficit since transit agencies are typically supported with federal funds. Claytor was quick to point out, however, that Amtrak does not take this position.

CONTROLLING COSTS

Claytor has also improved the bottom line by controlling costs. Amtrak's operating expenditures declined 6 percent in constant dollars, between 1981 and 1987. Claytor points to high labor productivity for much of this gain. Between 1980 and 1988, cumulative wage increases totaled 34 percent vs. 48 percent for the rail industry as a whole. All told, Amtrak saves more than $200 million a year due to favorable labor conditions, such as reduced crew sizes, elimination of arbitraries, and hourly pay scales, rather than paying on the basis of miles traveled.

Amtrak is only Class I with these innovative work rules across the board, although all the other major railroads would jump at the chance to implement them. For the most part, the rules grew out of congressional action that gave Amtrak the opportunity to renegotiate labor conditions as the railroad was created and subsequently remade. Neither Claytor nor (it seems) anyone else has a formula on how to make these work rules rub off on Class I's. When asked if he had any suggestions to fellow railroad presidents on how to do away with the 108-mile day or superfluous train crew

positions he answered, "It's to the unions that I'd like to make some suggestions!"

One of Claytor's major achievements is covering all short term avoidable operating costs with route revenues, systemwide. Before his arrival, route revenues covered only 73 percent of these costs; today that figure is 115 percent. This doesn't mean Amtrak is in the black, nor that it will ever be. But it does mean that the railroad should be able to continue to reduce its reliance on federal subsidies, which fell from $900 million in 1981 to $581 million in 1988, a drop of more than 50 percent in constant dollars.

WORKING WITH FREIGHT LINES

Claytor has worked hard to improve the sometimes-troubled relationships between Amtrak and the major freight railroads. He is especially qualified for this task because he headed the Southern Railway from 1967 to 1976. He knows freight railroading, as well as many of the industry's key players.

"Running Amtrak is not all that different from running a freight railroad," he said. "We're in the same business so we've got to work together."

If all railroad presidents shared this veiw, however, Claytor's job would be much easier. Although he describes Amtrak's relationship with freight railroads as "excellent," there are some inherent differences between the priorities of freight and passenger railroading.

Track conditions and resultant speed limits constitute perhaps the biggest rift. Railroads don't want the expense of maintaining track up to the standards needed for Amtrak's faster trains. In perhaps the most recent example of this industrywide dilemma, Burlington Northern Railroad in October told Amtrak that it would have to limit its trains to the same speeds as BN's freight trains. In many cases this will require Amtrak to reduce its train speeds and alter its schedules.

BN says that speed differentials cause congestion now that traffic levels are relatively high. The issue is being negotiated.

On a subject related to good track maintenance, Claytor would like freight railroads to do more to help Amtrak improve its on-time performance, an area in which things are getting worse. In 1983, 82 percent of Amtrak's trains were on time. That figure has dropped steadily to 71 percent for 1988.

"The Metroliners were at about 90 percent [on time], but off-corridor our on-time performance has been dreadful this year," he said. "The increase in freight business is the main reason, and one of the principal problems has been freight derailments. One derailment can hold up as many as a dozen of our trains."

Incentive contracts, which reward railroads for on-time performance, should help solve this, according to Claytor, even though the railroads without such contracts are not necessarily the ones with the worst on-time records. "The incentive contract is the most important thing in resolving this," Claytor said. "Some lines like Santa Fe and Conrail don't have them, but I expect the idea to spread. Dick Sanborn, who takes over at Conrail in January, assures me that it's one of the first things he will do."

Problems with on-time performance and sharing track are not limited to freight railroads. Claytor complained about how difficult it is to share the right-of-way with some commuter agencies in and around New York City. "Since they do the dispatching, they can stick you behind their commuter trains," he said.

BARRIER TO GROWTH

Amtrak seems bristling with enthusiasm and eager for the chance to grow . . . if it could just get more equipment. Help is on the way. The 100 new coaches on order from Bombardier will relieve some of the pressure and will help assure passengers on existing routes a seat on a well maintained car—something Amtrak has not been able to guarantee up till now.

"Last summer we overutilized equipment on order to try to meet demand," Claytor said. "This year we won't do that. By next summer we won't have shoddy equipment," partly because of the new capacity and also because he says he would now rather turn passengers away than give them a bad experience with Amtrak.

AMTRAK'S PERFORMANCE

	1984	1985	1986	1987	1988
Revenues (millions)	$758.8	$825.8	$861.4	$973.5	$1,107.7
Expenses (millions)	$1,522.1	$1,600.1	$1,563.6	$1,672.0	$1,757.1
Revenue-to-expense ratio	0.56	0.58	0.62	0.65	0.69
Passenger miles (millions)	4,552	4,825	5,013	5,221	5,654
Passenger miles per train-mile	157.1	159.0	172.2	176.8	189.0
Ridership (millions):					
System	$19.9	$20.8	$20.3	$20.4	$21.4
Contract commuter	[1] $0.518	$0.587	$0.656	[2] $10.2	$15.0
Systemwide on-time performance (percent)	80	81	74	74	71
Application of Federal appropriations (millions)	$4,716.4	$684.0	$590.7	$607.0	$580.0

[1] Jan. 1, 1983, Amtrak began providing commuter service under contract to the State of Maryland.
[2] Jan. 1, 1987, Amtrak began providing commuter service under contract to the Massachusetts Bay Transportation Authority.

Unfortunately, the new cars will not make expansion possible, even though Amtrak has identified several new routes it would like to start up. Except for an extension of an existing route into Houston last November, no new intercity services are in the works. Instead, the limited number of new cars likely to come on line within the next few years will go toward relieving equipment overutilization and toward making Amtrak's three, thrice weekly trains daily.

Some future car needs will be met by the Viewliner, the single-level sleeper now being run through extensive revenue-service testing. Claytor expects that within 10 years the Viewliner will have replaced most of the Heritage cars, but he does not anticipate placing the first order for Viewliners until 1990.

Locomotives have also been overutilized, but Claytor believes the additional units on order and recently delivered should resolve the shortage. Improvements in locomotive shop maintenance procedures will help, too. Amtrak has begun to use a production line for locomotive repairs and overhauls.

The next area where we can greatly increase productivity is in our maintenance costs . . . which has been pretty inefficient," Claytor explained. With a production line, "the same guy does the same work on every engine so he becomes a specialist. We're turning out far more locomotives."

Claytor also plans to increase locomotive availability by employing units that need less maintenance, i.e., locomotives that use ac traction motors.

"I hope to never have to buy another new dc traction-motor unit," he said, adding the the U.S. locomotive builders didn't want to switch because of the expense. "We forced their hand by going to Europe. EMD [Electro-Motive Division] might not have built us any [ac traction locomotives] except that they found out that I was taking delivery on two Brown Boveri units. I hope GE [General Electric] will build us ac traction motors, too."

Amtrak's future is more promising today than ever before, thanks in part to the leadership of W. Graham Claytor Jr. But as promising as that future may be, it is chockfull of questions and potential pitfalls. In some ways, the proposed Boston-New York high speed service is indicative of Amtrak's situation: a modest amount of money will help set up a service in great demand. About $400 million for equipment and minimal track work would suffice to develop a three-hour-Boston-New York run. That's not all that much, considering the tens of billions of dollars spent on new highways or airport improvements every year.

"The problem with a high speed line from Boston to New York is only money," Claytor said. He believes that the proposed service could make an operating profit, but not a favorable enough return on investment to attract financial institutions.

"We'd be delighted to run the service, but we're not in a position to buy the equipment. Now if CONEG [Coalition of Northeastern Governors] or the states come up with the money. . . ."

In other words, Amtrak can provide a useful, efficient service, but the politicians and the public have to decide to what extent they are willing to support that service. Under Claytor, that service has improved dramatically—and Amtrak has come to deserve that support more than ever.●

DEFICIT FIGURING DOESN'T ADD UP

● Mr. KASTEN. Mr. President, the major debate in the 101st Congress will be over the Federal budget deficit and what to do about. Many of my colleagues are justly concerned about the deficit problem—and I agree that prompt action is both desirable and necessary. What I disagree with is that we must reduce the deficit at all costs—even if it means raising taxes.

Mr. President, there is compelling economic evidence suggesting the Federal budget deficit is not the economic monster of prevailing conventional wisdom. Indeed, there seems to be a surprising degree of agreement among responsible economists—from conservatives like Milton Friedman and Paul Craig Roberts to liberal keynesians like Robert Eisner—that the deficit problem is manageable and a tax increase is unnecessary.

I highly recommend to the Senate an article in the February 12 edition of the New York Times magazine entitled "Deficit Figuring Doesn't Add Up." This cogent article cuts through the political rhetoric surrounding the deficit debate and examines the bare economic facts. The Times article makes several important points that I would like to bring to the attention of my colleagues:

First, the importance of a budget deficit depends crucially on the size of the economy. Charting changes in the budget deficit without reference to

changes in the size of the economy is a gross misrepresentation; and the present deficits become less frightening when they are expressed as a percentage of GNP.

Second, in order to assess the true impact of deficits on the economy, we must include State and local budgets. The annual overall Government deficits in the 1980's as a percentage of GNP never reached the record level set in 1975—and this deficit has declined to less than 2 percent of GNP in recent years.

Third, the experience of the last 10 years unequivocally rejects the notion that deficits increase inflation and interest rates. In fact, there is no evidence that over the last 40 years budget deficits have been associated with either higher interest rates or inflation.

Fourth, the relationship between deficits and savings-investment is practically random. Canada and Italy have run large budget deficits for the last decade, and both have seen very strong increases in private savings. In the 1980's, U.S. gross business investment ran at an average of 10.9 percent of GNP, actually higher than the last 40 year's average of 10.2 percent.

Fifth, the supposed relationship budget deficits and trade deficits is equally tenuous. The 1980's are the first time in U.S. postwar history that trade deficits and budget deficits have consistently moved in the same direction. And in the rest of the world, there is no such correlation. England, for example, had a rising trade deficit and a rising budget surplus over the same period.

Mr. President, in highlighting these facts, I do not want to minimize the importance of reducing the budget deficit. Our efforts should focus on reducing the growth rate of spending and enacting new budget restraints and reforms. However, I do believe that it's important to look at the facts concerning the deficit and the economy before rushing into shortsighted and counterproductive solutions like a tax increase.

I ask unanimous consent that the Times article be printed at this point in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEFICIT FIGURING DOESN'T ADD UP

(By Charles R. Morris)

In the few months since George Bush's election, there has been a remarkable swing of sentiment on the Federal budget deficit. In November, a sharp drop in the financial markets was regarded by some as signaling a deficit "crisis." Former and present Federal Reserve Chairmen Paul A. Volcker and Alan Greenspan, former Presidents Gerald R. Ford and Jimmy Carter and economists of every political allegiance took up the cry: without very fast action to cut the deficit right away, we were facing an American recession, a world economic crisis, or worse.

With the sudden blooming of President Bush's unexpected honeymoon with Congress and the news media, the deficit issue is rapidly fading from view. Most economists, bankers, stockbrokers, editorial writers and Congressmen still believe that Federal budget deficits cause high inflation and high interest rates, sap savings and investment, are at the root of our trade deficit and have converted America into "the world's largest net debtor," But they are being reassured that, though all these bad consequences do follow deficits, they work so slowly as to be imperceptible. In other words, instead of a crisis, we have a mini-recession forever.

Without doubt, a major quiver in the financial markets will send the deficit flags flying again. But for once, the deficit Pollyannas may have the stronger argument, if for different reasons than usually stated. Remarkably, there has never been strong evidence for the malevolent consequences of a Federal budget deficit: virtually all of the arguments in favor of urgent action on the current deficit are supported only by the most tenuous connections between theory and evidence, or are not supported at all, or are misleading or actually false. As David Hale, chief economist of Kemper Financial Services, who believes the deficit is important, freely concedes, the fundamental relations are "very murky . . . either very difficult to quantify or you can't quantify them at all."

The gap between the prevailing wisdom and the economic evidence is partly a matter of politics and partly just honest confusion. But more fundamentally, it points up basic flaws in our conventional understanding of how a modern economy works.

The standard model of a modern economy runs roughly as follows: A country's total output (its gross national product, or G.N.P.) is the sum of private consumption and investment and government spending. When the government increases its own spending beyond what it takes in as taxes—creating a budget deficit—it is putting more money into private hands. So total spending—and the G.N.P.—rise.

But the temporary stimulus to the G.N.P. comes at a cost. The increased borrowing by the government to pay its deficit will cause interest rates to rise, because the government action will have heightened competition among borrowers bidding for the available pool of capital. Alternatively, if the Federal Reserve increases the supply of money to accommodate the borrowing, the additional spending power will cause inflation to rise. Things get more complicated when international effects are taken into account, but, in general, the spur to consumption in the deficit country should cause a temporary spurt in imports, such as VCR's and autos, causing a deficit in trade.

How well does this conventional picture comport with reality? Do government deficits actually increase inflation and interest rates and reduce savings and investment? And what is the impact of deficits on America's trade balance and international financial standing? More fundamentally, how do we measure a deficit in the first place?

DEFINING THE DEFICIT

The importance of a budget deficit depends crucially on the size of the economy. A $100 billion deficit will have five times the impact on a $1 trillion economy as on a $5 trillion economy, the current size of our own. Charting changes in budget deficits without reference to changes in the size of the economy is a gross misrepresentation; and the present deficits, in fact, become much less frightening when they are expressed as a percentage of the G.N.P.

The current policy debate also confuses Federal deficits with overall government deficits. State and local surpluses reduce private spending and retire debt just as Federal surpluses do. In recent years, in fact, state and local surpluses have been quite large, the recent problems in Massachusetts and New York notwithstanding.

As the chart on page 38 makes clear, the annual overall government deficits in the 1980's, expressed as a percentage of the G.N.P., have never reached the record level set in 1975, and the present deficit level is in a range seen rather frequently in the past, even in the conservative Eisenhower years. (Just as pacifistic Democrats make wars, fiscally upright Republicans have always run up the biggest deficits.)

Even more important is the changing nature of Federal spending. President Dwight D. Eisenhower's big deficits came from buying things, like tanks or roads. But only about a third of the modern Federal budget actually is used to purchase goods and services. The remaining two-thirds are transfer payments of one form or another—including interest payments—and make no direct contribution to the G.N.P. Money is merely shuffled from one set of potential spenders to another.

The largest transfer payments are those paid through the Social Security trust fund (about $223 billion in 1988), although there are many others, including Federal and military pensions and welfare payments. There is no satisfactory way to measure their impact on the economy.

The government raises money, mostly from taxes, but some from borrowing, and gives it to transfer recipients. The standard rhetoric that the government borrows from savings to support consumption is not accurate. Some portion of that money raised would have otherwise been used for consumption and some portion for investment and savings. Moving the money from one set of owners to another undoubtedly changes those proportions, but there is no way to know by how much, or even in what direction—although there are economists with strong views on all sides of the issue. (The only sure thing, as conservatives point out, is that to manage it all, the size of government increases.)

The impact of Federal interest payments—about $150 billion in 1988, roughly equal to the entire deficit—is even more ambiguous. Pension funds, banks and other financial institutions hold the lion's share of Federal debt, in the form of Treasury notes and bonds. To pay interest, the Government sells Treasury paper to those institutions and then pays the proceeds back to them. (About $25 billion is paid to foreigners, who own about 15 percent of the Federal debt, but that is a tiny amount in a $5 trillion economy.) Whatever the economic impact of the interest-payment churning process, it is far too small even to be measured.

Interest payments overstate the deficit in other ways: currently, the Federal Government is paying approximately 9 percent interest on its money. About half of that is just covering the loss of purchasing power due to inflation, and constitutes no change in wealth one way or the other. After all, a borrower who pays 5 percent interest during a time of 5 percent inflation is not giving anything extra back to his lenders.

If the inflation premium is considered in the figuring of Federal interest payments, as Robert Eisner of Northwestern University has suggested, and state and local surpluses are taken into account, the total government deficit dwindles to near the vanishing point. The question, in short is not whether the glass is half full or half empty, but whether there is a glass on the table at all.

INFLATION AND INTEREST RATES

Assuming away the problem of how big the deficit really is, do budget deficits increase inflation and interest rates? The experience of the last 10 years provides an unequivocally negative answer. Interest rates and inflation fell as sharply as the Federal deficit rose; the mild uptick in inflation and interest rates in the last year or so, conversely, comes at a time when the deficit is finally falling.

In fact, there is no evidence that over the last 40 years budget deficits have been associated with higher interest rates or inflation—if anything, the correlation runs in the opposite direction. Economists, like Paul Evans of Ohio State University, have conducted elaborate statistical analyses—controlling for lag effects, inflation, the experience in different countries—without finding any consistent effects from government deficits.

The United States Treasury Department conducted an exhaustive survey of the economic literature in 1984, and found "no systematic relationship between government budget deficits and interest rates. . . ." Some studies, to be sure, claimed to find some such effects; but there was always another drawing the opposite conclusion from the same data.

The budget deficit is frequently blamed for making American interest rates higher than in other countries—in the 1980's, interest rates in this country have been higher than in, say, Japan or Germany. But American rates began to shoot up in the late 70's, before the deficit rose, in reaction to the high, and extremely volatile, American inflation in the 70's, a time when German and Japanese prices were much more stable.

Tracking changes in American, Japanese and German rates shows no consistent pattern. For example, the gap betwen American and Japanese government bond rates more than doubled between 1980 and 1981, when the American budget deficit was actually falling. The gap then narrowed as the deficit peaked and began to rise last year as the deficit dropped. In all seven major industrial countries (including Canada, England, France and Italy) in the 1980's, in fact, inflation-adjusted interest rates almost always dropped as budget deficits rose, and vice versa. As Rudolph G. Penner, former director of the Congressional Budget Office, recently phrased it: "One would expect a positive relationship between the deficit and real interest rates. This relationship has been devilishly difficult to document statistically."

SAVINGS AND INVESTMENT

It is taken as a truism that government budget deficits reduce savings and investment: the spur to spending increases consumpton, the logic goes, at the same time as government borrowing reduces total savings. The result is lower investment and, over the long term, a less productive economy. The experience of the 1980's in the United States is consistent with that picture: both savings and net business investment have dropped as the deficits rose.

But it is reasonable to ask whether it is generally true that budget deficits reduce total national savings. The surprising answer is that it is not. Robert J. Barro of Harvard University has tracked the interplay of savings and deficits in a number of countries, and the results are frequently—usually, Barro argues—the opposite of what one would expect. Canada and Italy have run very large budget deficits for the last decade, and both have seen very strong increases in private savings. In Israel, England and Demark, private savings rose sharply to offset big government deficits in the early 1980's, then dropped sharply as their budgets moved into surplus, keeping overall national savings rates roughly constant.

The most one can conclude is that the relationship between budget deficits and savings is practically random. Indeed, the comparative youthfulness of American adults probably has much more influence on savings patterns in this country.

According to the World Bank, 26 percent of the American population is between the ages of 20 and 34, compared to only 21 percent in Japan and 23 percent in West Germany. By contrast, 30 percent of Japanese and 28 percent of West Germans are between the ages of 35 and 54, compared to only 23 percent in the United States.

In demographic terms, these are massive differences; and it should be no surprise that younger people save less. (Projected figures show how rapidly the American population will age in coming decades; one would expect a substantial reversal of savings patterns, quite independently of Federal budget practices.)

The much-lamented decline in American business investment similarly merits a closer look. In the first place, during the 1980's, gross business investment ran at an average 10.9 percent of the G.N.P., actually higher than the last 40 years' average of 10.2 percent. The figure that causes concern, however, is the decline in net business investment—that is, gross investment less depreciation allowances—which has dropped sharply from a post-war average of 3 percent and a 1979 peak of 3.9 percent to an average of only 2.3 percent in the 1980's.

But the net investment data are suspiciously inconsistent with the strong increase in American manufacturing productivity in the 1980's; at about 4 percent in a year since 1982, it is one of the fastest rises on record. Logically enough, Prof. Allan H. Meltzer of Carnegie Mellon University decided to look at the Commerce Department's depreciation schedules to see if they explain part of the mystery. He found that the schedules are based on a set of 1935 guidelines called "Winfrey's rules," which generally assume different investment lives than obtain in a modern business. When Meltzer applies new schedules—developed within the Commerce Department—he says "much, but no all, of the drop in net investment simply disappears."

INTERNATIONAL DEBT AND TRADE DEFICITS

If measurement problems bedevil analyses of investment trends, they almost preclude sensible discussion of America's international financial position. To begin with, that staple of editorial jeremiads, that America has become the "world's largest net debtor," with more than $500 billion in net foreign debt, is flatly untrue.

The "largest net debtor" rhetoric stems from a misuse of the Commerce Department's international balance-sheet accounts. The accounts list all foreign assets owned by Americans—by the Federal Government, private corporations and individuals—and compare the total to all assets in the United States owned by foreigners. All of the hotels in Honolulu that are owned by Japanese hotel chains, for example, are included in the "international debt" totals, although they hardly constitute "debt" in any meaningful sense of the word. The totals show that the value of foreign assets in America has been increasing rapidly and now exceeds American assets abroad by more than $500 billion.

But, oddly enough, through most of the 1980's, Americans earned about $20 billion a year more on their foreign assets than foreigners did on their American assets; and at present, the inflow and outflow of earnings is precisely equal. How does the earnings record square with the "largest net debtor" rhetoric?

The answer, again, lies with accounting conventions. The Commerce Department generally values assets at their purchase price. The big American overseas investment drive came in the 1950's and 60's, so American overseas assets tend to have a much lower book value than the assets purchased by foreigners in the 80's. Monetary gold, an "asset," is valued at $42.22 an ounce, one-tenth its actual value. Asset-pricing conventions, that is, make the balance-sheet accounts utterly meaningless as a measure of American "indebtedness." The more directly relevant earnings figures, on the other hand, imply that America has been a creditor nation throughout the 1980's, and is now roughly in balance with the rest of the world.

The recent shift from a strong American surplus position to a rough balance, however, is clearly related to the trade deficit. The trade deficit is frequently confused with the budget deficit because they are both roughly the same size; and it is assumed that budget deficits cause trade deficits. But the 1980's are the first time in American post-war history that trade deficits and budget deficits have consistently moved in the same direction. And in the rest of the world, there is no such correlation. England, for example, had a sharply rising trade deficit and a sharply rising budget surplus—over the same period.

There are also much better available explanations for the trade deficit. By the beginning of the decade, East Asia and, to a lesser extent, West Germany, had built an enormous store of productive capacity and needed to expand their overseas markets. To do so, they drastically cut prices by bidding up the value of the dollar against their own currencies. At the very same time, the United States abruptly stopped sending between $75 billion and $100 billion to Latin America each year in the form of bank loans. (Ironically, our accounting rules made us look richer as we piled up Brazilian and Mexican i.o.u.'s—they are "assets"—while the inflow of high-quality cars, television sets and machine tools somehow make us poorer.)

One way or another, a major readjustment of trade and capital flows was inevitable, with or without a Federal budget deficit. Doubtless, international capital realignments, American savings trends and Federal fiscal policies all interacted in some subtle way, but it defies logic and history to contend that Federal budget policy "caused" such a seismic shift.

Trade performance is, in any case, a poor measuring rod for American industrial might. American companies have long since spread across the globe in pursuit of local

markets, a much more efficient strategy than shipping goods across oceans. Foreign branches of American companies sold $640 billion worth of goods overseas in 1986, almost five times that year's trade deficit. Imports from those branches, in fact, made up more than 15 percent of total American imports, or more than half the total trade deficit.

Twenty-five years ago, Europeans met the American overseas investment drive with the same complaints about selling off national "patrimonies" that are heard in this country today, and they were just as ill-founded. American companies consistently reinvest half to two-thirds of their overseas earnings in their host countries; apart from the loss of the long French lunch hour, Europe has clearly gained as a result. Significantly, the Japanese company that purchased Firestone Tire recently announced a billion-dollar investment program in its North American operations.

There is, in short, no evidence of a trade or debt "crisis," and the link between the trade and budget deficits is indirect and elusive at most. The world's industrial powers are much more evenly matched than a decade or so ago, but in that there are benefits as well as challenges for America—hardly the best of all possible worlds, perhaps, but hardly cause for ringing the fire bells.

WHY THE CLAMOR?

The obvious question, then, is why all the clamor? There are a number of bad reasons and one or two good ones.

Partisan political considerations, of course, rank high on the list; or as Carnegie Mellon's Professor Meltzer puts it: "Read my lips, eat my words." The deficit has been the major blot on the Republican economic record, and clearly puts President Bush on the defensive on his "no new taxes" pledge.

Irving Kristol, the editor of The Public Interest, points to the media bandwagon effect: "The media has been accustomed to organizing coverage around crises, and the deficit is about the only one on hand."

The deficits are also a powerful curb on the "Iron Triangle" of Washington special interests that resist spending cuts and create new spending needs:

Congressmen, who don't score points with constituents by cutting spending. Without the deficit clamor, how could Congress sit still for $1 billion worth of military-base closings? The defict provides the political air cover for a tax increase to ease the budget-cutting pressures.

The financial community, which wants action on the deficit because markets move on gusts of emotion. If enough authorities insist there is a crisis, investors, in turn, may behave cautiously, as if there really was one.

The economics profession, which is, as a whole, in an awkward position if there is no deficit crisis. It is one more confirmation of the deficiencies of the conventional wisdom, but there is no obvious new theory to replace the old one. Educating the political and journalistic elite in fundamental principles has been a long and painstaking process; jettisoning well-established rules is dangerous without new canons of equal clarity to take their place.

The deficit has also become a kind of lighting rod, attracting all the pent-up frustrations of the public at the inability of a divided national executive and legislature to accomplish anything in the modern era of special-interest politics. A sensible farm policy, defense policy, entitlements policy, may all be beyond us, but surely the deficit is a problem of sufficient simplicity and starkness to deal with.

There is, finally, at least one good reason to worry about budget deficits: they are a form of moral hazard. The false crisis over the budget deficit prevents the nation from dealing with the real, deep-seated problems it faces, issues of resource allocation and intergenerational equity. What is the proper role of government in a modern mixed economy? What about the looming problem of caring for our aged? The Social Security trust fund is now running a surplus in the $100 billion range, accounting for much of the recent reduction in the Federal deficit. (Taxes are taxes, and one tax dollar closes a deficit as effectively as any other, regardless of its ultimate purpose.) The long-term question, however, is whether there will be enough of a surplus when the baby-boom generation turns 65.

It is unreasonable to expect fundamental problems such as these to be sensibly addressed in the present cloud of exaggeration and confusion. And they are far too complicated for decisionmaking during a crisis. But there is, after all, no crisis—except for the inevitable crisis of credibility if we lean too long on the button for the siren marked "false alarm."●

MEATING THE NEED

● Mr. PRYOR. Mr. President, feeding the needy has been, and will continue to be, a battle throughout America. I rise today to share with you the great efforts of a program called Meating the Need.

Second Harvest, the Nation's largest charitable feeding program, and the American Meat Institute have joined forces in a year-long effort to help feed those less fortunate than we.

The American Meat Institute is the largest national trade association representing the meat packing and processing industry. This year AMI has pledged to donate more than 1 million pounds of meat to distribute to the 200 Second Harvest food banks throughout the country. These banks, in turn, will channel it to community feeding programs including shelters and soup kitchens, senior and day-care centers, and food pantries. The one common goal, of course, is to reach the hungry.

I want to bring attention today to the existence of "Meating the Need," an exemplary campaign of tremendous effort to care for our children, the elderly, the unemployed, and the homeless.

Mr. President, I ask that two statements from Second Harvest and the American Meat Institute describing this important program be printed in the RECORD.

The statements follow:

SECOND HARVEST, AMERICAN MEAT INSTITUTE HELP FEED NEEDY WITH MILLION-POUND MEAT DONATION DRIVE

DRIVE KICKS-OFF DURING NATIONAL MEAT MONTH, SECOND HARVEST 10TH ANNIVERSARY

CHICAGO, IL, February 9, 1989.—Second Harvest, the nation's largest charitable feeding program, and the American Meat Institute (AMI) have joined forces in the Second Harvest/AMI "Meating the Need" program, a year-long effort to help feed needy Americans.

According to Philip R. Warth, Jr., president and CEO of Second Harvest, the AMI, the largest national trade association representing the meat packing and processing industry, has challenged its more than 450 members to donate one million pounds of meat to Second Harvest in 1989.

At a press conference at the Greater Chicago Food Depository, one of more than 200 Second Harvest member food banks, AMI president and CEO Manly Molpus announced that AMI member meat companies, alerted to the donation drive only eight weeks ago, have already exceeded the one million pound goal by more than 300,000 pounds. A truck carrying a portion of the initial 1.3 million pound donation arrived at the Depository for unloading.

"The AMI's pledge to donate more than 1.3 million pounds of meat is significant in our fight to feed the needy," said Warth. "We're overwhelmed by the response from AMI member meat companies. The meat will be distributed to Second Harvest food banks across the country, which, in turn, will channel it to charitable feeding programs serving the needy in their communities.

"The donation is particularly significant as February also begins National Meat Month and Second Harvest is celebrating its 10th Anniversary year. Thanks to the AMI, we're off to a great start in our efforts to help the needy in 1989," said Warth.

Second Harvest, based in Chicago, provides food companies with a safe, reliable method of channeling donated food and grocery products to the needy. Because Second Harvest food banks must meet strict guidelines for sanitation and storage, food companies are assured that their products will be "handled with care."

Second Harvest food banks are equipped with or have access to refrigeration storage and transportation facilities to ensure that the perishable meat products are maintained properly.

"Meat is vital to a healthy diet, especially for the poor who generally lack protein in their diets," said Warth. "Meat provides protein to help build red blood cells and muscle. It's especially important in the development and growth of youngsters."

Among the 38,000 agencies served by Second Harvest food banks are shelters and soup kitchens, senior and day-care centers, and food pantries. Food from Second Harvest is made available to children, the elderly, families, the unemployed, and the homeless: people whose only common denominator is hunger.

Because Second Harvest is a non-profit organization, it relies heavily on the generous support of the food industry and other corporations and foundations to provide greater amounts of products and increased technical assistance to its member food banks.

In 1988, Second Harvest distributed over 400 million pounds of food to more than 38,000 charitable feeding programs nationwide.

MEAT INDUSTRY EXCEEDS MILLION-POUND DONATION GOAL; ANNOUNCEMENT MADE DURING NATIONAL MEAT MONTH

CHICAGO, IL, February 9, 1989.—The American Meat Institute (AMI) and its meat packer and processor members announced today they are "Meating the Need" of the

nation's hungry with a commitment to donate more than one million pounds of nutritious meat to Second Harvest food banks in 1989. The donation announcement coincides with February's National Meat Month campaign and the 10th anniversary of Second Harvest, the nation's largest charitable feeding program.

"We announced a million-pound goal to our industry only eight weeks ago, and already AMI member companies have exceeded the goal by more than 300,000 pounds," said George Bryan, senior vice president of Sara Lee Corp. and a co-chairman of the AMI/Second Harvest "Meating the Need" Project. "Pledges are still coming in. I am really encouraged by such an enthusiastic response."

Citing the shortage of protein in the diets of America's poor, Mosey's Inc. President Donald Silpe said the 1.3 million pounds of meat would supply nutritious protein, iron and B-vitamins to more than 14,000 people each day for a year. "There's no more complete source of protein, vitamins and minerals than meat, and no group is more deserving of our efforts than this nation's poor." Silpe also co-chairs the AMI/Second Harvest Project.

Both Sara Lee and Mosey's have contributed meat products to Second Harvest food banks for many years. Together with 40 other AMI members, they have already pledged 650 tons (1,300,000 pounds) of meat products ranging from fresh ground beef to hams, luncheon meats, pastrami, corned beef, prepared frozen foods and hot dogs. The meat products will be delivered over the course of the year to some 200 local food banks affiliated with the Second Harvest National Food Bank Network.

Bryan and Silpe agreed Second Harvest's national food bank network is one of the nation's most effective and efficient feeding organizations.

"We know that our products are handled correctly and that the meat we donate reaches those who need it in a safe and wholesome state," Silpe said.

"Sara Lee investigated Second Harvest thoroughly," said Bryan. "Its extremely high standards for sanitation and storage mirror those that our industry has set for caring for meat products."

The co-chairman agreed that AMI made an excellent choice when its board of directors approved the association with Second Harvest. This industry-wide philanthropic program affords meat plants in every section of the country an excellent vehicle to make a practical use of products that, for technical reasons, cannot go into regular commerce. For example, mislabeled products that cannot be repackaged are frequently donated to food banks. All products meet USDA requirements for safety and wholesomeness.

This program, they pointed out, also gives the industry a golden opportunity to show it cares about America's less fortunate. "We strongly encourage the meat industry to get behind this program. AMI has given us an opportunity to show our concern, our compassion and, most important, our willingness to be good neighbors," Bryan and Silpe said.

During February, consumers will be hearing a great deal about meat because it's National Meat Month. Retailers from coast-to-coast will be featuring a variety of fresh and processed products in their advertising and with eye-catching point-of-purchase materials.

This year's theme is "Meat: Today's Lean Look!" This theme capsules the progress the industry has made in providing consumers with leaner, better trimmed meat products that fit the diets of today's active people.

AMI, a national trade association, represents all segments of the meat packing and processing industry. Headquartered in Washington, D.C., the Institute conducts economic and scientific research, sponsors a variety of educational programs and provides consumer, public and government relations services on behalf of the meat industry.●

FEDERAL BUDGET DEFICIT

● Mr. DURENBERGER. Mr. President, as Congress begins the difficult and oftentimes highly partisan task of formulating a budget for the Federal Government, I am pleased to see a new spirit of cooperation overtaking the Budget Committee of the other body. Two distinguished colleagues, who are also two very good friends of mine, are now playing leadership roles in the budget process. Representatives BILL FRENZEL and WILLIS GRADISON have just assumed the two top Republican positions on the House Budget Committee in this 101st Congress.

BILL and WILLIS are extremely knowledgeable, experienced, and committed legislators. They realize the urgency of reducing our Federal budget deficit, and they are eager to work in a bipartisan manner to resolve the deficit problem within the parameters that have been imposed by the competing interests of the Republicans, the Democrats and the Bush administration. I believe that only when the President and both parties in Congress begin working together can we make any real progress toward reducing the Federal budget deficit. And with my friends BILL and WILLIS ready and willing to negotiate, I am confident that this 101st Congress will make a substantial impact on the deficit.

Mr. President, I have had the pleasure of working closely with both BILL and WILLIS over the years—BILL as the "dean" of the Minnesota congressional delegation, and WILLIS due to our shared interest in health-related issues. I look forward to working with them once again on this matter of vital importance to the continued strength of our economy.

At this time, I would like to call to the attention of my colleagues an article that appeared in the Wall Street Journal on Wednesday, March 15. The article describes the attitudes and approaches of Representatives FRENZEL and GRADISON in their roles in the budget process. I believe that these Members should serve as examples to us all, and I ask unanimous consent that a copy of the article be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Mar. 15, 1989]

NEW TOP REPUBLICANS ON HOUSE BUDGET PANEL SAY THEY SEEK BIPARTISAN SOLUTIONS, NOT SHOWDOWNS

(By John E. Yang)

WASHINGTON.—Rep. Willis Gradison used to welcome fellow Republicans to the House Budget Committee by telling them they wouldn't have much to do but that "it's good theater and you've got great seats for the hearings."

Life in a body that has been dominated by Democrats for nearly two generations tends to create two types of House Republicans. Many become frustrated agitators, less spokesmen for their party's views than obstinate antagonists relentlessly sniping at the majority. Others find ways to participate and gain some influence—no matter how meager—in the legislative process, both because of their skills and knowledge and because Democrats often need their help on tough issues.

The role of the top Republicans on the Budget Committee shifted from that of antagonist to that of participant with last year's retirement of Rep. Delbert Latta of Ohio and the new prominence of Reps. Gradison of Ohio and Bill Frenzel of Minnesota.

"They are keys in trying to develop a bipartisan approach," the new Budget Committee chairman, Rep. Leon Panetta (D., Calif.), says of Reps. Frenzel and Gradison. "They're legislative pragmatists, interested in making the process work. That gives you a head start."

In recent years, the Budget Committee has been one of the most bitterly partisan panels in the House. Led by the pugnacious Rep. Latta, committee Republicans often refused to participate in the process, refused even to produce competing spending plans. During a budget-writing session two years ago, the Republicans wouldn't cast any vote other than "present."

This year, House Republicans picked Mr. Frenzel, a diligent and earnest 18-year veteran of Congress, to succeed Mr. Latta as the panel's ranking GOP member. And House GOP leader Robert Michel appointed Mr. Gradison, a longtime committee member who had expressed interest in the post, to the second minority slot on the panel as the leadership's representative.

Both are veterans of many budget battles past and have been more interested than Mr. Latta in scoring points by helping to shape the final product than through blistering oratory. "They understand that certain members have to talk," says Chairman Panetta, "but ultimately they're working toward an end result."

This year that end result would be a spending plan that meets the Gramm-Rudman law's target of reducing the budget deficit to no more than $110 billion without any new taxes, as President Bush has promised, and without any politically difficult spending cuts, as lawmakers have signaled.

House Republican budget writers think the task is so difficult that the Democrats can't afford not to have them involved. "When you get to the tough stuff, the Democrats need some help," says Mr. Frenzel.

The Minnesota lawmaker says he hasn't been hopeful in the past that lawmakers and the administration could get together to make a significant dent in the federal budget deficit. But this year he puts the chances at 50%—a remarkably optimistic

forecast, considering that he is one of Congress' leading curmudgeons.

"The difference this year is George Bush," he says. "He's made deficit reduction a high priority. . . . We haven't had that from a president before."

The real message from the voters last year wasn't "no new taxes" but "no same old thing," says Rep. Gradison. "The people sent us mixed signals," the Cincinnati lawmaker says. "They told us: 'Balance the budget, don't cut services that are important to me and, by the way, don't raise taxes.' The hidden message is: 'You guys work it out. Just put your partisan differences aside and work it out.' "

Rep. Panetta is already trying hard to achieve that kind of harmony. The full committee has held candid sessions behind closed doors, and Mr. Panetta has briefed Republicans and Democrats alike on his talks with administration budget officials. Mr. Panetta also conferred with Mr. Frenzel before the start of negotiations with White House budget director Richard Darman that began last week and are continuing this week.

"He's doing everything right," Mr. Gradison says of the new chairman. Adds Rep. Frenzel: "The Republicans feel preety good about the way things have been handled."

Messrs. Frenzel and Gradison have much in common. Both are old-line Republicans who were born in the Midwest 60 years ago, educated at Ivy League schools and entered family businesses. Both have steadfastly run against the dominant stream of conservative thought among House Republicans. Both were openly skeptical of supply-side economic theories when they were the rage in the early days of the Reagan administration and are much more moderate on social issues that their New Right colleagues.

In recent years, the frustration of being a minority within a minority seemed to be taking its toll on Mr. Frenzel. His speeches in the House took on a cranky and caustic tone that some characterized as whining. It reached its peak in 1985 when he railed against the seating of the Democratic candidate in a contested House election in Indiana. "This is rape of the system," he thundered.

Interestingly, the leader of the fight for the Democrats at that time was Rep. Panetta. "We went at it a little bit," Rep. Frenzel says. "But that's over now."

When he chooses to be, though, Mr. Frenzel can be an influential player. In 1987, for instance, he worked with House Ways and Means Committee Chairman Dan Rostenkowski (D., Ill.) to make the trade bill more to his and the Reagan administration's liking, only to turn against it after the full House narrowly adopted a stringent amendment sponsored by Rep. Richard Gephardt (D., Mo.).

Indications are that Mr. Frenzel intends to be a player in his current role, too, saying he is eager to work with the Democratic majority. "If we can come to some sort of agreement, we can all help each other," he says.

On the other hand, Mr. Gradison, reasoned and moderate in both his politics and his personality, has consistently been a respected and effective participant in tax-writing matters on the Ways and Means Committee and on spending issues on the Budget Committee.

During the tax-law overhaul in 1985, Mr. Gradison backed moves that went after such traditional bastions of GOP support as investment tax credits. He was such a reliable vote for tax revision that Mr. Rostenkowski praised him as "a rock."

But Rep. Gradison realizes that however much he or Mr. Panetta wants the two sides to work together, the decision isn't theirs alone. "Leon may be more reasonable about these things than some of those around him," he says, "but he's not totally a free agent, just as I'm not totally a free agent. What our leaders think is more important."●

BUSINESS AND CITIZEN SCHOOL VOLUNTEER ACT

● Mr. GRAHAM. Mr. President, a number of proposals have been put forth regarding the role of the Federal Government in promoting voluntarism. Volunteer service represents an investment of human resources by the participants and in the recipients, and it is an important element of life in the United States.

Most of the legislative proposals being put forth focus on expanding opportunities for our young people to serve their country. One of the most effective ways to demonstrate the merits of voluntarism is to provide our students with role models. When our young people see firsthand how their lives can be enhanced by the efforts of volunteers who come into the classroom, they, too, can begin to understand the many benefits derived from reaching out as a volunteer.

I believe my proposal, the Business and Citizens School Volunteers of America Act, is just the starting point for this effort. This bill provides seed money to State and local educational groups which want to initiate or operate volunteer programs with private citizens and businesses. While numerous volunteer projects are already underway in our Nation's schools, my State, Florida, has learned that the potential source for school volunteers is tremendous. With a small amount of financial assistance and leadership, these resources can be better put to use. Since the State of Florida created a volunteer program office in its Department of Education, the number of districts with school volunteer programs and the overall number of instructional volunteers had doubled.

Mr. President, in this proposal special priority for these grants is given to projects involving senior citizens, a population which has been particularly effective and generous in school volunteer service. Not only do these older volunteers enjoy a renewed sense of usefulness, but they take back to the community a better understanding of the needs and concerns of our young people.

For example, Hy Regan, a former furniture dealer from Deerfield Beach, FL, has been volunteering at Deerfield Park Elementary School for 12 years now, almost 5 hours each week. Hy is just one of approximately 70 senior citizens who are bused from a condominium complex in Broward County to the school each week to share their skills and knowledge with the students, whether it be assisting as substitute teachers or tutoring special students one on one. Hy says, "I get the satisfaction of seeing what I produce. We see the end result in the children, in their lives."

Mr. President, with the disturbing problem of drug abuse among our school-aged children, more and more people are looking for a way to join the war against drugs. This legislation prioritizes funding for projects which would address drug and alcohol abuse.

In Seminole County, FL, Tammy Herman, a reformed addict who began her 16-year habit of drug and alcohol abuse when she was 12, is trying to help middle school and high school students avoid the horrors she has faced. It took the threat of losing her children to get Tammy to straighten out her life.

Tammy visits schools and talks with students about the dangers of drug experimentation. She has coproduced, with a local hospital, a videotape which is also shown in area schools—all a volunteer effort designed to spare kids learning the bleak lessons of drugs the hard way.

During the past decade, this sort of citizen participation in school volunteerism has grown tremendously. Business and private volunteers are today providing a record $1 billion annually in educational services to elementary and secondary schools in the United States.

I am especially proud of the spirit of volunteerism in Florida. More than 140,900 citizens gave over 6 million hours of service to 2,035 Florida public schools last year—time and effort that was worth over $61 million. This figure represents an increase of 40 percent in the last 4 years.

My wife, Adele, has visited volunteer programs in all 67 Florida counties. She has shared with me a number of personal experiences which illustrate the effectiveness of volunteer programs and has been a primary force in shaping my interest in this issue.

Working with professional administrators and teachers, citizen volunteers are invaluable in providing students with individualized attention. These volunteers complement the instructional efforts of the teachers. This sort of interest translates into improved student attitudes and academic performances.

Business volunteers help to mend the gaps which have long existed between the home, the school and the community. By bringing the knowledge and the experience of the workplace into the classroom, businesses can help American students prepare for future careers and create a work

force which will have an edge in the international marketplace.

Mr. President, the Federal Government can and should be a role model for school volunteerism. In Florida, the military has set an excellent example at the Pensacola Naval complex and Whiting Field. Officers and enlisted men and women are heavily involved in the Adopt-a-School Program and the Saturday Scholars Program. Officers and enlistees have tutored over 300 students since the fall of 1986. It is my intention to expand this legislation to promote school volunteerism among Federal employees.

Florida's success with the development of volunteer programs can and should be enjoyed by all States. The Federal Government's limited but meaningful involvement through the Business and Citizen School Volunteers of America Act will be an important enhancement of our public education.

Mr. President, I ask that a brief summary of S. 382 be printed in the RECORD.

The summary follows:

BUSINESS AND CITIZEN SCHOOL VOLUNTEERS OF AMERICA ACT

BACKGROUND

School volunteers provide over $1 billion worth of educational services annually to elementary and secondary schools.

Many State and local educational agencies lack necessary specialized resources and could vastly benefit from volunteer businesses and citizens.

Individualized attention provided by volunteers improves student achievement and attitudes.

The federal government can play a limited but essential role in assisting local education agencies recruit, train, and support volunteers.

WHAT THE LEGISLATION DOES

Authorizes $5 million for grants to partnerships between local schools and nonprofit agencies, other government agencies, businesses, institutions of higher education or interested citizens for organizing, promoting, and utilizing volunteeres in elementary and secondary schools.

Projects may include training for personnel involved in organizing and managing volunteer programs; establishing and operating model projects and exemplary programs; strengthening the capability of State education agencies and nonprofit organizations to provide leadership and assistance to local education agencies in the planning, operation and improvement of volunteer programs; providing technical assistance and information dissemination; and conducting research and program evaluations.

Priority is given for projects which involve older Americans; involve the transfer of high technology skills; focus on drug and alcohol abuse prevention; or focus on school drop out prevention.

Establishes the National Center for Leadership in School Volunteer and Partnership Programs to assist schools in organizing, promoting, and utilizing volunteers in schools. Not less than 20 percent of the funds available in any fiscal year to carry out the Act shall be used for the Center.●

XAVERIAN BROTHERS' 150TH ANNIVERSARY

● Mr. D'AMATO. Mr. President, I rise today to salute the Xaverian Brothers on their 150th anniversary.

One hundred and fifty years ago, in Bruges, Belgium, Theodore Ryken founded the Xaverian Brothers' Community. Since their founding, the brothers have been committed to helping the poor, infirmed, homeless, and alienated, both in Europe and in America. They have also dedicated themselves to education. They have served the youth attending both elementary and secondary schools, including Holy Name, St. Theresa's, St. Matthew's, Holy Cross, St. Michael's Diocesan High School, and Nazareth High School. The brothers realize that our children are the future, and that education must play a significant role in their development.

The students in Xaverian High School in Brooklyn have also been fortunate enough to receive spiritual and moral guidance from the Xaverian Brothers. In special recognition of the brothers' selfless dedication to the advancement of our youth, the Xaverian High School joins the brothers in their 150th anniversary celebration.

It is with great pleasure that I join the Xaverian High School in their salute to the Xaverian Brothers. I commend the brothers for all of their fine work and dedication in serving the Brooklyn and greater New York City communities.

Again, I wish to convey my congratulations to the Xaverian Brothers on their 150th anniversary, and I wish them the best of luck for another successful 150 years.●

NATIONAL ENERGY POLICY ACT

● Mr. KOHL. Mr. President, I am pleased to join Senator WIRTH and 32 of my colleagues as a cosponsor of S. 234, the National Energy Policy Act of 1989. I believe that this legislation represents a responsible course of action aimed at curbing global warming.

I am extremely concerned about the cumulative effects of human activities on the Earth's fragile ecosystem. We now know that many of our daily activities contribute to the atmospheric buildup of greenhouse gases, which may drastically alter weather and climate patterns worldwide. Left unchecked, the global warming trend could turn fertile lands into deserts, seriously reducing worldwide food production. Coastal areas, including many major cities, could be flooded by rising sea levels due to glacial melting.

The burning of fossil fuels like coal and oil, rapid deforestation, and worldwide population growth are largely responsible for global warming. When we turn on a light, drive a car, or run our factories, we are contributing to the greenhouse effect.

Obviously, we depend on electricity and automobiles in our everyday lives. With few exceptions, nobody would advocate that we stop driving cars or using electricity. Americans are accustomed to progress, and it would be unrealistic to expect people to sacrifice the amenities to which they have become accustomed. It is also unnecessary. I fully believe that we can maintain—indeed improve—our standard of living while reducing or eliminating global warming.

Will that be easy? Will it be convenient? Probably not. It will require ingenuity, innovation, and maybe some initial inconvenience. But one thing is certain—it won't get any easier the longer we wait. If we begin now, we can make sensible and relatively painless changes to gradually halt global warming, rather than being forced to take drastic measures when the situation has become desperate. With adequate leadtime, I think that we'll develop better, cheaper, and safer ways to fuel our cars, light our buildings, and run our factories. We'll also find better ways to conserve energy—doing more with less.

Until now, the Nation's interest in energy conservation has been directly related to the price of oil. In the 1970's, when prices were high, we turned down our thermostats and bought smaller cars. When prices dropped, so did our concern for energy efficiency. I am hopeful that efforts to combat global warming will finally forge a lasting commitment to energy conservation, which also saves money for consumers and business, reduces our reliance on imported oil, and helps alleviate other environmental problems like smog and acid rain.

Global warming presents us with an enormous challenge—but one which can be overcome. This legislation offers an opportunity to meet that challenge. It encourages increased energy conservation in our buildings and automobiles, research and development of alternative sources of energy, and greater study of the causes and effects of global warming, among other things. While I support some provisions of the bill more than others, I believe that S. 234 in its entirety is a responsible start in the right direction. I look forward to working with my colleagues in the Senate toward its enactment.●

SENATOR BOB PACKWOOD'S OPPOSITION TO NEW TAXES

● Mr. KASTEN. Mr. President, I want to bring to the attention of the Senate an article in today's Washington Times by our distinguished colleague from Oregon, Senator BOB PACKWOOD, entitled "What Tax-Increasers Really Want."

I believe my colleagues on both sides of the aisle would agree that BOB PACKWOOD is one the Senate's most respected and knowledgeable experts on tax and budget matters. The Senator's article cuts through much of the political rhetoric over the budget deficit—and injects a healthy dose of common sense.

Senator PACKWOOD makes several important points that my colleagues should consider as work to reduce the Federal budget deficit:

First, the principle underlying President Bush's flexible freeze is nothing more than limiting how fast Government spending grows. Since even the Congressional Budget Office is projecting an $86 billion increase in Federal revenues next year, including the deficit simply requires that Government spending grow by a smaller amount.

Second, under Gramm-Rudman any tax increase will only finance a higher level of spending. This is because the deficit target is fixed. Tax increases will not change the $100 billion target. The only thing that will change is the amount of money that Congress can spend.

Third, Tax Freedom Day—the day that Americans finish working to pay taxes to the Federal Government—now falls on May 5. This is the latest day upon which Tax Freedom Day has fallen.

Mr. President, I urge my colleagues to read Senator PACKWOOD's article and ask that his article be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Times, Mar. 17, 1989]

WHAT TAX-INCREASERS REALLY WANT

(By Bob Packwood)

President George Bush's commitment to balancing the budget without a tax increase has been criticized ever since he first unveiled the flexible freeze during the presidential campaign. Massachusetts Gov. Michael Dukakis labeled the proposal "an economic slurpee," while more recent comments have called the freeze misleading. Furthermore, we are told that the flexible freeze is based on ridiculously optimistic economic assumptions.

Opponents assert that Mr. Bush's budget relies on the infamous "rosy scenario" of 3.2 percent growth. This charge, similar to those typically used against President Reagan's budgets, is not supported by historical analysis. From 1948 through 1988, the economy has averaged real growth of 3.25 percent a year, and that 40-year period includes eight recessions.

Indeed, since the economy has grown by about 4 percent annually for the last six years, the President is actually projecting that economic growth will be about 20 percent slower in the near future than it has been in the immediate past. Hardly a pollyanna outlook. Only excessively restrictive monetary policy by the Federal Reserve Board of Governors could derail the economy.

What about the charge that Mr. Bush's budget contradicts his call for a "kinder, gentler" nation by proposing "harsher, meaner" budget cuts?

Unfortunately, the jury has made a decision on the Bush plan without examining the evidence. No spending cuts are required to reduce the deficit.

The principle underlying the flexible freeze is nothing more complicated than limiting how fast government spending grows. Since even the Congressional Budget Office is projecting an $86 billion increase in federal revenues next year, reducing the deficit simply requires that government spending grow by a smaller amount.

The Bush plan meets this requirement by devoting a portion of the $86 billion to deficit reduction, with the remaining amount to be used for increased federal spending. As the numbers clearly show, the deficit can be reduced without cutting spending, but rest assured that the special interests will complain about budget cuts.

How does a spending increase turn into a budget cut?

Easy. Congressional budget accounting defines a budget cut as spending less than you planned to spend, as opposed to spending less than you did the previous year. In other words, if you were planning to increase spending by 7 percent, but only got to increase spending 3 percent, congressional accounting defines that 3 percent increase as a 4 percent cut!

Little wonder that so many Americans think the budget was cut during the Reagan years, even though actual spending increased more than 90 percent from 1980–1988.

Of course, if a businessman tried to do the same thing by advertising a sale because he raised prices less than he was planning to, the government would probably arrest him for fraud. In fact, one local retailer has been charged for just such a practice.

Advocates of tax increases are not really interested in deficit reduction. They want more spending. Under the Gramm-Rudman-Hollings deficit-reduction law, the deficit target is already determined. That figure, $100 billion in 1990, does not change if Congress raises taxes. The only thing that changes is the amount of money Congress can spend.

The only way a tax increase would reduce the deficit is to amend Gramm-Rudman-Hollings so that the deficit targets were automatically reduced by the amount taxes are raised.

For instance, if a $20 billion tax increase were enacted, the $100 billion target for 1990 would fall to $80 billion.

If the tax-increasers were serious about deficit reduction, they would gladly support such a change in the law, but don't hold your breath.

According to the Tax Foundation, Americans now work until May 5 just to pay taxes, the latest date upon which "Tax Freedom Day" has fallen. The tax burden on American citizens and businesses has been increased over and over again since 1982. Each time, promises to restrain the growth of federal spending have gone largely unfulfilled. Let's not travel down that barren path again.●

THE LADY WASHINGTON

● Mr. ADAMS. Mr. President, recently in Aberdeen, WA, the *Lady Washington*, an historic ship, was dedicated in conjunction with our State's centennial celebrations. The *Lady Washington* is a recreation of the ship used by Capt. Robert Gray when he discovered the beautiful Grays Harbor Area. I would like to extend my congratulations to the people of Grays Harbor who dedicated their time, energy, and resources into the building of this vessel.

While this ship will remind visitors of our rich northwest history, it will also help visitors come to understand the beauty and promising future of the Grays Harbor Area. This ship is a symbol of the spirit of the people of the Grays Harbor community; they have seen some tough times but they will always weather the storm and find a safe harbor in the days to come.

Mr. President, I ask to have printed in the RECORD at this time a copy of an article from yesterday's Journal of Commerce which discusses the *Lady Washington* and its significance.

The article follows:

[From the Journal of Commerce, Mar. 16, 1989]

REPLICA OF A HISTORIC SAILING VESSEL TO PROMOTE THE GRAYS HARBOR REGION

(By John Davies)

ABERDEEN, WASH.—A replica of the little ship from Boston that almost got Britain and Spain into a shooting war over protectionism slid down the ways and near the mouth of the Chehalis River.

The Lady Washington, a full-sized duplicate of the 112-foot ship Capt. Robert Gray used in establishing U.S. claims to the Pacific Northwest, bobbed quietly on the high tide.

"Now all we have to do is put up the masts and the rigging," said Tom Fisher, executive director of the Grays Harbor Historical Seaport Authority, which built the $1.8 million ship.

The vessel, a re-creation of the Lady Washington, the first U.S. ship to circle the globe, will become the Grays Harbor region's showpiece for promotion of trade and tourism.

Once the ship is completed next month, it will leave Capt. Gray's namesake port to tour cities along Puget Sound ports. Its crew then will start preparing for a voyage down the West Coast and across the Pacific to the Far East, where the original Lady Washington delivered sea otter pelts to China for eventual distribution in Japan.

In the meantime, the seaport authority intends to begin work almost immediately on the construction of even larger full-scale replica, this one of Capt. Gray's Columbia Rediviva. The Columbia River in Oregon was named after the ship, in recognition of Capt. Gray's safe passage through its treacherous entrance on May 11, 1792.

Mr. Fisher said the seaport authority hopes to turn the two ships into the focal point of a revival of Aberdeen and the surrounding Grays Harbor area. With heavy reliance on export-oriented logging and fishing, the regional economy became depressed during the years of the strong dollar and is only now beginning to edge upward.

The seaport authority, similar to ones in California, Oregon and Massachusetts, wants to build a maritime museum, with the Columbia Rediviva as its centerpiece. The complex would include a yard specializing in

wooden ships and programs for young people to learn nearly forgotten nautical skills, Mr. Fisher said.

The seaport director said he wants to revive the kind of spirit that Capt. Gray's company showed in challenging the most powerful naval power on earth, only to walk away with dominance of a global trading enterprise.

Capt. Gray, a Rhode Island shipmaster working for six merchants from Boston and New York, sailed in 1787 as commander of the Lady Washington, one of two U.S. ships carrying metal trade tools to Indians on the Northwest Coast to exchange for otter furs, which could then be resold in China.

By chance, he arrived at Nootka Sound on Vancouver Island shortly after a Spanish military expedition was sent to Nootka to block Russian plans to expand south from Alaska. The Spanish commander, Esteban Martinez, also had orders to seize British traders under a law that closed Spanish ports on the West Coast to calls by European ships.

In the months that followed, the Lady Washington helped the Spanish do just that. The ship not only seized ships from a country with which the fledgling United States had been at war only a few years earlier, but eliminated a trade rival in the process.

British demands on the Spanish government for compensation pushed England and Spain to the brink of war, but Spain ultimately relented and agreed that either nation should be allowed access north of the present dividing line between Oregon and California.

The Lady Washington sold its furs in China, continued around the world to Boston to resupply, then again headed for the Northwest. In his search for a fresh supply of furs, Capt. Gray arrived off the mouth of the Oregon River during a heavy runoff of silt that marked the channel, and on a tide high enough to get his ships safely across.

Capt. Gray is almost universally credited with the discovery of Columbia River, and his trade on the north side of the river played a role in later decisions to set the border between Canada and the United States at its current location. The British government and the Hudson Bay Co. had sought to make the Columbia River itself the border between U.S. and British territory.

Ironically, some historians believe British traders may have been operating on the Columbia River earlier than Capt. Gray. Capt. James Baker in the British schooner Jenny, for example, safely guided another British ship out of the river shortly after Capt. Gray's first call.

Capt. Baker, working for Sydenham Teast of Bristol, England, acknowledged that he had been in the river earlier in 1792. But Mr. Teast's captains were under orders not to disclose details of their voyages. So the precise date of Capt. Baker's first call on the Columbia River is not known.

The British government had granted monopoly trade rights for Pacific areas to the East India Co. and the South Sea Co., which prompted many British traders to re-flag their ships as Austrian or Portuguese vessels, or to resort to secrecy.

"We would like to be able to carry some of that maritime history into the present and the future," Mr. Fisher said. The length of time that takes, he said, will depend on how successful the seaport authority is in raising funds, and on how quickly it can develop a collection of maritime artifacts for its museum.●

PROMOTING THE USE OF ALKALINE PAPER IN THE PRINTING OF VALUED DOCUMENTS

● Mr. STEVENS. Mr. President, as you and the Members know I am a sponsor of Senate Joint Resolution 57, a joint resolution which promotes the use of alkaline paper in the publication of documents of enduring value.

This Nation, and indeed the world, is facing a crisis in terms of the disintegration and the ultimate loss of images and the written word due to the historical and still prevalent use of acidic paper. Only recently have efforts been made to use nonacidic, or alkaline, paper in the publication of books, documents, posters, and so forth. The Library of Congress is instituting a program to preserve our written and pictorial heritage including such items as a recently discovered college term paper of James Madison, the personal papers of Walt Whitman, as well as a treasure of posters, paintings, and films. These efforts must continue but the monetary cost is high.

Part of the solution to the problem of preserving public documents as well as reducing the future costs of preservation, is to convince the paper industry to convert existing paper production to that of alkaline paper. This conversion would ultimately be in the best interests of the paper industry. In the process of convertng production to that of alkaline paper, the paper industry's initial costs for retooling machinery would be offset by the long-term gains in terms of saving the taxpayers money and preserving our Nation's heritage. Over time, the paper manufacturer, the publishing industry, and the taxpayers will benefit from this conversion to nonacidic paper production.

The Government Printing Office should be leading this conversion effort; however, only one-fourth of the paper used by GPO is alkaline paper. This joint resolution would send a strong signal to the Public Printer that a significantly greater percentage of their planned usage shoud be allocated for the purchase of alkaline paper. This joint resolution would be, I believe, the stimulus necessary for the increase in the production of this type of paper and thus for its widespread use in the private sector.

I urge my colleagues to join me in cosponsoring S.J. Res. 57 in the effort to preserve our Nation's heritage and the written word.●

AN EXCEPTIONAL BLACK AMERICAN: REV. JAMES PETERS, JR.

● Mr. WIRTH. Mr. President, black Americans have played a vital role in the development of our Nation. The history of black Americans is one of honor in the face of hardships, courage in the midst of injustice, and faith in the wake of defeat. In a nation that proclaimed liberty and justice for all, too many black Americans lived for too many years with neither.

Last month we celebrated Black History Month, a time when we recognize the heritage, achievements, and contributions of black Americans. One such exceptional individual I would like to recognize today is the Reverend James Peters, Jr., pastor of Denver's New Hope Baptist Church, head of the Colorado Civil Rights Commission, and a political activist whose commitment spans more than three decades.

Reverend Peters has fought against poverty and injustice, walked for equality, and worked to make a positive change in this community we call America. From the historic early battle over voting rights and passage of the 1968 Civil Rights Act to today's continuing work to eradicate poverty and strengthen the family institution, Reverend Peters has labored relentlessly to secure equality and justice for all citizens.

Mr. President, I ask that a recent article from the Rocky Mountain News, titled "Prayer and politics: Rev. Peters Builds Civil Rights on Spiritual Framework," be printed in the RECORD. This article takes a close look at this gifted and dedicated community leader and his vital work, and I commend it to my colleagues.

The article follows:

[From the Rocky Mountain News, Feb. 12, 1989]

PRAYER AND POLITICS: REVEREND PETERS BUILDS CIVIL RIGHTS ON SPIRITUAL FRAMEWORK

(By Terry Mattingly)

As a young man in 1954, the Rev. James Peters Jr. sat in the rain on the U.S. Supreme Court steps, praying God would guide the justices to ban racial segregation.

Years later, Peters marched and preached in the civil rights movement with the Rev. Martin Luther King Jr., helping build the Southern Christian Leadership Conference.

A decade ago, Peters came to Denver's New Hope Baptist Church. Today he is a powerful political activist and leads the Colorado Civil Rights Commission.

Peters believes he has seen some of his prayers answered. He prays others will be answered. Someday.

"I thanked God for that court decision and I still do," Peters said, referring to the 1954 decision. "Yet, we still have segregated schools and they're getting worse. That's true, right here in Denver * * *

"It's frustrating. How far have we really come?"

A wave of statistics threatens to swamp flames of hope fanned in black pulpits. How Peters and other black religious and political leaders attack a list of social problems will affect everyone in Denver and the nation.

Peters knows all about the numbers.

Unemployment among black adults in Northeast Denver is 20%, the citywide adult rate 5.9%. For black teens in Northeast

Denver the unemployment rate is 40%, the citywide rate for teens is 15.3%. About 40% of black families live below the poverty line.

Nationwide, 90% of all babies of black teen-age inner-city mothers are born out of wedlock. The state birthrate for black teenagers is three times that for whites.

Blacks make up 12% of Denver's population, but are arrested in 42.3% of the city's violent crimes—a statistic often linked with drug abuse.

Today, the black church must walk the line between realism and despair, Peters said. The last thing people need is to lose hope. "In his 'I Have A Dream' speech, Martin described how some people are denied the right to vote and others believe they have nothing to vote for," he said.

"The black church still has to address that issue. Too many people live their lives thinking—I don't matter. I can't change and I can't change anything."

But Peters said some of his dreams have become "nightmares because our problems seem overwhelming. * * * After a lifetime of struggle in this movement, it's still a struggle."

A leader of Peters' ability will adapt to the harsh realities of an age when hard times and tight budgets make progress difficult, said Gov. Roy Romer. The governor will speak at New Hope Baptist's 10:45 a.m. service Feb. 19 as part of its two-week celebration of Peters' 10th anniversary.

"He shouldn't be depressed about how things are, but he can be realistic" Romer said. "Granted, it's tough sledding. * * * But you count on people like James Peters. The black church will always have that kind of important role to play. It's a rock people can organize around."

It's hard to understand the black church's political clout without looking at its past, before the civil rights movement.

Government offered few community services or open doors, so the church stepped in. Black lawyers, doctors, teachers and businessmen worked—day after day—in white institutions. They had to "get along," Peters said. "They couldn't afford to be civil rights leaders."

No so for the black preacher, whose salary came from the pews. The preacher had freedom. "If someone had a problem with welfare or the government, it was the black preacher who could go in and ask questions," he said. "He had nothing to risk."

The civil rights movement unleashed the black church's grass-roots clout, poignant symbols and moral vision in a political context. But with victories came a burden.

A common stereotype: The black church is now more a political party than a church. In the media, it's news when black worshippers pass the plate for the Rev. Jesse Jackson. It isn't news when churches help the elderly or the needy.

Peters said black church leaders never believed it was enough to register voters. But some were slow to proclaim that many social problems that kill black dreams are rooted in spiritual problems only the church can address.

"We do believe black people and others in America are disenfranchised in many ways. We have to speak to that," Peters said. "But clearly our first job here is saving souls."

Here is another painful reality.

True, the black church does not have financial resources to solve massive problems—such as gang violence. True, the church knows the government either cannot or will not pour endless resources into the problems of black people.

Now black religious leaders know another truth—many blacks never darken the doors of their churches. It's time, Peters said, to again stress evangelism and religious conversion—to pull people back into the pews.

"That is our greatest need, right now," he said. "The church was the major influence on black life 20 or 30 years ago. That's not true today."

While church families are not immune to problems, most troubled young people who join gangs or become pregnant "haven't been to church in 10, 15 years, if they have ever been to church," he said. "We have to find ways to reach those people. We simply have to."

Some might see new efforts to trumpet "spiritual solutions" as a retreat. That would be true, Peters said, if the black church gave up all attempts to meet the needs of the poor and shape the political order.

What the church must regain, he said, is a boldness in declaring that "there is a spiritual framework to all these problems. We must say, 'Because I am a child of God, I want to be a friend of yours. * * *

"Our churches have to be more than parking lots. They should be filling stations. * * * If we don't care for people, then we're not a church—we're just a social club. We're just a sophisticated society of sanctified snobs."

Peters said he dreams that, 10 years from now, every church in Denver will have new programs that mix tough moral teaching with practical help.

New Hope Baptist has begun a project based on bar mitzvah and bat mitzvah programs for Jewish children. As "Orita pilgrims"—the name comes from an African language word for "journey"—young people make "a spiritual journey into adulthood", Peters said.

In addition to religious instruction and classes in black history, participants learn how to follow a family budget, to open a bank account, to handle personal hygiene, to face sexual changes, to apply for a job.

"These kinds of programs need to be going on right there in the church as part of the weekly calendar," Peters said, his voice rising with conviction.

This may sound conservative, coming from a preacher often identified with liberal Democratic causes. There's more. "We're going to have to go back to some of those values—values that some people would even call 'fundamentalist' values," Peters said.

"I'm talking about the sanctity and sacredness of the home. The need to condemn—clearly—any dependence on drugs or alcohol. We have to teach * * * that girls have to be responsible for their bodies and should be sensitive to the fact they can become mothers."

Some kinds of personal behavior are, quite simply, wrecking black families, he said. "So the church needs to—I know this sounds old-fashioned—speak out against sin, against doing the kinds of things that destroy people."

A fresh emphasis on the pews, Peters stressed, does not mean abandoning the ballot box.

Last Easter he sat in Denver's First Baptist Church and listened while an old friend—the Rev. Jesse Jackson—erased the line between religion and politics.

The media later offered up all the familiar images of black Baptist politics. Many observers raised church-state questions; saying the state should take a fresh look at the tax-exempt status of many black churches.

"All that gave me no problems, whatsoever," Peters said. "I firmly believe that Jesse Jackson's ministry is social and political activism * * *. I see an urgent and pressing need to support that kind of ministry."

In seminary, he said, his teachers said the church shouldn't get involved in politics unless there is a moral issue involved. "Well, what's more immoral than sick people not being able to go to the hospital? * * * I'm for trying to solve the problems of the poor, and that is Jesse's ministry.

Political activism in the black church makes government uncomfortable. So be it, Peters said. Early in the civil rights movement, the government in Alabama outlawed black political groups. Preachers simply carried on—doing the same kind of work in Sunday school classes.

"I'm sure the IRS will complain and make us do things differently * * *. Well, we'll do things differently—but we'll do them," Peters said. "I don't object to white churches doing the same things. Believe me, they do.

"What about Jerry Falwell? I don't know of anybody who did more work for George Bush than Jerry Falwell."

The past matters. When black church leaders get together to talk, they often end up comparing their efforts today with the triumphs of the civil rights era.

"It's important that James Peters brings his experiences and his connections to the past with him," said the Rev. Dan Hopkins of Holy Redeemer Episcopal Church, the young president of the Greater East Denver Ministerial Alliance."

"He was there then, and he's here now.

"He helps create a bridge that some of us today can walk across."

It's crucial that Peters is flexible enough to adapt to changing times, Hopkins said. Very early, the pastor of New Hope Baptist began saying it was important to again stress the word "church" in the phrase "black church."

Ultimately, Peters said, the church must believe a lively faith will motivate someone to work for justice.

"All the time I have people say to me, 'Are you preaching about civil rights? I say, 'No, I'm preaching the Gospel of Jesus Christ,'" Peters said.

"Some people are blinded because they can't see people as people. Their vision is clear when they're looking at trees and flowers and sky. But when they're looking at man—God's highest creation—their vision gets foggy.

"We have to be changed, so we can share Jesus' concern about people in prison, people who don't have clothing, pregnant teenagers, women who are not getting equal pay, the handicapped, the elderly, people with drug problems."

Some people will hear this message and call it the Gospel. Others will call it politics: Peters isn't worried.

"I think I have a right to talk about politics in my pulpit * * *. I see that as the same thing I was doing back in 1954, sitting on the steps of the Supreme Court * * *.

"I wasn't there as a politician. I was there to pray. I wanted God to tell our government, 'Let my people go.'"●

GREEK INDEPENDENCE DAY

● Mr. D'AMATO. Mr. President, I rise today to voice my support for Greek Independence Day, which will be celebrated on March 25.

This day marks the 168th anniversary of the initiation of Greek independence by Archbishop Gernanos. For 9 years Greek patriots fought their Ottoman oppressors for independence. The valiant efforts of those Greek freedom fighters served as a catalyst for the nationalist movement throughout the Balkans. The continued commitment of the Greek citizenry to the ideals of independence and democracy can serve as a source of inspiration to all of us.

The accomplishments of the more than 600,000 Americans of Greek origin have been no less impressive. Dedicated to self-improvement and achievement, Greek-Americans have been active in all aspects of American life, education, the arts, government, and commerce. The achievements of Greek-Americans in fields of shipping, banking, food services, and entertainment have been particularly noteworthy. The Greek word "philotimo" best expresses what is considered by Greeks of Grecian and American citizenry to be their primary virtue: A sense of honor and self-respect.

Mr. President, I believe that all Americans should celebrate Greek Independence Day. As the poet Percy Bysshe Shelly once said, "We are all Greeks. Our laws, our literature, our religion, our art, have their roots in Greece." In light of the achievements of the Greek people, I was pleased to join as a cosponsor of the joint resolution, proclaiming March 25 "Greek Independence Day."●

GREEK INDEPENDENCE DAY

● Mr. BIDEN. Mr. President, nearly 168 years ago, on March 25, the Greek people declared their independence from the Ottoman Empire after more than 400 years of repression and deprivation at the hands of the Turks. Using the U.S. Declaration of Independence and the American Revolution as their models, the Greeks fought valiantly and won their freedom in 1830.

Just as the American Revolution served as an important role model for Greek Independence, the democratic ideals of ancient Greece proved to be an essential inspiration for our own society. As Thomas Jefferson so eloquently stated, "to the ancient Greeks * * * we are all indebted for the light which led ourselves out of gothic darkness."

Clearly, our two societies are inextricably linked through shared history and values. First, the ancient Greeks inspired the Founding Fathers, then we Americans were able to return this debt by inspiring the Greek revolutionaries of the early 1800's. Beyond providing spiritual inspiration, many Americans lent themselves to the cause of Greek freedom by sailing to Greece to fight in its war of independence.

Since then, the United States and Greece have deepened their kinship. In recent times, Greece has stood right alongside the United States in the struggle against totalitarianism and communism. Sixty thousand Greeks died fighting in World War II, and shortly after, in a struggle to preserve their democratic way of life, Greeks successfully defeated Communist rebels seeking the overthrow of their government.

Just as the world is indebted to the Greeks for their valor, so too are Americans grateful to Greek-Americans for the many contributions they have made to our society. Americans of Greek descent have been tremendously successful in all walks of life—from politics to medicine to the arts—and have enriched all facets of American society.

I want to take this opportunity to express my gratitude and respect for the Greek people and congratulate them on what is their Forth of July. As Percy Bysshe Shelly once wrote, "We are all Greeks! Our laws, our literature, our religion, our art, have their roots in Greece." On Greek Independence Day, this is especially true.●

AMAZON RAIN FOREST MYTH AND REALITY

● Mr. WIRTH. Mr. President, last January I led a congressional delegation trip to several Latin American countries. We were accompanied by Dr. Thomas E. Lovejoy, Assistant Secretary for External Affairs of the Smithsonian Institution, whose expertise and assistance were invaluable to the entire delegation.

Dr. Lovejoy is one of the world's foremost ecologists and is an expert on tropical forests. His Ph.D. dissertation at Yale University was a pioneering study of the birdlife in tropical rain forests. From Yale, Dr. Lovejoy went to the World Wildlife Fund-U.S. where he founded the popular "Nature" television series of educational programs viewed by millions of people around the world. He also originated and is coprincipal investigator of the Minimum Critical Size of Ecosystems project, one of the most ambitious ecological field experiments ever attempted. This joint effort of World Wildlife Fund-U.S. and the Instituto Nacional de Pesquisas da Amazonia of Brazil is providing information being used worldwide to set aside natural areas meeting at least the minimum critical size necessary to prevent ecosystem destruction.

Another highly significant contribution by Dr. Lovejoy to improving the world environment is the debt-for-nature swap concept, which links the reduction of Third World debt with conservation of tropical ecosystems. To date, debt-for-nature swaps have been arranged in Ecuador, Bolivia, Costa Rica, and the Philippines, and efforts are ongoing to arrange programs with a number of other developing countries in Latin America and Africa.

In his current position at the Smithsonian, Dr. Lovejoy continues to use his expertise and his considerable energies to try to make the world a better place. He is doing this by helping to educate the public and policymakers such as myself about the tropical rain forests of the world, their special resources, and the perils those resources now face.

Today, an article by Dr. Lovejoy explaining some of the myths and realities of the Amazon forest is being published by the newspaper Folha de Sao Paulo, in Sao Paulo, Brazil. I am confident that my colleagues will find this article to be highly informative and I ask that the article be printed in the RECORD.

The article follows:

AMAZONIAN PERIL: MYTH AND REALITY [1]

(By Thomas E. Lovejoy)

The Amazon forest, both the world's largest tropical forest and the greatest of all wildernesses, has long stirred the imagination with its vastness, remoteness and largely unknown biology. It is little surprising that there are many myths and misunderstandings starting with the Amazon women themselves.

The exuberance of the Amazon vegetation is the consequence of constant conditions of warmth and moisture. These are conditions highly favorable to life and living processes, so it is entirely logical that the Amazon forest and its multitude of species are essentially the greatest expression of life on earth.

What seems surprising is that these forests exist mostly on poor soils, and in some instances, on some of the poorest soils on earth. This is possible because the very same moisture and warmth so favorable to the profusion of life is also highly favorable to processes of decomposition. As a consequence organic matter decomposes rapidly and nutrients are taken directly back into the living forest, with no build up of a significant soil layer. This paradox of a rich biological formation on poor soils has on many occasions led to the false conclusion that the Amazon would be a fabulous place for conventional agriculture. There have been many consequent failures, of which the TransAmazon colonization is perhaps the most notable.

All Amazon soils are not poor, however; perhaps 10% of Brazilian Amazonia has soil suitable for agriculture. Some of this is terra rocha, the focus of development in Rondonia. Even in this case agriculture is not easy; the climate is best suited for perennial crops, primarily tree crops. Some indigenous tree products, such as the delicious capuacu fruit, have great economic potential.

Indians and caboclos have, of course, been practicing agriculture successfully in Amazonia for millennia and centuries respectively. What is their secret? Their secret in fact

[1] For the Folha de Sao Paulo, 17 March 1989.

is that they practice an agriculture attuned to the forest's ecology. Clearings are small, a hectare or two. The cut and burned forest provides a brief pulse of fertilizer, but as rain washes the ashes away they do not go far—only into the surrounding forest. When it is time to move on and repeat the slash and burn cycle because the plot is exhausted, the clearing left is not much larger than a major tree fall. The forest can repair itself and the large seeded mature forest trees don't have long distances for their seeds to disperse. This kind of agriculture works as long as population densities are low; when the ratio of people to forest land rises this system degrades the ecology.

In the large clearings, which many current development projects create, natural forest processes cannot be effective. There is no seed bank in the soil as in temperate forests where seeds can remain viable for hundreds of years. In the tropics seed viability is more a matter of weeks and big seeded canopy trees disperse very slowly. Consequently there cannot be an analogue in tropical forests to New England which was largely deforested two hundred years ago but recovered naturally with little loss of biological diversity. In large tropical deforested areas, it is possible to encourage some form of forest recovery but it requires labor intensive care. Rio de Janeiro's Tijuca forest is largely a planted forest. But it must be remembered that extinct species can never be replaced.

The alluvial soils of the varzea or floodplain areas are suitable for annual crops during those months when they are not flooded. But even here the answer is not simple because the floodplain forests provide critical support for the important Amazon fishery during the high water months of the year. There is a major nutrient transfer from the terrestrial to the aquatic ecosystem as fruits and seed fall into the water. Some 75% of the commercial fish species depend on this transfer. Consequently, portions of the floodplain need to remain in forest to maintain this important food source. *Already* the fishery is in decline primarily because of overfishing.

The main economic value of the Amazon, therefore, is not as conventional agriculture. But equally mythical as the notion of Amazonia as the beadbasket of the world is the idea that the forest itself is without value. The traditions of extraction of products like rubber and Brazil nuts have long produced income and there are certainly other products to be harvested in this fashion. The forest is a great source of new pharmaceutical products. Some of these are already well known to Indian shamans who have for millennia depended on the forest for medicine and other natural products such as pesticides. The Amazon is, in fact the world's largest pharmaceutical and biochemical factory.

There are, of course, major mineral resources in Amazonia and they can bring major economic return. But mining, as roadbuilding, while often bring in themselves, bring access to forest so colonization or economic pressure can bring devastation on their heels. One can see the potential for devastation in what happened along the railroad from Carajas to São Luis. One can also see that protection *can* be achieved in the example of the 300,000 ha tract at Carajas which CVRD has managed for the last decade and more.

In the end, the greatest value of the forest is as a genetic stock. We are on the threshold of the age of genetic engineering, a science of enormous potential which nonetheless depends on rearranging existing genes, not constructing new ones. The Amazon has probably 30% of the world's genetic stock which is why I think of that forest as Brazil's ultimate wealth.

The Amazon forest also will be the source for important growth of the life sciences. It is, in a sense, an important part—again about 30%—of the natural library about how living systems work. An interesting example is the biology of the jararaca which kills its prey with a venom that reduces their blood pressure to zero. Studies of how this worked revealed an entirely unknown system of regulation of blood pressure in people. This in turn inspired development of the current preferred prescription drug for hypertension—capoten. It will be important to protect the value of this biological patrimony for the benefit of Brazil, but it will need to be done in a way that does not discourage international collaboration in research. Science progresses most successfully when there is a multiplicity of view point and effort.

The tremendous wealth of plant and animal species is in many ways the most important part of what is at stake with predatory development in the Amazon. Each species is unique and irreplaceable; once extinct it is gone forever and with it all its potential to support human society. It is an irony that at this moment of global environmental crisis that science can tell us the distance from the earth to the moon to within centimeters but can't say whether there are three, ten or thirty million species on earth. Every time anyone looks at the tropical forest the estimate of total species on the planet rises. And each time the percent of total species in tropical forests and the Amazon rises. That thirty percent of all plant and animal species occur in Amazonia is probably a conservative estimate.

This imprecision about the number of plant and animal species makes it hard to say how many species are being lost in the Amazon. At the rate at which deforestation has taken place in the Amazon in recent years (20% of Rondonia alone in about 5 years), it is likely, in my estimate, that tens of thousands of species are going to extinction each year. Each species is a unique resource with perhaps considerable potential to enrich Brazil.

The multitude of species which constitute the forest are also engaged in regional and global processes. This is recognized in the myth that the Amazon is a major producer of oxygen for the world—the so-called lungs of the world. The reality is that a mature forest of any sort consumes through its animal life and respiratory processes about as much oxygen as its plants produce.

Nonetheless, the forests are important in another way—namely as a store of carbon. The tropical forests of the world hold a pool of carbon of 350 billion tons—roughly equal to half of all the carbon in the atmosphere. The carbon cycling systems of the planet are overloaded and carbon is accumulating in the atmosphere where it traps radiant heat and contributes to the warming of the earth.

The so-called greenhouse effect is the least controversial theory of atmospheric sciences. It seems the planet is already 0.5° C higher than a century ago. This may seem a small amount but in planetary ecology it is disturbingly large. Climatic change is likely to be greater in higher latitudes—Canada or Tierra de Fuego—but no region will be immune to changes in rainfall or wind patterns which could easily lead to agricultural failure. And sea level rise will be as much a problem for the beaches of Copacabana as for Venice or Bangkok.

In 1954 the pioneering ecologist G. Evelyn Hutchinson estimated about half the annual contribution of CO_2 build-up in the atmosphere came from deforestation with the other half coming from the burning of fossil fuels. Since then fossil fuel burning has increased enormously, but deforestation has increased also. How much does Amazon burning contribute to the annual excess accumulation of CO_2 and thus the greenhouse effect? The numbers are still being refined but I would think 10% is not an excessively high number. It would be wrong to argue against no burning at all. But the reality is that the vast majority of burning has been for short term gain, often with economic subsidy (now suspended), and that nobody is served well by it. Indeed as the world gropes for solutions to the growing greenhouse effect, curtailing forest burning and reforestation in various locations north and south about the planet are critical elements.

The forest is the product of one of the most remarkable of regional processes—revealed by the research of Prof. Eneas Salati and his colleagues. As air moves west from the Atlantic to the Andes in the Amazon basin its moisture content is continually renewed by evaporation and transpiration of the trees themselves. Roughly 50% of Amazonian rainfall is internally generated and dependent on the forest. Remove the forest and what happens? Again it is hard to be precise but at some point rainfall will begin to decline. Preliminary figures for Rondonia suggest this may already be happening. The implications for the remaining Amazon forest is the prospect of an irreversible drying trend which would alter the ecology of the forest, change the vegetation, and affect the greatest stock of generic resources of the planet. Not just Amazonia will be affected but also Central Brazil, which will suffer reduced rainfall. Isotope studies have shown that moisture from Amazonia can be traced to the far north and south of the continent. The Amazon forest is an anchor of continental and global climate even if some of the linkages are obscure.

How much has the Brazilian Amazon already been affected? Again precise figures are lacking but most scientists involved think about 15% to 20% of the forest has been deforested. Figures are often presented as a percent of legal Amazonia which is only 58% forest itself.

There is no question that a more precise estimate is needed. But it is equally clear that the real economic potential of Amazonia for Brazil lies in its biology, and that any sustainable development will be respectful of that. It is a myth to think otherwise. The potential of the hileia is considerable but it takes a sophisticated and sensitive approach. The challenge is to make it a reality.●

ACT FOR BETTER CHILD CARE SERVICES OF 1989—S. 5

● Mr. GLENN. Mr. President, I rise today to cosponsor the legislation introducted by Senator DODD, the Act for Better Child Care Services of 1989—the ABC bill. There is no question that we need a national child care program. Sixty percent of all mothers

with children under 14 are now in the labor force and this ratio will continue to climb. It is estimated that more than half of the children in a day care setting are in unregulated child care slots. The ABC bill includes several key components for a successful child care program. These include subsidized child care for low-income families, Federal standards for child care providers, and support for programs that will increase the supply and improve the quality of child care.

Although I support the ABC bill as it currently stands after recent committee markup, I was concerned about two provisions of the bill as it was originally introduced. before I discuss these concerns, I would like to commend the Labor and Human Resources Committee Chairman, Senator KENNEDY, and the chairman of the Subcommittee on Children, Families, Drugs and Alcoholism, Senator DODD, for their successful efforts to reach agreement among competing groups on some very sensitive issues. I believe we have a much stronger piece of child care legislation as a result of their hard work.

My first concern was about the provision that allowed vouchers as a funding mechanism. We must be very careful to ensure that we do not establish a dangerous precedent that could eventually lead to the use of vouchers in our Nation's educational system. We must also ensure that the States maintain the ability to monitor and establish necessary agreements with the organizations that are receiving public funds. I was pleased to see Senator KENNEDY add an amendment that provides for a written agreement between States and providers before funding certificates are honored. The passage of this amendment is key to my support for the ABC bill.

Second, I was concerned, along with many others, about the church-state language as originally introduced. The bill did not address the question of religious preference in hiring by organizations that provide publicly funded child care services. Senator DODD amended the bill to provide much more extensive language delineating what hiring preferences are acceptable and when they are acceptable, which strengthens the church-state provision of the bill.

Mr. President, in closing I would like to emphasize again how impressed I am with the effort by Senators KENNEDY and DODD to bring competing interests together under the ABC bill. I believe that, because of their commitment, the legislation we now have will go the distance.●

TV-MARTI

● Mr. HOLLINGS. Mr. President, on March 3, 1989, I met with Bruce S. Gelb, who has been designated by President Bush to be the new Director of the United States Information Agency. During our meeting, Mr. Gelb and I discussed television broadcasting to Cuba, or TV-Marti, as a parallel to the highly successful radio program. Mr. Gelb has evidenced his personal support of TV-Marti in a letter to me dated March 14, 1989, that I ask to have printed in the RECORD.

Mr. President, I also ask that the distinguished junior Senator from Minnesota, Mr. BOSCHWITZ, be added as a cosponsor of S. 375, as well as the Republican leader, the senior Senator from Kansas, Mr. DOLE. S.375 is a bill I introduced on February 8, 1989, to provide for television broadcasting of accurate information to the people of Cuba. We now have 18 sponsors of the bill and after the recess I expect there will be considerably more.

The letter follows:

U.S. INFORMATION AGENCY,
Washington, DC., March 14, 1989.

Hon. ERNEST F. HOLLINGS,
U.S. Senate,
Washington, DC.

DEAR SENATOR HOLLINGS: I appreciated the opportunity to meet you on Friday, March 3. I can assure you that we are very interested in seeing TV Marti come on-line. It has the potential to be a worthy parallel to Radio Marti which is playing such an important role in communicating to the Cuban peoples. The Agency will be working as rapidly as possible to complete the various tests necessary before we can convert this dream into a reality. Your support for the concept is very helpful.

Thank you again for your time and I look forward to the opportunity of having regular consultations with you and your colleagues on the Senate Appropriations Committee.

Sincerely,

BRUCE S. GELB,
Director-designate.●

ST. PATRICK'S DAY 1989

● Mr. SIMON. Mr. President, on this St. Patrick's Day I wish to pay tribute to the many contributions Irish-Americans have made to America, but also to restate my desire for peace and justice in Northern Ireland. For far too long violence has rocked Ireland and disrupted attempts to bring justice and economic growth to the Irish people. On this St. Patrick's Day, I appeal to all to stop the violence and agree to a just and fair political settlement of this brutal conflict.

It is not just conflict in Ulster that is troubling. Unemployment in Ireland is the highest in Western Europe and has resulted in the emigration of many thousands of Ireland's young people. For the economic problems of the Irish people to be solved, a solution to the violent conflict which has sapped Ireland of its resources and youth must be found.

Once a year, a great many of the world's people turn their thoughts to Ireland as they think of the festivities associated with St. Patrick's Day. And in the United States, Irish-Americans have good reason to celebrate: Irish immigrants and the sons and daughters of these immigrants have made their mark in every corner of our land, in every field of endeavor.

But beyond the celebrations, I hope that this St. Patrick's Day becomes the day when violence is laid aside and peace with justice is established in Ireland.●

AFRICA TRIP REPORT

● Mr. SIMON. Mr. President, in January I went on an official visit to Zambia, Malawi, Zimbabwe, and Nigeria, and made short transit stops at Cape Verde and Gabon. My main purposes were to: First, cochair the African-American Institute Annual Conference in Lusaka, Zambia; second, examine the transportation and refugee situation in Malawi; third, review the political and economic situation in Zimbabwe; and fourth, review Nigeria's economic situation, particularly the effects of its structural adjustment program, the process toward civilian rule, and the drug-trafficking problem.

On this trip, I was joined by Congressman CHARLES RANGEL of New York, who has particular expertise with the drug problem because of his leadership on the Select Committee on Drugs in the House; by Congressman JACK BUECHNER of Missouri, who has shown a real interest in international issues; and Congressman DONALD PAYNE of New Jersey, a new Member of the House and of the Foreign Affairs Subcommittee on Africa, who has worked on refugee problems in the past and shows real leadership qualities; and Ambassador Herman Cohen who was, until the change in administration, the Africa specialist for the National Security Council.

During the visits we met with a broad range of individuals including U.S. Embassy officials, African leaders from all over the continent, representatives of international organizations, resident government officials from Europe and Japan Mozambican refugees, and the heads of state of Zambia, Malawi, and Zimbabwe.

CAPE VERDE

A former Portuguese colony and transshipment point, Cape Verde is an arid desert country of approximately 340,000 people spread among a small chain of islands. Historically, Cape Verde has had a strong relationship with the United States, with many native Cape Verdeans having immigrated to the United States. A substantial amount of Cape Verde's foreign exchange comes from Cape Verdean-Americans.

One of the particularly important concerns I have centers around the critical need in Cape Verde for the ca-

pacity to turn salt water into fresh water. I was disappointed to find that we have not successfully established a desalination project there. Since visiting Cape Verde, I have had a chance to read an Agency for International Development [AID] report on our efforts to assist in a desalination project, and it is fairly clear that some real mistakes were made. But the need remains to do research in this area and to move ahead in Cape Verde. I hope we will pursue this. Somehow, we must find a way to put this technology to good use in Cape Verde.

AFRICAN-AMERICAN INSTITUTE 19TH ANNUAL CONFERENCE, LUSAKA, ZAMBIA

The Honorable Luke Mwananshiku, Foreign Minister of Zambia, and I cochaired the 19th African-American Institute Conference. This conference, held annually (and alternating between the United States and Africa) is a rare opportunity to discuss issues concerning Africa and the U.S. role in supporting African nations with African leaders from all over the continent, representatives from U.S. Government, academic, and business communities, as well as U.S. media representatives.

The agenda of the conference focused on two key issues: the serious economic problems of African nations and approaches to address those problems; and, the problem of apartheid in South Africa and its impact on the prospects for peace and stability in the southern African region.

On the economic front, African nations generally are attempting to confront their serious economic problems. For many, the effects of austere structural adjustment programs are made more severe by population growth and the burden of external debt. These factors make African nations more fragile politically and vulnerable to social and economic unrest. Participants suggested some of the approaches that African nations might take to improve their circumstances. One African leader highlighted the importance of investing in agri-industrial activities. Ethanol, for example, could be produced in a small-scale plant, using sugar from the local community and converting it into fuel.

There were several representatives of American industry at the meeting, and one of them, Byron DeHaan of Caterpillar, gave a candid appraisal of the problems in Africa as seen from the perspective of the private sector. It was a significant contribution to the Institute's meeting. He highlighted the importance of debt relief, recognition by African governments that the private sector can contribute in a positive way, reduction of trade barriers, and investment in young people as a strong national resource.

The decline of African educational institutions was touched upon and followed a comprehensive World Bank study on the subject. Many African universities suffer from inadequate facilities, lack of financial resources, and inadequate sources of current information in any given field. It is not unusual, for instance, for a university library's most current journal to be 2 or 3 years old. On a more basic level, illiteracy continues to be a crippling problem in many African nations. A UNICEF representative pointed out that literacy of women is particularly important. Studies in African countries, Botswana for instance, show that the incidence of malnutrition declines rapidly where the education of women rises.

Much of the conference was devoted to a discussion of the current situation in southern and South Africa. The panel on southern Africa focused on the recent Angola-Cuba-South Africa agreement—the Tripartite Agreement—which triggers the Namibia independence process outlined in United Nations Security Council Resolution 435. Conference participants primarily expressed their concerns that South Africa would seek to undermine the process, beginning with efforts to reduce the number of U.N. troops overseeing the independence process from the level originally anticipated in 1978 when resolution 435 was passed.

The panel on South Africa included a number of key black and white South Africans. In addition to highlighting the importance of effective international economic sanctions against apartheid, the panel also focused on the changes occurring in the South African Government under the ruling National Party and in South Africa's black communities. One participant focused on the state's assumption that it can control any threat and the contradiction that attempts to control and coopt have resulted in massive political organization and more unacceptability of state structures.

One participant noted that in South Africa's black townships the rent boycotts continue to be 75 percent effective, with the Government having succeeded in stopping the boycott in areas where army troops were assigned. In the recent October 26 local elections, most blacks chose not to vote at all for local officials running for Government-sponsored township councils. We were reminded that Government suggestions of high black participation in the elections—about 25 percent—were based on the number of registered voters, not the number of eligible voters living in the townships. South Africa, one participant said, is the only place in the world where representatives cannot live in the same place with their constituents. Local Government officials live in Government camps. Finally, one participant raised the key point that the Government "won't be able to capture and control the minds of the black youth" and must undo the causes of the violence.

At the end of the conference, African leaders left us with a number of concerns. First, with respect to the implementation of the Tripartite Agreement, there was a consensus that the size of the U.N. peacekeeping force be kept at 7,500 troops, not reduced to the proposed 4,500 troops. Second, there is a fear, based on South Africa's history of betraying past agreements, that the South African Government will erect a series of obstacles to thwart this effort for peace. As one African leader put it, "We hope there are no artificial measures to delay implementation of U.N. Security Council Resolution 435." The primary concern is that South Africa will try to dominate the new Namibian Government or manipulate the independence process so that a government supportive of South Africa's agenda can emerge. For this reason, African leaders overwhelmingly stressed the importance of not veering away from the terms of resolution 435. Third, there was broad concern about then President-elect Bush's letter to Jonas Savimbi pledging continued support to UNITA in the Bush administration. This letter dampened the hopes of many African leaders that the new administration would take another look at policy toward Angola. Furthermore, the issuance of the letter prior to President Bush's inauguration and before he had set out an overall policy toward Africa, lent an air of heightened urgency to the appeal on the part of African leaders that we seriously reconsider our current policy toward UNITA.

I had a number of impressions at the end of the conference. First, the fact that a U.S. congressional delegation came to Zambia was viewed as important. There is too little congressional interest in and travel to African nations so that when it does occur, it is a great boost to both our relations with African nations and our understanding of them. Second, the United States spends 34 times more on defense than on development assistance to economically disadvantaged countries. The needs in a continent like Africa deserve greater attention. Third, greater adequacy in foreign language is central to our ability to build strong relations with African nations, as with other nations, specifically in the Lusophone and Francophone nations. Fourth, speaking as one from a nation that has not made wise budgetary and economic decisions, I am aware that African nations cannot afford to make unwise decisions on the economic front. Many African nations are facing up to that challenge at great social and political cost, as was particularly evident during my visit to Nigeria. Fifth, the United States and African

nations need to work together for concrete goals and to be more creative in our approach. For instance, if we decide that, in the next 10 years, we are going to eradicate illiteracy in Africa, that is a clear and concrete goal we can work toward. Sixth is the sad fact that, as Rev. Jesse Jackson pointed out in his address to the conference plenary, Americans still largely view Africa as the world of Tarzan. As one American conference participant said, "the heel of history has been on this [the African] continent." The conference participants candidly discussed the factor of race in our own inability to move forward on an improved Africa agenda.

Although the conference agenda focused on Africa's economic problems and southern and South Africa, there was not much discussion of the Horn of Africa in a time when humanitarian disaster and civil conflicts in Sudan, Somalia, and Ethiopia are of crisis proportions.

Lastly, the conference gave a glimpse of the expectations for the next U.S. administration with respect to Africa. The message from Africans was to address seriously the apartheid issue, continue to support those nations bordering South Africa, help ensure an unencumbered process for Namibian independence, and understand the pressures African nations face in moving forward on their economic problems. Africans overwhelmingly look for an improved, strengthened relationship with the United States. For too long, the United States has operated under the assumption that European nations should provide the bulk of support and aid to African nations, because of their historical ties as colonial powers. We should be beyond that kind of thinking. We now provide only about 7 percent of our foreign aid budget to sub-Saharan African nations, who have about 350 million of the developing world's people.

ZAMBIA

Zambia's economy continues to face serious problems, and tends to be financed through borrowing. Zambia owes $5–$6 billion in external debt but earns only about $800 million a year in foreign exchange. The economy continues to rely primarily on the State-owned copper industry, which is the only significant source of foreign exchange. Although copper prices are higher now, copper production is down and the industry needs to be modernized.

Economic reform is both necessary and problematic. In May 1987, due to the steep decline in copper prices, lack of sufficient foreign exchange earnings, food shortages and riots in the copperbelt, Zambia abandoned its International Monetary Fund Program and suspended the bulk of its debt payments. As a result, Zambia has lost support from major lenders and donors. The World Bank, for instance, maintains only one project from a previous $500 million effort in Zambia. Moreover, with its 3.7 percent annual population growth, Zambia's economic problems will become more difficult without economic growth.

Overall, Zambia needs to find a way to restimulate the economic reform process, increase its managerial and technical capabilities, and harness its great agricultural potential. Zambia is beginning to recognize and respond to these problems. One representative of the donor community indicated that Zambia's new budget, if implemented, will go a long way to putting things on the right track. In our meeting with President Kaunda it was clear that Zambia welcomes foreign investment and is open to the prospect of joint ventures with United States companies. And, after a 2-year break, the World Bank and International Monetary Fund are renewing discussions with Zambia and coming back to take another look at the situation and possibilities for future activities.

Zambia is also confronted with a serious AIDS problem. According to United States Embassy officials, 13 percent of those tested test positive for AIDS, and about 50 percent of the hospital beds in Zambia are occupied by AIDS patients. In the near future, anywhere from 600,000 to 1 million will die of AIDS in Zambia. The Zambian Government, having recognized the scope of the problem, has put together a nationwide AIDS education program, which includes a strong outreach effort.

Zambia has always had a key role in regional politics, having been among the first of the southern African nations to gain independence. President Kaunda is currently the President of the Frontline States. The government continues to advocate strongly the international imposition of effective economic sanctions against South Africa, and to oppose United States Government assistance to UNITA. And the message on the Namibian independence process is that the international community must ensure that United Nations forces are adequate to allow an unencumbered election process, particularly since the South Africans have greatly increased their forces in Namibia over the past decade.

MALAWI

Malawi, a nation of about 7½ million people, has opened its borders to 622,000 traumatized Mozambicans fleeing the fighting in Mozambique. Mozambican refugees now comprise about 8 percent of Malawi's total population. In the United States, a proportionately equivalent number would be about 20 million refugees. How would we respond to that situation? In Malawi, refugees come over the border every day at a high rate.

I visited the Mankhokwe refugee camp in Nsanje District at the southernmost tip of Malawi. In that area, the numbers of Mozambicans outnumber the total Malawian population, and natural resources—water and forests—are being rapidly depleted by the demands of this growing population.

It was a very dramatic experience. I have visited a number of refugee camps in all parts of the world, but they did not compare to this. There were 40,000 people at that camp—8,000 of them children—some of whom walked 300 miles to get there. I talked with a number of refugees, including some that had come over the border that day. One family had traveled 100 miles at night on foot whenever they felt it was safe. One man, his tattered shirt buttoned to the collar, came from Mozambique's Tete Province, one of several areas where antigovernment insurgents are waging a guerrilla war by terrorizing the local population. He told me that the Renamo forces—South-African-backed insurgents fighting the government in Mozambique—made him carry things, made him a porter. He was tired of not having food and waited for a whole month to cross the Zambezi River into Malawi. When I asked him if he wanted to return to Mozambique, he said yes, but he did not want to cope with their guns.

Some of the refugees also gave accounts of Frelimo—Mozambican government—forces coming into villages in military clearing operations, pushing people out of the villages and suspecting those who remain of complicity with Renamo forces. From these accounts, Frelimo does not appear to be making progress in returning Tete and Zambezia Provinces to elementary order and governability. The Mozambicans then are being pushed by both sides of the conflict.

I walked into a shed where dozens of little babies were suffering from severe malnutrition. I saw children, clothed in rags, playing with a soccer ball made of rags.

I have visited refugee camps in a variety of places around the world over the years, but I have never seen this many people gathered in one camp. And their problems are overwhelming.

We need to increase our bilateral aid to help these refugees and the Malawian Government's efforts for them. These refugees suffer malnutrition and many arrive suffering from diarrhea and measles. Psychological trauma is also a serious problem. The United Nations High Commissioner for Refugees, the Malawian Government, and private voluntary organizations are involved. We need a more comprehensive effort. Despite their hardships, it was extraordinary and encouraging that these refugees had hope for their future. If they can get

some help, they can become productive and self-supporting. And we need to focus on the causes of the conflict in Mozambique, and try to resolve the conflict politically. In the long run, the refugee problem in Malawi will be resolved only by promoting peace in Mozambique.

I was disturbed to hear reports that a few private United States citizens are apparently supporting the Renamo forces against the government in Mozambique. These efforts undermine our own policy and efforts to end the war in Mozambique. Moreover, in light of the horrifying information about Renamo activity in the Gersony report—a report on the Mozambique situation done for the State Department's Bureau of Refugees by Robert Gersony—we should be very concerned that Americans are involved with a group that Ambassador Cohen described at the conference as "a monster a la the Khmer Rouge." I hope the reports I received are incorrect about American citizens being involved.

With respect to transportation, Malawi suffers a great deal from not having access to the inoperative Nacala railway line, which runs through Mozambique and connects Malawi to the Indian Ocean. Progress on rehabilitating the line have come to a standstill in spite of high expectations just 2 years ago. Attempts to rehabilitate the line by the Malawi Government and an international consortium have been thwarted by the war in Mozambique and insufficient resources. Malawi loses anywhere from $50 million to $100 million a year transporting its imports and exports through the substantially more expensive South African railway routes. Approximately 43 percent of Malawi's total earnings goes into using these longer routes.

Generally the situation in Malawi itself is quite good. Largely a nation of subsistence farmers, Malawi appears to be able to meet the basic needs of its people. Its government, not fraught with the problems of corruption, is headed by a strong leader who rules with a tough hand. I did raise the question of human rights with several officials.

ZIMBABWE

I am pleased that United States-Zimbabwe relations have improved after several difficult years. The low point in relations was sparked on July 4, 1986 when former President Jimmy Carter, responding to highly critical remarks by Zimbabwe's Foreign Minister, walked out of a United States independence day celebration in Harare. Now relations are on a good note and I hope they will continue to improve. The delegation had a useful discussion with President Mugabe, which, in general, covered the South African situation, the Mozambican situation, and United States-Zimbabwe relations.

Zimbabwe, flanked by Mozambique to the east, Botswana and Namibia to the west, and South Africa on the south, is both a political and economic hub in the region. Once governed under minority rule and faced with internal racial disrimination, Zimbabwe is an outspoken and vigorous critic of apartheid in South Africa and its illegal occupation of Namibia. The most significant regional initiative pursued by Zimbabwe is the stationing of Zimbabwean troops in Mozambique as part of a joint effort to protect the Beira Corridor transportation routes linking Zimbabwe to the Indian Ocean, from attacks by Renamo.

Zimbabwe continues to suffer from its position as a landlocked nation with respect to the basic need to transport and receive goods. Although Zimbabwe has excellent internal transportation networks, the cost of transporting goods in and out of Zimbabwe continues to be very high because of less than optimal regional transportation routes outside of South Africa. And because of South Africa's destabilizing efforts in the region and disruption of these alternate transportation routes, Zimbabwe has been forced to use South African transportation routes. As a result of private sector initiatives and government assistance, however, the States in the region are beginning to rehabilitate and improve existing transportation routes in the region outside of South Africa.

Zimbabwe's is a highly managed and diverse economy, with the largest private sector in the region outside of South Africa. As the only food exporter of the frontline States, Zimbabwe helps to supply much needed food, primarily corn, to its neighbors.

According to the Beira Corridor Group—a group of private, businessmen rehabilitating the rail line—in the early 1980's, over 90 percent of Zimbabwean trade went through South Africa. Today, less than 50 percent goes through those routes, in large part a result of the use of rehabilitated and improved transportation routes through neighboring States. The most notable of these is the Beira Corridor in Mozambique, which now carries 25 percent of Zimbabwe's trade. The Tazara Railroad in Tanzania carries 18 percent.

Eight percent of Zimbabwe's export earnings go to the cost of transporting goods through South Africa. In Zambia that percentage is 12 percent and in Malawi, 32 percent. In addition, the cost of Zimbabwe's military presence along the Beira Corridor remains high, not to mention the additional threat of Renamo retaliation inside Zimbabwe. The military situation on these alternate lines has worsened over the past year, with over 120 attacks on the Beira line alone.

NIGERIA

United States-Nigerian relations are about as good as they have been in some time. Nigeria, Africa's most populous nation—with 100 million people—hosts one of our largest diplomatic missions. In addition to our official diplomatic team, representatives from the Departments of Agriculture and Commerce, as well as the U.S. Information Agency, the Drug Enforcement Agency, and the Agency for International Development are present.

The United States is Nigeria's biggest oil customer, representing $3-$5 billion in Nigeria's export earnings. Nigeria is the fifth largest oil supplier to the United States.

Nigeria, once oil-rich, has fallen into a period of economic decline and is no longer a middle income nation. In 1980 Nigeria's annual per capita income was about $1,000 per year, and now is down to about $200 per person. Since the imposition of the structural adjustment program in June 1986, average Nigerians have felt the crushing weight of the devaluation of the naira, with the prices of basic necessities skyrocketing beyond the means of many. Economic progress is slow; many urban poor are unemployed; and the middle class is suffering.

Nigeria is a big country with big demands, and is now hoping to become eligible for concessional aid, that is, low or no-interest loans from bilateral and multilateral donors. Recently, the United Kingdom pledged $100 million for Nigeria and challenged the international community to match that pledge. The United States has offered to put in $25 million.

Much to the credit of Nigeria, they are facing their economic problems and taking the steps that are necessary to rebound. I was, frankly, impressed by what they are doing in the economic area.

Nigeria continues to press ahead on a transfer to civilian rule. Governed by a benign military, Nigeria is engaged in a highly-engineered, step-by-step process leading to civilian rule in 1992. There is a great desire for democracy in Nigeria, and a dynamism that makes autocratic and military rule unsustainable. Nigeria continues, after failing twice, to experiment with a form of democracy very similar to our own. For Nigeria, this involves structuring partisan politics to successfully manage political competition and to reduce religious tensions and regional rivalries. President Babangida has banned all those who have held office in the past 28 years from running for elective office. Local elections will be held this year and State elections next year.

Religious and ethnic rivalries complicate governing Nigeria. Even determining accurate figures on the per-

centage of Nigerians in any given group becomes a controversial issue. Nigeria has not been able to conduct a reliable census because of the risk of inflated figures on ethnic and religious groups competing for a larger share of the Federal funding pie.

Nigeria continues to cope with a growing narcotics problem, with an increase in the number of drug dealers and growing evidence of corruption with drugs in government circles. Nigeria remains a major transshipment point for heroin emenating from Pakistan, Afghanistan, and India. Poor, uneducated Nigerians, eager for money, are prime candidates for couriers to and from Pakistan. More educated Nigerians are recruited to take narcotics to Europe and the United States. And most arrests have been made by police action outside of Nigeria. This remains a major problem in United States-Nigerian relations.

We have stepped up our drug enforcement assistance, but we continue to be mired in bureaucratic inefficiency, red tape, and jurisdictional squabbles. Somehow, we must work more effectively together with Nigeria on this problem that seriously affects both Nations.

Nigeria has led the fight against international dumping of toxic wastes and has pressed for stricter controls in the United Nations, particularly through the U.N. Environment Program, and the International Atomic Energy Agency. An Italian company, found illegally dumping in Nigeria, faced stiff costs as a result of Nigeria's insistence that the waste products be removed from the country.

Each time I visit Africa, I come back with the feeling that the problems that continent faces could be lessened if there were more people in the United States, in Western Europe, and in Japan who would take an interest in the future of that continent with all its potential.●

AIR SAFETY

● Mr. SIMON. Mr. President, I rise today to speak about another aviation problem beyond the conflict between labor and management at Eastern. The other problem plaguing air travelers everywhere is the whole question of aviation security.

After a terrorist bomb brought down Pan Am flight 103, killing 270 people in the air and on the ground, I asked my staff to take a look at FAA's research and development funding for explosives detection. Plastique and other nonmetallic explosives are very hard to detect, and FAA has had a program to examine new technologies for most of this decade. Clearly, this is one area where we cannot afford to skimp. Fighting terrorism in the skies will take some additional resources, but it will be money well spent.

I learned that FAA's aviation security R&D program has been funded at a fairly small level for some time now. After reaching a high of $13.3 million in fiscal year 1987, we are now spending about half that, $7.6 million, this fiscal year. Compare this to the Defense Department's R&D budget: $37.5 billion, about 5,000 times more money than we spend on aviation security R&D. I support a great deal of this defense spending, but I would suggest that our priorities may be a bit skewed. We are fighting a war against terrorism without the necessary resources. We don't need a lot more money, but there is an urgent need for more.

Mr. President, I will shortly be dropping in a bill to provide an additional $8 million for this current fiscal year 1989 for aviation security R&D, which I intend to offer as an amendment when FAA's supplemental appropriation comes to the floor. In particular, this money will be used by FAA to accelerate its explosives detection program in two areas: thermal neutron analysis and vapor detection. The money will be used to improve and get to market as quickly as possible extremely sensitive devices for the screening of luggage and individuals.

Since the downing of Pan Am flight 103, these technologies have been the subject of many press accounts. The FAA has had good experimental results with test devices in these areas, and the additional $8 million will allow expanded research to be done to increase the sensitivity of these machines and to get prototypes to market much quicker than would otherwise be the case.

The traveling public has a right to safe skies. It is part of our responsibility in Government to do all we can to assure the highest level of safety possible. New technology is only a part of the equation. It is clear that without skilled people, the best machines in the world will not do the job. But as a first step, let's get on with the job of developing these new technologies as quickly and efficiently as we can.●

THE STAFFORD STUDENT LOAN DEFAULT PREVENTION AND MANAGEMENT ACT

● Mr. SIMON. Mr. President, I join my friend and colleague Senator PELL in cosponsoring the Stafford Student Loan Default Prevention and Management Act. The problem of default on student loans continues to grow. In 1978 the cost of student loan defaults was $224 million. In fiscal year 1988 the cost was estimated at $1.6 billion and we face a projected $2 billion default payment in fiscal year 1990.

Student loan default expenditures have become the fourth largest expenditure in the education budget. I do not believe that spending more on student loan default costs than on early childhood education and prevention programs is a wise use of our limited Federal resources. Congress must take some responsibility, however, for the current situation. The responsibility for paying for a college education has increasingly become a student rather than a parental responsibility. As this shift has occurred, so has the increasing reliance of students on loan programs, rather than on grant or work assistance programs, to pay for the rising cost of college. Since 1980 college costs have increased 77 percent nationwide. The 1980 maximum Pell grant covered 41 percent of the average tutition bill. Today a maximum Pell grant of $2,300 covers only 29 percent of such costs.

I have always believed that the root cause of the increase in student loan defaults was the rapid increase in student borrowing after the 1978 passage of the Middle Income Student Assistance Act—Public Law 95-566—and the increase provided in the special allowance payment to lenders in 1979. MISSA lifted the family income gap for participation in the GSL Program. This increased the number of students participating and caused the cumulative loan volume to increase dramatically. While the default rate stayed relatively consistent, students were and continue to acquire higher debt levels in pursuit of postsecondary education.

Increased default costs have caused sluggish or negative growth in funding for Pell grants and the supplemental grant programs. Most low-income students are increasingly dependent on guaranteed student loans. Federal policy is sending a mixed message by encouraging colleges and universities to provide access to low-income students while also encouraging borrowing by all students. Unfortunately, those who are the hardest to serve, hardest to reach and need the most financial assistance are being shut out by Federal policies like the adoption of automatic triggers. These triggers exclude institutions from eligibility because they enroll large numbers of low-income students who, by definition, have lower earning potential. The assumption underlying this proposal seems to be that the elimination of certain types of students and institutions will make the loan default problem go away. This notion—which assumes there is a monolithic private career shcool or community college borrower who defaults—is largely false and based on the limited data we have available.

We need to identify where highest default costs are taking place rather than simply where the highest default rates exist. Reducing institutional default rates may not necessarily reduce our enormous default obligation. The

establishment of the national student loan data system, however, will help significantly in fully understanding the loan problem and where the largest costs are occurring.

The legislation being considered by the Senate is an important step toward reducing and controlling the student loan default problem. But legislation must be a last resort. On November 9, 1988, I wrote to Secretary of Education Cavazos to express my view that he should use the regulatory process to address the student loan default issue. After consulting with the Congress and the higher education community, I trust that he will. The regulatory process provides a much more flexible mechanism for dealing with loan defaults.

Secretary Cavazos has not used all the tools available to him to improve the situation. He has, however, already moved aggressively to obtain the education community's input and to increase the number of personnel needed to effectively monitor problem schools. We must work to fully understand the problem, resolve the conflict between providing access for low and many middle income students and excessive borrowing to pay college costs, and sharpen our monitoring of problem schools as well as our collection effort where possible.

I want to commend Senator PELL and his staff for their work on this bill. The labor and Human Resources Committee expressed strong bipartisan support of this legislation in the 100th Congress. I ask my colleagues to follow the committee's example and ensure prompt passage of this bill in the 101st Congress should that become necessary.●

REPORT OF THE COMMITTEE ON FINANCE

● Mr. BENTSEN. Mr. President, pursuant to paragraph 8 of rule XXVI of the Standing Rules of the Senate, I herewith submit the report of the Committee on Finance and ask that it be printed in the RECORD.

The report follows:

REPORT OF THE COMMITTEE ON FINANCE

[Pursuant to paragraph 8 of rule XXVI of the Standing Rules of the Senate]

FOREWORD

This report by the Committee on Finance on its legislative review activity during the 100th Congress is submitted pursuant to paragraph 8 of rule XXVI of the Standing Rules of the Senate. The rule requires standing committees of the Senate to "review and study, on a continuing basis the application, administration, and execution" of laws within their jurisdiction and to submit biennial reports to the Senate. The full text of paragraph 8 follows:

"8. (a) In order to assist the Senate in—

"(1) its analysis, appraisal, and evaluation of the application, administration, and execution of the laws enacted by the Congress, and

"(2) its formulation, consideration, and enactment of such modifications of or changes in those laws, and of such additional legislation, as may be necessary or appropriate.

each standing committee (except the Committees on Appropriations and the Budget), shall review and study, on a continuing basis the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the legislative jurisdiction of that committee. Such committees may carry out the required analysis, appraisal, and evaluation themselves, or by contract, or may require a Government agency to do so and furnish a report thereon to the Senate. Such committees may rely on such techniques as pilot testing, analysis of costs in comparison with benefits, or provision for evaluation after a defined period of time.

"(b) In each odd-numbered year, each such committee shall submit, not later than March 31, to the Senate, a report on the activities of that committee under this paragraph during the Congress ending at noon on January 3 of such year."

The Committee on Finance, in the course of its work, publishes additional committee prints reporting on various aspects of legislation within its jurisdiction. Copies of those committee prints, as well as additional copies of the instant report, can be obtained from the office of the committee, room SD-205 Dirksen Senate Office Building, Washington, D.C. 20510. Written requests should be accompanied by a return address label.

REPORT OF LEGISLATIVE REVIEW ACTIVITY OF THE COMMITTEE ON FINANCE DURING THE 100TH CONGRESS

Rule XXV of the Standing Rules of the U.S. Senate provides that at the commencement of each Congress there shall be appointed a—"Committee on Finance," to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. Bonded debt of the United States, except as provided in the Congressional Budget Act of 1974.
2. Customs, collection districts, and ports of entry and delivery.
3. Deposit of public moneys.
4. General revenue sharing.
5. Health programs under the Social Security Act and health programs financed by a specific tax or trust fund.
6. National social security.
7. Reciprocal trade agreements.
8. Revenue measures generally, except as provided in the Congressional Budget Act of 1974.
9. Revenue measures relating to the insular possessions.
10. Tariffs and import quotas, and matters related thereto.
11. Transportation of dutiable goods.

LEGISLATIVE REVIEW OF INTERNAL REVENUE LAWS

During the 100th Congress, the Senate Finance Committee focused on two major tax areas: enacting revenue provisions as a part of the budget reconciliation process; and completing action on technical corrections to the Tax Reform Act of 1986.

Budget reconciliation

The budget resolution for fiscal year 1988 directed the Finance Committee to raise $19 billion in additional revenues. On October 16, 1987, the Finance Committee submitted to the Budget Committee its recommendations, which would have increased revenues by $11.5 billion in fiscal year 1988 and $51 billion over three years. The principal revenue raising provisions in the Committee's original submission were: repealing the completed contract method of accounting; repealing the installment sales method for dealers; repealing the vacation pay reserve; corporate estimated tax reform; eliminating the wage base cap on the Medicare payroll tax; modifying the pension plan full funding limitation; extending the federal unemployment (FUTA) tax; extending the telephone excise tax; extending the customs user fee; increasing user fees for the Bureau of Alcohol, Tobacco and Firearms; freezing estate and gift tax rates; limiting the ESOP estate tax deduction; increasing Public Benefit Guaranty Corporation premiums, and extending the tax refund offset program. The Committee also agreed to include legislation making technical corrections to the tax reform act, as well as other miscellaneous tax changes, in the budget reconciliation bill. The major miscellaneous tax provisions were: exempting mutual fund shareholder expenses from the 2 percent floor on miscellaneous deductions; allowing U.S. companies to allocate 67 percent of their research and development expenses to U.S. sources; adopting a series of taxpayer protections under a Taxpayer Bill of Rights, and allowing partnerships to retain a fiscal tax year.

Following the budget summit agreement between the Congress and the White House, the Finance Committee revised its revenue package to meet the lower targets. On December 3, the Committee adopted a package to provide additional revenues of $9 billion in fiscal year 1988 and $14 billion in 1989. The most significant change from the October submission was that the Committee deleted the proposed repeal of the Medicare wage base. The Committee also expanded the application of the FICA tax. Under the terms of the budget summit agreement, the technical corrections bill and other miscellaneous tax changes were dropped from the bill.

The budget reconciliation bill was adopted by the Senate on December 11. The conference report was adopted on December 21. The reconciliation bill covered both fiscal years 1988 and 1989.

Technical Corrections to the Tax Reform Act

The 99th Congress failed to complete final action on legislation to make enrolling and other technical changes to the Tax Reform Act of 1986 prior to adjournment. On June 10, 1987, the Chairmen of the Finance Committee and Ways and Means Committee introduced identical legislation to make technical corrections to the Tax Reform Act. The intent of the bills was to make clerical changes and resolve uncertainties about the application of the next tax law.

The technical corrections bill was originally included in the Finance Committee's submission to the Senate Budget Committee in October, 1987 to be included in the fiscal year 1988 budget reconciliation bill. Subsequently, in the budget summit agreement between the White House and the Congress, all tax provisions extraneous to deficit reduction were dropped. Consequently, the technical corrections provisions and other miscellaneous tax changes were stricken from the reconciliation bill, prior to its consideration by the full Senate.

On March 31, 1988, the Chairmen of the Finance and Ways and Means Committees re-introduced companion technical corrections bills. On July 26, the Finance Committee marked up and reported out the technical corrections bill. To the core bill, the

Committee added the following provisions: modifications to the diesel tax excise tax collection procedures for tax-exempt users (as reported by the Committee on March 18 and 21); modifications and corrections of other tax provisions, including corporate estimated tax payments and income from Indian fishing rights (H.R. 2792); railroad retirement and unemployment reform (H.R. 2167); and technical Social Security Act amendments.

When the technical corrections bill was considered by the full Senate in September, the Committee offered a comprehensive amendment in the nature of a substitute making additional tax changes. The highlights of the Committee amendment were: extension of the expiring tax provisions, including mortgage revenue bonds, employer-provided educational assistance, the research and development credit, the low income housing tax credit, and the targeted jobs tax credit; the Taxpayer Bill of Rights; and repeal of the uniform capitalization rules for free-lance authors, photographers and artists as well as producers of livestock. To offset the revenue loss from these provisions, the Committee recommended: accelerating corporate estimated tax payments; modifying the treatment of single premium and other investment oriented life insurance contracts; repealing the special loss rules for Alaska Native Corporations, and other smaller tax changes. The Senate also adopted a Committee perfecting amendment that made additional miscellaneous corrections and modifications to the tax reform act.

The Senate passed the technical corrections bill on October 11. The conference report was adopted on October 21.

LEGISLATIVE REVIEW OF INTERNATIONAL TRADE

During the 100th Congress, the principal legislative activity of the committee with respect to international trade related to its consideration of major trade law reform, culminating in the passage of the Omnibus Trade and Competitiveness Act of 1988. The committee also developed legislation to approve and implement the U.S.-Canada Free Trade Agreement. In addition, in its role of overseeing the customs laws of the United States, the committee examined the management of the U.S. Customs Service as well as other trade agencies.

Legislatively, the principal activities of the committee on international trade matters included the following:

(1) S. 490, to authorize negotiations of reciprocal trade agreements and to strengthen United States trade laws. This act was incorporated into S. 1420, the Senate substitute for H.R. 3, an act to enhance the competitiveness of American industry. H.R. 3 was subsequently vetoed by the President. A modified version of the bill was introduced in the House as H.R. 4848 on July 25, 1988. H.R. 4848 was approved by the Senate and became Public Law 100-418.

(2) H.R. 5090, to approve and implement the United States-Canada Free Trade Agreement. This Act became Public Law 100-449.

(3) S. 2662, to remedy injury to the U.S. textile and apparel industries caused by increased imports. A House version of this bill was approved by both Houses of Congress, but was subsequently vetoed by the President. The House did not override the President's veto.

(4) The committee considered legislation to authorize appropriations for fiscal years 1988 and 1989 for the Office of the U.S. Trade Representative, the U.S. International Trade Commission and the U.S. Customs Service. Authorizations for these agencies for FY 1988 were incorporated into the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203). Authorizations for FY 1990 were passed by the Senate (S. 2595), but no action was taken by the House.

(5) The committee considered the nomination of various officials with direct responsibilities in the area of international trade. The individuals whose nominations were considered are shown in the list of committee hearings at the end of this document.

LEGISLATIVE REVIEW OF PROGRAMS UNDER THE SOCIAL SECURITY ACT

Old-Age Survivors and Disability Insurance Program

During the 100th Congress, the Committee continued to monitor the financial condition of the Old-age, Survivors, and Disability Insurance Trust funds. The short-range status of these funds continued to improve more rapidly than had been anticipated at the time of the 1983 amendments, and the trustees of these funds also reported in 1987 and again in 1988 that the OASDI programs are, on a combined basis, in close actuarial balance over the 75-year projection period. The Subcommittee on Social Security and Family Policy held two hearings in 1988 to review the long-term status of the trust funds.

During the course of the 100th Congress a number of proposals relating to the OASDI programs were acted on as amendments to the Omnibus Budget Reconciliation Act of 1987 (P.L. 100-203) and the Technical and Miscellaneous Revenue Act of 1988 (P.L. 100-647). Included in these bills were: provisions which extended social security coverage to types of employment previously not covered; an extension of the reentitlement period during which individuals receiving disability benefits may return to benefit status if their attempts at reemployment prove unsuccessful; a provision for interim benefits in certain cases where benefits are unduly delayed during the appeals process; and a provision limiting the "windfall offset" provision as it applies to individuals with more than 20 years of social security covered employment.

Supplemental security income

In developing the Finance Committee portion of the Omnibus Budget Reconciliation Act of 1987, the Committee included a number of provisions related to the Supplemental Security Income (SSI) program for the needy aged, blind, and disabled. These provisions included an increase to $30 per month in the SSI personal needs allowance for individuals in institutions. This was the first increase in this allowance which had been set at a level of $25 per month when the program was enacted in 1972. To correct other problems which had been identified in the operations of the SSI program, the 1987 Act included provisions such as: an increase in the amount available as an emergency advance; and improvements in the rules relating to the transfer of assets, amounts set aside for burial needs, continuation of benefits during temporary periods in an institution, and several other elements of this program.

Welfare programs for families

The need for reform of the Nation's welfare programs for families constituted a major element in the Committee's legislative review activities in the 100th Congress. Ten hearings were held by the Committee and the Subcommittee on Social Security and Family policy on this subject. On the basis of its review, the Committee reported to the Senate comprehensive welfare reform legislation which ultimately became law as the Family Support Act of 1988 (Public Law 100-485).

The Family Support Act of 1988 restructures the welfare system for families with children to emphasize the objective of helping families gain self-sufficiency. A central element of the legislation is the establishment of the Job Opportunities and Basic Skills Training program (JOBS) under which welfare recipients will be provided with the necessary education, training, child care, and other services to enable them to undertake employment. The Act also strengthens the system of child support enforcement by requiring States to apply and review guidelines for setting support orders, by establishing minimum standards for paternity establishment, by providing for immediate wage withholding to enforce support in many circumstances, by requiring periodic review of the adequacy of support orders, and through a number of other modifications to the child support law. The Family Support Act included many other amendments to the family welfare programs such as provisions allowing transitional child care and medicaid services during the year after a family leaves welfare as a result of employment, a provision requiring all States to provide at least six months per year of cash assistance to families in need because of the unemployment of a parent, and provisions broadening certain of the amounts disregarded in determining eligibility for assistance.

National Commission on Children

As a part of the Omnibus Budget Reconciliation Act of 1987, the Finance Committee proposed legislation establishing a National Commission on Children. This Commission (which began meeting in early 1989) is charged with a comprehensive study of the needs of the nation's children and is to report back to the President and the Congress with recommendations for ways to deal with those needs in the areas of health, social and support services, education, income security, and tax policy.

Other social insurance and social welfare activities

The Finance Committee also addressed a broad range of other matters falling within its general jurisdiction over social insurance and social welfare activities. This included a restructuring of the allocation rules for the Federal Unemployment Tax, modifications to the Foster Care assistance program including an extension of the independent living program to help older children make the transition from foster care to independence, a temporary increase in the entitlement ceiling under the title XX social services program to provide additional resources for child care, and the authorization of numerous demonstration projects including a demonstration project to assist unemployment beneficiaries to become self-employed. Legislation proposed by the Committee also provided for restructuring the financing of the railroad unemployment program, strengthening the financing of the railroad retirement program, and establishing a Commission on Railroad Retirement Reform.

The Committee also issued two committee prints in March 1987 and April 1988 providing data and materials on "Welfare Programs for Families with Children" (Senate prints 100-20 and 100-101).

Health programs

The Medicare and Medicaid Patient and Program Protection Act of 1987 (P.L. 100-93), which became law in August, 1987, was the first health-related bill reported out by the Committee on Finance in the 100th Congress. This legislation strengthened protections against fraud and abuse in the health programs established under the Social Security Act, and put in place processes to ensure that beneficiaries of these programs are protected from unfit or incompetent providers and practitioners.

Significant changes were made in the Medicare and Medicaid programs as part of the Omnibus Budget Reconciliation Act of 1987 (P.L. 100-203). Reflecting agreements reached during the Bipartisan Budget Summit, Medicare spending was reduced by an estimated $9.8 billion over the period FY1988-90). (The legislation included provisions to harmonize widely divergent bases for estimating Medicare spending by the Office of Management and Budget and the Congressional Budget Office, which should greatly facilitate the scoring of Congressional budget action on Medicare in the future). The Reconciliation Act included major reforms in the quality standards for nursing homes participating in Medicare and Medicaid, and the first expansion in Medicare's outpatient mental health benefit since the program began.

The need for improved protection against the costs of catastrophic illness was a major focus of the Committee's legislative review activities in the 100th Congress. In May, 1987, the Committee reported out legislation making the most significant changes in the Medicare program since its inception, which ultimately was enacted into law as the Medicare Catastrophic Coverage Act of 1988 (P.L. 100-360). In addition to limiting the financial liability of Medicare beneficiaries with substantial medical bills, this legislation increased coverage for skilled nursing facility and home health services and established protections against impoverishment for the spouses of nursing home residents when the institutionalized spouse receives Medicaid assistance.

Throughout the 100th Congress, one of the highest priorities of the Committee on Finance was the extension of Medicaid eligibility to certain target populations, including pregnant women, children, disabled individuals and the elderly. Medicaid coverage was extended to pregnant women and infants (under age 1) with incomes below 185% of the Federal poverty line, regardless fo their eligibility for cash assistance. Medicaid coverage was also made available to all elderly and disabled individuals with incomes below the Federal poverty line.

The Technical and Miscellaneous Revenue Act of 1988 (P.L. 100-647) included numerous minor provisions making changes to the Medicare and Medicaid programs.

LEGISLATIVE REVIEW OF THE BONDED DEBT OF THE UNITED STATES

The statutory limit on outstanding public debt was $2.3 trillion at the start of the 100th Congress. Legislation to extend or increase the public debt limit was required four times during the 100th Congress (Public Laws 100-40, 100-80, 100-84, and 100-119.) The last of these four acts, Public Law 100-119, increased the limit on the debt to $2.8 trillion. A Senate floor amendment to this legislation also provided for major changes in the Congressional budget procedures including a revision of both targets and procedures under the Balanced Budget and Emergency Deficit Control Act of 1985.

LEGISLATION REPORTED TO THE SENATE BY THE COMMITTEE ON FINANCE DURING THE 100TH CONGRESS

H.J. Res. 324: A joint resolution increasing the statutory limit on the public debt. Reported to the Senate on July 10, 1987 (without written report). Became Public Law No. 100-119.

H.R. 1207: Prescription Drug Marketing Act of 1987. Reported to the Senate on March 18, 1987 (Senate Report 100-303). Became Public Law No. 100-293.

H.R. 1720: Family Support Act of 1988. Reported to the Senate on June 7, 1988 (without written report). Became Public Law No. 100-485. (See also S. 1511.)

H.R. 5090: United States-Canada Free Trade Agreement Implementation Act of 1988. Reported to the Senate on September 15, 1988 (Senate Report 100-509). Became Public Law No. 100-449.

S. Con. Res. 21: A concurrent resolution expressing the sense of Congress in opposition to the proposal by the European Community for the establishment of a tax on vegetable and marine fats and oils and urging the President to take strong and immediate countermeasures should such a tax be implemented to the detriment of United States exports of oilseeds and products and inconsistently with the European Community's obligations under the General Agreement on Tariffs and Trade. Reported to the Senate on March 23, 1987 (without written report).

S. Con. Res. 27: A concurrent resolution stating the sense of the Senate that the U.S. Department of Commerce and Special Trade Representative should initiate investigations of Canadian agricultural subsidies. Reported to the Senate on March 23, 1987 (without written report).

S. Con. Res. 94: A concurrent resolution to express the sense of the Congress regarding relief for the United States Soybean Industry under section 301 of the Trade Act of 1974. Reported to the Senate on March 3, 1988 (without written report).

S. Res. 71: An original resolution authorizing expenditures by the Committee on Finance. Reported to the Senate on January 16, 1987 (without written report).

S. Res. 164: A resolution calling on the President to respond to the violations by Japan of the U.S.-Japan agreement on semiconductors. Reported to the Senate on March 18, 1987 (without written report).

S. Res. 311: An original resolution authorizing supplemental expenditures by the Committee on Finance. Reported to the Senate on March 3, 1987 (Senate Report 100-211).

S. Res. 361: An original resolution authorizing expenditures by the Committee on Finance. Reported to the Senate on January 28, 1988 (without written report.)

S. 490: Omnibus Trade Act of 1987. Reported to the Senate on June 12, 1987 (Senate Report 100-71). Provisions subsequently incorporated into S. 1420, H.R. 3, and H.R. 4848 (which became Public Law 100-418, the Omnibus Trade and Competitiveness Act of 1988).

S. 549: Textile and Apparel Trade Act of 1987. Reported to the Senate on July 31, 1987 (without written report and without recommendation).

S. 661: Medicare and Medicaid Patient and Program Protection Act of 1987. Reported to the Senate on July 14, 1987 (Senate Report 100-109).

S. 829: An original bill to authorize appropriations for the United States International Trade Commission, the United States Customs Service, and the Office of the United States Trade Representative for fiscal year 1988, and for other purposes. Reported to the Senate on March 25, 1987 (Senate Report 100-23).

S. 1127: Medicare Catastrophic Loss Prevention Act of 1987. Reported to the Senate on July 27, 1987 (Senate Report 100-126). Provisions subsequently incorporated into H.R. 2470 (which became Public Law 100-360, the Medicare Catastrophic Coverage Act of 1988).

S. 1511: Family Security Act of 1987. Reported to the Senate on May 27, 1988 (Senate Report 100-377). Provisions subsequently incorporated into H.R. 1720 (which became Public Law 100-485, the Family Support Act of 1988).

S. 1920: Omnibus Budget Reconciliation Act of 1987. Reported to the Senate (by the Committee on the Budget, without written report) on December 4, 1987 including legislation transmitted by the Committee on Finance pursuant to section 310 of the Congressional Budget Act of 1974, as amended. Provisions subsequently incorporated into H.R. 3545 (which became Public Law 100-203).

S. 2223: Omnibus Taxpayer Bill of Rights. Reported to the Senate on March 29, 1989 (Senate Report 100-309). Provisions subsequently incorporated into H.R. 4333 (which became Public Law 100-647, the Technical and Miscellaneous Revenue Act of 1988).

S. 2238: Technical Corrections Act of 1988. Reported to the Senate on August 3, 1988 (Senate Report 100-445). Provisions subsequently incorporated into H.R. 4333 (which became Public law 100-647, the Technical and Miscellaneous Revenue Act of 1988).

S. 2595: An original bill to authorize appropriations for fiscal year 1989 for the Office of the United States Trade Representative, the United States International Trade Commission, and the United States Customs Service. Reported to the Senate on June 29, 1988 (Senate Report 100-407).

LIST OF HEARINGS HELD BY THE COMMITTEE ON FINANCE

Full committee

Mastering the World Economy—Parts 1, 2, 3, and 4 (January 13, 15, 20, 22, and February 3, 5, and 19, 1987).

Catastrophic Health Insurance—Parts 1, 2, 3, and 4 (January 28, March 19, and March 26, 1987).

President's Proposed Revenue Increases—(February 4, 1987).

Management of the U.S. Customs Service—Field Hearing—Parts 1 and 2—Brownsville and Laredo, Texas (February 11, 25, and 26, 1987).

President's Fiscal Year 1988 Budget Proposals (February 18, 1987).

President's Health and Human Services Budget Proposals (February 23, 1987).

S. 490, S. 539, and H.R. 3—Improving Enforcement of Trade Agreements (March 17, 1987).

S. 490 and H.R. 3—Workers' Rights and Trade Adjustment Assistance Programs (March 18, 1987).

S. 285, S. 490, S. 470, S. 694, and section 171 of H.R. 3—Impact of Imports and Foreign Investment on National Security (March 25, 1987).

S. 490, S. 636, and H.R. 3—Comparing Major Trade Bills—Parts 1 and 2 (April 2, 7, and 8, 1987).

S. 869, S. 1001, and S. 1511—Welfare Reform—Parts 1, 2, and 3 (April 9, October 14 and 28, 1987 and February 4, 1988).

Medicare, Medicaid, and Maternal and Child Health Block Grant Budget Issues—Parts 1 and 2 (July 8, 9, and 10, 1987).

Revenue Raising Options Required Under the FY 1988 Budget Resolution—Parts 1 and 2 (July 15, 16, and 17, 1987).

S. 549—Textile and Apparel Trade Act of 1987 (July 30, 1987).

Reviewing Spending Proposals of the President's Budget (March 3, 1988).

Tax Incentives for Education (March 17, 1988).

United States-Canada Free Trade Agreement—1988—Parts 1, 2, and 3 (March 17, April 12, 13, 15, and 21, 1988).

Children's Health Care Issues (March 23, 1988).

S. 1245—Tax Exempt Bonds for High Speed Rail Projects (March 24, 1988).

Children's Primary and Chronic Health Care Issues (May 24 and 26, 1988).

Customs Service Budget Authorization for Fiscal Year 1989 (June 16, 1988).

S. 2238 and H.R. 4333—The Technical Correction Act of 1988 (July 13, 1988).

Federal Role in Child Care (September 22, 1988).

Nominations

Jean K. Elder, Ph.D., to be Assistant Secretary for Human Development Services of the Department of Health and Human Services (March 19, 1987).

M. Peter McPherson, to be Deputy Secretary of the Treasury (May 20, 1987).

John K. Meagher, to be Deputy Under Secretary of the Treasury (Legislative Affairs) (September 25, 1987).

Alan F. Holmer, to be a Deputy U.S. Trade Representative, with the rank of Ambassador (September 30, 1987).

O. Donaldson Chapoton, to be an Assistant Secretary of the Treasury (September 30, 1987).

Lawrence J. Whalen, to be a Judge of the United States Tax Court (November 3, 1987).

Robert P. Ruwe, to be a Judge of the United States Tax Court (November 3, 1987).

Sydney J. Olson, to be Assistant Secretary of the Department of Health and Human Services (February 4, 1988).

Mark Sullivan III, to be General Counsel of the U.S. Department of the Treasury (February 25, 1988).

Allen Moore, to be Under Secretary of Commerce for International Trade (May 25, 1988).

Jan W. Mares, to be Assistant Secretary of Commerce (May 25, 1988).

Jill E. Kent, to be Assistant Secretary of the Treasury for Management (May 25, 1988).

John O. Colvin, to be a Judge of the United States Tax Court (July 26, 1988).

Don E. Newquist, to be a Commissioner, U.S. International Trade Commission (August 4, 1988).

Ronald A. Cass, to be a Commissioner, U.S. International Trade Commission (August 4, 1988).

Salvatore R. Martoche, to be Assistant Secretary (Enforcement) of the Treasury (August 4, 1988).

Nicholas F. Brady, to be Secretary of the Treasury (September 13, 1988).

Malcolm M. B. Sterrett, to be General Counsel, Department of Health and Human Services (October 12, 1988).

Mary T. Goedde, to be Assistant Secretary for Legislation, Department of Health and Human Services (October 12, 1988).

Charles H. Dallara, to be Assistant Secretary of Policy Development, Department of the Treasury (October 12, 1988).

Edith E. Holiday, to be Assistant Secretary of Public Affairs and Public Liaison, Department of the Treasury (October 12, 1988).

LIST OF HEARINGS HELD BY SUBCOMMITTEES OF THE COMMITTEE ON FINANCE

Subcommittee on International Trade

Budgets for USTR and ITC for Fiscal Year 1988 (February 27, 1987).

Harmonized System (April 27, 1987).

S. 368—Prescription Drug Marketing Act of 1987 (June 15, 1987).

S. 2252—Economic Development in Central America (June 10, 1988).

USTR and ITC Budget Authorizations for Fiscal Year 1989 (June 22, 1988).

Subcommittee on Social Security and Family Policy

Welfare: Reform or Replacement? (Child Support Enforcement) (January 23 and February 2, 1987).

Welfare: Reform or Replacement? (Child Support Enforcement—II) (February 20, 1987).

Welfare: Reform or Replacement? (Work and Welfare) (February 23, 1987).

Welfare: Reform or Replacement? (Short-term vs. Long-term Dependency) (March 2, 1987).

Welfare Reform Hearings in New York City—Field Hearing-New York, New York—(April 27 and June 15, 1987).

Social Security Benefits for AIDS Victims (September 10, 1987).

Use of AFDC Funds for Homeless Families—Joint Field Hearing with Ways and Means Subcommittee on Public Assistance—Brooklyn, New York—(March 28, 1988).

Long-Term Status of the Social Security Trust Funds—Parts 1 and 2—May 13 and 20, 1988; Field Hearing—New York, New York—(June 30, 1988).

S. 2441 and S. 2461—Social Security and Income Security Proposals (July 14, 1988).

Subcommittee on Taxation and Debt Management

Review of the Revenue Increases Proposed in the President's Budget (March 23, 1987).

S. 58 and S. 716—Interaction Between U.S. Tax Policy and Domestic Research and Development (April 3, 1987).

Debt Limit—May, 1987 (May 8, 1987).

Master Limited Partnerships (July 21, 1987).

S. 1350—Technical Corrections Act of 1987 (July 22, 1987).

Effect of Tax Law on American Competitiveness (October 5 and 19, 1987).

S. 639 and S. 1099—Collection of State Sales and Use Taxes by Out-of-State Vendors (November 6, 1987).

S. 788, S. 983, and S. 1781—Miscellaneous Tax Issues (November 13, 1987).

International Competitiveness (November 16, 1987).

Tax Treatment of Single-Premium Life Insurance (March 25, 1988).

Expiring Tax Provisions (March 28, 1988).

S. 1239, S. 1821, S. 2078, S. 2409, S. 2484, S. 2611, H.R. 1961, and H.R. 2792—Miscellaneous Tax Bills—1988 (July 12, 1988).

S. 2409—Organ Transplant Trust Fund (September 20, 1988).

Subcommittee on Energy and Agricultural Taxation

S. 233, S. 255, and S. 302—Energy Taxation Issues (January 30, 1987).

S. 200, S. 233, and S. 846—Tax Incentives to Increase Energy Security (June 5, 1987).

S. 2003, S. 2062, S. 2067, S. 2075, S. 2118, S. 2128—Collection of Federal Fuel Taxes (March 16, 1988).

Subcommittee on International Debt

Impact of the Latin American Debt Crisis on the United States (March 9, 1987).

Third World Debt Problem (April 6, 1987).

Subcommittee on Health

Medicare and Medicaid (January 29, 1987).

Long-Term Health Care (February 24, 1987).

Peer Review Organizations Under the Medicare Program (March 27, 1987).

Medicare Hospital Payment Rates (April 7, 1987).

Quality of Long-Term Care (April 28, 1987).

Financing of Long-Term Care (June 12, 1987).

Coverage of Prescription Drugs Under Medicare (June 18, 1987).

Mental Health Services Under Medicare (June 18, 1987).

Child Health Programs and Proposals (October 2, 1987).

Nurse Shortages (October 30, 1987).

Medicare Payments for Home Health Services—Joint Field Hearing with the Special Committee on Aging in Portland, Maine (November 16, 1987).

Preventive Health Care for the Elderly—Field Hearing—Miami, Florida (January 6, 1988).

S. 1673—Medicaid Home and Community Quality Services Act of 1987 (March 22, 1988).

S. 2305—Long-Term Care Assistance Act of 1988 (May 27 and June 17, 1988).

Lack of Health Insurance Coverage in the United States—Parts 1 and 2—Field Hearing—Wilkes Barre, Pennsylvania) (June 30, 1988) (July 25, 1988).

Medicare Patient Outcome Assessment Research (July 11, 1988).

Subcommittee on Private Retirement Plans and Oversight of the Internal Revenue Service

Form W-4 (February 6, 1987).

S. 579 and S. 604—Taxpayers' Bill of Rights—Parts 1 and 2 (April 10 and 21, June 22, 1987).

Status of the Pension Benefit Guaranty Corporation (May 18, 1987).

S. 1426—Small Business Retirement and Benefit Extension Act (October 23, 1987).

Status of 1988 Tax Filing Season (February 16, 1988).

Review of Internal Revenue Code Penalties (March 14, 1988).

Internal Revenue Penalty Reform (September 28, 1988).●

DOE'S CIVILIAN NUCLEAR WASTE DISPOSAL PROGRAM

● Mr. JOHNSTON. Mr. President, today I would like to bring to the attention of my colleagues my concern about the pace of our Nation's program for disposal of high-level nuclear waste. The need to move toward the goal of permanent disposal of nuclear waste in a geologic repository cannot be understated. The nuclear waste program is one of the most important civilian energy programs within the Department of Energy. Success of the nuclear waste program holds one of

the keys to the future of nuclear energy in this country.

The subject of nuclear waste is one of longstanding interest for me and for the Committee on Energy and Natural Resources. The Energy Committee and the Congress have labored long and hard over the last 10 years to come up with a comprehensive program for dealing with the issue of high-level nuclear waste disposal. Those efforts culminated in 1982 with passage of the Nuclear Waste Policy Act and in 1987 with passage of amendments to that act. The 1987 amendments, as most of my colleagues know, directed the Department of Energy to move forward posthaste with site characterization of the Yucca Mountain, NV, candidate repository site.

The mandate from Congress in 1982, and reiterated in 1987, was that the Federal Government would bear the responsibility for safe, permanent disposal of nuclear waste in a geologic repository. A schedule for accomplishing this task was set forth in the 1982 act, and that schedule was streamlined and refined in the 1987 amendments. If there was ever any question of Congress' commitment to the success of this program in 1982, that commitment was restated in 1987.

Unfortunately, we have allowed the schedule for the nuclear waste program to slip over the years. We have not seen the progress in the last 2 years that I and my colleagues had hoped we would in 1987. Part of the reason for that, I believe, is that there has been, until recently, a striking lack of commitment within the executive branch to energy programs in general. Fortunately, I believe we are starting to see that situation turn around.

I was pleased to see President Bush's selection of Adm. James Watkins to head the Department of Energy. The selection of Admiral Watkins, and his confirmation by the Senate, indicates that finally we as a government are going to treat energy with the importance it deserves. After 8 years of neglect by the previous administration, we are finally going to begin to put our energy house in order.

That process has already begun at the Department of Energy. What I have seen so far of Admiral Watkins' take-charge manner is a refreshing break from the laissez-faire attitude of the past. I expect that we will soon see new appointments of qualified, committed people under Admiral Watkins that will allow us to get on with the business that must be done by the Department of Energy. The Congress has long stressed the importance of energy issues in this country—I am glad to see that we now have a commitment to these issues from the administration.

Today I want to offer my strong support and encouragement to the Department of Energy's commitment to moving forward with our energy programs. Particularly, I want to urge the Department to move forward with its nuclear programs—and in the case of the nuclear waste program, to move forward to fulfill the mandate of the 1987 nuclear waste amendments. We just cannot afford to waste any more time spinning our wheels and studying problems instead of fixing them.

The high-level nuclear waste program is a prime example of one of those areas where a lack of strong management in the past has allowed schedules to slip and slip and slip. And that schedule slippage has had a high price. When we started this program in 1982, site characterization was estimated to cost $60 million. Now they tell us it will cost $2 billion. We have spent billions of dollars already on this program—at a rate of $400 million a year—and we are still just as many years away from a nuclear waste repository as we thought we were in 1982. Nuclear utility ratepayers have been paying for this program since 1982—it is about time that these ratepayers start to see some progress for their money.

Nuclear waste disposal is one of those highly visible, politically charged issues that some people believe is easier to avoid than to deal with. It is an issue that has seen delays after delays because of its visibility and its political potency. It is an issue that must be dealt with in the open and with the proper attention to safety. But it is not an issue that cannot be solved.

Nuclear waste can be disposed of safely and permanently. All of the scientists and technical experts tell us that it can be done. But they also tell us that we must get on with the program to demonstrate to the public that it can be done safely. There are years of scientific studies and engineering and validation to be done to get to that point. We must get on with those scientific studies. We must move forward with the underground experiments and site characterization at Yucca Mountain so that sufficient data will be available to submit a license application to the Nuclear Regulatory Commission on schedule. The current schedule anticipates completion of these activities in 1995. That is an aggressive schedule, because there is much to be done, but all indications are that it is achievable. But we simply cannot afford delay after delay after delay.

There will always be people who seek to delay this program. There will always be one more study that these people believe must be done in order to ensure safety. But it is always one study after another study after another study. Unfortunately, that comes with the territory with nuclear energy programs. There will always be opportunities to delay these programs, and people will exploit those opportunities to the fullest. We have learned that all too well in the commercial nuclear industry. Over the years, we have spent billions of dollars of electric ratepayer money in the commercial nuclear industry pursuing that one extra study and that extra margin of safety. We have tried to satisfy every one of the critics, every one of the people who thinks there should be a delay. But we have learned all too well that there are some critics that we will never satisfy—no matter how much time is spent nor how much money is spent.

So, my message today is that we need to get on with this program. We have the technical expertise to accomplish the goals of this program—we simply need to get the management in place to carry out the program. Success in the nuclear waste disposal program is key to the future of nuclear power in this country. The Federal Government made a commitment to the goal of safe, permanent disposal of nuclear waste in 1982—we must get on with fulfilling that commitment.●

THE ROLE OF THE OCEANS IN GLOBAL WARMING

● Mr. KERRY. Mr. President, scientists differ in their perceptions as to the magnitude of the problem of the so-called greenhouse effect. It is uncertain when global warming from the greenhouse effect will actually occur, to what degree food production will be altered, how high our oceans will rise, or what sort of increase one can expect with regard to severe weather patterns. But despite these uncertainties regarding the extent of and the specific nature of its consequences, there is an overwhelming consensus throughout the scientific and environmental community that a greenhouse warming is taking place and the results will cause profound damage to our global habitat.

What is certain is the vital need to gain a greater understanding of environmental change from a global perspective. The potential consequences of inaction in this area are just too great to risk. In particular, very little is known about the role the oceans, which comprise the majority of the Earth's surface, will take in climatic change. Some estimates show that the oceans are responsible for taking up and storing as much as 45 percent of the carbon dioxide expelled into the atmosphere. Important research in this area is currently getting underway at Woods Hole Oceanographic Institute in Massachusetts. An article appeared in the Boston Globe on Monday, March 13, 1989, outlining this important research and I ask that this article be printed in the RECORD. In addition, I will be chairing hearings

before the Commerce Committee, Subcommittee on National Ocean Policy, in April addressing the role oceans play in the process of global warming.

The article follows:

[From the Boston Globe, Mar. 13, 1989]

OCEANS—THE UNKNOWN EQUATION IN CLIMATE

(By Richard Saltus)

WOODS HOLE.—As spring comes to the frigid North Atlantic this year, a small pack of research ships will be tracking north and south between the Azores and Iceland, seeking answers to some of the most critical questions in the drama of global warming.

Among them will be the Atlantis II, scheduled to depart the Woods Hole Oceanographic Institution today as scientists from several nations begin a longterm study of the oceans' vital role in the worrisome "greenhouse effect."

If the Global Ocean Flux Study (GOFS) and related efforts are successful, scientists within 10 years could be using a network of ocean-scanning satellites to predict climate change caused by the greenhouse process. At present, they say, the oceans constitute a biggest question mark in the future of the world's climate.

"I can paint you scenarios in which the oceans make the greenhouse effect worse and others in which they delay it," said Carl Wunsch, a physical oceanographer at the Massachusetts Institute of Technology.

Were it not for the oceans, the impact of the greenhouse effect—caused by the build-up of carbon dioxide (CO_2) in the atmosphere from burning fossil fuels—would be nearly twice as great. The big question is, how long will this continue?

"The most inscrutable question is how much of the carbon that's put into the atmosphere will be actually taken out by the ocean," said James G. Anderson, an atmospheric chemist at Harvard University.

Current predictions are like "trying to construct a budget that has too many unknowns—an accounting problem without full information on cash flow," Anderson said.

And in the absence of credible predictions, it becomes more difficult to enact policies to limit emission of CO_2 from fossil fuels, said Irving Mintzer of the World Resources Institute.

Carbon dioxide allows energy from the sun to reach the Earth's surface but traps the reflected heat. With CO_2 levels rising rapidly, scientists have been predicting constantly warming temperatures and potentially drastic effects on climate.

Global warming could melt the polar ice caps, raising sea levels and flooding coastlines. Altered rainfall patterns and ocean currents could disrupt weather patterns, bringing about heat waves, droughts and disastrous effects on agriculture.

Fortunately, almost half of the excess CO_2 pouring into the atmosphere is taken out by the oceans. Some of the gas goes into solution in seawater, like the gas dissolved in soda water, and some is sucked out of the atmosphere by marine algae, which serve as a kind of "biological pump." The algae decay and drop to ocean floor, taking out of circulation the carbon they contain for hundreds of years.

Taking up CO_2 is not the only way the oceans help stall greenhouse warming: They also soak up nearly half the heat it generates. The burning question remains, can the oceans continue to play this role as the world becomes warmer?

Humans are producing an excess of carbon dioxide "on such a massive scale and so fast that we may be making massive dents in Nature's checks and balances," said Peter Brewer, senior scientist at Woods Hole, as he helped with preparations last week for the departure of the 210-foot Atlantis II.

Scientists say a major roadblock to predicting global warming is the lack of understanding about the Earth's "carbon cycle." Carbon, one of the most abundant elements and one of the basic ingredients of life, is constantly being exchanged among the Earth, the atmosphere and the oceans.

It is carbon that plants need for photosynthesis, carbon that provides fuel for much of man's activities, and carbon—as carbon dioxide—that causes the greenhouse effect.

OCEAN'S ROLE VITAL

Carbon dioxide in the air is stored in plants when they consume it in photosynthesis. Some plants, in turn, are converted to fossil fuels like coal and oil, and others are eaten by animals. Respiration in animals and the burning of fossil fuels return carbon to the atmosphere.

The oceans' role in the cycle is critical, and, scientists say, the most poorly understood element.

Hence the Global Ocean Flux Study, whose pilot phase will send five ships and a National Aeronautics and Space Administration aircraft to the North Atlantic. GOFS is part of a massive, years-long international effort—the World Climate Research Program—aimed at making the planet's climate system more understandable and predictable. The pilot phase will involve researchers from the United States, the United Kingdom, Canada, France and Germany.

Mid-March is not a pleasant time to be in the North Atlantic. The GOFS researchers are braving the rough, chilly seas because they want to have instruments in place before the spring bloom of phytoplankton, the microscopic plant life that rides the currents of the world's oceans.

This is a key time in the carbon cycle. The phytoplankton bloom, sparked by the return of longer days and warmer temperatures in the nutrient-rich North Atlantic, is a key moment in the carbon cycle.

The proliferating plant life takes in dissolved carbon dioxide, speeding up the transfer of CO_2 from the atmosphere to the oceans. Then, as summer fades into fall, the microorganisms die. Some of the carbon is recycled into the upper ocean and returns to the atmosphere, while some becomes locked up in the tiny skeletons of the algae and sinks to the ocean bottom.

CO_2 also is carried to the ocean bottom by currents in some regions, and it returns to the surface in other regions. The overall rate of exchange of carbon between the air and water depends on a number of complicated and interrelated processes.

"What we want to know is, how do we get this carbon into the deep ocean, where it will remain for centuries or thousands of years," safely away from the atmosphere, said Hugh Ducklow of the University of Maryland, chief scientist for the project.

Anderson, the Harvard chemist, put it this way: "The ocean is capable of taking up vast quantities of CO_2, but the problem is that you have to deliver it into the deep ocean to extract it from the atmosphere."

The biological pump effect of the blooming and decaying algae is a "very slow process," he said, likening it to a valve or bottleneck that limits how fast carbon can be put into its ocean bottom grave.

Last week, the US scientists participating in GOFS were overseeing the loading of the Atlantis II, which belongs to the oceanographic institution. It is best known as the mother ship of the deep-sea submersible Alvin and was involved in exploring the sunken Titanic.

Workers were finishing installation of laboratory facilities for the 28 scientists who will be analyzing samples and measurements during the voyage, which will last until late June.

The GOFS scientists will be making a wide range of measurements of the extent of the spring bloom and the rate at which the organisms decay and sink.

Atlantis II is equipped with cone-shaped sediment traps that will be moored to the ocean bottom in an area south of Iceland and west of France. They will catch the falling plant debris and record its abundance at various depths.

Other devices that automatically collect small bottles of seawater at different depths will also be deployed.

And the NASA plane will shine laser light on the ocean surface, providing measurements of the plankton bloom that will be correlated with readings taken by the ships so that observations made by future ocean-scanning satellites can be accurately interpreted.

Scientists are also studying the complicated cycles of the oceans and atmosphere by re-creating conditions long in the past, when the world was significantly hotter or colder.

Like archeologists, these researchers need to accurately date samples of water, because some parts of the ocean are hundreds or thousands of years older than others.

Just this winter, the Woods Hole institution acquired an accelerator-mass spectrometer—only the second in the United States—that will allow scientists to accurately date small vials of sea water. Conventional techniques require 55-gallon-drums of water for analysis. The instrument is to be in operation by 1990, said Glenn A. Jones, who heads the project.

When all of the data from GOFS and related studies are put together and satellites carrying ocean-sensing instruments are launched, sometime in the 1990s, it should be possible to check on ocean processes precisely and on a global scale, said Ducklow, the GOFS chief scientist.

"It will give us, for the first time, a much better way to monitor the pulse of the planet," he said. "It will give us the tools to address these changes for the whole planet on a daily basis."●

NATIONAL AFFORDABLE HOUSING ACT

● Mr. DODD. Mr. President, on Wednesday of this week, my colleagues, Senator CRANSTON and Senator D'AMATO, introduced the National Affordable Housing Act. I was pleased to be an original cosponsor of the legislation and was heartened to know that we were joined in our efforts by an impressive and bipartisan array of original cosponsors comprising nearly a third of the membership of this body.

Such bipartisan support reflects a concern spanning the political spectrum that too much distance has

grown between the rhetoric and the reality of the American dream of home ownership. Such bipartisan support confirms a shared belief that housing must regain its rightful place on the agenda of national priorities.

It's our hope that the National Affordable Housing Act will help bridge the gap between the rhetoric and the reality of our Nation's housing policies by beginning to link the resources of all levels of government and the private sector in the shared pursuit of providing safe and affordable housing for all Americans.

I must commend Senators CRANSTON and D'AMATO for their vision and perseverance. The National Affordable Housing Act is the culmination of a 2-year effort rallying our Nation's housing leaders and elected representatives around the common cause of creating better and more equitable solutions to the housing crisis in this country. They well understood the need to link by common purpose the membership of our Nation's housing coalition—from realtors to low-income housing advocates, from homebuilders to the homeless, from the developer to the homeowner, from those who fight for the rights of our Nation's children to those who fight to preserve the dignity of our Nation's elderly.

I've often said that a Federal Housing policy which heeds the often difficult lessons of the past and anticipates the emerging needs of the future rests, in my mind, on four basic principles which: First, recognize the central role of State and local governments in the establishment of an effective national housing policy; second, use limited Federal resources to leverage substantial private investment; third, target limited Federal resources based on need, and fourth, better coordinate tax and spending policies.

The National Affordable Housing Act rests squarely on those principles and should serve as the sound basis for a long-awaited and bipartisan solution to our Nation's housing crisis. I am deeply committed to that effort and hope that we can work together to help create an America that understands that to be kinder and gentler, it must work to shelter all of its people.●

NEW OPPORTUNITIES FOR U.S. POLICY IN THE EASTERN MEDITERRANEAN

● Mr. PELL. Mr. President, I believe that developments in the eastern Mediterranean over the past year—from the emergence of the Davos process, to the election of President Vassiliou, to the revival of the intercommunal talks on Cyprus—offer new hope for the settlement of long festering disputes in the region. These longstanding problems have weakened NATO's southern flank and strained United States bilateral relations with Greece, Turkey, and Cyprus. The new developments in the region give the United States an opportunity, unparalleled in recent years, to help resolve these problems.

Today I am releasing a Foreign Relations Committee staff report entitled "New Opportunities for U.S. Policy in the Eastern Mediterranean" which assesses the prospects for resolving these difficult problems and examines some ideas and proposals for a more activist American policy in the region. Finding a way to seize the new opportunities will be a key challenge for the new Congress and the new administration.

I believe the United States should meet this challenge by giving more high-level attention to the issues in the region, particularly the Cyprus problem. The most recent set of United Nations brokered talks between the Greek and Turkish Cypriots, which began with the August 1988 meeting between President Vassiliou and Mr. Denktash, have brought renewed hope. U.N. Secretary General Perez de Cuellar has set June 1 of this year as the target date for a negotiated settlement. He has already met twice with the Greek and Turkish Cypriot leaders and is scheduled to meet with them again in early April to push the process forward.

I believe the focus of U.S. policy should continue to be support for the U.N. mediation effort. However, with fresh talks underway, I am convinced that such support should take a more active form. Yesterday, I, together with a bipartisan group of 14 other members of the Foreign Relations Committee, sent a letter to Secretary Baker urging him to give the Cyprus problem his "prompt personal attention" and to "make the resolution of the longstanding Cyprus impasse a major priority in the months ahead."

I believe that only a sustained effort on the part of the United States will convince all the parties concerned, on Cyprus and in the eastern Mediterranean, of our determination to help find a solution I hope to work closely with Secretary Baker in the days ahead to take advantage of the new opportunities. I ask that a copy of the letter to Secretary Baker appear in the RECORD.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, March 15, 1989.

Hon. JAMES A. BAKER III,
Secretary of State,
Washington, DC.

DEAR MR. SECRETARY: The developments in the Eastern Mediterranean over the past year—from the emergence of the Davos process, to the election of President Vassiliou, to the revival of the intercommunal talks on Cyprus—offer new hope for the settlement of the Cyprus problem. In the context of these developments, U.N. Secretary General Perez de Cuellar has set June 1 of this year as the target date for achieving a negotiated settlement of the Cyprus problem.

We believe the United States can play a constructive role in support of the Secretary General's important effort and urge you to make the resolution of the long-standing Cyprus impasse a major priority in the months ahead. Only a sustained effort on the part of the United States will convince all the parties concerned, on Cyprus and in the Eastern Mediterranean, of our determination to help find a solution.

In our view, the focus of U.S. policy should continue to be support for the U.N. mediation effort. However, with fresh talks underway, we are convinced that such support should take a more active form. As Secretary General Perez de Cuellar prepares to meet with President Vassiliou and Mr. Denktash sometime in early April to move the negotiations forward, we hope you will work closely with the U.N. and all the parties concerned to resolve the differences between the sides. We believe it is appropriate at this time to impress vigorously upon all the parties in the region the importance which the United States attaches to good-faith cooperation with the U.N. effort to achieve a just and workable Cyprus settlement.

The U.S. today faces a renewed challenge to develop and implement policies that will contribute substantially to resolving the long-standing impasse on Cyprus. At the same time, events over the past year have created new opportunities to achieve a solution. We therefore urge you to give your prompt personal attention to the Cyprus problem, and look forward to working with you in this effort.

Sincerely,

Richard G. Lugar, Nancy Landon Kassebaum, Rudy Boschwitz, Paul S. Sarbanes, Mitch McConnell, John F. Kerry, Daniel Patrick Moynihan, Frank H. Murkowski, Claiborne Pell, Jesse Helms, Joseph R. Biden, Jr., Alan Cranston, Larry Pressler, Paul Simon, and Christopher J. Dodd.●

RUSS BROWN

● Mr. JOHNSTON. Mr. President, recently Russ Brown left the staff of the Committee on Energy and Natural Resources for greener pastures in the Department of the Interior. Russ will be working for the Bureau of Reclamation as a special assistant for resources management.

Russ Brown joined the committee in August 1968 when it was called the Committee on Interior and Insular Affairs. He has been involved in an important way in over 80 public laws since that time.

The committee is now the Committee on Energy and Natural Resources. We have extensive jurisdiction over natural resource development and conservation on the public lands of the United States. But in the 1970's the committee acquired responsibilities for energy policy, and our attention is divided between energy issues and the great issues that arise from the committee's responsibilities for the wide use of the public lands.

Russ' experience and expertise also arises from these historic public lands responsibilities. His expertise is in water policy: water rights, western

water, and water resources management. Russ learned his trade by working with the great Senators who served on the Committee on Interior and Insular Affairs from the States of the American West. These men developed and implemented the water policies that turned the Western United States into one of the most productive regions in the world. I am speaking of Senators like Henry M. Jackson of Washington, Lee Metcalf of Montana, Clinton Anderson of New Mexico, Alan Bible of Nevada, and MARK HATFIELD of Oregon.

Legislation Russ worked on includes the Wild Horse and Burro Protection Act, the Eastern Wilderness Areas Act, the Federal Columbia River Transmission System Act, and the Colorado River Salinity Control Act from the early 1970's through the Reclamation Safety of Dams Act and the Pacific Northwest Electric Power Planning and Conservation Act in the late 1970's to the Colorado Ute Indian Water Rights Settlement Act, the San Luis Rey Indian Water Rights Settlement Act, and the Umitilla Basin Project Act in the last Congress.

Russ served members of the committee without regard to party membership. This has been the tradition of the committee, and one of the reasons that tradition continues has been the dedication of experienced members of the staff like Russ. Part of his legacy is the members and fellow staff who have "learned the ropes" from Russ.

Russ has a new job at the Interior Department, but he remains an asset to the committee. We look forward to his advice, always delivered with humor in direct, unambiguous terms. We are accustomed to this advice: On the politics of water, on the legislative process, on why and how things were done in the past and how things should be done in the future, on the merits of antique automobiles, and on the quality of machine shops in the metropolitan area.

Russ has served the committee with great dedication and love. The Department of the Interior is lucky to have his services. He will always find a hearty welcome here when his duties for the Department bring him to the Committee on Energy and Natural Resources.●

BEIRUT UNIVERSITY COLLEGE

● Mr. BOSCHWITZ. Mr. President, the Middle East today is an area which too often draws our attention because of acts of violence—war between Iraq and Iran, freedom fighters in Afghanistan, and terrorist attacks upon Israel. Beyond the headlines, a confrontation at least as serious as the others is occurring. This is a battle for the minds of the next generation of Middle Eastern leaders.

Recent events surrounding the publication and distribution of Salman Rushdie's "Satanic Verses" is one skirmish in this intellectual battle. Basic concepts of intellectual freedom and the ability to articulate and act upon one's beliefs are being challenged by narrow-minded, intellectually intolerant Islamic fundamentalists.

The intolerance toward "Satanic Verses" is exhibited in small ways each week toward others who share our values of freedom and tolerance. Today in the Middle East the real front-line soldiers are the teachers, journalists, and students who risk their lives as well as their livelihood to promote human values in an increasingly intolerant atmosphere.

The loss of this battle will seriously undermine American interests. While we may have serious differences with many current leaders in the Middle East, they clearly understand us. Most share a common educational standard and moral foundations. Our differences may sometimes be profound, but we at least have the ability to communicate.

The openness of Middle Eastern societies since before the Second World War to evaluate, accept or reject others' ideas has greatly strengthened the fabric of their society. The rise of those who reject outside viewpoints and attack those who believe in openness intend to reverse the process of opening young minds to the world of ideas. Pressure is being brought on those who persist in espousing universally accepted human values of tolerance and freedom.

This confrontation is being fought in thousands of classrooms through the Middle East. Support for those institutions and hundreds of thousands of individuals who have been educated in western institutions and are the leaders in this battle for intellectual freedom is of particular importance to the United States. Should they lose, it is clear that political freedom will also lose. This would be a tragedy.

Historically, Lebanon has been the gateway for modern ideas to the region. The American University of Beirut, Beirut University College, St. Joseph University, and other schools were the conduits for modern ideas. It is not surprising, therefore, that in an area of growing intolerance, Beirut is a focal point in opposition to these ideas. These institutions—administration, faculty, and students—are at the forefront of the struggle. Salman Rushdie's experience of the last several months is the daily struggle for these courageous individuals, who support freedom and tolerance in a much more difficult environment.

The United States has a long and proud tradition of supporting these educational institutions. One of these institutions, Beirut University College [BUC], a New York-chartered liberal arts college, deserves special note. Originally founded as a women's college, BUC became coeducational in 1975. Despite the security situation in Lebanon, BUC is thriving because most Lebanese want it there. Its enrollment has grown from 1,000 students before the war to over 4,000 today. Western values and approaches to problem-solving are imparted to thousands of young people who have taken a leadership role throughout the region and who continue to uphold the basic American-style education received.

In recent years, however, the role of BUC has changed. Good national institutions have been established throughout the region. Fourteen years of conflict in Lebanon have severely tested the ability of an open educational institution to survive. As a result of these changes, questions have been raised as to whether continued American support for American educational institutions in Lebanon is worthwhile. I would answer that U.S. support may be even more important today. U.S. investment in BUC is a commitment to the hope that educated people will bring rational and objective thinking to a region in turmoil. BUC is a cornerstone in building a better future for Lebanon and the region. American long-term interests lie in supporting those Middle Easterners who share our values and with whom we can communicate.

Beirut University College's operating budget is $5 million annually. Since 1981, BUC has received some assistance both from AID and from the American Schools and Hospitals Abroad Program [ASHA]. I commend AID for this. Assistance provided by AID has been used for damage repairs and operating deficits. The four ASHA grants received since 1981 have been used for project improvements. While this assistance has been helpful to BUC, it is not enough. In order to meet its operating expenses, BUC has had to raise its tuition to $1,100 per student—twice the amount charged by other American institutions in Lebanon. The faculty have taken pay cuts of up to one-third of their salary. Moreover, the drop in the value of the Lebanese pound makes the cost of tuition prohibitively expensive for many potential students who desire a Western education and seriously hampers budget projections for the college.

For the current fiscal year, 1989, BUC has requested a grant of $1,125 million from ASHA for capital improvements. If fully funded—and my hope is that it will be—this grant will be used to purchase a new electricity generator, so that the college can provide its own electricity. Because of the situation in Beirut, the college is without electricity much of the time, and it is not uncommon for students to study

by candlelight in science and library facilities. BUC also will need funding from AID for budget support to meet its operating expenses. Such U.S. assistance will allow the university to concentrate its limited resources on programs.

Mr. President, as I previously stated, there is no more important battle in the Middle East today than the battle for human values. Educators, journalists, and modern political leaders are under siege from intolerant fundamentalists and extremists.

The determination of the individuals—students, faculty, and administrators—who comprise Beirut University College to struggle on in the face of these difficulties is impressive, and America should not abandon them. Therefore, our support is more important today than ever. Those who are on the front line in the battle between intellectual freedom and intolerance clearly deserve our support.●

HONORING BRUCE MARTYN

● Mr. LEVIN. Mr. President, I would like to speak today about a Detroit legend: Bruce Martyn, the announcer for the Detroit Red Wings.

There should be more people like Bruce Martyn. When he was young, he discovered a passion for hockey. He pursued that passion, and it became his career. His reward is that he loves what he does.

That is also our reward. For Bruce Martyn brings his enthusiasm and love of hockey to millions of hockey viewers every game.

Martyn's first job as a hockey broadcaster was with WSOO-AM in Sault Ste. Marie. There he did play-by-play for the Soo Indians of the Northern Ontario Hockey Association. It was also where he met his wife, Donna. What attracted him to Donna? For one thing, she was a hockey fan.

Two years later, Martyn came to Detroit to work for WCAR-AM. He stayed on the air there for 10 years before moving to WKVD-TV, then a station devoted completely to sports. It did not take long for Martyn to be discovered by the Red Wings, who offered him a job as a broadcaster. He has been there ever since.

He is one of a handful of announcers who belong in a pantheon for making a sport come alive with a vibrant voice. His love of hockey is contagious.

During the past 25 years, Bruce Martyn has become best known for the phrase, "he shoots, he scores!" Well, Bruce Martyn has scored in the hearts of Red Wings fans everywhere. For that, and for his 25 years of service, I salute him.●

THE UNIVERSAL VOTING RIGHTS ACT OF 1989

● Mr. SIMON. Mr. President, I am proud to rise today as a cosponsor of the Universal Voting Rights Act of 1989, and to compliment my very good friends and colleagues, Senator CRANSTON and Senator KENNEDY, on their excellent work in this area.

As chairman of the Constitution Subcommittee, I will begin hearings promptly on this important legislation. No right is more essential to a free people than the right to vote. Our Constitution begins with three words—"We the People"—that founded our Nation on the principle that the powers of Government derive from the consent of the governed.

Our Constitution has been amended four times to widen the franchise: The 15th amendment, ratified in 1870, affirmed the right to vote without regard to "race, color, or previous condition of servitude." The 19th amendment, ratified in 1920, gave women the right to vote. The 24th amendment, ratified in 1964, prohibited use of the poll tax in denying the right to vote in Federal elections. And the 26th amendment, ratified in 1971, extended the vote to those 18, 19, and 20 years old.

Although many historic barriers to voting have fallen, the United States has one of the lowest rates of voter turnout of major democracies. One important factor distinguishing the United States from other countries is the voter registration process. And there is considerable evidence that registration practices have an adverse, disproportional impact on minorities and the poor. According to the U.S. Census Bureau, however, once people register, they overwhelmingly go to the polls and vote.

This bill seeks to remove obstacles to the registration process and increase voter participation. To fulfill the promise of "We the People"—that is our goal. I look forward to chairing the hearings on the Universal Voting Rights Act of 1989.●

GREEK INDEPENDENCE DAY

● Mr. SARBANES. Mr. President, on March 25, the Greek people and their descendants around the world will join in celebrating the 168th anniversary of Greek independence. On that day in 1821, the Greek nation began it arduous struggle to reestablish its independence after enduring nearly four centuries of Turkish Ottoman rule. For eight long and difficult years, determined Greek patriots fought against tremendous odds to secure the liberty of their homeland and reaffirm the individual freedoms which are the heart of the Greek tradition.

Although regarded skeptically by the monarchical governments of Europe, the uprising in Greece nonetheless captured the imagination and commanded the admiration of peoples on both sides of the Atlantic. This was particularly true in the young American republic. President James Monroe remarked in 1823 that "the whole civilized world took a deep interest in the heroic struggle of the Greeks which brought to mind both exalted sentiments and the best of feelings."

American sympathy for the Greek uprising was rooted in our Nation's own experience in overthrowing colonial domination and establishing a democratic republic. State legislatures and town meetings across the Nation passed resolutions in support of the Greek effort, and in the House of Representatives Congressman Daniel Webster eloquently put the Greek case to his colleagues in the 18th Congress.

He declared on the floor of the House in 1823:

> The Greeks, a people of intelligence, ingenuity, refinement, spirit, and enterprise, have been for centuries under the most atrocious, unparalleled Tartarian barbarism that ever oppressed the human race.
>
> They look to us as the great Republic of the Earth and they ask us by our common faith, whether we can forget that they are now struggling for what we can now so ably enjoy? I cannot say, sir, that they will succeed; that rests with heaven. But myself, sir, if we tomorrow hear that they have failed—that their last phalanx had sunk beneath the Turkish scimitar—that the frames of their last city had sunk in ashes and that naught remained but the wide melancholy waste where Greece once was, I would still reflect with the most heartfelt satisfaction, that I had asked you, in the name of seven million of freemen, that you would give them at least a cheering of one friendly voice.

The Greek patriots drew inspiration from the American Revolution, as the founders of the American Republic had earlier drawn from the ancient Greeks. The noted American historian Henry Steele Commager has discussed the extent to which the architects of the revolution and the authors of the Declaration of Independence, the Constitution, and the Bill of Rights were familiar with Plutarch and Thucydides, and with the ancient Greek ideas of civil liberty and citizenship. There is, he wrote, a "continuous rain of references" in the debates in the experience of the ancient world, and in the Federalist papers to ancient history. As Thomas Jefferson observed of himself and his colleagues, "to the ancient Greeks * * * we are all indebted for the light which led ourselves out of Gothic darkness."

The ties which join the two nations and the two peoples were thus forged through mutual inspiration in the early days of our republics; for more than 150 years they have been reinforced in countless ways. As nations and peoples in World War I, Americans and Greeks were steadfast allies. In the bleak early days of World War

II the Greek defeat of Mussolini's army gave the besieged free world its first victory over the Axis powers, forcing Hitler to dispatch his own armies to occupy Greece. Nowhere was the Nazi occupation more brutal than in Greece; and nowhere, in turn, was the resistance more determined or heroic than in Greece.

In the postwar period, the commitment of President Harry Truman and the American people helped the people of Greece to turn back a Communist insurgency and to rebuild their country, ravaged by years of armed conflict. Today Greece is a stable democracy, a member of the NATO alliance and of the European Community. The enduring ties of history are reinforced every day by the very personal ties which join the American and greek peoples, and by the role Americans of Greek background play in the cultural, scientific, economic, and, indeed, every aspect of our national life.

The Greek people are justly proud of the abiding commitment to freedom which marks their heritage, unwavering through the centuries and enduring in the face of great adversity. The continuing Turkish occupation of a significant portion of the republic of Cyprus therefore remains a source of great concern among Greek Americans. In the past year, there have been signs of a renewed commitment to the search for a just and enduring solution to this situation. It is in the best interests of all to promote the healing of this society torn by war and military aggression.

Mr. President, it is fitting to mark Greek Independence Day, because the Greek war of independence has significance for all of us. It is not only an inspiring chapter in the long history of Greece's steadfast devotion to the principles we also cherish; it is a milestone in the struggle for freedom in the modern world. In the words of the resolution which for the first time officially authorized March 25 as Greek Indepdence Day, "The ancient Greeks developed the concept of democracy, in which supreme power to govern was vested in the people. The Founding Fathers of the United States of American drew heavily upon the political and philosophical experience of ancient Greece in forming our representative democracy." In celebrating Greek Independence Day, we celebrate the principles which inspire the free and democratic peoples of America and Greece.●

SENATE JOINT RESOLUTION 88 READ THE FIRST TIME

Mr. MITCHELL. Mr. President, Senate Joint Resolution 88, a joint resolution concerning global environmental policy, is at the desk and I now ask that it be read for the first time.

The PRESIDING OFFICER. The clerk will read the joint resolution.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 88) to establish that it is the policy of the United States to reduce the generation of carbon dioxide, and for other purposes.

Mr. MITCHELL. Mr. President, I now ask for the joint resolution's second reading.

Mr. DOLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The joint resolution will be read on the next legislative day.

INTELLECTUAL PROPERTY ANTITRUST PROTECTION ACT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar item No. 26, S. 270, a bill to modify the application of the antitrust laws to encourage licensing and other use of certain intellectual property.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 270) to modify the application of the antitrust laws to encourage the licensing and other use of certain intellectual property, reported without amendment.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LEAHY. Mr. President, the creative spirit of America's innovators has made our Nation the world's leader in high technology. America's economc future rests on the shoulders of individual inventors and innovators working in small firms and large corporations. We need to encourage continued innovation in high technology and to help American inventors and businesses recoup their tremendous investment in research and development. One way to do that is to facilitate the dissemination of America's new technology and innovative products.

With these goals in mind, several of my colleagues joined Senator HATCH and me this year in introducing S. 270, a bill to promote the licensing and other uses of intellectual property. Senator HATCH and I, with our colleagues on the Judiciary Committee—Senators BIDEN, THURMOND, DECONCINI, HUMPHREY, KENNEDY, SIMON, and KOHL—have worked hard on this legislation. As reported unanimously by the Judiciary Committee, this legislation will eliminate unfair penalties imposed by an outdated judicial doctrine that punishes innovators engaged in procompetitive distribution and licensing practices: the presumption of market power in antitrust suits involving intellectual property rights.

S. 270 will provide greater flexibility in the dissemination of intellectual property and innovative products. It does so by clarifying the treatment of intellectual property rights under the antitrust laws by prohibiting courts from presuming the market power necessary for liability from the existence of an intellectual property right.

Mr. President, our intellectual property and antitrust laws should operate together to encourage innovation, by rewarding individual inventors and creators, and to promote competition by ensuring that those inventors and creators have access to open and competitive markets. Nonetheless, because of the doctrine of the presumption of market power, it is almost common for business people and scholars to say that our antitrust and intellectual property laws are in conflict.

This legislation will help America's businesses meet the challenges they face in domestic and international markets. It does so by harmonizing our intellectual property and antitrust laws.

Our intellectual property laws encourage investment in innovation. By recognizing intellectual innovations as property, these laws provide inventors and other innovators with exclusive rights to the use of their inventions and original works for a limited time. By encouraging the publication of these inventions our intellectual property laws also encourage the dissemination of new technology, and thus promote technological progress.

Now, let me explain how these basic intellectual property principles can get stymied in certain antitrust suits. Courts often presume the requisite market power for antitrust liability from the mere existence of a patent or copyright. This presumption evolved because courts mistakenly characterized intellectual property rights as economic monopolies and thus treated patents and copyrights unnecessarily harshly in antitrust cases.

As a result, American businesses may be forced to avoid agreements that would permit them, for example, to cut costs by developing efficient distribution schemes for functionally related products. In some cases, the threat of antitrust liability even deters American companies and, particularly, small businesses and individual inventors from developing new technology. For example, if an inventor's ability to license his or her product or the intellectual property rights to that product, is seriously threatened by the fear of treble damages being imposed in an antitrust suit, the inventor likely will decide at the outset not to invest the time and money to research and develop that idea. This is especially true in our high-technology industries whose products have short shelf lives.

29-059 O-90-26 (Pt. 4)

Last Congress the Judiciary Committee's Technology and Antitrust Subcommittees held a joint hearing on S. 438, title I of which is now S. 270. I remember Mr. Sanford Feman from the Hewlett-Packard Co.'s Medical Products Group used a heart monitoring system to illustrate the real problems American companies face because of the antitrust laws' treatment of copyrighted products. To control quality and prevent malfunctions caused by use of the heart monitor's components with other manufacturers' equipment, Hewlett-Packard sells the copyrighted software and the hardware together as one heart monitoring system.

Because of a 1984 antitrust decision mistakenly applying the presumption of market power, however, American manufacturers may need to separate the components of such sophisticated hi-tech equipment. They may be forced to treat complex, interrelated computer technology as if it were a mattress and a bed. The fear of antitrust liability may force businesses to sell one component without the other regardless of its effects on consumers. In Mr. Feman's example, those consumers are hospitals and their patients.

By discouraging common sense dissemination of complex hi-tech equipment, current antitrust law harms consumers as well as manufacturers. No doubt some manufacturers, fearing they will incur product liability because of a malfunction in another manufacturer's component, will stop manufacturing their products altogether.

That troubling 1984 court decision I referred to is *Digidyne Corp.* v. *Data General Corp.*, 734 F.2d 1336 (9th Cir. 1984), cert. denied, 473 U.S. 908 (1985). There, the Court of Appeals for the ninth circuit treated the defendant's refusal to license copyrighted computer software except to purchasers of its computer hardware as a per se unlawful tying arrangement. A tying arrangement is a form of package sale in which a seller conditions the sale or lease of one product upon the sale or lease of a second product. Under certain circumstances, the antitrust laws condemn tying arrangements as per se unlawful. The elements of per se illegal tying arrangements are described in *Jefferson Parish Hospital Dist. No. 2* v. *Hyde*, 466 U.S. 2 (1984). The problems this poses for America's high-technology industry are outlined in Justice O'Connor's concurring opinion.

Sufficient economic power in the tying product market to restrain competition in the tied product market appreciably is one of the elements of a per se unlawful tying arrangement. Relying on the presumption of market power, the ninth circuit in the Data General case found that the software system's copyright established the software's distinctiveness as a matter of law. It held that there was sufficient evidence from which the jury reasonably could have concluded that the software was sufficiently unique and desirable to an appreciable number of buyers to enable the defendant to force those consumers to buy the hardware.

But in evaluating the evidence, the court specifically rejected the defendant's evidence that functionally equivalent substitutes existed for the copyrighted software. It said that the existence of substitutes for the software was not relevant to whether sufficient economic power existed for an illegal tie-in.

Data General is only one of many cases in which the courts have presumed market power from the existence of a patent or copyright. Courts have been applying the presumption at least as far back as 1962 and continue to do so today. See, e.g., *United States* v. *Loew's, Inc.*, 371 U.S. 38 (1962); *Outlet Communications, Inc.* v. *King World Productions, Inc.*, 685 F. Supp. 1570 (M.D. Fla. 1988). And State courts also have relied on the presumption in applying State antitrust laws. See, e.g., *Jerry Day and Cory Day* v. *Le-Jo Enterprises, Inc.*, 521 So. 2d 175 (Fla. Dist. Ct. App 1988).

Legal and economic scholars have sharply criticized the presumption of market power. Hovenkamp says in his Economics and Federal Antitrust Law, "The economic case for 'presuming' sufficient market power to coerce consumer acceptance of an unwanted tied product simply because the tying product is patented [or] copyrighted * * * is very weak." Sec. 8.3 at 219 (1985). See also Note, *The Presumption of Economic Power for Patented and Copyrighted Products in Tying Arrangements*, 85 Colum. L. Rev. 1140, 1156 (1985).

S. 270's elimination of the presumption of market power is intended to reduce the likelihood that antitrust claims will be brought against intellectual property owners who should not be subject to antitrust liability. The bill clarifies that although patents and copyrights constitute legally enforceable property rights, they do not necessarily constitute economic monopolies. Similarly, the bill clarifies that although the "uniqueness" or "distinctiveness" of a particular product may be essential to the award of a patent or copyright, the patent or copyright does not necessarily result in econmic power when evaluated under standard antitrust principles.

As stated in the Judiciary Committee's report on this legislation (Rept. 101-8), the elimination of the presumption will simply require plaintiffs to assume their proper burden of proof in antitrust cases involving patents, copyrights, or semiconductor chip designs. It will require that courts evaluate practices involving intellectual property rights under the same antitrust principles that are applied to practices invovling other forms of property.

I would like to emphasize that S. 270's elimination of the presumption of market power will require courts to make a factual assessment of whether the holder of an intellectual property has market power within an economically significant market in the same way as they do in other tying cases and in antitrust cases in general. Thus, courts will have to assess whether there are available substitutes for the protected tying product or service, as did the court in *A.I. Root Co.* v. *Computer Dynamics, Inc.*, 806 F.2d 673 (6th Cir. 1986).

This legislation is also intended to preclude a plaintiff from establishing that a defendant has the requisite market share for antitrust liability by asserting that an intellectual property right constitutes its own market. Without proof of the absence of substitutes for the patented or copyrighted product, an intellectual property right does not itself constitute a market.

I understand some concern has been raised that by including in section 2, the terms "economic power," "product uniqueness or distinctiveness," and "monopoly power" along with "market power," we will somehow be setting in stone the definition of market power for antitrust cases outside the scope of this bill. Let me underscore right now that that is not our intent. Courts have used different terms when they refer to the presumption generally described as the presumption of "market power." Section 2 includes all of those terms to avoid an unduly narrow reading by some future court. We want to be sure that whatever they call it—"defining a market," "establishing market power," "economic power," "product uniqueness or distinctiveness," or monopoly—courts do not foreclose thorough market analysis because of an intellectual property right.

I should also point out that bill's elimination of the presumption does not apply to trademarks or trade secrets. The reason is simple. Under current law, courts tend not to view these rights as giving rise to a presumption. Thus, S. 270 is not intended to change current law in this respect. Nor is it intended to invite a finding that a trademark or trade secret creates a presumption of market power.

Mr. President, let me just say that S. 270 rejects the presumption of market power because the presumption inhibits the development and dissemination of new technology.

In passing this bill three times in the last session, the Senate clearly sent a message to the courts that they would be mistaken to continue to apply any presumption of market power involv-

ing intellectual property rights as automatically granting meaningful economic power over a particular market in antitrust cases.

The Judiciary Committee unanimously reported S. 270. It has been broadly supported by a bipartisan effort in the Senate and widely endorsed by technology companies and experts in intellectual property and antitrust law. Senators BIDEN, THURMOND, DECONCINI, HUMPHREY, SIMON, KENNEDY, and KOHL, have joined Senator HATCH and me in cosponsoring this bill. I thank them for working with us this Congress and last on this important legislation. I urge my colleagues to join us in supporting this measure.

In closing, I would like to thank the following Judiciary Committee staff members for their fine work in getting this legislation to the point of Senate passage this year: Abby Juzma and Kay Allen Morrell with Senator HATCH; Diana Huffman and Jeff Peck with Senator BIDEN; Patricia Vaughan and Terry Wooten with Senator THURMOND; Ed Baxter and Tara McMahon with Senator DECONCINI; George Smith with Senator HUMPHREY; Chris Dunn and Deborah Leavy with Senator SIMON; Thurgood Marshall, Jr., and Carolyn Osolinik with Senator KENNEDY; and Robert Seltzer and Jonathan Leibowitz with Senator KOHL. Finally, I would like to thank my own staff on this legislation: Katie Miller and my chief counsel, Ann Harkins.

Special thanks and tribute go to Congressman HAM FISH who first introduced the House companion measure to S. 270, and his chief counsel, Alan Coffey, who deserves a great deal of credit for his work on this legislation as well.

Mr. THURMOND. Mr. President, I am pleased that the Senate has decided to act so expeditiously in the 101st Congress on this important piece of legislation. The Intellectual Property Antitrust Protection Act of 1989 was overwhelmingly supported and passed by the Senate in the 100th Congress.

S. 270 clarifies the treatment of intellectual property rights under the antitrust laws. It provides that an intellectual property right, such as a patent, copyright or trademark, will not be presumed to define a market or to establish market power whenever the conduct of an owner, licensor, licensee, or other holder is alleged to have violated the antitrust laws in connection with the marketing or distribution of a product or service protected by such a right. In other words, Mr. President, a court will not be allowed to presume market power in an antitrust case merely from the existence of a patent, copyright, or other intellectual property right.

This bill, in clarifying the treatment of intellectual property in antitrust cases, strikes a healthy balance between the policies of antitrust enforcement and the policies underlying intellectual property rights. It does not prevent a finding of market power where appropriate, but merely prohibits its courts from presuming market power without proof that it exists.

Mr. President, I believe that enactment of S. 270 and removal of unwarranted antitrust concerns will greatly encourage the marketing of new and innovative products, and will ultimately enhance the worldwide competitiveness of the United States. I encourage all my colleagues to support this legislation of which I am a cosponsor.

Mr. HATCH. Mr. President, I am proud today to rise in support of the Intellectual Property Antitrust Protection Act. This Act strengthens the ability of American companies to compete in the international high-technology market and it will encourage innovation by permitting small inventors and entrepreneurs to recover their tremendous investment in research and development.

This Act was introduced in response to judicial decisions which created uncertainty in the high-technology community by invalidating licensing practices which had no anticompetitive effects. These decisions failed to consider all competitive effects of agreements involving intellectual property rights. Such decisions subject American companies to possible treble damage liability for normal competitive practices which have no adverse effects upon the consumer. Needless to say, that discourages technological innovation at the very time we critically need to encourage it. This Act will send a reliable signal to inventors and entrepreneurs that courts will no longer needlessly discourage technological innovation in this manner.

This Act provides that when the holder of an intellectual property right is alleged to violate antitrust laws, the intellectual property right itself shall not be presumed to define a market or establish market power. It will require the courts to examine these cases using an analysis of all competitive conditions. By removing this presumption, we will lessen the tension between the antitrust laws and intellectual property laws. This legislation would prevent courts from invalidating practices which do not have anticompetitive consequences—and which, in fact, are procompetitive because they encourage the development of intellectual property.

The bill requires that agreements to convey intellectual property rights be evaluated for antitrust purposes upon consideration of all relevant economic factors, including their procompetitive benefits, rather than upon unwarranted presumptions of market power. This is an eminently reasonable step. The threat of antitrust liability acts as a disincentive to the creation and distribution of new technology. Even after new technology has been created and distributed, the threat of antitrust liability diverts resources away from further innovation. The status quo is clearly harmful to innovation without being beneficial to consumers. The elimination of the presumption will require only that courts evaluate practices involving intellectual property rights under the same antitrust principles that are applied to practices involving other forms of property.

Mr. President, this legislation will improve U.S. competitiveness and benefit U.S. consumers by promoting technological innovation. The Intellectual Property Antitrust Protection Act of 1989 is a necessary element of our efforts to provide U.S. companies the environment they need to stay competitive in world markets, an endeavor of increasing importance as we approach the 21st century.

I commend my colleague from Vermont, Senator LEAHY, for his efforts to move this important piece of legislation forward at such an early date in this legislative session. We came close to enacting this measure at the end of the 100th Congress, and I believe that we will see it signed into law by the President in the near future. I would urge all of my colleagues to support this measure.

Mr. HUMPHREY. Mr. President, I strongly support passage of S. 270, the Intellectual Property Antitrust Protection Act of 1989. I was pleased to join Senator LEAHY and my other colleagues in cosponsoring this legislation both in the 100th Congress and again in this Congress. This is the kind of progressive antitrust legislation which not only fosters healthy competition but makes a strong contribution to American competitiveness in world markets.

It is significant to note that this bill was unanimously approved by the Senate Judiciary Committee, and enjoyed bipartisan cosponsorship from no less than nine members of the committee.

This legislation can play an important role in our efforts to encourage innovation in critical areas of business dependent upon intellectual property rights. It will provide an important clarification to our antitrust laws which will allow the courts to respond to economic realities and genuine principles of competition in applying those laws. This bill is especially important to American businesses which make substantial investments in research and development to produce innovative applications in such fields as computer software technology.

Although the reforms incorporated in this bill are limited in scope, they are of significant importance. The bill eliminates the presumption of market power which has been applied in cases

where an antitrust claim is alleged against the holder of an intellectual property right. This presumption of market power in cases involving patented or copyrighted products amounts to a judicial short cut for imposing antitrust liability. It has resulted in unreasonably harsh treatment of companies exercising such intellectual property rights in connection with their marketing, distribution, and licensing of their products or services.

This erroneous presumption of market power derives from the confusion of the exclusive legal rights granted by law to copyright and patent owners with the economic monopolies addressed by the antitrust laws. But the simple fact is that mere ownership of a patent or copyright does not convey market power. The presumption wholly fails to account for such factors as the relative demand for the protected product or the substitutability of competing products.

This legislation will do much to encourage innovation in the critical "high-technology" fields which are such a major part of our economy. It was the subject of thorough hearings during the 100th Congress and favorably reported out by the Senate Judiciary Committee. This bill has been carefully crafted and revised and represents a thoughtful legislative product. This was recognized by the Judiciary Committee's unanimous approval of this legislation when it was reported out by voice vote in this Congress. The strong, bipartisan support of this bill attests to its soundness.

This is the first antitrust legislation to be voted on by the Senate in the 101st Congress. It represents the kind of practical, foward-looking antitrust bills we should be addressing. I urge my colleagues to overwhelmingly approve the Intellectual Property Antitrust Protection Act.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 270

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intellectual Property Antitrust Protection Act of 1989".

PROHIBITION OF MARKET POWER PRESUMPTION

SEC. 2. In any action in which the conduct of an owner, licensor, licensee, or other holder of an intellectual property right is alleged to be in violation of the antitrust laws in connection with the marketing or distribution of a product or service protected by such a right, such right shall not be presumed to define a market or to establish market power, including economic power and product uniqueness or distinctiveness, or monopoly power.

SEC. 3. For purposes of this Act—

(1) the term "antitrust laws" has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)); and

(2) the term "intellectual property right" means a right, title, or interest—

(A) in subject matter patented under title 35 of the United States Code, or

(B) in a work, including a mask work, protected under title 17 of the United States Code.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STAFFORD STUDENT LOAN DEFAULT PREVENTION AND MANAGEMENT ACT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 29, S. 568, the Stafford student loan default bill.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 568) entitled the "Stafford Student Loan Default Prevention and Management Act of 1989".

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The bill (S. 568) was considered, ordered to a third reading, read the third time, and passed; as follows:

S. 568

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Stafford Student Loan Default Prevention and Management Act of 1989".

SEC. 2. TABLE OF CONTENTS.

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—DEFAULT MANAGEMENT

Sec. 101. Default management plans required.

TITLE II—IMPROVED STAFFORD STUDENT LOAN COLLECTION PROVISIONS

Sec. 201. Provision of financial aid transcripts.
Sec. 202. Repayment notice to borrower.
Sec. 203. Notice by lender of sale of loan.
Sec. 204. Guaranty agency prohibition on the sale of certain Stafford student loan lists.
Sec. 205. Guaranty agency use of State licensing board information.
Sec. 206. Special limitation on the deferment of payment of principal and interest on PLUS loans.
Sec. 207. Credit checks and cosigners for PLUS loans.
Sec. 208. Administrative fee for SLS loans and for PLUS loans.
Sec. 209. Loan consolidation limitation.
Sec. 210. Additional requirements with respect to disbursement and endorsement of Stafford student loans.
Sec. 211. Extended collection demonstration program.
Sec. 212. Credit bureaus.
Sec. 213. Eligible lender notice on delinquent loans required.
Sec. 214. Additional borrower information required.
Sec. 215. Ability to benefit.
Sec. 216. Exit interview information.
Sec. 217. Disclosure of State licensing requirements.
Sec. 218. Withholding of transcripts from defaulting borrowers.
Sec. 219. Restrictions on institutional promotional activities.
Sec. 220. Academic year definition.
Sec. 221. Limitation, suspension, and termination on account of contractors.
Sec. 222. Study of discharge of Stafford student loans in bankruptcy.

TITLE III—FEDERAL RESPONSIBILITIES

Sec. 301. Administrative provisions relating to the reduction of default.
Sec. 302. Regulations for institutional disclosure of borrower records.
Sec. 303. Effect of loss of accreditation.
Sec. 304. Special accreditation rules.
Sec. 305. Eligible institution accreditation rule.
Sec. 306. Toll-free consumer hotline.
Sec. 307. National student loan data system.
Sec. 308. Tuition refunds.

TITLE IV—AMENDMENTS TO THE NEEDS ANALYSIS PROVISIONS

Sec. 401. Definition of independent student.
Sec. 402. Modification to computation of contributions.
Sec. 403. Student contribution modification.
Sec. 404. Prevention of double counting of income in asset computations.
Sec. 405. Needs analysis financial aid administrator adjustments.
Sec. 406. Treatment of veterans benefits.
Sec. 407. Treatment of nonliquid assets.

TITLE V—OTHER HIGHER EDUCATION AMENDMENTS

Sec. 501. Pell grant program amendment.
Sec. 502. Subsidized employment modification under work-study.
Sec. 503. Student loan internship deferments.
Sec. 504. Student loan marketing association amendments.
Sec. 505. Forms and regulations.
Sec. 506. Reallocation of returned SEOG funds to institutions located in natural disaster areas.
Sec. 507. Lender of last resort.
Sec. 508. Perkins loan program amendment.
Sec. 509. Peace Corps, Vista, and tax-exempt organization service encouraged.
Sec. 510. Data on deferments and cancellations.
Sec. 511. Special grants to consortia for the benefit of historically Black colleges.
Sec. 512. Audit provision.

TITLE VI—EFFECTIVE DATES

Sec. 601. Effective date rule.

TITLE I—DEFAULT MANAGEMENT

SEC. 101. DEFAULT MANAGEMENT PLANS REQUIRED.

(a) DEFAULT MANAGEMENT PLAN.—Part B of title IV of the Higher Education Act of 1965 (hereafter in this Act referred to as the "Act") is amended by inserting after section 430A the following new section:

"DEFAULT MANAGEMENT PLAN

"SEC. 430B. (a) GUARANTY AGENCY DEFAULT MANAGEMENT PLAN REQUIRED.—(1)(A) The Secretary shall determine the default rate in accordance with the provisions of subsection (e) for each guaranty agency. Each guaranty agency which the Secretary determines has a default rate in excess of 25 percent shall develop and carry out a default management plan in accordance with the provisions of this section.

"(B) Each guaranty agency which is in the highest 5 percent by volume of defaulted student loans measured by dollar value, as published by the Secretary in accordance with section 432A(a)(2)(B), shall be subject to a program review conducted by the Secretary. If the Secretary determines that the default management practices of the guaranty agency substantially contribute to the high dollar value default of student loans, the Secretary shall develop and implement a default management plan for such guaranty agency.

"(2)(A) The Secretary may, in any default management plan required by paragraph (1) of this subsection, require the guaranty agency to carry out any or all of the default management provisions set forth in subparagraph (B). The default management provisions selected for inclusion in the default management plan shall be based upon the results of an evaluation of operations conducted by the Secretary.

"(B) The default management provisions to which subparagraph (A) relate are—

"(i) mandatory preclaims assistance;

"(ii) mandatory supplemental preclaims assistance for default prevention;

"(iii) development and distribution of default management materials;

"(iv) additional training in the administration of the programs under part B of this title;

"(v) training of school personnel on default prevention;

"(vi) training of lender personnel on default prevention;

"(vii) waiver of program review regulations so that the guaranty agency can focus on eligible institutions and lenders with excessive default rates; and

"(viii) collection of additional information from borrowers.

"(C) The Secretary, with the agreement of the guaranty agency, may require other measures designed to increase the collection of Stafford student loans, particularly measures appropriate to the communities served by the guaranty agency subject to the default management plan.

"(b) ELIGIBLE LENDER AND ELIGIBLE INSTITUTION DEFAULT MANAGEMENT PLAN REQUIRED.—(1)(A) The Secretary shall determine the default rate, in accordance with subsection (e), for each eligible lender and for each eligible institution. Each eligible lender and each eligible institution which has a default rate in excess of 25 percent calculated in accordance with subsection (e) shall develop and implement a default management plan with the designated State guaranty agency for the State in which such lender or institution is located.

"(B) Each eligible institution which has a high default rate measured by dollar value, as determined by the Secretary, and which is in the highest 5 percent by dollar value of defaulted student loans, as published by the Secretary in accordance with section 432A(a)(2)(B), shall be subject to an evaluation of operations conducted by the designated State guaranty agency for the State in which such lender or institution is located. If such guaranty agency determines that the default management practices of the lender or institution substantially contribute to the high dollar value default of student loans, the guaranty agency shall develop and implement a default management plan for such lender or institution.

"(C) No eligible lender and no eligible institution is subject to subparagraph (A) unless the lender or institution has at least 25 loans that are in default in the fiscal year for which the determination is made.

"(D) The Secretary shall require the designated guaranty agency for each State to require each eligible lender and each eligible institution located within the State described in subparagraph (A) to develop and implement a default management plan.

"(E) Each designated guaranty agency for a State may transfer the responsibilities for carrying out this section to another guaranty agency whenever the other guaranty agency guarantees a significant portion of loans for the eligible lender or eligible institution which is the subject of the default management plan. Whenever there is significant multi-State activity by any lender, the Secretary shall determine each party which will carry out the responsibilities of this section, except that, in the case of the Student Loan Marketing Association, the Secretary shall carry out the responsibilities of the guaranty agency under this section.

"(2)(A) The Secretary shall require the designated guaranty agency for a State to require each eligible lender subject to a default management plan to carry out any or all of the default management provisions set forth in subparagraph (B). The default management provisions selected for inclusion in the default management plan shall be based upon the results of an evaluation of operations conducted by the guaranty agency.

"(B) The default management provisions to which subparagraph (A) applies are—

"(i) additional training in the administration of the programs under part B of this title;

"(ii) development of personal financial planning materials to be used in counseling borrowers on planning for repayment of Stafford Loans;

"(iii) establishment of a loan repayment lenders hot line under which borrowers may receive information relating to the repayment status of the student loan, deferments, forbearances, and other rights and responsibilities under the Stafford Loan program;

"(iv) development of information readily understood by the average student relating to forbearance, deferments, and consolidation opportunities;

"(v) provision of additional services, including collection and skip-tracing activities, relating to loans held by the lender in any case in which the borrower cannot be found;

"(vi) provisions for the eligible lender to collect additional information from borrowers, but which may not be required to be a part of the loan application;

"(vii) additional program reviews or audits relating to the performance of responsibilities under the Stafford student loan program;

"(viii) provisions requiring loans to be multiply disbursed regardless of program length; and

"(ix) provisions for technical assistance to be furnished by the State guaranty agency or its designee.

"(C) The designated guaranty agency, with the agreement of the lender, may require other measures designed to increase the collection of student loans, particularly measures which are appropriate to the eligible lender subject to the default management plan.

"(3)(A) The Secretary shall require each designated guaranty agency for a State to require each eligible institution to which a default management plan applies to carry out any or all of the default management provisions set forth in subparagraph (B). The default management provisions selected for inclusion in the default management plan shall be based upon the results of an evaluation of operations conducted by the guaranty agency.

"(B) The default management provisions to which subparagraph (A) applies are—

"(i) additional training in the administration of the programs under part B of this title;

"(ii) provisions requiring that an eligible institution take necessary action, including reporting information on new addresses of student borrowers, for students who are delinquent or in default within 45 days of the notification of delinquency or default;

"(iii) provisions for technical assistance in the operation of Stafford student loan programs to be provided by the guaranty agency or its designee;

"(iv) provisions for entrance interviews for student borrowers to be conducted by the eligible institution;

"(v) provisions for enhanced information sharing with the guaranty agency;

"(vi) provisions for an independent audit of the operation of the student financial aid programs under part B of this title of the eligible institution;

"(vii) provisions requiring that the eligible institutional verification required by section 484(f) of this Act on student loan eligibility data be increased up to 100 percent of such verification;

"(viii) provisions requiring that the eligible institution collect additional information from borrowers;

"(ix) periodic reporting on the status of students receiving aid under part B of this title at the eligible institution;

"(x) provisions for an eligible institution to furnish the guaranty agency with information on student admissions procedures, withdrawals, and placement rates; and

"(xi) provisions to prevent loan defaults by altering student aid packaging policies at the institution.

"(C) The designated guaranty agency, with the agreement of the institution, may require other measures designed to increase the collection of student loans, particularly measures which are appropriate for the eligible institution subject to the default management plan.

"(c) PROCEDURAL REQUIREMENTS.—(1) Each default management plan required by this section shall be developed not later than 120 days after the Secretary or the guaranty agency, as the case may be, determines that such a plan is required pursuant to subsection (a) or subsection (b), as the case may be. Each such default plan shall be for a period of 3 years.

"(2) Each default management plan which is developed during the first fiscal year after

the date of enactment of the Stafford Student Loan Default Prevention and Management Act of 1988 shall be based upon an initial determination of the default rate in accordance with subsection (e)(5)(B).

"(3) Whenever a guaranty agency, an eligible lender, or an eligible institution notifies the Secretary that—

"(A) the action of the Secretary, or of a guaranty agency, in requiring a default management plan under this section is arbitrary, or

"(B) in carrying out the enforcement provisions of this section and the determination of eligibility under sections 435(j), 435(d), and 435(a) of this Act with respect to a default management plan, the action of the Secretary or a guaranty agency is arbitrary,

the Secretary shall afford the guaranty agency, the eligible lender, or the eligible institution, as the case may be, notice and opportunity for a hearing.

"(d) ENFORCEMENT PROCEDURES.—(1) If any eligible institution or eligible lender fails to substantially comply with the default management plan to which such institution or lender is subject—

"(A) the Secretary shall initiate a limitation, suspension, or termination proceeding under section 487(c)(1)(D) with respect to an eligible institution's eligibility to participate in the program under part B of this title, or

"(B) the Secretary, through the appropriate guaranty agency, shall initiate a limitation, suspension, or termination proceeding under section 428(b)(1)(U) with respect to an eligible lender's eligibility to participate in the program under part B of this title.

"(2) If any eligible institution or eligible lender fails to reduce the default rate below 25 percent within 3 years after entering into a default management plan under this section—

"(A) the Secretary, upon the recommendation of the appropriate guaranty agency, shall initiate a limitation, suspension, or termination proceeding under section 487(c)(1)(D) with respect to an eligible institution's eligibility to participate in the program under part B of this title, or

"(B) the Secretary, upon the recommendation of the appropriate guaranty agency, through the appropriate guaranty agency, shall initiate a limitation, suspension, or termination proceeding under section 428(b)(1)(U) with respect to an eligible lender's eligibility to participate in the program under part B of this title.

"(3) If any eligible institution or eligible lender fails to drop the default rate below 25 percent within 3 years after entering into a default management plan under this section, and is not subject to subparagraph (A) or (B) of paragraph (2), such an eligible institution or eligible lender shall enter into a new default management plan in accordance with the provisions of this section.

"(4) Each guaranty agency, in considering the recommendation authorized under paragraph (2)(A), shall take into account—

"(A) the progress made by the institution in reducing the number or dollar value of defaulted loans in each of the 3 years covered by the default management plan;

"(B) the employment status of the borrower at the time the defaults occurred;

"(C) the socio-economic status of the students served by the institution as indicated by the Pell Grant eligibility index of those student borrowers in default;

"(D) the presence of significant numbers of ability-to-benefit students among the borrowers in default and a demonstrated institutional record of successfully educating or training such students; and

"(E) the economic health and general state of employment in the region.

"(e) CALCULATION OF DEFAULT RATE.—(1) For the purpose of this section, the Secretary shall prescribe the method of calculating the default rate in accordance with paragraphs (2) through (7).

"(2) The default rate shall be expressed as a percentage for the subject fiscal year, determined by dividing—

"(A) the total original principal amount of loans which entered repayment in the fiscal year for which the determination is made and on which reinsurance claims are filed in the fiscal year for which the determination is made plus the 2 succeeding fiscal years; by

"(B) the total principal outstanding on loans in repayment which entered repayment in the fiscal year for which the determination is made.

"(3) The default rate for a subject fiscal year calculated under paragraph (2) shall be further modified by averaging the default rate calculated for the fiscal year, the default rate calculated for the fiscal year preceding the fiscal year for which the determination is made, and the default rate for the second preceding fiscal year for which the determination is made.

"(4) The Secretary shall calculate the default rate for guaranty agencies, for eligible lenders, and for eligible institutions.

"(5)(A) The Secretary shall calculate the default rate for fiscal year 1986, and for each succeeding fiscal year.

"(B) For the first year after the date of enactment of this section, the Secretary shall calculate the default rate in accordance with paragraphs (2) and (3) with such modifications as the Secretary determines may be necessary. In carrying out the provisions of this subparagraph, the Secretary may average 2 fiscal years for the default rate for such first year calculation.

"(6) In calculating the default rate in accordance with this subsection, the Secretary shall—

"(A) delete from the calculation described in paragraph (2)(A) the amount of loans in default that return to repayment status; and

"(B) with respect to the default rate for an eligible institution, include only loans attributable to the institution which the student attended when the loan was made.

"(7) The Secretary shall, whenever data is unavailable, make necessary estimates consistent with the provisions of this subsection to carry out the provisions of this subsection.

"(f) DEFINITION.—For the purpose of this section, the term 'eligible lender' includes the holder of the loan.".

(b) CONFORMING AMENDMENTS.—(1) Section 435(j) of the Act is amended—

(A) by inserting "(1) IN GENERAL.—" before "The"; and

(B) by adding at the end thereof the following new paragraph:

"(2) DISQUALIFICATION FOR FAILURE TO DEVELOP DEFAULT MANAGEMENT PLAN.—The term 'guaranty agency' does not include any such agency which fails or refuses to develop a default management plan in accordance with section 430B.".

(2) Section 435(d) of the Act is amended by inserting after paragraph (5) the following new paragraph:

"(6) DISQUALIFICATION FOR FAILURE TO DEVELOP DEFAULT MANAGEMENT PLAN.—The term 'eligible lender' does not include any such lender which fails or refuses to develop a default management plan in accordance with section 430B.".

(3) Section 435(a) of the Act is amended by adding at the end thereof the following new paragraph:

"(3) DISQUALIFICATION FOR FAILURE TO DEVELOP DEFAULT MANAGEMENT PLAN.—The term 'eligible institution' does not include any such institution which fails or refuses to develop a default management plan in accordance with section 430B.".

TITLE II—IMPROVED STAFFORD STUDENT LOAN COLLECTION PROVISIONS

SEC. 201. PROVISION OF FINANCIAL AID TRANSCRIPTS.

Section 428(a)(2) of the Act is amended by adding after subparagraph (F) the following new subparagraph:

"(G) In order to facilitate the efficient carrying out of subparagraphs (A) and (B) of this section, each eligible institution shall transmit, upon request of another eligible institution, the financial aid transcripts necessary for making the statement evidencing a determination of need for a loan under such subparagraphs, within 30 days of receiving such request.".

SEC. 202. REPAYMENT NOTICE TO BORROWER.

(a) FISL PROGRAM.—Section 427(a)(2)(B)(ii) of the Act is amended by inserting before the semicolon a comma and the following: "and the Secretary may require the lender (or the holder of the loan) to notify the borrower not later than 180 days after the lender is notified that the borrower has left the eligible institution of the month in which the repayment period begins".

(b) STAFFORD PROGRAM.—Section 428(b)(2)(E) of the Act is amended—

(1) by inserting "(i)" after the subparagraph designation;

(2) by striking out the period at the end thereof and inserting a semicolon and "and"; and

(3) by adding at the end thereof the following new clause:

"(ii) provides that the lender (or the holder of the loan) shall notify the borrower not later than 180 days after the lender is notified that the borrower has left the eligible institution of the month in which the repayment period begins;".

SEC. 203. NOTICE BY LENDER OF SALE OF LOAN.

Section 428(b)(2) of the Act is amended—

(1) by striking out "and" at the end of subparagraph (D);

(2) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof a semicolon and "and"; and

(3) by inserting after subparagraph (E) the following:

"(F) provide that the lender will be required to notify the guaranty agency of any sale or other transfer of the loan to another holder and the address and phone number through which to contact such other holder concerning repayment of the loan not later than 60 days after such sale or other transfer, and to notify the borrower, or upon request, any eligible institution, of any such sale or transfer, together with such address and phone number, if the sale or transfer requires the borrower to pay the loan at a new address, not later than 60 days after such sale or transfer.".

SEC. 204. GUARANTY AGENCY PROHIBITION ON THE SALE OF CERTAIN STAFFORD STUDENT LOAN LISTS.

Section 428(b)(3) of the Act is amended—

(1) by striking out "or" at the end of subparagraph (B);

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon and "or"; and

(3) by adding at the end thereof the following:

"(D) sell lists of student borrowers who have loans made, insured, or guaranteed under this part.".

SEC. 205. GUARANTY AGENCY USE OF STATE LICENSING BOARD INFORMATION.

Section 428(b) of the Act is amended by adding at the end thereof the following new paragraph:

"(7) STATE GUARANTY AGENCY INFORMATION REQUEST OF STATE LICENSING BOARDS.—Each guaranty agency is authorized to enter into agreements with each appropriate State licensing board under which the State licensing board, upon request, will furnish the guaranty agency with the address of a student borrower in any case in which the location of the student borrower is unknown or unavailable to the guaranty agency.".

SEC. 206. SPECIAL LIMITATION ON THE DEFERMENT OF PAYMENT OF PRINCIPAL AND INTEREST ON PLUS LOANS.

Section 428B(c)(1) of the Act is amended—

(1) by striking out "(A)"; and

(2) by striking out "; and (B) during any period during which the borrower has a dependent student for whom a loan obligation was incurred under the section and who meets the conditions required for a deferral under clause (i) of either such section".

SEC. 207. CREDIT CHECKS AND COSIGNERS FOR PLUS LOANS.

(a) IN GENERAL.—Section 428B of the Act is amended by adding at the end thereof the following new subsection:

"(e) CREDITWORTHINESS REQUIRED.—An eligible lender shall obtain a credit report on any applicant for a loan under this section from at least one national credit bureau organization. The eligible lender may charge the applicant an amount not to exceed the lesser of $25 or the actual cost of obtaining the credit report. An applicant who, the eligible lender determines has a negative credit history shall be denied a loan unless the applicant obtains a creditworthy cosigner in order to obtain the loan, except that for purpose of this subsection, an insufficient or nonexistent credit history may not be considered to be a negative credit history.".

(b) CONFORMING AMENDMENT.—Section 428B(a) of the Act is amended by striking out "subsections (c) and (d)" and inserting in lieu thereof "subsections (c), (d), and (e)".

SEC. 208. ADMINISTRATIVE FEE FOR SLS LOANS AND FOR PLUS LOANS.

(a) ADMINISTRATIVE FEE FOR SLS LOANS.—Section 428A of the Act is amended by adding at the end thereof the following new subsection:

"(e) ADMINISTRATIVE FEE REQUIRED.—(1) An eligible lender is authorized to charge the borrower an administrative fee in an amount not to exceed 5 percent of the principal amount of the loan to be paid by the eligible lender to the Secretary in accordance with the provisions of this subsection.

"(2) The Secretary shall enter into agreements with eligible lenders under which the administrative fee which the eligible lender is authorized to charge pursuant to paragraph (1) of this subsection is paid to the Secretary.

"(3) No loan made under this section may be guaranteed under this part unless the eligible lender enters into an agreement with the Secretary under paragraph (2).".

(b) ADMINISTRATIVE FEE FOR PLUS LOANS.—Section 428B of the Act (as amended by section 206 of this Act) is further amended by adding at the end thereof the following new subsection:

"(f) ADMINISTRATIVE FEE REQUIRED.—(1) An eligible lender is authorized to charge the borrower an administrative fee in an amount not to exceed 5 percent of the principal amount of the loan to be paid by the eligible lender to the Secretary in accordance with the provisions of this subsection.

"(2) The Secretary shall enter into agreements with eligible lenders under which the administrative fee which the eligible lender is authorized to charge pursuant to paragraph (1) of this subsection is paid to the Secretary.

"(3) No loan made under this section may be guaranteed under this part unless the eligible lender enters into an agreement with the Secretary under paragraph (2).".

SEC. 209. LOAN CONSOLIDATION LIMITATION.

Section 428C(a)(4) of the Act is amended—

(1) by striking out "For" and inserting in lieu thereof "(A) Except as provided in subparagraph (B), for";

(2) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively; and

(3) by adding at the end thereof the following new subparagraph:

"(B) The term 'eligible student loan' does not include any loan which is obtained for a course of study of 12 months or less, unless the amount to be consolidated is greater than $7,500.".

SEC. 210. ADDITIONAL REQUIREMENTS WITH RESPECT TO DISBURSEMENT AND ENDORSEMENT OF STAFFORD STUDENT LOANS.

(a) GENERAL RULE.—Part B of title IV of the Act is amended by inserting after section 428F the following new section:

"REQUIREMENTS FOR DISBURSEMENT AND ENDORSEMENT OF STUDENT LOANS

"SEC. 428G. (a) MULTIPLE DISBURSEMENT REQUIRED.—

"(1) TWO DISBURSEMENTS REQUIRED.—The proceeds of any loan made, insured, or guaranteed under this part that is made for any period of enrollment that ends 180 days (or 6 months) or more after the first day of the period of enrollment, and that is for an amount of $1,000 or more, shall be disbursed in 2 or more installments, none of which exceeds one-half of the loan.

"(2) MINIMUM INTERVAL REQUIRED.—The interval between the first and second such installments shall be not less than one-half of such period of enrollment, except as necessary to permit the second installment to be disbursed at the beginning of the second semester, quarter, or similar division of such period of enrollment.

"(b) INITIAL DISBURSEMENT AND ENDORSEMENT REQUIREMENTS.—

"(1) FIRST YEAR STUDENTS.—The first installment of the proceeds of any loan made, insured, or guaranteed under this part that is made to a student borrower who is entering the first year of a program of postsecondary education, and who has not previously obtained a loan under this part, shall not (regardless of the amount of such loan or the duration of the period of enrollment) be endorsed by the eligible institution until 30 days after the borrower begins a course of study but may be delivered to the eligible institution prior to the end of the 30-day period.

"(2) OTHER STUDENTS.—The proceeds of any loan made, insured, or guaranteed under this part that is made to any student other than a student described in paragraph (1) shall not be disbursed more than 30 days prior to the beginning of the period of the enrollment for which the loan is made.

"(c) METHOD OF MULTIPLE DISBURSEMENT.—Disbursements under subsections (a) and (b)—

"(1) shall be made in accordance with a schedule provided by the institution (under section 428(a)(2)(A)(i)(III)) that complies with the requirements of this section; and

"(2) may be made directly by the lender or, in the case of a loan under section 428, may be disbursed pursuant to the escrow provisions of subsection (i) of such section.

"(d) WITHHOLDING OF SECOND DISBURSEMENT.—A lender or escrow agent that is informed by the borrower or the institution that the borrower has ceased to be enrolled on at least a half-time basis before the disbursement of the second or any succeeding installment shall withhold such disbursement.

"(e) AGGREGATION OF MULTIPLE LOANS.—All loans made, insured, or guaranteed under this part other than loans made under section 428A issued for the same period of enrollment shall be considered as a single loan for the purposes of subsection (a) of this section. All loans made pursuant to section 428A of the Act issued for the same period of enrollment shall be considered as a single loan for the purposes of subsection (a) of this section.

"(f) EXCLUSION OF PLUS, CONSOLIDATION, COMBINED PAYMENT PLAN, AND FOREIGN STUDY LOANS.—The provisions of this section shall not apply in the case of a loan made under section 428B, 428C, or 485A or made to a student to cover the cost of attendance at an eligible institution outside the United States.".

(b) CONFORMING AMENDMENTS.—

(1) TRANSMITTAL OF INSTITUTION SCHEDULES TO LENDERS.—Section 428(a)(2)(A)(i) of the Act is amended—

(A) by striking "and" at the end of clause (I); and

(B) by inserting after clause (II) the following:

"(III) sets forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 428G; and".

(2) FEDERALLY INSURED LOANS.—Section 427(a)(4) of the Act is amended to read as follows:

"(4) the funds borrowed by a student are disbursed in accordance with section 428G.".

(3) STAFFORD LOANS.—Section 428(b)(1)(O) of the Act is amended to read as follows:

"(O) provide that the proceeds of the loans will be disbursed in accordance with the requirements of section 428G;".

SEC. 211. EXTENDED COLLECTION DEMONSTRATION PROGRAM.

Part B of title IV of the Act (as amended by section 210 of this Act) is further amended by inserting after section 428G the following new section:

"EXTENDED COLLECTION AND DEMONSTRATION PROGRAM

"SEC. 428H. (a) AGREEMENTS FOR DEMONSTRATION PROGRAM.—(1) The Secretary shall, in accordance with the provisions of this section, enter into agreements with guaranty agencies for the establishment of not to exceed 3 demonstration programs for extended efforts on delinquent student loans originally guaranteed by the guaranty agency designed to reduce defaults under this part.

"(2) For the purpose of paragraph (1), the term 'guaranty agency' means a guaranty

agency described in section 435(j) and section 435(d)(1)(D).

"(b) SELECTION OF PARTICIPANTS.—(1) Each guaranty agency desiring to participate in the program authorized by this section shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe.

"(2) The Secretary shall select participants to establish extended collection programs under this section on the basis of—

"(A) the applicant's experience and success in working with borrowers and eligible lenders to prevent defaults, including the use of forbearance;

"(B) the applicant's experience and success in the use of preclaims assistance, and, if applicable, supplemental preclaims assistance to reduce defaults;

"(C) evidence that the applicant will use the program authorized by this section for borrowers who attended traditional 4-year institutions, community colleges, and vocational technical schools, which substantially reflect the overall portfolio of the lenders;

"(D) the novel and innovative approaches that the applicant proposes to use in the extended collection demonstration program; and

"(E) the commitment of the applicant to the program, as documented in the application.

"(3) Each such application shall include—

"(A) the modified eligible lender agreement the guaranty agency has adopted for use by eligible lenders participating in the program;

"(B) a description of the novel and innovative approaches that the applicant will use in the extended collection demonstration program; and

"(C) such additional information as the Secretary may reasonably require to evaluate applications.

"(4) In selecting participants under this section, the Secretary shall give priority to applications submitted by guaranty agencies having extensive experience in the administration and collection of student loans, either directly or through use of contract loan servicers.

"(c) PROGRAM AGREEMENT.—Each agreement entered into under this section shall include—

"(1) the provision of individualized or flexible repayment plans, including plans designed to meet the needs of borrowers participating in the program who face financial difficulty in repaying their loan;

"(2) the performance of due diligence efforts consisting of not less than one telephone attempt and one letter to the borrowers every 2 weeks; and

"(3) the provision requiring the eligible lenders to furnish to the guaranty agency records of collection efforts and techniques, as specified by the guaranty agency or the Secretary, or both.

"(d) ELIGIBILITY OF LOANS FOR INCLUSION IN THE PROGRAM.—Loans made under this part shall be eligible for extended collection pursuant to this section, if—

"(1) the location of the borrower is known;

"(2) the borrower has made no payments or missed at least 2 consecutive payments;

"(3) the loan is at least 120 but less than 180 days delinquent and all due diligence required to the point of sale has been performed;

"(4) the loan entered repayment in fiscal year 1987 or later;

"(5) the participating guarantor has provided preclaims assistance pursuant to a request by the eligible lender at 60 to 90 days of delinquency; and

"(6) the eligible lender providing extended collection efforts is not in possession of information that the loan may be uncollectible.

"(e) LENDER ELIGIBILITY TO PARTICIPATE.—An eligible lender may participate in the program authorized by this section pursuant to an agreement entered into under subsection (a), if—

"(1) the eligible lender has an agreement with the guaranty agency with which the application is being filed for the guaranty of consolidation loans under section 428C;

"(2) the eligible lender is not subject to a limitation, suspension, or termination agreement or default management plan under this part; and

"(3) the eligible lender meets such other criteria as the guaranty agency and the Secretary may reasonably require.

"(f) EXTENDED COLLECTION PERIOD.—Notwithstanding any other provision of law, loans held pursuant to this part and included in the program authorized by this section may be held by the eligible lender for—

"(1) 540 days after the loan becomes delinquent with respect to any installment;

"(2) not more than 30 days after the eligible lender participating under this section determines, in accordance with guidelines promulgated by the guaranty agency, that no further collection effort on the loan is likely to result in repayment by the borrower; or

"(3) a period that is within 30 days after notification from the guaranty agency, but no earlier than the 270th day of delinquency,

whichever comes first.

"(g) REPORTS TO THE SECRETARY AND TO THE CONGRESS.—(1) Each participant with an agreement with the Secretary to offer an extended collection program shall submit a report once a year to the Secretary describing—

"(A) the effectiveness of the program, including statistics on the number of accounts brought into repayment between the 180th day and the submission of the claim;

"(B) a statistical summary of the basis for cures of delinquent loans brought current through the program, including specific summaries of the numbers of loans brought into repayment through forbearances, payments, and loan consolidation;

"(C) information on strategies used by eligible lenders in the program to effectuate the initiation of repayment; and

"(D) evidence of efforts to use the program authorized by this section for borrowers who attended traditional 4-year institutions, community colleges, and vocational technical schools, which substantially reflect the overall portfolio of the lenders.

"(2) The Secretary shall, not later than September 30, 1991, prepare and submit an interim report and not later than September 30, 1993, prepare and submit a final report on the demonstration project authorized by this section. The reports required by this section shall evaluate the results of the demonstration conducted under this section, assess the cost and benefits of this demonstration, and include such recommendations as the Secretary may prescribe, including expansion of the demonstration program.

"(h) REGULATIONS.—The Secretary shall, within 120 days of the enactment of this section, prescribe regulations providing for the administration of this section.

"(i) APPLICABILITY OF OTHER TERMS, CONDITIONS, AND BENEFITS.—A loan subject to the provisions of this section shall be subject to the same terms and conditions and qualify for the same benefits and privileges as other loans made under this part, except as otherwise specifically provided for in this section.

"(j) TERMINATION.—The demonstration program shall terminate on September 30, 1993.".

SEC. 212. CREDIT BUREAUS.

(a) NOTICE OF DELINQUENCY.—Section 430A(a) of the Act is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by redesignating paragraph (3) as paragraph (4); and

(3) by inserting after paragraph (2) the following:

"(3) with respect to any payment on a loan that has been delinquent for 90 days, information concerning the date the delinquency began and the repayment status of the loan; and".

(b) NOTICE TO BORROWER.—Section 430A(c) of the Act is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "; and"; and

(3) by adding at the end the following:

"(5) with respect to notices of delinquency under subsection (a)(3), the borrower is informed that credit bureau organizations will be notified of any payment that is delinquent for 90 days or more.".

(c) LIMITATION ON REPORTING.—Section 463(c)(3)(B) of the Act is amended by striking ", if that account has not been previously reported by any other holder of the notes".

SEC. 213. ELIGIBLE LENDER NOTICE ON DELINQUENT LOANS REQUIRED.

Section 435(d) of the Act (as amended by section 101(b)(2)) is further amended by adding at the end thereof the following new paragraph:

"(7) INFORMATION ON DELINQUENT LOANS.—To be an eligible lender under this part, each eligible lender shall notify the appropriate guaranty agency of the delinquency of a borrower within 120 days of the date on which the loan made, insured, or guaranteed under this part is delinquent and the guaranty agency shall upon request provide such information to an eligible institution.".

SEC. 214. ADDITIONAL BORROWER INFORMATION REQUIRED.

Section 484(b) of the Act is amended by adding at the end thereof the following new paragraph:

"(5) In order to be eligible to receive any loan under this title, a student shall provide to the lender at the time of applying for the loan the driver's license number of the student borrower, if applicable, and the name and address of the next of kin of the student borrower.".

SEC. 215. ABILITY TO BENEFIT.

Section 484(d) of the Act is amended by adding at the end thereof the following new sentence: "No student who qualifies under paragraph (3)(A) or (3)(B) shall be eligible to receive a grant, loan, or work assistance under this Act, if that student is enrolled or accepted for enrollment in a course of study of less than 1 year in preparation for an occupation for which the student must be certified by an agency, other than the eligible institution or institution of higher education in order to begin practice or service, and a high school diploma or its recognized equivalent is a requirement for that certification.".

SEC. 216. EXIT INTERVIEW INFORMATION.

Section 485(b) of the Act is amended by inserting before the last sentence thereof the following new sentence: "Each eligible institution shall require that the borrower, at the completion of the course of study for which the borrower enrolled at the institution or at the time of departure from such institution, submit to the institution, the address of the borrower, the address of the next of kin of the borrower, and the driver's license number, if applicable, of the borrower during the interview required by this subsection.".

SEC. 217. DISCLOSURE OF STATE LICENSING REQUIREMENTS.

Section 487(a)(8) of the Act is amended—

(1) by inserting "(A)" before "the most recent"; and

(2) by inserting before the period at the end thereof a comma and the following: "and (B) relevant State licensing requirements for any job for which the course of instruction is designed for such prospective students".

SEC. 218. WITHHOLDING OF TRANSCRIPTS FROM DEFAULTING BORROWERS.

Section 487(a) of the Act is amended by adding at the end thereof the following:

"(11) The institution will withhold the academic transcripts of any student borrower who is in default on any loan made under this title unless the institution determines that withholding such transcripts will prevent the borrower from obtaining employment and repaying the loan.".

SEC. 219. RESTRICTIONS ON INSTITUTIONAL PROMOTIONAL ACTIVITIES.

Section 487(a) of the Act (as amended by section 214) is further amended by adding at the end thereof the following new paragraph:

"(12) The institution does not—

"(A) use any independent contractor or any person other than salaried employees of the institution to conduct any canvassing, surveying, promoting, or similar activities;

"(B) use any contractor or any person other than salaried employees of the institution to make final determinations that an individual meets the institution's admissions requirements or the criteria of eligibility for financial aid; or

"(C) pay any commission, bonus, or other incentive payment to any person making such final determination.

This paragraph (i) shall not prohibit a volunteer, independent contractor, or person other than a salaried employee from being reimbursed for actual expenses related to activities described in subparagraph (A), and (ii) shall not apply to an independent contractor who works exclusively with foreign students who are not eligible to apply for title IV assistance because of each such student's nationality.".

SEC. 220. ACADEMIC YEAR DEFINITION.

Section 487(a) of the Act (as amended by sections 214 and 215) is further amended by adding at the end thereof the following new paragraph:

"(13) The institution will use the same definition of 'academic year' for all programs authorized by this title.".

SEC. 221. LIMITATION, SUSPENSION, AND TERMINATION ON ACCOUNT OF CONTRACTORS.

Section 487(c)(1) of the Act is amended—

(1) by striking out "and" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting "; and"; and

(3) by adding at the end thereof the following:

"(E) the limitation, suspension, or termination of the eligibility of an otherwise eligible institution, or the imposition of a civil penalty under paragraph (2)(B), whenever the Secretary determines, after reasonable notice and opportunity for a hearing on the record, that an individual or organization having a contract with such institution to administer any aspect of the institution's student assistance program under this title, has violated or failed to carry out any provision of this title, any regulation prescribed under this title, or any applicable special arrangement, agreement, or limitation and that the eligible institution failed to terminate the contract, except that no period of suspension under this subparagraph shall exceed 60 days unless the institution and the Secretary agree to an extension, or unless limitation or termination proceedings are initiated by the Secretary within that period of time.".

SEC. 222. STUDY OF DISCHARGE OF STAFFORD STUDENT LOANS IN BANKRUPTCY.

(a) STAFFORD STUDENT LOAN DISCHARGE STUDY.—The Comptroller General shall conduct a study relating to the discharge of student loan indebtedness in proceedings in bankruptcy. Such study shall include—

(1) an evaluation of the treatment of student loan debtors under chapter 13 of title 11, United States Code, including—

(A) the frequency of attempts to discharge or the discharging of such loans compared to such attempts to discharge or the discharging of other consumer loans by such students; and

(B) the number and amount of such loans discharged;

(2) an evaluation of the effect of students who attempt to or do discharge such loans relative to the costs of the Stafford Student Loan Program and the institutional costs of the Perkins Loan Program; and

(3) an evaluation of the behavior of student loan debtors who discharge such loans as compared to other debtors who discharge debts in bankruptcy by evaluating such factors as—

(A) the average age of the debtors in each group;

(B) the amounts and types of debts sought to be discharged by each group; and

(C) the percentage of discharge of other types of consumer debts by each group.

(b) STAFFORD STUDENT LOAN DISCHARGE REPORT.—The Comptroller General shall prepare a report of the study required by this section and shall submit the study to the Congress within 3 years after the date of enactment of this Act.

TITLE III—FEDERAL RESPONSIBILITIES

SEC. 301. ADMINISTRATIVE PROVISIONS RELATING TO REDUCTION OF DEFAULT.

Part B of title IV of the Act is further amended by inserting after section 432 the following new section:

"ADMINISTRATIVE PROVISIONS RELATING TO THE REDUCTION OF DEFAULT

"SEC. 432A. (a) GENERAL AUTHORITY.—(1) The Secretary shall develop and publish an annual default report to the Congress beginning on December 31, 1988, which shall include the annual default rate for the Stafford student loan program under this part.

"(2)(A) The report required by this section shall include a summary of the default rates determined under section 101(e). The report shall also include the net dollar value in default for each guaranty agency, each eligible lender, and each eligible institution.

"(B) The Secretary shall prepare a list of guaranty agencies and a list of eligible institutions in the order of the dollar value of Stafford student loans in default for each such agency and institution. The Secretary shall identify the highest 5 percent of guaranty agencies and eligible institutions on the lists required by this subparagraph.

"(b) PROGRAM REVIEW OF ELIGIBLE INSTITUTIONS AND ELIGIBLE LENDERS.—The Secretary shall develop a plan for the conduct of program reviews of all eligible institutions, all guaranty agencies, and all eligible lenders. The plan shall be published in the Federal Register for public comment. The Secretary shall report to the Congress annually on the results of the reviews required by this subsection.

"(c) PRIORITY FOR PROGRAM REVIEW.—In carrying out the provisions of subsection (b), the Secretary shall give priority to the conduct of program reviews of guaranty agencies and eligible institutions which have the highest rates of default on such loans, and which have the highest dollar value of loans made, insured, or guaranteed under part B which are in default.

"(d) REVIEW AND DISSEMINATION OF MODEL AND CONSTRUCTIVE DEFAULT PREVENTION PROCEDURES.—The Secretary shall collect, analyze, and disseminate information on novel and model default prevention procedures.".

SEC. 302. REGULATIONS FOR INSTITUTIONAL DISCLOSURE OF BORROWER RECORDS.

The Secretary shall promulgate regulations specifying the legal restrictions and the requirements of eligible institutions relating to loan counseling and reporting requirements including but not limited to disclosure of borrower records to third parties, the Fair Debt Collection Practices Act, and any other applicable Federal law.

SEC. 303. EFFECT OF LOSS OF ACCREDITATION.

(a) STATUS AS ELIGIBLE INSTITUTION FOR STAFFORD STUDENT LOAN PROGRAM.—Section 435 of the Act (20 U.S.C. 1085) is amended—

(1) in subsection (a)(1), by striking out "The term" and inserting "Subject to subsection (m), the term"; and

(2) by adding at the end thereof the following:

"(m) IMPACT OF LOSS OF ACCREDITATION.—An institution may not be certified or recertified as an eligible institution under subsection (a) of this section if such institution—

"(1) had its institutional accreditation withdrawn, revoked, or otherwise terminated for cause during the preceding 24 months; or

"(2) has withdrawn from institutional accreditation voluntarily under a show cause order, suspension order, or other similar order during the preceding 24 months;

unless—

"(A) such accreditation has been restored by the same accrediting agency which had accredited it prior to the withdrawal, revocation, or termination; or

"(B) the institution has demonstrated its academic integrity to the satisfaction of the Secretary in accordance with section 1201(a)(5)(A) or (B) of this Act.".

(b) STATUS AS ELIGIBLE INSTITUTION FOR OTHER TITLE IV PROGRAMS.—Section 481 of the Act (20 U.S.C. 1088) is amended—

(1) in subsection (a)(1), by striking out "For the purpose" and inserting "Subject to subsection (e), for the purpose"; and

(2) by adding at the end thereof the following:

"(e) IMPACT OF LOSS OF ACCREDITATION.—An institution may not be certified or recertified as an eligible institution under subsection (a) of this section if such institution—

"(1) had its institutional accreditation withdrawn, revoked, or otherwise terminated for cause during the preceding 24 months; or

"(2) has withdrawn from institutional accreditation voluntarily under a show cause order, suspension order, or other similar order during the preceding 24 months;

unless—

"(A) such accreditation has been restored by the same accrediting agency which had accredited it prior to the withdrawal, revocation, or termination; or

"(B) the institution has demonstrated its academic integrity to the satisfaction of the Secretary in accordance with section 1201(a)(5) (A) or (B) of this Act.".

SEC. 304. SPECIAL ACCREDITATION RULES.

Section 487(c) of the Act is amended—

(1) by redesignating paragraph (3) as paragraph (5); and

(2) by adding after paragraph (2) the following new paragraphs:

"(3) The Secretary is authorized to carry out the provisions of paragraph (1)(D), relating to limitation, suspension, or termination of an eligible institution whenever the institution withdraws from a nationally recognized accrediting agency or association during a show cause or suspension proceeding brought against that institution.

"(4)(A) Whenever a nationally recognized accrediting agency or association reports pursuant to subparagraph (B) that an eligible institution was denied institutional accreditation, the Secretary is authorized to carry out the provisions of paragraph (1)(D) relating to limitation, suspension, or termination of an eligible institution.

"(B) The Secretary is authorized to enter into such arrangements with accrediting agencies and associations as may be necessary to assure notice of the denial of institutional accreditation in order to carry out subparagraph (A).".

SEC. 305. ELIGIBLE INSTITUTION ACCREDITATION RULE.

Section 481(a) of the Act is amended by inserting after paragraph (2) the following new paragraph:

"(3) Whenever the Secretary determines accreditation for the purpose of paragraph (1), the Secretary shall not approve the accreditation of any eligible institution of higher education under this section if the eligible institution of higher education is in the process of receiving new institutional accreditation by a national or regional accreditation agency unless the eligible institution submits to the Secretary all materials relating to the prior accreditation, including the reasons, if applicable, for changing the accrediting agency or association.".

SEC. 306. TOLL-FREE CONSUMER HOTLINE.

Section 485 of the Act is amended by adding at the end thereof the following new paragraph:

"(e) TOLL-FREE CONSUMER HOTLINE.—(1) In addition to the toll-free telephone information provided for in section 483, the Secretary shall contract for, or establish, and publicize a toll-free telephone number for use by the public, in order to permit students who allege fraud or unfair practices by eligible institutions to inform the Department of such fraud or unfair practices.

"(2) The Secretary shall, directly or by way of contract or other arrangement, make the toll-free telephone number, and the availability of the consumer hotline established by this subsection, generally available to students receiving financial assistance under this title.".

SEC. 307. NATIONAL STUDENT LOAN DATA SYSTEM.

(a) DATA SYSTEM REQUIRED.—(1) Section 485B(a) of the Act is amended by striking out "is authorized to" and inserting in lieu thereof "shall".

(2) Section 485B(a) of the Act is amended by adding at the end thereof the following new sentence: "The Secretary shall assure that the computerized student loan data system required by this subsection is operational not later than October 1, 1989.".

(b) IMPROVED INFORMATION.—Section 485B of the Act is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by adding after subsection (b) the following new subsection:

"(c) IMPROVED INFORMATION.—(1) Each guaranty agency shall furnish the Department of Education with information on the amount of each loan made, insured, or guaranteed under this part for which the agency provides a guarantee and other relevant data with respect to such loan. The information furnished under this paragraph shall be used in the National Student Loan Data System established under this section.

"(2) Each guaranty agency shall expand and standardize the confirmation reports required to be submitted on the date of enactment of the Stafford Student Loan Default Prevention and Management Act of 1988 in order to assure that such information is provided at least quarterly on student loan delinquencies, defaults, and the change in the status of a borrower whose loan is delinquent or in default.

"(3) Each guaranty agency shall provide the Secretary with complete and accurate data on a quarterly basis in order to facilitate the usefulness of the National Student Loan Data System under this section.".

SEC. 308. TUITION REFUNDS.

(a) REFUND RULE.—Section 487(c)(2)(B)(i) of the Act is amended by adding at the end thereof the following new sentence: "In addition, the Secretary may require such eligible institutions to make refunds in accordance with division (iii).".

(b) REFUND PROCEDURES.—Section 487(c)(2)(B) of the Act is amended by adding the following new division after division (ii):

"(iii) When the Secretary determines there has been a violation, failure, or misrepresentation pursuant to division (i), the Secretary may require the institution to refund the student's tuition and fees. The Secretary shall establish procedures for refunding the tuition and fees. Such procedures shall—

"(I) first require the payment by the institution to the United States Government of any portion of the tuition and fees paid with Federal funds received under this title (other than funds under subpart 3 of part A and part B of this title); and

"(II) then require payment by the institution to the lender of that portion of the tuition and fees attributable to a loan made, issued, or guaranteed under part B of this title.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 60 days after the date of enactment of this Act.

TITLE IV—AMENDMENTS TO THE NEEDS ANALYSIS PROVISIONS

SEC. 401. DEFINITION OF INDEPENDENT STUDENT.

Section 480(d) of the Act is amended to read as follows:

"(d) INDEPENDENT STUDENT.—The term 'independent', when used with respect to a student, means any individual who—

"(1) is 24 years of age or older by December 31 of the first calendar year of the award year;

"(2) is an orphan or is or has been a ward of the court;

"(3) is a veteran of the Armed Forces of the United States;

"(4) is a graduate or professional student and will not be claimed by his or her parents (or guardian) for income tax purposes for the award year;

"(5) is married or has legal dependents;

"(6) is an undergraduate student who was not claimed by his or her parents (or guardian) for income tax purposes for the 2 calendar years preceding the first calendar year of the award year, and who either was awarded assistance under this title as an independent student in the prior year, or demonstrates to the student financial aid administrator total self-sufficiency during the 2 calendar years preceding the first calendar year of the award year by demonstrating annual total resources (including all sources other than parents and student aid) of $4,000; or

"(7) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.".

SEC. 402. MODIFICATION TO COMPUTATION OF CONTRIBUTIONS.

(a) PELL GRANT NEEDS ANALYSIS.—(1) Section 411B(b)(3) of the Act is amended by striking out "a program of postsecondary education" and inserting in lieu thereof "a program of postsecondary education which meets the requirements of section 484(a)(1)".

(2) Section 411C(a)(3) of the Act is amended by striking out "a program of postsecondary education" and inserting in lieu thereof "a program of postsecondary education which meet the requirements of section 484(a)(1)".

(3) Section 411D(a)(3) of the Act is amended by striking out "a program of postsecondary education" and inserting in lieu thereof "a program of postsecondary education which meet the requirements of section 484(a)(1)".

(b) GENERAL NEEDS ANALYSIS.—(1) Section 475(b)(3) of the Act is amended by striking out "a program of postsecondary education" and inserting in lieu thereof "a program of postsecondary education which meets the requirements of section 484(a)(1)".

(2) Section 477(a)(3) of the Act is amended by striking out "a program of postsecondary education" and inserting in lieu thereof "a program of postsecondary education which meet the requirements of section 484(a)(1)".

SEC. 403. STUDENT CONTRIBUTION MODIFICATION.

Section 475(g)(1)(C) of the Act is amended by striking out "70 percent" and inserting in lieu thereof "not less than 50 percent".

SEC. 404. PREVENTION OF DOUBLE COUNTING OF INCOME IN ASSET COMPUTATIONS.

(a) PELL GRANT PROGRAM.—Section 411F(2) of the Higher Education Act of 1965 is amended by adding at the end thereof the following: "No cash on hand or other property (or interest therein) of a dependent student shall be treated as an asset of the student (or spouse) for purposes of section 411B(1) except to the extent that such cash or property exceeds the amount the student is required to contribute from discretionary income under section 411B(f).".

(b) OTHER STUDENT ASSISTANCE PROGRAMS.—Section 480(g) of such Act is amended by adding at the end thereof the

following: "No cash on hand or other property (or interest therein) of a dependent shall be treated as an asset of the student (or spouse) for purposes of section 475(h) except to the extent that such cash or property exceeds the amount the student is required to contribute from available income under section 475(g).".

SEC. 405. NEEDS ANALYSIS FINANCIAL AID ADMINISTRATOR ADJUSTMENTS.

(a) IN GENERAL.—(1) Section 479A(a) of the Act is amended to read as follows:

"SEC. 479A. (a) IN GENERAL.—Nothing in this title shall be interpreted as limiting the authority of the student financial aid administrator, on the basis of adequate documentation, to make necessary adjustments to the cost of attendance and expected student or parent contribution (or both) to allow for treatment of individual students with special circumstances. In addition, nothing in this title shall be interpreted as limiting the authority of the student financial aid administrator to use supplementary information about the financial status or personal circumstance of eligible applicants in selecting recipients and determining the amount of awards under subparts 1 and 2 of part A and parts B, C, and E of this title.".

(2) The provision of the second proviso under the heading "Student Financial Assistance" in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act, 1989, is repealed.

(b) SPECIAL RULE.—Section 479A of the Act is amended—

(1) by redesignating subsection (c) as subsection (d), and

(2) by inserting immediately after subsection (b) the following new subsection:

"(c) SPECIAL ADJUSTMENTS.—

"(1) ADJUSTMENTS FOR INDEPENDENT STUDENTS WITH DEPENDENTS.—A student financial aid administrator shall be considered to be making a necessary adjustment in accordance with subsection (a) if the administrator determines that the cost of attendance in section 472 should include costs of food and shelter for dependent care when the total income for independent students with dependents is less than the Standard Maintenance Allowance under section 477(b)(4).

"(2) ADJUSTMENT FOR DISLOCATED WORKER.—A student financial aid administrator shall be considered to be making a necessary adjustment in accordance with subsection (a) if, in the case of dislocated workers—

"(A) the administrator uses the income for the year in which the determination is made (the award year) rather than the income reported in the preceding tax year; and

"(B) the administrator excludes the net value of investments and real estate, including the primary residence in the calculation of the family contribution for the Pell Grant Program and the expected family contribution under part F.

"(3) ADJUSTMENT FOR DISPLACED HOMEMAKER.—A student financial aid administrator shall be considered to be making a necessary adjustment in accordance with subsection (a) if, for displaced homemakers, the administrator excludes the net value of investments and real estate, including the primary residence, from the calculation of the Pell Grant family contribution and from the expected family contribution under part F.".

(c) CONFORMING AMENDMENTS.—(1) Section 479A(d) of the Act (as amended by subsection (a)) is amended by striking out "subsection (b) is an example" and inserting in lieu thereof "subsections (b) and (c) are examples".

(2)(A) Section 411B(g)(1) of the Act is amended by striking out ", except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(B) Section 411B(l) of the Act is amended by striking out ", except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(C) Section 411C(f)(1) of the Act is amended by striking out ", except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(D) Section 411D(f)(3) of the Act is amended by striking out ", except that in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(E)(i) Section 411F(1)(G) of the Act is repealed.

(ii) Section 411F(9)(E) of the Act is repealed.

(F) Section 475(d)(2)(B) of the Act is amended by striking out "except that in the case of a student who is a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act)".

(G) Section 475(h) of the Act is amended by striking out ", except that in the case of a student who is a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act), the net value of a principal place of residence shall be considered to be zero".

(H) Section 476(c)(2)(B) of the Act is amended by striking out "except in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act)".

(I) Section 477(c)(2)(B) of the Act is amended by striking out "except in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a displaced homemaker (as defined in section 480(e) of this Act)".

SEC. 406. TREATMENT OF VETERANS BENEFITS.

(a) PELL GRANT NEEDS ANALYSIS.—(1) Section 411B(d)(1)(C) of the Act is amended by striking out "one-half of the student's total veterans educational benefits, excluding Veterans' Administration contributory benefits," and inserting in lieu thereof "the student's total veterans educational benefits".

(2) Section 411C(c)(1)(C) of the Act is amended by striking out "one-half of the student's total veterans educational benefits, excluding Veterans' Administration contributory benefits," and inserting in lieu thereof "the student's total veterans educational benefits".

(3)(A) Section 411D(c)(1)(D) of the Act (as amended by section 403 of this Act) is further amended by striking out "one-half of the student's total veterans educational benefits, excluding Veterans' Administration contributory benefits," and inserting in lieu thereof "the student's total veterans educational benefits".

(B) Section 411D(d)(1)(C) of the Act (as amended by section 403 of this Act) is further amended by striking out "one-half of the student's total veterans educational benefits, excluding Veterans' Administration contributory benefits," and inserting in lieu thereof "the student's total veterans educational benefits".

(b) GENERAL NEEDS ANALYSIS.—(1) Section 475(a) of the Act is amended—

(A) by striking out "and" at the end of paragraph (2);

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and the word "and"; and

(C) by adding at the end thereof the following new paragraph:

"(4) any veterans educational benefits paid because of enrollment in a postsecondary institution, including (but not limited to) benefits received under chapters 106 and 107 of title 10, and chapters 30, 31, 32, 34, and 35 of title 38, United States Code.".

(2) Section 476(b)(1)(D) of the Act is amended by striking out "plus the amount of veterans' benefits paid during the award period under chapters 32, 34, and 35 of title 28, United States Code" and inserting in lieu thereof "and any veterans educational benefits paid because of enrollment in a postsecondary institution, including (but not limited to) benefits received under chapters 106 and 107 of title 10, and chapters 30, 31, 32, 34, and 35 of title 38, United States Code".

(3) Section 477(a) of the Act is amended—

(A) by inserting "and" at the end of subparagraph (A) of paragraph (1);

(B) by striking out "and" at the end of subparagraph (B) of paragraph (1);

(C) by striking out subparagraph (C) of paragraph (1);

(D) by striking out "and" at the end of paragraph (2);

(E) by adding at the end of paragraph (3) the word "and"; and

(F) by adding at the end thereof the following new paragraph:

"(4) adding any veterans educational benefits paid because of enrollment in a postsecondary institution, including (but not limited to) benefits received under chapters 106 and 107 of title 10, and chapters 30, 31, 32, 34, and 35 of title 38, United States Code;".

(c) CONFORMING AMENDMENT.—Section 428(a)(2)(C)(i) of the Act is amended by striking out "and any amount paid to the student under chapters 32, 34, and 35 of title 38, United States Code" and inserting in lieu thereof "any veterans educational benefits paid because of enrollment in a postsecondary institution, including (but not limited to) benefits received under chapters 106 and 107 of title 10, and chapters 30, 31, 32, 34, and 35 of title 38, United States Code".

SEC. 407. TREATMENT OF NONLIQUID ASSETS.

(a) PELL GRANT NEEDS ANALYSIS.—Section 411F(2) of the Act is amended—

(1) by inserting "(A)" after "(2)"; and

(2) by adding at the end thereof the following:

"(B) For academic year 1990–1991 and succeeding academic years, the term 'assets' shall not include, in the case of a family with an adjusted gross income which is equal to or less than $30,000, the net value of—

"(i) the family's principal place of residence;

"(ii) a family farm (as that term is defined in regulations prescribed by the Secretary of Agriculture pursuant to the Consolidated Farm and Rural Development Act) on which the family resides; or

"(iii) a small business (as that term is defined in regulations prescribed by the Administrator of the Small Business Administration pursuant to Small Business Act) substantially owned and managed by a member or members of the family.

The Secretary shall, by regulation, provide criteria for determining whether a small business is substantially owned and managed by a member or members of the family.".

(b) GENERAL NEED ANALYSIS.—Section 480(g) of the Act is amended—

(1) by inserting "(1)" after "ASSETS.—"; and

(2) by adding at the end thereof the following:

"(2) For academic year 1990–1991 and succeeding academic years, the term 'assets' shall not include, in the case of a family with an adjusted gross income which is equal to or less than $30,000, the net value of—

"(A) the family's principal place of residence;

"(B) a family farm (as that term is defined in regulations prescribed by the Secretary of Agriculture pursuant to the Consolidated Farm and Rural Development Act) on which the family resides; or

"(C) a small business (as that term is defined in regulations prescribed by the Administrator of the Small Business Administration pursuant to Small Business Act) substantially owned and managed by a member or members of the family.

The Secretary shall, by regulation, provide criteria for determining whether a small business is substantially owned and managed by a member or members of the family.".

(c) SECRETARY TO RECOMMEND ADJUSTMENTS.—Within 60 days after the date of enactment of this Act, the Secretary of Education shall submit to the Congress such recommendations for changes to parts A and F of title IV of the Higher Education Act of 1965 as may be necessary to achieve an equitable assessment of income and assets after exclusion of the assets described in the amendments made by subsections (a) and (b) of this section. Such changes may include changes in the assets protection allowances, asset conversion rates, and other factors used in the determination of expected family contribution.

TITLE V—OTHER HIGHER EDUCATION AMENDMENTS

SEC. 501. PELL GRANT PROGRAM AMENDMENT.

Section 411(c)(1)(A) of the Act (20 U.S.C. 1070a(c)(1)(A)) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) the number of academic years (or portion of an academic year) that the undergraduate degree or certificate program normally requires, plus one academic year; or

"(ii) 6 academic years in the case of a undergraduate degree or certificate program normally requiring more than 4 academic years;".

SEC. 502. SUBSIDIZED EMPLOYMENT MODIFICATION UNDER WORK-STUDY.

Section 443(b)(4) of the Act is amended to read as follows:

"(4) provide that for a student employed in a work-study program under this part, at the time income derived from any need-based employment (including non-work-study or both) is in excess of the determination of the amount of such student's need by more than $200, continued employment shall not be subsidized with funds appropriated under this part;".

SEC. 503. STUDENT LOAN INTERNSHIP DEFERMENTS.

(a) FISL PROGRAM.—Section 427(a)(2)(C)(vii) of the Act is amended by striking out "or serving in an internship or residency program" and everything that follows through the end thereof and inserting in lieu thereof "or serving in a medical internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or health care facility, except that no borrower shall be eligible for a deferment under clause (i)(I) or (i)(II) while serving in a health profession internship or residency program;".

(b) STAFFORD LOAN PROGRAM.—Section 428(b)(1)(M)(vii) of the Act is amended by striking out "or serving in an internship or residency program" and everything that follows through the end thereof and inserting in lieu thereof "or serving in a medical internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or health care facility: *Provided*, That no borrower shall be eligible for a deferment under clause (i)(I) or (i)(II) while serving in a health profession internship or residency program;".

(c) DIRECT STUDENT LOAN PROGRAM.—Section 464(c)(2)(A)(vi) of the Act is amended by striking out "or serving in an internship or residency program" and everything that follows through the end thereof and inserting in lieu thereof "or serving in a medical internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or health care facility: *Provided*, That no borrower shall be eligible for a deferment under clause (i) while serving in a health profession internship or residency program;".

SEC. 504. STUDENT LOAN MARKETING ASSOCIATION AMENDMENTS.

(a) ESTABLISHMENT.—Section 439(b) of the Act is amended to read as follows:

"(b) ESTABLISHMENT.—

"(1) IN GENERAL.—There is hereby created a body corporate to be known as the Student Loan Marketing Association (hereinafter referred to as the 'Association'). The Association shall have succession until dissolved. It shall maintain its principal office in the District of Columbia or the metropolitan area thereof and shall be deemed, for purposes of jurisdiction and venue in civil actions, to be a District of Columbia corporation. Offices may be established by the Association in such other place or places as it may deem necessary or appropriate for the conduct of its business.".

(b) DIRECTORS.—Section 439(c) of the Act is amended to read as follows:

"(c) BOARD OF DIRECTORS.—

"(1) COMPOSITION OF BOARD; CHAIRMAN.—The Association shall have a Board of Directors (hereinafter in this section referred to as the 'Board') which shall consist of 21 persons, 7 of whom shall be appointed by the President of the United States and shall be representative of the general public. The remaining 14 directors shall be elected by the common stockholders of the Association entitled to vote pursuant to subsection (e). Commencing with the annual shareholders meeting to be held in 1989—

"(A) 7 of the elected directors shall be affiliated with an eligible institution, and

"(B) 7 of the elected directors shall be affiliated with an eligible lender.

The President shall designate 1 of the directors to serve as Chairman.

"(2) TERMS OF APPOINTED AND ELECTED MEMBERS.—The directors appointed by the President shall serve at the pleasure of the President and until their successors have been appointed and have qualified. The remaining directors shall each be elected for a term ending on the date of the next annual meeting of the common stockholders of the Association, and shall serve until their successors have been elected and have qualified. Any appointive seat on the Board which becomes vacant shall be filled by appointment of the President. Any elective seat on the Board which becomes vacant after the annual election of the directors shall be filled by the Board, but only for the expired portion of the term.

"(3) AFFILIATED MEMBERS.—For the purpose of this subsection, the references to a director 'affiliated with an eligible institution' or a director 'affiliated with an eligible lender' means an individual who is, or within 5 years of election to the Board has been, an employee, officer, director, or similar official of—

"(A) an eligible institution or an eligible lender;

"(B) an association whose members consist primarily of eligible institutions or eligible lenders; or

"(C) a State agency, authority, instrumentality, commission, or similar institution, the primary purpose of which relates to educational matters or banking matters.

"(4) MEETINGS AND FUNCTIONS OF THE BOARD.—The Board shall meet at the call of its Chairman, but at least semiannually. The Board shall determine the general policies which shall govern the operations of the Association. The Chairman of the Board shall, with the approval of the Board, select, appoint, and compensate qualified persons to fill the offices as may be provided for in the bylaws, with such functions, powers, and duties as may be prescribed by the bylaws or by the Board, and such persons shall be the officers of the Association and shall discharge all such functions, powers, and duties.".

(c) STOCK.—Section 439(f) of the Act is amended to read as follows:

"(f) STOCK OF THE ASSOCIATION.—

"(1) VOTING COMMON STOCK.—The Association shall have voting common stock having such par value as may be fixed by its Board from time to time. Each share of voting common stock shall be entitled to one vote with rights of cumulative voting at all election of directors.

"(2) NUMBER OF SHARES; TRANSFERABILITY.—The maximum number of shares of voting common stock that the Association may issue and have outstanding at any one time shall be fixed by the Board from time to time. Any voting common stock issued shall be fully transferable, except that, as to the Association, it shall be transferred only on the books of the Association.

"(3) DIVIDENDS.—To the extent that net income is earned and realized, subject to subsection (g)(2), dividends may be declared on voting common stock by the Board. Such dividends as may be declared by the Board shall be paid to the holders of outstanding

shares of voting common stock, except that no such dividends shall be payable with respect to any share which has been called for redemption past the effective date of such call.

"(4) SINGLE CLASS OF VOTING COMMON STOCK.—As of the effective date of the Student Loan Marketing Association Amendments of 1989, all of the previously authorized shares of voting common stock and nonvoting common stock of the Association shall be converted to shares of a single class of voting common stock on a share-for-share basis, without any further action on the part of the Association or any holder. Each outstanding certificate for voting or nonvoting common stock shall evidence ownership of the same number of shares of voting stock into which it is converted. All preexisting rights and obligations with respect to any class of common stock of the Association shall be deemed to be rights and obligations with respect to such converted shares.".

(d) SHORT TITLE.—This section may be cited as the "Student Loan Marketing Association Amendments of 1989".

SEC. 505. FORMS AND REGULATIONS.

(a) COMMON FINANCIAL REPORTING FORM.—(1) Section 483(a)(1) of the Act is amended by inserting after the first sentence the following new sentences: "The common form shall contain the minimum data elements the Secretary determines is necessary to determine the need and eligibility of the student for financial assistance. There shall be no charge to a student for completing and processing the common form. Other data may be collected and used by approved processors in other parts of the form developed by such processors.".

(2)(A) The first sentence of section 483(a)(2) of the Act is amended by striking ", to the extent practicable,".

(B) The second sentence of section 483(a)(2) of the Act is amended to read as follows: "The Secretary shall select such qualified processors pursuant to competitive bidding processes.".

(C) Section 483(a)(2) of the Act is further amended—

(i) by inserting "(A)" after the paragraph designation; and

(ii) by adding at the end thereof the following new subparagraph:

"(B) In establishing the minimum participation criteria for the competitive bidding process the Secretary shall establish participation requirements that are fair and equitable, and that foster competition in bidding in order to obtain maximum savings for students and for the Department. No processors shall be denied eligibility to compete for a contract because the processor is not a State student financial aid agency or does not service at least two State financial aid agencies.".

(3) Section 483(a)(3) of the Act is amended by striking out "predetermined rate" and inserting in lieu thereof "competitively determined rate".

(4) Section 483(a)(3) of the Act is further amended by adding at the end thereof the following new sentence: "No contractor may be reimbursed for the development costs of an alternative form.".

(b) NOTICE OF FEDERAL STUDENT AID.—Section 483(f) of the Act is amended to read as follows:

"(f) NOTICE OF FEDERAL STUDENT AID RECEIPT.—Each eligible institution shall provide to each recipient of assistance under this title (except assistance received under subparts 4, 5, and 7 of part A) a statement listing the estimated student assistance received by the recipient, and specifying the estimated amount and type of assistance awarded under this title and specifically indicating that such aid is federally supported assistance.".

SEC. 506. REALLOCATION OF RETURNED SEOG FUNDS TO INSTITUTIONS LOCATED IN NATURAL DISASTER AREAS.

Section 413D(e) of the Act is amended by adding at the end thereof the following: "In making such reallocations, the Secretary shall give special consideration to institutions located in areas which are designated to receive assistance because of the occurrence of a major natural disaster.".

SEC. 507. LENDER OF LAST RESORT.

Section 428(j) of the Act is amended by adding at the end thereof the following: "Each State guaranty agency shall ensure that there is a lender of last resort in its State. The lender of last resort shall process loan applications of students enrolled in an eligible institution within 30 days after such application has been filed. The lender of last resort shall make loans to any eligible applicant attending an eligible institution.".

SEC. 508. PERKINS LOAN PROGRAM AMENDMENT.

Section 462(c)(3) of the Act is amended—

(1) by redesignating clause (B) and (C) as clause (C) and (D); and

(2) by inserting after clause (A) the following new clause:

"(B) 75 percent of the cash on hand at the institution under the program authorized by this part for the second year preceding the beginning of the award period;".

SEC. 509. PEACE CORPS, VISTA, AND TAX-EXEMPT ORGANIZATION SERVICE ENCOURAGED.

(a) INFORMATION FOR STUDENTS.—Section 485(a)(1) of the Act is amended—

(1) by striking "and" at the end of subparagraph (J);

(2) by striking the period at the end of subparagraph (K) and inserting in lieu thereof a semicolon; and

(3) by inserting at the end thereof the following new subparagraphs:

"(L) the terms and conditions under which the student may defer repayment of the principal and interest for service under the Peace Corps Act or under the Domestic Volunteer Service Act or for comparable full-time service as a volunteer for a tax-exempt organization; and

"(M) the terms and conditions under which the student may obtain partial cancellation of the student loan for service under the Peace Corps Act and Domestic Volunteer Service Act.".

(b) EXIT COUNSELING FOR BORROWERS.—Section 485(b) of the Act is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding the following new paragraph after paragraph (2):

"(3) the terms and conditions under which the student may defer repayment of the principal and interest for service under the Peace Corps Act or under the Domestic Volunteer Service Act or for comparable full-time service as a volunteer for a tax-exempt organization.".

(c) DEPARTMENT INFORMATION ON DEFERMENTS AND CANCELLATIONS.—Section 485(d) of the Act is amended by inserting the following before the last full sentence: "The Secretary shall provide information on the specific terms and conditions under which students may defer repayment of loans for service under the Peace Corps Act and Domestic Volunteer Service Act or for comparable full-time service as a volunteer with a tax-exempt organization, shall indicate (in terms of the Federal minimum wage) the maximum level of compensation and allowances which a student borrower may receive from a tax-exempt organization to qualify for a deferment, and shall explicitly state that students may qualify for such deferments when they serve as a paid employee of a tax-exempt organization.".

SEC. 510. DATA ON DEFERMENTS AND CANCELLATIONS.

Section 485B(a) of the Act is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding the following new paragraph after paragraph (4):

"(5) the exact amount of loans in deferment for service under the Peace Corps Act, for service under the Domestic Volunteer Service Act, and for comparable full-time service as a volunteer for a tax-exempt organization.".

SEC. 511. SPECIAL GRANTS TO CONSORTIA FOR THE BENEFIT OF HISTORICALLY BLACK COLLEGES.

(a) PROGRAM AUTHORIZED.—Part B of title IX of the Act is amended by adding at the end thereof the following new section:

"SPECIAL GRANTS TO CONSORTIA FOR THE BENEFIT OF HISTORICALLY BLACK COLLEGES

"SEC. 924. (a) GRANTS AUTHORIZED.—The Secretary may make grants to consortia of institutions of higher education which include historically Black colleges to pay the Federal share of the costs of programs designed to enable such institutions to provide supplemental need based financial aid to students and faculty from historically Black colleges who are pursuing doctoral studies.

"(b) PROGRAM REQUIREMENTS.—(1) The provisions of this part, unless otherwise inconsistent with the provisions of this section, shall apply to grants made under this section.

"(2) The Federal share for each fiscal year shall be 66⅔ percent.".

(b) AUTHORIZATIONS OF APPROPRIATIONS.—Section 971(b) of the Act is amended—

(1) by inserting "(1)" before "There";

(2) by inserting "(other than section 924)" after "part B"; and

(3) by adding at the end thereof the following new paragraph:

"(2) There are authorized to be appropriated to carry out section 924 of part B such sums as may be necessary for the fiscal year 1990 and for the succeeding fiscal year.".

SEC. 512. AUDIT PROVISION.

Section 460 of the General Education Provisions Act is amended by striking out "programs authorized by the Higher Education Act of 1965 and".

TITLE VI—EFFECTIVE DATES

SEC. 601. EFFECTIVE DATE RULE.

(a) GENERAL RULE.—Except as otherwise provided, the amendments made by this Act shall be effective with respect to any determination of need made under title IV of the Higher Education Act of 1965 for any period of enrollment beginning 60 days after the date of enactment of this Act.

(b) SPECIAL RULE.—(1) The amendments made by title I and sections 405, 504 and 505 shall take effect on the date of enactment of this Act.

(2) The amendments made by title IV (other than sections 405 and 406) and sections 501 and 502 shall take effect for award year 1990–1991 and thereafter.

(3) The amendments made by section 406 shall take effect for award year 1991–1992 and thereafter.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TEMPORARY EMERGENCY WILDFIRE SUPPRESSION ACT AMENDMENTS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senateproceed to the immediate consideration of Calendar Order No. 30, H.R. 829, a bill to make permanent the authority provided under the Temporary Emergency Wildlife Suppression Act.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 829) to make permanent the authority provided under the Temporary Emergency Wildfire Suppression Act.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LEAHY. Mr. President, the bill introduced Wednesday by Senator MAX BAUCUS, which would permanently authorize cooperation with Canada and other countries in fighting wildfires, is an important piece of legislation. Those of us on the Senate Committee on Agriculture, Nutrition, and Forestry are delighted that Senator BAUCUS brought this issue to our attention. It is extremely important that the Congress give the Secretaries of Agriculture and Interior the authority to cooperate with other countries before the summer fire season of 1989.

In introducing this legislation, Senator BAUCUS is already demonstrating his value as a member of our committee. I look forward to working with him on other important forestry issues.

I also want to take a moment to praise Senator BAUCUS' leadership in insisting that the Senate move quickly on H.R. 829, rather than taking the longer process of moving through committee.

Mr. BAUCUS. Mr. President, I am delighted that the Senate has agreed to my request that we pass this House bill quickly, rather than referring it to the Agriculture Committee.

This bill, like legislation I introduced recently, would give the President permanent authority to enter into international agreements to obtain firefighting assistance from other countries. We saw how important this was last year, when Canadian assistance was essential to help fight the terrible wildfires in the West. Last year, we gave the President authority to enter into such agreements, but that authority has expired. This legislation makes it permanent.

Mr. President, many other steps are necessary. We must repair the damage from last year's fires. We must fairly compensate those who suffered because of the Government's mishandling of the fires. We must increase our efforts to inform tourists that Yellowstone and other attractions remain as breathtaking as ever. And we must make sure that the Departments of Agriculture and Interior have the tools they need in order to fight wildfires swiftly. This legislation will help, and I look forward to working with my colleagues on the other necessary steps.

Finally, I would like to thank the distinguished chairman of the Agriculture Committee, Senator LEAHY, for his assistance in bringing this measure before the Senate.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 829) was ordered to a third reading, was read the third time, and passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

1989 PRESIDENTIAL ELECTIONS IN PANAMA

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate now turn to H.R. 1373, a bill to authorize the payment of expenses of an election observer mission for the 1989 Presidential elections in Panama.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1373) to authorize the Agency for International Development to pay the expenses of an election observer mission for the 1989 presidential election in Panama.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

TERROR IN PANAMA

Mr. D'AMATO. Mr. President, I rise today to urge the Senate to support H.R. 1373, a bill to authorize the Agency for International Development to pay the expenses of an official election observation mission for the 1989 national elections in Panama.

On May 7, Mr. President, the Panamanian people may have an opportunity to change the course of their recent history. Given the chance, the voters of Panama will vote out a dictatorship, which has ruined their country. Recent polls have shown that more than 80 percent of the electorate oppose the Noriega regime. The opposition is united, organized, and determined.

Unfortunately, Mr. President, there are already signs that Mr. Noriega and his henchmen intend to subvert the election process, in order to guarantee an outcome favorable to his continued dominance. Tens and tens of thousands of voters have already been purged from the rolls. Elementary civil liberties, such as freedom of press, freedom of speech, and freedom of assembly, are nonexistent in Panama today.

Mr. President, the oppression in Panama does not end with Panamanians. The Army Times this week contains a chilling front-page story, and I hold it here, Mr. President. It is incredible: "Terror In Panana." United States servicemen in Panama have been abducted. U.S. servicemen. "United States citizens have been abducted, beaten, kicked, and hand guns held against their heads," say current and former Government officials. "Despite an escalating pattern of harassment against U.S. military personnel and their families, high-ranking military officials have sought to downplay the extent of the incidents in order to avoid new confrontation with Panama's leader, General Manuel Noriega," including Adm. William Crowe, Chairman of the Joint Chiefs of Staff.

Mr. President, let me share with the Senate some accounts. This is chilling, as it relates to the terror in Panama, terror and activities directed toward U.S. citizens. Here is one sailor, recalling his brush with death at the hands of Noriega's transit police.

He says, "I thought I was going to die. Nobody misses from that close." That is how Navy Damage Controlman First Mike Nieves recalls his nightmarish encounter with the Panama Defense Forces' transit policy. Sent to Panama's international airport to pick up official visitors, Nieves was waylaid by police agents who beat and kicked him and forced him to plead for his life while threatening to execute him.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Army Times, Mar. 20, 1989]

TERROR IN PANAMA—VIOLENCE AGAINST AMERICANS ON RISE; U.S. RESPONSE HIT

(By Tom Donnelly)

WASHINGTON.—U.S. servicemen in Panama have been abducted, beaten, kicked, and handguns held against their heads, and been subjected to psychological torture, Army Times has learned from current and former government officials. A congressional investigation is expected of the incidents and why the U.S. Government response has been so muted.

Despite an escalating pattern of harrassment against U.S. military personnel and their families, high-ranking military officials have sought to downplay the extent of the incidents in order to avoid a new confrontation with Panama's leader, Gen. Manuel Noriega, these sources charge. In 1988, Noriega, under indictment in the United States on drug trafficking charges, withstood an attempt by the Reagan administration to force him from office.

One of the chief critics is Elliott Abrams, former assistant secretary of state for inter-American affairs under the Reagan administration. He charges Adm. William Crowe, chairman of the Joint Chiefs of Staff, with trying to "bury the incidents to achieve a business-as-usual relationship with Noriega."

Crowe's spokesman, Army Col. William Smullen, says "The chairman has chosen to deal with it in a more private way through [U.S. Southern Command]. That's his style. He's not one to take his case to the public or press. [Crowe's assistant, Vice Adm. Jonathan] Howe has been in all the Washington interagency meetings on the incidents."

According to Defense Department statistics, U.S. military personnel have been involved in hundreds of incidents with Panamanian troops over the past year.

The incidents involve the Panama Defense Forces, or PDF, the troops which function both as the Central American nation's police and its military forces.

The incidents range from treaty violations and intrusions on U.S. installations to detentions without charge and severe beatings. Detentions without charge are prevalent; 293 such incidents were logged from February 1988 through last month.

One of the most recent and violent incidents involved a Navy petty officer. According to a Dec. 13 letter of protest from Southern Command to the PDF, Petty Officer First Class Mike Nieves was accorded "life threatening treatment" by members of the PDF's Direcion National de Transporte Terrestre, or DNTT, the country's transit police.

According to the letter, written by Army Lt. Col. Robert S. Perry, Nieves had driven a Navy van to Panama's main airport on the afternoon of Nov. 13 to pick up official passengers. He was detained by a DNTT agent for parking the van in a no-parking zone. Nieves was told he would be taken by a DNTT vehicle and other agents to their headquarters in Ancon.

But instead of taking him to headquarters, the agents escorted Nieves down a remote dirt road. When the convoy came to a halt, the agents attempted to rob Nieves. He refused to part with his wedding ring and lashed out at one of the Panamanian officers.

According to the letter of protest and Nieves' own account, the agents yanked Nieves from his vehicle, beat and kicked him, and one put a pistol to his head, forced him to beg for his life. Just before the agent pulled the trigger, a second agent pushed the pistol to the side and it went off. Nieves passed out and the agents abandoned him.

A subsequent examination of Nieves showed "numerous and extensive bruises which appear to have been made by boots [or] shoes," say the letter of protest. The letter goes on to call the incident "despicable," and an "ominous reflection of either a campaign of intimidation directed against the U.S. Forces community or a loss of control over elements of the Public Security Forces."

Recently, Panamanian security forces stopped at gunpoint 21 Department of Defense school buses, carrying hundreds of children, some of elementary school age, according to congressional documents. "The security forces boarded the buses; DoD [Criminal Investigation Division] personnel were there, too. The whole event traumatized the children and has worried the community considerably," the report states.

The Nieves incident is one of 20 cases of U.S. personnel physically attacked by the PDF, according to a Defense Department memo summarizing harassment issues. These incidents include "individuals struck, kicked, punched and physically abused [with] overt physical forces," says the Feb. 28 memo. But the total "does not include cases involving the capricious use of loaded weapons by PDF members."

Overall, the Defense Department document charts almost 1,000 total harassment incidents in the past 13 months, and shows the rate of incidents is increasing. For example, last month there were 42 detentions without charge, 36 incidents denying freedom of movement and 17 violations of treaty documents or other arrangements between the two countries.

"There was a real effort to downplay it and not have that information circulated widely in Washington," says Abrams. He said that the U.S. refusal to speak more strongly on the issue has resulted in continued beatings by the PDF. Abrams says the U.S. response is shameful. "I would describe the U.S. reaction as pusillanimous."

Abrams was the Reagan administration's leading expert on Central America and author of its policies to challenge strongman Noriega, who, among other things runs the PDF. Abrams is charging that Crowe and his fellow chiefs opposed the policy of confronting Noriega because they did not wat to be forced in to the position of "doing anything. That was not in line with the policy Crowe was pushing," says Abrams.

Abrams says Crowe's policy aims were legitimate, but says he objects "to carrying that policy out over the bruised bodies of the men in Panama."

The U.S. response has become an issue in Washington. A congressional source characterized the letters of protest as "pro forma" and "a scary kind of joke among Americans in Panama." Many documents have been forwarded to the House Foreign Affairs Committee, and the House Armed Services Morale, Recreation and Welfare panel may also investigate the matter.

A letter to the committee by a Department of Defense Dependents Schools teacher charges that the problems are getting "worse for the Americans living here every day. Overall, I feel that whoever is in charge of the protection of American citizens and interests in the Republic of Panama has failed. Due to the lack of protection, beyond lip service and official protests . . . little or nothing is done. In fact we all, civilians and military, laugh off these protests that are issued since, of course, they do no good."

There are about 10,000 U.S. service members in Panama—soldiers, airmen, sailors and Marines—according to Southern Command, with approximately 10,300 dependents. In addition there are 1,600 U.S. civilian employees.

About 1,600 U.S. service members and 940 of their family members, 1,048 U.S. civilian employees and 2,060 of their dependents—or nearly 5,700 people—live off post, outside the protection of the U.S. military.

The best estimate on PDF manpower, according to Southern Command spokesman Bill Ormsbee, is between 14,000 and 16,000 troops in all branches.

Abrams contends that the PDF draw a lesson from the weak protests: "That penalties are nonexistent. And that's wrong."

Rep. Robert Dornan, R-Calif., says, "To have American soldiers living under the threat of brutal beatings is phenomenal." Dornan is a member of the House Armed Services Committee and formerly a member of the House Foreign Affairs Committee.

"The military is caught between a rock and a hard place," he said. "They cannot speak out because of the embarrassment to the Reagan administration and its failed attempts to dump a drug-running thug.

"This is a very sorry mess, with the potential to get much worse. When American soldiers are beaten with impunity, the killings are sure to follow. Noriega has purged the Panamanian military of soldiers who were trained in the United States or those who are in sympathy. The next time an American is beaten we should hit them with a ton of bricks. And sometimes a ton of bricks is spelled: 82d Airborne."

[From the Army Times, Mar. 20, 1989]

U.S. SAILOR RELIVES BRUSH WITH DEATH AT HANDS OF NORIEGA'S "TRANSIT POLICE"

(By Tom Donnelly and James Longo)

"I thought I was going to die. Nobody misses from that close."

That is how Navy Damage Controlman First Mike Nieves recalls his nightmarish encounter with the Panama Defense Forces' transit police. Sent to Panama's international airport to pick up official visitors, Nieves was waylaid by police agents who beat and kicked him and forced him to plead for his life while threatened to execute him.

According to a Dec. 13 letter of protest from United States Southern Command to the Panana Defense Forces, or PDF, Nieves' life was threatened by members of the PDF's Direction National de Transporte Terrestre, or DNTT. This is the traffic control arm of the PDF, which functions both as uniformed military and police force.

According to the letter, written by Army Lt. Col. Robert S. Perry, Nieves had driven a Navy van to Panama's Omar Torrijos International Airport on the afternoon of Nov. 13 to pick up official passengers. He was detained by a DNTT agent for parking the van in a no-parking zone. Nieves was told he would be taken by a DNTT vehicle and other agents to their headquarters in Ancon.

"About two miles north of the airport, Nieves was escorted off the main highway and eventually led to a remote dirt road," says the letter. "Upon refusing to surrender his watch and ring, he was struck in the face by one of the DNTT agents while he was still sitting in the official vehicle.

In an interview with Army Times, Nieves, 32, confirmed the incident reported in Perry's letter, but said he actually refused

only to give up his wedding ring, but would have done so if necessary.

Nieves, an instructor at Rodman Naval Station, said he started fighting with one of the officers, who pulled a pistol and brought him to his knees.

"He was then pulled through the official vehicle window by his neck and struck again," says the letter. "In attempting to protect himself, he believes he may have struck one of the DNTT agents in the face in self-defense. The assaulting DNTT agent then drew his pistol, placed it to the sailor's head and forced him to his knees.

"Nieves was then physically and psychologically degraded. Specifically, he was forced to beg for his life. When the agent prepared to execute . . . the victim, another DNTT agent, at the last moment, intervened and pushed aside the first agent's pistol. Fortunately the shot missed Nieves' head, but left a ringing in his ears. [Nieves] fainted. When he came to, Nieves found that the DNTT agents had abandoned him at the scene of the crime."

Nieves, who has been stationed in Panama almost two years, said he closed his eyes and "then, I heard a scream. One of the other officers started yelling 'What are you doing?'" Though he didn't see the second officer push aside the first agent's pistol, Nieves said a shot went off, leaving a ringing in his ears.

A subsequent examination of Nieves revealed "numerous and extensive bruises which appear to have been made by boots [or] shoes," says the letter of protest.

Mr. D'AMATO. Mr. President, let me point out another area. This is in the Army Times of March 20, 1989.

Security forces of the Panamanian Defense Forces—let us understand that those are the thugs that Noriega used—stopped 21 school buses. Who were these school buses carrying? They were carrying the children of U.S. servicemen, elementary school-age children.

They boarded the buses, they terrorized the children and traumatized them. Yet, Mr. President, we have a situation where the military command has been placed under shackles and told to keep quiet, not to do anything, not to say anything, not to provoke General Noriega. He is not a general. He is a dictator. He is a thug. He is a murderer. And we are not even standing up to him. Mr. President, the least we should do is expose this tyrant for what he is.

Mr. President, that is why it is incumbent upon us to act with dispatch on this legislation. There are only 52 days left until the election. Senator DODD and Senator LUGAR have wisely encouraged Prof. Allen Weinstein, president, Center for Democracy, to coordinate the efforts.

I ask unanimous consent that the letter of support to Dr. Weinstein be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, March 2, 1989.

Prof. ALLEN WEINSTEIN,
President, Center For Democracy, Washington, DC.

DEAR PROFESSOR WEINSTEIN: The Senate Subcommittee on Western Hemisphere Affairs has followed with interest the Center for Democracy's programs involving the participation of Central American leaders over the past half decade. Most recently, we note your February 1989 Colloquy which brought together from every country in the region leaders across the political spectrum for meetings with parliamentarians from the Council of Europe, European Parliament, Andean Parliament, and U.S. Congress to discuss issues of democratization. We also note the Center's intrinsic bipartisanship and its internationally recognized experience in analyzing and observing elections ranging from the Philippines to El Salvador.

The purpose of this letter is to encourage the Center for Democracy to pursue its plans for an early pre-electoral study mission to Panama and to organize a delegation that ideally would include electoral experts from both the Democratic and Republican parties in the Congress.

We agree that the purposes of the study mission should include the following:

1. To demonstrate broad based U.S. concerns that Panama's commitment to elections in May, 1989 will be fair, free, and an accurate reflection of the wishes of the Panamanian electorate, and that preparation for those elections be fully supportive of such a process;

2. To study the current Panamanian electoral code and other pertinent laws and government regulations in that country in order to identify any changes needed in order to facilitate the holding of such fair and free elections;

3. To observe and analyze preparations now being made by the Panama authorities to produce conditions necessary for holding fair and free elections;

4. To discuss with relevant participants representing government and opposition figures of all perspectives and groups in Panama their views on the specific steps required to assure the holding of a fair and free election.

5. To report the delegation's findings on these matters to the Congress and the American people.

A written report from the delegation could serve as the basis for hearings on the Panama elections. It is possible that you and other participants in the mission would be invited to testify before the Subcommittee to discuss your findings in greater detail.

In order to help meet the costs of the study mission, we will be pleased to recommend that the Agency for International Development allocate to the Center on an expedited basis such funds as may be necessary for the project from the Agency's ongoing Fiscal year 1989 Human Rights and Democratic Initiatives Program, which has previously supported similar electoral observation projects in Chile and elsewhere.

As you know, we welcome efforts like the Center's proposed research mission. We trust that the Center's report will be helpful to the U.S. Congress and to policy makers in other democracies in arriving at an informed judgment on the type of support that may be useful in attempting to assure that the forthcoming elections in Panama are free, and an accurate reflection of the wishes of the Panamanian electorate.

Sincerely,

CHRISTOPHER J. DODD,
Chairman, Subcommittee on Western Hemisphere Affairs.

RICHARD G. LUGAR,
Ranking Minority Member, Subcommittee on Western Hemisphere Affairs.

Mr. D'AMATO. Mr. President, without there being financial resources to see to it that the observer teams are there, it is going to be impossible for them to reach Panama in time early enough to determine the conditions upon which these elections have been and will be taking place.

The United States has a special responsibility here. We are the ones who held up democracy as a model for the world. Now, right in our own neighborhood, the yearning for freedom promises to yield positive results, so long as forces of repression and the enemies of democracy are not allowed to thwart a free and fair opportunity for the people of Panama to decide their own future.

Two days ago, Secretary Baker and I had an exchange during a hearing of the Foreign Operations Subcommittee. Secretary Baker also supports the observer process, agreeing that—

We should point out any attempt that may be made to steal the election. This may be our last chance to redeem ourselves in this whole sorry chapter of United States-Panamanian relations. Panama deserves our support in this hour of critical national need.

Mr. President, I have no illusions about this election. I make the prediction here on this Senate floor Noriega is not going to change his method of operation. He is going to do one of two things. He is either going to cancel these elections because it becomes impossible for him to steal them or he will subvert them and he will attempt to steal these elections. That is why it is important that we have an international observation team made up of all of the countries of that region, all of our European allies. That is why it is important that we have free press assembled in the kind of mass and quantity that will see to it that they report the results and the activities that are taking place prior to and during these elections.

We cannot permit Noriega and his henchmen to continue to suppress the legitimacy of freedom, the opportunity for people to choose their own government, particularly as it relates to Panama where the United States has vital security interests.

Mr. President, before the end of this year the Government of Panama must submit to the President of the United

States its candidate to be the administrator of the Panama Canal.

This is the first step toward turning over the canal to Panama by the United States pursuant to the treaty that we have entered into, a treaty that was hotly debated, a treaty in which many Members of the Senate said be careful, be careful as it relates to turning over something which is so vital as it relates to our own strategic interest.

The Senate must confirm that nominee to be admistrator of the canal. If Noriega is going to continue to suppress people, freedom, liberty, if he in essence is going to continue his dictatorial policies, then he should know and be put on notice that it is highly unlikely that this Senate will ever confirm a nominee put forward by the gangster, by this dictator, and by this drug-running thug.

I think we have a unique opportunity to bring about and support those who seek democracy. I think we have an opportunity to demonstrate to our Latin American and South American neighbors that we are prepared to stand for democracy, that we are prepared to expose this dictator and tyrant for what he is.

Mr. President, I am sure that this legislation will pass speedily and I look forward to our seeing to it that it is implemented with all of the strength, vigor, and determination at our disposal.

Thank you, Mr. President.

The PRESIDING OFFICER (Mr. LAUTENBERG). The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I would like to share in the position that my colleague from New York has made concerning the situation in Panama.

The Senator from Alaska, as a member of the Foreign Relations Committee, as well as the Intelligence Committee, has been very, very concerned about the progress of indeed free elections occurring in Panama and the realism as expressed by my colleague from New York concerning the fact that hardly can the dictator in Panama allow a free election to occur because obviously, as the Senator knows, it would prove his downfall. So he is going to by pattern set clearly demonstrate his consistency to control those elections.

I would ask my friend from New York if he sees, outside of overseeing the elections, a legitimate way that the United States might ensure that the arrangements are not already made prior to the election occurring to thwart the exposure associated with rigged elections. I mean, it is one thing to go down there and observe, but I was a member of the group that was sent over to the Philippines representing the President at the invitation of the Government of the Philippines. We observed, very frankly, a crooked election.

Mr. D'AMATO. I would respond that if the international community as well as the United States, as well as the worldwide free press, covers the events leading up to the election, as well as the actual activities which we expect to take place, the beatings, the harassments, the destruction of bona fide ballots, the purging from lists of bona fide citizens, all of the things that have taken place prior, not only in Panama but in other countries, then I believe it will be the weight of worldwide opinion that eventually will galvanize the people of Panama and cut off Noriega from the kind of support that he has had.

I think it is important that we participate in this effort but I think it is equally if not more important that the worldwide community be part of this, that we loan ourselves to that process of democracy.

Without that the Panamanian people will feel cut off, isolated and abandoned.

With our participation, indeed we will have fallen back on a moral commitment that we have started and that we have echoed that calls for freedom not only in our hemisphere but throughout the world.

Mr. MURKOWSKI. Mr. President, I again commend my colleague from New York. I think there is a parallel with the Philippine election. Obviously, that was an election where there were efforts to try and circumvent the freedom of the people in the sense of the expression of their vote and the world was watching. There were observers from the United States there. It is no secret that on the initial count coming out of the Philippine Government, controlled by Marcos at the time, the declaration was that Marcos was a winner. But that is not how it turned out. It was due to the oversight I think of many from not only the United States but other countries who were there and clearly were going to take home the message that there had been a violation of a free election.

Mr. D'AMATO. And a repudiation of one.

Mr. MURKOWSKI. That is correct, and a deterioration of process.

So perhaps the stage is being set for the same set of circumstances, and I think, on the other hand, we have a very desperate individual in Noriega and his track record is something to reflect on as we address the realities associated with this election and the point that my colleague from New York has brought out, that it will be a terrible injustice if the elections were allowed to go ahead in a manner which clearly was in violation of the democratic principles and the democratic attitudes of the people of Panama.

Mr. D'AMATO. And which Mr. Noriega would then use to cloak his dictatorship with absent the kind of inspection and light of day that we hope the world community and the media can observe.

It would be I think a great blow for democracy if the Contadora nations in watching this process and if Noriega does what we fully expect him to do, either call off these elections or blatantly steal them, would be in a position to disclaim him and disclaim his call for leadership. I believe that that would set the stage hopefully for the kind of situation that we saw take place in the Philippines. And certainly we must not permit him that veil of legitimacy if indeed he seeks to steal it and obtain it by fraudulent methods. I think that is why it is so important what we do here today is done speedily, the observer sent down, so that we begin to loan ourselves to this important process of fighting for democracy.

Mr. MURKOWSKI. I thank my friend from New York.

Mr. D'AMATO. I thank the Senator from Alaska for his very pointed remarks.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 1373) was ordered to a third reading, was read the third time, and passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMITTEE LEGISLATIVE REPORTS

Mr. MITCHELL. Mr. President, section 26.8 of the Standing Rules requires that all standing committees, except the Committees on Appropriations and the Budget, submit reports on their legislative activities during the 100th Congress not later than March 31, 1989. Since the Senate will be in recess that date, I would propose the following unanimous-consent request to continue the date for filing those reports to April 4, 1989.

Mr. President, I ask unanimous consent that the date for filing legislative reports required to be filed by standing committees, except the Committees on Appropriations and the Budget, under the provisions of section 26.8 of the Standing Rules be continued to April 4, 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

BALANCE IN STOCKS OF DAIRY PRODUCTS

Mr. MITCHELL. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 553.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 553) entitled "An Act to provide for more balance in the stocks of dairy products purchased by the Commodity Credit Corporation", do pass with the following amendment:

Page 2, line 18, strike out [butter.], and insert "butter: *Provided, however,* That the Secretary of Agriculture may allocate such decrease in the rate of price support between the purchase prices for non-fat dry milk and butter in such other manner as the Secretary determines will result in lowest level of expenditures by the Commodity Credit Corporation and shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of such determination.".

Mr. MITCHELL. I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. MITCHELL. I move to reconsider the vote by which the motion was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORITY FOR COMMITTEES TO FILE REPORTS ON MARCH 29

Mr. MITCHELL. Mr. President, I ask unanimous consent that committees be permitted to file legislative and executive reports on Wednesday, March 29, from 12 noon to 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECORD TO REMAIN OPEN UNTIL 5 P.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the RECORD remain open until 5 p.m. today for statements and introduction of legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF THE SENATE ARMS CONTROL OBSERVER GROUP

Mr. MITCHELL. Mr. President, I ask that the Chair name the following Senators to be Democratic members of the Senate Arms Control Observer Group: Senator PELL, cochairman; Senator NUNN, cochairman; Senator KENNEDY, Senator MOYNIHAN, and Senator GORE.

Mr. DOLE. Mr. President, in accordance with Senate Resolution 466 of August 11, 1988, I make the following reappointments and appointments to the Senate Arms Control Observer Group:

As administrative cochairman, Senator STEVENS; as cochairman, Senator LUGAR; as members, Senators WALLOP, WARNER, NICKLES, and RUDMAN; and the staff member for the Republican leader will continue to be David J. Smith.

The PRESIDING OFFICER. The Chair notes the appointments made by the Republican leader and appoints those members enumerated by the majority leader pursuant to Senate Resolution 466.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, and upon the recommendation of the minority leader, pursuant to Senate Resolution 273 and Senate Resolution 297, appoints the following Senators to the Central American Observer Group: the Senator from Arizona [Mr. MCCAIN] cochairman; the Senator from Idaho [Mr. SYMMS]; and the Senator from Florida [Mr. MACK].

RECESS UNTIL TUESDAY, APRIL 4, 1989, AT 2:15 P.M.

Mr. MITCHELL. Mr. President, if the distinguished Republican leader has no further business and if no Senator is seeking recognition, I ask unanimous consent that the Senate stand in recess, in accordance with the provisions of Senate Concurrent Resolution 23, until 2:15 p.m. on Tuesday, April 4, 1989.

There being no objection, the Senate, at 4:32 p.m., recessed until Tuesday, April 4, 1989, at 2:15 p.m.

NOMINATIONS

Executive nominations received by the Senate March 17, 1989:

DEPARTMENT OF DEFENSE

DONALD J. ATWOOD, OF MASSACHUSETTS, TO BE DEPUTY SECRETARY OF DEFENSE, VICE WILLIAM H. TAFT, IV, RESIGNED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR PERMANENT PROMOTION IN THE U.S. AIR FORCE, UNDER THE PROVISIONS OF SECTION 628, TITLE 10, UNITED STATES CODE, AS AMENDED, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

CHAPLAIN

To be lieutenant colonel

DARRELL L COOK, xxx-xx-xxxx

To be major

CARL M ANDREWS, xxx-xx-xxxx
GARY L CARLSON, xxx-xx-xxxx
FRANCESO PASSAMONTE, xxx-xx-xxxx
STEPHEN M SMALLEY, xxx-xx-xxxx

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM DUTIES INDICATED WITH GRADE AND DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE PROVIDED THAT IN NO CASE SHALL THE FOLLOWING OFFICER BE APPOINTED IN A GRADE HIGHER THAN MAJOR.

CHAPLAIN

GARY L CARLSON, xxx-xx-xxxx

IN THE ARMY

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

ARMY

To be major

GEORGE W. ABBOTT, xxx-xx-xxxx
SCOTT L.* ABBOTT, xxx-xx-xxxx
JESSE T. ACOSTA, xxx-xx-xxxx
TERRY R. ADAMS, xxx-xx-xxxx
DONALD M. ADKINS, xxx-xx-xxxx
KENNETH W. ADKINS, xxx-xx-xxxx
PETER J.* ADLER, xxx-xx-xxxx
THOMAS P. AEILLO, xxx-xx-xxxx
ALLEN L.* AGEE, xxx-xx-xxxx
COLLIN A. AGEE, xxx-xx-xxxx
JOSEPH J. AHEARN, xxx-xx-xxxx
DEWAYNE L.* AHNER, xxx-xx-xxxx
GREGORY L.* AHRENDSEN, xxx-xx-xxxx
JAMES P. AIELLO, xxx-xx-xxxx
ANDREW A. AKERS, xxx-xx-xxxx
GREGORY L.* ALDERETE, xxx-xx-xxxx
MARC I. ALDERMAN, xxx-xx-xxxx
WILLIAM R.* ALEWINE, xxx-xx-xxxx
GEORGE D.* ALEXION, JR., xxx-xx-xxxx
KENNETH L. ALFORD, xxx-xx-xxxx
FRANCISCO *. ALICEA, JR., xxx-xx-xxxx
GARY R.* ALLEN, xxx-xx-xxxx
SHARON E.* ALLEN, xxx-xx-xxxx
PERRY D.* ALLMENDINGER, xxx-xx-xxxx
THOMAS A. ALLMON, xxx-xx-xxxx
PETER G. ALLOR, xxx-xx-xxxx
WILLIAM A. ALSPACH, xxx-xx-xxxx
CHARLES ALVAREZ, xxx-xx-xxxx
ROBERT *. ALVAREZ, xxx-xx-xxxx
JEFFREY M. AMES, xxx-xx-xxxx
ALAN A. ANDERSON, xxx-xx-xxxx
BOBBY T.* ANDERSON, xxx-xx-xxxx
CHARLES A. ANDERSON, xxx-xx-xxxx
DAVID L.* ANDERSON, xxx-xx-xxxx
DENNIS R.* ANDERSON, xxx-xx-xxxx
DONALD B.* ANDERSON, JR., xxx-xx-xxxx
DONNIE P. ANDERSON, xxx-xx-xxxx
JOEL M. ANDERSON, xxx-xx-xxxx
LOREN E.* ANDERSON, xxx-xx-xxxx
MARK D. ANDERSON, xxx-xx-xxxx
NICHOLAS J. ANDERSON, xxx-xx-xxxx
RILEY D.* ANDERSON, JR., xxx-xx-xxxx
RODNEY O. ANDERSON, xxx-xx-xxxx
WESLEY B.* ANDERSON, xxx-xx-xxxx
STEPHEN L.* ANDREORIO, xxx-xx-xxxx
IVINS K.* ANDRESEN, xxx-xx-xxxx
KRISTOPHER L.* ANDREWS, xxx-xx-xxxx
SANDRA S.* ANDREWS, xxx-xx-xxxx
JAMES A. ANGELOSANTE, xxx-xx-xxxx
STEPHEN P.* ANSLEY, xxx-xx-xxxx
DOUGLAS P. ANSON, xxx-xx-xxxx
DOUGLAS M. ANTHONY, xxx-xx-xxxx
BILLY W. ANTLEY, JR., xxx-xx-xxxx
ROBERTA A.* ANTRY, xxx-xx-xxxx

JEFFREY A. APPLEGET, xxx-xx-xxxx
KEVIN J.* APPLETON, xxx-xx-xxxx
STEPHEN A. ARATA, xxx-xx-xxxx
JAKE I. ARELLANO, xxx-xx-xxxx
JOHN F.* ARENSBERG, xxx-xx-xxxx
HARRY M. ARGO, xxx-xx-xxxx
DAVID T.* ARMOUR, xxx-xx-xxxx
BOBBY A.* ARNAUD, xxx-xx-xxxx
F. J.* ARNDT, xxx-xx-xxxx
GARNETT *. ARNOLD, JR., xxx-xx-xxxx
CYNTHIA A.* ARRINGTON, xxx-xx-xxxx
JOSE R. ARROYONIEVES, xxx-xx-xxxx
JOHN E. ARTHUR, xxx-xx-xxxx
TONEY L. ASH, xxx-xx-xxxx
MARK C. ATKINSON, xxx-xx-xxxx
BRIAN D.* AUGUST, xxx-xx-xxxx
BENNY B.* AUSTIN, xxx-xx-xxxx
JOHN K.* AUSTIN, xxx-xx-xxxx
STEPHEN D. AUSTIN, xxx-xx-xxxx
CYNTHIA M.* AUTRY, xxx-xx-xxxx
BRUCE A.* AVILA, xxx-xx-xxxx
ISRAEL *. AYALA, xxx-xx-xxxx
BRUCE L. AYCOCK, xxx-xx-xxxx
ISAAC E. BACOAT, xxx-xx-xxxx
SUSAN H.* BAGLEY, xxx-xx-xxxx
FRANK V.* BAGLIONE, xxx-xx-xxxx
MARK S. BAHR, xxx-xx-xxxx
TODD A. BAILEY, xxx-xx-xxxx
DAVID H.* BAILY, xxx-xx-xxxx
DIANA L. BAKER, xxx-xx-xxxx
DOUGLAS S. BAKER, III, xxx-xx-xxxx
GEORGE R. BAKER, xxx-xx-xxxx
DAVID W.* BALES, xxx-xx-xxxx
DANNY L. BALL, xxx-xx-xxxx
THOMAS P. BALTAZAR, xxx-xx-xxxx
RAINER K.* BALZ, xxx-xx-xxxx
WILLIAM A. BANKHEAD, JR., xxx-xx-xxxx
MICHAEL L.* BANKS, xxx-xx-xxxx
GREGORY T. BANNER, xxx-xx-xxxx
JOHN M.* BANNING, xxx-xx-xxxx
RANDAL C.* BARAGONA, xxx-xx-xxxx
JESSE L.* BARBER, xxx-xx-xxxx
JOEL W.* BARBER, xxx-xx-xxxx
FRANCHESTEE J.* BARNER, xxx-xx-xxxx
CHARLES M.* BARNETT, xxx-xx-xxxx
MARK F.* BARNETTE, xxx-xx-xxxx
DENNY W. BARNHART, xxx-xx-xxxx
DANIEL *. BARRETO, xxx-xx-xxxx
BRUCE J. BARRETT, xxx-xx-xxxx
GORDON D.* BARRITT, xxx-xx-xxxx
JOHN E.* BARRON, xxx-xx-xxxx
CHERIE E.* BARTLETT, xxx-xx-xxxx
SHEILA G.* BARTLEY, xxx-xx-xxxx
DOUGLAS A. BARTON, xxx-xx-xxxx
MICHAEL J. BARTON, xxx-xx-xxxx
REED BARTRON, xxx-xx-xxxx
J. C. BARTSCH, xxx-xx-xxxx
ROY D.* BASS, xxx-xx-xxxx
WILLIAM E.* BASSETT, xxx-xx-xxxx
JEFFREY L. BASSETTE, xxx-xx-xxxx
THOMAS *. BATES, xxx-xx-xxxx
JAY G.* BATSON, xxx-xx-xxxx
BRUCE W. BATTEN, xxx-xx-xxxx
JOHN J.* BAUER, xxx-xx-xxxx
KENT C. BAUER, xxx-xx-xxxx
DANIEL M. BAUGHMAN, xxx-xx-xxxx
JEFFERY A. BAUGHMAN, xxx-xx-xxxx
BEN M.* BAUMAN, II, xxx-xx-xxxx
CHARLES E.* BAUMERICH, xxx-xx-xxxx
ROBERT M.* BAYLESS, JR., xxx-xx-xxxx
DAVID W.* BEACH, xxx-xx-xxxx
CAROLYN M.* BEALE, xxx-xx-xxxx
JOHNNIE L.* BEALE, xxx-xx-xxxx
THOMAS J. BEANLAND, xxx-xx-xxxx
DANIEL G.* BEASLEY, xxx-xx-xxxx
ROBERT J. BEATTY, xxx-xx-xxxx
DARRYL W.* BECHTEL, xxx-xx-xxxx
TERENCE A. BECK, xxx-xx-xxxx
WADE B. BECNEL, xxx-xx-xxxx
JOHN T. BEDFORD, xxx-xx-xxxx
MARLENE A. BEHRENS, xxx-xx-xxxx
JAMES A. BELL, xxx-xx-xxxx
JOHN D.* BELL, xxx-xx-xxxx
MARK A. BELLINI, xxx-xx-xxxx
BRUCE D.* BELT, xxx-xx-xxxx
JESSY J. BENAVENTE, xxx-xx-xxxx
THEOPOLIS *. BENFORD, JR., xxx-xx-xxxx
ROGER H. BENNETT, xxx-xx-xxxx
THOMAS B. BENNETT, xxx-xx-xxxx
WILLIAM W.* BENNETT, xxx-xx-xxxx
RAYMOND E. BERBERICK, JR., xxx-xx-xxxx
JOHN C. BERGER, xxx-xx-xxxx
JOHN K. BERNER, xxx-xx-xxxx
NILO *. BERNIER, xxx-xx-xxxx
CLEMENTE BERRIOS, JR., xxx-xx-xxxx
JONATHAN B.* BERRY, xxx-xx-xxxx
WILLIAM C.* BERRY, xxx-xx-xxxx
BRIAN K.* BERSCH, xxx-xx-xxxx
NORMAN V.* BERTEL, JR., xxx-xx-xxxx
ROY W.* BERWICK, xxx-xx-xxxx
ROBERT H. BESTIAN, JR., xxx-xx-xxxx
PARNELL W.* BETHUNE, JR., xxx-xx-xxxx
MICHAEL G.* BETTEZ, xxx-xx-xxxx
RENAE M. BEYER, xxx-xx-xxxx
DAMIAN P. BIANCA, xxx-xx-xxxx
STEPHEN G. BIANCO, xxx-xx-xxxx
THOMAS R.* BIANG, xxx-xx-xxxx
BILLY J. BIBERSTEIN, xxx-xx-xxxx
ROY C. BIERWIRTH, xxx-xx-xxxx
ORVAL L.* BILBY, III, xxx-xx-xxxx
GARY F.* BILL, xxx-xx-xxxx
GARY F.* BINDER, xxx-xx-xxxx
MICHAEL D. BISACRE, xxx-xx-xxxx
HAROLD J. BISHOP, JR., xxx-xx-xxxx
RICHARD M.* BISHOP, xxx-xx-xxxx
JAMES W. BISSONNETTE, JR., xxx-xx-xxxx
MICHAEL E. BISTRICA, xxx-xx-xxxx
JEFFREY S.* BITTEL, xxx-xx-xxxx
JACK M. BLACK, xxx-xx-xxxx
JOHN C. BLACK, xxx-xx-xxxx
KENNETH B. BLACK, xxx-xx-xxxx
THOMAS P.* BLACKBURN, xxx-xx-xxxx
DARLA R. BLAESING, xxx-xx-xxxx
JOHN M. BLAINE, JR., xxx-xx-xxxx
JERRY R.* BLAIR, xxx-xx-xxxx
SAMUEL E.* BLAKE, JR., xxx-xx-xxxx
TERRY A. BLAKELY, xxx-xx-xxxx
KEITH E. BLAKEMAN, xxx-xx-xxxx
DAVID M. BLAKEMORE, xxx-xx-xxxx
JAMES E.* BLANK, xxx-xx-xxxx
GARY A. BLANKENSHIP, xxx-xx-xxxx
PAUL W. BLANKENSHIP, xxx-xx-xxxx
CATHERINE M.* BLASHACK, xxx-xx-xxxx
ALBERT M. BLEAKLEY, JR., xxx-xx-xxxx
DALE M. BLECKMAN, xxx-xx-xxxx
ROBERT E. BLEIMEISTER, xxx-xx-xxxx
TIMOTHY D. BLOECHL, xxx-xx-xxxx
JAMES E.* BLOISE, JR., xxx-xx-xxxx
JAMES M.* BLOW, xxx-xx-xxxx
MICHAEL E. BOATNER, xxx-xx-xxxx
CARLESS J. BOATWRIGHT, xxx-xx-xxxx
DANIEL *. BOLAS, xxx-xx-xxxx
BRUCE A. BOLDON, xxx-xx-xxxx
ALAN S.* BOLLERS, xxx-xx-xxxx
MARCUS BONDS, xxx-xx-xxxx
JOHN H. BONE, JR., xxx-xx-xxxx
DOUGLAS R. BONEBRAKE, xxx-xx-xxxx
RONALD M. BONESTEEL, xxx-xx-xxxx
DOUGLAS C. BONNER, xxx-xx-xxxx
JANNIE T.* BONNER, xxx-xx-xxxx
MICHAEL J. BONOMETTI, xxx-xx-xxxx
JAMES D.* BOOTH, xxx-xx-xxxx
JAMES C. BOOZER, SR., xxx-xx-xxxx
RANDY L. BORCHARDT, xxx-xx-xxxx
ROBERT C. BORJA, xxx-xx-xxxx
RONALD L.* BORNE, xxx-xx-xxxx
BRUCE K. BORNICK, xxx-xx-xxxx
LARRY D.* BORUM, xxx-xx-xxxx
STEVEN R.* BOSHEARS, xxx-xx-xxxx
LARRY L.* BOSLEY, xxx-xx-xxxx
JEFFREY C. BOUSHELL, xxx-xx-xxxx
BOBBY S. BOWERS, xxx-xx-xxxx
WILLIAM E. BOWERS, xxx-xx-xxxx
KEVIN L. BOWLES, xxx-xx-xxxx
DOUGLAS R. BOWMAN, xxx-xx-xxxx
MICHAEL BOWMAN, xxx-xx-xx...
ROBERT E. BOWMAN, xxx-xx-xxxx
JANE A. BOYD, xxx-xx-xxxx
CHARLES R. BOYER, xxx-xx-xxxx
LLOYD A.* BOYKIN, JR., xxx-xx-xxxx
GREGORY J. BOZEK, xxx-xx-xxxx
DARRYL A. BRADFORD, xxx-xx-xxxx
DARRYL M.* BRADLEY, xxx-xx-xxxx
WILLIAM C. BRADSHAW, xxx-xx-xx...
JAMES J. BRADY, xxx-xx-xxxx
GREGORY K. BRANNON, xxx-xx-xxxx
BRUCE F.* BRANOWSKI, xxx-xx-xxxx
WILLIAM J. BRASE, JR., xxx-xx-xxxx
AARON L.* BRAXTON, III, xxx-xx-xxxx
BRITT E.* BRAY, xxx-xx-xxxx
RICHARD R. BRENNAN, JR., xxx-xx-xxxx
WILLIAM A. BRENT, xxx-xx-xxxx
CHARLES B. BRESLIN, xxx-xx-xxxx
DONALD K.* BRIDGES, xxx-xx-xxxx
RALPH W.* BRIGGS, xxx-xx-xxxx
GEORGE A. BROADNAX, xxx-xx-xxxx
STEPHEN W.* BRODERSEN, xxx-xx-xxxx
MARC P. BRODEUR, xxx-xx-xxxx
NINA L. BROKAW, xxx-xx-xxxx
ROBERT BROOKS, III, xxx-xx-xxxx
VINCENT K. BROOKS, xxx-xx-xxxx
THOMAS F. BROPHY, JR., xxx-xx-xxxx
THOMAS M.* BROSSART, xxx-xx-xxxx
ANTONIO D. BROWN, xxx-xx-xxxx
ARMOR D.* BROWN, xxx-xx-xxxx
BRUCE A.* BROWN, xxx-xx-xxxx
CAROLYN L.* BROWN, xxx-xx-xxxx
DOUGLAS R. BROWN, xxx-xx-xxxx
INEZ C. BROWN, xxx-xx-xxxx
JOSEPH A.* BROWN, xxx-xx-xxxx
LAWRENCE H.* BROWN, JR., xxx-xx-xxxx
MARVIN *. BROWN, xxx-xx-xxxx
MATTHEW J. BROWN, xxx-xx-xxxx
NORBERT C. BROWN, JR., xxx-xx-xxxx
PHILLIP C.* BROWN, xxx-xx-xxxx
REGINALD G.* BROWN, xxx-xx-xxxx
RICHARD C. BROWN, xxx-xx-xxxx
RICHARD E. BROWN, xxx-xx-xxxx
RONNIE L. BROWN, xxx-xx-xxxx
RUSSELL K.* BROWN, xxx-xx-xxxx
WILLIAM R. BROWN, xxx-xx-xx...
CHARLES E.* BRUCE, xxx-xx-xxxx
RONALD W. BRUMBALOW, xxx-xx-xxxx
CALVIN D. BRUMFIELD, xxx-xx-xxxx
ERIC A.* BRUNDAGE, xxx-xx-xxxx
MARCIA E. BRUNETTO, xxx-xx-xxxx
TIMOTHY J. BRUNNER, xxx-xx-xxxx
JOHN W. BRUNO, xxx-xx-xxxx
LINAE S. BRUSH, xxx-xx-xxxx
CURTIS L.* BRYANT, xxx-xx-xxxx
JOSEPH *. BRYANT, xxx-xx-xxxx
WILLIAM G. BRYANT, xxx-xx-xxxx
BRUCE E. BRYDGES, xxx-xx-xxxx
MARK T.* BRYNICK, xxx-xx-xxxx
RUTH E.* BRYSON, xxx-xx-xxxx
MICHAEL S. BUCHNER, xxx-xx-xxxx
STEPHEN D. BUCK, xxx-xx-xxxx
PAUL A. BUCKHOUT, xxx-xx-xxxx
RICHARD D.* BUCKNER, xxx-xx-xxxx
RONALD M. BUFFKIN, xxx-xx-xxxx
MICHAEL G. BUHL, xxx-xx-xxxx
PAUL T. BUHL, xxx-xx-xxxx
VICTOR A.* BUNDE, xxx-xx-xxxx
TIMOTHY L. BUNTING, xxx-xx-xxxx
GLENN L. BURCH, xxx-xx-xxxx
CHARLES J.* BURDO, xxx-xx-xxxx
DANIEL L. BURGEMEISTER, xxx-xx-xxxx
JOHN D. BURKE, xxx-xx-xxxx
KEVIN J. BURKE, xxx-xx-xxxx
WILLIAM B. BURKETT, xxx-xx-xxxx
TIMOTHY J. BURKHART, xxx-xx-xxxx
BRUCE B. BURLESON, xxx-xx-xxxx
DAVID L.* BURNS, xxx-xx-xxxx
TIMOTHY C.* BURNS, xxx-xx-xxxx
LARRY H.* BURRIS, xxx-xx-xxxx
ROY A. BURTON, xxx-xx-xxxx
CHRISTOPHER G.* BUSWELL, xxx-xx-xxxx
JERRY L. BUTLER, xxx-xx-xxxx
NANCY N. BUTLER, xxx-xx-xxxx
TODD A.* BUTTS, xxx-xx-xxxx
MILTON T. BUZAN, xxx-xx-xxxx
RONALD B. BYRNES, JR., xxx-xx-xxxx
DAVID L.* BYUS, xxx-xx-xxxx
MARK K. CALL, xxx-xx-xxxx
JOHN W.* CALLAGHAN, JR., xxx-xx-xxxx
RAYMOND J.* CALLAHAN, xxx-xx-xxxx
CHARLES T. CALLAWAY, JR., xxx-xx-xxxx
MARK A. CAMPBELL, xxx-xx-xxxx
RICHARD D. CAMPBELL, xxx-xx-xxxx
STEPHEN T.* CAMPBELL, xxx-xx-xxxx
TODD R. CAMPBELL, xxx-xx-xxxx
PETER C. CAMPISI, xxx-xx-xxxx
LIONEL G. CAMPOS, xxx-xx-xxxx
PATRICK M. CANNON, xxx-xx-xxxx
TIMOTHY L. CANTY, xxx-xx-xxxx
REBECCA H. CAPRANO, xxx-xx-xxxx
PAUL R. CAPSTICK, xxx-xx-xxxx
MICHAEL CARDARELLI, xxx-xx-xx...
WILLIAM G. CARDENAS, xxx-xx-xxxx
RICHARD G. CARDILLO, JR., xxx-xx-xxxx
BEVERLY S. CARDINAL, xxx-xx-xxxx
THOMAS J.* CAREY, xxx-xx-xxxx
ELIZABETH A.* CARLSON, xxx-xx-xxxx
ROBERT L. CARNEY, xxx-xx-xxxx
THOMAS J. CARNEY, xxx-xx-xxxx
ANTONIO A. CARPENTER, xxx-xx-xxxx
SHERRY L.* CARPENTER, xxx-xx-xxxx
STANLEY L.* CARPENTER, xxx-xx-xxxx
JOSEPH Q. CARRERA, xxx-xx-xxxx
DANIEL L. CARROLL, xxx-xx-xxxx
DOUGLAS E. CARROLL, xxx-xx-xxxx
KENNETH W. CARROLL, xxx-xx-xxxx
LANCE S.* CARROLL, xxx-xx-xxxx
SUSAN J.* CARROLL, xxx-xx-xxxx
DAVID S.* CARRUTHERS, xxx-xx-xxxx
RUTH N. CARTAGENANUTTER, xxx-xx-xxxx
CHARLES C.* CARTER, JR., xxx-xx-xxxx
FREDERICK L. CARTER, xxx-xx-xxxx
EDWIN J.* CARTOSKI, JR., xxx-xx-xxxx
EARL A.* CARUTHERS, xxx-xx-xxxx
ROBERT W. CASE, xxx-xx-xxxx
THOMAS G. CATALDO, xxx-xx-xxxx
PERRY *. CAUDLE, JR., xxx-xx-xxxx
WILLIAM T.* CAVALCANTE, xxx-xx-xx...
ELMER R. CAVES, xxx-xx-xxxx
CARL P. CECIL, xxx-xx-xxxx
MICHAEL B.* CERVONE, xxx-xx-xxxx
TIMOTHY L.* CHALLANS, xxx-xx-xxxx
WALTER W.* CHAMPION, xxx-xx-xxxx
RONALD H.* CHANEY, xxx-xx-xxxx
KEVIN H. CHAPLES, xxx-xx-xxxx
DANIEL H. CHAPMAN, xxx-xx-xxxx
DAVID C. CHAREST, xxx-xx-xxxx
RICHARD L. CHASTAIN, xxx-xx-xxxx
GARY H. CHEEK, xxx-xx-xxxx
RICHARD M.* CHEEK, xxx-xx-xxxx
TIMOTHY D. CHERRY, xxx-xx-xxxx
STEPHEN B. CHILDERS, xxx-xx-xxxx
MING G.* CHIN, xxx-xx-xxxx
PATRICK M.* CHING, xxx-xx-xxxx
DONALD E. CHRANS, xxx-xx-xxxx
JOHN A.* CHRISTENSEN, III, xxx-xx-xxxx
GREGORY P. CHURA, xxx-xx-xxxx
STEPHEN B. CHURM, xxx-xx-xxxx
SANDRA M. CIGAINERO, xxx-xx-xxxx
JAMES P. CLARAHAN, xxx-xx-xxxx
GARY R.* CLARE, xxx-xx-xxxx
BENJAMIN R. CLARK, xxx-xx-xxxx
BLANE R.* CLARK, xxx-xx-xxxx
CATHY T.* CLARK, xxx-xx-xxxx
DAVID A. CLARK, xxx-xx-xxxx
EARL M.* CLARK, xxx-xx-xxxx
KEVIN D. CLARK, xxx-xx-xxxx
SHAUN M.* CLARK, xxx-xx-xxxx
STEVEN L.* CLARK, xxx-xx-xxxx
WALTER L.* CLARK, JR., xxx-xx-xxxx
MARTYN R.* CLAY, xxx-xx-xxxx
MICHAEL D.* CLAY, xxx-xx-xxxx
STEVEN E. CLAY, xxx-xx-xxxx
JAMES D.* CLEGG, xxx-xx-xxxx
DAVID L.* CLEMENT, xxx-xx-xxxx
DUNCAN S. CLEMENTS, xxx-xx-xxxx
JOHN L.* CLEMONS, JR., xxx-xx-xxxx
FRANCIS D. CLEPPER, JR., xxx-xx-xxxx
WILLIAM R. CLIFTON, xxx-xx-xxxx
FRANK M. COCHRANE, xxx-xx-xxxx

LOUIS F. COCKER, III, xxx-xx-xxxx
KENNETH E. COCKERHAM, xxx-xx-xxxx
PAUL *. COFFER, JR, xxx-xx-xxxx
KATHY P.* COFFEY, xxx-xx-xxxx
HOWARD I.* COHEN, xxx-xx-xxxx
PATRICK L.* COLBERT, xxx-xx-xxxx
DENNIS I. COLE, xxx-xx-xxxx
GIFFORD *. COLEMAN, xxx-xx-xxxx
KEITH O.* COLEMAN, xxx-xx-xxxx
CRAIG E. COLLEGE, xxx-xx-xxxx
FRANCIS A. COLLETTI, JR, xxx-xx-xxxx
ELMER L.* COLLEY, JR, xxx-xx-xxxx
MARVIN S. COLLIER, xxx-xx-xx...
ALFRED C. COLLINS, JR, xxx-xx-xxxx
CHRISTOPHER A. COLLINS, xxx-xx-xxxx
GEORGE D.* COLLINS, xxx-xx-xxxx
JACK *. COLLINS, xxx-xx-xxxx
LYNN A. COLLYAR, xxx-xx-xx...
GERALD E.* COLVARD, xxx-xx-xxxx
RANDY G. COLVIN, xxx-xx-xxxx
ABRAHAM B.* COMPTON, JR, xxx-xx-xxxx
GAIL A.* CONEDY, xxx-xx-xxxx
ALBERT L.* CONGLETON, JR, xxx-xx-xxxx
JOE E.* CONLEY, xxx-xx-xxxx
JACK D.* CONLON, xxx-xx-xxxx
CLIFFORD D. CONNER, xxx-xx-xxxx
DALE R.* CONNER, xxx-xx-xxxx
JEFFREY W. CONRAD, xxx-xx-xxxx
JOSEPH CONTARINO, III, xxx-xx-xxxx
JAMES R.* COOK, xxx-xx-xxxx
MARK L. COOK, xxx-xx-xxxx
ERIC C. COOPER, xxx-xx-xxxx
MARK E. COOPER, xxx-xx-xxxx
WILLIAM H.* COPELAND, xxx-xx-xxxx
CHARLES H.* CORAM, xxx-xx-xxxx
STEVEN R. CORBETT, xxx-xx-xxxx
MICHAEL A.* CORDES, xxx-xx-xxxx
MICHAEL J.* CORLEY, xxx-xx-xxxx
BARRY L.* CORSON, xxx-xx-xxxx
STEVEN S. COTARIU, xxx-xx-xxxx
GERARD J.* COTTER, xxx-xx-xxxx
EDMUND W. COTTON, xxx-xx-xxxx
CLYDE P.* COUNTS, JR, xxx-xx-xxxx
EDWIN L. COURTNEY, xxx-xx-xxxx
DAVID O. COUVELHA, xxx-xx-xxxx
DAVID A. COX, xxx-xx-xxxx
KENDALL P. COX, xxx-xx-xxxx
LEWIS L.* COX, JR, xxx-xx-xxxx
FRANK D.* CRAIG, xxx-xx-xxxx
MORSE E.* CRAIG, xxx-xx-xxxx
JERRY A. CRANE, xxx-xx-xxxx
ROBERT V.* CRAVENS, xxx-xx-xxxx
EARL S.* CREECH, xxx-xx-xxxx
HERBERT E.* CRITES, JR, xxx-xx-xxxx
STEVEN J.* CRITES, xxx-xx-xxxx
JERRY T.* CRONISTER, xxx-xx-xxxx
WILLIAM T. CROSBY, xxx-xx-xxxx
JESSE R. CROSS, xxx-xx-xxxx
RICHARD CROSSLEY, JR, xxx-xx-xxxx
MARIAN E.* CROSSONWILLIAMS, xxx-xx-xxxx
MARK S. CROWSON, xxx-xx-xxxx
DIANE M.* CRUM, xxx-xx-xxxx
LEONARD A.* CRUMP, JR, xxx-xx-xxxx
DEBRA J.* CRUMPTON, xxx-xx-xxxx
JOE M.* CRUMPTON, xxx-xx-xxxx
BRENDA F. CRUTCHFIELD, xxx-xx-xxxx
HOYT A.* CRUZE, JR, xxx-xx-xxxx
RONALD J. CUGNO, xxx-xx-xxxx
DWIGHT D. CURTIS, xxx-xx-xxxx
WINSTON G.* CURTIS, xxx-xx-xxxx
SAMUEL W. CUTSHALL, JR, xxx-xx-xxxx
DOROTHEA M. CYPHER, xxx-xx-xxxx
STEVEN M.* CZEPIGA, xxx-xx-xxxx
JOHN F. DAGOSTINO, xxx-xx-xxxx
DENISE F. DAILEY, xxx-xx-xxxx
WILLIAM B.* DALLAS, xxx-xx-xx...
BRET G. DALTON, xxx-xx-xxxx
JAMES B. DALTON, JR, xxx-xx-xxxx
CLARENCE P.* DAMERON, xxx-xx-xxxx
EDWIN C. DAMEWOOD, II, xxx-xx-xxxx
GARY M. DANCZYK, xxx-xx-xxxx
LARRY DANIEL, xxx-xx-xxxx
PAUL A.* DARCY, xxx-xx-xxxx
LLOYD R. DARLINGTON, I, xxx-xx-xxxx
JERRY M. DARNELL, JR, xxx-xx-xxxx
DAVID L.* DARROCH, xxx-xx-xxxx
DAN J.* DAUENHAUER, xxx-xx-xxxx
KENNETH M. DAVID, xxx-xx-xxxx
BRUCE A.* DAVIE, xxx-xx-xxxx
WILLIAM W. DAVIES, xxx-xx-xx...
ANTHONY W.* DAVIS, xxx-xx-xxxx
DIANA L. DAVIS, xxx-xx-xxxx
GARY J. DAVIS, xxx-xx-xxxx
GREGORY C. DAVIS, xxx-xx-xxxx
HENRY J.* DAVIS, xxx-xx-xxxx
KEVIN A. DAVIS, xxx-xx-xxxx
MARK J. DAVIS, xxx-xx-xxxx
MICHAEL L. DAVIS, xxx-xx-xx...
RICHARD A. DAVIS, xxx-xx-xxxx
RONALD J. DAVIS, xxx-xx-xxxx
STEVEN L.* DAVIS, xxx-xx-xxxx
JAMES S. DAY, xxx-xx-xxxx
KAREN K. DAY, xxx-xx-xxxx
TODD N. DAY, xxx-xx-xxxx
JESSE D.* DEAN, xxx-xx-xxxx
JOHN C. DEAN, xxx-xx-xxxx
GREGORY B.* DEANGELIS, xxx-xx-xxxx
JOSEPH M. DEATON, xxx-xx-xxxx
PETER T.* DEFEO, xxx-xx-xxxx
MICHAEL S. DEFFERDING, xxx-xx-xxxx
CHRISTIAN E. DEGRAFF, xxx-xx-xxxx
WILLIAM M.* DEKANICH, xxx-xx-xxxx
RAMON R.* DELEON, xxx-xx-xxxx
MICHAEL F. DEMAYO, III, xxx-xx-xxxx
CHRISTOPHER A. DEMERY, xxx-xx-xxxx
JAMES F.* DEMING, xxx-xx-xxxx
PETER S. DEROBERTIS, xxx-xx-xxxx
RICHARD L. DETRANI, JR, xxx-xx-xxxx
JOSEPH G. DEVITO, xxx-xx-xxxx
ROBERT L.* DEWHURST, xxx-xx-xxxx
GREGORY M. DEWITT, xxx-xx-xxxx
MICHAEL W.* DEYOUNG, xxx-xx-xxxx
ANTONIO M.* DIAZ, xxx-xx-xxxx
KEVIN L. DIBB, xxx-xx-xxxx
DAVID M. DIDONATO, xxx-xx-xxxx
GREGORY D. DIEHL, xxx-xx-xxxx
FRANCIS H.* DIEMER, xxx-xx-xxxx
MANUEL A. DIEMER, xxx-xx-xxxx
KEVIN M.* DIETRICK, xxx-xx-xxxx
MARK R. DILANDRO, xxx-xx-xxxx
ALPHONSO E.* DILLARD, xxx-xx-xxxx
DELORISE *. DILLARD, xxx-xx-xxxx
FRANK T. DILLARD, xxx-xx-xxxx
EDWARD J.* DILLENSCHNEIDER, xxx-xx-xxxx
JOSEPH D. DILORETI, xxx-xx-xxxx
GEORGE V. DIMITROV, xxx-xx-xxxx
HECTOR *. DIODONET, xxx-xx-xxxx
BRIAN A. DIONNE, xxx-xx-xxxx
PHILIP J. DISALVO, xxx-xx-xxxx
ELIZABETH L.* DISILVIO, xxx-xx-xxxx
FREDERICK H. DISSINGER, xxx-xx-xxxx
DOUGLAS C. DOAN, xxx-xx-xxxx
DAVID D. DODD, xxx-xx-xxxx
GERALD A. DOLINISH, xxx-xx-xxxx
WILLIAM F.* DONAHER, xxx-xx-xxxx
STANLEY L.* DONALD, xxx-xx-xxxx
DAVID A. DONATHAN, xxx-xx-xxxx
JOHN M.* DOOLEY, xxx-xx-xxxx
GOODE G.* DORMAN, III, xxx-xx-xxxx
EDWIN L. DOTTERY, II, xxx-xx-xxxx
KATHY L. DOUGLAS, xxx-xx-xxxx
EDMUND A. DOWLING, xxx-xx-xxxx
ROBERT A. DOYLE, xxx-xx-xxxx
RANDAL A.* DRAGON, xxx-xx-xxxx
WAYNE *. DRAKE, xxx-xx-xxxx
SCOTT R. DRATCH, xxx-xx-xxxx
RICHARD L.* DREISER, JR, xxx-xx-xxxx
ROBERT H. DRUMM, JR, xxx-xx-xxxx
WILLIAM T. DRUMMOND, JR, xxx-xx-xxxx
MARK E. DRZEMIECKI, xxx-xx-xxxx
REX E. DUDLEY, xxx-xx-xxxx
RICHARD F. DUEMLER, xxx-xx-xxxx
MATTHEW J. DUFFY, xxx-xx-xxxx
MICHAEL E. DUFFY, xxx-xx-xxxx
ROBERT J. DUFFY, xxx-xx-xxxx
WILLIAM R. DUFFY, II, xxx-xx-xxxx
MARK S.* DUKE, xxx-xx-xxxx
PETER S. DUKLIS, JR, xxx-xx-xxxx
RAYMOND J.* DUNCAN, JR, xxx-xx-xxxx
LARI M.* DUNLAP, SR, xxx-xx-xxxx
CLIFTON L.* DUNN, JR, xxx-xx-xxxx
DAVID T.* DUNN, xxx-xx-xxxx
LAWRENCE L.* DUPAS, xxx-xx-xxxx
ANTHONY G. DURANT, xxx-xx-xxxx
EDSEL N. DURDEN, JR, xxx-xx-xxxx
PETER P. DURR, xxx-xx-xxxx
KENT O. DUTTON, xxx-xx-xxxx
MARK W.* DUTTON, xxx-xx-xxxx
DUANE A. DYER, xxx-xx-xxxx
DREW N. EARLY, xxx-xx-xxxx
DAVID L.* EASTERLING, xxx-xx-xxxx
GEORGE B. EATON, xxx-xx-xxxx
RODNEY D.* EATON, xxx-xx-xxxx
TIMOTHY E. EAYRE, xxx-xx-xxxx
WILLIAM E. EBEL, JR, xxx-xx-xx...
DAVID H. EBY, xxx-xx-xxxx
DARRY O.* ECHOLS, xxx-xx-xxxx
ARVEL J. EDENS, JR, xxx-xx-xxxx
TIMOTHY P. EDINGER, xxx-xx-xxxx
BRUCE G.* EDWARDS, xxx-xx-xxxx
HERMAN A. EDWARDS, xxx-xx-xxxx
LARRY *. EDWARDS, xxx-xx-xxxx
SCOTT A. EHRMANTRAUT, xxx-xx-xxxx
GEORGE W. EISEL, IV, xxx-xx-xxxx
CHARLES R. ELDRIDGE, xxx-xx-xxxx
WILLIAM *. ELEDUI, xxx-xx-xxxx
PETER R. ELIASON, xxx-xx-xxxx
GARY D.* ELLER, xxx-xx-xxxx
MICHAEL D. ELLIOTT, xxx-xx-xx...
BILLY R. ELLIS, xxx-xx-xxxx
RICHARD T. ELLIS, xxx-xx-xxxx
RALPH K.* ELLISON, xxx-xx-xxxx
PATRICK L.* ELMORE, xxx-xx-xxxx
JOHN A.* ELSWICK, xxx-xx-xxxx
WALLACE E. EMBREY, JR, xxx-xx-xxxx
HAROLD G. ENGEBRETSEN, xxx-xx-xxxx
STEVEN R. ENGEBRETSON, xxx-xx-xxxx
MARK A. ENGLAND, xxx-xx-xxxx
MARVIN A. ENGLERT, xxx-xx-xxxx
RONALD W.* ENGLISH, xxx-xx-xxxx
ROBERT L.* EPPS, xxx-xx-xxxx
GERALD L. ERICKSON, xxx-xx-xxxx
STEVEN N. ESCHENBACHER, xxx-xx-xxxx
MARK J. ESHELMAN, xxx-xx-xxxx
ALEJANDRO A.* ESPINOSA, xxx-xx-xxxx
CHARLES D.* ESTES, xxx-xx-xxxx
LINDA E.* ETTLING, xxx-xx-xxxx
SAMUEL L. EURE, JR, xxx-xx-xxxx
ANTHONY *. EVANS, xxx-xx-xxxx
CALVIN E. EVANS, xxx-xx-xxxx
GARY C. EVANS, xxx-xx-xxxx
PHILIP M. EVANS, xxx-xx-xxxx
STANLEY H.* EVANS, JR, xxx-xx-xxxx
RENEE *. EVERETT, xxx-xx-xxxx
LEWIS J. FADALE, JR, xxx-xx-xxxx
JAMES M.* FAGAN, xxx-xx-xxxx
WILLIAM J. FAGAN, xxx-xx-xxxx
DAVID A. FAHY, xxx-xx-xxxx
ROBERT C. FAILLE, JR, xxx-xx-xxxx
JOHN R. FAIN, JR, xxx-xx-xxxx
ARTHUR R.* FAISON, JR, xxx-xx-xxxx
MIGUEL A.* FALCON, xxx-xx-xxxx
MARK D. FARMER, xxx-xx-xxxx
MICHAEL B. FARMER, xxx-xx-xxxx
ROBERT A.* FARMER, xxx-xx-xxxx
STEVAN E.* FARRIS, xxx-xx-xxxx
JOHN R.* FEESER, III, xxx-xx-xxxx
RICKI A.* FELL, xxx-xx-xxxx
DAVID W.* FERGUSON, xxx-xx-xxxx
DONALD M. FERRELL, xxx-xx-xxxx
ALLEN J. FEULING, xxx-xx-xxxx
HANSPETER *. FICHTL, xxx-xx-xxxx
ROBERT G. FIEN, xxx-xx-xxxx
VINCENT C.* FIGLIOMENI, xxx-xx-xxxx
FRANCIS A. FINELLI, xxx-xx-xxxx
WILLIAM H.* FISHE, xxx-xx-xxxx
WILLIAM D.* FISHER, xxx-xx-xxxx
DANIEL T. FLAHERTY, xxx-xx-xxxx
MICHAEL S. FLANAGAN, xxx-xx-xxxx
DAVID B. FLANIGAN, xxx-xx-xxxx
JOSEPH D.* FLEMINGS, xxx-xx-xxxx
WILLIAM C. FLESER, xxx-xx-xxxx
RAYMOND A. FLESHMAN, II, xxx-xx-xxxx
CORNELIUS W.* FLETCHER, xxx-xx-xxxx
EDWARD A.* FLETCHER, xxx-xx-xxxx
STEPHEN FLORICH, xxx-xx-xxxx
RICKY G. FLOWERS, xxx-xx-xxxx
MARCUS E. FLOYD, xxx-xx-xxxx
STEPHEN C.* FLUEGEMAN, xxx-xx-xxxx
JEAN E. FLUEVOG, xxx-xx-xxxx
EDWARD J.* FOLEY, xxx-xx-xxxx
SCOTT A.* FOLSOM, xxx-xx-xxxx
SHARON K. FONTANELLA, xxx-xx-xxxx
ANDREW B. FONTANESS, xxx-xx-xxxx
CHARLES K. FORD, xxx-xx-xxxx
KAREN L.* FOREHAND, xxx-xx-xxxx
ERNEST T. FORREST, xxx-xx-xxxx
PATRICK G. FORRESTER, xxx-xx-xxxx
DWIGHT W. FORTUNE, xxx-xx-xxxx
JAMES A. FOSTER, xxx-xx-xxxx
JAMES C.* FOSTER, xxx-xx-xxxx
JOHN N.* FOSTER, xxx-xx-xxxx
STEPHEN L. FOSTER, xxx-xx-xxxx
ROBERT E.* FOUNTAIN, JR, xxx-xx-xxxx
DAVID W.* FOUNTAINE, xxx-xx-xxxx
JAMES H.* FOWLER, xxx-xx-xxxx
JAMES M.* FOWLER, xxx-xx-xxxx
JAMES W.* FOWLER, xxx-xx-xxxx
LANGFORD W.* FOWLER, xxx-xx-xxxx
ESSEX V. FOWLKS, xxx-xx-xxxx
MICHAEL E. FOX, xxx-xx-xxxx
STEVEN G. FOX, xxx-xx-xxxx
WAYNE A.* FRANCIS, xxx-xx-xxxx
JOHN M.* FRANCKS, xxx-xx-xxxx
BRIAN K. FRANK, xxx-xx-xxxx
GARY L.* FRANK, xxx-xx-xxxx
MICHAEL W.* FRANK, xxx-xx-xxxx
RONALD E. FRANKE, xxx-xx-xxxx
FRANK L. FRANKLIN, xxx-xx-xxxx
CYNTHIA J. FREDO, xxx-xx-xxxx
RAYMOND E. FREELAND, JR, xxx-xx-xxxx
GEOFFREY A. FREEMAN, xxx-xx-xxxx
THOMAS M.* FRENDAK, xxx-xx-xxxx
JOHN M.* FRIEDSON, xxx-xx-xxxx
HERBERT P. FRITTS, xxx-xx-xxxx
WILLIAM N.* FRITZ, JR, xxx-xx-xxxx
STEVEN C.* FRONIABARGER, xxx-xx-xxxx
JACK R.* FROST, xxx-xx-xxxx
DAVID C.* FRYE, xxx-xx-xxxx
GEORGE J.* FUKUMOTO, xxx-xx-xxxx
MATTHEW D. FULLER, xxx-xx-xxxx
DOROTHY A. FULMER, xxx-xx-xxxx
JACQUES L. FUQUA, JR, xxx-xx-xxxx
RICHARD R.* FURNEY, xxx-xx-xxxx
RAYMOND H. GAIER, III, xxx-xx-xxxx
EDWIN J.* GAITHER, xxx-xx-xxxx
MATTHEW J. GALE, xxx-xx-xxxx
FRANCIS A. GALGANO, JR, xxx-xx-xxxx
SANDRA *. GALLARDO, xxx-xx-xxxx
EMERY A.* GALLUP, JR, xxx-xx-xxxx
GEORGE K. GAMBLE, xxx-xx-xxxx
RAYMOND C. GAMBLE, xxx-xx-xxxx
RUSSELL I.* GAMBRELL, xxx-xx-xxxx
ARTHUR G.* GANN, xxx-xx-xxxx
TIMOTHY P. GANNON, xxx-xx-xxxx
DANIEL F.* GANT, xxx-xx-xxxx
JOHN K.* GANTT, xxx-xx-xxxx
ALFONSO E. GARCIA, JR, xxx-xx-xxxx
MELFRED S. GARCIA, xxx-xx-xxxx
MICHAEL A. GARCIA, xxx-xx-xxxx
WAYNE L. GARCIA, xxx-xx-xxxx
JOHN P. GARDNER, xxx-xx-xxxx
JOSEPH A. GARDNER, xxx-xx-xxxx
WILLIAM B.* GARDNER, JR, xxx-xx-xxxx
THOMAS G. GARGIULO, xxx-xx-xxxx
JAMES K.* GARRETT, xxx-xx-xxxx
PAUL L.* GARRETT, xxx-xx-xxxx
CHARLES A.* GARRISON, xxx-xx-xxxx
ROBERT C. GARVEN, xxx-xx-xxxx
ANTHONY J. GASBARRE, JR, xxx-xx-xxxx
DOUGLAS M. GASKELL, xxx-xx-xxxx
DAVID M.* GATEWOOD, xxx-xx-xxxx
KIRBY W. GAUDIN, xxx-xx-xxxx
KENNETH L. GAULDIN, JR, xxx-xx-xxxx
CLOVIS G. GAULT, JR, xxx-xx-xxxx
ROBERT J.* GAUT, xxx-xx-xxxx

STEPHEN C.* GAVIN, xxx-xx-xxxx
TIMOTHY P.* GAVIN, xxx-xx-xxxx
WILLIAM M. GAVORA, xxx-xx-xxxx
FRANCIS H. GAY, JR., xxx-xx-xxxx
RICHARD L.* GAY, xxx-xx-xxxx
ROBERT GAY, xxx-xx-xxxx
MICHAEL J. GEARTY, xxx-xx-xxxx
RICHARD J. GEIGER, xxx-xx-xxxx
AARON C.* GEISLER, xxx-xx-xxxx
MARK D. GELHARDT, SR., xxx-xx-xxxx
CARL D. GENTELINE, xxx-xx-xxxx
THOMAS M.* GEORGE, xxx-xx-xxxx
PHYLLIS GERBEN, xxx-xx-xxxx
DANIEL M. GERSTEIN, xxx-xx-xxxx
FREDERICK M. GERVAIS, xxx-xx-xxxx
GERALD G. GIBBONS, JR., xxx-xx-xxxx
LORA L.* GIBLIN, xxx-xx-xxxx
PETER R. GIBSON, xxx-xx-xxxx
TIMOTHY J. GIBSON, xxx-xx-xxxx
CECIL D. GIDDENS, JR., xxx-xx-xxxx
RONALD W.* GIDDENS, xxx-xx-xxxx
JAMES E.* GIERLAK, xxx-xx-xxxx
EDWARD C. GIFFORD, III, xxx-xx-xxxx
BILLY M. GILBERT, xxx-xx-xxxx
REX L.* GILBERT, xxx-xx-xxxx
PHILLIP K. GILES, xxx-xx-xxxx
RICHARD P.* GILES, xxx-xx-xxxx
LARRY J.* GILLESPIE, xxx-xx-xxxx
LLOYD J.* GILMORE, xxx-xx-xxxx
MARK E.* GINEVAN, xxx-xx-xxxx
WELDON C.* GIVENS, xxx-xx-xxxx
TIM R. GLAESER, xxx-xx-xxxx
PAUL D.* GLEN, xxx-xx-xxxx
LUTHER *. GLENN, JR., xxx-xx-xxxx
THOMAS J. GLENNON, xxx-xx-xxxx
DOUGLAS GLOVER, xxx-xx-xxxx
DANIEL S.* GLUSICA, JR., xxx-xx-xxxx
MARK V.* GLYNN, xxx-xx-xxxx
JAMES R. GODDARD, xxx-xx-xxxx
CHARLES M.* GODSEY, xxx-xx-xxxx
ALLAN J. GOLD, xxx-xx-xxxx
RUSSELL D. GOLD, xxx-xx-xxxx
LANCE G. GOLDER, xxx-xx-xxxx
STEVEN P. GOLIGOWSKI, xxx-xx-xxxx
MARY A.* GOLLIDAY, xxx-xx-xxxx
ALBERT J. GOMEZ, JR., xxx-xx-xxxx
EDUARDO GOMEZ, xxx-xx-xxxx
STEVEN M. GONZALES, xxx-xx-xxxx
ANTONIO S. GONZALEZ, xxx-xx-xxxx
GREGORY T.* GOODALL, xxx-xx-xxxx
CARL M.* GOODE, JR., xxx-xx-xxxx
BARBARA A.* GOODNO, xxx-xx-xxxx
CLEMENT I.* GOODWINE, JR., xxx-xx-xxxx
ROBERT L. GORDON, III, xxx-xx-xxxx
GEORGE L. GOSDEN, xxx-xx-xxxx
JEFFREY B. GOWEN, xxx-xx-xxxx
ROBERT G.* GRACE, xxx-xx-xxxx
HARVEY F.* GRAF, xxx-xx-xxxx
CLIFFORD P. GRAHAM, xxx-xx-xxxx
ONEY M. GRAHAM, xxx-xx-xxxx
PATRICIA A. GRAHAM, xxx-xx-xxxx
THOMAS E. GRAHAM, II, xxx-xx-xxxx
WILLIAM J. GRAHAM, JR., xxx-xx-xxxx
JAY F.* GRANDIN, xxx-xx-xxxx
JAMES E.* GRANGER, xxx-xx-xxxx
JOSE J.* GRANILLO, xxx-xx-xxxx
GERRI K. GRAUGNARD, xxx-xx-xxxx
DAVID L. GRAVES, xxx-xx-xxxx
KENNETH P. GRAVES, xxx-xx-xxxx
JIMMY L. GRAY, xxx-xx-xxxx
MARGARET S.* GRAY, xxx-xx-xxxx
XAVIER D. GRAY, xxx-xx-xxxx
MARVIN D. GREELY, xxx-xx-xxxx
WILLIAM L. GREENBERG, xxx-xx-xxxx
DANNY E. GREENE, xxx-xx-xxxx
RONNIE D.* GREER, xxx-xx-xxxx
RONALD A. GRELL, JR., xxx-xx-xxxx
DANIEL G. GREY, xxx-xx-xxxx
GREER GRIFFIN, xxx-xx-xxxx
ROBERT C.* GRIFFIN, xxx-xx-xxxx
THOMAS M.* GRIFFIN, xxx-xx-xxxx
WESLEY B. GRIFFIN, xxx-xx-xxxx
SHAWN L.* GRIFFITH, xxx-xx-xxxx
ROBERT H.* GRIMES, III, xxx-xx-xxxx
EDWARD T. GROGAN, JR., xxx-xx-xxxx
ROBERT L. GROLLER, xxx-xx-xxxx
DAVID A.* GROSSMAN, xxx-xx-xxxx
MARK L. GROTKE, xxx-xx-xxxx
ELLIOTT G. GRUNER, xxx-xx-xxxx
ARTHUR A.* GRUNWALD, xxx-xx-xxxx
JOSE A. GUADALUPE, xxx-xx-xxxx
CELSO G.* GUERRA, xxx-xx-xxxx
PEDRO L.* GUERRERO, xxx-xx-xxxx
CHARLES J. GUERRY, xxx-xx-xxxx
ROBERT T.* GUGLIELMI, xxx-xx-xxxx
EDGAR S.* GUISBERT, xxx-xx-xxxx
CHARLIE C.* GULAC, xxx-xx-xxxx
MICHAEL A.* GULICK, xxx-xx-xxxx
PAUL H.* GULLETT, JR., xxx-xx-xxxx
JOAN A.* GUNNING, xxx-xx-xxxx
ROBERT D.* GUNNING, xxx-xx-xxxx
SHERRY M. GUSSE, xxx-xx-xxxx
SAMUEL C.* GUTIERREZ, JR., xxx-xx-xxxx
ADDELIAR D.* GUY, IV., xxx-xx-xxxx
ROSEMARY V.* HAAS, xxx-xx-xxxx
THOMAS M. HAGEN, xxx-xx-xxxx
ROBERT F. HAHN, II, xxx-xx-xxxx
DAVID D. HALE, JR., xxx-xx-xxxx
CHRISTINE T.* HALLISEY, xxx-xx-xxxx
HARRY S.* HAMILTON, xxx-xx-xxxx
JOHN A. HAMILTON, JR., xxx-xx-xxxx
JOHN C. HAMILTON, xxx-xx-xxxx
JOHN P. HAMILTON, xxx-xx-xxxx
KENNETH D.* HAMILTON, xxx-xx-xxxx
RICHARD F.* HAMILTON, xxx-xx-xxxx
SAMUEL L.* HAMILTON, xxx-xx-xxxx
STUART B. HAMILTON, xxx-xx-xxxx
GREGORY L.* HAMLETT, xxx-xx-xxxx
BRENT V. HAMM, xxx-xx-xxxx
ROBERT J. HAMMELL, II, xxx-xx-xxxx
THOMAS W.* HAMMERLE, xxx-xx-xxxx
TONY HAMMOND, xxx-xx-xxxx
ROBERT A. HANAYIK, xxx-xx-xxxx
MARGARET E. HANDFIELD, xxx-xx-xxxx
JAMES E.* HANDLEY, xxx-xx-xxxx
RICKY E.* HANEY, xxx-xx-xxxx
DOUGLAS J. HANIFY, xxx-xx-xxxx
JAMES F. HANKINS, xxx-xx-xxxx
JOHN C. HANLEY, xxx-xx-xxxx
WILLIAM E. HANLIN, xxx-xx-xxxx
RICHARD J. HANNON, xxx-xx-xxxx
EDWIN J.* HANSEN, xxx-xx-xxxx
ROGER A. HANSEN, xxx-xx-xxxx
THOMAS R.* HANSINGER, xxx-xx-xxxx
WILLIAM V. HANSON, xxx-xx-xxxx
JOHN W. HARBISON, xxx-xx-xxxx
JOAN L.* HARCHELROAD, xxx-xx-xxxx
SUSAN B.* HARDMAN, xxx-xx-xxxx
HAROLD S. HARDRICK, xxx-xx-xxxx
KIRT T. HARDY, xxx-xx-xxxx
THOMAS A.* HARDY, xxx-xx-xxxx
HOMER W.* HARKINS, xxx-xx-xxxx
FRANK L.* HARMAN, III, xxx-xx-xxxx
BLAKE L.* HARMON, xxx-xx-xxxx
NATHAN C.* HARNAGEL, xxx-xx-xxxx
THELMA P.* HARPER, xxx-xx-xxxx
WILLIAM P. HARPER, III, xxx-xx-xxxx
WILLIAM D. HARRELL, xxx-xx-xxxx
DANIEL M.* HARRINGTON, xxx-xx-xxxx
GARY E.* HARRIS, xxx-xx-xxxx
PATRICK R. HARRIS, xxx-xx-xxxx
ELMO C. HARRISON, JR., xxx-xx-xxxx
JOHN A. HARRISON, xxx-xx-xxxx
MICHAEL T. HARRISON, xxx-xx-xxxx
JOHN P.* HARROD, III, xxx-xx-xxxx
THOMAS V.* HART, xxx-xx-xxxx
GARY R.* HARTER, xxx-xx-xxxx
ROBERT L. HARTER, xxx-xx-xxxx
MICHAEL J.* HARTMAN, xxx-xx-xxxx
AARON C.* HARVEY, III, xxx-xx-xxxx
TERRENCE C. HARVEY, xxx-xx-xxxx
MICHAEL E.* HASSEL, xxx-xx-xxxx
J. R.* HASTEY, JR., xxx-xx-xxxx
RICHARD G. HATCH, xxx-xx-xxxx
MARK I.* HAUGHS, xxx-xx-xxxx
PAUL A. HAVELES, xxx-xx-xxxx
KENNETH A. HAWES, xxx-xx-xxxx
DOUGLAS J.* HAYES, xxx-xx-xxxx
EDWARD J. HAYES, xxx-xx-xxxx
EDWIN A. HAYES, JR., xxx-xx-xxxx
RAYMOND B.* HAYES, xxx-xx-xxxx
FOREST D. HAYNES, III, xxx-xx-xxxx
FLOYD R.* HAYSE, xxx-xx-xxxx
CHARLES L.* HEARD, xxx-xx-xxxx
JEFFREY J. HECKEL, xxx-xx-xxxx
CURTIS R.* HEDGEMAN, xxx-xx-xxxx
KURT M. HEINE, xxx-xx-xxxx
RONALD P.* HEITER, xxx-xx-xxxx
MICHAEL R. HELMICK, xxx-xx-xxxx
CHARLES E. HENDERSON, xxx-xx-xxxx
JOYCE *. HENDERSON, xxx-xx-xxxx
ROBERT W.* HENDRICKS, xxx-xx-xxxx
MARK R. HENDRICKSON, xxx-xx-xxxx
RAY D.* HENDRICKSON, III, xxx-xx-xxxx
DARYLE E.* HENDRY, xxx-xx-xxxx
BEVERLY J. HENION, xxx-xx-xxxx
SCOTT M.* HENNE, xxx-xx-xxxx
JOHN R. HENNIGAN, JR., xxx-xx-xxxx
DEWITTFIELD A.* HENRY, xxx-xx-xxxx
JOHN C. HENSON, II, xxx-xx-xxxx
HELMUT K.* HENTSCHEL, xxx-xx-xxxx
TIMOTHY R. HENTSCHEL, xxx-xx-xxxx
TRACY M. HERBERT, xxx-xx-xxxx
GREGORY M. HERITAGE, xxx-xx-xxxx
JOSE M.* HERNANDEZ, xxx-xx-xxxx
RALPH HERNANDEZ, xxx-xx-xxxx
LOREN D. HERR, xxx-xx-xxxx
HECTOR *. HERRERA, xxx-xx-xxxx
JAMES M.* HERRICK, xxx-xx-xxxx
GEORGE F.* HERRING, JR., xxx-xx-xxxx
PATRICK M.* HERRING, III, xxx-xx-xxxx
KARL H. HERRINGTON, xxx-xx-xxxx
GLENN E.* HERSEY, xxx-xx-xxxx
RONALD A.* HESS, xxx-xx-xxxx
JAMES R. HESTER, xxx-xx-xxxx
JOHN B.* HESTER, xxx-xx-xxxx
WILLIAM N.* HETZER, xxx-xx-xxxx
JAMES E. HEWITT, xxx-xx-xxxx
HOWARD S. HICKMAN, xxx-xx-xxxx
KELLY J. HICKS, xxx-xx-xxxx
NANCI E. HIGGINBOTHAM, xxx-xx-xxxx
BRADFORD C.* HILDRETH, xxx-xx-xxxx
MONTE R.* HILL, xxx-xx-xxxx
RANDOLPH A. HILL, xxx-xx-xxxx
ROBERTA A.* HILL, xxx-xx-xxxx
DENNIS A. HINES, xxx-xx-xxxx
DANIEL B. HINK, xxx-xx-xxxx
MICHAEL J.* HINKLE, xxx-xx-xxxx
THOMAS J.* HINRICHSEN, xxx-xx-xxxx
THOMAS C.* HOBBS, xxx-xx-xxxx
RICHARD W. HOBERNICHT, xxx-xx-xxxx
JAMES A. HODGE, xxx-xx-xxxx
FREDERICK B. HODGES, xxx-xx-xxxx
MICHAEL J. HOFF, xxx-xx-xxxx
RICHARD H. HOFF, xxx-xx-xxxx
LAWRENCE W. HOFFMAN, II, xxx-xx-xxxx
CHRISTOPHER D.* HOLLADAY, xxx-xx-xxxx
ANDREA L. HOLLEN, xxx-xx-xxxx
NANCY L. HOLLINGSWORTH, xxx-xx-xxxx
SAMUEL A. HOLLOWAY, xxx-xx-xxxx
ROBERT S. HOLMES, xxx-xx-xxxx
OLEH J.* HOLOWATYJ, xxx-xx-xxxx
GARY L. HOLT, xxx-xx-xxxx
STEVEN S. HOLT, xxx-xx-xxxx
SARA A.* HOOD, xxx-xx-xxxx
JERRY W.* HOOVER, xxx-xx-xxxx
WILLIAM G. HOOVER, JR., xxx-xx-xxxx
EDWARD D.* HORAN, xxx-xx-xxxx
JACK *. HORN, JR., xxx-xx-xxxx
JAMES L.* HORN, xxx-xx-xxxx
MICHAEL R. HORN, xxx-xx-xxxx
JEFFREY C. HORNE, xxx-xx-xxxx
OLIVER T.* HORNE, xxx-xx-xxxx
JIMMIE R.* HORTON, xxx-xx-xxxx
JAN S.* HORVATH, xxx-xx-xxxx
RANDY W. HOSSELRODE, xxx-xx-xxxx
BOYD D. HOUCK, xxx-xx-xxxx
ROBERT D. HOUGH, xxx-xx-xxxx
JAMES M. HOUSE, xxx-xx-xxxx
THOMAS D. HOUSTON, III, xxx-xx-xxxx
DARYL *. HOWARD, xxx-xx-xxxx
MICHAEL *. HOWARD, xxx-xx-xxxx
WAYNE R. HUDRY, xxx-xx-xxxx
FLOYD E.* HUDSON, JR., xxx-xx-xxxx
DONALD C. HUFF, xxx-xx-xxxx
BERNARD C. HUGHES, JR., xxx-xx-xxxx
DUANE E.* HUGHES, xxx-xx-xxxx
ERIC M. HUGHES, xxx-xx-xxxx
EVERARD A.* HUGHES, xxx-xx-xxxx
JAMES P.* HUGHES, xxx-xx-xxxx
ROBERT L.* HUGHES, xxx-xx-xxxx
FRANK R. HULL, xxx-xx-xxxx
JERALD W.* HUNSBERGER, xxx-xx-xxxx
BRIAN T.* HURLEY, xxx-xx-xxxx
SUZANNE E.* HUTCHINSON, xxx-xx-xxxx
RICHARD J. HYDE, xxx-xx-xxxx
DEWITT *. HYNES, JR., xxx-xx-xxxx
GERALD A.* ILER, xxx-xx-xxxx
ROBERT D.* IMPELLIZZERI, xxx-xx-xxxx
BERND L. INGRAM, xxx-xx-xxxx
MARY K. IPPOLITO, xxx-xx-xxxx
FRANK E. IRONS, xxx-xx-xxxx
BRUCE S.* IRVINE, xxx-xx-xxxx
LAUREN M.* ISHMAEL, xxx-xx-xxxx
JAMES G.* IVES, xxx-xx-xxxx
KIM K.* JABLONSKI, xxx-xx-xxxx
BILLY I.* JACKSON, xxx-xx-xxxx
BONNIE L.* JACKSON, xxx-xx-xxxx
CHARLIE R.* JACKSON, xxx-xx-xxxx
HOWARD C. JACKSON, II, xxx-xx-xxxx
JAMES L.* JACKSON, xxx-xx-xxxx
KOREY V. JACKSON, xxx-xx-xxxx
LEON *. JACKSON, JR., xxx-xx-xxxx
MICHELE M.* JACKSON, xxx-xx-xxxx
ROBERT L.* JACKSON, xxx-xx-xxxx
STANLEY M. JACKSON, xxx-xx-xxxx
KEVIN P. JACOB, xxx-xx-xxxx
CARL M.* JACOBS, xxx-xx-xxxx
DANIEL J. JACOBSON, xxx-xx-xxxx
MARTIN A. JACOBY, xxx-xx-xxxx
MARCELLUS H. JAGOE, IV., xxx-xx-xxxx
DANIEL T. JAIME, xxx-xx-xxxx
ALISON M.* JAMES, xxx-xx-xxxx
NORMAN E. JAMES, xxx-xx-xxxx
STANLEY *. JAMES, xxx-xx-xxxx
LARRY W.* JAMESON, xxx-xx-xxxx
PHILLIP M. JANICKI, xxx-xx-xxxx
STEVEN J. JANIS, xxx-xx-xxxx
PETER S. JANKER, xxx-xx-xxxx
DONALD J. JANNING, xxx-xx-xxxx
STEPHEN P.* JANOSIK, xxx-xx-xxxx
DOUGLAS P. JARMUSZ, xxx-xx-xxxx
DAVID W.* JENKINS, xxx-xx-xxxx
LINWOOD E.* JENKINS, xxx-xx-xxxx
PLEZ A.* JENKINS, xxx-xx-xxxx
RICHARD B. JENKINS, xxx-xx-xxxx
ROY T. JENKINS, xxx-xx-xxxx
DELWYN R.* JENSEN, xxx-xx-xxxx
MICHAEL W.* JENSEN, xxx-xx-xxxx
MEREDITH D.* JENSON, xxx-xx-xxxx
WENDELL D.* JEPSON, xxx-xx-xxxx
WANDA R.* JEWELL, xxx-xx-xxxx
GEORGE J.* JICHA, JR., xxx-xx-xxxx
JULIO C.* JIMENEZ, xxx-xx-xxxx
KELLY R.* JIMENEZ, xxx-xx-xxxx
MARTIN A. JIMENEZ, xxx-xx-xxxx
THOMAS M. JOHANNECK, xxx-xx-xxxx
JEFFREY F. JOHNS, xxx-xx-xxxx
JOHN R. JOHNSEN, xxx-xx-xxxx
ALBERT *. JOHNSON, JR., xxx-xx-xxxx
ALVIE JOHNSON, xxx-xx-xxxx
BRENDA F.* JOHNSON, xxx-xx-xxxx
DAN A. JOHNSON, xxx-xx-xxxx
DANIEL L.* JOHNSON, xxx-xx-xxxx
DAVID H. JOHNSON, JR., xxx-xx-xxxx
DOROTHY T.* JOHNSON, xxx-xx-xxxx
ERIC J.* JOHNSON, xxx-xx-xxxx
GREGORY L. JOHNSON, xxx-xx-xxxx
HAROLD D.* JOHNSON, xxx-xx-xxxx
JAMES S. JOHNSON, xxx-xx-xxxx
JEROME JOHNSON, xxx-xx-xxxx
LARRY E.* JOHNSON, xxx-xx-xxxx
MARK H. JOHNSON, xxx-xx-xxxx
MICHAEL V.* JOHNSON, xxx-xx-xxxx
REGINALD M. JOHNSON, xxx-xx-xxxx
ROBERT P.* JOHNSON, xxx-xx-xxxx

RODNEY E. JOHNSON, xxx-xx-xxxx
ROY A. JOHNSON, xxx-xx-xxxx
SIDNEY M.* JOHNSON, xxx-xx-xxxx
THOMAS C. JOHNSON, xxx-xx-xxxx
CHARLES A. JONES, JR, xxx-xx-xxxx
DAVID L.* JONES, xxx-xx-xxxx
DONALD E. JONES, xxx-xx-xxxx
EDWARD B.* JONES, xxx-xx-xxxx
FELICIA P.* JONES, xxx-xx-xxxx
FREDERICK K.* JONES, JR, xxx-xx-xxxx
FREEMAN E. JONES, xxx-xx-xxxx
GLEN A. JONES, xxx-xx-xxxx
JON M. JONES, xxx-xx-xxxx
LAURENCE M. JONES, xxx-xx-xxxx
LEROY C.* JONES, JR, xxx-xx-xxxx
MICHAEL J. JONES, xxx-xx-xxxx
PAUL F. JONES, xxx-xx-xxxx
RICHARD P. JONES, xxx-xx-xxxx
RICKEY A. JONES, xxx-xx-xxxx
ROBERT G.* JONES, xxx-xx-xxxx
SYLVIA B.* JONES, xxx-xx-xxxx
WARREN C. JONES, xxx-xx-xxxx
WILLIAM G.* JONES, xxx-xx-xxxx
HAROLD H.* JORDAN, JR, xxx-xx-xxxx
JIMMY L.* JORDAN, xxx-xx-xxxx
REGINALD B.* JORDAN, xxx-xx-xxxx
WILLIE C. JORDAN, xxx-xx-xxxx
LEE C. JORDE, xxx-xx-xxxx
MARK D. JOZWIAK, xxx-xx-xxxx
LAURENCE *. JUAREZ, xxx-xx-xxxx
JOSEPH *. JUDGE, III, xxx-xx-xxxx
RICHARD G.* JUNG, SR., xxx-xx-xxxx
SUSAN L. JUNKER, xxx-xx-xxxx
CHARLES T. KALLAM, xxx-xx-xxxx
MARTIN T. KALLIGHAN, xxx-xx-xxxx
MICHAEL E. KALLMAN, JR, xxx-xx-xxxx
THOMAS J.* KANE, xxx-xx-xxxx
WILLIAM L. KAPAKU, JR, xxx-xx-xxxx
JOHN A. KARDOS, xxx-xx-xxxx
JOHN P. KASHISHIAN, xxx-xx-xxxx
ROBERT D. KASSON, xxx-xx-xxxx
PATRICK J. KASTNER, xxx-xx-xxxx
GEORGE R. KATHER, xxx-xx-xxxx
ANTHONY B. KAZMIERSKI, xxx-xx-xxxx
JOHN M. KEEFE, xxx-xx-xxxx
MARY E.* KEESER, xxx-xx-xxxx
BRUCE N.* KEITH, xxx-xx-xxxx
BRIAN A. KELLER, xxx-xx-xxxx
BRIAN C. KELLER, xxx-xx-xxxx
VAGEL C.* KELLER, JR, xxx-xx-xxxx
CHARLES A.* KELLEY, xxx-xx-xxxx
JOHN M. KELLEY, xxx-xx-xxxx
KEITH D. KELLEY, xxx-xx-xxxx
TIMOTHY A.* KELLEY, xxx-xx-xxxx
JAMES J. KELLY, xxx-xx-xxxx
MATTIE M. KELLY, xxx-xx-xxxx
CHARLES W. KENNEDY, II, xxx-xx-xxxx
DAVID M. KENNEDY, xxx-xx-xxxx
DAVID N. KENNEDY, xxx-xx-xxxx
JOSEPH S. KENNEDY, xxx-xx-xxxx
NEAL G.* KENNEDY, xxx-xx-xxxx
RANDY L. KENNEDY, xxx-xx-xxxx
ROBERT K. KENNEDY, xxx-xx-xxxx
CRAIG P.* KENT, xxx-xx-xxxx
JAMES E. KENT, JR, xxx-xx-xxxx
STEPHEN A.* KERN, xxx-xx-xxxx
ELOISE D.* KERR, xxx-xx-xxxx
STEVEN W. KERR, xxx-xx-xxxx
PAMELA C.* KIBELLUS, xxx-xx-xxxx
DAVID A.* KICKBUSCH, xxx-xx-xxxx
BRIAN R. KILPATRICK, xxx-xx-xxxx
PHYLLIS L.* KIMBROUGH, xxx-xx-xxxx
KEVIN L.* KINDER, xxx-xx-xxxx
CHARLES H. KING, III, xxx-xx-xxxx
NORMAN D. KING, xxx-xx-xxxx
ROGER L.* KING, xxx-xx-xxxx
WAYNE KING, xxx-xx-xxxx
DEBORAH L.* KIOUSHNAT, xxx-xx-xxxx
KELVIN K. KIRBY, xxx-xx-xxxx
MICHAEL L.* KIRK, xxx-xx-xxxx
RORY J. KIRKER, xxx-xx-xxxx
JOHN D. KIRKLAND, xxx-xx-xxxx
MICHAEL W. KIRSCH, xxx-xx-xxxx
DANIEL A. KISIEL, xxx-xx-xxxx
JAMES M.* KITAHARA, xxx-xx-xxxx
DRAKE A.* KITTS, xxx-xx-xxxx
KATHLEEN A.* KLAESER, xxx-xx-xxxx
JARED A. KLINE, xxx-xx-xxxx
MAX L.* KLINE, xxx-xx-xxxx
MARK T.* KLYNOTT, xxx-xx-xxxx
STEVEN A. KNAPP, xxx-xx-xxxx
JOHN C.* KNIE, xxx-xx-xxxx
DALE A. KNIERIEMEN, xxx-xx-xxxx
JOHN F.* KNIGHT, xxx-xx-xxxx
LEE F. KNIGHT, xxx-xx-xxxx
VENIS P.* KNIGHT, xxx-xx-xxxx
WILLIAM L. KNIGHT, JR, xxx-xx-xxxx
CHRISTINE B. KNIGHTON, xxx-xx-xxxx
JOHN D. KNOX, xxx-xx-xxxx
DENNIS F. KOEPKE, xxx-xx-xxxx
DENNIS L.* KOLB, xxx-xx-xxxx
RICHARD D. KOONE, xxx-xx-xxxx
SIDNEY C.* KOOYMAN, xxx-xx-xxxx
FRANCIS X.* KOSICH, xxx-xx-xxxx
STEVEN M.* KOTHS, xxx-xx-xxxx
JEFFREY R.* KOVACH, xxx-xx-xxxx
EMIL J. KOVALCHIK, xxx-xx-xxxx
PAUL J. KRAUSE, xxx-xx-xxxx
ZOLTAN J.* KREKO, xxx-xx-xxxx
JOHN L. KRUEGER, xxx-xx-xxxx
KELLY D. KRUGER, xxx-xx-xxxx
MICHAEL J.* KRUPCZAK, xxx-xx-xxxx
DOUGLAS P. KRUZEL, xxx-xx-xxxx
MARY A. KRYJAKDINA, xxx-xx-xxxx
MICHAEL R.* KRZOSKA, xxx-xx-xxxx
ROBERT W. KUENNING, xxx-xx-xxxx
MARCUS A. KUIPER, xxx-xx-xxxx
MARK M. KULUNGOWSKI, xxx-xx-xxxx
CAROL G.* KUREK, xxx-xx-xxxx
JOHN E.* KUREK, III, xxx-xx-xxxx
JOHN F. LADY, III, xxx-xx-xxxx
HOWARD D. LAINE, xxx-xx-xxxx
STEVEN F.* LAJOIE, xxx-xx-xxxx
TONY K.* LAJOIE, xxx-xx-xxxx
RICHARD W. LALLY, xxx-xx-xxxx
KEVIN T. LAMAR, xxx-xx-xxxx
THOMAS S. LAMBERT, xxx-xx-xxxx
JEFFREY P. LAMOE, xxx-xx-xxxx
JOHN R.* LANDRESS, JR, xxx-xx-xxxx
MICHAEL J.* LANEY, xxx-xx-xxxx
JEANNE M. LANG, xxx-xx-xxxx
ROBERT L. LANG, JR, xxx-xx-xxxx
COREY R. LANGENWALTER, xxx-xx-xxxx
MICHAEL C.* LANPHERE, xxx-xx-xxxx
REGINA M. LARGENT, xxx-xx-xxxx
WILLIAM C. LARKIN, xxx-xx-xxxx
JAMES P. LARSEN, xxx-xx-xxxx
BRIAN J. LARSON, xxx-xx-xxxx
JOSEPH L.* LARSON, xxx-xx-xxxx
STEVEN W. LARSON, xxx-xx-xxxx
THOMAS C. LASCH, xxx-xx-xxxx
KIRK L. LATSHA, xxx-xx-xxxx
JAMES F. LAUFENBURG, xxx-xx-xxxx
MICHAEL J.* LAWLER, xxx-xx-xxxx
DAVID L. LAWRENCE, xxx-xx-xxxx
SUSAN S. LAWRENCE, xxx-xx-xxxx
WILLIAM A.* LAWRENCE, xxx-xx-xxxx
HAROLD F. LAWSON, JR, xxx-xx-xxxx
VIRGIL L.* LAWSON, JR, xxx-xx-xxxx
BENJAMIN K. LEAVENWORTH, xxx-xx-xxxx
TITO N. LEBANO, xxx-xx-xxxx
JOHN R. LEE, xxx-xx-xxxx
KENNETH R.* LEE, xxx-xx-xxxx
WILLIAM L.* LEE, xxx-xx-xxxx
THOMAS E. LEECHIN, xxx-xx-xxxx
MARK R. LEES, xxx-xx-xxxx
DAVID L.* LEFTWICH, xxx-xx-xxxx
ROBERT A.* LEHMANN, xxx-xx-xxxx
VICTORIA A.* LEIGNADIER, xxx-xx-xxxx
STEVEN M.* LEMONS, xxx-xx-xxxx
PETER C. LENTZ, xxx-xx-xxxx
JAMES L. LEONARD, xxx-xx-xxxx
JOHN R. LEONARD, xxx-xx-xxxx
KEVIN A.* LEONARD, xxx-xx-xxxx
ROBERT V.* LEONARD, xxx-xx-xxxx
ROBERT R.* LEONHARD, xxx-xx-xxxx
DANTE J.* LEPORE, JR, xxx-xx-xxxx
RAYMOND W.* LEVESQUE, JR, xxx-xx-xxxx
TERRENCE A. LEWIS, xxx-xx-xxxx
GABRIEL F.* LEYVA, xxx-xx-xxxx
MICHAEL W.* LIBBEE, xxx-xx-xxxx
MARK C.* LICHTENBERG, xxx-xx-xxxx
DAVID A. LIEBETREU, xxx-xx-xxxx
HILBERT A.* LIEKE, JR, xxx-xx-xxxx
LLOYD W. LIETZ, xxx-xx-xxxx
CLAUDE M. LIGON, JR, xxx-xx-xxxx
KURT E.* LINDEN, xxx-xx-xxxx
ROBERT C. LINK, JR, xxx-xx-xxxx
CARY T. LINNERUD, xxx-xx-xxxx
REGINA D.* LIPSCOMB, xxx-xx-xxxx
THOMAS J. LIPTAK, xxx-xx-xxxx
MARK T. LITTEL, xxx-xx-xxxx
MARK K. LITTLEJOHN, xxx-xx-xxxx
JERRY N.* LLOYD, xxx-xx-xxxx
MICHAEL P. LOCKE, xxx-xx-xxxx
RICHARD G.* LOCKWOOD, xxx-xx-xxxx
STEPHEN G. LOEW, xxx-xx-xxxx
MICHAEL T. LOFTIN, xxx-xx-xxxx
ANTHONY *. LOFTON, xxx-xx-xxxx
ALAN M.* LOIACONO, xxx-xx-xxxx
ROBERT P. LOMBARDI, xxx-xx-xxxx
JEFFERY L. LONG, xxx-xx-xxxx
WILLIAM M.* LONG, xxx-xx-xxxx
GARY A. LONGHANY, xxx-xx-xxxx
MICHAEL A. LOPEZ, xxx-xx-xxxx
FRANCELIA M.* LORENCE, xxx-xx-xxxx
CECIL L. LOTT, JR, xxx-xx-xxxx
RONALD D.* LOVE, xxx-xx-xxxx
STEVEN K.* LOVELACE, xxx-xx-xxxx
JAMES LOVETT, JR, xxx-xx-xxxx
ALAN C.* LOWE, xxx-xx-xxxx
STEVEN E. LOWERY, xxx-xx-xxxx
JOEL K.* LOWMAN, xxx-xx-xxxx
MICHAEL L.* LOY, xxx-xx-xxxx
PAUL U. LUARCA, xxx-xx-xxxx
DAVID C. LUCAS, xxx-xx-xxxx
JOHN R. LUCE, xxx-xx-xxxx
LLOYD L.* LUEDTKE, xxx-xx-xxxx
NOVEL *. LUGO, xxx-xx-xxxx
JAMES R. LUND, xxx-xx-xxxx
JOHN M.* LUNDIN, xxx-xx-xxxx
JOSEPH P.* LUONGO, xxx-xx-xxxx
ROBERT M. LYND, JR, xxx-xx-xxxx
ALAN R.* LYNN, xxx-xx-xxxx
CRAIG M. MACALLISTER, xxx-xx-xxxx
JOSEPH J.* MACDONALD, xxx-xx-xxxx
RICHARD W. MACDOUGALL, xxx-xx-xxxx
MICHAEL R. MACEDONIA, xxx-xx-xxxx
WILLIAM R. MACHARDY, xxx-xx-xxxx
LESLIE A.* MACHER, xxx-xx-xxxx
ALFRED J.* MACIAS, JR, xxx-xx-xxxx
ARMANDO R.* MACIAS, xxx-xx-xxxx
DANIEL B.* MACK, xxx-xx-xxxx
STEPHEN J.* MACKAY, xxx-xx-xxxx
WILLIAM L. MACKEY, xxx-xx-xxxx
MICHAEL J. MACKIN, xxx-xx-xxxx
MARK S.* MACLEAN, xxx-xx-xxxx
RICHARD E. MACNEALY, xxx-xx-xxxx
STEVEN S. MACTAGGART, xxx-xx-xxxx
PATRICK M. MADDEN, xxx-xx-xxxx
KENNETH A. MADDOX, xxx-xx-xxxx
JEFFREY S.* MADDY, xxx-xx-xxxx
JOHN P. MADIGAN, xxx-xx-xxxx
MICHAEL A. MAGALSKI, xxx-xx-xxxx
SHEILAH C. MAGUIRE, xxx-xx-xxxx
BRYAN F.* MAHONEY, xxx-xx-xxxx
PAUL L.* MAHONEY, III, xxx-xx-xxxx
THOMAS L.* MAIER, xxx-xx-xxxx
MARK W.* MAIERS, xxx-xx-xxxx
ELI MALDONADO, xxx-xx-xxxx
PATRICK J. MALHEREK, xxx-xx-xxxx
ROBERT J.* MALIN, xxx-xx-xxxx
TROY *. MALINDER, xxx-xx-xxxx
RAYMOND K.* MALINKE, xxx-xx-xxxx
JANE F. MALISZEWSKI, xxx-xx-xxxx
KENNETH D.* MALLONEE, xxx-xx-xxxx
TIMOTHY J. MALONEY, xxx-xx-xxxx
BENSON O. MALTO, xxx-xx-xxxx
ROSEANNE O. MAMER, xxx-xx-xxxx
AUGUST R. MANCUSO, III, xxx-xx-xxxx
CORNELIUS J. MANEY, xxx-xx-xxxx
WILLIAM F. MANGANO, JR., xxx-xx-xxxx
GREGORY S.* MANION, xxx-xx-xxxx
ROLF N. MANN, xxx-xx-xxxx
THOMAS L. MANN, xxx-xx-xxxx
GARY L.* MANNING, xxx-xx-xxxx
HENRY MANNING, xxx-xx-xxxx
JOHNNY H. MANSON, xxx-xx-xxxx
JULIE T. MANTA, xxx-xx-xxxx
SAMUEL E. MANTO, xxx-xx-xxxx
LEALON J. MANTOOTH, xxx-xx-xxxx
JOHN A. MARIN, xxx-xx-xxxx
HERBERT MARK, xxx-xx-xxxx
MARDI U. MARK, xxx-xx-xxxx
JEFFREY A.* MARKLE, xxx-xx-xxxx
SARA F. MARKS, xxx-xx-xxxx
HARALD G.* MARLEY, xxx-xx-xxxx
WILLIAM MARRERO, xxx-xx-xxxx
RAYMOND F. MARSHALL, xxx-xx-xxxx
SUSAN C.* MARSTON, xxx-xx-xxxx
ROBERT A.* MARTI, xxx-xx-xxxx
ROBERT J. MARTIAN, xxx-xx-xxxx
EDWIN H.* MARTIN, xxx-xx-xxxx
GREGG F. MARTIN, xxx-xx-xxxx
JAMES N.* MARTIN, xxx-xx-xxxx
LESLIE G. MARTIN, xxx-xx-xxxx
ROBERT J.* MARTIN, xxx-xx-xxxx
ROBERT R. MARTIN, xxx-xx-xxxx
HONORIO *. MARTIRRODRIGUEZ, JR, xxx-xx-xxxx
VINCENT MARUCCI, JR, xxx-xx-xxxx
ALEX *. MASCELLI, xxx-xx-xxxx
DREW D.* MASER, xxx-xx-xxxx
KENNETH M.* MASON, xxx-xx-xxxx
MARY J.* MASON, xxx-xx-xxxx
DARRELL D.* MASSIE, xxx-xx-xxxx
GARY L. MASTERS, xxx-xx-xxxx
WILLIAM H. MASTIN, xxx-xx-xxxx
BRUCE A. MATHIS, xxx-xx-xxxx
JERRY F. MATSON, xxx-xx-xxxx
DANA W. MATTHEWS, xxx-xx-xxxx
JAMES T. MATTHEWS, xxx-xx-xxxx
RONNIE D. MATTHEWS, xxx-xx-xxxx
GARY A.* MATTISON, xxx-xx-xxxx
CHARLES F. MAURER, xxx-xx-xxxx
DANIEL T. MAXWELL, xxx-xx-xxxx
FREDERICK J.* MAXWELL, xxx-xx-xxxx
THOMAS S. MAYBERRY, JR, xxx-xx-xxxx
FRANCIS L. MAYER, xxx-xx-xxxx
GERALD T. MAYER, xxx-xx-xxxx
STEPHEN N. MAYER, xxx-xx-xxxx
THEODORE M.* MAYER, xxx-xx-xxxx
SHERWIN *. MAYNOR, xxx-xx-xxxx
JERRY L.* MCADAMS, xxx-xx-xxxx
PATRICK E. MCANDREW, xxx-xx-xxxx
GENE C. MCANELLY, xxx-xx-xxxx
WILLIAM J. MCARDLE, xxx-xx-xxxx
MELVIN *. MCBRIDE, xxx-xx-xxxx
TERESA M.* MCBRIDE, xxx-xx-xxxx
MICHAEL P.* MCCAFFREE, xxx-xx-xxxx
OLION E.* MCCALL, xxx-xx-xxxx
RICHARD H.* MCCALLA, xxx-xx-xxxx
LARRY D. MCCALLISTER, xxx-xx-xxxx
PAUL *. MCCANN, xxx-xx-xxxx
DANIEL J. MCCARTHY, xxx-xx-xxxx
JAMES E. MCCARTHY, JR, xxx-xx-xxxx
MARK G. MCCAULEY, xxx-xx-xxxx
JOHN D.* MCCLEARY, xxx-xx-xxxx
LINDA A.* MCCLURE, xxx-xx-xxxx
RANDALL L.* MCCLURE, xxx-xx-xxxx
THOMAS J. MCCOOL, xxx-xx-xxxx
DANIEL F. MCCORMACK, xxx-xx-xxxx
WILLIAM O.* MCCORMACK, xxx-xx-xxxx
WILLIAM B.* MCCORMICK, xxx-xx-xxxx
ALAN S.* MCCOY, xxx-xx-xxxx
RICHARD A.* MCCUE, xxx-xx-xxxx
DANIEL C. MCCULLOUGH, xxx-xx-xxxx
EDWARD MCCULOUGH, xxx-xx-xxxx
DONALD A. MCCUNNIFF, xxx-xx-xxxx
KENNETH A.* MCDEVITT, xxx-xx-xxxx
ALBERT E.* MCDONALD, xxx-xx-xxxx
JAMES M. MCDONALD, xxx-xx-xxxx
ALLEN M. MCENIRY, xxx-xx-xxxx
JAMES L.* MCEVERS, xxx-xx-xxxx
RICHARD P. MCEVOY, xxx-xx-xxxx
STUART A. MCFARREN, xxx-xx-xxxx
STEVEN E. MCFEETERS, xxx-xx-xxxx

STEPHEN C. MCGEORGE, xxx-xx-xxxx
CORNELL T.* MCGHEE, xxx-xx-xxxx
SCOTT L. MCGINNIS, xxx-xx-xxxx
CARL S.* MCGLONE, xxx-xx-xxxx
DENNIS J.* MCGOWAN, xxx-xx-xxxx
GERALD E.* MCGRATH, xxx-xx-xxxx
ROBERT M. MCGUFFIN, xxx-xx-xxxx
SHIRLEY L.* MCGUIRE, xxx-xx-xxxx
WILLIAM G.* MCGUIRE, xxx-xx-xxxx
JANICE F. MCHALE, xxx-xx-xxxx
DAVID L. MCINTIRE, xxx-xx-xxxx
ROY S.* MCINTIRE, xxx-xx-xxxx
EUGENE L. MCINTYRE, xxx-xx-xxxx
THOMAS G. MCINTYRE, xxx-xx-xxxx
KEVIN E. MCKEDY, xxx-xx-xxxx
CHARLES J.* MCKEEVER, xxx-xx-xxxx
WILLIE *. MCKOY, JR, xxx-xx-xxxx
LAWRENCE F.* MCLAUGHLIN, xxx-xx-xxxx
KEVIN M.* MCLEAN, xxx-xx-xxxx
PATRICK MCMAHON, xxx-xx-xxxx
PATRICK J. MCMANAMON, xxx-xx-xxxx
WILLIAM C. MCMANUS, xxx-xx-xxxx
MICHAEL L.* MCMATH, xxx-xx-xxxx
SCOTT R. MCMEEN, xxx-xx-xxxx
WILLIAM N. MCMILLEN, JR, xxx-xx-xxxx
HELEN H.* MCMULLEN, xxx-xx-xxxx
JOSEPH B. MCMULLIN, JR, xxx-xx-xxxx
STEPHEN M.* MCNAIR, xxx-xx-xxxx
ANNIE L.* MCNEIL, xxx-xx-xxxx
PATRICK B. MCNIECE, xxx-xx-xxxx
KAREN S.* MCNULLY, xxx-xx-xxxx
RICKIE A. MCPEAK, xxx-xx-xxxx
HENRY S. MCQUAIG, xxx-xx-xxxx
ALONZO B.* MCQUEEN, JR, xxx-xx-xxxx
PATRICIA E. MCQUISTION, xxx-xx-xxxx
CURTIS G. MCVEA, xxx-xx-xxxx
JOSEPH W. MCVEIGH, xxx-xx-xxxx
JAMES A.* MCWHERTER, xxx-xx-xxxx
WILLIAM A. MEACHAM, xxx-xx-xxxx
THOMAS L. MEDINA, xxx-xx-xxxx
JOHN P.* MEDVE, xxx-xx-xxxx
ESMERALDA *. MEJIA, xxx-xx-xxxx
STEPHEN L.* MELTON, xxx-xx-xxxx
EUGENE A.* MENDOZA, xxx-xx-xxxx
MARTIN E. MENDOZA, xxx-xx-xxxx
PAUL D. MEREDITH, xxx-xx-xxxx
SUSAN G.* MERILA, xxx-xx-xxxx
JAMES F.* MERKEL, xxx-xx-xxxx
KEITH P. MERRELL, xxx-xx-xxxx
FREDERIC R. MERZ, xxx-xx-xxxx
GARY L. MESICK, JR, xxx-xx-xxxx
HERBERT E.* METCALF, xxx-xx-xxxx
DAN C. MEYER, xxx-xx-xxxx
MICHAEL K.* MEYER, xxx-xx-xxxx
THOMAS M. MICHAELS, xxx-xx-xxxx
JOHN P. MIKULA, xxx-xx-xxxx
CHERYL L. MILES, xxx-xx-xxxx
LLOYD MILES, xxx-xx-xxxx
STEPHEN J. MILES, xxx-xx-xxxx
VICTOR M.* MILES, xxx-xx-xxxx
BRIAN R.* MILLER, xxx-xx-xxxx
CHRISTINE L.* MILLER, xxx-xx-xxxx
GREGORY E. MILLER, xxx-xx-xxxx
JOHN A. MILLER, III, xxx-xx-xxxx
JOSEPH B. MILLER, xxx-xx-xxxx
KATHRYN R. MILLER, xxx-xx-xxxx
KEVIN R. MILLER, xxx-xx-xxxx
MICHELLE B. MILLER, xxx-xx-xxxx
SCOTT K.* MILLER, xxx-xx-xxxx
STANLEY A.* MILLER, xxx-xx-xxxx
AINSWORTH B. MILLS, xxx-xx-xxxx
MICHAEL J.* MILNER, xxx-xx-xxxx
ROBERT V.* MINCHELLO, JR, xxx-xx-xxxx
DENNIS W.* MINER, xxx-xx-xxxx
CARLOS A.* MINGUELA, xxx-xx-xxxx
ANITA R.* MINNIEFIELD, xxx-xx-xxxx
JAMES H. MINNON, xxx-xx-xxxx
KAREN A. MISENHEIMER, xxx-xx-xxxx
STEPHEN T.* MISHKOFSKI, xxx-xx-xxxx
JEFFREY L. MISNER, xxx-xx-xxxx
BILLY M.* MITCHELL, xxx-xx-xxxx
DAVID L. MITCHELL, xxx-xx-xxxx
JAMES E.* MITCHELL, xxx-xx-xxxx
JOHNNY F. MITCHELL, xxx-xx-xxxx
KEITH M. MITCHELL, xxx-xx-xxxx
RANDALL A. MITCHELL, xxx-xx-xxxx
STEPHEN D.* MITCHELL, xxx-xx-xxxx
THOMAS K.* MITCHELL, xxx-xx-xxxx
THOMAS L.* MITCHELL, xxx-xx-xxxx
ROBERT M.* MITROCSAK, xxx-xx-xxxx
GEORGE C.* MIXON, JR, xxx-xx-xxxx
PAUL J.* MOADE, xxx-xx-xxxx
BENJAMIN L. MOELLER, xxx-xx-xxxx
KIRK A. MOELLER, xxx-xx-xxxx
VAUGHN MOFFETT, xxx-xx-xxxx
JAMES MOLNAR, xxx-xx-xxxx
THOMAS O. MONEYMAKER, xxx-xx-xxxx
GWENDOLYN E.* MONROE, xxx-xx-xxxx
STEPHEN D. MONTGOMERY, xxx-xx-xxxx
LISA G.* MONTOYA, xxx-xx-xxxx
MARK J.* MOONEY, xxx-xx-xxxx
SAMUEL A.* MOONEYHAN, xxx-xx-xxxx
DAVID L.* MOORE, xxx-xx-xxxx
JAMES G.* MOORE, xxx-xx-xxxx
JOSEPH A. MOORE, JR, xxx-xx-xxxx
KATHRYN M.* MOORE, xxx-xx-xxxx
TOMMY L.* MOORE, xxx-xx-xxxx
TYRONE M. MOORER, xxx-xx-xxxx
LEOPOLDO R. MORALES, xxx-xx-xxxx
JERRY L. MORAN, xxx-xx-xxxx
DAVID A. MOREHOUSE, xxx-xx-xxxx
BRIAN F. MORGAN, xxx-xx-xxxx
CHERYL A. MORGAN, xxx-xx-xxxx
KEVIN C. MORGAN, xxx-xx-xxxx
THOMAS J. MORIARTY, xxx-xx-xxxx
KATHERINE *. MORITZ, xxx-xx-xxxx
JAMES D.* MORLEY, xxx-xx-xxxx
HARRY E. MORNSTON, xxx-xx-xxxx
TERESA V.* MORRIS, xxx-xx-xxxx
JAMES G.* MORROW, xxx-xx-xxxx
STEPHEN M. MOTIKA, xxx-xx-xxxx
DEBRA L. MOUNTCASTLECAMERON, xxx-xx-xxxx
DAVID W.* MOWRY, xxx-xx-xxxx
CLYDE G.* MOXLEY, III, xxx-xx-xxxx
WILLIAM R. MOYER, xxx-xx-xxxx
FRANCIS W. MOYNIHAN, xxx-xx-xxxx
PETER J. MROCZKIEWICZ, xxx-xx-xxxx
REID K. MRSNY, xxx-xx-xxxx
PATRICIA MULCAHY, xxx-xx-xxxx
JOHN F.* MULHOLLAND, xxx-xx-xxxx
STEVEN F. MULLEN, xxx-xx-xxxx
MIKE G.* MULLINS, xxx-xx-xxxx
STEVEN J.* MULLINS, xxx-xx-xxxx
JAMES R. MULVENNA, xxx-xx-xxxx
ROBERT M.* MURRAY, xxx-xx-xxxx
RICHARD J.* MURRELL, xxx-xx-xxxx
WALTER D. MURREN, xxx-xx-xxxx
DANIEL J.* MYERS, JR, xxx-xx-xxxx
GARY L.* MYERS, JR, xxx-xx-xxxx
MICHAEL R. MYERS, xxx-xx-xxxx
WALTER R. MYERS, xxx-xx-xxxx
CRAIG A. MYLER, xxx-xx-xxxx
PHYLLIS J. NAFFZIGER, xxx-xx-xxxx
WILLIAM P. NANRY, xxx-xx-xxxx
STEPHEN R. NARU, xxx-xx-xxxx
JEFFREY L. NAUSS, xxx-xx-xxxx
ANTHONY D. NEAL, xxx-xx-xxxx
DAVID R. NEELEY, xxx-xx-xxxx
JAMES P. NEELY, xxx-xx-xxxx
PHILIP J.* NEHME, JR, xxx-xx-xxxx
RICHARD A.* NEIKIRK, xxx-xx-xxxx
ANDREW L. NEILL, xxx-xx-xxxx
HAROLD L.* NELSON, xxx-xx-xxxx
MANSEL A.* NELSON, xxx-xx-xxxx
DALE G. NEWMAN, xxx-xx-xxxx
RONALD A.* NEWTON, xxx-xx-xxxx
MARCELLA A. NG, xxx-xx-xxxx
KARL P.* NICHOLAS, xxx-xx-xxxx
GARY L. NICHOLS, xxx-xx-xxxx
THEODORE C.* NICHOLSON, xxx-xx-xxxx
SUZANNE W.* NICKENS, xxx-xx-xxxx
THOMAS E. NICKERSON, xxx-xx-xxxx
THOMAS A. NIEMANN, xxx-xx-xxxx
WARD S.* NIHISER, xxx-xx-xxxx
WILLIAM J.* NOEL, xxx-xx-xxxx
THADDEUS J. NOLL, xxx-xx-xxxx
KEVIN S. NOONAN, xxx-xx-xxxx
JAMES F. NORDAHL, xxx-xx-xxxx
WILLIAM B. NORMAN, xxx-xx-xxxx
ALAN G. NORRIS, xxx-xx-xxxx
PETER H.* NORRIS, xxx-xx-xxxx
TIMOTHY J.* NORTHRUP, xxx-xx-xxxx
ROLLAND R.* NORTON, xxx-xx-xxxx
CONRADO E.* NOTYCE, xxx-xx-xxxx
STEPHEN M. NOVAK, xxx-xx-xxxx
STEVEN A. NOVITSKE, xxx-xx-xxxx
HENRY J. NOWAK, xxx-xx-xxxx
ERIC R.* NOYES, xxx-xx-xxxx
KURT E. NYGAARD, xxx-xx-xxxx
THOMAS W. OAKS, xxx-xx-xxxx
PATRICK W. OBRIEN, xxx-xx-xxxx
THOMAS J. OBRIEN, xxx-xx-xxxx
ANTHONY F.* OCCHIUZZO, xxx-xx-xxxx
ROBERT J. OCHMAN, xxx-xx-xxxx
JOHN J. ODONNELL, xxx-xx-xxxx
MICHAEL C. OKITA, xxx-xx-xxxx
JACK A. OLIVA, xxx-xx-xxxx
MARCOS R.* OLIVARI, xxx-xx-xxxx
TERENCE B.* OLIVER, xxx-xx-xxxx
BARBARA A. OLSON, xxx-xx-xxxx
DONALD C. OLSON, xxx-xx-xxxx
MICHAEL T.* OLSON, xxx-xx-xxxx
MICHAEL I. OMURA, xxx-xx-xxxx
PATRICK N.* ONKEN, xxx-xx-xxxx
GWENDOLYN M.* OQUENDO, xxx-xx-xxxx
WALTER E.* OQUENDO, xxx-xx-xxxx
JUAN L.* ORAMA, xxx-xx-xxxx
HERMAN J. ORGERON, xxx-xx-xxxx
TOMMY F.* ORR, xxx-xx-xxxx
AVELINO R.* ORTIZ, xxx-xx-xxxx
EILEEN F.* OSHEA, xxx-xx-xxxx
KELLY D. OSMER, xxx-xx-xxxx
BONITA OTERI, xxx-xx-xxxx
JOHN R.* OTEY, xxx-xx-xxxx
CHARLES C. OTTERSTEDT, xxx-xx-xxxx
ROBERT E.* OUSLEY, xxx-xx-xxxx
JOHN A. OWENS, III, xxx-xx-xxxx
LENARDO *. OWENS, xxx-xx-xxxx
MARK D.* OWENS, xxx-xx-xxxx
PHILLIP B. OWENS, xxx-xx-xxxx
MICHAEL G. PADGETT, xxx-xx-xxxx
LAWRENCE A.* PADRON, xxx-xx-xxxx
JESUS S.* PAGAN, xxx-xx-xxxx
JAMES M. PALERMO, xxx-xx-xxxx
FRANK A. PALKOSKA, xxx-xx-xxxx
RALPH G. PALLOTTA, xxx-xx-xxxx
WAYNE A.* PALM, xxx-xx-xxxx
EMILIO J. PALMA, xxx-xx-xxxx
GREGORY S. PALMER, xxx-xx-xxxx
ROBEN A. PALMER, xxx-xx-xxxx
WESLEY W.* PANNELL, xxx-xx-xxxx
GEORGE J.* PAPPAGEORGE, xxx-xx-xxxx
RICHARD A. PARADISO, JR, xxx-xx-xxxx
ALFRED W.* PARCELLS, JR, xxx-xx-xxxx
DAVID K. PARKER, xxx-xx-xxxx
JOHNNY F.* PARKER, xxx-xx-xxxx
STEPHEN R. PARKER, xxx-xx-xxxx
THERON J.* PARKER, xxx-xx-xxxx
JOHN T.* PARKINSON, xxx-xx-xxxx
THOMAS J. PARKINSON, xxx-xx-xxxx
IOROSLAU *. PAROWCZENKO, xxx-xx-xxxx
WILLIAM A. PARQUETTE, xxx-xx-xxxx
RONNIE D.* PARRISH, xxx-xx-xxxx
VINCENT J. PASCAL, xxx-xx-xxxx
GARY L.* PASQUALE, xxx-xx-xxxx
ANNE M. PATENAUDE, xxx-xx-xxxx
DAVID W. PATTERSON, JR, xxx-xx-xxxx
WILLIAM A.* PATTERSON, xxx-xx-xxxx
WILLIAM R. PATTERSON, xxx-xx-xxxx
GARY S. PATTON, xxx-xx-xxxx
SCOTT E. PATTON, xxx-xx-xxxx
STUART B. PATTON, xxx-xx-xxxx
JOSEPH A. PATYKULA, xxx-xx-xxxx
PHILLIP G.* PAULTER, xxx-xx-xxxx
STEVE PAVLICA, xxx-xx-xxxx
FOSTER P. PAYNE, II, xxx-xx-xxxx
JOEL T. PAYNE, xxx-xx-xxxx
JOHN W. PEABODY, xxx-xx-xxxx
ALBERTO A.* PEAKE, xxx-xx-xxxx
JERRY W.* PEARCE, xxx-xx-xxxx
SYLVIA R. PEARCE, xxx-xx-xxxx
DAVID F. PEARSALL, xxx-xx-xxxx
JAMES T. PEARSON, xxx-xx-xxxx
THOMAS E.* PECK, xxx-xx-xxxx
JOSEPH E. PECORARO, xxx-xx-xxxx
RICHARD N. PEDERSEN, xxx-xx-xxxx
JOSEPH E. PEDONE, xxx-xx-xxxx
LOREN D. PEELE, xxx-xx-xxxx
ROBERT L.* PELEGREEN, xxx-xx-xxxx
RAYMOND *. PELT, xxx-xx-xxxx
PATRICK R. PENLAND, xxx-xx-xxxx
JOHN M. PEPPERS, xxx-xx-xxxx
PETER P.* PERALA, xxx-xx-xxxx
RICHARD J.* PERE, SR, xxx-xx-xxxx
OCTAVIO PEREZ, xxx-xx-xxxx
IRWIN K.* PERIOLA, xxx-xx-xxxx
ALVIN A. PERKINS, xxx-xx-xxxx
DAVID G. PERKINS, xxx-xx-xxxx
DONALD J. PERKINS, JR, xxx-xx-xxxx
LARRY D.* PERKINS, xxx-xx-xxxx
NATHANIEL W. PERKINS, xxx-xx-xxxx
JAMES W.* PERKOWSKI, xxx-xx-xxxx
DANIEL *. PERRON, xxx-xx-xxxx
PHYLLIS R.* PERRY, xxx-xx-xxxx
RALPH J. PERRY, xxx-xx-xxxx
STEVEN R. PERRY, xxx-xx-xxxx
ALEXANDER D. PERWICH, xxx-xx-xxxx
JEFFREY *. PETE, xxx-xx-xxxx
BRADLEY G.* PETERSON, xxx-xx-xxxx
CRAIG A. PETERSON, xxx-xx-xxxx
JAY W.* PETERSON, xxx-xx-xxxx
JULES G. PETIT, xxx-xx-xxxx
CHARLES R. PETRIE, xxx-xx-xxxx
MICHAEL D. PHARR, xxx-xx-xxxx
WILLIAM H. PHELPS, xxx-xx-xxxx
CHARLES E. PHILLIPS, xxx-xx-xxxx
JEFFREY E. PHILLIPS, xxx-xx-xxxx
KAREN E.* PHILLIPS, xxx-xx-xxxx
RICHARD J. PHILLIPS, xxx-xx-xxxx
WALTER E. PIERCE, III, xxx-xx-xxxx
WILLIAM A.* PIERCE, xxx-xx-xxxx
MICHAEL P.* PIERSANTE, xxx-xx-xxxx
JAMES R. PIERSON, xxx-xx-xxxx
TIMOTHY J. PIFER, xxx-xx-xxxx
TRACY J. PIM, xxx-xx-xxxx
BELINDA *. PINCKNEY, xxx-xx-xxxx
DANIEL K. PIPER, xxx-xx-xxxx
MARC E.* PITMAN, xxx-xx-xxxx
WILLIAM G. PITTARD, xxx-xx-xxxx
STELLA M.* PITTS, xxx-xx-xxxx
STEVEN PLACEK, xxx-xx-xxxx
THOMAS M. PLATE, xxx-xx-xxxx
GLORISTINE *. PLAYER, xxx-xx-xxxx
PATRICK N. PLOURD, xxx-xx-xxxx
JONI J.* PLUMMER, xxx-xx-xxxx
RICKY M.* POGROTSKY, xxx-xx-xxxx
RICHARD D.* POLLARD, xxx-xx-xxxx
RICHARD F.* POLLEY, xxx-xx-xxxx
MARIA D.* POLO, xxx-xx-xxxx
GERALD J. POLTORAK, xxx-xx-xxxx
RONALD W. PONTIUS, xxx-xx-xxxx
FREDDY L.* POOLE, xxx-xx-xxxx
JAMES J.* POOLE, xxx-xx-xxxx
RALPH L.* POOLE, xxx-xx-xxxx
ROBIN M. POPE, xxx-xx-xxxx
DOUGLAS A. POPLAWSKI, xxx-xx-xxxx
SAMUEL A. PORTER, xxx-xx-xxxx
WILLIAM Y. PORTER, xxx-xx-xxxx
VICTORIA A.* POST, xxx-xx-xxxx
DENISE J.* POSTON, xxx-xx-xxxx
THEODORE N.* POULAKIDAS, xxx-xx-xxxx
JENNIFER R.* POURNELLE, xxx-xx-xxxx
BARON M. POWELL, xxx-xx-xxxx
CARMEN L.* POWELL, xxx-xx-xxxx
MICHAEL A.* POWELL, xxx-xx-xxxx
STANLEY C. PRECZEWSKI, xxx-xx-xxxx
GLEN T. PRESCOTT, xxx-xx-xxxx
THEODORE D. PRESCOTT, xxx-xx-xxxx
MICHAEL L.* PRESLEY, xxx-xx-xxxx
HAROLD M.* PRESSLEY, JR, xxx-xx-xxxx
ALAN L. PRICE, xxx-xx-xxxx
LEON L.* PRICE, xxx-xx-xxxx
NANCY L.* PRICE, xxx-xx-xxxx
RICHARD S.* PRICE, xxx-xx-xxxx
TERRY V.* PRICE, xxx-xx-xxxx
WALLACE W. PRICE, II, xxx-xx-xxxx

JOSEPH M.* PRITCHARD, xxx-xx-xxxx
RICHARD *. PROIETTO, xxx-xx-xxxx
WILLIAM N. PROKOPYK, xxx-xx-xxxx
DAVID N. PRUITT, xxx-xx-xxxx
DANIEL D. PTASZYNSKI, xxx-xx-xxxx
GREGORY J.* PUHL, xxx-xx-xxxx
JAKE R.* PULLINGS, xxx-xx-xxxx
JEFFREY L. PUTZ, xxx-xx-xxxx
STEVEN S.* PYLE, xxx-xx-xxxx
JOHN P. QUIGLEY, xxx-xx-xxxx
ROBERT L.* QUINNETT, JR., xxx-xx-xxxx
METODIO P.* QUISPE, xxx-xx-xxxx
KENNETH J. RACKERS, xxx-xx-xxxx
VICKLEY L. RAEFORD, xxx-xx-xxxx
DENNIS N.* RAGLAND, JR., xxx-xx-xxxx
HORACE J. RAGLER, xxx-xx-xxxx
HERBERT S.* RAGSDALE, xxx-xx-xxxx
DONALD R.* RAINEY, xxx-xx-xxxx
RAMON L.* RAMOS, III, xxx-xx-xxxx
MICHAEL A.* RAMSEY, xxx-xx-xxxx
DAETHA J.* RANKIN, xxx-xx-xxxx
RICHARD L.* RANKIN, xxx-xx-xxxx
JEFFREY A. RARIG, xxx-xx-xxxx
VALERIE A. RASMUSSEN, xxx-xx-xxxx
MURRAY A.* RAY, xxx-xx-xxxx
JAMES W. RAYCRAFT, JR., xxx-xx-xxxx
MARK J.* REARDON, xxx-xx-xxxx
EUGENE W. REAVES, IV, xxx-xx-xxxx
MARY M.* REDDITTZVARICH, xxx-xx-xxxx
DOUGLAS L. REDMAN, xxx-xx-xxxx
LAURIE REDMOND, xxx-xx-xxxx
DONALD J. REED, xxx-xx-xxxx
DWIGHT D. REED, xxx-xx-xxxx
GEORGE E. REED, xxx-xx-xxxx
RANDOLPH C.* REED, xxx-xx-xxxx
ROBERT J. REED, xxx-xx-xxxx
RODNEY J.* REED, xxx-xx-xxxx
VIVIAN D. REED, xxx-xx-xxxx
WILLIAM V.* REED, xxx-xx-xxxx
WILLIAM J. REICHERT, xxx-xx-xxxx
GEORGE E.* REID, JR., xxx-xx-xxxx
FRANCIS X. REIDY, xxx-xx-xxxx
JAMES L. REINEBOLD, JR., xxx-xx-xxxx
DAVID N. REISIG, xxx-xx-xxxx
LAVERN *. REISING, xxx-xx-xxxx
RAYMOND C. REMBISH, JR., xxx-xx-xxxx
DARYL C.* RENSHAW, xxx-xx-xxxx
JAMES E. RENTZ, xxx-xx-xxxx
STEPHEN A. REX, xxx-xx-xxxx
JERARDO REYES, xxx-xx-xxxx
JERRY *. REYES, xxx-xx-xxxx
JEFFREY T. RICHARDS, xxx-xx-xxxx
SHELLEY A. RICHARDSON, xxx-xx-xxxx
GEORGE L.* RICHON, III, xxx-xx-xxxx
MICHAEL W.* RICHTER, xxx-xx-xxxx
ANNE L. RIEMAN, xxx-xx-xxxx
CHRISTOPHER M. RILEY, xxx-xx-xxxx
DORINE L.* RILEY, xxx-xx-xxxx
GAIL M.* RILEY, xxx-xx-xxxx
JORGE E.* RIOSCALERO, xxx-xx-xxxx
DONALD E.* RITCHIE, xxx-xx-xxxx
RHONDA L.* RITZEL, xxx-xx-xxxx
LEOPOLODO A. RIVAS, xxx-xx-xxxx
GUILLERMO A.* RIVERA, xxx-xx-xxxx
JOSE R.* RIVERA, xxx-xx-xxxx
WILLIAM J. ROBB, III, xxx-xx-xxxx
ERNEST N.* ROBERSON, JR., xxx-xx-xxxx
JAMES H.* ROBERSON, xxx-xx-xxxx
ARTHUR R. ROBERTS, xxx-xx-xxxx
JAMES A. ROBERTS, xxx-xx-xxxx
ALAN D. ROBERTSON, xxx-xx-xxxx
VICTOR M. ROBERTSON, xxx-xx-xxxx
MARCELLA D.* ROBINSON, xxx-xx-xxxx
RONALD V.* ROBINSON, xxx-xx-xxxx
DAVID ROBLES, xxx-xx-xxxx
LARRY E.* ROBY, xxx-xx-xxxx
BOBBY M. ROCHA, xxx-xx-xxxx
MICHAEL I. RODDIN, xxx-xx-xxxx
RONALD R. RODEHORST, xxx-xx-xxxx
JAMES P. RODGERS, JR., xxx-xx-xxxx
HERBERT A. RODRIGUEZ, xxx-xx-xxxx
JAMES L.* RODRIGUEZ, xxx-xx-xxxx
RODNEY B. ROEBER, xxx-xx-xxxx
DENNIS E. ROGERS, xxx-xx-xxxx
HENRY J.* ROGERS, xxx-xx-xxxx
CHARLES E.* ROLLER, xxx-xx-xxxx
MARC J.* ROMANYCH, xxx-xx-xxxx
ROBERT R. ROONEY, xxx-xx-xxxx
ROBERT L. ROOT, xxx-xx-xxxx
VICTORIA A.* ROSA, xxx-xx-xxxx
JAY R. ROSENBLUM, xxx-xx-xxxx
MARK D. ROSENGARD, xxx-xx-xxxx
LANCE R. ROSER, xxx-xx-xxxx
KENNETH C.* ROSS, xxx-xx-xxxx
MAURICE W. ROSS, JR., xxx-xx-xxxx
STEPHEN W.* ROSS, xxx-xx-xxxx
MELVIN J.* ROTHROCK, JR., xxx-xx-xxxx
MARK S. ROUPAS, xxx-xx-xxxx
ROBERT H. ROUTIER, xxx-xx-xxxx
PETER J. ROWAN, xxx-xx-xxxx
STEVE A. ROWE, xxx-xx-xxxx
GEORGE K. ROWLAND, xxx-xx-xxxx
ROBERT A.* ROWLETTE, JR., xxx-xx-xxxx
DAVID R. ROY, xxx-xx-xxxx
DENNIS E.* ROYER, xxx-xx-xxxx
JOHN E. RUETH, xxx-xx-xxxx
JOSEPH W.* RUIZ, xxx-xx-xxxx
STEVEN L.* RUNDLE, xxx-xx-xxxx
ANTHONY S. RUOCCO, xxx-xx-xxxx
FREDERICK F.* RUOFF, xxx-xx-xxxx
DAVID R. RUPP, xxx-xx-xxxx
DANIEL J. RUSSELL, xxx-xx-xxxx
ERICA B. RUSSELL, xxx-xx-xxxx
THERESE M.* RUSSELL, xxx-xx-xxxx
JAMES R.* RUTHERFORD, xxx-xx-xxxx
DAVID A. RUTLEDGE, xxx-xx-xxxx
EDWARD M.* RUTLEDGE, xxx-xx-xxxx
WILLIAM J. RYAN, xxx-xx-xxxx
LESLIE L.* RYNOTT, xxx-xx-xxxx
KEVIN D. SADERUP, xxx-xx-xxxx
WILLIAM P.* SAIA, xxx-xx-xxxx
MARK E. SALESKY, xxx-xx-xxxx
RITA J.* SALLEY, xxx-xx-xxxx
ARNOLDO P.* SANCHEZ, xxx-xx-xxxx
JOHN R.* SANCHEZ, xxx-xx-xxxx
DAUN A.* SANDERS, xxx-xx-xxxx
PETER D. SANDERS, xxx-xx-xxxx
SANDY M. SANDERS, xxx-xx-xxxx
CLIFTON A. SANDS, JR., xxx-xx-xxxx
SUE A.* SANDUSKY, xxx-xx-xxxx
EDWARD J. SANNWALDT, JR., xxx-xx-xxxx
DAVID *. SANTAANA, xxx-xx-xxxx
MIGUEL A.* SANTANA, xxx-xx-xxxx
REINALDO *. SANTIAGO, xxx-xx-xxxx
ALFRED G.* SAPP, JR., xxx-xx-xxxx
ROBERT J.* SARINI, xxx-xx-xxxx
SARAH A.* SATTERFIELD, xxx-xx-xxxx
GARY G. SAUER, xxx-xx-xxxx
JAMES H. SAUNDERS, xxx-xx-xxxx
MARSHALL E.* SAWYER, xxx-xx-xxxx
RONALD S. SAYLOR, xxx-xx-xxxx
EDWARD C.* SAYRE, xxx-xx-xxxx
STEVEN E. SCATES, xxx-xx-xxxx
GARY R. SCHAMBURG, xxx-xx-xxxx
ROGER P.* SCHATZEL, xxx-xx-xxxx
SCOTT M. SCHEELS, xxx-xx-xxxx
RANDALL M.* SCHEFFLER, xxx-xx-xxxx
ANTHONY M.* SCHILLING, xxx-xx-xxxx
DANIEL S. SCHINDLER, xxx-xx-xxxx
DAVID C. SCHLESSMAN, xxx-xx-xxxx
RODNEY H. SCHMIDT, xxx-xx-xxxx
BRIAN G. SCHMIDTKE, xxx-xx-xxxx
STEPHEN G. SCHMITH, xxx-xx-xxxx
ROGER A.* SCHOESSEL, xxx-xx-xxxx
STEVEN R.* SCHOLTZ, xxx-xx-xxxx
TODD F.* SCHOLZ, xxx-xx-xxxx
TOM M. SCHOSSAU, xxx-xx-xxxx
JAMES V. SCHULTZ, xxx-xx-xxxx
JOHN F. SCHULTZ, xxx-xx-xxxx
FREDERICK A. SCHULZE, JR., xxx-xx-xxxx
CELIA K.* SCHUMACHER, xxx-xx-xxxx
PAUL L. SCHUMACK, II, xxx-xx-xxxx
DANIEL P. SCHWAB, xxx-xx-xxxx
ROBERT D. SCHWARTZMAN, xxx-xx-xxxx
CHARLES R. SCHWARZ, JR., xxx-xx-xxxx
ERIC M.* SCHWARZ, xxx-xx-xxxx
BRIAN M. SCILZO, xxx-xx-xxxx
DALE F. SCOTT, xxx-xx-xxxx
DOUGLAS R. SCOTT, xxx-xx-xxxx
JOSEPH A.* SCOTT, III, xxx-xx-xxxx
RONALD L.* SCOTT, JR., xxx-xx-xxxx
AMY M.* SCOVILLE, xxx-xx-xxxx
JOHN V. SCUDDER, xxx-xx-xxxx
EINAR A. SEADLER, xxx-xx-xxxx
MICHAEL P.* SEAGE, xxx-xx-xxxx
SEAN P. SEARLES, xxx-xx-xxxx
TONY S.* SEAY, xxx-xx-xxxx
EDWARD P. SEGER, xxx-xx-xxxx
YVONNE C.* SELKE, xxx-xx-xxxx
DAVID A.* SELLARS, xxx-xx-xxxx
DONALD E.* SELLERS, xxx-xx-xxxx
STEVEN P. SEMMENS, xxx-xx-xxxx
RONALD L.* SETTLE, xxx-xx-xxxx
SHELDON S.* SEWARD, xxx-xx-xxxx
GERALD F.* SEWELL, xxx-xx-xxxx
STEVEN M. SEYBERT, xxx-xx-xxxx
TONY R. SHAFER, xxx-xx-xxxx
DAVID W. SHAFFER, xxx-xx-xxxx
MICHAEL A. SHALAK, xxx-xx-xxxx
JOSEPH M.* SHANNEY, xxx-xx-xxxx
STUART M. SHAPIRO, xxx-xx-xxxx
STEPHEN L. SHARP, xxx-xx-xxxx
TERRANCE R.* SHARP, xxx-xx-xxxx
JOHN W. SHAVER, III, xxx-xx-xxxx
CHARLES H. SHAW, III, xxx-xx-xxxx
JOSEF C. SHAW, xxx-xx-xxxx
DAVID H.* SHELLEY, xxx-xx-xxxx
RYMOND D.* SHEPHERD, xxx-xx-xxxx
DENNIS K.* SHEPPARD, xxx-xx-xxxx
DOUGLAS S. SHERBURNE, xxx-xx-xxxx
PATRICK L. SHERMAN, xxx-xx-xxxx
WILLIE C.* SHERMAN, xxx-xx-xxxx
RUSSELL R. SHERRETT, xxx-xx-xxxx
FRANKLIN E.* SHEWBERT, JR., xxx-xx-xxxx
JEFFREY A. SHEY, xxx-xx-xxxx
CHRIS A.* SHILLINGBURG, xxx-xx-xxxx
THOMAS E.* SHILLINGBURG, xxx-xx-xxxx
DOUGLAS A. SHIPP, xxx-xx-xxxx
KIRK A.* SHIPPERS, xxx-xx-xxxx
JASON D. SHIRLEY, xxx-xx-xxxx
KENNETH D. SHIVE, xxx-xx-xxxx
STEVEN W.* SHIVELY, xxx-xx-xxxx
RALPH E.* SHOAF, xxx-xx-xxxx
ROBERT M. SHOEMAKER, xxx-xx-xxxx
DAVID E.* SHOFMAN, xxx-xx-xxxx
MARTIN W. SHUBERT, JR., xxx-xx-xxxx
GREGORY C. SIEMINSKI, xxx-xx-xxxx
STEVEN C. SIFERS, xxx-xx-xxxx
DONNA J. SIMKINS, xxx-xx-xxxx
STEVEN J. SIMMONS, xxx-xx-xxxx
BARBARA M. SIMMS, xxx-xx-xxxx
ERIC C. SIMPSON, xxx-xx-xxxx
JOHN A. SIMPSON, JR., xxx-xx-xxxx
STANLEY L. SIMS, xxx-xx-xxxx
THOMAS A.* SINCERE, xxx-xx-xxxx
GEORGE B. SINGLETON, JR., xxx-xx-xxxx
MARK J.* SIPES, xxx-xx-xxxx
JAMES E. SISK, xxx-xx-xxxx
NICHOLAS C.* SISK, xxx-xx-xxxx
ROBERT P. SKERTIC, xxx-xx-xxxx
MICHAEL J.* SKILES, xxx-xx-xxxx
PETER F.* SKRMETTI, xxx-xx-xxxx
EUGENE J.* SLASON, xxx-xx-xxxx
NATHAN K.* SLATE, xxx-xx-xxxx
LAROY M.* SLAUGHTER, xxx-xx-xxxx
NATHANIEL H. SLEDGE, JR., xxx-xx-xxxx
JAMES E. SMALL, III, xxx-xx-xxxx
ALAN D. SMITH, xxx-xx-xxxx
CECIL W.* SMITH, xxx-xx-xxxx
DARREL A. SMITH, xxx-xx-xxxx
DAVID A.* SMITH, xxx-xx-xxxx
DENNIS J.* SMITH, xxx-xx-xxxx
DENNIS L. SMITH, xxx-xx-xxxx
ERNEST L.* SMITH, JR., xxx-xx-xxxx
EUGENE A.* SMITH, JR., xxx-xx-xxxx
FREDERICK R. SMITH, xxx-xx-xxxx
JOHN S.* SMITH, xxx-xx-xxxx
JOHNNY SMITH, xxx-xx-xxxx
JOSEPH R.* SMITH, xxx-xx-xxxx
KEVIN P.* SMITH, xxx-xx-xxxx
MARK H. SMITH, xxx-xx-xxxx
MARK S.* SMITH, xxx-xx-xxxx
MICHAEL *. SMITH, xxx-xx-xxxx
NICHOLAS E. SMITH, xxx-xx-xxxx
PAUL H.* SMITH, xxx-xx-xxxx
PHILIP M. SMITH, xxx-xx-xxxx
ROBERT A. SMITH, xxx-xx-xxxx
TODD R. SMITH, xxx-xx-xxxx
WILLIAM J.* SMITH, xxx-xx-xxxx
WILLIAM P. SMITH, xxx-xx-xxxx
JAKIE W. SNAPP, JR., xxx-xx-xxxx
REGINALD W.* SNELL, xxx-xx-xxxx
WILLIAM G. SNIDER, xxx-xx-xxxx
CHARLES T. SNIFFIN, xxx-xx-xxxx
DAVID B. SNODGRASS, xxx-xx-xxxx
KATHLEEN G. SNOOK, xxx-xx-xxxx
SCOTT A. SNOOK, xxx-xx-xxxx
DANIEL R. SNYDER, xxx-xx-xxxx
JACK A.* SNYDER, II, xxx-xx-xxxx
ROBERT L. SNYDER, xxx-xx-xxxx
STEVEN A.* SOARES, xxx-xx-xxxx
CARLOS C. SOLARI, xxx-xx-xxxx
DONALD J.* SOLICH, xxx-xx-xxxx
THOMAS F. SOMMERKAMP, xxx-xx-xxxx
JERRY C.* SOMMERVILLE, xxx-xx-xxxx
ROBERT W. SONIAK, xxx-xx-xxxx
JAMES T.* SOPER, xxx-xx-xxxx
KENT M.* SORENSEN, xxx-xx-xxxx
ROBERT E. SORENSON, xxx-xx-xxxx
DANNY H.* SOUTH, xxx-xx-xxxx
TEDDY R.* SPAIN, xxx-xx-xxxx
ROBERT M. SPEIR, xxx-xx-xxxx
THOMAS F. SPELLISSY, xxx-xx-xxxx
RAINIER H. SPENCER, xxx-xx-xxxx
TIMOTHY G.* SPENCER, xxx-xx-xxxx
RANDY D. SPILDE, xxx-xx-xxxx
JOHN M. SPILLER, xxx-xx-xxxx
ROBERT M. SPILLERS, xxx-xx-xxxx
JOHN J. SPINELLI, xxx-xx-xxxx
VICTORIA M. SPINELLI, xxx-xx-xxxx
ANTHONY P.* SPINOSA, xxx-xx-xxxx
PHYLLIS Y.* SPIVEY, xxx-xx-xxxx
THOMAS W.* SPOEHR, xxx-xx-xxxx
LARRY D.* SPRINGER, xxx-xx-xxxx
LEE A.* STAAB, xxx-xx-xxxx
DANIEL H. STAFFORD, JR., xxx-xx-xxxx
GARY M. STALLINGS, xxx-xx-xxxx
PATRICK A. STALLINGS, xxx-xx-xxxx
DEBRA K.* STANISLAWSKI, xxx-xx-xxxx
OZIE L.* STANLEY, JR., xxx-xx-xxxx
GUY K. STANOCH, xxx-xx-xxxx
MICHAEL L.* STARK, xxx-xx-xxxx
LORETTA S.* STARKEY, xxx-xx-xxxx
DAVID A.* STARKS, xxx-xx-xxxx
FRANK J. STASHAK, xxx-xx-xxxx
JOHN M. STAWASZ, xxx-xx-xxxx
ANN J.* STEBBINS, xxx-xx-xxxx
BENJAMIN R. STEIN, xxx-xx-xxxx
GEORGE H.* STELLJES, JR., xxx-xx-xxxx
DEBORAH A.* STEPHENS, xxx-xx-xxxx
JAMES L.* STEPHENS, xxx-xx-xxxx
JOHNNY F.* STEPHENS, xxx-xx-xxxx
KIM D.* STEVENSON, xxx-xx-xxxx
LARRY K.* STEVENSON, xxx-xx-xxxx
NATHANIEL STEVENSON, JR., xxx-xx-xxxx
ORVAL B.* STEVER, II, xxx-xx-xxxx
DAVID R.* STEWART, xxx-xx-xxxx
JACQUE J.* STEWART, II, xxx-xx-xxxx
JOHN STEWART, xxx-xx-xxxx
PERRY F.* STEWART, xxx-xx-xxxx
GEORGE A.* STOCKTON, xxx-xx-xxxx
KOBURN C. STOLL, xxx-xx-xxxx
GARY R.* STOLTZ, xxx-xx-xxxx
JON R.* STOLTZ, xxx-xx-xxxx
DWIGHT W.* STONE, xxx-xx-xxxx
GERALD R. STONE, xxx-xx-xxxx
TODD A. STONE, xxx-xx-xxxx
JOHN K. STONER, III, xxx-xx-xxxx
GREGORY L.* STOREY, xxx-xx-xxxx
GREGORY I.* STORY, xxx-xx-xxxx
HENRY M.* STPIERRE, xxx-xx-xxxx
BRUCE W. STRAIN, xxx-xx-xxxx
PATRICIA E.* STRAMPE, xxx-xx-xxxx
MICHAEL J.* STRANG, xxx-xx-xxxx
ANDA L. STRAUSS, xxx-xx-xxxx
MICHAEL J. STREFF, xxx-xx-xxxx

EARL K.* STRIBLING, xxx-xx-xxxx
DONALD E.* STRICK, xxx-xx-xxxx
CALVIN L.* STRINGFIELD, xxx-xx-xxxx
VIOLETA A.* STRONG, xxx-xx-xxxx
JAMES M.* STUART, xxx-xx-xxxx
LARRY *. STUBBLEFIELD, xxx-xx-xxxx
GARY R. STUDNIEWSKI, xxx-xx-xxxx
KARL R.* STUMPFF, xxx-xx-xxxx
NANCY L.* STURGEON, xxx-xx-xxxx
ROBERT SUMTER, xxx-xx-xxxx
ERIC A. SUNDT, xxx-xx-xxxx
GLENN A. SUPPE, xxx-xx-xxxx
JOHN H.* SUPPLEE, JR, xxx-xx-xxxx
EUGENE SUSLOWICZ, JR, xxx-xx-xxxx
WILLIAM K. SUTEY, xxx-xx-xxxx
DONALD R. SUTHERLAND, xxx-xx-xxxx
KEVIN M.* SUTLIFF, xxx-xx-xxxx
MARK SUTTON, xxx-xx-xxxx
RONALD L. SUTTON, xxx-xx-xxxx
RHONDA S.* SWANN, xxx-xx-xxxx
JOHN R. SWANSON, xxx-xx-xxxx
DOUGLAS E. SWARTZ, xxx-xx-xxxx
DAVID K. SWINDELL, xxx-xx-xxxx
DANIEL S. SZARENSKI, xxx-xx-xxxx
GERALD L. TABIN, xxx-xx-xxxx
ANTHONY D. TABLER, xxx-xx-xxxx
ALEXANDER C. TALLEY, xxx-xx-xxxx
JAMES C. TALLMAN, xxx-xx-xxxx
YAT TAM, xxx-xx-xxxx
ALISON E. TANAKA, xxx-xx-xxxx
ALBERT B. TANNER, xxx-xx-xxxx
MICHAEL J. TAVARES, xxx-xx-xxxx
CLARENCE E. TAYLOR, JR, xxx-xx-xxxx
FLORENCE M.* TAYLOR, xxx-xx-xxxx
FOREST A. TAYLOR, xxx-xx-xxxx
GARY O.* TAYLOR, xxx-xx-xxxx
JOSEPH *. TAYLOR, xxx-xx-xxxx
JOYCE A.* TAYLOR, xxx-xx-xxxx
MARK C. TAYLOR, xxx-xx-xxxx
VERNON TAYLOR, SR, xxx-xx-xxxx
GEORGE E. TEAGUE, xxx-xx-xxxx
MICHAEL A.* TERILLI, xxx-xx-xxxx
DONALD W.* TERRELL, xxx-xx-xxxx
MARILYN E. TERRILL, xxx-xx-xxxx
LYNELL E.* TERWAY, xxx-xx-xxxx
SCOTT E. THEIN, xxx-xx-xxxx
FRANKIE N. THIBODEAU, xxx-xx-xxxx
KARL C. THOMA, xxx-xx-xxxx
DONA M.* THOMAS, xxx-xx-xxxx
KIRK K. THOMAS, xxx-xx-xxxx
MARTIN S. THOMAS, III, xxx-xx-xxxx
MICHAEL H. THOMAS, xxx-xx-xxxx
RANDAL J. THOMAS, xxx-xx-xxxx
STEVEN P. THOMAS, xxx-xx-xxxx
WILLIE H.* THOMAS, xxx-xx-xxxx
CAROL C.* THOMASBARCLAY, xxx-xx-xxxx
CALVIN R.* THOMPSON, xxx-xx-xxxx
DOLA D.* THOMPSON, xxx-xx-xxxx
GREGORY L.* THOMPSON, xxx-xx-xxxx
HARRY E.* THOMPSON, JR, xxx-xx-xxxx
HARRY H. THOMPSON, III, xxx-xx-xxxx
JOHNNY *. THOMPSON, JR, xxx-xx-xxxx
MICHAEL D. THOMPSON, xxx-xx-xxxx
ROY C.* THOMPSON, xxx-xx-xxxx
DAVID P. THORESEN, xxx-xx-xxxx
MARK A.* THORN, xxx-xx-xxxx
RAYMOND W. THORNE, xxx-xx-xxxx
TIMOTHY J.* THORSEN, xxx-xx-xxxx
TERENCE M. TIDLER, xxx-xx-xxxx
CORWYN B.* TIEDE, xxx-xx-xxxx
DONALD H.* TIMIAN, xxx-xx-xxxx
CURTIS L.* TISBY, xxx-xx-xxxx
ROBERT D.* TOBIN, xxx-xx-xxxx
ALAN D. TODD, xxx-xx-xxxx
BRENDA J.* TODD, xxx-xx-xxxx
HANS M.* TOECKER, xxx-xx-xxxx
MARK *. TOLBERT, III, xxx-xx-xxxx
STEVEN H. TOLLEY, xxx-xx-xxxx
BRIAN S. TOLLIE, xxx-xx-xxxx
MICHAEL A. TONER, xxx-xx-xxxx
THOMAS A.* TOONEN, xxx-xx-xxxx
THOMAS G.* TORRANCE, xxx-xx-xxxx
JOSE *. TORRES, xxx-xx-xxxx
JOSE M.* TORRES, xxx-xx-xxxx
JAMES A.* TOWE, xxx-xx-xxxx
JOHN B. TOWEY, JR, xxx-xx-xxxx
MARSHALL O. TOWNSEND, II, xxx-xx-xxxx
EDWARD J.* TOZER, JR, xxx-xx-xxxx
MICHAEL J.* TOZZI, xxx-xx-xxxx
MARK R.* TRAUTMANN, xxx-xx-xxxx
ROGER C.* TRAVIS, xxx-xx-xxxx
JAMES T. TREHARNE, xxx-xx-xxxx
DAVID C. TREMBLAY, xxx-xx-xxxx
TIMMY D.* TRITSCH, xxx-xx-xxxx
TABOR W.* TRITSCHLER, xxx-xx-xxxx
KEVIN G. TROLLER, xxx-xx-xxxx
LANCE D. TROLLINGER, xxx-xx-xxxx
DAVID L.* TROMBLEY, xxx-xx-xxxx
ROBERT E. TROXEL, xxx-xx-xxxx
LINDA P. TRUAX, xxx-xx-xxxx
JERRY A.* TRUJILLO, xxx-xx-xxxx
LARRY M. TRUMBORE, xxx-xx-xxxx
DAVID T.* TSUDA, xxx-xx-xxxx
CHRISTOPHER TUCKER, xxx-xx-xxxx
RODNEY E.* TUDOR, xxx-xx-xxxx
DAVID M. TURBAN, xxx-xx-xxxx
PETER H.* TURCK, xxx-xx-xxxx
JOHN M. TURNER, xxx-xx-xxxx
JOHN N. TURNER, xxx-xx-xxxx
LARRY D.* TURNER, xxx-xx-xxxx
MARGARET L. TURRENTINE, xxx-xx-xxxx
GERALD H. TUSSING, xxx-xx-xxxx
ROBERT C.* TUTTLE, JR, xxx-xx-xxxx
THEODORE W. TWIGG, xxx-xx-xxxx
EMERY L.* TYACKE, xxx-xx-xxxx
LORRAINE E.* TYACKE, xxx-xx-xxxx
KURT F. UBBELOHDE, xxx-xx-xxxx
RICHARD P.* UNDERWOOD, xxx-xx-xxxx
ROBERT B. UNDERWOOD, III, xxx-xx-xxxx
THOMAS F. UNDERWOOD, xxx-xx-xxxx
FULTON S. UNNEVER, SR, xxx-xx-xxxx
BRUCE W. UPHOFF, xxx-xx-xxxx
MAX J. VALDEZ, xxx-xx-xxxx
FRANCO L. VALENTINE, xxx-xx-xxxx
RONALD M.* VALENTINE, xxx-xx-xxxx
KENNETH L.* VANDERPOOL, xxx-xx-xxxx
LEWIS L. VANDYKE, xxx-xx-xxxx
NORVEL M.* VANDYKE, JR, xxx-xx-xxxx
RUTH M.* VANDYKE, xxx-xx-xxxx
JOHN A. VANGROUW, xxx-xx-xxxx
THURSTON VANHORN, xxx-xx-xxxx
RAYMOND M. VARGO, JR, xxx-xx-xxxx
ROBERT L. VASTA, xxx-xx-xxxx
MARK M. VAUGHN, xxx-xx-xxxx
ISIDRO *. VAZQUEZ, xxx-xx-xxxx
JOSE L. VAZQUEZ, xxx-xx-xxxx
CARLOS E. VEGA, xxx-xx-xxxx
JAIME *. VEGA, xxx-xx-xxxx
JOSE R.* VEGA, JR, xxx-xx-xxxx
DAVID W. VENEY, xxx-xx-xxxx
MICHELLE R.* VERROKEN, xxx-xx-xxxx
MICHAEL J. VETTER, xxx-xx-xxxx
DENNIS L. VIA, xxx-xx-xxxx
GILBERTO VILLAHERMOSA, xxx-xx-xxxx
GUSTAVE *. VILLARET, IV, xxx-xx-xxxx
ABEL H.* VILLARREAL, xxx-xx-xxxx
ROBERT M. VISBAL, xxx-xx-xxxx
EDWARD R. VISKER, xxx-xx-xxxx
WILLIAM C. VOGT, xxx-xx-xxxx
ALEXANDER H. VONPLINSKY, III, xxx-xx-xxxx
JAMES J.* VONRINTELN, xxx-xx-xxxx
JEFFREY D. VORDERMARK, xxx-xx-xxxx
KEITH R. VORE, xxx-xx-xxxx
ALLAN R.* VOSBURGH, xxx-xx-xxxx
PAUL H.* VOSTI, xxx-xx-xxxx
JOSEPH L. VOTEL, xxx-xx-xxxx
DANIEL A.* VYBIRAL, xxx-xx-xxxx
DAVID J. WABEKE, xxx-xx-xxxx
STEVEN G.* WABNITZ, xxx-xx-xxxx
MARK M. WACLAWSKI, xxx-xx-xxxx
MICHAEL W. WADSWORTH, xxx-xx-xxxx
STANLEY M. WAGNER, xxx-xx-xxxx
SUSAN K.* WAGNER, xxx-xx-xxxx
WILFRED A.* WAGONER, xxx-xx-xxxx
JAMES R.* WALDROP, xxx-xx-xxxx
THOMAS L.* WALKER, xxx-xx-xxxx
ALLAN W. WALL, xxx-xx-xxxx
CHRISTOPHER J.* WALLACE, xxx-xx-xxxx
ROBERT M.* WALLACE, xxx-xx-xxxx
JOYCE L. WALMER, xxx-xx-xxxx
MARK A.* WALROD, xxx-xx-xxxx
KENNETH J.* WALSH, xxx-xx-xxxx
KEVIN J.* WALSH, xxx-xx-xxxx
PATRICK E. WALSH, xxx-xx-xxxx
PETER K.* WALSH, xxx-xx-xxxx
FRAN W.* WALTERHOUSE, xxx-xx-xxxx
DONNA L.* WALTHALL, xxx-xx-xxxx
JAMES J. WALTON, xxx-xx-xxxx
GEORGE A. WARD, JR, xxx-xx-xxxx
GEORGE *. WARD, JR, xxx-xx-xxxx
HARALD H.* WARD, xxx-xx-xxxx
RONALD C.* WARD, xxx-xx-xxxx
JAMES M. WARFORD, xxx-xx-xxxx
ANNE P. WARREN, xxx-xx-xxxx
MARK D. WARREN, xxx-xx-xxxx
LARRY P.* WARRICK, xxx-xx-xxxx
DENNIS L.* WARRINER, xxx-xx-xxxx
GERALD M. WASHABAU, xxx-xx-xxxx
FREDERICK S.* WASHINGTON, xxx-xx-xxxx
LEE E.* WASHINGTON, xxx-xx-xxxx
YELVA L.* WASHINGTON, xxx-xx-xxxx
CRAIG N.* WATERS, xxx-xx-xxxx
HENRY J.* WATERS, xxx-xx-xxxx
SUZANNE M.* WATSON, xxx-xx-xxxx
JEFFERSON R.* WATTS, JR, xxx-xx-xxxx
VICKY C. WATTS, xxx-xx-xxxx
JOHN A. WATZ, xxx-xx-xxxx
GARY L. WAY, xxx-xx-xxxx
HAROLD B.* WAYBRIGHT, JR, xxx-xx-xxxx
WALTER O.* WEATHERINGTON, xxx-xx-xxxx
JOSEPH S.* WEAVER, xxx-xx-xxxx
ANTHONY M. WEBB, xxx-xx-xxxx
MARK R. WEBB, xxx-xx-xxxx
KURT E. WEBBER, xxx-xx-xxxx
WILLIAM J. WEBER, xxx-xx-xxxx
CLYDE V.* WEBSTER, xxx-xx-xxxx
GARY J.* WEIDENBACH, xxx-xx-xxxx
MICHAEL K. WEIDERHOLD, xxx-xx-xxxx
ROBERT L.* WEIGLER, JR, xxx-xx-xxxx
PETER L. WEILAND, JR, xxx-xx-xxxx
JANIS A. WEIMAR, xxx-xx-xxxx
BEN W. WEINER, xxx-xx-xxxx
JASON S. WEINTRAUB, xxx-xx-xxxx
DOUGLAS L. WEISER, xxx-xx-xxxx
DAVIS S. WELCH, xxx-xx-xxxx
RICKEY W.* WELCHER, xxx-xx-xxxx
DAVID J.* WELLINGTON, xxx-xx-xxxx
DEMETRA A.* WELLS, xxx-xx-xxxx
HOWARD W. WELLSPRING, II, xxx-xx-xxxx
WILLIAM R.* WELSH, xxx-xx-xxxx
EARL S.* WEMPLE, III, xxx-xx-xxxx
STEPHEN K.* WEST, xxx-xx-xxxx
ALAN D. WESTFIELD, xxx-xx-xxxx
KEITH S. WETTIG, xxx-xx-xxxx
ROBERT R.* WETZEL, xxx-xx-xxxx
WILLIAM P. WHEELER, xxx-xx-xxxx
ARCHIE *. WHITE, xxx-xx-xxxx
JEFFREY S. WHITE, xxx-xx-xxxx
JOHN S.* WHITE, xxx-xx-xxxx
MARSHALL P. WHITE, xxx-xx-xxxx
MICHAEL E.* WHITE, xxx-xx-xxxx
ROBERT M. WHITE, xxx-xx-xxxx
THOMAS E.* WHITE, xxx-xx-xxxx
GARY W. WHITEHEAD, xxx-xx-xxxx
RICHARD T. WHITEHURST, xxx-xx-xxxx
RALPH A.* WHITEMAN, xxx-xx-xxxx
CHARLES N.* WHITFIELD, xxx-xx-xxxx
KEVIN C. WHITLATCH, xxx-xx-xxxx
ROY J.* WHITLEY, xxx-xx-xxxx
JAMES A. WHITT, xxx-xx-xxxx
STEPHEN W. WHITTEY, xxx-xx-xxxx
LIAM *. WHOOLEY, xxx-xx-xxxx
JAMES W.* WHORTON, xxx-xx-xxxx
STUART W. WHYTE, xxx-xx-xxxx
FRANCIS J. WIERCINSKI, xxx-xx-xxxx
ANTHONY G. WILEY, xxx-xx-xxxx
CARL D. WILEY, xxx-xx-xxxx
GERD P. WILHELM, xxx-xx-xxxx
JEFFERY G. WILKINSON, xxx-xx-xxxx
WILLIAM M. WILKINSON, xxx-xx-xxxx
JAMES A. WILLETT, xxx-xx-xxxx
AURELIUS M.* WILLIAMS, JR, xxx-xx-xxxx
BENNIE E.* WILLIAMS, xxx-xx-xxxx
CHARLES A. WILLIAMS, xxx-xx-xxxx
CHARLES K. WILLIAMS, xxx-xx-xxxx
CLEVELAND WILLIAMS, JR, xxx-xx-xxxx
DANIEL L. WILLIAMS, xxx-xx-xxxx
GEORGE A.* WILLIAMS, JR, xxx-xx-xxxx
JAMES R.* WILLIAMS, xxx-xx-xxxx
JOYCELYN Y.* WILLIAMS, xxx-xx-xxxx
KEWYN L.* WILLIAMS, xxx-xx-xxxx
MARVIN W. WILLIAMS, xxx-xx-xxxx
PATRICIA A.* WILLIAMS, xxx-xx-xxxx
PETER G. WILLIAMS, xxx-xx-xxxx
RICHARD A.* WILLIAMS, xxx-xx-xxxx
THOMAS W. WILLIAMS, xxx-xx-xxxx
BERNARD E.* WILSON, xxx-xx-xxxx
DANIEL M. WILSON, JR, xxx-xx-xxxx
GLENDELL *. WILSON, xxx-xx-xxxx
KERN C.* WILSON, xxx-xx-xxxx
MARILEE D. WILSON, xxx-xx-xxxx
MARTHA J. WILSON, xxx-xx-xxxx
PATRICIA *. WILSON, xxx-xx-xxxx
ROBERT L.* WILSON, xxx-xx-xxxx
WILLIAM R.* WILSON, xxx-xx-xxxx
JAMES A.* WINBUSH, xxx-xx-xxxx
GREGORY R. WINE, xxx-xx-xxxx
MICHAEL L. WINFREY, xxx-xx-xxxx
WALTER E. WININGER, JR, xxx-xx-xxxx
KENNETH H. WINKLER, xxx-xx-xxxx
SEIGNEOUS M.* WINNINGHAM, xxx-xx-xxxx
CHARLES J. WISE, xxx-xx-xxxx
JOHN W. WISEMAN, II, xxx-xx-xxxx
GEORGE K. WITHERS, III, xxx-xx-xxxx
JAMES M. WITHERS, xxx-xx-xxxx
DAVID H.* WITTY, xxx-xx-xxxx
RONALD *. WOJCIECHOWSKI, xxx-xx-xxxx
ADAM R. WOJTOWICH, xxx-xx-xxxx
WILLIAM T. WOLF, xxx-xx-xxxx
STANLEY A. WOLFE, xxx-xx-xxxx
ROBERT J. WOLFINGTON, JR, xxx-xx-xxxx
CRAIG *. WONSIDLER, xxx-xx-xxxx
DONALD F.* WOOD, JR, xxx-xx-xxxx
FRANCIS X.* WOOD, xxx-xx-xxxx
JOHN L.* WOOD, xxx-xx-xxxx
MARVIN W. WOODARD, JR, xxx-xx-xxxx
RONALD R.* WOODS, xxx-xx-xxxx
KATHERINE A. WOODWARD, xxx-xx-xxxx
STEPHEN E.* WOOTTON, xxx-xx-xxxx
CHRISTOPHER M.* WORK, xxx-xx-xxxx
ROBERT J. WOTTLIN, JR, xxx-xx-xxxx
LAWRENCE E. WREN, xxx-xx-xxxx
HAROLD R. WRIGHT, xxx-xx-xxxx
DANIEL G.* YAKE, xxx-xx-xxxx
DAVID T. YANCEY, xxx-xx-xxxx
MELEAH YANCEY, xxx-xx-xxxx
TIMOTHY N. YDE, xxx-xx-xxxx
JAMES W.* YEAGER, xxx-xx-xxxx
GARY M. YERKS, xxx-xx-xxxx
KIMBLE R.* YODER, xxx-xx-xxxx
JEFFREY R. YOE, xxx-xx-xxxx
DANIEL D. YOUNG, xxx-xx-xxxx
DON C. YOUNG, xxx-xx-xxxx
GARY R.* YOUNG, xxx-xx-xxxx
RICHARD A.* YOUNG, xxx-xx-xxxx
ROBERT S. YOUNG, xxx-xx-xxxx
THOMAS W. YOUNG, xxx-xx-xxxx
ROBERT W. ZACCARDI, xxx-xx-xxxx
EDWARD A.* ZAJ, JR, xxx-xx-xxxx
RAYMOND A.* ZANDER, xxx-xx-xxxx
MARK E. ZARETSKI, xxx-xx-xxxx
CURT S. ZARGAN, xxx-xx-xxxx
WALTER G. ZELLER, xxx-xx-xxxx
PETER J.* ZIELINSKI, xxx-xx-xxxx
DONALD A.* ZIMMER, xxx-xx-xxxx
JANET A.* ZIMMERMAN, xxx-xx-xxxx
DAMIAN J. ZOLIK, xxx-xx-xxxx
MICHAEL A. ZONFRELLI, xxx-xx-xxxx
ANTHONY J.* ZUVICH, xxx-xx-xxxx

DEPARTMENT OF DEFENSE

DONALD J. ATWOOD, OF MASSACHUSETTS, TO BE DEPUTY SECRETARY OF DEFENSE, VICE WILLIAM H. TAFT, IV, RESIGNED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR PERMANENT PROMOTION IN THE U.S. AIR FORCE, UNDER THE PROVISIONS OF SECTION 628, TITLE 10, UNITED STATES CODE, AS AMENDED, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

CHAPLAIN

To be lieutenant colonel

DARRELL L. COOK, xxx-xx-xxxx.

To be major

CARL M ANDREWS, xxx-xx-xxxx.
GARY L CARLSON, xxx-xx-xxxx.
FRANCESO PASSAMONTE, xxx-xx-xxxx.
STEPHEN M SMALLEY, xxx-xx-xxxx.

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM DUTIES INDICATED WITH GRADE AND DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE PROVIDED THAT IN NO CASE SHALL THE FOLLOWING OFFICER BE APPOINTED IN A GRADE HIGHER THAN MAJOR.

CHAPLAIN

GARY L. CARLSON, xxx-xx-xxxx.

DEPARTMENT OF STATE

JAMES RODERICK LILLEY, OF MARYLAND TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE PEOPLE'S REPUBLIC OF CHINA.

RICHARD THOMAS MCCORMACK, OF PENNSYLVANIA, TO BE UNDER SECRETARY OF STATE FOR ECONOMIC AND AGRICULTURAL AFFAIRS, VICE W. ALLEN WALLIS, RESIGNED.

IN THE FOREIGN SERVICE

THE FOLLOWING-NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS ONE, CONSULAR OFFICERS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF COMMERCE

MICHAEL J. HAND, OF THE VIRGIN ISLANDS.

AGENCY FOR INTERNATIONAL DEVELOPMENT

JOSEPH R. FERRRI, OF VIRGINIA.
KENT B. HICKMAN, OF ILLINOIS.
JOHN WILSON WILES, OF FLORIDA.

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS TWO, CONSULAR OFFICERS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

ALICE AMELIA DRESS, OF TENNSSEE.
PHILIP M. JONES, OF COLORADO.
SANDRA A. STEVENS, OF VIRGINIA.

DEPARTMENT OF COMMERCE

EDWARD E. RUSE, OF TEXAS.

AGENCY FOR INTERNATIONAL DEVELOPMENT

PAUL R. DEUSTER, OF VIRGINIA.
WALTER M. KINDRED, JR., OF VIRGINIA.
CHARLES RICHTER, OF FLORIDA.

U.S. INFORMATION AGENCY

MARGARET S. WESTMORELAND, OF THE DISTRICT OF COLUMBIA.

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS THREE, CONSULAR OFFICERS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF AGRICULTURE

DAVID P. MCGUIRE, OF NEW YORK.

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS FOUR, CONSULAR OFFICERS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

PERRY MASON ADAIR, OF CALIFORNIA.
CYNTHIA HELEN AKUETTEH, OF MARYLAND.
SUSAN ELAINE ALEXANDER, OF WASHINGTON.
RALPH D. ANSKE, OF TEXAS.
DAVID WILIAM BALL, OF OHIO.
MARY F. BENTZ, OF PENNSYLVANIA.
SHEILA G. BERRY, OF CALIFORNIA.
DIANE LYDIA F. CASTIGLIONE, OF NEW YORK.
MARGARET M. COMISKY, OF NEW HAMPSHIRE.
DOUGLAS STEWART DOBSON, OF FLORIDA.
ALEXANDER ALFREDO FEATHERSTONE, OF NEW HAMPSHIRE.
WILLIAMS KEVIN GRANT, OF CONNECTICUT.
DOUGLAS A. GRAY, OF VIRGINIA.
CHRISTA U. GRIFFIN, OF MARYLAND.
MARTIN P. HOHE, OF FLORIDA.
WILLIAM DAVID JACKSON, OF PENNSYLVANIA.
KAREN LEE MALZAHN, OF MARYLAND.
JAMES C. MARTIN, OF NEW YORK.
DAVID WILSON MERRELL, OF WASHINGTON.
CORNELIA P. J. MILLER, OF ALABAMA.
JONATHAN D. MUELLER, OF PENNSYLVANIA.
VICTORIA NULAND, OF CONNECTICUT.
PETER ADAMS O'DONOHUE, OF CONNECTICUT.
MITCHELL EVAN OPTICAN, OF CALIFORNIA.
BETSY ROSS PETERS, OF WYOMING.
RICHARD KIRK SHERR, OF COLORADO.
JANE JUDITH TANNENBAUM, OF VIRGINIA.
LOWRY TAYLOR, OF NEW JERSEY.
ANN WELLS TOBY, OF KENTUCKY.
J. PATRICK TRUHN, OF THE DISTRICT OF COLUMBIA.
ROBERT ROGER WINSHIP, OF WASHINGTON.
PEGGY SUE ABELMANN ZABRISKIE, OF MARYLAND.

DEPARTMENT OF COMMERCE

MARIA J. ANDREWS, OF GEORGIA.

THE FOLLOWING-NAMED MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENTS OF STATE, AGRICULTURE AND COMMERCE, AND THE UNITED STATES INFORMATION AGENCY TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

REKHA VISVANATHAN ARNESS, OF MINNESOTA.
CLAUDETTE M. AVRAKOSTOS, OF PENNSYLVANIA.
DANA SUZANNE BAKER, OF KENTUCKY.
DAVID JONATHAN BAME, OF VIRGINIA.
CHRISTOPHER J. BANE, OF VIRGINIA.
PETER HENRY BARLERIN, OF MARYLAND.
FREDERIC S. BARON, OF ILLINOIS.
DIANE REIMER BEAN, OF COLORADO.
CLAUDE JEFFREY BELLISTON, OF IDAHO.
ROBERT W. BOYNTON, OF CONNECTICUT.
BERTRAM D. BRAUN, OF NEW YORK.
PAUL ALLEN BROWN OF TEXAS.
RAYMONDE J. BROWN, OF MARYLAND.
STEPHANIE LAFOREST BROWN, OF MARYLAND.
MATTHEW J. BRYZA, OF ILLINOIS.
ROBERT WALTER CARLSON, OF NEW JERSEY.
CHRISTIAN M. CASTRO, OF MASSACHUSETTS.
MICHAEL G. CHARD, OF VIRGINIA.
W. BRENT CHRISTENSEN, OF OREGON.
GARY ALLAN CLEMENTS, OF MASSACHUSETTS.
WILLIAM H. COOK, OF TENNESSEE.
DWIGHT F. COSSITT, OF ILLINOIS.
SANDRA ANN CRUMPTON, OF ILLINOIS.
PAUL THOMAS DALEY, OF PENNSYLVANIA.
GRENVILLE E. DAY, OF VIRGINIA.
MICHAEL DELPRINCIPE, OF VIRGINIA.
MICHAEL M. DESLOOVER, OF MARYLAND.
JOHN P. DESROCHER, OF NEW YORK.
ANGELA RENEE DICKEY, OF FLORIDA.
DAVID DIGIOVANNA, OF NEW YORK.
JOHN WALTER DINKELMAN, OF UTAH.
ALICE E. DUFFY, OF MASSACHUSETTS.
RAMONA G. DUNN, OF NEW YORK.
BETH R. ECTOR, OF ALABAMA.
RICHARD H. ECTOR, OF OKLAHOMA.
JOHN B. EDINGER, JR., OF VIRGINIA.
SIGRID EMRICH, OF MINNESOTA.
DENISE A. ERBE, OF VIRGINIA.
ARLENE LORRAINE FERRILL, OF CALIFORNIA.
MICHAEL J. FITZPATRICK, OF VIRGINIA.
CYNTHIA L. FOLK, OF PENNSYLVANIA.
SOPHIE L. FOLLY, OF MARYLAND.
CHARLES AUGUSTUS FORREST III, OF MICHIGAN.
ROSEMARIE CRISOSTOMO FORSYTHE, OF THE DISTRICT OF COLUMBIA.
ROBERT PATRICK FRAZIER, OF TEXAS.
JENNIFER WINSLOW FURNESS, OF THE DISTRICT OF COLUMBIA.
THOMAS G. GALLO, OF NEW JERSEY.
JENNIFER ZIMDAHL GALT, OF THE DISTRICT OF COLUMBIA.
DAVID MARK GOWDEY, OF CALIFORNIA.
JUDITH GRACE, OF COLORADO.
JULIE LYNNE GRANT, OF CALIFORNIA.
JOHN ANDREW GREIG, OF CALIFORNIA.
B. GLENN GRIFFIN, OF TEXAS.
STEVEN B. GROH, OF TEXAS.
JOHN FRYAR GUERRA, OF TEXAS.
LYNN D. GUTENSOHN, OF NORTH DAKOTA.
MICHAEL A. HAMMER, OF MARYLAND.
DAVID W. HARRINGTON, OF VIRGINIA.
GORDON K. HELLWIG, OF ILLINOIS.
GEORGE HAMILL HOGEMAN, OF VIRGINIA.
MICHAEL A. HOWARD, OF VIRGINIA.
JAMES B. HUGHES, OF VIRGINIA.
L. VICTOR HURTADO, OF COLORADO.
DANIEL A. HUTCHENS, OF COLORADO.
MAKILA JAMES, OF NEW YORK.
ROBERT A. JANNOTTA, OF ILLINOIS.
ROBERT A. KASPER, OF OHIO.
JOHN C. KEELY, JR., OF VIRGINIA.
KELLY KEIDERLING, OF CALIFORNIA.
SUSAN KLING, OF MICHIGAN.
DAVID J. KOSTELANCIK, OF ILLINOIS.
BENITO M. KRAWCZYK, OF VIRGINIA.
REX H. LATHAM, OF VIRGINIA.
JENNIFER M. LAWRENCE, OF OREGON.
HARRY C. LENHART, OF MARYLAND.
OLIVIA LILLICH, OF NEW YORK.
LENHREW E. LOVETTE, OF VIRGINIA.
KRISTIN E. LYDERS, OF MINNESOTA.
JOHN R. MAGUIRE, II, OF MARYLAND.
BARTON W. MARCOIS, OF CALIFORNIA.
MICHAEL W. MASTERS, OF VIRGINIA.
WM. THAD MCARTHUR, JR., OF WASHINGTON.
FAITH W. MCCOY, OF FLORIDA.
THOMAS B. MCCUDDEN, OF ILLINOIS.
NANCY E. MCELDOWNEY, OF FLORIDA.
JOHN R. MELLOR, OF MARYLAND.
ROBERT L. MERRILL, OF MARYLAND.
ROBIN DIANE MEYER, OF THE DISTRICT OF COLUMBIA.
CHRISTOPHER MIDURA, OF TENNESSEE.
THOMAS DANIEL MITTNACHT, OF WISCONSIN.
JEFFREY A. MOON, OF FLORIDA.
DAVID TAFT MORRIS, OF THE DISTRICT OF COLUMBIA.
SEAN MURPHY, OF MASSACHUSETTS.
ELEANOR J. NAGY, OF OHIO.
DANIEL ENOS NEHER, OF THE DISTRICT OF COLUMBIA.
RICARDA NELSON, OF CALIFORNIA.
TERESA C. NELSON, OF VIRGINIA.
HARRY ANDERSON NUNNEMACHER, OF WISCONSIN.
H. THOMAS OVERBY, JR., OF GEORGIA.
SUSAN LEE PAZINA, OF WASHINGTON.
ARLIN K. PEDRICK, OF OKLAHOMA.
KATHY E. PEPPER, OF SOUTH CAROLINA.
DONALD G. PLANTS, OF VIRGINIA.
FRANK C. PRESTI, OF GEORGIA.
MONIQUE VALERIE QUESADA, OF FLORIDA.
WILLIAM LEE RADA, OF OREGON.
ANDREW K. RAKESTRAW, OF CALIFORNIA.
PENELOPE ADAMS ROGERS, OF HAWAII.
SARA A. ROSENBERRY, OF VIRGINIA.
JEANNE M. RUDEK, OF CALIFORNIA.
KEITH J. RUSSELL, OF WASHINGTON.
ALFRED SCHANDLBAUER, OF VIRGINIA.
CHRISTOPHER F. SCHARF, OF NEW YORK.
ELIN C. SCHILLING, OF MARYLAND.
DAVID P. SEARBY, OF MARYLAND.
STEVEN K. SEIGEL, OF VIRGINIA.
VALERIE E. SESLER, OF PENNSYLVANIA.
GEORGE NEIL SIBLEY, OF CONNECTICUT.
CARL R. SIEBENTRITT, OF VIRGINIA.
WILLIAM ARTHUR SLAVEN, OF NEW JERSEY.
KATHLEEN ANNE SMITH, OF MARYLAND.
BRYAN SODERHOLM-DIPATTE, OF VIRGINIA.
KATHRYN ANN SOLON, OF NEW MEXICO.
FRANK WILLIAM STANLEY, OF OHIO.
JAMES A. STEWART, OF OREGON.
FRANCIS S. STOPA, OF NEW YORK.
ALVIN H. STREETER, JR., OF NEW JERSEY.
A. JAMES STRUDWICK, OF WISCONSIN.
MARK A. SULLIVAN, OF MASSACHUSETTS.
RICHARD D. SULLIVAN, OF MASSACHUSETTS.
THOMAS J. SULLIVAN, OF ILLINOIS.
MARY ETTA TARNOWKA, OF CALIFORNIA.
WILLIAM L. TAYLOR, OF CONNECTICUT.
SUZANNE ELLEN THIBAULT, OF VIRGINIA.
DAPHNE MICHELLE TITUS, OF CALIFORNIA.
PETER MARK VAN BUREN, OF MASSACHUSETTS.
KENNEDY L. VEAL, OF MISSOURI.
EUGENE D. VINOGRADOFF, OF VIRGINIA.
VIVIAN S. WALKER, OF CALIFORNIA.
GLEN J. WELLS, OF VIRGINIA.
STACY ELIZABETH WHITE, OF TEXAS.
ROBERT A. WOOD, OF NEW YORK.
JON B. WOOLERY, OF CALIFORNIA.
PAUL D. WOOLSTON, OF MICHIGAN.
FRANK J. YACENDA, OF FLORIDA.
HOYT BRIAN YEE, OF CALIFORNIA.
DAVID S. YONKER VALES, OF VIRGINIA.

CONSULAR OFFICERS OF THE UNITED STATES OF AMERICA:

STAN A. COHEN, OF VIRGINIA.
DANIEL D. DEVITO, OF WASHINGTON.
ALLAN P. MUSTARD, OF WASHINGTON.

SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

MARIA ARONSON, OF THE DISTRICT OF COLUMBIA.
JOHN W. CORRIS, JR., OF VIRGINIA.
ALICE A. DAVENPORT, OF MARYLAND.
JEFFREY JOSEPH HARDEE, OF VIRGINIA.
ROGER ALLEN MEECE, OF WASHINGTON.
PATRICK O. SANTILLO, OF MARYLAND.

THE FOLLOWING-NAMED CAREER MEMBER OF THE FOREIGN SERVICE OF THE DEPARTMENT OF STATE FOR PROMOTION INTO THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED, EFFECTIVE DECEMBER 22, 1985.

CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

GEOFFREY OGDEN, OF CALIFORNIA.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 17, 1989:

DEPARTMENT OF DEFENSE

RICHARD B. CHENEY, OF WYOMING, TO BE SECRETARY OF DEFENSE.

DEPARTMENT OF STATE

LAWRENCE S. EAGLEBURGER, OF FLORIDA, TO BE DEPUTY SECRETARY OF STATE.

DEPARTMENT OF THE TREASURY

EDITH E. HOLIDAY, OF GEORGIA, TO BE GENERAL COUNSEL FOR THE DEPARTMENT OF THE TREASURY.

DAVID W. MULLINS, JR., OF MASSACHUSETTS, TO BE AN ASSISTANT SECRETARY OF THE TREASURY.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

DEPARTMENT OF VETERANS' AFFAIRS

ANTHONY JOSEPH PRINCIPI, OF CALIFORNIA, TO BE DEPUTY SECRETARY OF VETERANS AFFAIRS.

HOUSE OF REPRESENTATIVES—*Monday, March 20, 1989*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

As we behold the majesty of Your created world, O God, teach us to see Your handiwork in every place of that world. While we delight in Your presence in holy places, may we see Your redeeming power in every human emotion—in all fear or anxiety, in every joy and happiness. O gracious God, open our minds to Your direction, our thoughts to Your wisdom, and our hearts to Your abundant love. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Florida [Mr. BENNETT] kindly lead us in the Pledge of Allegiance?

Mr. BENNETT led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 829. An act to make permanent the authority provided under the Temporary Emergency Wildfire Suppression Act; and

H.R. 1373. An act to authorize the Agency for International Development to pay the expenses of an election observer mission for the 1989 presidential elections in Panama.

The message also announced that the Senate had passed bills, joint resolution, and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 270. An act to modify the application of the antitrust laws to encourage the licensing and other use of certain intellectual property;

S. 607. An act to prevent the desecration of the U.S. flag;

S.J. Res. 68. Joint resolution to designate the month of May 1989, as "Trauma Awareness Month"; and

S. Con. Res. 22. Concurrent resolution to recognize the contributions of C-SPAN on the occasion of its 10th anniversary.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 553) entitled "An act to provide for more balance in the stocks of dairy products purchased by the Commodity Credit Corporation."

The message also announced that pursuant to sections 276d-276g, title 22 of the United States Code, as amended, the Chair on behalf of the Vice President, appoints Mr. STEVENS as vice chairman of the Senate delegation to the Canada-United States Interparliamentary Group during the 101st Congress.

RESIGNATION AS A MEMBER OF THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following resignation as a Member of the House of Representatives:

HOUSE OF REPRESENTATIVES,
Washington, DC.

The SPEAKER,
The House of Representatives,
The Capitol, Washington, DC.

DEAR MR. SPEAKER: Since January 3, 1979, I have had the honor and privilege of representing the people of Wyoming in the United States House of Representatives.

On March 10, 1989, President Bush asked me to become his nominee for Secretary of Defense. The Senate has now confirmed my nomination, and I will assume this office later today.

I must therefore resign my office as the At-large Representative from the State of Wyoming effective immediately.

Sincerely,

DICK CHENEY.

Done at Washington, DC, this seventeenth day of March, in the year of our Lord, nineteen hundred and eighty-nine, at 1:01 p.m.

The SPEAKER. A similar letter drafted and addressed to the Governor of the State of Wyoming will be inserted in the RECORD at this point.

HOUSE OF REPRESENTATIVES,
Washington, DC.

Hon. MIKE SULLIVAN,
Governor of Wyoming, State Capitol Building, Cheyenne, WY.

DEAR GOVERNOR SULLIVAN: Since January 3, 1979, I have had the honor and privilege of representing the people of Wyoming in the United States House of Representatives.

On March 10, 1989, President Bush asked me to become his nominee for Secretary of Defense. The Senate has now confirmed my nomination, and I will assume this office later today.

I must therefore resign my office as the At-large Representative from the State of Wyoming effective immediately.

Best regards,

DICK CHENEY.

Done at Washington, DC, this seventeenth day of March, in the year of our Lord, nineteen hundred and eighty-nine, at 1:01 p.m.

A PLEA FOR A BIPARTISAN APPROACH ON EL SALVADOR

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, in the El Salvador presidential elections, it looks like the lesser of two evils won, simply because the elections happened. The Marxist rebels used violence and showed their usual terrorist tactics to frustrate the electoral process. Once again, they have shown their true colors.

So now we are all stuck with ARENA, the apparent victors in the presidential elections. Will they be a new ARENA, preaching negotiations, human rights reforms, and democratization, or will they be the ARENA of old, the ARENA of D'Aubisson, of death squads and terror? That is the question.

If we are to continue bankrolling the El Salvador government, there must be strict conditions on human rights, peace negotiations, land reform, and democratization to ensure that the ARENA of old is history. If ARENA thinks they have a blank check because we are stuck with them, they are sadly mistaken. If the Bush administration thinks they are going to be given a free hand, they are sadly mistaken also. We have spent over $3 billion in El Salvador, and what do we have to show besides a fragile election? Just death, corruption, and human misery.

Mr. Speaker, now that the elections are over, the Bush administration should talk to the Congress about proceeding on a bipartisan basis. Let us avoid another Contra war between the White House and the Congress. Let us impose these conditions together.

NATIONAL AGRICULTURE DAY

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, today we celebrate the first day of spring and "National Agriculture Day."

On this ninth celebration of Agriculture Day, I salute the thousands of people actively involved in Nebraska's

agriculture. Of the 2.2 million U.S. farms in 1987, more than 57,000 are found in my home State of Nebraska.

Agriculture is still the Nation's biggest business—a trillion dollar industry. More than 21 million Americans work in some phase of agriculture—from growing food and fiber to selling it at the supermarket. That is about one out of every five jobs in private enterprise and accounts for more than 17 percent of the gross national product.

Americans pay less for food than the citizen of any other industrialized nation—an average of 11 percent of their disposable incomes on food consumption. The average Russian pays nearly 26 percent. The average Chinese pays nearly 53 percent.

Today, as always, our producers face deep uncertainties—continuing drought, growing complexity in world markets, unfair trade practices abroad, and the redrafting of our Nation's agriculture price, and production policies.

As a member of an 11th generation farm family, and as the vice chairman of the House Appropriations Subcommittee on Agriculture, I applaud the work of my constituents involved in the production, processing, and handling of agricultural products.

All Americans can be proud and should be grateful for the work they do so well.

EMOTIONALLY DISTURBED AND DISADVANTAGED CHILDREN NEED MORE HELP

(Mr. McDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, we are a society that puts a high value on education. Our informed citizens are the strength of our democracy. Thomas Jefferson believed that democracy could not survive without universal public education. And so today, all over this country, millions of children are sitting in classrooms, participating and learning, preparing to become the skilled, informed, thinking citizens America will need in the next century to maintain our economic strength and our democratic heritage.

I want to talk to you today about the 1 out of 15 children in the public schools who is severely emotionally disturbed. Citizens of our great Republic who cannot and will not be able to participate in the vitality and opportunity of our great country. A recent study by the University of Washington's division of community psychiatry identified 50,000 kids in my State out of a school enrollment of some 750,000—one or two in every classroom, on the average who are severely mentally disturbed. These kids cannot learn, some of them can hardly function. These are kids whose response to stress is violence, kids who cannot relate to other people, kids who hear voices.

Only one in four of these emotionally disturbed children gets any help. Fewer than 1 in 20 receives actual mental health treatment. There are 39,000 severely emotionally disturbed children in my State who are not receiving any kind of service.

These children are not going to become functioning, self-supporting adults. Our society will pay the price—in State hospitals, in prisons, in welfare costs—when it is too late. We'll pay the price later because we are shortchanging them now. Federal mental health block grant funding has been cut in half. The Child and Adolescent Service System Program, enacted in 1984, reaches only 40 States. The pioneering primary intervention project, which brings mental health services to children in the early grades, operates in only 11 of my State's 300 school districts.

It's easy to make speeches about family values, about being the Education President, about how much we care for children. The test of our commitment is whether we are willing to pay the price. The next generation will judge us on this floor not by our rhetoric but by the courage we show, or fail to show, in recognizing that nothing comes for free, that our children are our greatest investment.

□ 1210

THE MANY VIRTUES OF THE MUSHROOM

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, today, as America celebrates National Agriculture Day, Pennsylvania is commemorating its own agriculture day, an occasion which brings to mind the importance of the Pennsylvania, mushroom which I hold before you. In fact, in 1987 alone, mushroom production in southern Chester County, which I represent, generated $189 million in revenue—$189 million.

However, this valuable commodity is important not only to the economy of Pennsylvania, but to the Nation as a whole. Because of its importance, more people should be made aware of the many virtues of the mushroom—from its versatility in preparing any meal of the day to its nutritional value as a regular component of our eating regimen.

Having said all that, I will insert this statement into the RECORD and, as for the mushroom, into an omelette, of course.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, DC, Mar. 17, 1989.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received at 9:15 a.m. on Friday, March 17, 1989 the following message from the Secretary of the Senate: That the Senate passed without amendment, H.J. Res. 117 and H.J. Res. 167.

With great respect, I am,
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

The SPEAKER pro tempore (Mr. FROST). Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

A KINDER AND GENTLER AMERICA FOR ADOLESCENTS OF THE 1990'S

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 60 minutes.

Mr. HOYER. Mr. Speaker, I rise today to talk about an issue that is fundamental to the success of this Nation. That is the welfare of our children.

Mr. Speaker, there was a symposium which was scheduled and held today called "A Kinder and Gentler America for Adolescents of the 1990's." One of the leaders of the Republican Party in this House, the gentlewoman from Illinois [Mrs. MARTIN] chaired that congressional symposium.

Mr. Speaker, we welcome this attention. When I say "we," I mean those of us on the Democratic side of the aisle. We welcome the attention given in this symposium to setting forth an agenda to create a kinder, gentler America for adolescents of the 1990's.

Mr. Speaker, we have not done so well in that objective in the decade of the 1980's. It is an oft-quoted phrase that, and I quote, "The children are our future." As true as that phrase may be, there is a greater truth in that the sheer number of our youth are declining and that our youth are in many ways increasingly disadvantaged.

Mr. Speaker, in 1978 young people aged 16 to 24 years of age were 23 percent of our total population. By 1995, that number will be 16 percent. Yet these youth will have experienced

greater poverty, more hunger, less housing, more drugs and crime than the generations that preceded them.

For far too many of America's youth the dreams, promises, and options that America can offer to her citizens are unavailable and indeed in many instances even unimaginable for them. America's future, Mr. Speaker, is threatened by this situation.

Over the last few years many of us have looked at the state of America's youth with growing alarm, and we have been trying to set off the alarm bells in the hopes that those in the other party and the President in the White House would hear and respond to those warnings. Hopefully this congressional symposium is an indication of a response, an indication that the phrase, "a kinder, gentler America" is more than rhetoric, but will be substantive in its response to the deficits in the programs dealing with our children and youth in America.

There appears to be an awakening on the part of our friends in the other party. They are indeed correct when they call, as they did today, adolescents a generation at risk.

Mr. Speaker, in 1983 we had a publication from the Department of Education which said that we were a Nation at risk. We were at risk of becoming a Nation whose education is geared toward mediocrity.

Mr. Speaker, that is a compelling challenge to us in the Congress and to the administration. But that challenge issued in 1983 brought forth a response from the administration suggesting a cut in education of some 37 percent. Mr. Speaker, that seems to be an incongruous response to a publication which says that we are a Nation at risk of becoming a Nation whose education in the public sector borders on mediocrity. Our country cannot compete economically, militarily, or in any other way, if our educational system is one of mediocrity.

□ 1220

I hope, Mr. Speaker, that this administration responds to its own rhetoric of a kinder, gentler America and to this symposium, a congressional symposium, chaired, as I said, by the gentlewoman from Illinois [Mrs. MARTIN], which refers to the adolescents of our Nation as being at risk.

As Speaker WRIGHT said when he announced just last week the creation of a Democratic Task Force on the American Family, the Federal Government's cutbacks in the areas of education, health care, and housing, have shortchanged millions of young people of the opportunities not only that they deserve, but of the opportunities they must have if this Nation is to be successful in the coming century.

Between fiscal year 1982, that was 1981, and fiscal year 1988, last year, programs aiding children and families were cut by $80 billion. That was while other costs were increasing. The largest of these, of course, was the payment on the national debt, which has escalated from some $50 billion to over $150 billion this year. On the one hand, there was a 300-percent increase in our debt payment; and on the other, an $80 billion cut in programs that affect children was occurring.

President Bush says, Mr. Speaker, he believes our children deserve an intensely focused effort by us all. We agree with President Bush. President Bush recognizes that these children are indeed our future and that we can ill-afford to lose them. But as any good businessperson knows, Mr. Speaker, it takes an investment to make an investment pay off.

The President proposes leadership and he proposes investment. President Bush proposes a community investment in our children, that he will lead. President Bush has set as his goals, goals that the Democratics have been working toward for a long time: well-nourished, healthy children; a stimulating family environment; clean and safe schools; quality teachers; an education which gives each child the skills and knowledge they need to reach their goals; access to quality postsecondary education and filling our children with the knowledge that they are worth our investment.

Is there a parent listening to me today who does not believe that their individual children are worth the investment that they can make?

Mr. Speaker, poll after poll after poll shows that America believes in the education of its children, because it believes that education will foretell how well their children will do in the future.

As a Nation, it is important for us to know that our future as a Nation will be foretold by our investment in the education of our Nation's children. These are all ideas that Democrats have long worked toward and these are dreams that all Americans share.

The President has articulated this dream and I am glad that he has done so. I am also glad that President Bush sees that all is not perfect in America, that he dreams our dreams and shares our goals. But we Democrats also know, Mr. Speaker, as Governor Cuomo so recently stated:

> It will take an energetically positive government that marries common sense to compassion and self-interest to our common interest.

It will take a return of government as a positive force which will provide the leadership and, yes, the resources to make our shared goals and dreams a reality.

Have we thought about why President Bush believes we need to return to a kinder, gentler Nation? President Bush was part of the administration for the past 8 years. Hopefully they would have brought us a kinder, gentler Nation. It would appear that President Bush is convinced or believes we ought to move toward that objective.

Again, from our point of view on this side of the aisle, we welcome that initiative. We welcome that commitment and we look foward to the statements and commitment undergirded by the substance of support for critical programs.

I hope the President will seek his dreams to their end and that he joins us, as Governor Cuomo said, and "works with us side by side with our hands and our hearts to build the houses and build the schools." I welcome the President to join us "to provide the programs and the means and the revenues that will allow us to meet the dreams of a whole new era of challenge and possibility" and not to forget the youth of our Nation, but to meet their needs and challenges head-on.

Mr. Speaker, I have had the opportunity of talking to the gentleman from California, Mr. GEORGE MILLER, who chairs the Select Committee on Children of this Congress about where we are in America today after 8 years of the Reagan-Bush administration and as we begin in the first year of the Bush-Quayle administration.

Mr. Speaker, I want to convey to this House where that committee believes we are. First of all, it is clear, Mr. Speaker, that growing up in poverty diminishes an adolescent's chances of maintaining good health, obtaining quality education, and gaining employment. We know that, Mr. Speaker. That is not news to any of us.

In 1987, Mr. Speaker, 16.4 percent of families with children were in poverty. That is bad enough, but that figure is 35 percent higher today than it was in 1979. A third more children in the wealthiest Nation on the face of the Earth are living in poverty now than there were living in poverty at the end of 1979. One out of every five American children live in poverty.

I am pleased that that concerns the President of the United States. I am pleased that some of our Republican colleagues have hosted a symposium to look at the risk that confronts this Nation. Mr. Speaker, the time to simply talk, the time to say that it is "morning in America" as a third more children fall into poverty over that same 8 years, has passed.

Families with children, Mr. Speaker, are the fastest growing groups of homeless in America. One-third of the homeless in 1987 in America are families with children, one-third.

Mr. Speaker, our programs are no longer keeping children out of poverty.

□ 1230

Among families with children, one-third of the increase in poverty since 1979 would not have occurred, and let me repeat that, Mr. Speaker, since 1979, one-third of the increase in poverty would not have occurred if Government programs had as much impact today in removing families from poverty as they did in 1979.

Mr. Speaker, have we become so self-absorbed that the falling of children into poverty no longer concerns us? Are we insensitive to the fact that there is a relationship between this and America's ability to compete, in America's ability to continue to provide for the high-technology environment in which we find ourselves, to continue to be as we have over the years, a leader, not only in the economic field but in cultural and educational matters as well?

In 1986, only 60 percent of the children in poverty received AFDC. That is down from nearly 72 percent in 1979.

Mr. Speaker, I yield to the gentleman from New York [Mr. DOWNEY], who chairs the subcommittee of the Committee on Ways and Means which has been involved with this particular issue and who is one of the most knowledgeable people in this country on the plight of children and on programs to relieve that plight.

Mr. DOWNEY. Mr. Speaker, I thank the gentleman from Maryland for yielding and for taking out this special order.

Mr. Speaker, I wanted to just embellish some of the points that the gentleman was making. This question of AFDC and this question of poverty are ones that are, of course, related and are problems for many of our people.

Mr. Speaker, nobody likes welfare. I think it is fair to say that people who are on it do not like it, the people who administer it do not particularly care for it, and the people who pay the bills resent the fact that they have to pay this amount of money, because they believe in their minds that these are people who, if they only had the right impetus, would go out and find a job.

Two out of three on AFDC, as the gentleman mentioned, are children under the age of 14, and if we explain welfare as a program to keep children out of poverty, people look at it in a much different light.

What has happened to the AFDC program over the last 18 years, and especially over the last 8 years, is really extraordinary. The gentleman was mentioning before, the gentleman from Maryland [Mr. HOYER], about the fact that we would have one-third less of the children that we have currently in poverty today if our Government level of benefits were better.

Recently our committee undertook to take an exhaustive look at AFDC. What we found was really amazing. Over the last 18 years the real value of AFDC has gone down 36 percent nationwide, more than a third. We were more generous toward poor children in 1970 than we are in 1989. That is a fact. It is not because we were more liberal or more interested in providing welfare benefits back then, but we recognized that these particular benefits went to a large extent to raising, lifting, a family close to the poverty level and giving them the hope and opportunity that they need to succeed in life.

There are very few States in our country today that lift children out of poverty. California is one. Michigan is another. The State of Maryland and the State of New York are States that provide better levels of benefits, but there is an inextricable link between poverty and success.

If we, as we all recognize, need in the future a work force that is eager to work, intelligent and productive, they have to be properly trained. They cannot continue to be born to mothers who have not finished high school and whose fathers are not home. They cannot continue to live in the squalid conditions.

As the gentleman mentioned before, the increase in the number of homeless children is an extraordinary and appalling statistic. The Government can make a great deal of difference to the life, the individual life, of a child, and it needs to understand that over the last few years it has neglected its very important responsibilities.

Mr. HOYER. Mr. Speaker, I thank the gentleman for his contribution.

Mr. Speaker, I yield to my friend, the gentleman from California [Mr. MATSUI].

Mr. MATSUI. Mr. Speaker, I thank the gentleman from Maryland for yielding, and I appreciate the gentleman from Maryland for calling this special order today, because I think it is very important to talk about issues pertaining to children and adolescents and families that are substantive and that we can use as a basis for some legislation in the next few months.

Certainly I would like to commend the previous speaker, the gentleman from New York [Mr. DOWNEY], who is the chairman of the Human Resources Subcommittee of the Committee on Ways and Means, on which I also serve.

Chairman DOWNEY, as many people know, last year got a major piece of legislation, a historic piece of legislation, passed out of the House and signed by the President, and that is the welfare-reform bill. I would like to commend him at this time and, again, to thank the gentleman from Maryland.

I find it very, very important that many of my colleagues on the other side of the aisle are going to be giving briefings today on the whole issue of children, families, and adolescents. I think it is about time the other party begins to focus in a substantive way on that particular issue.

Mr. Speaker, I recall about 3 years ago when our subcommittee spent time and went to southeast Washington. At that time we decided to look at some homes and families that were in poverty. All of the members of the Democratic side of that subcommittee attended. Not one Republican member attended those meetings that we had with impoverished families, and one case sticks out in my mind that I wish many of my Republican colleagues could have had the opportunity to visit with.

We went into a house in southeast Washington. There were four generations living in that home, a woman who was well into her eighties, and she had migrated from the South during World War II, and has lived in the District since that time. She had a 37-year-old daughter. The 37-year-old daughter was unemployed, receiving AFDC benefits. The 37-year-old daughter had a 17-year-old daughter who, in turn, had two children of her own, one about 18 months and the other child about 6 months old. It was near the end of the month, and what was very interesting about that family is that they had no food left, no food at all left in their family, and we asked them how they got by. They said they go to neighbors; the neighbors try to help them out a little bit. We had a gentleman by the name of Larry Brown who is a professor at Harvard and a nutritionist, and he indicated to us, as we were leaving the home, that it was obvious that the two babies, the children of the 17-year-old, were of a state that they had malnutrition.

Mr. Speaker, I wish my Republican colleagues had seen that family, because perhaps they then could become more sensitive to some of the plights that many Americans have, because what happened last year has to be borne out.

As I mentioned, the gentleman from New York [Mr. DOWNEY] was instrumental in getting the welfare-reform legislation passed. That bill is of historic proportions, but it could have been better had we had some support from the President, from the Republican Senate and from the Republican House Members, because as many of the Members recall, when we discussed that legislation in its initial stages, we wanted to put a work-training-education component in the legislation to try to break the welfare cycle in America, to try to put many of these people who are on AFDC and welfare onto the payrolls, tax rolls, so that they would begin working.

The only way we do that is providing for job training, for education programs, for job-placement programs. In

addition, we have to provide day care, because most of the people on welfare have children, minor children, and we have to provide a transportation component to these people.

In addition to that, we felt it was very, very important, as Democrats and as elected officials, to make sure that we increased the level of benefits for these AFDC recipients, because since 1979 the benefit level has not increased at all, to the point now where that same dollar in 1988 or 1989 is worth much less than it was in 1979, and so we had a two-track approach, having a job training/job placement component to get people off of welfare, and a component that would increase benefits, and the reason the increase of benefits was so important is I go back to that 17-year-old child who had those two babies and that family we visited 3 years ago in southeast Washington.

□ 1240

It was obvious to me that the primary concern of that family was food, shelter, how they were going to get by on a daily basis.

I went home that night to Chevy Chase where I live. My son at that time was 14 years old. Of course, my son will have anything he wants. Whatever college he wants to go to, obviously we are going to find a way to make sure that he is going to be able to have the resources to get in. He does not worry about breakfast, lunch, or dinner. He does not worry about taking care of two minor children. He does not worry about the kinds of basic necessities that this 17-year-old was worrying about on a daily, minute-by-minute basis.

So we felt as Democrats that we had to increase benefits, because before one can think like a middle class American and want to go to school and get an education, they have to stop worrying about where they are going to get their next meal.

But what was very, very unfortunate as we were moving the welfare reform bill through the legislative process is that we found that President Reagan said that if, in fact, we had any increase in benefits he would veto the bill. Many of our colleagues on the Republican side of the Subcommittee on Human Resources basically said that they would not be able to support any welfare bill that, in fact, had any increase in benefits.

So I hope my Republican colleagues, by going to these seminars today that the gentlewoman from Illinois, Mrs. LYNN MARTIN, has set up, will learn by these scholars who will be talking to them and giving them lectures, because we have tremendous problems ahead of us yet in terms of welfare, in terms of benefits for all Americans.

Let me just in conclusion, if I may, put out a few statistics. In California, the State I come from, one out of every nine American children live in our State. In another 5 or 10 years we expect one out of every eight children to live in California. Since 1969, the percentage of children living in poverty in California has doubled from 12.7 percent to 23 percent. The national average is 20 percent.

One out of every five children in America today lives in poverty. In California, 1.7 million children live below the poverty line.

So this problem is not just a problem for scholars and textbooks as many of our colleagues on the Republican side will be listening to and talking about today. It is a real problem. It is an emotional problem, one that our country has to really deal with in a substantive way.

So I commend my colleagues on the other side of the aisle. I just hope that after today they will begin to take a real interest in this issue, as the gentleman from New York [Mr. DOWNEY], the gentleman from Maryland [Mr. HOYER], and many of our colleagues have over the last few years.

Mr. HOYER. I thank the gentleman from California for his contribution and want to say he has been one of those in the forefront of, not only raising the facts of our treatment of children and youth, but taking action to give them a better opportunity. I thank him for his contribution today and thank him for his ongoing efforts as well. He is one of the real leaders in the Congress.

Mr. DOWNEY. Mr. Speaker, will the gentleman yield?

Mr. HOYER. I yield to my friend, the gentleman from New York.

Mr. DOWNEY. Mr. Speaker, I just want to see if I can engage the three of us in something of a discussion here, if we can put aside the economic questions about that we need these young people to work in our factories and in our services in America. There should be something that stands clear about the Democratic Party, and I do not mean to disparage our friends who are not here, but I think as a matter of philosophy we should oppose the idea of any child in America being poor. The idea of equal opportunity for all is something that is a bulwark of American life and American tradition, and there is something philosophically wrong about setting a full one-fifth of the people inside of our borders apart from everyone else.

The gentleman from California raised the point about his son. My children go to public school in the District of Columbia, in southeast Washington. Fully two-thirds of the children that attend this public school do not have a mother and father at home. Despite the heroic efforts of the very fine principal and teachers of that staff, these kids have enormous problems.

It seems to me axiomatic that if we can lift children and their parents out of poverty a lot of the problem that we have, as the gentleman form Maryland has talked about in terms of drug and alcohol abuse, crime and violence, would simply disappear. That is not a naive statement. Obviously there are still going to be people who will profit from drugs, there are still going to be alcoholics, and there will still be crime. But we cannot ignore the reality that people without hope are not going to live the same lives as you and I. They are not going to look at the world the same. They are not going to feel that breaking into our homes and stealing a stereo is in any way out of step with the morality that they know, because this child that the gentleman from California saw or the two children of a mother 17 are likely to be the future generation of welfare recipients, are likely in terms of percentages to occupy some jail time, and may at some time in the future commit a crime of violence. It is as inexorable as the sun rising in the East, painfully, yet we do not recognize it as a party, and we make all of these elaborate statements and have discussions about the budget is a problem and we cannot do this or we cannot do that.

We cannot afford not to do more for children. We simply cannot afford not to do it. This city, the Nation's Capital, is becoming murder central, and it is occurring in the neighborhoods not that the gentleman from California or the gentleman from Maryland or I live in, but in neighborhoods that are poor, where people have a feeling of powerlessness, and who shudder inside their doors because of the violence that goes on in their communities. It is all part of the cycle of poverty which is so obvious that it does not appear to be something we should be having arguments about. It is not simply a question of yes, they should get a job. Yes, those people should get jobs, yes, they should be trained. But if they do not have health care, if they do not have someone to take care of the kids, they are not going to be able to do those things.

Mr. HOYER. I appreciate the gentleman's very cogent comments and observations.

I was elected, as I think both of my colleagues know, to the Maryland State Senate in 1966. One of the interesting facets of Maryland politics in 1966 was that we also elected a Republican Governor, which is somewhat of a rarity in the State of Maryland. His name was Spiro T. Agnew. He ran as a progressive Republican and was elected.

When he gave his inaugural address there was a phrase that I have always remembered from that address. He was talking about some of the problems that he wanted to suggest to the

Maryland Legislature in January 1967. In his inaugural address he made the observation that the cost of failure far exceeds the price of progress.

We have talked about investment. The former administration talked about investment in America. We believe in that. Our country has been made great by private investment, by private entrepreneurship. That is, in fact, the core of what has made America so economically viable a nation and has provided a quality of life for all of our citizens. But we do not need to invest just in bricks and mortar or in machinery or in engineering plans. The greatest investment that we can make is in our human resources.

The gentleman from California, Mr. GEORGE MILLER, chairman of the Select Committee on Children, Youth and Families, whom I referred to earlier, observes that every $1 invested in quality preschool education returns $6 in savings because of lower costs of special education, public assistance, and crime. He does not factor in what the income tax return from that one child will be later on, but it is very substantial.

But he does relate to what 1 year of dropouts would cost. Just 1 year of dropouts cost the Nation $240 billion in lost earnings and taxes, $240 billion.

□ 1250

So that we are not talking about as we have mentioned here, the word "welfare."

Welfare has a bad connotation, as if somehow you are giving somebody a free lunch and there are a lot of cheats and frauds. Very frankly, my own observation is that probably all the welfare cheats in America could not keep up with Ivan Boesky, 2 or 3 years ago, or some others who were robbing us blind and paying $100 million fines. Think of how much they robbed if the fine is $100 million.

In any event, this is an investment. The gentleman from California [Mr. MATSUI] and the gentleman from New York [Mr. DOWNEY] work on a subcommittee of the Committee on Ways and Means with a concern about investment and which tries to structure our tax policies so that we invest well in order that America is successful. This country can make no better investment, than investing in the education and training and health care and feeling, as Mr. MATSUI pointed out so well, of well-being among our children.

So I thank the gentleman for his comments. I yield to the gentleman from California.

Mr. MATSUI. If I may supplement what both the gentleman from Maryland and the gentleman from New York have said, we have a couple of issues coming up in the next, I would say, 60 days or so, within the next 2 months that perhaps our colleagues on the other side will be getting involved in. One is the minimum wage issue.

You know when we talk about poverty we are not talking only about people on AFDC benefits, but also there are many families in which there is only one person working, usually a woman, who is the sole support of her family. She is receiving ony the minimum wage. She has young children in that family.

Obviously she and those children are not going to be able to live in a way where they can think about high school, college and beyond because they are going to be thinking about where, again, they are going to get their next meal.

In other words they are not going to be thinking middle class like we want them to think; in other words have aspirations like many of us have.

The Republicans will have an opportunity to vote on an increase in the minimum wage bill within the next 60 days.

I would like to add one other thing. I do not know if this has been mentioned. But in America today, if you can believe this and I find it astonishing myself, there are 37 million Americans who do not have access to health care. We do not know many of those people because we do not see many of those people. But that means that there are 15 percent of the population of this country that do not have any adequate health care.

What is interesting is that a full 25 percent of that 37 million are children.

The President in his budget, as we all know, proposes a $5.5 billion cut in the Medicare Program and also no growth in the Medicaid Program.

Well, this will be another opportunity in the next 60 days for many of our colleagues on the other side of the aisle to really be heard on how they feel about children, adolescents and the whole issue of families.

So I would hope that through the discussions they have today they will come back with a greater understanding and a greater sensitivity to how to get these people out of poverty, into the work force and into a value system in which they want to have aspirations.

Mr. HOYER. I yield to the gentleman from New York.

Mr. DOWNEY. I appreciate the gentleman yielding for another point.

We will be producing tomorrow and it will be available for distribution a book out of the Committee on Ways and Means called the green book, which is the shorthand term for the statistical compilation of all of the programs under the jurisdiction of the Committee on Ways and Means which include all of the programs that we have been discussing.

I have had an opportunity to review one of these statistics, and that is this enormous growing income disparity between the top 20 percent of the people in our country and the bottom 20 percent.

Now this has been fairly well documented by the Census Bureau. But what we have done is we have taken it one step further. We have extracted the single-person family, the older folks who have benefits and we have looked just at families. What has happened just to families over this same 10-year period. The results are simply astonishing.

The botton 20 percent of our people have lost over the last 8 years fully 24 percent of their buying power. They are 24 percent, almost a quarter poorer today than they were 9 years ago.

Another statistic—and I might add that the top 20 percent is a full quarter richer. The amazing thing is that just in the increment for the top 20 percent, is larger than everything the bottom 20 percent holds, just the increment over the last year of what they have made.

Now, no one begrudges people doing well in our country. Please do not get me wrong on that score. But the fact is you cannot have one group doing spectacularly well and one group lagging behind and losing and not have severe social consequences.

One other figure I found astonishing: In 1960 the number of children born to mothers who have never been married was 245,000. That is how many children were born to a mother who was never married.

In 1988 that number was 4.6 million; 4.6 million.

Now that may be, I say to the gentleman from California, the person he was describing in southeast Washington. When you take a look at the several social consequences that that number represents one begins to realize that the thread, the fabric of American society is starting to fray badly, that the idea that there is a social safety net for these people is a cruel hoax for many of them.

The President, I believe, has opened the door in a way that we should walk in courageously. The President said we should have a child care credit, make it refundable. Indeed we should, we should make it a little larger than he wants to do it.

We need to do something for the working poor.

As the gentleman from California [Mr. MATSUI] mentioned, last year we decided to do welfare reform, make welfare work; education and training, lift yourself out of poverty. To be working poor? That is the alternative. To not have health care? We have to do a couple of things. We have this week to raise the minimum wage even though it does not apply to all people who are poor. It does make a very big difference to people who are poor.

No. 2, we have got to expand the earned income tax credit which will not cost workers anything but will provide real dollars in the hands of people who work for a living, who have children.

The President has opened the door to us and it is up to us, in large measure, to make sure that we walk through it with something a little bit more than he wants to provide.

Mr. HOYER. I appreciate again the gentleman's contribution.

I want to make the point that the thrust of this special order today is not a partisan attack but a partisan welcoming of the recognition and the shared partnership in resolving some of these very deep problems.

The gentleman mentioned an issue that I have had experience with and probably many, many people in this Chamber have had experience with. And that is the welfare mother who has an opportunity to go to work but who does not have a job that provides her health insurance and does not have a job that will pay her sufficiently to afford to buy health insurance.

But if she takes the job she will lose the Medicaid benefits for her children. So she is locked in, not because of any bad feelings, not because of a lack of sense of responsibility but indeed the very responsibility that she has forces her to stay in a mode where medical care will be available, not to herself, but to her children. So we welcome this partnership, to look at what we are doing and to turn this question around as we did in the welfare reform bill. I wish we could come up with a better term, a more positive, investing term, to encourage, to allow and to lift up people to become full participating partners in creating the kind of America that the President wants and that we want.

I yield to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. I thank the distinguished leader. I just want to very briefly focus on dropouts and unemployment among youth that are at risk. I am specifically talking about minority youth.

I want to commend both members of the Committee on Ways and Means for their leadership which they have shown on a number of bills that deal with these issues.

But once again I wish to state some very glaring statistics. Unemployment among all youth was 15.9 percent in 1987; among black youth it was 33.3 percent and among Hispanic youth it was 29.1 percent.

In 1988 close to 1 million students, 950,000, dropped out of school before graduation.

□ 1300

Between 1973 and 1986, young people who did not complete high school suffered a 42-percent drop in annual earnings and constant dollars. One year of dropouts cost the country $240 billion in lost earnings and taxes. Between 1980 and 1984, black student enrollment declined by nearly 11 percent after steadily increasing during the 1970's, and Hispanic enrollment decreased 14 percent.

Despite the problem of at-risk children and youth, in the last 8 years the Reagan administration severely cut programs that assist in the highly vulnerable population. The Federal Government's actual spending for all education activities decreased by 12 percent between fiscal year 1980 and 1988. Between fiscal year 1980 and 1988, chapter 1 education funding for neglected and delinquent youth fell by more than 8 percent, 80 percent of eligible low-income children are denied education in preschool programs such as Head Start, for preschool children and between 1985 and 1988 education and job training funding under the Job Training Partnership Act fell by 13 percent.

I can go on, citing these statistics. I want to commend the distinguished leadership for calling this special order and focusing that we cannot just have rhetoric in dealing with children's problems as the Bush administration seems to be on the path of doing. We have to have dollars and leadership and commitment, and this leadership and commitment is coming from the Congress, from the Committee on Ways and Means and the Democratic leadership.

I know the leader does not want to get partisan, but I think that fact has to be stated. I thank the gentleman for allowing me to participate in this special order today.

YOUTH AT HIGH RISK IN 1980'S DUE TO GOVERNMENT NEGLECT

Educational failure, poverty, poor prenatal and early childhood health care, and child abuse place children at high risk of social dependency and delinquency as teenagers. During the 1980's, each of these indicators for children worsened or failed to improve significantly.

GROWING UP IN POVERTY INCREASINGLY COMMON

Growing up in poverty diminishes an adolescent's chances of maintaining good health, obtaining a qualify education and gaining employment.

In 1987, 16.4% of families with children were in poverty, up nearly 35% since 1979. One out of five American children now live in poverty.

Families with children are the fastest growing group of homeless in America, one third of the homeless in 1987.

PROGRAMS NO LONGER KEEP CHILDREN OUT OF POVERTY

Among families with children, one-third of the increase in poverty since 1979 would not have occurred if government programs had as much impact today in removing families from poverty as they did in 1979.

The minimum wage, in real terms, has declined 33% since 1981. In 1981, a family of three with a full-time minimum wage earner was $280 below the poverty line. In 1987, this family's earnings fell $2,100 below the poverty line.

In 1986, only 60% of the children in poverty received AFDC (Aid to Families with Dependent Children), down from nearly 72% in 1979. During this same period, the real value of AFDC benefits declined by 18.5% for a family of four.

DROPOUTS AND UNEMPLOYMENT AMONG YOUTH PLACE THEM AT RISK

Unemployment among all youth was 15.9% in 1987. Among black youth it was 33.3%.

In 1988, 750,000–950,000 students dropped out of school before graduation. Between 1973–1986, young people who did not complete high school suffered a 42% drop in annual earnings in constant U.S. dollars.

One year of drop outs costs the nation $240 billion in lost earnings and taxes.

Between 1980–1984, black student enrollment in college declined by nearly 11% after steadily increasing during the 1970's.

Despite the growing numbers of at-risk children and youth, the Reagan Administration severely cut key programs that assist this vulnerable population.

The Federal government's actual spending for all education activities descreased, in real terms, by 12% between FY 1980–FY 1988. Between FY 1980–FY 1988, Chapter 1 education funding for neglected and delinquent youth fell by more than 8%, after adjusting for inflation.

80% of eligible low-income children are denied participation in the cost-effective Head Start preschool program due to inadequate funding.

Between FY 1985–FY 1988, education and job training funding under the Job Training Partnership Act fell by 13%.

TEENS AT HIGH RISK FOR POOR HEALTH

Teens may be the most medically neglected of all age groups, placing them at great risk for long term physical and mental health problems.

Between 1982–1986 the number of children without public or private health insurance increased 20% to over 12 million. In 1986, less than one-half of all children in poverty under age 13 were covered by Medicaid.

Accidents, homicides and suicides account for 80% of the deaths among youth age 15–24.

As many as 9.5 million children have serious mental health problems requiring treatment; 80% receive inappropriate treatment or no treatment.

Moreover, millions of eligible children are denied health and early childhood preventive programs, which are proven to save lives as well as dollars. Reaching children early is key to their success as teenagers.

Every $1.00 invested in quality preschool education returns $6.00 in savings because of lower costs of special education, public assistance, and crime. Head Start, the comprehensive preschool program for low-income 3–5 year-olds, reaches less than 20% of the 2.5 million children who are eligible.

Chapter I, the primary federal education program for disadvantaged children, costs $750 annually per child, compared with $3,700 annually for a student repeating a grade. Yet, it reaches only 54% of low-income school-age children.

The WIC (Women, Infants, and Children) nutrition program for high-risk low-income women and children serves less than 50% of the eligible population.

Between fiscal years 1981-1987, 2.1 million eligible children were dropped from the National School Lunch Program.

VIOLENCE AMONG CHILDREN AND YOUTH ON THE RISE

Violence to and by youth has increased markedly. Growing up in a violent household is one of the strongest predictors of delinquency and violent behavior.

Nearly 1,200 children died of abuse in 1987, 25% higher than in 1985.

There was a 150% increase in actual incidence of child abuse from 1980-1986.

Homicide is the second leading cause of death among 18-24 year-olds in the U.S. It is the leading cause of death among black 15-24 year-olds.

The number of juveniles arrested for violent crimes increased 9% between 1984-1986, despite an overall decrease in juvenile crime.

GOVERNMENT FAILS TO PROTECT CHILDREN'S SAFETY

Despite a 55% increase in reports of child abuse, resources to aid abused children grew less than 2% nationwide between 1981-1985. In over one-half the states, resources fell or failed to keep pace with the demand for services.

Juvenile Justice and Delinquency Prevention Act funds were reduced by one-third between 1980-1988.

Mr. HOYER. Mr. Speaker, I thank the gentleman for his comments and want to make the observation to all of our colleagues and the American public, obviously we are organized in a partisan sense in this Congress. Obviously, the President has his position, philosophical and otherwise, and we have the same. We will discuss those in a partisan way in many instances.

The thrust, however, again is not to be partisan in the sense of pointing fingers but to say there are problems, Mr. President, and we welcome your initiative and the rhetoric that say we want to create a kinder, gentler Nation.

I observed tangentially that for 8 years the President has been part of an administration that hopefully would have had that same objective, but perhaps not. Perhaps now we need to create that kinder, gentler Nation. I think we do, but we need to work together and look at the realities as opposed to the rhetoric, and respond to those realities rather than to respond simply to feel good feelings which all of us like to have. But if all of us are not feeling good and if as many people, as the gentlemen from California, New York, New Mexico, and myself, have referred to, are falling below what any of us would believe to be a minimum level to predict and to provide for a successful future, it is detrimental to our entire country. Therefore, I appreciate their initiative.

Mr. DOWNEY. Mr. Speaker, if I could make another point, and the gentleman has been more than generous with our time, the gentleman from California [Mr. MATSUI] and I, and I know the gentleman from Maryland feels just as well, are proud frankly, of the work our Nation has done with respect to older citizens, and more needs to be done there. The gentleman from California [Mr. MATSUI] has a number of bills that I am privileged to be cosponsor of, that will make a big difference for poor elderly, but when we take a look at the fine work that we have done over the last 12 years on behalf of the elderly, in lifting many people who ordinarily would be poor out of poverty, we can get some sense of, on the other hand, when it comes to older citizens, this Congress is not afraid to be bold. It is not afraid to be generous, and it is correct in both instances, but when it comes to children, because they do not have the same political clout, we turn a blind eye to them. It is a very alarming fact.

Let me make another quick point. If we are an old, poor person, we have a national minimum benefit for us. We call it supplemental social security income. We do not care if a person is poor Alabama or poor New York or Maryland or New Mexico or California. The person is going to get a minimum benefit. We do not want them to fall below a threshold. I believe it is now $360 or thereabouts for a single person, not very much. Along with food stamps and other benefits it conceivably will keep a poor person who is old, from a life of absolute destruction. We have no such minimum benefit for children, unless, of course, they are blind or disabled, then they are part of this SSI program, so we have the spectacle of a child who lives with his or her mother in Alabama, getting $160 a month for a mother and two children versus $800 or $780 in the State of California. A child in Alabama is just as important to me as a child in California or a child in New York. They are all Americans.

One of the other sadly neglected aspects of welfare reform as the gentleman from California has mentioned is the idea of minimum benefits for American children, health care for all American children. These are, in my opinion, absolute rights, absolutely fundamental to the potential health and well-being of our American society.

Mr. HOYER. I thank the gentleman, again.

In concluding this special order, unless my friend from California would like to make an additional statement, Mr. Speaker, I yield to the gentleman from California.

Mr. MATSUI. I thank the gentleman from Maryland, and I would like to just point out what the gentleman from New York has just said.

I think it is very important to, first of all, say something about the gentleman from New York's [Mr. DOWNEY] new initiative. He has a working poor act, and essentially what his bill will do is increase the earned income credit for those persons that are making a wage that is actually below the line of poverty or just around the line of poverty, and I am a cosponsor of that legislation and know many others are, but I would like to see some initiative come on the other side of the aisle on that legislation, because it is a very important piece of legislation, and frankly in the Tax Reform Act of 1984, through that process we actually increased the standard of living of almost all groups of Americans except those that are the working poor.

So this bill that the gentleman from New York [Mr. DOWNEY] has introduced will be the final piece of making sure that everybody has benefit from the Tax Code and tax reform. We do need more Members from the other side of the aisle to sponsor that legislation in order to make any bipartisan bill which is so important, to move legislation, as we well know.

I would like to comment, if I may for a moment, on the whole issue of poverty and children and poverty and senior citizens. As the gentleman from New York [Mr. DOWNEY] has said, back before the Great Society of the early 1960's, the poverty rate for senior citizens was 28 percent. Any person over the age of 65, 28 percent of them were in poverty. Today in America, the poverty rate for that same age group is 12.5 percent below the national average of this country. The reason that we are able to do this is because we in the Congress, the State legislators, and the American people, had a commitment to the senior citizen population of America. At the same time this was going on, poverty for children, that is those 18 and under, has taken a dramatic increase. It was under 15 percent in the early 1960's. Today, as the gentleman from New York [Mr. DOWNEY] pointed out, it is over 20 percent. One in every five children lives in poverty. We in America have to make these same commitments to our children today that we made to the senior citizens in 1960, and I think that is a challenge above the Republican and Democratic Party. This is not a partisan issue, this is an issue for all Americans.

I thank the gentleman for this special order.

Mr. HOYER. Mr. Speaker, I think the point again made by two experts in the Congress as to where we are, are critical. They are critical for all Members of the Congress, critical for the President, and critical for the American public to concern themselves with and make our decisions in the future, based upon these statistics and realities. I thank the gentlemen for their contributions.

Mr. Speaker, our time is just about up. In the letter which the gentlewoman from Illinois [Mrs. MARTIN] sent to all Members, and we appreciate her involvement in this effort, she said, "In

outlining his vision of a kinder and a gentler America, President Bush challenged all of us to work to create a future that is better for all Americans. This call has its most urgent need as we look toward the next generation of teenaged Americans, too many of whom today live in broken homes and crime- and drug-ridden neighborhoods; are poorly educated and ill-fed; and lack adequate provision for health care and housing."

□ 1310

That is true, and it is a shameful fact that it is true. But at the last instance, in the area of housing, let us not be surprised that the issue of homelessness in 1989 is one that is with us on a day-to-day basis when it was not, I suggest, in 1980. Let us not be surprised when we realize that we have dropped our investment from $31 billion in 1981 to approximately $7 billion in 1988.

Now, it should come as no startling surprise that if we cut our investment to less than one-fourth of that which we are making to house Americans, particularly Americans who are on moderate and limited incomes, who find it increasingly difficult to find housing for themselves and for their children—and that is what we are speaking of; they cannot independently go out and get housing. It should come as no surprise to us as a nation that when we cut our investment to less than 25 percent of what it was 8 years ago, the stock of housing available to people has markedly gone down.

That is not a partisan issue. That is an issue for all Americans, for all Members of Congress on either side of the aisle. It also seems to me that it is a responsibility. My party believes it is a responsibility of our Government to ensure an adequate stock of housing for our children and for their parents.

On the issue of health care, we have heard two gentleman from the Committee on Ways and Means who are involved in health care funding. The gentleman from New Mexico [Mr. RICHARDSON] serves on the Energy and Commerce subcommittee dealing with authorization for health care. Thirty-seven million Americans are without health insurance, many of them children.

"The purpose of the event," the gentlewoman from Illinois [Mrs. MARTIN] concluded, "is to bring together leaders from Government and the private sector to focus on this generation at risk."

That is how I started, Mr. Speaker, "a generation at risk." I started with the example of the publication, "A Nation at Risk," and pointed out that the year after "A Nation at Risk" came out dealing with education, President Reagan proposed a 37-percent cut in the Federal Government's investment in education.

Mr. Speaker, we cannot afford that in this Nation, our children cannot afford it, and we as parents cannot afford it. We cannot afford to retreat from our responsibilities for this generation at risk.

Mr. Speaker, we join with President Bush, with the gentlewoman from Illinois [Mrs. MARTIN], with Republicans and Democrats, and with all the people of this Nation who overwhelmingly reflect in poll after poll their willingness to commit resources to their children. We join with all of them, Mr. Speaker, in hoping that from this day forward we will move on in a bipartisan, cooperative sense to make sure that the generation at risk has the kind of opportunity that we want for each one of our children so that America will be successful in the decade of the 1990's and in the 21st century.

Mr. FLIPPO. Mr. Speaker, I am proud to join my colleagues today to express my commitment to the American family. As the father of six children, I understand the difficulties which families encounter. I believe that my Democratic colleagues and I have introduced some powerful legislation to address the problems which families are facing. We must all come together to foster a climate in America which strengthens family life.

One of the most important things we can do for families is to help them to provide their children with the best education available. My Democratic colleagues and I are strong supporters of full funding for Federal education programs such as Head Start. There is no doubt that education is the key to a better and more prosperous America.

I strongly support Federal expenditures for education. This Federal investment in the schoolchildren of our country will yield substantial returns as the young students of today grow into prosperous and productive adults fully prepared to live in our complex society.

At a time when the family is imperiled by extraordinary change and economic instability, every segment of American society must ask what it can do to support families and the healthy development of our young. It is my hope that as the Congress considers the issue of child care we keep in mind that our churches are playing a large role in meeting our current child care needs. We must be careful to support legislation which strengthens the involvement of churches with our young people. Legislation should not penalize families who choose not to use formal day care arrangements.

I have long been concerned about trends in our society which erode basic family values. My Democratic colleagues and I have a strong interest in the moral well-being of children. Everyone must do his or her part to see that the next generation of leaders is prepared academically and morally to keep our country powerful, prosperous, and free.

The efforts of the Democrat-controlled Congress led to the successful enactment last year of the Child Protection and Obscenity Enforcement Act. This year the House must pass the Child Protection Act.

This bill would expand RICO to cover the crime of the sexual exploitation of children. It would provide for stronger punishment for persons convicted of sexual exploitation of children.

The President has said that he seeks to shape a kinder and gentler America. I believe that this noble goal can only be reached by a firm dedication to strengthen a significant social force in our country: The American family.

OPPOSITION TO THE FSX DEAL WITH JAPAN

The SPEAKER pro tempore (Mr. FROST). Under a previous order of the House, the gentleman from New Mexico [Mr. RICHARDSON] is recognized for 60 minutes.

Mr. RICHARDSON. Mr. Speaker, let me first start out by stating that I will not take the full 60 minutes. I do not usually take special orders. I have done very few in the 7 years that I have been a Member of this body.

I rise today to speak about a very troubling issue right now that is going through the administration's decision-making process, and that is the proposed sale of the F-16 fighter technology to the Japanese for incorporation into their FSX aircraft.

Let me just say that I consider Japan and the Japanese Government valuable allies, friends, and partners in technology; partners in foreign policy, economic policy, and in foreign assistance policy. Our two peoples are very close.

But there are very complex issues which involve the sale or transfer of United States technology for free to Japan, and that should not be the case. There are grave national security issues that I believe this sale raises that have not been raised.

We are talking also about defense burden-sharing and the larger question of its long-term impact on the health and competitiveness of the American aerospace industry, the only high technology area in which the United States remains the undisputed world leader.

So what are we going to do? Are we going to turn this technology over for free? That is what we would do, turn this F-16 technology, the most sophisticated technology in the world, over to Japan for free.

These latter questions have been ignored in the FSX negotiations, particularly on the rationale, I believe, that we must improve our ties with Japan, that reversing ourselves on the FSX would truly be a bad foreign policy decision, one that would hurt our ties.

This decision should not have been made in the first place without closer consultation. What we have is the De-

partment of State and the Department of Defense, to the exclusion of the U.S. Trade Representative and the Department of Commerce, negotiating about this sale as the model for the future, excluding two very vital agencies and entities of the U.S. Government. Before we go a further step down the road, we think that this FSX program should be considered by all cognizant Cabinet agencies and by President Bush himself. We must do this in a bipartisan way. We need this review. We need the Departments of Commerce, Labor, and Energy, the Office of the U.S. Trade Representative, the White House Science Office, and the President to make a full-term assessment of this sale. We think it is vitally important that this be done expeditiously.

We know that the Prime Minister of Japan will be in this country shortly, but we think that the issues involved are so serious that rather than have the Congress offer a resolution of disapproval and have this sale defeated, perhaps it can be withdrawn. Perhaps it can be looked at at a later date, or perhaps it may be significantly modified so it is acceptable to those of us who are concerned about giving up this large industrial competitiveness edge that we would give to the Japanese in an area of vital military technology and vital competitive technology.

The Japanese Government has a long history of using coproduction and codevelopment ventures to acquire American technology, eventually surpassing us without having made all the initial investments, reaping all the benefits without any cost. We have seen this happen with the electronics industry as well as other areas, all at a significant cost to U.S. industry. Our electronics people will tell us how competitive they have become and how uncompetitive we have become perhaps because we have gone ahead with a lot of these sales that have been unchecked, and this departure of our technology has taken place without getting adequate benefits in return; besides we have seen the selling of this technology on very dubious national security grounds.

Repeatedly, Japan has expressed a desire to reduce its trade surplus with the United States. The purchase of the F-16 would have gone a long way to affirm Japanese sincerity in this claim. The Japanese, however, have opted for a coproductive venture which will, by all estimates, increase our trade deficit in comparison with an off-the-shelf purchase of the F-16. Japan's surplus in trade with the United States currently stands at $55 billion.

If they are so interested in reducing the trade surplus, why did they not buy the aircraft outright, the F-16 as it is, without incorporating it into this new FSX high technology venture?

As many have noted, more problematic are the longer-term implications of the FSX programs, because it helps enhance Japanese competitiveness in such areas as military and civilian aircraft sales, where American industry currently is dominant internationally. Technology transferred in the FSX deal could result in major competitive inroads in the area of civil aviation technology.

Statistics published by the Aerospace Industries Association of America show that in 1987, U.S. aerospace exports constituted $23.9 billion and represented almost 10 percent of the total U.S. export volume in dollar value terms. When U.S. aerospace imports of $7.9 billion are subtracted, the resulting net export total for the aerospace industry in 1987 was $16 billion. Military aerospace exports comprised $7.7 billion of the total for 1987.

Clearly, the United States should consider the implication of technology transfer on our aerospace industry before moving forward with the FSX deal. As for the technology transfer back to the United States, the agreement is most unclear.

□ 1320

Furthermore, the agreement included no specific guarantee to American firms of a share in the FSX production contract, so, while the United States may be involved in development, the dollars may not flow back to our firms when it becomes time to produce.

Mr. Speaker, there are many other concerns about this FSX technology being offered to Japan because it is going to cost billions to develop. What we have here is a number of issues that many of us have raised. I think what we have is the opportunity to work these differences out on a bipartisan basis.

Mr. Speaker, I asked President Bush and the administration to resolve these differences within the agencies. Do not keep the Department of Commerce and the U.S. Trade Representative out of these negotiations. The Department of State, no matter what, unfortunately is going to say any sale has to be made because otherwise it will hurt our relations with another country. No question, Japan is a great ally, but, at the same time, giving away this technology for free, this superb technology, our edge makes no sense at all.

Mr. Speaker, we are already contributing significantly to Japan's defense. We are defending them. We are proceeding with a number of military bases of American troops in Japan. We are paying for these.

Now I am not suggesting that we cancel this or change that relationship, but it seems to me that for the sake of making the visit of the Prime Minister of Japan a pleasant one to the United States that we should proceed with this sale. That should not happen.

There is significant opposition in the U.S. Senate, in the other body, significant opposition in this body on a partisan basis, so I ask the President of the administration that before we get into a serious partisan fight let us try to resolve these differences. Let us hold off on this sale for a while.

Mr. Speaker, it is bad business, it is bad politics, it is bad foreign policy. It is uncompetitive for the United States.

I have nothing to add to this statement except once again the hope that this matter be withdrawn for now, that we not be forced to proceed with a resolution of disapproval.

There is significant constituent opposition to this sale. I received a letter recently from a constituent of mine from Angel Fire, NM. He says:

> Now, a country not permitted a military, protected by U.S. military forced on land, sea, and air is to be given total technology to build F-16 fighters for re-sale to the U.S.
>
> I think it is time we shut the door on free "research and development." Let us stop selling our country down the tubes.

Mr. Speaker, I think what we have here is very significant citizen reaction also. So, Mr. Speaker, I conclude my remarks with the hope that we not be forced to deal with this issue before having more careful thought and deliberation. It is vital national security, it is vital trade and competitiveness policy. I ask once again that we reassess this sale, and I thank my colleagues for listening to my remarks.

PERSPECTIVE OF FSX PROGRAM CRITICS

A principal concern of critics of the FSX program is that it will allow Japanese companies to gain access to U.S. technology at relatively low cost and that this will enhance their ability to compete for future foreign contracts to the detriment of U.S. commercial interests. Commerce Department and the Office of the U.S. Trade Representative reportedly believe that the FSX program will aid Japan in developing an indigenous civilian and military aerospace industry that will ultimately undermine the current U.S. international advantage in those markets. Some critics allege that Japan used similar tactics in the past to gain U.S. developed technology inexpensively in order to gain knowledge needed to become dominant in various industrial fields, including autos and electronics. There is also the possibility that the Japanese may use American technologies shared to develop other products and processes.

Some critics argue that the F-16 technology being offered to Japan cost billions to develop and that through the FSX program Japan will purchase that technology for a comparatively small amount of money. They further argue that it is at best questionable that the United States will obtain any truly new and valuable technology from the Japanese through the FSX program. Some critics also argue that certain U.S. corporations already have composite materials technology that the Japanese may offer

to General Dynamics through the program. Other critics state that aircraft the Japanese have produced in the past, like the F-1, have not proven to be especially innovative. On the other hand, they argue, Japan would gain access to General Dynamics' knowledge of systems engineering and integration through the FSX program, skills which the Japanese greatly need for FSX to be fully successful.

FSX critics argue that if Japan really wants to get the best airplane for its mission requirements at the lowest price it should purchase an existing American aircraft such as the F-16 or F-18, with some upgrading, rather than trying to develop one solely on its own at possibly double the price. By doing so the Japanese would not only get a better plane for their needs sooner, and at less expense, they would also help reduce the U.S. trade deficit with Japan to a much greater degree. Critics also doubt that Japan has the capability to produce a new fighter on its own without substantial United States assistance, and believe that this fact should be used as leverage either to force Japan to purchase U.S. aircraft and/or to obtain a greater degree of assurance that the U.S. will gain, not just provide, technological knowledge from the co-development program.

ANGEL FIRE, NM,
March 11, 1989.

Hon. BILL RICHARDSON,
House of Representatives,
Washington, DC.

DEAR MR. RICHARDSON: We are pleased to receive your news letters apprising us of current events relative to us and your position on same.

Now I (we) are seeing red—a big red ball!

Please refer to enclosed article in Albuquerque Journal Associated Press, page A12 "Japanese, U.S. Firms To Develop Jet Fighter." After many news casts on how Japan "steals" U.S. research & development technology; with cheaper government subsidized labor, then transfers those technologies into production items for re-sale to the U.S. for a big balance of payment debt by U.S.

Now, a country not permitted a military, protected by U.S. military forces on land, sea, and air is is to be *given* total technology to build F-16 fighters for re-sale to the U.S.

I think its time we shut the door on free "research and development". Lets STOP selling our country down the tubes.

Enclosed is an earlier letter I sent to Senator L. Bentsen, which, as of today is still unanswered. I believe my purpose for sending it to him is self explanatory.

Any comments from you regarding my concerns will be appreciated. At all costs, lets stop the "free lunch" to Japan and make them do their own homework and defend themselves.

Sincerely yours,

EUGENE A. STISSER.

ANGEL FIRE, NM,
November 22, 1988.

Hon. LLOYD BENTSEN,
U.S. Senate, Washington, DC.

This letter is addressed to you, even though I am not a Texas resident, but because you are the only politician I have ever heard on national TV allude to the fact that, perhaps, Japan and Germany owe the USA a very large reparation War Debt for the hundreds of thousands of service men who lost their lives, for the hundreds of millions of dollars in materials destroyed, and for the billions of dollars US taxpayers have spent to pull both countries out of the ashes of defeat. Why do we owe them billions?

You and I are nearly the same age and both served in the armed forces of the US WWII. I was with the 3rd Air Commando Group in the South Pacific Theatre from New Guinea to Japan. This area is now the resting place of men who died to defeat Japan; marked by thousands of thousands of white crosses. I am sure none would "rest in peace" if they knew that now, we the USA, owe Japan billions of dollars, and that the same Japs we defeated are now buying up our country. When I left Japan in 1946, its industries were in smoldering ruin, and the Yen was worthless. Why do we owe them billions?

November 11, just past, and the current TV series, "War and Remembrance" once again remind us that these countries, in our life-time, committed some of the greatest atrocities against mankind this world has ever known. Why do we owe them billions?

I am not a "John Bircher", but perhaps Taylor Caldwell's book "Captains and Kings" rings true. Another question of concern is "Why are we still picking up the big bill for defending both of these countries?" Is there any dollar credit for this cost? I am sure that if Japan, Germany, and Korea discover there is no more free lunch, they will build their own military forces. I have contacted several politicians in California and New Mexico about these concerns. Many of my friends feel as strongly as I do about these inequities. My foreign friends laugh at the stupidity of the Americans for "winning the war" and "losing the peace." Why do we owe billions?

Perhaps the "Captains and Kings" of this world have no intention of disclosing to the public (taxpayers) what it is all about and don't look kindly on anyone exposing their operations. It is about time the U.S. tax payers have a "real Representative" concerned for their interests. Who will it be?

Sincerely yours,

EUGENE A. STISSER.

U.S. SENATE,
Washington, DC, January 31, 1989.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We are writing in regard to the proposed sale of U.S. F-16 fighter technology to the Japanese for incorporation into their FSX aircraft. There are complex issues involved in this program, including defense burden-sharing and the larger question of its long-term impact on the health and competitiveness of the American aerospace industry, the only high technology area in which the United States remains the undisputed world leader.

It is this latter question that we believe in particular has been ignored in the FSX negotiations, which have been conducted by the Departments of State and Defense to the exclusion of USTR and the Department of Commerce. Executive Branch proponents of the FSX deal cite it as the model for the future. However, before the United States goes a step further down this road, we think that the FSX program should be fully considered by all cognizant Cabinet departments and that all relevant issues should be thoroughly reviewed.

Therefore, in the spirit of the bipartisanship in foreign policy and the close consultation with the Congress that you proposed in your inaugural address, we are addressing that you order a complete review of the FSX program within the administration, including the Departments of Commerce, Labor, and Energy, as well as the Office of the Trade Representative and the White House Science Office. We hope that your administration will refrain from any further commitments on the FSX until that review has been completed and the Congress has been fully consulted.

We realize that during the upcoming visit of Japanese Prime Minister Takeshita, there will be intense pressure from the Japanese, and perhaps from those within DOD and State who negotiated the FSX deal, to give the full commitment of the President to the program. However, to do so without a full assessment of the program's long-term impact would not be in the best interests of the United States.

It is our hope that the proposed review will establish guidelines for programs like the FSX which may be considered in the future and that all concerned Executive Branch agencies will be included both in internal administration discussions and in negotiations with foreign governments from the very inception of consideration of a proposed program.

We would like to thank you for your consideration of this critical issue and we look forward to receiving your reply.

Sincerely,

Senators Helms, Bingaman, Dixon, Murkowski, Ford, Danforth, D'Amato, Hollings, Byrd, Wirth, Gore.

S. RES. 61

Whereas the United States world market position in many manufacturing and high-technology areas, such as semiconductors, has deteriorated because of earlier such transfers of American technology to Japan in other industries;

Whereas the United States has a large trade deficit with several countries, particularly with Japan (more than 50 billion dollars in 1988);

Whereas selling Japan advanced fighter plane technology represents a significant leap in capability for Japan's aerospace industry, and may eventually enable it to compete with U.S. aircraft manufacturers in the world market;

Whereas the Japanese can purchase General Dynamic's F-16 at one-third the cost of the FSX and thus reduce Japan's trade surplus with the United States; and

Whereas a strong American industrial base is critical to the security and national defense of the United States, and the best interest of the United States can only be served by thoroughly examining the long-term impact of the FSX program on the United States industrial base: Now, therefore be it

Resolved, That (a) the Senate has strong reservations about the long-term impact on the United States aerospace industry that may result from the sale of United States advanced fighter technology to Japan's Mitsubishi Heavy Industries.

(b) It is the sense of the Senate that the President should—

(1) delay notifying Congress under section 36 of the Arms Export Control Act of the sale of General Dynamics F-16 fighter aircraft technology to Japan's Mitsubishi Heavy Industries for 60 days while a further review is undertaken by the Departments of State, Commerce, Labor, Energy, the CIA, DoD, Office of Science and Technology Policy, and the Office of the United States Trade Representative, and;

(2) examine closely the program's long-term impact on the health and competitiveness of the United States aerospace industry, and;

(3) submit a report containing his findings within sixty days of the passage of this resolution to the Chairman of the U.S. Senate Committees on Foreign Relations and Armed Services.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

HOUSE OF REPRESENTATIVES,
Washington, DC, February 3, 1989.

Hon. GEORGE BUSH,
President of the United States, the White House, Washington, DC.

DEAR MR. PRESIDENT: We are writing to express our deep concern over the proposed transfer of F-16 fighter technology to the Japanese under the recently signed licensing agreement between General Dynamics and Mitsubishi for the design of the Japanese FSX aircraft. If and when notification of this agreement is received by Congress, it is our intention to introduce a resolution of disapproval.

The approval of this licensing agreement could have serious long-term repercussions for the U.S. aerospace industry, our industrial competitiveness, and our national security. We are unconvinced that the Japanese offer to give U.S. industry a minor share of the manufacturing contracts for the FSX justifies the transfer of this vital American technology, which costs billions of dollars to develop.

We deeply appreciate your recent decision to order an interagency review of this matter. We believe a careful second look which incorporates the views of the agencies concerned with U.S. trade and industrial competitiveness will point out the serious risks of exporting this technology.

We thank you for your consideration of this critical issue.

Sincerely,

Signed by 23 members.

[From the Washington Post, Mar. 17, 1989]

BUSH UNDECIDED ON BUILDING JET WITH TOKYO

(By Stuart Auerback and David Hoffman)

President Bush's decision on the controversial deal to produce a new generation fighter plane with Japan hinges on such issues as how much in sensitive computer codes to share with Tokyo and what the United States will receive from Japan once the project gets under way, administration sources said yesterday.

Bush is expected to take up the thorny issue today when he returns from a two-day speaking tour of Texas and Colorado.

White House press secretary Marlin Fitzwater told reporters yesterday that a presidential decision could come today, but may be delayed until next week.

White House chief of staff John H. Sununu, an engineer by training, was said by sources to be taking a strong interest in trying to iron out sharp differences within the administration on the highly technical issue.

The controversy came to a boil Wednesday at a lengthy National Security Council meeting during which Bush heard the conflicting views within the Cabinet.

Backers of the project said going forward would avoid any disruption in U.S.-Japan relations, but the opponents said the deal amounts to a giveaway of technology that would lead to a deterioration of the U.S. industrial base.

When the meeting ended, Bush had not made a decision. Fitzwater said the president spent the plane trip to Texas yesterday "reviewing documents and reading through position papers."

He was accompanied by Commerce Secretary Robert A. Mosbacher, who has led the criticism of the deal to co-produce the jet fighter, called the FSX.

The deal was originally negotiated by the Defense Department in the Reagan administration and is now supported by Secretary of State James A. Baker III and others.

Japan has set a deadline of March 31, the end of its fiscal year, for U.S. approval.

One reason advocates of the deal are pressing Bush to move quickly is to avoid embarrassing Prime Minister Noburo Takeshita, whose government already has been weakened by a political scandal at home.

Fitzwater said there were three or four major issues which Bush had to settle before approving the deal. Sources in Washington said they are:

Whether to include in the deal "source codes" for the fire control computer in the aircraft. Opponents said these codes would allow Japan to speed the development of its own computer technology in an area where the United States has a lead. The Bush administration already has decided to withhold from Japan the most advanced avionics that permit the fighter to launch and guide missiles. Energy Secretary James D. Watkins, who has generally sided with Mosbacher, proposed a possible compromise in which some of the technology would be given to Japan later in the process, after the United States develops a new generation.

A procedural question of when the United States should negotiate with Tokyo over what technology it would get from Japan in the joint venture. Mosbacher said the question should be answered before Congress is asked to review the deal. The Pentagon urged delaying discussion of the matter.

Another procedural question of when Japan should be required to guarantee U.S. companies a 40 percent share of the production of the plane. Mosbacher has argued this should be done before the deal goes to Congress; the Pentagon says the matter should wait four to five years.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. MCCRERY) to revise and extend his remarks and include extraneous material:)

Mr. GILMAN, for 60 minutes, on March 22.

(The following Members (at the request of Mr. MCDERMOTT) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. HOYER, for 60 minutes, today.

Mr. RICHARDSON, for 60 minutes, today.

Mr. SMITH of Florida, for 60 minutes, on March 21.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MCCRERY) and to include extraneous matter:)

Mr. CLINGER.

Mr. BROOMFIELD.

Mr. DANNEMEYER.

Mr. DAVIS.

Mr. SCHUETTE.

(The following Members (at the request of Mr. MCDERMOTT) and to include extraneous matter:)

Mr. ROYBAL.

Mr. TRAFICANT in two instances.

Mr. ANDREWS.

Mr. RICHARDSON in two instances.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. WOLPE.

Mr. DONNELLY.

Mr. PENNY.

Mr. STARK in two instances.

Mr. HAWKINS in two instances.

Mr. MILLER of California.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 68. Joint resolution to designate the month of May 1989, as "Trauma Awareness Month"; to the Committee on Post Office and Civil Service.

S. 270. An act to modify the application of the antitrust laws to encourage the licensing and other use of certain intellectual property; to the Committee on the Judiciary.

S. 607. An act to prevent the desecration of the U.S. flag; to the Committee on the Judiciary.

S. Con. Res. 22. Concurrent resolution to recognize the contributions of C-SPAN on the occasion of its tenth anniversary; to the Committee on Post Office and Civil Service.

ENROLLED JOINT RESOLUTIONS

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.J. Res. 117. Joint resolution to proclaim March 20, 1989, as "National Agriculture Day"; and

H.J. Res. 167. Joint resolution to designate March 16, 1989, as "Freedom of Information Day."

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 553. An act to provide for more balance in the stocks of dairy products purchased by the Commodity Credit Corporation.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, a joint resolution of the House of the following title:

On March 17, 1989:

H.J. Res. 149. Joint resolution designating the month of March in both 1989 and 1990 as "Women's History Month."

ADJOURNMENT

Mr. RICHARDSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 21, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

S. 787. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to recover costs of carrying out Federal marketing agreements and orders; to the Committee on Agriculture.

S. 788. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of March 1, 1989, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 101-39); to the Committee on Appropriations and ordered to be printed.

S. 789. A letter from the Auditor, District of Columbia, transmitting a copy of the report entitled, "Issues and Concerns Regarding Public Schools FY 1988 Budget and Financial Management," pursuant to D.C. Code section 47-117(d); to the Committee on the District of Columbia.

S. 790. A letter from the Chairman, National Labor Relations Board, transmitting the Board's 52nd annual report for the fiscal year, 1987, pursuant to 29 U.S.C. 154(c); to the Committee on Education and Labor.

S. 791. A letter from the Secretary of Education, transmitting the annual report covering Subtitle A—Adult Education for the Homeless Program for the period of October 1, 1987, through September 30, 1988; and the annual report covering Subtitle B—Education for Homeless Children and Youth for the period of October 1, 1987, through September 30, 1988, pursuant to Public Law 100-77, section 203(c)(1) (101 Stat. 487); Public Law 100-628, section 205 (102 Stat. 3228); to the Committee on Education and Labor.

S. 792. A letter from the Secretary of Education, transmitting the National Advisory Committee on Accreditation and Institutional Eligibility's recommendation of a special request from the U.S. Military Academy, West Point, NY, to obtain eventual authorization from the Congress to grant the degree of Master of Arts in Leader Development for completion of its "West Point Fellowship in Leader Development"; to the Committee on Education and Labor.

793. A letter from the Chairman, Railroad Retirement Board; transmitting a draft of proposed legislation to correct an anomaly in railroad retirement windfall benefit financing and to conform the treatment of Amtrak with other public passenger railroads under the Railroad Unemployment Insurance Act; to the Committee on Energy and Commerce.

794. A letter from the Assistant Secretary of State for Legislative Affairs; transmitting an addendum to the fourteenth 90-day report on the Camarena investigation, the investigations of the disappearance of United States citizens in the State of Jalisco, Mexico, and the general safety of United States tourists in Mexico, pursuant to Public Law 99-93, section 134(c) (99 Stat. 421); to the Committee on Foreign Affairs.

795. A letter from the Acting Director, United States Arms Control and Disarmament Agency, transmitting a draft of proposed legislation to amend the Arms Control and Disarmament Act in order to extend the authorization for appropriations, and for other purposes, pursuant to 31 U.S.C. 1110; to the Committee on Foreign Affairs.

796. A letter from the Acting Chairman, Federal Labor Relations Authority, transmitting a report on the activities of the Federal Labor Relations Authority, the general counsel of the Federal Labor Relations Authority, and the Federal Service Impasses Panel during calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

797. A letter from the Director, Institute of Museum Services, transmitting notice of a proposed new Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

798. A letter from the Acting Chairman, National Endowment for the Arts, transmitting a report of the agency's activities under the Freedom of Information Act for calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

799. A letter from the Director, Peace Corps, transmitting the Corp's report on activities under the Freedom of Information Act for 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

800. A letter from the Chairman, Securities and Exchange Commission, transmitting a report of actions taken to increase competition for contracts during fiscal year 1988, pursuant to 41 U.S.C. 419; to the Committee on Government Operations.

801. A letter from the Chairman, Federal Election Commission, transmitting 30 recommendations for legislative action, pursuant to 2 U.S.C. 437d(d)(2); to the Committee on House Administration.

802. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

803. A letter from the Chairman, Board of Directors, Panama Canal Commission, transmitting a draft of proposed legislation to authorize expenditures for fiscal years 1990 and 1991 for the operation and maintenance of the Panama Canal and for other purposes, pursuant to 31 U.S.C. 1110; to the Committee on Merchant Marine and Fisheries.

804. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to authorize the Secretary of the Army to collect appropriate fees for the provision of services under Section 206 of the Flood Control Act of 1960 and Section 22 of the Water Resources Development Act of 1974; to the Committee on Public Works and Transportation.

805. A letter from the National Aeronautics and Space Administration, transmitting NASA's current operating plan which exceeds amounts authorized in the fiscal year 1989 NASA Authorization Act, pursuant to Public Law 100-685, section 204(2); to the Committee on Science, Space, and Technology.

806. A letter from the Acting General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the United States Customs Service for fiscal years 1990 and 1991, pursuant to 31 U.S.C. 1110; to the Committee on Ways and Means.

807. A letter from the Chairman, Railroad Retirement Board, transmitting a draft of proposed legislation to provide for rail sector financing of the full cost of civil service retirement of Railroad Retirement Board employees; jointly, to the Committees on Energy and Commerce, Ways and Means, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAWKINS: Committee on Education and Labor. H.R. 2. A bill to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes; with an amendment (Rept. 101-11). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. H.R. 1300. A bill to amend the Head Start Act to increase the amount authorized to be appropriated for fiscal year 1990 (Rept. 101-12). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JONES of North Carolina (for himself, Mr. HUBBARD, Mr. DAVIS, Mr. LENT, Mr. BATEMAN, and Mrs. BENTLEY):

H.R. 1486. A bill to authorize appropriations for fiscal year 1990 for the Maritime Administration and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DYMALLY (for himself and Ms. SNOWE) (both by request):

H.R. 1487. A bill to authorize appropriations for fiscal years 1990 and 1991 for the Department of State, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DYMALLY:

H.R. 1488. A bill to establish a Foreign Service intern program to promote cultural and ethnic diversity in the Foreign Service of the United States; to the Committee on Foreign Affairs.

By Mr. DELLUMS (for himself, Mr. FAUNTROY, Mr. RAHALL, Ms. SCHNEIDER, Ms. OAKAR, Ms. KAPTUR, Mrs. KENNELLY, Mr. STARK, Mrs. MORELLA, and Mrs. SCHROEDER):

H.R. 1489. A bill to authorize the conveyance to the Columbia Hospital for Women of certain parcels of land in the District of Columbia, and for other purposes; jointly, to the Committees on Government Operations and the District of Columbia.

By Mr. ROYBAL (for himself, Mr. WAXMAN, Mr. STARK, and Mr. DOWNEY):

H.R. 1490. A bill to amend the Public Health Service Act to provide assistance for education, research, and treatment programs relating to Alzheimer's disease and related disorders and to amend the Social Security Act to improve the provision of services under the Medicare and Medicaid Programs to individuals with such diseases or disorders; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. BILIRAKIS:

H.R. 1491. A bill to guarantee cost-of-living adjustments in fiscal year 1990 for persons receiving retired pay or an annuity under military retirement and survivor benefit programs; to the Committee on Armed Services.

By Mr. PEPPER (for himself, Mr. DOWNEY, Mr. CLAY, Mr. HAYES of Illinois, Mr. OWENS of New York, Mr. ROBINSON, Mr. BOUCHER, Mr. FISH, Mr. GILMAN, Mrs. BENTLEY, Mr. JONTZ, Mr. ATKINS, Mr. KENNEDY, Mr. BEVILL, Mr. FAUNTROY, Mr. AKAKA, Mr. DE LUGO, Mr. TRAXLER, Mr. DELLUMS, Mr. GORDON, Mr. MCDERMOTT, Mr. RANGEL, Mr. BATES, Mr. TOWNS, Mr. KOLTER, Mr. CROCKETT, Mr. DYMALLY, Mr. SKAGGS, Mr. BONIOR, Mr. LEHMAN of Florida, Mr. MOAKLEY, Ms. KAPTUR, Ms. PELOSI, Mr. ENGEL, Mr. EVANS, Ms. OAKAR, Mr. BORSKI, Mr. SMITH of Florida, Mr. FLORIO, Mr. FAZIO, Mr. JONES of North Carolina, Mr. FOGLIETTA, Mr. HERTEL, Mr. FLAKE, Mr. STAGGERS, Mr. SIKORSKI, Mr. TRAFICANT, Mr. LEVIN of Michigan, Mr. ACKERMAN, Mr. RICHARDSON, and Mr. FEIGHAN):

H.R. 1492. A bill to provide assistance in the development of new or improved programs to help younger persons through grants to the States for community planning, services, and training; to establish within the Department of Health and Human Services an operating agency to be designated as the Administration on Children, Youth, and Families; and to provide for a White House Conference on Young Americans; to the Committee on Education and Labor.

By Mr. SYNAR (for himself, Mr. WHITTAKER, Mr. MARKEY, Mr. BATES, Mr. SHUMWAY, Mrs. COLLINS, Mr. FAWELL, Mrs. JOHNSON of Connecticut, Mr. CROCKETT, Mr. FAUNTROY, Mr. STARK, Mr. LIPINSKI, Mr. FLORIO, Mr. WAXMAN, Mr. ATKINS, Mr. HANSEN, Mr. ANDREWS, Mr. WYDEN, Mr. NIELSON of Utah, and Mr. CONYERS):

H.R. 1493. A bill to restrict the advertising and promotion of tobacco products; to the Committee on Energy and Commerce.

By Mr. WHITTAKER (for himself, Mr. SYNAR, Mrs. COLLINS, Mr. JACOBS, Mr. CHANDLER, Mr. THOMAS A. LUKEN, Mr. DURBIN, Mr. BATES, Mr. RITTER, Mrs. BOXER, Mr. FOGLIETTA, Mr. ATKINS, Mr. FAUNTROY, Mr. WYDEN, Mr. NIELSON of Utah, Mr. ANDREWS, and Mr. SHUMWAY):

H.R. 1494. A bill to amend the Federal Food, Drug, and Cosmetic Act to regulate the manufacture, sale, promotion and distribution of tobacco and other products containing tar, nicotine, tobacco additives, carbon monoxide, and other potentially harmful constituents, and for other purposes; to the Committee on Energy and Commerce.

By Mr. FASCELL (for himself, Mr. BROOMFIELD, Mr. BERMAN, Mr. UDALL, Mr. CLARKE, Mr. ENGEL, Mr. STUDDS, Mr. SOLARZ, Mr. BOSCO, Mr. GALLEGLY, Ms. SNOWE, Mr. HYDE, and Mr. GOSS):

H.R. 1495. A bill to amend the Arms Control and Disarmament Act to authorize appropriations for the Arms Control and Disarmament Agency, and for other purposes; to the Committee on Foreign Affairs.

By Mr. COURTER (for himself and Mr. GALLO):

H.R. 1496. A bill to roll back the Expanded East Coast Plan issued by the Administrator of the Federal Aviation Administration, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. DAVIS (for himself and Mr. HERTEL):

H.R. 1497. A bill to direct the Secretary of Transportation to report on methods available to control the influx of exotic species into the Great Lakes; to the Committee on Merchant Marine and Fisheries.

By Mr. DUNCAN:

H.R. 1498. A bill to provide a military survivor annuity for widows of certain retirement-eligible reserve members of the uniformed services who died during the period between the establishment of the Military Survivor Benefit Plan and the creation of the reserve-component annuity under that plan; to the Committee on Armed Services.

By Mr. DUNCAN:

H.R. 1499. A bill to amend the Internal Revenue Code of 1986 to restore the deduction for retirement savings for individuals who are active participants in other retirement plans; to the Committee on Ways and Means.

By Mr. OWENS of Utah:

H.R. 1500. A bill to designate certain Federal lands in the State of Utah as wilderness, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HANSEN:

H.R. 1501. A bill to designate certain public lands in the State of Utah as wilderness, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Agriculture.

By Mr. FAUNTROY:

H.R. 1502. A bill to authorize the appropriation of funds to the District of Columbia for additional officers and members of the Metropolitan Police Department of the District of Columbia, and to provide for the implementation in the District of Columbia of a community-oriented policing system; to the Committee on the District of Columbia.

By Mr. FORD of Tennessee:

H.R. 1503. A bill to amend chapter 215 of title 18, United States Code, to provide certain rights for persons who are subjected to grand jury investigation; to the Committee on the Judiciary.

By Mr. MFUME (for himself, Mr. RANGEL, Mr. OWENS of New York, Mr. TOWNS, Mr. DYMALLY, Mr. ROE, Mr. ENGEL, Mr. BENNETT, Mr. HERTEL, Mr. DIXON, Mr. KANJORSKI, Mrs. BENTLEY, Mr. GARCIA, Mr. SKEEN, Mr. CARDIN, Mr. CROCKETT, Mr. FAUNTROY, Mrs. MORELLA, Mr. DE LUGO, Mr. LANCASTER, Mr. BONIOR, Mr. PAYNE of New Jersey, Mr. WILSON, and Mr. LIPINSKI):

H.R. 1504. A bill to amend the Communications Act of 1934 to require the Federal Communications Commission to prescribe rules to prevent possession of beepers and pagers by persons under 21 years of age, and for other purposes; to the Committee on Energy and Commerce.

By Mr. PENNY (for himself, Mr. STALLINGS, Mr. JOHNSON of South Dakota, Mr. JONTZ, Mr. TAUKE, Mr. DORGAN of North Dakota, Mr. ROBINSON, Mr. HATCHER, Mr. SPRATT, Mr. TALLON, Mr. NAGLE, Mr. SLATTERY, and Mr. POSHARD):

H.R. 1505. A bill to provide financial assistance for the commercialization of agricultural research, and for other purposes; to the Committee on Agriculture.

By Mr. REGULA:

H.R. 1506. A bill to provide for the inclusion of restraints on stainless steel sheet and strip of 60-inch width in the coverage of new existing bilateral agreements; to the Committee on Ways and Means.

By Mr. SCHUMER (for himself, Mr. HUGHES, Mr. MOLINARI, Mr. GARCIA, Mr. MRAZEK, Mr. SAXTON, Mr. BATES, Mr. DORNAN of California, Mr. GILMAN, Mr. STUDDS, Mr. FOGLIETTA, Mr. MARTIN of New York, Mr. ACKERMAN, Mr. DYMALLY, Mr. FLORIO, Mr. ATKINS, Mrs. COLLINS, Mr. GALLO, Mr. MCGRATH, Mr. FAZIO, Mrs. ROUKEMA, and Mr. RIDGE):

H.R. 1507. A bill to amend the Immigration and Nationality Act to provide for special immigrant status for certain H–1 nonimmigrant nurses and to establish conditions for the admission, during a 5-year period, of nurses as temporary workers; to the Committee on the Judiciary.

By Mr. SIKORSKI:

H.R. 1508. A bill to terminate the tolerance for daminozide under the Federal Food, Drug, and Cosmetic Act; to the Committee on Energy and Commerce.

By Mr. UNSOELD:

H.R. 1509. A bill to confirm certain contracts for preschool and early childhood services entered into by the Secretary of the Interior through the Bureau of Indian Affairs; to the Committee on Education and Labor.

By Mr. WOLPE (for himself, Mr. GILMAN, Ms. SCHNEIDER, Mr. LELAND, Mr. GRAY, Mr. CROCKETT, Mr. CLARKE, Mr. BLAZ, Mr. BERMAN, Mr. DOWNEY, Mr. SCHEUER, Mr. KASTENMEIER, Mr. KOSTMAYER, Mr. HAYES of Illinois, Mr. DELLUMS, Mr. ENGEL, Mr. ROE, Mr. PENNY, Mr. DIXON, Mr. FAUNTROY, Mr. UDALL, Mrs. COLLINS, Mr. BUSTAMANTE, Mr. WISE, Mr. DYMALLY, Mr. WEISS, Mr. STUDDS, Mrs. KENNELLY, Mr. ATKINS, Mr. FEIGHAN, Mr. FAZIO, Mr. PAYNE of New Jersey, Mr. EVANS, Mr. WALGREN, and Mr. GEJDENSON):

H.R. 1510. A bill to amend the Foreign Assistance Act of 1961 to authorize assistance for famine recovery and development in Africa, and for other purposes; to the Committee on Foreign Affairs.

By Mr. PACKARD:

H.J. Res. 209. Joint resolution designating October 1989, as "National Down Syndrome Month"; to the Committee on Post Office and Civil Service.

By Mr. PORTER (for himself, Mr. ACKERMAN, Mr. DORNAN of California, Mr. FRANK, Mr. INHOFE, Mr. LANTOS, Mr. MRAZEK, Mr. WEISS, Mr. WAXMAN, and Mrs. MEYERS of Kansas):

H. Con. Res. 79. Concurrent resolution in support of human rights and democracy in Hong Kong; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

37. The Speaker presented a memorial of the Senate of the State of Ohio, relative to extend the steel voluntary restraint arrangements; which was referred to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LELAND:

H.R. 1511. A bill for the relief of Mohsen Khalifa; to the Committee on the Judiciary.

By Mr. McGRATH:

H.R. 1512. A bill for the relief of Sundaram Spinivasan; to the the Committee on the Judiciary.

By Mr. RICHARDSON:

H.R. 1513. A bill for the relief of Hilario R. Armijo, Timothy W. Armijo, Allen M. Baca, Vincent A. Chavez, David G. Chinana, Victor Chinana, Ivan T. Gachupin, Michael J. Gachupin, Frank Madalena, Jr., Dennis P. Magdalena, Anthony M. Pecos, Lawrence A. Seonia, Jose R. Toledo, Robert P. Toledo, Nathaniel G. Tosa, Allen L. Toya, Jr., Andrew V. Waquie, and Benjamin P. Waquie; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. FORD of Tennessee, Mr. GRAY, Ms. KAPTUR, Mr. LEVINE of California, Mr. MCNULTY, Mr. MARTINEZ, Mr. MINETA, and Mr. SAVAGE.

H.R. 22: Mr. CHAPMAN.

H.R. 46: Ms. OAKAR, Mr. YATRON, and Mr. FAUNTROY.

H.R. 74: Mr. LANCASTER and Mr. PORTER.

H.R. 76: Mr. GOSS, Mr. LEWIS of Florida, Mr. YOUNG of Florida, and Mr. SHAW.

H.R. 77: Mr. BEILENSON.

H.R. 84: Mr. CHANDLER, Mrs. COLLINS, Mr. FAUNTROY, Mr. FLAKE, Mr. FOGLIETTA, Mr. OWENS of Utah, Mrs. PATTERSON, Mr. RAVENEL, Mr. SABO, Ms. SCHNEIDER, Mr. SMITH of New Hampshire, Mr. STUDDS, and Mr. VALENTINE.

H.R. 87: Mr. CONYERS.

H.R. 88: Mrs. BENTLEY, Mr. GILMAN, Mr. MCEWEN, and Ms. OAKAR.

H.R. 89: Mrs. COLLINS, Mr. DE LUGO, Mr. FOGLIETTA, Mr. LEHMAN of Florida, and Ms. PELOSI.

H.R. 91: Mr. GEJDENSON, Mr. GOSS, Mr. SCHUMER, and Ms. PELOSI.

H.R. 161: Mr. JONES of North Carolina and Mr. YOUNG of Florida.

H.R. 360: Ms. OAKAR.

H.R. 361: Ms. OAKAR.

H.R. 500: Mr. ROSE, Ms. SLAUGHTER of New York, Mr. FLAKE, and Mr. PEPPER.

H.R. 563: Mr. NELSON of Florida, Mr. KASICH, Mr. BERMAN, Mr. ROE, and Mr. UDALL.

H.R. 634: Mr. GOSS, Mr. BILIRAKIS, Mr. HOCHBRUECKNER, Mr. CRANE, Mr. JOHNSTON of Florida, Mrs. LOWEY of New York, Mrs. MORELLA, Mr. PERKINS, Mr. HUCKABY, Mr. CLARKE, Mr. YOUNG of Alaska, Mr. SAXTON, Mrs. LLOYD, Mr. SANGMEISTER, Mr. BEREUTER, Mr. ORTIZ, Mr. SMITH of Vermont, Mr. SCHIFF, Mr. SAVAGE, Mr. HUBBARD, Mr. SKEEN, Mr. FAUNTROY, Mr. THOMAS A. LUKEN, Mr. REGULA, Mr. BRENNAN, Mr. DYSON, Mr. PASHAYAN, Mr. WOLF, Mr. WELDON, Mr. MCMILLAN of North Carolina, Mr. LELAND, Mr. LEATH of Texas, Mr. WILLIAMS, and Mr. FISH.

H.R. 641: Mr. KOLTER.

H.R. 646: Mr. COX and Mr. SMITH of New Hampshire.

H.R. 669: Mr. CLAY, Mr. HERTEL, and Mrs. SCHROEDER.

H.R. 901: Mr. SMITH of New Hampshire.

H.R. 917: Mr. ENGLISH, Mr. MINETA, Mr. DYSON, Mr. FUSTER, Mr. FAUNTROY, Mr. RANGEL, Mr. VOLKMER, and Mr. WYLIE.

H.R. 966: Mr. MRAZEK and Mr. LEACH of Iowa.

H.R. 974: Mr. MAVROULES.

H.R. 1007: Mr. BUSTAMANTE.

H.R. 1025: Mr. STARK, Mr. BOSCO, Mr. DYMALLY, and Mr. DE LUGO.

H.R. 1048: Mr. SMITH of Florida, Mr. RANGEL, Mr. ESPY, Mr. OWENS of New York, Mr. JONTZ, Mr. RICHARDSON, Mr. KOLTER, and Mr. MCGRATH.

H.R. 1095: Mr. DYMALLY, Mr. GILLMOR, Mr. MCEWEN, and Mr. MURPHY.

H.R. 1104: Mr. DEWINE, Mr. RITTER, Mr. DONALD E. LUKENS, and Mr. UPTON.

H.R. 1112: Mr. HAWKINS, Mr. ROYBAL, and Mr. BILBRAY.

H.R. 1129: Mr. ENGEL, Mr. OWENS of New York, Mr. HYDE, and Mr. MOAKLEY.

H.R. 1170: Mr. ROBINSON, Mr. FUSTER, and Mr. DONALD E. LUKENS.

H.R. 1171: Mrs. MEYERS of Kansas, Ms. SCHNEIDER, Mr. CARPER, Mr. CROCKETT, Mr. HAYES of Illinois, Mr. STARK, Mr. GEJDENSON, Mr. CHANDLER, Mr. WOLPE, Mr. TRAFICANT, Mr. FAUNTROY, Mr. LIPINSKI, Mr. OBERSTAR, and Mr. TORRES.

H.R. 1185: Mr. BONIOR, Mr. PANETTA, Mr. ROYBAL, and Mr. EVANS.

H.R. 1237: Mr. INHOFE and Mr. LAGOMARSINO.

H.R. 1240: Mr. PAYNE of New Jersey and Mrs. COLLINS.

H.R. 1280: Mr. MARTINEZ, Mr. CONYERS, Mr. STOKES, and Mr. COYNE.

H.R. 1292: Mr. JONTZ and Mr. RANGEL.

H.R. 1294: Mr. BURTON of Indiana, Mr. HOUGHTON, Mr. DORNAN of California, and Mr. DREIER of California.

H.R. 1295: Mr. HENRY, Mr. ROBINSON, Mr. PORTER, Mr. MOLINARI, Mr. PICKETT, Mr. WALKER, Mr. GUNDERSON, Mr. PERKINS, Mr. LAGOMARSINO, Mr. HUCKABY, Mr. ROSE, Mr. DONALD E. LUKENS, Mr. SMITH of New Hampshire, Mr. DARDEN, Mr. BUNNING, Mr. ARMEY, Mr. RAY, Mr. FAWELL, Mrs. SMITH of Nebraska, Mr. DORNAN of California, Mr. MCGRATH, Mr. HAMMERSCHMIDT, Mr. SISISKY, and Mr. BLAZ.

H.R. 1300: Mr. HAWKINS, Mr. GOODLING, Mr. GRANDY, Mr. FORD of Michigan, Mr. CLAY, Mr. MILLER of California, Mr. MURPHY, Mr. WILLIAMS, Mr. MARTINEZ, Mr. OWENS of New York, Mr. HAYES of Illinios, Mr. PERKINS, Mr. SAWYER, Mr. PAYNE of New Jersey, Mrs. LOWEY of New York, Mr. POSHARD, Mrs. UNSOELD, Mr. RAHALL, Mr. FUSTER, Mr. JONTZ, Mr. MFUME, and Mr. SCHEUER.

H.R. 1365: Mr. SMITH of New Hampshire.

H.R. 1371: Mr. PENNY, Mr. ANTHONY, Mr. COOPER, Mr. MCCURDY, Mr. SLATTERY, and Mr. BUSTAMANTE.

H.R. 1381: Mr. RAVENEL.

H.R. 1388: Mrs. MORELLA.

H.R. 1466: Mr. BROWN of Colorado.

H.J. Res. 123: Mr. SKEEN, Mr. GONZALEZ, Mr. RAVENEL, Mr. DARDEN, Mr. BILIRAKIS, Mr. FUSTER, Mr. SARPALIUS, and Mr. LEWIS of Georgia.

H.J. Res. 131: Mr. PAYNE of New Jersey, Mr. DARDEN, and Mr. ROSE.

H.J. Res. 139: Mr. LAGOMARSINO.

H.J. Res. 160: Mr. BUSTAMANTE, Mr. ENGEL, Mr. DE LUGO, and Mr. DURBIN.

H.J. Res. 182: Mr. DYMALLY, Mr. DORNAN of California, Mr. TALLON, Mr. MAZZOLI, Mr. DWYER of New Jersey, Mr. TAUZIN, Mr. HUGHES, Mr. RANGEL, Mr. LAGOMARSINO, Mr. GARCIA, Ms. OAKAR, Mr. RAVENEL, Mr. BROWN of Colorado, Mr. MCGRATH, Mrs. MORELLA, Mr. TAUKE, Mr. CHANDLER, Mrs. KENNELLY, and Mr. SOLARZ.

H.J. Res. 207: Mr. CHAPMAN, Mr. SABO, Mr. AKAKA, Mr. BEILENSON, Mrs. MORELLA, Mr. MINETA, and Mr. SCHEUER.

H. Con. Res. 38: Mr. ATKINS.

H. Con. Res. 45: Mr. FISH, Mr. MACHTLEY, Mr. HERGER, and Mr. YOUNG of Alaska.

H. Con. Res. 46: Mrs. BENTLEY, Mr. FISH, Mr. BLILEY, Mr. CAMPBELL of California, and Mr. GEJDENSON.

H. Res. 48: Mr. FAZIO,MR. FAUNTROY, Mr. DYMALLY, Mr. TRAFICANT, Mr. DELLUMS, Mr. FOGLIETTA, Mr. CLAY, Mrs. COLLINS, Mr. BILBRAY, Mr. WEISS, Mr. MCDERMOTT, Mr. DEFAZIO, Mr. ATKINS, Mr. MFUME, Mr. MORRISON of Connecticut, Mr. DURBIN, Mr. MCNULTY, and Mr. LELAND.

H. Res. 95: Mr. GUNDERSON, Mr. MURPHY, Mr. JONTZ, Mr. FAZIO, Mr. HUGHES, Mr. RICHARDSON, Mr. KOLTER, and Mr. CHAPMAN.

EXTENSIONS OF REMARKS

DANGERS AND EXCESSES IN PROFESSIONAL BOXING

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. RICHARDSON. Mr. Speaker, I would like to draw to the attention of the Members of the House the summary of a series of Washington Post articles on the dangers and excesses of professional boxing. As an avid boxing fan and as a proponent of boxing reform, I encourage all House Members to read Bill Brubaker's articles. Moreover, I urge you to keep their message in mind when the issue of boxing reform and regulation again comes before us.

The image of boxing has ridden a roller coaster, esteemed in one generation and questioned in another. At the present, as Mr. Brubaker, points out, the sport is again "on the ropes."

Despite the romanticism of two gladiators matching brain and brawn to see who is the better man, the public is casting a suspicious eye toward the sport. Boxers are dying at alarming rates, if not being mentally or physically maimed for life. There are too many groups sanctioning bouts, leading—as Mr. Brubaker said—to disorganization in efforts to adopt a consistent standard of discipline for boxers and promoters.

Boxing is among our country's oldest sports, and one with a proud history. But that history is, unfortunately, a checkered one. Like most fans of the sport, I would like to see boxing once again held in the high esteem it deserves—something I think is possible with appropriate legislation.

[From the Washington Post National Weekly Edition, Mar. 6-12, 1989]

PROFITS VS. INJURY—DOES THE HUMAN TOLL OF BOXING OUTWEIGH ITS MERITS AS A SPORT?

(By Bill Brubaker)

When Larry Holmes, the former world heavyweight boxing champion, wants to get dressed, he must ask his wife, Diane, for help. "The thumb on my right hand can no longer bend," Holmes explains. "Without my thumb, I can't put on my tie or fasten the top button of my shirt. The thumb is just froze, you know? Guess it'll be like that forever."

Holmes says his thumb won't bend because he defended too many titles with a broken right hand. "I fought Mike Tyson with a broke right hand," he says. "I fought 'Bonecrusher' Smith with a broke hand. I fought David Bey with a broke hand. Man, I've had so many problems with this thumb, I've asked the doctors to cut it off. But they won't."

If Holmes had only risked injury to his right hand, his story wouldn't be so troubling. But during a career that lasted 15 years, Holmes says he routinely put his health on the line.

"I fought Michael Spinks with a slipped disc in my neck," he says. "I fought Kenny Norton with my left biceps pulled off my arm. I fought Muhammand Ali with eight stitches in my eye. I fought Leroy Jones with a twisted ankle. Man, I've fought with fevers, stomachaches, everything. But, you know, you've got to do it. The opportunity to pick yourself up a few million dollars doesn't come often. It's like a once-in-a-lifetime dream."

Holmes always was considered one of the more sensible boxing champions. A seventh-grade dropout, he managed to save most of the $16 million he earned in the ring. But when it comes to his health, Holmes acknowledges, "I really didn't care about the dangers that were involved. You know, that's how fighters are."

Boxing is as safe as it ever has been. Prefight medical exams have become more rigid. The maximum number of rounds for world-title fights has been reduced from 15 to 12. The World Boxing Council (WBC) has teamed up with the University of California at Los Angeles to study ring injuries. Johns Hopkins University is in the midst of a four-year study on health risks to amateur fighters.

But, as Larry Holmes will attest, boxing remains a brutal activity, often undertaken by men more concerned with escaping poverty than injury and overseen by state and foreign-government commissions that do not share the same rules or medical standards.

Jose Sulaiman, president of the WBC, which sanctions world-title fights, has long been one of the sport's staunchest supporters. But Sulaiman acknowledges: "If we do not give a priority to safety, boxing could die in 25 years. There are not too many societies that will be ready to accept legalized assassination."

By some accounts, more than 500 boxers have died of ring-related injuries over the last 80 years. The American Medical Association and British Medical Association have called for an outright ban on boxing. But there is a prevailing view that if boxing were banned, the show would go on—in barns, warehouses and back alleys, with no medical supervision. Accepting that, some doctors say it is better to join the boxing establishment than to fight it.

"We say to doctors in both the AMA and BMA: Instead of continuing your negative criticism, come up with positive thoughts. Let's sit down and try to make the sport safe," says Adrian Whiteson, a London physician who is cochairman of the WBC medical committee. "Because kids are always going to box. Put two infants in a playpen, put one toy between them, and before long they're going to be scratching each other and throwing punches. It's natural. We're aggressive people. I wish we weren't.

But aggressiveness is not the overriding problem in boxing: It's the determination of many fighters to compete when they are medically impaired and the inability of some trainers, managers, promoters and regulating organizations to stop them. Some snapshots:

On Sept. 17, 1986, Wilfred Benitez, a financially troubled former WBC welterweight champion, appeared in Baltimore for a 10-round fight. Benitez won the fight but was suspended indefinitely when a medical examination after the fight found evidence of chornic traumatic encephalopathy—or punchdrunk syndrome. "Benitez had looked terrible in the fight," recalls Lawrence Charnas, neurologist for the Maryland State Athletic Commission. "He'd throw a punch and miss, and he actually lost his balance in the ropes. In the postfight exam, he clearly demonstrated motor impairment."

How did Benitez get licensed in Maryland to begin with? Until July 1987, the state commission did not require boxers to undergo prefight neurological exams. "Benitez never appealed his suspension," Charnas says, "and I don't believe he fought again." Wrong. Ten weeks later, Benitez appeared in a fight in Argentina, where he lost on a seventh-round technical knockout.

On Dec. 12, 1987, Cuba's undefeated super-heavyweight, Leonardo Martinez Fizz, dislocated his right shoulder during the first round of an amateur fight in Santa Clara, Cuba, against Tevin George of the United States. With his right arm hurting, Martinez used his left hand in the second round and battered George so badly the fight had to be stopped. For all his heroics, Martinez Fizz had to spend two weeks in a rehabilitative hospital in Havana.

Why was Martinez Fizz allowed to continue the fight with a dislocated shoulder? "There wasn't efficient communication between the athlete and the trainer," says Cuba's top sports medicine specialist, Dr Armando Pancorbo. "He should not have continued to fight because he risked having serious problems with his shoulder for his entire life."

The Cuban team doctor, Oscar Ramirez, says Martinez Fizz did not complain of an injury between rounds. "This is characteristic of boxers," he says. "You go to a corner to see a boxer who has an injury, and he says, 'Doctor, I can continue. I have nothing. Give me a chance.' "

On Oct. 31, 1986, the New Jersey State Athletic Control Board suspended Brian Baronet, a junior welter-weight from South Africa, after a knockout in Atlantic City. Baronet was told he would remain on suspension until he had a complete medical exam, including a brain scan. Baronet went home to South Africa, apparently to retire. But last year he attempted a comeback, and on June 17 he died of a brain injury after being knocked out in a fight in Durban, South Africa.

Why had the local South African boxing commission allowed Baronet to fight while under suspension in New Jersey? The commission had not been notified of the New Jersey suspension. "At the time we weren't exchanging information and results with overseas commissions," New Jersey boxing commission chairman Larry Hazzard says. "Now we are. But getting information from overseas is still a problem. Sometimes there are inaccuracies in the records."

Medical standards in boxing are as disparate as the hundreds of commissions—from

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Paraguay to Pennsylvania—that govern the sport. Some commissions, such as those in New York, require a boxer to have an annual electroencephalogram (EEG). Others, such as in Maryland, do not. "An EEG is an expensive, insensitive and inappropriate test to screen individuals," says Charnas, the Maryland neurologist. "It's stupid. You can quote me."

Some commissions, such as in New Jersey, do not allow a boxer who has competed in a four-round bout to fight again for 14 days. Others, such as in California, allow the same boxer to fight every two days. Most commissions will license a boxer who has undergone surgery for a detached retina. The boxing commissions in California and Britain will not. The WBC voted in 1984 to ban boxers with detached retinas. The organization reversed itself when Maurice Hope, a British boxer who had undergone surgery for a detached retina, submitted medical evidence that he was fit to fight. The reversal cleared the way for Sugar Ray Leonard, who had also had surgery for a detached retina, to make a comeback.

Whiteson says he does not agree with his organization's policy, which allows a boxer to compete after retina surgery if he is cleared by two ophthalmologists. "A boxer with a detached retina shouldn't go into the ring, whether they're Sugar Ray Leonard or anyone else," Whiteson says. "Your eyes, you need them. At the end of the day, I hope Sugar Ray Leonard gets away with it."

Sulaiman has formed a committee to study whether the rule should again be reversed. "I favor stopping boxers with a detached retina," he says. "But the way it is now, some doctors say yes, some doctors say no. There is no consensus."

There is a consensus on minimum standards for prefight examinations, although these guidelines are not always followed. In May 1987, for example, a Baltimore middleweight, James (Morris) Jones, was licensed by the Maryland commission and allowed to fight even though he had not undergone the required ophthalmological exam. "A decision was made by the commission to make an exception in that area," says Dennis Gring, the commission's executive secretary.

At the world-title level, prefight exams usually are rigorous. But the world organizations cannot impose their standards on member commissions. At a WBC convention last year, for example, the WBC medical committee discussed AIDS testing—an important issue in a sport where blood often is in evidence. Whiteson concluded that no legislation could be passed "due to the different rules and regulations in force [in member commissions] . . . concerning the confidentiality of handling the results."

In the United States, now commission officials believe there is only one solution to this medical discordance; the formation of a national regulatory agency. In 1987, Democratic Rep. Bill Richardson of New Mexico introduced a bill to establish a nonprofit corporation that would set minimum standards for state commissions. The bill died in a subcommittee but probably will be resubmitted this year.

Of course, it is doubtful anyone could stop a medically impaired boxer from at least attempting to fight. As Holmes says, that's how boxers are.

Holmes says he skipped the official weigh-in before his successful 1980 bout with Muhammad Ali because "I didn't want anybody to notice the eight stitches in my right eye." Now 39, Holmes says he would make a comeback if the price was right. "And if I was 50 years old, I'd probably do the same."

New York commission chairman Randy Gordon was not surprised last summer when junior lightweight Harold (The Shadow) Knight insisted on fighting after a CAT scan found an abormality in his brain.

"He said, 'It's nothing,' " Gordon explains. "I said, 'How do you know that it's nothing?' He said, 'I don't get dizzy. I don't have any problems with it.' I understand why Harold wanted to fight. He's an outstanding fighter. He stands to make a lot of money in his career."

Rejected by New York, Knight applied for a license in New Jersey. "Of course, we told him he couldn't fight here, either," Hazzard says. "But he wanted to fight bad, even with his problem. I guess that's the athlete's mentality. Somehow, must he has this idea that he's skillful enough to keep from getting hurt."

The WBC has been the most progressive organization in boxing safety. In 1976, it instituted a requirement that boxers undergo prefight medical exams that include an EEG, chest X-ray, blood and eye tests and a CAT scan (if he has not had one within the past year). The WBC also urged managers to "report immediately to their boxing commissions and doctors every accident that may have occurred during training." But neither the recommendation nor prefight exam stopped lightweight champion Julio Cesar Chavez from fighting fellow Mexican Jose Luis Ramirez in Las Vegas last October with injured ribs.

On Sept. 10, Chavez was treated in the emergency room of St. Joseph Riverside Hopsital in Warren, Ohio, for what his promoter, Don King, describes as a hairline rib fracture. Chavez says that when he resumed training 10 days later he wore a protective jacket and received injections to prevent inflammation. According to the Nevada State Athletic Commission, Chavez did not disclose the injury during the mandatory prefight exam. King says Chavez's doctor examined the boxer and found his ribs had healed sufficiently for him to fight. Chavez says he might have been doing something "dangerous" because his ribs still "hurt."

Flip Homansky, a Nevada commission doctor, says Chavez may have escaped detection of his injury by masking pain during the prefight physical. Advised early last month that Chavez had fought with a fractured rib, Sulaiman said: "We're opposed to boxers competing when they are not in top condition. Chavez never told us of this injury."

Whiteson says he was troubled that Chavez did not report the injury. "He was putting his health and his sport on the line," Whiteson says. "If we want the sport to survive, then everybody's got to be honest." Chavez says he did not postpone the fight because "there was too much money involved."

This is, after all, a business. As 19-year-old lightweight David Gonzales told a Washington Post reporter last October, two months after his opponent in a California state title fight died of a cerebral hemorrhage: "No, I never had no thoughts [of retiring] 'cause this is the way I make my money. You know, this is my living. You know, this was just like somebody got hurt at the job. So I just keep on going."

Sulaiman echoes others in his business when he offers this justification for the sport: "A certain percentage of the world is born with a drive or desire to be violent. They are violent in their own areas, in their ghettos. These are the candidates to become boxers. Boxing is the reason to take them out of that area and bring them into one that will give them the opportunity to live a decent life."

Such was the case with James Jones, who, inspired by a sparring exhibition by Sugar Ray Leonard near his home in Baltimore, began fighting as an amateur in 1980. Jones set up a training room in the basement of his family's rowhouse and painted the word CHAMP in large red letters on the floor. "His dream was to become like Sugar Ray," says his sister, Bertha Wright.

Jones graduated from high school in 1981 and continued fighting as an amateur while working as a movie-theater usher. He stopped boxing in 1985 after becoming a father.

Aressie Jones was delighted when the second youngest of her eight children quit boxing. "Morris' father had died of tuberculosis and a brother had drowned during a seizure," Wright says. "My mother always said she wouldn't be able to make it if something happened to Morris." Early in 1987, Morris Jones decided to resume boxing as a professional. "He told my mom, 'Ma, when I make the big money I'm going to do a lot of things for you,' " Wright says. On May 2, 1987, Jones prepared to make his debut as a fill-in at a boxing show at Prince George's Community College in Maryland. He would receive $350 to fight Charles Ingram of Washington, D.C., who was appearing in his second professional bout. "James was very excited," Wright says. "But he told his family, 'I don't want any of you to go to the fight. You'll all worry too much.' "

At 9 that evening, Jones stepped into the ring for a scheduled six-rounder. The fighters seemed evenly matched and Ingram was awarded the first three rounds. Twenty-three seconds into the fourth round, Ingram hit Jones on his chin with an overhand right. Jones fell straight back, hit his head on the floor of the ring and lost consciousness. Jones was taken to a nearby hospital, comatose and paralyzed on his left side, the result of a blood clot on the right side of his brain. Jones underwent brain surgery, after which he remained comatose and partially paralyzed.

Dr. Saied Jamshidi, the neurosurgeon who operated on Jones, says the injury was caused by a blow to the head. Jamshidi says it was impossible to determine if Jones had neurological abnormalities before the fight. Charnas, the state boxing commission neurologist, says Jones' injury was unavoidable. "The only way to avoid that is to not have people get into boxing."

Jones awoke from the coma on May 10, 1987—Mothers Day—and soon regained some movement in his left side. A subsequent medical report stated that he suffers from memory deficits so severe that he forgets to wear a coat when he goes outside in cold weather.

Jones, 26, now lives with his mother. He has recovered some memory and much of the movement on his left side. "Simple things he can understand," Wright says, "More complicated things he can't. He speaks very well, but sometimes he'll repeat something four or five times, not realizing he'd already said it."

So far, Jones' medical bills have totaled about $500,000, according to members of his family. He receives a monthly Social Security disability check for $269 but has no personal insurance, and he was covered for only $1,000 through the Maryland boxing commission.

On a recent afternoon, Morris Jones sat in his living room reflecting upon the knock-

out that altered the course of his life. "I wanted to become a pro boxer so I'd be a positive image for my son," he says. "Now, I don't know what I'll do. I still love boxing, even though it messed my whole life up. When I watch it on TV I don't get angry or sad. I just think: Well, I guess I wasn't meant to be a boxer."

[From the Washington Post National Weekly Edition, Mar. 6-12, 1989]

"THEY SHOULD [PAUSE] STOP [PAUSE] THE FIGHTS SOONER"

(By Bill Brubaker)

At the World Boxing Council convention in Mexico City last fall, Muhammad Ali sat at the head table one morning in a back pinstriped suit, his eyes closed, his face without expression. When Jose Sulaiman, the WBC president, introduced him as "the most acknowledged man on earth," the convention delegates applauded. But Ali did not open his eyes.

Ali was warned as early as 1976 that he should retire. By then, he already had taken tremendous beatings to his head. Ali announced his retirement in 1979 but came back in 1980 for a fight against Larry Holmes. Two years later, he was diagnosed as having Parkinson's syndrome, a condition that was said to be caused by boxing injuries.

During a break for lunch at the WBC convention, some delegates expressed sorrow over Ali's condition, which can be regulated in part by medication. "Nothing could be more sad than what I saw today," said Jack Rennie, an Australian manager/promoter.

"Ali is now very much a sad personality and a shadow of his former self," said Dr. Adrian Whiteson, cochairman of the WBC medical committee. "Toward the end of his career he took probably more punches than I would have wanted him to take. I think we have to learn from this."

Before leaving Mexico City, Ali invited a reporter up to his suite for an interview. Reclining on his bed, the former heavyweight champion answered questions in a low, halting voice.

Q. What changes would you like to see made in boxing?

A. They should [pause] stop [pause] the fights [pause] sooner.

Ali's memory seemed fine. He was able to recall the precise address where he lived during the 1960s in northwest Miami. But he clearly was embarrassed that he could not put his thoughts into words.

After five minutes, Ali slowly raised his right arm, pointing toward a tape recorder that was being used for the interview, indicating he wanted it turned off. Ali sighed, and looked dejectedly into his visitor's eyes.

"I don't take [pause] my medication like I should. I don't [pause] feel [pause] no pain. But I have a slight [pause] tremor in my hand. And slurred [pause] speech."

Ali looked away, and there was a moment of silence. Then, in that barely audible voice, the boxer who may have been the greatest of them all, turned to his visitor and said, "I'm sorry."

[From the Washington Post National Weekly Edition, Mar. 6-12, 1989]

IN BOXING, IT'S OFTEN MORE FUN TO RECEIVE THAN TO GIVE

(By Bill Brubaken)

During a trip to South Korea to judge a World Boxing Council championship fight, Duane Ford says he received an unusual greeting from a promoter who managed one of the participants. "It was the morning before the fight and I was in the hotel lobby, just back from a walk," Ford says. "One of the promoter's assistants told me, 'We'd appreciate if you'd go to your room.' I didn't know what was happening. I thought, 'Geez, maybe there's going to be an air raid.'"

Ford, an official of the WBC and Nevada State Athletic Commission, returned to his room and, several minutes later, two aides to the South Korean manager/promoter knocked on his door. "They sat down at a little tea table and handed me an envelope," Ford says. "They said, This is a gift for your family.' I opened it and there was a stack of $100 bills. I gave the envelope back and said, 'Thank you very much but no thank you.'"

A well-known referee who lives in Southeast Asia says he has been offered about 40 bribes over the last 20 years. "I've been offered money, jewelry and prostitutes," the referee says. "A manager once offered me $100,000 to disqualify his fighter's opponent. I've accepted only one bribe: a $12,000 string of Mikimoto pearls from a Japanese promoter."

The referee says the bribe—accepted within the last five years—did not affect his judgment in the ring. "The Japanese fighter lost, and the promoter never invited me back," he says, adding nervously, "If these managers and promoters knew I was talking about this, I'd be dead—literally. Boxing is a very serious business."

It has been called "The Sweet Science," and to many boxing fans there is nothing sweeter than the sight of two glistening gladiators exchanging bloody blows in a darkened arena, such as the sports pavilion of the Las Vegas Hilton, where Mike Tyson defended his heavyweight title on Feb. 25 against Frank Bruno.

But the image of boxing—battered during the 1950s by disclosures of organized crime ties but revitalized during the '60s and '70s by the presence of one Muhammad Ali—is again on the ropes. If it isn't Mike Tyson suing his manager, it's former middleweight champion Carlos Monzon being charged with murder, or a South Korean Olympic official attacking a referee, or a Baltimore boxer sustaining brain damage in his professional debut, or a Florida promoter being indicted for using a title fight to launder drug money.

There appears to be little real regulation of boxing, despite the existence of four competing organizations to sanction championship fights: the World Boxing Council (WBC), World Boxing Association (WBA), International Boxing Federation (IBF) and World Boxing Organization (WBO).

The world organizations exist primarily to promote boxing, issue ratings and supervise championship fights. To finance their operations, they collect certification fees from boxers and promoters. From August 1983 through July 1988, for example, the WBA reported total revenues of $2,667,301, none of which was taxable because the WBA (like the WBC) is registered with the Internal Revenue Service as a nonprofit, tax-exempt organization.

How does the WBA spend its money? "We don't want to publicize that," WBA legal counsel Jimmy Binns says.

Whatever portion of their treasuries is devoted to policing the behavior of boxers, trainers, promoters and referees, the world and local commissions are limited in their ability to enforce a uniform code of standards. They are hampered by their current state of disorganization and, in many cases, by limited resources.

Some local commissions simply have more resources than others. The District of Columbia Boxing and Wrestling Commission, which has not licensed a professional boxing card in two years, has a $58,000 budget and one full-time employee, according to a commission official. New York has an $883,000 budget, a staff of 12 and a commission chairman—former Ring magazine editor and TV boxing commentator Randy Gordon, who is well acquainted with the sport's inner workings.

"A lot of these guys have no clue," Gordon says of his fellow state commissioners. "As an announcer I would go around [to various states] and ask them what their rules are. I'd ask, 'What's your scoring system?' And they'd say, 'Ah, 10 point. Ah, no, five point. Ah, let me check on that.' I'd say, 'Do you have a three-knockdown rule,' They'd say, 'Oh, yes. Ah, wait a minute—no, no, no, no, we don't.'

"About two years ago, I asked the chairman of one commission what his head-butt rule was. His reply to me was, 'Well, what do you want it to be?' I said, 'What do you mean?' He said, 'Anything you want.' I said, 'You don't have a head-butt rule?' He said, 'It's whatever we decide on that night.'"

Then there is the matter of mismatches—fights made to insure victory for a particular boxer. Peyton Sher, a matchmaker for promoter Don King, estimates that 40 percent to 50 percent of bouts staged in the United States are mismatches. Bob Arum, a prominent promoter and former assistant U.S. attorney, says there are several hundred opponents who can be expected to lose on any given night. "You have a whole group of people out there that can't win even if they tried," he says. "You feed them to your fighters to build up their records."

Some commissions are on the lookout for mismatches. Since he became chairman of the New York commission last August, Gordon has refused to approve three dozen proposed fights at Madison Square Garden's Felt Forum alone. "I call the Felt Forum fights 'the Christians versus the lions,'" Gordon says. "The Garden has all the lions. And the Christians get brought in by the Garden to get chewed up by the lions."

In 1987, New Jersey athletic commission chairman Larry Hazzard permanently suspended 35 fighters who he deemed unfit to box. "Lately, I've discovered that several of these boxers have been allowed to perform in other states," Hazzard says. "This is the way your tragedies occur."

Support for a national boxing commission—an idea that has been making the rounds in Congress for more than a decade—remains divided. Arum favors federal regulation. King opposes it. For now, that leaves the WBC, WBA, WBO and IBF—nicknamed "alphabet soup" by boxing writers—to rule the sport.

Jose Sulaiman, the WBC president, calls boxing "the land of promise" and "altar of the poor." But according to financial records reviewed by The Washington Post, the WBC and its longtime rival, the WBA, spend a considerable portion of their income on dinners and conventions.

In January, the WBA held its annual awards dinner in New York's Waldorf-Astoria Hotel. Cocktails were served in the Palm Room, dinner in the Starlight Roof. Binns says the blacktie affair was "good for the promoters" and "good for us." But it was costly. "It can cost upwards of $75,000 by the time you fly in people," Binns says.

The WBC doesn't exactly operate on the cheap. Of the $2.8 million it collected in cer-

tification fees from 1984 thorugh last September, it spent $885,527 on travel, conventions and seminars (the 1989 get-together is scheduled for Paris), $335,864 on press and public relations (the public relations chief lives on the Australian island of Tasmania), $295,488 on telephone and telex charges, $232,452 on legal and professional fees and $71,781 on the trophies and bejeweled belts it awards its champions.

Sulaiman, like his rivals, routinely attends title fights at the expense of promoters. He estimates he has visited more than 100 WBC member countries, and mementos from his travels are displayed throughout his six-bedroom house. Sulaiman says he has not accepted any compensation from the WBC. But, yes, he has accepted gifts from others. "I have been given gifts," he says, "but this is the custom."

Gift-giving is a custom in boxing—one that has Sulaiman's approval. "When Jesus Christ was born, everybody brought presents to Jesus Christ," he says. "When the Pope visits anywhere, somebody has to come and give him a present. See, that's the philosophy of the custom that some people in the United States do not understand. It does not mean that because we give presents we expect something back."

A Miami-based ring judge, Ric Bays, recalls that in the days preceeding his first IBF title fight in 1985 a Japanese promoter/manager gave him an envelope containing $750. "At first, I thought it was my purse for the fight," Bays says. "When [the promoter] said, 'No, it's just a gift,' I said, 'I'd like to return it.' The Orientals get very upset if you refuse a gift. So I said, 'Okay. But I want you to understand that this will not compromise my position.' " Bays says he gave every round to the opponent of the Japanese fighter.

A referee based in Southeast Asia estimated that 30 percent of judges, referees and fight supervisors accept bribes or "excessive gifts" during assignments in the Far East. The issue was raised in amateur boxing during the 1988 Seoul Olympics after middleweight Roy Jones lost a controversial decision to South Korea's Park Si Hun. The International Amateur Boxing Association (AIBA) suspended the three judges who voted against Jones and will consider disciplinary action against more ring officials at a meeting next month in Nairobi, Kenya. "One concern is that officials may have been entertained in costly restaurants," AIBA President Anwar Chowdhry says.

Among officials who work professional fights, Ford, the WBC's international secretary, says: "There may be some bad apples out there: maybe one out of four. Ford recalls a conversation he had with a ring official before a world title fight in Thailand: "He unloaded everything he knew. He told me about some officials [accepting gifts], and he told me what the going rate was. At one time the referee got $10,000 and the judges anywhere from $5,000 up. He said, 'I need to know if you're one of them right now. I need to know if we're going into this fight straight.' "

Ford says he has never accepted a bribe. Of his conversation with the official in Thailand, he adds, "That's the only time I've ever talked about it. I've never, ever heard officials sitting around, having a beer and bringing this up."

Frank Quill, president of the Oriental and Pacific Boxing Federation, says some ring officials accept gifts from promoters and managers. "Like I've got a nice camera that was given to me as a gift," says Quill, a supervisor at WBC title fights. "They will give you a present of an expensive camera . . . or maybe $300 or $400 or $500. It's basic hospitality. It's not offered as a bribe."

Asked if he would favor a WBC rule banning the acceptance of such gifts, Quill said: "Well, I feel a little bit uncomfortable financially [with such a rule] because it costs me." Later he said: "I wouldn't be angry if such a rule was introduced."

In a recent interview, Sulaiman said he opposes the acceptance of bribes by ring officials but doubts that such a practice exists. "I happen to place a big question mark on people who say something like that," he said. A few minutes later, Sulaiman said, on second thought, he would not be surprised by anything that occurred in the sport of boxing.

"I myself have been offered significant bribes in my life—offered in exchange of important favors," he said. "I have heard of many things in boxing that are not within the principles of impartiality. Boxing is a very controversial sport. It's the most disorganized sport in the world and the most difficult to administer. It's a sport where there's a lot of money involved. This is the problem with boxing."

TRIBUTE TO DIDI BROCK

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. HAWKINS. Mr. Speaker, I would like to inform my colleagues about the passing of Didi Brock, a remarkable woman who was not only a success in her business career, but worked tirelessly to improve the status of others who were less fortunate.

Didi Brock was the wife of my good friend, Brock Peters, a world-renowned actor and producer, who together with Didi shared their talents to help others succeed in the entertainment business. As the saying goes, "a friend in need, is a friend indeed."* * * and Brock and Didi exemplify the top class of genuine individuals who you could always count on in good times and bad. All of us who know Brock share in the loss of his beautiful wife of many years.

Didi Peters was—without question—"a woman of substance." Didi was one of the first black female television producers. She produced "Jazz Party," the first regular television series on jazz, which earned her an Emmy Award nomination.

As assistant director for the United Artists Records, she became one of the first female executives in the record industry * * * forging the path for many other women and minorities who would follow her.

Brock and Didi were cofounders of Maga Link which is an organization comprised of prominent media and business professionals to address concerns regarding minority media images, employment, and the expansion of minority creative and production input.

Didi Peters was also one of the founders of the Media Forum, an organization which produced seminars, forums, and concerts to inform and educate the public about media image-making. The group won 10 Emmy Awards for the television special "Voice of Our People." She was also the founder of the Dance Theatre of the Harlem Advisory and Guild and the founding member of the Museum of African American Art.

Didi, like Brock, was a person who achieved success but also felt a responsibility to give something back to the community. She was the national funding director of the NAACP where she developed the national "Bank of Stars," a concert tour production in major cities which showcased stars of music, poetry, and literature.

Didi was a doer. She reached out to people. She was active in the community. Her dedication and faith toward helping others reminds me of a passage from Basil King, a noted minister and novelist:

Faith covers all the ground of Trust, but it covers more. It is not content to rest in confidence. To do, to aspire, to scale heights are the motives of its being. It begins its mission where that of Trust leaves off. Trust is satisfied. Faith is moved by divine discontent. It seems; it asks; it strives . . . To exist at all Faith must prove its force by doing.

Although Didi has passed away, I will always have fond memories of her personal dedication toward helping minorities succeed in the entertainment business * * * I will remember her dynamic and charming personality * * * But above all I will remember her triumphant spirit which reached out and helped so many.

TRIBUTE TO CAPTAINS WILLIAM L. McGUIRE AND FRED P. FAUSTINO, OF THE LIBERTY TOWNSHIP (OH) POLICE DEPARTMENT

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to two outstanding police officers from my 17th Congressional District of Ohio, Captains William L. McGuire and Fred Faustino, both 27-year veterans of the Liberty Township police department, on the occasion of their retirement from the force.

Captain Faustino joined the department when it was first formed in 1961. He served as a radio dispatcher until 1963 when he was promoted to patrolman. In 1971 he was promoted to captain, and he retired this year as commander of the detective bureau.

Captain Faustino is especially known for his skills as a photographer. He served as department photographer in Liberty, and as chief photographer for the Trumbull County homocide investigation unit. He also served as an instructor in the Ohio Peace Officer Training Council in weapons training and was firing range officer for the Liberty department.

He received a Distinguished Service Citation from the Crime Clinic of Greater Youngstown and a Meritorious Service Citation from the Liberty Fraternal Order of Police, Lodge 65. He is a past president and current secretary-treasurer of the crime clinic, and was a longtime treasurer and charter member of lodge 65.

Capt. "Mickey" McGuire also joined the department as a radio dispatcher in 1961. He was promoted to patrolman in 1963, to sergeant in 1965 and to captain in 1967. He served 1 year as chief of police in 1971, and retired as patrol commander.

McGuire served in the Navy during the Korean war and studied at Youngstown State University and Kent State University. He is a charter member of the Liberty Fraternal Order of Police. He has also earned several in-service certificates, and a citation from the Department of Justice, among others.

Mr. Speaker, as a former sheriff, I have seen the problems that a police officer must face in what is truly a difficult and often thankless job. These two officers have my utmost respect for dedicating their lives to the protection of the public. Please join me today in paying tribute to two excellent police officers. Let us extend to them our heartfelt thanks for a job well done, and our best wishes for a prosperous and peaceful retirement.

PHYSICIAN REFERRAL "HORROR STORIES" PILE UP

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. STARK. Mr. Speaker, I would like to report that, each day, I receive a large volume of mail from physicians, practitioners, and patients who care about quality health care and who declare their support for H.R. 929, the Ethics in Patient Referrals Act of 1989. The evidence is clear that Americans are wasting millions of dollars each year for unnecessary tests and procedures; if this problem continues to grow unchecked, that figure will soon reach the billions. In other cases, the best and most convenient care is being denied. We need to act now.

I would like to share some excerpts from the letters that I have received. I think you'll agree that this problem demands our attention.

A physician in Lake Worth, FL, writes:

At a joint-ventured MRI facility to the north of me, a patient missed an appointment for an MRI of the spine. An employee at the facility mentioned to the patient that he could have the MRI done at our facility the following day. The MRI joint venture facility's next appointment was in the middle of January and (the patient) would therefore have to wait another 3 weeks. The following day, the patient showed up at our facility to have his MRI done, and when checking with the patient's referring physician who happens to be an investor in the joint ventured facility, the referring physician stated he did not want the patient done at our facility. He wanted the patient to wait 3 weeks in order to have it done at the facility where he obviously receives a kickback or part of the profits.

A physical therapist in San Mateo, CA, has seen physician/investors in physical therapy facilities refer patients with chronic back pain to receive daily treatment for months, sometimes years. She writes: "When I commented to the physician-owner that it seemed unethical to continue with treatment that was producing no positive results he said, 'Don't worry about it. Just think of it as day care.' "

A physician and professor of radiology in Winston-Salem, NC, writes that, until recently, expensive and potentially dangerous cardiac catheterization procedures were performed only at the Wake Forest medical school. Then, a second catheterization facility was opened at a referral-based hospital 1 mile from the medical school. Cardiologists at this hospital began performing an additional 70 cases per month, with no change to the 150 cases being performed each month at the medical school hospital.

A hospital president in Corpus Christi, TX, told me that in his community of 270,000 people there are seven CT scanners and three MRI units. A group of physicians recently met to form another imaging center which would add an additional CT scanner and MRI unit. He writes: "It could succeed only if the physicians refer to themselves and collect for the service—plus the special return on their investment."

A home care service administrator in Montgomery, AL, writes:

Physician owned services in our area severely limit our ability to compete. Often, patients are not given an opportunity to choose a home care service. Physicians refer their patients directly to their own company and the patient accepts that referral never knowing that another service is available. . . . Realistically, even if physicians follow the AMA guidelines and inform patients about their financial involvement in a medical service to which they refer, the disclosure has little meaning. Human nature dictates that we must trust our doctor. After all, if we are willing to trust a doctor with our life, we have to believe that everything that doctor does for us is necessary and of the highest quality available. People may ask their doctors questions, but they seldom question their doctors.

Finally, a radiologist in Tucson, AZ, writes:

I am a radiologist and the general partner of a limited partnership which owns a CT Scanner. I feel that this bill is the best thing for both medicine and our patients. I would hope that it will be presented in that positive light. The vast majority of physicians are good people who truly want the best for their patients. The passage of this bill would save some from being led into temptation which might be too great for their better judgment.

These stories are just a sample of the letters I've received so far; they will no doubt continue to pile up as we proceed with H.R. 939. In fact, I am inviting physicians, practitioners, and patients who care about quality health care to send me more. I will continue to pass along to you and my colleagues additional examples of these scams as I receive them. We owe it to the taxpayers to be prudent consumers with Medicare dollars. H.R. 939 helps assure that the taxpayers' money will not be wasted on unethical and unnecessary services.

GREEK INDEPENDENCE DAY CELEBRATION

SPEECH OF

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1989

Mr. ROYBAL. Mr. Speaker, I rise to pay tribute to all Greek-Americans across the United States as March 25, 1989, marks the 168th anniversary of the beginning of the revolution which freed the Greek people from the Ottoman Empire.

It is important to set aside a day to honor Greek-Americans with a national day of celebration of Greek and American democracy. For it was the Greek independence which resulted in the democratic foundation that future countries would adopt, and it is of this foundation that American democracy has flourished. In assessing the significance of the Greek independence to American democratic ideals, James Madison and Alexander Hamilton wrote:

Among the confederacies of antiquity the most considerable was that of the Grecian republics. * * * From the best accounts transmitted of this celebrated institution it bore a very instructive analogy to the present confederation of the American states.

In turn, the United States has also contributed as a role model for Greek independence. The American Revolution became one of the ideals of the Greeks as they fought for independence in the 1820's. Greek intellectuals translated the Declaration of Independence of the United States and use it as their own declaration. As a Greek commander in chief once said in appealing to the citizens of the United States:

Having formed the resolution to live or die for freedom, we are drawn toward you by just sympathy since it is in your land that liberty has fixed her abode, and by you that she is prized as by our fathers. Hence, honoring her name, we invoke yours at the same time, trusting that in imitating you, we shall imitate our ancestors and by thought worthy of them if we succeed in resembling you * * * it is for you, citizens of America, to crown this glory.

Mr. Speaker, it is because of this common bond of democratic ideals, that I ask my fellow colleagues to join me in saluting the Greek nation as they celebrate their independence and recognize the many contributions of the Greek-American community to our Nation's advancement.

REPEAL OF SECTION 89

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Ms. SCHNEIDER. Mr. Speaker, despite its many achievements, the Tax Reform Act of 1986 had a few drawbacks. One of the flaws was section 89, which would impose restrictions on the tax-deductibility of employee ben-

efit plans. In response to the opinions of the voters of the Second District, I am cosponsoring H.R. 634, a bill that would repeal section 89 of the Tax Code of 1986.

Section 89 was designed to ensure that the tax incentive for employee benefit packages was applied in an nondiscriminatory manner. As a basic principle, the intentions of section 89 are sound; however, their implementation is sorely lacking.

Even the Technical and Miscellaneous Revenue Act of 1989, which was intended to correct and fine tune the 1986 tax reform could not solve section 89's problems. In fact, the technical corrections made section 89 even more complex.

As it stands, section 89 is too complicated for many business owners to comply with. Ironically, it may result in the reduction of employee benefits as employers simply discontinue existing benefit plans rather than put up with section 89's ambiguities. The Internal Revenue Service has yet to formulate the rules to implement the provisions of section 89. I have been contacted by dozens of business owners who are confused and annoyed by the senseless complexity of section 89.

Mr. Speaker, this is a very important issue to Rhode Island businesses of all sizes. Alterations of the Tax Code can only be called "reforms" if they simplify and clarify. Section 89 complicates and confuses. For this reason, I call on my colleagues to join me in voting for its repeal.

"THE YOUNG AMERICANS ACT": WE NEED A NATIONAL POLICY FOR CHILDREN

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. PEPPER. Mr. Speaker, today I am most proud to be reintroducing on behalf of myself and a bipartisan coalition of 50 colleagues, legislation which will set us on the path for establishing something that is long overdue in our great America, a national policy for the young people of our country. "The Young Americans Act" has been carefully designed and refined by the leading child welfare advocates in the Nation as a cost effective way of providing more and better services, from health care to education, to Americans 21 years old and younger.

Mr. Speaker, I am proud to say that "The Young Americans Act" is supported by a diverse intergenerational group of national and local organizations representing Americans of all ages. Generations United, a coalition of over 100 national organizations representing the young and the old, and headed by the Child Welfare League of America and the National Council on Aging, has given tremendous assistance to us in putting together and advocating on behalf of this important legislation. Indeed, "The Young Americans Act" is a testament to the great spirit of cooperation and shared interest which exists among the American people and is reflected in the national organizations.

Mr. Speaker, "The Young Americans Act" has been patterned largely after the tremendously successful Older Americans Act which the Congress passed in 1965. The Older Americans Act has won widespread bipartisan praise for providing our senior citizens with critically needed social and support services and acting as a mechanism for better coordinating services generally available to older persons. "The Young Americans Act" would establish for the first time a broad set of national policy goals for young Americans, from education to health care. It establishes as policy goals for America that all of our younger citizens shall be afforded:

The best possible physical and mental health;

Adequate and safe shelter;

The highest quality of educational opportunity;

Effective training, apprenticeships opportunities for community service, and productive employment;

The widest range of civic, cultural and recreational activities which promote self-esteem and a stake in their communities; comprehensive community services which are efficient, coordinated, and readily available; and

Genuine participation in decisions concerning the planning and managing of their lives.

"The Young Americans Act" provides economic incentives through grants to the States and localities to assist in meeting these policy objectives. Grants are authorized for the provision of direct services as well as for the purpose of encouraging the States to develop more coordinated and efficient ways to administer their programs aiding children, youth, and families.

Mr. Speaker, we have reached a point of crisis with the youth of our Nation. The following statistics give a general indication of the staggering problems which need to be faced:

Thirteen million children, 1 in 5, live in poverty. For children under the age of 6, the proportion is 1 in 4;

Children are the fastest growing segment of Americans living in poverty. We are the only industrialized nation in the world in which children are the poorest age group;

Nine million American children live in unsafe housing. I am told that over 100,000 children are homeless;

Fewer children under 4 years of age are now immunized against polio, DPT, measles, mumps and rubella than in 1980;

More than 1 in 4 of our teenagers entering high school will not graduate. Many drop out at age 16;

More children than ever before must depend on only one parent, and single-parent families now account for 26 percent of all families with children under age 18 present, double the comparable percentage in 1970;

More than 1 million American children a year run away from home or are "pushed out," often for economic reasons;

Child abuse cases have risen dramatically in the past 5 years; and

Perhaps most sadly, suicide rates for our teenagers continue to rise faster than for any other age group.

Mr. Speaker, these statistics, which express so clearly the plight of America's youth, are jarring and demand our immediate attention. "The Young Americans Act" offers a sensible and cost effective approach to begin addressing these problems in a coordinated national fashion. In addition to providing grants to the States and localities as mentioned above, the act establishes permanently in the law a single Federal responsibility for overseeing programs for the children, youth, and families of our Nation. It establishes within the Department of Health and Human Services the Administration for Children, Youth and Families. The Commissioner of this Office would be appointed by the President. "The Young Americans Act" also provides for a White House Conference on Young Americans to be held in 1990. This Conference would have the purpose of bringing together the national, State and local leaders and experts to develop a comprehensive, coherent national policy on children, youth and families in America.

Mr. Speaker, I am joined today in introducing this important bill by my colleagues Mr. CLAY, Mr. HAYES, Mr. OWENS, Mr. ROBINSON, Mr. BOUCHER, Mr. FISH, Mr. GILMAN, Mrs. BENTLEY, Mr. JONTZ, Mr. ATKINS, Mr. KENNEDY, Mr. BEVILL, Mr. FAUNTROY, Mr. AKAKA, Mr. DELUGO, Mr. TRAXLER, Mr. DELLUMS, Mr. GORDON, Mr. MCDERMOTT, Mr. RANGEL, Mr. BATES, Mr. TOWNS, Mr. KOLTER, Mr. CROCKETT, Mr. DYMALLY, Mr. SKAGGS, Mr. BONIOR, Mr. BILL LEHMAN, Mr. MOAKLEY, Ms. KAPTUR, Ms. PELOSI, Mr. ENGEL, Mr. EVANS, Ms. OAKAR, Mr. BORSKI, Mr. SMITH of Florida. Mr. FLORIO, Mr. FAZIO, Mr. JONES of North Carolina, Mr. FOGLIETTA, Mr. HERTEL, Mr. FLAKE, Mr. STAGGERS, Mr. SIKORSKI, Mr. TRAFICANT, Mr. LEVIN, Mr. ACKERMAN, Mr. FEIGHAN and Mr. RICHARDSON.

Mr. Speaker, I am delighted to say that my good friend and long recognized champion of the right of young Americans, the Honorable DALE KILDEE, chairman of the Subcommittee on Human Resources of the Education and Labor Committee, has agreed to promptly hold hearings on "The Young Americans Act" after its introduction. I am excited about the prospects for getting this important legislation through the Congress and signed by the President this session. I urge my colleagues to join us in supporting this important and timely piece of legislation for the future of our great Nation.

HANDS OFF UNITED STATES AID RATIO TO GREECE AND TURKEY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. BROOMFIELD. Mr. Speaker, I want to express my concerns about a legislative initiative which could have profound implications for U.S. policy toward the eastern Mediterranean.

Recently, the House Foreign Affairs Committee Task Force on Foreign Assistance released a report which will be used as the basis for rewriting the legislation which authorizes U.S. foreign aid program. The report and its recommendations reflect the fact that over the years excessive congressional reporting requirements and earmarkings have reduced the executive branch's flexibility and effective-

ness in promoting American security, economic and humanitarian interests in the international community.

While I want to commend the cochairmen of the task force, Congressmen LEE HAMILTON and BEN GILMAN, for their dilligence and leadership in accepting this challenging task of trying to refine and improve an exceedingly complex foreign aid process, I have several reservations about the task force's legislative recommendations.

In an effort in eliminate as many legislative conditions on our foreign aid programs as possible, the task force recommended that the 10 to 7 ratio method in which military assistance is appropriated to two NATO allies, Greece and Turkey, be eliminated. Doing away with this very principled approach to our relationships with Athens and Ankara would represent a radical shift favoring Turkey. Abandoning the ratio would send a political message to Greece that the United States condoned Turkish aims and objectives in the eastern Mediterranean and the Aegean. This message would damage long-term United States security interest in Greece.

I share my colleagues' concerns about the politics of the current Government in Athens. Greece's procrastination in concluding a United States base agreement and the unacceptable delay in honoring the United States extradition request for accused Palestinian terrorist Mohammed Rashid—now imprisoned in Greece—has placed unnecessary strains on our bilateral relations with this key NATO ally. Both Greece and the United States have suffered from terrorism and we need the cooperation of the Greek Prime Minister if we are to put an end to this international menace.

I am confident that these problems are resolvable. At a time, however, when Greece is in the midst of a campaign for the upcoming national elections in June, a congressional reversal of the existing 10 to 7 ratio could very well inflame the Greek electorate and jeopardize America's interests over the long term in this extremely important area of the world. While governments come and go, the traditionally close relationship which exists between the American and Greek people is the mortar which binds our two nations together.

It is also important to note that doing away with the current aid ratio would have the effect of rewarding Turkey for continuing to occupy Cyprus. For those Members who served in Congress in the 1970's the concept of a ratio originated from the lifting of the arms embargo against Ankara for its invasion of Cyprus. Turkey still occupies Cyprus with 30,000 troops armed with United States equipment. At a time when the two parties in the Cyprus dispute are trying to resolve their differences over the future of that island, a change in the assistance ratio would clearly send the wrong signal. In the interest of peace on Cyprus, it is important on the United States to maintain the ratio.

Mr. Speaker, in the coming weeks, I will closely monitor the progress of the foreign aid legislation and, if necessary, will join my colleague from Pennsylvania, Congressman YATRON, and offer amendments to the revised foreign aid authorization bill which will restore the concept of the assistance ratio to both the military assistance accounts and the NATO southern flank program. I urge my colleagues to support these amendments. U.S. security interests cannot be ignored in that critical region of the world.

THE AFRICA FAMINE RECOVERY AND DEVELOPMENT ACT

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. WOLPE. Mr. Speaker, I am pleased to introduce today, along with Representatives BEN GILMAN, CLAUDINE SCHNEIDER, RONALD DELLUMS, and 31 other colleagues, the Africa Famine Recovery and Development Act, an innovative and far-reaching reform of our economic assistance program in sub-Saharan Africa. As you will recall, this new approach passed the House during the last Congress, as part of the foreign aid authorization, with wide bipartisan support. The Senate Foreign Relations Committee adopted a similar measure but the full Senate did not act on the overall foreign aid bill.

This bill represents a major step toward a more cost-effective and efficient foreign aid program in Africa, one which supports sustainable, participatory, and self-reliant economic growth. United States economic, political, and humanitarian interests require a sound long-term aid policy for Africa as an alternative to the expensive "Band-Aid" of famine relief.

Too often our aid programs in Africa have been poorly planned and ineffective because they failed to involve local people—particularly women who produce 80 percent of Africa's food—and ignored the potential of indigenous African private and voluntary organizations to foster self-reliant development. Too often we have not really insisted that African governments undertake policy reforms, such as encouraging the private sector, or failed to ensure that whatever reforms were undertaken did not jeopardize the vulnerable poor or long-term environmental interests. Too often our aid programs have given short shrift to key priorities critical for Africa's development prospects—such as protecting the natural resource base, essential for Africa's agricultural productivity and its ability to feed itself, and health and voluntary family planning programs which are necessary to sustain the human resource base for development. Too often assistance has been hampered by atrocious management policies: shortsighted programs, poor accounting, and weak evaluation.

Among the key features of the Africa Famine Recovery and Development Act are:

Close consultation with the poor majority, through African and other private and voluntary organizations, in the planning of United States development assistance, and an expansion and strengthening of development efforts by African and United States PVO's.

Incorporation of active participation by women in development activities.

Establishment of criteria for economic policy reforms to increase incentives for productivity while protecting the vulnerable poor and long-term environmental interests.

Definition of critical sectoral priorities for assistance, with minimum earmarks of 10 percent for natural resources, health, and voluntary family planning. The remaining funds would be spent flexibly by AID within broad legislative authorities.

Increased resources for Africa—a $550 million earmark—without an increase in the total worldwide aid budget to help make up for Africa's declining proportion of U.S. assistance—a fall of approximately 15 percent in the last 5 years.

Recommendation to the President strongly urging long-term and cost-free debt rescheduling for low-income countries pursuing national economic policy reforms.

Organizational reforms of AID including a long-term, 5-year commitment to African aid, better accounting, independent evaluations of the results of aid programs, and more flexible procurement.

This legislation has been strongly supported by a wide range of citizens groups including Interaction—representing 114 U.S. private and voluntary organizations—the Sierra Club, the Natural Resources Defense Council, Bread for the World, CARE, Catholic Relief Services, World Vision Relief Organization, Africare, Transafrica, and numerous other organizations.

I hope my colleagues will join me in supporting this very worthwhile legislation.

HOUSE COSPONSORS OF THE AFRICA FAMINE RECOVERY AND DEVELOPMENT ACT

1. Howard Wolpe.
2. Ben Gilman.
3. Claudine Schneider.
4. Mickey Leland.
5. William Gray (PA).
6. Geo. W. Crockett.
7. James Clarke.
8. Ben Blaz.
9. Howard Berman.
10. Tom Downey.
11. James Scheuer.
12. Robert Kastenmeier.
13. Peter Kostmayer.
14. Charles Hayes.
15. Ronald Dellums.
16. Eliot Engel.
17. Robert Roe.
18. Timothy Penny.
19. Julian Dixon.
20. Walter Fauntroy.
21. Moe Udall.
22. Cardiss Collins.
23. Albert Bustamante.
24. Robert Wise.
25. Mervyn Dymally.
26. Ted Weiss.
27. Gerry Studds.
28. Barbara Kennelly.
29. Chester Atkins.
30. Edward Feighan.
31. Vic Fazio.
32. Donald Payne.
33. Lane Evans.
34. Doug Walgren.
35. Sam Gejdenson.

GREAT LAKES ARE BEING INVADED BY ALIENS—SPECIES, THAT IS

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. DAVIS. Mr. Speaker, today I introduced a bill which provides a first step in conquering the influx of exotic species of fish and other creatures into the Great Lakes. These aliens may threaten the $2 billion annual Great Lakes fishery.

Researchers at the National Sea Grant College Program have discovered that uninvited guests are making their home in the Great Lakes and disrupting the food chain there. For example, the ruffe, a fish which resembles our yellow perch but is much more aggressive and prolific, is competing with the native fish for food and could easily replace them. Sea grant researchers fear that this may have drastic effects on the lakes' ecosystems, much like that of Scotland's Loch Lommond where the ruffe superseded the indigenous perch population in only 4 years. Apparently, lakes in the U.S.S.R. and Europe have also suffered from the assertive ruffe.

The native Great Lakes fish are stilling under siege from another invading species—the sea lamprey—which slipped into the lakes after canals were constructed to allow vessels to circumvent Niagara Falls. The lampreys nearly wiped out lake trout and whitefish populations and now, only after millions of dollars have been spent, is the lamprey coming under control.

The ruffe likely arrived in the lakes as a stowaway in the ballast water used to steady ocean-going, often foreign-flag, vessels on the high seas. Annually, these 600-some vessels, which can each take on as much as 6 million gallons of water in near coastal areas along Africa, Europe, South America, and Asia, partially empty their tanks as they approach the St. Lawrence Seaway to navigate shallow channels. After loading cargo in Great Lakes ports, much of the remaining water is discharged, releasing hundreds of alien organisms. Ballast water is also the suspected route for the zebra mussel, which can grow so quickly they stop up water intake pipes, and the zooplankton Bythotrephes cederstromemi.

It has been suggested that the most effective way to control the spread of foreign organisms into the lakes is to require vessels to draw fresh ballast water from the open ocean before entering the Great Lakes system. Marg Dochoda, a fisheries biologist with the Great Lakes Fishery Commission, has indicated that midocean organisms may not survive in the Great Lakes as well as those taken from shallow, near-coastal areas.

My bill driects the Secretary of Transportation to report to the Congress in 6 months on ways to control the invasion of alien species into the Great Lakes from ballast water. Under its authority to control the importation of harmful species, the Coast Guard may well be able to require the exchange of ballast water and enforce this requirement with water testing and log inspections. In the meantime, the Great Lakes States are combating the plague of ruffe with poisons, restocking with predator fish, and reproductive controls.

The next freighter may be bringing more than cement to Duluth. We must help protect our native fish populations from additional threats, or soon the Great Lakes perch may go the way of the dodo bird.

LIMITED GOVERNMENT—UNLIMITED LIABILITIES

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. DANNEMEYER. Mr. Speaker, the Federal deposit insurance, as it exists today, is incompatible with our ideal of limited government. It should be completely overhauled and made to conform to the Constitution.

For all practical purposes, every dollar on deposit in member banks is insured. The $100,000 limit is a sham, as it is routinely circumvented by high-powered deposit brokers. Moreover, the unfortunate precedent has been established—in connection with the run on the Continental Illinois Bank—that Federal deposit insurance is automatically extended to multimillion dollar accounts, provided the bank at stake is big enough.

We are facing the gravest monetary crisis in our history. We must act immediately. We must reform the Federal deposit insurance system. We should remember that a large part of the insured deposits is controlled by foreign financial institutions. They could, single handed, provoke a showdown at at time of their convenience. We must not lose control of our own destiny.

The following article, second in a series of three, deals with this crisis of the Federal deposit insurance system. The first article of this series was inserted in the March 15, 1989, issue of the CONGRESSIONAL RECORD. The third article, which outlines a global solution to the banking crisis involving the commercial and savings banks, will be inserted in a forthcoming issue.

LIMITED GOVERNMENT—UNLIMITED LIABILITIES?

(Second of a series of three articles)

The Wall Street Journal, in an editorial entitled "Ponzi Would Love It" (February 1, 1989) incorrectly stated that federal deposit insurance had been "conceived by the eminent Senator Carter Glass in 1933", and concludes that the solution to the thrift crisis lies in "changing what old Carter Glass spawned, by phasing out insurance on new deposits."

The reommended solution is sound. However, to be fair to Senator Glass of Virginia, the second-ranking Democrat on the Senate Banking Committee, one should note that he opposed providing any government guarantee to depositors in 1933, and had fought the idea in both houses, by his own count, for 35 years. President Roosevelt was against it. At his very first press conference as president, on March 8, 1933, he said: "As to guaranteeing bank deposits . . . the minute the government starts to do that, the government runs into probable losses. . . We do not want to make the U.S. government liable for the mistakes and errors of individual banks, and put a premium on unsound banking in the future. . ."

The opposition of Senator Glass and President Roosevelt was swept aside by public sentiment and by the efforts of Henry B. Steagall of Alabama, the Chairman of the House Banking Committee, who had favored insuring deposits for almost as long as Glass had opposed it. On June 6, 1933, Roosevelt signed into law a sweeping banking reform law that insured all bank deposits up to $2,500. (A parallel system of deposit insurance was created for the savings and loan associations in 1934.)

It did not take long before the fears of Senator Glass started to haunt the country. Within six months, the limit was raised from $2,500 to $5,000 and the interpretation that a person was entitled to as many insured accounts in different institutions as he pleased, was entertained. Insurance, which by definition is limited, was being converted into a government guarantee, which by its very nature is unlimited.

Today, the "limit" on insured deposits is $100,000; but calling it a limit is a joke. Sums in excess of $100,000 are parceled out and placed with shaky thrifts by high-powered money brokers to make sure that every dollar will benefit both from the highest interest rates and from deposit insurance. For all practical purposes, the total amount on deposit with member thrifts (about $1 trillion) is insured by the federal government. If these thrifts decide to double or treble their liabilities by accepting new deposits, then the exposure of the government will also double or treble, whether Congress likes it or not.

The upshot is the same as if the government has given license to the most desperate thrifts to gamble with other people's money. The Wall Street Journal aptly said that "Ponzi would love it." In 1920 Charles Ponzi promised that he would double anyone's money in just 90 days. He did not make any provisions for earning a return on his customers' money. Instead, he made the cynical assumption that there will always be plenty of suckers ready to be victimized by their own greed. The difference between the 1920's and the 1980's is that, then, the government stepped in and put Ponzi out of business. By contrast, today, not only are the Ponzi banks allowed to keep their doors open for business, but their business is fully guaranteed by the government. It appears that the government owes Ponzi an apology.

Our is a limited government, that is, its powers are those granted by the Constitution. Powers not granted to the federal or state governments are reserved for the people. This raises the question whether a limited government can assume unlimited liabilities without exceeding its authority. The answer is that it cannot, and the federal deposit insurance system as it stands is unconstitutional.

A reform of our system of federal deposit insurance should properly limit the government's exposure, and make the change of this limit subject to legislation. The amount of coverage could be limited to present levels. Then FSLIC and FDIC would have to face the problem of insurance allocation among its members, as the latter increases the money supply. Ideally, allocation should be made competitive, that is, member institutions should bid for the coverage they need. Penalty premiums should be paid by institutions which have called upon the federal deposit insurance system to reimburse depositors.

It is unfortunate that President Bush and his proposal for the thrift bailout did not address this issue. As a result, even if all his proposals are put into effect, the basic problem of the thrifts will remain. There will be nothing to prevent another wholesale collapse of the savings banks in the future.

The late Senator Glass deserves our respect for warning us about the deposit insurance crisis more than fifty years before the event.

LEAH KELLOG HONORED

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. RICHARDSON. Mr. Speaker, I would like to take time to praise one of my constituents, who is being honored this weekend in Santa Fe. Leah Kellog, a good friend of mine, is being honored Saturday, March 18, by the Santa Fe Chapter of Hadassah as its woman of the year. She will be presented the Ima Award. For those not familiar with Hebrew, Ima means mother. No one is more deserving of this honor.

When most people think of Santa Fe, the large Hispanic and Indian population and their contributions to the community come to mind. However, there is also a significant Jewish population that has made substantial and unselfish contributions to the community. Leah Kellog has been in the forefront of that movement.

Mrs. Kellog was born in Alberta, Canada, but became a United States citizen in Santa Fe in 1943. She immediately enlisted in the U.S. Army Medical Corps where she served as a dietitian, first in Santa Fe, and later in France following the invasion of Normandy.

Upon her return to Santa Fe, she was among those who organized the Temple Shalom in 1956. She later served as the temple's first women president. Thirteen years ago, she organized Hadassah in Santa Fe, and later served as vice president.

Her spirit of volunteerism extends to the entire community. She was the first president of the rape crisis committee. She has also served on the city's jail advisory committee and on the board of directors of LULAC. Further, she has been active politically, especially as a member of the League of Women Voters.

Although quite busy, Mrs. Kellog has found time to help form a group that calls itself Tap Dancing Grandmothers, which entertains at nursing homes and hospitals.

Mrs. Kellog's exemplary life can serve as a prototype for those who wish to make their community a better place in which to live. Her activity is so widely admired that the mayor of Santa Fe has declared Saturday, "Leah Kellog Day."

I consider it at honor to call Leah Kellog a friend of mine and I encourage everyone to take note of the sacrifices she has made to make Santa Fe a better place in which to live.

A TRIBUTE TO SOUTH GATE SENIOR HIGH SCHOOL FOOTBALL TEAM

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. HAWKINS. Mr. Speaker, I would like to commend South Gate Senior High School in my 29th Congressional District for winning the coveted Central League championship with an undefeated record of 14 to 0.

The young men of the South Gate High School Ram's football team displayed the important attributes of discipline, tenacity, and sportsmanship. Their hard work paid off with the culmination of the championship, as well as an undefeated record of 14 to 0. Sixteen players received All Central League honors and eight players were named to the Southeastern Conference all star team. Coach Gary Cordray was named "Coach of the Year" by the Los Angeles Herald-Examiner and "Co-Coach of the Year" in the Southeast Area by the South Gate Press.

I am including for the RECORD a list of the players and coaches for the Rams. I congratulate them for bringing a championship team to South Gate for the first time since 1955.

SOUTH GATE HIGH RAMS VARSITY 1988

Players

Bernadino, Rigoberto; Castro, George; Cervantes, Jaime; Corrales, Luis; Cortez, Emilio; Cuellar, Carlos; Diaz, Marco; Duran, Jose; Enciso, Luis; Espinoza, Francisco; Figueroa, Elmer; Fuerte, Fernando; Gallegos, Luis; Garrido, Juan; Gomez, Eddie; Gomez, Gregorio; Gonzalez, Aldo; Gonzalez, Raul; Hanks, Valentino; Jimenez, Fabian; Lopez, Jerry; Lopez, Leonardo; Lungo, William.

Manzanares, Eduardo; Martinez, Carlos; Martinez, Kevin; Medina, Moises; Millan, Eduardo; Millan, Oscar; Munoz, Andre; McAllister, David; Nagle, Tobias; Nunez, Carlos; Padilla, Sergio; Parra, Sergio; Pendleton, Patrick; Rendon, Francisco; Rojas, Juan; Roman, Hugo; Romero, Alez; Romo, Jose; Sanchez, Mike; Sosa, Oscar; Tostado, Andre; Villa, Daniel; Villa, Edward; Villa, Marcos; Villalobos, Danny; Wilson, Ivan.

Coaching Staff

Head—Gary Cordray

Assistant Coaches: Don Albin, Dave Callahan, Rudy Fortiz, Bill Kozasa, Clyde Putnam, Mike Ryan, Damien Watters.

TRIBUTE TO ROBERT F. "IRISH BOB" JOHNSTON

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. TRAFICANT. Mr. Speaker, St. Patrick's Day is upon us and it is with great honor that I stand here today to pay tribute to the Ancient Order of Hibernians selection for the 1989 Irishman of the Year, Mr. Robert F. "Irish Bob" Johnston.

Bob Johnston was born November 11, 1931, in Youngstown, OH. He attended St. Ann's School and graduated from Erie Tech High School in Erie, PA. He is a veteran of the Korean war and was decorated with the Purple Heart, Combat Infantry Badge, United Nations Service Medal, Korean Service Medal, and four Bronze Stars for his valiant, noble, and honorable service.

Bob was employed at the Youngstown Vindicator for 25 years before opening Irish Bob's Pub in Youngstown, OH. Robert Francis Johnston, universally known as "Irish Bob," resides with his wife, the former Sandra D'Angelo in Poland, OH.

He serves his community be being actively involved in the following organizations: the A.O.H., the Mahoning Valley Gaelic Society, the Irish Arts Center, the Ohio Licensed Beverage Association, the Youngstown Area Chamber of Commerce, the Mahoning Valley Tavern Owners Association, and Holy Family Catholic Church.

Mr. Speaker, it is a true honor to represent this fine man. I would like to thank Bob Johnston for all the time and effort he has so graciously given to our great community. I would also like to congratulate him in being named the A.O.H. Irishman of the Year.

GREEK INDEPENDENCE DAY

SPEECH OF

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 14, 1989

Mr. STARK. Mr. Speaker, Greek-Americans have made great contributions to this country and it is with pleasure that I make these remarks in commemoration of March 25, 1989, as Greek Independence Day—a national day of celebration of Greek and American democracy. March 25 marks the 168th anniversary of the beginning of the Greek fight for democracy and independence from the Ottoman Empire which began in 1821.

The Greek struggle for independence was inspired, in part, by the American achievement of independence and democracy which, in turn, was inspired by the model of democracy in Ancient Greece. As James Madison and Alexander Hamilton wrote in the Federalist Papers, "Among the confederacies of antiquity the most considerable was that of the Grecian republics * * *. From the best accounts transmitted to this celebrated institution it bore a very instructive analogy to the present confederation of American States."

Even before large numbers of Greeks immigrated to this country in the beginning of the 20th century, they had a profound impact on our Nation. They have continued to make contributions to their new country. I am proud to honor these Americans with this day.

"CARE" LEGISLATIVE PACKAGE (H.R. 1490) ON ALZHEIMER'S DISEASE

HON. EDWARD R. ROYBAL
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. ROYBAL. Mr. Speaker, over the past 5 years, the House Select Committee on Aging has held several very emotional hearings on Alzheimer's disease. As the committee members listened to the tragic testimony of the witnesses, it became more and more clear that the victims of this dreaded disease need the Congress to take strong and aggressive action on their behalf.

Congress must immediately escalate the war against Alzheimer's disease and related disorders. We must move toward a major expansion of research into the causes, prevention, diagnosis, and treatment of this terrible disease. We must educate the general public and expand the training of health care providers. Finally, we must reach out to the families and provide them with some additional relief from the extraordinary burden of caring for the Alzheimer's victim.

As we did in both the 100th and 101st Congresses, my colleagues and I call upon you to lend your support to the Comprehensive Alzheimer's Assistance, Research, and Education Act—more appropriately known as the CARE bill. CARE mounts a three prong attack with its provisions on research, education and family assistance. It authorizes: First, a quadrupling of research funding, including expanded funding of research centers and establishment of off-site programs; second, the creation of State Alzheimer's programs, with 25 to 50 percent of the funds for respite care; third, the expansion of the National Alzheimer's Education Program; and fourth, additional Medicare and Medicaid research and demonstrations.

To date, the federally funded research effort has been grossly underfunded as compared to Federal funding for the other major diseases. While Alzheimer's related funding total about $120 million annually, funding for heart disease, AIDS, and cancer research each total between $600 million and $1.45 billion annually. This discrepancy occurs in spite of the fact that the social and economic costs of Alzheimer's are on the same order of magnitude, or greater, as these major diseases. Further, our current Federal research spending amounts to only about $1 annual research expenditures for every $500 in annual societal costs. Over 3 years, the Roybal-Waxman-Stark CARE bill proposes to quadruple Federal research funding—totaling $500 million by 1992—for Alzheimer's and related disorders.

Beyond research, there is a great need to provide support to the Alzheimer's victims and their caregivers. Currently, Medicaid is one of the few programs providing support, but only after the individual and their families face virtual impoverishment. While long term care will be addressed in other legislation, the Federal Government should move quickly in a joint effort with the States to develop a State-based support system for Alzheimer's victims and their caregivers. For 1992, the Roybal-Waxman-Stark CARE bill proposes $125 million in funding for State Alzheimer's programs, a joint Federal-State partnership, to provide the core of that support system.

CARE, introduced today by Representatives WAXMAN, STARK, and myself, was developed in close partnership with the National Alzheimer's Association and has received their strongest endorsement. Over the next few months, the association and its 200 chapters around the country will be mounting an all out effort to reach the Congress and get this measure passed on behalf of the 3 to 6 million victims of Alzheimer's disease and their caring families.

Even in these years of tight budgets, Congress needs to demonstrate that the tragedy of Alzheimer's is so special that it deserves special handling. We hope that we can count on your support for the Roybal-Waxman-Stark CARE bill.

SUMMARY OF H.R. 1490: COMPREHENSIVE ALZHEIMER'S ASSISTANCE, RESEARCH, AND EDUCATION ACT [CARE]

PURPOSE

To provide expanded research on Alzheimer's disease and related disorders and to improve care and assistance for its victims and their family caregivers.

CARE BILL SUMMARY

Responding to the overwhelming need to assist the victims of Alzheimer's disease and related disorders, the CARE legislative package, developed in partnership with the Alzheimer's Association and on behalf of its more than 200 Chapters nationwide, proposes the following initiatives:

Over a three year phase-in, provides for a quadrupling of Alzheimer's related biomedical research funding to a level of $500 million by 1992 including funding for drug and genetic research.

From that research funding, a total of 15 AD research centers are to be fully funded and a new program of off-site research on diagnosis and treatment is to be initiated.

Funds research on services to promote the health and well-being of AD victims and their families by encouraging care in the home and reducing the stress on the families.

Expands funding for the National Alzheimer's Education Program.

Creates state programs with education and supportive services, including respite care, for AD victims. Provides a phase-in of funding reaching $90 million/year by 1992.

Modifies Medicare and Medicaid to better support AD victims and families.

Funds Medicare and Medicaid research to examine potential changes in eligibility, benefits and reimbursement.

Increases training of health care providers for AD victims and families.

Modifies the Alcohol, Drug Abuse and Mental Health Block Grant to better support AD victims and families.

Requires that Secretary coordinate Alzheimer's related research of Department of Health and Human Services.

CARE BILL PROVISIONS

TITLE I. PUBLIC HEALTH SERVICE PROGRAMS WITH RESPECT TO ALZHEIMER'S DISEASE

Sections 901-902. Biomedical Research on Alzheimer's Disease and Related Disorders

Requires that the Department of Health and Human Services develop a plan of AD related research and implement it through the National Institutes of Health (NIH) (including the National Institute on Aging (NIA)) and the National Institute of Mental Health (NIMH).

Expands NIH and NIMH biomedical research programs by funding basic research related to AD at a combined level of $225 million for 1990, $400 million for 1991, and $500 million for 1992. Of the total biomedical research funding, 80 percent goes to NIH, 10 percent goes to NIMH, and 10 percent is to be distributed between NIH and NIMH according to priorities developed by the DHHS Secretary.

From the above NIH and NIMH research funding and subject to the level of the total appropriation for this research, research priorities include the etiology of AD (minimum of $25 million per year), the epidemiology of AD (minimum of $15 million per year, diagnosis of AD (minimum of $10 million per year), the treatment and management of AD (minimum of $20 million per year) and the burden of caring of AD victims (minimum of $10 million per year).

From the above NIH and NIMH research funding, the current Centers program is extended by fully funding 15 Alzheimer's Research Centers at a level of $25 million in 1990, $32 million in 1991 and $40 million in 1992. In addition, this funding also provides funding for a new initiative to develop off-site research on diagnosis and treatment of AD with authorized funding of $15 million in 1990, $17 million in 1991 and $20 million in 1992. The Centers and the off-site programs are to be administered by the National Institute on Aging in collaboration with NIMH, NINCDS and NIAID. Responsibilities of the Centers include:

Conducting research into cause, prevention, diagnosis, treatment and management of AD; training health care personnel; disseminating clinical information; conducting community education on AD; and coordinating with other Centers and related public/private facilities.

Provides for coordination and dissemination of research both within DHHS and to other relevant agencies.

Sections 903-906. Family Support and Service Delivery Research and Demonstrations

Establishes research and demonstration programs to develop methods of service delivery that will promote the health and well-being of AD victims and their families by encouraging care in the home and reducing the stress on the families of AD patients.

NIMH Family Support and Stress Research: Authorizes $25 million in 1990, $26 million in 1991 and $28 million in 1992 to support joint research and demonstration projects with public and private organizations.

NIA Long Term Care Research: Authorizes $12 million in 1990, $12.5 million in 1991 and $13 million in 1992 to support long term care research on Alzheimer's Disease and related disorders and on the coordination of long term care.

National Center for Health Services Research Model Delivery Systems Research: Authorizes $5 million in 1990, $6 million in 1991 and $7 million in 1992 to conduct research on models for improving the delivery of supportive services to AD patients and their families, with particular attention to ethnic and cultural groups.

Administration on Aging Family Support Demonstrations: Authorizes $12 million in 1990, $12.5 million in 1991 and $13 million in 1992 to support joint demonstration projects with public and private organiza-

tions examining innovative family support and service delivery approaches with special emphasis on stress including disorders such as AD.

Section 908. Department Coordination of Alzheimer's related research

Requires that the Secretary of the Department of Health and Human Services establish a mechanism to coordinate all Alzheimer's related research within the Department.

Section 931. State Alzheimer's Programs

Establishes a joint Federal and State effort to develop services and policies to assist victims of AD and their families. All 50 States and territories may receive grants to create State Alzheimer's Programs.

Develops diagnostic, treatment, care management, legal counseling, and educational services for care providers, victims, and their families.

Makes available respite care services (including, but not limited to, home health, day care, companion, short term stay in health facilities) for the AD patient. (Between 25% and 50% of the grant is to be used for this purpose.)

Reviews State policies on the financing and reimbursement of the costs of health care for patients with AD and identifies other policy changes that would improve care of patients with AD.

Disseminates information to victims, their families, health care providers, organizations established for patients with AD and to the general public on services available to AD victims as well as on rights of and sources of assistance for AD victims and their families.

Makes initial grants available for 3 years with funding at a minimum of $250,000 per year and subject to an annual evaluation by the Department of Health and Human Services.

States are required to provide matching funds at a 50-50 rate.

Total program funding is set at $50 million for 1990, $100 million for 1991, and $125 million for 1992.

Section 931. Access to Community Mental Health Centers

Improves access to Community Mental Health Centers by the elderly and by AD victims and their families.

Directs the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA) to require that Community Mental Health Centers (CMHCs) receiving ADAMHA Block Grant funds increase their efforts to reach the elderly and to reach AD victims and their families. Authorizes an additional $50 million in 1990, $52 million in 1992 and $55 million in 1992.

CMHCs provide increased services and outreach to the elderly and to AD victims and their families.

CMHCs report annually to ADAMHA on their services and outreach for the elderly and for AD victims and their families.

Sections 941-942. Training of Health Professionals and Research on Manpower

Increases training of health care professionals and paraprofessionals to improve the diagnosis, treatment and management of AD.

Provides NIA Grants to medical, psychology, nursing, social work, geronotology, and health administration schools and to AD research centers for training and continuing education on health and long term care using AD as an illustrative case. Grants shall be awarded so as to ensure appropriate geographic coverage. Authorizes $10 million in 1990, $10.5 million in 1991 and $11 million in 1991.

Provides NIA Grants to AD Research Centers to assist schools in developing curricula for training and continuing education and to ensure transfer of the most up-to-date research information. Authorizes $2 million in 1990, $2 million in 1991 and $2 million in 1992.

Requires that the Health Resources and Services Administration (HRSA) conduct a manpower study to determine the adequacy of health manpower for meeting the ongoing care needs of AD and other long term care patients as well as the adequacy of training, of geographic distribution by discipline, and of minority and ethnic personnel and to determine mechanisms for coordinating its manpower efforts with those of other relevant federal agencies. Authorizes $200,000 per year.

Sections 951-952. National Alzheimer's Education Program and Caregiver Education

Expands funding for the National Alzheimer's Education Program, a national program (similar to the successful National High Blood Pressure Education Program), which was already established in the Department of Health and Human Services annual Appropriations bills and is administered through the National Institute on Aging, to create a national focus on the problem of AD and the care of its victims.

Brings together public and private organizations to develop better ways to provide care to AD patients and assist their families.

Provides technical assistance to public and private organizations delivering services to AD patients and providing information (including the rights of and sources of assistance for AD victims and their families) to the public and health care providers.

Incorporates the Clearinghouse on Alzheimer's Disease which collects information from research and treatment programs and makes this information available to victims of AD and their families, to health care professionals and to the general public.

Fosters and coordinates research, training, and education programs relating to AD cause, treatment and diagnosis.

Funding is set at $2.0 million for 1990, $2.5 million for 1991, and $3 million for 1992.

Provides NIA Grants to public and private non-profit organizations to fund training programs for direct care providers and family caregivers on what public and private resources are available to AD victims and their family caregivers and on how best to provide care to AD victims. Grants shall be awarded so as to ensure appropriate geographic coverage. Authorizes $10 million in 1990, $10.5 million in 1991 and $11 million in 1991.

TITLE II. IMPROVEMENT OF SERVICES UNDER MEDICARE AND MEDICAID

Sections 201-203. Medicare and Medicaid Program Modifications and Research and Demonstration Projects

Improves Medicare and Medicaid access, quality and reimbursement with respect to Medicare and Medicaid covered AD victims.

Directs the Health Care Financing Administration (HCFA) to modify the Medicare and Medicaid programs to:

Review and, as needed, modify reimbursement for home health services, extended care services and inpatient hospital services to reflect more accurately the cost of caring for advanced stages of AD; upgrade quality of care and utilization reviews for heavy care patients such as AD patients; ensure that access to nursing home and home health care for AD victims is not limited by the practices of nursing home and home health agencies.

Mandates that the Department of Health and Human Services continue to conduct AD related research, demonstrations, and waiver projects in order for Medicare and Medicaid to better assist AD victims. Projects include at least the following:

Provision of community-based care (including day care) and in-home care, as well as improved nursing home and home health staffing and training.

Provision of alternative methods of health care delivery systems for AD patients, including services designed to maintain patients in the home.

Alternative methods of payment for long term care (including home health care and nursing facility services) for AD and other heavy care patients.

Coverage of nursing home care without the need for skilled nursing care. (Current reimbursement policy precludes reimbursement by Medicare until medical management of the condition is warranted and unless nursing home and home health care are skilled. It precludes reimbursement by Medicaid until the victim's resources are depleted and until the community spouse's resources are spent down to the new standards under the Medicare Catastrophic Coverage Act.)

Funding for administrative costs relating to research and demonstration projects is set at $6.0 million for 1990, $7.0 million for 1991, and $8.0 million for 1992.

LET US REMEMBER THE HOSTAGES IN LEBANON

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Ms. SCHNEIDER. Mr. Speaker, today I would like to remind all Americans that there are still nine citizens of this country being held hostage in Lebanon. It would be a crime for us to forget them. I would like to enter into the CONGRESSIONAL RECORD the names of the nine Americans held hostage in Lebanon. Terry Anderson, Thomas Sutherland, Jesse Turner, Joseph Cicippio, Alann Steen, Edward Tracy, Robert Polhill, Frank Reed, and Lt. Col. William Higgins, USMC.

It is the responsibility of this Nation to work diligently and constructively for the release of these hostages. Today marks the fourth anniversary of Terry Anderson's captivity. Let us all hope that his captivity will soon come to an end, and let us work toward the goal of gaining the release of all the hostages, American and foreign. In the words of President Dwight Eisenhower:

May the light of freedom, coming to all darkened lands, flame brightly—until at last the darkness is no more.

H.R. 670 AND H.R. 1492, TWO BILLS FOR THE YOUTH OF AMERICA

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. PEPPER. Mr. Speaker, I want to congratulate you, on the creation of the Democratic Task Force on the American Family. I am honored to serve on it.

If the future of a nation lies in its youth, then the years ahead could be very bleak for the United States. Children are the fastest growing segment of our poverty population. Thirteen million children live below the Federal poverty line. Nine million children live in unsafe housing and more than 12 million have no health insurance coverage. More than a quarter of the children in our school systems fail to graduate and in some of our inner cities nearly 60 percent drop out. More than 1.1 million teenagers became pregnant last year. We are raising a generation that is ill-equipped to lead us into the 21st century.

I have introduced two bills that are intended to help the youth of America to reach their full potential and I invite my colleagues to add their support.

The first, H.R. 670, would authorize $1 billion a year in matching grants to the States, targeting those funds to schools with a large number of students who are potential dropouts. The States would be required to develop a plan to double their number of high school graduates over a 10-year period.

I believe that our dropout rate is contributing to the precariousness of our once-secure technological leadership. While the number of high school graduates in the United States has been declining ever since 1969, our competitors are successfully educating their youth. Over 90 percent of the young people in Japan, for example, earn a high school diploma. The United States can't design and produce the next generation of supercomputers with a nation of dropouts.

The second, H.R. 1492, the Young Americans Act, is patterned largely after the very successful Older Americans Act which provides our senior citizens with critically needed social services. It would establish for the first time a broad set of national policy goals for young Americans, from education to health care, and provides economic incentives to States and communities to meet these goals.

In our efforts to trim the national deficit, there are some causes that we cannot afford to neglect. After so many years of mortgaging our future for the present, it is clear that we will leave tomorrow's generation a wide array of complex social, economic, and environmental problems. We have an obligation to ensure that they are more ably prepared to meet those challenges.

YOUTH'S INCREASING USE OF SMOKELESS TOBACCO A CONCERN TO THE AMERICAN ACADEMY OF OTOLARYNGOLOGY-HEAD AND NECK SURGERY

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. ANDREWS. Mr. Speaker, there is a social epidemic among our young people—the use of smokeless tobacco. There has been fourfold increase in chewing tobacco users and a fifteenfold increase in snuff users among 17- to 19-year-old males between 1970 and 1986. Unfortunately this widespread usage could also cause a medical epidemic of oral cancer. We all need to discourage tobacco use among our Nation's youth, and I commend the American Academy of Otolaryngology-Head and Neck Surgery for its new educational campaign: Through with Chew.

The academy represents 8,500 physicians who specialize in the medical and surgical treatment of health problems related to the ear, nose, throat, head and neck. Its motivation to develop this national campaign is easy to trace. Smokeless tobacco can cause malignant and benign tumors of the mouth and throat.

Through with Chew is a multifaceted effort. Through a joint effort with the National Cancer Institute, the academy has mailed lesson plans to schools nationwide. Member physicians across the country are volunteering their time to go into the schools to talk to the students about the hazards of using smokeless tobacco. The academy has also enlisted the support and involvement of many organizations and individuals, including Dr. Bobby Brown, president of the American Baseball League, and Nolan Ryan, pitcher for the Texas Rangers. With new phases of Through with Chew being planned, I hope the academy's educational program serves as a model and vehicle for more people to become involved in preventing this possible cancer epidemic.

NATIONAL AGRICULTURE DAY

HON. LOUISE M. SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Ms. SLAUGHTER of New York. Mr. Speaker, today is National Agriculture Day, a day for all Americans to recognize both our Nation's agriculture heritage and the continuing vitality of its agriculture and related industries.

Two hundred years ago during the first Congress, 90 percent of all Americans lived on farms to raise enough food for the Nation's 4 million inhabitants. Today only 2 percent of Americans live on farms. But they are so productive that they not only feed our current population of almost 242 million, but also exported over $14.5 billion of agriculture products in 1988.

Agriculture is a major positive factor in our international trade, but farm sales are only a small part of agriculture's total economic impact. Nationwide, 1 out of every 6 jobs—20 million in all—is in agriculture and the food and fiber industries. In addition, American agriculture's tremendous productivity allows our consumers to spend only 13 percent of their disposable incomes on food, less than any other nation on Earth.

I'm proud that my home State of New York continues its strong tradition of agricultural vitality. In the just-completed census of agriculture, New York's farm sales climbed to nearly $2.5 billion in annual sales. New York ranks among the top five States in the Nation in the prouduction of dairy products like cheese, milk, and ice cream, as well as many fresh fruits and vegetables including: Tart cherries, sweet corn, apples, grapes, snap beans, pears, cauliflower, celery, strawberries, and peas.

Today, on National Agriculture Day, I especially want to recognize the farmers and food processors of the 30th District of New York. In the four counties which are included in the district, over 2,900 farms produce more than $217 million of dairy, grain, vegetable, fruit, and nursery products annually. Genesee Valley agriculture is second to none in its innovation, efficiency, and productivity.

Mr. Speaker, I hope all Americans join me on National Agriculture Day in saluting and celebrating both the tradition and the continuing economic importance of American agriculture.

UTAH'S WILDERNESS

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. OWENS of Utah. Mr. Speaker, John Kennedy many years ago said "It is our task, in our time and in our generation, to hand down undiminished to those who come after us, the natural wealth and beauty which is ours." Today, with the introduction of H.R. 1500 I am dedicating a portion of my efforts to accomplishing that task with respect to Utah's public domain.

In 1936 naturalist Bob Marshall, the father of the modern wilderness preservation system, who said that Utah's wilderness is second only to Alaska's in beauty and majesty, inventoried 18 million acres of roadless and wild lands in the State of Utah. Much of that land has been removed from the wilderness category. My bill would protect, through official wilderness designation, the most significant and beautiful 5 million acres which remains.

Some people express concern over creating new wilderness—wilderness is not created by legislation—it is the work of God and nature. Legislation simply serves to protect existing

wilderness, to ensure that future generations may have on these same lands, a soul enriching experience equal to our own.

All 5 million acres are already public lands—already held in trust by the Federal Government for the benefit of all Americans. The real issues presented by this bill are: First, what quality of stewardship will guide their management and, second, how concerned are we that our children have opportunity to see and experience uncompromised wilderness. In Utah our commitment to good stewardship is fundamental. For this reason, I am proud to be the elected official presenting this wilderness preservation opportunity for public review.

Within the Colorado River drainage, where most of this wilderness lies, the erosional carving tools of nature have created a national treasure that has already prompted the creation of five national parks. H.R. 1500 would establish protection for the remaining unimpacted wild lands that surround and lie amidst these parks. In the simple words of noted author and photographer Edward Abbey, who I was sorrowed to learn passed away this week, "[t]his is the most beautiful place on earth." It must not be lost.

The BLM wilderness proposed by H.R. 1500 is organized into 10 distinctive areas. For each, the bill highlights wilderness values that are unique in their ability to inspire. The isolated ecosystems of the Great Basin, which thrust up as islands in the desert, are a singular experience. Surroundings such as the red sandstone glens and coves, and hanging gardens of Escalante Canyon are unequaled anywhere.

The public lands that would be protected by H.R. 1500 contain some of Utah's most uncommon and valuable wildlife habitat. For example, the verdant forests and plateaus of the Book Cliffs teem with elk, mule deer, wild sheep, bear, and cougar. Rare desert bighorn sheep, a magnificent animal that depends on wilderness for its survival, range within many of these wilderness areas and in adjacent national parks.

The wilderness of the Henry Mountains is home to our Nation's largest herd of free roaming buffalo.

Beaver Dam Wash is one of the last places in the Southwest where vital populations of endangered desert tortoise can be found and my bill lists many more examples.

My proposal also includes 1.8 million acres that were excluded from consideration by the BLM in its required wilderness review. Nearly a decade ago, when the agency began its review process, any wilderness land which showed the slightest potential for mineral development or other similar private use was excluded. In retrospect, it is plainly apparent that these sweeping policy decisions were shortsighted and no longer serve the public interest.

With the exception of livestock grazing, which would continue, private interest use of these lands presently provides no jobs to Utah's economy. The lands are wilderness. More importantly, we have not identified a single development proposal for these lands which is pending or estimated to have any realistic economic viability in the foreseeable future. I challenge my critics to demonstrate the economic realism of their potential development argument, and to show that the potential jobs produced would be a greater benefit than the annually growing economic contributions of tourism to our State.

In the past 10 years, we have seen a growing awareness in Utah that our existing tourist attractions, enhanced by our unequaled natural and scenic attractions, will provide our State its greatest economic vitality. Establishing the highest level of protection for these gifts of nature will not discourage or offend the people who come from around the world to see and experience them; to the contrary, it will demonstrate our foresight and ensure that tourism will be a continuing and major component of our economy long into the future.

Utah currently has but 800,000 acres of public lands being managed as wilderness, while virtually all of our Western neighbor State's have triple, and one case six times that amount. I would venture that none have wilderness as unique and extraordinary as Utah does.

To my astonishment and disappointment Utah was recently ranked 48th in the Nation for protecting its environment, and this announcement comes at a time when the Nation as a whole is moving rapidly into an age of environmental alarm. However, I am not discouraged. This past year as a State working together, we reformed both fiscally and environmentally the States largest water development, the central Utah project. That task is almost finished. We must now transfer those same progressive energies to the process of designating BLM wilderness.

Introduction of this bill begins a process, a process that will involve public input from both inside and outside the State, from all people who use and value Utah's BLM lands. This process should begin in Utah and give all Utahans, including those who live in urban areas, an equal voice. The importance of this decision requires that the process guarantee the highest standard of review.

Finally, the process must not allow local nonrenewable and short-term economic benefits to control our thinking in this matter of lasting importance.

If we are to be remembered for our foresight, we must leave our children more than technological wonders and material possessions. We must seize the opportunity to preserve this small and exceptional portion of Utah public lands as God and nature created them. Let us not risk threatening these vistas where the dreams of our forebearors arose out of reverence for this pristine splendor.

I want to express my appreciation for the support I have received from sportsmen, conservationists, and wilderness advocates. I understand that 77 such Utah organizations and the entire national conservation community are endorsing my efforts in connection with this bill. This level of cooperation and unanimity is unprecedented. There is much to be done, each of your efforts will be crucial.

A TRIBUTE TO THE 100TH BIRTHDAY OF THE CITY OF MOUNT PLEASANT, MI

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today to pay tribute to the 100th birthday of the city of Mount Pleasant, MI. A celebration of this historic occasion will take place on March 22, 1989.

On February 25, 1855, John M. Hursh and his family arrived at their farm on the present site of Central Michigan University and became the first settlers of what is now Mount Pleasant. On March 22, 1889, the city's charter was signed by Gov. Cyrus Luce and thus began the long, interesting history of Mount Pleasant.

In 1860, the original plat of Mount Pleasant was laid out when a lumberman by the name of David Ward harvested pine trees from 200 acres of land. The county seat was then moved to the plat of Mount Pleasant from Isabella City. The year of 1865 ushered in the Industrial Revolution and in 1875, Mount Pleasant was organized as a village. Accompanying the industrial growth was the expansion of the railroad. In 1879, rails were laid from Mount Pleasant to Coleman, connecting Mount Pleasant with Pere Marquette Railroad. This made possible the shipment of farm and mill products to outside markets and subsequently, the further growth of Mount Pleasant.

In 1889 Mount Pleasant became a city and later adopted the city-manager system of municipal government. With the oil boom in 1927, Mount Pleasant became the oil capital of Michigan and today is a prosperous and beautiful city.

Mr. Speaker, and my colleagues in the House, please join me in commemorating the 100th birthday of the city of Mount Pleasant. This is a very special day for the people of the city as well as for all the people of Michigan. We are proud of our rich history and heritage, and strive to preserve it for those who will follow behind us.

WOMEN'S HISTORY MONTH

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. HOYER. Mr. Speaker, the month of March 1989, has been designated as "National Women's History Month." Legislation proclaiming Women's History Month has been enacted each year since 1980. This year, I am proud to again be a cosponsor of the legislation which provides an opportunity for all Americans to learn of, reflect upon, and pay tribute to the contributions women have made to the strength, prosperity, and heritage of America. In particular, it is an opportunity for

the students in our schools to learn important pieces of history which are often ignored and it is an opportunity for adults to reacquaint themselves with the history of America's women.

The theme of this year's Women's History Month is "Heritage of Strength and Vision." This theme is particularly appropriate to Women's Month because it is representative of the different ways women have influenced and improved America. For many women, it was the personal strength and vision they exercised in their individual lives that, throughout our history, added to and strengthened the very fabric of America.

Today, we may only know of those struggles through a recently discovered pioneer journal recounting the trip West and the desolation of the new territories, or through family stories of grandma, "Rosie the Riveter," or the grandmother who struggled and persevered to keep her family together through slavery, or in an environment of violence and discrimination.

These histories are often to be found only on the pages of faded diaries, forgotten letters or in stories told and retold among the women in the family. But this is America's history, and for every recounting of the discovery and birth of America, the days of slavery, the depression, World War II and after, there is another history to recount. That is history of the lives of the women of the time. For these women, too, are America's history, and their vision and strength, often unrecognized and uncounted, is perhaps the more valuable.

But this year's theme is also representative of the very public way that many women have influenced and improved America. For many women took their personal strength and vision and sought to create a better America. We have many examples to draw from: Rosa Parks refusing to move to the back of the bus, Shirley Chisholm breaking barriers as the first black woman in the U.S. Congress and running for President; or Harriet Tubman running the Underground Railroad—also one of the first women to be inducted into the Maryland Women's Hall of Fame; Jeannette Rankin, the first woman in the U.S. Congress; or Elizabeth Cady Stanton, who made it possible for women to vote.

Those of us in Maryland are particularly proud of my predecessor, Gladys Noon Spellman. Congresswoman Spellman was a special leader who translated her personal strength and vision into creating a better Prince Georges County, a better Maryland and a better America. Gladys Noon Spellman served her fellow citizens and had an incredible capacity for pursuing solutions with unflagging energy and enthusiasm. In many ways, she epitomizes the theme of this year's Women's History Month, she truly took her personal strength and vision to a very public level and indeed improved America's heritage.

Mr. Speaker, I hope that all Americans will take some time during the month of March to start a lasting habit, the habit of learning the story of the women of America and their contributions, public and private.

IN HONOR OF NATIONAL AGRICULTURE DAY, 1989

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. CLINGER. Mr. Speaker, I rise on this first day of spring not only in commemoration of the 16th Annual National Agriculture Day, but in specific recognition of those farmers out in their fields at this very moment, planting the seeds for next year's crop. While they toil, we pay tribute. Kicking off a week-long observance of the agricultural industry, National Agriculture Day represents a culmination of efforts coordinated by the Agriculture Council of America to try and raise Americans' consciousness of the importance of agriculture in all aspects of our daily lives.

Taking a day to recognize the efforts of America's agricultural providers is but a small gesture of thanks from those of us who benefit from their hard work on a regular basis. Many of the events scheduled are geared specifically for those customers living in urban areas who may not have the same understanding of our agricultural system as those living in rural areas. However, these events are in no way limited to only benefit those in the cities. The purpose is to affect the awareness of all people across the country regardless of their geographical location.

Coming from a rural district with heavily concentrated agricultural areas, I understand the important contributions of the hardworking people in this field. I am proud to be a sponsor of National Agriculture Day.

On a final note, I would like to express my sincere thanks to all of the people involved in the U.S. agriculture industry and to encourage their continued excellence in the future.

TRIBUTE TO LUCRETIA EDWARDS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. MILLER of California. Mr. Speaker, it gives me great pleasure today to share with my colleagues a tribute to an outstanding citizen in my district, Lucretia Edwards.

Lucretia was named the 11th Assembly District's Woman of the Year by Assemblyman Bob Campbell, Democrat from Richmond. The California State Senate and Assembly honored her and 101 other distinguished women at special ceremonies sponsored by the women legislator's caucus.

It is always very gratifying when a constituent is rewarded for all her time and commitment spent on the improvement of her community. Lucretia has been a resident of Pt. Richmond for the last 41 years. Her involvement in civic affairs began in the 1950's as a member of the League of Women Voters.

Lucretia has not only been active in the Richmond community, but also supportive and helpful of my efforts in the district. She has been a leader in the establishment of Richmond's neighborhood councils and served on numerous city and county commissions and advisory boards.

Currently, she is a member of the John T. Knox Freeway affirmative action committee and the citizens committee to approve plans for the San Pablo Wildcat Creek Flood Control Project.

I would like to extend my personal congratulations and thanks, along with those of the 101st Congress of the United States, to Lucretia Edwards for all of her hard work and dedication to our community.

AGRICULTURAL RESEARCH COMMERCIALIZATION ACT

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1989

Mr. PENNY. Mr. Speaker, I am today introducing the Agricultural Research Commercialization Act of 1989. A Senate companion is authored by Senator KENT CONRAD of North Dakota. This legislation will establish the Agricultural Research Commercialization Corporation [ARCC] within the U.S. Department of Agriculture to provide financing to assist in the commercialization of new industrial products and processes which use agricultural and forestry crops.

The commercialization and marketing of newly developed industrial products that use agricultural commodities is costly and unusually risky, but essential to the continued development of our agricultural economy. Through the selected financing of projects on a regional basis, ARCC would work toward closing the commercialization gap that now exists in this country with respect to new industrial products. ARCC would provide targeted financial assistance for selected new products primarily through repayable grants, loan guarantees, and interest subsidies.

Priority would be given to commercialization proposals which include financial support from State and local governments and private industry. I feel that the establishment of a partnership among the private and public sectors to develop and commercialize new agricultural products will ensure that Federal dollars spent on agricultural research will yield the highest return for the American economy. In addition, new products will give farmers additional markets for their crops and strengthen their financial situation.

ARCC's activities would have a tremendous multiplier effect on our economy. First, it will increase the demand for agricultural and forestry crops, benefiting rural businesses and communities. Second, commercialization activities will create new jobs in manufacturing and processing and provide new opportunities for small businesses. Third, this concept will make us more competitive, reducing our trade deficit.

ARCC would also reduce environmental pollution through development of environmentally safe products. Many of the products developed from agricultural crops are biodegradable, like soybean oil ink and cornstarch plastic.

Mr. Speaker, I include the text of the bill following the statement.

H.R. 1505

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Agricultural Research Commercialization Act of 1989".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) many of the emerging new ideas, products, and processes resulting from agricultural research have never been commercialized because of the high initial financing costs and high risk; and

(2) the careful targeting of financial assistance to entrepreneurs for the commercialization of new industrial uses of agricultural and forestry products will be a cost effective means of stabilizing the agricultural sector and redeveloping the rural economy.

(b) PURPOSE.—It is the purpose of this Act through the Corporation established pursuant to section 4—

(1) to commercialize new nonfood, nonfeed uses for traditional and new agricultural crops in order to create jobs, to enhance the economic development of the rural economy, and to diversify markets for raw agricultural and forestry products;

(2) to encourage cooperative development and marketing efforts among manufacturers, financiers, universities, and private and government laboratories in order to accelerate the commercialization of new industrial uses for agricultural and forestry products; and

(3) to direct, to the maximum extent possible, commercialization efforts toward the development of new products from crops that can be raised by family-sized agricultural producers.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) ASSISTANT SECRETARY.—The term "Assistant Secretary" means the Assistant Secretary of Agriculture for Science and Education.

(2) BOARD.—The term "Board" means the Board of Directors established pursuant to section 8.

(3) COMMERCIALIZATION.—The term "commercialization" or "commercialize" includes—

(A) activities associated with the development of prototype products or manufacturing plants;

(B) the application of technology and techniques to the development of industrial production; and

(C) the market development of new industrial uses of new and traditional agricultural and forestry products and processes that will lead to the creation of goods and services that may be marketed for profit.

(4) CORPORATION.—The term "Corporation" means the Agricultural Research Commercialization Corporation established in section 4.

(5) HOST INSTITUTION.—The term "host institution" means an entity that is located in the region that is—

(A) a university or other institution of higher education;

(B) an Agricultural Research Service laboratory;

(C) a State Agricultural Experiment Station;

(D) an Extension Service facility; or

(E) another organization that is involved in the development or commercialization of new industrial uses for agricultural commodities, or is involved in rural economic development.

(6) REGIONAL CENTER.—The term "Regional Center" means a Center established pursuant to section 6.

(7) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. 4. ESTABLISHMENT OF CORPORATION.

(a) IN GENERAL.—There is established within the Department of Agriculture a body corporate to be known as the "Agricultural Research Commercialization Corporation".

(b) CENTRAL OFFICE.—The Secretary shall provide facilities for the principal office of the Corporation within the National Agricultural Library located in Beltsville, Maryland.

(c) ESTABLISHMENT OF REGIONAL CENTERS.—The Corporation shall establish a minimum of four and a maximum of nine Regional Centers in the United States, as provided for in section 6.

SEC. 5. POWERS OF THE CORPORATION.

(a) NONPROFIT CORPORATE POWERS.—To carry out this Act, the Corporation has the powers conferred on a nonprofit corporation under the District of Columbia Nonprofit Corporation Act.

(b) GENERAL POWERS.—In addition to any specific power granted to the Corporation elsewhere in this Act, the Corporation shall have the power—

(1) to adopt, alter, and rescind bylaws and to adopt and alter a corporate seal, which shall be judicially noticed;

(2) to make agreements and contracts with persons and private or governmental agencies, except that the Corporation shall not provide any financial assistance unless specifically permitted under this Act;

(3) to lease, purchase, accept gifts or donation of, or otherwise to acquire, and to use, own, hold, improve, or otherwise deal in or with, and to sell, convey, mortgage, pledge, lease, exchange, or otherwise dispose of, any property, real, personal, or mixed, or any interest therein;

(4) to sue and to be sued in its corporate name and to complain and defend in any court of a competent jurisdiction;

(5) to represent itself, or to contract for representation, in all judicial, legal, and other proceedings, except actions cognizable under the Federal Tort Claims Act (28 U.S.C. 2671 et seq.) in which actions it will be represented by the Attorney General;

(6) subject to this Act, to select, employ, and fix the compensation of any such officers, employees, attorneys and agents as shall be necessary for the transaction of the business of the Corporation;

(7) to make provision for and designate such committees, and the functions thereof, as the Board of Directors may consider necessary or desirable;

(8) to indemnify Directors and officers of the Corporation, as the Board of Directors may consider necessary or desirable;

(9) with the approval of the agency concerned, to make use of services, facilities, and property of any board, commission, independent establishment, or executive agency or department of the executive branch in carrying out this Act and to pay for such use, such payments to be credited to the applicable appropriation that incurred the expense;

(10) to obtain the services and fix the compensation of consultants;

(11) to use the United States mails on the same terms and conditions as the executive departments of the United States Government; and

(12) to exercise all other lawful powers necessarily or reasonably related to the establishment of the Corporation, to carry out this section, and to the exercise of its powers, purposes, functions, duties, and authorized activities.

(c) VOLUNTARY SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Corporation is authorized to accept and utilize voluntary and uncompensated services.

(d) GOVERNMENT CORPORATE CONTROL ACT.—The Corporation shall be considered a wholly-owned corporation for the purposes of the Government Corporate Control Act.

SEC. 6. REGIONAL CENTERS.

(a) LOCATION.—

(1) IN GENERAL.—Each Regional Center established by the Corporation pursuant to section 4 shall be located in a different State, reflective of regional climatic conditions, rural economic stress, and the qualifications of the applicant to serve as the host institution for a Regional Center and to carry out the duties of the Corporation.

(2) COMPETITIVE AWARDING.—Host institutions desiring to have a Regional Center located in their region shall submit a proposal for such location to the Board. The Board shall determine the location of such centers based on a competitive review of the contents of such proposals.

(3) HOST INSTITUTIONS.—Each Regional Center shall be located at a host institution in the region.

(4) MATCHING OF FUNDS.—

(A) IN GENERAL.—Each candidate host institution submitting a proposal for a Regional Center under this section shall provide assurances—

(i) that adequate funds or in-kind support (including office space, equipment and staff support) shall be provided to match the amount of funds used for administrative costs that are provided by the Federal government under this Act;

(ii) that it is qualified to carry out the activities required of a Regional Center;

(iii) concerning such other factors as the Corporation shall determine appropriate.

(B) APPLICANTS.—The matching funds required under subparagraph (A) may be provided by a consortia that may include the host institution and other public or private entities existing within various regions of the United States, including State and local governments, entities created by State and local governments, charitable organizations, public and private universities and other institutions of higher education, cooperatives, and economic development organizations.

(b) ACTIVITIES.—Each Regional Center shall carry on activities provided for in this Act and such other activities as the Board shall from time to time delegate to such Centers.

(c) REGIONAL DIRECTOR.—Each Regional Center shall be headed by a full-time Regional Director who shall—

(1) be selected by the Board;

(2)(A) have a scientific or engineering background; or

(B) have experience in the development of new products or processes in the public or private sector.

(d) ADVISORY COUNCILS.—

(1) APPOINTMENT.—The Board shall appoint an Advisory Council for each Regional Center. Such Council shall advise the Regional Director concerning all applications for assistance as described in section 15.

(2) COMPOSITION.—An Advisory Council shall be comprised of representatives of the

public sector, the financial sector, the private business community, State and local governments, educational institutions, private and Federal laboratories, the agricultural sector, scientists, and engineers. An Advisory Council shall be subject to the Federal Advisory Committee Act (5 U.S.C. App. 2).

(3) DUTIES.—

(A) PRIMARY DUTY.—The primary duty of the members of an Advisory Council shall be to review or coordinate the review of the technical, engineering, financial, and managerial soundness and marketing potential of the applications for assistance received under this Act.

(B) MONITORING ACTIVITIES.—An Advisory Council may assist a Regional Director in monitoring the progress of ongoing projects by providing technical and business counseling when needed.

(C) TECHNICAL AND BUSINESS COUNSELING.—An Advisory Council may provide technical and business counseling to entities not seeking financial assistance from the Corporation, but that are engaged in commercializing nonfood, nonfeed uses of agricultural and forestry commodities.

SEC. 7. ACTIVITIES OF THE REGIONAL CENTERS.

A Regional Center shall—

(1) encourage interaction among private and Federal laboratories, National Science Foundation centers, Department of Agriculture research programs, and other Federal resources, State and local regional economic development programs, universities, colleges, the private sector and the financial community, for the purpose of evaluating and commercializing new, nonfood, nonfeed uses of agricultural and forestry products;

(2) identify broad areas where commercialization of new products and processes can contribute to the economic growth in rural areas of the United States, through the development of new nonfood, nonfeed uses for farm and forest products by private companies and businesses;

(3) provide technical assistance and related business and financial counseling for small American businesses to commercialize new, nonfood, nonfeed uses of agricultural and forestry products;

(4) identify new nonfood, nonfeed products and processes that are worthy of financial assistance;

(5) make use of existing programs in scientific, engineering, technical and management education that will support the accelerated commercialization of new, nonfood, nonfeed products and processes using farm and forest products;

(6) advise the Corporation on the viability of specific proposals submitted for financial assistance and on the type of assistance, if any, to be provided; and

(7) coordinate their activities with the Small Business Development Centers authorized by section 21 of the Small Business Act (15 U.S.C. 648).

SEC. 8. CORPORATE BOARD OF DIRECTORS.

(a) MEMBERSHIP.—

(1) IN GENERAL.—The Board shall consist of nine members, who shall be citizens of the United States, of which—

(A) one member shall be the Assistant Secretary;

(B) one member shall be the Under Secretary of Agriculture for Small Community and Rural Development; and

(C) seven members shall be appointed by the Secretary.

(2) EXPERIENCE.—In appointing the members to the Board under paragraph (1), the Secretary shall assure that the members appointed under subparagraph (C) are representative of the agricultural, scientific, financial, and managerial community.

(3) CHAIRPERSON.—The Board shall elect a Chairperson from among the members of the Board referred to in paragraph (1).

(4) OTHER EMPLOYMENT.—A Director may hold a position in the private sector at the same time as such director is serving on the Board.

(b) TERM OF OFFICE.—

(1) IN GENERAL.—A member of the Board appointed under subsection (a)(1)(C) shall be appointed for a term of 5 years.

(2) INITIAL MEMBERS.—The initial members of the Board appointed under subsection (a)(1)(C) shall serve as follows:

(A) Three members shall serve a term of 4 years.

(B) Three members shall serve a term of 3 years.

(C) One member shall serve a term of 2 years.

(c) OATH.—Before assuming office, each member of the Board shall take an oath to faithfully discharge the duties of the individual's position as a member of such Board.

(d) MEETINGS, QUORUM, ACTIONS.—

(1) MEETINGS.—The Board shall meet in accordance with the bylaws of the Corporation, and at any time pursuant to the call of the Chairperson, but the Board shall not meet less than twice annually to review financial applications. For the purpose of section 552b of title 5, United States Code, the Board shall be considered to be an agency.

(2) QUORUM AND ACTIONS.—A majority of the Board members shall constitute a quorum. Any action by such Board shall require a majority vote of all members of the Board.

SEC. 9. POWERS AND DUTIES OF CORPORATE BOARD.

(a) POWERS.—

(1) VESTING.—The powers of the Corporation shall be vested in the Board.

(2) OFFICERS.—The Board shall establish the offices and appoint the officers of the Corporation (which may include a General Counsel, Treasurer, and an Executive Director) and define the duties of such offices.

(b) DELEGATION OF AUTHORITY.—

(1) CORPORATE BOARD.—The Board may, by resolution, delegate to the Chairperson and any other director any function, power, or duty assigned to the Corporation under this section other than those expressly vested in the Board.

(2) CHAIRPERSON.—The Chairperson may, by written instrument, delegate such function, power, or duty as is assigned to the Chairperson pursuant to this section, to such other director, officer, or employee of the Corporation as the Chairperson considers appropriate.

(c) DELEGATION NOT PERMITTED.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary and any other officer or employee of the United States shall not make any delegation to the Board, the Chairperson, or the Corporation of any power, function, or authority not expressly authorized by this Act, except where such delegation is pursuant to an authority in law that expressly makes reference to this Act.

(2) REORGANIZATION ACT.—Notwithstanding any other provision of law, chapter 9 of title 5, United States Code, shall not apply to authorize the transfer to the Corporation of any power, function, or duty.

(d) BYLAWS.—The Board shall adopt, and may from time to time amend, such bylaws as are necessary for the proper management and functioning of the Corporation.

(e) ORGANIZATION.—The Board shall provide a system of organization to fix responsibility and promote efficiency within the Corporation.

(f) GOVERNMENT EMPLOYMENT LAWS.—Directors, officers, and employees of the Corporation shall be subject to all laws of the United States relating to governmental employment, including the provisions of title 5, United States Code, relating to compensation.

(g) POLITICAL QUALIFICATIONS.—No political test or qualifications shall be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers, agents, and employees of the Corporation.

SEC. 10. COMPENSATION.

(a) CORPORATE BOARD.—Members who serve on the Board, except for the Under Secretary identified in section 8(a)(1)(B) and the Assistant Secretary, shall receive compensation at a rate equivalent to the daily rate paid under Level II of the Executive Schedule under section 5312 of title 5, United States Code, as well as reasonable expenses incurred in carrying out the business of the Corporation, as approved by the Board.

(b) OFFICERS AND EMPLOYEES.—The Board may, if determined necessary and approved by the Secretary, fix the rate of compensation of no more than one officer position or other position at a rate or rates in excess of that prescribed for Level II of the Executive Schedule under section 5312 of title 5, United States Code.

SEC. 11. FINANCIAL DISCLOSURE AND CONFLICTS OF INTEREST.

(a) FINANCIAL DISCLOSURE.—The Ethics in Government Act of 1978 (2 U.S.C. 701 et seq.) shall apply to the Directors and all of the other officers and employees of the Corporation as if such individuals were Federal employees.

(b) CONFLICTS OF INTEREST.—

(1) IN GENERAL.—Except as permitted in paragraph (3), no member of the Board shall vote on any matter respecting any application, contract, claim, or other particular matter pending before the Corporation, in which, to the knowledge of the member, such member, spouse or minor child of such member, partner or organization (other than the Corporation) in which such member is serving as officer, director, trustee, partner, or employee, or any person or organization with whom such member is negotiating or has any arrangement concerning prospective employment, has a financial interest.

(2) REMOVAL.—Action by a member of the Board that is contrary to the prohibition contained in paragraph (1) shall be cause for removal of such member pursuant to the powers of the Corporation in section 5, but shall not impair or otherwise affect the validity of any otherwise lawful action by the Corporation in which the member of officer participated.

(3) INFORMED CONSENT.—The prohibition contained in paragraph (1) shall not apply if—

(A) the member of the Board—

(i) advises the Board of the nature of the particular matter in which such member proposes to participate in; and

(ii) makes a full disclosure of such financial interest, prior to any participation; and

(B) the Board determines, by majority vote, that the financial interest is too

remote or too inconsequential to affect the integrity of such member's services to the Corporation in that matter.

The member involved shall not participate in such determination.

SEC. 12. AUTHORIZATION OF ADMINISTRATIVE EXPENDITURES.

(a) CORPORATE EXPENDITURES.—In each fiscal year the Corporation is authorized to expend amounts for—

(1) reasonable and necessary administrative expenses, not to exceed 5 percent of amounts made available in any fiscal year; and

(2) generic studies and specific reviews of individual proposals for financial assistance, which shall not exceed 3 percent of amounts made available in any fiscal year.

(b) ADMINISTRATIVE EXPENDITURES.—For purposes of this section, administrative expenditures shall include—

(1) All ordinary and necessary expenses (including all compensation for personnel and consultants, expenses for computer usage, or space needs of the Corporation and similar expenses); and

(2) reimbursement to members of the Board for reasonable expenses that are incurred in connection with the service of the Corporation.

(c) LIMITATION.—Expenditures authorized under subsection (a)(2) shall not be available—

(1) for administrative expenses;

(2) for the reimbursement of governmental agencies for the salaries of personnel of such agencies detailed to the Corporation; or

(3) for operating expenses.

(d) REAL PROPERTY.—Funds authorized for administrative expenditures shall not be available for the acquisition of real property.

SEC. 13. CRIMINAL SANCTIONS.

Section 1905 of title 18, United States Code, shall apply—

(1) to Directors, officers, and employees of the Corporation as if they were officers or employees of the United States; and

(2) to the Corporation as if it were a Federal agency.

SEC. 14. FINANCIAL ASSISTANCE.

(a) IN GENERAL.—The Corporation, through the Regional Directors, in accordance with the criteria provided for in section 15, may provide, to projects for the commercialization of new, nonfood, nonfeed products using agricultural and forestry commodities, financial assistance in the form of—

(1) loans made or insured by the Corporation (backed by the full faith and credit of the United States);

(2) interest subsidy payments made by the Corporation to the lender equal to an amount determined pursuant to and agreement between the Corporation, the lender, and the borrower;

(3) venture capital invested by the Corporation in the form of a convertible debenture;

(4) repayable grants that are matched by private, State or local public funds and that are repaid as agreed in a contract between the Corporation and entity; and

(5) umbrella bonding.

(b) DISCRETIONARY FUNDS.—The Board may establish a discretionary fund for each Regional Center of not more than 1 percent of the amounts made available to carry out this section. Such funds shall be used for activities related to financial assistance described under this section and section 15. Each 6 months, a regional Director shall prepare and submit to the Board a report that accounts for expenditures made from this fund.

(c) OVERSIGHT OF PROJECTS.—

(1) IN GENERAL.—The Corporation shall monitor the progress of the projects that receive financial assistance under this Act.

(2) TYPE OF OVERSIGHT.—Such oversight may include on-site reviews, written reports, and supportive business and technical counseling, as needed. The Director may call on the Advisory Council to assist in such monitoring.

(3) DEMONSTRATION BY APPLICANTS.—The Corporation may require that applicants demonstrate that the use of financial assistance is in compliance with the contractual agreement.

SEC. 15. ELIGIBILITY CRITERIA FOR FINANCIAL ASSISTANCE.

(a) ELIGIBLE ENTITIES.—

(1) IN GENERAL.—To obtain financial assistance from the Corporation, an entity shall—

(A) be a university or other institution of higher education, a nonprofit organization, a cooperative, or a small business concern; and

(B) file an application with the Regional Director of a Regional Center.

(2) DEFINITIONS.—As used in paragraph (1):

(A) NONPROFIT ORGANIZATION.—The term "nonprofit organization" means an organization that is—

(i) described in section 501(c) of the Internal Revenue Code of 1986; and

(ii) exempt from taxation under section 501(a) of such Code.

(B) SMALL BUSINESS CONCERN.—The term "small business concern" shall have the same meaning given such term in section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and in implementing rules issued by the Administrator of the Small Business Administration under such section.

(b) APPLICATION.—An application submitted to the Regional Director under subsection (a) shall—

(1) describe the proposal of the entity for the commercialization of a new product consistent with this section, including documentation that such proposal is—

(A) scientifically sound;

(B) technologically feasible; and

(C) marketable;

(2) provide documentation that adequate private sector funding is not available, but that the applicant has the ability to obtain matching funds from the public or private sectors;

(3) provide documentation that the applicant's own resources, including time and money, have been invested in the project;

(4) provide documentation that the product or process has broad application and has the potential to be commercially viable without continual assistance;

(5) provide documentation that the proposal will be carried out with broad participation by representatives of the sectors described in section 6(d)(2);

(6) provide documentation that the managerial ability or established relationship exists between the applicant and other entities to give the applicant access to private business assistance;

(7) provide assurances of legal compliance by the applicant with the terms and conditions for the recipt of assistance under this Act; and

(8) provide assurances that the proposal will result in the creation of new jobs in rural areas.

(c) SELECTION CRITERIA.—

(1) IN GENERAL.—The Board shall give priority to—

(A) applications that create jobs in economically distressed rural areas;

(B) applications that have State or local government financial participation; and

(C) applications that have private financial participation.

(2) ADDITIONAL CRITERIA.—The Board shall establish additional criteria for use in selecting among equivalent applications. Such criteria shall emphasize—

(A) the quantity and quality of jobs that shall be created;

(B) the amount of the financial participation by State or local governments or private entities;

(C) the qualifications of the management to be used in the project;

(D) the level of market demand for the product to be marketed; and

(E) the level of returns to the revolving fund established under section 17.

(d) APPLICATION REVIEW PROCESS.—

(1) IN GENERAL.—A Regional Director shall work in consultation with an Advisory Council to review and evaluate the proposals submitted to the Regional Center.

(2) ADVISORY COUNCIL.—The Advisory Council shall review proposals submitted to the Regional Centers. The Advisory Council shall, by majority vote, make a nonbinding recommendation on the proposal to the Regional Director.

(3) REGIONAL DIRECTOR.—The Regional Director, on consideration of the Advisory Council's recommendation and any other comments received from interested parties, shall make and submit the Director's recommendation to the Board along with the recommendation of the Advisory Council.

(4) CORPORATE BOARD.—The Board shall, by majority vote, make the final decision on whether and how to provide assistance to the applicant.

(5) CONFIDENTIALITY.—The Board shall establish procedures that shall ensure the confidentiality of applications submitted under this section.

(e) NOTICE OF APPLICATIONS.—The Board shall publish in the Federal Register a notice that it is receiving applications for assistance under this Act not later than 30 days prior to the period established for receipt of such applications.

SEC. 16. REPAYMENT OF FINANCIAL ASSISTANCE.

(a) REPAYMENT.—An entity receiving financial assistance under this Act shall repay the Corporation in accordance with the contract between the Corporation and the entity.

(b) WAIVERS.—The Board may waive the repayment of financial assistance for such reasonable grounds as the Board may from time to time determine.

(c) MAXIMUM REPAYMENT TIME LIMIT.—Financial assistance made available under this Act shall have a maximum repayment period that is not in excess of 12 years.

SEC. 17. REVOLVING FUND.

(a) ESTABLISHMENT.—There is established a revolving fund to be administered by the Board as provided for in this section.

(b) CONTENTS.—Funds received by the Regional Centers under section 16 as a result of any financial assistance made pursuant to this Act, shall be converted into and become a part of the revolving fund establishment under subsection (a).

(c) USE OF FUND.—The revolving fund established under subsection (a) shall be available, as provided in appropriation Acts, to provide financial assistance under sections

14 and 15, and to pay for the costs of operation as provided for in section 5.

(d) CONTRIBUTIONS.—Amounts received from contributions from State tax check-off programs, or other independent sources, may also become part of the revolving fund established under this section. Such amounts may be specified by the donor for any form of financial assistance for a project in a particular region or State.

SEC. 18. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act for each of the fiscal years 1990 through 1999.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 21, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 3

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Surface Mining, Office of the Secretary, Office of the Solicitor, and the Office of Inspector General, of the Department of the Interior.
S-128, Capitol

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Science Foundation.
SD-138

APRIL 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Education, focusing on the Office of the Secretary of Education, Salaries and Education (includes Program Administration, Office for Civil Rights, and Office of the Inspector General), Special Institutions (includes American Printing House for the Blind, National Technical Institute for the Deaf, Gallaudet and Howard Universities).
SD-138

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to review the President's proposed budget request for fiscal years 1990 and 1991 for the National Aeronautics and Space Administration.
SR-253

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on automobile fuel efficiency standards.
SD-366

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Food and Drug Administration, Commodity Futures Trading Commission, Farm Credit Administration, and Farm Credit System Assistance Board.
SD-124

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Science Foundation and the Office of Science and Technology Policy.
SD-116

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the Department of State.
S-146, Capitol

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Critical Materials Council, Executive Office of the President, Vice President's Residence, and the White House Residence.
S-126, Capitol

2:00 p.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for military base closures.
SD-116

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Park Service, Department of the Interior.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Education, focusing on Compensatory Education for the Disadvantaged, Special Programs, Impact Aid, Bilingual Education, Immigrant and Refugee Education, Education for the Handicapped, Rehabilitation Services and Handicapped Research, and Vocational and Adult Education.
SD-138

APRIL 5

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Highway Traffic Safety Administration.
SR-253

10:00 a.m.
Joint Taxation
To hold an organizational business meeting.
H-208, Capitol

10:30 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the administration of foreign affairs and contributions to international organizations.
S-146, Capitol

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 85, to authorize the acceptance of certain lands for addition to Harpers Ferry National Historical Park, West Virginia; S. 280, to designate a segment of the Niobrara River in Nebraska as a component of the National Wild and Scenic Rivers System; and S. 338, to authorize the Secretary of the Interior to provide for the development of a trails interpretation center in the city of Council Bluffs, Iowa.
SD-366

APRIL 6

9:00 a.m.
Rules and Administration
To hold hearings on proposed legislation authorizing funds for fiscal year 1990 for the Federal Election Commission, proposed legislation authorizing funds for the Civic Achievement Award Program in honor of the Office of the Speaker of the House of Representatives, and proposed legislation authorizing funds for the American Folklife Center.
SR-301

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on global climate change and ocean perspective.
SR-253

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Animal and Plant Health Inspection Service, Food Safety and Inspec-

tion Service, and Agricultural Marketing Service.
SD-124

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the Federal Communications Commission and the Small Business Administration.
S-146, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Highway Administration and the National Transportation Safety Board.
SD-138

APRIL 7

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Education, focusing on Student Financial Assistance, Guaranteed Student Loans, Higher Education, Higher Education Facilities Loans and Insurance, College Housing Loans, Education Research and Statistics, and Libraries.
SD-138

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 629, to make structural and management changes in the National Earthquake Hazards Reduction Program.
SR-253

Finance
International Trade Subcommittee
To hold hearings to examine trade disputes between the United States and Canada.
SD-215

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of National Drug Control Policy.
SD-116

APRIL 10

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Bureau of Land Management, Department of the Interior, and the Navajo and Hopi Indian Relocation Commission.
S-128, Capitol

10:30 a.m.
Governmental Affairs
To hold hearings on quality assurance at the Department of Defense.
SD-342

1:15 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of Civil Rights, Policy Research, and the Office of Inspector General.
SD-116

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Environmental Protection Agency.
SD-138

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Forest Service of the Department of Agriculture.
SD-192

APRIL 11

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to review the President's proposed budget request for fiscal years 1990 and 1991 for the National Aeronautics and Space Administration, focusing on space science and applications programs.
SR-253

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Farmers Home Administration, Federal Crop Insurance Corporation, and the Rural Electrification Administration.
SD-138

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Environmental Protection Agency and the Council on Environmental Quality.
SD-116

APRIL 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Social Security Administration and the Health Care Financing Administration.
SD-138

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of the Secretary of the Treasury and the Federal Election Commission.
SD-116

APRIL 13

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Governmental Affairs
To hold hearings on S. 253, establishing a coordinated National Nutrition Monitoring and Related Research Program.
SD-342

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the U.S. Coast Guard.
SD-138

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Family Support Administration and Human Development Services.
SD-138

APRIL 14

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of the Assistant Secretary for Health and the Centers for Disease Control.
SD-138

Commerce, Science, and Transportation
Foreign Commerce and Tourism Subcommittee
To hold hearings on the importance of scenic byways to national tourism.
SR-253

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Management and Budget (Office of Federal Procurement Policy), Commission on Government Ethics, and the National Archives and Records Administration.
SD-116

APRIL 17

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space transportation budget and policy.
SR-253

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for fossil energy and clean coal technology programs.
S-128, Capitol

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans' Affairs.
SD-138

APRIL 18

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Alcohol, Drug Abuse, and Mental Health Administration and the Health Resources and Services Administration.
SD-116
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on motor carrier safety.
SR-253

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on Agricultural Stabilization and Conservation Service, Foreign Agricultural Service, Commodity Credit Corporation, General Sales Manager, and Soil Conservation Service.
SD-138
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans Affairs.
SD-192
Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the health effects of air pollution.
SH-216

APRIL 19

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on motor carrier safety.
SR-253
Governmental Affairs
To hold hearings on trade and technology issues.
SR-342

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Personnel Management.
SD-116
Finance
To resume oversight hearings on the implementation of the Omnibus Trade and Competitiveness Act of 1988.
SD-215

1:30 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for territorial and international affairs.
SD-192

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

APRIL 20

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Emergency Management Agency.
SD-192

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124
Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

MAY 1

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

MAY 2

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

2:00 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for activities of the Secretary of the Interior and the Secretary of Energy.
S-128, Capitol
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 247, to increase the efficiency and effectiveness of State energy and conservation programs.
SD-366

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

MAY 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Aviation Administration.
SD-138

MAY 5

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 11

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for transportation trust funds.
SD-138

MAY 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 15

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 16

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 18

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

MAY 19

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

HOUSE OF REPRESENTATIVES—*Tuesday, March 21, 1989*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D. offered the following prayer:

Gracious God, we recognize Your great work at creation as a gift of the spirit—a gift of wonder and awe, grace and glory, of beauty and power. May we so live our lives that with our words and actions we may build a human community where honesty and virtue and respect will transcend all those selfish thoughts and deeds that keep us from being the people You would have us be. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Florida [Mr. STEARNS] kindly lead us in the Pledge of Allegiance.

Mr. STEARNS led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had agreed to the following resolution:

S. RES. 38

Resolved, That pursuant to Rule XI of the Rules of Procedure and Practice in the Senate When Sitting on Impeachment Trials, the Presiding Officer shall appoint a committee of twelve Senators to perform the duties and to exercise the powers provided for in the rule.

SEC. 2. The Majority and Minority Leader shall each recommend six members to the Presiding Officer for appointment to the committee. The committee shall designate one of its members to be chairman and one of its members to be vice chairman.

SEC. 3. The committee shall be deemed to be a standing committee of the Senate for the purpose of reporting to the Senate resolutions for the criminal or civil enforcement of the committee's subpoenas or orders, and for the purpose of printing reports, hearings, and other documents for submission to the Senate under Rule XI.

SEC. 4. During proceedings conducted under Rule XI the chairman of the committee is authorized to waive the requirement under the Rules of Procedure and Practice in the Senate When Sitting on Impeachment Trials that questions by a Senator to a witness, a manager, or counsel shall be reduced to writing and put by the presiding officer.

SEC. 5. In addition to a certified copy of the transcript of the proceedings and testimony had and given before it, the committee is authorized to report to the Senate a statement of facts that are uncontested and a summary, with appropriate references to the record, of evidence that the parties have introduced on contested issues of fact.

SEC. 6. Necessary expenses of the committee shall be paid from the contingent fund of the Senate from the appropriation account "Miscellaneous Items" upon vouchers approved by the chairman of the committee.

SEC. 7. The Secretary shall notify the House of Representatives and counsel for Judge Alcee L. Hastings of this resolution.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 20. An act to amend title 5, United States Code, to strengthen the protections available to Federal employees against prohibited personnel practices, and for other purposes;

S. 568. An act entitled the "Stafford Student Loan Default Prevention and Management Act of 1989"; and

S.J. Res. 87. Joint resolution to commend the Government of Israel and Egypt on the occasion of the tenth anniversary of the Treaty of Peace between Israel and Egypt.

The message also announced that pursuant to Senate Resolution 273 and Senate Resolution 297, 100th Congress, the Chair on behalf of the President pro tempore, and upon the recommendation of the minority leader, appoints Mr. MCCAIN, cochairman; Mr. SYMMS; and Mr. MACK; to the Central American Observer Group.

HIGH DEFINITION TELEVISION RESEARCH AND DEVELOPMENT ACT OF 1989

(Mr. BROWN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of California. Mr. Speaker, I am pleased to announce that today I am introducing legislation that would improve the competitiveness of the U.S. domestic electronics industry and promote the introduction of high definition television [HDTV] products and services through a program of cooperative research and development.

HDTV will offer the electronics consumers of tomorrow the images as sharp as today's 35mm movies. However, HDTV is much more than pretty pictures. The technology will advance medical imaging, the space program, and air traffic control. Because HDTV requires extremely complex circuitry, production of sophisticated chips will generate massive revenues for the semiconductor industry.

Mr. Speaker, America cannot afford to sit by while our foreign competitors make rapid advances in HDTV. The Japanese plan to start direct broadcast satellite transmissions of HDTV in 1990, and the Europeans have formed a corporation to market their version of HDTV. Both the Japanese and the Europeans have poured millions of dollars into the production of HDTV, while American companies have only discussed how to get into the HDTV arena.

The High Definition Television Research and Development Act of 1989 will help American companies participate in this new technology. My bill would improve the competitive position of the U.S. domestic consumer electronics industry by supporting research and development into technologies which have substantial economic and national security potential. It would also assist in the establishment and funding of one or more joint research and development ventures through the Advanced Technology Program at the National Institute of Standards and Technology.

Joining me as original cosponsors are Mr. MINETA, Mr. WALGREN, Mr. BOEHLERT, and Mr. RITTER. I urge my colleagues to cosponsor this important measure.

THE AFTERMATH OF PAN AM 103

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, Pan Am 103 are words that strike terror and anguish worldwide. We know that but for the grace of God we could be those 259 victims.

The families of the deceased passengers have kicked off a nationwide petition drive and have scheduled a prayer vigil and march on Capitol Hill on April 3.

Yesterday, I met with members of the families to assist in initiating this petition drive. They are asking the leadership in the House and Senate to establish a special coordinating com-

mittee, comprised of members of the permanent committees with jurisdiction over air security and terrorism, to investigate the events leading up to the December 21, 1988, bombing.

People worldwide share the anguish with the families of the dead. Many of the dead are sons and daughters in the springtime of their youth. Conflicting reports circulate which add to the families' grief and devastation. Could this unspeakable tragedy have been avoided? Did Pan Am fail to act? Did U.S. agencies fail to act? Did international transport and antiterrorism systems fail to act?

Are we all to be at the mercy of terrorists? Are we to be thrown into a new Dark Age intimidated by terrorist anarchy?

The lessons are far from clear. We need a coordinated, focused, and objective congressional investigation to recommend legislation, if necessary, to institute effective antiterrorist measures. For example, one key recommendation of the 1986 Bush antiterrorism task force would have created a U.S. intelligence clearinghouse to warn airlines and passengers in advance of credible terrorist threats. A full congressional investigation may prove the need for this and other measures.

LET US NOT PREJUDGE THE SALVADORAN ELECTION

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, the elections in El Salvador represented a good faith effort by that small nation to elect its leaders in a relatively democratic fashion. While many of us would have preferred a Christian Democratic victory, largely because of President Duarte's work toward freedom and democracy, still the voice of the people was heard loud and clear. It is now time to see if the new President, Alfredo Cristiani, can demonstrate the efficacy, his campaign commitments to peace and justice, and an end to the war in that tragically grief-stricken country. Obviously, a majority of the people thought he could do a better job than the opponent.

I believe that current calls for a negotiated political settlement, without waiting to see if the democratic process works, is premature and counterproductive. So is the call for the United States to immediately cut off aid. Admittedly, the ARENA party has a very poor history in the area of human rights and economic reform. However, it is hypocrisy to promote freedom and democracy on the condition that the "correct" candidate wins. The ARENA party has won what was, according to bipartisan observers, a fair election.

Both courses of action, at this point, would be shortsighted and cause polarization in an area of the world that cries out to Congress and the President for a unified U.S. policy. President Bush has shown some sensitivity in dealing with human rights and death squad activity in prior visits to El Salvador. It is appropriate to give his administration time and flexibility to develop a Salvadoran policy based on further democratization and respect for human rights. El Salvador is not Nicaragua—so let us not square off on this issue now because we could damage the fragile progress that has already been made.

DEMOCRACY IN ACTION IN EL SALVADOR

(Mr. DREIER of California asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, I felt very fortunate to have had the opportunity to spend last Sunday in El Salvador observing the Presidential elections which were just referred to by my distinguished colleague, the gentleman from Kansas [Mr. GLICKMAN]. I must say that we did in fact witness one of the greatest examples of democracy in action that I can remember.

Although, according to many reports, El Salvador had the lowest voter turnout in its history, it still had a higher turnout than we had in this country last November. I cringe to think what the turnout would have been like here if the threats that were imposed on the people of El Salvador had been imposed on the people of the United States.

Because the United States has played a role in bringing about—for the first time in the history of El Salvador—an orderly transition of power, I believe that we must have a vigilant and a consistent policy in dealing with this country. The Salvadoran people are seeking peace, stability, and economic recovery, and it is important that we play a role in helping them meet these laudable goals.

LEGISLATION TO ASSIST RESIDENTS OF COLONIAS IN UNITED STATES-MEXICO BORDER AREAS

(Mr. ORTIZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ORTIZ. Mr. Speaker, I rise today to inform my colleagues of legislation I have introduced to help offer some hope for people who live in some of America's most poverty stricken areas. I am referring to the colonias, which are very low-income subdivisions that arise on the outskirts of cities along the United States-Mexico border.

Since the colonias are located outside of a city's limits, they do not receive the basic services that cities must provide for their residents. The most critical need lacking in the colonias is the absence of sewage and water service for individual homes. Most residences rely upon septic tank systems, but the soil in this area is often not sufficiently permeable to allow for the proper operation of such a system. As a result, heavy rains force the ascension of a dangerous mixture of raw sewage and water to the surface.

Because colonias do not have public drainage facilities, such as paved roads and curbs, the residents must wade through this mix to get to the bus stop, work, or simply to carry out a normal days activities. The end result of this situation is predictable: an extraordinarily high rate of disease which further burden the attempts of colonia residents to improve their economic standing. Hepatitis, dysentery, and tuberculosis are rampant, while ailments such as skin rashes and diarrhea constantly burden the colonia's population.

The legislation that I am introducing today can help bring water and sewage service to colonias. It utilizes two existing programs of the Farmers Home Administration. Section 306 of the FmHA would obtain an additional $25 million of project grant money. This funding would be directed toward the planning and construction of water and sewage facilities for colonia residents.

Section 504 of the Housing Act would also receive an additional $20 million in grants and loans under this bill. This funding could be used to assist individual households finance and construct the necessary facilities to accommodate newly available water and sewage services.

This bill is identical to legislation I introduced last year, with one major difference. The Farmers Home Administration has funding regulations which sometimes limit a colonia's eligibility for assistance from FmHA programs. Under these FmHA regulations, applications to receive grants or loans are given a higher priority if located in a "truly rural area." Colonias, while outside of a city's limits, may be within the extra territorial jurisdiction of that city. Under the FmHA's definition, this does not qualify as a truly rural area. This sometimes lessens the funding priority for project applications located in colonias. My legislation simply requests the FmHA to consider colonias as truly rural areas for the purpose of awarding grants and loans.

In order to concentrate this Federal assistance to the areas of greatest need, a geographic provision is includ-

ed in this legislation. Funds appropriated under this act must be targeted to areas within 30 miles of the United States-Mexico border.

None of these actions by the Federal Government can or should take place in a vacuum. Water supply and sewage treatment have typically been major responsibilities of State and local governments. A major initiative has been introduced in the Texas Legislature, and this $500 million bond proposal has the support of many State officials in Texas.

Certainly the regulation and control over zoning and land use requirements is a typical responsibility of local governments. County governments in Texas are limited, however, in their ability to enforce various zoning and building code regulations. This issue is directly addressed in the bond proposal under consideration in the Texas Legislature. The Texas bond proposal broadens and extends a county's authority, which will have to be enforced in order to qualify for assistance under the State plan.

As you can see, a significant amount of coordination and cooperation among all levels of government is required to responsibly address the needs of colonias. I believe the legislation that I introduce today can help fulfill the Federal Government's role in correcting this situation along the border.

I wish to thank my colleagues from Texas, Congressman RON COLEMAN and Congressman ALBERT BUSTAMANTE, for agreeing to be original cosponsors to this legislation. Both of these gentlemen have significant colonia populations within their own congressional districts, and they have witnessed first-hand the poverty and dangerous conditions in which colonia residents must live. In addition, as chairman of the Committee on Agriculture, Congressman KIKA DE LA GARZA has brought a significant amount of financial assistance to the colonias. His leadership on this issue will continue to be an important component of our efforts at providing a safe environment for colonia residents.

Your cosponsorship of this legislation would be greatly appreciated. It would be a recognition of the need for Congress to address extreme conditions of poverty, wherever they may exist. Given the efforts of local and State governments to forge financing arrangements which can bring basic services to colonias, I think the Federal Government must provide some assistance and support for these units of government.

□ 1210

ESTABLISH BASIC HUMAN RIGHTS AND DEMOCRACY AND THE 'LECTURES' WILL END

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, in the face of human rights violations in Tibet and increasing resistance to efforts toward democracy in Hong Kong, the Chinese have said that "the United States has no business instructing China about liberty and democracy."

America is not lecturing or instructing anyone on these matters. Our intent is to bring abuses to light so that they are ended—so that basic human rights are in fact observed and commitments to democratization in fact carried out. If the Chinese feel lectured to, they have only themselves to blame.

Are we our brother's keeper regarding human rights and democracy. Yes. Emphatically yes. Hasn't Adolf Hitler, Joseph Stalin, Pol Pot, the cultural revolution, and the Holocaust taught the world anything?

America is not supporting separatism in Tibet, terrorism in the Punjab, or anarchy in Chile. We are supporting basic human rights for individuals—the right to speak freely, to worship as one chooses, the right to a fair trial, and the right to be free from torture.

Guarantee the dignity of each human person. Put basic human rights under the rule of law ahead of every other governmental concern. Establish the rule of the people and the peaceable transition of power through free elections. Then, and only then, will America be quiet and the lectures end.

PERMISSION FOR THE SPEAKER TO DECLARE RECESSES TODAY

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that it shall be in order today for the Speaker to declare recesses, subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. TAUKE. Reserving the right to object, Mr. Speaker, if I could have the attention of the majority leader, I would inquire what the plan of the majority leader is for the schedule of legislative business in order to accommodate those Members who wish to attend the swearing in of our former colleague, the gentleman from Wyoming, Mr. Cheney.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, as the gentleman from Iowa [Mr. TAUKE] suggests, the reason for this request is to accommodate Members on both sides of the aisle who wish to attend the swearing in of our former colleague, the gentleman from Wyoming, Mr. Cheney, as Secretary of Defense.

Mr. Speaker, it would be our purpose to proceed with the debate on the suspensions that have been announced—there are four of them—and following that to begin special orders of the House. If at such time we have not reached the hour of approximately 3:30, we would recess the House in order to give Members an opportunity to attend the swearing in and return for the resumption of business around 3:30 this afternoon.

Mr. Speaker, we will provide a 15-minute notice before the House resumes sitting, but that is the approximate time. After that the House would take up the committee funding resolution, and any vote that might occur on that, following which we will consider any votes ordered on the suspensions debated earlier.

Mr. TAUKE. So, the votes would occur after 3:30 this afternoon?

Mr. FOLEY. Yes, we do not anticipate any votes between this hour and 3:30.

Mr. TAUKE. Mr. Speaker, I thank the gentleman from Washington [Mr. FOLEY] for his accommodation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

THE SURGEON GENERAL'S REPORT ON THE EFFECTS OF ABORTION OF WOMEN

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, in 1987 President Reagan asked Surgeon General Koop to commission a fact-finding report on the effects an abortion has on women. The Surgeon General did this, but, when the report found minimal physical and emotional consequences from abortions, the Surgeon General did not release it.

Thank goodness for the gentleman from New York [Mr. WEISS] who got that report released. I only want to encourage everyone to look at the report's findings because in the very next month of April Operation Rescue is being planned.

Mr. Speaker, my city of Denver is one of the targets for Operation Rescue where they are planning to come into clinics and rescue women however they can possibly do it. I certainly hope the people behind Oper-

ation Rescue please read the Surgeon General's factual report and realize that they should call off this procedure next month because they will be attempting to rescue women from something that the report says they do not need to be rescued from.

Mr. Speaker, we do not need more violence in this country, and we should respect women's constitutional rights to health care.

HDTV—AN IMPORTANT OPPORTUNITY TO REENTER CONSUMER ELECTRONICS

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, I am pleased to join with my colleagues this morning to introduce the High Definition Television Research and Development Act.

I am often skeptical of efforts to have the Federal Government underwrite corporate research, but in the case of high definition television [HDTV] we have little choice.

American companies have withdrawn little by little from the consumer electronics market, leaving us with virtually no presence in this booming field.

HDTV represents an important opportunity to reenter consumer electronics, but we need to entice our companies to accept the attendant risk.

Industries, like humans, go through life cycles, and American consumer electronics is now having its second childhood. We can either write the industry off, letting it continue to decay into senility, or we can coax it back to life by nurturing it like an infant.

Given the billions at stake, I think the choice is clear. I urge my colleagues to cosponsor this bill.

HOW LONG MUST WE WAIT FOR A BAN ON ASSAULT WEAPONS?

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Georgia. Mr. Speaker, the time has come for the U.S. Congress to take strong action to stop the proliferation of guns in this community and many other communities across the country. How long do we have to wait before we decide to ban assault weapons and to support H.R. 467, which calls for a 7-day waiting period before a person can receive a gun? Is that really asking too much? How long must we wait—how long?

We do not have to look very far to see that guns are leading to the destruction of our youth. We talk about protecting the air and water for future generations. We will not have to worry about it if there are no future generations to protect.

As of today, nearly 120 people have been shot and killed right here in the Nation's Capital. For me the violence has come home. Last Friday, at my son's school in southwest Atlanta, two of his 13-year-old classmates and an adult were shot.

There have been too many shootings of young children at school, on the playground, in the parks. One killing or one shooting is one too many. I say enough is enough. The time for debate is over. This Congress must take action and put an end to the proliferation of guns in our society.

REGAINING A COMPETITIVE EDGE IN HIGH-DEFINITION TELEVISION

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, television and the automobile are the two most important inventions of the 20th century. Just as the automobile gave mobility to people, television gave mobility to ideas.

Television, the ability to transmit a visual image of action from one place to another and all that the future of TV holds as it is prefected from one generation to another is too important for this Nation to miss out on. To miss out on creating high-definition television today and on shaping what it will become tomorrow is to miss out on the 21st century.

Regaining a competitive edge in high-definition television will be a struggle. With our expertise in computers, microprocessors, solid-state sciences and digital technology, I can see an eventual neck-and-neck race if we give American technological prowess and creative enterprise room to run.

Mr. Speaker, I am pleased to speak in support of two bills that do so, the High-Definition Television Competitiveness Act of 1989, which takes a comprehensive view of the whole HDTV picture, introduced on March 2 by myself and the gentleman from California [Mr. LEVINE], and the High-Definition Television Research and Development Act of 1989 which, as its name implies, focuses directly on R&D, stimulating joint R&D, introduced today by my colleagues, the gentleman from California [Mr. BROWN], the gentleman from Pennsylvania [Mr. WALGREN], the gentleman from California [Mr. MINETA], the gentleman from New York [Mr. BOEHLERT] and myself.

Mr. Speaker, I urge my colleagues to consider and to support these important bills.

□ 1220

INTRODUCTION OF HIGH DEFINITION TELEVISION RESEARCH AND DEVELOPMENT ACT OF 1989

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, today I have the pleasure to join with four of my very fine colleagues, the gentleman from California [Mr. BROWN], the gentleman from Pennsylvania [Mr. WALGREN], the gentleman from New York [Mr. BOEHLERT], and the gentleman from Pennsylvania [Mr. RITTER], as we introduce the High Definition Television Research and Development Act of 1989.

Mr. Speaker, high definition television [HDTV] produces images with greater clarity and resolution than television standards now in use in the United States. But more than this, HDTV has the potential to revolutionize communications, manufacturing and consumer electronics both in the United States and throughout the world. HDTV has applications in computer graphics and printing, the motion picture industry, still photography, microscopic imaging and manufacturing of all flavors, as well as military imaging systems.

As you know, Mr. Speaker, I represent Santa Clara County, CA—better known to many as Silicon Valley. Because Silicon Valley is the heart of our Nation's electronics and high technology industries, we have a nearly endless supply of technological talent to fuel the discussion and development of HDTV.

Last year, during a Subcommittee on Science, Research and Technology hearing on HDTV, witnesses from my district stressed the importance of properly addressing the economic, social, and political opportunities presented by HDTV. One witness—Ms. Pat Hubbard, vice president of the American Electronics Association—emphasized the ripple effect on other U.S. industry segments if we are able to put together a comprehensive strategy to take the lead in HDTV production. Our semiconductor, test equipment, software, manufacturing equipment, telecommunications, and computers industries will be dramatically and positively affected by a successful entry into the world of HDTV. But today, the rest of the world is actively staking out a claim to HDTV while the United States continues to lag far behind.

Japan's electronics industry has spent more than $500 million on HDTV and has just announced a program to spend another $700 million just on the development of advanced HDTV screens. European consortia are

spending $100 to $200 million a year on their development programs.

As a nation the United States is winding up, getting ready to make its pitch. But will we dazzle our competitors with our ability to come from behind with a technological fastball, or will we balk the runners—Japan and Europe—into scoring position?

Mr. Speaker, the high definition television research and development act introduced today will join industry and Government in a cooperative effort to bring about faster development and commercialization of HDTV. The act would direct the National Institute of Standards and Technology to establish and fund joint ventures through its Advanced Technology Program at a rate of $100 million during each of the next 5 years.

Mr. Speaker, the ability of the United States to attain and maintain a leadership position in this industry will be a key to our trade competitiveness during the 1990's and into the 21st century. Millions of American jobs hang in the balance. Our domestic electronics industry now employs more individuals than any other manufacturing industry in the United States. Success in HDTV will mean more of these jobs. I urge my colleagues to help bring the United States back to the future by supporting the High Definition Television Research and Development Act of 1989.

HUMAN RIGHTS VIOLATIONS IN EL SALVADOR

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, buried at the bottom of long articles about Sunday's election in El Salvador was the news that the army brutally murdered two Salvadoran journalists that day; one, a free-lance photographer shot in the back by soldiers after having been waived past a security checkpoint. The deliberate targeting of journalists, a common intimidation tactic, is just one of the many continuing human rights violations which give the impression of being supported by the United States by reason of our military assistance to El Salvador.

Equally distressing is the physical violation and intimidation, including murder, leading up to the elections and on the day of the election itself by the FMLN guerrillas.

With Sunday's apparent victory by the ARENA party, long-linked to death squad activity, it is extremely likely that the human rights situation will only deteriorate further.

Clearly, it is time for the United States to support peace and genuine democracy in El Salvador. The FMLN election postponement proposal set an important process in motion which, if continued, may be the best opportunity for peace in El Salvador in years. The United States must support such efforts for a political settlement. More than just a change in government, the Salvadoran people want and need an end to the war.

Mr. Speaker, El Salvador has been aptly described as a "society bludgeoned by political terror." It is time that the United States stopped supporting the wielding of clubs and used our great influence to accelerate the movement toward the paths of negotiated peace.

SUPPORT INCREASE IN MINIMUM WAGE

(Mr. COSTELLO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COSTELLO. Mr. Speaker, the American worker is under seige. In recent weeks, we have seen laborers at Eastern Airlines face a probable loss of jobs because of mismanagement and corporate greed by top management. Families of men and women who have worked for this corporation for a great part of their lives have become the target of blame by Eastern officials for the inconvenience of the traveling public.

But there are signs that the American public is beginning to realize that while Eastern's corporate executives get golden parachutes, its workers get pink slips. Whereas those in upper management play the game of leverage buyouts and superprofits, the average working man and woman are treated with less consideration than airport gates, automated computer systems and jet repair machinery.

In addition, we hear reports daily about the increased funding for training and worker education overseas, and the value placed on the labor force as a key to international competitiveness. Today, Mr. Speaker, we have the opportunity to send a signal to America's labor force that it indeed does matter.

We need an increase in the minimum wage. It was not increased in the years when Ronald Reagan was President, and as a result the buying power for working families is significantly less 8 years later. The American worker is the keystone to our competitiveness, the backbone of our economy. I urge my colleagues to support this measure.

DEMOCRATIC LEADERSHIP ATTEMPTING TO INTERFERE IN ELECTION OF MINORITY REPUBLICAN WHIP

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, bipartisanship in the House has taken a curious twist. It now appears that the Democrat leadership is attempting to influence and interfere in the race for Republican whip.

In the press accounts making accusations against the gentleman from Georgia, Mr. NEWT GINGRICH, over the past couple of days, it has been the leaders of the majority party doing the accusing. Even you, Mr. Speaker, weighed in.

This interference in our conference is an outrage. It demonstrates again the contempt with which the majority holds the minority.

Obviously, the Democrats in this body feel that they have a big stake in trying to prevent the election of the gentleman from Georgia [Mr. GINGRICH], but a public campaign against one of our people in our leadership race is unprecedented. It is entirely unacceptable.

To those Democrats who have been a part of trying to influence the outcome of this election, let it be noted that the last time you played this game, you stole the Indiana seat from the Republican Party. That outrage and this one tell us more than we need to know about your definition of bipartisanship.

The SPEAKER. The gentleman is not proceeding in a parliamentary manner. He used the word "stole." His accusation that Members of the House stole an election is improper, and the gentleman realizes that.

In addition, his imputation that individuals on the broad generic term "House leadership" in an attempt to interfere with his election is also, I think, incorrect, and I would ask the gentleman to reconsider his thoughts on that.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman may state his parliamentary inquiry.

Mr. WALKER. Mr. Speaker, instead of "House leadership," should I name names?

The SPEAKER. The gentleman is engaging in personalities and when he uses words like the word "stole" with reference to an identifiable group of Members, that has been held improper.

Mr. WALKER. Mr. Speaker, would the word "expropriate" be a more acceptable term?

The SPEAKER. The gentleman understands what the Speaker is suggesting.

There exists in the House, as the gentleman is aware, a spirit of comity in which each of us and the political party to which he belongs and each of us in his or her individual dealings with other Members is expected to accord to other Members of the House

the same assumption of honor, honesty, and decency, that the Member would want accorded to him.

Mr. WALKER. Mr. Speaker, if I could, that is exactly the reason for my speech.

It has been comity in the House for each party to stay out of the other party's internal affairs.

My specific accusation here is that Members of your leadership have in fact attempted to play a role in our internal affairs for the Republican whip. It seems to me that the comity of the House is being broken in that regard, too. That is my concern and an issue that I think is entirely legitimate to address on the House floor, and I thank the Speaker.

ADMINISTRATION SHOULD RECONSIDER ITS POLICY ON REFUGEES FROM EL SALVADOR

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, let me, too, observe that anyone in the House who accuses generically or specifically anyone else of stealing elections or doing anything of the sort is unfortunate, I think, and out of line.

Let me discuss another issue, Mr. Speaker. Someone was just in the well talking about El Salvador. Let me wish this, if I might. If the administration is interested in changing their tune in Central America, and indeed I hope they will, I hope they will reconsider the policy of treating the refugees for political asylum from El Salvador.

□ 1230

Last year a young woman named Maria, in her early twenties, was picked up by the Immigration Service and thrown in Prince Georges County Jail. She had a 6-week-old baby, and she was breast-feeding the baby, and the baby had a viral infection. They threw the mother in the Prince Georges County Jail. I am talking about the Immigration Service.

Mr. Speaker, that should not happen in this country.

I got involved and got the Immigration Service on the phone and raised some Cain about it. We got the woman out of jail. Fortunately Canada has agreed to take that family, because if that woman were from Nicaragua, we would open our arms and say, "Absolutely, we will give you political asylum." But from El Salvador, we say consistently, "No, this administration says that under no conditions will we grant political asylum."

Mr. Speaker, I have introduced some legislation dealing specifically with the question of picking up and detaining a young mother with a child under 2 years of age and throwing that person in jail when they are no threat to society. That is wrong, and I think we need to correct it.

The action by the Immigration Service, and fundamentally the policy by the State Department in this administration on El Salvador is wrong. I hope we rethink that. The is no place in this country for throwing people with 6-week-old babies who are breast-feeding into jail and letting them languish there while that baby is sick.

That is not America.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 4 of rule XV. Such rollcall votes, if postponed, will be taken later today.

HEAD START SUPPLEMENTAL AUTHORIZATION ACT OF 1989

Mr. KILDEE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1300), to amend the Head Start Act to increase the amount authorized to be appropriated for fiscal year 1990.

The Clerk read as follows:

H.R. 1300

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Head Start Supplemental Authorization Act of 1989".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS

Section 639 of the Head Start Act (42 U.S.C. 9834) is amended by striking "$1,405,000,000" and inserting "$1,552,000,000".

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan [Mr. KILDEE] will be recognized for 20 minutes and the gentleman from Iowa [Mr. TAUKE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. KILDEE].

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the legislation presently under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. KILDEE. Mr. Speaker, H.R. 1300, the Head Start Supplemental Authorization Act of 1989, would increase the 1990 authorization for Head Start by $147 million to $1,552 million.

President Bush has proposed a $250 million increase for Head Start.

However, the current authorization level will not permit the Appropriations Committee to appropriate the full amount of the President's proposed increase.

H.R. 1300, would provide this authority.

In addition to enabling the Appropriations Committee to fully fund the President's request, H.R. 1300 would provide the flexibility for additional funding to maintain current services and to further improve the operation of local programs.

For 24 years the Head Start Program has been providing comprehensive services to address the educational, social, nutritional, and health needs of pre-school-aged children from low-income families in predominantly part-day programs.

Head Start is a particularly good example of a cost-effective program.

The Committee for Economic Development, an independent research and education organization of over 200 business executives and educators, estimates that each dollar spent on early intervention results in a savings of $5 in the areas of remedial education, welfare, crime control, and decreased numbers of dropouts.

The Head Start Program also has a long, long history of bipartisan support.

This is clearly exemplified by a recent report on budget priorities by former Presidents Ford and Carter in which they discussed children at risk.

The Carter/Ford report said:

Spending money for these young Americans is not wasteful; it is wasteful not to invest. We understand the budget constraints; but we believe that it would be imprudent to delay any longer. We recommend that you set a goal to fully fund Head Start within 8 years.

The Carter/Ford report also noted the significant, long-term cost to the United States if no action is taken to respond to the growing needs of children living in poverty.

For example, each year's high school dropout class costs the country $340 billion in lost productivity and foregone taxes.

However, at the present time, Head Start serves 448,000 children—only 16 percent of those who are eligible.

This legislation makes possible much needed increases in Head Start funding for:

Expansion and enhancement of services;

Improved teacher compensation and training; and

Better facilities.

Expeditiously addressing, each of these needs is critical to maintaining the effectiveness of the existing pro-

gram and to building a sound foundation for extending services to additional at-risk children.

I urge my colleagues to support this modest increase in the Head Start authorization for fiscal year 1990.

Madam Speaker, I reserve the balance of my time.

Mr. TAUKE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 1300, which increases the 1990 Head Start authorization to accommodate the President's request for a $250 million increase in the appropriation for this excellent program, and I am pleased to join with my colleague, the gentleman from Michigan [Mr. KILDEE], in pushing this legislation.

Madam Speaker, Head Start, as the Members of this body know, serves primarily 4-year-olds from disadvantaged families, providing them with comprehensive health, education, and social services prior to entering school.

We are currently in this Nation serving about 35 percent of the eligible 4-year-olds, and with the President's increase, could serve nearly 50 percent of eligible 4-year-olds with 1 year of Head Start Program.

Madam Speaker, Head Start, I think, is an excellent example of how Government can enhance the opportunities of low-income children and families. It gives these children the opportunity to enter school on an equal footing with other children.

One of the important aspects of Head Start is its emphasis on parental involvement. Parents are helped as well as the children enrolled in the program.

As I have visited with many of my colleagues about this issue, some have indicated that in their home areas they have Head Start programs that are having difficulty attracting individuals despite the fact that we are now serving only 35 percent of the eligible 4-year-olds. Part of that difficulty apparently is an unwillingness on the part of parents to meet the requirements of Head Start, and as we look at this issue over the next year, this is something that we need to address.

The President's request for on the order of $1 billion increase in Head Start appropriations would enable an additional 95,000 children across the Nation to enroll in the program. However, it is important to note that H.R. 1300 does not place any requirement on the administration to use the additional funds solely to increase enrollments, and I concur with the chairman of our subcommittee, the gentleman from Michigan [Mr. KILDEE], that an additional Head Start funding could serve a variety of other useful purposes as well, including improvement in Head Start services.

Madam Speaker, when we reauthorize Head Start next year, we will want to take a closer look on how to improve services and expand the program to serve more children, and I am looking forward to working with my colleague, the gentleman from Michigan, on that effort.

In the interim, I urge my colleagues to support this authorization adjustment in order to allow for authority to increase appropriations in line with the request of our President.

Madam Speaker, I reserve the balance of my time.

Mr. KILDEE. Madam Speaker, the gentleman from Iowa is a sterling example of the bipartisan nature of our support for Head Start. It has been a pleasure working with him on this supplemental authorization.

Madam Speaker, I yield 3 minutes to the gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. Madam Speaker, I thank the gentleman for yielding, and I congratulate my colleague, and I congratulate the gentleman from Iowa [Mr. TAUKE] for sponsoring this desperately needed increase in funding for Head Start.

Madam Speaker, it took imagination and courage for them to do this, and we are all in their debt for having done it, but still it is only a small step along the road that has to be negotiated.

Our country is suffering a horrendous cost of education failure. Our overall dropout rate in high school is 25 percent, for young black students, 40 percent, for young Hispanic students it is over 50 percent, and this dropout takes place in the first and second grades when kids come to school utterly lacking in learning skills.

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They may wait until fifth, or sixth, or seventh grade actually to drop out, but they have psychologically and mentally dropped out in the first and second grade when they were unable to cope with the education requirements of learning in competition with middle-class kids. These kids who come from deprived homes urgently need help.

Madam Speaker, we have been having extraordinary success with Head Start over 20 years. We passed the Elementary and Secondary Education Act in 1965, my first year in Congress, and my proudest moment was working on Head Start. It was the jewel in the crown of the poverty program at that time, and it has had an unblemished record of success.

Our education failure resulting in an adult rate of functional illiteracy of 25 percent is a disgrace to this country. There is no other industrialized nation on Earth, nowhere in Europe, nowhere in Japan, Singapore, Hong Kong, South Korea, Australia, New Zealand, where there is such a rate of education failure. We can nip it in the bud if we can help these young kids from deprived homes become learning ready. I have introduced H.R. 1374, with 44 cosponsors to increase the authorized Head Start budget by $500 million from $1.405 billion to $1.905 billion. The payoff, as the gentleman from Michigan [Mr. KILDEE] indicated, is $6 or $7 return for every dollar expended.

This is an investment in our Nation's future. This is an investment in achieving a viable, productive, competent, competitive labor force. How can we not make that investment not only to enhance our competitiveness, our ability to be a successful global competitor in world commerce, but as a nation, Do we want to continue having a two-tiered society? Do we want to continue having millions of kids face a very bleak career of never having a decent job, going from flipping hamburgers to washing dishes to doing laundry? Is this the kind of career outlook we want for our kids?

No. We want them to have essential skills so that they can achieve in life and be successful, contributing members of society.

Mr. KILDEE. Madam Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Madam Speaker, the gentleman from Michigan and the gentleman from Iowa, deserve to be commended for bringing this important bill to the floor. It is certainly timely.

Ladies and gentlemen, the Nation is now engaged in a debate over possibly the most viable and demanding crisis that has faced us in many decades: the drug crisis. We have heard calls from the administration at the Federal level and calls from the State and local officials to come forward with a national plan to deal with this scourge that not only has attacked our Nation's Capital, but virtually every city and town in America.

We have been told we need to have intervention, and we do. We have been told that we need to have law enforcement, and we do. We have been told that we need to have better prosecution, and we do.

But certainly we must address the most basic and fundamental aspect of the drug crisis, and that is the fact that the victims of the drug crisis, and many times the perpetrators, are our kids. What would lead a child to this life of crime? What brings them to this desperate state in their own personal lives that they abandon all hope for the future and engage in a course of conduct that could lead immediately to their own execution on the streets of their hometown?

Many ponder over this. Some will suggest we need a social program to

address it. I am here today to say we have just such a program. The Head Start Program has a proven record of success of over 25 years. We can demonstrate clearly and unequivocably that the children who are brought into this program are children who are likely to be literate, employed, and enrolled in postsecondary education. They are less likely to be school dropouts, teenaged parents, dependent on welfare, or arrested for a crime or delinquent activity,

Head Start is an unqualified success. Many of the social programs Congress pushes end up failing, and they should be discarded. But it is time that we look at our successes and look at them seriously and realize that they can address the problems which we debate day in and day out in this Chamber.

What is truly sad is not the fact that my colleagues have come forward for a higher authorization, for greater participation in this program, but the fact that this Congress because of the deficit and or misplaced priorities will not fund this program as it should be funded. Full participation of Head Start across America could have a dramatic impact on poverty, welfare, and crime. It would cost us $6 billion, a lot of money. But what will we spend on the drug crisis? How much will we spend for that wasted life of that child who ends up in prison, $20,000 or $25,000 a year to incarcerate him? At that point we are prepared to pay and take them off the streets.

But why would we not put the money into prevention? Why would we not invest it in Head Start as we should?

I applaud my colleagues, but let us hope this is only a first step toward adequate authorization of this successful program.

Mr. KILDEE. Madam Speaker, I commend the gentleman from Illinois for his well-reasoned, strongly felt arguments in behalf of this program.

Madam Speaker, I yield 1 minute to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Madam Speaker, I rise in support of H.R. 1300, a bill to amend the Head Start Act to increase the amount to be appropriated for fiscal year 1990.

On behalf of the man who would be the Education President, we are gratefully expediting President Bush's recommendation that a $250-million increase in Head Start funding be appropriated, by giving him the necessary authority to enable the program to receive the increase.

Further, Madam Speaker, I support the bill's provision to allow flexibility for further appropriations to maintain current services and to cover the cost of proposed regulatory changes.

For the past 24 years, Head Start has been proven cost effective time after time in study after study because it permits continued investment in improving the quality of educational and other support services provided to our Nation's needy children.

This legislation gives us the opportunity to reaffirm our commitment to what I believe are fundamental principles on which the Head Start Program is based. Those fundamental principles include the all-important emphasis on parental involvement, and strong community support for helping families meet their educational and other support needs. For many parents and young children throughout the country, the Head Start Program is virtually considered a lifeline to a better future.

Head Start has broad bipartisan support in the Congress, principally because it is cost effective—with estimates showing that for every dollar spent on early intervention results in savings of $5 in the areas of remedial education, welfare, crime control, and decreased numbers of dropouts from high school.

This increase in funding while desperately needed, is only a drop in the bucket compared to the numbers of children who still, even with this infusion of additional dollars, will not be served by Head Start. We have recent estimates from the Children's Defense Fund showing that although 2.5 million disadvantaged youngsters are potential participants in the program, only 18 percent are fortunate enough to be admitted—thousands of others are on waiting lists throughout the country.

These children must wait, Madam Speaker, because Federal funding for Head Start has not kept pace with spreading child poverty during the 1980's. This new funding authority allowing the President's recommendations to put more dollars into Head Start, will mean so very much to the volunteer parents who are so integral a part of the program, and to their children who directly benefit not only educationally, but also from the all-important health, nutrition, and social services that are part of the program—such as vaccinations, medical screening, dental checkups, and needed treatment.

I am pleased to note, Madam Speaker, that 24 years ago when the Head Start Program was first enacted and funding was made available, West Virginia was one of the few States that immediately took advantage of the opportunity to serve preschool youngsters from low-income families by establishing these programs—mostly in church-based settings. Those were the days before a funding formula was even established for the distribution of funds. I am confident that West Virginia has one of the most effective Head Start Programs in the country but they, like all the others, desperately need adequate funds to reach those children who are eligible to be served.

Madam Speaker, I strongly support H.R. 1300, and recommend that it do pass.

Mr. CONTE, Madam Speaker, I rise in support of this bill, which will increase the fiscal year 1990 authorization for the Head Start Program from $1.4 to $1.55 billion.

Madam Speaker, we all know how urgent it is that Congress act together with the White House to reduce the Federal budget deficit.

We know that we have to make hard choices; we have to look more closely than ever about which programs our country truly needs, about what defense systems it's possible to cut, about which new proposals we can really afford.

But while we're making hard choices, we've got to make sure that we make the right choices.

Madam Speaker, the Head Start Program is one of those good choices. It grants preschool children from low-income families all over the Nation their right to basic education, health, and social services. Ever since its establishment, it has given thousands of them a chance for a better life, and a chance to make their own contribution to our common future.

The Head Start Program does what the best Government programs do: It helps people who need assistance, and it doesn't just help them to survive, it helps them to contribute. As the ranking Republican on the House Appropriations Committee, I have fought for this program every year—and I will continue to do so in the coming hearings on the Health and Human Services Department budget.

I commend my colleagues for crafting this resolution. The program requires $50 million simply to keep pace with inflation, and another $15 million to offset the costs of new Health and Human Services regulations. The bill meets those needs, and adds a real increase of $250 million above the fiscal year 1989 appropriation level.

I urge my colleagues to join me in supporting this important measure.

Mr. LELAND. Madam Speaker, 24 years ago, Congress approved legislation establishing the Head Start Program with the intent of assuring the availablility of vital education, health care, and nutrition services to disadvantaged preschool children. A commitment was made, through Head Start, to bridge the gap in early childhood development that research indicates exists between economically disadvantaged children and their more affluent peers.

Evaluation of all components of Head Start demonstrates its effectiveness in both terms of achievement and in dollars. A 1985 Department of Health and Human Services assessment of Head Start health found that graduates of the program experienced a "lower incidence of pediatric problems and a level of general health comparable to more advantaged children." The nutrition facet of the program was found to provide highly nutritious meals which provided as much as 50 percent of the recommended amounts of nutrients for children in the participating age group.

Similarly, the program has a positive immediate effect on the cognitive development of participants. The 1985 study reported that "when tested at the end of the program year, children showed sizeable gains on all types of cognitive measures." With respect to the return on the monetary investment, a recent report by the Committee for Economic Development—an independent research organization comprising more than 200 educators and representatives of business—notes that every dollar spent on early interventions, such as those provided through Head Start, results in a savings of $5 in the areas of remedial education, welfare, crime control, and decreased number of school dropouts.

Latest statistics from the Census Bureau indicate that 5 million—nearly one out of every five—children under the age of 6 in this country lives in poverty; 17 percent of all white, 49 percent of all back, and 42 percent of all Hispanic children in the United States are poor. These are children who are in dire need of quality nutrition, health care, and education services such as those extended through Head Start. Yet, currently, the program reaches only 488,000 children—17 percent of the low-income children who are eligible.

President Bush, in the budget recommendations submitted to Congress in February, proposed that funding for the program be increased by $250 million over current appropriations. The existing authorization, however, will not facilitate this increase. H.R. 1300, the Head Start supplemental authorization, would increase the fiscal year 1990 authorization from $1.4 to $1.55 billion to accommodate the program expansion recommended by the President. The modest program expansion presented to us today goes only a small way toward reaching the many unserved children that are not covered under present funding levels. Nonetheless, it is a step in the right direction. I urge my colleagues to defend the welfare of this Nation's children by supporting the Head Start Supplemental Authorization Act of 1989.

Mr. HAWKINS. Madam Speaker, I rise today to urge my colleagues to support H.R. 1300, the Head Start Supplemental Authorization Act of 1989, which amends the Head Start Act to increase the amount authorized to be appropriated for fiscal year 1990. This bill provides additional authority for the Appropriations Committee to consider President Bush's proposed 1990 funding increase of Head Start by $250 million. In addition, H.R. 1300 allows flexibility for further appropriations to maintain current services and to cover the cost of proposed regulatory changes. On March 8, 1989, Congressman KILDEE introduced H.R. 1300, which I was pleased to cosponsor. The bill was ordered reported by the Committee on Education and Labor on March 14, 1989.

Head Start is a cost-effective, comprehensive program which has enjoyed bipartisan support during its 24 years of serving at-risk children age 3 to 5. The comprehensive services which Head Start provides address the educational, social, health, and nutrition needs of preschool aged children who are from low-income families. According to an independent study by the Committee on Economic Development, a group of over 200 business executives and educators, every dollar spent on early intervention results in a savings of $5 in remedial education, welfare, crime control, and fewer dropouts. Yet, we currently provide enough funds for Head Start to serve only one-fifth of those eligible, or approximately one-half million at-risk children. The bipartisan support for Head Start was recently underscored by former Presidents Ford and Carter in their report on disadvantaged children in which they call for fully funding Head Start within 8 years as a prudent investment goal for our Nation.

I urge my colleagues' support today of H.R. 1300.

Ms. PELOSI. Madam Speaker, today I rise in support of H.R. 1300, a bill providing for a supplemental authorization for Head Start. It is important that the United States invest its money in its future; that future is our children.

I believe the budget is a reflection of our priorities, children should definitely be at the top of our priority list. It is estimated that 25 percent of U.S. high schools students left public schools without graduating. More than 75 percent of all poor youths have below average basic skills, and almost 50 percent are in the bottom one-fifth of basic skills because of poor reading and math skills. Head Start works. It can prevent at-risk children from becoming these statistics.

Early intervention in the lives of our children can prevent troubles later in their lives. Head Start has proven to be highly effective in assisting these children to stay in school through graduation from high school. Head Start needs more money. It is reported that fewer than 20 percent of potentially eligible children participate in the program.

In an age of advanced technology and computers we have to be certain that our children are equipped with at least basic academic skills, if not stronger skills in order to participate in the work force when they grow up. The United States has been known to be an innovative and strong world leader. In order to continue that tradition, our children need a sound educational background.

Working together, the President and Congress, can ensure a strong and solid education system for our children.

Mr. GOODLING. Madam Speaker, I am pleased to join my colleagues in support of this bill to provide the Head Start Program with a supplemental authorization for fiscal year 1990. It is a cost effective, successful preschool program that enjoys longstanding, bipartisan support.

Head Start is acknowledged across the board as a program that makes a difference in the lives of low-income children. It serves as an investment in our future so that children who are disadvantaged early in life have the opportunity to succeed in school as better students and become productive adults.

The program has demonstrated over its 24-year history that funds spent on early intervention programs result in long-term savings in the areas of remedial education, welfare, crime control, and decreased numbers of dropouts.

In making Head Start a priority program, the President has requested a $250 million increase for the Head Start Program for fiscal year 1990. This funding level exceeds the current Head Start authorization. H.R. 1300 adjusts the authorization level in the law in order to accommodate this request, provide flexibility to maintain current services and to assure that the cost of proposed regulatory changes will not result in either a decrease in services or a drop in the number of children served.

I urge my colleagues to support this bill so that the Appropriations Committee can fund this program at a level that is consistent with the President's request.

Mr. PAYNE of New Jersey. Madam Speaker, today we are here to consider H.R. 1300, a bill to authorize the Head Start Program: A program that I would consider to be the single, most important investment in America we will make in this decade.

As you may know, the guidelines for Head Start were developed by experts in pediatrics, public health, nursing, education, child psychiatry, and child development, during the summer of 1965, as part of Lydon Johnson's war on poverty. The program was created to help break the cycle that linked poverty to school failure, because a large part of the problem, some experts insisted, was due to the unresponsiveness of the educational establishment. Well, as a former educator, I can tell you that that situation has changed. Today, teachers and community leaders alike share the common goal of Head Start improvement. But they need our assistance. Because, unfortunately, 23 years after its inception, only 16 percent of the 2.5 million low income 3- to 5-year-old children are served under current Head Start Program.

Mr. Bush has made a solemn promise to improve the Head Start Program, and I am with him in that pledge. Therefore, I am pleased to be able to support a bill like H.R. 1300. Because this bill would actually increase the fiscal year 1990 authorization by $147 million to a level of $1.55 billion, thus significantly expanding the number of children now served. This increase would easily accommodate Mr. Bush's proposal of a $250 million increase over the fiscal year 1989 level of $1.2 billion, while meeting the cost of future inflation rates and certain regulatory changes. In fact, if this bill is authorized, outlays for Head Start would be increased by $66 million in 1990, $71 million in 1991 and $10 million in 1992.

So, Madam Speaker, I would urge my colleagues to unanimously support H.R. 1300, and help Congress make a down payment on America's most vital and lucrative asset, our children.

Mr. COLEMAN of Texas. Madam Speaker, due to a family emergency, I was not able to be present to record my vote in favor of the Head Start supplemental authorization. This landmark program deserves the funding level recommended by the Education and Labor Committee to fully serve the United States' growing population of low-income preschool children. Considering the relatively low cost of Head Start vis-a-vis the cost of remedial or corrective programs, I feel that this is one of the most basic investments we can make in the future of our children.

Mr. RANGEL. Madam Speaker, today nearly half a million poor children are given a head start, I am glad to say. And I am glad that the President has asked us to increase our appro-

priations for the Head Start Program by $250 million for the next fiscal year.

Yet, it is not enough. Today, only 16 percent of the children who are eligible for this program take part in it. That means that 84 percent of this country's poor children don't get a head start; and a poor child, without a head start, starts out in last place.

As we are confronted by the fact that so many of our youth are dropping out, selling drugs, ending up in jail; as we try to figure out what is going wrong, why these children are ending up in last place; we should ask ourselves "where did they start?" I think you'll find that they started where they finished: In last place.

So, today let us vote to increase the authorization for this program, let us move the next generation of poor youth closer to the starting line. But let us not stop there. Let us also commit ourselves to one day giving a head start not just to a few of the poor children of our country, but to all of them.

Let us do what we can today, but let us not forget what we must do tomorrow.

Mr. HOYER. Madam Speaker, I rise in strong support of H.R. 1300, introduced by my friend from Michigan and chairman of the Education and Labor Subcommittee on Human Resources, DALE KILDEE. I would like to commend him and the distinguished chairman of the full committee, GUS HAWKINS, for bringing this legislation to the floor.

As a member of the House Appropriations Committee Subcommittee on Labor-Health and Human Services-Education, I am a strong supporter of the Head Start Program.

Madam Speaker, as you know, the reason for this bill is that the President's budget request for Head Start calls for an appropriation which is higher than the current authorization level, in order to expand the number of children served. Currently, 80 percent of eligible low-income children are denied participation in the cost-effective Head Start preschool program due to inadequate funding. For those of us who have been calling for an increase and have spent the last 8 years fighting off administration proposed spending cuts, this is indeed welcome news.

Today, 1 in 5 children are poor. But perhaps the greatest barrier to educational achievement is poverty. Teenagers who have lived in poverty are more likely to have to repeat a grade than nonpoor teens. Poor teens are four times more likely than nonpoor teens to have below average basic academic skills. Yet, early intervention can make a difference and lay a foundation for later learning. Disadvantaged kids need a little extra before they go to school, and that is why the comprehensive services of the Head Start Program are so very important. And, not only does it work, it is cost effective. I am convinced that the larger the Head Start participation, the shorter the unemployment line will be. Every $1 invested in Head Start saves $6 in lowered costs for special education, grade retention, public assistance, and crime in later years. Children enrolled in Head Start are less likely to dropout, to become teen parents, to be dependent on public assistance, or engage in criminal activity.

Madam Speaker, as I said, Head Start provides comprehensive services to help children learn, develop, and grow as well as providing vaccinations and medical screening. The program also involves parents, which helps teach them new skills and develop greater confidence. This important program was last reauthorized in 1986 through the end of fiscal year 1990. As we approach the reauthorization of the Head Start Program, it will be important to take a comprehensive look at the program with an eye toward improvements and innovations. I look forward to working closely with my colleagues on the Education and Labor Committee on this issue.

Madam Speaker, again, I strongly support H.R. 1300 and I urge my colleagues to join me in voting for this important legislation. There are just too many children with to great of a need to do anything but.

Mr. BUECHNER. Madam Speaker, I rise today in support of the Head Start Program which will next year celebrate its silver anniversary.

In an era in which, all too frequently, we judge our programs on the basis of their rate of failure, Head Start continues to be an example of what the effective use of our public resources can mean. President Bush has said it best: "Give any kid an equal place at the starting line, and just watch what they can do." In a nutshell, Head Start helps them reach the starting line.

By providing the child care that many of our less fortunate Americans need, Head Start has come to play an integral and largely irreplaceable role. Using a wholistic approach to child care, it provides comprehensive educational, medical, nutritional, and social services to children at risk of falling behind.

Originally launched as an 8-week summer program by the Office of Economic Opportunity, since 1965 Head Start has served over 10 million children. Today more than half a million children are enrolled, and receiving some form of the preschool assistance.

If funded at the levels recommended by President Bush, 95,000 additional 4-year-olds will be able to participate in the program in 1990. For many of these children, this program will enable them to get started on the right foot in life. However, for others the skills they acquire in Head Start will mean even more. It will mean the difference between success or failure in life.

Although this may sound extreme, in fact it is not. The connection between early childhood development and success in later life is becoming better understood each day. As we continue to refine and broaden our base of knowledge, it only reinforces this contention. It is now thought that the skills acquired before 5 years of age may in fact be the most important part of an individuals life. To take this one step farther, we can assume that the success of our Nation depends on how well, and how many of our young children we can reach. Head Start has been an integral part of this effort for 24 years.

The history of our society is replete with stories of those who might have been saved, but were not. Head Start addresses these problems before they can become tragedies. Perhaps one day, Head Start's success will make it obsolete. Until that day I will continue to support it and its important mission.

Mr. DENNY SMITH. Madam Speaker, I rise in support of H.R. 1300, a bill to increase the fiscal year 1990 authorization for the Head Start Act, the largest Federal program providing early childhood education and developmental services to prekindergarten-age children.

Head Start, which last year served almost 3,000 Oregon children and families, has been universally praised for its efforts to level the playing field for low-income families and the physically handicapped. As an educational tool, the program is particularly effective in its ability to reach children at an early age and involve parents directly in their children's educational development. Currently, 20 separate grantees participate in Oregon's program, varying from private nonprofit organizations such as Eugene-based "Kids and Kin" to public entities like Portland Public Schools and Mount Hood Community College.

I am proud to register my voice among those in favor of continued authorization of the Head Start Program. Not only does the program give many kids a fair chance to pursue the American dream, but it provides America a chance to get a true head start on the international competition of the next century.

Mr. TAUKE. Madam Speaker, I have no additional requests for time, and I yield back the balance of my time.

Mr. KILDEE. Madam Speaker, I have no additional requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. SCHROEDER). The question is on the motion offered by the gentleman from Michigan [Mr. KILDEE] that the House suspend the rules and pass the bill, H.R. 1300.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

DRUG ABUSE TREATMENT TECHNICAL CORRECTIONS ACT OF 1989

Mr. WAXMAN. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1426) to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes.

The Clerk read as follows:

H.R. 1426

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Drug Abuse Treatment Technical Corrections Act of 1989".

SEC. 2. TECHNICAL CORRECTIONS WITH RESPECT TO ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH SERVICES BLOCK GRANT.

(a) FORMULA FOR ALLOTMENTS.—

(1) FACILITATING EXECUTION OF AMENDMENT.—Section 2022(a) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690) is amended by striking "Subpart I" and inserting "Subpart 1".

(2) MODIFICATION FOR DISTRICT OF COLUMBIA.—Section 1912A(a)(4) of the Public Health Service Act, as added pursuant to paragraph (1) of this subsection and section 2022 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended by striking subparagraphs (C) and (D) and inserting the following:

"(C) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term 'S' means the quotient of—

"(i) an amount equal to the most recent 3-year average of the total taxable resources of the State involved, as determined by the Secretary of the Treasury; divided by

"(ii) an amount equal to the term 'P', as determined for the State under subparagraph (B).

"(D) In the case of the several States, for purposes of the formula specified in subparagraph (A)(ii)(II), the term 'N' means the quotient of—

"(i) an amount equal to the sum of—

"(I) the sum of the respective amounts determined for each of the several States under subparagraph (C)(i); and

"(II) an amount equal to the most recent 3-year average of the total taxable resources of the District of Columbia, as determined by the Secretary of the Treasury; divided by

"(ii) an amount equal to the sum of the respective terms 'P' determined for each of the several States, and for the District of Columbia, under subparagraph (B).

"(E) In the case of the District of Columbia, for purposes of the formula specified in subparagraph (A)(ii)(II)—

"(i) the term 'S' means the quotient of—

"(I) an amount equal to the most recent 3-year average of the total personal income in such District, as determined by the Secretary of Commerce; divided by

"(II) an amount equal to the term 'P', as determined for such District under subparagraph (B); and

"(ii) the term 'N' means the quotient of—

"(I) an amount equal to the most recent 3-year average of the total personal income in the United States, as determined by the Secretary of Commerce; divided by

"(II) an amount equal to the sum of the respective terms 'P' determined for each of the several States, and for the District of Columbia, under subparagraph (B).".

(3) CLARIFICATION WITH RESPECT TO ALLOTMENTS FOR TERRITORIES.—Section 1912A(c) of the Public Health Service Act, as added pursuant to paragraph (1) of this subsection and section 2022(b) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended to read as follows:

"(c)(1) Subject to paragraph (2), the allotment under this subpart for a territory of the United States shall be the product of—

"(A) an amount equal to the amounts reserved under paragraph (3); and

"(B) a percentage equal to the quotient of—

"(i) the population of the territory, as indicated by the most recently available data; divided by

"(ii) the aggregate population of the territories of the United States, as indicated by such data.

"(2) Each territory of the United States shall receive a minimum allotment under this subpart of the greater of—

"(A) $100,000; and

"(B) an amount equal to 105 percent of the sum of—

"(i) the amount the territory received under section 1913 for fiscal year 1988 (as such section was in effect for such fiscal year); and

"(ii) the amount the territory received under part C for fiscal year 1988 (as such part was in effect for such fiscal year).

"(3) The Secretary shall reserve for the territories of the United States 1.5 percent of the amounts appropriated pursuant to section 1911 for allotments under this subpart for each fiscal year.".

(4) CERTAIN ADDITIONAL CLARIFICATIONS.—Section 1912A of the Public Health Service Act, as added and amended pursuant to paragraphs (1) through (3) of this subsection and sections 2022 and 2023 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended—

(A) in subparagraph (A) of subsection (a)(4)—

(i) in clause (i), by striking "the term" and all that follows and inserting the following: "the term 'P', as determined for the State involved under subparagraph (B); and"; and

(ii) in clause (ii)(II), by inserting "for the State" after "determined";

(B) in subparagraph (B) of subsection (a)(4), in clauses (ii) through (iv), by striking "years of age," each place such term appears and inserting "years of age (inclusive)";

(C) in subsection (b)(2)(B), by inserting before the period the following: "(as such part was in effect for such fiscal year)";

(D) in subsection (e)—

(i) in paragraph (1)(A), by striking "appropriated" and inserting "available for allotments to the States from appropriations"; and

(ii) in paragraph (2)—

(I) in subparagraph (A), by striking "for the fiscal year involved"; and

(II) in subparagraph (B), by striking "or less than"; and

(E) in subsection (f), by striking "applicable amount" each place it appears and inserting "amount applicable".

(5) REALIGNMENT OF MARGINS.—Section 1912A(a) of the Public Health Service Act, as added and amended pursuant to paragraphs (1) through (4) of this subsection and section 2022 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended—

(A) by moving paragraph (2), including the subparagraphs of such paragraph, 2 ems to the left, so that the left margin of such paragraph is indented 2 ems and the left margins of such subparagraphs are indented 4 ems;

(B) by moving paragraph (3) 2 ems to the left, so that the left margin of such paragraph is indented 2 ems; and

(C) by moving paragraph (4), including the subparagraphs, clauses, and subclauses of such paragraph, 2 ems to the left, so that—

(i) the left margin of such paragraph is indented 2 ems;

(ii) the left margins of clauses (i) and (ii) of subparagraph (A) are indented 4 ems and the left margins of subclauses (I) and (II) of such clause (ii) are indented 6 ems; and

(iii) the left margins of subparagraphs (B) through (E) are indented 2 ems, the left margins of the clauses of such subparagraphs are indented 4 ems, and the left margins of the subclauses of such clauses are indented 6 ems.

(b) CERTAIN PROVISIONS WITH RESPECT TO ALLOTMENTS.—Section 1913(a) of the Public Health Service Act, as amended by section 2022(d) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended—

(1) by redesignating subparagraphs (A) through (C) as paragraphs (1) through (3), respectively; and

(2) in the matter after and below paragraph (3) (as so redesignated), by striking "this paragraph." and inserting "this subsection.".

(c) PAYMENTS UNDER ALLOTMENTS.—

(1) CORRECTIONS OF CERTAIN REFERENCES.—Paragraph (1) of section 1914(a) of the Public Health Service Act (42 U.S.C. 300x-2(a)) is amended—

(A) by striking "section 203" and all that follows through the comma and inserting the following: "section 6503 of title 31, United States Code,";

(B) by striking "1913(b)" and inserting "1912A"; and

(C) by striking "1913(c))" and inserting "1913(b))".

(2) ESTABLISHMENT OF WAIVER WITH RESPECT TO AVAILABILITY OF PAYMENTS.—

(A) Notwithstanding paragraph (2) of section 1914(a) of the Public Health Service Act, as amended by section 2022(e) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), the Secretary of Health and Human Services, upon the request of a State, may waive, with respect to fiscal year 1989, the requirement established in such paragraph if the Secretary determines that it is not practicable for the State to comply with such requirement.

(B) If the Secretary approves a request for a waiver under subparagraph (A), amounts paid to a State for fiscal year 1989 under subpart 1 of part B of title XIX of the Public Health Service Act—

(i) shall remain available for obligation by the State until October 1, 1990; and

(ii) shall remain available for expenditure by the State until such date.

(d) PREVENTION AND TREATMENT WITH RESPECT TO INTRAVENOUS DRUG ABUSE.—Section 1915(c) of the Public Health Service Act, as amended by section 2025 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended—

(1) in paragraph (1)(C), by inserting "intravenous" before "drug"; and

(2) in paragraph (2), by striking "and" at the end of subparagraph (A) and inserting "or".

(e) NEW MENTAL HEALTH SERVICES AND PROGRAMS.—Section 1916(c)(2)(A) of the Public Health Service Act, as amended by section 2027 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended by striking "this part" and inserting "this subpart".

(f) INDEPENDENT PEER REVIEW AND MANNER OF COMPLIANCE.—

(1) FACILITATING EXECUTION OF AMENDMENT.—Section 2028 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690) is amended in the matter preceding paragraph (1) by striking "1916" and inserting "1916(c)".

(2) CORRECTION OF SENTENCE STRUCTURE.—Section 1916(c)(5) of the Public Health Service Act, as amended pursuant to paragraph (1) of this subsection and section 2028 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended by striking "the State will" and inserting "the State agrees to".

(g) INTRASTATE ALLOCATIONS.—

(1) IN GENERAL.—Section 1916(c)(6)(A) of the Public Health Service Act (42 U.S.C. 300x-4(c)(6)(A)) is amended by amending

the matter preceding clause (i) to read as follows: "Except as provided in subparagraph (B), the State agrees to use the funds allotted to it each fiscal year under section 1912A for the mental health and alcohol and drug abuse activities authorized in section 1915 as follows:".

(2) DETERMINATION OF ALLOCATION FOR MENTAL HEALTH PROGRAMS.—Clause (i) of section 1916(c)(6)(A) of the Public Health Service Act (42 U.S.C. 300x-4(c)(6)(A)) is amended—

(A) by inserting "and" after "Systems Act";

(B) by striking "State in fiscal year 1980" and inserting "State (I) in fiscal year 1980"; and

(C) by inserting before the period the following: ", (II) in fiscal year 1988 under part C of this title (as such part was in effect for such fiscal year), and (III) in fiscal year 1989 under appropriations made in the Anti-Drug Abuse Act of 1988 to carry out this subpart".

(3) DETERMINATION OF ALLOCATION FOR PROGRAMS WITH RESPECT TO TREATMENT OF SUBSTANCE ABUSE.—

(A) Clause (ii) of section 1916(c)(6)(A) of the Public Health Service Act, as amended by section 2029(1) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended to read as if the amendment made by such section 2029(1) had not been enacted.

(B) Clause (ii) of section 1916(c)(6)(A) of the Public Health Service Act, as amended by subparagraph (A), is further amended—

(i) by striking "State in fiscal year 1980" and inserting "State (I) in fiscal year 1980";

(ii) by striking "Rehabilitation Act bore to" and inserting the following: "Rehabilitation Act, (II) in fiscal year 1988 under part C of this title (as such part was in effect for such fiscal year), and (III) in fiscal year 1989 under appropriations made in the Anti-Drug Abuse Act of 1988 to carry out this subpart bore to"; and

(iii) by striking "such fiscal year under such sections" and inserting "such fiscal years under such provisions of law".

(4) CERTAIN CLARIFICATIONS.—Section 1916(c)(6)(B) of the Public Health Service Act, as amended by section 2029(2) of the Anti-Drug Abuse Act of 1988, is amended—

(A) by striking "under section 1913" and all that follows through "fiscal year 1984" and inserting the following: "under section 1912A for fiscal years beginning after 1988"; and

(B) by striking "activities prescribed" and all that follows and inserting the following: "activities authorized in section 1915 as required in subparagraph (A).".

(h) SET-ASIDE FOR SERVICES FOR INTRAVENOUS DRUG ABUSE.—

(1) TECHNICAL CORRECTION FOR FACILITATION OF ESTABLISHMENT OF WAIVER.—Section 1916(c)(7) of the Public Health Service Act, as amended by section 2030 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended to read as if the amendment made by such section 2030 had not been enacted.

(2) ESTABLISHMENT OF WAIVER.—Section 1916(c)(7) of the Public Health Service Act, as amended by paragraph (1), is further amended—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting "(A)" after the paragraph designation; and

(C) by adding at the end the following new subparagraph:

"(B)(i) For fiscal year 1990 and subsequent fiscal years, the State agrees that, of the amounts reserved by the State to carry out subparagraph (A)(ii), the State will expend not less than 50 percent to provide services described in section 1915(c).

"(ii) The Secretary may, upon the request of a State, waive all or part of the requirement established in clause (i) for the State if the Secretary determines that the incidence of intravenous drug abuse in the State does not require the level of funding required in such clause. The Secretary shall act upon a request for such a waiver not later than 120 days after the date on which the request is made. The Secretary may approve such request only after providing interested persons in the State an opportunity to comment upon the request.".

(i) MAINTENANCE OF EFFORT.—Section 1916(c)(11) of the Public Health Service Act, as amended by section 2031 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended by striking "that the State" and all that follows through "this subpart" and inserting the following: "to maintain State expenditures for alcohol, drug abuse, and community mental health services".

(j) SET-ASIDE FOR WOMEN AND CHILDREN.—Section 1916(c)(14) of the Public Health Service Act, as amended by section 2032 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended—

(1) by striking "this part" and inserting "this subpart"; and

(2) by inserting "alcohol and drug abuse" before "programs".

(k) SET-ASIDE FOR MENTAL HEALTH SERVICES FOR CHILDREN.—Section 1916(c)(15) of the Public Health Service Act, as amended by section 2033 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended by adding a period at the end of subparagraph (B).

(l) ESTABLISHMENT OF REQUIREMENT OF MENTAL HEALTH SERVICES PLANNING COUNCIL.—Section 1916(e) of the Public Health Service Act, as amended and designated by subsections (a) and (b) of section 2035 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended—

(1) in paragraph (1), by striking "The State agrees" and inserting the following: "As part of the annual application required by subsection (a), the chief executive officer of each State shall certify that the State agrees"; and

(2) in paragraph (5), by striking "section 1925" and inserting "subsection (d)".

(m) GROUP HOMES FOR RECOVERING SUBSTANCE ABUSERS.—

(1) FACILITATING EXECUTION OF AMENDMENT.—Section 2036 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690) is amended by striking "Subpart I" and inserting "Subpart 1".

(2) INAPPLICABILITY OF REQUIREMENT TO TERRITORIES OTHER THAN PUERTO RICO.—Section 1916A of the Public Health Service Act, as added pursuant to paragraph (1) of this subsection and section 2036 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended by adding at the end the following new subsection:

"(d) The requirements established in subsections (a) and (b) shall not apply to any territory of the United States other than the Commonwealth of Puerto Rico.".

(n) SERVICE RESEARCH ON COMMUNITY-BASED ALCOHOL AND DRUG ABUSE TREATMENT PROGRAMS.—

(1) CLARIFICATION IN PUBLIC HEALTH SERVICE ACT.—Section 1922 of the Public Health Service Act, as added by section 2039 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended in the second sentence by striking "programs" and inserting "evaluations".

(2) CLARIFICATION IN ANTI-DRUG ABUSE ACT OF 1988.—Section 2039(b) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690) is amended by striking "the program to be established under" and inserting "carrying out the evaluations required in".

(o) STATE COMPREHENSIVE MENTAL HEALTH SERVICE PLAN.—

(1) NULLIFICATION OF INCORRECT EXPRESSION OF CONGRESSIONAL INTENT.—Section 1925(d) of the Public Health Service Act, as amended by section 2041(a) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended to read as if the amendment made by such section 2041(a) had not been enacted.

(2) EFFECTUATION OF CONGRESSIONAL INTENT.—Section 1926(d) of the Public Health Service Act, as redesignated by section 2038 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended to read as follows:

"(d) The amount referred to in subsections (a), (b), and (c) with respect to a State is the total amount that the State is permitted to expend for administrative expenses under section 1915(d) for fiscal year 1986 from amounts paid to the State under subpart 1 for such fiscal year. If in the judgment of the Secretary the State is making a good faith effort to comply with this subpart, the Secretary may assess the State a penalty that is less than the maximum penalty, but in no event shall the penalty be less than 2 percent of the amount the State is permitted to expend for administrative expenses.".

(3) CORRECTION OF CROSS-REFERENCE IN ANTI-DRUG ABUSE ACT OF 1988.—Section 2041(b)(2)(D) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690) is amended by striking "this title." and inserting "such section 1925.".

(p) MISCELLANEOUS CORRECTIONS.—Subpart 1 of part B of title XIX of the Public Health Service Act (42 U.S.C. 300x-4) is amended—

(1) in section 1916—

(A) in subsection (a), in the first sentence, by striking "1913(b)" and inserting "1912A"; and

(B) in subsection (b), by striking "After the expiration" and all that follows through "such section unless" and inserting the following: "No funds shall be allotted to a State for a fiscal year under section 1912A unless"; and

(2) in section 1917(b)(3), in the last sentence, by striking "1913." and inserting "1912A.".

SEC. 3. TECHNICAL CORRECTIONS WITH RESPECT TO CERTAIN PROGRAMS OF ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION.

(a) OFFICE FOR SUBSTANCE ABUSE PREVENTION.—Section 508 of the Public Health Service Act, as amended by subsections (a) and (c) of section 2051 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended—

(1) in subsection (d)(1), by inserting a comma after "509F"; and

(2) in subsection (b)(11)(B), by striking "subparagraph (a)" and inserting "subparagraph (A)".

(b) REQUIREMENT OF ANNUAL COLLECTION BY SECRETARY OF CERTAIN DATA WITH RESPECT TO MENTAL ILLNESS AND SUBSTANCE ABUSE.—Section 509D(c) of the Public Health Service Act, as added by section 2052

of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended—

(1) in paragraph (1)(A), by striking "alcohol and" and inserting "alcohol or"; and

(2) in paragraph (2), by striking "this section." and inserting "this subsection.".

(c) REDUCTION OF WAITING PERIOD FOR DRUG ABUSE TREATMENT.—Section 509E(d) of the Public Health Service Act, as added by section 2053 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended to read as follows:

"(d) With respect to a public or nonprofit private entity, the Secretary may not, under subsection (a), make more than one grant to the entity.".

(d) DRUG ABUSE DEMONSTRATION PROJECTS OF NATIONAL SIGNIFICANCE.—Section 509G of the Public Health Service Act, as added by section 2055 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended—

(1) in subsection (a)(2)—

(A) by striking "subsection (a)" and inserting "paragraph (1)"; and

(B) by inserting "a" before "result"; and

(2) in subsection (b)—

(A) in paragraph (2), in the matter preceding subparagraph (A), by striking "subsection (a)" and inserting "paragraph (1)";

(B) in paragraph (3), in the matter preceding subparagraph (A), by striking "subsection (a)" and inserting "paragraph (1)";

(C) in paragraph (4)—

(i) by striking "subsection (a)" and inserting "paragraph (1)"; and

(ii) by striking "by regulation";

(D) in paragraph (5), by striking "subsection (a)" and inserting "paragraph (1)";

(E) in paragraph (6), by striking "this section" and inserting "paragraph (1)"; and

(F) in paragraph (7)—

(i) by striking "this section" the first place it appears and inserting "paragraph (1)"; and

(ii) by striking "this section" the second place it appears and inserting "such paragraph".

(e) ESTABLISHMENT OF GRANT PROGRAMS FOR RESEARCH WITH RESPECT TO MENTAL HEALTH SERVICES.—

(1) CERTAIN REDESIGNATIONS.—

(A) Subpart 3 of part B of title V of the Public Health Service Act, as added by section 2057(3) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended by redesignating sections 519 through 520A as sections 518 through 520, respectively.

(B) Section 520(a) of the Public Health Service Act, as redesignated by subparagraph (A), is amended—

(i) by redesignating paragraph (5) as paragraph (4); and

(ii) in paragraphs (2) through (4) (as so redesignated), by inserting "for" before "demonstration" each place such term appears.

(2) CORRECTION TO CERTAIN SECTION TITLE.—Section 520 of the Public Health Service Act, as redesignated by paragraph (1)(A), is amended in the title by striking "PROGRAM" and inserting "PROGRAMS".

(f) MISCELLANEOUS AMENDMENTS.—

(1) REFERENCE TO OFFICE FOR SUBSTANCE ABUSE PREVENTION.—Section 501(b)(4) of the Public Health Service Act, as added by section 2058(a)(2)(A) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended by striking "of" and inserting "for".

(2) AUTHORITY FOR ESTABLISHMENT OF PROGRAM ADVISORY COMMITTEES.—Section 501(j) of the Public Health Service Act (42 U.S.C. 290aa(j)) is amended in the first sentence—

(A) by striking "section 507" and all that follows through "groups," and inserting the following: "section 507, establish program advisory committees, and pay members of such groups and committees,"; and

(B) by striking "as members of such groups." and inserting "as members of such groups or committees.".

SEC. 4. TECHNICAL CORRECTIONS WITH RESPECT TO COMMUNITY YOUTH ACTIVITY PROGRAM.

Chapter 3 of subtitle B of title III of the Anti-Drug Abuse Act of 1988 (Public Law 100-690) is amended—

(1) in section 3521—

(A) in subsection (b)(2), by striking "subsections (c)(3)(B) and (e)" and inserting "subsection (e)"; and

(B) in subsection (c)(3)(A), in the matter preceding clause (i), by striking "subsection (h)" and inserting "subsection (g)"; and

(2) in section 3522(a), by striking "(as defined in section 3601(6))".

SEC. 5. TECHNICAL CORRECTIONS WITH RESPECT TO HEALTH OMNIBUS PROGRAMS EXTENSION OF 1988.

(a) NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE.—Section 457 of the Public Health Service Act, as amended by section 2(3)(B) of the National Institute on Deafness and Other Communication Disorders Act (Public Law 100-553), section 101(3)(B) of the Health Omnibus Programs Extension of 1988 (Public Law 100-607), and section 2613 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended by striking "disease and and" and inserting "disease and".

(b) NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS.—Section 464D(k) of the Public Health Service Act, as added and amended by section 2(4) of the National Institute on Deafness and Other Communication Disorders Act (Public Law 100-553), section 101(4) of the Health Omnibus Programs Extension of 1988 (Public Law 100-607), and section 2613 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended by striking "90 days" and all that follows and inserting "April 1, 1989.".

(c) NATIONAL CANCER INSTITUTE.—Section 413(a) of the Public Health Service Act, as amended by section 122(1)(A)(ii) of the Health Omnibus Programs Extension of 1988 (Public Law 100-607), is amended in the second sentence by striking "Institute and and" and inserting "Institute and".

(d) NATIONAL RESEARCH SERVICE AWARDS.—Section 487(d)(3) of the Public Health Service Act, as similarly amended by sections 151(2) and 635 of the Health Omnibus Programs Extension of 1988 (Public Law 100-607), is amended to read as if the amendment made by such section 635 had not been enacted.

(e) PREVENTION OF ACQUIRED IMMUNE DEFICIENCY SYNDROME.—

(1) CORRECTION IN TITLE DESIGNATION.—Title XV of the Public Health Service Act (relating to prevention of acquired immune deficiency syndrome), as inserted after title XXIV of such Act by section 221 of the Health Omnibus Programs Extension of 1988, is amended by redesignating such title XV as title XXV.

(2) CLARIFICATION WITH RESPECT TO AVAILABILITY OF APPROPRIATIONS.—Section 2507(a) of the Public Health Service Act, as added by section 221 of the Health Omnibus Programs Extension of 1988 (Public Law 100-607) and amended by section 2619(e) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended by striking "The allotment" and inserting the following: "Subject to the extent of amounts made available in appropriation Acts, the allotment".

(3) CERTAIN CROSS-REFERENCE IN CONFORMING AMENDMENTS.—Section 2620(b)(3) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended to read as follows:

"(3) in section 305(i), by striking '2511' and inserting '2611'.

(f) IMMUNOSUPPRESSIVE DRUG THERAPY BLOCK GRANT.—

(1) CONFORMING AMENDMENTS TO PUBLIC HEALTH SERVICE ACT.—Title XIX of the Public Health Service Act, as amended by section 408 of the Health Omnibus Programs Extension of 1988 (Public Law 100-607) and by section 2038(1) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended—

(A) by redesignating part D as part C; and

(B) in section 1937, by striking "The amendments" and all that follows through "Act" and inserting "This part".

(2) CONFORMING AMENDMENT TO HEALTH OMNIBUS PROGRAMS EXTENSION OF 1988.—Section 408(b)(1) of the Health Omnibus Programs Extension of 1988 (Public Law 100-607) is amended by striking "part D" and all that follows and inserting the following: "part C of title XIX of the Public Health Service Act.".

(g) SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM.—

(1) IN GENERAL.—The second sentence of section 728(a) of the Public Health Service Act, as similarly amended by sections 602(b)(1) and 707(1) of the Health Omnibus Programs Extension of 1988 (Public Law 100-607) and as further amended by section 2615(b) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended by striking "to that fiscal year" and all that follows and inserting the following: "to that fiscal year, and if in any fiscal year no ceiling has been established, any difference carried over shall constitute the ceiling for making new loans (including loans to new borrowers) and paying installments for such fiscal year.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if such amendment had been enacted on November 4, 1988.

(h) EDUCATIONAL ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.—

(1) REPEAL OF INEFFECTUAL PROVISION.—Section 2615(d) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690) is repealed.

(2) EFFECTUATION OF CONGRESSIONAL INTENT.—Section 787(a)(2)(G) of the Public Health Service Act, as added and amended by sections 611(a)(3) and 629(b) of the Health Omnibus Programs Extension of 1988 (Public Law 100-607), is amended by striking ", except schools of medicine, osteopathic medicine, or dentistry".

(i) GRANTS FOR MINORITY EDUCATION.—

(1) FACILITATING EXECUTION OF AMENDMENT.—Section 614(a) of the Health Omnibus Programs Extension of 1988 (Public Law 100-607) is amended by striking "Section 778A" and inserting "Section 788A".

(2) CORRECTION OF CERTAIN CROSS-REFERENCE.—Section 782(c)(2) of the Public Health Service Act, as added pursuant to paragraph (1) of this subsection and section 614(c) of the Health Omnibus Programs Extension of 1988 (Public Law 100-607), is amended by striking "under section 788A" and all that follows and inserting the following: "under section 788B for fiscal year 1987 (as such section was in effect for such fiscal year).".

(j) GRADUATE PROGRAMS IN HEALTH ADMINISTRATION.—Section 791(c)(2)(A)(i) of the Public Health Service Act, as amended by section 618(a)(2) of the Health Omnibus

Programs Extension of 1988 (Public Law 100-607), is amended by striking "submitted," and all that follows and inserting "submitted; and".

(k) TRAINING WITH RESPECT TO ACQUIRED IMMUNE DEFICIENCY SYNDROME.—

(1) REDESIGNATION.—Section 788B of the Public Health Service Act, as amended by section 622 of the Health Omnibus Programs Extension of 1988 (Public Law 100-607), is redesignated as section 788A.

(2) CORRECTION OF CERTAIN CROSS-REFERENCE.—Section 788A of the Public Health Service Act, as redesignated by paragraph (1) of this subsection, is amended in paragraphs (1) and (2) of subsection (f) by striking "section 788(e)(4)(B)" each place such term appears and inserting "section 789(b)(4)(B)".

(l) DEFINITION OF ALLIED HEALTH PROFESSIONAL.—

(1) REPEAL OF INEFFECTUAL PROVISION.—Section 623(b)(1) of the Health Omnibus Programs Extension of 1988 (Public Law 100-607) is repealed.

(2) EFFECTUATION OF CONGRESSIONAL INTENT.—Section 701(13) of the Public Health Service Act is amended in the matter preceding subparagraph (A) by striking "an individual—" and inserting "a health professional—".

(m) HEALTH PROFESSIONS DATA.—Section 708(h)(2) of the Public Health Service Act, as added by section 626 of the Health Omnibus Programs Extension of 1988 (Public Law 100-607) and amended by section 2615(a) of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended to read as follows:

"(2) With respect to reports required in subsection (d), each such report made on or after October 1, 1991, shall include a description and analysis of data collected pursuant to paragraph (1)."

(n) HEALTH CARE FOR RURAL AREAS.—

(1) REPEAL OF INEFFECTUAL PROVISION.—Section 637(b) of the Health Omnibus Programs Extension of 1988 (Public Law 100-607) is repealed.

(2) EFFECTUATION OF CONGRESSIONAL INTENT.—Title VII of the Public Health Service Act, as amended by section 637(a) of the Health Omnibus Programs Extension of 1988 (Public Law 100-690) and section 714 of the Indian Health Care Amendments of 1988 (Public Law 100-713), is amended to read as if the amendment made by such section 714 had not been enacted.

(3) STRIKING OF SUPERFLUOUS COMMA.—Title VII of the Public Health Service Act, as amended by paragraph (2) of this subsection and by the second subsection (g) of section 2615 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended in section 799A(f)(4) by striking the comma.

(o) REFERENCES WITH RESPECT TO OSTEOPATHIC MEDICINE.—Title VII of the Public Health Service Act, as amended by title VI of the Health Omnibus Programs Extension of 1988 (Public Law 100-607) and by section 2615 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690), is amended—

(1) by striking "school of medicine, dentistry, osteopathy" and "schools of medicine, dentistry, osteopathy" each place such terms appear and inserting "school of medicine, dentistry, osteopathic medicine" and "schools of medicine, dentistry, osteopathic medicine", respectively;

(2) by striking "Schools of medicine, osteopathy" each place such term appears and inserting "Schools of medicine, osteopathic medicine";

(3) by striking "schools of medicine and osteopathy", "schools of medicine or osteopathy", and "school of medicine or osteopathy", each place such terms appear and inserting "schools of medicine and osteopathic medicine", "schools of medicine or osteopathic medicine", and "school of medicine or osteopathic medicine", respectively;

(4) by striking "schools and graduate departments of medicine, nursing, osteopathy" each place such term appears and inserting "schools and graduate departments of medicine, nursing, osteopathic medicine";

(5) by striking "medical or osteopathic" each place such term precedes "schools" or "students" and inserting "medical (M.D. and D.O.)"; and

(6) by striking "medical and osteopathic" each place such term precedes "schools" or "students" and inserting "medical (M.D. and D.O.)".

(p) DETAIL TO DEPARTMENT OF DEFENSE OF COMMISSIONED OFFICERS OF PUBLIC HEALTH SERVICE.—Section 206(e) of the Public Health Service Act (42 U.S.C. 207(e)) is amended by striking "the office of Assistant Secretary of Defense for Health Affairs" and inserting "the Department of Defense".

(q) NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS.—Section 822(b)(3) of the Public Health Service Act, as amended by section 703(b) of the Health Omnibus Programs Extension of 1988 (Public Law 100-607), is amended by adding a period at the end.

(r) CERTAIN CROSS-REFERENCE IN PROGRAM OF LOAN REPAYMENTS FOR SERVICE IN CERTAIN HEALTH FACILITIES.—Section 836(h)(6)(C) of the Public Health Service Act, as added by section 714(c) of the Health Omnibus Programs Extension of 1988 (Public Law 100-607), is amended by striking "means an intermediate care facility" and all that follows and inserting the following: "means a skilled nursing facility, as such term is defined in section 1861(j) of the Social Security Act, and an intermediate care facility, as such term is defined in section 1905(c) of such Act.".

(s) CERTAIN CROSS-REFERENCE IN PROGRAM OF NURSING SCHOLARSHIPS.—Section 843(e)(3) of the Public Health Service Act, as added by section 715 of the Health Omnibus Programs Extension of 1988 (Public Law 100-607), is amended by striking "means an intermediate care facility" and all that follows and inserting the following: "means a skilled nursing facility, as such term is defined in section 1861(j) of the Social Security Act, and an intermediate care facility, as such term is defined in section 1905(c) of such Act.".

(t) PROVISIONS WITH RESPECT TO HOMELESS INDIVIDUALS.—

(1) NULLIFICATION OF REDUNDANT ENACTMENT OF PROVISIONS WITH RESPECT TO HEALTH SERVICES.—

(A) The provisions of law specified in subparagraph (B), as similarly amended by title VIII of the Health Omnibus Programs Extension of 1988 (Public Law 100-607) and title VI of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628), are amended to read as if the amendments made by title VI of Public Law 100-628 had not been enacted.

(B) The provisions of law referred to in subparagraph (A) are—

(i) section 612(a) of the Stewart B. McKinney Homeless Assistance Act; and

(ii) section 340 of the Public Health Service Act and title V of such Act.

(2) MENTAL HEALTH DEMONSTRATION PROGRAMS.—The first sentence of section 612(a) of the Stewart B. McKinney Homeless Assistance Act, as amended by paragraph (1) of this subsection and by section 821 of the Health Omnibus Programs Extension of 1988 (Public Law 100-607), is amended by striking "section 504(f)" and inserting "section 520".

(3) OPTIONAL PROVISION OF CERTAIN SERVICES.—Section 340(g) of the Public Health Service Act (42 U.S.C. 256(g)) is amended—

(A) by striking "providing" and all that follows and inserting the following: "providing to homeless individuals mental health services, dental services (including dentures), services with respect to vision, and podiatry services."; and

(B) in the subsection heading, by striking "MENTAL HEALTH" and inserting "CERTAIN".

The SPEAKER pro tempore. Is a second demanded?

Mr. TAUKE. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 20 minutes and the gentleman from Iowa [Mr. TAUKE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

GENERAL LEAVE

Mr. WAXMAN. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I am pleased to present to the House H.R. 1426, legislation making necessary technical and noncontroversial amendments in Energy and Commerce Committee provisions of the Anti-Drug Abuse Act of 1988—Public Law 100-690—and the Health Omnibus Programs Extension of 1988—Public Law 100-607.

In addition to correcting punctuation, grammatical errors, and statutory references, this legislation makes an important amendment to the allocation formula of the alcohol, drug abuse, and mental health services block grant [ADMS] as it affects allotments to the territories and the District of Columbia. These corrections are necessary to assure that the formula for determining allotments for the territories and the District reflect the statistical assumptions agreed to by conferees.

The legislation also eases the burden on States to obligate block grant funds in the fiscal year in which funds are received. The Anti-Drug Abuse Act was enacted in the beginning of fiscal year 1989 and allowed States little time to integrate additional treatment

funds into existing drug abuse programs. The legislation extends through fiscal year 1990 the requirement that States obligate block grant funds received in fiscal year 1989.

We have worked closely with the Department of Health and Human Services in the development of this legislation. I want to commend the chairman of the full committee, Mr. DINGELL, the ranking minority member of the full committee, Mr. LENT, and the ranking minority member of the subcommittee, Mr. MADIGAN, for their assistance in the preparation of the bill.

Madam Speaker, I urge support for the legislation.

Madam Speaker, I reserve the balance of my time.

□ 1250

Mr. TAUKE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I am pleased to speak in support of H.R. 1426, the Drug Abuse Treatment Technical Corrections Act of 1989. This bill is technical in nature, involves no Federal expenditures, and is cosponsored by both the ranking Republican member of the full committee, Mr. LENT, and the ranking Republican member of the Subcommittee on Health and the Environment, Mr. MADIGAN.

H.R. 1426 was drafted in response to a number of technical problems that the Department of Health and Human Services has raised with respect to both the omnibus drug bill and the omnibus health bill that were enacted into law last year. This legislation was drafted in cooperation with the administration and has been shared with them.

I urge my colleagues to join me in supporting this bill.

Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAXMAN. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. SCHROEDER). The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and pass the bill, H.R. 1426.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

WHISTLEBLOWER PROTECTION ACT OF 1989

Mr. SIKORSKI. Madam Speaker, I move to suspend the rules and pass the Senate bill (S. 20) to amend title 5, United States Code, to strengthen the protections available to Federal employees against prohibited personnel practices, and for the other purposes.

The Clerk read as follows:

S. 20

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Whistleblower Protection Act of 1989".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) Federal employees who make disclosures described in section 2302(b)(8) of title 5, United States Code, serve the public interest by assisting in the elimination of fraud, waste, abuse, and unnecessary Government expenditures;

(2) protecting employees who disclose Government illegality, waste, and corruption is a major step toward a more effective civil service; and

(3) in passing the Civil Service Reform Act of 1978, Congress established the Office of Special Counsel to protect whistleblowers (those individuals who make disclosures described in such section 2302(b)(8)) from reprisal.

(b) PURPOSE.—The purpose of this Act is to strengthen and improve protection for the rights of Federal employees, to prevent reprisals, and to help eliminate wrongdoing within the Government by—

(1) mandating that employees should not suffer adverse consequences as a result of prohibited personnel practices; and

(2) establishing—

(A) that the primary role of the Office of Special Counsel is to protect employees, especially whistleblowers, from prohibited personnel practices;

(B) that the Office of Special Counsel shall act in the interests of employees who seek assistance from the Office of Special Counsel; and

(C) that while disciplining those who commit prohibited personnel practices may be used as a means by which to help accomplish that goal, the protection of individuals who are the subject of prohibited personnel practices remains the paramount consideration.

SEC. 3. MERIT SYSTEMS PROTECTION BOARD; OFFICE OF SPECIAL COUNSEL; INDIVIDUAL RIGHT OF ACTION.

(a) MERIT SYSTEMS PROTECTION BOARD.—Chapter 12 of title 5, United States Code is amended—

(1) in section 1201 in the second sentence by striking out "Chairman and";

(2) in the heading for section 1202 by striking out the comma and inserting in lieu thereof a semicolon;

(3) in section 1202(b)—

(A) in the first sentence by striking out "his" and inserting in lieu thereof "the member's"; and

(B) in the second sentence by striking out "of this title";

(4) in section 1203(a) in the first sentence by striking out the comma after "time";

(5) in section 1203(c) by striking out "the Chairman and Vice Chairman" and inserting in lieu thereof "the Chairman and the Vice Chairman";

(6) by redesignating section 1204 as section 1211(b) and inserting such subsection after section 1211(a) (as added in paragraph (11) of this subsection);

(7) by redesignating section 1205 as section 1204, and amending such redesignated section—

(A) by striking out "and Special Counsel", "the Special Counsel," and "of this section" each place such terms appear;

(B) by striking out "subpena" and "subpenaed" each place such terms appear and inserting in lieu thereof "subpoena" and "subpoenaed", respectively;

(C) in subsection (a)(4) by striking out "(e)" and inserting in lieu thereof "(f)";

(D) by amending subsection (b)(2) to read as follows:

"(2) Any member of the Board, any administrative law judge appointed by the Board under section 3105, and any employee of the Board designated by the Board may, with respect to any individual—

"(A) issue subpoenas requiring the attendance and presentation of testimony of any such individual, and the production of documentary or other evidence from any place in the United States, any territory or possession of the United States, the Commonwealth of Puerto Rico, or the District of Columbia; and

"(B) order the taking of depositions from, and responses to written interrogatories by, any such individual.";

(E) in subsection (c) in the first sentence—

(i) by striking out "(b)(2) of this section," and inserting in lieu thereof "(b)(2)(A) or section 1214(b), upon application by the Board,"; and

(ii) by striking out "judicial";

(F) by redesignating subsections (d) through (k) as subsections (e) through (l), respectively, and inserting after subsection (c) the following new subsection:

"(d) A subpoena referred to in subsection (b)(2)(A) may, in the case of any individual outside the territorial jurisdiction of any court of the United States, be served in such manner as the Federal Rules of Civil Procedure prescribe for service of a subpoena in a foreign country. To the extent that the courts of the United States can assert jurisdiction over such individual, the United States District Court for the District of Columbia shall have the same jurisdiction to take any action respecting compliance under this subsection by such individual that such court would have if such individual were personally within the jurisdiction of such court.";

(G) in subsection (e) (as redesignated by subparagraph (F) of this paragraph)—

(i) in paragraph (1)—

(I) by redesignating such paragraph as subparagraph (A) of paragraph (1); and

(II) by inserting at the end thereof the following new subparagraph:

"(B)(i) The Merit Systems Protection Board may, during an investigation by the Office of Special Counsel or during the pendency of any proceeding before the Board, issue any order which may be necessary to protect a witness or other individual from harassment, except that an agency (other than the Office of Special Counsel) may not request any such order with regard to an investigation by the Office of Special Counsel from the Board during such investigation.

"(ii) An order issued under this subparagraph may be enforced in the same manner as provided for under paragraph (2) with respect to any order under subsection (a)(2).";

(ii) in paragraph (2)—

(I) by redesignating such paragraph as subparagraph (A) of paragraph (2) and striking out "of this section" in the first sentence therein; and

(II) by inserting at the end thereof the following new subparagraph (B):

"(B) The Board shall prescribe regulations under which any employee who is aggrieved by the failure of any other employee to comply with an order of the Board may petition the Board to exercise its authority under subparagraph (A)."; and

(iii) in paragraph (3) by inserting "of Personnel Management" after "Office";

(H) in subsection (f) (as redesignated by subparagraph (F) of this paragraph)—

(i) in paragraph (1) in the first sentence by inserting "of the Office of Personnel Management" after "Director", and by striking out "of this title";

(ii) in paragraph (2)—

(I) in the first sentence by inserting a comma after "subsection";

(II) in subparagraph (A) by striking out "of this title"; and

(III) in subparagraph (B) by striking out "of this title"; and

(iii) in paragraph (3)—

(I) in subparagraph (A) by striking out "(A)";

(II) by striking out subparagraph (B); and

(III) by redesignating subparagraph (C) and clauses (i) and (ii) therein as paragraph (4) and subparagraphs (A) and (B), respectively; and

(I) in subsection (j) (as redesignated by subparagraph (F) of this paragraph) in the second sentence by striking out "of this title" after "chapter 33";

(8) by striking out sections 1206 through 1208;

(9) by redesignating section 1209(a) as section 1205, and inserting before such section the following section heading:

"§ 1205. Transmittal of information to Congress";

(10) by redesignating section 1209(b) as section 1206, and inserting before such section the following section heading:

"§ 1206. Annual report";

(11) by inserting after section 1206 (as redesignated in paragraph (10) of this subsection) the following:

"SUBCHAPTER II—OFFICE OF SPECIAL COUNSEL

"§ 1211. Establishment

"(a) There is established the Office of Special Counsel, which shall be headed by the Special Counsel. The Office shall have an official seal which shall be judicially noticed. The Office shall have its principal office in the District of Columbia and shall have field offices in other appropriate locations.";

(12) by amending section 1211(b) (as redesignated and inserted by paragraph (6) of this subsection)—

(A) in the first sentence by striking out "of the Merit Systems Protection Board" and "from attorneys";

(B) by striking the second sentence and inserting in lieu thereof "The Special Counsel shall be an attorney who, by demonstrated ability, background, training, or experience, is especially qualified to carry out the functions of the position. A Special Counsel appointed to fill a vacancy occurring before the end of a term of office of the Special Counsel's predecessor serves for the remainder of the term."; and

(C) by adding at the end thereof "The Special Counsel may not hold another office or position in the Government of the United States, except as otherwise provided by law or at the direction of the President."; and

(13) inserting after section 1211 the following:

"§ 1212. Powers and functions of the Office of Special Counsel

"(a) The Office of Special Counsel shall—

"(1) in accordance with section 1214(a) and other applicable provisions of this subchapter, protect employees, former employees, and applicants for employment from prohibited personnel practices;

"(2) receive and investigate allegations of prohibited personnel practices, and, where appropriate—

"(A) bring petitions for stays, and petitions for corrective action, under section 1214; and

"(B) file a complaint or make recommendations for disciplinary action under section 1215;

"(3) receive, review, and, where appropriate, forward to the Attorney General or an agency head under section 1213, disclosures of violations of any law, rule, or regulation, or gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety;

"(4) review rules and regulations issued by the Director of the Office of Personnel Management in carrying out functions under section 1103 and, where the Special Counsel finds that any such rule or regulation would, on its face or as implemented, require the commission of a prohibited personnel practice, file a written complaint with the Board; and

"(5) investigate and, where appropriate, bring actions concerning allegations of violations of other laws within the jurisdiction of the Office of Special Counsel (as referred to in section 1216).

"(b)(1) The Special Counsel and any employee of the Office of Special Counsel designated by the Special Counsel may administer oaths, examine witnesses, take depositions, and receive evidence.

"(2) The Special Counsel may—

"(A) issue subpoenas; and

"(B) order the taking of depositions and order responses to written interrogatories;

in the same manner as provided under section 1204.

"(3)(A) In the case of contumacy or failure to obey a subpoena issued under paragraph (2)(A), the Special Counsel may apply to the Merit Systems Protection Board to enforce the subpoena in court pursuant to section 1204(c).

"(B) A subpoena under paragraph (2)(A) may, in the case of any individual outside the territorial jurisdiction of any court of the United States, be served in the manner referred to in subsection (d) of section 1204, and the United States District Court for the District of Columbia may, with respect to any such individual, compel compliance in accordance with such subsection.

"(4) Witnesses (whether appearing voluntarily or under subpoena) shall be paid the same fee and mileage allowances which are paid subpoenaed witnesses in the courts of the United States.

"(c)(1) Except as provided in paragraph (2), the Special Counsel may as a matter of right intervene or otherwise participate in any proceeding before the Merit Systems Protection Board, except that the Special Counsel shall comply with the rules of the Board.

"(2) The Special Counsel may not intervene in an action brought by an individual under section 1221, or in an appeal brought by an individual under section 7701, without the consent of such individual.

"(d)(1) The Special Counsel may appoint the legal, administrative, and support personnel necessary to perform the functions of the Special Counsel.

"(2) Any appointment made under this subsection shall be made in accordance with the provisions of this title, except that such appointment shall not be subject to the approval or supervision of the Office of Personnel Management or the Executive Office of the President (other than approval required under section 3324 or subchapter VIII of chapter 33).

"(e) The Special Counsel may prescribe such regulations as may be necessary to perform the functions of the Special Counsel. Such regulations shall be published in the Federal Register.

"(f) The Special Counsel may not issue any advisory opinion concerning any law, rule, or regulation (other than an advisory opinion concerning chapter 15 or subchapter III of chapter 73).

"(g)(1) The Special Counsel may not respond to any inquiry or provide information concerning any person making an allegation under section 1214(a), except in accordance with the provisions of section 552a of title 5, United States Code, or as required by any other applicable Federal law.

"(2) Notwithstanding the exception under paragraph (1), the Special Counsel may not respond to any inquiry concerning a matter described in subparagraph (A) or (B) of section 2302(b)(2) in connection with a person described in paragraph (1)—

"(A) unless the consent of the individual as to whom the information pertains is obtained in advance; or

"(B) except upon request of an agency which requires such information in order to make a determination concerning an individual's having access to the information unauthorized disclosure of which could be expected to cause exceptionally grave damage to the national security.

"§ 1213. Provisions relating to disclosures of violations of law, gross mismanagement, and certain other matters

"(a) This section applies with respect to—

"(1) any disclosure of information by an employee, former employee, or applicant for employment which the employee, former employee, or applicant reasonably believes evidences—

"(A) a violation of any law, rule, or regulation; or

"(B) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety;

if such disclosure is not specifically prohibited by law and if such information is not specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs; and

"(2) any disclosure by an employee, former employee, or applicant for employment to the Special Counsel or to the Inspector General of an agency or another employee designated by the head of the agency to receive such disclosures of information which the employee, former employee, or applicant reasonably believes evidences—

"(A) a violation of any law, rule, or regulation; or

"(B) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

"(b) Whenever the Special Counsel receives information of a type described in subsection (a) of this section, the Special Counsel shall review such information and,

within 15 days after receiving the information, determine whether there is a substantial likelihood that the information discloses a violation of any law, rule, or regulation, or gross mismanagement, gross waste of funds, abuse of authority, or substantial and specific danger to public health and safety.

"(c)(1) Subject to paragraph (2), if the Special Counsel makes a positive determination under subsection (b) of this section, the Special Counsel shall promptly transmit the information with respect to which the determination was made to the appropriate agency head and require that the agency head—

"(A) conduct an investigation with respect to the information and any related matters transmitted by the Special Counsel to the agency head; and

"(B) submit a written report setting forth the findings of the agency head within 60 days after the date on which the information is transmitted to the agency head or within any longer period of time agreed to in writing by the Special Counsel.

"(2) The Special Counsel may require an agency head to conduct an investigation and submit a written report under paragraph (1) only if the information was transmitted to the Special Counsel by—

"(A) an employee, former employee, or applicant for employment in the agency which the information concerns; or

"(B) an employee who obtained the information in connection with the performance of the employee's duties and responsibilities.

"(d) Any report required under subsection (c) shall be reviewed and signed by the head of the agency and shall include—

"(1) a summary of the information with respect to which the investigation was initiated;

"(2) a description of the conduct of the investigation;

"(3) a summary of any evidence obtained from the investigation;

"(4) a listing of any violation or apparent violation of any law, rule, or regulation; and

"(5) a description of any action taken or planned as a result of the investigation, such as—

"(A) changes in agency rules, regulations, or practices;

"(B) the restoration of any aggrieved employee;

"(C) disciplinary action against any employee; and

"(D) referral to the Attorney General of any evidence of a criminal violation.

"(e)(1) Any such report shall be submitted to the Special Counsel, and the Special Counsel shall transmit a copy to the complainant, except as provided under subsection (f) of this section. The complainant may submit comments to the Special Counsel on the agency report within 15 days of having received a copy of the report.

"(2) Upon receipt of any report of the head of an agency required under subsection (c) of this section, the Special Counsel shall review the report and determine whether—

"(A) the findings of the head of the agency appear reasonable; and

"(B) the report of the agency under subsection (c)(1) of this section contains the information required under subsection (d) of this section.

"(3) The Special Counsel shall transmit any agency report received pursuant to subsection (c) of this section, any comments provided by the complainant pursuant to subsection (e)(1), and any appropriate comments or recommendations by the Special Counsel to the President, the congressional committees with jurisdiction over the agency which the disclosure involves, and the Comptroller General.

"(4) Whenever the Special Counsel does not receive the report of the agency within the time prescribed in subsection (c)(2) of this section, the Special Counsel shall transmit a copy of the information which was transmitted to the agency head to the President, the congressional committees with jurisdiction over the agency which the disclosure involves, and the Comptroller General together with a statement noting the failure of the head of the agency to file the required report.

"(f) In any case in which evidence of a criminal violation obtained by an agency in an investigation under subsection (c) of this section is referred to the Attorney General—

"(1) the report shall not be transmitted to the complainant; and

"(2) the agency shall notify the Office of Personnel Management and the Office of Management and Budget of the referral.

"(g)(1) If the Special Counsel receives information of a type described in subsection (a) from an individual other than an individual described in subparagraph (A) or (B) of subsection (c)(2), the Special Counsel may transmit the information to the head of the agency which the information concerns. The head of such agency shall, within a reasonable time after the information is transmitted, inform the Special Counsel in writing of what action has been or is being taken and when such action shall be completed. The Special Counsel shall inform the individual of the report of the agency head. If the Special Counsel does not transmit the information to the head of the agency, the Special Counsel shall return any documents and other matter provided by the individual who made the disclosure.

"(2) If the Special Counsel receives information of a type described in subsection (a) from an individual described in subparagraph (A) or (B) of subsection (c)(2), but does not make a positive determination under subsection (b), the Special Counsel may transmit the information to the head of the agency which the information concerns, except that the information may not be transmitted to the head of the agency without the consent of the individual. The head of such agency shall, within a reasonable time after the information is transmitted, inform the Special Counsel in writing of what action has been or is being taken and when such action will be completed. The Special Counsel shall inform the individual of the report of the agency head.

"(3) If the Special Counsel does not transmit the information to the head of the agency under paragraph (2), the Special Counsel shall—

"(A) return any documents and other matter provided by the individual who made the disclosure; and

"(B) inform the individual of—

"(i) the reasons why the disclosure may not be further acted on under this chapter; and

"(ii) other offices available for receiving disclosures, should the individual wish to pursue the matter further.

"(h) The identity of any individual who makes a disclosure described in subsection (a) may not be disclosed by the Special Counsel without such individual's consent unless the Special Counsel determines that the disclosure of the individual's identity is necessary because of an imminent danger to public health or safety or imminent violation of any criminal law.

"(i) Except as specifically authorized under this section, the provisions of this section shall not be considered to authorize disclosure of any information by any agency or any person which is—

"(1) specifically prohibited from disclosure by any other provision of law; or

"(2) specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

"(j) With respect to any disclosure of information described in subsection (a) which involves foreign intelligence or counterintelligence information, if the disclosure is specifically prohibited by law or by Executive order, the Special Counsel shall transmit such information to the National Security Advisor, the Permanent Select Committee on Intelligence of the House of Representatives, and the Select Committee on Intelligence of the Senate.

"§ 1214. Investigation of prohibited personnel practices; corrective action

"(a)(1)(A) The Special Counsel shall receive any allegation of a prohibited personnel practice and shall investigate the allegation to the extent necessary to determine whether there are reasonable grounds to believe that a prohibited personnel practice has occurred, exists, or is to be taken.

"(B) Within 15 days after the date of receiving an allegation of a prohibited personnel practice under paragraph (1), the Special Counsel shall provide written notice to the person who made the allegation that—

"(i) the allegation has been received by the Special Counsel; and

"(ii) shall include the name of a person at the Office of Special Counsel who shall serve as a contact with the person making the allegation.

"(C) Unless an investigation is terminated under paragraph (2), the Special Counsel shall—

"(i) within 90 days after notice is provided under subparagraph (B), notify the person who made the allegation of the status of the investigation and any action taken by the Office of the Special Counsel since the filing of the allegation;

"(ii) notify such person of the status of the investigation and any action taken by the Office of the Special Counsel since the last notice, at least every 60 days after notice is given under clause (i); and

"(iii) notify such person of the status of the investigation and any action taken by the Special Counsel at such time as determined appropriate by the Special Counsel.

"(2)(A) If the Special Counsel terminates any investigation under paragraph (1), the Special Counsel shall prepare and transmit to any person on whose allegation the investigation was initiated a written statement notifying the person of—

"(i) the termination of the investigation;

"(ii) a summary of relevant facts ascertained by the Special Counsel, including the facts that support, and the facts that do not support, the allegations of such person; and

"(iii) the reasons for terminating the investigation.

"(B) A written statement under subparagraph (A) may not be admissible as evidence in any judicial or administrative proceeding, without the consent of the person who received such statement under subparagraph (A).

"(3) Except in a case in which an employee, former employee, or applicant for employment has the right to appeal directly to the Merit Systems Protection Board under any law, rule, or regulation, any such employee, former employee, or applicant shall seek corrective action from the Special Counsel before seeking corrective action from the Board. An employee, former employee, or applicant for employment may seek corrective action from the Board under section 1221, if such employee, former employee, or applicant seeks corrective action for a prohibited personnel practice described in section 2302(b)(8) from the Special Counsel and—

"(A)(i) the Special Counsel notifies such employee, former employee, or applicant that an investigation concerning such employee, former employee, or applicant has been terminated; and

"(ii) no more than 60 days have elapsed since notification was provided to such employee, former employee, or applicant for employment that such investigation was terminated; or

"(B) 120 days after seeking corrective action from the Special Counsel, such employee, former employee, or applicant has not been notified by the Special Counsel that the Special Counsel shall seek corrective action on behalf of such employee, former employee, or applicant.

"(4) If an employee, former employee, or applicant seeks a corrective action from the Board under section 1221, pursuant to the provisions of paragraph (3)(B), the Special Counsel may continue to seek corrective action personal to such employee, former employee, or applicant only with the consent of such employee, former employee, or applicant.

"(5) In addition to any authority granted under paragraph (1), the Special Counsel may, in the absence of an allegation, conduct an investigation for the purpose of determining whether there are reasonable grounds to believe that a prohibited personnel practice (or a pattern of prohibited personnel practices) has occurred, exists, or is to be taken.

"(b)(1)(A)(i) The Special Counsel may request any member of the Merit Systems Protection Board to order a stay of any personnel action for 45 days if the Special Counsel determines that there are reasonable grounds to believe that the personnel action was taken, or is to be taken, as a result of a prohibited personnel practice.

"(ii) Any member of the Board requested by the Special Counsel to order a stay under clause (i) shall order such stay unless the member determines that, under the facts and circumstances involved, such a stay would not be appropriate.

"(iii) Unless denied under clause (ii), any stay under this subparagraph shall be granted within 3 calendar days (excluding Saturdays, Sundays, and legal holidays) after the date of the request for the stay by the Special Counsel.

"(B) The Board may extend the period of any stay granted under subparagraph (A) for any period which the Board considers appropriate.

"(C) The Board shall allow any agency which is the subject of a stay to comment to the Board on any extension of stay proposed under subparagraph (B).

"(D) A stay may be terminated by the Board at any time, except that a stay may not be terminated by the Board—

"(i) on its own motion or on the motion of an agency, unless notice and opportunity for oral or written comments are first provided to the Special Counsel and the individual on whose behalf the stay was ordered; or

"(ii) on motion of the Special Counsel, unless notice and opportunity for oral or written comments are first provided to the individual on whose behalf the stay was ordered.

"(2)(A) If, in connection with any investigation, the Special Counsel determines that there are reasonable grounds to believe that a prohibited personnel practice has occurred, exists, or is to be taken which requires corrective action, the Special Counsel shall report the determination together with any findings or recommendations to the Board, the agency involved and to the Office of Personnel Management, and may report such determination, findings and recommendations to the President. The Special Counsel may include in the report recommendations for corrective action to be taken.

"(B) If, after a reasonable period of time, the agency does not act to correct the prohibited personnel practice, the Special Counsel may petition the Board for corrective action.

"(C) If the Special Counsel finds, in consultation with the individual subject to the prohibited personnel practice, that the agency has acted to correct the prohibited personnel practice, the Special Counsel shall file such finding with the Board, together with any written comments which the individual may provide.

"(3) Whenever the Special Counsel petitions the Board for corrective action, the Board shall provide an opportunity for—

"(A) oral or written comments by the Special Counsel, the agency involved, and the Office of Personnel Management; and

"(B) written comments by any individual who alleges to be the subject of the prohibited personnel practice.

"(4)(A) The Board shall order such corrective action as the Board considers appropriate, if the Board determines that the Special Counsel has demonstrated that a prohibited personnel practice, other than one described in section 2302(b)(8), has occurred, exists, or is to be taken.

"(B)(i) Subject to the provisions of clause (ii), in any case involving an alleged prohibited personnel practice as described under section 2302(b)(8), the Board shall order such corrective action as the Board considers appropriate if the Special Counsel has demonstrated that a disclosure described under section 2302(b)(8) was a contributing factor in the personnel action which was taken or is to be taken against the individual.

"(ii) Corrective action under clause (i) may not be ordered if the agency demonstrates by clear and convincing evidence that it would have taken the same personnel action in the absence of such disclosure.

"(c)(1) Judicial review of any final order or decision of the Board under this section may be obtained by any em- ployee, former employee, or applicant for employment adversely affected by such order or decision.

"(2) A petition for review under this subsection shall be filed with such court, and within such time, as provided for under section 7703(b).

"(d)(1) If, in connection with any investigation under this subchapter, the Special Counsel determines that there is reasonable cause to believe that a criminal violation has occurred, the Special Counsel shall report the determination to the Attorney General and to the head of the agency involved, and shall submit a copy of the report to the Director of the Office of Personnel Management and the Director of the Office of Management and Budget.

"(2) In any case in which the Special Counsel determines that there are reasonable grounds to believe that a prohibited personnel practice has occurred, exists, or is to be taken, the Special Counsel shall proceed with any investigation or proceeding unless—

"(A) the alleged violation has been reported to the Attorney General; and

"(B) the Attorney General is pursuing an investigation, in which case the Special Counsel, after consultation with the Attorney General, has discretion as to whether to proceed.

"(e) If, in connection with any investigation under this subchapter, the Special Counsel determines that there is reasonable cause to believe that any violation of any law, rule, or regulation has occurred other than one referred to in subsection (b) or (d), the Special Counsel shall report such violation to the head of the agency involved. The Special Counsel shall require, within 30 days after the receipt of the report by the agency, a certification by the head of the agency which states—

"(1) that the head of the agency has personally reviewed the report; and

"(2) what action has been or is to be taken, and when the action will be completed.

"(f) During any investigation initiated under this subchapter, no disciplinary action shall be taken against any employee for any alleged prohibited activity under investigation or for any related activity without the approval of the Special Counsel.

"§ 1215. Disciplinary action

"(a)(1) Except as provided in subsection (b), if the Special Counsel determines that disciplinary action should be taken against any employee for having—

"(A) committed a prohibited personnel practice,

"(B) violated the provisions of any law, rule, or regulation, or engaged in any other conduct within the jurisdiction of the Special Counsel as described in section 1216, or

"(C) knowingly and willfully refused or failed to comply with an order of the Merit Systems Protection Board,

the Special Counsel shall prepare a written complaint against the employee containing the Special Counsel's determination, together with a statement of supporting facts, and present the complaint and statement to the employee and the Board, in accordance with this subsection.

"(2) Any employee against whom a complaint has been presented to the Merit Systems Protection Board under paragraph (1) is entitled to—

"(A) a reasonable time to answer orally and in writing, and to furnish affidavits and other documentary evidence in support of the answer;

"(B) be represented by an attorney or other representative;

"(C) a hearing before the Board or an administrative law judge appointed under section 3105 and designated by the Board;

"(D) have a transcript kept of any hearing under subparagraph (C); and

"(E) a written decision and reasons therefor at the earliest practicable date, including a copy of any final order imposing disciplinary action.

"(3) A final order of the Board may impose disciplinary action consisting of removal, reduction in grade, debarment from Federal employment for a period not to exceed 5 years, suspension, reprimand, or an assessment of a civil penalty not to exceed $1,000.

"(4) There may be no administrative appeal from an order of the Board. An employee subject to a final order imposing disciplinary action under this subsection may obtain judicial review of the order by filing a petition therefor with such court, and within such time, as provided for under section 7703(b).

"(5) In the case of any State or local officer or employee under chapter 15, the Board shall consider the case in accordance with the provisions of such chapter.

"(b) In the case of an employee in a confidential, policy-making, policy-determining, or policy-advocating position appointed by the President, by and with the advice and consent of the Senate (other than an individual in the Foreign Service of the United States), the complaint and statement referred to in subsection (a)(1), together with any response of the employee, shall be presented to the President for appropriate action in lieu of being presented under subsection (a).

"(c)(1) In the case of members of the uniformed services and individuals employed by any person under contract with an agency to provide goods or services, the Special Counsel may transmit recommendations for disciplinary or other appropriate action (including the evidence on which such recommendations are based) to the head of the agency concerned.

"(2) In any case in which the Special Counsel transmits recommendations to an agency head under paragraph (1), the agency head shall, within 60 days after receiving such recommendations, transmit a report to the Special Counsel on each recommendation and the action taken, or proposed to be taken, with respect to each such recommendation.

"§ 1216. Other matters within the jurisdiction of the Office of Special Counsel

"(a) In addition to the authority otherwise provided in this chapter, the Special Counsel shall, except as provided in subsection (b), conduct an investigation of any allegation concerning—

"(1) political activity prohibited under subchapter III of chapter 73, relating to political activities by Federal employees;

"(2) political activity prohibited under chapter 15, relating to political activities by certain State and local officers and employees;

"(3) arbitrary or capricious withholding of information prohibited under section 552, except that the Special Counsel shall make no investigation of any withholding of foreign intelligence or counterintelligence information the disclosure of which is specifically prohibited by law or by Executive order;

"(4) activities prohibited by any civil service law, rule, or regulation, including any activity relating to political intrusion in personnel decisionmaking; and

"(5) involvement by any employee in any prohibited discrimination found by any court or appropriate administrative authority to have occurred in the course of any personnel action.

"(b) The Special Counsel shall make no investigation of any allegation of any prohibited activity referred to in subsection (a)(5), if the Special Counsel determines that the allegation may be resolved more appropriately under an administrative appeals procedure.

"(c)(1) If an investigation by the Special Counsel under subsection (a)(1) substantiates an allegation relating to any activity prohibited under section 7324, the Special Counsel may petition the Merit Systems Protection Board for any penalties provided for under section 7325.

"(2) If the Special Counsel receives an allegation concerning any matter under paragraph (3), (4), or (5) of subsection (a), the Special Counsel may investigate and seek corrective action under section 1214 in the same way as if a prohibited personnel practice were involved.

"§ 1217. Transmittal of information to Congress

"The Special Counsel or any employee of the Special Counsel designated by the Special Counsel, shall transmit to the Congress on the request of any committee or subcommittee thereof, by report, testimony, or otherwise, information and the Special Counsel's views on functions, responsibilities, or other matters relating to the Office. Such information shall be transmitted concurrently to the President and any other appropriate agency in the executive branch.

"§ 1218. Annual report

"The Special Counsel shall submit an annual report to the Congress on the activities of the Special Counsel, including the number, types, and disposition of allegations of prohibited personnel practices filed with it, investigations conducted by it, and actions initiated by it before the Merit Systems Protection Board, as well as a description of the recommendations and reports made by it to other agencies pursuant to this subchapter, and the actions taken by the agencies as a result of the reports or recommendations. The report required by this section shall include whatever recommendations for legislation or other action by Congress the Special Counsel may consider appropriate.

"§ 1219. Public information

"(a) The Special Counsel shall maintain and make available to the public—

"(1) a list of noncriminal matters referred to heads of agencies under subsection (c) of section 1213, together with reports from heads of agencies under subsection (c)(1)(B) of such section relating to such matters;

"(2) a list of matters referred to heads of agencies under section 1215(c)(2);

"(3) a list of matters referred to heads of agencies under subsection (e) of section 1214, together with certifications from heads of agencies under such subsection; and

"(4) reports from heads of agencies under section 1213(g)(1).

"(b) The Special Counsel shall take steps to ensure that any list or report made available to the public under this section does not contain any information the disclosure of which is prohibited by law or by Executive order requiring that information be kept secret in the interest of national defense or the conduct of foreign affairs.

"SUBCHAPTER III—INDIVIDUAL RIGHT OF ACTION IN CERTAIN REPRISAL CASES

"§ 1221. Individual right of action in certain reprisal cases

"(a) Subject to the provisions of subsection (b) of this section and subsection 1214(a)(3), an employee, former employee, or applicant for employment may, with respect to any personnel action taken, or proposed to be taken, against such employee, former employee, or applicant for employment, as a result of a prohibited personnel practice described in section 2302(b)(8), seek corrective action from the Merit Systems Protection Board.

"(b) This section may not be construed to prohibit any employee, former employee, or applicant for employment from seeking corrective action from the Merit Systems Protection Board before seeking corrective action from the Special Counsel, if such employee, former employee, or applicant for employment has the right to appeal directly to the Board under any law, rule, or regulation.

"(c)(1) Any employee, former employee, or applicant for employment seeking corrective action under subsection (a) may request that the Board order a stay of the personnel action involved.

"(2) Any stay requested under paragraph (1) shall be granted within 10 calendar days (excluding Saturdays, Sundays, and legal holidays) after the date the request is made, if the Board determines that such a stay would be appropriate.

"(3)(A) The Board shall allow any agency which would be subject to a stay under this subsection to comment to the Board on such stay request.

"(B) Except as provided in subparagraph (C), a stay granted under this subsection shall remain in effect for such period as the Board determines to be appropriate.

"(C) The Board may modify or dissolve a stay under this subsection at any time, if the Board determines that such a modification or dissolution is appropriate.

"(d)(1) At the request of an employee, former employee, or applicant for employment seeking corrective action under subsection (a), the Board may issue a subpoena for the attendance and testimony of any person or the production of documentary or other evidence from any person if the Board finds that such subpoena is necessary for the development of relevant evidence.

"(2) A subpoena under this subsection may be issued, and shall be enforced, in the same manner as applies in the case of subpoenas under section 1204.

"(e)(1) Subject to the provisions of paragraph (2), in any case involving an alleged prohibited personnel practice as described under section 2302(b)(8), the Board shall order such corrective action as the Board considers appropriate if the employee, former employee, or applicant for employment has demonstrated that a disclosure described under section 2302(b)(8) was a contributing factor in the personnel action which was taken or is to be taken against such employee, former employee, or applicant.

"(2) Corrective action under paragraph (1) may not be ordered if the agency demonstrates by clear and convincing evidence that it would have taken the same personnel action in the absence of such disclosure.

"(f)(1) A final order or decision shall be rendered by the Board as soon as practicable after the commencement of any proceeding under this section.

"(2) A decision to terminate an investigation under subchapter II may not be considered in any action or other proceeding under this section.

"(g)(1) If an employee, former employee, or applicant for employment is the prevailing party before the Merit Systems Protection Board, and the decision is based on a finding of a prohibited personnel practice, the agency involved shall be liable to the

employee, former employee, or applicant for reasonable attorney's fees and any other reasonable costs incurred.

"(2) If an employee, former emloyee, or applicant for employment is the prevailing party in an appeal from the Merit Systems Protection Board, the agency involved shall be liable to the employee, former employee, or applicant for reasonable attorney's fees and any other reasonable costs incurred, regardless of the basis of the decision.

"(h)(1) An employee, former employee, or applicant for employment adversely affected or aggrieved by a final order or decision of the Board under this section may obtain judicial review of the order or decision.

"(2) A petition for review under this subsection shall be filed with such court, and within such time, as provided for under section 7703(b).

"(i) Subsections (a) through (h) shall apply in any proceeding brought under section 7513(d) if, or to the extent that, a prohibited personnel practice as defined in section 2302(b)(8) is alleged.

"(j) In determining the appealability of any case involving an allegation made by an individual under the provisions of this chapter, neither the status of an individual under any retirement system established under a Federal statute nor any election made by such individual under any such system may be taken into account.

"§ 1222. Availability of other remedies

"Except as provided in section 1221(i), nothing in this chapter or chapter 23 shall be construed to limit any right or remedy available under a provision of statute which is outside of both this chapter and chapter 23.".

(b) CONFORMING AMENDMENTS.—The table of chapters of part II of title 5, United States Code is amended by striking the item relating to chapter 12 and inserting in lieu thereof the following:

"12. Merit Systems Protection Board, Office of Special Counsel, and Individual Right of Action ..... 1201".

(2) The heading for chapter 12 of title 5, United States Code, is amended to read as follows:

"CHAPTER 12—MERIT SYSTEMS PROTECTION BOARD, OFFICE OF SPECIAL COUNSEL, AND EMPLOYEE RIGHT OF ACTION".

(3) The table of sections for chapter 12 of title 5, United States code, is amended to read as follows:

"SUBCHAPTER I—MERIT SYSTEMS PROTECTION BOARD

"Sec. 1201. Appointment of members of the Merit Systems Protection Board.
"Sec. 1202. Term of office; filling vacancies; removal.
"Sec. 1203. Chairman; Vice Chairman.
"Sec. 1204. Powers and functions of the Merit Systems Protection Board.
"Sec. 1205. Transmittal of information to Congress.
"Sec. 1206. Annual report.

"SUBCHAPTER II—OFFICE OF SPECIAL COUNSEL".

"Sec. 1211. Establishment.
"Sec. 1212. Powers and functions of the Office of Special Counsel.
"Sec. 1213. Provisions relating to disclosures of violations of law, mismanagement, and certain other matters.
"Sec. 1214. Investigation of prohibited personnel practices; corrective action.
"Sec. 1215. Disciplinary action.
"Sec. 1216. Other matters within the jurisdiction of the Office of Special Counsel.
"Sec. 1217. Transmittal of information to Congress.
"Sec. 1218. Annual report.
"Sec. 1219. Public information.

"SUBCHAPTER III—INDIVIDUAL RIGHT OF ACTION IN CERTAIN REPRISAL CASES

"Sec. 1221. Individual right of action in certain reprisal cases.
"Sec. 1222. Availability of other remedies.".

(4) Chapter 12 of title 5, United States Code, is further amended by inserting before section 1201 the following subchapter headings:

"SUBCHAPTER I—MERIT SYSTEMS PROTECTION BOARD".

SEC. 4. REPRISALS.

(a) AMENDMENTS TO SECTION 2302(b)(8).—Section 2302 (b)(8) of title 5, United States Code, is amended—

(1) by inserting ", or threaten to take or fail to take," after "take or fail to take";

(2) by striking out "as a reprisal for" and inserting in lieu thereof "because of";

(3) in subparagraph (A) by striking out "a disclosure" and inserting in lieu thereof "any disclosure";

(4) in subparagraph (A)(ii) by inserting "gross" before "mismanagement";

(5) in subparagraph (B) by striking out "a disclosure" and inserting in lieu thereof "any disclosure"; and

(6) in subparagraph (B)(ii) by inserting "gross" before "mismanagement".

(b) AMENDMENT TO SECTION 2302(b)(9).—Section 2302(b)(9) of title 5, United States Code, is amended to read as follows:

"(9) take or fail to take, or threaten to take or fail to take, any personnel action against any employee or applicant for employment because of—

"(A) the exercise of any appeal, complaint, or grievance right granted by any law, rule, or regulation;

"(B) testifying for or otherwise lawfully assisting any individual in the exercise of any right referred to in subparagraph (A);

"(C) cooperating with or disclosing information to the Inspector General of an agency, or the Special Counsel, in accordance with applicable provisions of law; or

"(D) for refusing to obey an order that would require the individual to violate a law;".

SEC. 5. PREFERENCE IN TRANSFERS FOR WHISTLEBLOWERS.

(a) IN GENERAL.—Subchapter IV of chapter 33 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 3352. Preference in transfers for employees making certain disclosures

"(a) Subject to the provisions of subsections (d) and (e), in filling a position within any Executive agency, the head of such agency may give preference to any employee of such agency, or any other Executive agency, to transfer to a position of the same status and tenure as the position of such employee on the date of applying for a transfer under subsection (b) if—

"(1) such employee is otherwise qualified for such position;

"(2) such employee is eligible for appointment to such position; and

"(3) the Merit Systems Protection Board makes a determination under the provisions of chapter 12 that a prohibited personnel action described under section 2302(b)(8) was taken against such employee.

"(b) An employee who meets the conditions described under subsection (a)(1), (2), and (3) may voluntarily apply for a transfer to a position, as described in subsection (a), within the Executive agency employing such employee or any other Executive agency.

"(c) If an employee applies for a transfer under the provisions of subsection (b) and the selecting official rejects such application, the selecting official shall provide the employee with a written notification of the reasons for the rejection within 30 days after receiving such application.

"(d) An employee whose application for transfer is rejected under the provisions of subsection (c) may request the head of such agency to review the rejection. Such request for review shall be submitted to the head of the agency within 30 days after the employee receives notification under subsection (c). Within 30 days after receiving a request for review, the head of the agency shall complete the review and provide a written statement of findings to the employee and the Merit Systems Protection Board.

"(e) The provisions of subsection (a) shall apply with regard to any employee—

"(1) for no more than 1 transfer;

"(2) for a transfer from or within the agency such employee is employed at the time of a determination by the Merit Systems Protection Board that a prohibited personnel action as described under section 2302(b)(8) was taken against such employee; and

"(3) no later than 18 months after such a determination is made by the Merit Systems Protection Board.

"(f) Notwithstanding the provisions of subsection (a), no preference may be given to any employee applying for a transfer under subsection (b), with respect to a preference eligible (as defined under section 2108(3)) applying for the same position.".

(b) TECHNICAL AMENDMENT.—The table of sections for chapter 33 of title 5, United States Code, is amended by inserting after the item relating to section 3351 the following:

"3352. Preference in transfers for employees making certain disclosures.".

SEC. 6. INTERIM RELIEF.

Section 7701 of title 5, United States Code, is amended—

(1) by redesignating subsection (b) as paragraph (1) of subsection (b); and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) If an employee or applicant for employment is the prevailing party in an appeal under this subsection, the employee or applicant shall be granted the relief provided in the decision effective upon the making of the decision, and remaining in effect pending the outcome of any petition for review under subsection (e), unless—

"(i) the deciding official determines that the granting of such relief is not appropriate; or

"(ii)(I) the relief granted in the decision provides that such employee or applicant shall return or be present at the place of employment during the period pending the outcome of any petition for review under subsection (e); and

"(II) the employing agency, subject to the provisions of subparagraph (B), determines

that the return or presence of such employee or applicant is unduly disruptive to the work environment.

"(B) If an agency makes a determination under subparagraph (A)(ii)(II) that prevents the return or presence of an employee at the place of employment, such employee shall receive pay, compensation, and all other benefits as terms and conditions of employment during the period pending the outcome of any petition for review under subsection (e).

"(C) Nothing in the provisions of this paragraph may be construed to require any award of back pay or attorney fees be paid before the decision is final.".

SEC. 7. SAVINGS PROVISIONS.

(a) ORDERS, RULES, AND REGULATIONS.—All orders, rules, and regulations issued by the Merit Systems Protection Board or the Special Counsel before the effective date of this Act shall continue in effect, according to their terms, until modified, terminated, superseded, or repealed.

(b) ADMINISTRATIVE PROCEEDINGS.—No provision of this Act shall affect any administrative proceeding pending at the time such provisions take effect. Orders shall be issued in such proceedings, and appeals shall be taken therefrom, as if this Act had not been enacted.

(c) SUITS AND OTHER PROCEEDINGS.—No suit, action, or other proceeding lawfully commenced by or against the members of the Merit Systems Protection Board, the Special Counsel, or officers or employees thereof, in their official capacity or in relation to the discharge of their official duties, as in effect immediately before the effective date of this Act, shall abate by reason of the enactment of this Act. Determinations with respect to any such suit, action, or other proceeding shall be made as if this Act had not been enacted.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS; RESTRICTION RELATING TO APPROPRIATIONS UNDER THE CIVIL SERVICE REFORM ACT OF 1978; TRANSFER OF FUNDS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated—

(1) for each of fiscal years 1989, 1990, 1991, 1992, 1993, and 1994, such sums as necessary to carry out subchapter I of chapter 12 of title 5, United States Code (as amended by this Act); and

(2) for each of fiscal years 1989, 1990, 1991, and 1992, such sums as necessary to carry out subchapter II of chapter 12 of title 5, United States Code (as amended by this Act).

(b) RESTRICTION RELATING TO APPROPRIATIONS UNDER THE CIVIL SERVICE REFORM ACT OF 1978.—No funds may be appropriated to the Merit Systems Protection Board or the Office of Special Counsel pursuant to section 903 of the Civil Service Reform Act of 1978 (5 U.S.C. 5509 note).

(c) TRANSFER OF FUNDS.—The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available to the Special Counsel of the Merit Systems Protection Board are, subject to section 1531 of title 31, United States Code, transferred to the Special Counsel referred to in section 1211 of title 5, United States Code (as added by section 3(a) of this Act), for appropriate allocation.

SEC. 9. TECHNICAL AND CONFORMING AMENDMENTS.

(a)(1) Section 2303(c) of title 5, United States Code, is amended by striking "the provisions of section 1206" and inserting "applicable provisions of sections 1214 and 1221".

(2) Sections 7502, 7512(E), 7521(b)(C), and 7542 of title 5, United States Code, are amended by striking "1206" and inserting "1215".

(3) Section 1109(a) of the Foreign Service Act of 1980 (22 U.S.C. 4139(a)) is amended by striking "1206" and inserting "1214 or 1221".

(b) Section 3393(g) of title 5, United States Code, is amended by striking "1207" and inserting "1215".

SEC. 10. BOARD RESPONDENT.

Section 7703(a)(2) of title 5, United States Code, is amended to read as follows:

"(2) The Board shall be named respondent in any proceeding brought pursuant to this subsection, unless the employee or applicant for employment seeks review of a final order or decision on the merits on the underlying personnel action or on a request for attorney fees, in which case the agency responsible for taking the personnel action shall be the respondent.".

SEC. 11. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect 90 days following the date of enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. HORTON. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There is no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. SIKORSKI] will be recognized for 20 minutes and the gentleman from New York [Mr. HORTON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. SIKORSKI].

GENERAL LEAVE

Mr. SIKORSKI. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 20, the Senate bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SIKORSKI. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, consideration of S. 20, as amended by the Senate, marks the final stretch of a long and winding road in our efforts to reestablish protections for Federal employees who blow the whistle on Government waste, fraud, and abuse. With the enactment of this landmark legislation, employees can confidently carry out their responsibilities without fear of retribution, of ruined careers, lost jobs, and destroyed families, hopes and dreams.

The Whistleblower Protection Act of 1989 establishes the Office of Special Counsel as a separate, distinct, and independent entity. And in doing so, it clearly establishes the limits of the OSC's duties and responsibilities. The Office of Special Counsel's powers are confined within boundaries which mandate that the OSC: "Protect employees, especially whistleblowers, from prohibited personnel practices," and "act in the interests of employees who seek assistance from the Office."

The measure before us is even better than the one vetoed by President Reagan. It puts substantive law behind the notion that it is clearly inappropriate and absolutely contrary for the special counsel to act against the interests of whistleblowers. Set up as the employee's watchdog, it's been used as a pit bull for those hiding waste and fraud. Until whistleblowers are confident that the Office of Special Counsel is on their side, that office will not be an effective advocate for their cause.

In an effort to complete a rather exhaustive legislative history leading up to enactment of the act, I am entering into the RECORD at this point a short explanatory statement which has the approval and concurrence of the bill's chief sponsors, Congresswoman SCHROEDER and Congressman HORTON:

EXPLANATORY STATEMENT ON SENATE AMENDMENT—S. 20

This explanatory statement discusses the Senate amendment to S. 20, "Whistleblower Protection Act of 1989", as adopted on March 16, 1989, prior to final Senate passage of the measure. This statement is intended to be read in conjunction with the Joint Explanatory Statement which was inserted in last October's debate and which we are reprinting today and supplements the extensive legislative history of this measure (including House Report 100-274 and Senate Report 100-413, as well as an October 5, 1988, letter from Representative Schroeder to Senator Levin appearing in the Congressional Record of October 19, 1988).

Special Counsel intervention in adverse action and independent right of action cases (item #3).

The Senate Amendment significantly limits the Special Counsel's authority. Whereas the bill passed last year would have allowed the Office of Special Counsel to intervene in certain actions and appeals as a matter of right, the compromise prohibits the office from intervening against a whistleblower before the Merit Systems Protection Board (MSPB), without first obtaining consent of the whistleblower. The inclusion of the provision represents a clear narrowing of the Special Counsel's authority and is intended to absolutely prohibit the Special Counsel from taking any action to vindicate other interests at the expense of the whistleblower.

Due to constitutional concerns raised by the Attorney General, it was decided to strike the Special Counsel's independent authority to appeal an MSPB decision in court. The Special Counsel's authority to enforce subpoenas has also been limited. The compromise provides that the Special

Counsel must apply to the MSPB to enforce the subpoena in court.

In addition, the compromise makes it easier for individuals to appeal their own cases by mandating the award of attorneys' fees where the individual is successful.

Once again, it should be emphasized that the Special Counsel may not intervene or act to the detriment of the employees who seek help and protection.

Protection of identity of individuals making whistleblowing disclosures to Special Counsel (item #5).

Section 1213(h) describes the Special Counsel's responsibilities to guard against disclosures of a whistleblower's identity. The bill vetoed by President Reagan provided for two exceptions where the Special Counsel was permitted to disclose a whistleblower's identity; "where the Special Counsel determines (1) that the disclosure of the individual's identity is necessary in order to carry out the functions of the Special Counsel; or (2) that the disclosure of the individual's identity is necessary because of an imminent danger to public health or safety or imminent violation of any criminal law."

The Senate amendment deletes the first exception. The deleted provision, if retained, could seriously undermine efforts to encourage whistleblowers to come forward with disclosures. It is unrealistic to expect whistleblowers to help in the struggle against waste if they risk the exposure of their names and possible retaliation.

This provision was inserted last year only as a part of a compromise with the prior Administration. The current Administration has agreed to delete it in this new compromise.

Under the amendment the Special Counsel would be permitted to disclose the name of a whistleblower only where necessary to prevent an imminent danger to public health or safety or an imminent violation of law. This amendment will help assure whistleblowers that the Special Counsel will be on their side in the future and that information they give to the Special Counsel in confidence will not later be used against them.

Exhaustion requirement prior to filing individual right of action (item #6).

In the Joint Explanatory Statement submitted during final consideration of S. 508 in the last Congress, a typographical error appeared in this item. The section referenced as "1413(a)(3)" is incorrect. The correct reference for the section being discussed is "1213(a)(3)".

Burden of proof (item #7).

As introduced, S. 20 required an individual to prove that the whistleblowing was a "factor" in the personnel action taken. The Senate amendment clarifies that in order to prove retaliation a whistleblower must show that the protected disclosure was a "contributing factor" in the personnel action. This is not meant to change or heighten, in any way, the standard in S. 20, which is that the disclosure must be "a factor" in the action. The word "contributing" is only intended to clarify that the factor must contribute in some way to the action against the whistleblower.

To the drafters of last year's bill, the original statutory language concerning the burden of proof was clear. There is no doubt that a "factor" is something that "contributes" to an action. In fact, "Webster's Third New World International Dictionary" defines "factor" as "something that contributes to the production of a result."

The words "a contributing factor", like the words "a factor", mean any factor which, alone or in connection with other factors, tends to affect in any way the outcome of the decision. This test is specifically intended to overrule existing case law, which requires a whistleblower to prove that his protected conduct was a "significant", "motivating", "substantial", or "predominant" factor in a personnel action in order to overturn that action.

In a letter from Attorney General Richard Thornburgh to Seantor Carl Levin dated March 3, 1989 expressing support for the compromise, the Attorney General states:

"We have agreed to clarify the word "factor" by adding the word "contributing" in two places in which the Mt. Healthy test appears in the bill. A "contributing factor" need not be "substantial." The individual's burden is to prove that the whistleblowing contributed in some way to the agency's decision to take the personnel action."

By reducing the excessively heavy burden imposed on the employee under current case law, the legislation will send a strong, clear signal to whistleblowers that Congress intends that they be protected from any retaliation related to their whistleblowing and an equally clear message to those who would discourage whistleblowers from coming forward that reprisals of any kind will not be tolerated. Whistleblowing should never be a factor that contributes in any way to an adverse personnel action.

At the same time, however, this new test will not shield employees who engage in wrongful conduct merely because they have at some point "blown the whistle" on some kind of purported misconduct. In such cases the agency will, of course, be provided with an opportunity to demonstrate that the employee's whistleblowing was not a contributing factor in the personnel action.

If an employee shows by a preponderance of the evidence that whistleblowing was a contributing factor in a personnel action, the agency action may be upheld only if the agency can demonstrate, by clear and convincing evidence, that it would have taken the same action in the absence of the whistleblowing. This is the standard in last year's bill and it is unchanged by the Senate amendment.

"Clear and convincing evidence" is a high burden of proof for the Government to bear. It is intended as such for two reasons. First, this burden of proof comes into play only if the employee has established by a preponderance of the evidence that the whistleblowing was a contributing factor in the action—in other words, that the agency action was "tainted". Second, this heightened burden of proof required of the agency also recognizes that when it comes to proving the basis for an agency's decision, the agency controls most of the cards—the drafting of the documents supporting the decision, the testimony of witnesses who participated in the decision, and the records that could document whether similar personnel actions have been taken in other cases. In these circumstances, it is entirely appropriate that the agency bear a heavy burden to justify its actions.

Transmittal of information to Congress (not discussed in last year's joint statement).

S. 20, as introduced, permits the Special Counsel to submit views and recommendations directly to the Congress without going through the normal Executive Branch clearance process. The Senate amendment leaves the substance of that provision unchanged, but clarifies that the Special Counsel is required to submit such information to the President or other appropriate Executive Branch agencies at the same time it is submitted to Congress. This provision is not intended to override other provisions of the bill limiting the types of information the Special Counsel may disclose about particular cases.

Attorneys fees (item #12).

As noted in the discussion of modifications to item 3, the Senate amendment expands the attorney's fees provision of the bill by ensuring that individuals who successfully appeal their own case collect attorneys' fees and other reasonable costs incurred, regardless of the basis of the decision. The amendment is intended to make the appellate process a more realistic option.

The explanatory statement is confined to a discussion of the modifications made by the Senate amendment adopted on March 16, 1989. This explanatory statement should be read in conjunction with the joint explanatory statement which appeared in the CONGRESSIONAL RECORD of October 3, 1988, during floor consideration of S. 508—when it passed the House. The modifications discussed in this explanatory statement reference the item numbers in last year's joint explanatory statement.

I further include for the RECORD Attorney General Richard Thornburgh's letter to Senator CARL LEVIN, dated March 3, 1989, which confirms the administration's support of the Senate amendment, together with the joint explanatory statement issued upon final passage of S. 508 in the last Congress, and an October 5, 1988, letter from Congresswoman SCHROEDER to Senator LEVIN to appear in the RECORD immediately following my remarks.

Before yielding time to my colleagues, I would like to take a few minutes to congratulate and thank PAT SCHROEDER and FRANK HORTON for their dedication to this issue over the last 3 years. The Federal workers you have helped by ensuring the passage of this legislation owe you their thanks as well. Despite the upset of last year's veto, you both came back stronger then ever and negotiated a better bill. Through bipartisan support we've now got a measure that makes good sense. I am very pleased that this body can reach beyond differences and show its support of those Federal workers who risk so much to stand up and speak out for taxpayers.

I also want to commend my colleagues in the other body, particularly Senators LEVIN, GRASSLEY, and PRYOR, for acting on this legislation quickly and decisively.

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, March 3, 1989.

Hon. CARL LEVIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR LEVIN: This letter will confirm our agreement regarding revisions in S. 20, the Whistleblower Protection Act of 1989. We are persuaded that the bill as re-

vised by your proposed amendment will enhance the protections for individuals who report waste, fraud, and abuse while maintaining important safeguards in the federal personnel system. Moreover, I want to thank you for your efforts in working with us to forge a mutually acceptable resolution of our serious constitutional concerns as well as our objections to the Mt. Healthy test, as originally drafted.

We have agreed to clarify the word "factor" by adding the word "contributing" in the two places in which the Mt. Healthy test appears in the bill. A "contributing factor" need not be "substantial." The individual's burden is to prove that the whistleblowing contributed in some way to the agency's decision to take the personnel action.

Again, we appreciate your willingness to work with us to craft a product representing the good faith efforts of both sides. On behalf of the Administration, I pledge our cooperation to discourage any amendments, in either body of Congress, that might in any way interfere with this agreement. None of the changes to which we have agreed detracts in any way from Congress' intent to strengthen whistleblower protections.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DICK THORNBURGH,
Attorney General.

JOINT EXPLANATORY STATEMENT ON S. 508

INTRODUCTION

The Senate, on August 8, 1988, passed S. 508, the Whistleblower Protection Act (See S. Rpt. 100-413). One year earlier, on August 5, 1987, the House Committee on Post Office and Civil Service reported H.R. 25 (See H. Rpt. 100-274). From the time that the House Committee reported the legislation until now, negotiations took place to reach a version of H.R. 25 which would be acceptable to the Administration. Those negotiations culminated in a draft dated September 22, 1988. Due to the imminent end of the 100th Congress, House sponsors of the legislation decided to negotiate differences between S. 508, as passed, and the September 22 draft of H.R. 25 and then bring the product of those negotiations to the House on October 3, 1988.

This joint explanatory statement explains new provisions of the version being considered. Provisions not discussed in this document are fully discussed in the Senate report, the House report, or both.

1. PURPOSE

Section 2(b) of the bill lays out the purpose of the bill. Simply stated, the bill seeks to redress two types of impediments which have made it unduly difficult for whistleblowers and other victims of prohibited personnel practices to win redress. One category of impediments has been a series of Merit Systems Protection Board and federal court decisions. specific provisions of the bill modify or overturn inappropriate administrative or judicial decisions.

The second category of impediments stem from the Special Counsel's view of its role. The clear intent of the Civil Service Reform Act of 1978 (P.L. 94-454) was that the Special Counsel should protect and defend the rights of employees who were the victims of prohibited personnel practices. Nevertheless, the Office of Special Counsel determined that its role was to protect the merit system. And, as the General Accounting Office pointed out in its 1985 report on the operations of the Office of Special Counsel (GAO/GGD-85-53), the law could be read to support the Special Counsel's view.

The two divergent views of the role of the Office of Special Counsel—protection of the victims of prohibited personnel practices and protection of the merit system—do not conflict in most cases. However, the Special Counsel's view of the role of the office can and has led to the Special Counsel acting to the detriment of employees. The purpose set out in section 2, and a number of operative provisions throughout the bill, are intended to foreclose the possibility of the Special Counsel acting to the detriment of an employee who comes to the Special Counsel for help.

There should be no doubt about legislative intent in passing this bill. Individuals should be able to go to the Special Counsel to make a disclosure under section 1213, to complain about a prohibited personnel practice under section 1214, or to allege a violation of another law within the jurisdiction of the Special Counsel under section 1216, without any fear that the information they provide or the investigation they set off being used against them. Simply put, the Special Counsel must never act to the detriment of employees who seek the help of the Special Counsel. Unless employees have the assurance that the Office of Special Counsel is a safe haven, the Office can never be effective in protecting victims of prohibited personnel practices.

Language in the Senate passed bill saying that the Special Counsel may not act contrary to to interests of employees was deleted as unnecessary.

2. ANTI-HARASSMENT AUTHORITY OF BOARD

Section 1204(e)(1)(B) authorizes the Merit Systems Protection Board to grant protective orders to protect a witness or other individual from harassment either during a proceeding before the Board or during a Special Counsel investigation. Such an order may be granted after a request from the Special Counsel or any other person, whether or not a party to the case, or on the Board's own motion.

3. SPECIAL COUNSEL INTERVENTION IN ADVERSE ACTION AND INDEPENDENT RIGHT OF ACTION CASES

Section 1212(d) provides the rules for the Special Counsel to intervene in proceedings before the Merit Systems Protection Board. Where the proceeding is an appeal from an adverse action or an independent right of action, the general rule is that the Special Counsel may not intervene without the consent of the individual bringing the action. Two exceptions are provided. One (1212(d)(2)(B)(ii)) concerns cases in which the Special Counsel has granted a waiver to an agency to procede with disciplinary action notwithstanding the pendency of a Special Counsel investigation.

The other exception (1212(d)(2)(B)(i)) provides that the Special Counsel may intervene where the individual has been charged by the agency with conduct constituting a prohibited personnel practice and Special Counsel has reasonable grounds to believe that such prohibited personnel practice has occurred, exists, or is to be taken. The Special Counsel would only have such reasonable grounds in two cases: One, where through its independent investigation, the Special Counsel has uncovered probative evidence concerning the employee's alleged prohibited personnel practice, and two, where there is a legal argument which the Special Counsel believes must be made to protect its own jurisdiction. Under no other circumstances is intervention, without the consent of the individual bringing the action, permitted.

It should be noted that the Special Counsel can intervene to argue that the conduct alleged by the agency constitutes a prohibited personnel practice other than the one alleged by the agency. It is not permissible, however, for the Special Counsel to intervene and assert a prohibited personnel practice based on different conduct from the conduct which serves as the basis of the agency's action.

Moreover, under no circumstances may the Special Counsel engage in ex parte contacts with the agency or supply information to agency management which would serve as the basis for agency action against an employee. Once again, the Special Counsel should not act to the detriment of employees.

4. SPECIAL COUNSEL RELEASE OF INFORMATION ABOUT INVESTIGATIONS

Section 1212(h) governs the Special Counsel's response to inquiries and provision of information concerning individuals who come to the Special Counsel for help. Again, the policy behind this provision is that employees should be able to go to the Special Counsel without fear of information being used against them. Section 1212(h)(1) provides that disclosures can only be made under the provisions of the Privacy Act. The language "as required by any other applicable Federal law" does not refer to any existing law. It is inserted in case some future statute specifically requires Special Counsel to provide information otherwise protected by this section.

Section 1212(h)(2) states that, regardless of what the Privacy Act or some future enactment may provide, the Special Counsel can only release information concerning an employee's work performance, ability, aptitude, general qualifications, character, loyalty, or suitability under two one of two circumstances. First, the information can be released with the advance written consent of the individual to whom the information pertains. Second, the information can be released to a federal agency when that agency is conducting a background check to clear an employee for access to Top Secret information, Sensitive Compartmented Information (SCI), or Q restricted data relating to atomic energy. The Special Counsel may not provide any information for a suitability check, a preemployment screening, or a background investigation for a clearance to Secret, Confidential or R restricted data.

It is assumed that agencies conducting security clearance background checks will not begin asking the Special Counsel for any and all information it possesses on any individual who is being investigated for a high level clearance. Rather, inquiries will only be made when the investigators are following a lead otherwise uncovered which takes them to the Office of Special Counsel.

5. PROTECTION OF IDENTITY OF INDIVIDUALS MAKING WHISTLEBLOWING DISCLOSURES TO SPECIAL COUNSEL

Section 1213(h)(2) provides that the Special Counsel may disclose the identity of an individual who discloses information to the Special Counsel only where "necessary because of an imminent danger to public health or safety or imminent violation of any criminal law." Again, the overriding

purpose of the bill is that individuals who seek the assistance of the Special Counsel should not be subject to harm because of doing so. This narrow exception recognizes the counterveiling public interest in protecting health and safety. The exception is quite narrow: it might be used, for example, where the Special Counsel learns that the individual making the disclosure plans to take violent action against a supervisor.

6. EXHAUSTION REQUIREMENT PRIOR TO FILING INDIVIDUAL RIGHT OF ACTION

Section 1413(a)(3) provides that employees, former employees, and applicants for employees must first seek the assistance of the Office of Special Counsel before bringing an individual right of action. If the Special Counsel notifies the individual that the investigation has been terminated, the individual has 60 days in which to file an independent right of action. If the individual receives no notice of termination within 120 days of filing the complaint, he or she may file the individual right of action at any time after the 120 day period has elapsed.

7. BURDEN OF PROOF

The bill makes it easier for an individual (or the Special Counsel on the individual's behalf) to prove that a whistleblower reprisal has taken place. To establish a prima facie case, an individual must prove that the whistleblowing was a factor in the personnel action. This superseded the existing requirement that the whistleblowing was a significant or predominant factor in the retaliation.

One of many possible ways to show that the whistleblowing was a factor in the personnel action is to show that the official taking the action knew (or had constructive knowledge) of the disclosure and acted within such a period of time that a reasonable person could conclude that the disclosure was a factor in the personnel action.

The bill establishes an affirmative defense for an agency. Once the prima facie case has been established, corrective action would not be ordered if the agency demonstrates by clear and convincing evidence that it would have taken the same personnel action in the absence of the disclosure. Clear and convincing evidence is a higher standard of proof than preponderance of the evidence.

8. OTHER RESPONSIBILITIES OF SPECIAL COUNSEL

Section 1216 clarifies the existing ancillary responsibilities of the Special Counsel. An unduly broad reading of this section would permit the Special Counsel to treat all violations of civil service laws, rules, or regulations as if they were prohibited personnel practices. Obviously, that is not the intent. The authority of the Special Counsel to investigate allegations under 1216(a)(4) is meant to cover major abuses of the civil service processes, such as political intrusion in personnel decisionmaking. The Special Counsel would be expected to investigate allegations of the type of civil service scandal which occurred in the early 1970's under this authority. This section is not intended as plenary authority or as a writ appointing the Special Counsel policeman of the merit system. Moreover, the Special Counsel should not use this authority to seek discipline against an individual who comes to the Special Counsel for assistance.

9. SPECIAL COUNSEL PUBLIC INFORMATION

The bill establishes a new section of law (section 1219) which sets out the requirements on the Office of Special Counsel to maintain and make available to the public certain information. The Special Counsel should place in the public files the comments of the individual who discloses information under section 1213 on the agency report unless the individual does not consent to the public availability of such comments.

10. STANDARDS FOR STAYS IN INDIVIDUAL RIGHT OF ACTION

Section 1221(c) establishes the standards for stays and their dissolution in individual right of action cases. The bill provides that the Board shall determine whether the stay is appropriate, shall set the duration of the stay, as appropriate, and shall dissolve or modify the stay if appropriate. In making these determinations of appropriateness, the Board shall primarily consider whether there is a substantial likelihood that the individual will prevail on the merits and whether the stay would result in extreme hardship to the agency subject to the stay.

11. TIME LIMIT FOR MSPB DECISIONS IN INDIVIDUAL RIGHT OF ACTION CASES

Section 1221(f)(1) provides that the Board shall issue a decision on an individual right of action as soon as practicable. While prompt decisions are strongly encouraged, and, it should be noted, the Board has done a commendable job in meeting time limits in adverse action cases, such prompt decisions should not come at the expense of full discovery. No litigant, whether in an individual right of action or in an appeal from an adverse action, should be deprived of the right to find the information needed to prove his or her case in order to stay within time limits set for case management purposes.

12. ATTORNEYS FEES

Section 1221(g) provides for the payment of reasonable attorneys fees in all types of proceedings before the MSPB or the courts where the employee, former employee, or applicant for employment prevails and the decision is based on the finding of a prohibited personnel practice. This provision is not limited to independent right of action cases.

MSPB and the courts have established substantial case law on what constitutes reasonable attorneys fees. The additional phrase "and any other reasonable costs incurred" is meant to include costs directly related to the litigation, such as photocopying, long distance telephone calls, and production of evidence, but is not meant to include other extraneous costs such as job retraining.

13. ELECTION OF REMEDIES

The House version of the legislation contained a provision requiring an election of remedies between an appeal from an adverse action and an individual right of action. This provision was deleted because of concern that a jurisdictional loss in an adverse action appeal could bar an individual pursuing an individual right of action. Nevertheless, it is not intended that the MSPB hear the same case twice. If an individual has pursued the matter before MSPB under one authority, the Board is expected to dismiss a case brought under the other authority concerning the same matter under the doctrine of stare decisis.

14. RETIREMENT DOES NOT CUT OFF ADVERSE ACTION RIGHT

Section 1221(j) provides that the decision of an employee to retire when faced with a proposed adverse action does not cut off that employee's appeal rights. This section is not limited to individual right of action cases. If an individual who has retired or received a lump sum refund is subsequently reinstated pursuant to a MSPB or court decision with back pay, the back pay act (5 U.S.C. 5596) provides that adjustments shall be made to provide that the individual is treated as if the unjustified personnel action had never occurred. This means that the individual receives back pay. If that happens, the money received from the retirement fund should be treated as if it were erroneously paid and the Office of Personnel Management should recover the payment. The waiver provisions under sections 8346(b) and 8470(b) of title 5 should not be applicable.

15. AVAILABILITY OF OTHER REMEDIES

The bill contains a new section 1222 of title 5, United States Code, which provides that the network of rights and remedies created under chapter 12 and chapter 23 of title 5 is not meant to limit any right or remedy which might be available under any other statute. Other statutes which might provide relief for whistleblowers include the Privacy Act, a large number of environmental and labor statutes which provide specific protections to employees who cooperate with federal agencies, and civil rights statutes under title 42, United States Code. Section 1222 is not intended to create a cause of action where none now exists or to reverse any court decision. Rather, section 1222 says it is not the intent of Congress that the procedures under these chapters of title 5, United States Code, are meant to be exclusive.

16. CHANGES IN WHISTLEBLOWING PROHIBITED PERSONNEL PRACTICE

The bill makes certain changes in the definition of reprisal for whistleblowing (5 U.S.C. 2302(b)(8)). Among the changes are the inclusion of threats as a prohibited personnel practice, both with relation to whistleblowing and in relationship to prohibited personnel practices defined in 2302(b)(9). This means that no actual proposal of a personnel action is necessary to establish a prohibited personnel practice. In this way, harassment of employees who have exercised protected rights under (b)(8) or (b)(9) becomes a prohibited personnel practice.

It is obvious, but worth noting, that no Executive order, regulation, or contract can extinguish the rights provided under section 2302 of title 5. Employees have been required to sign security agreements as a condition for gaining access to classified information which seem to suggest that they could be punished for disclosures protected by 5 U.S.C. 2302(b)(8). Insofar as agreements seem to suggest that they are not valid. Nevertheless, nothing in this bill permits the disclosure of classified information to any uncleared individual. The channels for disclosure of wrongdoing, which may be in classified documents, are clearly laid out: agency inspectors general, the Special Counsel, and members of Congress.

17. CHANGES IN APPEAL RIGHT PROHIBITED PERSONNEL PRACTICE

The bill establishes a new prohibited personnel practice which protects employees in their right to refuse to obey an order that would require the individual to violate a law. This is narrower form of a provision that was in H.R. 25, as reported.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE, SUBCOMMITTEE ON CIVIL SERVICE,

Washington, DC, October 5, 1988.
Senator CARL LEVIN,
U.S. Senate, Washington, DC.

DEAR SENATOR: Since House passage of S. 508, the whistleblower legislation, a question has been raised about certain language in the Joint Explanatory Statement which we prepared.

Specifically, at the end of item 3 concerning Special Counsel intervention in adverse action and independent right of action cases, the Joint Explanatory Statement states that the Special Counsel may not engage in ex parte contacts. Obviously, this prohibition is applicable as well to item 4, concerning Special Counsel release of information about investigations.

If you agree with this view, I request that you place this letter in the Congressional Record during Senate consideration of S. 508.

With kind regards,
Sincerely yours,

PAT SCHROEDER,
Chairwoman.

Madam Speaker, I reserve the balance of my time.

Mr. HORTON. Madam Speaker, I yield myself 4 minutes.

Madam Speaker, I rise in strong support of S. 20, the Whistleblower Protection Act of 1989.

Madam Speaker, no one is more familiar than I with this legislation and the problems that narrowly prevented its enactment last year. I was frustrated at the pocket veto, even angry initially, but reflection and finger-pointing serve no useful purpose. The important point to remember today is that the individuals involved with development of this legislation regrouped, reexamined, and renegotiated. The result is that we have a bill that contains the same strong protections for those who disclose wrongs occurring in the Federal domain, and that also meets the constitutional concerns raised by the Attorney General.

This was not an easy task, but it is one that I and Congresswoman SCHROEDER especially considered worth the effort. And the effort succeeded. For the record, I would like to take a few moments to express my personal appreciation to some key people involved in the years it has taken to get to this point.

At the top of my list is PAT SCHROEDER. It is her leadership, her willingness to listen to others, and to address objections where possible, that prevailed so many times throughout this process and that kept the process on track. She has my great respect and admiration. After her anger over the pocket veto subsided, she and I agreed to try again, to meet with the Justice Department in the new administration and attempt a new agreement, an agreement that would ensure a stronger whistleblower protection system, but an agreement that might also meet the concerns raised by the Attorney General, to the extent his was possible.

And thanks to Attorney General Dick Thornburgh, it was possible. He worked personally and tirelessly in extensive negotiations with the House and the Senate. The strong and serious constitutional objections he held were addressed. Specifically, the litigating authority granted to the Office of Special Counsel in the original bill was deleted. Other changes were made, some at the request of the Attorney General, others at the request of myself, Representative SCHROEDER, or the Senate sponsors.

S. 20 represents a responsible agreement. It strengthens the position of the Office of Special Counsel within the executive branch; it provides for a new and fairer individual right of action; the Mount Healthy test, which was a major point of negotiation, is now codified to state that, in cases involving allegations of reprisal for whistleblowing, an individual must prove that whistleblowing was a contributing factor in the agency's decision to take the action.

The burden then shifts to the agency to prove by clear and convincing evidence that the same personnel action would have been taken in the absence of the protected disclosure.

So, again, Madam Speaker, I want to express my deep appreciation to Attorney General Thornburgh for his determination and his cooperation, and to his excellent staff as well: in particular his Assistant Attorney General for Legislative Affairs Tom Boyd who facilitiated and directly participated in the sometimes difficult negotiations.

And now a word about our current special counsel, Mary F. Wieseman. Early in her tenure as special counsel she testified to the Civil Service Subcommittee chaired then by Mrs. SCHROEDER, with myself serving as ranking minority member, that she wanted to be part of the solution to obtaining increased protections for whistleblowers, not part of the problem. And she was part of the solution, as was her staff.

They worked closely and tirelessly with me and our subcommittee throughout the process. Those who have criticized her and her operation as not being responsive, and not wanting to be responsive, to the protection of legitimate whistleblowers are wrong and they know it. It is just that simple. My hat goes off to you, Mary, and to your staff.

And finally, Madam Speaker, I want to compliment the staff of the Post Office and Civil Service Committee—majority and minority, for their outstanding work and diligence in this effort. They are true professionals and constitute a major factor in our early success of producing the compromise before us.

I urge my colleagues to support passage of S. 20, and, pending a favorable vote, I am very pleased that the Whistleblower Protection Act will be among the first bills signed into law by our new President, George Bush.

□ 1300

Mr. SIKORSKI. Mr. Speaker, I yield as much time as she may consume to the gentlewoman from Colorado [Mrs. SCHROEDER], the spearhead of this masterful plan.

Mrs. SCHROEDER. Mr. Speaker, today we consider a strong whistleblower bill; a stronger bill than the one vetoed by President Reagan last October. Through the efforts of Representative FRANK HORTON and others, this bill is endorsed by the Attorney General on behalf of the Bush administration.

All the members of the Post Office and Civil Service Committee have worked diligently to pass this legislation. FRANK HORTON, in particular, has led the battle. I would like to thank him for his dedication, patience, and stamina. We would be here today but for his efforts.

S. 20 provides legitimate safeguards for individuals who act to stop Government waste. Every day we open the newspaper and read about fraud, waste, and abuse. The savings and loan crisis, which will cost taxpayers $80 billion, is just the most recent example.

We cannot react to each new crisis by throwing money at it. Preventive steps need to be taken.

The Whistleblower Protection Act of 1989, is a preventative measure. By making it safer for Federal whistleblowers to expose costly fraud, waste, and mismanagement, we will be encouraging disclosures that will save billions of dollars.

I thank the bill is misnamed. It should be the taxpayer protection act, because, by protecting whistleblowers, we are protecting the taxpayers from waste, fraud, and illegality.

After President Reagan vetoed the Whistleblower Protection Act last year, everyone pulled together to work out a compromise. President Reagan's vote of S. 508 was based on two types of concerns. First, the bill contained a variety of provisions making the special counsel independent of White House control. Specifically, the special counsel was given independent litigation authority, the power to appeal rulings of the Merit Systems Protection Board, and the power to enforce subpoenas.

These powers violated the Attorney General's view of constitutional limitations on Congress' power to empower subordinate executive branch officials. The Attorney General argued, under the unitary executive theory, that the bill was unconstitutional. I consider this argument little more than legal window dressing on an essentially ideological argument. The Congressional Research Service and the American

Bar Association recently analyzed the Attorney General's constitutional argument and found it unpersuasive and unsupported by the courts.

On the other hand, we agreed to make the changes requested by the administration to clip the special counsel's wings. We agreed to this change because a more powerful special counsel is not necessarily in the interest of whistleblowers. For the past 8 years, the Office of Special Counsel has been as supportive of whistleblowers as Frank Lorenzo is supportive of Eastern's machinists. Giving the office new powers, as we did in last year's bill, only makes sense if the special counsel decides to start protecting whistleblowers. I have observed no change in attitude of the special counsel over the last year. Hence, I am glad to support the changes proposed by the Department of Justice but not for the reasons espoused by the Attorney General. I think whistleblower protection is stronger if the special counsel is weaker.

The other issue motivating the veto was the burden of proof. We compromised with the administration on the burden of proof by inserting the word "contributing" in front of the word "factor." In other words, the whistleblower has to prove that the disclosure was a contributing factor in the personnel action. For a disclosure to be a factor in a personnel action, the disclosure had to have, in some way, contributed to the decision to take the personnel action. That is, the notion of "contributing" is, in general English usage, part and parcel of the word "factor." So, the addition of the word "contributing" in no way changes the burden of proof. The bottom line is that the words "a contributing factor," like the words "a factor" mean any factor which alone, or in connection with other factors, tends to affect, in any way, the outcome of the decision.

If meaning is to be read into the word "contributing," it ought to have to do with relevance and not with materiality or substantiality. Most importantly, the addition of the word "contributing" does not place any requirement on the whistleblower, or on the special counsel acting on behalf of the whistleblower, to produce evidence proving retaliatory motive on the part of the official proposing or taking the personnel action. In other words, the courts and the Merit Systems Protection Board are expected to presume retaliatory intent from facts and circumstances. By reducing the current burden of proof to the "contributing factor" burden, we intend to ease the current burden to demonstrate improper motive on the part of the acting official. We do this because we recognize that it is unrealistic to expect the whistleblower—or the special counsel acting on the whistleblower's behalf—to demonstrate improper motive.

It is our intent that the committee reports on H.R. 25 and S. 508 from the 100th Congress constitute the legislative history, together with the joint explanatory statement inserted in the RECORD last fall and again today as well as the explanatory statement on the Senate amendment submitted today.

Ninety-nine percent of this bill is unchanged from the measure passed last year. One key element unchanged is the limitation on the powers of the special counsel. The statements in the purposes section that it is the job of the special counsel to protect employees and to act in their interests are meant to limit the special counsel's authority. That is, the special counsel would exceed its authority and act in contravention of law if it were to act against the interests of an employee who comes to the special counsel for assistance.

S. 20 is a strong whistleblower protection bill and I urge my colleagues to support it.

Mr. Speaker, I yield to the gentlewoman from California [Mrs. BOXER], who has been head of the reform caucus which is so important, and who has really helped us by taking such a strong position in this matter.

Mrs. BOXER. Mr. Speaker, I thank the gentlewoman for yielding and want to simply congratulate the gentlewoman from Colorado [Mrs. SCHROEDER] and the gentleman from New York [Mr. HORTON] on a job exceedingly well-done. As cochair of the Military Reform Caucus, which is a bipartisan caucus, I speak for all the Members in congratulating both Members. We learned when we passed the Military Whistleblower Protection Act that without whistleblowers, frankly, we really could not do our job, because as the gentlewoman points out, we need information and we need a free flow of information from Federal employees, be they military or civilian.

We were very fortunate that the Military Whistleblowers Protection Act, I remind the gentlewoman, was part of the Defense authorization bill, so therefore did not sustain a veto and it did become law, and we are finding people having just a far better sense of who they are and of morale because of that protection. They are not so afraid.

I wanted to mention to the gentlewoman an incident that has been brought to my attention by a Federal whistleblower just last week. It seems that in the Department of the Interior a new directive has come down which states that any Federal employee of the Interior Department, Fish and Wildlife Service is the one where I was told about this, has to immediately report any time there is a contact from a Member of Congress or a staff person of a Member of Congress or any committee staff. It must be not only reported, and the words were underlined, "as it occurs," it has to be reported as it occurs by telephone and in writing. I did speak to our former colleague, Mr. Manuel Lujan, who said that I was overreacting to this, that in fact he just wanted to know what our priorities are, but I would say to the gentlewoman, I am really going to need her help because I do not think this is what it is about. If a person is a Federal employee and a Member of Congress calls for some very important information maybe on an endangered species or adverse effects of pesticides, these are difficult issues, and if an employee knows they have to report in writing as it occurs every contact with a Member, I would think that that is going to really muzzle employees. I would think that will not encourage employees, and I wonder if I could elicit help.

I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. I thank the gentlewoman.

I think you bring up a very good point. Because of Congressman HORTON's efforts to get the new administration on board on this, I hope that the minute this bill is signed into law, which we hope is soon, they will certainly get all the different new contact officials together, explain the law to them, so that we do not see violations of this.

The bad thing would be for each person to understand how important it is to all work together, contact secretaries, and whistleblowers and Members of Congress, all people work together to try and get this deficit under control and not use this as the way to do surveillance or whatever. That is clearly not our intention.

Mrs. BOXER. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentlewoman from California.

Mrs. BOXER. Mr. Speaker, without this new administration we would not have this bill, and I am also very grateful to Mr. Thornburgh for the help that he did give both Members and the gentleman from Minnesota [Mr. SIKORSKI], but I point out this issue because how ironic it would be if we passed this very important law and yet we had some inconsistent messages going out there to our Federal employees, and I thank the gentlewoman and look forward to working on this.

Mr. HORTON. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from New York [Mr. HORTON].

Mr. HORTON. Mr. Speaker, I thank the gentlewoman from California for her remarks and point out that it is my experience as the father, along

with the gentleman from Texas [Mr. BROOKS], of the inspector general's legislation, that 75 to 80 percent of the information on which the Inspectors General Act comes from so-called whistleblowers. They testify time and again and most of the information that they receive comes from these people within the department who would not be able to converse with others, but they can with the inspector general.

Last fall we were informed that $120 billion has been saved in the last 10 years by the inspectors general, so we are talking about big money here, and it is very important to give these kinds of protections, so I just want to join in thanking the gentlewoman from Colorado.

Mrs. SCHROEDER. I thank the gentleman, he is right, this is big bucks, and for the first time we are saving money without throwing money at the problem. We are not having to do that.

Mr. KASICH. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Speaker, I first want to commend the gentlewoman from Colorado and the gentleman from New York [Mr. HORTON], the father of the IG bill, which I think was one of the most important steps that we have taken in the last decade to try to encourage people to expose waste and come up with savings.

□ 1310

I think this is the next important step, along with the military whistleblower bill which was included as part of the defense authorization. Let me say to the gentlewoman from Colorado that my only concern is that I get very concerned when we pass these laws, because I believe there is a three-step process in making things happen.

No. 1, we have to come up with the idea, and, No. 2, we have to fight like crazy to get it done, and then, No. 3, once we make something into law, we think we have solved the problem, only to find out that the bureaucracy flatly ignores our intentions and our laws.

Mr. Speaker, I want to pledge to the gentlewoman from Colorado [Mrs. SCHROEDER] that I will work in any way that I can to support this effort and make sure that this law is carried out as effectively as I believe the inspector general law is. But I must also say that in regard to the inspector general law, I believe there are some areas in that that need to be improved because some of our IG's have dragged their feet.

Mrs. SCHROEDER. Mr. Speaker, let me say that I totally agree with the gentleman from Ohio, and I thank the gentleman for his comments.

In fact, that is why we are here today. We have had the whistleblower protection statute on the books since 1978, and there is absolutely no question that it did not work. A lot of people, along with many of the special counsels, decided that whistleblowers were the problem.

This came from that tough oversight. That is why we are here today, and we are going to continue with that tough oversight. We have too much invested to do otherwise.

Mr. HORTON. Mr. Speaker, will the gentlewoman from Colorado yield to me.

Mrs. SCHROEDER. I am delighted to yield to the gentleman from New York.

Mr. HORTON. Mr. Speaker, some comments have been made about the administration. Let me say that I personally have talked with the Attorney General, Dick Thornburgh, and I can assure the gentlewoman that we could not have arrived at this agreement today had he not been willing to move forward. I think this administration, with President Bush and with the Attorney General, is going to do everything possible to enforce this bill. That is the attitude that was expressed to me personally by the Attorney General.

Mrs. SCHROEDER. Mr. Speaker, again I want to thank the gentleman from New York, because he has not only talked with the Attorney General but he has moved Heaven and Earth for 2 years on this bill, dealing with OMB and everyone else. We went to more meetings than we ever thought we could possibly sit through.

Mr. HORTON. That is true.

Mrs. SCHROEDER. The gentleman has really been wonderful in that, and I appreciate it. We want to assure everybody that we are not giving up now. Once the bill is passed, we will just begin to carry out our oversight functions.

Mr. HORTON. Mr. Speaker, before I yield 3 minutes to the gentleman from New York [Mr. GILMAN], who is the ranking Republican on the Committee on Post Office and Civil Service, let me just say that he has been a staunch supporter of this legislation. Let me also say that I would be remiss if I did not mention at this point that the ranking member in the 100th Congress, Gene Taylor, was very supportive of this legislation and worked very hard on it.

Mr. Speaker, I now yield 3 minutes to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, a few months ago Congress considered similar whistleblower protection legislation which we believed to embody the best protections for the whistleblower while striking a delicate balance with managerial concerns. The President objected, however, and withheld his signature from this bill following last year's adjournment. Despite this pocket veto, we emerge from that situation with an even stronger bill which reflects the concerns of the administration while strengthening protections for employees. I commend my good friend and colleague, the gentleman from New York [Mr. HORTON], the gentlelady from Colorado [Mrs. SCHROEDER], and the distinguished chairman of the Subcommittee on Civil Service, the gentleman from Minnesota [Mr. SIKORSKI], for their perseverance and dedication in crafting this new legislation.

The bill before us today has significant improvements over the legislation passed last Congress. The new legislation prohibits the special counsel from opposing whistleblowers in cases before the Merit Systems Protection Board and severely restricts the special counsel from disclosing the name of a whistleblower without his or her permission. The new legislation also clarifies that a whistleblower, in proving retaliation, must show that the protected disclosure was a contributing factor in the personnel action against him or her. The word "contributing" is intended to show that the factor considered must in some way relate or contribute to the action taken against the whistleblower.

Passage of this legislation signifies Congress' and the Executive's determination to encourage employees to come forth with evidence of waste, fraud, or abuse in the Federal Government. In past cases, whistleblowers seemed to be the ones punished for their actions, rather than the errant supervisor or agency. Under this new law, whistleblowers will be given the protection needed when disclosing instances of waste of the taxpayers' money, while protecting him or her from retaliatory actions.

I hope that passage of the Whistleblower Protection Act of 1989 marks the beginning of a new era in relations between Congress and the President. Working together, we can develop proposals which benefit the Federal employee work force while improving efficiency and morale.

Mr. SIKORSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Speaker, I want to congratulate the committee and congratulate those Members of Congress who have brought this legislation forward. I also want to express my feelings of being in great rapport with what the gentleman from Ohio [Mr. KASICH] said about the necessity of the administration, whatever administration it may be, to see that the spirit of laws like these, like the one we are passing today, is carried out.

Some years ago Colonel Burton, a whistleblower, had problems in the Department of Defense for blowing a whistle, and I went to the Secretary of Defense and urged that he be elevated instead of degraded. Unfortunately, that slipped through the cracks, and in most people's minds Colonel Burton was hurt because he was a whistleblower. That is very unfortunate.

The only reason I am here in the well at this moment is to point out that I hope, when this legislation becomes law—and I certainly hope it will—that the administration, whatever administration it may be, will seize the opportunity to congratulate people who are effective whistleblowers, will encourage them, and will let the message go out in the Federal employment that if a person sees something that ought to be corrected, he will get good points for the fact that he did assume the leadership and express the courage to act and do the things that needed to be done to bring about the corrections that are needed.

Mr. Speaker, I congratulate the committee for this legislation, I congratulate the gentlewoman from California [Mrs. BOXER], the gentlewoman from Colorado [Mrs. SCHROEDER], and all the other Members who had so much to do with passing this legislation, and I express the very sincere hope that the administration will see to it that whistleblowers, instead of being condemned in the future, are congratulated and uplifted.

Mr. HORTON. Mr. Speaker, I yield 3 minutes to the gentlewoman from Maryland [Mrs. MORELLA], who has been a longtime supporter of this legislation.

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise today in strong support of S. 20, the Whistleblower Protection Act of 1989. I was disappointed last year when I learned of the President's decision not to support the whistleblower protection legislation. Federal employees who disclose waste, fraud or abuse in the Government deserve our praise and help, not harassment, demotion or loss of job. But today we are considering an even better bill, one which enjoys strong support from all parties interested in preserving and protecting whistleblowers' rights.

S. 20 augments the few protections whistleblowers presently enjoy. The bill makes very clear that both whistleblower protection and the investigation of whistleblower allegations are principal responsibilities of the Office of Special Counsel. The legislation restricts and specifies the conditions under which disclosures to the Office of Special Counsel can be released and the special counsel is prohibited from opposing whistleblowers in cases before the Merit Systems Protection Board. The burden of proof which an employee must show to claim whistleblower status has been lowered while agencies must disprove alleged retaliation by a heightened evidentiary standard. In addition, the new legislation addresses constitutional concerns regarding the Special Counsel's litigating authority while encouraging employee appeals of their own cases to the Federal bench.

I commend my good friends, the gentleman from New York [Mr. HORTON] and the former chair of the Civil Service Subcommittee, Mrs. SCHROEDER, for their hard work and persistence in crafting legislation which enjoys the support of all the interested parties. It would not have come about without their leadership. As the new ranking minority on the Subcommittee on Civil Service, I look forward to the subcommittee's oversight authority as to the implementation and execution of this legislation.

Whistleblowers deserve protection from retaliation and this legislation serves this goal. I believe that legislation such as the Whistleblower Protection Act leads to higher morale and increased productivity and I will continue to work for an improved working environment for all Federal employees. Accordingly, I urge all my colleagues to support S. 20, the Whistleblower Protection Act of 1989.

□ 1320

Mr. HORTON. Mr. Speaker, I thank the gentlewoman from Maryland [Mrs. MORELLA] for her comments, and, Mr. Speaker, before I turn back my time I would just like to take this occasion to thank the gentleman from Minnesota [Mr. SIKORSKI], the chairman of the subcommittee, for his leadership in bringing this bill to the floor so early and also for his longtime support of this legislation.

Mr. PARRIS. Mr. Speaker, would the gentleman yield?

Mr. HORTON. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. Mr. Speaker, I rise in support of S. 20, a bill to provide increased protection to the courageous employees who expose fraud and mismanagement in the Federal Government. For several years now, I have been a strong proponent of congressional action on this issue. I was very disappointed by President Reagan's pocket veto of S. 508 on October 26 of last year. I thought that we produced a responsible measure with overwhelming bipartisan support—the House vote was 418–0.

This year, thanks to the efforts of our Senate colleagues, an agreement has been reached with the administration. As amended, S. 20 would resolve the administration's constitutional concerns by eliminating the right of the special counsel to sue in Federal court. The Office of Special Counsel would still represent the whistleblower before the Merit Systems Protection Board, and whistleblowers themselves could appeal board decisions to the Federal Circuit Court of Appeals. S. 20 also guarantees anonymity, if requested, to those who report violations to the Office of Special Counsel.

This is a fair and responsible bill, and it provides the type of protection that we owe to those employees who risk their careers to prevent taxpayer dollars from being wasted. In closing, I will ask my colleagues to support S. 20, and thereby send a message of support to these exemplary Federal employees.

Mr. HORTON. Mr. Speaker, I urge my colleagues to support this legislation, and I yield back the balance of my time.

Mr. SIKORSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I, too, want to commend the gentlewoman from Maryland [Mrs. MORELLA] for her fine work and efforts, and I know that she, as ranking Republican on the Subcommittee on Civil Service, will have a good time overseeing this legislation. I thank her for all her efforts on this and many other pieces of legislation affecting civil servants, and again I acknowledge her incredible hard work.

Mr. Speaker, this is kind of rote for at this time of the floor discussion, but in the case of the gentleman from New York [Mr. HORTON] he has just done an incredible job over the years protecting the rights of Federal employees, and he deserves all the acclaim.

Mr. HOYER. Mr. Speaker, today I rise to join the Congresswoman from Colorado in support of the Whistleblower Protection Act. I would like to thank and commend Congresswoman SCHROEDER for her foresight and commitment to protect the rights of Federal employees.

The Whistleblower Protection Act will strengthen protection for Federal employees who have the integrity and courage to expose waste, fraud, mismanagement, and abuse in our Government agencies.

Since Congress enacted the Civil Service Reform Act in 1978, the intent of the Congress has not been fulfilled. The Office of Special Counsel [OSC], created to investigate and prosecute alleged cases of adverse personnel actions against Federal employees who blow the whistle, and the Merit Systems Protection Board, charged with hearing and adjudicating cases have not been effective.

In a study conducted by the General Accounting Office [GAO], there were over 400 whistelblower cases in a 2-year period, resulting only in the cancellation of transfers for three individuals.

In fact, in the 8-year history of the OSC, they have not taken any corrective action or disciplinary action in 99 percent of their whistleblower cases. That means that 99 percent of all cases are closed without the active investigation of reprisal against a Government employee for blowing the whistle.

To date there has not been one case documented by a GAO study which saved or recovered the job of a single whistleblower. That does not give a worker who wishes to expose intentional acts of wrongdoing the in-

centive to expose the management of a Government agency. The fear of losing their job is exacerbated by the ineffectiveness of the agencies created to represent and protect them.

Today, Congress seeks to eliminate the inadequacy of current whistleblower protection policy. It is the responsibility of the Congress to rectify the failure of the Civil Service Reform Act and reaffirm our commitment to the protection of Federal employees. This legislation will serve that purpose.

The burden of proof will now be lowered for a Government employee. When employees claim that an adverse and prohibited personnel action has been taken against them, they only need to prove that the agency's knowledge of the whistleblowing activity was a contributing rather than a dominant or significant factor as it is under current law. It is then incumbent upon the agency to prove with clear and convincing evidence that whistleblowing was not a material factor in the personnel action.

In addition, this legislation would actually allow Federal employees the right to go to Federal court to prevent an adverse personnel action and collect attorney fees if they win. It also allows an employee facing reprisal to appeal directly to the Merit Systems Protection Board if the special counsel terminates the investigation after 60 days or if they do not take action within 120 days.

I believe that one of the most significant and important provisions in this measure is the greater degree of confidentiality guaranteed the Federal employee. The Office of the Special Counsel will no longer be able to use arbitrary discretion but will only be allowed to disclose the name of the whistleblower if public health and safety are in jeopardy.

Mr. Speaker, it is incumbent upon the Congress to protect those people who desire to speak up and expose governmental waste and abuse. We encourage the value of speaking the truth in everyday life and we must reinforce these values in the implementation of our laws. We must not allow the concerned and dedicated Government employees who are committed and responsible individuals to be afraid to come forth and expose management. We must protect and reassure them with the guarantee that they will not lose their job because they have the courage and integrity to come forward.

Therefore, today Mr. Speaker, I would like to commend Congresswoman SCHROEDER on her efforts to protect those dedicated Federal employees who desire to speak up, and I urge all of my colleagues to support the Whistleblower Protection Act.

Mr. PORTER. Mr. Speaker, I strongly support the passage of S. 20, the Whistleblower Protection Act of 1989, and urge all Members to work for its speedy enactment.

Our budget deficit continues to be the number one threat to our Nation and its future. One important way to reduce that deficit, is by ridding the Government of waste and fraud. Whether it be at the Pentagon, the IRS, or the Social Security Administration, we can no longer tolerate mismanagement and abuse in our Federal agencies. This bill, by strengthening and improving the protections to Federal employees who expose waste, fraud and abuse, helps ensure that our Government operates in the most efficient and cost-effective manner.

Mid- and low-level civil servants are the core of our Government. They are the dedicated workers who really know how our system works best, and can see clearly when abuses and fraud are taking place. They are in the best position to help Congress and the executive branch ensure the proper functioning of our Government.

The bill provides these dedicated civil servants with the protection they need and deserve. S. 20 guarantees anonymity for whistleblowers who report mismanagement, and makes it easier for whistleblowers to prove they were the victim of reprisal by shifting more of the burden to the agency to justify the aciton taken against the whistleblower.

After negotiations with the administration and all parties in both the House and Senate, the sponsors of the bill have produced a responsible and encouraging bill. It is a bill that deserves the support of all Members, because it sends the strongest signal possible that Congress and the administration are united and determined to stamp out agency practices that squander Government dollars, and protect those who bring the abuses to light.

Mr. SIKORSKI. Mr. Speaker, I have no further requests for time and yield back the balance of my time.

The SPEAKER pro tempore (Mr. DURBIN). The question is on the motion offered by the gentleman from Minnesota [Mr. SIKORSKI] that the House suspend the rules and pass the Senate bill, S. 20.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

ALLOWING OBSOLETE NAVY DRYDOCK TO BE TRANSFERRED TO THE CITY OF JACKSONVILLE, FL

Mr. BENNETT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 666) to allow an obsolete Navy drydock to be transferred to the city of Jacksonville, FL, before the expiration of the otherwise applicable 60-day congressional review period.

The Clerk read as follows:

H.R. 666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clauses (2) and (3) of section 7308(c) of title 10, United States Code, shall not apply with respect to the transfer, under section 7308(a) of such title, by the Secretary of the Navy of the obsolete drydock AFDM-9 to the city of Jacksonville, Florida.

The SPEAKER pro tempore (Mrs. SCHROEDER). Under the rule, a second is not required on this motion.

The gentleman from Florida [Mr. BENNETT] will be recognized for 20 minutes and the gentleman from South Carolina [Mr. SPENCE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the bill H.R. 666, would waive the normal 60-day congressional notification and wait period for the transfer of the obsolete U.S. Navy floating drydock, AFDM-9, to the city of Jacksonville, FL.

The vessel in question was commissioned in 1945 and has seen nearly continuous service since that time in the repair and modernization of the Navy's ships. After many years of service, however, she was recently found to be unfit for further service by the Navy and, as such, no military value accorded her. She has been decommissioned and is currently located in Jacksonville, FL.

Madam Speaker, the city of Jacksonville plans to sink the vessel to create an artificial reef off the shores of the city, thereby creating a home for all sorts of marine life. The Navy is agreeable to the transfer under the unusual conditions that the city pay all associated costs and assume liability for the transfer. The mayor and the city council of Jacksonville have agreed to the conditions and accept donation of the ship by the Navy. On February 2, 1989, the Secretary of the Navy notified the Congress of his intent to transfer the ship, and the 60-day clock specified in section 3708 of title 10 has started.

Madam Speaker, my colleagues are aware of my love of history, so I cannot escape the idea of expressing at this point that, when this ship is sunk, it will be the first United States naval vessel to be sunk at Jacksonville, FL, since 1865 because in the War Between the States the U.S. Navy ship the *Maple Leaf* was sunk there by a Confederate mine, and it is just now being brought from the water. It is a very impressive ship. The *Maple Leaf* has the properties of some 400 Yankee soldiers aboard it. This is being brought up now and it will probably take several years to bring it entirely up, but it is now being brought up.

However, Madam Speaker, because the Navy is amenable to the transfer of the ship in this legislation and because the ship has no military value I strongly urge adoption of this bill.

Mr. SPENCE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, current law provides that the Secretary of the Navy may transfer by gift, or otherwise, on terms prescribed by him, any obsolete or condemned vessel of the Navy to any municipal corporation or political subdivision of any State of the United States. Each agreement for the transfer of a vessel under this law shall include a stipulation that the transferee

will maintain the vessel in a condition satisfactory to the Navy, and that no expense to the United States will result from the transfer. Current law also provides that no transfer be made until the Congress is notified of the proposal, and a period of 60 days of continuous session of Congress passes.

In this instance, Madam Speaker, the city of Jacksonville, FL, has agreed to take delivery of the obsolete floating drydock, AFDM-9, "as is, where is," and to pay all charges incident to the transfer. The city has further agreed not to use the ship for anything other than the creation of an artificial fishing reef, and to accept all costs and liabilities associated with the transfer.

Waiver of the required 60-day-notification-and-wait period is entirely justified in this case. The Secretary of the Navy has notified the Congress of his intent to transfer the vessel. The Chief of Naval Operations has certified that the former drydock has no value to U.S. defense. The Armed Services Committee has satisfied itself that the vessel in question has no remaining useful military value. Hence, waiver of the waiting period is fully in keeping with the spirit and intent of current law.

Madam Speaker, I urge the adoption of this bill.

Madam Speaker, I have no further requests for time and yield back the balance of my time.

Mr. BENNETT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I would like to continue my discourse for two reasons: One, because I think I have something to say; and, second, because the chairman of the full committee is on his way over here to participate in another colloquy with the ranking minority leader, the gentleman from Alabama [Mr. DICKINSON]. As soon as the chairman of the full committee arrives, I will cease speaking about what I am now going to speak about.

Madam Speaker, what I am going to speak about is the nautical aspects of the city which I represent. My city, Jacksonville, FL, was first settled in 1564 by French Huguenots. When they came to what is now the United States, they were the only Europeans to be in what is now the United States at that time.

Madam Speaker, they built ships at what is now the Mayport Naval Station. They built ships in the 16th century at that spot. They were visited by such outstanding people as Sir John Hawkins and others who visited that French settlement, which was ultimately conquered by the Spanish in 1565. Then the Spaniards at that point in time created nearby what is now the city of St. Augustine, the oldest continuously existing city in the United States.

So, Madam Speaker, my own town came not only out of the Renaissance, but also out of the Reformation, the only city in the United States that came out of both the Renaissance and the Reformation. St. Augustine came out of the Renaissance, but Jacksonville also came out of the Reformation since its population sought refuge there from the religious persecutions of the Reformation period.

□ 1330

As I mentioned, French ships were built in the Mayport Basin, which today is called the Mayport Naval Station. It now has two aircraft carriers homeported there and about 30 or 40 lesser ships in that basin. It is a very spectacular bay near the Atlantic Ocean, just off the mouth of the St. Johns River.

There, René Gaulaine de Laudonnière, the French leader of the colony, executed the people who had mutinied against him. He said he did not want them to come back from the Caribbean and settle again at Fort Caroline, which was the name of the French settlement in today's Jacksonville. So instead he executed them near the mouth of the river, downstream in the river from the main part of Jacksonville today.

Every town in America has something in its history that is worth recording. Everybody can write one book if he would write honestly about himself or herself; and it would be worth reading if he did do that. It does not have to have great words. It has to be a frank confession or statement of the feelings of that individual. Everybody is born in history. Everybody is a part of history and history enriches a city and our country, and enriches all of us.

Just this last year I was active in erecting in Jacksonville for the first time a statue to the man after whom Jacksonville was named, Andrew Jackson. A lot of people wonder why Andrew Jackson? Well, Andrew Jackson was a great hero of the United States at the time when in 1822 Jacksonville was renaming itself; and therefore we got that title and just now we erected a monument to him.

Now we have a man, our chairman, who probably needs a monument erected to him and who has come upon us here, and is ready to go forth with other business.

So Madam Speaker, in view of the arrival of our fine chairman, I would ask for the passage of the bill which I have been talking about, lately somewhat extraneously.

The SPEAKER pro tempore (Mrs. SCHROEDER). The Chair thanks the gentleman from Florida. We have appreciated hearing about the history of Jacksonville, because it was very pertinent to the bill that we are passing.

Mr. BENNETT. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. BENNETT] that the House suspend the rules and pass the bill, H.R. 666.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BENNETT. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 666, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

POSTPONING CONSIDERATION OF HOUSE JOINT RESOLUTION 165, DISAPPROVING RECOMMENDATIONS OF COMMISSION ON BASE REALIGNMENT AND CLOSURE

Mr. ASPIN. Madam Speaker, I ask unanimous consent that, notwithstanding the provisions of Public Law 100-526, it may not be in order on any day before April 18, 1989, to move to proceed to the consideration of the joint resolution (H.J. Res. 165) disapproving the recommendations of the Commission on Base Realignment and Closure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. DICKINSON. Madam Speaker, reserving the right to object, I would just like to say that we have discussed this. We think this is the most orderly procedure. This fixes a date certain on which this legislation will come up so that everybody can be apprised. I think it is fair all around, and I certainly support the request.

Mr. ASPIN. Madam Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, I would like to explain this unanimous-consent request.

Madam Speaker, I am making this request to allow Members to have some certainty about when the resolution of disapproval on the base closure issue will come up for a vote.

Under the statute it may be called up by any Member today or any day

hereafter after a Member has given 24 hours notice of his intention to do so. A number of Members have asked for some additional time to review information about the Base Closure Commission's recommendations. In order to give Members some additional time, yet still have some assurance as to when the resolution will come up, I am asking that consideration be delayed until a time not before Tuesday, April 18.

April 18 was chosen because the 45-day period within which the Congress must act to stop the Base Closure Commission's recommendations from going into effect ends on May 1. The House needs to act no later than the week of April 18 to permit both Houses an opportunity to consider the resolution and send it to the President if we decide to approve this resolution.

Mr. DICKINSON. Madam Speaker, just let me say in closing that the chairman has stated the situation very accurately.

We thought this was the fairest to all concerned. There will be some people who will object to it. We want to give them an opportunity to be heard, and also to fix a time with some certainty so that all sides will be prepared to act at that time.

Mr. DICKINSON. Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

THE DEPOSIT INSURANCE REFORM AND REGULATORY MODERNIZATION ACT OF 1989

The SPEAKER pro tempore (Mr. PEASE). Under a previous order of the House, the gentleman from Wisconsin [Mr. KLECZKA] is recognized for 5 minutes.

Mr. KLECZKA. Mr. Speaker, the current crisis in the FSLIC reinforces my strong belief that we will have a single well-capitalized, well-staffed Federal deposit insurance fund which serves the needs of all depository institutions by the middle of the next decade.

To some in the banking, thrift, and credit union lobby, this view is considered controversial, even radical.

Yesterday's controversial and radical notions in the world of deposit insurance, however, have a way of becoming today's common sense.

Two years ago, when some Members of this House fought unsuccessfully for a $15 billion recapitalization of the FSLIC, our admonitions that the conscious and deliberate lowballing the size of the FSLIC problem would lead to a taxpayer bailout were considered alarmist. Today, we're faced with a multibillion-dollar taxpayer bailout of unprecedented proportions.

One year ago, I introduced legislation which required, in part, the administrative merger of the various deposit insurance agencies, effective January 1, 1989. That notion was criticized as unrealistic and unnecessary by various financial interests. To establish the need to bring FSLIC under control, on introduction of that legisaltion I quoted from an internal FDIC draft study which has proved all too prophetic. The study said: "Assuming that future FSLIC and FDIC premium income will be needed to resolve as yet unknown future problems, the implication is that a taxpayer bailout is required. If borrowings are made against future insurance fund income; that is, FSLIC recapitalization, the bailout may be postponed but probably not avoided."

We postponed the bailout, but we did not avoid it.

Today, President Bush's legislation on FSLIC, of which I am an original cosponsor, recognizes the need to bring the FSLIC under control through an administrative merger of the FSLIC and the FDIC. The administrative merger of the deposit insurance agencies, which was the basis of title I of H.R. 3970, legislation I introduced in February 1988, is now one of least controversial portions of the Bush plan. Virtually everyone now agrees that the FSLIC is better off under the control of the independent FDIC than it is under the Federal Home Loan Bank Board.

Last year, such a notion was controversial. This year, it is accepted wisdom.

It is with this in mind that I today introduce the Deposit Insurance Reform and Regulatory Modernization Act of 1989. The legislation, which is nearly identical to H.R. 3970 of the 100th Congress, is designed to initiate discussion of a very important deposit insurance question: what next? Is is enough to pump $100 billion or more of taxpayer funds into a private industry without comprehensive reform of our system of deposit insurance and financial institution regulation?

I don't think so. President Bush is to be commended for proposing necessary first steps toward resolving our deposit insurance crisis. Clearly, the common accounting and regulatory standards envisioned in the Bush bill are long overdue.

But the Bush plan does not go far enough. Once we have a level playing field of accounting and regulatory standards, and even-handed supervison of federally isured institutions is the order of the day, do we need separate and distinct deposit insurance funds? Special interests maintain that we do. Logic, and the interests of the taxpayers, argue otherwise.

On this question, the merger of the deposit insurance funds, I want to be quite specific about the how and the when. I do not favor a merger of the funds prior to resolution of the FSLIC crisis and the establishment of common standards. That would be a mistake. To achieve "one sticker" on the door for all federally insured deposit institutions, as some in the thrift industry have urged, we need one deposit insurance fund with a single set of standards. As long as we have more than one fund, we must, in all fairness, make that separation clear to the depositor. If depository institutions are required to meet truth-in-lending laws, the Federal Government should be required to meet a type of "truth-in-advertising" standard.

My legislation is one answer to the "what next" question. It complements the Bush proposal by bringing about the phased merger of the deposit insurance funds and the Federal financial regulators over a period of a decade, after common regulatory and accounting standards are achieved. It is geared less to resolving problems in deposit insurance for the next fiscal year or two than toward laying the groundwork for reform of deposit insurance into the next century.

At this point, a brief description of the bill is in order.

Title I of the three-part bill would establish common management of the various deposit insurance funds beginning January 1, 1990. Title II would merge the deposit insurance funds beginning January 1, 1994. Title III would bring about the consolidation of the various Federal financial regulatory agencies by January 1, 1998.

TITLE I

Title I requires that the three Federal deposit insurance funds—the Federal Deposit Insurance Corporation [FDIC], the Federal Savings and Loan Insurance Corporation [FSLIC] and the National Credit Union Share Insurance Fund [NCUSIF]—be managed by a single governing board. The Bush deposit insurance proposal incorporates the bulk of this title. In my view, separating the credit union deposit insurance fund from the chartering agency, the National Credit Union Administration, is an idea which should have been included in the Bush plan but was not. Allowing an agency to act as charterer, cheerleader, and insurer is a dangerous mix.

Obviously, the first step to revitalize Federal deposit insurance is common management of risk. This means common management of the various funds. As I mentioned earlier, an administrative merger of the various deposit insurance funds is now least controversial of the various sections of this bill.

TITLE II

Title II provides for the actual merger of the deposit insurance funds over a period of several years. The legislation retains insurance coverage of up to $100,000 per depositor for deposits in banks, savings and loans, and credit unions under a Federal Deposit and Savings Insurance Corporation [FDSIC]. The assets of the Federal Savings and Loan Insurance Corporation [FSLIC] and the Federal Deposit Insurance Corporation [FDIC] would be transferred to the FDSIC effective January 1, 1994, and those of the National Credit Union Share Insurance Fund [NCUSIF] effective January 1, 1995. This transfer would occur after the various accounting of regulatory standards outlined in the Bush plan are put into place.

While this legislation is the first of its type to be introduced in this House in recent years, it is not the first to provide a merger of Federal deposit insurance funds.

Legislation to consolidate the FDIC and the FSLIC was first introduced in 1963. The House bill introduced in that year, H.R. 729, would have created the Federal Deposit and Savings Insurance Board to manage Federal deposit insurance funds.

In 1971, the President's Commission on Financial Structure and Regulation, popularly known as the "Hunt Commission," proposed the establishment of a Federal Deposit Guaranty Administration which would have incorporated the FDIC, the FSLIC and the NCUSIF under one agency while retaining separate funds.

In 1975, the "Financial Institutions and the Nation's Economy [FINE]" study recommended that all functions of the Comptroller of the Currency, the FDIC, the Federal Home Loan Bank Board and the National Credit Union Administration, and the regulatory and supervisory functions of the Federal Reserve Board, be combined into a single "Federal Depository Institution Commission."

In 1982, section 712 of the Garn-St Germain Depository Institutions Act—Public Law 97-320—directed each of the three Federal deposit insurance agencies to study, among other things, "* * * the feasibility of consolidating the three separate insurance funds."

In reponse to that directive, the FDIC in 1983 recommended an FDIC/FSLIC merger. In its recommendations, the FDIC made an observation that rings with more resonance today than it did then:

Separate regulatory and insurance systems for savings and loan associations and banks are becoming intolerable from the standpoint of competitive equity among like firms and from the standpoint of fostering the most effective and efficient regulatory system and the strongest possible insurance system.* * * The future of the financial services industry will require a larger, better diversified insurance fund and greater flexibility in dealing with troubled or failed institutions, particularly cross-industry takeovers.

The FDIC was right in 1983. Had Congress followed that advice 6 short years ago, the FSLIC tab to the taxpayer would, in my view, be reduced by billions. Indeed, had FDIC and FSLIC been consolidated in 1983, even if only in the administrative sense, a strong case could be made that a taxpayer bailout could have been avoided completely.

A 1984 Brookings Institution staff study noted that a consolidation of Federal deposit insurance funds could save money through a basic economy scale. According to the study:

When a resource such as an insurance fund reserve is subject to random demands, the principle of "economies of massed reserves" may apply. At a larger size, it is easier to meet fluctuations of demand: the greater the number of firms that are served, the more likely it is that random claims will occur at a steady and predictable rate. Thrift and bank claims have a lower correlation between industries than within industries, implying a lower variance for a combined fund than for separate funds. Thus the balance tips in favor of consolidation.

In March 1985, then Federal Reserve Board Chairman Paul Volcker, noting the growing propensity of thrifts to exercise essentially bank-like functions, indicated that he could also support a fund merger.

A merger of the fund, once common regulatory and accounting standards have been agreed to, makes sense for several reasons.

MARKETPLACE CHANGES

First, the financial marketplace has changed. This is the 1980's, not the 1930's. While banks, savings and loans and credit unions had distinct, individual characteristics when their respective insurance funds were created, times have changed. Savings institutions now engage in commercial lending and all institutions compete for consumer business. Interindustry mergers, the breakdown of geographic barriers and changes in product lines reflect the change.

As the FDIC noted in its recommendations to Congress in its 1983 report to Congress:

It is difficult to argue that the insurance funds of the FSLIC and the FDIC should be separately maintained when the functions of the thrift institutions and commercial banks are so similar that virtually the only distinction that can now be found in present law between the two types of institutions is in the nature of the insurance attached to the liabilities of each. Not only are the depository institutions involved now almost indistinguishable in the powers they possess, but they are also beginning to come together, in some instances, in larger financial organizations, a trend that doubtless will accelerate in the future.

Again, this was the conclusion of the FDIC in 1983. The changes have become even more apparent in the interim. Comptroller Robert Clarke had this observation for the House Banking Committee on March 14 of this year:

Many large thrifts are becoming indistinguishable, in the composition of both their assets and liabilities, from commercial banks. At the same time, many small community banks bear a close resemblance to traditional thrifts. Equally significant, increasing numbers of thrifts are also dropping the word "savings" from the names that appear on their charter, and marketing themselves as "banks," "bancs," or "banques."

The marketplace is changing, but the Federal deposit insurance system has lagged behind. One large, well-staffed and flexible deposit insurance fund could anticipate changes in the financial marketplace rather than simply respond to changes as they occur. When the Federal Government lags behind the marketplace, as it did in the savings and loan situation, trouble is not likely—it is guaranteed.

PUBLIC CONFIDENCE

Second, public confidence in Federal deposit insurance would be strengthened by the establishment of a single deposit insurance fund. Bailing out the FSLIC, especially in the stop-and-go manner which the Congress has undertaken, does not inspire public confidence in Federal deposit insurance. It inspires public trepidation. Consider the text of an advertisement placed in a Wisconsin newspaper by an FDIC-insured bank in 1987. The text reads: "FDIC Reserve Fund—$18.2 billion or FSLIC Reserve Fund—$2.7 billion. Which one would you rather have insuring your money?" These days, of course, the FSLIC fund does not even have $2.7 billion to its name. Similar ads have been reported in other regions in recent weeks.

While recapitalization of the FSLIC is an immediate, short-term necessity, it has the unfortunate effect of encouraging public comparisons of the "healthy fund" with the "sick fund." Once we have resolved the FSLIC funding question, we should begin the process of merging the funds to ensure that "never again" will we have the "healthy fund/sick fund" comparisons to sap public confidence in the deposit insurance system.

Simply pumping money into the FSLIC does not resolve our deposit insurance problems. As a June 1985 internal FDIC draft study on the question of an FDIC/FSLIC merger astutely observed:

The Treasury could infuse cash into the FSLIC. This alternative, however, would be detrimental to the banking system in that it would contribute to the impression that banking is a public utility and it would not solve one of the major problems of the industry: regulatory standards that are driven more by the necessity of preserving what is probably an inadequate fund, rather than by a direct attempt to solve the underlying problems of the industry.* * *

RISK EXPOSURE

Third, a merger would reduce risk exposure for the Federal Government. For Federal deposit insurance, commercial bank risk involves such factors as loan losses and the level of bank and nonbank competition. Savings institutions, on the other hand, are extremely sensitive to changes in the interest rate. Thus, the larger number and more varied type of institutions insured by a consolidated fund would broaden risk and limit exposure. Had the FDIC and FSLIC been merged in 1984, the number of financial institutions deemed "too large to fail"—institutions with assets which total 50 percent or more of the reserves of their respective funds—would have declined from 82 to 27, decreasing exposure and increasing stability in the deposit insurance system.

POLICY COORDINATION

Fourth, regulatory policies could be better coordinated. The General Accounting Office pointed out in its excellent September 1986 study, "Deposit Insurance: Analysis of Reform Proposals," that a merged fund would provide a single focus for evaluating the deposit insurance risk to which the Federal Government is exposed. Consolidation would also enable coordination of closure and liquidation procedures as well as capital and accounting requirements. With a larger and more diverse membership in the fund, the options available for merging troubled and healthy institutions would broaden.

EQUITABLE INSURANCE ASSESSMENTS

Fifth, a Federal deposit insurance fund merger would put an end to the ridiculous situation in which healthy thrifts play one regulator against another by threatening to switch insurance funds, thereby escaping the steep FSLIC insurance premiums.

The economic incentives for well-capitalized thrifts to play this game are powerful. A healthy, FSLIC-insured thrift now pays roughly two-and-one-half times as much for deposit insurance as a comparable FDIC-insured commercial bank. An exodus of healthy thrifts from the FSLIC, should the current moratorium be allowed to expire in August, threatens the current recapitalization effort and weakens the authority of regulators.

OTHER ARGUMENTS FOR MERGER

More than two-thirds of all federally insured deposits, including a portion of the thrift industry, are now insured by one fund—the FDIC. A regulatory structure which includes three sep-

arate deposit insurance funds is a regulatory anachronism. Retention of this anachronism simply because certain special interests prefer it that way is a mistake for which the taxpayers will almost certainly pay.

Those special interests who oppose a consolidation of the funds should heed this fact well: When all is said and done, it is the full faith and credit of the United States which stands behind the deposit insurance guarantee. The ultimate guarantors of confidence in our financial system are not financial institutions, their references to "our funds" to the contrary. By now it should be apparent that when there is a deposit insurance crisis, it is the taxpayer, not the well-connected financial institution industry, who ends up paying the bulk of the bill. Those who suggested otherwise have been silenced by the FSLIC fiasco. Under these rules of the game, it makes little sense to stand behind three funds, one of which could be bankrupt at any given time, when a single well-capitalized, well-run fund would be more efficient.

I would remind my colleagues that Congress legislated a recapitalization of the NCUSIF in 1984 and the FSLIC in 1987. In 1989, President Bush is asking the taxpayers for billions to recapitalize the FSLIC yet again. This is one member of the House Banking Committee who would like to put an end—once and for all—to regular recapitalizations of a hodgepodge of deposit insurance funds.

LAYING THE GROUNDWORK

If Congress is to protect the accounts of depositors and ensure the safety and soundness of the financial system, the groundwork for a merger should be laid.

The purpose of this legislation is to begin laying that groundwork. There are technical and administrative questions which will arise in any discussion of a merger, questions which can be resolved in the course of Banking Committee hearings on the subject and through consultation with the various deposit insurance agencies.

There are serious public policy questions which must be examined as well. In any discussion of a Federal deposit insurance fund merger, the question inevitably arises: Should not the various federally chartered institutions be regulated in a similar manner? The crazy-built regulatory system by which the Federal Government protects the interest of depositors and ensures the stability of the financial system is an inefficient product of another era. Title III of the Deposit Insurance Reform and Regulatory Modernization Act would provide for the logical next step by bringing about a merger of the Federal financial regulatory agencies following the orderly merger of the Federal deposit insurance funds.

In a special order tomorrow, I will describe that section of the bill in detail.

S.M. SGT. KAHN RETIRING FROM CALIFORNIA NATIONAL GUARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, I want to share with my colleagues the news that an outstanding member of the California Air National Guard will retire this month after 41 years of service to his State and his country. His name is Ivan G. Kahn.

Senior Master Sergeant Kahn and men and women like him are the backbone of our armed services. He has had a truly outstanding career which includes active duty service during the Berlin crisis in 1961.

I know my colleagues would join me in saluting a great patriot and wishing him well in the future. I am enclosing a copy of S.M. Sgt. Kahn's résumé with these remarks.

The résumé follows:

S.M. SGT. IVAN G. KAHN, CALIFORNIA AIR NATIONAL GUARD, VAN NUYS, CA

S.M. Sgt. Ivan G. Kahn has been the 146th Tactical Airlift Wing's first sergeant since October 1964. He was born in New York City on March 22, 1929. Both he and his family moved to southern California in 1947. He attended Hollywood High School, graduating in 1948.

He began a long career in civilian retailing in 1949 by studying retail sales and management in resident courses taken at several Los Angeles educational institutions. Following six years of junior executive positions with Ohrbach's Department Stores, Sgt. Kahn spent more than 19 years with May Department Stores serving in various merchandising positions requiring worldwide travel and product development. After leaving May Department Stores, he continued his retailing career for another ten years in self-owned warehousing and retailing operations. In 1984, Sgt. Kahn retired from his civilian endeavors and accepted a full-time, temporary technician position with the 146th TAW.

Sgt. Kahn's military career began on June 22, 1948 when he enlisted in the 246th Air Service Group, California Air National Guard, Van Nuys ANG Base. He was assigned to the 146th Motor Vehicle Squadron where he served in various capacities for more than fifteen years. Sgt. Kahn's career parallels virtually all of the 146th's post-World War II history including its formative years at Van Nuys ANG Base. He has served a variety of Van Nuys ANG Base units, from the fighter days of the 62nd and 144th Fighter Wings—to round-the-world strategic transport in the 146th Air Transport Wing of the mid-1950's and early 1960's—to today's C-130E-equipped 146th TAW. His active duty service includes the Wing's call-up for 1961's Berlin Crisis.

Sgt. Kahn's decorations include the Air Force Commendation Medal, Air Force Outstanding Unit Award, Air Reserve Forces Meritorious Service Medal, Armed Forces Reserve Medal, Air Force Longevity Service Ribbon, National Defense Service Medal, Small Arms Expert Marksmanship Ribbon, and Republic of Vietnam Gallantry Cross. Other awards and decorations include State of California ribbons, medals, and citations.

Sgt. Kahn was assigned to his current position of HQ 146th TAW first sergeant on October 1, 1964. He was promoted to the rank of senior master sergeant on August 1, 1965.

A longtime resident of Beverly Hills, California, Sgt. Kahn has two sons, Gary and Jeffrey, one daughter, Jill, and five grandchildren.

BIELARUSIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, March 25 will mark the 71st anniversary of the independence of the Bielarusian National Republic. It was on this date in 1918, 71 years ago that the Bielarusian people declared their independence and joined the community of free nations.

This year, on April 2, the Bielarusian Coordinating Committee of Chicago, IL, will be sponsoring a luncheon banquet to commemorate this 71st anniversary at the Regency Inn Banquet Halls, 5319 West Diversey Avenue in Chicago. The theme of this year's commemorative ceremony will be "Solidarity and Support," to join hands with the Bielarusian people in their efforts to obtain freedom and self-determination for their homeland.

The main speaker during this banquet will be Dr. Jan Zaprudnik of New York City, a reknown Bielarusian-American scholar, educator, and historian, who will give an address in both English and Bielarusian on the present situation in Bielarus.

In conjunction with this commemoration, the Bielarusian Coordinating Committee is also sponsoring an exhibit in the Daley Center in Chicago from March 20 through April 3, to share with the entire Chicagoland community the diverse and rich cultural heritage of the Bielarusian people. The exhibit will include Bielarusian folk arts and crafts, and will also feature documentary material pertaining to the current struggle for Bielarusian independence. I would like to take this opportunity to extend my best wishes for all of those participating in these commemorative activities, and I would like to congratulate Vera Romuk, President of the Bielarusian Coordinating Committee of Chicago, IL, in her efforts to achieve a free Bielarus.

President Romuk has recently written to me, outlining her concern about the plight of the Bielarusian people, and a copy of her statement follows:

The Bielarusians are the most denied and deprived nation in the Soviet Union today. Not only have they been stripped of their freedoms and human rights, but of their country's original name, their Slavic Bielarusian language, their cultural heritage and their historicity. Moscow has carried on a ruthless assimilation by denying the Bielarusians their language in their Soviet Bielarusian government, schools, and their cultural and social institutions. In their efforts to assimilate the Bielarusian land into Russia and the Bielarusian people into the Russians, Moscow attempted to present the Bielarusians to the world not as "Bielarusians" and their country as "Bielarus", but as "White Russians" and "White Russia" and as "Byelorussians" and "Byelorussia", as if the words "Bielarusians" (bielarusy) and "Bielarus" are non-existent. Nobody questions the terminology of Luxembourg, Belize, Liechtenstein, El Salvador and so on. The Bielarusians were never asked what their name should be to the outside world. Moscow assumes the role of a spokes-person for the Bielarusians even now. By not allowing the publications of Bielarusian-foreign

languages dictionaries and by teaching the Russian heroes, poets, writers and other personages of Russian culture to the Bielarusian children and youths the assimilation process was further deepened. The Bielarusians became alarmed and concerned. They see their country being devoured by Russia.

As early as 1967 an appeal was made to the Bielarusian compatriots in the Western Hemisphere to promote their original name "Bielarus" because "you are free here". The Bielarusian patriots feel that the word "Bielarus" is as beautiful and meaningful as "America" and should be known as such in the entire world.

The Solidarity movement in Poland brought the encouragement to the young people of Bielarus and they formed their movement to speak for their lot. To date there are 66 different young-adults organizations which direct their efforts on behalf of the entire Bielarusian nation. Though not much is written yet about their actions in the West, their deeds have been reported and harshly criticized in the Soviet press. Their demands to restore the Bielarusian language, Bielarusian national emblems and the Bielarusian white-red-white flag have been clearly and widely heard in Bielarus and throughout the Soviet Union. Their recent discoveries of mass graves in Kurapaty near Minsk, containing hundreds of thousands of Bielarusians atrociously massacred by the NKVD secret police between 1937 and 1941 during the Stalin era, can be compared with the Jewish holocaust of World War II.

As Americans of Bielarusian origin and descent, we are greatly concerned about the well-being and future of Bielarus and the Bielarusians in their native Soviet Bielarus. We hope that our Government in Washington will show equal consideration and give equal support to the Bielarusian freedom and independence cause as is being done on the part of the Baltic States. Our U.S. Government could play an important role in showing support for the Bielarusian people by:

1. Initiating programming in the Bielarusian language over the Voice of America. There are over 10.5 million inhabitants in Bielarus today plus a couple of million of those living within other republics of the USSR. Our Government has programming over the Voice of America in the languages of the non-Russian Soviet peoples whose populations number barely 1.5, 2.5, and 3.5 million people. Our fairness is questionable.
2. Establishing an American consulate in Minsk,
3. Accepting their original name "Bielarus" as a legitimate name for diplomatic use, and
4. Urging Moscow to build a memorial in Minsk to the Stalinist victims of Kurapaty and all other victims of Communism in Bielarus.

Mr. Speaker, today the Bielarusian people are prisoners in their own homeland. However, they remain firm in their resolve to oppose the actions of the communists and achieve self-determination. I am proud to join with Bielarusian-Americans in the 11th Congressional District of Illinois which I am honored to represent, and Americans of Bielarusian descent throughout this Nation, who are commemorating the 71st anniversary of the independence of Bielarus. I share in their determination that the Bielarusian people will once again have a free nation, and that the American people will continue to remain alert to the brutality and inhumanity of their communist oppressor.

GREEK INDEPENDENCE DAY

The SPEAKER pro tempore (Mr. PEASE). Under a previous order of the House, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 60 minutes.

Mr. BILIRAKIS. Mr. Speaker, I am proud to stand before you today, as has been my custom, to recognize and celebrate the 168th anniversary of the independence of the Greek people from their Turkish oppressors.

Mr. Speaker, while I fully realize that current political issues may oftentimes cause tensions between our country and Greece, the fact remains that we have been loyal allies who share many bonds that must be brought to light so that they may serve as an incentive for the continuation of good relations between these two historic friends.

For this very reason, Mr. Speaker, I, along with my colleagues—Mr. DYSON and Mr. NEAL, also introduced a resolution, signed into law today, which designates March 25—as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

Mr. Speaker, March 25 is a day of celebration for those of the Greek heritage and Greek Orthodox faith. Almost greater than any other day of the year in their religious faith and national history, March 25 commemorates the beginning of the Greek struggle for independence from over 400 years of Ottomon domination.

Yes, Mr. Speaker, it was on March 25, 1821 that the so-called Greek resistance, small battle-weary groups of guerrillas known as Klephtes, embarked on their long and just struggle against the mighty Ottomon empire.

The Greek resistance appeared to the world as no match for the power of the Turkish oppressors, but the Greeks fought with the determination and valor that soon attracted the support and respect of the international community.

The Klephtes, Mr. Speaker, were ill clad, ill fed, and ill equipped, but fought valiantly and ferociously for their right to a national identity and won battles from the Ottomon empire almost from the beginning.

The last battle of Messolongi, often referred to as the Greek Alamo, almost more than any other point in the long, difficult, 6-year struggle illustrated the Greek will and the justice of the cause at its best.

Messolongi, a small fishing village, provided the gateway to free access between the Greek mainland and the Peloponnese and, as such, was the heart of the Turkish concentration. In 1826, the Turks brought the full impact of the Ottomon might to bear on this little village effectively blockading the town by sea and ringing it with cannon and troops by land.

On January 27, 1826 the Turks presented an ultimatum of surrender. However, this ultimatum was answered not with surrender, but, unhesitatingly, on the same day, with a strong and deliberate commitment to fight for liberty and independence.

The battle for Messolongi continued through January, February, March and most of April, with the 15,000 Turkish troops gaining a foothold on the walls three times, only to be hurled back by savage hand-to-hand counterattacks from the 4,000 Greeks.

On the 21st day of April, the Turks again offered the garrison surrender terms with a caveat that a refusal would seal the doom of all defenders. The indomitable spirit which had animated the movement of independence had not diminished, however, even under bombardment, disease and starvation, for the Greeks again refused to surrender.

The following day, April 22, saw many acts of heroism by the Greeks. They fought to the bitter end, until there were only 300 men left from the original 4,000 in the garrison. These remaining 300 still would not surrender, however, and sealed themselves in a windmill and fought the Turks until only a few were left alive. Then, as the Turks stormed the mill, the Greeks set fire to their gunpowder and blew into oblivion the defenders as well as the attackers.

Yes, Mr. Speaker, it was this kind of will and determination that prevailed among the Greeks and eventually led to the Sultan's conceding of national political independence to the Greek revolutionaries after the Battle of Navarino on October 20, 1827.

The Greek War of Independence, Mr. Speaker, is not the only time that the Greek people have exemplified themselves. They have bravely faced struggle after struggle in their history and have emerged with right and justice on their side.

In 1940, for example, the Greeks were handed another ultimatum—this time from Mussolini demanding that Italian troops be allowed to occupy the Greek islands of Crete and Corfu, parts of Epirus, and the Port of Pireus. The Greeks, as was the case with the Turks, again adamantly rejected the ultimatum with a defiant "oxi"—"no" which is commemorated on October 28 of each year.

The Greek troops again valiantly rose to that occasion, Mr. Speaker, and blocked the Italian attacks time after time until, by November 7, the Greek Army of 5,000 officers and 65,000 men had stopped the Italians.

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And so, Mr. Speaker, such is the legacy of the Greek people to the free world. By the example of the sacrifices of these patriots, they have, hopefully, given others the strength to defend the principles founded by our ancestors.

This week, Mr. Speaker, with the impetus of the Greek Independence Day resolution—which I mentioned earlier—the events of March 25 are being marked in countless communities, schools and Greek Orthodox parishes throughout the United States and Greece.

The kindred will and spirit that would not tolerate domination should, and must, be celebrated, for it has battled for countless other just causes throughout the centuries that appeared unreachable and lost.

The Hellenic spirit and ideal must not be forgotten, Mr. Speaker. It must continuously be kept alive for future generations to learn from, just as it has taught those of the past.

There is no doubt but that the Hellenic tradition has shaped and molded every one of us, whether we are Greek American or not. It has influenced almost every facet of the composition of the great Nation we live in and has, thereby, touched every one of us as its citizens.

Hellenism is ever present, and our lives are the richer for it. Whether it be in the political values we are so proud of, the language we speak, the buildings we work in, or the literature, art, and music which soothes us, the Greek influence is real and present and it must be acknowledged and celebrated.

As a Greek American, Mr. Speaker, I send my best wishes to those of my heritage, both in the United States as well as in Greece, on this historic occasion. As a Member of this body, I pledge my efforts in behalf of improved relations and long-term assistance and understanding between the United States and Greece.

□ 1340

Mr. Speaker, at this time I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding, and I commend the gentleman for arranging this time so that we could pay respects to Greek Independence Day.

Mr. Speaker, I rise to commemorate "Greek Independence Day: A Day of Celebration of Greek and American Democracy."

It was the ancient Greeks who forged the ideals of democracy from which our Founding Fathers drew when they shaped the principles of government for our great Nation. For that we owe a great debt to the ancient Greeks.

Modern Greeks turned their eyes to the United States as the standard to follow when they sought release from Ottoman rule. March 25, 1989, marks the 168th anniversary of their independence and birth of a new era for the distinguished nation of Greece.

Because the concept of democracy was born in the age of the ancient Greeks, all Americans, whether or not they are of Greek ancestry, are kinsmen of a kind to the Greeks. The common heritage we share has forged a close bond between Greece and the United States, and between our peoples. It is reflected in the numerous contributions made by present day Greek Americans, across the country, to our American culture.

Today, let us celebrate, with the Greek people, a common heritage of freedom and democracy that both our nations share. By proclaiming March 25, 1989, as Greek Independence Day, we will be reaffirming our strong allegiance to the principle of freedom and democracy.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman from New York, who has been a great friend of mine, a great friend of all the Greek American people, and very particularly of the Greek Americans in his district and the Hellenes in the old country, in Greece.

Mr. Speaker, I yield at this point to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I thank the gentleman for yielding, and I join the gentleman in extending a salute to all of our Greek friends in the United States and certainly in Greece and throughout the world.

At this point I would like to extend our appreciation for all that we have benefited in this great country of ours, for none have contributed as much as our friends from Greece in the arts and education and literature and everything that has enhanced our quality of life in the United States.

Mr. Speaker, I join with him and extend, with my colleagues here in the House, our best wishes to all of our Greek friends, to the people of Greece who have always been our friends and hopefully will continue to be, and may they prosper in the peace and democracy with which they brought forth basically to this world and that we now share from the first experiences that were brought to us from Greece.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman from Texas for his very, very warm, heart-warming, remarks.

Mr. Speaker, I yield to the gentleman from Georgia [Mr. JONES].

Mr. JONES of Georgia. Mr. Speaker, I thank the gentleman for yielding, and I, too, appreciate this opportunity that my distinguished colleague, the gentleman from Florida, has given us to reflect briefly on what this day means.

Mr. Speaker, in ancient Greece, over 2,000 years ago, a breeze stirred in the hearts of a people. That breeze was to become the wind of freedom which blew from the hills of Athens to the Island of Rhodes. We feel that breeze here today, when as free men and women, elected by a majority of peers, we gather in democratic assembly to freely express ourselves. What a debt we owe to those who developed and nourished the ideals of equality! As we celebrate their heritage here in our daily lives, it is a particular pleasure to note the 168th anniversary of the return of democracy to the great Greek nation.

In 1821, after nearly 400 years of Ottoman oppression, the greek people said "no more" and rose up, beginning a new struggle for freedom which culminated in the unshackling of those chains of tyranny and the rebirth of Greek democracy.

In the course of that revolution our American Declaration of Independence was translated into Greek—our success became their ideal—just as their ancient ideals had fueled our success.

What goes around comes around. The wind of freedom blows again and we must cherish and protect it. We must never forget the valor of those, Greek and American who sacrificed all for democratic values. We must never lose our full devotion to those ideals which first stirred in ancient Greek, and which we commemorate on this "national day of celebration of Greek and American democracy.

□ 1350

Mr. BILIRAKIS. Mr. Speaker, I also thank the gentleman from Georgia for his remarks which come from the heart.

Mr. LIPINSKI. Mr. Speaker, this Saturday marks a significant event in the history of two great nations. On March 25, 1821, Greece became a free state for the first time in almost 400 years, thus returning to the world community its original democratic member. For us, as Americans, the independence of the Greek state is an important reminder of our own democratic heritage, as the ideals of both nations are intimately intertwined.

The United States is, indeed, a nation which has borrowed greatly from the Greek model of democratic rule. The framers of our Constitution recognized the wisdom of the ancient Greeks by establishing a government which was not subject to the whim of a tyrannical minority but which was, instead, in the hands of all the people. "To the ancient Greeks * * * we are all indebted," said Thomas Jefferson, "for the light which led ourselves out of Gothic darkness."

Just as Greece supplied a philosophy of government to the American people, the American war for independence supplied the necessary inspiration which lifted the Greek people from the shackles of Ottoman rule. In an appeal to the American people in 1821,

the Greek commander in chief stated that in "honoring [freedom's] name, we invoke your's at the same time, trusting that in imitating you, we shall imitate our ancestors and be thought worthy of them * * * it is for you, citizens of America, to crown this glory." With this in mind, the Greek revolutionaries used the American Declaration of Independence as their own.

The great Supreme Court Justice John Marshall Harlan characterized our Government as one in which the humblest "is the peer of the most powerful." Likewise, in the fifth century, B.C., Pericles stated that "when it is a question of putting one person before another in positions of public responsibility, what counts is not membership of a particular class, but the actual ability which the man possesses." Today, as we convene in Congress, perhaps we should reflect upon how we got here, and we should be grateful, not only to our American forefathers, but also for the Greek heritage from which our system of government has arisen.

Mr. ANNUNZIO. Mr. Speaker, on March 25, 1821, the Greek people embarked on their long struggle to achieve freedom and self-determination. It was on this date, 168 years ago, that Greeks declared their independence and began a series of uprisings against their Turkish oppressors.

Greeks had remained under the domination of the Ottoman Empire for almost 400 years, since the fall of Constantinople in 1453. During the 1700's, a Greek national revival swept the country, which ultimately led to the end of this Turkish rule. Greatly inspired by America's own experience in achieving independence, in 1814, Greek merchants formed a secret organization, known as the Philike Hetairia, the Society of Friends. This group carefully planned a conspiracy which evolved into a general uprising of all Greek inhabitants in the European section of the Turkish Sultan's Empire.

Seven years later, in 1821, a full scale revolution broke out, achieving notable successes, as Greek nationalist fighters swept down from the mountains and defeated the Turks in the Peloponnesus, in Rumely, in central Greece, and on many islands in the Aegean Sea. Against overwhelming odds, the Greeks fought courageously for 8 long years. In the United States, there was strong support for their actions. President Monroe expressed the feelings of our country when he said:

Genius and delicacy in the arts, daring and heroism in action, unselfish patriotism, enthusiastic zeal, and devotion to public and private liberty, all these are connected with the name of ancient Greece. It is natural therefore, that their contest should arouse the sympathy of the entire United States.

The Greek nation also looked upon America with hope and admiration. In May 1821, the first Greek Senate addressed the American people, stating:

Friends, fellow citizens, and brothers, having formed the resolution to live or die for freedom, we are drawn toward you by just sympathy, since it is in your land that liberty has fixed its abode. * * * Though separated from us by mighty oceans, your character brings you near us. * * * Our interests are of such nature as to cement more and more an alliance founded on freedom and virtue.

October 20, 1827, marked a significant turning point in the struggle to achieve independence. On this date at the battle of Navarino, the Turkish fleet was soundly defeated and destroyed by the combined forces of the British, French, and Russian Navies. This victory gave the Greeks additional incentives in their own fight against Turkish aggression and domination. Finally, after many years of conflict and struggle, on September 14, 1829, the Turks were forced to recognize Greek sovereignty and independence at a conference in Adrianople.

Mr. Speaker, the idea of democracy was born in ancient Greece over 2,000 years ago. It has prevailed and has inspired other nations in their struggle against persecution. Perhaps no other people since their beginnings have given more to the world in the fields of thought, art, and beauty than the Greeks. Modern philosophy had its origin in the reasoning and logic of Socrates, Plato, and Aristole. Medicine is indebted to Galen and Hippocrates, mathematics to Euclid and Archimedes, law to Nestorius, the arts to Aeschylus, Sophocles, and Euripedes, and politicians emulate Demosthenes.

In recognition of the many contributions Greeks have made, and the friendship between the people of Greece and the United States, I was glad to add my name as a cosponsor to House Joint Resolution 145, a bill to designate March 25, 1989 as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy." A copy of this resolution follows:

H.J. RES. 145

Whereas the ancient Greeks developed the concept of democracy, in which the supreme power to govern was vested in the people;

Whereas the Founding Fathers of the United States of America drew heavily upon the political and philosophical experience of ancient Greece in forming our representative democracy;

Whereas March 25, 1989, marks the one hundred and sixty-seventh anniversary of the beginning of the revolution which freed the Greek people from the Ottoman Empire;

Whereas these and other ideals have forged a close bond between our two nations and their people; and

Whereas it is proper and desirable to celebrate with the Greek people, and to reaffirm the democratic principles from which our two great nations sprang: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 25, 1989, is designated as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy", and that the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the designated day with appropriate ceremonies and activities.

Mr. Speaker, Americans of Greek descent have made lasting contributions to the growth and greatness of the United States. Since achieving independence, the ties of friendship which have linked Greece and the United States have grown stronger. It is a genuine pleasure for me to extend my greetings to Greek-Americans in the 11th Congressional District of Illinois which I am honored to represent, and to Americans of Greek descent throughout our Nation, who are celebrating Greek Independence Day.

Mr. HORTON. Mr. Speaker, I rise today to reflect for a few moments on the meaning of Greek Independence Day. This is a special occasion for all believers in democracy for on March 25, the world will celebrate the reemergence of Greece as a free and independent nation.

The reasons for celebrating Greek Independence Day are many. Our Nation's Founding Fathers looked to the heroes of ancient Greece when drafting the Constitution. What could be more appropriate, as we celebrate the 200th anniversary of the Constitution, than reflecting upon the traditions that inspired it? For it was in ancient Athens that the world first saw the idea of "one man, one vote" put into action.

As the leaders of the free world, it is only fitting that we Americans join in the celebration of one of our fellow democracies. Greece has been a faithful and trustworthy ally. She joined us in the fight against tyranny during the First and Second World Wars. She has been a faithful partner in the NATO alliance.

Mr. Speaker, I want to take this opportunity to thank my colleague from Florida, Mr. BILIRAKIS, for taking out this time in honor of Greece. He certainly has done a wonderful job in orchestrating this tribute to the home of his ancestors.

Mr. PEPPER. Mr. Speaker, it is with great pride and pleasure that I join my colleagues in recognition of March 25, 1989, as Greek Independence Day. In a country of so many cultures and such ethnic diversity, it is appropriate that we set aside a day to honor Greek-Americans with a national day of celebration of Greek and American democracy.

Mr. Speaker, all of us know what Greece has contributed to the world. We need not have our memory refreshed of the glory of ancient Greece and the many contributions it has made to our society. We are aware of the everlasting gift of democracy which the ancient Greeks bestowed upon the world. And we need little reminding of the many contributions Greek immigrants have made to American culture from the colonial days to modern times. Instead, let us look at the spirit of the Greek people in a difficult period of their history in the early 1800's.

The Greek people were deprived of all civil rights during those years. But they survived. The people of Greece kept their religion, language, and culture intact, never bowing to the pressures of foreign power. What a heartening example this may be for those countries today who are suffering under similar conditions due to the presence of an unwelcome foreign government.

By the end of the 18th century a growing sense of Greek nationalism was encouraged by the democratic revolutions in America and France. On March 25, 1821, Bishop Germanos signaled the beginning of a decade of revolution which culminated with Turkish recognition of an independent and democratic Greek state in 1832.

March 25 is a day of celebration not only for the Greek community, but for the world community as people all over the globe strive for the opportunity to live by the democratic principles first established in Greece. The determination of the Greek people to preserve their heritage should be an inspiration to those countries still deprived of the right to enjoy the benefits of democracy. From the Baltic States to Poland, those nations being forced to live under the unwelcome rule of communism should keep in mind the patient, persistent effort the Greeks employed to regain their sovereignty.

But as my friend and colleague, Mr. BILIRAKIS, has reminded us, there are those Greeks who are not allowed to completely enjoy the fruits of democracy. When we celebrate the progress of glasnost and the many advances Gorbachev has made to honor human rights, it is easy to overlook the numerous human rights violations still occurring in the Soviet Union. When we do notice this oppression, our attentions are spent on the more publicized conflicts, such as the plight of Soviet Jews or the struggle in Armenia.

We seldom hear of the more than 500,000 Greeks who live in the Soviet Union where they were forcibly resettled after World War II. Yet, they are subjected to the same dictatorial measures as those citizens in other occupied regions. Forced to secretly practice their religion and continually harassed to renounce their Greek citizenship, these people are constant victims of an unwelcome rule.

The struggle of Greeks against Communist rule is not limited to Soviet central Asia. After a 1914 border change, more than 300,000 Greeks in northern Epirus were included in the expanded boundaries of Albania. With the Communist invasion of 1945 these boundaries were sealed, completely separating Greeks in southern Albania from their friends and family in their native land. Even with the thawing relations brought about by glasnost. Albania still refuses to allow free movement between the two countries and the persecution of Albanian Greeks shows little signs of receding.

As we mark the 168th anniversary of the beginning of the Greek peoples revolution let us hope the spirit of 1821 will remain alive in those people who find themselves facing oppression. Let us remember those Greeks who are constantly besieged by Soviet officials to renounce their culture. And let us hope the Greek spirit of democracy is still in the hearts of those who struggle against communism.

I join my fellow colleague in saying 'Efharisto" to the Greek nation for beginning a great tradition of democracy which we are still struggling to maintain.

Mrs. BENTLEY. Mr. Speaker, I commend the gentleman from Florida for taking this special order today, as he does every year, to once again commemorate the anniversary of Greek Independence Day, March 25.

March 25 is a very special day to the people of Greece and all Americans of Greek descent as well. In the Orthodox Church it is the day set aside to commemorate the Feast of the Annunciation, one of the most sacred days of the church calendar.

Politically, it is the day in 1821 that the Bishop of Patras, in the rocky hills of central Greece, raised the banner of insurrection against 400 years of occupation by the Ottoman Turks. That day, March 25, 1821, marked the beginning of the revolution that would free Greece and begin to restore democracy to the cradle from which it sprang over 2,000 years ago.

Greek Independence Day is marked by Greek-Americans all across this country by celebrations and religious services. I am very pleased to be able to share with the Greek-American community of Baltimore in the celebrations that will occur on Saturday, and I urge all my colleagues to join in commemorating this important day in the history of freedom and democracy around the world.

Mr. RANGEL. Mr. Speaker, today I also wish to pay tribute and commend all peoples of Greek ancestry on his 168th anniversary of Greek Independence Day. This is the third consecutive year that this body has proclaimed a National Day of Celebration of Greek and American Democracy.

Our Democratic form of government not only takes its name from the Greek language but its basic tenets derive from the Ancient Greek philosophers such as Pericles and Plato. Like America, the Greeks had to fight a war of independence in order to throw off the shackles of domination by a foreign presence, the Ottoman Empire—modern day Turkey. It was on March 25, 1821, that Alexander Ypsilanti proclaimed Greek independence but it took almost a decade of wars before freedom was at last obtained.

We Americans have learned and borrowed so much from the Greeks. Much of our educational foundation is based upon study of the Greek classics. Many of our famous buildings contain architectural influence of the Greek columns. The origins of modern medicine, mathematics, astronomy, and law had their roots in ancient Greece. And today in America our citizens of Greek extraction continue to make significant contributions in all walks of life. Some examples are in medicine: Dr. George Papnicolau who invented the Pap test for cancer and Dr. George Kotzias who developed 1-dopa to combat Parkinson's disease; in entertainment: Maria Callas, Telly Savalas and Alex Karras; in government: Senator PAUL SARBANES and Members of our own body: MIKE BILIRAKIS, GUS YATRON, OLYMPIA SNOWE, NICK MAVROULES, and GEORGE GEKAS. We also should recognize Michael Dukakis who waged such a strong effort to be President in the last election.

Celebration of Greek Independence Day is celebrated in various ways in many communities on this side of the Atlantic Ocean by the almost 3 million Greek-Americans living in the United States. One of the more notable and colorful events occurs in my hometown of New York City each spring on the third Sunday in May. The annual parade up Fifth Avenue is one that includes musicians, dancers, and marchers in colorful costumes representing various regions of Greece.

My fellow New York Greek-Americans and all Greek decendants have every reason to be proud and that is why I take great pleasure in joining in the celebration here in Congress to honor Greek Independence Day.

Mr. BROOMFIELD. Mr. Speaker, today, we mark a truly historic occasion for both Greeks and Americans. From an even wider perspective, today is a celebration for the Western World, and for free men everywhere.

I offer strong support of House Joint Resolution 145 which marks the independence of Greece 68 years ago. I salute Congressman BILIRAKIS for this legislative initiative.

On March 25, 1821, the Greeks gained independence from their Turkish overlords. Though their struggle for freedom was long and hard, the Greeks persevered and regained the freedoms which their ancestors cherished so much.

We owe much to the Greeks. That country was the birthplace of democracy. While we borrowed the principle of democracy from the Greeks, the Greeks used us as a model for their independence in 1821. It is that freedom that we celebrate today.

The ancient Greek quickly realized that power should rest in the hands of the people. Our representative form of government that is "by the people and for the people" has its origins in Greece. The success of this form of government is obvious. We are witnessing a spread of democracy around the world. Totalitarian states are realizing their shortcomings when confronted with the success of democratic governments around the world. The winds of freedom are blowing.

The sons of Greece who left their native land to participate in the American experience have done much to make the United States the land of the free and the home of the brave. Greek-Americans have given much to this great land and have enriched America with the wealth of their ancient culture.

I salute the Greek people and all Greek Americans as we mark this historic occasion. Let us hope that the current difficulties which trouble the Greek-American political relationship will be resolved and that the historic ties of friendship and shared democratic traditions which bind the Greek people with Americans will be strengthened.

Mrs. MORELLA. Mr. Speaker, this Saturday, March 25, will be the 168th anniversary of Greece's Independence Day. That date marks the beginning of the revolution which freed the Greek people from the rule of the Ottoman Empire, which had ruled Greece since the fall of Constantinople in 1453.

Traditionally, we in Congress pay tribute to our democratic allies and join in their celebration of self-rule. But we rightly reserve a special warmth for Greek Independence Day, because our own form of government is derived from the ideas and theories of government first expounded by the Greek philosophers, and because our own Government has been a model and an inspiration for the democratic system of rule which was instituted in Greece after winning its independence.

In this sense, Greek Independence Day is indeed a national day of celebration of Greek and American democracy. As Jefferson noted, "to the Ancient Greeks * * * we are all indebted for the light which led ouselves out of gothic darkness." On the other hand, the American Revolution provided the Greeks with a model, an ideal, to look to as they fought for their independence; in fact, Greek intellectuals translated or own Declaration of Independence and adopted it as their own declaration. This special relationship between our two gov-

ernments continues today. Our democratic nations are allied in NATO, which is dedicated to the protecion and enhancement of liberty and democracy in Europe.

I thank the gentlemen for calling this special order and for helping to emphasize Greece's fight for freedom and the special debt which we owe to Greeks for our own democratic system of government. On this occasion, we are all reminded, in the words of Percy Bysshe Shelly, that, "We are all Greeks! Our laws, our literature, our religion, our art, have their roots in Greece."

Mr. JACOBS. Mr. Speaker, March 25 is a birthday of sorts for the birthplace of all democracy. It is Greek Independence Day.

Our Republic learned a great deal from Greece. And recognizing this day is no more than proper on behalf of our Nation.

Mr. ROSTENKOWSKI. Mr. Speaker, it is with great pleasure that I rise before the House today to commemorate the anniversary of Greek Independence Day. Again, the House and Senate have joined to pass legislation designating March 25, 1989, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

Greece was ruled by the Ottoman Empire for almost 400 years. The oppression suffered by the Greek people for four centuries included complete deprivation of civil rights. With the value placed on civil rights by Americans and given our own history of revolution, it is easy to understand why, in 1821, the people of Greece made a declaration of independence. As July 4 marks the day American colonists declared their independence from Britain and initiated their revolution for freedom, March 25, 1989, marks the 168th anniversary of the beginning of the revolution which freed the Greek people from the Ottoman Empire.

Today, the common values and experiences between our two countries run even deeper as thousands of Americans of Greek descent share with all Americans the traditions of their Greek heritage. It is a pleasure to be able to stand here and recognize a historical event which is so close to the heart of America's history and close to the hearts of our many Greek-Americans.

Mr. FASCELL. Mr. Speaker, I rise to recognize a very important day in the history of Western civilization, Greek Independence Day. The influence of Greek history, philosophy, and culture is the foundation of our Nation's democracy. On March 25, 1821, after 368 years of oppressive foreign rule, Greece regained its independence. Throughout history, Greek culture and heritage has had a tremendous influence on other societies, and in the United States that influence is particularly strong. In fact, nearly 2 weeks ago we celebrated the bicentennial of an institution which is an extension of the ideals of Greek democracy, the U.S. Congress. I am pleased to recognize this important day in Greece's history, and reflect upon Greece's contributions to our Nation.

It was the Greek experiment in democracy which provided the groundwork for the Declaration of Independence and the U.S. Constitution. The Founding Fathers relied heavily on the Greek model, and entrusted their fragile Nation to these ideals of democracy and freedom. I believe that it is important for the United States to honor Greek Independence Day in order to reflect on Greece's contributions to our laws, our literature, our religion, and our art. These many and valued contributions add validity to Percy Bysshe Shelley's observation that "we are all Greek."

Today, the relationship between the United States and Greece is strengthened by our shared prosperity and the defense of our political way of life. This has been made clear throughout the history of the last two centuries. In 1821, the fledgling democracy of the United States of America provided a model of inspiration to Greeks in their own struggle for independence. The American Revolution became a model for the Greeks, and Greek scholars translated the United States Declaration of Independence into their own declaration. The two sides showed their joint determination to fight tyranny during and immediately after World War II, and the Greek nation once again showed its untiring commitment to democracy by overthrowing an internal dictatorship in 1974.

The Greek nation lent us its ideals for our democratic system and borrowed our spirit to recapture its independence. It is said that a teacher can learn as much from his students as his students can learn from him. Greek Independence Day reminds us that there is no other chapter in the history of civilization where both the student and the mentor learned so well.

Ms. SNOWE. Mr. Speaker, as an original cosponsor of this year's House resolution commemorating Greek Independence Day, I am pleased to join my colleagues once again in honoring this day, and I thank the gentleman from Florida [Mr. BILIRAKIS] for his efforts in sponsoring the resolution. I only regret that I am unable to join you in person in the House, due to a previously scheduled hearing and markup of the Foreign Affairs Subcommittee on International Operations, of which I am the ranking Republican.

I would especially like to congratulate the people of Greece today on the success of their democracy 168 years after their struggle for freedom began. It has not been an easy path for the Greek nation to follow during that time, as Greece's independence has been challenged repeatedly by external aggressors, and its freedom has been challenged by internal forces on the left and the right.

But Greece stands proudly today as a completely free and independent nation in the community of Western democracies, and I hope all Americans will join me in commending the Greek people for their contribution to our mutual ties.

As an American of Greek ancestry, it is obviously important to me personally to recognize the achievement of the Greek people in winning their independence, with all of the implications that Greek freedom has had for the United States. But I think that Greek Independence Day is significant for all Americans, whatever their ethnic origins may be.

The freedom, self-determination, and independence of any one people contribute to that of all other people. Just as all Americans can rightly take pride today in the independence of most modern states in Africa, Latin America, and Asia, the freedom won by the Greeks in 1821, and guarded by them for 168 years since then, is an important reminder to our fellow citizens of the ideals on which our own country was founded.

In this respect, March 25 is truly a "national day to celebrate Greek and American democracy."

Mr. DWYER of New Jersey. Mr. Speaker, I am pleased and proud to participate with my colleagues today in the special order called by Mr. BILIRAKIS commemorating Greek Independence Day.

The designation of March 25 as Greek Independence Day is to mark the beginning of the revolution which freed the Greek people from the Ottoman Empire. This year is the 168th anniversary of that revolution.

The bonds between Greece and America are strong and go back many years. Greece, which has been called the "Cradle of Democracy" had a constitution and a democratic form of government over 1,000 years before the American Revolution. The democratic freedoms so precious to Americans had their roots in Greece. Conversely, our American Revolution became one of the ideals of the Greeks as they fought for independence against the Ottoman Empire in the 1820's.

The immigration of Greeks to America during the early part of the 20th century has enriched the social fabric of our culture. In my district in New Jersey, we have a significant number of Greek-Americans who have continued the strong traditions of their heritage and who have contributed, in a very positive way, to the development of our towns and cities. Greek-Americans have succeeded in all fields of American life: religion, medicine, government, and the arts.

The ties that bind America to Greece are, indeed, strong and we will continue to maintain that special relationship for years to come. It is why we have again recognized the importance of Greek Independence Day by passing a resolution declaring March 25 as a national day of celebration of Greek and American democracy.

Mr. BALLENGER. Mr. Speaker, I am proud to join my colleagues today in celebrating the 168th anniversary of Greek independence. On this day in 1821, the people of Greece began their 7 year struggle for independence from the Turkish Ottoman Empire. It is important for us as American citizens to recognize the contributions made by the ancient Greeks and Greek-Americans today. I am here today to celebrate our common belief in democracy, freedom, and independence.

I am sure we all recognize the contributions made by the ancient Greeks to Western civilization. Our culture still benefits from the influence of notorious Greek poets, architects, and philosophers. Perhaps the greatest contribution of all, however, is the Greek ideal of democracy. The concepts of freedom and independence are the basis of our government and of our society.

Our country has always had a strong relationship with Greece. Over 600,000 Greeks died fighting on the side of the Allies in World War II. In return, the United States supported Greece in their post World War II struggle against the Russian Communist rebels. Our common foundations in democracy will allow us continued support for each other.

The contributions of Greek-Americans in art, science, and government are present today. This is evident by the fact that several of our distinguished colleagues here today are of Greek descent. Art museums and concert halls are filled with Greek-American artists and performers. These Greek-Americans are here because they believe in American democracy and American opportunity.

America is indebted to the Greek people for their contributions to all aspects of our society. I congratulate Greek-Americans on their independence, and thank them for their positive influence and example.

Mr. MCMILLEN of Maryland. Mr. Speaker, I rise today on behalf of myself and my constituents to commemorate the occasion of Greek Independence Day, which is a national day of celebration of Greek and American democracy. America shares a special relationship with Greece, for as the framers of the Constitution wrote, "to the Ancient Greeks we are all indebted for the light which led ourselves out of the Gothic darkness." This very city, Washington, DC, is a testimony to our reverence for Greek democracy. The Supreme Court Building, the Jefferson and Lincoln Memorials, are just some examples of classically inspired American architecture found throughout our Nation. However, as we learned about democracy from the ancient Greeks, modern Greece followed the American example in its struggle for independence from the Turks. In fact, Greek intellectuals translated our Declaration of Independence and used as their own declaration.

During the early 1900's, 1 in every 4 Greek males between the ages 15 and 45 departed for the United States. Through their extraordinary compatibility with the American people, Greek-Americans quickly became successful in this country. Their contributions in medicine, in the arts, in business, and in politics, have greatly contributed to the welfare of our Nation and the world.

Finally, I quote Percy Shelly as I say, "We are all Greeks. Our laws, our literature, our religion, our art, all have their roots in Greece." I am sure that all of you will be proud to share in this well deserved tribute to a great people, and an immortal heritage.

Mr. FAZIO. Mr. Speaker, I am pleased to support today's special order in recognition of Greek Independence Day on March 25, 1989.

Earlier this month, the House of Representatives joined with the Senate in approving Senate Joint Resolution 64, a joint resolution to designate March 25, 1989, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy." As a cosponsor of the House version of this resolution, I applaud my colleagues for their quick approval of this measure.

The United States and Greece share a common understanding and respect for democracy. As Thomas Jefferson noted, "* * * to the ancient Greeks * * * we are all indebted for the light which led ourselves out of Gothic darkness. Further, as James Madison and Alexander Hamilton wrote in the Federalist Papers, "Among the confederacies of antiquity the most considerable was that of the Grecian republics * * *. From the best accounts transmitted of this celebrated institution it bore a very instructive analogy to the present confederation of the American States."

Just as we faced a struggle for our independence, so too did the Greek people. For almost 400 years they were ruled by the Ottoman Empire and were deprived of their basic civil rights. Recognition of March 25, 1989, is an important occasion for it marks the 168th anniversary of the beginning of the revolution which freed the Greek people from foreign domination.

Again, I look forward to the celebration of Greek Independence Day on March 25 and to the United States continued and special relationship with the Greek people.

Mrs. MEYERS of Kansas. Mr. Speaker, for 400 years, foreign nations dominated Greece. I am pleased to join my colleagues in commemorating the 168th anniversary of the beginning of the Greek struggle for independence from Turkish rule. I am a cosponsor of House Joint Resolution 145, designating March 25, 1989, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

During their fight for freedom, the Greek people looked to the American Revolution for inspiration and guidance. Earlier our Founding Fathers had drawn on ancient Greek ideals to form our Constitution and democratic system of government. Thomas Jefferson once said: "To the ancient Greeks * * * we are all indebted for the light which led ourselves (American colonists) out of gothic darkness."

Today, we continue to share a strong commitment and responsibility to protect democracy at home and abroad. More countries are recognizing and realizing the benefits of democracy. We must work diligently together to support these fledgling democracies, and maintain our vigilance against aggression throughout the world.

Again, Mr. Speaker, I am pleased to have had this opportunity to express my support for Greek Independence Day.

Mr. DE LA GARZA. Mr. Speaker, the 25th of this month is Greek Independence Day—a day which commemorates the anniversary of the beginning of Greece's struggle for independence and a day when Greek people and their descendents all around the world will join in celebrating the 168th anniversary of Greek independence.

On this occasion I think we are reminded whence our own democracy was born—Greece. On this occasion I think we are reminded whence much of our cultural heritage originated—Greece. Also on this occasion we are reminded of the strong and continuing ties between our two nations.

The poet Percy Bysshe Shelly said "we are all Greeks. Our laws, our literature, our religion, our art, have their roots in Greece." I concur and want to add that in celebrating Greek Independence Day we celebrate the principles which inspire the free and democratic principles of all nations. So let this occasion serve to reaffirm our strong support for a continuing close relationship between our two countries and let me say how proud I am to be able to participate in this commemoration.

Mr. BATEMAN. Mr. Speaker, this Saturday, the 25th of March, will be the 168th anniversary of the beginning of the revolution by the Greek people to throw off the chains of oppression. For nearly 400 years, Greece was subject to the rule of the Ottoman Empire. With the assistance of British, French, and Russian navies, an 8-year war for independence came to a successful conclusion.

It is fitting that we should take a moment to reflect upon the events in Greek history that so endear that nation to our own. Greece, the cradle of democracy, has a recent history intertwined with that of the United States. In drafing the U.S. Constitution, our Founding Fathers looked to the Greek experience for guidance. The Greeks, in turn, would later look to the U.S. Constitution as a role model when they emerged from their revolutionary war an independent nation.

Modern times have witnessed the willingness of the Greek people to fight for freedom and democracy again and again. While Hitler's legions marched virtually unopposed across much of Europe, the Greeks fought courageously. Over half a million of their number perished in the bitter fighting—some 9 percent of the country's population.

Greece had barely begun to recover from the war against the Axis when it faced the threat of communism. In what would be the genesis of the Truman Doctine of containing communism around the world, the United States came to Greece's aid. Combined with the split between Stalin's Russia and Tito's Yugoslavia that resulted in a disruption of aid to the Communist insurgents, this American assistance facilitated the establishment of democracy in Greece. President Truman summed up the situation best when he stated: "The valor of Greece * * * convinces me that the Greek people are equal to the task."

Indeed they are equal to the task. Despite intermittent periods of instability, the Greek people have consistently chosen the path toward freedom and democracy. Few countries have historically espoused the values so cherished in America as fervently as has Greece. The historian Will Durant once remarked that "Greece is the bright morning star of that Western civilization which is our nourishment and life." It is in recognition of Greece's contributions to Western civilization that I salute Greek Independence Day.

Mr. NEAL of Massachusetts. Mr. Speaker, I want to enthusiastically join my colleagues in noting the approach of Greek Independence Day. The date March 25 should be recognized both as a monument to the brave Greek patriots who rose up against the mighty Ottoman Sultan on that day in 1821, and, as a cornerstone in the history of our beloved democratic system.

The realization of Greek independence from the Ottoman Empire marked not only the reemergence of a proud and prosperous nation, but the victory of a political ideology rooted in that nation's long and glorious past: Democracy. In this year which marks the bicentennial of our Congress, I think we should all take special note of the profound influence of Hellenic political thought on our Founding Fathers. I believe that our Nation is a richer place as a result of Greek political and cultural influences, and that the Western World is a stronger and more enlightened one because of our Hellenic origins.

Therefore, on March 25, 1989, I ask all Americans to reflect on the courage and accomplishments of those proud Greek freedom fighters known as Klephtes. We owe a great debt to their struggle in the cradle of democracy. The longstanding friendship between our Nation and Greece is a product of their sacrifice, and the close relations that continue to this day are a testament to our shared love of freedom. I hope that the celebration of Greek Independence Day will serve to deepen the bonds that join our countries, and renew our mutual commitment to the cause of liberty throughout the world.

Ms. SCHNEIDER. Mr. Speaker, it is my great pleasure to join in the commemoration of March 25, 1989, as the 168th anniversary of the revolution which freed the Greek people from the Ottoman Empire after almost 400 years.

Over 2,000 years ago Athens emerged as the first democratic republic in history. Figures such as Aristotle and Socrates talked of the dignity and power of individual people. They believed, as we here do today, in the capacity of people to rule with compassion and justice.

The United States is deeply indebted to the republicans of early Greece. The same ideals that inspired the birth of a democratic republic in Athens inspired the birth of our Nation. As Thomas Jefferson noted, "* * * to the ancient Greeks * * * we are all indebted for the light which led ourselves out of Gothic darkness." Jefferson, Alexander Hamilton, James Madison, and other intellectuals who shaped the American Revolution believed in the basic ideas of government given birth in ancient Greece.

America has made its own contribution to democracy in Greece. After gaining independence in 1821, Greece translated the Constitution of the United States to be their own. This document, which was so influenced by their ancestors, was taken to heart to become the supreme law of their land. After 2,000 years, democracy had returned to Greece.

After the Second World War, the United States came to the aid of the people of Greece in their fight against Communist forces. This aid was the first step in the rebuilding of Europe through the Marshall plan.

The fierce independence that burned in the Greek people at the battles of Marathon, Salamis, and Thermopylae, and burned in them in 1821, and burned in them in their fight for freedom after the Second World War, still burns in them today.

Today Greece is our ally in the North Atlantic Treaty Organization. Greece, as it has throughout history, guards the Dardanelles, the important access way to the Black Sea and southern Europe. The United States and Greece do not always agree on issues yet we remain friends and allies. That is the true nature of our relationship, friendship even in the face of disagreement.

Mr. Speaker, I join with my Greek-American friends in Rhode Island and throughout the country on this joyous occasion as we look forward to a future of cooperation and friendship between our great nations.

Mr. MOLLOHAN. Mr. Speaker, as a cosponsor of House Joint Resolution 145, Greek Independence Day, I am pleased to contribute to the many fine remarks of my colleagues and friends in regard to the 168th anniversary of the beginning of the revolution which freed Greece from the Ottoman Empire.

I believe that a national day of celebration of Greek and American democracy is very much in order because our philosophical value system is the proud inheritance of Greece, the cradle of democracy. The roots of American democracy are inextricably bound with the Greek democratic experience.

For years, our country has been enriched and ennobled by the contributions and achievements of Greek-Americans. This is a rich heritage of endeavor in the arts and sciences, the humanities and professions, the armed services and all levels of government.

As I am sure my colleague from Florida, Mr. BILIRAKIS, would confirm, Greece's finest contribution to the development of our political system is an unswerving devotion to active participation in public life. I join my colleagues in extending heartfelt congratulations to Greece on the anniversary of her liberation from the Turks. I also commend the Greek Americans of the First Congressional District of West Virginia who continue to strive to make our community vibrant, progressive, and culturally diverse.

Mr. WALGREN. Mr. Speaker, in honor of the Greek-Americans in our country, it is my pleasure to again cosponsor legislation that designates March 25, 1989 as Greek Independence Day—A National Day of Celebration of Greek and American Democracy.

Our Founding Fathers based our system of government on the principles of democracy once defined by ancient Greece. It is in this spirit that Thomas Jefferson remarked, "* * * to the ancient Greeks * * * we are all indebted for the light which led ourselves—American colonists—out of Gothic darkness." The ancient Greeks were inspirational in the American fight for freedom. It is not surprising then, to find that Greek intellectuals translated the Declaration of Independence of the United States and used it as their own declaration during their revolution in the 1820's.

The United States and Greece have a unique bond in their pursuit of democracy. It is for this reason that we celebrate March 25, 1989, as Greek Independence Day in the United States. I would like to extend my best wishes to those of Greek-American heritage in both my home district and across the United States.

Mr. DELLUMS. Mr. Speaker, although the formal anniversary is not until March 25, today I want to take a few moments to commemorate the 168th anniversary of the Greek struggle for independence from the domination of the Ottoman Empire.

In 1821 the Greek people, in whose land the origins of Western democracy as we know it first began to evolve, rose up against four centuries of foreign oppression, in the collective effort to reestablish their own national identity through political self-determination and the freedom to practice their own religion. This uprising, predicated in part on the principles espoused in the American and French Revolutions, sparked similar struggles of national liberation throughout central and eastern Europe against Ottoman, Tsarist, and Hapsburg imperial domination.

The success of the Greek struggle for independence also resulted in the evolution of modern Greco-American relations—a relationship that gave much to this country in every area of activity, from religion to culture to politics to a more expanded ethnic diversity. America is a richer nation in every sense of the term because of the contributions made by the Hellenic peoples who have settled in every corner of our land.

The Eighth Congressional District is indeed fortunate to be a principal beneficiary of this rich ethnic and cultural legacy. So on this special day I salute State Senator Nick Petras and all other sons and daughters of Hellenic heritage who have worked so hard and shared so much to make our community a better place in which to live and love.

Ms. PELOSI. Mr. Speaker, I would like to thank my colleague from Florida, Mr. BILIRAKIS for calling this special order to commemorate Greek Independence Day.

Saturday, March 25, 1989, marks the 168th anniversary of the start of the Greek revolution which brought independence to the Greek people after more than 400 years of foreign domination. This struggle eventually restored the democracy that ancient Greece had pioneered. It is fitting that just as our Founding Fathers endeavored to emulate the system of the Greeks in the development of our democracy, the United States was held as the model for modern Greek democracy at the beginning of their struggle in 1821.

Similar to the American Revolution, the Greeks were driven by their desire for religious and civil rights. Under Turkish rule Greeks were unable to attend religious services of their choice, and many were not given access to schools. Young boys of Christian and Jewish descent were kidnaped and raised as Moslems to serve the Sultan. The love of freedom and the desire for self-determination motivated the Greeks to struggle for their independence.

During World War II, 9 percent of the Greek population fought and died fighting on the side of the Allies, in the name of freedom. The Greek people welcomed the opportunity to stand and defend the rights in which they believed. Even today, as Cyprus stands bitterly divided, Greek Cypriots remain committed to a peaceful reunification of their island.

The contributions of the Greek culture to our society do not stop with ancient history. Over 3 million Greek immigrants live in the United States, and have a significant impact on our culture. In entertainment, medicine, religion, and government, Greek-Americans continue to excel and achieve great things.

Again, I thank my colleague for calling this special order to recognize the significance of Greek Independence Day. We should take a great deal of pride in celebrating the enduring relationship between our two countries.

Mr. WELDON. Mr. Speaker, I am pleased to rise on this occasion to commemorate March 25, 1989, as "Greek Independence Day." This marks the 168th anniversary of the uprising against the Ottoman Empire. Historians consider this event the beginning of Balkan nationalism. The Congress of the United States recognizes this date as a symbol for the struggle for freedom.

Generations of Americans have learned about the debt which our Nation owes to the early Greek citizens. The Athenian Senate served as a forum where every citizen could voice his concerns. The very basis for the Government in which we serve was laid by the great thinkers of the Golden Age of Greece.

Less has been said about the influence of the American system of government. In 1821, as Greeks rose up against the Ottoman Empire which had ruled the area since the 15th century, the text of the American Declaration of Independence was translated into Greek and served as a symbol for the revolutionaries. America's struggle for nationhood almost a half-century earlier instilled a desire within the Greek intellectual community for self-determination.

It gives me great pleasure to take this time to celebrate the 168th anniversary of Greek Independence Day. Mr. Speaker, I ask that my colleagues take a moment to reflect on the great contributions made by Greeks and Greek-Americans throughout history.

Mr. MARTINEZ. Mr. Speaker, the celebration of Greek Independence Day creates the opportunity for Americans and the people of Greece, as well as the rest of the world to be reminded of the long and fruitful relationship between our two great nations. Although the history of the Greeks dates back far before that of the United States, the people of our two countries have, throughout our histories, shared a common desire which has formed a bond that can never be relinquished: that is our desire to promote freedom for all individuals. In our endeavor to achieve these ends we have acted as catalysts and educators for each others efforts. The ancient Greeks gave the United States a model for democracy which the Greek people themselves were impeded from utilizing for much of their history, and the United States in turn provided the Greeks with an ideal in their struggle for self-determination when the occasion arrived for them to achieve this same independence.

As history notes, the Greeks were the first to put political thought to work, and bring order to the lives of the people living within the country's borders through a set of principles. The early Greeks recognized that civilized society could only endure if three bases existed: if there were a political institution or constitution; if the people had the ethics or character to abide by these created rules, and, if there were adequate resources for all. Greek political philosophy created a forum for political thought based on this rationale which has never been lost. By consistently building new and pragmatic political theory and practice, and learning from earlier political problems both in concept and action, the Greeks hope to attain an ideal state. Today both the United States and Greece live by constitutions based on earlier concepts, which we try to grow and build upon to progress into more advanced societal states.

On this day in the year 1821, the Greeks began their long struggle for independence from the Ottoman Empire. The events leading up to the Greek war for independence have many parallels to those in American history. Although the Turks permitted the Greeks in large part a measure of self-rule, they were known to have placed periodic taxes on their subject countries and collect male children for military and administrative purposes. Property rights were also denied to Greek countrymen, since the Sultan of the Ottomans held ownership to all subject countries' land, and had the capacity to dispense of the land as he wished. We find similar types of oppression in the history of our own pre-Revolutionary War days.

For many years before Alexandros Ypsilanti proclaimed Greek independence in 1821, a reawakening of Greek culture, history, and language had been arising which promoted nationalistic feelings among the Greek people. Circumstances in Europe and Asia allowed the Greek people a chance to view the effects of nationalism, and Russia, using influence it had gained over the Greek Church appealed for Greek nationalism and unity, and in fact had inspired a revolt against the Ottoman Empire in 1770.

With this new sense of national identity, the Greeks were able to take advantage of the American and French Revolutions as models for seeking their own national identity. The Greeks along with the British, French, and Russians fought the Turks until 1829 when the leaders of the Ottoman Empire abandoned control of portions of their territory, and a treaty favorable toward Greek sovereignty was signed. In 1832 the Greeks achieved their ultimate goal of independence.

Americans and Greeks have this occasion to share a common experience; to be able to recognize a day where a country had attained its freedom, and broken its adherence to a tyrant government. Even more profound than this tie, however, is our mutual aspiration for freedom, and our willingness to struggle to further, and maintain the achievement of this goal. Today, friends of Greece, nearly 3 million Greek-Americans, and the people of Greece themselves commemorate the beginning of a pursuit for freedom. We must use this opportunity to remind ourselves that there are many places in the world today where the struggle for freedom is just beginning, and where the bases for building the "ideal-state" have not yet formed, and that we must be there when these regions are ready to find their own sovereignty.

I would like to close with an address to the Messenian Senate of Calamata at the beginning of the Greek struggle for independence in 1821 by a Greek Commander in Chief, Petros Mavomichalis, since I believe the speech epitomizes the United States longstanding relationship with Greece. Mavomichalis appealed to the citizens of the United States, saying:

> Having formed the resolution to live or die for freedom, we are drawn toward you by a just sympathy since it is in your land that liberty has fixed her abode, and by you that she is prized as by our fathers. Hence, honoring her name, we invoke yours at the same time, trusting that in imitating you, we shall imitate our ancestors and be thought worthy of them if we succeed in resembling you * * * it is for you, citizens of America, to crown this glory * * *.

Mr. TALLON. Mr. Speaker, on Saturday, March 25, 1989, Greeks all over the world will celebrate the 168th anniversary of the beginning of the revolution that won the freedom of the Greeks from the Ottoman Empire.

All U.S. citizens should be proud to recognize our Greek heritage on this special day. Democracy exists and thrives in this country today because it was born and nurtured in the land of ancient Greece.

The ancient Greeks are an example to the modern world of a truly civilized society. The respect for the individual, the appreciation for beauty, and the desire for perfection are characteristics we admire in our Greek ancestors.

Today, Greece is still a paradigm of excellence. Greek citizens in America are among the most educated and productive members of our society. In South Carolina, our sizable Greek population is known not only for their loyalty to their Greek heritage but also because of their contributions to the community.

The United States shares much of its history and culture with the people of Greece. A celebration of Greek independence is a celebration of democracy worldwide. I encourage everyone to take the time this week to recognize a country and a people that has a special place in the hearts of all Americans.

Mr. DYSON. Mr. Speaker, I rise today to join my colleagues in saluting the celebration of Greek Independence Day on March 25. I thank the distinguished gentleman from Florida for holding this very important special order and also for his sponsorship of the resolution which passed the House of Representatives last week.

Mr. Speaker, March 25, 1989, marks the 168th anniversary of the beginning of the revolution which freed the Greek people from the tyranny of the Ottoman Empire. This revolution ended almost 400 years of oppression against one of the world's greatest civilizations. Today we join our fellow Americans of Greek heritage in a celebration of the principles of democracy which were founded in ancient Greece.

Indeed, our Nation's foundation was built upon the principles of freedom and democracy. Our forefathers gave their lives in the Revolutionary War and in subsequent wars to protect these principles for all Americans and for much of the free world.

Mr. Speaker, when the word "Greece" is mentioned, many visions and thoughts cross through people's minds. They think of the Olympics and the enjoyment of watching what has evolved into the world's premier international athletic competition. They think of blue skies and of island paradises set amid the beauty of the Aegean and Mediterranean Seas. Who among us has not read the works of Aristotle and Socrates? The Acropolis is a sample of ancient Greece's architectural brilliance. Like the pyramids of Egypt, the Acropolis has withstood the test of time to serve as an example of what can be done by mankind.

Democracy has also withstood the test of time. Although the governments of America and Greece may clash at times over policy, they both remain bastions of democracy and freedom of the world.

Our country's friendship with Greece is important and today I congratulate the Greeks and Americans of Greek heritage for their invaluable contributions to the world.

Mr. BLILEY. Mr. Speaker, today I join my colleagues in celebrating the anniversary of 168 years of Greek independence. For over

400 years, these brave people bore the oppression of the Ottoman Empire. Yet on March 25, 1821, they initiated a rebellion that brought an end to the Turkish domination. With this triumph we have witnessed that the Greek culture, religion, language, art, and political ideals endured the domination. Today we celebrate these Greek contributions.

We can see these contributions in almost every facet of our lives. In our art, science, philosophy, mathematics, poetry, and architecture. These architects of Western literature and philosophy range from the tragic poets Sophocles and Euripides to the great philosopher Plato. These are the leaders in thought, the entrepreneurs of ideas. Yet the distinction of the people of Greece cannot simply be demonstrated by these individuals. We must also remember the contributions of the thousands who fought side by side with the Allies in World War II to deny German influence. There over 600,000 Greeks killed in pursuit of continued freedoms for the Europeans. It was this bravery that prompted Winston Churchill to say of these committed people, "Until now we said that Greeks fought like heroes, from now on we will say that heroes fight like Greeks." This fighting spirit, this undaunted dedication, has remained for so many centuries, flowing in the veins of the Greek people.

The form of government our Founding Fathers chose for this country is based on that same democratic system established by the ancient Greeks in the city-state. This self-determination is formed of a leadership where the ruling power does not rest in the hands of a single person or small group, but with all members of the state. This is a government where equality is the essence of the law for all citizens. Here, as in Greek city-states, we are equal before the law and we are equal to represent our community in the American Government based on ability rather than social standing.

This progressive concept of self-determination and equality was established were there were no other models either preceding or accompanying these city-states. In the ancient world where Greece came alive, the neighboring countries of Crete, Mesopotamia, and Egypt, were faced with the traditional tyrannical and whimsical ways of enthroned despots or priestly organizations. There, equality was not a concern; leadership was not an issue; self-determination was an unknown term. By establishing the greatest and foremost civilization on the democratic form of government, the Greeks have left an everlasting mark on the political and social aspects of the world which followed.

We must remember that the essence of the Greek civilization has never died. It lives in each and every one of us and is perpetuated in our political system, as in all aspects of our society. The celebration of the courageous and enterprising Greek people is one in which we Americans should participate to the fullest. Mr. Speaker, let us rejoice in the self-determination and equality these people have brought to the American way of life.

Mr. DONALD E. "BUZ" LUKENS. Mr. Speaker, today we recognize Greeks around the world for the independence they achieved from the Ottoman Empire in 1827. For 400 years, the freedom-loving people who created the first democracy, were enslaved under the Ottoman Empire. After a 6-year struggle, the Greeks were liberated and achieved independence.

The Greek people have contributed greatly to mankind through their pursuit of knowledge, study of philosophy, and development of political ideology. The United States owes much of her own heritage to the ancient Greek culture. Early Americans recognized this and were quick to assist the Greeks in their fight for independence. The spirit of the Greek people to be free, as that of the Early Americans, drove them on to fight and eventually win their freedom. Three noted Americans, former President Thomas Jefferson, then-President James Monroe, and John Quincy Adams, all strongly supported the Greek struggle for independence. These men inspired Americans to join with the people of Greece to fight against the Ottoman Empire.

One of the heroes of the Greek war was the English poet Lord Byron. He captured the spirit of the Greek people through many of his writings and influenced them in their fight for independence. Lord Byron supported the war financially and outfitted a ship and journeyed to Greece to take part in the struggle for independence. Unfortunately, he died in Greece shortly after his arrival and was not able to fight with the people he so greatly admired.

Greeks around the world join together in celebrating this honored day. There are 3 million Greek-Americans living in the United States today. Greek-Americans recognize this important day with celebrations and parades. They are a proud people and they have much to be proud of. The contributions the Greeks have made to the Western World in the arts, philosophy, knowledge, and political ideology go unmatched.

The United States will always be a friend of the Greek people. Greeks and Americans have shared the same ideals of freedom and democracy and have both fought courageously to achieve those goals. This week we especially honor Greeks all over the world, and remember their courageous victory for independence and freedom.

Mr. BUECHNER, Mr. Speaker, I rise today to call attention to Greek Independence Day, a national day of celebration of Greek and American democracy. Democracy is a cause for celebration, not just once a year but on a daily basis. We in America should all thank God that we live in a democracy and by so doing acknowledge our debt to Greece.

In the United States, we sometimes neglect to remember that we were not the first to institute a government dependent on the responsible participation of an informed electorate for its effective operation. The principles by which we are governed did not originate with our Founding Fathers. Indeed, the architects of our Government were building on foundations laid long before.

We honor the great minds of antiquity who in their wisdom understood that the most effective way to govern people was by allowing people to govern themselves. Because of the unmistakable rightness of this principle, the passage of time has not diluted the purity of their idea. Indeed if anything, it is clearer today than 3,000 years ago. Today more nations embrace the principles of democracy than ever before. More people breathe the air of freedom, and know what it is to participate in and help to effectuate change as part of the development of civilization. This is indeed a great debt, one which we can only acknowledge but never repay.

As we remember those who taught us how to govern ourselves, let us not forget that Greece is an ancient civilization, but it is also a contemporary one. Let us also recognize the Greece of 1989, and again thank God for the joy of those who continue to teach us how to live today.

Since the birth of our Nation, Greek-Americans have been an integral part of America. They have fought in our wars—sacrificing sons, brothers, fathers, and yes even daughters, sisters, and mothers—so that we might continue to adhere to our democratic system. Greek-Americans toil in our fields and factories, in the board rooms of our great corporations, in the laboratories, in the universities, on the fields of athletic competition, and in our Government helping to determine what America is and will be. They never forget what it means to be Greek, and yet to play an instrumental part in defining what it means to be an American.

The torch which lights the path of democracy was first lit long ago and far away. Yet neither time or distance can extinguish its flame as long as it exists as a spark in the soul of a free man. As we pause to celebrate the anniversary of Greek Independence Day, let each and everyone of us renew our commitment to democracy. Let us rededicate ourselves to the goal of a world in which the government of the ancient Greeks is the norm—a world in which all the people of the world have a say in what it will become.

Mr. ERDREICH. Mr. Speaker, I am pleased to join my colleagues today in marking Greek Independence Day, March 25, in commemoration of the anniversary of the beginning of Greece's struggle for independence from over 400 years of foreign domination.

On this historic day, the Greek people began a series of uprisings against their Turkish oppressors which soon turned into a revolt that attracted international support and respect.

March 25 has also been designated as a "National Day of Celebration of Greek and American Democracy," in recognition of the interconnection of Greek and United States democracies and the influence of Greece and its descendants on virtually every aspect of American life.

The United States and Greece have long been friends and allies, and each has benefited from and inspired the other. The American Revolution became one of the ideals of the Greeks as they fought for their independence in the 1820's. And we are all aware of the influence of Greece on virtually every aspect of American life, including politics, language, sports, arts, architecture, and religion. Ancient Greece was the birthplace of the ideals of democracy upon which our United States Constitution is based. The very word, "democracy," in fact, is derived from the Greek word, "demokratia," which means "government by the people, rule of the majority."

George Cassimus, Birmingham's first Greek immigrant, left his native land and settled in Birmingham in 1884. Since that time, Americans of Greek descent have made many contributions to the economic and cultural vitality of the city of Birmingham and Jefferson County. They are an important part of the ethnic mosaic that makes Birmingham the great city that it is.

As have those of Greek descent throughout the United States, the Greek community in Birmingham has played a central role in the history and development of our State and Nation. This commemoration of the anniversary of Greek Independence Day gives us reason to pause and reflect upon our common Grecian heritage and all that it has meant and continues to mean to us today.

Mr. FEIGHAN. Mr. Speaker, I am pleased to join my colleagues today to celebrate the 168th anniversary of Greek independence. Each year, we take this time to remember the Greek struggle for independence and our common struggle to advance the values shared by all democracies. In so doing, we also celebrate the numerous ties between the United States and Greece—the Greek culture that manifests itself within our political system, our literature and our art. Above all, we celebrate the blood ties between our two countries. For all these reasons, I join my colleagues for "Greek Independence Day: A Celebration of Greek and American Democracy."

It is altogether appropriate that we take time to remember those ties that bind our two republics together. Our own founding fathers looked to the example of ancient Greece in setting about the task of forming a new nation. The Greek patriots of 1821, in turn, looked to our young Nation for the inspiration to free themselves from Ottoman rule. Since that time, we have stood together—in the war against fascism where 600,000 Greeks gave their lives so that we may live in peace. And we stand together in the postwar peace that has allowed the ties between our countries to flourish.

Today, Greece faces internal and external difficulties. Today's celebration allows us to look beyond the headlines. As a NATO ally for over 40 years, Greece remains a vital part of the Western alliance. When we look at the issue of defense burdensharing, we see that Greece leads the alliance in percentage of gross domestic product devoted to defense. Greece also has the highest ratio of active duty personnel to national population of all our European allies.

In the year ahead, I hope we will be able to move ahead on base negotiations with the Greek Government. I am confident that we can secure an agreement that provides Greece and NATO with the security we all seek. And I am confident that this agreement can be reached without compromising Greek sovereignty and independence.

Once again, I want to commend Mr. BILIRAKIS for taking out this special order and giving us this opportunity to express our support for a strong United States-Greek relations, to celebrate the political, cultural, and blood ties that unite our two peoples, and to look forward to a year where those ties will continue to flourish.

Mr. SMITH of Florida. Mr. Speaker, I use this opportunity to call to the attention of my colleagues the commemoration of the beginning of the revolution which freed the Greek people from the Ottoman Empire. Saturday, March 25, 1989, marks the 168th celebration of Greek Independence Day—"A National Day of Celebration of Greek and American Democracy."

History has taught us that the road to freedom is not an easy one. The road that our Greek friends traveled to achieve their freedom spanned 368 years of continuous struggle. From the fall of Constantinople in 1453 until the declaration of independence in 1821, Greece remained under Ottoman rule. In this time period, the Greek people were deprived of all civil rights. Schools and churches were closed and both Christian and Jewish boys were kidnapped and raised as Moslems to serve the Sultan. It is a tribute to their courage and spirit that they were able to withstand these atrocities and fight to attain the freedom they so desperately sought.

The United States and Greece share a rich history together, especially in the pursuit of the cherished ideal of democracy, described by Plato in the Republic as "a charming form of government, full of variety and disorder, and dispensing a kind of equality to equals and unequals alike." Indeed, many of the beliefs that we hold dear have their roots in the wisdom of the ancient Greeks. When Pericles said in an address over 2,000 years ago that "Our Constitution is called a democracy because power is in the hands not of a minority, but of the whole people," he was unknowningly laying the foundation of democracy as we have come to know it. As Thomas Jefferson acknowledged, "* * * to the ancient Greeks * * * we are all indebted for the light which led ourselves out of the Gothic darkness."

The Greek people have never taken their position as a free country for granted. During World War II, over 600,000 Greeks gave their lives fighting for the Allies—a number equal to 9 percent of the entire population of Greece. In addition, the Greek people have never become complacent, but continually strive for excellence. For example, the first Greeks who became U.S. citizens ranked 18th among 24 American nationalities in their median educational attainment. Their children, however, had progressed to the No. 1 position by 1970.

The Greeks continue to be an integral part of life in America. Among our prominent Greek-Americans are Drs. George Papanicolaou and George Kotzias, who invented the Pap test for cancer and developed L-dopa to combat Parkinson's disease, respectively, actors Telly Savalas and Alex Karras—who also played professional football—and our very good friends and colleagues, Senator PAUL SARBANES and Representatives GUS YATRON, OLYMPIA SNOWE, NICK MAVROULES, GEORGE GEKAS, and MIKE BILIRAKIS.

It is only appropriate, Mr. Speaker, that we take the time to salute our Greek friends for both the courage they had 168 years ago and for the example that they continue to set today.

Mr. ACKERMAN. Mr. Speaker, I am proud to raise my voice in honor of Greek Independence Day. March 25 marks the 168th anniversary of the beginning of the revolution that freed the Greek people of almost 400 years of oppression through the Ottoman Empire. With that step the Greek people followed America on their path to national freedom and independence. Indeed, Greek intellectuals used the American Declaration of Independence as foundation of their own declaration of independence. The American Revolution was one of their ideals as they fought for their liberation in the 1820's.

America is proud of this contribution to Greek history, and also of the fact that many Greek-Americans participated on the side of freedom in Greece's war for independence.

But we also must recognize the important contribution of Greek ideas to the founding of our own democracy. James Madison and Alexander Hamilton described this connection clearly in the Federalist Papers:

> Among the confederacies of antiquity the most considerable was that of the Grecian republics—from the best accounts transmitted of this celebrated institution it bore a very instructive analogy to the present confederation of the American States.

The bridge between Greece and the United States is still very strong. Both countries are democracies; both countries are members of NATO. Millions of Greek-Americans live in the United States, and their success proves how much they were welcome in the the American society. Everybody knows of some outstanding Greek-Americans who made important contributions to the development of our society. Among them are Dr. George Papanicolaou, who invented the Pap test for cancer; Maria Callas, the Brooklyn-born soprano; and public servants such as Senator PAUL SARBANES of Maryland, Representative OLYMPIA SNOWE of Maine and Gov. Michael Dukakis of Massachusetts.

Mr. Speaker, let us continue to pursue our friendship with Greece and the Greek people, let us continue to welcome the Greek-American contribution to the American way of life, and let us not forget our common ideals of democracy and freedom.

Mr. ATKINS. Mr. Speaker, I rise today to highlight the common bonds that the people of the United States share with the people of Greece. The Founding Fathers of the United States looked to ancient Greece for the principles of democracy that guide our Nation to this day.

March 25, 1989, will be the 168th anniversary of Greek independence. After nearly 400 years of subjugation by the Ottoman Empire, the Greeks fought for, and eventually achieved their liberty. The American Revolution, 45 years earlier, appropriately served as a model for the struggle for Greek independence. Our Nation, built upon the principles of democracy, was the ideal for which the Greeks strove. The Declaration of Independence was even translated into Greek and was used as the declaration of the Greek people. Just as Americans held those truths to be self-evident, and just as they were willing to pledge their lives, their foutunes, and their sacred honor, so too did the Greek revolutionaries.

It is not only our heritage of liberty that we share, though. Literally millions of Americans

are descended from Greek immigrants, who came to the United States to seek a better life and brought with them the richness and diversity of tradition that marks Greek culture.

Our two nations have had our differences in the past and will most likely have them in the future. This is the price we pay for freedom of thought and support for open debate. Rather than having a detrimental effect, though, these differences make us stronger.

In closing, Mr. Speaker, I would again like to congratulate Greece as a nation, and all those of Greek descent on this joyous occasion. Today, both the United States and Greece can recall with pride Aristotle's words, upon which the foundations of our nations rest: "The basis of a democratic state is liberty."

Mr. DIXON. Mr. Speaker, Greece, a close ally and friend of the United States, marks the 168th anniversary of its independence on March 25. I rise to honor that anniversary and pay tribute to a society that has had such a profound influence on our democratic institutions.

As we celebrate the bicentennial of the U.S. Congress, we should pause to acknowledge the debt we owe to ancient Greece. Democracy originated in Greece. Our own form of democratic government is patterned on the model that originated there more than 2,000 years ago. The resiliency of democratic institutions is a testament to the foresight and wisdom of the ancient Greeks.

But it is not just in politics that Greece has left its mark. Much of the Western culture can be traced back to ancient Greece. We think of euclid in mathematics, Hippocrates in medicine, Sophocles in literature—they helped provide a bedrock of knowledge upon which future generations could build.

The United States had the opportunity to help repay part of its debt to Greece during the Greek struggle to regain political independence in the 1820's. The Greeks used the American Revolution as a model for their own struggle. Greek intellectuals translated our Declaration of Independence and made it their own. A Greek commander in chief acknowledged the American contribution when he declared: "We shall initiate our ancestors and be thought worthy of them if we succeed in resembling you, citizens of America." Today, the modern Greek state stands as a proud descendant of its ancient ancestors and a strong democratic partner to the United States.

The contributions of the Greek people to American society continue to this day. Greek Americans continue to follow in the footsteps of their ancestors, with contributions in the arts, sciences, medicine, and politics, notably with the 1988 Democratic Presidential candidate Michael Dukakis, and Members in both the House and Senate. Their contributions to American life and culture have been rich. I am proud to join my colleagues in recognizing these contributions, and in recognizing March 25 as a national day of celebration of Greek—and American—democracy.

Mr. KASTENMEIER. Mr. Speaker, on March 25, we join with the people of Greece and with Greek Americans in celebrating the 168th anniversary of the start of the revolt by Greek patriots against the Ottoman Empire which resulted in the establishment of the independent state of Greece.

Greek Independence Day also holds a special significance to those of us in America for we owe a debt of gratitude to ancient Greece, where the roots of democracy began. Our Founding Fathers drew heavily upon the political and philosophical experience of ancient Greece in forming our representative democracy.

Through the years of independence of both the United States and Greece, the two nations have enjoyed a special and close relationship. This kinship with the people of Greece as been further benefited by the pricelessness of Greek influence, both ancient and modern, on American society today, and by the immense contributions made by immigrants from Greece. The greatness that is inherent in the Greek culture, philosophy, science, mathematics and arts and industry, has been passed on to those of Greek origin who reside in the United States.

As the Greek people all over the world reflect upon their heritage and celebrate their long and glorious history, they can also look with pride at their devotion to maintaining those ideals which all free people hold in such high regard. It is important to pause on occasions such as Greek Independence Day to recall that man's philosophical and moral birth began with the ancient Greeks, and for that we must be eternally grateful.

On March 25, we rededicate ourselves to the principles which inspired the free and democratic peoples of the United States and Greece. I am pleased to be joining with the people worldwide in rejoicing with the Greek community on this very special day—Greek Independence Day.

Mr. ECKART. Mr. Speaker, I rise today in commemoration of March 25, 1989 as Greek Indepencence Day: A national day of celebration of Greek and American democracy. Today marks the 168th anniversary of the beginning of the revolution that freed the Greek people from the Ottoman Empire. Freedom came to the Greeks after they had been deprived of their civil rights for almost 400 years.

It is the ancient Greeks who taught us the concept of democracy, hence it is propitious for the Greeks to have their own independence. In fact, 2,000 years ago in Greece, Pericles states in an address:

> Our Constitution is called a democracy because power is in the hands not of a minority but of the whole people. When it is a question of settling private disputes, everyone is equal before the law; when it is a question of putting one person before another in positions of public responsibility, what counts is not membership of a particular class, but the actual ability which the man possesses.

It is these ideas that led to the creation of our own Constitution and Bill of Rights. Consequently, today we honor the Greeks who gave us the ideas to form the foundation of our own Government.

Mr. CRANE. Mr. Speaker, this Saturday, March 25, our Nation will recognize Greek Independence Day. This day marks the 168th anniversary of the beginning of the revolution which freed the Greek people from the Ottoman Empire, and gives Greeks and their culture the recognition they so much deserve.

There is little doubt that Greek culture has shaped the development of our own country. Greek laws, literature, philosophy, and art are at the roots of our society and much of Western civilization. Greek political theory and practice, such as a government run by elected representatives of the people, has been influential and successful in our Republic and others. As James Madison and Alexander Hamilton stated in the Federalist Papers, "Among the confederacies of antiquity, the most considerable was that of the Grecian republics * * * From the best accounts transmitted of this celebrated institution, it bore a very instructive analogy to the present confederation of the American States."

In addition to the Greek influence on American society, the Greeks also looked to America for direction. The American Revolution served as an example to the Greeks as they fought for their own independence. In 1821, after winning their freedom from the Ottoman Empire, the people of Greece translated our Declaration of Independence and used it as their own. Their respect for our Government and our beliefs is evident in the words of the Greek Commander in Chief, Petros Mavomichalis: "Having formed the resolution to live or die for freedom, we are drawn toward you by a just sympathy, since it is in your land that liberty has fixed her abode, and by you that she is prized as by our fathers. Hence, honoring her name, we invoke yours at the same time, trusting that in imitating you, we shall imitate our ancestors and be thought worthy of them if we succeed on resembling you * * * it is for you, citizens of America, to crown this glory."

The United States and Greece share a common heritage. Each country has served as a symbol and example to the other and the United States can be truly grateful for all that we have learned from Greece. Please join me in recognizing their national holiday, Greek Independence Day—a national day of celebration of Greek and American self-government.

Mr. YATRON. Mr. Speaker, on March 25, 1821, after four centuries of Ottoman rule, Greeks rose up in arms, fought valiantly, and finally achieved a dream centuries old—freedom from Turkish domination.

The ancient Greeks created the very notion of democracy, in which the ultimate power to govern was vested in the people. As Aristotle said:

> If liberty and equality, as is thought by some, are chiefly to be found in democracy, they will be attained when all persons alike share in the government to the utmost.

It was this concept that the Founding Fathers of the United States of America drew heavily upon in forming our representative government.

Constitutional democracy has made the American way of life possible. For that contribution alone, we owe a heavy debt to the Greek people. But the contribution of democracy was not the only contribution made by Greek patriots to American society. The ancient Greeks contributed a great deal, both to our cultural heritage, as well as to European culture, in the areas of art, philosophy, science, and law. In the preface to his poem "Hellas" Shelly wrote: "our laws, our literature, our religion, our arts have their roots in Greece."

Greek-Americans have followed the rich tradition of their ancestors. They have made their mark in many professions, including medicine, science, law, and business, among others. The welfare and progress of the Greek community, both here and abroad, is of great importance to all of us.

We have, through this special order, another opportunity to thank Greek-Americans for their contribution to the United States. Last Tuesday, March 14, the House passed House Joint Resolution 145 commemorating the ancient Greeks and paying tribute to the Greek-American community by designating March 25 as "Greek Independence Day." It called for a national day of celebration of Greek and American democracy. I am proud to have been a cosponsor of this legislation.

Greek Independence Day was a model for a new nation, and continues to be an inspiration for all those living in the darkness of oppression.

I want to commend the gentleman from Florida, Mr. BILIRAKIS, for authoring and sponsoring House Joint Resolution 145, as well as this special order. I also want to commend him on his leadership on this, and many other issues in the Congress.

Mr. MANTON. Mr. Speaker, I rise today to commemorate Greek Independence Day, a national day of celebration of Greek and American democracy. March 25, 1989, will mark the 168th anniversary of the beginning of the revolution which freed the Greek nation from the Ottoman Empire. I am proud to be an original cosponsor of legislation to designate this special day honoring our national friendship with Greece.

The relationship between the United States and Greece is a special one based upon mutual respect and admiration. Two hundred years ago, when our Founding Fathers gathered to frame a constitution for the new American nation, they looked to the ancient Greeks for their inspiration. The democratic principles of equality before the law, and government by the people for the people, which we call our own, were born in ancient Greece. It was thus fitting, that nearly 50 years later, in the 1920's when the people of Greece began their fight for independence, they turned to the young American nation as a role model. When Greece needed a declaration of independence, Greek intellectuals translated the United States Declaration of Independence into Greek and used it as their own.

Mr. Speaker, democracy in Greece has faced many challenges. During World War II, the people of Greece and the United States fought side by side to defeat the Axis Powers. More than 600,000 Greek soldiers died during this war, about 9 percent of the entire population of the nation. After the war, Greece faced another challenge when Communist rebels threatened Greece's democracy. Happily, democracy endured and Greece emerged strong and victorious.

Mr. Speaker, on Greek Independence Day we should celebrate the achievements of Greek Americans like Dr. George Papanicolau, who invented the pap test for cancer, Dr. George Kotzias, who developed 1-dopa treatment for Parkinson's disease and the many Greek Americans who have distinguished themselves in the arts, business, and Government service.

Mr. Speaker, as we mark this special day, we all have cause to celebrate, for as the poet Percy Bysse Shelly said:

We are all Greeks. Our laws, our literature, our religion and our art all have their roots in Greece.

On Greek Independence Day, let us pause to remember the wisdom of the ancient Greeks, the friendship of modern Greece and the important contributions of Greek Americans.

Mr. ROWLAND of Connecticut. Mr. Speaker, it gives me great pleasure to join my colleague Congressman BILIRAKIS and others in commemorating March 25, 1989, as Greek Independence Day and a day of celebration of Greek and American democracy.

It has been said, and rightfully so, that Greece was the birthplace of U.S. democracy. Pericles said over 2,000 years ago:

Our Constitution is in the hands not of a minority but of the whole people. When it is a question of settling private disputes, everyone is equal before the law; when it is a question of putting one person before another in positions of public responsibility, what counts is not membership of a particular class, but the actual ability which the man possesses.

And it was Plato writing in The Republic that "Democracy is a charming form of government, full of variety and disorder, and dispensing a kind of equality to equals and unequals alike."

March 25th marks the 168th anniversary of the beginning of the revolution which freed the Greek people from the Ottoman Empire. The United States recently celebrated the 200th anniversary of its freedom from British rule.

Mr. Speaker, democracy has been good for Greece and it has been good for America. And it must be our responsibility to see to it that emerging democracies in this hemisphere and throughout the world are given a chance to emerge, grow, and nurture.

On behalf of Americans of Greek extraction in the Fifth Congressional District of Connecticut, I support this resolution in the U.S. House of Representatives commemorating March 25, 1989 as Greek Independence Day.

Mr. CARDIN. Mr. Speaker, I am pleased the Congress has designated March 25, 1989, as "Greek Independence Day—A National Day of Celebration of Greek and American Democracy."

The relationship between Greece and America has inspired both countries to achieve democracy and freedom. Indeed, our very Constitution was built on the Greek ideal of democracy as described by Pericles 2,000 years ago, "Our Constitution is called a democracy because power is in the hands not of a minority but of the whole people. When it is a question of settling private disputes, everyone is equal before the law; when it is a question of putting one person before another in positions of public responsibility, what counts is not membership of a particular class, but the actual ability which the man possesses."

I share Thomas Jefferson's gratitude for the ancient Greeks when he said, "* * * to the ancient Greeks * * * we are all indebted for the light which led ourselves (American Colonists) out of Gothic darkness."

We later were able to repay the Greeks by inspiring Greek independence in 1832. Greek intellectuals translated the Declaration of Independence of the United States and used it as their own declaration. A Greek commander in chief, summed it up best when he described how the American people inspired and assisted the Greek people to achieve freedom when he stated, "* * * trusting that in imitating you, we shall imitate our ancestors and be thought worthy of them if we succeed in resembling you * * * it is for you, citizens of America, to crown this glory * * *."

Even today, it is the citizens of America who have continued to benefit from the Greeks. Indeed, we owe our respect and gratitude to the Greek Americans who have made many contributions to our country. Senator PAUL SARBANES, is the son of Greek immigrants and is now one of the most respected and thoughtful Senators in Congress.

Yet in modern times, Greece has not been completely free since 1974 when Turkish troops invaded the tiny island of Cyprus. The violation of Cypriot human rights are a great concern of mine. I share the hope of millions of Americans and Greeks that the next Greek-American Independence Day will be an occasion to celebrate the freedom of all Greeks.

Mr. LEVINE of California. Mr. Speaker, I rise today to commemorate Greek Independence Day. On March 25, 1989, Greece will celebrate the 168th anniversary of its independence from the Ottoman Empire. As Americans, we cannot afford to forget the rich heritage we inherit from Greece or the tremendous contributions made by generations of Greek-Americans.

We must remember that ancient Greece laid the foundations for our modern democratic institutions. Fundamental precepts of modern democracy, such as a belief in the rule of law and the equality of all citizens, originated in the land of Pericles. It is only fitting, then, that we in Congress, the embodiment of American democracy, salute Greek Independence Day.

We also remember the inspiration which the American Revolution gave to Greek patriots to fight for their human rights and civil liberties against the Ottomans. Indeed, when their struggle ended in triumph, they chose our Constitution as a model on which to structure their own. As Americans, we should be grateful for the opportunity to share our democracy with the Greeks after inheriting it from them.

Finally, we thank the thousands of Greek-Americans who have made contributions to our country and to the world: Dr. George Papanicolaou who invented the pap test for cancer; Soprano Maria Callas; His Eminence Archbishop Iakovas, primate of the Greek Orthodox Church of North and South America, Gov. Michael Dukakis, former-Democratic nominee for President, and many of our colleagues in Congress.

Mr. Speaker, I ask my colleagues to join me in recognizing that, as Thomas Jefferson once wrote, "To the Greeks—we are all indebted for the light which led ourselves out of Gothic darkness," and in sharing with them the joy of their independence on March 25, 1989.

Mr. THOMAS of Georgia. Mr. Speaker, I am pleased to join with my colleagues in commemorating March 25, 1989, as the 168th anniversary of the day the Greek people began their struggle for independence from the Ottoman Empire.

Today there are more than 2 million Greek Americans in the United States and I am proud to say that many are residents of the district that I represent, the First Congressional District of Georgia. Those citizens in my district take a great pride in their heritage, and in fact, several functions in Savannah, GA, have been planned for March 25 in honor of this special day.

Our Greek friends have many reasons to be proud—they have inspired the formation of civilization as we know it today through their cultural, intellectual, philosophical, and artistic ideals. Modern man has inherited examples of Greek art, architecture, and literature; Greek writers and historians have been studied for centuries; and Greek philosophers have influenced civilization throughout the ages. Here in the United States, we have been influenced by famous Greek Americans in the fields of politics, medicine, arts and entertainment, sports, and numerous other areas.

Greece and the United States also have a close interconnection through our respective democratic systems. Greece was the basis for U.S. democracy—Thomas Jefferson once said, "* * * to the ancient Greeks * * * we are all indebted for the light which led ourselves—American colonists—out of Gothic darkness." And the American revolution became an ideal for the Greeks as they fought for their independence in the 1820's.

As we recognize this national day of celebration of Greek and American democracy, let us remember those close ties we enjoy with our friends in Greece and also let us remember what an enormous debt of gratitude we owe to the Greek traditions that helped to inspire civilized mankind.

Mr. HALL of Ohio. Mr. Speaker, I rise to call attention to March 25 as Greek Independence Day, a national day of celebration of Greek and American democracy.

Harbingers of democracy, the Greeks founded the first republic in which the responsibility of the government rested entirely in the hands of the individual citizen. The Greek notion that citizens of a republic have both the right and the privilege of ruling their nation suggests an extraordinary vision on the part of the Greeks. Such a notion was a major advancement in the ability of people to govern themselves effectively.

This democratic government of over 2,000 years ago provided men with the opportunity to act rationally in the management of their government and provided equality before the law. To the Greeks, as to us, this was democracy. And although it was a revolutionary idea at the time, the Greek model of democracy endured to serve as an inspiration to our Founding Fathers.

To honor the Greeks for their independence is to honor democracy as a whole, for democracy rooted in Greece has come to be the form of government we recognize as the fairest and most just for the people.

Today we recall the 167th anniversary of the signing of the Greek Declaration of Independence, a document based on our own Declaration of Independence. We celebrate today not only the independence of Greece, but the numerous contributions of Greeks and Greek-Americans as well. As a democracy, we share with Greece the knowledge that democracy is precious and not to be taken for granted. Furthermore, we celebrate the friendship between the peoples of the United States and Greece: May we celebrate many more years of this happy relationship.

Mr. MFUME. Mr. Speaker, the struggle for independence is often a long and arduous one. Greece, the birthplace of democracy, had for many centuries lived under domination of foreign invaders. But the light of freedom is never extinguished and so each year Greece celebrates its independence and democracy on March 25. We would all be well advised to remember their example and the lessons of history. Greeks in the 19th century watched their continental European brothers and sisters seek and win independence. By the end of the 18th century they already had the example and accomplished fact of the American and French Revolutions, both of whom had consistently relied upon Greek classical philosophers to provide the intellectual foundation for their struggle for independence.

As a nationalists' spirits swelled Greeks wanted for themselves the independence and democracy that others had achieved. Translating the Declaration of Independence for their own use, and relying upon the words of ancient Greek philosophers, Greeks began to assert their own rights. Along the way they rediscovered a pride for their own culture, history, language, and traditions. Oppression and resistance came to head on March 25, 1821 when a series of popular uprisings began which culminated in the Greek Declaration of Independence from the Ottoman Empire. At Epidarus on January 1, 1822, the National Assembly met to proclaim independence, ratify a democratic constitution, and unite the different Greek factions against the common enemy.

When the Ottoman oppressors failed to squash the Greek peoples' popular rebellion they enlisted the help of others. The war for independence dragged on for years, until, with the allied European nations of great Britain, France, and Russia, the Greeks militarily defeated the Turks at the Battle of Navarino on October 20, 1827. The pressure of these allied nations continued until in July 1832 the Ottoman Empire recognized Greece as an independent nation. We see from history that fledgling freedom movements need the help of powerful allies to accomplish politically what by force of right cannot be done alone.

In America, the contributions of Greek-Americans has been profound. In these Chambers, we are privileged by the presence of Greek-Americans like GEORGE GEKAS and GUS YATRON, both of Pennsylvania, OLYMPIA SNOWE of Maine, NICK MAVROULES of Massachusetts, and MIKE BILIRAKIS of Florida. In the U.S. Senate, I am proud to recognize my fellow Marylander, Senator PAUL SARBANES, whose intelligence and integrity is an example for us all, In my home district in Baltimore City and Baltimore County the contributions of Greek-Americans is a positive force for community good. Mr. Speaker, I am honored today to speak in recognition of the 168th anniversary of Greek Independence Day.

Mr. KENNEDY. Mr. Speaker, March 25, 1989, is the 168th anniversary of the start of the revolution in which the Greek people freed themselves from the Ottoman Empire, and I would like to pay tribute to Greece not only as one of the world's great democracies but also as the birthplace of democracy.

Two thousand years ago, Pericles said in Greece:

> Our Constitution is called a democracy because power is in the hands not of a minority but of the whole people. When it is a question of settling private disputes, everyone is equal before the law; when it is a question of putting one person before another in positions of public repsonsibility, what counts is not membership of a particular class, but the actual ability which the man possesses.

Our own democracy is founded on this principle and similar principles first developed in Greece, and for that we Americans, and all others fortunate enough to live under democracies, are forever indebted to the Greeks.

Mr. WALSH. Mr. Speaker, I am proud to add my remarks to the record today in commemoration of the 168th anniversary of Greek independence.

It was on this day in 1821 that thousands of courageous men and women began their long struggle for independence from the Turkish Ottoman Empire which ruled Greece for almost 400 years. Greek freedom from the tyrrany of the Ottoman Turks had been dreamed of for many generations before Prince Alexander Ypsilanti (1722–1828) proclaimed Greece independent in 1821, thus beginning the wars which stretched over almost a decade before freedom was at last obtained.

The chronicle of events surrounding the country of Greece is a long and interesting one, dating as far back as recorded history, from which we have gathered so much of our knowledge. Greek contributions to all levels of men's understanding of the world are well known.

The cornerstone of Western democracy, the gifts of the ancient Greeks are too numerous to enumerate. The foundation of much of our scientific, philosophical, and political beliefs and knowledge are based on the thoughts expounded by these philosophers. The names of Socrates, Plato, Aristotle, Archimedes, Euclid, Pericles, Sophocles, and Homer are held high in regard wherever knowledge and freedom are respected.

Modern man is fortunate to have inherited many examples of Greek art, sculpture, architecture, and literature. The ancient Greeks were both innovators, originating many of the institutions which have become the bases of western civilization, such as democracy, and adapters, converting and altering many cultural institutions which they borrowed from the Middle East and passed on to the West. Greece served as a link between the predecessor cultures and those to follow such as the Roman and the Arab; these in turn transmitted Greek ideas on to our own direct ancestors.

During the 1900's, one in every four Greek males between the ages of 15 and 45 departed for the United States. Today there are over

3 million residing here. Through their extraordinary compatibility with the people of America, Greek-Americans became very successful in the United States. Living in the United States, they have contributed to and continue to enhance our society as a whole, as well as that of my own district in central New York. They are prominent members of our American institution, being outstanding in the areas of business, science, education, entertainment, the arts, sports, and our Federal Government. I applaud their achievements and contributions, and I applaud their forefathers' fight for freedom.

Mr. EDWARDS of California. Mr. Speaker, in keeping with the resolution adopted by the House and Senate and signed by the President on March 21 designating March 25, 1989, as "Greek Independence Day," it is only fitting that we commemorate the 168th anniversary of independence for a nation whose history is so closely tied to our own.

No one can deny the influence of the Greek philosophers on our own democratic form of government. Indeed, Thomas Jefferson acknowledged the Greek contribution to the formation of our Government when he said, "* * * to the ancient Greeks we are indebted for the light which led ourselves—American colonists—out of the Gothic darkness."

The Greeks in turn used our revolution as a model for their struggle for independence, even using some of the language from the Declaration of Independence in their own call for freedom from the Ottoman Empire in the 1820's. Many Americans from various parts of the country participated in the Greek revolutionary war. The Greek effort was also supported by American political leaders including President James Monroe, who in 1822 said, "A strong hope is entertained that these people—the Greeks—will recover their independence, and resume their equal station among the nation on Earth."

Greeks and Americans again joined forces in the fight for the preservation of democracy as part of the Allied effort during World War II. Over 600,000 Greeks died in that war, 9 percent of the total population of Greece.

Democracy faced yet another threat in the late 1960's and early 1970's when the Greek people suffered under dictatorial rule. As the chairman of the United States Committee for Democracy in Greece, I was overjoyed when democratic government returned to that country. However, seeing the birthplace of democracy ruled by dictators also reinforced my own conviction that democracy is not an accomplishment, but a process which must be guarded constantly by the people.

Our storng ties to Greece are also reflected in the invaluable contribution Greek-Americans have made to our country. America is known as a land of immigrants, and certainly a significant number of Greek-American artists, scientists, and politicians have played an important role in shaping American life.

I commend the Greek people on the anniversary of their independence, and I am sure all Americans join me in looking forward to continuing to work together to keep alive the democratic ideals of the Greek philosophers.

Mr. WOLF. Mr. Speaker, I rise to pay tribute to all Greek-Americans in observance of Greek Independence Day on March 25, 1989. I supported the legislation to officially designate this day for many reasons.

Greece was the first proving ground of democracy and the birth of American democracy owes much to the Greek people. In turn, the United States contributed measurably to the revolution which freed the Greek people from imperial rule 168 years ago. Many volunteers from various localities in the United States sailed to Greece to participate in Greece's war for independence.

Daniel Webster, a U.S. Representative from Massachusetts, called the Greeks a people of "intelligence, ingenuity, refinement, spirit, and enterprise" in referring to the centuries of atrocities they endured under the Ottoman Empire.

Today Greek-Americans are represented in every rank of professional society, as doctors, lawyers and Government officials. I urge my colleagues to join me in saluting the Greek-American community for its many contributions to our Nation and the legacy of democracy in the world.

Mr. BONIOR. Mr. Speaker, I want to take a moment today to remind my colleagues that this Saturday, March 25, 1989, Greeks and Greek-Americans will celebrate Greek Independence Day. On that day, 168 years ago, the Greek people ended the 400-year-old rule over them by the Ottoman empire. On that day, the Greek people were given the opportunity to return democracy to its very birthplace.

The Greek revolution, which followed the American Revolution of 1776 and the French Revolution of 1789, gave continuing testimony to the ideal that people are meant to govern themselves; that people are meant to be free; and, that the destiny of a nation should be determined by its own people.

We in America have much to be grateful for because it is these very ideas and practices of the ancient Greeks that our Founding Fathers used to guide them in the writing of our Constitution. James Madison and Alexander Hamilton wrote in the Federalist Papers that:

Among the confederacies of antiquity the most considerable was that of the Grecian republics * * * From the best accounts transmitted of this celebrated institution it bore a very instructive analogy to the present confederation of the American States.

But the Greeks have not only given us their ideas, they have given us their sons. During the early 1900's, one in very four Greek males between the ages of 15 and 45 came to the United States. They themselves, and their descendants became leaders in the political, religious, medical, and entertainment fields, among many others. They have bestowed their gifts and used their talents for the betterment of the American people and for people all over the world.

The Greek people fought for freedom during World War II. Over 600,000 Greeks or 9 percent of the population of Greece at the time died in fighting off the world's brush with totalitarianism and fascism. We owe much to the Greeks and Greek-Americans, my dear colleagues, and on this day I hope you will join me in sending them very warm wishes for their celebration this coming Saturday.

Mr. MARKEY. Mr. Speaker, I would like to take this opportunity to recognize March 25, 1989, Greek Independence Day, as "A National Day of Celebration of Greek and American Democrcacy."

The United States of America will be forever indebted to the ancient Greek Republic for the development of the democratic system of government. In the words of Thomas Jefferson, "* * * to the ancient Greeks * * * we are all indebted for the light which led ourselves (American colonists) out of Gothic darkness." The United States has followed the democratic light that Jefferson so poetically spoke of to become the greatest Nation on Earth.

Greek contributions to our Nation's heritage have not been limited to our democratic system of government. We owe a great deal of our culture, from architecture and the arts to the roots of the English language, to the nation of Greece.

The relationship between our nations has long been symbiotic; in the 1820's, the Greeks modeled their fight for independence on the American Revolution. Greek intellectuals even translated the Declaration of Independence for use as their own. During the early 1900's, a large number of Greeks emigrated to the United States. Their extraordinary compatibility with the American people allowed these immigrants to assimilate quickly and provide an integral contribution to the "American melting pot."

March 25, 1989, marks the 168th anniversary of the beginning of the revolution which freed the Greek people from almost 400 years of oppressive rule by the Ottoman Empire. Greece remained under Ottoman rule until their declaration of independence in 1821. The 25th of March is dear to the hearts of Greek Americans and Greek people around the world, I am honored to have the opportunity to recognize this auspicious occasion.

Mr. GREEN. Mr. Speaker, this Saturday, March 25, commemorates a special occasion—Greek Independence Day. On that date in 1821, Greece declared her independence and began a long struggle to regain her status as a free state for the first time in nearly 400 years. As we join with Greece to celebrate this important occasion, we reaffirm our respect and commitment to democracy. In a great democracy such as ours we take pride in our cultural plurality. It is fitting that we set aside a day to honor Greek-Americans with this special day of celebration of Greek and American democracy.

Thomas Jefferson once said, "* * * to the ancient Greeks * * * we are all indebted for the light which led ourselves—the American colonists—out of Gothic darkness." The United States and Greece have benefited greatly from their strong friendship as Nations and I am honored to share in this tribute to the people of that proud land.

Mr. GEKAS. Mr. Speaker, March 25 is a day celebrating both religious enlightenment and independence for those of the Greek Orthodox Church and those of Greek heritage. The religious celebration being the Day of Evangelismou, or the day on which the message of Christendom was spread throughout the world. The call for Greek independence also rose on this most auspicious day. This day in

1821 a priest, Father Germanos, raised the flag of independence that would lead Greece out of 500 years of oppression by the Ottoman Empire. Nine years after this valiant action Greece would be free at last from the clutches of Ottoman rule. As a Greek American and a staunch believer in democratic principles it is with great pride I recognize the 168th anniversary of Greek independence and the triumph of democracy over tyranny.

During the arduous struggle for independence from the Ottoman Empire one nation was steadfast in its commitment to an autonomous Greek state: the United States of America. During an era when the United States was attempting to distance itself from the affairs of Europe, through such actions as the Monroe Doctrine, there was a resounding acknowledgement of our indebtedness to Greece. The flow of democratic principles between these two nations has a long and remarkable history. Thomas Jefferson, when writing the Declaration of Independence, drew heavily upon the principles of democracy forged in ancient Greece. When Greece made its bid for independence from the Ottoman Empire it turned to the United States. The United States Declaration of Independence was translated into Greek and adopted as the Greek Declaration of Independence. Democracy was returning home.

March 25 is a day of pride, not only for all those of Greek heritage and tradition but also for those full of the spirit of democracy and freedom. As a Greek American, I stand thankful on both accounts.

Mrs. BOXER. Mr. Speaker, I rise today in order to acknowledge and pay tribute to an outstanding people from my district and from all areas of the United States—Greek-Americans. The American people will be honoring Greek-Americans on March 25, designated as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy." This special day enables all of us to recognize a great people who have played a significant part in American history and society. I would like to take this opportunity to honor this extraordinary people now.

Greek-Americans should be commended for providing the United States with its democratic roots. Our founders created the Constitution and our democratic form of government by incorporating the ideas of the Greeks from their ancient republic. These Greek political examples were an inspiration to our Founding Fathers.

While we looked to the Greeks for ideas for our Government, the Greeks, in 1821, looked to the American Revolution as a model for their fight for freedom from the oppressive, barbaric, 400-year rule of the Ottoman Empire. Greece also translated our Declaration of Independence and used it as its own declaration of freedom from the Ottoman rule. Volunteers from the United States traveled to Greece to assist with this revolutionary movement. It is with pride that I inform you that March 25 of this year marks the 168th year of Greek independence.

As we recognize the Greek Independence Day, it is important that we note the impressive list of accomplishments compiled by Greek-Americans in American society as well. Greek-Americans have been major contributors in all arenas: from medicine, with George Papanicolau, the inventor of the Pap test for cancer; to acting, with Telly Savalas and Alex Karras; to fashion design, with James Galanos; to service in our Government, with Michael Dukakis, Governor of Massachusetts and Art Agnos, Mayor of San Francisco. This list is a small representation of the incredible contributions of this great people.

Mr. Speaker, Greek-Americans have played an essential role in American Government and society and it fills me with a great sense of pride to join the American Nation in honoring this appreciated and respected people.

Mr. NELSON of Florida. Mr. Speaker, it is a pleasure for me to say a few words today commemorating March 25 as Greek Independence Day: A national day of celebration of Greek and American democracy, on the 168th anniversary of the beginning of the revolution that freed the Greek people from the Ottoman Empire.

There is a wonderful historical relationship between Greece and the United States. The writers of our Constitution used the concepts of ancient Greek democracy to frame the future of our Nation and not 50 years later the American revolution became one of the symbols to Greeks fighting for their independence in the 1820's.

In more modern times Greeks have played a major role in America. In the 1900's Greeks emigrated to the United States in record numbers, playing a major role in the industrialization and development of our still young democracy. By 1970 these early pioneers and their families were ranked No. 1 among American ethnic nationalities in median educational attainment. In music, Maria Callas, in medicine, Dr. George Papanicolau, and in politics, Gov. Michael Dukakis; Greek-Americans have excelled and accomplished great tasks. Their works serve as an inspiration to all Americans searching for a better world.

It is therefore with great excitement I can say, Greek culture is in many ways a part of us all, and I look forward to celebrating March 25.

Mr. PICKETT. Mr. Speaker, Saturday commemorates Greek Independence Day, and I would like to encourage Americans to take a few moments on that occasion to reflect on American democracy and how much it owes to the ancient Greeks.

It was almost two centuries ago when that great Virginian Thomas Jefferson declared, "to the ancient Greeks, we are all indebted for the light which led ourselves out of Gothic darkness."

As we celebrate Greek Independence Day, Thomas Jefferson's words should take on a special meaning for all of us. The ancient Greeks and their theories of government helped provide some of the inspiration for consitutional government in this country. There were Greek philosophers who taught that government is strongest when power is vested in the hands of the people. They taught and practiced equality under law, and they recognized the principle that leaders should be chosen on the basis of merit. The principle of separation of powers, which we often think of as a unique American doctrine, can even be traced to ancient Greece.

These values, which we learned from the Greeks, are why it is important for this Nation to share in this celebration of the 168th anniversary of Greek Independence from the Ottoman Empire. For almost 400 years, extending from 1454 until their independence in 1821, Greeks had been deprived of liberty. But as history has shown time and time again, the seeds of liberty reside in those who cherish democracy, and they will always prevail over tyranny.

So this week, we join with Greek and Greek Americans in celebrating not just victory 168 years ago, but our shared democratic heritage. We also celebrate our longstanding alliance with Greece.

Mr. GAYDOS. Mr. Speaker, March 25 marks the 168th anniversary of the revolution which freed the Greek people from nearly 400 years of political and cultural oppression under the Ottoman Empire.

We all join in celebrating Greek Independence Day as we recognize that the struggle of the Greek people has captured the attention and the imagination of all who love freedom and democracy. The Greeks' 7-year fight became an international cause with hundreds of volunteers flocking to the "birthplace of democracy" from Europe and America.

It is difficult to imagine what Western culture would be like without the influences of the ancient Greeks in art, architecture, science, mathematics, philosophy, drama, literature, and democracy. Most Americans recognize Socrates, Plato, and Aristotle. Many of us have read Aesop's fables, Greek mythology, and Homer's "the Odyssey" and "The Illiad."

In addition to recognizing the achievements of ancient Greeks, we also salute the accomplishments of individuals of Greek ancestry during modern times. Brooklyn-born Maria Callas became a legendary operatic soprano, Greek composer Vangelis Papahanassiou won an Academy Award for his musical arrangement "Chariots of Fire." Dimitri Mitropoulos was the conductor of the Minneapolis Symphony Orchestra for 13 years before directing the New York Philharmonic.

In 1891, Col. Lucas Mitiades Miller became the first Greek-American elected to the U.S. Congress. Michael Dukakis, Governor of Massachusetts, was the first Greek-American nominated by a major party for the Presidency. Cristos Karaberis was a World War II Congressional Medal of Honor recipient.

Greek-Americans have also made strides in medicine, education, and the arts. Dr. George Papanicolau invented the pap test for cancer. Dr. George Kotzias developed L-dopa to combat Parkinson's disease. Matina Horner is the president of Radcliffe College.

Dr. Alex Dyrides discovered synthetic rubber. Constantinos Brumidi, a Greek master painter, earned the title "Michelangelo of the Capitol" for his work in the Capitol's state rooms and rotunda dome. In 1778, John Gianopolous built the first wooden schoolhouse in St. Augustine, FL.

Early and recent immigrants from Greece have settled in every State of our country. During the early 1900's, when one in every four Greek males between the ages of 15 and 45 departed for the United States, emigrants from every part of Greece settled in the 20th

Congressional District of Pennsylvania. Today, there are over 10,000 Greek-Americans in the Greater Pittsburgh area. The first Greek Orthodox church in Pittsburgh was built in 1904. The Greek community in McKeesport first organized itself in the early 1920's. Today, there are more than 10 churches in and surrounding Pittsburgh.

Following the example of their ancestors, the Greek-Americans of Pennsylvania have also made an impact on their country and their communities. Two of my colleagues in the 101st Congress, Congressmen GUS YATRON and GEORGE GEKAS, are Greek-Americans from Pennsylvania. Prominent Greek-Americans in the McKeesport area include: Nicholas Papadakos, Pennsylvania State Supreme Court Justice; Nick Skezas, McKeesport School Board Member; Andy Jakomas, past mayor of McKeesport; and James Loizes, past chief of police.

A resolution to designate March 25 as Greek Independence Day: A national day of celebration of Greek and American democracy was first signed into law by the President on October 27, 1986—Public Law 99-532. This weekend, as Americans of Greek descent throughout the country are celebrating the anniversary of Greek Independence Day, the Greek-Americans of the 20th Congressional District of Pennsylvania will be joining them. This Sunday, the Greek Room Committee of the University of Pittsburgh will sponsor a "Celebration of Freedom" in the University of Pittsburgh's Frick Fine Arts Auditorium.

It is, therefore, a pleasure for me to extend my greetings to those Americans of Greek descent whom I am honored to represent, and Greek-Americans throughout our Nation, who are commemorating this inspiring event in their history and the history of democracy and freedom.

Mr. McGRATH. Mr. Speaker, I rise today on behalf of the thousands of Greek descendants in my district to recognize Greek Independence Day.

Each year at this time, we pause to reflect upon the courage and determination displayed by the Greeks nearly 170 years ago. It was then, after 400 years of ruthless rule and the absence of human rights, that the Greeks began their fight for independence against the Ottoman Empire. As the Greeks waged their war for freedom in the 1820's, they looked to America's successful revolution as their ideal. Throughout history, the Greeks and the Americans have shared an appreciation for democracy, liberty, and freedom.

In more recent history, Greeks and Americans have fought side-by-side for the same goal. In World War II, 600,000 Greeks lost their lives to aid the allies in the fight for freedom. After the war, Greeks again fought for liberty when they overcame a Communist threat within their own country.

Today, many Americans can trace their lineage back to Greece. During the early 1900's, tens of thousands immigrated from Greece to the United States. Since that time, Greek-Americans have become one of the most successful ethnic groups, recently ranking first of 24 nationalities for median educational attainment.

As we commemorate Greek Independence Day, may we always remember the suffering endured by the thousands who gave their life for freedom. Their contributions shall never be forgotten.

Mr. LIPINSKI. Mr. Speaker, today marks a significant event in the history of two great nations. On this day in 1821, Greece became a free state for the first time in almost 400 years, thus returning to the world community its original democratic member. For us, as Americans, the independence of the Greek state is an important reminder of our own democratic heritage, as the ideals of both nations are intimately intertwined.

The United States is, indeed, a nation which has borrowed greatly from the Greek model of democratic rule. The framers of our Constitution recognized the wisdom of the ancient Greeks by establishing a government which was not subject to the whim of a tyrannical minority but which was, instead, in the hands of all the people. "To the ancient Greeks * * * we are all indebted," said Thomas Jefferson, "for the light which led ourselves out of Gothic darkness."

Just as Greece supplied a philosphy of government to the American people, the American War for Independence supplied the necessary inspiration which lifted the Greek people from the shackles of Ottoman rule. In an appeal to the American people in 1821, the Greek Commander in Chief stated that in "honoring [freedom's] name, we invoke your's at the same time, trusting that in imitating you, we shall imitate our ancestors and be thought worthy of them * * * it is for you, citizens of America, to crown this glory." With this in mind, the Greek revolutionaries used the American Declaration of Independence as their own.

The great Supreme Court Justice John Marshall Harlan characterized our Government as one in which the humblest "is the peer of the most powerful." Likewise, in the fifth century, B.C., Pericles stated that "when it is a question of putting one person before another in positions of public responsibility, what counts is not membership of a particular class, but the actual ability which the man possesses." Today, as we convene in Congress, perhaps we should reflect upon how we got here, and we should be grateful, not only to our American forefathers, but also for the Greek heritage from which our system of government has arisen.

Mr. TORRICELLI. Mr. Speaker, March 25, 1989, marks the 168th anniversary of the beginning of the Greek revolution. On that day the Greek patriot, Alexander Ypsilanti, began a struggle that initially led to Greece's independence from the Ottoman Empire in 1829 and eventually led to the creation of a Greek republic in 1924. It was not only a struggle to bring Greece the freedoms of democracy, but it was also a fight to return democracy to its birthplace after a hiatus of many hundreds of years.

Mr. Speaker, it is with great pleasure and respect that I congratulate Greece on the 168th anniversary of its independence and that I thank it for laying the initial foundations of democracy, which so greatly influence America's Founding Fathers. In view of this fact, it is indeed fitting that Congress has passed Senate Joint Resolution 64 making March 25, 1989, a national day of Greek and American democracy.

Greece and America have a special relationship of sharing. Initially, we shared ideas. In the early days of the United States, our Founding Fathers looked to the Greek example of two millennia past when forming our Government. In the Federalist Papers, James Madison wrote: "Among the confederacies of antiquity the most considerable was that of the Grecian republics. * * * From the best accounts transmitted of this celebrated institution it bore a very instructive analogy to the present confederation of the American States." The founders of modern Greece, in turn, looked to our modern example of democracy when forming their new society. In fact, Greek intellectuals translated the American Declaration of Independence and used it as their own declaration.

Later, we shared customs and families. During the early 1900's, one out of every four Greek males between the ages of 15 and 45 made the United States their country. They brought with them their customs, language, cuisine, religion, knowledge, skills, and most importantly, a rich heritage of dedicated citizenship. America has, in return, affected life in Greece through Greek-American family ties. In view of the fact that many Greek immigrants left some family behind in Greece, American ideas made their way back to those who remained in Greece. Presently, most Greek families have at least one relative who is an American citizen.

Today, America and Greece continue to strengthen a relationship of sharing. We share in the defense of Europe as members of the North Atlantic Treaty Organization. We also share in the idea of easing tensions between Greece and Turkey, especially with regard to Cyprus. Last, the United States and Greece share in the benefits of a full diplomatic, political, and economic friendship that will undoubtedly continue on into the distant future.

Mr. MOODY. Mr. Speaker, this Saturday, March 25, 1989, has been designated "Greek Independence Day: A National Day of Celebration of Greek and American Democracy." I am pleased to join my colleagues in recognizing the unique contribution of Greece and of Greek-Americans.

Our country was founded on democratic traditions that were first born in the "cradle of democracy"—the Grecian republics. We will always owe a great intellectual debt to that rich and vibrant civilization. Today, our two countries share a great cultural affinity, are partners in the NATO alliance, and have many other ties that bind us together.

My own ties to Greece are strong ones. I attended high school in Athens and those years are important ones for any child. I was exposed to Greek art, literature, and music and above all, to the warmth of the Greek people. This experience gave me an appreciation of beauty and culture that has enriched my entire life.

I'm pleased we take time out each year to recall how we are all enriched by the art, the ideals, and the spirit of Greece.

Mr. DYMALLY. Mr. Speaker, I rise today to celebrate Greek Independence Day: A national day of celebration of Greek and American

Democracy. March 25, 1989 will mark the third occasion of a national commemoration of Greek and American democracy.

As former chairman of the House Committee on Post Office and Civil Service Subcommittee on Census and Population, Mr. Speaker, I take particular pleasure in announcing this day of celebration.

The shores of America have been open to the world for 2 centuries now and we are proud of the kalaidescope culture that has developed as a result. As in the case of other ethnic populations in the United States, the Greek contribution is unique and outstanding in its own right.

The thrust of our democracy, both historically and practically, rests on the founding fathers of Greek political thought. The words of Aristotle, Plato, Socrates, and other great political thinkers appear on our bills, grace the walls of our national buildings, as well as the monuments, we hold so dear.

The Greek-American community in the 31st District of the State of California is proud to display their contributions to the international complexion of Compton.

Mr. Speaker, I call on my colleagues to join the spirit of national recognition of this most Greek-American.

Mr. FLORIO. Mr. Speaker, I am proud to join my Greek-American constituents today in commemorating the 168th anniversary of Greek Independence Day. I join them in remembering the sacrifices made by the Greek people in their struggle to reignite the flame of freedom and democracy during the Greek War of Independence.

On March 25, 1821, the Greek people rose in rebellion against the Ottoman rulers and declared their independence, sparking a 7-year struggle to retain the values and freedoms that have been associated with the Greek people since ancient times. One hundred and sixty-eight years later, I join with Greeks around the world in paying tribute to the Greek people for their dedication and perseverance in this and subsequent struggles. It is their commitment to the concepts of freedom and democracy that has enabled the accomplishment of so many advances in the areas of art, architecture, literature, government, and the sciences.

As we recall 1821, I urge my colleagues to also reflect on the plight of the thousands of Greek Cypriots who are to this day continuing their struggle for peace and stability on Cyprus. It has been 14 years since the Turkish armies invaded Cyprus and produced a harsh partition of the island.

I hope that the fierce tenacity and vibrant love of independence which was so evident in 1821 will also be beneficial to the Greek Cypriots as they persevere through diplomatic means to remove the grip of the conquering Turkish armies. I join in celebrating this joyous anniversary and commend this memorable reminder of one nation's struggle for freedom to the attention of my colleagues.

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on the subject of my special order today.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Florida?

There was no objection.

BUDGET IMPLICATIONS FOR THE DEPARTMENT OF AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. DE LA GARZA] is recognized for 30 minutes.

Mr. DE LA GARZA. Mr. Speaker, I take this time today to discuss the budget implications of the Department of Agriculture, what the American people get from our involvement in agriculture and in part, Mr. Speaker, to answer some of the unfair accusations as to what the impact of the agricultural budget is on the total Federal budget.

Agriculture is being unfairly targeted by the media and by the administration for budget cuts. The word is out that agriculture is spending too much, that we are subsidizing farmers too much by using the taxpayers' dollars, I will get to that in just a moment.

Let's first look back at the early 1980's, a period of extremely difficult transition for our Nation's farmers and ranchers. But with the farm bill of 1985 and the Agricultural Credit Act of 1987 we in Congress laid the foundation for the recovery. Neither was a perfect bill, but they were consensus bills and overall they are working well. As we hear throughout the country from farmers and ranchers, consumers, environmentalists and everyone interested in the welfare and the quality of life of the people of our country, they give a plus rating to the 1985 Farm Bill and to the 1987 Agricultural Credit Act. The vital signs of American agriculture are improving. Farm debt is being reduced. We are regaining our export market. Farmer income is up. The same positive signs are seen in the farm credit.

The key to sustaining this recovery lies in the budget choices we make this year. This is very important because we are just now getting agriculture on a sound footing, and under the administration's budget we could very well do something highly detrimental to what has come to be not only positive thinking and feeling out on American farms and ranches, but certainly positive in terms of what the American consumer gets for what the Federal Government spends.

We are the best fed people in the history of the world, with the best quality food, the safest food, for the least amount of disposable income of any major industrialized people in the world.

In the budget that President Bush sent down he said that he would not balance it on the backs of farmers. But the numbers that have come down are not kinder nor gentler. Let me show you examples of this with graphs.

I have a chart here that will show what I am speaking about. Chart No. 1 shows the deficit reductions proposed in the Reagan/Bush budget. (Chart not reproducible in the RECORD.) The gray is the budget reductions of all other programs. The yellow and the green, or 5.4 percent, is farm support, the so-called subsidies, and all of the other USDA programs are in the yellow. So my colleagues can see here that the Reagan/Bush budget targets agriculture for 16 percent of the $34 billion in reductions sought in the entire budget. I insist that this is not fair.

In the next chart, No. 2, we have shown where the Department of Agriculture fits into total fiscal spending. (Chart not reproducible in the RECORD.) For the year 1988, agriculture spent $44 billion. That is the yellow section at the bottom of the chart. But that is out of $1.1 trillion. So all of agriculture, even if we abolished the Department of Agriculture, would be reducing the budget by only 4 percent.

In chart No. 3 we show spending by agencies. (Chart not reproducible in the RECORD.) The highest one is Defense, the second one is Social Security, the third one is Treasury, the fourth one is Health and Human Services, and Agriculture is fifth. We have already spent 77 percent of the budget by the time we get to agriculture in the red part of the chart.

Chart No. 4 also explains what I am speaking about. (Chart not reproducible in the RECORD.) Here we divide the Department of Agriculture into what the expenditures go for. The red is food and nutrition programs, school lunch, school breakfast, elderly feeding and everything in food and nutrition. The green is farm support. Roughly one-fourth is what goes to the farmers. The blue is conservation and the Forest Service, and rural development is in the gray. The black is foreign assistance, and all other is in the small yellow area. But look, the green is all we do for the farmer in relation to farm support within the Department of Agriculture.

The next chart No. 5, should be very interesting to my colleagues because we show in this chart where agriculture ranks by budget functions. (Chart not reproducible in the RECORD.) We begin with defense. Then we go to Social Security, then we go to net interest, and this is very important, net interest on the debt. Then we go to income security, then we go to Medicare, then we go to health, then education, training and employment, then

veterans, then transportation, then commerce and housing, and then we came to agriculture No. 11 in the ranking. The sum of 93 percent of the budget has already been spent by the time we get to agriculture. Some people, many of whom are in the media, are saying if we could get rid of the subsidies we will balance the Federal budget. How wrong can they be, because here is what we spend on the red, and there is the rest of the Federal budget. If we abolish the Department of Agriculture, we do not even make a dent in the Federal budget.

□ 1400

And now the next one is Chart No. 6. (Chart not reproducible in the RECORD.) My dear friends, this is how it all got started. I asked our economist on the Committee on Agriculture "Can you make a graphic demonstration, a chart, where you put in red the total budget, the whole $1.1 trillion budget, and then superimpose on it, in blue, what we are spending for agriculture?" He says, "OK, let me try it." So he went off and then a couple of days later he came back and says, "Boss, it won't work." I said, "What do you mean it won't work?" He said, "It will not work." I said, "Why won't it work? Show me." Then he says, "There's the total budget. See that little line at the bottom, that is what we spent for agriculture. No one will be able to see it."

But this is not what you read in the major periodicals which say agriculture is breaking the budget, that we are subsidizing too much.

I do not know if you can see it, it is very difficult to see that little blue line, but that is what is going for farm price supports. That is the so-called subsidy, 1.15 percent of the total trillion-dollar-plus budget.

They stumble over more money than that in a week at the Pentagon, not that I am antidefense or anything of that nature.

Certainly I am for a strong defense. As a matter of fact, without farmers and ranchers there is no defense.

It is not fair that they point the finger at us at Agriculture. It is not fair that they say, "If you abolish the subsidies, this happens." They used to say that for food stamps, that if you abolish food stamps you will balance the budget.

Well, you have seen the graph where it shows all of the food and nutrition programs. This is the reality. These are the facts. This is the truth. This is what we are dealing with. Here is the totality of the budget in red and the blue at the bottom is what we spend for agriculture and farm support prices.

Now let me show you again chart No. 7, the top budget functions are projected by CBO, that is the Congressional Budget Office, in the spending for 1990. (Chart not reproducible in the RECORD.)

Total spending grows, but we see here agrriculture is diminishing.

You have here defense, Social Security, net interest on the debt, income security, Medicare, health, education, training employment, veterans, transportation, commerce housing and credit, natural resources and the environment, international affairs.

Agriculture is projected to fall from the 11th largest spending function in 1988 to the 13th largest in 1990. You have already spent 95 percent of the budget by the time you get to agriculture.

Let's look at projections by CBO shown in the chart—No. 8 of expenditures on farm prices and income support. (Chart not reproducible in the RECORD.) In 1986, you can see we were spending about $26 billion. Now that is a lot of money, $26 billion. But the question I must ask, as chairman of the committee, the question the members of our committee must ask is: $26 billion out of how much? Out of $1 trillion-plus. When I went to school we did not even know what a trillion was in math. Now the Federal budget is in the trillions.

Here is the projection by CBO that by 1994 agriculture will be at the bottom there—between $5 billion and $6 billion. That is still a lot of money, but out of $1 trillion-plus? Where is the impact? Where is the sting? Where is the burden, I ask? Agriculture spending is coming down.

Now if you will go back to the chart with the little blue line at the bottom. I want to show my colleagues what we get for that. We are the best-fed people in the world for the least amount of disposable income per family in the industrialized world. Not only that but agriculture and the food and fiber system represents 17 percent of our Nation's gross national product. The U.S. agriculture and food and fiber system provide one out of six jobs in the United States of America. The food and fiber system generates an estimated 20.1 million jobs, about 17 percent of the entire work force. Approximately 90 percent of the jobs in today's food and fiber system are off the farm. These are jobs in the cities and the towns and villages.

Let's look at agriculture in the global arena. The U.S. agricultural labor force, including forestry, hunting, fishing, represents only 0.3 percent of the world's agriculture labor force. Yet it produces 8 percent of the world's food grains, 27 percent of the world's feed grains, and 25 percent of the world's beef.

This is what we get for that little blue line of spending at the bottom of the red chart.

We are the largest exporting nation in the world for agricultural products. In fiscal year 1988, U.S. agricultural exports were $35.5 billion; agricultural imports were only $21 billion. The $14.5 billion favorable balance of trade offset some of the large unfavorable balances in industrial trade.

The world is no longer buying everything that we manufacture. They do not buy our radios, our calculators, our television sets, our refrigerators, our washing machines, typewriters, and so forth. They do not buy those things anymore.

Our value of 1987 exports were as follows: to Japan, $5.7 billion; to the Netherlands, $2 billion; to South Korea, $1.8 billion; to Canada, $1.8 billion; to Taiwan, $1.3 billion; to West Germany, $1.3 billion; to Mexico, $1.2 billion. Even to the U.S.S.R. we provide slightly under $1 billion.

Now who does this? One American farmer or rancher provides for 114 persons, 92 in the United States and 22 overseas. That is what one farmer or rancher does in the United States of America; he or she provides for 114 persons, 92 here and 22 overseas.

In the United States it takes only 13 percent of your disposable income to purchase food. What does it cost in Japan? Eighteen percent. In the Philippines? Fifty-three percent. In France? Eighteen percent. In Ecuador? Thirty-five percent.

Look at the personal consumption expenditures, another useful measure. It includes nondurable goods, such as food; durable goods, such as autos; services, such as rent and so on. In the United States we spend only 14 percent of personal consumption expenditure on food; the U.S.S.R., it is 40 percent; in Greece, 42 percent; in Japan, 21 percent; in Sierra Leone—these just taken randomly—65 percent. That is what it takes of their income for survival, 65 percent. In the United States, 14 percent.

We here in the United States have a celebration unique in the world, it is called Thanksgiving Day beginning with the early settlers.

□ 1410

When we thank the Almighty for the bounty that He has given us, it began in that respect. They gave thanks for their survival many years ago and the bounty the Almighty had given them.

Yesterday, the first day of spring, March 20, we celebrated National Agriculture Day. This is for the agricultural producers of America. This is when we thank those that work with the good Lord to give us that bounty. These are the ones that provide us with the food and the fiber for our sustenance and for everything that we use, the agricultural fiber, the cotton, the wool, and everything else that comes from agriculture. So yesterday we celebrated. We celebrated that we are the best-fed people in the world,

not that there is no hunger in America. But it never has been the fault of the farmer. The man does not have a job, there was a disaster, transportation, something failed, it was not the farmer or the rancher. America's farmers provided and they always provide, and this is what we celebrate. I could shout it from the dome of this great Capitol but they will not listen to me. It is not sensational. It does not make the 6 o'clock news. It does not get on the front pages of the major periodicals and it should. We are the best-fed people in the history of the world. It takes less money for our people to feed themselves than anywhere else. We have the safest, healthiest food of any other people in the world. This should make the 6 o'clock news. This should be on the front pages, but it is not. There are the uninformed and misinformed who sensationalize one item or another but the fact is and remains that we have a very productive agricultural sector. Thank the Lord that we do, because we produce for ourselves and we have enough to send around the world. Here earlier was mentioned the fact that we celebrate with our Greek friends the independence of Greece and what they have given us and how democracy and the democratic institutions as we know them, in part, were copied from the Greeks. But the peace and security of the Nation depends basically on the United States of America because of our institutions and because of our defense and our offensive posture. We have the military might to defend the world.

When I was very young, 17 years old, I joined the Navy. I joined the Navy because I saw a sign that said, "Join the Navy and see the world." Well, they never put me on a ship. They never sent me out to sea. I got thrown out of more offices wanting to go to sea aboard a ship.

When I came to Congress, we had the liaison officers from the military. When the Navy liaison officer came to see me, he greeted me, a very personable young commander. He said he saw I was an old sailor, and I said I was, and he said, "What was your ship?" Well, it was Great Lakes, IL. That is where I had been the longest when I was in the Navy. He asked if there was anything he could do for me, and I said, yes, get me on board a ship. So he did. I went on a carrier, the biggest one there was, and it was a thrill of a lifetime, unique experience. Then I went on a cruiser. Then I went on a destroyer. Finally, I said I wanted to go on a nuclear submarine, nuclear-powered, nuclear-armed. Well, they did not know about that. Finally, they worked it out. I went off on the submarine, again, once in a lifetime, a unique, thrilling experience that cannot be compared. We went under water, saw everything. Coming back, on the surface, there was not a ripple on the water, a beautiful sunset. We were looking at the coast of Florida, and I made the mention of how peaceful an evening it was, and the young commander looked at me and he said, "And to think that we have enough megatonnage in the belly of this thing to destroy the world."

Well that, needless to say, was a little unnerving. But then it triggered I had not asked the question. We defend the world and the freedom and the democracy of all the free peoples of the world. But the other side knows every minute of the day where our troops are. They know every minute of the day where our planes are. They know every minute of the day where our missile sites are. They know every minute of the day where our ships are. They know every minute of the day where our satellites are. The only thing they do not know is, is where is that submarine under the water with enough megatonnage to destroy the world. So I asked the obvious question, "How long can you keep this submarine under water?" He looked at me and he said that that was a military secret. I said, "Come on, I am cleared," and he says, "OK, take a guess."

So from what I remembered from my science days, I said 7 years. He smiled at me and he says, "No, I can keep this submarine under water as long as I have food for my crew." That is the deterrent.

So who is preserving the peace and democracy of the free peoples of the world? Who is keeping the world at peace? Who is providing the nourishment so that our forces in that submarine can be there? The farmers and ranchers of America are, the people that we celebrated yesterday. And all that is costing, my dear friends, is that little blue line that we can barely see at the bottom of the chart. God bless America and God bless all who work in agriculture.

A CALL FOR COMPETITIVE U.S. AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. STANGELAND] is recognized for 30 minutes and to revise and extend his remarks and to include extraneous material.

Mr. STANGELAND. Mr. Speaker, the debate on the 1985 farm bill and last year's trade bill outlined some of the problems associated with trading agricultural commodities in the world marketplace, especially for the commodities of wheat and feed grains.

This debate continues with the ongoing trade negotiations, under the Uruguayan round of the GATT. A midterm review of these talks was held last December in Montreal, Canada, and another meeting is scheduled to be held in Geneva early next month. In Montreal, no agreement was reached on agricultural trade, largely because the United States could not persuade the European Community to agree to eliminate trade-distorting subsidies.

With the next GATT meeting beginning in April, I believe it is important to show that Congress is determined to make U.S. wheat and feed grains competitive in the world marketplace. We can do this by mandating a marketing loan for grains. The marketing loan begins to function when the initial loan rate is not competitive in world markets. Producers would be allowed to repay Commodity Credit Corporation loans at a current market price. This would enable them to meet their competition headon.

For years, U.S. producers have seen a deterioration of their markets as the U.S. loan rate set a price which was then undercut by foreign competitors. A marketing loan allows U.S. farmers to compete in this environment where foreign commodities are subsidized substantially.

The marketing loan is not new to the Congress. In the 1985 debate and discussion of the farm bill, I authored the marketing loan for wheat and feed grains. This proposal lost in the Committee on Agriculture by just 2 votes and lost again on the floor of the House by just 20 votes. The 1985 farm bill provides as a result of this debate a discretionary marketing loan for wheat and feed grains and the trade bill triggers one if the President determines that no progress is being made in the GATT negotiations on agriculture. A complement to these two options would be to mandate a marketing loan for the 1990 wheat and feed grains crops. It would send our negotiators to the negotiating table with a stronger hand.

□ 1420

Also it would show that Congress is determined to see that progress is made in trade negotiations, and that the United States is willing to use all the necessary tools to create a level playing field in agricultural trade.

I am introducing legislation today which would mandate a marketing loan for wheat and feed grains for the 1990 crops and beyond. I invite my colleagues to become cosponsors of the bill.

A preliminary analysis of my bill shows that the cost would be minimal.

Yet I believe that the action of mandating a marketing loan would send a signal loud and clear that U.S. wheat and feed grain producers intend to be competitive in the world marketplace, and that the Congress will do all in its power to help them succeed.

Mr. Speaker, I thank the Members for their support, and I urge them to join me in this endeavor.

GENERAL LEAVE

Mr. STANGELAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ELIMINATIONS OF TAX DEDUCTIONS FOR THE PROMOTION OF TOBACCO PRODUCTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 30 minutes.

Mr. STARK. Mr. Speaker, today I am reintroducing legislation that would remove all tax deductions from advertisements and promotions which encourage the use of tobacco products.

THE PROBLEM

According to a new report by the Surgeon General, over 390,000 people die each year from smoking, yet Americans continue to smoke in great numbers. This seems less surprising and more serious when one considers that the Surgeon General has declared tobacco use to be "a serious form of addiction and not simply a dangerous habit." What is truly surprising is the fact that the cigarette industry is receiving over $800 million in tax breaks for their advertising and promotion costs, at the same time that the Federal Government is spending billions of dollars treating smoking-related diseases and discouraging potential smokers from picking up the deadly habit.

Cigarette advertisements are used to lure 1.5 million Americans into smoking each year. But that is not the worst of it: Cigarette firms actually target the most vulnerable sectors of American society—youths, especially minority youths—who are the most likely to respond to psychological advertising. In essence, the Federal Government is subsidizing the efforts of the cigarette industry to increase the incidence of an addictive, deadly habit.

GOVERNMENT SUBSIDIZATION OF THE NICOTINE HABIT

The tobacco industry writes off its advertisement and promotion expenditures as a necessary and proper business expense. This deduction is used to reduce tobacco company corporate taxes by $800 million per year. An Office of Technology Assessment study released in 1985 placed direct annual health care costs of smoking-related diseases at $22 billion. The study concluded that $4.2 billion of this cost was covered by Medicare and Medicaid expenditures, while $200 million and $400 million were covered by the Department of Defense and the Veterans' Administration, respectively. That brings Government expenditures on health care for smoking-related diseases to almost $5 billion annually.

It is sadly ironic. The Federal Government spends billions of dollars treating those suffering from tobacco-related diseases, and warning Americans of the harmful effects associated with tobacco use, while at the same time providing a tax break to the cigarette industry so that it can continue to cajole Americans into picking up the addictive, life-threatening habit.

THE ADDICTIVE PROPERTIES OF TOBACCO USE

One may ask, why deny a tax deduction for only the tobacco industry, even though use of products produced by other industries may also be linked to Government expenditures on health care? After all, thousands die from using cars each year.

The primary reason may be found in the Surgeon General's report, released on May 18, 1988. It is the first official Government document to state specifically that tobacco use is a serious form of addiction and not simply a dangerous habit. The report cites 171 studies as proof that nicotine is addictive. Research has also revealed that nicotine is a mood-altering drug, which can lead to physical dependence similar to drugs such as heroin and cocaine.

There is an interesting Philip Morris research memo which helps to highlight the point I am trying to make. The document was brought to public attention in the recent Cipollone versus Liggett Group, Inc. court case. This document describes in no uncertain terms the fact that cigarettes are simply a packaging for nicotine and, therefore, for addiction. "The cigarette should be conceived not as a product but as a package. The product is nicotine. The cigarette is but one of many package layers. There is the carton, which contains the pack, which contains the cigarette, which contains the smoke. The smoke is the final package. The smoker must strip off all these package layers to get to that which he seeks. * * * Think of the cigarette pack as a storage container for a day's support of nicotine. * * * Think of the cigarette as a dispenser for a dose unit of nicotine."

THE WRATH OF TOBACCO USE

Nicotine is not merely an addictive drug, but a drug that kills. The Public Health Service estimates that in 1986, 107,900 Americans died of smoking-related lung cancer, another 200,000 from smoking-related heart disease, and 50,000 from smoking-induced chronic obstructive lung disease. Meanwhile, the new Surgeon General's report released January 11, 1989, claims that smoking caused 26,000 deaths due to strokes in 1985, and that smoking can now be positively associated with cervical cancer. When all forms of smoking-related deaths are included, the tally of Americans who die from smoking each year approaches 400,000, 5,000 of which are nonsmokers. This means that one out of every six deaths in this country are attributed to smoking-related diseases, and that cigarette smoking is the No. 1 preventable cause of death in this country.

Cigarettes are also a major contributor to injuries and loss of life resulting from fire. Smoking related fires claim an estimated 1,800 lives annually, while disfiguring another 7,000, making smoking the leading cause of death and disability resulting from apartment, residential, hotel, and motel fires.

Robert F. Kennedy gave the keynote address at the first World Conference on Smoking and Health in 1967 and pointed out that smoking takes more lives each year than pneumonia, venereal disease, tuberculosis, motor vehicle accidents, and alcohol problems combined. Apparently, little has changed since then.

TOBACCO COMPANY ADVERTISEMENTS AND PROMOTIONS: THE MEANS AND ENDS

For years, tobacco companies have claimed that the only purpose of their advertisements is to lure smokers and other tobacco users from one brand over to another brand. In making this claim, the tobacco industry has hoped to destroy the link between advertising and the number of smoking Americans. For some strange reason, the industry would have us believe that cigarette and other tobacco ads do not have the same effects that all other ads have—to increase the incidence of use of the product being advertised.

These claims are patently false. The truth is that only 10 percent of smokers switch brands each year, while nearly 1.4 million people pick up the cigarette addiction annually. Is there a relationship between tobacco advertisements and tobacco use, or would 1.4 million Americans start smoking each year, regardless of the quantity of advertisements?

Marketing experts tell us that market expansion is a significant function of advertising for virtually all products, even in mature markets. Emerson Foote, former chairman of the board of McCann-Erickson, the world's second largest advertisement agency—once responsible for $20 million in cigarette accounts—has been quoted on this subject: "The cigarette industry has been artfully maintaining that cigarette advertising has nothing to do with total sales. * * * This is complete and utter nonsense. The industry knows it is nonsense. * * * I am always amused by the suggestion that advertising, a function that has been shown to increase consumption of virtually every other product, somehow miraculously fails to work for tobacco products."

If advertising did not increase consumption, there would be absolutely no reason for a state tobacco monopoly to advertise. Yet each of the following countries has a state monopoly and cigarette advertising: Austria, Japan, South Korea, Thailand, and Turkey.

Norway and Sweden present another strong case for the argument that there is a direct relationship between the quantity of new smokers and the quantity and type of cigarette advertisements. Norway adopted a complete ban on tobacco advertisements in 1975, along with increasing the cigarette excise tax and producing a publicity campaign on the hazards

of tobacco use. There is no question that this overall campaign was effective—a persistent growth pattern in smoking ceased instantly and smoking immediately began to decline, particularly among teenagers. Smoking rates among women aged 16 to 20 dropped from 41 percent in 1974 to 23 percent in 1984; among men aged 16 to 20, smoking rates declined from 40 percent in 1974 to 26 percent in 1984.

In Sweden, severe restrictions were placed on tobacco advertising and promotion practices in the mid-1970's. Among 16-year-old girls, the smoking rate fell from 45 percent in 1974 to 33 percent in 1980. Among 16-year-old boys, smoking rates fell from 31 percent in 1974 to 21 percent in 1980.

There is a definite relationship between the number of smokers and the quantity of advertisements and promotions. Considering this, it is no wonder that cigarettes are among the most heavily marketed consumer products, with manufacturers spending close to $2.5 billion in 1987 to advertise and promote their products.

Not only do tobacco companies rely on advertising to maintain the tobacco market, but they actively target American youths and minorities as the most likely groups to succumb to their psychological advertisements and promotions.

WHY YOUTHS?

There are several reasons why the youth market is targeted. First of all, cigarette sales to children are worth about $1 billion annually. Second, youths represent the future for tobacco companies. Since over 390,000 smokers die each year and 1 million or so quit, the tobacco industry must coax nearly 1.5 million people into picking up the addiction in order to maintain its market. Inevitably, tobacco companies look to the young.

Perhaps most significantly, youths are more easily addicted to nicotine than are older people. Researchers have found that the younger one starts to smoke, the more likely that one will be a heavy smoker, the more likely one will develop a dependence on nicotine, and consequently, the more difficulty one will have in giving up the habit. According to Charles Lemaistre, M.D., president of the American Cancer Society, "85 percent to 90 percent of all new smokers start before or during their teenage years. Of those, over 60 percent are hooked before they leave the ninth grade." In other words, today the vast majority of smokers start and become addicted before they are old enough to purchase cigarettes legally.

A PROFILE OF CURRENT ADVERTISEMENTS AND PROMOTIONS

Although the tobacco industry claims that its advertisements and promotions have no impact on young people, and denies any purposeful attempt to recruit young users, its actions make such claims ludicrous.

An example of this targeted advertising might surprise one by its conspicuousness and audacity. A few years ago in Oregon there was a "Monkees" concert sponsored by Philip Morris at which 13- and 14-year-old girls were recruited to line the front of the stage wearing Marlboro tee-shirts and dance to the Monkees' music. It isn't hard to guess what the message those dancing Marlboro tee-shirt girls were relaying to this innocent audience of potential cigarette consumers. It is not surprising that Marlboro is the choice of the majority of new smokers—obviously their youth oriented marketing approach has succeeded.

Frequently, tobacco manufacturers will distribute free samples at industry-sponsored sporting events and rock concerts attended by large numbers of teenagers. An article in the Chicago Tribune of May 12, 1986, discusses a fantastic "Marlboro Country Music Show" held in Chicago. Daniel Brogan noted that "throughout the arena, Marlboro handed out complimentary cigarettes like political leaflets outside a polling place. The cigarettes were given freely to all comers. By showtime, kids who looked no older than 10 were carrying around big handfuls of the Marlboro packages as if they were stacks of baseball cards."

Meanwhile, it has become commonplace to see image oriented advertisements, such as Winston's tough-guy helicopter pilots and mountain climbers, Vantage's wind surfers, kayakers, and downhill ski racers, and the attractive models of Benson & Hedges and Virginia Slims glamorizing smoking in an attempt to lure youths into the nicotine habit.

Dr. Lemaistre explains the psychology behind these types of advertisements: "Cigarette ads prey on the insecurities and aspirations of youth, ostensibly offering them means by which they can announce their maturity. Psychologists know that individuals with weak self-images and lower self-esteem can be most influenced by outside suggestion during the adolescent developmental process. Young people, especially the disadvantaged, are recognized as being singularly vulnerable. Increasingly, tobacco advertising and promotion campaigns are aimed at the most susceptible subset of this young population—minorities and females."

The tobacco industry also targets youths through advertisement placement. Cigarette manufacturers have carefully sought out those magazines and journals whose readership includes a high percentage of young people, and have flooded them with the kind of image-laden, evocative advertisements which are so appealing to young people. These advertisements have done their job and have given teenagers a grossly exaggerated idea of the number of adults who smoke; typically, teenagers estimate the amount of adult smoking at twice the actual rate.

Youth-oriented publications like Rolling Stone are filled with imagistic cigarette ads. Moviegoer magazine, distributed free at movie theaters around the country, was created by R.J. Reynolds. Usually featuring some popular young movie star on its cover, Moviegoer normally carries five full pages of advertising for Camel and Salem cigarettes, both of which brands currently have advertising themes emphasizing youthfulness, adventure, and athleticism. Not surprisingly, statistics show that nearly half of all moviegoers are under age 21.

Once inside the theater, the promotions continue. Consider the following list of recent hit movies and the average age of the typical audience: "Crocodile Dundee", "Beverly Hills Cop", "Splash", "Risky Business", "Big", and "Who Framed Roger Rabbit?" After reading the evidence above about the tobacco industry taking aim at our youth, is it any surprise that each of these movies featured some form of tobacco advertising? Although the movie's hero or heroine may not have actually been smoking, the tobacco industry still found a way to have its products displayed through background advertising.

Antismoking groups point out that promotional dollars are especially effective for tobacco companies because as sponsors of events, not advertisers of products, they need not carry the Surgeon General's health warning. In addition, background advertising is not limited to the large screen: Cigarette brand names are shown and mentioned on television and radio, thus circumventing the ban on broadcasting advertising.

TIME TO TAKE A STAND

This has got to stop. The Federal Government is subsidizing this massive advertising and promotional effort of the tobacco industry that deceptively suckers hundreds of thousands of youths each year into picking up the nicotine habit.

The tobacco industry wants the Federal Government to get off its back. Fine by me. Let's start by making it 100 percent responsible for its advertisement and promotion costs. The U.S. Government should not be providing tax deductions for activities which promote the use of highly addictive and deadly drug.

Today I am introducing a bill which would remove all deductions for advertisement and promotion expenditures which involve the use of tobacco products. The text of the bill is as follows:

H.R. 1544

A bill to amend the Internal Revenue Code of 1986 to disallow any deduction for advertising or other promotion expenses with respect to sales of tobacco and tobacco products

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part IX of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items not deductible) is amended by adding at the end thereof the following new section:

"SEC. 280I. TOBACCO AND TOBACCO PRODUCTS SALES PROMOTION EXPENSES.

"(a) GENERAL RULE.—No deduction shall be allowed under this chapter for any tobacco and tobacco product sale promotion expenses.

"(b) TOBACCO AND TOBACCO PRODUCT SALE PROMOTION EXPENSE.—For purposes of this section—

"(1) IN GENERAL.—The term 'tobacco and tobacco product sale promotion expense' means any amount otherwise allowable as a deduction under this chapter with respect to—

"(A) any advertisement primarily for purposes of—

"(i) promoting the sale of tobacco and tobacco products, or

"(ii) informing or influencing the general public (or any segment thereof) with respect to tobacco and tobacco products, or

"(B) any of the following incurred or provided primarily for purposes described in subparagraph (A)—

"(i) travel expenses (including meals and lodging),

"(ii) any amount attributable to goods or services of a type generally considered to

constitute entertainment, amusement, or recreation or to the use of a facility in connection with the providing of such goods or services,

"(iii) gifts, or

"(iv) other promotion expenses.

"(2) TOBACCO AND TOBACCO PRODUCTS.—The term 'tobacco and tobacco products' means any small cigarette, large cigarette, cigar, or smokeless tobacco product, including snuff and chewing tobacco.

"(c) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purpose of this section."

(b) The table of sections for part IX of subchapter B of chapter 1 of such Code is amended by adding at the end thereof the following item:

"Sec. 280I. Tobacco and tobacco product sales promotion expenses."

(c) The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act in taxable years ending after such date.

RECESS

The SPEAKER pro tempore. Pursuant to the order of the House granted earlier today, the House will now stand in recess subject to the call of the Chair. Bells will be rung 15 minutes prior to reconvening.

Accordingly (at 2 o'clock and 20 minutes p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3 o'clock and 30 minutes p.m.

PROVIDING AMOUNTS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY STANDING AND SELECT COMMITTEES

Mr. GAYDOS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 103) providing amounts from the contingent fund of the House for the expenses of investigations and studies by standing and select committees of the House in the 1st session of the 101st Congress.

The Clerk read the title of the resolution.

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The text of the resolution is as follows:

H. RES. 103

Resolved, That there shall be paid out of the contigent fund of the House in accordance with this primary expense resolution not more than the amount specified in section 2 for investigations and studies by each committee named in such section, including expenses—

(1) in the case of a committee named in section 3, for procurement of consultant services under section 202(i) of the Legislative Reorganization Act of 1946; and

(2) in the case of a committee named in section 4, for provision of assistance for members of professional staff in obtaining specialized training under section 202(j) of such Act.

SEC. 2. The committees and amounts referred to in the first section are: Select Committee on Aging, $1,528,131; Committee on Agriculture, $2,060,184; Committee on Armed Services, $2,310,647; Committee on Banking, Finance and Urban Affairs, $3,824,151; Select Committee on Children, Youth, and Families, $782,800; Committee on the District of Columbia, $321,549; Committee on Education and Labor, $3,829,467; Committee on Energy and Commerce, $5,248,350; Committee on Foreign Affairs, $3,427,491; Committee on Government Operations, $3,104,850; Committee on House Administration, $1,200,000; Committee on House Administration—House Information Systems, $6,980,000; Select Committee on Hunger, $619,033; Permanent Select Committee on Intelligence, $400,000; Committee on Interior and Insular Affairs, $1,868,000; Committee on the Judiciary, $2,388,651; Committee on Merchant Marine and Fisheries, $2,178,787; Select Committee on Narcotics Abuse and Control, $776,500; Committee on Post Office and Civil Service, $1,707,313; Committee on Public Works and Transportation, $2,582,594.26; Committee on Rules, $760,600; Committee on Science, Space, and Technology, $2,597,962; Committee on Small Business, $969,000; Committee on Standards of Official Conduct, $400,000; Committee on Veterans' Affairs, $699,708; and Committee on Ways and Means, $3,693,000.

SEC. 3. (a) Of the amounts provided for in section 2, each committee named in subsection (b) may use not more than the amount specified in such subsection for consultant services under paragraph (1) of the first section.

(b) The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $135,000; Committee on Armed Services, $40,000; Select Committee on Children, Youth, and Families, $10,000; Committee on the District of Columbia, $10,000; Committee on Education and Labor, $80,734; Committee on Energy and Commerce, $25,000; Committee on Government Operations, $50,000; Committee on House Administration, $100,000; Committee on House Administration-House Information Systems, $400,000; Committee on Interior and Insular Affairs, $3,000; Committee on the Judiciary, $70,000; Select Committee on Narcotics Abuse and Control, $15,000; Committee on Post Office and Civil Service, $100,000; Committee on Science, Space, and Technology, $10,000; Committee on Standards of Official Conduct, $300,000; Committee on Veterans' Affairs, $37,500; and Committee on Ways and Means, $10,000.

SEC. 4. (a) Of the amount provided for in section 2, each committee named in subsection (b) may use not more than the amount specified in such subsection for specialized training under paragraph (2) of the first section.

(b) The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,000; Committee on Armed Services, $8,000; Committee on Education and Labor, $10,000; Committee on Government Operations, $1,000; Committee on House Administration, $7,950; Committee on House Administration—House Information Systems, $180,000; Committee on Interior and Insular Affairs, $1,000; Committee on the Judiciary, $2,000; Committee on Post Office and Civil Service, $15,000; Committee on Rules, $1,000; Committee on Science, Space, and Technology, $12,000; Committee on Standards of Official Conduct, $3,000; and Committee on Veterans' Affairs, $2,500.

SEC. 5. In addition to the amount made available under section 2, there shall be paid out of the contingent fund of the House not more than $673,420 for investigations and studies by the Committee on the Judiciary (to be available only with respect to judicial impeachment), any of which may be used for procurement of consultant services under section 202(i) of the Legislative Reorganization Act of 1946.

SEC. 6. The Committee on House Administration—

(1) shall, through House Information Systems, develop, operate, maintain, and improve computer and information services for the House, including direct computer and information systems support for Members, committees, administrative offices, and other governmental entities, and shall conduct necessary investigations and studies of such services;

(2) is authorized to receive reimbursement for services under paragraph (1) and to expend amounts so reimbursed in accordance with policies of the committee; and

(3) is authorized to provide for professional development programs, office and personnel management consultation services, and periodic publication of handbooks, guides, bulletins, and other items necessary for the House.

SEC. 7. Payments under this resolution shall be made on vouchers authorized by the committee involved, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 8. Amounts shall be available under this resolution for investigations and studies carried out during the period beginning at noon on January 3, 1989, and ending immediately before noon on January 3, 1990.

SEC. 9. Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER. The Clerk will report the committee amendment in the nature of a substitute.

The Clerk read as follows:

Committee amendment in the nature of a substitute: Strike all after the resolving clause and insert in lieu thereof the following:

That there shall be paid out of the contingent fund of the House in accordance with this primary expense resolution not more than the amount specified in section 2 for investigations and studies by each committee named in such section, including expenses—

(1) in the case of a committee named in section 3, for procurement of consultant services under section 202(i) of the Legislative Reorganization Act of 1946; and

(2) in the case of a committee named in section 4, for provision of assistance for members of professional staff in obtaining specialized training under section 202(j) of such Act.

SEC. 2. The committees and amounts referred to in the first section are: Select Committee on Aging, $1,430,018; Committee on Agriculture, $1,849,555; Committee on Armed Services, $1,980,746; Committee on Banking, Finance and Urban Affairs, $3,773,317; Select Committee on Children, Youth, and Families, $708,957; Committee on the District of Columbia, $312,793; Committee on Education and Labor, $3,511,125; Committee on Energy and Commerce, $5,131,992; Committee on Foreign Affairs, $3,119,579; Committee on Government Operations, $2,931,045; Committee on House Administration, $1,200,000; Committee on House Administration-House Information Systems, $6,950,000; Select Committee on Hunger, $606,665; Permanent Select Committee on Intelligence, $100,000; Committee on Interior and Insular Affairs, $1,784,583; Committee on the Judiciary, $2,094,933; Committee on Merchant Marine and Fisheries, $2,101,848; Select Committee on Narcotics Abuse and Control, $651,879; Committee on Post Office and Civil Service, $1,633,873; Committee on Public Works and Transportation, $2,435,995; Committee on Rules, $646,762; Committee on Science, Space, and Technology, $2,442,264; Committee on Small Business, $968,858; Committee on Standards of Official Conduct, $400,000; Committee on Veterans' Affairs, $607,770; and Committee on Ways and Means, $3,692,401.

SEC. 3. (a) Of the amounts provided for in section 2, each committee named in subsection (b) may use not more than the amount specified in such subsection for consultant services under paragraph (1) of the first section.

(b) The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $135,000; Committee on Armed Services, $40,000; Select Committee on Children, Youth and Families, $10,000; Committee on the District of Columbia, $10,000; Committee on Education and Labor, $80,734; Committee on Energy and Commerce, $25,000; Committee on Government Operations, $50,000; Committee on House Administration, $100,000; Committee on House Administration—House Information Systems, $400,000; Committee on Interior and Insular Affairs, $3,000; Committee on the Judiciary, $70,000; Select Committee on Narcotics Abuse and Control, $15,000; Committee on Post Office and Civil Service, $100,000; Committee on Science, Space, and Technology, $10,000; Committee on Standards of Official Conduct, $300,000; Committee on Veterans' Affairs, $37,500; and Committee on Ways and Means, $10,000.

SEC. 4. (a) Of the amounts provided for in section 2, each committee named in subsection (b) may use not more than the amount specified in such subsection for specialized training under paragraph (2) of the first section.

(b) The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,000; Committee on Armed Services, $8,000; Committee on Education and Labor, $10,000; Committee on Government Operations, $1,000; Committee on House Administration, $7,950; Committee on House Administration-House Information Systems, $180,000; Committee on Interior and Insular Affairs, $1,000; Committee on the Judiciary, $2,000; Committee on Post Office and Civil Service, $15,000; Committee on Rules, $1,000; Committee on Science, Space, and Technology, $12,000; Committee on Standards of Official Conduct, $3,000; and Committee on Veterans' Affairs, $2,500.

SEC. 5. In addition to the amount made available under section 2, there shall be paid out of the contingent fund of the House not more than $438,976 for investigations and studies by the Committee on the Judiciary (to be available only with respect to judicial impeachment), any of which may be used for procurement of consultant services under section 202(i) of the Legislative Reorganization Act of 1946.

SEC. 6. The Committee on House Administration—

(1) shall, through House Information Systems, develop, operate, maintain, and improve computer and information services for the House, including direct computer and information systems support for Members, committees, administrative offices, and other governmental entities, and shall conduct necessary investigations and studies of such services;

(2) is authorized to receive reimbursement for services under paragraph (1) and to expend amounts so reimbursed in accordance with policies of the committee; and

(3) is authorized to provide for professional development programs, office and personnel management consultation services, and periodic publication of handbooks, guides, bulletins, and other items necessary for the House.

SEC. 7. Payments under this resolution shall be made on vouchers authorized by the committee involved, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 8. Amounts shall be available under this resolution for investigations and studies carried out during the period beginning at noon on January 3, 1989, and ending immediately before noon on January 3, 1990.

SEC. 9. Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

SEC. 10. The Committee on House Administration shall have authority to make adjustments in amounts for investigations and studies under sections 2 and 5, if necessary to comply with an order of the President issued under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 or to conform to any reduction in appropriations for the purposes of such sections 2 and 5.

Mr. GAYDOS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 1 hour.

Mr. GAYDOS. Mr. Speaker, I yield the customary 30 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH], the ranking minority member of the Subcommittee on Accounts, for purposes of debate only, pending which I yield myself such time as I may consume, with the understanding that any additional time which I may yield will be subject to the specific limitation for debate purposes only.

Before explaining this amendment, I wish to thank all of the members of the Accounts Subcommittee for their hard work in considering each budget request from the respective committees. Attendance at each of the sessions was excellent. The product which I present to the House has the support of a united subcommittee. It is not perfect, but it does reflect the best possible agreement that could be crafted in the spirit of reasonable compromise.

In particular, I wish to thank the minority members of the subcommittee, BARBARA VUCANOVICH, BILL THOMAS, PAUL GILLMOR, and JOHN HILER for their diligent and thoughtful work. Additionally, I am grateful to NEWT GINGRICH for participating ex officio in the subcommittee's budget review process. In my judgment, the minority members made constructive and significant contributions to the policies which guided our deliberations.

On the majority side, AL SWIFT, MARY ROSE OAKAR, TONY COEHLO, SAM GEJDENSON, JOE KOLTER, and RONNIE FLIPPO are to be lauded for their effective participation on the subcommittee. Additionally, I wish to thank Chairman ANNUNZIO for his consultations during the whole budget review process. He is our distinguished leader and his wisdom is always appreciated. In particular, I wish to commend him for submitting the best budget ever for H.I.S. This budget was $220,000 below the 1988 authorization and it represents a very responsible amount at a time when our total available financial resources are limited.

Furthermore, I wish to thank all the chairmen and ranking minority members from the respective committees and their staffs. Their cooperation with the Accounts Subcommittee enabled us to evaluate all the budgetary requests in a thorough and timely manner. In particular, I commend the committee chairmen this year for submitting very reasonable and responsible budgets.

The committee amendment in the nature of a substitute is the product of the deliberations of the Subcommittee on Accounts over each committee's budgetary request. The subcommittee's proposed amendment was subsequently adopted without change by the full Committee on House Administration by a rollcall vote of 18 to 0. It represents a truly bipartisan agreement.

As the subcommittee deliberated during the proceedings, it was always mindful that this resolution was the first funding matter out of the legislative chute in the new Congress. The

subcommittee recognized that there presently exists in this country a strong public concern over the manner in which Federal funds are expended. The debate is over both the size of the expenditures and the priorities for their allocation. Accordingly, in my view, the Subcommittee on Accounts in constructing the committee amendment in the nature of a substitute has balanced both of these interests and it has successfully met its major responsibilities. The subcommittee has ensured that the committees of the House have adequate funds to discharge their legislative and oversight responsibilities and it has made certain that this authorization from the contingent fund of the House is both prudent and fiscally responsible.

In sum, the committee amendment provides a total authorization of $53,505,934 for investigations and studies by all standing and select committees of the House of Representatives with the exception of the Committees on Appropriations and the Budget for 1989. Of this total amount, $438,976 is specifically authorized for the Committee on the Judiciary to be available only for investigations and studies with respect to judicial impeachment.

This year the sum total of all the budget requests from the committees was $56,932,197. The total authorization for 1988, was $49,773,708 excluding funds totaling $900,000 provided to the Committee on Standards of Official Conduct by two supplemental expense resolutions. Therefore, the total amount approved by the subcommittee is $3,732,226 or 7.5 percent over this total 1988 authorization excluding the two standard supplementals. Furthermore, the approved amount is $3,426,263 less than the sum of all the amounts requested by the committees in their original expense resolutions for 1989.

Compared to 1980, the 1989 authorization represents only a 21.59-percent increase. As a result, over the 9 year period from 1981 through 1989, the average annual growth rate is only 2.4 percent. Such an annual growth rate does not appear to be excessive or unreasonable.

It should be noted that for a comparable period, although on a fiscal year basis, the budget authority for the Executive Office of the President has increased by 27 percent. As a result from fiscal year 1981 through fiscal year 1989, the average annual growth rate for the Executive Office of the President is 3 percent. It, also, should be further pointed out that in the Senate, the 1989 recurring funding authorization for the committees was approved at 10.6 percent over its 1988 recurring funding authorization for committees. Consequently, the funding for investigative and studies by House committees is not in any way unreasonable or excessive when compared to the funding for Senate committees and the Executive Office of the President.

In making its determinations, the subcommittee did not use any set mathematical formula. Instead, it evaluated each budget proposal on its own merits. Proposed spending levels in each of the respective budget categories were examined very closely. The final product attempted to direct most of the large increases to the major legislative standing committees, such as Banking, Armed Services, Agriculture, Foreign Affairs, Public Works, and Ways and Means. Furthermore, a judgment was made to treat four select committees uniformly by providing them with only a 3-percent increase.

Additionally, since for the fiscal year beginning on October 1, 1989, the appropriations level has not been established, and since the possibility of sequestration does exist, the amendment provides authority for the Committee on House Administration to make adjustments in the authorized amounts if necessary to comply with an order of the President issued under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, or to conform to any reduction in the applicable appropriations. Similar authority was granted to this committee through the 1986, 1987, and 1988 omnibus primary expense resolutions.

Finally, on the subject of sexual discrimination in the determination of compensation for committee employees. I wish to indicate that the provisions of clause 9 of House Rule 43 govern such determinations. Enforcement of this clause is within the jurisdiction of the Committee on Standards of Official Conduct. Additionally, House employees now have a detailed procedure for making discrimination complaints and resolving disputes. Specifically, the Office of Fair Employment Practices has been established in the House of Representatives to counsel, mediate, investigate, and hear alleged violations of the House antidiscrimination policy. However, as chairman of the Subcommittee on Accounts, I have encouraged the committee chairmen and the ranking minority members to review their compensation practices on a continuing basis to assure that there is no prohibited discrimination. This encouragement was made on the record during the hearings on the individual primary expense resolutions and in the preliminary meetings between the staff of the Accounts Subcommittee and the staff directors of the respective committees. During the past 5 years improvements have been made. More and more women are occupying key policymaking positions at the subcommittee and full committee levels. For example, women hold the position of staff director on the Committee on Education and Labor, the Committee on Post Office and Civil Service, the Select Committee on Hunger and the Select Committee on Children, Youth, and Families. On the Committee on House Administration the minority staff director is a woman. These are but a few of many examples indicating substantial progress.

Finally, Mr. Speaker, I urge my colleagues to vote in favor of the committee amendment in the nature of a substitute and the resolution.

□ 1540

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. ANNUNZIO], the chairman of the Committee on House Administration.

Mr. ANNUNZIO. Mr. Speaker, I rise in strong support of the resolution. It was adopted by a rollcall vote of 18 to 0 by the Committee on House Administration. Never in all my years as a Member of the House do I recall such unanimity on committee funding for the coming year.

This resolution is the result of long hours of hearings, negotiation, and compromise. I commend the gentleman from Pennsylvania [Mr. GAYDOS] for his leadership as chairman of the Subcommittee on Accounts. He was ably supported by all members of his subcommittee. I also commend the gentleman from Georgia [Mr. GINGRICH] who is the ranking minority member of the full committee, and the gentlelady from Nevada [Mrs. VUCANOVICH] who is the ranking minority member of the subcommittee, for their hard work and cooperation in accomplishing this delicate and demanding task.

In comparison to the overall amount expended in the Federal budget, the dollar amount for committees, as proposed in this resolution, is like a grain of sand on the beach of Federal expenditures. Our committees will operate on an amount equal to only five-thousandths of 1 percent (.005%) of the budget adopted for this fiscal year. And yet, our committees have the awesome responsibility of approving every penny expended by our Government; of balancing needs against resources; of seeking out waste, fraud, corruption, and inefficiency from every nook and cranny of our Federal institution; and, to originate all laws that govern our Nation.

The reach of our committees extends to every facet of American life; to all of our relations with countries abroad; to the total world environment, including the air and water we breathe and drink; and, even, to the furtherest reaches of outer space.

Think of the work expected of our committees, and the responsibilities they have. This money is the mini-

mum it takes for our committees to achieve the governance demanded in these shaky times for the future of our country.

Each committee has a specialized jurisdiction, and each committee has a variety of specialists in the subject areas of their jurisdiction. Our future, and the future of those who follow us, is heavily dependent on the quality of the process and the product of our committees.

This funding resolution will provide the basic resources to ensure the continuation of the essential activities of the committees of the House during the first session of the 101st Congress. The day may arrive when we do not have to pinch every penny. But, with the huge debt hovering over our Nation, we have no choice. We must all do our part.

I urge your support for this resolution.

I thank the gentleman for yielding.

Mrs. VUCANOVICH. Mr. Speaker, I am glad to rise in support of House Resolution 103, the committee funding resolution for 1989. First of all, I would like to thank our Accounts Subcommittee chairman, Mr. GAYDOS of Pennsylvania, for all of his dedication and guidance during this process. It is not an easy process. Each committee budget request deserves careful consideration. Each committee has special needs. It is our job to ensure that those needs are met with appropriate funding amounts. However, it is also our job to determine the fat from the lean in these budget requests. The total amount requested from all committees—including standing committees, select committees, and the House information systems—was $56,932,197, a 14.4-percent increase over the amount which was authorized in 1988. We managed to cut the total requests by over $3 million—$3,426,263 to be exact—and bring the total amount authorized for 1989 down to $53,505,934 or a 7.5-percent increase over 1988's total authorization.

This year, under the able leadership of Mr. GINGRICH, we on the minority side have concentrated on staff ratios in an effort to bring the minority staff on each committee to at least 20 percent of total staff. Several committees exceed this minimal amount and of those that did not, efforts are underway to ensure that the minority staff will be brought up to 20 percent during 1989. I call that progress. I thank my fellow subcommittee members for their time and attendance and I congratulate Mr. GAYDOS on a job well done.

I urge my colleagues to support House Resolution 103, the committee funding resolution for 1989.

Mr. GAYDOS. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. ROE], the chairman of the Committee on Science, Space, and Technology.

Mr. ROE. Mr. Speaker, I rise in strong support of the committee funding resolution for 1989, House Resolution 103, and may I at this moment pay my high regard to the gentleman from Pennsylvania [Mr. GAYDOS] who is the subcommittee chairman, and to the gentlewoman from Nevada [Mrs. VUCANOVICH] who is the ranking member of the Republican side, and compliment them for a very, very excellent job well done in the interests of all the Members of the House?

I would like to, Mr. Speaker, if I may, make a few observations to our colleagues here. As my colleagues know, today has only 11 years remaining in the 20th century, and two realities drive contemporary society. One is technological advances translated into economic growth and new wealth, and, two, competition among industrial nations is growing keener and more intense each year.

Mr. Speaker, in order for America to retain leadership in this cut-throat environment we must be able to set priorities, target resources and plan for the long term.

□ 1550

The strategic jurisdiction of the Science, Space, and Technology Committee, places it in a central position to address these goals. In a very real sense, the Science Committee's work is the work of America's future.

The Science, Technology, and Space Committee, authorizes most of the Nation's civilian research and development programs, and today when virtually every national need and goal has a research and development component, the committee's task is crucial to our national survival, indeed.

In this 101st Congress, reducing the Federal deficit is our most compelling priority. The burden of the Federal deficit requires not only spending austerity, but also a long-term strategy to generate new wealth.

Mr. Speaker, I believe that House Resolution 103 is a balanced funding resolution. Surely it is not everything everybody wants, but it is very, very well-done, and progressive, indeed, and it is prudent.

In closing, I wish to again thank my ranking member on our Science, Space, and Technology Committee, the gentleman from Pennsylvania [Mr. WALKER] for his cooperative spirit, and again compliment the leadership of this committee for a splendid job well-done.

Mrs. VUCANOVICH. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. BROOMFIELD], the ranking member of the Committee on Foreign Affairs.

Mr. BROOMFIELD. Mr. Speaker, I also want to join the other Members, the gentleman from Pennsylvania [Mr. GAYDOS] and the gentlewoman from Nevada [Mrs. VUCANOVICH], the chairman and vice chairman of the Subcommittee on Accounts, for really, truly, a job well-done.

This is a rare thing for me to be standing up, because I have been here for 33 years and I have never taken the floor in support of a committee funding resolution before. I do so as a result, obviously, not only of the sincere effort by Chairman ANNUNZIO and Vice Chairman GINGRICH of the House Administration Committee to address what I consider to be serious inequities and to provide a fair allocation of the committee resources to the minority.

I am especially pleased that the committee has included report language to accompany this resolution which embodies the Republican effort, as the gentlewoman from Nevada [Mrs. VUCANOVICH] has pointed out, to secure at least 20 percent of the investigative committee staff positions this year, with the goal of reaching 33 percent of the committee resources over the next few years.

Again, it is most heartening that the majority has agreed in principle with this concept and has directed that the proposal be sent to the Democratic caucus with a view to amending the House rules to reflect the committee's recommendations.

For the past several budget cycles I have worked with my committee chairmen, the gentleman from Florida [Mr. FASCELL], to address these issues at the committee level, knowing full well that progress would be limited without leadership support.

I am extremely grateful for the good-faith effort of the chairman, the gentleman from Florida [Mr. FASCELL] to make real progress in the allocation of committee resources. I applaud the committee's initiative and encourage the House leadership to embrace the committee's recommendations and act to insure a fair and equitable allocation of committee funds, privileges, parking spaces, and office space between the majority and the minority.

Mr. Speaker, the funding resolution before us is not perfect, but it represents an historic milestone in improving our two-party system. Again I want to congratulate the chairman, the gentleman from Pennsylvania [Mr. GAYDOS] and the gentlewoman from Nevada [Mrs. VUCANOVICH], the vice chairman, for a super job well-done.

Mr. GAYDOS. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. ANDERSON], the chairman of the Committee on Public Works and Transportation.

Mr. ANDERSON. Mr. Speaker, I rise in support of House Resolution 103, the House committee funding resolution for 1989. Section 2 of the resolu-

tion provides funding for the Committee on Public Works and Transportation.

As chairman of that committee, this is my first excursion into the committee funding process and I must say that I am impressed with the diligence, thoroughness, and professionalism with which the members of House Administration have handled these considerations. Our original request tried to take into consideration the needs of all our subcommittees and our new subcommittee chairmen. It represented a significant change from previous public works budgets, and while the final funding resolution package doesn't provide the means to do everything that had been hoped for, given the very real budget constraints under which the House Administration Committee was working, it is certainly an acceptable alternative. I compliment my colleagues on House Administration and support their recommendations and this resolution wholeheartedly.

Mrs. VUCANOVICH. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Speaker, I rise in support of House Resolution 103, for many of the same reasons that have been given by the chairman and the vice chairman of the various committees; but in addition to that, I want to rise in support of the kind of effort that went into this document. This is a procedure that is not really carried on under the nose of the media. It is not something that gets a lot of attention, but it is an extremely difficult process because it requires reconciling the various needs of the various committees in the House of Representatives.

Now, while desires are unlimited, also oftentimes needs are virtually unlimited, but resources are very limited. Although I am not in agreement with all the allocations made to the particular committees, by and large the process which arrived at House Resolution 103 that we have in front of us today was a fair and equitable process.

I especially want to commend the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. GAYDOS] because at times the decisions between Members as to who deserves the remaining dollar or sometimes even 50 cents can get very bitter. He has always been able to maintain a modicum of decorum.

In addition to that, I want to salute the ranking member of the House Administration Committee, the gentleman from Georgia [Mr. GINGRICH], who sat as an ex-officio member, because it was through his prodding and willingness to compromise on dollar amounts, normally upward, that allowed us the opportunity to provide the minority with what we consider a minimum of respect, and that is 20 percent of the staff salaries, with written language in House Resolution 103 that over the next several years as best we are able through an attrition process and modes increases to provide the minority with one-third of the staff of this institution.

It is always difficult to get your work done. It is virtually impossible when you have no staff or very minimal staff.

In addition to that, the workplace conditions of employment were considered under this particular resolution.

Therefore, we come to you in House Resolution 103 not with just another committee resolution asking for a modest increase in committee sums. What we have in front of us in House Resolution 103 is a document which signifies a shared concern and relationship on the part of the majority and the minority as to what this Congress is going to look like over the next several years, that is a commitment by the minority to provide minimally adequate funding and a commitment on the part of the majority to make sure that the minority has currently 20 percent and moving to one-third of the staffing over the next several years. That ought to lend attention to this document beyond just the dollar amounts contained in the resolution. It is more than money. It is a commitment to a better run House.

Mr. GAYDOS. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. CONYERS], the chairman of the Committee on Government Operations.

Mr. CONYERS. Mr. Speaker, I rise in support of House Resolution 103, as amended, which will provide funding for the committees of the House for the 1st session of the 101st Congress. The resolution, as brought to the floor by the Committee on House Administration, is a prudent and carefully drawn measure that will permit the committees to operate in an efficient and cost-effective manner.

The funding resolution provides for $54 million for the funding operations of the committees of Congress. That I submit is one of the most worthy and important Government expenditures. I just came from chairing an oversight hearing of the strategic defense initiative estimated costs where underestimates by over $25 billion were treated with barely a blink of the eye.

Mr. Speaker, the committees of this House play the central role in the House's discharge of its responsibility for legislating and overseeing the activities and programs of the Federal Government. It is obvious that if we in the House are to fulfill our constitutional role, our committee structure must be provided with adequate resources to do the job.

Because of extreme budget restraints, the committees of the House have operated over the past several years with diminished funding resources. Through a commendable spirit of cooperation and dedication on behalf of both the majority and minority, we have been able to function under these conditions without seriously impairing the quality of the work we produce. However, speaking as the chairman of the standing committee with primary oversight responsibilities, I am deeply concerned that it would be difficult to continue successful operations interminably under these circumstances.

Some of the work done by the committees of the House can be delayed temporarily in order to save money in the short term. Hearings can be put off, legislation postponed, investigations carried over to a succeeding Congress, and so on. But, we cannot expect to go on like this forever without losing the comprehensiveness and continuity that is necessary to successful operations of the legislative branch.

The funding level proposed for the committees in House Resolution 103, as amended, represents a modest increase over previous years' amounts. The Committee on House Administration has carefully analyzed the committees' budget requests and has come forward with a resolution that it feels will permit the committees to operate at an adequate funding level. In my view, House Resolution 103, as amended, represents the bare minimum of what we need to carry out our constitutional responsibilites in this body, and it deserves our support.

□ 1600

Mrs. VUCANOVICH. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana [Mr. HILER].

Mr. HILER. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I rise in support of the funding resolution. This was my first opportunity to serve on the Committee on House Administration, and to serve on the Accounts Subcommittee, and to watch this process take place. I must say to the Members that I was extremely impressed by the willingness of both sides to try to come to an agreement which would be fair to the minority and which would also ensure that there was adequate funding to ensure that the committee work takes place.

This proposal would require about a 7½-percent increase overall in committee funding, and while that is a little bit above maybe where we would like to see increases for other areas of funding this year, the fact is that from a minority perspective, Republicans ought to be very supportive of this funding resolution.

For the first time we see enshrined in legislation the concept that the Re-

publican minority, hopefully not forever, but at least for the time period that we are the minority, that we would try to secure eventually one-third of the investigative staff and one-third of the budget, and that is a tremendous achievement to have received in this bill.

In this particular funding resolution, the Republicans are assured of getting at least 20 percent of the investigative staff, and that is a distinct improvement.

Mr. Speaker, I serve on the Committee on Banking, Finance and Urban Affairs in my other life, and some members of the Republican minority might be concerned about the amount of funding that the Committee on Banking, Finance and Urban Affairs received. There was about a 22-percent increase, nearly $680,000, but I would say to the other Republicans, and particularly to the Republicans on the Committee on Banking, Finance and Urban Affairs, that there has been an agreement worked out in which the Republicans on the Committee on Banking, Finance and Urban Affairs will get a significant increase.

Mr. Speaker, I would urge the Members on the Republican side to support this funding resolution.

Mr. GAYDOS. Mr. Speaker,. I yield myself such time as I may consume.

Mr. Speaker, I want the RECORD to show that the gentleman from Indiana [Mr. HILER] and the gentleman from Ohio [Mr. GILLMOR], being two new Members on the committee, did their job well. They did not just sit there. They participated in the debate. They were very helpful, and I think they are going to be a most valuable addition to the committee, and I am very grateful they were appointed to our committee.

Mr. Speaker, I yield 2 minutes to the chairman of the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of House Resolution 103, which provides funding for the standing and select committees of the House in the first session of the 101st Congress.

I think my colleagues will agree that the gentleman from Pennsylvania [Mr. GAYDOS] and the members of the Subcommittee on Accounts have once again demonstrated a remarkable ability to scrutinize each committee's individual needs, to assess those needs based upon individual merits and projected workloads, and to arrive at a consensus on an equitable distribution of the funds available.

I would also like to take this opportunity to thank my colleague from Michigan, Mr. BROOMFIELD, the ranking minority member of the Foreign Affairs Committee, for his cooperation and support during the budget process.

Mr. Speaker, it goes without saying that the committees of the House are the backbone of this body's ability to carry out the legislative and oversight programs of our Federal Government. It is, therefore, essential that the committees be given the resources to discharge their respective responsibilities. To do less would undermine the progress made thus far in attempting to deal with the many far-reaching problems and domestic and international crises with which we are confronted today.

In the area of foreign affairs, many issues have moved center stage, requiring the committee's utmost attention. In particular, the bombing of Pan Am 103 has generated renewed concern in the area of international terrorism. The emphasis on international narcotics control has created an increased workload as we attempt to examine the individual regional programs and to gain the cooperation of foreign governments in U.S. narcotic control efforts. Considerable time will be devoted to review the comprehensive arms control negotiations in Geneva, with a focus on verification approaches to a strategic reductions agreement. In addition, the Foreign Affairs Committee members and staff together have worked throughout 1988 to review the entire U.S. foreign assistance programs and activities. Consequently, 1989 will be spent in assessing the principal findings and recommendations of that study and making legislative changes in the act.

In closing, I urge the Members of the House to support House Resolution 103, as reported from the Committee on House Administration, so that we may all go forward to discharge the respective responsibilities mandated to us.

Mrs. VUCANOVICH. Mr. Speaker, I yield 30 seconds to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I just want to rise in support of the resolution.

Mr. Speaker, the chairman of the Committee on Science, Space, and Technology, the gentleman from New Jersey [Mr. ROE], explained a few minutes ago why this is a good resolution from our standpoint.

I want to say he cooperated with me completely in the negotiations that led to our support of this resolution, but I particularly want to congratulate the committee. I thank my colleague, the gentleman from Pennsylvania [Mr. GAYDOS], and the gentleman from Illinois [Mr. ANNUNZIO], and the gentleman from Georgia [Mr. GINGRICH], and the gentlewoman from Nevada [Mrs. VUCANOVICH], all worked together to craft a good resolution here. They have come up with a very good resolution. It is one that deserves the support of the Members.

Mrs. VUCANOVICH. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Speaker, I rise in support of House Resolution 103, which authorizes funding for the House standing and select committees during the first session of the 101st Congress. In my new capacity as ranking minority member, I would like to note, in particular, the Select Committee on Narcotics Abuse and Control for which this resolution authorizes $651,879—a modest 3-percent increase over the 1988 authorization level. In light of an increasing workload and a 20-percent increase in committee membership, I believe this increase is both reasonable and entirely justifiable.

The importance of the Select Committee on Narcotics Abuse and Control is highlighted by the fact that the drug problem continues to be a major national, as well as international, crisis. It demands nothing less than our focused attention. We must continue ongoing efforts to discourage the production of illicit drugs here and overseas; to interdict drugs destined for the United States; to intercept them at our borders; to apprehend, prosecute, and punish drug dealers, pushers, and users in the United States; to educate people about the danger of drugs; and to provide treatment and rehabilitation for those affected by the scourge of drugs.

Congress has taken two major steps in formulating a comprehensive national drug policy—the Anti-Drug Abuse Acts of 1986 and 1988. The Select Committee on Narcotics played an important advisory role during the process of drafting and passing these bills. It continues to play a critical role in following up on the implementation of these omnibus bills. In a very real sense, the select committee is the legislative branch counterpart to the drug czar Congress created in the executive branch.

With a relatively small staff and a modest budget, the Select Committee on Narcotics Abuse and Control dedicates itself, full time, to helping ensure this Nation has a comprehensive, coordinated, adequately funded anti-drug program. Accordingly, I would urge my colleagues to support House Resolution 103.

Mr. GAYDOS. Mr. Speaker, I yield 2 minutes to the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of the resolution, and adding to the commendations given to the distinguished chairman of the committee and the subcommittee;

the increase over 1988, although not adequate for most committees, is within the realm of reality and the contraints on the budget. I think that it is the best that can be done.

Mr. Speaker, we in the Committee on Agriculture are very frugal. We work very diligently. We try to do the most we can. We stretch every dollar, but like most committees, we did not have the adequate funding we requested, and in some emergency situations, the subcommittee and the committee have been very considerate of our needs.

In appreciation, I rise in support and would hope that all of the members of our committee express their support by voting for the resolution, and the Members of the House. I think that in the days of austerity which we find ourselves in, the prudent action of this committee is exemplary in that as adequate as they can they have cooperated, especially with our Committee on Agriculture. This is our commitment also to the committee that we will work diligently to see that we comply with their requests, with their suggestions, and that we can continue working together for the benefit of the people, which is basically what we are funded for, that we might legislate, that we might have adequate oversight, that we might have the necessary travel to see that rural America, American agriculture, are represented.

Mr. Speaker, I urge all of the Members to support the resolution.

Mrs. VUCANOVICH. Mr. Speaker, I yield 2½ minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am pleased to support this resolution which provides the necessary funding for the investigations and studies of the standing and select committees of this body. It is the end result of careful bipartisan consideration and review by the House Administration Committee and I commend its distinguished chairman, the gentleman from Pennsylvania, ranking minority member, the gentleman from Georgia [Mr. GINGRICH] and the accounts subcommittee ranking member, the gentlewoman from Nevada [Mrs. VUCANOVICH].

As has been pointed out, the sum total for all budget requests for 1989 was $56,932,197. The funding resolution before us provides $53,505,934, or approximately $3.3 million less than the sum total of all amounts requested by committees in their original primary expense resolutions.

As the ranking minority member of the House Post Office and Civil Service Committee I am particularly pleased by the incorporation of language in the committee report which focuses on a more equitable distribution of investigative committee staff positions. The minority on House Administration Committee has proposed that, during this funding cycle, investigative staff positions designated for the minority be at least 20 percent of the total number of staff positions for each committee. The minority proposes to increase that percentage annually for the next few years until it reaches 33 percent.

In addition, the House Administration Committee recommended that those proposals be referred to the Democratic caucus for review by its Committee on Organization, Study and Review to determine whether the caucus should change House rules to comply with the minority request.

I believe that this is a major step that ultimately will result in a major improvement in the investigative staff ratios.

I support this funding resolution.

□ 1610

Mrs. VUCANOVICH. Mr. Speaker, I yield 2½ minutes to the gentleman from Colorado [Mr. HEFLEY].

Mr. HEFLEY. Mr. Speaker, I appreciate the gentlewoman yielding time to me.

Mr. Speaker, I hate to throw cold water on the love-in we are having here about what a great job the committee has done, but somehow I think I must be missing something here. Do we not go to our town meetings, to our Rotary Clubs and our chambers of commerce and tell them that the budget is the biggest problem facing the country today? Is that not the most important issue we have to deal with?

Yet, in our legislative budget here we have a 7.5-percent increase from last year. That may not seem like much until we multiply that out. If we had that same increase in all of the accounts in the Federal Government we would have a $90 billion increase over what we had last year.

In 1987 Congress employed 31,000 people. That was more people than over at the Pentagon. That was more people than are at the Departments of State and Labor and Housing all combined. Legislative appropriations from 1946 to 1986 have increased by 2,858 percent compared to the Consumer Price Index of 450 percent. Official expenses for Members have increased almost threefold in the last 10 years.

I do not think this is a good trend to show the American public. We are the most expensive legislative body in the world today. We are 10 times more expensive than the second place spender or legislature, which happens to be Canada. It would be like Jackie Joyner running a quarter of a mile and winning a gold medal by 400 yards lead. It just does not make sense.

If we froze our Federal budget, within the next 3 years or so we would have our deficit taken care of. But we are not going to freeze the whole Federal budget, but we could start here with our legislative budget and freeze it right here.

I believe in fairness and I appreciate what has been done regarding fairness, but if we have to do it at the expense of adding more staff members, I wonder if it is worth it. Here is where we can start. Here is where we have no constituency asking us to raise the budget and spend more money. If we cannot control our spending here, we cannot control it anywhere.

I would hope that we would vote no on the resolution.

Mrs. VUCANOVICH. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. WHITTAKER].

Mr. WHITTAKER. Mr. Speaker, I rise on behalf of the ranking Republican member of the Committee on Energy and Commerce, the gentleman from New York [Mr. LENT], in support of House Resolution 103, the 1989 committee funding resolution.

Mr. Speaker, I believe the bill before us is a good first step toward assuring an equitable majority/minority allocation of resources. I want to commend the ranking Republican member and the chairman of the House Administration Committee for bringing a bill before us today which contains a commitment to a 30-percent minority staffing ratio under the investigative budget.

I also want to commend the ranking Republican member of the Committee on Energy and Commerce. I know that he has been working very diligently over the past 2 months with the chairman of our committee, JOHN DINGELL, to assure that the minority on our committee gets a fair share of the committee funds. I am pleased to say that in those negotiations, the chairman of the committee has demonstrated his strong commitment to work with the minority on this vital issue.

In closing, Mr. Speaker, I support the funding provisions contained in House Resolution 103 for the Committee on Energy and Commerce, and I urge my colleagues to vote for this resolution.

Mr. LENT. Mr. Speaker, I rise in strong support of House Resolution 103, the funding resolution for the 25 House committees, including the Committee on Energy and Commerce.

As the ranking Republican member, I support the funding provisions contained herein for the Energy and Commerce Committee.

Let me state that the committee chairman, JOHN DINGELL, and I have worked very closely on this during the last 2 months so as to assure the minority a more equitable allocation of funding. I am pleased to say that he remains strongly committed to a fair and equitable allocation to the minority.

I also want to commend the ranking Republican member and the entire House Administration Committee for the commitment to 20-percent minority staffing under the investigative budget. I view this commitment as an es-

sential step if the Republican members are to properly participate in the legislative process.

I don't need to dwell on the wide range of legislative issues which we face in the Energy and Commerce Committee. As everyone knows, the workload is formidable.

For this reason, the need for equitable majority/minority allocation of resources is all the more compelling.

Finally, this resolution demonstrates both fiscal restraint and greater equity between the majority and the minority.

For these reasons, I urge all of my colleagues on the committee to support this resolution.

Mrs. VUCANOVICH. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. PACKARD].

Mr. PACKARD. Mr. Speaker, I rise in support of the resolution.

I serve on two committees, both of which have had good working relationships with the other side of the aisle in terms of developing the budget for the committees. I know the gentleman from Arkansas [Mr. HAMMERSCHMIDT], was satisfied with the relationship developed and the work done.

I am still not satisfied that there is equity between the two staffs on both sides of the aisle of each of our committees, but we have made progress in this resolution and, therefore, I rise in support of it.

Mrs. VUCANOVICH. Mr. Speaker, I yield 1 minute to the newest member of our committee, the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Speaker, as the newest member of the Committee on House Administration, I'd like to express my satisfaction with the bipartisan spirit exhibited in this committee. We had our first full committee meeting last Wednesday and I was impressed with the level of cooperation on both sides of the room.

The resolution before us here today is a glittering example of what can happen when members from both parties put aside their differences, and work together for the benefit of the entire body. This resolution allocates funding to the various House committees in a fair and equitable manner. It also serves to create a more balanced ratio between the two parties with respect to investigative committee staff. In the long run, we hope to reach our goal of 33-percent minority representation.

I'd like to recognize the fine work of the House Administration Committee in putting together this resolution, as well as the efforts of our committee chairman, Mr. ANNUNZIO, who has displayed an admirable sense of fair play. I would especially like to recognize our esteemed colleague Mr. GINGRICH, the ranking Republican on the House Administration Committee. His hard work and determination were a major factor in the creation of this resolution.

Finally, I urge the bipartisan support of this resolution.

Mr. GAYDOS. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. FORD], chairman of the Committee on Post Office and Civil Service.

Mr. FORD of Michigan. Mr. Speaker, I want to commend the members of both parties on the Committee on House Administration for the even-handed way in which they have handled this resolution.

Mr. Speaker, I rise to support House Resolution 103, the committee funding resolution.

Before I get into the details of my own committee, I want to say something about all the committees of the House. I feel the House has acted extremely responsibly in seeking increases of only 7.5 percent above last year, while the increase already approved by the other body for its committees is 10.6 percent.

As for the Committee on Post Office and Civil Service, we anticipate an active year with several important items on our agenda.

For one thing, the Federal Employees' Health Benefits Program [FEHBP], a program offering Federal workers and retirees hundreds of health insurance options, has proliferated to the point where it is cumbersome and difficult to manage and is badly in need of reform. Moreover, the recent enactment of the Medicare Catastrophic Protection Act will impact significantly on this program, particularly with regard to annuitant participants.

The Committee on Post Office and Civil Service has jurisdiction in this area. There is much work to be done and it is likely that we will need some outside expertise, given the complexities of the issue and the enormity of the program.

Already we have secured the services of the Congressional Research Service and the General Accounting Office to assist us in the review of the program. But we will probably need as well, the aid of insurance and actuarial experts.

There is also the issue of the census. There is no question that the 1990 decennial census will be carried out. The big question is whether it will be efficiently and properly managed in light of the resources available—both financial and human.

The committee will dedicate substantial time to oversight of final preparations for the 1990 census.

The committee will be active in a number of other areas. It plans, for instance, to continue its efforts in the area of Federal pay reform during this Congress. In agency after agency, we are continuing to lose our best and brightest people. And it is getting more and more difficult for us to recruit new talent. Why? Simply because we have fallen behind the private sector in the pay area. At NASA, NIH, and wherever else you look, we are in trouble.

One of the many responsibilities of the committee is to find ways where we can recruit and keep top-notch people to manage our Government.

The committee will be examining administration efforts to privatize important functions of Government, dangerous cuts affecting an already beleaguered work force proposed in the President's budget, and such proposals as taking the U.S. Postal Service off budget.

In short, Mr. Speaker, I think the committees of the House have done a splendid job in holding increases in operating budgets.

I might add, as well, that I am especially pleased with my committee for something else. We have the best ratio of majority and minority staff members of all the committees of the House.

This funding resolution is critical to the work of this body and I urge my colleagues to vote to approve it.

□ 1620

Mrs. VUCANOVICH. Mr. speaker, I yield 1 minute to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Speaker, I rise in support of House Resolution 103, the House committee funding resolution. As the ranking Republican on the Banking Committee, I support the resolution's provisions which would provide for $3,773,317 for the Banking Committee for the 101st session. Though this figure represents an increase of 22 percent over fiscal year 1988, our committee is in the process of reorganizing our savings and loan industry. The solution to the savings and loan crisis will require billions of dollars, the restructuring of the system so that we won't have to face another depositor bailout, as well as the oversight of the management and disposition of troubled assets.

The minority's portion of the Banking Committee's allocation is $641,000, or 17 percent of the committee's total. This amount was more than was requested by the minority, but consistent with the efforts to increase funding for the minority in all committees and considering the possibility that more funds could be needed in our efforts to solve and monitor the thrift crisis, I support this allocation.

On that score I appreciate the good work of Chairman ANNUNZIO, Chairman GAYDOS, as well as the persistent effort and support of Mr. GINGRICH and Mr. HILER. The result is the Banking Committee's allocation is in line with other committees.

Because this resolution is reasonable with regard to the Banking Committee, I urge my colleagues to vote for House Resolution 103.

Mrs. VUCANOVICH. Mr. Speaker, may I inquire how much time remains on our side?

The SPEAKER pro tempore (Mr. MURTHA). The gentlewoman from Nevada has 7 minutes remaining.

Mrs. VUCANOVICH. Mr. Speaker, I yield 5 minutes to the vice chairman of our committee, the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. I thank the gentlewoman for yielding.

I do not think I will use that much time.

I want to first thank the committee chairman, Mr. ANNUNZIO, and the subcommittee chairman, Mr. GAYDOS, for the very fine bipartisan way in which they led this effort. I also want to thank Mrs. VUCANOVICH and in particular Mr. THOMAS, because the two of them on the subcommittee did an extraordinarily good job.

I also want to thank the staff on both sides. There are probably no jobs as difficult in terms of apportioning resources as the process of taking a limited piggy bank and having all of us Members of Congress get in a room and decide how much each of our committees need. It takes a great deal of diplomacy, sometimes, frankly, on the part of the staff a fair amount of courage to say "no" to your own friends and your own colleagues.

This is my first year as the vice chairman of the Republican side on the Committee on House Administration. It was my first opportunity to try to work in a bipartisan way to ensure that every committee had fair funding.

I had grown up in a very strange environment because on the Committee on Public Works and Transportation we have such a deep tradition of bipartisanship that I was surprised to discover some other committees did not quite have that tradition.

With the help of Chairman GAYDOS and Chairman ANNUNZIO of the subcommittee and the full committee, with the help of all the Democrats on the full committee and the Republicans on the full committee we were able to work with virtually every single committee in moving dramatically toward a more bipartisan approach.

The principles were very simple: I said first of all the Republican Party in House elections gets about 47 percent of the vote. We have a little over 40 percent of the seats in the House. We represent over 98 million Americans. Therefore we deserve a fair share of the resources to help govern in the House.

At the same time we recognize that the Democratic Party is the majority, has greater burdens, that they have to set a positive agenda, they have to decide on activities, they have to set a schedule. So it is reasonable for them to have more than a proportionate ratio because they are in fact running the House.

We suggested that for this year's purposes we would move every committee up to a minimum 20-percent funding for the Republican side. On one committee, one particular committee it was down as low as 12 percent. So a party which was getting 47 percent of the vote and 40 percent of the House seats had only 12 percent of the funding, clearly not the traditional bipartisanship that Agriculture, Public Works, Veterans', and some other committees had established.

There was very positive reaction both from the Democratic chairmen of most of the committees and from the Republican vice chairmen. In addition we suggested that we should move over time toward approximately one-third funding on partisan committees. In fact the language of the report which we are voting on today says, and I quote:

> The minority has proposed that, during this funding cycle, investigative staff positions designated for the minority be at least 20 percent of the total number of investigative staff positions on each committee. The minority proposes to increase this percentage annually over the next few years until it reaches 33 percent. Where committees use bipartisan or nonpartisan staff, the minority has indicated that an agreement needs to be reached as to a reasonable percentage allocation between majority and minority staff positions. The majority agrees with these principles but believes that the minority proposal cannot be achieved without additional funding as well as through attrition.

Let me close and say this, and my message really is to Republicans: We hear a lot of talk about bipartisanship, about learning how to be more bipartisan, about avoiding confrontation. We hear a lot of talk about the need to be able to work together. But let me say on this vote today any Republican who cares about adequate staffing for the Republican side of the House, any Republican who wants to send a signal to the Democrats that we will carry our fair share of the burden has an obligation to vote "yes." It seems to me if the Democrats are willing to help us load the bucket so we have a fair share of the water, we have an obligation to carry the bucket an equal distance.

I just want to say, and I said over and over to every Republican vice chairman who came before us: Ask your Members if we come out with a fair bill, if we move toward one-third, will they vote "yes"? I am pleased that my Democratic colleagues unanimously produced a very good document that we worked with them on. We reported it out of committee unanimously.

I urge every single Republican to vote "yes" on final passage.

Mrs. VUCANOVICH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GAYDOS. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama [Mr. FLIPPO].

Mr. FLIPPO. Mr. Speaker, I rise in support of this resolution.

Mr. Speaker, as a new member of the Accounts Subcommittee, it has been a real education for me to participate for the first time in the annual committee budget review process. The funding resolution which Chairman GAYDOS brings to the floor today represents a truly bipartisan approach to a task which might have degenerated into partisan bickering. If all of the actions of this body could be undertaken in the same spirit of bipartisanship, we would spend more time solving the many problems facing the Nation, and less time fighting among ourselves.

The bipartisan approach was found to be the only one which made sense concerning an institutional issue such as the funding of the House committees. Each and every ranking minority Member who testified over the course of 4 days of hearings before the Accounts Subcommittee, supported their respective committee's budget request. The unanimous support of all the ranking minority Members is truly a tribute to the bipartisan approach adopted by Chairman GAYDOS.

The subcommittee has been among the pioneers concerning the issue of the advancement of women employed by the House committees. This year more committee chairmen reported that more women had moved into key policymaking positions. Our colleagues on the subcommittee, Ms. OAKAR and Mrs. VUCANOVICH seemed pleased with the progress which had been made. You can be certain that the subcommittee will continue to address this issue in the future.

As to the merits of the funding resolution itself, the total aggregate increase which we are recommending is only 7.5 percent over 1988's authorized level. This represents a fiscally responsible budget which does not exceed the fiscal year 1989 appropriation. It retains a comfortable cushion in the amount already appropriated to deal with unforeseen circumstances which might arise later in the year. The amount recommended is enough to cover the 4.1-percent pay comparability increase for all standing committees. It is less than the aggregate increase adopted by the Senate in 1989 of 10.6 percent.

The major standing committees who demonstrated pressing needs were funded at higher levels. We all agreed that these higher amounts were warranted given those committees' mandate to address such critical problems as the savings and loan crisis, military buildup and procurement, and deficit reduction. It was recognized that if you are not willing to spend a few extra million for the committees whose jurisdictions involve the most critical issues facing the country, you will never be able to solve these problems which are costing our taxpayers billions of dollars annually. I must stress that this 7.5-percent increase was approved unanimously by the subcommittee and by the full Committee on House Administration by a vote of 18 to 0.

Finally, I must point out that the facts indicate that the era of soaring committee budg-

ets and staff is over. For example, as compared to 1980, the recommendation before you today represents an increase of less than 2.5 percent per year in 9 years. Committee investigative staff has actually decreased by 1 percent since 1980. Therefore, it is a myth that our committees continue to grow out of control. We all must live with the fact that our resources are dwindling and will continue to do so as we struggle to balance the budget.

This, then, is the difficult task which was so ably met by Chairman GAYDOS and the Accounts Subcommittee. The tough choices were made with regard to the allocation of our limited resources. The subcommittee structured a viable compromise in the best spirit of bipartisanship. I urge my colleagues to support the hard work and sound recommendations of the Accounts Subcommittee.

Mr. BROOKS. Mr. Speaker, I rise in support of House Resolution 103, authorizing funding for studies and investigations by the committees of the House for the first session of the 101st Congress. The chairman of the Subcommittee on Accounts, Mr. GAYDOS, and all of the members of that subcommittee as well as the full Committee on House Administration have done a careful and conscientious job in bringing this resolution to the floor. They listened to the requests of the committee chairmen and their ranking minority members, analyzed those requests in light of overall priorities and available resources, and reported out a total authorization of $53.5 million—6 percent less than the committees requested, but 7 percent more than the total authorized for 1988.

Mr. Speaker, the Committee on the Judiciary is authorized $2,094,933 for the coming year under this resolution. Within this funding limit, the committee intends to carry out an ambitious and wide-ranging agenda of legislative and investigative activity.

In addition, the funding resolution also authorizes $438,976 for ongoing judicial impeachment activities that are being carried out by the Committee on the Judiciary. There are currently two judicial impeachments pending. One of these, involving U.S. District Judge Alcee Hastings, has moved to trial before the Senate over the past several weeks. The other, concerning U.S. District Judge Walter L. Nixon, Jr., is before the Judiciary Subcommittee on Civil and Constitutional Rights at this time. These two activities have been carried out with a staff separate from the regular judiciary staff and are budgeted separately from the regular judiciary account.

Mr. Speaker, like nearly all other committee chairmen, I submitted to the Subcommittee on Accounts a funding request that was higher than the amount contained in this resolution. With recognition of the budgetary constraints under which the committees of the House must operate, and with appreciation for the Committee on House Administration's efforts to arrive at a reasonable overall figure for the committees, I urge approval of this resolution.

Mr. GEJDENSON. Mr. Speaker, I am pleased to have this opportunity to offer my wholehearted support for House Resolution 103, the Committee Funding Resolution. I congratulate Chairman ANNUNZIO and my colleagues on the House Administration Committee for sending this resolution to the House floor with such a clear bipartisan message. In addition, I commend the gentleman from Pennsylvania [Mr. GAYDOS] for his exemplary leadership on this important bill. He has guided this resolution through lengthy subcommittee hearings judiciously and expeditiously just as he is managing the bill during the floor debate today. His sense of the fairmindedness and bipartisanship were exemplary, and earned Chairman GAYDOS not only the respect of myself but of my fellow members of the Accounts Subcommittee as we wrestled with the issue of committee funding.

Just as Chairman ANNUNZIO and Chairman GAYDOS deserve our respect and support for their efforts, so do the leaders of the committees whose budgets are in this bill. Each standing and select committee chairman made, along with the ranking minority member, a bipartisan, clear and concise presentation with a carefully thought-out justification for the funding request for their respective committees. Both majority and minority members of the subcommittee worked long and hard in a completely nonpartisan environment to achieve a fair compromise. We believe we have done so, and I sincerely urge my colleagues on both sides of the aisle to support this committee funding resolution (H. Res. 103).

Mr. DINGELL. Mr. Speaker, I rise in strong support of House Resolution 103, the Committee Funding Resolution for 1989. I want to thank and commend the chairman of the Subcommittee on Accounts, Mr. GAYDOS, and the chairman of the Committee on House Administration, Mr. ANNUNZIO, for their excellent work in crafting this resolution. The Energy and Commerce Committee is grateful for the fairness with which it has been treated in the proceedings leading up to this point. We believe that our needs have been appropriately addressed in the resolution before us.

This year, for the first time, our committee's proposed budget was reported to the House Administration Committee on a voice vote, with near unanimous bipartisan support. Through the leadership of the ranking Republican member, Mr. LENT, our budget submission endeavored to recognize the needs of the minority for adequate staffing and equipment. I believe that good progress has been made in the last year in this respect, and this progress will continue. In the meantime, I want to express to my good friend from New York my personal gratitude for the support and assistance he has provided to this effort.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of House Resolution 103, the Committee Funding Resolution, and I commend the distinguished members of the House Administration Committee for their fine work.

This resolution should enable all of our committees to continue to function effectively and to carry out their mandates to serve the public interest.

I especially want to thank my good friend and committee colleague, Congressman NEWT GINGRICH, who, as vice chairman of the House Administration Committee, proved such a forceful and eloquent spokesman for greater staff and funding for the minority, on the Public Works Committee and on other committees in this body.

Through his efforts, all Members of the House will participate more fully in the legislative and investigative agendas of our committees, and the House and, indeed, the Nation, will be the better for it.

Mr. Speaker, I urge my colleagues to support this resolution.

Mr. ASPIN. Mr. Speaker, I rise in strong support of House Resolution 103.

Each of us knows that in order to perform the functions that are within our committee's responsibilities, we need sufficient funds to pay for capable staff and support infrastructure. For example, in the Armed Services Committee our 52 members have assigned jurisdiction that covers 32 percent of the total Federal budget and we consider legislation on the House floor that involved nearly 150 amendments last year.

The House Administration Committee has a difficult task in allocating funds among committees. Mr. Speaker, they were extremely fair with the Armed Services Committee this year. They could not give us all we asked for and, while I am disappointed, I am extremely grateful to them for all of the assistance they have provided in connection with our request. I would particularly thank Chairman GAYDOS for all his courtesies and consideration.

Mr. Speaker, this resolution deserves our support.

Mr. HEFLEY. Mr. Speaker, before I begin, I want to take a minute to praise the efforts of the vice chairman of the Committee on House Administration, my colleague from Georgia [Mr. GINGRICH]. Mr. GINGRICH has done yeoman's work in trying to put this Congress on the road toward more equitable staffing for the minority. I am concerned, though, with statements that this can only be accomplished by increasing overall committee authorizations.

Mr. Speaker, although I applaud the movement toward more equitable staff allocations I will vote against passage of the committee funding resolution now being considered by the House.

The resolution proposes a 7.5-percent increase in overall committee funding for investigative operations during the first session of the 101st Congress. This increase is nearly twice the rate of inflation. It means Congress will be $3.7 million further away from balancing the budget. Last year Congress authorized $49.8 million for committee investigations. This year the Committee on House Administration has proposed an authorization of $53.5 million.

This is not the kind of leadership Congress should be providing. Congress should be taking care to ensure that its internal budget process is a model for all of government. If every account in the budget saw a 7.5-percent increase, that would translate into an additional $90 billion in spending.

In the same way that we must prioritize all Federal spending within the limits of the Gramm-Rudman-Hollings targets, Congress should be able to prioritize the division of resources among committees.

I can certainly understand how the Committee on Banking might need additional resources during this upcoming session to deal with thrift industry reforms. But to provide that

additional help we should ask other committees to get by with less, rather than simply increasing the overall level of authorizations.

The Committee on Small Business, on which I serve, is a good example. Last Congress the committee had several large legislative items on its plate: the SBA reauthorization, the reforms of the section 8(a) minority contracting program, the small business trade title to the trade bill, a women's business ownership bill, and the establishment of a test program waiving small business set-asides in several areas of Federal contracting. While the committee has proposed several studies for this upcoming year, the legislative schedule is not nearly as demanding. The committee does not need as many resources as it has last year, and under no circumstances can it justify a need for the 4.65-percent increase it receives under this resolution.

While we are facing a huge budget deficit, we should freeze our level of spending. In crafting this resolution, the committee should have set an overall ceiling equal to last year's spending and set the committee budget allocations in light of that ceiling.

Instead, the Committee on House Administration has granted increase to every, yes, that is every, standing and select committee of the House. Not one committee has acknowledged that it will do less this year than it has in the past. Only the House Information Systems account and the impeachment resources of the Judiciary Committee have been cut back. That does not demonstrate great resolve.

I have made this point before. Two years ago I supported Mr. DANNEMEYER's motion to recommit this bill with instructions that it not exceed the previous year's funding. Last year I joined many of my friends in trying to limit amounts in the legislative branch appropriations bill. I am sorry to say that I have seen little progress toward fiscal restraint since that time.

Sure it is difficult to say no to our colleagues' request for more money. But going ahead with this resolution will mean that we will have to say no to $3.7 million worth of requests from our constituents.

What could $3.7 million do? Well, it might provide $1,000 scholarships so that eight promising students in each of our districts could pursue science and engineering programs. If the choice is dropping $3.7 million into the pockets of congressional staff, I would sure rather spend this money to see eight bright kids in my district get the kind of training that can help this Nation in the long run. While that option is not before us today, it might as well be.

Mr. GAYDOS. Mr. Speaker, I just want to comment that one of the gentlemen here mentioned something about fiscal responsibility. I do want to emphasize the fact that we should always, forever be cognizant of the fact that there is a distinction between fiscal year and a calendar year. The money already has been appropriated for the fiscal year. We are operating on a calendar year in the House which is somewhat of an oddity. I want to emphasize the fact that since 1980 the authorizations in this committee over that 9-year period have been an average of 2.4 percent, which I think is well within a reasonable increase and nothing extraordinary or unreasonable.

In conclusion, I want to say again for the record that I want to thank all of those on both sides of the aisle for their contributions to what I think is one of the better determinations of this committee, under an awful lot of adverse circumstances. Second, I think that the new ground that we are plowing is going to inure to both the benefit of the Democrats and the Republicans in the House.

Mr. Speaker, I move the previous question on the committee amendment in the nature of a substitute and on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HEFLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 348, nays 53, not voting 30, as follows:

[Roll No. 9]

YEAS—348

Ackerman	Buechner	Durbin
Akaka	Bustamante	Dwyer
Alexander	Byron	Dymally
Anderson	Callahan	Eckart
Andrews	Cardin	Edwards (CA)
Annunzio	Carper	Edwards (OK)
Anthony	Carr	Emerson
Applegate	Chandler	Engel
Archer	Chapman	English
Armey	Clarke	Erdreich
Atkins	Clay	Espy
Baker	Clement	Evans
Ballenger	Clinger	Fascell
Barnard	Coelho	Fawell
Bartlett	Collins	Fazio
Barton	Conyers	Feighan
Bateman	Cooper	Fields
Bates	Coughlin	Fish
Beilenson	Cox	Flippo
Bennett	Coyne	Foglietta
Bentley	Crockett	Foley
Bereuter	Darden	Ford (MI)
Berman	Davis	Ford (TN)
Bevill	de la Garza	Frenzel
Bilirakis	DeFazio	Frost
Bliley	Dellums	Gallegly
Boehlert	Derrick	Gallo
Boggs	Dickinson	Garcia
Bonior	Dicks	Gaydos
Borski	Dingell	Gejdenson
Boxer	Dixon	Gephardt
Brennan	Donnelly	Gibbons
Brooks	Dorgan (ND)	Gillmor
Broomfield	Dornan (CA)	Gilman
Brown (CA)	Douglas	Gingrich
Bruce	Downey	Glickman
Gonzalez	Mazzoli	Sabo
Goodling	McCandless	Saiki
Gordon	McCloskey	Sangmeister
Goss	McCollum	Sarpalius
Gradison	McCrery	Sawyer
Grant	McCurdy	Saxton
Gray	McDade	Scheuer
Green	McEwen	Schneider
Guarini	McGrath	Schulze
Gunderson	McHugh	Schumer
Hall (OH)	McMillan (NC)	Sharp
Hall (TX)	McMillen (MD)	Shuster
Hamilton	McNulty	Sikorski
Hammerschmidt	Meyers	Sisisky
Hansen	Michel	Skaggs
Harris	Miller (CA)	Skeen
Hastert	Mineta	Slattery
Hatcher	Moakley	Slaughter (NY)
Hawkins	Molinari	Slaughter (VA)
Hayes (IL)	Mollohan	Smith (FL)
Hefner	Montgomery	Smith (MS)
Hertel	Moody	Smith (NJ)
Hiler	Moorhead	Smith (TX)
Hoagland	Morella	Smith (VT)
Hochbrueckner	Morrison (CT)	Smith, Denny (OR)
Horton	Morrison (WA)	Snowe
Hoyer	Mrazek	Solarz
Hubbard	Murphy	Spence
Huckaby	Murtha	Spratt
Hughes	Myers	Staggers
Hunter	Nagle	Stallings
Hutto	Natcher	Stangeland
Hyde	Neal (MA)	Stark
Inhofe	Nelson	Stenholm
Ireland	Nowak	Stokes
James	Oakar	Studds
Jenkins	Oberstar	Stump
Johnson (CT)	Obey	Swift
Johnson (SD)	Olin	Synar
Johnston	Ortiz	Tallon
Jones (GA)	Owens (NY)	Tanner
Jones (NC)	Owens (UT)	Thomas (CA)
Jontz	Oxley	Thomas (GA)
Kanjorski	Packard	Torres
Kaptur	Pallone	Torricelli
Kasich	Panetta	Towns
Kastenmeier	Parker	Traficant
Kennedy	Parris	Traxler
Kennelly	Pashayan	Udall
Kildee	Patterson	Unsoeld
Kleczka	Paxon	Upton
Kolter	Payne (NJ)	Valentine
Kostmayer	Payne (VA)	Vander Jagt
Kyl	Pease	Vento
LaFalce	Pelosi	Visclosky
Lagomarsino	Penny	Volkmer
Lancaster	Perkins	Vucanovich
Lantos	Pickett	Walgren
Laughlin	Pickle	Walker
Lehman (CA)	Poshard	Walsh
Lehman (FL)	Pursell	Watkins
Leland	Rahall	Waxman
Levin (MI)	Rangel	Weber
Levine (CA)	Ravenel	Weiss
Lewis (CA)	Ray	Weldon
Lewis (FL)	Rhodes	Wheat
Lewis (GA)	Richardson	Whittaker
Lipinski	Ridge	Whitten
Livingston	Rinaldo	Williams
Lloyd	Ritter	Wise
Lowery (CA)	Roberts	Wolf
Lowey (NY)	Robinson	Wolpe
Luken, Thomas	Roe	Wyden
Lukens, Donald	Rohrabacher	Wylie
Madigan	Rose	Yates
Markey	Rostenkowski	Yatron
Marlenee	Roukema	Young (AK)
Martin (NY)	Rowland (CT)	Young (FL)
Martinez	Rowland (GA)	
Matsui	Roybal	
Mavroules	Russo	

NAYS—53

Brown (CO)	DeWine	Houghton
Bunning	Dreier	Jacobs
Burton	Duncan	Kolbe
Campbell (CA)	Early	Leach (IA)
Campbell (CO)	Gekas	Leath (TX)
Coble	Grandy	Lightfoot
Combest	Hancock	Machtley
Conte	Hefley	Martin (IL)
Craig	Henry	Miller (OH)
Crane	Herger	Miller (WA)
Dannemeyer	Holloway	Nielson
DeLay	Hopkins	Petri

Porter	Shaw	Solomon
Rogers	Shays	Stearns
Roth	Shumway	Sundquist
Schiff	Smith (NE)	Tauke
Schroeder	Smith, Robert (NH)	
Schuette	Smith, Robert (OR)	
Sensenbrenner		

NOT VOTING—30

Aspin	Dyson	Pepper
AuCoin	Flake	Price
Bilbray	Florio	Quillen
Bosco	Frank	Regula
Boucher	Hayes (LA)	Savage
Bryant	Lent	Schaefer
Coleman (MO)	Manton	Skelton
Coleman (TX)	McDermott	Smith (IA)
Costello	Mfume	Tauzin
Courter	Neal (NC)	Wilson

□ 1649

Messrs. PORTER, GRANDY, and COBLE changed their vote from "yea" to "nay."

Mr. DONALD E. "BUZ" LUKENS changed his vote from "nay" to "yea."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. COLEMAN of Texas. Mr. Speaker, I wish to inform the House of my unavoidable absence during consideration of House Resolution 103, the House committee funding resolution, due to a family emergency. Had I been present I would have supported the amendment in the nature of a substitute resolution reported by the Committee on House Administration. If a rollcall vote had been ordered, I would have voted in favor of the amended resolution.

Similarly, Mr. Speaker, had I been present during consideration of S. 20, the Whistleblower Protection Act, I would have voted to suspend the rules and pass the bill.

GENERAL LEAVE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AUTHORIZING A MEMBER OF THE SENATE RULES COMMITTEE TO SERVE IN PLACE OF ITS CHAIRMAN

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 12) to allow another member of the Committee on Rules and Administration of the Senate to serve on the Joint Committee of Congress on the Library in place of the chairman of the committee, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 12

Resolved by the Senate (the House of Representatives concurring), That effective for the One Hundred First Congress, the Chairman of the Committee on Rules and Administration of the Senate may designate another member of the Committee to serve on the Joint Committee of the Congress on the Library in place of the Chairman.

The SPEAKER. The gentleman from Illinois [Mr. ANNUNZIO] is recognized for 1 hour.

Mr. ANNUNZIO. Mr. Speaker, under current law, the chairman of the Senate Rules Committee serves as a member of the Joint Committee of Congress on the Library. The chairman wants to designate another member of his Rules Committee to serve in his place, and the Senate has agreed. As a matter of comity, this Chamber should concur by adopting this resolution.

Mr. Speaker, I move the previous question on the Senate concurrent resolution.

The previous question was ordered.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

□ 1650

REFERRAL OF H.R. 132 TO COMMITTEE ON MERCHANT MARINE AND FISHERIES AND COMMITTEE ON WAYS AND MEANS

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that the bill H.R. 132 be re-referred jointly to the Committee on Merchant Marine and Fisheries and the Committee on Ways and Means.

Mr. Speaker, this bill, introduced by the Honorable DON YOUNG of Alaska, amends section 8 of the Fishermen's Protective Act of 1967. If enacted, it would expand the actions available to the President if there has been a certification that nationals of a foreign country are conducting fishing operations in a manner which diminishes the effectiveness of an international fishery conservation program. The expanded range of remedies includes bans on imports other than fish products from the offending country; this affects international trade and therefore a joint referral to Ways and Means is appropriate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2, FAIR LABOR STANDARDS AMENDMENTS OF 1989

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-13) on the resolution (H. Res. 111) providing for the consideration of the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes; which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1369, AUTHORIZING FUNDS FOR INTERNATIONAL BUSINESS STUDIES IN HONOR OF MAUREEN AND MIKE MANSFIELD

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Report. No. 101-14) on the resolution (H. Res. 112) providing for the consideration of the bill (H.R. 1369) to authorize funds for international business studies in honor of the public services of Maureen and Mike Mansfield, and for other purposes, which was referred to the House Calendar and ordered to be printed.

NO TRADEMARK FOR HOLLYWOOD, CA

The SPEAKER pro tempore (Mr. MURTHA). Under a previous order of the House, the gentleman from Florida [Mr. SMITH] is recognized for 60 minutes.

Mr. SMITH of Florida. Mr. Speaker, Tinseltown has thrown down the gauntlet, but the city of Hollywood, FL, and the other Hollywoods around the country, will not back away!

I am here today to protect the good name of my hometown, Hollywood, FL. In 1986, a chamber of commerce located in a borough of Los Angeles, CA, tried to steal this good name. Now, in a sneaky, underhanded effort, this area—best known for motion pictures—is trying once again to capture and hold hostage my city's fair name. As the Congressman from and for Hollywood, FL, I say once again, "No way!"

Recently, Hollywood, FL, Mayor Mara Guilanti learned that Tinseltown had applied to register the name Hollywood with the U.S. Patent Office. The Tinseltown Chamber of Commerce did this without warning anyone! If they are successful, no item could be marketed with only the word Hollywood without the Californians' consent. I brand this an attempt at

commercial imperialism! A city is not a box of corn flakes.

Because of this frontal assault of commercial cavalierism, I have, on February 28, introduced legislation to ban the trademarking of the names of legally constituted political subdivisions, such as the city of Hollywood, FL. If passed, H.R. 1172 will put a stop, once and for all, to any such future attempts at name-grabbing by the Tinseltown trademark terrorists.

My colleagues, heed my words! If Hollywood, FL, falls, one of your cities may be next!

Beware, all you inhabitants of Springfield, Charleston, or Columbia, lest your city lose its name. Will Juneau, WI become subservient to Juneau, AK? What is the alternative? Will the National Guard be called upon when Rome, GA, and Rome, NY, begin slugging it out? Will Portland, OR, and Portland, ME, declare a cross country war? Will a battle across the U.S. Trademark Office's steps begin when Albany, NY, extracts tribute payable in royalties from Albany, OR—for the use of its own name?

What makes the Tinseltown chamber feel they have a monopoly on the name Hollywood?—What about Hollywood, LA; Hollywood, SC; Hollywood, AL; Hollywood, NM, and the seven other Hollywoods around the country? They have a tremendous amount of nerve trying to steal this name and to prevent us from using what is ours as well.

Hollywood, CA, is not even an incorporated city—whereas, my hometown of Hollywood, FL, has been incorporated since 1925 and is a thriving home to almost 150,000 proud people who will not pay 1 cent in tribute. In its infancy, Hollywood, FL, survived both hurricane and depression. Today it is one of the fastest growing cities in the United States—from a population of 2,800 in 1930 to a permanent population as it is today.

Many of my colleagues consider me a lucky man to be the representative from Hollywood. Its friendly people, warm, sunny climate, and wide, beautiful beaches ensure that my neighbors and I have many northern visitors. They city's golf courses would attract even the most reluctant California duffers. My Hollywood neighbors do not consider themselves residents of a second city and they refuse—without question—to pay royalties for their own name.

As a show of mutual strength, representatives from the 10 other Hollywoods from around the country gathered late last month in Hollywood, FL, to protest the Californians' move. They were there to show the Nation that every community is entitled to its rights. Fame, or should I say notoriety, is no ticket to exclusivity.

I just want to tell my friends who represent Tinseltown: Don't tread on me or my Hollywood! They who live by the trademark may die by dissolution. All's fair in love and war, even by Hollywood standards.

I urge my colleagues to support my trademark legislation so that the rights of all American communities are protected.

□ 1700

Mr. Speaker, I include the following articles on this subject:

[From the Miami Herald, Feb. 28, 1989]

HOLLYWOODS UNITE AGAINST STAR-STUDDED NAMESAKE

(By Frank Burgos)

HOLLYWOOD.—With all the drama of a Geneva summit, about a dozen representatives from towns and communities named Hollywood arrive here today hoping to stop Hollywood, Calif., from trademarking its name.

Meanwhile, the Hollywood, Calif., Chamber of Commerce, which wasn't invited to the Florida powwow, is striking back by holding its own news conference on the West Coast, featuring television stars Dennis Weaver and Dick Van Patten.

Media presence is expected to be heavy at both events.

"I've never talked about anything as much as I've talked about this," said Mayor Mara Giulianti.

"I've been inundated by the media," said Bill Welsh, president of the Hollywood, Calif., Chamber of Commerce.

The California chamber wants to trademark the name Hollywood so that some of the money raised from the sale of T-shirts and mugs emblazoned with the word will go toward preserving the famous Hollywood sign and the Walk of Fame.

Two weeks ago, the California chamber almost got its wish. The organization advertised its intention in a trademark gazette. If no one had objected by Feb. 16, the federal government would have granted the trademark. But Hollywood, Fla., filed an objection two days before the deadline.

Now the representatives from the different Hollywoods nationwide are meeting, grimly determined to come up with a united defense.

"It's like dipping into our own till," said Truett Lankford, mayor of Hollywood, Ala., pop. 1,245. Local organizers have identified at least 13 Hollywoods nationwide and expect about a dozen to attend the summit.

Welsh pointedly was not invited to the summit. Monday he was trying to get somebody to picket the meeting with no luck.

"I'm still trying to recruit somebody in Florida who believes in truth and justice," Welsh said. He said the other Hollywoods simply need to add their state's name to any merchandise to avoid running afoul of the trademark.

"That's cumbersome and costly," said Chris Garrett, executive vice president of the Hollywood, Fla., Chamber of Commerce, which is co-hosting the summit. "I think he's all wet."

Despite the invectives, both chambers are enjoying heavy media attention. All the major networks and several national newspapers are scheduled to attend the 2:30 p.m. news conference before the summit at the Hollywood Beach Hilton, chamber officials said.

Garrett acknowledges the attention is good for tourism but also necessary if Hollywood, Calif., is to be stopped.

"The only way to gather momentum is to instigate a public groundswell and the only way to do that is through the media," he said.

[From the Boston Globe, Mar. 12, 1989]

WHAT'S IN A NAME? PROFITABLE POSSIBILITIES

The "Hollywood copyright" legal brouhaha suggests some interesting upshots.

If a town name can be copyrighted, then Boston could collect royalties on the use of Boston cream pie, Boston baked beans and Boston whaler—and the Boston Red Sox would have to change their name to Fenway Red Sox, or (shudder) New England Red Sox.

The possibilities boggle the imagination!

Will we see a coals-to-Newcastle copyright? Will Miami and Miami Beach go to war over the name?

How many parties will sue for exclusive use of "Springfield"? How many will claim "Salem"?

I await the outcome with trepidation.—Daniel M. Davidson, Lawrence.

[From the Hallandale Digest, Mar. 2, 1989]

IT'S HOLLYWOOD, FLORIDA

Just when we thought, after over 60 years as an incorporated city, that Hollywood was secure in its identity, along comes a demand by that other Hollywood, Tinseltown, La-La Land, in California, to secure for itself the right to license its own name and receive revenue from its use.

Apparently, no geographic area has ever been granted the power, tantamount to a copyright, over restrictive, exclusive use of its own name. This would affect local landmarks such as Hollywood dog Track among other usages, as well as other cities in the country that share the same name. There are at last count, 11 other Hollywoods in the U.S. This request from Tinseltown, if granted, would mean a steady flow of revenue from these communities to support the Hollywood, California Walk of Fame.

Let's see the proposal as it really is—an attempt to usurp money and prestige from Hollywood, Florida. Already, Mayor Guilianti has met with mayors and officials from her counterpart cities, and is moving to mount an effective front against Tinseltown. The audacity of the other Hollywood's request is matched only by the ludicrousness of the idea. Let's nip these shenanigans in the bud.

[From the Fort Lauderdale (FL) Sun-Sentinel, Feb. 25, 1989]

CLAIM TO HOLLYWOOD NAME ABSURD

The forces of fairness are mobilizing. From Georgia to New Mexico, from Texas to Maryland, from South Carolina to Arkansas, they are converging on Hollywood (Florida, that is) to plot against the forces of foolishness.

At the invitation of Mayor Mara Giulianti, they will discuss the goofy efforts of Hollywood (California branch) to trademark the name and force all other members of the sprawling family to pay royalties for the right to use it.

Before residents rise up and protest that tax dollars should not pay for this tempest, let it be said that airfare, lodging and meals for the visitors are being donated. Corporate defenders of the right of all Hollywoods to call themselves anything they want are picking up the tab.

Are these trips necessary? Should delegations from 10 Hollywoods be concerned about the delusions of grandeur that dance in the besmogged brains of boosters who don't understand they are just another nondescript blip on the map of Los Angeles? Yes, they should.

The California dreamers, unsuccessful in previous efforts to shake down other Hollywoods, were caught in a despicable act. They tried to register the name with the U.S. Patent and Trademark Office. Quick work by Florida lookouts blocked the move, temporarily.

Why any federal agency would even consider allowing one city to charge other communities for the right to use a name is baffling. The precedent would create chaos. The citizens of Moscow, Idaho, have never seen a ruble. How many francs would the residents of Paris, Ky., have to cough up? Are there enough lira in Roma, Ga., to satisfy that town in Italy?

Speaker of Georgia, Bill Dover, a legislator in that state, put the name game in perspective when he noted that his great-great-grandfather settled in Hollywood, Ga., in 1812. That was 100 years before Charlie Chaplin was invented.

Case closed.

[From the Sun Tattler, Mar. 1, 1989]

BIG OR SMALL, "HOLLYWOODS" STAR

(By Bernie Woodall)

Hollywood, Fla., population 125,000, was the largest of the communities named Hollywood represented at the big anti-Tinseltown summit at the beachside Hilton Tuesday.

Here's a look at the places—some cities, some subdivisions and some, not even officially named Hollywood anymore.

Hollywood, Ala. Population 1,250. Located about 45 miles east of Huntsville. Established May 26, 1897. Largest employer is the Bellefonte Nuclear Power Plant. Largest business is Word Popcorn, which distributes syrup, popcorn and other foods nationwide. Although incorporated, residents call it a town. City Administrator Steve Keller said it was once a hangout for the notorious James Gang.

Hollywood, Ark. Population 100, but grows to 500 during the height of deer season. It might be incorporated, as it was in the 1800s, but there is no city government, representative Joe Clark said. Established in 1850, it is about 12 miles west of Arkadelphia. Largest business in the Hollywood Store, a grocery smaller than a Publix but larger than a 7-Eleven.

Hollywood, Ga. Not a municipality but on the map. It has an estimated 800 to 1,000 residents. Sent probably the most colorful character, Ross Dover, who became a media favorite. The retired, disabled vet lost his arm when a wall fell on him in 1979. Established "as best anyone can tell" in 1807 in the Georgia mountains, making it the oldest "Hollywood." Named for the holly tree. Located 37 miles north of Gainesville, Ga. in Haversham County. Largest businesses include Coon Dog Auto Parts, the Hollywood Diner and the Hollywood Bait Shop. Gulf E-Z Buy is the largest store, although there is a Circle K convenience store. Largest industry is farming, mostly apples and poultry.

Hollywood, Ill. A suburb of Chicago established in 1893 although it had been called Hollywood six or seven years earlier. Ten to 12 miles west of Chicago, it is the place for which the California Hollywood was named. A Hollywood, Ill. Woman, Mary Peck, was riding on a train with Daelda Wilcox, wife of a Los Angeles lemon farmer in either 1886 or 1887. She bragged about her quaint little town near Chicago to Wilcox, who told her husband, Harvey, what a great moniker it would be for their ranch/groves. Recently it was annexed by Brookfield, Ill., but Hollywood, Ill. now has between 500 and 600 residents. Mostly residential, its largest business is an auto repair shop, Hollywood Motors. The largest store is the Old Country Store, a type of flea market. Watering hole is the Handsome Hull's Hideaway.

Hollywood, La. An unincorporated subdivision near Sulphur, La. in southwestern Louisiana; formed in 1945. It has 1,500 residents, who live on large wooded lots. Mostly residential, the largest stores are convenience stores called Pack-A-Sack. Has mostly retirees, but those who work full time are employed in the oil industry in Sulphur, across the Calcasieu River from Lake Charles, La.

Hollywood, Md. An unincorporated area that claims to be the birthplace of religious freedom in America. A group of Catholics settled there in 1634. Hollywood, Md. is a rural, mostly residential community spread over a large area, with a population of about 10,000. Located about 50 miles south of Washington, D.C. Largest employer is Patuxent Naval Air Test Center and its biggest store is the relatively new Leggett Department Store. Named for the holly tree. Post office established in 1867.

Hollywood, Miss. The center of a large agricultural area. It is unincorporated; established as the Hollywood Plantation in the 1850s. Cotton, rice and soybeans are main crops. About 30 miles south of Memphis, Tenn. and four miles south of Tunico, Miss. Home to a cricket ranch that sells 5 million crickets as bait for bream, bass and crappie.

Hollywood, N.M. More of a place name with a post office than an actual city. It's really inside the confines of Ruldoso, N.M. A tourist community, it has the southernmost ski resort area in the country. Ruldoso has about 6,500 residents and is 180 miles north of Albuquerque. A Wal-Mart is two years old. Named by former Hollywood, Fla. resident George A. Friedembloom, who was Hollywood, N.M.'s first postmaster.

Hollywood, S.C. Population 2,500. Located about 20 miles southwest of Charleston. An incorporated city, it is mainly an agricultural area where tomatoes are the main crop. Established in 1949, it's a growing city also named after the holly tree. The largest equestrian resort in the state is being developed there. The largest businesses are a Ford dealership and the Hollywood Tru Valu.

Hollywood Park, Texas. An incorporated city of about 3,000. Established in 1955 as a bedroom community for San Antonio, about 15 miles to the south. Largest business is Charlie Martin's Firestone, a tire company outlet. The Galleria Oaks Shopping Mall has about 40 stores.

[From the Fort Lauderdale (FL) Sun-Sentinel, Feb. 24, 1989]

TINSELTOWN AUGERS OTHER HOLLYWOODS

(By Bob French)

From the tobacco fields of Maryland, the mountains of New Mexico and the shores of the mighty Mississippi they will come, with one common goal: to keep the name Hollywood free and clear.

When representatives of nine other cities, towns and wide places in the road named Hollywood assemble in Hollywood, FL, on Tuesday, the subject will be survival as they know it.

The challenge to their existence comes from Hollywood, CA. That Hollywood—a small part of Los Angeles; has filed with the U.S. Patent and Trademark Office to gain exclusive use of the name Hollywood: If granted, *Hollywoods* everywhere else may have to pay to use the name.

This has raised danders in the Hollywoods not in California.

It also raised a question: What are these other Hollywoods like?

Hollywood, SC, population 2,369, is 20 miles south of Charleston. Incorporated 40 years ago, it is in a farming area that raises corn, soybeans and vegetables. The town has an annual budget of $70,000 and no property taxes.

"Hollywood, CA, is only a location. Why should they have a market on the name?" Mayor Lela Dickerson said. "I'm having difficulty getting a grant for a sewer system. I don't think they should have a corner on the name."

Brad Selden represents Hollywood, MS, a town of 125 people about three miles east of the Mississippi River and 80 miles south of Memphis, TN.

Selden said his town was a stopover for travelers from Memphis in the 1800s, a place about as far as you could go in a day by horse, he said.

The town is in a rural county with one of the poorest, maybe the poorest, populations in the country, Selden said. The town's only business: a bait store that sells crickets and fishing worms.

Hollywood, MD, is a 120-year-old community of about 10,000 people on the west shore the of Chesapeake Bay about 50 miles south of Washington, DC.

"If you want to stir up some trouble, try telling people in Hollywood they don't live in Hollywood," said Rodney Thompson, a St. Mary's County commissioner, whose district includes Hollywood.

Louisiana has two Hollywoods. One is an unincorporated area near the town of Sulphur. The other is not much more than a sign post on a road 120 miles north of New Orleans. It has 78 residents.

The residents of Hollywood, AR, place their town of 250 people by telling strangers it is about 18 miles west of Arkadelphia.

"Our Hollywood has been here since 1815 under that name," said Gerald Clark, a resident.

The New Mexico Hollywood is more of a post office than a town. The community is part of Ruidoso, a mountain tourist town 250 miles south of Albuquerque. The Hollywood postal station, which gave its name to the surrounding community, which was founded in 1926, was named after Hollywood, FL.

"I don't know how [Hollywood, CA] can do that to us," said Judy Kannady, supervisor of the Hollywood, NM, post office.

Mayor Mara Giulianti, who has been calling the other Hollywoods to invite representatives to the summit, found that the Hollywood in Texas is really called Hollywood Park. But she invited the town to send a representative anyway.

The Hollywood causing all the problems is not invited, but Bill Welsh, president of the Chamber of Commerce there, said he was disappointed he was not asked to the summit.

"No way are we asking that the other Hollywoods be forced to change their names," he said. "We're just trying to protect a marketing program."

The Hollywood representatives will receive free airline tickets, free room at the

Hollywood Hilton and free meals. All the donations were arranged by the Greater Hollywood (Florida) Chamber of Commerce.

Mr. FLIPPO. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield to the gentleman from Alabama.

Mr. FLIPPO. Mr. Speaker, I want to thank the distinguished gentleman from Florida. I join him in his efforts. I have joined him and several of my colleagues in cosponsoring legislation that would amend the Trademark Act to prevent the copyrighting of the names of political subdivisions.

Mr. Speaker, I want to commend the distinguished gentleman from Florida for taking the lead and making the effort of filing this legislation. I join with him in his efforts, because the gentleman's legislation would amend the Trademark Act to prevent the copyrighting of the names of political subdivisions.

This legislation is necessary because of a move by the Hollywood, CA, Chamber of Commerce to obtain exclusive use of the name "Hollywood" through U.S. copyright laws.

I represent Hollywood, AL, which was incorporated on May 24, 1897.

No one city or county in the United States has a right to claim exclusive use of a name when there may be many cities or counties with the same name. If every city and county attempted to do what Hollywood, CA, is proposing, it would create a legal nightmare for authorities to try to straighten out. This bill would allow Hollywoods everywhere to exist as they have for years without the threat of one Hollywood having exclusive control over another Hollywood.

The gentleman's legislation would permit Californians to keep their Hollywood. It would permit Floridians to keep their Hollywood, the Mississippians to keep their Hollywood, and we will keep our Hollywood right here in sweet home Alabama where it belongs, and we would like to invite all of you to come and visit us there, and I thank the gentleman for his remarks.

Mr. SMITH of Florida. Mr. Speaker, I thank the gentleman for his statement. I want the gentleman to be aware, as I said, that this is not an attempt by the city of Hollywood, CA. There is no city. This is a crass commercial attempt by the chamber of commerce of this nonincorporated area of the city of Los Angeles to extort money from the other Hollywoods which are legitimate municipalities, political subdivisions, and properly incorporated in their own States. That means that the citizens of Hollywood, AL, the citizens of Hollywood, FL, the citizens of Hollywood, SC, if they wanted to advertise their cities, if they wanted to bring tourists to their cities by putting advertisements in the newspapers or in magazines or in periodicals or on airplanes or on buses, anywhere outside of their own corporate limits, would then be subject to the possibility of paying a ransom, a tribute in the form of a royalty to the Hollywood, CA, Chamber of Commerce. Not even the people of the good area of Hollywood, CA, will benefit from that money, only the chamber of commerce.

Mr. FLIPPO. Mr. Speaker, I join the gentleman in not one dime in tribute.

Mr. SMITH of Florida. Mr. Speaker, I agree with the gentleman, even though we have heard that before.

Mr. Speaker, I yield to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding to me.

I represented at one time the entire city of Hollywood, FL, and still represent a portion, though a lesser portion than the gentleman in the well, of the city of Hollywood, FL.

I think it is important for us to look at this, and I would like to compliment the gentleman from Florida [Mr. SMITH] for taking this action in filing H.R. 1172, which I hope the House will move quickly through the committee process and bring here to the floor of the House.

What we are talking about here is nothing less than greed and selfishness.

□ 1710

It is a group of people, as the gentleman properly called it, from Tinseltown which I notice that they have not tried to copyright or to get a trademark on, a small group of people who have tried to copyright the name in order to put it on beer mugs and put it on T-shirts and other things of that nature in order to make money.

Mr. Speaker, this is a very dangerous precedent that we are seeing growing.

Mr. Speaker, I see here not only the gentleman from the metropolis of Hollywood, AL, but Hollywood, IL, and Hollywood, SC, and we have other Hollywoods around the Nation. Hollywood is a very popular name throughout this country, and it came up by cities and towns using these names when the towns are situated near a forest of holly bush.

As a matter of fact, Hollywood, CA, as the gentleman aptly said, is not even the name of a city in California. It was not even the first. The first city that I can find in the United States that was named Hollywood was Hollywood in Maryland. It came from St. Mary's County, MD, and it was founded in 1650.

We find people, our good friends, in the State of California wanting to try to become very parochial, and I would say to them that there is a question of ethics here, and I would invite at this time any of our friends from California to come down to the well. I know they do not support this terrible effort that is going forward, and I think that the entire country should certainly speak to the House of Representatives in supporting the bill of the gentleman from Florida in saying that enough is enough, and we are not going to let anybody get away with stealing the names of any of our fine cities throughout the United States.

Again, I compliment the gentleman, and I urge the House to support the gentleman.

Mr. SMITH of Florida. Mr. Speaker, I appreciate the gentleman's statement. I am glad he was here to make it as a Member of the Congress which represents a small piece of Hollywood and who represented, before reapportionment, all of the city of Hollywood.

I might add once again that we are not talking here about a humorous attempt to make some kind of advertising campaign for free, and Hollywood, of course, in California is known for that, but that this is very serious. I hope people understand that.

The chamber of commerce in Hollywood, CA, is attempting to actually trademark this name, and they have not masked their goal, that is, to charge others to use that name. This is a very serious matter. It may sound a little humorous to some, but the reality is it is very serious.

Mr. Speaker, in fact, as the gentleman from Florida, [Mr. SHAW] and Fort Lauderdale, knows, there is a very large company in this country called Hollywood Bread. Hollywood Bread is resident in Hollywood, FL. If this attempt in the Tinseltown Chamber of Commerce to get the name Hollywood trademarked is approved, the Hollywood Bread Co. would theoretically be responsible to the Hollywood Chamber of Commerce for royalties for selling their own product which predates the Hollywood Chamber of Commerce. This is not a situation that we can tolerate in this country. This is not America. This is unfair. It is unethical, and it is immoral.

Mr. Speaker, this is not the kind of thing that people in Hollywood, FL, would do, I can assure the Members, or Hollywood, SC.

Mr. RAVENEL. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield to the gentleman.

Mr. RAVENEL. Mr. Speaker, I am amused by the efforts of the Los Angeles suburb known as Hollywood to obtain a trademark on its name. The citizens of Hollywood, SC, back in my district, are incensed that anyone would want to rob their town of its rightful name.

Mr. Speaker, how would you feel if some fellow named Wright out in California wanted to copyright his name and force you to change yours? Would that be right, Mr. WRIGHT? No puns intended, of course.

Years ago, long before anyone ever heard of Hollywood, CA, our Hollywood was named for the abundant holly trees that grew on the ridge on which the town was founded.

Unlike the other Hollywood, Hollywood, SC, is a real town, legally incorporated and having its own elected mayor and town council. As Hollywood's Mayor Lela Dickerson, puts it, "Hollywood, CA, is only a location. Why should they have a market on its name?" I say there's no reason in this world, Mr. Speaker, no reason in this world.

Mr. SMITH of Florida. I thank the gentleman very much for his statement.

Mr. FAWELL. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield to the gentleman.

Mr. FAWELL. Mr. Speaker, I rise today to express my concern with the action initiated by the Hollywood, CA, Chamber of Commerce to trademark the name "Hollywood." As the Representative of the original Hollywood, after which the western Hollywood is named, this issue is of great concern to me.

I represent an unincorporated subdivision named Hollywood which is located within the Illinois communities outside Chicago of Brookfield, Lyons, and Riverside. This area got its name from a summer home owned by Mary Peck. Many years ago, Ms. Peck was traveling east by train and struck up a conversation with Daeida Wilcox, wife of the owner of a huge estate in California. According to Hollywood Heritage, Inc., a historic preservation group in California, the two women spoke at length about their homes. Mrs. Wilcox was reportedly so taken with the lyrical name Ms. Peck gave her estate—Hollywood—that she transplanted it to her western residence. I have since learned that the Los Angeles subdivision famous for its manufacture of celluloid had considered assuming the name "Figtown."

Mr. Speaker, I think few would confuse the family oriented community of Hollywood, IL, with the glitter of the "other" Hollywood. It is for this reason that I am cosponsoring legislation (H.R. 1172) to prevent trademarking the name of a legally constituted municipality or political subdivision, which would result in the payment of royalties to the holder of the trademark. Aside from the monetary costs to local communities, small businesses that seek to identify themselves with an area would also be unfairly penalized. While some may want to be identified with the glamour and glitz of Hollywood, CA, others simply wish to be associated with the people and the towns they serve. Family operations to provide drycleaning services, hair styling, groceries, and auto care can ill-afford further financial strain. The alternative of changing their names after years of establishment is unfair.

Usually, one considers namesake a form of flattery. When the community out west chose to name itself after Hollywood, IL, we sets standards to be emulated everywhere. Clearly though, for today's modern Hollywood, flattery is not enough. I hope that the Congress will act swiftly to prevent future occurrences of the situation which prompted this legislative action.

Mr. Speaker, may I add that as an attorney who has handled a few trade-name cases, it is my belief that because the user of this name was first had in Hollywood, IL, that, indeed, if there is a solid trademark under common law, whether a trademark is issued by the Federal Government or not, we have prior user, and we have the right, in fact, I think, to bring a suit to enjoin Hollywood, CA, from using a name which we first had.

If it is capable of being trade-named, I think we in Illinois can estop Hollywood, CA, from usurping our name.

So there.

Mr. SMITH of Florida. Mr. Speaker, I thank the gentleman. I wonder if the gentlman would care to comment on how Mrs. Peck or Mrs. Dixon would feel now that they would hear if they were here to hear it that somebody is attempting to get royalties for the use of this name which happened in the fashion that the gentleman has originally indicated for the purposes of naming those areas. I do not think they would like it very much. They would not consider it the American thing to do.

Mr. FAWELL. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield to the gentleman.

Mr. FAWELL. Mr. Speaker, they would consider it an abomination, I am sure.

Mr. SMITH of Florida. Mr. Speaker, I thank the gentleman.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield to the gentleman.

Mr. SHAW. Mr. Speaker, I would at this time like to echo the expression of the prior speaker from Illinois as to the common-law application.

When I first heard about this, I thought it was some kind of a bad joke and almost a laughing matter, but it does appear as one of the gentlemen did state that it does appear to be something very serious and something we should be worried about, which is whether someone in this country can have the right to go grab a name and draw royalties from it which does not in all justice belong to them, belong to them at all.

I think it is also interesting to note that despite the fact that we have invited our friends from California down, that none of them have appeared. I would assume, knowing them to be of very high moral standards, that they are not here because they are not very proud of what is going on in their State of California with regard to their name-grab.

It is clearly somebody who is trying to collect something that does not belong to them. It belongs to the American people, and it belongs to towns all across this country, and I am sure that my own city of Hollywood, FL, would certainly not in any way try to trespass on the right of Illinois or South Carolina or of Alabama and even California to capitalize on this.

□ 1720

I think if they wanted to perhaps bring that suit, perhaps they would want to change their name to Tinseltown. I really do not know.

Mr. FAWELL. If the gentleman will yield further, it is of interest to me. I assumed that the name was so generic that it could not be trademarked. But if it is capable of being trademarked, I think without question we in Illinois, and perhaps in other areas, can prove prior user, and then, as I understand the law, if you have a common law, trademark or trade name, you are good even against what is issued by the Federal trademark entity.

So I believe that if they are successful on something like this they would stand to be enjoined by one who can show a prior user.

Mr. SMITH of Florida. I would certainly hope the gentleman would communicate with the Patent Office where this decision is now pending on the application.

Let me just for the record indicate, Mr. Speaker, that there is in fact a Hollywood, Alabama, a Hollywood, Arkansas, a Hollywood, Georgia, a Hollywood, Illinois, a Hollywood, Louisiana, a Hollywood, Maryland, a Hollywood, Mississippi, a Hollywood, New Mexico, a Hollywood, South Carolina, a Hollywood Park, Texas, in addition to Hollywood, Florida.

Again, let me close by saying this is quite serious. This is a matter of grave concern, because if a nonpolitical entity, a nonmunicipality, a group of people or even one person clear across the United States, as is the case here, from the location which name they seek to usurp can file an application with the Federal Government and receive a trademark disignation on that name, we are going to have a terrible problem in this country of many people attempting, if this goes through, to collect royalties from cities and even States around the country when they attempt to use their name or advertise their own municipality as a place for people to visit.

I would urge very strongly that my colleagues rise up as one to protect the

good name of the cities in which they live and the cities they represent.

Mr. JENKINS. Mr. Speaker, although the people of Hollywood, GA, in my district are enjoying all this publicity recently, that is about all I expect them to benefit from the request to issue a trademark for Hollywood to Hollywood and Los Angeles, CA. In fact, I can see the people of Hollywood, GA, paying to use the name of their town if this trademark is granted.

Why else would someone want to trademark a name other than to make money off it? Why else would you want to put the name of a town into the restrictive protection of a trademark?

We only have to listen to Ed Lewis, the executive vice president and chief operating officer of the Hollywood, CA, Chamber of Commerce, to really understand the purpose of this request. Lewis says, and I quote, "The idea of whose name came first isn't as important as who developed the marketing." The key word here is "marketing." We all know that translates into buying and selling and the profits thereof.

Hollywood, GA, was founded fome 75 years before Hollywood, CA, in the early 1800's. The large, old holly trees in the area bear witness of the origin of its name. It is a small, but thriving community, nestled in the foothills of the Appalachian Mountains in Habersham County in northern Georgia. Like Hollywood in Los Angeles, CA, it is not an incorporated town, but seven-generation families reside there and are proud to call it home.

Our Hollywood may be in rural north Georgia and not compare with the same glamour and glitter of the bright lights of California's Hollywood, but our residents are smart enough to spot a scam such as this one. As Lawrence Eller up at the Deep Creek Fire Department in Hollywood, GA, says, "Somebody's trying to make a dollar."

I have filed my complaint, along with many others, to the U.S. Patent and Trademark Office. I trust the Commissioner will have the wisdom to deny Hollywood, CA's request.

GENERAL LEAVE

Mr. SMITH of Florida, Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore (Mr. DARDEN). Is there ojection to the request of the gentleman from Florida?

There was no objection.

HONORARIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. RAY] is recognized for 5 minutes.

Mr. RAY. Mr. Speaker, the subject of honoraria has dominated the media for several weeks. I am one of those members who serve on the Armed Services Committee who have accepted and have benefited from appearances and speeches before the executives of major defense companies and organizations who represent the defense industry. This practice is not an illegal one, and I have felt comfortable in a quid pro quo activity where I delivered a pre-business, pro-defense, pro-American speech and received and answered questions of a nonclassified nature.

Mr. Speaker, while this practice is legal, there has been a public outcry against the practice of accepting honoraria from companies or groups who clearly might benefit from a member of the Armed Services Committee's or other committee's, "yes" or "no" vote which could result in the approval of millions of dollars in an award or the cancellation of a defense contract or other programs. Therefore, because of the appearance of impropriety, I have made the decision that I will not accept honoraria or gifts from defense groups or defense companies, or individuals associated with them, who could be favored or damaged by a vote that I might cast in the House Armed Services Committee.

There are many instances, in my opinion, in which Members of Congress can bring a strong and beneficial message before citizens and organizations which do not conflict or fall within this area of impropiety, and where discretion by the Member may be used. It is my opinion that Members should have the opportunity to use their discretion and judgment in accepting and being paid on such occasions, commensurate with the law—with such honoraria fully reported and, if necessary, detailed.

My friends, I do not, however, speak for anyone other than myself. This public message is intended to make by views known to my constituents and the public.

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted to:)

Mr. COLEMAN of Texas (at the request of Mr. FOLEY), for today and the balance of the week, on account of personal business.

Mr. BILBRAY (at the request of Mr. FOLEY), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DE LA GARZA, for 30 minutes, today.

(The following Members (at the request of Mr. STANGELAND) to revise and extend their remarks and include extraneous material:)

Mr. WALKER, for 5 minutes, today.

Mr. GILMAN, for 60 minutes, on March 23.

(The following Members (at the request of Mr. JONES of Georgia) to revise and extend their remarks and include extraneous material:)

Mr. KLECZKA, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ALEXANDER, for 15 minutes, today.

Mr. STARK, for 30 minutes, today.

Mr. FORD of Michigan, for 60 minutes, on April 11.

(The following Member (at the request of Mr. SMITH of Florida) to revise and extend his remarks and include extraneous material:)

Mr. RAY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. WEISS, and to include therein extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $2,299.

(The following Members (at the request of Mr. STANGELAND) and to include extraneous matter:)

Mr. DICKINSON.
Mr. CRANE.
Mr. GUNDERSON.
Mr. HUNTER.
Mr. YOUNG of Alaska.
Mr. DANNEMEYER.
Mr. SMITH of New Jersey.
Mr. BARTON of Texas.
Mr. BEREUTER.
Mr. BUECHNER.
Mrs. MORELLA.

(The following Members (at the request of Mr. JONES of Georgia) and to include extraneous matter:)

Mr. KLECZKA.
Ms. SLAUGHTER.
Mr. FOGLIETTA.
Mr. MONTGOMERY.
Mr. NATCHER.
Mr. HOYER.
Mr. VENTO.
Mr. MOODY.
Mr. MCMILLEN of Maryland in two instances.
Mr. HARRIS.
Mr. STARK in two instances.
Mr. PANETTA in two instances.
Mrs. BOGGS.
Mr. GRAY.
Mr. WILLIAMS.
Mr. COLEMAN of Texas.
Mr. DORGAN of North Dakota.
Mr. MFUME.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 568. An act entitled the "Stafford Student Loan Default Prevention and Management Act of 1989"; to the Committee on Education and Labor.

ENROLLED BILLS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the

House of the following titles, which were thereupon signed by the Speaker:

H.R. 829. An act to make permanent the authority provided under the Temporary Emergency Wildfire Suppression Act; and

H.R. 1373. An act to authorize the Agency for International Development to pay the expenses of an election observer mission for the 1989 presidential elections in Panama.

ADJOURNMENT

Mr. SMITH of Florida. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, March 22, 1989, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

808. A letter from the Secretary, Department of Agriculture, transmitting a report on human nutrition research and education activities for 1988, pursuant to 7 U.S.C. 3125; to the Committee on Agriculture.

809. A letter from the Assistant Secretary of Defense (Production and Logistics), transmitting a report on independent research and development and bid and proposal costs for fiscal year 1988, pursuant to 10 U.S.C. 2358 nt.; to the Committee on Armed Services.

810. A letter from the Assistant Secretary of Defense (Production and Logistics), transmitting the Department's reports on contractor IR&D and B&P advance agreement negotiations completed during fiscal year 1988 and independent research and development and bid and proposal costs incurred by major defense contractors in years 1987 and 1988, pursuant to 10 U.S.C. 2358 nt.; to the Committee on Armed Services.

811. A letter from the Acting Secretary of the Air Force, Department of Defense, transmitting notification that the current program acquisition unit cost of the Tacit Rainbow program has increased by more than 15 percent, pursuant to 10 U.S.C. 2431(b)(3)(A); to the Committee on Armed Services.

812. A letter from the Director, Legislative Affairs, Agency for International Development, transmitting a report on economic conditions prevailing in Egypt that may affect its ability to meet international debt obligations and stabilize its economy, pursuant to 22 U.S.C. 2346 nt.; to the Committee on Foreign Affairs.

813. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

814. A letter from the Director for Administration and Management, Department of Defense, transmitting the report on consolidation of the military Departments' unit exchange of training and related support between the United States and Foreign countries for fiscal year 1988; to the Committee on Foreign Affairs.

815. A letter from the Assistant Secretary, Legislative Affairs, Department of State, transmitting a draft of proposed legislation to authorize appropriations for the Department of State to carry out its authorities and responsibilities in the conduct of foreign affairs during the fiscal years 1990 and 1991 and for other purposes, pursuant to 31 U.S.C. 1110; to the Committee on Foreign Affairs.

816. A letter from the Acting Director, United States Information Agency, transmitting a draft of proposed legislation to authorize appropriations for fiscal years 1990 and 1991 for the U.S. Information Agency and for other purposes, pursuant to 31 U.S.C. 1110; to the Committee on Foreign Affairs.

817. A letter from the Executive Secretary, National Security Council, transmitting the annual report of activities under the Freedom of Information Act for the period January 1, 1988, through December 31, 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

818. A letter from the Secretary of Agriculture, transmitting notification of a proposed altered Federal records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

819. A letter from the Secretary of Transportation, transmitting the 14th annual report on activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

820. A letter from the Assistant Secretary (Civil Works), Department of the Army, transmitting the Chief of Engineers report entitled "Local Cooperation Agreements Annual Report," pursuant to 42 U.S.C. 1962d-5b(e); to the Committee on Public Works and Transportation.

821. A letter from the Comptroller of the Currency, transmitting the annual report on the activities of the consumer affairs division, pursuant to 15 U.S.C. 57a(f)(6); jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTION

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PEPPER: Committee on Rules. House Resolution 111. Resolution providing for consideration of H.R. 2, a bill to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes (Rept. 101-13). Referred to the House Calendar.

Mr. WHEAT: Committee on Rules. House Resolution 112. Resolution providing for consideration of H.R. 1369, a bill to authorize funds for international business studies in honor of the public services of Maureen and Mike Mansfield, and for other purposes (Rept. 101-14). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARMEY:

H.R. 1514. A bill to direct the Secretary of the Army to convey certain real property in the vicinity of the Lewisville Dam in Denton County, TX, to the persons from whom the United States acquired the property; to the Committee on Public Works and Transportation.

By Mr. BARTON of Texas (for himself, Mr. UDALL, Mr. COSTELLO, Mr. FUSTER, Mr. PORTER, Mr. FAUNTROY, Mr. OWENS of New York, Mr. WHITTAKER, Mr. ACKERMAN, Mr. FAZIO, Mr. LEHMAN of California, Mr. FAWELL, Mr. BURTON of Indiana, Mr. RICHARDSON, Mr. LEATH of Texas, Mr. VALENTINE, Mr. OXLEY, Mr. ANDREWS, Mr. COURTER, Mr. DEFAZIO, Mr. SOLOMON, Mr. FRANK, Mr. ROHRABACHER, Mr. BEVILL, Mr. GILMAN, Mr. BLILEY, Mr. DE LUGO, Mr. ERDREICH, Mrs. PATTERSON, Mr. APPLEGATE, Mr. PEPPER, Mr. COELHO, Mr. FIELDS, Mr. DWYER of New Jersey, Mr. BERMAN, Mr. CHAPMAN, Mr. ATKINS, Mr. HENRY, Mr. LAGOMARSINO, Mr. DANNEMEYER, Mr. DENNY SMITH, Mr. HATCHER, Mr. BRYANT, Mr. WALKER, Mr. MCNULTY, Mr. ROE, Mr. BUSTAMANTE, Mrs. BENTLEY, Mr. RANGEL, Mr. SKELTON, Mr. HALL of Texas, Mr. BROWN of California, Mr. HUGHES, Mr. SHUMWAY, Mr. STALLINGS, Mr. BROWN of Colorado, Mr. THOMAS of Georgia, Mr. DARDEN, Mr. ROBERT F. SMITH, Mr. NIELSON of Utah, Mr. ARMEY, Mr. LIPINSKI, Mr. QUILLEN, Mr. MCGRATH, Mr. MCEWEN, Mr. LANCASTER, Mr. LEWIS of California, Mr. LEVINE of California, and Mr. CAMPBELL of Colorado):

H.R. 1515. A bill to amend the Act of September 13, 1961, relating to the destruction or injury of property moving in interstate or foreign commerce, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. BROWN of California (for himself, Mr. MINETA, Mr. WALGREN, Mr. RITTER, and Mr. BOEHLERT):

H.R. 1516. A bill to improve the competitiveness of the United States domestic electronics industry and promote the introduction of high definition television products and services through a program of cooperative research and development; to the Committee on Science, Space, and Technology.

By Mr. DAVIS:

H.R. 1517. A bill to reduce certain defense-related transportation costs and provide for greater use by the Department of Defense of existing transportation facilities within the United States by directing the Secretary of Defense to provide for the storage of defense supplies at locations in the vicinity of the Great Lakes to be designated by the Secretary; to the Committee on Armed Services.

H.R. 1518. A bill to amend the Merchant Marine Act, 1936, to establish a new system of operating-differential subsidy contracts for vessels in liner service, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 1519. A bill to amend the Merchant Marine Act, 1936, to provide loan guarantees for use in the modernization of U.S. shipyards; to the Committee on Merchant Marine and Fisheries.

H.R. 1520. A bill to amend the Merchant Marine Act, 1936, to preserve the percentage of certain agricultural commodities exported from Great Lake ports; to the Committee on Merchant Marine and Fisheries.

H.R. 1521. A bill to amend the Merchant Marine Act, 1936, to provide for more equitable treatment of a Regional Maritime Academy; to the Committee on Merchant Marine and Fisheries.

H.R. 1522. A bill to direct the Secretary of the Army to initiate design, planning, and engineering of the project for a second lock at Sault Sainte Marie, MI, authorized by the Water Resources Development Act of 1986 to provide for modification of cost sharing for that project, and to extend the authorization for that project; to the Committee on Public Works and Transportation.

By Mr. DELLUMS (for himself, Mr. FAUNTROY, Mr. PARRIS, Mr. RAHALL, Ms. SCHNEIDER, Ms. OAKAR, Ms. KAPTUR, Mrs. KENNELLY, Mr. STARK, Mrs. MORELLA, Mrs. SCHROEDER, and Mr. DYMALLY):

H.R. 1523. A bill to authorize the conveyance to the Columbia Hospital for Women of certain parcels of land in the District of Columbia, and for other purposes; jointly, to the Committees on the District of Columbia and Government Operations.

By Mr. DONNELLY:

H.R. 1524. A bill to amend the Internal Revenue Code of 1986 to provide that the Puerto Rico and possession tax credit is not allowable with respect to income from the production or marketing of certain food products; to the Committee on Ways and Means.

By Mr. DONNELLY (for himself and Mr. ATKINS):

H.R. 1525. A bill to amend title XVI of the Social Security Act to provide that the existing requirement for deeming a parent's income and resources to his or her children under age 18 shall not apply in the case of certain severely disabled children, and to provide that the benefit payable to such children under such title shall equal the personal needs allowance; to the Committee on Ways and Means.

By Mr. DORGAN of North Dakota:

H.R. 1526. A bill to amend the Food Security Act of 1985 with respect to wetlands, and for other purposes; to the Committee on Agriculture.

By Mr. FAUNTROY:

H.R. 1527. A bill to direct the Secretary of the Interior to enter into a cooperative agreement under which the International Peace Museum shall be operated and maintained at the Justin Smith Morrill Building in Washington, District of Columbia; to the Committee on Interior and Insular Affairs.

By Mr. FOGLIETTA:

H.R. 1528. A bill to provide for the inclusion of the Washington Square area within Independence National Park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GEPHARDT (for himself, Mr. CLAY, Mr. SKELTON, Mr. BUECHNER, Mr. HANCOCK, Mr. VOLKMER, Mr. WHEAT, and Mr. COSTELLO):

H.R. 1529. A bill to provide for the establishment of the White Haven National Historic Site in the State of Missouri, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KENNEDY (for himself, Ms. SCHNEIDER, and Mr. SCHEUER):

H.R. 1530. A bill to authorize a national program to reduce the threat to human health posed by exposure to contaminants in the air indoors; jointly, to the Committees on Energy and Commerce and Science, Space, and Technology.

By Mr. KLECZKA:

H.R. 1531. A bill to provide common management for the Federal deposit insurance funds, effective January 1, 1990; to merge such funds and abolish the Federal Savings and Loan Insurance Corporation, effective January 1, 1994—January 1, 1995, in the case of the National Credit Union Share Insurance Fund—to establish the Federal Depository Institutions Commission to assume the administration of all Federal laws relating to banks, thrift institutions, and credit unions, effective January 1, 1998, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1532. A bill to authorize a new corporation to support State and local strategies for achieving more affordable housing, to increase homeownership, to amend provisions of the Internal Revenue Code of 1986 relating to housing, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

By Mr. LEHMAN of Florida:

H.R. 1533. A bill for the relief of Tibor Rubin; to the Committee on Armed Services.

By Mr. McCURDY (for himself, Mr. LEWIS of Florida, Mr. GLICKMAN, Mr. VALENTINE, and Mr. MCNULTY):

H.R. 1534. A bill to improve airport security by requiring the installation and use of explosives detection equipment in certain U.S. airports, and for other purposes; jointly, to the Committees on Public Works and Transportation and Science, Space, and Technology.

By Mr. McEWEN:

H.R. 1535. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for 100 percent of the health insurance costs of self-employed individuals; to the Committee on Ways and Means.

By Mr. MFUME (for himself, Mr. TRAXLER, Mr. TORRES, Mr. CLAY, Mr. DE LUGO, Mr. DYMALLY, Mr. TOWNS, Mr. AUCOIN, Mr. FAUNTROY, Mr. OWENS of Utah, Mr. BATES, Mr. LEWIS of Georgia, Mr. SAVAGE, Mr. WEISS, Mr. HAYES of Illinois, Mrs. BENTLEY, Mr. BONIOR, Mr. DELLUMS, Mr. RANGEL, Mr. CARDIN, Mr. KANJORSKI, Mrs. COLLINS, Mr. WHEAT, Mr. EDWARDS of California, Mr. FRANK, Mr. FOGLIETTA, and Mr. CONYERS):

H.R. 1536. A bill to amend the Job Training Partnership Act to establish a demonstration program for employment opportunities for severely disadvantaged youth, and for other purposes; to the Committee on Education and Labor.

By Mr. NAGLE:

H.R. 1537. A bill to suspend until the close of December 3, 1990 the duty on sulfachloropyridazine (technical); to the Committee on Ways and Means.

By Mr. ORTIZ (for himself, Mr. BUSTAMANTE, and Mr. COLEMAN of Texas):

H.R. 1538. A bill to provide grants and loans to enable rural areas near the international border separating the United States from Mexico to develop plans for the construction and improvement of, and to construct and improve, water and waste disposal facilities; jointly, to the Committees on Agriculture and Banking, Finance and Urban Affairs.

By Mr. PANETTA:

H.R. 1539. A bill to provide for certain minimum requirements relating to the addressing of mail which is intended for general distribution to persons on rural routes, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. SAIKI:

H.R. 1540. A bill to amend the Federal Election Campaign Act of 1971 to clarify the coverage of a provision that prohibits contributions by foreign nationals in elections for Federal, State, and local offices, and to provide for an additional prohibition on contributions by foreign nationals in initiative, referendum, and recall elections; to the Committee on House Administration.

By Mr. STANGELAND:

H.R. 1541. A bill to amend the Agricultural Act of 1949 with respect to the wheat and feed grains programs, and for other purposes; to the Committee on Agriculture.

H.R. 1542. A bill to amend the Internal Revenue Code of 1986 to provide for a maximum capital gains rate of 15 percent for long-term capital gains to the extent such gains do not exceed $100,000; to the Committee on Ways and Means.

H.R. 1543. A bill to amend the Internal Revenue Code of 1986 to restore a limited investment tax credit; to the Committee on Ways and Means.

By Mr. STARK (for himself and Mr. ANDREWS):

H.R. 1544. A bill to amend the Internal Revenue Code of 1986 to disallow any deduction for advertising or other promotion expenses with respect to sales of tobacco and tobacco products; to the Committee on Ways and Means.

By Mr. TORRICELLI:

H.R. 1545. A bill to amend title 10, United States Code, to require that the President award the Legion of Merit to any member of the Armed Forces who has received three or more Purple Hearts; to the Committee on Armed Services.

By Mr. UDALL:

H.R. 1546. A bill to amend the American Indian Religious Freedom Act of 1978; to the Committee on Interior and Insular Affairs.

H.R. 1547. A bill to establish a standard nuclear reactor program to develop an inherently safe and economic nuclear reactor, and for other purposes; jointly, to the Committee on Energy and Commerce, Interior and Insular Affairs, and Science, Space, and Technology.

By Mr. UDALL (by request):

H.R. 1548. A bill to amend the Atomic Energy Act of 1954 and the Energy Reorganization Act of 1974 to improve security procedures, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1549. A bill to authorize appropriations for the Nuclear Regulatory Commission for fiscal years 1990 and 1991, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1550. A bill to amend the Atomic Energy Act to provide the Nuclear Regulatory Commission with authority to hold and expend funds received under surety arrangements required under NRC regulations for their intended purposes; to the Committee on Interior and Insular Affairs.

By Mr. VALENTINE (for himself, Mr. PAYNE of Virginia, Mr. JONES of North Carolina, Mr. NEAL of North Carolina, Mr. HEFNER, Mr. PRICE, Mr. ROSE, Mr. COBLE, Mr. BALLENGER, Mr. CLARKE, and Mr. LANCASTER):

H.R. 1551. A bill to prohibit the Secretary of the Army from issuing certain permits in connection with a proposed water pipeline project until an environmental impact statement for that project has been completed; to the Committee on Public Works and Transportation.

By Mr. WILLIAMS:

H.R. 1552. A bill to prohibit the sale for export of unprocessed timber from Federal lands west of the 100th meridian in the contiguous 48 States; jointly, to the Committees on Agriculture, Interior and Insular Affairs, and Foreign Affairs.

By Mr. WILLIAMS (for himself, Mr. CRAIG, and Mr. FOLEY):

H.R. 1553. A bill to require the Secretary of the Treasury to mint and issue coins in commemoration of the 100th anniversary of the statehood of Idaho, Montana, North Dakota, South Dakota, Washington, and Wyoming, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. YOUNG of Alaska:

H.R. 1554. A bill to provide funds for marine resource programs, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HOYER:

H.J. Res. 210. Joint resolution to designate the month of November 1989, as "National Diabetes Month"; to the Committee on Post Office and Civil Service.

By Mr. LENT:

H.J. Res. 211. Joint resolution to designate the week beginning April 23, 1989, as "Good Grooming Week"; to the Committee on Post Office and Civil Service.

By Mr. OBERSTAR:

H.J. Res. 212. Joint resolution designating June 1989 as, "National Learn to Fly Month"; to the Committee on Post Office and Civil Service.

By Mr. OWENS of Utah:

H.J. Res. 213. Joint resolution to establish the Middle East Development Bank as an instrument for fostering regional development and economic cooperation among private businesses and governments in the region; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. SAXTON introduced a bill (H.R. 1555) for the relief of Harold N. Holt; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 7: Mr. JOHNSON of South Dakota.

H.R. 8: Mr. COURTER, Mr. RICHARDSON, Mr. DREIER of California, Mr. KOSTMAYER, Mrs. SAIKI, Mr. MOAKLEY, and Mr. SKAGGS.

H.R. 22: Mr. GALLO, Mr. KOSTMAYER, Mr. CONYERS, Mr. WYDEN, Mr. LELAND, and Mr. VALENTINE.

H.R. 24: Mr. POSHARD, Mr. LEWIS of Georgia, Mr. RAVENEL, Mr. MOODY, Mr. JOHNSON of South Dakota, and Mr. GRANT.

H.R. 25: Mr. JOHNSON of South Dakota, Mr. SANGMEISTER, Mr. HUGHES, Mr. SHAYS, Mr. ROBINSON, Mr. BRYANT, Mr. NEAL of North Carolina, and Mr. PANETTA.

H.R. 39: Mr. SABO, Mr. DURBIN, Mrs. COLLINS, and Mr. BEILENSON.

H.R. 49: Mr. GEKAS, Mr. MCEWEN, Mrs. BENTLEY, Mr. CALLAHAN, Mr. MILLER of Ohio, Mr. EMERSON, Mr. WILSON, Mr. HERGER, Mr. ANDREWS, Mr. HALL of Texas, Mr. BEREUTER, Mr. PARRIS, Mr. MURPHY, and Mr. DELAY.

H.R. 64: Mr. STUMP.

H.R. 70: Mr. QUILLEN, Mr. ERDREICH, Mr. DYMALLY, Mr. COURTER, Mr. RAVENEL, Mr. GILMAN, Mr. LANCASTER, Mr. BEREUTER, Mr. BURTON of Indiana, Mr. DONALD E. LUKENS, Mr. BALLENGER, Mr. CAMPBELL of Colorado, Mr. PAXON, Mr. RITTER, and Mr. HOLLOWAY.

H.R. 71: Mr. TAUKE.

H.R. 81: Mr. OWENS of New York, Mr. MCCURDY, Mr. TRAXLER, Mr. BATES, Mr. WYDEN, Mr. MFUME, Mr. KOSTMAYER, and Mr. LEWIS of Georgia.

H.R. 92: Mr. ERDREICH, Mr. PICKETT, and Mr. SHUMWAY.

H.R. 100: Mr. WILSON and Mr. GOODLING.

H.R. 118: Mr. VALENTINE, Mr. RUSSO, Mr. QUILLEN, Mr. VANDER JAGT, Mr. SHUMWAY, Mr. HOPKINS, Mr. DREIER of California, and Mr. MACHTLEY.

H.R. 132: Mr. FISH, Mr. GOSS, Mr. SHAW, Mr. WEISS, and Mr. NEAL of North Carolina.

H.R. 140: Mr. DURBIN and Mr. EVANS.

H.R. 211: Mr. NEAL of North Carolina, Mr. HOCHBRUECKNER, and Mr. RAHALL.

H.R. 212: Mr. WILLIAMS.

H.R. 215: Mr. SMITH of Mississippi, Mr. GALLO, and Mr. PEPPER.

H.R. 216: Mr. WILLIAMS.

H.R. 222: Mr. ROBINSON and Mr. PERKINS.

H.R. 239: Mr. WOLF, Mr. HERGER, Mr. FISH, Mr. PRICE, Mr. FLAKE, Mr. PAYNE of New Jersey, Mr. WOLPE, Mr. STALLINGS, Mr. GARCIA, and Mr. MINETA.

H.R. 267: Mrs. BENTLEY.

H.R. 272: Mr. BOEHLERT.

H.R. 274: Mrs. SAIKI.

H.R. 283: Mr. BILIRAKIS, Mr. FAWELL, Mr. DARDEN, and Mr. LIVINGSTON.

H.R. 303: Mr. FAUNTROY, Mr. SCHAEFER, Mr. NATCHER, Mr. CONTE, Mr. DORGAN of North Dakota, Mr. DICKS, and Mr. SMITH of Mississippi.

H.R. 378: Mr. CRAIG, Mr. HERGER, and Mr. MCCOLLUM.

H.R. 393: Mr. HERGER, Mr. HUNTER, and Mr. MCCOLLUM.

H.R. 446: Mr. BROOMFIELD, Mr. AKAKA, and Mr. DONALD E. LUKENS.

H.R. 449: Mr. HANCOCK, Mr. CAMPBELL of California, Mr. DONALD E. LUKENS, and Mr. COX.

H.R. 461: Mr. BURTON of Indiana.

H.R. 518: Mr. SCHIFF, Mr. PASHAYAN, and Mr. DICKINSON.

H.R. 562: Mr. ROBINSON and Mr. FISH.

H.R. 578: Mr. MARKEY.

H.R. 579: Mr. HANCOCK, Mr. SMITH of New Hampshire, and Mr. HOLLOWAY.

H.R. 581: Mr. PENNY, Mr. WALGREN, Mr. EDWARDS of California, Mr. ACKERMAN, Mr. FOGLIETTA, Mr. MRAZEK, Mr. HAYES of Illinois, Mr. BRYANT, Mr. MACHTLEY, Mr. MCGRATH, Mr. NOWAK, Mr. ATKINS, Mr. WOLPE, Mr. DYMALLY, Mr. BONIOR, Mr. BUSTAMANTE, Mr. HOCHBRUECKNER, Mr. FISH, Mr. FAZIO, Mr. BURTON of Indiana, and Mr. CONYERS.

H.R. 594: Mr. FUSTER, Mr. HAWKINS, and Mr. THOMAS of Georgia.

H.R. 623: Mr. STAGGERS.

H.R. 624: Mr. LIVINGSTON and Mr. HOLLOWAY.

H.R. 626: Mr. LIVINGSTON, Mr. STAGGERS, and Mr. HOLLOWAY.

H.R. 654: Mr. ROE, Mr. WOLPE, Mrs. MARTIN of Illinois, Mr. SCHUETTE, Mr. YATRON, and Mr. FORD of Michigan.

H.R. 658: Mr. PARKER, Mr. WILSON, and Mr. WISE.

H.R. 659: Mr. WISE.

H.R. 669: Mr. LEVINE of California.

H.R. 673: Mr. BUNNING, Mr. MCMILLAN of North Carolina, Mr. ROGERS, and Mrs. PATTERSON.

H.R. 706: Mr. GUARINI, Mr. CONYERS, Mr. CAMPBELL of California, and Mr. FAUNTROY.

H.R. 725: Mr. CONTE, Mr. DOUGLAS, Mr. DYMALLY, Mr. FLORIO, Mr. KOSTMAYER, Mr. LELAND, Mr. LIPINSKI, Mr. MCNULTY, Mr. NEAL of Massachusetts, Mr. RANGEL, and Mr. WEISS.

H.R. 746: Mr. ROHRABACHER and Mr. BEREUTER.

H.R. 750: Mr. SCHUETTE, Mr. SKEEN, Mr. DYMALLY, Mr. HATCHER, and Mr. SLAUGHTER of Virginia.

H.R. 755: Mr. LENT, Mr. ARMEY, Mrs. JOHNSON of Connecticut, Mrs. MARTIN of Illinois, Mr. UPTON, Mr. CLINGER, Mr. HERGER, and Mr. CRANE.

H.R. 771: Mr. BATES, Mr. NIELSON of Utah, and Mr. FAUNTROY.

H.R. 778: Mr. SCHEUER, Mr. FAUNTROY, Mr. RAY, Mr. ACKERMAN, Mr. CAMPBELL of Colorado, Mr. DEFAZIO, Mr. LAGOMARSINO, Mr. TORRICELLI, and Mr. GILMAN.

H.R. 790: Mr. THOMAS of California and Mr. BRYANT.

H.R. 791: Mr. THOMAS of California, Mr. MFUME, and Mr. WALGREN.

H.R. 809: Mr. COBLE, Mr. OWENS of New York, Mr. JENKINS, Mr. WILSON, Mr. RAY, Mr. DWYER of New Jersey, Mr. DANNEMEYER, Mr. FOGLIETTA, Mr. HENRY, Mr. LIPINSKI, Mrs. COLLINS, Mr. LAFALCE, Mr. UPTON, Mr. DEFAZIO, Mr. ACKERMAN, Mrs. BENTLEY, and Mr. ROE.

H.R. 820: Mr. ROE, Mr. MILLER of Ohio, Mr. HAYES of Louisiana, Mr. GALLEGLY, Mr. MCCOLLUM, Mr. DANNEMEYER, and Mr. HERGER.

H.R. 844: Mr. BATES, Mr. SMITH of New Hampshire, and Mr. DENNY SMITH.

H.R. 845: Mr. SMITH of New Hampshire, Mr. STUMP, and Mr. ROBINSON.

H.R. 848: Mr. INHOFE and Mr. SHUMWAY.

H.R. 850: Mr. HUNTER, Mr. ERDREICH, Mr. BURTON of Indiana, Mr. SOLOMON, Mr. WILSON, Mr. DYMALLY, Mr. STUMP, Mr. DANNEMEYER, Mr. HOLLOWAY, Mr. SMITH of New Hampshire, Mr. HYDE, Mr. SHUMWAY, Mr. HASTERT, and Mr. OXLEY.

H.R. 875: Mr. OLIN, Mr. SISISKY, Mr. RITTER, Mr. BLILEY, and Mr. MOAKLEY.

H.R. 876: Mr. MATSUI, Mr. RUSSO, Mr. TRAFICANT, Mr. MAZZOLI, Mrs. UNSOELD, Mr. WELDON, Mr. ROSE, Mr. VISCLOSKY, Mr. SAWYER, and Mr. EARLY.

H.R. 889: Mr. FASCELL, Mr. ROE, Mr. SKEEN, Mr. DYMALLY, Mr. CHAPMAN, Mr. FAWELL, Mr. HORTON, Mr. HYDE, and Mr. MARTINEZ.

H.R. 895: Mr. HANCOCK and Mr. CHANDLER.

H.R. 900: Mr. EVANS, Mr. HAYES of Illinois, Mr. JONTZ, and Mr. MURPHY.

H.R. 901: Mr. MILLER of Washington.

H.R. 915: Mr. CAMPBELL of California and Mr. MINETA.

H.R. 951: Mr. BRYANT, Mr. DE LUGO, Mr. EVANS, Mr. FISH, Mr. FLAKE, Mr. GRANT, Mr. HOYER, Mr. KILDEE, Mr. LEVINE of California, Mr. MCEWEN, Mr. MAVROULES, Mr. PEPPER, Ms. SCHNEIDER, Mr. SIKORSKI, Mr. SKAGGS, and Mr. WILLIAMS.

H.R. 962: Mr. SLAUGHTER of Virginia and Mr. SHAYS.

H.R. 973: Mr. DYMALLY, Mr. FLAKE, Mr. WEISS, and Mr. MINETA.

H.R. 982: Mr. FASCELL, Mr. PAXON, Mr. DANNEMEYER, Mr. GRAY, Mr. CROCKETT, Mr. HEFNER, Mr. FEIGHAN, Mr. STARK, Mr. WILLIAMS, Mr. BUNNING, Mr. STEARNS, Mrs. ROUKEMA, Mr. DONALD E. LUKENS, Mr. THOMAS A. LUKEN, Mr. SHARP, Mr. GUARINI, Mr. PARKER, Mr. GORDON, Mr. COBLE, Mrs. UNSOELD, Mr. REGULA, Mr. CHAPMAN, Mr. SHUMWAY, Mr. GILLMOR, Mr. VANDER JAGT, Mr. WHITTEN, Mr. MATSUI, Mr. SMITH of Mississippi, and Mr. HERGER.

H.R. 992: Mr. PARRIS.

H.R. 995: Mr. SHAW, Mr. FAUNTROY, Mr. BUECHNER, and Mr. YOUNG of Florida.

H.R. 1008: Mr. KOLTER, Mr. FOGLIETTA, and Mr. PEPPER.

H.R. 1029: Mr. THOMAS of Georgia, Mr. WYDEN, Mr. CALLAHAN, Mr. ROWLAND of Georgia, Mr. DENNY SMITH, Mr. SKEEN, Mr. ROBERT F. SMITH, Mr. LIPINSKI, Mr. MONTGOMERY, Mr. WILSON, Mr. RAY, and Mr. DYMALLY.

H.R. 1074: Mr. STEARNS, Mr. WHEAT, Mr. CLAY, Mr. WILLIAMS, Mr. PEASE, Mr. JOHNSTON of Florida, Mr. LEVINE of California, Mr. QUILLEN, Mr. MCGRATH, Mr. KOSTMAYER, Mr. ROWLAND of Connecticut, Mr. DEWINE, and Mr. NEAL of North Carolina.

H.R. 1080: Mrs. COLLINS.

H.R. 1083: Mr. FAZIO, Mr. LEHMAN of California, Ms. PELOSI, Mr. MCDADE, Mr. FOGLIETTA, Mr. SAXTON, Mr. SOLARZ, Mr. PARRIS, Mr. GARCIA, Mr. CAMPBELL of Colorado, Mr. RANGEL, Mr. PALLONE, Mr. DURBIN, Mr. MCCURDY, Mr. RINALDO, Mr. SAWYER, Mr. BOUCHER, Mr. WILLIAMS, Mr. CLAY, and Mr. SMITH of New Jersey.

H.R. 1085: Mrs. COLLINS, Mr. OWENS of New York, Mr. FAZIO, Mr. DEFAZIO, Mr. OBERSTAR, and Mr. TORRES.

H.R. 1100: Mr. BURTON of Indiana.

H.R. 1108: Mr. ROE.

H.R. 1136: Mr. BOEHLERT, Mr. QUILLEN, Mr. LEWIS of Georgia, Mr. SLATTERY, Mr. ROBINSON, Mr. DARDEN, Mr. MONTGOMERY, Mr. ANTHONY, Mr. BARNARD, Mr. JENKINS, Mr. PETRI, Mrs. LLOYD, Mr. CLINGER, Mr. PALLONE, Mr. PERKINS, Mr. ROGERS, and Mr. RITTER.

H.R. 1149: Mr. LAGOMARSINO, Mr. CHAPMAN, Mr. EMERSON, and Mr. SARPALIUS.

H.R. 1154: Mr. HOCHBRUECKNER, Mr. FAUNTROY, Mr. CLAY, Mr. SMITH of Florida, Mr. FASCELL, Mr. DYMALLY, Mr. RANGEL, Mr. GUARINI, Mr. BEILENSON, Mr. OWENS of New York, Mrs. COLLINS, Mr. MAZZOLI, Mr. LAFALCE, Mr. THOMAS A. LUKEN, Mr. ATKINS, Mr. DE LUGO, and Mr. ACKERMAN.

H.R. 1181: Mr. BARTLETT, Mr. BUSTAMANTE, Mrs. COLLINS, Mr. DANNEMEYER, Mr. DORNAN of California, Mr. DYMALLY, Mr. ENGLISH, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FUSTER, Mr. GILMAN, Mr. HOPKINS, Mr. DONALD E. LUKENS, and Mr. PETRI.

H.R. 1190: Mr. ACKERMAN, Mr. SABO, Mr. SCHEUER, Mr. MAVROULES, Mr. ENGEL, Mr. GUARINI, Mr. LANTOS, Mr. CARDIN, Mr. ANDERSON, Mrs. LOWEY of New York, Mr. MAZZOLI, Mr. THOMAS A. LUKEN, Mr. LEHMAN of Florida, Mr. PEPPER, Mr. LIPINSKI, Mr. ATKINS, Mr. FOGLIETTA, Mr. BORSKI, Mr. DWYER of New Jersey, and Mr. FAUNTROY.

H.R. 1217: Mr. KOLTER, Mrs. MORELLA, Mr. RANGEL, Mr. FAWELL, Mr. FALEOMAVAEGA, Mr. FOGLIETTA, Mr. MCEWEN, and Mr. SMITH of Texas.

H.R. 1233: Mr. WALSH, Mr. TORRES, Mr. ANDREWS, Mr. WATKINS, Mr. WHEAT, Mr. DIXON, Mr. FLAKE, Mrs. KENNELLY, Mr. PAYNE of New Jersey, Mr. LEWIS of Georgia, Mr. LEVINE of California, Mr. HUNTER, Mr. HUCKABY, and Mr. PEPPER.

H.R. 1249: Mr. FOGLIETTA, Mr. BEILENSON, Mr. CONYERS, and Mr. BATES.

H.R. 1250: Mr. HANSEN, Mrs. COLLINS, and Mr. CHANDLER.

H.R. 1276: Mr. OWENS of Utah and Mr. HUGHES.

H.R. 1281: Mr. DONALD E. LUKENS, Mr. HARRIS, Mr. PENNY, Mr. FAUNTROY, Ms. PELOSI, Mr. BATES, Mrs. JOHNSON of Connecticut, Mr. SCHEUER, Mr. FOGLIETTA, Mr. DWYER of New Jersey, Mr. FAWELL, Mr. HERTEL, Mr. FAZIO, Mr. PAYNE of New Jersey, Mr. TORRES, Mr. ENGEL, and Mr. LANCASTER.

H.R. 1289: Mr. PORTER, Mr. LAGOMARSINO, Mrs. BENTLEY, Mr. MONTGOMERY, Mr. HOLLOWAY, Mr. HAYES of Illinois, and Mr. MCGRATH.

H.R. 1295: Mr. NATCHER, Mr. YATRON, Mr. HOLLOWAY, Mr. JENKINS, Mr. MCNULTY, Mr. HYDE, Mr. CLINGER, Mr. DYSON, and Mr. CAMPBELL of Colorado.

H.R. 1297: Mr. GILMAN.

H.R. 1356: Mr. PEPPER, Mr. FRANK, and Mr. GUARINI.

H.R. 1392: Mr. HOLLOWAY, Mr. MCMILLAN of North Carolina, Mr. COOPER, and Mr. HOUGHTON.

H.R. 1416: Mr. VANDER JAGT, Mr. MCGRATH, and Mr. GRADISON.

H.R. 1465: Mr. SMITH of Florida, Mr. PALLONE, Mr. LEWIS of Georgia, Mr. LANCASTER, Mr. TORRES, Mr. SAXTON, and Mr. DE LA GARZA.

H.R. 1491: Mr. ROYBAL.

H.J. Res. 3: Mr. MILLER of Ohio, Mr. WILSON, Mr. GOODLING, Mr. REGULA, and Mr. FRENZEL.

H.J. Res. 31: Mr. SMITH of Vermont, Mr. SAWYER, Mr. HALL of Ohio, Mr. MILLER of Washington, Mr. AKAKA, and Mr. YATES.

H.J. Res. 35: Mr. RAVENEL, Mr. GEJDENSON, Mr. MILLER of California, Mr. FASCELL, Ms. OAKAR, Mr. RICHARDSON, Mr. DORNAN of California, Mr. KOLTER, Mr. SOLOMON, Mr. DIXON, Mr. OWENS of New York, Mr. HAYES of Louisiana, Mr. JONES of Georgia, Mr. LAGOMARSINO, Mr. QUILLEN, Ms. SNOWE, Mr. MONTGOMERY, Mr. SCHUETTE, Mrs. SAIKI, Mr. ROE, Mr. DENNY SMITH, Mr. LANCASTER, Mr. DWYER of New Jersey, Mr. ROBINSON, Mr. FAUNTROY, and Mr. LEHMAN of California.

H.J. Res. 46: Mr. LELAND, Mrs. COLLINS, Mr. OWENS of New York, Mr. FAUNTROY, Ms. PELOSI, Mr. WHEAT, and Mr. CARDIN.

H.J. Res. 67: Mr. KOSTMAYER, Mr. BALLENGER, Mr. ESPY, Mr. CHAPMAN, Mr. TANNER, Mr. COUGHLIN, Mr. BEVILL, Mr. FASCELL, and Mr. PEPPER.

H.J. Res. 91: Mr. STAGGERS and Mr. HOLLOWAY.

H.J. Res. 94: Mr. BOUCHER, Mr. CALLAHAN, Mr. CARPER, Mr. DANNEMEYER, Mr. DICKINSON, Mr. FISH, Mr. HARRIS, Mr. HYDE, Mr. JACOBS, Mr. JONES of North Carolina, Mr. MCDADE, Mr. NAGLE, Mr. PANETTA, Mr. SAWYER, Mr. SISISKY, Mr. SMITH of New Hampshire, Mr. SPENCE, Mr. STALLINGS, Mr. STARK, Mr. TALLON, Mr. VALENTINE, and Mr. YOUNG of Florida.

H.J. Res. 95: Mr. BONIOR, Mrs. BOXER, Mr. BROWN of California, Mr. BUSTAMANTE, Mr. CARDIN, Mr. COELHO, Mr. CONYERS, Mr. DORGAN of North Dakota, Mr. ENGEL, Mr. EVANS, Mr. FISH, Mr. FRANK, Mr. FROST, Mr. FUSTER, Mr. GEJDENSON, Mr. GREEN, Mr. HOCHBRUECKNER, Mr. HORTON, Mr. HUBBARD, Mr. HUGHES, Ms. KAPTUR, Mr. KASICH, Mrs. KENNELLY, Mr. KLECZKA, Mr. LAGOMARSINO, Mr. LEVIN of Michigan, Mr. LIVINGSTON, Mr. MARTINEZ, Mr. PANETTA, Mr. TRAXLER, and Mr. WOLPE.

H.J. Res. 103: Mr. SMITH of New Hampshire.

H.J. Res. 104: Mr. WALGREN.

H.J. Res. 112: Mr. ANDERSON, Mr. BROWN of Colorado, Mr. CLAY, Mr. DIXON, Mr. FORD of Tennessee, Mr. GINGRICH, Mr. GRADISON, Mr. HALL of Ohio, Mr. MAVROULES, Mrs. MEYERS of Kansas, Mr. MOLINARI, Mr. NATCHER, Mr. OLIN, Mr. PERKINS, Mr. RANGEL, Mr. RAY, Mr. REGULA, Mr. ROWLAND of Connecticut, Mr. SCHAEFER, Mr. SCHUETTE, Mr. ROBERT F. SMITH, Mr. SOLARZ, Mr. STAGGERS, Mr. STEARNS, Mr. STOKES, Mr. TALLON, Mr. TORRICELLI, Mr. WEBER, Mr. YATRON, Mr. YOUNG of Florida, Mr. FOGLIETTA, and Mr. CONYERS.

H.J. Res. 130: Mr. PAYNE of Virginia, Mrs. BENTLEY, Mr. SMITH of New Hampshire, and Mr. ROE.

H.J. Res. 136: Mr. BATES, Mrs. BENTLEY, Mr. CARDIN, Mr. CLARKE, Mr. COLEMAN of Texas, Mrs. COLLINS, Mr. COSTELLO, Mr. DEWINE, Mr. DIXON, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. DURBIN, Mr. DYMALLY, Mr. FEIGHAN, Mr. FISH, Mr. FLAKE, Mr. FORD of Tennessee, Mr. FROST, Mr. GEJDENSON, Mr. HALL of Ohio, Mr. HENRY, Mrs. JOHNSON of Connecticut, Mr. JONES of Georgia, Mrs. KENNELLY, Mr. KLECZKA, Mr. LEVINE of California, Mr. LIGHTFOOT, Mrs. LOWEY of New York, Mr. DONALD E. LUKENS, Mr. MCDADE, Mr. MCMILLEN of Maryland, Mr. MATSUI, Mr. NELSON of Florida, Mr. RAHALL, Mr. RIDGE, Mr. SANGMEISTER, Mr. SAWYER, Mr. SCHEUER, Mr. SHAYS, Mr. SIKORSKI, Mr. SMITH of New Hampshire, Mr. TRAXLER, Mr. VOLKMER, Mr. WAXMAN, Mr. LAGOMARSINO, and Mr. MAZZOLI.

H.J. Res. 141: Mr. HORTON, Mr. FAZIO, Mrs. COLLINS, Mr. FISH, Mr. BROWN of Colorado, Mr. OWENS of New York, Ms. OAKAR, Mr. FAUNTROY, Mr. DE LUGO, Mr. DWYER of New Jersey, Mr. WOLF, Mr. ENGLISH, Mr. FOGLIETTA, Mr. CROCKETT, Mr. DYMALLY, and Mr. MARTINEZ.

H.J. Res. 142: Mr. ROE, Mr. DORNAN of California, Mr. TRAXLER, Mr. LEWIS of California, Mr. KASICH, Mr. MCMILLEN of Maryland, Mr. LANTOS, Mr. IRELAND, Mr. KANJORSKI, Mr. HORTON, Mr. OWENS of New York, Mr. FUSTER, Mr. WYDEN, Mr. DWYER of New Jersey, Mr. HUGHES, Mrs. COLLINS, Mr. DYMALLY, Mr. SMITH of Florida, Mr. BROWN of California, Mrs. BOXER, Mr. FAUNTROY, Mr. MCDERMOTT, Mr. FAZIO, Mr. LAGOMARSINO, Mr. PETRI, Mr. MORRISON of Washington, Mr. DEFAZIO, Mr. HAWKINS, Mr. VENTO, Mr. HATCHER, Mr. RANGEL, Mr. SAWYER, Mr. BEVILL, Mr. HEFNER, Mr. GUNDERSON, Mr. BONIOR, Mr. CONYERS, Mr. WAXMAN, Mr. BUSTAMANTE, Mr. RAHALL, Mr. YOUNG of Florida, Mr. MARTINEZ, Mr. CONTE, Mr. HANSEN, Mr. YATRON, Mr. JONTZ, Mr. PRICE, and Mr. LEWIS of Georgia.

H.J. Res. 150: Mr. GEKAS, Mr. DYSON, Mr. RAVENEL, Mr. BUSTAMANTE, Mr. BEVILL, Mr. BORSKI, Mr. COOPER, Mr. COSTELLO, Mr. MURPHY, Mr. AKAKA, Mr. QUILLEN, Mr. FAZIO, Mr. JONES of Georgia, Mr. LEHMAN of California, Mr. CONTE, Mr. WALSH, Mr. BATES, Mr. FROST, Mr. FOGLIETTA, Mr. ROSE, Mr. SPENCE, Mr. ERDREICH, Mr. LANTOS, Mr. SKELTON, Mr. HANCOCK, Mr. ROE, Mr. HUTTO, Mr. FISH, Mr. HALL of Ohio, Mr. FAUNTROY, Mrs. BYRON, Mr. HAMMERSCHMIDT, Mr. GILMAN, Mr. GREEN, Mr. GUNDERSON, Mr. HAMILTON, Mr. HANSEN, Mr. HAYES of Louisiana, Mr. HOPKINS, Mr. HYDE, and Mr. BROOMFIELD.

H.J. Res. 173: Mr. BILBRAY, Mr. DWYER of New Jersey, Mr. ACKERMAN, Mr. HUCKABY, Mr. SANGMEISTER, Mr. VOLKMER, Mr. LEVIN of Michigan, Ms. OAKAR, Mr. PAYNE of New Jersey, Mr. PRICE, Mr. HATCHER, Mr. MCNULTY, Mr. SMITH of Florida, Mr. JONTZ, Mr. HUGHES, Mr. DORGAN of North Dakota, Mr. HAWKINS, Mrs. COLLINS, Mr. BROWN of California, Mr. ENGEL, Mrs. BENTLEY, Mr. BUNNING, Mr. HASTERT, Mr. LAGOMARSINO, Mr. LIVINGSTON, Mr. MCGRATH, Mrs. MEYERS of Kansas, Mr. QUILLEN, Mr. RAVENEL, Mr. SCHUETTE, Mr. DENNY SMITH, Mr. WALSH, Mr. TORRICELLI, and Mr. SAWYER.

H.J. Res. 177: Mr. HATCHER, Mr. WYDEN, Mr. WALSH, Mr. GUNDERSON, Mrs. COLLINS, Mr. TALLON, Mr. MCMILLEN of Maryland, Mr. FAZIO, Mr. HUGHES, Mr. SOLOMON, Mr. RAHALL, Mr. JONES of Georgia, Mr. LAGOMAR-

SINO, Mr. HALL of Ohio, Mr. LEWIS of Georgia, and Mr. PEPPER.

H.J. Res. 182: Mr. YATRON, Mrs. COLLINS, Mrs. BENTLEY, Mr. LANCASTER, Mr. FAWELL, Mr. HYDE, Mr. DONALD E. "BUZ" LUKENS, Mr. SHAW, Mr. LEWIS of Georgia, Mr. HAYES of Louisiana, Mr. ATKINS, Mr. COSTELLO, Mr. CLINGER, Mr. BALLENGER, Mr. FRENZEL, and Mr. HOUGHTON.

H.J. Res. 199: Mr. ROBINSON, Mr. STAGGERS, Mr. BUNNING, and Mrs. MEYERS of Kansas.

H. Con. Res. 6: Mr. GEJDENSON.

H. Con. Res. 23: Mr. DEFAZIO, Mr. CLINGER, Mr. FAZIO, Mrs. MARTIN of Illinois, Mr. SHAYS, Mr. SKAGGS, Mr. SMITH of Florida, Mr. STARK, Mr. TORRICELLI, Mr. WAXMAN, Mr. DE LUGO, and Mr. DEWINE.

H. Con. Res. 30: Mr. DENNY SMITH and Mr. CAMPBELL of Colorado.

H. Con. Res. 34: Mr. WISE.

H. Con. Res. 43: Mrs. BOGGS, Mr. CONTE, Mr. HAYES of Louisiana, and Mr. SMITH of New Hampshire.

H. Con. Res. 48: Mr. JOHNSON of South Dakota, Mr. GORDON, Mr. NEAL of North Carolina, Mr. VENTO, Mr. FORD of Michigan, Mr. BRYANT, Mr. SCHUMER, Mr. SWIFT, and Mr. HAMILTON.

H. Con. Res. 51: Mr. ACKERMAN, Mrs. COLLINS, Mr. DE LUGO, Mr. LANCASTER, and Mrs. LOWEY of New York.

H. Con. Res. 60: Mr. LAGOMARSINO, Mr. PARRIS, and Mr. CAMPBELL of Colorado.

H. Con. Res. 68: Mr. PAXON, Mr. HANSEN, Mr. INHOFE, Mr. HERGER, Mr. ROHRABACHER, Mr. MARLENEE, Mr. FIELDS, Mr. BUECHNER, Mr. FAWELL, Mr. HENRY, Mr. DENNY SMITH, Mrs. BENTLEY, Mr. SHUMWAY, Mr. SMITH of New Hampshire, Mr. LIPINSKI, and Mr. BALLENGER.

EXTENSIONS OF REMARKS

INTRODUCTION OF THE NATIONAL AFFORDABLE HOUSING ACT

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. KLECZKA. Mr. Speaker, I today introduce legislation, the National Affordable Housing Act, which I hope will add to the revived national debate over the appropriate role the Federal Government must play in helping to ensure a decent place to live for all Americans.

Federal assistance to housing, which has been reduced by more than two-thirds since 1980, is once again on our national agenda. It is my hope that the legislation I introduce today, which is identical to legislation introduced in the other body last week by a bipartisan group of 29 Senators, led by Senators CRANSTON and D'AMATO, will be a prominent part of the debate. It is the product of proposals put forth by some of the best and the brightest in the housing community—home builders, community activists, realtors, State and local government officials, mortgage bankers, and others—a diverse group which shares a common ambition of restoring housing to its rightful place on the national agenda.

The National Affordable Housing Act is a starting point, a complement to H.R. 1180, legislation I was pleased to cosponsor March 1 on its introduction by Banking Committee Chairman GONZALEZ. It is not a final product. Over the course of hearings and the legislative process, improvements will be made as we consider the commitment of scarce resources.

Let us begin that process. President Bush has promised a new breeze in housing, and his appointment of our former colleague Jack Kemp, as Secretary of HUD indicates a willingness to consider new ideas.

This legislation is a composite of fresh ideas, each designed to produce the maximum number of affordable housing units at the minimum cost to the Federal Government.

Title I requires each participating government unit to submit a 5-year plan for affordable housing.

Title II establishes a variety of new initiatives designed to make it easier for young families to purchase new homes. It includes provisions similar to H.R. 239, legislation I introduced on the first day of the 101st Congress, which is now cosponsored by 57 Members of this House, which would allow IRA's to be used as downpayment on a first time home. In addition, it would allow 401(k) plan funds to be used for downpayment on a home and would extend the essential Mortgage Revenue Bond Program for 3 years.

Title III establishes a new long-term partnership between the Federal Government, States, local governments, the private sector, and nonprofit organizations. Through the establishment of a new corporation within HUD—the Home Corporation—$3 billion a year would be made available to State and local governments to provide affordable housing. This title, which provides broad flexibility to localities on the use of such funds within income targeting guidelines, is premised on the notion that innovative housing production and rehabilitation ideas are more likely to come from Milwaukee or Waukesha than from Washington, DC. Federal funds matched with local funds would promote innovative, cost effective, affordable housing initiatives.

Title IV establishes a new Office of Low Income Housing Preservation to develop strategies with State and local governments to retain in the Federal inventory those units which may drop out as a result of expiring low and moderate-income rent restrictions. In addition, this title would establish a new form of rental assistance—rental credits—which combine the best aspects of section 8 existing certificates and vouchers.

Title V would renew and revise our commitment to provide adequate supportive housing for those with special needs, including the elderly, the handicapped, and the homeless. This section emphasizes not just the brick and mortar aspect of housing but supportive services, particularly for the elderly and frail elderly, as well.

Title VI extends the authority for public and Indian housing production while generally limiting the size of projects to 100 units or less. While providing necessary funds for unit modernization, it would also establish a national commission to investigate unfit living conditions in the most distressed public housing projects.

Title VII extends rural housing programs at the CBO baseline level.

Title VIII provides for a permanent extension of the low-income housing tax credit.

I urge my colleagues to support the National Affordable Housing Act. At this point, I include in the RECORD a detailed summary of the act.

THE NATIONAL AFFORDABLE HOUSING ACT: A SUMMARY

TITLE I: STATE AND LOCAL HOUSING STRATEGIES

Requires each state and local government receiving assistance under this Act or CDBG to submit to the Secretary, and annually update, a five-year comprehensive housing affordability strategy. States and localities would be encouraged to coordinate their housing strategies where appropriate.

TITLE II: HOMEOWNERSHIP

Permits first-time homebuyers and others who have not owned a home in 3 years to use funds in their IRAs or 401(k) retirement plans for investment in a home.

Lowers FHA downpayments to 3 percent on the first $50,000 of the mortgage.

Lowers FHA downpayments to 3 percent of the entire mortgage for first time homebuyers provided such homebuyers complete an approved financial counseling program.

Sets FHA mortgage ceiling at 95 percent of median sales price for the State, the multi-state metropolitan statistical area, or a substate are that the Secretary determines must be designated to provide moderate-income and middle-income persons with fair access to FHA insurance.

Permit the Secretary to authorize FHA insurance on ARMs with terms that are similar to those of the most widely accepted form of ARM on the market. The Secretary would be required to find that the new mortgage does not involve increased default risk either to the borrower or to FHA.

Extends existing authority for the Mortgage Revenue Bond program and Mortgage Credit Certificates through 1992.

TITLE III: INVESTMENT IN AFFORDABLE HOUSING

Gives State and local governments broader responsibility to design and carry out affordable housing programs.

Provides States and local governments with a single, streamlined institution, the HOME Corporation within the Department of Housing and Urban Development, that has both the authority to deliver various forms of assistance necessary to meet the requirements of local housing strategies and the incentives to help localities succeed in their efforts.

Housing opportunity partnership (HOP)

The Secretary, acting through the HOME Corporation, shall promote partnerships for affordable housing among State and local governments, private industry and nonprofits.

Funds ($3 billion 1990) will be allocated partly by formula (80 percent), partly by national competition (20 percent) among participating States and localities (50/50).

State and local governments would be required to make a 25 percent matching contribution. The match would include cash contributions, administrative costs up to 7 percent of the HOP funds, forgone fees or taxes, or contributions of land. Contributions could be counted toward the match if they go to affordable housing or to a project that includes not less than 50 percent of the units that qualify as affordable housing. They will allow State and local government matching funds to be used to promote mixed income housing.

Low and moderate income targeting is required. A jurisdiction would have to apply 40 percent of its HOP funds to units occupied by very low income persons, and 80 percent of its HOP funds to units occupied by lower income persons. All HOP funds would have to be used for units that qualify for affordable housing.

Each HOP-assisted rental project would have to have not less than 20 percent of its units occupied by very low income persons who are paying 30 percent of their income toward rent. Rents on the affordable units could not exceed the existing fair market rent, making all HOP assistance available to holders of HUD rental assistance. Mixed income housing would be encouraged. Housing for home ownership would have to meet income and other targeting requirements

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Congress set for the Neahmiah Housing Opportunity Grants.

A revolving housing investment trust fund would be established for each participating jurisdiction, with a line of credit that the jurisdiction can draw down for investment in affordable housing. Repayments would return to the jurisdiction's trust for reuse in eligible activities.

Nonprofit community organization setaside

Each participating jurisdiction, for a period of 18 months after HOP funds are made available, would be required to invest not less than 10 percent of the funds in housing developed, sponsored or owned by nonprofit community organizations.

Credit Enhancement

Provides guarantees on pools of affordable housing mortgages. Pools would be formed by States, localities, FNMA, FHLMC or other approved agencies or approved financial institutions.

Capacity Development

Through contract with existing organizations, provides training and other support to develop local capacity to finance and produce housing, encourage benevolent lending and establish community development banks.

TITLE IV: AFFORDABLE RENTAL HOUSING

Preservation

Establishes a new Office of Affordable Housing Preservation in HUD with responsibility for retention of affordable housing for low and moderate income persons. The Office would be authorized to work with State and local governments to develop strategies to avoid the loss of low and moderate income housing due to mortgage default or termination of low income affordability restrictions.

Rental assistance

Establishes a single form of HUD rental assistance, "rental credits," which combines the best features of Section 8 certificates and vouchers.

Allocates incremental rental credits by formula to states and localities which participate in the HOP program. Those units of government would decide the allocation of rental credits among public housing agencies. Contract administration would continue to be provided by HUD.

Provides for a five-year contract term for rental credits.

Requires tenants to pay no more than 30 percent of their adjusted income on rent.

Gives a participating State or locality some discretion to make incremental rental credits tenant-based or project based and to adjust "fair market rents" to local conditions.

Authorizes the Secretary to allocate rental credits among several major purposes: to provide incremental rental credits to assist people now served; to renew expiring vouchers and certificates in a way that smooths the required stream of appropriations; and to preserve low income housing with project-based assistance to avoid default on federally insured mortgages, to replace public housing units that are sold or demolished, and to continue low income use on housing that is foreclosed or subject to prepayment.

TITLE V: SUPPORTIVE HOUSING

Establishes the position of Assistant Secretary for Supportive Housing at HUD to administer housing programs serving elderly, handicapped and homeless persons.

For the elderly

Continues and revises an elderly housing production program (the current section 202).

Provides funding through a combination of interest-free advances and project rental assistance which would greatly reduce the budget authority required to produce a unit.

Ensures that elderly housing is designed to (1) meet the special physical needs of elderly and frail elderly persons and (2) accommodate the provision of supportive services that are tailored to the needs of elderly and frail elderly persons.

Replaces the current fair market rent limitation on development costs with a standard based on local construction costs. This is designed to enable the program to operate in all areas of the country and to limit delays in the current program. Sponsors of the 50,000 units now in the program pipeline would be able to take advantage of program changes to expedite production.

Establishes a new "Project Retrofit" to enable frail elderly persons residing in federally assisted housing to live with dignity and independence. The project will make available new forms of HUD assistance to projects which have received assurances of supportive services funding from states, localities or other sources.

HUD Project Retrofit assistance will include funding to: (1) retrofit individual dwelling units and renovate public and common areas to meet the special needs of frail elderly persons; (2) create and rehabilitate common areas to accommodate supportive services that enhance independent living; and (3) provide transitional funding for those essential supportive services that cannot otherwise be funded.

For the handicapped

Separates the elderly housing and handicapped production programs. Focuses on production, rehabilitation and acquisition of small group and independent living homes for handicapped persons. Adopts a program design similar to elderly housing production program. Sets aside a portion of rental credits to help handicapped persons become integrated into a community's life. Distributes these credits to applicant states and localities that have strategies for providing supportive services to handicapped persons.

For the homeless

Distributes McKinney homeless funding by formula to states and localities. Gives grantees the flexibility to determine how best to allocate resources among approved activities. Continues Section 8 Single Room Occupancy (SRO) program as a separate program for the homeless administered by HUD.

TITLE VI: PUBLIC HOUSING

Reauthorizes the Comprehensive Initiatives Assistance Program (CIAP) and operating subsidies.

Establishes a new "Project Independence" which, on an incentive basis, will make available new forms of HUD assistance to develop employment, educational, day care or other services at or near public housing facilities.

Revises the public housing construction program to restrict generally the size of new projects to less than 100 units. Permits greater income mix.

Establishes a separate public housing development program to provide one-for-one replacement of any public housing units that are demolished or sold to tenants.

Establishes a National Commission on Distress Public Housing to: (1) identify those public housing projects that are in an extreme state of distress; (2) assess the most promising strategies that have been undertaken to improve the conditions of such projects, and (3) provide a national action plan to eliminate unfit living conditions in such projects by the year 2000.

TITLE VII: RURAL HOUSING

Reauthorizes existing Farmers Home Administration (FmHA) programs, permitting FmHA to serve very low income families with deferred payment mortgages under certain conditions.

Sets aside FmHA loans for use in communities that have a high concentration of poverty and substandard housing and that have been underserved by FmHA.

Authorizes project preparation advances to help nonprofit organizations in underserved rural areas prepare affordable housing plans and applications for FmHA assistance.

TITLE VIII: LOW INCOME HOUSING TAX CREDIT

Provides for a permanent extension of the low income housing tax credit.

BUDGETARY IMPACT

The bill is designed to stimulate significant amounts of new housing activity at relatively low levels of new budget authority.

For fiscal year 1990, the bill provides new funding over the CBO baseline as follows: $3 billion for the new HOP program, as recommended by the Rouse-Maxwell commission; $840 million to maintain the commitment of 100,000 incremental units of rental assistance; $110 million to fully fund the McKinney Act.

The bill would also provide modest but important increases in housing for the elderly and handicapped and public housing modernization and operating subsidies.

The total amount of new spending above the CBO baseline in FY 1990 would be $4.1 billion. Adjustments for inflation would be provided for FY 1991.

A BILL TO REFORM POSTAL SERVICE MAILING REGULATIONS

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. PANETTA. Mr. Speaker, I am reintroducing legislation today which I sponsored in the last Congress to require the U.S. Postal Service to amend its regulations regarding simplified addresses for deliveries on certain rural and other routes.

Present regulations permit a nongovernmental mailer who is sending a piece of mail to every address on a rural route or a highway contract route, or to every post office box at a particular location, to use the simplified address "Postal Customer" and avoid using a standard address—name, street, city, State, and ZIP code.

Generally, such mailings are commercial mailings. Unfortunately, the result of the regulation permitting a simplified address is that bulk mailers competing with other forms of advertising, such as newspapers, obtain an unfair—and, I believe, unintended—advantage. Not only do they receive subsidized mail rates, but they also are not required to follow

the same rules that most other mailers must follow in addressing their mail.

I believe this is an issue that needs to be addressed by the Postal Service and, if necessary, by Congress. In my view, the Committee on Post Office and Civil Service ought to look into this matter, and I hope this legislation will serve as a vehicle for that process.

Obviously, this proposal raises concerns about costs for the Postal Service and mailers. Those concerns need to be considered as well. But it seems to me that there is a strong case to be made that the present situation is unfair and ought to be corrected.

I would note that commercial mailers who wish to communicate with consumers living on city routes are not permitted the luxury of not addressing their mail. This being the case, those mailing on other routes should not have that luxury either.

Mr. Speaker, I hope my colleagues will support this legislation, and that the Committee on Post Office and Civil Service will look into this issue at the earliest possible date.

Following is the text of this legislation:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the United States Postal Service shall amend such postal regulations and take such other measures as may be appropriate to provide that, except as provided in subsection (c), any mail as to which this Act applies (as described in subsection (b)) may not be delivered unless it bears at least the following information in the following order:

(1) Name or identification of the intended recipient.

(2) Street and number, or box number, or general delivery, or rural or highway contract route designation and box number (if necessary).

(3) City and State.

(4) ZIP code.

(b) This Act applies to mail intended for general distribution to—

(1) boxholders on a rural or highway contract route;

(2) families on a rural route (at any post office); or

(3) boxholders at a post office without city or village carrier service.

(c) This Act does not apply to official matter mailed by an agency of the Federal Government or of any State, county, or municipal government, or the government of the District of Columbia or the Commonwealth of Puerto Rico.

JAIME ESCALANTE DESERVES THE PRESIDENTIAL MEDAL OF FREEDOM

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. STARK. Mr. Speaker, Jaime Escalante is a dedicated educator who has instilled his students with the importance of education and self-worth. His dedication and success inspired the movie "Stand and Deliver." It is with pleasure that I join in recommending Mr. Escalante for the Presidential Medal of Freedom—the highest civilian honor given in the United States.

Mr. Escalante immigrated to this country from Bolivia determined to continue his teaching career. In 1974, he received his California teaching certificate and left the private sector to resume his teaching career in an East Los Angeles high school where he established a calculus program for underprivileged Hispanic students. He was determined to offer his students more than just basic math. He gives his students "ganas" which means desire. He and his students dedicate themselves to learning calculus—with classes before and after school, on Saturdays, on holidays, and during the summer.

His students succeed. In 1982, 18 students passed the A.P. exam—a record for southern California. From 1982 to 1987, the number of those who have passed steadily increased. Students who would have never known what calculus is are now mastering it. Mr. Escalante is not only teaching math, he is teaching the importance of hard work, confidence, and self-worth.

Mr. Escalante is a model for leadership and self-sacrifice. His total involvement with his students is extraordinary. Because of his accomplishments and continued dedication on behalf of the future of America he deserves this honor.

NATIONAL WEIGHT LOSS MONTH

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. FOGLIETTA. Mr. Speaker, on March 14, 1989, I introduced a bill—House Joint Resolution 192—declaring April 1989 as National Weight Loss Month. I invite my colleagues to recognize the health hazards of being overweight by joining me in cosponsoring this bill. For their benefit and for the American public, I would like to insert the text of the bill at this point in the RECORD.

The text of the bill follows:

H.J. RES. 192

Whereas it is estimated that 68,000,000 adult Americans, one in every four, are overweight (defined as being 5 to 19 percent above one's ideal weight) and 34,000,000 adult Americans are obese (defined as being 20 percent or more above one's ideal weight);

Whereas overweight adult men and women are from all races, lifestyles, and economic and social strata;

Whereas the Report on Nutrition and Health, prepared by the Public Health Service, cites overconsumption of fats and certain other foods as a major national health problem;

Whereas obesity can cause serious illnesses, such as heart disease, high blood pressure, hypertension, strokes, diabetes, and some forms of cancer;

Whereas the Council on Scientific Affairs of the American Medical Association has determined that a comprehensive approach to weight loss and weight control must include a nutritionally balanced diet, behavior modification, and exercise; and

Whereas it is estimated that 43,000,000 adult Americans are making a serious attempt to control their weight: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 1989 is designated as "National Weight Loss Month". The President is authorized and requested to issue a proclamation calling upon the people of the health problems associated with being overweight and attempting to become more conscious of the importance of proper diet and exercise.

LOG EXPORT BAN LEGISLATION

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. WILLIAMS. Mr. Speaker, on April 16, 1968, the Secretaries of Agriculture and Interior issued a joint determination that unrestricted exports of logs from the National Forests of the Pacific Northwest would devastate any viable domestic wood processing industry. Since that time some form of restriction has been the law of the land, with each successive proposal being even more restrictive.

The economic forces that were so evident in 1968 are even more pervasive today. There are those who argue that even the appropriations riders that have enforced the ban on exports since 1974 are not restrictive enough.

It was surprising to find that President Bush has proposed in his budget the lifting of the current ban on raw log exports, with the sole rationale being the increase of money to the Treasury from the sale of logs. This policy is ill conceived, and in the final analysis, damaging to most timberworkers and owners.

The lifting of the ban would only benefit a few log brokers who could take advantage of purchasing public timber for export. The millworkers and domestic wood processing industry that we have devoted 20 years of law are not mentioned or considered in this new budget policy and would be clearly hurt by it.

Currently across Montana, timber mills badly need logs from the Federal land. The Federal Government is devoting many hours and millions of dollars to ensure a steady flow of timber to our mills. With the Presidential veto of Montana's rare II legislation, our forest planning process remains vulnerable to appeal and delay. Now this new administration has proposed to increase the already pitched competition on those struggling mills which are trying to work with the forest plans.

The effects on our forests of lifting the ban was another issue ignored in recommending this new policy. The shortsighted sacrifice of our old growth forests on the altar of international markets is bad for millworkers and owners, sportsmen, and our acclaimed wildlife. There is a provision under current law that allows the finding of wood in surplus and thereby allows the export of that wood. The administration, however, has not even proposed to use this part of the law to assure that the community and industry impact could be mitigated.

There are those who raise the question of the administration's responsibilities under GATT negotiations. This is simply a transparent effort to direct the debate to a manufactured and frankly phony issue. The exports are almost nonexistent in the general discussions on trade and I for one do not want our domestic wood processing industry negotiated away for export gains elsewhere.

I believe it is time to make the 100th meridian log export ban permanent law. I cannot conceive of the circumstance that would make lifting this ban a sensible choice for the folks of the Pacific Northwest. Stabilization of our public lands policy, and stabilization of timber supply is critical to even a modest rise in Montana's economy. Dropping the log export ban is an example of Government policy working against that recovery, and I believe it is time to settle this question by taking the option away.

STRANGE THINGS INEVITABLY HAPPEN

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. JACOBS. Mr. Speaker, strange things inevitably happen when one cleans out an attic.

The following quotation from a newsletter sent by then Indiana Ninth District Representative Earl Wilson falls rather nicely into the yeah-but-that-was-different category.

In criticizing the appointment by President Truman of Tom Clark to the Supreme Court, Mr. Wilson charged that "both Mr. Truman and the late President Roosevelt appointed mostly Democratic politicians to the Federal bench, to the degradation of our system of jurisprudence."

So, whether a President's choices for appointments subject to confirmation are the exclusive province of the President, at least seems to have been brought into question on other occasions.

LAKE GASTON PIPELINE PROJECT

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. VALENTINE. Mr. Speaker, today I am reintroducing legislation to prohibit the Secretary of the Army from issuing certain permits in connection with a proposed pipeline project until an environmental impact statement for that project is completed.

This legislation is concerned with the proposed construction of an 85-mile pipeline from Lake Gaston, NC, to Virginia Beach, VA. If constructed, the pipeline would divert 60 million gallons of water per day from Lake Gaston to be used as a primary water supply for the city of Virginia Beach. The vast majority of Lake Gaston is located in the Second Congressional District of North Carolina.

Mr. Speaker, many citizens in the large region surrounding Lake Gaston in North Carolina and Virginia have been opposed to the proposed pipeline since its inception. More than 6,000 citizens from both States have attended various Corps of Engineers' field hearings to express their strong opposition to the project. Despite the intensity of emotion at these hearings, the corps, on October 11, 1983, issued a draft environmental assessment and a finding of no significant impact in which the corps preliminarily determined that it would not be necessary to prepare a full environmental impact statement for the Lake Gaston project.

Current regulations require the corps to prepare an environmental impact statement where a proposal involves the operation of a dam and lake project or where the proposal would result in significant changes in the management of project resources. The Lake Gaston project would involve the operation of three dam and lake projects in Virginia and North Carolina.

The withdrawal of 60 million gallons of water per day from Lake Gaston would clearly result in significant changes in the management of water resources in Kerr, Gaston, and Roanoke Reservoirs. We must ensure that necessary flood control, hydroelectric power generation and low-flow augmentation functions are not impeded by the projected withdrawals.

Additionally, the National Environmental Policy Act requires an environmental impact statement when a major Federal action will significantly affect the human environment.

In this case, there is controversy over how the proposed project will affect water levels in the Kerr Reservoir. There is uncertainty about how the project would affect water flow in downstream areas and how the water withdrawal will affect fish populations in downstream areas. Just as important, there is uncertainty about the future effects of large-scale water withdrawal on the hydrology and water quality of the Roanoke River and Albemarle Sound.

There is also uncertainty about the cumulative effect of this project on the environment. These cumulative effects on the natural environment must be considered in conjunction with the economic impact that can be expected as a result of the natural changes. For example, real estate values surrounding the lake have already begun to decline. Although the corps indicates that this is a temporary condition, I believe that this is but another uncertainty that must be considered.

There is also uncertainty about water use precedents that will be set for future projects involving large quantities of water. The Lake Gaston proposal, if approved by the corps, would establish a precedent for future major water withdrawals both by Virginia Beach and by other municipalities that find themselves in need of an additional water supply in the years to come.

Mr. Speaker, because the Lake Gaston pipeline project will have widespread environmental impact, because it involves an irretrievable commitment of more water than is presently used by any municipality in either North Carolina or Virginia, because it could set a major water use precedent, and because it is the subject of great public concern and controversy, it is clear to me that the Corps of Engineers should have prepared an environmental impact statement before rushing to judgment. There are many unanswered questions—questions that only a full-scale environmental impact statement can adequately answer. We need answers before considering a permit for this ill-advised project.

My colleagues Mr. PAYNE of Virginia, Mr. NEAL, Mr. HEFNER, Mr. JONES of North Carolina, Mr. PRICE, Mr. COBLE, Mr. BALLENGER, Mr. ROSE, and Mr. CLARKE join me in introducing the legislation. The bill we are introducing will achieve one goal: It will give interested citizens in both North Carolina and Virginia a fair and objective assessment of this project. Perhaps this is a good project. I do not think so. But we will never know, or we will find out too late, unless we insist that all the ramifications are considered before we undertake this massive transfer of water.

Virginia Beach is a fine city and has a serious need for a water supply. I do not wish to appear insensitive to its needs. I realize that the water problem in that area is real and the pipeline is perceived as a solution. Yet in this case, adequate study of the impact of the project and the alternative sources of water supply is lacking. Instead of a careful decisionmaking process, the Corps of Engineers has taken a hasty and careless approach that disregards public concern. This leaves us with no other alternative but to come to the Congress to find a solution.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Notwithstanding any other provision of law, the Secretary of the Army may not issue a permit under section 10 of the Rivers and Harbors Appropriation Act of 1899 (30 Stat. 1121; 33 U.S.C. 403), or under section 404 of the Federal Water Pollution Control Act (33 U.S.C. § 1344) for the construction of a water supply pipeline and related structures for removing water from Lake Gaston (a lake within the States of North Carolina and Virginia) and transporting water to the city of Virginia Beach, Virginia, or the surrounding area, before a full environmental impact statement as described in section 102(2)C of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C) is completed for the pipeline project.

INTRODUCTION OF LEGISLATION REFORMING SUPPLEMENTAL SECURITY INCOME PROGRAM

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. DONNELLY. Mr. Speaker, I am introducing legislation today, for myself and my colleague from Massachusetts [Mr. ATKINS] to overturn what I believe to be a ridiculous feature of our current supplemental security income laws. Last year, we introduced similar legislation, which was cosponsored by a bipartisan group of 23 House Members.

Mr. Speaker, under present law, if an individual is seriously disabled, the individual is generally entitled to supplemental security income [SSI] benefits. Since the SSI Program is income-related, however, a monthly cash benefit is only payable if the beneficiary's income is $9,516 or less annually—$4,488 or less if the individual's only income is Social Security. In addition, an individual cannot qualify for SSI if the individual has countable assets of more than $1,900. Individuals who qualify for an SSI monthly benefit are eligible for Medicaid.

In the case of a severely disabled child, the child's parents' income and resources are "deemed" to the child. Thus, in most cases, a child cannot qualify for SSI benefits—and therefore, Medicaid—if the child's parents have more than an insignificant amount of income and assets. If a child is hospitalized, however, the income and resource deeming rules do not apply.

The law does provide that the deeming rules will not apply where it is "determined by the Secretary to be inequitable under the circumstances." Several courts have held that this language is a general grant of authority to the Secretary, and that it does not require a factual determination in each instance as to whether it is "inequitable" to deem a parents' income or resources to a disabled child. (See, e.g., *Driggins by Driggins* v. *Heckler,* 709 F.2d. 999; *Hammond* v. *Secretary,* 646 F.2d. 455; *Kollett* v. *Harris,* 619 F.2d. 134).

Under the SSI Program, an SSI-eligible institutionalized individual is entitled to a monthly personal needs allowance. The personal needs allowance was increased to $30 per month on July 1, 1988. The law also allows a State—at its option—to waive the income/resource deeming rules for Medicaid purposes only. A few States have exercised this option.

Cutting through the rhetoric and legalese, Mr. Speaker, what this means is that it is financially better for the parents of disabled children to keep them in an institution—even though it is cheaper for the Federal Government—and certainly more humane—to care for them at home. It is this aspect of the law that our bill would change.

Under our bill, the normal income and resource deeming rules would not apply to a severely disabled child if it is appropriate to care for the child outside of an institution and it is less expensive to care for the child at home. Thus, under our bill, a disabled child in this situation would qualify for Medicaid, regardless of whether the State has exercised its option to continue Medicaid coverage, and the SSI personal needs allowance.

Mr. Speaker, we are introducing this bill after learning of the unfair and absurd results of current law in our own State of Massachusetts. We know of several disabled children who are institutionalized because their parents cannot afford to care for them at home. Although the State of Massachusetts allows these children to qualify for Medicaid, Federal law prohibits them from receiving a cash benefit.

During last year's Presidential campaign, the plight of these children was called to the attention of Vice President Bush, who promised limited assistance. Quite frankly, mothers of sick children should not have to petition the Vice President of the United States for adequate access to affordable health care. Our bill should be the law of the land. It is humane, it is cost-effective, and I will work to see that it is incorporated this year into any SSI reform legislation reported by the Committee on Ways and Means.

EASTERN SPEECH

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. BONIOR. Mr. Speaker, as we debate the fate of Eastern Airlines we should consider who is responsible for bringing this once proud airline to its knees.

Like most airlines in a period of deregulation and stiff competitions, Eastern has had its share of financial troubles in the past.

But since being taken over in 1986 by Texas Air, Eastern has been dismantled piece by piece, and its most valuable assets transferred to its corporate sister, nonunion Continental. And now there's an attempt to bust Eastern's union as well.

Prior to 1987, Eastern Airline owned one of only five computer-reservation systems in the United States. That system grossed $350 million a year and was valued by Texas Air itself at $200 to $320 million.

Yet it was sold to a Texas air subsidiary for $100 million—not in cash, but with a note due in the year 2001, at 6.5 percent interest.

Eastern now pays for the computer services it used to own and profit from.

Eastern now pays a fee to Texas Air for fuel it used to purchase on its own.

Eastern now pays Texas Air $6 million per year in management fees.

Eastern now pays Continental $19 million for strike preparation services, on top of $22 million it paid in December 1987 for such services.

Eastern even had to finance its own takeover by using $108 million of its own cash and issuing $230 million in new preferred stock.

Texas Air is sucking the lifeblood from Eastern. No wonder its on the verge of collapse.

The story of Eastern is a story of corporate greed, of fat-cat financiers, and Wall Street gone amok.

And it could happen to any company today in corporate America—no matter how healthy or profitable.

Success in corporate America today seems to be defined by how quick you can turn a profit, and how many companies you can take over.

It's defined by leveraged buy-outs in which huge corporations put up a small amount of cash to buy another company, and then sell its assets or borrow against its value to complete the deal.

No new goods are produced by such ventures, but a great deal can be lost. Companies that were once independent and profitable are broken up, workers are displaced, and communities—in which the whole economy may revolve around one business—devasted.

Even in the midst of Eastern's bankruptcy, the chair of Texas Air is considering selling Eastern's most profitable operation, the East Coast Shuttle.

And through it all, men and women who fly the planes, serve the customers, and make sure the airline is safe for all are being asked to sacrifice even more.

In 1983 the unions and management negotiated a historic agreement in which unionized employees agreed to wage cuts of 18 to 22 percent and to productivity and rule concessions, in exchange for ownership of 25 percent of the corporation's stock and increased participation in its management.

And what happened? Productivity and profitability actually increased.

Then in 1985, in the midst of new financial difficulties, management received further wage concessions from the unions—a 20-percent pay cut from the pilots and flight attendants.

Then in 1986 Texas Air bought Eastern.

Now Eastern's workers face greater pressure than ever before. As one worker told the Washington Post last Sunday, "The third time you miss work for any reason, even if it's an injury on the job or a death in the family, you're on 6-month 'sudden death' "—which obviously means dismissal.

Texas Air has refused to even submit to binding arbitration in an attempt to reach a settlement.

What we're talking about with Eastern is a simple matter of fairness.

The Machinists Union offered to submit the dispute to binding arbitration. Eastern refused.

The National Mediation Board then recommended to President Bush that he use his powers under the law to delay the strike by 60 days and appoint a panel to investigate. President Bush declined to do so.

Under this legislation, the maximum number of days in which an attempt could be made to reach agreement would be 26 days. No long delays. Just one more chance to find a solution.

That is a fair and reasonable proposal.

Everyone benefits from a quick resolution of the Eastern dispute—management, it's 30,000 employees, the communities where it is based, and those which it services.

BIOMEDICAL RESEARCH WEEK

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mrs. BOGGS. Mr. Speaker, During the week of March 19–23 the 73d annual meeting of the Federation of American Societies for Experimental Biology will take place in New Orleans. Amid the current threat of acquired immune deficiency syndrome, cancer, and other fatal diseases, this meeting of biomedical researchers, where scientists share valuable information with their colleagues and the general public, is of great interest to our Nation and the world as a whole. Gov. Buddy Roemer has designated the week of this meeting "Louisiana Biomedical Research Week." Mr. Speaker, if there is no objection I would like to have the Governor's proclamation printed in it's entirety for the RECORD:

PROCLAMATION

Whereas, biological and medical research has produced substantial new knowledge about disease and has greatly increased our expectations for longer and healthier lives; and

Whereas, Acquired Immune Deficiency Syndrome, heart disease, cancer, and other afflictions continue to be major causes of illness and death; and

Whereas, significant progress is being made towards diagnosis, treatment, and prevention of disease through research into how the body functions, how disease afflicts it, and how the course of a disease can be halted or prevented entirely; and

Whereas, biomedical research also has opened the door to the new science of biotechnology, which offers not only the possibility of finding cures for disease, but may also make possible the development of new products that U.S. companies will be able to produce and sell worldwide; and

Whereas, The Federation of American Societies for Experimental Biology will hold its 73rd annual meeting from March 19 through 23 in New Orleans where biomedical researchers will share the new knowledge they have acquired with their fellow scientists and with the general public. Now, therefore,

I, Buddy Roemer, Governor of the State of Louisiana, do hereby proclaim March 19 through 23, 1989, as "Louisiana Biomedical Research Week" in the State of Louisiana.

VA HOSPITALS DELIVER EXCELLENT CARE

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. MONTGOMERY. Mr. Speaker, even though our veterans' hospitals across the country are feeling the sharp sting of inadequate funding, they continue to meet high standards of quality—the product of hard work from dedicated professionals and support staff. The following commentary from the Arkansas Democrat attests to the fact that health care at VA facilities is as it has always been among the best.

[From the Little Rock (AR) Arkansas Democrat, Feb. 5, 1989]

DAD, VA: STRONG POINTS IN GRAYBEARD'S LIFE

(By Wally Hall)

It was 4:40 Wednesday afternoon when the call came.

I was sitting in my hotel room in Houston, reading, when the phone rang. It was my office conveying a message to call my wife, who told me my dad was in the Veterans Administration Hospital in Little Rock.

He had just had a heart attack.

That morning when I left for Houston for the Arkansas-Houston game, my mom and dad were at my home keeping my daughter who had the flu.

Suddenly, he's in the hospital and I'm hundreds of miles away.

I don't believe anyone can ever be prepared for a crisis that is so serious, that death is a possibility, but it was a reality and there was no time for panic.

A phone call to Suzanne, my travel agent, and I was booked on a flight home.

Even though the airline refused to accept my ticket that was for the next day, and I had to pay for another ticket, gate agents at Houston and Dallas got me on an earlier flight than I was scheduled. I was at the hospital by 8:35 p.m.

The next 48 hours were living hell.

I didn't think about the Arkansas-Houston game or writing a column until Friday afternoon when my dad was doing much better.

The thanks goes to a great staff at the VA hospital.

It was my first trip to the VA since the early 1970s when I was in the Air Force and I was truly impressed.

Even though it was a few minutes past visiting hours, the nurses readily agreed to let me see my dad and the first thing he said was: "Son, don't you get in this shape. You quit smoking and start watching what you eat."

That was typical of my dad. He was lying on the bed; he had suffered a heart attack and he was worried about me.

One of the many kind and considerate nurses my family has met in the last few days told me that Dr. Revard was on the case.

I remembered a Ron Revard who had been an All-SWC center for the Arkansas Razorbacks on the 1971 team and had eventually become a doctor, but the last I had heard he was in private practice.

He turned out to be one and the same.

Wednesday night when my dad started having chest pains, Dr. Revard acted quickly. Dr. Nowlin, his attending resident, was finally off, so Dr. Revard met with our family and talked about what needed to be done. Because my dad was on strong pain killers, any decisions at that point would be with my mother, who was perfect for that because she was being stronger than any of us.

She and I met with my dad a few minutes and then again with Dr. Revard.

An angiogram was called for, and within an hour, my dad was being wheeled to another room.

Aunts, uncles, cousins and other family members were told they would be called.

Dr. Joseph Bissett, one of the best cardiologists in the country, came in, which left no doubt that Dr. Revard had concern for his patients and not his ego.

At 12:05 a.m. it began, and the next two hours were hell as we sat, stood, paced, walked, talked, drank coffee and prayed.

At 2:05, Dr. Bissett and Dr. Revard came out and told us the heart attack had been minor (thanks to my mom getting him to the hospital), and that fortunately my father had a very strong heart.

Anyone in the family could have told them that.

More tests would be coming, he was considered still in critical condition and in intensive care, but we felt relief.

Nonetheless, that's where I've been the last few days and why I haven't had a column.

I have one today because Friday evening my dad told me he was fine and to get my behind back to work. Saturday he was moved out of intensive care and is doing great.

My experience with hospitals and doctors has been limited, but after seeing how efficient and professional the doctors and nurses were at the VA, I was able to leave with confidence and a good feeling that the VA Hospital is here.

A CALL TO THINK GLOBALLY, BUT ACT LOCALLY

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. VENTO. Mr. Speaker, I want to call to the attention of my colleagues an article written by a most eminent Minnesota scholar, Mr. Harlan Cleveland, as published in the Twin Cities Star and Tribune on Sunday March 12.

Harlan Cleveland has distinguished himself in many areas of public policy. He has left a lasting mark as an Assistant Secretary of State, Ambassador to the United Nations, Ambassador to NATO, president of the University of Hawaii, and most recently, the founding dean of the Hubert H. Humphrey Institute of Public Affairs. Among his many awards are the U.S. Medal of Freedom and the Woodrow Wilson Award.

His experience speaks volumes as does this article. Mr. Cleveland's remarks reflect his years of analysis of the impact of actions taken in diverse parts of the world on all parts of the globe. Awareness is growing, but once a crisis is realized it will be far too late. As I stand here, the great rain forests are being lost; our ozone layer is being depleted increasing the threat of skin cancer to all; and more and more of our lakes are being lost to acid rain. Mr. Cleveland's call for increased awareness and concrete actions at all levels must be heeded if we are to avert a worldwide environmental calamity:

WHEN IN DOUBT: THINK GLOBALLY, BUT ACT LOCALLY

With jarring suddenness, millions of people in dozens of countries are becoming aware of global changes that are liable to affect them personally.

What people do half a world away—chop down their tropical forests, leach their soils, burn oil and coal, blow toxic wastes out of smokestacks and exhaust pipes, pollute the oceans, buy and sell narcotics, engage in indiscriminate sex, have too many babies—is now relayed through sensitive and complex webs of atmospheric chemistry, ocean currents and human communication to our very doorsteps, yours and mine.

And what we do, we in the more affluent parts of the world, affects people worldwide even more, because—except for making babies—we do more of all these things than they do.

Once the province of the soberer editorial pages, these now-familiar "problems" have made their way onto magazine covers and TV and radio newscasts. In the spirit of our branches-and-twigs mode of learning, we study them in different disciplines, read and hear about them in separate stories, allocate them to specialized agencies (or czars)—and act on them with less-than-global perspective.

Would it be useful, for a change, to think about them all at once? They are all examples of a new kind of problem, which will need an unprecedented kind of solution.

When it comes to global atmospheric change, there is already an "ecumenical movement in the biological and earth sciences," as Jack Eddy of the National Center for Atmospheric Research has written. Isn't it high time for the social sciences, and the

societies they study, also to discover a common interest in "making a mesh of things"?

Two assertions can be made about these fundamentally similar problems:

They are global. They require people everywhere to widen to world scale what they worry about and try to do something about.

My colleague Dean Abrahamson, scientist and environmentalist at the University of Minnesota's Humphrey Institute, has a graphic way of saying this: "When my grandfather was born, environmental concerns were almost all based on housekeeping and trash in the back yard. By the time I was born there were demonstrable regional impacts. The birth of my children coincided with entire river systems and airsheds being affected. Now . . . major global systems, upon which society depends for its welfare, are being destroyed."

They are behavioral. Global change is produced by what we (humanity) have been doing; its pace and direction can be changed by what we do, or stop doing, next.

Back in the 1970s there was a population notion that we were running out of key resources. As things turned out, those "limits to growth" were much exaggerated. But meanwhile the evidence has grown that the world's real physical limit may be the capacity of its big garbage dumps (vacant lands and caves, the atmosphere, oceans and outer space) to assimilate the global output of waste.

The earlier perception shifted as many of us, millions of us, modified our attitudes toward "growth," to include not just "more" but also "better"—and decided to protect the environment, too. The newer perception will shift, too, as with increasing knowledge we redefine "waste" and use or recycle more of it.

It's hard now to remember how insoluble that problem of exponential growth used to seem. But that was before people by the millions got the point. They started buying smaller cars, watching their diets, having fewer children, spending more for new knowledge, leaving for others around the world more of the tangible things—grains, metals, minerals—that were the stuff of modern civilization before the "knowledge society" came along.

In many countries, a couple of decades ago, it seemed an equally hopeless task to defuse the "population bomb." In some, it still does.

But in the United States, Canada, Europe and East Asia, the experts were stumped by what their rigorous number-crunching couldn't take into account; spectacular advances in chemistry (notably the pill), women's instincts (given a say in the matter, they didn't want to have nearly as many babies), the hope for family progress that industrial civilization seemed to promise and, here and there, as in China, a direct policy push to keep birthrates down.

Some futurists are now worried, and with reason, about a decimation of population, first in Africa and then elsewhere, by the spreading epidemic of AIDS. But where health education is healthy, this well-advertised worry seems already to have had a large (if still immeasurable) impact on sexual behavior. An encouraging example of rapid mass mind-change, mostly in the United States so far, is the recent shift in attitudes toward smoking.

Those who cry havoc about the global environment may likewise be startled by the dramatic effect on their forecasts of people heeding them. It took only 13 years to get from the first scientific guess (in 1974) that chemicals released by certain industrial processes could damage the layer of ozone that protects the human race against skin cancer, to a treaty signed in Montreal in 1987 that begins the phase-out of chlorofluorocarbons, CFCs, in the chemical industry worldwide.

The common denominator is obvious: lots of people changing their behavior, and in time changing the minds—or at least the policies—of their leaders.

That naturally happens most rapidly at moments of crisis when the danger is clear and present. It happens even without a crisis when large numbers of people can see for themselves the evidence of a threatening trend. Dead fish floating in a dying lake, pockmarks on Grandpa's gravestone and defoliation of a nearby forest compose a song without words about sulphuric acid in the atmosphere.

But on some issues, nothing that really affects you and me has happened yet: The looming threat arises from works of scholarship, illustrated by figments of the imagination. Epidemics show up first as statistics. Predictions of overpopulation stand uncertainly on the shifting sands of extrapolation.

The case for worrying about the greenhouse effect rests on models of a global atmosphere so complex and fluid that even the fastest supercomputers are still no match for it. The Great Drought of 1988 was trumpeted as the first evidence of the predicted "heat trap." But scientists are still trying to figure out whether it was evidence or an aberration.

For the global/behavioral issues not yet visible to the untutored eye, "we, the people" can't afford to relax until the scientists tell us what to think. Most scientists want to be sure before they publish—and that might be too late to prevent irreversible happenings. So we the people, once again by the millions, will also have to learn how to ask the "what if" questions—with the help of scholars and scientists whose stock in trade is peering into the future.

I have a dream: of a nongovernmental policy-analysis house in every town, connected by computer teleconference to the best available information—analyses, scenarios, alternative futures—on these issues. Anyone can drop in and ask "what if" questions about global trends that might affect this or her own future, and learn what personal behaviors would make the unhappiest global outcomes less likely.

That kind of public education could help us all understand how true it is that everything we personally do has round-the-world impacts—and that every change in world health and the global environment has meaning for you and me and the precious species for which we are trustees.

Whoever said it first, sometime in the late 1970s, had it just right: Think globally, act locally.

LET THE SAVINGS BANKS SAVE THEMSELVES

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. DANNEMEYER. Mr. Speaker, before we can hope to solve the thrifts crisis we must put the problem into a wider context. We are the victims of a myth; namely, the myth that inflation is a quantitative problem, not a qualitative one. According to this myth all you have to do is to isolate the right parameters, quantify them, and get your policy cues from your reading of those quantifiers. But even if a consensus on the choice of the right parameters were possible, there could never be an agreement on the optimal rate of increase. A particular rate may be elixir for some, and poison for others.

The fundamental problem with our currency is not a quantitative but a qualitative one. Confidence in the monetary system, performance on contracts, faith in promises to pay, creditors' confidence in bank assets; these are things which cannot, in the very nature of the case, be quantified. The question whether our monetary system conforms to the Constitution of the United States cannot be decided through a quantitative analysis. The definition of our monetary unit, the dollar, is not a matter of selecting a monetary variable.

We would make a significant move back to a constitutional monetary system, and at the same time we could check the worsening crisis of the savings banks, if we would allow these banks to offer their customers bank accounts denominated in Eagle coinage.

The following article elaborates on this proposal. This concludes my series of three articles on the thrifts crisis. The first two of the series were inserted in the March 15 and in the March 20, 1989, issues of the CONGRESSIONAL RECORD.

LET THE SAVINGS BANKS SAVE THEMSELVES

(Third of a series of three articles)

There is nothing in the thrift bailout proposal of President Bush that would prevent another banking crisis from occurring in the future or, for that matter, the present crisis from spilling over from FSLIC to FDIC. Everything is not well with FDIC, the Federal Deposit Insurance Corporation insuring deposits in the commercial banks. The assets of FDIC cover only a fraction of one cent on each dollar deposited in a member bank. FDIC, like its junior partner FSLIC, is a fair-weather system, which could be swept away by the first major storm.

A real solution of the problems of the commercial and savings banks must start with a real diagnosis of their malady. The real diagnosis, in turn, must not ignore the fact that between 1968 and 1988 the gold value of the total assets of the American banking system shrank to less than 10 percent of the original. In other words, more than 90 percent of the gold value of the assets of the banks was wiped out—lost forever, due to the depreciation of the dollar. This glaring fact is quite unprecedented in the annals of modern banking. Yet analysts and commentators usually fail to take notice of it. However, ignoring a problem is not the same as solving it. The consequences of this neglect have already visited several crises upon us—the thrifts crisis is merely the latest one in a series of banking crises.

It is true that the gold value of the liabilities of the American banking system also contracted at the same time the assets did. Nevertheless, there is a difference. Since the dollar value of bank liabilities is fixed, whereas that of bank assets is not, there could arise a loss whenever assets contract faster than liabilities. It would be a major miracle if the balance sheet could escape

unscathed a major earthquake destroying 90 percent of the gold value of paper assets. Indeed, such a miracle has never occurred in the history of banking. The reason is also clear. Assets tend to be longer-term and less liquid, while liabilities are sight and certainly more liquid. Future values in every upheaval become highly uncertain, and this can be measured through the rise in interest rates.

Just consider what would have happened to the thrifts during the same period if they had been allowed to own gold assets. The 1000 percent appreciation of their gold assets would have more than covered the loss on their paper assets, as long as they had as little as five percent gold in their balance sheet, a ratio which historically proved prudent and sound.

The usual objection against allowing the banks to carry gold in their balance sheet is that "gold is a barren asset", and the banks need earning assets to stay in business. There are two answers to this objection. One is that bank reserves under the Federal Reserve System are certainly not an earning asset for the member banks, and the banks would have been far better off if they had carried their reserves in gold than in Federal Reserve deposits. Secondly, the banks could create their own gold-related earning assets, for example, by selling gold call options on their gold reserve. At any rate, ever since banking was invented, banks have always carried gold or silver assets. The only exception has been the episode of the past fifty years. From this perspective, the "goldless" banking system of the twentieth century appears to be an aberration, for which we are paying a very high price indeed.

It is interesting to note that as of January 1990, American banks will be allowed to offer customers deposit facilities denominated in foreign currencies. No longer will Americans have to go abroad to open a Swiss franc bank account. It would be logical to allow the American banks to offer metal account gold deposit facilities at the same time. The failure to do so shows a basic misunderstanding of the nature of the international debt crisis and of the domestic crisis of the thrifts. You cannot wish gold away from the monetary system. Paraphrasing a latin proverb, "Try as you may to drive out gold with a pitchfork, yet will she always return." The fact is that the international and domestic banking crises are both symptoms of the world's gold crisis.

Since 1971, gold flows have been frozen, reflecting a high degree of universal mistrust in the international monetary and payments system. As a consequence, the world has lost its ability to reduce debt. Gold flows, before they were frozen, used to represent net retirement of debt, i.e., that part of the old debt which was extinguished without recourse to new debt. The absence of gold flows today means that the world can no longer extinguish debt. It simply has no mechanism to do it. Old debt can only be retired by issuing an equivalent amount of new debt—if necessary, by organizing debt into currency. Good debt, as well as bad, is being perpetuated. The self-correcting mechanism in the debt tower has been neutralized. Ever more bad debt is heaped upon bad debt, mistakes upon mistakes. The gates to unlimited debt-proliferation have been thrown wide open.

From this simple observation, the remedy is obvious. We have to restart gold flows by making gold bonds, gold certificates, and gold deposit facilities widely available, to the public. This is not the same as the return to the gold standard. Those who prefer irredeemable currencies to gold, can still select from the large menu offered by the world's central banks. The difference is that central bankers no longer would have a captive clientele. In fact, they would be forced to compete with gold. They would no longer be able to increase their liabilities blithely and unbridled. If they tried, their paper would be dishonored by the people, who would now have a choice. Without the meaningful alternative of gold instruments such as gold bonds, gold certificates and gold deposits, the only choice people have is to jump from the frying pan into the fire.

Under this competitive monetary system, the banks and thrifts would once more be able to fend for themselves. The prudent ones would carry some of their capital and reserves in the form of gold or gold instruments. Gold flows would help them to ferret out and extinguish bad debt, which presently they are unable to do. With the help of gold the savings banks, as well as commercial banks, would be able to save themselves.

HOLY NAME OF JESUS POLISH NATIONAL CATHOLIC CHURCH CELEBRATES ITS DIAMOND JUBILEE IN MILWAUKEE

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. KLECZKA. Mr. Speaker, I am honored to share with my congressional colleagues the fact that the parish of the Holy Name of Jesus Polish National Catholic Church is joyously celebrating its 75th anniversary of spiritual service to Milwaukee on Sunday, May 7, 1989.

This diamond jubilee not only commemorates the strong devotion of the Holy Name of Jesus Church's parishioners but it also encourages all to reflect on the democratic principles and perpetuation of Polish customs and traditions which are so cherished by the Polish National Catholic Church.

The Reverend Francis Bonczak celebrated mass for the parish for the first time on May 18, 1914, at the Juneau Movie Theatre. Hardworking local Polish families generously assisted the parish over the next 3 years so that the Holy Name of Jesus Church could be built and ultimately blessed on September 17, 1917. Highlights of the Holy Name's 75-year history include a 1959 renovation and the 1965 founding of a parish credit union.

As a good friend of many of the parishioners of the Holy Name of Jesus Polish National Catholic Church in Wisconsin's Fourth Congressional District, I am proud to join the Reverend Henry Galas, pastor of the parish, and the entire 75th anniversary committee, at this commemorative banquet on Sunday afternoon, May 7.

Let me wish my many friends and neighbors in this parish 75 more years of spiritual faith and vitality. Sto Lat.

EVERETT ALVAREZ SHOULD RECEIVE THE PRESIDENTIAL MEDAL OF FREEDOM

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. STARK. Mr. Speaker, Everett Alvarez has dedicated his life to the service of our country and to upholding the principles for which America stands. With pleasure, I join in recommending Mr. Alvarez for the Presidential Medal of Freedom—the highest civilian honor given in the United States.

Mr. Alvarez, a former Navy commander, was the first American aviator shot down over North Vietnam and the longest held prisoner of the Vietnam war. Captured on August 5, 1964, he was not released until the general release of prisoners on February 12, 1973; more than 8 years later. Mr. Alvarez received many awards for valor including the Silver Star, two Legions of Merit, two Bronze Stars, the Distinguished Flying Cross, and two Purple Hearts.

Upon his retirement from the Navy in 1980, he served as Deputy Director of the Peace Corps. In 1982, President Reagan nominated him for Deputy Administrator for Veterans' Affairs—a position which he held from August 1982 to May 1986. Currently, he is the vice president for governmental affairs for the Hospital Corp. of America. He is also active in POW and MIA programs and often speaks to young people about the freedoms which we are so fortunate to possess.

Mr. Alvarez has dedicated his lifetime to our country. His bravery, valor, and leadership should serve as a model to all of us. He deserves our recognition with the awarding of the Presidential Medal of Freedom.

GEN. GEORGE ARCHIBALD McCALL: A PATRIOT AND A SOLDIER

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. FOGLIETTA. Mr. Speaker, I rise today in honor of Gen. George Archibald McCall, a distinguished American who gave to his country not only as a famous soldier, but also as an author. I choose this time to draw your attention to General McCall's distinguished career because this year is the 80th anniversary of the Gen. George A. McCall School in Philadelphia. I believe that a fitting way to pay tribute to General McCall would be to issue a U.S. postage stamp in his honor, and have written to the Citizens' Stamp Advisory Committee to suggest this action.

General McCall, born in 1802, was a patriot and a soldier. A West Point graduate, he served with distinction as an army officer in the Mexican and Civil Wars. In 1850, he was appointed inspector general for the territories acquired from Mexico 2 years earlier. Gen.

Ulysses S. Grant served under McCall during a portion of the Mexican War.

General McCall was one of the best known military men of his time in Pennsylvania. He was appointed a major general in the Reserve Volunteer Corps of the Commonwealth of Pennsylvania, which the U.S. War Department made part of the Army of the Potomac. He was later assigned to serve under General McClellan.

A military man of valor, General McCall also served his country through his contributions as a writer. He authored the book, "Letters From the Frontier," which was published after his death. The Pennsylvania Historical Society maintains a McCall collection.

Mr. Speaker, the McCall School is in itself a tribute to General McCall. The year of its 80th anniversary would be an especially appropriate time to issue a commemorative stamp in honor of the general. Such a stamp would be a credit to General McCall, the McCall School, and to the country that he served with such distinction.

STATEHOOD CENTENNIAL COMMEMORATIVE COIN ACT OF 1989

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. WILLIAMS. Mr. Speaker, today I am introducing legislation to commemorate the 100th anniversary of the statehood's of Montana, North and South Dakota, Washington, and Wyoming. This legislation would authorize the minting of two centennial coins, one in silver and one in palladium. These are two precious minerals found chiefly in the Pacific Northwest, and represent industries that have shaped the history, and people of the five States represented by the centennial minting.

Centennial coins are a traditional form of commemorating a State's entry into the Union. The States of Texas, Louisiana, Illinois, Maine, Alabama, Missouri, California, Maryland, Arkansas, Wisconsin, and Iowa and others, have all had statehood centennial coins. This legislation would commemorate five States on the one coin. A concept never used before and representing all five States' sensitivity to the importance of these types of coins.

The design is to be completed by the Secretary of the Treasury with consultation by the Commission of Fine Arts and the profit from sale of the coin will go toward the national debt and the funding of a traveling documents display showing the region's course to statehood.

This legislation represents a great deal of work and compromise. The approach and structure of this legislation were formed in cooperation with all five States' centennial commissions as well as the House and Senate congressional delegations from each State.

Another unusual facet to this legislation is the minting of two coins. In discussing the minting of a coin it is impossible to ignore the importance of silver to all the States involved, both historically and economically. Silver is also the traditional type of coin for centennial mints. My legislation authorizes up to 1 million coins in silver. This legislation also authorizes, however, the minting of the first American palladium coin. These coins have been minted in a few other countries but this coin still represents a significant first; and along with the recognition of the important American palladium mining, will certainly be an important coin for collectors.

These coins represent a bit of the old, precious, traditional, and yet also the bold, innovative, and new. This is the legacy of our region's 100 years of statehood. Proud of our past, prepared for our future.

There have been those who have raised questions about the availability of palladium. After some investigation it has been shown that the small number of coins to be minted will have little if no affect on the palladium market, and all the metal necessary can all be purchased on the American recycle market.

I will be urging quick action on this legislation, as the States have already entered the centennial year. I am proud to be involved in this important tribute our region's statehood.

JONI JOHNSON

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. JACOBS. Mr. Speaker, I insert the following article from the Indianapolis News.

Some leave their marks on this Earth by what they have written. Others by what they have drawn and painted. Joni Johnson left her mark in both ways.

She was an artist with her pen. And she was an artist with her brush. And she enriched human kind as few others have.

[From the Indianapolis News, June 1988]

THERE WAS A JONI COME OUR WAY—ARTIST WAS 'SWEET, DREAMY, FUNNY AND WONDERFULLY BIZARRE'

(By Marion Garmil)

Joni Johnson died last week.

You won't have read much about her in the last couple of years because she suffered from diabetes and had lost both legs.

But from the 1950s to late '70s, she was a familar sight around town, whipping through galleries and curio shops with one-afternoon shows and sales of her art. In 1977, she had what amounted to a mini-retrospective in the Art Pavillion at L.S. Ayres downtown.

Her wispy watercolors of round-eyed children and sadfaced Victorian girls, sometimes decorated with poems and splatters, brought untold pleasure to the large number of people who collected them, including Harry Belafonte, Joel Grey and Vincent Price who trooped through Indianapolis at one time or another with theatrical ventures.

She wasn't taken seriously by the "art crowd," but if one definition of artist is an ability to create a recognizable universe, then she was an artist beyond dispute. You can recognize her paintings anywhere.

Blond and pretty, she was always fighting a battle with weight, and never winning.

Born Joan T. Johnson in Swayzee, Ind., 54 years ago, she attended Tech High School and the old John Herron Art Institute and was a founder of the Talbott Street Art Fair. She was married for a short time to Merle Griggs, which is why the obituaries read "City artist Joan Griggs dead at 54."

But nobody knew her by that name. She always signed her paintings J.T. Johnson.

She had one son, Merle Griggs, Jr., who survives.

This writer did not come to Indianapolis until 1970, so missed most of her glory years. But music and drama critic Charles Staff, who has been with The News since 1955, wrote this memoir before he left on vacation last week:

"I think I first saw her around the Herron Art Museum Neighborhood—she may have been a student at Herron at that time in the late 1950s when she was pretty but pretty big and, at one time, had blue hair and always thick mascara. She was ahead of her time, a late-'60s lady in the late '50s.

"At about that time or a bit later she had a studio upstairs at the southwest corner of Alabama and 16th Streets that she called Belle Reve, after Blanche Dubois' lost plantation in Tennessee Williams' 'A Streetcar Named Desire.'

"When Mary Beth Edelson founded the APA—Association of Professional Artists—which included Floyd Hopper, Amanda Block and a few others—I asked Mary Beth how they determined who could belong, and she said something or other about artistic standards. I answered that professionals made their living at whatever they did.

"In that sense, Joni was the only professional artist I knew in Indianapolis at the time. She made her living painting. She didn't teach. She didn't work in a store. She didn't have a husband paying her bills. She painted, probably too much and too often the same thing, more or less, but by God, she painted and she sold.

"Her work, think what you will of it, was always popular. And if creating a recognizable world is part of the artistic process, Joni did that. 'You could walk in a room filled with paintings and know hers, those watercolors peopled with blue-paint-and-black-ink people, all wistful and, so often, not connected with each other.

"She also lived and worked in Chicago for a time and it seems to me her colors moved from blues to earth tones at that time.

"She was never the 'girl next door' but she would have made a fascinating next-door neighbor, I think, sweet, dreamy, funny and wonderfully bizarre."

The artist's friends have organized two memorial gatherings in lieu of funeral services.

Family and friends will sponsor a gathering from 2 to 5 p.m. Sunday at the Children's House, 2401 W. 39th St. Her paintings will be accepted for a college fund for her son, Merv.

Monday, at 9 p.m., there will be simultaneous gatherings at the 21 Club, 2101 N. Talbot St., and the Unicorn Club, 122 W. 13th St.

NATIONAL ADVISORY COMMITTEE ON SEMICONDUCTORS

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. VALENTINE. Mr. Speaker, I share the conviction of many Americans and most Members of the House that stronger trade policies would allow American workers and industries to compete more effectively with overseas manufacturers. But reforming our trade laws, though fully justified and much needed, cannot do the job of restoring American economic leadership by itself. The omnibus trade bill enacted during the 100th Congress provides American industries with some of the tools necessary to combat unfair trading practices. Nevertheless, we also need to reinvigorate the spirit of innovation that made American manufacturing genuis the envy of the world.

In that regard, efforts to tie the scientific research, technological developments, and manufacturing processes together can help to lay the foundation for a revitalized American economy. If we are to regain American preeminence in the world marketplace, we must begin by improving the process for the effective utilization of our science and technology expertise toward product commercialization.

Historically, America has been preeminent in most areas of science and technology, including the field of semiconductors. Recently, however, our leadership has been challenged on many fronts by other industrialized nations. For example, in 1975 the U.S. market share for dynamic random access memory [DRAM] chips—the integrated circuit that allows computer users to store, erase, and rewrite data—exceeded 90 percent. During that same period, Japan's share was well below 10 percent. Roughly a decade later, in 1986, Japanese semiconductor firms controlled more than 90 percent of the DRAM market, and the share held by the two remaining United States companies that continue to produce these chips for outside users plummeted to less than 5 percent.

In another major semiconductor market, the erasable programmable read-only memory [EPROM] chips, U.S. firms held a 90-percent share in 1978. By 1986, however, the U.S. share had dropped to about 40 percent. EPROM chips perform specific functions, such as computing certain mathematical operations or running video cassette recorders. Although United States firms did not lose any ground to foreign competition in 1987 in the EPROM market, Japanese firms dold these chips at 64 percent of the production cost, causing United States firms to contemplate opting out of the semiconductor market rather than continue to sacrifice profits.

And, the downward spiral is continuing. Dataquest, Inc., a San Jose based market research group, released its preliminary 1988 semiconductor market share survey which revealed that Japanese semiconductor firms gained market share on all fronts, taking 50 percent of the worldwide market. The same report also stated that United States companies gained market share of 10 percent in Japan for the first time since 1984.

On the other hand, Japanese companies' sales accounted for 20 percent of the North American market in 1988. This is an all-time record for the Japanese, due mainly to their dominance in production of the DRAM. While Japanese companies captured 50 percent of the world market, American companies dropped to 37 percent. European companies dropped to 10 percent during the same period.

The continued decline of American competitiveness in semiconductors is alarming, but the long-range ramifications are particularly frightening because semiconductors are essential to other, larger industries. Computers, telecommunications, transportation, and medical equipment are only a few of the industries that rely heavily on semiconductors. In addition, our most advanced defense systems, including the strategic defense initiative, are highly dependent on leading edge semiconductors. Forced reliance on overseas sources for vital technology would be the equivalent of turning over to other governments the most critical and sensitive components of our national security.

There has been a 20-year tug of war between American and Japanese companies in semiconductors. In 1978, Texas Instruments was the No. 1 American maker of semiconductors, only to drop to No. 2 by 1983, and then to be taken over completely in 1988 by Nippon Electric Co., a Japanese firm. According to the Dataquest survey, among the companies in the top 10, Intel had the highest growth rate of 57.6 percent. This tremendous success is due largely to their new commercial microprocessor which contains 1 million transistors that perform the critical functions inside a computer.

To help American manufacturers of semiconductors regain and continue their leadership in this strategic area, the Omnibus Trade Act calls for the creation of the National Advisory Committee on Semiconductors (NACS]. The Advisory Committee will be responsible for setting national priorities and recommending a coordinated national strategy to restore American manufacturing competitiveness in this strategic field.

Dr. Ian M. Ross, president of AT&T Bell Laboratories has been appointed chairman of NACS. Other nongovernmental appointees include Dr. John M. Armstrong, vice president and director of research, IBM; Mr. Jerry R. Junkins, chairman, president, and CEO, Texas Instruments; Mr. James C. Morgan, chairman and CEO, Applied Materials, Inc.; Mr. Charles E. Sporck, president, chairman and CEO, National Semiconductor Corp.; Mr. James Treybig, president and CEO, Tandum Computers, Inc.; Mr. Norman Augustine, chief executive officer, Martin-Marietta Defense Industries; and Mr. Ralph W. Galvin, chairman of the board, Motorola, Inc.

In its first meeting held January 11, 1989, the Advisory Committee agreed to establish three subcommittees. The first is a subcommittee on semiconductor technology which will address matters pertaining to new materials, devices and processes, sources of materials, production equipment, and design and manufacturing. The second is a semiconductor component market subcommittee which will examine both the foreign and domestic market issues. The third subcommittee, on semiconductor industry environments, plans to examine issues relating to finances, tax laws, antitrust laws, intellectual property rights, technology transfer, regulations, and trade policies.

The creation of the National Advisory Committee on Semiconductors will certainly not, by itself, solve the problems of the American semiconductor industry. But, in my view, it is a sorely needed start in the right direction. It is clear to me that we need a semiconductor initiative that is national in scope, that involves the industry itself in the leading role, and that can begin to produce results quickly.

POLISH-AMERICAN SUPPORT FOR SOLIDARITY AND ELECTIONS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. BONIOR. Mr. Speaker, for years, Polish-Americans have witnessed the struggle for freedom that the people of Poland have waged against their Government. We have read and seen news account after news account of actions by the Polish people demanding that they be given a voice in their Government and in their future.

We have seen the Solidarity movement buffeted by government repression and violence. Political assassination, imprisonment, martial law, and other measures have been used by the Government to try and crush the will of the Polish people. But they have kept their dream alive. Their persistence, their work, their prayer, their years of hope appear to be finally bearing fruit.

Steps have been taken recently by the Polish Government to respond to the call of the people for self-government, and for an acknowledgement of atrocities committed against Polish reserve officers during World War II. As a Polish-American who has so closely identified with the struggle and yearning of the Polish people for freedom, I am encouraged by recent reports, but remain skeptical.

Last week, Mr. Speaker, officials of the Government and Solidarity announced a plan to restructure Poland's political system. Under the proposal, opposition parties will be allowed to compete in open elections. The Senate, or upper legislative chamber, that was abolished in 1946 would be revived and all of its members chosen by popular vote in open elections. The Government has agreed to allow opposition parties to compete for 35 percent of the seats in the Sejm, the lower legislative chamber.

There is no doubt that these changes will still guarantee that the present rulers will maintain a significant degree of control since the plan can only be implemented with the approval of the Central Committee. The plan creates a new office of President, who is to be elected by the Sejm and the Senate. The President will have broad authority over for-

eign and defense affairs and will be allowed to dissolve the assembly. While the powers of the President are very broad and the position is most likely to be held by a member of the ruling party, these changes, if properly implemented, could establish the most representational government structure in Eastern Europe.

For the first time, Polish authorities appear to be giving the people an institutional role in running the Government. It seems that at this point, all of the years of hope, prayer, work, and protest by Solidarity and the Polish people are paying off. I am hopeful, as are many of my fellow Polish-Americans, that these steps will promote the forging of a new and real national commitment to tackling the very serious problems facing Poland.

I would also like to mention the Polish Government's decision to finally acknowledge history as it happened by blaming the Soviet Union for the Katyn Massacre. This brutal massacre resulted in the deaths of over 4,000 Polish reserve officers during World War II. The fates of thousands of other officers are still undetermined.

Since after the war, the Polish Government has actively tried to rewrite history. The Soviet version of events, which has historically placed blame for the massacre on Hitler's troops, has been taught in Polish schools and officially accepted as fact. The people have never believed that version because they knew the truth. The Polish Government has continuously denied history and refused to mourn the loss of thousands of Polish war victims. But again, the force of truth has prevailed.

A 1945 Polish Red Cross report that was published last month in a Government newspaper concluded that the reserve officers were killed in early 1940 when the Soviet Union held the region. The Soviet Union has alleged that the killings occurred in 1942 when the Katyn region was held by Hitler. According to diaries found on the bodies of the executed officers, however, the massacre occurred 2 years earlier at the hands of the Soviets.

The fact that the Polish Government no longer is denying historical events as they happened may be an indication that it wants to break down walls that have made the Government an adversary of its own people. The people remember the disappearance of thousands of scientists, civil servants, engineers, administrators, doctors, and lawyers who were enlisted in the Polish reserves. The people know when these men—fathers, brothers, nephews, uncles, cousins, and friends—were brutally killed and the people know who the executioners were. After nearly 50 years, it is time that war crimes of the Soviet Union be acknowledged by the Government of Poland, rather than concealed.

Hiding past wounds only allows them to fester. They will never heal if they are not exposed to air and the light of day. A spirit of national reconciliation is moving across Poland, Mr. Speaker. When governments strive to embody the beliefs, values, and yearnings of its people they have a much better chance of moving their country and their people forward. Much remains to be done in Poland in many areas, but it is important that progress be noted.

I am sure I can speak for many Polish-Americans in expressing the hope that change is truly on the way. Our brothers and sisters in Poland have endured much suffering and have had many past promises broken. It is time for change to take hold and for a new chapter to begin.

WHITE HAVEN: SAVING A NATIONAL HISTORIC SITE

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. GEPHARDT. Mr. Speaker, today my colleagues, WILLIAM CLAY, IKE SKELTON, JACK BUECHNER, MEL HANCOCK, ALAN WHEAT, HAROLD VOLKMER, JERRY COSTELLO, and I are introducing legislation to establish the former St. Louis County home of the prominent Union General and our 18th President, Ulysses S. Grant, as the White Haven National Historic Site.

The legislation we are introducing today will ensure that President Grant's White Haven estate is maintained in perpetuity. This bill will give the Secretary of the Interior the authority to accept—as a donation—the White Haven property into the National Park Service as a national historic site and also authorizes the appropriations necessary for its upkeep.

The 9.6-acre White Haven estate, which has several historic buildings and is adjacent to the Grant's Farm Park, was the childhood home of Grant's wife, Julia Dent. It was here that Grant courted Julia—it is said that he proposed on the front porch. After 1854, when Ulysses Grant resigned from the army, he and his wife lived at and nearby White Haven. They lived there until 1860. Grant rejoined the army in 1861. He served as President from 1869 to 1977.

For Grant the years at White Haven were difficult ones. Neither his farming, his later work as a real estate agent, nor his candidacy for county engineer were successful. But he grew to love south St. Louis, and prominent historians—John Simon, Bruce Catton, and Allan Nevin among them—believe that these were critical years for Grant and that the diversity of these times helped forge Grant's strength of character.

Today's introduction of this legislation marks the fifth year of a citizen effort within St. Louis County to save this historic site for future generations.

In March 1985, citizens from St. Louis County formed Save Grant's White Haven, Inc. These citizens have worked hard to raise money and support to preserve the estate. They deserve recognition and our deep appreciation.

President Grant signed the legislation establishing the first National Park, Yellowstone, in 1872, and it is especially appropriate that his home be included within the Park System. In addition to the General Grant National Memorial, the General Grant Grove in Kings Canyon National Park and his statue in Washington, DC, this site will appropriately commemorate President Grant's life.

I have submitted for the RECORD a copy of our legislation. It is my hope that the Congress can act on this expeditiously.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WHITE HAVEN NATIONAL HISTORIC SITE.

In order to preserve in public ownership for the benefit and inspiration of all Americans the key property associated with the personal lives of General and President Ulysses S. Grant and First Lady Julia Dent Grant, knowledge of which is essential to understanding his rise to greatness as well as his heroic deeds and public service and her partnership in them, there is hereby established the White Haven National Historic Site near St. Louis, Missouri.

SEC. 2. PROPERTY ACQUISITION.

(a) WHITE HAVEN PROPERTY.—The Secretary of the Interior is authorized to acquire by donation the property and improvements thereon known as White Haven in the incorporated portion of St. Louis County known as Grantwood Village within the area generally depicted on the map entitled "Boundary Map, White Haven National Historic Site," numbered WHHA-00,000 and dated July 1988. The map shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

(b) PERSONAL PROPERTY.—The Secretary is authorized to acquire by donation or purchase with donated or appropriated funds personal property directly associated with White Haven or General or Mrs. Grant for the purposes of the national historic site.

SEC. 3. ADMINISTRATION.

The property acquired pursuant to section 1 of this Act shall be administered by the Secretary of the Interior in accordance with provisions of law generally applicable to units of the national park system, including the Act of August 25, 1916 (39 Stat. 535), and the Act of August 21, 1935 (49 Stat. 666).

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

TRIBUTE TO BENJAMIN FRANKLIN HIGH SCHOOL

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. GRAY. Mr. Speaker, it is with great pleasure that I rise today in commemoration of the 50th anniversary of the Benjamin Franklin High School in the heart of Philadelphia.

Unique in its nature, Benjamin Franklin High School has been, from its inception, a special haven where disadvantaged children were given an opportunity to reap the benefits of an education. I am sure that you would agree, it is heartwarming to see an institution take on the task of educating underprivileged young people not simply endure for half a century, but thrive prosperously in an inner city setting. Among the ranks of its graduates, Banjamin Franklin can count physicians, lawyers, teach-

ers, ministers—people contributing professionally and personally to society at every level.

I am all the more pleased to learn that Benjamin Franklin High School presently is experiencing a resurgence. In this day of drug wars and growing poverty, it is crucial that our youth have every chance to overcome the formidable obstacles before them. Continuing in the tradition of its philanthropic namesake, Benjamin Franklin High School is working successfully toward the betterment of the community as a whole. How appropriate that a man who excelled in so many different fields, who helped to form our Nation, should stand as an exemplar to the students of this school.

Mr. Speaker, Benjamin Franklin High School marks its 50th anniversary of service to the Philadelphia community this spring. I commend the spirit and achievement of the school. I only hope the next 50 years will be even more successful.

DO SOMETHING ABOUT TERRORISM

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. BARTON of Texas. Mr. Speaker, I am today introducing, along with the distinguished chairman of the Interior Committee, Mr. UDALL, a bill, the Anti-Terrorism Act of 1989.

Terrorism against the United States and our citizens is a cruel reality that must be addressed. The most recent act of terrorism we have witnessed is the bombing of a Pan American airliner which killed many of our citizens. According to the FBI, 50 percent of the international terrorist incidents since 1968 were directed at Americans.

The spector of state-supported terrorism has risen in recent years. There are nations that support terrorism and the time has come for the United States to take direct action to force them to cease their support for terrorist activities. The United States is a nation of great economic power which should be used as a weapon against international terrorism.

The legislation that we propose would widen the range of possible sanctions against nations that support terrorism. Most Americans would be disturbed to discover that some of these governments, such as Iran, Libya, and Syria, enjoy most-favored-nation [MFN] status with the United States. Recently we have witnessed the Ayatollah Khomeini demand the death of Salman Rushdie for publishing a book contrary to Iran's religion. We cannot support a country that would make such a threat.

Our bill, the Anti-Terrorism Sanctions Act of 1989, would do three things: First, require the Secretary of State to maintain a list of countries that support terrorism and notify Congress whenever a country is removed from or added to the list—the Secretary already maintains such a list for other purposes; second, deny trade preferences to any country on this list; and third, grant the President authority to waive this proscription if he finds that it is not in the national interest.

For the information of my colleagues, I am inserting into the RECORD at this point a copy of this legislation.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Anti-Terrorism Sanctions Act of 1989".

SEC. 2. The Act entitled "An Act to prohibit the destruction, or injury to, certain property moving in interstate or foreign commerce, and for other purposes", approved September 13, 1961 (15 U.S.C. 1281 and 1282), is amended by adding at the end thereof the following new section:

"SEC. (a) Notwithstanding any other provision of law with respect to any foreign country while it is listed pursuant to section 6(j) of the Export Administration Act of 1979 as a country that repeatedly provides support for international terrorism—

"(1) the President shall terminate, withdraw, or suspend any portion of any trade agreement or treaty that relates to the provision of nondiscriminatory (most-favored-nation) trade treatment to such country;

"(2) such country shall be denied nondiscriminatory (most-favored-nation) trade treatment by the United States and the products of such country shall be subject to the rates and duty set forth in column number 2 of the Harmonized Tariff Schedule of the United States;

"(3) the provisions of title V of the Trade Act of 1974 (19 U.S.C. 2461, et seq.) shall not apply with respect to the products of such country;

"(4) the provisions of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701, et seq.) shall not apply with respect to the products of such country, during the period in which such identification is in effect; and

"(5) the Secretary of Commerce may not consult with the government of that country under section 3(a)(9) of the International Travel Act of 1961 (22 U.S.C. 2123(a)(9)) regarding international travel and tourism.

"(b)(1) The President may waive all, or any portion of, the provisions of subsection (a) with respect to any foreign country if the President determines that such a waiver would be in the best interests of the United States. The President shall submit to the Congress written notice of any waiver granted under this paragraph.

"(2) Any waiver granted under paragraph (1) may be revoked by the President at any time.

"(3)(A) Any waiver granted under paragraph (1) shall take effect only after the close of the thirty-day period that begins on the date on which the President submits to the Congress written notice of such waiver.

"(B) The following days shall be excluded in determining the thirty-day period described in subparagraph (A)—

"(i) the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain or an adjournment of the Congress sine die; and

"(ii) any Saturday and Sunday, not excluded under clause (i), when either House of Congress is not in session.".

MAINTENANCE OF A STRONG U.S. MERCHANT MARINE

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. DAVIS. Mr. Speaker, I am today introducing a number of bills which address issues of major importance to this Nation and to the maintenance of a strong national defense. As the ranking member of the House Merchant Marine and Fisheries Committee and a longtime member of the House Armed Services Committee, I am well aware of the relationships between the maintenance of a strong U.S. merchant fleet and its value to the United States in both peacetime and mobilization. I feel this administration is equally aware of this relationship, and will present in the near future a comprehensive program to address these most pressing of problems.

Mr. Speaker, it's no secret that all segments of the maritime industry have suffered recently—U.S. labor, U.S. shipyards, U.S. ship operators. No group has been spared. The recent report of the Commission on Merchant Marine and Defense simply documented once again the problems facing the maritime industry.

The bills I am introducing today relate generally to these problems and more specifically to some of the problems facing my area of the country.

ODS REFORM

First, I am reintroducing reform legisation which I authored in the previous Congress as H.R. 3297. I, like a number of my colleagues, Chairman JONES and Mr. LENT in particular, have been working for years to see legislative movement in the area of ODS reform, but regrettably without success. Mr. Speaker, the lack of initial success, however, is no reason to stop trying.

This bill represents a fair and balanced approach to the problems facing the maritime community. It addresses one issue where I wish to place particular emphasis—the U.S. shipbuilding industry. My bill seeks to require the building of our U.S. merchant vessels in U.S. shipyards. I recognize that the ship operators take positions somewhat different from those I share. I believe their views are well meaning and sincere, but any comprehensive solution must consider the problems facing the U.S. shipyards and their role as a critical element in our wartime mobilization base.

SHIPYARD MODERNIZATION AND ENHANCEMENT

This brings me to another issue facing the shipyard community, the need to modernize and become competitive with the world markets. With that in mind, I am proposing an amendment to the title XI loan guarantee program administered by the Maritime Administration. This amendment would allow the issuance of loan guarantees to allow certain shipyards to purchase modern up-to-date equipment, but under very strict guidelines, which I will not go into here. However, my goal is twofold—shipyard modernization and competitiveness with minimal risk to the U.S. Treasury. I believe this amendment accomplishes these goals.

GREAT LAKES SET-ASIDE

Third, I am offering an amendment which would extend the so-called Great Lakes set-aside beyond the end of this calender year. If this provision lapses, the lakes, with no U.S.-flag service and with the 75-percent quotas on certain agricultural commodities, will face a very uncertian future. While the "set-aside" may not be the best or most comprehensive approach attainable, I am very reluctant to see a phaseout without a clear indication of a replacement provision.

GREAT LAKES REGION DEFENSE SUPPLIES STORAGE

The fourth bill I am introducing today will require the establishment of storage and pre-positioning of military supplies in ports in the Great Lakes region. Studies have indicated that significant percentages of materials, supplies, and weapons are manufactured in the Midwest but are presently being stored on the east and west coasts. My proposal seeks to locate storage depots in the Great Lakes region. Many localities offer extensive ports and rail networks which are currently underutilized, and which may offer excellent storage facilities for our military supplies. My goal is simply to see that we eliminate unnecessary redundancy, reduce transportation costs, and to take advantage of port and storage facilities close to the manufacturing sites. The Great Lakes region, in my opinion, offers rail and waterborne transportation facilities unparalleled in this country.

SOO LOCK

Mr. Speaker, with respect to two local issues, I am introducing a bill which would require the Corps of Engineers to immediately start the design and engineering for the Sault Saint Marie Lock. This lock has been authorized for several years, but because of the complexities relating to its place as part of an international multistate transportation network, the cost-sharing arrangement has not been finalized. I have no doubt that the problems will be solved eventually but the importance of the lock is too important to wait any longer. Because of the unique nature of this lock, I am also directing the Army Corps of Engineers to reassess and recalculate the earlier cost-sharing formula.

GREAT LAKES REGIONAL MARITIME ACADEMY

Finally, I have prepared an amendment which would provide more equitable treatment of the Great Lakes Regional Maritime Academy located in Traverse City, MI. Mr. Speaker, of the approximate $8.7 million provided to the six State maritime academies, the Great Lakes school receives about $100,000. The other schools receive the balance. My provision would allow the regional academy to receive up to $200,000 per year, but only if the State of Michigan matched those funds. This has no effect on the President's budget, the money will simply be moved from other sources within the MarAd appropriation.

It is my understanding that the remaining five academies recognize the budget inequities and are fully supportive of this amendment.

Mr. Speaker, that concludes my remarks and I look forward to working with my colleagues on these issues.

PREPARING FOR AMERICA'S FUTURE

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. FLIPPO. Mr. Speaker, each year the Veterans of Foreign Wars and its ladies auxiliary conduct the Voice of Democracy broadcast scriptwriting contest. This year more than 250,000 students participated in the contest competing for the nine national scholarships. The winning contestant from each State competed in a final judging here in Washington, DC.

I am very proud that ninth place honors were awarded to Ashley Rebecca (Becky) Kellogg from Huntsville, AL. Becky attends Virgil I. Grissom High School in Huntsville and I certainly join with her friends and family in saluting this accomplishment and recognition of her skills.

It is my pleasure to include in the RECORD and share with my colleagues the remarks of Becky Kellogg as she expounds on the VFW theme of "Preparing for America's Future:"

PREPARING FOR AMERICA'S FUTURE

(By Ashley R. Kellogg)

The year is 1976. The scene—a simple country garden. There are only two main characters, my Grandmother and myself. For a mere toddler of four to be allowed into such a sacred place as your Grandmother's flower garden was a special event. It took us quite awhile to prepare the soil that day for the seed we planted. Now we must simply wait to see the fruits of our labor.

Two hundred years prior to this another seedling was started. This one was destined for greatness—Our Country. If America is to continue to excel then my generation must be prepared to meet the demands of the future. Just as we prepared the soil to ready it for the nurturing of a seed so, too, must we prepare for America's future.

How do we prepare for America's future? We prepare to meet our obligations and to use the opportunities that America has given us. Obligations, you ask? Of course, every American citizen has obligations or should we say duties. We have the rights that America has bestowed upon us but we also have duties and responsibilities related to these rights. As we have the right to vote, we also have the duty to vote. If we have the duty to vote, it logically follows that we should perform that duty responsibly. We should be familiar with the issues and where the candidates stand on those issues.

As we meet our obligations and duties it seems safe to say that a generation from now America, will have changed in ways we can hardly imagine. The natural ingenuity of man will have made means of working and playing as inconceivable today as the steam engine would have been to George Washington or the telephone to Abraham Lincoln. We can predict with reasonable certainty a rising standard of living for the rest of the century. Higher standards of living are only one feature of our American way of life. Equally important will be opportunities and challenges to individual achievements.

There is no sign, at the present, that our supply of opportunities will run out. Our is a society in which change is a constant element. The dreams of today are the jobs of tomorrow. Man's innate tendency to dream, to innovate, and to excel should lead to satisfaction and achievements. These achievements do not have to be solely in science, religion, government or the arts, but also in such down to earth callings as farmers, salesmen, and carpenters. It takes everybody striving for a common goal to create great achievements. With these qualities America will always remain a land of opportunity.

It is now 1988. In a few weeks, we will be joining my Grandparents for Thanksgiving dinner. When my Grandmother and I return to her garden we will stand in awe at a beautiful tree. A tree that spreads its limbs like a forest above our heads. Now we will look at it with a new perspective. The seed that barely fit into my palm as a toddler, has now, because of careful nurturing and planning, grown into a tree which bears fruit for the good of its environment.

I will see in myself that the seed of wisdom planted in me by my Grandmother has given birth to seeds of purpose, responsibility, faith, and perseverance. With this humble background, I will go forth with confidence and excitement to meet America's future.

COUNCIL OF NEIGHBORHOOD AWARDS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. GILMAN. Mr. Speaker, the New York metropolitan region has for years justifiably enjoyed a reputation as the melting pot of America. Citizens from a wealth of different cultures and backgrounds have come together to make a viable and vibrant community work.

Each April, the Council of Neighborhood Organizations takes great pride and pleasure in honoring selected men and women whose selfless dedication to the common good has led them to devote their time and talents on behalf of their fellow citizens. These coveted honors are symbolic of the many who give of their time, their thoughts, their works and their hearts to make our community a better place in which to live.

In a few weeks, the Council of Neighborhood Organizations will present its 1989 awards to five outstanding individuals, who represent the various groups who have come together in a caring manner to give to others.

These individuals are:

New York State Assemblyman Peter Abbate, who has earned a reputation for openmindedness and fairness to his entire, diverse 49th assembly district;

Mr. Douglas Jablon, a social worker in social service at Maiomonides Medical Center emergency room, who has made it clear that all citizens are entitled to fair health care and counseling, regardless of race, creed, color or financial situation;

Sister Rosaleen of Holy Spirit School, whose faith in the youth of our community has served as an inspiration for all faiths and has increased understanding from non-Catholics; and

Mr. Joseph Castronovo, who as president of the B&C Home Improvement Co., has demon-

strated that business can work with the community to refurbish and replenish our neighborhoods.

Mr. Speaker, each of these four individuals is deserving and worthy of the honors about to be bestowed upon them by the Council of Neighborhood Organizations. Their careers of serving others are examples for all of us to emulate.

Mr. Speaker, I would be remiss if I did not call particular attention to the fifth 1989 honoree. He is a clergyman with whom I have personally worked for nearly 20 years, and a man whose service to others is beyond belief.

Rabbi Edgar Gluck has worn so many different hats that it would be too time consuming to list them all here. As a liaison between our New York Hassidic communities and our government officials, he is well known as an articulate spokesperson for the desires and needs of that community. It is almost an adage with New York elected officials that nothing ever occurs in any of our Hassidic communities that Rabbi Gluck isn't aware of instantly.

Rabbi Gluck previously served as assistant commissioner for community affairs in the New York State Division of Youth. As a youth officer, Rabbi Gluck has devoted a major part of his life to our young people. Recognizing that our youth are our greatest asset for the future, Rabbi Gluck has devoted his life to teaching our young people to lead productive lives, both through programs to teach our young people to expend their time productively, and also through his own sterling personal example.

Rabbi Gluck currently serves as assistant to the superintendent of the New York State Police for community affairs. In this capacity, to which he was appointed by Governor Cuomo, Rabbi Gluck has done his best to instill an appreciation of our law enforcement officials throughout all of our communities from one end of New York State to the other. He has always been ready and eager to lend a helping hand to our law enforcement officials.

It is a tribute to Rabbi Gluck's skill and reputation that he served the city of New York in a variety of appointed positions in the administrations of three successive mayors—John V. Lindsay, Abraham Beame, and Edward I. Koch. In each of these New York City roles, Rabbi Gluck demonstrated concern and caring for the neighborhoods that make up the "Big Apple."

Rabbi Gluck also served as the New York State coordinator of "Hatzolah," the Association of Volunteer Ambulance corps and also served as the coordinator of the New York City Police Clergy.

Rabbi Gluck is a graduate of the Bais Medrash Elyon School in Monsey, NY, and also attended the Chasian Sofer Rabbinical School in Manhattan. His knowledge of the Talmud and of the great heritage upon which is faith is based is absolutely awesome. And although he holds no official position with the two incorporated Hassidic villages in my own 22d Congressional District—Kiryas Joel and New Square—he is revered in both of these communities.

In the Jewish religion, we refer to selfless acts performed for no purpose than helping others as mitzvahs. Rabbi Edgar Gluck's entire life has been one mitzvah after another. His life is a stellar example to the rest of us of what true service to humanity is all about.

Accordingly Mr. Speaker, I invite all of our colleagues to join with us in saluting the five recipients of the 1989 Council of Neighborhood Organizations 1989 awards.

We join with Rabbi Gluck's beloved spouse, Freide, and their two children, in wishing the Rabbi "mazeltov" and many, many, many happy and productive years to come.

EXPERIENCED INSIGHT ON THE MIDDLE EAST—FORMER SECRETARY OF STATE HENRY KISSINGER DISCUSSES ISRAEL AND THE PLO

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. LANTOS. Mr. Speaker, few individuals have the understanding and experience in dealing with the Middle East as does our former Secretary of State, Henry Kissinger. Today's Washington Post contains an article by Dr. Kissinger on the present status of the U.S. Government's effort to bring about an Arab-Israeli peace. The task will not be easy, but Dr. Kissinger outlines with great clarity and insight the problems and what must be done in order to resolve them. As he explains, "the conditions for a final settlement simply do not now exist," but he indicates there are steps the U.S. Government can take and should take to help bring about a lasting settlement in the region.

Mr. Speaker, I insert Dr. Kissinger's article in the RECORD, and I urge my colleagues to give it the careful and thoughtful attention it deserves:

ISRAEL AND THE PLO—WISHES AND REALITY

With the visit to Washington of Israeli Foreign Minister Moshe Arens, Middle East diplomacy is once again moving toward center stage. This should put into perspective the oft-expressed fear that Soviet Foreign Minister Eduard Shevardnadze's journey to the Middle East stole a march on America. For in the end, it is not gestures but substance that matters. Shevardnadze's invocation of such shopworn nostrums as an international peace conference, return by Israel to 1967 boundaries, a Palestinian state, only define the stalemate; they do nothing to resolve it.

What is new is not Shevardnadze's trip but the decision of the last days of the Reagan administration that vague remarks at an Arafat press conference could all of a sudden satisfy America's conditions of 20 years' standing for entering into discussions with the Palestine Liberation Organization. In fact, the Reagan administration went further, justifying the move as a "step toward the beginning of direct negotiations between the parties." The Arab party was clearly the PLO, heretofore and still anathema to Israel. In the words of the State Department, "If you are going to get a peaceful settlement in the Middle East, you have to include Palestinians from the beginning and at the end."

This reversal of policy was all the more striking in the light of a judgment made two weeks earlier when Arafat was denied a U.S. visa on the ground that he had conspired in terrorism. After all, the PLO was founded in 1964, when Israel was within its 1967 borders and the Old City of Jerusalem was in Arab hands. Its stated purpose, which continues to be expressed in its charter, has been the destruction of the state of Israel. In 1973 the United States told the PLO through intelligence channels that diplomatic contact required a prior end to terrorism. In 1975 it reaffirmed the policy of three administrations in a memorandum to Israel which restated the "existing" policy until the PLO accepted the state of Israel and U.N. Security Council Resolutions 242 and 338, which, respectively, call for a return by Israel to secure borders and for direct negotiations between the parties.

What never occurred to some of us involved in drafting that document was that these conditions would one day be met by semantic formulas rather than by an insistence on concrete changes in attitude. Recognition is not so difficult a concept that the PLO might not have volunteered its own distinctive language with which to express it rather than negotiate it in advance, albeit indirectly, with the United States. Not surprisingly, no Arab state has seen the so-called recognition as real enough to follow suit.

One clear-cut result of the American move was to revive pressures for precisely the kind of negotiation that has proven stillborn for six years. The chanceries of the European Community, the Soviet Union and lately the PLO reverberate with advocacy of a Palestinian state on the West Bank and Gaza based on the 1967 boundaries with "minor rectifications," to be achieved by direct negotiations between the parties, which have been declared by all potential participants in the conference explicitly—and the U.S. by implication—as the PLO and Israel.

The passion and persistence of the advocates of this scheme are in inverse proportion to its attainability. At this stage, establishing Arafat as the interlocutor for Israel is incompatible with the concept of direct negotiation. And the substantive difficulties are massive. The distance from the Jordan River to the Mediterranean is 40 miles. To shoehorn even two friendly states into that territory would be difficult; to do so with parties that have considered each other mortal enemies—and one of which still maintains the destruction of the other in its charter—is almost impossible to reconcile with the requirement of Security Council Resolution 242 for secure and recognized borders.

The deadlock is intractable. I know no Israeli leader willing to give up the old city of Jerusalem. I know of no Arab leader prepared to accept less. Israel rejects the 1967 borders because they would leave Israel with a corridor only eight miles wide between Tel Aviv and Haifa and some three miles wide between Tel Aviv and Jerusalem. But neither does the PLO accept the 1967 frontiers. Arafat's press conference and other statements base the backhanded recognition of Israel on U.N. Security Council Resolution 181, which contains two features no foreseeable Israeli government can accept; it affirms the borders of 1947 (a territory one-third the size of present Israel and one-half of pre-1967 Israel); and it calls for the return of all Palestinian refugees into that rump state, which would destroy its Jewish identity. In this context, Arafat's acceptance of Resolution 242 calling for the

return of occupied territories cleverly transforms all land beyond the 1947 borders into occupied territory.

Neither Shevardnadze nor any other statesman can break that deadlock except by pressures on Israel that would be the precursor of the ultimate castration of the Jewish state. Of course, pressure is precisely what many advocates of the scheme really want—though they delude themselves into thinking that it will be easy and that its outcome will in the end prove consistent with Israel's survival.

As for the United States, it is not clear why it should maneuver itself into a position where it is obliged to either dissociate itself from an ally or become increasingly isolated, the target of Arab frustrations, Islamic fundamentalist wrath, European alienation and Soviet pressures. Thus the crucial decision for the United States is not whether Secretary of State James Baker III can retrace Shevardnadze's Middle East tracks, but to define the goals of a realistic diplomacy. This requires answers to three questions: (1) What territories, if any, will be given up by Israel? (2) Who shall govern there? (3) What security arrangements will prevail after Israeli withdrawal?

As for the first question, Israel is deluding itself if it believes that America will ever endorse, at a conference or in direct bilateral talks, permanent Israeli occupation of the entire West Bank and Gaza. For Israel to insist on the status quo guarantees increasing pressures by the international community and risks a fatal erosion of the support by American public opinion and Congress. Israel and America, therefore, must discuss in preliminary talks the extent as well as the limits of Israeli territorial concessions.

At the same time, I cannot forget the reply of a radical Arab leader when in the 1970s I told him that in the end he would have no choice but to follow the example of Sadat: "You Americans have betrayed Vietnam: you will surely abandon Taiwan; and we Arabs will be waiting when you grow tired of Israel." Such a perception is ultimately destructive of America's international role. The United States cannot permit a negotiating process designed to chivy Israel from one dilemma to another until its spirit is broken or, in despair, it erupts into war. It must look beyond the maddeningly legalistic manner in which Israel often presents its case to the reality of Israeli nightmares. It requires an excessive act of faith to stake the national survival of Israel on the proposition that Arafat and his colleagues, now major international figures received by kings, popes and presidents, would henceforth be satisfied with being the leaders of a demilitarized enclave 20 miles by 40 miles hedged between a hostile Israel and a suspicious Jordan.

And even should the most optimistic estimates about Arafats newfound moderation prove correct, would he survive the inevitable internecine struggles of a Palestinian state? What measures could keep the West Bank from turning into a Beirut? And what happens to the Arab populations that remain on the Israeli side of the frontier? Even within the 1967 borders, Israel would still harbor almost as many Arabs as now live on the West Bank. What would be the attitude of the PLO state or of the West if they were to start their own uprising?

Any serious diplomatic effort in the Middle East must therefore start from two propositions: conditions for a final settlement simply do not now exist; Israel cannot be asked simultaneously to give up territories and to establish a PLO state. A Palestinian state can emerge only after Israelis and Palestinians have learned to live side-by-side in dignity. Thus a period of self-rule must precede—say by five years—political negotiations for a final settlement.

That was the Camp David formula, of course. But in application, Israel defined the autonomy for Palestinians envisioned in the Camp David formula so restrictively as to turn it into a subterfuge for continued Israeli occupation. Nevertheless, Israel's best hope for coexistence is with Arab leaders living on the West Bank: paradoxically, with the very people conducting the uprising against Israeli rule, Israel's occupation practices have offended the dignity of the Arab population on the West Bank. But these are the Palestinians that chose not to flee their homeland and have been living in close proximity with Israelis and within the orbit of the Israeli economy. Of all the Palestinians they are in the best position to understand coexistence on the basis of self-rule.

Such an approach need not imply the permanent exclusion of the PLO. For one thing, those parts of the West Bank and Gaza subject to Arab self-rule should be free to elect leaders of their choice. In practice the majority will be pro-PLO, though fundamentalist groups may make some inroads. A five-year transitional period will test whether coexistence between Israel and a Palestinian political unit is in fact possible before a final political settlement is negotiated. The dialogue between the United States and the PLO could help provide a framework for such a transition.

Next to Israel, Jordan has the greatest stake in any self-rule that produces genuine coexistence. Jordan's security will be almost as severely—and perhaps more immediately—threatened as Israel's by a revolutionary Palestinian state. Heretofore it has been unwilling to take the responsibility for a final peace settlement, lest the fury of the Arab radicals descend on it. But these inhibitions should not apply to transitional arrangements. Jordan's stability depends on security arrangements for the West Bank that prevent self-rule from turning into a hotbed for assaults on all neighbors. Egypt and Saudi Arabia could help in that task. If this much cannot be agreed on in exploratory conversations under American aegis, there is no point in a full-scale conference.

In that case, Israel should implement unilaterally those parts of self-rule not requiring international agreement, such as demilitarization.

The same principle applies to other countries. The Soviet Union, for example, dangles the possible recognition of Israel as its contribution to the peace process. But recognition is the beginning of diplomacy, not its purpose. The criterion for Soviet participation will be its willingness to help define conditions that will not only help produce a peace conference but also lead to a constructive outcome of it. That requires a Soviet willingness to ask its Arab friends for the same sacrifices that America must ask of Israel in any peace process.

The Bush administration is correct to insist that a full-blown Middle East initiative must await preliminary explorations. The complexity of such a task makes it imperative that the president and the secretary of state keep control of it. Special emissaries cannot orchestrate so wide-ranging an agenda, involving as it does every aspect of American foreign relations.

ANNUAL FRIENDS OF IRELAND ST. PATRICK'S DAY STATEMENT

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. DONNELLY. Mr. Speaker, I am pleased today to submit for the RECORD the annual St. Patrick's Day statement published by the Friends of Ireland. Once again this year, our statement calls for a spirit of peace and reconciliation in Northern Ireland, and an end to the violence in that troubled region of the world.

The statement follows:

ANNUAL FRIENDS OF IRELAND ST. PATRICK'S DAY STATEMENT

We join again this St. Patrick's Day to honor the people of Ireland, and renew our calls for peace, justice, fair employment, an end to discrimination, and a spirit of reconciliation in Northern Ireland. Our Nation has a unique and special relationship with both Ireland and Great Britatin, and we must rededicate ourselves to assisting both of these nations in any efforts to achieve a just and lasting peace. Our new President, George Bush, will, we are sure, be as supportive of our efforts as was his predecessor, Ronald Reagan.

In the strongest possible terms, we condemn the violence and bloodshed in Northern Ireland. Absolutely and unequivocally, we abhor all attempts to achieve political goals in Northern Ireland through a campaign of hate and terror. We oppose all those in Ireland, the United States, or anywhere in the world who lend support to this terrorism, and we call on them to cease any political or financial support for violence.

We call first this year for renewed attempts by the British Government to guarantee fair and equal justice in Northern Ireland. There must be evenhanded administration of justice and impartial behavior by security forces, including the part-time members of the Ulster Defense Regiment. Knowing that violence begets violence—from whatever side of the conflict—we call on the British Government to work toward the creation of a public security force representative of all peoples of the community. Perceptions of fairness and compassion in the justice system will, we believe, lead to a decrease in violence.

The Friends of Ireland are strongly supportive of those who want to preserve and develop their Irish heritage, both cultural and linguistic. Therefore, we believe that it is important that Northern Ireland children continue to be given the opportunity to learn the Irish language, particularly in school. It is vitally important that these children be encouraged to achieve fluency in the language of their ancestors.

In addition, we call on the British Government to take all necessary steps to provide fair employment opportunities to all citizens of Northern Ireland, including a positive drive to encourage companies to invest in areas of high unemployment. No one should be denied the fundamental right to earn a fair, honest, decent living, free from religious discrimination and bigotry. We remain troubled by the high unemployment rates in Northern Ireland, and continue to express concern over the unacceptable discrepancy in unemployment rates between the majority and minority communities. Un-

employment in some Catholic communities reaches as high as 60 percent.

We welcome the introduction into the British Parliament of legislation designed to promote fair employment in Northern Ireland. The British proposal takes important steps toward ending anti-Catholic discrimination, but does not go far enough. Mention of affirmative action principles is critical. We will closely monitor the implementation of these new initiatives.

In addition, we express our belief that United States companies operating in Northern Ireland should comply with fundamental standards of fairness and equal opportunity in employment. When the laws of the United States provide tax incentives for U.S. companies to operate overseas, we expect that they will not discriminate against any person, regardless of their religious or political beliefs.

As Members of the U.S. Congress, we renew our support for the historic Anglo-Irish Agreement signed in 1985. This unique agreement, in our view, provides the best hope for establishing a framework to end the strife and discord in Northern Ireland.

An integral part of the agreement is the International Fund for Ireland, to which the United States has been a significant contributor. We dedicate ourselves to seeking continued funding for the Fund this year, in a way that ensures that those who most need the Fund's assistance receive it. We hope that other nations will participate in the fund as well. Finally, we urge the British Government to inform and consult with the Irish Government on these and any future issues relating to Northern Ireland, as required by the Anglo-Irish Agreement.

We welcome the legislation passed in the last Congress providing an opportunity for the people of Ireland to emigrate to the United States. We intend to pursue legislation in the current Congress to achieve fair and permanent reform of the United States immigration laws which discriminate unfairly against immigrants from Ireland and many other countries.

In conclusion, we reiterate our desire for a peaceful end to the conflict in Northern Ireland. We look forward to working with President Bush in the years ahead in continuing the strong tradition established by President Reagan in working toward that goal. Finally, we call on all parties responsible for this conflict to lay aside their arms and to resolve their differences in a new spirit of reconciliation, peace, and cooperation. Our commitment to the unity of the Irish people will never waiver as we build on the foundation of recent years to achieve progress toward these aims.

SIGNATORIES OF ST. PATRICK'S DAY STATEMENT

1. The Honorable Jim Wright.
2. The Honorable Tom Foley.
3. The Honorable Robert Michel.
4. The Honorable Brian Donnelly.
5. The Honorable Newt Gingrich.
6. The Honorable Vin Weber.
7. The Honorable Joe McDade.
8. The Honorable Ed Madigan.
9. The Honorable Bill Lowery.
10. The Honorable Lynn Martin.
11. The Honorable Matt McHugh.
12. The Honorable John Joseph Moakley.
13. The Honorable Jerry Lewis.
14. The Honorable Dave Obey.
15. The Honorable Joe Kennedy.
16. The Honorable Dante Fascell.
17. The Honorable Dale Kildee.
18. The Honorable Barbara Kennelly.
19. The Honorable William Coyne.
20. The Honorable Tim Penny.
21. The Honorable Frank Pallone, Jr.
22. The Honorable Frank Annunzio.
23. The Honorable Bernard Dwyer.
24. The Honorable Robert Roe.
25. The Honorable Bill Grant.
26. The Honorable Barney Frank.
27. The Honorable Norman Dicks.
28. The Honorable Frank McCloskey.
29. The Honorable Larry Coughlin.
30. The Honorable Albert Bustamante.
31. The Honorable Vic Fazio.
32. The Honorable Gary Ackerman.
33. The Honorable Lindy Boggs.
34. The Honorable Steny Hoyer.
35. The Honorable Chet Atkins.
36. The Honorable Silvio Conte.
37. The Honorable Richard Neal.
38. The Honorable Paul Kanjorski.
39. The Honorable Joe Kolter.
40. The Honorable Robert Dornan.
41. The Honorable Thomas Carper.
42. The Honorable Daniel Akaka.
43. The Honorable Bob Dellums.
44. The Honorable Walter Fauntroy.
45. The Honorable Bob Matsui.
46. The Honorable Sam Gejdenson.
47. The Honorable Lee Hamilton.
48. The Honorable Jim Bates.
49. The Honorable Lane Evans.

FRIENDS OF IRELAND, 1989 ST. PATRICK'S DAY STATEMENT SIGNATORIES

Edward M. Kennedy.
Daniel Patrick Moynihan.
Christopher J. Dodd.
Claiborne Pell.
Joseph R. Biden, Jr.
Jeff Bingaman.
Bill Bradley.
Richard Bryan.
Kent Conrad.
Alan J. Dixon.
Dave Durenberger.
John H. Glenn, Jr.
Albert Gore, Jr.
Tom Harkin.
John Heinz.
Ernest F. Hollings.
James M. Jeffords.
John F. Kerry.
Patrick J. Leahy.
Carl Levin.
Joseph I. Lieberman.
Spark M. Matsunaga.
Frank H. Murkowski.
Sam Nunn.
Donald W. Riegle, Jr.
Terry Sanford.
Paul S. Sarbanes.
Jim Sasser.
Richard C. Shelby.
Paul Simon.
Timothy E. Wirth.

STRAIGHT TALK ON CATASTROPHIC HEALTH COVERAGE

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. MOODY. Mr. Speaker, one of the key accomplishments of the 100th Congress was the enactment of the Medicare Catastrophic Coverage Act of 1988. The new law is the most substantial expansion of Medicare benefits since the program was established more than 20 years ago. The law also provides insurance against the crippling cost of an acute illness. For the first time, Medicare will not run out when beneficiaries need the help the most.

Unfortunately, there has been a lot of misinformation about the new law, and that has led to confusion, anger, and fear among my constituents and, I am sure, among the constituents of every other Member of the House.

I wanted to take this opportunity to set the record straight on catastrophic health care by posing and responding to the questions my constituents most frequently ask me. I hope the "question and answer" that follows will help my colleagues respond to their own constituents.

QUESTIONS AND ANSWERS ON MEDICARE CATASTROPHIC COVERAGE

(1) Isn't the catastrophic coverage law, "Changing the rules in the middle of the game" on senior citizens?

Yes, it is. But that doesn't mean that the new law is unfair or undesirable.

Social Security changed the rules, too, 50 years ago. Today, it's hard to think of an America without Social Security and Medicare.

We have the best health care system in the world. But it is also increasingly beyond the means of many to afford, particularly those without adequate health insurance. And even for those with health insurance such as Medicare, rising deductibles and coinsurance mean higher out-of-pocket expenses.

Millions of senior citizens find it desirable to supplement their Medicare with private insurance, known as "Medigap" policies. But Medigap costs are rising, coverage varies widely, and millions of senior citizens cannot afford Medigap, but are not poor enough to qualify for Medicaid. Clearly, there was a pressing need to ensure that all senior citizens are adequately protected from financial hardship due to health care costs. And expansion of some Medicare benefits was overdue.

The best answer the Congress could develop to these problems was the Medicare Catastrophic Coverage Act. But catastrophic health care coverage is only one piece of the solution to the health care needs of seniors. Another is the development of long-term care coverage. That will take time, but in the meantime, catastrophic coverage is an important first step.

For many seniors, the low cost of catastrophic coverage, combined with the expected reduction in Medigap insurance costs will mean better health care coverage at lower cost. For many others who can't afford Medigap, catastrophic coverage will mean freedom of mind from the fear of financial ruin. That's why the catastrophic coverage was enacted.

(2) Who proposed catastrophic coverage?

The basic outline for catastrophic coverage legislation was proposed by Ronald Reagan in his budget submission in 1987. In particular, President Reagan's Secretary of Health and Human Services, Otis Bowen, was an articulate spokesman of the pressing need for the legislation. The new law was not something "just dreamed up" by the Congress.

(3) Why didn't Congress just enact the Reagan plan?

Although the Reagan plan was a good starting point, it was inadequate in two main respects:

(a) The benefits were extremely limited. There was no expansion of current benefits,

no drug benefit, and out-of-pocket limits were much too high. Seniors would have ended up paying for very little in real protection.

(b) The financing was extremely unfair. The Reagan plan, limited though it was, would have been financed solely through a level monthly premium addition to the part B premium. That would have meant that every beneficiary, poorest as well as richest, would have paid the same amount for the coverage. That violates the basic notion of progressivity in the Tax Code, and would have been extremely burdensome for low-income beneficiaries.

(4) Isn't catastrophic coverage just "nothing for something?" There are no real benefits except to a very small group of people, but everyone will have to pay.

Catastrophic coverage is really two separate but related benefits:

(a) The most significant expansion of Medicare benefits in the 20 years since the program was enacted. Among other provisions, the law:

Provides for a single annual hospital deductible no matter how many times a beneficiary enters a hospital in a single year.

Provides for 365 days of hospital care a year.

Expands the home health benefit.

Expands the Skilled Nursing Facility (SNF) benefit.

Expands the hospice benefit.

Repeals the requirement that beneficiaries spend 3 days in a hospital before being admitted to a SNF.

Provides a prescription drug benefit for the first time under Medicare.

To name just some of the features.

(b). Insurance against huge out of pocket costs for covered services. In a sense, catastrophic coverage is the Federal equivalent of Medigap policies for all beneficaries, not just those who can afford to purchase Medigap on their own. Now Medicare will no longer run out just when it is most needed.

Nor does catastrophic coverage "benefit only a few people." Estimates are that roughly 22 percent of Medicare beneficiaries will require the expanded benefits or the insurance protection each year. Nor is that a static population—it won't be the same group of people using the benefits and protection each year. And, like any insurance program, All beneficiaries will benefit from the insurance against risk of crushing health care expenses.

(5) Why should the elderly alone have to pay for the law? Doesn't this violate the basic premise of the tax code?

President Reagan made it absolutely clear that the new law would have to be "deficit neutral"—that is, that the law would have to include a method of financing the expanded benefits and protections. He also made it clear that he wanted the beneficiaries themselves to pay for it. Any discussion of financing the bill from general revenues (i.e. from all taxpayers), or of simply adding to the deficit to pay for it, raised the threat of a presidential veto.

Nevertheless, Congress did look at other financing methods. These included lifting the current payroll tax wage "cap," covering all State and local workers under Medicare, and imposing new excise taxes on cigarettes and alcohol. Each of these issues had its own controversies. No consensus could be found.

Once Congress, working with health care experts and many reputable senior citizens organizations, determined that the benefits were indeed worth the cost, we had to come up with a financing plan that met the fiscal and revenue constraints imposed by the President. That led the Congress to the current system.

While some object, it is in fact a very fair system of financing. Of senior citizens sixty percent will pay no supplemental premium at tax time. Those who can afford to pay a little will pay a little. Very few seniors will pay the maximum premium, and even the maximum premium is capped (at $800 in 1989). This financing is perfectly in keeping with the basic progressive premise of the tax code.

Moreover, even for those seniors who will pay—and even for those seniors who will pay the maximum premium—Medicare and catastrophic health still represent a very substantial public subsidy. By 1993, when all the benefits are fully phased in, the Congressional Budget Office estimates that even for seniors paying the maximum premium ($1,050 in 1993) there will still be a public subsidy of roughly $1,700. For a typical middle income couple, the subsidy will be even higher.

So in a very real sense, the public as a whole is already helping to pay for the new law and Medicare.

(6) Why does the law impose penalties for married couples who wish to file separate returns?

The provisions affecting separate filers are in keeping with the basic tax treatment of married couples. Basic tax policy since 1986 has been to provide no incentive for filing separate returns, since some wealthy taxpayers could use separate returns to play games with the tax system and shelter household income from taxation. That wouldn't be fair to the rest of the taxpayers.

The catastrophic coverage law is in keeping with that principle. Look at it this way: Suppose we had a married couple where the wife works and the husband is retired and on Medicare. The wife has a salary of $100,000 a year, but the husband has no real income of his own, other than his social security benefits. The catastrophic coverage law could provide a real incentive for such a couple to file separate returns, since the husband (with "no" income) would then have a supplemental premium liability of zero dollars. But the household income is $100,000. Would it be fair to allow such a household income to escape paying for catastrophic health? I don't think so, and the law is structured to keep that from happening

(7) Why isn't catastrophic coverage voluntary?

The law operates on the same principle as any insurance program: In order to keep costs down for all beneficiaries, the risk must be spread over the entire eligible population. Making Medicare catastrophic coverage voluntary is undesirable for a number of reasons:

First, individuals might decide that in the short term it was in their financial interest to opt out of the coverage. But if they had no other insurance, or if their insurance ran out, they might not be eligible, or would have to pay much higher basic Medicare rates to get back in. And they might represent what is known as an "adverse selection"—those who because of their health and financial condition would place the greatest burden on the system with the least ability to help pay for their own costs. That means that the costs to those who chose to stay in would invariably go up, and that wouldn't be fair.

Second, making the program strictly voluntary might create an incentive for those who can most afford to pay—the wealthiest—to drop out. Again, that would mean that those less able to pay would have to pay more, and that wouldn't be fair either.

(8) I have Medigap insurance. Why should I have to pay for catastrophic coverage?

For those who can afford it, Medigap insurance offers reasonable protection from out-of-pocket expenses for the deductibles and coinsurance not covered by Medicare. But not everyone can afford Medigap. Those who can't are typically those who can least afford to pay for deductibles and coinsurance out-of-pocket. So for them, catastrophic coverage is very much needed.

And, since Federal law prohibits Medigap policies from duplicating Medicare, the new law will result in lower risk for Medigap policy companies. As a result, the costs of such policies should decline as catastrophic health is phased in. The Congressional Budget Office estimates that by 1993, when catastrophic health is fully phased in, the cost of a typical Medigap policy will decline by $200 per person per year. That's a savings to all senior citizens who have Medigap.

(9) The real catastrophe for many seniors is long-term care costs. Why didn't Congress just enact long-term care coverage?

Medicare has never offered a long-term care benefit. There is general acknowledgement that a program is needed. But the cost of long-term care is very high—estimated at $30 to $50 billion per year. With these kinds of costs, we need to proceed very carefully.

Congress is committed to doing so, but that will take time. Further, since catastrophic coverage removes some of the need for Medigap insurance, there's reason to believe that Medigap insurers will explore long-term care insurance. But in the meantime, the Congress should not just jump in an offer a long-term care benefit without a clear idea of the scope of the benefits or the likely cost.

The new law does make a substantial improvement in existing protections against "spousal impoverishment" when one spouse has to go into a nursing home and must then spend down the couple's assets in order to qualify for Medicaid. This is certainly a step in the right direction.

JUNE: LEARN TO FLY MONTH

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. OBERSTAR. Mr. Speaker, in the years since deregulation of the aviation industry the Nation has confronted a number of serious challenges in its efforts to increase the capacity of our transportation system. While this struggle has generally centered around building new airports, enlarging existing facilities, and modernizing the air traffic control system, we now face a problem that cannot be solved with additional concrete or hardware. The latest, and quite possibly the most serious, problem facing the aviation industry is the shortage of qualified pilots needed to operate the Nation's expanding fleet of aircraft.

A recent Wall Street Journal article described the severity of this shortage. Since World War II, commercial airline hiring remained relatively stable at an average of a little more than 500 pilots a year with the ex-

ception of two surge periods in 1965 and 1978. But the Future Aviation Professionals of America estimates that in the past 12 months more than 10,000 pilots were hired. This industry trade group predicts that the demand will continue and that commercial airlines alone will have to hire more than 62,000 pilots—more than all those currently flying—over the next decade.

Traditionally, civil aviation has attracted a majority of its pilots from the military pilot pool. But the demand has become so great in recent years that shortages of qualified pilots are now being felt within the Air Force and Navy. Retention rates for pilots with 6 to 12 years of service have dropped well below accepted minimum levels. For the military services to train a fighter pilot to the point where he is fully ready for combat takes more than 5 years and an investment of between $5.3 and $7.5 million. To expect to rely on this pool for additional civil aviation pilots not only drives up our defense costs but may put our military at a disadvantage as well.

The aviation community understands the problem, and has developed a public awareness program designed to capture the imagination of the public and provide them with information about the cost reasonability and accessibility of flight schools.

What can we in Congress do to assist in addressing this pilot shortage? I believe that the young people of America will answer this challenge once they are made aware of and understand the satisfaction they can achieve from acquiring a pilot's license.

For that reason I am today introducing a resolution declaring the month of June 1989 as "National Learn To Fly Month." I urge my colleagues to join with me in support of this resolution, which will assist in alerting Americans to the joy of learning to fly and contribute to an increased national pool of pilots.

USUHS PARENTS' DAY

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mrs. MORELLA. Mr. Speaker, for a second year, I will have the honor to host the annual USUHS Parents' Day and Open House. This is more than a local event. It is an event that should be important to all Members of Congress because the students of the Uniformed Services University of the Health Sciences are truly constituents of all of us. These young men and women not only represent each of the fifty States and Puerto Rico, they have also decided to serve their country in the medical departments of the uniformed services.

USUHS was created in 1972 by public Law 92-426, with the mission of providing a cadre of career physicians to serve the Army, Navy, Air Force, and the Public Health Service. Since then, USUHS has graduated over 1,000 uniformed physicians who serve throughout the world wherever military members need quality medical care. In addition, the university has become a national resource in research, international medicine, graduate medical education, and continuing education, as well as medical education.

The current student body of USUHS numbers 658. Each of these young men and women have made a commitment to 4 years of vigorous training in military medicine and preventive medicine in addition to a traditional medical school curriculum. USUHS students also have made commitment to serve a 7-year obligation after their graduate medical education is complete. These young people will be the core of uniformed medical departments in the years to come.

On April 15 at 9 a.m., I hope you will join me at the university's Bethesda campus to meet your constituents and their families and learn more about USUHS. On behalf of the Parents' Chapter of the USU Alumni Association and the USUHS student body I invite each of you to attend.

H.R. 1268

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. SCHEUER. Mr. Speaker, on March 2, I introduced H.R. 1268, the National Biological Diversity Conservation and Environmental Research Act. This legislation is aimed at halting the alarming decline in the diversity of plant and animal life in our country by establishing the conservation of biological diversity as a national goal. The bill also establishes a National Center for Biological Diversity to increase knowledge of biological resources, requires the consideration of biological diversity in environmental impact statements and calls for the development of a coordinated Federal program for maintaining and restoring biological diversity in the United States.

The loss of biological diversity is most often the unintended consequence of development and results in the irretrievable loss of ecosystems, species, gene pools and ecological processes upon which civilization depends. This biological richness provides all of our food, much of our medicine, clothing and shelter. Ecosystems function in essential processes such as climate moderation, nutrient recycling, soil conservation and waste degradation. Biological products provide us with the raw materials for technological development and aesthetic pleasure. Maintaining biological diversity assures subsequent generations of a full range of genetic and biological materials to meet future needs.

In the recent cover story on the "Planet of the Year: Our Endangered Earth," Time magazine referred to the loss of biological diversity as "the death of birth." Scientists estimate that one plant or animal species is currently being lost per day worldwide and that by the end of the decade the extinction rate may rise to one species per hour. Unlike some of the more visible environmental problems we are faced with, such as the garbage washing up on our beaches, the loss of biological diversity proceeds with less public attention but it will be no less significantly alter the very quality of life on the planet.

The Committee on Science, Space, and Technology, Subcommittee on Natural Resources, Agriculture Research and Environment, which I chair, has been studying the biological diversity crisis for some time. The Office of Technology Assessment analyzed the issue at the request of the committee and the policy options presented in the ensuing report, "Technologies to Maintain Biological Diversity," have served as the basis in developing this legislation.

I know that my colleagues are aware of the ongoing destruction of the tropical rain forests, which represent approximately 8 percent of the total land surface and account for more than 50 percent of the world's species. The loss of biological diversity, however, is not just something that is occurring in other nations. Impoverishment of biological resources is a serious problem in the United States as well.

My distinguished colleague Mr. AKAKA and I recently held a hearing on the loss of biological diversity in his home State of Hawaii. What we learned is truly staggering. Hawaii contains the largest assortment of unique flora and fauna in the United States—nearly all of its species are found only in these islands. Yet the Hawaiian ecosystem faces tremendous threats to its continued survival.

Our present laws are inadequate to prevent the loss of diversity. According to a report recently issued by the General Accounting Office on the Endangered Species Act, there have been "few measurable successes or failures in the 15 years since the act's passage. Of the 482 domestic species formally identified as threatened or endangered, six have officially been declared extinct and five declared recovered." At best, the Endangered Species Act serves as a "biological Superfund"—providing emergency room care only after the catastrophe has occurred. The time has come for a statute aimed at preventing the loss of biological diversity, through science, planning and coordination.

The National Biological Diversity Conservation and Environmental Research Act provides a fiscally responsible approach for the effective conservation and maintenance of biological resources. In adopting this legislation, the United States will provide global leadership in this critically important area. We cannot urge other countries to protect their tropical rainforests from ill-considered development when we refuse to adopt a national strategy to protect our own biological resources.

I urge my colleagues to join with me and the 115 other cosponsors of this bill in addressing the loss of biological diversity. The bill has been endorsed by more than a dozen scientific societies and groups committed to environmental preservation.

A section-by-section analysis of this bill follows:

H.R. 1268—National Biological Diversity Conservation and Environmental Research Act

SECTION-BY-SECTION SUMMARY

Sec. 1. Short title

Sets out the short title of the bill as the "National Biological Diversity Conservation and Environmental Research Act."

Sec. 2. Findings

States that Congress finds that: the Earth's biological diversity is rapidly being reduced; most losses of biological diversity

are unintended and largely avoidable; reduced biological diversity may have serious consequences for human welfare as resources are irretrievably lost and ecosystem functioning may be endangered; inadequate knowledge regarding biological diversity hampers the efficiency of resource policy and management decisions; present laws only address the protection of individual endangered species rather than maintaining ecosystem conditions necessary for sustaining diversity; existing laws are largely uncoordinated and inadequate; a comprehensive Federal strategy is needed to arrest the loss of biological diversity and to restore it, where possible; increased ecological and biological research is needed to provide the knowledge to maintain biological diversity; increased understanding by the public is necessary for effective diversity of living organisms in their natural habitats.

Sec. 3. Definitions

Contains definitions of terms, including "biological diversity" and "conservation".

Sec. 4. Purposes

States the purposes of the Act, namely: to conserve the biological diversity of the United States; to require explicit assessment of effects on biological diversity in environmental impact statements; to establish a Federal strategy for conservation of biological diversity; to establish mechanisms for coordinating efforts to preserve biological diversity and natural environments; to undertake a nationally coordinated effort to collect, synthesize, and disseminate adequate information for understanding biological diversity; to support basic research necessary for the conservation of biological diversity; and to educate the citizens of the United States regarding the importance of biological diversity.

Sec. 5. National biological diversity and environmental policy

States that it is the public policy of the United States that conservation of the biological diversity of the world is a national goal and a national priority and that all Federal actions, programs, and policies shall be consistent with this goal. Section 5(d) amends the National Environmental Policy Act to explicitly require assessment of impacts on biological diversity in environmental impact statements. Section 5(e) requires agencies to review their programs and take actions to remove inconsistencies with the goal of conservation of biological diversity. Section 5(f) directs the Council on Environmental Quality to develop guidelines for consideration of biological diversity in impact statements and to identify biotic communities, species, and populations in decline or otherwise of special concern.

Sec. 6. National Center for Biological Diversity and Environmental Research

Establishes a National Center for Biological Diversity and Environmental Research to set national priorities and provide leadership and coordination to promote knowledge of the biota including the effects on the biota by the activities of people, and to make this knowledge accessible to the people of the United States. Directs the Center to establish a cooperative network for the collection of information regarding the biota; oversee a review of existing information; develop a strategic plan, initiate and provide financial support towards an ongoing survey of the biota; provide for field surveys through contracts or otherwise; conduct supplementary research, as appropriate; make recommendations to agencies regarding the use of the latest technology; further interaction between collection of data and utilization of data for conservation, management, and sustainable use; publish information relevant to understanding and conserving biological diversity; prepare lists of biotic communities, species, and populations that appear to be in decline or are otherwise of special concern; provide information useful in the preparation and implementation of the Federal strategy described in Section 8; work closely with the national network of state natural heritage programs; cooperate with international data collection and coordination centers; and raise additional funds as necessary to support these activities.

Sec. 7. Interagency Working Committee on Biological Diversity

Establishes an Interagency Committee composed of members from specified Federal agencies that manage or study biological natural resources. Directs the Interagency Committee to prepare a coordinate Federal strategy for the conservation of biological diversity described in Section 8.

Sec. 8. Federal biological diversity strategy

Directs the Interagency Committee, with the advice and guidance of the Scientific Advisory Committee established under Section 10, to develop a coordinated strategy for conservation of biological diversity. Sets out specific areas to be addressed by the strategy. Requires a progress report on the development of this strategy to be submitted to the Congress within one year and the completed strategy within two years. Requires each agency to submit a progress report on the implementation of the strategy every two years. Directs the Scientific Advisory Committee established under Section 10 to review the reports and include its written comments, which should either be adopted by the Interagency Committee or an explanation be provided of any differences.

Sec. 9. Grants, research, and training

Authorizes each agency represented on the Interagency Committee to engage in partnership grants with public agencies, private individuals, and organizations for projects to maintain or restore biological diversity. Requires Federal funds made available for grants under this subsection to be matched by the grantee, unless the grantee is a State or the grant is provided for research.

Directs each agency represented on the Interagency Committee to assess the adequacy of their existing environmental research and training programs for (A) long-term ecological research and monitoring and (B) training of personnel in basic principles of ecology and systematics and (C) public education regarding biological diversity.

Sec. 10. National Scientific Advisory Committee on Biological Diversity

Establishes a National Scientific Advisory Committee of 15 scientists including the Director of the Center and one representative of the governing board of the Center. Directs the Scientific Advisory Committee to assist the Interagency Committee established in Section 7 in preparation of the Federal Strategy for the Conservation of Biological Diversity and to evaluate the progress in implementing the strategy, to assist in coordinating the Interagency Committee and the Center and in evaluating the impacts of proposed Federal actions on biological diversity and in review of Federal programs for consistency with conservation of biological diversity.

Sec. 11. Appropriations

Authorizes for the grants program under section 9 and for the activities of the Center under Section 6 the appropriations of $5 million in FY 1989, $10 million in FY 1990, and $10 million in FY 1991. No more than 10% of the funds appropriated under this act during a fiscal year shall be used for the grants under Section 9. These funds shall be in addition to sums authorized and appropriated under any other Act.

MINIMUM HARM

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. BEREUTER. Mr. Speaker, this week my colleagues in the House will be considering legislation to increase the minimum wage. In 1981, Congress established the minimum wage at $3.35 per hour and has not addressed the issue since that time. Thus, Members recognize that inflation has risen by approximately 40 percent since 1981; as a consequence we need to re-evaluate the current minimum wage.

According to the U.S. Department of Labor there are slightly fewer than 4 million people working for the minimum wage. Thus out of a total work force of over 116 million, those earning the minimum wage represent less than 4 percent of all working Americans. Other statistics indicate that two-thirds of all minimum wage earners are under 25 years old, with teenagers accounting for over one-third of all minimum wage earners. Sixty percent of all minimum wage earners are single. More than two-thirds of those earning minimum wage are part-time workers. Furthermore, only 9 percent of all minimum wage earners are heads of households.

I am further concerned about claims by a variety of economists who state that increasing the minimum wage would hurt, rather than help, those most in need of employment. Entry-level jobs that pay minimum wage bring lower skilled persons into the work force and provide experience, training, and in some cases, advancement.

I urge my colleagues to read a March 11 editorial, "Minimum Harm," in the Norfolk Daily News. This article provides an excellent overview of the effects that too high a minimum wage will have on small enterprises that create minimum wage jobs and the availability of these same jobs.

[From the Norfolk Daily News, Mar. 11, 1989]

MINIMUM HARM

An increase of 30 cents a year for the next three years is as far as President George Bush wants to go in raising the present $3.35 minimum wage. At that, he wants to retain the present minimum as a short-term "training wage" for some categories of jobs filled by young people.

As far as such wage proposals go, his formula is calculated to do a minimum of harm. The problem with any such politically dictated changes in wage levels is that the answer from cost-conscious employers try-

ing to please cost-conscious consumers is to eliminate those marginal jobs.

Estimates of job losses are bound to be imprecise, but no serious economists argue against a relationship between dictated increases in minimum wage and the loss of jobs.

Opponents of the proposal to raise the hourly minimum wage to $4.65, as outlined by Sen. Edward Kennedy, argue that such a plan would cost 650,000 jobs. That is far too high a price to pay for tinkering with minimums, especially when the ripple effects of such increases tend to add to inflationary pressures and help make competition with foreign firms more difficult.

In drawing the line on a minimum wage increase at $4.25, Secretary of Labor Elizebeth Dole told the Senate Labor and Human Resources Committee, "Any more expansive approach at this time would be unacceptable because it would decrease job opportunities." There is no good reason to take a greater risk.

The minimum wage cannot be designed to provide an adequate income for one working individual with a family to support. It must remain lower, to satisfy a demand for wage levels that attract mostly part-time workers and entry-level employees. The risk to employers of taking on trainees, and recognition that the actual minimum is but one feature of payroll costs which must also include Social Security, unemployment compensation and other fringe benefits, must be acknowledged in Washington.

It would help in all such debates in Congress if members were influenced most by employers who run the small enterprises that create minimum-wage jobs and therefore have firsthand knowledge about how legislation directly affects the availability of these jobs.

If this were the case, there would be less political posturing about minimum wages and less tinkering with wage rates that must be influenced mostly by labor market forces if the economy is to be strong and competitive.

DIAMOND ANNIVERSARY OF CALIPATRIA, CA

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. HUNTER. Mr. Speaker, on April 1, 1989, the city of Calipatria, CA, will be celebrating its diamond anniversary. Calipatria has a rich and productive history and an exciting future ahead of it. I would like to congratulate the city of Calipatria for 75 productive years.

Calipatria was developed by Southern Pacific Land Co. in 1914. The railroad provided a special train to bring people from Los Angeles to Calipatria. Parcels of land were auctioned off and a contest was held to name the new town. Calipatria is a compound of "Cali" from California, and "patria," Latin for "native land." The city was incorporated in 1918 and schools, roads, and businesses were built.

Calipatria's weather, inexpensive land, and plentiful water have made it a haven for winter agriculture. Crops are grown, harvested, and shipped worldwide, helping the Nation to balance the trade deficit. The winter weather is identical to that of its more famous cousin, Palm Springs. Like Palm Springs, Calipatria is beginning to attract many winter visitors. Currently, there are about 3,000 people living in the city, but growth is expected to bring that number up to 15,000 by the year 2000.

The 75th anniversary will consist of a 3-day reunion for Calipatria's residents, past and present. Parades, parties, reunions, and dances will dominate the weekend. Mr. Speaker, I am proud to represent the people of Calipatria, and I congratulate them on their 75th anniversary.

IN RECOGNITION OF JOHN AND JEAN WILLIAMSON

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. FAZIO. Mr. Speaker, I rise today to recognize two outstanding citizens of Davis, CA, who will be leaving the area after serving their community for many years. John and Jean Williamson will be recognized at a special dinner in Yolo County on April 1, 1989. I hope my colleagues will join me in honoring them today.

The Williamsons, who have lived in Davis since 1959, have made Davis and the State of California a better place to live. John Williamson was a member of the California State Assembly, representing Kern County. From 1963 to 1966 he served as chairman of the Food and Agriculture Committee. He is the author of the Williamson Act, the land conservation law designed to help keep agricultural land taxes low and to preserve prime agricultural land. John was also affiliated with the Veterans of Foreign Wars, American Legion, Lions and Masonic order. The Williamsons lived in Davis while the State assembly was in session and when John left his seat in 1967, Davis became their permanent home.

After his service in the assembly, John served as executive director to the legislative joint committee on open space lands and then became the executive officer of the California State Senate until his retirement in 1980. Long-time Yolo County resident John Ohlson recalls, "While the Senate had an exceptional staff person, our county had acquired a dynamo who would provide special, effective leadership for the Democratic Party."

Jean Williamson has been an active example of the democratic principle of participation of women in problem-solving and decision-making in the community and political life. She headed the Davis High School Parent Teacher Association's Drug Abuse Committee from 1968 to 1970. Long-time Davis resident and one of Jean's best friend's, Betty Weir, recalls that Jean became the president of the Davis Democratic Club in 1970. Weir states, "She took over a club that was practically defunct and in a short time with hard work and excellent political sense she brought it back to a vital, energetic organization." Jean served as president of the club for 4 years.

Jean also gave her time and energy as the following: Chairperson of the Yolo County Central Committee, 1978–82; member, State Democratic Party Central Committee, 1974–80; member, Executive Board of the State Democratic Central Committee, 1974–80; and member, Rules Committee, State Democratic Party, 1974–80. She also served as the co-chair of the State Democratic Senatorial Committee, State Congressional Committee and Assembly Committee.

The Williamsons will now be moving away from Davis, to a dream home in the mountains of Plumas County, to be closer to their four children. I would like to take this opportunity to thank them for their years of service to our community, county and State. I also commend them for their dedication and spirit and wish them all the best in their new home.

MARINE RESOURCES SUPPORT ACT OF 1989

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing the "Marine Resources Support Act of 1989." This bill is designed to provide an alternative source of funds for implementation of the Magnuson Fishery Conservation Act [MFCMA] and the Marine Mammal Protection Act [MMPA], two of our most important marine resource statutes.

For a number of years, the funding base for marine resource programs has been eroding. For example, as cited by the American Fisheries Society, since 1972 the appropriations for the National Marine Fisheries Service have increased by only $13 milion—in constant dollars. At the same time, that agency has been given new and increased responsibility under 22 different laws enacted by the Congress. In other words, we in the Congress, at the request of the American people, have been demanding more and more but providing less and less.

In addition, we are rapidly losing our ability to make sound resource management decisions on the basis of the best scientific data. Since 1982, commercial and recreational fish harvests have risen by nearly 118 percent. At the same time, fisheries managers are crying for help. With limited exceptions, we no longer have the ability to collect real-time data from observers stationed on board fishing vessels. The North Pacific Fishery Management Council has had to close areas to fishing because there was no way to tell what the state of the resource might be. Without additional scientific information, such action will increasingly be necessary to protect our resources, regardless of the tremendous adverse economic effect that will result.

While additional appropriations for marine resource programs will be helpful, they will not be the only answer. With the current budget deficit, increased appropriations will only come from other, equally worthwhile programs. Some new source of funds must be found.

The bill I am introducing today will serve as a starting point to provide the money needed. First, it provides authority to the eight regional fishery management councils to require resource users to pay fees as part of a fisheries management plan. Those fees, along with the civil penalties collected for enforcement of the

MFCMA, will be put into a separate fund in the Treasury and used for fisheries research, management, and enforcement. There are strict guidelines for developing such fee programs, and for the use of the funds. Further, money will be spent in the area where it is collected, so that New England fishermen don't have to worry about paying for Alaskan fishery programs, and vice versa. This section of the bill also makes explicit the councils' authority to require on-board observers if necessary for proper fisheries management.

Second, the bill establishes a modest fee on the nonconsumptive use of marine mammals to correspond with the fees already paid by commercial fishermen. Again, fees are placed in a separate fund in the Treasury, along with the civil penalties collected under the MMPA, and used to implement that act.

Because the amount of penalties collected and the fee programs which would be established by the different councils vary, it is difficult to provide a firm estimate of revenues. However, I predict that this bill will raise a minimum of $7.5 million each year for MMPA programs and will pay for the new observer programs desired by the commercial fishing industry.

I want to point out that my bill does not contain a provision for a statutory fee on commercial and recreational fishermen as has been suggested by myself and others in the past. This does not mean that I believe that a modest fee, properly structured, and dedicated to resource conservation and management, should not be enacted. However, given the lengthy and often confusing debate over past fee proposals, I believe that this issue should be addressed first through the public hearing process. If testimony indicates that a statutory fee should be enacted, I will strongly consider supporting it.

Mr. Speaker, our living marine resources are too important to this Nation to let them disappear from lack of knowledge. I call on you and my colleagues to support this modest but important measure.

NO GAS TAX INCREASE FOR DEFICIT REDUCTION

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. HAMMERSCHMIDT. Mr. Speaker, the Associated General Contractors of America [AGC] recently prepared and published an excellent brochure opposing the use of Federal motor fuels taxes for deficit reduction. AGC has been in the forefront in working to ensure that this misguided plan to balance the budget does not see the light of day. The pamphlet addresses the negative impacts a fuel tax increase for deficit reduction would have on our Nation's economy, badly needed highway and bridge improvements, State transportation improvement efforts and highway safety. Those who support a fuel tax increase see it as a painless way to raise big bucks quickly and put the deficit to rest. Those of us who want to maintain the integrity of the highway trust fund and the finest highway system in the world know otherwise.

The budget deficit is a severe problem which will require much courage and realistic thinking to solve. The solution, however, must not exacerbate the problem it attempts to address. Any budget balancing solution and its burdens should be spread out as evenly as possible among individual Americans and programs. To put the deficit burden on the backs of one group is unfair. A gas tax increase would force the highway users of America, a group not solely responsible for the deficit, to bear all costs to solve it. Mistakes of the past have brought us to this critical juncture in our Nation's history. Let's not make an even bigger mistake now through misguided efforts to erase the past. I encourage my colleagues to join me and the more than 180 Members of this body who have signed on to House Resolution 41, a resolution opposing the use of Federal motor fuels taxes for deficit reduction.

I include for the record the AGC pamphlet: "A Gas Tax Increase for Deficit Reduction—An Easy Solution? or No Solution at All?" Many thanks to the AGC, particularly Sue Loomis, Ed Graber, and Dave Lukens, for their hard work and support on this issue.

The following organizations signed onto the brochure: American Farm Bureau Federation; National Association of Counties; International Union of Operating Engineers; National Aggregates Association; American Consulting Engineers Council; Portland Cement Association; National Ready Mix Concrete Association; American Road and Transportation Builders Association; National Asphalt Pavement Association; Associated Builders and Contractors; Construction Industry Manufacturers Association; and National Stone Association.

A GAS TAX INCREASE FOR DEFICIT REDUCTION—AN EASY SOLUTION? OR NO SOLUTION AT ALL?

As of the date of this brochure's publication, bipartisan efforts in Congress to prevent a gas tax increase for deficit reduction continue to gain momentum. House Resolution 41, introduced by Glenn Anderson (D-Calif.) Public Works and Transportation Committee Chairman, Rep. John Paul Hammerschmidt (R-Ark.), the committee's Ranking Republican member, and Rep. Bud Shuster (R-Pa.), Ranking Republican on the Subcommittee on Surface Transportation, has 124 cosponsors, and the number of cosponsors continues to grow. The threat of an increase in the federal gas tax for deficit reduction, however, remains great.

Several members of the National Economic Commission, created by Congress to propose deficit reduction methods, have expressed support for this idea. Some editorials have called for increasing the tax by an much as 50 cents, and even one dollar. Besides reducing the deficit, they say, the tax increase would encourage conservation and improve air quality. Others have labeled a gas tax increase as the "easy solution" to the federal deficit.

But what looks like an easy solution is really no solution at all. Indeed, the impact of a gas tax hike—whether by a dime or a dollar—will have severe consequences on our transportation system, our economy, and our freedom of mobility. And because a gas tax increase for deficit reduction would divert funds from vital highway and bridge investment, it would only increase traffic congestion—and therefore would only reduce conservation and aggravate air quality problems.

Consider the following questions and answers concerning the likely impact of such proposals:

WHAT IMPACT WOULD A GAS TAX INCREASE FOR DEFICIT REDUCTION HAVE ON THE NATION'S HIGHWAY PROGRAM AND THE USER-FEE CONCEPT THAT FUNDS IT?

Quite simply, any federal fuels tax hike for deficit reduction threatens our nation's highway program. Such a tax would undermine the user fee concept of the gas tax which has been critical to the public's support of the highway program.

Motor fuel taxes have been the primary user fee which has financed the nation's highway program for more than 50 years. At the federal level, the gasoline tax has financed the Interstate and other much-needed federal-aid highway and bridge repair programs. The highway program has been a success due primarily to this dependable, public-supported, user-financing method.

Proposals to increase the gas tax will destroy America's successful highway program because they would break the link of the gas tax as a user fee and therefore destroy the integrity of the Highway Trust Fund which it finances. The American public would no longer be assured of a dependable revenue source to finance vital transportation improvements because the gas tax would be used to finance non-transportation programs.

WOULD A GAS TAX HIKE FOR DEFICIT REDUCTION ACTUALLY REDUCE REVENUES FOR HIGHWAY IMPROVEMENTS?

Raising the tax for deficit rather than transportation needs would divert billions of dollars annually which should be dedicated to improving the condition of our deteriorating highways and bridges.

A recent study by the American Association of State Highway and Transportation Officials (AASHTO) estimates that the nation's annual highway capital needs over the next 30 years are nearly double current investment levels. The National Council on Public Works Improvement found that America's transportation network is inadequate to fulfill current requirements and incapable of meeting the demands of future economic growth and development.

Travel conditions are worsening across the nation. Road and bridges are deteriorating rapidly while highway travel is increasing rapidly. At a time when we should be increasing our investment in transportation, along comes a proposal that would take away money from vital highway needs. The likely result is more of what Time Magazine, in its recent cover story, termed "Gridlock"—a crisis in transportation that is costing Americans dearly in lost productivity, wasted fuel, and increased irritation caused by inadequate highways.

IS A GAS TAX INCREASE FOR DEFICIT REDUCTION FAIR TO OUR NATION'S MOTORISTS?

Proposals to raise the gas tax for deficit reduction are highly unfair to the nation's motorists. America's road program has not added one dollar to the national deficit. Under the current system, the nine-cent-per-gallon federal gasoline tax goes into the Highway Trust Fund. Funds collected are earmarked for transportation improvements.

Yet every administration since President Lyndon Johnson's has withheld a portion of the taxes paid into the Trust Fund in order to make the total federal budget deficit look smaller than it actually is. The Highway

Trust Fund balance has increased to $14.5 billion, although by law that money can ultimately only be used for transportation improvements.

Motorists are already being treated unfairly because money they have paid into the trust fund is not being spent for vital transportation improvements. Adding a fuel tax for deficit reduction would further undermine the highly successful pay-as-you-go concept of the current federal/state highway program.

American motorists would also be singled out to shoulder the burden of reducing the deficit. By increasing the tax on gasoline for the sole purpose of deficit reduction, highway users would pay considerably more towards the national debt than others.

WOULDN'T A GAS TAX FOR DEFICIT REDUCTION SIMPLY ENCOURAGE GREATER USE OF PUBLIC TRANSPORTATION?

Americans depend on their automobiles. A Federal Highway Administration survey indicates that more than 34 percent of auto travel is for earning a living. More than 30 percent is for family business, and another 30 percent for social and recreational use.

In fact, the United States turns to its private vehicles for more than 80 percent of its trips. The average American has limited options if the cost of driving becomes prohibitive. Public transportation can by no means replace the vast majority of driving in this country. This is especially true in rural areas and in smaller cities and suburbs with limited public transportation. It should also be noted that the primary form of commuting is no longer from the suburbs to the city. In fact, most commuters live in one suburb and commute to another. Public transportation and carpooling is highly inadequate to meet the needs of these cross-suburb commuters.

The Highway Trust Fund also is used for public transit improvements and construction. Because the fuel tax for deficit reduction would divert funds from the trust fund, it would also divert funds from public transit.

WOULD A GAS TAX INCREASE FOR DEFICIT REDUCTION AFFECT STATE TRANSPORTATION IMPROVEMENT EFFORTS?

A new federal tax on gasoline for deficit reduction would derail many state initiatives for increasing funding for state highway improvement programs. As many as 36 state legislatures are expected to seek increases in their state gasoline taxes in 1989 to fund transportation projects. If a federal gasoline tax for deficit reduction is levied, state legislators will find dwindling support for added state gasoline taxes to meet transportation needs.

In Alaska, for instance, efforts to raise the state's motor fuel tax in 1987 to fund road improvements were halted because of a rumor of a federal gas tax hike. States have few other options other than raising their fuel taxes to raise necessary funds for transportation needs. The states, in general, have used sales and other traditional taxes to their maximum levels. Undermining the ability of states to raise their fuel taxes would remove one of the last viable options states have for raising needed funds for transportation improvements.

Furthermore, if the federal gas tax is increased for deficit reduction, gasoline use would decline, translating into less revenue for the states from existing state gasoline taxes. The National Association of State Budget Offices estimates that state revenue could drop by $4 billion over the next five years if an additional 10 cents per gallon tax were imposed at the federal level for deficit reduction.

WOULD A GAS TAX INCREASE FOR DEFICIT REDUCTION HARM THE ECONOMY?

Increasing the federal gas tax for deficit reduction would drive up the cost of doing business, increase inflation, and harm American businesses in the world marketplace.

A 10-cent increase in the gasoline tax for deficit reduction would reduce the nation's Gross National Product by nearly $10 billion, lower automobile production by 1.3 percent, and reduce employment by 80,000 in its first year and by 180,000 in three years, according to Wharton Econometrics Forecasting Associates. A 30-cent increase would put 525,000 people out of work by 1990, Wharton's study found.

Such a tax would most likely be deductible by businesses, resulting in little net gain to the government. But it would be added in the total cost of commodities and services to consumers. This would raise the cost of living and the Consumers Price Index, thus fueling inflation. The Trucking industry, which delivers 75 percent of all freight in this country, would face greatly increased operating costs that would translate into higher costs for all types of goods. Industries such as tourism and recreation (vital to many states' economies) would be hard hit by the tax increase.

WHAT OTHER IMPACT WOULD A GAS TAX INCREASE FOR DEFICIT REDUCTION HAVE ON OUR ECONOMY?

Because the tax hike would divert funds from highway improvements, it would further impact the overall economy. Federal Reserve Bank of Chicago Senior Economist David Aschauer has documented the correlation between infrastructure investment and the nation's economy. His research shows that the nation's private sector productivity has risen and fallen with its investment in highways, bridges, and all of its public works infrastructure.

Declining spending on our transportation system forces businesses to absorb higher costs and therefore lowers productivity. "A root cause of the decline in the competitiveness of the United States in the international economy," Mr. Aschauer explains, "may be found in the low rate at which our country has chosen to add to its stock of highways, port facilities, airports and other facilities which aid in the production and distribution of goods."

Currently, almost 40 percent of the nation's nearly 575,000 bridges are deficient. By the turn of the century our roads will have to accommodate 60 percent more traffic. Yet our current levels of funding are insufficient to even maintain current levels of service. And our transportation system is the foundation of our economy.

This is clearly not the time to enact a tax that will take away from our infrastructure investment.

IS A GAS TAX FOR DEFICIT REDUCTION FAIR TO AMERICANS IN ALL REGIONS OF THE COUNTRY?

Motorists in most Western and Southern states, who must drive greater distances, would bear an unfair burden for reducing the federal deficit. These areas generally have little public transportation. Therefore, residents are dependent on their automobiles to get to work, to school, and for all other needs.

The average driver in Wyoming, for example, uses more than twice the amount of gasoline per year than the average driver in the District of Columbia.

Is it fair for residents of that state to pay more than double what the Washington, D.C. driver must pay toward reducing the deficit?

WHAT WOULD A GAS TAX INCREASE FOR DEFICIT REDUCTION MEAN FOR THE NATION'S POOR?

A tax hike for deficit reduction would have its greatest effect on the nation's working poor. Low income people spend a higher percentage of their income on fuel than others.

Studies indicate that those with incomes under $10,000, many of whom drive older, less fuel efficient cars, pay as much as 700 percent more for gasoline as a percentage of their income than those in high income groups.

Former Federal Highway Administrator Ray Barnhart notes that it is ironic that at the same time as public attention has been focused on proposals to increase the minimum wage and to fund day care for the poor, "Now comes an effort in Washington to compound the fiscal hardship on these same people by imposing a new gas tax which would fall most heavily on them."

WOULD A GAS TAX FOR DEFICIT REDUCTION UNDO THE BENEFITS OF TAX REFORM?

Increasing the federal gasoline tax for deficit reduction would undo the benefits of the Tax Reform Act of 1986. The act was designed to more fairly distribute the nation's tax burden, reduce taxes for low- and middle-income people, and take some of the poor off the tax rolls entirely.

Because a gas tax for deficit reduction would be regressive, an increase would reduce much of the benefits of tax reform to lower income people. The Tax Reform Act cut taxes by $414 million for those with incomes under $10,000.

A gas tax increase for deficit reduction of only one cent per gallon would reduce this benefit by $99 million. Since most gas tax increase proposals are for much more than one cent per gallon, it is clear that the poor would not only lose the benefits they gained by tax reform—but would be saddled with a large new tax burden.

DO AMERICANS SUPPORT A GAS TAX HIKE FOR DEFICIT REDUCTION?

The vast majority of Americans oppose raising the gasoline tax for deficit reduction. A 1987 Washington Post-ABC News poll found 73 percent of Americans against it. A Newsweek poll confirmed that 77 percent of Americans were against raising the gasoline tax by 10 cents per gallon. A November, 1988 Media General-Associated Press poll showed three-quarters of Americans opposed to such a tax, while a January, 1989 Time Magazine poll showed 72 percent of Americans opposed.

BUT WON'T A TAX HIKE FOR DEFICIT REDUCTION SIGNIFICANTLY REDUCE THE DEFICIT?

A recent study by Data Resources Inc.—a private consulting group—found that a new Federal tax on motor fuels for deficit reduction would have little success in reducing the federal deficit. Because of the detrimental effect of the tax on the economy, the deficit would be cut by only 27 cents for every dollar of tax raised, on average, over a five-year period.

The Wharton Econometrics study finds that an increase in the federal gasoline tax would produce some revenues for deficit reduction, but far short of the projections offered by the supporters of the tax increase.

The study explains that while the tax would raise revenues, it would also reduce economic activity and increase federal trans-

fer payments such as unemployment insurance and food stamps.

WOULD A GAS TAX FOR DEFICIT REDUCTION HAVE ANY EFFECT ON HIGHWAY SAFETY?

Because a gas tax increase for deficit reduction would undermine federal and state highway and bridge improvement efforts, it would reduce safety on our nation's highways. A recent Transportation Research Board report explained that resurfacing and widening roads can reduce head-on collisions by as much as 55 percent and single-car accidents by as much as 51 percent.

WHAT EFFECT WOULD A GAS TAX FOR DEFICIT REDUCTION HAVE ON ENERGY CONSERVATION?

By diverting funds from needed highway and bridge improvements, a gas tax for deficit reduction would only increase road congestion and therefore decrease energy conservation. It is estimated that nearly 10 billion gallons of gasoline can be conserved each year by simply improving the surface conditions of our current road system.

HOW DO I FIGHT THIS UNFAIR, COUNTERPRODUCTIVE TAX HIKE?

You are encouraged to contact your Senators and Representatives to let them know how you feel about any effort to increase fuel taxes for deficit reduction. Address your letters to: The Hon. , United States Senate, Washington, DC 20510 or The Hon. , U.S. House of Representatives, Washington, DC 20515. The phone number of the Capitol switchboard is (202) 224-3121.

THE INTRODUCTION OF THE INDOOR AIR QUALITY ACT OF 1989

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. KENNEDY. Mr. Speaker, take a deep breath.

The air that is now in your lungs passed through several hundred feet of dark, dusty, dirty ductwork before reaching this room. Twenty-seven different species of fungus have been found growing in the dank recesses of building ventilation systems. Viruses and bacteria that thrive in air ducts have been proven to cause influenza, pneumonia, tuberculosis, and dozens of other diseases, including the deadly Legionnaires' Disease. In addition to those living dangers, the air we breathe indoors can also contain high concentrations of radon, asbestos, formaldehyde, benzene, carbon monoxide, tobacco smoke, lead, chlorine, low-level ozone.

And every breath you take puts you at risk of exposure to those contaminants. Americans spend an average of 90 percent of their time indoors, and the air we breathe in schools and workplaces can be 10 times more toxic than the outdoor air. We have spent over $200 billion in the last 10 years to clean up the outdoor air, and we must continue to improve the quality of the air outside, but we pay far too little attention to the dust, toxins, and contaminants in the air that we breathe in our homes, schools, and workplaces.

Today, I am reintroducing legislation that we began working on last year with Senator GEORGE MITCHELL of Maine. The Indoor Air Quality Act of 1989 is designed to call attention to this problem, fund the necessary research, publish health advisories, and begin the important work of cleaning up the air we breathe.

Last year, we had a hearing on this bill before the Science, Space, and Technology Committee and made significant improvements in the original legislation. My colleague from Rhode Island, CLAUDINE SCHNEIDER, has made some excellent suggestions regarding the publication of health advisories. I am proud that she has joined with me today as an original sponsor of this legislation, and I look forward to working closely with her to set realistic targets for building owners to meet and to make sure that the Federal agencies publish practical guides for reducing indoor air contamination.

The chairman of the Subcommittee on Natural Resources, Agriculture Research, and Environment, has also joined us as an original cosponsor. Chairman JAMES SCHEUER has long been an advocate for improved indoor air quality and has been extremely helpful in moving this bill along. With his cooperation and support, we can move this legislation forward this year.

There is a growing awareness of the seriousness of this problem. Last year, the radon scare drew attention to the risks posed by indoor air contamination and Congress enacted the provision of our legislation that dealt directly with that concern. The way in which the Environmental Protection Agency managed the radon problem provides a model for how to deal with other air quality issues: Set a meaningful standard that minimizes the risk to human health, provide testing and assessment, and publish specific technical bulletins that show how to mitigate the problem.

The legislation we introduce today stands much improved from the original bill that I filed in the 100th Congress. For one thing, it is more attentive to the needs of people who are chemically sensitive, that is the 15 percent of all Americans who are particularly sensitive to some toxins in building materials or airborne contaminants.

The second major improvement is the special emphasis placed on air quality in public schools and in day care centers. Young children are the most vulnerable to the diseases spawned in indoor air and they are often the most sensitive to the toxins, chemicals, and contaminants that pollute the air. We owe it to them to be sure that all schools and day care centers are tested and that problems are dealt with swiftly and effectively.

The technology for improving indoor air is advancing: there are more efficient air filters, better methods for circulating air, and more substitutes for toxic building materials. This legislation attempts to build on that progress by funding a national research program for clean indoor air technology.

The best vehicle for implementing many of the new techniques for improving air quality is to work through State governments. This bill provides grants to any States that undertake their own "response plans" for indoor air.

The legislation also mandates a comprehensive assessment of "sick buildings" and funds a program to mitigate air pollution in buildings identified as posing serious health risks to their occupants. That assessment program must include all Federal buildings, and the bill also requires a set-aside of construction funds for new Federal buildings to pay for innovative clean-air technology. The Federal Government should take the lead in pioneering new methods for making air healthier and cleaner.

Mr. Speaker, this is a problem that has remained hidden for too long in the dusty corners and dark bowels of the buildings around this country. I took off the grates in my own office in the Longworth House Office Building and found mildew, mold, and spores nearly two inches thick in the heating duct. If every one of our colleagues did the same, I don't think we would have any problem in passing this bill tomorrow.

We have heard talk about a new breeze blowing in our Nation. Please join me in trying to make sure that that breeze is healthy, clean, and safe.

THE INDOOR AIR QUALITY ACT OF 1989

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Ms. SCHNEIDER. Mr. Speaker, I am very pleased to lend my support to legislation which I believe addresses one of the major, though often unnoticed, environmental hazards of the day, namely, indoor air pollution. The Indoor Air Quality Act of 1989 will take a comprehensive approach to this problem that affects so many of us.

Last year, the Indoor Air Quality Act was the subject of hearings in the House Subcommittee on Natural Resources, Agricultural Research, and Environment of the Committee on Science, Space, and Technology. As ranking minority member of that subcommittee, I listened with great interest as those hearings told a dramtic story about the extent of the indoor air problem.

Figures from the EPA indicate that radon causes up to 20,000 deaths from lung cancer a year. In fact, a recent survey in my home State of Rhode Island suggests about a fifth of the residences there may have indoor concentrations of radon that exceed the EPA recommended action level. Furthermore, the National Academy of Science estimates that 15 percent of all Americans have severe allergic reactions to common household products. Finally, nearly a third of new and remodeled offices may cause health problems.

Ensuring indoor air quality is a task that is made exceedingly difficult by the complex nature of the problem. Indoor air contamination can arise from sources as varied as mold, particles, gases, and naturally occurring radiation. Furthermore, indoor air pollution arises in many kinds of buildings with many different kinds of ownership patterns and responsibilities. Although the complexity of the indoor air problem does not lessen its importance, it does call for innovative solutions.

One of the main virtues of this legislation is that it relies on a nonregulatory approach that seeks to provide the guidance for the kind of

diverse public and private partnership necessary to ensure indoor air quality. In this legislation, this guidance would be provide through periodic advisories on specific contaminants that would describe the effects of human exposure at different levels. In addition, this bill gives strong backing to efforts to sharpen our scientific understanding of this problem through an expanded research program that would focus both on health effects and control methods.

The hearings before the House Science Committee also identified opportunities for making further improvements in indoor air quality legislation. Industries who are willing to do their part have pointed to certain approaches that would assist them in complying with such guidance. First, they seek clarity in the targets set out by the agency. Action levels for different contaminants should be specific in order to minimize uncertainty regarding what is expected from remediation.

Second, there should be established a reasonable process by which the action level is set. Recommended action levels should be based on concentrations that do not present a significiant risk to health. At the same time, however, the action level should be one that realistically can be achieved. For example, the air quality indoors should not be expected to exceed the quality of air found outdoors. Furthermore, interested parties should have ample opportunity to contribute to the recommendation process.

Finally, the issuance of any recommended action levels for a particular contaminant should be accompanied by practical information regarding the remediation technologies and options that are available. A fairly successful model for the agency to follow is its radon program, which has been widely credited not only for bringing the public attention to the serious threat of radon, but with providing useful information for the person who wants to correct it.

I hope that the new administration, taking an enlightened view of the importance of environmental protection to all Americans, will join us in shaping solutions to a problem that EPA has documented so plainly. For example, in the EPA report "Unfinished Business," indoor air pollution was identified as one of the major, unaddressed environmental health hazards. A follow up evaluation by the New England regional EPA office reached the same conclusion.

Support of the administration is vital, not only for the expertise they can contribute, but because of their role in setting future funding priorities. I therefore welcome dialogue with the administration, and hope that we can enact legislation with their support.

Mr. Speaker, I want to take this opportunity to emphasize the foresight and dedication that my colleague, JOSEPH KENNEDY, has demonstrated on this issue by introducing this groundbreaking legislation into the House. Also please allow me to praise the commitment that Senator MITCHELL has devoted to this issue. A few years ago, before the notion of "sick buildings" and other indoor air "syndromes" had caught the public's imagination, Senator MITCHELL was working with me and other Members of Congress to enact the first explicit authority for EPA in the field of indoor air quality. I am pleased to see that he has been joined in his work on this legislation by the highly respected and hard-working ranking minority Member on the Senate Environment Committee, JOHN CHAFEE.

Overall, this bill is a very encouraging start toward improving indoor air quality, and I hope that passage of this indoor air legislation becomes one of the success stories for this Congress.

THE GLOBAL ENVIRONMENT

HON JOSEPH E. BRENNAN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. BRENNAN. Mr. Speaker, as a Representative from a State with a strong tradition of environmental protection, I would like to submit for the RECORD the text of a speech concerning a subject that affects all of us—the global environment.

The speech, entitled "The Global Environment: Reassessing the Threat," was delivered by Frazier Kellogg, an environmental activist in Maine, before the World Affairs Council in Portland, ME, last March.

Mr. Kellogg's remarks address the serious environmental threats that continue to face our planet, including deforestation, desertification, acid rain, global warming, and depletion of the ozone layer. I highly recommend this reading to my colleagues:

THE GLOBAL ENVIRONMENT: REASSESSING THE THREAT

(By Frazier Kellogg)

Nearly eight years have elapsed since The Global 2000 Report to the President was released. In summary the letter of transmittal stated:

"Our conclusions * * * are disturbing. They indicate the potential for global problems of alarming proportions by the year 2000. Environmental, resource, and population stresses are intensifying and will increasingly determine the quality of life on our planet. The stresses are already severe enough to deny many millions of people basic needs for food, shelter, health, and jobs, or any hope of betterment. At the same time the earth's carrying capacity—the ability of biological systems to provide resources for human needs—is eroding. The trends reflected in the Global 2000 study suggest strongly a progressive degradation and impoverishment of the earth's natural resource base." [1]

The principal findings of the study noted a rapid growth in world population—from 4 billion in 1975 to 6.35 billion by 2000. While per capita global food production would increase, it was expected that the increase would be unevenly divided between countries with high per capita consumption on the one hand, and low per capita consumption nations in South Asia, the Middle East, and developing countries in Africa on the other. Moreover, real food prices were expected to double.

The report found that while arable land would increase slightly by 2000, agricultural soils would deteriorate due to erosion, loss of organic matter, desertification and other impacts on soil quality. It estimated an annual loss of crop and grassland roughly the size of Maine. Food production from agriculture would be increasingly dependent on higher yields supported by petroleum-based fertilizers and pesticides during a period when world supplies of oil would decline.

Forests on a global scale were estimated to be declining at a rate of 18 to 20 million hectares a year—an area the size of half of California, with most of the loss in the tropical moist forests of Asia, Africa, and South America.

Regional water shortages were expected to become more severe in the face of rising demand from population growth.

Global 2000 expected increasing concentration of carbon dioxide from combustion of fossil fuels and ozone-depleting chemicals which could produce dramatic climatological changes by mid-century. Lakes, soils, and crops would suffer increased damage from acid deposition caused by fossil fuel combustion.

And finally, the report projected an alarming rate of species extinction—perhaps as much as twenty percent of all species on earth, as natural habitats give way to human settlements, particularly in tropical forest areas.

Global 2000 candidly acknowledged technical gaps and inconsistencies but concluded that those limitations tended to understate the intensifying stresses on natural, life-supporting systems.

It also noted reason for hope by citing policies which supported reforestation efforts, steps to reduce soil loss and desertification, efforts to increase energy conservation, increased understanding of the need for family planning and a number of other initiatives which, taken together, were directed at sustaining the earth's carrying capacity.

Aside from the substance and implications of the report, which were shocking to this environmental activist at the local level, I was impressed with a major reason for doing the study in the first place—the urgent need for more knowledge and understanding of the impact of human behavior on natural life-supporting systems in their global, long-term context. For the first time I became very aware of the interconnections between the trends affecting land, water, air, and climate properties of the global commons. What happens in one part of the world has an impact on other parts of the world. We, and I mean all of us, are stakeholders in the well being of the global commons.

On World Environment Day, June 5, 1987, the World Commission on Environment and Development (also known as the *Brundtland Commission Report*, after its chairperson, Premier Gro Harlem Brundtland of Norway) released its report in London. The report, titled *Our Common Future*, was the result of a United Nations mandate to the Commission several years earlier to develop "a global agenda for change." The Commission consisted of leaders from twenty nations to reflect various stages of development. Former EPA Administrator Bill Ruckelshaus was the U.S. representative. In less than three years the Commission created task forces to work on analysis of eight key issues, held public hearings or deliberative meetings in every major region of the world, engaged the efforts of hundreds of technical experts and thousands of citizens worldwide, and gained the support and guid-

[1] The Global 2000 Report to the President: Entering the Twenty-First Century: Volume I, page iii. U.S. Government Printing Office, Washington, D.C., 1980.

ance of many nongovernmental organizations in the global community. It was a remarkable effort, despite the fact it was neither sanctioned, supported nor otherwise encouraged by the United States government. The United States has 5 percent of the world's population and consumes a fourth of its resources.

Our Common Future is striking in one important respect: It is upbeat. No one has ever accused the environmental community of being optimistic!

"The Commission believes that people can build a future that is more prosperous, more just, and more secure. Our report . . . is not a prediction of ever increasing environmental decay, poverty and hardship in an ever more polluted world among ever decreasing resources. We see instead the possibility of a new era of economic growth, one that must be based on policies that sustain and expand the environmental resource base. And we believe such growth to be absolutely essential to relieve the great poverty that is deepening in much of the developing world.

"But the Commission's hope is conditional on decisive political action now to begin managing environmental resources to ensure both sustainable human progress and human survival. We are not forecasting a future; we are serving notice—an urgent notice based on the latest and best scientific evidence—that the time has come to make the decisions deeded to secure the resources to sustain this and coming generations. We do not offer a detailed blueprint for action, but instead a pathway by which the peoples of the world may enlarge their spheres of cooperation."[2]

The *Brundtland Commission Report* validates the various declining trends in environmental quality identified in the Global 2000 report.

Annually 6 million hectares of productive dryland turns into worthless desert.

More than 11 million hectares of forests are destroyed yearly.

There is the continued impact of acid deposition on forests, water masses, and soils.

The gradual global warming, or "greenhouse effect," from fossil fuel combustion, will cause sea levels to rise, shift agricultural production areas, and disrupt national economies.

Depletion of the planet's protective ozone layer to the detriment of human and animal health, and disruption of ocean food chains will occur.

In short, eight years since Global 2000 the negative trends continue. What has changed is that there is a growing awareness and understanding of the issues and that new ways of thinking and acting are required to address them. There is an experienced-based idea of what works to serve long-term, sustainable development.

Again, from the Brundtland Commission—

"There has been a growing realization in national governments and multinational institutions that it is impossible to separate economic development issues from environmental issues; many forms of development erode the environmental resources upon which they must be based, and environmental degradation can undermine economic development." [3]

John Steinbeck once observed that "The obvious is the most overlooked fact in America," and Aldous Huxley that "All great truths begin as heresies." This growing understanding that economic and environmental forces are closely connected is central to defining a concept of sustainable and equitable development and designing policies to implement it. It will be best served by understanding, knowledge, and common sense in recognizing and adapting to change. It is poorly served by ideologically-driven anxieties.

There are nay-sayers to the many elements of change analyzed in the Global 2000 and Brundtland Commission reports. They naysaying doesn't usually dispute the trends, it says that there are technological fixes for every problem—now and into the unforeseeable future. There have been technological advances which can contribute to sustainable development and indications that there will be more—the potential of superconductors for energy conservation, for example. But to sweep all problems under the rug of technological progress is either blind or naive or, even worse, both. Technology is not neutral. It serves many masters, and many who were well-intended but had little way of knowing beforehand what the negative consequences would be of technological applications. As William Warner pointed out in his book Distant Waters, improved fish harvesting and processing technologies were so successful in their implementation that the North Atlantic fishery came close to being destroyed from overharvesting. Wise management of resources demands that we recognize change and respond to it constructively in a time frame that allows decisions to be made before a negative trend becomes irreversible. Those who choose to ignore this do so at their own peril and, unfortunately, ours as well. John Locke said "Hell is truth seen too late."

Perhaps indicators of the validity of the trends and new concepts for dealing with change put forward in the Global 2000 and Brundtland reports are the actions being taken to put increasingly sustainable development into operation.

In Indonesia, where rice production is a major industry and food source, President Soeharto has decreed an end to massive use of pesticides to control plant disease and insects. For one reason, many insect predators to rice has become immune to pesticides. For another the pesticides had been shown to be entering the food chain. He substituted a program known internationally as Integrated Pest Management, which uses a combination of disease-resistant seed stocks, natural insect repellants, and limited use of pesticides. Reduced use of pesticides contributes to maintaining biological diversity, removing health-threatening chemicals from the food chain, and reducing energy dependence.

C.A.R.E. has a tree-planting program going in many developing countries designed to stabilize agricultural soils by using trees as windbreaks to reduce wind-driven erosion and to restrain erosion along the banks of waterways.

Low-till organic farming practices are growing rapidly. Being less dependent on both fertilizers and pesticides, these practices are less energy-dependent and make a contribution to conservation. They remove unwanted pollutants from the food chain and wildlife systems and are both less costly and less capital intensive. This has been a response to economic change induced by high energy costs.

Many nations, including the United States, recently signed an agreement in Montreal calling for major reductions in the level of chlorofluorocarbons released into the atmosphere, thus reducing the rate of deterioration of the protective ozone layer. Maine recently followed the lead of four other states in phasing out the government purchase of CFC-based styrofoam products.

Several major environmental organizations, including the Nature Conservancy, World Wildlife Fund, and Conservation International, have programs going to protect and manage tropical forests in many developing countries. And in recent months they have been purchasing commercial debt obligations of host countries at a discount in secondary markets in the U.S. The debt is then retired in exchange for agreements with host countries for protection and effective management of expanded areas of tropical forest. The resulting protection of biological diversity ensures areas of scientific inquiry for applications in medicine, food stocks, fibre. Protected areas reduce the threat of soil erosion, contaminated water supplies, and enhance the growing eco-tourism industry. A few companies in the pharmaceutical industry are showing renewed interest in plant research for medicinal purposes after years of almost total reliance on synthetic-focused research.

There are many such examples of "good practice." They are typically small in scale compared to the level of effort which would be required to stop or reverse negative trends, but they are beginnings of a new way of thinking and responding to them which tend to protect and enhance the earth's carrying capacity.

In another dimension, major efforts are underway to increase public awareness and understanding of the trends and interconnections portrayed in the Global 2000 and Brundtland Commission reports. These efforts are critical because public understanding is essential to developing the political will to elevate the scale of constructive responses to change—responses which are based in the concept of sustainable development. To mention a few—

The annual State of the World report, prepared by the Worldwatch Institute in Washington, D.C., is now translated into most major languages and is being used in curriculum at many schools and universities. Worldwatch, working with the Nova staff at WGBH in Boston, will soon begin production of a ten-part, one-hour-each series of television films dealing with global issues of population, resources, environment and development. Budget permitting, curriculum material will be developed so that the series can be used in educational systems.

The BBC has already produced a television series based on the Brundtland Commission Report, which has been aired in Britain on public television and Turner Broadcasting's CNN in the United States. Ted Turner has also founded the Better World Society to seek funding for audiovisual programs on population, resource, environment and development issues—programs which rarely get support in commercial television. Ted also personally distributes copies of State of the World to every U.S. congressman and senator. You can be quite certain he will air the State of the World TV series on CNN.

On May 20, 1988, the Smithsonian Institution will introduce its traveling exhibit on tropical forests in Washington, D.C. A major thrust of the exhibit will be to show

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[2] *Our Common Future*, pp. 1-2. Report of the World Commission on Environment and Development, Oxford University Press, Oxford, New York, 1987.

[3] *Ibid.*, p. 3.

how people have benefitted by products deriving from tropical forests (medicines, food, fibre, industrial, etc.) and how forests impact on daily lives. Over three years the exhibit will visit twelve major cities in the U.S., including Boston, and Calgary, Alberta, as well. An interactive, hard-disc audio-visual program is being developed in conjunction with the exhibit.

An increasing number of newspapers are carrying stories on global environmental and related trends and developments. There is a small but growing cadre of reporters who do not only outstanding series, but a good job of convincing editors that their stories are newsworthy. Georgia Tasker of the Miami Herald was nominated for a Pulitzer Prize for her articles on Latin American rain forests. Eric Echolm and Phil Shabecoff regularly report on global issues in the New York Times, as does Diane Duminowski for the Boston Globe. Paul Ehrlich, noted biologist at Stanford, contributes frequently to the Parade Magazine Sunday newspaper supplement. Even Hugh Sidney, the conservative editorialist, did an article which state that the 1987 State of the World report was many times more important to reality than the President's State of the Union message.

These are only a few examples of increased efforts to broaden public understanding, and they hopefully will contribute to larger-scale efforts of appropriate responses to a rapidly changing global picture.

In his book, *To Govern Evolution: Further Adventures of the Political Animal*, Walter Truett Anderson observes that:

"Human power in nature is the ultimate political issue, and it is easy to take an unexamined stance in regard to it. One such position would be to say there should not be any such power, that human beings should not intervene in nature at all. This is an admirable principle in the abstract, but since no human society practices it—not even the most primitive or most reverent—it is of no value whatever as a guideline for modern life. A step more satisfactory is the answer that we should practice ecology. This is quite true—the time will come when governance and ecology are understood to be more or less the same thing—but for 'ecology' to be used with any meaning requires some idea of what the ecosystems we inhabit really are, how they work, and how they are changing. That reality . . . is considerably different from the image most of us call up in our minds when the word 'ecosystem' is used."

"The environment is the base from which we think and act as political beings. The more accurate our understanding of it, the more effective our ideas and actions are likely to be; we have to know the territory." [4]

Finally a couple of thoughts on scale of effort. Military budgets this year will probably total nearly $1 trillion dollars globally. This is the accumulated response of nations around the world to real and/or potential threats to national interests. This is an almost imponderable outlay of resources—human, energy, natural, industrial—you name it: It is pervasive. It becomes imbedded in local economics on a global scale. And thus imbedded they become protected as economic entities.

A number of people, including Les Brown of Worldwatch and Admiral Gene LaRocque of the Center for Defense Information, have suggested that we need a new concept of national and global security which includes considerations other than military. Perhaps, they suggest, if nations paid more attention to policies which promote sustainable and equitable development, then they just might gain an increased level of social well-being and political stability which would at once reduce the need for military responses to global issues and permit a greater allocation of resources to sustainable development. Indeed, the *Brundtland Commission Report* states:

"The whole notion of security as traditionally understood—in terms of political and military threats to national sovereignty—must be expanded to include the growing impacts of environmental stress—locally, nationally, regionally and globally. There are no military solutions to "environmental insecurity." [5]

Under an expanded concept of global security, defined in terms of sustainable development, Les Brown and Ted Wolf of Worldwatch have proposed spending levels of $46 billion per year starting in 1990 and reaching $150 billion a year by the close of the century. These expenditures would be to achieve sustainable development by addressing cropland topsoil loss, reforestation, family planning, raising energy efficiency, developing renewable energy, and retiring third-world debt. Again, using the rationale that such efforts would be central to promoting social and economic security, then the need for military expenditures could be reduced. Sustainable development outlays could be supported by a corresponding drop in global military expenditures of $854 billion annually in 1990 to $750 billion a year by the close of the century. These budgets and their rationale are fully developed in the final chapter of *State of the World 1988* entitled "Reclaiming the Future." I commend it to your attention and your thinking.[6]

I believe this is an exciting idea, worthy of a broad scale public dialog. I also believe it offers great promise for building a sustainable future.

I would like to thank the World Affairs Council—Maine and nationally—for including the global environment in the Great Decisions '88 series and for offering me the opportunity to participate here in Portland. Issues require problem-solving, public dialog and consensus for solution. These are necessary but not sufficient. As stakeholders in the global commons, we need a shared vision of what we want this planet to be as a viable human settlement in the future. The World Affairs Council can contribute to that vital process.

Thanks again, be well and be well informed. Only in this way can we avoid the prophecy of Jeremiah 2:7:

"And I brought you into a plentiful land to enjoy its fruits and its good things. But when you came in you defiled my land, and made my heritage an abomination." "Your ways and your doings have brought this on you." "This is your doom and it is bitter."

Or the observation in the Rubiyat of Omar Kyam: "Of all sad tales of tongue and pen, the saddest are these. These are the things that might have been."

[4] *To To Govern Evolution: Further Adventures of the Political Animal*, Walter Truett Anderson, Harcourt Brace Jovanovich, Inc., Boston, Massachusetts, 1987, pp. xii-xiii.

[5] *Our Common Future*, p. 19.

[6] *State of the World*, Worldwatch Institute, Washington, D.C., W. W. Norton & Company, New York, New York, 1988, pp. 170-188.

THE RETIREMENT OF GEN. WILLIAM L. KIRK

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. DICKINSON. Mr. Speaker, on behalf of the Armed Services Committee, I want to take a few minutes today to pay deserved tribute to an outstanding American patriot and airman—Gen. William L. Kirk. Effective on May 1, 1989, General Kirk retires from a long and distinguished career of some 37 years. In that time, he has served his country and the U.S. Air Force with distinction in every rank from airman to four-star general.

He enlisted in 1951; became an aviation cadet in 1953; was commissioned a second lieutenant and awarded his pilot's wings in 1954. He moved through the ranks of the Air Force becoming one of this Nation's premier combat leaders. Deserving special recognition are his combat missions in Vietnam where he shot down two North Vietnamese Mig's.

General Kirk went on to command at every level in the Air Force from flight commander to commander in chief, U.S. Air Forces Europe. His duties carried him all around the world: to Japan, at the Yokota Air Base; to England, at Royal Air Force Station Bentwaters; and to Thailand and the Ubon Royal Thai Air Force Base. As he moved up in the chain of command, he served stints at several key bases here in the United States as well, including Davis-Monthan Air Force Base in Arizona; Air Force Headquarters here in Washington, DC; Holloman Air Force Base, New Mexico; and Shaw Air Force Base in South Carolina.

After assuming his four-star rank in 1987, General Kirk capped his remarkable career by accepting one of the most demanding commands in the world as dual-hat commander in chief of U.S. Air Forces Europe, and commander, Allied Air Forces Central Europe. During his service in this capacity I had the pleasure of visiting the general at his headquarters Ramstein Air Base in West Germany a number of times. His leadership and stewardship of that grave responsibility resulted in an unquestionable advancement in the readiness and capability of both United States and Allied Forces. His contribution to the forward defenses of the United States is great and lasting, for which he deserves the deep gratitude of the Congress and the American people.

It should be mentioned, too, that General Kirk is a highly decorated patriot. As a command pilot with more than 6,000 flying hours in jet fighter aircraft, he has earned a list of military decorations too long to recite here. Among those awards are the Distinguished Service Medal, the Silver Star with one oak leaf cluster, the Legion of Merit with one oak leaf cluster, the Distinguished Flying Cross with four oak leaf clusters, and the Air Medal with 11 oak leaf clusters, to name just a few of his honors.

Mr. Speaker, General Kirk is an extraordinary American who has devoted his entire professional life to the defense of our country.

Indeed, General Kirk has typified the notion of service over self. And along the way he has distinguished himself as one of the truly great airmen in the history of the Air Force. In short, he is an airman's airman, a true example for others to emulate. So, on behalf of my colleagues, I take great pleasure and pride in wishing Godspeed to Gen. Bill Kirk and his wife, Nancy, as they embark on a new chapter in their life.

INTRODUCTION OF AMERICAN INDIAN RELIGIOUS FREEDOM ACT OF 1989

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. UDALL. Mr. Speaker, the Supreme Court in the 1988 case of Lyng versus Northwestern Indian Cemetery Protective Association quoted from a speech I had given on the House floor in 1978 to the effect that the American Indian Religious Freedom Act of 1978 "has no teeth in it." Having been thus quoted, I decided to take another look at the issues surrounding the American Indian Religious Freedom Act and the impact of the act in the 11 years that it has been on the books.

Regrettably, I have concluded that the absence of teeth in the act left American Indians without any effective means to defend their Indian religions. Of course, in 1978, the year the act was passed, I could not have foreseen the 1988 Supreme Court decision in the Lyng case and its adoption of an extremely narrow view of protection given to religious freedoms in the Constitution.

The Court in Lyng held that under the free exercise clause of the Constitution, the Government could not be prevented from destroying sites held sacred by traditional Indian religions because the clause is written in terms of what the Government cannot do to the individual, not in terms of what the individual can extract from the Government.

Justice Brennan in the dissent—in which he was joined by Justices Marshall and Blackmun—expressed the view that the adoption of this principle pushed the majority of the Court to reach the astonishing conclusion that Federal land-use decisions that render the practice of a given religion impossible do not burden that religion is a manner cognizable under the free exercise clause, because such decisions neither coerce conduct inconsistent with religious belief nor penalize religious activity.

The holding of the Court ignores the peculiarity of traditional native American religions. These religions are different from other religions in the sense that many of them are site specific and many of these sites are found in nature. The Court's recent decision in effect allows the Government to totally destroy these sacred sites without constitutional restriction under the guise that such destruction does not force the Indians to behave contrary to their religious beliefs.

It seems that a law which would prevent Christians or Jews from attending churches or synagogues would obviously be held unconstitutional. Yet the Court's holding in Lyng would allow the Government to destroy the only church these Indians have. To these Indians, the net result is the same as a law preventing church or synagogue attendance.

Contrary to the views of a famous contemporary jurist who recently advanced the proposition that we are a Christian nation, I do not believe that a particular faith has been officially adopted by our country. Unfortunately, because of cultural biases and lack of understanding of American Indian religions, the constitutional principle adopted in Lyng could favor certain types of religions over others when it comes to protection of religious freedoms under the Constitution. Although not a Christian nation, this Nation is a nation which has always believed in freedom of religion and has prided itself in the right of all people to exercise their religious beliefs free from Government interference.

The purpose of the legislation I am introducing today is to given some teeth to the American Indian Religious Freedom Act so as to give Americans Indians a fighting chance to alter management of Federal lands which pose a substantial and realistic threat to the continuing practice of their religion.

ON OUR TOBACCO INDUSTRY

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. TALLON. Mr. Speaker, for most of this decade, our national trade deficit has been a consuming and seemingly insurmountable problem. We all know that Americans are buying too many Hondas and selling too few Oldsmobiles. We all know that Americans are wearing too many labels that say made in Taiwan rather than made in the USA.

But do we know that while other industries have suffered from foreign competition, tobacco exports have soared, providing a big boost for the American economy and a multi-billion dollar annual surplus to the national trade balance?

Just how important is the tobacco industry to U.S. foreign trade? Take a look at U.S. tobacco today and you will see that, as the song says, "We are the world." The U.S. Commerce Department reports that tobacco is one of only four categories of products in which the United States maintains a favorable balance of trade.

Last year, Wharton Econometrics, an independent economic research firm, released a study demonstrating how tobacco and other agricultural product surpluses combat the U.S. trade deficit.

According to this study, the value of tobacco leaf and product exports increased more than 25 percent to almost $3.4 billion in 1987, compared to $2.7 billion in 1986. The tobacco industry posted a trade surplus of $2.7 billion in 1987, a 32-percent increase over 1986.

The U.S. trade deficit problem is concentrated in a few economies of the world, among them Japan, Germany, and Taiwan. In those countries, and in others, tobacco is posting healthy trade surpluses and providing the blueprint that other American industrial sectors should hope to follow.

The Pacific Rim, in particular, has been the target of the most recent surge in American tobacco exports. New business recently generated by increased exports to Japan, Taiwan, and Korea is expected to add well over $800 million to the overall United States trade surplus.

And this means jobs here at home. Over 710,000 people are employed in growing U.S. tobacco, bringing it to market and manufacturing, warehousing, wholesaling and retailing tobacco products. Another 1.6 million American jobs are indirectly generated by the tobacco industry through exports. In 1987 alone, tobacco exports of $3.4 billion accounted for about 85,000 U.S. jobs.

So now that we've seen the cards, what's the game? More of the same. The secrets to our past success have been a superior product, knowledgeable marketing, and governmental action to eliminate unfair trade barriers. This should also be our formula for the future.

The quality challenge I'll leave to our farmers. For as long as I can remember, our farmers have set the standard for quality—in flavor, color, and aroma. And this year that standard was even higher. I am confident this tradition of excellence will continue.

Second, increased access abroad. Despite its strong showing in the past several years, the tobacco industry still faces trade restrictions that some countries have been slow to eliminate.

As the Wharton Study noted, "The continued ability of the tobacco industry to generate trade surpluses and to reduce the U.S. trade deficit depends on the continued favorability of numerous foreign and domestic factors." These factors include "competitive exchange rates and unfettered access to foreign markets * * * and continued Government support in ensuring international fair trade practices."

The Congress, in passing the Omnibus Trade and Competitiveness Act of 1988, recognized that this country has a serious international trade problem. A sizable portion of our perennial trade imbalance can be attributed to unfair and discriminatory barriers imposed by our trading partners. Last year, we in the Congress mandated that the U.S. Government take action to end the practice—for all U.S. products with export potential.

The administration has strongly supported our position. As stated in 1988 by the U.S. Trade Representative, and current USDA Secretary Clayton Yeutter:

> Our trade policy is simple and straightforward. We want the same market access and treatment for United States tobacco products that is afforded to the tobacco companies in the country in question. If a country wishes to restrict for health reasons the sale or use of tobacco products, we will not object, so long as the restrictions apply equally to domestic and imported products.

Finally, we need to change the terms of the tobacco debate here at home. Every American needs to understand in no uncertain terms the impact of tobacco on the Nation's wallet as well as his own. We need to make sure that message is heard in Congress.

Tobacco has shown that quality American products can successfully compete in foreign markets if provided with a fair opportunity. Our Government plays a vital role in seeing that we do get a fair shake overseas. American producers, manufacturers, and government officials can and must work together to ensure our continued success. The key is cooperation.

PHILHARMONIC ON THE HUDSON TO PERFORM IN CARNEGIE HALL

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. GUARINI. Mr. Speaker, on March 23, 1989, a very exciting cultural event will take place at the prestigious Carnegie Hall in New York City. The occasion is the first performance of the Philharmonic on the Hudson and it will be the first time a Hudson County orchestra will perform at that great world-known cultural institution.

The Philharmonic on the Hudson, under the direction of David Dworkin, is the natural transition of an orchestra which has been performing in Hudson County for the past 25 years in an outstanding fashion, known as the Jersey City State College Community Orchestra. I have attended several of their performances and found them to be truly outstanding. It has provided much pleasure to tens of thousands of individuals through the years who have attended their concerts.

The Philharmonic on the Hudson is made up of 60 professional musicians from all parts of New Jersey and Manhattan. The gala concert will have David Dworkin as its conductor. He will share the podium with the noted English conductor, Sir David Willcocks. Mr. Dworkin is also conductor of the Vermont Youth Orchestra and assistant conductor of the Vermont Symphony and will conduct the Philharmonic on the Hudson in the Overture to 11 Viaggio A. Reims by Glocchino Rossini, Sensemaya by Sylvesre Revueltas, and complete the first part of the program with a reading of Beethovens First Symphony.

Sir David Willcocks, with a chorus of 300 and soloists, will conduct the Philharmonic on the Hudson in a performance of Gabriel Faures Requiem. The chorus will be made up of high school students from all parts of the United States. They will represent some 11 States throughout our Nation.

For the opening season of 1989–90 the Philharmonic on the Hudson has planned three concerts at Jersey City State College to be followed by three concerts in various areas of New Jersey.

The orchestra will serve as a platform for young concert soloists from the New Jersey and Tri-State area. Composers will be commissioned to write new works to be performed by world-class artists with the Philharmonic on the Hudson. Competitions will be held for New Jersey artists. The winners will have the opportunity of performing with the orchestra.

I wish to commend David Dworkin and Jersey City State College, whose president is Dr. William Maxwell, for their great leadership in providing this important cultural program.

Serving on the Musical Advisory Board are Dr. Joseph Polisi, president of the Julliard School, David Amram, a recognized internationally known American composer, Peter Serkin, a world-class pianist, an Pacido Domingo, a great artist.

I am certain that this concert will be the beginning of many outstanding presentations which will follow.

I extend my best wishes to David Dworkin and the group, and ask my colleagues here in the House of Representatives to join me in extending best wishes for a successful season and for many seasons to come.

YOUTH EMPLOYMENT SERVICES ACT OF 1989

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. MFUME. Mr. Speaker, today I have the distinct privilege of reintroducing the "Youth Employment Services Act"—YES Act—together with 25 of my distinguished colleagues in this Chamber as original cosponsors. It was with leadership and wisdom that Senator HOWARD METZENBAUM authored this perspicuous legislative proposal. I commend the Senator for allowing me to take the lead on this bill in the House.

This legislation is desperately needed by many of our young people throughout the Nation, particularly in our cities where the youth unemployment rate has surpassed 40 percent. Lacking the employment opportunities and proper skills to achieve employment, many of these young people are caught in an ever-enduring cycle where upward mobility seems as remote as the stars over their heads. Too many of our Nation's youth are abandoning hope of ever becoming productive and stable members in their community. We must not allow hopelessness and despair to prevail.

Mr. Speaker, the YES Act I am proposing today will build confidence and restore dignity to those individuals who have low self-esteem or lack adequate academic and vocational skills for gaining employment. I am keenly aware of the challenges we are faced with, but this bill will confront those challenges by providing marketable skills, successful job placement, and educational advancement.

The Youth Employment Services Act will create a 3-year national demonstration program involving up to 100 public-private partnerships composed of nonprofit organizations, businesses, or public agencies. These partnerships will provide intensive training and employment opportunities to unskilled and unemployed young people. Additionally, this initiative will show us which programs are best constructed to achieve our goal of providing job opportunities to America's most disadvantaged youths.

Mr. Speaker, the Youth Employment Services Act will provide for $100 million in budget authority for the first year of the program and $150 million for each remaining year. Over the 3-year period, the partnerships will receive 30 percent of the Federal funds for program operations. If these partnerships can receive an equal amount of contributions from the private sector, an additional 20 percent in Federal matching funds will be available. Finally, up to 30 percent of the Federal funds will be available for success payments which the partnerships can earn by achieving concrete results for eligible program participants.

While this legislation proposes new budget authority, the returns on such an investment will be incalculable. The "Yes Act" is not only a chance for many youths to move away from a life of drugs and crime; it offers a real alternative for change toward a better way of life. This, Mr. Speaker, is something we can not put a price on.

I realize the tough economic and budgetary decisions we will have to make this Congress as we seek to reduce the Federal deficit. In fact, the "Yes Act" is designed to assist in our efforts. This is a practical piece of legislation because it will more than pay for itself by helping people to move from social dependency to self-sufficiency. By offering the unemployed an opportunity to become productive workers, Federal revenues will be increased as payments for unemployment and welfare benefits are lowered. This approach is both rational and economically feasible. The "Yes Act" seeks to solve two of our Nation's greatest problems: the Federal deficit and unemployment.

I urge my colleagues in the House to "Just say Yes" in support of this cost effective legislative initiative and help build a better life for that young person who just needs a chance to start a new life.

HIGH DEFINITION TELEVISION RESEARCH AND DEVELOPMENT ACT OF 1989

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. WALGREN. Mr. Speaker, the High Definition Television Research and Development Act, which my colleagues and I are introducing today, is a major step toward reestablishing the United States as a major participant in the worldwide consumer electronics industry. I urge my colleagues to give this bill their serious consideration.

High definition television has been the subject of intense interest recently both in the United States and abroad. The Japanese have supplied considerable government funding for the development of this advance in technology, the Europeans have selected their standards for their HDTV industry and the Soviet Union has offered a site in Moscow, to the world community, for testing HDTV components.

We have demonstrated world leadership in the past in television technology and semiconductors. Video cassette recorders were first developed in this country but we were not able to bring our technology advance to the market.

In recent years a pattern has developed in consumer electronics where American companies, with a few exceptions, have got out of the business. This has occurred for reasons as varied as: Unfair trade practices, lack of quality, redirecting corporate resources toward more profitable ventures, and short-term vision of the market.

In short, lack of competitiveness.

By giving up consumer electronics to our global competitors, it is our own technology base and research and development efforts that suffer. Our engineers and scientists are no longer making the breakthrough advances in: Television technology, semiconductors materials and design, signal transmission and processing, electronics hardware, and manufacturing technology.

Our technology base is eroding and the benefits of that base such as: Better jobs, improved products, lower prices, spinoff to the defense sector, increased global competitiveness are also disappearing.

The High Definition Television Act should be an important step in reversing that trend. In introducing this bill, we seek to provide government encouragement for private industry's efforts to improve the competitiveness of the U.S. consumer electronics industry. This bill will provide for funding of joint research and development ventures through the Advanced Technology Program at the National Institute of Standards and Technology, an agency with a long history of productive cooperation with industry.

We have the capability to exercise leadership in new areas of television technology as evidenced by the excellent response to DARPA's initiative on HDTV. We must now move a step further and set the stage for the best of these ideas to enter the marketplace as American products. We have the opportunity to revitalize the consumer electronics industry in the United States by providing an outlet for very creative energies that exist just below the surface. The High Definition Television Act will help the United States pursue the goal of high technology excellence and not settle for just putting things together for someone else or just buy products designed and manufactured abroad. I urge my colleagues to give their wholehearted support to this initiative.

NATIONAL DIABETES MONTH

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. HOYER. Mr. Speaker, today I am introducing legislation to designate November 1989 as "National Diabetes Month." Since 1982, legislation declaring November as National Diabetes Month has been passed by the Congress and signed into law by the President. I have had the privilege of sponsoring this resolution for each of the last 6 years. Thanks to the dedicated and able support of the American Diabetes Association and its State affiliates, which use this resolution to help focus attention on the need to support diabetes research and education, we have been able to help spread the important message about diabetes and its complications around the Nation.

Approximately 11 million people in America have diabetes, and I'm sure few of us have not been touched by a family member, neighbor, or friend who has the disease. Only 6 million of those 11 million Americans know they have the disease, and it is for this reason the National Diabetes Month resolution is so important. These individuals must be identified and given the health care they need.

Diabetes costs the United States $20.4 billion annually in direct and indirect medical expenses, disability payments, lost productivity, and absenteeism. Diabetes is a leading cause of death in this country. It is the leading cause of new blindness; over 5,000 people go blind every year because of diabetes. It is the leading cause of nontraumatic foot and leg amputations. And it is a leading cause of kidney disease and kidney failure.

Minorities, and especially native Americans, Hispanic Americans, and black Americans, face an increased prevalence of diabetes. For example, nearly 50 percent of the population in some Pima Indian tribes have the disease. Diabetes is one-third more prevalent in the black population than in the general population.

But we can improve these statistics and reduce the human and economic cost of diabetes. How? Diabetes is unique among chronic diseases and disorders in that careful self-monitoring by the patient with diabetes can avoid the development of some of the most serious complications of the disease. Proper diet, exercise, and medication are the keys to good control, and good control can only be achieved through the active participation of the patient with diabetes.

That is why the National Diabetes Month resolution is so important. One of the leading State affiliates of the American Diabetes Association is located in my home State of Maryland, and I have seen what a State affiliate can do for people with diabetes through public education and awareness activities. I am very proud that the ADA Maryland affiliate and these three research facilities have contributed so much to the Nation and the State in the field of diabetes research.

The National Diabetes Month resolution can help increase public awareness and understanding of diabetes. This in turn can increase public support for diabetes research, help develop better methods of diagnosing and treating the disease, and help the 6 million undiagnosed people with diabetes in this country seek the proper medical attention they so urgently need.

Mr. Speaker, I urge my colleagues to join me in cosponsoring this important resolution.

PRESIDENTIAL EMERGENCY BOARD FOR EASTERN DISPUTE

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. McMILLEN of Maryland. Mr. Speaker, I rise today in support of H.R. 1231, a bill directing President Bush, under the authority of the 1926 Railway Labor Act, to appoint a Presidential emergency board to investigate and make recommendations on how to resolve the dispute between Eastern Airlines and its three unions—the International Association of Machinists; the Air Line Pilots Association; and the Transport Workers Union, which represents Eastern Airlines' flight attendants.

Eastern Airlines is now in chapter 11 bankruptcy proceedings and operating only limited services, following the March 4 strike by the International Association of Machinists and the supporting actions by Eastern's pilots and flight attendants. Unless this labor dispute can be resolved promptly, Eastern is unlikely to be able to reorganize and resume operations as a major airline.

The death of Eastern Airlines could have several serious consequences.

First, Eastern's demise could mean the loss of up to 30,000 jobs, inflicting an immediate hardship on Eastern's workers and their families and substantial economic damage to the communities in which they live.

Second, if Eastern—the country's sixth largest airline—does not survive, there is little assurance that its service will be replaced with service by new carriers that do not already serve Eastern's markets. This could seriously affect transportation service in those sections of the United States in which Eastern is the major carrier. For example, Eastern's demise could adversely affect the LaGuardia-Boston and the New York-Washington markets since Eastern carried 57 percent of these markets in the first 3 months of 1988.

Third, the loss of the competitive air service now provided by Eastern could lead to further reductions in domestic airline competition, jeopardizing the low fares which have been made possible by airline deregulation. In the last few years there have been 10 mergers of major airlines. Of the 22 new airlines entering the domestic market since deregulation, only 5 are still operating as separate carriers. And the market share of the top 8 carriers is now 91 percent, a substantial increase from the 74 percent share of these carriers in 1983. The demise of Eastern could only exacerbate this increasing concentration in the domestic airline market.

Mr. Speaker, as you know, on February 24, the National Mediation Board [NMB] recommended to President Bush that he appoint a Presidential emergency board to examine the issues involved in the Eastern dispute and to propose recommendations on how to resolve it. Under the 1926 Railway Labor Act, if the President appoints an emergency board, the Board has 30 days to study the dispute and prepare its recommendations. During this time, and for an additional 30-day cooling off period thereafter, the parties are required to maintain the status quo that existed before the strike—that is, the workers must return to work under the terms of the preexisting contract. However, the recommendations of the board are not binding. Once the 60-day cooling off period ends, the parties may either accept the board's recommendations or resume their dispute.

Unfortunately, President Bush has declined to follow the NMB recommendation. Such

Presidential inaction in this type of situation is totally unprecedented. The NMB has recommended the appointment of a Presidential emergency board for airline labor disputes 34 times since the Railway Labor Act was enacted in 1926. In every case—except the present one—the NMB recommendation was accepted and a Presidential emergency board was set up. The reason for this record is simple: These special emergency boards have a proven history of resolving airline labor disputes without disruptive strikes.

Thus, the best—and possibly the only—hope for resolving the present dispute at Eastern is for the Congress to pass H.R. 1231. This legislation establishes a Presidential emergency board with special expedited procedures, shortening the board's maximum investigation time from 30 to 14 days—subject to a possible 5-day extension at the board's request—and shortening from 30 to 7 days the cooling off period. The maximum time, therefore, that H.R. 1231 requires a suspension of the Eastern strike is 26 days, instead of the 60 days under normal Railway Labor Act procedures.

I strongly urge my colleagues on both sides of the aisle to vote for H.R. 1231.

FEDERAL DEFICIT YO-YO WHAT GOES UP MUST COME DOWN

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. GUNDERSON. Mr. Speaker, there is no question that one of the most critical issues facing our Nation is our Federal budget deficit. Recently, I was visited by three students enrolled in Gallaudet University's School of Management who have both an academic and innovatively creative interest in our Federal budget deficit.

The three Gallaudet students, Patrick Costello of New York, Murray Margolin of Ohio, and George Papazis of New Jersey are part of Gallaudet's 18 member Students in Free Enterprise [SIFE] team. SIFE is a nonprofit organization sponsored by major foundations and corporations with the important goal of improving the performance of our American economy by implementing student generated free market educational programs at colleges and universities. Such activities serve to provide, in addition to classroom studies, a better understanding of our current economic issues and a greater appreciation for our free market system.

The objective for students on the SIFE team are to build skills in business communications, and personal relationships—skills often not obtainable through classroom studies. Through the SIFE program, these students receive academic credit, practical marketing experience, and acquire a variety of management techniques through their hands on involvement in creating an outreach project and product to illustrate a current economic issue. The Gallaudet SIFE team selected the Federal budget deficit as its economic issue and a yo-yo to appropriately illustrate what Congress is trying to do to our Federal deficit—make it go down. The Gallaudet's SIFE team and the Federal deficit yo-yo provides us with a very clear economic message—what goes up must come down.

These Gallaudet students will soon take their Federal deficit yo-yo project and compete in the SIFE regional competition this April in Atlanta, GA, and if selected as a finalist compete in the SIFE International Exposition in Kansas City on May 15–17.

Mr. Speaker, I would like to congratuate the Gallaudet University SIFE team and their faculty adviser, Dr. William Varrieur, for creating a truly innovative approach for illustrating our Federal budget deficit, and I wish them well in their upcoming competition!

THE 150TH ANNIVERSARY OF IRONDEQUOIT, NY

HON. LOUISE M. SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Ms. SLAUGHTER of New York. Mr. Speaker, I rise today to pay tribute to the town of Irondequoit, NY, on the occasion of its 150th anniversary.

Lying just north of the city of Rochester and resting on Lake Ontario, the town of Irondequoit harbors a delicate balance of peaceful neighborhoods and natural parks. Founded on March 27, 1839, Irondequoit originally was a strategic thoroughfare for Indians and French Canadians and at one point was considered the northwest passage to China by the French explorer La Salle. The Indians referred to the area as "Gerundegut," meaning "where the land and waters meet." Through the years, the neighboring village of Carthage—later North Rochester—and the town of Rochester developed trade with Canada, but it was not until after the Civil War that Irondequoit began to cultivate its beautiful scenery and wildlife for an industry new to the area—recreation.

Bordered on the east by Irondequoit Bay, on the north by Lake Ontario, and on the west by the Genesee River, Irondequoit contains all the natural elements of a relaxing recreation area. The first resort hotel to the area was built in 1865 and appropriately named "The Sea Breeze." With the large number of points and coves along the shores of Irondequoit, numerous yacht clubs and docking areas developed in the late 1800's and early 1900's creating a natural boating community. Irondequoit has for a long time provided a wealth of both developed and undeveloped parks and lakes for the outdoors enthusiast, whether it be for jogging, biking, and swimming in the summer or hiking, skating, and cross-country skiing in the winter. As importantly, however, Irondequoit serves as a reminder that the natural environment is crucial to the health of our developed areas.

Today, the rich land of Irondequoit serves several agricultural purposes including producing grapes for New York wines and melons served in the finest restaurants around the world. Irondequoit is a growing and thriving community of 60,000 citizens who make enormous contributions to the Rochester metropolitan area. In recognition of the wonderful heritage of Irondequoit, numerous activities will take place in this lively community throughout the year beginning on March 27. I hope my colleagues will join me today in honoring the sesquicentennial of Irondequoit and in wishing the entire community continued success and good fortune in the years to come.

SOVIETS REFUSE EMIGRATION OF VASILI AND GALINA BARATS

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. SMITH of New Jersey. Mr. Speaker, last November while in Moscow with the Helsinki Commission on Security and Cooperation in Europe, I had the privilege of meeting Vasili and Galina Barats, a couple whose lives have been fraught with strict regime labor camp sentences, internal exile, and persistent harassment for their human rights activities, Former members of the Communist Party, the Barats had a change of heart, spiritually, denounced their party membership and declared their decision not to further participate in the expansion of communism. Furthermore, this activist couple was in contact with foreign journalists and they were involved in various religious activities when first arrested 6 years ago, in 1983.

The grueling hardships Galina endured during her time in the so-called small zone of a strict regime labor camp in Mordovia has been recorded in a new book, "Grey is the Color of Hope," written by her fellow prisoner, Irina Ratushinskaya. The small zone was designated for women who were allegedly "especially dangerous" political prisoners. Vasili was held in one of the 100 or so labor camps in the Perm region of the Soviet Union and at times the two did not know where the other was serving time.

Since the time of their release in 1987, Mr. Speaker, the harassment by Soviet authorities has continued—Galina was severely beaten and both were forcefully deported to Siberia in November 1987 and left on the streets without money or documents. In May 1988 Vasili was deported to the Western Ukrainian Transcarpathian region, both were denied residence permits in Moscow until January, Galina has been confronted and physically harassed by authorities in recent months, and in January, their application for emigration was not even accepted by the OVIR office in Moscow.

Mr. Speaker, this latest tactic is a clever maneuver whereby the OVIR does not have to admit that someone was denied the right to emigrate if the application was not permitted to be submitted.

It is my understanding, Mr. Speaker, that President Reagan shared his concern for this particular case when he met with General Secretary Gorbachev. During the meetings last November, I sought assistance from a number of Soviet authorities to obtain permission for emigration for this activist family. In the last few days, 75 of my colleagues joined me in sending a letter to the OVIR requesting accommodation on this particular case.

Mr. Speaker, I am hopeful that the Soviets will grant approval for exit visas immediately. Vasili and Galina have served their time, they have survived the beatings and the strict regime camps but their future remains unclear even in this era of glasnost.

SAFE AIR TRAVEL

HON. DAVE McCURDY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. McCURDY. Mr. Speaker, we are witnessing an attack by international terrorists on an innocent victim, commercial aviation. Terrorists attack with no warning and no rationale. Their weapon of choice is a pliable, odorless substance that is twice as powerful as TNT and is virtually invisible to conventional security devices. It can be hidden in a brief case or a small cassette recorder. We were reminded of the deadly nature of plastic explosives like Semtex when Pan Am flight 103 exploded over Lockerbie, Scotland last December. A total of 270 people died that day.

Unfortunately we cannot change the tragedy of the Lockerbie incident. We can, however, fight back against the use of plastic explosives. Thermal neutron activation is a mature technology that has been proven to have 95 percent accuracy in detecting plastic explosives. During the recent hearing held by the Committee on Science, Space, and Technology on which I serve, Allan McArtor stated, with respect to TNA,

> We do not see any technical hurdles, however, we would like to see some improved performance capabilities with respect to through-put.

The Federal Aviation Administration has the consolidated lab and field tests on TNA and other "sister" technologies, but, to date, has not done enough to see that this equipment be expeditiously installed in major airports throughout the United States.

As you know, the FAA has planned to deploy six TNA devices at the high-risk airports within the next year and I commend them on this effort. However, I believe that the effort needs to be accelerated and a clear agenda set for the installation of explosives detection equipment in all major airports. Terrorists are not likely to curtail their insidious acts while we debate and formulate this agenda. Therefore, the FAA should take more of a leadership role to ensure that mature plastic explosives detection equipment like TNA be installed in major airports without unnecessary delay.

The Airport Security Technology and Research Act, which I am introducing today, will put into place, through the FAA's rulemaking process, deadlines for installation of detection equipment. The FAA will have 90 days after the bill is enacted to initiate a rulemaking proceeding and 180 days to issue a final rule. The final rule will require that the detection equipment be installed in major airports no later than 1½ years after enactment of the bill.

The bill requires that the FAA administrator outline:

Who will purchase;

Who will install and operate explosive detection equipment to be used at major airports;

How the equipment will be purchased; and

Who will pay to maintain and operate the equipment.

The agenda must be set quickly to ensure safety for airline passengers and crews from the invisible and deadly threat of plastic explosives.

The act also calls for accelerated research and development of other technologies which may be used for explosives detection. There are about 30 contracts with the FAA for other technologies including fast neutron activation, enhanced x ray, ion mobility spectrometry, and biotechnology. The FAA should accelerate funding for research on fast, accurate, low-cost technologies so that we can keep a step ahead of the threat that terrorists pose to commercial aviation.

Mr. Speaker, it is obvious that airport security is just a part of stopping terrorism. We must work with U.S. intelligence agencies and encourage cooperation with foreign governments to put an end to terrorism. But, until the threat of terrorism no longer exists, Congress, the FAA and all those responsible for safety must use available resources to ensure safe air travel. Explosives detection equipment is an extremely valuable resource and, most importantly, it is available.

TRIBUTE TO LT. DELBERT J. SOUZA, LOS ANGELES SHERIFF'S DEPARTMENT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an outstanding citizen and civil servant, Lt. Delbert J. Souza of the Los Angeles Sheriff's Department.

Lieutenant Souza started his law enforcement career in 1961 as a bailiff in the Los Angeles Superior Court System. In April 1971, he was promoted to sergeant and assigned to the Sheriff's Radio Center, Technical Services Division.

In December of that same year, he was selected to become part of the formation of the Civil Center Security Unit. As a training sergeant, he was responsible for the direction and coordination of training for the Civic Center Security Unit. Lieutenant Souza established and conducted this unit's first P.O.S.T. certified security school for law enforcement. He was also assigned as sergeant of special operations, and coordinated the unit's activities with patrol planning and other special units of the department. He was also responsible for the planning and supervision of the security procedures related to the Endangered Witness Program and high risk security/risk security trials.

In September 1978, Lieutenant Souza was in charge of the bailiff detail in the criminal courts building. One year later, on loan from the sheriff's department, he served as director of security for the Museum of Natural History and the George Page Museum, county of Los Angeles. He traveled throughout the United States and to Bogota, Columbia, providing security for the transportation of gold artifacts and Colombian emeralds. He also assisted in the development of the Los Angeles County Chief's Executive Committee, which sets standards of training for all Los Angeles County Security Officers, and he was involved with the development of the first Los Angeles County Security Officer's Academy. He was also director of security for Harbor UCLA Medical Center.

In September 1986, Delbert Souza was promoted to the rank of lieutenant and assigned to the Mira Loma Facility, Custody Division. As watch commander he was responsible for the operational functions of his shift. Delbert returned to the Court Services West Bureau in August 1987, and was assigned as the operations lieutenant. In this capacity, he assisted the bureau commander with the daily operation and administrative functions within the bureau.

In March 1989, after a long and distinguished career, Delbert Souza will retire from the Los Angeles County Sheriff's Department.

My wife, Lee, joins me in extending our congratulations to Lt. Delbert J. Souza. He is truly a remarkable individual. He is a man who has devoted his talents and energies to enriching and protecting the lives of other people. On behalf of the entire community, we wish Delbert, his wife, Rose, and his children, Karen and Diane, all the best in the years to come.

THE PROBLEMS IN COLONIA COMMUNITIES

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. COLEMAN of Texas. Mr. Speaker, I rise today to congratulate my colleague from Texas, Congressman SOLOMON ORTIZ, for the legislation he proposed today to assist communities located along the United States-Mexico border. I am pleased to support his bill and I applaud his efforts on this issue.

Mr. Speaker, during the course of the last congressional session, the country learned about communities along the United States-Mexico border where residents live without access to running water or sewage service. These communities are often located outside the limits of cities, where no such services are available. There are literally hundreds of thousands of people living in conditions similar to those of Third World nations. In my congressional district alone, 28,000 people live in colonia communities without running water and 53,000 without sewage facilities.

The results of living in these conditions are deplorable public health situations, with residents experiencing exorbitant rates of diseases that have largely been eradicated in other parts of the country. The economic conditions of the colonias make the responses to problems that would be resolved traditionally by State and local governments more difficult to devise and implement. While water supply problems are normally considered local mat-

ters, the problems of the colonias extend beyond individual counties. I believe there is a Federal role to be played because the situation involves public health conditions in four States and two countries and presents a serious public health threat to border communities on both sides. The U.S. border area, in particular the colonias, has been neglected for many years, and it is time for the Federal Government to address the depressed conditions that exist in the region.

Existing Federal programs are not sufficient given the extent of the need found in the area and because of administrative limitations to the applications of these programs.

The bill introduced today utilizes existing programs under the Farmers Home Administration and corrects a regulation that has prevented some residents in the area from participation in this program. The bill would authorize grants up to $25 million in any fiscal year to public entities and nonprofit organizations to develop plans and finance specific projects for the installation or improvement of water facilities. These could be used for storage, treatment, purification, or distribution of water as well as the collection, treatment, or disposal of wastewater. In addition, $20 million would be authorized for loans and grants for very low-income families to cover the cost of repairs, improvements, and additions to sanitary waste facilities and convenient and sanitary water supplies. An important component of this legislation is to make eligible for this assistance all colonia communities along the border, regardless of whether they technically meet the "rural" or "rural area" definition under FmHA programs, which in the past has served to prevent colonia residents from participation in FmHA programs. I would like to thank my colleagues for including this language, which will be particularly helpful to colonias in my congressional district.

While the proposal introduced today by my colleague from Texas today which I am cosponsoring is not the comprehensive response to the many problems of colonia residents, it would begin to resolve the appalling conditions that exist along the border, and I urge my colleagues to support our efforts to provide basic services to United States-Mexico border residents.

KENTUCKY VOICE OF DEMOCRACY WINNER, WENDI SUE MARTIN

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. NATCHER. Mr. Speaker, each year the Veterans of Foreign Wars and its ladies auxiliary conduct the voice of democracy broadcast scriptwriting contest. The theme of this year's contest was "Preparing for America's Future" and more than 250,000 secondary school students participated, competing for the 9 national scholarships distributed among the top 9 winners. The winning contestant from each State came to Washington, DC, for final judging.

The winning script from Kentucky was composed by Wendi Sue Martin, a senior at Marion County High School, located in the Second Congressional District, which I have the privilege of representing in the Congress.

It is with great pleasure that I submit Wendi's entry for insertion into the CONGRESSIONAL RECORD:

PREPARING FOR AMERICA'S FUTURE

I see America as one person, sitting in a huge green field, staring out at the rest of the world. She stands and begins to walk, stopping every now and then to pick a flower. She passes over many of the blooms, picking only certain ones. The flowers are our future. They represent new things we will do someday. New advances—in technology, education, medicine and so much more. But how do we prepare for our future? Well, no one can tell what exactly is in store for America. We can, however, make ourselves ready for it. We have to start by solving the problems we're faced with today, like AIDS, the homeless, the hungry, the national debt, cancer, depression and crime. Once these troubles are conquered, we can face tomorrow with open arms and stand ready for it.

The progress toward success will be slow, but it will come. Right now, there are men and women all over the country working to make America work. They are the scientists, striving to develop cures for our worst diseases; they are the counselors, showing our downhearted the way to a better day; they are the everyday people, helping our homeless and our hungry build new lives. It's you and I, we can make our world a better place. If we are to look to the future with hope and promise, concentration has to be given to the areas of our world which cause us strife. We must volunteer to help our homeless, our hungry; we must help fund research societies that are trying to cure our sick; we must comfort the lonely.

Look around you, America, there is a new day coming. The people of our United States are growing and learning together. We are becoming a nation of which to be proud. We're working harder and living longer. America has developed a new comprehension of the responsibilities we have to other nations and their people, as well as the responsibilities to the American people.

What are these responsibilities? Well, we have to provide a strong example to other countries of what a free nation can be. We must prove to them that democracy can work, that it does work.

As for the responsibilities to America—we must provide jobs for the unemployed. We must find a way to make America a drug free society. We have to help stop teenagers from becoming parents. We have to make the cost of living affordable.

We, the people, must build a strong present to make a healthy future.

America is known as one of the chief formers of the modern world. We must continue to be seen as such.

The flowers—our future—are the promise of tomorrow. The dream is there—it's up to us to make it a reality.

A CONGRESSIONAL SALUTE TO SELMA: BUTTERFLY CAPITAL OF ALABAMA

HON. CLAUDE HARRIS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. HARRIS. Mr. Speaker, I come before my colleagues today to commend the efforts of the citizens of Selma, AL for their "Save the Butterfly" campaign to beautify and preserve their community. In particular, I would like to recognize the Selma Federation of Garden Clubs, along with the Selma Beautification Council, Tourism Council, Cahaba Association of Girl Scouts, and Selma District-Boy Scouts of America for their outstanding commitment to improving the environmental well-being of Alabama through creating a safe habitat for butterflies in Selma. Under the outstanding leadership of Mrs. Mallieve Breeding of the Selma Federation of Garden Clubs, these five groups have worked with considerable success to achieve their goal of creating a haven for butterflies.

In 1982 Alabama State Senator Earl Goodwin and State Senator Cordy Taylor coordinated an effort to pass an Alabama State resolution. This resolution designated the city of Selma as the "Butterfly Capital of Alabama." In addition, a "Butterfly Capital" flag has been created and made a permanent part of displays at both the Selma City Hall and public library. Several elementary schools have become involved in special art and planting programs to help increase butterfly populations.

Butterflies are second only to the bee as a plant pollinator and serve as food for thousands of animals. However, as man has become increasingly urban and destroyed the butterfly's natural habitat, the butterfly population has suffered. It is time for us all to recognize the importance of the butterfly to our environment as well as the joy such natural beauty brings to our hearts.

Again, I congratulate the people of Selma for their praiseworthy actions to insure the health of the butterfly for future generations.

HEARTFELT CONDOLENCES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. CRANE. Mr. Speaker, last week this country was struck by a tragedy that went largely unnoticed. A U.S. Air Force helicopter carrying 15 members of the armed services crashed in the Arizona desert killing all aboard, including an entire Special Forces A-detachment. This A-team, from the 3d Battalion, 5th Special Forces Group of Fort Bragg, NC, was conducting desert operations training and was enroute to a firing range when the helicopter crashed.

I wish to extend my sympathies to the families of all those who perished and to let them know that the Members of this body are grate-

ful for their service and devotion to duty and to their country. In peacetime, we often fail to realize that the armed services of this country are constantly training and deploying to provide the blanket of security we have come to expect. Our soldiers train and place themselves in jeopardy daily to achieve the high caliber of soldiers, airmen, and sailors needed to ensure democracy.

I have met many of the soldiers of the Special Forces both past and present. The loss of an entire A-team of specially trained Green Berets is one that is hard to fathom at a time when the troops of the special operations are garnering new support from the Congress and witnessing the formation of their own branch within the Pentagon. We are finally beginning to recognize the need for soldiers who are "ready to serve anywhere at anytime." The forces of our special operations in every branch hold a special commitment to this country, and we mourn their loss in this tragedy. We can only hope they know their sacrifice is met with immense gratitude and sorrow.

Mr. Speaker, in closing I send my heartfelt condolences to the families and loved ones of those brave individuals who paid the ultimate price for their country by giving their lives as members of the Armed Forces. I also send my condolences to the members of the 5th Special Forces Group who have lost teammates, friends, and leaders. In remembrance, I know in my heart, "de oppresso liber" and God bless you.

INTRODUCTION OF LEGISLATION NARROWING THE SCOPE OF POSSESSIONS TAX CREDIT

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. DONNELLY. Mr. Speaker, I am introducing legislation today which is designed to stop in its tracks an abuse under section 936 of the Internal Revenue Code. The abuse to which I refer has only recently come to my attention; to my knowledge, the problem is still only limited in scope. The purpose of my legislation is designed to put taxpayers on notice that I think the Committee on Ways and Means should legislate in this area.

Mr. Speaker, section 936 of the Internal Revenue Code contains the operational rules for the possession tax credit. The credit has developed over the years from its genesis in the Revenue Act of 1921, which generally exempted qualified corporations from tax on their foreign source income to the extent that the corporations derived 80 percent or more of their income from operations in U.S. possessions. The provision was added to the Nation's income tax laws initially to help United States corporations compete with foreign firms in the Philippines—until 1946, a United States possession.

Section 936 was added to the Internal Revenue Code by the Tax Reform Act of 1976, and was substantially revised in the Tax Equity and Fiscal Responsibility Act of 1982 [TEFRA] and again in the Tax Reform Act of 1986. Currently, the credit operates essentially as an exclusion; U.S. corporations—and, in most cases, their U.S. shareholders—are generally not taxed on income attributable to active businesses in U.S. possessions. Substantially all of the credit is claimed by United States corporations located in Puerto Rico.

The abuse to which I refer, Mr. Speaker, arises when U.S. firms shut down businesses in the United States and move to our possessions solely to take advantage of the section 936 credit, causing unemployment in the continental United States. Over the years, several criticisms have arisen over the efficacy of the section 936 credit.[1] In 1985, President Reagan proposed that Congress replace the existing credit with a wage credit to respond to many of these concerns, a proposal which Congress rejected. Little attention has been focused, however, on job loss or displacement resulting from the availability of the credit.

Recently, it has come to my attention that this job displacement may be occurring in at least one specific industry. It is quite possible that it will occur in others which, quite frankly, the Congress should not tolerate. Most Members are concerned about high rates of unemployment in our possessions, as am I. Most Members also agree that incentives for employment in our possessions, such as section 936, are probably good policy. The problem arises when those financial incentives taint business decisions causing job displacement and unemployment. In that spirit, I introduce this bill today.

PRESENT LAW

The United States taxes its citizens on their worldwide income. U.S. taxpayers may, however, claim a tax credit equal generally to the taxes paid to a foreign taxing jurisdiction. The credit is subject to an overall limit, however.

In the case of a U.S. corporation located in a U.S. possession, a special credit applies under rules provided in section 936 of the Internal Revenue Code. Under the credit, a section 936 corporation may claim a credit equal to the U.S. tax on business and qualified investment income from the possessions, regardless of whether any tax is paid to the Government of the possessions. The effect of the section 936 credit is that U.S. corporations are exempt from tax on income from business activities and qualified investments in the possessions.

To claim the credit, a U.S. corporation must meet two tests. First, 80 percent or more of the firm's gross income from the 3-year period immediately preceding the close of the taxable year in which the credit is claimed must be from sources within a possession. Second, at least 75 percent of its income for that period must be from the active conduct of a trade or business within a possession.

Under present law, there is no specific requirement that a corporation claiming the credit not displace jobs within the continental United States. In addition, the credit is allowed with respect to all classes of business, so long as the gross income test and the active trade or business test—discussed above—are met.

[1] See, for example, S. Rept. 97-494, July 12, 1982, p. 81-2; Treasury Department Report to the President, "Tax Reform for Fairness, Simplicity and Economic Growth," vol. II, p. 327, Nov. 28, 1984.

EXPLANATION OF PROPOSAL

Under the bill, the section 936 credit is denied with respect to income arising from a disqualified business. A disqualified business is one involving the production or marketing of chicken products.

In addition to the disallowance of the credit, the bill requires U.S. corporations which have claimed the section 936 credit with respect to disqualified businesses to recapture credits which they have previously claimed. The recapture would be an addition to the corporation's tax liability, recognized ratably over 5 years. The recapture would not be treated as a tax for purposes of other credits or the minimum tax.

The legislation also grants to the Secretary of the Treasury authority to issue regulations providing that the recapture would still apply if a corporation subject to recapture were involved in any transaction which would result in a nonrecognition of gain. The regulations would include, for example, situations where corporations recognized no gain in a tax-free reorganization under code section 368.

The Secretary would also be required to conduct a study on whether the section 936 credit has an adverse affect on U.S. employment. The study would be due within 6 months of enactment of the legislation, and provided to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the U.S. Senate.

EFFECTIVE DATE

The proposal would be effective for taxable years beginning after December 31, 1989.

THE RETIREMENT OF ELMER MANSFIELD

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. TANNER. Mr. Speaker, I rise today to honor Mr. Elmer Mansfield, a dedicated public servant who is retiring from his position of director of public safety of South Fulton, TN, at the end of this month.

Mr. Mansfield has devoted most of his adult life to the city and to this position. He served as public safety director for over 20 years. Throughout that time, he has sought only to insure the safety of the citizens of South Fulton. He has not gone about his job with great fanfare, just dedication, and commitment to public service.

Mr. Mansfield's retirement will leave a great void. He has lived an honorable life and engendered respect for the law and law enforcement by virtue of his conduct as director of public safety. As he enters into retirement, he will do so with the best wishes of his townspeople. I would hope that my colleagues in the Congress might also take a moment to reflect on the hard work of others like Mr. Mansfield whose dedication is so vital to the success of our country.

RETURN "SWAMPBUSTER" PROGRAM TO CONGRESSIONAL INTENT

HON. BYRON L. DORGAN
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, I am introducing today a bill to bring the Swampbuster Program back in line with what Congress intended, and thereby relieve farmers in my part of the country of the fear of losing all of their farm program benefits because they inadvertently drain a small temporary depression in a field that has always been cropped.

Right now, farmers are afraid that they have an army of Federal bureaucrats looking over their shoulders, watching every move they make. My legislation, the Wetlands Conservation Amendments Act of 1988, would enable farmers to manage their own land without fear of reprisal by the Government, as long as they do not bring any new land into production.

In my opinion, the intent of the Swampbuster Program, enacted as part of the 1985 farm bill, was to prevent farmers from draining wetlands for the purpose of getting farm program payments. The intent was to prevent new land from coming into production through the loss of wetlands.

NUISANCE SPOTS AND POTENTIAL WETLANDS

But Swampbusters is being implemented in a way that goes beyond this intent. There is language in the law that defines wetlands as land that "under normal circumstances * * * supports hydrophytic vegetation." This is being interpreted to mean that any land with the potential to support hydrophytic vegetation qualifies as a wetland.

As a result, farmers are prevented from cleaning up nuisance spots in their fields. These are small areas that are wet in the spring for a week or two longer than the rest of the field. Farmers normally seed around these areas, and then come back later to seed the nuisance spot. Because this land has the potential to support water-loving plants, it is being called a wetland and farmers are not allowed to improve its drainage, despite the fact that they have always farmed it.

Some have asked, if the farmer has always farmed it like that before, why doesn't he just continue to do it the same way? Why does the farmer need to drain it, or why didn't he do it earlier? There are a couple of answers. First, to improve the drainage of nuisance spots increases the efficiency of a farm's operation. The motivation is not to increase production or add to the surplus, but to reduce costs. To drive around a wet spot when the field is seeded, and then come back 10 days later to plant the rest, is expensive and time-consuming. At a time when there is continuing pressure on farm prices and farm incomes, some of it from reductions in farm program benefits, we should not prevent farmers from reducing their costs.

As to why a farmer didn't drain the land before 1985 if it is so important to do so, the answer is that farmers need to improve drainage in many places on their land. There is a period of a week or two each fall, after harvest and before the ground freezes, when farmers have an opportunity to do drainage work. So over the years, farmers have been proceeding with their work, but many have not yet finished. Furthermore, the level of the water table can change over time, and an area that was not wet enough to be a problem five years ago may have become a nuisance spot in the meantime.

EXCESSIVE PENALTIES

The other major problem with the existing legislation is that it does not distinguish between a minor and a major violation. Any infraction, even an inadvertent draining of a half-acre wetland by pulling a plow the wrong way through a small depression, can result in a farmer losing all benefits of Federal farm programs, which can add up to tens of thousands of dollars. Drainage of wetlands can be discouraged without resorting to excessive penalties, but current law applies to every one the same sentence without regard to the nature of the violation.

A TWO-PART PROPOSAL

My legislation addresses these two problems in current law. First, the bill would clarify that land is to be defined as wetland only if it supports hydrophytic vegetation under current land use practices, in others words, only if it really is a wetland, not just a potential wetland. The bill would exempt from Swampbuster any land which has been successfully cropped in a majority of years for which evidence is available, provided there is at least 5 years of evidence. With this change, Swampbuster will still prevent new land from coming into production, but will allow farmers to clean up the nuisance spots in their fields and improve the efficiency of their operations.

Second, the bill would provide for Agriculture Stabilization and Conservation Committees in each State to set penalties commensurate with the presence or absence of intent, if a producer knowingly violates the Swampbuster statute, the State Committees would be required to impose the full penalty provided by current law.

USDA HAS DONE A GOOD JOB

It is important to point out that the Agricultural Stabilization and Conservation Service and the Soil Conservation Service, both of the Department of Agriculture, have done their very best to implement this program in a way that farmers find reasonable while still protecting wetlands. It's a difficult path to walk, and I appreciate their efforts. The SCS has just completed surveying a large part of North Dakota where the outcry has been the most vocal. SCS feels once farmers see what has been determined a wetland and what has not, that much of the controversy will abate.

I sincerely hope the SCS officials are right. But there are other problems in the legislation which are beyond USDA's ability to control. The law states clearly that there is only one degree of penalty: loss of all farm program benefits, and USDA can't change that. As I pointed out above, this and other provisions in the law need to be changed, and I will continue to work for those changes.

Mr. Speaker, there will almost certainly be some who will attack this legislation. They will say that it would result in the loss of more than vital wetlands; they will say that it undoes a key compromise in the 1985 farm bill. Neither statement is true. The 1985 farm bill never envisaged protecting nuisance spots that have traditionally been cropped. The shallow depression that is wet for a couple of weeks in the spring is not what I think of when someone says "wetland" and it's not what most Members of Congress thought of when they voted for the 1985 bill.

This legislation is a reasonable approach to bringing the Swampbuster program back in line with congressional intent. It will continue to protect America's most valuable wetlands, while allowing farmers the flexibility to manage their property and reduce their operating costs. Swampbuster has caused a storm of controversy in my region of the country, and I think its time to bring it back within reason. I urge my colleagues to support this important legislation.

SUMMARY OF H.R. 4043

(Introduced by Representative Byron L. Dorgan of North Dakota)

SECTION 1. SHORT TITLE: WETLANDS CONSERVATION AMENDMENTS ACT OF 1988

SECTION 2. CLARIFICATION OF DEFINITION OF WETLANDS

This section would clarify that wetlands are defined as areas having a predominance of hydric soils that are saturated long enough to support, and under current land use practices do support, a prevalence of hydrophytic vegetation. The current statutory language referring to "normal circumstances" has been interpreted to mean the potential to support water-loving plants, regardless of whether such plants are actually present.

Section 2, together with Section 4, would provide that so-called "nuisance spots" are not subject to swampbuster. "Nuisance spots" are areas that have traditionally been cropped but are wet for a short period in the spring. Farmers typically plant around these areas when they seed a field, then come back a week or two later and seed the area that had been wet.

SECTION 3. ESTABLISHMENT OF PENALTIES COMMENSURATE WITH VIOLATIONS

This section would provide for ASCS State Committees to set penalties based on the presence or absence of intent. If the committee determines that a producer knew or should have known that he or she was producing a commodity on a converted wetland, the committee would be required to impose the full penalty provided by current law.

SECTION 4. ADDITIONAL EXEMPTION FOR LAND CURRENTLY CROPPED

The bill would exempt from swampbuster any land which has been successfully cropped in a majority of years for which evidence is available, provided there is at least five years of evidence. With this change, swampbuster will still prevent new land from coming into production, but will allow farmers to clean up the "nuisance spots" in their fields and improve the efficiency of their operations.

STEVEN A. NISSEN HONORED

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. LEVINE of California. Mr. Speaker, I rise today to recognize the exemplary humanitarian services and achievements of my friend Steven A. Nissen, who was honored as Professional in Philanthropy during the third annual observance of National Philanthropy Day in Los Angeles. This award is presented to a full-time employee of a philanthropic organization whose outstanding professional accomplishments have contributed to the success of the organization in particular, and to the spirit of philanthropy in the community in general.

Steven's accomplishments as an attorney and as executive director of the public interest law office Public Counsel make him richly deserving of this honor. He holds a J.D. degree from the University of California-Berkeley, and took a leave of absence from the prominent law firm of Manatt, Phelps, Rothenburg & Phillips, to provide distinguished service to his community. Under his stewardship, Public Counsel's budget has increased fivefold and its staff of attorneys, who provide volunteer legal services to the indigent of Los Angeles County, has tripled. It is estimated that Public Counsel provided $12 million of volunteer legal services to the poor during 1987. In addition to his work at Public Counsel, he is also an adjunct professor at the University of Southern California Law Center and is a member of the mayor of Los Angeles' Economic Reform Council.

Mr. Speaker, I ask my colleagues to join me in congratulating Steven Nissen for being selected for this prestigious award and in saluting his self-sacrificing dedication to fostering the spirit of philanthropy in Los Angeles. His history of public service, and his devotion to ensuring that all Americans have access to legal services, should serve as an example to us all.

HEALTH IMPACT OF ABORTION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 21, 1989

Mr. WEISS. Mr. Speaker, every year, more than 3 million American women have an unplanned pregnancy. Almost half of these end in abortion.

In 1987, President Reagan asked the Surgeon General to report on the medical and psychological impact of abortion on women. The report was expected by some Presidential advisers to have negative implications for Roe versus Wade, since that Supreme Court decision was based in part on the medical benefits of abortion compared to carrying an unwanted pregnancy to term. HHS set aside $200,000 from other projects for the abortion report, and the Surgeon General and his staff spent more than a year and a half compiling information and meeting with experts representing a wide range of views on abortion. The report was completed in January of this year, but never released; instead, a letter from Dr. Koop to President Reagan was released to the press by the administration.

Dr. Koop's letter stated that the report was not released because the Surgeon General believed the research in this area is too flawed to be able to draw any conclusions. Advocates on all sides were disappointed by that decision, and some experts disagreed with the statements in Dr. Koop's letter.

On March 16, the Surgeon General testified at a hearing of the Subcommittee on Human Resources and Intergovernmental Relations, and agreed that abortion does not have a negative impact on women's physical health. In addition, Dr. Koop agreed that possible psychological problems resulting from abortion are "minuscule from a public health perspective." He added, however, that these problems can be overwhelming "from a personal perspective."

After hearing testimony from experts all over the country, as well as the Surgeon General himself, I am convinced that abortion does not pose a public health risk in terms of women's physical health or emotional well-being. On the contrary, the testimony indicated that differences in mortality rates prove that women are at least seven times more likely to die from childbearing than from legal abortion. While it is true that some women do experience psychological problems following an abortion, the scientific evidence clearly indicates that the overwhelming number of abortion patients do not suffer serious long-term psychological problems. I believe the report provides valuable information to my colleagues in the debate over access to legal abortion, and that the public should be informed of the conclusions of the Surgeon General's report. Therefore, I am submitting it for inclusion in the CONGRESSIONAL RECORD.

SURGEON GENERAL'S REPORT ON ABORTION

FOREWORD

This is my report to the people of the United States about the health effects, physical and psychological, of abortion on women. It is most difficult to look at the health aspects of abortion in isolation from the many other issues that surround it. As I stated in my July 31, 1987, press statement, the health effects of abortion are public health issues that require an objective analysis. This report considered all points of view; they were fairly and extensively heard.

Before accepting the position of Surgeon General, I was very outspoken against abortion. In fact, my nomination to the position of Surgeon General was adamantly opposed, in large part, because of my convictions. In preparation for this report, I have made every effort to separate my long-standing personal views about abortion from those of experts on all sides of this issue.

The health effects of abortion on women are not easily separated from the emotionally debated social issues that surround the practice of abortion. In this report, careful attention has been given to eliminate the biases that so easily intrude even into the accumulation and review of scientific data.

Labeling the opposing groups involved in the abortion debate is not easily done. Those against abortion call themselves pro-life.

On the other hand, those who would permit abortion say they are not pro-abortion; rather, they refer to themselves as pro-choice, as supporters of a woman's right to choose abortion.

It is also true that some who are pro-choice are personally opposed to abortion. It is not clear to them where or when the lines should be drawn between the rights of the unborn child and the rights of the pregnant woman.

But if the pro-choice forces are not uniform, neither are the pro-life forces. Although many ardent pro-life individuals who are dedicated to preserving the life of the unborn do not consider contraception to be ethically wrong, others in the pro-life side do.

I have approached this task as I did when writing the AIDS Report. My staff and I reviewed the available literature on the health effects of abortion and consulted experts in the fields of science, medicine, psychology, and public health. I met privately with 27 different groups that had medical, philosophical, or psychosocial expertise or other professional interests in abortion. The process involved groups such as the Alan Guttmacher Institute, the American Public Health Association, the American College of Obstetricians and Gynecologists, the National Right-to-Life Committee, the Planned Parenthood Federation of America, the Southern Baptist Convention, and the U.S. Conference of Catholic Bishops, as well as groups for women who have had psychological and social difficulties that were directly related to abortions.

In all of my discussions, I did not find any individual or group that thought abortion per se was a good idea. No matter how anyone felt philosophically, all agreed that an abortion represented a failure of some part of our society—be it the individual, the family, a religious group, a public health service, or any other social support system.

Each year, approximately 6 million American women conceive; about 54% or 3.3 million of these pregnancies are unplanned. Over 1.5 million women a year elect to have an abortion. Since the legalization of abortion in 1973, over 20 million of these operations have taken place in the United States. Regardless of one's view of abortion, this tragic figure represents a failure that has many dimensions.

The ultimate goal should be to eliminate the need for abortions. I think we can all agree, however, that a critical first step in addressing this problem is to set a national goal of reducing the annual number of abortions each year. This reduction can only be achieved by instituting strong prevention programs, strengthening incentives for alternatives to abortion, educating ourselves about our sexuality and responsibilities, and educating ourselves about pregnancy, contraception, and abortion. Only when we all look for acceptable ways to eliminate unwanted pregnancies can America progress toward offering a more healthful welcome for children and a more effective support for those parents who bear and rear them.

I have tried to give a fair and balanced presentation of key points that emerged during the consultations. I have also tried to articulate these key points in language that is both free from scientific jargon and free from any generality or vagueness that would compromise the scientific integrity of this report. I now present what I have learned so that you, the American people, can weigh the information and make up

your own mind about the best course of action for you and your family.

In my opinion, it is time for all of us to engage in positive efforts to solve this major problem that encompasses both public health and social mores.

C. EVERETT KOOP, MD., ScD.,
Surgeon General.

JANUARY 17, 1989.

From Policy and Program Advisor Office of the Surgeon General.
Re Final Draft Abortion Report.
To The Surgeon General.

The attached document is my final draft of the "prevention" report. This document was reviewed and concurred with by our unofficial consulting group. It represents a balanced, well written document which is directed to the general public. Its underpinning is scientifically sound and presents a solid, common sense approach to this important public health problem.

GEORGE WALTER.

THE SURGEON GENERAL'S REPORT: THE PUBLIC HEALTH EFFECTS OF ABORTION

THE PRESIDENT'S REQUEST

On July 30, 1987, at a White House speech to right-to-life leaders, President Reagan directed the Surgeon General to assemble a body of public health information on the health effects of abortion on women.

THE SUPREME COURT DECISIONS

On January 22, 1973, the Supreme Court issued its landmark decisions on abortion (*Roe* v. *Wade* and *Doe* v. *Bolton*). These judgments drew the Nation's attention to an issue that has been argued in each generation since the time of the Persian Empire. The Court determined that a woman's rights under the Constitution include the right to have an abortion. This decision, based on the Court's interpretation of the Fourteenth Amendment to the Constitution, held that the facts is not a person and is therefore not entitled to the same protection guaranteed to women by the Constitution.

HUMAN DEVELOPMENT

There is considerable controversy about when life begins, and when that life becomes human. It is a question about which sincere, learned people differ, and as such is a question that cannot yet be answered with scientific certainty.

At conception, the female's egg and the male's sperm unite to form a single cell with 46 chromosomes—23 from the female and 23 from the male. In these 46 chromosomes, the human embryo contains genetic information that will direct fetal development, infant growth, child development, adolescent transformation, and adult maturation. From conception until death, human growth is a continuing and maturing process—physically and, eventually, mentally and emotionally.

ABORTIONS

Induced abortions are to be distinguished from spontaneous abortions or miscarriages. The term abortion in this report will mean the intentional termination of pregnancy to prevent a live birth. Abortions resulting from rape or incest or from genetic defects or other health-related reasons are not considered in the context of this report. Although abortions are performed on women, this report throughout recognizes the male partner's joint responsibility for preventing unwanted pregnancies.

TYPES OF ABORTIONS

The following are the most common types of abortion performed in the United States:

Suction Curettage (performed up to 12th week): The canal of the uterine cervix is mechanically dilated until the opening is large enough to allow the passage of a tube into the uterine cavity. The fetus and placenta are sucked out by means of a powerful vacuum pump attached to the inserted tube. The uterus is then examined to ensure complete removal of the fetus.

Dilation and Curettage (performed up to 12th week): The cervix is mechanically dilated, and the fetus and placenta are scraped out of the uterus with a sharp curette, which resembles a small spoon.

Dilation and Evacuation (performed after 12th week): The cervix is mechanically dilated, and the membranes and fetus are dismembered inside the womb and then removed with forceps.

Saline Abortion (performed after 12th to 14th week): Amniotic fluid is removed through the abdominal wall. This fluid is replaced with a concentrated saline solution that induces labor and results in the expulsion of a dead fetus within 24 to 48 hours.

Prostaglandin (performed after 12th to 14th week): A type of prostaglandin that causes strong muscular contraction is injected in milligram doses into the uterine cavity without withdrawing amniotic fluid. The period between injection and expulsion of the fetus is of a shorter duration than with saline solution.

DATA AND INFORMATION

No comprehensive system exists for collecting data on abortion in the United States. The Centers for Disease Control (CDC) operates an abortion surveillance program that gathers information from approximately forty state health departments and from individual hospitals and clinics within the ten remaining states. The Alan Guttmacher Institute (AGI) also publishes abortion statistics. Their findings supplement the CDC data with information obtained from service providers who do not report to state health departments. The AGI statistics generally report 15 percent-20 percent more abortions than do the CDC's findings.

There is also no comprehensive system for data collection of morbidity related to pregnancy outcomes—that is, for medical and psychological complications resulting from pregnancy, delivery, or abortion. In addition, there has never been a reproductive health study in the United States that compared pregnancy outcomes over time. Most of the information we use as national data is collected in special surveys, such as the ongoing National Survey of Family Growth.

OUTCOMES OF SEXUAL ACTIVITY

In the United States, approximately 55 million women are of childbearing age (15-44 years of age), of whom 32 million are sexually active and able to bear children. Among the sexually active women who are not sterile, an estimated 11 million do not intend to have any more births, and an estimated 12 million more are practicing contraception to postpone a birth. At any given time, then, approximately 23 million women are at risk of an unintended pregnancy. Of the more than 6 million pregnancies annually, approximately 54 percent are unintended, and over 1.5 million of all pregnancies ended in abortion.

WHY SO MANY UNINTENDED PREGNANCIES?

Generally, one of three situations leads to an unintended pregnancy: failure to use a contraceptive method, improper use of a contraceptive method, or failure of a contraceptive method.

Contraceptive and sexual responsibility require constant vigilance during the lifetime of a sexually active person. Eighty-eight percent of sexually active women who are able to but do not want to become pregnant use contraceptives; 12 percent do not. (Women in the 1982 Nation Survey of Family Growth were categorized as nonusers if they were not using contraceptives for at least one month before conception.) Some women, however, do not consistently or properly use contraceptives, some switch to less effective methods or may be unprotected for a time, and occasionally others become pregnant despite careful and proper use of effective contraceptives.

Not enough is known about why women and men who have decided to become sexually active are willing to risk unintended pregnancy—and the possibility of resolution by abortion—when safe and effective family planning methods are available. We need to learn much more about what is keeping so many couples from translating their knowledge of contraceptive methods into effective and consistent contraceptive practice.

WHO HAS AN ABORTION?

Abortions are not just a phenomenon of the adolescent, the poor, or the uneducated; they are neither a class, a religious nor an age phenomenon. Rather, the population involved in abortions mirrors the sexually active population as a whole.

Although 81 percent of abortions are performed on single women, adolescents make up only a fraction of these. Although approximately 50 percent of teen pregnancies end in abortion, approximately 90 percent of all abortions occur among women 18 years of age and older. The median age at which women have abortions is 23.1 years for white women and 23.7 years for black women. This median age is comparable to that of women giving birth, as is the median amount of education attained (about twelve and a half years).

If we break down all abortions by age groups, we find that 25% occur among women younger than 20 years of age, 35% occur among the 20-24 age group, and the remaining 40% occur among the 25-44 age group. The age differentials reflect patterns of sexual activity, contraceptive practice, desire for children at a particular time in these women's lives, marital status, and other characteristics of sexually active women.

A sexually active woman who is at risk of an unintended pregnancy and who is using no contraceptive method is 14 times more likely to have an abortion than is a women using the pill. Figure 1 shows the relative risk of abortion among women by contraceptive methods. Couples who are nonusers of contraceptives during the time the pregnancy occurs account for more than 50% of all abortions.

[Charts not reproducible in the Record.]

WHEN?

Before the legalization of abortion, women were having abortions later in their pregnancies when they are less safe. Today, approximately 90% of women who have had abortions had them during the safer first trimester of pregnancy (12 weeks); 47% of the pregnancies were terminated in the first eight weeks and 43% between the ninth and twelfth week. Approximately 10% of abortions occurred after the 12th week. Less

than 1% of all abortions occurred after the 20th week.

THE REALITY

Abortions have been performed in the U.S. since colonial times. Although it is difficult to estimate the number that were illegally performed in the United States before the *Roe* v. *Wade* decision, a reasonable annual estimate would be 200,000 to 1,200,000. Today, as in the past, a woman with an unwanted pregnancy is faced with difficult choices: delivering and rearing an infant; placing the child for adoption; or having an abortion. For a single woman, the situation creates additional economic and social hardships. The decision process in choosing to deliver or to abort is complex and is influenced by a woman's values, her relationships with her parents and with the father of the child, the support structures available to her, the strength of her personality (ego resilience), her available finances, and her ability to cope with these factors.

HEALTH ASPECTS OF ABORTION

Valid scientific studies have documented that, after abortion, physical health sequelae (including infertility, incompetent cervix, miscarriage, premature birth, and low birth weight) are no more frequent among women who experienced abortion than they are among the general population of women. The major medical and public health associations thus consider abortion a safe surgical procedure when performed by a licensed physician in a good clinical setting. The fact that abortion imposes a relatively low physical risk to maternal health does not imply, however, that it is the appropriate decision for a woman or for the fetus; it means only that there is not a signficant risk of physical complications for the woman.

The earlier in gestation that a women has an abortion, the safer it is for her medically. Because the fetus will be much smaller and less developed, the procedure will be easier to perform and will have less of a risk for medical complications. Abortion in the first trimester is much safer than in the second trimester, and a second-trimester abortion is safer than a third-trimester abortion. If complications do occur, they may be serious, particularly in the second and third trimesters when a hemorrhage, a bowel injury, or a perforated uterus may occur. The risk of the procedure and the potential for complications increase with the length of pregnancy.

DOES ABORTION CAUSE PSYCHOLOGICAL PROBLEMS?

The psychological outcomes of pregnancy-related events have been exceedingly difficult to assess for at least two reasons: the lack of consensus on what variables are to be investigated, and the need for the psychological history of women who have had abortions.

The physiological evaluation falls neatly into the realm of physicians. However, psychological problems are in the domain of many types of counsellors, including family physicians, psychiatrists, clinical psychologists, marriage and family therapists, social workers, pastoral counselors, and the clergy. A general consensus is that the psychological consequences of abortion are dealt with either by the woman alone or by the woman together with the sexual partner, with her family, or with her friends.

The American Psychiatric Association has identified abortion as a "psychosocial stressor." Some clinicians and researchers consider abortion a psychosocial stressor capable of causing what they call a postabortion snydrome, which they consider a form of post-traumatic stress disorder. Other equally well-qualified scientists refute this assertion because an abortion seldom constitutes an event that is outside the range of usual human experiences, the essential feature of the post-traumatic stress disorder as defined by the American Psychiatric Association.

Of the more than 250 studies in the international literature that discuss the psychological outcomes of abortion, most have major methodological flaws. Although numerous case histories attest to immediate or delayed psychological problems following abortions, the actual number of women who have suffered in this way is unknown.

Inconclusiveness regarding the psychological outcomes of abortion stems from the lack of consensus regarding the symptoms, severity, and duration of mental disorder; from the problem of controlling for psychological symptoms associated with life events experienced before or after the abortion; and from the methodological difficulties related to sampling for an appropriate study group, establishing appropriate control groups, and finding a technique that can surmount the statistical absence of as many as half of the women who have undergone abortion but are likely to deny having done so; and from the logistics of managing a longer-term prospective study more than 5 to 10 years. Hence, it is neither reasonable nor advisable to rely on prevailing opinions, based on flawed studies, to conclude whether or not psychological risks are associated with abortion.

Even though presently available studies conducted in the United States do not provide conclusive evidence, it appears likely that certain factors combine to make deciding to have an abortion and coping with its aftermath more difficult for some women than for others. These factors include strongly held personal values, an ambivalence about abortion, excessive pressure from others, the termination of an originally desired conception, a decision made late into the second trimester, or the lack of partner or family support.

As I have alluded, the factors related to the decision of whether or not to have an abortion becomes increasingly complex as one analyzes it. The beliefs that some women hold about the sanctity of life versus the freedom to choose an abortion and about the ethical circumstances under which the decision to abort is made can elevate abortion into a third area—the spiritual, which extends beyond the bounds of the medical and psychological professions and beyond the bounds of this report.

From a public health perspective, there is a need to assess the following: the incidence and prevalence of the psychological outcomes of pregnancy-related events; the onset and severity of these events over time; and comparisons between women who have terminated an unwanted pregnancy, carried to term, or experienced a miscarriage. Longer-term prospective studies in the United States should be encouraged. Knowledge may also be derived from methodologically sound research conducted in culturally comparable countries that have computerized national health registration systems. Such studies would lend themselves to large-scale statistical assessment and to follow-up, over time, of the psychological outcomes of pregnancy-related events.

CONSULTING THE PRINCIPAL PARTIES

Two well-known outcomes are discussed in the abortion debates. At one end of the continuum are women who have had abortions and who state that the health and psychological effects have been beneficial. At the other end are those women who have had abortions and who state that the operation has left them grieving for their lost infant and has caused them anxiety, depression, and guilt. For some women these feelings may not be triggered until years after the event. However, there is a third group about which little is said and who say little. Those are the women who have had an abortion but who, for whatever reason, deny that they have done so. Their feelings remain private and unknown.

I would now like to summarize what was presented to me by those who had abortions and others who consulted with me. Some of them believe abortions can be beneficial and others believe abortions contribute to long-term psychological problems:

SCHOOLS OF THOUGHT: BENEFICIAL EFFECTS

According to this school of thought, unwanted births have a known risk of postpartum depression and psychosis that poses a greater threat to the mental health of a woman than does a legal abortion. The major positive benefit of terminating an unwanted pregnancy is the feeling of relief, of having successfully dealt with a problem pregnancy.

The emotional, financial, or vocational consequences of an unwanted birth on the mother, her family, and her other children could lead to long-lasting life distress and disability.

Further, well-conducted studies document that children born as a result of an unwanted pregnancy are more likely to experience detrimental psychosocial development, emotional adjustment problems, and a poorer quality of life than are children born to women who desired or otherwise accepted their pregnancies.

Compelling a woman to carry a child to term has societal as well as personal consequences. Children who cannot be cared for by the mother or by her parents place demands on the state for welfare services and financial support. Not all children unwanted by the mother will be placed for adoption, nor will all children placed for adoption be adopted.

SCHOOLS OF THOUGHT: NEGATIVE EFFECTS

This school of thought views abortion as a stressful experience that overwhelms the coping abilities of some women. As previously noted, this condition has been characterized as postabortion syndrome. The symptoms include (1) exposure to the violence of intentionally destroying one's unborn child; (2) uncontrolled and involuntary negative reexperiencing of the abortion death; (3) attempts to avoid or deny abortion pain or grief, which can result in reduced responsiveness toward one's environment; and (4) experiencing associated symptoms, including sleep disorders, depression, secondary substance abuse, intense hostility, and guilt about surviving. The course of this disorder may be acute (30 days or less), or chronic (6 months or longer), or may be delayed, occurring 5-10 years or more after the operation.

Clinicians who hold this position believe that abortion is a human death experience that women and men need help in resolving. This school believes that the specific diagnosis of postabortion syndrome provides validation to those women and men who suffer, in silence and isolation, the pain, depression, and unresolved grief that has resulted from the loss of their unborn child in abor-

tion. The resolution of postabortion syndrome for men and women requires the individual to acknowledge what an abortion is, that he or she has participated in a death experience, that a loss has occurred, and that grieving and forgiveness are necessary.

SUPPORT AND COUNSELLING

The abortion decision is seldom made quickly or easily. Deciding to terminate a pregnancy often involves considerable personal ambivalence and emotional cost.

Women who have had an abortion and later regret it have told me that they often recall their compulsion, at the time of counselling, to be rid of the problems resulting from the pregnancy; they also recall that they felt relief after the abortion.

In retrospect, however, they say that they wish they had been better informed about the procedure, about alternatives to abortion, and about fetal development. It is possible that some of them were presented such information but their receptivity to that information may have been very much affected by the dilemma they faced.

A point that was made a number of times by the groups we consulted was that preabortion counselling offers an opportunity to present unbiased, accurate information. However, such counselling can also offer an opportunity—either for those who oppose abortion or for those who favor it as a choice—to misrepresent information to those who are in dire need of unbiased counselling. It can be a difficult task for a counselor to objectively present facts when the counselor has strong convictions about the subject.

Women seriously distressed over their pregnancies need access to competent and sympathetic counselling about the availability of legally, medically, ethically, and socially unencumbered alternatives. If these women carry their babies to term, they need affordable prenatal, obstetrical, and pediatric care. This need is even greater if they decide to bear their children while continuing to resent them, since children born from unwanted pregnancies require help to surmount the greater risk they have of experiencing detrimental psychosocial development, emotional adjustment problems, and a poorer quality of life than do children of accepting mothers. On the other hand, those parents who wish to place their child for adoption require extensive information about what that will mean for the child, for the adoptive parents, and for themselves. And if abortion is the alternative they end up choosing, they require unbiased information beforehand.

THE REAL FAILURE

The public issue of abortion is not primarily a debate about health but is about morality and law. But because the personal issue of abortion is about an unintended pregnancy and an unwanted fetus, even a nationwide accord concerning the moral aspects of this issue would not prevent an unplanned pregnancy.

Most women who have an abortion because of an unintended conception know about contraceptive methods. Some are using methods properly but become pregnant because even effective contraceptives occasionally fail to prevent pregnancy. Many women may have used effective contraceptives at some point but have chosen, consciously or unconsciously, to switch to less effective methods or to practice no contraception—in either case, thereby risking an unwanted pregnancy. On the other hand, all too many men understand male contraceptive methods but choose to ignore their own responsibility in the sexual act. These men feel comfortable letting women take the risk of becoming pregnant and resolving an unplanned pregnancy.

Those men and women who, though unwilling to welcome a child or to have a child adopted, choose to act in a sexually irresponsible way are, in effect, relying on abortion to prevent the birth of an unwanted child. When viewed in this light, abortion is difficult for society as a whole to accept as a solution to the failure of some to deal responsibly and honestly with individual and societal sexuality.

ALTERNATIVES TO ABORTION

Women who have unintended pregnancies need practicable alternatives to abortion. Three major alternatives that would eliminate or decrease the number of abortions performed in the United States are to bear and raise the child, to place the child for adoption, and to prevent unintended pregnancy in the first place.

BIRTH AND ADOPTION

To give birth and raise a child demands a long-term commitment to placing someone else's welfare above one's own. To give birth and to place a child for adoption is an unselfish act that requires great emotional strength and courage. In this self-sacrificing respect for the life and welfare of the child, the birth parents may be able to give a beautiful gift to a couple who want a child but cannot have their own.

As a nation, we must be willing to help those women who wish to see their unintended pregnancy to term. The woman who chooses to have an unintended baby rather than an abortion will take on a great social and financial burden. If our society wants fewer abortions, it must be willing to support not only those children who are so born but also the women who make that choice. As a society, we must make a commitment to provide loving families for all children placed for adoption. When women decide to bear their own child, rather than stigmatize them, we must sustain them by ensuring subsidized prenatal and delivery costs, foster care, day care benefits for the working mother, and educational and job guarantees during maternity leave.

The sexual partners of such women should be held jointly responsible for the mother and child's medical care and for child support. Otherwise, society must carry the financial liability.

PREVENTION

As long as there are unwanted and unaccepted pregnancies, some women will find a way to have an abortion. Since there is consensus that abortion is a tragedy and represents the failure of individuals, of some part of our society, or of both, it would seem that here, as in other health issues subject to personal control, we must deliver prevention messages to the population at risk. The vast majority of the groups that consulted with me agreed that prevention of an unintended pregnancy is the best approach for reducing the need for abortion.

America must invest in a long-term program that aggressively markets prevention to the various populations at risk for unintended pregnancy. We must:

Recommend successful family life programs that teach postponement of sexual involvement and responsible decision making. We cannot rely on programs that limit sex education to biology and birth control;

Structure family life course so that parents, civic groups and church groups can participate and reinforce behaviors based on communal values and on respect and love for oneself and others;

Educate the public about methods to prevent unwanted pregnancies. Such education must be honest in its appraisal of the methods and must dispel myths, so that an informed decision can be made;

Initiate programs that attempt to modify the behavior of those sexually active men and women who do not always use contraceptives or who practice ineffective contraception;

Teach men that they are as responsible as their sexual partners for preventing unwanted pregnancies;

Support behavioral research to identify and modify the risk factors of those women most likely to have unintended pregnancies;

Promote a national commitment to contraceptive research for both men and women. The objective should be a method that is 100% effective, has minimal side effects, and is safe and easy to use.

Encourage family physicians to actively convey information and to teach sexuality in reference to family planning, as they have for AIDS;

CONCLUSION

While issuing this report as the chief public health officer of the United States Government, I am fully aware that the skills of the medical, psychological, and public health professions serve but a few areas within the full band of human need. Health is only one element of our overall welfare, personal or public. The commitment of childbearing and the sequelae of abortion are realities more profound and complex than can be addressed through the perspective and the programs of public health. Health professionals should not be deterred by the small role we play in human lives. Instead, we have to realize that although public health policies, at their best, can provide only part of an answer to the problem of abortion, the part they can provide is essential.

Even though abortion has by judicial decision been made the free choice of any pregnant woman, all those with whom I have consulted agree that this freedom is not entirely without consequences for the mothers, their children, and society. A primary task of a public health officer is to inform the citizenry about how some of their free choices can incur harm. I have endeavored to report, to the limits of present information, the effects that abortion seems to have upon maternal health and well-being.

The limited nature of this information has pointed out a need to increase the level and quality of information about the reproductive health of women. I recommend that the Federal Government undertake a carefully considered, prospective longitudinal study of women. To obtain an adequate baseline for assessing psychological and physical status and changes over time, that study should begin to follow women from a point that would precede the conception of their children (intended or not).

Insofar as the public health resources of this country can make a difference, I conclude that the following must be done:

Men and women should be helped and encouraged, as a matter of national public health policy, to conceive children only when they are ready and able to welcome and care for them;

When children are conceived unintentionally, we must remove the stigma from this very human event;

We must support those parents who bear their children and either keep them or place them for adoption, just as our laws support those who resort to abortion as the only feasible personal alternative.

To realize these goals, we as a Nation must provide better choices. How can we be less resourceful in supporting parents who decide to bear their children than we are in protecting other parents' freedom not to bear unwanted children?

HOUSE OF REPRESENTATIVES—*Wednesday, March 22, 1989*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, as You have provided for us a multitude of vocations through which we serve our days on Earth, so encourage us to express those vocations with a grace inspired by Your Spirit. In our relationships with people may we not seek profit or advantage, or use any person to gain our own benefit, but rather may we grow in our relationships based on respect, common goals, and mutual affection. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Georgia [Mr. JONES] kindly lead us in the Pledge of Allegiance.

Mr. JONES of Georgia led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

SALUTING THE SIENA SAINTS BASKETBALL TEAM

(Mr. McNULTY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McNULTY. Mr. Speaker, we are proud of a great many things in upstate New York.

At this particular moment in history, however, we are expecially pleased to salute and pay tribute to the Siena Saints basketball team.

Siena, a very small college in Albany County, NY, last week made its first ever appearance in an NCAA tournament.

Facing 13th ranked Stanford in last Thursday's opening round, Siena was given almost no chance of survival. But the Saints proceeded to hit 54 percent from the field and made 11 3-pointers to win the game and stun the Nation.

Although powerful Minnesota eliminated Siena in the second round, the Saints had already established themselves as the Cinderella Team of 1989.

People all over the Nation were asking the question, "Where is Siena College?" Mr. Speaker, it's an honor for me to say that Siena College is located in my district—the 23d District of New York.

I know that you, Mr. Speaker, and all my colleagues join me in recognizing the tremendous accomplishments of Coach Mike Deane and all the members of the Siena Saints basketball team in the 1989 season.

A SUGGESTED SCENARIO FOR THE S&L BAILOUT

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, soon Congress will vote on President Bush's plan to bail out the savings and loan industry. This will be the biggest bailout of any industry in U.S. history. Under the Bush plan, the U.S. taxpayer is being asked to pay the lion's share of the cost, over 70 percent of the bill. Interest costs alone over the 30-year period will amount to over $115 billion. If ordinary U.S. taxpayers must pay for this debacle, it is only fair that U.S. taxpayers benefit directly from the bailout plan. To achieve fairness, the bonds that fund the bailout should be structured to benefit the American consumer and contribute to increased national savings. This can be done by offering the bonds in small denominations that are affordable to consumers. For example, "Super Saver" bonds can be designed to allow ordinary citizens to save for their own retirement or for their children's education, since the American people are going to be asked to hold our financial system together.

Mr. Speaker, why should the American people not earn 10 percent interest on holding these bonds, rather than money changers on Wall Street or foreign investors? Since the American people are going to be asked to hold our financial system together, Congress should place these bonds squarely in the hands of the American people.

IN OPPOSITION TO THE TECHNOLOGY GIVEAWAY ON THE FSX TO JAPAN

(Mr. LEWIS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Florida. Mr. Speaker, I rise today in strong opposition to the proposed agreement between the United States and Japan to codevelop the next-generation FSX fighter.

Even with the recent modifications this agreement is not, as its supporters argue, a harmless way to help Japan provide for its own defense. Rather, this agreement is just another giveaway of some of our Nation's most important and advanced technology.

Free trade is one thing. A free ride is something altogether different, and Japan seems to be getting more than its share of free rides these days.

Over the last decade, the aerospace industry has had the largest positive balance of trade of any American industry.

Japan, on the other hand, has a small aerospace industry, but has publicly announced its intention to become a world leader.

Talk about cutting corners. They want to get there with our scientists, our experience, and our facilities.

If the Japanese want a fighter to protect themselves, let them buy our F-16. After all, it is the best in the world.

And, if they want to establish a foothold in the aerospace industry, let them do it the way we did it, the old fashioned way.

Let them earn it.

FOREIGN ECONOMIC DOMINATION COSTS AMERICAN JOBS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute).

Mr. TRAFICANT. Mr. Speaker, nearly 10 million Americans have lost their jobs from plant closings and layoffs in the last 5 years. Many of these job losses are the direct result of two things: No. 1, the scourge of foreign ownership in this country, and No. 2, the growth of multinational American investments overseas.

Many of us can remember that when we were kids, we here in America seemed to hold all the cards. Today we do not even know what the wildcard is, and foreign companies hold the trumps. In fact, it is getting to the point here where our foreign competitors are buying us out at bargain basement prices. The truth is that we here in America are beginning to rent back foreign-owned property on American soil.

How many of us in the House remember that when we were kids, we

had a Wilson baseball glove? Well, the fact is that is now owned by the West Germans. The same goes for Firestone. Firestone is now owned by the Japanese.

□ 1510

Remember RCA? They used to bring us the Yankees. Well, they are owned by a company from Finland.

Mr. Speaker, the truth of the matter is, if our kids want to own a piece of the rock, they are going to have to buy it from Japan or import it like everything else around here.

Mr. Speaker, I think it is time we act on trade and take a look at our own workers and our own country's investment.

PAYING HONOR TO THE MEN AND WOMEN OF THE FIRE AND EMERGENCY SERVICE SYSTEMS

(Mr. WELDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON. Mr. Speaker, the sleeping giant in America has awakened. The 3 million men and women who make up the backbone of the fire and emergency service system in this country have finally awakened the need to address the concerns they have with their Federal legislators. They have impressed upon 310 of our colleagues to join with me in forming what is now the third largest caucus of Members in this body to deal with life safety issues.

Mr. Speaker, on April 12 in this city we will hold the first ever national dinner for 2,500 of these leading officials from across America who will join with us in paying honor to those 8 leaders in this body and the other body that have helped us address safety concerns. This morning President George Bush accepted my invitation to be our keynote speaker.

Mr. Speaker, I ask my colleagues to join with me and with all of us and these 2,500 people from throughout America as we honor Senator AL GORE, Senator JOHN MCCAIN, the gentleman from Pennsylvania [Mr. WALGREN], the gentleman from New York [Mr. BOEHLERT], our Speaker of the House, the gentleman from Texas [Mr. WRIGHT], the minority leader, the gentleman from Illinois [Mr. MICHEL], the leader of the Senate, GEORGE MITCHELL, and the ranking Republican Senator BOB DOLE, as we pay respects to the fire and emergency service system in this country and begin a process of addressing their concerns.

THE MINIMUM WAGE SHOULD BE A LIVING WAGE

(Mr. POSHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POSHARD. Mr. Speaker, since 1981, millions of American workers have been trying to live on $3.35 an hour. If that wage had been adjusted for inflation, those workers would now be earning $4.58 an hour.

Even that wage, Mr. Speaker, would not be a living wage. Who among us could buy or rent a home, pay for a car, educate their children, buy medical insurance, pay utility bills; in short, who among us could support their family on a minimum wage which is not a living wage.

Mr. Speaker, make no mistake about it, for millions of adult breadwinners, the minimum wage is the only wage they have to provide a living for themselves and their families.

I urge all of my colleagues to support H.R. 2 to provide our workers with a raise they both need and deserve.

TIME FOR A HOUSE DRUG COMMITTEE

(Mrs. MARTIN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MARTIN of Illinois. Mr. Speaker, according to a Gallup-Times Mirror Poll released this month, the American people consider drugs to be our Nation's most serious problem. In fact, 69 percent of the people feel we are losing ground in the war on drugs.

Last year we responded with an omnibus drug bill that contains a variety of new weapons to deploy in that war. And we even created a new Cabinet-level Drug Czar to spearhead that offensive. I have every confidence that Bill Bennett will do an excellent job in that capacity.

Now I would appeal to my colleagues to give this House the same kind of single focus on this monstrous problem that we have given the executive branch. Today we have some 53 House committees and subcommittees having some legislative jurisdiction over the drug problem, plus a nonlegislative select committee.

Today I am introducing a resolution to reconstitute that select committee as a standing Committee on Drug Abuse and Control with both legislative and oversight authority. Under my resolution, other committees would not lose their jurisdiction, but drug bills would first go only to the drug committee, and the Speaker could refer them to other committees for limited periods only after they are reported by the drug committee.

The Rules Committee chairman has promised a hearing and recommendation on this proposal. I appeal to my colleagues to cosponsor this effort and give Congress the same laser we have given the Executive to remove this awful cancer from our land. Let's put aside committee turf for a change—a change that can contribute significantly to eradicating the drug scourge.

FSX DEAL WITH JAPAN SHOULD BE REJECTED

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, first we lost the electronics edge to Japan. Then we lost the semiconductor edge. We are in the process of losing the high-definition TV. Now we are about to lose the high technology age edge.

Mr. Speaker, the FSX deal with Japan makes no sense and should be rejected. Republicans and Democrats are against this sale. The aerospace industry, both civil and military, is an area in which the United States has no equal. We have invested in the research and development of new technology. Our production capability is unmatched. In 1987 our aerospace exports constituted $24 billion, nearly 10 percent of total U.S. export volume. This is one advantage our Nation cannot afford to jeopardize.

Mr. Speaker, the FSX deal would do that. It would give away our technology for free. The foreign policy reasons are not justified. This is a bad deal and should be rejected.

FSX DEAL—GIVING OUR TECHNOLOGY AWAY

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, I find myself in agreement with the gentleman from New Mexico [Mr. RICHARDSON] who just spoke, and this is a rare occasion, and I am very happy for it.

Mr. Speaker, the Pentagon is very concerned over the new Soviet submarine technology. Part of the Soviet submarine success is due to the computer controlled milling devices sold to the Soviets by the Japanese firm of Toshiba, and we gave them that technology. The United States will have to spend an estimated $30 billion to regain our submarine superiority because of this mess-up.

Mr. Speaker, the reason I bring this up is because of the pending agreement to transfer United States aircraft technology to Japan in order for the United States and Japan to jointly develop a new FSX fighter plane. This deal is being agreed to with almost no

consideration of its long-term impact on United States industry and its impact on our trade deficit with Japan.

Mr. Speaker, we have the best aerospace industry in the world, and we are going to give our technology away? It does not make sense. I do not agree. Why not let the Japanese buy our F-16's? It is a better deal for America, and we would not risk giving away our technology that might find its way once again into the Soviet's hands.

WHEN ARE WE GOING TO WAKE UP?

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, we have a nearly $60 billion trade deficit with the Japanese. That means they sell us about $60 billion more than they buy from us.

Mr. Speaker, the Japanese want to buy some jet fighter planes. We make the best in the world, so the Japanese buy them from us? "No," they say, "what we'd really like is we'd like your technology, America, and we'll build them here in Japan and leave the jobs in Japan."

Mr. Speaker, our President says that is just fine with him. Well, it is not fine with a lot of us.

The question is: When are we going to wake up in the world of trade? We buy 3.4 million in cars and light trucks from Japan because they make good cars and light trucks. We should expect that if Japan wants jet airplanes, they buy jet airplanes from us because we make good jet airplanes.

Now we used to be known as the shrewd Yankee traders in America for a couple of hundred years, but I think this FSX decision and our trade policies generally in the last 8 or 10 years demonstrate that we are not shrewd Yankee traders anymore. We can be characterized more as the faint-hearted and the shortsighted in world trade.

Mr. Speaker, it is time for us to stand up for this country and demand fair trade with all countries including the Japanese.

INTRODUCTION OF THE CHILD CARE INCENTIVES ACT OF 1989

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, tomorrow I am introducing the Child Care Incentives Act of 1989. This bill serves as an alternative to the costly and competing proposals put forth by both parties to date.

I believe that this bill will provide a necessary measure of choice for parents in their child care decisions while keeping in mind another problem of equal importance to the Federal Government—the budget deficit. We seem to be throwing all caution to the winds.

I cannot understand why the Democrats and the Republicans have entered this bidding war through the various child care proposals now before Congress. We have only begun the debate on how the Federal Government can best enter the child care arena and already we are considering legislation costing billions of dollars.

Both President Bush's plan and the Act for Better Child Care [ABC] have cost estimates of well over $2 billion. This has indeed become a high stakes game. We must remember, too, that these cost estimates are only the starting point. Of course, once these plans are in place, costs will escalate and there will be irresistible pressure to expand the programs. Before we set off on another spending spree, we must find ways to meet our current obligations and reduce our debt. Let us instead seek ways to improve on existing programs before we embark on any new broad-stroke, expensive, and untried plans.

I believe the bill I am introducing, The Child Care Incentives Act of 1989, strikes the proper balance between our Nation's critical child care needs and the fiscal responsibility of Congress. This bill will keep child care issues in the domain of State and local authorities who have a better view as to the needs of their working families. The role of Congress in this legislation is one of encouraging innovation and providing seed money to local governments and grants to States so they may improve programs to meet local mores and needs. This bill better reflects the proper role of the Federal Government in child care by directing responsibility to the State and local level. It is a prudent approach to the child care problem in light of our fiscal predicament.

□ 1520

PENTAGON WASTE

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEFAZIO. Mr. Speaker, yesterday the Pentagon wasted $23.7 million. Now, that is not news. That is really nothing compared to some of the other waste going on in the Pentagon; however, I could not help think as I watched that D-5 Trident II missile cartwheel out of control and explode in a very expensive display of pyrotechnics, that there is a lot better way to spend $24 million and a lot better way to make America more secure.

How many homeless could be housed for $24 million? My State received only $5 million of McKinney homeless money last year. How many school lunches could be served for $24 million?

But that $24 million pales in the face of the proposal to take 9 Trident submarines out of service, submarines equipped with C-4 missiles, missiles that work, take those submarines out of service, rip them apart, equip them with this new cartwheeling skyrocketing D-5 for a mere $6 billion.

Later this year, Mr. Speaker, we will have an opportunity in this House to save that $6 billion, money we cannot afford, and to make America more secure by stopping the D-5 missile and stopping the retrofit of those submarines.

Mr. Speaker, I urge my colleagues to join with myself and the gentleman from New York [Mr. WEISS] who has offered this amendment year after year, and this year let us save the money and do something to make sense for America and for our national defense.

DO SOMETHING ABOUT TERRORISM

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, recently we have witnessed several terrorist attacks on our citizens. The most recent acts of terrorism we have witnessed are the bombing of a Pan American airliner and the Ayatollah Khomeini's ruthless demand for the execution of Salman Rushdie. According to the FBI, 50 percent of the international terrorist incidents since 1968 have been directed at Americans.

We cannot forget the continuing danger our country faces from a terrorist attack. Most Americans would be disturbed to know that we continue to extend official most-favored-nation preferential trade status to nations that support terrorism.

Our State Department already lists those nations which are shown to be consistent supporters of international terrorism. This list includes Libya, Syria, and Iran. We should not allow such countries trade preferences when their governments condone and support terrorist attacks aimed at Americans.

Yesterday, it was my honor, along with the very distinguished chairman of the Interior Committee, Mr. UDALL, and over 65 original cosponsors from both parties and every region, to introduce the Anti-Terrorism Act of 1989. This bill would deny MFN status from those nations who support terrorism, as identified by the U.S. State Department.

We cannot continue to support terrorist countries. I urge all of my col-

leagues concerned about terrorism to cosponsor H.R. 1515, and work with Congressman UDALL and myself to enact this much needed legislation.

INTRODUCTION OF INFANT MORTALITY PREVENTION ACT

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, I am pleased to introduce today the Infant Mortality Prevention Act for young babies in this country, because the facts are that more babies per thousand live births in the United States die from low birth weight than in 21 other industrialized nations.

The awful thing is that many of these tragedies could be prevented, but are not, because these mothers do not know about prenatal and maternity care, or they cannot afford it.

The agencies in our various communities that are working to prevent infant mortalities are overwhelmed and underfunded.

The legislation that I am introducing today would increase title V, the maternal and child health services block grant; but more importantly, what this bill would do would be to have structured planning services concerning maternity and infant mortality, building on what we already know about infant mortality.

Ironically, we pay dearly for the dollars we refuse to spend on upfront preventive care for infants. We are now spending $638 million under Medicaid to pay for neonatal intensive care after this low birth weight baby is born. That figure could be reduced to $90 million, Mr. Speaker, with proper prenatal care.

I urge my colleagues to join me to prevent this alarmingly high death rate for low birth rate babies, for the newborns of our country. We are ashamed of this situation and it is time we began to do something realistically about it.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2, FAIR LABOR STANDARDS AMENDMENTS OF 1989

Mr. OXLEY. Mr. Speaker, due to staff error, I have been listed as a cosponsor of House Report 2 since March 15. I ask unanimous consent that my name be removed as a cosponsor of House Report 2.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Ohio?

There was no objection.

QUESTIONS FOR THE NEW REPUBLICAN WHIP

(Mr. ALEXANDER asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. ALEXANDER. Mr. Speaker, after arriving at the Capitol a few minutes ago on this glorious spring day, I learned that our colleagues on the other side of the aisle have conducted an election for minority whip resulting in the election of the gentleman from Georgia [Mr. GINGRICH] as minority whip. I wish to offer my congratulations to the gentleman from Georgia and look forward to the debates during the months ahead that may ensue.

I would note to those who are observing that the gentleman from Georgia made his name, so to speak, by a sustained personal attack on the good name of JIM WRIGHT, the Speaker of the House of Representatives who has devoted decades of meritorious service to our country. The gentleman from Georgia alleged that the Speaker has circumvented minimum income limits of Members of Congress by writing a book for which he received a royalty.

Now, it is also to be noted that just this week it was learned that the gentleman from Georgia [Mr. GINGRICH] also allegedly has a book deal. It is alleged in the Washington Post this week that the gentleman from Georgia received a royalty or a payment in the nature of a royalty. This is apparently similar to the WRIGHT arrangement which is the basis of the gentleman from Georgia's complaint before the Ethics Committee.

The SPEAKER pro tempore (Mr. MONTGOMERY). The Chair would state to the gentleman that he cannot make personal references, as the gentleman has done in his remarks.

Mr. ALEXANDER. But I have a paper here, copies of which are to be found in the classroom, that asks certain questions to the gentleman to whom I referred, which I think he should publicly answer for all of the Members of this House and for all of the American people who have observed his assertions against Mr. WRIGHT.

Finally, I am shocked by this alleged book deal and look forward to the reply to the following questions.

I wish to emphasize that the gentleman from Georgia should be treated fairly and should be given every opportunity to provide an explanation in this matter.

The letter and article referred to follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 20, 1989.

Hon. NEWT GINGRICH,
U.S. House of Representatives,
Washington, DC.

Dear MR. GINGRICH: The revelations printed by Charles R. Babcock in this morning's Washington Post raise a number of questions about the arrangement you and your wife set up to promote your book "Window of Opportunity." The article indicated that, despite 6 months of inquiries you have failed to provide information concerning several key aspects.

Who were the members of the limited partnership? What were their partnership contributions? Did your wife receive a partnership interest without any financial contribution to the partnership? How much did each contribute? Did any of these individuals have an interest in legislation or receive any government contracts?

How and by whom were the partners solicited? How many of them were contributors to or involved in raising funds for your campaign? Were any GOPAC funds spent in relation to the book?

What were the terms of the partnership and royalty agreements? Where was the limited partnership filed? Were the transactions of the partnership disclosed on your financial disclosure?

Was there ever any discussion with all or any of the partners of the possibility of using the investment in your book as a tax write-off?

How much money was raised by the partnership, and how much has been spent and for what purposes?

Did you travel to promote the book? How were these trips paid for? Did any of the trips also have a campaign purpose?

What was the nature and extent of your and your spouse's work on the book? Were any government resources used to produce, publish, or market the book?

What actions were taken by you, your publisher, or any other party to increase the sale of your book?

What is the disposition of the remaining funds reportedly not spent on promotion?

How much money were you or your wife paid or reimbursed and what services did each of you render for those payments? Was her interest in the partnership disclosed on your financial disclosure? What have been the tax benefits of this partnership to you and your wife as well as to the other partners?

Do you have copies of all correspondence between you or your wife and the publisher or partners and are you willing to disclose them publicly?

It was also pointed out in the Washington Post that there was an earlier partnership with regard to a book that was established in 1977. Please supply the same information relative to that book and partnership as well as any other book you have authored or contributed to.

As you are well aware these facts bear upon compliance with the Rules of the House, financial disclosure requirements, the Federal Election Campaign Act and matters relating to the Internal Revenue Code.

We would appreciate your prompt response.

Sincerely,

BARNEY FRANK.
MARTIN O. SABO.
LAWRENCE J. SMITH.

[From the Washington Post, Mar. 20, 1989]

GINGRICH'S BOOK VENTURE—UNUSUAL PARTNERSHIP GAINED TAX BENEFITS

(By Charles R. Babcock)

Rep. Newt Gingrich (R-Ga.), who spurred the ethics investigation of House Speaker Jim Wright (D-Tex.) and focused attention on Wright's 55 percent book royalties, has an unusual book arrangement of his own.

When Gingrich and his wife, Marianne, wrote the nonfiction book "Window of Opportunity" with David Drake in 1984, they signed a contract to share a standard 10 percent hardcover royalty. But they also took the unusual step of setting up a limited partnership, which raised $105,000 from Republican political activists and business people around the country, to promote sales of the book. Normally, a publisher pays for promotion.

The idea, Gingrich said in an interview late Friday, was that a large publicity budget could "force a best seller, I was real naive."

The 21 investors in the COS Limited Partnership each put up $5,000 and were to split half of the publisher's profits. But sales of the book were modest, and there were no profits. The publisher, Jim Baen, of Baen Enterprises, lost money on the venture. This created a tax benefit for the partners.

Gingrich did not have a share of the partnership, but his wife, Marianne, said in an interview yesterday that she has been paid close to $10,000 by the partnership for her work as general partner. She said she put no money into COS but got a 2 percent share and thus a portion of the tax benefits from the partnership's continuing annual losses.

The congressman said the partnership was his idea. It spent $70,000 for promotion. Nearly $6,000 of the other $35,000 remains, Marianne Gingrich said, with the rest of the money going to her and for legal, accounting and other costs.

Baen, who did not know Gingrich before he met him at a conference on space and technology, said he has not entered into such a promotion partnership before or since and did not know of another like it in the publishing industry.

Gingrich is running for election this week to replace former representative Dick Cheney (R-Wyo.), the new secretary of defense, as Republican whip, the second-ranking GOP leader in the House. Gingrich asked Friday if he could delay detailed responses about the partnership because it would be to his "disadvantage" to have a story appear before the whip election saying that he had a book deal "equally as weird as Jim Wright's."

Gingrich was first queried about the partnership arrangement last August, but only recently began providing documentation. In agreeing to answer detailed questions, he said his publishing venture differed from Wright's. "We wrote a real book for a real company that was sold in real bookstores," he said.

House Democrats attacked Gingrich last year, in the wake of the Wright investigation, for a previous book partnership he set up in 1977. That partnership advanced him $13,000 to write a novel that was never published. The partners received tax benefits from participating in the venture.

Marianne Gingrich said she did not have ready access to accounts of exactly how the $105,000 in the COS partnership was spent. She estimated that she received close to $8,000 initially to help set it up and another $1,500 recently for other work.

She said she could not furnish a complete list of the partners until she had contacted them. In describing the investors, she said, "One of the reasons they contributed is that they have been active in Republican politics and agreed with Newt's message." She said only one partner, a now-deceased supporter from her husband's congressional district, also had invested in the first partnership.

Gingrich said in a separate interview that about half of the investors were donors to his campaigns while others were business people around the country he had met during talks about his view of the future. "A number were nominally Democrats," he said.

Baen, the publisher, said "Windows of Opportunity" would have had to sell another 50,000 copies before profits rose sufficiently for the partners to recoup their initial investment.

Asked if the promotion partnership was a realistic business venture, Gingrich likened it to a wildcat exploration well than to gilt bonds." He added that the investors also may have been attracted by the tax benefit they stood to gain if the venture failed.

One of the investors was former representative Howard (Bo) Callaway (R-Ga.), who is now chairman of GOPAC, a political action committee Gingrich has been active in that raises money for Republican candidates in state and local races. Callaway said in an interview that he accepted Gingrich's invitation to investment because he believed in the book's message and thought "it might make some money."

"Newt made clear it wasn't a guaranteed thing . . . He in no way misled us on that," Callaway said. "It was sort of like backing a play on Broadway. It might turn out to be "My Fair Lady" or it might go broke. It was just something I thought should have been published. I was glad to help get it started."

Gingrich said that Pierre S. (Pete) du Pont IV, former Republican governor of Delaware and a GOPAC activist, was willing to pay for the entire promotion budget but that Gingrich wanted to spread it among a number of individuals.

A 22nd COS partner, Janet Morris, got her share by editing the book rather than paying $5,000. Marianne Gingrich said this was the way Morris preferred to be paid. Morris said the congressman persuaded her to accept a share of the partnership for part of what she was owed.

The 272-page hardcover version of the book sold for $14.95 and was rushed to come out just before the 1984 Republican National Convention in Dallas. At the time, Gingrich was trying to publicize a movement he called the "Conservative Opportunity Society."

Although the book lists three authors, it is filled with first-person anecdotes about Gingrich's views of the opportunities—offered by advances in space, computer and other technologies—for improving life in America.

"It was too serious to be profitable, and the Teamsters literary society didn't buy it," Gingrich said. This was a reference to disclosures that the Teamsters union bought 2,000 copies of Wright's book, "Reflections of a Public Man."

The House ethics committee is investigating whether such sales to interest groups represented a way to give Wright income while evading House limits on fees for speeches and appearances.

Five thousand copies of Gingrich's book were sold for about $2 each in "special sales," according to the publisher. Asked about this, Gingrich said that the "Conservative Book Club or something like that" bought some copies at the reduced price.

Another issue in the Wright inquiry is the use of a staff aide to help compile the book. Gingrich said he wrote the first draft himself and then asked staff members to read chapters and offer suggestions.

Publisher Baen said, after checking figures from his office, that royalties paid on the book through last June totaled about $26,000, including the $13,000 in advances he paid the three authors. He paid Gingrich and his wife $5,000 each in advance; Drake received $3,000.

Under the contract, the Gingriches were to get 80 percent of the royalties, and Drake was to get 20 percent. Gingrich reported on his financial disclosure statement for 1987, the most recent available, that he and his wife received at least $5,000 each in royalties that year.

Baen, whose firm publishes science fiction and books on high technology, said the entire $70,000 promotion budget was spent. Most of it went for advertising in The New York Times and Publisher's Weekly, and in cities where the distributor, St. Martin's Press, was selling the book. Some of the money also went for Gingrich's travel expenses to promote it.

Despite the heavy promotion, sales of the book "were not gratifying," Baen said. It sold about 12,000 hardcover copies and another 17,000 in paperback editions and other sales.

"The crucial single point," Baen said, "is that this was a serious book that had a serious advance and the standard industry royalty agreement, and that it earned that advance in royalties and then some, but not much."

Drake, the third author, said the size of the promotion budget "should have put the book on The New York Times best-seller list. But the money might as well have been burned in the parking lot."

A FAIR AND HONEST CAMPAIGN FOR REPUBLICAN WHIP

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I had not intended to make a 1-minute speech, but in view of the remarks of the gentleman from Arkansas, I am compelled to at least say this: The gentleman from Georgia ran in a race for whip on our side in a very tight race, he ran a gentlemanly like campaign, and he won it on its merits. I might have had my own candidate, no question about that. Everyone knew that I was supporting the gentleman from my home State of Illinois. I had no alternative; but when we have a free and open debate, the kind of thing I would like to have happen more frequently here on the floor of the House, particularly when it comes to rules and a few other things, then I have to say quite frankly the gentleman from Georgia will have an opportunity to prove himself, and yes, we will have to answer for our records of the past. We also have a record for the present and the future.

In my judgment, the gentleman won the fight fair and square. It will be his responsibility, obviously, to deport himself in the kind of manner and fashion in which I am sure he is capable of doing on the floor of the House.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Yes; I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding to me. I hope that is the case.

Meanwhile, there are many of us on this side of the aisle who would like some questions answered concerning the nature of the financial arrangements of the book deal that was published this week in the Washington Post.

I thank the gentleman for yielding.

□ 1530

BAHAMIAN GOVERNMENT COOPERATING WITH COCAINE CARTEL, NOT STATE DEPARTMENT

(Mr. FEIGHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FEIGHAN. Mr. Speaker, directing my remarks to our President, let me say this: President Bush, earlier this month you sent us a report which certified that the Government of the Bahamas was "fully cooperating" with official United States efforts to keep drugs out of our country.

You knew, at the time, that was wrong.

Today, Mr. President, your own district attorney in Jacksonville said "you're wrong." An indictment unsealed this morning charged that officials at the highest levels of the Bahamian Government are cooperating not with the State Department, but with the cocaine cartel itself.

Mr. President, the evidence collected in Florida shows that you have another General Noriega on your hands. His name is Lynden Pindling.

The question is: What are you going to do about it?

Today I am introducing legislation which disapproves your certification of the Bahamas. Prime Minister Pindling and his cronies aren't cooperating with us in the war on drugs; they're conspiring with the enemy.

Mr. President, it is time to recognize this fact. It's time for you to follow through on your commitment to stop the scourge of drugs. It's time to stop the kid-gloves treatment of corrupt foreign leaders who help ship drugs to our shores.

DEMOCRACY IS WORKING IN EL SALVADOR

(Mr. ROHRABACHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROHRABACHER. Mr. Speaker, I was in El Salvador on Sunday, at polling places in the capital and in the countryside, and I can testify that despite Communist threats and terror, the Salvadoran elections were free and fair.

In the United States, however, the grist mills of the left are working to delegitimize the democratic process in El Salvador in a brutal and mostly untruthful attack on Arena, the winning party in the El Salvador election.

I saw a free and fair election in El Salvador; I saw a country ready for peace. Hope hung in the air in these elections, hope for peace and stability and freedom. Arena, which has been less than temperate in the past, is serious about human rights and is serious about bringing the guerrillas into the democratic process, which is key to a peaceful solution to the conflict that plagues their country.

The new, duly elected leaders of El Salvador must have a chance to lead their country toward peace, prosperity, and freedom. We must give them a chance to demonstrate that they are serious about peace and democracy. We must not answer the free and fair elections in that fledgling democracy in withdrawing support from the clear winners. Democracy is working in El Salvador. We must continue to support it.

INTRODUCTION OF AVIATION CAREER IMPROVEMENTS ACT OF 1989

(Mrs. BYRON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mrs. BYRON. Mr. Speaker, over the next decade, the United States is likely to face a critical shortage of pilots in the wake of both a sustained, postderegulation expansion of the civilian airline industry and a dramatic surge in retirements within the current civilian pilot force. As a result, the airline industry is expected to go on an unprecedented hiring binge that will have serious national security and Defense budgetary implications. The armed services have traditionally been the major training ground for the commerical airlines; ex-military pilots, in fact, comprise 77 percent of the commercial pilot inventory. At an average training cost between $2 to $6 million per pilot, depending on the weapon system, the Nation can ill afford that valuable resource drain.

Pilot retention is one of the top items on the agenda for the Subcommittee on Military Personnel and Compensation this year. We have already had four closed door sessions with groups of pilots, two of them in the field, to get the full picture—firsthand—of what drives a pilot to leave or to stay in the service. Today Congressman HERB BATEMAN, the ranking Republican member of the subcommittee, and I are introducing a companion bill of S. 653, the Aviation Career Improvement Act of 1989, introduced last Friday by Senator GLENN and Senator MCCAIN, our counterparts on the Senate Manpower and Personnel Subcommittee.

I want to commend the Senators and their staffs for the outstanding job they have done in putting this legislation together. While we may make some modifications, based on additional feedback as we approach markup, this legislation clearly represents a framework within which we all can work to stem the current loss of pilots to the airlines before it becomes an irreversible hemorrhage of talent.

EL SALVADOR VOTERS PAYING FOR THE PRIVILEGE OF DEMOCRACY WITH THEIR LIVES

(Mr. COX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COX. Mr. Speaker, in America we take democracy for granted, but in El Salvador, people are paying for the privilege to vote with their lives.

Last Sunday, more than 50 percent of El Salvadoran voters braved terrorist threats and attacks to cast their ballots for a new President. It was a moving experience for me to see ordinary people take such risks to assert their right of self-government.

Mr. Speaker, when invited to be part of an international delegation observing the Salvadoran elections, I was warned it would be dangerous to go. Marxist terrorists of the FMLN have cut power lines, and they blow up cars and buses. Worse, they are terrorizing and killing people who wish to vote. Just last week, they machinegunned in cold blood a former Jesuit of Salvadoran origin who had taught at California State University where I come from.

Although the Marxists pledged to make voting impossible and to see to it that no international observer was safe, I decided to go. I did so because of what American support for democracies in Central America has meant. Whatever danger I endured I knew would be small compared with the daily sacrifices made by El Salvadoran families.

On the evening before the vote, I met with Alfredo Cristiani, the newly elected President of El Salvador. A Georgetown University graduate, he is a soft-spoken man, who insisted that he wants to work out a settlement with the guerrillas, by negotiation if possible, by force if necessary.

Mr. Speaker, Americans must support the fledgling democracy in El Sal-

vador and show no tolerance for the terrorists who threaten the lives of innocent voters. Latin America is the testing ground for our dedication to our founding principle of self-government. It is up to all of us to prove worthy of our principles.

FAILED TRIDENT II MISSILE TEST

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, I rise today to reflect on the dramatic misfiring of the Navy's first undersea test of the highly touted Trident II missile.

Champions of the Trident II have bragged repeatedly about the weapon's sound technology and efficient management. But yesterday's failed test is only the latest in a pattern of poor performance by the Trident II. In fact, roughly 25 percent of this system's tests have failed. Some efficiency!

But there are even more important reasons for opposing deployment of the Trident II missile. It carries a $50 billion pricetag, and it will transform our submarine-based nuclear force from a perfectly good Trident I retaliatory weapon into a dangerously destabilizing first-strike system. The Trident II is accurate and powerful enough to break through the hardened silos of Soviet land-based ICBM's. Since the flight time of the Trident II is only about 15 minutes, the Soviets would be inclined to adopt a "launch-on-warning" response to a perceived attack, greatly increasing the risk of accidental nuclear war.

Given yesterday's failed test, and the intense pressure to reduce the defense budget, now is the time to save the taxpayers billions of dollars while keeping our nuclear deterrent strong. Let us cancel the Trident II.

WHY ARE WE STILL SUBSIDIZING THE DEFENSE OF EUROPE AND JAPAN?

(Mr BRYANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRYANT. Mr. Speaker, the House of Representatives is facing a series of extremely serious choices with regard to our Federal budget.

Valuable programs are being pitted against each other as we determine what our national priorities will be.

Mr. Speaker, I think we are glad for the "kinder and gentler" comments of President Bush, but Members of this House would like to have from him more specifics than we have been given about where he wants the cuts to be made, cuts that he says will have to be made if we are to balance this budget.

Mr. Speaker, before we cut the Medicare budget, the farm program, the INS budget that pays for Border Patrol agents or other critical areas of our Government which the President proposes to cut, I think we Americans should ask this question: Why is it that 45 years after World War II we are still paying the cost of subsidizing the defense of Europe and Japan?

□ 1540

Americans today pay over $1,000 a year apiece to defend the Western Alliance, while the Europeans pay only about $300 a year apiece and the Japanese only $100 a year apiece. These regions are well able to pay their own bills. We are borrowing money from them to finance our deficit, and sending it back to them in the form of a gift, the subsidy of their defense burden. It is a burden they ought to begin to take up.

Mr. Speaker, I think all of us would join in saying to the President, before we start talking about cutting the muscle and the sinew out of the Government of the United States, let us talk about getting Europe and Japan off of the payroll of the American taxpayer. Forty-five years after World War II it's time for Europe and Japan to pay the cost of their own defense.

THE HOSTAGE TAKING OF AMERICA

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, I stand here today before my colleagues wondering how America has become the principal client of the international terrorists market. Just last week, against astounding odds, our inspectors discovered two Chilean grapes laced with cyanide and I thank God for their discovery. However, the revelation forced the United States to ban its importation of Chilean fruit and jeopardize the economic stability of one of the major industries of another sovereign nation.

How did the terrorist gain such prominence in the world? The simple, yet insidious, act of the grapes affected trade between two nations so swiftly and effectively that it would put even the best trade negotiators to shame. This my friends cannot be allowed. When the public is deeply concerned about its own safety when it travels—we must act. When our food supply is threatened—we must act. When innocent men are held indefinitely in the Middle East or writers are condemned to death by fanatical leaders—we must act.

I encourage the media to pay no more attention to terrorist acts than is absolutely necessary to report the news—let us not give them a stage upon which to perform and let's not allow our resolve to falter by dealing with these criminals but pursue them with all the vigor we can muster with a truly long arm of the law.

FILLING EXISTING MINORITY EMPLOYEE VACANCY

Mr. MICHEL. Mr. Speaker, by direction of the Republican Conference, I offer a resolution (H. Res. 114) filling an existing vacancy in minority employees authorized pursuant to the Legislative Pay Act of 1929, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 114

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, the sixth of the minority employees authorized therein shall be Alan M. Kranowitz, effective March 22, 1989, (to fill an existing vacancy) until otherwise ordered by the House, to receive gross compensation pursuant to the provisions of House Resolution 119, Ninety-Fifth Congress, as enacted into permanent law by section 115 of Public Law 95-94.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2 FAIR LABOR STANDARDS AMENDMENTS OF 1989

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 111 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 111

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against consideration of the bill for failure to comply with the provisions of clause 2(l)(6) of rule XI are hereby waived. After general debate, which shall be confined to the bill and which shall not exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment

in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule and said substitute shall be considered as having been read. No amendment to said substitute shall be in order except those amendments printed in the report of the Committee on Rules accompanying this resolution, said amendments shall be considered in the order and in the manner specified, and shall be considered as having been read. Each amendment may only be offered by the Member designated in the report, or his designee, and shall be debatable for the time specified in the report, equally divided and controlled by the proponent and a Member opposed thereto. No amendment shall be subject to amendment except as specified in the report. The amendments in the nature of a substitute to be offered by Representative Goodling of Pennsylvania, and Representative Murphy of Pennsylvania or Representative Ridge of Pennsylvania or Representative Robinson of Arkansas, shall be in order although amending portions of the committee amendment in the nature of a substitute made in order as original text by this resolution already changed by amendment. If more than one of said substitute amendments is adopted, only the last such amendment which is adopted shall be considered as finally adopted and reported back to the House. The amendment to be offered by Representative Miller of California shall be in order, notwithstanding any rule of the House. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume.

Mr. MOAKLEY. Mr. Speaker, House Resolution 111 is a modified open rule providing for the consideration of H.R. 2, the Fair Labor Standards Amendments of 1989.

The rule provides for 2 hours of general debate to be equally divided between the chairman and ranking minority member of the Committee on Education and Labor.

The rule waives the provisions of clause 2(l)(6) of rule 11 against the consideration of the bill. This provision prohibits the consideration of a bill until the report has been available for at least 3 days. Mr. Speaker, since the report on H.R. 2 was filed just 2 days ago, the waiver is required to permit the bill's consideration.

Mr. Speaker, under the rule the amendment in the nature of a substitute recommended by the Education and Labor Committee is to be considered as original text for the purpose of amendment.

The rule also makes in order three amendments to the committee substitute, the first is the amendment in the nature of a substitute which may be offered by Representative GOODLING. The second amendment, also a substitute, may be offered by Representative MURPHY, Representative RIDGE, or Representative ROBINSON. Each of the first two amendments is to be debatable for up to 1 hour.

If both substitute amendments are adopted, only the second one shall be considered to be adopted and reported back to the House.

The third amendment in order under the rule is an amendment which may be offered by Representative MILLER of California. This amendment is debatable for 30 minutes and is in order not withstanding any rule of the House. Representative MILLER's amendment may be offered to any of the substitutes made in order under the rule.

Finally, Mr. Speaker, the rule provides for one motion to recommit.

Mr. Speaker, H.R. 2 as reported by the Committee on Education and Labor, would raise the minimum wage in annual increments over 3 years so that on January 1, 1992, the minimum wage will be set at $4.65 an hour. The committee substitute would also raise the tip credit, raise the small business exemption threshold, and provide for the phasing in of standards in Puerto Rico which are at parity with those in the other 50 States. H.R. 2 would also bring legislative branch employees under the coverage of the Fair Labor Standards Act.

Mr. Speaker, the chairman of the Rules Committee wished to handle this rule on the floor today but unfortunately he was unable to be here. It would indeed be appropriate for the chairman to handle the rule when one considers the events which led to House consideration of the wage bill in 1938.

The House Rules Committee of that day had succeeding in fending off the Roosevelt administration's efforts to have a minimum wage bill enacted by refusing to grant a rule on the bill reported from the House Labor Committee. CLAUDE PEPPER, in his first primary campaign for reelection to the Senate in 1938, included in his platform a plank in favor of minimum wage.

It was apparent that there was substantial political support for the minimum wage. Because of that support and the signal that support for the minimum wage was not a liability to southern Democrats, a majority of the House was secured to sign a petition discharging the House Rules Committee of the wage and hour bill. The bill went on to be enacted as the first national minimum wage standard in American history.

A Jack Sparling cartoon hangs in Senator PEPPER's office today which was inspired by these events. It shows the administration sprinkling pepper over our House Rules Committee with the wage and hour bill locked and a caption that reads: "This should bring it out."

Mr. Speaker, the rule before the House is a fair rule which allows for the debate on a variety of the major issues which are part of the minimum wage debate. Lower minimum wage rates as well as subminimum training wage alternatives are to be considered under this rule. In addition, Members will have the opportunity to consider an amendment which increases the damage levels which may be awarded against employees that repeatedly violate the Fair Labor Standards Act.

In the spirit of fairness that led to the enactment of the wage and hour bill, we should act now to restore the minimum wage to a decent and reasonable level. I urge my colleagues to adopt the rule and pass H.R. 2.

□ 1550

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a historic moment in the House of Representatives. For the first time in the 51-year history of minimum wage legislation, the House is being asked to consider such a bill under a rule which is less than open. Fifty-one years worth of precedents are being tossed aside so that the majority can once again stack the deck before the cards have even been dealt.

Those of us on this side of the aisle will be keeping a running tally of such historic moments throughout this 101st Congress, which already shows the promise of shattering every previous record for denying Members the right to be heard in this Chamber.

And so, Mr. Speaker, even though I strongly favor an increase in the minimum wage, I rise in opposition of this rule—and I urge that it be defeated so that the minimum wage issue can be discussed fairly and openly in this House by Members from both sides of the aisle.

Turning now to the substance of the rule itself, there are at lest three ways in which it shuts off fair debate on this bill.

First, the rule makes in order only three amendments. By doing so, it has the effect of declaring that raising the minimum wage is the only means by which the economy security of the working poor can be protected.

Mr. Speaker, how can we fight poverty by expanding opportunities in the

workplace? That's the underlying question in this debate. But it is a question that will go unanswered because only three amendments will be permitted. Members from both sides of the aisle, representing different sections of the country with a wide range of socioeconomic situations, will not be heard. The collective expertise which this House can bring to bear will be ignored.

By rushing through the minimum wage bill in this fashion, we are preempting consideration of more imaginative ideas for helping the working poor. I know the argument can be made that an open rule means that too many amendments can potentially be offered and the whole process becomes too time-consuming. But if that is the excuse now, when the House calendar isn't exactly cluttered, what is going to be the excuse later on this year when the bills are stacking up?

Make no mistake: This rule attempts to shut off debate, period. And that leads to the next objection I have to this rule.

This is a king-of-the-hill rule which, at quick glance, looks to be fair, but on which closer examination reveals its true purpose. In this case that purpose is to stack the deck against the administration's proposal, which is embodied in the amendment to be offered by Mr. GOODLING.

If that amendment were to pass, under the terms of this rule, there will be an opportunity for a subsequent amendment to displace it. Should that eventuality come to pass, Members on this side of the aisle and some on your side as well will have no other recourse but to offer a motion to recommit the whole package. And even there, our options are essentially nullified.

That leads me to my third objection to this rule. A simple motion to recommit, which is all this rule provides for, will not give this side of the aisle a chance to amend whatever legislation we finally end up with today. Let's suppose the amendment to be offered by Mr. GOODLING doesn't pass, but the one to be offered by Mr. MURPHY does. In that case, this side of the aisle will have no opportunity to offer any subsequent amendment to what then will have become the House bill on the minimum wage.

By not allowing the minority to offer a motion to recommit with instructions, this rule puts those of us on this side of the aisle in a take-it-or-leave-it situation. Morever, it violates 80 years' worth of precedents that permit the minority to thus offer a final amendment.

We shouldn't be too surprised, I suppose, because those precedents have been violated regularly over the past several years. And certainly this side of the aisle will be keeping you posted on the boxscore for the 101st Congress as these abuses continue.

Mr. Speaker, I regret having to oppose this rule because I had hoped the House would debate the minimum wage issue openly. I am one who believes that an increase in the minimum wage is necessary, and there are some positive features in the several alternatives that will be under consideration today.

But it is this continuing abuse of the process that concerns me. It's this seeming need to control and gag the proceedings of the House that concerns so many Members on this side of the aisle.

Enough is enough.

Mr. Speaker, you know this is supposed to be a fair body and people on that side of the aisle, I know they are sincere, but you really are shutting off debate.

Mr. Speaker, I represent an area that has a resort industry. I represent an area that has agricultural interests, the 20th-largest dairy-producing district in America.

You are shutting off my people from having a reasonable debate.

As I look on that side of the aisle, I see all kinds of people represented out there.

Mr. Speaker, why do you not let it be an open rule, let it be debated so that when it finally reaches the President's desk that he at least knows that it was the will of the Congress which represents the American people not to do it this way?

That is why I am going to ask for a vote on the resolution and ask for it to go back to our committee.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman well knows that six of the seven amendments before the Committee on Rules were allowed into the substitutes. The only amendment that was not allowed in was one where the Committee on Ways and Means had jurisdiction and the chairman of the Committee on Ways and Means instructed us that they had not had any hearings on the bill.

So we did not think that this was the proper vehicle to put that amendment in.

Mr. Speaker, for the purpose of debate only, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. I thank the gentleman for yielding.

Mr. Speaker, I rise today to not only support the rule but the bill also and I want to commend the chairman of the Committee on Education and Labor, the gentleman from California [Mr. HAWKINS] as well as the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. MURPHY] for their efforts.

The truth is the minimum wage today is at rock bottom; in fact it is somewhere in the gravel pits.

President Reagan, and Congress for that matter, failed to equate the basic cost of living with the minimum wage situation. As a result we have this dilemma.

Increasing the minimum wage will, in my opinion, restore fairness to a wage which after 8 years has declined in value by more than 30 percent.

Think back to the costs of the goods and services in 1955, folks. That is about right where we are for the minimum wage earner. Someone earning $3.35 per hour today has about enough money to buy groceries at the prices of 1955.

□ 1600

Now that is ridiculous. Raising the minimum wage will give 8 million workers not only a helping hand but a needed hand up.

Now in addition to that there is the other side of the coin. Those employers out there and those businesses that are saying if Members pass that minimum wage bill, we are going to lay people off and we are not going to hire. Let me remind the Members of Congress these are the same people that want Members to cut welfare every year. I maintain that by unfreezing the minimum wage we will give more people an opportunity to hit the bricks to find work, and take them off the welfare rolls. I further say that Congress, by our policies of not raising this minimum wage has basically subsidized industry and business in this country. Our taxpayers are giving food stamps and housing vouchers to people who are working at a wage that is not even very decent for those people working in the year 1955. Now that is disgusting. My area has lost an awful lot of work and we have too many people at $3.35 an hour that cannot pay their rent, cannot buy a home, cannot feed their families, and the government has to step in and do it. So we have seen and we have heard of this hypocrisy.

I want to commend the chairman from California [Mr. HAWKINS], the subcommittee chairman, the gentleman from Pennsylvania [Mr. MURTHA], and I am just hoping today we will do what is right, because there are 8 million workers that are crying uncle, and they are crying Uncle Sam, that want Members to do something, and something right. What we are doing with this bill is right. I support the rule and ask all Members to support the rule and get beyond the smoke screen, and pass that much needed minimum wage increase.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the distinguished Republican leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I guess it should come as no surprise to the majority that I rise in opposition to the rule.

In the words of the old song—"It seems to me we've heard this song before." Well you're going to hear it again.

There is no new way of telling the truth about injustice, so I won't try to find one. The old blunt candid words will have to do.

Once again, as has happened so many times, the majority has crafted a rule that meets neither the standards of fairness nor the ideals of free debate. And, once again, the rights of the minority—another way of saying the rights of millions of Americans whose views we represent—are being denied by the cunning manipulation of parliamentary procedure.

The cynical among us might yawn and say: "So what else is new?" But those of us entrusted with protecting minority rights cannot allow ourselves to succumb to the cheap ironies of cynicism.

The majority's original legislative proposal came out of committee after cursory hearing, lacking the kind of testimony it should have had. But the majority soon discovered that its original approach to the minimum wage question wasn't good enough. So the rule is crafted in such a way that the majority gets two bites of the apple.

The last two people to get two bites of an apple were Adam and Eve—and we all know what that led to.

The majority gets two chances under this king of the hill procedure, but the minority gets only one substitute without a motion to recommit with instructions.

What should we call that, Mr. Chairman? Is it justice? Is it fairness? Is it part of the 200-year-old tradition of free and fair debate? Is it something that enhances the reputation of this body? Is this the best the majority can do for the minority?

I might remind some of our junior Members who are on the floor here this afternoon of the trend that is happening in this House. In the old days, when I was a junior Member, when we used an open process, an amendment would be offered in the first degree, then a substitute, an amendment to the substitute, and an amendment to the bill in the second degree would also be in order. Each person on both sides had an opportunity to offer amendments. Then voting on them, one by one, till we finally got a consensus in this House. That is a free legislative body at work at its best. But that is not what is happening, and this is only the second rule, as I recall, that we have taken up this year, and again one that restricts the right of the minority as well as truly denying the House the ability to work its will. When I find a motion to recommit denied to the majority I really have to raise a nit.

My friends, you have an 80-vote margin in this House. What are you really afraid of?

A debate on minimum wage should proceed with maximum fairness. How can we talk about fairness for working Americans if our debate itself is rooted in an unfair rule?

We've got to begin to rebuild the confidence of the people in their House.

Already we may be too late. But if we can just make the effort, here, now, we can start to do something good for the House and for the country.

Vote against the rule or the previous question in order to open it up to amendments, as my Rules Committee member, the gentleman from New York [Mr. SOLOMON] has also recommended.

Mr. MOAKLEY. Mr. Speaker, for the purposes of debate only, I yield 3 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, it is with great disappointment that I must rise to oppose this rule. There is bipartisan support for different parts of this bill. Here we are, Mr. Speaker, just beginning the 200th anniversary year of Congress, of the people's House, and we are observing this anniversary not with a display of democratic procedure and full and free debate on the first real issue of the day, but with a modified closed rule.

And this is only the second time in the 51-year history of the Fair Labor Standards Act that we have had a closed rule on a minimum wage bill. This rule is contrary to 200 years of democratic tradition and 51 years of legislative precedent.

We don't need a closed rule for the orderly and timely consideration of H.R. 2. That's why we have 2-hour limits on general debate and 5-minute rules on amendments. And we saw from the requests of Members appearing before the Rules Committee yesterday that there was no glut of amendments headed for this floor.

It is particularly sad that we will not be allowed to consider one of the most talked-about, widely supported alternatives to a blanket minimum wage increase, an expansion of the earned income tax credit along the lines of the two bills offered by our colleagues TOM PETRI and TOM DOWNEY.

I am disappointed that Congressman PETRI was not allowed to offer the amendment he sought, which also included a compromise minimum wage rate and a 90-day new hire provision.

Virtually the sole justification offered for raising the minimum wage is that we should increase the incomes of working poor families. An expanded EITC would provide that assistance. H.R. 2—including the Murphy-Ridge substitute—will be counterproductive of that goal.

Over 80 percent of the workers who earn $3.35 an hour are not poor. And many of those already earning $4.65 an hour are poor because of the families they must support.

The Petri EITC amendment would be based on family income, family size, and children's ages. Thus, a minimum-wage breadwinner with four preschool children would, under the Petri proposal, make a real wage of more than $5 an hour. Families living in poverty today with a breadwinner earning more than the minimum could go to over $7.

The Petri amendment would help those who need help and we should have the opportunity to vote on it. Everyone understands that the current, limited EITC has worked well and operated cost-effectively through the current tax system.

And who minds sequential referral on this bill due to committee jurisdiction? Under the Goodling-Penny bipartisan substitute, wage rates wouldn't go up until January 1990. Even under the Murphy-Ridge substitute, rates wouldn't change until October of this year. That October effective date, by the way, makes the average Murphy-Ridge minimum wage higher than the committee-reported bill of $4.65.

I ask my colleagues to join me in trying to help the working poor families of America by defeating the previous question and supporting the Petri amendment.

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. Mr. Speaker, I have served on the Committee on Education and Labor since 1979 and it used to be the tradition of our committee that we would come to the floor with an open rule so that the House could debate and vote and amend the legislation. We are not like the Committee on Ways and Means with a lot of special problems, and they need a closed rule, and I think we should not vote for a closed rule on this important legislation. It really would be better for our country to look at different ideas and amend it and go to conference with the amendments and end up with a better rule.

Mr. Speaker, I urge all my colleagues to vote to defeat the previous question on this rule, so that the rule can be amended to allow consideration of a substitute based on earned income tax credit reform. Frankly, I always anticipated that this step would be necessary in order to bring an EITC-based amendment before the House. But I never dreamed the rule would be so outrageous in other respects. Not only is it the first closed rule in the

history of the minimum wage, it will not even allow us to consider a simple study of the various alternative means of fighting poverty through the workplace, including a minimum wage, a training wage, direct wage supplements through the EITC, or other ideas.

Now that is truly shocking. The proponents of this legislation will not even let us study the issue. Why? What are they afraid of? The EITC alternative has wider and wider backing among economists, the media, and Members of this House from both sides of the aisle. Just this morning, the New York Times backed it for the sixth time in 2 years. But they will not even let us study it.

They must be afraid of the conclusion. They must be afraid a study will say that the minimum wage emperor has no clothes. It is a crude tool for fighting poverty. It actually hurts the poor through job losses and inflation. Eighty or ninety percent of the people it helps are not poor. And it fails to help most of the people who are poor and need help. Because they can already earn $4.65 or more but remain poor. Because of their larger families.

The problem is that poverty is not a fixed target. Economic need and poverty lines vary by family size, but wages, including any minimum wage, do not. What poor family heads need is not a minimum wage, but a living wage. And the best way to get it is to supplement wages directly, according to need as determined by family size through EITC reform. Clearly, this approach helps the working poor far more than does a big minimum wage hike. Whereas a minimum wage misses its target almost completely, the EITC hits the target squarely.

This morning's Times editorial has it right: "To increase the minimum wage would merely look good. To increase the tax credit would do good * * * for those who really care about the working poor, the issue is not the minimum wage but minimizing poverty. The tax credit is the right way."

Mr. Speaker, the minimum wage is a political dinosaur. Last year it was sinking slowly into the bog of history. Now it is being shored up for a while. I suspect the reason is that its handlers believe that besides eating up some hapless poor folks it is still capable of munching on a few Republicans. But I think even the dinosaur handlers know that EITC reform is a better idea. Otherwise, they would not be so afraid even to study it. Otherwise, they would not be slam dunking this issue through the House before the Ways and Means Committee has a chance to consider it. But I think those of us on both sides of the aisle who back EITC reform can explain its superiority to our constituents.

So let us put politics aside and do the best thing for poor people. Let us defeat the previous question on this rule so we can consider EITC reform.

□ 1610

Mr. MOAKLEY. Mr. Speaker, for the purpose of debate only, I yield 3 minutes to the chairman of the committee, the distinguished gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Speaker, I had not planned to speak on this matter at this time. I had hoped that we would reserve our comments until such time as we have an opportunity to find out what really is in the EITC bill.

I am a little surprised, however, that my very good friend, the gentleman from Wisconsin [Mr. PETRI], a member of the committee has taken this occasion to try to bring before the body something which has been discussed on many occasions in the Committee on Education and Labor. Even though we have ruled his proposal out of order on jurisdictional grounds, we have allowed the gentleman to express himself freely on many occasions. We have indicated to him, and I indicate again today, that EITC reform, such as he is advocating, belongs in the Committee on Ways and Means.

The matter does not belong in this debate either. He wishes to circumvent not just the committee to which the issue belongs, the Committee on Ways and Means, but the House itself, by using this method to make a proposal in order that I am quite sure no Members seated in this room today has sufficient information about. It is the subject of a full-page explanation on the back of his "Dear Colleague" letter. How can we accomplish EITC reform by this abbreviated, unprecedented method?

Speaking of precedents, for 50 years, from 1938 to 1981, we have seen automatic increases in the minimum wage over that period of time. Since 1981 there has been none. These gentlemen who talk about precedents, therefore, should refer back to 1981 when the minimum wage was last increased, and then consider what Congresses have done for 50 years, something which they now wish to interrupt.

The gentleman's proposal would increase the minimum wage to $4 over 3 years, which is a lot lower in comparison than the $3.35 that was then in effect in 1981. Obviously he is going to make this as a complement to his reform package. The $4 will go into effect, but his reform package will not. This to me is the most inhumane, unspeakable type of approach that has been suggested.

Mr. PETRI. Mr. Speaker, will the gentleman yield for a question?

Mr. HAWKINS. I will not yield under my time. If the gentleman has additional time to offer me, I will be glad to yield to the gentleman.

Mr. Speaker, if this effort fails, I hope the gentleman will support the Goodling substitute. I would ask, is the gentleman offering this as a substitute for Mr. GOODLING's proposal?

The confusion, to me, is so great that I think it proves that this is a poor way to legislate. That is why we cannot, in an unregulated manner, offer all types of amendments that Members can think of. We would be considering this bill for a week. Every day we delay is costly. It is costly to the taxpayers. This figure of $3 billion or more is what it will cost the taxpayers who subsidize low wages. It is costly to businesses that are facing cutthroat competition, and it is costly to the wage earners who cannot afford to buy the goods and services which are produced by their wages.

Mr. Speaker, I think it is time to vote on this matter and face the issue for the American people.

Mr. SOLOMON. Mr. Speaker, I yield 4 minuts to the gentleman from Texas [Mr. BARTLETT], but I might ask the gentleman from California [Mr. HAWKINS] first, if this is not the way we should proceed, what is the right way?

Mr. BARTLETT. Mr. Speaker, I thank the gentleman for yielding this time to me, and I would be happy to yield to the gentleman from California [Mr. HAWKINS] if he wishes me to yield to him. I would be happy to yield to the gentleman from California if he is seeking an opportunity to respond to the gentleman from New York [Mr. SOLOMON].

Mr. HAWKINS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I just wanted to indicate that I have every feeling for the sincerity of the gentleman from Wisconsin [Mr. PETRI] to whom I referred earlier. I have advised him time after time that he should go to the Committee on Ways and Means, and if he exercises as much energy and dedication there to his proposition, which I do support to a large extent, he can follow that procedure and let us do it in the Committee on Ways and Means and not in this manner.

Mr. BARTLETT. Mr. Speaker, I rise in opposition to the rule for the very reason that the earned income tax credit, the living wage concept which the committee chairman, the gentleman from California [Mr. HAWKINS] was discussing does not belong to a committee of this House. It belongs to the whole House, and the gentleman from Wisconsin [Mr. PETRI] is proposing for the first time to allow this body, this Congress, the Members on this floor, to consider the expansion of earned income tax credit, no more and no less. The fact is that if we defeat the rule today, then we will have an opportuntiy to have a rule that will allow us to vote on the earned income tax credit.

□ 1620

My colleagues, we hear a lot of talk about jurisdiction in this House, and in fact the earned income tax credit is outside the quote, unquote jurisdiction of the Committee on Education and Labor, but the earned income tax credit, a living wage, an opportunity for a low income head of household to be able to earn a living wage through a change of Federal law is within the jurisdiction of this body, on this House floor.

The gentleman from Wisconsin [Mr. PETRI] seeks an opportunity that he has been seeking for 3 years, and that is to get an up or down vote on solving the problem of heads of households who are living in poverty so that they will have the opportunty to increase their take-home pay.

Now the fact is it is not a partisan issue, should not be a partisan issue. Members on both sides of the aisle say they support an earned income tax credit. They say they support it, but not in this time, not in this bill, not in this way and not on this day.

The fact is the time has come for Congress to begin speaking for the best interests, speaking for the best interests of low income heads of households. This is a perfect bill to do it on.

The proponents of the minimum wage increase would purport to speak for the best interests of low income heads of household, but a minimum wage increase would not help them. In fact only 15 percent of all minimum wage workers are low income households supporting a family living in poverty. The fact is most minimum wage workers are not living in poverty. They are dependents of others.

Mr. Speaker, the Petri proposal has been embraced by Democrats, by Republicans, by think tanks, by editorials, by committees of this Congress.

This House should turn down the rule, should vote no on the previous question and vote no on the rule so that we can bring up the earned income tax credit, the living wage, so that this floor, this Congress, can take the jurisdiction that belongs to us and vote on what ought to be, what is the only solution proposed that is a real solution, and that is the living wage.

Vote to give that dollar for an hour worker with two children the opportunity to have a take-home pay the equivalent of $5.32 an hour. If we vote for the minimum wage increase, we are going to put him or her out of work. If we vote against the rule and for the expansion of the earned income tax credit, for the Petri living wage, we will give that worker the opportunity to support a family, to increase their income, to increase their ability to support their families.

So, Mr. Speaker, I urge a no vote on the rule and a no vote on the previous question. Let us let the House debate what the real issue is here, and that is a living wage, not a minimum wage.

Mr. MOAKLEY. Mr. Speaker, for the purpose of debate only, I yield 4 minutes to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY. Mr. Speaker, part of the debate on the minimum wage really is a question of how do we address the unpleasant fact that we have 6 million people in our country, families, who are poor, some 3.5 million of them who work, of that number some 1.8 million of them, families, where somebody in the household works full time or where there is some combination of full-time hours. The combination of elements that I think needs to be done to lift a person who works full time out of poverty are what the Committee on Education and Labor is suggesting we do today and the earned income tax credit with which the gentleman from Wisconsin [Mr. PETRI], and I and others have introduced at some other point.

Let me tell my colleagues why I do not think they should be mixed here together. First of all, with respect to the question of whether or not the earned income tax credit issue has been studied, it is, and the gentleman from Wisconsin [Mr. PETRI] has already testified before the Committee on Ways and Means, and his proposal is one of the ones that we are considering. It is a very good idea. But the earned income tax credit only goes to families with children. It does not deal with a whole variety of other people, couples that do not have children, single individuals who work and who are poor.

Mr. Speaker, the minimum wage deals with that question. It is much broader in scope, and it is in some respects more effective at elevating the wages of people who work and who are poor who would not otherwise qualify for the earned income tax credit.

Now the earned income tax credit is a good idea, and I am delighted to see that my Republican friends recognize that the invisible hand of the marketplace is not enough to help a large segment of the American public who work for a living yet do not earn living wages. For those people we need to do an earned income tax credit, but we need to do one and be cognizant of the cost of doing it. The fact is that both the Petri approach or my approach cost a lot of money, and, unless my colleagues are prepared to finance the earned income tax credit with additional revenue, we will wind up driving the deficit even deeper.

Mr. Speaker, I have a proposal to pay for mine, and I assume that the gentleman from Wisconsin [Mr. PETRI] has a proposal to pay for his, and I would be happy to yield to the gentleman from Texas [Mr. BARTLETT], my friend, in a minute, but the reality is that we are in the process of doing an earned income tax credit on the Committee on Ways and Means in tandem with what President Bush wants to do with the refundable dependent care credit. We have already had hearings that the gentleman from Wisconsin [Mr. PETRI] has testified on. They can go ahead and should go ahead. The fact that I am the subcommittee chairman and have a bill, I have a vested interest in seeing that the earned income tax credit meet with some success.

So, if we are not given a chance today, my colleagues, to vote on unearned income tax credit, it will be given to us in the future.

Mr. Speaker, I yield to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Speaker, I thank the gentleman from New York [Mr. DOWNEY] for yielding.

Would the gentleman from New York [Mr. DOWNEY] find it beneficial in considering the earned income tax credit to consider it in the context and with the minimum wage increase? This bill on the floor is a 3-year increase. If the gentleman is going to bring us a bill sometime this year, would it not make sense to have hearings in consideration on what is essentially the same issue?

Mr. DOWNEY. Mr. Speaker, I would say to the gentleman from Texas [Mr. BARTLETT], my friend, that I would prefer to wait for very good reasons having to do with the complexity of the question of the unearned tax credit.

The gentleman from Wisconsin [Mr. PETRI] has raised some good points about adjustment for family size. He has raised some other points about whether we should do that in tandem with dependent care credit. I want to consider that.

More importantly I would say to the gentleman from Texas [Mr. BARTLETT], my friend, that I want to consider how we are going to pay for an expansion of the earned income tax credit. I would prefer to do that for both jurisdiction reasons and also for reasons of good government in the context of when the Committee on Ways and Means brings a tax bill to the floor.

Mr. BARTLETT. Mr. Speaker, I thank the gentleman from New York [Mr. DOWNEY].

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON] for yielding.

Let me say that those of us who combine our compassion with understanding are going to be compelled today to vote against this rule, and we are going to be compelled to ask for a vote on the moving of the previous question to make in order an amend-

ment to the rule that would allow a better, more compassionate alternative.

Mr. Speaker, the problem with the rule is that it makes in order legislation that would relieve the working poor of their right to work and give them no increased capacity to sustain a living income for their families. In addition it does not make in order consideration by this body of a better alternative offered by the gentleman from Wisconsin [Mr. PETRI] to differentiate between those people at the minimum wage who are in fact the working poor and who indeed need assistance and relief and those who do not, and a bill by the gentleman from Wisconsin [Mr. PETRI] that would make it possible for us to target that support to where it is most needed.

The fact of the matter is 60 percent of the people currently working on minimum wage are between the ages of 16 and 24. Seventy-two percent are single. Over two-thirds of the minimum wage jobs are part time, and 70 percent are members of families with incomes 1½ times the poverty threshold.

The fact is, according to the CBO, if the bill brought to the floor by the committee is passed by this body and signed into law, a quarter of a million jobs will be destroyed for the working poor.

The gentleman from Wisconsin [Mr. PETRI] has come forward and said, "Let's consider a better alternative that will allow them to keep their jobs and enhance their income." We are told that his bill is not within the jurisdiction of this committee.

My colleagues, our folks back home who may lose their jobs over this legislation know they did not elect us to a committee. They elected us to Congress, and they expect better legislation from us.

□ 1630

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I regret that some of my colleagues on the other side believe that we are being unfair in bringing this measure under the rule that has been granted to us. Many of them know, having served with me on the committee for over 2 years as we have studied this measure, we have granted concessions and taken under consideration their amendments for expanding the tip credit, eliminated indexing, increasing the small business exemption, reducing the amount of the hourly wage; we have taken into consideration all those amendments.

As the chairman of the Rules Committee mentioned, there were only six or seven measures offered before the Rules Committee yesterday to be considered which are embodied in the three measures that we will vote upon tomorrow. The seventh is the earned income tax credit.

Mr. Speaker, we are here to consider amendments to the Fair Labor Standards Act, not the Internal Revenue Code.

I am a strong supporter and have been a consistent sponsor of the earned income tax credit measure of the gentleman from Wisconsin [Mr. PETRI]. I joined him early. I supported him last year. I support him this year.

I commend my colleague, the gentleman from New York [Mr. DOWNEY] for finally pledging to us that his committee will take this matter under serious consideration and hopefully we can bring it before you for a vote.

But I say to all the Members, the two measures are not mutually exclusive. The earned income tax credit is one method of taking care of some of the low earning people of our Nation. The minimum wage is another avenue, taking care of an entirely different group of low income earning Americans.

So we ask you to join with us to consider the amendments to the Fair Labor Standards Act, the minimum wage provisions, and let the earned income tax credit measure be considered by this body in the coming weeks.

We will be fair. We intend to consider all the measures, and as you know, we have given them additional time to debate those measures as we go on into the evening.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont [Mr. SMITH].

Mr. SMITH of Vermont. Mr. Speaker, I rise to oppose this rule for two reasons. First, it is a closed rule, and as such, is patently unfair when you consider the traditions of free debate in this body and in every legislative body in the United States of America.

Second, because it denies us the opportunity and it denies the people who would be served the opportunity to think about and benefit from a powerful new idea that I call the family living wage.

Mr. Speaker, I have been involved in education, with literacy programs, working with low income Americans and Vermonters all my adult life. After all that experience, it boils down to a woman who I met during the campaign last year named Stella. Let me tell you about Stella. She lives in Vermont. Her husband abused her and she threw him out of the house and they were divorced. She had four children under the age of 7. She went on welfare and was there for 6 weeks, as she put it, to get her head together. Then she did what you would want somebody to do. She got a job and she went to school. Six months later, 9 months later, what did she get back from the national wage policy in this country? She got a cut in her welfare benefits. She had to drop out of school and she was faced with the choice if she wanted her children to have the life that she wanted for them or whether to stay dependent or take an absolute cut. That was the choice that our policy gave Stella.

Would we want her to walk and work her way away from dependency toward independence? Of course we would.

The family living wage proposal allows us to do it. Too bad for Stella, because if we do not vote to open this, we will not be talking about her today. Stella needs this rule voted down because she and her children and other women and children on welfare and in poverty, working families in poverty in this country, because they need the living wage.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I just talked to Stella in my district, and she asks us to support the rule.

Ordinarily I do not come down to the floor to debate rules, because basically anytime we have a modified closed rule before the House, the Republicans on my right come before us with their boilerplate answers or admonitions that we are rushing the rule through or the bill through, it violates years of precedents, it needs more study or is violating minority rights; so basically we have heard it before and in this session we are going to hear it again.

Because of the importance that I place on this issue of raising the minimum wage, I am compelled to say a few words today. Are we rushing this bill through? Clearly not. For those who are earning the minimum wage, they have not seen an increase in that floor since 1980.

They say we cannot amend the bill before us. Well, I think the substitute that is permitted in the rule has almost amended this rule out of existence. I looked and I find that the wage increase is actually lower. They have given away the restaurant and the tip credit. I do not know why we need a total open rule to gut the bill further.

Basically I support the earned income proposal of my colleague, the gentleman from Wisconsin [Mr. PETRI]. I also support the one by the gentleman from New York [Mr. DOWNEY].

But clearly, in answer to the gentleman from Texas, these issues are very, very severable. I think we have a duty today to address the minimum wage.

When the Ways and Means Committee starts weighing the revenues of this country, the needs of this county, the affordability of items, I think they should put on the table of the Ways and Means Committee not only the earned income tax credit costing some $3 billion, but also the cost of a tax preference for capital gains. At that point let us weigh and see which one is more beneficial to the American people.

In fact, if I had my "druthers," I would bring both those issues to a vote. I would be quite surprised if that side of the aisle supported earned income tax credits over tax preference for capital gains.

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, last year we passed with great fanfare an Omnibus Drug Act aimed at curbing the drug problem in America, and especially among our young people. Very few Members of this body took the well without mentioning the need to create jobs for young people and how important that was in helping to win the drug war, to have jobs for people, jobs other than being dealers in cocaine, marijuana and hashish.

So the first major legislative activity we are undertaking this year is to destroy, according to the Department of Labor, 650,000 youth jobs in this country. That is going to send back 650,000 kids to the drug streets.

Now, let me just point out a couple facts about these kids. Most of the people who will be affected by this legislation, 60 percent of them are under 24. Two-thirds of them are single. Two-thirds of them are part-time workers. These are kids who are just learning how to show up on time, how to supervise and take supervision, how to work well, how to have discipline, all the things they need to learn the work ethic to become a productive citizen. We are going to strip them of that opportunity and we are going to send them back to the streets, and I think we are going to greatly exacerbate the drug problem.

Mr. WEBER. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. I yield to my friend, the gentleman from Minnesota.

Mr. WEBER. Mr. Speaker, I thank the gentleman from California for yielding to me.

I think the gentleman has put his finger on an incredibly important part of this debate.

From the standpoint of those of us who do not support this level of increase in the minimum wage, it is important to understand that the minimum wage is not simply an economic issue. The minimum wage is a tremendously important social issue.

If the only question were shall we raise the wages of some relatively poor people, very few people in this body would say "no" to that proposition; but we know that we are trading off to get that improvement, marginal improvement, in their wages, we are trading off the jobs of other people.

□ 1640

As the gentleman from California has pointed out, that group of people in which we are trading off jobs, 650,000 by some estimates, are precisely those groups of people where we have the most serious drug problems, young black, Hispanic, single workers at the bottom of the income scale. It is a travesty for us to conduct this debate without conducting it in consideration of the fact that we are going to condemn those people to unemployment at precisely the time when they are most vulnerable to the ravages of the drug epidemic.

This is only one of the social implications of this policy we are talking about here today.

I would say to the Members on the other side of the aisle that for a lot of us this is not simply a business or an economic issue, this is an important social debate. If some people want to question the statistics we have brought up here today, that is perfectly legitimate. But we should understand that there are serious questions about what is being done to a lot of people who are the most vulnerable in our society, far beyond the question of what is in their pocketbook, and I commend the gentleman from California for raising the issue.

Mr. HUNTER. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I would say to the Members vote to save 650,000 jobs, primarily youth jobs. Vote to give our kids a chance in the war against drugs. Vote against the Democrat position.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, this is the kind of debate that would make all of our economics professors in high school or college cringe, either that or make their hair turn gray. Maybe that is not so bad for economics professors.

The fact is anybody who is an economist listing to this knows that the arguments we are making here today do not make economic sense. Nor do the arguments that are being advanced for this increase in the minimum wage, as suggested by our friends on the other side of the aisle make any kind of intellectual sense.

We are going to hear a lot of arguments that are clothed in some shabby but gaudy dresses that suggest that we would be helping people, but the truth is when we strip it all away, we are really not helping anybody. We are not helping people do better, because the very simple answer to that argument is that if $4.65 or $6.55 is good for a minimum wage, then why do we not solve all the problems of poverty and raise it to $8 or $15. Everybody would agree that that is fairly ludicrous.

Somebody suggested here a moment ago that there is a trade which is involved. We lose jobs. This legislation, as reported out of committee, would tragically result in the loss of jobs, and more importantly, of new job opportunities for so many people. Young people, people who are just coming into the job market, people who most need jobs, and single women who need these jobs.

Mr. Speaker, since we last increased the minimum wage, we have added nearly 20 million jobs in this country. We have done very well. Very few of those are at the minimum wage, and even more startling, those that are at the minimum wage are not by and large the same group as those that are in poverty. Thus, we are not going to help those who are in poverty.

The Minimum Wage Study Commission appointed by the last Democratic administration, I might add, concluded that the minimum wage as a tool for fighting poverty was a very poor tool. This legislation is clearly not going to help ease poverty, it will only exacerbate it.

If we want to make a real effort, we should and we must include a training wage in anything that we do. We also must have a minimum wage that is reasonable.

I hope we will defeat the rule and barring that, adopt the Goodling substitute.

Mr. MOAKLEY. Mr. Speaker, for the purposes of debate only, I yield 2 minutes to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Speaker, I rise in favor of this resolution. I have listened very carefully to the debate. I have heard my colleagues talk about what this means to the youth.

Mr. Speaker, I would just like to say to the Members on that side of the aisle that if I thought for 1 second that this was going to jeopardize jobs away from young people, I would definitely vote against it. These arguments have always been the same, the same arguments time and time again against minimum wage.

The saddest aspect of the minimum wage is that in districts like mine the minimum wage is the maximum wage, and people are supporting families on the minimum wage as we know it today.

I think this resolution is very important. I think it is necessary. I think we have to move forward.

The economy is supposed to be growing. We are moving in the direction where more people are working. I think if we are going to put them to work, let us at least try and escalate that salary to such a point where in fact they can bring something home.

I commend the sponsors of this legislation, Mr. Speaker. I think it is high time and, frankly between you and I, I do not think it is enough, but we have to take this in very deliberate steps.

I join the Members, my colleagues, in supporting this resolution.

Mr. SOLOMON. Mr. Speaker, I yielded 3½ minutes, the balance of our time, to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Speaker, I rise in support of a training wage for new workers, and, if combined with the training wage, as Mr. GOODLING will propose, an increase in the minimum wage for all workers.

But, Mr. Speaker, I would support the second part only reluctantly. Increasing the minimum wage sounds like a good idea. If it worked as economic policy, we should be increasing it hugely. But as a policy prescription, it is morally and economically bankruptcy. What it really makes is good politics. The people who get the benefit of it applaud us. The people who pay the price for it, won't know who or what hit them.

An increase will fuel inflation, damage American competitiveness, and boost unemployment. The jobs that will depart in the face of a minimum wage increase will be those of the youngest, the least skilled, and the most disadvantaged. The better off will benefit at the expense of the worse off.

I've asked employers what they'll do if the increase is passed and the reponse has been universal: "Raise prices and reduce staff. Some employees—those who least need the help—will get bigger paychecks. Some employees—those who most need the help—will get pink slips."

A training wage retains the incentive for employers to hire the inexperienced, disadvantaged, and unskilled workers. I introduced legislation for such a wage 6 years ago. Without a training wage, we risk losing young people in America, particularly minority young people, to welfare dependency and unemployment. Young people will never, in many cases, get that first job, never get a work experience, never get beyond welfare. And that's wrong, Mr. Speaker.

Contrary to what some may tell you, workers will survive the 6-month training wage period. They will use that training wage job as an opportunity to build a work ethic and job skills that will take them far beyond minimum wage work.

Mr. Speaker, the training wage is morally right and economically sound. I urge my colleagues to join in voting for a training wage, and for the Goodling substitute.

Mrs. MARTIN of Illinois. Mr. Speaker, I join my colleague from New York [Mr. SOLOMON] in urging the defeat of this modified closed rule. Stop and think carefully what you are being asked to do here today: for the first time in the history of this body you are being asked to consider a minimum wage bill under less than an open rule.

This rule makes in order just two substitutes and one other amendment, despite the fact that numerous other amendments were requested of the Rules Committee. But those Members have been shut out of the process by this rule. And I have no doubt that other Members would have liked to offer amendments to this bill if given the chance under an open rule. Unlike years past, however, Members weren't even given advance notice by the Rules Committee that a restrictive rule might be granted.

Mr. Speaker, the last time we had a minimum wage bill on the floor was in 1977. At that time, the Rules Committee granted a completely open rule that was adopted on a vote of 331 to 44. The House spent 1 hour on general debate and then about 3 hours on an open amendment process. All told, some 19 amendments were offered, of which 9 were adopted and 10 were rejected. The final passage vote on that bill was 309 to 96, a real tribute to how an open amendment process can forge genuine consensus.

I therefore wonder why it is that the majority wants to make such consensus more difficult by so severely limiting amendments this time? This is the second rule reported to this House in this Congress and the second modified closed rule. The last time around, on the Eastern Airlines bill, no amendments were even offered. Majority paranoia proved totally unjustified. Perhaps it's time to invoke F.D.R. and remind his party that "you have nothing to fear but fear itself." But please don't fear the people we represent. They have a right to full representation.

Not only is this the second straight restrictive rule reported by the Rules Committee, but it is the second time in a row the minority is being denied its century-old right to offer an amendment in the motion to recommit with instructions. The majority argues that this would only give the minority a second bite at the apple. But you have already given yourselves two bites at the apple by making in order not only the committee substitute, but the Murphy substitute as well.

Has it ever occurred to you that we might just use the motion to recommit with instructions to take a new bite at a different apple? And isn't this even more important when you have so constrained not only the minority, but the entire House, with such a limited amendment process?

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 238, nays 177, not voting 16, as follows:

[Roll No. 10]

YEAS—238

Ackerman	Flippo	Mineta
Akaka	Florio	Moakley
Alexander	Foglietta	Mollohan
Anderson	Foley	Montgomery
Andrews	Ford (MI)	Moody
Annunzio	Ford (TN)	Morella
Anthony	Frank	Morrison (CT)
Applegate	Frost	Mrazek
Aspin	Garcia	Murphy
Atkins	Gaydos	Murtha
AuCoin	Gejdenson	Nagle
Barnard	Gephardt	Natcher
Bates	Gibbons	Neal (NC)
Beilenson	Glickman	Nelson
Bennett	Gonzalez	Nowak
Berman	Gordon	Oakar
Bevill	Gray	Oberstar
Bilbray	Guarini	Obey
Boggs	Hall (OH)	Olin
Bonior	Harris	Owens (NY)
Borski	Hatcher	Owens (UT)
Bosco	Hawkins	Pallone
Boucher	Hayes (IL)	Panetta
Boxer	Hefner	Parker
Brennan	Hertel	Patterson
Brooks	Hoagland	Payne (NJ)
Brown (CA)	Hochbrueckner	Payne (VA)
Bruce	Hoyer	Pease
Bryant	Hubbard	Pelosi
Bustamante	Hughes	Penny
Byron	Jacobs	Perkins
Campbell (CO)	Jenkins	Pickett
Cardin	Johnson (SD)	Pickle
Carper	Johnston	Poshard
Carr	Jones (GA)	Price
Chapman	Jones (NC)	Rahall
Clarke	Jontz	Rangel
Clay	Kanjorski	Ray
Clement	Kaptur	Richardson
Coelho	Kastenmeier	Robinson
Collins	Kennedy	Roe
Conyers	Kennelly	Rose
Cooper	Kildee	Rostenkowski
Costello	Kleczka	Rowland (GA)
Coyne	Kolter	Roybal
Crockett	Kostmayer	Russo
Darden	LaFalce	Sabo
de la Garza	Lancaster	Sangmeister
DeFazio	Lantos	Sarpalius
Dellums	Laughlin	Sawyer
Derrick	Lehman (CA)	Scheuer
Dicks	Lehman (FL)	Schroeder
Dingell	Leland	Schumer
Dixon	Levin (MI)	Sharp
Donnelly	Levine (CA)	Sikorski
Dorgan (ND)	Lewis (GA)	Sisisky
Downey	Lipinski	Skaggs
Durbin	Lloyd	Skelton
Dwyer	Lowey (NY)	Slattery
Dymally	Manton	Slaughter (NY)
Dyson	Markey	Smith (FL)
Early	Martinez	Solarz
Eckart	Matsui	Staggers
Edwards (CA)	Mavroules	Stallings
Engel	Mazzoli	Stark
English	McCloskey	Stokes
Erdreich	McCurdy	Studds
Espy	McDermott	Swift
Evans	McHugh	Synar
Fascell	McMillen (MD)	Tanner
Fazio	McNulty	Thomas (GA)
Feighan	Mfume	Torres
Flake	Miller (CA)	Torricelli

Towns	Volkmer	Wise
Traficant	Walgren	Wolpe
Udall	Watkins	Wyden
Unsoeld	Weiss	Yates
Valentine	Wheat	Yatron
Vento	Whitten	
Visclosky	Williams	

NAYS—177

Archer	Hayes (LA)	Regula
Armey	Hefley	Rhodes
Baker	Henry	Ridge
Ballenger	Herger	Rinaldo
Bartlett	Hiler	Ritter
Barton	Holloway	Roberts
Bateman	Hopkins	Rogers
Bentley	Horton	Rohrabacher
Bereuter	Houghton	Roth
Bilirakis	Huckaby	Roukema
Bliley	Hunter	Rowland (CT)
Boehlert	Hutto	Saiki
Broomfield	Hyde	Schaefer
Brown (CO)	Inhofe	Schiff
Buechner	Ireland	Schneider
Bunning	James	Schuette
Burton	Johnson (CT)	Schulze
Callahan	Kasich	Sensenbrenner
Campbell (CA)	Kolbe	Shaw
Chandler	Kyl	Shays
Clinger	Lagomarsino	Shumway
Coble	Leach (IA)	Shuster
Coleman (MO)	Leath (TX)	Skeen
Combest	Lent	Slaughter (VA)
Conte	Lewis (CA)	Smith (MS)
Coughlin	Lewis (FL)	Smith (NE)
Cox	Lightfoot	Smith (NJ)
Craig	Livingston	Smith (TX)
Davis	Lowery (CA)	Smith (VT)
DeLay	Lukens, Donald	Smith, Denny (OR)
DeWine	Machtley	Smith, Robert (NH)
Dickinson	Madigan	Smith, Robert (OR)
Dornan (CA)	Marlenee	Snowe
Douglas	Martin (IL)	Solomon
Dreier	Martin (NY)	Spence
Duncan	McCandless	Spratt
Edwards (OK)	McCollum	Stangeland
Emerson	McCrery	Stearns
Fawell	McDade	Stenholm
Fields	McEwen	Stump
Fish	McGrath	Sundquist
Frenzel	McMillan (NC)	Tallon
Gallegly	Meyers	Tauke
Gallo	Michel	Tauzin
Gekas	Miller (OH)	Thomas (CA)
Gillmor	Miller (WA)	Upton
Gilman	Molinari	Vander Jagt
Gingrich	Moorhead	Vucanovich
Goodling	Morrison (WA)	Walker
Goss	Myers	Walsh
Grandy	Nielson	Weber
Grant	Oxley	Weldon
Green	Packard	Whittaker
Gunderson	Pashayan	Wolf
Hall (TX)	Paxon	Wylie
Hamilton	Petri	Young (AK)
Hammerschmidt	Porter	Young (FL)
Hancock	Pursell	
Hansen	Quillen	
Hastert	Ravenel	

NOT VOTING—16

Coleman (TX)	Neal (MA)	Smith (IA)
Courter	Ortiz	Traxler
Crane	Parris	Waxman
Dannemeyer	Pepper	Wilson
Gradison	Savage	
Luken, Thomas	Saxton	

□ 1707

The Clerk announced the following pairs:

On this vote:

Mr. Thomas A. Luken for, with Mr. Courter against.

Mr. Pepper for, with Mr. Crane against.

Mr. RIDGE and Mr. GILMAN changed their vote from "yea" to "nay."

Mrs. BYRON changed her vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. DANNEMEYER. Mr. Speaker, on rollcall No. 10, I was detained in my office with constituents and unable to be on the floor for a vote on the previous question on House Resolution 111. Had I been here, I would have voted "no" on the previous question.

□ 1710

GENERAL LEAVE

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 111.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

HOUR OF MEETING ON TOMORROW

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. on Thursday, March 23, 1989.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

FAIR LABOR STANDARDS AMENDMENTS OF 1989

The SPEAKER. Pursuant to House Resolution 111 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2.

□ 1712

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes, with Mr. MOAKLEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule the gentleman from Pennsylvania [Mr. MURPHY] will be recognized for 1 hour and the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 1 hour.

The Chair recognizes the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we are finally bringing the debate for an increase of the Federal minimum wage to the floor of the House. This discussion is long overdue.

There are some very notable differences about today's debate. We have a new Congress and a new President who has shown his willingness to increase the minimum wage. The Secretary of labor has presented proposals to increase the minimum wage before the Labor Committees of both the House and Senate. The administration's proposal, although many of us believe to be inadequate, should not be ignored because it is the first positive sign of cooperation on this issue that we have seen in 8 years between the White House and Congress. For those of us who have supported an increase in the minimum wage for several years, I can firmly say that Democrats and Republicans have made an honest effort to work out our differences and we have created comprehensive, bipartisan legislation. We have combined our desire to help the working poor with our knowledge of political reality and have produced a good bill.

Historically, the minimum wage provision of the Fair Labor Standards Act has provided American Workers assurances of acceptable and decent wages. Originally set at 25 cents an hour in 1938, the minimum wage has provided workers a sound foundation for a better lifestyle. Congress has increased the minimum wage eight times during the past 50 years enabling the working poor in America's job ranks to help themselves. In 1989, we realize it is time again to help those people who are working but rarely getting by.

It is a sad fact of life that today workers are benefiting less and less from the minimum wage. Not because it is no longer relevant, but because the current wage of $3.35 an hour, established in 1981, is no longer adequate. Minimum wage workers now find themselves trying to make ends meet in a world where the purchasing power of their salaries are at the lowest level in 40 years. Working 50 weeks of work a year at 40 hours a week, a minimum wage worker takes home $6,700—almost $1,200 less than it takes to support one adult and one child at the poverty level, and about half of what it now takes to support a family of four at that level.

Congress realized this problem nearly 2 years ago. As chairman of the Subcommittee on Labor Standards, I convened the first of nine hearings on the minimum wage on April 9, 1987.

These hearings carefully considered all points of view. We received a broad range of testimony from business, labor, academics, and minimum wage workers themselves.

By the time our final hearing on minimum wage concluded on March 9, 1989, it was evident that nearly 2 years of work by the subcommittee had made the case that $3.35 an hour was no longer providing workers the same levels of opportunity and support that it had in the past. It has now been 8 years since the last increase in the minimum wage. A reasonable increase in the wage should be a priority item for this Congress.

We have heard many calls over the past few weeks for cooperation and bipartisanship, and I believe that the minimum wage legislation I will present tomorrow proves that these calls can be more than just words.

The minimum wage substitute I will speak about this afternoon has been crafted by both Democrats and Republicans. The Murphy-Robinson-Ridge amendment has taken into account the concerns of many people and it is a realistic bill that will warrant support from both sides of the aisle.

Let me now explain the provisions of our proposal. On the rate of the increase we propose a $1.20 raise over the next 3 years bringing the minimum wage to $4.55 in October 1991.

Many of us would have supported a larger increase and quite frankly the economic statistics are on our side. When asked by the Committee on Education and Labor what the current minimum wage of $3.35 would be today if it was adjusted only to take into account the inflation rates of the past 8 years, Secretary of Labor Elizabeth Dole answered $4.68. Under our proposal, the minimum wage will never reach this level and our highest rate of $4.55 will not take effect for 3 years.

The proposal also contains language to create a training wage. Our substitute would allow employers to pay new employees $3.35 beginning with the first increase in the minimum wage on October 1, 1989, and then after the first year, 85 percent of the prevailing minimum wage. This training period would not exceed 60 days after the new employee's first day, and it would only apply to people without previous employment experience.

Every job has an element of training involved, and I believe this schedule is realistic for the level of expertise most minimum wage jobs demand. Employers are prohibited from laying off or terminating workers in order to fill these jobs with training wage employees, and these provisions would expire on September 30, 1992.

Concerns of the business community regarding increases in the minimum wage are also addressed by various provisions of this proposal which amend the small business exemption and the restaurant employers' tip credit. Currently, under the Fair Labor Standards Act, retail and service establishments with less than $362,500 in annual gross volume of sales or business done are exempted from the minimum wage provisions of the act. Our substitute sets the exemption ceiling at $500,000 for all businesses, with the exception of hospitals, and other care facilities currently outlined in section 3(s)(5) of the act.

Under the FLSA, employers of tipped employees are now allowed to credit tips as providing 40 percent of the minimum wage. These employers pay 60 percent of the minimum or $2.01 an hour and credit tips received by their employees against the remainder.

Our amendment would increase the tip credit percentage to 45 percent on October 1, 1989, and 50 percent after September 30, 1990. After 1991, the tipped restaurant employee would receive only $2.28 an hour in wages with tips making up the other half of the minimum wage.

I believe this substitute represents an honest and sincere attempt to address the many concerns so many of us have on the minimum wage. It is thoughtful, realistic, and bipartisan. I ask you to support this substitute so we may promptly pass legislation to increase the minimum wage. More importantly, I ask for your support for the sake of the many people who have been waiting for this increase far too long.

□ 1720

Mr. Chairman, I reserve the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this may be the most important debate we will have in the 2-year session that is before us. Probably tomorrow we will see the most important votes we will cast in this entire session.

Why is that true? It is true because apparently inflation is beginning to increase, and apparently interest rates are going up. I say, "apparently." Not "apparently," because the mayors all over this country are saying, "Please, please, Congress, help us do something to get the young people off the streets and get them into employment."

So we have to be very, very careful when we consider a sizable increase in minimum wage so that as a matter of fact we do not exacerbate those three problems. We should try to be the solution and not contribute to those problems.

Let us keep in mind that less than 4 percent are at minimum wage. Of those 4 percent, 60 percent are between the ages of 16 and 24, 40 percent are part-time, and 70 percent are single and are from families that are 1.5 percent above the poverty level in income.

Now, when the minimum wage goes up, what happens? When the minimum wage goes up, of course, the very people we say we want to help, the young, the unskilled, the disadvantaged, are the first people to be laid off. They are the first people that do not get the jobs in the first place.

So let us not say that is why we are fighting for this. If the people who grab our arms when we come in here tomorrow to vote are saying that they want a pay increase, it is not because they are concerned about those people, because they do not represent them, it is because they think there will be a ripple effect. They could not care less about the people we say we want to help.

So I say that I hope we can understand what Puerto Rico understands. If we say it does not have any effect on unemployment, why is Puerto Rico in before the committee saying, "We need an exemption"? Do the Members know what we did? One of the bills we will have before us tomorrow gives them an exemption. They say, "This will kill us if we move them in 3 years. We need 6 years."

What about Chicago, with 53 percent of unemployed youth? Why should they not get the same break? What about Detroit with 53 percent of unemployed youth? Should they not get the same break?

What about the State of Illinois, with nine counties with 15 percent unemployment? Should they not get that break? And what about Kentucky, with 11 counties with more than 15 percent unemployment? Should they not get the same break we are giving to Puerto Rico? Puerto Rico knows that it is a problem.

So let us not kid ourselves. What we are about at the present time is important. If we want to help the young, if we want to help the unskilled, if we want to help the disadvantaged, it is training and it is education that is going to do that. But for goodness sake, let us not take away the only opportunity they now have to possibly get a job, because they will be the first to not get a job and they will be the first to be laid off. There will be a proposal tomorrow. The President gave serious consideration to what we can do to raise the minimum wage and at the same time, not take away the jobs that the disadvantaged, the unskilled, and the untrained youth could possibly get.

□ 1730

So, Mr. Chairman, he crafted carefully legislation which will now be the Penny-Goodling-Stenholm legislation, and in that legislation he gives the increase, and he makes sure that we do

not take away the jobs from the very people that we are trying to help.

Mr. Chairman, even in my State there are two counties in western Pennsylvania that have unemployment that is almost 15 percent, so Puerto Rico has the right idea. They know what is going to happen, so let us not run willy-nilly to do something that is going to take away those jobs.

Mr. Chairman, let us make sure that as a matter of fact we do it very skillfully and we craft it in such a manner that those jobs will be available so that those 53 percent in Detroit, and those 53 percent in Illinois, and those 15 percent in western Pennsylvania, as a matter of fact, will have an opportunity to get a job, to get training, to get an education. Let us make sure that tomorrow we think seriously about the President's proposal.

Mr. MURPHY. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. GAYDOS].

Mr. GAYDOS. Mr. Chairman, I wish to congratulate my colleague, the gentleman from Pennsylvania [Mr. MURPHY] who is in an adjacent congressional district to mine, on the wonderful job he has done.

Mr. Chairman, I rise in support of H.R. 2, the Fair Labor Standards Amendments of 1989 which will increase the minimum wage from its present level of $3.35 per hour to $4.65 an hour on January 1, 1992—an increase of $1.30 over a 3-year period. This modest increase is necessary in the light of the declining purchasing power of the American dollar.

In 1977, Congress set the Federal minimum wage at $3.35 per hour for covered workers that took effect on January 1, 1981. Since then, there have been significant changes in the American economy.

The country has experienced levels of unemployment ranging from 5.4 to 9.7 percent, and higher in some areas. Increasing numbers of women have entered the work force. Trade deficits have mounted. And, inflation has eroded the value of the minimum wage.

The purchasing power of the American dollar has decreased 33 percent since 1981. You can only buy $2.46 worth of products and services for what $3.35 bought in 1981. What we have in 1989 is a minimum wage that is not enough pay for the bare necessities of life—like food and housing.

According to recent Department of Labor figures, 5.4 million workers earn at or less than today's minimum wage of $3.35 per hour. An additional 10 million workers earn between $3.36 and $4.50 per hour. These 15.4 million low-pay workers would greatly benefit by this legislation.

Minimum wage workers who are not in families below the poverty level would also have the quality of their family life significantly improved by passage of H.R. 2.

What kinds of people work at minimum wage rates? It's not only teenagers working at part-time jobs. The Department of Labor estimates that 84 percent of minimum wage workers in 1986 were adults—18 years and older.

Some 76 percent of minimum wage workers are white. Blacks, who make up only 11 percent of the population, account for 15 percent of minimum wage workers, and 7 percent are Hispanic.

More than 26 percent of those individuals working at today's minimum wage are the heads of households. Of these, 90 percent need another wage earner in order not to depend on public assistance. This helps to explain why so many single mothers are on welfare.

According to Department of Labor statistics, while women account for 47 percent of U.S. workers, they represent 63 percent of minimum wage earners.

The American people overwhelmingly support increasing the minimum wage. In a 1988 Gallup poll, 76 percent of those asked favored an increase in the minimum wage. Sixty-seven percent of individuals identifying themselves as Republicans favored legislation to raise the minimum wage.

Critics who raise objections to an increase argue that the minimum wage legislation could cause job losses and increased business costs. History proves them wrong. Since 1938, the minimum wage has been increased 15 times. Only twice did the number of available jobs go down.

In both instances, this happened during periods of extreme recession—in the early 1970's and the early 1980's. In the other 13 instances, participation in the job market went up with the creation of thousands of jobs.

Some people also argue that if the minimum wage is increased, thousands of jobs for teenagers will be lost. Again, history proves them wrong. Back in 1977, critics emphasized that a wage increase would eliminate 391,000 teenager jobs. However, in 1978, after the wage increase went into effect, teenage employment increased by 200,000 jobs.

But even now, H.R. 2 makes provisions for small businesses. The bill changes the present exemption from enterprises with gross sales of less than $362,500 per year to enterprises with gross sales of less than $500,000 per year.

The Minimum Wage Study Commission reported in 1981 that raising the minimum wage had no significant impact on unemployment, or the viability of business enterprises. It is clear that the beneficial impact of the increased income far outweighs any minimum negative effects.

A raise in the minimum wage is overdue, and the proposal before us which calls for an increase of 50 cents the first year and 40 cents annually the next 2 years is a modest one.

I urge my colleagues to join me in voting for H.R. 2.

Mr. MURPHY. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Chairman, I rise in support of H.R. 2.

Mr. Chairman, I rise in support of H.R. 2, the Fair Labor Standards Amendments, which raises the minimum wage for the first time since 1981. Today, in 1989, it is about time that we guarantee a better hourly wage for the working men and women of America. While this bill contains many deficiencies, the working poor have waited too long.

I have always felt strongly that we should do everything possible to make work a more attractive alternative to welfare. By keeping the minimum wage at $3.35, we have forced American workers to work 8-hour days, 40 hours a week, and yet earn only $6,968 per year. This is significantly below the 1988 poverty line of $10,060 for a family of three. Even a single adult working at the minimum wage makes only slightly more than the individual poverty line. In States where a person on welfare has the same, or an even greater income than a minimum wage worker, Government should assure that there is no disincentive for that minimum wage employee to work.

As everyone knows, the minimum wage is established by Congress, and does not increase until we act. As a result, there are no yearly increases for inflation, no acknowledgement that this year's dollars may not go as far as last year's. Due to inflation, the real value of the wage today has gone down by almost 30 percent, and that $3.35 buys only $2.56 worth of goods and services. Although we establish a variety of social service and employment programs here in Washington, and ensure that they will receive inflationary increases, we do not do this for the minimum wage.

Finally, I would like to respond to those who say that increasing the minimum wage will increase the budget deficit. I want to say firmly that the working poor are not, and never have been, the cause of the United States' huge debt burden. To look at the Federal deficit, with its multiplicity of causes, and conclude that the working poor are partially to blame is an absolute outrage.

Mr. Chairman, I urge my colleagues to support the minimum wage increase. Who among us in this Chamber could survive on only $6,968 per year? Let us move quickly today and pass H.R. 2, which permits the men and women of our country to begin to move out of poverty and make it on their own.

Mr. MURPHY. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Chairman, I rise in support of H.R. 2, the Fair Labor Standards Amendments, and in support of hard-working low wage earners across America.

The minimum wage is supposed to represent a decent wage at which working people can take care of themselves and provide for their families. That was the basis for enactment of the Fair Labor Standards Act of 1938.

A fair day's pay for a fair day's work in what democracy is all about. Is today's minimum wage fair? Let me put it another way, is it fair for a worker to go to work every day for an hourly minimum wage that will not bring his or her family above the poverty level? The answer is obvious. In my judgment, this Congress has waited too long to address the needs of working men and women in this Nation. While I support the bill before us, and will vote for its passage, to be

truthful, it disturbs me in that it does not go far enough.

I think it should provide even more of an increase in the minimum wage. The $4.55 called for in the Murphy substitute will still leave minimum wage earners with a purchasing power that does not bring their families out of poverty. An hourly wage of $4.55 will still make it impossible for parents to properly feed and clothe their families. It will still be impossible for them to give their children a decent quality of life.

There should not be any question in this Congress about whether or not to increase the minimum wage. Yet, there are those among us who still argue against it. They try to use the old argument that an increased minimum wage will cause a loss of jobs. Let's separate fact from fiction, and reliable data from hysterical hype. The historical record of minimum wage increases indicates just the opposite. In each year following an upward adjustment in the minimum wage, except the recession year of 1975, employment has increased.

High interest rates, the Federal deficit, the trade deficit, and the value of the dollar combine to have substantially more impact on the number and kinds of jobs available than an increase in the wages paid to low wage earners. The argument that this increase will cause a loss of jobs reminds me of the argument used against the Anti-Apartheid Act amendments.

In that case, apartheid, not sanctions, was and is the major cause of suffering in South Africa. To those who must work for the minimum wage in this country, it is not a loss of jobs that is the problem, it is the fact that the level of the minimum wage keeps them in poverty.

Fortunately, enactment of H.R. 2 will eliminate this standby argument by establishing a Minimum Wage Review Board which will advise Congress on the economic effects of wage adjustments. The fact is that the minimum wage must be raised and it must be raised now.

That brings me to another part of this legislation—the so-called training wage for newly hired workers. While I am glad that it will be phased out after a limited existence, it should not be there in the first place. It is simply a farce designed to take advantage of a person's desire to work. What we need is not to shortchange workers but to fairly pay workers. A training wage is simply going to allow employers to cycle new hires in and out, at a subminimum wage, and never give them the employment they deserve.

What we need is to create jobs so that there will be enough employment opportunities to go around. As our Nation's infrastructure continues to crumble, we need to begin providing for those opportunities in areas and skills that are valuable in the private sector. In the near future, I will introduce legislation which will provide employment and training for individuals so that they will have the means necessary to escape being hired at a subminimum training wage.

Let me conclude, Mr. Chairman, by saying that we in the U.S. Congress need to honor this Nation's 50-year contract with the working poor by paying a better decent minimum wage than is called for in H.R. 2. That is a fact. While H.R. 2, in my judgment, does not go far enough, it is better than what workers have received since 1981, which was exactly no increase at all. In the spirit of compromise, I will support it and vote for its passage.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, if we are going to raise the minimum wage, we ought to at least know who is going to be affected and how, so let us temper the rhetoric with some facts that just might prevent good intentions from producing bad policy.

Mr. Chairman, last year there were more than 116 million people in the American labor force. Of that record number some 3.9 million or 3.4 percent earned no more than $3.35 an hour.

Who are these minimum wage workers? They are not by and large the working poor, they are not heads of households, and they are not full-time workers. Almost 60 percent of the minimum wage earners are under age 25. About one in four teenagers earns the minimum wage. Most of these youngsters live at home, and their families enjoy an income far above the poverty level. More than two-thirds minimum wage earners work part time, and the vast majority of people who work part time do so because they want to. Since 1982 the number of minimum wage jobs has declined by 2.6 million or more than 40 percent. During that same period our economy has created more than 19 million new jobs. Those facts are not compatible with the argument that a big increase in the minimum wage is justified by a proliferation of low-paying jobs.

Mr. Chairman, there is a better way to help low-income families. It is called the earned income tax credit. Targeted and adjusted for family size, such a credit could effectively give minimum wage workers take-home pay equivalent to over $5 per hour. This clearly is the best approach, but unfortunately there is not yet enough support in Congress for this type of modification in the earned income tax credit. Instead we will tomorrow vote to increase the minimum wage. The question is: How high?

Mr. Chairman, I have been distressed that over the last several years this has become a political fight that has somehow forgotten the very people we set out to help. I am convinced that 4 years ago, when this issue was first raised, we could have adopted in the House and in the Senate a minimum wage in the neighborhood of $4 to $4.25 over 3 years, and I think that while President Reagan did not indicate any support for any adjustment in the minimum wage, he would have been hard-pressed to veto that kind of a proposal. And, if he had vetoed it, I think a two-thirds majority in the House and in the Senate would have been willing to override that veto and put a $4 or a $4.25 minimum wage in place over the next 3 years. But instead we have been fighting about getting more.

This year, Mr. Chairman, the fight is still about getting more. We now have a President who says $4.25 is fine, and we say, "It's not enough. We want more."

It seems that we are willing to go out and invite a veto, a veto which we probably cannot override simply because we are not willing to accept victory when it stares us in the face.

Four and a quarter is going to mean a lot to those individuals who have been without any adjustment in the minimum wage for the last 8 years. They have waited long enough. An adjustment is in order. But even in accepting an adjustment we have to be reasonable in terms of how high we go, how quickly we go. If we increase the minimum wage by 40 and 50 cents per year, we will have an effect on an employer that may cause them to cut back hours for workers or to lay certain workers off. That rapid an increase in that short a time period cannot totally be absorbed. It cannot be passed along, and that is going to mean some adjustments in the work force will take place.

Mr. Chairman, I think a more modest increase can be more easily absorbed, and thereby we can save the jobs of those workers and give them a real increase in the wage, not an increase that can cost them their jobs.

□ 1740

Mr. MURPHY. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana [Mr. MCCLOSKEY].

Mr. MCCLOSKEY. Mr. Chairman, I rise in wholehearted support of H.R. 2, a bill to raise the minimum wage. It has been 8 years since the minimum wage has been increased and during that time, the purchasing power of the minimum wage has diminished by more than 30 percent.

During this same time period, studies indicate that most of the new jobs created are in the service-industry sector—janitors, restaurant and hotel employees and retail workers. These jobs are usually at or near the minimum wage.

Contrary to popular belief, teenagers are not primarily the recipients of the minimum

wage. Eighty-four percent of Americans who earn minimum wage or less are over 18 years of age and 26 percent are heads of households. These individuals deserve the opportunity to improve their economic situation. By increasing the minimum wage, Congress will provide that opportunity.

The business community has stated that increasing the minimum wage will lead to higher unemployment, and inflation. History has proven these prophecies wrong. Each time that the minimum wage has been raised, employment has also risen, except for the 1975 recession. According to the Bureau of Labor Statistics this 2-percent drop in 1975 was due to the recession and not a wage increase.

In fact, no one has been able to trace increases in unemployment and displacement of teenage workers to adjustments in the minimum wage. A 1968 report to Congress on the minimum wage concluded that there was clearly no evidence of declining employment due to the statutory minimum wage increase. In 1984, the Department of Labor's office of policy found "scant" evidence to support the argument that increasing the minimum wage would reduce employment particularly among teenagers.

With food costs up a third and housing costs up by 50 percent since the last minimum wage increase, it is apparent that an increase in the minimum wage will be spent on the local economy. This spending is not inflationary, it will enhance the economy.

The United States has traditionally been known as the land of opportunity. Our future depends on jobs with good wages. Raising the minimum wage will reaffirm the work ethic which has been a cornerstone of our great country.

In their 1986 pastoral letter on the economy, the U.S. bishops said, "work with adequate pay for all who seek it is the primary means for achieving basic justice in our society." I urge my colleagues to vote in favor of increasing the minimum wage so that we can restore basic justice in our society.

Mr. MURPHY. Mr. Chairman, I yield 3 minutes to the gentleman from Montana [Mr. WILLIAMS], a member of the committee.

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, let us take this example, and there are 800,000 of these folks in the United States. You are the head of a household with two children at home or perhaps your spouse and one child. You work everyday. You never miss a shift. You work 5 days a week, every week, every month, and every month of every year. You never miss, but you are working at the minimum wage. That is 800,000 people going to work that way everyday in this country, and they cannot get out of poverty. They are in poverty because the minimum wage has not been raised since 1981, the longest time in American history.

Today the minimum wages in 1981 dollars is not $3.35 because you have to discount for inflation. It is at $2.46.

When the minimum wage was first put into the statute in the 1930's and ever since, without exception, the goal has been that the minimum wage worker, this head of a family I am talking about, should reach about half; that is, their wage should be about half of the average nonsupervisory wage in the United States, and we kept that tradition pretty well throughout American history; for example, all through the sixties, the wage averaged more than half, and all through the seventies it averaged about 46 percent. Today the minimum wage is only 34 percent of the average wage in the United States.

We have got a real problem. In some instances, sure, it pays more to stay on welfare than it does to go to work everyday.

You want to get people off welfare, want to cut out fraud, waste and abuse that we have heard so much about on welfare? Then the Federal Government should close the gap between what it says America's workers need to get out of poverty and what we insist they be paid as a basic minimum. We have got to close that gap. This bill attempts to do that.

By the way, this bill is a very modest approach. Consider that $4.65 when it goes into effect in 1992 still only is going to bring us to about 41 percent of the average, that traditional average that I have talked about, and that is at $4.65 by 1992.

This is a very modest approach. If the workers in America were simply going to keep up with inflation, they would have to receive about $5.25 by 1992.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, as we debate this important legislation, I want the House to know that I share the concern of some of my colleagues as to where we actually peg the minimum wage. This is a legitimate issue.

There are those that have projected significant job loss throughout our economy if the level is too high. Some of these concerns seem to have been exaggerated, but there is no doubt that some job loss will occur. On the other hand, if the standard remains too low, what we are doing today amounts to little more than an empty legislative exercise.

I applaud the efforts of President Bush in addressing the minimum wage issue through his proposal which we debate today. However, I have serious reservations about the "new hire" provisions and their possible misapplication and abuse. In my opinion, this administration proposal contains significant loopholes which could lead to the development of an entire class of "perpetual new hires." I regret that the administration has not seen fit to improve its new hire provision. A modification would improve chances of passage.

While the potential for loss of job opportunities is not to be taken lightly, I question the dire predictions of widespread job loss and a wage-price spiral. The fact is that only 6.5 percent of hourly wage earners earned the minimum wage last year. The fact is that many parts of the Nation are experiencing a labor shortage. I do not want any subminimum wage provision to be used as an excuse for an employer to pay qualified people less than they deserve. I believe that a minimum wage with true training wage provision can be accomplished and we should work in that direction. Indeed, the training wage is the policy breakthrough of this debate.

I believe we can fashion a real training wage provision, an apprentice wage if you will, that will close the loopholes in the new hire provision as it now exists. In my own State of New Jersey, a minimum wage bill, authored by Republican Labor Committee Chairman Bob Littell, is now being considered which contains just such an apprentice wage. But this is not simply a lower wage. It is a lower wage with specific requirements as to the number of hours a newly hired employee must be trained during the apprenticeship period. Upon completion of the training, the employer will certify to the State that the employee has been trained to perform the specific duties of the occupation for which the training was provided.

We must also place a reasonable limit on the time period during which the employer is allowed to pay the lower wage and the type of employees eligible for the training wage. I am extremely concerned with the possibility of creating a perpetual new hire class of employee if these loopholes are not closed. I believe a reasonable time period for this training is 90 days. An employer should be able to train a minimum wage employee in that time.

Furthermore, an employer should not be allowed to pay the training wage to a employee who has already had experience of more than 90 days in an industry or occupation similar to the new job taken. We must protect skilled, experienced workers who change jobs for any number of reasons.

Mr. Chairman, a true training wage should be a key component of this legislation.

Mr. MURPHY. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLECZKA]

Mr. KLECZKA. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. MURPHY] and also the gentleman from California [Mr. HAWKINS] for their efforts on this legislation.

Mr. Chairman, I have worked many hours on this piece of legislation. In

fact, when I was first elected to Congress at the end of the 98th session, I looked around and talked to my newly hired staff. We tried to come up with some cause, some initiative that I could advocate as a new Member of Congress, which would help the people that I really care about, the people of my district who are at the lower end of the social ladder, the people across this great rich Nation of ours.

As I looked around I was informed that the minimum wage had not been touched since 1980–81. This was already 1984. So in the 99th Congress I introduced legislation, H.R. 4228, garnered some 16 Members of this House to support me, and we advocated raising in two steps the minimum wage.

Since that time I have had the opportunity to work with the chairman, the gentleman from California [Mr. HAWKINS], and the gentleman from Pennsylvania [Mr. MURPHY]. I attended their committee hearings, had public hearings, attended the markup on the bill, and finally the day has arrived some 5 years after I was elected to Congress where we are doing something which I think is long overdue, something that is relatively simple, and that is raise the floor, the basic minimum wage in this country.

We are told by many of the speakers on the other side that this is just for kids working part time. They do not need the money. Most people just want part-time jobs anyway. So why do we have to raise their wage?

Well, Mr. Chairman, in 1988 according to the Department of Labor figures some 3.9 million employees were paid no more than the minimum wage.

In addition, 10.3 million workers earned between $3.35 and $4.49 per hour.

Now, 60 percent of these workers are age 20 or above. So for those who contend this is just for kids working at hamburger shops, clearly they are wrong. In fact, those are the individuals today, surprisingly, who are paid higher than the current Federal minimum wage.

We are talking about a decent living wage for the people of my district who were laid off from Allis Chalmers, a company that moved right out of the city, and today that 50- or 55-year old employee is now working at K-Mart as a guard or at some other store.

Those are the people who are getting minimum wage today.

So Mr. Chairman, clearly the time has come. Let us get on with the business of the House and vote to raise the minimum wage.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I rise to support the Goodling-Penny-Stenholm bipartisan substitute to H.R. 2 and in opposition to the Murphy-Ridge substitute, which is absolutely no improvement over the committee-reported bill.

I have already received, Mr. Chairman, my first correspondence from constituents opposed to the $4.25 an hour minimum wage rate suggested by the President and included in this bipartisan substitute. Not because it is too low a wage, but too great a burden on those small enterprises out in west Texas who are trying to create or preserve jobs.

Just last week, as several university students from my district visited my office, they confirmed what I have heard over and over back home. They would rather have a job at $3.35 than no job at $4.65.

Do not be fooled by the skillful drafting and clever marketing of the so-called Murphy-Ridge substitute. It is not a compromise. Look first at the step increases. For 1993, $3.85 in both H.R. 2 and Murphy-Ridge; for 1991, $4.25 in both, and 10 cents difference in 1992; however, Murphy-Ridge speeds up the bill's effective date to October 1 of each preceding year. This means the average rate for calendar year 1990 is 12½ cents higher in Murphy-Ridge than in H.R. 2, and for 1991 the amendment is 10 cents higher. This ostensible compromise is really an increase.

There are other problems I have with Murphy-Ridge. The entire agriculture industry—one already limping precariously into an uncertain future—is singled out for exclusion from the training wage provisions.

□ 1750

That training wage, by the way, not only sunsets after 3 years, but also would be extremely limited in its application.

I think there is a better idea, the other so-called bipartisan substitute. This is the amendment I look forward to debating in great detail during its consideration, but I want to note here that whether one is from the oil patch or the corn patch, there are many places in our country which have fallen through the holes in this swiss-cheese expansion of ours, and in those places, a little reflection is all it takes to convince one that a large increase in the minimum wage destroys jobs and raises prices.

President Harry Truman used to say that he wanted to meet a one-armed economist, because he was tired of economists always saying, "but on the other hand"; there is no other hand on this issue.

Economists almost unanimously agree that raising the minimum wage destroys jobs and is not an effective tool for fighting poverty.

The only question is in weighing the costs with the benefits. There are 435 perfect minimum wage bills in this House. The Goodling-Penny-Stenholm proposal is not my perfect bill, but it is a reasonable, workable compromise, and its new-hire wage provisions do preserve jobs at the entry and training level while helping full-time breadwinners move up the wage ladder.

Mr. Chairman, I urge the support of the Members for the Goodling-Penny-Stenholm bipartisan substitute when it comes on the floor tomorrow.

Mr. MURPHY. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Chairman, 86 percent of the people who work for the minimum wage are over 18 years old.

Forty percent are the sole wage earners in their household.

Twenty-six percent are the heads of households with dependents. Sixty-six percent are women.

The minimum wage rate has been frozen for 8 years, while the cost of living has increased by over 30 percent. What does it mean to say that a person making $3.35 per hour today is making the equivalent of $2.45 per hour in 1981, the last year the minimum wage was increased?

Today's minimum wage pays hard-working Americans less in real dollars than at any time since Eisenhower was President.

The Adult and Family Services Division of the State of Oregon released a report that says that the current minimum wage has resulted in the emergency in a new group of working poor with single parents being hardest hit.

> Women who enter into lower paying jobs, with no medical benefits and/or high day-care costs, are providing a lower standard of living for their families than if they remained unemployed and continued to receive public assistance.

It is that simple. Listen to the words of Diane Sutton of Eugene, OR, a single parent with two small children:

> At current minimum wage of $3.35 per hour, working full-time, I was bringing in $536 a month before taxes. After paying child care costs there was $161 left for food. This left me and my children with no means of obtaining shelter, health care, clothing, and no chance to be self-sufficient.
>
> On welfare, I receive $68 more per month, plus medical coverage, than I did working a full-time minimum wage job.

Do we want to perpetuate a wage scale which forces women like Diane Sutton to remain on welfare? She wants to work, but she can better feed, clothe and care for her children with the money she receives from welfare. Would not any mother make the same decision? Does anyone in this Chamber dare question her priorities?

The administration's plan for a 6-month training wage ignores the fact that $3.35 per hour is simply not enough to live on in 1989.

The cost of food, clothing and transportation have risen over 20 percent in the Portland, OR, area since 1981.

The cost of medical care has gone up 67 percent.

Entertainment has gone up 34 percent.

And items like school supplies, haircuts and personal hygiene products have gone up 66 percent.

Electricity costs have gone up nearly 35 percent. How can we expect people to live on a 1981 wage scale in 1989, whether we call it a training wage, a student wage, a submininum wage or anything else?

Ask Laura Harris, a 19-year-old single parent enrolled in the Eugene Public School System's Young Parent Program. The $359 she makes in welfare forces her and her 2½-year-old daughter to live with her mother. She says it is not worth trying to find a low-paying job: child care costs for her daughter would mean a net loss of income.

Mr. Chairman, it is ludicrous that those who oppose this modest increase in the minimum wage are making over 13 times the minimum wage.

Who are they to tell women like Diane Sutton that $3.35 per hour is sufficient to live on if we call it a "training wage"?

They should listen to the people who have tried to live on the current minimum wage before making a decision on what is an adequate amount.

Roma Miller, a single mother of two small children from Oregon:

I have tried to support my family while working for a job that paid only minimum wage. It became a never ending process of robbing Peter to pay Paul, juggling financial priorities, and praying for something to change. We need a wage that will allow people to live and not just exist. Families are being forced to accept poverty conditions at a time when a single loaf of bread can cost over a half an hour of work time. I hope that you can adjust the minimum wage to a fair wage so that people don't have to lose their dreams and can once again have faith in a system that is supposed to be for the people.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. GRANDY].

Mr. GRANDY. Mr. Chairman, as the Members can tell from this debate, our data is already in dispute. Our side will argue hundreds of thousands of jobs will be lost. Their side will argue only a few. Our side will argue that inflation will go up. They will say not much. We will argue that when the minimum wage was last raised, poverty did not go down. They will say, "Not our fault."

Mr. Chairman, I do not want to talk about how much or how many. I want to talk about where. Where does this raise hit first? I think I know. I think it is towns of 2,500 and smaller, towns that might be in western Iowa or southern Minnesota or west Texas, small businesses with 20 to 50 jobs, right around the gross sales exemption, big business in a small town, Mr. Chairman.

What about a group that is not often referred to in these discussions? What about small labor, youth, displaced workers, whether they are farmers, whether they are homemakers, factory workers, underskilled usually and the elderly, a growing work force in many of the communities that we represent, human capital that we might be able to tap, but may not be able to tap unless we pass a reasonable substitute? We can argue about whether the minimum wage is social policy, which we tend not to believe on this side, or economic policy, which we do.

Let me talk for a minute. Let me concede that there is a certain economic justice in raising the minimum wage, and let me talk a little bit about where that justice is levied. It is levied in areas like Iowa or west Texas or southern Minnesota where fragile economies are beginning to recover, thanks to Federal intervention with the farm bill, and I will be the first to admit, where Main Street is beginning to enjoy rebirth, where small businesses are seeing small opportunities because of small profit margins, where we are beginning to get, once again, a pattern of job creation, job expansion, and youth retention.

Let me tell the Members what is happening out there even without the minimum wage. We are in the aftershock of a drought, and this year no matter what we do, costs will go up, seed will cost more, feed will cost more, input costs will cost more, and opportunities will go down, and not only that, farm income will probably be pared back.

□ 1800

So, our delicate recovery is already being imperiled. Small businesses, small employers, are going to see their opportunities decrease no matter what we do. And if we add to that section 89, the increased cost of product liability, we are seeing it not only cut back, but cut back to where they were before the drought.

We are going to add to that burden, minimum wage, mandated leave, other onerous labor pieces of legislation that will add extra costs to these unwitting victims. Surely we do not believe this is the only shot across small businesses' bow today.

Where is the economic justice, Mr. Chairman, for these businesses and these communities that are already looking for the dollars to comply with standards that are being put forth by OSHA and the Environmental Protection Agency?

Farm States, energy States, are beginning to recover. But rural environments continue to be at risk. We have begun to recover some of our farms or at least retain them. But what about our drycleaners and our filling stations and our convenience stores who either will not qualify for the gross sales exemption or will be too confused by it to bother filing?

We can wax all day long, probably not today but at some time in the future about what we want to do about rural development. Unless we pass a reasonable substitute, the Goodling/Penny substitute, what we are practicing today, Mr. Chairman, is rural dismantlement.

Mr. MURPHY. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. LIPINSKI].

Mr. LIPINSKI. Mr. Chairman, the arguments against amending the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate are old. Most were used first in 1937 and are being renewed today. But Congress continues to hesitate as if there were no body of experience from which to draw conclusions. The minimum wage has been raised several times and we have yet to see mass unemployment result. I support the measure today because it is fair and because it is long overdue. This body is at its best when it speaks for the voiceless, acts for the powerless, and gives opportunities to those without hope. Today I rise in support of the many Americans who have seen their ability to purchase even the basic necessities decline, who have seen their doors of opportunity shut.

Today we look back and try to interpret the affects of past wage increases. Today we talk about what a minimum wage of $3.35 meant in 1976 or 1981. But I ask you instead to look ahead to 1998 or 2006. Look ahead to an issue which we have rarely had to face in our history. The issue of labor shortages. The Department of Labor Statistics expects the labor force to expand by 21 million over the 1986-2000 period. This represents a significant slowdown when compared to an increase of 31 million achieved during the previous 14-year period. Is this a serious problem? Serious enough for the Department of Labor to issue a report on the subject, the first Department of Labor report ever on labor shortages. Today, in the context of this debate, we have a chance to address this issue before it becomes a crisis, a chance to act instead of react.

The labor shortage report reveals something many of us already see. It reveals that many in the labor force lack basic skills. I am not referring to skills such as accounting or engineering but basic skills required to do any job well. Many of today's potential employees are found lacking in spelling, writing, mathematics, initiative, attitudes, and work habits. The pool of laborers in the best position to fill this critical void are today struggling and failing to stay afloat earning $3.35 an hour. In 1986, the wage earner at the minimum could earn about 80 percent

of what would have been necessary to keep his or her family out of poverty. Could this wage earner possibly be inspired to make a real effort for a wage that yields no more than a welfare payment? Would this parent encourage his child to stay in school or would he need that child to take a minimum wage job? At today's wage that parent would have no choice and the skills gap in the labor force will materialize as a crisis.

I urge my colleagues to take a quick look back and see that increases in the minimum wage have been successful. More importantly I urge you to take a long look forward and see how costly the failure of this measure will be. For American workers, especially those who have generally been outside the economic mainstream, labor shortages should represent a golden opportunity for improved wages, improved working conditions, and a better financial future. But if they remain trapped and unable to accumulate the basic skills then they will miss this opportunity. They will become marginally employable and become a burden to their fellow citizens. This measure is important not because of what has happened in the past but because what will happen in the future. I urge my colleagues to join me in passing this measure.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Chairman, may I begin by giving a special word of thanks and commendation to obviously our chairman, who as always is conducting the deliberations of the Committee on Education and Labor in a fair and proper fashion, but especially at this time to our new ranking Republican on the full committee, the gentleman from Pennsylvania [Mr. GOODLING], for his initiative and his lead efforts, and frankly his leadership on this particular issue. It has been fun for a lot of us to work with him on this, which will be the first of many challenges.

But, we are on the Committee on Education and Labor because I think each and every one of us, Democrat or Republican alike, is abolutely committed to making this a better world. The problem with the bill here today is the difference in how we are going to achieve it.

We do not have a wage problem in America today. What we have is a skills problem. Anybody who looks at the work force demographics over the next 10 years knows that the jobs are going to be there for every American. We are going to have a labor shortage. That is why we like working on the Committee on Education and Labor, not so that we can fight our labor/management issues, but rather so we can talk about that bigger issue of how do we provide the skills where people can move forward, and then within that context I think it is important that we consider this legislation before us today.

The minimum wage today is very different than the minimum wage was in 1980. The people who receive the minimum wage today are very different than they were in 1980.

Today the minimum wage and poverty populations are for the most part two separate populations with very surprisingly little overlap. The reality is that only 8.6 percent of the people on minimum wage today are heads of households, and 58 percent of those people are 25 years old or less; 36 percent of the people who receive the minimum wage today are teenagers. We are dealing with a minimum wage today that for the most part is either entry level, first time pay, or pay received in a rural area in America based on the economy, cost of living, and the wage scale in that particular area.

So in the midst of all of that we have the bill that came out of the committee; we have the Goodling-Penny substitute; and now we have a new substitute. I recommend to my colleagues that as we go through this debate they recognize exactly what the Goodling-Penny substitute is. It represents a 27-percent increase in the minimum wage at the very time that the latest statistics show unemployment going down, and the latest statistics show interest rates going up to fight inflation.

It is a 3-year effort toward $4.25, and it includes that particular training wage.

Let us compare that with the substitute. Let us be honest. This is not a substitute based on economics. It is not a substitute based on philosophy. This is a substitute based on vote counts.

□ 1810

What do we need to manipulate the wage and the training wage and everything else in order to get enough votes to pass it? Is that the way we want to conduct future economics for young people? Is that the way we want to conduct economic policy for single-parent heads of households? Or do we just want an issue? Because I think that is what it will boil down to, Mr. Chairman.

If you want to truly raise the minimum wage, you will vote for the Goodling-Penny substitute.

If you want a political issue and political rollcall, you vote "no" on that and you vote for the substitutes that are offered.

Mr. Chairman, I encourage each and every one of us to support the Goodling-Penny substitute tomorrow.

Mr. MURPHY. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. CLAY], a member of the committee.

Mr. CLAY. Mr. Chairman, I had hoped that the opponents of this bill would have at least been original in their arguments, if not persuasive. But they have used the same arguments almost verbatim that were spoken in this very Chamber in 1938 when the first debate on the first bill to enact a minimum wage took place.

Mr. Chairman, listen to the similarities.

Representative Carl Mapes, Republican of Michigan, said:

It is bound to increase unemployment unless all human experience is reversed. It will put more people out of work than it will help to get work. The less efficient will be compelled to give way to the more efficient.

Then Mr. Roy Woodruff, Republican of Michigan, said:

According to the best analysts who have studied the bill and its probable operation, this measure will not reduce, but will increase unemployment.

Then, Mr. Chairman, Mr. Woodruff again said:

Even if the bill were passed by both Houses as it is presented here, it still opens the door to a principle utterly dangerous to the independence and welfare of labor and of industry—namely, the power of the Federal Government to interfere in the right of free contract by the employee and employer and to dictate the terms of all such contracts.

Then Mr. Mapes said again:

Organized and skilled labor, especially, should keep in mind that the passage of the legislation will reduce the wages of more people now employed than it will raise.

Then, Mr. Chairman, Mr. Dewey Short said:

Our country has the highest standard of living on Earth, but if this bill is enacted into law, the inevitable result will be increase in unemployment, decrease in production, lower standards of living, smaller consumption of raw materials (including farm products) and lower prices for them.

Well, Mr. Chairman, none of these things happened. The world did not come to an end. What we see happen, Mr. Chairman, is that the more things change, the more they remain the same.

Fortunately in 1938 we had a President who believed in a gentler, kinder society and he signed the bill. Unfortunately today we have a President who claims to believe in a gentler, kinder society and he threatens to veto this bill.

Mr. Chairman, I rise in support of H.R. 2.

Perhaps the foremost item on the list of unfinished business from the 100th Congress is an increase in the minimum wage. As reported by your committee, the minimum wage bill, H.R. 2, provides for a 50-cent increase in the minimum wage effective January 1, 1990, another 40 cents increase effective January 1, 1991, and a final 40-cent increase effective January 1, 1992. The final increase would bring the minimum wage up from its current level of $3.35 an hour to $4.65 an hour. In addition to increasing minimum wages and pro-

viding for periodic reviews of the minimum wage, H.R. 2 amends the law in two other respects. First, the bill provides for an increase in the so-called small business exemption for retail and service establishments by exempting those businesses doing less than $500,000 in annual gross volume of sales or business. Currently, the law only exempts those businesses doing less than $362,500 in sales or business.

Second, H.R. 2 provides for the so-called tip credit to be increased from 40 to 45 percent in the year following enactment and to be increased again to 50 percent in the following year. The tip credit would remain at 50 percent thereafter. Under current law, when the 40-percent tip credit is accounted for, the minimum wage for tipped employees is $2.01. As proposed in H.R. 2, as of January 1, 1990, the tip credit would increase 5 percent while the minimum wage increased 50 cents. As a result, the minimum wage for tipped employees would increase by 11 cents. On January 1, 1991, the minimum wage would increase another 40 cents while the tip credit would increase another 5 percent, adding half a cent to the minimum wage for tipped employees. In 1992, the minimum wage would increase another 40 cents, adding 20 cents to the minimum wage for tipped employees. What we are talking about here is an increase from $2.01 to $2.32½. In other words, the total increase for employers of tipped employees amounts to only 31½ cents.

There has been no increase in the minimum wage since 1981. In the meantime, inflation has steadily eroded the income of minimum wage workers. In terms of 1981 dollars, the minimum wage declined from $3.35 in purchasing ability in 1981 to a level of only $2.56 in 1988. Last year, it required a wage of $4.45 an hour to earn what a worker paid $3.35 an hour earned in 1981. A minimum wage worker who worked full time, 52 weeks a year, without taking any vacation earns $6,986 for his or her efforts, an amount below the poverty line for a family of two. As the Washington Post pointed out in an editorial in support of a minimum wage increase, "The income gap between the richest and poorest fifths of the population—their share of total income—is the greatest it has been since World War II."

The debate over whether to raise the minimum wage has special significance for black Americans. Blacks, Hispanics and women constitute a disproportionate share of minimum wage workers. There are 741,000 black Americans earning the minimum wage. Almost 15 percent of the minimum wage workers in the country are black. Minimum wage workers constitute 8.7 percent of all black workers and 8.1 percent of all Hispanic workers. Among whites, minimum wage workers only constitute 7.8 percent of workers, almost a full percentage less than among blacks. For women, the figures are even worse. While minimum wage workers only constitute 5.4 percent of all male workers, they constitute 10.5 percent of all female workers. Sixty-five percent of all minimum wage workers are women.

The depressed minimum wage and its consequential depression of the wages of other workers has not only seriously eroded the earning power of the black community, thereby damaging black business owners as well as black workers, but has further torn the fabric of the black community, itself. Over the last decade, the earning power of black men has declined by 50 percent. As stated in a report by the Children's Defense Fund, the decline in the earning power of the black community, and of black men in particular, has "greatly exacerbated the teen pregnancy problem and the declining marriage rates among young black men and women, and has fueled substantial increases in poverty among young families and their children."

Minimum wage workers, no less than anyone else, have certain basic needs that must be met. To the extent that workers, through their wages, are unable to provide for these needs, they must be accounted for in another manner. If one's wages do not provide sufficient income to feed one's family then either that family will be malnourished or someone else must pay the cost of providing the food. If a worker is unable to earn wages sufficient to provide for the education of his or her children then either those children must go uneducated or someone else must assume those costs.

Employer groups have justified their opposition to the minimum wage legislation on the basis that it will adversely impact the working poor and especially minorities. I represent the greater part of the city of St. Louis and parts of St. Louis County. According to the 1980 census, 46 percent of my constituents are black. Almost half of my constituents rent rather than own the houses in which they live. In 1980, the median monthly rent in my district was $145 per month and the median house value was $31,800. While there are some very affluent neighborhoods in my district, the majority are not. Unemployment levels in parts of my district exceed those for the country and many of my constituents lack the skills and education necessary to advance to the middle class.

In other words, according to the arguments of the opponents of this legislation, more of my constituents than others in Congress are likely to be hurt if the minimum wage is increased. My constituents, for whom the opponents of H.R. 2 claim to speak, do not share this view. In fact, they are convinced, and I strongly agree, that they would benefit from an increase in the minimum wage. The minimum wage bill has been introduced in the House of Representatives by the dean of the Congressional Black Caucus, Congressman HAWKINS. This legislation is among the highest priorities of the Congressional Black Caucus and is supported by all of its Members.

Especially for black Americans, for whom the American dream has been an irrelevant myth for too long, the importance of being able to maintain oneself and one's family through gainful employment cannot be over emphasized. One works to provide a livelihood for one's family. Employment that does not convey to workers a degree of independence and self-reliance diminishes the dignity and worth of the individual, increases the divergence between rich and poor, and bares a closer resemblance to servitude than any American and, given our history, especially black Americans, can or should be willing to tolerate.

I urge this body to support this legislation.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I rise in strong opposition to this legislation. There are lots of reasons to oppose this precipitous minimum wage increase and many will be discussed here including its effect on inflation, which is estimated by the Congressional Budget Office to be right at 1 percent of an increase in inflation, or its cost to the Federal Government, estimated by the Office of Economic Advisers to be up to $5.8 billion per year. Those are true.

But the real reason to oppose this bill, the real reason that every Member of this body should vote against this bill, boils down to one issue, and that issue is jobs. Precisely the loss of jobs to individual workers, individual human beings, those people who the sponsors of the bill would purport to help, in fact those most vulnerable workers, new entrants into the job force, the largely unskilled workers who because of this legislation will never earn those skills and will never start up the road to economic progress in this country, and a full wage.

Only Congress does not recognize the job loss. Only Congress in this country is still clinging to the myth that this increase in minimum wage somehow does not hurt people, but it hurts them badly. Consider the reports. The Minimum Wage Study Commission after the last minimum wage concluded that every 10-percent increase in minimum wage would increase, would cost a total of 100,000 to 200,000 jobs. This bill proposes a 38-percent increase in the minimum wage.

Over the course of the last 10 years, and I have brought to the House floor a number of them, some 100, almost, studies, economic studies have been done, study after study after study, which has concluded, whether it is impirical evidence or longitudinal studies or quantitative studies, that minimum-wage increases of this size without a new-hire wage will put hundreds of thousands if not millions of people out of work. Not a single economist purports otherwise. The Department of Labor compiled a mean average of these studies and concluded that based on the studies in the last decade, 650,000 jobs would be lost.

Editorials from virtually every newspaper in the country in the last 2 years—here is a compilation of 1988 editorials, and here is a compilation of late 1988 editorials, editorials and columnists from all over the country have editorialized against the minimum-wage increase, for taking some new approaches and for not losing those jobs. But only in Congress do we still retain that myth that somehow

this minimum-wage increase will do anything but hurt people.

In the rather extensive hearings that the subcommittee had in the last session of Congress we had witness after witness tell us that this minimum-wage increase would cost jobs and would put new entrants, new hires out of work. One national restaurant chain told us, I remember vividly, that during the last minimum-wage increase, 1978 to 1981, that national restaurant chain alone eliminated as a direct result of the minimum-wage increase six job slots in every store in the country, two cashiers, two assistant hostesses, and two busboys. Vote against this bill. Vote to save those 650,000 jobs throughout the country.

Mr. MURPHY. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Chairman, once again, we stand in this Chamber debating the merits of raising the minimum wage—a debate which has taken place 11 times since the original law was passed 51 years ago.

I am optimistic that we will raise the minimum wage, and allow all American workers' wages to keep pace with prices in the American marketplace. This will ensure that all American workers receive the absolute minimum of what they need to keep their families in decent housing, with food on the table and clothes on their backs.

There have always been critics of the minimum wage. And their arguments are always the same: That an increase will cause the inflation rate to rise. That America will lose its footing in the international economy. That hundreds of thousands of American jobs will be lost.

It seems that whenever we rise to require simple justice for the American worker—whether it be raising the minimum wage or requiring plant closing notification—the same arguments are dredged up.

But the dire predictions never seems to come true.

An increase in the minimum wage has never sent the economy into the tailspin that opponents have predicted. Neither has the inflation rate increased by 2 or 3 percentage points after a wage increase. And the work force, has never lost even close to the number of jobs that critics have projected.

It is even more telling, though, to examine the projected economic figures of an increase in the minimum wage. The administration has stated that raising the minimum wage will cause a loss of 650,000 jobs. What they fail to tell you is that these figures are based on outdated studies relying on data collected during the sixties and seventies.

These studies fail to take into account the increase in recent years in the number of low-wage jobs due to the Nation's shift from a manufacturing to a service oriented economy.

A recent study conducted by the Wharton Business School—located in my district—replicated the studies of the previous two decades using updated labor market data through 1986. The employment loss figures they arrived at proved negligible—enabling them to conclude that there would be no discernible impact on jobs.

Raising the minimum wage will not have the detrimental effect on our Nation's economy that critics are predicting. Their forecasts have never been accurate in the past.

Rather, raising the minimum wage will have a positive effect by restoring lost buying power eroded by 8 years of inflation. It will send a message to those dependent on the minimum wage that a full-time job should be rewarded by a decent, livable wage.

□ 1820

Mr. VENTO. Mr Chairman, will the gentleman yield?

Mr. FOGLIETTA. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I point out why some critics talk about the Tax Code. We should not use the Tax Code as an excuse; taxpayers should.

Mr. Chairman, I rise in strong support of H.R. 2, the Fair Labor Standards Amendments. I want to congratulate Chairman HAWKINS and the leadership for bringing this important legislation to the House floor for action.

H.R. 2 increases the minimum wage from its present level of $3.35 an hour to $4.65 an hour, in three incremental steps, over the next 3 years.

An amendment to be offered by our colleague, Mr. MURPHY, the chairman of the Subcommittee on Labor Standards, addresses the issue of a so-called training wage by setting a carefully tailored standard that would not permit employers to pay new hires less than the current $3.35 an hour under existing law. I must say that I have serious concerns with any proposal to establish a subminimum wage because of the obvious potential for discrimination against older, experienced, and higher paid workers by unscrupulous employers. However, I believe that Chairman MURPHY and others have worked in good faith to respond to the concerns of the Bush administration, which has indicated that a bill not containing a training wage provision may be subject to a Presidential veto. The Murphy amendment limits any training wage to new hires only and also includes a sunset provision 2 years after the date of the last increase in the minimum wage provided in the bill.

I am also pleased that this legislation provides for the establishment of an advisory board to review relevant data and make periodic recommendations to Congress on adjusting the minimum wage to preserve its purchasing power. The effects of inflation and the increasing disparity in lower and upper income brackets tell us that it is time to pass this legislation.

Some critics of this legislation have said that we should be addressing the needs of low-income earners through the U.S. Tax Code—that indeed is a curious suggestion that the U.S. taxpayer should make up the difference between a living wage, to support a worker and even a family, and the inadequate wage that an employer pays that worker.

Frankly I think that this type of logic stands upon its head, the low-income earned tax credit in the United States Code. Certainly this credit should be adjusted within the capacity of the Nation to assist low-income workers but not as a substitute for an adequate minimum wage—we need not create more low-income workers, there are too many already; that is why we need to support a fair increase in the minimum wage without a training wage loophole that invites abuse of the wage standard.

The fact is that Americans living below the poverty line have increased from 11.2 percent in 1978 to over 13.5 percent in 1987. That is literally over 6 million more Americans. A fair increase of the wage standard is needed now.

Mr. Chairman, there are literally millions of working men and women in our Nation who work hard every day at difficult and sometimes tedious and even dangerous jobs, not because they necessarily enjoy it, but because they must work. Millions of the underemployed hold more than one job, not because they prefer this, but because they must. The last increase in the minimum wage was passed by Congress 12 years ago in 1977. Clearly, it is time for Congress to act now to improve the livelihoods of those who live and work at the fringes of our economy and in the shadow of prosperity. I hope that my colleagues will join me in voting for H.R. 2.

Mr. GOODLING. Mr. Chairman, I yield 1½ minutes to the gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. Mr. Chairman, one of the appeals of the minimum wage is the notion that you can get something for nothing, that you can increase people's wages and no one except a bunch of greedy, labor-exploiting businessmen will have to pay for it.

Unfortunately, the reality is otherwise. In competitive markets, businessmen will have to pass higher costs along to consumers. All of us, including the poor, will pay for it in higher prices. Some of the least skilled among us will pay for it in decreased job opportunities. And most of us, as taxpayers, will also pay for it because it will increase the Federal deficit.

The effect on the Federal deficit has not been discussed much in the past, but it is an important part of the issue. The effect is difficult to score, but in reality it is there nonetheless. If we are concerned about the deficit, we should pay attention to the real budget effects of our actions just as much as the scored effects.

The budget effects are both direct and indirect. The nursing home industry, in which half of total revenue comes from Medicaid, stated last year that a $4.65 minimum wage would have to result in increased Federal

spending on Medicaid of $½ to $1½ billion per year.

I surveyed a number of hospitals in my district and discovered that all of them employed a number of people, mostly part-time teenagers, at less than $4.65. As their costs go up, Medicare spending will eventually have to rise. Just within the jurisdiction of the Education and Labor Committee a minimum wage increase has major effects on Head Start, summer youth employment, college work study, and community service employment for older Americans. These are all direct effects. The Office of Management and Budget has estimated that they total a $1.8 billion per year increase in the deficit. The Congressional Budget Office report on H.R. 2 admits that such effects may exist, but says data is insufficient to estimate them.

But more important than the direct effects are the indirect effects resulting from lower overall economic activity and higher inflation than would otherwise occur. OMB has estimated that the indirect effects of a $4.65 minimum wage would increase the deficit by $1½ to almost $6 billion per year. Material I have received from the Congressional Budget Office indicates an effect at least that large.

The CBO now projects that a $4.65 minimum wage would eliminate 125,000 to 250,000 jobs. That would indicate an unemployment rate up to one-quarter percent higher, than it would otherwise be. Although CBO does not score the effects for budget purposes, former Acting Director James Blum has indicated in a letter to me that a rise in unemployment would, in fact, tend to increase the deficit.

The CBO's report on the economic and budget outlook of January 1989 estimates that a one-quarter percent higher unemployment rate would increase the deficit by 12 billion in the first full year, rising to $19 billion in the fifth year. Even if you took half of that, or one quarter of that, because we are talking about low wage jobs, it is still a very large cost.

In fact, you do not get something for nothing. You pay for a minimum wage increase in the Federal budget as well as elsewhere. And little of the cost actually goes to the poor. If we are going to spend this money, we should do it directly and efficiently, sending it directly to people who need it and only to people who need it, in proportion to their need, through the earned income tax credit.

Mr. Chairman, you cannot legislate wealth. If you could, you could wipe out poverty all over the world with a stroke of the pen. In Russia, they pass laws so bread is cheap, but there is no bread. If Congress passes laws that say jobs will pay a lot, there will be no jobs.

You cannot get something for nothing. If we want to help the working poor, we are going to have to pay for it. And the earned income tax credit is a far better way to pay for it than increasing the minimum wage.

Mr. MURPHY. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. OWENS], a member of the committee.

Mr. OWENS of New York. Mr. Chairman, I think it is important for us to understand that today's debate is not a discussion of how to allocate or give away taxpayers' dollars. That discussion is coming later on. A few weeks later we will talk about the savings and loan scandal and act on the President's bill and talk about giving away billions and billions of the taxpayers' dollars. There is a hard line shaping up around here about the minimum wage. We want to fight penny by penny every step of the way to prevent workers from being paid a decent wage. What we are talking about is the Government's duty to regulate commerce so that people who exchange their labor get a fair exchange. We are talking about plain, old-fashioned fairness.

Minimum wage workers need a higher wage, and the best way to give people help is to put the money directly in their pockets, pay them decent wages for the work they do; 86 percent of the people who earn minimum wage are adults over the age of 18. No matter what Secretary Dole says, when you are 18, 19, 20, you are not a teenager any more. Once you graduate from high school you are expected to go out there and earn your own living. Do not include the 19-year-old and the 20-year-old in the teenage statistics; 86 percent are adults over the age 18.

Minimum wage workers have not had a raise in 8 years, the longest period in history. Inflation has gone up more than 30 percent. Rents have gone up more than 39 percent. Public transportation has gone up 36 percent. Health care costs are up 57 percent. Altogether the minimum wage was worth about $1 less than it was in 1981, the lowest in the last 30 years. If it kept pace with inflation, each minimum wage worker would earn $10,628 more over the last 7 or 8 years. That would be money pumped back into the economy. It would be money that would not hurt the economy, I assure you.

We ought to take a hard look at the wages and salaries in America. The basic population needs to take a look at who is getting paid what. Radio talk show hosts talk for a few hours a day and get between $200,000 and $300,000 a year. A young lawyer out of law school working 2 or 3 years expects to earn $200,000 a year. We know what baseball players, basketball players earn and we know in America huge salaries are paid for things that might not be worth it. A man who gets up every day and goes to work every day, works a 40-hour week, is expected to accept $3.35 an hour. Corporate executives, for example, while the corporate fat cats may insist miminum wage will destroy their economy, they have been more than generous with their own paychecks in the last 7 years. Some have been getting pay hikes 100 or more times the rate of inflation. A hundred times the rate of inflation. The chairman of K-Mart, for example, is making 513 percent more than he did in 1981. A&P's chairman is making more than $3.4 million in salary and wages, $3.4 million, a 388-percent increase. Giant's chairman makes 472 percent more than 7 years ago. I have included a chart which summarizes a few of the salary increases that our top corporate executives are receiving.

A Gallup Poll has recently shown that Congress is probably behind the American people. A Gallup Poll showed 76 percent of the American people supported raising the minimum wage not just to $4.65 an hour but all the way to $5.05, and Congress better wake up and better understand that the same people are not in favor of paying huge sums of money to bail out corporate bankers in the savings and loan association scandal. Let us not be generous a few weeks away while we fight for pennies now. There are 6.7 million workers earning at or below minimum wage and only 14 percent are below the age of 18, regardless of what Secretary Dole says. When Congress increased the minimum wage in 1977, the Chamber of Commerce predicted 390,000 youth would lose their jobs. Instead the facts show differently. In 1978 youth jobs increased by 382,000. They increased. I don't know where the statistics or the studies that have been cited have come from, but I am citing statistics from the Department of Labor and from the Bureau of the Census itself.

Declining earnings among young people are discouraging the formation of new families. We are talking about an issue today striking at the very heart of our society. The average annual earnings of young men have dropped 25 percent since 1983. Young men who earn at or below the poverty level are 3 or 4 times less likely to get married. You cannot have families. Between one-third and one-half of the decline in marriage rate in the young people is attributed to the decline in the earnings of young men.

A moral imperative cited by the Pope's encyclical on families in 1983, where he says every industrial nation, in order to be moral with their workers should pay a wage rate which is high enough so that one member of the family can earn enough to support the family and the other member can stay home and take care of the chil-

dren. The time for Congress to catch up with the moral imperatives is now, and it is important that we understand we are not giving away anything here. It is a few weeks from now that we have to take the hard line, but not take the hard line now and begrudge workers every penny but give a minimum wage of $4.65 an hour and be fair to the workers. Our families need this help. The very basic fundamental unit of our society is in grave need, and Congress is expected to come to the aid.

COMPENSATION PAID TO CHIEF EXECUTIVE OFFICERS OF MAJOR RETAIL TRADE AND SERVICE INDUSTRY EMPLOYERS, 1981–1986

[Compensation in thousands of dollars]

Corporation	Compensation 1981	Compensation 1986	Percent change
American Stores: Acme Markets, Alpha Beta Stores, Jewel Food, Star Markets, Osco Drug	482	1,044	+120
Avon Products: Nursing Home Chain, Substance Abuse Facilities, Retirement Inns of America	616	1,230	+100
Bally Manufacturing: 6 Flags Amusement Parks (sold May 1987), Casino/Hotel Chain, Jk La-Lanne/Holiday Spas, Pinball Arcade Chain	751	1,873	+149
Beverly Enterprises: Nursing Home Chain	[1] 473	781	+65
Brown Group: Cloth World, Etage Cosmetics, Famous Footwear, Linen Center, Meis Clothing Stores, Naturalizer Shoe Stores, Peck's Menswear Center, Regal Shoe Shops, Wohl Shoes	416	718	+73
Brunswick: Bowling Lane Chain	1,065	2,630	+147
Carter Hawley Hale: The Broadway, Emporium Capwell, Thalhimer Bros., Weinstocks'	517	756	+46
Disney: Disneyland/Disney World	460	3,398	+639
Federated Department Stores: A&S, Bullock's, Bloomingdale's, Burdine's, Filene's, Foley's, Gold Circle, Goldsmith Department Stores, Ralph's Grocery, Rich's Department Stores	719	1,158	+61
Food Lion	[1] 442	965	+118
General Mills: Eddie Bauer, Leeann Chin's Carryout, Red Lobster, Talbots, York Steak House	659	1,259	+91
Giant Food	601	3,436	+472
Great A&P Tea: A&P, Family Mart, Kohl's Food, Kwik Save, Pantry Pride, Superfresh	877	4,279	+388
Greyhound: Cassano's Pizza, Cleaning & Maintenance Services, Contract Food Services	414	1,494	+261
Gulf & Western: Movie Theater Chain	1,433	2,339	+63
Hershey Foods: Friendly Ice Cream	636	854	+34
Hilton Hotels	446	675	+51
Hospital Corporation	403	653	+62
Interco: Central Hardware, Fine Men's Shops, Florsheim Shoes, Golde's Department Stores, Sky City Stores	327	610	+86
K-Mart: K-Mart, Kresge, Payless Drugs, Waldenbooks	506	3,104	+513
Kroger: Kroger's, Kwik Stop, Price Saver, Time Saver, Tom Thumb Food Stores, Treasury Drug	694	1,919	+176
The Limited: The Limited, Henri Bender, Lane Bryant, Lerner Stores, Victoria's Secret	[1] 336	1,135	+238
Longs Drug Stores	[1] 209	417	+99
Lucky Stores: Lucky, Eagle Food, Kash 'n Karry, Food Basket	501	788	+57
Mariott: Marriott Hotels, Big Boy, Roy Rogers	573	893	+56
May Department Stores: Caldor, G. Fox, Goldwater's, Hecht's, Kaufmann's, Loehmann's, Lord & Taylor, Payless ShoeSource, Sibley's, Venture Discount	678	1,640	+142
McDonald's	544	603	+11
Melville: CVS Drugs, Chess King, Kay Bee Toy & Hobby, Linens 'n Things, Marshall's, Thom McAn Shoes, Wilson's House of Suede	663	1,049	+58
Mercantile Stores: J. Bacon & Sons, Castner Knott, Gayfers, Hennesey's, Joslin's, de Lendrecie's, Lion, McAlpin's, JB White	504	804	+59
National Medical Enterprises: Hospital Chain, Nursing Home Chain	608	972	+60
Pacific Lighting: Gart Bros. Sporting Gds, Rexall Square Drugs, Thrifty Drugs	342	1,895	+454
JC Penney	802	1,058	+32
Pepsico: Kentucky Fried Chicken, H. Salt Seafood, Pizza Hut, Taco Bell	[1] 642	910	+42
Pic 'N Save	[1] 331	550	+66
Pillsbury: Burger King, Bennigan's, Godfather's Pizza, Quik Wok, Steak & Ale	515	1,383	+168
Rite Aid: Rite Aid Stores, Drug Fair, Gray Drug, SupeRx, ADAP Auto Parts, Encore Books	[1] 380	545	+43
Sears-Roebuck	1,010	2,097	+108
Southland: 7–11, Chief Auto Parts, High's Dairy, Quik Mart	571	806	+41
Stop & Shop: Stop & Shop, Bradlee's	354	1,520	+329
Supermarkets General: Pathmark	387	768	+98
Super Valu Stores: Cub Food Stores, County Market Stores, Hornbacher's Supermarkets, ShopKo Stores, Sunflower Food	294	683	+132
Walgreen: Walgreen, Humpty Dumpty, Robin Hood Restaurants, Wag's Restaurants	525	962	+83

COMPENSATION PAID TO CHIEF EXECUTIVE OFFICERS OF MAJOR RETAIL TRADE AND SERVICE INDUSTRY EMPLOYERS, 1981–1986—Continued

[Compensation in thousands of dollars]

Corporation	Compensation 1981	Compensation 1986	Percent change
Wal-Mart Stores	262	349	+33
Wendy's International	[1] 387	494	+28
Wickes Companies: Orchard Hardware, Wickes Furniture, Builders Emporium	794	1,503	+89
Winn-Dixie Stores: Winn-Dixie, Table Supply Food Stores	456	541	+19
FW Woolworth: Woolworth's, Foot Locker, Kinney Shoes, Anderson-Little, Kids Mart, Herald Square Stationers	400	2,216	+454

[1] 1982 Compensation; 1981 data not available.

Note: Compensation includes salary, bonus, payments made under long-term compensation plans, stock awards, thrift plan contributions, and other benefits as reported on annual proxy statements filed with the SEC.

Sources: "Who Gets the Most Pay" Forbes, June 7, 1982; "Who Gets the Most Pay" Forbes, June 6, 1983; "What Your Boss Makes", Forbes, June 15, 1987; "The CEO 1000", Business Week, Oct. 23, 1987.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I yield to the gentleman from North Carolina.

Mr. BALLENGER. Mr. Chairman, I am 100 percent for the Goodling/Penny substitute.

Tomorrow, the House will have the opportunity to support the Bush compromise on minimum wage legislation. The compromise bill will be offered as a substitute to H.R. 2 by Representative BILL GOODLING and TIM PENNY.

While I would have preferred a chance to consider the Family Living Wage Act which expands the earned income tax credit, this sensible solution was not allowed to be debated by the House. Therefore, my friends, I support the next best alternative. The Goodling/Penny substitute. The substitute:

Raises the Federal minimum wage to $4.25 per hour over 3 years;

Increases the tip credit from 40 to 50 percent;

Expands the small employer exemption to $500,000 for all businesses;

Creates a training wage for 6 months at $3.35 per hour for new hires; and

Includes strict enforcement provisions against displacing employees to hire new workers after 6 months.

The Goodling/Penny substitute is an important compromise because it preserves job opportunities for thousands of workers. Under the bipartisan substitute, 200,000 jobs will be saved with a minimum wage of $4.25, 169,000 jobs will be saved with a 6-month training wage, 36,000 jobs will be saved by increasing the tip credit, and 18,000 jobs will be saved by expanding the small business exemption.

Raising the minimum wage to a higher level of $4.65 or $4.55 per hour would result in a loss of jobs and hurt the very individuals it is intended to help. The adverse effects of an increase in the minimum wage go beyond the loss of jobs and the reduction of entry level opportunities for minorities and teenagers. Increasing the minimum wage raises labor costs and the costs of production. Businesses can either try to offset these increased labor costs by reducing the number of employees on the payroll, by passing the extra costs on to the consumer, or both. Increases in the inflation rate and in unemployment are likely results.

The minimum wage bill represents the first legislative test for the Bush administration. President Bush indicated during the 1988 campaign that he would support an increase in the minimum wage, and he has sent his proposal to Congress. It is a workable alternative that I think we all can support.

President Bush has indicated that legislation "outside these parameters would call for a veto." So vote "yes" on the Goodling/Penny bipartisan substitute. It's the right thing to do!

Mr. ARMEY. Mr. Chairman, I rise in opposition to an increase in the minimum wage, and I do so precisely because it is so clearly unfair. We are making public policy and public policy is, in fact, the imposition of the will of the State against that of individuals, and any time we make public policy it is axiomatic that there will be come winners and some losers, and I have risen today on behalf of the losers in this legislation. I understand we have had a lot of difficulty understanding who will lose, on whom we will inflict pain by this raise.

It is often presumed that there are no losses, there are no losers. In order to illustrate this point, let me ask that we engage in a mental experiment. Let us assume for a moment that we brought forward, under our belief that there is no cost, there is no down side, a minimum wage recommendation of $10 or $20 an hour. If in fact we were to do that, we would not be bickering about this business of elevating the incomes of the working poor. If in fact we could do that without eliminating the worker and the working poor we would probably be disposed to do it.

□ 1830

But we are all acutely aware of the fact that to raise the minimum to $20 an hour would destroy millions of jobs, and nobody would be considered reasonable in this body if they were to vote for legislation that destroys millions of jobs.

What is the difference between $20 an hour and $4.65 an hour? The difference is a matter of degree. The very, very, cautious Congressional Budget Office has even estimated, with its caution, that we would destroy a quarter of a million jobs with this raise.

Mr. Chairman, this bill is an example of "jobacide," and we ought to have the compassion and the understanding to vote it down.

Mr. MURPHY. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, let me say this: It is a privilege to rise in behalf of this denuded minimum wage bill. It is outrageous to hear the arguments I have heard this afternoon.

In 1938, I was in school in San Antonio, and we had a raging controversy about the pecan shellers who were

earning one penny and a half per pound of pecans shelled. We had then homework farmed out on infants' dresses and the hem stitching of those dresses. Then in 1938, we saw the enactment of the first law under the Fair Labor Standards Act.

Those same clothing manufacturers sent a telegram this long to President Roosevelt, and they said, "If you force us to pay 20 cents per hour, we will have to fire people, we will have to cut production, and we may even have to shut our doors."

Today I have been getting letters from almost every restaurant, hotel, and quick food enterprise in my district saying that if they have to pay even this minimum, they will have to go out of business and jobs will be lost.

Do the Members know what Franklin Roosevelt did with that telegram? I think everybody knows what he did. He pulled a chain on it. One year later those same manufacturers had double production, were paying 20 cents an hour, hired employees, and cut out under a union contract for the first time the farming out of homework, which ironically this administration's Labor Department is now trying to sanction and foist on the American people.

I say that we ought to be ashamed of having had this long period of no realization of the need to have an improvement in the minimum wage scales.

Mr. Chairman, I salute the chairman of the subcommittee, I salute particularly the chairman of the committee, the gentleman from California [Mr. HAWKINS], who has been in the forefront of this fight, and I want to offer my meager help and come out resoundingly in favor of this bill.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HENRY], and I take 2 seconds of the time to say that I believe we were talking about World War II days.

Mr. HENRY. Mr. Chairman, I rise in support of Mr. GOODLING's substitute to H.R. 2 in the belief that it addresses the issue of raising the minimum wage without threatening the well-being of those very individuals we are most trying to help.

Today, a record number of Americans are in the work force. We have more than 116 million working Americans. A lower proportion of that work force is receiving the minimum wage than at any other time in the history of the Fair Labor Standards Act. The Department of Labor estimates that only 4 percent, or just over 4½ million workers, are receiving compensation at the minimum wage level.

What is particularly important to note is that of the 4 percent, 85 percent are part-time workers. Only 700,000 workers out of the 116 million working Americans are working full-time at the minimum wage, roughly six-tenths of 1 percent of the entire national work force meet that definition.

Of that six-tenths of 1 percent, only 200,000 are heads of households living at or below the poverty level. In other words, if the effort is being made to "lift working Americans out of poverty" with this legislation, we are directing our efforts to about two-tenths of 1 percent of the entire American work force, about 200 households.

Any increase in the minimum wage bears with it the risk of job elimination. In fact, at least 60 studies indicate that the amount of lost jobs, at least in the short run, will likely exceed the 200,000 people it is supposed to help. Who are those most at risk of losing their jobs with this well-intended legislation? Disproportionately, those most at risk will be those with such minimal skills that they have not been in a position to demand higher compensation in the marketplace. We run the risk of hurting those we most seek to help, while at the same time taking a step that potentially affects the entire economy. The risk-benefit equation of what we are doing today is not well understood.

Further, Mr. Chairman, I call our colleagues' attention to other wage-benefit bills now under consideration by the House and other body. Minimum mandated health benefits, minimum mandated leave benefits, child care legislation, and so forth, are but a few examples. What is the cumulative effect of these legislative proposals in combination with the proposed increase in minimum wage? This Congress has not been careful in establishing public priorities with questions of public spending and national deficit. Let us not make the same mistake by additional spending which is now to be imposed upon the private sector.

We have enjoyed a period of unprecedented economic growth in our Nation. A greater proportion of Americans is now working than at any other time in our Nation's history. The percentage of those receiving minimum wage compensation has dropped to its lowest level in our national history. The reported unemployment rate has dropped to its lowest level in many years. Why should we risk the good of the many in what may be a counterproductive gambit to assist two-tenths of 1 percent of the American working population? Why not consider alternatives such as earned income tax credits for this targeted population?

Mr. GOODLING's substitute to H.R. 2 addresses the problem of insuring that the minimum wage rises to respect the true cost of labor in our economy without risking raising the minimum artificially in such a manner as to risk inflation, higher interest rates, and lower employment. In that spirit, I strongly support the substitute and ask my colleagues to join with me in that effort.

Mr. MURPHY. Mr. Chairman, I yield 4 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, today we will consider H.R. 2, the Fair Labor Standards Amendments of 1989. As the Representative of New Mexico, I am greatly concerned about the working poor of my State and of this Nation.

Census information indicates New Mexico ranks 48th in the Nation in levels of per capita income, and more importantly, over 35 percent of New Mexicans were making at or near the minimum wage in 1980. Our situation is made worse due to the poor distribution of income in New Mexico where a few people hold an inordinate share of the wealth.

These inequities make passage of the fair labor standards amendments imperative for the working poor of New Mexico. More importantly, restoring the minimum wage is critical for all workers who lack a political voice.

The minimum wage was last increased in 1981 to its present level of $3.35. However, as a result of inflation the purchasing power of those earning the minimum wage has declined 21 percent since 1981. In this same period, we increased Social Security benefits by 45 percent. In other words, the purchasing power of today's minimum wage is a mere $2.65. More importantly, had the minimum wage kept pace with inflation since 1981, it would now be at $4.57 an hour.

Poverty rates provide even more telling information. In the sixties and seventies, a minimum wage worker supporting a family of three was able to earn enough to keep his or her family above the poverty line. Today's full-time minimum wage makes under $7,000 a year. This is 29 percent below the poverty line for a family of 3. Even with the $1.30 increase mandated by H.R. 2 over the next 3 years, minimum wage workers will still be at only 89 percent of the poverty level—for a family of 3—in 1991.

Given inflation, and reductions in purchasing power, no one in America should be asked to provide for all of their family's needs on just $7,000 a year. We must return the minimum wage to a living wage for all Americans.

This brings me to a critical point. There has been much debate about just who the average minimum wage earner is. For the record, I would like to clarify that the average minimum wage earner is not a teenager trying to earn spending money. The average minimum wage earner is usually a woman or minority who is the sole support of his or her family. Adults make up 84 percent of those making the minimum wage. Moreover 64 per-

cent of minimum wage earners are women.

I also want to point out that H.R. 2 is a fair and equitable bill. As we raise the minimum wage it is important that we not break the backs of small business owners who provide employment for many of the workers in my State and across the country. For this reason, I am pleased H.R. 2 increases the small business exemption. Currently, small businesses whose annual gross volume of sales is less than $362,500 are exempted from minimum wage standards. Raising the exemption to $500,000 will provide stability and protection to the Nation's small business community.

I am also pleased H.R. 2 raises the tip credit to 50 percent of the minimum wage in 1991. Currently, employers can take a tip credit of 40 percent if waiters and waitresses tips are at least equal to the minimum wage. With the proposed increase in the minimum wage, many small restaurants in my district would simply be priced out of the market.

Raising the tip credit protects the financial viability of small restaurants, protects the jobs of many minimum wage earners and guarantees waiters and waitresses the minimum wage at all times, regardless of tip earnings.

In closing, H.R. 2 is a critical first step in recapturing some of the wages lost by the working poor of America in the last 8 years. Passage of H.R. 2 will demonstrate our commitment to the working poor of this Nation.

□ 1840

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I realize that raising the minimum wage, seems virtuous. The claims are that it will help the poor who support families. The truth is, however, that poverty and minimum wage populations, for the most part, represent two different groups. Of the 3.9 million minimum wage population, only 336,000 overlap into the 20.7 million poverty population. The Department of Labor reports that at least 130,000 of these are supporting only themselves. The minimum wage increase is clearly not an antipoverty weapon. In addition, by mandating wage increases at this time, Congress is increasing unemployment and daring wage inflation to ignite.

Who are America's 3.9 million minimum wage earners? According to the U.S. Department of Labor: 80 percent are not poor; over 90 percent are part-time or part-year workers. Most are young: One-third are teenagers, and two-thirds are under 24 years of age. According to the House Committee on Small Business, 93 percent do not maintain families.

One-third of minimum wage earners work in restaurants where additional income from tips customarily puts their actual earnings well above the minimum wage. In Washington, DC, I know of waiters and waitresses who earn as much as $25,000 per year, thanks to tips. They are counted as minimum wage earners. Another 16 percent are in sales. Many of them make commission, also putting them well above the minimum wage, and mistakenly within the minimum wage classification.

The Congressional Budget Office [CBO] reports that raising the minimum wage to $4.65 per hour "would cause a loss of approximately 125,000 to 250,000 jobs." The Department of Labor estimates between 400,000 to 800,000 jobs would be lost. The relatively small number who are poor and on minimum wage would be the first to lose their jobs.

Since many collective bargaining agreements are tied to the minimum wage, an increase in the minimum wage has a ripple effect escalating other wages. Accordingly, the CBO projects raising the minimum wage would fuel the flames of inflation. Chairman Greenspan of the Federal Reserve agrees.

During the last minimum wage increase—phased in from 1978 to 1981—inflation increased from 7 to 12 percent, and the prime rate exploded from 8 to over 20 percent as the economy went into recession. The economic downturn of this period was not due solely to the minimum wage increase, but studies have verified it was a contribution factor. Clearly, the one thing Congress ought not to be doing is encouraging wage inflation. Ironically, the poor will suffer most from inflation, rightfully called the cruelest tax of all.

Given that we know that the poverty population and minimum wage earners are, by and large, different people and that significant job losses and damage to the economy will result from an increase, raising the minimum wage hardly seems the best solution for helping the poor. A lot more damage than good will be done.

We have a skills gap rather than a wage gap. Raising the skill level by better education and job retraining, or increasing after-tax income of low wage earners provide better alternatives than mandating minimum wage increases. These alternatives are targeted to help the poor who are trying to support families, while leaving intact entry-level job opportunities without raising unemployment and fueling inflation.

Mr. Chairman, it should not surpass our ingenuity or generosity to help the working poor, especially those supporting families, without destroying jobs and igniting wage inflation.

Mr. MURPHY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HAWKINS], the chairman of our full Committee on Education and Labor. I thank him for the efforts that he and his staff have made diligently week after week to bring this measure and debate to the point where it is today.

Mr. HAWKINS. Mr. Chairman, I wish to thank the gentleman from Pennsylvania [Mr. MURPHY] for the leadership he has given today and as chairman of his subcommittee in bringing this issue to the point that it is today.

I would like to also commend the gentleman from Pennsylvania [Mr. GOODLING], the ranking minority member, for the manner in which he has engineered the debate, I think at a very high level, and we certainly are appreciative of that.

As a matter of fact, Mr. Chairman, I am very proud of the members of the committee for their perseverance and their faithfulness to duty.

There is a sharp difference obviously on this issue. I think that, if many others had supported many of the programs that the committee had created in the field of education and labor, perhaps this debate would have been unnecessary. But unfortunately, even though I think the committee has given great leadership in the field of employment and training, we have not been given the financial support which I think is needed in so many of these programs. I refer to the education programs, the Job Training Partnership Act. Other programs that have been prominent in this debate have been reduced so drastically since 1979 under both Democratic and Republican administrations.

I never dreamed, as the author of this little bill merely calling for some adjustment in the rate based on the erosion that inflation has caused, that the bill would have picked up such controversial baggage as it has—the tip credit, the small business exemption, the training wage. Unfortunately that is so.

I am not so sure whose statistics we should use in the debate. Obviously there is a sharp difference in that. I cannot help but believe that the Department of Labor is not entirely objective. I believe that the Department of Labor is in the lead in trying to depress wages in order to help certain selfish interests. I do not believe that that is the correct position that a Department of Labor should take. I think that is something new. It has not prevailed in the Department of Labor until this decade. We had five Secretaries of Labor prior to 1981 who supported a continuation of increases or adjustments in the minimum wage. This was under both Republican and Democratic administrations. I cannot help but believe that the deviation from that early history by the Department of Labor is in the wrong direc-

tion. I think it injures the country today. Mr. Chairman, it certainly injures working men and women.

From 1938 to 1981, we had 15 changes in the minimum wage. If the half-truths that have been circulated today; that is, that a change in the minimum wage causes unemployment to the extent that has been alleged, why is it that those years between 1938 and 1981 this did not occur? I think others who have spoken before me have referred to the misinformation that was in opposition to the minimum wage.

□ 1850

I lived through most of that. I was in public office for over 50 years. I have heard those same arguments. I have heard the chamber of commerce in my State of California in the early thirties tell me I was wrong in supporting the minimum wage at the State level because it should be a Federal minimum. Then when I came to the Congress, the same ones told me that it should not be a Federal minimum, that we should rely on the States to do it. So they have changed their story.

I think what is propelling this debate is the selfish interest of a few business persons, not the average business person in America, and certainly not one that represents the best of corporate America.

I think as President Franklin Delano Roosevelt said in 1938 in discussing the minimum wage issue, there are a few selfish economic royalists in the temple who are seeking to maintain an undue profit off of human beings, and he specified at that time those individuals.

We are a little bit more sophisticated now. We do not like to call out names; we do not like to indicate who it is who are behind these numbers of studies that were supposed to have been made. These studies have circulated out of one or two central offices. They were not at random. They were not by economists who are objective in their point of view. They were planted in newspapers across the country. So you will see plenty of that type of propaganda.

The CHAIRMAN. The time of the gentleman from California [Mr. HAWKINS] has expired.

Mr. MURPHY. Mr. Chairman, I yield the gentleman an additional 3 minutes.

Mr. HAWKINS. It seems to me that if raising the minimum wage would throw thousands of people out of work, it should have happened during this long period of time. Why does it not happen at State level? We have some 12 States that have moved ahead of the Federal minimum wage. The same cry was made in my own State of California when we raised the State minimum to $4.25. No businesses moved out. We did not have the business failures that they speak of. We did not have the so-called impact on teenage unemployment. Teenage employment increased.

The same was true in Massachusetts and in Connecticut. No businesses in Connecticut moved across the line to New York because Connecticut raised its minimum wage.

So the empirical evidence, I think, sustains the fact that a decent wage helps the economy. The strongest economy in this country is not one which has the low wages. It is in those States with decent wages, and those States are thriving.

It would seem to me that some individuals should be aroused to that fact that we do not thrive as a great power by depressing the wages of those at the lower end.

It seems, therefore, we are being moved in this debate by outside forces, not by our own consciences and not by our own convictions.

It would seem to me that we should tell these special interest groups that are opposed to increasing the minimum wage that the time has come for them to join the American scene.

The bottom line of their position is that they do not want any rate. They do not want the $4.25 rate. The threat of a veto is exactly what they want. They do not want any legislation whatsoever. They want that minimum wage rate to erode until it becomes meaningless. That is just the opening step to destroying the Fair Labor Standards Act, going back to child labor, going back to overtime, excessive overtime without adequate compensation, going back to unsafe health and safety conditions that we had prior to 1938.

It should be our goal to defeat that move, to defeat what they are attempting to do. They are trying to drive us into the position that we will not have a bill that the President will sign and a vote will simply perpetuate an eroding minimum wage level.

I cannot but believe that this administration will one day be convinced that this is the right step. Certainly I do not feel that we have a President in the White House who will be so insensitive to the development of joblessness in America. In that hope and that expectation, I think we should move ahead.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Vermont [Mr. SMITH].

Mr. SMITH of Vermont. Mr. Chairman, I rise today because of my deep concern that the approach to national wage policy contained in H.R. 2 is incomplete and flawed.

I share the stated goal of H.R. 2, that is to improve the wages of our least paid workers. Indeed, on the surface this bill looks like motherhood and apple pie, but when you scratch the surface, you find a bill that while raising the wage base, fails to focus on low-income families. Even in my own State of Vermont, which is among the poorest per capita in this Nation, this bill will not make much of a difference.

Virtually every study of this bill concedes that it could cost hundreds of thousands of jobs, thereby hurting the very people that we are trying to help.

Now, there has been some confusion, and even the distinguished chairman of our committee has wondered about the confusion of the numbers; but in fact one of the reasons the numbers are confused is that our own Congressional Budget Office, an office we consider to be an unimpeachable source of information when compared to other executive branch offices, when that office brought numbers to this body last year, they talked about hundreds of thousands of jobs lost.

That study was censored and kept from the membership, a fact little known by the people of this country. The people who were caught and lost by that censorship are the people who will be hurt by this bill. They are young wage earners, just over the age of 18, family leaders, people who will be driven from permanent minimum wage jobs to part-time minimum wage jobs.

We need to add a component to this that would substantially improve the pay of low-income wage earners without risking jobs. That alternative is called the family living wage bill. Combined with a more modest increase in the minimum wage, the living wage policy would expand the income of working families below the poverty level in America without threatening job security. The living wage bill focuses what we do not have enough of—and that is money—on something that we have got too much of in this country, and that is poverty.

If my colleagues really want to help people, I urge them to support a minimum wage package which includes the living wage alternatives.

We are all here to help others, and that is what the living wage alternative, along with the Goodling-Penny amendment would do. If the living wage proposal is not addressed in whatever minimum wage bill we finally approve here this week, I hope we will take it up very soon, so that it can become part of a responsible and effective response to helping low-income Americans. We can begin that process by supporting the front end of a coordinated response, the Goodling-Penny amendment today.

Mr. MURPHY. Mr. Chairman, I yield 5½ minutes to my colleague, the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Chairman, I rise in support of restoring the minimum wage as a valid floor wage for hard-

working Americans. This will not be an easy task and I want to acknowledge the fine work done by both the Chairman, Mr. HAWKINS and the ranking member, Mr. GOODLING on H.R. 2.

Considerable differences remain between the position of the House and the position held by the Bush administration. If we are all truly interested in restoring the minimum wage, we need to resolve those differences in the coming weeks. It is my hope, through the enactment of a compromise I am proposing with two of my distinguished colleagues, Mr. MURPHY of Pennsylvania and Mr. ROBINSON of Arkansas we can accomplish that mutual goal.

The House, through our substitute, can demonstrate its willingness to meet the administration at least partway. The Murphy-Ridge-Robinson substitute will not satisfy the objections of opponents of restoring the minimum wage. But, it does include some significant adjustments to the H.R. 2 as approved by the Education and Labor Committee.

The Murphy-Ridge-Robinson substitute will modify H.R. 2 in three basic areas. First, it reduces the level of the wage increase over 3 years by 10 cents or from $4.65 to $4.55. This reduction may appear trivial but it cuts the difference between the Bush administration position and the House position by 25 percent. If this step toward compromise were met by a similar concession by the administration, only 20 cents would separate the House and the President.

The second and more important change contained in our substitute is the provision of a 60-day new hire wage for employees entering the work force. The new hire wage would start at $3.35 on September 30, 1989, and would run at 85 percent of the minimum wage for the two increments to follow. This new hire wage is not a training wage. It is a subminimum wage that encourages employers to hire those individuals, mostly youth, who are entering the work force for the first time and whose work habits are not yet established. The House has never approved a new hire or a training wage before. The inclusion of this new hire wage for first time employees is a major concession and, if approved, would considerably narrow our differences. It is a fundamental concession and again moves the House toward the administration's position.

The third and final provision of the Murphy-Ridge-Robinson substitute would expand the current small business exemption contained in H.R. 2. While the committee-approved bill increased the small business exemption from $362,500 to $500,000 in annual sales, it continued to apply this exemption to retail service employers only. Our substitute would give all small business employers, retail service, agricultural or any type of small business the exemption from the minimum wage law. The administration wanted this wider exemption and our substitute meets their demand for coverage of all business under $500,000 in sales.

My colleagues, the substitute we will offer satisfies almost no single Member of this body but it is the best alternatives. Much of organized labor and many longtime supporters of the minimum wage will argue that too much has been sacrificed in our substitute. To them, I ask what is achieved by a Presidential veto that will most definitely be sustained. The poor workers who we seek to help will continue to be paid $3.35 and the stalemate would go on for 8 more years. These workers have already lost 27 percent of their purchasing power to inflation and their current wage is only worth $2.52 in 1981 dollars. Inflexibility will not serve the interests of the minimum wage worker putting in a hard 40-hour week.

Administration will argue that our substitute does not go nearly far enough and has argued that it is their package or no package, their way or the beltway. To my friends in the administration, I plead for flexibility. Our substitute, if approved, will clearly move us closer together and reduce the confrontation that is sure to ensure in any conference between the two chambers of Congress. Our substitute, in my view, makes compromise possible if compromise is to be considered. If it is not, then the stalemate will continue. And if we are all committed to restoring the minimum wage, we must do all we can to eliminate the stalemate.

It is for my colleagues, in the final analysis, to decide what is a balanced and fair minimum wage bill. The current minimum wage is 29 percent or $2,900 below the estimated poverty for a three person family. It is at a historic low, relative to average wages and it should be clear that raising the wage to $4.55 falls slightly short of even restoring the wage to the estimated level of poverty for the same family of three. I ask that my colleagues show that concern for these workers who prefer the dignity of work over dependence on others by enacting the Murphy-Ridge-Robinson substitute and, after that, H.R. 2.

□ 1900

Mr. GOODLING. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I would not want, if there is still anybody listening or looking at TV, I would not want them to believe, as a matter of fact, that we are talking about a new hire in the Ridge bill. We are talking about a first hire. I do not know who that is. Even a paper carrier, I suppose, would not qualify, because they have already been hired.

The gentleman talks about reducing the increase by 10 cents. They have accelerated getting there to the point that they have gained nothing through that, so I want to make sure, and I know he would want his colleagues, at least on my side of the aisle, to understand that.

Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I rise in strong support of the Goodling-Penny-Stenholm substitute to H.R. 2.

I support the Goodling substitute because I am concerned about jobs. I support it because I am especially concerned about jobs for teenagers, young adults, and minorities. I support the Goodling substitute because I am opposed to teenage unemployment, to youth unemployment, and to minority unemployment.

Unfortunately, higher unemployment is exactly what will result if the Goodling amendment is defeated. You cannot repeal the laws of economics. When jobs are more expensive, there are fewer jobs. That is a simple, basic, economic law—a law which no Congress can repeal.

I urge my colleagues to consider the facts, and not the rhetoric. Economists agree that an increase in the minimum wage results in the loss of job opportunities. Studies show that for every 10 percent increase in the minimum wage destroys 100,000 jobs.

Under H.R. 2, if not amended, that means a destruction of more than ½ million jobs. How can anyone who claims to be for working families and against poverty vote against the Goodling-Penny-Stenholm substitute?

On the contrary, anyone with a sense of fairness and compassion will vote for the bipartisan substitute.

YOUTH ESPECIALLY HURT

Who will be hurt most by defeating the Goodling amendment? Our young people and our minority population.

We all know the good unemployment news. Unemployment is now down to 5.1 percent—the lowest in 14 years. That good job creating news is finally becoming a reality to our youth and minority population. Let us not destroy it.

Two weeks ago, in testimony before the Joint Economic Committee, Dr. Janet Norwood—the head of the Bureau of Labor Statistics—told me that the February unemployment rate fell by 1.2 percent for young adults. Its the lowest in years. This is remarkable success.

Our Hispanic workers are also just beginning to enjoy the fruits of the Republican recovery. Last month Hispanics accounted for 40 percent of last months' job growth, even though they comprise 7.5 percent of the Nation's

workforce. Jobs are growing in the Hispanic community five times faster than for the entire labor force.

But who gets hired last and laid off first when jobs are more expensive. You guessed it—teenagers, young adults, and minorities.

I urge my colleagues to be smart, be compassionate, be fair—support the Goodling substitute.

Mr. MURPHY. Mr. Chairman, I reserve the balance of my time.

□ 1910

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. Cox].

Mr. COX. Mr. Chairman, I rise in opposition to H.R. 2 and in support of the Goodling-Penny-Stenholm bipartisan substitute which is endorsed by President Bush.

No less a liberal bastion than the New York Times has supported President Bush's arguments that the substantial increase in the minimum wage being urged here today is a bad idea. In an editorial today, the New York Times said, "An increased minimum wage is no answer to poverty".

On January 14, 1987, the New York Times—in an editorial titled, "The Right Minimum Wage: Zero," set out in great detail the arguments in favor of expanded opportunity for the working poor—and against the minimum wage. I'd like to share a portion of the Times editorial with you now, because it is right on target in this current debate.

> The Federal minimum wage has been frozen at $3.35 an hour for . . . years. . . . It's no wonder, then, that Edward Kennedy, the . . . chairman of the Senate Labor Committee, is being pressed by organized labor to battle for an increase.
>
> No wonder, but still a mistake. . . . [T]here's a virtual consensus among economists that the minimum wage is an idea whose time has passed.
>
> Raising the minimum [wage] by a substantial amount would price working poor people out of the job market. . . . It would increase employers' incentives to evade the law, expanding the underground economy. More important, it would increase unemployment. . . .
>
> If a higher minimum [wage] means fewer jobs, why does it remain on the agenda of some liberals? . . . Perhaps the mistake here is to accept the limited terms of the debate. The working poor obviously deserve a better shake. But it should not surpass our ingenuity or generosity to help some of them without hurting others. . . . The idea of using a minimum wage to overcome poverty is old, honorable—and fundamentally flawed. It's time to put this hoary debate behind us, and find a better way to improve the lives of people who work very hard for very little.

That is what the New York Times has said. Frankly, Mr. Chairman, I could not have put it better myself.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Mr. Chairman, we all want what is best for the American people, for people everywhere, I guess, jobs, job opportunities, trying to keep costs down. How do we go about that?

I say the way we go about it is less Government interference in our lives, and particularly in the lives of our employers, because after all, as I have heard Mr. Kemp say so many times, it takes employers before you can have employees.

Mr. Chairman, an important question has not been answered in all of the debate, at least that I have heard so far here today, and that is what effect would raising the minimum wage have on our elderly Americans, individuals living on fixed incomes? As a Member of Congress who represents an area with one of the highest percentages of senior citizens in this country, I find this question extremely troubling. I am very disturbed by economists' predictions that should this minimum wage legislation be enacted into law, the cost of living—we have not talked as far as I know about the cost of living so far in this debate—the cost of living in our Nation could increase dramatically.

The Congressional Budget Office, not OMB, but the Congressional Budget Office confirms this fear by projecting that raising the minimum wage will increase inflation at a time when inflation is already on the rise. Persons who would be most affected by an increase in inflation will be those individuals who live on a fixed income, primarily our low-income elderly.

Proportionately, Mr. Chairman, what do senior citizens spend their money for? I say that proportionately or disproportionately, if you will, they spend it mostly on services, food in restaurants, at supermarkets and convenience stores, drycleaners, laundries, gas stations, small drug stores. These are the types of businesses I feel will be more affected by an increase in the minimum wage and, therefore, our senior citizens will be more adversely affected than the rest of Americans to that effect.

Additionally, as far as jobs are concerned, I am not going to go into the statistics because we have heard them, and we will hear them. But jobs regarding the elderly, I see in my district many senior citizens who cannot live on their small Social Security checks, or whatever other pensions they might get. They have to get part-time jobs. They are not going to get as many part-time jobs, they will not be as available to them if we raise this minimum wage.

Additionally, there is one specific illustrative way that an increase in the minimum wage would eliminate jobs of older workers in addition to these that I have mentioned. The Senior Community Service Employment Program, SCSEP, authorized by title V of the Older Americans Act, provides part-time jobs in community service to low-income persons who are 55 years or older, primarily at the minimum wage. At current appropriation levels of $331 million, the SCSEP Program provides about 64,800 jobs to workers who work an average of 20 to 25 hours a week. An increase in the minimum wage, assuming no increase in the Federal appropriations, would reduce the number of jobs provided under this program to about 48,000, or a job reduction of over one-quarter. The alternative would be to increase the program appropriations to $442 million per year, or an increase of nearly one-third. In short, raising the minimum wage will cost 16,700 jobs for older Americans just in the SCSEP Program, or else it will cost the Federal Treasury $101 million additional in outlays.

Mr. DE LUGO. Mr. Chairman, I rise today in support of H.R. 2, the Fair Labor Standards Amendments of 1989, and I hope that my colleagues will support this bill.

I commend the chairman of the Education and Labor Committee, Mr. HAWKINS, and the chairman of the Labor Standards Subcommittee, Mr. MURPHY, for moving so quickly with this important bill.

Congressman MURPHY is a good friend and a former resident of the U.S. Virgin Islands who worked in committee to craft the amendment that applies the minimum wage to the Virgin Islands.

H.R. 2 amends sections 5, 6, 8, and 14 of the Fair Labor Standards Act to remove any reference to the Virgin Islands in the provisions that allow the Secretary of Labor to set lower minimum wages, at the recommendation of special industry committees in certain territories of the United States.

The days of being exempted from increases in the Federal minimum wage are long passed for the Virgin Islands. The people of the Virgin Islands have utilized the tax and economic programs that have been given by Congress over the years to build one of the strongest economies in the Caribbean. To not maintain parity with the Federal minimum wage would diminish the significance of that achievement. Indeed, it would not be fair to the people of the Virgin Islands.

The last increase in the Federal minimum wage occurred in 1981, over 8 years ago. Today's action by the House of Representatives will be a historic moment for the Virgin Islands. The people of the Virgin Islands will make a clean break with the past, ending their days of disparate treatment under our most basic and broad-reaching Federal labor protection law.

Mr. Chairman, I congratulate the members of the Education and Labor Committee for moving expeditiously on H.R. 2 and I strongly urge my colleagues to support this bill today.

Mr. MARLENEE. Mr. Chairman, I need not remind this body that the economic recovery has not reached every area of the country yet. Many businesses in Montana are struggling to get by and they have difficulty in paying the current minimum wage. Regrettably, H.R. 2, which is legislation designed to increase the

minimum wage to $4.65 per hour by 1992, will devastate countless Montana businesses and destroy employment opportunities for thousands of people in Montana.

I will not stand for a proposal that will issue a death warrant for many of Montana's small businesses. Requiring employers to give raises to their lowest paid employees is simply a "feel good" gesture, far removed from reality outside our "ivory tower." This bill, Mr. Chairman, is a misguided attempt to do something about poverty and offers the wrong solution to the problems facing many low-income people.

Minimum wage increases historically have had a devastating impact on the job market. They feed inflation, eliminate many entry-level job opportunities, and rob consumers of needed services. H.R. 2 is not a solution to getting people out of poverty.

Surprisingly enough, the Education and Labor Committee ruled out-of-order the earned income tax credit substitute, offered by my good friend and colleague from Wisconsin. This measure would expand the earned income tax credit to a maximum of $3,850. In addition, PETRI's substitute would expand various tax credits for poor and lower middle-class working families with children and it would repeal the dependent-care credit, replacing it with $4 billion program for low-income working families.

Regrettably, the House defeated this measure in the foolish attempt to grab headlines and "feel good" about doing something for poor people. The Petri substitute offered the real answer to the problem of the working poor. Simply put, increasing the minimum wage will destroy jobs.

According to the Department of Labor, only 336,000 people in the entire United States would truly benefit from an increase in the minimum wage to $4.65. These are individuals defined as heads of households below the poverty line. Yet H.R. 2, by increasing the minimum wage 28 percent over 3 years, would destroy 600,000 to 700,000 of those same jobs.

Mr. Chairman, the vast majority of economists—liberal and conservative—agree: for every 10-percent increase in the minimum wage, 100,000 jobs are lost. That's a fact of life. In fact, even the Congressional Budget Office, which is the economic research arm of the House and Senate, testified before the Education and Labor Committee verifying a 1- to 3-percent job-destruction effect for every 10-percent increase in the Federal minimum wage.

Another independent study by Clemson University found that if the proposed minimum wage is implemented, Montana would lose 2,595 jobs in just 24 months and 6,369 jobs by 1995. In 1987, the annual average teenage unemployment rate in Montana stood at 15 percent. If this minimum wage proposal is passed, Montana teenagers would lose 1,593 jobs by 1990 and 4,669 jobs by 1995, thus increasing teenage unemployment in Montana.

Typical minimum wage earners are single young people who live in households that are above the poverty line. According to the Department of Labor, 70 percent of minimum wage earners are in households where the income is 150 percent or higher of the poverty level, 65 percent work part time, 60 percent are between the ages of 16 and 24, and 72 percent are single.

These young people are the big losers in the minimum wage struggle. They're working part time to learn skills or to pay for college. I'd like to ask how many of you have turned down a young job applicant for lack of practical experience. When these entry level jobs are gone there will be no training ground for the required "practical experience."

Employment and training for our young people are why a suitable training wage is important when considering a minimum wage increase. The substitute amendment offered by my good friend and colleague from Pennsylvania [Mr. GOODLING] has included a sensible training wage proposal. This creates a "new hire" wage of $3.35 per hour in 1990 and makes the wage payable for up to 6 months to a first-time employee, regardless of previous experience.

In addition, this amendment raises minimum wage by 30 cents a year to $4.25 by 1992. It also increases the tip credit from the current 40 percent to 50 percent. This is still a hefty wage increase, but I am willing to go the extra mile and compromise by voting for the Goodling substitute. This measure saves 430,000 jobs over the Democrats' alternative.

Another substitute provision by Mr. MURPHY of Pennsylvania would increase the minimum wage to $4.55 over 3 years with a 60-day training wage. However, this still represents a death knell for thousands of jobs. This substitute will save only 60,000 jobs over the Democrats' first alternative.

Any teenager applying for his first summer job will get this training wage. However, for future jobs, the employer would be forced to pay the minimum wage, regardless of market factors. Finally, this substitute amendment, which calls for the creation of a Minimum Wage Review Board, is a back door to pay increases each year.

H.R. 2 and the Murphy substitute authorizes the establishment of a commission to advise Congress on minimum wage levels in 1992. Recommendations from this commission would automatically take effect the first day of the following year in which they are issued, unless Congress acted to stop them. This sounds like another measure to delegate our authority to an unelected commission to propose solutions to politically sensitive problems. Haven't we learned from the pay raise debacle that the American people do not want us to abrogate our authority to yet another commission?

Mr. Chairman, I encourage my colleagues to save jobs by voting for the Goodling substitute. While support for minimum wage may look good in a press release, in the long-term it is a jobs-destruction bill that will only delay the economic recovery in Montana and across America.

Mr. ROYBAL. Mr. Chairman, today, I would like to express my earnest support for H.R. 2. By now most of my colleagues have memorized all the statistics which support the reasons why this Chamber once again has this vital legislation before us. But in case some have not heard or read, this country has approximately 7 million people earning minimum wage, many make up families which are trying to survive on a wage that is clearly insufficient. The current rate of $3.35 an hour is clearly not meeting those goals for which the minimum wage standard was established. It was created to set a standard equal to 50 percent of the average wage for nonsupervisory private workers, and to keep a family of three out of poverty. In the 1950's and 1960's, the minimum wage was set at about half the average nonsupervisory private wage. In December 1988, it only equaled 35.5 percent of the estimated average wage.

In the 1960's and 1970's full-time minimum wage earnings averaged 103.6 percent of the poverty line for a family of three. In 1989, these earnings will fall 29 percent or $2,900 below the estimated three-persons poverty line. Further, even if this measure does pass, we are still faced with the facts that considering the last minimum wage increase was in 1981, this increase will only restore some of the purchasing power. If the minimum wage had kept pace with inflation, it would currently be $4.57 an hour instead of $3.35.

Another statistical fallacy I would like to put to rest is that the majority of the minimum wage workers are teenagers supplementing their allowances. The majority of today's minimum wage earners are individuals over 20 years of age, way past the allowance stage of their lives. In reality, more than one-fourth of all minimum wage earners are the heads of households and more often than not—a single mother. These earners are no longer just students with part-time jobs, youth at entry level positions, but adults whose families are depending on them for clothing, food and educational needs. This means a lot of Americans, victims of an insufficient minimum wage, are living below the poverty line. The gap between those who live in luxury and those who can barely make a living is growing too large. In a country that personifies so much wealth, this is a disgrace.

With more than 7 million people working at or below minimum wage, it is crucial that something be done to improve its effectiveness. Congress last acted on minimum wage in 1981; thus it has been 8 years. Because the cost of living has risen since 1981, these workers have been left unsuccessfully trying to make ends meet. In many cases, it is more advantageous for a family to be on welfare than to live on a budget from a full-time job at minimum wage. Our country stresses movement from welfare rolls to payrolls. With these facts staring us in the face, where is the incentive to move?

It is vital that the minimum wage be increased and it is past time for this institution to again restore a decent minimum wage to those who have economically suffered too long. I urge my colleagues to join me in passage of H.R. 2.

Mr. WALGREN. Mr. Chairman, the Fair Labor Standards Act Amendments of 1989, H.R. 2, is an important measure that would restore the minimum wage to $4.65 by 1991. I am proud to be a cosponsor of this legislation.

During the past election year, we were reminded repeatedly that the United States is experiencing the longest period of peacetime expansion in American history and that overall employment today far exceeds levels reached

before 1980. If there ever was a time to restore lost purchasing power to the minimum wage, now is the time.

We all recognize that a great number of the new jobs created are, for most part, in the service sector, the lowest wage sector of employment. Service jobs have increased by over 10 percent. While this increase has been occurring, the manufacturing sector has experienced a 10-percent loss of jobs, painfully illustrated by the unemployment felt by steelworkers in my own district. We need to restore the purchasing power of the minimum wage to shore up the purchasing power of the service sector that is having to provide more of the consuming power of our economy.

At the same time, two-thirds of working women work in service related jobs. Employment at minimum wage often provides less toward basic subsistence than reliance on welfare alone. Between 1980 and 1984 the number of persons living in poverty in families maintained by women increased by 12 percent.

Women with the responsibility of heading a household are often forced to take service jobs at very low wages which do not reflect the true costs of living in our society. Restoration of the minimum wage to a living wage is an important part of helping women and families to provide for basic needs. Not to support this bill is to fail to support many American families that deserve better.

In the debate over this issue, we often overlook part of the original intent of the Fair Labor Standards Act [FLSA] which established the first Federal minimum wage. The lawmakers at that time saw this legislation as a labor law, not as the antipoverty measure that is in dispute today. The purpose of the law was to prevent the exploitation of workers on unequal bargaining terms with their employers. The original act was intended to stop wage exploitation or "sweating" and require the employer to meet the basic social costs of maintaining an employee.

Another important purpose of the law has been to put employers on a relatively equal footing. By requiring firms to pay a minimum wage to their workers, the act provided protection to efficient and reputable firms paying fair wages from being significantly undercut by unscrupulous firms paying extremely low wages to their employees. It ensured that wages would correspond to social costs across businesses and industries. These goals set up under the first FLSA are especially relevant today when large numbers of immigrants to our country are coming into the workforce.

I urge my colleagues to support this legislation.

Mr. STOKES. Mr. Chairman, I rise today to support H.R. 2, the Fair Labor Standards Amendments of 1989. I have long been an advocate of raising the Federal minimum wage to enable the lowest paid working men and women of this country to earn a living wage. The minimum wage was last raised in 1981, and since that time the real value of the wage has declined by nearly 30 percent.

Opponents of increasing the minimum wage have used the same arguments for 50 years to convince the public of the danger of increasing the minimum wage, despite the fact that their theories are totally unsupported by facts. These opponents maintain that any wage increase would result in job losses and higher inflation, but over the last 50 years, the minimum wage has been increased 11 times, and employment has never fallen as a result of the increase.

The most important reason that we must increase the minimum wage is to provide an actual living wage for the workers who put in 40 hours of work a week, for 52 weeks a year, and still earn $3,000 less than the poverty level for a family of three in 1988. This disgraceful and shameful situation cannot be allowed to continue any longer. We must vote to pass H.R. 2, and give the minimum wage worker a measure of dignity. It is a matter of simple economic justice.

Mr. LAGOMARSINO. Mr. Chairman, as we consider raising the minimum wage today it must be recognized that we are considering the employment, and therefore the well-being of working men and women throughout the Nation. It is not sufficient to evaluate a raise in the minimum wage as though it did not have effects other than increasing the salary of a relatively small segment of the work force. To assume that an increase in this earning category of pay for laborers translates into higher earnings for them is an incorrect conclusion. While we are entitled to our own opinions, we are not entitled to our own facts. The fact is that a raise in the minimum wage is necessarily accompanied by the loss of a significant number of jobs. It is a disservice to the American people to accept the view that no job is better than a higher paying job. Yet this is precisely what those who advocate an across the board raise in the minimum wage must believe.

During the last 8 years, we have witnessed the creation of 19 million new jobs. Since 1982, there has been a 40-percent decrease in the number of workers who actually earned the minimum wage. In fact, in 1981, 11 percent of the labor force earned the minimum wage and today only 4 percent of the labor force is paid this wage. Clearly, there are now more jobs for Americans who are able to work. It is also clear that there are less workers earning the minimum wage than did before these jobs even existed. Consequently, Americans have more jobs today and earned more with these jobs during a period of time when no increase in the minimum wage was mandated by Federal law.

We are on the right course now since more people are working and earning more than they were 8 years ago. However, it is not necessary for one to view the debate over the minimum wage as though there is not a legitimate concern for assisting heads of households who earn the current minimum wage. I am concerned about these workers earning a fair standard of living. I am also concerned about preserving a job market where young people are able to gain valuable experience so that they can eventually move up the pay scale within the organization where they are employed. Sixty percent of minimum wage workers are under 25, most of these people work part time and the vast majority of these individuals eventually move to higher wage rates. If we are not prudent in our approach to addressing the question of fair pay for workers we could not only cause a loss of existing jobs but also created the loss of future job opportunities. For each 10 percent increase in the lowest pay category, studies indicate between 100,000 and 200,000 employment opportunities are lost. Those minimum wage workers who are under 25 will lose valuable work experience. The first question asked of a young person when applying for a job is what experience they have. If we raise the minimum wage without keeping these people in mind it will mean not only the loss of jobs they may already have, but also the loss of jobs they hope to have. This does not benefit anyone. This is why I support the President's and the minority's substitute approach. Both the concerns of those who are the heads of households, possibly supporting a family, and the overwhelming majority of workers earning the minimum wage; young people and those seeking a first job are addressed. The President's proposed training wage of $3.35 per hour, along with a reasonable raise in the minimum wage to $4.25 hourly, as is already in place in my home State of California, addresses the realities of the current situation and comes much closer to the goal of providing fair pay for working people. It also recognizes that the economy is creating new jobs at a stunning pace and this must not be halted. Therefore, I urge my colleagues to support the minority substitute.

Mr. NEAL of Massachusetts. Mr. Chairman, I urge this House to adopt the increase in the minimum wage as provided for in the Murphy substitute to H.R. 2.

The minimum wage should be a living wage. Sadly, it is not. With no increases since 1981, we have seen the value of the minimum wage erode to the point where a working man or woman supporting a family on a minimum wage job is earning an income substantially below the poverty level. That is hardly an incentive for people to leave the welfare rolls and take those kinds of entry level jobs that might eventually lead to a career, but which only provide a minimum wage starting salary. I can think of few Federal programs that do not try to protect their beneficiaries from the effects of inflation, or at least attempt to mitigate those effects. The minimum wage is a glaring exception, and it is an exception in which neither Congress nor the American people should take pride.

We have heard all manner of dire predictions about the enormous job loss that will result if the minimum wage is increased. These same arguments have been made whenever we have tried to raise the minimum wage, and they have proven to have been wrong. Rather than debate the discredited arguments of the past, we should try to confront the reality of the present: 70 percent of the minimum wage workers living in poverty are the sole support for their families. As a matter of economic justice, we must address that deplorable situation. Let us return the concept of fairness to the Fair Labor Standards Act by voting to restore some of the purchasing power of the minimum wage. H.R. 2 is a step toward promoting self-sufficiency for millions of American workers and their families. The enactment of this legislation is clearly in their

best interests, but in a larger sense it is the best interest of our society as well.

Mr. TOWNS. Mr. Chairman, I am pleased to be able to lend my support to the committee's initiative to raise the standards of living for American workers who earn at or near the minimum wage of $3.35 per hour.

We are speaking of honest men and women who are struggling to support their families on less than $7,000 a year. In fact, a full-time minimum wage worker's salary is actually 29 percent below the poverty line for a three-person family. How many of us could make ends meet on such meager earnings? For minority Americans, an increase in the minimum wage is vital to the economic well-being of our communities. Over the last 10 years, the earning power of young black women has decreased by 20 percent and dropped by 50 percent for young black men. This economic crisis has substantially increased poverty among young families and their children, according to a report from the Children's Defense Fund.

I know that there are those who claim thousands of jobs will be lost if wages are increased; they also claim that teenagers will not be hired unless there's a training wage provision in this bill. Yet, previous increases in the minimum wage have not thrown people out of work. For example, in 1978, employment amongst teenagers actually increased by 382,000 jobs.

I believe that there is nothing more important to maintaining one's dignity than the ability to hold down a job that will support you and your family. At the moment, many Americans simply do not have that option. Not because they are unwilling to work but because of our refusal to increase the minimum wage. I hope that we will pass the committee bill today as a sign of our commitment and faith in the American worker's right to gainful employment.

Mr. FAUNTROY. Mr. Chairman, it is with enthusiasm that I rise as a cosponsor in support of H.R. 2, the Fair Labor Standards Amendments of 1989. The minimum wage received by the most underpaid in our labor force has not risen since January 1981. During this period the prices for the goods and services these citizens must purchase have risen by almost 40 percent. As has been pointed out by the leadership of our Committee on Education and Labor, the present $3.35 per hour minimum wage purchases only $2.46 worth of goods and services.

By this modest increase in the minimum wage to a more just, fair, and equitable rate we will, at least, be partially restoring the purchasing power of hard-working, low-income citizens. By addressing this question of economic justice, we will also be helping to stimulate our economy, increasing the ability of many of our workers to buy the goods and services produced in our Nation. Additionally, the increase in the minimum wage will increase the incentive to work for millions of persons who are at or below the poverty level.

Mr. Chairman, I have heard all the flawed arguments that this modest increase in the minimum wage will reduce our ability to compete in the world economy and lead to the loss of jobs. The reality is that we have only two choices with reference to our ability to be productive and competitive in the international economy. One choice is to allow our labor force to be increasingly exploited to enable our Nation to compete in the world economy, increasing the economic and social division in this country. The better choice by far is to invest in our labor force through education and training programs and by paying salaries which allow all of our workers to have a decent standard of living. H.R. 2 is a measure that is economically and morally in concert with the view that we must invest in our labor force and maintain standards of economic justice in our society.

Mr. Chairman, we can pay either at the front door with decent wages for our workforce, or we can pay at the back door with increased dependency, social services, and the social disorganization and unrest caused by polarization between the "haves" and the "have-nots."

I urge my colleagues to vote for H.R. 2, the Fair Labor Standards Amendments of 1989.

Mr. PAYNE of New Jersey. Mr. Chairman, I stand here today to express my support for H.R. 2, the Fair Labor Standards Amendments of 1989, not simply as a member of the Committee on Education and Labor who is concerned about the future direction of public policy, but—more importantly—as a citizen who is deeply concerned about economic equity.

One may ask, what does he mean by equity? Well, I believe that if we establish parity, that is balancing wages and prices, at least at the minimum wage level, we may be able to help workers receive what F.D.R. described as "a fair day's pay for a fair day's work." As you may know, not since the 1977 amendments were enacted, which capped the minimum wage to $3.35 per hour in 1981, has the minimum wage been increased to a level that properly reflects the current economic indicators. Therefore, as a result of neglecting to index this wage, prices have increased by 39 percent, while the value of that wage has eroded to a mere $2.64. Today, minimum wage represents only 35 percent of the average hourly wage, as opposed to the 50 percent it represented after past adjustments. For a family of three, that amount places them 29 percent below the poverty line. A minimum wage worker in 1989 must work almost an hour to be able to buy a carton of milk to feed his children, and almost 3 weeks in order to pay rent at current market prices. It is precisely for those reasons that I support this bill. I believe that H.R. 2 is a good bill, and, I believe further that the folks in actual need will find it a welcome relief.

In its present form, H.R. 2 provides for an increase of $1.30 over the next 3 years in increments of 50, 40, 40 cents, respectively. Unfortunately, in real terms, $4.65 per hour would still be approximately 59 cents below its projected value in 1992 and only 41.1 percent of the average hourly wage. However, H.R. 2 would attempt to address that by establishing a Minimum Wage Review Board. This Board would be required to monitor current economic data and submit an annual report to Congress with recommendations for future inflation adjustments. With these recommendations, Congress would be armed with objective economic data to ensure bipartisan support for future minimum wage increases. Also, I believe this legislation to be economically sound and business sensitive. By increasing the small business exemption to $500,000 and tip credits to 50 percent, H.R. 2 would actually affect only 5 percent of all American businesses. In fact, the bill even extends its protection to minimum wage workers in the American territories. Therefore, after close analysis, I believe that H.R. 2 is poignant in its breadth and diversity and Congress should act on its passage now. Further delays on the issue would be a mistake.

In the past, the Reagan administration contended that they understood the concerns of the common man. They believed that an increase in the minimum wage was not necessarily an answer to the working poor's problem, because the benefits of an increase would be outweighed by the devastating unemployment that would have resulted. There has never been any proof to substantiate that. But this line of thought, without any action, amply illustrates the previous administration's tendency to avoid substantive dialog regarding the working poor.

Today the Bush administration also believes that increasing the minimum wage will seriously endanger the economy. The President, however, locked in by his promise of kindness and gentleness, has conceded that some increase may be necessary. He has proposed an increase of 90 cents to a level of $4.25 per hour by 1992. I simply do not believe this increase would be enough. According to recent economic projections, $4.25 per hour in 1992 would be worth less than $3.60, which would be only 39 percent of the average hourly wage. To a family of three that amount would still put them more than 20 percent below the line of poverty. In addition, Mr. Bush's proposal includes an employee training period, which he believes would reduce the number of unskilled workers in the work force. This training period would last for 6 months while the employee being trained would receive some smaller percentage of the current minimum wage. However, he did not include any enforcement provisions. This could lead to unneeded exploitation by the businesses with significant market shares; such as firing a person before the end of the training period in order to avoid paying for the increase in salary. But the most serious economic consequences, he contends, would be in unemployment. The impact of this shock would be shouldered by as many as 650,000 workers, many of them teenagers. I seriously question those figures. Several independent studies, using the Department of Labor's most recent projections, have found that if 10 percent of the minimum wage work force were given an increase, only an approximate 0.01 percent of the current work force would face disemployment. Although they admit that many of those workers may be teens, they believe that most of those workers are also members of mid and upper income families. And, they argue further, most of the more needy workers, who just happened to be single mothers, were actually retained by businesses. But more importantly, they insist after every other increase, except in 1974, the economy has actually strengthened. In fact, in my district, I found this historical trend to be accurate. Therefore,

I do not find the administration's proposal compelling, and I would be remiss if I did not support H.R. 2.

Mr. Chairman, it has been 8 years since the minimum wage was increased to a level that is fair and equitable. In 1989, a full-time minimum wage worker will only earn $6,700, which less than $1,158 it would take to support one adult and one child at the current poverty level. I do not believe this is a proper way for anyone to live. So, I must therefore reiterate that it is imperative for Congress to address this issue now. And I would strongly impress upon each and every one of my colleagues that a vote in the affirmative for H.R. 2, would actually be a vote of support for the average American minimum wage worker. Because by establishing economic parity—that is balancing of wages and prices—we would be assured those workers received a fair day's pay for a fair day's work. We would be assured that the working poor had a chance to break those ties that bind. And the people would be assured that Congress is actually on their side.

Mr. EDWARDS of California. Mr. Chairman, I rise today in strong support of H.R. 2, the fair labor standards amendments.

Our country has ignored the basic needs of unskilled workers since 1981, when the minimum wage was last raised to the current level of $3.35 per hour. Since then, the purchasing power has been reduced to its lowest level since 1955. In voting for H.R. 2, we can correct this inequity by raising the minimum wage to $4.65 over a 3-year period.

This would be welcome relief to the current minimum wage earners whose annual income puts them well below the poverty line for a family of three. The current minimum wage is an insult to those individuals who cannot support themselves and their families despite going to work everyday. Congress' inaction on this issue over the past 9 years has also resulted in the embarrassing fact that welfare benefits in many States now come close to matching the minimum wage, thus removing the incentive to work.

By passing H.R. 2, the House would be sending the message that there is dignity in all forms of work, and every worker is entitled to a wage which allows them to meet the basic standard of living. I urge my colleagues to join me in sending that message.

Mr. FAZIO. Mr. Chairman, as a cosponsor of H.R. 2, the Fair Labor Standards Amendments of 1989, I strongly support this bill which will bring economic equity to low-wage workers.

The 1938 Fair Labor Standards Act established the minimum wage as a commitment to the American belief that hard work deserves adequate compensation. It was intended to ensure that every worker would be paid enough to achieve a decent standard of living.

Unfortunately, we have failed to live up to that commitment. The last time Congress approved an increase in the minimum wage was in 1977 with the final step increase going into effect in 1981. Today the minimum wage remains at the 1981 level of $3.35 per hour. Yet since that time, the purchasing power of the minimum wage has decreased by more than 30 percent. In 1981 dollars, its purchasing power is worth only $2.46. Had it kept pace with inflation, the minimum wage would now stand at $4.57 per hour.

Further, during the 1960's and 1970's, a person who worked full time at a minimum wage job could earn slightly more than the amount required to keep a family of three out of poverty. Today, however, the same worker makes only $6,968 per year which is significantly below the 1988 poverty line of $10,060 per year for a family of three.

While all low-wage workers are affected, I am especially alarmed at the impact that the low-minimum wage has on women and families headed by women. While women comprise 45 percent of the work force, they comprise more than 65 percent of those earning the minimum wage. Women also are the sole supports of over 10 million families—an 80-percent increase since 1970.

As a matter of economic justice, it is time that we raise the minimum wage. Our approval of H.R. 2 will send a strong signal that we value these workers and their role in American society. I urge my colleagues to support H.R. 2.

Mr. RAHALL. Mr. Chairman, today I rise in full, strong support for H.R. 2, the Fair Labor Standards Act Amendments of 1989. Simply stated this legislation is long overdue. We in this country agreed decades ago that the American worker deserved and needed protection against unfairly low wages; we made a moral commitment to our workers that even those holding the most menial of jobs were entitled to a wage on which they could exist with some semblance of dignity. I do not believe that we should renege on this commitment to America's workers. And frankly, I fail to comprehend the adamant opposition facing this bill in this day and age, as politician after politician rushes to join and champion the cause of a "kinder, gentler nation." Surely that means we have recognized that many in this country have not shared in the prosperity of the past few years, that many of our fellow citizens have been left far behind to struggle alone against the strong, relentless forces of poverty. Is it too much for us here today to live up to the commitment made by our predecessors in this great Congress? Is not the passage of this legislation a concrete example of an action that would have far-reaching effects in the fight for a better future for all American citizens? My colleagues, we have here an opportunity to meet this challenge head on and to prove our personal commitment to the noble goal of establishing a society that is in fact truly more kind and gentle to all its members.

One only has to look at the facts to recognize the need for an increase in the current minimum wage level. Today's level is the same that it was in 1981, $3.35 an hour. Over the past 8 years, the purchasing power of the minimum wage has decreased by more than 30 percent—had the wage kept pace with inflation during that time, it would now stand at about $4.57 an hour. An even more telling statistic is the fact that during the 1960's and 1970's, a person who worked full time at a minimum wage job could earn slightly more than the amount required to keep a family of three out of poverty. Today, however, the earnings of that same person are 29 percent below the poverty line for a three-person family. Unfortunately, after all the negotiation and compromise over the wage rate increase, not even the committee-reported bill would bring these earnings up to the poverty line.

During my years here in the House of Representatives, I have become a political realist. And although I strongly support the committee-passed version of H.R. 2 as the least that we can do for our minimum-wage earners, I recognize the fact that the Murphy compromise on the training wage is necessary if we want to get an increase in the minimum wage enacted into law under the current administration. Certainly this proposal is far superior to that of the administration, which I believe could easily be abused by unscrupulous employers. The Murphy proposal calls for a true training wage, available to only those who have no previous work experience. Additionally, the substitute limits the duration of any training wage to 2 months as opposed to the administration's proposed 6-month revolving-door training wage.

While I am far from completely satisfied with our options here today, I do believe that they would greatly improve the lot of those earning the minimum wage. In closing, I urge my colleagues to consider the issue of raising the minimum wage in a rational, but compassionate manner. Surely the ability to take a stand for a better tomorrow for America's workers by approving a modest increase in this country's minimum wage is not beyond us.

Mr. RANGEL. Mr. Chairman, it has been 12 years since the Congress raised the minimum wage. It has been 8 years since the minimum wage was increased to $3.35 as a result of this legislation that required a three-step increase. Since that time inflation has eroded the last increase by nearly 30 percent. Inflation has reduced the purchasing power of working families for goods and services in today's marketplace. The current wage of $3.35 only buys $2.56 worth of goods and services.

Opponents of the increase in the minimum wage have raised all sorts of hair-brain arguments that just do not hold up under close scrutiny. They talk about diminished employment opportunities, especially for young, economically disadvantaged, and black youths in particular. They also maintain that wage increases lead to higher inflation, larger Federal deficits, and would hurt those who the law was designed to help. These are historical fantasies spread by traditional minimum-wage opponents every time an adjustment is proposed.

Increase in the minimum wage is endorsed by five former Secretaries of Labor—both Republican and Democratic. A recent Gallup Poll shows that the American public overwhelmingly endorsed raising the minimum wage by a margin of 76 to 20 percent. In every instance—by sex, by race, by age, by education, and by region—persons polled favored raising the minimum wage.

In 1988, some 5.4 million workers labored at jobs that paid no more then the minimum wage of $3.35 an hour; another 10 million earned between $3.35 and $4.49 per hour. Many of these workers still remained in poverty. One of the most compelling reasons to enact a higher minimum wage is to make it

truly a living wage. A worker who puts in 40 hours a week for 52 weeks earns only $4,696 which is significantly below the 1988 poverty level of $10,060 for a family of three. Today's minimum wage does not protect workers from poverty or enable them to raise themselves out of poverty.

However, increasing the wage will increase the incentive to work for millions of persons at or below the poverty level. Currently, work-related costs for accepting minimum-wage employment outweigh the earnings a person could receive from such a job. Transportation, day, care, and taxes can consume a high percentage of the income of the minimum-wage earner. Today in many States a person receiving welfare has as much or even a little more income than a minimum-wage earner, even though the value of welfare benefits has also declined in recent years. Many minimum-wage earners legitimately receive assistance because the current $3.35 per hour is not enough to keep a family of three out of poverty.

H.R. 2 will bring the minimum wage to approximately 42 percent of the average wage, a substantial increase but still short of the historic goal of 50 percent. The modest $1.30 increase over 3 years mandated by this legislation will raise the minimum wage 39 percent, significantly restoring the purchasing power. The phased implementation of increases of 50, 40, and 40 cents over 3 years is designed to make up carefully much of the economic loss of the suffered over the past 8 years. It is long past time for us to insure that the reward for a job well done is fair wages. Let us help the American dream become a reality and not a continuing nightmare.

Mr. WAXMAN. Mr. Chairman, I was unable to participate in the debate on H.R. 2, the Fair Labor Standards Act Amendments of 1989. However, I wanted to make clear for the record my support for this legislation, and my understanding of its implications for nursing home reimbursement under the Medicaid Program.

Medicaid is the Federal-State entitlement program that buys basic health care services for certain categories of poor people, including the low-income elderly. About 30 percent of all Medicaid spending goes toward the purchase of nursing home services. Nursing homes, in turn, employ large numbers of minimum-wage workers; most of these are nurse aides, who provide the bulk of the hands-on care to nursing home residents. H.R. 2 will increase the salaries of these workers.

Current Medicaid law requires that the rates which States pay to nursing homes for services to Medicaid-eligible residents be "reasonable and adequate to meet the costs which must be incurred by efficiently and economically operated facilities in order to provide care and services in conformity with applicable State and Federal laws, regulations, and quality and safety standards."

Clearly, the Fair Labor Standards Act is an "applicable * * * Federal law," and the wages of nursing home workers are costs "which must be incurred by efficiently and economically operated facilities in order to provide care and services." As chairman of the Subcommittee on Health and the Environment, with legislative and oversight jurisdiction over the Medicaid Program, I want to affirm the obvious: current Medicaid law requires States to adjust their nursing home reimbursement rates to accommodate the increased costs that nursing homes incur in complying with the increase in the minimum wage. Of course, the Federal Government, through Medicaid matching payments, will participate in payments for these increased costs.

Mr. CONYERS. Mr. Chairman, I rise in strong support of H.R. 2, the Fair Labor Standards Amendments Act.

There is saying that "justice delayed is justice denied." How true this is. It has been 8 long years since the last increase in the minimum wage was put into effect. Since that time the cost of living has risen more than 30 percent. As a consequence, in today's dollars, the current minimum wage is worth only $2.56. The lowest level relative to other wages in the private economy since 1949.

The case for increasing the minimum wage is urgent and compelling. Opponents of this legislation would have us believe that the minimum wage should not be raised because most people who earn it are teenagers. However, the facts are that only about one-fourth of minimum wage workers are teenagers. Two-thirds of them are women, nearly 7 million are full-time workers and nearly 4 million are heads of households.

Plant layoffs and closing have driven millions of Americans throughout this country into low-paying service jobs. The depressed minimum wage drags down the income of these workers and their families, as well as the wages of all other workers.

Increasing the minimum wage to a liveable wage is one of the most important legislative issues facing this country. The fundamental premise of raising the minimum wage is that it should be a living wage. No one who works for a living should be condemned to a live in poverty.

Today, over 6.5 million workers earn the minimum wage or less. Another 5 million workers, whose wages move in step with the minimum wage earn no more than $0.50 above the minimum wage rates. This means that about 11.5 million workers or 10.5 percent of the labor force.

A decent minimum wage would go a long way in helping the 7 million full-time minimum wage workers, including the more than 2 million families in poverty families to climb out of poverty.

Mr. Chairman, minimum wage workers represents a broad spectrum of American society and include many Americans who are supporting families and trying to achieve economic self-sufficiency. Adults account for 70 percent of the 6.5 million minimum wage workers with heads of households or married women who work out of economic necessity accounting for over 45 percent of the minimum wage workers. One in four minimum wage workers lives in poverty compared to just 8 percent of all workers.

More importantly, simple justice and equity require us to raise the minimum wage to fair level. H.R. 2 is a carefully drafted bill, guided by the principles of fairness, simply justice, and equity. Today, let us begin to raise millions of Americans out of poverty into economic opportunity and dignity. Basic human rights and economic survival are at stake. Economic justice must no longer be delayed or denied.

Mr. GOODLING. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, we have had a good debate, and as indicated in the beginning, a very important debate. We have been told by the majority that we have used the same arguments again and again against the minimum wage increase.

We are not arguing against a minimum wage increase. Our concern is the size of the increase and what effect that may have on our economy and on employment.

During the last 7 years it has been the only time in the history of this country that youth employment has increased, and I think that is very significant.

Let me say about old arguments, what we have heard are old arguments as to how we get people out of poverty, how we raise them above poverty. If they are old arguments in relation to unemployment, certainly the arguments on the other side dealing with how we get people above poverty are old, and they are not only old, but as a matter of fact they have never worked. So it seems to me the time has come for a change, and we offer that change, and will offer that change when I offer our substitute tomorrow.

Mr. Chairman, I yield back the balance of my time.

Mr. MURPHY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. GOODLING] for all of his efforts and his diligence, and thank his staff for the cooperation that they have offered during the past 2 years in attempting to frame this legislation.

But in closing, Mr. Chairman, I would like to say the tenor of the argument somewhat bewilders me. We are asking for a $1.20 minimum wage hourly increase over an 11-year span from 1981 to 1992.

The gentleman from Pennsylvania [Mr. GOODLING], the minority, are asking for a 90-cent increase over that span of time. We are asking for 11-cents-per-year hourly increase; he is asking for an 8-cent-per-year hourly increase, an insignificant amount.

But what puzzles me is the arguments they have used for these past 2 hours. Their argument is if it is not so high an increase we will be able to employ more of these poor people who need to be employed. Their argument leaves us with but one conclusion, that if we pay these poor people nothing, they will all be employed as, of course, they were in feudal and plantation days, but that is not what America is all about.

America is about, as President Roosevelt said, pay a man a fair day's wage for a fair day's work.

The CHAIRMAN. All time has expired.

Mr. MURPHY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

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Accordingly the Committee rose; and the Speaker pro tempore (Mr. HATCHER) having assumed the chair, Mr. MOAKLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes, had come to no resolution thereon.

INTRODUCTION OF A HOUSE RESOLUTION TO ESTABLISH A SELECT COMMITTEE ON HOUSING AND TAX POLICY

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WYLIE. Mr. Speaker, today I am introducing legislation on a bipartisan basis along with several of my Banking Committee colleagues designed to establish better lines of communication and coordination with our Ways and Means Committee colleagues as we approach housing and economic opportunity legislative issues of mutual concern during the 101st Congress.

My resolution is quite straightforward in that it proposes the establishment of a Select Committee on Housing and Tax Policy. I view this select committee as a mechanism to foster an appreciation of the effect of tax law changes on the efficiency of housing programs, economic opportunities, and other Banking Committee matters that are crucial in the design of legislation to be considered by both the Banking and Ways and Means Committees.

Mr. Speaker, it is important at the outset to clarify that my intent in introducing this legislation is not to create a new bureaucracy in the House with a new staff and a new line item in our committee funding resolutions. On the contrary, Mr. Speaker, in drafting this resolution, I took great pain in making sure that there would be little or no additional cost. The resolution expressly states that staff support would be comprised of existing staff from the parent committees. This point is crucial in achieving the goal of fostering better lines of communication and coordination between the Banking and Ways and Means Committees, whose jurisdictions influence the structure and operation of just about every part of the American housing market. My proposal safeguards the important and necessary principles of checks and balances and assures staff accountability and restraint. My intent is for this select committee to establish bridges to facilitate solving several currently pressing and interrelated problems.

The Select Committee on Housing and Tax Policy would be advisory in nature and as such would have no legislative responsibility, other than making legislative recommendations to their respective parent committees.

Mr. Speaker, the Banking Committee under the leadership of our distinguished Chairman GONZALEZ, has much expertise in housing and community development matters. The Ways and Means Committee under the leadership of Chairman ROSTENKOWSKI has significant expertise on tax matters. Both of these outstanding leaders will add much valuable input to the process. I along with many of my colleagues believe a coordinated approach is required to address several policy issues, including the decline in homeownership rates, the potential conversion to other uses of hundreds of thousands of dwelling units now occupied by low- and moderate-income persons, the sharp decline in the production of privately owned multifamily rental housing and the deterioration of inner-city neighborhoods and the need to combine our resources to end the shame of homelessness.

I urge my colleagues' support of establishing a mechanism to foster mutual understanding by members of the Banking and Ways and Means Committees as we confront difficult issues that are important to both committees. This resolution has the endorsement of the National Association of Homebuilders and the Mortgage Bankers Association.

Mr. Speaker, I include a section-by-section summary of my legislative proposal as well as a short background paper on the need for coordination of housing and tax policy.

SECTION-BY-SECTION SUMMARY—H. RES. 113, TO ESTABLISH THE SELECT COMMITTEE ON HOUSING AND TAX POLICY

An appreciation of the effect of tax law changes on the efficiency of housing programs, economic opportunity initiatives and other Banking Committee matters is crucial in the design of much of the legislation considered by both Banking and Ways and Means Committees. The purpose of this resolution is to establish a Select Committee on Housing and Tax Policy. The principal sections and provisions are as follows:

(a) Establishment.—Section 1 would establish a House Select Committee on Housing and Tax Policy.

(b) Functions.—Section 2 would require the Select Committee to conduct continuing studies to determine the most efficient combination of tax provisions, direct assistance, and regulation with respect to—

(1) assisting first-time homebuyers;

(2) ensuring an adequate supply of affordable rental housing;

(3) making housing more affordable for low and moderate income persons;

(4) preserving units for low and moderate income persons;

(5) reversing the economic and physical decline in inner-city neighborhoods; and

(6) any other matter jointly referred by the chairpersons of the Committees on Banking, Finance and Urban Affairs and Ways and Means.

(c) Appointment and Membership.—Sections 3(a)(1) and (2) would provide that the Select Committee be composed of 26 Members of the House appointed by the Speaker in consultation with the Minority Leader. The appointees would be chosen primarily from among the members of the Committees on Banking, Finance and Urban Affairs and Ways and Means.

(d) Chairperson.—Section 3(b) would require the Speaker to appoint one of the Select Committee members as chairperson, who would serve for the Congress during which the appointment is made.

(e) Vacancies.—Section 3(b) would provide for filling any vacancy in the Select Committee in the same manner as the original appointment was made.

(f) Authority.—Section 4(a) would authorize the Select Committee to hold such hearings as it considers necessary.

(g) Procedures.—Section 4(b) would apply clauses 1, 2, and 3 of the House rules, except the provisions of clause 2(m) relating to subpoena power, to the Select Committee.

(h) Staff.—Section 5(b)(1) would authorize the Select Committee to request and utilize, on a nonreimbursable basis, the staffs of the Committees on Banking, Finance and Urban Affairs and Ways and Means.

(i) Section 5(b)(2) would authorize the Select Committee to request the head of any Federal agency to detail personnel, on a nonreimbursable basis, to the Select Committee.

(j) Reports.—Section 6(a) would require the Select Committee to submit to the House reports setting forth its findings and recommendations as a result of its studies. Section 6(c) would require referral of those reports to the committee or committees with jurisdiction over the subject matter of the reports.

A NEED FOR COORDINATION OF TAX AND HOUSING POLICY

ISSUE

The Internal Revenue Code, under the jurisdiction of the Ways and Means Committee, and numerous programs under the jurisdiction of the Banking Committee, influence the structure and operation of just about every part of the American housing market and involve federal expenditures approaching $100 billion a year.

These two committees must understand each other and coordinate better if federal policies are to be efficient and carry as inexpensive a price tag as possible.

A good way to foster mutual understanding by members of both Committees is to have them share membership on a select committee that will spend all its time looking at issues that are important to both Committees.

BACKGROUND

Homeownership rates have been declining in the United States since 1980. The proportion of households living in their own homes rose from 40 percent in the 1940

census, to 65.6 percent by 1980. Subsequently, however the rate has slipped to 63.7 percent in the first half of 1988. The most drastic decline in homeownership has taken place among young and first time homebuyers age 25 to 34 years. This rate fell from 52.3 percent in 1980 to only 45.1 percent in 1987. The potential impact on jobs and the economy of this decline in homeownership is a serious concern for Federal policy makers.

Affordability to meet down payments and monthly mortgage costs have been identified as the major obstacles. The coordination of both tax and housing policies at the Federal level is essential for the creation of saving incentives necessary to reverse this dangerous trend and to restore homeownership opportunities.

Another current problem of significance is the threatened loss of hundreds of thousands of assisted units for low and moderate income families because of mortgage prepayments or the expiration of subsidy contracts. A variety of financial incentives were enacted last year and additional ones are being considered to encourage private owners of assisted housing to preserve such housing. In addition, several tax incentives have been proposed to accomplish the same objective. An approach to the low-income housing preservation problem that can be coherent and cost effective is a combined package of tax and direct incentives. Development of an effective package requires close coordination between the makers of tax and housing policy.

DISCUSSION

An appreciation of the effect of tax law changes on the efficiency of housing programs, financial institution supervision and other Banking Committee matters is crucial in the design of much of the legislation considered by both committees. When the Ways and Means Committee considers broadening or narrowing tax incentives involving real estate or financial institutions it should have a well-informed sense of how these parts of the private market function in order to determine whether incentives are too generous, are misdirected or counterproductive, or are just insufficient to achieve the desired objectives.

One example of an issue the Select Committee could consider is whether incentives should be provided for the production and preservation of multifamily rental housing, how much incentive, how much through the tax code and how much through direct assistance, under what terms and conditions, and for what class of beneficiaries. Another example is for the Select Committee to look at options that address the first-time homebuyer affordability problem by developing proposals which assist the financing of downpayments. A joint approach to crosscutting issues such as these should result in more cost effective policies.

The Select Committee on Housing and Tax Policy would be advisory in nature and as such would have no legislative responsibility, other than making legislative recommendations to their respective parent committees. The Select Committee should have about 26 members primarily made up of members from the Banking and Ways and Means Committee, with the Chairman alternating every two years between Banking and Ways and Means. It should be staffed with part time staff support from the parent Committees. Each of the primary committees in consultation with the speaker and the Minority Leader should select the members to serve on the Select Committee.

GENETICALLY ALTERED ANIMALS: REGULATORY REFORM AND PATENT PROTECTION ISSUES

(Mr. KASTENMEIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. KASTENMEIER. Mr. Speaker, today, I am pleased to introduce two measures on the cutting edge of an important set of biotechnology issues. The first bill, the Transgenic Animal Patent Reform Act, addresses the difficult legal and policy issues that arise from the decision of the Patent and Trademark Office to grant patents to genetically altered animals. The second bill, the Transgenic Animal Regulatory Reform Act, creates a new regulatory regime for the Federal Government to review work done with transgenic animals.

The bills I am introducing today have their roots in measures I sponsored last Congress, H.R. 4970 and H.R. 4971, respectively. The patent bill was the product of extensive hearings conducted in my subcommittee on the subject of patenting life.[1] The Committee on the Judiciary approved that bill in August, 1988[2] and the full House passed the measure on September 13, 1988.[3] Unfortunately the Senate never took up that measure. It is my hope that given the extensive work done on this issue by the House that the Senate will turn to this issue early this Congress.

The patent bill I am introducing today serves four basic purposes. First, it recognizes that the Patent Office has determined that genetically altered animals are patentable subject matter.[4] Second, the bill clarifies that human beings are not patentable subject matter. Third, the bill authorizes the Commissioner of the Patent and Trademark Office to issue any regulations necessary to regulate the deposit of biological materials. Finally, and most importantly, the bill addresses the thorny question of the scope of a patent on patented transgenic farm animals.

Because a patented life form such as a genetically altered animal, poses unique legal questions about the scope of patent protection, it is essential that a fair, workable and balanced statute be developed to avoid making ordinary, routine noncompetitive reproduction of a patented animal an act of patent infringement. The bill I am introducing today seeks to fairly address the conflicting interests of patent owners and users.

I know from our hearings last Congress that differences remain between farm organizations about the appropriate scope of an animal patent. Similarly, there are significant differences of opinion between the agriculture community and the biotechnology industry about this question. I sincerely hope that resolution of this issue is in everyone's best interest.[5] If the beneficiaries of the Patent Office decision to permit patents to issue in this area fail to negotiate in good faith to fashion an appropriate bill, they will face renewed calls for a moratorium on patents in this area.

The second bill I am introducing today develops a regulatory approach for the treatment of transgenic animals. As a result of the hearings we conducted on transgenic animals, I became convinced that there was a need for legislation in this area. Set forth below is a copy of remarks I delivered to the Science and Technology Committee last year concerning this bill:

STATEMENT OF HON. ROBERT W. KASTENMEIER ON H.R. 4971, TRANSGENIC ANIMAL REGULATORY REFORM ACT

Mr. Chairman, thank you for the opportunity to participate in your hearings on biotechnology. I have long been a strong supporter of this technology and the industry it has spawned. As Chairman of the Congressional Committee with the responsibility for intellectual property protection, in recent years I have succeeded in authoring amendments to protect the unique work product of this new science through enhanced intellectual property protection. Most recently we have passed legislation to enhance process patent protection.

The bills before you today represent an important next step along the road of furthering government-industry cooperation designed to further the public benefits of biotechnology.

The bill pending before your Committee that is of greatest personal interest is H.R. 4971, the Transgenic Animal Regulatory Reform Act of 1988. This bill is the product of a series of hearings conducted by my Subcommittee over the past year. It is also influenced by the debate over the propriety of patenting animals.

As many of you may know, since April of 1987 it has been possible to patent a genetically altered animal. In fact one such patent was granted to Harvard for a mouse to be used for medical research on breast cancer in April of 1988. This legal development generated a tremendous controversy. Some religious leaders claimed that patenting animals was immoral. Farmers expressed concerns about the potential for concentration of economic power in the hands of certain patent holders. Finally, some environmentalists expressed concerns about the potential havoc of unfettered releasing genetically altered animals into the environment.

Opposition to patenting animals produced support for a moratorium on patenting animals. This proposal is embodied in H.R. 3119, by Mr. Rose. More recently, I offered an alternative to that measure, H.R. 4970, that has the net effect of approving of the existing state of affairs, but to create two exceptions to patent liability—for researchers and farmers. My Subcommittee is scheduled to mark-up these two bills on July 13, 1988.

One of the concerns about transgenic animals that emerged during the four days of

Footnotes at end of article.

hearings we held on this issue was the adequacy of the existing regulatory framework for biotechnology. Some environmental groups claimed that the existing structure was too informal, and without sufficient environmental safeguards. Industry representatives asserted that the existing regulatory framework was more than sufficient. Several legal experts also claimed that the regulatory framework—albeit complex—was workable. Without attempting to resolve the merits of that dispute—about which this Subcommittee has already heard testimony and recently received an important OTA study—there are three regulatory issues that I believe merit attention.

First, the Congress should create the Biotechnology Science Coordinating Committee in a statutory format. In my opinion the linchpin to the current loose regulatory "confederation" between the various agencies is the BSCC. It would be a mistake to permit the Executive branch to disband the BSCC without Congressional approval.

Second, it is important to recognize the nature of the work being done on transgenic animals including that by the Federal government. The National Institute of Health is already spending well in excess of $16 million on developing transgenic animal research, primarily aimed at biomedical research. This type of research is already well regulated by the existing NIH guidelines.

In addition, the United States Department of Agriculture is devoting substantial resources to developing transgenic farm animals. Unfortunately, I have less confidence in their ability to regulate this work or similar work undertaken by private parties without USDA funds.

As a result of the work on transgenic animals for agricultural purposes scientists hope to produce more efficient meat and dairy production, disease resistant animals and leaner food products. As a Member who knows first hand the existing oversupply of many agricultural products, I am concerned about the speed with which introduction of this new technology will occur within the agricultural community. As a result of this concern I have proposed in H.R. 4971, a system of regulation of transgenic farm animals within the Department of Agriculture.

The permit system encompassed in this bill is modeled after a more comprehensive effort offered last Congress by our former colleague Don Fuqua. I expect that initially the USDA will be required to issue permits for all classes of experiments in this area of research regardless of the source of the funds. Once an experiment has succeeded, further USDA approval would be required to permit expanded experimentation or, subsequently, full scale commercialization. The criteria to be applied by the USDA would be a requirement that the researcher prove that the work does not pose an unwarranted risk to human health, welfare or the environment. Also, because I expect that the learning curve will become more advanced, the USDA is given statutory authority to waive the permit requirement for classes of experiments that are presumptively safe.

The bill also creates an Advisory Committee on transgenic animals within the Agriculture Department. I would expect this Advisory Committee will include farmers, consumers, scientists and other knowledgeable and affected parties.

The third important feature of the bill is the grant of authority to the Environmental Protection Agency to regulate the release of genetically altered animals into the wild. While I recognize that in some instances exotic species pose equal or greater danger than the genetically altered species, it still seemed appropriate to flash an amber light with respect to the release into the wild of genetically altered wildlife. I have serious concerns about the release of genetically altered fish into the aquatic environment. This section of the bill does not spell out the exact nature of the regulatory mechanisms to be used, in order to permit this Committee to make those judgments after the hearing process has run its course.

In sum, I hope that my colleagues will look with favor on the concept contained in this bill. I recognize that as introduced, this bill is not ready for enactment. I have already received a number of valuable suggestions for improving the bill from environmental concerns, agricultural groups and business groups. I hope that as the legislative process continues that you will be able to reach a consensus around the regulatory approach suggested by this bill.

I sincerely hope that my colleagues on the Science, Space, and Technology Committee as well as those on Energy and Commerce and Agriculture see the wisdom of reviewing the existing regulatory framework.

In closing, I must indicate to my colleagues that many of the issues presented in these bills are addressed in a comprehensive OTA report on Patenting Life that was issued earlier today. I urge my colleagues to carefully consider the important issues raised by these bills and the new OTA report.

FOOTNOTES

[1] *Patents and the Constitution; Transgenic Animals Hearings Before the Subcomm. on Courts, Civil Liberties the Administration of Justice of the House Comm. on the Judiciary,* 100th Cong., 1st Sess. (1987).

[2] H. Rep. 100-888.

[3] 134 Cong. Rec. H 7436.

[4] The legality of this decision was recently upheld by a Federal District Court in *Animal Legal Defense Fund* v. *Quigg,* F.2d—(N.D. Calif. Jan. 26, 1989).

[5] It would seem possible to reconcile the conflicts here by reaching an agreement in principal on the points of general agreement. For example, both proprietors and representatives of farmers agree that:

(1) there should be no patent infringement for an act of reproduction of a patented animal for on-farm personal use;

(2) patent infringement should exist against persons who reproduce the germ lines, semens or embryos of a patented animal; and

(3) farmers should not be free to effectively compete with the patent owner by selling significant numbers of off-spring with the patented gene sequence in the commercial market place.

The most difficult issue to resolve has been determining when the activity of the farmer "effectively competes" with the commercialization activities of the patent owner. It may be possible to draft legislation that leaves the details of these determinations to regulations to be issued jointly by the Secretary of Commerce and Agriculture. These "safe-harbour" rules could go a long way towards removing the current uncertainty about what would and would not be an act of patent infringement with respect to a patented transgenic farm animal. This approach would have two advantages. First, Congress could structure the criteria for the development of these guidelines in a manner roughly analogous to the "fair use" criteria used in the copyright law. Second, such a regulatory regime would permit slightly different standards of appropriate conduct to be developed depending on the type of animal involved. One of the difficulties the Committee confronted last Congress in developing rules for an industry (or, more accurately, a set of potential industries) was that what made sense for beef cattle may not have been appropriate for hogs or sheep. By permitting the details of these questions to be developed by regulation Congress could permit greater flexibility and facilitate more rapid changes in rules than if a strict legislative approach were adopted.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 5 minutes.

[Mr. LIPINSKI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

THE DEPOSIT INSURANCE REFORM AND REGULATORY MODERNIZATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. KLECZKA] is recognized for 5 minutes.

Mr. KLECZKA. Mr. Speaker, yesterday I introduced legislation, the Deposit Insurance Reform and Regulatory Modernization Act, which would, over a period of a decade, consolidate our Federal deposit insurance funds and Federal financial regulators.

In a special order yesterday, I described in detail titles I and II of the legislation, titles which would bring about the merger of the deposit insurance funds. Today, I will describe the section of the legislation which would consolidate the five existing Federal regulators into a single agency.

TITLE III

A Congress which considers the sweeping changes in our financial system now under discussion must also be ready to mandate an equally comprehensive overhaul of our creaky Federal financial regulatory system. As the financial marketplace changes, so should the method by which we regulate marketplace participants.

Title III of this legislation would consolidate existing Federal regulators of financial institutions.

This overdue action, a long-sought goal of banking reformers, would enhance the ability of regulators to deal with failed or failing institutions. In addition, it would promote more efficient operation of the Federal financial regulatory apparatus, bring about uniform treatment of similar financial institutions, and increase the accountability of financial regulators to the public and the Congress. Federal financial regulator consolidation would follow the merger of the Federal deposit insurance funds provided for by titles I and II of the Deposit Insurance Reform and Regulatory Modernization Act. Under this bill, consolidation of the regulators into a superagency would occur in 1998.

The current system of Federal financial regulation was perhaps best described by Federal Reserve Board Chairman Arthur Burns in 1974 as "a jurisdictional tangle that boggles

the mind." He accurately observed to the American Bankers Association in that year that the structure of the Federal regulatory apparatus was "the most serious obstacle to improving the regulation and supervision of banking."

In 1975, James L. Pierce, the director of the House Banking Committee's groundbreaking study, "Financial Institutions and the Nation's Economy [FINE]," had a dire warning to the financial institutions subcommittee about what the practical results of the jurisdictional tangle might mean. Speaking about the blurring of lines among banks and other financial institutions, he said:

As these institutions become more like banks, we run the real danger that regulation will become even more diffuse and fragmented. Unless the regulatory agencies are combined, we could have a situation in which institutions that provide roughly the same services are regulated by any one of five federal agencies. This situation would be impossible.

The indistinct lines of 1975 are in many instances nearly blurred to point of nonexistence today. As predicted, the regulatory situation is becoming increasingly impossible.

Consider the increasingly familiar circumstances of a bank merger. Who regulates?

If the surviving bank is a national bank, the Comptroller of the Currency has jurisdiction. If the surviving bank is an insured nonmember of the Federal Reserve System, the FDIC is in charge. If the surviving bank is a State member of the Federal Reserve System, the Federal Reserve has responsibility.

The players in the regulatory game know the rules and take advantage of that knowledge. The public, however, is often the loser as "competition in laxity" develops among regulators who begin to view the financial institutions they regulate as constituents to be served.

If we did not have the current hodge-podge of Federal financial regulation, it is difficult to imagine a Congress of rational men and women devising such a bewildering system. We now have a system, unique within the Federal Government, in which the object of regulation can choose its own regulator. As a 1984 Brookings Institution staff study concluded:

Federal regulation of depository institutions should be consolidated and centralized, and the more so the better.

THE CURRENT SYSTEM

At this point, a brief description of our current regulatory system might be worthwhile.

Banks, thrifts, and credit unions can be chartered at either the Federal or State level, a circumstance which has brought about the term "dual regulation." For certain institutions, this provides a choice among several regulators.

Commercial banks have several options. National banks are chartered by the Comptroller of the Currency and subject to regulation by that office. As a national bank, the institution must be a member of the Federal Reserve System and be subject to regulation by the Board of Governors of Federal Reserve Board. To be a member of the Federal Reserve System, the bank must be insured by the FDIC and, therefore, subject to regulation by that agency.

A State chartered bank has other options. It can decide to be a member of the Federal Reserve System and be regulated by the Federal Reserve Board of Governors. Or it may choose to be regulated by its primary State regulator while enjoying the benefits of Federal deposit insurance. In this instance, the State-chartered, FDIC-insured institution would be subject to FDIC regulation.

Federally chartered thrifts, which include savings banks and savings and loan associations, are chartered and subject to regulation by the Federal Home Loan Bank Board. Federally chartered thrifts must carry FSLIC deposit insurance and be members of the Federal Home Loan Bank System. State chartered thrifts, on the other hand, may be subject to primary regulation only by the State chartering authority but may, if they so decide, become members of the Federal Home Loan Bank System and the FSLIC, at which point they become subject to the regulation by the Federal Home Loan Bank Board and the FSLIC.

Federally chartered credit unions are regulated by the National Credit Union Administration [NCUA] and are required to be insured by the National Credit Union Share Insurance Fund [NCUSIF]. A State chartered credit union which opts for the NCUSIF becomes subject to Federal regulation.

The commercial bank examination process reflects the vagaries of discrete regulation. The Federal Reserve does not generally examine national banks even though it requires them to keep noninterest bearing reserves. The FDIC requires State member banks to pay fees to it even though primary examinations of these banks are the duty of the Federal Reserve.

Writer Curtis Seltzer described how this curious system of regulation can contribute to a major bank disaster. In the September 1983 issue of Washington Monthly, he wrote:

Witness the financial disaster set in motion by Penn Square. The Dallas regional Office of Comptroller (of the Currency) knew that the bank was in trouble, and that it was selling its bad loans to other banks. But the Comptroller never thought of making a few calls to his regulatory cousins to contain the damage. The Federal Reserve, for example, may have warned off banks like Chase Manhattan and Continental Illinois, who were getting knee-deep in Penn Square's bad paper. But the Office of the Comptroller never told about its problems upstream. The Comptroller also neglected to call the Federal Deposit Insurance Corporation, which usually tries to merge a floundering bank with a healthier one to stave off a disaster. No such luck * * *

This ramshackle system of regulation is illprepared to protect the public interest in a financial system poised to enter a 21st century marketplace.

Mr. J.L. Robertson, a former member of Board of Governors of the Federal Reserve System, had some astute observations about the financial regulatory system when he observed:

It is reflexive and not creative. It responds; it does not lead. The true strength of a regulatory system is not the speed with which it responds to financial catastrophes, but the skill and foresight by which it prevents them * * * Our present arrangement is a happenstance and not a system. In origin, function and effect, it is an amalgam of coincidence and inadvertence.

EFFICIENT REGULATION

Congress can modernize financial regulation so that the Federal Government spends less time fielding mop-up crews in financial disasters and acts instead with the skill and foresight envisioned by Mr. Robertson.

A single, well-staffed financial regulatory agency—a superagency—is essential if the Federal Government is to move from a reactive to an active participant in the financial marketplace. If we are to make our banks more efficient and powerful, as some suggest, so should we act to ensure that our regulators are equally efficient and powerful. Powerful financial institutions matched up against haphazard Federal regulation is a formula for failure.

As the FINE study recommended more than a decade ago, this legislation would merge the regulatory and supervisory functions of five agencies—the Comptroller of the Currency, the FDIC, the FHLBB, the Federal Reserve, and the National Credit Union Administration—into one agency. Federal Reserve duties would be limited to its principal mission, the conduct of monetary policy. The FHLBB would continue to administer the system of Federal Home Loan Banks.

A consolidated Federal financial regulator is overdue. With such a structure, the Federal Home Loan Bank Board, for example, would never be asked to act as a client of the savings and loan industry as it attempts to regulate that industry.

For regulators, private interest would be less likely to crowd out public interest in a single agency which regulates diverse types of financial institutions.

A unified regulatory agency would also provide more efficient operations. Legal and research staffs could be reduced, regional office and headquarter staffs consolidated and training systems coordinated. The reporting requirements for commerical banks could be streamlined, which should mean a reduction in costs for administering, processing and publishing such reports. Instead of allocating senior staff time simply to find out what another financial regulatory agency is doing, a consolidated agency could devote resources to more productive regulatory concerns.

A single regulatory agency would enhance bank holding company regulation. The Federal Reserve is now charged with regulating bank holding companies, but often is precluded from directly regulating individual banks within the holding company. This schizophrenic relationship may be worsened if Congress broadens the powers of banks to engage in relatively risky securities activities through the bank holding company structure. If new powers are to be granted, Federal financial regulation of component banks and the holding company itself should be centered in one agency. No longer would a bank-holding company seeking expanded powers face delays as it seeks approval first from the agency supervising the bank subsidiary, then from the Federal Reserve.

PROBLEM INSTITUTIONS

Consolidation of Federal financial regulation will make it easier for the Federal Government to deal with problem institutions early on. While each institution has a primary regulator, a failing commercial bank can, in some instances, draw the attention of the three Federal bank regulators. When three agencies with inevitably differing regulatory goals become involved in a case, the process just as inevitably slows. The 1984 Brookings Institution staff report noted that unnecessary problems arise when two or more agencies share safety and soundness responsibility for a particular institution, with regulatory gaps occurring when one agency asserts control. Such interagency confict can lead to extra costs and delays for both the agencies and financial institutions involved. A unified agency would eliminate the need for time-consuming coordinating activities.

A unified Federal financial regulator would provide a single focal point for public and congressional inquiries in matters of bank regulation and supervision. The alphabet soup of regulatory names roll easily off the tongues of those who know how to use the system but oftentimes perplex the average depositor. A consolidated agency would lessen the confusion for most consumers. As the National Consumers League has testified to the Financial Institutions Subcommittee:

The present complicated regulatory structure is particularly frustrating to consumer groups, lacking in organization, sophistication and financial endowment, who wish to understand or influence some aspect of financial policy * * * The consolidation of the agencies could enable consumer representatives to focus on one regulatory policy on any given issue.

Finally, a consolidated Federal financial regulator would make it easier to ensure uniform treatment of similar financial institutions. Some bankers are less than enthusiastic about the merger idea. There are those, however, who argue that they would be willing to accept a merger of the funds if all financial institutions were regulated uniformly. A chronic complaint is that standards of safety and soundness vary sharply from one agency to another. A consolidated Federal financial regulator would limit laxity encouraged by disparate financial regulators.

Mr. Speaker, I urge support for the Deposit Insurance Reform and Regulatory Modernization Act.

INTENSIVE HEALTH CARE TO RURAL HOSPITALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. ALEXANDER] is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, a fundamental concern of senior citizens and families of all ages who live in small communities, towns, and even in midsize cities, is whether or not they will have access to the health care they need.

In response to this and other major health care concerns, I and more than 100 other Members have joined forces in the House Rural Health Care Coalition. Today, the coalition has unveiled its legislative proposals for extensive reform of Federal health programs.

The bills in the package include proposals for higher Medicare payments to small rural hospitals; improvements in emergency medical services in rural areas; reforms in Medicare payments to physicians; incentives for health care professionals to practice in rural areas; and expansion of infant mortality initiatives. These issues are central to the development of a solid health care system.

One of the biggest health concerns of rural America is the rate at which its hospitals are closing.

In the March 18 issue of the Washington Post, a front page article declared that the Nation's rural hospitals are in critical condition. The lower Medicare reimbursements to rural hospitals is just one factor contributing to the diagnosis.

The article cited 206 hospitals closures in rural areas since 1980. Forty-three of those were closed last year. And, a projected 600 others could close by the early 1990's, according to the article.

In the eastern Arkansas district that I represent, two rural hospital closures last August have had a detrimental effect on their communities that cannot be measured. At least 10 others in the State may soon share the same fate, the Arkansas Hospital Association projects.

Members of the coalition are working to change the prognosis of rural health care.

Already, our legislative initiatives have received wide bipartisan support. And, we're optimistic about the chances for a stronger health care system that can thrive in rural America.

Under our comprehensive package, residents of rural areas could continue depending on their local hospitals and health care providers for quality care.

Workers in our rural hospitals could look to a future of higher Medicare payments that are equal to those in urban areas. Our bill to reform Medicare payments to hospitals would eliminate the disparity of lower payments to rural hospitals. We propose the establishment of a single national reimbursement rate for all prospective payments system hospitals by October 1, 1994.

Our proposal would establish interim protection for small rural hospitals until the single national rate is in effect. Further, some of those hospitals would be designated as "critical access facilities." The designation would mean continued protection for vital health care providers after the 3-year interim.

Rural residents would see improved access to emergency medical services under the coalition's proposal.

In Arkansas, which ranks fifth among States with the highest percentages of elderly residents, a sound transportation system and prehospital treatment are critical components of rural health care. The coalition proposes to establish a $45 million block grant program and $10 million in demonstration projects to improve and develop thorough emergency medical plans in these regions.

For rural physicians, the coalition is committed to eliminating the discriminatory geographic wage differential that has meant lower payments and less incentive for them to practice in rural areas.

As an added incentive, physicians, nurses, and other eligible health professionals would benefit from the coalition's bill to restore a tax exemption for interest on education loans if those professionals practice in areas where there are shortages of health manpower.

Another major initiative in the coalition's legislative package is one that addresses infant mortality. As a State, Arkansas' infant mortality rate is slightly lower than the national average. But, in five of the Delta counties that I represent, the infant mortality rate ranges from considerably higher to double that of the national average.

Under our proposal, health professionals and trained volunteers would coordinate in-home medical and nutritional services for at-risk mothers and their infants. And, Medicaid-eligible women would have easier access to vital maternal-child health services.

Mr. Speaker, the coalition has ambitious goals for the 101st Congress I fully support the package and urge my colleagues to do so.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 60 minutes.

[Mr. BILIRAKIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 30 minutes.

[Mr. HOYER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

[Mrs. BENTLEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. GILMAN] is recognized for 60 minutes.

[Mr. GILMAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 60 minutes.

[Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. RITTER] is recognized for 60 minutes.

[Mr. RITTER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to: Mr. ORTIZ (at the request of Mr. FOLEY), for today and the balance of the week on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GOODLING) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 60 minutes, today.

Mr. RITTER, for 60 minutes, today.

(The following Members (at the request of Mr. MURPHY) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. KLECZKA, for 5 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

Mr. HOYER, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GOODLING) and to include extraneous matter:)

Mr. CRANE in two instances.

Mr. FISH.

Mr. PURSELL.

Mr. DAVIS.

Mr. SMITH of New Jersey in two instances.

Mr. SOLOMON.

Mr. BATEMAN.

Mr. BARTON of Texas.

Mr. COX.

Mr. BUECHNER.

Mr. DENNY SMITH in two instances.

Mr. WYLIE in two instances.

Mr. COLEMAN of Missouri.

Mr. MARLENEE in two instances.

Mr. TAUKE.

(The following Members (at the request of Mr. MURPHY) and to include extraneous matter:)

Mr. ACKERMAN.

Mr. ROBINSON.

Mr. LIPINKSI.

Mr. FORD of Michigan.

Mr. ATKINS.

Mr. FAUNTROY.

Mr. RANGEL.

Mr. FLORIO.

Mr. SMITH of Florida in three instances.

Mr. DORGAN of North Dakota.

Mr. MANTON.

Mr. LANTOS in two instances.

Mr. ROE in two instances.

Mr. MCMILLEN of Maryland.

Mr. GORDON in three instances.

Mr. HOCHBRUECKNER.

Mr. KASTENMEIER.

Mr. FOGLIETTA.

Mr. JONES of North Carolina.

Mr. COOPER.

Mr. DWYER of New Jersey.

Mr. MORRISON of Connecticut.

Mr. ECKART.

Mr. LEVINE of California.

Mr. SKELTON.

Mr. RAHALL.

Mr. STARK in three instances.

Mr. MRAZEK.

Mr. DARDEN.

Mr. HAMILTON.

Mr. TORRES.

Mr. DE LUGO.

Mr. LELAND in two instances.

Mr. GEPHARDT.

Mr. MARKEY.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 20. An act to amend title 5, United States Code, to strengthen the protections available to Federal employees against prohibited personnel practices, and for other purposes.

ADJOURNMENT

Mr. MURPHY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, March 23, 1989, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

822. A letter from the Secretary, Department of Agriculture, transmitting a draft of proposed legislation to authorize the planning and construction by the Secretary of Agriculture of a facility to provide additional storage space and the renovation of existing facilities to provide laboratories at the National Seed Storage Laboratory, Fort Collins, CO; to the Committee on Agriculture.

823. A letter from the Secretary of Agriculture, a draft of proposed legislation to authorize appropriations for the planning, construction, acquisition, alteration, repair of facilities, and other public improvements of the Agricultural Research Service at the Beltsville Agricultural Research Center, Beltsville, MD, and for other purposes, pursuant to 31 U.S.C. 1110; to the Committee on Agriculture.

824. A letter from the Acting Secretary of the Air Force, transmitting notification that the Army Ground Station Module portion of the Joint Stars program has exceeded its baseline unit cost by more than 15 percent, pursuant to 10 U.S.C. 2431(b)(3)(A); to the Committee on Armed Services.

825. A letter from the Deputy General Counsel, Department of Defense, transitting a draft of proposed legislation to amend chapter 141 of title 10, United States Code, with respect to the procurement of communications support and related supplies and services; to the Committee on Armed Services.

826. A letter from the Chairman, Federal Trade Commission, transmitting the eleventh annual report concerning the administration and enforcement of the Fair Debt Collection Practices Act, pursuant to 15 U.S.C. 1692m; to the Committee on Banking, Finance and Urban Affairs.

827. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 8-8, "District of Columbia Public School Firearm Prohibition Temporary Act of 1989," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

828. A letter from the Secretary of Education, transmitting a copy of Final Regulations—Strengthening Institutions Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

829. A letter from the Acting Director, Defense Security Assistance Agency, transmitting an addendum to the listing of all outstanding letters of offer to sell any major defense equipment for $1 million or more; an addendum to the listing of all letters of offer for major defense equipment valued at $1 million or more that were accepted as of December 31, 1988, pursuant to 22 U.S.C. 2776(a); to the Committee on Foreign Affairs.

830. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report containing an analysis and description of services performed by full-time USG employees as of 30 September 1988 for which reimbursement is provided under section 21(a) or section 43(b) of the AECA; to the Committee on Foreign Affairs.

831. A letter from the Assistant Secretary of State, Legislative Affairs, transmitting copies of the original report of political contributions by James Roderick Lilley, of Maryland, Ambassador Extraordinary and Plenipotentiary of the U.S.-designate to the People's Republic of China, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

832. A letter from the Acting Director, Defense Security Assistance Agency, transmitting copies of certain FMS quarterly reports for the first quarter of fiscal year 1989, October 1, 1988—December 31, 1988, pursuant to the Committee on Government Operations; to the Committee on Foreign Affairs.

833. A letter from the Assistant Secretary, Legislative Affairs, Department of State, transmitting a report covering employment of nationals of Communist countries at United States diplomatic and consular missions in Communist countries, pursuant to Public Law 100-204, section 157; to the Committee on Foreign Affairs.

834. A letter from the Administrator, Panama Canal Commission, transmitting the annual report of the Commission's activities under the Freedom of Information Act, calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

835. A letter from the Assistant Secretary of State, Legislative Affairs, transmitting the annual report of the Department's activities under the Freedom of Information Act, calendar year 1988, pursuant to 5

U.S.C. 552(d); to the Committee on Government Operations.

836. A letter from the Executive Director, National Mediation Board, transmitting the annual report of the Board's activities under the Freedom of Information Act, calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

837. A letter from the Secretary, Federal Trade Commission, transmitting the annual report of the Commission's activities under the Freedom of Information Act, calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

838. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

839. A letter from the Director, United States Office of Personnel Management, transmitting a draft of proposed legislation to amend title 5, United States Code, to allow degree training for Federal employees in critical skills occupations, and for other purposes; to the Committee on Post Office and Civil Service.

840. A letter from the Secretary, Department of Transportation, transmitting a draft of proposed legislation to amend the Act creating the Saint Lawrence Seaway Development Corporation to eliminate the transfer of the Corporation's toll revenues to the Harbor Maintenance Trust Fund, and for other purposes; to the Committee on Public Works and Transportation.

841. A letter from the Chairman, Arctic Research Commission, transmitting the annual report of the activities and accomplishments of the Commission for the period 1 October 1987—30 September 1988, pursuant to 15 U.S.C. 4103(b); to the Committee on Science, Space, and Technology.

842. A letter from the Administrator, National Aeronautics and Space Administration, transmitting the first report on progress during the past year and future plans for meeting the goal for transition of the U.S. Government to use the Systeme Internationale (SI) metric system, pursuant to Public Law 100-418, section 5614; to the Committee on Science, Space, and Technology.

843. A letter from the Commissioner of Customs, transmitting copies of "30/120 Day (District) Binding Rulings Program" and the "Pre-Entry (Line Review) Classification Program," new rulings recently implemented to enhance and expand existing procedures for commodity tariff classifications, pursuant to Public Law 100-418; to the Committee on Ways and Means.

844. A letter from the Secretary of Commerce, transmitting copies of the monthly reports on imports during November and December 1988 of strategic and critical materials from countries of the Council for Mutual Economic Assistance, pursuant to 22 U.S.C. 5092(b)(2); jointly to the Committees on Foreign Affairs and Ways and Means.

845. A letter from the Director, Office of Personnel Management, transmitting a report on the classification of certain positions at the Aeronautical Center, FAA, Department of Transportation on which the FAA may want to rebut certain of the findings; no action will be taken until further consultation; findings will be reported at that time, pursuant to Public Law 100-690, section 7211(c); jointly to the Committees on Post Office and Civil Service and Public Works and Transportation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KASTENMEIER:

H.R. 1556. A bill to amend title 35, United States Code, relating to animal patents; to the Committee on the Judiciary.

H.R. 1557. A bill to regulate the use of genetically engineered animals in agricultural activities, and for other purposes; jointly to the Committees on Science, Space, and Technology and Agriculture.

By Mr. BARTON of Texas (for himself, Mr. WILSON, Mr. STENHOLM, Mr. ENGLISH, Mr. SKEEN, Mr. LIVINGSTON, Mr. ANDREWS, Mr. LELAND, Mr. RICHARDSON, Mr. SMITH of Texas, and Mr. CLINGER):

H.R. 1558. A bill to amend the Energy and Conservation Act with respect to the Strategic Petroleum Reserve and the International Energy Program, and to amend the Internal Revenue Code of 1986 to impose a tax on the importation of crude oil and petroleum products; jointly to the Committees on Energy and Commerce and Ways and Means.

By Mr. BUECHNER:

H.R. 1559. A bill to require the Secretary of Energy to conduct certain projects relating to the Department of Energy civilian energy research and development waste currently located at sites in Missouri; to the Committee on Science, Space, and Technology.

By Mr. HUGHES (for himself, Mr. SAXTON, and Mr. PALLONE):

H.R. 1560. A bill to amend title 18, United States Code, to provide penalties for dumping in the high seas, and for other purposes; to the Committee on the Judiciary.

By Mr. BUSTAMANTE (for himself, Mr. FUSTER, Mr. DE LA GARZA, Mr. DE LUGO, Mr. ORTIZ, Mr. GARCIA, Mr. TORRES, Mr. BLAZ, Mr. COLEMAN of Texas, and Mr. FAUNTROY):

H.R. 1561. A bill to provide Hispanic-serving institutions of higher education with financial assistance to improve their capacity to expand Hispanic educational attainment; to the Committee on Education and Labor.

By Mr. CALLAHAN:

H.R. 1562. A bill to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabama; to the Committee on Interior and Insular Affairs.

By Mr. DAVIS (for himself, Mr. JONES of North Carolina, Mr. TALLON, Mr. GOSS, Mr. HUTTO, Mr. FIELDS, Mr. COBLE, Mr. MOAKLEY, and Mr. JONES of Georgia):

H.R. 1563. A bill to preserve the United States' title and interest in the C.S.S. Alabama and to encourage its preservation; jointly, to the Committee on Foreign Affairs and Merchant Marine and Fisheries.

By Mr. DEFAZIO (for himself and Mr. TAUKE):

H.R. 1564. A bill to amend title XVIII of the Social Security Act and other provisions of law to delay for one year the effective dates of the supplemental Medicare premium and additional benefits under part B of the Medicare Program, with the exception of the spousal impoverishment benefit; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. DORGAN of North Dakota (for himself and Mr. STALLINGS):

H.R. 1565. A bill to amend the Internal Revenue Code of 1986 to allow institutions of the farm credit system to deduct amounts added to a reserve for bad debts under rules applicable to the deduction of such amounts by small banks; to the Committee on Ways and Means.

By Mr. FRANK:

H.R. 1566. A bill to amend the Truth in Lending Act to protect the right to financial privacy by establishing standards with respect to the type and amount of information which creditors may require borrowers to provide in connection with consumer loan applications, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HUNTER (for himself, Mrs. BENTLEY, and Mr. DORNAN of California):

H.R. 1567. A bill to apply sanctions against foreign entities that provide, or have provided, assistance in the construction or operation of the chemical weapons factory at Rabta, Libya; jointly, to the Committees on Ways and Means, Government Operations and Permanent Select Committee on Intelligence.

By Mrs. KENNELLY (for herself, Mr. OWENS of New York, Mr. BATES, Mr. DWYER of New Jersey, Mr. FAUNTROY, Mr. MCDERMOTT, Mrs. COLLINS, Mr. FLORIO, Mr. ENGEL, Mr. LEWIS of Georgia, Mr. CROCKETT, Mr. GARCIA, Ms. KAPTUR, Ms. OAKAR, Mr. DAVIS, Mr. BRYANT, Mr. LAFALCE, Mr. CONYERS, Mr. NEAL of North Carolina, Mr. FOGLIETTA, Mr. LEVIN of Michigan, Mr. FORD of Tennessee, Mr. SAVAGE, Ms. PELOSI, Mr. COYNE, Mrs. SAIKI, Mr. THOMAS A. LUKEN, Mr. HERTEL, and Mr. ROE):

H.R. 1568. A bill to amend title V of the Social Security Act to provide for supplemental resources to enhance the delivery of health services to pregnant women and infants; to the Committee on Energy and Commerce.

By Mr. LANTOS:

H.R. 1569. A bill to repeal the reinsurance requirement under the life insurance program for Federal employees; to the Committee on Post Office and Civil Service.

By Mr. LEWIS of Georgia (for himself, Mr. DELLUMS, Mr. CLAY, Mrs. COLLINS, Mr. CONYERS, Mr. CROCKETT, Mr. DYMALLY, Mr. ESPY, Mr. FAUNTROY, Mr. FLAKE, Mr. FORD of Tennessee, Mr. GRAY, Mr. HAWKINS, Mr. HAYES of Illinois, Mr. MFUME, Mr. OWENS of New York, Mr. PAYNE of New Jersey, Mr. RANGEL, Mr. SAVAGE, Mr. STOKES, Mr. TOWNS, Mr. WHEAT, Mr. VALENTINE, Mr. PARKER, Mr. JONES of Georgia, and Mr. DIXON):

H.R. 1570. A bill to authorize the establishment of the National African-American Heritage Memorial Museum within the Smithsonian Institution; jointly, to the Committees on Public Works and Transportation and House Administration.

By Mr. MCEWEN (for himself, Mr. CHANDLER, and Mr. MILLER of Washington):

H.R. 1571. A bill to amend the harmonized tariff schedule of the United States to suspend the duties on certain bicycle parts, and for other purposes; to the Committee on Ways and Means.

By Mr. MARKEY (for himself, Mr. DINGELL, Mr. SWIFT, Mr. LELAND, Mr. SYNAR, Mr. TAUZIN, Mr. ECKART, Mr. RICHARDSON, Mr. SLATTERY, Mr.

BRYANT, Mr. BOUCHER, Mr. COOPER, Mr. MANTON, and Mr. WYDEN):

H.R. 1572. A bill to require the Federal Communications Commission to collect sufficient information to determine the effect of implementing price cap regulation on interstate telephone rates, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MILLER of California (for himself, Mr. ANTHONY, Mrs. BOGGS, Mrs. BOXER, Mr. DURBIN, Mr. EVANS, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LEVIN of Michigan, Mr. MARTINEZ, Mr. MCHUGH, Mr. MORRISON of Connecticut, Mrs. SCHROEDER, Mr. SIKORSKI, Mr. SKAGGS, Mr. WAXMAN, Mr. WEISS, and Mr. WHEAT):

H.R. 1573. A bill to amend certain acts to provide for improved and expanded services with respect to the health of children, and for other purposes; jointly, to the Committees on Energy and Commerce and Education and Labor.

By Mr. MRAZEK:

H.R. 1574. A bill to establish the Commission on International Security and Satellite Monitoring; jointly, to the Committees on Foreign Affairs, Permanent Select Committee on Intelligence, and Science, Space, and Technology.

By Mr. ORTIZ (for himself and Mr. DE LA GARZA):

H.R. 1575. A bill to provide for the establishment of a new medical facility for veterans in south Texas; to the Committee on Veterans' Affairs.

By Mr. STAGGERS:

H.R. 1576. A bill to modify the boundary of the Cranberry Wilderness, located in the Monongahela National Forest, WV; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. TORRES (for himself and Mr. WAXMAN):

H.R. 1577. A bill to amend the Clean Air Act to require new stationary sources of air pollutants which are located in nonattainment areas to periodically reduce emissions; to the Committee on Energy and Commerce.

By Mr. TRAFICANT:

H.R. 1578. A bill to suspend most-favored-nation trade privileges to the Socialist Federal Republic of Yugoslavia; to the Committee on Ways and Means.

By Mr. UPTON:

H.R. 1579. A bill to amend the Internal Revenue Code of 1986 to provide that the one-time exclusion of gain from sale of a principal residence shall not be precluded because the taxpayer's spouse, before becoming married to the taxpayer, elected the exclusion; to the Committee on Ways and Means.

By Mr. FISH (for himself, Mr. ACKERMAN, Mr. BERMAN, Mr. BEVILL, Mr. BLILEY, Mrs. BOXER, Mr. BUSTAMANTE, Mr. CARPER, Mr. CLAY, Mrs. COLLINS, Mr. CONTE, Mr. CROCKETT, Mr. DARDEN, Mr. DEFAZIO, Mr. DORNAN of California, Mr. DYMALLY, Mr. FAZIO, Mr. FOGLIETTA, Mr. FRENZEL, Mr. GILMAN, Mr. HAYES of Illinois, Mr. HEFNER, Mr. HORTON, Mr. HUGHES, Mrs. JOHNSON of Connecticut, Mr. JONES of North Carolina, Mr. KASTENMEIER, Mr. KOSTMAYER, Mr. LEHMAN of Florida, Mr. LANTOS, Mr. LIPINSKI, Mr. MARTINEZ, Mr. MILLER of California, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. PICKETT, Mr. ROE, Mr. SCHUMER, Mr. TRAXLER, Mr. VOLKMER, and Mr. WOLF):

H.J. Res. 214. Joint resolution designating the week of October 23 through October 29, 1989, as "Eating Disorders Awareness Week;" to the Committee on Post Office and Civil Service.

By Mr. LELAND:

H.J. Res. 215. Joint resolution to designate the week of October 8 through 14, 1989, as "National Week of Commitment to Helping the Homeless"; to the Committee on Post Office and Civil Service.

By Mr. SMITH of New Jersey (for himself, Mr. MOLLOHAN, and Mr. HYDE):

H. Con. Res. 80. Concurrent resolution concerning United States policy toward the one-child-per-family program and forced abortion policies of the People's Republic of China; to the Committee on Foreign Affairs.

By Mr. WYLIE (for himself, Mr. ANNUNZIO, Mrs. ROUKEMA, Mr. DREIER of California, Mr. RIDGE, Mr. BARTLETT, Mr. FAUNTROY, Mr. BARNARD, Mr. FRANK, Mr. KLECZKA, and Mr. PRICE):

H. Res. 113. Resolution to establish the Select Committee on Housing and Tax Policy; to the Committee on Rules.

By Mr. MICHEL:

H. Res. 114. Resolution relating to the compensation of certain minority employees; considered and agreed to.

By Mrs. MARTIN of Illinois (for herself, Mr. QUILLEN, Mr. SOLOMON, and Mr. PASHAYAN):

H. Res. 115. Resolution to establish a Committee on Drug Abuse and Control and to abolish the Select Committee on Narcotics Abuse and Control; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

38. By the SPEAKER: Memorial of the Legislature of the State of Utah, relative to consideration of the designation of additional land in Utah as wilderness; to the Committee on Interior and Insular Affairs.

39. Also, memorial of the General Assembly of the State of Iowa, relative to proposing an amendment to the Constitution relative to an increase in compensation for Members of Congress; to the Committee on the Judiciary.

40. Also, memorial of the Legislature of the State of New York, relative to recent decisions of the U.S. Supreme Court interpreting the tenth amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII:

Mr. HUTTO introduced a bill (H.R. 1580) to authorize issuance of a certificate of documentation for the vessel M/V *Northern Victor;* which was referred to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 22: Mr. ORTIZ, Mr. KOLTER, Mr. DEFAZIO, and Mr. ASPIN.

H.R. 46: Mr. FEIGHAN.

H.R. 156: Mr. LEHMAN of Florida and Mr. WILLIAMS.

H.R. 191: Mr. CLINGER and Mr. EMERSON.

H.R. 237: Mr. GLICKMAN, Mr. BONIOR, Mr. ENGEL, Mr. ACKERMAN, Mr. FAZIO, Mr. MINETA, and Mr. DEFAZIO.

H.R. 360: Mr. FEIGHAN.

H.R. 361: Mr. FEIGHAN.

H.R. 362: Mr. WHITTAKER and Mr. THOMAS A. LUKEN.

H.R. 416: Mr. RICHARDSON.

H.R. 418: Mr. RAHALL, Mr. LEHMAN of California, Mr. DIXON, and Mr. BOUCHER.

H.R. 436: Mr. BARNARD, Mr. WILLIAMS, Mr. KILDEE, Mr. BRYANT, and Mr. FRANK.

H.R. 455: Mr. CROCKETT, Mr. GLICKMAN, Mr. LANCASTER, Mr. BLILEY, Mr. BROOKS, Mr. DELLUMS, Mr. HAYES of Illinois, Mr. DYMALLY, Mr. DE LUGO, Mr. BEREUTER, Mr. KOLBE, Mr. MOAKLEY, Mr. PACKARD, Mr. ECKART, Mr. FOGLIETTA, Mr. CRAIG, and Mr. FAZIO.

H.R. 499: Mr. DONALD E. LUKENS.

H.R. 504: Mr. DONALD E. LUKENS.

H.R. 560: Mrs. SAIKI, Mr. FAUNTROY, Mr. GEJDENSON, and Mr. PEPPER.

H.R. 561: Mr. DURBIN, Mr. MCCOLLUM, and Mrs. UNSOELD.

H.R. 563: Mr. JOHNSON of South Dakota, Mr. HOYER, and Mr. ENGLISH.

H.R. 575: Mr. PAXON.

H.R. 587: Mr. FRANK, Mr. PENNY, Mr. MORRISON of Connecticut, Mr. ROBINSON, Mr. OWENS of New York, Mrs. COLLINS, Mr. LEWIS of Georgia, Mr. FAZIO, and Mr. BEVILL.

H.R. 628: Mr. FAUNTROY, Mr. MORRISON of Connecticut, Mr. DYMALLY, Mr. ATKINS, and Mrs. BOXER.

H.R. 691: Mr. ARMEY, Mr. BLILEY, Mr. FAUNTROY, Mr. STEARNS, and Mr. BEREUTER.

H.R. 699: Mr. FRANK, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. DWYER of New Jersey, Mr. MOAKLEY, Mr. TALLON, Mrs. COLLINS, Mr. PALLONE, Mr. BONIOR, Mr. ACKERMAN, Mr. COSTELLO, Mr. STUDDS, Mrs. BOXER, Mr. FAZIO, Mr. BUSTAMANTE, Mr. VENTO, Mr. ATKINS, Mr. BROWN of California, Mr. STARK, Mr. AUCOIN, and Mr. WHEAT.

H.R. 705: Mr. DE LUGO, Mr. LANCASTER, Mr. DARDEN, Mr. LAFALCE, Mr. SHAYS, Ms. KAPTUR, Mr. DELLUMS, Mr. LANTOS, Mr. JONTZ, Mr. BARTON of Texas, Mr. BRYANT, Mr. SOLARZ, Mr. DYSON, Mr. MCDERMOTT, Mr. RINALDO, Mr. MAVROULES, Mr. GOSS, Mr. OWENS of New York, Mr. BONIOR, Mr. FOGLIETTA, Mr. MACHTLEY, Mr. WILLIAMS, and Mr. MFUME.

H.R. 747: Mr. FRENZEL, Mrs. LOWEY of New York, Mr. BALLENGER, Mr. PAXON, Mr. ANNUNZIO, Mr. FALEOMAVAEGA, Mr. ORTIZ, Mr. JAMES, Mr. STALLINGS, Mr. ROBERT F. SMITH, Mr. BEVILL, Mr. DUNCAN, Mr. SMITH of Florida, Mr. COSTELLO, Mr. FLAKE, Mr. SENSENBRENNER, Mr. MACHTLEY, Mr. LEACH of Iowa, Mrs. SAIKI, Mr. PEPPER, Mr. REGULA, Mr. MILLER of California, Mr. FAUNTROY, Mr. SCHAEFER, Mr. MCCURDY, Mr. ROBINSON, and Mr. SKEEN.

H.R. 759: Mr. THOMAS of California, Mr. PASHAYAN, and Mr. MOORHEAD.

H.R. 760: Mr. FROST, Mr. ARMEY, Mr. WHITTAKER, Mr. BARTON of Texas, and Mr. LEATH of Texas.

H.R. 794: Mr. KENNEDY and Mr. ROE.

H.R. 799: Mr. LIGHTFOOT.

H.R. 821: Mrs. MORELLA.

H.R. 857: Ms. SCHNEIDER, Mr. AUCOIN, Mr. EDWARDS of California, Mr. BEILENSON, Mr. MATSUI, Mr. KOSTMAYER, Mr. SCHEUER, Mr. BERMAN, Mrs. MORELLA, Mrs. COLLINS, Mr. OWENS of New York, Mr. HAYES of Illinois, Mr. STOKES, Mr. MILLER of California, Mr. DEFAZIO, Mr. FRANK, Mr. MCDERMOTT, Mr.

STUDDS, Mr. WILSON, Mrs. JOHNSON of Connecticut, Ms. PELOSI, Mrs. BOXER, Mr. SKAGGS, Mr. WOLPE, Mr. DYMALLY, Mr. STARK, Mr. WHEAT, Mr. WYDEN, Mr. LEHMAN of Florida, Mr. UDALL, Mr. WEISS, Mr. GILMAN, Mr. MORRISON of Connecticut, Mr. FOGLIETTA, Mr. LEVIN of Michigan, Mr. ENGEL, Mrs. ROUKEMA, and Mr. CLAY.

H.R. 895: Mr. VOLKMER.

H.R. 917: Mr. YATRON.

H.R. 1068: Mr. BILIRAKIS, Mr. MILLER of Washington, Mr. QUILLEN, Mr. FRENZEL, Mr. DENNY SMITH, Mr. MORRISON of Connecticut, Mr. MOORHEAD, Mr. FASCELL, Mr. ROE, and Mr. PANETTA.

H.R. 1079: Mr. RAHALL and Mr. DONALD E. LUKENS.

H.R. 1080: Mr. HOLLOWAY, Mr. KYL, Mr. KOLBE, Mr. HERGER, Mr. HILER, and Mr. WALSH.

H.R. 1112: Mr. LANTOS.

H.R. 1150: Mr. MILLER of California and Mr. OWENS of New York.

H.R. 1165: Mr. GARCIA, Mr. MOAKLEY, Mr. MILLER of Washington, Ms. PELOSI, Mr. DONALD E. LUKENS, Mr. BUNNING, Mr. LEWIS of Georgia, and Mr. HASTERT.

H.R. 1170: Mr. FOGLIETTA.

H.R. 1172: Mr. HAYES of Louisiana and Mr. ESPY.

H.R. 1200: Mr. MCNULTY, Mr. ROWLAND of Connecticut, Mr. GLICKMAN, Mr. SMITH of New Hampshire, Mr. FRANK, Mr. ENGEL, Mr. JOHNSON of South Dakota, Mr. RAHALL, Mr. LEWIS of Georgia, Mr. BARTLETT, Mr. SOLOMON, Mr. BALLENGER, Mr. MANTON, Mr. WILLIAMS, Mr. DYSON, Mr. HOPKINS, Mr. SMITH of Vermont, Mr. AKAKA, Mr. GORDON, Mr. COOPER, Mr. HOCHBRUECKNER, Mr. WATKINS, Mrs. BOXER, and Mr. MOLLOHAN.

H.R. 1226: Mr. ROE.

H.R. 1276: Mr. CAMPBELL of Colorado and Mr. SHUMWAY.

H.R. 1283: Mr. BEILENSON, Mr. OLIN, and Mr. LANTOS.

H.R. 1286: Mr. GUNDERSON, Mr. LIPINSKI, Mr. OWENS of New York, Mr. BUSTAMANTE, and Mr. HUGHES.

H.R. 1287: Mr. LIVINGSTON, Mr. LAGOMARSINO, Mr. DOUGLAS, Mr. PACKARD, Mr. BLILEY, Mr. BALLENGER, and Mr. EMERSON.

H.R. 1295: Mr. HORTON, Mr. PARRIS, Mr. HANSEN, and Mr. KLECZKA.

H.R. 1304: Mr. DOWNEY and Mr. ATKINS.

H.R. 1307: Mr. MCEWEN, Mr. CHAPMAN, Ms. OAKAR, Mr. HANSEN, Mr. COUGHLIN, Mr. BURTON of Indiana, Mr. TALLON, Mrs. ROUKEMA, Mr. SHAW, Mrs. VUCANOVICH, Mr. HILER, Mr. PORTER, Mr. TRAFICANT, Mr. BRUCE, Mr. ROWLAND of Georgia, Mr. SCHUETTE, Mr. HUTTO, Mr. SHUMWAY, and Mr. ESPY.

H.R. 1317: Mr. LEWIS of Georgia.

H.R. 1351: Mr. VOLKMER, Mr. MCEWEN, Mr. HOCHBRUECKNER, Mr. BARTON of Texas, Mr. DONALD E. LUKENS, and Mr. GALLEGLY.

H.R. 1391: Mr. WILSON.

H.R. 1417: Mr. FRANK, Mr. NEAL of Massachusetts, Mr. RAHALL, Mr. MANTON, Mrs. COLLINS, Mr. ERDREICH, Mr. FAUNTROY, and Mr. GUARINI.

H.R. 1425: Mr. FAUNTROY, Mr. DYMALLY, Mr. STARK, Mr. LEHMAN of California, Mrs. COLLINS, and Mrs. BOXER.

H.R. 1466: Mr. CLINGER.

H.R. 1470: Mr. BORSKI and Mrs. MEYERS of Kansas.

H.R. 1515: Mr. ECKART, Mr. RITTER, Mr. HUNTER, and Mr. CLINGER.

H.J. Res. 13: Mr. HOLLOWAY.

H.J. Res. 28: Mr. KOLBE.

H.J. Res. 34: Mr. HERGER and Mr. ROBINSON.

H.J. Res. 54: Mr. OWENS of New York, Mrs. COLLINS, Mr. BATES, Mrs. BOXER, Mr. EDWARDS of California, Mr. DEFAZIO, Mr. FAUNTROY, Mr. DYMALLY, Mr. RANGEL, Mr. CONYERS, Mr. CLAY, Mr. ROYBAL, Mr. OLIN, Mr. HAYES of Illinois, Mr. LELAND, Mr. ACKERMAN, Mr. TORRES, Mr. LEWIS of Georgia, and Mr. FOGLIETTA.

H.J. Res. 137: Mr. STUDDS, Mr. LEHMAN of Florida, Mr. ATKINS, Mr. HAMILTON, Mr. CARPER, Mr. BATES, and Mr. VENTO.

H.J. Res. 140: Mr. LANTOS, Mr. OXLEY, Ms. KAPTUR, Mr. LEWIS of California, Mr. VANDER JAGT, Mr. GINGRICH, Mr. GILMAN, Mr. WAXMAN, Mr. VOLKMER, Mr. SKEEN, Mr. TRAXLER, Mr. JOHNSON of South Dakota, Mr. CRAIG, Mr. WALSH, Mr. SMITH of Vermont, Mr. SHUMWAY, Mr. JONES of Georgia, and Mr. MOORHEAD.

H.J. Res. 151: Mr. HUCKABY, Mrs. JOHNSON of Connecticut, Mr. GARCIA, Mr. ROWLAND of Connecticut, Mr. LANCASTER, Mr. SCHAEFER, Mr. HYDE, Mr. LEVIN of Michigan, Mrs. MARTIN of Illinois, Mr. SMITH of Florida, Mr. WOLPE, Mr. LAGOMARSINO, Mr. FISH, Mr. GALLEGLY, Mr. HORTON, Mr. SMITH of New Jersey, Mr. HEFNER, Mrs. BENTLEY, Mr. CHANDLER, Mr. WEBER, Mr. BROWN of Colorado, Mr. RITTER, Mr. HANCOCK, Mr. HENRY, Mr. WALSH, Mrs. COLLINS, Mr. QUILLEN, Mr. REGULA, Mr. COURTER, Mr. MCGRATH, Mr. ESPY, and Mr. CLINGER.

H.J. Res. 182: Mr. COBLE, Mr. DREIER of California, Mr. SLAUGHTER of Virginia, Mr. OWENS of Utah, Mr. GILMAN, Mr. PAXON, Mr. PAYNE of New Jersey, Mrs. VUCANOVICH, Mr. RHODES, Mr. LEWIS of California, Mr. LEWIS of Florida, Mr. LIVINGSTON, Mr. BOEHLERT, Ms. SNOWE, Mr. HUNTER, Mr. MADIGAN, Mr. SCHIFF, Mr. ROWLAND of Georgia, Mr. WEBER, Mr. GUNDERSON, Mr. UPTON, Mr. WALKER, Mr. KYL, Mr. COX, Mr. DARDEN, Mr. GOSS, Mr. HASTERT, Mr. DUNCAN, Mr. GOODLING, Mr. GRANDY, Mr. DEWINE, Mr. LIGHTFOOT, Mr. STANGELAND, Mrs. MARTIN of Illinois, Mr. MACHTLEY, Mr. SMITH of New Jersey, Mr. SHAYS, Mr. GILLMOR, and Mrs. JOHNSON of Connecticut.

H.J. Res. 183: Mr. DORNAN of California, Mr. HAYES of Louisiana, Mr. HORTON, Mr. SOLOMON, Mr. TRAXLER, Mr. LIPINSKI, Mr. MCMILLEN of Maryland, Mr. DYSON, Mr. BOEHLERT, Mr. HUTTO, Mr. SMITH of Florida, Mr. DONALD E. LUKENS, Mr. ROE, Mr. LAGOMARSINO, Mr. SARPALIUS, Mr. DWYER of New Jersey, Mr. YATRON, Mr. MONTGOMERY, Mrs. MORELLA, Mr. HOYER, Mr. FLORIO, Mrs. COLLINS, and Mrs. BOXER.

H.J. Res. 189: Mr. DELAY, Mr. SMITH of Mississippi, Mr. DENNY SMITH, and Mr. CRANE.

H. Con. Res. 14: Mr. YATRON, Mr. BROOMFIELD, Mr. SENSENBRENNER, Mrs. MARTIN of Illinois, Mr. HALL of Ohio, Mr. LEVIN of Michigan, and Mr. JONES of Georgia.

H. Con. Res. 41: Mr. FORD of Michigan, Mr. PAXON, Mr. RAHALL, Mr. TALLON, and Mr. SANGMEISTER.

H. Con. Res. 62: Mr. MRAZEK, Mr. MORRISON of Connecticut, Mr. FAZIO, Mr. MCDERMOTT, Mr. WEISS, Mr. MCGRATH, Mr. MAVROULES, Mr. HOCHBRUECKNER, and Mrs. LOWEY of New York.

H. Res. 17: Mrs. ROUKEMA, Mr. BOEHLERT, Mr. ROWLAND of Connecticut, Mr. OWENS of New York, Mr. SHARP, Mr. COURTER, Mr. DWYER of New Jersey, Mr. SMITH of New Hampshire, Mr. HERTEL, and Mr. EVANS.

H. Res. 23: Mr. VENTO.

H. Res. 41: Mr. DARDEN, Mr. HANSEN, Mr. HEFLEY, Mr. KYL, Mr. LEHMAN of California, Mr. LEWIS of California, Mr. MCCANDLESS, Mr. OWENS of Utah, Mr. PARRIS, Mrs. PATTERSON, Mr. SHAW, Mr. SKELTON, and Mr. WILSON.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

25. By the SPEAKER: Petition of the American Bar Association, Chicago, IL, relative to nuclear arms control; to the Committee on Foreign Affairs.

26. Also, petition of the Fulton County Board, IL, relative to the continuation of efforts to locate American POW/MIA's; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

RURAL EMERGENCY MEDICAL SERVICES IMPROVEMENT ACT

HON. JIM COOPER
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. COOPER. Mr. Speaker, living in a rural area can be hazardous to your health—but it doesn't have to be. The Rural Emergency Medical Services Improvement Act that I'm introducing today will make rural America a safer place to live and visit.

Studies show that you're twice as likely to die if you have an accident in a rural area than if that same accident took place in a big city. Rural areas have 20 percent of medical emergencies in this country, but they see 70 percent of highway deaths. In addition, rural occupations such as agriculture, mining, and lumbering are among the most dangerous of any jobs.

Yet many rural areas don't have the resources to support the level of emergency medical services needed. Some can barely scrape together the funds to keep one ambulance going. In the worst cases they just go without any ambulance at all. That's the situation now in one rural county in my district, and perilously close to being the case in another.

The 1970's were the heyday of emergency medical services in this country. The Vietnam war taught us that aggressive prehospital care vastly improves an emergency patient's chance of survivial and recovery. Until then, our Nation's healthcare system started at the hospital door, even if there was no organized way for the patient to reach that door.

As a result, in 1973, Congress enacted the Emergency Medical Services Systems Act. This legislation successfully promoted the establishment of emergency medical systems across the country. Both the Public Health Service and the National Highway Traffic Safety Administration [NHTSA] spent millions to get these systems in place.

The 1980's saw the decline of Federal leadership in this area. The Omnibus Budget Reconciliation Act of 1981 not only cut funds for emergency medical services, what was left was folded into the preventative health services block grant, restricted to just the planning of EMS systems, and had to compete with other functions such as rape crisis centers. NHTSA's funding plunged from $22 million in 1977 to $4 million in 1988.

While emergency medical services everywhere were affected, rural areas were particularly hardhit. Urban areas had the resources to absorb the loss of Federal funds. Rural areas, however, often lacked the tax base to support decent emergency medical services.

Many rural areas will probably never get sophisticated emergency equipment such as medivac helicopters or be able to pay highly specialized emergency medical personnel. There will probably always be rural ambulances that will have to be staffed by volunteers and funded by raffles. However, we must make sure that rural areas have at least the basics.

The Rural Medical Emergency Services Improvement Act would improve the availability and quality of rural emergency medical services in three ways.

First, it establishes a $45-million block grant program. Funds from the program would be used by States to recruit, train, and retain EMS personnel; to purchase, upgrade, and maintain EMS equipment; to develop preventative education programs, including those for occupational health and safety; and to develop local EMS systems in rural areas.

Second, it requires the Health Care Financing Administration to conduct a comprehensive study of the way Medicare and Medicaid reimburse ambulances. The study will include recommendations for reforming reimbursement of ambulances to promote more efficient service and to maintain an adequate level of service in rural areas.

Third, it authorizes demonstration projects such as continuing education for rural EMS personnel and reducing rural occupational hazards.

This legislation addresses the needs of rural EMS as identified by those who know them first-hand. The National Association of State EMS Directors just completed a 50-State survey on rural EMS needs in January. According to their survey, the top priorities in rural EMS are training and keeping qualified personnel, financing EMS services, communications, and systems development.

At the top of the list is recruiting and retaining EMS personnel such as emergency medical technicians and paramedics. The main problem is pay. As in other health professions, emergency medical technicians and paramedics can get better pay in urban areas, and often succumb to the lure of those higher wages.

Those who stay on the job in rural areas have difficulty getting enough on-the-job experience to maintain their skills and getting access to academic training to upgrade their skills; 65 percent of prehospital providers of emergency medical care are volunteers, and almost all those volunteers serve in rural areas. Low population densities mean they often don't get enough experience to develop and maintain their skills. And long distances make it difficult, if not impossible, to get to places that offer EMS training.

There are several factors that make it critical that rural EMS personnel get the best training possible. Time is of the essence in an emergency, especially for trauma victims—those with severe and life-threatening injuries. But in rural areas problems with transportation, communication, rugged terrain or vast distances make it hard to get to a sick or injured person quickly and administer optimal care. This is exacerbated by the precarious state of rural hospitals and the alarming rate at which they are closing.

My bill will help develop programs to recruit and retrain rural EMS personnel, and to get them the training they need. The block grant portion of the bill will give direct financial support to this effort. The demonstration projects will spur development of innovative educational methods such as home studies or mobile training units to overcome the barriers to continuing education that rural EMS personnel currently face. The demonstration projects are also designed to address two of the other priorities identified in the State EMS Directors' survey: Financing mechanisms and communications.

This legislation meets another need listed in the survey results—development of local EMS systems. An EMS system basically maps out a plan of action from the first call for help all the way up to the hospital door. It ensures that emergency personnel know where to take an emergency patient to get the best care. Sometimes the closest hospital is fine; in other cases a facility that's further away but has specialized equipment is appropriate. Medical experts agree that this coordination is essential for optimal care.

While funds States receive from the preventative health services block grant can be used for planning EMS systems, sometimes other functions take priority. My bill just makes sure that in rural areas that need it, there will be some help in setting up a local EMS system.

As with other fields of medicine, advances in prehospital emergency equipment are being made quickly. A 1986 GAO report concluded that advanced life support ambulances—those with the sophisticated equipment that improves the chances of people in critical condition—are found primarily in urban areas. According to the report, "Low rural area caseloads often do not provide sufficient revenues to cover advanced life support fixed costs and preclude maintenance of staff medical skills."

My bill allows funds to be used to purchase, upgrade, and maintain equipment. For those struggling to get the essentials, that probably means basic life support ambulances. But for others that can support a higher level of services, the funds can be used to get advanced life support ambulances.

Another pressing concern identified in the survey is third-party reimbursement. While we can't directly alter the reimbursement practices of private insurers, we can make sure Federal reimbursement policies make sense.

For instance, ambulances comprise only 1 percent of Medicare's budget, but Medicare is the largest purchaser of ambulances services. Right now there's little rhyme or reason to Medicare's reimbursement policies for ambulances. They often promote inefficient subsidized services and fail to take into account the costs of volunteer or private ambulances.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

29-059 O-90-33 (Pt. 4)

As with other providers under Medicare part B, ambulances are reimbursed on a reasonable charge basis, but there the similarity ends. Medicare doesn't take into account the cost of providing services, how the service is funded, or the effect of its policies on the level of service in rural areas. A further problem is the inconsistent reimbursement practices of carriers in different areas.

Large cities often use municipal taxes for the total cost of their ambulance services, something rural areas often can't do. Some have just now found out that Medicare part B reimburses ambulance services, and have started to charge for them. They can charge a token level that depresses the prevailing charges for a locale and thus drive more efficient private services out of business.

Ambulance services in rural areas that can only get a small contribution from local governments may look to third party reimbursement to cover their costs. But Medicare's not flexible enough to respond, and this threatens the viability of services. This is true even in areas that depend heavily on volunteers. In other cases where a volunteer service fails, a private service can't come in and charge enough to keep their head above water.

The Health Care Financing Administration did initiate a study along these lines for Medicare a couple of years ago, but failed to complete it. The report required by my bill will prod them to revisit this issue and to look at both Medicare and Medicaid. This should help us get a handle on the whole situation.

Finally, my legislation highlights preventative education. The numerous factors that make treating rural medical emergencies so difficult make it imperative that folks in rural areas know what to do. The majority of rural areas don't have 911, so it's important to make sure they know how to access the emergency medical service where they live. Citizen first-aid is also vital.

Preventive education programs for occupational health and safety are the key. The most dangerous job by far in this country is logging—with an astounding death rate of 129 deaths per 100,000 workers. To give that perspective, public officials only have a death rate of 7.2 per 100,000.

Together, agriculture and mining have the highest death rates for any industry. They have only 4 percent of the workers but sustain 11 percent of disabling injuries. These inherently rural jobs are inherently dangerous; clearly, the need for preventive education measures are needed.

The National Coalition of Agricultural Safety and Health held a conference last fall in which they outline specific strategies to address this problem on the farm. I've incorporated one of their suggestions—community-based centers for preventive services—into this bill and expanded it to include all rural occupations.

Specifically, the bill funds pilot projects to establish community-based centers for comprehensive occupational health and safety services, including screening and education. For instance, the aflatoxin scare has negative health implications not only for people who eat corn, but for those who grow it too. A pilot center envisioned in my bill could warn farmers about the dangers and educate them about precautions to take when handling aflatoxin-contaminated corn.

This legislation enjoys the support of the National Association of State EMS Directors, the National Coalition for Agricultural Safety and Health, the National Association of Emergency Medical Technicians, the Mid-Atlantic EMS Council, the American Trauma Society, and the Charles McC. Mathias, Jr., National Study Center for Trauma and Emergency Medical Services.

This legislation is part of the Rural Health Care Coalition's 1989 legislative agenda. I'm pleased that several of my colleagues on the coalition, including the distinguished cochairmen Mr. SYNAR and Mr. TAUKE, have joined me as cosponsors of this bill. I urge my colleagues to support this important effort.

WALTHER R. PUFFER

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. LEVINE of California. Mr. Speaker, I rise today to recognize the achievements of Walther R. Puffer, who will be retiring from the Beverly Hills Unified School District after a distinguished 35-year career as a teacher, administrator, and coach. On a personal note, I have known Coach Puffer since I was a student 30 years ago, and have followed his distinguished career with great personal pleasure.

In his 35 years with the Beverly Hills School District, Walt Puffer has held numerous significant positions in the high school, in three of the elementary schools, and in the district's central office.

After earning a B.S. in physical education from UCLA in 1952, Walt took a position with the county of Los Angeles as a district supervisor of 12 parks and 18 elementary schools. In 1954, he accepted his first position with the Beverly Hills School District, as a teacher and coach at Beverly Hills High School. While he was teaching at Beverly Hills High, he earned an M.S. in physical education at UCLA and an M.A. in school administration from California State in Los Angeles.

Walt left Beverly Hills High in 1966 to become assistant principal of Horace Mann School, and later that year moved to the Hawthorne School to fill an unexpected vacancy. He remained there for the following 6 years. In 1972 he became principal of the Beverly Vista School. He held that important position for a decade. In 1982, he was elected to his present position of assistant superintendent personnel/pupil services, in which he has played a significant role in relations between the school board and faculty.

He has also been a consultant to the California State Department of Education on school improvement programs, and has served as an accreditation team leader for the Western Association of Schools and Colleges in their accreditation processes. As a member of the executive board of region 14 of the Association of California School Administrators, and of the Tri-Cities Administrators Association, his experience and talents have been made available to a wide range of school personnel.

In addition to his work as an administrator in the Beverly Hills school system, Walt has given both time and energy on behalf of the entire Beverly Hills community through his active participation in the programs of the Beverly Hills YMCA, American Field Service, the education committee of the Beverly Hills Chamber of Commerce, and his role as president of the Beverly Hills Rotary Club.

Throughout his career, Walt Puffer's presence in the Beverly Hills School District has been a consistently positive influence, and has contributed significantly to the "lighthouse" position Beverly Hills schools occupy in the national public education picture. Walt is deserving of public recognition and highest commendations for his many contributions to local, State, and national education issues and for his dedicated service to the children of the Beverly Hills community.

Mr. Speaker, I ask my colleagues to join me in recognizing Walt Puffer for his many professional achievements, and in thanking him for his 35 years of service. He will be sorely missed.

IN RECOGNITION OF CHERRY GROWERS, INC., TRAVERSE CITY, MI

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today to honor Cherry Growers, Inc., for their 50 years of service to the grand Traverse community. The company was formed on May 15, 1939 by eighteen incorporators and subscribers. They have grown from their first year when almost 7 million pounds of cherries were processed and sold, to a thriving organization currently processing in excess of 100 million pounds of cherries, plums, and apples annually. Their sales area has increased from a small region of the United States to an international distribution network.

Cherry Growers, Inc., has also taken the lead in important technological developments. These include: A cherry grader patented in 1939, dried cherries, development of cherry sauce, and numerous other innovations.

Cherry Growers, Inc., have proven that they can be creative and aggressive in marketing. They are one of the original founders of Cherry Central Cooperative, Inc., and have participated with numerous industry trade groups, growing substantially in the business sector. As one of the area's largest employers, Cherry Growers, Inc., has remained an integral part of the community. Mr. Speaker, I rise to salute their 50 years of hard work and dedication, and wish them continued success in their efforts.

PICKETT COUNTY LADY BOBCATS BRING A CHAMPIONSHIP HOME

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. GORDON. Mr. Speaker, there is a small high school in the part of the country usually known as the birthplace of Cordell Hull and as a land of beautiful hills, clear streams, and Dale Hollow Lake.

Pickett County, TN, is also know for its girls basketball team. On Saturday, March 11, 1989, we may have seen the rebirth of a dynasty. The Pickett County Lady Bobcats took the State girls high school class A championship, culminating a season that had many ups and downs before finishing with the ultimate "up."

The competitive spirit of these girls carried them through a State tournament where they were cast as decided underdogs. But, as one girl said later, they knew all season they could win the state championship.

The Lady Bobcats won four straight State titles from 1977 to 1980. The 1989 team was led by sophomores and freshmen, so this may be the start of another string of good fortune.

Scholastic athletics is meant to build character and self-respect, in addition to physical conditioning, in the students who participate. Sports also serve to bring a school and community together in pride and support for their team.

The Pickett County Lady Bobcats are a fine example of what high school sports is all about. They deserve special attention, and they have my hearty congratulations.

SALUTE TO THE NEW JERSEY SCHOOL BOARDS ASSOCIATION ON ITS 75TH ANNIVERSARY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. ROE. Mr. Speaker, we in New Jersey have always prided ourselves on assuring that the children of our great State be given the best educational opportunities possible, for as we all know, our children of today must have a solid educational foundation if they are to become our leaders of tomorrow.

With this in mind, it is with the greatest pride that I, as dean of the New Jersey congressional delegation, rise today to salute an organization that has been instrumental in helping to ensure a quality education for the children of New Jersey for almost a century. I am speaking of the New Jersey School Boards Association [NJSBA] which, in 1989, is marking its 75th anniversary. In honor of this important event, leaders in the field of education, as well as congressional, State and local officials will gather at the Princeton Marriott-Forrestal Village in Princeton, NJ on Saturday, April 8, 1989, to proudly take part in the New Jersey School Boards Association Diamond Jubilee celebration.

Mr. Speaker, I know this gala event will have special significance for Jeremiah F. Regan, president, and Octavius (Ted) Reid, executive director of the NJSBA, two men whose leadership and dedication to the betterment of education in New Jersey have helped make this outstanding organization what it is today. I know, too, that this event's success will be a great tribute to many people in the organization, including Joseph A. Zemaitis, NJSBA immediate past president and chairman of the Diamond Jubilee Planning Committee.

It was in April 1914 that the New Jersey State Legislature enacted a measure which stated that, "All boards of education of the various school districts of this State shall constitute a 'State Federation of District Boards of Education.' " It was this legislation which created the New Jersey School Boards Association, which today serves as the umbrella organization for all school boards in the State of New Jersey, providing a multitude of vital services which have led directly to the betterment of education for the children of New Jersey.

In recognition of the NJSBA's many outstanding accomplishments, the State of New Jersey recently issued the following proclamation:

Whereas, New Jersey is proud that the State has become a nationwide leader in public education; and

Whereas, by making meaningful contributions to our schools and our children's education, the dedicated members of local school boards have greatly enhanced our State; and

Whereas, the New Jersey School Boards Association has been in official existence for 75 years since the Legislature passed a bill authorizing the formation of the New Jersey State Federation of District Boards of Education; and

Whereas, during these past 75 years, the New Jersey School Boards Association has provided outstanding assistance and training to local school boards;

Now, therefore, in recognition of the contributions made by the New Jersey School Boards Association to the goal of education excellence, I, Thomas Kean, Governor of the State of New Jersey, do hereby proclaim April 8, 1989, as the 75th Anniversary Day of New Jersey School Boards Association in New Jersey."

Clearly, Mr. Speaker, the New Jersey School Boards Association has played a vital role in the education of New Jersey's children and, in doing so, has made not just the State of New Jersey, but our Nation and the world a better place to live. It is with great pride, then, that I invite you and our colleagues to join me in saluting a truly outstanding organization, the New Jersey School Boards Association on its 75th anniversary.

THE GREATER MIAMI CHAMBER IS "BAD"

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. SMITH of Florida. Mr. Speaker, it is with great pleasure that I call to your attention the work of the Greater Miami Chamber of Commerce. Through the efforts of its Drug Free Workplace Committee chaired by Tom Van Etten, it has taken innovative steps to create a drug-free environment in the workplace through the formation of BAD [Business Against Drugs].

Business Against Drugs seeks to provide a compassionate, yet firm method of eliminating alcohol and drug abuse. The program will educate employees about the negative effects of drugs in the workplace. Should an employee display signs of a possible problem, he or she will be asked to consent to a drug test on a confidential basis. If a problem is identified, the individual will be provided with a comprehensive employee assistance program which is covered by most company health plans.

The initiators of the program hope that by eliminating drugs in the workplace, they will also be contributing to the elimination of drug and alcohol abuse in all spheres of society. Realistically, however, they recognize that employers possess the most powerful tool for curbing substance abuse—the possible loss of a job. Corporations recognize that it is in their best interests to support the program because substance abusers are liabilities in the work place. They are more likely to be absent, they create a hazardous environment for themselves and others, and they are generally less productive than other employees.

The main objective of this program is to obtain as much community support as possible, thereby sending a clear message to drug and alcohol abusers that their habits will not be tolerated in the workplace. Thus far, 55 corporations have endorsed the program. These corporations include: The Burger King Corp., Burdines, the University of Miami, SunBank, and Barnett Bank. The employees of these 55 corporations represent 16 percent of Dade County's labor force.

I salute the Greater Miami Chamber of Commerce's dedication to the eradication of substance abuse, and I hope that their efforts will be used as an example throughout the country. It is through these kinds of innovative programs that provide both education and treatment that our Nation will become drug free.

NATIONAL CAMPAIGN FOR THE CIVIL AND HUMAN RIGHTS OF SALVADORANS

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. ACKERMAN. Mr. Speaker, I raise my voice today to remind my colleagues of the ongoing civil war in El Salvador and the problems of the Salvadoran refugees in our country. A few weeks ago I visited the Capitol Hill Presbyterian Church, where several Salvadorans and Americans were fasting for peace. Their goals are simple: All they're asking for is fair treatment of Salvadoran refugees in the United States. With this fasting, the National Campaign for the Civil and Human Rights of Salvadorans wants to remind us of Archbishop Oscar Romero's plea 9 years ago to stop

United States military aid to El Salvador. He warned that military aid will not help his country to find a peaceful and just solution for its civil war, and events have proven him correct.

Rightist extremists killed Archbishop Romero some weeks after that prescient statement, but his voice of humanity is still heard in El Salvador and throughout the world. Now more than ever we must remember his warnings. More than 70,000 Salvadorans were killed in the civil war during the last 9 years, several thousand have disappeared, and hundreds of thousands of Salvadorans left their country in search of a safe haven from political violence. But the U.S. Government deports more and more of them back to their war-torn homeland.

Mr. Speaker, I call on my colleagues to join me in demanding a change of United States policy toward El Salvador and toward the Salvadoran refugees. Particularly now, as negotiations between the FMLN rebels and the Government of El Salvador seem to be tottering once more on the brink of failure, the United States must make clear that we still support a negotiated and peaceful solution of the civil war. Foreign aid to the fighting parties should be targeted to supporting the economy of this country, and not toward perpetuating the bloody civil war.

This is particularly true in wake of the Presidential elections in El Salvador. We must make absolutely clear to President-elect Alfredo Cristiani that he can count on further U.S. aid only if he seriously works for peace.

We also have to be more generous in our policy toward refugees from El Salvador. We must grant them temporary safe haven until the peace process allows them to go home without fear of violence and civil strife. For this reason, I strongly support the compassionate legislation, H.R. 45, introduced by Representative JOE MOAKLEY. I call on my colleagues to join me in cosponsoring this measure.

Mr. Speaker, on the issue of our future policy toward El Salvador, I would like to submit to the RECORD the following editorial which appeared in the New York Times on March 21.

[From the New York Times, Mar. 21, 1989]

NO BLANK CHECK FOR EL SALVADOR

El Salvador's Arena party wants Washington to believe that its presidential candidate, Alfredo Cristiani, the declared winner of Sunday's election, leads a newly moderate cause. That warrants skepticism; the party was founded by former Maj. Roberto D'Aubuisson, long linked to notorious death squads. But there's no need for the United States to speculate. The character of a Cristiani government will be clear soon enough. If political savagery unfolds, the United States will almost certainly cut aid.

Mr. Cristiani, who has won a majority victory over the incumbent Christian Democrats and leftist challengers, knows that. He wrote last week on the Op-Ed page that "We are pledged to continue and improve on the efforts of the Duarte administration to respect human rights. We intend to find and punish offenders. . . . we will work hard with the military and security officers coming up through the ranks to end human rights violations."

"He thus set the standard by which he will be judged in taking the presidential sash in June from the ailing José Napoleón Duarte.

Mr. Cristiani has been at pains to present Arena as a mainstream conservative allicance. He says the true extremists in El Salvador are Marxist guerrillas who terrorize the countryside and did their best to disrupt an election in which 33 were killed, including three journalists.

Before Mr. Duarte's election in 1984, El Salvador was less a country than a mortuary, with an official count of 7,000 killings and disappearances a year. In those days, "Major Bob" D'Aubuisson brought supporters screaming to their feet by slashing watermelons with a machete while likening the fruit to Christian Democrats—green outside, red inside.

Mr. Cristiani wants North Americans to believe that's all in the past. He also insists that Arena no longer recoils from land reform by equating it with Communism, and won't roll back land redistribution. He now says Arena favors direct talks with Salvadoran guerrillas on ending the eight-year civil war that has taken 70,000 lives.

The United States had done little to foster peace talks but a great deal to buttress the Salvadoran Government. U.S. aid currently exceeds El Salvador's national budget. Yet peace remains a faraway dream and the democratic center is no stronger than it was eight years and $3.5 billion ago. The task for Washington is to do what it can to encourage an end to bloodshed and to achieve a binding electoral settlement, a formula that all sides now say they accept.

Vice President Quayle, during a recent visit warned that a renewal of mass killings could mean the end of U.S. aid. The message could be stronger still: No strategic interest in El Salvador is sufficient to justify underwriting death squads.

COLLEGE ASSISTANCE MIGRANT PROGRAM

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. FORD of Michigan. Mr. Speaker, I have championed the College Assistance Migrant Program since its inception in 1972. Migrant youth who are fortunate enough to be accepted into one of the five federally funded CAMP programs succeed in college at a rate well above the national average. Many go on to law school, medical school, or some other graduate school discipline. This is no small feat, considering that the parents of these students generally have not completed high school, and the families must move constantly to earn a meager living by following the harvest cycles.

I have a particular interest in the CAMP program at St. Edward's University, since that university's CAMP program was one of the first ever funded. It has a long history of excellence and one of perseverance during difficult times.

I would like to reprint in the CONGRESSIONAL RECORD a portrait of Solomon Torres which appeared in the St. Edward's University newspaper. Mr. Torres is a CAMP student, and he exemplifies the reason for supporting this small but extraordinary program.

SOLOMON TORRES: HOW FAR IS LA FERIA FROM SUCCESS?

(By Dr. Richard B. Hughes)

The 1987 St. Edward's graduation cermony was filled with both mystery and joy for Magdaleno and María de Jesús Torres. English, always a mystery, was made somewhat less so by the whispered translations of friends. But it was the world of the university that was incomprehensible to these sixtyish Mexican-Americans who were born and brought up in rural Mexico, who now live outside La Feria, 20 minutes north of the Rio Grande, and whose yearly income is largely earned as part of an Hispanic caravan which moves each May from the Texas border to the canneries of Wisconsin—and back again in October. The "summa cum laude" in the program after their son's name meant nothing. There was, however, one thing they did understand—the loud and sustained applause when President Hayes named Solomón Torres Man of the Year.

Salomón Torres Hurtado (the correct Spanish spelling) is the youngest of eight children, much admired but something of an enigma to the large Torres clan. Three brothers and three sisters live in or near the family home in La Feria. Another brother is in the Air Force. Only Solomón went away to college. Only Solomón would use his summer vacation to attend a special program for minorities at the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin, as he did in 1986, or at Harvard, as he did the summer of 1988. Only Solomón would carefully plot his immediate future to include a double master's degree at the LBJ School and the Institute of Latin American Studies (having chosen Texas over Columbia University in New York and the University of California at Berkeley) with a law degree in the future. Only Solomón wants to travel all over the world and meet important people and learn and learn and learn.

Señora Torres says to Baby (in Spanish, of course), "You could come back to the Valley and get a job." "Yes, I could," says Solomón, "but I have other goals," His brothers and sisters say, "Do it, Solomón. When we were your age, we had to support the family." Solomón has opportunities his siblings didn't have, but he has something more—an extraordinary sense of purpose built upon strong self-confidence. "I have been a very self-confident person since the first grade," he told me. And, "I've always intended to go to college." Such words do not seem to belong to one small in stature and without any striking charisma in voice or bearing. In my U.S. history survey taken in his freshman year, Solomón was lost in a sea of faces until the faces began to answer questions. He knew the answers from the first, and at the end of the semester, he had moved, as many of his classmates had not, from information to social analysis.

Is Solomón paying a price for his intensity? He pursues self-improvement like a New England Puritan; he seeks success like a hero in one of Horatio Alger's novels; he works as if brought up on the Calvinist work ethic (causing me, not for the first time, to notice how that ethic can spring up in the most unlikely places). He worries that those with whom he must work and compete come from homes with wealth and computers and connections, that they studied in prep schools while his education in public schools was limited by the rhythms to migratory labor, causing him to enter

school in October and leave in mid-May. To this, we friends answer, "Lighten up; do a few things just for fun; remember that we'll cherish you if you don't reach the moon."

St. Ed's was the right college for Solomón, Dr. Jan Randle recently told me. We agreed that he would have done well at a large university, but St. Edward's gave him a chance from the beginning to become a leader. It gave him a chance to preside at meetings, serve as a dorm rector, and polish his written English on the newspaper and the literary magazine. It loudly proclaimed him a success as he, gaining a 3.76 average and winning the Man of the Year award, measured himself against a heterogenic community of some 2,000 students. Perhaps most important, it gave him relationships with faculty and staff from the Anglo and Hispanic middle classes who had succeeded in the worlds he wished to conquer.

CAMP was also important. The College Assistance Migrant Program recruited Solomón and paid for room, board, tuition and books the first year, while helping him acquire financial aid for the remaining three years. It also placed him in the supportive CAMP community, not so much for the academic tutoring essential to most, but to allow a shy young man to bring his social skills to the level of his intellectual ones.

Mexican-Americans have attended St. Edward's throughout the school's history. However, until the early 1970s, most had enough middle class money to get through a private college and enough middle class savvy to get along in an Anglo world. Their families had typically given them books, records and travel. They had been leaders in high school. They knew English well. Some came from prominent families. It was not these Hispanics who worried Michael Harrington, Edward R. Murrow and other spokesmen for the poor in the 1950s and 1960s, including President Lyndon Johnson, who declared a War on Poverty. One area they all targeted was the Rio Grande Valley of Texas, where thousands of migrant families needed help to get off the treadmill of poverty and have their chances at the American Dream.

CAMP came to St. Edward's in 1972. It was spawned from ideas from the 1960s when the nation believed federal money could be efficiently used to lift the poor. It is one of the few federal programs that has survived the axes of the 1980s budget-cutters, although only by adding state and private money.

What has the St. Edward's branch of CAMP done? It has recruited some 1,500 sons and daughters of Hispanic, Black, Asian and Anglo migrants, giving them financial academic and psychological support. An astonishing 90 percent have finished the first year and an equally astonishing 58 percent have earned a bachelor's degree.

Less striking that the college careers of some of the success stories but important to the CAMP mission are those who for the first time in their lives saw a dentist or corrected their sight with glasses or gave a thought to white collar employment. I find it requires a special effort for those of us destined for college at birth to stand in the shoes of those still a little dazed that their shoes are not in the fields.

Except in dark moments, Solomón thinks he has the ability and education to compete with those who have prep schools, Ivy League colleges and important friends in their backgrounds. I see in Solomón a psychology not unlike my father's. Born in a dugout, Dad started a family and a business with high hopes in the last years of the prosperous '20s. Then the Great Depression almost destroyed his business, his hope and his health. After World War II, he reached almost Algerian success, but until he died his sleep was interrupted every so often by sweaty nightmares that poverty had returned and he couldn't feed his family. John Kenneth Gailbraith called the agonies of that generation a "depression psychosis." They could never truly trust prosperity. Neither can Solomón and probably others like him who may suffer from a "migrant psychosis," the fear that the fate which delivered them from the fields and the canneries is too recent and too probelematic to trust. If Solomón, like my Dad, must live with anxious nights, he will, also like my Dad, work with greater resolve, purpose and moral force than a frat house full of preppies.

There are ironies here. Solomón Torres should be disposed by ethnic background to siesta/mañana values. Yet I've found myself speaking to him as an internist addresses a yuppie with a Harvard MBA. "Relax. Enjoy. Do it mañana."

TAX TREATMENT OF LOAN LOSS RESERVES IN THE FARM CREDIT SYSTEM

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, the Farm Credit System and the farmers and farmer-owned cooperatives it serves are struggling to survive a distressed agricultural environment. Today, I and Mr. STALLINGS are introducing legislation to address a tax problem that must be remedied.

In the midst of these severe problems in agriculture, the Tax Reform Act of 1986 has added some $85 million in additional taxes to the burden directly faced by the farm credit system and its borrowers.

The tax law repealed the reserve method of calculating loan losses for the system's production credit associations [PCA's] and banks for cooperatives [BC's]. However, the system's competitors were allowed to retain the reserve method in certain cases.

Even though spread over 4 years, the $85 million new tax burden forces the system to absorb further losses which must be passed along as extra costs to borrowers, many of whom are in no position to pay additional charges. An increased tax burden makes it all the more difficult for the PCA's and the BC's to charge competitive interest rates.

However, the most critical issue is the impact of the new tax on the ability of the farm credit system to survive. The money that must now be allocated for new tax payments could be better used to help the system make it through difficult times and relieve the interest rate burden of financially stressed farmers and their cooperatives.

In addition, the tax penalty discourages the building of loan loss reserves at the very time they are most critically needed.

Until passage of the Tax Reform Act of 1986, PCA's were able to deduct loan loss reserves required by the Farm Credit Act. Amendments to the Farm Credit Act that were adopted in 1985 have the effect for some PCA's of increasing the amount of required loan loss reserves. The tax law forces PCA's to put taxable income into loan reserves and to wait until actual losses occur to deduct the losses. In addition, PCA's must pay new taxes over a 4-year period on reserves that existed prior to 1987.

Formerly, the BC's computed their deductible additions to load loss reserves based upon loss experience and an analysis of the risk inherent in their year-end loan portfolios. Now, like the PCA's the BC's must pay taxes on loan loss reserves that existed prior to 1987.

Mr. Speaker, as we in American agriculture continue to grapple with tough issues such as trade, farm income, and drought, let's take positive action to amend the Tax Code—let's do something for the 650,000 farm-borrowers of the farm credit system.

The bill I am introducing today simply restores the reserve method of calculating loan loss reserves for BC's and PCA's. I ask that my colleagues join me in cosponsoring this legislation to bring about the equitable tax treatment of BC's and PCA's within the farm credit system.

ROGER DIAMOND SPARKLES AS 1988 CITIZEN

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. LEVINE of California. Mr. Speaker, I rise today to congratulate Roger Diamond on being named Pacific Palisades Citizen of the Year by the Pacific Palisadian Post for his work in preventing oil drilling along the California coastline. Because of his work as president of No Oil, an organization which he founded, Roger is a modern-day hero to those of us who have fought for many years to preserve the natural splendor of our beloved shores.

Roger Diamond has been active and involved in the battle against drilling for 20 years. As the original president of No Oil he helped build one of the most effective grassroots organizations in the State. Although he moved on to other challenges, he was pressed back into service last year to fight against the most recent threat to the coast. Under his leadership the campaign to protect our precious beaches was successful.

In return for his unrelenting efforts on behalf of the city, Roger will be presented with his award at the annual citizen of the year dinner on May 18 at the Riviera Country Club. The citizen of year award is the highest award presented to a member of the Pacific Palisades community and is awarded on the basis of his/her work and accomplishments in a given calendar year. Nominations are welcome from the community at large, and while the number of nominations one person receives has no bearing on the final award, the tremendous number of letters submitted on Roger's behalf indicates his community's appreciation for his work.

Roger's wonderful wife Fran and their two marvelous daughters, Laura and Marney, are remarkably talented and warm, and have always been his greatest assets.

I ask my colleagues to join with me in honoring Roger Diamond for his contributions to his community and request that the entire article from the Palisadian Post be printed at the conclusion of my remarks:

[From the Pacific Palisadian Post, Mar. 9, 1989]

ROGER DIAMOND SPARKLES AS 1988 CITIZEN

Roger Diamond, the feisty attorney and environmental activist, has been selected Pacific Palisades Citizen of the Year for 1988. He will be feted, along with the Community Council's Golden Sparkplug awardees, at the annual Citizen of the Year dinner, to be held at the Riviera Country Club on Thursday, May 18.

Diamond is noted for the energetic zeal with which he pursues his goals. And one of his longterm goals has been the elimination of Occidental Petroleum's plan to drill for oil across from the beach in Pacific Palisades.

A founder of No Oil, Inc., Diamond was instrumental in drafting the landmark city initiative ordinance, Proposition O, passed by voters last November. Prop O forbids oil drilling along the coastline of the City of Los Angeles and specifically revokes Oxy's 1985 city drilling permits.

In 1988, as the election drew near, Diamond assumed the presidency of No Oil, Inc. He played a major role in the passage of Prop O, and in the defeat of Proposition P, the counter-initiative sponsored by Oxy that would have reaffirmed the drilling plan.

With Prop O, the 20-year fight of many local residents against the oil giant was taken citywide. Despite Oxy's sinking more than $6.1 million into its anti-O and pro-P campaign, Diamond and the other members of No Oil waged a successful grassroots campaign—their war chest was $2.4 million—and the winner was the environment of Pacific Palisades.

Diamond not only served as a spokesman and tallying point for this monumental electoral struggle, but also worked the phones, stumping for the cause. Letters written to nominate him for Citizen of the Year attest to his signal contribution.

"If being the local hero qualifies one for Citizen of the Year, then Roger Diamond is the clear choice. He should be carried on our shoulders through the streets of Pacific Palisades," writes one supporter. "In the midst of an incredibly busy law practice, he again took the reins of No Oil and kickstarted it from a moribund unfocused group of dedicated people into a powerful organization."

Another writes: "Roger Diamond epitomizes a modern-day David in the fight against Goliath. For 20 years Roger has mobilized the community to be alert and aware of the multi-million dollar, international oil company. No Oil had only a fraction of the budget of Occidental in the campaign, but with Roger, with his wife Francine at his side, spearheading the effort, our beaches and our precious land and the environment won a stunning victory, Roger is ever-vigilant and has contributed enormously to our community at large."

He is described by others as "uniquely brilliant and dedicated . . . an inspiration for children . . . a tireless worker with great humor and leadership. Without seeking glory for himself, he gave unselfishly of his time and talent."

Finally, this writer sums it up: "There is no other individual in this community who has had the profound effect he has. Is there anyone who has done more to maintain our quality of life?"

The selection of Citizen of the Year is sponsored by the Palisadian-Post.

HONORING WALT RUPPRECHT

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today to honor Walt Rupprecht, a life-long resident of Midland County, and a truly outstanding member of the community. Walt has just concluded 8 years of service and very hard work as Midland County's Republican chairman. His contributions to the community, however, go far beyond his talents in the political arena.

Walt has served with various organizations and his tireless efforts have clearly benefited the residents of Midland County. He has served with the Jaycees for several years, including 1 year as their president. As a member of the Kiwanis Club, Walt helped coordinate a local camp, Camp Neyati, which proved to be very popular to area youngsters.

Walt has also served the community through his active involvement with the Midland Board of Education. He served on this board for 8 years, part of this time as its president, and he participated in numerous school committees.

Walt received his bachelor of science in chemistry from the University of Michigan. He now works as a senior associate development scientist for Dow Chemical Co.

Mr. Speaker, individuals like Walt Rupprecht are the glue that binds our communities together. Midland county residents owe Walt our gratitude for his continued hard work and dedication to the community.

CHAMPIONS COME FROM CANNON COUNTY

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. GORDON. Mr. Speaker, I would like to take a few minutes today to talk about the courage, skill, and determination that was exhibited on March 11, 1989, by the girls' basketball team of Cannon County High School in middle Tennessee.

The Lionettes that night took the State Double-A Championship despite facing a team that started five seniors and had a big height advantage. The Cannon County players could have had a letdown after winning a difficult semifinal game by only two points, but these young women had too much character for that.

These student athletes showed both desire and heart. They received a great deal of enthusiastic support from the Cannon County High School student body and from fans in the Woodbury community.

The purpose of high school athletics is to build a sense of teamwork and self-esteem, as well as physical conditioning, in the participants. Athletics also bring a school and community together in a common cause—support for their team. They enrich the lives of everyone involved.

The Cannon County Lionettes are a source of pride for me and for the people of my congressional district. Congratulations to them, and the best of luck in the future.

SALUTE TO SUPERINTENDENT RICHARD L. RIKER ON 30 YEARS OF OUTSTANDING SERVICE TO THE NEW JERSEY STATE PARK SYSTEM

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. ROE. Mr. Speaker, it is with the greatest admiration that I rise today to salute a truly outstanding public servant in New Jersey who, for the past three decades, has selflessly dedicated himself to the protection and preservation of New Jersey's bountiful State parks.

I am speaking of Richard L. Riker, superintendent of Island Beach State Park in my home State of New Jersey, who is retiring this year after more than 30 years of serving in a wide range of important positions with the New Jersey State Park Service. For his invaluable contribution in helping to protect and maintain what is perhaps New Jersey's greatest natural resource, Dick Ricker will be honored with a dinner on Saturday, April 1, 1989, at the American Hotel in Freehold, NJ.

Mr. Speaker, I know that this will be an especially proud occasion for Dick Riker and for the many friends and colleagues who are expected to turn out in force to honor him. It will also be a special evening for his large and loving family; his wife, Jeanne Bailey; his seven stepsons, Richard V. Bailey, Thomas V. Bailey, Dennis K. Bailey, Michael D. Bailey, Charles N. Bailey, Patrick W. Bailey, and Jeffrey R. Bailey; his 12 grandchildren, Scott, Marla Sue, Patience, Ashley, Kaleagh, Jeffrey, Tammie, Megan, Kimberly, Shannon, Bryan, and Eric, and his brother, Bruce Riker.

Richard L. Riker was born in Boston and grew up in Nyack, NY. He served his country in the Army Air Force and eventually graduated Missouri Valley College before coming to New Jersey in 1950 as an employee of the U.S. Gypson Co. He began his career with the State Park Service in 1958, becoming a ranger at High Point State Park, which is one of the most beautiful State parks anywhere. He remained at High Point until 1962, when Dick Riker was promoted, becoming the first superintendent of Sandy Hook State Park—one of the most popular shore areas in New Jersey—opening it in 1962.

Mr. Speaker, Richard L. Riker was appointed superintendent at Ringwood Manor State Park, a major New Jersey landmark, in 1969 and enjoyed a 15-year tenure there before

going to Island Beach State Park 5 years ago. Those who know and have worked with Dick Riker know that each stop along his career path in the New Jersey State Park System is far better off for his dedicated efforts.

While he was stationed at Ringwood Manor State Park, Dick and his wife, Jeanne, also helped make their community a better place to live by becoming involved in a number of local organizations, including the Friends of Ringwood Manor, the North Jersey Highlands Historical Society, the Ringwood Manor Arts Association, the Skylands Association, the Long Pond Iron Works Association and the Ringwood Advisory Board. And I know that even though Dick is retiring, he intends to remain an active member of the Batsto Citizens Committee.

Mr. Speaker, it is with great pride, then, that I invite you and our colleague to join me in saluting a man who has truly made a difference in his community, his State and our Nation by working to protect and preserve those natural resources which are vital to us all, New Jersey State Park Service Superintendent, Richard L. Riker.

METUCHEN YOUTH IS NEW JERSEY STATE WINNER IN VFW VOICE OF DEMOCRACY CONTEST

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. DWYER of New Jersey. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct the Voice of Democracy Broadcast Scriptwriting Contest.

This year more than 250,000 secondary school students participated in the contest, writing on the theme of "Preparing For America's Future." I am very proud to announce that the State winner from New Jersey is a young student from my congressional district, Miss Cristiana Santo Pietro from Metuchen. Her essay focuses on a subject with which are all deeply concerned and I am happy to commend it to my colleagues for their review:

PREPARING FOR AMERICA'S FUTURE

There was a baby born yesterday, named Amber. Her mother is seventeen, she will live in the inner city, and she will never know her father. A baby was born this morning: Her name is Erica. She was born to immigrant parents who are struggling to get by. A child is being born right now. He will be called William. His father is a blue collar day worker in construction, and his mother is a housewife. He has three sisters. And tomorrow a little girl named Tiffany will be born. Her father is an executive at AT&T, and her mother is on a leave of absence from her high-paying job at Drexel Burnam.

What do these four very different children have in common? They are all American, and they will always be American. These children are four of the millions of children who will be America's future. In order to prepare for America's future, we must use our assets. We must utilize our youth—Amber, Erica, Billy, and Tiffany. We must provide great opportunities for each of them.

Amber's education must not be second rate because she will grow up in a ghetto. She must be allowed to grow mentally and physically into what she has the potential of becoming. Just as every child must be given the chance to have a fine education.

Erica's potential career must not be taken away because of her race or culture. She must be allowed to work for America just as all others must.

Billy must not have his dreams swiped from him just because his parents cannot afford them. He deserves adequate medical insurance so that he won't be afraid to play football with his friends, and he deserves the chance to get a college education without his parents having to worry about being able to afford the groceries from week to week.

And Tiffany must not be left to boredom and drugs, just because people assume that money buys everything. She must be encouraged to work just as hard as Amber, Erica, and Billy to make her dreams come true.

It is these four children and many others that must carry the burden of America's future. And they must not be penalized for their parents' economic, educational or social status. So, in order to prepare for America's future, we must prepare for these children, Amber's education, Erica's career, Billy's health, and Tiffany's hope. They must all be given grand opportunities, and an equal chance to achieve their dreams. And we ourselves must hope that Amber, Erica, Bill, and Tiffany will come together and become America the Beautiful!

THE INFANT MORTALITY PREVENTION ACT

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mrs. KENNELLY. Mr. Speaker, in 1985, three decades of progress in bringing down the U.S. infant mortality rate came to a halt. Our infant mortality rate has now climbed to the highest of 21 industrialized countries. In some of our neighborhoods, the infant mortality rate is higher than that in many developing countries, including Cuba and Costa Rica.

Currently, more than 10 babies die per 1,000 live births. Many more babies who do not die face life with serious mental or physical handicaps. The primary reason for this intolerably high mortality rate is the large number of low birthweight babies who are born. The lower the birthweight, the higher the risk for death or disability. Indeed, low birthweight infants are twice as likely to suffer one or more handicaps, such as mental retardation, deafness, blindness, physical limitations, learning disabilities, delayed speech, autism, cerebral palsy, epilepsy, or chronic lung problems.

Perhaps the most distressing part of this story is that many—indeed most—of these deaths and disabilities can be prevented. High risk cases can be identified in the early stages of pregnancy and treated, usually successfully. Indeed, lack of technology is the least of our problems. Instead, low birthweight is most often associated with poor maternal health and lack of adequate prenatal care. Low birthweight babies are more prevalent among poor, less educated, single parent and minority mothers.

These mothers could be helped if they were to receive adequate prenatal care. However, a variety of barriers exist which prevent access to care. In some cases, appropriate and comprehensive services are simply not available, or are available on a limited basis. More usual is low utilization of existing services either because women lack the financial resources to utilize the services, or lack transportation to reach the services. For some women, lack of education regarding the importance of prenatal care is a factor affecting utilization.

Ironically, we pay dearly for the dollars we refuse to spend for up-front preventive care. Numerous studies have shown that the provision of prenatal care is one of the most cost-effective health services that can be provided. Estimates of cost savings range from $3.60 in savings for every $1 spent on prenatal care, to as high as $20 in savings per dollar. The average cost of providing high quality prenatal care is approximately $600 per pregnancy. The cost of caring for an infant in a neonatal intensive care unit is between $20,000 and $100,000 and the need for care does not end when the baby leaves the hospital. Often, this care is paid for through the Medicaid Program. The Federal Government is spending $638 million under Medicaid to pay for neonatal intensive care and rehospitalization of low birthweight infants during the first year of life. This figure could be reduced to only $90 million if comprehensive prenatal care were available to all low income women.

Proposed changes to the Medicaid delivery system are important in addressing the problem of infant mortality. Medicaid alone is not enough, however. For one thing, Medicaid cannot finance care in areas where providers are unavailable or unwilling to serve Medicaid clients. Second, Medicaid cannot provide services such as outreach, education, and transportation, all of which have been shown to be major barriers to women obtaining adequate prenatal care.

It is for these reasons that I am introducing the Infant Mortality Prevention Act, legislation which would add $100 million in supplemental funds to the Title V Maternal and Child Health Block Grant Program. Maternal and child health block grants provide care in areas that are underserved, and offer services such as education for women who do not understand that they should seek prenatal care early in their pregnancies, and outreach and transportation to bring these women into the health care system.

This bill currently has 28 cosponsors, and I urge the rest of my colleagues to join us in this effort to attack the unacceptably high death rate for the newborn children of our Nation.

FRANKLIN HIGH A CHAMPIONSHIP SCHOOL

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. GORDON. Mr. Speaker, I would like today to recognize the great accomplishment achieved last Saturday, March 20, by a fine group of young men representing a great high school.

The Franklin High School boys basketball team that evening won the first State championship in the school's history. Two years ago, the team set the goal of a State championship, and it realized that goal with a topnotch performance.

The players showed grit and determination, holding off a comeback by a taller, talented opponent in the final game, which was decided by just one point.

High school athletics at their finest not only build physical conditioning in the student athletes, they also build strength of character, teamwork, and a heightened sense of responsibility.

Successful teams bring the entire school and community together in a common cause, imparting good memories and a sense of pride that will last a lifetime.

I congratulate the Franklin High Rebels and everyone involved with Franklin High, and wish them the best of luck in the future. They have made us all proud.

RECYCLING

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. SMITH of Florida. Mr. Speaker, the problem of solid waste disposal is fast approaching crisis proportions. Our Nation is generating solid waste at a rate which exceeds the capacity of existing landfills to absorb. As a result, solid waste reduction alternatives, such as recycling, are becoming increasingly important.

In light of these facts, I will again cosponsor three bills which, if passed, would increase the use of recycling as an alternative means of disposal. National Recycling Month would serve to educate the public about the effectiveness of recycling policies. The Recycling Clearinghouse Information Act would establish an Office of Solid Waste Clearinghouse in the Environmental Protection Agency to centralize recycling information at the national level. Finally, the Recyclable Materials Science and Technology Development Act would promote a comprehensive Federal research and development effort to increase recycling.

The State of Florida has recognized the drastic need for alternative means of solid waste disposal. Last year, the Florida Legislature passed legislation which requires counties to reduce their reliability on landfills by 30 percent as of 1994. Included in this initiative is the requirement to recycle at least 51 percent of all newspaper, aluminum, glass, and plastic waste.

In my district, in Broward County, we have already begun to take the lead on the issue of recycling. Broward County has initiated a $200,000 recycling experiment in which containers for separating newspapers, aluminum, and clear glass have been provided to neighborhoods to facilitate and encourage recycling.

I commend the recycling initiatives of the State of Florida. In addition, I commend Congressmen HAWKINS, WELDON, and HOCHBRUECKNER for demonstrating their leadership on the recycling issue by reintroducing these important bills.

I urge my colleagues to help pave the way to a cleaner nation by supporting recycling legislation and encouraging recycling initiatives on a Federal, State, and local level.

SOME THOUGHTS OF A CONSTITUENT ON THE CATASTROPHIC BILL

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. WYLIE. Mr. Speaker, recently I received a very thoughtful letter from my constituent, Gladys Clark, regarding the financing of the Medicare Catastrophic Coverage Act. I was so impressed with Mrs. Clark's comments that I would like to enter her letter into the CONGRESSIONAL RECORD.

STATEMENT OF GLADYS C. CLARK

I hope that the hands that mark your mail for your viewing will see my letter as one worth your attention as it speaks to the catastrophe of the Catastrophic Tax.

I am the daughter of a Louisiana sharecropper, whose parents, through perseverance and love of family, worked to eventually buy a small farm of their own. They were able to educate their children through high school and using academic scholarships, part time jobs, plus each one pulling the next one up we somehow got through college. My heritage speaks of self-reliance and family responsibility.

After marriage, I worked all years through retirement and it wasn't always easy to make the sacrifices it took from all of us. Many of my then friends chose an easier route and now I find myself having to provide for them through the Catastrophic tax. I'm programmed to help where there is a future. For instance, I'm trying to keep my granddaughter who is at Northwestern on scholarships, borrowed money and cafeteria work, barely able to make ends meet but still maintaining a 3.5 average. That's a worthy cause. My sons are struggling to buy first homes and their needs are what I want to help with.

I'm now sixty-five years old and my teaching pension covers all that the Catastrophic would cover so I don't need nor want this extra burden. Through the forty-two years of teaching, my salaries were not very good except for health insurance upon retirement, and promise of security. I have no insurance that can be cancelled and replaced with the Catastrophic. One thing to consider is an option for people like me. I'd gladly trade off the Catastrophic insurance for nursing home insurance and would gladly pay for that. That would be fair. Why not a choice?

Yes, it's easy to find polls that indicate that older folks favor this bill. Why? Because most will pay very little or nothing at all. It's a bargain for many, at the expense of a few. As for the AARP and its support, have you considered just what their motivation is for supporting this? This is not a non-profit organization!

I understand that you are interested in reviewing this bill and I appreciate that. It seems to me that the taxpayer knew nothing of the financing of the Catastrophic bill and it was passed with no opportunity to understand its ramifications. I'm not sure Congress nor the President understands the unfairness of it all, nor the potential for monstrous growth it may entail as it becomes reality.

Representative Wylie, just as my uneducated sharecropper father voted staunchly against Huey Long's Non-American plan of redistribution of money to keep himself in power, I, too, object to Congress doing the same thing to me.

I would appreciate a little note telling me that you have read my letter. I hope I am not a fool for thinking that this letter may matter. In this day of cynicism, I haven't given up on people I believe in—you, Sir are one.

AMERICAN WATERWAYS OPERATORS' JOSEPH FARRELL RUNS A TIGHT SHIP

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. JONES of North Carolina. Mr. Speaker, we on the House Merchant Marine and Fisheries Committee have the opportunity to deal with numerous trade organizations and associations. Over the years, we have had many occasions worked with the American Waterways Operators and its able president, Joseph Farrell. Recently, the Washington Business Journal magazine published a profile of Joe Farrell. I wish to share that article with the House.

AMERICAN WATERWAYS OPERATORS' JOSEPH FARRELL RUNS A TIGHT SHIP

At a time when many associations are turning to outside management specialists to take charge of their business concerns, American Waterways Operators' president Joseph Farrell is running his organization much like a chief executive officer runs a Fortune 500 company. Association executives often lose sight of the fact that they are, indeed, *in business,* but Farrell runs his ship with the bottom-line always in mind.

More to his credit, Farrell, 59, came aboard American Waterways at a time when the assocation was virtually sinking and has since been able to turn it around.

When Farrell took the job at American Waterways in early 1983, he did so because he believed it offered an exciting challenge, but he didn't realize the scope of the problems that lay before him.

The trouble had begun in 1982. A combination of factors—the ongoing effects of the Carter administration's grain embargo which began in 1980, aftershocks from the energy crisis, tax incentives that encouraged too many investors to buy barges—created an oversupply of ships and a shortage of cargoes. Barge and towing companies were

collapsing, with mergers and industry consolidation the resulting trend. The upshot was a sharp departure of members from the American Waterways Operators, the national trade association of the inland and coastal barge and towing industry.

While the economic troubles of the member companies were the main causes of defections, dissatisfaction with American Waterways, itself, didn't help. The association had spent years in an unsuccessful campaign to block the enactment of Locks and Dams 26, a bill which would levy a tax on inland vessels which use the Mississippi. American Waterways' focus on this issue, however, alienated its unaffected Atlantic coast members, and its failure put off those who operated on the inland rivers.

Although he had never been involved with a Washington trade association, Farrell had the experience and credentials to rebuild the foundering organization. As a former Navy officer and submarine chief engineer, he was familiar with maritime issues. He had worked for Sen. Charles Percy, R-Ill., and knew Capitol Hill. When American Waterways' board of directors first approached him, he was a senior vice president for international business and strategic planning at Pullman Power Products of Pennsylvania, a position that acquainted him with the thinking and operations of the private sector.

Trade associations too often bring in some retired general "with a well-known name" to head the organization, points out William P. Morelli, American Waterways board member and associate general counsel and director of government affairs at Midland Enterprises, a Cincinnati-based barge company. American Watwerways, instead, looked for someone who "Had a good feel for the ins and outs of the political process and who also could be a strong manager."

Shortly before Farrell joined American Waterways, five top staffers had been dismissed. Working with the board of directors, Farrell proceeded to lay off about 10 more people in an effort to cut expenses fast and hard. He closed a regional office in St. Louis and reduced the number of personnel in New York, cutting the total staff from more than 30 to about 22. In addition, Farrell fired an outside public relations firm which had cost the association $250,000 the previous year. Public relations and legal divisions were moved in-house, where they remain today.

American Waterways is unusual among trade associations in doing its own public relations and legal work. "American Waterways was just one account among about 50," says Berdon Lawrence about their former public relations agency. They "didn't understand our issues in enough depth to articulate them fully," he added.

Today American Waterways prepares all its own design, writing and layout work for its annual report, brochures and other communications. Moving these operations in-house was one of Farrell's first, and most successful, efforts at getting American Waterways' finances under control.

"Joe came in and energized the organization," comments Berdon Lawrence, President of Hollywood Marine Inc. of Houston and a member of the original search committee that recruited Farrell. "He put some better quality people into key positions. He got material to the key board committees so we could have input. We went into a survival mode for a few years and only did the things that were absolutely necessary."

In all, Farrell cut the American Waterways budget from about $1.3 million to $780,000.

Along with streamlining the association, the most important issue Farrell has had to contend with is membership. American Waterways had lost a lot of members—more than 50 out of 300. Farrell's first order of business was to block further defections which appeared imminent among American Waterways' East Coast faction. He began his campaign by convincing existing members to stay, to give the new team a chance to show what it could do. Farrell next worked up a plan to regain departed members. He and his staff called on key industry leaders to discuss how American Waterways could benefit them. Membership began to stabilize and then increase.

Farrell then launched a campaign to increase participation on the Pacific Coast, which then had a mere four members.

"I felt we couldn't really be a national trade association without the West Coast," commented Farrell.

A West Coast office was soon established and now has 32 members.

American Waterway's membership continued to increase as Farrell and his team began to bring home some successes on the legislative front. In 1986, Congress enacted a bill that increased the fuel tax on waterway operators in exchange for government funding of important improvements to the inland waterway system.

The final deal was cut by Farrell with Office of Management & Budget chief David Stockman. Farrell then set out to gain industry support for the compromise. Although there was much controversy, the industry lined up behind it.

"This was a watershed for us," he recalled. "We were dealing directly with the [Reagan's] budget czar."

American Waterway's regained ability to play a leadership role in its industry is best reflected by last summer's drought crisis. By mid-June, Farrell foresaw the extent of the problem and mustered his troops.

"There was a huge leadership vacuum here," observed Farrell. "The question was whether or not we, as a trade association, should go or not. Nothing," he added, "could keep me out."

In six days American Waterways put together an ad hoc working group that included the top officials from the Coast Guard, the Army Corps of Engineers and the industry.

Although eager to jump into a crisis situation, Farrell is no seat-of-the-pants manager. Every year, American Waterways begins with approval of an annual business plan which focuses on the long-term goals such as developing an electronic media plan and changing the board committee structure to bring in increased expertise. Farrell then reports to the board three times a year on the association's progress. And American Waterways' regional staffs join the Washington crew two or three times a year for day-long retreats that Farrell started four years ago.

Now that America Waterways has its head above water, Farrell is concerned that its members and his staff not slow their pace. He continues to go after new members, improve the association's organization and structure and jump into new projects. Every year he develops an in-house "perspective members directory" listing the interests of the dozen or so key companies not yet belonging to American Waterways.

"I learned early on that each prospective member has his own fingerprints—its own agendas, problems and biases. You have to learn their unique characteristics so that you can show them why an investment in American Waterways is a sound one," said Farrell.

American Waterways now is finally in the black, with a budget for 1989 slightly more than $1.4 million and membership back to about 300.

One problem the association will face in the future, comments Morelli of Midland Enterprises, is to maintain staff morale.

"They have been so effective with such a small staff that we expect them to still perform at this level." It may be necessary to add some staff in the regulatory area, he feels.

Farrell adds that there is a need to broaden the organization's reach in Congress, from public works, where it has always focused its attention, to tax and environmental issues.

For the most part, though, Farrell does not see the need for significant staff growth to continue American Waterways' "upward climb and to get better and better." This is no surprise since trimming the fat from staff and keeping costs down has certainly been the key to this success.

Morelli agrees. "When you look at a lot of trade associations and you look at their budgets and staffs," he says, "pound for pound, we're as good as any."

TARAS SHEVCHENKO

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. MORRISON of Connecticut. Mr. Speaker, I am honored to join with my colleagues in commemorating the 175th anniversary of Taras Shevchenko's birth and the 25th anniversary of the dedication of the Taras Shevchenko statue in Washington, DC. Taras Shevchenko is remembered for his poetry and its theme of a free Ukraine.

Taras Shevchenko, who is a hero of Ukrainians and Ukrainian-Americans, suffered a great deal for his country. He was arrested and imprisoned by the Russian monarchy because his poetry spoke of freedom and an independent Ukraine. While in prison he wrote:

It makes no difference to me,
If I shall live or not in Ukraine
Or whether anyone shall think
Of me 'mid foreign snow and rain.
It makes no difference to me.
In slavery I grew 'mid strangers,
Unwept by any kin of mine;
In slavery I now will die
And vanish without any sign.
I shall not leave the slightest trace
Upon our glorious Ukraine,
Our land, but not as ours known.
No father will remind his son
Or say to him, Repeat one prayer,
One prayer for him; for our Ukraine
They tortured him in their foul lair.
It makes no difference to me,
If that son says a prayer or not.
It makes no difference to me
That evil folk and wicked men
Attack our Ukraine, once so free,
And rob and plunder it at will.
That makes great difference to me.

Shevchenko, the poet patriot of the Ukraine, did make a great difference. He could not rest while his people were denied their nationhood. We must not forget that his struggle, the fight for fundamental human rights for all the peoples of the U.S.S.R., is not yet won.

Recently, Twentieth Century and Peace, a monthly journal of the official Soviet Peace Committee published "Live Not by Lies," an essay by Alexander Solzhenitsyn, the Russian writer who was banned in the Soviet Union. This small step of a very long journey will test glasnost, and we must wait and watch to see if Soviet society is truly opening.

Mr. Speaker, perhaps one day Shevchenko's poetry will be read once more in the Ukraine in its native language. Taras Shevchenko inspired many in the Ukraine and in the other captive nations to cherish their dream of freedom and independence. His poetry is a living symbol of freedom for not only Ukrainians, but everyone who believes in fighting for something they believe in.

ARKANSAS YOUTH WINS VFW SCRIPTWRITING CONTEST

HON. TOMMY F. ROBINSON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. ROBINSON. Mr. Speaker, I am very proud of Gregory Brian Straughn, a young gentleman from my district who has been selected from a field of more than 250,000 secondary students nationwide as one of the nine winners of the Veterans of Foreign Wars Voice of Democracy broadcast scriptwriting contest.

The following is Gregory's winning script:

The Future is Now! This phrase prepares America for the duties and responsibilities expected of her. As Americans, we must realize that only through the youth of today, will we be a strong and prosperous nation. Our duty in preparing for the future is essential in maintaining the respect and alliance of fellow countries. It is imperative that we defend the country from all possible adversaries through the use of new technology and the military. Comprehending that the environment in which we live must be protected and enhanced so it will continue to support life on this globe is also very crucial. Our children need to be educated thoroughly and competently on the events of the past to prepare for the situations of the future. If we are to uphold our international status, these three concepts must be supported and implemented.

The future of our country depends upon the strength of our military. Despite the hope of "Glasnos," there is an evergrowing population of Communistic and Anti-American thought in the world. As Americans we must combat their advances through tough negotiations as well as superior military power. It is vital that we protect the freedoms and privileges set down in the Constitution. Admiral Arleigh Burke stated, "Stamina, guts, standing up for the things that we say—those are deterrents." Another consideration is the appropriation of funds for the Defense Department. In 1986, the United States spent $273.4 billion dollars on defense programs alone. This unduly high expenditure constitutes a look into the priorities of the military. For what is this money used? Why have we allocated so much for one program? It is inevitable that these questions are answered to justify the spendings.

America must lead the way in environmental responsibility as a conscientious effort to benefit mankind. This issue is supported by Clean Air and Clean Water Acts, but these alone are not adequate. We must understand that the environment can live without man, but man cannot live without the environment. Acid rain, the greenhouse effect, ozone layer depletion, and successful disposal of nuclear waste are among the critical issues facing America's future. The legislation bodies of all nations urgently need to recognize the situation with which we are faced. A call for safer conditions and higher standards in environmental issues can begin the pace towards global clean-up.

Education is vital for Americans to compete in international affairs. We must support a vitable education system to be assured of a progressive, profitable future. A commitment to serious priorities, such as improving national test scores, increasing college enrollment, and providing funds so students have the opportunity to develop their skills to the ultimate are necessary to allow education to deal with the complexities of the future. The issues of illegal drugs, student apathy, and disruption in the classroom are serious detriments to educational progress. Creative teaching techniques and more effective discipline will help alleviate these problems.

The amount of educational technology available is staggering. The utilization of computers can encourage students to take advantage of increasing scientific capabilities. To keep pace with foreign countries, a renewed emphasis must be placed on excellence with a confidence that technology is a positive tool. This technology, though, is expensive. If Americans wish to better themselves and their country, steps must be taken to appropriate funds to to so.

It is time for Americans to return to the values of honesty, integrity, and resourcefulness that were so important as the country developed. These values along with the three critical issues of strong defense, balanced environmental strategies, and competitive educational programs insure America's prominent position in the world of tomorrow. The future is now, and now is the future—bright, challenging, and filled with opportunity!

AFTER 50 YEARS, WE CANNOT AFFORD INDIFFERENCE TOWARD POLISH ROUNDTABLE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. LIPINSKI. Mr. Speaker, I rise today to express my deep concern with the ongoing Polish Roundtable negotiations and possible United States policy at the conclusion of the talks.

Since the monumental negotiations began in February, the newspapers have periodically reported incredible social and political advances which may be agreed on by the government and Solidarity. Most notably, the two sides agreed to reestablish Poland's upper chamber of Parliament, chosen by free elections. Similar to other significant democratic developments in Eastern Europe over the last 6 months, the new possibilities in Poland have not been met by a clear American response.

Given the complexities of the negotiations and Poland's severe economic problems, the United States' calculated tentativeness to this point is understandable. Any responsible American policy must be contingent on the results of the Roundtable. However, the negotiations are targeted to end April 3. If conclusions are reached at the Roundtable, the United States will be in position to play a major role in promoting or denying Polish reform. I believe that failure to clearly define United States policy toward Polish reforms will represent an opportunity lost for America to promote democracy within the Soviet bloc. I encourage my colleagues to give the potential opportunities for Poland highest priority, and join me in asking President Bush to do the same.

I am confident the Bush administration shares the sentiment that the United States should do all it can to promote greater freedom, participation, and pluralism in Poland. Since World War II, the Polish people have led the most effective peaceful resistance against Soviet bloc communism. As a result, Poland has maintained primary status in America foreign policy agenda. However, now that Poland seems on the threshold of monumental reform, the struggle of the Polish people seems to have slipped down our list of priorities. America cannot afford to treat this great opportunity for democracy with indifference.

If the Polish roundtable concludes successfully, church leaders and Solidarity's Lech Walesa will turn to the United States President and Congress for moral, economic, and political support. Come April 3, the United States must have an effective, responsive policy for potential Polish reforms.

Foremost, Poland must address its severe economic problems. The Polish Government must balance its foreign debt, and manage domestic supply and demand to control a 100 percent inflation rate. If the Poles immediately request debt relief measures to allow reform, what will be our response? Leaving economic policy solely to international organizations would prove unwise, limiting American influence. By assuming an active and constructive approach to IMF, World Bank, and Paris Club policymaking, America can ensure that economic reforms are not seperated from political considerations. Left to economists and bankers, radical price reforms may be instituted, without regard for the social and political upheaval that might follow.

After working with the IMF and the World Bank, the United States may consider bilateral programs aimed at promoting democracy and privatization. Some initiatives not requiring additional appropriations, such as granting GSP status, OPIC programs, further surplus agricultural offerings to generate joint commission funds, and cultural, educational, and technological exchanges, might prove useful in increasing the quality of life during stressful economic reform. Overall, an American role in Poland's renewal, both bilaterally and within international organizations, will help guarantee

the connection between economic reform and social-political reform.

By participating in the reform process, the United States can ensure that all foreign economic support is contingent on real progress toward freedom, pluralism, and power sharing by the Polish Government. We must guarantee that the legalization of Solidarity, the proposed new chamber of Parliament, and free elections are permanent steps toward democracy, not temporary concessions by the Communist government. Conditioning effective economic reform on political and social improvements requires a carefully developed plan of monitoring the changes in Poland. Enough channels, primarily private church and medical groups, are already in place to establish effective oversight by the United States.

The President as well as the Congress must assign high priority to the ongoing negotiations in Poland and the opportunities the roundtable may offer the Polish people. If the Government and opposition parties agree on reforms, the United States can play a major role in influencing the changes in Poland. We must assure the connection between economic and social-political reform. We must condition economic reform on real, permanent social change for the Polish people. Without an effective, responsive policy, American influence will be impossible. I hope the Bush administration agrees that a lack of clearly defined policy would represent an opportunity lost in promoting democracy.

I realize that any successful American response to Polish reforms will require immediate cooperation between the Congress and the administration. I look forward to following the President's direction, and working together for the interests of the long-struggling Polish people.

HAPPY BIRTHDAY TO THE OHIO CENTER OF SCIENCE AND INDUSTRY

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. WYLIE. Mr. Speaker, it is with great pride and enthusiasm that I report that at approximately 11 a.m. on Wednesday, March 29, Ohio's Center of Science and Industry in Columbus will celebrate its 25th birthday.

This event will occur as 2.1 million schoolchildren from across our great State take part at their schools in a "Science in a Balloon" workshop. This workshop is in keeping with the center's quarter century tradition of providing hands-on experiences which challenge students of all ages to investigate the nature of an intriguing phenomena.

The birthday celebration is being held also to help combat the problem of science illiteracy in our Nation. It is COSI's birthday wish that this activity will help stimulate excitement about science for those who participate and help reverse this trend. We in Ohio intend to show people that science can be a lot of fun.

COSI is 1 of only 27 science-technology centers in the world, and the only 1 that is 97 percent privately funded. As Ohio's only such facility, COSI serves visitors from all over the State and surrounding region.

Over 75 percent of COSI's annual attendance is from outside Franklin County, and 70 percent of those people say that they are in Columbus to visit COSI.

Since 1964, COSI has offered 7.1 million visitors unmatched opportunities for discovery about themselves and the world around them. COSI expects to serve 15 million additional visitors in the next 11 years, bringing annual attenance in the year 2000 to 2 million people.

I am pleased to report that because of dedicated people such as Roy L. Shafer, president and chief executive officer of COSI, that the interest in science is alive, well and growing rapidly in Ohio. It's something that we hope becomes epidemic and spreads throughout the United States.

PREPARING FOR AMERICA'S FUTURE

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. RAHALL. Mr. Speaker, each year the Veterans of Foreign Wars [VFW] of the United States and its ladies auxiliary conduct the Voice of Democracy Broadcast Scriptwriting Contest. This past year more than one-quarter million students entered the contest, over 4,000 VFW posts and 3,700 ladies auxiliaries sponsored the program and over 2,000 radio and TV stations participated.

This year's theme was "Preparing for America's Future," and I am happy to announce that the winner from West Virginia hails from the town of Lashmeet in my district. Amy Diane Wiley is a senior at Matoaka High School in Mercer County and plans to pursue a career in education. I had a chance to meet with Amy while she was in Washington, DC, and I wanted to share her excellent essay with my colleagues.

PREPARING FOR AMERICA'S FUTURE

In 1976 when I was a five-year-old child, I would listen to any story my grandfather had to tell. My grandfather's interest in politics was strong. He would tell me what Presidents had been good for the country in the past, and what man he thought should plan our future. Though I was young, I had an understanding of what he was saying. He once told me, "Just look for love, faith, and the ability to learn from one's mistakes." After this comment, I became confused; to me, love was just simple puppy love, and faith was something to do with church. Learning from mistakes was for older people, because I never thought I made mistakes; I was just a kid. I wonder what my grandfather meant. What did looking for love, faith, and the ability to learn from one's mistakes mean? What did all this have to do with me? I asked him, and he looked at me and wisely replied, "You will find out in the future, but you must be prepared and you must start now."

Twelve years have passed, and I am now a high school student getting ready to begin my future. I have realized over the past few years the meaning of what my grandfather had explained to me years ago.

Preparing for my future as well as for America's future is something we have to do together. Together as one nation, we can make America's future something to look forward to, a future all men, women, and children will not have to fear. However, we must first come together through love, faith, and the ability to learn from our mistakes. These ideas can further improve the outlook of our future and give Americans a goal for which to strive.

Love, defined as a deep brotherly concern for others, is a feeling shared by every person on earth. No human can live without the ever-popular, overpowering feeling of love. It is the bond that holds the hearts of people together and keeps this country as one. The love for our country is one of the strongest powers in the world. Love has saved our country in times of war. It has saved our independence, our rights, and our freedoms. We have to keep this love alive and strong in our hearts, for without love . . . I see no future.

As George Michaels, a popular rock singer, puts it, "You've got to have faith, faith, faith." Well, yes, we do have to have faith, faith in ourselves, faith in our country, and faith in our future. Our country as a whole can take on anything if we have faith. Think of the world as an unchallenging place, where no one has any given goals or dreams to live by. Without faith we cannot have the power to search for our given goals or to believe we can fulfill our dreams. Therefore, we must strengthen our faith in America and stand behind one another; for without faith . . . I see no future.

Learning from our mistakes is a key effort of every person throughout his life. If we can learn from our mistakes, as well as from other mistakes, we can make every tomorrow a little better and brighter. Learning from mistakes enables us to use the past to make the future greater for generations to come. Without learning from our mistakes . . . I see no future.

As a child, my grandfather had given me the love I needed, whenever it was needed. He also always had faith in me and told me I could do whatever I put my mind to. He stood behind me through all my endeavors. He taught me how to learn from my mistakes and make things the best they could be . . . I saw a future.

If my grandfather could see me now, and see what I am doing for my future, he would be so proud. His heart would be filled with love, and his faith in me would be stronger than ever before. Wherever he may be, I know he is watching, watching me learn from my mistakes, which in turn will make me a better person and enable me to have a better future in this great nation I am privileged to call America, my homeland.

SOUTH DAKOTA VOICE OF DEMOCRACY WINNER

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. JOHNSON of South Dakota. Mr. Speaker, Rochelle Eschenbaum of Faulkton, SD, was recently selected as a State winner in the Voice of Democracy broadcast scriptwriting contest conducted each year by the Veterans of Foreign Wars of the United States and its ladies auxiliary. This program began 42 years

ago and has grown to include over one-quarter million students from over 6,000 schools across the Nation. The contest theme this year was "Preparing for America's Future."

Mr. Speaker, I ask that Rochelle's winning script be reprinted in the CONGRESSIONAL RECORD. Rochelle deserves to be commended for her exceptional efforts in writing this script and participating in this contest. Her insights and enthusiasm will serve as a model to others her age.

PREPARING FOR AMERICA'S FUTURE

As I awake in the morning, I can see the sun rising in the east preparing us for the day ahead. Sometimes the sun is very bright, and sometimes it appears to be dull and rather dreary. No matter how the sun looks in the morning, it will always be there and will always start our day.

We must awaken to the surroundings of the world and our country and begin preparing for our days ahead. Just as the sun prepares us for a day, so we must prepare each other for our country's future. The children of our country are our future leaders, and we must begin our preparations with them while they are still young. We should teach them just how special America is by stressing the importance of independence, the freedom of life, liberty, and the pursuit of happiness, and how each person is represented in our government.

As we awaken the interests of the children in this nation, we must also understand the reality of communism, socialism, and other forms of government. Each country runs it government differently, and I feel we should be very thankful to have a democratic form of government. Without a good and stable democracy, the chance that each one of us could be free and independent and able to pursue life the way we want to, is very slim.

While making preparations for our country's future, I feel that it is very important to stress the fact that each person needs to grow separately and independently of one another. By doing this, each person must believe in strong morals and have a good image of himself. If we all work together at this, maybe America will someday be free of drug and alcohol problems while diminishing the rising rate of crimes.

During the process of preparation for our country's future, we must work with other nations to build treaties and arms agreements. If we want a safe world with peace and happiness for all, we must end the constant battle of power and authority over nuclear weapons. We must elect strong leaders that will support our nation's belief in independence. These leaders must continue to carry on the strong government we have, and must prepare even a stronger government for the future.

When the sun begins to set in the west, we feel the effects of the close of day. We settle into bed, and soon we awaken again to the start of a new day.

Just as the sun brings the day to a close, so we must complete the teachings of our children so they can awaken some day and begin to prepare their children for America's future.

While watching our nation grow and prosper in today's changing world, we look back on how our ancestors worked hard to build the United States into a strong nation of which I hope each one of us can be very proud.

VOTING RECORD OF HON. DON J. PEASE

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. PEASE. Mr. Speaker, it has become my practice to insert periodically in the CONGRESSIONAL RECORD a list of key votes that I have cast in the U.S. House of Representatives.

The list is arranged in this manner: Each item begins with the rollcall vote number of the bill or resolution that the House was considering, followed by the bill number and a summary of the issue. This is followed by my own vote on the issue and the vote outcome.

This list of votes covers the period of June 15, 1988, through the end of the 100th Congress on October 21, 1988.

KEY VOTES OF CONGRESSMAN DON J. PEASE

(193) H.R. 4781. FY 1989 Defense Appropriations. Appropriating $282.6 billion for most Defense military functions and most intelligence activities. Yes. Passed 360-53.

(194) H.R. 4150. Move Postal Service Off-Budget. Moving the U.S. Postal Service off-budget. Yes. Passed 390-16.

(201) H.R. 1158. Fair Housing Amendments. Amendment deleting provisions of the bill extending protection from housing discrimination to families with children under the age of 18. Yes. Failed 116-289.

(209) H.R. 4794. Transportation Appropriations. Appropriating $10.8 billion in FY 1989 for the Transportation Department and related agencies. Yes. Passed 371-40.

(216) H.R. 1158. Fair Housing Amendments. Strengthening the federal fair housing law by authorizing HUD to initiate enforcement actions of its own when conciliation between the parties fails; also extending protection against housing discrimination to handicapped persons and families with children under the age of 18. Yes. Passed 376-23.

(218) H.R. 4174. Small Business Reauthorization. Authorizing funds for the SBA and amending various SBA programs to improve their operation and encourage lenders to make small loans. Yes. Passed 342-40.

(219) H.R. 1720. Family Welfare Reform. Instructing conferees to limit the cost of the bill over five years to of $2.8 billion. No. Passed 227-168.

(223) H.R. 4481. Military Base Closings. A substitute allowing the recommendations of the Defense Department's commission on base closures to automatically go into effect, unless Congress enacts a resolution disapproving the recommendations. Yes. Passed 223-186.

(228) S. 2527/H.R. 4848. Plant Closing Notification and Omnibus Trade Bills. Adopting the rule that made in order both S. 2527 and H.R. 4848. Yes. Passed 258-155.

(229) S. 2527. Plant Closing Notification. Requiring employers with 100 or more full-time employees to give 60-days advance notice of certain plant closings or mass layoffs. Yes. Passed 286-136.

(231) H.R. 4848. Omnibus Trade Bill. Passage of a bill almost identical to the omnibus trade bill vetoed by President Reagan in May; two provisions were deleted—one requiring 60-day notification in the event of a plant closing, the other placing certain restrictions on the export of Alaskan oil. Yes. Passed 376-45.

(235) H. Res. 497. Condemnation of Nicaraguan Government. Condemning recent Nicaraguan government actions and calling for Nicaraguan compliance with the Central American peace accords. Yes. Passed 385-18.

(238) S. 328. Prompt Payment Act. Eliminating the grace periods that allow federal agencies to pay a bill late without incurring an interest penalty. Yes. Passed 394-0.

(244) H.R. 3964. National Park Service Reform. Substitute bill eliminating most provisions that made major organizational changes in the Park Service to increase its autonomy and creating a new advisory board. No. Failed 145-231.

(247) H.R. 5015. Drought Assistance. Substitute bill providing for a 50-cent increase in the dairy support price during the period April 1 through June 30 only. Yes. Passed 246-155.

(249) H.R. 5015. Drought Assistance. Providing assistance to farmers and rural communities hurt by the drought and other natural disasters in 1988. Yes. Passed 368-29.

(257) H.R. 4352. Homeless Assistance Reauthorization. Reauthorizing homeless assistance programs established by the Homeless Assistance Act of 1987. Yes. Passed 330-80.

(266) H.R. 4333. Tax Technical Corrections. Extending certain tax provisions due to expire and making numerous miscellaneous tax changes and technical corrections to recent tax legislation. To offset revenue loss from certain provisions, it also contained several revenue-raising provisions. Yes. Passed 380-25.

(267) H.R. 5090. U.S./Canada Trade Agreement. Approving the U.S./Canada Free Trade Agreement signed by President Ronald Reagan and Canadian Prime Minister Brian Mulroney in January 1988. Yes. Passed 366-40.

(279) H.R. 4526. Manassas Battlefield. Expanding the boundaries of the Manassas National Battlefield Park in Virginia to incorporate the 600-acre William Center tract, the site of Confederate General Robert E. Lee's headquarters, and transferring ownership of this land to the federal government. Yes. Passed 307-98.

(288) H.R. 1580. Anti-Apartheid Act. Imposing additional economic and diplomatic sanctions against the white minority South African government. Yes. Passed 244-132.

(295) H.R. 4867. FY 1989 Interior Appropriations. Appropriating $9.9 billion for the Interior Department and related agencies. Yes. Passed 359-45.

(298) H.R. 5210. Omnibus Drug Initiative Act. Amendment permitting the imposition of the death penalty for individuals convicted of killing a person during the course of committing or in furtherance of a drug felony. Yes. Passed 299-111.

(300) H.R. 5210. Omnibus Drug Initiative Act. Amendment requiring the denial of federal grants, contracts, loans, licenses, and public housing for five years for those convicted of two or more drug-related offenses within a 10-year period. Yes. Passed 335-67.

(307) H.R. 4783. FY 1989 Labor-HHS Appropriations. Disagreeing with a Senate amendment to expand existing law to allow the use of federal funds for abortion under the Medicaid program in cases of rape or incest. No. Passed 216-166.

(314) H.R. 5133. Insider Trading. Increasing penalties for insider trading, imposing additional legal restrictions on securities firms, and requiring greater supervision of employees by securities firms to prevent insider trading. Yes. Passed 410-0.

(321) H.R. 5210. Omnibus Drug Initiative Act. Amendment deleting the bill's provisions to establish a seven-day waiting period for handgun purchases. No. Passed 228-182.

(330) H.R. 5210. Omnibus Drug Initiative Act. Substitute providing $125 million to states that implement drug enforcement programs which require the suspension of driver's licenses of persons convicted of drug-related criminal offenses. Yes. Passed 281-119.

(332) H.R. 5210. Omnibus Drug Initiative Act. Authorizing funding for numerous law enforcement and drug-abuse education and treatment programs. Yes. Passed 375-30.

(338) H.R. 5142. AIDS Federal Policy Act. Amendment requiring states to require AIDS testing for everyone seeking a marriage license if the rate of infection with the AIDS virus exceeds 0.1% in the state. No. Failed 91-304.

(339) H.R. 5142. AIDS Federal Policy Act. Amendment requiring hospitals in states where the rate of AIDS virus infection exceeds 0.1% to routinely provide AIDS tests to essentially all patients between the ages of 15 and 50. No. Failed 89-302.

(341) H.R. 1154. Textile and Apparel Trade Act. Agreeing to Senate amendments imposing import quotas on a wide range of textile, apparel and footwear products. No. Passed 248-150.

(344) H.R. 5142. AIDS Federal Policy Act. Authorizing $400 million annually over the next three years for a new program of grants to support AIDS testing and counseling programs and establishing federal protection for the confidentiality of AIDS test results. Yes. Passed 367-13.

(353) H.R. 5337. Sanctions Against Iraq. Enacting military and other sanctions against Iraq for use of chemical weapons. Yes. Passed 388-16.

(367) H.R. 4637. Foreign Aid Appropriations. Motion to recede from disagreement with the Senate provision that authorized certain foreign aid programs. No. Passed 303-90.

(378) H.R. 387. Federal Pay Equity. Establishing a commission to study the Federal Government's pay and job classification systems to determine whether they are operated and administrated consistently with laws barring discrimination based on sex, race, or national origin. Yes. Passed 302-98.

(373) H.R. 1720. Welfare Reform. Requiring states to establish employment and job training programs for welfare recipients, requiring most recipients to take part in the job training program if space is available, and requiring states to enroll a specific percentage of recipients in such training programs. Yes. Passed 347-53.

(378) H.R. 5288. Veterans' Judicial Review. Establishing an independent court of veterans' appeals to rule disputes between the Veterans' Administration and veterans.

(404) H.R. 4919. U.S.-U.S.S.R. Fisheries Agreement. Approving a new five-year reciprocal fisheries agreement signed by the U.S. and the Soviet Union in May 1988. Yes. Passed 412-5.

(426) H.R. 1154. The Textile and Apparel Trade Act. Overriding the President's veto of the bill. No. Failed 272-152 (two-thirds vote required).

(428) H.R. 5410. Foreign Investment Disclosure. Requiring foreigners who invest in certain U.S. businesses and properties to register with the Commerce Department and file a report containing specific information about the investor and investment. No. Passed 250-170.

(443) S. 2749. Military Base Closings. Establishing new procedures for closing or realigning certain military bases in a one-time process to begin during 1990 or 1991 and to be completed before the end of FY 1995. Yes. Passed 370-31.

(457) H.R. 3048. Superconductivity Research. Establishing a five-year plan for research and development of high-temperature superconducting materials and designating roles and responsibilities for various federal departments and agencies in implementing such a national plan. Yes. Passed 353-0.

(465) H.R. 5210. Omnibus Drug Initiative Act. Approving a compromise bill that included authorizations and supplemental appropriations for numerous law enforcement and drug-abuse education and treatment programs. Yes. Passed 346-11.

THIS SNUFFY SMITH WON'T WASTE TIME

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. DARDEN. Mr. Speaker, we sometimes speak fondly of "the little red schoolhouse" as the symbol of public education facilities in our Nation. In reality, of course, the typical school today is not that tiny, one- or two-room structure, but a larger, more sophisticated building in which our children learn in comfortable, well-equipped surroundings.

As supervisor of facilities in the Cobb County school system for more than 20 years, Floyd Smith has seen the schools of our community evolve in this way—from a handful of austere, rural schools to a countrywide suburban system of modern facilities which set the standard for public education in Georgia.

I would like to pay tribute to Mr. Smith, who recently retired from the Cobb school system, and to offer for inclusion in the CONGRESSIONAL RECORD this profile of him from the March 12 edition of the Marietta Daily Journal.

THIS SNUFFY SMITH WON'T WASTE TIME

(By Peggie R. Elgin)

Floyd Smith, who has had a hand in planning or repairing every school in the county in the past 38 years, has no plans to disappear into the sunset now that his retirement is official.

Standing in front of the old Mountain View School on Sandy Springs Road, Smith recalled his first job for the county school system.

"They had pot-bellied stoves and no indoor plumbing when I first came here in 1951," he said. "They had privies out in back and the rooms were lighted with three light bulbs."

Smith, affectionately known by his friends as "Snuffy Smith" after the comic strip character, began his work on local schools as a private architect after earning a degree in the first graduating class of Southern Tech.

Later he became supervisor of planning, construction, maintenance and custodial services and for asbestos survey and removal, working as a county school employee for 22 years.

Smith cleaned out his desk last summer when he officially retired and school officials plan a retirement tea in his honor 2:30-4 p.m. today at the school board offices. But the work schedule Smith maintains hardly reveals a man in retirement.

"I'm doing consultant work now," said Smith.

Following his official retirement last summer, he organized an asbestos survey required by the federal government and supervised removal where needed. He also conducted a study of lead in water and will soon conduct radon surveys.

"It's more than full time," said Smith. "I've always had time for my number one hobby, gardening."

The fishing Smith has always wanted to do may still have to wait because his "retirement" schedule is simply too busy. But he does plan to make more time for his grandchildren.

Smith, 63, and his wife Mary-Grace have three daughters—Sherran Reeves, Nehal Gabler and Toni Sheasby—and four grandchildren.

The extensive and varied work in county schools over the years gives Smith a unique outlook on school buildings and operations.

"I have worked on every school in the county in some way or another," he said.

"My first job was to measure Mountain View, Blackwell, Kennesaw, Riverside, Mableton and part of Austell for renovations," he said. "They were basic country schools."

Cobb taxpayers had approved a $3 million in 1950 to pay for the improvements. The most recent bond issue approved by voters was for $58.5 million in 1987.

"To tell you how times have changed, let me tell you what $3 million bought back then," Smith. "It bought old Sprayberry High School (now Walker School), South Cobb High School, Campbell High School, a 22-classroom addition and gym at Acworth School (a high school at that time), Eastside Elementary School (replacing the old Mt. Bethel School), and all the renovations."

The buildings were needed to meet the booming growth.

"The Korean War started (in late 1950)," said Smith. "Lockheed opened in the old Bell Bomber Plant. And before we finished any one of those high schools, we were building additions on all of them. It has been gangbusters ever since."

Smith was not always an employee of the school system.

Smith began work for H. Griffith Edwards architectural firm after graduating from college. Also working there was well-known Atlanta architect John Portman. His next employer was Bothwell and Nash.

After working for other architectural firms, Smith opened his own business, Dale and Smith, architects, with a former classmate from Southern Tech. The firm did projects for Cobb and other school systems.

"In 1967 Cobb Schools hired me as its supervisor of planning and construction of schools," said Smith. "At least that was the job I applied for. At the meeting, however, the board approved me for plannning and construction supervisor and added maintenance and custodial supervisor."

Smith said he was surprised to learn he had been assigned new duties but no additional pay.

Though much construction was underway and one of Smith's main responsibilities was working with architects on new projects, he said his biggest problem was maintenance.

"The school system had never managed maintenance and custodial services from the central office," he said. "We only had one piece of rolling equipment (truck) when I first came. There was no glass in it and the

doors were welded shut. You had to get into it like the Dukes of Hazzard."

INVESTMENT ADVISERS SCARING SENIORS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. STARK. Mr. Speaker, a group of investment advisers around the country are trying to buffalo seniors into changing their investment patterns in order to avoid the Medicare Catastrophic Coverage Act's supplemental premiums.

In many cases, these investment salesmen are just plain lying to seniors. In most cases, it makes absolutely no sense for seniors to switch investments—see Forbes, March 20, 1989, and the Wall Street Journal, March 14, 1989.

Following is recent correspondence I've had with the Securities and Exchange Commission about a mailing to my constituents from Investment Network of America, a firm located in San Francisco.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 20, 1989.

Hon. DAVID RUDER,
Chairman, Securities and Exchange Commission, Washington, DC.

DEAR MR. CHAIRMAN: Enclosed is a letter one of my constituents received from a group called Investment Network of America.

The first sentence is an attempt to scare senior citizens—and it is a blatant lie. The new Medicare law (Public Law 100-360) does not cost $1600 for [all] couples over 65, yet that is how the sentence reads. As you know, only 40 percent of all seniors will pay any supplemental premium, and it is estimated that only about 10 percent will pay the maximum amount. The average supplemental premium is estimated to be around $300 a year.

This mailing to seniors uses the inaccuracies of the first sentence to scare seniors into switching investments, although there are numerous reports in the press that for most seniors, such movement of investments does not make sense.

I urge the SEC to act against Investment Network of America for its inaccurate mailing. Any group that would send such a mailing to vulnerable senior citizens is probably lying about the rest of its products. I urge the SEC to review the entire operation of this group.

Sincerely,

PETE STARK,
Member of Congress.

INVESTMENT NETWORK OF AMERICA.

DEAR ——. Starting January 1, 1989, if you are 65 or older, the I.R.S. will collect a new surtax of $800.00 (Maximum) for individuals and $1,600.00 for couples. This new Medicare surtax cannot be avoided by waiving Medicare benefits.

You should also know that this tax increases through 1993!

Now is the time to learn what your options might be. We have developed a Medicare Tax Reduction Plan to minimize your exposure to this new surtax. This is a free service offered through the Investment Network of America at no obligation to you.

Investment Network of America is located at select Bank of America branches. Please call 1-800-356—— to schedule an appointment with your local Investment Network of America representative.

Sincerely,

SHEILA WEST,
Tax Program Coordinator.

P.S.—Don't needlessly pay the new surtax to the I.R.S.! Call 1-800-356—— to arrange your appointment today.

TRIBUTE TO THE RAOUL WALLENBERG COMMITTEE RECENTLY ESTABLISHED IN BUDAPEST, HUNGARY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. LANTOS. Mr. Speaker, I invite my colleagues in the Congress to join me in extending congratulations to the newly established Hungarian Raoul Wallenberg Committee and to join me in commending this group. In recent years, Wallenberg Committees have been established around the world, but this is the first such committee that has been created in Hungary—the place where Raoul Wallenberg performed his self-sacrificing, life-saving activities.

A member of the leading Swedish banking family, Wallenberg left the wealth and affluence of Stockholm and went to Hungary at the height of the Nazi terror to interpose himself between the Nazi war machine and the persecuted, unarmed thousands. When he arrived in Budapest, the Jews of the countryside had already been taken to Auschwitz where most perished. But it was Raoul's presence in the city of Budapest which delayed the wagons long enough so that some 100,000 people survived the Holocaust. Budapest was the place where he was last seen in freedom. In January 1945—over 44 years ago—he was taken prisoner by Soviet troops, and he has not been seen in freedom since then.

Raoul taught us two things. First, that a single individual committed to an idea can achieve miracles and, second, that human rights are indivisible, that it is not enough just to be concerned with our own human rights. As Catholics or Protestants or Jews or Swedes or Americans or whites or blacks, the only relevant concern for human rights that deserves respect is the concern that transcends religion and race and color and creed and national origin. He did not go to Budapest in 1944 to save Lutheran Swedes. He went there to save Hungarian Jews, with whom he had nothing in common, except his humanity.

Raoul Wallenberg not only fought evil, but he also fought indifference, and indifference is the twin of evil. Those who kill are murderers but those who stand by and do nothing in the face of murder share a complicity in crime. Those who are terrorists and kill are criminals, but those who shelter and expedite terrorism are in complicity with the crime. Raoul's message was clear and loud. We have to fight evil, but just as hard we have to fight indifference.

Mr. Speaker, the statement of purpose of the Raoul Wallenberg Committee of Budapest reflects the continuing commitment of people everywhere to the noble principles for which Raoul Wallenberg risked his life and sacrificed his freedom, but it also reflects the growing freedoms that are being enjoyed by the people of Hungary which we welcome. I ask that this declaration of the Raoul Wallenberg Committee of Budapest be placed in the RECORD.

DECLARATION OF THE ASSOCIATION

In the face of increasing prejudice both old and new, intolerance, and racist emotions, our Association, continuing Raoul Wallenberg's intellectual heritage, considers tolerance, the preservation of the culture and dignity of every minority group fundamental values. Raoul Wallenberg, Swedish diplomatic secretary, saved thousands from death during the period of peril. His conduct has a symbolic meaning that our Association wishes to use as ethical standard for the Hungarian social and political public life.

The Association recognizes with conviction the composite nature of cultures being the result of different ethnic groups and religions. Therefore, its principle maintains that every individual has the sovereign right to freely and with dignity associate with any group or groups having a different minority, ethnic, religious or cultural background.

We can talk about a democratic society only if it recognizes every citizen's right to his own identity, if it values the idea of multiplicity and the right to be different and is willing to declare solidarity with any group should that group experience injury, discrimination, or persecution.

The objective of the Association is to contribute to the establishment of such a democratic-minded collective which judges individuals on the basis of their personal worth rather than on the basis of some group association where a minority sensitivity complex becomes the inferiority complex of the whole society, and where self-esteem is inseparable from the respect for the rights of others.

IN OPPOSITION TO JOINT COMMERCIAL USE OF EL TORO MARINE CORPS AIR STATION

HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. COX. Mr. Speaker, one of our Nation's most important military bases, the El Toro Marine Corps Air Station, is located within the district that I have the honor and privilege to represent.

In recent years, as we have searched for more airport sites across our Nation, the conversion of military bases in whole or in part to civilian use has often proved a sensible option. In fact, more than 20 military airfields now permit civilian use.

For this reason, when planners have looked at the air traffic situation in southern California, they have explored this alternative for increasing capacity. The long runways currently in place at the El Toro Marine Corps Air Station offer an attractive site for possible com-

mercial use. As a result of careful analysis, however, it is now clear that this alternative simply does not make sense.

First, virtually all parties are agreed that closure of this base—permitting its subsequent conversion to totally commercial use—is not in the national security interest of the United States. The location and mission of the El Toro Marine Corps Air Station are critical to our national defense and in an era of declining defense budgets, the Department of Defense cannot afford to relocate the activities conducted from El Toro.

Second, joint use—the only remaining option for commercial use of El Toro—is equally unworkable. Field mirror carrier landing practice, one of the most important activities at the base, simply cannot be accomplished in conjunction with air carrier service. The parallel runways at the base cannot be used simultaneously because they are too close together. Military and commercial flights cannot easily communicate because equipment on board these aircraft use different frequencies. The construction of a commercial terminal would take up valuable and crowded land on the base. The use of live ammunition on the base, including missiles, rockets, and machineguns, and the arming and de-arming of ordnance, present an extraordinary safety risk.

The added frequency of commercial flights that would be required to make El Toro a viable commercial airport would dramatically increase the overall level of noise for the surrounding residential communities. And the significantly higher ground traffic volume generated by joint commercial use would represent a problem for the base's neighbors just as serious as the increased jet noise.

In a major 1984 Department of Defense/Department of Transportation joint study, El Toro failed preliminary reviews and was not recommended as a candidate for joint use. In response to a request to review this study, the Federal Aviation Administration said that:

> Joint use can be accomplished only with the sponsorship of the State or a local agency and the cooperation of the military.

Mr. Speaker, the military has expressed its unequivocal opposition to any commercial use of El Toro, for the reasons I have cited and for many more. Moreover, no legitimate local organization that takes into account the vehement opposition of hundreds of thousands of local residents could responsibly recommend, let alone sponsor, commercial use of El Toro.

Mr. Speaker, it is clear that something must be done to provide better access to air transportation for residents of southern California. But joint commercial use of El Toro would make our problems even greater. That is why dedicated citizens in Orange County—such as the Coalition for a Responsible Airport Solution—are working so hard toward finding a solution. The Congress should join in applauding their efforts, and in ensuring that the military mission of El Toro will not be compromised by joint commercial use.

THE MEDICARE CATASTROPHIC COVERAGE REVISION ACT OF 1989

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. DEFAZIO. Mr. Speaker, during the 100th Congress there was considerable debate over the issue of catastrophic health care coverage. Congress had the opportunity to pass legislation that would have expanded the current Medicare Program to provide comprehensive long-term and health maintenance services for senior and disabled citizens.

However, Congress passed H.R. 2470, the Medicare Catastrophic Coverage Act. The Catastrophic Coverage Act was billed as the greatest expansion of Medicare coverage since the program was established. At the time, I felt the costs of the program were excessive and the benefits extremely limited, and I opposed passage of H.R. 2470.

Of the Nation's more than 32 million Medicare beneficiaries, less than 1 percent will benefit from the major benefit of expanded hospital coverage; ninety-three percent of the beneficiaries will not exceed the $1,370 out-of-pocket limit on doctor's bills. And, 83.2 percent will never exceed the $710 deductible for prescription drugs.

In order to pay for these minimal health care improvements, existing Medicare premiums will increase by 41 percent between now and 1993. Many Medicare beneficiaries already are hard pressed to pay the 38.5-percent premium increase imposed on seniors in 1987, as the calls and letters to my office demonstrate. It's understandable that they are concerned about another increase, especially for benefits that do not address their most pressing health care needs.

In addition to the increased premiums, the new catastrophic law also created an income tax surcharge for all retirees with $150 or more of Federal tax liability. The new tax will equal 15 percent of taxable income in 1989 and will increase to as much as 28 percent in 1993, up to a limit of more than $1,000.

I believe we did our parents, our grandparents, and fellow citizens a great disservice by forcing these additional costs on seniors while ignoring coverage for the services that are truly catastrophic: long-term and in-home nursing care.

Many of our senior citizens do not seek medical attention because they do not have the discretionary income to meet their insurance deductible. The catastrophic coverage law does nothing to aid those who need assistance the most and offers little or no relief to the chronically ill and disabled.

Recent reports show that the majority of Medicare beneficiaries already have equal or better coverage through private insurance plans or the Medicaid Program. I believe seniors should pay their fair share of any new benefits, but they should not be forced to pay more for benefits they already have.

Mr. Speaker, today, I am introducing legislation which would delay further implemention of the Medicare Catastrophic Coverage Act, with the exception of the spousal impoverishment provision, for 1 year. The current benefits would be financed by the flat premium increase. According to the Congressional Budget Office, the flat Medicare premium increase will be sufficient to pay for the benefits that have already been put into place plus the spousal impoverishment benefit.

The intent of the bill in delaying further implementation, is to give Congress an opportunity to revisit the funding mechanism, through public hearings, to determine what, if any, changes need to be made to the act.

Mr. Speaker, I believe we have a responsibility to provide seniors with a package that meets their true needs, particularly since they are paying the bill. Given the fact that if we have failed to do so, we must revisit the act.

This measure is a companion bill to S. 335 which was introduced by Senator JOHN MCCAIN. S. 335 enjoys the support of Senators BOREN, COCHRAN, GORTON, HEFLIN, and WILSON.

I urge my colleagues who have heard from their constituents on this issue to join Representative TAUKE and I in cosponsoring the House version of the Medicare Catastrophic Coverage Revision Act of 1989.

CHINESE POPULATION CONTROL PROGRAM

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. SMITH of New Jersey. Mr. Speaker, for a decade, the People's Republic of China has had a one-child-per-family policy. To enforce this decree, the central authorities in China have adopted coercive measures, among which is forced abortion even in the last trimester of pregnancy.

In the last 2 or 3 years, foreign apologists for China's population control efforts have claimed that official Chinese policy has withdrawn endorsement of Iron-handed tactics and especially forced abortion since 1984. China's foreign supporters admit that there still are abuses in this respect, but claim that these are isolated cases which are the result of maladroit zeal on the part of local authorities. Such defenders of China's population control efforts suggest that because the Chinese program is now supposedly free of an official policy of duress, that there no longer is any reason for the United States to withhold funds from the U.N. Population Fund [UNFPA] which dried up in 1985 because of UNFPA's support for the Chinese program.

Evidence from the Chinese media itself contradicts these assertions. Indeed, there may have been a slight, and I emphasize the word "slight," retrenchment of coercive population control procedures in 1984 in preparation for the Mexico City International Conference on Population sponsored by the United Nations. But since the autumn of 1985, population policies have been getting more strict. Central authorities have continued pressing local cadres to use greater compulsion in forcing compliance with the program. This policy is in effect today, especially in regard to national minorities.

A recent article in the Washington Post—February 25, 1989, page C1—chronicles a firsthand account of the brutal tactics wielded by Chinese birth control teams in Tibet. Not only have women been forced to have abortions, but in some places every woman of child bearing age has been sterilized. In other cases, newborns have been killed by lethal injections. Eyewitnesses tell of seeing the bodies of dead babies piled high outside the tents of Chinese Government birth control stations. Other sources claim that since 1987, there has been a multifold increase in the number of birth control cadres who have unleashed campaigns reaching into the remotest valleys of Tibet.

In China as a whole, the population control policy is actually becoming more coercive as a result of directives from the national level. These decrees demand an escalation of the war on population, which in reality is a war on their own people, by means of mandatory IUD insertions, forced sterilizations, and packing women off to undergo abortions.

John Aird, former Senior Research Specialist on China at the U.S. Bureau of the Census, in a study just completed in February 1989, stated:

During 1987 and 1988 central demands for strict enforcement of family planning requirements escalated sharply and the escalations have continued into 1989. New measures have been devised to bring pressure on the whole administrative chain of command down to the grassroots level. Severe penalties are prescribed in the newly revised local family planning regulations. Tactics once condemned as coercive are once again advocated.

Mr. Speaker, it is time that the Congress of the United States as the representatives of the American people express our solidarity with the people of China who are, even as we meet today, undergoing a brutal repression of their basic human rights. More than four decades ago, the world community at the Nuremberg War Crimes Trials found that the forced abortions by Nazi doctors in occupied territories amounted to a crime against humanity. Can we remain silent as history repeats itself today among millions of women and children in China?

Mr. Speaker, I am submitting today a concurrent resolution which condemns the continuing violation of fundamental human rights by the Government of the People's Republic of China against not only its own citizens but also against the people of Tibet. Along with other offenses, the resolution condemns the practice of forced abortions and involuntary sterilizations in the Chinese population control program.

Mr. Speaker, this is not a new subject for Congress. These sentiments were articulated by this body with strong bipartisan support in the passage on December 10, 1987, of H.R. 3100, a bill authorizing international security and development assistance. On July 10, 1985, the House voted overwhelmingly—289 to 130—for an amendment that specifically condemned these practices. I call upon my colleagues to reiterate our condemnation of these human rights violations and reaffirm our support for their victims by passage of the concurrent resolution which I am introducing today. The text of the resolution follows:

H. CON. RES. —

Whereas in 1979 the People's Republic of China adopted a one-child-per-family policy that purports to protect voluntary decisions by couples on matters relating to family planning but in reality relies on coercion, economic penalties, and forced abortions (often late in pregnancy) for refusal to comply;

Whereas this one-child-per-family policy, implemented by the use of forced abortions and involuntary sterilizations, has been used against ethnic minorities and peoples, such as the Tibetans by Chinese authorities in Tibet;

Whereas as a direct result of this one-child-per-family policy, the incidence of female infanticide in the People's Republic of China has escalated, particularly among those living in rural areas who regard a male as vital to their economic well being and a source of financial security in retirement;

Whereas the one-child-per-family policy of the People's Republic of China makes use of a repressive "birth quota" system that empowers family planning workers to dictate to couples if and when they may have the one child permitted under the policy;

Whereas the People's Republic of China's family planning workers violate a woman's right to privacy by monitoring private details of a women's life, including the onset of menstruation in order to track compliance with the one-child-per-family policy;

Whereas numerous reports by social scientists and by journalists associated with the Washington Post, the New York Times, the Wall Street Journal, the Public Broadcasting System "Nova" series, the Columbia Broadcasting System's "Sixty Minutes" and other media, have documented pervasive reliance by local People's Republic of China officials on forced or coerced abortion in order to achieve birth quotas for specified areas;

Whereas reports indicate that, as a result of the one-child-per-family policy, tens of millions of unborn children have been killed by abortion in the People's Republic of China;

Whereas the policy of the Department of State for the 1984 International Conference on Population stated that, "Attempts to use abortion, involuntary sterilization, or other coercive measures in family planning must be shunned, whether exercised against families within a society or against nations within the family of man", and the United Nations Declaration of the Rights of the Child issued in 1959 calls for the legal protection of children before birth as well as after birth;

Whereas at the Nuremberg war crimes trials, forced abortion was regarded as a "crime against humanity"; and

Whereas while "official" People's Republic of China policy forbids infanticide, prosecution has been virtually nonexistent except in a few token cases: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) strongly condemns the continued violations of human rights by the Government of the People's Republic of China, including—

(A) the one-child-per-family policy adopted in 1979 that relies on coercion, economic penalties, and forced abortions (often late in pregnancy) as a means of enforcing compliance;

(B) the continued use of a repressive "birth quota" system that empowers the authorities to dictate to couples if and when they may have a child; and

(C) the use of forced abortions and involuntary sterilizations of Tibetans by Chinese authorities in Tibet;

(2) affirms internationally recognized basic human rights, such as—

(A) the conclusion made by the 1981 United Nations Symposium on Population and Human Rights that compulsory abortion is a violation of human rights; and

(B) the declaration made at the Nuremberg war crimes trials that forced abortion be regarded as a "crime against humanity"; and

(3) asks that the President and the Department of State—

(A) raise the concerns expressed in this section with the Government of the People's Republic of China, and

(B) call upon the Government to cease immediately this repressive policy.

INTRODUCTION OF A BILL TO AUTHORIZE ISSUANCE OF A CERTIFICATE OF DOCUMENTATION OF THE VESSEL, MV "NORTHERN VICTOR"

HON. EARL HUTTO

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. HUTTO. Mr. Speaker, I am pleased to introduce today, legislation that would authorize issuance of a certificate of documentation for the vessel, MV *Northern Victor*—formerly the *Ocean Cyclone.* This legislation would allow the vessel MV *Northern Victor* to be authorized to operate in the U.S. coastwise and fisheries trades for purposes of acquiring, purchasing, processing, and transporting fish and fish products. This bill has the same purpose as H.R. 4625, which was favorably reported to the House by the Committee on Merchant Marine and Fisheries, and S. 2417, which was passed by the other body, during the 100th Congress.

Mr. Speaker, the need for enactment of this legislation is even greater today than it was last year. Documentation of the MV *Northern Victor,* as authorized by this bill, would provide vitally needed U.S.-flag and U.S.-built processing capacity to our burgeoning American fisheries. Without this vessel, and other motherships like it, scores of American catcher boats will be forced out of business, as foreign processing ships are displaced by the growing fleet of U.S. catcher/processors which does not provide a market for the many small American harvesting vessels. Although I very much welcome the success of our catcher/processor vessels, I believe that we must also provide for the survival of catcher boats, allowing needed motherships to enter the fisheries.

In 1980, Congress provided a 2-year window to allow U.S. Government surplus vessels, such as the MV *Northern Victor,* to be documented as motherships; however, the scope of the problem we face today was not understood. Indeed, at that time, the MV *Northern Victor* and several other vessels

were committed to other purposes. Since 1982, and particularly in recent months, Congress has responded, on a case-by-case basis, to the increasingly urgent need for additional at-sea U.S.-flag and U.S.-built fish processing capacity.

With enactment of this bill, the MV *Northern Victor,* which was built in the United States, will undergo a $8 to $10 million conversion in an American shipyard. The vessel will then be employed in the American fisheries, with a crew of between 120 and 200 people and a payroll of $8 to $10 million annually. The MV *Northern Victor* will provide a market for at least four U.S. catcher boats.

Mr. Speaker, this is a noncontroversial and important measure which will greatly benefit our American fisheries. I urge its prompt consideration and enactment.

THE ARREST OF CZECH PLAYWRIGHT AND ACTIVIST VACLAV HAVEL

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. FOGLIETTA. Mr. Speaker, I rise today to call attention to the plight of internationally recognized Czech playwright Vaclav Havel. As many of my colleagues know, Mr. Havel was arrested on January 16—along with eight other activists—while trying to lay flowers in Prague's Wenceslas Square at a rally commemorating the death of student Jan Palach 20 years ago. While Mr. Palach set himself on fire in protest of the Soviet-led invasion of his country, Mr. Havel has already spent a total of 4½ years in prison for his activities as a founding member of the Charter 77 human rights organization.

Vaclav Havel holds numerous awards for his works. However, though these have been both produced and published abroad, they have been banned since 1969 in Czechoslovakia.

Mr. Havel is a symbol of hope in Czechoslovakia, having turned down the chance to emigrate to the United States in 1979 out of a dedication to improving the human rights situation in his native country. He has been nominated for the 1989 Nobel Peace Prize by the Commission on Security and Cooperation in Europe—Helsinki Commission.

The United States must make clear to the Government of Czechoslovakia that we are aware of the human rights violations publicized by Charter 77, and epitomized by the arrest of Mr. Havel. Certainly, continued human rights violations will adversely affect efforts to increase ties between the United States and Czechoslovakia.

I join many of my colleagues—and Americans throughout our Nation—in urging the Czech Government to observe Mr. Havel's right to freedom of expression, both by releasing him from prison and by allowing the publication of his works in Czechoslovakia. As the Cold War thaws, I hope that the Czech Government will observe the human rights of all its citizens, and that our two nations will be able to establish friendlier and more productive relations.

THE NOMINATION OF TERENCE TODMAN AS UNITED STATES AMBASSADOR TO ARGENTINA

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. DE LUGO. Mr. Speaker, once again it gives me great pleasure to pay tribute to Hon. Terence Todman, a native of St. Thomas in the U.S. Virgin Islands, who has just been nominated for his sixth ambassadorial post, as United States Ambassador to Argentina.

Terence Todman is now in his 37th year of a very distinguished career with the Department of State. His achievements in international diplomacy are a source of enormous pride to my people in the Virgin Islands. Throughout his career, from his beginnings as a desk officer to his climb to the rank of Career Minister, he has served his country with dedication and vigor.

He is now in the top tier of an elite profession in the U.S. Foreign Service, but he continues to keep up close ties to his home in the Virgin Islands where he is an active leader on the board of trustees of our university. His entire family—his wife, Doris of St. Thomas, who has been his devoted partner, and his children, Terence, Patricia, Michael, and Kathryn—also remain well-known and well-liked by their many friends in the Virgin Islands.

Ambassador Todman has now served his country well as Ambassador to Chad, Guinea, Costa Rica, Spain, and Denmark. He also served as Assistant Secretary of State for Inter-American Affairs. His outstanding service as Ambassador to Spain was deeply appreciated by that country, which awarded him one of its highest honors, the Grand Cross of the Highest Order of Isabela la Catolica in 1983.

He served for 5 years as Ambassador to Denmark, where he became a widely admired and popular figure, and established the longest tenure of any United States envoy to that country. His service to Denmark is particularly poignant for Virgin Islanders because the United States acquired our islands from Denmark in 1917 after we had been a Danish colony for well over 200 years. Terence Todman's appointment as Ambassador to that country brought the Virgin Islands full circle in its relationship to Denmark and symbolized the great progress we have made as citizens of the United States.

Following his Senate confirmation, Ambassador Todman will face new challenges as the United States envoy to Argentina, which is struggling to move toward democracy. I am sure he will handle those challenges with great talent and success. With his intellectual ability, principled belief in democracy, and simple human compassion, he truly represents the best that the United States has to offer in its foreign relations.

CIVILIAN REMOTE-SENSING PROGRAM

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. MRAZEK. Mr. Speaker, it is with great satisfaction that I have introduced the International Security and Satellite Monitoring Act of 1989. The bill, as I will soon discuss, is both timely and comprehensive.

I will also take this opportunity to explain in some detail the different sections of the bill. Remote-sensing of the Earth by satellites is often an emotionally charged and complicated subject. Therefore, it is only natural that misperceptions could exist regarding the intent of my legislation.

But first, I would like to review a bit of history so that all Members can better understand the importance of developing a comprehensive remote-sensing policy as it relates to the security interests of this Nation and where they may intersect with the national security needs of all nations of the world.

Over 30 years ago, President Eisenhower offered a visionary proposal to reduce superpower tension and mistrust called open skies or mutual inspection for peace. In 1955, open skies as envisioned by the President would entail an exchange of blueprints detailing military installations in the United States and Soviet Union. The shared information would be verified by reconnaissance planes of both nations. Unfortunately, open skies was politically immature in that era, and Nikita Khrushchev rejected Eisenhower's offer.

However, in the changing turbulent environment of the middle and late 1950's, the United States had an overriding interest in understanding the world it was confronting. President Eisenhower had little choice but to develop classified reconnaissance systems to monitor the Earth. Without a doubt, classified surveillance capabilities have proven to be a stabilizing element in world affairs. Common sense demands that these operations continue in defense of U.S. national security.

In 1972, the United States launched the Earth resources technology satellite, later renamed Landsat. Landsat represented a new initiative in information gathering and dissemination in the open domain. Of the five satellites that have been launched, each has obtained greater amounts of information on the state of our planet and has addressed human needs, particularly with respect to managing global resources and the environment.

Our Nation's leadership and success in this arena, along with the policy of nondiscriminatory access to remotely sensed images, helped ignite a proliferation of remote-sensing technology. By the year 2000, it is projected that 24 nations or multilateral organizations will have launched 40 to 50 satellites, a development which suggests that in the future cooperative endeavors will become increasingly attractive and necessary.

The Soviet Union has also started to commercially sell, on a limited basis, high-resolution photography and recently endorsed the concept of an international satellite monitoring

agency, a proposal first offered by the French in 1978 to the United Nations. It should also be pointed out that both the United States and the Soviet Union joined forces to table that proposal.

In addition to the tremendous changes that have taken place in the field of remote-sensing, the world has also undergone a quiet but unprecedented evolution. In the last 30 or more years, science and technology has produced and accelerated untold changes. Everything from superpower relations to the planet's ecosystem is being reshaped in ways not quite understood.

Moreover, an explosion of information technology is moving all nations inexorably into a new era of international openness. Is there any doubt that the United States, a nation founded on the principles of democracy and openness, can best adjust to this information revolution?

All told, a transitional phase in international security and world affairs is clearly at hand. If the United States is to understand and manage the dynamics of global change, information acquired by overhead observation satellites will play an increasingly important role. A significant database, such as the one Landsat has accumulated over the last 16 years, is indispensable.

In our current era of global changes and challenges, military strength will continue to represent one element of a larger national security strategy. U.S. intelligence capabilities, both classified and unclassified, will play an equally critical role. Therefore, our national security strategy should strive to include and maximize nonclassified remote-sensing systems.

The combination of expanded satellite remote-sensing capabilities and national security needs suggests that the time has come to rethink the original open skies concept so an information policy can be fashioned which will increase international security and stability.

U.S. leadership in the development and exploitation of civilian remote-sensing technology is also on the wane. Very recently, our Government nearly shut down two operational Landsat satellites. The official reason given for such a drastic action was insufficient funding. In reality, I believe the roots to this possible action can be traced all the way back to our Nation's inability to make a strategic commitment to our civilian remote-sensing systems. For too many years now, we have operated either without a policy or focused our entire efforts on only one small aspect of remote sensing, namely the effort to commercialize the Landsat system.

But now that the information age is upon us, we will have to consider and develop a fully integrated strategy concerning remote sensing of the Earth. Today, open skies would entail the sharing of information, gathered by nonclassified observation satellites, on both a national and international basis, regarding environmental and economic development concerns, certain military activities, the usage of global resources, and to facilitate emergency and natural disaster planning and management.

Another part of open skies would entail the development and articulation of a coordinated civilian remote-sensing policy. For instance, much attention has been recently given to Landsat; however, Landsat is only one remote-sensing program. A clear and interrelated role must also be specified for satellites which will observe the oceans and atmosphere.

Finally, cooperative endeavors would be a key ingredient of any revised open skies policy. Open skies would encourage nations with closed systems of government, such as the Soviet Union, to become more open. The real world security challenges facing the United States would be more easily understood and more effectively addressed. In short, data collected by civilian remote sensing satellites in the information age will, as Dr. Ray Cline, former Deputy Director of the CIA recently stated, "determine who wins and who loses geopolitically, more, even than missiles and guns."

The unlimited potential of a revised open skies policy to increase international security and stability should be balanced by an equal amount of realism. Significant hurdles must be addressed before, during and after implementation. There are many unanswered questions.

For instance, will the U.S. intelligence gathering and defense operations benefit from an open skies concept that addresses our changing national-security requirements in the near and far term? Second, will scientific and commercial remote-sensing endeavors flourish or decline if a broad strategic emphasis is attached to our civilian Earth-observation assets? Third, what type of institutions will have to be formed to best exploit these open information sources? Fourth, and finally, can global climate change studies serve as a model for the future conduct of world affairs, as well as promote an integrated U.S. remote-sensing policy?

Taken together, the above questions establish a context for a national debate on the convergence of expanded national-security requirements and the role of space-based observations. At this point in time, I do not know all the answers to these complex questions. However, I strongly believe the potential security, scientific, commercial and economic benefits associated with a revised open skies policy are so great that we can ill-afford to ignore them. A process should be initiated that brings together all concerned parties to debate and discuss this issue in a responsible manner.

Therefore, my legislation would take a small but important step toward initiating a national debate on open skies by establishing a national commission to examine three interrelated policy questions as specified in section 4(a) of the bill:

First, determine how a revised open skies policy could enhance the national security strategy of the United States;

Second, review the status of the civilian remote-sensing programs of the United States and then offer a series of recommendations toward developing a long-term, coordinated policy; and

Third, study areas in which the sharing of information collected by civilian remote-sensing satellites, cooperatively employed along with other open information sources, could increase international security and stability.

The principal thrust of the third point will be the roll Earth-observation satellites could play in understanding and managing global environmental change, particularly with respect to promoting sustainable economic development. However, when satellites image the Earth, they do not see just civilian or military features of society, but rather everything at once.

It is my belief that military intelligence gathered by nonclassified Earth-observation satellites need not be treaty specific or processed as soon as the satellite observes certain features on Earth or in near real-time to be effective. While arms reduction or limitation treaties should be pursued as part of an integrated strategy, it is equally clear that such treaties rarely influence the international behavior of nations.

However, our public diplomacy efforts can only be enhanced if a greater understanding is struck between government and its citizens regarding the military threat our Nation faces now and into the future. Real-time imagery is not needed to accomplish this goal. Moreover, images acquired by Landsat and SPOT are already used to monitor with limited effectiveness the deployment of nuclear and conventional arms, the proliferation of chemical and biological weapons and regional conflicts. The expected improvements in resolution capabilities for future civilian satellites will increase the amount of military intelligence gathered by civilian Earth-observation satellites. In short, the challenge is to develop a synergistic relationship between our nonclassified and classified intelligence gathering satellites.

In addition, peace-keeping efforts will be promoted by information gathered by Earth-observation satellites through enhancing the management and usage of Earth resources. In the not-too-distant future, wars may well be fought over water and the destruction or misuse of other natural resources.

In section 4(b) of the bill, the commission will be instructed to examine certain factors and considerations. I believe they are equally important. These factors include:

First. The impact of global developments on the national security requirements of the United States;

Second. The impact of a revised open skies concept on the defense and intelligence gathering operations of the United States;

Third. The desirability of establishing an institutional structure to disseminate information gathered by nonclassified observation satellites and coordinate civilian remote-sensing programs;

Fourth. How an integrated national remote-sensing program would affect the efforts to commercialize the Landsat system;

Fifth. Possible joint ventures for investment in the future operation of Landsat;

Sixth. How the sharing of information gathered by nonclassified remote-sensing satellites can help to promote greater openness and the restructuring of military forces on the part of the Soviet Union;

Seventh. The international economic impact of sharing information gathered by nonclassified remote-sensing satellites:

Eighth. The degree to which satellite monitoring arrangements would complement established programs within the United Nations;

Ninth. The technical advances and costs associated with improved data processing capabilities; and

Tenth. Such factors as the commission considers appropriate.

Can there be any doubt that with these guidelines in place, such a commission would be of great service to our Nation? Given global developments, can the United States afford not to develop a coordinated plan to fully exploit all of its intelligence assets?

Therefore, I hope my colleagues and the Bush administration will closely examine my bill and strongly support it. It is not the only option we have to right our civilian remote-sensing program, but I believe it represents the kind of comprehensive approach that has been lacking for the last 16-plus years. The possible demise of Landsat is a prime example of having a nonintegrated policy. We can and must do better. Now is the time to set forth on a different course.

A TRIBUTE TO GERALD E. MEARS

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. McMILLEN of Maryland. Mr. Speaker, I rise today to pay tribute to a dedicated teacher and coach from Anne Arundel County, MD. In 1988, Meade High School coach and athletic director, Jerry Mears, died after a 2-year battle with cancer. Jerry had come to emulate everything we've come to expect from an educator and leader of young people.

After 10 years at Arundel High School, Jerry came to Meade High School in 1976. At that time, Meade had no athletic department, so it was Jerry's job to start it from scratch. From 1976 to 1988 Meade's athletic department grew to 18 different boys and girls sports, all of which relied on Jerry for everything from scheduling the games to keeping the playing fields safe. During his time he was recognized many times as coach of the year and was selected by his peers to serve as the county's representative in the Maryland Coaches Association.

But what I'll remember most is Jerry's quick smile. Over the years, thousands of young people were touched by Jerry's caring hand and wise guidance. He was a quiet man, but a determined educator and coach. Even in the last years of his life Jerry continued to make a contribution to others. While at Johns Hopkins Hospital, Jerry underwent experimental treatments, knowing that it probably would not improve his condition, but would add to researchers' knowledge, and might eventually help other cancer patients.

This month Meade High School will dedicate a new gymnasium in Jerry's name. It is fitting that the new gym bear his name so that we remember all that he gave us.

RECOGNIZING FIRST BAPTIST OF TECUMSEH ON ITS 150TH ANNIVERSARY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. PURSELL. Mr. Speaker, today I rise to mention an important year-long celebration taking place in one of the town's in my district. The First Baptist Church of Tecumseh, MI, is celebrating its 150th anniversary throughout this year.

Established in 1839, the First Baptist Church of Tecumseh has served the spiritual needs of the hundreds who have passed through its doors. This church continues to be one of the important foundations within the community.

I am told that some 33 men have served in the First Baptist's pulpit during its 150 years, and that three buildings have served as home.

The early history of the church is marked with people who, although short on financial resources, were strong in spirit. The early Baptists of Tecumseh survived some difficult times but always pushed forward.

One of the bleakest hours may have come in 1862, when a suggestion was made that the church disband because of financial strains. Rather than give in, members of the church renewed their faith and committed to constructing a new building—which was dedicated just 3 years later in 1865.

The church building which was created as a result of that revival still stands at the corner of Chicago Boulevard and Union Street in Tecumseh. It served as First Baptist's home for 107 years.

Most notable among the past ministers was the Reverend B.O. Bashore, who served in the First Baptist pulpit from 1943 to 1973—a ministry which spanned 30 years.

Today the congregation is led by Rev. Kenneth Boyd, who took over after Reverend Bashore's retirement in 1973.

First Baptist of Tecumseh has come a long way since its first days of meeting in houses and rented rooms. And I'm certain it will continue to grow and meet the needs of its members in the years to come.

Mr. Speaker, I ask my colleagues to join me in wishing First Baptist of Tecumseh the very best as they celebrate this historic milestone, their 150th anniversary.

TRIBUTE TO EUGENE H. WEBB

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. RANGEL. Mr. Speaker, I rise today to honor and pay special tribute to one of New York City's most outstanding and influential black entrepreneurs, Eugene H. Webb, chairman of the board of Webb & Brooker, Inc., a Harlem-based real estate management and brokerage firm.

Mr. Webb has been selected to receive the second annual Black History Month Business Award in recognition of his remarkable achievements as one of the city's most prominent businessmen.

George Russell, Jr., chairman of New York City's Black Business Advisory Board, praised Eugene Webb for his significant achievements in the business arena calling Webb & Brooker, Inc. "a model of successful free enterprise and aggressive community economic activism in motion." The city established the Black Business Award last year to salute black business owners and their important contributions to their community and the city's overall economy. I cannot think of anyone more deserving of this honor.

Mayor Edward Koch also praised Webb and his company saying that they "symbolized the success of the black business community and the health of the overall business climate in New York City," adding that Webb was a positive role model for minority youth because of his involvement in a variety of community activities.

Mr. Webb has 40 years of experience in the real estate field and is a licensed real estate broker in New York State. Webb & Brooker, Inc. is a 20-year-old real estate sales, brokerage, and property management firm which is also involved in the Harlem residential real estate market. He currently serves on the board of directors of Freedom National Bank where he is chairman of the executive committee; the Greater Harlem Real Estate Board; the New York City Chamber of Commerce and Industry; and the New York City Partnership.

Mr. Speaker, the success of Eugene Webb and Webb & Brooker, Inc. serves as a light of inspiration to all the black business community. His many accomplishments and diligent endeavors have surely helped to encourage and foster economic growth and entrepreneurship throughout the city of New York. I ask my colleagues to join me in commending one of New York City's finest businessmen, Eugene H. Webb.

THE C.S.S. "ALABAMA"

HON. ROBERT W. DAVIS

OF MICHIGAN

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. DAVIS. Mr. Speaker, today we have introduced a bill which both celebrates and protects one of the most significant vessels of the Civil War—the C.S.S. *Alabama.*

As reported by Roger L. DeMik, the C.S.S. *Alabama*, a 1,040-ton steamer, was commissioned by the Confederate President Jefferson Davis and launched in 1862. Built in England, the vessel was designed as a type of pirate raider in hopes that the Union would divert its ships from port blockades, to protect Federal commercial vessels from attack.

For nearly 2 years, the C.S.S. *Alabama* was victorious in 65 skirmishes with mostly Union ships, haunting the eastern shore of the United States and frequenting waters from the North Atlantic to the Indian Ocean. However, after nearly 22 months at sea without repairs,

the *Alabama* was in dire need of refitting. The vessel sought a safe harbor at Cherbourg, France, where French authorities were not anxious to assist the notorious raider. In addition, the U.S.S. *Kearsarge* had been called from Holland by United States officials in Paris to bottle up the Confederate ship at port until other Union vessels could arrive to finish her off.

In a desperate move, the captain of the C.S.S. *Alabama*, Raphael Semmes, challenged the U.S.S. *Kearsarge* to battle. Semmes had earlier served as the captain of another ill-fated American vessel, the U.S.S. *Somers,* which was lost in a storm off the Mexican coast in 1846. On June 19, 1864, the *Kearsarge* and the *Alabama* met off the port of Cherbourg, as nearly 17,000 French citizens lined the bluffs to watch. After an hour of shots exchanged, the C.S.S. *Alabama* faltered and sank, guns still firing. Nineteen sailors, mostly British, lost their lives in the battle, and another 21 were wounded.

This stirring episode is more than of historic note. The *Alabama* and other Confederate raiders left a deep impression on the conduct of the American merchant marine. Because the Confederate ships concentrated their raids on Federal ships, many American commercial shipowners switched their vessels' registries to foreign nations. In addition to the 200 vessels which were demolished by Confederate private ships and thus lost to American commerce, the remaining vessels did not transfer their registries back to the United States after the Civil War ended. This practice has continued.

Salvage attempts of this important relic began almost immediately after her demise, egged on by unsubstantiated reports that she had gone down with treasure on board. These activities continued without success, mainly due to equipment limitations, until the 1980's. Although it is somewhat in doubt, it appears that the first definitive location of the sunken wreck occurred in 1984 by the French Navy. The current position of the C.S.S. *Alabama* is approximately 3½ to 4 miles from the Cherbourg shore in French territorial waters.

Many groups of diverse nationality have demonstrated some interest in exploring the C.S.S. *Alabama.* The British, whose interest stems from the construction site of the vessel as well as the nationality of her crew, have developed plans to erect a maritime museum at the *Alabama*'s building site with the vessel as its centerpiece. A French naval officer, Capt. Max Guerout, has attempted to pull together an international coalition of maritime experts to recover the ship under the auspices of the French Government. The captain's plans apparently include a small museum at Cherbourg. Finally, Americans, including noted author Clive Cussler—"Raise the Titanic," have generated interest in preserving the vessel for U.S. interests.

Despite these claims, or perhaps because of their conflicting nature, the French Government has wisely deterred any diving expeditions on the C.S.S. *Alabama,* and has protected the few artifacts which had been taken from the ship earlier. At present, the United States has indicated to the French that it considers the vessel one of its own, that it has not relinquished its title to this government vessel, and that no salvage operations or other activities should occur without United States permission. The French, on the other hand, are of the view that the C.S.S. *Alabama* is within its territorial sea and under international law the French Govenment can therefore restrict access as an element of its sovereignty. In addition, it should be noted that French national security concerns are involved as Cherbourg is the home port of several nuclear submarines.

The bill we have authored is an attempt to break this legal logjam, and encourages the United States and French Governments to work together to preserve the C.S.S. *Alabama.* It explicitly asserts the U.S. ownership in the vessel, directs the Secretary of State to enter into negotiations to preserve the historic values of the vessel, and recognizes the expertise of the National Oceanic and Atmospheric Administration and the National Park Service in maritime archeological matters. Finally, the bill requests a report on the negotiations as they proceed.

The intent behind the bill is to support the current U.S. efforts to determine the fate of the *Alabama,* and is not in any way intended to impede negotiations. If the State Department is successful in reaching a satisfactory outcome regarding the fate of the C.S.S. *Alabama*, perhaps Congress can consider a broader application of the principles exhibited in our bill to all U.S. Government ships now sunk in foreign waters.

The C.S.S. *Alabama* has been identified by American Heritage magazine as one of the seven most important naval vessels in U.S. history, and its preservation is of utmost importance. We urge the support of our colleagues in this matter and look forward to working with the other committees of jurisdiction on passage of the bill.

AVIATION CAREER IMPROVEMENT ACT OF 1989

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. BATEMAN. Mr. Speaker, few issues facing the Congress in the coming years are more difficult and complex than the question of what can be done to best ensure the retention of qualified pilots on active duty in the military. The expanding airline industry, in combination with an already existing worldwide shortage of pilots, has produced unprecedented pressure on military pilots to opt for a civilian career. The effects of this situation can already be seen. Both the Navy and the Air Force project significant pilot shortages in the next few years. The airlines anticipate hiring 5,000 to 6,000 new pilots per year through the end of the decade, and former military pilots already comprise up to 95 percent of the new hires of some commercial airlines. In view of the millions of dollars spent in the training of each pilot, our Nation simply cannot allow the exodus of pilots from our armed services to continue unabated.

The Subcommittee on Military Personnel and Compensation regards improving pilot retention as a top priority. In hearings with line pilots in the field and with senior military leaders, the subcommittee has learned firsthand about the nature and scope of the pilot retention problem, and the time for legislative action to remedy the situation is now. This bill, a companion to S. 653 introduced by Senators GLENN and MCCAIN, presents a cogent solution. Although fine tuning will inevitably be necessary, this legislation nevertheless is an important mechanism by which to address this most critical issue.

FRANK FRONHOFER OF SALEM WINS THIRD WRESTLING TITLE

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. SOLOMON. Mr. Speaker, last year Members joined me in saluting Frank Fronhofer of Salem, NY, for winning his second State wrestling title. I predicted then that I might be back in a year to announce a third State title for this outstanding young athlete.

Earlier this month, Frank Fronhofer beat Juan Carlos Garcia of Sleepy Hollow, 5–3, to become the 1989 New York State wrestling champion at 105 pounds, and one of only roughly a half-dozen wrestlers to earn three titles.

Mr. Speaker, there are many sides to young Mr. Fronhofer. He is expected to enter Harvard University this fall, which is not known as a national wrestling power. But he is a student-athlete in the classic tradition. He excels in the most demanding of sports, a sport that builds character and self-reliance.

As the father of two former high school wrestlers, I am familiar with those demands the sport makes on its participants. We can be sure that Frank Fronhofer will excel at everything he attempts.

Salem head coach Mike Poplaski and assistant coach Frank Fronhofer, Sr., the boy's father, have made their small rural school a wrestling power, even in so-called rebuilding years. Such a record is a tribute to the old-fashioned virtues of hard work and sacrifice. We are extremely lucky to have such adult role models and guides for our young people.

And so, Mr. Speaker, it is my pleasure to pay tribute, once again, to Frank Fronhofer, a credit to his parents, his sport, and his school.

TRIBUTE TO THE HONORABLE ROBERT A. ROE, DEAN OF THE NEW JERSEY DELEGATION

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. FLORIO. Mr. Speaker, it is with great admiration that I rise today on behalf of myself and six other Members of the New Jersey delegation: Hon. WILLIAM J. HUGHES, Hon. FRANK J. GUARINI, Hon. BERNARD J. DWYER, Hon. ROBERT G. TORRICELLI, Hon. FRANK PALLONE, Jr., and Hon. DONALD M.

PAYNE, to pay tribute to an outstanding legislator whose work ethic and ability to get the job done are legend here in the U.S. House of Representatives.

I am referring, of course, to the dean of our congressional delegation, the Hon. ROBERT A. ROE, who, for the past 20 years has represented New Jersey's Eighth District, doing the kind of job that has truly become a yardstick by which we could all measure our performance in serving the people of our districts and our Nation.

On April 13, 1989, BOB ROE will be honored by his colleagues, his family, and his multitude of friends with a dinner at the Westmount Country Club in West Orange, NJ, celebrating his new status as dean of the New Jersey congressional delegation. In addition, I know that this event will also enable many of us in New Jersey to say thanks to BOB ROE for all he has done, not just for his home State, but for our Nation as well.

Mr. Speaker, we are truly fortunate to have Congressman ROE as dean of our delegation, for he has fought and won legislative battles on so many vital issues that we are all truly better off for his service in the U.S. House of Representatives. It was a great honor and pleasure for me to work with BOB on the Superfund reauthorization so that we can begin the job of cleaning up the toxic wastes that threaten our health and environment.

BOB ROE continued the fight for a cleaner environment when he wrote a strong Clean Water Act reauthorization in the 99th Congress. He has been a consistent and vigorous champion of issues relating to a wide range of peoples in our society; senior citizens, veterans, the disadvantaged, and many others who know they have a true friend and advocate in the U.S. House of Representatives in ROBERT A. ROE. In his role as chairman of the House Science, Space, and Technology Committee, BOB ROE has been instrumental in helping get the U.S. space effort back on track and restoring national pride to this immensely important program.

Beyond all of this, Mr. Speaker, most of us have come to know BOB ROE as one of the most hard-working, diligent Members of the U.S. Congress. And even without our outwardly expressed admiration for Congressman ROE, his string of accomplishments in many diverse legislative areas would most certainly by themselves tell us all we need to know about his ceaseless efforts as a truly fine legislator and representative of the people of New Jersey and our Nation.

Mr. Speaker, I invite you and our colleagues to join me in saluting Congressman ROBERT A. ROE for his continued vigorous leadership as a representative of the people of the Eighth District of New Jersey, as chairman of the House Science, Space, and Technology Committee, and as dean of the New Jersey congressional delegation.

SPURRING RESEARCH AND EXPERIMENTATION

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. ANDREWS. Mr. Speaker, we took an important step to enhance our economic well-being with the introduction on March 15, of H.R. 1416, the Research and Experimental Tax Credit and Extension Act of 1989. I am proud to be an original cosponsor of this measure.

Research and experimentation [R&E] is critical to U.S. international competitiveness. We cannot compete successfully based on labor costs. U.S. companies must create, develop, and market new and improved products. Our continued prosperity requires innovation and technological breakthroughs which only vigorous, growing research and experimentation can provide. Since technological innovation is the single most important factor behind productivity growth, we make a direct contribution to our future standard of living by spurring R&E. The tax credit makes a significant contribution to this goal.

The R&E tax credit applies to expenditures that are an increase from prior spending, thus stimulating more R&E by U.S. industry. Companies that are experiencing economic problems are encouraged to maintain long-term investments that they might otherwise forego during hard times. Investments in important projects may be speeded up as well. This can be crucial to the success of certain ventures in a marketplace where a short lead can be a make or break issue.

The tax credit has been temporary to date, limiting its incentive value when managers must make tough decisions about promising but expensive multiyear research. Changes to the credit over the years also have diminished its inducement to greater R&E. These problems are addressed in H.R. 1416 by making the credit permanent.

One of the key provisions of H.R. 1416 is its application to startups, both new companies and new lines of business within existing firms that especially need the incentive effect of the credit. U.S. technological leadership depends on fostering the growth of new companies which have been responsible for so many key breakthroughs.

I look forward to working with my colleagues to move H.R. 1416 through the legislative process in an expeditious manner.

SENSE OF THE CONGRESS RESOLUTION ON MEDICARE PHYSICIAN REIMBURSEMENT REFORM

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. SLATTERY. Mr. Speaker, the existing Medicare physician reimbursement system has a negative effect on the ability of rural communities to attract and retain physician's services. Presently doctors can earn more money in big cities than they can in many rural communities. For example, the reasonable charges of some Medicare services vary by as much as 200 percent between geographic areas.

This is contributing to the problem rural hospitals have in recruiting and retaining doctors. I feel strongly that Congress must act to correct these discrepancies between urban and rural fees.

For these reasons, I and a number of my concerned colleagues are introducing a sense of the Congress resolution stating the need to reconcile the existing disparity between rural and urban physician fees under the Medicare Program.

I realize that some changes in physician reimbursements are being developed, but those changes will not be available for some time.

The crisis in rural health care cannot wait.

We must seize this opportunity to institute a more equitable physician reimbursement system. Geographic discrepancies in today's reimbursement system must be reduced and physicians should be reimbursed under one payment rate.

On March 2, 1989, I introduced H.R. 1271, a bill which provides a specific approach for dealing with the existing disparity between rural and urban physician fees under the Medicare Program. At the same time it addresses the differential between specialty and general practicioner Medicare reimbursement fees. I hope my colleagues will review and support this legislation which is an immediate, positive, and necessary step toward addressing the Medicare reimbursement problems that rural physicians and hospitals are facing.

CHANGING ASSET FORMULA ESSENTIAL TO HELPING FAMILIES PAY COLLEGE COSTS

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. COLEMAN of Missouri. Mr. Speaker, while it is increasingly clear that America's future is dependent on quality education, most middle-income families are excluded from the Federal financial aid programs that could help them meet the rising costs of attending college. Although tuition and fees for private and public colleges and universities now average more than $8,000 per year, many middle-income American families are still not eligible for Federal financial assistance.

This critical situation is the result of current law that requires families to count the value of their homes, family farm or small business in determining what the family can contribute toward a child's college education. In many cases, these are the only assets of value the family possess, yet because of their appreciated value they place even families of very modest income above current eligibility standards. This policy has the effect of forcing families to weigh their homes or livelihood against their children's education, and is unacceptable.

Mr. Speaker, this policy is particularly harsh on young people from our rural and farm communities. While I have worked to broaden educational and career opportunities for rural high school students through my access program, the current rules regarding asset value make even hard-hit farm families ineligible for Federal financial assistance. This is because current law calculates the value of land, livestock, farm machinery and other nonliquid assets into what a family can afford to contribute toward college costs. This policy is completely out of touch with reality.

For this reason I am today introducing the Family Educational Opportunity Act of 1989, legislation that will change the current financial aid formula and bring it in line with today's needs. This bill will exclude from the "expected family contribution" formula the net value of the family home, family farm, small business or other nonliquid assets in determining eligibility for need-based Federal financial assistance programs for postsecondary education. Eliminating such assets, to be defined by the Secretary of Education, will provide access to Pell grants and Stafford student loans for students from middle-income families who could not otherwise afford the rising cost of a college education.

It is estimated that an additional 200,000 dependent students will be eligible for Pell grants, the great majority coming from families with incomes between $20,000 and $40,000. This bill will also bring an additional 200,000 dependent middle-income students into the Stafford Student Loan Program, which was originally designed for this category of borrowers and who have shown the greatest propensity to benefit from the repay these loans.

This legislation will also simplify the determination of need in all major Federal need-based programs by excluding assets which are difficult to verify and which account for many of the errors that occur in determining eligibility levels for title IV programs.

Mr. Speaker, the Family Educational Opportunity Act of 1989 is aimed at America's middle-income families—farm families, small business families and homeowners—from whom college has been the traditional means of assuring their children's futures. These are the families who will contribute more than their fair share loans. But in the face of rising college costs these families must first have access to some forms of Federal financial assistance. This bill will provide that access.

JEFFERSON CITY, MO'S UNIQUE PROGRAM COMMENDED

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. SKELTON. Mr. Speaker, I would bring to this body's attention a unique citywide program which is economically and environmentally beneficial. This is a program which utilizes trash bags made with degradable plastic. The program, which has been established in Missouri's capital city, Jefferson City, which is in my district, has cooperative efforts from the local government, the Missouri Corn Growers, Manchester Packaging Co., the makers of the degradable trash bags, and the Laidlaw Waste Systems, the disposal company.

This year each family will haul 2 tons of trash to the curb, most of it in plastic bags. The traditional plastic products take decades to break down in the soil, even the enclosed waste cannot break down efficiently. However, the degradable plastic bags, which are made with a mixture of polyethelyene resin and cornstarch, degrade faster. As a result this has created another market for Missouri's corn growers—a market which is beneficial to all of us.

I take this opportunity to commend those who are working so diligently in our State to get this "pioneer" program started. I applaud each of them for their commitment to our environment as well as their courage and foresight for looking into alternative methods more environmentally sound, methods of disposal.

PETER L. CAVANAUGH—FRIEND TO LONG ISLAND

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. HOCHBRUECKNER. Mr. Speaker, I rise today to pay tribute to an outstanding individual whose civic and professional accomplishments have made Long Island a better place to work and live. That man is Peter L. Cavanaugh. Peter has been a leader of organized labor on Long Island for nearly half a century. He began as an apprentice with the United Brotherhood of Carpenters & Joiners of America in 1946 and has since held nearly every elected office within the Suffolk County District Council of Carpenters, including its presidency. Peter Cavanaugh has also served on the New York State Council of Carpenters and been active as an officer with the Long Island Federation of Labor.

Pete's retirement may bring the end of our many energetic discussions on the future of the Shoreham nuclear powerplant, but I am sure that I will hear from him on other topics. Such as increasing the Coast Guard budget to insure the safety of his little boat on the Great South Bay. However, regardless of whether he is putting about on his boat or helping the many community projects in which he's involved, I look forward to Pete's continuing advice and opinions on labor issues and politics on Long Island.

Peter Cavanaugh's contributions have made him an invaluable asset to the people of Long Island and I know that in retirement his efforts to improve our communities will continue unabated to the betterment of all.

NORTH CAROLINA HEARING ON TORNADO FORECASTING AND SEVERE STORM WARNING

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. PRICE. Mr. Speaker, on March 3, the House Science, Space, and Technology Subcommittee on Natural Resources, Agriculture Research, and Environment conducted a field hearing in Raleigh, NC. The hearing was chaired by our colleague from New York, Mr. SCHEUER, the subcommittee's able chairman. The objective of the hearing was to examine the National Weather Service's ability to forecast tornados and issue severe storm warnings.

Representative TIM VALENTINE and I asked for the hearing after a November 28 tornado tore through nine North Carolina counties, most of them in our congressional districts, killing 4 people, injuring 157 others, and damaging approximately 1,000 homes and businesses. No warning or watch was issued by the National Weather Service prior to the touchdown of the tornado, and the weather radar at the Raleigh-Durham forecast office was inoperative at the time of the disaster.

The subcommittee heard from several witnesses who surveyed the damage caused by the November 28 tornado. They included Avery Upchurch, mayor of Raleigh; Brenda Moody, mayor of Rolesville; and Raymond Boutwell, manager of Franklin County. In addition, we heard testimony from local television meteorologists, Greg Fischel of WRAL-TV and Michael Caplan of WTVD-TV, who assessed the performance of the National Weather Service in forecasting severe weather and communicating tornado warnings efficiently and effectively.

The third panel of witnesses were representatives from the National Weather Service. They included Frederick Ostby, director of the National Severe Storm Forecasting Center in Kansas City; Ronald McPherson, deputy director of the National Weather Service; and Robert Muller, meteorologist in charge of the Raleigh-Durham Weather Service. These witnesses were able to provide an insightful assessment of the performance of the National Weather Service during the November 28 tornado. Their testimony provided disturbing evidence that the failure of the Raleigh-Durham weather radar is indicative of deeper problems at the National Weather Service. The agency's budget is stretched to the limit. They are suffering from serious personnel shortages, a lack of available spare parts, and outdated and obsolete technology.

The subcommittee concluded the hearing with testimony from two academic meteorologists who discussed new technologies and procedures to improve forecasting and warning systems. We heard from Charles Anderson, professor of meteorology at North Carolina State University, and Edward Brotak, professor of meteorology at the University of North Carolina-Asheville.

It was clear from the testimony received that the administration and the Congress must

give renewed attention to the modernization plans and budgetary needs of the National Weather Service. The hearing raised critical questions which we must take to the upcoming reauthorization hearings for the National Weather Service. With the recent announcement by Secretary Mosbacher that approximately 70 weather stations will not be closed this year, and the National Weather Service's recently submitted plan to Congress to modernize and upgrade its weather detection equipment, the administration has taken a step in the right direction. The events of November 28 have shown North Carolinians just how important it is to upgrade this agency's capacity and performance.

In closing, I want to compliment the witnesses on their fine testimony and thank especially Mr. SCHEUER for bringing the subcommittee to North Carolina. I look forward to working with him and other colleagues in the future on these important issues.

RADIOACTIVE WASTE PROPOSAL

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. BUECHNER. Mr. Speaker, I am pleased to report that earlier this week I announced a proposal to end an impasse over the disposal of radioactive waste in the St. Louis area. For the past several years, St. Louis and the Department of Energy have been grappling with the question of how to dispose of radioactive waste at Lambert International Airport and other locations near St. Louis.

Most attempts to resolve this problem, however, have been met with failure. As a result of this impasse, I have been informed that these sites may be included in the Superfund program as early as next month.

Clean up these waste sites through Superfund is an unacceptable option. Not only would Superfund be expensive—costing the city up to $140 million—but also time consuming. Although Superfund was enacted almost 8 years ago, only 43 of the almost 1,200 sites on the national priorities list have been acted upon—and the list grows by 400 per year!

That's why, having consulted with many of the north St. Louis County elected officials, I am introducing legislation to breathe some fresh air into this stale process.

Much of the controversy has centered over the Energy Department's insistence on ownership of the airport property before other disposal sites are explored. Therefore, my legislation will direct the Energy Department to first evaluate other sites—two in Missouri and others outside of the State—prior to any land transfer.

Further, my proposal contains built in safeguards to ensure the Energy Department reviews all alternate sites on an equal basis. It also provides for the selection of more than one site.

If, however, the airport site is chosen, the bill will permit only waste from north St. Louis County to be stored at that site. Additionally, the bill specifically states that no waste from other parts of the country may be brought to the airport site.

Some will contend that all the waste in the area should be stored at the airport. While I appreciate the concerns of such a proposal, I reject this statement because north St. Louis County should not be responsible for the radioactive waste in the surrounding areas. Furthermore, vast portions of north St. Louis County are contaminated because of the reckless manner in which transporters have dumped their waste at the airport and surrounding areas.

North St. Louis County residents have lived with this problem too long and it's time that all of us recognize that the airport should not be a low-level dumping ground.

NATIONAL AFRICAN-AMERICAN HERITAGE MEMORIAL MUSEUM

HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. LEWIS of Georgia. Mr. Speaker, today I am introducing legislation to establish a National African-American Heritage Memorial Museum. Please note that a number of my colleagues have joined me as original cosponsors of this measure.

As we all know, African slave labor built vital parts of this Nation. More than 125 years have passed since the signing of the Emancipation Proclamation and there has been very little acknowledgement or recognition of the contributions of African-Americans to the history and culture of American society. Therefore, I believe that the time has come to establish a national museum dedicated to collection, cataloging, conservation, and display of historical materials and artifacts related to the history of African-Americans.

The establishment of a national museum and the conducting of interpretive and educational programs dedicated to the heritage and culture of African-Americans would help to inspire and educate the people of the United States about the cultural legacy and contributions made by African-Americans to our society.

Throughout the Nation, there exist in various collections and archives, including collections at many historically black colleges and universities, many artifacts, papers, and objects of great significance in discovering and understanding the heritage and culture of African-Americans. The proposed museum would be a central place to display many of these valuable and historical materials. Thus, all Americans and visitors from around the world can gain a greater understanding of the contributions of African-Americans to this great Nation.

This museum to be located on a parcel on the Mall or a suitable Federal property in Washington, DC, will be loosely affiliated with the Smithsonian Institution. The museum board and administration are modeled after the Kennedy Center for the Performing Arts. It will be a semi-independent entity with a board of directors appointed by the President of the United States.

This legislation calls for the establishment of a National Trust for Black Museums. This entity would be responsible for collecting and acquiring articles handed down over generations. It would also be responsible for training and developing black museum professionals as well as other necessary programs to further the understanding of African-American history and culture.

This legislation calls for an authorization of $5 million in fiscal year 1990 to create an administrative structure for fundraising as well as the retirement of the debt already incurred for this effort.

Before I conclude, I would like to thank everyone who participated in the development of this legislation. I would like to give special recognition to Mr. Tom Mack, of the National Council for Education and Economic Development for his countless contributions and resources to this project.

Mr. Speaker, I call on my colleagues to support this ambitious but necessary project. We cannot let the vital contributions of African-Americans to this Nation continue to go unrecognized.

INTRODUCTION OF THE CHILD INVESTMENT AND SECURITY ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. MILLER of California. Mr. Speaker, all of the evidence is in about the crisis American children face and about what we must do to save them.

Each year we lose more than one-fifth of our children to poverty and millions more live at the edge of poverty. Young children who live in poverty are especially vulnerable. These are the people our bill seeks to help.

We have failed to protect 5 million very young, poor children from hunger, from ill health, and from illiteracy. Our failure is tragic and costly, to them and to us as a nation.

The Committee for Economic Development, composed of the leaders of Fortune 500 companies, estimates that each year's high school dropouts cost the country $240 billion in lost productivity and forgone taxes. If we fail to implement a strategy to stop this human and fiscal hemorrhage, the losses resulting from school dropouts during the Bush administration alone would amount to almost $1 trillion over their lifetimes.

We cannot rely on rhetoric. We must act. Today we have the knowledge that can dramatically reduce infant mortality, malnutrition, and developmental disability, while saving taxpayers billions of dollars. The only question is whether we will show the political courage to act on that knowledge and that evidence.

That's why I am introducing "The Child Investment and Security Act," along with Representative WAXMAN, who has been an ardent and committed leader in support of preventive health care for children, and 16 of our colleagues from the Select Committee on Children, Youth, and Families and other key committees affecting children.

This legislation establishes a comprehensive, multiyear plan to ensure that, by the end

of the Bush administration, every young child has the opportunity to enter the schoolhouse door healthy, and with full emotional and mental development.

But this bill is more than a blueprint for healthy children. It is a challenge to the Congress and to the Nation to meet our responsibility.

Report after report from government, universities, medical schools, and think tanks demonstrate that preventive investments in our youngest, most vulnerable children can save their lives—and save billions of dollars, too.

Every dollar invested in programs such as prenatal care, immunization, WIC, or Head Start saves at least $3 and as much as $10 in averted infant deaths, disability, disease, or school failure. Wall Street should have such a sterling investment record.

Those mothers and young children who have participated in these programs over the past two decades have made significant gains. But even the most highly regarded program—Head Start—shuts its door to 80 percent of the eligible preschoolers. Despite the record of success and cost-savings, 25 percent of pregnant women cannot get early prenatal care, and less than 50 percent of eligible low-income women, infants, and children participate in WIC.

The time has passed for more research, more analysis and more political posturing over whether or not we can afford to invest in these programs. We cannot afford to delay investing. Most of those American children who begin life with a preventable health, developmental, or educational problem and go untreated will contribute to the Federal deficit every day of their lives.

It will be too late in fiscal year 1994 or fiscal year 1995. The damage will be done in fiscal year 1990 and fiscal year 1991. The difficulty and the cost of efforts to reverse it grow higher and higher.

Our legislation follows the recommendations of the American Agenda, the Council on Competitiveness, the Committee for Economic Development, the National Commission to Prevent Infant Mortality, and the Institute of Medicine. And it implements the findings of the Select Committee on Children, Youth, and Families, which I chair.

The Child Investment and Security Act will provide for the essential policies for at risk mothers and babies:

Medicaid, the maternal and child health block grant, and the community and migrant health center infant mortality initiative will provide all pregnant women and infants living in families earning up to 200 percent of the Federal poverty level access to early, comprehensive, and accessible prenatal care and preventive infant health services.

Medicaid and the Childhood Immunization Program will provide all young children up to age 6 living in families earning up to 200 percent of poverty access to preventive and routine medical care, and all preschool children full immunization against serious childhood illnesses.

The special supplemental food program for women, infants, and children, by serving 300,000 additional participants each year, will provide high-protein food and nutritional guidance to virtually all eligible low-income pregnant women, infants, and children at nutritional risk.

Head Start, by serving 200,000 additional children each year, will serve all eligible, low-income children ages 3 to 5 who want comprehensive early childhood education.

Education of the handicapped, by serving 125,000 additional disabled children each year, will provide individualized early intervention and early childhood education for all disabled preschool children.

America cannot be productive or competitive if we abandon our human resources, our children, to certain failure. No trade barrier will be high enough to protect us from international competitors who are investing in their children's early development.

There is no more time to waste. Now is the time to act on that evidence.

I urge my colleagues to support the legislation. A summary and other supporting information follows:

CHILD INVESTMENT AND SECURITY ACT—SUMMARY

Purpose: To implement a 4-year, comprehensive, cross-program strategy, building on existing prevention programs of proven effectiveness, to ensure that every vulnerable young child up to age six has an opportunity for full mental and emotional development, educational readiness, and good health.

TITLE I. PRENATAL AND INFANT CARE

Sections 101-103.—Expanding Medicaid coverage of pregnant women and infants.

FY 1990 Cost: $160 million.

Requires States to phase-in Medicaid coverage so that all pregnant women and infants in families earning up to 200% of the federal poverty level will have access to prenatal and preventive infant health care, including prenatal and postpartum home visitation services, by FY 1993.

Removes bureaucratic and financial obstacles to obtaining Medicaid coverage by mandating presumptive eligibility, prohibiting application of resource tests, allowing application at alternative sites, mandating continuous eligibility, and assuring adequate payment for obstetrical and pediatric services.

Section 104.—Set-aside of additional funds for targeting perinatal care services under the Maternal and Child Health Services Block Grant program.

FY 1990 Cost: $100 million.

Authorizes a set-aside of additional funds within the block grant to expand and improve perinatal care services for pregnant women and their infants.

Section 105.—Infant Mortality Initiative of Community and Migrant Health Centers

FY 1990 Cost: $50 million.

Expands the Infant Mortality Initiative funded through community and migrant health centers so that all centers receive an adequate infant mortality initiative grant to expand prenatal care outreach and delivery of services.

TITLE II. PREVENTIVE CHILD HEALTH

Section 201.—Mandatory Medicaid coverage of certain children.

FY 1990 Cost: $38 million.

Requires States to phase-in Medicaid coverage for all young children living in families up to 200% of the federal poverty level by FY 1993.

Removes bureaucratic and financial obstacles to obtaining Medicaid coverage by prohibiting application of resource tests, allowing application at alternative sites, and assuring adequate payment for pediatric services.

Section 202.—Childhood Immunization Programs.

FY 1990 Cost: $20 million.

Authorizes the existing Childhood Immunization program to provide community and provider education, outreach, and delivery of services to infants and preschool children with the goal of fully immunizing all preschool children by FY 1993.

TITLE III. SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

Section 301.—Special Supplemental Food Program for Women, Infants, and Children.

FY 1990 Cost: $192 million.

Phases-in mandatory funding for WIC to increase the percentage served by approximately 5% each year so that virtually all eligible women, infants and children are served by FY 1993.

TITLE IV. EARLY CHILDHOOD EDUCATION

Section 401.—Head Start.

FY 1990 Cost: $571 million.

Phase-in increased authorization levels so that an additional 8% of the 2.5 million low-income, eligible children ages 3-5 can be served each year, with the goal of serving all eligible children who want Head Start services by FY 1993.

TITLE V. APPLICATION PROCESS FOR CERTAIN FORMS OF FEDERAL ASSISTANCE WITH RESPECT TO CHILD HEALTH

Section 501.—Requirement of development by Secretary of plan for single application for multiple forms of assistance.

For some programs, adequate authority exists, and all that is necessary are phased-in appropriations to serve all the children in need of services:

Education for all Handicapped Children Act: Additional funds are necessary to serve 125,000 more disabled preschoolers in FY 1990, and additional disabled preschoolers in later years, with the goal of serving all disabled preschoolers by FY 1993.

FY 1990 Cost: $265 million.

Childhood Immunization: Additional funds are necessary to maintain a sufficient supply of childhood vaccines.

FY 1990 Cost: $28 million.

CHILD INVESTMENT AND SECURITY ACT—FACT SHEET

WHAT IS THE PURPOSE OF THE LEGISLATION?

The legislation establishes a comprehensive, multi-year, cross-program plan, building on existing cost-effective programs, to ensure that every child has the opportunity to enter school at age 6 healthy, and with full emotional and mental development. By the end of the Bush Administration:

Medicaid, the Maternal and Child Health Block Grant, and the Community and Migrant Health Center Infant Mortality Initiative will provide all pregnant women and infants living in families earning up to 200% of the federal poverty level access to early, comprehensive and accessible prenatal care and preventive infant health services.

Medicaid and the Childhood Immunization Program will provide all young children up to age 6 living in families earning up to 200% of poverty access to preventive and routine medical care, and all preschool children full immunization against serious childhood illnesses.

The Special Supplemental Food Program for Women, Infants, and Children, by serv-

ing 300,000 additional participants each year, will provide high-protein food and nutritional guidance to virtually all eligible low-income pregnant women, infants and children at nutritional risk.

Head Start, by serving 200,000 additional children each year, will serve all eligible, low-income children ages 3-5 who want comprehensive early childhood education.

Education of the Handicapped, by serving 125,000 additional disabled children each year, will provide individualized early intervention and early childhood education for all disabled preschool children.

WHY IS THIS LEGISLATION NECESSARY?

Preventive care for pregnant women, infants still out of reach.

Each year, 1.3 million women receive insufficient prenatal care, primarily because of financial barriers and limited access to health care providers.

Almost 40,000 infants die before their first birthday and tens of thousands more are born with long-term disabilities—tragedies due largely to the incidence of low birthweight which has not been reduced in this decade.

Millions of children uninsured; youngest not immunized against serious resurgent childhood illnesses.

More than 11 million children, the majority of whom have working parents, have no health insurance, a 13% increase in the last five years. Four million uninsured children are under age six.

Four million uninsured children live below the poverty line. They receive 40% less physician care and half as much hospital care as their insured counterparts.

Seven million children do not receive routine medical care. Forty percent of preschool children are not adquately immunized against major childhood illnesses. Some illnesses, such as whooping cough and measles, which were thought eradicated or on the decline, are now resurgent.

Millions of pregnant women, children lack basic nutrition.

Less than 50% of the low-income women, infants and children at nutritional risk receive high-protein supplements through the Women, Infants, and Children's Food Program.

A pregnant woman with inadequate nutrition has a high-risk of delivering a low birthweight infant, and nutritional deprivation among young children may lead to serious health problems such as anemia or malnutrition, as well as serious cognitive deficits.

Low-income and handicapped children denied preschool education.

Currently, more than 80% of all eligible low-income children ages 3-5 (2.5 million) are denied Head Start. Low-income children are 50% less likely than higher income children to receive prekindergarten early childhood education.

As many as 500,000 disabled preschoolers may be unidentified and unserved by preschool special education programs.

WHY INTRODUCE THIS LEGISLATION NOW?

Experts, policy and corporate leaders recommend investment in young children.

President Bush, former Presidents Carter and Ford in their report the "American Agenda," the Committee for Economic Development, the Council on Competitiveness, the National Governor's Association, the National Commission to Prevent Infant Mortality, the Institute of Medicine, and the American Public Welfare Association recommend investing in young children.

Key programs are cost-effective, saving lives and dollars.

Every dollar invested in comprehensive early prenatal care, childhood immunization, WIC, or high, quality preschool education saves between $3 and $10 in averted deaths, disability, disease or school failure.

America's future depends on health, well-being of its children.

The Committee for Economic Development predicts that by 1990 alone, the impact of new technologies is expected to drive total private-sector demand for employment to 156.6 million jobs, nearly twice that in 1978, with a shortage of over 23 million Americans able and willing to work.

In the 21st century, the U.S. will need all of its children prepared for a tightening labor market already dependent on highly skilled workers. Each year we lose 20% of children to poverty, and millions more to ill health, disability and school failure. By the year 2000, one in four children, 16 million, will be poor, three million more than in 1987.

Each year's class of high school dropouts will cost the nation $240 billion in lost earnings and foregone taxes over their lifetimes.

WHAT KEY LEADERS SAY ABOUT INVESTING IN CHILDREN

President George Bush, "Building a Better America," 1989:

"Give any American kid an equal place at the starting line, and just watch what that kid can do. But too many kids are denied that equal chance, particularly if they are black and poor. Head Start helps kids get that equal place at the starting line. It's a Federal program that works. But it doesn't reach all the kids it should.

"As a nation, we must give our children a better start in the world [and] see that quality health services so critical for improving maternal and infant health will be available to the pregnant women and young children in our nation."

Former Presidents Gerald Ford and Jimmy Carter, "American Agenda," 1988:

"There are a number of reasons why poor children should receive early attention . . . First, unless action is taken now, these children are likely to repeat their parents' lives. If so, they will constitute by the year 2000 a massive human deficit of unlearned, unlettered, uncompetitive, and socially dysfunctional Americans.

". . . early intervention is the best opportunity to break the cycle of poverty. There is solid evidence that Federal programs such as Head Start, prenatal care, immunization, the Women, Infants and Children's Feeding Program and compensatory education do work, and offer one of the best investments the country can make in its own people."

National Governor's Association, "*America in Transition,*" 1989:

"The first high school graduating class of the 21st century completes kindergarten this year. These are our future workers, teachers, taxpayers, and leaders. But we may never know them. Today, too many die before their first birthday; too many are born in poverty; too many become parents before they become adults.

"If we are to develop a new agenda for America and its role in the world, we must begin by investing in America's children—to ensure their future and our own. For we cannot compete beyond our borders unless we become competitive within our borders. . . . In this year of a new administration and new congressional leadership, it is essential that the federal government focus attention and leadership on investing in the country's most valuable resource—its children."

Committee for Economic Development, "Children in Need: Investment Strategies for the Educationally Disadvantaged," 1987:

"Failure to educate is the true expense—for both society and individuals . . . each year's class of dropouts will cost the nation more than $240 billion in lost earnings and forgone taxes over their lifetimes . . .

"Learning is cumulative process that begins at birth. The educational problems of disadvantaged children are especially obvious long before they begin formal education. It is less costly to society and to individuals to prevent early failure through efforts directed toward parents and children alike from prenatal care through age five . . . We call for early and sustained intervention into the lives of at-risk children as the best way to ensure that they embark and stay on the road to success."

The Council on Competitiveness, "Reclaiming the American Dream," 1988:

"The early years of a child's life play a large role in determining subsequent educational achievement. Children who lack proper nutrition, health care and parental involvement generally perform more poorly than other children in elementary and secondary school . . . Early childhood intervention is essential to help promote child development."

Center for National Policy, "America Tomorrow: The Choices We Face," 1989:

". . . most of the elements of a comprehensive attack on childhood poverty are already recognized parts of our social welfare policy. Medicaid provides some pregnant women and some poor children with the health care they need. Child nutrition programs supplement the diets of a fraction of children in low-income families. Head Start prepares a handful of disadvantaged children for school.

"What is missing is a deliberate, comprehensive and sustained effort to ensure that poor children receive the help they need to prevent long-term problems from developing . . . Expanding and extending these effective services is a costly proposition only if it focuses exclusively on the short-term. In the longer term, these should be viewed as cost effective investments, ones that we should begin to make at an increasing rate, starting immediately."

National Commission to Prevent Infant Mortality, "Death Before Life: The Tragedy of Infant Mortality," 1988:

". . . we must provide universal access to early maternity and pediatric care for all mothers and infants. The existing financial, administrative, logistical, geographical, educational, and social barriers to essential health services for pregnant women and infants must be eliminated. Employers must make available health insurance coverage that includes maternity and well-baby care. Government must assume responsibility for those who lack private insurance or are unable to pay . . . we must initiate immediately a sustained, broadbased effort to make the health and well-being of mothers and infants a national priority and give them the public attention and resources they deserve."

Institute of Medicine, "Prenatal Care: Reaching Mothers, Reaching Infants," 1988:

"Unlike many European nations, the United States has no direct, straightforward system for making maternity services easily accessible. Although well-insured, affluent women can be reasonably certain of receiving appropriate health care during pregnan-

cy and childbirth, many women cannot share this expectation . . . In the short term, the Committee urges strengthening existing systems through which women secure prenatal services."

American Public Welfare Association, "Access," 1988:

"Access to health care for America's poor families and children is a human necessity, and an economic one. Health care is critical to strong, stable, self-sufficient families. It is critical for children to grow and thrive. National policy must assure access to health care for America's poor families and children."

PREPARING FOR AMERICA'S FUTURE

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. MARLENEE. Mr. Speaker, I ask to include for the RECORD an essay written by one of my constituents on freedom. Stuart Walsh, son of Mr. and Mrs. Laurence Walsh of Nashua, MT, was the State winner in Voice of Democracy Scholarship Program essay contest on "Preparing for America's Future."

It is appropriate, Mr. Speaker, that we prepare for our future by reminding ourselves about the foundation of what makes this country great: responsible citizenship that nurtures freedom. With all of the negative images of our young people in our media, it's a distinct pleasure to hear reasoned voices from teenagers like Stuart who want to do their best in appreciation for living in this free land. I wish him all the best as he continues his education. His essay follows:

PREPARING FOR AMERICA'S FUTURE

(By Stuart Walsh)

"Give me one moment in time when I'm more than I thought I could be." This is a line from the song recently made popular by Whitney Houston. The song concludes with these words, "Then in that one moment of time, I will be free."

Freedom is America's future—it is all that we can be. There is no other goal more desired by people of every nation than to be free, to have the freedom to make their choices: where to live, where to work, where to worship, what to do and say, whom to vote for just a few of the freedoms we take for granted in the United States. Certainly America has achieved the goal of freedom for its people and we have gone a long way toward helping other countries achieve the same goal. Think of the millions of Americans who used their moment in time to support the cause of freedom. Many fought and died for their country. Others served in national, state, or local government, or worked as volunteers in organizations such as the Red Cross. Often entire families were involved in America's freedom fights. Freedom did not come easily. It required commitment and sacrifice to provide us with the choices we find so available today.

But, what about the future? Can we sit back and rest, believing that the battle is won? Many Americans are doing just that, they don't bother to vote, they don't go to church, they don't contribute their time and talents to any worthwhile causes. They don't make choices and consequently, they don't teach their children to make choices. Why should they bother? Those freedoms will be there tomorrow, right? Or will they? If we don't exercise our freedom to choose, then we are allowing others to choose for us. By not taking a stand on issues, parents are teaching their children that those issues are not very important. In many cases it is left to the media, television and movies, to guide the minds of American children. Will these children be allowed their moment in time, and if so, will they make the right choices? It is possible that the freedom of America's future could be lost without a battle and never be missed until it's gone.

Let's not wait until it's too late. Let's get out and use our freedoms. We can prepare for our country's future by voting, by joining organizations that support our beliefs, by participating in activities that encourage pride in ourselves and in our country, and by teaching the next generation to make choices. By exercising our freedoms, we can shape America's future. All we need to do is take our one moment in time and use it wisely.

As the song says, "When all of our dreams are a heartbeat away, and the answers are all up to me, if you seize that moment in time, then in that one moment of time, I will be free" Our moment is now, and we are free!

LET AMERICA LEND A HELPING HAND TO THE HOMELESS

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. LELAND. Mr. Speaker, the homeless problem in this country has reached enormous proportions. Last year alone the demand for emergency shelter grew by an average of 19 percent among the 27 cities surveyed by the U.S. Conference of Mayors. The Department of Education recently reported that 220,000 schoolchildren lack homes and that more than 65,000 do not attend school regularly. Each year 5,000 runaway/homeless youths are buried in unmarked graves. Men and women go to work every morning yet they must sleep in shelters because they cannot afford the American dream—a home. Mr. Speaker, President Bush was correct in describing the problem of homelessness in the United States as a "national tragedy."

Today, I urge my colleagues and all Americans to translate their sympathies for the homeless into actions which have the potential of improving the quality of life for hundreds of thousands of people. The citizens of this country have traditionally committed themselves to efforts which assist the disadvantaged. The cooperation of all Americans is needed now to help feed and shelter the homeless. Additionally, the involvement of citizens across the country in these kinds of charitable activities will help build a greater understanding of the problems confronted by homeless individuals and the solutions needed to rectify them.

Mr. Speaker, I urge my colleagues to lend their support to the resolution I have introduced calling for the week of October 8 through 14, 1989 to be designated "National Week of Commitment To Help the Homeless." The approval of this resolution would bring further recognition to the role that we must all play in helping to end the tragedy of homelessness in the United States.

The text of the resolution follows:

H.J. RES —

Whereas although the United States is the wealthiest nation in the world, 3,250,000 Americans live below the poverty level as defined by the United States Government;

Whereas among Americans most in need are homeless men, women, children, and families;

Whereas homeless individuals often lack shelter, health services, and a consistent supply of food;

Whereas despite Federal funding for social service programs, the basic needs of homeless individuals remain unmet;

Whereas historically and ideologically, the United States has committed itself to a belief that individual efforts responding to the humanitarian needs of poverty stricken individuals can make a difference;

Whereas the assistance of private citizens is needed to help meet the increasing demand for food, shelter, and other basic needs of the homeless;

Whereas the involvement of Americans in efforts to assist would help poverty stricken individuals and help build understanding and awareness among Americans of the problems faced by these individuals; and

Whereas a greater commitment by Americans to helping those living in poverty would enhance the development of solutions to the problem of alleviating poverty in the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 8 through 14, 1989, is designated as "National Day of Commitment To Help Homeless Individuals". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate activities that assist homeless individuals and increase community awareness of the problems of homeless individuals.

A TRIBUTE TO J. MARIO ZAZUETA

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. TORRES. Mr. Speaker, I rise today to offer congratulations to a young constituent of mine from South El Monte, CA. J. Mario Zazueta was recently awarded the first place award in the California Assocation of Compensatory Education [CACE] 23d annual statewide essay contest. CACE is a nonprofit membership organization whose primary purpose is to improve the educational opportunities for disadvantaged youth throughout California. Mario won the junior high division with his essay entitled: "Why I Feel My Parents Should Be Involved in My Education."

In this day and age when the dropout rates are climbing, drug abuse amongst children is rampant and children are left unattended by working parents, it is a welcome relief to learn of young students who have a real interest in their education.

I ask that all my colleagues join me in commending Mario and his family for his award winning essay. We should never forget that it is young and bright students like Mario who will be the leaders of tomorrow. Mario's message is simple but sage: education is not exclusive to the classroom. We all must be included in our children's education.

J. Mario Zazueta lives in South El Monte and attends Potrero Elementary School. He is 11 years old and plans to attend college in California. Mario is known for his athletic ability and versatility. He plays baseball for a local community little league team as well as with the Potrero Lions.

For the RECORD, I insert Mario's essay:

WHY I FEEL MY PARENTS SHOULD BE INVOLVED IN MY EDUCATION

I believe my parents should be involved in my education because I think it is important to them and also important to me. If my parents had a horrible life and wanted me to have a better one, they would help me get a better education. My parents would want a child who they can be proud of for the rest of their lives.

One of the ways my parents would help me in school would be to encourage me to achieve my goals. My parents encourage me to not drop out of school because school is important and will be a relief in the future to help me find a job. They also encourage me to choose my friends wisely and not get involved in all those mean and nasty things that are out there in the real world.

My parents also help me with my schoolwork. When I have a problem that I don't understand, they help me solve it. When I have tests they help me by making me come home early to study hard for the tests. I think they like helping me because they want the best for me and they want me to do my best. Having my parents involved in my schoolwork makes me feel very lucky. I have their concern and love.

One of the ways to repay my parents for all of their help and concern would be to work hard in school and get good grades. In this way, they would be proud of me and I would be thankful for their encouragement and help with my education.

This is why I feel my parents are important in my education.

A TRIBUTE TO TED CARLSON

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. FISH. Mr. Speaker, I take this opportunity to pay tribute to Theodore J. Carlson, retiring chairman of the board of Central Hudson Gas & Electric Corp., who for 27 years has been a major force in guiding Central Hudson and the electric utility industry in New York State. I am very proud to be guest speaker at the dinner at Vassar College Alumnae House in Poughkeepsie, NY, honoring Ted for his outstanding service, including the last 11 years as chairman.

When Ted became chairman, he had been a member of the board since 1968, and Central Hudson was struggling with the impact of extreme disruption in the price and supply of fuel oil. The oil embargo of 1972–73 was a traumatic experience for the utility industry. What had been a relatively insubstantial bill in the home budget became a major bill.

At that time Ted had a thorough grounding in management, regulatory, financial and public affairs affecting the company, achieved as a member of Gould & Wilkie, the Wall Street firm that is general counsel for Central Hudson.

Ted's background and preparation enabled him to play a lead role in resolving these "oil-shock" problems, both in the State and at the national level. He served as the first chairman of the Energy Association of New York State, an organization he helped found to provide seven gas and electric corporations with legislative and lobbying services in the State capital, Albany. At the national level, he served on the board of the Edison Electric Institute, where he was engaged in strategic planning on the problems facing the industry.

Throughout his tenure as chairman of Central Hudson, Ted recognized the importance of involving the community and enjoying good community relations. He recognized the importance of the economics of scale in retail sales, resulting in reduced unit costs and stabilization of prices.

A few years ago, I was able to tap the Carlson know-how for a conference I hosted which focused on the economic and social challenges into the 21st century, particularly in the Hudson Valley. Future demands on education, worker retraining, and energy were among the topics discussed. Ted tackled the complicated subject of projected energy needs in an ever-changing global economy.

If recent history can be used as a barometer, we can expect a dramatic increase in demand for power into the 21st century. For the last 25 years, our area has experienced a significant increase in electricity usage in terms of customers and in residential, industrial and commercial demand. Ted advised that in planning for the future, we must diversify our fuels and reduce reliance on a single fuel source.

Ted has the rare ability to see beyond himself and comprehend the broader implications. This worldly view is demonstrated in part by his involvement with Mid-Hudson Patterns, Inc., an organization devoted to fostering economic development while preserving the scenic, historic and cultural heritage of the region. Ted believed the key to proper development is balance.

At the conference I hosted, Ted urged that as we focus on development of our area, we seek the cultural life of a city without a city's crowding; that we try to develop in the Hudson River Valley a kind of large-scale college campus, where every building would be surrounded by grass, trees or landscaping. He called for the establishment of major parks in which development cannot take place, much in the way that the Palisades are protected to preserve the natural beauty of the Hudson.

Ted's vision is to maintain the character of the area, to support its colleges, to support its museums, to support what enriches us culturally while retaining the rural and suburban amenities which we now enjoy. I think we all share in Ted's dream of the Mid-Hudson region in the 21st century.

Ted's civic pride is apparent both in his work and in his private life. He is an active volunteer in the community, devoting a great deal of time to the Salvation Army. The contributions of volunteers, or as my friend, George Bush, would put it, the thousand points of light, enrich our communities and strengthen the fabric of our Nation. We are lucky to have individuals like Ted Carlson, who possess the spirit of cooperative action, unbridled optimism, a vision of what should be, a genuine compassion.

Ted was born in Hartford, CT, in 1919. He attended public schools in New York and New Jersey and graduated from Montclair State College in 1940. He earned a juris doctorate from Columbia University in 1948, as well as a master of arts degree in 1951. During the war, he served in the U.S. Army in England, France, and Germany and concluded his career with the rank of captain.

He joined Gould & Wilkie of Wall Street in 1948 and served as an associate until 1954, when he became a member of the firm. He is a member of the New York Bar, the bar of the appellate courts as well as the bar of the U.S. Supreme Court.

Ted has been active in community affairs throughout his career. He has served in various capacities with the Rotary Club, United Fund and Salvation Army boards. He is chairman of the board of trustees of the King's College in Briarcliff Manor and is chairman of the Christian Herald Association in Chappaqua.

Ted is married to the former Jacqueline L. Coburn. They reside at 52 Dalmeny Road, Briarcliff Manor, NY, and are the parents of four children.

A WATERSHED YEAR FOR LABOR RELATIONS

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. GEPHARDT. Mr. Speaker, 1989 is a watershed year for labor-management relations. Right now we are facing one of the crucial tests of what direction we are going to take. The United States is faced with the toughest economic competition that we have ever faced. If we are to win our share of that competition, we have to have a new, improved, more stable and more successful relationship between labor and management.

The problems confronting U.S. industry, and the American economy as a whole, seem to revolve around attitudes, values, and ethics. At one time American manufacturers and service providers were known for excellence, quality, and for paying attention to the interests of their customers. At one time American business entities were known for their social and national responsibility. But now things have changed. The attitude of too many managers seems to be disregard for the Golden Rule.

The House action last week on legislation concerning the Eastern Airlines was an attempt to deal with this problem and its effect on labor-management relations. This dispute draws attention to flaws in America's competitiveness and her industrial structure. At a time

when the United States is faced with tough economic competition, we cannot afford to have confrontations between labor and management, those who are primarily responsible for America's stability in the world market.

America's most currently publicized example of labor-management relations has been the problems between Eastern Airlines and the International Association of Machinists. Many have observed Eastern's management and its unwillingness and failure to involve employees in decisions affecting them and the future of the company. We can no longer afford to have Frank Lorenzo as the "godfather" of labor-management relations. When the machinists and the flight attendants have been joined by the pilots, who have heretofore been reluctant to engage in strike activity, it is clear that Frank Lorenzo has become the symbol of how not to run a modern American corporation.

The Eastern strike is not a simple labor-management dispute about wages and conditions of employment. It is about a deliberate attempt to dismantle one of America's great airlines and break its unions. While the machinists union agreed to binding arbitration, management refused.

We need a workable solution to get us out of the current impasse. We need to get Eastern flying again, and the workers back to work. Just as important, it will send a signal to those who seek to bust up unions and dismantle America's great companies that enough is enough.

But as I said earlier, the Eastern strike has much broader ramifications.

H. Ross Perot, a pretty fair business person himself, sees the problems associated with such poor management. He says our business schools fail to teach the most important leadership rule—the Golden Rule—that corporate officers and managers should treat employees, customers, and shareholders the way they themselves would like to be treated.

Instead of ignoring the signals that the Eastern dispute is sending, we must adopt the positive management practices of companies like the American Steel & Wire Corp. in Cleveland, OH. At this company, the management asks for input from its employees on issues ranging from pension funds to stock ownership plans, from employee dress code to the purchase of a tent for employee activities.

It's time that we refocus our attention on putting excellence back into manufacturing, services, and labor-management relations rather than on financial manipulation, corruption, and mismanagement. We must put care and concern back into our management practices.

Abigail Adams in 1780 captured perfectly the spirit of her time when she wrote to her husband:

> These are the times in which a genius would wish to live. It is not in the still calm of life or in the repose of a pacific station, that great challenges are formed—great necessities call out great virtues.

I truly believe that America and all sectors of her economy must once again call upon the virtues of our past. As leaders and managers and as citizens and workers, we need to recognize the great necessities of our day, and call upon the great virtues that have been dormant. Only in this way can we hope to avoid future disasters such as the Eastern Airlines crisis and restore stability to relations between U.S. labor and management and in turn restore America's competitive position.

RURAL HEALTH CARE

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. MARLENEE. Mr. Speaker, as a strong supporter of rural health care, I am happy to see my colleagues from both sides of the aisle coming together today in the spirit of bipartianship to save hospitals in rural America. For too long, our rural hospitals have been teetering on the brink of one financial disaster after another.

I am pleased to join my colleagues from the House Rural Health Care Coalition in cosponsoring a comprehensive set of legislative initiatives that will offer relief to struggling rural hospitals and improve access to health care in rural areas. This legislative package will go a long way to revitalizing many of our small hospitals. Last year, in my home State of Montana, 33 out of 39 rural hospitals operated in the red. Only six hospitals broke even or made a profit.

At times I feel frustrated working with those who have little idea of the immense problems facing rural communities, especially in health care delivery services. For many Americans near urban areas, if a hospital closes, all one has to do is hop on a bus or subway to go to next medical facility. In Montana, a pickup ride in a raging blizzard over dozens of miles is the only alternative to getting emergency health care.

Today, I have joined in a spirit of bipartisanship with the House Rural Health Care Coalition to coordinate strategies and combine efforts to fight against discrimination of rural areas in health care. I become an original cosponsor to six bills that offer relief to the problems facing rural health care.

First, I joined with my colleague from North Dakota on a bill that would create a single rate for Medicare reimbursement payments, thus eliminating the discriminatory urban/rural distinction. The Secretary of the Department of Health and Human Services [HHS] would be required to present a proposal to Congress in 2 years that would eliminate Medicare's current differential payment rates for urban and rural hospitals. This would include a 3-year phase-in period to establish a single base rate beginning in 1991 and fully effective 3 years later.

In addition, this legislation would provide interim protection for rural hospitals, with 100 or fewer beds and dependent on Medicare for 55 percent or more of inpatient services, during this transition period. They would be free from worry about bankruptcy and hospital administrators could plan their budgets without fear of decreased funds from Medicare. These small rural hospitals would receive an additional payment to ensure that total payments for inpatient hospital services would be at least equal to the reasonable costs of those services for Medicare patients.

Mr. DORGAN's bill would also retain the sole community hospital program and rural referral centers until the urban/rural differential is removed. It would also create a series of demonstration programs for nursing and other health education initiatives to attract and keep competent and qualified health professionals to rural areas.

Most importantly, this bill would establish a Critical Access Facilities Program. Rural hospitals with 100 beds or fewer and dependent on Medicare for 55 percent or more of inpatient services would be eligible for identification as critical access facilities [CAF's]. This would ensure that key health care facilities located in remote areas would remain open to serve rural populations.

My good friend and Republican colleague from Iowa, Mr. TAUKE, who is the cochair of the House Rural Health Caucus, has introduced legislation that will keep open many rural health clinics served by health professionals who are not medical doctors. For those of my colleagues unfamiliar with this program, the Rural Health Clinic Act of 1977 authorized some Medicare and Medicaid payments to clinics for services provided by nurse practitioners and physicians assistants for basic public health care services. Mr. TAUKE's legislation is designed to reduce red-tape in this program and to increase the availability of prenatal care and mental health services in rural areas.

I am also an original cosponsor of a bill to improve rural emergency medical services, introduced by my colleague from Tennessee. The Rural Emergency Medical Services [EMS] Improvement Act establishes a $45 million block grant program for States to recruit, train, and retain prehospital emergency medical personnel; to purchase, upgrade, and maintain emergency medical equipment; and to develop preventive education programs for rural occupational health and safety.

This is a much better alternative to the trauma bill passed in the last Congress because Mr. COOPER's bill is targeted to rural areas where too many accidents have led to serious injury or death because of a lack of access to EMS. Rural areas only have 20 percent of the EMS caseload nationwide, but 70 percent of highway fatalities take place there. This legislation would go a long way to help people with serious injuries in rural areas obtain access to critically needed EMS programs.

A bill to attract health professionals to rural areas has also been introduced by Mr. TAUKE. The Rural Health Professionals Interest Deduction Act, of which I am an original cosponsor, would restore the tax deduction for education loan interest for physicians, nurses, and allied health professionals. This would only go to those who agree to practice in a medically underserved area or health manpower shortage area, of which rural regions would benefit. This deduction would remain in effect for as long as the health professional continued to practice in these areas and it would be available for loans for continuing professional education.

Finally, I have cosponsored a bill to create an Undersecretary of Rural Health in HHS and a sense-of-the-Congress resolution calling for the elimination of the discriminatory rural/urban Medicare reimbursement rate.

Mr. Speaker, the time has come for Congress to represent all of its constituents, and the legislation package that has been introduced today will begin to help us address the critical health needs of those who live in rural communities. We must recognize the unique problems facing rural areas and offer positive solutions that delivers health care services to those who desperately need it—people living in rural medically underserved areas. I encourage my colleagues from both sides of the aisle to cosponsor these measures. If we really want a kinder and gentler nation, let's start with improving health care delivery services in rural areas.

THE CHILD INVESTMENT AND SECURITY ACT

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. LELAND. Mr. Speaker, I wish to commend to you the Child Investment and Security Act introduced today by my colleague GEORGE MILLER of California. This comprehensive legislation provides for prenatal and early childhood nutrition and health care for children in families with incomes below 200 percent of poverty.

We are allowing the demise of this Nation to occur by failing to preserve our most precious natural resource—our children. The health and nutrition status of millions of American children are in jeopardy, primarily because of poverty and governmental neglect. Almost 13 million children live in poverty. Almost one in every four children under the age of 5 lives in poverty. The meaning of these statistics to the future of our Nation is sobering. They are also a harsh indictment of the values reflected in our policies and priorities.

The Child Investment and Security Act would reverse these unfortunate trends and literally save a generation of poor children from the lifelong effects of poor nutrition and inadequate health care. It expands the proven and cost-effective programs, Special Supplemental Feeding for Women, Infants, and Children [WIC] and Head Start. The expanded Medicaid provisions for pregnant women and children will effectively address the stagnation of our national progress in reducing infant mortality.

Embodied in this legislation are provisions contained in the Medicaid Infant Mortality Amendments of 1989, H.R. 800, which I introduced earlier in this Congress. These provisions make prenatal health care more accessible to low-income women through Medicaid. This expansion will increase the chances of a larger number of infants surviving their first year of life.

The importance of health care and nutrition begins with life itself. In this earliest stage of development, health care, and proper nutrition are matters of survival. The extreme vulnerability of pregnant women, infants, and children is recognized in all societies, and responsible societies assure their protection and care.

Forty thousand infants die before their first birthday in this country every year. During the past decade, the United States has failed to maintain progress against infant mortality commensurate with our affluence. Twenty countries in the world have infant mortality rates lower than the United States. Of these nations, only Switzerland has a higher gross national product.

In regard to health care, a recent report by the National Association of Children's Hospitals and Related Institutions points out that the number of medically uninsured children grew 13 percent in the last 5 years. About 12 million American children have no health insurance. Despite a ⅓ growth in child poverty over the last decade, Medicaid is serving 400,000 fewer poor children. In 1986 Medicaid covered only half the children in families below the poverty level.

I am proud to be an original cosponsor of the Child Investment and Security Act. Its purpose is to preserve the welfare of America's children. Its provisions are not revolutionary. They are based on the expansion of existing, proven programs. The Child Investment and Security Act is the best possible response to the danger signals flashing for millions of children who do not have adequate nutrition, health care, and early childhood development programs.

BRIAN P. GRISHAM: OREGON'S VOICE OF DEMOCRACY WINNER

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. DENNY SMITH. Mr. Speaker, I rise to recognize Oregon's winner of the VFW Voice of Democracy Scholarship Program, Brian P. Grisham, of Salem. In a short essay, Mr. Grisham has drawn a striking picture of the problems and choices facing each and every American citizen. I think Mr. Grisham's words speak well for all of us, and I therefore proudly submit for insertion into the RECORD the text of the winning essay:

PREPARING FOR AMERICA'S FUTURE

1988/89 VFW Voice of Democracy Scholarship Program, Oregon Winner: Brian P. Grisham, 3506 Glen Creek Rd., NW., Salem, OR 97304.

A small group of people gather in a room to plan the destruction of the most powerful nation on earth. One member suggests a nuclear attack. Another cites a conventional force attack. All the members realize these are old strategies and virtually obsolete. But finally, the third member presents his plan to the committee entitled project "Jo Schmo". "Fellow members," he states, "conformity and facsimile" are the essence of my plan. First: create a prototype pseudo-human possessing a 'certain negative trait'. Second: clone millions of "Jo Schmo" units who by pure numbers and pure influence, would constitute a negative majority that will rot this country from within. The trait? . . . APATHY". Another member challenges: "This plan will take far too long" "Aah, yes", the presenting member advise states, "But look around, it has already been done".

This hypothetical nightmare merely shadows a silent war raging on inside America. The conflict between apathy and action. This country has become shockingly callous to the constant chipping away of society's strong wall of values. Despite television prodding and special service for pickup, citizens refuse to separate metal, glass, and paper from other waste. New American citizens cry, joyfully, while casting a first free vote, while "Jo Schmo" sits, with beer in hand, and plugs into the television. Filthy garbage clogging highways, smearing the beauty of this nation's beaches, and suffocating the plant and animal life in national parks has reached unacceptable proportions. The earth's air supply, slowly but surely, dwindles away as pollution replaces breathable oxygen. Education, suffering from a nationwide dropout rate of nearly thirty percent, is wadded up and tossed by frustrated and bored students. Families, the basic building block of the nation, crumble from everyday stress. Fanatical groups, like the Ku Klux Klan and the skinheads, are movements that are so uncomfortably close to violence that they perch like ominous clouds on the future's horizon. Consumer use of hairspray, mousse, and other fluorocarbons seems to outweigh the health of the atmosphere. Whales, seals, and other precious life, near or beneath the oceans, diminish in number every day and although sales of animal posters and other emblems of sympathy increase, the size of volunteer groups decreases. Too often, we choose vanity over survival. These behaviors so deeply rooted in the American mindset, pose a formidable opponent. However, as has been negatively proven, people do change. And if people have the capability to change negatively over a period of time, then those same people have the same capability to change positively over time.

But what ignites the change for a better tomorrow? What key starts the focus of America toward a brighter future? Every human being has an ignition and key. Together, with each person changing, the nation will change. When "Jo Schmo" separates his or her garbage, another "Jo Schmo" does the same. When "Jo Schmo" takes ten minutes to vote, or pick up his or her trash after camping, another "Jo Schmo" copies. When "Jo Schmo" rides a bus, instead of driving, to limit gas and pollution, others make the same decision. When a "Jo Schmo" realizes he or she has a future and studies, in school, for long term goals, or wears a hat instead of hair spray, others follow the trend. When the average "Jo Schmo" spends time with his or her family, other families come together, and when "Jo Schmo" decides racial jokes are not humorous, or volunteers at an animal hospital or humane society, others help with the need.

As for positive change, America needs to pull out of reverse and shift into forward as this country takes the first step toward a brighter future. The alarm clock of change rings. The nation cannot afford to continually press the snooze bar. The future is nothing more than the next step in time, whether the nation steps into brightness or blight depends upon the number of people willing to settle for the name: "Jo Schmo".

THE LINE-ITEM VETO

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, March 22, 1989, into the CONGRESSIONAL RECORD:

THE LINE-ITEM VETO

In an era of large budget deficits there is growing public interest in laws, reforms, and constitutional amendments that would somehow bring the federal budget under control. One of the most popular of these proposals is the line-item veto. All of our recent Presidents, from Lyndon Johnson to George Bush, have supported it. The line-item veto appears to be a simple way to accomplish an important objective—cutting the federal deficit. But careful thought should always be given to any reform that might produce fundamental changes in our political processes and institutions.

The line-item veto would give the President the power to grant selective approval to federal expenditures. Under current constitutional arrangements, when the President receives an appropriations bill from the Congress, he has basically two choices—sign the entire measure making it law, or exercise his existing veto power and send the bill back to the Congress for reconsideration. With a line-item veto the President would be able to cross out a specific expenditure and then sign into law all of the remaining appropriations.

Problems arise immediately in defining what constitutes a "line" in spending legislation and whether a veto could be used to remove conditions on spending or to change numbers. For instance, if the Congress were to approve humanitarian aid for the Nicaraguan contras, could a President strike the word "humanitarian" in exercising his line-item powers? Or if the Congress approved a 4 percent salary increase for military personnel, could a line-item veto be used to change it to 3 percent or raise it to 5 percent?

Even if the President were given very expansive revision authority, a line-item veto might still have very little impact on the deficit. Many federal expenditures are automatic and cannot be crossed out of annual appropriations. Interest must be paid on the national debt. Social Security checks are mailed and Medicare bills are paid in accordance with laws and regulations that are not rewritten in the annual appropriations process. Other entitlement programs give the federal government responsibility for a wide range of payments and services that a line-item veto would not affect. If you add all the automatic federal expenditures together, you would have a figure equaling well over half of the national budget, and that figure would include some of the fastest growing federal obligations—interest on the debt and medical care. If the President chose not to use his line-item veto to make deep cuts in defense spending, a likely prospect for President Bush, another quarter of the budget would be largely untouched by line-item powers.

Other considerations would further limit the ability of a line-item veto to reduce the federal deficit. Many billions of dollars are legislated in the form of special tax benefits and incentives that are federal expenditures in all but name. In most versions of the line-item reform, the President could not alter revenue legislation. Nor would he be likely to stop "pork-barrel" programs that were cleverly hidden in large and popular spending items. With only a small percentage of annual expenditures actually subject to a line-item veto, the cuts that could be made would never be enough to bring the federal budget into balance. In 1988, President Reagan published a list of items he would have cut from the 1989 budget if he had been given selective veto powers. All of them added up to $1.5 billion for a year in which the federal deficit was $155 billion.

There are currently 43 governors who have some form of line-item budget discretion, and proponents of the line-item veto believe that this fact explains the existence of balanced budgets in most states. There are, however, better explanations for state financial responsibility. Many state laws and constitutions expressly prohibit deficit spending. Moreover, the bond markets carefully monitor and rate the ability of states to repay debts, penalizing those not in balance. Two Hoosier economists at Ball State University who studied the states where governors enjoy the line-item veto concluded that it has had little impact on the level of state spending.

Although the evidence indicates that a presidential line-item veto would not significantly reduce the deficit, it might sufficiently alter the balance of power between the legislative and executive branches to produce a dangerous change in our constitutional system. A President armed with a line-item veto would be extraordinarily powerful in his dealings with individual members of the Congress. For example, if a controversial piece of legislation were coming up for a vote, the White House could threaten to veto projects in the districts of wavering congressmen. This kind of pressure would do little to reduce the deficit, but would vastly increase presidential power. Armed with a line-item veto, a President might never lose a close congressional vote. Our Founding Fathers knew that too much power in one branch of government would invite abuse. The Congress is unlikely to approve a constitutional reform weakening its own power of the purse and destroying the balance between the legislature and the executive.

Improvements in our budget-making process can, of course, be adopted without rewriting the Constitution. We can avoid the use of last-minute continuing resolutions, streamline the congressional budget process, and stop using overly optimistic economic assumptions. We can also encourage responsible use of existing presidential powers to rescind wasteful speeding commitments, subject to congressional review. In a two-year period in the early 1980s, when the President and the Congress were working together to reduce federal spending, over $15 billion in presidential rescission recommendations received congressional endorsement.

The line-item veto promises to restore federal financial responsibility without pain. It is a procedural device put forward as the solution to a substantive problem. I do not believe that there are any magic bullets or miracle elixirs which will effortlessly bring the budget under control. What is missing today is not procedural reform, but the political will for the Congress and the President to bring spending into line with revenues.

A COMMUNITY SALUTE FOR GENEVIEVE N. JOHNSON

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. FAUNTROY. Mr. Speaker, I rise today on behalf of Genevieve N. Johnson, a constituent of the District of Columbia, who deserves to be recognized for her more than 50 years of distinguished service to our community.

Mrs. Johnson, a longtime resident of the District of Columbia, is widely respected for her visionary leadership which has been crucial to the creation of public policies and services that benefit her fellow beings, particularly senior citizens. She is the founder of an annual citywide senior citizens prayer breakfast in Washington. The event, now in its 17th year, brings a broad spectrum of the community together in celebration of the enduring and continuing contributions of older citizens to the welfare of our city and Nation.

Mrs. Johnson is the soul and spirit of numerous organizations in Washington devoted to the welfare of senior citizens. For many years, she served as president of the influential Council of Senior Citizens—Greater Washington Area. Under appointment by Mayor Marion Barry, Jr., she was one of the first citizens to serve on the D.C. Commission on Aging. As a private citizen, she is a leading advisor to public officials on such important concerns as housing, security, and medical assistance for the elderly.

Mrs. Johnson, or "Mother Johnson," as she is affectionately known, has been a loyal member of Zion Baptist Church for over 80 years, where she serves on the trustee board and is actively involved in numerous activities. She is among the members of her church, who by their will, helped to establish Zion Baptist as one of Washington's leading congregations.

Upon retiring from a 34-year career with the British Embassy in the District, she was presented the British Empire Medal from the Queen of England. Mrs. Johnson, a recipient of numerous leadership awards, has been honored by the American Mothers Association of the District of Columbia as its "Mother of the Year." And in recognition of that high honor, May 2, 1975, was proclaimed "Genevieve N. Johnson Day" in the District of Columbia.

Indeed, this graceful woman's exemplary deeds give cause for a public celebration to honor her in the city that she has so devotedly served. At 12 o'clock noon on Saturday, April 8, 1989, Mayor Marion Barry, Jr. and the citizens of Washington, DC, at a community luncheon, will give Mrs. Johnson the "fruits of her hands and honor her in the gates." The theme of this special event is fittingly taken from the Book of Proverbs: "Who Can Find A Virtuous Woman? For Her Price Is Far Above Rubies."

As a resident of the District of Columbia, I am pleased to salute Genevieve N. Johnson for her many inspiring contributions that have enhanced the quality of life of the citizens of the District of Columbia.

INTRODUCTION OF THE TELEPHONE RATE VERIFICATION ACT OF 1989

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. MARKEY. Mr. Speaker, I rise today to introduce the Telephone Rate Verification Act of 1989. Last week, the Federal Communications Commission [FCC] adopted a new untested form of regulation for AT&T, called price caps. The Commission's controversial action, the first major overhaul of telecommunications regulation in a quarter of a century, will directly and perhaps dramatically affect the price and quality of telephone service for all consumers.

Although the Commission has significantly improved the plan to address some consumer and congressional concerns, the full impact of the price cap proposal on telephone service, especially for residential customers and rural users, is still unknown. While FCC Chairman Dennis Patrick contends that "This decision will save consumers approximately $900 million during the next 4 years in interstate long-distance rates charged by AT&T," many others remain highly skeptical. These groups claim that the plan does not have adequate safeguards to protect consumers under the more flexible form of regulation.

Consumer representatives insist that the plan will result in higher rates for most residential customers. Under the price cap plan, AT&T will be permitted to raise its rates for nights and weekends when over 70 percent of residential calls are made, by as much as 10 percent, assuming inflation continues at last month's rate. The Commission's modifications, in response to congressional and consumer concerns, do not go far enough. The plan gives AT&T the flexibility to limit and perhaps eventually eliminate the special discount rate that consumers have long enjoyed when calling at night and on weekends.

Customers of rural telephone companies fear that price caps threaten our long held policy of geographic rate averaging which ensured that prices for telephone service are the same for urban and rural areas. State regulators are concerned that price caps may allow AT&T to shift costs of providing interstate service to the price for local telephone services. Even Fortune 500 companies, who depend on modern, efficient telecommunications services, assert that price caps will give AT&T the ability to subsidize between different services.

The price cap method has been described as a regulatory experiment. In recent days we have witnessed the high price and inconvenience that taxpayers and consumers can suffer from other regulatory experiments like airline and savings and loan deregulation.

As price caps, one of the last vestiges of President Ronald Reagan's agenda, is adopted, I am reminded of his oft stated quote, "Trust but verify." Therefore, members of the committee and I will begin vigilant oversight to ensure that this regulatory experiment does not get out of control and explode in the face of consumers. I join with Chairman JOHN DINGELL, and a majority of my subcommittee colleagues, in introducing legislation that will require the FCC to collect sufficient price, cost and profit data so that the General Accounting Office [GAO] can evaluate the effect of this proposal on consumers, rural telephone customers, interexchange competition and State regulation of intrastate telephone service. This legislation will provide the public and Congress with an accurate measure of the effectiveness and fairness of the price cap method. Although the bill will not impede the operation of the price cap method, it will be an "early warning system" alerting the public to any unintended consequences.

Specifically, this legislation would require the Commission to collect from dominant carriers data, reports, studies, and other information comparing the rate of return and price cap methodologies. The report would also determine whether the carrier's rates under each method would comply with the just and reasonable standard of the Communications Act.

In addition, the Commission would be required to present to Congress a report on the collected information. The report shall compare the rate approved by the Commission under the price cap and the rate which would have been permitted under rate of return regulation. Further, the Commission will be required to identify the overall rate of return which dominant carriers will realize under price cap.

The Comptroller General will review and analyze the Commission's data, reports, studies, and other information used in its report to Congress. Specifically:

First, the GAO will submit a report to Congress on whether the information proffered to the Commission is adequate to determine whether common carrier rates and charges are just, reasonable, and nondiscriminatory, in conformance with the Communications Act of 1934;

Second, the GAO will analyze the accuracy and reliability of the Commission's conclusions with regard to the comparisons of the price cap and rate of return regulatory methodologies and their suitability under the Communications Act of 1934;

Third, the GAO will evaluate the effects of the price cap methodology on residential telephone usage—including night and weekend discount periods; competition in the interexchange market; and services and rates for rural telephone customers, and State regulation of intrastate telephone service;

Fourth, the GAO will report other findings and recommendations necessary or appropriate in the public interest; and

Fifth, the GAO shall promptly notify the Commission, if there is any necessary data which is uncollected. The Commission shall remedy any reported deficiency.

I urge my colleagues to support this legislation which is necessary to ensure that consumer's telephone rates and service are not adversely affected by this untested form of regulation.

THE RURAL HOSPITAL RECOVERY ACT OF 1989

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, today I am introducing the Rural Hospital Recovery Act of 1989 along with the support of my colleagues from the House Rural Health Coalition. This bill is intended as an important step in addressing the current crisis that rural America is facing in its health care delivery system. By introducing this legislation, I and the rest of the rural health coalition are contributing to the debate on what Congress must do to save rural hospitals throughout the country.

The Rural Hospital Recovery Act of 1989 is designed to help the many struggling rural hospitals nationwide to get back on their feet. I know that in my State and in States throughout the country there are many rural hospitals that are teetering on the edge and on the verge of closing. Sadly enough, 43 rural hospitals closed their doors last year and an estimated 600 rural hospitals face the prospect of closing in the next 5 years. The statistics on recent trends on rural hospital closures and operating margins clearly indicate that something must be done immediately if we expect the health care delivery system in rural America to survive through the next decade.

The fundamental issue in the rural health crisis is that of access to essential health care. In some large cities the closing of one hospital might be an inconvenience, but in a rural area, the situation is more serious than that. It can mean life or death to persons who must travel miles and miles trying to reach a hospital with someone who is critically ill. Congress must decide now whether it is willing to support rural hospitals in this country.

The Rural Hospital Recovery Act of 1989 is a proposal in what Congress can do to help keep rural hospitals open so that millions of Americans, many of them Medicare beneficiaries, can continue to have essential access to health care in rural areas. Since rural hospitals are typically more dependent upon Medicare patients for their revenues than their urban counterparts, adjustments in our current Medicare policy can make a tremendous impact on the fiscal health of rural hospitals.

This bill calls for the elimination of the current differential in the standardized rate in Medicare payments to rural and urban hospitals. At the present time the differential in the Medicare standardized rate is approximately 11 percent less to rural hospitals than to urban hospitals. With all the adjustments measured in Medicare payments to rural hospitals the actual differential is about 40 percent. A recent comparison of Medicare's payment of top DRG's showed that a rural hospital in North Dakota received over $1,000 less for a treatment of a heart failure patient than an urban hospital 60 miles away.

At a minimum, Congress must eliminate the differential in the standardized rate. The different rate has placed rural hospitals at an unfair disadvantage. The elimination of the differen-

tial and the establishment of a single national rate is simply a matter of equity and a fulfillment of a promise. When the prospective payment system was established over 5 years ago rural hospitals were promised that a single national rate would be phased in. In light of the current crisis that rural hospitals are now facing, it is time that this promise was fulfilled.

This bill would phase in a single national rate over a 3-year period. However, this can not be seen as the answer for rural hospitals. Some immediate measures must be taken to ensure that the alarming rate of rural hospital closures does not continue. Therefore, this bill proposes that certain special protections be provided to small rural hospitals until a single national rate is in effect. This protection will come in the form of additional payments that will guarantee that rural hospitals with less than 100 beds and are dependent upon Medicare patients for at least 55 percent of their inpatient days receive reimbursement for reasonable costs.

The center piece of the Rural Hospital Recovery Act is that it establishes the Critical Access Facilities Program. This program will designate certain rural hospitals that, because of their geographic location and economic accessibility to Medicare patients, provide the sole source of health care to a community and therefore must remain open. These Critical Access Facilities will receive additional payments above the PPS reimbursement.

This bill also makes certain modifications to the Sole Community Hospitals Program, establishes a Medicare Geographic/Critical Access Facility Classification Review Board, and extends the classification of the rural referral centers. Because of the current shortage of health care professionals in rural areas, this bill also contains provisions which will encourage nurses and physicians to practice in rural areas.

I encourage my colleagues in this Chamber to join me and the members of the rural health coalition to respond decisively to help rural health care in rural America.

A copy of the Rural Hospital Recovery Act of 1989 appears below:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Hospital Recovery Act of 1989".

SEC. 2. CREATION OF LEGISLATION WHICH ELIMINATES DIFFERENT AVERAGE STANDARDIZED AMOUNTS FOR HOSPITALS IN DIFFERENT AREAS AND CREATES SEVERITY-OF-ILLNESS ADJUSTMENT.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall draft and submit to Congress and the Prospective Payment Assessment Commission legislation to require the use of unified average standardized amounts of allowable operating costs per inpatient hospital discharge for all hospitals participating in the medicare program which are paid for the operating costs of inpatient hospital services under such program under a prospective payment system, regardless of whether such hospitals are located in large urban, other urban, or rural areas. Such legislation shall—

(1) provide that such unified average standardized amounts shall apply with respect to each hospital cost reporting period or fiscal year which begins on or after October 1, 1994, and shall include transition rules for the gradual implementation of the use of such amounts during the period which begins October 1, 1991, and ends September 30, 1994;

(2) provisions modifying the hospital payment provisions of the medicare program with regard to the calculation and award of outlier payments and the treatment of teaching hospitals, small rural hospitals, rural referral centers, sole community hospitals, and disproportionate share hospitals; and

(3) a provision requiring that diagnosis-related groups established by the Secretary to classify inpatient hospital discharges under the medicare program provide for variations based upon the severity of illness within such groups.

(b) REPORT AND STUDY BY CBO AND PROPAC.—Not later than 6 months after receiving the legislation described in subsection (a), the Prospective Payment Assessment Commission and the Congressional Budget Office shall each prepare and submit to Congress a report analyzing such legislation and containing an analysis of the probable impact of such legislation on hospitals participating in the medicare program.

SEC. 3. ADDITIONAL PAYMENTS FOR INPATIENT HOSPITAL SERVICES FURNISHED BY MEDICARE-DEPENDENT, SMALL, RURAL HOSPITALS.

Section 1886(d)(5) of the Social Security Act (42 U.S.C. 1395ww(d)(5)) is amended by adding at the end the following new subparagraph:

"(G)(i)(I) For discharges occurring on or after October 1, 1989, and on or before September 30, 1994, the Secretary shall provide for an additional payment for each medicare-dependent, small, rural hospital (as defined in clause (ii)).

"(II) For discharges occurring on or after October 1, 1994, the Secretary shall provide for an additional payment for each critical access facility designated by the Medicare Geographical Classification/Critical Access Facility Review Board pursuant to paragraph (10)(D).

"(ii) For purposes of this subsection, a 'medicare-dependent, small, rural hospital' is a hospital which is located in a rural area, has no more than 100 beds, and demonstrates to the satisfaction of the Secretary that not less than 55 percent of its inpatient-days during the cost-reporting period immediately preceding the date of the enactment of this subparagraph were attributable to individuals entitled to benefits under part A.

"(iii) The amount of the additional payment made under clause (i) shall be equal to the amount (if any) by which the hospital's reasonable costs (as determined by the Secretary without regard to the provisions of section 1861(v) and subsection (a)(1) which exclude from the determination of reasonable costs any part of incurred costs found to be unnecessary in the efficient delivery of needed health services) associated with an inpatient hospital discharge exceed the amount of the payment made under this subsection for such discharge without regard to this subparagraph.".

SEC. 4. ESTABLISHMENT OF APPLICATION PROCESS FOR RURAL HOSPITALS TREATED AS BEING LOCATED IN URBAN AREAS.

(a) IN GENERAL.—Section 1886(d)(8)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(8)(B)) is amended by striking "For purposes of this subsection" and all that follows through "one or more urban areas" and inserting "Upon the application of a hospital located in a rural county adjacent to one or more urban areas, the Secretary shall treat such a hospital for purposes of this subsection".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to cost reporting periods or fiscal years beginning on or after October 1, 1990.

SEC. 5. MODIFICATIONS WITH RESPECT TO SOLE COMMUNITY HOSPITALS.

(a) IN GENERAL.—(1) Section 1886(d)(5)(C)(ii) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(C)(ii)) is amended by striking the first sentence and inserting the following new sentence: "With respect to a subsection (d) hospital which is a sole community hospital, payment under paragraph (1)(A) for any cost reporting period or fiscal year beginning on or after October 1, 1989, shall be equal to the sum of—

"(I) 75 percent of the greater of the hospital's target amount (as defined in subsection (b)(3)(A), but determined without the application of subsection (a)), or a target amount determined by the Secretary by averaging the allowable operating costs of inpatient hospital services recognized under this title for such hospital during the 3 most recent 12-month cost reporting periods, using information from the most recent cost reporting period or periods available; and

"(II) 25 percent of the greater of the applicable regional or national adjusted DRG prospective payment rate determined under paragraph (3).".

(2) Section 1886(d)(5)(C)(ii) of such Act is further amended by striking the period at the end of the last sentence and inserting the following: ", including a hospital located more than 30 miles from other like hospitals and a hospital located 30 miles or less from other like hospitals if not more than 40 percent of residents who become hospital inpatients or not more than 40 percent of the individuals entitled to benefits under part A in the hospital's service area are admitted to other like hospitals located within a 30-mile radius of the hospital (or, if larger, within its service) area).".

(b) STUDY OF APPEALS FROM PAYMENT ADJUSTMENT DECISIONS.—Not later than October 1, 1990, the Secretary of Health and Human Services shall prepare and submit to Congress a report analyzing the process by which a hospital which is a sole community hospital for purposes of determining its payment for the operating costs of inpatient hospital services under the medicare program may appeal a decision by the Secretary to not adjust its payment under the volume adjustment provision of section 1886(d)(5)(C)(ii) of the Social Security Act.

SEC. 6. ESTABLISHMENT OF MEDICARE GEOGRAPHICAL CLASSIFICATION/CRITICAL ACCESS FACILITY REVIEW BOARD.

Section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)) is amended by adding at the end the following new paragraph:

"(10)(A)(i) There is hereby established the 'Medicare Geographical Classification/Critical Access Facility Review Board' (hereafter in this paragraph referred to as the 'Board').

"(ii) The functions of the Board shall be to designate certain hospital as critical access facilities, to hear appeals from rural hospitals which the Secretary determines do not qualify for treatment as being located in an adjacent urban metropolitan statistical area, and to conduct hearings with respect to the refusal of the Secretary to consider a hospital a sole community hospital for purposes of subsection (d)(5)(C)(ii).

"(B)(i) The Board shall be composed of 7 members appointed by the Secretary not later than 60 days after the date of enactment of the Rural Hospital Recovery Act of 1989, of whom—

"(I) 3 shall be representatives of subsection (d) hospitals located in rural areas;

"(II) 1 shall be a representative of a subsection (d) hospital located in an urban area;

"(III) 1 shall be a member of the Prospective Payment Assessment Commission;

"(IV) 1 shall be an individual with particular knowledge of the field of analyzing and determining the costs of providing inpatient hospital services; and

"(V) 1 shall be an individual who is an expert in the field of demographics.

"(ii) Members of the Board shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. Members shall be appointed for terms of 3 years (except that initial members of the Board shall be appointed for shorter terms to the extent necessary to permit staggered terms of office), and may be reappointed. A vacancy in the Board shall be filled in the manner in which the original appointment was made, except that any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. At the discretion of the Secretary, a member may serve after the expiration of his term until his successor has taken office.

"(iii) Each member of the Board who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day (including travel time) during which said member is engaged in the performance of the duties of the Board. Each member of the Board who is an officer or employee of the United States shall receive no additional pay on account of their service on the Board.

"(iv) Members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.".

"(C)(i) The Board shall have the power to make any rules and establish any procedures, not inconsistent with the provisions of this title or regulations of the Secretary, which are necessary or appropriate to carry out the provisions of this paragraph. In the course of any hearing the Board may administer oaths and affirmations. The provisions of subsections (d) and (e) of section 205 with respect to subpoenas shall apply to the Board to the same extent as such provisions apply to the Secretary with respect to title II.

"(ii) The Board is authorized to engage such technical assistance and to receive such information as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Board such secretarial, clerical, and other assistance as the Board may require to carry out its functions.

"(D) The Board shall designate a hospital as a critical access facility for purposes of paragraph (5)(G)(i)(II) if such hospital—

"(i) is a medicare-dependent, small, rural hospital (as defined in paragraph (5)(G)(ii); and

"(ii) demonstrates to the satisfaction of the Board that, on the basis of its geographic location, local topography or periods of prolonged severe weather conditions in the area, the availability of other hosptials to serve individuals residing in the area who are entitled to benefits under part A, and such other factors as the Board (in consultation with the Secretary) may require, the hospital must receive the additional payment described in paragraph (5)(G)(iii) in order to continue to deliver critical health care services to individuals living in a rural area.

"(E)(i) The Board shall hear appeals from rural hospitals which have applied to be treated as being located in an adjacent urban metropolitan statistical area under paragraph (8)(B) and which the Secretary has determined do not meet the criteria for such treatment described in such paragraph, if, not later than 6 months after the Secretary makes such a determination, such hospital files a notice containing such information as the Board may require.

"(ii) In deciding an appeal under this subparagraph, the Board shall consider the relative labor costs of the rural hospital and a similar hospital in the adjacent urban area, the commutation rates between the rural and urban counties in question, and such other criteria as the Board (in consultation with the Secretary) may require.

"(iii) Not later than 90 days after an appeal is filed under this subparagraph, the Board shall render a decision either affirming the Secretary's decision to reject the hospital's application under paragraph (8)(B) or directing the Secretary to treat the hospital as being located in an adjacent urban metropolitan statistical area under such paragraph.

"(F) Not later than July 1, 1989, the Board shall publish the criteria to be used in making designations under subparagraph (D) and deciding appeals under subparagraph (E).

"(G) Not later than July 1, 1993, the Secretary, in consultation with the Board, shall prepare and submit a report to Congress evaluating the Board's activities since its establishment and recommending any necessary changes in its duties and composition.".

SEC. 7. TREATMENT OF REGIONAL REFERRAL CENTERS.

(a) EXTENSION OF REGIONAL REFERRAL CENTER CLASSIFICATION.—Any hospital that is classified as a regional referral center under section 1886(d)(5)(C)(i) of the Social Security Act as of September 30, 1989, including a hospital so classified as a result of section 9302(d)(2) of the Omnibus Budget Reconciliation Act of 1986, shall continue to be classified as a regional referral center for any cost reporting period beginning on or after October 1, 1989, and ending on or before the last day of the last hospital cost reporting period or fiscal year which ends before the implementation under the medicare program of unified average standardized amounts of allowable operating costs per inpatient hospital discharge for all hospitals participating in such program which are paid for the operating costs of inpatient hospital services under such program under a prospective payment system, regardless of whether such hospitals are located in large urban, other urban, or rural areas.

(b) CONTINUATION OF CURRENT PAYMENT RATE.—In determining the amount that is payable under section 1886(d) of the Social Security Act to a hospital that is classified as a regional referral center for purposes of payment under such section, for a discharge occurring during the period described in subsection (a), Secretary of Health and Human Services shall use the average standardized amount that is applicable to discharges from a hospital that is located in an urban area (other than a large urban area) in the region in which the hospital so classified is located (as such terms are used in such section).

SEC. 8. MODIFICATIONS IN GRANT PROGRAM FOR RURAL HEALTH CARE TRANSITION.

(a) IN GENERAL.—Section 4005(e) of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 1395ww note) is amended—

(1) in paragraph (3)(A) by striking "an application to the Governor" and inserting "an application to the Administrator and a copy of such application to the Governor";

(2) in paragraph 3(B) by striking "any application" and all that follows through "accompanied by" and inserting in lieu thereof "to the Secretary";

(3) in paragraph (6) by striking "$50,000 a year" and all that follows through "2 years" and inserting the following: "$50,000 a year (unless the Secretary determines that an amount in excess of $50,000 a year is necessary to assist a hospital receiving such a grant in implementing a project as described in paragraph (1)), and may not exceed a term of 3 years"; and

(4) in paragraph (9) by striking "$15,000,000 for each of the fiscal years 1989 and 1990" and inserting "$25,000,000 for each of the fiscal years 1990, 1991, and 1992".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to applications for grants under the Rural Health Care Transition Grant Program described in section 4005(e) of the Omnibus Budget Reconciliation Act of 1987 submitted on or after October 1, 1989.

(c) REPORT BY SECRETARY.—Not later than April 1, 1990, the Secretary of Health and Human Services, in consultation with the Director of the Office of Rural Health Policy, shall submit a report to Congress identifying laws, rules, and regulations which, in his opinion, prevent rural hospitals from providing services such as home-based care, respite care, or other innovative patient services, or which provide rural hospitals with disincentives to providing such services.

SEC. 9. DEMONSTRATION PROJECT FOR CERTAIN NURSING EDUCATION PROGRAMS.

(a) IN GENERAL.—Not later than October 1, 1990, the Secretary of Health and Human Services shall conduct a demonstration program in 5 eligible hospitals under which a payment in the amount described in subsection (c) shall be made to each such hospital during each hospital cost reporting period which begins on or after October 1, 1990, and ends October 1, 1995.

(b) ELIGIBILITY.—(1) A hospital shall be eligible to participate in the demonstration program described in this section if such hospital—

(A) receives payments under part A of title XVIII of the Social Security Act;

(B) is located in a rural area;

(C) submits an application at such time and containing such information as the Secretary may require by rule; and

(D) has in effect at the time it submits such an application a written agreement with an institution of higher education under which undergraduate nursing students or nurses-in-training from an institution of higher education which has an approved nursing teaching program provide nursing services to the hospital.

(2) In deciding which hospitals shall participate in the demonstration program described in this section, the Secretary shall give preference to hospitals which have a small number of beds or which are sole community hospitals.

(c) DESCRIPTION OF PAYMENT.—The amount of a payment made under this section for any cost reporting period is equal to the amount a participating hospital would have received under part A of title XVIII of the Social Security Act in such a cost reporting period if the costs of the nursing services provided by nursing students or nurses-in-training under an agreement described in subsection (b)(1)(C) were treated as the costs of approved educational activities for which payment would be made under such title during such cost reporting period, except that the amount paid to a hospital under this section during any cost reporting period may not exceed $200,000.

(d) REPORT TO CONGRESS.—Not later than January 1, 1996, the Secretary shall submit a report to Congress describing the demonstration programs conducted under this subsection and the effect of such programs on the supply and qualifications of the nurses participating in such programs.

SEC. 10. AMENDMENTS TO RURAL HEALTH MEDICAL EDUCATION DEMONSTRATION PROJECTS.

(a) NUMBER OF PROJECTS.—Section 4038(a) of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 1395ww note) is amended by striking "four sponsoring hospitals" and inserting "10 sponsoring hospitals".

(b) SELECTION CRITERIA.—Section 4038(c) of such Act is amended—

(1) by striking "In selecting" and inserting "(1) Except as provided in paragraph (3), in selecting";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B); and

(3) by adding at the end the following new paragraphs:

"(2) In selecting from among applications submitted under subsection (a), the Secretary shall give priority to projects which provide small rural hospitals with resident physicians for longer periods of time and projects which give physicians from the small rural hospital the opportunity to work or study at the sponsoring hospital.

"(3) The provisions of paragraph (1) shall not apply with respect to applications submitted on or after the date of the enactment of the Rural Hospital Recovery Act of 1989.".

(c) EXTENSION OF RESIDENT'S TIME.—Section 4038(b) of such Act is amended by striking "one to three months" and inserting "not more than 2 years".

(d) DURATION OF PROJECT.—Section 4038(e) of such Act is amended by striking "this Act" and inserting "this Act (except that a project conducted as a result of the enactment of the Rural Hospital Recovery Act of 1989 shall be commenced not later than 6 months after the date of enactment of such Act)".

(e) ELIGIBILITY OF CONSORTIUMS OF RURAL HOSPITALS.—Section 4038(f) of such Act is amended—

(1) by striking "DEFINITION.—In this section," and inserting "DEFINITIONS.—(1) In this section,"; and

(2) by adding at the end the following new paragraph:

"(2) The term 'small rural hospital' includes a group of small rural hospitals located in the same county which enter into a joint agreement to participate in a project under this section and to share the services of a resident physician provided by a sponsoring hospital.".

THE RURAL HEALTH CARE COALITION'S 1989 AGENDA

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 22, 1989

Mr. TAUKE. Mr. Speaker, today, the House Rural Health Care Coalition, which I founded and cochair with my colleague, Congressman MIKE SYNAR, introduced its legislative agenda for this year. The coalition is a bipartisan group of over 100 Members representing 42 States who have joined together to educate, advocate, and legislate to ensure that rural Americans have access to high-quality, community-based health care services.

The coalition is the best example I can give of how important the voice of the individual constituent and grass roots advocacy and education continue to be in shaping policy here in Congress. The coalition is the direct result of the efforts tht rural hospital administrators, doctors, nurses, and other health professionals and community leaders have made to educate my colleagues and me. They educated us to the unique challenges of delivering health care in rural America and to the threat that reimbursement policies set at the Federal level with little understanding of these challenges was posing to access to basic health care services in rural areas.

We learned from our constituents of the substantial differentials in Medicare payments for rural and urban hospitals, physicians, and other providers and the disastrous impact these differentials were having on rural hospital operating margins and on the ability of communities to attract and retain physicians and other health care professionals.

Nationwide, more than 160 rural hospitals have closed their doors since 1980, and 600 more are in danger.

Nationwide, we have a shortage of almost 1,800 rural primary care providers, and as many as 25 percent of rural physicians may retire or leave their communities within the next 5 years. In Iowa, I have 178 communities competing to attract over 300 greatly needed primary care physicians.

We learned that the prospective payment system assumes that hospitals have the volume to balance losses on some cases against gains on others. The low volume characteristic of rural hospitals places them at a disadvantage. One or two high-cost cases can spell disaster, particularly given the high percentage of Medicare cases these hospitals treat.

We learned that rural hospitals are often the largest employers in their communities and the key to attracting and retaining physicians and other health care providers. When we lose our hospitals, we lose not only access to acute care, but nursing care, home health care, physicians' care, jobs, and the ability to attract new businesses and industries to our communities.

We learned that while the elderly comprise 12 percent of the total population in the United States, they account for over 25 percent of the rural population. Thus, our health care providers are particularly dependent upon Medicare and particularly affected by inequitable reimbursement rates and by Medicare policy changes.

We also learned that a disproportionate share of the rural population is poor and uninsured and that rural providers often shoulder a heavier burden of providing uncompensated care.

Seventeen percent of the rural population is uninsured versus 14 percent of the urban.

Only one-fourth of the rural poor qualify for Medicaid, versus 43 percent of the urban poor.

We learned, in short, that rural Americans' access to community-based, basic health care services was in grave peril and that while Federal policies were not the root cause of all of the problems behind this looming crisis in rural health care, Federal policies were clearly contributing and Federal action was clearly warranted on a wide range of issues.

After working informally together on these policies and issues since 1984, we formally organized the coalition in 1987 to provide a unified voice in the House of Representatives for rural health. Our goal is to ensure that every rural American has access to high-quality, community-based health care services.

We have enjoyed success with our past initiatives to reduce the urban/rural Medicare payment differentials, to enact incentives to attract and retain health professionals in rural practices, to create an Office of Rural Health Policy and a National Advisory Committee on Rural Health, and to stimulate research on rural health needs and services' delivery. In addition to continuing our efforts in these areas, the coalition will also focus its attention this year on several other areas of critical importance: access to emergency services, the prevention of accidents and disease related to rural occupations, and the problem of infant mortality.

We have learned, for example, that farming is among the most hazardous of occupations and that more generally, the death rate from accidents is twice as high in rural areas as it is in the largest cities. Many rural communities lack even the most basic emergency services personnel and equipment.

In my service on the Rural Health Coalition and on the National Commission to Prevent Infant Mortality, I have also learned much about our Nation's infant mortality problem and its root causes. The tragic death of infants cuts across rural and urban boundaries, although rates are higher in rural areas and the number of low birthweight babies is rising in rural poor counties. We have also learned that improving coverage for prenatal care is

one key to this problem, but we also must be more aggressive in our efforts to reach out to the potentially eligible and assist them in obtaining coverage and care.

Much remains to be done. Today, in our continuing efforts to educate, advocate, and legislate on behalf of a strong rural health care system, we have introduced a broad range of initiatives which, when enacted, will bring us closer to our goal of ensuring that every rural American has access to community-based, basic health care services.

I have provided a summary of the initiatives and request permission to have this text inserted after my statement.

THE RURAL HOSPITAL RECOVERY ACT

(Chief Sponsor: Byron Dorgan)

(1) Eliminate Separate Urban and Rural Rate in Medicare Reimbursement:

(A) The Secretary of HHS would be required to present a proposal to Congress by October 1, 1990, that would eliminate Medicare's current differential payment rates for urban and rural hospitals. The proposal would include a three-year phase in period to establish a single base rate beginning October 1, 1991 and fully effective on October 1, 1994.

(B) The Secretary would be required to include recommendations for appropriate adjustments to measure variations in severity of illness in the same DRG, area wage costs, (in developing this proposal, the Secretary will incorporate a study and report on the impact of distinguishing contract labor costs and non-current labor and professionals and non-professionals in the area wage indexes) and other appropriate adjustments the Secretary deems appropriate. These recommendations will be due to Congress one year after date of enactment.

(C) The Secretary would be required to include recommendations for changes needed in Medicare's treatment of teaching hospitals, small rural hospitals, rural referral centers, disproportionate share hospitals, and outlier cases. The Secretary will report these recommendations to Congress one year after date of enactment.

(D) The Secretary's report will be reviewed by both the Prospective Payment Assessment Commission and the Congressional Budget Office. Each will submit a report and impact analysis to Congress by April 1, 1991.

(2) Interim Protection for Rural Hospitals:

(A) Beginning October 1, 1989 and ending October 1, 1994, rural hospitals with 100 or fewer beds and dependent on Medicare for 55 percent or more of inpatient services (measured by inpatient days) would receive an additional payment to ensure that total payments for inpatient hospital services would be at least equal to the reasonable costs of those services for Medicare patients.

(B) In defining reasonable costs, the Secretary could not impose limits based on the average costs incurred by hospitals (formally known as Section 223 limits).

(B) Hospitals receiving these payments would remain on PPS and any periodic interim payments made to them would reflect an estimate of additional payment amounts.

(C) The authorization for periodic interim payments would be permanently extended under PPS.

(3) Modifications of Sole Community Hospitals Program:

(A) Effective October 1, 1989, the eligibility criteria for the sole community hospitals program will be changed with respect to the following:

(i) Reduce the Market Share Criterion from 75 percent to 60 percent;

(ii) Reduce the distance requirement from 50 miles to 30 miles.

(B) The Secretary of HHS would be required to update the hospital-specific portion of the current sole community hospital reimbursement to reflect the most recent cost experience of the hospital. Payment would be calculated on the basis of a rolling average of 3 of the most recent years of the hospital's cost experience. However, SCHs would be held harmless from any reductions below their current hospital-specific costs. This would be effective October 1, 1989.

(C) Require the Secretary of HHS to study and report to Congress on October 1, 1990, on changes necessary to improve the appeals process under the five percent volume adjustment provision in the current program.

(D) The Sole Community Hospitals program will retain all current protections (e.g., volume adjustment, capital reimbursement).

(4) Establishment of Critical Access Facilities Program:

(A) The Secretary, with consultation with the Office of Rural Health Policy, shall identify criteria for the identification of "Critical Access Facilities." Rural hospitals with 100 beds or fewer and dependent on Medicare for 55 percent or more of inpatient services would be eligible for identification as Critical Access Facilities.

(B) The Secretary's findings shall be reported to Congress by January 1, 1991.

(C) Critical Access Facilities would receive an additional payment to ensure that total payments for inpatient hospital services would be at least equal to the reasonable costs of those services for Medicare patients.

(D) Indefining reasonable costs, the Secretary could not impose limits based on the average costs incurred by hospitals (formally known as Section 223 limits).

(E) Hospitals receiving these payments would remain on the prospective payment system, and any periodic interim payments made to them would reflect an estimate of additional payment amounts.

(F) Identifications for Critical Access Facilities would be made by the new Medicare Geographical/Critical Access Classification Review Board (cf: Section 5). Designations will be subject to periodic review by the Board on a bi-annual basis.

(G) The designation of Critical Access Facilities will be effective October 1, 1994 (when a single national rate is established).

(5) Establishment of Medicare Geographical Classification Review Board:

(A) Effective January 1, 1990, the Secretary shall have appointed a seven-member Medicare Classification Review Board. The Board's membership will represent the following criteria:

Three of the seven members would be required to represent rural hospitals;

One of the seven members would represent urban hospitals;

One of the seven members would be a PROPAC representative;

One of the seven members would be an expert in the field of hospital cost analysis; and

One of the seven members would be an expert in demographics.

(B) The membership will reflect a geographic balance and the members will be appointed to 3 year terms.

(C) This board would have the authority to:

Designate Critical Access Facilities and review these designations on a bi-annual basis.

Rule on applications from rural hospitals to be considered as located within an adjacent Metropolitan Statistical Area for purposes of Medicare PPS reimbursement.

The Secretary would be required to establish the criteria for which border hospitals can apply for an urban rate. This proposal would include conditions under which an applicant would have to demonstrate that they should receive an urban rate on the basis of:

Their labor costs in that are comparable to the labor costs of an adjacent urban hospital with similar case-mix; or

The commutation from the rural county to the urban county equals 15 percent of the rural country's workforce or the commutation between the rural and urban county equals 20 percent of the rural county's workforce; or

What other conditions that the Secretary may determine.

Rule on applications from hospitals which have been denied sole community status to have this denial overturned on the basis of their meeting the sole community hospital status criteria.

(D) The Secretary would be required to issue guidelines to be used by the Board in its determinations, effective upon the appointment of the Board.

(E) In regards to the geographic review determinations for border hospitals, the urban hospitals adjacent to the applicant will be held harmless from reductions in their wage index or other factors in the payment calculations which may reduce their payment rate because of the favorable decision on behalf of the applicant.

(F) Applications would be filed by January 31st of each year, and board decisions would be required to be made by June 1st.

(G) In cases of unfavorable decisions, the applicant can appeal to the Secretary. The Secretary's decision in such an appeal is final.

(6) Extend Rural Referral Center Classification:

(A) Extend the Rural Referral Center Classification for all hospitals that qualify as of September 30, 1989. These hospitals would retain this classification until a single national rate is established.

(B) Prohibit HHS from altering the current reimbursement formula.

(7) Increased Authorizations for Rural Health Care Transition Grant Program:

(A) Increase authorization from $15 million to $25 million for fiscal year 90, 91, & 92.

(B) Require the Secretary, in consultation with the Office of Rural Health Policy, to identify federal regulatory and statutory barriers to hospitals diversifying their services and offering such services as adult day care, respite care, and similar services in their communities. Report to Congress effective April 1, 1990.

(8) Demonstration Programs for Nursing Education:

Rural hospitals could qualify on a demonstration basis for expanded Medicare payments for undergraduate nursing education where the hospital forms a cooperative agreement with a school of nursing by providing a setting for clinical training. Small and sole community hospitals would receive preference in awarding demonstration grants.

(9) Expand the Rural Health Education Demonstration Program:

(A) An additional 6 schools would be added to the program.

(B) Allow multiple rural hospitals in a consortium or individually to form liaisons with a sponsoring medical school.

(C) Allow the agreement for the resident's time rotation to extend to a two year period. Authorize the Secretary to give priority to those applications which encourage longer stays in the rural area.

(D) The Secretary would be encouraged to examine and implement ways in which to promote the exchange of rural physicians with the medical school for limited periods of time.

MATERNAL AND CHILD HEALTH IMPROVEMENT ACT

(Chief Sponsor: Mike Synar)

Amend Title 5 of the Social Security Act to provide new funds for states that develop programs to streamline the eligibility process for federal maternal-child health programs, improve public education about these programs, and provide personalized care to at risk women and their children during the first year of life.

The bill increases the authorization for the Maternal-Child Health Program by $50 Million in FY90. (FY89 authorization is $561 Million) It creates a new "special project grant" which can be funded at up to $50 Million and will be administered by the Bureau of Maternal-Child Health.

The kinds of projects which would be funded would include:

(1) Efforts to provide "one-stop" shopping for eligibility of federal assistance by outstationing eligibility workers in more convenient locations. Presently a low-income woman may have to go to several different agencies to sign up for WIC, AFDC, Food Stamps, and Medicaid benefits. Outstationing eligibility workers would permit a potential client to sign up for all of these benefits at once. Outstationed workers could be placed in hospitals, health clinics or other appropriate places.

(2) Improving public education about benefits and eligibility criteria. Many women now receiving federal benefits, e.g. Title X family planning services, Title V MCH services, would also be eligible for Medicaid but aren't on the program.

(3) Providing personalized consultations at home to at risk mothers and their children in the first year of life. Prenatal care must begin early and must be continuous. Trained workers, either health professionals or volunteers, making regular visits to pregnant mothers can help monitor nutritional progress and answer questions during pregnancy and the first year of the child's life.

THE RURAL HEALTH CLINIC AMENDMENTS

(Chief Sponsor: Tom Tauke)

I. BACKGROUND

Congress enacted the Rural Health Clinics Act in 1977 to improve access to primary and emergency care services. The Act authorized Medicare and Medicaid payments to clinics for services provided by nurse practitioners and physician assistants. Clinics must be located in a rural area designated by HHS as having a shortage of health services or primary medical care professionals (that is, in a Health Manpower Shortage Area or a Medically Underserved Area).

Regulations require that a NP or PA be present in the clinic at least 60 percent of the time the clinic is open. While the services of pediatric nurse practitioners or other specialized NPs are reimbursed when provided through rural health clinics, only primary care NPs are counted toward meeting the 60 percent requirement. Clinics must have arrangements with a supervising physician(s) who need not be present when the clinic is open, but who reviews care plans, is available for consultation and referral, and visits the clinic at least once every two weeks. In the last Congress, we amended the Act to provide payment for the services of psychologists to improve access to mental health services in rural areas. While this addition was welcomed, we have since received testimony that in many rural areas, clinical social workers are the primary or only source of mental health services.

Independent rural health clinics are reimbursed an all-inclusive rate per visit, which the Coalition succeeded in increasing from $32.10 to $46.00. Clinics which are part of a hospital, skilled nursing facility, or home health agency are reimbursed on a cost basis.

When the 1977 Act was passed, it was estimated there would be 2,000 clinics by 1990. Since 1978, HCFA has approved 826 clinics, but 388 have withdrawn from the program. Today, there are only 438 clinics. Some barriers to establishing and retaining clinics include: lack of knowledge about the program; restrictive state practice acts; administrative barriers; and a shortage of NPs and PAs.

The Rural Health Clinic Act Amendments are designed to reduce administrative barriers, require the dissemination of information about the program, and increase the availability of pre-natal care and mental health services in rural areas.

II. SUMMARY OF RURAL HEALTH CLINIC ACT AMENDMENTS

A. Staffing requirements:

Reduce the 60 percent coverage requirement to 50 percent.

Allow the presence of a nurse-midwife to be counted toward meeting the 50 percent requirement.

B. Coverage of Social Workers Services:

Provides Medicare and Medicaid payment for the services of clinical social workers provided through rural health clinics.

C. Expansion of Areas in which Rural Health Clinics May Be Located:

Clarifies current law.

Gives the governors of states the ability to designate areas with the approval of the Secretary of HHS.

References the migrant health clinic statute to specifically allow rural health clinics to be certified where migrant health clinics may now be located.

Gives Secretary of HHS the authority to designate areas in which special populations (migrants, minorities, poor) are experiencing health manpower shortages.

D. Dissemination of Information:

Requires Secretary of HHS, in consultation with the Office of Rural Health Policy, to disseminate information about the Rural Health Clinic program to health care facilities, governors, and other appropriate state officials.

RURAL EMERGENCY MEDICAL SERVICES IMPROVEMENT ACT

(Chief Sponsor: Jim Cooper)

BACKGROUND

Studies show the death rate from accidents is twice as high in rural areas as it is in the largest cities. Rural areas only have 20% of the EMS caseload nationwide, but 70% of highway fatalities take place there.

Long distances and rugged terrain make optimal EMS services inherently difficult. Many rural areas lack the economic base to support sophisticated EMS infrastructure. Other factors exacerbating the situation are the alarming rate of rural hospital closures, the dearth of 911 systems, the drain of trained personnel to higher-paying urban jobs, and the difficulty getting access to training.

Current federal programs focus on planning EMS systems. Those plans' effectiveness in rural America will be hampered if they don't even have the basics.

DESCRIPTION

The Rural Emergency Medical Services Improvement Act will help rural areas get at least the basics in three ways:

I. Establishes a new $45 million block grant program to states to recruit, train, and retain pre-hospital emergency medical personnel; purchase, upgrade, and maintain emergency medical equipment; and develop preventative education programs for rural occupational health and safety. Funds can only be targeted to rural parts of the state.

In order to receive funding, states must ensure their EMS plan makes provision for an adequate level of EMS services in rural areas. Funding formula is based 50% on rural population and 50% on geographic size, with no state getting less than $300,000.

II. Requires HCFA to conduct a comprehensive study of Medicare's reimbursement of ambulances with special emphasis on whether or not those policies promote the most efficient services and ensure an adequate level of service in rural areas.

III. Authorizes demonstration projects, including continuing education for rural EMS personnel, and community-based centers to provide comprehensive preventative occupational health and safety services.

We've been working with the National Association of State EMS Directors, the National Rural Health Association, the National Coalition on Agricultural Safety and Health, the American Ambulance Association, and others.

SENSE OF CONGRESS RESOLUTION ON MEDICARE PHYSICIAN PAYMENT REFORM

(Chief Sponsor: Jim Slattery)

The existing Medicare physican reimbursement system has a negative effect on the ability of rural communities to attract and retain physician services. For example, the reasonable charges of some Medicare services vary by as much as 200 percent between geographic areas.

This is contributing to the problem rural hospitals have in recruiting and retaining doctors. The House Rural Health Care Coalition feels strongly that Congress must act to correct these discrepancies between urban and rural fees.

For these reasons, the Coalition will introduce a Sense of the Congress Resolution stating the need to reconcile the existing disparity between rural and urban physician fees under the Medicare program.

RURAL HEALTH PROFESSIONALS EDUCATION LOAN INTEREST DEDUCTION ACT

(Chief Sponsor: Guy Vander Jagt)

I. BACKGROUND

Rural communities and health care facilities are finding it increasingly difficult to attract physicians, nurses, and allied health professionals. Medicare reimbursement rates are often substantially lower in rural areas, and elderly persons are likely to form a higher percentage of patients. Thus, a

physician, nurse, or allied health professional entering practice with a substantial education loan debt is likely to find rural practice less attractive.

The 1986 Tax Reform Act phased out the deduction for education loan interest as part of the phase out of "consumer loan" interest. The interest on debt secured by first or second homes and used for educational purposes is still deductible, but many graduating professionals may not have homes against which to borrow.

II. PROPOSAL

Restore the deduction for education loan interest for physicians, nurses, and allied health professionals who agree to practice in Medically Underserved Areas (MUAs) or Health Manpower Shortage Areas (HMSAs). The deduction would remain in effect for as long as the health professional continued to practice in the MEA or HMSA and would also be available for loans for continuing professional education.

OFFICE OF RURAL HEALTH POLICY AMENDMENTS

(Chief Sponsor: Bob Whittaker)

I. BACKGROUND

In 1987, the Coalition introduced legislation calling for the creation of a Deputy Undersecretary for Rural Health. The Secretary of HHS created an Office of Rural Health Policy in the Health Resources and Services Administration of the Public Health Service. Subsequently, the Senate added provisions to the 1987 Omnibus Reconciliation Act authorizing the Office. No appropriations authorization was included, and the activities of the Office are partially funded from funds taken from a $1.5 million appropriation for funding rural research centers. That appropriation is administered by the Office.

The Coalition's intention in creating a deputy undersecretary for rural health was to have an office in the position to oversee both HCFA and the Public Health Service programs as they relate to rural health. While there has been communication and consultation between HCFA and the Office, the Coalition continues to be concerned that the position of the Office is such that HCFA is free to disregard counsel. The Coalition is also concerned about the lack of specific budget authority for the Office to carry forth such tasks as establishing a clearinghouse on rural health research.

II. PROPOSAL

Creates an Undersecretary of Rural Health in the Office of the Secretary of HHS.

Transfers responsibilities of current Office of Rural Health Policy to the Office of the Undersecretary.

Adds language to indicate that it is the intent of Congress that the Office include mental health, infant mortality, and rural occupational safety and preventive health in its rural health activities and responsibilities.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 23, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 3

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Surface Mining, Office of the Secretary, Office of the Solicitor, and the Office of Inspector General, of the Department of the Interior.
S-128, Capitol

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Science Foundation.
SD-138

APRIL 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Education, focusing on the Office of the Secretary of Education, Salaries and Education (includes Program Administration, Office for Civil Rights, and Office of the Inspector General), Special Institutions (includes American Printing House for the Blind, National Technical Institute for the Deaf, Gallaudet and Howard Universities).
SD-138

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to review the President's proposed budget request for fiscal years 1990 and 1991 for the National Aeronautics and Space Administration.
SR-253

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on automobile fuel efficiency standards.
SD-366

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Food and Drug Administration, Commodity Futures Trading Commission, Farm Credit Administration, and Farm Credit System Assistance Board.
SD-124

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Science Foundation and the Office of Science and Technology Policy.
SD-116

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the Department of State.
S-146, Capitol

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Critical Materials Council, Executive Office of the President, Vice President's Residence, and the White House Residence.
S-126, Capitol

2:00 p.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for military base closures.
SD-116

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Park Service, Department of the Interior.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Education, focusing on Compensatory Education for the Disadvantaged, Special Programs, Impact Aid, Bilingual Education, Immigrant and Refugee Education, Education for the Handicapped, Rehabilitation Services and Handicapped Research, and Vocational and Adult Education.
SD-138

APRIL 5

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Highway Traffic Safety Administration.
SR-253

10:00 a.m.
Joint Taxation
To hold an organizational business meeting.
H-208, Capitol

10:30 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the administration of foreign affairs and contributions to international organizations.
S-146, Capitol

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 85, to authorize the acceptance of certain lands for addition to Harpers Ferry National Historical Park, West Virginia; S. 280, to designate a segment of the Niobrara River in Nebraska as a component of the National Wild and Scenic Rivers System; and S. 338, to authorize the Secretary of the Interior to provide for the development of a trails interpretation center in the city of Council Bluffs, Iowa.
SD-366

APRIL 6

9:00 a.m.
Rules and Administration
To hold hearings on proposed legislation authorizing funds for fiscal year 1990 for the Federal Election Commission, proposed legislation authorizing funds for the Civic Achievement Award Program in honor of the Office of the Speaker of the House of Representatives, and proposed legislation authorizing funds for the American Folklife Center.
SR-301

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on global climate change and ocean perspective.
SR-253

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Animal and Plant Health Inspection Service, Food Safety and Inspection Service, and Agricultural Marketing Service.
SD-124

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the Federal Communications Commission and the Small Business Administration.
S-146, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Highway Administration and the National Transportation Safety Board.
SD-138

2:00 p.m.
Select on Indian Affairs
To hold oversight hearings on implementation of water rights policy.
SH-216

APRIL 7

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Education, focusing on Student Financial Assistance, Guaranteed Student Loans, Higher Education, Higher Education Facilities Loans and Insurance, College Housing Loans, Education Research and Statistics, and Libraries.
SD-138

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 629, to make structural and management changes in the National Earthquake Hazards Reduction Program.
SR-253

Finance
International Trade Subcommittee
To hold hearings to examine trade disputes between the United States and Canada.
SD-215

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of National Drug Control Policy.
SD-116

APRIL 10

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Bureau of Land Management, Department of the Interior, and the Navajo and Hopi Indian Relocation Commission.
S-128, Capitol

10:30 a.m.
Governmental Affairs
To hold hearings on quality assurance at the Department of Defense.
SD-342

1:15 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of Civil Rights, Policy Research, and the Office of Inspector General.
SD-116

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Environmental Protection Agency.
SD-138

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Forest Service of the Department of Agriculture.
SD-192

APRIL 11

8:30 a.m.
Office of Technology Assessment
The Board, to meet to discuss pending business.
EF-100, Capitol

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to review the President's proposed budget request for fiscal years 1990 and 1991 for the National Aeronautics and Space Administration, focusing on space science and applications programs.
SR-253

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Farmers Home Administration, Federal Crop Insurance Corporation, and the Rural Electrification Administration.
SD-138

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Environmental Protection Agency and the Council on Environmental Quality.
SD-116

APRIL 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Social Security Administration and the Health Care Financing Administration.
SD-138

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of the Secretary of the Treasury, and the Federal Election Commission.
SD-116

APRIL 13

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Governmental Affairs
To hold hearings on S. 253, establishing a coordinated National Nutrition Monitoring and Related Research Program.
SD-342

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the U.S. Coast Guard.
SD-138

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Family Support Administration and Human Development Services.
SD-138

APRIL 14

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of the Assistant Secretary for Health and the Centers for Disease Control.
SD-138

Commerce, Science, and Transportation
Foreign Commerce and Tourism Subcommittee
To hold hearings on the importance of scenic byways to national tourism.
SR-253

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Management and Budget (Office of Federal Procurement Policy), Commission on Government Ethics, and the National Archives and Records Administration.
SD-116

APRIL 17

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space transportation budget and policy.
SR-253

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for fossil energy and clean coal technology programs.
S-128, Capitol

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans Affairs.
SD-138

APRIL 18

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Alcohol, Drug Abuse, and Mental Health Administration and the Health Resources and Services Administration.
SD-116

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on motor carrier safety.
SR-253

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on Agricultural Stabilization and Conservation Service, Foreign Agricultural Service, Commodity Credit Corporation, General Sales Manager, and Soil Conservation Service.
SD-138

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans Affairs.
SD-192

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the health effects of air pollution.
SH-216

APRIL 19

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on motor carrier safety.
SR-253

Governmental Affairs
To hold hearings on trade and technology issues.
SD-342

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Personnel Management.
SD-116

Finance
To resume oversight hearings on the implementation of the Omnibus Trade and Competitiveness Act of 1988.
SD-215

1:30 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for territorial and international affairs.
SD-192

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

APRIL 20

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Management Agency.
SD-192

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

MAY 1

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

MAY 2

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

2:00 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for activities of the Secretary of the Interior and the Secretary of Energy.
S-128, Capitol

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 247, to increase the efficiency and effectiveness of State energy and conservation programs.
SD-366

MAY 3

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

MAY 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Aviation Administration.
SD-138

MAY 5

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 11

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for transportation trust funds.
SD-138

MAY 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 15

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 16

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 18

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

MAY 19

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

HOUSE OF REPRESENTATIVES—*Thursday, March 23, 1989*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Teach us, O God, to focus on the priorities of our lives, to seek the meaning and purpose of our days and to become more aware of Your light in our lives. In the busy moments of each day, may we yet see more clearly what is important and necessary and so grow in grace and in truth, one with another. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mrs. MORELLA. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mrs. MORELLA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 272, nays 112, answered "present" 1, not voting 46, as follows:

[Roll No. 11]

YEAS—272

Ackerman	Boxer	DeFazio
Akaka	Brennan	Dellums
Alexander	Brooks	Derrick
Anderson	Brown (CA)	Dicks
Andrews	Bruce	Dingell
Annunzio	Bryant	Donnelly
Anthony	Callahan	Dorgan (ND)
Archer	Campbell (CA)	Downey
Aspin	Campbell (CO)	Durbin
Atkins	Cardin	Dwyer
AuCoin	Carper	Dymally
Barnard	Carr	Dyson
Bartlett	Chapman	Early
Bateman	Clarke	Eckart
Bates	Clement	Edwards (CA)
Beilenson	Clinger	Edwards (OK)
Bennett	Coelho	Engel
Bereuter	Coleman (MO)	English
Berman	Combest	Erdreich
Bevill	Cooper	Espy
Bilbray	Costello	Evans
Boggs	Coyne	Fascell
Bonior	Crockett	Fawell
Borski	Darden	Fazio
Bosco	Davis	Flippo
Boucher	de la Garza	Foglietta
Foley	Levine (CA)	Rinaldo
Ford (MI)	Lewis (GA)	Ritter
Ford (TN)	Lipinski	Roberts
Frank	Livingston	Robinson
Frost	Lloyd	Roe
Gallo	Lowey (NY)	Rostenkowski
Gaydos	Manton	Rowland (CT)
Gejdenson	Markey	Rowland (GA)
Gephardt	Martin (NY)	Roybal
Gibbons	Martinez	Russo
Gilman	Matsui	Sabo
Glickman	Mavroules	Sangmeister
Gonzalez	Mazzoli	Sarpalius
Grant	McCloskey	Sawyer
Gray	McCollum	Saxton
Green	McCurdy	Scheuer
Guarini	McDermott	Schiff
Gunderson	McEwen	Schulze
Hall (OH)	McMillen (MD)	Schumer
Hall (TX)	McNulty	Sharp
Hamilton	Meyers	Shaw
Hammerschmidt	Mfume	Shumway
Harris	Miller (CA)	Shuster
Hatcher	Miller (WA)	Sisisky
Hawkins	Mineta	Skaggs
Hayes (IL)	Moakley	Skelton
Hayes (LA)	Mollohan	Slattery
Hefner	Montgomery	Smith (FL)
Hertel	Morella	Smith (NE)
Hoagland	Morrison (CT)	Smith (NJ)
Hochbrueckner	Morrison (WA)	Snowe
Hopkins	Mrazek	Solarz
Horton	Murtha	Spratt
Houghton	Myers	Staggers
Hoyer	Nagle	Stallings
Hubbard	Natcher	Stark
Huckaby	Neal (MA)	Stenholm
Hughes	Neal (NC)	Stokes
Hutto	Nelson	Studds
Jenkins	Nielson	Swift
Johnson (CT)	Nowak	Synar
Johnson (SD)	Oakar	Tallon
Johnston	Oberstar	Tanner
Jones (GA)	Olin	Tauzin
Jones (NC)	Owens (NY)	Thomas (GA)
Jontz	Owens (UT)	Torricelli
Kanjorski	Packard	Traficant
Kaptur	Panetta	Unsoeld
Kasich	Patterson	Valentine
Kastenmeier	Payne (NJ)	Vander Jagt
Kennedy	Payne (VA)	Vento
Kennelly	Pease	Visclosky
Kildee	Pelosi	Volkmer
Kleczka	Penny	Walgren
Kolter	Perkins	Watkins
Kostmayer	Pickett	Weiss
LaFalce	Pickle	Weldon
Lancaster	Poshard	Whitten
Lantos	Price	Wolpe
Laughlin	Pursell	Wyden
Leath (TX)	Quillen	Wylie
Lehman (FL)	Rahall	Yates
Leland	Ravenel	Yatron
Lent	Ray	Young (FL)
Levin (MI)	Richardson	

NAYS—112

Armey	Cox	Grandy
Baker	Craig	Hancock
Ballenger	Dannemeyer	Hansen
Barton	DeLay	Hastert
Bentley	DeWine	Hefley
Bilirakis	Dickinson	Henry
Bliley	Douglas	Herger
Boehlert	Dreier	Hiler
Broomfield	Duncan	Holloway
Brown (CO)	Emerson	Inhofe
Buechner	Fields	Ireland
Bunning	Frenzel	Jacobs
Burton	Gallegly	James
Chandler	Gekas	Kolbe
Clay	Gillmor	Kyl
Coble	Gingrich	Lagomarsino
Conte	Goodling	Leach (IA)
Coughlin	Goss	Lewis (CA)
Lewis (FL)	Porter	Smith, Robert (NH)
Lightfoot	Regula	Smith, Robert (OR)
Lukens, Donald	Rhodes	Solomon
Machtley	Ridge	Spence
Madigan	Rogers	Stangeland
Marlenee	Rohrabacher	Stearns
Martin (IL)	Roth	Stump
McCandless	Roukema	Sundquist
McDade	Schaefer	Tauke
McGrath	Schroeder	Thomas (CA)
McMillan (NC)	Schuette	Upton
Michel	Sensenbrenner	Vucanovich
Miller (OH)	Shays	Walker
Molinari	Sikorski	Walsh
Moorhead	Skeen	Wheat
Murphy	Slaughter (VA)	Whittaker
Oxley	Smith (MS)	Wolf
Parris	Smith (TX)	
Pashayan	Smith (VT)	
Paxon	Smith, Denny (OR)	
Petri		

ANSWERED "PRESENT"—1

Florio

NOT VOTING—46

Applegate	Hunter	Savage
Bustamante	Hyde	Schneider
Byron	Lehman (CA)	Slaughter (NY)
Coleman (TX)	Lowery (CA)	Smith (IA)
Collins	Luken, Thomas	Torres
Conyers	McCrery	Towns
Courter	McHugh	Traxler
Crane	Moody	Udall
Dixon	Obey	Waxman
Dornan (CA)	Ortiz	Weber
Feighan	Pallone	Williams
Fish	Parker	Wilson
Flake	Pepper	Wise
Garcia	Rangel	Young (AK)
Gordon	Rose	
Gradison	Saiki	

□ 1021

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Maryland [Mrs. MORELLA] kindly lead us in the Pledge of Allegiance to the flag.

Mrs. MORELLA led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement with regard to the proceedings today.

In view of the time limitations established under the rule for our consideration of H.R. 2, which we intend to conclude today, and in view of our announced intention to conclude by not later than 3 o'clock so that Members may fulfill their plans for the weekend, the Chair desires to limit 1-

minute speeches to five per side, and any others may be taken after the conclusion of legislative business today.

A MATTER OF GRAVE NATIONAL SECURITY

(Mr. BILBRAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILBRAY. Mr. Speaker, as reported in the Los Angeles Times last Sunday, another West German company has sold out the interests of the Western Alliance.

Ammonium perchlorate is a vital part of the product used to send missiles in our space program forward. It is in critical and short supply because of an explosion in Nevada last year that reduced one of the two companies that produces ammonium perchlorate.

Last month it was discovered in Rotterdam that there was 280,000 pounds of ammonium perchlorate that was produced in the United States that was on a ship being ready to be sent to Iran. Through the good work of U.S. Customs officials and the cooperation of the Dutch, that product was seized and returned to the United States. It is now sitting in a customs warehouse in Arkansas.

A hearing is going to be heard in the next few days to determine whether or not it can be kept in the United States. U.S. District Judge Sim Lake has reportedly stated that he can see at the present time no reason not to allow this to be shipped and that it would go to Iran.

I ask the Members to look into this matter and to fight any product of this importance being sent away from the United States of America to a belligerent power such as Iran.

HISTORIC STEPS IN HUMAN RIGHTS IN ZAIRE

(Mr. PASHAYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASHAYAN. Mr. Speaker, I wish to join the acclaim and congratulations I am sure come from world leaders to the Government of Zaire, under the leadership of its President Mobutu Sese Seko, in its recent and historic steps in the field of human rights.

As you know, Mr. Speaker, the United Nations has observed Zaire and has officially considered the status of human rights there.

The events in Zaire are notably remarkable for the indigenous nature of their origins. The people and the government worked diligently and produced a policy that is not only unique in its global appeal but at the same time is uniquely the personality of Zaire.

In particular, the people and the Government of Zaire realized their ambitions in human rights by creating the Department of Citizens Rights and Liberties, in 1986, which in turn represented Zaire in the session conducted by the U.N. Human Rights Commission. It is apparent to all observers that Zaire is not only committed to the cause but is committed permanently and wholeheartedly.

Mr. Speaker, I should allow myself a few words on the subject of human progress in general. I know there are critics that relish what they see as a pace too slow in the field of human rights in Zaire. But, Mr. Speaker, Zaire is a broad and rich land. It is a nation of many people, now one national people under the leadership of a remarkable man. I say that it is better for them, a steady and continuous development reflecting the nature of the people and their country than perhaps an impatient solution artificially imposed by outside influences, alien to the nature of the people.

Mr. Speaker, in Zaire tomorrow is more important than yesterday. Today, therefore, let us celebrate this historic development in a country that is both an important ally and a dear friend of the United States. I wish Zaire, President Mobutu, and his people, the very best in what I know is a progressive future.

□ 1030

STOP THE CIRCUS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, I rise today to urge the Pentagon to stop the circus.

The circus I refer to is not some top-secret operation but, rather, an embarrassing public spectacle. In the first ring of the circus we have the MX missile, the sitting duck which tests now show it cannot even fly straight. It sort of does a drunk-turkey imitation.

The second ring of the circus is the M-1 tank. This is a tank that is supposed to hit a moving target while going 60 miles per hour over rough terrain. The truth of the matter is it could not even hit a shopping cart at the local Safeway.

Finally, we come into the third ring of the circus, and now we have the Trident II submarine-launched ballistic missile. We found out it is really a cartwheeler. It is more suited for Sea World than for the defense of our Nation. I am hoping that newly appointed Secretary of Defense Dick Cheney will tear down the big tent, the big top, and that he will instruct the Pentagon that their job is to defend us, not to enter the Olympics.

NATURAL GAS DECONTROL

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, as Members of Congress we are here to legislate. We are approaching the end of March in the 101st Congress and what do we have to show? All we have done is agonize over the Tower nomination and celebrate the birth of Millie's puppies. I know I am, and I believe many of my colleagues are, becoming very restless. In the face of a budget crisis and ever decreasing energy sources it is time to get down to business.

While the Bush administration has gone fishing for policy, the House Energy and Commerce Committee, under the leadership of Chairman DINGELL and Chairman SHARP, has reached a consensus on one of the most pressing national energy security issues—natural gas decontrol. It is with great optimism that I speak of legislation to be introduced today calling for the complete decontrol of natural gas by January 1, 1993.

Natural gas is the last remaining commodity over which the Federal Government has price controls at hand. The Members of the Energy and Commerce Committee believe current market forces in the natural gas industry present an ideal opportunity to bring to an end 35 years of Federal control over natural gas production. We believe natural gas decontrol will benefit both the industry and the consumer.

It is clear to see that Federal price ceilings no longer protect the consumer from existing market prices. Less than 30 percent of domestic natural gas is subject to Federal price ceilings. Most of the remaining controlled gas is essentially decontrolled because prices for that gas are well below the maximum ceiling price. The minority of gas that remains subject to Federal price controls below spot market levels may be renegotiated because the legislation we are introducing today allows for a phase out period.

We believe we have come up with an effective compromise that all segments of the natural gas industry—producers, pipelines, and local distribution companies—can support. It is in the best interest of the Nation's energy supply to decontrol natural gas. I urge my colleagues to support this legislation.

OWNERSHIP BY FOREIGN INVESTORS OF U.S. DEFENSE COMPANIES

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute.)

Mr. BURTON of Indiana. Mr. Speaker, yesterday I gave a 1-minute, and in that 1-minute I mentioned that the Japanese has sold technology to the Soviets which allowed them to make superquiet submarines. That is going to cost the United States of America $30 billion to overcome. I brought that up because I wanted to point out that we were about to make the same mistake again, I believe, with the FXS fighter plane.

Mr. Speaker, I do not believe we should be giving that kind of technology to a country that has allowed that kind of technology in the past to be sold to our chief adversary, the Soviet Union.

After I gave that 1-minute, the gentleman from Virginia [Mr. WOLF] brought to my attention a report on foreign ownership of U.S. defense companies, and after I read it last night, I became very alarmed, because since 1983 to the middle of last year, 196 defense-related companies in this country have been sold to foreign investors. One hundred ninety-six defense-related companies have been sold to foreign investors.

Do we know what that means? That means that the defense of this Nation in the future might very well be controlled by foreign governments. The author of this document, Bernard L. Schwartz, says:

> The U.S. defense industrial base is shrinking. Critical technologies, manufacturing capacity and components are being sold to foreigners at ever increasing rates. We may even be approaching a time when the decisions about the defense of the United States of America will be made by foreigners.

Mr. Speaker, we must not allow this to happen. Mr. Speaker, we should contact the Department of Defense and make sure that a complete investigation of this takes place at once.

HONORING JOHN B. BUNKER

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, it is my distinct pleasure today to honor a person for his contributions not only to the sugar industry in Hawaii, but to our Nation.

I speak of John B. Bunker. His fellow executives in the sugar industry recently awarded him their most coveted prize, the Dyer Memorial Award, "Sugar Man of the Year."

For over 35 years, John has ably served as a leader of several major sugar companies. He currently is vice chairman of California and Hawaiian Sugar Co.

A fourth generation sugar man, John can reflect on a proud family history. He is a man of great vision. He has helped the domestic sugar industry through some of its most difficult periods.

John enthusiastically supports long-term investment in research and development. In doing so, John has helped our country's sugar growers remain competitive.

On behalf of the Nation's thousands of growers and more than 100,000 sugar workers, I would like to extend my congratulations and a hearty mahalo to John Bunker.

IN SUPPORT OF MINIMUM WAGE

(Mr. MARTINEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTINEZ. Mr. Speaker, today we will vote on H.R. 2, and I rise in support of it. My State has already raised the minimum wage. And contrary to what opponents have stated, raising the minimum wage has not created any great loss of jobs, in fact the economy in California has continued to prosper. It is time for the rest of the Nation to follow suit.

In my opinion, this bill is not for the employers who already pay their employees a fair wage, it is for those employers who, out of greed, pay their employees only what the law requires, and force their employees to live below the poverty level. We should not have to fight a revolution every few years so that our fellow Americans do not have to live in a state of poverty.

We have already had to compromise and include a training wage, which should actually be called a sub-subminimum wage, since the current minimum wage itself is subminimum to what a family actually needs to survive. I have nothing against a training wage that provides people with decent wages and long-term employment. But I don't believe that it takes anyone 6 months, or even 60 days, to learn how to make a bed, sweep a floor, clean a bathroom, or wash dishes and thats what the training wage in this bill really is. But if we cannot move our conscience to do more we must at least do this much. I urge my colleagues to support H.R. 2.

PROPOSED LEGISLATION PROVIDING FOR APPOINTMENT OF NATIONAL CAPITAL SAFETY DIRECTOR

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, I take this time this morning to once again address the chaos that exists in this Nation's Capital, as we witness an increase in civil disobedience.

Mr. Speaker, immediately after the Easter recess, I will introduce legislation that would provide for the appointment by the President of a National Capital Safety Director. I invite my colleagues close attention to that bill. Those of us in this Congress who have a constitutional responsibility cannot continue to ignore the magnitude of this problem.

Let me tell the Members what it is. In this Nation's Capital, there are 12,000 people in prison. There are 13,000 people on probation. There are 5,000 people on parole, and there are 10,000 more people awaiting trial. That is 40,000 people in a city of 600,000. One out of twelve people in this city are under the direct control of the penal system, and we do not have one jail cell to put them in. There is simply no deterrent to crime and it continues to control this city which cannot continue to be tolerated.

The following is an editorial from a recent issue of the Capitol Hill newspaper Roll Call:

> CONGRESS AND DRUG SCUM
>
> It's about time Congress got concerned about the crime that's exploding in its own neighborhood. Members have been reticent to take action on—or even voice criticism of—the way the crime problem is being handled, for fear of interfering with the principle of "home rule." But the fact is that, by law and by moral standards, Congress has direct responsibility for the District.
>
> We're not sure that Sen. Warren Rudman's (R-NH) idea of "federalizing" the constabulary is the best way to stop drug-dealing scum from killing each other and innocent bystanders. Harsher measures are called for, including making sure that, once arrested, drug dealers aren't released on bail. Congress has the opportunity to show the nation how to handle this pestilence. Congress should work with drug czar William Bennett to make the streets safe. If the DC Government will cooperate, fine. If not, Congress should not be overly fastidious in the exercise of its constitutional prerogatives.

Mr. Speaker, this situation has reached epidemic proportions. We had better start imposing a quarantine, and we had better do it now.

□ 1040

FEDERAL EMPLOYEE CHILD CARE ACT

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, today I am introducing a bill to extend to all Federal workers, including congressional employees, the same child and dependent care assistance already available to employees in the private sector as well as State and local governments.

I am especially pleased that 35 of our Republican and Democratic colleagues have joined me in introducing this legislation. We may disagree on what kinds of child care programs we should have, but on this one point, liberals and conservatives can surely agree:

Parents should not be precluded from eligibility for dependent care assistance solely because their employer is the Federal Government.

Federal employees today lack the options for financing the child care which workers in the private sector enjoy.

Employers in the private sector, and in State or local governments, may offer Dependent Care Assistance Programs [DCAP's] which allow employees to dedicate up to $5,000 in pre-tax dollars annually to help meet the expenses for the child care arrangement of their choice. In fact, a growing number of State and local governments have extended this option to their employees, including Texas, Massachusetts, Oregon, and Kentucky, as well as many cities like Denver and Durham.

The bill we are introducing today extends participation in DCAP's to Federal and congressional employees, too.

There is no question that the need is there. Today, the Federal Government, mostly through on-site centers, serves less than 1 percent, or about 2,000 preschool children.

Our own employees here in the House of Representatives are well aware of how inadequate our direct support of child care for Hill staff has been. This legislation is something we can do to enhance the support of our own employees, and many other Federal workers throughout this country, to provide child care for their children.

At a time when the House is correctly deciding to extend many labor protection and antidiscrimination laws to our own employees, we also should extend the DCAP's plan to the men and women who work for Congress and other branches of the Federal Government.

Introduction and passage of this bill will not satisfy the need for child care legislation by this Congress, and I will continue my long effort to provide expanded federal support for high quality, affordable child care. Providing DCAP's ends treatment of Federal employees as second class citizens in the eligibility for child care support, and illustrates the need to pursue child care to enable parents to offer their children the quality care which is essential, but unaffordable or unavailable, to most American families today.

FAIR LABOR STANDARDS AMENDMENTS OF 1989

The SPEAKER pro tempore (Mr. DARDEN). Pursuant to House Resolution 111 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2.

□ 1040

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes, with Mr. MOAKLEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, March 22, 1989, all time for general debate had expired.

Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the reported bill shall be considered as an original bill for the purpose of amendment and shall be considered as having been read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 2

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Fair Labor Standards Amendments of 1989".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938.

SEC. 2. MINIMUM WAGE INCREASE.

(a) INCREASE.—Paragraph (1) of section 6(a) (29 U.S.C. 206(a)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $3.35 an hour during the period ending December 31, 1989, not less than $3.85 an hour during the year beginning January 1, 1990, not less than $4.25 an hour during the year beginning January 1, 1991, and not less than $4.65 an hour after December 31, 1991;".

(b) ADJUSTMENT.—

(1)(A) Not later than January 1, 1992, the Minimum Wage Review Board shall review current economic data on wages, prices, and other economic indicators and determine the amount by which the minimum wage rate in effect under section 6(a)(1) of the Fair Labor Standards Act of 1938 should be adjusted to reflect the changes in wages and prices since the last adjustment in such rate.

(B) Not later than October 1, 1992, the Minimum Wage Review Board shall transmit to the Congress a recommendation to adjust the minimum wage rate under such section 6(a)(1). The recommendation shall include an estimate of the economic effects of placing such wage rate into effect.

(C) The Minimum Wage Review Board shall conduct the review prescribed by subparagraph (A) during the 90-day period beginning every year after January 1, 1992, and shall make the transmittal described in subparagraph (B) no later than the following October 1.

(2)(A)(i) There is established the "Minimum Wage Review Board" (hereinafter in this paragraph referred to as the "Board"). The Board shall be composed of 5 members initially appointed as follows:

(I) Within 180 days of the date of the enactment of this Act, the President shall appoint one member of the Board.

(II) Within 180 days of the date of the enactment of this Act, the remaining 4 members shall be appointed jointly by the President pro tempore of the Senate upon the recommendation of the majority and minority leader of the Senate and the Speaker of the House of Representatives upon the recommendation of the majority leader and minority leader of the House of Representatives.

(ii) The term of office of a member of the Board is 5 years, except that the member of the Board initially appointed by the President shall be appointed for a term of 5 years and of the remaining 4 members initially appointed—

(I) two shall be appointed for terms of 2 years,

(II) one shall be appointed for a term of 3 years, and

(III) one shall be appointed for a term of 4 years,

as designated by the President pro tempore of the Senate and the Speaker of the House of Representatives at the time of appointment.

(iii) Any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom the individual succeeds. Each member of the Board shall be eligible for reappointment. If at the expiration of a member's term such member is not reappointed, a successor shall be appointed within 90 days by the President, by and with the advice and consent of the Senate.

(iv) Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office.

(v) The Chairperson of the Board shall be selected by members of the Board.

(B)(i) Members of the Board who are not officers or employees of the Federal Government shall each be paid at a rate not to exceed the rate of basic pay payable for GS-18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of services for the Board.

(ii) While away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(C) The Board may prescribe such rules as may be necessary to carry out its duties under paragraph (1). The Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as it deems advisable. Upon request of the Board, the head of any Federal department or agency is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Board to assist it in carrying out its duties under paragraph (2).

(D) The Secretary of Labor shall furnish such professional, technical, and research assistance as required by the Board. The Administrator of General Services shall provide to the Board on a reimbursable basis such administrative support services as the Board may request to carry out its duties under this subsection. The Board may

secure directly from any department or agency of the United States such information as the Board may require to carry out its duties under paragraph (2). Upon request of the Board, the head of any such department or agency shall furnish such information to the Board.

(E) The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(F) The Board may appoint an executive director of the Board to perform such duties as the Board may prescribe. With approval of the Board, the executive director may appoint and fix the pay of such clerical personnel as are necessary for the Board to carry out its duties. The executive director and staff shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter 111 of chapter 53 of such title relating to classification and General Schedule pay rates but at rates not in excess of the annual rate payable for grade GS-18 of the General Schedule under section 5332 of such title. The executive director, with the concurrence of the Board, may obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 45, United States Code.

SEC. 3. CHANGE IN ENTERPRISE TEST.

(a) AMENDMENT.—Effective January 1, 1990, paragraph (2) of section 3(s) (29 U.S.C. 203(s)) is amended to read as follows:

"(2) is an enterprise which is comprised exclusively of one or more retail or service establishments, as defined in section 13(a)(2), and whose annual gross volume of sales made or business done is not less than $500,000 (exclusive of excise taxes at the retail level which are separately stated);".

(b) PRESERVATION OF COVERAGE.—The next to last sentence of section 3(s) (29 U.S.C. 203(s)) is amended—

(1) by striking out "June 30, 1978" and inserting in lieu thereof "December 31, 1989",

(2) by striking out "Fair Labor Standards Amendments of 1977" and inserting in lieu thereof "Fair Labor Standards Amendments of 1989", and

(3) by striking out "$250,000" and inserting in lieu thereof "$362,500".

SEC. 4. TIP CREDIT.

Effective January 1, 1990, the third sentence of section 3(m) (29 U.S.C. 203(m)) is amended by striking out "in excess of 40 per centum of the applicable minimum wage rate, except that" and inserting in lieu thereof the following: "in excess of 45 percent of the applicable minimum wage rate during the year beginning January 1, 1990, or 50 percent of the applicable minimum wage rate after December 31, 1990, except that".

SEC. 5. APPLICATION OF THE FAIR LABOR STANDARDS ACT OF 1938 TO EMPLOYEES IN THE HOUSE OF REPRESENTATIVES.

(a) IN GENERAL.—The rights and protections under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) shall apply with respect to any employee in an employment position in the House of Representatives and any employing authority of the House of Representatives.

(b) ADMINISTRATION.—In the administration of this section, the remedies and procedures under the Fair Employment Practices Resolution shall be applied.

(c) DEFINITION.—As used in this section, the term "Fair Employment Practices Resolution" means House Resolution 558, One Hundredth Congress, agreed to October 3, 1988, as continued in effect by House Resolution 15, One Hundred First Congress, agreed to January 3, 1989.

SEC. 6. PUERTO RICO, VIRGIN ISLANDS, AND AMERICAN SAMOA.

(a) SPECIAL INDUSTRY COMMITTEES.—Section 5 (29 U.S.C. 205) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa";

(2) in the second sentence of subsection (a)—

(A) by striking out "such island or islands" and inserting in lieu thereof "American Samoa"; and

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(3) by striking out subsection (e); and

(4) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(b) MINIMUM WAGE.—Section 6 (29 U.S.C. 206) is amended—

(1) in subsection (a)(3)—

(A) in the first sentence, by striking out all that follows "appoint" through the period at the end of the sentence and inserting in lieu thereof "pursuant to sections 5 and 8."; and

(B) by striking out the second sentence; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

"(c)(1) The rate or rates provided by subsection (a)(1) shall be applicable in the case of any employee in Puerto Rico who is employed by—

"(A) the United States,

"(B) an establishment that is a hotel, motel or restaurant,

"(C) any other retail or service establishment that employs such employee primarily in connection with the preparation or offering of food or beverages for human consumption, either on the premises, or by such services as catering, banquet, box lunch, or curb or counter service, to the public, to employees, or to members or guests of members of clubs, or

"(D) any other industry in which the average hourly wage is greater than or equal to $4.65 an hour.

"(2) In the case of any employee in Puerto Rico who is employed in an industry in which the average hourly wage is not less than $4 but not more than $4.64, the minimum wage rate applicable to such employee shall be increased on January 1, 1990, and each January 1 thereafter through January 1, 1994, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on January 1, 1994.

"(3) In the case of an employee in Puerto Rico who is employed in an industry in which the average hourly wage is less than $4, except as provided in paragraph (4), the minimum wage rate applicable to such employee shall be increased on January 1, 1990, and each January 1 thereafter through January 1, 1995, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on January 1, 1995.

"(4) In the case of any employee of the Commonwealth of Puerto Rico, or a municipality or other governmental entity of the Commonwealth, in which the average hourly wage is less than $4 an hour and who was brought under the coverage of this section pursuant to an amendment made by the Fair Labor Standards Amendments of 1985 (Public Law 99-150), the minimum wage rate applicable to such employee shall be increased on January 1, 1990, and each January 1 thereafter through January 1, 1996, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on January 1, 1996.".

(c) WAGE ORDERS.—Section 8 (29 U.S.C. 208) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(2) by striking out the second sentence of subsection (a);

(3) in the third sentence of subsection (a)—

(A) by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof of "American Samoa"; and

(B) by inserting before the period at the end of the sentence ", and who but for section 6(a)(3) would be subject to the minimum wage requirements of section 6(a)(1)";

(4) in the third sentence of subsection (b)—

(A) by striking out "Puerto Rico or in the Virgin Islands" and inserting in lieu thereof "American Samoa";

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa"; and

(C) by striking out "section 6(c)" and inserting in lieu thereof "section 6(a)(3)"; and

(5) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(d) EMPLOYMENT UNDER SPECIAL CERTIFICATES.—Section 14(b) (29 U.S.C. 214(b)) is amended by striking out "(or in" and all that follows through "section 6(c))" each place it appears in paragraphs (1)(A), (2), and (3).

The CHAIRMAN. No amendments to said substitute are in order except the amendments printed in House Report 101-13. Said amendments shall be considered only in the order and manner specified and shall be considered as having been read. Debate time specified for each amendment shall be equally divided and controlled by the proponent of the amendment and a Member opposed thereto. Said amendments shall not be subject to amendment, except as specified in House Report 101-13.

The Chair will announce the number of the amendment made in order by House Resolution 111 in order to give notice to the Committee of the Whole as to the order of recognition.

The amendments in the nature of a substitute shall be in order although amending portions of the substitute committee amendment already changed by amendment. If more than one such amendment is adopted, only the last amendment adopted shall be considered as finally adopted and reported back to the House.

It is now in order to consider amendment No. 1 printed in House Report 101-13.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. GOODLING:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; REFERENCE

(a) SHORT TITLE.—This Act may be cited as the "Fair Labor Standards Amendments of 1989".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938.

SEC. 2. INCREASE IN MINIMUM WAGE.

Section 6(a)(1) (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) not less than $3.35 an hour during the period ending December 31, 1989, not less than $3.65 an hour during the year beginning January 1, 1990, not less than $3.95 an hour during the year beginning January 1, 1991, and not less than $4.25 an hour after December 31, 1991;".

SEC. 3. TIP CREDIT.

Effective January 1, 1990, the third sentence of section 3(m) (29 U.S.C. 203(m)) is amended by striking out "in excess of 40 per centum of the applicable minimum wage rate, except that" and inserting in lieu thereof the following: "in excess of 45 percent of the applicable minimum wage rate during the year beginning January 1, 1990, or 50 percent of the applicable minimum wage rate after December 31, 1990, except that".

SEC. 4. APPLICATION OF THE FAIR LABOR STANDARDS ACT OF 1938 TO EMPLOYEES IN THE HOUSE OF REPRESENTATIVES.

(a) IN GENERAL.—The rights and protections under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) shall apply with respect to any employee in an employment position in the House of Representatives and any employing authority of the House of Representatives.

(b) ADMINISTRATION.—In the administration of this section, the remedies and procedures under the Fair Employment Practices Resolution shall be applied.

(c) DEFINITION.—As used in this section, the term "Fair Employment Practices Resolution" means House Resolution 558, One Hundredth Congress, agreed to October 3, 1988, as continued in effect by House Resolution 15, One Hundred and First Congress, agreed to January 3, 1989.

SEC. 4. SMALL BUSINESS.

(a) AMENDMENT.—Effective January 1, 1990, section 3(s) (29 U.S.C. 203(s)) is amended by striking out paragraphs (1) through (4), by redesignating paragraphs (5) and (6) as paragraphs (2) and (3), respectively, and by inserting before paragraph (2) (as so redesignated) the following:

"(1) is an enterprise whose annual gross volume of sales made or business done is not less than $500,000;".

(b) PRESERVATION OF COVERAGE.—The next to last sentence of section 3(s) (29 U.S.C. 203(s)) is amended—

(1) by striking out "Notwithstanding paragraph (2), an enterprise which is comprised of one or more retail or service establishments," and insert in lieu thereof "Notwithstanding paragraph (1), an enterprise which",

(2) by striking out "June 30, 1978" and inserting in lieu thereof "December 31, 1989",

(3) by striking out "in such paragraph" and inserting in lieu thereof "in paragraphs (1) through (4)",

(4) by striking out "Fair Labor Standards Amendments of 1977" and inserting in lieu thereof "Fair Labor Standards Amendments of 1989" and

(5) by striking out "$250,000" and inserting in lieu thereof "$362,500".

SEC. 5. NEW HIRE WAGE.

(a) AMENDMENT.—Section 6 (29 U.S.C. 206) is amended by adding at the end of the following:

"(g)(1)(A) Any employer may, in lieu of the minimum wage prescribed by subsection (a)(1), pay an employee the wage prescribed by subparagraph (B) if such employee has not been previously employed by such employer.

"(B) The wage referred to in subparagraph (A) is a wage of not less than $3.35 an hour during the 2 years beginning January 1, 1990, and thereafter not less than 80 percent of the wage prescribed by subsection (a)(1).

"(2) An employer may pay an employee the minimum wage authorized by paragraph (1) for a period not to exceed 180 days beginning on the day the employee begins employment with the employer.

"(3) No employee may be displaced by an employer (including partial displacement such as reduction in hours, wages, or employment benefits) as a result of an employer paying the rate authorized by paragraph (1).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to employees first employed by an employer on or after January 1, 1990.

(c) REPORTS.

(1) IN GENERAL.—The Secretary of Labor shall transmit to the Congress reports on the implementation of section 6(g) of the Fair Labor Standards Act of 1938) (added by subsection (a)) during the 3-year period, beginning January 1, 1990, during which the wage rate under section 6(a)(1) of such Act is increased. The first report shall be transmitted not later than June 1, 1991, and the next 2 reports shall be transmitted annually thereafter.

(2) CONTENT.—Each report under paragraph (1) shall be based on employment, earnings, and population data gathered by the Department of Labor regarding—

(A) the number and characteristics of employees employed at the wage authorized by such section 6(g),

(B) the number and characteristics of employers who create positions which may be paid at such wage,

(C) the extent to which employers provide wage increases to employees employed at such wage,

(D) the extent to which adult employees remain in positions paid at such wage through voluntary turnovers,

(E) the extent to which employers comply with the displacement prohibition prescribed by such section 6(g), and

(F) the difficulties, if any, of enforcing such displacement prohibition.

(3) DATA.—The information provided in the second and third reports shall be related to the information provided in the first report to provide an analysis of change over time as the differential between the wage rate prescribed by section 6(a)(1) of such Act and the wage rate prescribed by section 6(g) of such Act increases.

(4) RECOMMENDATIONS.—The Secretary of Labor shall also include in the reports made under paragraph (1) any appropriate recommendations concerning the need to modify the wage prescribed by section 6(g) of such Act or to modify the procedures used to enforce the displacement prohibition prescribed by such section, or to modify both.

The CHAIRMAN. Pursuant to the rule, the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 30 minutes and a Member opposed will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I yield myself whatever time I may consume.

Mr. Chairman, as I understood the debate yesterday, it would appear that both sides have the same concern in mind, and that concern is what to do about the 360,000 households out of the 116 million that are working at minimum wage and are in poverty. We are dealing with those 360,000.

I want to make sure that when we deal with them, because both sides want to do that, that we do not do anything that will exacerbate the problem in Chicago where we already have 53 percent unemployed youth. I want to do something so that we do not exacerbate that problem in Detroit where we also have 53 percent unemployed youth. I want to make sure that in Kentucky where there may be 12, 13 counties that have more than 15-percent unemployment that we do not exacerbate their problem by what we are doing here today, or in many other States where there is at least one county, or in my State there are two that have almost 15-percent unemployment.

So how do we do that? How do we help those that I refer to on those charts, the 360,000 heads of households who are minimum wage and in poverty, and protect then the millions and millions who do not have a chance at the present time and will not have a chance if we price a new hire out of the market, a new hire that has no training, a new hire that has really deficiencies as far as education is concerned.

I think the President has given us that opportunity. So in the Penny-Stenholm-Goodling substitute we have an opportunity to lift those 360,000 and at the same time protect an opportunity for the unemployed the unemployable, those who lack skills, protect them, give them an opportunity to participate in the work force.

What do we do in the bill? Very simply we raise the minimum wage on January 1, 1990, to $3.65; January 1, 1991 to $3.95; January 1, 1992 to $4.25.

We do not have a provision in there, folks, for a minimum wage review board.

A minimum wage review board is a backdoor indexing mechanism. That is all it is. If we really want to get the votes, include Congress in there. Then we will not go through that mess we went through at the beginning of this session. Just throw Congress in there so that we automatically fit into that back door indexing program.

We have a new hire wage. We establish a 6-month new hire wage for all new hires which is to be no less than $3.35 an hour beginning January 1, 1990; then no less than 80 percent of the minimum wage after December 31, 1991, and a strong displacement clause. Workers cannot be displaced. This is very, very important, because if we are going to help those people I talked about in Chicago, in Detroit, and where there is 15 percent unemployment in counties all over the United States, we have to do the same that they want to do for Puerto Rico. We have to give them a fighting chance to get employed, because that alone is training, just getting those young people with no skills, with poor education, giving them an opportunity to get a job so that as a matter of fact they can become a productive citizen in this great country.

We have small business provisions. We increase the exemption to $500,000, including all enterprises. We have the tip credit, 45 percent beginning January 1, 1990; 50 percent beginning January 1, 1991.

We include House employees. we do not differentiate for any citizen in the United States. We believe that they are all equal and, therefore, should be all treated equally.

So I would hope as the debate goes on we try to zero in on those 360,000, and at the same time protect the millions who will not be able to get a job, or will have to be laid off if, as a matter of fact, the employer cannot make the payroll.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. MURPHY] seek time in opposition?

Mr. MURPHY. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MURPHY] is recognized for 30 minutes.

Mr. MURPHY. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Chairman, I thank the gentleman for yielding time to me. It is with some degree of reluctance, but obviously a difference in approach, that I disagree with the ranking minority member of the Committee on Education and Labor.

Let me remind my colleagues that we are dealing not only with youth in this debate. Three-fourths of those at the minimum wage are over the age of 20. That is not to say that those between the ages of 16 and 20 are not without responsibilities. Many of those individuals, who are still considered as the stereotypical teenager, have families of their own. They do not always have free lodging, and food and clothing available to them.

The fact remains that the vast majority of minimum wage workers are over 20; they are adults. They should be treated as adults when it comes to the payment of wages. If they are productive, they should be treated on the merit of what they produce.

What is specifically wrong with the Goodling substitute, which I assume is also the administration substitute?

□ 1050

First the $4.25 is obviously too low. I can find no defensible arguments that is adequate in today's market. By 1992, after adjusting for inflation, that low amount will be $1 below its value in 1981. With that wage rate we are traveling backward. We are not moving ahead.

I do not see how we are going to produce a healthy economy or good record for the Bush administration by depressing wages and believing that low wages will somehow produce the revenues and the productivity and the type of individuals we need in today's economy.

It does not adequately address the loss from inflation. Are we going to forget inflation? Obviously we cannot. Currently it is running at 12 percent annually. The minimum wage cannot be sustained at such a low rate with inflation running at that high level. Of course, the current inflation rate has nothing at all to do with an increase in the minimum wage. The low wage rate proposed is based on an exaggerated job loss for which there is no evidence. In my opinion, it is a lack of faith in the Bush administration to believe that this tremendous number of individuals are going to lose their jobs and we are not going to have any program of any kind, any economic policies to address the problem of job losses in the economy if they occur.

I have greater faith, I think, than some of my dear friends on the other side of the issue in the Bush administration. I have greater faith in the Secretary of Labor than apparently they have. And I believe that these dynamic and aggressive, personalities will do a much better job than my friends on the other side of the aisle think that they would. I think we should be specific about the subminimum wage in the Goodling substitute. The substitute provides for no training whatsoever. The word "training" does not even appear in the text of the substitute.

How can you call it a training wage when it does not even mention training. It does not have any training language, in contrast to the Murphy substitute that provides some training?

It is clearly and purely a subminimum wage. I do not think in this Nation of ours we want to get into a two-tier wage system. The subminimum in the Goodling substitute can last 6 months or longer. And I put emphasis on "longer" because it could be perpetual. In other words, an individual moving around in the labor market, as so many do, from one job to another, will always be a new hire. So the subminimum could be perpetual. It could be actually aggravated and perpetuated by those who want to exploit individuals on a job by laying them off near the end of the 6-month period.

It is applicable whether or not the individual applying for the job, is new on the job or has any previous work experience. An individual could have years of work experience, a laid off steel worker, for example, a laid off automobile worker, a retiree coming back into the labor market. Even a young person, let us say, moving from McDonald's—if I may use that not by any means to demean that organization—could move from McDonald's to Burger King, and that individual at Burger King would be a new employee even though that young person had worked previously at McDonald's where, we would assume, that individual had received some training.

Under the Goodling substitute the training wage is set at 80 percent of the minimum wage. That means that in the second year under the Goodling substitute that individual would still be at $3.16. I do not count that any substantial movement. If that individual received training as alleged, that individual certainly should not be $3.16 even in the second year.

So it seems to me that the substitute offered today by the gentleman from Pennsylvania [Mr. GOODLING] is inadequate, it is misleading, it is defective. It would keep individuals perpetually at starvation or poverty levels. It should be rejected.

The CHAIRMAN. The gentleman from California [Mr. HAWKINS] has consumed 8 minutes. The gentleman from Pennsylvania [Mr. GOODLING] has consumed 6 minutes.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. I thank the gentleman for yielding.

Mr. Chairman, I want to focus on the new hire or the training wage provisions in the debate and the real differences between the two substitutes offered today.

The chairman [Mr. HAWKINS] made a statement a moment ago that I cer-

tainly agree with that we have moved a long way in many instances. It is also interesting to see in some instances where we have not been able to move.

The chairman asked the question "How can you call it a training wage when there is no mention of training?" Here we have a fundamental difference between myself and the chairman because I do not believe that Government should be the one making that differentiation.

The whole argument of the new-hire, the training, is that in the free enterprise system individual businesses should make that determination. It is impossible for us to write into law all of those things that will be mandated upon employers as they hire potentially new employees.

Now, we have had a real debate, in fact I would kind of agree that 120 days would be better than 180. I think maybe 180 is a little too long. That is why we have inserted into our amendment that we are cosponsors of the provisions for a study so that we can in fact see what is happening.

I agree with those many who have spoken yesterday and today, who say that those who abuse employees and tend to create a revolving door, that this is not the intent of this amendment or this legislation. But I think we ought to have a little bit of time to study and see what in fact does happen.

If you read our amendment, you will see that we make provision for that.

Now I am very disturbed that the Murphy-Ridge substitute has chosen to eliminate agricultural employees from even their sunsetted new-hire or training provisions.

In an industry that is under fire day after day after day regarding chemicals, as various groups appoint themselves experts and create all of these problems, those of us in agriculture agree that those employees who handle these dangerous chemicals need to be trained. And in fact we have that training. But the idea that there will be no training or that somehow it is going to be the wisdom of this House, if we should so choose to go with the Murphy substitute, that we are not even going to allow new-hire training provisions in agriculture, is going to create a major problem for agriculture in this one area, I believe.

I also want to say, we talk a lot about flipping hamburgers "it doesn't take months." I agree to that. I certainly totally agree that if it turns into a revolving door of training at one institution and then going to another, that this is not the intent of the legislation.

□ 1100

I would hope that also we could recognize that it does take training to understand simple menus, employee manuals, much less complex warning labels or other instructions.

In my own State, I am not proud to say but I have to say it, one-third of the constituents in Texas cannot read and write in such a manner in which they can understand some of the simple things, and we are going to be very involved with voluntary literacy training, and I expect working with the Committee on Education and Labor in some of the areas in which we need to improve, but I think we make a fundamental mistake when we suggest that new hire or training wages have no place in this new and increased minimum wage bill, and I want to ask all Members, all of my colleagues, to focus on our amendment, to look at what those studies provide and see if Members do not agree that it provides a commonsense way to deal with the very valid questions and problems that are pointed out that may occur but that might not occur.

Mr. MURPHY. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Chairman, I rise in opposition to the substitute. Mr. Chairman, Adolf Hitler's minister of propaganda, Herman Goebbels, used to say, "Tell a lie, tell it big enough and tell it often enough and it becomes the truth." Apparently some of those opposing a decent minimum wage for American workers believe that if they say often enough and loud enough that 80 percent of those affected by the minimum wage are teenagers that it, too, will become the truth.

Mr. Chairman, it is not only misleading but it is callous, it is insensitive to characterize minimum wage workers as teenagers without significant family responsibilities. More than two-thirds of those workers are adults. More than 25 percent are heads of households, and 7 out of 10 are living below the poverty line and have family responsibilities.

Mr. Chairman, if this substitute is adopted, what we will do in effect is to impose a 6-month so-called training wage at $3.40 per hour, but there is no provision in here to mandate there be any training. What we will do in effect is to make it possible for employers to constantly turn over their work force every 5 months and 29 days at $3.40 per hour. I urge my colleagues to oppose this substitute.

Mr. Chairman, I rise in opposition to the substitute amendment offered by the gentleman from Pennsylvania [Mr. GOODLING]. This amendment effectively guts the minimum wage law in two respects and deserves to be rejected.

The substitute amendment being offered by the gentleman from Pennsylvania does not begin to provide an adequate minimum wage for workers. A minimum wage in 1992 of $4.25 an hour, as provided by the Goodling substitute, represents less money in real income than has been provided by the minimum wage in every year from 1956 to 1986.

In 1981, the minimum wage was $3.35. Measured in 1981 dollars, under this substitute, minimum wage workers in 1992 would actually receive almost a full dollar less than they earned in 1981. Even after the minimum wage had reached its highest level, a minimum wage worker, working full time, year round, would earn only 78 percent of the projected poverty line for a family of three.

But do not be misled. Few minimum wage workers will receive the full minimum wage, as inadequate as that is. In fact, all they will receive is 80 percent of that wage. The real minimum wage under this substitute is not $4.25 an hour, it is only $3.40 an hour.

As provided by the Goodling substitute, an employer may pay any new hire 80 percent of the minimum wage for 6 months. Let me repeat that, any new hire, regardless of his or her previous experience, need be paid only $3.40 for the first 6 months of employment.

A janitor working for the minimum wage for 6 years under a building service contract would be subject to a 20-percent wage cut if that contract was relet. The janitor's duties would not change, the janitor's experience would not diminish, but his wages would be cut to $3.40 an hour. The proponents of this substitute claim that they are providing a training wage, but if that is the case where are the training requirements?

Under the provisions of the Goodling substitute, there is absolutely nothing that prevents an employer from discharging minimum wage workers after 6 months employment, at which time they would be entitled to $4.25 an hour, and hiring new so-called trainees at $3.40 an hour. And you can bet that that is what will happen, particularly for those minimum wage jobs subject to competitive bidding.

Mr. Chairman, it will have been 9 years since the minimum wage was last raised. Workers who were making $3.35 an hour in 1981 are now making less than $2.50 in equivalent dollars. Under this substitute we would, in fact, be reducing the minimum wage even further. The nominal 5 cents an hour increase we would provide to new-hire, minimum wage workers in 1992 would have long since been eaten up by inflation.

The Goodling substitute does no service to anyone other than to make the rich richer and the poor poorer. If you believe that we are here in order to undermine the standard of living of American citizens, then you should support this amendment. If you believe, as I do, that our principal duty is to protect and enhance the standard of living of our constituents, then I urge you to join me in voting down the Goodling substitute.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, I thank my colleague, the gentleman from Pennsylvania [Mr. GOODLING], for yielding me this time.

Mr. Chairman, I rise in support of the Goodling-Penny-Stenholm substitute to increase the minimum wage to $4.25 an hour.

Although it is a basic point, it cannot be emphasized enough that both measures we are voting on today are substantial increases in the minimum wage. The Goodling measure I support raises the minimum wage by 90 cents an hour over 3 years; the Murphy measure I oppose raises it by 30 cents more an hour, to $1.20 an hour increase over 3 years.

Why do I support a 90 cents increase but not $1.20? Because we need an increase in the minimum wage, but we do not need the job loss and inflation that sometimes accompany excessive minimum wage increases.

Mr. Chairman, I have talked to thousands of my constituents on this issue and many of them unlike the lobbyists who claim to represent them, actually make minimum wage. Sure, these people want a pay raise. But they also want to keep their jobs and they realize that their factories and plants are barely able to survive in this country even now.

These people deserve a pay raise, but they also deserve our best judgment in targeting benefits for those most in need, not the children of the wealthy who happen to take a summer job. To the extent we miss our target and use a blunderbuss approach, that's the extent to which we are needlessly increasing inflation. Inflation is a terrible hardship on the working people of our districts and on all those on fixed incomes. Inflation is already heating up; we should not be fanning its fires.

Our constituents will be particularly angry with us when they learn that we had a way to improve the targeting of benefits, but chose not to use it. This better solution has a technical name, the earned income tax credit, but Democrats and Republicans alike are beginning to realize that it is a better tool for fixing our problems.

Mr. Chairman, I think all of us realize that excessive minimum wage increases can cause joblessness and inflation. Otherwise, why stop at a $1.20 increase? Why not $2, $3, or $4 an hour increase? I wish that we could wave a magic wand and pass such increases without the terrible side effects of unemployment and inflation.

Mr. Chairman, most of my colleagues claim they are for job creation not destruction, and they will deny responsibility for the layoffs that will result from the Murphy approach. They will act surprised when inflation begins to increase after the Murphy minimum wage levels ripple through the economy.

We have a chance today to avoid all those problems by supporting the Goodling approach. Let's support the $4.25 minimum wage and really help those people we claim we are helping.

Mr. MURPHY. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I rise in support of H.R. 2.

It is only appropriate that Congress pass legislation to raise the minimum wage. Since 1981, the last year the minimum wage was increased, the cost of living in this country has risen by 38 percent. Compensation for other workers has been adjusted to account for inflationary erosion. As a member of the Post Office and Civil Service Committee, I have been a vocal supporter of annual cost-of-living adjustments for Federal workers. I think that those Federal workers deserve a larger increase, but at least they have some means to deal with inflation. The minimum wage, on the other hand, has been allowed to stagnate. Since 1981, wages and salaries of managers and other white-collar workers have continued to outpace the cost of living, but the minimum wage has remained constant. In the marketplace of January 1989, the current minimum wage of $3.35 only buys $2.50 worth of goods and services.

Mr. Chairman, raising the minimum wage is a matter of fundamental economic justice. By raising the minimum wage to $4.65 per hour, we will begin to approach a wage level that represents a fair day's pay for a fair day's work, and we will begin to give minimum wage workers and the jobs they perform the dignity they deserve.

Mr. Chairman, this bill is significant in that it extends the protections of the Fair Labor Standards Act to all House employees not otherwise exempt under the general provisions of the act. As chair of the Subcommittee on Personnel and Police, I firmly believe that all House employees should be afforded the same rights and protections of employees in the private sector.

It is paradoxical for Congress to impose fair employment requirements on others while not applying these same requirements to itself. In part, this is the result of special aspects of House employment. House personnel policies are a complex issue because the House has employment requirements that are unique and distinct from any other employer. For instance, the speech and debate clause of the Constitution provides that no Member of the Congress shall ever be questioned outside of the House or Senate for any speech or debate. This immunity clause is intended to prevent the judicial or executive branches of Government from exercising authority that might control a Member's legislative conduct.

The operating policies developed by the House Administration Committee, and the Subcommittee on Personnel and Police in particular, reflect efforts to balance the constitutional responsibilities of Members with benefits and protections for employees. The most recent initiative resulted in the adoption of the fair employment practices resolution and the establishment of the office of fair employment practices within the House, and it is through this office that the Fair Labor Standards Act will be administered in Congress.

While in accord with the purposes of this provision within the Fair Labor Standards Act Amendments of 1989, as chair of the Subcommittee on Personnel and Police, I consider it my responsibility to raise such matters, which are of importance to my committee and subcommittee, both in terms of policy and jurisdiction.

In a letter dated March 20, 1989, sent by Chairman HAWKINS to Chairman ANNUNZIO of the Committee on House Administration, he stated:

I recognize that your committee is entitled to ask the Speaker for a sequential referral of this reported legislation for the purpose of considering section 5, relating to the application of the rights and protections under the Fair Labor Standards Act to employment by the House of Representatives.

I interpret this language as an express acknowledgment that the Committee on House Administration has jurisdiction regarding employment policies in the House.

Chairman HAWKINS stated further that a waiver of sequential referral "does not constitute or imply any relinquishment of your committee's jurisdictional claim to a sequential referral on any other labor standards legislation reported from this committee which may contain specific provisions regarding coverage of congressional employees."

After years of struggling with this issue, I believe that we are taking a significant step forward. I applaud the efforts of Chairman HAWKINS and my colleagues, Congresswoman SCHROEDER, Congressman PANETTA, Congresswoman SNOWE, and Congresswoman MARTIN in addressing this need in Congress, and I urge my colleagues' support of the bill.

Mr. MURPHY. Mr. Chairman, I yield 2½ minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I rise today in opposition to the Goodling substitute and in strong support of the Murphy substitute. As a cosponsor of H.R. 2, I want to urge all of my colleagues in the House to join me in supporting this bill which is essential to restore dignity to America's workers, to restore the purchasing power of the minimum wage, and to lift America's working poor from poverty.

H.R. 2 is a necessary and fair piece of legislation which is long overdue.

For some reason this legislation has been the subject of a great deal of controversy. Quite frankly, Mr. Chairman, I find this surprising. It should not be controversial to try and correct a situation in which 20 million working Americans, and I repeat working Americans, find themselves and their families living in poverty.

Now, some opponents of this legislation will tell you that most minimum wage earners are teens, or that they are not really the breadwinners in the family. Therefore, I think it is appropriate to discuss just who the minimum wage earners are and what their wages mean to their families.

Mr. Chairman, 84 percent of the minimum wage workers are over the age of 18. Furthermore, 70 percent of today's minimum wage workers are their household's only wage earner. That is, for 7 out of 10 of these Americans, their paycheck is the only paycheck coming into that home. Additionally, women, who comprise two-

thirds of all minimum wage workers, are the sole supporters of over 10 million families.

Yet, for these Americans, the minimum wage no longer provides the means to provide the basic necessities of life. The minimum wage was last raised in 1981 to $3.35. The rate of today's wage is far below the historic levels of the wage's purchasing power. Its inflation adjusted value is the lowest it has been since 1955. In today's dollars, that wage only buys $2.46 worth of goods.

As a result, we now have a growing number of working Americans who are living in poverty. During the 1980's, the number of full-time, year around, working poor increased almost 50 percent. A minimum wage earner who works full time earns 29 percent less than the poverty level for a family of three.

Many of us in this House spend a great deal of time talking about the fact that one in five American children are poor. In fact, I took out a special order on Monday to specifically discuss the problems facing America's teens, including poverty. We already know, that in many ways, the large numbers of poor American children is directly linked with the feminization of poverty.

Yet, two-thirds of the 600,000 women who maintain families and work, are in poverty. Remember, nearly two-thirds of all minimum wage workers are women. If we only look at minority women, the statistics grow even more grim. Three-quarters of the black, female headed households, where the worker is earning the minimum wage, are in poverty.

Mr. Chairman, to full understand how much ground we have lost, it is important to note that in the 1970's, 60 percent of our young men earned enough to support a three person family at a level above the Nation's poverty line. Today, only 44 percent are able to do so.

For myself, these facts are convincing enough that we need to raise the minimum wage. Overall, the 50 year history of the minimum wage is one which we can all be proud of. But, not the current history. The time to act is now, the bill to enact is this one.

However, there are still those who will say that it does no good to talk about increased purchasing power because to raise the minimum wage will mean job loss.

Increasing the minimum wage will not reduce jobs, it will create jobs.

The last time legislation was enacted to raise the minimum wage, some organizations predicted that 390,000 teens would lose their jobs. However, according to the Education and Labor Committee, employment among teens increased by 382,000. The Minimum Wage Study Commission found that a 10-percent increase in the minimum wage would reduce teen employment by as little as 1 percent. In fact, each year after an increase in the minimum wage, except for 2 recession years, employment has increased.

We need only look to State experience to further see that an increase in the minimum wage will not lead to fewer jobs. In every State which has increased the minimum wage above the Federal level, employment has continued to grow.

Mr. Chairman, I urge my colleagues to support the Murphy-Ridge-Robinson substitute, a good alternative to the Goodling amendment. The amendment by our colleague Mr. GOODLING, would do very little to restore the purchasing power of the minimum wage and dignity to America's workers. In 1992, the wage proscribed by the Goodling substitute will be almost $1 below what the minimum wage would be if the 1981 wage had simply been increased to keep up with inflation. Adjusting for inflation, in 1992, a wage of $4.25 would be lower than the minimum wage was in every year from 1956–86.

Although the legislation reported by the committee will not replace all the wage's lost purchasing power, the substitute proposed by the gentleman from Pennsylvania is unacceptable. To increase the minimum wage by much less than the committee's bill would be to do nothing to help the working poor.

Furthermore, the 6-month training wage. However, the amendment proposed by our colleagues, Congressmen MURPHY, RIDGE, and ROBINSON have crafted a fair compromise. Under the Murphy plan, there is no danger that the training wage would become a revolving door. Only people with no previous work experience would be subject to the training wage—those who really do need training. Retirees, for example, who return to work would not be subject to a training wage. Furthermore, the Murphy alternative limits the training wage to a true training period, 2 months. That should be long enough for anyone to be trained for a minimum wage job.

Mr. Chairman, I strongly urge my colleagues to join me in supporting the Murphy substitute. It is imperative that we act to restore the purchasing power of the minimum wage. The Murphy substitute provides a fair compromise that we should all be able to support.

Mr. Chairman, when the minimum wage was first established in 1938, the legislation was called the Fair Labor Standards Act for a reason. Today we are talking about fairness, and we are talking about an America where decent, families who work hard should not have to live in poverty. We are talking about an America where those individuals who want to contribute to our country and make a better life for their families should be able to do it in the old fashioned, American way—by working. Ensuring a basic, fair minimum wage is the way to make that possible for every working American. I urge my colleagues to join me in support of this bill.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the coauthor of this amendment, the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I rise in support of the substitute and in opposition to the Murphy amendment and the committee-passed bill. The Goodling substitute which has the support of the President would increase the minimum wage in 3 yearly steps to $4.25. In supporting a moderate increase in the minimum wage, the President has been clear he will veto any measure providing for more than $4.25. In my view $4.25 is reasonable. It can become law and put a few more dollars in the paychecks of working Americans.

Alternatively, the committee-reported bill, H.R. 2, would increase the minimum wage from the current level of $3.35 to $4.65 in 1992, and it will not become law because of the President's certain veto. The other alternative before us today, the Murphy substitute, is no compromise, providing for a top rate of $4.55 that is just 10 cents less than the committee-reported bill.

Mr. Chairman and colleagues, the Murphy substitute also provides that the wage hikes would begin in October of this year, 3 months before the effective date in the committee bill or the Goodling substitute.

I am opposed to the committee-reported bill and the Murphy substitute. The negative economic consequences which would result from a big hike in the minimum wage would jeopardize the Nation's economic progress and reduce employment opportunities for many Americans.

□ 1110

Let us be clear on this point. A minimum wage of $4.55 represents a 36-percent increase.

Proponents of the committee bill and the Murphy substitute claim that no jobs will be lost. However, if employers cannot pass along those costs to the public, then naturally employers faced with higher labor costs will either lay off employees or decide not to hire new workers.

Mr. Chairman, we may be able to increase the minimum wage, but we cannot repeal the laws of economics.

Let me add, Mr. Chairman, that while I support the Goodling substitute, I am not in agreement with the proposed subminimum wage. Setting a rate lower than the statutory minimum wage would result, in my opinion, in displacement of some workers and added regulations and paperwork

for small businesses. If possible, I would vote to modify or strike the training rate. Unfortunately, today we are not allowed an opportunity to amend any of the three options. We must accept or reject them as proposed.

Because I feel so strongly that a huge increase in the minimum wage in a short period of time would have negative economic consequences, I have concluded that the more modest increase proposed by the President is the best option available to us today.

Mr. Chairman, I urge a vote for the Goodling substitute, the only substitute that will become law and the only substitute that will not result in significant and harmful loss of job opportunities for needy Americans.

For 4 years, Mr. Chairman, we have been fighting over a larger increase than $4.25 and have ended up giving low-income Americans nothing. Let us finally quit the fighting. Let us unite on an increase that can become law. Let us give low-income Americans something instead of nothing for a change.

Mr. Chairman, I ask the Members to vote for the Goodling subsitute.

Mr. MURPHY. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, I rise in support of the Murphy substitute. By increasing the minimum wage in increments of 50, 40, and 30 cents, the Murphy substitute provides a moderate and gradual increase in the minimum wage. More importantly, it will go a long way toward restoring the minimum wage to a living wage for millions of Americans.

The Goodling substitute, on the other hand, only raises the minimum wage 90 cents to a total of $4.25 by 1992. If the minimum wage kept pace with inflation it would be $5.23 in 1992. Thus when fully implemented, the Goodling substitute does not even guarantee minimum wage workers a full inflationary increase.

The Murphy substitute also creates a new 60-day training wage for unskilled workers seeking their first job. Employers can thus reduce their labor costs for 2 months while they train new hires. In so doing, the Murphy training wage addresses concerns that have been raised about any job losses which may accompany a raise in the minimum wage.

More importantly, the Murphy substitute provides genuine safeguards for the unskilled and disadvantaged who are most likely to be harmed by a training wage. Specifically, the Murphy training wage requires:

Bona fide on the job training.

Prevents the training wage from becoming a revolving door for employees each time they change jobs.

Prevents employers from rolling over or displacing employees in order to obtain the advantages of a training wage.

Is limited to only 60 days.

And finally, sunsets 1 year after the final minimum wage goes into effect.

I would like to stress that the Murphy substitute is a fair and equitable bill. As we raise the minimum wage, we must not break the backs of small business owners who provide employment for many minimum wage workers. I am pleased the Murphy substitute expands the small business exemption to include all business enterprises whose annual gross volume of sales is under $500,000. Previously, this threshold applied only to firms in the retail and service industries. As a result, all employers under the $500,000 threshold including many of the small farms and cattle ranches in my district will be exempted from minimum wage requirements.

Like H.R. 2, the Murphy substitute also increases tip credit in two steps to a total of 50 percent of the minimum wage by October 1990. Currently, employers can take a tip credit of 40 percent if waiters and waitresses tips are at least equal to the minimum wage. With the proposed increase in the minimum wage and without an increase in the tip credit, many small restaurants in my district would simply be priced out of the market. Thus, by raising the tip credit, the Murphy substitute protects the financial viability of small restaurants, protects the jobs of many minimum wage earners, and guarantees waiters and waitresses the full benefits of the minimum wage at all times, regardless of tip earnings.

In closing, the Murphy substitute restores the minimum wage to a living wage for millions of minimum wage workers and their families, and addresses the concerns of the administration by providing for a training wage which will prevent any job loss which may be associated with an increase in the minimum wage.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, we have heard Adolf Hitler referred to here this morning, I think inappropriately. I would like to quote from another gentleman, John Buchan, who said: "The hasty reformer who does not remember the past will find himself condemned to repeat it."

The fact is that history will tell us that in the past every time we have raised the minimum wage as dramatically and in as great amounts as we propose in this bill, two things have happened: First, inflation goes up, and second, employment goes down.

I hope we have learned from experience that increasing wages without any corresponding increase in productivity fuels inflation.

So with what we have heard last week, that the Commerce Department reported an increase in the Consumer Price Index by a full percentage point in February, with the same rate of increase in January, we have seen back-to-back increases in the inflation rate, and this would be absolutely the worst time to arbitrarily and dramatically adjust the wage scale upward.

Mr. Chairman, the district I represent has had a tough time. We are just now coming out of the recession. The committee bill would chill the recovery we have had. I think the Goodling-Penny-Stenholm substitute is a reasonable, responsible substitute.

Mr. MURPHY. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. HAYES], a member of the committee.

Mr. HAYES of Illinois. Mr. Chairman, I thank the gentleman for yielding me this time.

I had not intended to speak again today, but it is hard to sit there and listen to the bleeding hearts for the unemployed and the poor, as we have heard this morning, as a reason for support for the Goodling substitute. And to those who say that we are going to cause the loss of more jobs and increase the number of unemployed if we increase the minimum wage to the Murphy proposal's figure of $4.55 an hour, let me say that I just do not understand what their reasoning is. They seem to be a little bit hypocritical on one hand, because if we check their voting records, in most instances those who argue now in favor of the poor, as they say, have voted against other social interests in the past that would be of benefit to the poor.

As I said yesterday in my remarks, this reminds me of the kind of statements we hear from the Botha government in South Africa when they state that one of the reasons why they do not want to support sanctions is that if they do, they are going to throw people they are trying to help out of jobs. Having been one who visited South Africa and having met with some of the people, particularly some of the labor unions and some of the leaders, I find that they take this position: "Look, if this means a loss of jobs, let us lose our jobs."

Mr. Chairman, I want to tell the Members that I represent a district that is 92 percent black. I have heard it said that there is 53 percent unemployed there, and that is right. I do not see where we are going to add any numbers to those who have jobs by holding the minimum wage to $4.25 an hour. I want to see us do something about creating jobs for people, and, yes, at a decent and livable wage so people can raise their kids in human decency.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CAMPBELL].

Mr. CAMPBELL of California. Mr. Chairman, let me say to my colleagues that if today we were debating the question of whether we should impose a tax of $2,000 per employee on every employer in the United States, there would be no question of how we would vote. We would analyze that and come to the conclusion that we were adding to the cost of doing business and punishing those people who are employing Americans.

There is no dispute between Democrats and Republicans that we need to help the least privileged in this country. The question is how we should fund this. If we fund it by an increase in the minimum wage, we are doing effectively the same thing as putting a tax on precisely the person who offers a job to the person who is most needy.

If we were debating today how we should raise money to help the needy, there would be advocates of a consumption tax, there would be adovcates of taking funds from the defense budget, there would be advocates of taking funds by an increase in the income tax, and all of those may very well be right. But I suspect the least popular position of all would be one that would take more money and spend it for the needy in this country by putting a specific head tax on those who offer jobs. Yet in economic terms, to lift the minimum wage is a head tax per employee directed precisely at the engine of employment in this country.

□ 1120

Our trade figures are not good. In January we ran a trade deficit of almost $10 billion.

Mr. Chairman, is this the time to be improving competitiveness in the United States or to be diminishing it? Is it a time to be taxing those who cause jobs or to induce more jobs?

I am second to none in my concern for those who are needy in this country, but I do believe that to tax those who give them jobs is precisely the wrong approach.

Mr. MURPHY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in answer to some of the allegations that have been made about the job loss, I would like to say that first we have only one real experience in the 50-year history of the minimum wage that there has actually been a lowering of the total number of jobs in our country following a minimum wage increase. That was in the years 1974–75 when we had, as everyone well knows, a recession that was not caused by an increase in the minimum wage, but other economic factors.

There is talk about the inflationary spiral that it might cause. I submit there has not been an increase in the minimum wage for over 8 years, and yet in January, February, and March 1989, this year, we have seen the highest rate of inflation we have seen during the past 8 or 9 years. Now no minimum wage has caused that increase.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. MURPHY. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I just want to point out to the gentleman from Pennsylvania [Mr. MURPHY] that the increase in the inflation over the last few weeks has been nowhere close to the doubling of the inflation rate that took place after the last increase of the minimum wage, and it has a direct impact. The gentleman cannot deny that, and no economist can deny that.

Mr. MURPHY. Mr. Chairman, if the gentleman from Pennsylvania [Mr. WALKER] wants to blame any inflationary spiral on the minimum wage increase, then I have to ask him what caused the inflationary spiral to all of a sudden come up in January of this year, 9 years after the last minimum wage increase.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. MURPHY. Other economic factors obviously.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. MURPHY. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, of course there are other economic factors that play a role, but no one denies the fact that doubling the increase or doubling the inflation in a period of time that at the same time that has just increased the minimum wage and that that did not have some impact. Obviously increasing the wages in the country is going to have an impact on inflation. By definition that is true.

Mr. MURPHY. Mr. Chairman, I would like to reclaim my time. I have very limited time, and I would ask the gentleman from Pennsylvania [Mr. WALKER] to seek time from his colleague who is handling the time on his side.

Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. WALKER] for his insight.

Mr. Chairman, the subminimum wage that is being requested in the Goodling-Bush substitute would provide for a 6-month period of time where any employer may hire any person to work at a subminimum wage level.

Now there has been a lot of talk on the other side that, "Oh, we don't want job training. We don't want on-the-job training." There is nothing that has prevented in the 50-year history of the minimum wage job training of those minimum wage workers. It has been going on, and from my experience in chairing the committee for 4 years I have been told that it takes almost 3 days in most of the minimum wage jobs to train someone for that particular position. Not 6 months. Mr. Chairman, that is for new hires. It takes a couple of days to teach them what they have to know to do a minimum wage job.

I submit the employers all over the country have borne the responsibility of training the people who join their work force. It is done for their employees; I do it for mine. Industry, minimum wage or otherwise, does it for theirs. There is nothing which says that they cannot continue to do that.

Farm workers: I know there is some concern. There are six to eight exemptions already in the Fair Labor Standards Act to protect small farmers, seasonal farmers, other farmers. The farmers certainly are not going to be hurt by this particular provision.

Really the 6-month period for training is far too long a time. We have met the needs of that job training and subminimum wage in the substitute that will follow this one, and it is for a period of 2 months, much longer than I think is needed, but in the spirit of compromise we have offered it.

Mr. Chairman, now let us talk about the wage rate. At $4.25, that is lower than what was proposed in my subcommittee by the minority members 2 years ago when they offered to go as high as $4.35. The reason, of course, is because that is the White House position, that that is where the White House is going, and I want to say at this time that I do appreciate the Republican substitute being offered for this very reason, that it is the first time in 8 years that we have had a message from the White House or from the minority side that they are willing to offer to us that something after 8 years is necessary to reconsider the minimum wage.

Mr. Chairman, I commend the gentleman from Pennsylvania [Mr. GOODLING], his staff and all of his colleagues on his side of the aisle in the Committee on Education and Labor for their realization that it is time for this body to address the minimum wage. The President's proposal, as submitted by the gentleman from Pennsylvania [Mr. GOODLING] represents a great change in view, and I want him to know that we appreciate that.

Unfortunately, however, Mr. Chairman, I must say that their proposal is inadequate, even inadequate to what they submitted 2 years ago.

The differences between our substitute to follow and the substitute now under consideration are almost inconsequential. We have had a great deal of torment, as I well imagine my colleagues know, in attempting to convince the majority of our Members

that there should be a subminimum period, training period, at all. We have had to argue and cajole and convince Members that reducing it from $4.65 to $4.55 over a period of 3 years, and, who knows, it may go on another 10, is acceptable, but they have been willing to meet this in the spirit of compromise because the President opened that door.

However, let me point out to my colleagues that in asking for an increase up to $4.25 we are asking for an 8-cent-per-year hourly increase over the 11-year span that we will see this go into effect from 1981 until 1992. We are asking but for an 11-cent-per-year hourly increase; 3 cents difference divides us. They are asking for a 6-month training period. We are asking for a reasonable 2-month training period.

Mr. Chairman, I think these inconsequential differences point out something that belies what their arguments are. Speaker after speaker comes to the well and pleads for those who are in the lower income brackets, and they argue that they want them to continue working. As I stated last evening before we adjourned at 8 o'clock, "Yes, if we cut out the minimum wage, or we pay workers no wage at all, then under your reasoning all workers will be employed as they were in the feudal and plantation days."

Mr. Chairman, that is not what America is all about. America is about paying a fair day's wage for a fair day of work, and that is all we are seeking in this minimum wage effort. The substitute that will follow we believe will answer their concerns to that end.

Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding time to me, and I would like to engage the gentleman from California [Mr. HAWKINS], the chairman of the full Committee on Education and Labor, in a brief colloquy.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. OXLEY. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, I understand that my colleague, the gentleman from Ohio [Mr. OXLEY], was listed as a cosponsor of H.R. 2, the bill under consideration at this time. I further understand that my distinguished colleague attempted to remove his name as a cosponsor, but was unable to do so due to the rules of the House. Is this correct?

Mr. OXLEY. Yes, I was listed as a cosponsor of H.R. 2. However, I do not wish to cosponsor this legislation and was listed due to an error by the majority staff of the Education and Labor Committee.

Mr. HAWKINS. My colleague is correct on this matter. The Education and Labor Committee staff did, in fact, list Mr. OXLEY as a cosponsor by mistake. This grave error by committee staff personnel is unacceptable, and I apologize to my colleague from Ohio for the inconvenience and for any misunderstanding of his position on the minimum wage issue that this has caused.

Mr. OXLEY. Mr. Chairman, I thank the distinguished chairman of the Education and Labor Committee.

□ 1130

Mr. GOODLING. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I thank the gentleman for yielding this time.

I quickly want to make two points.

Never, never have we passed any minimum wage bill with the economic conditions that face this country today, a net debtor Nation.

Second, I want to talk to the point of 6 months new hire or training wage and want to make it very clear that this would be a maximum new-hire wage period that an employer could use. As such, it constitutes a reasonable minimum standard of promotion and raise timetables.

It is a mistake to take a reasonable average for a new-hire wage period, such as 3 months, and try to make that minimum a standard.

Mr. MURPHY. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. Mr. Chairman, I have been listening to this argument very fervently. I am little surprised at some of the statements that I hear made that we are going to lose 650,000 jobs, that we are going to create a new drug problem. I think that is an insult when people get up and say that if you vote for the Democratic proposal that this is what is going to happen. That is absolute bull.

Then they say that it is going to increase inflation. Well, as the chairman said, does that mean that if we do not have any minimum wage, then we are going to have full employment?

If we do not have any minimum wage, we are going to have a drug free society. If we do not have any minimum wage, we are going to have no inflation; so if that is the case, I would be willing to support it, but I think that is a lot of balderdash, and I think we had better wake up to the realization as to what is going on.

What about what the minimum wage will do to families who do not have any health insurance? This does not mean that it is going to guarantee any health insurance, because surely if someone is going to be making $4.55 they are not going to be able to afford it, but it is going to put people in a better position that have health insurance.

Then what about clothes on their back? What about shelter over their heads, food on the table, better nutrition? Are these not the kinds of things that we are talking about?

I think that is very important and I think these are things that we are missing.

I think if we do not support the Goodling amendment, but support the Murphy substitute, I think America is going to be a lot better off. I think America can hold its head up with pride in that we are trying to take care of those people on the lower edge of the economic pole.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I rise in strong support of the substitute being offered by the gentleman from Pennsylvania [Mr. GOODLING], by the gentleman from Texas [Mr. STENHOLM], and the gentleman from Minnesota [Mr. PENNY].

This substitute is a compromise. It is not a choice between having a minimum wage or not having a minimum wage. It is a choice between having a compromise or a substitute in a form that will pass, that can be signed into law, and that takes the sharpest edges off the job loss.

It is somewhat surprising to me that the proponents of a minimum wage increase were not dancing in the streets when the President offered a real bona fide minimum wage increase, a compromise, a change in the minimum wage in which a minimum wage increase could occur without precipitating massive job losses.

The opponents of a minimum wage find the compromise to be acceptable, because in fact it does remove the sharpest edges of a minimum wage increase.

We should be supporting this. We should be passing this. This minimum wage substitute should pass because it is the only one that can pass and be signed into law.

There are several reasons for this. First, everyone can find something different in the compromise that they do not like with some specificity; but that is the point. It is a compromise. It is a compromise between two different positions. It is fair. It raises the minimum wage by some modest amount without a massive job loss.

Second, the new-hire wage in this bill is simply a recognition of the real world. In the real world, most minimum wage workers are entry level workers. They are single. They are dependents of middle-income families and they use the minimum wage today of $3.35 an hour to get that first job.

With the Goodling-Stenholm-Penny substitute of a new-hire, that minimum wage can still be used to obtain the first job, to allow an entry level

wage for that new entrant into the work force?

Why is it 6 months? In the new-hire wage, in many cases they will not use all of the 6 months, because nothing here tries to repeal the law of the marketplace. As a new worker gets trained and gets accustomed to the world of work, gets trained, learns to show up for work on time, learns the basic skills of being nice to the customer, of working with other employees, then the employer will as the marketplace works begin to raise that wage scale as employers today do.

Third, this Goodling substitute prevents the job loss, the massive 600,000 jobs that would be lost if the straight minimum wage proposal goes through, as proposed in H.R. 2. It reduces it, because first it reduces the minimum wage down to $4.25 an hour, which is much more in line with the current labor market on a national level.

Second, it provides a clear and understandable exemption for small business, which does avoid much of the job loss.

Third, the new-hire wage, the entry level wage, avoids much of the job loss.

In conclusion, as you vote on this, think of the individual workers. Think of the individual men and women who are trying to get that first job in your home towns, in your districts. If the Goodling substitute does not pass, they will be out of work.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, several proponents of H.R. 2 have just gotten up to state that they think it is outrageous for us to suggest that the drug problem will be exacerbated by throwing 650,000 young people out of work that the Department of Labor estimates will be thrown out of work.

Now, let us get this straight. We had the drug debate last fall. Almost every Member on the Democrat side who got up said that one key to winning the drug war with young people was to get them jobs. We need jobs for young people to win the drug war.

Then the first substantive action that we take in 1989 is to put 650,000 of them out of work.

The gentleman who preceded me a few minutes earlier had the temerity to get up and suggest that that is entirely consistent, that we say we need to get jobs for young people, to win the drug war, and then we throw 650,000 of them out of work, with no consequence whatsoever.

I reject that and I hope that the Members of this House, Republicans and Democrats, just say no to H.R. 2.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

□ 1140

Mr. GUNDERSON. Mr. Chairman, I strongly encourage the Members to support the substitute that is before us. The simple issue we have is: Do we want a minimum, or do we want a political issue?

Mr. Chairman, if we want to truly raise the minimum wage, this is the only game in town, the option that we are about to vote for, and let us not kid ourselves, we are talking about a 27-percent increase in the minimum wage at the very time that the Federal Reserve is talking about tightening interest rates to tighten the economy because they are scared of inflation.

How much more are we going to try to do, to make a political issue and ruin the economy in the process? We also include the small-business exemption, the training wage, and so we need that middle ground where we respond to the increase in the training wage and do so in a way that saves 400,000 jobs for young people. That is the real point.

Who gets the benefit of the minimum wage today? It is not the head of the household. Only 8 percent of people in this country under the minimum wage are heads of households, and those people's problems are solved by an EITC, increased voc ed, increased skill training.

The reality is today's minimum wage, 36 percent of it is for teenagers, 58 percent of it goes to people under the age of 25, 67 percent goes to people part time.

Mr. Chairman, I want to comment to every one of my Republican and Democratic friends from rural America. Be concerned and understand that the only alternative, the Ridge-Robinson substitute, does not allow a training wage for agriculture. The exemptions for agriculture are under section 13. Section 6 of the substitute says that nobody who has a job in agriculture can have a training wage, and it is the only profession picked out in the entire country that says they cannot have a training wage. Think what that means to the farmers who try to hire someone not a relative.

I think the key here is the only exemptions in section 13 are, No. 1, someone who has 500 man-days. What is that? That is at least two full-time employees, or a parent, child or spouse or hand labor in agriculture. Those are the only people who are exempted under section 13. Let us understand that does not include what is talked about here in section 6.

Therefore, unless one has never worked, never been a paper boy, never had a job anywhere, and they can somehow call upon the FBI to prove that, or they are a farmer, they can use the training wage.

The reality is that if one is concerned about rural America asking to pay an extra price, the Members will vote for the Goodling-Stenholm substitute. This is our only chance to pass a minimum wage law this year.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to borrow a phrase from the other side. That phrase was that, "If you say often enough and if you say loud enough that we are going to lift people out of poverty by raising the minimum wage, people will believe it;" then the only thing I can say is that is kind of callous rhetoric.

In 1982, we had 667,000 households in poverty at the minimum wage. We have cut that in half to 336,000. We have a long way to go, but we have come halfway during a period of time when there was no change in the minimum wage.

Let us not say it often enough and loud enough that somehow or other we are going to raise people out of poverty simply by playing with the minimum wage. Let us pass the only bill that will pass, and let us help those 336,000, and the only one that will pass is the substitute that is now before the Members, because it is the only one that will not get vetoed.

Mr. Chairman, let us then get this behind us and really talk about doing something for those people who are at minimum wage and without employment. Let us get to the training and let us get to the education phase so that we can really help the people who both sides want to help which just raising the minimum wage will not do.

Mr. Chairman, I ask all to vote for the Goodling-Stenholm-Penny substitute.

Mr. Chairman, I yield back the balance of my time.

Mr. MURPHY. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Chairman, I rise in opposition to the Goodling amendment and in support of H.R. 2.

Mr. Chairman, I rise in opposition to the Goodling amendment and I rise in strong support of H.R. 2, the Fair Labor Standards Amendments of 1989, legislation to restore the Federal minimum wage to the level of a living wage. In particular, I rise on behalf of the 3.5 million farmworkers of our Nation—laborers who perform one of the most vital functions in our economy, but who have traditionally labored for the lowest wages of any class of American workers. These agricultural employees depend on Federal wage laws to protect them against abject exploitation, and their condition demands that we raise the minimum wage now.

According to the Minimum Wage Study Commission, more than half of our Nation's migrant farmworkers earn wages within $0.25 of the Federal minimum wage. This means that like all Americans who must work for the

lowest compensation the law allows, the majority of farmworkers are subject to wages that can no longer even theoretically lift a family of two out of poverty.

For farmworkers, the reality is even graver. Agricultural laborers must go for long periods of time without work while they follow the crops, and vast numbers are currently subject by Federal law to subminimum wage rates that are tied to the rate of the full minimum wage, or are deprived of Federal wage protection altogether. The average income earned by a full-time hired farmworker during 1987 was just $4,658. In 1986, the average head of a farmworking household earned only $2,864 from farmwork, and just $3,418 from all sources. It is bad enough that we do not provide Federal minimum wage protection for millions of American farmworkers. But for those who are covered, an increase in the minimum wage is a case of simple justice, a step away from the hard poverty that the current eroded rate subjects them to.

Mr. Chairman, it is with no surprise, but with tremendous disappointment that I note that the National Council of Agricultural Employers and the American Farm Bureau Federation—who represent the agricultural employers of the Nation—are vehemently opposed to any increase in the minimum wage. These are the same employers who approach Congress time and time again to complain about how difficult it is for them to find American workers to harvest their crops. No single step could do more to ensure an adequate agricultural labor supply than providing farmworkers with a more decent wage.

I want to particularly voice my opposition to the proposal that we enact a 6-month training wage. This provision of the pending amendment would severely harm migrant farmworkers. Because agricultural laborers travel with the crops and rarely work for the same employer for more than a few weeks, an unrestricted new-hire wage would deprive virtually all migrant farmworkers of minimum wage protection throughout their lives.

The rationale for a subminimum wage is to tally inapplicable to the reality of migrant farmworkers' lives. A training wage would not provide more employment opportunities for beginning farmworkers. Migrant and seasonal agricultural laborers are rarely promoted to a higher paying position regardless of their years of experience on the job. Furthermore, agricultural employers rarely provide their workers with even a week of training, much less 6 months. To apply a subminimum 6-month training wage to the labor of farmworkers would be an inappropriate and deceptive injustice.

In sum, Mr. Chairman, while every American laborer who works for the minimum wage deserves and needs the modest increase in earnings that this bill would provide, the agricultural workers of our Nation are in particular need of such an increase. For the sake of this long-exploited class of laborers, and every American minimum-wage earner, I urge my colleagues to vote in favor of H.R. 2 and to oppose the Goodling substitute.

Mr. MURPHY. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the Goodling amendment and in support of H.R. 2 as amended by the Murphy substitute. H.R. 2 will make the first adjustments in the minimum wage since January 1981, increasing it in three steps to $4.55 an hour by October 1991. These modest increases are important to millions of Americans who now work at subpoverty wages. This bill will be a real benefit to them and to their families—when all three steps are completed minimum wage earners will realize $2,500 per year in additional income.

Frankly, however, this bill is a disappointment in several respects. First, the increase in the minimum it requires is not enough. It is not enough to lift full-time minimum wage earners out of poverty. It is not enough to catch up with the inflation that has eroded the value of the minimum wage since 1981. And it is not enough to meet our Nation's historic commitment to the working poor that they will be paid a living wage.

In 1988, the poverty line for a family of three was $10,600. Under H.R. 2, even after 3 years have passed and all three step increases are in place, the minimum wage will provide only $9,464 to an individual who works 40 hours a week, 52 weeks a year.

If the 1981 minimum wage of $3.35 an hour were adjusted to catch up with the past 8 years' cost-of-living increases, it would be $4.68 an hour today, according to Secretary of Labor Dole. Under H.R. 2 we will not adjust fully for the effects of inflation. Even 3 years from now the minimum wage will be only $4.55, less than it should be today.

H.R. 2 abandons our historic commitment to set the minimum wage at roughly 50 percent of the national average hourly wage. Since World War II we have, as a nation, believed that "a rising tide should lift all boats." As the national average wage increases, so should the minimum wage. We are not a banana republic. We have rejected the notion that there should be a permanent underclass of Americans who work but whose share of our economic gains should shrink while others gain. H.R. 2 does not bring the wages of the working poor back to their historic levels. Instead of 50 percent, the minimum will remain less than 45 percent of the national average.

My second major objection to H.R. 2 is its creation of a subpoverty training wage. As limited as it is—once in a lifetime for a maximum of 60 days—I fear it will be abused, and I believe it is unnecessary. The minimum wage itself is a training wage. Even at $4.55 it is so low that only new hires should be subjected to it. It is already, in fact, a subpoverty, subminimum wage.

This bill should inspire no pride in any of us. But in light of the unflagging hostility of the Bush administration to any reasonable minimum wage legislation, it is the best we can do at this time. Perhaps when George Bush finds time to focus on his campaign pledge to work for a kinder and gentler nation we can revisit this issue and do better.

Mr. MURPHY. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. MARTINEZ].

Mr. MARTINEZ. Mr. Chairman, I rise in support of the Murphy amendment and in opposition to the Goodling amendment.

Mr. Chairman, I rise in support of H.R. 2. California has already taken the initiative to raise the minimum wage to $4.25 an hour. And contrary to what my opponents have stated, raising the minimum wage has not created any great loss of jobs, in fact the economy in California has continued to prosper. It is time for the rest of the Nation to follow suit.

This bill is not for the employers who already pay their employees a fair wage, it is for those employers who, out of greed, pay their employees only what the law requires, and force their employees to live below the poverty level. We should not have to fight a revolution every few years so that our fellow Americans do not have to live in a state of poverty.

We have already had to compromise and include a training wage. This should actually be called a sub-subminimum wage, since the current minimum wage itself is subminimum to what a family actually needs to survive. I have nothing against a training wage that provides people with decent wages and long-term employment. But I don't believe that it takes anyone 6 months, or even 60 days, to learn how to make a bed, sweep a floor, clean a bathroom, or wash dishes and that's what the training wage in this bill really is. But if we can't move our conscience to do more, we must at least do this much. I urge my colleagues to support H.R. 2.

With the service industry steadily growing, there will continue to be more and more people who are trained to perform these types of duties. And the employees who do those types of jobs will unfortunately be the ones who are forced to live off of a training wage. These workers, at restaurants, stores and hotels, are not a majority of teenagers. Our teenage working pool is shrinking. These workers are more and more becoming minority workers, and specifically, women heads of households. In fact, in my own State of California, 50 percent of households headed by black women are in poverty. Examples such as this are common across the Nation. These are women, most of whom work in service-related fields, who are forced to raise their children in poverty, because they cannot put in a full day's work and make enough to live on.

I believe that we can no longer let the minimum wage rest at $3.35 an hour. We must vote today to support H.R. 2 and raise the minimum wage to a level where we can help those in poverty find pride in their jobs, and more importantly, pride in themselves.

Mr. MURPHY. Mr. Chairman, I yield myself 30 seconds, the balance of my time.

Mr. Chairman, this 650,000-job-loss figure, I do not know where they pull these figures from.

The CBO, the one they have been quoting for 2 days, shows that under H.R. 2, we would lose but 125,000 jobs nationwide out of a total job pool of 13 million effective in the third year, or less than 1 percent.

Since that time we have compromised. We have compromised the figure down to $4.55, so there is no

question that far fewer than 100,000 jobs are even in jeopardy, and the history of the increase in minimum wage shows that that has never happened except on the one occasion that I have previously mentioned.

Mr. MICHEL. Mr. Chairman, I rise in support of the substitute offered by Mr. GOODLING.

What we have today is something rare in the House: a debate over philosophy of government over basic social principles as well as economic policy.

The majority is once again offering the usual mixture of compassionate rhetoric and bad economic policy in its call for a minimum wage of $4.65 an hour by 1992.

The majority is still living in the twilight zone of public policy. You are stuck in that time warp of 30 or 40 years ago when all you had to do was say some kind words about workers and vote for the highest minimum wage figure.

You soothe your conscience by simply ignoring the studies that demonstrate irrefutably that there will be a resulting loss of perhaps 400,000 jobs.

That is why I support the President's package. It recognizes that the minimum wage should rise, but to $4.25 an hour, not $4.65, not $4.55.

Like all compromises, it is not perfect; but like good compromises, it combines principle and practicality in just the right mixture.

The 6-month so-called new-hire wage at $3.35 an hour recognizes that new employees need a training period for the development of basic work habits and skills.

And it should be noted that the Goodling substitute adds to the President's plan a provision providing stiff penalties for any employer who fires workers without cause after 6 months. The President has endorsed this essential provision.

Taken together, all of the parts of the President's plan form a strategy for growth, for job building, and for the future of young and particularly minority Americans.

The President's plan provides an increase for long-term employees and gives young and low-skilled workers the best chance for getting a job.

In short, the President's plan keeps open the door for those who already have a job—and opens new doors for those who want jobs.

Jobs help families become strong. Strong families help communities to become strong.

Any policy that can be shown to destroy jobs is objectively antifamily. And the majority's proposal, well intentioned as it is, falls into that category.

The majority party has been steadily losing the support of working people, even of labor union members, in Presidential elections for one reason: the liberal economic dogmas of the majority are in conflict with the dreams and the realities of working people.

Bad governmental economic policies inevitably lead to social disasters. That formula can be said to encapsulate the history of liberal Democrats' economic policies for the past 25 years.

Young Americans—especially young minority Americans—just won't buy the worn-out economic rhetoric peddled by the majority. Young Americans want real jobs, not sweet words. The President's objective is to continue our policy of enhancing the environment for the creation of millions of new jobs.

Finally, the President has taken his stand and said he will veto any bill that goes above $4.25 an hour by 1992.

I urge adoption of the Goodling substitute that has such a good measure of bipartisan support. It will be assured of having it signed into law.

Mr. GREEN. Mr. Chairman, I should like to thank my colleague, the gentleman from Pennsylvania [Mr. GOODLING], for his leadership on this important issue. Today I rise in support of the Goodling substitute proposal on minimum wage. Although I have serious reservations about raising the minimum wage, I believe that the Goodling substitute reflects a just compromise in providing a reasonable increase as well as a meaningful training wage.

I recognize that a $3.35 an hour wage does not represent a living wage for a family. However, most persons working at a minimum wage are not the sole support of a family. I remain concerned that any further significant increase in the minimum wage would price many low-skilled workers out of the job market and contribute to the loss of job opportunities. In addition, economic analysis establishes that the higher the increase, the higher the inflationary impact. The Office of Management and Budget estimates that for every 40-cent increase in the minimum wage, there is a corresponding $600 million increase in the deficit as well as an annual inflationary impact of 1 percent.

The rationale for an increase beyond the Bush proposal is tenuous and the economic consequences could prove highly negative. Study after study has revealed that for every 10-percent increase in the minimum wage, 100,000 to 200,000 jobs will be lost. Unfortunately, the brunt of job opportunity losses would be felt by young people and those that are in need of skills and training. Furthermore, a larger increase in the minimum wage will only contribute to the elimination of low-wage jobs, doing little to reduce the poverty rate and resulting in the devastating effect of higher unemployment.

One of the merits of the administration's proposal on minimum wage is that it is designed to minimize job losses. Through the inclusion of a universal training wage—$3.35 for all new hires for 6 months—an estimated 170,000 job opportunities for the young and least skilled will be preserved. The President's plan will also liberalize the current tip credit from 40 to 50 percent as well as increase the small business exemption. Regarding the treatment of tips as wages in meeting Federal minimum wage requirements, I believe that tips are plainly income and therefore should be counted toward the minimum wage.

I should also like to take this opportunity to express my continued support for an increase in the earned income tax credit. I remain disappointed that the administration has not pressed for inclusion of the increased EITC proposal during this debate. I am proud to be an original cosponsor of the Family Living Wage Act of 1989 which seeks to increase the EITC and vary it by family size so that a low-income family's wages may be supplemented according to need. An expanded EITC would provide an efficient, highly targeted tool to help our Nation's working poor.

EITC accomplishes the same end result as an increased minimum wage by allowing low-wage workers to keep more of what they earn. The Family Living Wage Act not only increases work incentives for welfare families and low-income wage earners, it is also instrumental in assisting families with the cost of child care. Clearly, EITC remains the most cost effective approach to addressing a series of problems confronting low- and moderate-income families. It is my sincere hope that in the future the administration and Congress will work together to revisit this targeted and responsible mechanism for putting more money into the pockets of low-wage workers.

Mr. HOUGHTON. Mr. Chairman, I rise in support of the Goodling substitute, yet I fear my few words will have little effect on the argument of today. Minimum wage has now become a concept, irrespective of when it is enacted, how much it costs, who is affected. You're either for or against the maximum figure.

This is the stuff that bad legislation is made from. We are in the mess we are in today because we do not ask ourselves about that dirty word—costs. How much does it cost?

Some say that is not the point—it's the benefit which matters, long overdue in its increase. To a certain extent they are right. The so-called minimum wage which in most cases is a phantom wage, not a real wage, should be increased. The concept has been with us since the days of Franklin Roosevelt. If it is still effective as a guideline, then it should be updated. No question.

But when we do this—the real impact, of course, will not be on the minimum wage earner, but all up and down the scale. When the bottom rung moves, so do all others.

One doesn't have to be too clever to realize that either one of two things happens. People go out the door, or prices move up—in other words, an increase in unemployment or pressure on inflation.

Now that's not catastrophic if handled wisely—and by that I mean in a proper timeframe. We think often of the beneficiaries of this increase, maybe we should also think of those who have to generate the money to pay for it. In this case, the colleges, the schools, the small-to-medium business, the farmers—how do they pay? They want to pay, they understand the need for an increase, but how do they pay?

Well, they do it by having enough time to permit the impact to produce a soft, not a hard, landing—enough time to gradually fold in their costs.

I don't know many people here who have ever been in business—have ever had to meet a payroll—look into the face of a wage increase. You can usually handle it unless of course there's an economic disaster, but it can only be done gradually. The average profit margin of business in this country is less than 5 percent, not a lot to play with.

The Goodling substitute gives that time, permits the job producers to adjust their cost structure to give more to the employees. This is a good bill. It's the only one offered today which makes sense.

May I add one more point? Maybe in our deliberations we should think about the people who want to work and might not be able to, also the people who want to provide more jobs and may not be able to.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Pennsylvania [Mr. GOODLING].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GOODLING. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that we will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their name:

[Roll No. 12]

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clay
Clement
Clinger
Coble
Coelho
Coleman (MO)
Collins
Combest
Conte
Cooper
Costello
Coughlin
Cox
Coyne
Craig
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Grant
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowey (NY)
Lukens, Donald
Machtley
Madigan
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nelson
Nielson
Nowak
Oakar
Oberstar
Olin
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rogers
Rohrabacher
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (MS)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Walsh
Watkins
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wise
Wolf
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

□ 1206

The CHAIRMAN. Four hundred thirteen Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Pennsylvania [Mr. GOODLING] for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair will remind Members that this is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 198, noes 218, not voting 15, as follows:

[Roll No. 13]

AYES—198

Andrews
Archer
Armey
Baker
Ballenger
Barnard
Bartlett
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boucher
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Campbell (CA)
Campbell (CO)
Carr
Chandler
Chapman
Clement
Clinger
Coble
Coleman (MO)
Combest
Cooper
Coughlin
Cox
Craig
Dannemeyer
Darden
DeLay
Derrick
DeWine
Dornan (CA)
Douglas
Dreier
Duncan
Edwards (OK)
Emerson
English
Fawell
Fields
Fish
Flippo
Frenzel
Gallegly
Gallo
Gekas
Gillmor
Gingrich
Goodling
Goss
Gradison
Grandy
Grant
Green
Gunderson
Hall (TX)
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Huckaby
Hunter
Hutto
Inhofe
Ireland
James
Jenkins
Johnson (CT)
Jones (GA)
Kasich
Kolbe
Kyl
Lagomarsino
Lancaster
Laughlin
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lowery (CA)
Lukens, Donald
Machtley
Madigan
Marlenee
Martin (IL)
Martin (NY)
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moorhead
Morrison (WA)
Myers
Nielson
Owens (UT)
Oxley
Packard
Parker
Parris
Pashayan
Patterson
Paxon
Payne (VA)
Penny
Petri
Pickett
Porter
Pursell
Quillen
Ravenel
Ray
Regula
Rhodes
Ritter
Roberts
Rogers
Rohrabacher
Roth
Roukema
Rowland (GA)
Saiki
Sarpalius
Saxton
Schaefer
Schiff
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sisisky
Skeen
Slaughter (VA)
Smith (MS)
Smith (NE)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Stallings
Stangeland
Stearns
Stenholm
Stump
Sundquist
Tallon
Tauke
Tauzin
Thomas (CA)
Thomas (GA)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Weldon
Whittaker
Wolf
Wylie
Young (AK)
Young (FL)

NOES—218

Ackerman
Akaka
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barton
Bates
Beilenson
Bennett
Berman
Bevill
Bilbray
Boehlert
Boggs
Bonior
Borski
Bosco
Boxer
Brennan
Brooks

Brown (CA)	Horton	Payne (NJ)
Bruce	Hoyer	Pease
Bryant	Hubbard	Pelosi
Bustamante	Hughes	Perkins
Cardin	Jacobs	Pickle
Carper	Johnson (SD)	Poshard
Clarke	Johnston	Price
Clay	Jones (NC)	Rahall
Coelho	Jontz	Richardson
Collins	Kanjorski	Ridge
Conte	Kaptur	Rinaldo
Costello	Kastenmeier	Robinson
Coyne	Kennedy	Roe
Crockett	Kennelly	Rose
Davis	Kildee	Rostenkowski
de la Garza	Kleczka	Rowland (CT)
DeFazio	Kolter	Roybal
Dellums	Kostmayer	Russo
Dicks	LaFalce	Sabo
Dingell	Lantos	Sangmeister
Dixon	Leach (IA)	Sawyer
Donnelly	Lehman (CA)	Scheuer
Dorgan (ND)	Lehman (FL)	Schneider
Downey	Leland	Schroeder
Durbin	Levin (MI)	Schumer
Dwyer	Levine (CA)	Sharp
Dymally	Lewis (GA)	Shays
Dyson	Lipinski	Sikorski
Early	Lloyd	Skaggs
Eckart	Lowey (NY)	Skelton
Edwards (CA)	Manton	Slattery
Engel	Markey	Slaughter (NY)
Erdreich	Matsui	Smith (FL)
Espy	Mavroules	Smith (IA)
Evans	McCloskey	Smith (NJ)
Fascell	McDade	Solarz
Fazio	McDermott	Staggers
Feighan	McGrath	Stark
Flake	McHugh	Stokes
Florio	McMillen (MD)	Studds
Foglietta	McNulty	Swift
Foley	Mfume	Synar
Ford (MI)	Miller (CA)	Tanner
Ford (TN)	Mineta	Torres
Frank	Moakley	Torricelli
Frost	Mollohan	Towns
Garcia	Moody	Traficant
Gaydos	Morella	Traxler
Gejdenson	Morrison (CT)	Udall
Gephardt	Mrazek	Unsoeld
Gibbons	Murphy	Vento
Gilman	Murtha	Visclosky
Glickman	Nagle	Volkmer
Gonzalez	Natcher	Walgren
Gordon	Neal (MA)	Watkins
Gray	Neal (NC)	Weiss
Guarini	Nelson	Wheat
Hall (OH)	Nowak	Whitten
Hamilton	Oakar	Williams
Hawkins	Oberstar	Wise
Hayes (IL)	Obey	Wolpe
Hefner	Olin	Wyden
Hertel	Owens (NY)	Yates
Hoagland	Pallone	Yatron
Hochbrueckner	Panetta	

NOT VOTING—15

Alexander	Dickinson	Pepper
Coleman (TX)	Hyde	Rangel
Conyers	Luken, Thomas	Savage
Courter	Martinez	Waxman
Crane	Ortiz	Wilson

The Clerk announced the following pairs:

On this vote:

Mr. Courter for, with Mr. Rangel against.

Mr. Hyde for, with Mr. Waxman against.

Mr. Crane for, with Mr. Thomas A. Luken against.

Mr. Dickinson for, with Mr. Pepper against.

Mr. GUARINI changed his vote from "aye" to "no."

Mr. SENSENBRENNER changed his vote from "no" to "aye."

□ 1418

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MURPHY

Mr. MURPHY. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. MURPHY: Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE, REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Fair Labor Standards Amendments of 1989".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938.

SEC. 2. MINIMUM WAGE INCREASE.

(a) INCREASE.—Paragraph (1) of section 6(a) (29 U.S.C. 206)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $3.35 an hour during the period ending September 30, 1989, not less than $3.85 an hour during the period beginning October 1, 1989, and ending September 30, 1990, not less than $4.25 an hour during the year beginning October 1, 1990, and not less than $4.55 an hour after September 30, 1991;".

(b) ADJUSTMENT.—

(1)(A) Not later than January 1, 1992, the Minimum Wage Review Board shall review current economic data on wages, prices, and other economic indicators and determine the amount by which the minimum wage rate in effect under section 6(a)(1) of the Fair Labor Standards Act of 1938 should be adjusted to reflect the changes in wages and prices since the last adjustment in such rate.

(B) Not later than October 1, 1992, the Minimum Wage Review Board shall transmit to the Congress a recommendation to adjust the minimum wage rate under such section 6(a)(1). The recommendation shall include an estimate of the economic effects of placing such wage rate into effect.

(C) The Minimum Wage Review Board shall conduct the review prescribed by subparagraph (A) during the 90-day period beginning every year after January 1, 1992, and shall make the transmittal described in subparagrah (B) no later than the following October 1.

(2)(A)(i) There is established the "Minimum Wage Review Board" (hereinafter in this paragraph referred to as the "Board"). The Board shall be composed of 5 members initially appointed as follows:

(I) Within 180 days of the date of the enactment of this Act, the President shall appoint one member of the Board.

(II) Within 180 days of the date of the enactment of this Act, the remaining 4 members shall be appointed jointly by the President pro tempore of the Senate upon the recommendation of the majority and minority leader of the Senate and the Speaker of the House of Representatives upon the recommendation of the majority leader and minority leader of the House of Representatives.

(ii) The term of office of a member of the Board is 5 years, except that the member of the Board initially appointed by the President shall be appointed for a term of 5 years and of the remaining 4 members initially appointed—

(I) two shall be appointed for terms of 2 years,

(II) one shall be appointed for a term of 3 years, and

(III) one shall be appointed for a term of 4 years,

as designated by the President pro tempore of the Senate and the Speaker of the House of Representatives at the time of appointment.

(iii) Any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom the individual succeeds. Each member of the Board shall be eligible for reappointment. If at the expiration of a member's term and member is not reappointed, a successor shall be appointed within 90 days by the President, by and with the advice and consent of the Senate.

(iv) Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office.

(v) The Chairperson of the Board shall be selected by members of the Board.

(B)(i) Members of the Board who are not officers or employees of the Federal Government shall each be paid at a rate not to exceed the rate of basic pay payable for GS-18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of services for the Board.

(ii) While away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(C) The Board may prescribe such rules as may be necessary to carry out its duties under paragraph (1). The Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as it deems advisable. Upon request of the Board, the head of any Federal department or agency is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Board to assist it in carrying out its duties under paragraph (2).

(D) The Secretary of Labor shall furnish such professional, technical, and research assistance as required by the Board. The Administrator of General Services shall provide to the Board on a reimbursable basis such administrative support services as the Board may request to carry out its duties under this subsection. The Board may secure directly from any department or agency of the United States such information as the Board may require to carry out its duties under paragraph (2). Upon request of the Board, the head of any such department or agency shall furnish such information to the Board.

(E) The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(F) The Board may appoint an executive director of the Board to perform such duties as the Board may prescribe. With approval

of the Board, the executive director may appoint and fix the pay of such clerical personnel as are necessary for the Board to carry out its duties. The executive director and staff shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter 111 of chapter 53 of such title relating to classification and General Schedule pay rates but at rates not in excess of the annual rate payable for grade GS-18 of the General Schedule under section 5332 of such title. The executive director, with the concurrence of the Board, may obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 45, United States Code.

SEC. 3. CHANGE IN ENTERPRISE TEST.

(a) IN GENERAL.—Subsection (s) of section 3 (29 U.S.C. 203(s)) is amended to read as follows:

"(s)(1) 'Enterprise engaged in commerce or in the production of goods for commerce' means an enterprise that—

"(A)(i) has employees engaged in commerce or in the production of goods for commerce, or that has employees handling, selling, cr otherwise working on goods or materials that have been moved in or produced for commerce by any person; and

"(ii) is an enterprise whose annual gross volume of sales made or business done is not less than $500,000 (exclusive of excise taxes at the retail level that are separately stated);

"(B) is engaged in the operation of a hospital, an institution primarily engaged in the care of the sick, the aged, or the mentally ill or defective who reside on the premises of such institution, a school for mentally or physically handicapped or gifted children, a preschool, elementary or secondary school, or an institution of higher education (regardless of whether or not such hospital, institution, or school is public or private or operated for profit or not for profit); or

"(C) is an activity of a public agency.

"(2) Any establishment that has as its only regular employees the owner thereof or the parent, spouse, child, or other member of the immediate family of such owner shall not be considered to be an enterprise engaged in commerce or in the production of goods for commerce or a part of such an enterprise. The sales of such an establishment shall not be included for the purpose of determining the annual gross volume of sales of any enterprise for the purpose of this subsection.".

(b) PERSERVATION OF COVERAGE.—

(1) IN GENERAL.—Any enterprise that on September 30, 1989, was subject to section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) and that because of the amendment made by subsection (a) is not subject to such section shall—

(A) pay its employees not less than the minimum wage in effect under such section on September 30, 1989;

(B) pay its employees in accordance with section 7 of such Act (29 U.S.C. 207); and

(C) remain subject to sections 6(d), 11, and 12 of such Act (29 U.S.C. 206(d), 211, 212).

(2) VIOLATIONS.—A violation of paragraph (1) shall be considered a violation of section 6, 7, or 12 of the Fair Labor Standards Act of 1938, as the case may be.

(c) CONFORMING AMENDMENTS.—

(1) Section 13(a) (29 U.S.C. 213(a)) is amended by striking out paragraphs (2) and (4).

(2) Section 13(g) (29 U.S.C. 213(g)) is amended—

(A) by striking out "paragraphs (2) and" and inserting in lieu thereof "paragraph"; and

(B) by striking out ", except that" and all that follows in such subsection and inserting in lieu thereof a period.

(d) TECHNICAL AMENDMENTS.—Section 3(r) (20 U.S.C. 203(r)) is amended—

(1) by inserting "(1)" after "(r)";

(2) by striking out ": *Provided*, That, within" and inserting in lieu thereof a period and "Within";

(3) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively;

(4) by striking out "For purposes of this subsection" and inserting in lieu thereof the following: "(2) For purposes of paragraph (1)"; and

(5) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively.

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1989.

SEC. 4. TIP CREDIT.

Effective October 1, 1989, the third sentence of section 3(m) (29 U.S.C. 203(m)) is amended by striking out "in excess of 40 per centum of the applicable minimum wage rate, except that" and inserting in lieu thereof the following: "in excess of 45 percent of the applicable minimum wage rate during the year beginning October 1, 1989, or 50 percent of the applicable minimum wage rate after September 30, 1990, except that".

SEC. 5. APPLICATION OF THE FAIR LABOR STANDARDS ACT OF 1938 TO EMPLOYEES IN THE HOUSE OF REPRESENTATIVES.

(a) IN GENERAL.—The rights and protections under the Fair Labor Standards Act of 1938 (29 U.S.C 201 et seq.) shall apply with respect to any employee in an employment position in the House of Representatives and any employing authority of the House of Representatives.

(b) ADMINISTRATION.—In the administration of this section, the remedies and procedures under the Fair Employment Practices Resolution shall be applied.

(c) DEFINITION.—As used in this section the term "Fair Employment Practices Resolution means House Resolution 558, One Hundredth Congress, agreed to October 3, 1988, as continued in effect by House Resolution 15, One Hundred and First Congress, agreed to January 3, 1989.

SEC. 6. TRAINING WAGE.

(a) IN GENERAL.—

(1) Any employer may, in lieu of the minimum wage prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, pay an eligible employee the wage prescribed by paragraph (2) while such employee is engaged in on-the-job training.

(2) The wage referred to in paragraph (1) is a wage—

(A) of not less than $3.35 an hour during the year beginning October 1, 1989, and

(B) beginning October 1, 1990, of not less than $3.35 an hour or 85 percent of the wage prescribed by section 6(a)(1) of such Act, whichever is greater.

(b) WAGE PERIOD.—An employer may pay an eligible employee the minimum wage authorized by subsection (a) for a period which—

(1) begins on or after October 1, 1989,

(2) does not exceed 60 days beginning on the day the employee begins employment with the employer, and

(3) ends before September 30, 1992.

(c) WAGE CONDITIONS.—No eligible employee may be paid the wage authorized by subsection (a) by an employer if—

(A) any other individual has been laid off by such employer from the position to be filled by such eligible employee or from any substantially equivalent position, or

(B) such employer has terminated the employment of any regular employee or otherwise reduced the number of employees with the intention of filling the vacancy so created by hiring an employee to be paid such wage.

(d) NOTICE.—Each employer shall provide to any eligible employee who is paid the wage authorized by subsection (a) a written notice stating the requirements of this subsection and the remedies provided by subsection (e) for violations of this section. The Secretary shall provide to employers the text of the notice to be provided under this subsection.

(e) ENFORCEMENT.—Any employer who employs an employee in violation of the requirements of this section shall be considered to have violated section 15 of the Fair Labor Standards Act of 1938 and sections 16 and 17 of that Act shall apply with respect to the violation.

(f) DEFINITIONS.—For purposes of this section—

(1) the term "eligibile employee" means with respect to an employer an employee who—

(i) is not employed in agriculture, and

(ii) has not previously worked for such employer or any other employer, and

(2) the term "on-the-job training" means training offered to an individual while employed in productive work that provides knowledge or skills essential to the full and adequate performance of such employment.

(g) REPORT.—The Secretary of Labor shall report to the Congress not later than January 1, 1993, on the effectiveness of the wage authorized by this section. The report shall include—

(A) an analysis of the impact of such wage on employment opportunities for inexperienced workers,

(B) any reduction in employment opportunities for experienced workers resulting from the employment of employees under such wage,

(C) the nature and duration of the training provided under such wage, and

(D) the degree to which employers used the authority to pay such wage.

SEC. 7. PUERTO RICO, VIRGIN ISLANDS, AND AMERICAN SAMOA.

(a) SPECIAL INDUSTRY COMMITTEES.—Section 5 (29 U.S.C. 205) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa";

(2) in the second sentence of subsection (a)—

(A) by striking out "such island or islands" and inserting in lieu thereof "American Samoa"; and

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(3) by striking out subsection (e); and

(4) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(b) MINIMUM WAGE.—Section 6 (29 U.S.C. 206) is amended—

(1) in subsection (a)(3)—

(A) in the first sentence, by striking out all that follows "appoint" through the period at the end of the sentence and inserting in lieu thereof "pursuant to sections 5 and 8."; and

(B) by striking out the second sentence; and (2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

"(c)(1) The rate or rates provided by subsection (a)(1) shall be applicable in the case of any employee in Puerto Rico who is employed by—

"(A) the United States,

"(B) an establishment that is a hotel, motel or restaurant,

"(C) any other retail or service establishment that employs such employee primarily in connection with the preparation or offering of food or beverage for human consumption, either on the premises, or by such services as catering, banquet, box lunch, or curb or counter service, to the public, to employees, or to members or guests of members of clubs, or

"(D) any other industry in which the average hourly wage is greater than or equal to $4.65 an hour.

"(2) In the case of any employee in Puerto Rico who is employed in an industry in which the average hourly wage is not less than $4.00 but not more than $4.64, the minimum wage rate applicable to such employee shall be increased on January 1, 1990, and each January 1 thereafter through January 1, 1994, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on January 1, 1994.

"(3) In the case of an employee in Puerto Rico who is employed in an industry in which the average hourly wage is less than $4.00, except as provided in paragraph (4), the minimum wage rate applicable to such employee shall be increased on January 1, 1990, and each January 1 thereafter through January 1, 1995, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on January 1, 1995.

"(4) In the case of an employee of the Commonwealth of Puerto Rico, or a municipality or other governmental entity of the Commonwealth, in which the average hourly wage is less than $4.00 an hour and who was brought under the coverage of this section pursuant to an amendment made by the Fair Labor Standards Amendments of 1985 (Public Law 99-150), the minimum wage rate applicable to such employee shall be increased on January 1, 1990, and each January 1 thereafter through January 1, 1996, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on January 1, 1996.".

(c) WAGE ORDERS.—Section 8 (29 U.S.C. 208) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(2) by striking out the second sentence of subsection (a);

(3) in the third sentence of subsection (a)—

(A) by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa"; and

(B) by inserting before the period at the end of the sentence ", and who but for section 6(a)(3) would be subject to the minimum wage requirements of section 6(a)(1)";

(4) in the third sentence of subsection (b)—

(A) by striking out "Puerto Rico or in the Virgin Islands" and inserting in lieu thereof "American Samoa";

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa"; and

(C) by striking out "section 6(c)" and inserting in lieu thereof "section 6(a)(3)"; and

(5) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(d) EMPLOYMENT UNDER SPECIAL CERTIFICATES.—Section 14(b) (29 U.S.C. 214(b)) is amended by striking out "(or in" and all that follows through "section 6(c))" each place it appears in paragraphs (1)(A), (2), and (3).

The CHAIRMAN. Pursuant to the rule, the gentleman from Pennsylvania [Mr. MURPHY] will be recognized for 30 minutes and the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. MURPHY] for 30 minutes.

□ 1220

Mr. MURPHY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today to ask my colleagues to support the Murphy-Robinson-Ridge minimum wage substitute.

This proposal represents the hard work of both Democrats and Republicans to produce reasonable legislation to increase the minimum wage. Our compromise has taken into account the concerns of many people including our President and it is a realistic bill that warrants support on both sides of the aisle.

Let me now explain the provisions of our proposal. On the rate of the increase we propose a $1.20 raise over the next 3 years bringing the minimum wage to $4.55 in October 1991.

Many of us would have supported a larger increase and quite frankly the economic statistics are on our side. When asked by the Committee on Education and Labor what the current minimum wage of $3.55 would be today if it was adjusted only to take into account only the inflation rates of the past 8 years, Secretary of Labor Elizabeth Dole answered $4.68. Under our proposal, the minimum wage will never reach this level and our highest rate of $4.55 will not take effect for 3 years.

The proposal also contains language to create a training wage. Our substitute would allow employers to pay new employees $3.35 beginning with the first increase in the minimum wage on October 1, 1989 and after the first year, 85 percent of the prevailing minimum wage. This training period would not exceed 60 days after the new employee's first day, and it would only apply to people without previous employment experience.

Every job has an element of training involved, and I believe this schedule is realistic for the level of expertise most minimum wage jobs demand. Employers are prohibited from laying off or terminating workers in order to fill these jobs with training wage employees, and these provisions would expire on September 30, 1992.

Concerns of the business community regarding increases in the minimum wage are also addressed by various provisions of this proposal which amend the small business exemption and the restaurant employers tip credit. Currently, under the Fair Labor Standards Act [FLSA], retail and service establishments with less than $362,500 in annual gross volume of sales or business done are exempted from the minimum wage provisions of the act. Our substitute sets the exemption ceiling at $500,000 for all businesses, with the exception of hospitals, and other care facilities currently outlined in section 3(s)(5) of the FLSA.

Under the FLSA, employers of tipped employees are now allowed to credit tips as providing 40 percent of the minimum wage. These employers pay 60 percent of the minimum or $2.01 an hour and credit tips received by their employees against the remainder.

Our amendment would increase the tip credit percentage to 45 percent on October 1, 1989, and 50 percent after September 30, 1990. After 1991 the tipped restaurant employee would receive $2.28 an hour in wages with tips making up the other half of the minimum wage.

I believe this substitute honestly and sincerely addresses the concerns so many of us have on the minimum wage. I ask you to support this proposal and help make a difference in the lives of the minimum wage workers who are depending on our good judgment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MURPHY] has consumed 5 minutes.

The gentleman from Pennsylvania [Mr. GOODLING] is recognized for 30 minutes.

Mr. GOODLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I do not want any of the Members to be confused about what it is they are voting on. This is something that was put together, very, very quickly, and it has some real serious flaws.

First of all, let us look at it. We have just heard that it is just slightly more than the Goodling-Penny-Stenholm substitute. Let me say, "That ain't so,

folks." Look at the dates. Look at the dates and see where it kicks in. It does not take them 3 years to get where they are going. They kick in originally in October. So let us not have them tell us there is only a couple of pennies difference. If we look at it, if we do our arithmetic, and if we look at the dates, we discover that just is not so.

Then let us look at this new-hire provision. Who in the world is that? As I would look at it and as I would read it, there is not anybody out there who is a first-time hire. I cannot even read in there that a paper carrier would not be a first-hire when they go to try to get another job. So I do not know who those people would be.

I know one thing: No one is going to use it. No employer is going to use it. As the Department of Labor says, who would enforce it? How could anyone ever enforce it? How could anyone ever do it? There is no way to do it. So let us not be fooled on that.

Let me tell the Members that what someone may want to do in relationship to agriculture and what it says here are two different things. As I read it, we can only read it two ways in relation to agriculture. Either it says that you cannot have a new-hire wage for an agricultural employee—and that means that for every youngster in my district, about the only job that is available in the summer is in agriculture, and he cannot have a job and cannot get paid on a new-hire wage—or you can read it one other way, but there are only the two ways, and the other way you can read it would be that you have worked on a farm for a long time, but you are a new-hire if you try to get any other job. You cannot read it any other way than those two ways.

That may not be what they want, but that is what it says.

So I ask the Members to be very careful about that and also to be very careful about backdoor indexing. And that is what we have. When you have a minimum wage review, that sucker comes up time and time again. So what that is, it is a backdoor indexing, and as I said earlier, if we would include Congressmen in there, then we would really go for it, because then we would not have to vote on that issue and we would not have the problems we had at the beginning of this year.

So I say to the Members that they should look very, very carefully at this substitute. There are also a lot of errors in drafting, and we should look very carefully at those, because this does not do what they want it to do.

Mr. Chairman, let me again say that I do not understand why it is fair to have an exemption for Puerto Rico and why at the same time it is not fair to have the same exemption for any county in this country that has 15 percent or more unemployment. Every State has at least one of those counties. My State has two; they are out in the western part of the State. Some States have 11, and some States have 14. So how can we be fair when we say an exemption is good for one group of people because it is going to destroy their economy and, on the other hand, that it is not good for any other area where there is so much unemployment?

So, Mr. Chairman, I would hope that all the Members would look very, very carefully at this Ridge proposal, because I think this Ridge proposal is badly, badly flawed.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GOODLING] has consumed 5 minutes.

Mr. MURPHY. Mr. Chairman, I yield 4 minutes to a cosponsor of the substitute, the gentleman from Arkansas [Mr. ROBINSON].

□ 1230

Mr. ROBINSON. Mr. Chairman, we have heard all the arguments, and the arguments are not that much different from the past debates we have had on this issue since 1938.

What I would like to do today is share with my colleagues why I support the Murphy-Ridge-Robinson substitute, and it is down to a bottom line with me.

Mr. Chairman, I know we can rationalize in our minds why we should or should not vote for it, and my colleagues you are looking at one Member that could easily say, "Well, they didn't let me back on Ed and Labor, so I'm going to fight the committee, and I'm not going to be for it," and/or I could say, "My campaign chairman is president of Wendy's of Arkansas," and/or "Two of my biggest financial supporters in Arkansas; one is the McDonald's man, and one is the Kentucky Fried Chickenman."

The bottom line with me, Mr. Chairman, is a matter of conscience. Do we want to elevate hundreds of thousands of hard-working Americans up to a decent, livable wage, or do we want to say, "Well, I don't like this part of the Bush-Goodling bill," or, "I don't like this part of the committee bill"?

Here is the bottom line. Here is why we have worked so hard to craft a compromise, and, Mr. Chairman, this is a compromise. It is a compromise in the middle between Bush-Goodling, Penny-Stenholm, all of my friends on one side and my fine former chairman, the gentleman from Califorina [Mr. HAWKINS] and my friends on the Committee on Education and Labor on the other side.

Mr. Chairman, we have reached a compromise. We now have a vehicle that we can take to conference and hopefully finally craft a minimum wage increase that will not benefit us, but will benefit our constituents.

I do not buy the argument that this is going to hurt the economy. In my poor State of Arkansas raising the minimum wage is going to help the economy. These people will have more purchasing power. They will pay more sales taxes and other taxes.

But beyond that, look into your own situation. My wife and I, we have six children and many grandchildren. I have to ask myself if I could feed my family on $3.35 an hour. I cannot even feed my family on $89,500 a year, much less $3.35.

Mr. Chairman, this is not a partisan issue. I urge Republicans and Democrats to please vote their consciences. Let us take this bill into conference. We can work out the problems, my colleagues on the left, not really the left, but on my left, with the training wage. Many of my colleagues on the right over here, which is really not my right, have got some problems with some of the things we have crafted into this compromise, but, my colleagues, in conclusion do what is right for America. Do what is right for your constituents. Vote for the Murphy-Ridge-Robinson substitute.

Mr. GOODLING. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I rise regretfully to oppose passage of this substitute because I do not believe it best serves the economic interests of working people or the proud tradition of Federal fair labor standards.

I do not believe that the best we, in this Congress, can do for the poorest workers in America is to consign them to subpoverty level labor for another 3 years.

I do not believe our message to young people, to men and women we are encouraging to get off welfare, to new workers, should be that their labor is worth less than your coworker. Not for 2 months, not for 2 days. I don't think the victory of passing this legislation is worth the price of sacrificing that time-honored principle.

We have heard a lot in recent days about the mommy track.

Well, a minimum wage of less than $4 an hour in constant dollars puts millions of workers on the poverty track, and keeps them there.

We are told that H.R. 2 is acceptable because most who earn the minimum wage are under the age of 24. At the age of 24, many of these people have been in the job market for 6 or 7 years, or more. They're not kids working for pocket change. They have kids, and families, and they are struggling to survive against tremendous odds.

We are told that in over two-thirds of minimum wage households, the family income is already 180 percent

of the poverty level. That's about $14,000 a year. How beneficent of the Congress to decide that a family already earning $14,000 a year doesn't require more wage protection from its government!

Yes, minimum wage workers are young, they are generally minorities, they often have spouses who work—often at low pay jobs, too. They set tables, empty garbage, work in hospitals and offices. They work part time, often because they can't afford child care to work full time.

They have no job security, no collective bargaining, no grievance procedures.

They usually have no health care or other benefits—unless they are paid for by taxpayers.

They are the last hired and generally, the first fired.

They are precisely the workers who need the protection of this legislation the most.

I have heard that we must approve this substitute in its flawed form because a "good bill" cannot pass, because President Bush threatens to veto even this meager wage level, and because we must do something to show the country we are back at work.

It is not enough to pass a bill, or to show we're busy if the price of that achievement is to sanction the persistent impoverization of millions of American workers.

Is it not enough that these workers take the most unsavory jobs our economic system offers?

Is it not enough that they work, in millions of cases, full time, at back breaking or even demeaning labor, and still live in poverty?

Is it not enough that a large proportion of these workers are minorities and immigrants, struggling to secure the hopeful, first step on the ladder of economic self-sufficiency?

I find it ironic that while raising the minimum wage to less than $4 an hour, in real dollars, by 1992, this bill creates a minimum wage board whose members will be paid over $86,000 a year.

I think this legislation provides us an opportunity to demonstrate what this Congress really stands for when we say we are for the dignity of labor, we are against welfare dependency, we are for encouraging people to become self-supporting and to take jobs.

But that is not what this legislation says.

This legislation asks the poorest workers to be satisfied with the most meager crumbs from the table of American affluence.

The Members of the House should also recognize that a minimum wage worker often remains in or near poverty even if there is another wage earner in the family. That family remains eligible for many Federal programs to provide nutrition, education, housing, health care, and a myriad of other benefits.

Sometimes, it is necessary to draw a line, to forgo the compromise in which each of us participates as legislators. We must have the courage to tell the American people what we are for, and what we are against.

As a former chairman of the Subcommittee on Labor Standards, and coming from a family and a party which has long honored the tradition of honest labor and the dignity of work, this substitute draws that line.

Almost exactly 51 years ago, Franklin Delano Roosevelt sent the Fair Labor Standards Act to Congress and eloquently explained why Government has a legal and moral obligation to establish minimum working conditions.

FDR said:

> Our Nation, so richly endowed with natural resources and with a capable and industrious population, should be able to devise ways and means of insuring to all our able-bodied working men and women a fair day's pay for a fair day's work.
>
> A self-supporting and self-respecting Democracy can plead no justification for the existence of child labor, no economic reason for chiseling workers' wages or stretching workers' hours.

For a half century, the Fair Labor Standards Act has promised American workers a decent wage.

But unfortunately, this substitute does not.

The Fair Labor Standards Act has promised all workers equal protection.

But this substitute does not.

Mr. Chairman, over the past decade, this Government has largely abandoned the poorest workers, by freezing their minimum wage, failing to enforce labor laws, ignoring their health care needs and cutting the safety net Federal programs on which they depend.

This substitute before us would perpetuate the abandonment of poor workers and their families at the very time all our studies tell us they are the most rapidly expanding part of the work force. The need for a compassionate and sound minimum wage, in consort with other initiatives to promote economic self-sufficiency, has never been greater.

This substitute fails to recognize that need, and therefore fails to respond. That is why I will vote no.

Mr. MURPHY. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. RIDGE] who, together with the gentleman from Arkansas [Mr. ROBINSON] has worked tirelessly to bring about a genuine compromise embodied in this amendment.

Mr. RIDGE. Mr. Chairman, on this vote we will determine how many members are truly interested in restoring the minimum wage. On this vote we will determine how many members want to hide behind the "my-way or beltway philosophy of a nonnegotiable $4.25." There are those who have drawn a line in the sand and claim that $4.25 is acceptable, but $4.26 is unacceptable.

□ 1240

In this vote we will determine how many truly want to restore the minimum wage. This is not a final vote. This is the first step in a process.

To my colleagues on my side of the aisle, I say to you that the steps that you are taking in support of this alternative are steps toward the administration's proposal. This is not a debate between $3.35 and $4.65, this is a debate between $4.25 and what has been reduced now with this substitute to $4.55.

If you are truly interested in raising the minimum wage, instead of hiding behind "it's my way or the beltway" approach, then you have to believe that you will find something between $4.25 and $4.55.

To my colleagues on this side of the aisle who say, "Well, that is just not enough," I would say to you, go back and talk to some of your people who are working at or near the minimum wage. They will tell you, "Congressman, I cannot buy additional food or shoes with your good intentions. If I could only get an additional dollar, I would prefer to have it because I really need it, rather than your hope, your wish, your promise of $2."

So those who are truly interested in restoring the minimum wage, those who think we can find a common ground between $4.25 and $4.55 will vote for this substitute.

To my colleagues on this side of the aisle, this is the first time, as I understand, in the history of the debate on the minimum wage where my Democratic colleagues, and it was a major concession, a major accommodation on their part, not only discussed but consented to the inclusion of something called first-time hire. The administration's proposal contains an unnecessary 6-month training wage. So look at this substitute, all of you. My Democratic colleagues for the first time in the history of minimum wages legislation have consented to a subminimum wage. It is an incredible concession for many of them. They realize that it will affect some workers, but the broader picture, the larger public policy goal, is to help those millions who are on minimum wage.

So I say again, those who are truly interested in restoring the minimum wage will not hide behind $4.25, "my way or the beltway" approach, but will find common ground between $4.25 and $4.55. They will take some solace and will consider the significant accommodation that we received on this side of the aisle by the inclusion of the first-time hire wage.

Mr. Chairman, look at the exemptions. The gentleman from Texas I believe mentioned that we did not provide for an agricultural exemption. As I interpret the exemption, even agribusiness of $500,000 or less is included in this particular exemption, so we do provide for a broader small business exemption.

This is again another accommodation moving closer toward the administration's proposal.

So if you are really interested in restoring the minimum wage and restoring the purchasing power of the working poor, if you are interested in doing that and not just hiding behind that nonnegotiable $4.25, then I encourage you to vote for this substitute. Remember, this is not the final vote, it is the first step in the legislative process. The initial steps move us closer to the administration's proposal and I encourage my colleagues to take them with me.

At this point, I would like to elaborate further with written remarks I prepared earlier.

My support of the Murphy-Ridge-Robinson substitute is not without reservation. It is not a perfect substitute. It does not include, for instance, an expansion of the earned income tax credit as proposed by Mr. PETRI which I have supported now for two sessions of Congress.

However, the substitute we are offering does improve the committee bill. It would move the House of Representatives and the Bush administration onto the same playing field in terms of the inclusion of a new hire wage. Certainly, there are differences in the Bush conception of the new hire wage and the one provided in the substitute. Obviously, there remains a significant gap in terms of the length of the new-hire wage and who would qualify. But, the fact remains that, for the first time, the House of Representatives will vote to enable employees to pay inexperienced new workers a subminimum wage starting at $3.35. The concession to the Bush administration is real. And, with this concession, the House will make the first overture toward a compromise that could enact a minimum wage restoration for the first time in 8 years.

The Murphy-Ridge-Robinson substitute goes further. It reduces the difference in the wage level set by the administration and the level approved by the Education and Labor Committee by 10 cents. Once again, a significant gap remains. But, that gap has been narrowed by 25 percent with the reduction from $4.65 to $4.55. If 10 cents is inconsequential, then why doesn't the administration narrow the gap further with a 10-cent increase to $4.35. A difference of 20 cents between parties who agree that an increase has merit, should not be an impossible impediment.

On the small business exemption, the administration got what they wanted—an expanded $500,000 exemption that covers all business enterprises and does not carve out one industry for preferential treatment. This should no longer be a point of contention.

Mr. Chairman, the essence of this debate is do we want to provide millions of poor working Americans a minimum wage increase or do we allow them to fall further into poverty while we get bogged down once again over 20 or 30 cents. The inflation-adjusted minimum wage is the lowest it has been since 1955. This is the longest period without an increase since enactment of the Fair Labor Standards Act of 1938. I joined in this battle because I am not satisfied to be part of the stalemate. On the other hand, I am certainly not satisfied that this substitute breaks the logjam or offers the solution. It does, however, offer progress that could not otherwise have been made. With the substitute, the House can offer cooperation rather than the deadlock that existed 2 days ago. More cooperation will be necessary if we are to succeed—but I ask my colleagues to demonstrate support for cooperation by voting for the Murphy-Ridge-Robinson substitute.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Chairman, if my colleagues are truly committed to helping the minimum wage worker then they should have supported the President's compromise proposal which provides for a fair and reasonable increase with a 6-month training wage, the critical element needed to protect against the loss of hundreds of thousands of jobs. I will save my detailed economic arguments for my revised remarks. On this floor, I will address the politics of minimum wage. I deeply believe that we need to craft and adopt policies that afford all Americans equality of opportunity. We must work together to improve and expand training and education opportunities and face the pressing challenge of improving literacy and skills. That is the only way we will offer a hand and a glimmer of hope to those in the economic darkness. Unilaterally raising the minimum wage without addressing the crying education and training needs of millions of American workers is a flagrant and reprehensible effort designed to mislead the people as to the true challenges facing this Nation. This proposal is not about concern for the millions of minimum wage workers struggling to pay the bills and provide for loved ones. What this is, is the purest form of political greed. It is a blatant attempt to curry political favor from those less fortunate than ourselves. This is an indictment of our Congress. I implore you to put aside the political and greedy pursuit of votes and cease the endless posturing so that we can perform our duties honestly and compassionately and craft and implement policies that will provide for this Nation's needs.

THE STRAIGHT SCOOP ON MINIMUM WAGE

The bottom line: If you raise the minimum wage to $4.65 an hour, you'll lose jobs. Nationwide more than 650,000 Americans will be put out of work as a result of a minimum wage increase. The cost to the State of Florida alone will be almost 36,000 jobs. This is not political rhetoric, this is the consensus of dozens of economists and academic studies. If you raise labor costs, labor utilization goes down. Simply, fewer people have jobs.

Who suffers the most? Those who can least afford it and already suffer the most; teenagers, the least skilled and the disadvantaged bear the brunt of the disemployment. The teenage unemployment rate hovers near 15 percent and the rate of unemployment for black teenagers is a staggering 32.4 percent. Yet, despite these cold, hard facts, many in Congress choose to adopt policies that will intensify the problem.

The crafters of this ill-designed proposal ignore the fact that a unilateral increase in the minimum wage would result in higher inflation and interest rates. Higher prices will affect every American, but it will be particularly damaging to the nonworking poor, the elderly, and others on fixed income. A U.S. Department of Labor study found that the direct cost to consumers of a straight $4.65 minimum wage would be over $12 billion. As a direct consequence, the Federal budget deficit would increase by $2 billion.

President Bush has proposed an excellent alternative. The President's plan would increase the minimum wage to $4.25 an hour, with a 6-month training wage. This well-crafted compromise would prevent the loss of hundreds of thousands of jobs, offset the rise in inflation and interest rates, prevent an additional burden on consumers, and retain the access to opportunity for many, many Americans.

The President brushed aside partisan considerations and put his last, best offer on the table first. There was no political posturing, no grandstanding. Just a compassionate effort to help the American worker.

If my colleagues in the Congress were truly committed to helping the minimum wage worker then they would have supported the President's compromise proposal. But efforts to unilaterally raise the minimum wage were not about hope and help, but rather, about political greed.

Congressional attempts to raise the minimum wage without addressing the crying education and training needs of millions of American workers is a flagrant and reprehensible effort designed to mislead the people as to the true challenges facing our Nation. The proposal is not about concern for the millions of minimum wage workers struggling to pay the bills and provide for their loved ones. This effort has been the purest form of political greed. It is a blatant attempt to curry political favor from those hard working Americans

struggling to make ends meet. It is an indictment of our Congress.

The argument is not minimum wage, the real argument is education, training, and skills. We must craft and adopt policies that afford all Americans equality of opportunity. We must work together to improve and expand training and education opportunities and face the pressing challenge of improving literacy and skills. This is the only way we will offer a hand and a glimmer of hope to those economically less fortunate.

I have implored my colleagues to put aside the political and greedy pursuit of votes and cease the endless posturing so that we can perform our duties honestly and compassionately. If we do not, we will never be able to craft and implement policies that will provide for our Nation's needs, and in the end, all Americans will suffer.

Mr. MURPHY. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MARTINEZ], a member of the committee.

Mr. MARTINEZ. Mr. Chairman, like my colleague from California, I could just as easily oppose the Murphy amendment and H.R. 2 for all the same reasons, but I rise in support of the Murphy amendment. Not because I truly believe that it goes as far as it should go, but because it is apparent to me, and should be to everyone else here, that this is the most our conscience can move us to do. And at least the Murphy amendment deals with the onerous training wage proposal of the administration.

The administration and the industries who want a perpetual minimum wage are in support of this so-called training wage that, by the repeated tests from our colleagues from the other side of the aisle, is really a work ethic training wage. What they constantly insist is that a training wage will make people punctual, give people a work ethic, and teach them a basic skill of some kind. Let me say that my colleagues miss the most important reality of life: Necessity drives the work ethic—and how far it drives it depends on what kind of wage is paid.

Poor people don't need work ethic as much as they need job opportunity at reasonable wages. Over the 8 years since the last minimum wage increase, almost all workers have received some sort of a raise. It's time to set a little better standard for the people who need it the most if we are to become a kinder, gentler America with a million points of light that our dear President speaks of. I urge my colleagues to support the Murphy-Ridge-Robinson substitute amendment and H.R. 2.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. TAUKE].

Mr. TAUKE. Mr. Chairman, I think virtually all of us recognize that if we raise the minimum wage, we are going to reduce the number of job opportunities in the country. The question is, What kind of balance should we achieve? With the proposal that is before us for a $4.55 minimum wage, we are going to lose over 600,000 jobs in this Nation. It seems to me that is an enormously high and cruel price to pay for putting a little more income into the hands of some individuals in this Nation, especially when there is another alternative.

□ 1250

What is so aggravating about this debate is that the majority refuses to look at any other way with dealing with the problem of poverty in this Nation other than raising the minimum wage, even though they know that raising the minimum wage will put over 600,000 Americans out of work. What a shame.

But while they are locked into that position, what is even worse about this legislation is that it attempts to lock us into that position in the future instead of being open to concepts like the earned income tax credit embraced in the plan of the gentleman from Wisconsin [Mr. PETRI], the Family Living Wage Act. Instead, what they are saying is that we want to automatically index the minimum wage every year. They set up a Minimum Wage Review Board, which is a five-member board appointed by the President and has a bureaucracy accompanying it. This board is to review current economic data on wages, prices, and submit to Congress no later than October 1 of each year a recommendation to adjust the minimum wage, and that recommendation is to include economic effects of placing the recommended wage into effect. There is a direct insult to the President, because they do not let him appoint the chairman. They give him one member out of the five. But that is really beside the point.

Mr. Chairman, what is on target here is they are attempting to lock in this method of trying to deal with poverty in the country, a method which forces us to choose between two evils, forces us to choose between low wages on the one hand, or, on the other hand, putting people out of work.

There is a better alternative. We ought not adopt this proposal, because it prevents us from looking at that better alternative.

Mr. MURPHY. Mr. Chairman, I yield 1 minute to the gentleman from Maine [Mr. BRENNAN].

Mr. BRENNAN. Mr. Chairman, it is long past time for Congress to act to increase the minimum wage for millions of Americans.

Concerns have been raised again and again that a minimum wage increase would mean job losses. That same question was raised to me when I was Governor of Maine when we raised our State's minimum wage. We did not lose jobs. In fact, jobs increased. Our State economy grew at three times the national rate. We enjoyed the best economic times in our history. All of this was after we raised the minimum wage.

Even if there was some job loss, there is a larger issue here today, and that is the issue of human dignity. People with minimum wage jobs work hard for a living. Those of us in public life say that there is dignity in work, that the working poor deserve our respect; yet, we are allowing them to be paid less than $7,000 a year, not even enough to pay for the basic necessities of life.

Mr. Chairman, I would like to see a higher minimum wage, but a vote today to increase the minimum wage to $4.55 an hour over 3 years is still a vote for human dignity and much better than no increase at all.

I support the Murphy amendment.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I just want to say to all of the Members who believe that they have the cure-all substitute before them, they are going to vote on something which technically is a very, very bad job.

We ought to have this bill out here under an open rule so we could at least clean up this substitute, because this substitute is technically just horrendous.

For example, by legislating over the lunch hour so they could take something to the Committee on Rules, the committee has managed to leave Puerto Rico at the $4.65 level. What that means is we are going to have Puerto Rico, that has some of the worst poverty problems in the Nation, at a level higher than the $4.55 that we are going to have for the rest of the country, to exacerbate their problem. I mean, that makes no sense, and I think the committee understands it makes no sense, and yet here it is down in the bill, because the bill was drafted poorly.

They have got a problem in here again in the Puerto Rico section of the bill that they have until 1994 to come into compliance when we are supposed to be getting everybody into compliance by 1991. Again, it is a technical error evidently. It has substantive effects, however.

Members ought to be embarrassed to vote for it.

Mr. MURPHY. Mr. Chairman, I yield 1 minute to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Chairman, 8 years have passed since the last increase in the minimum wage. Although the minimum wage has stood still since 1981, the cost of few other things has remained unchanged. Today, a single parent with three children can work 60 hours per week and not reach the poverty level.

Despite this fact, it has not been easy to agree on a new level of the minimum wage that is high enough to fairly compensate a worker, but not so high as to cost an inordinate number of jobs, high enough to encourage people to move off of welfare roles onto payrolls, but not so high as to further diminish the competitiveness of the United States in world markets, high enough to encourage young, inexperienced workers to take their first job, but not so high as to discourage employers from hiring them.

Little wonder that it has taken 8 years to reach a point where compromise is possible. In recent months, however, our differences have narrowed. The debate this week will not focus on whether there should be an increase in the minimum wage, but on the amount of that increase. The debate this week will not focus on whether there should be a training wage, but what form it should take.

I believe the plan offered by Representatives RIDGE, ROBINSON, and MURPHY is a reasonable compromise. It rejects the notion of automatically indexing the minimum wage in future years, instead requiring the Congress to revisit the issue from time to time after 1992 and debate subsequent adjustments on the basis of inflation, levels of unemployment, our economy, and our competitiveness in the world.

The compromise calls for a minimum wage slightly higher than that endorsed by the President, but lower than that recommended by the Education and Labor Committee. This alternative does not establish a 6-month subminimum wage sought by the administration, but does enable us figuratively to try a 60-day training wage on for size for the next 3 years to see how well it works. We will have the chance to find out for ourselves if employers abuse it or to see if youth unemployment is reduced because of it.

Finally, this measure includes necessary and prudent provisions to minimize the practice of churning whereby an unscrupulous employer would hire employees at the subminimum wage for 59 days, fire them, hire others for 59 days, and repeat the process.

I realize the compromise before us does not please everyone. In fact, it fully pleases almost no one. It does represent, however, a good-faith effort to ask concessions from all sides so that this legislative gridlock can be broken and a measure of fairness and equity restored for the lowest paid workers among us.

I urge its adoption.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, a moment ago it was suggested that we have a good-faith attempt to reach common ground. I am reminded that we started at $5.05, $3.35, and I thought $4.25 was common ground, and now we are talking about that that was not enough.

Let me remind this House that we are debating this issue today at a time when the United States of America has become a net debtor nation. The economy as it is today has never been before, and when we talk about all of these worthwhile goals, let me remind us again that we have got a better way of doing it, to those that want to truly do something to help those who cannot help themselves. There is a better way to do it, and it is called the earned income tax credit.

Mr. Chairman, we ought to be debating that today or next month or later this year.

The gentleman from California was absolutely correct in his opposition from his viewpoint, and in my own way, I say he was right, because there is a better way to do it.

There are a lot of things to object to in the Murphy-Ridge committee substitute, if one believes that there is some danger of us going too far and not doing enough in those areas in which we need to be doing more.

The Murphy-Ridge training wage applies only to the first 60 days of lifetime employment, and it sunsets after 3 years. That is not a good-faith effort at training. Call it what it is, that if we are sunsetting it at the end, that is doing 60 days' paperwork.

How many of our constituents write us daily saying there is too much Federal paperwork? Just watch what happens to Members' mailbags if this amendment passes with the increased recordkeeping requirements in order for small businesses and large businesses to document whether they are large or small, and document their work history and prove no intent to churn.

There are a lot of problems that I have got, not the least of which this is a national minimum wage. There are regions of the country that are hurting. There are regions in which $5.05 is the minimum wage. In fact, I live in one of them, Arlington, VA, but at home in the 17th District of Texas, in the oil patch, we have problems, and talk about whether there are 600,000 lost jobs or how many there are, at home in my district, we are going to lose jobs, but in many districts, we have got the problem that we are talking about something in which the wage is already higher.

Realize that this country is a large country, 50 States, before we impose Federal standards.

Mr. MURPHY. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. OWENS], a member of the committee.

□ 1300

Mr. OWENS of New York. Mr. Chairman, because this is the only reasonable alternative available, I may end up voting for this disgraceful compromise. But it will be under protest.

The workers of America, the minimum wage workers are being asked to squeeze out another 10 cents, yield another 10 cents in order to save the economy of America. Lest they believe that the people in Washington who make these decisions have hard hearts, I urge them to watch or go back and check December of last year when $40 billion of the taxpayers' money was given away to the savings and loan associations, and we have not even asked them for full disclosure yet. We do not know where the money really went. In a few weeks $150 billion worth of giveaways will be proposed. So we are very generous here in Washington when you are powerful, when you are in a certain group. But for the workers, we are asking them to bear all on their backs.

We also are creating a new class called new hires. New hires or trainees means peons or serfs or simply slave workers. We are going to have signs up saying "Only new hires need apply." Nobody wants those old hires because they cannot exploit them. The new hires will get all of the jobs because they can be exploited, they can be worked for the cheapest wages.

This is a very dangerous precedent that we are setting. We are sanctioning what many employers have already forced on labor unions, a two-tiered system, a two-tiered system permanently in America.

Mr. GOODLING. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. HENRY].

Mr. HENRY. Mr. Chairman, I must say I am somewhat amused by the previous comment dealing with equal protection under the law for our citizens. The fact of the matter is that it is this substitute which treats American citizens in Puerto Rico differently than it treats American citizens in the continental United States, the 50 United States who face exactly the same threat to their unemployment if the wage rate accelerates too quickly.

The National Council of Black Mayors, which I do not believe is a racist organization committed to slavery or impoverishment of the masses, has called for special training wages, an incentive, and training incentives for people because of the tremendous rates, over 50 percent, of teenage minority unemployment in our cities. Those are the kinds of things we are concerned about in this bill.

This is not a compromise. The gentleman earlier referred to it as an unmanly, or ungainly compromise. I forget how he denegrated it, but he said nonetheless, he may have to go along with the disgraceful compromise.

The wage rate increases more quickly under the so-called compromise than the committee print. It is so plagued with errors that we do not know whether it has a workable agricultural exemption. We do not know whether or not it has workable training provisions. And the majority gave us a rule for the first time in history of the consideration of this legislation, in the history of this bill in this House that does not allow us even to correct the problems they have to admit are there.

Mr. MURPHY. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, this debate really shows the difference between a Democrat and a Republican. The Republicans keep beating their chests and saying they want less government. I have been listening to it for 5 years.

But their policies basically subsidize American industry. One Member even suggested that maybe we should increase vocational education. I sat in my office and that prompted me to come over here, because 2 years ago the Republican Party tried to completely cut out vocational education. They are saying it is going to cost jobs. It is not going to cost jobs. I say today the Republican Party and its policies have been subsidizing American industry with food stamps, welfare, housing vouchers, and the Democrats want to raise the minimum wage.

Workers today are being paid at 1955 wages, and Democrats say that has to be changed. We do not like Republicans subsidizing the American workplace.

You holler free enterprise and holler less government. The Democrats are going to give it to you today.

I support this amendment and I hope we pass a minimum wage bill and President Bush reads our lips.

Mr. GOODLING. Mr. Chairman, I have to yield myself 30 seconds after that tirade just to say that the Republican Party did not, as a matter of fact, want to cut out vocational education. It was the Republicans on the committee who fought to keep it there, as a matter of fact. It was the Republicans on the committee who fought to keep child nutrition.

So do not give us your garbage unless you are sure you know what your facts are.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. No, and I yield myself 30 seconds. I want to make sure that we do not take the paint brush that the press always takes to Members of Congress, and they paint us all the same. So do not do the same I say to my dear colleague from Ohio.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GOODLING] has consumed 1 minute.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I rise in strong opposition to the so-called substitute that is on the floor before us today. It is a substitute that does not substitute anything. It is a gimmick. There is no descernible difference between the main bill, H.R. 2, and the substitute or so-called substitute that is now being offered. It is a change in title only, and not in substance.

First, while the rate appears to be lowered by a dime from $4.65 to $4.55, it does not actually lower the rate, because it changes the effective date from next January to October. Thus the effective date of minimum wage in 1989 would be higher under the Murphy-Ridge bill than under H.R. 2.

For 1990, the Murphy-Ridge-Robinson so-called substitute minimum wage rate would be $3.95, but under Hawkins, H.R. 2, it is $3.85; it is also higher in 1991. So the substitute proposes a higher effective minimum wage than H.R. 2 which is before us today.

Second, if Members enjoy voting on minimum wage on the floor of Congress, get ready, because if this substitute passes they will get to vote on it every October from now on. The substitute provides for a report to Congress on October 1 of each and every year beginning in 1992, so that every October, year in and year out, we would have this same political debate on the floor of the Congress.

Third, the so-called training wage in the substitute would not provide for any training and, indeed, it would not provide for any wages, because it has two restrictions that make it completely unusable. So we would be putting into the heap of history another statute that no one would use. The statute would say that an employer, if he can find and certify that a prospective employee has never held a job before by so much as 1 day of his entire life, then the so-called training wage goes into effect, and then the employer has to develop a plan and a set of Job Training Partnership Act type of regulations to propose and to provide programmatic changes.

These are entry-level jobs or they are supposed to be. They are entry-level jobs in which the training is entry-level training in teaching a new hire how to get that first job and how to keep it.

Vote no on the substitute. It is not a substitute.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GOODLING] has 10 minutes remaining and the gentleman from Pennsylvania [Mr. MURPHY] has 11 minutes remaining.

Mr. MURPHY. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. PERKINS], a member of the committee.

Mr. PERKINS. Mr. Chairman, it is with great trepidation that I support this particular measure. I recall that last year it was my amendment in committee that raised a fourth year and added 40 cents to $5.05 for the minimum wage.

But I tell my colleagues something frankly, the people of America are calling out for some sort of assistance. People who are working need no intentions, they need food, they need help, they need some concern.

This legislation is not going to do what it is intended to do, but it is a start. It is something that has to be done. We have to take a step once again to restore some livability to those who work at the bottom of the heap. Those who work should not be in a worse situation than those on welfare. That is what is happening today. We have got to change that. We have got to put work ethics back into the system. We have got to do that by passing this legislation.

This is anathema to me. I despise what we are doing. But we have got to do something.

Mr. Chairman, I plead with you, let us make a difference for the people of America. Let us make a difference and let us enact this legislation.

Mr. GOODLING. Mr. Chairman, I yield myself as much time as I might consume.

Mr. Chairman, first of all I want to say that we had one compromise that was offered, the only compromise, and that was a compromise because the President of the United States, instead of doing the usual of sending something up and then playing around, said that I am sending you my very best compromise.

Why was it a compromise? It goes more than 50 percent of the way to H.R. 2.

□ 1310

That is why it was a compromise. More than 50 percent of the way.

Now there is no such thing as a Ridge compromise. You know why labor is not excited about the Ridge compromise, you know why the majority is not excited about the Ridge compromise, because it is no different than the committee bill. When you talk about when it is implemented, it is implemented on October 1, 1989, not January 1, 1990. It is implemented the second time on October 1, 1990, not October 1, 1991, and on they go.

So it is no different as far as the amount is concerned.

Then of course labor is not concerned about "For the first time we have a new-hire provision," as was mentioned. There is no such thing in this bill, this Ridge compromise. There is no new-hire provision. Who is it that would get hired under a new-hire pro-

vision? And then there are some other questions, as I said before.

I am not sure, in my district where the only jobs are farm jobs, what this bill does to them. I really do not know that. But you cannot interpret what they say they mean with what is printed there. Then of course we have that back door indexing, back door indexing. You know we are going to pay the people who are going to do that for us $87,000.

Now some of you who are about to retire be sure you get your name in there; that is not bad, $87,000 to back door index.

So I would ask all of my colleagues to look very carefully at this so-called Ridge compromise because it is not a compromise at all. It is worse than the committee bill because it is poorly drafted and it does, basically, the same thing the committee bill does.

Mr. Chairman, I reserve the balance of my time.

Mr. MURPHY. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. COYNE].

Mr. COYNE. Mr. Chairman, I rise in support of the Murphy amendment.

Mr. Chairman, I rise in support of H.R. 2, the Fair Labor Standards Amendments Act. H.R. 2 would increase the minimum wage to $4.65 per hour by 1992. It has been 8 years since the level of the minimum wage was increased and I believe this adjustment is long overdue.

In a country that emphasizes the virtues of economic self-sufficiency, the phrase "working poor" should be a contradiction in terms. Sadly, there are hundreds of thousands of families today whose heads of households work for the minimum wage. Any one of them will tell you that their full-time pay falls far short of the federally established poverty line for a family of four.

When I came to Congress in 1981, the minimum wage was $3.35 an hour. That provides a full-time worker with an annual salary of about $7,000 per year. Because of inflation, the purchasing power of today's minimum wage is the lowest it has been in 33 years. A minimum wage paycheck brought home today buys only two-thirds of what it would have purchased in 1981. The minimum wage would have to increase to $4.45 per hour simply to replace the purchasing power lost to the inflation of the 1980's. In real, inflation-adjusted terms, the minimum wage is only $2.45 an hour.

During their investigation of the best way to conduct welfare reform, members of the Human Resources Subcommittee of the Ways and Means Committee discovered that there is a hidden underclass of people who are working full-time and yet have family incomes below the poverty level. In fact, they found that many families receive significantly higher incomes merely by accepting food stamps and other welfare benefits than they do holding down a full-time job that pays the minimum wage.

No one in Congress needs to be reminded that we need to regain our competitive status in the world marketplace. According to projections of labor economists, the labor force in the United States will increase at an annual rate of 1 percent from now until the year 2000, a rate far below past labor force increases. We will need every worker we have if we are to retain our current level of self-sufficiency in producing goods for Americans. We will need to convince today's children and youth that it is indeed a worthwhile investment to stay in school and to acquire the skills and abilities that will allow them to become productive members of the Nation's labor force.

Yet, at the same time, we are sending them the signal that work is not worth the effort. We tell them to find a job and then we pay them less than it costs to maintain themselves at a poverty level of subsistence. Instead of providing less-skilled workers with wages that allow them to be proud of their ability to support themselves, we have allowed them to engage in an ongoing struggle simply to survive.

The Consumer Price Index has increased 33 percent since 1981.

The cost of food has increased 28 percent since 1981.

The cost of housing has increased 33 percent since 1981.

The cost of clothing has increased 26 percent since 1981.

The cost of medical care has increased 71 percent since 1981.

And the purchasing power of the minimum wage has decreased by 33 percent.

Those who work for the minimum wage are not eligible for Medicaid. They are not eligible for AFDC. Since 1981, the Federal Government has developed a number of programs that are designed to assist the economically and socially disadvantaged to reduce their dependence on welfare benefits and to prepare them to become productive members of the labor force. But, many of those working for the minimum wage are not able to take advantage of those programs.

Opponents of H.R. 2 claim that increasing the minimum wage will increase unemployment. However, the 50-year history of the minimum wage suggests just the opposite. The minimum wage has increased 13 times since 1950, but only once did employment drop after one of those increases. For the most part, when we have raised the minimum wage rate, wages for the lowest earners have gone up, pay levels for those receiving salaries have also risen, and demand for goods and services has increased, generating in turn an increase in economic growth.

Furthermore, we have been told by the Federal Reserve Board that the economy is approaching full employment. Many of us are aware of the shortage of people willing and able to work in the jobs that typically pay minimum wage. Just this week, I noticed that a fast food chain here in Washington, DC, is offering wages of $4.50 per hour in order to attract cashiers, cooks and cleaning personnel. If the market for labor is approaching full employment, increasing the minimum wage may actually help the labor market by attracting new entrants who are otherwise not interested in working at a low pay scale.

Opponents of H.R. 2 will also tell you that increasing the minimum wage will rekindle increases in inflation. However, the best estimate is that the inflation rate will increase by less than 1 percent.

Both of the proposals that are being offered as alternatives to H.R. 2 include a subminimum or "training" wage that will be offered to new hires. The Republican substitute would allow employers to pay a subminimum wage to all new hires for a period of 6 months. The Murphy amendment would limit use of the subminimum wage to the first 60 days of employment of an individual who has no previous experience.

I do not believe that subminimum or training wages serve a useful purpose. If employers genuinely believe that new employees will require a certain amount of on-the-job training before they can perform with the same level of productivity as other employees, then a specific program of on-the-job training should be developed by the employer and approved by the Department of Labor before the employer is authorized to pay less than the standard minimum wage. The Federal Government already provides compensation and inducement for employers to hire individuals with little or no experience. The targeted jobs tax credit subsidizes the cost of hiring the hard-to-employ and is available to all employers. The programs within the Job Training Partnership Act also permit employers to receive subsidization for new employees' wages if the employer provides a legitimate, approved training program. Neither of the proposals being offered as substitute to H.R. 2 guarantee any meaningful training program for new employees. As such, they simply permit employers to underpay those workers who have little or no experience in the work force.

The administration's proposal incorporates the training wage as a bipartisan compromise package. This proposal would make the training wage applicable for 6 months for all new hires—regardless of age and regardless of previous experience. I have seen no justification for this proposal except that it somehow "sacrifices significantly fewer jobs." Even if this is true—and I don't believe it is—it magnifies the competition between workers and greatly enhances the incentives for employers to churn their labor force by hiring workers at the training wage and firing those workers as soon as their training period is up. This outcome is psychologically distressing to the individual, it encourages employers to think in terms of short-run profits instead of long-term productivity, and it may very well end up being expensive for the entire economic system if the hired-then-fired worker claims unemployment compensation each time he or she loses a job.

The Murphy substitute includes a subminimum wage that may be paid to new employees for their first 60 days of employment. The subminimum wage must equal $3.35 or 85 percent of the minimum wage in effect at the time of hire. In addition, the subminimum wage can be paid only to individuals who have no previous work experience. I believe that this amendment creates a subminimum wage that avoids the most egregious problems of providing for a wage lower than the minimum wage. The provision that limits use of the subminimum wage to the first 60 days

of employment has the effect of limiting the period in which a new employee is underpaid relative to his or her fellow workers. Additionally, the provision that limits the use of the subminimum wage to individuals who have no previous experience should help reduce the problems of churning the labor force and keeping workers permanently locked into the subminimum wage level.

While I do not approve of subminimum wages, I believe that the Murphy amendment is constructed to minimize the extent to which a subminimum wage can be abused. Thus, I reluctantly support the Murphy amendment.

H.R. 2 is a sound bill and it is a bill that is badly needed and long overdue. The minimum wage should offer our citizens a reasonable chance to work their way out of poverty. I urge my colleagues to help make the difference between marginal poverty and proud self-sufficiency for millions of Americans. I urge my colleagues to vote in favor of H.R. 2.

Mr. MURPHY. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Chairman, I rise in support of the Murphy amendment.

Mr. Chairman, I strongly support H.R. 2, the Fair Labor Standards Act Amendments of 1989 and the Murphy amendment which calls for the Federal minimum wage to be raised to $4.55 per hour in three increments effective in October 1989, 1990, and 1991. This kind of fair labor standard is exactly what is needed for Americans on the lowest end of our Nation's pay scale.

Historically, the purpose of having a minimum wage was to give workers a step up, an opportunity to earn money to support themselves. But today, because the rate has remained the same since 1981 while prices have continued to increase, the wage is no longer enough to bring most minimum wage workers above the poverty line.

These numbers should drive the point home: Two-thirds of the 600,000 women who maintain families and work at the minimum wage are in poverty. Three-quarters of the black women heading households and working at the minimum wage live in poverty. Minimum wage workers are not only students and first-time employees. Eighty-four percent of minimum wage workers are 18 years old or older. These are heads of households and hard working Americans who want to put in the time and gain the experience in order to avoid public assistance.

But their current wages are not enough to feed themselves and their families, to pay for adequate medical care, to afford quality child care, and so on. We cannot afford to delay any further. We must not enter the 1990's without helping those workers who are trapped by pay rates that were barely sufficient in the 1970's. We must enact an appropriate minimum wage now, and I urge my colleagues to adopt this amendment in the nature of a substitute.

Mr. MURPHY. Mr. Chairman, I yield 4 minutes to the chairman of the Committee on Education and Labor, the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. I thank the gentleman for yielding.

Mr. Chairman, first I would like to pay my respects to those who created the compromise, Mr. RIDGE, Mr. ROBINSON, and Mr. MURPHY. There are those who wonder why I, as sponsor of the original bill at $4.65 without a training wage, would accept the compromise. May I indicate that I did so with enthusiasm. I think this is a good package. I think the training program which some have, in effect, condemned, is an asset. It will prove to be an opportunity for individuals who are truly inexperienced and who have not had previous work experience, to obtain training. I think that is an asset.

I represent a district which certainly is as poor as most other poor districts throughout America. It contains as many minority groups as other poor districts. I am confident that my constituents, even if they started at the bottom, would appreciate the opportunity to have the mechanism in place that would help them to elevate themselves to human dignity.

I think the compromise does that in many ways. I think it is a good training provision. The language comes from the Job Training Partnership Act, and those who oppose the substitute number among many of those who deny to the Job Training Partnership Act and to the other work and training programs the amount of funding that we need.

It is strange that they would oppose this.

May I inform my distinguished colleague, the ranking minority member of the committee who has said, I think several times, that there is a provision for back door indexing, I think he refers to the review board which is included in the act. This review board is purely advisory. If they recommend an increase, that increase would be submitted to this body and to the other body as well, as a recommendation. It would not be automatic.

So there is no such thing as indexing in the compromise.

This bill started out a year or so ago and at that time it was $4.65. It did not have tip credit, it did not have the business exemption. Those matters have been added over a period of time. I think that we are faced with the idea that it has been purely necessary, expedient all along the way, as usual, to effect a compromise.

There are those on the right who would object to this or to any standard whatsoever. They do not want a bill. Unfortunately, there are some who are too liberal to look at this bill in its wide perspective.

I can only say that unfortunately there are a lot of liberals who are short distance runners, they are good for 40 or 50 yards and then they peter out, they do not have the stamina to reach out and to try to effect programs and solutions to problems that will help people.

This compromise is not what I wanted, it is far from it, as I have indicated, but I think it is the best that we can get.

I think that we should keep in mind there is another body, and there is a President down at the other end of the avenue who must eventually get this bill. Let us move it along. Let us have the opportunity to perfect a bill in its best and purest sense.

Let us make progress today. Let us not stand in the way of moving along in behalf of the best interests of the greatest number of Americans.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, just before we vote on this so-called compromise I want to once again remind my colleagues that there is no compromise here; that indeed there is a substitute in title but not in substance.

Indeed there is a compromise that is on the table that was proposed by President Bush about a month ago that was earlier offered by Mr. GOODLING, Mr. STENHOLM, and Mr. PENNY. And the clearest way for those of you who want to increase the minimum wage, the clearest way to increase the minimum wage, would be to defeat the so-called substitute on the floor right now and then to defeat the main bill and then have the committee bring back the only compromise that is worthy of its name.

Mr. PETRI. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Wisconsin.

Mr. PETRI. I thank the gentleman for yielding.

Mr. Chairman, I wonder if the gentleman could explain again, so that people who are here with us can understand very clearly why this is not a compromise. I thought this provides for $4.55 whereas the bill provides for $4.65. That sounds like it is 10 cents less.

Mr. BARTLETT. The gentleman is correct. It sounds like it is a total of 10 cents an hour less, but in fact because it is put into effect 3 months earlier, the effective annual wage in 1989, 1990, and 1991, the effective wage would be higher under the Murphy, so-called, substitute, than it is under the main bill.

Mr. PETRI. More than $4.65 in effect at this stage of the legislation?

Mr. BARTLETT. That is correct. The bill before us, H.R. 2, has as its minimum wage in 1989, $3.35; in 1990, $3.85; and in 1991, $4.25; 1992, $4.65. But the so-called substitute before us increases that much more rapidly. So for the next 3 years the minimum wage would be higher under the

Murphy substitute than it is under H.R. 2.

Mr. PETRI. Now the President and a lot of people who have looked at this area said what we should have is some kind of a training wage that is below the minimum wage for people while they are training, while they are learning the job and are acquiring skills, so that they have job opportunities.

Does this not provide that training wage?

Mr. BARTLETT. This substitute provides, the so-called Murphy-Ridge-Robinson substitute provides a section that is titled "Training Wage."

□ 1320

But it is not a training wage because it cannot be used. It cannot be used because the only person who can be eligible for it is someone the employer can certify has never held a job, not by so much as 1 day. An employer would be unable to find such a person and would be reluctant to put someone on a training wage on that kind of a basis. That is too narrow a field.

I yield to the gentleman from Wisconsin.

Mr. PETRI. Mr. Chairman, in effect it is similar to different training wage provisions that are currently in the law that employers are not even aware of.

Mr. BARTLETT. Mr. Chairman, the gentleman is correct. There are a multiple number of training wages or subminimum wages currently in law that no one knows about that are not used because they are so complicated. This so-called training wage would simply provide for more printer's ink to print more words on pages and statutes but with no effect in the real world.

Under the Murphy so-called training wage no one would earn any wages.

Mr. MURPHY. Mr. Chairman, I include the following report from the Congressional Budget Office, dated March 17, 1989, to clarify any misunderstanding on the job loss allegations that have been made:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 17, 1989.

Hon. AUGUSTUS F. HAWKINS,
Chairman, Committee on Education and Labor, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This letter responds to your recent request for information about the impact of H.R. 2 on the economy. H.R. 2 would increase the minimum wage from $3.35 per hour currently to $3.85 per hour on January 1, 1990, $4.25 on January 1, 1991, and $4.65 after December 31, 1991.

CBO estimates that H.R. 2 would cause a loss of approximately 125,000 to 250,000 jobs by 1992. Our best judgment is that the job loss will probably fall near the lower end of that range. While H.R. 2 will result in some employment loss, the aggregate earnings of low-wage workers would rise because the additional amount of earnings received by those who would be paid the higher minimum wage would exceed the wages lost through lower employment. With respect to inflation, CBO estimates that the higher minimum wage levels called for in H.R. 2 would increase the rate of inflation during the phase-in period by about 0.1 to 0.3 percentage points per year.

It is important to recognize that the impacts of changes in the minimum wage will be affected by how the Federal Reserve would factor an increase in the minimum wage into its monetary policy decisions. In the current environment, in which the Federal Reserve is emphasizing the goal of controlling inflation, monetary policy could offset much of the inflationary impact of raising the minimum wage, though doing so would cause more jobs to be lost.

The impacts cited in this letter are smaller than those cited in the analysis of H.R. 1834, which we completed last year. CBO's estimates for that bill were a loss of 250,000 to 500,000 jobs by 1992, and an increase in the inflation rate of 0.2 to 0.3 percentage points per year during the phase-in period. The reason for these larger estimates of job loss and inflation is that H.R. 1834 would have begun raising the minimum wage one year sooner, and called for a higher minimum wage in 1992 ($5.05).

These estimates reflect the most recent data available to CBO, including in particular the declining number of teenagers, who most studies agree are likely to be most affected by changes in the minimum wage. We have also taken note of the fact that several states have higher minimum wage rates than the current federal minimum wage. This reduces the number of workers who are affected by any change in the federal minimum. The effect of these factors is to lower the estimates of both the employment and the inflation impact of increasing the federal minimum wage. Both of these factors were also reflected in recent CBO estimates of the effects of other minimum wage proposals—specifically, H.R. 1834 and S. 837 in the last Congress.

H.R. 2 would expand the dollar exemption for small businesses and increase the tip credit. Each of these provisions would reduce the number of workers directly affected by an increase in the minimum wage, and would act to lower the impact of the rise in the minimum wage on inflation and employment. Data available to CBO do not, however, permit an estimate of the likely effect of these provisions. Another provision of H.R. 2, which would extend minimum wage coverage to Congressional employees, was not included in the analysis; it would have insignificant effects on economy-wide employment and inflation.

Increasing the minimum wage would increase aggregate incomes of low-wage workers. These higher incomes would, however, probably not stimulate the economy enough to offset the estimated reductions of employment among teenagers contained in our estimates. The higher incomes of low-wage workers would generally be paid out of some combination of higher prices and lower profits, with no increase in aggregate real incomes in the economy. Indeed, as I noted earlier, real incomes could actually decline if the Federal Reserve tightens monetary policy in order to offset the small inflation increase that results from raising the minimum wage.

An increase in the minimum wage could increase individual income and payroll tax revenues and could affect federal expenditures on welfare and other income-tested programs. There are likely to be offsetting effects, however, that keep these changes from constituting a significant impact on the budget. For example, the increase in personal income and payroll tax revenues that would result from the higher incomes of workers whose pay was raised by the new minimum wage would be partially offset by a reduction in taxes paid by those workers who would be employed at the lower minimum wage but not at the higher one. Further, to the extent that employers are unable to pass on the increase in compensation in product prices, income taxes from corporations and other business would be reduced.

An increase in the minimum wage would also have an effect on outlays for means-tested programs. Welfare expenditures would fall for those low-wage households that experience earnings increases as a result of the high minimum wage. But welfare expenditures would increase for those low-income households for which an increase in the minimum wage results in reduced employment and earnings. CBO's judgment is that the net effect on federal spending would be small. Unfortunately, the data required to estimate these effects are not available. It should also be noted that the loss of employment would probably increase unemployment compensation expenditures. But considering the work histories of those likely to be affected, this impact may also be small. Finally, the response of the Federal Reserve could alter these savings and costs substantially.

A brief technical description of the method used to generate our estimates is attached. If you wish to discuss the content of this letter in greater detail, please call me or have your staff contact George Iden (226-2759).

Sincerely,

ROBERT D. REISCHAUER,
Director.

DETAILS OF CBO'S ESTIMATE OF THE ECONOMIC IMPACT OF H.R. 2

H.R. 2 would increase the federal minimum wage in three steps from its current level of $3.35. The new levels would be $3.85 per hour on January 1, 1990, $4.25 on January 1, 1991, and $4.65 after December 31, 1991. The Congressional Budget Office (CBO) estimates that H.R. 2 would cause a loss of approximately 125,000 to 250,000 jobs by 1992, with the most likely estimate falling toward the the lower end of that range. The aggregate earnings of low-wage workers would raise despite this estimated job loss, since the additional earnings received by those who would be paid higher wages would exceed the wages lost through lower employment.

CBO's estimated effects on employment are based on the findings and methodologies of recent studies that have examined the economic impact of the minimum wage. These studies have stressed that a good deal of uncertainty surrounds the estimates.

STUDIES OF THE IMPACT ON EMPLOYMENT OF AN INCREASE IN THE MINIMUM WAGE

Most of these studies have used econometric techniques to measure how employment would respond to changes in the ratio of the minimum wage to average hourly wages or to some other measure of general wage levels. For the most part, responses in employment have been found only for teenage workers and, to a lesser extent, for young adults ages 20 to 24. Overall, the view emerges that a 10 percent increase in the minimum wage would cause about a 1 percent to 2 percent decline in teenage employment. The most recent studies have con-

cluded that increases in the minimum wage would have a smaller impact than was the case in the 1960s and 1970s. (The particular studies, by Allison J. Wellington and Charles Brown, are listed below.) There is less agreement about the effects on young adults, but the impact is believed to be considerably smaller. The few estimates that exist on the impact on adults (those over age 24) suggest that there is little or no measureable net effect.

There are several reasons that the loss of jobs from an increase in the minimum wage may be smaller in the current economic and demographic environment than during the period between the mid-1950s and the mid-1970s. One reason is that the number of jobs lost as a result of a given change in the minimum wage should be lower than it would have been in earlier years even if the percentage response of teenage employment to changes in the minimum wage were the same as in earlier years. This effect is simply the result of there being fewer teenage workers now than before: in 1978 and 1979, for example, there were 9.6 million teenagers in the labor force, but recently the level has been approximately 8 million. The number of teenagers is expected to decline further in the next few years.

In addition, it seems likely that the percentage change in teenage employment brought about by a rise in the minimum wage will be less in future years than would have been true in the recent past. The change will be smaller because, with fewer teenagers, their unemployment rate is likely to be lower than in recent years. As a result, market forces may increase teenagers' wages, so that fewer of them would be affected directly by changes in the minimum wage.

Another factor that reduces the impact of changes in the minimum wage on employment has to do with the current low level of that wage relative to average wages. When the minimum wage remains fixed over a period in which most other wages are rising, changes in the minimum wage affect a smaller and smaller share of employed workers. In 1981, 15 percent of workers paid by the hour earned the minimum wage or less; by 1988, this fraction had dropped to 6.5 percent. A related factor is that 12 states and the District of Columbia now have state minimum wages above the federal minimum wage. These states account for about 27 percent of total payroll employment. Because they tend not to be low-wage states, however, they probably account for a smaller proportion of workers affected by the federal minimum wage.

CBO'S ESTIMATES OF THE IMPACT ON EMPLOYMENT

The method CBO used in construcing its estimates of the impact of H.R. 2 on employment is as follows. First, we used the Bureau of Labor Statistics' "moderate" set of labor force projections to obtain figures on the number of teenagers and young adults who would be in the labor force in future years. Employment estimates for these groups were then derived by assuming that unemployment rates for teenagers and young adults will be the same in future years as they were in 1988.

Second, based on the literature discussed above, we assumed that a 10 percent increase in the ratio of the minimum wage to the average wage would cause a 1 percent to 2 percent decline in teenage employment and a 0.25 percent to 0.5 percent decline in the employment of young adults. Third, we calculated the percentage change that H.R. 2 would bring about in the ratio of the minimum wage to the average wage between 1988 and 1992. In 1988, the ratio as about 0.36 percent. Using CBO's medium-term economic projection of growth in the average wage, we estimated that the ratio would be about 0.41 percent in 1992 after full implementation of H.R. 2. Thus, the increase in the ratio would be about 13 percent.

Although the ratio of the minimum wage to the average wage is likely to continue declining between now and 1992, this decline does not increase CBO's estimate for two reasons. First, the minimum wage is already so far below average wages that further declines in the minimum wage relative to average wages are likely to have relatively small effects on employment. In addition, to the extent that further declines in this ratio would affect the subsequent impact of raising the minimum wage, the use of 1988 as a base year would offset some of the factors that CBO was not able to take into account explicitly. Thus, CBO's estimate of the loss of jobs associated with H.R. 2—like previous CBO estimates of the job losses associated with H.R. 1834 and S. 837 proposed in the last Congress—approximates these effects by using the 1988 minimum-to-average-wage ratio as a base.

The fourth and final step was to multiply the response coefficients by the proportionate increase in the minimum-wage-to-average-wage ratio (0.13), and then to multiply this product by the estimated numbers of employed youth in 1992. (Calculations for teenagers and young adults were done separately.) This calculation yields CBO's estimate of an employment decline of 125,000 to 250,000 jobs.

CBO'S ESTIMATES OF THE IMPACT ON INFLATION

CBO estimates that H.R. 2 would increase inflation by about 0.1 to 0.3 percentage point a year during the phase-in period. Our estimates of the impact of the minimum wage on inflation are primarily based on simulations by CBO and several other authors, using econometric models. Although past studies provide a wide range of estimates, recent studies used by CBO have provided similar estimates of the inflationary impact of raising the minimum wage. CBO does not place heavy emphasis on the results of studies from the mid-1970s, since considerable evidence exists that the effect on inflation of raising the minimum wage has declined significantly over time. Robert Gordon of Northwestern University found that both the impact and significance of raising the minimum wage declined sharply when comparing data during the 1954-1966 period against data during the 1967-1984 period. Professor F. Gerard Adams of the University of Pennsylvania has argued that the impacts of the minimum wage on both inflation and employment have become smaller in the 1980s (see the attached references).

It is important to recognize that the impact of changes in the minimum wage would be affected by how the Federal Reserve would factor an increase in the minimum wage into its decisions on monetary policy. Because the Federal Reserve is emphasizing the goal of controlling inflation, monetary policy could offset much of the inflationary impact of raising the minimum wage; on the other hand, that would cause more jobs to be lost.

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Charles Brown, "Minimum Wage Laws: Are They Overrated?" *Journal of Economic Perspectives* (Summer 1988), pp. 133-145.

Robert J. Gordon, "Understanding Inflation in the 1980s," *Brookings Papers on Economic Activity*, vol. 1 (1985), pp. 263-299.

Alison J. Wellington, "Effects of the Minimum Wage on the Employment Status of Youths: An Update," University of Michigan (January 1989).

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Chairman, I rise in opposition to the Ridge substitute.

I am one of the very small number of Republicans that voted against the Goodling substitute because I believe that there is no substitute to increase this minimum wage from the current $3.35 per hour. I think we begin to get into a debate about how pregnant you want to be, half pregnant or totally pregnant; $3.35 is an adequate minimum wage if we are serious about maintaining our competitiveness in the world economy. We do not need to be increasing wages, increasing minimum wages, rather we need to be creating jobs.

I would like to speak about the Ridge substitute and this training wage proposal that is in it. As we all know, it does have a 60-day training wage. I think the first problem is going to be how to determine what a first job is. Is a first job defined if a person has been working around his home and has been mowing the yard or helping parents with the housework for 5 to 10 years? Is that a first job? What if a person helps out at Christmastime? Is that a first job? Who is going to enforce that? How are we going to enforce it? Are we going to put another burden on our small businessmen and business women around the country? I think it will just be a recordkeeping nightmare. Sixty days. What about the 60-day period? In reality, it is really a permanent job, it is very difficult to train a person adequately in that 60-day period. We need a longer time period than 60 days.

Then there is a problem as I understand it, the Ridge substitute has a sunset provision in effect from October 1, 1989, till September 30, 1992. That is really not an adequate amount of time to give it a true test. So I ask we vote against the substitute.

Mr. MURPHY. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Chairman, I would like to take this opportunity to briefly express my support for the Murphy amendment to H.R. 2, the Fair Labor Standards Act Amendments of 1989.

I would like to thank Mr. MURPHY and all the Members who have been involved in reaching what I believe is a

sensible compromise on the minimum wage issue.

This amendment represents an effort to balance the interests of the small business community and at the same time address the urgent needs of the working poor.

An increase in the minimum wage is timely and necessary. It is important to point out that today, the minimum wage is the same as it was in 1981—$3.35 per hour.

Since 1981, the purchasing power of the minimum wage has decreased by more than 30 percent. Had the minimum wage kept pace with inflation since 1981, it would now stand at about $4.57 per hour.

Critics of the dollar figure in this amendment should note that if adopted, the final increment to the minimum wage to take place in 1991—2 years from now, putting the minimum wage at $4.55 per hour, would still not match the inflationary adjustment for this year.

I am pleased that this amendment provides that small businesses which sell less than a half a million dollars in goods or services will be exempt.

This amendment increases the tip credit from its current level of 40 to 50 percent. This will also alleviate some of the concerns small restaurants have with the minimum wage.

All these provisions reflect a compromise. While I support the Murphy amendment, I want to see the first hire training wage provisions modified. I see the potential for many administrative problems enforcing this provision. I am hopeful this provision will be modified before final passage.

Mr. GOODLING. Mr. Chairman, I include the following explanation by the Department of Labor of job loss in total, because it has been misused.

ESTIMATING THE ECONOMIC EFFECTS OF MINIMUM WAGE INCREASES COMBINED WITH A TRAINING WAGE, AN INCREASED TIP CREDIT AND AN INCREASE IN THE SMALL BUSINESS EXEMPTION

I. BACKGROUND

An increase in the overall minimum wage is likely to result in job losses, primarily for teenagers and young adults.

The best available empirical evidence on the extent to which increases in the minimum wage reduce job opportunities suggests, on a conservative basis, that every 10 percent increase in the minumum wage is likely to result in job losses of between 102,000 and 238,000 jobs, or a mid-point estimate of about 170,000 jobs, with the job loss concentrated almost entirely on youth aged 16-24 (Brown, 1982).

Although the empirical evidence suggests that a 10 percent increase in the minimum wage could result in teen job losses ranging from less than 1 percent to 5 percent of overall teen employment, the strongest evidence suggests that the true range is likely to be 1 to 3 percent; applying the mid-point of this range to average teen employment in 1988 of 6.8 million yields potential job losses of 136,000 for every 10 percent increase in the minimum wage (Employment and Earnings, 1989).

Similarly, the empirical evidence suggests that a 10 percent increase in the minimum wage could result in job losses for youth aged 20-24 of 0.26 percent to 0.74 percent of overall employment of these youth; given that the data are much less conclusive than that for teens, we choose to use the lower end of this range, which applied to average employment in 1988 of 13.2 million for such youth yields potential job losses of 34,000.

Applying these conservative estimates to the minimum wage increases proposed by the Administration, to $4.25, and by the Senate (S.4), to $4.65, at current employment levels, yields the following levels of approximate job losses:

Hypothetical Minimum Wage	*Total Job Losses (1,000)*
$4.25	450
$4.65	650

ESTIMATING JOB LOSS OFFSETS

The issue addressed in this paper is whether and by how much these potential job opportunity losses are offset by the provisions that are incorporated in the Administration's proposal for a minimum wage increase to $4.25, specifically a training wage, an increase in the tip credit from 40% to 50% and an increase in the threshold for the definition of enterprises in retail and services and in all other industries to $500,000.

In considering the potential offsetting effects of these provisions, it is essential to consider what is known about how employers respond to a minimum wage increase; according to a 1980 survey of employers, the following adjustments are made in the year following a minimum wage increase (MWSC, 1981):

Nearly all jobs affected by a minimum wage increase are paid at or near the minimum wage, primarily held by young workers;

Only a small proportion of minimum wage jobs are initially affected by an increase, through a 5 percent reduction in full-time equivalent workers earning the minimum at the time the increase went into effect and an additional 5 percent reduction through a reduction in proposed additions to the work force.

Many employers raised prices in response to the minimum wage increase and almost two-thirds of them raised prices sufficiently to cover increased costs.

Thus, most minimum wage workers retain their jobs immediately after an increase in the minimum wage, largely through taking on additional responsibilities in the job; some part of these workers, however, presumably lose their jobs over time as the market adjusts to higher prices.

One relevant point is that a minimum wage increase does not eliminate most jobs at the old minimum wage; some employers adjust by assigning expanded responsibilities to those minimum wage workers who remain employed, while most employers adjust by raising prices to cover increased costs.

Further, it is clear that minimum wage increases have the greatest impact on youth employed at the minimum wage.

Thus, provisions that might offset job losses due to minimum wage increase are likely to have their greatest impact to the extent that they affect youth minimum wage jobs industries with relatively elastic product demand, where it is difficult to raise prices to cover increased costs and the adjustment to higher labor costs has to be in the form of reduced employment.

For example, an offset provision (e.g. training wage) that affected one-fourth of all low-wage jobs would have a much smaller impact with respect to offsetting job losses if the jobs affected by the training wage generally were all in industries facing inelastic product demands, simply because the job losses would be concentrated in other industries not primarily affected by the training wage.

Based on existing data, however, it is virtually impossible to assess the extent to which such provisions offsetting job losses are likely to affect jobs in industries with relatively elastic product demand, as opposed to industries with relatively inelastic product demand; further, the employment elasticities of different industries, reflecting the change in employment to an increase in labor costs, are not known.

The only feasible way of proceeding is to assume that the overall employment elasticity of low-wage youth employment to a change in the minimum wage remains unchanged by the implementation of provisions likely to offset job losses; that is, the jobs affected by the offset provisions face the same composition of product demand elasticities as do those jobs unaffected by the provisions.

The estimated job loss of 450,000 from a base of 2.3 million employed youth in 1988 means a job loss of nearly 20 percent that is produced by a 27 percent increase in the minimum wage, thereby implying an overall employment elasticity of roughly −0.72. Assuming that an offset provision prevented this increase from taking place for 40 percent of the jobs and that the employment elasticity remains at −0.72 for the unaffected jobs, than the reduced job losses would total about 20 percent of the reduced total of jobs (0.6 x 2.3 million) 1.38 million or about 60 percent of those job losses that would have occurred without the offset provision.

Therefore, the estimates of jobs saved by different offset provisions, presented below, are based on the proportion of low-wage youth employment that are affected by these provisions, as applied to the total job losses that would occur at the $4.25 minimum wage without any offset provisions.

II. ECONOMIC EFFECTS OF A TRAINING WAGE

The Administration has proposed a training wage for all new hires that would allow employers to hire any worker at a wage equal to 80% of the regular minimum wage, but no less than $3.35 per hour, for the first six months on the job.

The objective of the training wage would be to induce creation of jobs at the normal minimum wage that involve greater OJT training opportunities, particularly for youth.

The training wage would be accompanied by a prohibition against discharging a worker for the sole purpose of hiring a worker at the training wage; violation of this prohibition would make the employer subject to the normal penalties for FLSA violations.

These penalties would be aimed at preventing employer abuse of the training wage in the form of employers attempting to create indefinite, permanent jobs at the training wage level through the deliberate discharge of training wage employees.

Assuming effectiveness of the displacement provision, the training wage would not be treated as permanent reduction in wage costs by many employers and therefore, for these employers, would not mitigate job

losses induced by an increase in the minimum wage; the exceptions to this general statement would be seasonal employment and high turnover positions.

For seasonal employment lasting less than 6 months, the training wage clearly would be treated by many employers as a permanent reduction in labor costs and therefore would partially mitigate job losses due to an increased minimum wage.

Similarly, some proportion of employers creating or retaining year-round jobs would recognize the potential of the training wage to permanently reduce wages in those jobs were workers normally leave within a six-month period.

With respect to seasonal employment, the number of youth (16-24) employed at on below the minimum wage rose by 0.8 million between April and July 1987 to 3.2 million; given that summer employment generally last for three months or less, these 800,000 summer jobs may equate to about 150,000 year-round jobs or about 6 percent of total youth employment in 1987, in terms of average annual employment (CPS, 1987).

With respect to high turnover jobs, we know that 58% of teens and 46% of youth aged 20-24, employed at or below the minimum wage in January 1987, had been employed 6 months or less with their current employer; assuming that about two-thirds of these ratios approximate turnover within 6 months for youth employed at or below the minimum wage, this would imply that some 35% of youth jobs at or below the minimum are high turnover (CPS, 1987).

These two effects are generally additive, given that the estimate for high turnover jobs is derived from January employment data.

Thus, the combination of seasonal jobs and high turnover jobs may account for as much as two-fifths of low-wage youth employment; it is reasonable to assume, therefore, that a training wage set at 80% of the minimum wage would lower labor costs by 30% for 40% of the youth low-wage job opportunities that would otherwise be lost due to an increase in the minimum wage.

At a $4.25 minimum wage, the training wage would equal $3.40 or only $0.05 higher than the current minimum, so that there would be virtually no increase in the current minimum wage (only 6% of $0.90 increase imposed on other jobs) for those youth jobs in the summer and those with high turnover; at higher levels of minimum wages, the 80% training wage would represent more significant increases in the minimum wage for these jobs but not the entire increase in the minimum wage.

The application of the training wage alone therefore would reduce job opportunity losses due to an increase in the minimum wage by the following amounts: (1) 37.5 percent at the $4.25 level (0.40 x 0.94), when the training wage would equal $3.40 or virtually the current minimum wage; and (2) about 29% at the $4.65 level (0.40 X .72), when the training wage would equal $3.72.

Thus, the provision of a six month training wage alone would save about 169,000 jobs at the $4.25 minimum wage proposed by the Administration.

III. ECONOMIC EFFECTS OF AN INCREASED TIP CREDIT

The Administration has proposed an increase in the Tip Credit from 40% to 50% which would reduce the effective wage that employers would otherwise have to pay as a result of an increase in the minimum wage to $4.25, as shown below:

Minimum wage	Effective wage at 40 percent	Effective wage at 50 percent
3.35	2.01	
4.25	2.55	2.125

With an increase in the minimum to $4.25, the increase in the tip credit from 40% to 50% would reduce the effective increase in wages for tipped jobs by some 80% (an increase of 11 cents as opposed to 54 cents);

The extent to which a reduction in effective wage rates for tipped jobs reduces potential job opportunity losses depends on the proportion of tipped jobs in the overall number of jobs that are lost as a result of a general increase in the minimum wage; this can be estimated by the number of tipped jobs held by youth as a proportion of total youth employment at or below minimum wage.

Data on jobs at or below the minimum wage indicate that in March 1987 youth aged 16-24 held 610,000 jobs at or below the minimum wage in occupations that normally receive tips (CPS, 1987).

Not all of these jobs would be affected by the change in the tip credit because the Federal tip Credit is reduced or eliminated by State laws in 11 States which account for about 17% of total U.S. employment (Kalet, 1987).

Thus, tipped jobs held by youth that are affected by the tip credit (514,600) accounted for 18% of all jobs held by youth at the time (2.8 million) that paid at or below the minimum wage.

At the $4.25 level, the increase in the tip credit from 40% to 50% would mitigate the loss in tipped jobs by 80%; applying this proportion to the proportion of affected tipped jobs in overall low-wage youth employment yields the proportion of job loss offset due to the tip credit alone.

Thus, at the $.25 level, job opportunity losses would be reduced by about 14% (.8×.18), as a result of the increase in the tip credit from 40% to 50%.

This estimate of 14%, however, is not additive to the estimate of 37.5% for offsets resulting from a training wage; the rough estimates of these effects are keyed to estimating the proportion of low-wage youth jobs accounted for by different factors (seasonality, high-turnover, and tipped jobs) and these factors clearly overlap.

The duplication between the effects of the training wage and the tip credit is directly dependent on the number of affected tip jobs that are also high turnover or seasonal jobs; for such jobs the tip credit impact, by producing a lower effective wage, dominates the turnover seasonal effect.

A plausible assumption to make is that 40% of tipped jobs, like all low-wage jobs, are high turnover or summer jobs; this suggests that the tip credit offset should be reduced by 40%, from 14% to 8%, in order to avoid duplication with the training wage offsets.

Thus, the net effects of a combination of a training wage and a tip credit would be job loss offsets of 45.5%; the net impact of the tip credit when added to the training wage would be 8% or 36,000 jobs saved at the $4.25 minimum wage.

IV. INCREASE IN THE THRESHOLD FOR DEFINING AN ENTERPRISE

An increase in the threshold for defining an enterprise from $362,000 to $500,000 for retail and services and to $500,000 for all other enterprise clearly would exempt additional jobs from the minimum wage, as additional establishments would revert to individual coverage under the FLSA, and would tend to mitigate job opportunity losses resulting from a minimum wage increase (See attached paper).

An increase in the threshold from $362,000 to $500,000 for retail and services would exempt an additional 1.1 million jobs from the minimum wage, based on national data on firm size; extending the threshold to $500,000 for all other industries would exempt another nearly 2 million jobs, for a total of 3 million exempted jobs.

The employment opportunity effect of exempting an additional 3 million jobs caused by a minimum wage increase depends on the number of low-wage youth jobs that would be newly exempted.

Roughly two-fifths of jobs in small firms (1-24 employees) are paid at wage rates of less than $5.00 an hour (SBA,1986); thus, perhaps 1.2 million newly exempted jobs would be low-wage, regardless of the age of the worker.

About one-quarter of workers in small firms are aged 16-24 (SBA, 1986); thus, perhaps 300,000 of the newly exempted jobs would be low-wage youth; such jobs represent about 12 percent of all youth minimum wage jobs.

Minimum wage laws in a number of States, however, effectively nullify the increase in the threshold for defining an enterprise; this occurs for about one-half of the jobs that would otherwise be exempted (Kalet, 1987).

Thus, the gross effects of increasing the number of jobs exempted from the FLSA through an increase in the threshold for defining an enterprise to $500,000 for all industries would reduce job opportunity losses by about 6 percent at all minimum wage levels.

In estimating the net effects of increasing the threshold definition, it is difficult to approximate the interaction between the effects of: (1) a training wage plus an increased tip credit; and (2) an increase in the threshold for defining enterprises; without direct data, we assume that the effects of the increasing the threshold definition are reduced by one-third when combined with the other two provisions, or to a *net* impact of 4 percent of job losses, or 18,000 jobs saved at the $4.25 minimum wage.

SUMMARY

Taking into account interaction effects, we estimate that the addition of a training wage, an increase in the tip credit and an increase in the threshold for defining enterprise would significantly reduce the losses in job opportunities that would otherwise result from an increase in the minimum wage to $4.25; the reduction in job losses would be 37.5% for the training wage, a net of 8% for the tip credit and a net of 4% for the enterprise definition, or a total of slightly less than one-half or 223,00 jobs saved, thereby reducing the overall job loss to 227,000.

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Mr. GOODLING. Mr. Chairman, I yield myself the remaining 3 minutes.

Let me first of all say that I thank my full committee chairman for the usual gentlemanly manner that he has handled this. He is the perfect gentleman in the Congress of the United States, and even though we differ on labor issues we will join together many times in the future. I also want to thank the gentleman from Pennsylvania [Mr. MURPHY] for the manner in which he carried this debate and this entire discussion.

I must say again and repeat again that in my estimation the review board that gets paid big money is a back door to indexing. Why do I say that? Very simply because now if they want to recommend, they must recommend each year to the Congress. That means each year there is a good possibility that the same thing comes up over and over again. I cannot emphasize enough that there is no such thing as a Ridge compromise. As I explained before, it is really no different than H.R. 2. The only thing that is done differently is they reduce a few pennies, but a person is caught coming the other way as they put it in one pocket and take it out the other because they, of course, also accelerate when it is implemented and there is no compromise there. There is no compromise in new hire because as Members heard many times, who in the world is it that people would be hiring under the provisions that are in that legislation?

We had a compromise. We have a compromise that will receive the President's approval. Let us not spend all this time and send something that Members know and I know will be vetoed because he has already given his compromise, and let us get on and do the job that has to be done, and that is, prepare the people so that as a matter of fact they can get jobs.

Let me say one more thing. We keep hearing over and over again about the importance of increasing the minimum wage because we had inflation. Again I repeat, we have cut in half the number of people who are now working at minimum wage in poverty. We have cut that in half without any minimum wage increases. So that should eliminate the argument that we have heard over and over again. Let us defeat this Ridge monstrosity and get on doing something that will help young people, old people and those in between to have a better job, and a better job in this country, and that means training and that means education.

Mr. MURPHY. Mr. Chairman, I yield 4 minutes to the Speaker of the House, the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I rise in support of this bill. I hope our Members will vote overwhelmingly in favor of it.

It has been said by the chairman and others that it is not a compromise. But is a compromise. It is a compromise of what is needed. It does not cover the gap of the loss suffered by the working poor in this country since 1981. It is not enough, but it certainly is better than nothing. Those are the people for whom this bill is intended, the working poor.

□ 1330

They live in every congressional district; they live in every community. We see them daily whether we notice them or not. Their names do not show up on campaign contributers' lists because they can scarcely afford to keep body and soul together with the wages they get and the ever-rising cost of living.

But they are the very people whom we are elected to represent. They are the ones in every community throughout our society who, without our voice, would be voiceless. Without our help, they would be helpless, they would be powerless. Yet they are the dignified, decent, honorable American men and women who want to work. They are not on welfare. They are not asking for a handout. All they ask for is an honest day's pay for an honest day's work.

Those are the people this bill is for. They are the people who do the necessary, menial, grubby, sometimes dirty tasks that have to be done in every community and every home. These are the people who clean your house, wash your dirty socks and underwear, and carry away the garbage.

They are the people who are the hospital attendants, and when you get sick, they take care of you. They wash you down with alcohol if you are hurting. They carry out the hospital wastes, and clean the bedpans. But if they get sick, they cannot go into that same hospital because they cannot afford it. If their children get sick, they have to settle for a little less.

These people do not belong to the country clubs; they cannot afford the dues. They do belong to the PTA's, and they work for and believe in and fight for better schools in better neighborhoods. These are not the people who live in the fashionable neighborhoods. They may not even be able to afford a home. People on minimum wage surely could not buy a home today. They have to settle for perpetual rent, and sometimes those on minimum wage have to pay upwards of 70 percent of their earnings for rent. If it gets to the point where they cannot pay that and feed their children, too, then they join the ranks of the homeless.

Somebody said that we should not vote for this bill because it would increase unemployment. That is wrong. Eleven of our States have higher minimum wage laws than the Nation has, and in those States unemployment is lower than it is nationally.

Someone has suggested—and I cannot imagine the rationale for this—that we should not raise the minimum wage because it would raise the debt. I would hope that no one is trying to tell me that the working poor are to blame for the deficit. They are not drawing welfare. They are working, they are contributing. They have pride and dignity and self-respect, and they are trying to make it in this society of ours.

In the past 8 years they have lost 30 percent of their buying power. They look to us. They have no place else to look.

Does somebody say they will not help our economy? They are essential to our economy. They are the backbone of our economy. Without them the economy would not function. They do the jobs that have to be done, the unglamorous jobs, the jobs you and I would not want to do, the jobs our children would not want to do, the jobs we would not want to aspire for our children as career work.

Yet these people work all their lives, everyday, every week, full-time, at the minimum wage, and if they have a family of four, two children and a wife, they are still several thousand dollars below the poverty line.

These are the working poor. These are the people for whom the Nation is responsible, because they take care of the Nation. They are the people in whose name I ask the Members to vote for this modest increase. It surely does not bring them up to what they lost in buying power. Their buying power is the oil that lubricates the machinery of our prosperity. If they do not have enough money in their jeans, if they are not paid enough to buy a used washing machine or to buy a dishwasher or to buy any of the simpler luxuries of life, if they cannot buy a used car because they do not have the money to buy it, then somebody does not have a market for his used car and he cannot buy a new car and give jobs to people who turn out cars on U.S. assembly lines.

That is buying power. That is what lubricates prosperity. It is a percolate-up philosophy.

I do not ask the Members to vote for this for any other reason except that these are the people who look to us,

and without us they have no champion, they have no intercessor. They do the work, they have the pride, they have the dignity, and they have the self-respect to want to work.

Mr. Chairman, I am asking the Members for their vote today for one simple reason. Members should vote for this bill because it is right, and they know it is right.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MURPHY] has 1 minute remaining.

Mr. MURPHY. Mr. Chairman, I yield myself my remaining 1 minute.

Mr. Chairman, I would remind my colleagues in closing that this is just one more step in addressing a matter of serious national concern. As we crafted this compromise, we realized that we may not have a perfect amendment before us, but I invite every Member of this body to join us in moving a step forward in providing America's least paid workers with a reasonable increase in their daily wage.

We will continue to work with the Members of the minority and those on our side, as well as with the White House and the Members of the other body, to craft a measure that I believe will possess the consensus of this body and will secure the signature of the President.

Mr. Chairman, I, therefore, invite the Members to take this one step forward with us and vote for the Ridge-Robinson-Murphy substitute.

Mrs. MORELLA. I rise today in support of the amendment offered by Congressmen MURPHY, RIDGE, and ROBINSON to H.R. 2, the Fair Labor Standards Amendment of 1989. The Murphy-Ridge-Robinson substitute is our best chance to establish a more appropriate Federal minimum wage which will restore economic equity to the millions of workers whose purchasing power has eroded in the 8 years since the wage was last increased. Restoring the purchasing power of the minimum wage will significantly benefit the more than 5 million Americans who currently earn the wage and will also serve as a stimulus to the economy.

The Murphy-Ridge-Robinson substitute strikes a reasonable compromise between the position of the Committee on Education and Labor and the administration's proposal. It reduces the amount of the wage rate increase by 10 cents, from $4.65 to $4.55 in 1991. This 10 cent reduction represents more than 25 percent of the difference between the committee bill and the administration's position.

In addition, the new-hire wage rate offered in the Murphy-Ridge-Robinson substitute is a vast improvement over the proposed 6-month training wage. The new-hire wage applies only to individuals who are entering the work force for the first time, insuring that a worker cannot be fired from one job and enter another only to earn a subminimum wage again. In addition, the new hire wage may be paid to an individual for only 60 days, thus discouraging employers from hiring and firing workers on a constant basis. A 6-month training wage, on the other hand, virtually encourages employers to fire their workers once they qualify for the higher minimum wage. Finally, the new-hire wage rate contained in the Murphy-Ridge-Robinson substitute raises each year that the minimum wage rises, so that the new-hire wage is always at least 85 percent of the minimum wage. The proposed 6-month training wage, on the other hand, would have remained at $3.35 indefinitely.

The Murphy-Ridge-Robinson substitute is a bipartisan compromise which will finally end the minimum wage stalemate. It will restore dignity to the workplace—dignity which is egregiously absent when a full-time worker earning the minimum wage cannot even make enough to reach the poverty level. Opponents of a minimum wage increase would have us believe that minimum wage workers are carefree, affluent teenagers working for petty cash. But the facts simply do not corroborate this story. A 1986 study by the Bureau of Labor Statistics concluded that 84 percent of minimum wage workers—that is, over 4 million workers—are adults over the age of 18, and 77 percent of these minimum wage workers work in poverty. What is even more startling is the fact that women are five times as likely to earn the minimum wage as men, and that more than a fourth of minimum wage workers head households. For those of us concerned with the impoverishment of women who return to the work force after extended absenses, these statistics are especially troublesome.

The plight of minimum wage workers is exemplified by a call I received yesterday from a volunteer at a homeless shelter in Montgomery County. He told me of a man at the shelter who, for the past 2 years, has held a full-time job which pays the minimum wage. After earnng an hourly $3.35 for 40 hours a week, 52 weeks a year, he still cannot make enough to even move out of the shelter. That, Mr. Chairman, is unconscionable, and Congress should not permit it. I urge adoption of the Murphy-Ridge-Robinson minimum wage proposal.

Mr. PAYNE of New Jersey. Mr. Chairman, I stand today in strong support of the Murphy-Ridge-Robinson substitute amendment to H.R. 2, the Fair Labor Standards Amendments of 1989.

As I stated yesterday, I believe that it is imperative that Congress immediately address the issue of increasing the minimum wage. Because, as you know, it has been over 8 years since the minimum standard was raised. This is borne out most in lost opportunities. Without the full purchasing power of minimum wage, the working poor would never have the chance to buy out of poverty, students could not earn enough to supplement their tuition payments and single parents would never be able to adequately address their children's needs. Therefore, I believe this is a challenge we cannot ignore, because people need it.

The Murphy amendment meets the challenge and deserves bipartisan support. It addresses the need for an increase by providing for a reasonable rise in the current minimum wage over the next 3 years to $4.55 an hour. In addition, it addresses the administration's concerns of potential job loss by providing a 60-day training period for unskilled workers who have never been employed. This provision includes strict enforcements to prevent businesses from becoming a revolving door for inexperienced workers and would expire 1 year after the minimum wage reaches parity with projected inflation rates. Essentially, Mr. MURPHY's amendment is a true compromise and I urge each one of my colleagues to unanimously support this bill this afternoon. As a final note, Mr. Chairman, I would like to add that I made good attempt to become a cosponsor of H.R. 2, but due to a technical error my name was inadvertently left off the list. So, if there are no objections, I would now ask that my name be added to the list of cosponsors for H.R. 2.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Pennsylvania [Mr. MURPHY].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GOODLING. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 240, noes 179, not voting 12, as follows:

[Roll No. 14]

AYES—240

Ackerman	Donnelly	Jacobs
Akaka	Dorgan (ND)	Jenkins
Alexander	Downey	Johnson (CT)
Anderson	Durbin	Johnson (SD)
Andrews	Dwyer	Johnston
Annunzio	Dymally	Jones (GA)
Anthony	Dyson	Jones (NC)
Applegate	Early	Jontz
Aspin	Eckart	Kanjorski
Atkins	Edwards (CA)	Kaptur
AuCoin	Engel	Kastenmeier
Bates	Erdreich	Kennedy
Beilenson	Espy	Kennelly
Bennett	Evans	Kildee
Berman	Fascell	Kleczka
Bevill	Fazio	Kolter
Bilbray	Feighan	Kostmayer
Boehlert	Flake	LaFalce
Boggs	Flippo	Lantos
Bonior	Florio	Leach (IA)
Borski	Foglietta	Lehman (CA)
Bosco	Foley	Lehman (FL)
Boucher	Ford (MI)	Leland
Boxer	Ford (TN)	Levin (MI)
Brennan	Frank	Levine (CA)
Brooks	Frost	Lewis (GA)
Brown (CA)	Garcia	Lipinski
Bruce	Gaydos	Lloyd
Bryant	Gejdenson	Lowey (NY)
Bustamante	Gephardt	Machtley
Cardin	Gibbons	Manton
Carper	Gilman	Markey
Carr	Glickman	Martinez
Chapman	Gonzalez	Matsui
Clarke	Gordon	Mavroules
Clay	Gray	Mazzoli
Clement	Guarini	McCloskey
Coelho	Hall (OH)	McCurdy
Collins	Hamilton	McDade
Conte	Harris	McDermott
Conyers	Hatcher	McHugh
Costello	Hawkins	McMillen (MD)
Coyne	Hayes (IL)	McNulty
Crockett	Hayes (LA)	Mfume
Darden	Hefner	Mineta
Davis	Hertel	Moakley
de la Garza	Hoagland	Mollohan
DeFazio	Hochbrueckner	Moody
Dellums	Horton	Morella
Dicks	Hoyer	Morrison (CT)
Dingell	Hubbard	Mrazek
Dixon	Hughes	Murphy

Murtha	Rinaldo	Stokes
Nagle	Robinson	Studds
Natcher	Roe	Swift
Neal (MA)	Rose	Synar
Neal (NC)	Rostenkowski	Tallon
Nelson	Rowland (CT)	Tanner
Nowak	Rowland (GA)	Torres
Oakar	Sabo	Torricelli
Oberstar	Sangmeister	Towns
Obey	Sawyer	Traficant
Olin	Scheuer	Traxler
Owens (NY)	Schneider	Udall
Owens (UT)	Schroeder	Unsoeld
Pallone	Schumer	Vento
Panetta	Sharp	Visclosky
Pashayan	Shays	Volkmer
Payne (NJ)	Sikorski	Walgren
Pease	Sisisky	Walsh
Pelosi	Skaggs	Watkins
Perkins	Skelton	Wheat
Pickett	Slattery	Whitten
Pickle	Slaughter (NY)	Williams
Poshard	Smith (FL)	Wise
Price	Smith (IA)	Wolpe
Rahall	Smith (NJ)	Wyden
Rangel	Solarz	Yates
Richardson	Staggers	Yatron
Ridge	Stallings	Young (AK)

NOES—179

Archer	Hansen	Ravenel
Armey	Hastert	Ray
Baker	Hefley	Regula
Ballenger	Henry	Rhodes
Barnard	Herger	Ritter
Bartlett	Hiler	Roberts
Barton	Holloway	Rogers
Bateman	Hopkins	Rohrabacher
Bentley	Houghton	Roth
Bereuter	Huckaby	Roukema
Bilirakis	Hunter	Russo
Bliley	Hutto	Saiki
Broomfield	Inhofe	Sarpalius
Brown (CO)	Ireland	Saxton
Buechner	James	Schaefer
Bunning	Kasich	Schiff
Burton	Kolbe	Schuette
Byron	Kyl	Schulze
Callahan	Lagomarsino	Sensenbrenner
Campbell (CA)	Lancaster	Shaw
Campbell (CO)	Laughlin	Shumway
Chandler	Leath (TX)	Shuster
Clinger	Lent	Skeen
Coble	Lewis (CA)	Slaughter (VA)
Coleman (MO)	Lewis (FL)	Smith (MS)
Combest	Lightfoot	Smith (NE)
Cooper	Livingston	Smith (TX)
Coughlin	Lukens, Donald	Smith (VT)
Cox	Madigan	Smith, Denny (OR)
Craig	Marlenee	Smith, Robert (NH)
Dannemeyer	Martin (IL)	Smith, Robert (OR)
DeLay	Martin (NY)	Snowe
Derrick	McCandless	Solomon
DeWine	McCollum	Spence
Dickinson	McCrery	Spratt
Dornan (CA)	McEwen	Stangeland
Douglas	McGrath	Stark
Dreier	McMillan (NC)	Stearns
Duncan	Meyers	Stenholm
Edwards (OK)	Michel	Stump
Emerson	Miller (CA)	Sundquist
English	Miller (OH)	Tauke
Fawell	Miller (WA)	Tauzin
Fields	Molinari	Thomas (CA)
Fish	Montgomery	Thomas (GA)
Frenzel	Moorhead	Upton
Gallegly	Morrison (WA)	Valentine
Gallo	Myers	Vander Jagt
Gekas	Nielson	Vucanovich
Gillmor	Oxley	Walker
Gingrich	Packard	Weber
Goodling	Parker	Weiss
Goss	Parris	Weldon
Gradison	Patterson	Whittaker
Grandy	Paxon	Wolf
Grant	Payne (VA)	Wylie
Green	Penny	Young (FL)
Gunderson	Petri	
Hall (TX)	Porter	
Hammerschmidt	Pursell	
Hancock	Quillen	

NOT VOTING—12

Coleman (TX)	Lowery (CA)	Roybal
Courter	Luken, Thomas	Savage
Crane	Ortiz	Waxman
Hyde	Pepper	Wilson

□ 1355

The Clerk announced the following pairs:

On this vote:

Mr. Thomas A. Luken for, with Mr. Crane against.

Mr. Roybal for, with Mr. Courter against.

Mr. Waxman for, with Mr. Hyde against.

Mr. Pepper for, with Mr. Lowery of California against.

So the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MILLER OF CALIFORNIA TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MURPHY

Mr. MILLER of California. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment to the amendment in the nature of a substitute is as follows:

Amendment offered by Mr. MILLER of California to the amendment in the nature of a substitute offered by Mr. MURPHY: At the end of the amendment, add the following new section:

SECTION 1. INCREASED PENALTY.

(a) SECTION 16(b).—Section 16(b) (29 U.S.C. 216(b)) is amended—

(1) by amending the first sentence to read as follows:

"(b)(1) Any employer who violates section 6 or 7 of this Act shall be liable—

"(A) in the case of a first violation, to the Secretary for each employee affected in the amount of the unpaid minimum wages or unpaid overtime compensation, as the case may be, plus interest on such amount computed, at the time of payment, at the rate of interest determined by the Secretary of the Treasury for interest payments under section 12 of the Contracts Dispute Act of 1978 (41 U.S.C. 611), and

"(B) for a second or subsequent violation occurring within 3 years of the previous violation, to the Secretary for each employee affected in the amount of three times the unpaid minimum wages or unpaid overtime compensation, as the case may be.",

(2) in the third sentence by striking out "An action to recover the liability prescribed in either of the preceding sentences" and inserting in lieu thereof the following:

"(2) an action to recover the liability prescribed in paragraph (1)", and

(3) in the fifth sentence by striking out "unpaid minimum wages, or the amount of unpaid overtime compensation, as the case may be, owing to such employee under section 6 or section 7 of this Act by an employer liable therefor under the provisions of this subsection" and inserting in lieu thereof "the liability prescribed in paragraph (1)".

(b) SECTION 16(c).—Section 16(c) (29 U.S.C. 216(c)) is amended—

(1) in the first sentence by striking out "under subsection (b) of this section to such unpaid minimum wages or unpaid overtime compensation and an additional equal amount as liquidated damages" and inserting in lieu thereof "to the amount prescribed by subsection (b)(1)",

(2) in the second sentence by striking out "the amount of the unpaid minimum wages or overtime compensation and equal amount as liquidated damages" and inserting in lieu thereof "the amount prescribed by subsection (b)(1).",

(3) in the third sentence, (A) by striking out "(b)" and inserting in lieu thereof "(b)(2), (B) by striking out "the first sentence of such subsection" and inserting in lieu thereof "subsection (b)(1)", and (C) by striking out "unpaid minimum wages or unpaid overtime compensation under sections 6 and 7 or liquidated or other damages provided by this subsection" and inserting in lieu thereof "the amounts".

The CHAIRMAN. Pursuant to the rule, the gentleman from California [Mr. MILLER] will be recognized for 15 minutes and a Member opposed will be recognized for 15 minutes.

The Chairman recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am offering an amendment which will give integrity to this legislation by assuring that those who are due the minimum wage receive it.

This amendment will establish more reasonable penalties for that small number of employers—and it is small—who repeatedly choose to violate the Fair Labor Standards Act. But just last year, the Department of Labor determined that $143.4 million was owed to minimum wage workers in back wages.

Raising the minimum wage, as this bill will do, is unquestionably needed by men and women who labor every day at undesirable jobs, for wages which keep them in poverty.

But this increase—whether to the level established by the committee amendment, or the Goodling substitute, or the rate favored by the President—will afford the minimum wage worker little benefit unless he or she knows that the law is going to be enforced.

The sad record of FLSA enforcement is very clear, and has been recognized by committees of this Congress and by independent investigations. These flagrant minimum wage violations not only cheat employees, but also undermine the competitiveness of millions of law-abiding businesses.

Violations occur for two reasons.

First, the number of compliance officers in the Wage and Hour Division of the Department of Labor has been slashed by 25 percent since 1980. Yet we have dramatically increased their enforcement responsibilities to include the Immigration and Reform Control Act of 1986, the Migrant and Seasonal Workers Protection Act, the Special Agricultural Workers/Replenishment Agricultural Workers Act, and the Employee Polygraph Protection Act. Now the administration intends to relax the industrial homework standards, which would further increase enforcement responsibilities. And, of course,

the subminimum wage which this bill would now authorize will require still more policing.

In addition, current law imposes virtually no penalty on an employer found to be underpaying workers, even on a chronic basis. The law only requires that he pay the worker what should have been paid all along, and authorizes imposition of liquidated damages, which are seldom used.

These serious problems with enforcement have been well documented. Recently, for example, the distinguished chairman of the Education and Labor Committee noted:

> Any employer could be out of compliance (with minimum wage laws) for five or six years without being the target of any investigation because Labor Department staffing is so inadequate.

The General Accounting Office agrees with Chairman HAWKINS. Since 1981, GAO has repeatedly recommended that Congress increase the civil monetary penalties to deter FLSA violations.

In 1981, the GAO reported that noncompliance with the FLSA's minimum wage, overtime, and recordkeeping provisions was a serious and continuing problem and that employers who violated these provisions where often not penalized. It reported that Labor was not seeking the maximum compensation permitted for employees who were due wages. The GAO recommended that the Congress amend the FLSA to authorize Labor to formally assess civil monetary penalties of sufficient size, including interest, to deter violations of the act's minimum wage and overtime requirements.

Again, in 1985, in a report to the chairman of the Labor Standards Subcommittee, Mr. MURPHY, the GAO found that most of the problems identified in its 1981 report still existed. It documented that firms who previously violated the FLSA were usually not being monitored and reinvestigated.

In 1988, the GAO, in an investigation of the resurgence of sweatshops, reviewed its earlier call for tougher enforcement penalties, and concluded, "this change is still needed."

My amendment increases the civil penalties for repeated violations of the FLSA as the GAO has repeatedly recommended.

My amendment would require the employer to pay the employee the amount of the unpaid minimum wage or unpaid overtime compensation plus interest for a first violation. Employers who violate the law two or more times in a 3-year period would be required to pay three times the amount of the unpaid wage.

The amendment would also permit the Secretary to bring an action in court against any employer on behalf of an employee affected by this amendment. Moneys recovered by the Secretary on behalf of an employee would be deposited in the Treasury if the employee cannot be located within a 3-year period.

Let me reiterate that the only employers who need fear this amendment are those who repeatedly cheat their lowest paid workers out of the minimum wage guaranteed by the bill we are debating today.

We like, in this Chamber, to stand and proclaim our vigorous commitment to law enforcement, and I certainly share that commitment.

When the time comes to vote on my amendment, I would hope the House demonstrates that the law should be enforced just as rigorously for the poor worker, the minority worker, the young worker, the immigrant worker—all those who labor for the lowest wages in our society.

When the time comes to choose whether this House stands with those workers struggling to escape poverty, or with the small number of others who choose to cheat them out of their meager earnings, the Congress stands with the worker, and with the law we have passed guaranteeing them a minimum wage.

□ 1400

Mr. MURPHY. Mr. Chairman, pursuant to the rule granted, I rise in opposition to the amendment.

The CHAIRMAN. Is the gentleman from Pennsylvania representing the opponents in this matter?

Mr. MURPHY. Mr. Chairman, I am representing the opponents in this matter.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MURPHY] is recognized for 15 minutes.

Mr. MURPHY. Mr. Chairman, I yield such time as he may consume to the chairman of the committee, the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Chairman, I am sure that anyone on the other side who is opposed to the bill through the gentleman from Pennsylvania [Mr. GOODLING] would be recognized as well. With that understanding, I say that it is with reluctance that I must oppose this amendment.

I think it is pretty obvious that the gentleman who just offered this amendment is against the substitute which is now obviously incorporated into the bill.

That being the case, then I think the next step would be that it would be a crippling amendment that would defeat the bill, and for that reason, I think it is unfortunate, having spoken against the substitute, he now wants to increase the penalties under a bill that he has opposed. That seems a strange thing.

May I simply point out that in view of the enforcement mechanism already in the Fair Labor Standards Act, there is no pressing need to adopt reforms at this time. I think he has merit in his proposal.

At some other time, I think we could reform the mechanism, present a better crafted set of penalties, but this is not the opportune time. The Fair Labor Standards Act already authorizes five different enforcement actions, none of which is as strong as I would like, but I am going to get my particular preference, and I think other individuals are not going to get theirs either.

The Secretary of Labor may institute now an action for back wages and liquidated damages, and civil money penalties for making use of oppressive child care, or an action for injunction, and any one or more employees may also institute an action for back wages.

Finally, the Justice Department may bring an action for criminal penalties for willful violations.

Mr. Chairman, I am aware that all of these penalties depend on enforcement, and I would submit that one of our pressing needs is enforcement through the Labor Department. I have some confidence that the new Secretary of Labor will join with us in asking for strong enforcement, but in addition to that, I can pledge to the Members that the Committee on Education and Labor, in conjunction with the ranking minority member and all the members of that committee, will be given adequate resources to oversee the enforcement of the Fair Labor Standards Act, including the changes we are now suggesting. In other words, I submit that enforcement of the current laws which is somewhat lagging can be better enforced. We can add many more personnel or certainly more personnel than we now have instead of cutting back on enforcement officers. There are other things that we can do, and I think this proposal, which has, I think, the commitment and dedication of a very sincere individual as he presented it to us, can be done at a later date. Do it now, I submit, would be a means of wrecking the proposal and, therefore, ending up with nothing.

Mr. Chairman, I would submit that in asking for too much, we end up with nothing, and, therefore, I reluctantly oppose the amendment.

Mr. MILLER of California. Mr. Chairman, if the gentleman will yield, the gentleman has characterized how I am going to vote on the bill, and I would like to correct the record on that statement.

Mr. HAWKINS. Mr. Chairman, I did not characterize how the gentleman would vote on the bill. I just said that a few moments ago the gentleman opposed the substitute. The substitute is now the bill. Therefore, I indicated that if the gentleman is against the substitute, he is now increasing the penalties, and I do not know why he

wants to increase the penalties on something that he does not believe in.

Mr. MILLER of California. Mr. Chairman, I yield myself such time as I may consume.

First, let me say that I, as every Member of this body, as we consider legislation on a daily basis throughout the session of the Congress, will choose to support and to oppose amendments as they are proposed on the floor, and very often, as each and every Member of this body does, we will vote against amendments, and we will not like those amendments, and we will wish they had not been adopted, and we will vote to continue the procedure by voting for the bill on final passage.

If that is now going to be held against me in consideration of this amendment, I just want Members to understand the standard that the chairman is asking us to accept. In fact, I opposed the Murphy substitute because I believe that the bill that we had voted for coming out of the committee provided greater protections, provided greater wages for low-income people in this country.

This Congress and this House has seen fit to do otherwise today, but I still strongly believe that those people are entitled to have the law enforced, and what the General Accounting Office has told us is that, despite the claims of the chairman, the law is not being enforced.

Low-income people last year who went to work every day had $140 million denied them by employers who simply chose to violate the law, and what we are saying is, under current law, there is no penalty if one violates that law, because they simply give somebody back the wages that they wrongfully withheld from them.

What we are saying is we have at least got to give the poor, minimum wage worker some interest on the money that they withheld from them. This is a recommendation of GAO. This is a recommendation of our investigative committees on the Committee on Education and Labor.

This is an amendment that was worked out with the approval of the AFL-CIO, and this amendment has been worked out consistently with those people who are concerned about the needs and to help to prevent people from being exploited in the working places of this country.

Mr. Chairman, again, I would urge support of this amendment.

Mr. MURPHY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we will vote in a very few seconds, and I want to say to the gentleman from California that we want his vote, and we need his vote on final passage.

Mr. Chairman, I am sure the gentleman misunderstood the comments of our chairman, and we both invite him to join with us in final passage.

We rise with reluctance to oppose the gentleman's amendment, and we do it because we have not had an opportunity to establish a current record. This matter came before the committee very late in the process, did not come before a subcommittee, and although I totally sympathize with him that we need greater enforcement, more enforcement powers and perhaps greater penalties, I invite him to submit the measure as an individual standing bill. My committee will give it every consideration, but most importantly, we have crafted a compromise that carried by 60 votes in the committee just before this amendment, and we are hoping that the gentleman will join us, as many will, in sending this compromise now to the other body, and let us go on with the next step of helping America's underprivileged workers.

Mr. Chairman, I request the Members to vote "no" on the amendment.

□ 1410

Mr. MILLER of California. Mr. Chairman, I yield 30 seconds to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Chairman, I certainly feel tough enforcement of minimum wage laws is necessary to assure compliance. I think the gentleman's amendment may go too far in that direction. My fear is it may jeopardize the overwhelming good accomplished by the balance of the legislation.

Mr. Chairman, an honest day's work deserves an honest living wage. The Federal minimum wage has not increased for over 8 years. During the entire Reagan era, including a period which the former President regularly described as "the greatest peacetime economic expansion" in the history of our Nation, the minimum wage remained static. Never, in the 51 years since the enactment of the Fair Labor Standards Act in 1938, has the minimum wage been frozen at the same level for 8 years. During that 8-year period, cumulative price inflation was about 37 percent. The purchasing power of the minimum wage, in constant 1981 dollars, has declined to $2.46 per hour. Certainly, there is no evidence that the needs of minimum wage earners and their families are any less today than 8 years ago. The painful truth is that the current minimum wage does not provide a living wage—a key objective of the Fair Labor Standards Act of 1938. An increase in the minimum wage is clearly long overdue.

Most of us would agree that our national economic policy should encourage work and favor work and self-sufficiency over public assistance and dependence for those able to work. Our current minimum wage law does the opposite. Because the minimum is unreasonably low, many workers are forced to depend, partially or completely, on public assistance to survive. The low minimum wage has contributed to a large and growing class of working poor in America—people who are willing and able to work, but whose income is insufficient to provide for their basic needs and lift their families above the poverty level.

A few harsh statistics may serve to emphasize the magnitude of the crisis faced by the working poor, aided and abetted by a tragically low minimum hourly wage. Eight million more Americans are poor today than there were 11 years ago. Between 1979 and 1986, the number of full-time, year-round workers who fell below the poverty line increased by more than 600,000 and, in 1986, nearly 900,000 families whose primary wage earner worked full time, year-round workers over age 15 increased by more than 37 percent between 1979 and 1987.

Opponents of an increase in the minimum wage contend that we should not be concerned about loss of the purchasing power of the minimum wage because most minimum wage earners are teenagers, or because very few heads of household work for the minimum wage. Recent studies indicate this is not the case. Instead, 64 percent of all minimum wage earners are over 19 years of age and 26 percent are heads of households. The same studies show a full-year, full-time minimum-wage salary of $6,700 does not even support one adult and one child at the poverty level.

The bill we are considering today, H.R. 2, would amend the Fair Labor Standards Act to restore the purchasing power of the minimum wage. The bill would increase the minimum wage, in annual increments, to $4.65 per hour in 1992. Further, the bill would establish a Minimum Wage Review Board, appointed by Congress and the President, which would submit annual recommendations to Congress on future minimum wage increases. Small businesses which gross less than $500,000 annually are exempted from the bill and the employer tip credit is increased incrementally from 40 to 50 percent. This bill is both reasonable and balanced. The legitimate concerns and objections of employers have been considered and addressed. H.R. 2 does not seek to increase the minimum wage over its purchasing power in 1981, but rather merely to restore the purchasing power lost during nearly a decade of rising consumer prices. Further, the cost of this bill to the Federal Treasury would be so small as to be completely insignificant.

Initially, the Bush administration indicated its willingness to compromise on the issue of an increase in the minimum wage. Most of my colleagues in the House and I welcomed this as a promising departure from the intransigence of the Reagan administration. Working in a more cooperative atmosphere, the Congress and the administration moved closer together on minimum wage increase proposals. Despite clear evidence that the overwhelming majority of the American people support increasing the minimum wage to $5.05 per hour by 1992, congressional leaders, attempting to fashion a workable compromise, have limited the increase mandated by this bill to $4.65 per hour.

Last week, the Department of Labor delivered a final, take-it-or-leave-it proposal on the minimum wage. Unfortunately, that proposal would increase the minimum wage by only 27

percent over 3 years—not even enough to restore the purchasing power lost in the past 8 years. Further, the Bush administration ultimatum requires a 6-month subminimum training wage of $3.35 per hour for all new hires, regardless of their level of experience, and without requiring that the employer actually provide any training. I sincerely doubt that the majority of minimum wage jobs require 6 months of on-the-job training.

The Department of Labor has reverted to its immovable object stance because, according to Secretary Dole, "the price (lost jobs) is too high" to allow a real restoration of the minimum wage to $4.65 over the next 3 years. The general history of the minimum wage does not support the contention that increases result in lost jobs. Through 11 upward adjustments in the minimum wage, employment has generally grown in the period following the wage increase. Eleven States, including my home State of Minnesota, have enacted minimum wage standards higher than those required by Federal law. None of those States has reported increases in unemployment. The most recent increase in the minimum wage in Minnesota was effective on January 1, 1988. In 1987, the year prior to enactment of that minimum wage, Minnesota's average annual unemployment rate was 5.4 percent and the total number of employed persons was 2,259,000. In 1988, following implementation of the new, higher minimum wage, unemployment dipped to 4.2 percent and total employment increased to 2,316,000.

It is true that some economists predict substantial job losses following a minimum wage increase. This is not the first time experts have issued such dire predictions prior to enactment of a minimum wage increase. Similar forecasts of doom and gloom have preceded most increases in the minimum wage. Happily, such forecasts by and large have been inaccurate. Econometrics has made great strides in recent years. However, many economists are quick to point out, the method which most consistently accurately predicts future macroeconomic results is extrapolation of past experience. That experience indicates that an increase in the minimum wage will not result in job loss, but rather in an improvement in the standard of living or low-wage earners.

The Bush administration suggests the price of raising the minimum wage is too high. I believe the opposite is true—the price of continued erosion of the minimum wage, in human and economic terms, is far too high to allow. We cannot build a nation that is stronger and fairer, let alone kinder and gentler, without modest steps like this restoration of the minimum wage. I commend Chairmen HAWKINS and MURPHY and my colleagues on the House Education and Labor Committee for fashioning a fair compromise on an increase in the minimum wage and thank the House leadership for bringing this important bill to the floor early in the 1st session of the 101st Congress. I urge my colleagues to support the committee amendment to H.R. 2. While it offers a lower minimum than the reported bill, it is a major improvement over current law, and it is clearly an overdue restoration of a living wage which will provide an opportunity for self-sufficiency and dignity for many Americans who have been denied that opportunity for too long. An honest day's work deserves an honest day's wage.

Mr. MILLER of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just close, and I will not take any more of the body's time. I would just say if Members think this is radical, let me remind them this was reported out unanimously from the Committee on Education and Labor in 1982. It was supported by the Republican Secretary of Labor at that time. It was derailed because the administration said in 1982 they would address the enforcement problems, and consistently what they have done is diminish the enforcement staff, and we continue to see the amount of money withheld from workers at the minimum wage grow each and every year.

I urge support of the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. MURPHY. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. MILLER] to the amendment in the nature of a substitute offered by the gentleman from Pennsylvania [Mr. MURPHY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MILLER of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 98, noes 321, not voting 12, as follows:

[Roll No. 15]

AYES—98

Atkins	Frank	Owens (NY)
Bates	Garcia	Pallone
Beilenson	Gejdenson	Panetta
Berman	Gephardt	Payne (NJ)
Bonior	Gonzalez	Pease
Boxer	Gray	Pelosi
Brennan	Hayes (IL)	Perkins
Bryant	Hertel	Rahall
Cardin	Hoyer	Rangel
Clay	Jones (NC)	Rostenkowski
Coelho	Jontz	Russo
Conyers	Kennedy	Sabo
Costello	Kennelly	Scheuer
Coyne	Kildee	Schroeder
Crockett	Kleczka	Schumer
de la Garza	Kolter	Skaggs
DeFazio	Kostmayer	Smith (FL)
Dellums	Lehman (CA)	Stark
Dicks	Leland	Stokes
Donnelly	Levine (CA)	Studds
Downey	Lewis (GA)	Synar
Durbin	Lipinski	Torres
Early	Markey	Torricelli
Edwards (CA)	Matsui	Towns
Engel	McCloskey	Traficant
Evans	McDermott	Udall
Fazio	Mfume	Unsoeld
Flake	Miller (CA)	Vento
Florio	Moakley	Walgren
Foglietta	Morrison (CT)	Weiss
Foley	Mrazek	Wheat
Ford (MI)	Neal (MA)	Yates
Ford (TN)	Oakar	

NOES—321

Ackerman	Alexander	Andrews
Akaka	Anderson	Annunzio
Anthony	Gradison	Morella
Applegate	Grandy	Morrison (WA)
Archer	Grant	Murphy
Armey	Green	Murtha
Aspin	Guarini	Myers
AuCoin	Gunderson	Nagle
Baker	Hall (OH)	Natcher
Ballenger	Hall (TX)	Neal (NC)
Barnard	Hamilton	Nelson
Bartlett	Hammerschmidt	Nielson
Barton	Hancock	Nowak
Bateman	Hansen	Oberstar
Bennett	Harris	Obey
Bentley	Hastert	Olin
Bereuter	Hatcher	Owens (UT)
Bevill	Hawkins	Oxley
Bilbray	Hayes (LA)	Packard
Bilirakis	Hefley	Parker
Bliley	Hefner	Parris
Boehlert	Henry	Pashayan
Boggs	Herger	Patterson
Borski	Hiler	Paxon
Bosco	Hoagland	Payne (VA)
Boucher	Hochbrueckner	Penny
Brooks	Holloway	Petri
Broomfield	Hopkins	Pickett
Brown (CA)	Horton	Pickle
Brown (CO)	Houghton	Porter
Bruce	Hubbard	Poshard
Buechner	Huckaby	Price
Bunning	Hughes	Pursell
Burton	Hunter	Quillen
Bustamante	Hutto	Ravenel
Byron	Inhofe	Ray
Callahan	Ireland	Regula
Campbell (CA)	Jacobs	Rhodes
Campbell (CO)	James	Richardson
Carper	Jenkins	Ridge
Carr	Johnson (CT)	Rinaldo
Chandler	Johnson (SD)	Ritter
Chapman	Johnston	Roberts
Clarke	Jones (GA)	Robinson
Clement	Kanjorski	Roe
Clinger	Kaptur	Rogers
Coble	Kasich	Rohrabacher
Coleman (MO)	Kastenmeier	Rose
Collins	Kolbe	Roth
Combest	Kyl	Roukema
Conte	LaFalce	Rowland (CT)
Cooper	Lagomarsino	Rowland (GA)
Coughlin	Lancaster	Roybal
Cox	Lantos	Saiki
Craig	Laughlin	Sangmeister
Dannemeyer	Leach (IA)	Sarpalius
Darden	Leath (TX)	Sawyer
Davis	Lehman (FL)	Saxton
DeLay	Lent	Schaefer
Derrick	Levin (MI)	Schiff
DeWine	Lewis (CA)	Schneider
Dickinson	Lewis (FL)	Schuette
Dingell	Lightfoot	Schulze
Dixon	Livingston	Sensenbrenner
Dorgan (ND)	Lloyd	Sharp
Dornan (CA)	Lowery (CA)	Shaw
Douglas	Lowey (NY)	Shays
Dreier	Lukens, Donald	Shumway
Duncan	Machtley	Shuster
Dwyer	Madigan	Sikorski
Dymally	Manton	Sisisky
Dyson	Marlenee	Skeen
Eckart	Martin (IL)	Skelton
Edwards (OK)	Martin (NY)	Slattery
Emerson	Martinez	Slaughter (NY)
English	Mavroules	Slaughter (VA)
Erdreich	Mazzoli	Smith (IA)
Espy	McCandless	Smith (MS)
Fascell	McCollum	Smith (NE)
Fawell	McCrery	Smith (NJ)
Feighan	McCurdy	Smith (TX)
Fields	McDade	Smith (VT)
Fish	McEwen	Smith, Robert (NH)
Flippo	McGrath	
Frenzel	McHugh	Smith, Robert (OR)
Frost	McMillan (NC)	
Gallegly	McMillen (MD)	Snowe
Gallo	McNulty	Solarz
Gaydos	Meyers	Solomon
Gekas	Michel	Spence
Gibbons	Miller (OH)	Spratt
Gillmor	Miller (WA)	Staggers
Gilman	Mineta	Stallings
Gingrich	Molinari	Stangeland
Glickman	Mollohan	Stearns
Goodling	Montgomery	Stenholm
Gordon	Moody	Stump
Goss	Moorhead	Sundquist

Swift	Vander Jagt	Whitten
Tallon	Visclosky	Williams
Tanner	Volkmer	Wise
Tauke	Vucanovich	Wolf
Tauzin	Walker	Wolpe
Thomas (CA)	Walsh	Wyden
Thomas (GA)	Watkins	Yatron
Traxler	Weber	Young (AK)
Upton	Weldon	Young (FL)
Valentine	Whittaker	

NOT VOTING—12

Coleman (TX)	Ortiz	Waxman
Courter	Pepper	Wilson
Crane	Savage	Wylie
Hyde	Smith, Denny (OR)	
Luken, Thomas		

□ 1433

Messrs. SCHIFF, ALEXANDER, CARR, and MARTINEZ changed their vote from "aye" to "no."

Messrs. GRAY, DICKS, and MOAKLEY changed their vote from "no" to "aye."

So the amendment to the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. FRENZEL. Mr. Chairman, I rise in opposition to H.R. 2, the Fair Labor Standards Act of 1989. Raising the level of earnings for all Americans is a laudable goal, but H.R. 2 is a job loser. Rather than helping the working poor through high wages, it will only cause job losses and result in increased inflation.

There is no dispute that increasing the minimum wage will result in job loss and job loss opportunities. Estimates vary on just how many jobs will be lost. The Congressional Budget Office estimates that between 125,000 and 250,000 jobs would be lost if the minimum wage were increased to $4.65. The Department of Labor puts the job loss much higher, at around 650,000 jobs.

Workers who are the least skilled and have the least amount of education will be the first to face a loss of job opportunities. The job loss opportunities includes layoffs, reduction in hours of work, jobs which become automated, and jobs that are vacant and remain unfilled. A typical employer response may include the substitution of more productive labor for unskilled youth, the substitution of capital equipment for labor and cutbacks in the total amount of labor employed.

While a minimum wage increase often hurts people it was intended to help, it often helps people who don't need it. The typical minimum wage earner is young, single, works part time, and lives at home in a household that is not in poverty. Secondary wage earners such as teenagers and spouses from two-income families with higher incomes, often work part-time and do not contribute significantly, to supporting the family.

Only a small portion of minimum wage earners—an estimated 336,000 or 8.6 percent of the work force—are heads of households, living below the poverty line.

If our goal is to help the working poor then we should draft legislation directly to help them, not by passing laws for people who don't need it. Raising the level of earnings for certain employees should not be done at the expense of decreased job opportunities. With the huge deficit this is no time to be mandating benefits for everyone.

Finally, raising the minimum wage will fuel higher inflation. Practically all economists agree that wage increases should generally be tied to increases in productivity. Artificially raised wages contribute to inflation and decreased competitiveness. The Congressional Budget Office estimates that the rate of inflation could increase 0.1 to 0.3 percentage points per year. It is not good politics to create an upward trend in prices when inflation is already on the rise. Higher prices would inversely impact on the poor, elderly, and those on a fixed income the most. The Department of Labor estimates that the direct cost to consumers would be over $12 billion. They further estimate that the deficit would increase by about $2 billion as a direct consequence, and by up $5 billion including indirect effects such as higher interest rates and higher benefit costs on programs indexed to inflation. Shouldn't we think twice before we tamper with an already precarious situation, by passing a bill that will create many job losses and higher prices and be a cruel blow to the Nation's working poor?

H.R. 2 is a bill whose promises are misleading—rather than helping the poor through a wage increase, it will instead create job losses, fuel inflation, and hurt the working poor. An alternative proposal supported by President Bush, H.R. 1392, would offer real hope to the working poor.

The President's proposal in the form of the Goodling substitute, was drafted to combat some of the flawed logic and false promises embodied in H.R. 2. It includes a moderate increase in the minimum wage accompanied by a meaningful training wage that would offset the disemployment effect. H.R. 1392 includes a reasonable increase in the minimum wage to $4.25 over 3 years.

A meaningful training wage for all new hires for no less than 6 months at a level of about 80 percent of the minimum wage. Liberalization of the current tip credit from 40 to 50 percent and increasing the small business exemption to $500,000 which should be extended to all businesses, not just service and retail business. The President's proposal is more likely to make good on its promise by providing higher earnings with a reasonble increase while preserving training and employment opportunities for the young and least skilled.

If we are voting for a workable, effective program, I believe it is appropriate to vote for the Goodling substitute, or against H.R. 2.

Mr. MFUME. Mr. Chairman, I rise today in support of the Fair Labor Standards Amendments of 1989, introduced by my colleague, Congressman AUGUSTUS HAWKINS of California. This legislation is critically needed in order to assist the minimum wage worker in maintaining a decent standard of living.

The minimum wage has seen an increase only seven times since its inception, with the last time being January 1, 1981. Seven years have passed since low-income workers have seen an increase and during this period the rate of inflation has steadily climbed. Today there are approximately 5 million wage earners who work at the minimum wage or below. Another 9 million work at wage levels that will be directly affected by this legislation. Also, according to the Federal Minimum Wage Study Commission, it is estimated that approximately 69 percent of minimum wage workers are adults over the age of 20, while only 31 percent are teenagers, with a large portion consisting of 18- and 19-year-olds. Additionally, two-thirds of these workers are female. These figures contradict statements by critics of an increase in the minimum wage who contend that the majority of minimum wage workers are not heads of households but teenagers and college students.

Mr. Chairman, I am, and always will be an advocate for the low-income wage earner. I feel, as do a great many of my colleagues, that they deserve a chance to give their families a decent standard of living. Opponents of this legislation continuously state that passing this bill would cause decreased employment. I feel strongly that if we do not assist these workers now, we will pay in the future when unemployment and AFDC lines lengthen because these citizens have no hope of ever making a comfortable and fair living for their families.

Mr. Chairman, I ask that my colleagues join me in passing this essential legislation.

Mr. ROGERS. Mr. Chairman, we need to have a fair minimum wage, a wage that will bring those who work at that pay rate to a fair level. But we also must work to beat back the beast of inflation, which threatens to choke off our economy by raising interest rates, forcing layoffs, and raising the prices of everything we buy.

I support the effort to raise the minimum wage to $4.25 an hour over the next 3 years. We have not seen an increase in the minimum wage since 1981 and I believe some increase is justified. But we must also be wary not to raise the wage so high that it rekindles inflation and defeats the purpose of helping people.

The proposal I support, which is also favored by President Bush, also calls for a training wage for newly hired workers. These are primarily teenagers who are without skills or education and who need to learn job skills and earn money for college or to pay their expenses. This training wage of $3.35 and hour is the current minimum, and it could be used for the first 6 months of a worker's time on the job. This will allow our small businesses to be able to afford to hire young workers and train them.

I am also concerned that if we raised the minimum wage higher, we would see large numbers of young people laid off. Estimates indicate that as many as 750,000 workers could lose their jobs if we raise the minimum to $4.65 per hour as some in Congress want. Add to that the pressure this would put on prices and on other wage rates and you have the beginning of the unraveling of our American economy, an economy which has seen inflation rates drop from 14 percent in the late 1970's to 3 or 4 percent in recent years. Interest rates, already under pressure, would also be pushed back up, leading to another reces-

sion with rates perhaps back to the high teens or low twenties of Jimmy Carter days.

Most minimum-wage earners are under 25, single, and work part-time. Only 8 percent of those at this pay level are heads of households. The idea that we can help the working poor by raising the minimum wage simply does not hold water.

I am hopeful that as the Senate considers this bill, it will revert back to the $4.25 an hour which the President and I support. This is a fair increase which will not be inflationary. Should the Senate reject this advice, however, President Bush has the votes to uphold a veto of this legislation. Let us all hope that Congress will look past partisan politics by setting the minimum wage at a fair level and helping thousands of Americans, mostly young people, keep their jobs and helping reduce the pressure on inflation and interest rates.

Mrs. LLOYD. Mr. Speaker, the Congress should enact and the President should sign a fair increase in the Federal minimum wage law. Restoring the minimum wage to a fair and equitable rate will put badly needed money into the hands of hard-working, low-wage earners who will in turn increase their support of the economic base of their local comunities. It will increase the incentive to work for millions of persons at or below the poverty level, and will bring a measure of economic justice to a significant portion of the American people.

I rise today in support of the Murphy-Ridge-Robinson substitute, a bipartisan compromise which I believe is the most balanced and beneficial approach to the needs of my congressional district. The Murphy substitute differs from the committee passed bill in several key aspects which I believe will promote the continued growth and prosperity of business and industry in the Third Congressional District of Tennessee. It reduces the wage rate increase by 10 cents from $4.65 to $4.55; it includes a 60-day new hire wage rate for first-time hires of $3.35 an hour in the first year and 85 percent of the minimum wage thereafter; and it expands the small business exemption to include all business enterprises with annual sales under $500,000. I believe this is a very critical component because although the committee bill did raise the small business exemption, it only exempted retail service employers. The Murphy substitute would cover all employers under the $500,000 threshold.

I believe this is a pragmatic, realistic approach which should be adopted. Allowing for a reasonable increase in the minimum wage will increase purchasing power and in turn inflate our local and national economies. An equitable adjustment of the minimum wage, as contained in the Murphy substitute, will help us rebuild a stable economic base and I believe it should be enacted with all possible speed. I urge my colleagues to join with me in supporting the Murphy-Robinson-Ridge substitute to H.R. 2, the fair labor standards amendments.

Mr. GARCIA. Mr. Chairman, as we all know, the Federal minimum wage has not been raised since 1981 when it was set at $3.35 per hour. For the 6.7 million people working at or below the minimum wage, and another 6 to 7 million just above it, this amount is no longer a fair and equitable wage. It is these people who will be helped most by H.R. 2, the Fair Labor Standards Amendments of 1989.

I believe the facts speak for themselves. A person who works full time, 40 hours per week, at $3.35 per hour makes only $6,970 a year, or $4,630 below the poverty level for a family of four. For the 2 million workers in this position, it becomes difficult, if not impossible, to keep their heads above water and their families clothed and fed. We can no longer accept these substandard wages to be inflicted on the people who are the most in need: Those who want to help themselves and their families; those who go tirelessly to work every day just to feed their children; the young people who are trying to put themselves through school.

This is not a new argument. Sixteen times since FDR originally set the Federal minimum wage at 25 cents per hour we have heard that raising the wage floor will cause higher unemployment, increased inflation, and will hurt those it is designed to help. History has proven these arguments wrong. With one exception—during the 1974–75 recession—a minimum wage increase has been followed by periods of increased productivity and employment. In fact, after the 50-percent wage increase between 1977 and 1981, employment increased 9 percent.

Perhaps the most alarming fact, however, is that since 1981, the purchasing power of the minimum wage has fallen 33 percent, making the real wage a mere $2.52 per hour. Originally designed to be 50 percent of the average, nonfarm wage, it has fallen to below 36 percent of all workers' hourly earnings, the lowest proportion in the 50-year history of the minimum wage. The income gap between the richest and poorest one-fifth of all wage earners is the greatest it has been since FDR enacted his monumental legislation.

Anyone opposing the raise in the minimum wage should first try living on it. Surely no one who understands the difficulty and frustration of working full time at a level of pay insufficient to make ends meet would stand in the way. My Chairman, we must work to ensure that our workers are paid a fair and equitable wage. I ask my colleagues to support the fair labor standards amendments.

Mr. WEISS. Mr. Chairman, I rise in strong support of an increase in the Federal minimum wage. This increase is long overdue for the millions of workers whose standard of living has been reduced by one-third since 1981, the last year in which the minimum wage rose.

The minimum wage has eroded dramatically in the last decade. The period from January 1981 to today represents the longest period without an increase in the wage floor since the Federal minimum wage was established in 1938. The wage standard of $3.35 an hour is now at its lowest level since 1955, after adjusting for inflation.

For millions of low-income individuals, working does not provide a route out of poverty. In 1985, 9 million Americans worked but remained poor, with 2 million of these individuals working full-time year round. The total number of working poor in the United States was 39 percent higher in 1985 than in 1979.

Working full-time year round at the minimum wage now provides enough income only for a person living alone to escape poverty. A full-time year-round minimum wage worker earns $6,968 in 1 year, more than $4,000 below the poverty threshold for a family of four and over $2,000 less than the poverty threshold for a family of three. In fact, this salary would not even bring a family of two out of poverty. This contrasts to the 1960's and 1970's when a full-time year-round minimum wage earner averaged 103 percent of the three-person poverty threshold. In 1987, full-time year-round minimum wage earnings equaled only 77 percent of the three-person poverty threshold.

The minimum wage represents a statement by society that pay for work should meet certain basic standards. The standard is most relevant to workers who generally lack political clout, are not unionized, and are in little position to bargain for better wages themselves.

A higher minimum wage would encourage some individuals to choose work over other forms of activities or sources of income. While a primary barrier to more work effort among poor individuals is the unavailability of employment, it is also important to consider the impact on work effort of the wages and benefits provided by jobs that may be available. For example, with a low minimum wage, earnings from working can be less than the benefits from Government assistance. This is because the wages from working can be small, not because Government assistance is especially generous.

The chief argument against an increase in the minimum wage is that it will cause job loss, particularly among low wage earners. However, there are several reasons to question this premise. Studies over the years have been inconclusive on this point. The most recent Government study, commissioned by the U.S. Department of Labor, concluded that the impact of increasing the minimum wage on unemployment is negligible.

The employment effect of the minimum wage also varies with economic conditions and demographic trends. In fact, in light of the history of minimum wage increases, that overall economic trends such as the unemployment rate and interest rates far outweigh the employment impact of increases in the minimum wage.

Further, higher wages may enhance job stability and commitment among workers. Employers, in turn, may respond to a minimum wage hike by reorganizing production processes to make better use of their existing employees. The profits from increased productivity, could well offset the labor cost of increasing in the minimum wage.

I was a cosponsor of the original H.R. 2, which would have increased the minimum wage to $4.65 over the next 3 years, and which tied future increases to 50 percent of the average wage. Unfortunately, the committee did not keep this provision which would have helped to avoid the current situation where the minimum wage is allowed to erode for long periods of time. I hope that in the future, Congress will consider a provision to index the minimum wage so that millions of workers will not depend on a congressional vote in order to have their wages merely keep pace with the cost of living.

I opposed the substitute amendment offered by Representative MURPHY which would reduce the increase in the minimum wage from $4.65 to $4.55. In addition, this substitute would institute a 60-day training wage for first-time employees. I believe the training wage provision is a dangerous and unnecessary addition to the Fair Labor Standards Act and it is on this ground that I opposed the substitute.

However, since the Murphy amendment passed the House, and since the need for an increase in the minimum wage is so overriding, I will certainly vote for the bill on final passage.

In closing, I would like to commend Chairman HAWKINS and Representative MURPHY, as well as the labor movement, who have championed the cause of raising the minimum wage for serveral years now. Even during a time when it was not politically easy to support such an increase, they have kept alive the hope for a more decent standard of living for the least well-off workers in this country. We owe them a great debt of gratitude.

Mr. GEPHARDT. Mr. Chairman, I am pleased to be part of the bipartisan effort which passed legislation today to increase the minimum wage. The American people have waited too long for this action. American workers deserve to be paid wages which are in step with food and clothing prices and rents which they must pay in today's markets.

It has been 12 years since Congress passed an increase in the wage to the current level of $3.35 an hour. H.R. 2 increased this level to $4.55 an hour. However, our work to increase the wage to even this modest level is still not yet complete. It will take efforts by both Houses of Congrress and the administration to bring the wage level into the 1980's before we enter the 1990's.

The bill passed by the House of Representatives today represents much hard work by many individuals. Although I think most everyone was in agreement that an increase in the wage was necessary, there was great deliberation over what kind of package was best for the American people, businesses, and economy.

A compromise was necessary in the interest of passing a bill which the majority of Members could support. While I voted in favor of this compromise today, there are parts of it which I would have chosen not to include had they been offered separately.

During consideration of the bill which increased the minimum wage in 1977, I opposed a subminimum wage for newly hired employees under the age of 18. I want to go on record today to reemphasize my opposition to such exceptions to the wage.

The new-hire training wage passed as part of H.R. 2 today would keep a first-time job holder at a level of $3.35 an hour for 60 days at which time the employee would be eligible for the full wage level. The training wage will expire after 1992. This provision is less onerous than the administration proposal which would have held all newly hired workers to a training wage for 6 months with no sunset provision.

On the whole, the bill that we have passed today is a good bill. Unlike the last bill passed by this Chamber, it does not tie the wage to inflationary indexing. I supported this bill today because it gives back to Americans some of the buying power they lost during the Reagan years when we were not able to pass a wage increase, largely due to the administration's influence. I hope the new administration, in cooperation with Congress, will give American workers a long overdue boost in their earning power.

Mr. EVANS. Mr. Chairman, legislation to increase the minimum wage is a needed step to restore our Nation's economic strength and provide stability for families and their communities. Today's minimum wage cannot be viewed as a living wage. For a family of three, it is below the poverty level. Yet, 60 percent of the new jobs being created today paid about that amount. Purchasing power of the Nation's workers is now at its lowest level since 1955. Freezing the minimum wage at its current level would only create an ever-widening gap between rich and poor. The middle class would continue to vanish.

Over 5 million Americans today work at jobs that pay no more than the minimum wage. Over 25 percent are heads of households who are looked to as breadwinners. But the current minimum wage offers barely enough to feed their families.

The minimum wage should be a living wage that allows them to provide for their families and take hold of the future. The increase proposed today will bring the minimum back up to a level that will restore purchasing power and the dignity of millions of Americans. We will move to regain our industrial base and stop the economic loss that weakens families and their communities.

Mr. UDALL. Mr. Chairman, I listened to the debate on both sides of this issue and I will vote to increase the minimum wage. We cannot continue to ask Americans to earn less money today than they earned in 1981, when the minimum wage was last raised. The Congress is making an effort to ensure that all Americans achieve a decent standard of living.

At $3.35 an hour, someone working full time brings home $6,700, 50 percent below poverty level. More than $1,100 below the estimated amount required to maintain a home with an adult and one child.

This compromise is fair to both the employer and the employee because it allows employers to gradually raise the pay of its minimum-wage workers over a 3-year period.

The fact that women represent 65 percent of the work force that earn minimum wage is a great concern of mine. Many of these women are alone, supporting families.

The Congress has an honorable disagreement with the President on this issue and I hope that the Congress can work with him to reach a realistic compromise.

Mr. LIGHTFOOT. Mr. Chairman, I rise in opposition to H.R. 2, which is designed to raise the minimum wage from $3.35 to $4.65 an hour. I am not against raising the minimum wage, but this increase will do more harm than good, despite how it sounds. The far more logical approach is the President's proposal of raising the minimum wage to $4.25 an hour with a 6-month starting wage of $3.35 for new employees.

These are the facts that demonstrate it is not necessary and will even be damaging to raise the minimum wage to $4.65:

Raising the minimum wage to $4.65 would mean a loss of 200,000 jobs over the President's proposal of $4.25.

The impact of this will especially hurt small businesses, which are responsible for 70 percent of all new jobs.

Raising the minimum wage to $4.65 an hour will create a direct cost to consumers of $12 billion and will increase the Federal deficit by approximately $2 billion.

Raising the minimum wage to $4.65 an hour will not provide substantial benefits to those who need it.

I want to see the minimum wage raised. It's been 8 years since the current level of $3.35 has been enacted. Many Americans need to have the minimum wage increased. But $4.65 an hour is too much. The damage done by such a large raise would outweigh any good. My friends on the other side of the aisle are attempting to turn this into an emotional argument and it shouldn't be. Their demagoguery won't help when opportunities on the job market are depleted because employers cannot pay $4.65 without raising the price of their products or service. The net result is a fueling of inflation that quickly eats up any increase in salary. At the same time, the economic result is to hinder expansion and the development of more and better jobs. Enacting H.R. 2 will shut doors of opportunity. If we want to give Americans greater chances to earn a decent living we should defeat H.R. 2 and support the President.

Mr. DREIER of California. Mr. Chairman, in our haste to help low-income Americans by increasing the Federal minimum wage, I fear that we are neglecting several of our constituencies.

Most important, are Americans who stand to lose their jobs and job opportunities should Congress significantly increase the Federal minimum wage. Indeed, Walter Williams has pointed out that, "The brunt of the minimum wage increase is borne by low-skilled workers, mostly teenagers, particularly black teenagers." This is undoubtedly the reason why the National Conference of Black Mayors supports a lower minimum wage for teenagers.

Another sector who stands to lose ground should the minimum wage be artificially raised are our Nation's handicapped. With many areas of the country currently facing tight labor markets, handicapped citizens are being afforded employment opportunities which they might not experience during an economic downturn. A higher minimum wage would discourage companies from hiring these individuals. As a result, handicapped citizens would not only lose a source of income, they would also be denied an opportunity to become productive and maintain their dignity.

In response to an increased minimum wage, companies are going to be forced to increase prices. These price increases are going to reduce demand for the products and services of the business, thereby further reducing the demand for labor. And, tragically, these increased costs—and the increased inflation that is sure to follow—will hit low-income Americans hardest.

Another constituency being ignored is the State policymakers and elected officials who have resisted proposals to increase the minimum wage for their respective States. Although many States in the past 2 years have either enacted or debated an increase in the State minimum wage, an even greater number have rejected any increase. These State legislators and policymakers all understand that State minimum wages more closely reflect the distinct dynamics of the Nation's regional economic markets and work force than does the Federal minimum wage.

Mr. Chairman, Congress is saying to these constituencies that—despite the evidence to the contrary—an increase in the Federal minimum wage will benefit them. However, many of these Americans understand that we are really costing them the greatest benefit of all—a job.

Mr. HEFLEY. Mr. Chairman, after we adjourned last October, we indulged in a lot of back-patting about all of the great things we had done in the 100th Congress. We delivered the budget on time and cut the deficit, reformed welfare, and passed the drug bill.

It is sad then that we're beginning the 101st Congress on such a note of irrelevance as the minimum wage bill. Last year, we read testimonials from the Labor Department and from countless independent economists all saying the same thing—raising the minimum wage is a bad idea.

Depending on who you listen to, we are going to be lose between 100,000 and 650,000 jobs because of this increase. Last year, the estimate was toward the upper end of the scale, but now it has come down. The data is 10 years old, they tell us, and losing 60,000 jobs has, in the past few months, become somehow accepable.

Since last year's debate, we have had a Presidential election and both candidates said they were for an increase. A recent Gallup poll shows more than 75 percent of the public in favor of it. And so, after years of argument, we appear ready to quietly ignore past testimony and raise the minimum wage.

We should not do it. The arguments against the minimum wage are no less valid than they were 6 months ago. Only 4 million people currently earn no more than $3.35 per hour. Of those, 67 percent work part time and 80 percent of that number, by choice.

The administration says that, since 1982, the number of jobs paying less than $5 per hour has declined by 8 million, or 30 percent. Fifty-four percent of minimum wage workers work in service occupations; 51 percent of those in the food service and sales areas. And representatives of the food service industry say market forces have already pushed entry-level salaries above the minimum wage. The fact is, few breadwinners are forced to raise a family on a minimum wage. A teenager starting at McDonald's is likely to be making at least $5 an hour.

At most, about 6 percent of minimum-wage earners are sole supporters of a family, according to the Labor Department. Only 8.6 percent of all minimum-wage earners are both the head of a household and in poverty.

And these increases we proposed will not help much. At its current rate, $3.35 an hour, the minimum wage is sufficient to lift a single person out of poverty. To lift a single-earner family of four out of poverty would require an immediate increase to around $6, and no one is proposing that. The fact is, an earned income tax credit would help more but that is another argument.

Who will be affected by an increase in the minimum wage? The young. The marginally employed. The physically and mentally handicapped. The working retired. Those people who want to do some work to earn their way and gain a little dignity. With an increase in the minimum wage, these jobs will be eliminated for investment in labor-saving devices. And these people will become just a little more removed from the mainstream of American life.

It is ironic. My friends across the aisle like to say politics is a people business. In this case, it is and in this case, this bill will result in businesses choosing capital improvements over people, a change from American tradition.

This bill will have precisely the opposite effect intended by its strongest supporters. They say an increase is needed to lessen the impact of Social Darwinism, yet ultimately this increase is going to impact on those people least able to help themselves.

We should be talking about tax credits to help the working poor. About educational reforms to improve our work force or ways to make work more attractive than welfare. The minimum wage should be left to the marketplace, while we, here in Congress, build on last year's achievements. Instead, we will vote for an empty symbol.

Ms. PELOSI. Mr. Chairman, I rise in strong support of H.R. 2, the Fair Labor Standards Amendments of 1989. I would especially like to voice my support for raising the minimum wage, an action that is long overdue.

The minimum wage has not been increased since 1981, the longest span of time the wage has ever remained at the same level. Since that time, the actual purchasing power of the minimum wage has fallen 27 percent, bringing it to $2.46 in 1981 dollars. If the wage had kept pace with inflation, currently it would be $4.57.

The largest increase in the homeless population in America has been among the working poor. These are people who are striving to earn a living which would enable them to house themselves. How can we expect these people, struggling to make ends meet, to pay rent and feed themselves when the minimum wage will not even keep a family of three above the recognized proverty level?

Occupations with the highest percentage of minimum wage workers are the wholesale and retail trades and service industries, two fields which are dominated by women. In fact, two-thirds of all hourly workers paid the minimum or slightly higher are women. The large majority of these women are a significant source of their families' income. Today, women head more than 10 million households in America, an 80-percent increase since 1970. An annual minimum wage salary which is roughly $7,000, is well below the poverty level for a family of three. We must recognize the significance of this situation. Working women must be given legitimate economic opportunities to fully support their families. The minimum wage should reflect a livable funding level for an American family.

I have very serious concerns about the inclusion of a training wage in this package. Without adequate safeguards, it may only serve to permit employers to cycle workers in and out of jobs, and further worsen the problem of unstable employment for hourly wage workers. This situation reduces the economic security of those who this measure is aimed to assist, and creates an intolerable atmosphere for workers.

I urge my colleagues to join me in supporting H.R. 2, the Fair Labor Standards Amendments of 1989. Raising the minimum wage to a more equitable rate of pay is critically important to our Nation's working women and the working poor. Action must be taken to help restore the purchasing power of the minimum wage.

Mr. DIXON. Mr. Chairman, more than 50 years ago our Nation signed a contract with working Americans by establishing a minimum wage designed to ensure a minimally decent standard of living. That contract, sad to say, has not been honored in recent years.

The minimum wage has eroded by more than a fourth of its value since 1981. At $3.35 an hour, or $6,700 a year, it does not come close to lifting a family of three out of poverty. It does not provide the food they need, the shelter they need, the clothing they need. We have always promised our citizens that hard work is the way out of poverty. For the millions of Americans who work at the current minimum wage, and that means heads of households with children, this is an empty promise.

The most sensible way to begin fulfilling this promise would be to enact the bill passed by the Education and Labor Committee, H.R. 2, to raise the minimum wage to $4.65 by 1992. The inflation-adjusted value of the minimum wage is now the lowest it has been since 1955. Since the last minimum wage increase nearly a decade ago, food costs are up by nearly 30 percent and rent costs by nearly 50 percent. We cannot continue to ask the working poor to run harder and harder when all they do is fall further behind. The fastest way to help lift them out of poverty is to raise the minimum wage.

Let me add that while the committee's bill will significantly restore the value of the minimum wage, $4.65 an hour in 1992 will still be approximately 59 cents below the inflation adjusted value of the 1981 minimum wage. It will bring a family of three only to 85 percent of the estimated poverty line.

But like so many issues we face, it appears that political considerations override economic sense. The administration has vowed to veto any bill without a subminimum training wage, and support a raise only to $4.25. So while I support the committee's bill, I also recognize that a $4.65 minimum wage bill without a subminimum wage may mean no minimum wage bill at all. And that means the working poor will suffer for a decision made in the halls of Washington.

That is why, despite deep reservations, I will support the compromise amendment to H.R. 2 offered by Mr. MURPHY that will raise the minimum wage to $4.55, move up the effective

dates by 3 months, and also include a 60-day subminimum training wage for newly hired workers with no previous experience.

I have long believed that a subminimum wage is merely a ruse to pay less than the minimum wage and could easily be exploited by employers who want cheap labor. The last thing our country needs is a two-tiered work force. But the compromise amendment, which now has the backing of organized labor, mitigates some of the worst aspects of the subminimum wage and is much more palatable than the administration's proposal.

The administration calls for a 6-month subminimum; the compromise calls for 2. The administration includes all newly hired workers; the compromise excludes those with previous employment experience. And the administration calls for a permanent subminimum wage; the compromise expires at the end of 1992. The differences are clear and make the compromise an easier pill to swallow.

Ultimately, it all comes down to an issue of decency. Opponents of the higher minimum wage argue it will result in lost jobs for the working poor. While their argument uses a lot of statistical smoke and mirrors, consider their logic. If a lower minimum wage means more jobs, why not reduce it to $2, or eliminate it altogether? The answer is simple. In this, the richest society in the world, there is a level below which wages cannot decently fall. And the current minimum wage is too far below that line of decency.

As President Roosevelt said in support of the Fair Labor Standards Act of 1938, a "self-respecting democracy can plead no justification * * * for chiseling workers' wages." A vote for H.R. 2—either the committee bill or the compromise substitute—is a vote not only for the working poor, but for our self-respecting democracy.

Ms. SNOWE. Mr. Chairman, for over 8 years now there has been no change in the Federal minimum wage. It is time we remedy that situation by raising the minimum wage, and I rise today in support of doing so.

The minimum wage today is, in fact, a minimal wage. Our duty here today is to raise it to a level that will help those trying to survive at the minimum wage level. We cannot ignore the fact, for example, that the earnings of an individual working full-time year round has dropped below the poverty level for a family of three.

As we move to increase the minimum wage, it should not be accompanied by a 6-month training wage. Such a provision would, I fear, undercut the very increase that we are considering here today.

At the same time, however, this House must keep two other specific factors in mind as we contemplate raising the minimum wage: First, we must not raise it to such a level that will damage the job creating ability of our small businesses; and, second, we must adopt legislation that will pass the Congress and meet with the President's approval. In short, we must proceed highly cognizant of the economic and political verities which exist.

The economic impact is important for my own State of Maine. About 98 percent of the businesses in Maine employ 100 or fewer workers. They are the catalyst for growth in the State, and a massive increase in the minimum wage could severely stunt that growth.

The second economic consideration is more national in scope. We must judge the appropriate level of the wage in the context of our times: The economy is slowing somewhat; interest rates have been rising; and inflation is creeping back. We run the risk of adding to these problems if we enact too large of an increase.

As to the political consideration, President Bush has made clear his criteria for signing minimum wage legislation. We must take his desires—on the level of the wage and a training wage—into account if we are serious about an increase, as opposed to gaining partisan political points.

After weighing all of these considerations, I will vote in favor of the Goodling substitute, which will raise the minimum wage to $4.25, with one major reservation: I do not like the inclusion of the 6-month training wage, and, hopefully, that can be addressed in the House-Senate conference. Proposals to raise the minimum to $4.55 or $4.65 simply do not have realistic chances of being enacted.

The Goodling substitute provides for a substantial and still responsible increase in the minimum wage, one which improves the earning power of workers while not hampering small businesses from job creation.

This substitute is the starting point from which we have the most realistic chance of seeing the enactment of a minimum wage increase. And that, after all, is what should be the goal of all of us here.

Mr. ENGEL. Mr. Chairman, I rise today as a cosponsor of H.R. 2, which will provide a badly needed adjustment in the minimum wage.

Since 1981, when the last minimum wage increase took place, the cost of living has risen by 38 percent. Today's minimum wage is worth only $2.50 in 1981 dollars. The failure of the Federal Government to increase the minimum wage has had a devastating affect on the working poor of this country.

H.R. 2 will provide a $1.30 adjustment in the minimum wage over 3 years. Under this legislation, the minimum wage will rise to $3.85 on January 1, 1990, $4.25 on January 1, 1991, and $4.65 on January 1, 1992.

Opponents of this legislation argue that it will cause inflation, job losses, and business closings. The 50-year history of the minimum wage increases proves that this rhetoric is overstated and lacks validity. In the past, none of these predictions have come true and there is no reason to think that they will this time.

By passing H.R. 2, the House will put some extra money in the hands of low-income workers and restore dignity to low-wage labor. I urge my colleagues to join me in supporting this legislation.

Mr. DENNY SMITH. Mr. Chairman, I rise in strong opposition to H.R. 2. While I supported the Goodling substitute as a reasonable compromise, I believe we have reached the point where the entire concept of the minimum wage has become obsolete.

Today, in the United States there are fewer than 4 million workers earning the minimum wage, and that number is declining—93 percent of these people are not heads of families. Rather, most are teenagers, part-time workers and those with second jobs.

We have made great strides in this country during the eighties to restore employment opportunities. Nearly 20 million jobs have been created since 1982, and unemployment is at its lowest rate in years. Raising the minimum wage to the amount proposed would cause job losses in the hundreds of thousands, and have farther-reaching effects throughout the economy.

A $1.20 increase would force a business that has 50 minimum wage employees to pay an additional $125,000 a year to those employees. This figure does not include the additional wage increases that would come from keeping the wage differentials intact. Clearly, businesses would be forced to cut back in either services or employees, and there would be very few winners in a situation like this.

I supported the Goodling substitute primarily because it contained a reasonable provision for a training wage, which would help allay the employment drop that a hike in the minimum wage would cause. Some have expressed concern about potential abuses under a training wage, but if we are to raise the minimum wage, it is imperative that we try to keep job opportunities open to those that would otherwise be priced out of the job market.

The minimum wage bill now goes on to the President for his signature. I am confident that he will veto it and I will fully support his veto. It is my hope that we can then move on to consider legislation that will specifically target the working poor, such as an expansion of the earned income tax credit, rather than force onto employers and workers a wage hike that will hurt many, and help very few. It is regrettable that the Democratic leadership did not allow debate or a vote on Mr. PETRI's earned income tax credit proposal during consideration of H.R. 2.

At a time when there are increasing concerns about inflation at home and competitiveness abroad, we simply cannot afford to burden our businesses with regulations that will increase costs that will force workers off the employment rolls. By getting off the backs of businesses and concentrating our energies on helping those truly in need, we can start to build a more competitive and more compassionate America.

Mr. MURPHY. Mr. Chairman, I would like to bring to the attention of my colleagues the impact that a minimum wage increase will have on the Medicaid Program. Almost one-half of Medicaid dollars are spent on long-term care, mostly for the elderly. However, an increase in minimum wage will affect all health care providers.

Nursing homes, in particular, employ a large number of minimum wage workers, most of whom are nurses' aides who provide direct, hands-on care to nursing home patients. These salaries are the largest component of Medicaid reimbursement—in fact, all labor costs account for about 72 percent of all nursing home costs. A federally mandated increase in labor costs must be accompanied by a corresponding increase in Medicaid payment rates for these labor costs.

As a member of the Education and Labor Committee which has jurisdiction of the Fair

Labor Standards Act [FLSA], I have a strong interest in the impact of a minimum wage increase on the nursing home industry. Under the Medicaid Program, individual States have ratemaking authority for nursing home care with limited supervision from the Health Care Financing Administration [HCFA] of the Department of Health and Human Services. Congress must ensure that States increase Medicaid nursing home reimbursement rates to take into account changes in the FLSA that will increase labor costs.

The Education and Labor Committee had intended to recognize in its committee report on H.R. 2 that a minimum wage increase will have an impact on Medicaid rates paid to long-term care providers. Due to a printing error this language was omitted. The report language would have clarified that under title XIX, States are required to provide assurances to the Secretary of Health and Human Services that their rates are reasonable and adequate. Section 1902(a)(13) of the Social Security Act requires that States take into account the costs that nursing homes must incur to provide care and services in conformity with all applicable State and Federal laws. Although the FLSA is not referred to specifically in that section, the committee wishes to emphasize that the wage levels required by the FLSA are among provisions of Federal law which must be taken into account by the States in setting their Medicaid rates. The committee also believes any adjustment made to State Medicaid rates reflect this statutory change and must be done in a timely manner to ensure these facilities are receiving the increased rate at the same time they are incurring the increased costs.

The nursing home industry is on record as supporting an increase in the minimum wage, but they have requested that we recognize the special cost burden imposed by such increases in this industry, where reimbursable costs are extensivley regulated. Major nursing home reform was passed by Congress in 1987 as a part of the Omnibus Budget Reconciliation Act [OBRA], Public Law 100-203. This act required significant changes in staffing and training requirements, quality of care, patient services, and enforcement of new nursing home standards, at an estimated cost of $1.73 billion over 5 years. Because Congress was concerned about the ability of the nursing home industry to absorb costs of this magnitude, special language was included to ensure that the Medicaid reimbursement system adequately accommodated the OBRA 1987 cost increases.

The special language adopted in OBRA served to emphasize continuing congressional concern with adequate nursing home reimbursement. The payment standard mandating an increase in Medicaid nursing home rates to take account of the new costs that will result from this legislation is already contained in section 1902(a)(13) of the Social Security Act.

These cost increases are costs which must be incurred by facilities in the provision of care and services to Medicaid beneficiaries. Consequently, each States' nursing home reimbursement rates must be appropriately increased to take account of these costs.

I would hope that congressional oversight will ensure that States adequately and appropriately adjust their Medicaid reimbursement rates to reflect higher minimum wage levels mandated in H.R. 2.

Mrs. KENNELLY. Mr. Chairman, I rise today in strong support of H.R. 2. Through several years of promoting welfare reform, I've heard my respected colleagues speak of the importance of preserving the incentive to work.

Now here stand many of the same individuals refuting a desperately needed increase in the minimum wage. By allowing the wage to stay at its present level—a level that has not been adjusted for inflation since 1981—a wage at which a working individual must support his/her family at $3,000 below the poverty line—what message are we delivering to the working men and women of America? What about that incentive to work? By refusing to raise the minimum wage, the message is clear: You can work full time in this society without being able to feed, clothe, and shelter your family. Dramatic? Imagine attempting to support your family on less than $7,000 a year.

Opponents of the wage increase warn of massive job losses. They utter the familiar cliche, "You're going to hurt the very people you are trying to help." In response I refer them to the pages of history. In the 50 years of minimum wage protection, the minimum wage has been raised 10 times without decreases in employment.

And all this talk of a training wage. The minimum wage is a training wage. People argue that employers are not charity providers; they should not have to subsidize labor. By working for an unreasonable wage, labor is, indeed, subsidizing business. Running a business and making profits in the United States is a privilege which comes with responsibility—responsibility not to exploit its labor.

I urge my colleagues to join me in strong support of this long overdue measure.

The CHAIRMAN (Mr. MOAKLEY). Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MOAKLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes, pursuant to House Resolution 111, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment of the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the committee amendment in the nature of substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MURPHY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device and there were—yeas 248, nays 171, not voting 12, as follows:

[Roll No. 16]

YEAS—248

Ackerman	Foglietta	McMillen (MD)
Akaka	Foley	McNulty
Alexander	Ford (MI)	Mfume
Anderson	Ford (TN)	Miller (CA)
Andrews	Frank	Mineta
Annunzio	Frost	Moakley
Anthony	Garcia	Mollohan
Applegate	Gaydos	Moody
Aspin	Gejdenson	Morella
Atkins	Gephardt	Morrison (CT)
AuCoin	Gibbons	Mrazek
Bates	Gilman	Murphy
Beilenson	Glickman	Murtha
Bennett	Gonzalez	Nagle
Bentley	Gordon	Natcher
Berman	Gray	Neal (MA)
Bevill	Guarini	Neal (NC)
Bilbray	Hall (OH)	Nelson
Boehlert	Hamilton	Nowak
Boggs	Harris	Oakar
Bonior	Hatcher	Oberstar
Borski	Hawkins	Obey
Bosco	Hayes (IL)	Olin
Boucher	Hayes (LA)	Owens (NY)
Boxer	Hefner	Owens (UT)
Brennan	Hertel	Pallone
Brooks	Hoagland	Panetta
Brown (CA)	Hochbrueckner	Pashayan
Bruce	Horton	Payne (NJ)
Bryant	Hoyer	Pease
Bustamante	Hubbard	Pelosi
Cardin	Hughes	Perkins
Carper	Jacobs	Pickett
Carr	Jenkins	Pickle
Chapman	Johnson (CT)	Poshard
Clarke	Johnson (SD)	Price
Clay	Johnston	Rahall
Clement	Jones (GA)	Rangel
Coelho	Jones (NC)	Richardson
Collins	Jontz	Ridge
Conte	Kanjorski	Rinaldo
Conyers	Kaptur	Robinson
Cooper	Kastenmeier	Roe
Costello	Kennedy	Rose
Coyne	Kennelly	Rostenkowski
Crockett	Kildee	Rowland (CT)
Darden	Kleczka	Roybal
Davis	Kolter	Russo
de la Garza	Kostmayer	Sabo
DeFazio	LaFalce	Sangmeister
Dellums	Lantos	Sawyer
Dicks	Leach (IA)	Scheuer
Dingell	Lehman (CA)	Schneider
Dixon	Lehman (FL)	Schroeder
Donnelly	Leland	Schumer
Dorgan (ND)	Levin (MI)	Sharp
Downey	Levine (CA)	Shays
Durbin	Lewis (GA)	Sikorski
Dwyer	Lipinski	Sisisky
Dymally	Lloyd	Skaggs
Dyson	Lowey (NY)	Skelton
Early	Machtley	Slattery
Eckart	Manton	Slaughter (NY)
Edwards (CA)	Markey	Smith (FL)
Engel	Martin (IL)	Smith (IA)
Erdreich	Martinez	Smith (NJ)
Espy	Matsui	Smith (VT)
Evans	Mavroules	Solarz
Fascell	Mazzoli	Staggers
Fazio	McCloskey	Stallings
Feighan	McCurdy	Stark
Flake	McDade	Stokes
Flippo	McDermott	Studds
Florio	McHugh	Swift

Synar	Unsoeld	Whitten
Tallon	Vento	Williams
Tanner	Visclosky	Wise
Torres	Volkmer	Wolpe
Torricelli	Walgren	Wyden
Towns	Walsh	Yates
Traficant	Watkins	Yatron
Traxler	Weiss	Young (AK)
Udall	Wheat	

NAYS—171

Archer	Hancock	Porter
Armey	Hansen	Pursell
Baker	Hastert	Quillen
Ballenger	Hefley	Ravenel
Barnard	Henry	Ray
Bartlett	Herger	Regula
Barton	Hiler	Rhodes
Bateman	Holloway	Ritter
Bereuter	Hopkins	Roberts
Bilirakis	Houghton	Rogers
Bliley	Huckaby	Rohrabacher
Broomfield	Hunter	Roth
Brown (CO)	Hutto	Roukema
Buechner	Inhofe	Rowland (GA)
Bunning	Ireland	Saiki
Burton	James	Sarpalius
Byron	Kasich	Saxton
Callahan	Kolbe	Schaefer
Campbell (CA)	Kyl	Schiff
Campbell (CO)	Lagomarsino	Schuette
Chandler	Lancaster	Schulze
Clinger	Laughlin	Sensenbrenner
Coble	Leath (TX)	Shaw
Coleman (MO)	Lent	Shumway
Combest	Lewis (CA)	Shuster
Coughlin	Lewis (FL)	Skeen
Cox	Lightfoot	Slaughter (VA)
Craig	Livingston	Smith (MS)
Dannemeyer	Lowery (CA)	Smith (NE)
DeLay	Lukens, Donald	Smith (TX)
Derrick	Madigan	Smith, Robert (NH)
DeWine	Marlenee	Smith, Robert (OR)
Dickinson	Martin (NY)	Snowe
Dornan (CA)	McCandless	Solomon
Douglas	McCollum	Spence
Dreier	McCrery	Spratt
Duncan	McEwen	Stangeland
Edwards (OK)	McGrath	Stearns
Emerson	McMillan (NC)	Stenholm
English	Meyers	Stump
Fawell	Michel	Sundquist
Fields	Miller (OH)	Tauke
Fish	Miller (WA)	Tauzin
Frenzel	Molinari	Thomas (CA)
Gallegly	Montgomery	Thomas (GA)
Gallo	Moorhead	Upton
Gekas	Morrison (WA)	Valentine
Gillmor	Myers	Vander Jagt
Gingrich	Nielson	Vucanovich
Goodling	Oxley	Walker
Goss	Packard	Weber
Gradison	Parker	Weldon
Grandy	Parris	Whittaker
Grant	Patterson	Wolf
Green	Paxon	Young (FL)
Gunderson	Payne (VA)	
Hall (TX)	Penny	
Hammerschmidt	Petri	

NOT VOTING—12

Coleman (TX)	Ortiz	Waxman
Courter	Pepper	Wilson
Crane	Savage	Wylie
Hyde	Smith, Denny (OR)	
Luken, Thomas		

□ 1454

The Clerk announced the following pairs:

On this vote:

Mr. Thomas A. Luken for, with Mr. Hyde against.

Mr. Waxman for, with Mr. Crane against.

Mr. Pepper for, with Mr. Courter against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and insert extraneous matter, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I asked for this 1 minute for the purpose of inquiring of the distinguished majority leader, the gentleman from Washington [Mr. FOLEY] the program for the balance of this week and when we reconvene.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Mr. Speaker, I am happy to yield to the distinguished majority leader, the gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. Mr. Speaker, we have completed the business for this week, and the House will not be in session tomorrow. We will adjourn until noon on Monday, April 3, for the Easter district work period.

On Monday, April 3, the House will meet at noon. It will be a pro forma session. There is no legislative business scheduled.

On Tuesday, April 4, the House will meet at noon and consider three bills under suspension of the rules. They are H.R. 1509 to confirm Bureau of Indian Affairs contracts for preschool and early childhood services, H.R. 1495, the Arms Control and Disarmament Agency authorization for fiscal year 1990 to 1991, and H.R. 91, the Antiterrorism and Arms Export Amendments Act of 1989. We intend to take those votes, if any, on suspensions debated on Tuesday, April 4, and consider them on Wednesday, April 5. There will be debate on the suspensions on Tuesday, April 4, but the votes, if any, will be postponed until the following day.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Illinois.

Mr. MICHEL. Would that be at the early part of the business, or would we have those votes at the end of business on Wednesday then?

Mr. FOLEY. Mr. Speaker, our plan would be to take those votes at the end of business on Wednesday.

Mr. MICHEL. At the end of business?

Mr. FOLEY. Yes.

Mr. MICHEL. I thank the gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. On Tuesday, however, following the debate on the particular suspensions I described there will be special orders on the House floor to commemorate the 200th anniversary of the attainment of the first quorum in the Congress, and that will be followed by a ceremony in honor of the first day of issue of the House commemorative postage stamp at 4 p.m. in Statuary Hall, and Members should be aware and advised of that.

On Wednesday, April 5, and Thursday, April 6, the House will meet at 2 p.m. on Wednesday and 11 a.m. on Thursday. We will consider H.R. 18, the Uniform Poll Closing Act, subject to a rule, and at the end of business on Wednesday we will consider recorded votes on suspensions postponed from Tuesday, April 4.

Mr. Speaker, we will also consider during the balance of the week, on Wednesday or Thursday, H.R. 1369 to authorize funds for international business studies in honor of the public services of Senator and former Ambassador Mr. Mike Mansfield, open rule, 1 hour of debate.

On Friday, April 7, the House will not be in session. This, of course, is made subject to the usual reservations of conference reports, which are not likely, and other business may be brought up at any time subject to announcement.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from Washington [Mr. FOLEY] and yield back the balance of my time.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, APRIL 5, 1989

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, April 5, 1989.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS, AND COMMITTEES NOTWITHSTANDING ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, April 3, 1989, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

COMMENDING THE GOVERNMENTS OF ISRAEL AND EGYPT ON THE 10TH ANNIVERSARY OF THE TREATY OF PEACE

Mr. LANTOS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 87) to commend the Governments of Israel and Egypt on the occasion of the 10th anniversary of the treaty of peace between Israel and Egypt, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 87

Whereas in Washington, District of Columbia, on March 26, 1979, the Governments of Israel and Egypt, with the support and encouragement of the United States, signed a treaty of peace formally ending their state of war;

Whereas this treaty, the only peace agreement between Israel and an Arab nation, remains a crucial element in fostering peace in the Middle East;

Whereas under terms of this historic document Israel and Egypt agreed to end the state of war between them, Israel fully withdrew its military forces and civilian settlements from the Sinai Peninsula, and Israel and Egypt established formal diplomatic relations, including the exchange of ambassadors;

Whereas the establishment of peace between Israel and Egypt demonstrates that direct bilateral negotiations are the most effective way to resolve the Arab-Israeli conflict and can lead to lasting and mutually beneficial results;

Whereas the other parties to the conflict have been unwilling to enter into direct bilateral negotiations but continue to maintain a state of war against Israel;

Whereas the continuation of the conflict has exacted a high cost in human lives and human suffering from both Israelis and Arabs; and

Whereas the treaty has allowed the peoples of Israel and Egypt to begin to build a network of cultural, economic, personal, and political contacts among themselves: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Government—

(1) commends Israel and Egypt for their historic act of courage and statesmanship in signing the Treaty of Peace of March 26, 1979;

(2) calls upon the President to mark this historic anniversary with appropriate public activities;

(3) welcomes the willingness of Israel and Egypt to continue to observe the international obligations they have accepted which have contributed to the peace and stability of the region; and

(4) calls upon other Arab nations and the Palestinians to follow the example of Israel and Egypt, to join actively in the peace process, to renounce the state of war and acts of violence, and to enter into face-to-face negotiations to achieve a just and lasting peace.

The SPEAKER. The gentleman from California [Mr. LANTOS] is recognized for 1 hour

Mr. LANTOS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am pleased to rise to support House Joint Resolution 187, to commend the Governments of Israel and Egypt on the occasion of the 10th anniversary of the peace treaty between Israel and Egypt and I commend the distinguished gentleman from California, Mr. LANTOS, for his work on this resolution, as well as the work of the Senator from Minnesota [Mr. BOSCHWITZ].

It has been 10 tumultuous years since March 26, 1979, when the Governments of Israel and Egypt, with the support of the United States, signed a treaty of peace, formally ending their state of war.

This treaty is important, because it is the only peace agreement between Israel and any Arab nation. The establishment of peace between Israel and Egypt demonstrates that direct, bilateral negotiation is the only effective way to resolve the Arab-Israeli conflict.

Mr. Speaker, this resolution calls upon other Arab nations and the Palestinians to follow the example set by Israel and Egypt to join actively in the peace process, to renounce violence, and to enter into face-to-face negotiations with Israel to achieve a lasting peace. I strongly urge my colleagues to unanimously adopt this resolution.

Mr. LANTOS. Mr. Speaker, I yield back the balance of my time.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1500

GENERAL LEAVE

Mr. LANTOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Joint Resolution 87, the Senate joint resolution just passed.

The SPEAKER pro tempore (Mr. WALGREN). Is there objection to the request of the gentleman from California?

There was no objection.

NATIONAL CHILD CARE AWARENESS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 50) to designate the week beginning April 2, 1989, as "National Child Care Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I yield to my friend and colleague, the gentleman from Missouri [Mr. BUECHNER] as the chief sponsor of this joint resolution.

Mr. BUECHNER. Mr. Speaker, child care is one of the most important issues facing our country. With the passage of this resolution designating the first week in April as "National Child Care Awareness Week," Congress will take a major step in recognizing the child care needs of American families.

As elected leaders, we must be in the forefront in developing means by which parents can make deliberate choices in selecting child care, instead of a "one size fits all" policy. Federal child care policies should enable families—not the Government—to choose such care.

It is my hope that during the first week of April, all of us will take time out to appreciate the importance of child care today and its impact on the future. By doing so, our Nation will move forward toward a more productive work force and a stronger competitive stance in the international market for the 21st century.

At this time, I would like to take this opportunity to extend my appreciation to Congressman SAWYER, Congressman RIDGE, Congressman FORD, Congressman GILMAN, and their staffs for their invaluable assistance in guiding this resolution to the House floor.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 50

Whereas the status and composition of the family in the United States is constantly changing;

Whereas today 57 percent of all women with children younger than six years of age work outside the home;

Whereas by 1995, two-thirds of all preschool children and more than three-quarters of all school-age children will have mothers in the work force;

Whereas the increasing participation of women in the work force will continue to increase the demand for child care during the working hours;

Whereas adequate child care is an increasingly important element in enhancing the productivity of the work force and enabling parents to receive additional job training;

Whereas child care experts have long known that a child's first five years are the ideal base to support lifelong learning, and

child care providers in both homes and child care centers can provide vital assistance to parents in these critical years;

Whereas the collaboration of public and private efforts is essential to developing accessible, high quality child care;

Whereas the National Association for the Education of Young Children is sponsoring a week of the young child, and it is appropriate for Congress to designate the same week as a period devoted to increasing public awareness of child care issues;

Whereas communities across the United States are planning special activities to honor child care providers to illustrate the importance of high quality child care during that week; and

Whereas all children deserve high quality child care, and all parents have a profound obligation to provide a safe wholesome environment for their children at all times: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning April 2, 1989, is designated as "National Child Care Awareness Week", and the President of the United States is authorzed and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third tme, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL RECYCLING MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 102) to designate April 1989 as "National Recycling Month," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. RIDGE. Reserving the right to object, Mr. Speaker, I would just like to acknowledge the work of the gentleman from California [Mr. HAWKINS], who is the chief sponsor of this joint resolution, and to thank the gentleman for securing the requisite number of signatures. We had the minimum number of 218.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 102

Whereas a solid waste disposal crisis exists in the United States;

Whereas half of the major cities in the United States will have no space available for disposal of garbage within 4 years;

Whereas trash incineration and non-incineration industries should adopt recycling methods;

Whereas source separation, mechanical separation, and community-based recycling programs divert a significant portion of waste from landfills;

Whereas recycling preserves limited landfill capacity for disposal of nontoxic waste;

Whereas recycling saves energy and avoids the pollution created in extracting resources from their natural environment;

Whereas the revenues from goods recovered by public sector recycling programs help to offset the costs of the programs;

Whereas shared savings, which accrue by avoiding the higher cost of landfills or incineration, make recycling an economically efficient disposal policy even where markets for recycled materials are weak or undeveloped;

Whereas a well-developed system of recycling scrap metals, paper, and glass already exists and significantly reduces the quantity of solid waste composed of metal, paper, and glass;

Whereas substantial increases in the amount of materials recycled will require development of markets that absorb the increase in the amount of material recycled, known as incremental markets;

Whereas many consumer products are designed without sufficient regard for safety and efficient recycling after disposal;

Whereas the Federal Government and State and local governments should enact legislative measures that will increase the amount of solid waste that is recycled;

Whereas the Federal Government and State and local governments should encourage the growth of incremental markets for materials recovered from recyclable goods;

Whereas the Federal Government and State and local goverments should promote the design of products that can be recycled safely and efficiently after use;

Whereas the Federal Government and State and local goverments should establish requirements for in-home separation of waste to enable efficient recycling; and

Whereas the people of the United States should be encouraged to participate in educational and legislative endeavors that promote waste separation methods, community-based recycling programs, and expanded utilization of recovered materials; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 1989 is designated as "National Recycling Month", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Joint Resolution 50 and House Joint Resolution 102, the joint resolutions just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1067

Mr. HERGER. Mr. Speaker, I ask unanimous consent that the name of the gentleman from New Jersey [Mr. TORRICELLI] be removed as a cosponsor of H.R. 1067, which I introduced in February.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DOING DRUGS IS WRONG

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, President Bush and Congress have made the war on drugs a top national priority.

What does this commitment at the national level mean for the local level? It means support for local antidrug programs.

The San Angelo Independent School District in my district is quickly becoming a battle hero. The Substance Abuse Program in San Angelo schools recognizes the student's right to learn and the teacher's right to teach in a drug-free school.

The program focuses on training teachers to support, counsel, and educate young people with drug or alcohol addictions.

The results are impressive. The number of students needing rehabilitation has dropped significantly while antidrug peer pressure is on the rise.

These local victories are the basis for a national victory in the war on drugs. Here is where the attitudes surrounding drug use will be changed, as they must be, by parents and teachers.

The war on drugs will truly be won when all Americans say, "Doing drugs is wrong."

Mr. Speaker, I am submitting the following letter from Dr. Judithe Hanover Zentner to be inserted in the RECORD:

SAN ANGELO PUBLIC SCHOOLS,
San Angelo, TX, March 16, 1989.

Congressman LAMAR SMITH,
Cannon HOB, Washington, DC.

DEAR CONGRESSMAN SMITH: Per a telephone conversation with Jonathan Newton yesterday, I am forwarding a manual describing the San Angelo Independent School District Comprehensive Substance Abuse Program.

You will note that a description of the use of the "Drug Free Schools" Grant money is reflected under the "Counseling" component of the program. Last year 60 teachers and counselors were trained in-depth to conduct student support groups on all our secondary campuses—four junior highs, two senior highs, a student disciplinary campus, and at our new alternative school for at-risk or drop-out students.

This summer, an additional 60 teachers will be trained. In addition, all our 17 sec-

ondary school principals were trained in Phoenix to enlighten their knowledge of the needs of the at-risk substance abuse students and to elicit their support of the teacher led student support groups on the campuses.

As a result, the S.A.P. groups are now being conducted on all our campuses per plan and training with great success. We are keeping at-risk, potential drop out, substance abusing, chemically dependent students in school by identifying their needs, giving them special support and referring them to appropriate treatment, rehabilitation, or AA/NA community groups.

Per our conversation, we use drug dogs as a psychological deterrent to discourage students from bringing drugs to school and to reinforce that the SAISD is serious in it's intent to have drug free schools.

Our drug testing program is continuing for the third year with enthusiasm and support building each year. We reward students randomly chosen to be tested with drug-free message T-shirts designed by each campus anti-drug groups. The students wear these proudly and we plan next year to have a monthly day for tested students to wear their T-shirts to proudly acclaim their support of the drug testing program, a drug free school, and to prove they are drug free—tested and proud to be drug free.

We have a "just say no" or anti-drug club on all our secondary campuses and on most of our 31 elementary campuses.

The D.A.R.E. program was begun last year as a pilot program and is now conducted by DARE trained police officers in all our 5th and 7th grade classes. This program has made a great impact on the anti-drug peer pressure of elementary school students which is carrying over now into junior high/high schools. Our school district was the first in Texas to implement the D.A.R.E. program. In fact, San Angelo is the training site now for all Texas training of D.A.R.E. officers doing education in schools. Counties from all over the state send in officers to be trained by a consulting/training team from Los Angeles. This is the second year of training.

Our substance abuse program was chosen to be presented as the secondary school model at the 31st annual Institute of Alcohol and Drug Studies co-sponsored by the Texas Commission on Alcohol and Drug Abuse and the University of Texas, Austin.

Obviously, we are proud of our efforts and our programs of prevention, education, and intervention for our students and school district . . . and, for the courage and vision of our School Board, School Administration, and Superintendent.

I hope this information will be helpful for your continuing endeavors to fight the great threat of substance abuse in the schools. Please keep up your efforts. Please keep providing the monies, education materials, and videos much needed for us to be able to do the best job we can at school for our students, and for the future of our nation.

Sincerely,

JUDITHE HANOVER ZENTNER,
R.N., Ph.D., C.A.D.A.C.,
Coordinator, Substance Abuse Program and Services, Certified Alcoholism and Drug Abuse Counselor.

LEGISLATION LEADING TO RETAINING TOP FEDERAL OFFICIALS

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, I recently contacted and received comments from heads of Government agencies who fear that they will lose their top people unless Congress acts quickly to address the pay situation.

I am reluctant to revisit the question of pay for the executive, legislative, and judicial branches after the events of last month. In fact, the bill I am introducing today does not affect pay for Members of Congress. But I am convinced that if we do not act soon our Government will experience a slow but devastating erosion as our experienced officials retire, and as the best and brightest young professionals choose careers outside of Government.

I am talking about the top agents at the Drug Enforcement Administration, at the Bureau of Alcohol, Tobacco and Firearms, and at Customs who lead the war on drugs and keep drugs out of our schools and off of our streets. Two DA agents were killed in action last year alone. I am talking about the researchers at the National Institute of Health and the Food and Drug Administation who are working to cure cancer and stop the spread of AIDS, who approve new drugs and vaccines.

I am talking about the men and women at the Federal Aviation Administration who coordinate this country's air traffic and ensure the safety of airline passengers. I am talking about the people at the Nuclear Regulatory Commission who oversee the safety of our nuclear reactors, who protect our environment and our public safety, and the people at NASA who guide our Space Program and develop new technologies that translate into more competitive U.S. businesses.

These top officials are hard working and dedicated, and have continued their public service as their pay, compared with pay in the private sector, has continued to shrink. But there comes a point when even the most dedicated public servant considers leaving Government. These men and women have responsibilities to their families, they have children who want to enter college. Public service will never be as lucrative as employment in the private sector, but the gap between the two has grown too large, and as these letters suggest we face a potential crisis.

Mr. Speaker, I rise today to introduce legislation that will allow President Bush to take the lead in retaining our top Federal officials in the executive and judicial branches. My bill would allow the President to consult with his advisers, review the recent Quadrennial Commission report, and to make pay recommendations to Congress within 60 days for all those positions, except for Members of Congress and the Vice President, that would have received a pay raise if the President's original pay recommendations had gone into effect. The President's recommendations would then go into effect unless Congress passes a joint resolution of disapproval within 30 days, as is the current mechanism under the Quadrennial Commission process.

This legislation is a needed first step addressing those positions where the pay comparability gap is the greatest. I also believe that we will soon have to address the pay issue throughout the general schedule.

There is an old saying that you get what you pay for. For the past few years we have been getting more than we paid for, as top quality Federal executives have decided to stay with the Government even though the value of their pay has declined. I am afraid that this will not go on forever, and if these individuals with experience and institutional memory retire and leave for the private sector we will be hard pressed to find their equals to replace them, even at higher salaries.

We must act now to prevent this loss. I want to highlight comments from some of the more compelling letters:

James Wyngaarden, Director of the National Institutes of Health, reports that:

> Since 1980 NIH has not been able to recruit a single senior research scientist from the private or academic sectors to engage in the independent conduct of a clinical or basic clinical research program.
>
> Just within the last year, NIH has lost six highly prestigious scientific leaders * * * [including] one of the country's foremost experts on breast cancer, and the individual responsible for setting up a national network of clinical trials for testing and introducing new treatments for cancer that made possible the rapid introduction of AZT for widespread use in the treatment of AIDS.

James C. Fletcher, Administrator of NASA states that, "In the absence of higher pay for senior NASA professionals, successful conduct of the U.S. Civil Aeronautics and Space Program is in jeopardy."

Secretary Skinner of the Department of Transportation worries about the effect that "current salary levels may have on the morale and image of the Federal career service as well as on the potential SES turnover rate."

Secretary Cavazos of the Department of Education states that, "If this issue is not realistically addressed soon, I have no illusions that talented and highly qualified employees will leave Federal service. * * *"

Secretary Lujan of the Department of the Interior, states:

> Clearly, there is a need for a more reasoned pay policy which bases compensation on level of responsibility and assumption of risk. On one hand, current Federal executive salaries are not high enough to attract the best and the brightest from outside Government service. On the other hand, the

same salary structure acts as a disincentive to our most senior and experienced managers from aspiring to greater responsibility as senior executives.

Chief Justice William Rehnquist believes that adequate pay "is the single greatest problem facing the judicial branch today."

Michael Doyle, Assistant USTR for Administration, states:

Since February 1987, six career professionals have left for the private sector. These departures create a large gap in institutional memory.

Mike Murphy, Acting Commissioner of the IRS, states:

I have seen an accelerating trend in the IRS for our most experienced and technically expert executives to retire almost as soon as they become eligible. For example, over the last two years the average age of executive retirement in the IRS has been 55. More often than not, these executives accept lucrative positions in the private sector. In the wake of the rejection of the pay commission recommendations, we are experiencing an increase in executive retirement activity.

Mr. Speaker, for the RECORD I am also inserting selected texts of three letters from the executive and judicial branches on the need for competitive salaries for the top levels of our Government:

NATIONAL INSTITUTES OF HEALTH,
Bethesda, MD, March 17, 1989.

Hon. FRANK R. WOLF,
House of Representatives, Washington, DC.

DEAR MR. WOLF: I am writing in response to your letter asking for my views on the effect that the recent disapproval of pay increases for top executive and judicial branch employees will have on the National Institutes of Health (NIH).

NIH has become the world's premier biomedical research institution because of the consistently superior quality of its senior staff, who have made significant contributions to the major advances in the biomedical sciences and biotechnology over the last century. Many of these advances have opened potentially valuable and lucrative commercial applications and have caused a dramatic increase in the competition for top caliber senior researchers and science managers in the private and academic sectors. Compensation for these employees has not kept pace with this increased competition. As a result, NIH has been experiencing severe problems recruiting and retaining senior level personnel of the prominence and stature required to lead and direct major national research programs.

There are currently 174 highly qualified and talented members of the Senior Executive Servcie at NIH who would have been affected by the pay raise. Of these, 52 are physicians, and 103 have Ph.D. or other doctorate degrees. Virtually all of these individuals can command substantially higher salaries in the private or academic sectors, and many have standing employment offers. All have been experiencing severe limitations in their salaries over the last several years and the lack of a pay raise has affected their morale.

Our studies show that on the average, senior NIH physicians are paid 50 percent less than their academic counterparts. Other senior NIH doctorates (e.g., Ph.D.s) are paid 22 percent less * * * the compensation gap between the NIH and American medical schools is increasing. Many of our senior scientists are considering whether to remain with NIH because of these salary considerations.

I think that our situation can best be illustrated by the preliminary results obtained from an employment survey we are currently conducting among our permanent scientific staff. Thus far, 50 physicians have responded. Of these, 42 have reported receiving one or more employment offers within the last year, ranging from $90,000 to $500,000. The average employment offer was $166,000. With offers of this magnitude, NIH is bound to lose a number of key senior scientists.

The compensation gap has made recruitment exceptionally difficult. For example, since 1980 NIH has not been able to recruit a single senior research scientist from the private or academic sectors to engage in the independent conduct of a clinical or basic biomedical research program. During this same period, we have been able to recruit only 18 percent of our senior scientific research administrators from outside the Government. In addition, there are numerous cases of top candidates expressing substantial interest in senior positions at NIH who withdrew from consideration because we could not offer an adequate salary or benefits. Among these, prominent candidates for five different Institute Director positions declined further consideration because they were currently earning salaries ranging from 20 to 263 percent more than NIH could pay. * * *

In the last ten years, NIH has suffered a net loss of 28 percent of its most senior research scientists. All left NIH to accept positions in academic institutions, industry, and independent research laboratories at salary increases ranging from 50 to 300 percent. In the last six years, NIH lost a Deputy Director and five Institute Directors due to salary considerations. Just within the last year, NIH has lost six highly prestigious scientific leaders. These losses include one of the country's foremost experts in breast cancer, and the individual responsible for setting up a national network of clinical trials for testing and introducing new treatments for cancer that made possible the rapid introduction of AZT for widespread use in the treatment of AIDS. * * *

Equally important is the effect that the lack of a pay raise for senior scientists has had on our junior and mid-level scientists. NIH is relatively successful in recruiting and developing bright and promising postdoctoral research scientists. Our employment trends indicate that as these scientists progress and begin to encounter salary compression due to pay limitations in the senior rank, they leave the Government just as they are entering the peak of their careers. We expect that continued limitation on the pay of senior level staff may accelerate this trend. If this occurs, NIH will have fewer available well trained researchers to advance to the senior leadership.

Our recruitment and retention difficulties are occurring at a time of great challenge and opportunity in the biomedical sciences. If NIH is to meet this challenge, it is vital that we have the first-class senior researchers and science managers who will provide the necessary innovation and leadership. To do so, NIH must have the capacity to compete nationwide for the best available scientific talent. I firmly believe that an increase in compensation is an essential first step toward restoring NIH to a fully competitive posture, and demonstrating a commitment to the retention of these valuable and highly qualified senior scientists.

Sincerely yours,

JAMES B. WYNGAARDEN, M.D.,
Director.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, DC, February 28, 1989.

Hon. BARBARA A. MIKULSKI,
Chair, Subcommittee on HUD-Independent Agencies, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MADAM CHAIR: I am writing to you on a matter of the gravest importance for the successful execution of the American civil aeronautics and space program. I, and the Administrators who follow me, are faced with an increasingly intractable dilemma: how to attract, recruit, and maintain top quality professionals in the federal service in the face of inadequate incentives and wages. I have a total federal staff of about 23,000 people available to manage over $10 billion worth of work throughout our industrial and academic communities. Of these 23,000, about half, or 12,000, are scientists and engineers. These are people who must interact on a day-to-day basis with their peers in industry and academia. It is these people who provide our basic core technical capability, give the orders, make the decisions, and are ultimately responsible for the success or failure of the nation's aeronautical and space programs.

The senior NASA managers—those in the Senior Executive Service—are a most cherished resource. Their pay is capped at $80,700; they manage their peers in industry who earn as much as $150,000 to $250,000. They stay with NASA because of loyalty, not economics. However, three-quarters of them are now eligible for some kind of federal retirement; when they do leave, our best people instantly command very large salaries in industry or academia. When they leave, we find it increasingly difficult to replace them; there are not enough highly qualified juniors in the NASA pipeline and our salaries are insufficient to attract senior industry people.

As an example, a 1987 survey showed that our Center Directors, then being paid $77,500, were "worth" over $156,000 in the private sector—a differential of 88%. Last year we lost three senior NASA managers to industry at more than double the federal salary ceiling.

One can enter the government confident of experiencing a rewarding and upwardly mobile career of increasing responsibility and challenge, but one also knows that, even if he or she aspires to one of the very top 2% of the agency's leadership positions, the salary will be capped at $80,700. A thirty-year career investment in industry offers not only more favorable benefits, but also provides direct wages equivalent to three or four times those of a government career. Because of this, as our top ranks retire, current salaries do not enable us to retain or attract people capable of replacing this lost talent. We are in danger of losing our ability to manage research and development, much less actually perform it. Salary is the key—when government wages are grossly out of step with those of the private sector, we must expect to have to settle for a less capable government.

I believe that the SES pay cap should be raised to at least $120,000—this would provide a career ladder worth staying on. These are the critical actions as far as NASA is

concerned; our anecdotal experience suggests that the other agencies dedicated to technical excellence face identical problems. I solicit your help in resolving these issues.

Sincerely,

JAMES C. FLETCHER,
Administrator.

SUPREME COURT OF THE UNITED STATES,
Washington, DC, March 16, 1989.

Hon. FRANK R. WOLF,
House of Representatives, Washington, DC.

DEAR FRANK: Thank you for your March 9, 1989 letter asking about the effects on the judiciary of the Congressional vote disapproving the pay increase measure.

As you may know, the Judicial Conference met this week and resolved that Congress increase the salary for the judiciary 30 percent and include a cost-of-living provision. Enclosed are materials that were provided to the press that state my position and that of the Judicial Conference. I am grateful that you recognize the need to act quickly, and I urge you to support legislatively the Judicial Conference resolution.

Sincerely,

WILLIAM H. REHNQUIST.

[Judicial Conference of the United States, Mar. 15, 1989]

STATEMENT OF CHIEF JUSTICE WILLIAM H. REHNQUIST

As presiding officer of the Judicial Conference of the United States and at the request of the Judicial Conference, I report on an urgent recommendation unanimously agreed to by the Conference at its semiannual meeting yesterday.

The issue is adequate pay for judicial officers.

This is the single greatest problem facing the Judicial Branch today. Failure to adequately address this issue poses the most serious threat to the future of the Judiciary and its continued operations that I have observed. This feeling is shared by all members of the Judicial Conference.

The Conference has decided to actively seek legislation to increase the pay of judicial officers. The Conference resolution calls for a 30% increase in judicial salaries coupled with provisions that will assure that judicial officers receive periodic cost-of-living adjustments (COLAs) similar to those received by other governmental personnel.

There is abundant reason for this step:

Judges have suffered an enormous erosion in their purchasing power as a result of their pay not having kept pace with inflation over the last 20 years.

It is becoming more and more difficult to attract and retain highly qualified people on the Federal bench.

The time honored tradition that judges actually do serve for life is threatened by the diminution in "real" pay that judges are receiving.

It is a great anomaly that judges' law clerks often earn more when they enter practice or shortly thereafter, than Federal judges make. The disparity between judicial salaries and compensation for experienced attorneys is even more pronounced, whether the attorneys are in private practice, in corporate law departments, in law schools, or in other legal fields.

The foregoing conditions urgently require attention. Without redress, the Federal judiciary as we know it cannot continue to meet the high standards the public has come to expect from it. The Nation needs the assurance of proper compensation for judicial officers. Reflecting my own concern and the deep concern of the Judicial Conference, I would ask the Congress and the President for their support.

H.R. 1653

A bill to amend section 225 of the Federal Salary Act of 1967 to clarify the procedures under that section for disapproving pay adjustments recommended by the President, and to provide for reconsideration relating to certain executive, legislative, and judicial salaries (excluding Members of Congress)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS TO SECTION 225 OF THE FEDERAL SALARY ACT OF 1967.

Section 225(i) of the Federal Salary Act of 1967 (2 U.S.C. 359) is amended—

(1) in paragraph (1), by striking "joint resolution agreed to by the Congress" and inserting "bill or joint resolution which becomes law"; and

(2) by amending paragraph (2) to read as follows:

"(2) The rates of pay recommended by the President (other than any disapproved in accordance with paragraph (1) of this subsection) shall take effect on the first day of the first applicable pay period beginning after the end of the 30-day period referred to in such paragraph (1)."

SEC. 2. RECONSIDERATION OF PAY RATES FOR CERTAIN OFFICES AND POSITIONS.

(a) PRESIDENT'S RECOMMENDATIONS.—Not later than 60 days after the date of the enactment of this Act, the President shall transmit to both Houses of Congress his recommendations with respect to the exact rates of pay which he considers advisable for offices and positions under subparagraphs (B) through (D) of section 225(f) of the Federal Salary Act of 1967.

(b) APPLICABILITY OF CERTAIN PROVISIONS.—Subsections (i) through (k) of section 225 of the Federal Salary Act of 1967 (as amended by section 1) shall apply to recommendations transmitted by the President under this section in the same way as if they had been transmitted under section 225(h) of such Act.

NATURAL GAS DEREGULATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. SHARP] is recognized for 5 minutes.

Mr. SHARP. Mr. Speaker, I am pleased today to introduce bipartisan, consensus legislation to end the remaining wellhead price controls on natural gas. This bill is cosponsored by 29 members of the Energy and Commerce Committee, including 22 of 23 members of the Subcommittee on Energy and Power, and it unites Members who have historically opposed deregulation with those who have historically supported it.

Its enactment will help lower our growing dependence on foreign oil producers—who are not hindered by price controls—make more clean-burning gas available for dealing with our environmental problems, minimize possible future consumer price rises, and end a system of economic discrimination that needlessly adds to the already large problems of our depressed energy producing regions.

A balanced energy policy must include more production, more efficiency, and more environmental concern. This measure should be a modest step forward in all three areas. It will help, not hurt our consumers and our economy, which have already adapted to the largely decontrolled market—and lower prices—now in place.

Though one of our Nation's most abundant and important energy sources, natural gas regrettably is the only fuel and the last major commodity still hampered by Federal price and allocation controls. These controls misdirect scarce exploration capital, and mean we are producing less of this valuable resource and paying more for it.

Things have changed. Competitive energy markets work, as our proconsumer experience with oil and partial natural gas decontrol clearly shows:

We decontrolled oil, and our consumers are now buying gasoline that, on a real, inflation-adjusted basis, is the cheapest in our Nation's history.

We have already decontrolled the majority of our Nation's gas supplies in the past few years, and these prices are now as low as they were in 1979, when the partial decontrol process began.

In an era of rising energy security and environmental concerns, it's time to take the long-term view, and extend these policies to the dwindling minority of our controlled gas supplies.

I remind my colleagues that most of our Nation's gas supply is now effectively decontrolled: less than 10 percent is "old" price-controlled gas. Average prices to local gas companies are set by the market and capped by oil prices. Cold winters or an oil embargo right now would push up gas prices indefinitely, until the blended mix of free and controlled gas hit free market levels. Thus, controls no longer provide any shield for consumers against free market gas prices and in fact have not done so for years.

Though not protected by remaining controls, consumers still have a stake in how FERC handles gas transportation issues and allocates gas costs. No one is proposing to deregulate pipelines, and we will continue our oversight of FERC to ensure that captive residential consumers are not disadvantaged, and the current competitive "open access" pipeline system is maintained.

The bill I am introducing will complete the partial decontrol process begun over 10 years ago under the Natural Gas Policy Act of 1978 [NGPA]. This NGPA decontrol process covered only "new gas" supplies—those from wells drilled after 1976—and finally ended 4 years ago on January 1, 1985, with complete removal of Federal controls on new gas.

But under the NGPA, Federal regulation continued on other supplies, such as cheap "old gas" and costly "incentive priced gas." The bill would end both sets of controls.

Several significant beneficial changes in the gas industry over the past 6 or 7 years underlie this legislation and now make it appropriate:

The decline of cheap old gas as a meaningful economic factor: Depleting old wells and escalating ceiling prices written into the original NGPA have transformed old gas from a majority of interstate supplies priced far below

the market, to today's 8 percent of national supply with an average price slightly above the market.

The perverse operation of the remaining ceiling prices, which are now far above market levels and which were termed "a system of price supports for producers" in a recent Supreme Court ruling.

The sharp fall in wellhead prices under partial NGPA decontrol, from 1984's price of $2.66 per thousand cubic feet [mcf] to 1988's price of about $1.70.

The substantial passthrough of these lower prices to residential consumers by the still-regulated pipelines and gas utilities: Average residential prices dropped by about 85 cents from the winter of 1984–85 to the winter of 1987–88.

The rise of a competitive interstate pipeline system that has used "contract carriage" to spread cheap decontrolled supplies evenly to large and small buyers.

The growth of a large dual-fueled market able to burn either oil or gas, which in the wake of the oil price collapse of 1986 has intensified oil versus gas—and gas versus gas—price competition.

The ripple effect of price shopping by industrial consumers, which has kept gas prices in line with oil prices not only for industrial consumers who can switch to oil but also for captive residential consumers who cannot switch—thus saving this important captive market billions of dollars in gas costs over the past 6 years.

Growing recognition of the extreme inaccuracy of energy price forecasts from 10 years ago, which were written into the NGPA's incentive price provisions and were widely used to erroneously magnify the consumer costs of complete decontrol.

A series of FERC rules, court decisions, and new industry practices that have ended the old world of inflexible long-term contracts between producers, pipelines, utilities, and consumers, and replaced it with new arrangements that allow buyers at each level to choose and price shop among multiple supply options.

I look forward to hearings on this measure in the very near future, and its prompt consideration by my colleagues. I hope we can continue to proceed on a consensus approach to give this clean fuel an even brighter future.

Mr. BRYANT. Mr. Speaker, I am delighted to join Energy and Commerce Subcommittee on Energy and Power Chairman PHIL SHARP in supporting legislation to decontrol natural gas by January 1, 1993. I especially appreciate the chairman's efforts to reach this compromise between forces supporting immediate decontrol of natural gas and those who wanted to hold out decontrol only at the expiration of all current contracts.

Under the terms of H.R. 1595, large amounts of natural gas prices will be decontrolled and this is good for both consumers—because market prices are low—and producers—because price decontrol should lead to increased revenues and therefore increased funds to devote to exploration and production of new reserves.

As one longtime soldier in the army of supporters of natural gas decontrol said, to paraphrase, "this issue has been waiting to be resolved since Eisenhower was President." I'd say we did not exactly rush to judgment, but I am pleased we have moved this far and pledge to work with Mr. SHARP to see this bill enacted into law.

Mr. LELAND. Mr. Speaker, I would like to register my support for the decontrol of natural gas wellhead prices as stipulated under Energy and Power Subcommittee Chairman SHARP's legislation. Delaying the date of deregulation will spare many energy concerns the losses associated with immediate deregulation. The work demonstrated by all the natural gas associations in developing a unified industry position has facilitated timely congressional action. I commend the industry for its fine work.

Mr. MOORHEAD. Mr. Speaker, as the ranking Republican member of the Subcommittee on Energy and Power, I am pleased to join the chairman of the subcommittee, the gentleman from Indiana [Mr. SHARP], in introducing the Natural Gas Decontrol Act of 1989. This legislation enjoys the broad support of a bipartisan coalition of members of the Committee on Energy and Commerce from all regions of the country. The bill is sound energy policy and environmental policy. As such, it should be enacted into law without futher delay.

A consensus on natural gas decontrol has eluded the Congress and the natural gas industry throughout this decade. Previous attempts at passing decontrol legislation have been unsuccessful. This time around, we have a bill with a phased decontrol approach that is supported by groups representing major and independent natural gas producers, natural gas pipelines, local natural gas distribution companies, and major consumers of natural gas. A great deal of time, effort, and political capital went into forging the compromise legislation we are introducing today.

The bill only addresses the removal of the remaining price controls on the production of natural gas at the wellhead. The Federal Energy Regulatory Commission [FERC] will continue to regulate the rates charged by interstate natural gas pipelines. State public utility commissions will continue to regulate the rates charged to consumers of natural gas.

According to draft data of the Energy Information Administration published in the energy trade press, 58 percent of flowing volumes of natural gas in 1987 was already decontrolled. About 42 percent of flowing volumes was still subject to price controls. However, average wellhead prices are not likely to increase upon decontrol in today's gas market. There are several reasons why this is true. First, there is more competition in the purchasing and delivery of natural gas to consumers under FERC Orders 436 and 500. Local distribution companies and their customers have more sources of gas supply than was the case as recently as 1984. A large spot market for natural gas exists today that did not exist until recently. Second, while price controls apply to about 40 percent of flowing gas, most of this gas is already selling for less than the maximum lawful ceiling prices set by current law. Third, the legislation decontrols high cost gas that is currently selling for more than the market-clearing price, as well as removing price controls on gas which now sells for less than the market price.

This legislation is a carefully crafted compromise between those of us who favor immediate decontrol of natural gas and those inside and outside of the Congress who either oppose decontrol altogether or who have sought a longer transition period. Specifically, the bill would decontrol upon its enactment gas to which a contract did not apply on the date of enactment. After enactment, the bill decontrols gas upon the expiration, termination, or renegotiation of contracts. Natural gas from wells spudded after enactment would also be free of wellhead price controls. Finally, all maximum lawful ceiling prices under the Natural Gas Policy Act of 1978 [NGPA] would be repealed effective on January 1, 1993. The transition period between the enactment of the legislation and the complete decontrol date of January 1, 1993, will give pipelines and producers an opportunity to adjust their contracts in anticipation of complete decontrol.

As the debate in Congress continues on Clean Air Act reauthorization, acid rain, global warming, and other environmental issues, it is clear that natural gas has a prominent role to play as a clean-burning fuel. Natural gas use is already on the rise after years of some decline. In 1972, natural gas consumption was fully 22 trillion cubic feet [tcf]. By 1986, this level was down to 16.2 tcf. The Energy Information Administration [EIA] projects that by the year 2000, gas use will climb back up to 20.3 tcf. However, under current policy, domestic production will increase at a slower rate than the rise in demand. As a result, unless we take corrective steps, EIA estimates that imports of natural gas, largely from Canada, will double to 2.3 TCF. This projection is not based on the fact that our resource base of potential natural gas supplies is running out. To the contrary, the latest estimates are that the Nation has abundant quantities of natural gas in the ground. What we need is to let the market work so that this resource is produced rationally. By removing the remaining wellhead price controls, we will allow our domestic natural gas industry to produce gas efficiently and thus provide the lowest price to consumers.

Increased use of natural gas to reduce air pollution is particularly important to my home State of California and the Los Angeles basin in which the congressional district I represent is located. Three new interstate natural gas pipeline projects are currently pending at the Federal Energy Regulatory Commission. In addition, an existing pipeline is seeking to greatly expand its capacity to deliver gas to the California market. This legislation will help bring adequate and affordable natural gas through these pipelines.

Finally, it is important to emphasize that this legislative effort is for a clean bill. Other natural gas issues, on which there is no consensus, will not be taken up as part of this legislation. A similar bill has been introduced in the other body. I look forward to working with my colleagues on the Energy and Commerce Committee to bring this measure up for a hearing and a markup as soon as possible after the Easter recess.

Mr. LENT. Mr. Speaker, as ranking Republican member of the Committee on Energy and Commerce I am joining a bipartisan group of my colleagues in introducing the Natural Gas Decontrol Act of 1989. This legislation provides for a phased removal of the remaining price controls on the production of natural gas. This compromise bill deserves the widespread support of the Congress so that we can move it forward out of committee and to the floor in the near future.

The bill is a modest, but an important step, toward a more competitive and market-based energy policy for the United States. President Bush has called for natural gas decontrol, as has the Chairman of the Federal Energy Regulatory Commission [FERC]. The breadth of the country and the political spectrum represented by the original cosponsors of the legislation indicates that for the first time in the long history of natural gas deregulation efforts we have a consensus vehicle on which to move forward.

Natural gas decontrol is important to the Northeast in general and to Long Island, NY, in particular because of the need to bring new sources of environmentally benign energy to consumers. A March 8, 1989, editorial in Newsday endorsing natural gas decontrol, "Help LI Consumers: End Natural Gas Price Controls," pointed out that:

> The perverse effect of controls has been to keep old and cheap gas in the ground while uncontrolled and thus more expensive gas is sold instead. By now, however, even new gas is selling below its old price ceilings because oil prices are relatively low.

One of the reasons why natural gas decontrol enjoys wide support today is that the nature of the industry has changed dramatically in the last few years. One of the arguments against decontrol which was made in past years was that pipelines exercised too much market power over gas purchasing decisions.

Until recent reforms implemented by the Federal Energy Regulatory Commission [FERC] in orders 436 and 500, natural gas pipelines acted as merchants. Pipelines purchased natural gas from producers under long term contracts, and resold the gas, now owned by the pipeline, directly to local distribution companies. Thus, local utilities and their customers were dependent upon the gas purchasing decisions of the few pipelines which serve any given utility.

By contrast to the traditional merchant function, most natural gas pipelines today are also open access transporters of natural gas. Local utilities and others can make gas purchasing deals directly with producers and through intermediaries. A gas brokering industry and a spot market for natural gas now exist where none did until recently. Local utilities and others have been able to go to the spot market and purchase natural gas at rates less than those available directly from pipelines. FERC reports that 19 of the 23 major interstate pipelines, which account for 81 percent of all interstate gas throughput, are "open access" carriers. According to the Interstate Natural Gas Association of America [INGAA], the transportation share, as opposed to traditional merchant share, of the market climbed to 73 percent in the third quarter of 1988. By comparison, the transportation share was only 37 percent in 1986 and 5 percent in 1983.

Natural gas decontrol is also critical to making improvements in our energy security. Natural gas is a substitute for imported oil in many uses, particularly for industrial boilers and in generating electricity. Unless we take steps like natural gas decontrol to reduce our dependence on foreign oil, the import share of U.S. oil consumption will continued to increase. Last year, oil imports hit 42 percent of U.S. demand, compared with only 30 percent in 1985. The Energy Information Administration projects that oil imports could consume over 50 percent of the market in the early 1990's. The previous peak for oil imports was almost 47 percent in 1977. The economy cannot afford an energy crisis like those we experienced in the 1970's.

Under current market conditions, the phased decontrol contained in this bill is a modest step forward. The removal of the remaining wellhead price controls will increase competition in the industry in keeping with the greater competition in the transmission segment of the industry brought about by FERC's open access policies. Consumers will benefit from this bill. It represents a bipartisan legislative effort in the true spirit of the call for action so eloquently expressed by President Bush in his inaugural address.

Mr. SYNAR. Mr. Speaker, I am happy to join today with my friend, PHIL SHARP, and other of our colleagues in introducing legislation to lift the remaining Federal price controls on natural gas. The legislation we are introducing would lift the last remnants of price regulation on January 1, 1993, with more remaining controls being lifted before that date. As my colleagues know, I have strongly supported efforts to lift these price controls as quickly as possible and would personally have preferred that we lift them all within the next year. If ever there was an area where we have proven that the market can function more efficiently than the Government, it is in the area of Federal price controls on energy commodities. It has been clear for years that Federal price regulation has distorted the gas market greatly, and provide little or no benefit to consumers or producers.

Lifting remaining price controls on natural gas is long overdue and will help us move toward a more rational, efficient and competitive marketplace. Although I think the greatest benefit would have been achieved by deregulation in the very near term, it appears the greatest chance for consensus at this time is through legislation phasing out remaining controls over the next few years. Despite my strong preference for more rapid movement toward deregulation, I recognize that this phased-in approach represents our best hope at this time for completing the job of deregulating gas prices. Accordingly, I intend to lend it strong and active support, and will work closely with Chairman SHARP in an effort to move the bill through Congress as soon as possible.

Other natural gas issues, such as bypass and take-or-pay contracts, are still far too devisive to be dealt with legislatively at this time and would jeopardize passage of this deregulation bill. I would urge my colleagues to resist the temptation to address these extraneous issues when the committee acts on the pricing bill, and to support us in our effort to move this legislation cleanly and expeditiously.

ORDER OF BUSINESS

Mr. DYSON. Mr. Speaker, I ask unanimous consent that on Tuesday, April 4, 1989, Mr. FOLEY and Mr. MICHEL, or their designees, have permission, following any legislative business and preceding any special orders previously entered into, to address the House for 60 minutes each to commemorate the 200th anniversary of the date of the first House conducting business having achieved a quorum.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland [Mr. DYSON]?

There was no objection.

INTRODUCTION OF H.R. 1388, REFORMING THE FEDERAL CROP INSURANCE COMMISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. DYSON] is recognized for 5 minutes.

Mr. DYSON. Mr. Speaker, I grew up in the heart of a rural Maryland farm community, where it was said that a "Gentleman Farmer" was the one who had enough spare time to read all the material the Federal Government prints about farming. I can testify that no one, gentleman farmer or not, has anywhere near enough time to read through the morass of technical reports, program regulations, and agency guidelines that surround our farm programs.

Mr. Speaker, as I stand before you today, farmers across our Nation are making financing management decisions which will have a direct impact on the survival of our family farms. In today's modern economy, a family farmer is required to make many of the same financial decisions that a large corporation does. He has to purchase supplies, make capital investments, obtain business loans, and market his product. The one decision the farmer has avoided making, however, is the purchase of crop insurance.

Unfortunately, in these times of climatic changes, fluctuating export levels and higher input costs, farmers cannot afford to play Russian roulette with their financial security. Therefore, it is imperative that farmers purchase crop insurance.

I know from speaking to my own farmers in the First Congressional District of Maryland there are many problems with crop insurance which serve as a disincentive to farmer participation. Fortunately, Congress has historically demonstrated a commit-

ment to making the crop insurance system work. I share this commitment.

When Congress last attempted to reform the FCIC in 1980, three very important goals were established:

First, farm acreage participation should be increased from 11 percent to 50 percent.

Second, Federal disaster payments should be eliminated.

Third, Federal crop insurance should become an integral aspect of farm management practices.

Unfortunately, as we review the results of crop insurance over the last 8 years, the progress on these three objectives has been dismal. Only 26 percent of eligible farm acreage is now insured under the current crop insurance system. And while the 100th Congress passed the largest farm disaster bill in the history of the United States, totaling $3.6 billion in aid to farmers, crop insurance has to become an integral part of farm management. The 1987 acreage participation rates for the Mid-Atlantic region reflect the failure of this goal. New Jersey and Pennsylvania have farm acreage participation rates of 2.1 percent and 1.6 percent respectively. And in my own State of Maryland only 2.9 percent of eligible farmland is insured against crop loss.

After a review of these numbers, it is obvious that we have a long way to go before crop insurance is the core of a farmers financial management.

Congress reaffirmed a commitment to crop insurance in the 1988 Disaster Assistance Act. A provision in this bill established a Federal Crop Insurance Commission to review the current system and make recommendations on how to improve the program. This Commission will submit an interim report next week and make a final report on July 1, 1989.

In Maryland, a State task force recently completed a review of crop insurance to assist congressional efforts to reform the FCIC. These efforts, in conjunction with comments from Mr. Bob Wilson, president of the Maryland Farm Bureau, Mr. Wayne Cawley, Maryland Secretary of Agriculture, and First District farmers, enabled me to formulate a legislative proposal, H.R. 1388, to reform the crop insurance system. H.R. 1388 will improve farmer access to information, reduce Government bureaucracy, create a more equitable price election system, and eliminate unnecessary barriers to farmer participation.

A 1988 General Accounting Office [GAO] crop insurance study of 10 State, including my home State of Maryland, stated that one of the major reasons for low farmer participation was that "many agents do not have the knowledge or training to explain the program accurately."

My bill addresses this problem by offering agents an incentive to improve their knowledge of crop insurance. The FCIC will be required to offer regular crop insurance training classes and tests to individual agents, which upon successful completion, will provide the agent with certificate of competence. This certificate, which will be similar to a bank's FDIC label, will provide the agent with a 2-percent bonus on each sale. I believe these changes will assist in increasing the number and improving the quality of agents who elect to sell crop insurance.

Another critical area of concern addressed in my bill is the lack of detailed information currently available to farmers. H.R. 1388 addresses this problem by designating the Agricultural Stabilization and Conservation Service [ASCS] as the Federal Crop Insurance Information Center. This Center will maintain current policy information and agent lists to assist farmers in the important decision of purchasing crop insurance.

H.R. 1388 requires that a farmer provide his actual production history records when establishing his yield with the FCIC. For farmers who have kept complete records over the years, establishing their yield is not a problem. However, for many farmers this provision is a hindrance to program participation. My bill gives the farmer the option of choosing to use his ASCS records when establishing his yield, or, if he has them, his actual production records. By eliminating this potential barrier to participation, we are opening crop insurance up to many farmers who would otherwise not participate in the program.

In the area of the price election system, I think it's important that we establish a rate system based on projected State and local prices instead of a projected national average. A national projection distorts the premium charged the farmers and the insurable rates for a particular commodity. Two examples involving the soybean crop for the State of Maryland illustrate this point well.

In 1985, a farmer could purchase a maximum coverage of $6.50 on a bushel of soybeans. In the State of Maryland, however, the price of a bushel of soybeans was $5.01. Since premiums are based on the amount of coverage purchased, Maryland farmers paid a higher premium for unnecessary additional insurance.

The opposite situation occurred in 1987, when the average price of soybeans in Maryland was $5.90 per bushel, whereas the maximum coverage that could be purchased was $5. Therefore, farmers choosing the maximum coverage of 75 percent, 25-percent deductible, also had to accept an additional 18-percent deductible because of the price election/price discrepancy. This is not acceptable. Moving to a State/county projection system would establish an overall parity in determining the price of coverage for a commodity, thus making the program more sensible for farmers to invest in coverage.

H.R. 1388 also seeks to eliminate the 10-percent penalty charged by the FCIC to farmers wishing to insure their various county farms as separate units. Both the American Farm Bureau Federation and the Maryland Farm Bureau support this change.

Finally, the bill addresses the coverage of full season and double crop soybeans. Currently, the FCIC insures full season and double crop soybeans to be insured as a single policy, even though both have different risks. Any farmer will tell you that these are two different crops and should be insured separately. Therefore, it would make sense that FCIC offer two separate policies. I believe this change, along with the other provisions in my bill, will make crop insurance a better management tool for farmers.

Mr. Speaker, I introduced H.R. 1388 to reduce the Government bureaucracy, restrictive regulations, and high premiums which discourage farmers from purchasing crop insurance. By making the program more appealing to farmers, participation rates can be increased, premiums can be lowered and Government expenditures reduced. Farmers in Maryland's First District don't want a new Government program; they want a program that works. The American farmer deserves this protection. I want to urge my colleagues to support this bill.

□ 1510

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

[Mr. PANETTA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

PROFITABLE THRIFTS ARE HOME LENDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, there are some who would kill off the savings and loan industry, claiming that it is old fashioned and no longer needed to provide for the housing finance needs of our Nation. These people argue that home lending is unprofitable and that thrifts should be weaned away from this activity. Nothing could be further from the truth. The numbers show that home lending is both safe and profitable.

Statistics from the Federal Home Loan Bank Board show that there is a direct correlation between the percentage of home mortgage holdings of a savings and loan and the institution's performance. These statistics

show a direct and positive correlation between the percentage of home mortgage holdings and an institution's net worth, earnings, and an inverse relationship with delinquent loans and foreclosed property.

Institutions with 50 percent or less home mortgage holdings had net worth—under generally accepted accounting principles [GAAP]—of only 0.6 percent. As percent of home mortgage assets increased, so did net worth. For institutions with more than 75 percent of home mortgage holdings, their net worth was 6.3 percent, more than 10 times that of nontraditional thrifts. This strong capital base already more than meets the risk-based capital requirements under the Bush plan for savings and loans.

Earnings also increased steadily as home mortgage holdings increased. Savings and loans with home mortgage holdings of more than 75 percent had earnings on an annual basis of 50 basis points, compared to an industry average of a loss of 50 basis points.

Similarly, those institutions with three-quarters or more of their assets in home mortgage holdings had only 1 percent delinquent loans, compared to an industry average of 2.6 percent. Their percentage of real estate owned, which is basically foreclosed property, was only about one-quarter of the industry average.

Mr. Speaker, we would not have a savings and loan crisis if savings and loans had stayed in the home lending business. For that reason, I plan to offer an amendment to the Bush proposal that will require that at least 80 percent of the assets of an institution be kept in housing-related investments. Not only will this restore savings and loans to the business they were created to serve, but it will also serve to maintain their profitability.

So Members can study the Federal Home Loan Bank Board's statistics for themselves, I ask that the attached table be printed in the RECORD.

SELECTED MEASURES OF THRIFT PERFORMANCE BY HOME MORTGAGE HOLDINGS

[September 1988]

Item	Percent of assets				
	50 or less	50 to 60	60 to 75	Above 75	All institutions
Number of institutions	755	605	1,107	532	2,999
Percent of institutions	25.2	20.2	36.9	17.7	100.0
Percent of assets	31.9	24.2	33.3	10.7	100.0
GAPP net worth	.6	2.9	4.7	6.3	3.1
Earnings (annualized)	−1.9	−.2	.3	.5	−.5
Real estate owned	3.2	1.1	.7	.4	1.5
Delinquent loans	4.6	2.1	1.6	1.0	2.6

Note.—Home mortgage holdings include 1- to 4-family mortgages plus mortgage-backed securities.

FLORIDA WINNER OF THE VETERANS OF FOREIGN WARS VOICE OF DEMOCRACY BROADCAST SCRIPTWRITING CONTEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

Mr. NELSON of Florida. Mr. Speaker, it is a pleasure for me to ask that the following remarks by Timothy A. Delaune, the Florida winner of the Veterans of Foreign Wars Voice of Democracy broadcast scriptwriting contest, be entered in the CONGRESSIONAL RECORD. I commend Tim and wish him the best in his most promising future.

"PREPARING FOR AMERICA'S FUTURE"

In July of 1776 a unique seed was planted in America's fertile soil. This seed was the Declaration of Independence, and it was soon to be nourished by the blood of the Revolutionary War. It sprouted under the Articles of Confederation, and became a healthy sapling in 1789, at the inauguration of its first President under the newly adopted Constitution. Over the next century, it prospered and grew, spreading its roots and its branches throughout the vastness of American soil and air. In 1861, this strong tree was threatened with division by the lightning bolt of secession, but it proved itself whole, and withstood the storm. In the 20th century, the winds of war bore the seed of democracy to the world. As America prepares for the next century, it must decide how best to continue to nourish the strong tree it has planted.

First, the liberty tree thrives best in a climate of economic security. America must take the lead in the production of quality goods. When American companies are outmatched by overseas competition, they must work harder and compete better in the free marketplace. In addition to eliminating the trade deficit, America must work to control its budget deficit. No longer can we afford to purchase on the money of the next generations. Both of these goals can best be accomplished by maintaining a strong commitment to free enterprise—a solid American value. Economic freedom is just as important to America as political freedom.

Second, in protection of its freedoms, America must retain a strong defense. Liberty cannot survive unless protected by those valiant and courageous souls, ready to give their lives at a moment's notice in defense of their country. We have indeed been fortunate in the abundance of patriots in America, who have loved this great country enough to offer their services to protect it from the enemies of freedom and democracy. To ensure that the tree of liberty grows healthy in its next century, undisturbed by its sworn enemies, we must remain ready to defend it with our lives, our liberty, and our sacred honor.

Lastly, our best preparation for the America of tomorow is the wholesome education of America's future, its children. We must not blindly turn our backs on the educational system; we must become direct participants in shaping the values America's children hold dearest. Our American virtues have been kept alive in large part by being passed on through the generations. The values of honesty, hard work, patriotism, commitment, self-sacrifice, and community involvement were given us by our parents, and we must hold true to them by passing these values on. We must never let education become anything but an instrument of the people. The tree must be pruned and trained to grow in the proper direction.

But, in the end, we must accomplish more than these goals in preparation for our future. The tree is useless if it is sterile, an ornament in some botanists' garden, a peculiar type of government isolated from the rest of the world. America must take on the mantle of leadership. We are best equipped to show the world the way to liberty. We can plant the new saplings across the world, replacing the divine right of kings with the will of the people, replacing dictatorship with democracy. We Americans have been called to a higher role. We must continue to be a shining example to the world.

BILL BURNS: A TRIBUTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. COYNE] is recognized for 5 minutes.

Mr. COYNE. Mr. Speaker, it was in Pittsburgh's Chamber of Commerce Building on July 19, 1953, that a young man named Bill Burns sat down at the news anchor desk of "The World Tonight" in the studio of WDTV. That was the beginning of a newscasting career that has made Bill Burns one of the most trusted and recognized—and best loved—personalities in my hometown.

The world was a very different place when Bill started with WDTV. Dwight Eisenhower was in his first year as President, Josef Stalin had just died, space flight was the stuff of comic books, and the baby-boom generation were still babies.

In the years that followed, thousands of Pittsburghers—and I am one of them—would see Bill's reports on political campaigns, wars, assassinations, Superbowl triumphs, and our town's economic rebirth. He has become an institution; he is one of our family.

Recently, Bill announced that after 35 years as a newscaster, he was retiring from KDKA, as WDTV is now called. I recently wrote him that when I heard that news, it seemed like there must be some mistake. The idea of Bill Burns retiring from KDKA sounded like the Statue of Liberty retiring from New York, or the Eiffel Tower retiring from Paris.

Television news in Pittsburgh will never be the same without Bill Burns, but fortunately, he is leaving us a special legacy. He and his daughter Patti have been a pioneering father-daughter news team for several years now, and Patti—who is an excellent newscaster in her own right—will keep up the Burns tradition at KDKA.

As Bill Burns begins his retirement, I know my colleagues join me in sending him the same wish he gave to countless Pittsburghers over the years: Good night, good luck, and good news tomorrow.

COMMEMORATING THE ANNIVERSARY OF TERRY ANDERSON'S CAPTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. GILMAN] is recognized for 60 minutes.

Mr. GILMAN. Mr. Speaker, I rise today to commemorate the fourth anniversary of Terry Anderson's abduction. Taken hostage on March 16, 1985, Terry Anderson is one of 10 American citizens still in captivity in Lebanon. The other nine Americans who are still held in Lebanon are: William Buckley, Thomas Sutherland, Frank Herbert Reed, Joseph James Cicippio, Edward Austin Tracy, Alann Bradford Steen, Jesse Jonathan

Turner, Robert Bruce Polhill, and William Richard Higgins.

Mr. Speaker, I wish to submit for the record a complete biographical listing of the 10 missing Americans, as well as some details about their captivity.

After covering the news of tragedies in Lebanon as the Associated Press bureau chief there, Terry Anderson became the news himself. Except for occasional messages, pictures, and videocassettes distributed by his captors, Anderson has become yet another symbol of Lebanon's chaotic dismay. Mr. Anderson is now 41 years old. After wasting 4 precious years of his life as the property of the diabolical Islamic Jihad, the world has all but forgotten about Terry and his compatriots in misery.

Despite video reports and photographs, Terry Anderson's whereabouts remain unknown. Throughout this difficult ordeal, Terry's sister Peggy Say has remained a central figure in the fight to achieve the release of Terry and the nine other hostages. The hope of someday attaining freedom once again for Terry has driven this remarkable woman to fight tirelessly to keep his name in the headlines of the papers he once served so well.

The history of Terry and the nine other hostages is merely a symptom of one of the most insidious forms of criminal violence we are faced with today. That, of course, is the problem of terrorist acts directed against citizens of the United States.

International terrorism continues to be a source of anguish and frustration. Rooted in the Mediterranean basin, and inspired by a raging tide of Islamic fundamentalism, Middle Eastern terrorists continue to operate throughout the world with Americans as their prey.

The terrorist acts we face today are not based on some type of misguided nationalism, nor are they merely physical manifestations of those vague forces called oppression and imperialism. The acts terrorist groups perpetrate today are acts of violence directed against the innocent. Rich, or poor, young or old, there are no segments of society safe from bullets, hijackings, explosives, and kidnapping.

Not long ago, many usually responsible nations granted terrorists dispensation for their crimes, as well as a safe haven from prosecution. In some circles, terrorists were perceived as romantic adventurers, whose actions must be indulged. Lately, however, as the sphere of terrorist targets widened, sentiments of sympathy and shock were replaced by shock and revulsion.

Mr. Speaker, although it has been 4 years since Terry Anderson's tragic abduction, and the long years of incarceration of the other hostages, let us remember that their struggle for freedom has not been forgotten by their families nor by the people of the United States. We in Congress will continue to work toward their release just as we will continue to explore new and more effective means of fighting international terrorism.

TEN AMERICAN HOSTAGES

The 10 American citizens currently being held in Lebanon are:

William Buckley—Age: 57. Occupation: Political Officer, U.S. Embassy (CIA). U.S. residence: Medford, MA. Date seized: Mar. 18, 1984. Where seized: Beirut. Captors: Islamic Jihad or Hizballah. (Note: According to reports, Buckley died in June 1985, but his body has not been recovered.)

Terry Anderson—Age: 41. Occupation: Associated press correspondent. U.S. residence: Lorain, OH. Date seized: Mar. 16, 1985. Where seized: Beirut. Captors: Islamic Jihad.

Thomas P. Sutherland—Age: 56. Occupation: Dean of the School of Agriculture, AUB. U.S. residence: Fort Collins, CO. Date seized: June 9, 1985. Where seized: Beirut, near the International Airport. Captors: Islamic Jihad.

Frank Herbert Reed—Age: 57. Occupation: Headmaster, Lebanese International School. U.S. residence: Malden, MA. Date seized: Sept. 9, 1986. Where seized: South Beirut. Captors: al-Baath Cells Organization or Umar al-Mukhtar Forces of the Arab Revolutionary Cells.

Joseph James Cicippio—Age: 57. Occupation: Deputy comptroller, AUB. U.S. residence: Norristown, PA, or Valley Forge, PA. Date seized: Sept. 12, 1986. Where seized: AUB Campus, West Beirut. Captors: Revolutionary Justice Organization.

Edward Austin Tracy—Age: 57. Occupation: Illustrator, Quran salesman. U.S. residence: Rutland, VT. Date seized: Oct. 21, 1986. Where seized: Beirut. Captors: Revolutionary Justice Organization.

Alann Bradford Steen—Age: 48. Occupation: Journalism professor, Beirut University College. U.S. residence: Boston, MA. Date seized: Jan. 24, 1987. Where seized: BUC campus, west Beirut. Captors: Islamic Jihad for the Liberation of Palestine.

Jesse Jonathan Turner—Age: 40. Occupation: Computer and math professor, Beirut University College. U.S. residence: Boise, ID. Date seized: Jan. 24, 1987. Where seized: BUC campus, west Beirut. Captors: Islamic Jihad for the Liberation of Palestine.

Robert Bruce Polhill—Age: 53. Occupation: Business professor, Beirut University College. U.S. residence: Fishkill, NY. Date seized: Jan. 24, 1987. Where seized: BUC campus, west Beirut. Captors: Islamic Jihad for the Liberation of Palestine.

William Richard Higgins—Age: 43. Occupation: Lt. Col., USMC, attached to U.N. Truce Supervision Organization. U.S. residence: Woodbridge, VA (Louisville, KY). Date seized: Feb. 17, 1988. Where seized: Tyre, South Lebanon. Captors: Organization of the Oppressed of the Earth.

Ms. OAKAR. Mr. Speaker, I would like to thank my colleague Representative GILMAN for sponsoring this special order.

I rise today to remind us all that it was 4 years ago that Terry Anderson, Middle East Bureau Chief of the Associated Press, was dragged from his car by terrorists and has since been held, chained, and blindfolded, for the sake of a murky, but dangerous, cause.

At the time of his kidnaping, Terry Anderson was just doing his job: reporting on the people and events shaping the history and the future of war-torn Lebanon. He is not alone in his ordeal; thousands of other human beings, American, French, British, and Lebanese are also held hostage. As long as they are shackled and blindfolded, the free world will be shackled and blindfolded. And we cannot be free until the last of them is able to slip their bonds and breathe once more the sweet, fresh air of freedom.

Mr. Speaker, Terry Anderson is entering his fifth year of captivity. We should all take to ourselves the words in his last message to his family 5 months ago: "Keep your spirits up, and I will try to do the same. One day soon, God willing, this will end."

Mr. Speaker, I ask that the remarks of Terry Anderson's sister, Peggy Say, delivered at a brief observance last week, be made a part of this RECORD.

REMARKS OF PEGGY SAY, MARCH 16, 1989

My husband let me use his hanky because he knew when I started looking around, as I do at these events, it gets very emotional. I look behind me and I look in front of me and I think what a class act and how very proud Terry Anderson would be that I would be up here.

I would like to go one by one and say thank you. Thank you for caring and thank you for being here for Terry. I'd like especially to thank Carmella LaSpada and the Journalist Committee to Free Terry Anderson for sponsoring today's ceremony. Without Carmella's help, and I think to date she has put on 16 ceremonies for the hostages, I'm afraid this issue would have been lost long ago.

I am deeply grateful to the hostage families and those who have traveled so far to be here today. I especially appreciate the presence of friends, family members, my AP family, Chuck Lewis and staff, Eula Gilbert and Ray Barnett from Friends in the West. Bless you all. We thank you.

Three and a half years ago, at the beginning of our struggle to make the world aware that there were hostages being held in Lebanon, Father Martin Jenko and Terry Anderson lay chained and blindfolded, scant feet from William Buckley. Bill Buckley became ill and delirious from pneumonia complications, eventually losing his battle to live as his fellow hostages prayed for him. Bill Buckley died on June 3, 1985 and the world stood silent.

On April 17, 1986, American Peter Kilbourne and two British hostages were executed in retaliation for the U.S. raids on Libya. Americans applauded this hostile act and the families of the hostages buried their dead.

In 1987, French hostage Michele Seurat became so ill that he was reduced to crawling on his hands and knees to use the toilet. He died before the horrified eyes of his fellow hostages and, once again, the world stood silent.

Today, we know that of the nine American hostages being held, one has gone mad and another has twice attempted suicide. Two hostages tried to escape and were beaten senseless by their captors. Terry Anderson has pounded his head against the dirty stone wall of his cell until the blood ran. Frustrated, angry, lonely, tired of being caged like an animal, he finally broke.

How long will America stand silent in the face of this abomination? How long will their fellow Americans debate and discuss what, if anything, should be done to free these innocent men while they waste away and some go mad and some die and we still continue to debate and discuss?

This is not, or should not, be a political issue. This is a human rights issue, a humanitarian concern, "a crime against humanity," in the words of President Cuellar. And still, we discuss and debate and some die and some go mad.

Enough is enough, I say. No more debate. No more discussion. Our message to their captors, to President Bush and the world must be that simple: Enough is enough. In the words of Terry Anderson, "This cannot continue." I say again, this cannot continue. Enough, for God's sake, enough.

Mr. DARDEN. Mr. Speaker, a few days ago, we were reminded of the immense personal price being paid by those Americans held today by terrorists groups in the strife-torn Middle East. Associated Press correspondent Terry Anderson has begun his fifth year of captivity in Lebanon.

Terry Anderson's imprisonment at the hands of those terrorists has special significance to those of us in Marietta, GA, where his cousin Eileen Motter lives. I have spoken with Mrs. Motter about the anguish her family suffers each day as they hope and pray for the news that we all want to hear—that the hostages have been freed, and they are coming home.

I want to say here today that Terry Anderson and the others held against their will in the Middle East have not been forgotten, and that their government does care and is working dilligently each day to secure their release. I want their families to know that we will not rest until these people are returned to their homeland.

I know that each and every Member of this House joins me in this expression of support for the hostages, and resolve to seek their prompt release.

Mr. RANGEL. Mr. Speaker, I join today in calling attention to the ever present danger of global terrorism. More and more foreign extremist, especially Islamic groups have used kidnapings and abductions to draw attention to their cause or to embarrass the United States and its allies. The act of kidnaping as a weapon of terrorism against the free world is a matter that needs to be urgently addressed. It is past time for this madness to cease. It is time that the international community join forces against these international terrorists to rebuke them in the strongest terms.

Every day the memory of these terrorist acts is etched in the minds of the families of 10 U.S. citizens still being held hostage in Lebanon. The rest of the U.S. population needs to also be reminded about the American citizens still held captive by various bands of international extremists.

Last week marked the fourth anniversary of Terry Anderson's abduction by the Islamic Jihad. Terry is one of the more celebrated and better known hostages because of the efforts of his sister to keep his plight before the American public. The other nine innocent Americans whom fate has dealt an unfortunate hand have also suffered in captivity. These Americans, Terry Anderson, Thomas P. Sutherland, Frank Herbert Reed, Joseph James Cicippio, Edward Austin Tracy, Alann Bradford Steen, Jesse Johnathan Turner, Robert Bruce Polhill, and William Richard Higgins, are being held as pawns in a very dangerous game of international intrigue. Very few of these men are even politically connected to the U.S. Government. Seven are college professors who were employed at international schools in Lebanon. Only two were employed by the United States, William Buckley, believed dead since June 1985 was an employee of the U.S. Embassy as a political officer and Col. William Richard Higgins, USMC was attached to the U.N. Truce Supervision Organization.

I call upon the captors of these brave and innocent men to release them immediately unharmed. Return them to their families so that the anguish and suffering that their wives, children, and other relatives are experiencing can cease. I also call upon President Bush to redouble the efforts to gain the immediate and safe return of these American citizens to their homeland. These men have been held for as long as 4 years without being found guilty of anything except being American citizens. They have been incarcerated even though they committed no crimes.

So, Mr. Speaker, I ask that we pray for the quick release of Terry Anderson, Thomas P. Sutherland, Frank Herbert Reed, Joseph James Cicippio, Edward Austin Tracy, Alann Bradford Steen, Jesse Johnathan Turner, Robert Bruce Polhill, and William Richard Higgins.

Mr. PEPPER. Mr. Speaker, March 16 marked the beginning of Terry Anderson's fifth year of captivity as a hostage in the Middle East. The Associated Press newsman was abducted in 1985, making him the longest held of the nine American hostages in Lebanon. Unfortunately, the end of Terry Anderson's plight is nowhere near in sight. But it could be, if we renew our efforts to free these innocent victims of unnecessary violence.

It may be difficult for us to fathom the possibility of being kidnaped in broad daylight and then chained, blindfolded, imprisoned, possibly tortured, for 4 years. But this is reality for Terry Anderson. And similar fates are reality for the other eight American victims, as well as countless numbers of people from all nations whose human rights are also being violated.

The nine American hostages are ordinary people drawn into a conflict they were not part of: an author, an accountant, a journalist, a marine officer, and five educators; not a warrior among them. Even USMC Col. Higgins, the most recent hostage and U.N. truce supervision organization member, did not seek to place himself into the path of danger. Instead, these Americans were living lives not that unlike our own. As ambassadors of good will and public service, they worked not to assist either side, but to alleviate the problems in war-torn Beirut.

How easy it is for us to pay annual tributes to the hostages and then dismiss their suffering until the next anniversary, feeling assured that we have met our obligation toward addressing this dilemma. We must do more.

Unfortunately, the fate of the nine victims has fallen into a complicated political tug of war. While the heart of the issue lies in fundamental differences between the East and West, the efforts to resolve the problem have also created a flurry of inhouse debates. The Reagan policy toward seeking the release of the hostages has always been quite clear: "no deals." This is neither the time nor the place to discuss the validity of the no concessions position. But we must eventually take the time to evaluate the success of this policy and consider alternative solutions. True, making concessions to terrorists in exchange for the release of hostages could lead to an increase in kidnapings and terrorism activities. But the terrorist groups holding the Americans have demonstrated that they can hold out indefinitely.

We must examine the situation and seek new, more flexible solutions. There certainly is a way to solve the problem without paying ransom. Otherwise, the stalemate will continue endlessly and next March we will again be discussing the plight of Terry Anderson as he begins his sixth year of captivity. If we truly are a compassionate nation, we will make every effort to seek new ways to combat international terrorism.

For now, let us continue to remember the victims and refuse to give up hope. I commend Peggy Say, the sister of Terry Anderson, whose tireless efforts have saved the nine hostages from becoming forgotten casualties of the endless strife in the Middle East. We should not become discouraged by the recent furor in the Islamic world over Salman Rushdie's "The Satanic Verses" or by the rising tide of anti-West sentiment. Instead, we should take these events as a sign to revitalize our efforts to find a solution. And, in search for an answer, let us keep in mind the remarks made by President Bush at his inaugural address: "Good will begets good will. Good faith can be a spiral that endlessly moves on."

Until we do find a way to free the hostages I would like to assure the family and friends of the hostages that we have not forgotten their loved ones and we will continue to work toward their release.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask that all Members may have 5 legislative days in which to revise and extend their remarks in connection with my special order today.

The SPEAKER pro tempore (Mr. WALGREN). Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

[Mrs. BENTLEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

THE UNIFORM PRODUCT LIABILITY ACT OF 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. RITTER] is recognized for 15 minutes.

Mr. RITTER. Mr. Speaker, it is time to begin the debate on Federal product liability reform in the 101st Congress. For that reason, today I am introducing the Uniform Product Liability Act of 1989.

Federal reform of the myriad State product liability laws is not a new idea. Bills have been introduced since 1980, yet to date there has been no action on these bills other than limited committee action. It is ironic that the European Economic Community [EEC] also began consideration of minimum uniform product liability standards in 1980. Already, the EEC has a uniform code directive on product liability, and the member countries will have it implemented by 1990. I believe it is time that Congress provides similar leadership for our manufacturers which sell their products across State lines and national borders.

But it is not only our manufacturers that deserve this legislation. Product quality and innovation suffer from erratic, and often irrational, liability rules. Jobs are lost as well as desirable products. The competitiveness of U.S. companies and jobs is reduced. America cannot be the "litigation capitol of the world" without loss of significant global competitiveness. I believe it is time to start again on Federal product liability reform.

My bill is a modest bill which sets out a limited agenda. This bill does not attempt to address every unique aspect of each State's tort system. This bill, if enacted, would not create sweeping new Federal strict liability or negligence standards. Instead, it would fix the myriad State product liability laws only in the most critical areas that need fixing. I offer this bill as a starting place for discussion and look forward to working with my colleagues on useful, viable, Federal product liability reform legislation.

THE NATIVE AMERICAN GRAVE AND BURIAL PROTECTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. UDALL] is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, in a recent article for Harpers magazine, Douglas Preston quoted Walker Echo-Hawk, a Pawnee and staff attorney with the native American rights funds, for the proposition that in the last stage of a conquest that had robbed the Indians of their lands and destroyed their way of life, the non-Indians, "took everything, including our dead. Even our dead."

The article goes on to document that both the Smithsonian Institute and the National Park Service have in their possession some 38,500 specimens of native American skeletal remains.

Today, many Indians feel that those bones were removed from what should have been their final resting place at a time when the prevailing attitude toward Indians could have been summarized by the saying "the only good Indian is a dead Indian." The Indians feel that these bones should be properly reburied. Accordingly to these indians, to keep these bones out of their graves serves no legitimate scientific purposes and only perpetuates past racist attitudes toward Indians.

Mr. Speaker, there has recently been a flurry of articles and news items dealing with both the reburial of Indian bones and the ongoing excavation of Indian cemeteries. Two of my colleagues, BYRON L. DORGAN and CHARLES E. BENNETT, have introduced legislation in this area and should be applauded for their efforts.

Today, I am adding my voice to those who believe that this issue should be addressed by the Congress. The legislation I am introducing today should not be viewed as a final step in the legislative process but as a starting point to get the debate started. I know that there are a lot of people who feel strongly about these matters and come down on different sides on how to resolve the issues. Hopefully we work with all concerned parties to accommodate the various interests and still show respect to the native American cultures and religions by restoring some dignity to their dead.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DYSON) to revise and extend their remarks and include extraneous material:)

Mr. FOLEY, or his designee, for 60 minutes, on April 4.

Mr. MICHEL, or his designee, for 60 minutes, on April 4.

(The following Members (at the request of Mr. HERGER) to revise and extend their remarks and include extraneous material:)

Mr. RITTER, for 15 minutes, today.

Mrs. BENTLEY, for 60 minutes, on April 4.

Mrs. BENTLEY, for 60 minutes, on April 5.

Mrs. BENTLEY, for 60 minutes, on April 11.

Mrs. BENTLEY, for 60 minutes, on April 12.

(The following Members (at the request of Mr. DYSON) to revise and extend their remarks and include extraneous material:)

Mr. SHARP, for 5 minutes, today.

Mr. DYSON, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. NELSON of Florida, for 5 minutes, today.

Mr. COYNE, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HERGER) and to include extraneous matter:)

Mr. KYL.
Mr. GEKAS.
Mr. GILMAN.
Mr. DENNY SMITH.
Mr. MCGRATH.
Mr. DORNAN of California.
Mrs. JOHNSON of Connecticut.
Mr. BEREUTER.
Mr. SCHULZE.
Mr. ARCHER.
Mr. HOPKINS.
Mr. GOODLING.
Mr. LAGOMARSINO.
Mr. LIGHTFOOT.
Mrs. ROUKEMA.
Mr. CRAIG.
Mr. FRENZEL in two instances.
Mr. CONTE.
Mr. SHAYS.
Mr. HENRY.
Mr. KOLBE.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mr. WYDEN in three instances.
Mr. MONTGOMERY.
Mr. SYNAR.
Mr. LANTOS.
Mr. SOLARZ in two instances.
Mr. KENNEDY.
Mr. FASCELL in three instances.
Mr. LEVINE of California.
Mrs. COLLINS.
Mr. BEILENSON in two instances.
Mr. DARDEN.
Mr. ROYBAL.
Mrs. OAKAR.
Mr. MURTHA.
Mr. ACKERMAN.
Mr. RANGEL.
Mr. OWENS of New York.
Mr. KLECZKA.
Mr. RAY in two instances.
Mr. VENTO.
Mr. STUDDS.
Mr. LIPINSKI.
Mr. CLAY.
Mr. WILLIAMS.
Mr. MAVROULES in two instances.
Mr. SKELTON.
Mrs. BOXER.
Mr. ECKART.
Mr. SKAGGS.
Mr. GAYDOS.
Mr. HUTTO.

JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, joint resolutions of the House of the following titles:

H.J. Res. 167. Joint resolution to designate March 16, 1989, as "Freedom of Information Day"; and

H.J. Res. 117. Joint resolution, to proclaim March 20, 1989, as "National Agriculture Day."

29-059 O-90-36 (Pt. 4)

ADJOURNMENT TO MONDAY, APRIL 3, 1989

The SPEAKER pro tempore. The Chair will recognize the gentleman from New York [Mr. GILMAN] as the majority leader's designee to move adjournment.

Mr. GILMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of Senate Concurrent Resolution 23 of the 101st Congress, the House stands adjourned until 12 noon, Monday, April 3, 1989.

Thereupon (at 3 o'clock and 17 minutes p.m.), pursuant to Senate Concurrent Resolution 23, the House adjourned until Monday, April 3, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

846. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting notification of the President's determination and justification for the request for appropriations to meet unexpected urgent refugee and migration needs of African and Afghan refugees and displaced persons (Presidential Determination No. 89-12), pursuant to 22 U.S.C. 2601(c)(3); to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SWIFT: Committee on House Appropriations. H.R. 18. A bill to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections. (Rept. 101-15, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLEMAN of Missouri (for himself, Mrs. BENTLEY, Mr. BEREUTER, Mr. BILBRAY, Mr. CHAPMAN, Mr. CLINGER, Mr. DAVIS, Mr. FAWELL, Mr. FORD of Michigan, Mr. GILMAN, Mr. GOODLING, Mr. GRANDY, Mr. GUNDERSON, Mr. HAYES of Louisiana, Mr. HUGHES, Mr. LAGOMARSINO, Mr. LIGHTFOOT, Mr. OXLEY, Mr. PARRIS, Mr. PENNY, Mr. PORTER, Mr. PURSELL, Mr. ROE, Mrs. ROUKEMA, Mr. ROWLAND of Connecticut, Mr. SCHUETTE, Mr. SKELTON, Mr. SMITH of Vermont, Mr. ROBERT F. SMITH, Mr. SOLOMON, Mr. STANGELAND, Mr. TAUKE, Mr. TORRES, Mr. WALSH, Mr. WATKINS, Mr. WEBER, and Mr. YOUNG of Alaska):

H.R. 1581. A bill to amend title VI of the Higher Education Act of 1965 to remove certain assets from the computation of expected family contribution in the determination of need for assistance under such title; to the Committee on Education and Labor.

By Mr. CONYERS:

H.R. 1582. A bill to enforce the guarantees of the first, fourteenth, and fifteenth amendments to the Constitution of the United States by prohibiting certain devices used to deny the right to participate in certain elections; to the Committee on House Administration.

By Mr. DORGAN of North Dakota (for himself, Mr. PICKLE, Mr. POSHARD, Mr. CLINGER, Mr. LANCASTER, Mrs. SMITH of Nebraska, Mr. ENGLISH, Mr. GUNDERSON, Mr. STENHOLM, Mr. GRANT, Mr. DAVIS, Mr. SYNAR, Mr. TAUKE, Mr. BEREUTER, Mr. RICHARDSON, Mr. BEVILL, Mr. VOLKMER, Mr. HUCKABY, Mr. SCHUETTE, Mr. JOHNSON of South Dakota, Mr. GORDON, Mr. TRAXLER, Mr. EMERSON, Mr. COOPER, Mr. MCCURDY, Mr. ROWLAND of Georgia, Mr. WHITTAKER, Mr. CHAPMAN, Mr. SLATTERY, Mr. LAUGHLIN, Mr. MARLENEE, Mr. ALEXANDER, Mr. WYDEN, Mr. LEATH of Texas, Mr. PENNY, Mr. STANGELAND, Mr. DERRICK, and Mr. JONTZ):

H.R. 1583. A bill to amend title XVIII of the Social Security Act to make certain modifications in the Medicare Program with respect to payments made under such program to hospitals located in rural areas, to improve the delivery of health services to individuals residing in such areas, and for other purposes; to the Committee on Ways and Means.

By Mr. SYNAR (for himself, Mr. POSHARD, Mr. STANGELAND, Mr. ALEXANDER, Mrs. SMITH of Nebraska, Mr. GRANT, Mr. DAVIS, Mr. TRAXLER, Mr. RICHARDSON, Mr. BEVILL, Mr. JOHNSON of South Dakota, Mr. SCHUETTE, Mr. EMERSON, Mr. ROWLAND of Georgia, Mr. BEREUTER, Mr. MCCURDY, Mr. COOPER, Mr. WHITTAKER, Mr. SLATTERY, Mr. GUNDERSON, Mr. LANCASTER, Mr. TAUKE, Mr. PENNY, and Mr. ENGLISH):

H.R. 1584. A bill to amend title V of the Social Security Act to provide incentives to States to improve the delivery of health services to at-risk pregnant women and their children; to the Committee on Energy and Commerce.

By Mr. TAUKE (for himself, Mr. WYDEN, Mr. SYNAR, Mr. WHITTAKER, Mr. SLATTERY, Mr. COOPER, Mrs. SMITH of Nebraska, Mr. ALEXANDER, Mr. STANGELAND, Mr. LANCASTER, Mr. GUNDERSON, Mr. DAVIS, Mr. TRAXLER, Mr. SCHUETTE, Mr. POSHARD, Mr. JOHNSON of South Dakota, Mr. EMERSON, Mr. VOLKMER, Mr. ROBERTS, Mr. HARRIS, Mr. BEREUTER, and Mr. MARLENEE):

H.R. 1585. A bill to amend title XVIII of the Social Security Act to permit nurse-midwife services to be counted toward meeting the staffing requirements for rural health clinics under the Medicare Program, to provide for the coverage of social worker services in such clinics under such program, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. COOPER (for himself, Mr. SYNAR, Mr. TAUKE, Mr. STANGELAND, Mr. ALEXANDER, Mrs. SMITH of Nebraska, Mr. LANCASTER, Mr. GUNDERSON, Mr. GRANT, Mr. DAVIS, Mr. STENHOLM, Mr. RICHARDSON, Mr. BEREUTER, Mr. POSHARD, Mr. BEVILL, Mr. VOLKMER, Mr. JOHNSON of South Dakota, Mr. EMERSON, Mr. SCHUETTE, Mr. TRAXLER, Mr. ROWLAND of Georgia, Mr. HARRIS, Mr. WHITTAKER, Mr. SLATTERY, Mr. CHAPMAN, Mr. MARLENEE, and Mr. LAUGHLIN):

H.R. 1586. A bill to require a study on Medicare reimbursement for ambulance services; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 1587. A bill to amend the Public Health Service Act to establish a program of grants to the States for improving the availability and quality of certain emergency medical services and emergency medical services systems in rural areas; to the Committee on Energy and Commerce.

By Mr. VANDER JAGT (for himself, Mrs. SMITH of Nebraska, Mr. LANCASTER, Mr. STANGELAND, Mr. TALLON, Mr. ALEXANDER, Mr. GUNDERSON, Mr. GRANT, Mr. SYNAR, Mr. WHITTAKER, Mr. DAVIS, Mr. TAUKE, Mr. TRAXLER, Mr. POSHARD, Mr. SCHUETTE, Mr. EMERSON, Mr. BEREUTER, Mr. RICHARDSON, Mr. ROWLAND of Georgia, Mr. HARRIS, Mr. ROBERTS, Mr. SLATTERY, Mr. VOLKMER, Mr. LAUGHLIN, Mr. JOHNSON of South Dakota, Mr. STENHOLM, and Mr. PENNY):

H.R. 1588. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for education loan interest incurred by doctors, nurses, and allied health professionals while serving in medically underserved areas; to the Committee on Ways and Means.

By Mr. WHITTAKER (for himself, Mr. STENHOLM, Mr. ALEXANDER, Mr. BEREUTER, Mr. COOPER, Mr. DAVIS, Mr. EMERSON, Mr. ENGLISH, Mr. GRANT, Mr. GUNDERSON, Mr. HARRIS, Mr. JOHNSON of South Dakota, Mr. LANCASTER, Mr. LAUGHLIN, Mr. MARLENEE, Mr. POSHARD, Mr. RICHARDSON, Mr. ROBERTS, Mr. ROWLAND of Georgia, Mr. SCHUETTE, Mr. SLATTERY, Mrs. SMITH of Nebraska, Mr. STANGELAND, Mr. SYNAR, Mr. TAUKE, and Mr. TRAXLER):

H.R. 1589. A bill to amend title VII of the Social Security Act to place the Office of Rural Health Policy under the direction of a Deputy Under Secretary for Rural Health, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. MICHEL:

H.R. 1590. A bill to prevent the desecration of the U.S. flag; to the Committee on the Judiciary.

By Mr. WHITTEN (for himself and Mr. MURTHA):

H.R. 1591. A bill to establish a Commission to study the use of former military installations for drug rehabilitation centers; jointly, to the Committees on Energy and Commerce and Armed Services.

By Mr. FAUNTROY:

H.R. 1592. A bill to provide means for attracting additional capital for federally insured savings and loan associations, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SKELTON (for himself, Mr. STENHOLM, Mrs. MORELLA, Mr. LANCASTER, Mr. THOMAS A. LUKEN, Mr. CONTE, Mr. KOSTMAYER, Mr. DERRICK, Mrs. BOGGS, Mr. HALL of Texas,

Mr. PENNY, Mr. OWENS of New York, Mr. YATES, Mr. HENRY, Mr. GIBBONS, Mr. FAUNTROY, Mr. SARPALIUS, Mr. VALENTINE, Mr. RITTER, Mr. HUGHES, Mrs. SAIKI, Mr. ACKERMAN, Mr. FOGLIETTA, Mrs. PATTERSON, Mr. HANCOCK, Mr. COLEMAN of Missouri, Mr. WYDEN, Mr. UPTON, Mr. LEWIS of Georgia, Mr. TALLON, Mr. HASTERT, Mrs. JOHNSON of Connecticut, Mr. KOLBE, Mr. HOCHBRUECKNER, Mr. MORRISON of Connecticut, Mr. HATCHER, Mr. SMITH of Florida, Mr. BLILEY, Mr. SLATTERY, Mr. FIELDS, Mr. BRUCE, Mr. BARTON of Texas, Mr. CHAPMAN, Mr. OXLEY, and Mr. COOPER):

H.R. 1593. A bill to protect the used oil recycling system, conserve a valuable resource, establish used oil management standards, and for other purposes; to the Committee on Energy and Commerce.

By Mr. GIBBONS (for himself, Mr. FRENZEL, and Mr. LANTOS):

H.R. 1594. A bill to extend nondiscriminatory treatment to the products of the Peoples' Republic of Hungary for 5 years; to the Committee on Ways and Means.

By Mr. SHARP (for himself, Mr. MOORHEAD, Mr. TAUZIN, Mr. DANNEMEYER, Mr. LELAND, Mr. FIELDS, Mr. SYNAR, Mr. OXLEY, Mr. RICHARDSON, Mr. NIELSON of Utah, Mr. BRYANT, Mr. BILIRAKIS, Mr. HALL of Texas, Mr. BARTON of Texas, Mr. WALGREN, Mr. CALLAHAN, Mr. SWIFT, Mr. BATES, Mr. COOPER, Mr. BRUCE, Mr. THOMAS A. LUKEN, Mr. WHITTAKER, Mr. SLATTERY, Mr. BLILEY, Mr. WYDEN, Mr. SCHAEFER, Mr. MCMILLAN of North Carolina, Mr. LENT, and Mr. DINGELL):

H.R. 1595. A bill to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price controls on the first sale of natural gas, and to make technical and conforming amendments to such act; to the Committee on Energy and Commerce.

By Mr. FRENZEL:

H.R. 1596. A bill to provide for duty-free imports of certain polyester filament yarns produced in CBI beneficiary countries wholly from U.S. materials, and for other purposes; to the Committee on Ways and Means.

By Mrs. BYRON (for herself and Mr. BATEMAN):

H.R. 1597. A bill to amend title 37, United States Code, to revise and improve the aviator career incentive pay program, to extend for 3 years the aviator retention bonus program, and for other purposes; to the Committee on Armed Services.

By Mr. APPLEGATE (by request):

H.R. 1598. A bill to amend title 38, United States Code, to improve pension benefits for World War I veterans and for surviving spouses of such veterans; to the Committee on Veterans' Affairs.

By Mr. ARCHER:

H.R. 1599. A bill to amend the Internal Revenue Code of 1986 to provide a 50-percent capital gains deduction for both corporate and noncorporate taxpayers; to the Committee on Ways and Means.

By Mr. JONES of North Carolina (for himself, Mr. DINGELL, Mr. ANDERSON, Mr. DAVIS, Mr. LENT, Mr. TAUZIN, Mr. HUTTO, Mr. ORTIZ, Mr. CLEMENT, Mr. FIELDS, Mr. BATEMAN, Mrs. BENTLEY, and Mr. SHUMWAY):

H.R. 1600. A bill relating to the enhancement of the Nation's fish and wildlife resources, the National Wildlife Refuge System, and for other purposes; jointly, the Committees on Merchant Marine and Fisheries and Interior and Insular Affairs.

By Mr. ARCHER:

H.R. 1601. A bill to amend the Internal Revenue Code of 1986 to provide for a maximum long-term capital gains rate of 15 percent; to the Committee on Ways and Means.

By Mr. BATES for himself, Mr. WAXMAN, Mrs. COLLINS, Mr. WALGREN, Mr. LELAND, and Mr. WYDEN):

H.R. 1602. A bill to amend the Public Health Service Act to improve emergency medical services and trauma care, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BEILENSON:

H.R. 1603. A bill to amend the Internal Revenue Code of 1986 to increase the tax on cigarettes to 40-cents-per-pack, and to provide annual adjustments to the rate of such tax based on increases in the cost-of-living; to the Committee on Ways and Means.

By Mr. BEILENSON:

H.R. 1604. A bill to amend the Internal Revenue Code of 1986 to increase the excise taxes on wine and beer; to the Committee on Ways and Means.

By Mr. BERMAN (for himself, Mr. FRANK, Mr. SCHUMER, Mr. BUSTAMANTE, Mr. GARCIA, Mr. GILMAN, Mr. MARTINEZ, Mr. MILLER of California, Mr. RICHARDSON, Mr. TORRES, and Mr. WAXMAN):

H.R. 1605. A bill to provide for the emergency admission of additional refugees during fiscal year 1989, to transfer temporarily certain funds available for State legalization assistance grants to programs to assist in the admission of emergency refugees and to replenish subsequently such funds, and for other purposes; jointly, to the Committees on the Judiciary and Appropriations.

By Mr. BROWN of Colorado:

H.R. 1606. A bill to adjust the boundary of Rocky Mountain National Park; to the Committee on Interior and Insular Affairs.

By Mr. CRAIG (for himself, Mr. CHANDLER, Mr. MARLENEE, Mr. STUMP, Mr. EMERSON, Mr. RHODES, Mr. MILLER of Washington, Mr. DICKS, and Mr. UDALL):

H.R. 1607. A bill to require the Secretary of the Treasury to mint and issue coins in commemoration of the 100th anniversary of the statehood of Idaho, Montana, North Dakota, South Dakota, Washington, and Wyoming, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DE LA GARZA (for himself, Mr. MADIGAN, Mr. HATCHER, Mr. EMERSON, Mr. HOPKINS, and Mr. ROBERTS):

H.R. 1608. A bill to strengthen national nutrition monitoring by requiring the Secretary of Agriculture and the Secretary of Health and Human Services to prepare and implement a 10-year plan to assess the dietary and nutritional status of the U.S. population, to support research on, and development of, nutrition monitoring, to foster national nutrition education, to establish dietary guidelines, and for other purposes; to the Committee on Agriculture.

By Mr. DINGELL (for himself and Mr. MARKEY):

H.R. 1609. A bill to amend the Securities Exchange Act of 1934 to provide additional authorities to the Securities and Exchange Commission to prevent disruptions to the Nation's securities markets; to the Committee on Energy and Commerce.

By Mr. GILMAN (for himself and Mr. FISH):

H.R. 1610. A bill to amend title XVIII of the Social Security Act to require, beginning in fiscal year 1990, the annual updating of hospital area wage index factors to reflect the most current data available, and for other purposes; to the Committee on Ways and Means.

By Mr. FAZIO:

H.R. 1611. A bill to authorize the Secretary of the Interior to provide for prepayment of indebtedness on the Solano project and to execute an agreement for the transfer of title to specified water supply facilities of the Solano project with an organization composed of the users of water from the Solano project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FLAKE:

H.R. 1612. A bill to require applications for a license to deal in firearms or ammunition to include a statement from certain law enforcement authorities that the applicant is eligible under State law to obtain such a license; to the Committee on the Judiciary.

By Mr. FRENZEL (for himself, Mr. HOUGHTON, Mr. PENNY, Mr. WEBER, Mr. HILER, Mr. DENNY SMITH, Mrs. MARTIN of Illinois, Mr. GALLO, Mr. ARMEY, Mr. ROGERS, Mr. MCCRERY, Mrs. BENTLEY, Mr. PORTER, Mr. CRANE, Mr. COX, Mr. SMITH of Texas, Mrs. MEYERS of Kansas, Mr. HENRY, Mr. KASICH, Mr. MCGRATH, Mr. DORNAN of California, Mr. SLAUGHTER of Virginia, Mr. CHANDLER, Mr. WYLIE, Mrs. JOHNSON of Connecticut, Mr. TAUKE, Mr. COBLE, and Mr. BUECHNER):

H.R. 1613. A bill to require the Congress and the President to use the spending levels for the current fiscal year—without adjustment for inflation—in the preparation of the budget for each new fiscal year in order to clearly identify spending increases from 1 fiscal year to the next fiscal year; jointly, to the Committees on Government Operations and Rules.

By Mr. GARCIA:

H.R. 1614. A bill to amend the Education of the Handicapped Act to authorize the Secretary of Education to establish 10 demonstration projects for elementary and secondary students with dyslexia; to the Committee on Education and Labor.

H.R. 1615. A bill to require the Secretary of Education to carry out a demonstration program to promote voluntary national service and provide educational benefits for such service; to the Committee on Education and Labor.

By Mr. HALL of Ohio:

H.R. 1616. A bill to reallocate U.S. foreign assistance to meet the primary needs of people in developing countries and to promote human rights; to the Committee on Foreign Affairs.

By Mr. HOPKINS (for himself, Mr. RANGEL, Mr. FAUNTROY, Mr. COSTELLO, and Mr. BUSTAMANTE):

H.R. 1617. A bill to amend the Internal Revenue Code of 1986 to allow taxpayers to deduct the value of a lease contributed to a charitable organization where property leased is to be used to provide temporary living quarters for a homeless family; to the Committee on Ways and Means.

By Mrs. JOHNSON of Connecticut (for herself, Mr. ECKART, Mr. LAGOMARSINO, Mr. CARPER, Mr. SOLOMON, and Mr. NIELSON of Utah);

H.R. 1618. A bill to amend title XX of the Social Security Act to establish a block grant program for child care services, to

amend the Internal Revenue Code of 1986 to adjust the earned income credit to take account of family size, and for other purposes; jointly, to the Committees on Ways and Means, Education and Labor, and the Judiciary.

By Mr. JOHNSON of South Dakota:

H.R. 1619. A bill to amend the Agricultural Act of 1949 to limit the quantity of milk protein products that may be imported into the United States; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself and Mr. MOORHEAD):

H.R. 1620. A bill to amend provisions of title 28, United States Code, relating to judicial discipline, and to establish a commission to study the problems and issues involved in the appointment and tenure—including discipline and removal—of article III judges; to the Committee on the Judiciary.

H.R. 1621. A bill to amend chapter 8 of title 17, United States Code, to reduce the number of Commissioners on the Copyright Royalty Tribunal, to increase the salary of such Commissioners, and for other purposes; to the Committee on the Judiciary.

H.R. 1622. A bill to amend title 17, United States Code, to change the fee schedule of the Copyright Office, and to make certain technical amendments to the Committee on the Judicary.

By Mr. KOLBE:

H.R. 1623. A bill to prohibit Members of Congress from accepting honoraria; to limit the duration of any speaking engagement for which a Member's travel expenses may be paid or reimbursed; to require a recorded vote to approve a quadrennial pay adjustment for Members; to implement the pay increases recently recommended by the President—excluding any for Members—and for other purposes; jointly, to the Committees on Post Office and Civil Service, House Administration, and Rules.

By Mr. KYL (for himself, Mr. COX, Mr. DANNEMEYER, Mr. DORNAN of California, Mr. HANCOCK, Mr. IRELAND, Mr. PAXON, Mr. SMITH of New Hampshire, Mr. WALKER, Mr. MILLER of Washington, and Mr. COURTER):

H.R. 1624. A bill to prohibit the acceptance of honoraria by Members of Congress; to require a recorded vote of approval on any quandrennial pay adjustment for Members; to defer any pay adjustment for Members until the succeeding Congress, and for other purposes; jointly, to the Committees on House Administration, Post Office and Civil Service, and Rules.

By Mr. LAGOMARSINO:

H.R. 1625. A bill to provide for the establishment of a National Voluntary Health Insurance Act; to the Committee on Energy and Commerce.

By Mr. LEACH of Iowa (for himself, Mr. SOLARZ, and Mr. ATKINS):

H.R. 1626. A bill authorizing the Secretary of State to establish a loan program to make guaranteed loans available to certain refugees and other designated individuals; to the Committee on Foreign Affairs.

By Mr. MFUME (for himself, Mr. WYDEN, Mr. ATKINS, Mr. RHODES, Mr. TRAFICANT, Mr. STARK, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. HERTEL, Mr. QUILLEN, Mr. DYMALLY, Mr. CARDIN, Mr. DEFAZIO, Mr. HUCKABY, Mrs. UNSOELD, Mr. ROBINSON, Mr. MORRISON of Connecticut, Mr. GEJDENSON, Mr. MILLER of Ohio, Mr. SKAGGS, Mr. EVANS, Mrs. COLLINS, Mr. BONIOR, Mr. DE LUGO, Mr. NELSON of Florida, Mr. STALLINGS, Mr. HILER, Mr. LEWIS of Georgia, Mr. HAYES of Illinois, Mr. HYDE, Mr. CAMPBELL of Colorado, Mr. GARCIA, Mr. MCMILLEN of Maryland, Mr. PAYNE of New Jersey, and Mrs. BENTLEY):

H.R. 1627. A bill to permit the American Printing House for the Blind to acquire educational materials for schools for blind individuals through other suppliers; to the Committee on Education and Labor.

By Mr. MILLER of California (for himself, Mr. AKAKA, Mr. ATKINS, Mr. BILBRAY, Mrs. BOXER, Mr. CHAPMAN, Mr. COLEMAN of Texas, Mrs. COLLINS, Mr. CONTE, Mr. DE LUGO, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. ENGEL, Mr. FAUNTROY, Mr. FAZIO, Mr. FISH, Mr. FOGLIETTA, Mr. GARCIA, Mr. GONZALEZ, Mr. HOYER, Mr. HYDE, Mrs. JOHNSON of Connecticut, Mr. JONES of North Carolina, Ms. KAPTUR, Mr. KOLTER, Mr. LEHMAN of Florida, Mr. LEWIS of Georgia, Mr. DONALD E. LUKENS, Mrs. MORELLA, Mr. MORRISON of Connecticut, Ms. OAKAR, Mr. PASHAYAN, Ms. PELOSI, Mr. WHEAT, Mr. WILLIAMS, Mr. WOLF, and Mr. WYDEN):

H.R. 1628. A bill to provide for the establishment of a Government-wide program offering dependent care assistance benefits to Federal employees; to the Committee on Post Office and Civil Service.

By Mr. MOLINARI (for himself, Mr. ROGERS, Mr. SCHEUER, Mr. GUARINI, Mr. GARCIA, Mr. RANGEL, Mr. MANTON, Mr. MCGRATH, Mr. GALLO, Mr. GILMAN, Mr. SOLARZ, Mr. MRAZEK, Mr. TOWNS, Mr. RICHARDSON, Mr. OWENS of New York, Mr. PAYNE of New Jersey, and Mr. ENGEL):

H.R. 1629. A bill to require the Federal Communications Commission to initiate rulemaking proceedings to improve multilingual radio broadcasting, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MORRISON of Connecticut:

H.R. 1630. A bill to amend title III of the Immigration and Nationality Act to provide for administrative naturalization, and for other purposes; to the Committee on the Judiciary.

By Mr. NELSON of Florida:

H.R. 1631. A bill to require the use, in Federal formula grant programs, of adjusted census data, and for other purposes; to the Committee on Post Office and Civil Service.

By Ms. OAKAR:

H.R. 1632. A bill to provide that members of the uniformed branch of the United States Postal Inspection Service be treated as law enforcement officers for retirement purposes; to the Committee on Post Office and Civil Service.

By Mr. OBERSTAR:

H.R. 1633. A bill to improve the safety of air travel by establishing the Federal Aviation Administration as an independent Federal agency; to the Committee on Public Works and Transportation.

By Mr. PANETTA:

H.R. 1634. A bill to amend section 810 of the Housing and Community Development Act of 1974 and section 8 of the United States Housing Act of 1937 to establish a special program for housing for the chronically mentally ill; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1635. A bill to amend titles XVI, XVIII, and XIX of the Social Security Act with respect to services and benefits for chronically mentally ill individuals; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. RITTER (for himself, Mr. BARTON of Texas, Mr. DANNEMEYER, Mr. NIELSON of Utah, and Mr. WHITTAKER):

H.R. 1636. A bill to establish uniform standards for product liability actions; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mrs. ROUKEMA (for herself, Mr. RANGEL, and Mrs. JOHNSON of Connecticut):

H.R. 1637. A bill to authorize a new corporation to support State and local strategies for achieving more affordable housing, to increase homeownership, to amend provisions of the Internal Revenue Code of 1986 relating to housing, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

By Mr. ROWLAND of Georgia (for himself, Mr. STENHOLM, Mr. MONTGOMERY, Mr. ESPY, Mr. HATCHER, Mr. RAY, and Mr. LEWIS of Georgia):

H.R. 1638. A bill to provide for establishment of a revolving loan fund for the development of wayports and to establish a commission to propose areas suitable for the location of such wayports; jointly, to the Committees on Public Works and Transportation and Rules.

By Mr. RUSSO:

H.R. 1639. A bill to provide duty-free treatment for corned beef in airtight containers; to the Committee on Ways and Means.

H.R. 1640. A bill to correct the tariff rate inversion on certain iron and steel pipe and tube products; to the Committee on Ways and Means.

By Mrs. SAIKI:

H.R. 1641. A bill to amend the War Claims Act of 1948 to provide for compensation with respect to former members of the Armed Forces of the United States for each day spent during World War II avoiding capture by hostile forces or as underground fighters while unattached to a regular unit of the Armed Forces; to the Committee on Foreign Affairs.

H.R. 1642. A bill to amend title XVI of the Social Security Act to provide that support and maintenance furnished in kind in the form of room or rent to any individual by an immediate family member shall be disregarded in determining the amount of the individual's benefits thereunder; to the Committee on Ways and Means.

By Mr. SKAGGS (for himself, Mrs. ROUKEMA, Mrs. SCHROEDER, Mr. STARK, Mr. FAUNTROY, Mr. OWENS of Utah, Mr. DEFAZIO, Mr. CAMPBELL of Colorado, Mr. STALLINGS, and Mr. HUGHES):

H.R. 1643. A bill to provide for independent health and safety regulation of Department of Energy and nuclear facilities, and for other purposes; jointly, to the Committees on Armed Services and Energy and Commerce.

By Mr. DENNY SMITH (for himself, Mr. HYDE, Mr. PENNY, Mr. DONALD E. LUKENS, Mr. OXLEY, Mr. HERTEL, Mr. PORTER, Mr. SOLOMON, and Mr. COBLE):

H.R. 1644. A bill to authorize the Director of the Bureau of Justice Assistance to make grants to assist in the construction of maximum security correctional facilities in

States that have career criminal laws; to the Committee on the Judiciary.

By Mr. ROBERT F. SMITH (for himself, Mr. YOUNG of Alaska, and Mr. DENNY SMITH):

H.R. 1645. A bill to permit timber sales and related activities on National Forest System lands during a 5-year period of study of the status of the Northern Spotted Owl, and for other purposes; jointly, to the Committees on Agriculture, Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. UDALL:

H.R. 1646. A bill to provide for the protection of Indian graves and burial grounds, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. UNSOELD (for herself, Mr. JONES of North Carolina, Mr. DAVIS, Mr. STUDDS, and Mr. MILLER of Washington):

H.R. 1647. A bill to amend title 46, United States Code, to require reporting of complaints of sexual offenses on documented vessels and to amend the Magnuson Fishery Conservation and Management Act to establish a criminal penalty for assaulting or interfering with observers and supplementary observers; to the Committee on Merchant Marine and Fisheries.

By Mr. VENTO (for himself, Mr. WYLIE, Mr. GONZALEZ, Mr. COELHO, Mr. TRAXLER, Mr. WATKINS, Mr. MOODY, Mr. MATSUI, Mr. MFUME, Mr. GREEN, Mr. BEREUTER, Mr. ROSTENKOWSKI, Mrs. KENNELLY, Mr. LEACH of Iowa, Mrs. BOXER, Mr. GEPHARDT, Mr. FAZIO, Mr. KLECZKA, and Mr. KENNEDY):

H.R. 1648. A bill to amend the Neighborhood Reinvestment Cooperation Act to authorize appropriations for the Neighborhood Reinvestment Corporation to permit the corporation to continue to effectively preserve and increase the availability of affordable housing for low- and moderate-income families; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WALGREN:

H.R. 1649. A bill to amend title XIX of the Social Security Act to require nursing facilities participating in the Medicaid Program to pay, on a phased-in basis, nursing personnel at a rate at least equal to the mean rate paid nursing personnel employed outside nursing facilities; to the Committee on Energy and Commerce.

H.R. 1650. A bill to amend the Social Security Act to require skilled and other nursing facilities under the Medicare and Medicaid Programs to provide the services of a registered nurse for 24 hours per day, 7 days per week; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. WEISS:

H.R. 1651. A bill to amend chapter 44 of title 18, United States Code, to prohibit the manufacture, transfer, or importation of .25 caliber and .32 caliber ammunition; to the Committee on the Judiciary.

By Mr. WELDON (for himself, Mr. BARNARD, Mr. RIDGE, Mr. DWYER of New Jersey, Mr. FOGLIETTA, Ms. OAKAR, Mr. LEATH of Texas, Mrs. SAIKI, Mr. GALLO, Mr. ATKINS, Mr. LAGOMARSINO, Mr. JONTZ, Mr. OWENS of New York, Mr. FUSTER, Mr. STENHOLM, Mr. RAVENEL, Mr. TOWNS, Mrs. LLOYD, Mrs. MEYERS of Kansas, Mr. BENNETT, Mr. GARCIA, Mr. REGULA, Mr. HENRY, Mr. HUGHES, Mr. BALLENGER, Mr. HASTERT, Mr. CLINGER, Mr. SMITH of New Hampshire, Mr. BONIOR, Mr. TORRES, Mr. HARRIS, Ms. KAPTUR, Mr. BURTON of Indiana, Mr. HORTON, Mr. PEASE, Mr. SMITH of Florida, Mr. PAXON, Mr. NEAL of North Carolina, Mr. FISH, Mr. UPTON, Mr. HOCHBRUECKNER, Mr. CAMPBELL of California, Mr. MINETA, Mrs. BENTLEY, Mr. RITTER, Mr. BUECHNER, and Mr. YATRON):

H.R. 1652. A bill to improve the collection, analysis, and dissemination of information that will promote the recycling of municipal solid waste; to the Committee on Energy and Commerce.

By Mr. WOLF:

H.R. 1653. A bill to amend section 225 of the Federal Salary Act of 1967 to clarify the procedures under that section for disapproving pay adjustments recommended by the President, and to provide for reconsideration relating to certain executive, legislative, and judicial salaries—excluding Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. WYDEN (for himself, Mr. SYNAR, Mr. FRANK, Mr. FEIGHAN, Mr. SMITH of Florida, Mr. BOUCHER, Mr. DINGELL, Mr. VOLKMER, Mr. CRAIG, Mr. PURSELL, Mr. THOMAS of Georgia, Mr. FORD of Michigan, and Mr. CARR):

H.R. 1654. A bill to provide enhanced penalties for the use of a semiautomatic firearm or a short-barrelled shotgun during a crime of violence or a drug trafficking crime; to the Committee on the Judiciary.

By Mr. EDWARDS of California (for himself and Mr. FISH):

H.J. Res. 216. Joint resolution to designate April 1989, as "Fair Housing Month"; to the Committee on Post Office and Civil Service.

By Mr. FAUNTROY (for himself and Mrs. MORELLA):

H.J. Res. 217. Joint resolution designating the month of September 1989 as "National Alcohol and Drug Treatment Month"; to the Committee on Post Office and Civil Service.

By Mr. FEIGHAN:

H.J. Res. 218. Joint resolution disapproving the 1989 certification by the President with respect to the Bahamas under section 802(b) of the Trade Act of 1974; to the Committee on Ways and Means.

H.J. Res. 219. Joint resolution disapproving the 1989 certification by the President with respect to the Bahamas under section 481(h) of the Foreign Assistance Act of 1961; jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

By Mr. FLAKE:

H.J. Res. 220. Joint resolution designating March 27, 1990, as "National Black American Inventors Day"; to the Committee on Post Office and Civil Service.

By Mr. LANTOS (for himself, Mr. ASPIN, Mr. DICKINSON, Mr. MONTGOMERY, Mr. SOLOMON, and Mr. HAMMERSCHMIDT):

H.J. Res. 221. Joint resolution to designate the week beginning September 1, 1989, as "World War II Remembrance Week"; to the Committee on Post Office and Civil Service.

By Mr. McEWEN (for himself and Mr. PEPPER):

H.J. Res. 222. Joint resolution designating December 12, 1990, as "National Freedom Fighters Day;" to the Committee on Post Office and Civil Service.

By Ms. SLAUGHTER of New York:

H.J. Res. 223. Joint resolution to designate November 1989, as "National Employee Assistance Programs Recognition Month;" to the Committee on Post Office and Civil Service.

By Mr. SMITH of Florida (for himself, Mr. THOMAS A. LUKEN, Mr. BERMAN, Mr. VANDER JAGT, Mr. McMILLEN of Maryland, Mr. HORTON, Mr. FOGLIETTA, Mr. SIKORSKI, Mr. DYMALLY, Mr. RANGEL, Mr. FAUNTROY, Mr. LEHMAN of Florida, Mr. KOSTMAYER, Mr. FAZIO, Mr. DWYER of New Jersey, Mr. McGRATH, Mr. FROST, Mr. DE LUGO, Mr. HUGHES, Mr. SPRATT, Mr. ACKERMAN, Mr. BUSTAMANTE, Mr. HEFNER, and Mr. DEWINE):

H.J. Res. 224. Joint resolution to designate the week beginning October 29, 1989, as "Gaucher's Disease Awareness Week;" to the Committee on Post Office and Civil Service.

By Mr. SMITH of Florida (for himself, Mr. ACKERMAN, Mr. BALLENGER, Mrs. BENTLEY, Mr. BLAZ, Mrs. BOXER, Mr. BROWN of California, Mr. BUNNING, Mr. CHAPMAN, Mr. COLEMAN of Missouri, Mrs. COLLINS, Mr. CONTE, Mr. COURTER, Mr. DE LUGO, Mr. DORNAN of California, Mr. DYMALLY, Mr. ENGEL, Mr. ERDREICH, Mr. FAWELL, Mr. FAZIO, Mr. GORDON, Mr. HATCHER, Mr. HEFNER, Mr. HERTEL, Mr. HUGHES, Mr. HYDE, Mr. JOHNSON of South Dakota, Mr. KOLTER, Mr. LAGOMARSINO, Mr. LANCASTER, Mr. LANTOS, Mr. LEWIS of Florida, Mr. LIPINSKI, Mr. MATSUI, Mr. McGRATH, Mr. McMILLEN of Maryland, Mr. OWENS of New York, Mr. RANGEL, Mr. ROE, Mr. SCHUETTE, Mr. SMITH of New Hampshire, Mr. DENNY SMITH, Mr. SPRATT, Mr. TALLON, Mr. VOLKMER, Mr. WALSH, and Mr. WAXMAN):

H.J. Res. 225. Joint resolution to authorize and request the President to issue annually a proclamation designating the third Sunday of August of 1989 as "National Senior Citizens Day;" to the Committee on Post Office and Civil Service.

By Mr. WILLIAMS (for himself, Mr. ANNUNZIO, Mr. YATES, Mr. WALGREN, Mr. OWENS of New York, and Mrs. BOGGS):

H.J. Res. 226. Joint resolution to establish a national policy on permanent papers; jointly, to the Committees on Government Operations and House Administration.

By Mr. DORNAN of California (for himself, Mr. HUNTER, Mr. COSTELLO, Mr. SCHUETTE, Mr. FRANK, Mr. MILLER of Ohio, Mr. GLICKMAN, and Mr. BAKER):

H. Con. Res. 81. Concurrent resolution expressing the sense of the House and Senate on the sale of F-16 fighter aircraft technology from General Dynamics to Japan Mitsubishi Heavy Industries as part of the United States-Japan FSX codevelopment fighter program; to the Committee on Foreign Affairs.

By Mr. RITTER (for himself and Mr. WALGREN):

H. Con. Res. 82. Concurrent resolution expressing the sense of the Congress that universal scientific literacy among all American high school graduates by the year 2000 should be a primary national objective, and for other purposes; to the Committee on Education and Labor.

By Mr. SLATTERY (for himself, Mr. STENHOLM, Mrs. SMITH of Nebraska, Mr. LANCASTER, Mr. STANGELAND, Mr. ALEXANDER, Mr. GUNDERSON, Mr.

WHITTAKER, Mr. DAVIS, Mr. SYNAR, Mr. TALLON, Mr. TAUKE, Mr. COOPER, Mr. ROBERTS, Mr. SHUMWAY, Mr. LEATH of Texas, Mr. POSHARD, Mr. RICHARDSON, Mr. BEREUTER, Mr. SCHUETTE, Mr. EMERSON, Mr. VOLKMER, Mr. TRAXLER, Mr. JOHNSON of South Dakota, Mr. ROWLAND of Georgia, Mr. HARRIS, Mr. ENGLISH, Mr. CHAPMAN, and Mr. LAUGHLIN):

H. Con. Res. 83. Concurrent resolution expressing the sense of Congress regarding geographic variations in physician reimbursement under the Medicare Program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. FLAKE:

H. Res. 116. Resolution expressing the sense of the House of Representatives regarding the steps which the United States must take to ensure that all Americans have decent and affordable housing; to the Committee on Banking, Finance and Urban Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. WISE introduced a bill (H.R. 1655) for the relief of Billy M. Pickens; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mr. RHODES, Mr. STUDDS and Mr. LIPINSKI.

H.R. 20: Mr. ACKERMAN, Mr. AKAKA, Mr. ALEXANDER, Mr. ANDERSON, Mr. ANDREWS, Mr. ANNUNZIO, Mr. ANTHONY, Mr. APPLEGATE, Mr. ASPIN, Mr. ATKINS, Mr. AUCOIN, Mr. BARNARD, Mr. BATES, Mrs. BENTLEY, Mr. BERMAN, Mr. BEVILL, Mr. BILBRAY, Mr. BLAZ, Mr. BOEHLERT, Mrs. BOGGS, Mr. BONIOR, Mr. BORSKI, Mr. BOSCO, Mr. BOUCHER, Mrs. BOXER, Mr. BRENNAN, Mr. BROOKS, Mr. BROWN of California, Mr. BRUCE, Mr. BRYANT, Mr. BUSTAMANTE, Mrs. BYRON, Mr. CAMPBELL of Colorado, Mr. CAMPBELL of California, Mr. CARDIN, Mr. CARPER, Mr. CARR, Mr. CHANDLER, Mr. CHAPMAN, Mr. CLARKE, Mr. CLEMENT, Mr. CLINGER, Mr. COELHO, Mr. COLEMAN of Texas, Mrs. COLLINS, Mr. CONTE, Mr. CONYERS, Mr. COOPER, Mr. COSTELLO, Mr. COURTER, Mr. COYNE, Mr. CROCKETT, Mr. DARDEN, Mr. DAVIS, Mr. DEFAZIO, Mr. DELLUMS, Mr. DE LUGO, Mr. DERRICK, Mr. DEWINE, Mr. DICKS, Mr. DINGELL, Mr. DIXON, Mr. DONNELLY, Mr. DORGAN of North Dakota, Mr. DOWNEY, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. DYSON, Mr. EARLY, Mr. ECKART, Mr. EDWARDS of California, Mr. EMERSON, Mr. ENGEL, Mr. ENGLISH, Mr. ERDREICH, Mr. ESPY, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mr. FEIGHAN, Mr. FISH, Mr. FLAKE, Mr. FLIPPO, Mr. FLORIO, Mr. FOLEY, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FRANK, Mr. FROST, Mr. FUSTER, Mr. GALLO, Mr. GARCIA, Mr. GAYDOS, Mr. GEJDENSON, Mr. GEPHARDT, Mr. GIBBONS, Mr. GILMAN, Mr. GLICKMAN, Mr. GONZALEZ, Mr. GOODLING, Mr. GORDON, Mr. GRANDY, Mr. GRANT, Mr. GRAY, Mr. GUARINI, Mr. GUNDERSON, Mr. HALL of Texas, Mr. HALL of Ohio, Mr. HAMILTON, Mr. HAMMERSCHMIDT, Mr. HARRIS, Mr. HASTERT, Mr. HATCHER, Mr. HAWKINS, Mr. HAYES of Illinois, Mr. HAYES of Louisiana, Mr. HEFNER, Mr. HERTEL, Mr. HOAGLAND, Mr. HOCHBRUECKNER, Mr. HOYER, Mr. HUBBARD, Mr. HUCKABY, Mr. HUGHES, Mr. HUTTO, Mr. JACOBS, Mrs. JOHNSON of Connecticut, Mr. JOHNSON of South Dakota, Mr. JOHNSTON of Florida, Mr. JONES of Georgia, Mr. JONES of North Carolina, Mr. JONTZ, Mr. KANJORSKI, Ms. KAPTUR, Mr. KASTENMEIER, Mr. KENNEDY, Mr. KENNELLY, Mr. KILDEE, Mr. KLECZKA, Mr. KOLBE, Mr. KOLTER, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LANCASTER, Mr. LANTOS, Mr. LAUGHLIN, Mr. LEATH of Texas, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LENT, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mrs. LLOYD, Mr. LOWERY of California, Mrs. LOWEY of New York, Mr. THOMAS A. LUKEN, Mr. MCCLOSKEY, Mr. MCCURDY, Mr. MCDADE, Mr. MCDERMOTT, Mr. MCGRATH, Mr. MCHUGH, Mr. MCMILLEN of Maryland, Mr. MCNULTY, Mr. MANTON, Mr. MARKEY, Mr. MARTIN of New York, Mrs. MARTIN of Illinois, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MAZZOLI, Mr. MFUME, Mr. MILLER of California, Mr. MILLER of Washington, Mr. MINETA, Mr. MOAKLEY, Mr. MOLINARI, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MOODY, Mrs. MORELLA, Mr. MORRISON of Connecticut, Mr. MORRISON of Washington, Mr. MRAZEK, Mr. MURPHY, Mr. MURTHA, Mr. MYERS of Indiana, Mr. NAGLE, Mr. NEAL of Massachusetts, Mr. NEAL of North Carolina, Mr. NELSON of Florida, Mr. NOWAK, Ms. OAKAR, Mr. OBERSTAR, Mr. OBEY, Mr. OLIN, Mr. ORTIZ, Mr. OWENS of New York, Mr. OWENS of Utah, Mr. PALLONE, Mr. PANETTA, Mr. PARKER, Mr. PASHAYAN, Mrs. PATTERSON, Mr. PAYNE of New Jersey, Mr. PAYNE of Virginia, Mr. PEASE, Ms. PELOSI, Mr. PENNY, Mr. PEPPER, Mr. PERKINS, Mr. PICKETT, Mr. PICKLE, Mr. POSHARD, Mr. PRICE, Mr. QUILLEN, Mr. RAHALL, Mr. RANGEL, Mr. RAVENEL, Mr. RAY, Mr. RICHARDSON, Mr. RIDGE, Mr. RINALDO, Mr. ROBINSON, Mr. ROE, Mr. ROSE, Mr. ROWLAND of Georgia, Mr. ROWLAND of Connecticut, Mr. ROYBAL, Mr. RUSSO, Mr. SABO, Mrs. SAIKI, Mr. SANGMEISTER, Mr. SAVAGE, Mr. SAWYER, Mr. SAXTON, Mr. SCHEUER, Ms. SCHNEIDER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SHARP, Mr. SHAYS, Mr. SIKORSKI, Mr. SISISKY, Mr. SKAGGS, Mr. SKELTON, Mr. SLATTERY, Ms. SLAUGHTER of New York, Mr. SMITH of New Jersey, Mr. SMITH of Mississippi, Mr. SMITH of Florida, Mr. SMITH of Iowa, Mr. SMITH of Vermont, Mr. SOLARZ, Mr. SOLOMON, Mr. SPRATT, Mr. STAGGERS, Mr. STALLINGS, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. SUNDQUIST, Mr. SWIFT, Mr. SYNAR, Mr. TALLON, Mr. TANNER, Mr. TAUKE, Mr. TAUZIN, Mr. THOMAS of California, Mr. TORRES, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. TRAXLER, Mr. UDALL, Mrs. UNSOELD, Mr. UPTON, Mr. VALENTINE, Mr. VENTO, Mr. VISCLOSKY, Mr. VOLKMER, Mr. WALGREN, Mr. WATKINS, Mr. WAXMAN, Mr. WEISS, Mr. WELDON, Mr. WHEAT, Mr. WHITTAKER, Mr. WILLIAMS, Mr. WILSON, Mr. WISE, Mr. WOLPE, Mr. WYDEN, Mr. YATRON, Mr. YOUNG of Alaska, and Mr. MACHTLEY.

H.R. 37: Mr. SHAYS, Mr. DONALD E. LUKENS, Mr. JONES of Georgia, Mr. HARRIS, and Mr. HASTERT.

H.R. 41: Mr. HOYER, Ms. KAPTUR, Mr. MCCURDY, and Mr. WILLIAMS.

H.R. 48: Mr. MINETA, Mr. MATSUI, Mr. BROWN of California, Mr. MARTINEZ, Mr. LEHMAN of California, Mr. OWENS of New York, and Mr. DYMALLY.

H.R. 60: Mrs. MORELLA, Mr. SMITH of Texas, Mr. PASHAYAN, Mr. ARMEY, and Mr. KOLBE.

H.R. 63: Mr. JAMES, Mr. STEARNS, Mr. KANJORSKI, Mr. YOUNG of Alaska, and Mr. ROWLAND of Georgia.

H.R. 84: Mrs. BENTLEY, Mr. CARDIN, and Mr. LIPINSKI.

H.R. 88: Mr. BEREUTER.

H.R. 89: Mr. ENGEL and Mr. SMITH of Florida.

H.R. 118: Mr. SMITH of Mississippi, Mr. DANNEMEYER, and Ms. KAPTUR.

H.R. 237: Mr. BRYANT.

H.R. 239: Mr. DONNELLY, Mr. COELHO, and Mr. MACHTLEY.

H.R. 243: Mr. EMERSON and Mr. SMITH of New Jersey.

H.R. 283: Mr. ATKINS and Mr. KOLBE.

H.R. 371: Mr. EMERSON, Mr. GILLMOR, Mr. RIDGE, Mr. LEACH of Iowa, Mr. DAVIS, Mr. NIELSON of Utah, and Mr. WATKINS.

H.R. 425: Mr. SMITH of New Hampshire and Mr. THOMAS of Georgia.

H.R. 446: Mr. FRENZEL and Mr. ROBERTS.

H.R. 534: Mr. PAYNE of New Jersey and Mr. ECKART.

H.R. 540: Mr. MADIGAN, Mr. MURPHY, Mr. PRICE, Mr. SAXTON, and Mr. KOLTER.

H.R. 545: Mr. LEVINE of California, Mr. JONTZ, Mr. DURBIN, Ms. PELOSI, Mr. KLECZKA, Mr. FORD of Michigan, Ms. KAPTUR, Mr. FISH, Mr. MINETA, Mr. DEFAZIO, and Mr. KILDEE.

H.R. 596: Mr. SMITH of New Hampshire.

H.R. 633: Mr. AKAKA, Mr. FISH, Mr. SISISKY, and Mr. YOUNG of Florida.

H.R. 634: Mr. YATRON, Ms. SLAUGHTER of New York, Mr. SPRATT, Mr. MCMILLEN of Maryland, Mr. HARRIS, Mr. MRAZEK, Mr. HALL of Texas, Mr. EDWARDS of Oklahoma, Mr. DAVIS, Mr. SHAW, Mrs. ROUKEMA, Mr. MARTINEZ, Mr. DYMALLY, Mr. MCCLOSKEY, Mr. YOUNG of Florida, and Mr. ROGERS.

H.R. 635: Mr. DE LUGO and Mrs. BENTLEY.

H.R. 652: Mr. FISH.

H.R. 664: Mr. LAGOMARSINO, Mr. BUSTAMANTE, Mr. HAYES of Louisiana, Mr. SHUMWAY, and Mr. HOLLOWAY.

H.R. 683: Mr. BROWN of California, Mr. DIXON, Mr. KILDEE, Mr. LIGHTFOOT, Mrs. LOWEY of New York, Mr. MILLER of Ohio, Mr. MINETA, Mr. SARPALIUS, Mr. THOMAS of Georgia, and Mr. WOLF.

H.R. 719: Mr. SCHAEFER.

H.R. 733: Mr. BATES, Mr. BRYANT, Mr. DE LUGO, Mr. HENRY, Mr. LAGOMARSINO, Mr. LIPINSKI, Mr. MILLER of Ohio, Mr. MOAKLEY, Mr. MURPHY, Mr. NELSON of Florida, Ms. OAKAR, Mr. OWENS of Utah, Mr. PARRIS, Mr. RICHARDSON, Mr. SMITH of Texas, Mr. SOLOMON, and Mr. TRAFICANT.

H.R. 748: Mr. SPRATT.

H.R. 762: Mr. WHITTEN, Mr. SPRATT, Mr. POSHARD, Mr. PETRI, Mr. BEREUTER, Mr. SMITH of Mississippi, Mr. SHUMWAY, Mr. COOPER, Mr. WATKINS, Mr. HANSEN, Mr. MARLENEE, Mr. LIGHTFOOT, Mr. DYSON, Mr. PENNY, and Mr. HILER.

H.R. 770: Mr. ANNUNZIO, Mr. MCNULTY, Mr. NEAL of Massachusetts, Mr. PAYNE of New Jersey, Mr. RINALDO, and Mrs. SAIKI.

H.R. 775: Mr. PETRI, Mr. PAYNE of Virginia, and Mr. CLINGER.

H.R. 786: Mr. HARRIS, Mr. SMITH of Mississippi, Mr. LENT, Mr. CRANE, Mr. OXLEY, and Mr. THOMAS of Georgia.

H.R. 796: Mr. DORGAN of North Dakota, Mr. ANTHONY, Mr. ROE, Mr. MACHTLEY, and Mr. ENGLISH.

H.R. 800: Mr. GEJDENSON and Mr. AUCOIN.

H.R. 855: Mr. ROWLAND of Connecticut and Mr. MCCOLLUM.

H.R. 901: Mr. KANJORSKI.

H.R. 904: Mr. JENKINS, Mr. LEATH of Texas, Mr. HOUGHTON, Mr. JONES of North Carolina, Mr. AUCOIN, Mr. COLEMAN of

Texas, Mr. WHITTEN, Mr. DICKS, Mr. SMITH of Florida, Mr. WATKINS, Mr. EARLY, Mr. EDWARDS of Oklahoma, Mr. DICKINSON, Mr. HEFNER, Mr. MYERS of Indiana, Mr. GILMAN, Mr. HANCOCK, Mr. MORRISON of Connecticut, Mr. SHARP, Mr. DERRICK, Mr. ESPY, Mr. WYLIE, Mr. JOHNSON of South Dakota, Mr. HOAGLAND, Mr. ROBINSON, Mr. GARCIA, Mr. DUNCAN, Mr. ROSE, Mr. MILLER of California, Mr. LAUGHLIN, Mr. KILDEE, and Mr. WISE.

H.R. 908: Mr. FAUNTROY, Mrs. COLLINS, and Mr. SIKORSKI.

H.R. 931: Mr. AUCOIN, Mr. KILDEE, Mr. ROE, Mr. HAYES of Illinois, Mr. GRAY, Mr. SAVAGE, and Mr. OWENS of Utah.

H.R. 953: Mr. SMITH of Florida.

H.R. 984: Mr. STARK.

H.R. 994: Mr. BOEHLERT, Mr. DEFAZIO, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. FOGLIETTA, Mrs. JOHNSON of Connecticut, Mrs. MORELLA, Mr. PAXON, Mrs. SAIKI, Ms. SCHNEIDER, and Mr. TOWNS.

H.R. 1005: Mr. FAZIO, Mr. OLIN, Mr. MINETA, Mr. CONYERS, Mr. GONZALEZ, and Mr. COELHO.

H.R. 1007: Mr. GEJDENSON.

H.R. 1040: Mr. BEREUTER, Mr. ROE, Mr. RIDGE, Mr. PACKARD, Mr. DYMALLY, Mr. EMERSON, Mr. JACOBS, Mrs. BOXER, Mr. HUNTER, Ms. KAPTUR, Mr. MILLER of Ohio, Mr. FOGLIETTA, Mr. WALSH, Mr. FISH, Mr. HERGER, Mr. LAGOMARSINO, Mr. CAMPBELL of California, and Mr. VISCLOSKY.

H.R. 1041: Mr. DELLUMS and Mr. FOGLIETTA.

H.R. 1060: Mr. TRAXLER, Mr. SHARP, Mr. JAMES, Mr. JONES of North Carolina, Mr. ROTH, Mr. FAUNTROY, Mr. KANJORSKI, and Mr. GORDON.

H.R. 1078: Mr. ROSE, Mr. PEPPER, Mr. WILLIAMS, Mr. MORRISON of Connecticut, Mr. WOLPE, and Mr. HEFNER.

H.R. 1095: Mr. EMERSON, Mr. FASCELL, Mr. MORRISON of Connecticut, Mr. SCHUETTE, and Mr. TORRICELLI.

H.R. 1109: Mr. BEILENSON, Mr. FAZIO, Mr. LIPINSKI, and Mr. ERDREICH.

H.R. 1112: Mr. SCHUMER.

H.R. 1172: Mr. SHAW.

H.R. 1173: Mr. NELSON of Florida.

H.R. 1188: Mr. BOSCO.

H.R. 1199: Mr. LEWIS of Georgia, Mr. PELOSI, and Mr. COURTER.

H.R. 1217: Mr. SMITH of Florida, Mr. HERTEL, and Mrs. BENTLEY.

H.R. 1221: Mr. PARRIS, Mr. INHOFE, Mrs. BENTLEY, Mr. RAHALL, Mr. UPTON, Mr. ROHRABACHER, Mr. KOLBE, and Mr. ROGERS.

H.R. 1237: Mr. SHAYS.

H.R. 1277: Mr. RAVENEL, Mrs. BOXER, and Mrs. SCHROEDER.

H.R. 1283: Mr. WOLPE and Mr. PENNY.

H.R. 1296: Mr. BATES, Mr. BILIRAKIS, Mr. BROWN of California, Mr. COLEMAN of Texas, Mr. COSTELLO, Mr. DARDEN, Mr. DEFAZIO, Mr. DICKS, Mr. DORNAN of California, Mr. DYMALLY, Mr. ENGLISH, Mr. FAUNTROY, Mr. FAZIO, Mr. FRANK, Mr. FUSTER, Mr. GONZALEZ, Mr. GRANT, Mr. HEFNER, Mr. HORTON, Mr. LEATH of Texas, Mr. LIPINSKI, Mr. MACHTLEY, Mr. PANETTA, Ms. PELOSI, Mr. PICKETT, Mr. RAHALL, Mr. RAY, Mrs. SAIKI, Mr. SMITH of Texas, Mr. SPRATT, Mr. THOMAS of Georgia, Mr. TORRES, Mrs. UNSOELD, and Mr. RAVENEL.

H.R. 1337: Mr. HOPKINS, Mr. FRENZEL, Mr. RAVENEL, Mr. PENNY, Mr. DELLUMS, Mr. DOWNEY, Mr. FOGLIETTA, Mr. BERMAN, Mr. DURBIN, Mrs. MORELLA, Mr. GREEN, Mr. MORRISON of Connecticut, Mr. MOODY, Mr. RANGEL, Mr. MRAZEK, Mr. FRANK, Mrs. BOXER, Mr. OWENS of Utah, Mr. DEFAZIO, Mr. UDALL, Mr. SKAGGS, Mr. FORD of Michigan, Mr. STARK, Mr. ENGEL, Mr. SMITH of Florida, Mr. OWENS of New York, Mr. CLAY, Mr. BATES, Mr. TORRES, Mrs. COLLINS, Mr. TRAFICANT, and Mr. FAUNTROY.

H.R. 1352: Mr. LEWIS of Florida, Mrs. BENTLEY, and Mr. COURTER.

H.R. 1381: Mr. AKAKA, Mr. BUSTAMANTE, Mrs. COLLINS, Mr. FAUNTROY, Mr. HERTEL, and Mr. DE LUGO.

H.R. 1382: Mr. NIELSON of Utah, Mr. FUSTER, Mr. HATCHER, Mr. FRANK, Mr. RAHALL, Mr. FAUNTROY, Mr. MCGRATH, Mr. DYMALLY, Mrs. COLLINS, and Mr. SMITH of Florida.

H.R. 1383: Mr. BONIOR, Mr. FLAKE, Mr. HUBBARD, Mr. LEWIS of Georgia, Mr. MANTON, Mr. MURPHY, Mr. NAGLE, Mr. SAVAGE, Mr. TORRES, Mr. WILLIAMS, and Mr. KENNEDY.

H.R. 1452: Mrs. COLLINS.

H.R. 1464: Mr. SMITH of New Hampshire, Mr. CRAIG.

H.R. 1515: Mr. JONTZ.

H.R. 1540: Mr. GALLEGLY, Mr. BUNNING, Mr. KYL, Mr. BALLENGER, Mr. RHODES, Mr. HERGER, Mr. HASTERT, Mr. SHAYS, Mrs. MORELLA, and Mr. DONALD E. LUKENS.

H.R. 1541: Mr. ROBERTS and Mr. HATCHER.

H.R. 1544: Mr. FAUNTROY and Mr. LANTOS.

H.R. 1567: Mr. BRYANT.

H.J. Res. 68: Mr. ATKINS, Mr. BATES, Mrs. BENTLEY, Mr. BERMAN, Mr. BLAZ, Mr. BLILEY, Mr. BORSKI, Mr. CARPER, Mrs. COLLINS, Mr. CONYERS, Mr. COSTELLO, Mr. DEFAZIO, Mr. DONNELLY, Mr. DWYER of New Jersey, Mr. FAWELL, Mr. FAZIO, Mr. GARCIA, Mr. HASTERT, Mr. HUGHES, Mr. KOLTER, Mr. LANCASTER, Mr. LEWIS of Georgia, Mr. MINETA, Mr. MORRISON of Washington, Mr. QUILLEN, Mr. RANGEL, Mr. ROE, Mr. SCHAEFER, Mr. SMITH of New Hampshire, Mr. SPRATT, Mr. WALSH, and Mr. WOLF.

H.J. Res. 78: Ms. OAKAR, Mr. STAGGERS, Mr. SAWYER, Mr. RAHALL, Mr. DEWINE, and Ms. SNOWE.

H.J. Res. 82: Mr. LEHMAN of California, Mr. MCMILLEN of Maryland, Mr. YATES, Mr. DELLUMS, Mr. MCCLOSKEY, Mr. LAGOMARSINO, Mr. LEWIS of Georgia, Mr. CLINGER, and Mr. SMITH of Florida.

H.J. Res. 123: Mr. WOLF, Mr. DICKINSON, Mr. TALLON, Mr. FLIPPO, Mr. MOORHEAD, Mr. RAHALL, Mr. COSTELLO, Mr. MCCOLLUM, Mrs. PATTERSON, Mr. ANNUNZIO, and Mr. HATCHER.

H.J. Res. 132: Mr. RAHALL, Mr. DEWINE, Mr. MORRISON of Washington, Ms. SNOWE, and Mr. BILIRAKIS.

H.J. Res. 136: Mr. OWENS of Utah, Mr. SMITH of New Jersey, and Mr. FLORIO.

H.J. Res. 164: Mrs. PATTERSON, Mr. SCHAEFER, Mr. JONTZ, Mr. ROBINSON, Mr. MINETA, Mr. ROGERS, Mr. NEAL of Massachusetts, Mr. DERRICK, Mr. GRADISON, Mr. HUNTER, Mr. BUSTAMANTE, Mr. ROYBAL, Mr. ROBERTS, Mr. KASICH, Mr. EARLY, Mr. JACOBS, Mr. ARCHER, Mr. VOLKMER, Mr. RAVENEL, Mr. COYNE, Mr. RAHALL, Mr. ENGEL, Mr. HAMILTON, Mr. LAGOMARSINO, Mr. DEWINE, Mr. MCGRATH, Mr. GUARINI, Mr. YATES, Ms. PELOSI, Mr. ROE, Mr. CLINGER, Mr. AKAKA, Mr. MRAZEK, Ms. SLAUGHTER of New York, and Mrs. SAIKI.

H.J. Res. 182: Mr. VOLKMER and Mr. GUARINI.

H.J. Res. 206: Mr. HANCOCK, Mr. FAZIO, Mr. ROBERTS, Mr. TRAXLER, Mr. HORTON, Mr. DYMALLY, Mr. MORRISON of Washington, and Mr. SOLARZ.

H.J. Res. 207: Mr. FORD of Tennessee, Mr. ROE, Mr. OLIN, Mr. HUGHES, Mr. BOSCO, Mr. BOEHLERT, Mr. DONNELLY, Mr. ATKINS, and Mr. BILBRAY.

H.J. Res. 208: Mr. SMITH of New Hampshire, Mr. OWENS of New York, Mr. HENRY, Mr. MCGRATH, Mr. JONES of Georgia, Mrs. MEYERS of Kansas, Mr. DYSON, Mr. ENGLISH, Mr. ROE, Mr. MORRISON of Washington, and Mr. PEPPER.

H. Con. Res. 1: Mr. AKAKA and Mrs. UNSOELD.

H. Con. Res. 6: Mr. KLECZKA.

H. Con. Res. 26: Mr. SMITH of Texas, Mr. WHITTAKER, and Mr. SMITH of Florida.

H. Con. Res. 37: Mrs. MARTIN of Illinois, Mr. SMITH of Mississippi, Mr. SOLOMON, Mr. RICHARDSON, Mr. SIKORSKI, Mr. BENNETT, Mr. FIELDS, Mr. FUSTER, Mr. HENRY, Mr. KOLBE, Mr. WOLF, Mr. MCMILLEN of Maryland, Mr. LIGHTFOOT, Mr. FOGLIETTA, Mr. CLINGER, Mrs. LOWEY of New York, Mr. WELDON, Mr. HANCOCK, Mr. DE LA GARZA, Mr. ACKERMAN, Mr. YOUNG of Florida, Mr. PASHAYAN, Mr. PRICE, Mr. DYSON, Mr. LAGOMARSINO, Mr. MINETA, Mr. HILER, Mr. GOSS, Mr. DICKS, Mr. DONALD E. LUKENS, Mr. APPLEGATE, Mr. MARTIN of New York, Mr. KASICH, Mr. NATCHER, Mr. TANNER, and Mrs. PATTERSON.

H. Con. Res. 40: Mr. BENNETT, Mr. DICKINSON, Mr. PARKER, and Mr. STAGGERS.

H. Con. Res. 46: Mr. SMITH of New Hampshire.

H. Con. Res. 48: Mr. PEASE, Mr. CONTE, Mr. SOLARZ, Mr. ESPY, Mr. TORRICELLI, Mr. STOKES, Mr. GRAY, Mr. MCCLOSKEY, Mr. WISE, Mr. TRAFICANT, and Mr. JONES of Georgia.

H. Res. 18: Mr. PETRI, Mr. GOSS, and Mr. KOLBE.

H. Res. 106: Mr. BOEHLERT, Mr. BROWN of Colorado, Mr. KYL, Mr. LAGOMARSINO, Mr. OXLEY, Mr. SMITH of New Hampshire, and Mr. WALSH.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1067: Mr. TORRICELLI.

EXTENSIONS OF REMARKS

H.R. 1600—NATIONAL FISH AND WILDLIFE ENHANCEMENT ACT OF 1989

HON. WALTER B. JONES
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. JONES of North Carolina. Mr. Speaker, today I have introduced H.R. 1600, the National Fish and Wildlife Improvement Act of 1989, along with a bipartisan coalition of Members who are deeply committed to both fish and wildlife conservation and the cautious development of this Nation's energy resources. This bill addresses one of the most hotly debated natural resource issues before Congress—the question of whether oil and gas leasing should be authorized on the coastal plain of the Arctic National Wildlife Refuge [ANWR].

This issue was the subject of well over 20 hearings in both Houses during the last Congress. My own committee, the Committee on Merchant Marine and Fisheries, held seven of these hearings which addressed a wide variety of issues ranging from the environmental track record of the oil industry at Prudhoe Bay to the anticipated impact of oil development on the wildlife resources of ANWR. The diversity of these issues was reflected in the diversity of the bills introduced on this subject in the last Congress. Some of my colleagues would have designated the 1.5 million acres of the coastal plain as wilderness while others would have authorized an immediate oil and gas leasing program for the entire area with the revenues primarily going to the State of Alaska.

The ANWR bill that I introduced last Congress with Congressmen JOHN DINGELL and LINDSAY THOMAS, H.R. 3601, attempted to define the middle ground between these opposing positions. The bill as introduced contained a variety of ideas designed to frame key issues and generate spirited debate. We kept our minds open and we tried to be good listeners during the many hours of deliberation. By the time we entered into markup last spring, our thinking had evolved considerably as reflected in a new bipartisan staff draft bill on ANWR. This bipartisan revision of H.R. 3601 was eventually reported out of the Merchant Marine and Fisheries Committee with majority support from both parties and only minor modifications. Although the 100th Congress ended before further action could be taken on H.R. 3601, I felt that we were rapidly closing in on an environmentally sensible approach to ANWR that would be acceptable to a majority of our colleagues.

The bill that I introduced today, H.R. 1600, is very similar to last year's H.R. 3601—perhaps only 5 percent of it has changed. Since today's bill is so closely modeled after H.R. 3601 as previously reported out of the Merchant Marine and Fisheries Committee, I would like to reflect for a moment upon some of the central concepts of last year's bill.

First, we believed that the status of ANWR as a national wildlife refuge required a higher standard of due care than might otherwise be required for oil development on multiple-use public lands. The bill also highlighted the role of the Director fo the U.S. Fish and Wildlife Service and mandated that the Service remain in complete control of any oil and gas leasing program for ANWR. In addition, H.R. 3601 contained many provisions which accomplished this objective by establishing some of the toughest environmental standards yet applied to oil development in this country. By way of example, our bill would have banned the past North Slope practice of pumping reserve pit fluids out into the tundra. I should add that as a result of the controversy surrounding this questionable disposal practice, the two major operators at Prudhoe Bay have recently announced changes in their drilling operations which will eliminate this practice altogether. Perhaps H.R. 3601's firm position on reserve pit fluid disposal contributed in some small way toward facilitating this decision. In any event, it illustrates how the bill was anticipated and reflects the future trends in waste management for oil development on the North Slope of Alaska.

The second key element of last year's bill centered on the premise that if the national resources of the national wildlife refuge were to be commercially developed, there ought to be an overall net benefit back into fish and wildlife conservation and the National Wildlife Refuge System. H.R. 3601 accomplished this by dedicating most of the Federal revenues generated by ANWR for wetland and wildlife refuge acquisitions and the establishment of a major new fish and wildlife enhancement trust fund. This would generate a much needed boost in conservation funding for fish and wildlife. While some might object to dedicating Federal revenues for this particular purpose, I would point out that this approach is consistent with longstanding Federal wildlife policy. Since 1935, revenues generated by commercial activities within wildlife refuges have been placed within the refuge revenue sharing fund under the Refuge Revenue Sharing Act (16 U.S.C. 715(s)). Moneys in this fund are used to compensate local jurisdictions for lost tax revenues and to acquire additional wildlife refuges. H.R. 3601 was merely in keeping with this 53-year-old Federal wildlife policy.

The third premise of H.R. 3601 was that neither Congress nor the country would gain anything by putting off for 2 or 3 additional years a final decision on oil development in ANWR. Last year we watched our naval ships engaged in combat in the Persian Gulf. On the home front, our balance-of-trade deficits continue to be staggering, aggravated seriously in 1989 by a projected $42 billion price tag for imported oil. Moreover, if there is one thing that is certain in the global oil market, it is that the market is highly volatile and capable of unpredictable swings. By way of example, this past January I received a letter from an environmental group urging me to forgo oil development in ANWR because, among other things, they noted that the price of oil was only $13 a barrel. Less than 2 days later, I noticed in the newspaper that the price of oil had jumped to $17.54 a barrel—today the world average price for oil is $15.86 per barrel. These figures reflect how unpredictable the oil market can be.

I believe that we will be doing the country a serious disservice if we cast our vote on ANWR based upon the current price of oil. A much more relevant question is what will be the price of oil in 10 years—the length of time it will take to get the first drop of ANWR oil into the Alaskan pipeline. Given the wild gyrations the global oil market can go through in a few short months—let alone in 10 long years—it is obvious why today's oil prices can be a slender reed to lean on in casting one's vote on ANWR. The uncertainty of the world oil market is a primary reason why the twin goals of conservation and enhanced production must be pursued simultaneously and not sequentially.

The above key concepts were central to H.R. 3601 and they are central to H.R. 1600. In providing further information on H.R. 1600, I would like to include in the CONGRESSIONAL RECORD two briefing papers, one summarizing in some detail the specifics of H.R. 1600 and the other highlighting some of the areas where it differs from H.R. 3601. A couple of these differences, in particular, warrant further discussion. First, while H.R. 1600 deletes H.R. 3601's Manton amendment dealing with labor issues and ANWR, the oil industry should not interpret this as an antilabor move on my part. Quite to the contrary, I intend to continue to support some sort of labor provision dealing with ANWR. The absence of such a provision in the bill I introduced merely reflects my desire to give labor and the oil industry more time to reach a consensus on this issue if possible.

Similarly, today's bill deletes a provision added to H.R. 3601 which would have banned the export of oil out of ANWR. This deletion is not due to my opposition to the concept. To the contrary, I believe that any oil produced from ANWR should be reserved for use in our country. Existing law severely restricts export of any crude oil which travels down the trans-Alaska pipeline. Since we all expect ANWR oil to come down the pipeline, we already have legal protection against exports. It is likely that my committee will vote to make this antiexport policy explicit in H.R. 1600.

H.R. 1600 has also dropped prior language in H.R. 3601 which urged that the "best commercially available" pollution control technology be utilized in ANWR. It was not our intent in

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

using this langauge in H.R. 3601 to modify or weaken the existing technology control standards under environmental laws like the Clean Air Act or the Clean Water Act. Rather, the language was intended to be hortatory in nature and reflective of our desire to have only state-of-the-art technology and best management practices utilized in ANWR. Despite this intent, some claimed that the langauge's effect was to diminish the level of environmental protection under various Federal pollution control statutes. Since the best commercially available technology language generated these sorts of misinterpretations and was open to question regarding its intent, we have decided to drop the provision altogether.

In summary, H.R. 1600 picks up where H.R. 3601 left off and improves its provisions even further. I believe that it is a better and stronger bill due to the additional adjustments which have been made since last October. The bill has also benefited from the extensive hearing record generated before various committees of Congress. This record, the result of close to two dozen hearings, brings me to a final point. Recently a number of environmental groups petitioned the President and the Secretary of the Interior to redo the section 1002 report with the assistance of the National Academy of Sciences. In their petition, the groups listed various areas in the section 1002 report which they found deficient and cited other reports or studies which were critical of oil industry operations on the North Slope. With all due respect to the petitioners, halting further congressional consideration of ANWR in order to revise and produce a new section 1002 report ignores completely the voluminous record already generated by Congress. We are well into our third year in dealing with this issue. Regardless of what one thinks about the merits or deficiencies of the original section 1002 report, Congress is well beyond that report in its analysis of the various environmental and economic issues associated with ANWR. I would like to include in the CONGRESSIONAL RECORD an analysis of the ANWR hearings prepared for me by the Congressional Research Service. It lists the number of opportunities provided the environmental petitioners to appear as witnesses before the committees of Congress and to present testimony on most of the environmental issues they have now raised in their petition. I am not persuaded that Congress should stop further consideration on ANWR until a better section 1002 report is developed. Whatever the deficiencies in that report, they have been more than adequately compensated for by the hearings which have been held.

Congress is no longer an uninformed decisionmaker on this matter. We are rapidly approaching the point where we will have talked this issue to death. The time has arrived to resolve the ANWR debate. I believe that H.R. 1600 takes another important step in that direction. It is a sensible bill that would give back more to the National Wildlife Refuge System than would be taken. It is tough, environmentally, as witnessed by provisions like the protection it offers for the "core calving area" of the porcupine caribou herd. It is, in short, a consensus bill that should attract the support of a majority of our colleagues. I and the rest of the cosponsors of H.R. 1600 will continue to welcome suggestions for improving the bill even further. Congress has thought about this matter long enough. It is time to put the matter to a vote.

The analysis of the ANWR hearings follows:

KEY CONCEPTS OF H.R. 1600, NATIONAL FISH AND WILDLIFE ENHANCEMENT ACT OF 1989

1. Authorizes carefully controlled leasing of majority of 1.5 million acre coastal plain. Initial lease sale to be held no sooner than 21 months and no later than 27 months after date of enactment. No more than 300,000 acres of the coastal plain offered or leased at any one time with lease sales held no more frequently than once every two years.

2. Establishes a 260,000 acre "Protective Management Zone" (PMZ) in coastal plain which includes approximately 95% of the Porcupine caribou herd "core calving" area. Would prohibit within the PMZ surface occupancy and use for oil and gas activities and the granting of rights-of-way for transportation and utility corridors. Restricts surface occupancy to "essential" oil facilities within 1.5 mile buffer zone around PMZ.

3. Prohibits leasing of coastal plain if State of Alaska successfully challenges in court proposed 50/50 split of ANWR oil revenues (Alaska claims it is entitled to 90% of the revenues).

4. Creates new 23.5 million acre Teshekpuk-Utukok National Wildlife Refuge out of National Petroleum Reserve-Alaska (NPRA) to the west of Prudhoe Bay. Imposes five-year moratorium on additional oil/gas leasing in new refuge with any further leasing subject to requirements of 1966 Wildlife Refuge Administration Act. No additional oil and gas leases to be issued in Teshekpuk Lake area due to exceptionally high value of area to migratory waterfowl.

5. Uses the environmental standard of "no significant adverse effect" for regulating oil and gas leasing program on coastal plain. Standard based upon biological factors alone.

6. Reaffirms existing Federal national wildlife refuge law requiring Director of FWS to have ultimate management authority and control over oil/gas leasing program on ANWR. The Director would enter into cooperative agreements with the Directors of the Bureau of Land Management and the Minerals Management Service to gain their assistance in running the technical, geological and financial aspects of oil/gas leasing program on coastal plain.

7. Overturns 1981 *Watt* v. *Alaska* Supreme Court decision against the Federal national wildlife refuge Revenue Sharing Fund and directs placement of all ANWR oil and gas leasing revenues into the Refuge Revenue Sharing Fund, eliminating the current large deficit in the Fund. ANWR royalties and revenues placed in the Refuge Revenue Fund would then be divided 50/50 with the State of Alaska. The Federal share would be expended as follows:

15%—to establish a Fish and Wildlife Enhancement Trust Fund to promote fish and wildlife conservation in the following areas: (1) wildlife research programs with special emphasis on effects of development and pollution on fish and wildlife; (2) State nongame grant-in-aid programs; (3) National Fish and Wildlife Foundation matching grant program; (4) natural resource conflict resolution; (5) enhancement of sport fishing programs on national wildlife refuges; and (6) wetland restoration and enhancement programs.

25%—to the Migratory Bird Conservation Fund to be expended as follows:

40%—for acquisition of major wintering and migration route habitat for migratory birds originating in Alaska or Canada.

20%—for acquisition of migratory bird habitat in accordance with provisions of the North America Waterfowl Management Plan with Canada.

20%—for acquisition of national wildlife refuges in the lower 48 states for species of fish and wildlife other than migratory birds.

20%—for acquisition of inholdings within Alaskan units of National Wildlife Refuge System. If not enough willing sellers in any year to use entire 15%, the remaining funds are available for refuge acquisition in the lower 48 states for species of fish or wildlife other than migratory birds.

5%—to establish a Wetland Restoration and Enhancement Account to fund the restoration and enhancement of seriously eroded, degraded or converted wetlands.

5%—U.S. General Treasury

8. Establishes 3 mile wide coastal "insect relief zone" for caribou with surface occupancy in first 1.5 miles inland from the coast limited to necessary marine facilities and pipelines from offshore causeways. Within 1.5–3 miles of the coast, allows only "essential" facilities (drilling pads, production facilities, pipelines and roads that are not economically/environmentally feasible if situated outside 3 mile zone). All "non-essential" facilities barred from insect relief area entirely. On a case-by-case basis and subject to the approval of the Secretary, non-Federal land owners within the insect relief zone may locate development and production wells to within one-half mile of the coast when necessary to gain access to shallow oil and gas deposits that could not otherwise be reached by slant drilling from 1.5 miles from the coast.

9. Establishes a Federal/State Interagency Task Force to assist Fish and Wildlife Service in implementing oil and gas leasing program for the ANWR coastal plain.

10. Authorizes U.S. Fish and Wildlife Service and Alaska's Fish and Game and Environmental Conservation Departments to recover the costs of planning, monitoring and enforcement from oil/gas lessees. Requires that adequate personnel be continuously available on the coastal plain to monitor and enforce the provisions of this Act.

11. Protects coastal marine environment of ANWR by granting Directors of FWS, the National Marine Fisheries Service and the Alaska Department of Fish and Game new authority to impose mandatory terms and conditions on permits or authorizations for port facilities and offshore causeways (would follow existing approach in Section 18 and Section 30(c) of Federal Power Act for small hydro projects). Allows no more than two port facilities along entire coastline, including lands owned by Kaktovik Inupiat Corporation, and prohibits marine facility development in the Pokok Bluffs area and other parts of coastline containing concentrated polar bear denning habitat.

12. Enhances law enforcement authorities of Director FWS and increases penalties for violation of oil/gas leasing or wildlife refuge regulations. Authorizes maximum civil penalties of $20,000 per violation or up to $50,000 per violation involving pipeline regulations. In case of "knowing and willful" violations of ANWR leasing law or regulations, or tampering with environmental monitoring devices, maximum criminal penalties as high as $100,000 per volation and up to five years in jail. Uses oil spill ap-

proach in H.R. 1632 (100th Congress) for additional cleanup authority for any pollution/spills on coastal plain of ANWR and clarifies that such additional cleanup and removal authority applies where a gap appears under existing cleanup laws (existing law would control if there is a conflict).

13. Establishes exclusive new authority for granting rights-of-way across coastal plain. (Title XI of ANILCA would not apply.) No right-of-way for pipelines or roads to be granted until coastal plain opened to leasing. Applies to requests for rights-of-way from lands off-refuge as well as from within the coastal plain lands. To ensure safety and consistency, requires State to duplicate Refuge oil pipeline standards for part of pipeline on State lands.

14. Prohibits general public access on pipeline service roads and restrict sport hunting and fishing in coastal plain by oil field work crews. Oil lessees liable for civil or criminal penalties for hunting or fishing violations by employees.

15. Prohibits exploratory drilling on a township of Native owned land within the coastal plain, until the day after the first lease sale authorized under the Act. Exploratory drilling allowed for three townships of Native owned land adjacent to the coastal plain upon date of enactment of this Act but subjects Native operations to environmental controls for rest of coastal plain and requires FWS approval of all plans of operation. Repeals Section 1003 of ANILCA for Native owned parts of original coastal plain simultaneously with the holding of the first Federal lease sale for the coastal plain. For remaining three townships of Native lands adjacent to coastal plain, Section 1003 is repealed as of the date of enactment of the Act.

16. Authorizes a new wetlands restoration and enhancement initiative to address past adverse effects of significant wetland erosion, degradation or conversions.

17. Creates a Reclamation Liability Trust Fund based upon a $.05 a barrel additional royalty on oil out of coastal plain. Fund to be used to ensure adequate cleanup of coastal plain after completion of production, should lessee fail to adequately reclaim land.

18. Requires bonding of lessees to ensure adequate funds for emergency response to accidental spills, fires or other disasters associated with development.

19. Requires use of smokeless flares or comparable technology and prohibits surface disposal of reserve pit fluids on roads or the tundra.

20. All geological and geophysical field data and drilling information provided to the Secretary, with prescribed regulations to assure confidentiality.

21. Finds final Section 1002 Report to be adequate NEPA compliance for issuing competitive leasing regulations but requires additional NEPA documentation for all subsequent lease sales.

22. Authorizes appropriations for "local impact aid" program to provide financial assistance to six rural subsistence villages and the North Slope Borough government which might be affected by ANWR leasing program.

KEY MODIFICATIONS IN NEW JONES ANWR BILL

(Differences From H.R. 3601 in 100th Congress)

1. Deletes the Manton Labor amendment.

2. Deletes prohibition against export of ANWR oil.

3. Expands reclamation standards governing clean-up after oil and gas production completed; deletes cap on amount of bonding required to cover cost of remedial hazardous/toxic waste clean-ups.

4. Modifies the "Weldon Amendment" restricting drilling rights for the Arctic Slope Regional Corporation (loosens timing restrictions on exploratory drilling for three townships outside of coastal plain but retains prior restrictions on exploratory drilling in the fourth township within the coastal plain.)

5. Modifies the definition of "no significant adverse effects."

6. Deletes specific references of ANWR/Native land exchanges.

7. Modifies language for discouraging State lawsuit challenging 50/50 split in ANWR revenues (follows Senate approach more closely).

8. Deletes "best commercially available technology" standard.

9. Adds provision dealing with Yukon Delta Wildlife Refuge and the Bethel Native Corporation.

10. Adds section authorizing a wetlands restoration and enhancement program.

11. Makes slight shift in Federal revenue allocations (shifts from 20% Trust Fund/20% land acquisition to 15% Trust Fund/25% land acquisition; within land acquisition account, reduces allocation for migratory bird migration route/wintering habitat to 40%, and increases allocations for acquiring Alaskan refuge inholdings and Lower 48 refuges for species other than migratory birds to 20% apiece.

12. Adds amendment to the Fish and Wildlife Coordination Act on lead responsibility of Director of FWS.

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, DC, February 1, 1989.

To: Don Barry, Counsel, Committee on Merchant Marine and Fisheries.

From: M. Lynne Corn, Specialist, Environment and Natural Resources Policy Division.

Subject: Witnesses from Selected Environmental Organizations.

As we discussed, I am sending you names of witnesses from twelve selected environmental organizations who appeared at various hearings during the 100th Congress on the Arctic National Wildlife Refuge. Table 1 lists the organizations, the name of the specific witness, the Committee(s) holding the hearing, and the date of the witness' presentation. Though you asked only for these twelve organizations, I added presentations by Mr. Tim Mahoney to Table 1, even when he was listed as representing the Alaska Coalition. As you know, Mr. Mahoney is employed by the Sierra Club, and the Sierra Club is a member of the Coalition. When Mr. Mahoney was listed by a Committee as representing the Sierra Club, I put his name under the Sierra Club's heading.

Table 1 is grouped first by organization, and where the organization had witnesses at multiple hearings, it is grouped by Committee, and then by the date of the hearing. In the time available, it was not possible to scan each presentation by so many witnesses, but the footnotes indicate the topic of the hearing as whole. To the extent that hearing records are not yet published, I may have missed a few witnesses. Since so few of the hearing records of the House Interior Committee have been published, I used their witness lists that had been prepared for the specific hearings. There were some hearings in which no witnesses from these groups testified.

Table 2 shows additional material submitted for the record by witnesses from any of the twelve organizations. I have items which were listed as separate entries in the indices of those hearings. These items are not entered in Table 2 if witnesses included the extraneous material with their presentations themselves.

If I can be of any further help, please do not hesitate to call me at 707-7267.

TABLE 1.—WITNESSES FROM SELECTED ENVIRONMENTAL ORGANIZATIONS AT HEARINGS OF SENATE COMMITTEES ON ENVIRONMENT AND PUBLIC WORKS, AND ENERGY AND NATURAL RESOURCES AND HOUSE COMMITTEES ON INTERIOR AND INSULAR AFFAIRS, AND MERCHANT MARINE AND FISHERIES DURING THE 100TH CONGRESS

Organization	Witness	Committee	Date
Alaska Coalition	Mahoney	House MMF [1]	10-6-87
	Mahoney	Senate EPW [2]	2-17-88
Defenders of Wildlife	Sheldon	Senate ENR [3]	10-15-87
Environmental Defense	None		
Environmental Policy	None		
Friends of the Earth	Wilson	House IIA [4]	7-21-87
	Wilson	Senate ENR [3]	10-22-87
Izaak Walton League	None		
National Audubon	Cline	House MMF/IIA [5]	11-17-87
	Berle	House IIA [4]	7-21-87
	Evans	Senate ENR [6]	6-11-87
	Raisbeck	Senate EPW [2]	2-17-88
National Parks	None		
National Wildlife	Hair	House MMF [1]	10-6-87
	Greenwalt	House IIA [4]	7-21-87
	Hair	House IIA [7]	10-22-87
	Hair	Senate ENR [6]	6-11-87
Natural Resources	Speer	House IIA [4]	7-21-87
	Speer	House IIA [8]	6-9-87
	Adler	House IIA [8]	6-9-87
	Speer	Senate ENR [3]	10-15-87
	Speer	House MMF [9]	2-24-88
Sierra Club	Hession	House IIA [10]	6-11-87
	Mahoney	House IIA [4]	7-21-87
	Mahoney	House IIA [8]	6-9-87
	Mahoney	Senate ENR [6]	6-11-87
	Brower	Senate ENR [3]	10-15-87
	Helfrich	Senate ENR [3]	10-22-87
	Pilawski	Senate ENR [3]	10-22-87
	Reid	Senate ENR [3]	10-22-87
Sierra Club LDF	Sheldon	House MMF [9]	2-24-88
Wilderness Society	Goerold	House IIA [11]	5-28-87
	Reffalt	House IIA [10]	6-11-87
	Nelson	House IIA [4]	7-21-87
	Nelson	House IIA [9]	6-9-87
	Fisher	Senate ENR [3]	10-15-87
	Nelson	Senate ENR [6]	6-11-87
	Nelson	Senate EPW [2]	2-17-88

[1] Report of Department of the Interior (1002 report).
[2] H.R. 1804.
[3] S. 1217.
[4] Environmental concerns associated with prospective development of the Arctic National Wildlife Refuge.
[5] Alaskan perspectives on possible development.
[6] 1002 report.
[7] Wildlife issues.
[8] H.R. 3601, H.R. 1082, H.R. 39.
[9] Environmental quality issues.
[10] H.R. 2629.
[11] Outlook for U.S. energy supplies.

TABLE 2.—OTHER MATERIAL SUBMITTED TO VARIOUS HEARING RECORDS

Organization	Witness	Committee	Date
National Audubon [1]	Cline	House MMF/IIA	11-17-87
National Wildlife [2]	Hair	House MMF	10-6-87
National Wildlife [3]	Hair	House IIA	4-30-87
Trustees for Alaska/NRDC/NWF [4].	None	House MMF	2-24-88

[1] Paper by Vactor and Tussing on "Retrospective on Oil Prices."
[2] Paper by Marion Clawson, "Achieving Agreement on Natural Resource Use."
[3] Copy of a letter to Secretary Hodel, concerning preparation and contents of 1002 report.
[4] Executive summary of "Oil in the Arctic: The Environmental Record of Oil Development on Alaska's North Slope."

JUDGE HUGH LAWSON'S COMMENTARY ON THE CURRENT DRUG PROBLEM

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. RAY. Mr. Speaker, I would like for my colleagues to have a chance to read some words of wisdom concerning the drug problem as enunciated by Judge Hugh Lawson of the Oconee Judicial Circuit in Hawkinsville, GA. Judge Lawson has to deal with the drug crisis every day, and his thoughts are timely and perceptive. His note to me in part reads:

I think that I would be derelict in my duty if I did not make some mention to you of the articles recently appearing in the Atlanta newspapers about the drug problem in rural Georgia and in Dodge County in particular.

As far as I am concerned, the situation as depicted in those articles was, if anything, an understatement. I am convinced that those cases involving drugs which we see in the courts represent only the tip of the iceberg.

There are several facts about the drug problem which are well known to the courts and law enforcement officials, and they are probably well known to you, but they bear repeating here today and on the record. I suggest that you consider these matters and consider the making of some public statement on them.

1. Illegal mind effecting drugs, and particularly cocaine and its "crack" derivative, constitute the most serious threat to our society since the communists announced their goal of world domination. The use of drugs cuts through all strata of society. It attacks the rich and the poor; men and women; adults and children; black and white. Drugs do not discriminate—they will ruin anyone they touch— and they will rot and corrupt any society that tolorates their use. Drugs are a menace and a mortal danger to each of us, individually and collectively.

2. Human nature being what it is, there are some people who will never be able to resist the temptation of drugs so long as drugs are available. Therefore, the drug problem will not just go away, even of 100% of the population recognizes the danger and believes it to be real. Drug infestation is not like a flu epidemic which eventually burns itself out with a few casualties. Rather, the drug epidemic feeds upon itself like the chain reaction in an atomic bomb, and continually burns brighter and hotter until it consumes all with whom it comes into contact. If we are to whip the drug problem, we must make a conscious decision to do so, and make an irrevocable committment to do whatever it takes, including the sacrifice of the spending of a great deal of public money, until this scourge has been driven from our land.

3. The governments of this country, at all levels, city, county, state and federal, have never made the kind of commitment they must make to abolish drugs. This is because the effort will be expensive and the drain of dollars from other public projects will be to some unpopular. The fact remains, however, that law enforcement, at all levels, in ridiculously underfinanced. Although the Oconee Circuit is fortunate to have a District Attorney and law officers of high caliber leading the fight, the truth is that these men and women can do relatively little until and unless they are given the tools to do the job.

4. A collateral aspect of this situation is the mess into which the prison system has been allowed to degenerate. It is time that the public understands that law enforcement officers and District Attorneys and courts can do little to counter the forces of crime if, when criminals are convicted, there is no place to lock them up. The truth of the matter is that sentencing by superior court judges today is a joke. When I sentence a person to a prison term, I have, except in a few rare cases where the law specifies that a minimum term is mandatory, absolutely no idea how much, if any, of my sentence the convict will serve. This is because prison overcrowding may compel the Pardon and Parole Board to release him early, simply because the Department of Correctioins has no place to put him.

Those responsible for this deplorable situation have in recent years engaged in a daisy-chain of finger pointing in an effort to pass the buck and avoid being called to account for the mess. They have accused judges of being too harsh; they have accused the parole board of being too lenient; and they have cussed the federal courts for doing what public safety and common sense demands.

* * * * *

5. If you believe that people have no influence with their representatives and senators in the legislature, I remind you of what happened several weeks ago when Congress tried to give itself a pay raise through the back door. When citizens become sufficiently concerned, and cry out, their representatives will listen and listen carefully. But until the general public rises up and demands that something be done, the situation we see today will continue.

HONORING MICHAEL D. HAYES

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today to honor Michael D. Hayes, a good friend, and the State Representative of the 102d District of Michigan from 1980 to 1988.

Prior to his work in the State legislature, Mike served for 4 years as the Midland County Clerk. In addition to doing outstanding work as county clerk, Mike exhibited his fortitude and determination by attaining a master's degree in public administration from Central Michigan University. Following his graduation from CMU, Mike worked as the project director on the Beacon House, a halfway house for adult felony offenders. Mike also distinguished himself through his work as a probation agent for Midland County, and again as a parole agent for the Michigan Department of Corrections.

As a member of the Michigan State Legislature, Mike continued his exceptional work, and he proved to be a great asset to the 102d District. As a member of the House Appropriations Subcommittee on Corrections, Mike used his previous experience as a probation and parole agent to greatly improve Michigan's penal system. He also worked especially hard to protect Michigan's environment through his vigorous efforts on the Subcommittee on Natural Resources and the Environment. The respect and confidence that Mike's colleagues in the House had for him became evident as he was chosen to be the House Republican facilities officer.

Michael D. Hayes' efforts with charitable organizations and his civic community involvement have been equally impressive. He is a member of Optimist International, and was presented with their "Optimist of the Year" Award in 1979. Mike is also a member of the Midland Chamber of Commerce and the Midland County Farm Bureau.

Mike's accomplishments in other areas are quite impressive, particularly his work in helping to establish several organizations which have done much to improve local communities. These organizations include the Economic Development Corp. for Midland County, the Midland County Volunteers in Probation, and the Loans Emergency Activities Fund for Criminal Offenders in Midland County. Mike was also the cofounder of Midland Citizens for Better Water.

This extensive list of accomplishments speaks for itself and shows why Mike is so highly respected and liked by the members of his community, as well as citizens throughout the State.

Mr. Speaker, as Mike steps back from his position as State Representative of the 102d District, I ask my colleagues in the House to take a moment to salute him, and wish Mike, his wife Debbie, and their two children Benjamin, and Jonathan, the very best in the future.

RAISE THE CIGARETTE EXCISE TAX

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. BEILENSON. Mr. Speaker, today I am introducing legislation to raise the Federal excise tax on cigarettes to 40 cents a package, and to permanently index it to the Consumer Price Index, so that the tax will be adjusted annually according to the rate of inflation.

Never have the reasons for raising this tax been stronger. A rise of 24 cents from the current level of 16 cents would produce $4.8 billion a year in desperately needed new revenue to reduce the enormous budget deficit and, at the same time, help compensate the Federal Government for the costs associated with smoking-related illnesses.

From 1951 through 1982, the excise tax on cigarettes was 8 cents a package. In 1986 Congress permanently raised this tax to 16 cents. However, much has happened since 1951 to justify a more substantial increase. Consumer prices have risen more than 400 percent, so simply to maintain the tax's original revenue-raising power, it ought to be increased to 32 cents a package. More important, 36 years ago the harmful effect of smoking on human health was not well understood, but it is now well known and well documented.

The Surgeon General of the United States, C. Everett Koop, calls cigarette smoking "the most important individual health risk in this

country." He blames smoking for more premature deaths and disabilities than any other known agent. Says Dr. Koop, "There is no single more effective action a person can take to reduce the risk of cancer—and of dying from it—than to quit smoking, especially cigarette smoking."

The amount of damage done by cigarettes is truly staggering. It is, far and away, the leading preventable cause of death in the United States. Cigarettes kill more people than heroin, cocaine, alcohol, fires, automobile accidents, homicide, suicide, and AIDS combined. In all, it causes close to 400,000 deaths each year.

Smoking is a major cause of cancers of the lungs, larynx, oral cavity, and esophagus, and a major contributor to cancers of the bladder, kidney, and pancreas. Smoking accounts for 80 to 90 percent of all chronic lung disease in the United States, including chronic bronchitis and emphysema, and for one-third of all coronary heart disease, according to the Surgeon General. And smoking by pregnant women has been linked to premature birth, fetal injury, and low birth weight.

The harmful effects of passive smoking are also becoming clearer, and studies now show that the children, spouses, and coworkers of smokers suffer greater health risks than those not exposed to smokers on a regular basis.

In sum, cigarette smoking is responsible for an enormous amount of disease, disability and death, and untold physical and emotional pain. The human consequences are terrible enough, yet smoking results in enormous economic costs as well.

The Office of Technology Assessment estimates that smoking-related health care costs and lost productivity costs amount to $65 billion annually, or $2.17 for each package of cigarettes sold in the United States. Smokers bear much of this economic burden but we all share it to some extent through higher insurance premiums, higher costs for Government health programs, and higher costs for consumer goods.

Absenteeism caused by smoking translates into higher costs for consumer products. Nonsmokers and businesses that contribute to employee health plans pay higher insurance rates to help pay the cost of treating smoking-related illnesses. Smoking also leads to higher Government outlays: nearly $3.4 billion a year in increased spending for Medicare alone.

There is a growing recognition in America, evidenced by a myriad of recent local government and private sector initiatives which discourage or prohibit smoking in certain public areas, that smokers alone, and not the general population, should bear the costs and consequences associated with their habit. A 1986 Los Angeles Times survey found that 81 percent of Americans favor a higher tax on cigarettes as a means of reducing the deficit.

The legislation I am introducing today would help compensate for 38 years of inflation, provide for future inflation, and bring the cigarette tax more in line with current knowledge about the costs and dangers of smoking. It would also make a substantial contribution toward reducing the Federal deficit. And, because studies show that teenagers, 3,000 of whom start smoking every day, are greatly influenced by price increases, a tax increase would likely prevent thousands of young people from starting this very dangerous habit.

I urge my colleagues to join me in cosponsoring this legislation and enacting it into law.

THE DEATH OF THREE U.N. PEACEKEEPERS IN LEBANON

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. KENNEDY. Mr. Speaker, three U.N. peacekeepers from Ireland—Cpl. Fintan Heneghan, Pvt. Tom Walsh, and Pvt. Mannix Armstrong—were killed on Monday in South Lebanon when they stepped on a land mine.

These three brave men, like so many before them, demonstrated the courage, valor and commitment to peace of the Irish soldier. The causes of peace and freedom have been ably served by Irish soldiers for generations, and Irish Americans have distinguished themselves amongst the many fine men that have fought in the U.S. armed services.

All of us who live in peace, freedom and security should remember those who do not and should pay tribute to those who have died in the pursuit of peace and freedom, especially these three brave men—Fintan Heneghan, Tom Walsh and Mannix Armstrong.

QUALITY NURSING CARE IN NURSING HOMES

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. WALGREN. Mr. Speaker, today Congressman BILIRAKIS and I are introducing legislation to require nursing homes to have a registered nurse on duty 24 hours a day. We believe the presence of and supervision by an RN around the clock is crucial to good health care in nursing homes. Nursing care is what society expects from a nursing home. It is what we all expect if we or loved ones enter a nursing home.

Most nursing home patients are old, frail, disabled and alone. Only one in five ever goes home again. Nursing home patients require nursing care.

In 1986, the Institute of Medicine's Committee on Nursing Home Regulations published a landmark study that examined the quality of care in nursing homes and concluded that despite extensive Federal regulation for some time, "Some nursing homes can be found in every State that provide seriously inadequate quality of care and quality of life." The study made a number of recommendations some of which Congress enacted into law in 1987. Indeed, Congress did strengthen the nurse staffing requirements in nursing homes.

One of the Institute's proposals is stated simply: "A nurse-supervisor should be in all facilities on all shifts. Nurse's aides should be able to consult with a professional nurse while on the job." In September 1987, when the House Energy and Commerce Committee considered Medicare and Medicaid Budget Reconciliation legislation, I offered an amendment, effective in 1995, to require the presence of a trained registered nurse 24 hours a day in large nursing homes. Under the amendment, small nursing homes could have had an RN 16 hours a day. Unfortunately, my amendment failed on a 21 to 21 tie vote.

Nursing care in nursing homes today is shockingly inadequate. The average patient in a skilled nursing facility receives only 12 minutes of care from an RN per day and 30 seconds of care from doctors. Four out of five nursing homes do not have an RN on duty 24 hours. For much of each 24-hour period, the ratio of registered nurses to nursing home patients is 1 per 100, compared to the ratio of 1 to 4½ in acute care settings. Of all nursing personnel in nursing homes, RN's constitute 12 percent, with licensed practical nurses comprising 16 percent and nurses' aides, 72 percent.

Much of the care in nursing homes is given by individuals who have minimal, if any, formal training. In some cases, LPN's and nurses' aides do not even have a high school degree. According to one member of the Institute of Medicine's Committee on Nursing Home Regulations, "It is not uncommon for one nursing attendant to have 15 patients for whom to provide full care, while in the evenings, the attendants may have 15 to 25 patients and at night there may be 40 to 50 patients per attendant." In short, 88 percent of nursing home staff have little training and they are overwhelmed.

The reason for having an RN on duty around the clock is medical: RN's are trained to recognize and act on changes in a patient's condition. LPN's and aides can assist, but they have very limited medical training. For example, RN's are trained to recognize that a change in coherence or consciousness may be a precursor to a stroke, while an untrained person might think the patient is just senile. RN's—unlike LPN's and aides—are trained to take emergency steps to stabilize patients such as administering an IV. There are many competent and dedicated LPN's and nurses' aides, but they do not have the formal training RN's do. The trained nurse can make the critical difference between life and death.

In addition, I believe that by assuring professional nursing standards through a 24-hour RN requirement, we can more effectively deter neglect. Admittedly, Congress cannot legislate neglect away. But we should do what we have done in other areas—increase the presence of professional standards and thereby increase the insistence on appropriate care. The Veterans' Administration, for example, requires an RN on every nursing home ward around the clock.

Under our bill, limited waivers of the 24-hour requirement are possible, if for example, a physician indicates that the nursing home residents do not require RN services. The effective dates for the requirement of a 24-hour RN is 1991 for facilities with fewer than 90 beds and 1993 for facilities with more than 90 beds. By allowing limited waivers and by putting the effective date in the future, I am attempting to address some of the legitimate concerns of many facilities, particularly those in rural areas, that RN's are not available in certain

parts of the country and to give facilities time to plan, train, and recruit.

In the mid-1960's, a proposal to require a 24-hour registered nurse presence in all acute care hospitals was defeated because it seemed impractical or unworkable. That certainly seems out of place today. Nursing is one of the most underrated, underpaid and under-appreciated professions in our society. In truth, in a caring society, we should not have to legislate these standards. But until our society makes a real commitment to quality health care, in all its forms and settings, Congress will have to be a prod.

Because of the importance of this issue, Congressman MICHAEL BILIRAKIS of Florida and I are introducing this legislation to bring this issue of quality nursing care in nursing homes to the attention of the public and the Congress because despite the enactment of some reforms, there are still critical needs for good nursing care in nursing homes.

VENTURE CAPITAL IMPORTANT TO INVENTIVE SOCIETY

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mrs. JOHNSON of Connecticut. Mr. Speaker, writing in the Hartford (CT) Courant recently, journalist Henry Fairlie raised the deeply troubling question of whether our obsession with making our lives and our Nation's life risk-free will not create an unbuoyant and uninventive society. Extending his thesis about America's new timorousness, spawned by a proliferation of rules, regulations and "no-no's," Christopher Columbus's three tubs would not have been allowed to sail; the Wright brothers frail version of an airplane would have been declared unairworthy; and Eli Whitney's cotton gin never would have passed safety regulations.

The writer, and others, also have proclaimed a simultaneous loss of faith in American technology: Nuclear power is nearly paralyzed; space exploration is under frequent challenge. The problem is reflected, in part, in the sharp drop in the number of U.S. patents issued to American inventors while at the same time there has been a considerable increase in the yearly number of U.S. patents issued to foreign inventors—financed by foreign corporations.

Against this backdrop, President Bush's goal of encouraging business to invest in technology and to take a farsighted view, concentrating on growth rather than quick profits, takes on even greater relevance.

The Casandras' wailings aside, there is considerable evidence that the American spirit hasn't lost its courage; that it still has the heart to respond to risk and challenge; and, the insatiable curiosity to explore science and technology exists.

I speak primarily of what is known as the venture capital industry—a respectable $30 billion segment of our economy comprised of more than 1,000 young, new enterprises pinning their futures and their fortunes on new ideas.

The vigor they add to society and our economy is demonstrated by one such venture capital company in my own State. It is called Technology Transitions, Inc., a partnership of young men in their late 40's and early 50's who are godfathers to 21 venture capital companies in eight States focusing on high tech areas. Of the 21 companies in which they've invested some $30 million, four are in Connecticut. This has created 200 new jobs in our State alone and attracted more than $60 million in new capital to the State.

The entrepreneurs who have created these 21 new companies are indeed thinking long range. Seven years to achieving profitability and public status is the norm.

The product mix ranges from memory storage, computer-aided design, engineering and manufacturing systems to super computers, aerospace electronics, optical disc technology, and satellite communications systems.

Our State has a long, distinguished history for invention and innovation. Eli Whitney, Charles Goodyear, Igor Sikorsky are names well known to us all. But have you heard of Jehosaphat Stow, Samuel Green, James Williams, Ezra Warner, Sara Boone, and Stanley Mason?

Probably not. But these five men and one woman were true agents of change—and truly Connecticut's earliest innovators, creating jobs, the function of every economy.

Stow invented cut-iron nails; Green, a way of making paper from seaweed; Williams, shaving soap; Warner, the can opener; Boone, the ironing board; and Mason, a very creative man, the disposable diaper, squeezeable plastic ketchup bottles, masonware for microwave cooking, and a burglar alarm.

I introduce them to make a point.

All of us are aware of the creative ideas of Edwin Land, Steve Jobs and An Wang, but few of us have heard of Jack Goldman, Josh Fisher or Joe Engelberger. We are not as familiar—as we are with Polaroid, Xerox and Apple—with such names as Cauzin, Multiflow and TRC, just to name three of the high tech companies being nurtured to maturity by Technology Transitions. But, in time, we will.

America's age of exploration is not over. Ninety percent of all scientists who ever lived are now alive and working—and we have more than our share of talent in that pool.

Advances in technology—in computers, electronics, communications, engineering, plastics, biogenics, et cetera—daily are being achieved by these fledgling companies. They will more than offset the slowing down of innovations by the industrial giants, preoccupied as they are with defense—defense against unwanted suitors, defense against foreign competitors and defense against rising costs.

I am proud of these entrepreneurs of my State and I commend their ambitions, energy, and courage to the Members of the House. They and others like them throughout all 50 States, are the future.

MORRIS BAILEY: A MAN OF VIRTUE AND VALOR

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. SOLARZ. Mr. Speaker, all too rare these days is a community in which neighbors really care about each other and are willing to look after the basic needs of those around them. A shining exception to the modern rule is the Sephardic community of Brooklyn. True to the most revered traditions of the Jewish people, the Sephardic Community Center has been providing cultural, educational, and social services from its building on Ocean Parkway since its doors opened in 1982. Today, the Sephardic Community Center serves more than 7,000 people between the ages of 2 and 92.

It would be impossible to reflect on the accomplishments of the Sephardic Community Center without recognizing the many mitzvot of one remarkable individual, Morris Bailey, who will be honored by the center at a testimonial dinner in New York City on April 2, 1989.

In private life Mr. Bailey is a successful businessman, but he has given generously of his talents and seemingly limitless energies to build the center from an ambitious idea to a vital resource.

From its inception in 1977, Morris Bailey shepherded the Sephardic Center through fundraising, through building, through development. He was a guiding force, shaping, encouraging, and nudging. Even now as he prepares to step down as the center's president, he is hard at work, helping to bring about the newest expansion.

Morris Bailey is a successful businessman who is deeply concerned for the welfare of his community. But most of all, he is a loving family man. With his dear wife, Paulette, their two wonderful daughters, Micki and Ester, and their grandchildren, Louie and Morris, Morris Bailey has demonstrated that concern for one's neighbors begins at home with the love of a close family.

Mr. Speaker, Morris Bailey represents not only what is most generous in the American spirit, but also what is most creative and energetic. It is never enough to wish for a better world, we must do all we can to build one. Morris Bailey is a builder, and I am proud to call him my constituent and my friend.

THE INTRODUCTION OF THE NEIGHBORHOOD HOUSING SERVICES ACT OF 1989

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. VENTO. Mr. Speaker, today, I am introducing legislation with Mr. WYLIE and several of our distinguished colleagues to amend the Neighborhood Reinvestment Corporation Act. Our bill will permit the corporation to continue

to preserve existing housing and increase opportunities for affordable housing for low- and moderate-income families through partnerships between the National Government, neighborhood leaders, local governments and businesses.

As with the legislation I introduced late in the 100th Congress, this new proposal will maintain the current services of the corporation while providing a new authorization for an orderly expansion of the capacity of the neighborhood housing services over the next 5 years. The effective NHS rental programs, rehabilitation programs, and secondary market's loan purchasing capacity will be expanded along with the innovative program of mutual housing associations.

An important new provision of this 1989 version will allow NHS organizations to become more involved in efforts to preserve privately owned low-income housing units which are in danger of being lost due to the prepayment of the mortgages. This provision is timely because more than 500,000 affordable housing units could be lost within the next 15 years and converted to higher-cost housing.

Neighborhood housing services is successful. The existing network of local, neighborhood-based organizations is currently impacting the lives of 2.9 million Americans. By the end of fiscal year 1989, NHS will be responsible for the direct rehabilitation of over 90,000 housing units. When NHS revitalizes neighborhoods, there is a visible improvement in the homes and streets, but something just as important although less visible also occurs—the community spirit is reinvigorated. It is that community development that guarantees our investment will create a better environment for families and will preserve the neighborhood and its affordable housing units for years to come.

As an example of their good work, in my own area of St. Paul and Minneapolis, the Twin Cities Neighborhood Housing Services [TCNHS] partnership of residents, business leaders and local government can be credited for some 550 home improvement projects worth more than $2.8 million in 1988. Since 1976, TCNHS has generated more than $30.3 million of direct reinvestment in just four of our central city neighborhoods.

I hope that my colleagues will join us in sponsoring this legislative initiative. As NHS works in my home district, NHS is working in over 240 neighborhoods located in 139 cities in 43 States, the District of Columbia and Puerto Rico. Through this legislation, we can tap the tremendous potential that community networks offer throughout our country and therefore help neighborhoods help themselves.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Neighborhood Housing Services Act of 1989."

SEC. 2. FINDINGS AND PURPOSE.

(a) Findings.—The Congress finds that—

(1) protecting the existing stock of unsubsidized privately-held lower income housing through the rehabilitation and revitalization of declining neighborhoods is essential to a national housing policy that seeks to increase the availability of affordable housing for low- and moderate-income families;

(2) the Neighborhood Reinvestment Corporation, the anchor of the national neighborhood housing services network, was chartered by Congress more than 10 years ago to revitalize neighborhoods for the benefit of current residents by mobilizing public, private, and community resources at the neighborhood level;

(3) the national neighborhood housing services network has proven its worth as a successful cost-effective program relying largely on local initiative for the specific design of local programs;

(4) the national neighborhood housing services network has had more than 10 years of experience in revitalizing declining neighborhoods, creating housing for low- and mdoerate-income families, and equipping residents with skills and resources required to maintain safe and healthy communities; and

(5) expanding upon the existing capabilities, resources, and potential of the national neighborhood housing services network is a cost-effective response to the affordable housing and neighborhood revitalization needs confronting the Nation, and is a strong preventive measure in addressing the national tragedy of homelessness.

(b) Purpose.—It is the purpose of this Act to authorize appropriations for the Neighborhood Reinvestment Corporation for fiscal years 1990 through 1994 to permit the corporation—

(1) to carefully expand the capacities of the national neighborhood housing services network;

(2) to begin to meet the urgent need for neighborhood housing services and mutual housing associations in neighborhoods across the Nation as the effort to preserve affordable housing for low- and moderate-income American families increases;

(3) to increase and provide ongoing technical and capacity development assistance to neighborhood housing services and related public-private partnership-based nonprofit institutions involved in the revitalization of neighborhoods for the benefit of current residents, rehabilitation, preservation of existing housing stock, and production of additional housing opportunities for low- and moderate-income families;

(4) to expand the loan purchase capacity of the national neighborhood housing services secondary market, operated by Neighborhood Housing Services of America, for loans made by neighborhood housing services to residents who are unable to meet conventional lending standards, and other loans for community development purposes;

(5) to provide increased capacity development and matching grants to preserve existing privately-held unsubsidized rental housing affordable to low- and moderate-income households and to create flexible strategies effective in the diverse economic and geographic environments of the Nation;

(6) to make grants to provide incentives to extend low-income housing use in conjunction with a plan of action approved by the Secretary of Housing and Urban Development under title II of the Housing and Community Development Act of 1987;

(7) to increase the resources available to neighborhood housing services network programs for the purchase of multifamily and single-family properties owned by the Secretary of Housing and Urban Development for rehabilitation (if necessary) and sale to low- and moderate-income families;

(8) to expand the national mutual housing association demonstration by providing technical assistance and matching grants to assist low- and moderate-income families to participate in such associations;

(9) to increase resources available to neighborhood housing services network programs for foreclosure intervention and prevention; and

(10) to create additional neighborhood housing services partnership organizations to serve rural communities, Native Americans, Native Hawaiians, and other communities in need.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

Section 608(a) of the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8107(a)) is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the corporation to carry out this title $62,000,000 for fiscal year 1990, $92,100,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994.

"(2) Of the amount appropriated pursuant to this subsection for each of the fiscal years 1990 through 1994, amounts appropriated in excess of the amount necessary to continue existing services of the Neighborhood Reinvestment Corporation in revitalizing declining neighborhoods shall be available—

"(A) to expand the national neighborhood housing services network and to assist network capacity development, including expansion of rental housing resources;

"(B) to expand the loan purchase capacity of the national neighorhood housing services secondary market operated by Neighborhood Housing Services of America;

"(C) to make grants to provide incentives to extend low-income housing use in conjunction with a plan of action approved by the Secretary of Housing and Urban Development in accordance with title II of the Housing and Community Development Act of 1987;

"(D) to increase the resources available to the national neighborhood housing services network programs for the purchase of multifamily and single-family properties owned by the Secretary of Housing and Urban Development for rehabilitation (if necessary) and sale to low- and moderate-income families; and

"(E) to provide matching capital grants, operating subsidies, and technical services to mutual housing associations for the development, acquisition, and rehabilitation of multifamily and single-family properties (including properties owned by the Secretary of Housing and Urban Development) to ensure affordability by low- and moderate-income families.".

SEC. 4. INCENTIVES TO EXTEND LOW-INCOME USE OF HOUSING.

Section 224(b) of the Housing and Community Development Act of 1987 (12 U.S.C. 1715l note) is amended—

(1) by redesignating paragraph (8) as paragraph (9); and

(2) by inserting after paragraph (7) the following new paragraph:

"(8) Grants made by the Neighborhood Reinvestment Corporation pursuant to section 608(a)(2)(C) of the Neighborhood Reinvestment Corporation Act.".

MAYOR TOM BRADLEY'S VISION FOR LOS ANGELES

HON. JULIAN C. DIXON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. DIXON. Mr. Speaker, under the leadership of Mayor Tom Bradley, Los Angeles has truly secured its place as a world city. In the last 20 years, Los Angeles has emerged as an international center of commerce, culture, innovation and ideas. Its potential today remains boundless. In Los Angeles we see the future direction of our country.

Last month, in a far-reaching speech before the World Affairs Council, Mayor Bradley offered his vision of the city's future. He outlined four broad goals that would enable the city to harness its energy and "rise to new heights in the 21st century."

He called for more investment in the city's future, such as modernizing infrastructure and maintaining a social environment conducive to creativity. He showed how the city can provide services to increase international trade and investment. He said that the people of Los Angeles should continue to be heard on world issues, as when the city initiated antiapartheid sanctions against South Africa 5 years ago. And he warned that the city should remain a model of tolerance and respect for all the world's people and resist calls of intolerance against foreigners who do business in the city.

As the mayor said:

We will achieve these goals with hard work, consistent innovation, and a world vision that is equal to our city's position at the frontier of the future. Let us begin our work, guided not only just by the search for economic success. Let us always be guided by a cause that is greater than any of us: Making Los Angeles—and the world—a just and good place for our children and their dreams.

Mayor Bradley has given an important speech and I submit it here for my colleagues to see where the great city of Los Angeles will be heading in the coming century.

The speech follows:

LOS ANGELES: THE STATE OF THE INTERNATIONAL CITY

We meet at a special time in the history of Los Angeles. After two decades of great achievements—and some disappointments—of bold ideas and boundless energy—we have become a world city—a city of true international consequence, poised to play a key role in the world of the twenty-first century.

So we stand on the brink of a new era—an era bursting with opportunities and filled with challenges. I am not here today solely to look back, or to recite the familiar statistics that validate our place as crossroads between East and West, North and South, in the world marketplace. We know where we are; the central task of our leadership is to decide where we are going, and how we shall get there.

For my part, I propose four fundamental goals—the pillars on which the international city of Los Angeles can rise to new heights in the twenty-first century; the principles by which our city can live and prosper in the competitive world economy. This is my agenda for the future.

First, Los Angeles will continue to invest wisely in her own future:

Our place at the center of Pacific Rim trade is no accident of climate or geography. We have made our own future by constructing a vast water supply system, dramatically expanding our international airport and harbor, and providing a social environment that nurtures and inspires creativity.

But this is no time to rest. Japan and the other Pacific Rim economies succeed because they invest in the future; we cannot afford to miss a beat. So we will continue to modernize our international airport, which already has undergone a seven hundred million dollar expansion and renovation. When it comes to attracting tourists and handling profitable air cargo, Los Angeles International Airport will be second-to-none. And our five hundred million dollar Convention Center expansion will house great internatinal exhibitions—and give business people and tourists yet another reason to visit Los Angeles.

Our harbor is in the midst of its year twenty-twenty plan, a five billion dollar modernization program that will cement its status as the world's central point of entry for Pacific Rim trade. And I strongly support the Consolidated Transportation Corridor Project to strengthen and expand highway and rail links to the port. This project will protect thirty-six thousand jobs and forty-six billion dollars in trade—and help get trucks off our roads.

But most of all, we must have the foresight of the leaders who turned California desert into a great metropolis. We can afford to do no less.

Second, Los Angeles will lead America into world economic competition:

While sector after sector of the American economy has foundered in the world marketplace, Southern California's businesses are competing vigorously against all comers. The reasons are no secret. Los Angeles has attracted the best and the brightest entrepreneurs—risk-takers who look boldly to the future. We welcome innovation, creativity and change.

Just as important, we see what we are up against, and we are determined to meet the challenge.

What's more, we know we are on our own. The days of Washington and Sacramento as centers of primary financial support are over. Our time has now come; by necessity as well as choice, we must be the engine of innovation and change in Los Angeles.

That's why I established, in cooperation with the Export-Import Bank of the United States, a new program we call L.A. Export. L.A. Export is America's first and only municipal agency to offer a full range of export banking and insurance services to medium- and small-size businesses. In its first three months L.A. Export has already supported over thirteen million dollars in export sales. And that's just the beginning. We will continue to expand this program to make City Hall a one-stop, comprehensive center for international trade and investment services.

I am proud that my Administration has constantly looked abroad to create jobs here in Southern California. My trade missions on behalf of our harbor and airport have always produced results. Since I took office in 1973 foreign trade has created almost 200,000 new jobs, and hundreds of thousands of other jobs have been created indirectly because of our foreign trade efforts.

When I took office our harbor was a backwater port; now the Los Angeles-Long Beach harbor complex is the nation's largest and most profitable, and L.A. harbor net income is up one thousand percent. In 1973 our airport was ill-equipped to serve international traders; now we are the world's second-busiest cargo airport.

Yes, we have had successes. But we cannot let up. The world competition is unrelenting, and we must stay at the top of our game. I intend to do just that.

Third, Los Angeles will continue to play an important part in the great national debates that shape America's world role:

The primary tasks of local government are to protect the peace, pave the roads, preserve social harmony. But I submit to you that cities have the right—indeed, even the obligation—to be part of the great national debate on world issues—from foreign trade policies to opposing South African apartheid.

The right of cities to be heard on these crucial issues derives from two fundamental principles.

First, local government is closest to the people. One of the few ways citizens can really be heard is through locally elected officials. America's large cities have now become what the constitutional Framers envisioned: True social laboratories for the expression of all views and the incubation of new, innovative policies. Much of the time, of course, we local officials stand aside to watch the action in the world arena. But, in some cases, our citizens see national policies that are especially objectionable. When this occurs cities have the obligation to make the dissenting voices of their citizens heard.

Sometimes, as with the nuclear arms race, our actions may be limited to largely symbolic steps. Other times, as with anti-apartheid initiatives and trade policy, cities have the opportunity to take substantive steps. In all cases, though, the involvement of cities serves two essential functions: Our national leaders are put on notice that they may have overstepped the limits of public tolerance. And Washington's bureaucrats may be persuaded by new, successful local initiatives that there are many different ways to solve problems.

The obligation of cities to speak out rests on a second principle: The impacts of many national policies are felt first—and, ultimately, most profoundly—by America's cities. This is not surprising. Modern American cities are the engines that drive this nation's economy. But more than that, our cities are lightening rods for the frustration and despair that are borne of ill-conceived national policies.

As America's second largest city, Los Angeles has come face-to-face with many of these weighty national questions. We, along with many other cities, have played a crucial role in the debate over America's policy toward South Africa's vicious apartheid regime. When we initiated our anti-apartheid sanctions five years ago, the national Administration's policy toward South Africa failed to recognize the moral bankruptcy of the policy of apartheid. But grassroots protests—begun outside South Africa's embassy and culminating in the wide-ranging sanctions, led by Los Angeles, adopted by cities and states, and finally, by the Congress—helped create a positive shift in national policy.

But we still have a long way to go. So Los Angeles continues to refuse to do business with companies that provide economic support for apartheid. We've hit these companies hard, where it hurts—in the bottom line. We've persuaded many to withdraw from South Africa; we've disqualified hun-

dreds of others from lucrative city contracts. And we will not let up until America's economic support for apartheid has ceased.

Fourth, Los Angeles will be a model of tolerance and respect for all the world's people:

Some politicians find it fashionable to rail against foreign investment—to conjure up images of foreign economic takeovers. At its best, this is nothing but political grandstanding. But at its worst, this is a dangerous strain of racism that must be vigorously rebutted. Make no mistake about it: Some who criticize foreign investment are really expressing outright prejudice against non-Anglo participants in the Los Angeles economy. We simply must not tolerate such narrow-mindedness. Let us be constantly vigilant against those who would pull us apart.

The facts show that we should welcome foreign investment, not criticize it. Foreign investment creates new jobs for our workers and new taxes for our government. In the Los Angeles area, over two hundred thousand new jobs have been created by Japanese investment alone. And Japan is not even the biggest foreign investor in our economy. Foreign investment allows the transfer of new management skills and technology and helps open new markets for American goods and services. In 1988 alone, a Los Angeles subsidiary of Honda exported two hundred and fifty million dollars in American products, including cars, cattle, lumber and crops. And new immigrants, with new ideas and new energy, bolster our economy.

The dangers of foreign investment have been vastly exaggerated. Across this country, less than two percent of commercial real estate is owned by foreign interests. In fact, of all foreign countries investing in America, Japan ranks third behind Great Britain and the Netherlands. Only four percent of the corporate stock of America is owned by foreigners. What's more, for each asset sold to a foreign interest, an American buyer has received his fair price. And these American profits are freed for other productive purposes.

So don't let cheap political rhetoric obscure the facts: Foreign investment in Los Angeles is the natural consequence of globalization. I won't shrink from new global economic realities. I will meet them head-on. I will welcome and encourage foreign investment. And I will anxiously meet the competitive challenges presented by such investment.

For we are truly an international city—it is our strength and our future. Our tolerance for all people is the wellspring of our innovative economy; our multi-cultural heritage is the foundation for our world leadership in science, culture and social harmony.

These, then, are my goals for Los Angeles—the world city: A city that invests wisely in her own future; a city that leads America into world economic competition; a city that plays an important part in the great national debates that shape America's world role; a city that is a model of tolerance and respect for all the world's people.

We will achieve these goals with hard work, constant innovation, and a world vision that is equal to our city's position at the frontier of the future. Let us begin our work, guided not just by the search for economic success. Let us always be guided by the cause that is greater than any of us: Making Los Angeles—and the world—a just and good place for our children and their dreams.

LOUISIANA RESEARCHERS HONORED

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. BAKER. Mr. Speaker, Phi Delta Kappa is a society of professional educators that are dedicated to the improvement of public education. This year marks the 50th anniversary of the Louisiana State University Phi Delta Kappa Chapter.

This year 50 education leaders will receive recognition for their contributions to their disciplines. These men and women exemplify an attitude that strives for excellence in education. I am attaching a list composed of the names of the outstanding Louisiana researchers to be honored for his or her accomplishment. I extend my sincere appreciation to each of these professionals as they work to strengthen our Nation by teaching our leaders of tomorrow.

PHI DELTA KAPPA HONORS RESEARCHERS

NAME, AWARDS, AND EMPLOYER

Dr. Tesfa Gebremedhin, Southern Chancellor Research Excellence Award. Southern.

Dr. Robert Godke, Louisiana's Professor of the Year by the Council for the Advancement and Support of Education. LSU.

Dr. Samuel F. Meyers, Distinguished Research Master Awarded by LSU and Exemplary Service Gold Medal. National Award from the World Aquaculture Society. LSU.

Dr. James Avault, Exemplary Service Gold Medal, National Award from the World Aquaculture Society. LSU.

Dr. David MacKenzie, Named Director of the U.S. Department of Agriculture's National Biological Impact Assessment Program. LSU.

Dr. H. Jesse Walker, Named Editor of "Artificial Structures and Shorelines", a New International Publication on World Shorelines and Man's Impact Upon Them. LSU.

Dr. Jesse M. Jaynes, Named a Distinguished Scholar by the Rochester Museum of Science and Technology. LSU.

Dr. Bruce Williamson, Re-elected Vice President for Education of the National Organization for Tropical Studies. LSU.

Dr. Mark S. Hafner, Elected to the Board of Directors of the American Society of Mammalogists. LSU.

Dr. Frank R. Groves, Named a Fellow of the American Institute of Chemical Engineers. LSU.

Dr. Earl Doomes, White House Initiative 1988 Faculty Award for Excellence in Science and Technology. Southern.

Dr. Ralph Portier, Manville Corp.'s First Award for Excellence and Goethals Medal, an Annual Distinction by the Society of American Military Engineers for His Work in Developing a Versatile Group of More Than 300 Hazardous Waste-Rating Microbes. LSU.

Dr. Doris MacKenzie, Appointed Research Scholar at the National Institute of Justice in Washington, D.C. LSU.

Dr. Bert R. Boyce and Dr. Danny Wallace, Shera Research Award from the American Library Association. National Award for the Most Outstanding Research Paper in Library and Information Science. LSU.

Dr. Kathleen Heim, Equality Award for Contributing to Gender Equality in the Library and Information Science Profession National Award from the American Library Association. LSU.

Dr. Patsy Perritt, VOYA Award for Research in Young Adult Literature. National Award from the American Library Association. LSU.

Mr. Perrott Bacot, Book Entitled "Nineteenth Century Lighting, Candle Powered Devices: 1783-1883". LSU.

Dr. James Remsen, Jr. and Dr. Robert Zink, Elected to Fellow Status in the Americvan Ornithologists' Union. LSU.

Dr. D. Constantinides, Guest Composer at the Festival of New Music, Montgomery School of Fine Arts in Alabama. LSU.

Dr. Anthony Fletcher, Achieved Diplomat Status through the American College of Laboratory Animal Medicine. LSU.

Dr. Dorothy Pashley, Biochemical Taxonomy of Insects. LSU.

Dr. N. Murai, Gene Transfer in Plants. LSU.

Dr. Kenneth White, Biotechnology Related Research in Animals. LSU.

Dr. Robert Mathews, Cognitive Processes. LSU.

Dr. Albert Meier and Dr. Anthony Cincotta, Research on Diabetes and Cancer. LSU.

Dr. Oscar Huh, Earth Satellite Tracking Station. LSU.

Dr. Sundaraj Iyengar, Robotics. LSU.

Dr. Charles D'Agostino, Promoting New Business in LA through the LA Business and Technology Center. LSU.

Dr. Earl Doomes, Fluorescent Carcinogen-like Bridged Annulenes. Southern.

Dr. Michael Daugherty, CADGIS Net: A Unified, Intersystem, Multi-Zoned Computer-Aided-Design Environment. LSU.

Dr. Diana Miller and Dr. Ron Good, Upgrading Subject Matter and Teaching Methods of Upper Elementary Math-Science. LSU.

Mrs. Rebecca Christian and Mr. Sam Pernier, Development of the Louisiana Exit Examination—Issues and Implications. LA Dept. of Ed.

Dr. Sylvia Torbet and Myrtle Kerr, Louisiana State of the Arts Survey Funded by Louisiana Alliance for Arts Education and Louisiana Division of the Arts. LA Dept. of Ed.

Dr. Janella Rachal and Diane Garbo, A Three-Year Longitudinal Study of the Sustained Effects of Early Childhood Education on the Kindergarten and the First-Grade Performance of Former Program Participants. LA Dept.

Dr. Janella Rachal and Barbara Abshire, Interim Evaluation Report: 1987-88 Early Childhood Development Program. LA Dept. of Ed.

Dr. Janella Rachal and Dr. Janie Ponthieux, A National Study of High School Graduation Requirements and Multiple Curricula Offerings in the Secondary Schools Across the United States. LA Dept. of Ed.

Dr. Paulette Thomas and Associates, Validity of the Gifted Student Screening Scale. LA Dept. of Ed.

Dr. Ara Arman, Geotechnical and Soil Stabilization. LSU.

Dr. Jack B. Parker, Inmate's Future Behavior on Release from New Programs. LSU.

Dr. Laura Lemoine, Programs to Increase Women and Minorities in Engineering and the Sciences. LSU.

Dr. Sharon A. Hogan, LA Newspaper Project. LSU.

Dr. Daniel Sher, Contributions by Outstanding Guest Artists. LSU.

Dr. Judith Schiabout, Museum of Geoscience's "Chinese Connection". LSU.

Dr. Jing-Fong Wei, Department of Energy Funded Project "Determination of Mydrogen Bonding Functionalities in Coal Liquids." Southern.

Dr. Mildred Smallery, "Research Experiences for Undergraduates" Grant from the National Science Foundation, 1968 through 1991." Southern.

Dr. Diola Begayoko, State Board of Regents Grant for Computational Physics as Applied to Condensed Matter Theory. The Principal Investigator in the MISIP Progress Awarded to the College of Sciences by the National Science Foundation. Southern.

Dr. Kenneth M. Maloney, The Dynamics of Fluid Flow in Porous Media Presented at the NASA Space Workshop. Southern.

Dr. Joanne Daniloff, Cell Adhesion Molecules in Nerve Regeneration. LSU.

EDUCATION FOR CHILDREN WITH DYSLEXIA ACT

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. GARCIA. Mr. Speaker, today I am introducing a bill which will address the needs of a population of students that often go undetected or unnoticed—children with dyslexia. At this time, there are no Federal programs specifically designed to test and treat children with this particular learning disability.

My bill, the Education for Children With Dyslexia Act, will authorize the Secretary of Education to make 10 demonstration project grants to eligible State and local educational agencies and private educational institutions to provide appropriate classroom instruction to elementary and secondary school children with dyslexia.

Although title III of the Education of the Handicapped Act—Public Law 94-112—does contain programs for children with learning disabilities, no grants have been used specifically to identify children with dyslexia and train teachers with the skills necessary for teaching these children. Despite normal or above-average IQ's, children with this disability often do not perform well in school, are sometimes treated as mentally retarded or emotionally disturbed, and have a higher than average rate of delinquency.

Children who receive appropriate attention do better in school and society. Early detection will enhance the performance of these children in school and reduce the likelihood that they drop out or turn to delinquency. I want to reach out to these children with a program specifically tailored to their needs.

Mr. Speaker, the Education for Children With Dyslexia Act provides a service for thousands of young people who are slipping through the cracks of our educational system. The responses I have received from educators, scholars, concerned parents, and learning disability groups has been positive and supportive.

Although existing programs authorized by EHA might be used to help dyslexic students achieve their full potential, because of the great need and lack of specific focus, dyslexic students are not being served. This bill will provide a specific service for a large group of children who can be helped to lead a more productive, active, and fulfilling life, and I urge my colleagues to support it.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT TO THE EDUCATION OF THE HANDICAPPED ACT.

The Education of the Handicapped Act is amended by adding at the end the following new part:

"PART I—PROGRAMS FOR CHILDREN WITH DYSLEXIA

"PROGRAM AUTHORIZED

"SEC. 691. (a) The Secretary is authorized to make a grant to each of 10 eligible State and local educational agencies and private educational institutions that have an application approved under this part for purposes of carrying out programs that show promise of effectively addressing the educational needs of elementary and secondary school children with dyslexia.

"(b)(1) Funds made available under a grant under this part may be used for—

"(A) voluntary testing of students for dyslexia, including professional evaluation and parental participation;

"(B) training designed to assist teachers to—

"(i) understand the nature of dyslexia as a learning disability;

"(ii) recognize symptoms of dyslexia displayed by students in classroom settings; and

"(iii) establish and improve appropriate instructional techniques and communication skills for use with children with dyslexia;

"(C) educational materials; and

"(D) planning and implementing activities.

"(2) Not more than 10 percent of funds made available under a grant under this part may be used for administrative purposes.

"(c) The Secretary, through the Office of Educational Research and Improvement, shall evaluate and disseminate materials and programs developed with assistance under this part.

"APPLICATIONS

"SEC. 692. (a) A grant may be made under this part only upon application to the Secretary, at such time, in such form, and containing or accompanied by such information as the Secretary may require. Each such application shall include a plan that makes provision for—

"(1) testing children for dyslexia;

"(2) training teachers in appropriate techniques for instructing children with dyslexia; and

"(3) appropriate instruction, curricula, and facilities to address the educational needs of children with dyslexia.

"(b) In awarding grants as authorized by this part, the Secretary shall—

"(1) consider the likelihood that each applicant will fulfill the purposes of this part;

"(2) consider the degree of commitment of each applicant as indicated by the application; and

"(3) award grants in a manner that provides that highest quality instruction to the greatest number of children.

"REPORTS

"SEC. 693. (a) Each agency or institution that receives a grant under this part shall report annually to the Secretary on the progress of the program assisted under the grant and the expenditure of funds pursuant to the application.

"(b) The Secretary shall biannually submit to the appropriate committees of the Congress a report on the progress of each program that receives a grant under this part, including an evaluation of the effectiveness of each such program.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 694. There are authorized to be appropriated to carry out this part such sums as may be necessary for each fiscal year beginning after September 30, 1989.

"DEFINITION

"SEC. 695. For purposes of this part, the term 'dyslexia' means a disorder of constitutional origin manifested by a difficulty in learning to read, write, or spell despite conventional instruction and adequate intelligence.".

THE COMMON SENSE BUDGET ACT OF 1989

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. FRENZEL. Mr. Speaker, today I am introducing the Common Sense Budget Act to change the way the Congress approaches the Federal budget. This bill would require the President and the Congressional Budget Committees to draft their budgets based on actual prior year spending levels rather than on a current services baseline.

The past few years have been frustrating ones for congressional budgeting. Despite our prodigious efforts to enact what we thought were budget cuts, our deficit still hovers at intolerable levels. It has become obvious that, when we are forced to operate from a current services baseline, even restraining the growth of Federal spending becomes a nearly impossible task.

The experience of the budget summit agreement of 1987 illustrates how the current services approach handcuffs the Congress when it tries to restrain Federal spending. The circumstances for deficit reduction at the end of 1987 seemed promising—Gramm-Rudman sequestration, the stock market crash, and public exasperation with Federal deficit levels were all pushing Congress toward substantial deficit reduction.

Responding to these pressures, Congress enacted $76 billion in deficit reduction, much of this in so-called cuts from the current services baseline. In fact, however, in the last 2 years, spending has increased 15 percent and our deficit is $20 billion higher than it was in 1987. Following our experience in the 1987 summit, we could have renamed the current services baseline the smoke and mirrors baseline.

It is imperative that we move away from a baseline which assumes automatic growth in all programs and which allows even substantial increases to be counted as cuts. A budget

process which starts with current, known spending levels would allow for a more honest assessment of where our national priorities lie and what programs deserve increased funding.

A current level, commonsense baseline also would allow the American people to have a better understanding of how the Federal Government is spending their tax dollars. Our constituents don't, and shouldn't have to, understand the arcane language of current services. The public deserves an honest budget, where cuts and increases have the same meaning as they would in any family budget.

This bill makes three changes to the current budget law:

First, it would require the President's budget to estimate spending for the current year and then recommend any increases—or decreases—from that level. Automatic growth would not be assumed. The President is now required to submit his budget on a current services basis, assuming current law increases for all programs.

Second, it would require the Budget Committees to draft their budgets in the same way. The starting point for budget resolutions would be the current level of spending in each function. The committee report would list proposed spending for each function and indicate the percentage increase or decrease from the current level.

Third, it would require a change in the baseline CBO submits to Congress. Instead of assuming automatic inflation increases for all discretionary, the official CBO baseline would be required to submit a baseline with all discretionary programs at current levels.

It's time we began to be honest with ourselves and with the American people. Our budget can afford increases, but it cannot afford to assume increases in every program regardless of merit. A commonsense baseline will provide a context for Congress to achieve the deficit reduction which we all know is necessary, but which we seem unable to achieve using the present system.

DON JAIME BENITEZ TURNS 80

HON. RON de LUGO
OF THE VIRGIN ISLANDS
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. DE LUGO. Mr. Speaker, when I first took the oath of office in this Chamber 17 years ago, I took it alongside of a man who had already earned his place in the history of the Commonwealth of Puerto Rico.

Jaime Benitez had made the University of Puerto Rico one of the great centers of learning and a major factor in the social development of Puerto Rico.

A philosopher, he had also been a statesman who had helped shape the political definition of the Commonwealth. He was a close associate of the father of the Commonwealth, Luis Munoz Marin, and he was the principle architect of Puerto Rico's bill of rights.

Known with respect and affection to his friends as "Don Jaime", Benitez further distinguished himself and served his people with distinction in the 93d and 94th Congresses.

I worked closely with Don Jaime while he was Resident Commissioner. We have remained friends since then.

I cosponsored his legislation to approve a proposed Compact of Permanent Union between the United States and Puerto Rico. He was best man at my wedding.

Our former colleagues accomplished another achievement shortly after the adjournment of the 100th Congress. Don Jaime turned 80.

This milestone was marked in a column which reviewed his career in the respected San Juan Star. It was written by Alex Maldonado, one of Puerto Rico's most insightful journalists.

I ask unanimous consent to include the column in the RECORD at this point so that our colleagues may better understand a great intellectual and political force who contributed so much to our fellow Americans in Puerto Rico.

[From the San Juan Star, Oct. 27, 1988]

JAIME BENITEZ AT AGE 80

(By A.W. Maldonado)

This Saturday Jaime Benitez will be 80 years old.

"Mr. Jaime Benitez was there, vivid, voluble, ardent for his country's good and obviously talented."

This is how Rexford Tugwell describes him in his book "The Stricken Land." And once again, Tugwell had pinpoint precision.

Jaime Benitez was there.

Part of the remarkable Muñoz Marin generation that created modern Puerto Rico, Benitez was there and everywhere. An endless source of intellectual and physical energy, Benitez was there too much for some.

Yes, vivid and voluble. But the word most often used to describe him is "brilliant." Brilliant like the sun, for Benitez was always there at the center.

Born in Vieques of a family prolific in poets and politicians, Benitez returned to Puerto Rico after an excellent education at the University of Chicago and Georgetown to stir things up at the lethargic University of Puerto Rico. He became the center of the UPR reform movement and at the tender age of 32 chancellor of the university.

This was Puerto Rico's golden era. Muñoz Marin lifted Puerto Rico through extraordinary political leadership, Teodoro Moscoso's Operation Bootstrap created the island's "economic miracle" and Jaime Benitez lifted the university into what was recognized as perhaps the best in the entire Spanish-speaking world.

Benitez attracted some of the world's top intellectuals such as the nobel poet Juan Ramón Jiménez and one of the 20th century's greatest philosophers, José Ortega y Gasset.

Most of all, Benitez was in the company of the one man in Puerto Rico to whom he was willing to yield centerstage, Muñoz. He played an essential role in Puerto Rico's Constitutional process as the principle architect of the Bill of Rights.

But by the late 1950s the clash was inevitable. Benitez was accused in the Muñoz circle of fostering political ambitions: using the university to position himself as the Muñoz heir: even of hatching a "statehood plot." Muñoz finally reacted and tried to get him out of the university.

No one could believe that anyone in the government, in this case, the state-owned university, could survive Muñoz's wrath. Benitez did. Benitez had become, almost literally, an institution. To attack him was to attack the University of Puerto Rico.

In a sense, it was Benitez's finest moment. But he was deeply hurt. The idea of the Sun worshiping anything sounds absurd. But Benitez came close to worshiping Muñoz. Later he returned to Muñoz's side, remained till his death, and today is at the side of Muñoz's widow, Doña Inés, totally dedicated to the Muñoz legacy.

He was my first reporting assignment back in 1959 and I was struck by the heat generated by his just being there. By then he was opposed not only by the small, at times violent, radical student and faculty groups, but by what was then being called the "new generation" in the Popular Democratic Party. Most of these young men and women had been Benitez's proteges. But one by one these Ivy League-trained professionals turned emotionally against him.

What was it about Benitez? Yes, he had practically built the university. He was radical in his defense of academic freedom. He clearly loved the students and most of them loved him.

Yet the opposition to him was almost feverish. The Legislature had commissioned a giant study of the university and the rest of the educational system. The study was seen as a giant plot to finally "get" Benitez. Later, when the Legislature approved a deep university reform, it was clearly designed to at least strip him of power. It did, and the university has since suffered the consequences.

It was back in the early 1960s that I decided to get to the bottom of the Benitez story. I gathered a very long list of what was described to me as his abuses. I tracked them down one by one. Most of them were not true. Having accomplished what he had, under the conditions and the environment existing in and out of the university, I concluded that Benitez was indeed a great university chancellor.

So what was it?

Many of his admirers and friends insisted that his problem was his obsession with always being at the center of everything, with dominating the conversation, his need to overwhelm everyone with his wits, his insights, his indisputable truth.

Yes but no. Yes, Benitez's presence was always dominating.

But no, it was not his "ego." On the contrary. There was and is, I believe, a purity about Benitez. "Ego" is offensive when people attempt to overpower you because they have an exaggerated sense of themselves: when they are aggressive because they are really insecure, vulnerable.

Benitez is authentic.

He *is* brilliant and he is being himself. He has, I believe, the purity of being nothing but himself for 80 years. Not an iota of pretense, of artificiality, of being what he is not, whether you like it or not.

Like other secure people, Benitez has a wonderful sense of humor: at center stage he never fails to be enormously entertaining. When he tells you, as he often does, that you are wrong and he is right, he does it without malice or arrogance or superiority.

Benitez is authentic and unique. He is, to me, at his best and most likeable when he looks you straight in the eye and tells you he's the greatest. Well, maybe not the greatest but in the history of this island, close.

The irony is that his life has been characterized not by ego, but by the absence of selfishness. For Jaime Benitez has done

nothing in his long and fruitful life but selflessly give his great talent to serve Puerto Rico.

NEW RURAL HEALTH AMENDMENTS WILL RESTORE THE CONFIDENCE OF AMERICANS IN THEIR HEALTH CARE SYSTEM

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. WYDEN. Mr. Speaker, a few years back, most Americans would have said we have the best health care system in the world. But that's no longer the case. In a recent Harris poll, 89 percent of the public said that the American health care system needs major restructuring.

Eighty-nine percent is an astounding figure and a vote of no-confidence in the way we deliver health care to our people.

The rural health care coalition is working hard to restore the confidence of Americans in their health care system. The Rural Health Clinic Act Amendments are a major step forward in providing essential health care for rural Americans and I commend all the members of the coalition for their efforts.

I'm especially pleased that the package includes my own bill, H.R. 1176, which improves access to mental health services in rural clinics.

Those of us concerned with rural health care know that our citizens who live outside of cities suffer from a serious shortage of doctors and a lack of necessary medical services.

If you look at the situation in Harney County, OR, alone, it tells almost the whole story. The people of Harney County looked far and wide but they could not find a single doctor to run their hospital—which is 70 miles from the closest other medical center.

Earlier this week, the Government designated Harney County as a manpower shortage area. Now the county can apply for help from the National Health Service Corps.

Let me tell you about the overall situation in my home State of Oregon. Fifty-six percent of our population lives in rural areas. Nearly half our hospitals—36—are considered rural hospitals. Eight of these are designated as essential because they have less than 50 beds and are 44 to 130 miles to the nearest hospital.

Since 1980, four hospitals have closed down and three are in critical condition. The people in those areas rely on rural health clinics to provide services. Half of them are designated for Medicare reimbursement.

The problem is that it's bureaucratic water torture for these clinics to participate in the process of applying for Medicare payments—at a time when they're struggling for survival.

The Rural Health Clinic Amendments of 1989 will break down administrative barriers for our clinics, disseminate information about the rural health clinic program and increase health services in rural areas.

They'll free our clinics from the straitjacket of burdensome administrative requirements and make essential medical care available to our rural citizens. That's how we'll restore the confidence in our health care system and give our people the medical care they need.

HONORARIA

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. RAY. Mr. Speaker, the subject of honoraria has dominated the media for several weeks. I am one of those Members who serve on the Armed Services Committee who have accepted and have benefited from appearances and speeches before the executives of major defense companies and organizations who represent the defense industry. This practice is not an illegal one, and I have felt comfortable in a quid pro quo activity where I delivered a pro-business, pro-defense, pro-American speech and received and answered questions of a nonclassified nature.

Mr. Speaker and my colleagues, while this practice is legal, there has been a public outcry against the practice of accepting honoraria from companies or groups who clearly might benefit from a member of the Armed Services Committee's, or other committees' yes or no vote which could result in the approval of millions of dollars in an award or the cancellation of a defense contract or other programs. Therefore, because of the appearance of impropriety, I have made the decision that I will not accept honoraria or gifts from defense groups or defense companies, who could be favored or damaged by a vote that I might cast in the House Armed Services Committee.

There are many instances, in my opinion, in which Members of Congress can bring a strong and beneficial message before citizens and organizations which do not conflict or fall within this air of impropriety, and where discretion by the Member may be used. It is my opinion that Members should have the opportunity to use their discretion and judgment in accepting and being paid on such occasions, commensurate with the law—with such honoraria fully reported and, if necessary, detailed.

My friends, I do not, however, speak for any one other than myself. This public message is intended to make my views known to my constituents and the public.

IN RECOGNITION OF DeWITT MIDDLE SCHOOL, DeWITT, MI

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today to honor the DeWitt Middle School of the DeWitt public schools system. DeWitt is located in the 10th Congressional District of Michigan, which I have the honor of representing.

This year, DeWitt Middle School was named as one of only 20 schools to represent Michigan in the U.S. Department of Education Secondary Recognition Program. This award recognizes their special emphasis on developing a foundation of skills and knowledge in basic subject matters. In this time of increased awareness of the importance of education, schools such as DeWitt Middle School should be soundly applauded. As President Bush said in this first address to the Nation, "the longer our graduation lines are today the shorter our unemployment lines will be tomorrow."

Mr. Speaker, as we enter the decade of the ninetys, these are the students who will shape our future. As we move toward a global economy, and the increasing dependence on technology and a more sophisticated work force, it is essential that our students are equipped to meet these challenges. It will be schools such as the DeWitt Middle School that will properly prepare our young women and men to take advantage of the opportunities that lie ahead. So once again Mr. Speaker I salute the DeWitt Middle School, its teachers, administrators, and its students.

SANTA MONICA'S INNOVATIVE COMPUTER NETWORK

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. LEVINE of California. Mr. Speaker, I rise today to bring to the attention of my colleagues a new and interesting program that is operating in my district. The city of Santa Monica has recently installed a computer network through which anyone with a home computer can communicate with the city government and other members of the network. Residents of Santa Monica can send the mayor and city council messages by electronic mail instead of by letter.

In addition, the Public Electronic Network [PEN] gives residents of Santa Monica access to a wealth of information via the system's electronic bulletin board. Through the network, citizens can obtain information on everything from city council meetings to bus schedules to joining the local softball league. The network contains a directory of more than 300 social service agencies in the Santa Monica area, listings of senior citizen housing and health care facilities, the city jobline and details about pending development projects. Network users can even gain access to the public library's on-line catalog and find out if a book has been checked out or not.

The network also offers one of the country's first municipal computer conferencing systems, which is the equivalent of an electronic town hall meeting. Participants can read the comments of other users, and add their own comments on the discussion topic via computer. Unlike a regular town hall meeting, however, participants can join the discussion at a time and place that is convenient for them. Users can leave a conversation and then return to it at a later time. The system will save any comments that are added between sessions.

The PEN Program is an exciting step into the future. It offers the promise of greater citizen involvement in government and greater access to their elected officials. It is a bold step forward by a progressive and innovative city council.

Mr. Speaker, I ask my colleagues to join me in congratulating the city of Santa Monica for its foresight in developing this innovative program.

THE RITTER-WALGREN RESOLUTION ON SCIENTIFIC LITERACY

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. WALGREN. Mr. Speaker, I am pleased to join my colleague and fellow Pennsylvanian, Mr. RITTER, as an original sponsor of a resolution setting a national goal for scientific literacy. Our resolution expresses the sense of Congress that universal scientific literacy among all American high school graduates by the year 2000 be a national objective.

As America enters the 21st century, one of the fundamental challenges facing our political, business and educational leaders will be the successful scientific education of future generations of American citizens and workers. We must equip Americans to meet the demands of a more technically oriented workplace and a society that will be rapidly changed by the applications of new technologies.

It is universally acknowledged that the workplace of the future will be more complex and continually changing in the face of new technology. America's stature as a world economic power will be measured by the ability of its workers to cope with these developments. This Nation and its business community cannot afford to have a major portion of our population unable to understand and work with new technologies in the workplace. We are in a serious struggle to compete in the international marketplace. The foundation of our competitiveness is our strength in science and technology. The ability to create new knowledge and apply it in new products. We cannot succeed unless all Americans have a minimum level of scientific literacy.

Concurrent with the technological changes in the workplace is the pervasive influence of science and technology on all aspects of life. The food we eat, the air we breathe, the quality of our health care, all are aspects of our everyday lives that will change directly as a result of new technology. As citizens in a democracy we will be called upon not only to make responsible consumer choices, but to participate in the governmental process that will set policies in these areas. In order to have a citizenry that understands modern science and technology, we must improve science education for all students, not just those who choose scientific and engineering careers.

I want to commend the American Association for the Advancement of Science [AAAS] for its leadership in addressing these needs. Project 2061 is a long term, three phase initiative sponsored by the AAAS aimed at achieving scientific literacy for all Americans. Project 2061 takes a fresh look at science education: what needs to be learned, how it should be taught, and how to convert these recommendations into action. Launched in 1985, project 2061 is a response to the dozens of studies describing the performance of U.S. students in science and mathematics. The result of project 2061 will be a national plan and effort that moves the country toward science literacy.

There is absolutely no reason why American 13-year-olds should score below Spain and South Korea in math, or why our fifth graders do not measure up to their counterparts in Japan, or why half of our 17-year-olds cannot perform math problems taught in junior high school. The Congress and the executive branch must act so as to provide leadership and assistance to State and local efforts that will reverse our slide toward economic surrender.

THE CHILD CARE SERVICES IMPROVEMENT ACT

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mrs. JOHNSON of Connecticut. Mr. Speaker, as Congress again takes up the challenge of improving Federal child-care policies, we have an excellent chance to change the lives of millions of men, women and children for the better. Our success will depend at least in part on whether we possess sufficient vision and courage to challenge the strictures of the status quo. I believe the bill I am introducing this week will deepen the debate in a way that will move Congress toward the kind of progressive policy America's families need.

My new bill is designed to ease the pressures on modern families by broadening their choices. It would increase the supply of quality child care, expand subsidies to low-income working families and strengthen the hand of parents trying to reduce their need for outside day care.

While this legislation incorporates many features of bills I have introduced in the past, it builds on those ideas with some new proposals. For instance, it would enlarge and revise a subsidy currently available to low-income parents through the Tax Code, by increasing the amount of that subsidy and adjusting it according to the number of children in a family. Expanding the earned income tax credit in this way would allow us to provide greater help to those in greater need. It would also enable more people to escape welfare by increasing their take-home pay.

My new bill would help expand the supply of affordable, quality child care in a number of ways. For one thing, it would establish a block grant program to provide States with funds for a wide range of public and private care options. Such grants could fund before- and after-school programs, infant care, provider training, programs for sick and homeless kids and the startup costs of employer-sponsored day-care centers.

This legislation would also lend support to day-care providers in ways that would enable more of them to enter and succeed in the field, and attract underground providers into the State-sanctioned child-care network. For instance, it eases their tax burdens, limits their exposure to lawsuits and offers help in finding affordable insurance. And it makes financial help available for bringing their facilities up to State standards.

At the same time, my bill would give employers financial incentives both to adopt flexible work policies and help their workers with day care. First, it would offer a tax credit to help offset the cost of setting up an employer-sponsored day-care facility. Second, by providing a tax credit to employers that allow employees to work at home or significantly shift their hours, it would give workers leverage to bargain for changes in their conditions of employment. I am convinced that such adjustments are vitally needed to assure stable families and a productive labor force today and in the future.

Balancing the demands of work and family has never been a greater challenge than it is today. Thanks to the continuously rising cost of living and an increase in single-parent families, few parents can afford to stay home and care for their children full time. In fact, only about 10 percent of American families have a wife at home and a husband bringing home the bacon. And nearly 65 percent of mothers with children younger than 5 now work outside the home. Clearly, millions of families are being forced to juggle wage-earning and child-rearing in ways that are new to our collective experience. These families deserve better support from their Government, and that is what my bill is designed to provide.

KEEP OPEN THE GATES

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. SOLARZ. Mr. Speaker, each year as the festival of Passover approaches, I rise in this Chamber to remind my colleagues of the triumphs and tragedies of the Jewish people.

One of the earliest and most remarkable triumphs in the course of Jewish history was the miraculous exodus from Egypt 3,000 years ago. And just as Moses cried out to Pharaoh—"let my people go"—today's Jewish community continues to fight for our brethren who suffer the tragedies of discrimination and oppression.

The holiday of Passover, which celebrates the exodus from Egypt, is characterized by a Hebrew phrase which is recited at the Seder table. "Z'man Cherutenu" means the "time of our freedom." And as we begin to prepare for the seders of April 19 and April 20, I think it a highly appropriate moment to reflect on the fight for freedom being waged by the Jews of the Soviet Union. At long last, the steady exodus of our courageous brethren has begun.

A year ago, I stood in this Chamber and described the plight of Soviet Jews as a poignant mix of hope and disappointment. This year, I sincerely believe that the current situation is as hopeful as it has ever been. Having visited the Soviet Union twice in the last several months, I have personally witnessed how General Secretary Gorbachev's economic and

political reforms have begun to chip away at the iciness of the cold war. Gradually, the United States and the Soviet Union are moving from confrontation to some limited form of cooperation.

The slow warming trend between our two countries has had positive consequences for Soviet Jews. Over 19,000 Jews were allowed to emigrate in 1988. This was the highest number in almost a decade and 20 times the horrendous low point of 914 Jews in 1986. This year, tens of thousands of Jews will be granted the freedom to enter the Holy Land, Israel, or the "Goldenah Medinah," the United States. They will be joined by thousands of non-Jews who also seek to throw off the yoke of Soviet oppression. Yes, the gates are opening.

The cycles of Jewish history have taught us, however, that we cannot afford to be complacent. We must keep open the gates. We must ensure that each and every Soviet Jew can leave that country or, if he so wishes, stay and freely practice the tenets of his faith.

And we must also rededicate ourselves to the other Jewish communities that crave freedom and yearn to live in dignity. Let us not forget the 4,000 Syrian Jews, who live in constant fear of violence and persecution. And let us continue to fight for the beleaguered Jews of Ethiopia, who are threatened by the ravages of starvation and the murderous policies of the Ethiopian Government.

Mr. Speaker, 3,000 years ago, the Israelites won their heroic battle for freedom. This year, let us hope that another exodus—the flight of Jews from the Soviet Union—will continue in earnest and that Jews in other endangered communities will see the words of the Passover prayer—"Z'man Cherutenu"—translated into the reality of freedom. And finally, as we prepare to sit down to our own seder tables next month, each and every one of us in the United States should take a moment to reflect and rejoice in the freedom that we are privileged to enjoy.

MARCH OF DIMES: HELPING COCAINE BABIES

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. VENTO. Mr. Speaker, I rise today to commend the March of Dimes Birth Defects Foundation for their tireless efforts to reduce infant mortality and birth defects. I also urge my colleagues to come out at noon on April 6 for Congressional WalkAmerica, the symbolic kickoff for WalkAmerica, the March of Dimes biggest fundraising event.

Our Nation's record in keeping America's babies alive is a disgrace. This year, 40,000 babies will not live long enough to see their first birthday. The United States has the highest infant mortality rate of 20 industrialized countries. More alarming is the fact that most of these deaths could be prevented through improved prenatal care. The March of Dimes has been in the forefront of efforts to prevent birth defects and infant mortality through research, education, and treatment.

Over the past year I have worked closely with the March of Dimes to combat a large and growing cause of death and disability among our Nation's infants: Drug use by their pregnant mothers. Sadly, as many as 375,000 babies—10 percent—born in the United States are exposed to cocaine before birth every year. Women using drugs during pregnancy place their infants at a greater risk for miscarriages, premature birth, malformation, developmental problems, and crib death. These tiny victims of drug abuse can be subject to a withdrawal period of 4 to 6 months, with symptoms including irritability, poor feeding, excessive crying and brain damaging strokes.

There is hope for reducing the tragedy of drug-addicted infants. Research shows that pregnancy offers a window of opportunity for helping women to free themselves from substance abuse. I had the privilege of working with the Twin Cities Chapter of the March of Dimes to disseminate information about drug treatment to health care professionals gathered at the conference "Mothers and Babies at Risk—the Cocaine Epidemic." In addition, a provision which I authored to increase substance abuse treatment programs for pregnant women was included in the Anti-Drug Abuse Act of 1988. Last Friday, the Office of Substance Abuse Prevention announced the availability of $4.5 million in funds for a new demonstration program for pregnant women who use drugs.

While we would all agree that more Federal, State, and local resources are needed to address this tremendous problem, I believe this demonstration project is a good first step. The challenge facing us is enormous, and the resources needed to meet this challenge are significant and scarce in a time of multibillion dollar budget deficits. New tasks will surely face us as this epidemic continues to spread. New initiatives, such as the hotlines for pregnant women that are being set up by, with the assistance of the March of Dimes in States across the country, will be worth supporting.

I have a special place in my heart for the March of Dimes because in 1945, at the age of 4, I contracted polio, with all the fear, the lack of understanding and helplessness that accompany such circumstances. In my lifetime, the March of Dimes, America's research capability, and the support of the American people helped defeat polio for ourselves and for the world. We can do the same with the current health challenges. What is certain is that through the good work of people such as the March of Dimes, the chances for so many babies and so many mothers to have a normal, drug free life are enhanced.

Mr. Speaker, I urge my colleagues to support the March of Dimes by coming out on April 6 for Congressional WalkAmerica. Your participation will bring attention to WalkAmerica, a national walking event with over 600,000 participants in 1,200 communities nationwide to take place on April 29 to 30.

PRESIDENT CARTER'S GREAT ACT OF STATESMANSHIP

HON. ROBERT LINDSAY THOMAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. THOMAS of Georgia. Mr. Speaker, one of our distinguished colleagues, HENRY J. HYDE from Illinois, wrote an excellent column for the Los Angeles Times that was reprinted in the Atlanta Journal and Constitution suggesting that former President Jimmy Carter be awarded this year's Nobel Peace Prize.

The sentiments that Mr. HYDE expressed in his column are echoed by myself and I am certain by many of our colleagues here in the U.S. House of Representatives. President Carter's great act of statesmanship during the Camp David accords has had a lasting effect on the relationship between the countries of Egypt and Israel, the Middle East, and across the world.

At this point, I would like to insert Mr. HYDE's column into the RECORD as a tribute to President Carter's past efforts for world peace and in support of his selection for the 1989 Nobel Peace Prize.

GIVE CARTER NOBEL PEACE PRIZE FOR THE CAMP DAVID ACCORDS

(By Henry J. Hyde)

Mr. Hyde, a Republican U.S. representative from Illinois, serves on the House Foreign Affairs Committee. He wrote this for the Los Angeles Times.

With the world's attention now focused on the future of the Middle East, it is long past time to honor one of the greatest acts of statesmanship in the recent history of that troubled region: the role of President Carter in securing the 1978 Camp David accords between Egypt and Israel.

To be sure, Camp David would not have been possible without the efforts of the heroic Egyptian president Anwar Sadat, and the gritty Israeli prime minister, Menachem Begin—efforts that were quite fittingly honored by the 1978 Nobel Peace Prize.

But Camp David would not have been successful without the extraordinary personal labors of Jimmy Carter, whose invitation to Camp David broke a negotiating logjam and who refused to take failure for an answer during 12 long days of bargaining at the presidential retreat in Maryland's Catoctin Mountains.

There is now a tendency to deprecate the achievements of Camp David. These criticisms seem to me wrongheaded. It is true that the Camp David accords did not solve the Middle East problem in any distinctive way. It is true that the Palestinian issue continues to plague the region. It is true that radicals like Hafez Assad of Syria and Saddam Hussein of Iraq remain as unreconciled as ever to peace. But why blame these on Camp David?

Instead of looking at the problems that remain, why not look at what was accomplished? After Camp David a major Middle East war, on the models of 1967 and 1973, was far less likely. After Camp David an unprecedented pattern of normal diplomatic relations was established between Israel and one of its Arab neighbors. After Camp David, Israel exchanged land, a lot of it strategic land, for peace. After Camp David, it was possible to think that unending con-

flict between Israel and its neighbors was not a given, like the sun rising in the east. These were not mean accomplishments. In fact, they were great accomplishments. And they were Carter's accomplishments as much as any man's.

Amid all the current argument and commentary about the peace process in the Middle East, there are two lessons of Camp David that ought to be borne in mind:

First, the agreements reached there followed a negotiation that was itself made possible by a changed political situation: Agreement requires negotiation, and negotiation requires politicking. You just can't start cold with negotiations and expect much of anything to happen except rhetorical cannonading. Mr. Sadat's stunning mission to Jerusalem in 1977 and Mr. Carter's invitation to Messrs. Sadat and Begin to come to Camp David under the president's auspices were acts of great political imagination that broke logjams, changed the political environment and made negotiation possible.

Defining similar acts of political imagination—instead of arguing about spurious international peace conferences—ought to be the first order of business for the Bush administration, the new Israeli government of Yitzhak Shamir, the leadership of the Palestinian movement and King Hussein of Jordan.

Second, American leadership was essential in dramatically altering the political relationships among negotiators so that negotiation would be not only possible but also successful. For reasons that seem to have involved a fascinating amalgam of religious conviction, personal self-confidence, a trace of recklessness about his own political hide and sheer American stubbornness, Mr. Carter simply would not let the Camp David negotiation fail.

An American president constantly looking over his shoulder at a carping press corps and a fiddling Congress could never have pulled off Camp David. Mr. Carter took the burden of power onto his own shoulders, and the results were historic.

It is no secret that I had, and still have, the most serious differences with Jimmy Carter about America's role in world politics. But I would be less than honest if I, as one of Mr. Carter's critics, did not acknowledge his most signal foreign-policy accomplishment: his leadership in securing the Camp David accords.

And I might suggest that the Nobel committee consider redressing a historic injustice by awarding its 1989 peace prize to the man who made the 1978 Nobel Prize to Sadat and Begin possible: the 39th President of the United States, Jimmy Carter of Georgia.

RAISE BEER AND WINE TAXES

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. BEILENSON. Mr. Speaker, today I am reintroducing legislation, which I first introduced in the 100th Congress, to triple the Federal excise taxes on beer and wine.

Both beer and wine are still taxed at the same rates that were in effect in 1951, and at significantly lower rates than the tax on distilled spirits. Inflation alone, which has risen by over 400 percent since 1951, justifies a substantial increase. This bill would help compensate for 38 years of inflation, and bring these taxes more in line with the alcohol equivalent rate of the current tax on distilled spirits. It would also produce more than $2.5 billion each year in badly needed additional revenue to help reduce our Federal budget deficit. Finally, it would promote health and safety, and help reduce fatalities caused by drunk driving.

Under this bill, the tax on beer would increase from $9 per 31-gallon barrel to $27 a barrel, an increase from about 16 cents to about 48 cents a six-pack; the tax on table wine—the most commonly sold and the most lightly taxed type of wine—would increase from 17 cents per gallon to 51 cents per gallon, a rise of about 7 cents a bottle; and the tax on dessert wines would rise from 67 cents to $2.01 per gallon.

Alcohol abuse claims between 100,000 and 200,000 lives every year in the United States in ways ranging from cancer and liver disease to drunk driving, fires, and homicides. Cirrhosis of the liver, most often related to alcohol abuse or alcoholism, is the eighth leading cause of death in the United States. In 1987, nearly 24,000 traffic deaths in the United States were alcohol-related. As a result, the Office of Technology Assessment says, alcohol abuse may be responsible for up to 15 percent of the Nation's health care costs.

The economic burden of alcohol abuse and alcoholism is not borne solely by those directly affected by these problems. The health care, law enforcement, and lost productivity costs associated with alcohol are borne by taxpayers, insurance policyholders, and businesses. Alcohol-related problems cost the Federal Government more than $23 billion each year in health care costs and lost tax revenues; the costs to the economy as a whole amount to more than $130 billion. It is not hard to understand why so many health care professionals consider alcohol the Nation's No. 1 drug problem.

Studies show that beer is overwhelmingly the most common choice of alcohol among young people—probably because a can of beer costs about the same as a can of Coke. Similarly, wine, and the new, increasingly popular wine coolers, are also fairly inexpensive alternatives to soft drinks. In 1983, while 16- to 24-year-olds represented 20 percent of the population, they were 34 percent of drivers killed in alcohol-related accidents. In fact, drunk driving accidents are the No. 1 cause of death among 16- to 24-year-olds. Young adults under the age of 30 are responsible for just over 50 percent of the total economic cost to society of alcohol abuse and alcoholism. Clearly, to instill in our young people a strong sense of seriousness about alcohol abuse we must raise the price of beer and wine above the price of soft drinks.

Experts have repeatedly found a strong correlation between higher State alcohol taxes and a reduced prevalence of alcohol problems. They predict that modest increases in the Federal excise taxes on beer and wine could result in a substantial decrease in drinking among young people, and would drastically reduce highway mortality rates.

Raising the excise taxes on beer and wine to a level closer to that of the tax on distilled spirits makes sense because it is completely consistent with the purpose of this taxation: To tax the alcohol content of beverages. The American public is gradually becoming more aware of the fact that a 12-ounce serving of beer or a 5-ounce glass of wine contains the same amount of alcohol as a 1.25-ounce serving of liquor. Nevertheless, the alcohol in beer is now taxed at one-fourth the liquor rate, wine at only one-seventeenth.

It has become painfully apparent that in order to balance the budget we must increase revenues—that is, raise taxes. The excise taxes on beer and wine are a relatively untapped source of revenue which is fair, and which promotes health and safety. In 1951 alcohol taxes represented 5 percent of Federal revenue; today they generate only seven-tenths of 1 percent of Federal revenue. Tripling the beer and wine taxes would help compensate for that lost revenue-raising power, and raise over $2.5 billion in new Federal revenue each year.

Raising the cost of drinking would save Americans billions of dollars each year in health care costs and lost productivity and would save lives. And, it is a fair, logical, and effective means of reducing the deficit.

I urge my colleagues to join me in supporting this important legislation.

HONORING JUDGE ALBERT D. MATTHEWS

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. DIXON. Mr. Speaker, it is often said that ours is a government of laws, not men. So very true. But without the right men and women to uphold the law and ensure its fairness, our democratic system would not long stand.

Today, I pay tribute to one of those individuals who has done the real work of democracy, Judge Albert D. Matthews. Judge Matthews has dedicated his life to serving the laws of our country. I know him not only as a friend, but also as a man of decency, fortitude and integrity devoted to the principle of equal justice before the law.

Now, after 27 years in the courts, the last 16 as a judge on the Los Angeles Superior Court, he is retiring at the end of March. Our only solace in his retirement is that it will free him up to spend more time in his second career, serving the Los Angeles community.

Judge Matthews has seen it all in his courtroom. From felony cases to family law to civil suits, he has presided over difficult and often heart-wrenching trials. Those are not easy cases for any judge, but Judge Matthews has acted with a unique blend of strength and compassion. Hemingway once defined dignity as grace under pressure. That certainly applies to my friend Albert Matthews.

Like his judicial career, Judge Matthews' path to the bench was also marked by distinction. A native of Oklahoma City, he graduated from Howard University with honors. After military service in World War II, where he fought in the Battle of the Bulge in Europe, he returned to Howard, worked his way through law

school, served on the Law Review and graduated first in his class. He moved to Los Angeles in 1955 and the city has benefited ever since.

No matter how lofty the work of a judge, Albert Matthews has never strayed far from his roots in the community. He devotes long hours to human service organizations and is an active member of his church. He is considered one of the outstanding Christian educators and Baptist lay preachers in the country.

Perhaps the greatest tribute that can be paid to Judge Matthews is to acknowledge the high esteem his peers hold for him. As early as 1962, when he was appointed the first black superior court commissioner by the judges of the superior court, it was clear that he would accomplish much in his life. Now, as his judicial career ends, some of the most respected citizens of Los Angeles are honoring him on April 7 at a gala retirement dinner at the Bonaventure Hotel.

My congratulations go out to him, his wife of 30 years, Mildred, and his daughter Angela. Few members of the community are more deserving of such an honor.

TAYLOR'S KIDS GO TO COLLEGE

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. BAKER. Mr. Speaker, I would like to inform my colleagues of an innovative project by my fellow Louisianian, Mr. Patrick Taylor. Mr. Taylor is not only a very successful businessman, he achieved success through hard work and commitment. Mr. Taylor is also committed to making the American dream come true for others. Pat has been concerned about the lack of incentives for many of the students in today's school system. He found that a lack of motivation is the major culprit of poor educational performance for many students. Mr. Taylor searched for new ways to try to motivate kids to excel and to get their parents to care. He has again succeeded in his own innovative way.

Mr. Taylor has promised about 200 New Orleans students at Abramson High School and Livingston Middle School that he will personally pay for their college educations, if they finish high school with an overall "B" average. He has also developed a plan in which selected State universities would waive certain costs for qualified Louisiana students, whose familes cannot afford to send them to college.

Pat's plan will help educate our leaders of tomorrow. If all goes according to this plan, in 3 years any high school graduate who meets the academic requirements and whose parents cannot afford to pay, could be on their way to college.

I am attaching a recent New Orleans magazine article by Kathy Finn, titled "Taylor's Kids Go to College." Ms. Finn provides a stimulating overview of Pat's plan and explains how it can improve the availability of college education for qualified youths.

I believe Mr. Taylor's vision offers a method to fight the problem of young people dropping out of school. I extend my sincere appreciation for his efforts to provide an education for young people, and to insure a successful future.

TAYLOR'S KIDS GO TO COLLEGE

(By Kathy Finn)

It's hardly surprising that a city plagued with one of the highest unemployment rates in the nation has become a bit preoccupied with the concept of job creation. Talk of economic development resounds through the New Orleans area like a riverboat blast on a clear winter day.

But with all the chatter about developing new jobs, people sometimes lose sight of another issue that may be equally important. That is, once we have the type of jobs we all agree we need in order to diversify our economy, who, exactly, will fill them?

It's no secret that the local labor force is, to a large extent, undereducated. State and local governments and area businesses are doing what they can to turn that problem around. But even if they are successful it will take considerable time. If small- and medium-sized businesses constitute the future of New Orleans and such companies do, indeed, begin to proliferate in the coming decade, how can we be sure we will have a labor force sophisticated enough to take on the variety of responsibilities necessary to the operation of such companies?

Fortunately, Patrick Taylor has also been pondering this question. Taylor's personal success in the oil industry, his leaderhsip in the business community and his cultural and civic largesse have placed him time and again at the forefront of local community and business development. Last year he took aim at the problem of New Orleans' undereducated populace by personally intervening in the lives of some 200 less-than-privileged schoolchildren. If they finish high school with a B average, he promised, he will pay their way through college. It's that simple.

Both Taylor and the kids' teachers report a dramatic, positive turnaround in the attitudes of the kids and their parents since this promise was made. Taylor himself was so affected by the developments that he recently took another giant step in the same direction.

Speaking at what was to be a routine meeting of the downtown Rotary Club of Lake Charles, Taylor outlined a plan that, if implemented, could make Louisiana the envy, in some respects, of states throughout the United States. What he proposed was a rather expensive miracle. In the midst of the worst fiscal crisis in Louisiana history, Patrick Taylor suggested the state guarantee—that's right, guarantee—all of its young citizens access to a college education regardless of their ability to pay. Sure it would be costly, but Taylor believes it's an expenditure the state can ill afford not to make.

Taylor's show-stopping proposal grew out of personal changes he has experienced since his involvement with under-privileged schoolchildren. An up-by-the-bootstraps type of guy himself, Taylor says it never occurred to him there are some people in the world who, in spite of having tremendous talent and potential, face insurmountable obstacles on the road to achievement. "For as long as I could remember, I thought that any kid who wants it can get it." he recalls. He says he was shocked to discover that he was wrong.

In a short span of time, Taylor realized the magnitude of the economic barrier that prevents promising kids from becoming productive members and leaders of society. He also fingered a lack of incentive and motivation as a major culprit behind the poor educational performance of many students and he began studying what to do about it.

What he came up with is a plan in which selected state universities would waive the cost of tuition, room and board for qualified Louisiana students whose families cannot afford to send them to college. The plan will not just remove the economic barrier, Taylor reasons. It will also give kids who have never dared dream of a college education an open door of opportunity on the other side of high school. It will become a reason for the kids to excel, as well as a reason for their parents to care.

Taylor figures the first-year cost of this program at $20 million—$4,000 each for the estimated 5,000 qualified students who would be ready to enter college in 1992, the targeted inaugural year. Having suggested this capital outlay, he went on to figure out how to fund it.

A good chunk of money for the program could be found in the existing educational system, Taylor believes. That's where the other two points in his three-pronged plan come in. The first would standardize admission criteria at all four-year state colleges and universities to require completion of 17.5 credits of core high school curricula, a 2.5 high school grade-point average and a minimum ACT entrance test score of 18.

Next the plan would phase out remedial education programs in the universities since the more stringent admissions requirements would help ensure that entering students are prepared for their college responsibilities. The elimination of remedial education would put about $12 million back into the coffers of state colleges, Taylor figures. That's more than half the first-year cost of his proposed program. Existing private and federal grants would help defray remaining costs.

If all goes according to Patrick Taylor's vision, in three years any high school graduate who meets the academic requirements and whose parents earn less than $30,000 annually could be on his way to college. Should the student wish to attend a private college rather than a state institution, the amount that would be provided for his public college education could be applied toward the private university school bill.

While the problem of undereducation is particularly severe in Louisiana, it is by no means a strictly local disgrace. Educators throughout the United States can attest to increasing numbers of dropouts, faltering student achievement and general intellectual malaise among the nation's youth. A number of states have attempted to address the problems of undereducation through a variety of innovative college financing programs. Last summer in New York, for example, Gov. Mario Cuomo introduced what has become the Liberty Scholarship Program, which is designed to give students from low income families the opportunity to enter college.

But Taylor believes his proposal for state-sponsored tuition is unique in the United States. He also believes it addresses a certain insidious irony in the evolution of our educational system.

It's no news that the fees assessed for tuition, room and board at most colleges and universities cover only a fraction, perhaps a third, of the total cost of a student's college education. The remainder of that cost at state schools is generally paid by state government, or more specifically, tax dollars.

Taylor points out that while most low-income families pay state taxes, their kids are the ones who tend to get shut out of higher education. Their taxes, in fact, are being used to subsidize the educations of kids from higher-income families who generally do get into college.

This "taxing of the poor to subsidize the education of the favored few" is a national disgrace, Taylor believes. "We built a nation by people doing more than their parents did," he says. "But now we're recruiting our labor from a population whose parents could afford college." He believes the result is a stifling of the talents and spirit of kids who ought to have every reason to strive.

"We see ourselves losing competitiveness and we wonder why," Taylor comments. "It's right there in front of us. We're not just recruiting from too small a population, but from the wrong population."

The arguments appear to have convinced Gov. Buddy Roemer, who has appointed a 13-member commission to study the feasibility of implementing the plan in the 1992 school year. Seated at the head of the commission, not surprisingly, is Patrick Taylor.

In 1844 Louisiana became the first state in the nation to guarantee a high school education to all its citizens. If all goes according to Taylor's plan, 1992 could become the year when the state becomes the first to assure its citizens access to a college degree as well. Then, if Louisiana's grand hopes for economic development should also be realized, perhaps there will be a new breed of graduate emerging from our colleges just in time to fill those new jobs.

VOLUNTARY NATIONAL YOUTH SERVICE AND EDUCATION DEMONSTRATION ACT

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. GARCIA. Mr. Speaker, today I am introducing the Voluntary National Youth Service and Education Demonstration Act as a companion bill to legislation developed by Senator CLAIBORNE PELL, of Rhode Island.

This youth service and education initiative will tap the great potential of this country's greatest resource.

Last year I instructed my staff to develop legislation that took into consideration what I believe to be crucial elements for a national service program.

We found that the elements of Senator PELL's legislation came very close to those I hoped to include in a House proposal, and with one modification, I will offer it to my colleagues in the House for consideration.

The Voluntary National Youth Service and Education Demonstration Program authorizes the Secretary of the Department of Education to award grants to State education agencies for administration of the Youth Service Program.

The program would be available to youth between the ages of 18 and 24 who commit to 2 years of community service in return for a stipend of $600 per month and educational benefits not to exceed $7,200 per year for an uninterrupted 18-month period.

The program targets, but is not limited to, existing community service programs, run by State and local governments and nonprofit organizations, to take advantage of their proven track record and quality services.

By creating a strong link between State education agencies and existing service organizations, the bill avoids creating a new Federal agency for administrative purposes and underscore the bond between community service and education benefits.

The educational benefits include the cost of tuition, room and board, books, and materials at a school or program selected by the participant, and accepted into through normal procedures.

My proposal would differ from the companion version in one important way by allowing students who have not completed high school and have not received a certificate of graduation or a recognized equivalent to participate.

This is very important because a large number of the participants in existing community service programs are high school dropouts, and these youth could use their educational benefits at approved trade schools or in programs to work toward their certificate of graduation.

More importantly, it is unlikely that these students will return to the classrooms where they initially encountered their failures and frustrations, and where their peers have since left, but it is possible that these students will enroll in special programs and community colleges to work toward their certificates of graduation.

Another important point to make is that my bill will not affect student eligibility for existing Federal student aid programs or be used to undermine the mandate of these programs.

Programs such as the Guaranteed Student Loan Program have made it possible for many low-income students to obtain an education at the institution of their choice, and I do not intend to frustrate their goals or eliminate valuable Federal programs.

My proposal, Voluntary National Youth Service and Education Demonstration Act, represents an alternative for students of all walks of life, and an opportunity to improve their lives and their communities, not a mandatory conscript before their dreams can be realized.

I believe that every American youngster, if he or she has the scholastic aptitude and will, should be able to attend any college or university in the country, and should have the opportunity to attend school at a time most appropriate for their circumstances, whether or not it be after participation in a youth service program.

That is why I consider my proposal an alternative program—a valuable alternative for youngsters who need the time to mature or want to experience the rewards of community service.

I would like to make one last point, and that relates to military service, because I served in active duty in Korea, and believe wholeheartedly that military service also serves an important role for many young people.

My bill does not contain a military component because the Montgomery GI bill provides good educational benefits for service personnel. This too must be considered an alternative that young people have available to them as they make life and career choices.

Let me conclude by saying that youth service has already proven itself through the existing volunteer programs nationwide, and the link between service and education will provide new opportunities for community service participants.

I support fully funding these programs through the existing channels created by the JTPA Program and the ACTION Agency.

I also support the existing Federal higher education grants and the opportunity for high school dropouts as well as graduates to work toward education benefits through community service.

Mr. Speaker, colleagues, thank you for your attention, and I hope you will support the Voluntary National Youth Service and Education Demonstration Act.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Voluntary National Service and Education Demonstration Program Act of 1989".

SEC. 2. STATEMENT OF PURPOSE.

It is the purpose of this Act—

(1) to make grants to State agencies of higher education to assist such agencies in providing young people with community service positions in programs of demonstrated effectiveness, and

(2) to provide educational benefits for individuals who serve in such positions without affecting—

(A) student eligibility for post secondary educational assistance available from the United States under existing programs of grants, loans, or loan guarantees; or

(B) the mission of such programs.

SEC. 3. VOLUNTARY NATIONAL SERVICE AND EDUCATION DEMONSTRATION PROGRAM.

The Secretary shall carry out a demonstration program to promote voluntary national service and provide educational benefits for such service by making grants to eligible State agencies of higher education.

SEC. 4. PARTICIPANTS; ELIGIBILITY AND TERM OF SERVICE.

(a) GENERAL RULE.—A State agency of higher education receiving a grant under section 3 may select an individual to participate in the demonstration program if such individual—

(1) is at least age 16, but not more than age 24,

(2)(A) has a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, or

(B) is a school dropout, and

(3) enters into an agreement with such agency for the purpose of this Act.

(b) CITIZENSHIP OR PERMANENT RESIDENCY REQUIRED.—Each participant must be a citizen or lawfully admitted to the United States for permanent residence.

(c) SPECIAL RULE.—An individual who has not attained age 18 must have the written consent of the parent or legal guardian to be a participant in the demonstration program.

(d) TERM OF SERVICE.—Each participant shall perform community service for a period of at least 2 years.

SEC. 5. APPLICATIONS FOR GRANTS.

(a) APPLICATIONS REQUIRED.—To be eligible for a grant under section 3, a State agency of higher education shall prepare

and submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may require by rule.

(b) CONTENTS OF APPLICATIONS.—Each application submitted under subsection (b) shall—

(1) set forth an estimate of the number of participants who will be selected to serve in the program, and the estimated cost of the program,

(2) provide assurances that the participants selected will meet the eligibility requirements specified in section 4,

(3) describe the criteria to be used in selecting participants,

(4) describe the types of community service that will be available for participants in the demonstration program, in particular the extent to which such agency will place participants with existing community service programs administered by the State, a subdivision of the State, or a nonprofit organization,

(5) provide assurances that community service shall be provided through existing programs of demonstrated effectiveness, and describe the process by which a participant may select community service under the program,

(6) set forth the procedures to be used to verify the performance of community service by participants,

(7) describe the process by which such agency will assist participants in selecting and utilizing the educational benefits provided under section 6(b),

(8) provide assurances that not more than 15 percent of the amounts provided by grant to such agency under section 3 in any fiscal year will be used for administrative expenses, and

(9) provide such additional assurances as the Secretary may reasonably require.

SEC. 6. STIPENDS AND EDUCATIONAL BENEFITS FOR PARTICIPANTS IN THE DEMONSTRATION PROGRAM.

(a) STIPEND FOR PARTICIPANTS.—Each participant in the demonstration program shall receive a stipend during the period of such service of $600 per month.

(b) EDUCATIONAL BENEFITS.—(1) Each participant in the demonstration program who successfully completes a period of community service of not less than 2 years shall be entitled to receive an amount equal to tuition plus $250 month for a period not to exceed 18 months while the participant is a full-time student enrolled—

(1) in an institution of higher education,

(2) in a program, approved by the appropriate State agency, to earn—

(A) a certificate of graduation for secondary education, or

(B) the recognized equivalent of such certificate, or

(C) in an apprenticeship program approved by the appropriate State agency.

(2) Benefits paid to a participant under paragraph (1) may not exceed $7,200 in any year.

(c) USE OF BENEFITS.—The payment made under subsection (b) may be used for—

(1) tuition, room and board, books and fees, and other costs associated with attendance at an institution of higher education on a full-time basis, or

(2) the expenses incurred in the full-time participation in—

(A) a program, approved by the appropriate State agency, to earn a certificate of graduation for secondary education or the equivalent of such certificate, or

(B) an apprenticeship program approved by the appropriate State agency.

SEC. 7. EVALUATION; REPORT.

(a) EVALUATION.—Not later than September 30, 1993, and for each fiscal year of the demonstration program thereafter, the Secretary shall evaluate the performance of the demonstration program.

(b) REPORT.—The Secretary shall prepare and submit to the Congress a report on each evaluation conducted under subsection (a), together with such recommendations, including recommendations for legislation, as the Secretary considers appropriate.

SEC. 8. DEFINITIONS.

For purposes of this Act:

(1) the term "community service' has the meaning given to the term "community services" in section 447(b)(2) of the Higher Education Act of 1965 (42 U.S.C. 2756a(b)(2)).

(2) The term "Governor" means the chief executive of a State.

(3) The term "institution of higher education" has the meaning given to such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) The term "school dropout" has the meaning established for such term by the Secretary under section 6201(a) of the Elementary and Secondary Education Act of 1964 (20 U.S.C. 3271(a)).

(5) The term "Secretary" means the Secretary of Education.

(6) The term "State agency of higher education" means the State board of higher education or other agency or officer primarily responsible for the State supervision of higher education, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(7) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the trust territory of the Pacific Islands, the Northern Mariana Islands, or other territory or possession of the United States.

SEC. 9. AUTHORIZATION OR APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act $50,000,000 for each of the fiscal years 1989 through 1994.

AID FOR DEVELOPMENT ACT TO REFOCUS U.S. FOREIGN ASSISTANCE

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. HALL of Ohio. Mr. Speaker, today I am introducing the Aid for Development Act, to reallocate U.S. foreign assistance to meet the basic needs of people in developing countries and to augment present legislation on human rights. This bill uses multiple tools to accomplish one purpose: to refocus the work of the U.S. Government overseas to better reflect the humanitarian impulses and good will of the American people. As chairman of its International Task Force of the Select Committee on Hunger, I am pleased to offer this legislation, which represents a major part of the committee's efforts to improve U.S. foreign assistance.

The legislation requires the Agency for International Development [AID] to devote adequate sums of money to children and mothers in need in developing countries. It sets a global total of $200 million for child survival activities through all relevant accounts, including the child survival fund, the health account, the agriculture account, and the economic support fund. AID's funding levels for child survival activities worldwide reached a peak of $185 million in fiscal year 1987, but declined to $170 million in fiscal year 1988. AID is proposing to allocate $170 million for child survival activities in fiscal year 1989 and fiscal year 1990.

The legislation also requires AID to focus its education activities on basic education by devoting at least 50 percent of its education and human resources account to promote basic primary and secondary education in developing countries. Adequate systems of basic education are essential to the development process.

Right now we are witnesses to the tragedy in the Sudan, where both sides in an armed conflict have punished innocent civilians by using food as a weapon. Perhaps 1 million people have already died because of this immoral, abhorrent denial of food to innocents. This legislation would be helpful over the longer term in calamities such as present events in the Sudan. It requires the Assistant Secretary of State for Human Rights and Humanitarian Affairs to include violations of the rights of civilians and noncombatants during armed conflicts, including the use of food as a weapon, in his yearly report to the Congress on human rights around the world and in his everyday work to strengthen respect for human rights in all countries.

Another tragedy concerns the millions of children who are physically or economically abused by employers who deny them fundamental, internationally recognized child labor rights. This legislation would also require the Assistant Secretary of State for Human Rights and Humanitarian Affairs to include violations of these rights in his yearly report to the Congress on human rights around the world as well as his everyday duties.

The bill increases the percentage total of development assistance which AID must allocate to private and voluntary organizations from 13.5 to 18 percent. The target percentage for assistance to private and voluntary organizations is also increased, from 15 to 20 percent. Private and voluntary organizations are the backbone of U.S. support for foreign assistance and are particularly effective in delivering development and humanitarian assistance to those people who need it most desperately.

The legislation provides increased support for the Inter-American and African Development Foundations, United States Government Foundations focused on grassroots development, and best able of any agency working on development to funnel assistance to those who need it most.

Finally, the bill also would create an "Asian and Pacific Development Foundation" to complement the work of the Inter-American and African Development Foundations. Most of the world's poor people live in Asia, and such a foundation would be able to help many of them.

Mr. Speaker, for the benefit of our colleagues, I submit the following bill, and include here its full text:

H.R.—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Aid for Development Act".

TITLE II—FINDINGS AND FUNDING

SEC. 101. FINDINGS REGARDING THE ROLE OF FOREIGN ASSISTANCE.

The Congress finds that—

(1) the Congress has consistently supported efforts to improve the health and well-being of children and mothers, in particular through funds voted for the Child Survival Fund to support immunization, oral rehydration therapy, improved nutrition, and other essential interventions, and through other funds provided by the Congress and used by the Agency for International Development for child survival activities;

(2) basic education is essential for the development of the knowledge, skills, and productive abilities which promote the social and economic development of people and nations;

(3) impartial, nonpolitical humanitarian relief organizations have encountered, in their efforts to provide humanitarian assistance, increasing difficulties caused by protagonists in civil conflicts, who have used food and other humanitarian items as weapons in their struggles;

(4) international humanitarian law, including the Geneva Conventions of 1949, recognizes the rights of civilians and noncombatants in armed conflict, including respect for the basic dignity of the person, free and safe passage of relief supplies, access of impartial humanitarian organizations providing relief assistance, and the protection of objects indispensable to the survival of the civilian population;

(5) the international exploitation of child labor remains a serious problem, with child workers frequently struggling under extremely hazardous conditions which do them grave physical, mental, and moral harm;

(6) private and voluntary organizations have proven themselves to be particularly effective in the delivery of development and humanitarian assistance to those most in need; and

(7) grassroots development efforts are an essential component of United States efforts to promote well-being in the developing world.

SEC. 102. CHILD SURVIVAL.

(a) FUNDING.—Section 104(c)(2) of the Foreign Assistance Act of 1961 is amended by inserting after subparagraph (C) the following:

"(D) Not less than $200,000,000 of the aggregate amount appropriated to carry out this subsection (including amounts authorized to be appropriated by subparagraph (B)), section 103(a), section 106, and chapter 4 of part II shall be made available for fiscal year 1990 for activities described in subparagraph (A).".

(b) AUTHORIZED ACTIVITIES.—Section 104(c)(2)(A) of that Act is amended—

(1) by inserting "and maternal malnutrition, morbidity, and" after "childhood" in the second sentence;

(2) by inserting "safe water programs," after "diseases," in the second sentence; and

(3) by inserting after the second sentence the following: "Priority should be given to activities which strengthen the capacity and infrastructure of local communities to improve the health of children and women. The critical role of women in improving family health should be emphasized in such activities. Funds used for activities described in this subparagraph should be concentrated, to the maximum extent practicable, on those countries with the highest rates of under-5 mortality.".

SEC. 103. EDUCATION.

(a) EARMARKING FOR BASIC EDUCATION.—Section 105 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(c) Not less than 50 percent of funds authorized to be appropriated to carry out this section each fiscal year shall be available only for programs in basic primary and secondary education. Basic education can include increasing the relevance of formal education systems to the needs of the poor (especially at the primary level) through reform of curricula, teaching materials, and teaching methods, and improved teacher training. It can also include expending and strengthening nonformal education methods, especially those designed to improve productive skills of rural families and the urban poor by reducing illiteracy.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to fiscal year 1990 and each fiscal year thereafter.

SEC. 104. HUMAN RIGHTS.

(a) HUMAN RIGHTS CRITERIA FOR ECONOMIC ASSISTANCE RECIPIENTS.—Section 116(a) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "engages in"; and

(2) by inserting after "security of person," the following: "(2) a consistent pattern of violations of the rights of civilians and noncombatants in armed conflict, including violations of the basic dignity of the person, denial of free and safe passage of relief supplies, denial of access of impartial humanitarian relief organizations providing relief assistance, and destruction of objects indispensable to the survival of the civilian population, or (3) a consistent pattern of violations of internationally recognized child labor rights, including violations of the right of children not to be employed while they are below a minimum age and the right of children below the age of 17 not to be employed at night or in occupations that jeopardize their health, safety, or morals,".

(b) ANNUAL HUMAN RIGHTS REPORTS.—Section 116(d) of that Act—

(1) in paragraph (1) by striking out "(a)" and inserting in lieu thereof "(a)(1)";

(2) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (1) the following:

"(2) the status of the rights of civilians in armed conflict situations, within the meaning of subsection (a)(2), in each country described in paragraph (1) or section 502B(b) in which armed conflict is occurring, including the observance of those rights by both government and nongovernment forces;

"(3) the status of internationally recognized child labor rights, within the meaning of subsection (a)(3), in each country described in paragraph (1) or section 502B(b).".

(c) DUTIES OF ASSISTANT SECRETARY FOR HUMAN RIGHTS.—Section 624(f) of that Act is amended—

(1) in paragraph (1), by inserting "civilians in situations of armed conflict," after "refugees,",

(2) in paragraph (2), by inserting "civilians in situations of armed conflict," after "refugees,"; and

(3) in paragraph (2)(D), by inserting "and of international humanitarian law" after "rights".

SEC. 105. PRIVATE AND VOLUNTARY ORGANIZATIONS.

(a) EARMARKING.—Section 123(f) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "1986 through 1989" and inserting in lieu thereof "1990 through 1992";

(2) by striking out "thirteen and one-half" and inserting in lieu thereof "18"; and

(3) by striking out "sixteen" and inserting in lieu thereof "20".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 1989.

SEC. 106. GRASSROOTS DEVELOPMENT ACTIVITIES.

(a) INTER-AMERICAN FOUNDATION.—The first sentence of section 401(s)(2) of the Foreign Assistance Act of 1969 is amended to read as follows: "There are authorized to be appropriated $25,000,0000 for fiscal year 1990 to carry out the purposes of this section.".

(b) AFRICAN DEVELOPMENT FOUNDATION.—Section 510 of the African Development Foundation Act is amended by striking out all of the first sentence that follows "purpose," and inserting in lieu thereof "$15,000,000 for fiscal year 1990."

TITLE II—ASIAN AND PACIFIC DEVELOPMENT FOUNDATION

SEC. 201. SHORT TITLE.

This title may be cited as the "Asian and Pacific Development Foundation Act".

SEC. 202. FINDINGS.

The Congress finds that—

(1) social and economic development ultimately depends on the active participation of individuals within a society and on the enhancement of opportunities for those individuals;

(2) the development of individuals and institutions in countries in Asia and the Pacific can benefit by the provision of support for community-based self-help activities;

(3) by enacting title IX of chapter 2 of part I of the Foreign Assistance Act of 1961, and amendments to that Act, the Congress has sought to enable the poor to participate in the process of development;

(4) the Inter-American Foundation, established by Congress in the Foreign Assistance Act of 1969 to support the efforts of the people of Latin America and the Caribbean to solve their development problems, has demonstrated a successful approach to development;

(5) the African Development Foundation similar in structure to the Inter-American Foundation, but adapted to the specific needs of Africa, complements current United States development programs in Africa; and

(6) an Asian and Pacific Development Foundation similar in structure to the Inter-American Foundation and the African Development Foundation, but adapted to the specific needs of countries in Asia and the Pacific, can complement current United States development programs in those countries.

SEC. 203. ESTABLISHMENT OF FOUNDATION.

(a) ESTABLISHMENT.—There is established a body corporate to be known as the "Asian and Pacific Development Foundation" (hereafter in this title referred to as the "Foundation").

(b) LOCATION OF OFFICES.—The Foundation shall establish a principal office in the United States and may establish such branch offices in countries in Asia and the Pacific as may be necessary to carry out its functions.

SEC. 204. PURPOSES.

(a) IN GENERAL.—In order to enable the people of countries in Asia and the Pacific to develop their potential, fulfill their aspirations, and enjoy better, more productive lives the purposes of the Foundation shall be—

(1) to strengthen the bonds of friendship and understanding between the people of countries in Asia and the Pacific and the people of the United States;

(2) to support self-help activities at the local level designed to enlarge opportunities for community development;

(3) to stimulate and assist effective and expanding participation process; and

(4) to encourage the establishment and growth of development institutions which are indigenous to particular countries in Asia and the Pacific and which can respond to the requirements of the poor in those countries.

(b) COOPERATION AND COORDINATION.—The Foundation shall carry out the purposes specified in subsection (a) in cooperation with, and response to, organizations indigenous to Asia and the Pacific which are representative of the needs and aspirations of the poor in Asia and the Pacific. In carrying out such purposes, the Foundation shall, to the extent possible, coordinate its development assistance activities with the activities of the United States Government and private, regional, and international organizations.

SEC. 205. FUNCTIONS.

(a) ACTIVITIES TO BE SUPPORTED.—In order to carry out the purposes set forth in section 204, the Foundation may make grants, loans, and loan guarantees to any indigenous private or public group (including public international organizations) or association or other indigenous entity in Asia or the Pacific that is engaged in peaceful activities for—

(1) the fostering of local development institutions and the support of development efforts initiated by communities themselves;

(2) the development of self-evaluation techniques by participants in projects supported under this section, for the purpose of transferring experience gained in such projects to similar development activities;

(3) development research by people of countries in Asia and the Pacific and the transfer of development resources, expertise, and knowledge within Asia and the Pacific;

(4) the procurement of such technical or other assistance as is deemed appropriate by the recipient of such grant, loan, or guarantee, to carry out the purposes of this title; and

(5) other projects that would carry out the purposes set forth in section 204.

(b) LIMITATION ON AMOUNT OF ASSISTANCE FOR A PARTICULAR PROJECT.—The total amount of grants, loans, and loan guarantees that may be made under this section for a project may not exceed $250,000.

(c) DISSEMINATION OF INSIGHTS.—The Foundation may disseminate to the American public and to United States and multilateral development institutions insights gained from development projects assisted under this title.

(d) PRIORITIES.—In making grants, loans, and loan guarantees under subsection (a), the Foundation shall give priority to projects which community groups undertake to foster their own development and in the initiation, design, implementation, and evaluation of which there is the maximum feasible participation of the poor. Where appropriate and in keeping with the purposes of this title, the Foundation may make such grants, loans, and loan guarantees to indigenous entities in countries in Asia and the Pacific which are representative and knowledgeable of, and sensitive to, the needs and aspirations of the poor and which would disburse funds acquired under such grants, loans, and loan guarantees to other such indigenous entities to carry out the purposes of this title.

SEC. 206. POWERS.

(a) IN GENERAL.—The Foundation, as a corporation—

(1) shall have perpetual succession unless dissolved by an Act of Congress;

(2) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction;

(3) may adopt, alter, and use a seal, which shall be judicially noticed;

(4) may prescribe, amend, and repeal such rules and regulations as may be necessary for carrying out the functions of the Foundation;

(5) may make and perform such contracts and other agreements with any individual, corporation, or other private or public entity however designated and wherever situated, as may be necessary for carrying out the functions of the Foundation;

(6) may determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid, including expenses for representation not exceeding $10,000 in any fiscal year;

(7) may, as necessary for carrying out the functions of the Foundation, employ and fix the compensation of not to exceed the following number of persons at any one time: 25 during the fiscal year 1990, 50 during the fiscal year 1991, and 75 thereafter;

(8) may lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with such property (real, personal, or mixed) or any interest therein, wherever situated, as may be necessary for carrying out the functions of the Foundation;

(9) may accept gifts or donations of services or of property (real, personal, or mixed), tangible or intangible, in furtherance of the purposes of this title;

(10) may use the United States mails in the same manner and on the same conditions as the executive departments of the Government;

(11) may, with the consent of any agency of the United States, use the information, services, facilities, and personnel of that agency in carrying out the purposes of this title; and

(12) shall have such other powers as may be necessary and incident to carrying out this title.

(b) CONFLICT OF INTEREST RULES.—The Foundation shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of any of its directors, officers, or employees, and such revenue, earnings, or other income or property shall only be used from carrying out the purposes of this title. No director, officer, or employee of the corporation shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his or her personal interests or the interests of any corporation, partnership, or organization in which he or she is, directly or indirectly, interested.

(c) TAX EXEMPT STATUS.—The Foundation, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, by any territory or possession of the United States, or by any State, county, municipality, or local taxing authority.

(d) DISPOSITION OF ASSETS UPON TERMINATION.—Upon termination of the corporate life of the Foundation its assets shall be liquidated and, unless otherwise provided by Congress, shall be transferred to the United States Treasury as the property of the United States.

SEC. 207. MANAGEMENT.

(a) BOARD OF DIRECTORS.—The management of the Foundation shall be vested in a board of directors (hereafter in this title referred to as the "Board") composed of seven members appointed by the President, by and with the advice and consent of the Senate. Five members of the Board shall be appointed from private life. Two members of the Board shall be appointed from among officers and employees of agencies of the United States concerned with Asian and Pacific affairs. All members of the Board shall be appointed on the basis of their understanding of and sensitivity to community level development processes.

(b) CHAIRPERSON.—The President shall designate one member of the Board to serve as chairperson of the Board and one member to serve as vice chairperson of the Board.

(c) TERMS.—Members of the Board shall be appointed for terms of six years, except that of the members first appointed, as designated by the President at the time of their appointment, two shall be appointed for terms of two years and two shall be appointed for terms of four years. A member of the Board appointed to fill a vacancy occurring before the expiration of the term for which that member's predecessor was appointed shall be appointed only for the remainder of that term. Upon the expiration of his or her term a member shall continue to serve until a successor is appointed and shall have qualified.

(d) EXPENSES.—Members of the Board shall serve without additional compensation, but may be reimbursed for actual and necessary expenses not exceeding $100 per day, and for transportation expenses, while engaged in their duties on behalf of the Foundation.

(e) QUORUM.—A majority of the Board shall constitute a quorum.

(f) PRESIDENT OF THE FOUNDATION.—The Board of Directors shall appoint a president of the Foundation on such terms as the Board may determine. The president of the Foundation shall receive compensation at a rate not to exceed that provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(g) EXPERTS AND CONSULTANTS.—Experts and consultants may be employed by the Board as authorized by section 3109 of title 5, United States Code.

(h) ADVISORY COUNCIL.—

(1) ESTABLISHMENT; MEMBERSHIP.—The Board shall establish an advisory council to be composed of such number of individuals as may be selected by the Board from among individuals knowledgeable about development activities in Asia and the Pacific. The advisory council may include entities in

Asia and the Pacific that receive grants, loans, or loan guarantees under this title.

(2) CONSULTATION BY BOARD.—The Board shall, at least once year year, consult the advisory council concerning the objectives and activities of the Foundation.

(3) EXPENSES.—Members of the advisory council shall receive no compensation for their services but may be allowed travel and other expenses in accordance with section 5703 of title 5, United States code, which are incurred by them in the performance of their functions under this subsection.

SEC. 208. GOVERNMENT CORPORATION CONTROL ACT.

The Foundation shall be subject to the provisions of chapter 91 of title 31, United States Code, applicable to wholly owned Government corporations.

SEC. 209. LIMITATION ON SPENDING AUTHORITY.

Any authority provided by this title involving the expenditure of funds (other than the funds made available pursuant to section 210) shall be effective for a fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 210. AUTHORIZATIONS OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title, in addition to amounts otherwise available for that purpose, $10,000,000 for fiscal year 1990. Funds appropriated under this section are authorized to remain available until expended.

FINANCIAL INSTITUTIONS: NEW BATTLEFIELD IN WAR ON DRUGS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. FASCELL. Mr. Speaker, I believe our colleagues will find a recent article on the Federal Government's crackdown on drug money laundering most interesting. This article was written by Charles A. Intriago, a highly respected attorney. In it, he explains the increased powers of the Federal Government in fighting money laundering that came as part the Anti-Drug Abuse Act of 1988. The article identifies the importance of using these new legal avenues to track down individuals dealing drugs and the consequences for those businesses which participate in the money laundering process.

Every community in the United States is feeling the impact of illegal drugs in one form or another. Every community should be aware of the impact of the new legal firepower within the act. I encourage our colleagues to share this valuable information with their constituents:

FINANCIAL INSTITUTIONS: NEW BATTLEFIELD IN WAR ON DRUGS

(By Charles A. Intriago)

America's financial institutions may well be facing their biggest threat since Willie Sutton started making cash withdrawals at the point of a gun.

The weapon in this case is the recently enacted Anti-Drug Abuse Act of 1988. Within the act's 364 pages are surprisingly little-known bank secrecy and money-laundering provisions of awesome scope and impact. These new civil and criminal statutes signal the opening of a new front in the federal government's war on drug trafficking.

Conscripted into the war are thousands of businesses including securities brokers and dealers; auto, yacht and airplane dealers; real estate brokers; title companies; and, of course, every type of financial institution the act's drafters could imagine.

The act brings the government's heavy artillery into bank teller cages, showroom floors, and real estate offices in an effort to track down and seize the estimated $70 billion to $80 billion generated annually by the drug trade.

It does so by giving notice to financial institutions and other businesses that their failure to play by the tough, new rules will cost them handsomely: A penalty of $10,000 per transaction, per day, per place of business or branch.

The message from the government is clear. Either you cooperate or we will make it very expensive for you to continue in business . . . and don't think that detection of your noncompliance will be left to chance. Relaxation of bank secrecy laws, closer coordination among stronger federal agencies and the entrance of the Internal Revenue Service into undercover sting operations will greatly improve the odds of detecting violations.

CLEAN CASH

Welcome to money laundering. Since October 1986, that activity has been a federal crime. Now, the definition of that crime has been expanded, and the regulatory muscle of the Treasury Department, including the IRS, has been greatly broadened and strengthened.

Here is a glimpse of what the new federal law does:

1. It increases the civil penalty on financial institutions for violation of the regulations from $1,000 to $10,000 for each transaction "for each day the violation continues and at each office, branch, or place of business where it occurs." To make matters worse, the government need merely prove "gross negligence" rather than only "willfulness" to make the penalty stick.

2. It subjects real or personal property involved in money-laundering schemes to civil and criminal forfeiture, but exempts certain financial institutions and Securities Exchange Commission-regulated entities.

3. It prohibits the issuance of bank checks, cashier's checks, travelers checks, or money orders in amounts of $3,000 or more unless strict identification and record-keeping procedures, prescribed by the Treasury Department, are followed by bank employees.

4. It subjects those who are convicted by newly authorized federal undercover sting operations in money-laundering cases to a 20-year prison term and a fine of $500,000.

5. It expands the definition of financial institutions in the U.S. Banking Code to include, and thus subject to reporting and record-keeping requirements, those involved in automobile, airplane and boat sales, in real estate closings and settlements, and in any other business the Treasury Department determines has "cash transactions [with] a high degree of usefulness in criminal, tax, or regulatory matters."

6. Escalates from a misdemeanor to a felony the penalty for structuring or assisting in structuring transactions to evade IRS filing requirements on cash transactions.

7. It authorizes the Treasury Department to target for renewable 60-day periods specific financial institutions or groups of institutions in a geographic area and impose on them "additional record-keeping and reporting" duties.

8. It facilitates the disclosure of bank records to the Justice Department by federal banking agencies and the financial records of bank "insiders" and "major borrowers" to Justice and "state law enforcement agencies" by financial institutions and federal banking agencies.

9. It expands the investigative authority and the undercover operations of the IRS by permitting its acquisition of "proprietary corporations or business entities" for undercover sting operations.

10. It makes attempted tax evasion a predicate act to a money-laundering criminal charge.

11. It enlists the U.S. Postal Service, and its vaunted postal inspectors unit, as a full-fledged member of the federal money-laundering investigating army.

12. It authorizes the Treasury Department to negotiate agreements leading to the establishment of an international currency control agency.

13. It directs the Treasury Department to negotiate international agreements leading to mechanisms for the exchange of information and for cooperation in money-laundering cases.

Failing that, in certain circumstances, the President is authorized to terminate banking relationships with banks in a particular country, including correspondent accounts.

14. It directs the Treasury Department to study the feasibility of withdrawing $100 bills as U.S. legal tender and to report to Congress by May 1989.

This comprehensive assault on the lifeblood of narcotics trafficking and other illegal activities angurs serious consequences for legitimate businesses that make up a major portion of the U.S. economy.

Recent indictments, fines, penalties, and well-based rumors that a wave of new indictments exposing coast-to-coast money-laundering operations indicate that bankers and others who ignore these new responsibilities do so at their own peril. Like Willie Sutton, the government has targeted America's financial institutions because "that's where the money is."

PREPARING FOR AMERICA'S FUTURE

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. GOODLING. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct the Voice of Democracy broadcast scriptwriting contest. This year more than 250,000 secondary school students participated in the contest competing for nine national scholarships.

The contest theme this year was "Preparing for America's Future." Jennifer Ann Koons, of Littlestown, PA, was the winner from Pennsylvania. Jennifer's script is included below for all of us to enjoy:

Let's paint a portrait of America. America is awestruck children with faces upturned to a bright sky of Fourth of July fireworks. America is students reciting the Pledge of Allegiance with their hands over their hearts. It is young pilots, marines, and soldiers in basic training or their parents

proudly displaying a portrait in uniform on the mantle. America is concerned voters and the leaders running for office. America is veterans, grandpas telling war stories, and grandmas crying when they hear choirs sing "God Bless America."

This is a portrait of America, a vibrant swirl of red, white and blue which shines as truly now as it did two hundred eleven years ago when the portrait was originally painted.

1776 was the date of the original, painted by such famous men as George Washington, Thomas Jefferson, and Ben Franklin. We don't usually think of these brilliant leaders as artists, but they helped to paint the America of today, and each American following these first artists has added a touch here or there to the painting to improve or alter it to fit the changing times. However, the basic elements always remain the same.

Just as composition, color, and perspective are crucial to a painting, freedom, justice and equality are crucial to the portrait of America. These form the foundation of our nation. Altering them, omitting them, or deemphasizing them would have the same effect as altering the features of a portrait. We would lose the likeness of the painting. It would no longer resemble our free, democratic America.

The remarkable masterpiece of America which has survived two hundred eleven years through wars, corruption, and depression must continue to last. The future holds many challenges for us as Americans, challenges which may mar the painting if we are not careful to preserve it. We are now the artists who will add or detract from the painting. We are today's Americans and those of the future. It is our duty to uphold and defend the principles of freedom and justice that make the portrait so beautiful and so dear to us.

The most important factor to remember about the future is that change is inevitable. We will need to be open-minded and flexible so that we can adapt to the new situations and circumstances which the future holds. If we become set in our ways, we will become stagnant and weak, but if we are flexible, we will be resilient and strong.

Let us remember a time when we were not willing enough to accept change. In 1955, a man led a crusade for a cause that was new and strange to mainstream America. As a result, he was stabbed, stoned and shot in 1968. This great man was Martin Luther King, Jr., the leader of the civil rights movement in America, a man who reminded us of an important American ideal that we had lost sight of—equality.

King showed us that there was a need for change in America at a time when we weren't prepared to accept it. In the future, we must welcome change what will improve society, but not that which causes us to abandon our principles.

The Founding Fathers, the original artists of the portrait of America, laid down the guidelines for our future when they incorporated freedom, justice and equality into their work of art. They knew that change would occur and that the painting would need to be touched up to accommodate those changes. Their dream was that the important foundations, their original design, would not be lost entirely.

Their wish has been fufilled. We still value the freedom, justice, and equality that were established for us many years ago.

These principles have and will encounter many challenges. With the help of men like Martin Luther King, Jr., they have endured up to the present. Now it is our duty to see that they prevail in the future.

We are the children, students, soldiers, parents, voters, politicians, and veterans—all of us artists who will paint the future's portrait of America. By welcoming change for the better and by preserving the ideals of the past, each one of us can do his part to prepare for a bright and glorious future.

Let's paint a tomorrow we can be proud of.

IN RECOGNITION OF CENTRAL MICHIGAN UNIVERSITY'S STUDENT COUNCIL

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today to honor Exceptional Person's Week at Central Michigan University, which ran from February 18 to 27. This event was sponsored by the CMU Student Council to promote increased awareness of handicapped individuals.

The weeks events included special symposiums on successful techniques used for special education students, which helped achieve its goal of increasing awareness of handicapped individuals at Central Michigan and in the community. Activities such as these surely make Central Michigan's Student Council 1 of the 1,000 points of light President Bush has referred to. Too often we are wary of those who are different than ourselves. It is through programs such as this that we can better understand and assist individuals with disabilities. Mr. Speaker, I ask that you join me in saluting this program, and I hope that more like it will follow.

GIVING NURSING HOME NURSING STAFF ADEQUATE SUPPORT

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. WALGREN. Mr. Speaker, today I am introducing a bill to address the serious problem of attracting and retaining good nursing personnel in nursing homes. The bill would require Medicaid to pay nursing home staff, who provide or supervise direct patient care, wages and benefits comparable to other nursing personnel in a locality.

Many nursing home patients are very ill. Many have multiple, chronic illnesses and disabilities. They are in nursing homes because they need nursing care.

It is well documented that a major reason nursing homes cannot attract and retain nursing staff is low pay. The Department of Health and Human Services has found that on average, RNs in nursing homes earn 35 percent less than their hospital counterparts. RN's working as nursing home administrators earn 49 percent less. Similar salary differentials are found in comparing LPN's, nurse aides, and other nursing personnel in nursing homes and hospitals. Because nursing staff is so hard to attract, those who do work in nursing homes are overloaded. Charlene Harrington, a nurse who worked on the Institute of Medicine's nursing home study, has said, "It is not uncommon for one nursing attendant to have 15 patients for whom to provide full care, while in the evenings, the attendants may have 15 to 25 patients, and at night, there may be 40 to 50 patients per attendant." Today, the average nursing home patient receives direct care by an RN 12 minutes per day. The RN/patient ratio in nursing homes is 1 to 100.

One survey has indicated that 58 percent of nursing homes have vacancies for RN's. One-third indicated a need for RN's just to meet current minimum standards for staffing. Almost 80 percent of long-term care facilities have indicated a shortage of LPN's.

According to the Institute of Medicine's report, over 70 percent of nursing personnel in long-term care facilities are nurses' aids and 90 percent of the care is given by them. The turnover rate of nurses' aides is from 70 percent to over 100 percent a year, says IOM.

Under current law, State Medicaid programs must pay "reasonable and adequate" rates to meet the costs incurred by "efficiently and economically operated facilities in order to provide care and services. * * *" Rates vary across the country, but it seems clear to me that the reasonable and adequate requirement of the law has not kept nursing wages in nursing homes competitive with nonnursing homes wages.

My bill would require each state Medicaid plan to provide to all nursing personnel—nurses—nurses aides, nurse assistants, licensed practical nurses—who provide or supervise direct care, wages and benefits that are comparable to nursing personnel in other health care settings in each locality. In addition, it would require States to recover any funds not spent by the nursing homes for these purposes. For the purpose of determining wage rates of nonnursing home personnel in a locality, the bill would require States to conduct a survey through a statistically representative sample of health facilities. In an effort to address the administrative complexities and costs that this bill may bring, I have included a provision to phase in the requirements over a 6-year period.

This bill is not panacea for addressing nursing salaries in nursing homes, but it is a start. I hope the bill will generate a public discussion of nursing home wages and the need to pay nursing home nurses adequately. I look forward to working with many groups interested in this issue in an effort to improve Federal policy and most importantly, in the interest of providing the kind of nursing care to nursing home residents that we expect for ourselves and our family.

ELDERLY HEALTH CARE COSTS LIKELY TO RISE TO ONE-FIFTH OF INCOME

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. ROYBAL. Mr. Speaker, as the following House Committee on Aging study clearly documents, cutting Medicare and Medicaid and failing to contain health care costs generally has taken a devastating toll on the elderly's financial resources. Assuming that the elderly should not be required to use a greater percentage of their income than they did in 1980, program cuts, increased premiums and copayments, and the failure to control health care costs increased the elderly's health care payments in 1988 by $21.9 billion. This amounts to an added burden of $718 per elderly person. Every year that there is a failure to control the elderly's share of health care costs, America's elderly will fall deeper and deeper into trouble.

For the elderly, the situation is likely to worsen. Though the elderly's health care payments were already high at 18.1 percent of income in 1988, out-of-pocket health care payments will likely consume increasing portions of their income. Barring some intervention, health care costs are likely to continue to rise between 1½ and 2 times faster than elderly income. This increase results from relatively uncontrolled health care cost inflation and past Medicare and Medicaid cuts and will occur even without any further cuts in Medicare and Medicaid. Unless action is taken to control health care costs generally, health care will continue to eat up ever larger portions of the elderly's income for the foreseeable future. In just 2 to 3 years and without a major intervention, the elderly are likely to face spending 20 percent of their incomes on health care.

Unfortunately, many people still believe that health care costs paid by the elderly are not excessive. Over the past 8 years, proposals continued to surface which would severely cut Medicare and Medicaid benefits. While many of these proposals were rejected by the Congress, the 101st Congress and the Bush administration must exercise great care. Simple solutions to containing costs and budget proposals that shift costs to beneficiaries must be rejected. Instead, we must take steps which constrain rapidly rising health care costs for all payers—the States, the employer, the poor, the elderly—not just for the Federal portion of Medicare and Medicaid.

No one discounts the problem which the Federal Government faces with increasing Medicare and Medicaid program costs. However, everyone must also realize that the elderly are shouldering an increasing share of the health care cost burden and that the poor are facing major problems with health care access. Congress must cautiously and reasonably constrain health care costs for everyone. At the same time, we must carefully shield the elderly and poor from those Medicare and Medicaid cuts which increase elderly out-of-pocket costs or reduce access to quality health care.

ELDERLY HEALTH CARE COSTS IN 1988 [1]

The elderly's 1988 out-of-pocket health care costs totaled $73 billion—an average of $2,394 per elderly person;

The elderly's 1988 total health care costs totaled $175 billion—an average of $5,749 per elderly person.

Health care costs for the elderly are paid through many sources, including Medicare, Medicaid, current and former employers, and the elderly themselves. While later sections of this study will look at health care costs and how they have changed in recent years, this section will focus on total and per capita elderly health care costs for 1988, the most recent year for which estimates are available. Special attention will be paid to health care costs paid by the elderly out-of-pocket.[2]

For 1988, total health expenditures for America's elderly reached over $175 billion. (See table 1.) The largest proportion of those costs went to cover the costs of hospital care. The next two largest cost areas—physician care and nursing home care—were about one-half of the amount spent for hospital care. The fourth area, "other care"—includes prescription drugs, dental care, home health care—cost about $28.5 billion.

[1] This Committee staff analysis relies heavily on budget information provided by the Health Care Financing Administration (HCFA) and three HCFA studies: "Health Expenditures by Age Groups, 1977-1987" (Unpublished, 1988), "Demographic Characteristics and Health Care Use and Expenditures by the Aged in the United States: 1977-1984" (fall, 1984) and "National Health Expenditures, 1986-2000" (Summer, 1987).

The figures for 1977, 1984, and 1987 are essentially the estimates made by the Health Care Financing Administration with three adjustments. First, Medicare premiums paid by beneficiaries have been moved out of the Medicare program expenditure category and moved up to the consumer expenditure category. Second, current HCFA estimates count Medicare part B premium expenditures paid by Medicaid twice—once in Medicaid and once in Medicare. This analysis subtracts Medicaid-paid premiums from Medicare and keeps them as Medicaid expenditures. Third, estimates are made of out-of-pocket costs since the latest HCFA study does not detail these types of expenditures.

As for the committee's estimates for 1980 and 1988, the committee's staff takes each cell from the relevant HCFA study and reestimates these cells for the year in question. In the case of the 1988 estimates, each cell from HCFA's 1987 tables were projected out 1 year to 1988 taking into account likely changes in price, intensity, and volume. Projections of change in price, intensity, and volume were drawn from a wide range of sources including HCFA's study on national health expenditures, the Medicare trustees report, and HCFA budget estimates. Where HCFA had already made some projections for 1988—as was the case for the Medicare and Medicaid Program expenditures, those projections were incorporated into the 1988 estimates.

For each year of the committee's study, estimates of population and income were derived from current population survey data, from discussions with the Census Bureau and from Social Security Administration data.

[2] For purposes of this study, the use of the term "out-of-pocket' health costs is synonymous with "consumer" health costs which includes any costs paid by the elderly, including direct payments for services (for example, nursing homes, prescription drugs), coinsurance and deductible, private insurance premiums (most of which are paid by the elderly themselves), and Medicare parts A and B premiums (except for those paid by Medicaid). "Direct out-of-pocket" health costs refers to those costs paid directly by elderly consumers to health care providers without going through Medicare or private insurers.

TABLE 1.—NATIONAL HEALTH CARE COSTS FOR PEOPLE AGE 65 AND OVER

[In millions of dollars]

Year and source	Total care	Hospital	Physician	Nursing home	Other care
1988 total	175,460	72,457	37,957	36,545	28,501
Private	73,894	12,401	18,931	21,207	21,354
Consumer	73,077	12,054	18,919	20,911	21,192
Direct out-of-pocket	51,599	2,999	8,765	20,445	19,390
Insurance	14,142	7,560	4,539	467	1,576
Medicare premium	7,336	1,496	5,615	0	225
Other private	818	347	12	296	163
Government	101,566	60,056	19,025	15,338	7,146
Medicare	70,304	48,889	17,711	615	3,089
Medicaid	20,651	3,510	548	13,082	3,510
Other government	10,610	7,657	766	1,641	547

Sources: House Select Committee on Aging, February 1989; Health Care Financing Administration, July 1984 and October 1988.

On a per capita basis, the elderly's health care bill totaled $5,749 per elderly person of which just under $2,400 was spent on hospital care. (See table 2.)

TABLE 2.—PER CAPITA HEALTH CARE COSTS FOR PEOPLE AGE 65 AND OVER

Year and source	Total care	Hospital	Physician	Nursing home	Other care
1988 total	$5,749	$2,374	$1,244	$1,197	$934
Private	2,421	406	620	695	700
Consumer	2,394	395	620	685	694
Direct out-of-pocket	1,691	98	287	670	635
Insurance	463	248	149	15	52
Medicare premium	240	49	184	0	7
Other private	27	11	0	10	5
Government	3,328	1,968	623	503	234
Medicare	2,303	1,602	580	20	101
Medicaid	677	115	18	429	115
Other government	348	251	25	54	18
Aged cost/income (percent)	18.12	2.99	4.69	5.18	5.25
Aged population (aged mean income)	$30,521				$13,217

Sources: House Select Committee on Aging, February 1989; Health Care Financing Administration, July 1984 and October 1988; Census Bureau, 1988.

With respect to who paid the largest share of the elderly's health care in 1988, it was a close race between the elderly themselves and the Medicare program. The elderly paid a slightly larger share—$73 billion—than did Medicare—$70 billion. That $73 billion in elderly consumer payments translates into $2,394 per capita.

Of the $73 billion paid by elderly consumers, the largest two expenditures areas were "other care"—$21.2 billion—and nursing home care—$20.9 billion. Physician care at $18.9 billion ran a close third. For 1988, the elderly spent $694 per person on other care, $685 on nursing home care, $620 on physician care, and $395 on hospital care.

As for the Medicare program, over two-thirds of its $70 billion in elderly health care expenditures went for hospital care. The next closest category was physician care with expenditures being only about one-third the level of hospital care. Medicaid, on the other hand, spent most of its support for the elderly on nursing home care—$13 billion for nursing home care out of total elderly expenditures of $20.7 billion. Support for elderly health care by other Federal, State, and local government programs went primarily for hospital care.

GROWTH IN ELDERLY HEALTH CARE COSTS FROM 1977 TO 1988

Elderly out-of-pocket health care costs grew as a percentage of elderly income from under

13 percent of income in 1977 and 1980 to over 18 percent in 1988;

Elderly out-of-pocket health care costs have more than doubled since 1980 and have more than tripled since 1977;

During the 1980–88 period, elderly out-of-pocket health care costs grew nearly 1½ times faster than elderly income.

In the previous section, the figures for elderly health care costs, total or per capita, are clearly high. A further illustration of the magnitude and impact of elderly health care costs is provided by looking at changes over time, especially the period from 1977 to 1988.

Looking first at dollar costs, the study shows that elderly consumer health care costs per capita more than tripled between 1977 and 1988—from $712 per elderly person in 1977 to $2,394 per person in 1988. During the period 1980 through 1988, elderly consumer health care costs per capita more than doubled from $966 per elderly person in 1980 to $2,394 per elderly person in 1988. (See table 3.)

TABLE 3.—PER CAPITA HEALTH CARE EXPENDITURES FOR PEOPLE AGED 65 AND OLDER IN 1977, 1980, 1987, AND 1988

Source of funds	Per capital health expenditures			
	1977	1980	1987	1988
Total	$1,785	$2,515	$5,288	$5,749
Private	719	976	2,190	2,421
Consumer	712	966	2,165	2,394
Direct out-of-pocket	522	721	1,549	1,691
Insurance	115	148	434	463
Medicare premiums	75	96	183	240
Other private	7	10	25	27
Government	1,066	1,540	3,098	3,328
Medicare	713	1,061	2,153	2,303
Medicaid	249	333	620	677
Other government	104	146	325	348

Sources: House Select Committee on Aging, October 1988; Health Care Financing Administration, July 1984 and October 1988; Census Bureau, 1988.

An analysis of the other major payers, especially Medicare, shows that the trend of rapidly rising health care costs applies to virtually all payers. Medicare costs rose from $713 per elderly person in 1977 to $2,303 in 1988—more than a tripling over the 11-year period. The same pattern holds for the period from 1980 to 1988 in which there was more than a doubling of Medicare costs per capita. Though Medicare and the other payers all experienced major increases between 1977 and 1988, the elderly consumer experienced the largest rate of increase of the major payers.

A comparison of the annual percentage increases in elderly health care costs as compared to elderly income provides more detail as to why the elderly's cost burden is becoming larger. If the rate of growth in the elderly's income was keeping pace with the rate of growth in their health care costs, there would be no increasing burden for the average elderly person. However, even if this were the case, one must keep in mind that there still might be problems for particular segments of the elderly population.

Unfortunately, elderly income is generally not keeping pace with health care cost inflation. During the 1977–80 period, elderly consumer health care costs grew by about 11 percent annually and elderly income grew by about 9 percent annually—a 2 percentage point difference. The years 1980 through 1988 were a period where there was a substantially larger difference in the growth of elderly health care costs versus income. Between 1980 and 1988, mean elderly income rose from $7,614 to $13,217—an annual average of about 7 percent. During that same time period, consumer health care costs rose at an annual average rate of about 12 percent—5 percentage points higher than the growth rate for elderly income. The 12-percent annual growth rate is a rate almost 1½ times the rate of growth in elderly income.

The result of health care costs increasing almost 1½ times faster than elderly income is a rapidly rising health care cost burden on America's elderly. One major indicator of that rising burden is the change in the percentage of elderly income spent on health care. In 1977, America's elderly were spending, on average, about 12.3 percent on their income on health care. This is down substantially from the rough estimate of 15 percent spent when Medicare and Medicaid began in 1966. By 1980, this health care cost burden had grown slightly to about 12.7 percent of income. (See table 4.)

TABLE 4.—ELDERLY OUT-OF-POCKET HEALTH CARE COSTS

	Elderly out-of-pocket health care costs	Percentage of elderly income
Year:		
1988	$2,394	18.1
1987	2,165	17.4
1980	966	12.7
1977	712	12.3
1966	300	15

Sources: House Select Committee on Aging, October 1988; Health Care Financing Administration, July 1984 and October 1988; Census Bureau, 1988.

Over the next 8 years from 1980 to 1988, the percentage of elderly income spent on health care rose very rapidly. By 1987, the elderly were spending over 17 percent of their incomes on health care. Just 1 year later, the elderly were faced with spending 18.1 percent of their incomes on health care. At that point, America's elderly spent nearly 1½ more of their incomes on health care than they spent in 1977 and about one-fifth more than they spent in 1966 when Medicare and Medicaid began.

What did this rise in health care costs cost the elderly in terms of lost purchasing power? If the rate of increase for health costs had been restrained to the rate of increase for elderly income, the elderly in 1988 would have spent the same percentage—12.7 percent—of their income as they did in 1980. The failure to stabilize that percentage at the 1980 level meant that the elderly spent $21.9 billion more on health care in 1988 than if they were still spending at the 12.7-percent level. This $21.9 billion total translates into increased out-of-pocket health costs of $718 per elderly person as compared to 1980.

Unless there is some major intervention in the next several years, this trend appears likely to continue for the foreseeable future and, as a result, elderly out-of-pocket costs are likely to consume 20 percent of income in just 2 to 3 years.

NATIONAL AFFORDABLE HOUSING ACT

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mrs. ROUKEMA. Mr. Speaker, today the gentleman from New York [Mr. RANGEL] and I are introducing the National Affordable Housing Act, an important new proposal for housing in America. This measure has been developed over the last 2 years primarily by Senators CRANSTON and D'AMATO, both to whom deserve a great deal of credit for crafting an innovative and thoughtful legislative package.

The National Housing Task Force, headed by Jim Rouse and David Maxwell, produced a highly regarded report, entitled, "A Decent Place to Live." This became the basis for the legislation which Senators CRANSTON and D'AMATO introduced on March 15 and which I am introducing today. The measure provides a significant new direction in housing policy.

There are, of course, several other serious legislative proposals pending before the Subcommittee on Housing and Community Development, on which I am the ranking minority member, and the members of our subcommittee will study each of them carefully. The National Affordable Housing Act, however, offers the special appeal of increasing State and local flexibility in meeting varying housing needs around the country. It also recognizes the usefulness of the Tax Code and contains a tax component for homeownership and rental assistance.

And, make no mistake about it, those needs are great. For the first time in half a century, the rate of homeownership has declined, and young, first-time homebuyers are finding it particularly difficult to realize the American Dream. The hundreds of thousands of homeless men, women and children who sleep on heating grates or in dreadful shelters constitute nothing less than a national tragedy. And the situation holds every project of worsening over each of the next several years as section 8 contracts expire and owners of other subsidized projects prepay their mortgages.

For some time I have been saying that we must make housing a higher priority. But that does not mean that we should return to the failed programs of the past. Instead, the Cranston/D'Amato bill proposes innovations. What, specifically, does it do?

HOMEOWERSHIP

This legislation assists first-time buyers to purchase a home. It would allow IRA funds to be used without penalty for a downpayment, currently the most serious impediment to securing a house; allow 401(k) plans to be used for a first-time home purchase; remove the current arbitrary FHA dollar cap and substitute 95 percent of the area median sales price of homes; lower the downpayment required to get FHA insurance; and extend the Mortgage Revenue Bond Program through 1992. That program is now due to expire at the end of this year. As the head of any State housing agency will testify, the Mortgage Revenue Bond Program has been used very effectively to help put working America into homes.

SELECT COMMITTEE ON HOUSING POLICY

Such tax provisions highlight the importance of using the Tax Code for significant social purpose. Unfortunately, there has been relatively little coordination in the House between the authorizing committee, which is the Banking Committee in this case, and the tax committee, Ways and Means.

The ranking minority member of the Banking Committee [Mr. WYLIE] has recognized this problem and just yesterday introduced a resolution to create a select committee, composed exclusively of Members from Banking and Ways and Means, to coordinate the housing related actions of the two committees. I am an original cosponsor of that proposal, and I applaud the gentleman from Ohio for his efforts to create a system where we can develop a more coherent housing policy.

HOUSING OPPORTUNITY PARTNERSHIPS (HOP)

The new HOP Program is intended to streamline housing assistance and to maximize State and local flexibility. This block grant type of assistance would promote homeownership or improve rental assistance by providing the State or locality with money to acquire, construct, or rehabilitate real property. All funds would be contingent upon a 25 percent match from the local entity. Partnerships with the private sector would be encouraged.

This is a particularly important part of the package because it begins to move us away from narrow, inflexible, categorical housing programs which, by their very nature, cannot respond adequately to local housing requirements, which vary greatly from region to region. The HOP Program recognizes that what is needed in one section of the country may not be a priority in another, and it encourages local experimentation and innovation which are the genius of our Federal system.

ALLOCATION OF HOP FUNDS

Half of the funds appropriated would be distributed to the States and the other half to larger local governments. Eighty percent of the funds will be distributed by formula allocation, the remainder by incentive allocation.

The bill directs HUD to develop a distribution formula which reflects an area's need for more affordable housing, looking at the tightness of the market, inadequate housing, poverty, and housing costs. Each State would receive at least $3 million. No State could receive more than 15 percent of the total.

HUD would distribute the remaining 20 percent by taking into account an applicant's commitment to increased affordable housing. This is to be measured by whether the applicant has matched Federal resources at a rate better than 25 percent and by examining what the locality is doing (by other means) to stimulate housing development, make existing housing more affordable, preserve existing housing which may be threatened, or to improve housing opportunities for minorities.

I should emphasize at this point that I do not necessarily view this distribution scheme as perfect. Clearly, this is an aspect of the bill which Members will carefully scrutinize. The method of allocation is crucial, and I anticipate that many interests may have suggestions for refinements, which I will be happy to receive and consider.

SUPPORTIVE HOUSING FOR SPECIAL POPULATIONS

Further, the bill recognizes that special populations, such as the elderly, handicapped or homeless, are not well served by providing them with only bricks and mortar. They also need supportive services to help with certain health needs, food, transportation and other services which will assist them to become more independent members of society.

HOMELESS BLOCK GRANT

This legislation combines the current categorical homeless assistance programs of the McKinney Act into one block grant. This is similar to the proposal offered last year by the gentleman from Pennsylvania [Mr. RIDGE] and myself. We were disappointed that our amendment lost by an extremely narrow margin on the House floor, especially because the testimony by nonprofit homeless assistance provided was overwhelmingly in favor of the block grant approach. I am, therefore, very encouraged that our Senate colleagues chose to incorporate a homeless block grant into their bill. It does make some interesting changes in the Ridge-Roukema proposal, such as including housing costs and anticipated levels of homelessness in the criteria for allocation.

PRESERVATION AND TAX PROVISIONS

The bill would also permanently extend the low-income housing tax credit. While it would, in addition, create a new Office of Low-Income Housing Preservation within HUD, the bill does not contain the kinds of tax incentives which will be necessary to prevent the mortgage prepayment of many 221(d)(3) and 236 projects. It is essential to enable HUD to offer owners such incentives if we are to be effective in our effort to preserve this valuable housing stock.

These matters are, of course, under the jurisdiction of the Ways and Means Committee in the House and the Finance Committee in the Senate. The package is incomplete without such incentives, but I recognize that they may take a bit longer to develop, and, of course, the National Affordable Housing Act should be interpreted by all as a starting point. It is indeed a very impressive starting point, but it is not a final product.

SUMMARY

As I mentioned earlier, the National Affordable Housing Act is a very credible beginning in our task of developing a new national housing policy. It is the product of a 2-year long effort, which brought together virtually all of the housing interest groups in the country and drew upon some of the best minds concerned about providing decent and affordable housing for all Americans. While I do not necessarily agree with every word of the bill I have introduced today, it is important to show my support for the general thrust of this legislation. For years, many of us in Congress have urged that we move more toward a block grant in housing, reduce Federal restrictions, and increase the flexibility of States and localities to try new innovations to meet their unique housing needs. The National Affordable Housing Act moves us a long way in that direction. I congratulate Senators CRANSTON and D'AMATO, and I look forward to working with them, the gentleman from New York [Mr. RANGEL] and his colleagues on the Ways and Means Committee, the chairman of my subcommittee, and other Members in the development of significant new housing legislation.

THE USED OIL RECYCLING ACT OF 1989

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. SKELTON. Mr. Speaker, today I am proposing we take a small step toward energy conservation and reducing our dependence on foreign oil but a very significant step in protecting our environment. Today I am introducing the Used Oil Recycling Act of 1989, H.R. 1593. The purpose of this bill is very straightforward—it is to establish a national policy to encourage the proper handling and recycling of used oil so that it will not be disposed of in ways that are harmful to our environment.

Specifically, this bill directs the Environmental Protection Agency [EPA] not to list recycled used oil as a hazardous waste, but, without further delay, to develop sensible management standards. By sensible I mean management standards that impose sound environmental safeguards without destroying the market for used oil.

Used oil when properly managed is a valuable resource. Currently, 60 percent of the more than 1.2 billion gallons of used oil generated each year is disposed of properly. Unfortunately, the remaining 400 million gallons of used oil are disposed of in ways that endanger public health and the environment—such as into the sewer, into the trash or into the backyard. Our goal is to bring those remaining 400 million gallons of used oil into the recycling system. However, I am convinced if we list recycled used oil as hazardous, the current recycling system will break down and more midnight dumping will occur.

Small Business Subcommittee hearings in May 1986, held by our colleague CHARLIE STENHOLM, established that this country's oil recycling systems would be severely undermined if recycled oil is listed as a hazardous waste under the Resource Conservation and Recovery Act. This sensible conclusion was supported in November 1986, when the EPA decided not to list recycled oil as hazardous. One reason for EPA's decision was a comprehensive study indicating that if used oil were to be listed as a hazardous waste, such designation would actually lead to decreased recycling and increased improper disposal. In spite of EPA's authority and judgment on this, in October 1988, the U.S. Court of Appeals for the District of Columbia handed down a ruling holding that while the EPA's decision not to list recycled used oil may well be right for the environment it is contrary to statute. It is the purpose of this proposal to clarify the Nation's policy on used oil and intelligently chart a new course.

A key premise of this bill is the need to encourage recycling and educate generators of used oil about proper management practices. The generators' basic duty is to make certain that used oil has not been contaminated by solvents, PCB's, pesticides, gasoline or other

hazardous wastes. Once clean used oil is turned over to the recyclers who are subject to annual inspections, it becomes the recyclers' obligation to conduct careful testing to be certain that no contamination is present, to make sure that used oil is handled, transported, and stored safely by trained employees, that the recycling facility is fully prepared to handle spills and other emergencies; and, in the case of fuel oil, that the product sold only to facilities which EPA determines are qualified to burn the used oil fuel.

These commonsense safeguards—if enforced—would go a long way to carrying out Congress' original objectives. It's time to resolve the used oil issue once and for all and to do so in a way that makes sense economically and environmentally.

The promulgation of management standards would have another consequence. It would trigger the Superfund used oil liability exemption. That provision, as most of you know, will provide certain generators of used oil, such as service stations, truck stop operators, automobile dealers, car rental agencies, with an exemption for off-site liability under the Superfund statute if the generator: Does not mix used oil with any hazardous substances; provides a collection tank for do-it-yourselfer used oil; transfers the used oil to a legitimate recycler; or to a transporter who has an agreement to transfer the used oil to a legitimate recycler; and complies with EPA's management standards.

When this bill is enacted, EPA will be directed to get moving on the development of management standards. Once those standards are in place, the incentives for a large class of generators to handle their own used oil carefully and provide a channel for do-it-yourself used oil would be clearly established. A crucial element of a workable recycling system is the existence of collection centers for the do-it-yourselfers. This crucial service is dependent on the voluntary efforts of service station owners or operators, truck stop operators and other such facilities to accept used oil from the public. If the service station operator, for example, who is complying with tank requirements and inadvertently accepts contaiminated used oil from a do-it-yourselfer and the oil is nonrecyclable the management standards would require the service station dealer to dispose of the tainted load as a hazardous waste. However, his facility will not become subject to regulation under the hazardous waste provisions under Resource Conservation and Recovery Act [RCRA].

It should be emphasized that education is a key element in this bill to encourage safe, proper recycling. The public at large, and small businesses across the country, need to have a much better appreciation of the importance of used oil recycling—and their contribution to the recycling system. After all, virtually everyone generates used oil. It may be a cliche to say that "if you're not part of the solution, you're part of the problem," but it's absolutely true in this case. It's time for a nationwide educational campaign involving the resources of Federal, State, and local governments and the private sector, trade associations, civil organizations, as well as individual businesses. This campaign should stress the harmful effects of indiscriminate disposal and mixing used oil with hazardous wastes and, at the same time, the availability of used oil collection centers.

I'd like to mention another factor which I think deserves to be included in this equation, the role of Government as both a generator and a consumer of used oil. If EPA were to list recycled used oil as hazardous waste, it would have to be managed as such and the cost of proper disposal would skyrocket. Since Federal, State, and local governments are, of course, major generators of used oil, guess who would pay for the extra cost of management and disposal under RCRA? The taxpayers. In an era of massive budget deficits, does it really make sense to impose on the public an unnecessary multimillion dollar burden of RCRA management? The hazardous waste treatment and disposal system probably does not have the capacity at the present time to handle actual hazardous wastes, why impose the additional burden of more than a billion gallons a year of used oil, particularly when we can set an example of recycling?

Finally, with respect to the Government's role as a consumer of recycled oil, much more needs to be done. EPA has promulgated specifications for lubricants made from recycled oil. Federal agencies must give preference to these products wherever possible. These procurement policies should be implemented much more quickly. Also, the policies should not be limited to lubricants. The Federal Government operates numerous high efficiency furnaces and boilers in which used oil can be safely burned. Instead of paying top dollar for virgin fuel, we should expand the market for used oil fuel and help trim the deficit in the process. This is not a new idea. In fact, in 1986 in the conference report on the Superfund amendments, Congress told EPA to get moving on this project.

Finally, I would point out that while the pressures to recycle waste oil for energy conservation and economic purposes have temporarily eased, the need to dispose of the waste oil safely to protect our environment is evergrowing. Please join me in sponsoring this bill which takes a very significant step in protecting our environment.

H.R. 1593

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the "Used Oil Recycling Act of 1989."

SEC. 2. LISTING OR IDENTIFICATION OF USED OIL.

Section 3001 of the Solid Waste Disposal Act is amended by adding the following at the end thereof:

"(j) RECYCLING OF USED OIL.—Notwithstanding any other provision of law, the Administrator shall not list or identify as a hazardous waste under this subtitle any of the following:

"(1) Any recycled oil.

"(2) Any used oil which has been (A) transferred to a transporter, collector, marketer, or other person who certifies, in accordance with regulations of the Administrator under section 3014, that such used oil will be rerefined, processed, or reclaimed for a beneficial purpose (including use as a fuel), or (B) stored less than 12 months prior to such transfer.

"(3) Used oil which has been (A) removed from the engine of a light duty motor vehicle or household appliance by the owner of such vehicle or appliance, (B) transferred by such owner to a service station dealer, as defined in section 101(37) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and (C) stored by such service station dealer for less than 12 months after such transfer.

"(k) NON-RECYCLED USED OIL.—Not later than 8 months after the date of enactment of the Used Oil Recycling Act of 1989, the Administrator shall propose whether to list as a hazardous waste under section 3001 used oil which is a solid waste and which does not satisfy the criteria set forth in paragraph (1), (2) or (3) of this subsection. Not later than 16 months after such date of enactment, the Administrator shall make a final determination whether to list such used oil as a hazardous waste. In making determinations under this subsection, the Administrator shall distinguish between various categories of used oil and may exempt from listing such categories of used oil which present a *de minimis* threat to human health and the environment."

SEC. 3 REGULATIONS FOR RECYCLING USED OIL.

(a) AMENDMENT.—Section 3014 of the Solid Waste Disposal Act is amended to read as follows:

"SEC. 3014. RECYCLING OF USED OIL.

"(a) MANAGEMENT STANDARDS.—Not later than 8 months after the date of the enactment of the Used Oil Recycling Act of 1989, the Administrator shall propose such regulations as may be necessary to protect the human health and the environment from hazards associated with improper handling of used oil. Such regulations shall establish management standards governing the storage, testing, transportation, treatment, exportation and importation, re-refining and other beneficial processing of used oil. Such management standards shall be designed to protect human health and the environment by encouraging and expanding reliance on appropriate recycling of used oil.

"(b) RECORDKEEPING AND REPORTING.—The regulations promulgated under this subsection shall provide that no generator of used oil shall be subject to any manifest requirement or any associated recordkeeping or reporting requirements with respect to such used oil if the following requirements are met:

"(1) the generator either—

(A) enters into an agreement or other arrangement (including an agreement or arrangement with an independent transporter or with an agent of the recycler) for delivery of such used oil to a recycling facility whose owner or operator certifies compliance with applicable management standards promulgated under this subsection, or

"(B) recycles such used oil at one or more facilities owned or operated by the generator which certifies compliance with applicable management standards promulgated under this subsection;

"(2) such used oil is not mixed by the generator with any hazardous wastes; and

"(3) the generator maintains such records relating to such used oil, including records of agreements or other arrangements for transfer of such used oil to any recycling facility referred to in paragraph (1) (A) or (B), as the Administrator deems necessary to protect human health and the environment.

"(c) PROHIBITION ON MIXING WITH HAZARDOUS WASTE.—Standards under this section shall prohibit, following original use,

mixing used oil with any hazardous waste identified or listed under this subtitle except where (1) such mixing involves an identified hazardous waste and the resulting mixture does not exhibit a characteristic identified in regulations under section 3001(b); and (2) the used oil mixture is burned to recover useful energy in a type of device determined by the Administrator to be designed and operated at a destruction and removal efficiency sufficient such that protection of human health and the environment is assured. Nothing in this subsection shall be construed as affecting or impairing section 3014(q)(2)(B) or section 114(c)(2) of the Comprehensive Environmental Response, Compensation and Liability Act.

"(d) PERMITS.—After promulgation by the administrator of management standards under this section, the owner or operator of a facility which processes used oil for fuel or re-refines used oil must possess and shall be deemed to have a permit under this subsection for all recycling activities (including any associated tank and container storage) if such owner or operator complies with such management standards, except that the Administrator may require such owners and operators to obtain an individual permit if he determined that an individual permit under this section is necessary to protect human health and the environment.

"(e) INSPECTIONS; REVOCATION OF PERMITS.—The Administrator shall conduct an inspection of each facility which processes used oil for fuel or re-refines used oil not less frequently than once every twelve months to determine compliance with the applicable management standards promulgated by the Administrator under this section. Upon a determination that a facility has failed to substantially comply with such management standards, the Administrator shall issue a notice of violation to the owner or operator and, unless compliance is achieved within 60 days following the issuance of such notice, shall promptly initiate proceedings to revoke the permit of such facility. Upon a determination that a facility complies with all applicable management standards, the Administrator shall issue a "certificate of compliance" to the owner or operator of such facility.

"(f) ENFORCEMENT.—Nothing in this section shall be construed as limiting the authority of the Administrator to take enforcement actions under this subtitle or under any other provision of law with respect to violations of applicable management standards or other requirements under this section.

(g) DEADLINE FOR FINAL PROMULGATION.—The Administrator shall promulgate final regulations pursuant to this section not later than 16 months after the date of enactment of this section.

(h) TABLE OF CONTENTS.—The item relating to section 3014 in the table of contents for subtitle C of the Solid Waste Disposal Act is amended to read as follows:

"Sec. 3014. Recycling of used oil."

SEC. 4. EDUCATION.

(a) USED OIL RECYCLING EDUCATION.—The Administrator shall implement education activities and programs to inform the public and small businesses about the environmental and safety hazards associated with improper handling and disposal of used oil, including mixing used oil with hazardous wastes, and the benefits derived from legitimate used oil recycling. In carrying out his responsibilities under this section, the Administrator shall consult and assist the heads of Federal departments, agencies and bureaus, appropriate State and local government agencies, educational institutions, trade associations, and other representatives of private sector organizations.

(b) APPROPRIATIONS.—There is authorized to be appropriated to the Administrator not more than $150,000 for fiscal year 1990 and not more than $175,000 for each fiscal year 1991 and 1992 to carry out the purposes and requirements of this section.

SEC. 6. PROCUREMENT OF USED OIL FUEL.

Not later than 180 days after the enactment of this section, the Administrator shall propose regulations pursuant to section 6002 of the Solid Waste Disposal Act establishing specifications and guidelines, as appropriate, for the procurement of used oil fuel by Federal agencies and other governmental entities subject to the requirements of section 6002. The Administrator shall promulgate final regulations within 12 months of the enactment of this section. Such regulations shall be consistent with the regulations promulgated by the Administrator and set forth in the Code of Federal Regulations at 40 C.F.R. 266.40-44, including the establishment of specification and nonspecification categories of used oil fuel.

A TRIBUTE TO GUY PAUL BOURGAULT

HON. ROBERT C. SMITH

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. SMITH of New Hampshire. Mr. Speaker, I rise today to pay tribute to a young man from my district, Guy Paul Bourgault. I am pleased to announce that Guy was recently awarded one of nine national scholarships for his contribution to the Voice of Democracy scriptwriting contest sponsored by the Veterans of Foreign Wars of the United States and its Ladies Auxillary.

Guy was 1 of more than 250,000 high school students nationwide to enter the contest. A 17-year-old senior at Laconia High School, Guy has amassed an impressive list of accomplishments. He has demonstrated leadership ability as the captain of the ski and tennis teams and by being chosen by his peers to be class president. He has demonstrated his intelligence by being named a National Merit Scholarship semifinalist, a member of the State champion math team, valedictorian of his high school class, and by penning his award-winning speech.

It is a pleasure to represent young people like Guy. His winning speech, entitled "Preparing For America's Future," has a message from which we all can learn. I commend the speech to my colleagues and ask that it be reprinted in the RECORD.

PREPARING FOR AMERICA'S FUTURE

The year is 2024. The place is America. The state of affairs is chaos. The central government has collapsed. There is crime, and poverty, and disease everywhere. The nation's natural resources have been severely depleted, and are now nearly exhausted. Wildlife is almost completely extinct. Entire cities have been razed to the ground, and the landscape is sheer havoc. Havoc wreaked by nuclear war. The massed peoples are in the throes of a communist revolution. Guerrillas march through the city streets carrying automatic weapons and hand grenades, recruiting able citizens to stand up and fight for Big Brother, the leader of the communist movement. Already Big Brother is taking over, what has happened to the controlling, supressing and censoring stronghold of freedom and individuality? What has become of America?

In 1948, George Orwell had a vision of a world ruled by Big Brother. He made this vision come alive in 1984, a futuristic sketch of American society. But due to the dedication of millions of Americans to individuality and civil liberties, the year 1984 saw not an oppressed and hopeless America, but an America that was, and is, a shining star of freedom and democracy. It is because of this dedication to personal freedoms that we, as Americans, do not expect to see Big Brother pulling the strings of our government, or our lives. Not in the year 2024, nor 2054, nor any year.

It is important, however, to remember this; that in order to insure the peace and liberty of tomorrow, America must prepare today. America must begin to prepare at the grass roots level; the children. For if we provide the youth of our nation with a solid education, a world of opportunities, and a market for their hopes and their dreams, there will be no end to what they can accomplish. We must teach them to preserve all that the resources nature can offer us. We must teach them to be honest, and that no man, no matter how high his office, is above the law. They must grow to be courageous, for one day they may have to defend our shores. We must teach them to be generous, so that they will provide housing for the millions of homeless people in our land. And above all, we must make them know the value of this ideal that our great-grandfathers, our grandfathers, and our fathers fought for and died for. This ideal called Democracy.

America is a nation on the move. We are growing and changing, but always for the better. Upon entering the twenty-first century, the greatest danger America faces is the danger of doing nothing to secure the future of Democracy. America can move into the future with dignity and with pride, but only if every American strives to be the best that he or she can possibly be. As President Kennedy once said, "No one can be certain what the future will bring. No one can say whether the time has come for an easing of the struggle. But history and our own conscience will judge us harsher if we do not now make every effort to test our hopes by actions. And this is the place to begin."

HISTORY IN PERSPECTIVE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. MOAKLEY. Mr. Speaker, the gifted writer Jonathan Schell has recently compiled a collection of his New Yorker "Notes and Comment" writings on the Vietnam war and the Watergate crisis in an excellent book entitled "Observing the Nixon Years." As one who values a sense of history, I highly recommend this thoughtful and insightful book to my colleagues.

In addition, I would like to submit to the RECORD a recent essay by Mr. Schell, based on his book, which appeared in the March edition of Harper's magazine. It helps place history in its proper perspective.

SPEAK LOUDLY, CARRY A SMALL STICK: FOREIGN POLICY IN AN AGE OF AMBIVALENCE

(By Jonathan Schell)

Of all the major political figures of recent years, the one who least deserves the reputation he has acquired is George McGovern. If the Democrats spoke of him at all during the campaign last fall, it was as something to be recovered from. They have struck his name from their litany of revered party figures. They seek to bury his memory. Meanwhile, his victorious opponent in the landslide election of 1972, Richard Nixon, who was driven from office in midterm by the virtual certainty of impeachment, rides high in public esteem. His pronouncements on foreign policy carry weight. His books ascend the best-seller lists. He plays the piano at Jeane Kirkpatrick's gala birthday party. George Bush, his die-hard defender during the Watergate crisis, is president.

The Republicans, seeking to capitalize on this odd inversion of reputations, have sought since 1976 to frame presidential elections as rematches of the contest between Nixon and McGovern. The presidential election of 1988 was no exception. In a curious, negative way, the 1988 campaign could even be said to have revolved around McGovern and the ideas that he introduced into presidential politics. The key word, of course, was "liberal." The campaign hinged on the Bush campaign's single-minded effort to affix the liberal label to Governor Michael Dukakis, and on Dukakis's ambivalent and ultimately unsuccessful attempt to escape this. Dukakis shunned the liberal label because it was stained with the mud of political defeat—of Mondale by Reagan, in 1984; of Carter by Reagan, in 1980; of McGovern by Nixon, in 1972. But what did the word mean? To whom, exactly, did it refer?

A clue was offered in one of the campaign's most dramatic moments (which was not in fact very dramatic) when, in the last weeks, Dukakis acknowledged that he was a "liberal" after all. However, he qualified the term: he said he was a liberal "in the tradition of Franklin Roosevelt and Harry Truman and John Kennedy." This list is notable for those left off it: Lyndon Johnson, Hubert Humphrey, Jimmy Carter, Walter Mondale, and, of course, George McGovern, to name a few. Dukakis was praised for his desperate courage in owning up to his liberalism, but even desperate courage was not enough, apparently, to rescue these figures from political oblivion. If anything, his failure to mention them in his moment of supposed candor pushed them into a deeper obscurity. The fact is that in seeking to define his political heritage, Dukakis was unwilling to cite a single Democratic figure in the last quarter-century. Yet neither did he dare to repudiate any of these figures. He just said nothing about them. It was an omission that defined the central problem in recent years for Democratic candidates for the presidency. If they shun the last quarter-century of their party's history, they appear sheepish and evasive, but if they embrace that history they open themselves up to the sort of attack mounted so successfully on Dukakis by Bush.

All of this campaign behavior would be perfectly comprehensible if it were not that the election of 1972 was the one whose results were nullified by the impeachment proceedings of 1974. It's a thought-provoking fact about American political life that McGovern's defeat has cost the Democrats more than Nixon's resignation—in the face of charges of high crimes and misdemeanors—has cost the Republicans. This disparity points to one of the central mysteries of politics in the post-Vietnam period. McGovern, after all, was right, as the country as a whole soon came to believe, about the two great issues of the day—Vietnam and Watergate. But he was also something more than right. He—or his message, at any rate—was heeded. In 1972, his voice cried in the wilderness; in 1974, it was heard; the nation did demand an end to the war he opposed, and the war ended; the nation did grasp that Nixon threatened the Constitution, and Nixon was forced from office. The mystery goes beyond the fact that the prophet was not honored in his own country, for while he was losing the battle for public opinion (and has gone on losing it to this day), he was winning the battle for policy—for the decisions he wanted on the matters that were the most fateful ones of his time. The deeper question, therefore, is not why the disgraced President is honored while the unblemished candidate who opposed him and warned the country of his abuses is held in disrepute; it is why the country, during the McGovern-Nixon years and thereafter, has insisted on following in word a philosophy that it has not followed in practice.

Unquestionably, the country's rejection of McGovern has to do with its response to the Vietnam war—the issue on which McGovern virtually based his candidacy. It may be that the word "liberal" has been so abused that it is no longer useful as a descriptive term. However that may be, one thing is certain: there can be no honest use of the word in the United States today that does not take into account the movement against the Vietnam war. McGovern was the anti-war leader of his time—the only one who carried the anti-war banner into a national election. On that ground alone he qualifies as the liberal of his time. (As it happens, he in fact championed most other "liberal" causes of the day, such as civil rights and the war on poverty.) And if any attempt to define liberalism that excludes him rings hollow, the reason is that such a definition seeks to evade the profound issues of foreign policy raised by the opposition to the war.

At the root of the war was a geopolitical ideology that was firmly entrenched in the minds of the three Presidents—Kennedy, Johnson, and Nixon—who presided over the war effort. They and the vast majority of their foreign-policy advisors (not to mention the majority of Senators and Representatives and other leaders of opinion in the country) were convinced that they lived in a world put together in such a way that if the United States allowed the insurgent forces to take over South Vietnam (or any other country), the floodgates holding back global communism would burst and communism would inundate the world. It is hard today, with Saigon in Communist hands but communism in general on the defensive around the world, to recall the foreboding, bordering on panic, that afflicted American policymakers when they contemplated the possibility that South Vietnam might fall. After leaving the White House (but while the Vietnam war continued), President Johnson summed up the fears of a generation of policymakers in the following words:

"I honestly and truly believe that if we don't assert ourselves, and if Chinese communists and the Soviet Union take Laos, Vietnam, Cambodia, it seriously endangers India, Pakistan, and the whole Pacific world. Then we'll really be up for grabs. . . . We'll lose all of Asia and then Europe, and then we'll be a rich little island all by ourselves. That means World War III."

When President Nixon announced the invasion of Cambodia in April 1970, he warned:

"If, when the chips are down, the world's most powerful nation, the United States of America, acts like a pitiful, helpless giant, the forces of totalitarianism and anarchy will threaten free nations and free institutions throughout the world."

And in April 1972, as a North Vietnamese offensive was being launched, Nixon told Henry Kissinger that if the regime in Saigon fell "not only South Vietnam but the whole free world would be lost."

These statements, which are only a few of hundreds that could be cited, reflect, of course, the famed "domino theory," according to which the fall of South Vietnam to communism would cause the fall of its neighbors, which would cause the fall of their neighbors, and so forth, until, at last, the United States was directly threatened. The domino theory was powerfully supported in the minds of the policymakers by what is known as the lesson of Munich, in reference to the meeting in that city, in September 1938, of French and British leaders with Hitler. It was then, of course, that France and Britain acceded to Hitler's demands for territory in Czechoslovakia. Just as acquiescence to Hitler had only led to Nazi aggression and to the Second World War, so, the policymakers believed, acquiescence to the communists in Vietnam would lead to more communist aggression, and, perhaps, to a third world war.

To the simple, mechanical imagery of the domino theory was later added a more supple, psychological variant of the theory. It taught that the fall of a country to communism could do more than affect its neighbors; it could undermine and topple countries far from the scene by destroying their confidence in the United States' capacity or will to protect them—that is, by destroying the "credibility" of the United States. By losing its credibility, the United States would also forfeit the "respect" (as Nixon liked to put it) of the Soviet Union and China. In the words of Kissinger, a strong believer in the importance of credibility, "I continue to believe that those initiatives [at the summit meetings of the Nixon years] would have been impossible had we simply collapsed in Vietnam."

Strictly speaking, the doctrine of credibility, which ruled policy throughout the Vietnam war, had little to say about Vietnam per se. It offered no counsel regarding the history or politics of that country and no judgment regarding the question of whether Vietnam could defend itself or be defended by the United States. Nor did the doctrine have any wisdom to offer regarding the history or politics of the United States, nor any light to shed on the issue of whether this country had the ability or will to fight a war such as the one in Vietnam. Rather, the doctrine applied to the rest of the world. It predicted that if the United States proved unable to prop up the South Vietnamese Government, and if the South Vietnamese Government therefore fell, then *other* countries would lose confidence in the United States and fall in their turn. It pertained, you might say, to events in

almost any country but Vietnam and the United States.

History rarely provides direct, unequivocal answers to our questions, but in this case it has provided them. We live in the future about which the credibility theorists made their predictions. The disaster they strove so adamantly to prevent—the fall of the Saigon regime—occurred. Worse, that fall was accompanied by the fall of two American presidents—events that, if the theory was right, could only hugely magnify the damaging consequences of Saigon's fall. After all, if the American public forced out presidents who sought to "protect" countries against attack, then how could other countries place their confidence in the United States? However, the dire consequences predicted by the theory failed to occur. India and Pakistan did not fall. Countries around the world did not fall. The Soviet Union and China retained their "respect" for the United States and even increased it. "Free institutions" all over the world remained standing. The free world did not collapse. The credibility theory was tested, and it was wrong. It might be logically compelling and it might be historically sound and it might prove right in some future place or time. But in this place and in this time it was wrong.

The policymakers' belief in the credibility doctrine can be seen as a burden that they did not know how to relieve themselves of. Earnestly believing, as they did, that the fall of the Saigon regime would bring ruin to the free world, they dared not withdraw from Vietnam. But observing, as they also did and with increasing clarity, that the public had turned against the war, they dared not stay indefinitely. By the end of Nixon's first term, his administration was at an impasse. An agreement had been reached requiring the withdrawal of all American forces but permitting North Vietnamese forces to remain in place in South Vietnam. No realistic observer could suppose that the North Vietnamese would fail to attack or suppose that, if they did attack, they would fail to defeat the South. Only American troops and bombers stood any real chance of preventing this. Therefore, even as the Nixon administration withdrew American forces from Vietnam, it faced the decision whether to reintroduce them when the North Vietnamese attacked. Although it was not known at the time, we now know that Nixon had secretly promised President Nguyen Van Thieu that the United States would re-enter South Vietnam "in full force" if the agreement was violated. Whether or not he actually would have done so is a question that can never be answered. If he had, it seems likely that a constitutional crisis dwarfing even Watergate would have engulfed the country.

As it happened, however, that moment of peril never came, for, in a piece of lucky timing, the Watergate crisis intervened. The story of Watergate drew the country's attention away from the story of Vietnam. And when the Watergate story reached its conclusion, it turned out to have removed from the scene the figure—Richard Nixon—who was also the central protagonist in the Vietnam story. Thus, the question underlying the whole credibility doctrine—whether South Vietnam was really as important to the free world as not only Nixon but at least two other presidents had said—was not argued through and settled; it was simply sidestepped. In some mysterious way, Nixon's departure from the presidency lifted from the country the burden of believing that it had to protect its credibility in Vietnam; it was as if he carried that burden away with him to San Clemente. This was perhaps the greatest service he ever performed for his country. For on the day he resigned from office, but not one day earlier, the American withdrawal from Vietnam became irrevocable, and the decade-long crisis of American intervention in Vietnam was at last over.

To be sure, the Watergate crisis had grown out of the war in the first place, and the legal issues raised by Watergate were at bottom the ones also raised by the war. They were the questions that arise in any full-scale constitutional crisis: What are the powers of the President and of the other branches of government? Are government officials bound by the law? What are the rights of the people? However, Watergate permitted these questions to be answered in the comparative calm of courtrooms and congressional committee rooms rather than in the streets and on foreign battlefields, as they would have been had Nixon ever ordered a return to Vietnam "in full force."

After all the years of dire warnings, the fall of South Vietnam, when it came in 1975, was barely noticed in the United States. At the height of the debacle, the President—President Gerald Ford—made a point of playing golf. The nation as a whole went quietly about its business as if it had never occurred to any American that some special importance might attach to the fortunes of half of a small country that was now being overrun by the armies of the other half on the other side of the world.

When facts contradict theories, we are told, the theories should be discarded. It was not so with the theories that led the United States into the war in Vietnam. There is a large hole in the literature on the Vietnam war—the hole left by the failure of the policymakers to account for their mistaken belief that the fall of South Vietnam would be a catastrophe for the United States. How did they arrive at their mistaken theory? What are we to learn from the experience? How do they advise us to avoid such mistakes in the future? With such self-examination lacking, the field has been left clear for analysts who have stepped forward to describe Vietnam—the chief obsession of the nation for more than a decade—as if it had been nothing more than some freakish exception to the application of a policy that was in general valid. No "lessons," these people argued, should be drawn from the experience, and any attempt to do so was a sort of mental aberration—the "Vietnam syndrome." The war had ended, but the picture of the world—the one sketched out by the domino theory and the credibility doctrine—survived. To be sure, there was a period, lasting until about halfway through the presidency of Jimmy Carter, in which this doctrine was in eclipse; but soon it was advanced again, now teaching its lessons about Latin America, Africa, and other parts of the world. Once again the government interpreted internal events in small countries simply as moves in the spread of world communism. Once again it interpreted the "loss" of any country as the first stage in the overall collapse of the forces of freedom. Once again it saw the power of the United States as the principal or sole bulwark against this drastic eventuality. And once again it saw credibility as the critical element in American power.

It seemed likely, after the 1980 election, that Ronald Reagan, who had derided the Carter administration for weakness, would in his administration revive an interventionist policy. But as the years went by the intervention never came. During the Vietnam years, belligerent words were accompanied by belligerent deeds. That was what credibility was thought to require. In the Reagan years, the world of words and the world of deeds drifted apart, and belligerent words seemed to become an end in themselves. To be sure, whenever apparent toughness could be demonstrated without paying a high cost—as it could, for example, in the invasion of the tiny nation of Grenada, or in the bombing of Libya in response to terrorist attacks allegedly planned in or supported by Libya—the administration acted, and the public applauded. But when intervention clearly had a high cost attached, as it would have, for example, in any direct intervention by American forces in Nicaragua or, after a certain point, in stepped-up intervention in Lebanon, the administration held back, and the public made no complaint. The line that the public did not wish to cross was clearly, if not nobly, drawn: the expenditure of the lives of people from other countries was acceptable; the expenditure of American lives was not. (The combination of tough words and weak actions appeared in other areas of policy, too. For example, the administration was in theory opposed to high budget deficits but in practice was opposed to the increased taxes that were needed to reduce them. This performance, too, was popular with the public.)

The administration proved skillful at cutting losses in situations in which the costs of intervention threatened to get out of hand. In July of 1983, for instance, Secretary of Defense Caspar Weinberger defended the presence of American Marines in Lebanon on the grounds that "a force" (presumably the Soviet Union) might otherwise take over the Mideast, and therefore the "credibility on a global scale" of American power was at stake; yet shortly afterward the administration quietly withdrew the Marines from Lebanon. And in May 1983 United Nations Ambassador Jeane Kirkpatrick told of "a plan" she knew of "to create a communist Central America," but no American forces were ever dispatched to prevent this. (Instead, the CIA organized the contras, and Lieutenant Colonel Oliver North secretly organized the delivery of Ayatollah Khomeini's money to them. These policies have kept Nicaragua in a state of war for eight years; whether they will prove sufficient to bring down the Nicaraguan government has yet to be seen.)

The public, it seemed, was philosophically in favor of intervention but viscerally opposed. Thanks to Watergate, the Vietnam War ended while the nation's back was turned, and this was certainly fortunate, inasmuch as it spared the country a crisis that its constitutional system might not have withstood. Yet it may be that just because that crisis never took place, and therefore no final debate on the theories that underlay the war ever took place, those theories were unaffected by the debacle and survived to guide policy statements (if not policy) again. Strangely, after ten years of fighting in Vietnam and political turmoil at home, the war remained undigested in public opinion. The public was left in a state of unresolved ambivalence—repelled by the tangible prospect of any more Vietnams yet still attracted to the policies that had led the United States into Vietnam. McGovern's political mistake had been to begin to articulate a picture of the world that reflected

only one side of the public's ambivalence. President Carter, straying further down this path, won a McGovern-like reputation for weakness, and was rewarded with defeat in the 1980 presidential election. Reagan was politically wiser. He followed to the letter the public preferences revealed in the latter days of the Vietnam War: he gave the public McGovernite decisions accompanied by Nixonian talk, and the public returned him to office in a landslide.

In the Reagan years, the debate over the war was generalized. In a demonstration of the power of sheer analogy in the nation's political thinking, those who had opposed the war began, during the Carter years, to put forward a new analogy—one based on the war itself. At its heart was the idea of the limits of power. Just as the United States (in spite of its tremendous military strength) had failed in Vietnam, so, they argued, it would fail in other countries in which it might intervene. Furthermore, they said, revolutionaries in small countries now represented not world communism but chiefly themselves; therefore, there was no geopolitical need for the United States to oppose them. And soon the idea of limits was broadened to cover matters having nothing to do with military intervention. Just as there were limits on the usefulness of military power, it was said, so there were limits on the world's oil supplies (the 1973 OPEC oil embargo was fresh in people's memory), limits on the capacity of the earth's environment to withstand ecological disruption, and, perhaps, limits on economic growth. These limits were spelled out and projected into the future in a bleak volume called The Global 2000 Report that President Carter had ordered written.

The Republicans seized on the theme of limits—but only to reject it wholesale. The limits, they proclaimed, were all imaginary—a sweeping, unwarranted extension to all national policy of the already mistaken "lessons" of Vietnam. Indeed the belief in limits, they asserted, was in actuality a symptom of a dangerous "loss of nerve" afflicting the West—a collapse of will that, if not reversed, would send the West into a needless, self-inflicted decline. In opposition to the Vietnam analogy the Republicans raised again the banner of the Munich analogy, which thereby gained broader application than it had ever had before. The only limit on the usefulness of force, they argued, was the unwillingness of McGovernite Democrats to use it. (The capture of American hostages by Iranians and the failure of the Carter administration to compel their prompt release was held up as an object lesson.) The limits on natural resources, on the resilience of the ecosphere, and on economic growth were also illusory, the Republicans said. In place of the Democrats' general "pessimism," based on the idea of limits, they offered a general "optimism," based on the idea of limitless expansion. The Democrats had lost "the confidence and optimism about the future that has made us unique in the world," as President Reagan put it at the Republican National Convention in 1984. The nation's turnabout since the end of the Vietnam War was now complete. The "lesson" of the war was to not learn any lesson from it, and this wisdom applied not just to military intervention but virtually to any matter whatever.

It's a commonplace, and a well-founded one, that American politics in recent times had come to be based more on public-relations images than on the substance of issues, and many explanations of a technical nature—including the rise of television and of public-opinion polling—have been offered. However, the nature of the events of the period may also have played a role. In the early 1970s, the nation made two momentous decisions: it left South Vietnam, suffering its first military defeat of this century; and it forced Richard Nixon from the presidency in midterm. The nation made these decisions in anguish, after long delay, and by circuitous paths, but it did make them. Neither decision was in any way casual or accidental: the Vietnam War ended and Richard Nixon left office because that was the will of the American people. In 1980, this same American people elected as president a man who, to judge by his record of support up to the last minute for both the war and President Nixon, favored neither of these decisions, who had learned nothing from them, and who conducted himself thereafter as if neither had ever occurred. The public, however, did not grant him permission either to repeat military intervention of the Vietnam variety, as its unfavorable reaction to the idea of invading Nicaragua showed, or to abuse the powers of the presidency, as its reaction to the Iran-Contra scandal showed. Attorney General John Mitchell once advised unhappy civil rights leaders to "watch what we do instead of what we say," and in the 1980s, the American public as a whole seemed to adopt the motto as its own. Now, not just the government but the people apparently wanted to say one thing while doing another—to talk belligerently but act with restraint.

The techniques of public relations permit one to say one thing while doing another, and in the 1980s the need for such an ability was there. It went back to the final days of the Vietnam War, when it became clear that the United States could not achieve what it wanted (controlling the internal affairs of small countries around the world) with the means at its disposal. Unwilling to either give up the goals or increase the exertions, the country embarked on its bifurcated course of rhetorical toughness and practical restraint. There followed, during the Reagan years, the most spectacular flowering of the techniques of political public relations that the world has perhaps ever seen—a flowering in which the world of images often appeared to be offered not just to pretify policy but to supplant it. An election is meant to express the will of the people, and in 1980, and again in 1984, that will may have been not to come to grips with the country's problems but to take a vacation from them.

In the years since the end of the Vietnam War, the United States has been at peace, and this is to the credit of Presidents Ford, Carter, and Reagan. (History is likely to judge them more on the basis of what they did than on the basis of what they said.) One reason, certainly, has been the public's reluctance to pay the costs of intervention. Another, which might have been even more important, was that intervention rarely beckoned. The struggle in Vietnam was crucial in the eyes of the credibility theorists because it was supposed to be a "test case" of communist insurgencies that were primed to erupt in innumerable countries. The Soviets, it seems, shared this expectation, and in 1961 Nikita Khrushchev announced his support for "wars of national liberation." Che Guevara, the Cuban revolutionary, looked forward to"two, three, or many Vietnams." They never came. In the post-Vietnam War years, the world simply failed to provide a long succession of wars that would have tempted the United States to intervene. The exception is Central America, where the impulse in the administration to intervene has been strong but held in check, apparently, by the public's reluctance.

The American war effort in Vietnam was supposed to be a demonstration of our strength to a world audience anxious to see us display our "will," but as it turned out the audience was not there. No doubt doves were primed to point out that the United States could not prevail in this or that situation and hawks were ready to answer that such views were symptoms of the Vietnam syndrome and that this time intervention would work. (And in fact these arguments were heard in a lower key in the debate about the use of the *contra* proxies in Nicaragua.) If, in the second Reagan administration, the doctrine of credibility began to lose its grip on people's minds, the reason was not that the argument against it had been won but that events did not supply sufficient grist for its continuation. The theory was at last beginning to starve for want of facts to keep it alive.

And what was happening in those years? Many things: a fundamentalist Islamic movement, as divorced from American capitalism as it was from Soviet communism; a return to democratic government in many countries that had been run by military dictatorships (no need here for the United States to uphold dictatorial regimes against left-wing insurgents); a powerful, non-violent rebellion against Soviet totalitarian domination in Poland; left-wing (but not Soviet-controlled) rebellion against military and oligarchical regimes in Central America, which has traditionally been regarded by the United States as its "backyard"; a far-reaching, unpredictable movement for reform throughout the communist world, from Budapest to Beijing.

These events—the events that were actually redrawing the map of the world—did not directly refute the domino/credibility theory; they were, for the most part, simply irrelevant to it. One event, however, did have a direct bearing on the theory, though in an unexpected way—the Soviet invasion of Afghanistan. Seeming at first to offer confirmation of the notion that world communism was on the march, it later offered the first example since Hitler's move into eastern Poland of Soviet armies retreating under fire and in failure from a country that they occupied. This spectacle seemed to confirm one of the principal lessons of the war in Vietnam: in the contemporary world, great powers find it either impossible or profitless to try to extend their domination over small countries.

If in today's political climate another Vietnam seems unlikely, so does another national crisis of the kind that grew out of Vietnam. What the United States might have done to its Constitution and its liberties had history handed it "two, three, or many Vietnams," we cannot say, although the record of what we did to ourselves with just one does not merit optimism. As it was, the policymakers' predictions were wrong, and we can afford to be more hopeful. The world, unmindful of our theories, went its own variegated way, and we and it were spared.

TRIBUTE TO WILLIAM (POP) GATES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. RANGEL. Mr. Speaker, I rise today to honor and pay tribute to a man who is a great basketball legend in my neighborhood in Harlem, NY, who is a well-known figure among the city's oldtime sports enthusiasts, and who was one of professional basketball's pioneers. The man of whom I am speaking is William "Pop" Gates.

On May 9, 1989, in Springfield, MA, William Gates will be honored as one of the 1989 inductees into the Naismith Memorial Basketball Hall of Fame. His selection represents yet another milestone for the greats of the early days of Negro basketball before integration occurred in national sports. It is an honor that is long overdue for such an admirable and respected man and one certainly worthy of him.

Now at the age of 71, Gates has been a resident of Harlem for virtually his entire life. He starred for the legendary New York Renaissance, a black touring team that won the first world professional title in 1939. In 1943, he played for the world champion Washington Bears. Later, in 1947, Gates played with the Dayton Rens of the National Basketball League, the first all-Negro professional team in organized basketball. He also coached and played for the Harlem Globetrotters from 1950 to 1955.

During his 17-year career, Gates was considered by many to be the best all-around player of his day. His strengths and talents enabled him to play approximately 1,700 games. He has certainly paid his dues and his rewards are justly deserved.

The prestigious honor of being inducted into the Hall of Fame has allowed Gates to be rediscovered by a generation that knew nothing of the Rens or the pioneers who paved the way for the young talented players in the game today. It has allowed us all to remember that the tireless deeds and endeavors of great men like Gates in the past has helped us to better appreciate what we have and where we are today.

Mr. Speaker, I would like to share with you and my colleagues at this time an article about William "Pop" Gates which appeared in the New York Times. It reads:

[From the New York Times, Feb. 19, 1989]

POP GATES EARNED HIS GRITS

(By Dave Anderson)

At age 71, he's as lean as the backboard pole in the playground below his fifth-floor Harlem apartment. But arthritis had Pop Gates sitting on pillows on the long curved couch in his living room. Asked if he would rather move to a favorite chair, he smiled.

"When you reach my age," he said, "you hold your position."

And your dignity. In his time, William Penn (Pop) Gates was one of pro basketball's pioneers. As a teen-ager he was an instant starter for the New York Renaissance team that won the 1939 world pro tournament in Chicago, only one year after he led Benjamin Franklin High School to the city championship. With his two-hand set shot, he later played in the National Basketball League and then coached the Harlem Globetrotters when they were semiserious. Now he's in the Basketball Hall of Fame in Springfield, Mass., but he's annoyed at some of the reaction.

"Cleo," he called to his wife, "get that paper by the side of my bed."

In that paper Oscar Robertson was quoted as saying: "I have nothing against Pop Gates. I have nothing against K. C. Jones, but if they go in before Earl (the Pearl) Monroe, it's all wrong. I don't know what criteria they use." But it's all wrong for the Big O to hold the Pearl's not being in the Hall of Fame against Pop Gates (the veterans committee candidate), K. C. Jones or Lenny Wilkens, who will also be inducted May 9.

"I've said that Pearl should be in there," Gates was saying now, "but he's waited only three years. I waited 34 years. If Oscar Robertson never saw me play, he should keep his big mouth shut. I participated in over 1,500 games. I averaged 14 points a game when 14 was a lot of points. I never sat on a bench. People always say that old guys say this or that about today's guys, but it bothers me when today's guys don't know about old guys."

Today's guys in the National Basketball Association also don't know about Bobby McDermott, a two-hand shooter for the Fort Wayne Zollners who was the veterans committee's choice a year ago.

"Back when Bobby and I played against each other, we were rated one-two," Gates said "Bobby was a great shooter, a great competitor. But it took him all those years to get in. I didn't believe I'd ever get into the Hall of Fame until Bobby got in last year. And a week ago when I found out I got in, I was surprised. Not shocked. But surprised."

His contemporaries weren't surprised. Red Holzman, who coached the Knicks to their 1970 and 1973 titles, remembered playing against Gates.

"Pop was smooth; he had great all-around ability," Holzman recalled. "He could really move. Pop's very deserving of the Hall of Fame."

Pop grew up playing basketball at the Harlem Y.M.C.A., but he got his nickname playing stickball on West 132d Street between Seventh and Eighth avenues.

"I played stickball with older guys," he said, "and guys my age started calling me Pop because they thought I was older than I was."

After attending Clark College in Atlanta for a few months, Gates returned home because "I didn't like the barriers of prejudice down there." He joined the Harlem Yankees, who often practiced against the Renaissance, a legendary team that from 1932 to 1936 had a 473-49 record, including an 88-game winning streak. Those early Renaissance clubs, featuring Charles (Tarzan) Cooper as a 6-foot-6-inch center, were inducted into the Hall of Fame as a group.

"I guess the Renaissance liked what they saw in a workout," he said. "They bought me for $100."

Several weeks later their 6-foot-3-inch rookie helped the Renaissance, which had a 112-7 record that season, win the 1939 pro tournament against the Oshkosh (Wis.) All-Stars.

"We played a moving game, a figure-8 weave," he said. "I mostly operated back court."

After World War II, Gates, who played at Tri-Cities and Dayton, and Dolly King were the first black players in the National Basketball League, the N.B.A.'s forerunner. Gates believed that several players of that era deserve Hall of Fame consideration: Sonny Boswell of the Globetrotters, John Isacs of the Renaissance, Leroy Edwards, Bob Callahan and Buddy Jeannette (later the player-coach of the 1948 N.B.A. champion Baltimore Bullets). But he doesn't live in the past.

"Magic Johnson's great, he moves more than Larry Bird, but Bird makes everything," he said, "You can't choose between 'em. Air Jordan deserves everything he gets. Dr. J was a pheenom, you can't say nothing against the man. Bob Cousy, Bob Davies, Jerry West, Oscar Robertson, Pete Maravich, Elgin Baylor, they were great. And there's a whole lot of great guys today, but there's a lot who haven't taken time to learn this profession. A lot of guys know how to play, and a lot just play."

He also had an opinion on the N.B.A.'s most enduring question: Who was better, Bill Russell or Wilt Chamberlain?

"I'd put Chamberlain on my big team," he said. "Russell played on more championship teams, but he played with better players. And when they played against each other, Russell didn't really contain him."

Gates described the Knick's two championship teams as "well composed." Of today's Knicks, he said: "They've proven they can beat anybody. They've got five guys playing that are race horses and they've got five guys coming off that bench. Their position should be, work with what you have and get another big man to rest Patrick Ewing more." But he doesn't pretend to compare himself with any of today's names.

"I couldn't fly through the air; we weren't dunking," he said. "Everybody just laid it up against the backboard."

Readjusting himself on the pillows, Pop Gates questioned the devotion of today's N.B.A. players to defense.

"What they play now is a zone," he said. "When we played, you had to check your man. Make him take two steps to get one. Nobody guards nobody now. If you watch close, you'll see guys actually get out of the way when a man's driving to the basket. When we played, you had to earn your grits."

Pop Gates earned his.

Thus, I see it only fitting that after his many years of dedicated service to others and his many contributions to the sport of basketball, my colleagues join me in honoring and paying tribute to William "Pop" Gates.

IMPROVED SERVICES FOR THE CHRONICALLY MENTALLY ILL

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. PANETTA. Mr. Speaker, I am pleased to rise today to reintroduce legislation designed to reinforce America's commitment to improving the quality of life for the chronically mentally ill. The package of two bills which I am offering is designed to facilitate the integration of mentally ill individuals into the community. Another bill introduced along with these two in the 99th Congress requiring States to develop a comprehensive mental

health services plan was, as you know, passed and signed into law.

Mr. Speaker, the number of neglected, disturbed persons, filtering helplessly through our society is still at unacceptable, and shockingly high, levels. We need only walk down any urban street on a cold winter night to witness a graphic demonstration of their desperate and tragic plight. The sadly familiar sight of huddled masses of humanity absorbing what little warmth can be obtained from steel grated air vents has awakened the passion and compassion of millions of Americans. The Stewart B. McKinney Services for the Homeless Act, enacted in the last Congress, is providing some badly needed relief and improvement in services for those who are homeless. However, the homelessness of the deinstitutionalized chronically mentally ill is still a serious dilemma, and part of a larger problem.

In the early 1960's President Kennedy pioneered a movement to unlock the institutional gates that were segregating the chronically mentally ill from society as a whole. Widespread reports of abuse and neglect in public mental institutions justifiably provoked a sense of outrage and horror among the American public, and the rush to deinstitutionalize the chronically mentally ill swung into full force. As a result, the number of patients in large public institutions today has drastically decreased. Whereas some 560,000 severely disabled patients were served in public residential facilities in 1955, that number declined 80 percent to 116,000 in 1984.

However, the shift toward community living has not been accompanied by universal guarantees of comprehensive, high quality care. Hair-raising stories to match any told of the horrors of institutionalization are well-known: The released schizophrenic unable to cope with the pressures of daily living commits suicide; the family is condemned to the street by a discontinuation of income support; the mother, delirious from medication, becomes a violent threat to her children; and on and and on.

As a society, we have a responsibility to help these individuals. We cannot appease our consciences merely by emptying out the beds in public institutions. We must recognize that extra assistance will be required to accompany a successful transition to community living, and we must develop a national consensus to facilitate the trend.

What is required is a comprehensive package of services tailored to the varied needs of the chronically mentally ill: Case management, supervised living arrangements, outpatient care, rehabilitation, vocational training, and income support, to name but a few. Taken together, along with the many dramatic advances in medication for mental illness that often removes the need for custodial care, a configuration of community-based services can be much more cost-effective than 24 hour institutional care.

Yet more importantly, an effective network of supportive services for the chronically mentally ill will enable them to attain a degree of independence and dignity heretofore beyond their reach. The barriers to independent living are numerous but not insurmountable. We can help tear down these barriers, and lay the foundation for a fulfilling future life. But to do so will require a concerted and coordinated effort. The Federal Government must take the lead in working with States, local governments and the private sector to promote this movement.

The legislation I am reintroducing today would help pave the way for such an effort. The package addresses two aspects of community living in which the chronically mentally ill require greater Federal assistance. As I mentioned, the 99th Congress approved a measure, the State Comprehensive Mental Health Services Act, introduced by Senator KENNEDY, that was identical to the measure I introduced here. The act requires States to develop and implement plans for comprehensive community-based care of the mentally ill in order to remain eligible for Alcohol, Drug Abuse and Mental Hea[illegible] Administration block grants. At this point, let me take a moment to outline the two remaining parts of the package in greater detail.

MEDICAID, MEDICARE, AND SSI CHANGES

Despite the 20-year trend toward deinstitutionalization, there still exists an institutional bias in the Medicaid Program. In 1981, a waiver program was inaugurated which allows States to apply for coverage for community based services for the mentally ill, but the use of this provision is by no means universal. By contrast, full coverage is provided in public mental institutions for those patients under 18 and over 65 through Medicaid. Any individual, regardless of age, may receive care in a skilled nursing facility [SNF] or intermediate care facility [ICF] so long as that institution is not primarily a mental hospital. Moreover, no requirement for the provision of mental health services is required in these settings. Care in a psychiatric ward of a general hospital is fully covered.

Clearly, we should use the Medicaid Program as a tool to encourage the use of alternative care settings. Although a one-shot payment to an institution presents the fewest administrative problems, the well-being of the patient must be the most important consideration.

The first of these two bills seeks to enact certain modifications in the Medicaid, supplemental security income, and Medicare programs to facilitate community-based care, and to expand other changes that have been made. The legislation would make it a requirement, instead of an option, for States to provide a range of services to their Medicaid population. Once again, case management plays a key role. A written plan would be developed for each patient which would detail the coordination of social, medical and outpatient services, income support, outreach, crisis intervention, family counseling, respite, habilitation and rehabilitation, and vocational training. The bill also requires the establishment of specific standards to be applied to SNF's or ICF's which provide care to the chronically mentally ill Medicaid patient. In addition, demonstration projects would be funded in five States to explore the feasibility of providing mental health services on a contractual or capitated basis with a single point of entry. Hospitals receiving Medicaid reimbursements would be required to establish a plan for the provision of community-based supportive services before discharging all chronically mentally ill patients.

With regard to SSI, some allowances must be made for the chronically mentally ill recipient in recognition of the extenuating circumstances that apply to this disease. For example, because the illness is often episodic, current regulations regarding periods of hospitalization must be adjusted. Until recently, a person who was institutionalized for more than 30 days lost SSI benefits. For chronically mentally ill patients who are often temporarily hospitalized for periods of more than 30 days, this income meant they were unable to retain their residences. As a result, they often found themselves on the street upon discharge. Recent law changed this provision so that monthly benefit payments would be continued at a level sufficient to maintain housing for the chronically mentally ill if their discharge occurs within 3 months. This bill would double the current time limit, to 6 months.

Delays involved in determining disability for the purposes of SSI payments can often make or break the success of independent living for the mentally ill individual. There is, however, a provision in the SSI regulations which allows for presumptive disability payments prior to final determination of eligibility if the applicant meets all other income level requirements and there is a high probability that he or she will be deemed to be disabled. This bill will make chronic mental illness sufficient cause for presumptive payments if the applicant agrees to participate in a plan of care and is first, about to be discharged from an institution, second, at risk of institutionalization, or third, homeless.

In addition, as it now stands, chronically mentally ill persons who are able to obtain employment despite their disability automatically lose their SSI and Medicaid benefits. While the new earnings can obviate the need for the monthly SSI payment, the loss of Medicaid eligibility terminates access to the very medical services which enabled him or her to work in the first place. Clearly, this regulation can be counterproductive. Therefore, this bill provides Medicaid coverage for former SSI recipients who are at-risk mentally ill persons for up to 3 years of employment.

Also, until recently, regulations barred SSI payments to residents of public institutions for those residing in transitional or halfway houses, or emergency shelters for the homeless. This law was changed to allow payments for up to 6 months. However, some persons remain in such transitional living situations for considerably longer periods and would greatly benefit by continued eligibility for SSI payments. Therefore, I have included a provision to allow these payments to continue indefinitely.

As for Medicare, the bill includes just one provision: An increase in the proportion of approved part B charges that Medicare will pay for mental health services from 50 percent to 80 percent. This change is being made to bring the required part B copayment for mental health services in line with that for all other Medicare part B services, 20 percent. Requiring a higher copayment for mental health services than for all others seems discriminatory, and seems to not take into account that mental conditions are illnesses just like other illnesses. As you know, the Omni-

bus Budget Reconciliation Act of 1987 increased the maximum amount that Medicare would pay for outpatient mental health services from $250 to $1,100, which was a commendable step. The provision in this bill, by increasing the copayment to 80 percent, would raise this amount to $1,760, and make utilization of this benefit easier for those who need it.

Finally, a demonstration project dealing with the issue of representative payee services has been added to this bill. As you know, the issue of representative (or sub-) payee services, the management of financial resources for persons deemed unable to do so for themselves, has received greater attention of late.

Unfortunately, much of this attention has had to focus on abuses of beneficiaries by some subpayees, who are most often individuals, such as landlords or relatives, entrusted with management of a beneficiary's resources. The Committee on Ways and Means' Social Security Subcommittee held a hearing only yesterday on the subpayee issue, and I understand that my colleagues Representative MATSUI, a member of the Ways and Means Committee, and Representative JACOBS, chairman of the Social Security Subcommittee, plan to introduce a measure soon that would shore up the subpayee system in a number of ways.

My provision deals with one aspect of this issue: those situations in which public and non-profit private agencies, such as public guardians' offices, act as payees of last resort. This occurs in the numerous occasions in which an individual payee cannot be found for a person requiring these services, or a person that has been acting as a payee is unable to continue this service for whatever reason and such an agency must step in.

In these cases, the costs of serving as a subpayee are unanticipated by an agency, and not included in its budget. The agency therefore ends up drawing on often hard-pressed resources intended for other purposes, or on a recipient's benefits. It would be highly desirable, both for the beneficiary and the agency, to find an outside funding source. Under the demonstration project included in this bill, the Secretary of Health and Human Services would provide up to $100,000 each year for 3 years to 18 public and nonprofit private agencies for the purpose of supporting their subpayee activities. The Secretary will then report to Congress on the outcome of this project.

HOUSING LAW CHANGES

As I previously mentioned, the Stewart B. McKinney Homeless Act took some important steps toward alleviating the homeless crisis, for the homeless mentally ill and the homeless in general. In fact, among its provisions is one nearly identical to an entire section of this bill as introduced in the previous two Congresses: Improvements in the section 202 housing for the handicapped program. Under this provision, a set-aside would be established in section 202 housing assistance for the elderly and handicapped of at least 14 percent or $100 million for loans for the development of housing geared specifically to the needs of nonelderly handicapped families. Builders would have to include an assured range of services to meet their special needs.

I am heartened that this provision, which should significantly assist with housing for the chronically mentally ill and their families, has now been enacted. However, as you know, there is still a severe housing problem facing chronically mentally ill Americans, as manifested in the swelling ranks of disturbed homeless on our streets, at all times of the year and in all types of weather. Therefore, the measure includes two other provisions intended to assist the homeless mentally ill. Under the first, State mental health authorities would be allowed to take over unused properties owned by the Department of Housing and Urban Development [HUD] for conversion into supervised living facilities for the chronically mentally ill; $5 million in the first year and $14 million in each of the next 2 years would be authorized for these purposes. Under the second, a voucher program would be established for supervised housing for the chronically mentally ill; $5 million would be authorized for the first year of this program. Costs would be shared on a 50-50 basis between the Federal and State governments, and would be administered through State mental health agencies.

The bulk of the provisions in these two bills do not require new authorizations, but merely redirect existing funds. The additional spending that is called for is relatively modest, and could also be expected to result in reduced expenditures in other areas of the budget. But the legislation goes deeper than the issue of funding. It recognizes that old patterns cannot continue, that the problems of the mentally ill affect us all, and that we must change the status quo. To ignore the undeniable need for a reorientation in Government programs affecting this portion of the population would be shortsighted and heartless. I like to think that we in Congress have the ability to reach out beyond the Halls of the Capitol, and to effect real and positive changes in the lives of every American. Indeed, it is our duty.

Mr. Speaker, this initiative will promote that cause; it will reaffirm America's commitment to assisting the less fortunate in our society. The inherent difficulties in independent living for the chronically mentally ill person are enormous; the Government should help alleviate this problem, not add to it.

Over 200 years ago, Thomas Jefferson spoke of the inalienable right of the individual to pursue happiness. Today, for some of us the road to happiness is cluttered with obstacles created by society and government. We can tear down these barriers, and clear the path to full self-realization for each and every American. In the end, society will reap the rewards. Please join me in supporting this important legislative initiative to improve the lives of the chronically mentally ill.

RURAL HEALTH CARE

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. SYNAR. Mr. Speaker, today the Rural Health Care Coalition held its third press conference to unveil its legislative package. The needs in rural areas are just as pressing in 1989 as they were in 1987. Urban-rural differentials in Medicare payments; shortages of health care professionals in rural areas; declining rural economies; and a greater concentration of low income and elderly are still contributing to health care access problems. However, Congress is now much more informed about these problems and more willing to address them at the Federal level. I'd like to think the Rural Health Care Coalition has played a key role in this process.

The coalition has had tremendous success in the last few years. Coalition members have been willing to set aside their egos and work in a bipartisan, behind-the-scenes fashion to incorporate rural health initiatives into virtually every piece of health care legislation that has moved through the Congress. In the 100th Congress the coalition worked to include a loan repayment program for nurses and allied health professionals as part of the reauthorization of the Nurse Education Act and the Health Professions Training Act. When the coalition recognized that area health education centers [AHEC's] give physicians and nurses experience in rural areas and that once trained in rural areas these students located there, it fought for increased funding for the program and was successful. When the omnibus drug bill went through the House, the coalition worked to add provisions to ensure that drug and alcohol treatment funds would be available.

Despite the coalition's successful track record over the last 2 years, more work remains to be done. The coalition's 1989 agenda reflects what the coalition's members see as the highest priority rural health issues: hospital and physician reimbursement, improving access to primary and prenatal care in rural communities and ensuring that the Federal Government is committed to addressing rural health needs.

RURAL HOSPITAL INITIATIVE

The lack of a reconciliation bill last year limited the coalition's efforts to influence Medicare reimbursement rates to rural providers. With the prospects for a reconciliation bill this year virtually guaranteed, the coalition intends to play a major role in any debate on Medicare reimbursement reforms. The coalition is introducing two proposals designed to level the playing field for rural providers. The first would phase out the urban-rural differential for hospital payments under Medicare. In the interim, small rural hospitals would be eligible for special payments. The proposal also modifies the sole community provider program to better protect those hospitals Medicare identifies as being the primary provider of hospital care in a community. Finally the measure addresses the problems faced by those hospitals that are critical to a community but are threatened with closure because they have a lopsided Medicare patient load and not enough private paying patients to make up the difference. Hospitals with over 55 percent Medicare patients would be eligible for additional payments to offset Medicare losses.

RURAL PHYSICIANS

On average, rural physicians receive 40 percent less from Medicare than do their urban counterparts. At the same time, rural physicians have costs that are equal to, or in some

cases, higher than some urban doctors. Inadequate Medicare payments is directly related to the ability of rural communities to recruit and retain physicians and to low assignment rates in rural areas. Solving the physician reimbursement problem will not be easy. The Congress may tackle this issue as part of a larger Medicare reform package soon. Until then, however, the coalition wanted to express its views that whatever changes are made in Medicare physician payment rates, rural physicians should be paid what it costs them to provide their services.

RURAL HEALTH CLINIC IMPROVEMENT ACT

Over 10 years ago the Congress enacted the Rural Health Clinics Act. At the time it was hailed as the savior for rural health care access problems. Health experts predicted there would be 2,000 clinics by 1990. However, a recent survey indicates that the act has not lived up to its expectations. Since 1978, HCFA has approved 826 clinics, but 388 have withdrawn from the program. There are several barriers to establishing and retaining clinics: lack of knowledge about the program; restrictive State practice acts; administrative barriers; and a shortage of health care providers. The Rural Health Clinic Act Amendment Act of 1989 will reduce the administrative barriers, require dissemination of information about the program, and increase the availability of prenatal care and mental health services in rural areas.

RURAL EMERGENCY MEDICAL SERVICES IMPROVEMENT ACT

Studies show that the death rate from accidents is twice as high in rural areas as it is in the largest cities. Rural areas only have 20 percent of the emergency medical service caseload nationwide, but 70 percent of highway fatalities take place there. Many rural areas lack the economic base to support sophisticated EMS infrastructure. Rural hospital closings, the lack of 911 systems, the drain of trained personnel to higher paying urban jobs and the difficulty in training personnel put rural EMS systems at a distinct disadvantage. State-of-the-art EMS systems are a critical part of rural health care delivery as rural residents become more geographically separated from hospitals. In cooperation with the National Association of State EMS directors, the National Rural Health Association, the National Coalition on Agricultural Safety and Health, and the American Ambulance Association, the coalition has put together a legislative proposal to address the inadequacy of emergency services in rural areas. The Rural Emergency Medical Services Improvement Act would make funds available to States for use in training and recruiting personnel and to upgrade ambulances. The legislation also requires HHS to review its Medicare policies with special emphasis on whether or not those policies promote the most efficient services and ensure an adequate level of service in rural areas.

MATERNAL CHILD HEALTH IMPROVEMENT ACT

According to a recent report published by the Children's Defense Fund, progress in reducing infant mortality, low birthweight births, and improving prenatal care utilization and childhood immunization rates ground to a halt or deteriorated. At the current rate, the Nation will not meet the Surgeon General's 1990 goal of prenatal care for all women until the year 2094. These problems are particularly acute in rural areas. Rural Americans have higher rates of maternal and infant mortality than urban areas. Between 1980 and 1985, low birthweight rates increased steadily and significantly in rural poor counties. Low birthweight contributes to three-fourths of all infant deaths and leads to a significantly higher risk of lifelong disability. The number of uninsured rural Americans is 15 percent higher than the U.S. average and a full 24 percent above urban levels. For low-income families who lack the out-of-pocket means to pay for health care, inadequate health insurance translates into a lack of access to needed health services.

The Rural Health Care Coalition is addressing these problems by introducing the Maternal Child Health Improvement Act. Recent studies have shown that the complexity of the Medicaid enrollment process discourages many applicants from signing up for benefits until health problems occur. With prenatal care the key to success is early and continuous care. Additionally, many women simply don't know they are eligible for Medicaid services. And those that do know find the enrollment process so dehumanizing that they choose not to sign up. The Maternal Child Health Improvement Act would provide funds to States who develop programs that allow Medicaid eligible women to enroll for all maternal-child health programs in one place. This one-stop shopping will permit a low-income woman to apply for AFDC, WIC, and Medicaid benefits in the same location, at the same time.

The Maternal Child Health Improvement Act will also provide funds to States that implement at-home visits to at-risk mothers during pregnancy and the first year of the baby's life. Trained workers, either health professionals or volunteers, would be able to create individualized programs for each woman. Through regular consultations, these workers could monitor their progress and provide encouragement. Children's advocates assert that the Nation will spend approximately $6 billion to care for infants born at low birthweights in their first year of life. With timely and regular access to prenatal care, these costs can be avoided.

OFFICE OF RURAL HEALTH CARE POLICY AMENDMENTS

In 1987 the Rural Health Care Coalition introduced legislation to establish an Office of Rural Health Care within the Department of Health and Human Services. Within a few months, HHS acted to create their own Office Rural Health Policy. Although well-intentioned, the Administration's Office of Rural Health Policy will not be able to function as the coalition envisioned because it has been buried beneath layers of bureaucracy. The coalition is reintroducing legislation which will give the Office of Rural Health Care a higher profile by placing it in a more prominent position within HHS.

RURAL HEALTH PROFESSIONALS INTEREST DEDUCTION ACT

To address the continuing problem of recruiting health care professionals to rural areas, the coalition is introducing legislation which would restore the interest deduction for education loans. The proposal is narrowly tailored to only those providers who agree to practice in medically underserved areas or health manpower shortage areas—official Federal designations. The deduction would remain in effect for as long as the health professional continued to practice in the shortage area.

Ensuring that rural communities have access to quality health care is more than just a health issue. For many rural communities, the deterioration of their health care delivery system comes on top of overall declines in their economy. The industries rural areas rely upon most have taken a beating in the last several years—agriculture, energy, and light industry. In addition, the Federal programs that have traditionally helped rural communities build the infrastructures necessary to attract new industry have been scaled back or eliminated. With little tax base to support existing, let alone new services, rural communities find themselves in a catch-22: Without good health care systems new industry will not locate in rural areas, yet without new industry, hospitals and physicians can't afford to remain open.

Rural communities aren't asking for a handout, but they do deserve more equal treatment. The goal of the Rural Health Care Coalition is to level the playing field so that rural communities have a fighting chance. Every American should have access to affordable, quality health care regardless of where they live.

H.R. 1610, THE MEDICARE AREA WAGE EQUITY ACT OF 1989

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. GILMAN. Mr. Speaker, I rise to bring to the attention of my colleagues a matter of grave concern for citizens throughout my own Hudson Valley region, residents of New York State, and indeed all citizens throughout our Nation who are concerned about quality health care and the integrity of our health care delivery system. Mr. Speaker, I rise to introduce (H.R. 1610), legislation affecting the financial crisis facing many of our Nation's hospitals.

The hospitals in my own home State of New York suffer a particularly acute pathology. According to the American Hospital Association, New York ranks 50th out of all 50 States in terms of hospital profitability—one of only two States in the Nation to suffer negative operating margins.

This affliction is evident in my own 22d Congressional District. Recently, one hospital, Horton Memorial in Middletown, NY, was forced to eliminate 77 staff positions in an effort to alleviate their annual operating deficit of approximately $3.5 million at the end of 1988. Despite occupancy levels in the range of 85 to 90 percent, despite numerous measures which have been taken to increase efficiency in all areas, the hospitals in our Hudson Valley region are prevented from profitable operation. Our hospitals suffer the anguish of a Federal payment system which plagues them with structural financial debt.

Medicare beneficiaries make up approximately 45 percent of all patients for hospitals in my area. For these patients, our area hospitals are systematically undercompensated on the labor portion of hospital costs. This artificially low payment is based on the fact that Medicare reimburses on the basis of outdated data gathered in 1982 and 1984. Since that time, my congressional district has been one of the fastest growing areas in New York State, and actual wage levels have risen by an estimated 31 percent. The hospitals are reimbursed, however, on the basis of outdated data which does not reflect prevailing economic conditions.

Accordingly, along with my colleague from New York [Mr. FISH], I am introducing legislation to correct Medicare's calculation of the wage rate adjustment, known as the Area Wage Index. My legislation, the Medicare Area Wage Equity Act of 1989, will require the Secretary of Health and Human Services to calculate the Wage Index on the basis of the most current data available. In no case will Medicare be permitted to use outdated data preceding the end of the calendar year immediately prior to the Federal fiscal year in which payments are made. Finally, my legislation will require that periodic updates be made to the Wage Index on a more timely annual basis, rather than according to the current practice of updating every 3 years.

Mr. Speaker, the Medicare Area Wage Equity Act will help all hospitals throughout the Nation that are afflicted with reimbursement inequities due to the time lags in labor cost data. If Medicare adjusts its payments on the basis of timely and current data, all of our Nation's hospitals would receive the labor cost reimbursement rate to which they are truly justified.

Accordingly, I urge my colleagues to join in solving the health care crisis facing New York's hospitals by supporting the Medicare Area Wage Equity Act of 1989.

H.R. 1610

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Area Wage Equity Act of 1989".

SEC. 2. UPDATING OF HOSPITAL AREA WAGE FACTORS.

(a) IN GENERAL.—Section 1886(d)(3)(E) of the Social Security Act (42 U.S.C. 1395ww(d)(3)(E)) is amended—

(1) by striking "October 1, 1990 (and at least every 36 months thereafter)" and inserting "October 1, 1989 (and annually thereafter) using the most current data available", and

(2) by adding at the end the following new sentence: "In this subparagraph, the term 'most current data available' means, for discharges occurring in a fiscal year, data for hospitals for cost reporting periods ending in the calendar year immediately preceding the beginning of the fiscal year.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and apply to discharges occurring on or after October 1, 1989.

SEC. 3. MEDICARE PAYMENT ADJUSTMENT FOR CERTAIN URBAN HOSPITALS SIGNIFICANTLY AND ADVERSELY AFFECTED BY THE FAILURE TO USE THE MOST CURRENT DATA IN COMPUTING THE HOSPITAL AREA WAGE INDEX.

(a) IN GENERAL.—The Secretary of Health and Human Services shall provide an adjustment, under section 1886(d)(5)(C)(iii) of the Social Security Act for discharges occurring in a fiscal year in the case of a hospital located in Orange County, New York, or in Dutchess County, New York, in a manner so as to substitute the hospital area wage index factor (as established under section 1886(d)(3)(E) of the Social Security Act) for the New York, New York metropolitan statistical area for the hospital area wage index factor otherwise applicable.

(b) EFFECTIVE PERIOD.—This section shall apply to discharges occurring in a fiscal year beginning with fiscal year 1990 and ending with the first fiscal year that begins after the date of redesignation of metropolitan statistical areas by the Office of Management and Budget pursuant to the 1990 decennial census.

(c) BUDGET-NEUTRAL IMPLEMENTATION.—The Secretary shall adjust the national adjusted DRG prospective payment rates established under section 1886(d)(3) of the Social Security Act as may be necessary to ensure that total payments under section 1886 of the Social Security Act for each fiscal year are not increased or decreased by reason of the enactment of this section.

SHOULD OSHA BE REFORMED?

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. HENRY. Mr. Speaker, one of the bills which this House debated very vigorously last year was the so-called high risk notification legislation. My colleagues will recall that that legislation narrowly passed this House, but did not have sufficient support to cut off debate in the other body and so was withdrawn from consideration near the end of the 2d session of the 100th Congress.

Senator METZENBAUM has recently reintroduced the risk notification bill in the Senate and I expect that my colleague and the chairman of the Health and Safety Subcommittee, Representative GAYDOS will soon introduce the bill in the House. I want to anticipate, a bit, the debate over that legislation, and also relate it to another issue which I believe is a more effective and appropriate one for congressional attention—reforming our Occupational Safety and Health Act.

The Occupational Safety and Health [OSH] Act is now nearly 20 years old. With only small exceptions, Congress has not substantively amended the act since its passage in 1970. Nonetheless, the hands off attitude has not been out of a generally high level of satisfaction on the part of either labor or management with the way in which the program or the Occupational Safety and Health Agency have worked. I say that not out of criticism directed at any particular individuals. They are dealing in an inherently divisive and frequently ambiguous area—particularly where occupational health questions are concerned. At the same time, Congress has not provided sufficient resources for OSHA or the State OSHA programs to effectively do the job which they have been asked to do. Nonetheless, the question is beginning to be raised—What are we getting for the $450 million which the OSHA Program currently costs?

In 18 years OSHA was able to fully promulgate only 58 standards—24 involving chemical substances—until the recently announced new PEL limits, which are themselves now being challenged in the courts. During the debate last year on the risk notifications bill, the simple assertion by proponents of that legislation that OSHA isn't working was scarcely challenged by any Member of this body—though many of us did challenge the deduction made from that assertion, that therefore we needed to establish another new agency concerned with occupational health issues.

At the same time, it needs to be emphasized that the complaints with existing regulation and the administration of that regulation is not limited to either employees or employers. Both sides have legitimate complaints that the law and the administration have not worked as well as they should. Employees and their families rightfully complain about the relatively low level of penalties which can end up encouraging some employers to take the chance that they won't get caught for violating the act. Employers rightfully complain about the ability of disgruntled employees to harass by soliciting an OSHA inspection, inspections which scarcely any plant in the country can pass without some violation because of the detail and complexity of OSHA regulations. In neither case is the cause of worker health and safety well served.

As many of my colleagues know, several months ago I asked a group of five individuals, all experts in this area, to help me put together a proposal to make changes in OSHA, to try to deal with a variety and a spectrum of complaints with the current law and regulation. We are in the process of having a proposal drafted, and I hope soon to begin circulating that to various parties who have expressed interest in this effort.

I also want to encourage the new administration, Secretary of Labor Dole, and the yet-to-be-named Assistant Secretary for OSHA to address the need to make OSHA a more effective agency as one of their first priorities. It needs to be said that OSHA has made considerable strides with certain initiatives over the past 2 years. Though done to some extent under court order, the hazard communication program reached far more workers than any other specific initiative OSHA has undertaken. Similarly, with the conclusion, except for court challenges, of the PEL project, OSHA reviewed and updated more standards than it had during the rest of the 18 years combined. Less noticed was OSHA's effort earlier this year in promulgating management guidelines for workplace safety and health programs. These are some of the general approaches which bear promise and need to be built upon, both in terms of the administration of the Agency and in changes and refinements to the legislation.

TAMI LEE SCHMIDT IS WISCONSIN WINNER OF THE VFW'S VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. KLECZKA. Mr. Speaker, the Veterans of Foreign Wars of the United States and its Ladies Auxiliary recently conducted their annual Voice of Democracy Scholarship Program.

I am pleased to announce to my congressional colleagues that Miss Tami Lee Schmidt, a very talented resident of my Fourth Congressional District of Wisconsin, wrote the winning entry for my State.

I am pleased, but not surprised, that Miss Schmidt was our Wisconsin winner as I have previously presented her with a U.S. Certificate of Appreciation. As a senior at Oak Creek Senior High School, Tami has already proven her ability in the fields of academics, debate, and music. I am proud to have such a capable, creative young woman as my constituent.

I include for the RECORD Miss Tami Lee Schmidt's excellent statement on the theme of Preparing for America's Future.

PREPARING FOR AMERICA'S FUTURE

1988/89 VFW Voice of Democracy Scholarship Program, Wisconsin Winner: Tami Schmidt of Oak Creek, WI.

A young boy sat by the fireplace reading. His eyes squinted as he found it difficult to obtain enough light. As the light dimmed, he pored over the pages of his ragged speller. The early 1800's were hard for obtaining education, especially in the back woods area. But Abe Lincoln's love for books would prepare him to lead his nation thru one of its most troubling periods in our history. While Abraham Lincoln's education prepared him for his future, so the future of tomorrow's great leaders will come from today's education.

If America hopes to fill the aspirations of its youth, it must continue to improve its educational system. It must find a way to reclaim those who are unable to learn in the present environment. It must provide special challenges to those who need it and special patience to those who deserve it.

Just as Abe Lincoln campaigned for better educational facilities, we must continue to campaign for a continually better educational system. Education can prepare us for the future, but it alone cannot lead us into it. The future is based on dreams, and the courage and confidence to follow them.

A young man marched down the streets of Montgomery, Alabama. Twenty-five thousand people followed him. He had a dream. This man's dream carried him to Washington, D.C. Hundreds of thousands of people gathered around the nation's capitol to hear him speak. His powerful voice shouted for the cause of freedom and equality. Martin Luther King Jr., dreamed that equal rights would someday be a reality. We must dream, and then use our dreams to make our future in America better. For the future of America is based on American dreams. Without dreams, we have no goals, no accomplishments, no achievements.

The goals Americans make are really their dreams which have been set to a plan of action. And these dreams and goals are the second step in the preparation of America's future.

But America needs more than education and dreams. We need one more special trait for our preparation of the future.

Two men stood gazing into the morning sky. They watched the graceful flight of birds soaring up towards the clouds. They spent many years studying their patterns of grace and ease. Since they were children, they held a dream to join them. One day they took that courageous step to make their dream a reality. Orville and Wilbur Wright knew that before anything could be accomplished, they had to turn the faith in themselves into the courage to take action. Their first step in flight led to great adventures in space. This type of courage and faith in one's self and one's fellow man is the third characteristic that must be instilled into all of us as we prepare for the future of America. All of our best plans will mean nothing if we are afraid to take action.

Education, dreams, and courage are the foundation for the future of America. Like Abraham Lincoln, we must strive to be our individual best, and expand our minds to their outer most potential. We must realize that we are only held back by the limitations we create in our minds.

Like Martin Luther King Jr., we must use our freedom provided by this nation to dream—to dream of wonders yet unknown, to improve the life of people throughout the world, to make great adventures in space, health and world relations.

Like Orville and Wilbur Wright, we must have the courage and faith in ourselves to bring out the best in ourselves. We must believe we can and then do it. Then we will be doing more than preparing for America's future, we will be creating America's future.

THE DESTRUCTION OF HAITI'S CONSTITUTION

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. OWENS of New York. Mr. Speaker, once again a militarily dominated government in Haiti is attempting to hoodwink the United States Government and the Haitian people by pretending to respect the rule of law while at the same time it is working surreptitiously to undermine it and tighten its iron grip on the country.

The government of Gen. Prosper Avril issued a March 13 executive decree announcing that Haiti's constitution, popularly ratified in 1987, was being fully reinstated. But according to the Washington Office on Haiti, the Avril reigme unilaterally suspended 37 of the constitution's 298 articles. These articles cover a number of legal, electoral, and civil protections of the Haitian people against total military rule. For instance, one set of articles subjects military personnel accused of human rights abuses and civil crimes to the jurisdiction of a civilian court. Another set clearly delineates the powers and responsibilities of Haiti's executive, judicial, and legislative branches of government. Their suspension would effectively concentrate most of these powers in the executive branch—which in recent years has been controlled by the military.

Lastly, an article which required military personnel on active duty to be placed on inactive service or on retirement for a full year before being eligible to run for elective office was among those suspended from Haiti's constitution. This only serves to further strengthen the already powerful military, permitting the same lieutenants, generals, colonels, and soliders who already oppress the Haitian people in the streets on a daily basis to continue to do so behind the facade of being legally elected officials.

This latest action by Haiti's military regime comes on the heels of a report issued February 24 by three human rights groups, Americas Watch, the National Coalition for Haitian Refugees and the Barbados-based Caribbean Watch, which says that the Avril regime is "no closer to an elected, lawful government" than the previous Duvalier dictatorships were. It says that the Avril regime has permitted violence against its critics, that it has 'halted significant efforts" to disband the terrorist Tonton Macoute, the Duvalier's secret police which continue to kill Haitians and plunder the countryside, and that it has failed to bring to justice any perpetrators of political murders that still occur in Haiti even after the fall of the Duvaliers.

Yet our Government continues to allow the Haitian regime to pull the wool over its eyes as to its true nature. As recently as March 2 of this year, an editorial on Haiti broadcast on the Voice of America said that while there are still human rights abuses in Haiti, "* * * Nevertheless, human rights violations have occurred less frequently under the Avril government. The United States is encouraged by the Haitian Government's apparent willingness to involve opposition groups in the political process and to work toward democratic elections." I fail to see anything encouraging about human rights abuse in Haiti, whether frequent or infrequent, and I hardly think the Avril government's gutting the Haitian constitution under the guise of democratizing Haiti is cause for celebration.

Mr. Speaker, the Haitian people paid for their constitution in blood, just as the American people fought and died for their own freedom against oppression and tyranny. Our Government should empathize with the Haitian people and cut all economic and diplomatic ties with that country until free and fair electons for a civilian government are held there.

And we should call for those elections to be coordinated by a body of religious, civic, and human rights representatives selected by, and trusted by, the Haitian people themselves.

It is time we stop being fooled by the appearance of democratization in Haiti and insist on the real thing.

Mr. Speaker, I would like to insert the texts of the statement by the Washington Office on Haiti concerning the suspension of 37 articles in the Haitian Constitution, and the Voice of America March 2 editorial, in the CONGRESSIONAL RECORD.

WASHINGTON OFFICE ON HAITI,
Washington, DC, March 14, 1989.

CONSTITUTIONAL BASIS FOR MILITARY DICTATORSHIP DECLARED IN HAITI

The Washington Office on Haiti vigorously denounced the Avril Government's attempt to manipulate national and international opinion through its March 13, 1989 executive decree. While the decree claims to reinstate the popularly ratified 1987 Constitution "in full force", it in fact lays the constitutional basis for a full military dictatorship.

The reinstatement of the Constitution has been a key demand of both the people of Haiti and supporters of democratic change for Haiti in the international community. Yet according to the decree, 37 of the 298 articles of the 1987 Constitution have been suspended "until such time as there is an elected government". A close look at the articles suspended clearly reveals designs on the part of the Avril government that have nothing to do with the demands of the people. Moreover, this move opens the door for officially condoned human rights abuses and threatens to destabilize the Haitian society as a whole:

Articles 42-1, 42-2, and 42-3 were intended to make military personnel accused of civil crimes and human rights abuses subject to the jurisdiction of civilian court. Their suspension promises to exacerbate the already tense climate of insecurity in Haiti, where human rights abuses continue to be a daily occurrence while the military government has been unwilling—or unable—to bring those guilty of these abuses to justice.

Article 60-1 guarantees the separation of power among the three branches of the Haitian state by clearly setting limits to the spheres of power of each branch. Its suspension clears the way for a total abrogation of the essential separation of executive, legislative, and judiciary powers. The suspension of another group of articles effectively concentrates all the power in the hands of the executive branch. The executive branch has been under control of the military since February 7, 1986.

Certainly the most important article suspended, however, is Article 267-1, which requires any military personnel on active duty to be placed on inactive service or on retirement one full year before the promulgation of the electoral decree if he wishes to seek elective office. Already, rumors and speculation in Haiti have it that Avril plans to manipulate the electoral process in favor of his own candidacy. Such a possibility will certainly be met with strong resistance on the part of the democratic movement in Haiti.

To complete the picture, articles dealing with special powers, state of siege, and situations of emergency that entail the suspension of constitutional guarantees (278-1, 278-2, 279-1) have also been suspended. This effectively grants the executive, General Avril, full power to suspend all constitutional guarantees at his own discretion. Worse yet, the decree suspended Article 284-3. Article 284-3 prohibited any amendments to the Constitution for 5 years after its ratification in 1987. Taken together, the suspension of these last articles goes a long way toward the complete gutting of the 1987 Constitution.

The Avril government, mindful of its involvement in corruption, has even suspended Article 279-1. This Article requires government ministers to fully disclose their personal wealth to the court no more than 30 days after their installation.

The Washington Office on Haiti would have eagerly welcomed a genuine reinstatement of the 1987 Constitution. Instead, the Washington Office on Haiti sees yesterday's move as the last piece in a puzzle that the Avril government has been assembling for some time. This puzzle creates a picture of a sustained military dictatorship, complete with its own constitutional foundation, that intends to deny the people of Haiti the opportunity to create a democratic society based on political participation and social and economic justice. The Washington Office on Haiti calls on the Avril government to immediately repeal the March 13, 1989, decree.

HUMAN RIGHTS IN HAITI

(Following is an editorial, broadcast by the Voice of America March 2, 1989, reflecting the views of the U.S. Government.)

In Haiti, the United States has long encouraged movement toward a government that could ensure respect of individual liberties and the rule of law. When dictator Jean Claude Duvalier was overthrown three years ago, the people of Haiti had hopes that democratic change was possible. But an attempt to hold presidential elections in November 1987 was aborted by violence, and a second election in January 1988, conducted under military supervision, attracted little participation. Hopes were dashed when army General Henri Namphy seized power and proceeded to ignore the constitution, dissolve the legislature and set up another dictatorship.

Politically motivated killings and incidents of torture and police brutality continued in Haiti last year. On September 11, 50 thugs armed with handguns, machetes and truncheons attacked a Catholic church in Port-au-Prince, the capital, killing 11 worshipers and injuring 70 others. Perhaps more than anything else, this massacre drove a group of soldiers led by noncommissioned officers to overthrow General Namphy, paving the way for the current government of General Prosper Avril.

The Avril government has removed military and police officers who were regarded as corrupt or abusive. Lawyers and human rights activists were asked to nominate members for a commission to investigate the November 1987 election violence, and suspects in the murder of a former presidential candidate were taken into custody. In October, the new chief of police promised to outlaw beatings and torture. With the exception of a well publicized incident for which the police chief publicly apologized, there has been definite improvement in this area.

Last month, the government asked opposition leaders to help draw up recommendations for establishing a council to lead the country to new elections. On February 23, the government issued a decree based on these recommendations. It is hoped that the council, due to be named later this month, will succeed in drafting a new electoral law.

There are still human rights abuses in Haiti, and the Haitian government should investigate all such cases and prosecute those responsible. Nevertheless, human rights violations have occurred less frequently under the Avril Government. The United States is encouraged by the Haitian government's apparent willingness to involve opposition groups in the political process and to work toward democratic elections.—(Courtesy Haitian Embassy, Washington, D.C.)

THE TRAGEDY OF BONE MARROW DISEASE

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. SHAYS. Mr. Speaker, in my home State of Connecticut, the Governor designated March as "Bone Marrow Donor Registration Month." The month of March is almost over, but that does not mean the need to call attention to this life-saving treatment should end.

In recent years, advances in the technology of bone marrow transplantations have offered new hope of life to many. Tragically, however, hundreds of individuals have died awaiting bone marrow transplants because no appropriate donor could be found. One such individual was Christopher Viesto.

Christopher was a 2½-year-old who died of leukemia last March. Although his battle against the disease captured the heart and attention of two communities—Stamford and Norwalk raised $100,000 to send Christopher to a cancer center in Seattle for a bone marrow transplant—the operation was never performed because a suitable donor could not be found.

Many individuals and organizations, including the Christopher Viesto Bone Marrow Registry in Stamford, have been actively working to encourage greater public awareness of the need for more donors. In calling for more people to become bone marrow donors, I hope that others in Christopher's position will have a chance to live long and full lives.

H.R. 1592, INCREASING CAPITAL TO RESCUE FEDERALLY INSURED SAVINGS AND LOAN ASSOCIATIONS

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. FAUNTROY. Mr. Speaker, I rise this morning as a followup to my floor statement of February 9, 1989, at which time I outlined my legislative agenda for the current Congress. Of the many items I discussed at that time, none have taken on the urgency of the FSLIC crisis, and thus I would like to take this occasion to make some additional comments on this matter and introduce legislation designed to improve the proposal which the administration has advanced.

Before beginning, however, I would like to commend President Bush and Secretary Brady for providing the long-overdue national leadership which a financial crisis of this magnitude requires. Their leadership has been met with a true spirit of bipartisan cooperation by the Congress, and as Members are aware, both the House and Senate will begin voting on an assistance package shortly after we return from the Easter district work period.

I would be remiss if I did not signal out for special recognition the critical role which the distinguished chairman of the Banking Com-

mittee, HENRY GONZALEZ, has played in ensuring that this legislation is accorded the highest priority. Our colleague from Illinois, FRANK ANNUNZIO, the distinguished chairman of the Subcommittee on Financial Institutions Supervision, Regulation and Insurance has performed admirably in scheduling the hearings, consulting with Members and otherwise laying the groundwork for prompt action. My compliments to both him and his able staff.

Insofar as the administration's bill is concerned, it represents an excellent starting point, but in my view, it places too much of the funding burden on the American taxpayer. I am also concerned that the plan would grievously weaken the Federal Home Loan Bank system at a time when the savings and loan industry will obviously be playing a lessened role in providing mortgage financing to prospective home buyers.

The legislation I am introducing today would address both these deficiencies. First, it would attract additional investment capital to the thrift industry as a means of reducing the amount of taxpayer funds that must be devoted to the FSLIC bailout. Second, it would enhance, rather than reduce, the ability of the Federal Home Loan Bank System to support the mortgage market.

With respect to the first point, it is imperative that Congress assures that the administration plan contains enough private sector initiatives to encourage the acquisition of both failed and failing thrift institutions. In particular, we must provide methods and incentives for attracting additional capital to those thrifts which are not currently insolvent but are not economically viable in the absence of outside assistance.

In a recent study, the international consulting firm of Booz, Allen & Hamilton warned that the current effort to resolve the 500 insolvent S&L's pales by comparison with the money which will be necessary to deal with the over 1,000 marginal institutions with weak earnings, dangerously low capital, and funding sustained by brokered deposits and other high interest rate deposits. Many of these institutions face inevitable failure unless they can attract additional capital now.

According to Booz Allen, the time to do this is while these institutions still have some franchise value that is attractive to potential purchasers such as commercial banks and healthy thrift institutions. Needless to say the recent upturn in interest rates makes action along this line even more urgent.

Unfortunately, the administration's bill maintains the status quo for 2 years with respect to banks and bank holding companies acquiring S&L's, that is, only insolvents may be acquired and then operated under restrictions which discourage economic efficiencies. Two years after enactment, banks would be free to acquire any savings and loan association.

On this aspect of the administration's plan, the Chairman of the FDIC had the following comment during his testimony before the Banking Committee on March 8, 1989: "The FDIC believes that bank holding companies should be permitted to acquire failed or failing S&L's immediately, without the cross-marketing, activity, and branching restrictions or any other restrictions that have been routinely imposed by the FRB."

The bill I introduce today would not go quite that far, but it would move significantly in this direction by permitting banks and bank holding companies to acquire, during the first 2 years after enactment, any savings and loan association with capital of 3 percent or less. This is the midpoint between zero, which is the acquisition threshold under current practice, and the 61 percent capital level that will be required under the administration plan.

During the hearings, support for liberalizing the conditions under which thrifts can be acquired by banks was expressed by the American Bankers Association, the Association of Bank Holding Companies, and the National Council of Savings Institutions.

In addition to removing entry barriers which now preclude banks and bank holding companies from acquiring S&L's, the Fauntroy legislation would also encourage holding companies to invest in S&L's by integrating the institution into its other business activities. It would also facilitate capital raising by mutual institutions.

The second part of this legislation deals with the Federal Home Loan Bank System, which would be changed in several fundamental ways by the administration's plan. The bank system, which consists of 12 district Federal home loan banks, was created as a means of promoting housing finance and the thrift industry. This is essentially accomplished by the banks making credit advances for mortgage loans available to the thrift industry at favorable rates.

The district banks are required to contribute all of the retained earnings—approximately $3 billion, as well as future earnings in an amount not to exceed $300 million per year to the resolution of insolvent thrift institutions. As a result, I share the concern of many of the committee members that the bank system will be called upon to bear an enormous financial cost at a time when its established customer base; namely, the thrift industry, is undergoing a major consolidation.

If the bank system is to meet its funding obligations under this legislation, every thing possible should be done to increase the earnings of the district banks. To accomplish this, the second part of the Fauntroy legislation would permit the banks to make advances to an expanded class of borrowers by opening up membership to federally-insured commercial banks and credit unions.

This can be accomplished by a simple change to current law which already contains a so-called "thrift test" which permits members of the bank system to borrow in proportion to their percentage of housing loans. The effect of this change would be that any depository institution engaged in home financing would be eligible for bank advances in an amount consonant with its commitment to mortgage lending.

This eligibility would be particularly useful to community banks and minority institutions which do not have access to the capital markets. Moreover, both the lending activities and the capital of the district banks could be increased, enabling the bank system to better meet its commitment to both the housing finance industry in general and the FSLIC resolution in particular.

In conclusion, Mr. Speaker, I look forward to raising these issues during the committee deliberations on the administration's plan, as well as participating actively in the many other areas of public policy debate which have been identified by members both on and off the Banking Committee. I am confident that we can act with appropriate dispatch, while at the same time improving upon the plan submitted to us by President Bush.

Our distinguished colleague from New York [Mr. FLAKE] has done yeoman's work on the important issues relating to transition rules for those S&L's which will need additional time to come up to the capital standards called for in the administration plan. In many instances, these institutions have become capital impaired as a result of their willingness in past years to acquire troubled S&L's from the FSLIC, and we certainly should not change the rules retroactively on these companies.

Finally, the whole question of State powers is another where the Banking Committee will have to work hard to strike the appropriate compromise between the way in which the Nation's banking system has traditionally functioned and the stark reality that it is the Federal insurance agencies which pay the bills. I look forward to assisting in the design of the transition rules which will be necessary here also.

I ask unanimous consent that my bill be printed in its entirety at this point in the RECORD. Thank you very much.

H.R. 1592

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Thrift Institution Capital Enhancement Act of 1989".

SEC. 2. ACQUISITION OF UNDERCAPITALIZED THRIFT INSTITUTIONS BY BANK HOLDING COMPANIES AND NATIONAL BANKS.

(a) BANK HOLDING COMPANIES.—Section 4(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)) is amended by adding at the end thereof the following new subsection:

(1) by inserting after paragraph (14) the following new paragraph:

"(15) shares of any insured institution—

"(A) the amount of regulatory capital of which (as determined after deducting any subordinated debt, intangible assets, and any deferred, unamortized gains or losses), at the time such shares are acquired, is less than the amount which is equal to 3 percent of the total liabilities of such insured institution; or

"(B) which is acquired pursuant to section 408(m) of the National Housing Act.";

(2) by striking out "or" at the end of paragraph (13); and

(3) by striking out the period at the end of paragraph (14) and inserting in lieu thereof "; or".

(b) NATIONAL BANKS.—The paragraph designated the "Seventh" of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by adding at the end thereof the following new sentence: "Subject to such regulations as the Comptroller of the Currency may prescribe, a national bank may purchase for the bank's own account shares issued by an insured institution (as defined in section 408(a)(1) of the National Housing Act) the amount of regulatory capital of which (as

determined after deducting any subordinated debt, intangible assets, and any deferred, unamortized gains or losses) of which, at the time such shares are acquired, is less than the amount which is equal to 3 percent of the total liabilities of such insured institution.".

SEC. 3. PROHIBITION ON CERTAIN RESTRICTIONS ON BANK HOLDING COMPANIES WITH BANK AND INSURED INSTITUTION SUBSIDIARIES.

Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by adding at the end thereof the following new subsection:

"(i) INSURED INSTITUTIONS TREATED AS BANKS FOR CERTAIN PURPOSES.—In the case of any bank holding company which controls any insured institution described in subsection (c)(15), the Board may not impose or enforce any limitation (other than any limitation established by law) on the extent to which such bank holding company may—

"(1) increase the number of branches of any insured institution subsidiary;

"(2) allow insured institution subsidiaries to offer or market the products or services of bank subsidiaries;

"(3) consolidate clerical, accounting, bookkeeping, statistical, or similar functions of bank and insured institution subsidiaries, including the receipt or transmittal of electronic transfers, in any office which is separate from any office of any such bank or insured institution at which deposits are accepted by individuals employed by such bank or insured institution;

"(4) allow the use of the same name or logo by bank and insured institution subsidiaries; or

"(5) allow transactions between insured institution subsidiaries and other affiliates of such insured institutions.".

SEC. 4. ACQUISITION BY HEALTHY S&L HOLDING COMPANIES OF LESS THAN CONTROLLING INTEREST IN THRIFT INSTITUTIONS.

(a) IN GENERAL.—Section 408(e) of the National Housing Act (12 U.S.C. 1730a(e)) is amended by adding at the end thereof the following new paragraph:

(6) ACQUISITION OF LESS THAN CONTROLLING INTEREST IN CERTAIN INSURED INSTITUTIONS ALLOWED.—Notwithstanding paragraph (1)(A)(iii), any savings and loan holding company which does not control any insured institution the amount of regulatory capital of which (as determined after deducting any subordinated debt, intangible assets, and any deferred, unamortized gains or losses) is less than the amount which is equal to 6 percent of the total liabilities of such insured institution may acquire, with the prior written approval of the Corporation, not more than 5 percent of the voting shares of an insured institution which is not a subsidiary of such holding company.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 408(e)(1)(A)(iii) of the National Housing Act (12 U.S.C. 1730a(e)(A)(iii)) is amended by inserting "except as provided in paragraph (6)," before "to acquire".

SEC. 5. SALE OF NOT MORE THAN 49 PERCENT OF STOCK IN THRIFT INSTITUTION SUBSIDIARY BY MUTUAL S&L HOLDING COMPANIES ALLOWED.

Section 408(s) of the National Housing Act (12 U.S.C. 1730a(s)) is amended—

(1) by redesignating paragraph (8) as paragraph (9); and

(2) by inserting after paragraph (7) the following new paragaph:

"(8) SALE OF STOCK OF INSURED INSTITUTION SUBSIDIARY ALLOWED.—A mutual holding company may sell not more than 49 percent of the shares of any insured institution subsidiary of such holding company to the public.".

SEC. 6. ELIGIBILITY OF INSURED BANKS AND CREDIT UNIONS FOR MEMBERSHIP IN FEDERAL HOME LOAN BANKS.

Section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1425(a)) is amended by striking out "or savings bank," and inserting in lieu thereof "savings bank, insured bank (as defined in section 3(h) of the Federal Deposit Insurance Act), or insured credit union (as defined in section 101(7) of the Federal Credit Union Act)".

HIGH DEFINITION TELEVISION RESEARCH AND DEVELOPMENT ACT OF 1989

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. BROWN of California. Mr. Speaker, on Tuesday of this week I introduced the High Definition Television Research and Development Act of 1989, H.R. 1516. If enacted, this legislation will improve the competitiveness of the U.S. domestic electronics industry and promotes the introduction of high definition television products and services through a program of cooperative research and development.

The U.S. consumer electronics industry today stands at a crossroads. A new revolutionary technology is at hand—a technology that will make existing television sets obsolete within 10 years, and will radically alter the current status of home electronics products. I am talking about the advent of advanced television systems; in particular high definition television [HDTV].

HDTV will provide a brighter and sharper image on the television screen, and a picture equal if not better in quality to what is seen today in movie theaters. The new technology also has broad application potential in concert with semiconductors, fiber optics, flat-screen displays, and signal compressors. This is a potentially huge market, estimated to be $40 billion annually by the year 2010. If America is to become the major player in this new field, we must act now.

HDTV is much more than a pretty picture. The technology will advance medical imaging, the space program, and air traffic control. Because HDTV requires extremely complex circuitry, production of sophisticated chips will generate massive revenues for the semiconductor industry. It will also make powerful communication and home entertainment centers economically feasible.

Mr. Speaker, America cannot afford to remain idle while our foreign competitors make rapid advances in HDTV. Indeed it may already be too late for a U.S. HDTV capability. The Japanese plan to start direct broadcast satellite transmission of HDTV in 1990, and the Europeans have formed a corporation to market their version of HDTV. Both the Japanese and the Europeans have poured millions of dollars into the production of HDTV, while American companies have only discussed how to get into the HDTV arena.

The High Definition Television Research and Development Act of 1989 would help American companies participate in the new technology. H.R. 1516 would improve the competitive position of the U.S. domestic consumer electronics industry by supporting research and development into technologies which have substantial economic and national security potential. It would also assist in establishing and funding one or more joint research and development ventures through the Advanced Technology Program at the National Institute of Standards and Technology. A summary of the bill follows:

THE HIGH DEFINITION TELEVISION RESEARCH AND DEVELOPMENT ACT OF 1989, H.R. 1516—BILL SUMMARY

Section 1. Short title.—This section identifies the Act as "the High Definition Television Research and Development Act of 1989."

Section 2. Findings and Purpose.—This section expresses the findings of Congress regarding the importance of a viable domestic electronics industry, the role that the federal government can play in facilitating the development of new electronic products, the size of the future HDTV market, the current status of Japanese and European efforts for HDTV development, and the need for private sector cooperation with the U.S. government in the development of HDTV. The section also expresses the purposes of this Act: to improve the competitive position of the United States domestic consumer electronics industry by supporting research and development into technologies which have substantial economic and national security potential, and to assist in the establishment and funding of one or more joint research and development ventures in HDTV through the Advanced Technology Program at the National Institute of Standards and Technology.

Section 3. This section establishes the program at the National Institute of Standards and Technology. It directs the Secretary of Commerce to provide the needed assistance for the creation and support of one or more joint research and development ventures. These ventures would identify and solve generic technology and manufacturing problems in HDTV research and development for the purpose of speeding up commercialization of high definition products and services. The program is also aimed at helping the expedited procedures for technology sharing and technology transfer among members of the joint venture, while protecting against the transfer of intellectual properties, trade secrets, or proprietary data overseas. The section also calls for the Secretary of Commerce to publish within 120 days of the enactment of this act notice in the Federal Register that the Institute is prepared to accept applications for assistance.

Section 4. This section calls for the Secretary to negotiate a Memorandum with the participants of any joint venture selected for assistance under this Act, requires each joint venture to submit an annual report to the Secretary of Commerce, the appropriate congressional committees, and the Comptroller General which summarizes the accomplishments of the joint venture, describes its goals, describes the financial reporting and auditing procedures used, and summarizes the technology transfer agree-

ments among members of the joint venture, the advice of the Visiting Committee on Advanced Technology, and the results of any audit.

Section 5. This section mandates that all intellectual properties, trade secrets, and technical data developed by a joint venture receiving assistance under this Act shall be treated as if they are inventions made with Federal assistance under Chapter 18 of Title 35, United States Code.

Section 6. This section discusses authorization of appropriations for this bill. The amount authorized to be appropriated is $100 million for each of the fiscal years ending September 30, 1990, 1991, 1992, 1993, and 1994.

THE STOCK MARKET REFORM ACT OF 1989

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. DINGELL. Mr. Speaker, I am pleased to introduce the Stock Market Reform Act of 1989 which was submitted to the Congress by the Securities and Exchange Commission on June 23, 1988. The Commission stated in its letter of transmittal that "the Commission believes that enactment of the enclosed proposals is necessary to increase investor confidence in the stability and resiliency of the U.S. securities markets. The Commission unanimously endorsed the enclosed legislative proposals and urges their prompt enactment."

From its high point in August 1987, to its lowest point on Tuesday, October 20, 1987, the stock market fell 40 percent. New York Stock Exchange stocks lost $1 trillion in value and the Dow Jones Industrial Average plunged 508 points in 1 day—October 19—known as Black Monday. While the Dow has been nervously inching back up, the initial public offering market remains soft and the retail side of the securities industry continues to suffer losses and cutbacks due to the small investor's retreat from the stock market.

Sir George Blunden, Deputy Governor of the Bank of England, observed in July 6, 1988, remarks at a Financial Times Conference in London:

Seen with the wisdom which hindsight always provides, the events of last October represented a correction—albeit a sudden and dramatic one—after a period of unduly rapid rises in share prices in many of the major international stock markets. But at the same time they highlighted some important features of world securities markets.

First, they provided a graphic illustration of the growing integration of financial markets, which should now be considered in global rather than national terms. The major banks have had extensive international networks for many years, but more recently securities houses have expanded their overseas operations, helped by advances in communications technology. Second, they demonstrated just how closely banking and securities businesses are connected. This partly reflects bank funding of securities firms, on which attention focussed in New York on the 19th and 20th of last October, but also, particularly in Europe, the fact that both types of business are often carried out in the same firm or by firms in common ownership. Third, they served as a reminder of the importance of counterparty exposure in the assessment of risk. This has given additional impetus to the re-examination of the role of settlement systems and of arrangements to ensure the performance of contracts.

Following the October 1987 crash, the Committee on Energy and Commerce conducted extensive inquiries into these events. We examined the analyses and recommendations of the numerous reports generated by the crash. (For the benefit of Members, a listing follows these remarks.) On July 7, 1988, Representatives MARKEY and COOPER introduced H.R. 4997, the Securities Market Reform Act of 1988. Sections 4, 5, 6 and 7 thereof contained provisions similar to the ones being introduced today.

In the interim, the markets and the regulators have taken a number of responsible steps to address gaps and weaknesses in market regulation, surveillance, capacity and practices. However, at a certain point self-interest checks self-regulation. When that happens, it is the responsibility of government to step in and take the necessary actions to improve and strengthen our markets.

To that end, section 2 would amend section 12 of the Securities Exchange Act of 1934 to provide the SEC with authority to take emergency action without procedural delay in response to a major market disturbance. The Commodity Exchange Act currently gives the Commodity Futures Trading Commission broad authority to halt trading, to allow trading for liquidation only, or to take other regulatory action during an emergency.

Section 3 would amend section 13 of the Securities Exchange Act of 1934 to provide the SEC with authority to adopt reporting rules relating to large securities transactions and certain transactions in the futures markets that are related to transactions in the securities markets. This provision is modeled after the large trader reporting authority of the CFTC. It is designed to assist the SEC in its surveillance, enforcement and other regulatory responsibilities by affording it adequate information on the impact of large transactions in publicly traded securities involving a substantial volume or a large fair market value or exercise value, and related transactions in equity index futures and options on such futures.

Section 4 would expressly authorize the SEC to require certain entities registered with the SEC, including brokers and dealers, to report information relating to their associated persons that may have a material impact on the financial or operational condition of the registered entity and coincidentally on the entire financial system.

Section 5 addresses what may be the most important issue highlighted by the crash: credit mechanisms and liquidity.

The report of the Presidential Task Force on Market Mechanisms—or Brady report—noted that trades executed on an exchange are guaranteed by a "clearinghouse," whose performance is in turn guaranteed to varying degrees by the clearing members—broker-dealers or futures commission merchants—of that exchange. Most U.S. stock exchanges clear their transactions through a single stock clearinghouse. Similarly, all U.S. options exchanges clear through a single options clearinghouse. In contrast, each of the largest futures exchanges maintains its own clearinghouse.

The Brady report found that the existence of separate clearinghouses for each market segment does not provide individual clearing corporations, or the market as a whole, a sufficient overview of the intermarket positions of market participants. No one knows the potential exposure of any participant. This creates financing imbalances and increases the demand for credit.

The fragmentation of the separate clearing mechanisms in stocks, futures, and options and the staggering demands on credit brought the financial system to the brink on Tuesday, October 20. The Brady report stated at page 56:

The complexity of clearing massive volumes of stocks, options, and futures through separate clearinghouses caused some lenders to hesitate in extending credit. The consequent threat of financial gridlock posed the prospect of major financial system breakdown on October 20, prompting the Federal Reserve to boost investor confidence by promising to inject liquidity into the market.

Section 5 therefore would direct the SEC and the CFTC, in consultation with the Board of Governors of the Federal Reserve System, to facilitate the establishment of linked, coordinated, or centralized facilities for clearance and settlement. I hope to work closely with members of the Committee on Agriculture, as well as with officials from both the SEC and CFTC, to enhance and strengthen our clearance and settlement systems. I also look forward to receiving the views and assistance of our Nation's central banker on this important issue.

Companion legislation (S. 648) was introduced in the Senate on March 17 by Senators DODD and HEINZ. I hope that, following thorough public hearings and discussion, we can bring before this body strong and meaningful reform that will maintain the national and global strength and competitiveness of our markets.

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TARIFF BILL INTRODUCED ON CERTAIN POLYESTER FILAMENT YARNS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. FRENZEL. Mr. Speaker, today I have introduced H.R. 1596, a bill which will provide duty-free entry for certain polyester filament yarns produced by CBI beneficiaries wholly of U.S. materials.

This bill was drafted to help one Costa Rican company which currently does not receive CBI benefits even though its product is made solely of United States materials and fills niche markets not supplied by yarns produced in the United States. The bill is very narrowly drafted to ensure that yarns are not included which might compete with U.S. production.

The company's chief competition comes from West Germany and Japan. Relief of the current 10-percent ad valorem duty could give the Costa Rican company an edge over these foreign suppliers. In my judgment, this is a painless way to increase CBI benefits while at the same time increasing opportunities for the domestic raw material supplier.

JILL DONAHUE, A JOB WELL DONE

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. LEWIS of California. Mr. Speaker, I rise today to say thank you for a job well done to a very competent lady, Jill Donahue. Jill will be surrendering her position as president of the Montclair Chamber of Commerce at the chambers 30th annual installation of officers on Thursday, March 30, 1989.

Jill Donahue has been an active and dedicated citizen in the community of Montclair for many years. Her professional career history is extensive and includes having administrated several facilities in the Montclair area. Jill graduated from the University of Redlands with a degree in business administration/marketing and is currently working on a graduate degree in business administration. There is no doubt that she will be missed by her friends and coworkers at the chamber of commerce, but I am certain that with her educational background and administrative experience, she will succeed well beyond the post she is leaving.

Mr. Speaker, I ask that you join me today in saluting Jill Donahue for her energy and effort on the behalf of the city of Montclair.

THE FATE OF THE ENVIRONMENT

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. MAVROULES. Mr. Speaker, as we approach the last decade of the 20th century, it becomes more apparent that one of the greatest challenges awaiting us is the fate of our environment. Twenty years ago our predecessors passed a whole host of environmental legislation which did much to stem the tide of environmental degradation in our Nation. But much more needs to be done. Many new problems of a far more complex and global nature have arisen. These range from global warming to acid rain, and require measures of great breadth and vision for their solution.

Safeguarding our environment for future generations requires the Federal Government to take the lead and for Congress and the President to work together in the spirit of bipartisanship during the crucial decade of the 1990's. To date, initiatives to protect our environment have been uncoordinated and lacking in direction. What is required is an all encompassing strategy, one that is aimed at the attainment of measurable environmental goals. To coordinate this effort the President should direct the executive agencies to work to develop and implement a domestic and international environmental program.

Acid rain is a major problem with widespread damage to forests and loss of crops across the Nation. In New England, the maple syrup crop is threatened by damage to trees, in California pine trees are suffering damage, and across the Nation agricultural crop losses due to acid rain amounts to $5 billion annually. Along the Appalachian Mountains the acidity of precipitation is 100 times the level of unpolluted rain and 10 times greater than that falling on nearby lowlands. Even the Nation's great monuments are harmed by acid rain, attacking the Lincoln Memorial and contributing to the need for the recent renovation of the Statue of Liberty.

Sulphur dioxide and nitrogen oxides are the chemicals responsible for much of the acid rain. The adoption of targets to reduce their emission by 10 and 5 million tons respectively would have a major impact on acid rain. This could be achieved by the promotion of energy efficiency, switching to cleaner fuels and the development of new combustible technology. The United States is one of the world's most profligate users of fossil fuels; improved energy efficiency would have the benefit of reducing our dependence on imported fuels as well as cutting acid rain. A switch to alternative clean power generating sources such as tidal, hydroelectric, solar and geothermal energy would have the additional benefit of being renewable and fairly inexpensive once installed.

Despite a plethora of legislation in the early 1980's, including such measures as the Superfund Amendment Act and the Hazardous and Solid Waste Amendment Act, solid waste remains another hazard. The odyssey of the New York garbage last year serves to give us notice of what lies ahead. By the year 2000 the EPA predicts that the United States will produce some 158 million tons of garbage per annum, while the land available for landfills, the method that is used to dispose of 90 percent of garbage at present, is going to shrink rapidly as today's sites are filled.

In addition, landfills have been proven to cause ground water contamination as toxic chemicals leech out of the garbage. There have been cases where methane gas accumulated causing underground fires.

New methods must be promoted for disposing of our solid waste. Two alternatives lie in the realms of incineration and recycling. At the moment some 38 States incinerate a total of only 6 percent of the Nation's solid waste, while only 4 States have mandatory recycling programs. This must be improved if we are going to avoid in the future the sort of embarrassing and environmentally damaging scenes of last year.

Global warming and the destruction of the ozone layer are other issues that deserve urgent attention. The recent discovery of a hole in the ozone layer over Antarctica and the revelation that over the last 150 years the temperature of the Earth has warmed as much as it did in the period from the last Ice Age have given new impetus to dealing with this. We may already be feeling the effects of this with last year's drought, hurricane Gilbert in the Caribbean, famine in Africa and floods in Bangladesh.

While the effects of global warming and ozone depletion are felt across the world, this challenge can only be successfully met with the cooperation of the international community. The agreement at Montreal last year for the major industrialized nations to reduce their output of chlorofluorocarbons [CFC's] by 50 percent by the year 2000 was a step in the right direction, but the United States should go at least as far as the European Community has and plan to phase them out completely by the year 2000.

President Bush has said on many occasions that he wants to be the environmental President, now the time has come for him to put his words into policies and to work with the Congress and the American people to create a cleaner, healthier environment for future generations to enjoy.

JUDGE SOL LISS

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. CARDIN. Mr. Speaker, I rise to call to the attention of my colleagues, the loss of a great American, Judge Sol Liss. Judge Liss was one of Maryland's outstanding servants, and a close personal friend.

Judge Liss was a native of Maryland, born in Baltimore to immigrant parents. His work career began early, starting as a boy selling newspapers to help support his family.

He stayed close to home, attending City College, Towson State College, and the University of Baltimore School of Law. In 1937 he was admitted to the Maryland Bar.

Judge Liss held many positions in State government, beginning with his appointment as police magistrate for the southern district in 1943. Four years later he was elected to the city council, where he served with William Donald Schaefer, now Governor of Maryland. In 1964 he was appointed chairman of Maryland's Public Service Commission where he served for 4 years until he was appointed to what is now the circuit court for Baltimore City.

In 1976 Judge Liss moved up to the Maryland Court of Special Appeals and served there for 8 years, when Gov. Harry Hughes asked him to chair the newly formed Chesapeake Bay Commission. This new position was one of the highest importance to Maryland, putting Judge Liss at the head of the organization whose charge was to relieve growing pressure on Maryland's fragile coastal zone. It was in keeping with Judge Liss' life that when he died on October 18, 1988, he was on his way to a meeting of the Chesapeake Bay Commission.

Judge Liss served his community in many ways, extending well beyond his professional career. During his lifetime, Judge Liss held many positions in religious and civic organizations. Among those positions were president of B'nai B'rith Anti-Defamation League Council, vice president of the Maryland State Bar Association, president of the Golden Eagle Square and Compass Club, and a member of the executive board of the Maryland Judicial Conference.

Judge Liss was also instrumental in raising over $100 million for the State of Israel through the High Holy Holiday Israel Bond Appeal, as well as being active in a number of other charitable organizations.

Maryland has lost an outstanding servant in Sol Liss. My condolences go out to his wife Florence, his children, grandchildren, and sister. I know that they are justifiably proud of his many accomplishments and can take pride in the career that he was able to forge with their support.

HISTORIC PEACE BETWEEN ISRAEL AND EGYPT

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. SCHEUER. Mr. Speaker, this Sunday, March 26, will mark the 10th anniversary of the historic peace between Israel and Egypt.

While the Camp David accords ended the bloodshed between Israel and Egypt, relations have not developed as closely as any of us had hoped for. There have been few if any cultural exchanges, as had been promised in the treaty, trade has been limited to $9 million and high level official talks between the two countries are very rare.

The return of Taba, a resort area whose fate was determined through arbitration, marks the final phase of Israel's return of Egyptian territory as agreed to in the Camp David accords. Israel's territorial accommodation with Egypt clearly demonstrates that Israel will negotiate in good faith and follow through with her commitments.

Israel has always expressed a willingness to negotiate when it sees a real prospect for peace. While Israel has every interest in negotiating with the Palestinians who live in the West Bank and Gaza, Israel is rightfully wary of establishing a dialog with the PLO which insists on the creation of an independent Palestinian state.

There is no question that an independent Palestinian state in the West Bank and Gaza, where only 20 miles stand between Israel's safety and its destruction, would be a destabilizing threat to the security of Israel.

The limited success of the Camp David accords offers hope for peaceful coexistence with Palestinians who can commit to living with their Israeli neighbors in peace. However, the aspirations of the PLO, expressed by leading PLO officials since the declaration in Algiers, includes the destruction of Israel and the repatriation of Palestinians to Haifa and Tel Aviv. How can any sovereign nation be expected to negotiate with people committed to its destruction?

Given the intensity of confrontation in the West Bank and Gaza over the last year, I urge the administration to move cautiously and carefully in proposing plans for peace. It has taken Egypt and Israel 10 years of patience, commitment and perseverance to reach a very limited accommodation. The chances of swift reconciliation, characterized by Sadat's historic trip to Israel, are slim.

Mr. Speaker, all of the concerned parties agree that the status quo is painfully undesirable in the short term and totally unacceptable in the long term. In establishing a peace process, however, we must be sure that we are moving toward a workable and sustainable solution rather than a temporary cessation of hostilities which later may lead to yet even greater conflict and violence.

In order to achieve a lasting peace the United States should avoid reacting to inflated public opinion and work to establish acceptable conditions allowing for a step-by-step peace process to commence. We can be sure, Mr. Speaker, that any long-term resolution of the intense strife in the West Bank and Gaza must include Jordan, and all of the Arab nations which have waged war on Israel and nurtured hatred and frustration among the Palestinian people. Israel alone, irrespective of its policy options, cannot deliver peace.

The United States must hold Arab countries and Palestinians accountable for 40 years of Arab rejectionism. The words of quasi-militant Palestinians are hollow, especially when Israel's most threatening neighbors continue their campaign to wage war against her. Palestinians and Arab nations which threaten Israel must commit themselves to peace before Israel can be expected to make any major concessions.

Short of such commitments there will be few opportunities for the concerned parties to establish good faith negotiations leading to peace.

NUCLEAR WEAPONS PRODUCTION HEALTH AND SAFETY ACT OF 1989

HON. DAVID E. SKAGGS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. SKAGGS. Mr. Speaker, I am introducing today a bill to strengthen the environmental, occupational safety, and health protections at our nation's Department of Energy [DOE] nuclear weapons facilities, including the Rocky Flats plant in the district I represent. The bill is very similar to the one I introduced last year for this purpose, except that it has been expanded in several areas.

For more than 30 years, the Department and its predecessor agencies have run our nuclear weapons complex in an atmosphere of secrecy and with almost no outside oversight. Weapons production goals were generally met, but too often as a result of shortcuts that have caused serious public health and pollution problems and that placed workers at risk. We are still in the process of learning the full dimensions of these problems, but the Department now estimates it will cost $150 billion or more to cleanup and modernize its weapons facilities. At Rocky Flats alone, the DOE estimates it will need nearly $3 billion to accomplish this task.

I believe strongly that the best way to correct this situation in the long term is to address the underlying institutional problem—the lack of an independent authority to regulate and oversee nuclear weapons facilities and their production operations. Recently, the DOE has shown a welcome change of attitude

in this area, with a tougher attitude toward plant safety and a more aggressive effort at environmental cleanup. Even so, it's simply not sound policy to accept a "fox guarding the chicken coop" situation, where the Department polices itself on all environmental, safety and health issues.

Just as important, the Department simply can't expect to win public acceptance of a $150 billion cleanup and modernization effort unless the public believes it will be done right. Given the Department's overall record in this area, I believe that independent oversight will be a prerequisite for building the kind of public trust and confidence that will have to accompany this program. And public support will be an essential prerequisite to the political backing needed to approve such an expensive, long-term undertaking.

My bill would establish an independent agency to regulate and oversee the operations of the DOE's weapons operations. Like the Nuclear Regulatory Commission which regulates commercial nuclear operations, this new agency would set environmental, safety, and health standards to ensure safe operations, and it would have the authority to enforce compliance with those standards and other federal and state laws. Because DOE weapons plants are exempted from regulation by the Occupational Safety and Health Administration, the standards established by the Board would include occupational health and safety standards. If an environmental or safety violation presented a substantial danger to the public health, the agency could act to end it, subject only to being overridden on national security grounds by the President.

An important fact about the Board is its independent status. Like other independent agencies—such as the Federal Trade Commission—the Board would be able to issue administrative orders and, if necessary, to seek court orders to compel an executive department—in this case, DOE—to comply with its standards. Constituted this way, the Board sidesteps the constitutional question of whether one conventional agency in the executive branch—like the Environmental Protection Agency—can take such a binding action with respect to another executive branch agency or department.

My bill would do several other things. It would require DOE to obtain licenses from this new agency for any new nuclear facilities it proposes, to ensure their compliance with environmental and safety laws and regulations. This is a critical item in seeing to it that the tens of billions requested for modernization are spent properly and the job is done right. The bill would strengthen and expand the powers of the environment, safety, and health officials within the Department to better ensure the safe operations of DOE's facilities. It would also give these officials the budget and responsibility for environmental cleanup and remediation activities, which are currently in the hands of DOE's weapons production offices.

My bill would also give the EPA jurisdiction over more of the hazardous materials produced or handled at these plants. And finally, it would transfer from the DOE to the Centers for Disease Control the authority to study the health effects of radiation from DOE nuclear facilities.

This bill isn't needed just for environmental or safety reasons—I believe it's also imperative for national security reasons. At one point last year, three of our Nation's principal nuclear weapons plants were shut down due to safety and health concerns arising in part from deteriorating plant conditions. An independent agency could have made a big difference in alerting us to these problems before they had become a national security issue.

Last year, when I first introduced this bill, there was still considerable skepticism that independent oversight was really needed. Today, in a sadder but wiser Congress, the debate is no longer about whether oversight is needed, but about how much. That's why I'm reintroducing this bill. I believe strongly that the reforms in the bill would make our weapons facilities safer and less polluting, and I will be working very hard to see these or similar reforms passed into law.

INTRODUCTION OF THE FEDERAL EMPLOYEE CHILD CARE ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. MILLER of California. Mr. Speaker, today I am introducing a bill to extend to all Federal workers, including congressional employees, the same child and dependent care assistance already available to employees in the private sector and local governments.

I am especially pleased that 36 of our Republican and Democratic colleagues have joined me in introducing this legislation. The cosponsors include:

COSPONSORS FOR DCAP LEGISLATION

Representatives Akaka, Atkins, Bilbray, Boxer, Chapman, Coleman of Texas, Collins, Conte, de Lugo, Dwyer, Dymally, Engel, Fauntroy, Fazio, Fish, Foglietta, Garcia, Gonzalez, Hoyer, Hyde, Johnson of Connecticut, Jones of North Carolina, Kaptur, Kolter, Lehman of Florida, Lewis of Georgia, Donald Lukens, Morella, Morrison, Oakar, Pashayan, Pelosi, Wheat, Williams, Wolf, and Wyden.

These cosponsors cover a very wide political and ideological breadth.

We may disagree on what kinds of child care programs are best or deserve congressional support, but on this one point, liberals and conservatives can surely agree: Parents should not be precluded from eligibility for dependent care assistance solely because their employer is the Federal Government.

Federal and congressional employees are no different from other working families with child care needs. Yet under the law, they lack the same options for financing the child care which makes their continued employment possible.

Employees in the private sector and in State or local government, whose employers offer dependent care assistance programs [DCAP's], are able to dedicate up to $5,000 in pretax dollars annually to help meet the expenses for the child care arrangement of their choice. My bill would extend the ability to participate in those same DCAP's, funded through voluntary salary reduction, to Federal and congressional employees.

There is no question that the need is there. Nearly, one-third of the executive branch employees surveyed by the General Accounting Office in 1986 had children at home who required care or supervision during the weekday. GAO projected that among all executive branch employees, approximately 700,000 preschool children may need supervision during the workday. However, the Federal Government, mostly through onsite centers, serves less than 1 percent, or about 2,000 preschool children.

Our own employees here in the House of Representatives are well aware of how inadequate our direct support of child care for Hill staff has been. This legislation is something we can do to enhance the support of our own employees, and many other Federal workers throughout this country, to provide child care for their children.

Employees across the Nation are increasingly recognizing that offering child care assistance is a boon to their business, and a welcome benefit by their employees. Almost 4,000 employers now offer some form of child care support to their workers, up from 600 in 1982.

In recent years, among the most popular forms of employer-sponsored child care assistance is that offered through the Tax Code. Under existing tax law, employers are able to offer their employees, through salary reduction and flexible spending accounts, an opportunity to participate in a dependent care assistance program.

A growing number of State and local governments have also extended this option to their employees. At least four States, including Texas, Massachusetts, Oregon, and Kentucky, have implemented or authorized the use of salary reduction to fund dependent care assistance for State employees. City and county governments across the country from Denver, CO, to Durham, NC, offer their employees this option.

My legislation makes no changes to existing Tax Code except to authorize the Office of Personnel Management, under sections 125 and 129 of the Internal Revenue Code, to extend DCAP participation to Federal workers.

At a time when the House is correctly deciding to extend many labor protection and antidiscrimination laws to our own employees, it is wholly fitting that we also extend the DCAP's plan to the men and women who work for Congress and other branches of the Federal Government. As the largest employer in the Nation, the Federal Government can and should be a model employer by joining private sector, State and local government leaders, who have already extended child care assistance through DCAP's.

Introduction and passage of this bill will not satisfy the need for child care legislation by this Congress, and I will continue my long effort to provide expanded Federal support for high quality, affordable child care. Providing DCAP's ends treatment of Federal employees as second-class citizens in the eligibility for child care support, and illustrates the need to

pursue child care to enable parents to offer their children the quality care which is essential, but unaffordable or unavailable, to most American families today.

H.R. 1628

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEPENDENT CARE ASSISTANCE PROGRAM

(a) ESTABLISHMENT.—The Office of Personnel Management shall establish a dependent care assistance program which shall provide benefits to individuals employed (whether pursuant to appointment or election) within each branch of the Government.

(b) SPECIFICATIONS.—The program shall include provisions to ensure—

(1) that benefits under the program—

(A) meet the requirements for exclusion from gross income under section 129 of the Internal Revenue Code of 1986 (relating to dependent care assistance programs); and

(B) are provided pursuant to salary reduction agreements meeting the requirements of section 125 of the Internal Revenue Code of 1986 (relating to cafeteria plans) for exclusion from gross income; and

(2) that—

(A) a period of not less than 8 weeks shall be afforded before the start of each calendar year to permit—

(i) any individual participating in the program to elect to change the individual's salary reduction amount, or to cease participating in the program; and

(ii) any eligible individual who is not participating in the program to elect to begin or resume participation, as the case may be; and

(B) in addition to any opportunity afforded under subparagraph (A)(i), an individual participating in the program may, under conditions prescribed by the Office, elect to change the individual's salary reduction amount, or to cease participating in the program, upon filing written application within 60 days after a change in family or employment status, or the occurrence of any event causing a change of 50 percent or more in estimated dependent care costs for the year.

(c) ELIGIBILITY.—A determination as to an individual's eligibility to participate in the program may not take into account the individual's age or length of Government service, or whether the individual is employed by the Government on a part-time, temporary, intermittent, or other similar basis.

(d) REDUCTIONS IN PAY.—Any payment of basic pay reduced by an amount determined pursuant to a salary reduction agreement under this Act is a full and complete discharge and acquittance of all claims and demands for regular services during the period covered by the payment, except the right to receive benefits pursuant to this Act.

SEC. 2. INFORMATION REQUIRED TO BE MAINTAINED.

The Office of Personnel Management shall maintain, on an annual basis, information relating to—

(1) the number of individuals who participated in the program (in the aggregate and by salary ranges) during the preceding year;

(2) the average salary reduction elected (as an overall figure and by salary ranges) during the preceding year;

(3) whether the total amount of salary reductions during the preceding year exceeded the total value of benefits provided under the program during such year and, if so, the amount of the excess; and

(4) any other aspect of the program's operation during the preceding year which the Office considers appropriate.

Information compiled under this section shall be kept available for at least 5 years following the end of the year with respect to which the information relates.

SEC. 3. COMMENCEMENT.

The Office of Personnel Management shall take appropriate measures to ensure—

(1) that the first opportunity for any individual to elect to become a participant in the program under this Act shall be afforded beginning with a period (as described in section 1(b)(2)(A)) commencing not less than 8 weeks before the program first commences (as described in paragraph (3));

(2) that eligible individuals are given advance notice as to—

(A) the benefits to become available pursuant to this Act;

(B) the terms and conditions for receiving those benefits; and

(C) the procedures for making an election during the period described in paragraph (1); and

(3) that salary reductions are made and benefits provided (in accordance with applicable terms and conditions under the program) on and after the first day of the first calendar year beginning at least 180 days after the date of enactment of this Act.

THE RETIREMENT OF AMEDEE DeROY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. CONTE. Mr. Speaker, I rise today to pay tribute to Amedee DeRoy, a reliable working man who has spent his life generously helping others. Amedee, a lifelong resident of the First Congressional District of Massachusetts, is retiring after 14 years of employment with the Hampden County Consortium.

Amedee DeRoy has been a good friend of mine for more than 30 years. He is an honest man, a man who proved that lifelong success and happiness is measured in how hard you work and how many people you touch, not in material gains. If I ever needed help with anything, Amedee was always the one I could count on to be there. He is just that kind of guy, always helping someone out, whether it be a friend or stranger. Amedee is one of the most selfless people I know, and I am proud to be able to call him my friend.

As an employee of the Hampden County Consortium, Amedee has worked the last 2 years at the Holyoke Job Training Center. Before that, he worked for the Massachusetts Career Development Institute in Springfield. Previously, he worked for the now defunct CETA Placement Services in Holyoke. During the last decade, he has helped more than 1,000 people get jobs, people who may not have otherwise been able to provide for their families.

The importance of a job to the head of a household is immeasurable. A job does not just bring steady income, it gives a person dignity and hope, which are far more valuable than what a weekly paycheck can buy. I'm not exaggerating when I say that thousands of children in western Massachusetts have a warm home to sleep in at night, because Amedee DeRoy helped their parents find jobs. That is what I call success.

After gallantly serving this country in the U.S. Army during World War II, Amedee came home to Holyoke to own and operate a grocery store at the corner of Mosher and North Bridge Streets. After about a year, he took a position with General Electric in Holyoke doing radar and assembly work, and reading blueprints. He stayed with GE 9 years, and during that time became the head of the local union, before moving on to become the manager of the Riverview Club on North Bridge Street. After 12 years at the Riverview Club, Amedee took a job at the Hotel Northampton, where he stayed 3 years before becoming the job administrator for the Holyoke Housing Authority. While at the housing authority, Amedee was responsible for handling personnel and labor grievances. In 1973, he took a job at the Colonial Hilton in Northampton, where he stayed 2 years before joining the staff of CETA Placement Services and the Hampden County Consortium. Throughout the past few years, I have had the privilege to work with Amedee and the consortium in securing funding for vocational education training. During the entire funding process, Amedee always conducted himself in an extremely professional and cordial manner. He has helped to provide quality personnel for the industrial and private sector in Holyoke and Westfield. I know these fine cities are appreciative of his efforts on their behalf.

Mr. Speaker, Amedee has always been a behind-the-scene kind of person, part of the backbone of society. He never seeks the recognition he deserves. This country was built by strong working people just like Amedee, who strive to accomplish the best in everything they do.

In his free time, Amedee is a sportsman, spending a lot of time at ballgames and other sporting events. In addition, Amedee is a strong family man; he enjoys spending most of his free time with his wife, Antoinette, and their eight children: Diane, Janice, Christine, Edward, Michele, Ronald, Lynne, and Paul, all of who have provided a tremendous amount of support throughout the years. Although I do not know what "Middie" has planned for his retirement, I am sure he will continue to spend a lot of time in the company of his family and grandchildren, while continuing to be very active in the Holyoke area.

I would like to extend to Amedee my deepest congratulations and my very best wishes for a healthy and happy retirement. But most of all I would like to thank him for devoting his life to being an honest worker.

Mr. Speaker, a wise woman once said, "The world is moved along, not only by the mighty shoves of its greatest heroes, but also by the aggregate of the tiny pushes of each honest worker."

That is a perfect description of my friend, Amedee.

TOUGHEN THE PENALTIES FOR THE MISUSE OF SEMIAUTOMATIC FIREARMS

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. WYDEN. Mr. Speaker, today I have introduced legislation, the Criminal Assault Weapon Penalty Act of 1989, which will get at the major problem behind the semiautomatic assault weapon debate—the criminals who use these vicious weapons in the crimes they commit.

In communities across this Nation and my own State of Oregon, our constituents have witnessed in horror as criminals flaunt these deadly weapons in our neighborhoods, in our forests and even in the schools our children attend.

Clearly, something must be done to stop this terror. Yet so far, the debate has centered on whether to ban these weapons, which poses some very difficult legislative drafting problems.

First, the Bureau of Alcohol, Tobacco and Firearms has confirmed that there is no unique functional or mechanical difference between military assault-type semiautomatic firearms and other semiautomatic firearms which are used in sports and hunting.

The question is how to draft legislation which would differentiate between the semiautomatic assault rifles and the semiautomatic hunting rifles. If there's no mechanical or functional difference between the two, how could this be done?

Another way of keeping criminals who abuse firearms off the streets is to put them in jail for a very long time. That's the basic concept of the Armed Career Criminal Act of 1984 and of which I am proud to have been a sponsor.

The Armed Career Criminal Act says that criminals with three prior convictions of serious felonies or drug offenses can be sent to Federal prison for a minimum of 15 years with no parole if they're caught possessing any kind of firearm. Since October 1986, 405 career criminals have been sentenced to Federal prison for a combined total of 4,393 years.

The time to toughen the penalties for using semiautomatic firearms and sawed-off shotguns in the commission of a serious crime is long overdue.

My legislation would add semiautomatic firearms with ammunition clips containing 10 or more rounds and short-barelled shotguns to section 924(c)(1) of title 18. This section currently provides for enhanced penalties for the use of a machinegun or silencer in connection with a crime of violence or drug trafficking crime.

Simply put, this legislation will add all semiautomatic firearms with 10-round clips and sawed-off shotguns to this category of weapons for enhanced sentencing. Thus, a first offense conviction would send a criminal to prison for 30 years and a second offense conviction would be sentenced to life imprisonment without release. I urge my colleagues on both sides of this debate to support this legislation for the following reasons:

It's not a ban on anything—it simply calls for enhanced penalties for the use of any semiautomatic firearm or a short-barelled shotgun in connection with a violent crime or drug trafficking crime.

It includes sawed-off shotguns, which are also weapons of choice for criminals and are highly restricted under Federal law, but aren't currently included in the enhanced sentencing section of title 18 that applies to machineguns.

It doesn't limit these enhanced penalties to semiautomatic long guns, because even though the assault rifles are popular with criminals in the West, the semiautomatic handguns are popular with criminals in the East.

Aside from any lengthy debate on whether to ban assault rifles, we need to act quickly to provide prosecutors with tough new tools to get the criminals who use them behind bars. The constituents in our communities which are besieged by this deadly escalation in criminal firepower deserve no less.

THE INTRODUCTION OF THE VIOLENT CRIME PREVENTION ACT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. WEISS. Mr. Speaker, I am introducing the Violent Crime Prevention Act, a bill to ban the manufacture, transfer, and importation of .25- and .32-caliber handgun ammunition. Senator MOYNIHAN introduced this measure in the Senate in the 99th Congress, and in each succeeding Congress. With the continuing escalation of drug-related violence around the country, and the frightening rise in homicide in some of the Nation's major cities, now is an especially crucial time to get serious about tackling violent crime.

Current handgun control laws clearly are not effective. Between 1960 and 1980, the United States homicide rate by means other than firearms increased by 85 percent. During this same period, the death rate from homicide by firearms increased by 160 percent. Handguns account for 75 percent of all gun-related homicides. In addition, the overwhelming majority of felony crimes where firearms are used are committed with handguns.

The recent rise in the homicide toll underscores the need for more effective gun control. The 1988 homicide rate in New York City climbed 13 percent from 1987. In Washington, the number of murders committed thus far in 1989 is almost double the number committed by this time last year—a homicide rate that now nears 1.5 murders per day.

Hospitals in major cities across the country have reported significant recent increases in gunshot wound victims. Children, unfortunately, are included in this frightening trend. According to a study conducted by the chief of pediatric surgery at Harlem Hospital Center in New York, gunshot wounds in children aged 16 and under has increased 300 percent in major urban areas since 1986.

The banning of bullets is a straightforward strategy for keeping handgun violence in check. The logic is simple. Today, there are an estimated 60 million handguns in circulation, and by the year 2000 that number is expected to reach 100 million. A hundgun is a durable machine which, unless carelessly left vulnerable to rust, or subjected to unusually rough handling, should last long beyond the lifetime of its owner. Even with an outright ban on handgun manufacture, sale, and possession, existing weapons could remain in circulation for generations.

Without ammunition, however, a handgun is useless.

In 1986, Congress passed the first ammunition ban in the country's history. This law, the Law Enforcement Protection Act, forbids the manufacture, import, and sale of the so-called cop-killer bullet, a type of ammunition capable of penetrating police flak jackets. Despite this ground-breaking legislation, police officers continue to be assassinated in the line of duty by firearms. Six law enforcement agents lost their lives to .25- and .32-caliber handgun wounds in 1987 alone.

The .25- and .32-caliber handguns are the weapons of choice for many criminals. Cheap and easily concealable, these guns are made for the purpose of killing human beings. They are so easy to handle that even children are able to use them. This past January, a 5-year-old Bronx kindergartner was caught carrying a loaded .25-caliber gun to school. During the same month, in Fairfax, VA, an 8-year-old boy shot his 6-year-old sister to death in the family bedroom with a .32-caliber gun after she scolded him for playing with the weapon.

This legislation is an important component of our long-term battle against violent crime. It could save the lives of law enforcement officers, and hundreds of civilians, including many children, each year. I urge my colleagues to support this bill.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Violent Crime Prevention Act".

SEC. 2. PROHIBITION AGAINST MANUFACTURE, TRANSFER, OR IMPORTATION OF .25 CALIBER and .32 CALIBER AMMUNITION.

Section 922(a) of title 18, United States Code, is amended by—

(1) striking "and" at the end of paragraph (7);

(2) striking the period at the end of paragraph (8) and inserting in lieu thereof a semicolon; and

(3) adding at the end the following:

"(9) for any person to manufacture, transfer, or import .25 or .32 caliber ammunition, except that this paragraph shall not apply to—

"(A) the manufacture of such ammunition for the use of the United States or any department or agency thereof or of any State or any department, agency, or political subdivision thereof; and

"(B) any manufacture or importation for testing or for experimentation authorized by the Secretary; and

"(10) for any manufacturer or importer to sell or deliver .25 or .32 caliber ammunition, except that this paragraph shall not apply to the sale or delivery by a manufacturer or importer of such ammunition for testing or for experimentation authorized by the Secretary.".

SEC. 3. LICENSING FEE FOR MANUFACTURERS.

(a) IN GENERAL.—Section 923(a)(1)(A) of title 18, United States Code, is amended by striking out "or armor piercing ammunition" and inserting in lieu thereof ", or armor piercing or .25 or .32 caliber ammunition".

(b) CONFORMING AMENDMENT.—Section 923(a)(1)(C) of title 18, United States Code, is amended by inserting "or .25 or .32 caliber" before "ammunition" the third place it appears.

SEC. 4. LICENSING FEE FOR IMPORTERS.

Section 923(a)(2) of title 18, United States Code, is amended to read as follows:

"(2) If the applicant is an importer—

"(A) of destructive devices, ammunition for destructive devices, or armor piercing or .25 or .32 caliber ammunition, a fee of $1,000 per year; or

"(B) of firearms other than destructive devices, ammunition for firearms other than destructive devices, or ammunition other than armor piercing or .25 or .32 caliber ammunition, a fee of $50 per year.".

SEC. 5. LICENSED IMPORTERS AND LICENSED MANUFACTURERS REQUIRED TO MARK ALL .25 AND .30 CALIBER AMMUNITION.

Section 923 of title 18, United States Code, is amended by adding at the end the following:

"(1) Licensed importers and licensed manufacturers shall mark all .25 and .32 caliber ammunition and packages containing such ammunition for distribution, in the manner prescriberd by the Secretary by regulation.".

SEC. 6. PENALTY FOR POSSESSION OF .25 OR .32 CALIBER AMMUNITION DURING CRIME OF VIOLENCE OR DRUG TRAFFICKING CRIME.

Subsections (a)(1) and (b) of section 929 of title 18, United States Code, are each amended by inserting "or .25 or .32 caliber" before "ammunition".

SEC. 7. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the first day of the first calendar month which begins more than 90 days after the date of enactment of this Act.

THE RECYCLING CLEARINGHOUSE

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. WELDON. Mr. Speaker, I rise today to reintroduce the Recycling Information Clearinghouse Act. This legislation is more vital today than ever before. Our country is experiencing a major garbage glut as Americans continue to generate vast amounts of waste, now estimated at 160 million tons a year. Landfill capacity is rapidly declining. Ten years ago in Pennsylvania, we had over 1,000 active landfills; today we have under 100.

One answer to the problem is recycling. Having set up the first comprehensive recycling program in Pennsylvania, I know recycling works at the local level. In my county the local government offered municipalities $20 per ton of recycled garbage. This not only saved the county money from disposal costs, but it also saved space in its landfill. In fact in 1987, the recycling program saved the county $459,000 and 73,000 cubic yards at the landfill.

The success of recycling in Delaware County should be made available to other officials who are interested in setting up their own recycling program. My legislation would centralize information on the various recycling programs, such as Delaware County's, at a clearinghouse in the EPA. The clearinghouse would then disseminate the information to interested State and local officials. There is a $500,000 authorization in the bill which would be matched by funding from the private sector. The Glass Packaging Institute and the National Association for Plastic Container Recovery endorse the bill.

Although the clearinghouse will not eliminate the problem, it is a good first step. Recycling can be a clean and profitable answer to a dirty problem. I urge my colleagues to join me and 46 other Members of Congress in cosponsoring the Recycling Clearinghouse Information Act.

IN HONOR OF MSGR. JOSEPH FINNERTY

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. MANTON. Mr. Speaker, I rise today to pay tribute to a special constituent, Msgr. D. Joseph Finnerty. Monsignor Finnerty has recently been named coordinator of the Irish Apostolate by the Catholic Diocese of Brooklyn and Queens. In this new position Monsignor Finnerty will provide counseling and support to the nearly 20,000 undocumented Irish immigrants in Queens as they embark on the road to becoming legal residents of the United States. Monsignor Finnerty understands the challenges these immigrants face. His parents, like mine, were Irish immigrants themselves. I know Monsignor Finnerty is the right man to undertake this effort. During his 4 years as pastor of St. Teresa's Church in Woodside, Monsignor Finnerty has proven himself to be a tireless worker and advocate for those in need. I would like to take this opportunity to wish Monsignor Finnerty Godspeed as he begins this new position. The job before him is a difficult one, but I know Monsignor Finnerty will excel in this new position.

Monsignor Finnerty was recently honored in Newsday's Queens Profile. I insert the article in the RECORD.

QUEENS PROFILE ON MSGR. D. JOSEPH FINNERTY

(By Sheila McKenna)

Job: Pastor of St. Teresa's Church in Woodside for four years; recently appointed coordinator of an Irish Apostolate by the Roman Catholic Diocese of Brooklyn and Queens to reach out to the undocumented Irish population in northern Queens.

Biography: 51, son of Irish immigrants, born and reared in Park Slope, Brooklyn; ordained 25 years ago at St. James Cathedral in Brooklyn, graduated from St. Mary's University in Baltimore, BA and master's in theology from Fordham University, has completed doctoral studies at Fordham.

Residence: Rectory at St. Teresa's.

Monsignor Finnerty's answers to four questions:

Major accomplishment: Fostering an attitude that the front line of the Catholic Church is in the local parish . . . When lay people take ownership of their church and of their programs and work together in a collaborative effort, they are able to achieve something that's truly noble, positive and dynamic . . ."

Best thing about Queens: "It's a great United Nations. All I have to do is look out my window and see Irish and Polish kids from my school linking hands and playing ball with Hispanics and Koreans. There's a respect and collaborative spirit that is absolutely beautiful."

Biggest problem: "The plague of illegal drugs . . ."

If I were mayor: "I'd get a good tough nun and put her in charge of the city school system."

MRS. KATHLEEN K. WRIGHT: TRIBUTE TO GOP GRASSROOTS ACTIVIST

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. DORNAN of Califorina. Mr. Speaker, I rise today to pay tribute to a tireless GOP grassroots activist named Kathleen K. Wright. Grassroots political volunteers are always involved, motivated and passionate advocates of America's highest ideals but "Kay" Wright's dedication to the Grand Old Party has been exemplary.

As members of this great body, we all recognize the value which local political activism has in shaping public opinion nationally. Unfortunately, for many of us inside provincial Washington, many of these activists remain nameless and faceless to the candidates they enthusiastically support. Yet many of us owe our political careers to these individuals who motivate the silent majority in our society with their infectious energy and dedication. Their lack of recognition does not bother them, however, because they are guided by a higher purpose.

Mr. Speaker, Kay Wright has been a political foot-soldier in the most classic sense. Throughout the 1950's and 1960's Kay was involved in the second Eisenhower Presidential campaign, the Nixon 1962 gubernatorial and two Presidential campaigns, the Goldwater Presidential campaign, and the first Reagan gubernatorial campaign. At the State level Kay was a member of the Pasadena Republican Club, the Los Angeles County Central Committee, the California State Central Committee, and most recently was a member of the Board of Trustees of Republican Associates, Los Angeles County, from 1985 to 1988. In addition, Kay was a field representative for Congressman H. Allen Smith, the ranking Republican on the powerful House Rules Committee. Her volunteer jobs included

voter registration drives, GOP Victory Squad, and precinct captain responsibilities. As any good Republican worth her salt in the 1960's, Kay Wright attended the 1964 national convention in Miami, all the while balancing these activities with her duties as a successful mother and supportive wife.

Mr. Speaker, we all owe a great deal to professional political consultants whose job it is to shape a candidate's message and polish images. However, I feel deeply a debt of gratitude is due to volunteer grassroots workers who generate that elusive quality in any campaign—momentum on behalf of their candidate.

I have chosen to pay tribute to Mrs. Kathleen Wright because she has been the quintessential GOP worker whose selfless dedication has earned her not greatness and glory but self-satisfaction. Kay Wright made a difference. I think that it is fitting, Mr. Speaker, that we pay tribute to Kay's work as she is currently battling a terminal illiness from which she will not likely recover. For this reason. Mr. Speaker, I am glad that I have the opportunity to dedicate to the history book of our Nation, the CONGRESSIONAL RECORD, the great contribution of Mrs. Kathleen K. Wright to the Grand Old Party. Her work has been in the best tradition of American democracy.

DRUG DECERTIFICATION FOR THE BAHAMAS

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. FEIGHAN. Mr. Speaker, today I am introducing legislation to disapprove of the President's certification of the Bahamas as fully cooperating with the U.S. antinarcotics efforts.

Under the law passed by Congress in 1986, the President must certify on March 1 of each year that major producing and transit countries have "fully cooperated" with the U.S. in addressing narcotics problems in their countries. The statute defines full cooperation for producer nations, asking the President to evaluate whether a country has reduced production to the maximum degree possible. The President is asked to evaluate the countries' antinarcotics laws and whether enforcement of those laws is evidenced by drug arrests and seizures. He is asked to look at banking laws to see whether steps are taken to address money laundering. Finally, the President is asked to determine whether governments have taken steps, to the maximum extent possible, to eliminate corruption by government officials.

It is in this last area that the Government of the Bahamas has fallen far from the mark. It's time that the Bush administration faced this fact and sent up a report that recognizes that reality.

Over the years, we have amassed a mountain of evidence of official corruption in the Bahamas. In 1984, a Bahamian Commission of Inquiry identified two members of the Pindling government for their involvement with drug smugglers. Although the Commission did not implicate Prime Minister Pindling, he could not account for large sums of cash, eight times the size of his salary. Pindling banked nearly $2.8 million in cash and gifts that he could not explain. One judge on the panel dissented from the Commission findings, saying that he found it "impossible that the payments were not all drug related."

The State Department is well aware of the corruption problem. In 1987, the International Narcotics Control Strategy Report found that "widespread narcotics corruption still exists . . ." and that "[T]his corruption threatens to undermine the cooperation we now enjoy, as well as the very fabric of Bahamian society." In 1988, the State Department called corruption in the Bahamas systemic and that corruption investigations were limited to enforcement officers and there is clearly no GCOB program or policy to deal with corruption in other forms.

The latest State Department report, released 3 weeks ago, softened its language considerably. "Narcotics-related corruption continues to be a problem * * *" The report took note of the charges against Prime Minister Pindling raised in the trial of drug king-pin Carlos Lehder. The Department noted that Pindling denied the allegations and the Government printed a lengthy rebuttal.

The Lehder trial has led to new indictments, including charges against Everette Bannister, a close associate of Prime Minister Pindling. Bannister is alleged to have received bribes to allow the cartel to use the islands just off Florida's shores as a way station for drug shipments.

Gorman Bannister, Everette Bannister's son, testified in the Lehder trial where he described his father's activities as an influence peddler and middleman for drug payments to Pindling. Bannister testified that Lehder gave his father $100,000 to make Norman's Cay operational, for drug smuggling. Gorman Bannister also testified about his father using police contacts to tip off drug smugglers about police raids on Norman's Cay.

It's time for this administration to stop playing defense attorney for foreign leaders and start prosecuting a serious war on drugs.

The Bush administration should listen to Loftus Roker, the former top drug enforcement official in the Bahamas, now retired who said, "After 2½ years in this job, I am convinced that the Bahamians are not interested in fighting drugs."

The Bush administration should listen to former DEA officials who have tried to investigate high-level corruption in the Bahamas and other countries, but have been thwarted by a State Department concerned about other foreign policy goals.

The Bush administration should listen to Gorman Bannister and other Federal witnesses who testified that payoffs are a way of life in the Bahamas. According to Bannister "I know that for a price of money you can get anything done in the Bahamas * * * if the powers that be want it to be done."

Mr. Speaker, the law is clear. Countries who are not cooperating in the war on drugs should not receive U.S. aid. Governments that are not taking steps to eliminate official corruption should not get the Good Housekeeping Seal of Approval. The Bahamas does not deserve this certification and the Congress should disapprove it.

RESOLUTION ON PERMANENT PAPER

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. WILLIAMS. Mr. Speaker, I rise today to introduce a resolution to establish a national policy on the use of permanent papers for publications and records of enduring value. Joining me as original cosponsors are Mr. ANNUNZIO, Mr. YATES, Mr. WALGREN, Mr. OWENS, and Mrs. BOGGS.

It is now widely recognized that we face a crisis in preserving our historic, cultural, and scientific record, not only in this country but world wide. The acidic papers on which most publications and records have been printed for more than 100 years have been and are self-destructng. It will cost hundreds of millions of dollars from Federal, State, and local governments and private institutions to salvage what can still be saved of deteriorating books and other materials through the process of deacidification or by microfilming. The Congress has already appropriated more than $100 million for a salvage operation in the Library of Congress, other Federal libraries and archives, and research libraries. Much more will be required.

Fortunately, we do not have to face this problem into the indefinite future. The root cause has been determined—acid paper—and it is now possible to produce nonacid papers which will last several hundred years. More than 30 paper mills in this country are already doing so at costs comparable to those for acidic papers. Most university presses and many private publishers are using nonacid papers, but the majority of books and scientific and professional journals are still printed on acid papers. Even those publishers who use nonacid papers are not generally indicating that fact in the publications themselves. Thus librarians and archivists often do not know what they are receiving.

The purpose of this resolution, therefore, is to draw attention to the problem. The resolution would establish a national policy that all books, other publications, and Federal documents of enduring value be printed on permanent papers, that is, nonacidic or a!kaline papers. In addition, the resolution would urgently recommend that Federal agencies require use of permanent paper for publications of enduring value; that Federal agencies require use of archival quality papers for permanent papers for publications of enduring value, voluntarily comply with national standards, and indicate this fact in the publications themselves and in bibliographic listings; that reliable statistics be produced on current and needed production of permanent papers; and that the State Department make known this national policy to foreign governments and international agencies. The problem is world wide, and our libraries and research institutions must acquire much scientific, historical, and cultural literature from abroad.

In order to monitor progress, the resolution directs the Librarian of Congress and the heads of the National Library of Medicine, the National Agricultural Library, and the Archivist of the United States to report annually to the Congress on the effect of the resolution.

The measure has no net cost to the Federal Government. In fact, over the years it will eliminate great future costs not only to the Federal Government, but to State and local governments and public and private institutions such as universities, archives, and libraries. Compliance by private publishers is voluntary, but we are confident that it will become virtually universal by appealing to the public spirit of all concerned.

The principle of the resolution has the support of many organizations, including the American Library Association, the Association of Research Libraries, the Medical Libraries Association, the National Humanities Alliance, and the Special Libraries Association.

I invite my colleagues, many of whom have expressed their concern about this national problem, to join in cosponsorship; and I urge the committee to which the resolution may be referred to take it up for consideration as early as possible in this session of Congress.

THE STATEHOOD CENTENNIAL COMMEMORATIVE COIN ACT OF 1989

HON. LARRY E. CRAIG

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. CRAIG. Mr. Speaker, I rise today to introduce an important bill to several States in the West and to my own State of Idaho. This measure would create a commemorative coin to mark the 100th anniversaries of the States of Idaho, Montana, North Dakota, South Dakota, Washington, and Wyoming. These States will be celebrating their centennials through 1989 and 1990. The culmination of much compromise by all parties involved, I believe this measure is the ideal way to recognize and to celebrate the centennials of these six States. I am confident that the minting of these coins will enjoy wide support and speedy approval.

Our States have a great deal in common, not only in geographical placement, but in the ways of lives of our citizens. For example, each of these States place a high priority on natural resources; we live with them and by them. From North Dakota's wheat production, to the State of Washington's timber, to my own State of Idaho's abundant mining operations, we depend upon our natural resources.

I am most proud to say that 1 million of these coins will be forged of silver. It is an important fact that most of the six centennial States, particularly my State of Idaho, devote much effort to the mining of silver. Idaho alone accounts for nearly one-fourth of the Nation's silver production. In addition, the minting of silver coins will help our mining industries in the recovery now under way.

Proceeds from the coins will go to reduce the Federal deficit and to provide $1.5 million for documents west, a historical records collection program to be administered by the Idaho Foundation in conjunction with the six States' centennial commissions.

Mr. Speaker, the great majority of States have already celebrated their centennials, many with a commemorative coin. I hope to see the enactment of the Statehood Centennial Commemorative Coin Act of 1989 as soon as possible and encourage my colleagues to support this worthwhile effort.

HONEST COMPENSATION ACT

HON. JON L. KYL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. KYL. Mr. Speaker, I am pleased today to introduce, along wtih 10 of my colleagues, the Honest Compensation Act, legislation to reform the way Congress collectively and individually compensates itself. The legislation provides the foundation for an honest system of compensation for Members of Congress. Joining me as original cosponsors of the bill are CHRISTOPHER COX, JIM COURTER, BILL DANNEMEYER, ROBERT DORNAN, MEL HANCOCK, ANDY IRELAND, JOHN MILLER, BILL PAXON, BOB SMITH and BOB WALKER.

The bill would phase in a ban on honoraria for House Members and Senators, beginning in 1990; eliminate the ability of House Members to convert campaign funds to personal use, beginning in 1993; require recorded votes for congressional pay raises; and defer any congressional pay raises from taking effect until after the next election.

It is painfully obvious that we have lost the trust of the American people on the serious issue of adequate compensation for Federal executives, judges, and yes, Members of Congress. These reforms are intended to restore that trust and create a process the American people will support.

The legislation would reduce by half the amount of honoraria income House Members and Senators could accept in 1990, followed by an outright ban on honoraria in 1991. Senators now can accept up to $35,800, or 40 percent of their salary; House Members, $26,850, or 30 percent.

Currently, 191 current Members of the House who were in office on or before January 8, 1980, are eligible to convert unused campaign funds to personal use when they leave office. The legislation would give those Congressmen until January 1993 to decide whether to retire and keep the money, or seek reelection and give up that option.

The bill also separates congressional pay recommendations made by the President's Commission on Executive, Judicial, and Legislative Salaries, known as the Quadrennial Commission. A recorded vote would be required within 30 days to enact a commission recommendation to raise congressional salaries, but executive branch and judicial salaries would still go into effect automatically if not rejected by Congress. It is not fair to hold judicial and executive salaries hostage to congressional pay.

When House Members, during a 4-year period, accept more than $15 million in honoraria, the public has a right to wonder who is working for whom. When 191 Members of Congress have the ability to convert an estimated $60 million in unused campaign funds to personal use, much of it from political action committees, people have a right to wonder if campaign contributions are being raised for another reason. I hope my colleagues will join me in support of this reform legislation.

A TRIBUTE TO THE RUSHFORD TROJANS

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. PENNY. Mr. Speaker, the First Congressional District of Southeastern Minnesota is noted for the fine crops we grow. Last week the First District proved that we not only grow top grade corn and soybeans, we grow basketball champions.

In the Minnesota High School Class A Tournament, the Rushford Trojans defeated Russell-Tyler-Ruthton 64 to 52 to take the championship crown. The tournament marked Rushford's first State tournament appearance ever and they moved through earlier opponents with ease, beating Crosby-Ironton 68 to 46 in the quarterfinals and Warren 71 to 46 in the semifinal game. Although the team had previously been unranked and relatively unnoticed by the State media, these young men—led by coach Tom Vix—proved that they were No. 1 where it really counts.

While some areas would be content to bring home one championship, the First District doubled its production on Saturday when the Owatonna High School Indians beat Robbinsdale-Armstrong 45 to 43 in overtime, taking the Minnesota Class AA title. The Indians overcame a 33 to 19 third-quarter deficit in order to win. Coach Len Olson and company capped a season of 24 straight wins including preliminary tournament victories of 46 to 37 over Eden Prairie and 45 to 43 over Stillwater. The Owatonna High School Indians demonstrated their poise under pressure as they became the No. 1 Class AA team.

To all the athletes, coaches, bands, cheerleaders, parents and fans of both Rushford and Owatonna, we offer our heartiest congratulations on these great victories. We know that the teams could not have reached the top without strong community spirit and support.

ON ALL FRONTS, GIVING FIGHTER TECHNOLOGY TO JAPAN IS A BAD IDEA

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. LIPINSKI. Mr. Speaker, every day headlines report America's deteriorating economic position. The United States is the world's largest debtor nation. Our trade deficit continues

to spiral upward. Last year we imported $55.4 billion more from Japan than we export.

Yet, remarkably, the Bush administration is considering sacrificing our one position of clear superiority: Producer of the finest military aircraft in the world. Economically, militarily, and geopolitically, the transfer of American F–16 fighter technology to Japan will only serve to push the United States farther down the road to international inferiority. In the past, the United States has poured its tax dollars into development of new weapons systems while Japan has been free to invest its resources in the development of new products sold in American markets.

Although roughly 6 percent of America's GNP is used to defend our country and our allies, only 1 percent of Japan's GNP has traditionally gone to national defense. This undoubtedly has played a role in enhancing Japan's economic status. F–16 defense technology was developed at no small cost for American taxpayers. Selling it to Japan on the cheap does not make sense.

The United States builds and sells the finest aircraft in the world. American aircraft superiority is no accident. We developed the F–16 at a cost of $8 billion dollars. Yet we may provide it to the Japanese for the promise of $440 million in subcontracting work. In our country's dismal trade record, military exports remain the only area of merchandise trade surplus. U.S. planes, civilian and military, are flown by 120 nations. Rather than enhance this rare position of superiority, President Bush is considering inviting Japan to share this perch.

The Japanese have made no secret that the FSX joint venture will play a vital role in the creation of a Japanese civil aeronautics industry. Unlike the United States Department of Defense which concentrates on the military outlook, long-term economic considerations have played a key role in Japan's push for the F–16 technology transfer. Such technology trades are nothing new. Japan came to the United States for VCR and semiconductor technology, and promptly destroyed United States leadership in those industries. Japan certainly has a right to create their own civil aeronautics industry, but America need not subsidize a venture which could one day undermine one of America's healthiest international industries.

So what could lead the administration to accept such dire economic consequences of the F–16 technology transfer? The Japanese fighter project originated with the goal of increasing the Japanese share of their defense burden. But creating a new fighter is far from the optimal way of increasing security in the Northern Pacific. Developing a new fighter, rather than buying American F–16's off the shelf, is an extremely inefficient way to share the defense burden, costing billions before the first fighter is operational.

The FSX would not be ready for 10 or more years. When it is ready, it will not be interoperable with the American fighters, damaging hopes for a unified defense. If the Japanese were sincere about sharing the defense burden and cooperating to reduce the massive United States trade deficit, they would buy United States fighters directly.

The Japanese seem to have no interest in cooperating to aid the United States international economic position, although the United States has played a vital role in Japanese prosperity. The day where America can afford charity to its allies, without reciprocity, are long gone. Offering high technology to the Japanese, with obvious negative economic and military effects, is one give-away that the United States cannot afford, and an idea that the Bush administration should quickly dismiss.

FAIR RETIREMENT FOR POSTAL POLICE OFFICERS

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Ms. OAKAR. Mr. Speaker, today I am introducing legislation which will correct the interpretation of the laws regarding Federal retirement for Federal law enforcement officers. Through an unfortunate oversight, some 1,600 police officers who are the uniformed branch of the Postal Inspection Service and who are responsible for enforcing all the laws of the United States on U.S. Post Office property, have not been included as law enforcement officers for purposes of Federal retirement.

Mr. Speaker, the bill I am introducing would clarify this point legislatively and provide that postal police officers be treated the same as other Federal law enforcement officers for purposes of retirement. They are already included as law enforcement personnel for purposes of death benefits but are treated as ordinary postal employees for purposes of retirement. This two-track treatment makes no sense, and the bill I am introducng will correct the problem.

Mr. Speaker, there are certainly no differences between postal police officers and other Federal law enforcement personnel in terms of responsibility, danger, authority or training. Postal police officers are uniformed, they carry firearms, they have arrest powers, and they must pass a firearms test every 6 months. These officers endure confrontations in most of our major cities including an increasing number of situations where shots are exchanged and officers or criminals either are killed or wounded. Since January 1988, there have been at least three major exchange-of-fire incidents between gun-wielding assailants and the postal police, including one in which the officer was wounded. Postal police officers are front line troops in our national war on drugs and they are routinely called into dangerous situations to respond to burglaries, assaults, and other serious disturbances. They are police officers in every way and are trained as such. They should be treated the same as other law enforcement personnel for purposes of retirement.

Mr. Speaker, in these days of large budget deficits, many worthwhile measures have languished for the lack of funds to accomplish them. However, I feel confident that this bill will not suffer that fate for three reasons. First, since the bill only applies to postal law enforcement officers, it will be financed by contributions from the employees and from the Postal Service, not by outlays from the general fund of the Treasury. Second, the affected employees will be required to retroactively contribute the slighly higher amount that would have been deducted from their pay if it had been based on 20-year retirement assumptions. Third, the amount the postal police officers would receive in retirement under the bill will be less than they would receive if they failed their firearms test after 20 years under current law. This is because their current collective bargaining contract with the Postal Service provides that such officers be assigned regular postal clerk or letter carrier duties at their higher level of postal police officer pay until they are eligible for regular retirement. For these reasons, I firmly believe this bill will cost nothing to the Treasury and may actually save a modest amount for the Postal Service.

Mr. Speaker, I believe this legislation merits favorable acting in this Congress, and I ask my colleagues to cosponsor this important legislation.

TWO OUTSTANDING CALIFORNIANS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. LAGOMARSINO. Mr. Speaker, I rise to bring to the attention of the House that two outstanding young Americans will be honored on Friday, March 31, by the Santa Maria Valley Junior Chamber of Commerce. That day will be "Ron and Jeana Day" in Santa Maria, in honor of Dr. Ronald Solar and aviatrix Jeana Yeager.

Dr. Solar and Ms. Yeager are 2 of the 10 outstanding young Americans honored this year by the U.S. Junior Chamber of Commerce. These two Californians will be in Santa Maria to be honored for their contributions to medical science and aviation.

Dr. Solar is a pioneer in the development of medical devices and implants, including cardiac pacemakers and balloon catheters to open blocked arteries. He is a California Jaycees chaplain and lives in San Diego.

Jeana Yeager is a pioneer in the field of aviation, with 18 aviation records to her credit. In 1986, she and Dick Rutan flew the first, nonstop, nonrefueled, around the world flight aboard a tiny airplane, the *Voyager,* which now hangs in the Smithsonian's Air and Space Museum. For her accomplishments, she received the Presidential Citizen's Medal of Honor from President and Mrs. Reagan. Jeana Yeager and Dick Rutan's flight, which took just over 9 days, certainly set a record for endurance in the field of air travel which we can all appreciate. Jeana is also active in the "Just Say No" antidrug campaign, and is the first woman to receive the Collier Trophy.

Mr. Speaker, on behalf of the U.S. House of Representatives, I extend warm welcome to Santa Maria, to Ronald Solar and Jeana Yeager, two pioneering young Americans, and wish them the best in their future endeavors.

THE HOMELESS FAMILY RELIEF ACT OF 1989

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. HOPKINS. Mr. Speaker, the face of homelessness in America is changing. The stereotypes of little old gray men and bag ladies is shattered by the realization that children are the fastest-growing segment of the homeless population.

Families now make up 40 percent of America's homeless population.

For our children, homelessness must not become a lifetime of hopelessness.

To insure that it does not, the gentleman from New York [Mr. RANGEL] and I are today introducing the Homeless Family Relief Act of 1989.

This bill, patterned after a program pioneered in Lexington, KY, offers a charitable deduction for apartment owners who donate vacant apartments to homeless families.

There are 3 million homeless Americans today—and 2½ million vacant apartments.

Our bill matches needs with resources. Through this legislation, this problem can be addressed with minimal Government involvement and, we believe, at no public cost.

Join us in helping homeless families find a new hope for tomorrow.

COLT INDUSTRIES' DECISION TO SUSPEND SALES OF ITS SEMI-AUTOMATIC RIFLE

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mrs. COLLINS. Mr. Speaker, I am spectacularly stunned, albeit pleasantly so, about the civic courageousness and daring decision of Colt Industries to suspend the sale of its semiautomatic rifle, the AR15, to civilians. This weapon has been on the top of the list of rifles seized by law enforcement groups during criminal investigations and drug raids. With drug related violence rising to stratospheric heights, we need to make access to semiautomatic and automatic weapons very difficult, if not impossible, for anyone other than military and law enforcement officials to acquire.

Semiautomatic and automatic weapons do have a place—on the battlefield. Our present drug epidemic has cut a wide swath of wanton violence and death in our Nation. Pistols have been replaced with AK47's and AR15's, and what was once a shootout has now become a war. For too long, drug dealers have outgunned our local, State, and even Federal law enforcement agencies with these weapons. These weapons have also unfortunately fallen into the hands of desperate people least capable of handling the destructiveness of such firepower. As a result, our children are no longer safe in our schools or on our playgrounds. Our citizens are in fear of perhaps being the unwilling victim of a drive-by shooting. And I am afraid for the future of our Nation—a Nation literally at war with itself.

Amidst this quagmire rises Colt Industries, a longtime leader in the production of guns. Quite frankly, with my history of gun control legislation, I never thought that I would find myself, or be able to bring myself, to applaud a gun manufacturer. But Colt Industries has made a bold, aggressive step toward improving the safety of all our citizens by at least suspending the sale of semiautomatic weapons. They are saying to America that they are ready and willing to put people ahead of profits. Paraphrasing Winston Churchill, sometimes it is not enough to do the best that you can do, but to do what must be done. Clearly, Colt Industries has taken a step in the direction of a safer America, and I heartily applaud them. They are doing what needs to be done—voluntarily and bravely saying no to the violence that bathes the citizens of our Nation.

Therefore, I am asking, I am imploring, I am begging other gun manufacturers, foreign and domestic, to suspend the sale of automatic weapons and to help save the lives of America's men, women, children, and babies. The citizenry of a gentler, kinder Nation does not need semiautomatic or automatic rifles.

PAY INCREASE FOR JUDGES AND SENIOR EXECUTIVES IN GOVERNMENT

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. KOLBE. Mr. Speaker, today I am introducing legislation toward reforming congressional compensation and toward restoring the Quadrennial Commission's proposed pay increases for judges and senior executives in Government.

Few issues have generated such intense reaction from those who elected us as the subject of Member's compensation. The oceans of ink poured onto newsprint and personal stationery has painted the landscape of public sentiment.

Though the issue of a 50-percent pay raise has temporarily been put to rest, this perennial problem is far from being resolved and the certain media exposure of the existing system will soon begin to draw another wave of intense criticism and disaffection toward our compensation practices. This tug and pull between the electors and the elected understandably continues to erode the public trust in this institution.

Members of Congress should indeed receive the same cost-of-living adjustments afforded every other Federal employee, but adjustments above and beyond these regular increases should be effected by a straightforward vote. That increase should take effect only after an intervening election.

The particularly nagging problem lies in the practice of honoraria. If honoraria was wrong prior to our denial of the congressional salary increase, it is wrong today. My legislation enacts a ban on all honoraria. Moreover, it limits travel expenses to 4 consecutive days and limits those payments to Members, spouses and official aides. At best, the receipt of $15 million in honoraria fees by House Members over the last 5 years leaves a perception of undue influence by private interests.

Finally, this bill restores the Quadrennial Commission's proposed pay increases for judges and senior executives of the Government which have been tied to congressional pay. One of the lamentable results of the pay raise vote is that we denied to those judicial and executive leaders badly needed improvements in their compensation. I am alarmed by the loss of qualified judges and executives in Government. That restoral of recommended increases which will take effect January 1990 does not include any increase for Members of Congress.

I hope we, and the American public, can have the foresight and courage to continue to explore ways to adequately compensate our public servants in all three branches of the Federal Government. My bill is a sincere effort toward that end. If the public remains as involved in this issue as it has throughout the past several months, I am confident we will find compromises and solutions to which all of us can agree.

TARAS SHEVCHENKO

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. ECKART. Mr. Speaker, during the month of March, I, along with over 45,000 Ukrainian-Americans in Ohio, commemorate the 175th anniversary of the birth of Taras Shevchenko, the national bard of Ukraine. Through his poetry and verses, Shevchenko expressed the Ukrainian spirit for national independence.

Born on March 9, 1814, an orphan and a serf, in the district of Kiev, Shevchenko developed an early interest in the arts. At the time of his birth, the Ukraine was under control of the Russian Empire.

Shevchenko's life changed on April 22, 1838 when an artist friend sold a portrait for 2,500 rubles and used the money to purchase Shevchenko's freedom. With his new-found freedom, Shevchenko began formal studies and composed a number of literary works.

In his works, Shevchenko expressed his admiration of Western ideas and institutions as well as his hatred of Russian czarism.

Nine years after gaining his freedom, Shevchenko was arrested for his "czarist-subversive" writings and his association with an organization that sought a free union of all Slavic peoples under a fraternal federation. He was found guilty, sentenced to hard military service for an indefinite period of time, and sent to a remote area of eastern Russia. Ten years later he was pardoned by Czar Alexander II, yet he remained under police supervision.

In 1859, Shevchenko was appointed an academician at the Academy of Art. He died on March 10, 1861, the eve of the emancipation of serfs.

Today we commemorate Shevchenko's struggle for freedom, his inspirational literary works and his heroic life.

HONORING MARY CIVELLO FOR A LIFETIME OF POLITICAL AND CIVIC ACTIVITY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. ACKERMAN. Mr. Speaker, today I rise to give special recognition to an outstanding woman, Mrs. Mary Civello, and to commemorate her 35 years of political and civic activity in Queens County, NY. On April 6, 1989, the Queens County Line Democratic Association, Inc., will be honoring Mary Civello for her tireless commitment to her community and to the Democratic Party.

Lately, President Bush's campaign slogan of a kinder, gentler Nation has become just another cliche. However, living in my district is a woman to whom President Bush must be referring when he utters those famous words. Mary Civello has epitomized the phrase "kinder and gentler" for more than 35 years. If you ask anyone who has known Mary to describe her, they would probably use words such as loyal, warm, caring, and friendly. With Mary it is imperative that friendship always comes first.

Mary Civello has been involved with the Democratic Party ever since she has arrived in Queens almost 40 years ago. She was a New York State Committeewoman for over 25 years, she is a former president of the Queens Village Women's Democratic Club, and she has been district leader of the 25th assembly district for the past 6 years.

Not only does she devote time to politics, she also spends countless hours as a volunteer for various civic organizations. Mary is very active with numerous senior citizen groups, especially through Saint Gregory's Church. She also is an active participant in Father Coleman Costello's Project Outreach, which provides drug education and counseling to youths throughout the Queens County area. In the neighborhood she has worked with the Bellerose Civic Association, and was a member of Community School Board 26.

Mary's friendly demeanor is shared with the rest of her lovely family, which includes four sons, three grandchildren, and her equally delightful husband, Joe. In a city which has the undeserved reputation for being cold and unfriendly, the Civellos certainly have done their share to dispel this notion. After spending so many years bringing sunshine into countless people's lives, Mary and Joe are now retiring to Florida to receive some sunshine of their own.

Mr. Speaker, as we all know, all too often life in politics becomes tainted by the lowest common denominator. This is why all of my colleagues should take special interest in such an outstanding individual as Mary Civello. If more people followed Mary Civello's example of community involvement, this country just might become a kinder, gentler nation. I ask all my colleagues in the House of Representatives to join me now in sending the very best wishes to Mary and Joe Civello.

CRIMINALS BELONG IN PRISON

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. DENNY SMITH. Mr. Speaker, there can be no doubt that our State and Federal prisons are timebombs waiting to explode.

Our Federal prisons are nearly 60 percent over capacity, and the GAO estimates that State prisons will be 26 percent over capacity by 1990. The problem is so severe that, according to a recent report prepared for the National Institute of Justice, a new 500-bed correctional facility will have to be opened every month for the next 5 years to keep up with the growing number of inmates.

Far too many of our States have tried to solve the problem by releasing criminals into the streets before their sentence is complete. This only leads to more crime, more victims, and more misery.

A recent National Institute of Justice study proves that prisons are a good investment for reducing crime. According to the study, it costs $25,000 a year to build a prison cell and maintain a prisoner in it. The average prisoner released on the streets commits an average of 187 crimes a year, costing an estimated $430,000 in law enforcement expenditures, victim losses, and private security measures.

The simple fact is that criminals belong in prison. As Attorney General Richard Thornburg said, "If we want a kinder, gentler society, then we must get rougher and tougher with the criminals."

President Bush recognized this fact in his budget, and he has requested a $194 million increase in prison funding for fiscal year 1990. The increase will be devoted to decreasing the level of prison overcrowding, and increasing the guard-to-inmate ratio to maintain effective control within prison walls.

I believe it is imperative that the Federal Government also assist States that are trying to keep career criminals out of our homes and neighborhoods by keeping them behind bars.

I have introduced legislation today which accomplishes this goal. My proposal creates a Federal matching grant program. Under this program, the Federal Government will contribute 50 percent of the costs of construction of maximum security prisons to States that have career criminal statutes. By career criminal statute I mean a statute that requires those convicted a second time of a felony to serve their entire sentence without parole, probation, or early release.

I am proud to have authored the Oregon career criminal statute, which was approved by 79 percent of Oregon voters in November 1988.

The scales of criminal justice are still tilted toward protecting the rights of the criminals. I believe it's high time we restore a proper balance and start doing more to protect our law-abiding citizens.

By encouraging States to both build prisons and to keep career criminals behind bars, we will be taking an important step toward restoring faith in our justice system—an important step toward making America safe again.

BLIND EDUCATION ACT OF 1989

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. MFUME. Mr. Speaker, I rise today to introduce the Blind Education Act of 1989 along with my colleague Congressman RON WYDEN. This legislation would amend the act to promote the education of the blind, which was enacted in 1879 and granted Federal financial support to the American Printing House of the Blind for manufacturing and furnishing books and other material specifically designed for instruction of the blind.

At the beginning of each year, the American Printing House of the Blind [APH] counts the number of blind students attending public and private nonprofit institutions in the United States and these figures are used to establish each institution's allotment for books and materials from APH. Fiscal year 1989 appropriations of $5,345,000 to APH provided each institution with an allotment of approximately $111 per student.

Currently, these Federal funds can only be used for products that APH manufactures or sells directly. Unlike 110 years ago, today there are at least one-half dozen other sources which supply materials to the blind. Some offer materials at lower costs and others offer products which APH does not supply. Blind students should have the benefit of the best learning materials possible for the dollars appropriated. Therefore, they should not be limited to only one source for the materials they need.

Mr. Speaker, our proposal would maintain APH as the primary manufacturing facility and central clearinghouse of information about available materials. However, if an item meeting a qualifying institution's requirements is available for a source outside of APH, the Federal funds provided through APH could be used to make the purchase, at the option of the qualifying institution. The present situation lacks the flexibility that schools and teachers need when selecting the best possible learning materials for their blind students.

Mr. WYDEN and I urge our colleagues to join us and 33 original cosponsors in supporting this bill.

NATIONAL RECYCLING MONTH

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. HAWKINS. Mr. Speaker, I want to thank Mr. SAWYER, and Mr. RIDGE for their assist-

ance and support of House Joint Resolution 102, which designates the month of April as National Recycling Month. Congressman DAVID DREIER and I introduced this resolution jointly to raise the level of public awareness about the severity of our waste disposal crisis, and to encourage increased waste separation and recycling activity across our Nation. I also want to commend Senator CHAFEE for introducing a companion resolution in the Senate.

Despite current efforts, only about 10 percent of our Nation's municipal solid waste is recycled. Brimming landfills are closing in city after city; nearly 4,000 have been shut since 1979. Our Nation generates the largest quantity of waste in the world. Every citizen in the United States produces an average of 5 pounds of refuse a day. It is time to begin a national effort to encourage a higher degree of recycling.

"National Recycling Month" will help to engender public education efforts in our States, cities and schools to promote waste separation methods, community-based recycling programs, and expanded utilization of recovered materials. I want to thank all the companies and organizations who support this resolution and are active leaders in national recycling efforts including the National Solid Waste Management Association, the Institute for Local Self-Reliance, the National Soft Drink Association, and the National Recycling Coalition.

GOODWILL WEEK

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. MURTHA. Mr. Speaker, I would like to take this opportunity to recognize the work of the Goodwill Industries in the Johnstown, PA, area. Goodwill Week will be celebrated from April 30 to May 5, and the Goodwill Industries of the Conemaugh Valley will be holding a special celebration to recognize the contributions of the many volunteers who enable Goodwill to continue their efforts to assist the people in our area.

The Johnstown area has suffered many hardships in recent times. This year's 100th anniversary of the disastrous 1889 flood also brings back memories of more recent floods. Goodwill played a large part in helping our area's residents recover from the effects of those floods, and the volunteers of Goodwill have also assisted local residents during periods of economic setbacks, plant closings, and other problems that have left individuals in need of help.

The efforts of the volunteers of Goodwill Industries demonstrates the best of the spirit of America—coming to the assistance of those in need. I would like to join in the salute to the volunteers of the Goodwill Industries, and wish them well in their continuing efforts on behalf of the community.

NAZI-HUNTER BEATE KLARSFELD TO SPEAK IN SAN MATEO FOR WALLENBERG PEDIATRIC CENTER

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. LANTOS. Mr. Speaker, in just a few days in San Mateo, CA, the internationally known Nazi-hunter, will make an appearance on behalf of the Raoul Wallenberg Pediatric Day Hospital of the Shaare Zedek Medical Center in Jerusalem. This department of the hospital was established as a tribute to the great Swedish humanitarian for his heroic efforts in saving 100,000 children, women and men, and thus preserving a future generation.

Mrs. Klarsfeld, herself, is one of the heroic figures of our times. She has devoted her life to pursuing Nazi war criminals and bringing them to justice. With her husband, Serge, she was responsible for the capture of the notorious French persecutor of Jews, Klaus Barbie. His trial and conviction received world-wide attention.

Mr. Speaker, I welcome Mrs. Klarsfeld to the San Francisco Peninsula, to my congresional district, and wish her well in her critically important activities.

"SAY NO TO DRUGS" COLORING BOOK CONTEST

HON. FLOYD H. FLAKE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. FLAKE. Mr. Speaker, Vincent Farrara, president of the Kiwanis Club of Ozone Park in Howard Beach, NY is to be commended for his effort and initiative in spearheading the "Say No to Drugs" coloring book contest for second and third graders conducted by the Kiwanis Club. The purpose of this contest was to educate our young children to the pitfalls of substance abuse and to familiarize them with many of the situations they should always try to avoid.

The Kiwanis Club has always been an active organization that provides consistent leadership and commitment necessary to improve the community. Community involvement at this level is commendable and should set an example for others to follow. If we are to prevent our youth from becoming involved with drugs, then we must all do our part to educate them properly at an early age.

This coloring book contest was open to 10 elementary schools located in Ozone Park during the Thanksgiving holiday. Forty-eight classes participated and the winners were selected by their classroom teacher. Each winner received a $50 savings bond and all participants received three book covers displaying the title of the contest to remind them of the lessons they learned from the coloring book.

I would like to personally commend Vincent Farrara and the Kiwanis Club of Ozone Park for the outstanding job they have done. I am certain that their efforts will be emulated by other organizations across this great Nation.

HONORING NEW YORK STATE SUPREME COURT JUSTICE COSMO J. DITUCCI

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. MANTON. Mr. Speaker, on March 28, 1989, the Benevolent and Protective Order of the Elks Lodge 878 of Elmhurst, Queens, will honor New York State Supreme Court Justice Cosmo J. DiTucci as "Man of the Year" at the lodge's annual judiciary night. I can think of no one who is more worthy of this special honor.

Mr. Speaker, Justice Cosmo DiTucci graduated from St. John's School of Law in June 1953. From 1960 to 1982 he practiced law in Queens with a strong emphasis on trial, real estate, negligence, estate, and commercial law. From 1968 to 1982, Judge DiTucci was an arbitrator of the American Arbitration Association assigned to hear and determine matters involving tort and commercial issues. In 1975 and 1976, Judge DiTucci served as law secretary to New York State Supreme Court Justice Frederic E. Hammer. He assisted Justice Hammer with the preparation of law charges, research of law, and the review and disposition of motions. From 1972 to 1975 Judge DiTucci was an instructor of criminal procedure and criminal justice at St. Francis College in Brooklyn, NY. Judge DiTucci was also a trustee of St. Francis Preparatory School in Fresh Meadows, Queens, NY, from 1971 to 1977. In 1983 he was elected to the supreme court of the State of New York. His outstanding record of achievement made him an obvious choice.

Mr. Speaker, Justice DiTucci is also an active leader in the community. He is a member of the Columbian Lawyers' Association, the Beechhurst Taxpayers Association, Cresthaven Men's Club, and the Sovereign Military Order of Malta.

Mr. Speaker, Justice DiTucci is an outstanding and distinguished jurist. I am confident that Justice DiTucci will continue to be an active and effective supreme court justice. I hope my colleagues will join me in congratulating Justice Cosmo DiTucci on his selection as "Man of the Year" by Elks Lodge 878. I also want to extend my congratulations to his wife Marie and their three children.

SOLUTION TO A SERIOUS PROBLEM

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. RUSSO. Mr. Speaker, today I am introducing legislation to correct the tariff rate inversion on carbon and stainless steel pipe and tube products. This modest proposal would remedy a serious inequity in the harmo-

nized tariff schedule of the United States [HTSUS]; an inequity which has been acknowledged to be harmful to U.S. producers and contrary to national and international tariff policies by the office of the U.S. Trade Representative. I am hopeful that a solution to this serious problem will be forthcoming as we consider tariff legislation this year.

This tariff inversion is caused by the fact that the duties on pipe and tube products are lower than the duties on the steel sheet products used to produce that pipe. It is the general policy of our HTSUS and of the tariff schedules of our major trading partners, that input products should be dutiable at a lower rate than are finished products. The idea is to increase the tariff as value is added to the product so that producers are encouraged to import raw materials and semifinished products and add value to them in the United States.

The inverted tariff on pipe and tube products did not always exist. Prior to 1960, the duty on pipes and tubes was more than twice the duty on steel sheets. In 1960, however, the duty for sheet was changed to an ad valorem rate of 10 percent, or about $5 per ton at prevailing prices, while the duty on pipe remained at the specific rate of 30 cents a pound, or about $6 per ton. Inflation struck in the 1970's, causing steel prices to more than quadruple. By 1975, duties on sheet and plate were $20 per ton and those on pipe remained at $6 per ton. Through an oversight, this inversion was not corrected at the time that pipe and tube products were converted to the ad valorem system in the 1979 GATT round.

My bill will correct this unintended and undesirable inversion by increasing the tariffs on most welded carbon steel pipes and tubes from their present range of 0.5 percent to 1.9 percent to a range of 4.9 percent to 6.5 percent; stainless steel pipes and tubes would be increased from the present range of 4.9 percent to 5 percent up to 9.5 percent to 10.1 percent. While this may seem like a large increase, my bill merely equalizes the duties between sheet and pipe in a way that should have been done when the TSUS was converted to the ad valorem system.

This bill is extremely important to the domestic pipe industry. The American pipe and tube industry is one of the leanest, most efficient sectors of the steel industry. However, it has lost as many as 20,000 jobs since the early 1980's or about half of its work force. Many plants have been forced to close and producers have rationalized capacity. While United States steel capacity has been reduced, world overcapacity still exists; and in fact, many countries like Korea, Brazil, and Venezuela have added additional capacity during this decade. The Japanese have seemingly delayed plans to rationalize their excess capacity and the European Community continues to support excess capacity using subsidies to keep plants operational.

The major reason for the decline of the U.S. pipe and tube industry is the huge influx of imports, most of which are traded unfairly. While the overall steel industry in 1988 faced an import penetration rate of about 20.2 percent, the import penetration rate for the pipe and tube sector was 43 percent, up from 26.1 percent in 1979. The tariff inversion contributes to this high level of import competition. It encourages foreign producers to process sheet into pipe. They obtain the benefit of the value added in their country and save 3 to 4 percent per ton. Thus, foreign producers have an incentive to ship pipe rather than sheet, and obtain a further price advantage over domestic producers. The fact that Japan, Korea, and the European Community have all used flexibility provisions in their VRA's to shift tonnage from flat-rolled products to pipe and tube products is additional proof of this incentive.

This bill has the full support not only of the pipe and tube industry, but also of the American Iron and Steel Institute, which represents the basic integrated steel industry, and of the United Steelworkers Union.

This bill is completely consistent with our tariff policy and with our obligations under the GATT. The United States is simply required to compensate those trading partners who request compensation for the $28 million in extra duties this bill would impose. We have granted such compensation before. I understand that USTR is still negotiating the $30 million or so in compensation claims we owe since raising our tariffs on reconstituted orange juice in 1984.

We are also frequently owed compensation by our trading partners. In 1987, we received $300 million in compensation from the EC on our farm exports to Spain. This compensation was made in the form of tariff reductions on 25 products exported to the EC. The Trade Representative is currently involved in broad discussions at the Uruguay round of the GATT. I have included compensation authority in the legislation. I have full faith in the ability of the Trade Representative to be able to negotiate any compensation claims in a way that will spread out the effects of such compensation over many products and industries so as to make its effect benign.

The existing tariff inversion between carbon and stainless pipe and tube products and the flat-rolled products they use as inputs is placing an unfair burden on the pipe and tube industry. This inversion was not intended and is undesirable. It conflicts with our general tariff policy of having higher tariffs on higher value added products, a policy which our trading partners share. The increase in duties proposed by this legislation will still leave our duties on pipe and tube lower than those of nearly all of our trading partners. I once again urge my colleagues to support my efforts to alleviate the harm caused by this tariff rate inversion.

COMING HOME

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. STUDDS. Mr. Speaker, it gives me great pleasure to report that a constituent, Mr. Robert Hawker, was released from prison last week by the Cuban Government. On June 28, 1987, Mr. Hawker was piloting a vessel off the Cuban coast and strayed into Cuban waters. Cuban authorities captured and arrested him and two passengers.

After Mr. Hawker's imprisonment was brought to my attention, I contacted the Cuban Government to urge his release. Officials in Havana agreed to this request, and on March 17, placed him on a plane to Miami.

TRIBUTE TO MAYOR ROBERT KOZAREN

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. HERTEL. Mr. Speaker, I rise today with great pride to honor Mr. Robert Kozaren, the mayor of Hamtramck, and a leader in the Polish community in southeastern Michigan. He will be honored for his service and accomplishments on March 30, 1989, at the Polish American Century Club.

Bob began his career in public service in the city of Hamtramck in the 1960's working in the city clerk's office and later served as deputy clerk. He was also a member of the Hamtramck City Council for 8 years and served as the council president before his election as mayor in 1980. Bob is currently serving in his fifth term and I hope that he will continue to serve the people of Hamtramck for many years to come.

Bob was born and raised in Hamtramck, MI, a city known for its large Polish community. He attended St. Ladislaus High School in Hamtramck and the Lawrence Institute of Technology. He also served in the Army in the 1950's.

Bob has demonstrated a deep commitment to the city of Hamtramck and has always tried to foster a sense of community among the residents. In September 1987 he was instrumental in bringing Pope John Paul II to visit the city and even built a park in his honor. The annual Hamtramck Festival has grown due to his efforts and it continues to draw a large crowd from all over the Detroit area which features Polish dancers, ethnic booths, and great food.

My dear colleagues, please join me in honoring such a committed public servant whose talents and abilities are so very much appreciated by the people of Hamtramck and the surrounding communities.

A TRIBUTE TO JACK VALENTI

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. CLAY. Mr. Speaker, I am pleased to take this opportunity to pay tribute to Mr. Jack Valenti, chief executive officer of the United Food and Commercial Workers Union Local 655, AFL–CIO, on the occasion of his retirement.

Jack Valenti is a very prominent member of the St. Louis community who has dedicated his life to promoting improvements in the workplace. Mr. Valenti has been a part of Local 655 for more than 40 years. He served as the union's director of organization from

1955–65. In 1965 he moved on to become the executive assistant to the chief executive officer, and in 1969 he was elected to the position of chief executive officer. Jack Valenti is credited with playing a key role in Local 655's growth from a mere 3,000 in 1949 to more than 15,000 members in 1988. Today, Local 655 is recognized as one of the largest unions in the St. Louis area. Mr. Valenti has also held numerous positions with national, State and local union groups and was the first vice president of the St. Louis Labor Council, AFL–CIO.

In addition to his distinguished union activities, Mr. Valenti has also served in a number of civic organizations. He is an executive board member of the Regional Commerce & Growth Association, and active in the East-West Gateway Coordinating Council and the United Way of Greater St. Louis.

Jack Valenti's outstanding contributions to the labor movement have benefited thousands in the St. Louis community and throughout our nation. For more than four decades Jack has demonstrated an untiring devotion to the labor movement. His deep dedication to his work has earned him the highest respect of his peers.

I regret that I won't be able to join with other St. Louis leaders in the special which has been planned in honor of Jack Valenti next month in St. Louis. However, I want to take this opportunity to salute Jack Valenti on this memorable occasion. I wish him the best and hope the road ahead is blessed with health and happiness for Jack and his family.

OUTSTANDING VOLUNTEER LEADERS HONORED BY NATIONAL 4-H COUNCIL

HON. EARL HUTTO

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. HUTTO. Mr. Speaker, one of the most outstanding community service organizations for our Nation's youth is 4–H. All across our country, 4–H provides young people with a wealth of opportunities in a vast array of different areas. I became involved in 4–H when I was growing up in rural Alabama, and I have fond memories of those experiences.

Yesterday, the National 4–H Council honored 52 outstanding volunteer leaders representing each State, the District of Columbia, and Puerto Rico. One of those, Mrs. Marie Nickels, is from Pensacola in the First Congressional District of Florida. Mrs. Nickels has been involved in 4–H for 32 years, and she is more than deserving to be selected to represent Florida in the 4–H Salute to Excellence Program.

As part of this program, each one of those honored will receive a $1,000 grant from RJR Nabisco, Inc. That money will be used by each recipient in their respective States in order to further encourage volunteerism.

Mr. Speaker, it is a pleasure for me to recognize Mrs. Marie Nickels of Pensacola for her efforts to promote voluntarism and for exemplifying the ideals of the 4–H Salute to Excellence Program.

CAPITAL GAINS LEGISLATION

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. ARCHER. Mr. Speaker, I am today introducing two alternative bills aimed at reducing the maximum tax rate on long-term capital gains. I share President Bush's conviction that reducing the tax burden on capital gains would be the single most important step we could take to ensure the continuing resurgence of our Nation's economy. Although I strongly support the President's proposal to restore a capital gains differential, I believe it is beneficial to consider a variety of approaches to changes in the tax treatment of capital gains.

Earlier this year, I introduced H.R. 719, the Inflation Tax Relief Act of 1989. This bill provides that capital assets held longer than 1 year would be indexed for inflation. At a minimum, I believe it is essential that we eliminate the over taxation of inflationary capital gains.

The approach taken in the first bill I am introducing today provides for a maximum long-term capital gains rate of 15 percent for both individual and corporate taxpayers. The second bill provides for a 50-percent capital gains exclusion for both individual and corporate taxpayers. The current law definition of a capital asset would be retained in both bills, and capital assets would be required to have been held more than 12 months to be eligible for the preferential tax treatment.

High tax rates on capital gains inhibit capital formation by reducing the long-term return to entrepreneurial activity and locking investors into their portfolios. Lowering the capital gains tax rates will stimulate capital investment—particularly in the critical venture capital area—which in turn will result in employment growth, higher levels of productivity, a higher rate of economic growth, and improved international competitiveness.

While I am personally convinced that a reduction in the tax rate on capital gains will result in an increase in Federal revenues, I recognize that there are conflicting views about the revenue implications of changes in the tax treatment of capital gains. However, irrespective of where Congress finally comes down on the revenue debate, the one irrefutable fact is that if the Federal Government reduces the tax wedge it takes from capital savings, the amount of capital savings available for investment in productive assets will increase. Considering our poor national savings rate, that alone should be sufficient jusitification for improving the tax treatment of capital gains. I strongly urge my colleagues to give serious consideration to these three proposals.

HONORING THEODORE S.A. RUBINO

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. SCHULZE. Mr. Speaker, I rise today to pay tribute to the passing of Ted Rubino, a great friend and important public servant to the people of Chester County, PA. He died March 11, 1989, but his memory and legacy will certainly live on.

Ted was not handed prestige and respect, rather he earned it through a lifetime of dignity and hard work. Born the eldest son of an Italian immigrant, his work ethic served him well as he rose from a laborer at a quarry, to the Malvern Borough Council, Chester County Sheriff Office, chairman of the Chester County Republican Party and, finally, commissioner of Chester County. His approach in each of these positions was the same: common sense best resolves issues which matter most to the community.

The impact of Ted's contributions to Republican politics are with us today. Up to the day of his passing at the age of 77, the leadership of the Chester County GOP still counted upon him for advice and friendship.

Throughout his life, Ted Rubino personally gave himself to all his neighbors of southeastern Pennsylvania. At the eulogy for Ted, his nephew spoke of the many people that his uncle had helped; a boy who needed a new baseball glove; a man in a rainstorm with a flat tire who needed assistance. Ted was there for everyone. Ted cared about people and our Nation.

He leaves us with much to cherish and remember. Those who had the privilege to know and work with Ted already miss the guidance of this strong and proud man.

Godspeed, Theodore S.A. Rubino.

LINCOLN GIRL CHOSEN TO REPRESENT MARCH OF DIMES

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. BEREUTER. Mr. Speaker, today I would like to honor a special young girl from my congressional district. Sarah Park was born with spina bifida—open spine—and hydrocephalus—water on the brain. Although she requires leg braces and crutches to walk, 7-year-old Sarah is an energetic and engaging youngster who enjoys swimming, riding her bicycle, and singing.

This year, Sarah will represent the March of Dimes Birth Defects Foundation in a nationwide tour to call attention to the organization's missions to prevent birth defects. Sarah's first stop as 1989 National Ambassador was a February 21 visit to the White House to meet President George Bush. On April 6, Sarah will be at the Capitol to greet Members participating in Congressional WalkAmerica.

Mr. Speaker, I urge all of my colleagues to come out to the East Capitol Lawn at noon on April 6 to join in the symbolic first step of WalkAmerica, the March of Dimes national walk-a-thon. I call upon all Members of Congress to join in the spirit of volunteerism by joining Sarah at Congressional Walk.

PACIFIC PARLIAMENTARY CAUCUS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 23, 1989

Mr. SCHEUER. Mr. Speaker, it is an honor to join Congressman BEREUTER in submitting into the CONGRESSIONAL RECORD the Executive Summary of the Fifth Pacific Parliamentary Caucus hosted from January 7 to 9, 1989 by the Pacific Forum and the Atlantic Council of the United States.

The Pacific Parliamentary Caucus has brought together legislators from Asia, the Pacific, Europe, and the United States in order to better understand each others problems and work toward their resolution. The conference has become an invaluable resource in promoting peace, economic progress and security in the Asia-Pacific region.

The caucus has enabled Members of Congress and Parliamentarians from a wide variety of perspectives to discuss some of the most pressing issues in relations which span both the Pacific and the Atlantic. Trade, especially improved access to Asian markets, and burdensharing were again at the forefront of our discussions.

We commend Lloyd R. Vasey and Gen. George M. Seignious II, the respective presidents of the Pacific Forum and the Atlantic Council of the United States, for their exemplary contribution to furthering dialog on economic and strategic issues of vital interest to the United States.

We urge Members of the House and Senate to take advantage of the Executive Summary which follows:

PRINCIPAL THEMES AND ISSUES

1. THE SECURITY OUTLOOK: MEETING THE GORBACHEV CHALLENGE

The Asia-Pacific security situation was characterized as one of significant change and fluidity, with both positive developments and uncertainties. A U.S. spokesman pointed to robust U.S. alliances, including the growing capabilities of important U.S. partners such as Japan and Korea which are allowing them to assume greater self-defense responsibilities. The increasing military strength of India and slow progress by China towards its goal of superpower status in the 21st Century, plus signs of greater flexibility in Vietnam and an impending leadership transition in North Korea are other important elements in this picture. He foresaw the U.S. security role in the region as continuing to be critical to stability into the 21st Century, and a corresponding need to maintain close cooperation with allied and friendly states in the region and to keep economic competition from undermining security.

There was general agreement that economic problems and decline lie behind Gorbachev's efforts at internal reform and external relaxation. As in the case of the Chinese economic liberalization, the Soviet reform program clearly demonstrates that the Stalinist model of socialist command economy has failed. One speaker observed that there is no longer real debate over Gorbachev's seriousness in wanting to change the Soviet Union, but many still question his underlying motivations in terms of long-range Soviet national ambitions and a competitive or cooperative relationship with the non-communist world. His prospects of success in the face of monumental challenges were also considered uncertain. European spokesman especially noted the possibility of instability in the Soviet Union and Eastern Europe resulting from the reform process.

Several speakers commented that Gorbachev has seized the international psychological initiative. His foreign policy actions and proposals have caught the imagination of publics in the third world and the West, leaving the Western alliance on the defensive and without an immediate answer. Wide agreement was expressed that the West needs to take this challenge seriously, and develop an effective response.

There was general agreement also, however, that the response must be cautious, and that is a need to wait for the factual "proof of the pudding" in the form of Soviet actions matching Soviet words. As one senior expert put it, a premature change in strategy would involve high risks, although a refusal to take Soviet declarations seriously would also be high-risk. Many speakers stressed that the West needs to maintain the basic strategy of "peace through strength" and alliance unity which have successfully defended the interests of the democracies to date and brought the Soviets to the negotiating table.

A number of delegates stated in this connection that the nuclear deterrent remains central to NATO and western strategy. An explanation by a New Zealand delegate of this government's non-nuclear policy drew strong criticism from many other participants of New Zealand's breach of alliance solidarity of this point. French delegates underlined France's firm intention to maintain its own independent nuclear deterrent as part of its contribution to maintaining peace in Europe.

2. ORGANIZING THE DEMOCRACIES—BURDENSHARING AND DECISION-MAKING

Many participants, including U.S. Congressmen from both parties, firmly predicted that U.S. pressure for more equitable defense burdensharing within the alliance system will if anything grow stronger over the next few years. One speaker characterized the U.S. as "the unpaid Ghurkas of the 80s," and said if America charged for its defense services to the world its international economic accounts would be considerably improved. Another expert described the core of the problem as that the U.S. can no longer afford to be both "the target of the global marketeers and the guarantor of global security."

There were questions and some differences of view about the larger meaning of this trend for the U.S. Some participants saw a serious danger of a major political change such as a resurgence of isolationism if both defense costs and trade relations do not become more equitable. There were also questions as to how the need for lessened defense expenditures by the U.S. can be accommodated by the allies. All agreed that it is politically difficult to increase defense spending, and that the Gorbachev initiatives have further stiffened Western public resistance so such increases. Reallocating burdens would be far easier if it could be accomplished in the context of reductions in overall defense spending. Yet to reduce the Western defense effort before military balance and then actual force reductions are achieved through negotiations would only weaken the Western negotiating position and thus Western security. Since it will take some time for negotiations to produce economically significant reductions, this route is not likely to provide a way around the more immediate dilemma confronting the alliance countries.

There was also general recognition that greater burdensharing requires parallel movement towards more genuine "collective decision-making" among the democracies, but the questions of how this power-sharing can be implemented remains to be worked out. European representatives pointed to problems of defining and organizing the "European pillar" of this relationship even with the well-established European and trans-Atlantic institutions and mechanisms already in place. It was agreed that in the Pacific there is little basis for developing a formal institutional structure of cooperation, although the growing network of bilateral and multilateral consultative processes can help meet the need. A Japanese spokesman commented in this connection that the existing mechanisms for U.S-Japanese consultations on burden sharing remain largely between the governments and do not involve Parliamentary politicians to the degree that is desirable.

The experience of the Persian Gulf antimine operation during the Iran-Iraq war was mentioned in this context as an encouraging example of the possibilities of expanded cooperation in new areas by members of the democratic alliances. European contributions to this effort constituted a real breakthrough in out-of-area cooperation by NATO members. It was also noted that Japan's burdensharing efforts, specifically the provision of precise navigational systems, contributed to the success of the Persian Gulf operation.

In the Pacific, the continuing sensitivity of Japan's role in the security area remains. Both Japanese and regional country voices cautioned against a greater Japanese military role. However, the practical ways in which Japan might make an equivalent alternative contribution have still not been fully developed. A Japanese spokesman pointed out, for example, that despite continuing increases in its economic assistance levels, Japan has had difficulty identifying effective channels for increasing these flows.

The discussion of the U.S. bases in the Philippines illustrated the practical problems associated with the future U.S. security role and burdensharing in Asia. U.S officials expressed cautious optimism that the bases agreement would be renewed for the post-1991 period. There were differences of view on the U.S. side over what is a reasonable price for the U.S. to pay to keep the bases, including a warning that there could be Congressional resistance to a high price negotiated by the executive branch without prior Congressional consultation. The possibility was raised that other countries might be asked to help share the costs associated with maintaining these facilities, in view of their benefit to the region.

The larger issue of the need for better understanding and closer cooperation between the Atlantic and Pacific communities was

also considered by a number of speakers. A continuing mutual lack of knowledge in Europe and Asia of each other was acknowledged on both sides. There were differences of view as to the relative importance to the U.S. of its relations with Europe and the Asia-Pacific region now and in the future—with some arguing that the center of gravity of America's economic relations would continue to shift to the Pacific and away from Europe—but most accepted that the U.S. has and will retain vital links in both directions. The lack of effective institutional links between the two communities was also acknowledged, and it was agreed that forums such as the Caucus are important in building a network of interactions and should be continued and strengthened.

3. ECONOMIC ISSUES—ADJUSTMENT PROCESSES AND TRADE CONFLICTS

A keynote speaker observed that economics is driving many of the most signficant current and projected trends considered at the Caucus. These were also the most controversial issues at the meeting.

There was extensive discussion of the implications of European economic integration in 1992. A European spokesman described this process as irreversible, and likely to result in increased prosperity and lower prices in Europe, benefits for world growth as well, and over the longer term pressures for a common European currency and eventually for more direct political control over the centralized European administration. Non-Europeans indicated concerns that the 1992 process would result in a more inward-oriented and exclusionist "Fortress Europe." The Europeans insisted that this will not be the case, and reaffirmed Europe's interest in the success of the Uruguay round of GATT multilateral trade negotiations. However, they rejected American suggestions that Europe create more open consultation mechanisms to ensure that outside interests are considered in the European decision-making process, and while indicating willingness to talk about agricultural subsidy levels and other specific issues strongly defended basic practices such as protecting domestic agriculture and controlling imports.

The economic policy challenges facing the U.S. were a central focus throughout the meeting. It was noted that the concerns of previous Caucuses about "Euro-pessimism" and "Euro-sclerosis," were now directed instead toward the U.S.—although both these characterizations were seen as overdrawn. All agreed that the Bush Administration faces a critical period as it formulates its policies and tries to reach agreements with the Congress on the budget and key specific programs.

U.S. experts gave widely divergent projections of the speed of the adjustment process, with estimates of the 1991-92 U.S. trade deficit ranging from $90 to $200+ billion. There were also different views as to the likelihood that the U.S. would return to creditor status within the next decade. Partisan differences within the U.S. Congressional delegation over past policies and future priorities were also evident. The basic outlines of the necessary policy package, however, were agreed: reductions in domestic U.S. spending on consumption (primarily through reduced federal spending and deficits) in order to reduce the trade deficit and the related U.S. international debt and to increase domestic funds available for investment; and, for the long term, increased investment in the human resources which are the basis of America's international competitiveness. Most speakers thought it possible, though not yet certain, that an adequate package would be put together. It was also strongly argued that, if the U.S. cannot find a way to increase its international competitiveness without reducing its quality of life, the result will be more domestic protectionist pressures and increased international economic conflicts.

Participants also accepted that, whether fast or slow, and successful or not from the U.S. perspective, the U.S. adjustment process will impact all the other countries. Most anticipated an even tougher U.S. stance on trade issues vis-a-vis both its European and Pacific partners, which could involve overreactions. The impact was likely to be particularly felt by those such as the export-oriented Asian NIEs which are now heavily dependent on the U.S. market. The related question for these nations is whether they can adjust rapidly enough to avoid serious adverse consequences in terms of their own growth rates and income levels. The adjustment process will require difficult actions by all the parties.

The role of Japan was viewed as the third critical element in the management of economic change. One American expert described Japan as the new financial capital of the world, succeeding the U.S. in this role. It was agreed that much Japanese investment, particularly in the U.S., has been in real estate or existing enterprises which does not in itself create new jobs, but a Japanese spokesman argued that these investments do no great harm, and do support the U.S. economy and dollar. Further, it was agreed that revaluation of the yen will result in increased Japanese investment in new plants which will compete with domestic Japanese production. Japanese investments in Asia are already significantly increasing Japanese imports of manufactured goods, as well as helping boost and diversify the Asian economies. A Japanese spokesman anticipated that over the long run most Japanese foreign investments would revert to local ownership, but argued that these investments still benefited Japan because they helped sustain world economic growth.

Other participants argued, and Japanese participants agreed, that Japan needs to continue to open and expand its domestic markets, including gradually moving away from its policy of subsidizing domestic rice production which result in significant economic distortions including prohibitive land prices. A Japanese spokesman agreed that such problems as high rice and land prices and the complex distribution system do hinder access to Japanese markets; social and political factors make these the most difficult areas to change, but he pointed to increasing imports of manufactured goods as indicating that changes are underway, and acknowledged that present rice prices will also have to change.

The other Asian economies, particularly the NIEs, will similarly need to continue to diversify their trade patterns, including developing greater reliance on their own domestic and subregional markets as engines for growth. One participant noted that this process is in fact already well underway, and Asia is in the process of becoming a de facto regional trading zone, though this is happening through the action of market forces rather than negotiated trade agreements.

There was agreement across all groups on one fundamental point: all of the necessary adjustments will be easier and less disruptive if they can be accomplished in the context of a broad multilateral free trade system; a trend toward increased trade restrictions, protectionism and bilateral or regional trading blocs would only distort and destabilize continued world economic growth. It was also agreed that a gradual, collaborative adjustment process is far easier for all concerned to accommodate than sudden or forced changes. One speaker summarized the requirements by saying that all concerned need to stop criticizing each other for violating processes, recognize the world as it is, and focus on achieving desirable economic outcomes through managing trade and economic conflict.

The conference discussions frequently revealed the hard edges of trade issues. The problems of agricultural subsidies and protectionism which led to the stalemate of the December Montreal GATT mid-term review were raised in several statements. There were blunt exchanges on the current U.S.-EC dispute over hormones in beef. And delegates from the middle-sized and smaller states repeatedly voiced their concerns that the actions of larger trading nations or blocs—whether conflict or cooperation—harm their economic interests. The difficulty of resolving these issues, and their potential to escalate into serious political conflicts, was clearly apparent.

4. PESSIMISM, OPTIMISM, AND THE NEED FOR LEADERSHIP

Both the security policy dilemmas of dealing with the new Soviet initiatives and the sharp exchanges on economic and trade issues illustrated the seriousness of the present challenges faced by the democracies. Several participants strongly argued, however, that a pessimistic attitude is unjustified. In the words of one speaker, most of the current challenges are actually "the fruits of our success." Another pointed out that never in history has there been a time of so much optimism and potential—the ability to feed and clothe the world, the advance of democratic institutions, etc. All presentations to the Caucus on the security situation were basically optimistic, and even the most somber of the economic commentaries emphasized the possibility of solutions to the problems described. As one Japanese spokesman commented on the economic outlook, "The real situation is not as bad as we think."

Many speakers argued that the real challenge is to articulate new visions that respond to the changing circumstances and point to solutions of the new problems while preserving agreed objectives and proven strategies. The visions must be clear and comprehensible to gain broad public acceptance, and optimistic and forward-looking to inspire and sustain hope. It was agreed that the critical ingredient in this regard is leadership. This is true both for the advanced industrial states and the developing nations, and for dealing with the whole series of challenges of national and alliance security, political development, and economic growth and restructuring.

The need and problem of leadership was related by several participants to the diminished role of political ideology as a central force for guiding policy decisions and mobilizing populations. The question is, what will be the replacement? Pragmatism and nationalism were two possibilities mentioned, both of which could have either positive or destructive effects depending on how they were practiced. It was also noted that religion has assumed this role in some societies as secular values have declined, with often destabilizing results. The con-

tinuing prevalence and problems of racism is an additional complicating factor. One clearly preferable alternative suggested in the final conference presentation would be the development and articulation by democratic spokesmen of a "new internationalism," which would understand the fact of interdependence and the need for more integrated decision-making.

The important role of Parliamentarians was stressed by several delegates. They argued that, as the leaders in each country who deal most directly and continuously with the people and interests that suffer pain or make gain as a result of economic changes, Parliamentarians are in a unique position to help mediate and manage these conflicts so as to facilitate adjustment while minimizing the adverse consequences of the process. It was agreed that providing real leadership on these issues would not be easy, particularly given the strong political and economic pressures now at play. However, as one European delegate commented, "Shouting at each other doesn't help anything."

5. OTHER ISSUES

Environmental questions were identified by several delegates as an essential element of long-term security and prosperity which had been inadequately recognized in the past. One delegate stressed the need for new mechanisms to ensure effective protection and preservation of the "global commons." Another pointed to the need for development policies to provide for environmental rejuvenation and therefore make possible long-term "intergenerational development".

Other delegates stressed the need to take into account the interests of small states and groups such as indigenous peoples which have unique perspectives and contributions to offer on many of the issues discussed at the Caucus. In the Asia/Pacific region, the peoples of the Pacific Islands were particularly mentioned in this connection.

Finally, the question was raised as to how the increasing involvement of the communist states, especially China, in regional affairs might be reflected in future Caucus meetings, without detracting from the democratic character of the forum. Expert representation was mentioned as one possibility which the Caucus organizers might consider.

HOUSE OF REPRESENTATIVES—*Monday, April 3, 1989*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, Almighty God, for that good community of family and friends that have contributed so much to our well-being and have nurtured us along life's way. We are aware that while we seek to be the people You would have us be, we have been greatly influenced by the values and traditions that have shaped our lives and encouraged us to live by the light and not the darkness. In this our prayer, gracious God, we remember with gratitude the affection of those family and friends whose love has helped bring us to this new day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Indiana [Mr. JONTZ] please lead us in the Pledge of Allegiance?

Mr. JONTZ led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

TENTH ANNIVERSARY OF C-SPAN

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, today marks the 10-year anniversary of C-SPAN, an unprecedented public service to the American people.

C-SPAN, or the Cable Satellite Public Affairs Network, has succeeded beyond anyone's wildest nonprofit dreams. Since 1979 C-SPAN has made the machinery of this Government understandable and accessible to viewers across the Nation.

As with any change, the beginning of the televised proceedings of the House and Senate were not necessarily smooth. But, as the bugs were worked out, we began not only to rely on C-SPAN to portray our work to the Nation, we also began to understand ourselves better through the introspection a lens offers.

As a result, the "Washington mentality" we so often speak about is waning as C-SPAN has helped to create a community more in touch with Government and frankly, Government more responsive to the public.

No longer do Americans interested in their Government need to depend upon press accounts of Government actions, they can see them first hand, unedited, unpolished, and absent an interpreter.

I must commend C-SPAN and its employees for a tremendous contribution. Government touches almost every American in one way or another, and now C-SPAN viewers can consider themselves the real handicappers of Government action.

THE ALASKA OIL SPILL

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, I have been seriously considering voting for limited oil drilling in the ANWR area in Alaska. I am not now so sure.

By now we are all aware of the terrible oil spill of over 10 million gallons into Prince William Sound in Alaska. I was just in that State, and I can tell the Members that the people there are outraged. They feel betrayed by Exxon, who promised that they would respond quickly and effectively to any oil spill, and it appears that Exxon has not kept that promise.

It is time beyond moving and placing blame and put all our resources into cleaning up the spill and preventing, as best we can, the further destruction of this magnificent region. Congress needs to investigate this incident for two reasons: First, to make sure that everything possible is being done to clean up the spill; and second, to learn what is needed in terms of planning, equipment, and strict government oversight to make sure that such an accident does not happen again.

Mr. Speaker, while oil is spreading over pristine island beaches and threatening to destroy a vital fishing industry, many here are lobbying Congress to begin drilling for oil in the Arctic National Refuge in Alaska. The disastrous oil spill calls into question the industry's ability and the Government's ability to protect the fragile Alaskan environment.

It appears to force us into that choice that we were told we did not have to make. Do we want Alaskan oil or do we want to preserve the environment?

No longer will we accept the promises that accidents will not happen or, if they do, the environment will not be harmed.

Mr. Speaker, while Exxon, the Feds, and the State of Alaska are placing blame on each other, the local fishermen are out on the water placing booms around the fish hatcheries that are vital to their livelihood. These fish, wildlife, and waters are public resources, and there is a public trust to preserve them, and Congress must fulfill this.

We must do all we can to see that the people of Prince William Sound get whatever resources they need to protect the environment, the wildlife, and their jobs from the spreading oil slick.

FOREIGN OWNERSHIP OF U.S. DEFENSE COMPANIES

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WOLF. Mr. Speaker, the outright sale of U.S. defense capability including critical technologies, manufacturing capacity and key components could threaten our Nation's national defense.

Foreign acquisitions of U.S. defense firms increased fourfold between 1983 and 1987 and is still increasing. In the first half of 1988, there were 37 acquisitions of U.S. defense firms by foreign interests as compared to 41 in all of 1987.

The trend in clear—foreign purchases of U.S. defense firms are definitely on the rise—and the American people who could suffer in the long run as U.S. national security is compromised.

A February 1989 report issued by the Johns Hopkins Foreign Policy Institute entitled "Foreign Ownership of U.S. Defense Companies" and written by Bernard L. Schwartz cites three risks the United States takes when a U.S. defense company is sold to a foreign owner including the risk of compromising confidential information, redirection of vital investment, such as research and development funds, away from U.S. defense needs and a dangerous dependence of foreign sources.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

29-059 O-90-38 (Pt. 4)

What is most alarming is that legislation and regulatory systems are in place to ensure that vital U.S. interests are protected, but these approaches are not being used.

The governmental agency with formal responsibility for reviewing foreign investments, the Committee on Foreign Investments in the United States [CFIUS], has only reviewed 29 cases since it was established in 1981 and has never concluded that a prospective acquisition required any Federal intervention. Every case has been recommended for approval.

Mr. Speaker, for the benefit of my colleagues, I am inserting for the RECORD an edited version of this report. This is an important issue which deserves the attention of every Member.

FOREIGN OWNERSHIP OF U.S. DEFENSE COMPANIES: WHERE DO WE DRAW THE LINE?

(By Bernard L. Schwartz)

Foreigners invest in the United States for many reasons, but the stability of our political system and economy and the size of our market are two of the most important. Since the Great Depression, the United States has provided one of the most secure political and economic environments in the world.

America's technological leadership also helps explain why foreigners find direct investments in this country so attractive. The acquisition of U.S. firms is used to gain access to these technologies and to exploit them in foreign-owned manufacturing plants here and abroad. Foreign interest in gaining access to advanced technologies in the United States is further abetted by the absence of serious government restrictions, with the exception of technologies of direct and immediate importance to the Department of Defense. Moreover, the U.S. government actively discourages restrictions on foreign trade. Consequently, there are fewer restrictions on foreign investment in the United States than in any other major industrial country in the world.

In recent years, two additional incentives were provided to foreigners to invest in the United States—the volatile dollar and the threat of trade barriers.

THE SIGNIFICANCE OF FOREIGN INVESTMENT IN THE UNITED STATES

The result of all this has been a sharp increase in foreign holdings in the United States. At the end of 1983, U.S. holdings of foreign financial assets exceeded foreign holdings of American financial assets by $42 billion. By the end of 1987, however, foreign holdings of U.S. financial assets exceeded foreign liabilities to the United States by $469 billion. This amazing $511 billion swing from net creditor to net debtor occurred during a brief four-year period when the U.S. trade balance ran a combined deficit of over $500 billion. . . .

Still, foreign holdings in the United States remain small relative to overall American assets. The total financial assets in the United States were $24.9 trillion at the end of 1987, of which foreigners controlled $1.2 trillion, or roughly five percent.

Mere percentages, however, can be very misleading. If that one percent owned by foreigners comprised toy manufacturers and swampland, we would have little reason for concern. However, if that $243 billion is invested in key defense technologies and manufacturing capacity, then foreign ownership takes on an entirely new significance.

TRADE-OFFS

The United States must choose between the tangible net benefits of foreign investment, primarily in terms of increased jobs and greater exports, and the long-term and generally intangible risks associated with increasing dependence on foreign owners. Congress has emphasized the potential problems of foreign acquisitions and pushed for the development of tighter controls; the executive typically has maintained that foreign investment is beneficial and should be encouraged.

Much of the executive's support for foreign purchases of U.S. firms stems from several tangible and short-term economic benefits. Foreign investment helps to create jobs in the United States. Foreign companies have built new factories employing thousands of workers or have acquired American companies that otherwise might have gone out of business. Foreign capital also has enabled American firms to modernize, increase market share and increase exports. The potential benefits are so great that many local and state governments compete to persuade foreign investors to locate within their jurisdictions. All told, foreign investors now employ approximately three million Americans.

But there is also some question about long-term employment trends. Many jobs have been lost in the bearing, machine tool, and other manufacturing industries when foreign investors bought and shut down U.S. operations. A foreign investor may keep some facilities open, but close others and move production overseas or consolidate the remaining U.S. operations.

Yet in the short term, foreign investment almost certainly has a positive impact on the U.S. trade balance.

The flow of technology resulting from foreign acquisitions, on the other hand, is almost certainly unfavorable to the United States. The absence of restrictions on foreign investment permits foreigners to buy advanced technological know-how, repatriate it, and then exploit the technology to compete directly against U.S. companies. In this sense, quite apart from the potential implications of technology transfers for U.S. national security interests, the United States may be literally selling off its economic advantages.

The technological consequences of foreign investment are not all bad. In a number of industries—steel and automobiles being the most prominent—foreign manufacturing technology, management, and operating methods have proven to be beneficial in our plants.

Another concern is the potentially predatory behavior of foreign owners once they develop a stake in an American industry. In some cases, foreigners have entered U.S. basic manufacturing industries only to shut down their competitors, a tactic which, of course, has negative employment and export effects. In other cases, foreign companies have gained a foothold in the American market by buying an American manufacturer and then have brought about the demise of other domestic companies through predatory pricing schemes.

INVESTMENT IN THE U.S. DEFENSE INDUSTRIAL BASE

The current extent of foreign ownership of U.S. defense industries is difficult to measure. Information exists from many scattered sources, but there is no systematic data base describing foreign investment in U.S. defense contractors, nor in the larger industrial sectors that support defense production. Neither the Defense Department nor any other executive agency has compiled such data; nor has any agency of Congress. There is not even systematic data describing direct foreign investments in companies that carry out classified work.

Companies carrying out classified work are required by law to report to the Defense Investigative Service (DIS) "any discussions or consultations with foreign interests which may reasonably be expected to lead to the introduction or increase of FOCI [foreign ownership, control, or influence]." They must also report the completion of any such activity, as well as any significant change in American ownership, as part of the procedures necessary to maintain their security clearances and to protect their authorization to carry out classified work.

Information on foreign investment in companies that do not carry out classified work is even more difficult to come by because the Defense Department does not keep a complete list of its vendors or compile systematic data on which ones are foreign owned. Tens of thousands of companies are involved as suppliers to defense contractors, subcontractors, and sub-subcontractors.

It is these smaller defense contractors that are the most likely to be purchased by foreigners. Multibillion dollar aerospace companies are too visible in this nation's defense effort to be at risk from a foreign buyer. But the $10 to $100 million companies, which generate most of our leading-edge technologies, are being sold to foreign buyers with no public notice.

The only government entity with any formal responsibility for reviewing foreign investments is the Committee on Foreign Investments in the United States (CFIUS). This is an interagency group, chaired by a representative of the Treasury Department, that is empowered to review the impact of any proposed foreign investment and recommend a variety of actions. However, CFIUS has no systematic source of information and acts only when one of its members requests that it review a case.

Since CFIUS was established in 1981, it has only reviewed twenty-nine cases. Moreover, CFIUS has never concluded that a prospective acquisition required any federal intervention. Every case has been recommended for approval.

Foreign acquisitions of U.S. defense firms increased almost fourfold from 1983 to 1987, and the number of purchases in the first half of 1988 (37) was almost equal to the total for all of 1987 (41). While these figures may be misleading because they do not take into account the size of each company, the trend is clear—foreign purchases of U.S. defense firms are definitely on the rise. For how many years can we afford to lose between forty and eighty defense companies from our industrial base?

NUMBER OF FOREIGN ACQUISITIONS REPORTED IN MERGERS AND ACQUISITIONS, 1983–88

Year	Total number	Defense-related
1988[1]	192	37
1987	310	41
1986	306	43
1985	195	43
1984	178	21
1983	105	11

[1] First half only.

LIMITING THE RISKS OF FOREIGN OWNERSHIP

There are three unique risks when a U.S. defense company is sold to a foreign owner: the possible compromise of confidential information; the redirection of vital investments, such as research and development funds, away from U.S. defense needs; and a dangerous dependence on foreign sources.

Safeguarding sensitive information.—The acquisition by foreigners of American companies engaged in classified research or production theoretically risks the compromise of information essential to the effectiveness of U.S. military forces.

So friendly countries maintain somewhat looser controls than the United States on technology transfers to the U.S.S.R. and its allies, so the acquisition of American companies eventually could allow greater Soviet access to key U.S. technologies.

Because of these concerns, companies engaged in classified work are required to report discussions that might lead to the introduction or increase of foreign ownership, control or influence. When such possibilities are reported, the Defense Department . . . generally the department seeks to isolate the company's classified activity from the foreign interest.

When foreigners acquire a more substantial interest in a U.S. company engaged in classified work, the Defense Department can require the company to be restructured so that any units engaged in classified work become autonomous entities, with a board of directors made up strictly of Americans, and any access to those units by foreign investors strictly prohibited as a condition of awarding further government contracts.

Directing investments to meet U.S. defense needs.—Yet even if measures are taken to reduce the scope of foreign owners' control, it may not always prove possible to limit the influence of foreign purchasers of U.S. defense companies. The foreign owner, however passive, still maintains complete authority over vital elements of the business—it decides what research and development projects will be undertaken and at what investment level. It allocates other resources, sets objectives, and plans efficiency improvements and competitive strategies.

Most important, the foreign owner controls the enterprise in critical ways that may or may not support U.S. defense objectives.

Avoiding future dependence on foreign sources.—A potentially serious problem for the Defense Department concerns a trend toward increasing dependence on foreign sources for a variety of materials, parts, and components used in weapons and other military equipment. The concern is that such shipments could be cut off in a protracted crisis or war, either directly or through political pressure on the source nation, crippling this country's ability to sustain its defense effort.

The real problem is more subtle and long term. It concerns the fundamental vitality of industries that would be central to defense production in any protracted war. Acquisitions can and have been used by foreigners to drive out competitors. Such behavior has special long-term negative consequences for American defense preparedness.

GATHERING AND PROCESSING INFORMATION

Enough information is now publicly available to allow policymakers to assess the dimensions of the problem of foreign control of U.S. defense assets and to guide policy decisions about this problem. But the data, gathered by numerous organizations to fulfill a variety of reporting requirements, has not yet been systematically compiled and analyzed by the Department of Defense or related to its vendor structure.

The Defense Department should be charged with systematically collecting and analyzing pertinent data about foreign ownership of defense and technology assets. This data base is not needed to support the policy decision of limiting foreign ownership of U.S. defense firms, but to modify the policy as events unfold. It is critical that the data collection task not overshadow the larger policy decision which must and can be made now, before another U.S. defense company is lost.

CURRENT LAWS AND REGULATIONS

Legislation and regulatory systems are in place to monitor and limit foreign ownership of defense companies. There is also currently sufficient executive authority to prevent or to repair the effects of foreign acquisitions which might harm the national interest.

Using only his powers to safeguard military secrets and to maintain essential defense production, the President is well positioned to intervene to avoid damage to the nation's industrial base. The Exon-Florio Amendment to the Omnibus Trade Competitiveness Act of 1988, which was passed by Congress and signed into law, provided the President with additional authority "to suspend or prohibit any acquisition, merger, or takeover . . . by or with foreign persons so that such control will not threaten to impair the national security."

Companies carrying out classified work for the Defense Department are required to notify DOD prior to being acquired by a foreign firm. Even in these cases, however, this information has been used to date solely by the Defense Investigative Service to prevent the compromise of classified information. The DIS reports, moreover, cover only a portion of the companies doing business with, or of potential interest to, the Defense Department. Many lower-tier vendors are not engaged in classified research.

Further, the Hart-Scott-Rodino Act requires anyone making more than a $15 million investment in another company to file with the Justice Department and the Federal Trade Commission. The company then must wait thirty days before completing the investment, more than ample time for the Defense Department to take action to protect national defense interests.

Finally, Section 232 of the Trade Expansion Act of 1962 allows the President to limit the import of products deemed necessary for national security if the effect of the imports would be to drive domestic producers out of business. This was recently invoked by forty-eight domestic ball bearing producers who claimed foreign manufacturers were "dumping" cheap ball bearings in the United States, eroding U.S. makers' profitability and therefore the U.S. industry's ability to modernize and produce in a time of war. President Reagan denied the petition citing voluntary restraint agreements with several foreign countries and the Pentagon's stated willingness to favor U.S. ball bearing producers for three years.

RECOMMENDATIONS

We must protect our defense industrial base from foreign ownership. Our ability to overcome the numerical superiority of our adversaries with our own technical superiority has long provided the underpinning of U.S. defense strategy. We will lose our technological lead when we lose the control over our technology that only ownership can bring. Accordingly, I do not advocate protectionism to limit competition. But I do believe that the U.S. defense industrial base needs protection from foreign owners to maintain its self-sufficiency in an area where independence is vital.

Now that we have identified the problem, what is to be done? First, the Secretary of Defense should take the lead within the government in determining which defense properties should be protected from ownership. In this regard, the Defense Department should prepare systematic policy guidelines that define those industries and technologies which would be of greatest concern from a national security standpoint if corporate control was lost to foreign ownership. These guidelines should be published as part of the Secretary of Defense's *Annual Report to Congress.* At the start, the protected technologies and industries could be culled from those identified by the Defense Science Board and include any others that the Secretary chooses to add. Even a loose definition of where U.S. sensitivities lie would be helpful.

Second, the new leadership team at the Department of Defense should issue a clear statement that foreign ownership of defense companies is not in the best interests of the United States and that efforts to acquire such companies will be examined carefully before being permitted. The State, Treasury, and Commerce Departments should issue public statements strongly endorsing this position. Taken together, these statements will send a useful signal to potential foreign investors that, in contrast to commercial companies, acquisitions of U.S. defense companies will be greeted with skepticism and heavily scrutinized. Owners of American defense companies will have to learn to live with that situation, however painful.

Third, the U.S. government needs to monitor and evaluate more carefully the dramatic increase in foreign purchases of U.S. defense companies. No one agency or individual in our government has a comprehensive view of the degree of foreign ownership of our firms and its impact, real and potential, on our national security. The raw data already exists, but needs to be consolidated more effectively. With a sound central collection and reporting system, the senior levels of the U.S. government will have the information necessary to make decisions that are vital to our long-term national interests.

The issue of foreign ownership of U.S. defense companies is critical and requires the immediate attention of the new administration. We have adequate laws but inadequate data review. Immediate action should be taken to protect our defense industrial base from this day forward. Future generations should not look back and wonder how our leaders could have allowed the nation to sell its basic defense resources to foreign interests for short-term economic gains.

ABOUT THE AUTHOR

Bernard L. Schwartz is chairman and chief executive officer of Loral Corporation, a $1.5 billion defense electronics manufacturer headquartered in New York City. Loral primarily designs and manufactures state-of-the-art electronic systems for military applications.

□ 1210

THE PRESIDENT'S PROPOSED EDUCATION BUDGET

(Mr. JONTZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONTZ. Mr. Speaker, this past Thursday my good friend and colleague, Mr. SAWYER and I held a pair of hearings in Indianapolis and Columbus, OH, on the subject of the education budget proposed by President Bush. These sessions were the first in a series of hearings that the House Education and Labor Committee will be conducting across the country on this important subject, and we received excellent testimony from local educators in those two States, expressing their concern about the impact the Bush budget would have on meeting the education needs of their communities. The message we heard was clear: The attention of President Bush to education is welcomed but the President's proposed budget does not match his rhetoric; cuts in important programs would result from the President's budget at a time when we need to be expanding them; and educators would prefer to see existing successful programs like chapter 1, handicapped, and vocational education properly funded rather than money drained from these programs to pay for the President's initiatives.

We can do much more for education than President Bush proposes—and we must.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled joint resolutions on Friday, March 24, 1989:

S.J. Res. 50. Joint resolution to designate the week beginning April 2, 1989, as "National Child Care Awareness Week;" and

S.J. Res. 87. Joint resolution to commend the governments of Israel and Egypt on the occasion of the 10th anniversary of the Treaty of Peace between Israel and Egypt.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. CAMPBELL) to revise and extend his remarks and include extraneous material:)

Mr. GOODLING, for 60 minutes, on April 5.

(The following Members (at the request of Mr. MONTGOMERY) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. RICHARDSON, for 60 minutes, on April 4.

Mr. OWENS of Utah, for 60 minutes, on April 12.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. CAMPBELL) and to include extraneous matter:)

Mrs. SAIKI.

Mr. BROOMFIELD.

Mr. LIGHTFOOT.

Mr. QUILLEN.

(The following Members (at the request of Mr. MONTGOMERY) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mrs. LLOYD.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. DE LA GARZA in 10 instances.

Mr. FEIGHAN.

Mr. MONTGOMERY.

Mr. STARK in four instances.

Mr. CARDIN.

SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 50. Joint resolution to designate the week beginning April 2, 1989, as "National Child Care Awareness Week"; and

S.J. Res. 87. Joint resolution to commend the Governments of Israel and Egypt on the occasion of the tenth anniversary of the Treaty of Peace between Israel and Egypt.

BILLS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 829. An act to make permanent the authority provided under the Temporary Emergency Wildfire Suppression Act; and

H.R. 1373. An act to authorize the Agency for International Development to pay the expenses of an election observer mission for the 1989 Presidential elections in Panama.

ADJOURNMENT

Mr. MONTGOMERY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 15 minutes p.m.) the House adjourned until tomorrow, Tuesday, April 4, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

847. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to recover cost of establishing standards and specifications for agricultural products; to the Committee on Agriculture.

848. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to provide for recovery of costs associated with furnishing tobacco statistics or estimates and other marketing information to tobacco growers; to the Committee on Agriculture.

849. A communication from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1989, and amendments to request for appropriations for fiscal year 1990, pursuant to 31 U.S.C. 1107 (H. Doc. No. 101-40); to the Committee on Appropriations and ordered to be printed.

850. A letter from the Secretary of Defense; transmitting a report of two violations of the Anti-Deficiency Act which occurred in the Department of the Navy, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

851. A letter from the Secretary of Defense, transmitting a report of two violations involving the improper use of appropriations which occurred in the Department of the Navy, pursuant to 31 U.S.C. 1351; to the Committee on Appropriations.

852. A letter from the Secretary of the Army, transmitting notification that the Army's OH-58D [AHIP] has exceeded its baseline unit cost by more than 15 percent, pursuant to 10 U.S.C. 2433(e)(1); to the Committee on Armed Services.

853. A letter from the Deputy General counsel, Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to revise and standardize the provisions of law relating to appointment, promotion, and separation of commissioned officers of the reserve components of the Armed Forces, and for other purposes; to the Committee on Armed Services.

854. A letter from the Undersecretary of Defense (Acquisition), transmitting notification of a delay in submitting the annual report on the effects of naval shipbuilding plans on maritime industries, pursuant to National Defense Authorization Act, fiscal year 1989, section 1227; to the Committee on Armed Services.

855. A letter from the Federal Financial Institutions Examination Council, transmitting the Council's 1988 annual report, pursuant to 31 U.S.C. 719(c)(3); to the Committee on Banking, Finance and Urban affairs.

856. A letter from the District of Columbia Retirement Board, transmitting the Board's comments on the enrolled actuary's

report on the disability retirement rate for police officers and firemen for 1988, pursuant to D.C. Code Ann. section 1-725(b); to the Committee on the District of Columbia.

857. A letter from the Secretary of Education, transmitting a copy of final regulations—programs of special projects and demonstrations for providing vocational rehabilitation services to individuals with severe handicaps and special projects and demonstrations for providing supported employment services to individuals with severe handicaps and technical assistance projects, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

858. A letter from the Secretary of Education, transmitting a copy of final regulations—even start, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

859. A letter from the Secretary of Education, transmitting a copy of notice of final procedures for the Robert C. Byrd Honors Scholarship Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

860. A letter from the Chairman of the Board, Student Loan Marketing Association, transmitting a copy of the report, together with the 1988 annual report to stockholders, of the corporation's operations and activities for the year ended December 31, 1988, pursuant to 20 U.S.C. 1087-2; to the Committee on Education and Labor.

861. A letter from the Secretary of Education, transmitting a draft of proposed legislation to improve the contribution of libraries to the education of economically disadvantaged or handicapped individuals, to increase access to library materials through resource sharing, to support research and assessment necessary to improve library services, and for other purposes; to the Committee on Education and Labor.

862. A letter from the Under Secretary for Travel and Tourism, Department of Commerce, transmitting a marketing plan to stimulate and encourage travel to the United States for fiscal year 1990, pursuant to 22 U.S.C. 2123(a)(15); to the Committee on Energy and Commerce.

863. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1990 and 1991, and for other purposes; to the Committee on Energy and Commerce.

864. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

865. A letter from the Assistant Secretary, Legislative Affairs, Department of State, transmitting a report, "Patterns of Global Terrorism: 1988," the second of the annual country reports on terrorism, pursuant to 22 U.S.C. 2656f; to the Committee on Foreign Affairs.

866. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on United States assistance to Soviet Armenia in accordance with Senate Resolution 62; to the Committee on Foreign Affairs.

867. A letter from the Comptroller General, General Accounting Office, transmitting a list of all reports issued or released by GAO in February 1989, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

868. A letter from the Acting Federal Inspector, Alaska Natural Gas Transportation System, transmitting a report on the agency's compliance with the requirements of the internal accounting and administrative control system during fiscal year 1988, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

869. A letter from the Director, Office of Workers' Compensation Programs, Department of Labor, transmitting notice of a proposed computer matching program, pursuant to 5 U.S.C. 552a(r); to the Committee on Government Operations.

870. A letter from the Chairman, National Labor Relations Board, transmitting the Board's report of activities under the Freedom of Information Act during calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

871. A letter from the Chairman, National Transportation Safety Board, transmitting a report of the Board's activities under the Freedom of Information Act for calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

872. A letter from the Executive Secretary, Office of the Secretary of Defense, transmitting the annual report of the Department's activities under the Freedom of Information Act for 1988, pursuant to 5 U.S.C. 552(e); to the Committee on Government Operations.

873. A letter from the Secretary of Veterans Affairs, transmitting a report on activities under the Freedom of Information Act for the year ending December 31, 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

874. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

875. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

876. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

877. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

878. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to amend the Helium Act of 1960 to authorize Federal agencies to purchase helium from the private sector, to authorize and direct the Secretary of the Treasury to cancel outstanding indebtedness related to the Helium Fund, and for other purposes; to the Committee on Interior and Insular Affairs.

879. A letter from the National President; Executive Director, Girl Scouts of the U.S.A., transmitting the 39th annual report of the organization, pursuant to 36 U.S.C. 37; to the Committee on the Judiciary.

880. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend title 5, United States Code, to reform the financing of the Federal Employees Health Benefits Program, and for other purposes; to the Committee on Post Office and Civil Service.

881. A letter from the Acting Administrator, General Services Administration, transmitting copies of a report of Building Project Survey for Buffalo, NY, and lease prospectuses for the Internal Revenue Service and the Immigration and Naturalization in Dallas, TX, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

882. A letter from the Acting Administrator, General Services Administration, transmitting copies of two lease prospectuses, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

883. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes, pursuant to 31 U.S.C. 1110; to the Committee on Science, Space, and Technology.

884. A letter from the Secretary of the Navy, transmitting a waiver of minimum funding and staffing requirements for technology transfer from Navy laboratories, pursuant to 15 U.S.C. 3710(b); to the Committee on Science, Space, and Technology.

885. A letter from the Secretary of Commerce, a copy of the plan to implement the Commerce Science and Technology [COMSCI] Fellowship Program, pursuant to Public Law 100-418, section 5163(d); to the Committee on Science, Space, and Technology.

886. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the fiscal years 1990 and 1991 for the Office of Commercial Space Transportation of the Department of Transportation, and for other purposes, pursuant to 31 U.S.C. 1110; to the Committee on Science, Space, and Technology.

887. A letter from the Administrator, Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, and other provisions of law, to extend the authority of the Department of Veterans' Affairs [VA] to continue the State home grant and respite care programs and to revise VA authority to furnish outpatient dental care; to the Committee on Veterans' Affairs.

888. A communication from the President of the United States, transmitting notification of the designation of Anne E. Brunsdale as Chairman and Ronald A. Cass as Vice Chairman of the U.S. International Trade Commission, pursuant to 19 U.S.C. 1330(c)(1); to the Committee on Ways and Means.

889. A letter from the Secretary of Agriculture, transmitting the second quarterly country and commodity allocation table showing current programming plans for food assistance under title II of Public Law 480 for fiscal year 1989, pursuant to 7 U.S.C. 1736b(a); jointly, to the Committees on Agriculture and Foreign Affairs.

890. A letter from the Assistant Secretary (Civil Rights), Department of Education, transmitting the annual report on compliance and enforcement activities for fiscal

year 1988, pursuant to 20 U.S.C. 3413(b)(1); jointly, to the Committees on Education and Labor and the Judiciary.

891. A letter from the Director, Peace Corps, transmitting to further amend the Peace Corps Act, and for other purposes, pursuant to 31 U.S.C. 1110; jointly, to the Committees on Foreign Affairs and Post Office and Civil Service.

892. A letter from the Director of Income Security Issues (Disability and Welfare), General Accounting Office, transmitting a report on the implementation of the verification requirements of the Immigration Reform and Control Act of 1986 (GAO/HRD-89-62); jointly, to the Committees on Government Operations and the Judiciary.

893. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to authorize the imposition of certain recreation user fees at water resources development areas administered by the Department of the Army; jointly, to the Committees on Public Works and Transportation and Interior and Insular Affairs.

894. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Watershed Protection and Flood Prevention Act to require that at least 20 percent of the total benefits of all projects be directly related to agriculture, including upstream rural communities, and to establish requirements for non-Federal cost sharing of works of improvement for flood prevention; jointly, to the Committees on Public Works and Transportation and Agriculture.

895. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the National Driver Register Act of 1982 to authorize appropriations for fiscal years 1990 and 1991, pursuant to 31 U.S.C. 1110; jointly, to the Committee on Public Works and Transportation and Energy and Commerce.

896. A letter from the Secretary of Energy, transmitting the annual report on the Clean Coal Technology Demonstration Program for 1988; jointly, to the Committees on Appropriations, Science, Space, and Technology, and Energy and Commerce.

897. A letter from the Fiscal Assistant Secretary, Department of the Treasury, transmitting copies of the following annual report which are contained in the enclosed winter issue, March 1989, of the Treasury Bulletin: airport and airway trust fund (26 U.S.C. 9502), asbestos trust fund (20 U.S.C. 4014), black lung disability trust fund (26 U.S.C. 9602), harbor maintenance trust fund (26 U.S.C. 9505), hazardous substance Superfund (26 U.S.C. 9507), highway trust fund (26 U.S.C. 9602), inland waterways trust (26 U.S.C. 9506), leaking underground storage tank trust fund (26 U.S.C. 9508), nuclear waste trust fund (42 U.S.C. 1022(e)(1)), reforestation trust fund (16 U.S.C. 1606a(c)(1)), statement of liabilities and other financial commitments of the U.S. Government (31 U.S.C. 331(b)); jointly, to the Committees on Agriculture, Education and Labor, Energy and Commerce, Interior and Insular Affairs, Public Works and Transportation, and Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JENKINS:

H.R. 1656. A bill to amend the Internal Revenue Code of 1954 to exempt from tax earnings on certain investment accounts for savers and investors; to the Committee on Ways and Means.

H.R. 1657. A bill to suspend temporarily the duty on diphenolic acid; to the Committee on Ways and Means.

By Mr. LIGHTFOOT:

H.R. 1658. A bill to amend the Fair Labor Standards Act of 1938 to facilitate industrial homework, including sewing, knitting, and craftmaking, and for other purposes; to the Committee on Education and Labor.

By Mr. OBERSTAR:

H.R. 1659. A bill to improve aviation security by requiring the installation and use of certain explosive detection equipment at certain airports located outside the United States and by providing assistance for the acquisition of such equipment, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PORTER (for himself, Mr. BATES, Mr. FAUNTROY, Mr. ACKERMAN, Mr. DWYER of New Jersey, Mr. PAYNE of New Jersey, Mr. OWENS of New York, Mr. GREEN, Mr. GUARINI, Mr. LIPINSKI, Mr. LEWIS of Georgia, Mrs. COLLINS, and Mrs. BENTLEY):

H.R. 1660. A bill to provide for a mandatory background check and a waiting period before the transfer of a handgun by a dealer; to the Committee on the Judiciary.

By Mr. STALLINGS:

H.J. Res. 227. Joint resolution to designate the week of September 10, 1989, through September 16, 1989, as "National Check-Up Week"; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Alaska (for himself and Mr. RANGEL):

H.J. Res. 228. Joint resolution to designate October 22 through 29, 1989, as "Drug Free America Week"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

41. By the SPEAKER: Memorial of the 19th Legislature of Guam, relative to a viable nuclear strategic defense system; to the Committee on Armed Services.

42. Also, memorial of the Legislature of the State of South Dakota, relative to a 1991 Mount Rushmore Commemorative Coin; to the Committee on Banking, Finance and Urban Affairs.

43. Also, memorial of the Legislature of the State of Utah, relative to a national monument to the Battle of Bear River; to the Committee on Interior and Insular Affairs.

44. Also, memorial of the 20th Legislature of Guam, relative to funding status under the Drug Control and Improvement Grant Program; to the Committee on the Judiciary.

45. Also, memorial of the General Assembly of the State of Arkansas, relative to Federal mail order sales tax legislation; to the Committee on the Judiciary.

46. Also, memorial of the General Assembly of the State of Delaware, relative to the 10th Amendment to the Constitution of the United States; to the Committee on the Judiciary.

47. Also, memorial of the Senate of the State of Michigan, relative to the "notch" years benefit cut to Social Security benefits; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 17: Mr. BENNETT, Mr. BROOKS, Mr. CARR, Mr. ENGEL, Mr. GRAY, Mr. HOCHBRUECKNER, Mr. OBEY, Mr. PEPPER, Mr. SMITH of Iowa, and Mr. TORRES.

H.R. 22: Mr. WILLIAMS and Mrs. BOXER.

H.R. 29: Mr. SMITH of Florida.

H.R. 145: Mr. SCHAEFER, Mr. GEPHARDT, Mr. GUARINI, Mr. WATKINS, Mr. GINGRICH, Mr. BROWN of California, and Mr. BERMAN.

H.R. 152: Mr. MINETA.

H.R. 156: Mr. MCHUGH, Mr. CLAY, Mr. FAUNTROY, and Mr. DE LUGO.

H.R. 159: Mr. MACHTLEY.

H.R. 293: Ms. PELOSI.

H.R. 316: Mr. MCDADE.

H.R. 537: Mr. SMITH of New Hampshire, Mr. MINETA, and Mr. SANGMEISTER.

H.R. 563: Mr. TRAXLER, Mr. ROGERS, Mr. LEVIN of Michigan, and Mr. TAUKE.

H.R. 594: Mr. GALLEGLY and Mr. MILLER of California.

H.R. 638: Mr. MOLINARI.

H.R. 696: Mr. DURBIN.

H.R. 725: Mr. FAZIO and Mr. MCDADE.

H.R. 830: Mr. WILSON, Mr. GAYDOS, Mr. COYNE, Mr. RINALDO, Mrs. UNSOELD, Mr. GALLO, Mr. KOSTMAYER, Mr. GILMAN, Mr. MAZZOLI, Mr. LELAND, Mrs. ROUKEMA, Mr. RAHALL, Mr. BROWN of California, Mr. HALL of Ohio, Mr. WYLIE, Mr. MILLER of California, Mr. MCCOLLUM, Mr. ROE, Mr. VENTO, Mr. WATKINS, Mr. ROSE, Mr. SIKORSKI, Mr. BURTON of Indiana, Mr. JONTZ, Mr. BRYANT, Mr. WISE, Mr. KASICH, Mr. UDALL, Mr. ROYBAL, Mr. DYMALLY, Mr. HAWKINS, Mr. JONES of Georgia, Mr. ACKERMAN, Mr. STAGGERS, Mr. DOWNEY, Mr. NOWAK, and Mr. OBERSTAR.

H.R. 927: Mr. CAMPBELL of Colorado and Ms. SCHNEIDER.

H.R. 970: Mr. BEVILL and Mr. LANCASTER.

H.R. 971: Mr. RINALDO, Mr. SHAYS, Mr. SKELTON, Mr. VENTO, Mr. BONIOR, Mr. FOGLIETTA, Mr. PENNY, and Mr. JONTZ.

H.R. 1200: Mr. CARR, Mr. SKAGGS, Mr. HENRY, Mr. MARTIN of New York, Mr. PAYNE of Virginia, Mr. TORRES, Mr. SCHAEFER, Mr. GARCIA, Mr. THOMAS of California, Mr. DEWINE, Mr. RAVENEL, Mr. YATES, Mr. SABO, Mrs. ROUKEMA, Mr. BROOMFIELD, Mr. STAGGERS, Mr. ANNUNZIO, Mr. KENNEDY, and Mr. BLILEY.

H.R. 1238: Mr. SPRATT, Mr. LEATH of Texas, Mr. CLINGER, Mr. LEHMAN of California, Mr. HATCHER, Mr. EVANS, Mr. GLICKMAN, Mr. LEWIS of Georgia, and Mr. TANNER.

H.R. 1240: Mr. BERMAN.

H.R. 1246: Mr. JOHNSON of South Dakota.

H.R. 1248: Mr. STUDDS, Mr. FAWELL, and Mr. FRENZEL.

H.R. 1249: Mr. SCHEUER.

H.R. 1267: Mr. DYMALLY, Mr. SKEEN, Mr. FAUNTROY, Mr. SMITH of Texas, Mr. MILLER of Washington, Mr. HAYES of Louisiana, Mrs. COLLINS, Mr. HAWKINS, Mr. WALKER, Mr. BROWN of California, Mr. SMITH of Florida, Mr. MCCURDY, Mr. LIPINSKI, Mr. PARRIS, and Mr. VALENTINE.

H.R. 1276: Mr. SHAW and Mr. STARK.

H.R. 1295: Mr. CONTE, Mr. WATKINS, Mr. MADIGAN, Mr. LEATH of Texas, Mr. DUNCAN, Mrs. BENTLEY, Mr. TANNER, Mr. MCEWEN, Mr. WELDON, Mr. MCCANDLESS, and Mr. DE LUGO.

H.R. 1304: Mr. FRANK.

H.R. 1416: Mr. MINETA.

H.R. 1504: Mr. LEWIS of Georgia and Mr. BATES.

H.R. 1536: Mr. ESPY.

H.R. 1561: Mr. ROYBAL.

H.R. 1574: Mr. BROWN of California and Mr. DOWNEY.

H.R. 1586: Mr. LEATH of Texas, Mr. ENGLISH, Mr. JONTZ, Mr. HATCHER, and Mr. WILLIAMS.

H.R. 1587: Mr. LEATH of Texas, Mr. ENGLISH, Mr. JONTZ, Mr. HATCHER, and Mr. WILLIAMS.

H.R. 1624: Mr. NIELSON of Utah and Mr. SHAYS.

H.J. Res. 112: Mr. CARDIN, Mr. CHAPMAN, Mr. CLARKE, Mr. COELHO, Mr. DERRICK, Mr. FRANK, Mr. GEKAS, Mr. GILLMOR, Mr. GORDON, Mr. KENNEDY, Mr. LEACH of Iowa, Mr. MCCRERY, Mr. PAYNE of New Jersey, Mr. SHAYS, Mr. STUDDS, Mr. TRAFICANT, Mr. VALENTINE, Mr. WEISS, and Mr. WOLPE.

H.J. Res. 173: Mr. EVANS, Mr. KLECZKA, Mr. BUSTAMANTE, Mrs. SAIKI, Mr. MOODY, Mr. GUARINI, Mr. SISISKY, Mr. PALLONE, Mr. LIPINSKI, Mr. BRUCE, Mr. GARCIA, Mr. CARDIN, Mr. FOGLIETTA, Mr. SOLARZ, Mr. HOCHBRUECKNER, Mr. WEISS, Mr. KASTENMEIER, Mr. MCHUGH, Mr. CONYERS, Mr. STENHOLM, Mr. BROOMFIELD, Mr. COBLE, Mr. FRENZEL, Mr. GALLO, Mr. GILLMOR, Mr. GRANT, Mr. KOLBE, Mr. MOORHEAD, Mr. MORRISON of Washington, Mr. PORTER, Mr. RHODES, Mr. SAXTON, Mr. SMITH of Vermont, Mr. MURPHY, Mr. NAGLE, Mr. BORSKI, Mr. BERMAN, Mr. VENTO, Mr. NEAL of North Carolina, Mr. CLARKE, Mr. BONIOR, Mr. ROE, Mr. ESPY, Mr. CLINGER, Ms. SLAUGHTER of New York, Mr. LANCASTER, Mr. LEHMAN of California, Mr. COSTELLO, Mr. MARTINEZ, Mr. ANNUNZIO, Mr. YATRON, Mr. WALGREN, Mr. ANDREWS, Mr. DIXON, Mr. NOWAK, Mr. TRAXLER, and Mr. HEFNER.

H. Con. Res. 72: Mr. DORNAN of California, Mr. ROBINSON, Mr. DERRICK, Mrs. SMITH of Nebraska, Mr. PURSELL, Mr. MONTGOMERY, Mr. MADIGAN, Mrs. BENTLEY, Mr. HANSEN, Mr. HOLLOWAY, and Mr. NIELSON of Utah.

H. Con. Res. 74: Mr. BROWN of California, Mr. SKAGGS, Mr. WALKER, Mr. SCHEUER, Mr. LEWIS of Georgia, Mr. PERKINS, Mr. ANDREWS, Mr. SMITH of Mississippi, Mrs. BENTLEY, Mr. SCHUETTE, Mr. TANNER, Ms. OAKAR, and Mr. BLAZ.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

27. By the SPEAKER: Petition of Glenn M. Lewis, Hilsboro, Marion County, KS; relative to a redress of grievance; to the Committee on the Judiciary.

28. Also, petition of Center for Immigrants Rights, Inc., New York, NY 10003, relative to employer sanctions; to the Committee on the Judiciary.

29. Also, petition of the City Council, Lauderhill, FL, relative to an amendment to the catastrophic Medicare health bill; jointly, to the Committees on Ways and Means and Energy and Commerce.

EXTENSIONS OF REMARKS

PAN AM BOMBING—FAA SECURITY RESPONSIBILITY

HON. CARDISS COLLINS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mrs. COLLINS. Mr. Speaker, the subcommittee which I chair as a member of the Committee on Government Operations has been investigating on a continuing basis the responsibilities of the Federal Aviation Administration to see that our airlines maintain appropriate security against terrorist and other criminal acts that threaten the safety of aircraft, passengers, and crew.

Recently we have been focusing on the tragic event that on December 21, 1988, took 270 lives, when Pan Am flight 103 was blown from the sky by a concealed bomb. We obtained 33 Federal Aviation Administration aviation security bulletins issued between January 1, 1988, and February 16, 1989. We have analyzed these bulletins and have found that some contain information which may be linked to the December 21 Pan Am bombing.

I hope this analysis will help answer some of the questions that have been raised about the FAA's role in informing U.S. airlines about terrorist risks and the FAA's response to threats linked to Pan Am's flight 103. Our Government Activities and Transportation Subcommittee plans to hold hearings on this matter in April.

Also, I am including with my remarks a letter to FAA's Acting Administrator asking that his agency conduct an immediate white paper review of Pan Am's vulnerability to terrorist attack according to reports by Pan Am's own security consulting firm in 1986.

Let me brief the Members first. Then I want to go into greater detail.

Regrettably, Mr. Speaker, these FAA bulletins were sometimes untimely, sometimes dangerously inaccurate, and almost completely devoid of effective and specific instructions for countering possible threats. Some bulletins recommended actions that were pointless or even absurd. Taken as a group, the FAA bulletins failed to provide meaningful guidance to airlines faced with the risk of terrorist attack.

For example, Bulletin 19, describing a radio-cassette player containing a hard-to-detect bomb designed to blow up an aircraft, was written November 17, 3 weeks after the device was discovered when West German police arrested members of the Popular Front for the Liberation of Palestine, General Command, or PFLP-GC. That bulletin mistakenly advised that the PFLP-GC "has not been known to undertake terrorist attacks in Europe."

According to the Defense Department's recent study "Terrorist Group Profiles," the PFLP-GC had machinegunned an airliner in Zurich, hijacked two other airliners bound for European cities, and, in 1986, warned that there would be no safety for any traveler on U.S. airliners.

Bulletin 19 followed Bulletins 17 and 18 describing the PFLP-GC arrests. Bulletin 18, written more than a week after the raids, did not mention the radio-cassette player bomb. Instead, it merely directed airline security personnel to set up a system to pass along specific threat information "extremely quickly." Although Bulletin 18 noted the seizure of PFLP-GC "explosives," it focused entirely on the possibility that a U.S. airliner would be hijacked. Bombing was not mentioned as a possible or probably terrorist act.

Pan Am's response to the three FAA security bulletins on the PFLP-GC arrests was limited to examining and x raying selected passengers' "carryon baggage" containing electronic devices such as radio, cassette-players, and calculators. But the bomb that destroyed flight 103 reportedly was carried as checked baggage and, if it resembled the PFLP-GC version, was specifically designed to thwart normal x-ray inspection.

Bulletin 20, dated December 5, warned that "the use of IED's or bombs remains a favored method of attack." IED stands for "improvised explosive device." But FAA did not recommend any action to airlines beyond requiring them to "rigorously" apply existing, and we now know, inadequate, security measures.

Bulletin 21, dated December 7, described "two incidents that may indicate attempts to test security procedures of a U.S. carrier operating from Frankfurt." One involved a man claiming phony law enforcement status who questioned a TWA ticket clerk about procedures for transporting pistols, explosives and a detonator. Apparently, no attempt was made to detain and question him. The FAA's sole response to this episode was to disseminate Bulletin 21.

Bulletin 22, written on December 7 and describing the December 5 Helsinski Embassy warning, was never updated or rescinded, although numerous Federal officials now claim the telephone call describing a planned bombing attack on a Pan Am flight from Frankfurt was a hoax and a coincidence.

Bulletin 25, dated 3 days after the Pan Am bombing, listed 13 individuals suspected of planning a hijacking. The FAA advised air carriers that if a passenger with one of these names attempts to board an airline, "the individual should be subjected to intense scrutiny during the checkin process." Inexplicably, the FAA did not recommend summoning law enforcement officials or denying boarding.

Bulletin 26, dated December 25, the FAA listed the numbers on passports believed to be in the hands of suspected terrorists. The FAA advised that individuals carrying one of these passports should be "subjected to additional scrutiny," including a search for electronic devices. The FAA stated that unless the individuals in question "have been favorably cleared by law enforcement" and baggage screening, they should be "denied boarding, and all other carriers at the location be advised of this fact."

Mr. Speaker, let me now proceed to the full analysis of the recent aviation security bulletins.

The Federal Aviation Administration issued 27 aviation security bulletins during 1988 and 6 additional bulletins as of February 16, 1989. Several bulletins contain information that appears to be relevant to the December 21, 1988, bombing of Pan Am 103 and the murder of 270 people.

Considerable information from FAA Bulletins 19 and 22 has already been made public. FAA Bulletin 19 advised airlines that a radiocassette player bomb designed to explode at high altitudes had been found in the possession of a terrorist group in West Germany. FAA Bulletin 22 described a December 5, 1988, telephone call to the Helsinki Embassy warning of a bombing attack on a Pan Am airliner flying from Frankfurt to the United States within the next 2 weeks.

What I am presenting here, Mr. Speaker, does not contain specific details that might help terrorists evade security procedures. As I have said, my hope is to answer some of the questions that have been raised about the FAA's role in informing U.S. airlines about terrorist risks.

Taken as a group, the 33 aviation security bulletins we examined revealed a dismaying lack of useful and specific guidance for countering threats. Some were untimely. Some were inaccurate. Some recommended courses of action that were pointless or even ludicrous.

FAA Bulletin 19 deals with the barometric trigger bomb. On November 17, 1988, the FAA issued an aviation security bulletin discussing the so-called IED's or improvised explosive devices and stating: "Preliminary analyses by West German authorities of improvised explosive devices found in various stages of preparation during the recent arrests of members of the PFLP-GC Popular Front for the Liberation of Palestine—General Command in West Germany, disclosed one IED consisting of a Toshiba "Bombeat 453" radio containing approximately 300 grams of a plastic type explosive wrapped in a metallic coated "Tobler" brand candy wrapper. After stating that the device contained an electrical detonator, the bulletin continued: "The IED contained a barometric device connected to a computer chip [NFI], which was believed functional and apparently part of the trigger or arming function." The potential target of this IED, said the bulletin, could not be identified at this time, although it was determined that the IED would be very difficult to detect via normal x-ray inspection, indicating that it might be intended to pass undisclosed through

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

areas subject to extensive security controls, such as airports.

The FAA then provided the following comments: On October 26, 1988, West German police detained 16 persons from various cities throughout West Germany for suspicion of involvement with planned terrorist actions by the PFLP-GC; that is, the Popular Front for the Liberation of Palestine—General Command. Of the 16 detained, 14 were Palestinians. Twelve were eventually released and four remain in custody. Ammunition, explosives, and numerous weapons were seized as well as items indicating the manufacture of bombs or other IED's. Also seized were false passports and identity documents from—and here I am deleting a list of five nations for security reasons—the PFLP-GC was founded in 1968 by Ahmad Jabril as a splinter group off of the PFLP led by George Habbash. The PFLP-GC has been characterized as essentially a military organization consisting of approximately 500 members and concentrating on attacks against Israeli targets within Israel and the occupied territories, such as hang glider and hot air balloon attacks into Israel. The group, the FAA comment continued, has not been known to undertake terrorist attacks in Europe and the arrest of this number of operatives and weaponry outside of the Middle East is significant.

As to action required, the bulletin stated that it, with full FAA comments, must be passed to principal security inspectors for immediate dissemination to all United States air carriers serving Europe, the Middle East, Africa, and South Asia. It adds that all United States air carriers with scheduled international operations must ensure that the relevant existing FAA security requirements are rigorously applied. It concluded by stating that additional details of this incident and recommendations for security countermeasures might be furnished as information became available. It also stated: "This security bulletin may be disseminated to appropriate U.S. foreign service posts * * *."

My own comment, Mr. Speaker, is this: As to timeliness, the FAA took more than 3 weeks to alert United States air carriers that a terrorist group in Germany had constructed at least one bomb designed to evade normal detection procedures and blow up an airplane. West German intelligence similarly wasted 2 weeks before sending this vital information to United States airlines along with a photograph of the Toshiba radio-cassette player. The FAA did manage to beat the British, who telexed their own airlines November 22 and followed up with a second warning, written December 19, but delivered to U.S. carriers between January 16 and 19, almost a month after the bombing of Pan Am 103. The after-the-fact British notice reportedly contained useful tips for security officers, noting that the doctored radio-cassette player wouldn't play, would rattle when shaken, would contain extra wiring and would have tape over its antenna socket.

The FAA's alert describes its information about the bomb as based on "preliminary analyses by West German authorities." It is difficult to understand why explosive experts needed more than 3 weeks to complete an urgently needed analysis of this device. Either, the West Germans lacked the required technical skills—which is unlikely—or West German-FAA communication had serious flaws. The FAA should have promptly supplied U.S. airlines with a definitive analysis of the bomb, a photograph, and instructions to aid detection.

It is significant that two earlier FAA aviation security bulletins, No. 17, written on November 2, and No. 18, written November 4, mentioned the PFLP-GC raids. Bulletin 17 refers to the arrest in late October of 13 alleged PFLP-GC members in West Germany on weapons charges as one among many terrorist-related events of concern.

The FAA comment in Bulletin 17 stated that, although there is no information of any specific targets that would be attacked by any of the numerous terrorist groups involved in one way or another with the events or incidents described above, the situation is continually volatile. The FAA further noted that civil aviation remains a highly visible and newsworthy target for any group to extract retaliation or obtain publicity for their cause or point of view.

Ironically, the FAA suggested "that airline security personnel disseminate the information to corporate officials able to take precautionary measures in the event that specific threat information is developed that must be passed and reacted to extremely quickly." It is disgraceful, Mr. Speaker, that this kind of quick reaction system was not already in place and regrettable that, after noting the need for swift communication, the FAA dawdled for weeks before issuing vital information about the discovery of the barometric trigger on the radio-cassette player bomb.

In Bulletin 18, under the subject heading "Threat Advisory—Possible Hijacking of U.S. Airliner in Europe," the FAA again mentioned the "late October arrests" of PFLP-GC members, this time adding that the capture of numerous weapons and explosives in their possession underscores the "potential for Arab terrorism in Europe." The FAA noted that "as always, civil aviation remains a lucrative target for any terrorist group." Although the FAA should have known by the date of this bulletin, November 4, that a bomb designed to blow up an airplane had been among the PFLP-GC explosives seized, this bulletin focused exclusively on the possibility that a U.S. commercial airline might be hijacked in "the first half of November." Bombing was not mentioned as a possible or probable alternative course of terrorist action.

As to accuracy, Mr. Speaker, FAA Bulletin 19, about the barometric trigger bomb, states that the PFLP-GC "has not been known to undertake terrorist attacks in Europe."

However, the Defense Department's recently issued study, "Terrorist Group Profiles," offers the following excerpts from a "Selected Incident Chronology" of PFLP-GC actions, and I quote:

July 1968—Hijacked an El Al airliner en route from Rome to Tel Aviv, diverting it to Algeria for a lengthy hostage incident. The terrorists demanded the release of 1,000 prisoners in Israel. Weeks later, Israel released 16 Arab infiltrators as a "humanitarian" gesture.

February 1969—Machinegunned an El Al airliner as it was about to take off from Zurich for Tel Aviv.

August 1969—Hijacked a TWA airliner en route to Athens and Tel Aviv and forced it to land in Damascus, where the passengers were evacuated and the plane was destroyed by a time bomb. . . .

February 1986—Ahmad Jabril held press conference in Libya, stating that there will be no safety for any traveler on an Israeli or US airliner.

It is disturbing, to say the least, that the FAA did not see fit to mention a machinegun attack in Switzerland, two hijackings of air carriers bound for Europe and a direct threat against any traveler on a U.S. airliner in its comments on PFLP-GC activity in Europe.

As to effectiveness, or the lack of it, in the three FAA security bulletins dealing with the PFLP-GC arrests and the discovery of the barometric trigger bomb, this can best be judged by examining Pan Am's actions upon receipt of this information.

Earlier this month, upon threat of subpoena, Pan Am provided the subcommittee with certain documents. They included what purports to be a complete response to our request for, and I quote, "all documents relating to Pan Am's receipt of and response to information concerning the discovery of an explosive device with a barometric detonator by West German police in a raid in October of 1988."

The only documents Pan Am provided were three copies of FAA Bulletin 19 and two copies of Pan Am's internal "Security Task Force Wire NBR 23."

The security wire directed "all locations in Europe/Middle East/Africa and South Asia" to comply fully with existing FAA security regulations. The wire informed security employees that because the PFLP-GC group was found in possession of passports and identity documents, "you should include in your selectee screening process any individuals of apparent Arab ethnic background in possession of above documents placing particular emphasis on those in possession of electronic devices such as radios/cassettes/calculators, and so forth, as carryon baggage. Above devices should be closely examined and x rayed to determine if they include possible explosive components, contact local authorities for assistance. The above should be considered company confidential and should be shared on a need to know basis only."

Mr. Speaker, Pan Am's efforts to beef up security in response to Bulletin 19 were limited to x raying and examining selected passengers' carryon baggage. But the radio-cassette player bomb that destroyed flight 103 reportedly was carried as checked baggage and, if it resembled the bomb found in the October raid, was specifically designed to thwart "normal x-ray inspection."

FAA Bulletin 22 deals with the Helsinki warning. Dated December 7, 1988, it provided the following warning, and I quote, ommitting individual names:

Threat Information: On December 5, 1988 an unidentified individual telephoned a U.S. diplomatic facility in Europe and stated that sometime within the next two weeks there would be a bombing attempt against a Pan American aircraft flying from Frankfurt, FRG to the United States. An individual identified as . . . who allegedly is in Finland and a second individual identified only as . . . and is in Frankfurt are involved. Ac-

cording to the caller, . . . will provide the device to . . ., who will in turn provide it to an unidentified Finnish woman in Helsinki. The woman would unwittingly take the device to Frankfurt and eventually onto the U.S. bound flight. The caller, who spoke with a Middle Eastern accent, claimed that the two individuals had ties to the Abu Nidal organization. He would not comment as to how he acquired the information.

The FAA then commented that the reliability of the information could not be assessed at that point, that the appropriate police authorities had been advised and were pursuing the matter, and that Pan Am was also aware of the threat information. FAA then stated, and I quote:

As reported in FAA Security Bulletins ACS-88-19 and ACS-88-20, terrorist groups continue to target civil aviation, at times with the use of sophisticated improvised explosive devices, IED, that may be very difficult to detect during screening. Unwitting couriers have also been employed in the past.

Let me point this out, Mr. Speaker: In a recent letter to the widow of a victim of Pan Am flight 103, Thomas G. Plaskett, Pan Am's chief executive officer and chairman of the board, wrote that on December 6, law enforcement officials in Finland determined the Helsinki warning to be a hoax. That statement conflicts with information in the documents Pan Am provided the subcommittee. It conflicts with statements made by the State Department and the Finnish Ministry of Foreign Affairs. It also conflicts with the information FAA put out in Bulletin 22.

Three months after the Pan Am tragedy, there is considerable confusion over when the Helsinki warning was discounted as a hoax. It is certain, however, that between the telephone warning and the bombing the FAA did not issue a followup to Bulletin 22, updating its information on that threat. Such followup bulletins would appear to be a worthwhile course of action for the FAA, but in 1988 the FAA amended only three of its 27 bulletins.

The Helsinki warning bulletin refers to two previous Bulletins 19 and 20. Bulletin 20, dated December 5, 1988, and entitled "Planned Bomb Attack Against Civil Airliner," deals with a terrorist group's plan to place an improvised explosive device in the cabin of a European air carrier. After describing the possible appearance of the bomb, the FAA noted that "the reliability of the above threat information is assessed as quite high and the appropriate police agencies have been notified and precautions have been taken."

The FAA further stated: "This threat graphically illustrates that terrorist groups are continuing to target civil aviation and that use of IED's or bombs remains a favored method of attack." Since the most recent airplane bombing had occurred a year ago, the FAA continued, "these terrorist groups could well assume that measures instituted by airlines to counter this tactic would be relaxed or stopped by now."

As to action required to counter terrorist bombings, the FAA simply directed that U.S. airlines "rigorously" follow existing security regulations. No other precautions were suggested.

FAA Bulletin 21 deals with two attempts to test Frankfurt security. In the FAA bulletin, dated December 7, 1988, the FAA described "two incidents that may indicate attempts to test security procedures of a U.S. carrier operating from Frankfurt International Airport, FRG." On at least two occasions, individuals claiming phony law enforcement status sought information from TWA on procedures for transporting pistols, explosives and a detonator. In one incident the man asked his questions at the TWA ticket counter. Apparently, no attempt was made to detain and question him.

The FAA noted that "the incidents occurred within a few days of each other. There is a possibility they are related." Yet in specifying the action required, the FAA ordered its security inspectors to disseminate Bulletin 21.

My comment, Mr. Speaker, is this: At least three FAA security Bulletin Nos. 19, 21, and 22, contained disquieting information involving West Germany. Yet despite the Helsinki warning of a Frankfurt bombing, the discovery of a radio-cassette player bomb, and two attempts to test Frankfurt airport security, the FAA failed to order U.S. airplanes to take any security measures beyond those already in place.

There seems to be, at best, confusion about how to handle a suspected terrorist who seeks to board an airliner. For example, FAA Bulletin 25, dated 3 days after Pan Am 103 exploded, listed the names of 13 individuals believed to be planning a hijacking.

Under "action required," the FAA advised air carriers that "if a name or names contained herein matches those of passengers booked within their systems, the individual should be subjected to intense scrutiny during the checkin process, and a U.S. Embassy or consulate should be notified with reference to this security bulletin."

The FAA did not recommend that airlines make any arrangement for law enforcement officials to be summoned to detain and question the suspected terrorists. The FAA did not recommend barring these individuals from the flight. The FAA did not specify what "intense scrutiny" should entail.

In FAA Bulletin 26, however, dated December 25, the FAA recommended that airlines adopt a more stringent course of action with suspected terrorists. The bulletin lists the names, dates of birth, passport numbers and issue dates of identity documents believed to be in the hands of suspected terrorists.

Under "action required," the FAA advised that if a passenger's name or passport number should match one of those listed, the following should be done. Let me quote the three points. First: "The appropriate law enforcement authorities and a U.S. Embassy or consulate shall be notified * * *." Second: "The individual and any persons accompanying that individual will be subjected to additional scrutiny during the checkin process * * * the hand search and x ray of all checked and carry on baggage with particular emphasis on bottle(s) containing liquid and electronic devices. In addition, the empty baggage container(s) shall be x rayed to determine if any alternations were made." Third: "Unless the individual and all accompanying persons have been favorably cleared by law enforcement and the above security measures, we recommend that they be denied boarding, and all other carriers at the location be advised of this fact."

One would hope, Mr. Speaker, that those individuals who have not been, as FAA said, "favorably cleared by law enforcement" would be taken into custody instead of being permitted to try their luck with "other carriers at the location."

FAA Bulletin 24 deals with the lessons drawn from Pan Am 103. This bulletin, dated the day after the bombing, noted that: "While we have no factual basis, at this point, to conclude that criminal activity was involved * * * we must consider it possible and must immediately review security measures now in force with respect to possible terrorist bombing activity."

The FAA requested that air carriers "immediately review all antibomb security measures * * * to insure that actions are being fully implemented despite the heavy traffic load of the Christmas season." The FAA also requested that "carrier security directors insure that all arrangements for emergency contact are in order and that the FAA principal security inspector and headquarters FAA intelligence division can contact the security director or his/her designee without delay in the event additional threat information must be disseminated on a time-sensitive basis."

Mr. Speaker, I wish to include at this point the Government Activities Subcommittee's letter to FAA's Acting Administrator, to which I referred at the outset of my remarks.

GOVERNMENT ACTIVITIES
AND TRANSPORTATION SUBCOMMITTEE,
Washington, DC, March 20, 1989.

Mr. ROBERT E. WHITTINGTON,
Acting Administrator, Federal Aviation Administration, Washington, DC.

DEAR MR. WHITTINGTON: In May of 1986, following the death of some 50 Pan American passengers or employees at the hands of terrorists in several separate incidents, the chairman of Pan American personally secured the services of an Israeli security consulting firm to evaluate Pan Am's security system.

As Raymond A. Salazar, FAA's director of civil aviation security, was personally advised shortly after completion of the review, the security firm, KPI, Inc., prepared two reports that were presented to Pan Am in September and November 1986. The reports were based on a review of Pan Am security at nine locations, including Frankfurt and London, and concluded that: ". . . Pan Am is highly vulnerable to most forms of terrorist attack. The fact that no major disaster has occurred to date is merely providential."

Within days of that dire prophecy, 18 Pan Am passengers and crew were killed in a September 6, 1986 shooting in Karachi, Pakistan. Two years later, an additional 270 lives were lost following the bombing of Pan Am Flight 103 over Scotland on December 21, 1988. Based on its own investigation, the Subcommittee has determined that many of the gaps in Pan Am's security system that were identified in the 1986 KPI reports have not yet been corrected. If they had been, it is possible that those lives could beeen saved.

Specific findings concerning Pan Am's security as detailed in the KPI report includ-

"At most European stations there is a misconception that citizenship is a classifier for security. As a rule, American citizens and citizens of the host country are consider 'safer' as regards their belly baggage, which is not checked in any way. . . .

"It might be pointed out that the question of citizenship is irrelevant to the terrorist threat. Most terrorist organizations find it easier to operate in their home countries. Most international terrorist organizations carry out proxy operations for each other, and false passports are widely used.

"Local security officers have no sufficient contacts with local security services or intelligence sources.

"A misguided security concept . . . [including] an over-reliance on technical applicances [x-ray machines] which, inherently, cannot serve today as instrumental aids, and inadequate efforts to mark out suspects.

"An organizational set-up which suffers, among other things, from a lack of authority in various functions . . . and an alarmingly low level of training/instruction.

"[H]ardly a control or testing procedure for the security system."

Those overall findings were based on a litany of specific criticisms, many of which are of direct relevance to the bombing of Pan Am 103. They included the following:

"Security-conscious handling of 'Lost and Found' baggage is very rare, opening an easy way of letting a baggage item with barometrically-present explosive charges to be sent ownerless to a supposed destination.

"At various stations, such as London and Hamburg, it is possible to put on the conveyor belt a baggage item with an attached Pan Am baggage tag. This item will reach the Pan Am loading area in the baggage area in the baggage room and be loaded in the plane even though no one is registered as [the] travelling passenger.

"No effort was found at most airports to mark out a passenger or suspect according to profile criteria, and accordingly to subject him to special questioning or searching.

"In cases where baggage is checked by x-raying . . . [e]ven an experienced and watchful security officer cannot see and identify a weapon or an explosive charge, and the right course of action is to open the baggage and search it manually. Yet, from the many baggage items we saw being x-rayed, almost none were opened and hand-searched. . . .

"Moreover, even when belly baggage is occasionally opened and searched by hand . . . the search is inefficient. On the whole, the presently employed search techniques stand a low chance of discovering concealed explosive charges, if at all.

"Out of the prescribed six departure questions, passengers are usually asked few, if any. From the way the questions are put, it is clear that the questioners do not understand the importance of the question, nor do the passengers. Thus, remarkably, at most stations there had not been for weeks even one passenger who was delivering a gift. Our experience is that by asking the questions in a proper way, one gets completely different and much better responses.

"In conclusion, there are no adequate safeguards under the presently operating security system that would prevent a passenger from boarding a plane with explosives on his person or in his baggage, whether or not he is aware of the fact.

"Cases are on records [sic] where early warnings were received at some level in the station, but were not passed on to all members of the local [Pan Am] security staff, who remained ignorant of them even at a later date. Examples: At Frankfurt and Paris airports, warnings had been received about two women of Middle East origin, planning to place explosives aboard a plane. This warning did not reach all members of the staff. JFK and Miami airports were alerted early in June on the possibility of explosives being smuggled in a doll. Most of the security officers still had not received the warning by mid-July.

"There is virtually no training program for the security staff, not even at senior office level. The few hours of training which they do get do not afford the elementary expertise required for detecting explosive charges. At some stations there are staff members who have not had any training whatsoever. Most security officers have never seen explosive devices, whether real or dummy, nor have they handled explosives. It is doubtful whether they would recognize such articles if they came across them."

Although Pan Am insists that the security breaches identified in the KPI reports have been addressed, the Karachi attack and the bombing of Pan Am 103 suggest otherwise as does information which the subcommittee has obtained from a variety of sources concerning the recent and current status of Pan Am security.

Thus, it is imperative that the FAA—with the KPI report as a guide—conduct an immediate white paper review of Pan Am's security and formally report back to the Subcommittee within 60 days of the date of this letter. An interim oral report should be provided to the Subcommittee at the end of 30 days.

The FAA review should determine the full and precise extent to which Pan Am has remedied each of the systemic deficiencies identified in the KPI reports, particularly as they concern security training, supervision, pre-board passenger questioning on international flights, and in-house security reviews and tests. Additionally, as part of its review, the FAA should obtain and analyze any and all other security assessments commissioned or conducted by Pan Am following the 1986 KPI reports.

In view of the recent Pan Am tragedy, it is regrettable that the FAA did not undertake such a review when first advised of the KPI studies.

Sincerely,

CARDISS COLLINS,
Chairwoman.

GIVE ME YOUR TIRED, YOUR POOR, YOUR DIRECT MAIL DONATIONS IN OUR NATIONAL "WAR ON DRUGS"

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. STARK. Mr. Speaker, it's amazing to me, and probably to many other Members of the House, that people would use our national efforts to combat drug use and abuse to make a "quick buck" in the direct mail business.

Citizens for a Drug Free America, I am currently led to believe, is such a scheming outfit. It has a rather harmless, official-sounding name, but one wonders about its true agenda.

Is it to actually raise money to fight drug use and abuse as it claims?

Or does it intend to raise huge sums of money from a demagogic direct mail campaign based on emotional, "urgent" appeals for money, most of which will be plowed back into more direct mail emotional, "urgent" appeals.

To read from a recent Jack Anderson and Dale Van Atta column, the Citizens for a Drug Free America sent a direct mail appeal asking, "Have you ever been physically assaulted, robbed, or mugged?" If so, "There is about a 72 percent chance that it happened because the criminal was addicted to an illegal drug."

Mr. Speaker, I recently received this direct mail appeal and responded by writing Citizens for a Drug Free America to inquire if they were as interested in supporting demand-side solutions as much as they are supportive of the status quo failures which simply throw billions at the flawed supply-side proposals. If their director, Mr. Roger Chapin, is as talented as he claims to be, I sure could use his help and advice on this subject.

Not surprisingly, I have yet to receive a response from Mr. Chapin. This only heightens my curiosity about the intentions of Citizens for a Drug Free America and their willingness to cooperate and work with legislators to create a workable national drug policy.

Many worthwhile, legitimate charities and nonprofit organizations are dedicated to our national efforts to fight drug use and abuse. Some, like the Citizens for a Drug Free America, invite a healthy amount of skeptical oversight.

The jury is still out, my colleagues, on some of these fly-by-night operators. I hope Citizens for a Drug Free America is willing to share their actual gross revenues, actual fundraising and direct mail expenses, and their net charitable and worthwhile contributions. Also, they ought to make public the top salaries of their officers, directors, and staff. If not, then it's our public responsibility to educate the public about some of these questionable, possibly sleazy causes.

The following editoral is worth considering:

ENTREPRENEURS AGAINST DRUGS

(By Jack Anderson and Dale Van Atta)

The war on drugs has reached the vigilante stage.

There is a growing national sentiment that no matter how much money the government throws at the crisis, it will not slow the injection of drugs into our neighborhoods. We have a new drug czar, but there are no signs that the average person believes that can make a difference. Private business and solo drug busters are taking up arms in the fight, including some entrepreneurs who see the crisis as a gold mine.

More and more citizen groups are patrolling the urban battlefields, disgusted with the failure of the police to close the open-air supermarkets. Along with the vigilantes are entrepreneurs—nonprofit organizations soliciting money, ostensibly to fight the battle privately.

Citizens for a Drug Free America is one such group. The aggressive outfit is choking the U.S. Postal Service with solicitations. The group's alarmist style makes Nancy Reagan's "Just Say No" slogan sound like a Girl Scout pledge.

"Have you ever been physically assaulted, robbed or mugged?" the group's literature asks for openers. "There is about a 72 per-

cent chance that it happened because the criminal was addicted to an illegal drug." The pitch lambastes political, business and even church leaders who, it claims, tolerate the drug epidemic. It scolds lawyers "who scheme and lie to get their wealthy drug-dealing clients put back into our neighborhoods."

If that fires you up, don't grab your gun, grab your checkbook. Citizens for a Drug Free America wants your money. Founder Roger Chapin says his goal is to make the group "the No. 1 antidrug organization in America very shortly and to reduce drug use by at least 50 percent by December 1993."

Chapin has no experience in criminal justice or drug-abuse prevention. But he informs potential donors that he has met with more than 100 "experts" in the field. Chapin is a conversational dynamo and has bent many an ear in Congress trying to find someone to endorse his idea for a federal Drug Emergency Act.

Another group, the Criminal Justice Policy Foundation, approaches the problem with a little more decorum. The group researchers and advocates criminal justice reform. Its president is Eric Sterling, a seasoned crime analyst who spent eight years as legal counsel for the House Judiciary Subcommittee on Crime.

Sterling is a calm voice in the hysteria of the drug war. "There is no quick fix," he told our associate Jim Lynch. "People want a quick fix. People almost want to get high on fighting the war on drugs. The term, drug-free America, is like a mirage in a desert. We need realistic goals."

Sterling advocates a stronger focus on drug education and efforts to reduce overdoses and urban drug violence.

Chapin takes a harder approach. He thinks America needs more jails to lock up street dealers.

Some groups are not in good standing with better business bureaus. For example, police in New York, California, Rhode Island, Texas and Oregon are working to stop solicitations from groups claiming to be affiliated with Nancy Reagan's "Just Say No" campaign.

One group riding the coattails of "Just Say No" is Berkeley-Davis Inc., a telemarketing company in San Diego. For $381, Berkeley-Davis will send donors a package that includes bumper stickers ("Just say no to drugs"), a plaque, a video and a surprise. Berkeley-Davis promises the surprise will be a 1989 Dodge custom van, a $1,000 gift certificate, a $5,000 cashier's check or possibly a gold or diamond watch.

The San Diego Better Business Bureau told us Berkeley-Davis is not in good standing because of a "high volume of complaints." A spokeswoman at Berkeley-Davis told us the company is now in a lawsuit with the Better Business Bureau. She said the customer complaints stemmed from the confusion over whether the group was affiliated with "Just Say No."

MAURITIUS—A MODEL OF DEVELOPMENT

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. BROOMFIELD. Mr. Speaker, emerging onto solid economic footing, Mauritius is an example of how hard work and the spirit of enterprise can transform an agrarian economy into a diversified system that is a model for developing countries to follow.

Mauritius is an Indian Ocean island country located approximately 1,300 miles east of the African mainland and 500 miles east of Madagascar. Although Portuguese sailors visited it in the early 16th century, Arabs and Malays were said to have discovered it previously. In 1638, Dutch sailors established a colony which was abandoned in 1710. Five years later, the French claimed the island and maintained it until the English captured it in 1810. To cultivate the potential sugar cane crop, the ruling countries resorted to slavery—which was abolished in 1835—and indentured labor from Africa, Madagascar, China, and India. The result is an ethnic communalism composed of Indo-Mauritians, Creoles, Sino-Mauritians and Franco-Mauritians. The cultural mix over a long period of time has contributed to mutual understanding and cooperation among the citizens. The official language is English with French being commonly spoken. As expected, most Mauritians are fluent in two languages if not three or four. Similarly, there is religious pluralism as the country is composed of Hindus—51 percent, Christians—30 percent, and Muslims—17 percent.

On March 12, 1968, Mauritius became an independent and sovereign state within the British Commonwealth. A multiparty democracy, this country has had only two prime ministers since it obtained independence. When the Right Honorable Sir Anerood Jugnauth was elected to head the government in 1982, the country was experiencing economic stagnation. There was an unemployment rate of 20 percent, and the almost exclusive export was sugar cane. While this crop is still significant, important economic changes have occurred which have lead to a greater gross domestic product and an increase in total exports. A solid textile industry has developed and grown as factories produce clothing which is exported around the world. To keep the approach broadbased approximately 9 percent of the factory workers are involved in the manufacture of nontextile related items which range from optical goods to toys. The current unemployment rate is 4 percent and the per capita income of $2,400 is double that of 1982. The government encourages foreign investors and emphasizes to them the low labor costs and tax advantages of Mauritius. On a related front, the government has seen tourism as another means to bolster the economy. In 1987, the number of tourists visiting the island exceeded 213,000 as compared to about 15,500 in 1967. The progress of Mauritius is such that it is often referred to as the economic tiger in the Indian Ocean.

Mauritian Ambassador to the United States, Chitmansing Jesseramsing, stresses that trade remains a top priority. Although hurt by the sugar quota and the preferential treatment that the United States gives to Caribbean Basin Initiative countries, the Mauritians are to be commended. There have been significant increases in textile and nontextile manufactured products, which since 1983 have increased from $28 million to $120 million. To wean itself from dependency on sugar cane as an exclusive crop, emphasis is being placed on greater and more diverse crop production. Currently, the country is self-sufficient in farming potatoes and tomatoes. Approaching this level are onions, garlic, and groundnuts. Maize production is also on the upswing. As an interesting aside, Mauritius has made a reputation for cut flowers, particularly anthuriums. The export value is still low, however, since only 50 hectares are under cultivation. For all crops on this volcanic island there is the threat of devastation during the cyclone season—November to April.

Mauritius is a small country which has begun to make an impact. When asked the main challenge for the future, Prime Minister Jagnauth responded: ". . . [T]o set up a sound economic base which will provide sustained growth and betterment of the living conditions of every Mauitian. And this has to be achieved with full respect for our democratic and human values, together with the preservation of our environment. Mauritius can become a modern nation which could be an example to the world, an example of conviviality, democracy and harmony."

SOLVING THE THRIFT CRISIS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. HUBBARD. Mr. Speaker, I would like to apprise my colleagues in the U.S. House of Representatives of an excellent letter I recently received from Mr. Larry D. Wright, president of the Bank of Marshall County, Benton, KY.

As my colleagues can see, Mr. Wright, a respected banker and very knowledgeable regarding the S&L crisis, is encouraging expeditious enactment of H.R. 1278 and S. 413, legislation designed to solve the thrift crisis. He has provided me with five key points recently adopted by the American Bankers Association Leadership Conference as they relate to the thrift crisis.

I urge my colleagues to read Larry Wright's letter:

BANK OF MARSHALL COUNTY,
March 20, 1989.

Congressman CARROLL HUBBARD, JR.,
Rayburn House Office Building,
Washington, DC.

CONGRESSMAN HUBBARD: Below are listed 5 key points adopted by the ABA's Banking Leadership Conference. I urge you to consider them. I along with my board directors support these points and we want you to support them also.

1. Bankers support quick approval of President Bush's proposal to solve the savings and loan crisis. However, Members of Congress need to understand the fact that there is a heavy financial burden placed on the banking industry in terms of the increased deposit insurance premiums being paid to the FDIC.

2. The Congress should not weaken the provisions dealing with the structure of the thrift regulatory system and the requirements to strengthen thrift capital and accounting standards. In particular:

(a) the newly constituted Federal Home Loan Bank Systems should be required to report to the Treasury Department in the same manner that the Comptroller of the currency currently does; and

(b) the phase-in period during which thrift capital standards are to be brought into line with bank capital standards should not be lengthened beyond the 1991 date contained in the bill. One of the primary causes of the current thrift crisis was the dismantling of thrift capital standards in the early 1980's. Those thrifts which do not have adequate capital by 1991 would be prohibited from growing, as required by the President's proposal.

3. The President's proposal to require the credit union industry to accurately account for contributions to its deposit insurance fund must be retained. It would be unfair and unsafe to allow the credit union industry to continue to use "phony" accounting for its contributions to its insurance fund.

4. Under no circumstances should savings and loans be able to use the FDIC sticker. To permit them to do so would weaken public confidence in the FDIC.

5. Under no circumstances should the funds be commingled nor shall any part of the FDIC fund be used to bailout failing thrifts whether it be principal, interest or a loan.

Thank you for your consideration.

Sincerely,

LARRY D. WRIGHT,
President.

MISSISSIPPI STATE STUDENTS DESIGN VIETNAM VETERANS' MEMORIAL

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. MONTGOMERY. Mr. Speaker, the Vietnam Veterans' Memorial here in Washington attracts an average of more than 10,000 people daily down its walkway, which makes it the most visited monument in the city.

Simple in design, yet complex in purpose, this black granite wall allows us the opportunity to touch those we lost in Vietnam, to thank them, and to salve the wounds of controversy that arose during the war years. We owe an infinite debt to those we asked to leave home, leave family, leave friends, leave jobs to be thrust into the horror and carnage and loneliness of a jungle on the other side of the world.

I am pleased to report that there is an effort well underway to pay tribute to the Vietnam veterans of my home State and to those who died in the conflict—the Mississippi Vietnam Veterans' Memorial. I am especially proud that an exceptionally talented group of young people from my alma mater, Mississippi State University, is proving to be so integral to the advancement of this project.

The third-year architecture class of MSU—35 students— was asked to design and prepare scale models and drawings for consideration by the Mississippi Vietnam Veterans' Memorial Committee, chaired by Mr. Henry J. Cook III. I am told that the veterans on the committee who reviewed the proposal were impressed by the depth of feeling and understanding expressed by the students.

The following article by Mr. Danny McKenzie, a columnist with the Clarion-Ledger in Jackson, MS, captured the reactions of those who viewed the models when they were placed on display at the Mississippi State Capitol.

MEMORIAL DESIGNS BOND STUDENTS AND VIETNAM VETERANS

Amazing, the vets' all said.

How, they all wondered, could a bunch of college students, most of whom were no more than 2 years old when the Vietnam War was being fought, feel so deeply for those who died in the fighting?

But the feeling, indeed empathy, of the Mississippi State University architecture students was clearly evident on the first floor of the state Capitol Thursday when the Mississippi Vietnam Veterans Memorial Committee put nine models of a planned memorial on display.

The nine were chosen from more than 40 designed, and from those nine one will be selected and funds raised to build it. The models will be taken to Biloxi today and put on display at the Seafood Industries Museum.

The site is in palce; Point Cadet in Biloxi. The date for the dedication is set: Veterans Day, 1991.

Picking the memorial, however, is another matter. Just whittling down the initial 40 to the final nine proved to be more difficult—and emotional—than anyone ever imagined.

When they were displayed for the first time at Mississippi State, the selection committee viewed the student's works. Seven hours and more than a few tears later, they had chosen the nine.

STUDENTS SHARE THE EMOTIONS

The tears didn't come from just the vets, either. When the students began the project, they viewed it as just that, a project. Soon, they became emotionally involved—more emotionally involved than they thought possible.

Of those projects being displayed, the one most talked-about featured a woman and child sitting beside a pool of water with generic faces on the bottom of the pool.

Ben Hillyer, one of four designers of that model, said it symbolizes a mother telling her child how her husband and its father died, or a daughter telling her child how her father and its grandfather died—or any family combination you care to attach to it. Hillyer's co-designers were Joel Winborn, Mary Ellen Anthony and Sherman Chow.

The statue's message is powerful.

Those feelings evoked were evident when the campus showing was held. Some of the vets on the selection committee, who had not before been able to express their feelings about the war, finally found the words and the courage to speak them.

Those feelings did not go unnoticed by the students.

"I actually, well you know . . . ." said Joel Winborn, tears welling in his eyes at the memory of that experience.

He couldn't finish his sentence.

The feeling was shared by many of the vets who were at the Capitol, at least when they began talking about the specific merits of each project. The memories were too moving.

VETS APPRECIATE STUDENTS

They did not, however, mince their words when discussing their appreciation for the Mississippi State students and their works.

"I'm almost in complete awe," said Paul Barkmeier, who served two tours in Vietnam. "I look at what they've done, and the first thing that strikes me so very clearly is that some of these kids weren't even born when I was over there the first time (1966-69). The feeling in these projects is just absolutely amazing."

"I feel a bond with these students," said Henry Cook, chairman of the memorial committee. "The real positive thing is that when the vets came home from Vietnam, we were greeted less than sympathetically. Now, seeing today how these youths feel about what we tried to do, it's a very special feeling."

When the memorial is completed, it will undoubtedly be more than a monument. It will, as intended, be a lesson, a lesson already learned by some.

"It didn't take me long to figure out I don't want my kids to have to go through anything like that," Winborn said.

The Mississippi Vietnam Veterans Memorial, like the one here in Washington, will be a symbol of America's willingness to listen to those who survived Vietnam and to remember those who did not—the more than 600 Mississippians who died in both hostile and nonhostile action. It will serve to remind the coming generations of an era when many of our best and bravest stepped forward when their country asked. It will serve as a tangible reminder of their courage and their sacrifices.

The average age of those who served in Vietnam was 19, so I find it especially fitting that our young people are playing such a significant role in developing and establishing this memorial.

Army Maj. Michael Davis O'Donnell wrote the following words on a battlefield in Vietnam 3 months before he was reported missing in action:

"If you are able
Save for them a place
Inside of you . . .
Take what they have left
And what they have taught you
With their dying
And keep it with your own . . ."

Mr. Speaker, with the input of such gifted and patriotic young Mississippians, our Vietnam Veterans Memorial will most certainly help us answer the invitation of Major O'Donnell's powerful words.

LATVIAN INDEPENDENCE

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. FEIGHAN. Mr. Speaker, today in Latvia, the people struggle against their Soviet masters with a growing hope that their dream of freedom will be realized. They continue this struggle in the face of Soviet threats and promises, refusing to sell their sovereignty in exchange for Gorbachev's offers of reform.

Mr. Ivars Zukovskis is a Latvian patriot whose recent remarks passionately addressed this renewed feeling for the Latvian nation. I commend them to all my colleagues:

STATEMENT OF IVARS ZUKOVSKIS, MARCH 20, 1989

Having been convinced by their own propaganda machine that the nationalities within the Soviet Union were content, Soviet authorities were not prepared for the manifestation of nationalism in the Baltic

Republics and did not have a strategy for dealing wtih Baltic demands.

Gorbachev has a severe dilemma. He understands that the Soviet Empire is on the brink of economic disaster and that reforms are necessary in order to salvage the Soviet system from collapse. Moscow hopes to solve its economic problems with assistance from the West. The Soviets must project a favorable image in order to salvage their economy. Severe repressions in the Baltics would cause Gorbachev to lose credibility in the West. On the other hand, there are strong elements in the Baltic States and in Moscow who are urging Gorbachev to show strength in dealing with the Baltic peoples.

Gorbachev's goal is to strengthen the Soviet empire, not to dissolve it. Recent events in the Baltic States are the undesirable consequences of his reforms. He is prepared to tolerate the negative aspects of perestroika as long as the economic situation mandates it.

Recent events indicate that Moscow and its Baltic collaborators wish to return the Baltic States to the total control of the Communist Party. In Latvia, the situation has become extremely confrontational. During a Central Committee meeting, threats were made to retaliate against informal groups such as Helsinki-86, the [Latvian National] Independence Movement and Auseklis magazine. Harsh criticism was also leveled at official press, radio and television reporters, because the mass media no longer serve the interests of the Party, but have become the mouthpiece of a few individuals. The suggestion was made that those journalists, who do not follow the Party line, should be relieved of their positions.

The leaders of Interfront have become more aggressive and are provoking dangerous confrontations in the streets of Riga between Latvians and non-Latvians.

There is an imminent threat that martial law may be declared and that Latvia would be placed under the direct control of Moscow.

In the last two years, the Latvian people have regained their national pride and identity, the right to display their maroon-white-maroon flag and to sing their national anthem, "God Bless Latvia". This has been a period of national awakening. Latvian history has been purged of falsification and distortion. These events will give the Latvian people the strength to survive for many years to come.

Moscow must be forced to acknowledge the injustices it has perpetrated against the Baltic peoples. Coercing Moscow into recognizing these injustices will be the first step towards rectifying them. This includes Moscow's acknowledgement of the Street Protocols of the Molotov-Ribbentrop Pact.

The official line of the Latvian Popular Front is that Latvian should have sovereignty within the Soviet Union. However, many of the informal groups are demanding independence and the same status as Latvia had prior to the Soviet occupation in 1940. These groups feel that Latvian national interests will remain in jeopardy as long as Latvia is still part of the Soviet Union.

Some groups within are asking that Latvia have representation at the U.N. and in other international forums. Foreign consulates, to be stationed at Riga, are being proposed. However, diplomatic relations between Latvia and other nations should be renewed only after Latvia is once again an independent country.

To encourage contacts with the West, some individuals have recommended that European nations recognize the Baltic States as part of the Soviet Union. Such an action would destroy any justification for demanding an independent Latvia.

The maroon-white-maroon flag and the national anthem should be symbols of a free and independent Latvia and should not represent a Soviet Republic.

CATASTROPHIC HEALTH LAW IS FAIR

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. STARK. Mr. Speaker, one of my constituents, Mr. Harold Taylor of San Lorenzo, CA, recently wrote the following letter to the editor of the Hayward Daily Review.

It is one of the clearest statements I've ever seen on why the new Medicare law makes a great deal of sense and should be supported.

CATASTROPHIC HEALTH LAW IS FAIR

The Catastrophic Health Law for Medicare is about accessibility to health care. The major culprit is the escalation of health costs including insurance. It is about preventing people from being driven into poverty because of a costly illness. It is also about out-of-pocket expenses and the huge bill for Medicare and how and who should pay for it.

America is aging and the medicare ranks grow ever larger as do the costs. The percentage of those suffering a catastrophic illness is small, but the cost is great. Who is sure an acute illness will not strike them? This law gives protection and added security to all. Many take pride in the fact that they have saved and can take care of themselves; and this is good. However, "Wealth often is more of fortune rather than wisdom."

Some say it costs too much and helps too few. That is wrong. It helps many. At least 1.2 million will benefit from added hospital coverage, 5.5 million from drug co-payments, 2.3 million from doctor fee insurance. It is a spring board toward long term care with spousal protection, respite provisions and greater hospice benefits. Breast cancer screening is a step toward prevention.

MediGaps become more pronounced as medicare cuts back and insurance premiums skyrocket, increasing 30-50% and causing many seniors to eliminate or cut back coverage. Those most at risk choose between life necessities and medical attention and prescriptions. Too many affordable supplemental policies are a waste of money giving a false sense of security. The new benefits are not in present policies because they are costly and risky. When fully implemented this law will provide the opportunity to self-insure eliminating costly private insurance.

Are people upset with the benefits? Mainly they are upset to the extent they have to pay a part of the cost, and no one seems to think they should be the one to pay. Who pays for Medicare?

Part A for hospital costs is completely paid through the payroll tax which is an income related tax on employees and employers of 2.9% with a cap of $48,000. No one seems to complain that this is unfair! Payroll tax has recently been increased. Should we push for a higher tax? 37 million people are without health insurance. Many of these workers are now paying part of their premium with fewer benefits and no health retirement benefits from companies.

Seniors without Social Security benefits pay $1,872 a year to buy Part A Hospital Insurance. Private insurance is far more expensive when it is available. Total cumulative payment through FICA tax into the Medicare fund by a 1975 retiree at maximum earnings was $330 while a 1985 retiree's maximum contribution was under $2,500; and usually both worker and spouse gained Part A coverage. a pretty good return on investment! This subsidy comes out of payroll taxes as no other government funds can be used.

Part B Medical Insurance premium is based on the previous years doctor and related costs. The beneficiary pays ¼ of the cost and ¾ comes from general revenue or income taxes. For 1989 beneficiaries will pay $334 a year ($27.90 mo.) while $1,004 will come from the general fund to subsidize the cost. Would you increase income taxes, or add to the federal deficit?

In 1989 an additional $4.00 is added to Part B, and a sur-tax premium of 15% of your tax liability with a maximum of $800 per individual based on a progressive tax or ability to pay. Less than 10% of taxpayers will have a tax liability of $5,350 for a single person of $10,650 for a couple and pay the maximum of $800 each. Most will pay much less.

The maximum medicare cost any individual will pay in 1989 is $1,182, and they will still receive a subsidy of at least $1,700. I don't see anything magic about age 65 that says I no longer should share fairly in the increasing burden of medicare costs.

Medicare relies heavily on a large risk pool to protect all. There is no doubt the nearer one is to poverty the greater the risk and need for assistance. Who are these people at risk? Primarily women who have been homemakers and caregivers. People who are just getting by.

It was right that the Administration and Congress agreed and had the courage to say that the elderly should share in paying part of the Medicare bill on a progressive scale or ability to pay. Yes, the more affluent will be helping pay for the health care of poorer old people. Meanwhile, the rest of society is still helping to pay theirs.

MAXIMUM EMPLOYER-EMPLOYEE CONTRIBUTIONS TO HEALTH INSURANCE (PART A) AND CUMULATIVE TOTALS 1966-88

Year	Hi-Rate	Maximum wage taxable	Annual contribution	Cumulative contribution
1966	0.35	$6,600	$23	$23
1967	.50	6,600	33	56
1968	.60	7,800	46	112
1969	.60	7,800	46	158
1970	.60	7,800	46	204
1971	.60	7,800	46	250
1972	.60	9,000	54	304
1973	00	10,800	108	412
1974	.90	13,200	119	531
1975	.90	14,100	127	658
1976	.90	15,300	138	796
1977	.90	16,500	149	945
1978	1.00	17,700	177	1,122
1979	1.05	22,900	240	1,360
1980	1.05	25,900	272	1,632
1981	1.30	29,700	386	2,018
1982	1.30	32,400	421	2,439
1983	1.30	35,700	464	2,903
1984	2.60	37,800	982	3,885
1985	2.70	39,600	1,069	4,954
1986	2.90	42,000	1,218	6,172
1987	2.90	43,800	1,270	7,442
1988	2.90	45,000	1,305	8,747

[1] Health Insurance has always been related to income in determining how much an individual will pay in premiums.

Note.—The above contributions are based on maximum wage earnings. Medicare HI has two sources of contributions: 1. Payroll earnings 2. Deductibles and coinsurance (Minor Source) Gen Revenues can not be used.

THE PASSING OF A GREAT AMERICAN: JOHN J. McCLOY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. BROOMFIELD. Mr. Speaker, recently an unusual advertisement appeared on the op-ed page of the New York Times. The advertisement was signed by Richard von Weizsacker, Helmut, Kohl, and Hans-Dietrich Genscher, President, Chancellor, and Foreign Affairs Minister, respectively, of the Federal Republic of Germany.

The ad commemorated the passing of John J. McCloy, who among the many services he performed for the U.S. Government, served as Military Governor and High Commissioner for West Germany in the aftermath of World War II.

It is an unusual testimony to Mr. McCloy's success as a diplomat that the top three West German officials would offer such high praise for one of the most visible symbols of Germany's subjugation by the Western allies.

Mr. McCloy was truly bipartisan: He served seven administrations, four Democrat and three Republican. Perhaps the recent Central America plan will represent a return to the bipartisanship that characterized our foreign policy when American influence was at its peak.

Mr. McCloy's own influence might be difficult to understand in a televised age, when more attention is paid to the quip rather than the thoughtful argument, to personality rather than character.

One insight into his influence was that he focused his efforts not on getting headlines, but on achieving results, or as he put it, on "getting things done." He said, "The question I asked myself in the various jobs I had was, " 'What should we do to solve the problem at hand?' Then I tried to proceed accordingly."

President Franklin Roosevelt once spoke of those with a "passion for anonymity." His implication was undoubtedly that those appointees who give the Government the greatest service are people who seek office not to serve themselves but to serve the American people.

The many thousands of people who serve the U.S. Government today could do no better than to look to John McCloy's selfless service as a model for their own careers.

Two obituaries, one from the New York Times and one from the Washington Post, give some insight into his extraordinarily productive government service, and I ask that they be reprinted in today's CONGRESSIONAL RECORD.

[From the New York Times, Mar. 12, 1989]

JOHN J. McCLOY IS DEAD AT 93; DIPLOMAT AND ADVISER TO PRESIDENTS

John J. McCloy, the lawyer and diplomat who was the United States High Commissioner in postwar Germany and an adviser to Presidents from Franklin D. Roosevelt to Ronald Reagan, died yesterday at his home in Stamford, Conn. He was 93 years old.

Mr. McCloy was among the most versatile men of his time. His basic profession was the law, which he practiced on Wall Street, but from 1941 to near the end of his life he was almost constantly involved in public affairs. In World War II he served as Assistant Secretary of War. Afterward he was president of the World Bank, and he was Military Governor and High Commissioner for West Germany.

There was an interlude as chairman of the Chase National Bank and then the Chase Manhattan Bank. He was shortly back in Government as an adviser on arms control to President Dwight D. Eisenhower and as a diplomatic negotiator for President John F. Kennedy. He served on the commission led by Chief Justice Earl Warren to investigate Kennedy's assassination and then became a consultant to Lyndon B. Johnson on North Atlantic Treaty Organization matters and to Richard Nixon and Gerald R. Ford.

Between times and often concurrently, he was board chairman of the Ford Foundation, chairman of the powerful Council on Foreign Relations and board chairman of a dozen or so other entities, including the Salk Institute and of E. R. Squibb & Sons. As a lawyer, he represented scores of corporate clients, including 23 oil companies dealing with the Organization of Petroleum Exporting Countries.

CHAIRMAN OF THE ESTABLISHMENT

Mr. McCloy was chairman of so many boards and had his hands in so many ventures that the political writer Richard Rovere once proposed that he was the informal "chairman of the Establishment," a group that "fixes major goals and constitutes itself a ready pool of manpower for the more exacting labors of leadership."

Short, stocky, with a round, open face, Mr. McCloy exuded physical fitness. Even at the age of 80, he walked with the speed and vigor of one much younger. Although he dressed in conservative attire, his manner and style were informal, even homey.

"I saw my public service in terms of getting things done," Mr. McCloy said in an interview when he was 80. "I never considered myself a politician, but rather a lawyer, so the question I asked myself in the various jobs I had was, "What should we do to solve the problem at hand?' Then I tried to proceed accordingly."

Mr. McCloy was conservative in outlook without being partisan. He worked for four Presidents who were Democrats and three who were Republicans. He had his favorites. Among them, he said, was Harry S. Truman, who appointed him High Commissioner for Germany in 1949.

Mr. McCloy's three-year mission in West Germany was, he believed, among the most interesting of his assignments. His essential task was to create a civilian government in West Germany after four years of military rule and to rebuild its industry and commerce. He worked on the contractual agreements that superseded the American occupation in 1955 and, equally important, supervised the granting of $1 billion in aid to the economy of what became the Federal Republic.

"I had the powers of a dictator as High Commissioner of Allied Forces in West Germany," Mr. McCloy recalled, "but I think I was a benevolent dictator. I think the rebuilding came off very well, with no significant problems. It wasn't a matter of ordering things done so much as using orderly persuasion with the Germans."

John Jay McCloy was very much a self-made man. Born in Philadelphia on March 31, 1895, he was the son of John J. McCloy, an auditor for the Penn Mutual Life Insurance Company, and Anna May Snader McCloy. His father died when he was 6, and his mother turned to nursing to support the family.

SHEPHERDED A FAMOUS CASE

John McCloy entered Amherst College in 1912 and supported himself by waiting on tables. After graduating cum laude in 1916 he went on to the Harvard Law School.

Interrupting his education in 1917 to enter the Army, he became a captain of field artillery and served at the front in France in World War I. He returned to Harvard in 1919 and, after getting his law degree in 1921, practiced for five years with the New York firm of Cadwalader, Wickersham & Taft.

In 1925 he moved to Cravath, de Gersdoff, Swaine & Wood, another Wall Street firm, where he became a partner in 1929. Recognized as bright and persevering, he was put in charge of the Black Tom case for Bethlehem Steel, one of the firm's clients.

The case involved damages incurred in a 1916 explosion at a Hoboken munitions factory. Mr. McCloy carried the case along for nine years, hunting down clues in Baltimore, Vienna, Warsaw and Dublin and proving that German agents had caused the explosion. The case was settled when the Mixed Claims Commission at The Hague found Germany responsible for the blast. Mr. McCloy's tenacity and legal acumen were highly esteemed in the profession, and these traits brought him to the attention of Secretary of War Henry L. Stimson in 1940.

Mr. Stimson brought him to Washington as a consultant and, in 1941, persuaded President Roosevelt to appoint him Assistant Secretary of War. In that post he helped to obtain Congressional approval of the Lend-Lease Act. As Mr. Stimson's troubleshooter, he helped coordinate political and military policy, especially in Europe.

Mr. McCloy was also a key Government official charged with the program to intern Japanese-Americans in World War II. He defended that wartime policy in 1981 before a Congressional commission chartered to determine whether the 120,000 people uprooted from their homes on the West Coast and relocated in camps in the Midwest and East in 1942 were entitled to compensation.

The internment program was "reasonably undertaken and thoughtfully and humanely conducted," Mr. McCloy said. But many historians came to disagree, and Congress in 1988 approved compensation for those internees who were still alive.

HEADED THE WORLD BANK

In the later years of the war Mr. McCloy had been one of the few privy to the intention to use the atomic bomb against Japan. He argued that the United States should issue a warning to enable the Japanese to surrender, but he was overruled.

Mr. McCloy left the War Department in late 1945 for law practice, but in two years he was back in public life as president of the World Bank, a specialized agency associated with the United Nations. Without pretending to be a banker ("All bankers do is sign the papers lawyers prepare"), he raised the institution's prestige and when he left it in 1949 it had a $650 million operating profit.

At the bank, as elsewhere, Mr. McCloy was not a publicly sparkling figure, nor a striking speaker, nor a social lion. He was, however, diligent and reliable—and some

said, autocratic. If not an innovator, he was an excellent administrator, tidy and to the point.

He was in public affairs for most of his life since 1941.

After his German experience, Mr. McCloy was named chairman of the Chase National Bank, which became the Chase Manhattan Bank in 1955 as a result of a merger.

ARMS ADVISER TO KENNEDY

In 1960 he was back in law practice, a partner in what became Milbank, Tweed, Hadley & McCloy. His legal work, however, was the least of his activities for many years, for he served as board chairman of the Ford Foundation for six years, to late 1965. In 1961, he was President Kennedy's chief disarmament adviser and negotiator.

In this post he dealt with Soviet leaders, a task he said he found slow-going. He came to respect them for their negotiating skill, but the talks on both sides were wary and confined largely to principles. The practical results were generally adjudged as slight, although the atmosphere created in the conversations here and in the Soviet Union reportedly enhanced the détente that later developed between the two superpowers.

In late 1961 and for the next dozen years, he was chairman of the General Advisory Committee on Disarmament of the United States Arms Control and Disarmament Agency. Although his attitude did not always prevail, he remarked in 1975 that he had advocated much lower levels of armament than the Pentagon was willing to accept.

As Mr. McCloy crossed into his 70's, his activities seemed to increase rather than dwindle. He was vigorously involved with the Squibb Corporation; the United Nations Development Corporation; with hospitals, schools and colleges; with affairs of the bar and civic associations.

Until late in life, Mr. McCloy was a hiker, mountain climber and tennis player of much endurance. Then fishing, a more quiet sport, occupied much of his spare time.

A TWILIGHT IN PESSIMISM

An optimist most of his life, Mr. McCloy, in his twilight years, looked at the world and the United States with less than total hopefulness. What disturbed him, he said, was a narrowness of leadership, a seeming inability of statesmen to create a vision of world order and to manage nations in peace. He felt, he said, that American policy at home and abroad was makeshift, and he wondered where new leadership would come from.

As to his own life, Mr. McCloy believed that it had been full. He saw its visible accomplishments as his role as Mr. Stimson's aide in World War II, his World Bank role, his nurturing of West Germany and his spadework on disarmament. His one regret, he said, was the slowness of arms control.

Mr. McCloy's wife, the former Ellen Zinsser, whom he married in 1930, died in 1986. Surviving are a son, John J. McCloy 2d of Greenwich, Conn; a daughter, Ellen Zinsser McCloy of Manhattan, and two grandsons.

A memorial service will be held at 3 P.M. March 21, at the Brick Presbyterian Church in Manhattan.

[From the Washington Post, Mar. 12, 1989]

STATESMAN AND BANKER JOHN J. MCCLOY, 93, DIES

(By Richard Pearson)

John J. McCloy, 93, a statesman, lawyer and banker who was as respected by the world's leaders as he was little-known to the public, and who often was called the chairman of the American establishment, died yesterday at his home in Stamford, Conn. The cause of death was not reported.

He entered public service as an assistant to the then-secretary of war, Henry L. Stimson, and spent most of World War II as an assistant secretary of war. Later public posts included president of the World Bank and U.S. high commissioner in Germany.

In a statement, President Bush called Mr. McCloy "one of our country's most outstanding citizens," and said "his decency and his sense of honor will long remind us of the very best in our tradition of service to country," according to Reuter.

Mr. McCloy's importance and influence never were defined by the posts he held. As an assistant secretary of war, he had greater influence on the course of world events than most Cabinet members. As high commissioner, he became the voice of the Western allies in Europe and gained a reputation as "America's greatest proconsul," in the words of Lyndon Johnson, while governing much of conquered Germany.

As head of the World Bank, he was the master builder of a shattered Europe not yet helped by the Marshall Plan. Mr. McCloy later steered the bank toward development of the Third World, ensuring the bank's success by his businesslike management.

Although a brillant, if unsung, success in public office, his reputation as a distinguished public servant and foreign policy expert increased after his return to private life in the early 1950s.

During the next three decades, he wore a variety of hats. He was first and foremost a senior partner in one of Wall Street's most prestigious law firms—Milbank, Tweed, Hadley & McCloy—a firm that counted the Rockefeller family, all of oil's "Seven Sisters" and some of the nation's largest blue-chip concerns among its clients.

Mr. McCloy also spent eight years as head of what became the Chase Manhattan Bank, and was on the board of directors of Gulf Oil, Westinghouse, AT&T, Allied Chemical, United Fruit and E.R. Squibb & Sons.

He also was head of the Ford Foundation and the Council on Foreign Relations, the prestigious organization that exerts enormous influence on U.S. foreign policy.

If he never returned to a full-time government post, it was not because he was not asked. President Eisenhower at one time wanted him as secretary of state, President Kennedy offered him Treasury. In 1964, Johnson wanted to send him to South Vietnam as ambassador. He turned them all down.

Assignments he took on involved posts dealing with NATO—jobs he never refused because of his hopes for European unity and its alliance with this country. He was a member of Eisenhower's group of inner, unofficial advisers, and worked for both the Republican president and his Democratic successor on disarmament questions. He helped guide negotations with the Soviets that led to the 1963 nuclear test ban treaty and also helped steer legislation through Congress that resulted in the establishment of the Arms Control and Disarmament Agency.

He was a principal adviser and negotiator for Kennedy during the Cuban missile crisis, and served on the Warren Commission on the Kennedy assassination. Finally, he was a member of President Reagan's 1980 presidential transition team.

As early as 1960, he warned the U.S. government about the dangers of the newly established Organization of Petroleum Exporting Countries, seeking and getting antitrust waviers from the Justice Department that enabled the oil companies to negotiate as a team with the new production cartel.

Mr. McCloy was not an easy man for many to understand. He attained the height of power and influence, but was not born to it. He was widely sought as an adviser and colleague, not for the brilliance of his ideas, but for his unquestioned ability at bureaucratic negotiation and policy implementation.

He was an American in Paris, as head of the European office of a New York law firm, when he first came to the attention of Stimson, who as secretary of state in the 1930s did legal battle with Mr. McCloy. He was so impressed with Mr. McCloy that when Stimson returned to government as secretary of war in 1940, one of his first acts was to recruit Mr. McCloy.

Mr. McCloy, like Stimson, was a Republican who became a relatively conservative corporation lawyer. He was a graduate of Harvard Law School, but was not one of those brilliant students who were taught by Felix Frankfurter and sent to Washington to implement the New Deal. He had no experience in government.

Yet by 1940, Mr. McCloy was one of a group of young men who some thought were running the War Department. Stimson wrote of Mr. McCloy in his memoirs that "so varied were his interests that they defy summary. His energy was enormous and his optimism almost unquenchable." He went on to question "whether anyone in the administration ever acted without having a word with McCloy."

During his years at the War Department, Mr. McCloy helped direct the building of the Pentagon, directed the administration fight for Lend-Lease legislation, was Stimson's liaison to the Joint Chiefs of Staff and became the department's expert on civil affairs—how to treat conquered people.

He also was involved in two actions that have had repercussions to this day. He helped direct the relocation of more than 100,000 Japanese Americans from their homes in California to camps in the interior United States. Mr. McCloy executed and did not propose the policy. He also did what he could to see that Japanese Americans were well treated and received some compensation for property they lost.

He also was the prime mover behind the formation of the 442nd Regimental Combat Team. Composed of Japanese Americans and fielded in Italy, it received more decorations for valor than any comparably sized unit. It made Mr. McCloy an honorary member, something that he spoke of with great pride.

The other conflict was over the proposed bombing of German concentration camps. Jewish leaders came to the White House with evidence of the horrors being perpetrated in Hitler's death camps and asked that either the camps or the railways leading to them be bombed.

It fell to Mr. McCloy to tell the Jewish leaders that U.S. planes would not do this. Rails were hard to hit and easy to fix, and bombing the camps would do little to help the inmates and result in the loss of valuable aircraft. Mr. McCloy said the best way to do away with the camps would be to win the war.

After the war, Mr. McCloy returned to the practice of law. In 1946, he was named to

the Acheson-Lilienthal Committee, which sought to put atomic energy under international control, then helped draw up the blueprint for the new Department of Defense in 1947. Later that year, he was named president of the World Bank. Less than a year old, the bank had yet to sell a bond or make a loan. He instituted conservative practices and gained the confidence of the U.S. banking community by announcing he was running a bank, not a relief organization. As a result, the bank's first bond issue was a brilliant success.

Economist Barbara Ward said that Mr. McCloy's "chief service during his critical years of office was to prove that this new animal in the financial farm was supremely useful and that it could be safely fed with substantial lending and relied on to produce profits at the other end. The combination of visionary aims and conservative practice—the hallmark of history's periods of real performance—worked at the World Bank."

In 1949, President Truman asked Mr. McCloy to become U.S. high commissioner in Germany. With the powers of a virtual dictator, Mr. McCloy helped integrate Germany into Europe and the community of nations. He did not flinch when a firestorm of protest met his commuting of sentences to war criminals, including the notorious Alfried Krupp.

In seeking to bring West Germany to normalcy, he did not hestiate to pressure the new government. He exerted all his influence to get the West German and French governments to achieve accord for a European Coal and Steel Community, the forerunner of the Common Market. The French and German governments credit Mr. McCloy with rescuing the proposal for the community from defeat.

With his return from Germany in 1952, Mr. McCloy embarked on his career as "chairman of the establishment." In January 1953, he became chairman of the Chase Manhattan Bank. During his banking years, assets grew 61 percent and earnings nearly tripled. He engineered a merger with the Bank of Manhattan, which had to get around a 150-year-old clause in the Manhattan bank's charter requiring that any merger be approved by 100 percent of the stockholders.

David Rockefeller once said that it was Mr. McCloy who came up with the solution to the merger problem. He arranged for the merger of the larger bank, Chase, into the smaller, the Manhattan, thereby seemingly circumventing the law. He also directed the campaign resulting in metropolitan branch banking in New York. As a result, upon retiring as chairman at age 65, Mr. McCloy left as head of the nation's second largest bank.

At a 1978 dinner in Mr. McCloy's honor, an old friend, Jean Monnet, an economist and banker who was the architect of the Common Market, said that "Like Stimson, his chief, he was a fighting lawyer. He had the same strong personality, the same integrity and the same burning patriotism." Speaking of Mr. McCloy's role as high commissioner, Monnet said that thanks to him, "Germany ceased to be a stake in the game of power; she became instead a full partner in the uniting of Europe."

Responding to those remarks, Mr. McCloy told a revealing story. He said that during World War II, Monnet had said to him that the role of the United States was that of a "democratic arsenal." The following day, Mr. McCloy had dinner with Frankfurter and several members of the Roosevelt Cabinet. Silent throughout dinner, Frankfurter finally turned to him and asked him what this country's role in the world should be. Mr. McCloy replied an "arsenal of democracy."

Mr. McCloy said, "Frankfurter, agile as a cat when it came to phrase-making, immediately said, 'Don't ever use that expression again.' Whereupon he got hold of Bob Sherwood, whom he knew was working on a speech for the president, and a few days later out came President Roosevelt's 'Arsenal of Democracy' speech."

Mr. McCloy said that though others claimed credit for the phrase, Monnet was the one who first said it.

John Jay McCloy was born in Philadelphia on March 31, 1895. His circumstances were modest. His father, who worked in insurance, died when Mr. McCloy was 6 years old. His mother was a hairdresser, and worked long hours to put her son through school. Mr. McCloy was a 1916 cum laude graduate of Amherst College, where he waited tables and tutored for extra money.

During World War I, he was an Army artillery captain in France, where he met and became friends with the future generals George C. Marshall and George S. Patton Jr. After the war, he turned down a permanent Army commission to return to Harvard Law School. After graduating in 1921, he joined the New York law firm of Cadwalader Wickersham & Taft. He later joined Cravath, de Gersdorff, Swaine & Wood. In 1930, he traveled to France to take over the firm's Paris office, and to meet destiny in the person of Stimson.

One of his most difficult times concerned the Vietnam War. In recent years, Mr. McCloy said he always agreed with Eisenhower's view that the United States should never become involved in a war in Asia. Yet once in, Mr. McCloy said, the United States had to honor its obligations. He did not turn against the war publicly until he saw that it was damaging U.S. relations in Europe, which he saw as central to this nation's well-being. Throughout, he advised presidents according to his beliefs rather than telling them what they wished to hear. Though honest, he was not as popular as he might have been.

However, he said, "I served in World War I with officers who had fought the Indians on the plains, one of whom was something of a real mentor of mine. He often imparted good pragmatic advice to me. On one occasion, I recall he said, 'Mac, always tell the truth—after a lifetime of experimentation, I find I can remember it longer.' "

His wife, the former Ellen Zinsser, died in 1986. Survivors include a son, John Jay II of Greenwich, Conn.; a daughter, Ellen Zinsser McCloy of New York City, and two grandchildren.

THE HOME EMPLOYMENT ENTERPRISE ACT

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. LIGHTFOOT. Mr. Speaker, I want to reintroduce the Home Employment Enterprise Act. This act would allow workers to have the freedom to choose to work at home. In a country which treasures above all else its defense of personal freedom, it is unconscionable that our citizens would not be guaranteed by law the simple right to work at home.

According to regulations set forth by the Department of Labor over 40 years ago, individuals were prohibited from working at home in certain industries such as embroidery, women's apparel, jewelry, gloves and mittens, buttons and buckles and handkerchiefs.

At one time those regulations may have served a purpose. I don't want to see American workers exploited or denied the protection they're due any more than anyone else. The American worker is one of the greatest resources this country has and we've got to protect these men and women. They need to know that Congress is their ally and the law is on their side. That's why my legislation would also extend the full protection of the Fair Labor Standards Act to workers in the home who participate in the above mentioned industries. This issue is important to rural congressional districts throughout the country. In rural areas, many families need the supplemental income that homework can provide.

In addition to the added money, there are other advantages in allowing people to work at home. Many of the workers who take part in the production of embroidery, women's apparel, jewelry, gloves and mittens, buttons and buckles and handkerchiefs are women. By allowing these women to practice their trade at home, they can spend time with their families, thus reducing their child care expenses. Also, their expenses for clothing and transportation are reduced since they can stay at home to do their work and these individuals can work as many or as few hours as they wish.

I realize the Department of Labor issued new regulations late last year which lifted the ban on homework in these various industries. I welcomed this action. But this is not enough. If this administration or a future administration should decide to reinstate a ban on homework, they can. To provide homeworkers with peace of mind and to guarantee their freedom of choice, we must put the force of the written law on their side.

I urge my colleagues to take swift action to ease the minds of homeworkers across the country. By enacting this measure, we will send a message to hard working men and women all over the country that if working at home is what suits your needs, the Government is not going to stand in your way. The Congress will ensure that you are treated with the same fairness and respect as those who work outside the home. Mr. Speaker, I believe the American workers deserve no less.

MASSACHUSETTS STUDENTS WIN YOUTH WRITING CONTEST

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. MAVROULES. Mr. Speaker, I'd like to take this opportunity to offer my warmest congratulations to two Sixth District students who were among the winners of a national writing contest for young people. Eleven-year-old Christina Babcock of Newburyport and nine-year-old Chris Nylen of Ipswich were among

the winners of the young writer's contest, held annually by the Young Writer's Contest Foundation.

Not only am I proud to have two of the contest winners living in my district, I am pleased that such contests exist. I have always believed strongly in programs that encourage and recognize hard-working, talented students. By winning the young writer's contest, Chris and Christina not only displayed their writing talent, they proved that they are willing to take initiative and work hard.

I encourage Chris and Christina and other students to keep striving. And I encourage you, Mr. Speaker, as well as my other colleagues to keep fighting in the name of strong education. Ensuring high quality education for our youth today is the best way to ensure that the United States remains socially, economically, and scientifically competitive in the future.

Once again, I congratulate Chris and Christina. I have included the winning poems for your enjoyment. I'm sure you'll all be as impressed as I was.

BOOKS, BOOKS

(By Chris Nylen)

Books, Books, they are forever.
Books, Books, bring people together.
Books, Books, some weigh a ton.
Books, Books, read more than one.
Books, Books, some read at night.
Books, Books, don't turn off the light.
Books, Books, how time flies.
Books, Books, just open your eyes.
Books, Books, let you pretend.
Books, Books, to share with a friend.
Books, Books, bring joy and fun.
Books, Books, are for everyone!

TWO BABY BIRDS

(By Christina Babcock)

I was sitting out on the steps one day
Watching two baby birds at play
How cute they were up in the tree
It seems they were looking down at me
But their mom came back to give them food
And seemed to break the quiet mood.

COMMEMORATING THE 10TH ANNIVERSARY OF C-SPAN COVERAGE OF THE PROCEEDINGS OF THE U.S. HOUSE OF REPRESENTATIVES

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. QUILLEN. Mr. Speaker, today we are marking the 10th anniversary of the televising of the House of Representatives over the Cable Satellite Public Affairs Network, known as C-SPAN.

In order for a democracy to function well, Mr. Speaker, its citizens need to be aware of the major issues confronting the Nation. Insofar as it is possible, voters benefit from hearing the actual debate of their elected representatives rather than just hearing a 30-second summary.

C-SPAN has made it possible for our constituents to hear in their own living rooms the arguments on both sides of the major issues of the day exactly as the proponents and opponents present them. Congressional debates are aired without commentary or analysis.

Increasing numbers of our constituents are tuning in to take advantage of this opportunity. According to recent figures, 42.5 million households are now receiving C-SPAN coverage.

Mr. Speaker, America is a better place because of C-SPAN, and I commend them for their good work and wish them continued success in the future.

WHY HOSPITALS CLOSE: MEDICARE ISN'T SOLELY TO BLAME

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. STARK. Mr. Speaker, the March 24 issue of Modern Healthcare contains an excellent article entitled, "Why hospitals close: Medicare and Medicaid aren't solely to blame. Studies point to indigent care, poor quality and management, and excess capacity."

The hospital industry has been busy recruiting Members of Congress to cosponsor resolutions saying that no more budget cuts should come out of Medicare. I hope that Members understand that the more we protect hospitals from budget cuts, the more pressure there will be to increase part B premiums for seniors. But also, as the article points out, some hospitals should close, because of changes in the market, inefficiency, and many other reasons.

Before cosponsoring resolutions which remove 60 percent of one-sixth of disposable Federal spending from the budget table, I hope Members will read the following article.

[From Modern Healthcare, Mar. 24, 1989]

WHY HOSPITALS CLOSE

(By David Burda)

When St. Anne's Hospital closed in Chicago last year, inadequate Medicare and Medicaid payments got the blame.

During the recent "Elect to Protect Medicare" campaign last fall, St. Anne's became the "poster child" of the Metropolitan Chicago Healthcare Council. Posters bearing a picture of the closed 239-bed facility were in commuter train vestibules and on the sides of city buses.

But it may not pay to believe everything you read on the side of a bus. At least not yet.

Low Medicare and Medicaid payments didn't close 81 hospitals last year, a link espoused by hospital industry executives and swallowed whole by the media.

First, an analysis of the 81 closures revealed that not all 81 hospitals closed (MH, Mar. 17, p. 6). Secondly, many of the hospitals closed for reasons unrelated to Medicare and Medicaid payments.

In fact, preliminary results from a study conducted by Chicago-based Lexecon Health Services for Modern Healthcare suggest that Medicare by itself had less to do with closures than any other issue (see related story, p. 28).

Other factors are contributing to hospital closures. They include: Uncompensated care. Excess capacity. Lack of inpatient demand. Physician practice patterns. Poor management. Poor-quality care.

As one congressional health aide noted, the only truth about hospital closures is the fact that no single theory can explain why hospitals close.

THE "BIG THREE"

Carol McCarthy, president of the American Hospital Assn., insists that the three key factors behind the financial woes leading to closings are inadequate Medicare funding, inadequate Medicaid funding and high uncompensated-care loads.

Hospitals in the five states that reported the most closures last year—Texas, Alabama, Illinois, West Virginia and Louisiana—had those factors in common, Ms. McCarthy said. According to AHA data cited by Ms. McCarthy, more than half of the hospitals in those states lost money on Medicare patients. The Medicaid programs in each state covered less than half of residents below the federal poverty line. And hospitals in each state had higher uncompensated-care costs than hospitals nationally.

"The number of closures is a general manifestation of consistent government underpayment," she said.

OTHERS STATE CASE

The reasons cited by the AHA for hospital closures are echoed by leaders of other hospital organizations.

There's no doubt that shortfalls in Medicare payments contributed to hospital closures, said William Cox, vice president in the Washington office of the Catholic Health Assn.

"On average, Medicare payments represent about 40% of a hospital's revenue. The plunge in Medicare margins is playing a role in the financial health of hospital's" Mr. Cox said.

The CHA recently released a report indicating that hospitals are losing more than 4 cents for every $1 they spend treating Medicare patients in fiscal 1989. In fiscal 1990, without any new cuts in the Medicare budget, hospitals will lose more than 7 cents for every dollar spent.

The Texas Hospital Assn. doesn't hedge its condemnation of Medicare for closing 16 of 461 acute-care hospitals in that state last year.

"The shortfall in Medicare reimbursement is the primary reason why hospitals closed in Texas last year. No business can stay in business if it's not getting paid it costs," said Terry Townsend, THA's president.

Rural hospitals are hit particularly hard by inadequate Medicare reimbursement. Mr. Townsend said. A report released last July by the THA said rural Texas hospitals lost nearly 24 cents for every $1 they spent treating Medicare patients in 1986.

In Chicago, a hospital that has 40% Medicare patients, 30% Medicaid patients, 20% charity patients and 10% private-pay patients is facing a "prescription of death," said Earl Bird, the council's president.

This year alone, Chicago-area hospitals will lose 14 cents out of every $1 they spend to treat Medicare patients and 32 cents on every $1 spent providing care of Medicaid patients, Mr. Bird said.

A DIFFERENT VERSION

The real reason 10 hospitals closed in the Chicago area since 1984 is excess capacity, said Hilmon Sorey, president of Hilmon Sorey Associates, an Evanston, Ill.-based consulting firm.

According to figures from the Illinois Health Care Cost Containment Council, the

occupancy rate of Chicago hospitals was 68% in 1987.

CHARACTERISTICS OF CLOSED HOSPITALS, OPEN HOSPITALS AND THOSE CONSIDERED AT RISK OF CLOSURE BECAUSE OF FINANCIAL DANGER SIGNALS

Financial variable	Open hospital	Closed hospital	At risk hospital
Average number of licensed beds	166	72	76
Occupancy rate (Percent)	47	27	33
Average daily census (Patients)	78	20	25
Average length of stay (all patients) (days)	5.9	5.7	7.1
Average length of stay (Medicare patients) (days)	7.5	6.9	6.9
Percent of Medicare inpatient days (Percent)	46	45	44
Operating profit margin (Percent)	−3.8	−17.2	−17.0
Medicare profit margin (Percent)	1.3	−8.9	−8.8
Total profit margin (Percent)	1.3	−11.8	−8.5
Gross patient revenue per admission	$5,754	$5,572	$6,333
Net patient revenue per admission	$4,337	$4,174	$4,976
Average DRG reimbursement per admission	$3,286	$2,725	$2,775

Source: Lexecon Health Service.

Mr. Sorey is providing consulting services for three Chicago-area hospitals, which he declined to identify. He also worked briefly with 239-bed St. Anne's Hospital and 180-bed Provident Medical Center. St. Anne's closed last year, and Provident closed in 1987.

"It's easier to place the blame for the closures in Washington or Springfield (Ill.)," the state's capitol, Mr. Sorey said.

Instead, the blame in many cases should be placed on hospital executives who waited too long to respond to changes in their market, Mr. Sorey said. In markets where inpatient demand can't support the supply of beds, hospitals need to change their mix of services, he said.

"Using hindsight, some decisions at St. Anne's weren't the best," admitted Philip Karst, vice president at Ancilla Systems, the Elk Grove Village, Ill.-based hospital system that owned St. Anne's. Ancilla named Mr. Karst chief executive officer of the hospital in late 1987.

The hospital's mix of 40% Medicaid patients, 30% Medicare patients and 10% charity care made staying open as an acute-care hospital unlikely, Mr. Karst said. But better planning could have enabled St. Anne's to convert into a another type of facility, he suggested.

EXCESS CAPACITY

Hospital leaders don't disagree with the argument that hospitals close in some markets because those markets have too many beds.

For example, in a speech to AHA members in January, Edward Connors, chairman of the AHA's board of trustees, said reducing the oversupply of hospitals and hospital beds is an AHA priority.

Stephen Gamble, president of the Hospital Council of Southern California, placed excess capacity at the top of his list of reasons why 15 hospitals closed in Southern California during the past six years. Another eight hospitals were converted into specialty facilities. The closings and conversions left 272 acute-care facilities in California with about 53,700 beds in operation.

The 23 acute-care hospitals that closed were smaller, less financially sound facilities in overbedded areas or were facilities that opted to provide specialty services for which they saw a need, Mr. Gamble said.

Preliminary data from a study by Health Care Investment Analysts show that low demand for inpatient care is a key reason behind closures.

The Baltimore-based investment research firm is in the process of comparing financial and utilization statistics from more than 200 hospitals that closed from 1985 to 1988 with statistics from 3,500 hospitals that were open from 1985 to 1987.

"By far the primary reason for closure seems to be persistent, steep declines in admissions and inpatient utiilzation," said Steven Renn, HCIA's vice president.

HCIA data indicate that the median occupancy rate at hospitals one year before they closed was 28%. That rate at hospitals open in 1987 was 54%.

In fact, findings from HCIA, Lexecon Health Services and the Prospective Payment Assessment Commission point to similar culprits in hospital closings. ProPAC's analysis of closed and open hospitals found that occupancy rates at closed hospitals were significantly lower than those of open facilities (MH, March 10, p.5).

ROLE OF MANAGEMENT

Poor management likely was responsible for at least half of the hospital closings last year, said Scott Mason, president of National Health Advisors, a Vienna, Va.-based consulting firm.

Despite changes in their markets, many troubled hospitals wait too long to adapt to those changes, Mr. Mason said. The hospitals hesitate to make operational changes, such as cutting costs, or strategic changes, such as altering services.

Although far from conclusive, data from Virginia indicate that sound business strategies can fend off failure.

A study released last December by the Virginia Health Services Cost Review Council found that the state's 123 hospitals have created 226 subsidiaries. Most of the subsidiaries were formed within the past five years.

In fiscal 1987, the subsidiaries earned $26 million for their hospitals on total revenue of $512 million. No Virginia hospitals closed last year.

Some markets, however, can't sustain even well-run hospitals with aggressive business plans, Mr. Mason said. But in those markets, many CEOs and boards are reluctant to accept the fact that the hospital's mission may best be served by merging with another hospital or converting into another type of facility, he said. That reluctance too often results in a closure.

ROLE OF PHYSICIANS

Physicians also are partially responsible for hospitals closing. In some cases, the hospital's only physician leaves town (see related story, p. 25). In other cases, physicians' selective use of facilities contributes to financial hardship.

Many physicians send their poor patients to inner-city hospitals in poor neighborhoods while sending patients with private insurance to prestigious teaching hospitals, Mr. Sorey said. That's one reason why some hospitals in a market serve a disproportionate share of patients who generate little or no revenue, putting those facilities at a greater risk of failing.

In other cases, physicians block attempts by hospital CEOs to save their facilities, said Raymond Cisneros, national healthcare director of Cleveland-based Touche Ross & Co.

Like other analysts, Mr. Cisneros says some hospitals close because they don't react quickly enough to significant market changes. Opposition from medical staffs or fear of offending physicians often cause CEOs to delay merging or changing services.

SYMPATHY IS BUILDING

Regardless of the reasons why hospitals close, sympathy for hospital's plight is growing on Capitol Hill.

At last count, 257 senators and representatives have signed the non-binding "Protect Medicare Resolution," which calls for no cuts in budgeted Medicare payments to hospitals in fiscal 1990. Some of the congressmen cited the number of hospital closures as a reason for their support of the resolution.

"Most congressmen finally are realizing that hospitals are closing and that a lot of people are being impacted," said Tommy McDougal, president of the Alabama Hospital Assn.

Mr. McDougal credited the hospital lobby with doing a good job promoting the problem of closures to federal policymakers, although he admitted that not all hospitals close because of federal reimbursement policies.

Yet, in a recent press release, the Alabama trade group speculated that there would be no more hospitals in the state by the year 2012 if Alabama hospitals continue to close at the rate they have been. Since last June, 11 Alabama hospitals shut their doors, leaving 133 acute-care hospitals in operation in the state. The association blamed the closures on Medicare, Medicaid and uncompensated care.

ST. ANNE'S SAGA

In Chicago, St. Anne's was used as a symbol because it touched a nerve with the public, Mr. Bird said. At one time, he said, St. Anne's had more than 400 beds and was a top hospital in the country. The shock of such an institution closing made it a natural focal point.

"Politicians respond to a crisis. When you have a major institution close, you'll see everyone start coming to the table," Mr. Bird said.

One of the first politicians to respond was Sen. Paul Simon (D-Ill.), who's the chief sponsor of the "Protect Medicare Resolution." The closing of St. Anne's really hit home, said a health policy adviser to Sen. Simon. "It's irresponsible to keep cutting Medicare without knowing the effects on hospitals," the adviser said.

In other congressional offices, however, closure data fall on deaf ears.

"Hospitals use closure statistics to push for larger Medicare increases, but they don't use them with us because we don't believe them," said Thomas Barker, staff assistant to Rep. Brian Donnelly (D-Mass.).

In January, Rep. Donnelly along with Rep. Fortney "Pete" Stark (D-Calif.) circulated a letter to colleagues urging them not to sign the "Protect Medicare Resolution." The letter said hospitals are getting more than a fair financial shake from the government.

Mr. Barker said the AHA's closure statistics are misleading because not all hospitals close for the same reasons. He said congressmen who listen to the hospital lobby are only hearing one side of the story.

Critics' assertions aside, Sen. Simon and 34 other senators asked the General Accounting Office last July to investigate the relationship between federal payment policies and hospital closings. The report is expected to be released by the end of the year.

MORE SKEPTICS

The studies are welcomed by Stuart Altman, ProPAC's chairman, who says he has "no idea why hospitals close."

Mr. Altman said Medicare is too large a payer to be blameless in hospital failures. But Medicare isn't responsible for keeping every hospital open, he said.

"Medicare shouldn't subsidize services that can be done more efficiently," Mr. Altman said.

Mr. Altman also criticized the "excess rhetoric" being used by the hospital industry, which has expressed shock at the high number of closures and blamed federal reimbursement policies as the cause.

Most of the shuttered hospitals were just "hanging on" for many years before the prospective pricing system was started, Mr. Altman said. The hospitals suffered from low volume because they were abandoned by patients and physicians.

Some hospitals should close because they're no longer capable of functioning as full-service acute-care facilities, said Shelia Burke, chief of staff for Sen. Robert Dole (R-Kan.).

"There are as many reasons hospitals close as there are closures," she said.

Ms. Burke attributed increased congressional attention to hospital closures to the fact that more hospitals are closing. And, she said Sen. Dole's office hears more from the worried hospital lobby about closures than from worried constituents.

PENDING CRISIS

Whether inadequate Medicare and Medicaid payments prompted the closure of more than 200 hospitals during the past three years clearly is debatable. But people on both sides of the issue are starting to believe that Medicare and Medicaid may become the prevailing reason why hospitals close in the future.

In Southern California, the days of closures caused by excess capacity are over, and hospitals now are at risk of failing primarily because of inadequate Medicare and Medicaid payments, the hospital council's Mr. Gamble said.

In 1987, Southern California hospitals were underpaid $322 million by Medicare and $444 million by Medicaid, according to the hospital council.

A Tennessee Hospital Assn. statement submitted to Congress in January blamed inadequate Medicare funding for the closing of three hospitals last year. But the association's president, Ira Lane, admits that two of those hospitals closed for lack of business.

He added, however, that some 40 rural Tennessee hospitals with fewer than 100 beds are in desperate financial shape primarily because of Medicare, which only pays those hospitals 65% of their costs.

At that rate, no business can survive, Mr. Lane said. "We'll lose hospitals regardless of what we do."

Even many of those skeptical of the hospital lobby's charges say the problem with Medicare and Medicaid may be that the programs are indiscriminate in their financial effects.

By making across-the-board reductions, the government may be inadvertently hurting hospitals that treat many elderly and poor people, groups that the government promises to protect. Consequently, the solution may be system changes, not higher payment rates.

"The question isn't how many hospitals close, but whether the right hospitals are closing," Mr. Altman said.

[From Modern Healthcare, Mar. 24, 1989]

LOW MEDICARE PAYMENTS DIDN'T CAUSE HOSPITAL CLOSURES

Low Medicare payments didn't close hospitals in 1987 and 1988, although those payments weren't large enough to save ailing facilities from other problems, preliminary data from a study indicate.

The study of hospital closures was conducted for Modern Healthcare by Lexecon Health Service, a Chicago-based healthcare data base firm.

Using Medicare cost reports, Lexecon compared the financial statistics of 132 hospitals that closed in 1987 and 1988 with the financial statistics of 5,032 Medicare-certified hospitals that were open in 1988.

Data for hospitals that closed in 1988 are from fiscal 1987, and data for hospitals that closed in 1987 are from fiscal 1986. Data for hospitals that were open in 1988 are from fiscal 1987.

The comparison study showed major differences between open and closed facilities regarding key utilization and financial measures.

"Clearly, closed hospitals were smaller and had fixed overhead costs that couldn't be supported because of low occupancy rates," said Gregory Binns, president of Lexecon Health Service and co-director of the study.

Medicare by itself didn't appear to exacerbate other problems faced by troubled hospitals, the study said.

The average Medicare profit margin at closed hospitals was—8.9%, while the average Medicare profit margin at open hospitals was 1.3%. Open and closed hospitals treated about the same percentage of Medicare patients.

But closed facilities had an average operating profit margin of −17.2%. Open hospitals had an average operating profit margin of −3.8%.

That suggests that both open and closed hospitals did worse financially on non-Medicare patient operations than on Medicare patients, said H. Thomas Reepmeyer, co-director of the study and a consultant with Transition Systems, a Boston-based healthcare software firm.

Lack of commercially insured patients, uncompensated care, low Medicaid rates or fixed payments from other payers may have had a more detrimental effect on both open and closed hospitals than Medicare payments, Mr. Reepmeyer said.

If non-Medicare operations are the problem, then the debate over Medicare's role in hospital closures should involve policy, not payment rates, said Truman Esmond, a consultant with Peat Marwick Main & Co., Chicago.

"The questions are: Should Medicare subsidize these hospitals and will they be viable in five years if Medicare carries them for five years? The answer is probably not," Mr. Esmond said.

Mr. Esmond urged both the hospital lobby and government policymakers to devote their resources to the hospitals that will be needed to meet patient-care needs in the next decade. By treating all hospitals equally, both sides may be letting the wrong hospitals close, he said.

The study also identified at least 192 hospitals that remained open in 1988 but had utilization and financial characteristics similar to the 132 hospitals that closed in 1987 and 1988.

"This is the group in the greatest danger of closing," Mr. Binns said.

Lexecon won't release the names of the "at-risk" hospitals, but many of the hospitals are in states that experienced the most closures last year.

In addition, the study identified 1,254 open hospitals with fewer than 75 beds whose average daily census was 15 patients in fiscal 1987. These hospitals also may be at risk of closing, Mr. Binns said.

Lexecon's analysis was based on the list of hospital closures that the American Hospital Assn. released during the past two years. Of the 160 closed hospitals identified by the AHA, valid data were available for 132 facilities.—David Burda.

HAWAII HUMANITARIAN HEADS MARCH OF DIMES

HON. PATRICIA F. SAIKI

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mrs. SAIKI. Mr. Speaker, I rise today to commend my dear friend and one of Hawaii's statesmen, John Henry Felix, for his continuing commitment to volunteer service. Capping a long involvement in charitable activity, John Henry Felix has become the national chairman of the March of Dimes Birth Defects Foundation.

The March of Dimes is a national voluntary health agency dedicated to the prevention and treatment of birth defects, prematurity and low birth weight. These conditions cause or contribute to nearly 40,000 infant deaths annually in the United States. The March of Dimes works to reduce this tragedy through education, research and advocacy.

On Thursday, April 6, the March of Dimes invites all Members of Congress to join in a symbolic walk to demonstrate support for its mission. I hope my colleagues will join me and John Henry Felix on the East Capitol Lawn at noon to focus attention on the work of the March of Dimes.

CONTROLLING BRUCELLOSIS IN YELLOWSTONE BISON

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. MARLENEE. Mr. Speaker, on March 16, 1989, the House Interior Subcommittee on National Parks and Public Lands held a hearing on threats to animal and plant life in our national parks. One of the subjects discussed was controlling the disease brucellosis which originates with Yellowstone National Park elk and bison. Unfortunately, as these animals migrate outside the park they can infect domestic livestock with devastating consequences. To keep Montana's $1 billion livestock industry brucellosis-free, State government has spent over $30 million in an ambitious control program.

During the March 16 hearing, the National Park Service said that vaccination of bison was impractical because it would require capturing and confining all 2,500 animals for approximately 8 months. Dr. James W. Glosser,

Administrator of the U.S. Department of Agriculture's Animal and Plant Health Inspection Service refutes the National Park Service's position and contends that bison and elk can be vaccinated without a costly and cumbersome quarantine of the herd. This is possible by vaccinating these animals with "biobullets" injected by an air rifle.

I encourage my colleagues to read the enclosed letter from Dr. Glosser to National Park Service Director Mott that further explains practical ways to protect domestic livestock from the threat of brucellosis. Because of the enormous threat to domestic livestock near the park, it is imperative that the National Park Service take the bruccelosis threat more seriously and explore all control methods.

U.S. DEPARTMENT OF AGRICULTURE,
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
Washington, DC, March 28, 1989.

Mr. WILLIAM PENN MOTT, Jr.,
Director, National Park Service, Interior Building, Washington, DC.

DEAR MR. MOTT: The House Committee on Interior and Insular Affairs, Subcommittee on National Parks and Public Lands, met on March 16, 1989, to consider disease threats to animal and plant resources in national parks. The brucellosis infection of bison in Yellowstone National Park and the threat to livestock in surrounding states is of particular interest to the Animal and Plant Health Inspection Service and the U.S. agriculture in general.

Bison in Yelowstone have been shown to have a high rate of infection to brucellosis. All surrounding States, except for Idaho, are classified free of brucelloisis, in cattle; and Idaho only has one infected herd remaining. The Brucella organism causing infection in bison is identical to that causing infection in cattle, and transmission from bison to cattle has been definitely proven in work done at Texas A&M University. Spread from bison to cattle occurred under field conditions in North Dakota. Two of the last cattle herds found infected in Wyoming were attributed to contact with infected bison or elk, and epidemiology is continuing on the third herd that may also be attributed to elk or bison.

Elk in Wyoming are also known to be infected. It is believed the elk became infected through exposure to infected bison in the Park. The highest rate of infection occurs in the northern most feed grounds in Wyoming which contain elk that may comingle with bison during summer months in Yellowstone National Park. Efforts are now underway to vaccinate elk while they are at winter feed grounds. Research has shown that infected elk transmit the disease at the time of abortion, and abortions can be reduced with whole herd vaccination. However, the program in elk will not be successful unless a program is initiated in the bison in Yellowstone National Park with which the elk comingle.

A proposed whole herd vaccination program for female elk and bison does not require a quarantine. It does require a system for inoculating all females in a herd or group. Research has been completed on vaccination of elk with a biobullets propelled by an air rifle. This procedure is now being used in Wyoming. A vaccination program for bison should also be considered.

As the remaining vestiges of brucellosis are eliminated in domestic animals in the Western States, only the bison and elk remaining as sources of reinfection. Efforts to prevent bison from leaving the Park have been unsuccessful as evidenced by the increased number of bison leaving the Park. A vaccination program could be used successfully to reduce the disease risk to surrounding cattle herds and to elk that comingle with the bison during certain months of the year. It could be administered without a prolonged holding period and without a required quarantine period. The natural state of the bison should not be impacted to any greater extent through a vaccination program than through maintaining them on a restricted area or through the use of birth control implants

The issue of brucellosis should be addressed as part of a general managment plan. It is suggested the Yellowstone National Park Bison Brucellosis Technical Committee, which includes in its membership state animal health and wildlife personnel and Federal officials, serve as an advisory committee on brucellosis to Park personnel in developing a sound management plan.

We take this issue very seriously because of the great amount of money spent on the brucellosis eradication program and the significant progress that has been made in freeing States of the disease. Livestock producers in all parts of the country are becoming alarmed at the fact they have sacrificed so heavily through the years while a major foci of brucellosis is being left in a Government control area to possibly reinfect the U.S. cattle population. We appreciate their concerns and stand ready to cooperate with you in eliminating brucellosis from bison in the U.S. parks.

Sincerely,

JAMES W. GLOSSER,
Administrator.

THE 50TH ANNIVERSARY OF THE TOWSON LIBRARY

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. CARDIN. Mr. Speaker, I would like to call to my colleagues' attention a very important anniversary in my district. This spring, the Friends of the Towson Library will celebrate 50 years of active service to its community.

The organization, originally formed as the Towson Free Library Association, was incorporated on May 20, 1939, with the new name of the Baltimore County Library Association, Inc. with the purpose of maintaining a library for the use of county residents and furnishing them with recreational and educational opportunities.

The Friends of the Towson Library have made many donations, including landscaping, sculpture, audiovisual equipment, and computers. They have also established the Towson Room, where volunteers catalog articles and photographs of local historical interest.

In recent years, the Friends have published a history of Baltimore County and reproduced two antique maps of the Towson area for sale. The over 600 members of the Friends of the Towson Library continue to fund programs for children and adults at the library.

Mr. Speaker, I hope that my colleagues will join me in commending a wonderful civic organization that has devoted time, money, and resources to such a worthwhile endeavor.

THE 10TH ANNIVERSARY OF C-SPAN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. MICHEL. Mr. Speaker, this week, April 3, marks 10 years since we first turned television cameras on Congress and enabled millions of Americans to watch their Government in action.

Since 1979, C-SPAN, the Cable Satellite Public Affairs Network, has made public affairs programming accessible in the Nation's living rooms 24 hours a day. That has ushered in some big changes in the way we communicate with our constituents.

Today, when we speak on the House or Senate floor, or participate in an important committee hearing, our words are heard not just by journalists, lobbyists, and other politicians present. Instead, our messages are heard directly, through C-SPAN, by the people who sent us to Washington to act as their elected representatives. No longer must viewers depend on edited versions of national events and the interpretation of journalists to form opinions about national issues. It's all unfolding before them at home every day, uncut and unpolished.

As a result, we are able to talk more openly to the Nation and we have been made more responsive by the immediate communication afforded by television.

C-SPAN, a nonprofit network financed by the cable television industry, also provides the world a better view of the executive and judicial branches of government. The network covers State Department briefings, National Press Club luncheons, interviews, news conferences, and dozens of other public events. C-SPAN viewers don't only see what's going on in the Nation's Capital, they can also directly question experts, policymakers, and journalists who appear on the network's daily call-in programs.

Thanks in large part to this coverage, Washington is far less isolated from the rest of the country and the world than it once was. As a consequence, Americans are better informed about their Government and more likely to participate in it. A recent national study by the University of Maryland's Survey Research Center found, for example, that 84 percent of C-SPAN viewers were registered to vote in 1988. Among that number, 92 percent voted in last November's elections. By contrast 52 percent of registered voters in the general public cast their ballots.

Mr. Speaker, C-SPAN—now available in 43 million homes—is demonstrating to us in Washington that Americans are very interested in their Congress and are watching closely what's being done in the name of public interest.

A TRIBUTE TO JOHN J. DURKIN

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. FISH. Mr. Speaker, I take this opportunity to pay tribute to John J. Durkin, president and chief professional officer, United Way of Dutchess County, recipient of the first annual Distinguished Citizen Award presented by the Dutchess County Council Boy Scouts of America.

Jack is being honored by the leaders of his community for his outstanding contribution in securing the participation of fellow citizens in a host of volunteer activities of critical importance to all of us.

His leading role in attracting volunteer leadership to the United Way is well-known, and for which he has achieved national recognition for his unique contributions program within the building trades unions. Not so well known is the active role as a volunteer he has played himself. He is a member of the Gannett newspaper carrier scholarship committee, the board of directors and executive committee of the Mid-Hudson Pattern for Progress, the finance committee of the Gannett House and a member of the board of directors of the Poughkeepsie Chamber of Commerce. Jack is also a past president of the Poughkeepsie Rotary Club.

When Jack came to Dutchess County in 1970 as the president and chief professional officer of our United Way, the campaign raised over $930,000. Last fall's campaign produced over $4,600,000. Jack initiated a series of new programs over the years and provided the leadership to make the Way campaigns successful and to reallocate United Way funds to the present much-improved systems.

Our 1989 Distinguished Citizen Award winner graduated with a major in sociology from the University of Scranton in 1955. He also completed a seminar at the University of Notre Dame on "the Advanced Techniques of Community Organization." Two years later, he was in the first group of United Way executives in the country to complete a 115 hour seminar, titled "Management Skills Development," sponsored by the United Way of America. Jack also attended Marist and Dutchess Community colleges. In 1981 he was granted a masters degree in public administration from Russell Sage College. Five years later, Jack completed the Harvard Business School Human Services Executive Program.

In addition to his distinguished career, John Durkin and his wife Patricia have found the time to raise a wonderful family. They are the proud parents of six children and are members of the St. Augustine Church in Highland.

THE SAVERS AND INVESTORS ACT OF 1989

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. JENKINS. Mr. Speaker, I am today introducing a bill to encourage and reward saving and investment. The Savers and Investors Act of 1989 represents a dramatic improvement in the way our Nation taxes income and realized capital gains on most forms of individual savings and investment vehicles.

Private savings and investments have always been the backbone of our economy. Bank deposits and the purchase of stocks, bonds, and mutual funds all add to the formation of capital so vitally important to the use of individuals, entrepreneurs, and established industries. An inadequate supply of capital can cause interest rates to rise and the rate of new business ventures to shrink; wages and jobs suffer; investments in new machinery and equipment are cut back; and planning for future retirement and long-term health care needs become even more unreliable. And finally there are the troublesome implications associated with financing our debt with ever increasing amounts of foreign capital.

A new approach to the taxation of savings and investments is not only needed, it is critical. It is time to take a long-term approach to solving the economic challenges facing our Nation today. Short-term, band-aid legislation has, and will, continue to add uncertainty and volatility to the capital and equity markets. We must adopt simple and efficient tax laws that encourage and reward saving and investment, rather than consumption.

The Savers and Investors Act recognizes the fact that tax deferral—not exemption—for individual savers and investors on their income can, because of the profound effects of compounding on rates of return, produce significant improvements in after-tax return results not only for the individual taxpayer but, over time, expand the Government Treasury as well. Of course, the secondary effects provided by an increasingly large pool of captial for entrepreneurs and established industries are tremendous. Tax deferral should be encouraged and enjoyed by all who invest their hard earned dollars in our free market economy.

Mr. Speaker, our Nation needs all the savers it can get. Lower bracket and conservative taxpayers tend to be savers investing for income, rather than for capital gain. But under present law, savings are taxed yearly, whereas capital gains are tax deferred until the gains are realized. People who save and invest for interest or dividend income should enjoy tax deferral, too.

Rather than taxing personal investment income as earned, or gained when realized, the Savers and Investors Act calls for the imposition of taxes only upon consumption, that is spending. This legislation utilizes voluntary tax deferred accounts [TDA's] that allow savings and investments to accumulate tax free until withdrawn from the account.

Mr. Speaker, our Nation desperately needs home grown savings. Tax deferred accounts will promote private savings and investments by individuals of all ages and at all levels of income. TDA's reflect a primary, common sense objective from everyone's perspective—including the Government's: we must maximize savings accounts and investment returns so that private capital will grow as quickly, and for as long, as possible. The Savers and Investors Act makes the Government and taxpayers partners, not adversaries.

This legislation would amend the Internal Revenue Code so as to create tax deferred accounts or TDA's. Simply put, any tax on interest earned or gains realized from deposits in TDA's would be deferred until the saver withdrew the money. TDA's would apply to any financial instrument—stocks, bonds, mutual funds, certificates of deposit, and regular savings accounts.

Opening a tax deferred account would, of course, be completely voluntary and anyone with a Social Security number could do so. There would be no limit on account deposits, nor any minimum deposit required to open an account. There would be no limit on the number of TDA accounts that one individual could hold.

An individual's TDA investment portfolio could be changed at any time without tax consequences. Although deposits would not be tax deductible, withdrawals from one TDA account could be deposited in another TDA account without tax consequences so long as the transfer is completed within 60 days. Otherwise, regular withdrawals from any TDA account can be made at any time, for any amount, without penalty.

Withdrawals would be taxed at the individual's regular tax rate. Finally, beneficiaries would have the same TDA cost basis as their benefactors and pay income tax only upon account withdrawals.

Mr. Speaker, it's no surprise why Americans don't save more. They are taxed heavily on what savings they attempt. Tax deferred accounts, as envisioned by the 1989 Savers and Investors Act, will go a long way toward solving this critical problem. I urge my colleagues to review the merits of this legislation.

A TRIBUTE TO ST. MARY, MOTHER OF JESUS CHURCH AND SCHOOL

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. SOLARZ. Mr. Speaker, I would like to pay tribute to St. Mary, Mother of Jesus Church and School, located in the Bensonhurst section of my district, which are celebrating their 100th and 75th anniversaries, respectively, this year. St. Mary's has been in the forefront of spiritual and community activities since its founding and I am proud of the exemplary service that both the church and the school have given to the residents of my district for so many years.

St. Mary's has been the spiritual core of its community since its creation, and over the years, the church and school buildings have expanded to accommodate increases in the number of parishioners and students served by them. Through time, the parish has flourished under the loving attention of a devoted pastorate and faculty, and parish societies been an active center of spiritual and social leadership for congregants from every walk of life.

St. Mary's has long held the philosophy that community service goes hand in hand with religious service. It has established a tradition of community involvement that will continue to benefit Bensonhurst residents for years to come. Through many years of growth and enrichment, the church has continued to administer sacraments, care for the elderly and destitute, and educate the young. The spiritual and civic strength that the Bensonhurst community has drawn from St. Mary's has enabled Bensonhurst to grow into one of the most prosperous neighborhoods in Brooklyn.

Everyone connected with St. Mary's believes that the parish is a community—a holy, worshiping community. And while St. Mary's presence is felt most strongly in the neighborhoods surrounding it, the real parish is not Bensonhurst, nor Brooklyn—but all of God's world.

On this auspicious occasion, I am proud to honor both St. Mary, Mother of Jesus Church and School as among the finest religious and community organizations in my district.

SALUTING THE SIENA SAINTS BASKETBALL TEAM

HON. MICHAEL R. McNULTY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 3, 1989

Mr. McNULTY. Mr. Speaker, we are proud of a great many things in upstate New York.

At this particular moment in history, however, we are especially pleased to salute and pay tribute to the Siena Saints basketball team.

Siena, a very small college in Albany County, NY, last week made its first ever appearance in an NCAA tournament.

Facing 13th-ranked Stanford in last Thursday's opening round, Siena was given almost no chance of survival. But the Saints proceeded to hit 54 percent from the field and made 11 3-pointers to win the game and stun the Nation.

Although powerful Minnesota eliminated Siena in the 2d round, the Saints had already established themselves as the Cinderella team of 1989.

People all over the Nation were asking the question, "Where is Siena College?" Mr. Speaker, it's an honor for me to say that Siena College is located in my district—the 23d District of New York.

I know that you, Mr. Speaker, and all my colleagues join me in recognizing the tremendous accomplishments of Coach Mike Deane, assistant coaches Dan Theiss, Tim Capstraw, Monty Flynn, and Mike McCubbin along with the following members of the 1989 Siena Saints basketball team: Marc Brown, Mike Brown, Steve Downey, Eric Fleury, Dave Foster, Andy Grazulis, Monty Henderson, Tom Huerter, Steve McCoy, Joe Middleton, Jeff Robinson, Jim Ryder, Bruce Schroeder, and Art Smith.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Senate program for the week of April 4, 1989, through April 7, 1989 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 5

9:00 a.m.
Armed Services
To hold hearings on implications of Gorbachev reforms for U.S. security.
SR-222

Commerce, Science, and Transportation
To hold hearings on the nomination of Wendell L. Willkie II, of the District of Columbia, to be General Counsel of the Department of Commerce.
SR-253

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 673, authorizing funds for fiscal years 1990 and 1991 for the National Highway Traffic Safety Administration.
SR-253

Energy and Natural Resources
To hold hearings on pending nominations.
SD-366

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on rural development issues.
SR-332

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for energy and water development programs.
SD-192

Foreign Relations
Terrorism, Narcotics and International Operations Subcommittee
To hold hearings to review the President's Annual International Narcotics Control Strategy Report.
SD-419

Joint Taxation
To hold an organizational business meeting.
H-208, Capitol

10:30 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Securities and Exchange Commission.
S-146, Capitol

2:00 p.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1990 for defense intelligence programs.
SH-219

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for energy and water development programs.
SD-192

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 85, S. 280, and S. 338, miscellaneous public lands measures.
SD-366

Judiciary
To hold hearings on pending nominations.
SD-226

APRIL 6

9:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for defense programs.
SD-106

Armed Services
Strategic Forces and Nuclear Deterrence Subcommittee
To hold hearings on environmental priorities for the Nuclear Weapons Complex.
SR-222

Commerce, Science, and Transportation
To hold hearings to review the recent oil spill in Alaska.
SR-253

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings to examine the racketeering suit against the Teamsters Union and the government's use of the Racketeer Influenced and Corrupt Organizations (RICO) Act (P.L. 91-542) to impose trusteeships on labor unions and other business entities.
SD-342

Rules and Administration
To hold hearings on proposed legislation authorizing funds for fiscal year 1990 for the Federal Election Commission, proposed legislation authorizing funds for the Civic Achievement Award Program in honor of the Office of the Speaker of the House of Representatives, and proposed legislation authorizing funds for the American Folklife Center.
SR-301

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on veterans' health care issues.
SR-418

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Animal and Plant Health Inspection Service, Food Safety and Inspection Service, and Agricultural Marketing Service.
SD-124

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for East Asian assistance and the Philippines special assistance initiative.
SD-116

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Highway Administration and the National Transportation Safety Board.
SD-138

Judiciary
To hold hearings on steroid abuse.
SD-226

Labor and Human Resources
To hold hearings on federal leadership in science.
SD-430

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for energy and water development programs.
SD-192

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 462, authorizing funds through 1992 for the National Railroad Passenger Corporation (AMTRAK).
SR-253

Foreign Relations
To hold hearings on the nomination of John D. Negroponte, of New York, to be Ambassador to Mexico.
SD-419

Select on Indian Affairs
To hold oversight hearings on implementation of water rights policy.
SH-216

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the intelligence community.
SH-219

3:30 p.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 255, authorizing funds for local rail service assistance programs.
SR-253

APRIL 7

9:00 a.m.
Armed Services
Strategic Forces and Nuclear Deterrence Subcommittee
To continue hearings on environmental priorities for the Nuclear Weapons Complex.
SR-222

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Education, focusing on Student Financial Assistance, Guaranteed Student Loans, Higher Education, Higher Education Facilities Loans and Insurance, College Housing Loans, Education Research and Statistics, Libraries, and the Office of Inspector General.
SD-138

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 629, to make structural and management changes in the National Earthquake Hazards Reduction Program.
SR-253

Finance
International Trade Subcommittee
To hold hearings to examine trade disputes between the U.S. and Canada.
SD-215

Foreign Relations
To hold hearings on the nominations of Bruce S. Gelb, of New York, to be Director of the United States Information Agency, and Joseph V. Reed, of Connecticut, for the rank of Ambassador during his tenure of service as Chief of Protocol for the White House.
SD-419

Governmental Affairs
Federal Services, Post Office, and Civil Service Subcommittee
To hold hearings on the annual report of the Postmaster General.
SD-342

Joint Economic
To hold hearings on the employment/unemployment situation for March.
2359 Rayburn Building

1:00 p.m.
Foreign Relations
Terrorism, Narcotics and International Operations Subcommittee
To hold hearings to review U.S. Government response to the Pan Am 103 disaster.
SD-419

APRIL 10

9:30 a.m.
Special on Aging
To hold hearings on the Social Security Administration's toll free telephone system.
SD-628

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Bureau of Land Management, Department of the Interior, and the Navajo and Hopi Indian Relocation Commission.
S-128, Capitol

10:30 a.m.
Governmental Affairs
To hold hearings on quality assurance at the Department of Defense.
SD-342

1:15 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of Civil Rights and Policy Research.
SD-116

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Environmental Protection Agency.
SD-138

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Forest Service of the Department of Agriculture.
SD-192

2:00 p.m.
Foreign Relations
To hold hearings on the nomination of Richard T. McCormack, of Pennsylvania, to be Under Secretary of State for Economic and Agricultural Affairs.
SD-419

Judiciary
Immigration and Refugee Affairs Subcommittee
To hold hearings on the Administration's proposed regional refugee admissions level for fiscal year 1990.
SD-226

APRIL 11

8:30 a.m.
Office of Technology Assessment
The Board, to meet to discuss pending business.
EF-100, Capitol

9:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on issues related to aging aircraft.
SR-301

9:30 a.m.
Commerce, Science and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to review the President's proposed budget request for fiscal years 1990 and 1991 for the National Aeronautics and Space Administration, focusing on space science and applications programs.
SR-253

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Farmers Home Administration, Federal Crop Insurance Corporation, and the Rural Electrification Administration.
SD-138

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Environmental Protection Agency and

the Council on Environmental Quality.
SD-116

Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 14, S.J. Res. 23, and S.J. Res. 31, measures relating to the line item veto.
SD-226

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for Africa and South Africa peacekeeping assistance.
SD-138

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the intelligence community.
SH-219

APRIL 12

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on education competitiveness in childrens' television.
SR-253

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings to examine the racketeering suit against the Teamsters Union and the government's use of the Racketeer Influenced and Corrupt Organizations [RICO] Act (P.L. 91-542) to impose trusteeships on labor unions and other business entities.
SD-342

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Social Security Administration and the Health Care Financing Administration.
SD-138

Armed Services
Manpower and Personnel Subcommittee
To hold hearings on S. 653, to revise and improve the aviator career incentive pay program, to extend for three years the aviator bonus program.
SR-232A

Judiciary
Antitrust, Monopolies and Business Rights Subcommittee
To hold hearings on competitive problems in cable television.
SD-226

Rules and Administration
To hold hearings on S. 7, S. 56, S. 137, S. 242, S. 326, S. 330, S. 332, S. 359, and S. 597, bills to provide for spending limits and public financing for Federal elections.
SR-301

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for energy and water development programs.
SD-192

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of the Secretary of the Treasury, and the Federal Election Commission.
SD-116

Foreign Relations
To resume hearings on the future of U.S.-Soviet relations.
SD-419

2:00 p.m.
Foreign Relations
To hold hearings on the nominations of Henry E. Catto, of Texas, to be Ambassador to the United Kingdom of Great Britain and Northern Ireland, and Vernon A. Walters, of Florida, to be Ambassador to the Federal Republic of Germany.
SD-419

APRIL 13

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Governmental Affairs
To hold hearings on S. 253, establishing a coordinated National Nutrition Monitoring and Related Research Program.
SD-342

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the U.S. Coast Guard.
SD-138

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Family Support Administration and Human Development Services.
SD-138

APRIL 14

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of the Assistant Secretary for Health and the Centers for Disease Control.
SD-138

Commerce, Science, and Transportation
Foreign Commerce and Tourism Subcommittee
To hold hearings on the importance of scenic byways to national tourism.
SR-253

Judiciary
Constitution Subcommittee
To hold hearings on S. 675, to eliminate discriminatory barriers to voter registration.
SD-226

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Management and Budget (Office of Federal Procurement Policy), Commission on Government Ethics, and the National Archives and Records Administration.
SD-116

APRIL 17

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space transportation budget and policy.
SR-253

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for fossil energy and clean coal technology programs.
S-128, Capitol

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans' Affairs.
SD-138

APRIL 18

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Alcohol, Drug Abuse, and Mental Health Administration and the Health Resources and Services Administration.
SD-116

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on motor carrier safety.
SR-253

Judiciary
To hold hearings on modification of the McCarran Ferguson Act.
SD-226

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on Agricultural Stabilization and Conser-

vation Service, Foreign Agricultural Service, Commodity Credit Corporation, General Sales Manager, and Soil Conservation Service.
SD-138

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans' Affairs
SD-192

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the health effects of air pollution.
SH-216

Finance
To hold hearings to review and evaluate certain child care proposals.
SD-215

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the World Bank, International Development Association, International Finance Corporation, International Monetary Fund, and the Multilateral Investment Guaranty Agency.
SD-138

APRIL 19

9:00 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review legislative recommendations of AMVETS, Vietnam Veterans of America, Veterans of World War I, and the Non-Commissioned Officers Association.
334 Cannon Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on motor carrier safety.
SR-253

Governmental Affairs
To hold hearings on trade and technology issues.
SD-342

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Personnel Management.
SD-116

Finance
To continue hearings to review and evaluate certain child care proposals.
SD-215

1:30 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for territorial and international affairs.
SD-192

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 198, the Copyright Act to protect certain computer programs.
SD-226

APRIL 20

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on global climate change and efforts to predict greenhouse warming.
SR-253

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Emergency Management Agency.
SD-192

Finance
To resume oversight hearings on the implementation of the Omnibus Trade and Competitiveness Act of 1988.
SD-215

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

MAY 1

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

MAY 2

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

2:00 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for activities of the Secretary of the Interior and the Secretary of Energy.
S-128, Capitol

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 247, to increase the efficiency and effectiveness of State energy and conservation programs.
SD-366

MAY 3

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continued hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

MAY 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Aviation Administration.
SD-138

MAY 5

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 11

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for transportation trust funds.
SD-138

MAY 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 15

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 16

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 18

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-116

MAY 19

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

CANCELLATIONS

APRIL 4

10:00 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the Department of State.
S-146, Capitol

POSTPONEMENTS

APRIL 6

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on global climate change and ocean perspective.
SR-253

10:00 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the Federal Communications Commission and the Small Business Administration.
S-146, Capitol

APRIL 7

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of National Drug Control Policy.
SD-116

HOUSE OF REPRESENTATIVES—*Tuesday, April 4, 1989*

The House met at 12 noon.

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

May Your creative power, O God, renew each of us for the tasks before us. As the winds freshen the day and waters the land, so may our hopes and energies be renewed for goodness in our world, for reconciliation between peoples and for mercy in every land. And so being filled by Your gracious spirit, may we know the strength of Your peace, in our hearts and in our world. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Ohio [Mr. DONALD E. "BUZ" LUKENS] kindly lead us in the Pledge of Allegiance.

Mr. DONALD E. "BUZ" LUKENS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

APPOINTMENT AS MEMBERS OF THE UNITED STATES DELEGATION OF THE MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of 22 U.S.C. 276(h), the Chair appoints as members of the United States delegation of the Mexico-United States interparliamentary group for the 1st session of the 101st Congress the following Members on the part of the House:

Mr. DE LA GARZA of Texas, chairman;
Mr. YATRON of Pennsylvania, vice chairman;
Mr. RANGEL of New York;
Mr. MILLER of California;
Mr. GEJDENSON of Connecticut;
Mr. COLEMAN of Texas;
Mr. BERMAN of California;
Mr. LAGOMARSINO of California;
Mr. DREIER of California;
Mr. DELAY of Texas;
Mr. GILMAN of New York; and
Mr. GOODLING of Pennsylvania.

APPOINTMENT AS MINORITY MEMBERS OF THE SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES

The SPEAKER. Pursuant to the provisions of section 203, House Resolution 84, 101st Congress, the Chair appoints as minority members of the Select Committee on Children, Youth, and Families the following Members of the House:

Mr. BLILEY of Virginia;
Mr. WOLF of Virginia;
Mrs. VUCANOVICH of Nevada;
Mr. PACKARD of California;
Mr. HASTERT of Illinois;
Mr. HOLLOWAY of Louisiana;
Mr. GRANDY of Iowa;
Mr. WELDON of Pennsylvania;
Mr. SMITH of Texas;
Mr. SMITH of Vermont;
Mr. WALSH of New York; and
Mr. MACHTLEY of Rhode Island.

APPOINTMENT AS ADDITIONAL MAJORITY MEMBER AND AS MINORITY MEMBERS TO THE SELECT COMMITTEE ON HUNGER

The SPEAKER. Pursuant to the provisions of section 103, House Resolution 84, 101st Congress, the Chair appoints the gentleman from American Samoa [Mr. FALEOMAVAEGA], as an additional majority member to the Select Committee on Hunger. The Chair also appoints to that same committee the following minority members:

Mr. EMERSON of Missouri;
Mrs. ROUKEMA of New Jersey;
Mr. MORRISON of Washington;
Mr. GILMAN of New York;
Mr. ROBERT F. (BOB) SMITH of Oregon;
Mr. BEREUTER of Nebraska;
Mr. UPTON of Michigan;
Mr. HERGER of California;
Mr. HUNTER of California; and
Mr. WOLF of Virginia.

SALUTING THE LADY VOLS

(Mr. CLEMENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLEMENT. Mr. Speaker, I want to take this opportunity to salute the NCAA national champion Lady Volunteer basketball team from the University of Tennessee and their head coach, Pat Summitt.

Sunday, April 3, the Lady Volunteers won their second national basketball title in the past 3 years. Following the game coach Summitt called their triumph, "A family victory."

Mr. Speaker, the Lady Vols are to be commended for their perseverance, selfless teamwork, courage, confidence, poise, and ability. Their accomplishments are even more noteworthy when you consider the dedication of purpose they exhibited throughout the season and during the NCAA tournament.

As a former Volunteer myself, I want to express my admiration on behalf of my constituents in the Fifth Congressional District, every citizen in Tennessee, and Volunteer fans throughout the Nation.

Mr. Speaker, I urge my colleagues in the U.S. House of Representatives to join me in congratulating the Lady Volunteer basketball team, their coach, and everyone associated with the Lady Vol basketball season.

BUNNING INTRODUCES ELECTION FINANCE REFORM BILL

(Mr. BUNNING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BUNNING. Mr. Speaker, today I introduced a bill to reform our campaign election finance laws. The sole purpose of this bill is to take the emphasis of our current laws out of the hands of political action committees and to place the emphasis back toward the individual contributor.

The bill has three major provisions. First, the maximum individual contribution and the maximum PAC contribution are put on equal footing. Both contributions would be changed to a maximum of $2,000 or $4,000 per cycle.

Second, the bill would place a cap on PAC contributions of 30 percent of the total campaign funds raised. This cap would force candidates to raise money through other means, particularly in their own district, in order to reap the benefits of PAC contributions.

Finally, the bill would expand election reporting requirements to include those trying to influence an election through the utilization of "soft money" activities. The reporting requirements of political parties are also expanded.

I am being joined in this bill with the cosponsor support of three distinguished Members of Congress. Messrs. PURSELL of Michigan, ARCHER of Texas, and LIVINGSTON of Louisiana

are all original cosponsors of this legislation.

Together we will be working with other Members and the Republican Task Force on Election Reform headed by Congressman BUECHNER to let our feelings on this bill be known.

It is obvious that campaign finance reform will be a major issue in the 101st Congress and I urge Members to consider this bill.

Under my unanimous-consent request, I include the text of the bill and a section-by-section analysis immediately following this statement.

SECTION-BY-SECTION ANALYSIS—BUNNING ELECTION FINANCE BILL

SECTION 1—INCREASE IN LIMITATION AMOUNT APPLICABLE TO FEDERAL ELECTION CONTRIBUTIONS BY PERSONS OTHER THAN MULTICANDIDATE POLITICAL COMMITTEES

Amends the Federal Election Campaign Act by raising the maximum individual campaign contribution from $1,000 to $2,000.

SECTION 2—DECREASE IN LIMITATION AMOUNT APPLICABLE TO FEDERAL ELECTION CONTRIBUTIONS BY MULTICANDIDATE POLITICAL COMMITTEES

Amends the Federal Election Campaign Act by lowering the maximum PAC contribution from $5,000 to $2,000.

SECTION 3—NEW PERCENTAGE LIMITATION THAT MAY BE ACCEPTED BY A CANDIDATE FOR FEDERAL OFFICE FROM MULTICANDIDATE POLITICAL COMMITTEES

Amends the Federal Election Campaign Act by limiting the amount of PAC contributions to 30% of all total contributions.

SECTION 4—REQUIREMENT FOR REPORTING CERTAIN EXEMPT CONTRIBUTIONS AND EXPENDITURES

Amends the Federal Election Campaign Act to require corporations, PAC's labor organizations and non-profit groups to report any attempt to influence a Federal election through "soft money" activities, including expenditures, services and overhead costs related to inhouse communications, informal mailings and voter drives.

Nonprofit groups using mailings to influence an election in the last 90 days before an election, would have to pay a fine equivalent to the first class postage rate, not the subsidized rate.

SECTION 5—SOFT MONEY REPORTING REQUIREMENTS FOR NATIONAL COMMITTEES OF POLITICAL PARTIES

Amends the Federal Election Campaign Act to require disclosure by national political party committees and candidate "draft" committees, of all receipts, independent expenditures and "soft money" activities.

SECTION 6—EFFECTIVE DATE

The amendments in the act would apply to contributions and expenditures made after 11/7/90.

H.R. —

A bill to amend the Federal Election Campaign Act to reduce the influence of multicandidate political committees in elections for Federal office, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN LIMITATION AMOUNT APPLICABLE TO FEDERAL ELECTION CONTRIBUTIONS BY PERSONS OTHER THEN MULTICANDIDATE POLITICAL COMMITTEES.

Section 315(a)(1)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)(A)) is amended by striking out "$1,000" and inserting in lieu thereof "$2,000".

SEC. 2. DECREASE IN LIMITATION AMOUNT APPLICABLE TO FEDERAL ELECTION CONTRIBUTIONS BY MULTICANDIDATE POLITICAL COMMITTEES.

Section 315(a)(2)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(2)(A)) is amended by striking out "$5,000" and inserting in lieu thereof "$2,000".

SEC. 3. NEW PERCENTAGE LIMITATION ON CONTRIBUTIONS THAT MAY BE ACCEPTED BY A CANDIDATE FOR FEDERAL OFFICE FROM MULTICANDIDATE POLITICAL COMMITTEES.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

"(i)(1)(A) A candidate for Federal office may not, with respect to an election, accept a contribution from a multicandidate political committee to the extent that a sum of the contribution and all other contributions accepted by the candidate from multicandidate political committees exceeds an amount equal to 30 percent of all contributions accepted by the candidate.

"(2) As used in this subsection, the term 'multicandidate political committee' has the meaning given that term in subsection (a)(4).".

SEC. 4. REQUIREMENT FOR REPORTING CERTAIN EXEMPT CONTRIBUTIONS AND EXPENDITURES.

(a) IN GENERAL.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following new subsection:

"(d)(1) When used in this subsection—

"(A) the term 'election' means—

"(i) in the case of a corporation or labor organization, an election (as defined in section 301(1)) with respect to which such corporation or labor organization is prohibited from making a contribution or expenditure under section 316; and

"(ii) in the case of a national committee of a political party, an election (as defined in section 301(1)) for any Federal office;

"(B) the term 'otherwise exempt activity' means any act of furnishing, arranging to be furnished, or otherwise making available any services, payment, or other benefit described in paragraph (A) or (B) of section 316(b)(2).

"(C) the terms 'corporation' and 'labor organization' have the same meanings as in section 316.

"(2)(A) At the times prescribed in paragraph (4), a corporation shall file a report with the Commission under this subsection if, during the period for which the report is filed, such corporation has engaged in any otherwise exempt activity in connection with an election.

"(B) At the times prescribed in paragraph (4), a labor organization shall file a report with the Commission under this subsection if, during the period for which the report is filed, such labor organization has engaged in any otherwise exempt activity in connection with an election.

"(C) At the times prescribed in paragraph (4), each national committee of a political party shall file a report with the Commission under this subsection containing a declaration of whether, during the period for which the report is filed, such committee has engaged in any otherwise exempt activity in connection with an election. For purposes of this subparagraph, the term 'otherwise exempt activity' refers to an activity described in paragraph (8)(B) or (9)(B) of section 301.

"(3) Each person required to file a report under this subsection shall include in such report—

"(A) a description of each exempt activity engaged in, in connection with an election, by such person during the period covered by the report; and

"(B) the amount of each payment and the cost and fair market value of each of the services and other benefits described in the report in accordance with subparagraph (A).

"(4) The reports under this subsection shall be filed at each of the times prescribed in subsection (a)(4)(A) for reports of political committees other than authorized committees of a candidate.

"(5)(A) Any nonprofit corporation, receiving reduced postal rates because of its status as a nonprofit corporation, which uses the mails to engage in any activity described in paragraph (1)(B) during the period 90 days immediately prior to a general or special election shall be subject to a fine as provided in subparagraph (B).

"(B) The Commission, upon receiving a complaint under subparagraph (A), or on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, by an affirmative vote of 4 of its members, may institute a civil action, including an order for a civil penalty which is an amount equal to the postage rate for first class mail for all of the mail relating to activities described in paragraph (1)(B), which is mailed during such 90-day period.

"(e)(1) Any independent expenditures (including those described in subsection (b)(6)(B)(iii)), by any person with regard to an election which may directly result in the election of a person to the office of Senator, which in the aggregate total more than $10,000 shall be reported by such person to the Commission within 24 hours after such independent expenditures are made. Thereafter, any independent expenditures by such person in the same election aggregating more than $5,000 shall be reported by such person to the Commission within 24 hours after such independent expenditures are made.

"(2) Such statements shall be filed with the Commission, Secretary of State for the State of the election involved and with the principal campaign committee of each candidate in the general election, and shall contain the information required by subsection (b)(6)(B)(iii) and a statement filed under penalty of perjury by the person making the independent expenditures indicating whom the independent expenditures are actually intended to help elect or defeat. The Commission shall notify any candidate in the election involved about each such report within 24 hours after such report is made.

"(3) Notwithstanding the reporting requirements established in this paragraph, the Commission may make its own determination that a person has made independent expenditures with regard to an election which may directly result in the election of a person to the office of Senator that in the aggregate total more than $10,000, and thereafter that in the aggregate total more than $5,000.

"(4) The Commission shall notify each candidate in the election involved about each such determination within 24 hours after such determination is made.".

(b) CONFORMING AMENDMENT.—Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

"(c) Any activity exempt under subparagraph (A) or (B) of subsection (b)(2) shall be subject to the reporting requirements of section 304(d).".

SEC. 5. SOFT MONEY REPORTING REQUIREMENTS FOR NATIONAL COMMITTEES OF POLITICAL PARTIES.

(a) RECEIPTS AMENDMENTS.—Section 304(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(2)) is amended—

(1) in subparagraph (J), by striking out "and" after the semicolon;

(2) in subparagraph (K), by inserting "and" after the semicolon; and

(3) by adding at the end the following new subparagraph:

"(L) for a national committee of a political party, all funds received, from any source, for purposes other than to influence a Federal election;'.

(b) IDENTIFICATION AMENDMENTS.—Section 304(b)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(3)) is amended—

(1) in subparagraph (F), by inserting "and" after the semicolon;

(2) in subparagraph (G), by inserting "and" after the semicolon; and

(3) by adding at the end the following new subparagraph:

"(H) for a national committee of a political party, person, or organization providing funds to the committee for purposes other than to influence a Federal election;".

(c) DISBURSEMENTS AMENDMENTS.—Section 304(b)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(4)) is amended—

(1) in subparagraph (H), by striking out "and" after the semicolon at the end;

(2) in subparagraph (I), by inserting "and" after the semicolon; and

(3) by adding at the end the following new subparagraph:

"(J) for a national committee of a political party, all disbursements from funds received for a purpose other than to influence a Federal election;".

SEC. 6. EFFECTIVE DATE.

The amendments made by this act shall apply with respect to contributions and expenditures made after November 7, 1990.

EXPORT OF COAL TO JAPAN

(Mr. FALEOMAVAEGA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FALEOMAVAEGA. Mr. Speaker, I certainly want to thank you and the leadership of the House for giving me this opportunity to serve as a member of the House Select Committee on Hunger. Furthermore, Mr. Speaker, I want to also express my appreciation to the distinguished chairman, the gentleman from Texas, Mr. MICKEY LELAND, for his encouragement and kind support in this effort. I look forward to working together with my colleagues on the committee.

Mr. Speaker, I had the privilege recently to meet with a distinguished mineral geologist from Japan, Dr. Tami Eguchi, who shared with me some very interesting statistical data released January of this year under the auspices of the miti of Japan, whereby, if the projections are accurate, there will be an increased demand by Japan for the use of coal as a resource for Japan's energy needs in the next 5 to 10 years. It is my intention to pursue this matter further with Chairman NICK RAHALL of our House Interior Subcommittee on Mines and Mining to explore further the possibility of formulating appropriate legislation with the participation of our commercial coal industry and Japan's energy officials. I foresee a tremendous potential for exportation of this resource that is so much in abundance in our country, and that, perhaps, it will contribute substantially towards lessening the trade deficit that now exists between Japan and our country.

Mr. Speaker, it is my understanding our country's supply of coal is sufficient to last us for the next 300 years. It seems to me that we should be able to assist in this area, particularly in view of the fact that Japan's reliance upon nuclear energy by as much as 40 percent by the year 2,000. This is not a good option, given the tremendous difficulties we are faced with regarding the disposal of nuclear waste, not only in our own country but also in other nations, including Japan. It seems the time has come to reexamine production of nuclear power plants, and move toward the production and use of other sources of energy which do not have the potential to dangerously pollute our planet.

Mr. Speaker, I submit for the RECORD the statistical data that was shared with me by Dr. Eguchi, and that, hopefully, my colleagues in the Congress will seriously pursue this matter not only with the administration but also with the appropriate officials of the Japanese Government.

MITI [1] STUDY FOR JAPAN'S FUTURE ENERGY NEEDS

Source of power	Year 1986		Year 1995		Year 2000	
	Number	Percent	Number	Percent	Number	Percent
Nuclear power	[2] 1.673	27	2.600	35	3.480	40
Coal	.566	9	.920	12	1.180	14
Gas	1.300	22	1.600	22	1.600	19
Hydroelectric	.796	13	.970	13	1.100	12
Geothermal	.110	2	.600	1	>.150	2
Oil	1.404	23	1.100	15	.650	11
Other	.230	4	.190	2	.190	2
Approximate totals	6.079	100	7.980	100	8.350	100

[1] Released January 1989.
[2] Measured as 1.673 billion kilowatts per hour.

□ 1210

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 18, UNIFORM POLL CLOSING ACT

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 101-16) on the resolution (H. Res. 117) providing for the consideration of the bill (H.R. 18) to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections, which was referred to the House Calendar and ordered to be printed.

CONGRATULATIONS TO MICHIGAN WOLVERINES ON WINNING NATIONAL NCAA BASKETBALL CHAMPIONSHIP

(Mr. PURSELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PURSELL. Mr. Speaker, "Michigan, my Michigan." What a wonderful evening last night when the Michigan Wolverines won the National NCAA Basketball Championship. It is rare in one's lifetime that you can win the Rose Bowl and the National Basketball Championship all in the same year.

My congratulations to the assistant coach, Steve Fisher, for the first time a coach taking the Michigan Wolverines to six straight victories in the NCAA tournament.

I congratulate Glenn Rice for winning the basketball championship, breaking the record of Senator BILL BRADLEY, and also the rest of his colleagues for an outstanding championship last night.

Congratulations to the Michigan Wolverines from my district, the Second Congressional District of Michigan.

BALTIMORE ORIOLES BACK WHERE THEY BELONG, IN FIRST PLACE

(Mr. CARDIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, what a glorious morning this is. I do not have much of a voice left from yesterday's ball game. The Sun is shining, the flowers are blooming and the birds are singing. Of course, I am talking about the birds of Baltimore. The Baltimore Orioles are back where they belong, in first place in the American League East.

What a difference a year makes. It may be a tad early to be comparing this Orioles team with the great O-clubs of the recent past; but yester-

day's come from behind 5 to 4 extra-inning win over the defending American League East champion Red Sox served notice that the 1989 Orioles will be playing winning baseball.

The people of Baltimore were honored to have the President of the United States as their guest at Memorial Stadium yesterday. The President, a great fan of the national pastime, took the opportunity to introduce Egyptian President Hosni Mubarak to the pleasures of baseball.

My congratulations to owner Eli Jacobs, club president Larry Lucchino, manager Frank Robinson, and all the Orioles heroes for their opening day win, and best wishes for continuing a great winning tradition.

COMMENDING LADY VOLS OF TENNESSEE

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, it is with great pride that I take the floor to commend the Tennessee lady Vols who are now the national champions of Women's Collegiate Basketball. The lady Vols, of course, are from the University of Tennessee at Knoxville, which is in my district, the Second District of Tennessee.

Certainly the Tennessee lady Vols have made all Tennesseans proud of their accomplishments on the basketball court. I want to commend them for their many hours of long, hard work and their dedication and enthusiasm.

I also would like to salute athletic director Joan Cronin, who has been recognized as one of the truly great athletic directors, male or female, in the United States, and has become an outstanding and recognized leader in the NCAA.

Coach Pat Head Summit for 13 years has made the Tennessee lady Vols one of the leaders in women's collegiate basketball, and she has been named the National Coach of the Year in Women's Basketball. Also, she has never had an athlete who has played 4 years under her who has not graduated.

I want to salute athletic director Cronin and coach Pat Head Summit and the Tennessee lady Vols for their great championship in winning the final four in Takoma.

ELDERLY SHOULD BEWARE OF DIRECT MAIL

(Mr. PICKETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKETT. Mr. Speaker, millions of elderly Americans are regularly targeted by slick direct-mail solicitation campaigns under the guise of protecting Social Security and Medicare benefits.

We all know these groups and how they operate. A request is made for a small membership fee that is supposedly critical to lobbying efforts that will ensure the future of Social Security and Medicare. The appeal is always urgent, and the failure to act is craftily portrayed as a personal financial catastrophe about to happen.

The latest such mailing to hit the streets has provoked dozens of calls from scared and confused senior citizens. They ask, "Why does the Government want to take away my Social Security?" or they want to know, "whether these groups are agencies of the Federal Government?" as their stationery often suggests. One even thought her membership dues went to me.

Mr. Speaker, we all cherish our first amendment freedoms. The legal right of these organizations to do what they are doing is not disputed. What I do question, however, is their sense of ethics and fairness. Is the fear and confusion created by these specious appeals really in the public interest?

PROVIDING FOR SWEARING IN OF MS. JILL LONG, OF INDIANA, AS A MEMBER OF THE HOUSE ON TOMORROW

Mr. CARDIN. Mr. Speaker, I ask unanimous consent that the gentlewoman from Indiana [Ms. JILL LONG] be permitted to take the oath of office tomorrow. Her certificate of election has not arrived, but there is no contest, and no question has been raised with regard to her election.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

WHAT MONEY CANNOT BUY

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, on March 24, 1989, when the Exxon *Valdez* was torn open on Bligh Reef in the rugged Alaskan shoreline near Valdez, more than 11 million gallons of oil was spilled out into a pristine environment.

This ecological disaster, the largest oil spill in U.S. history, exposed just how inadequate human knowledge and response is to deal with the forces and consequences of our actions.

Hollow promises and pledges from the oil industry would be a laugh if the results were not so devastating.

Today, the oil industry blames human error, the State of Alaska, everyone but themselves.

This is ludicrous. Did the Exxon Oil Co. oilspill policy assume human operator perfection? Would technical or mechanical failure only have made for a proper cleanup scenario? The dispersal substance diversion and attempt to transfer their responsibility is obviously transparent and wrong.

Taxpayers are already deeply involved with hundreds of Coast Guard personnel, hundreds of scientists, and even the local fishermen trying to wrestle with the square miles of this fragile Alaskan area, and Exxon Oil Co. says that they are going to leave it as they found it.

Well, Mr. Speaker, there are some things money cannot buy and that is certainly why this Congress must pay very close attention to the oil development decisions in Alaska. The track record of exploration, development, and transportation is leaving a permanently scarred ecosystem that will never be restored to the pristine natural conditions so essential to the biological diversity and a global population dependent upon such resources.

FAIRNESS FOR SPEAKER WRIGHT CRITICAL TO ALL MEMBERS

(Mr. MOODY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOODY. Mr. Speaker, I rise today to comment on recent developments which I find very troubling: the calls by a few Members of this House for indiscriminate and unedited release of the Ethics Committee's report on Speaker WRIGHT.

We all support the ability and the obligation of the Ethics Committee to take a close, hard look at any responsibly made charges that are formally brought against any House Member. But, every Member—from the newest freshman up to the Speaker—is entitled to protection and fair treatment at the conclusion of the committee's internal inquiry.

This fair treatment requires that only the supporting material on those charges the committee decides to precede on should be released. Releasing the other material—unsubstantiated charges, rumors, innuendo, and speculation—threatens all Members, and makes a mockery of fair play.

The special counsel has doubtless done a thorough job, followed every lead, pursued every rumor, and reported on each to the committee.

But as the Ethics Committee prepares its recommendations to the full House, I urge it to treat this special counsel report in the same confidential manner as its previous reports by outside counsels. Release only the information with which the committee

agrees is relevant and necessary to support its findings.

Bear in mind, that under committee process, the Member under review is not made privy to the detailed particulars until the committee makes its recommendations, and can only then begin the formal process of rebutting or responding to the committee's charges. To ask a Member, any Member, to also respond to various other charges not deemed worthy of pursuit by the committee, would be totally unfair, particularly in a world of press sensationalism.

I urge the Committee on Standards of Official Conduct to adhere to its distinguished history of fairness in the matter of releasing unsubstantiated, uncharged items. With one minor exception, the committee has never done this, and fairness to all Members requires the same treatment now.

□ 1220

HAIL TO THE VICTORS VALIANT

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, this is a great day for the greatest State in the Union. Home of the great American automobile industry, home of a great Wolverine football player and President of the United States, home of the greatest political party in the history of Western civilization, the great State of Michigan is today home of the NCAA basketball champions.

This is the first NCAA basketball championship for the University of Michigan. But it will not be the last. In fact, with the exception of Glen Rice, the record-setting forward who is graduating this year, the entire Michigan starting lineup is scheduled to return next year. Only modesty prevents a Michiganite from suggesting that this may be the beginning of a long-lasting basketball dynasty.

By his own description, the "happiest man alive" last night was Steve Fisher, who was appointed interim coach of the Michigan squad just 2 days before the NCAA tournament began. Some people were reminded of another Michiganite, President Jerry Ford, who unexpectedly took over the Presidency and steered the country through some of its toughest years.

It has been noted that Michigan's players come from all over the Nation. And it is not just the basketball program that attracts them. The University of Michigan has one of the finest academic reputations in the United States. Rumeal Robinson, the talented guard, is just one example of a student who scores high in the classroom as well as on the court.

This is a great day for the University of Michigan and a great day for all Michiganites as well.

PRESIDENTIAL CHECKOFF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 5 minutes.

Mr. MOAKLEY. Mr. Speaker, I have today introduced a bill (H.R. 1671) to amend the Internal Revenue Code of 1986 with respect to the designation of income tax payments to the Presidential election campaign fund.

This legislation would make a modest change in the manner of designating the $1 checkoff for the Presidential election campaign fund.

In recent years, there has been a marked decline in the number of taxpayers who elect the checkoff. Indeed, if an unexpectedly spirited primary fight developed on the Republican side, there will not be sufficient funds for the 1992 cycle.

Mr. Speaker, I would insert, at this point in the RECORD the editorial of the Washington Post, Monday, March 20, 1989, on the subject:

CHECKOFF OR SHORTFALL?

As you struggle with your 1040 form during the next few weeks, you may not be in a mood to give much thought to an item right there at the top of the page. As soon as you fill in the lines requiring your name, address and Social Security number, you are faced with another choice: Should you check the box that authorizes $1 of your taxes to be sent to a special fund for the public financing of presidential campaigns? It's a good-government kind of step to take, but according to the Federal Election Commission, fewer Americans are participating every year.

Ten years ago, more than one out of four taxpayers agreed to the checkoff, and almost $40 million was contributed to the fund. By 1987, those figures were 21 percent and $33.6 million. The decline—except for a blip in 1986—has been steady, and the 1988 figures, when complete, will show a continuation of the pattern. At the same time, expenditures from the fund are rising. More matching funds were given out in 1988 than ever before. The amount that individual presidential candidates can receive is adjusted for inflation, so expenditures in general elections have been rising. In addition, last year there were open primaries in both major parties and a record 15 individuals—including Lyndon LaRouche and Lenora Fulani—qualified for public funds.

Why is taxpayer participation declining? There are no hard data to explain the figures, but political analysts speculate that some voters have been turned off by negative advertising and don't want even $1 of their money to pay for it. Others have been disillusioned by the use of "soft money" to undermine the system. And there are those who simply don't understand that checking that box doesn't cost them anything. But the dollars are down and the demands are up, and if present trends continue and Congress doesn't do something about it, the fund will not be sufficient to provide matching money by the 1996 election.

Some relatively painless steps could be taken to ease the crunch. The checkoff figure could be adjusted to account for inflation. Or the threshold amount that individual candidates have to raise in each state in order to qualify for funds could be increased, again to account for inflation. But if nothing is done and there is a shortfall in 1996, there will be great pressure to abandon public financing entirely and return to the private sector for campaign funds. That would be a disastrous step backward, and Congress should be taking steps now to avert it.

Observers have offered a number of explanations for the decline, including public disenchantment with negative campaigns and confusion over the fact that the $1 is not deducted from refunds.

However, Mr. Speaker, I believe that a significant portion of the decline in participation is due to a clerical problem that can be addressed by legislation. In recent years, the tax laws have been reformed significantly, but these reforms have not produced simplification. Indeed, year by year, it has become much harder for taxpayers to prepare their own returns.

As the process of filing has become more complicated, a growing number of taxpayers have had to turn to tax preparation services. Some of the larger operations are virtual factories that employ the same work efficiency standards that automakers use on their assembly lines. They have determined that a preparer could handle an extra paying customer daily in the time needed to explain the checkoff, and its consequences—or nonconsequences—to each customer. As a result, it is common practice in the industry to leave the item blank and begin the preparation procedure one space down.

However, since leaving the item blank is the same as checking "no," these preparers are making a negative choice, on behalf of their clients, without affording them an opportunity to make an informed judgement.

It seems to me that the most appropriate way to handle these omissions, without limiting a taxpayer's right to say "no," and to simplify the procedure for making a decision, is to make the payment automatic, unless the taxpayer specifically designates that he does not want money to be paid into the fund.

The legislation I am introducing today would do that. The bill protects the right of taxpayers to make a decision, but it would protect them from having an automatic negative decision made for them by their paid tax preparer.

It seems to me that this approach is fair, but several obvious compromises are possible. One would be to apply the percentage of taxpayers checking "yes" or "no" to returns for which no designation is made, or creating a legal obligation for paid preparers to obtain their client's decision rather than making an automatic negative judgement on their behalf.

Mr. Speaker, I am introducing this version to afford the Committee on Ways and Means an opportunity to explore this issue, and urge the committee to consider the matter.

Mr. Speaker, I insert the text of the bill in the RECORD at this point:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 6096 of the Internal Revenue Code of 1986 (relating to designation by individuals) is amended to read as follows:

"(a) PAYMENTS TO FUND.—

"(1) IN GENERAL.—Except as provided in paragraph (2), there shall be paid over to

the Presidential Election Campaign Fund, in accordance with the provisions of section 9006, $1 for each individual (other than a nonresident alien) whose income tax liability for the taxable year is $1 or more. In the case of a joint return, the preceding sentence shall be applied separately with respect to each spouse and the income tax liability of each spouse shall be ½ of the joint liability.

"(2) DESIGNATION TO HAVE PARAGRAPH (1) NOT APPLY.—Paragraph (1) shall not apply with respect to an individual for any taxable year if such individual designates for such taxable year that such individual does not want $1 to be paid to the Presidential Election Campaign Fund. In the case of a joint return, such a designation may be made separately by each spouse."

(b)(1) Subsection (c) of section 6096 of such Code is amended by striking "subsection (a)" and inserting "subsection (a)(2)".

(2) Subsection (a) of section 9006 of such Code is amended—

(A) by striking "amounts designated (subsequent to the previous Presidential election) to the fund by individuals under section 6096" and inserting "amounts required to be paid (subsequent to the previous Presidential election) to the fund under section 6096", and

(B) by striking "amounts so designated" and inserting "amounts so required to be paid".

(3) Subsection (a) of section 9008 of such Code is amended by striking "amounts designated by individuals under section 6096" and inserting "amounts required to be paid to the fund under section 6096".

(c) The amendments made by this section shall apply with respect to taxable years ending after the date of the enactment of this Act; except that such amendments shall not apply with respect to taxable years beginning in the calendar year in which such date of enactment occurs if such date of enactment is on or after October 1 of such calendar year.

A CLEAN DEAL FOR THE PUBLIC IN THE SAVINGS AND LOAN BAILOUT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, the American taxpayer—directly and indirectly—will be putting up billions of dollars to bail out, to resurrect, and to rebuild the savings and loan industry.

After the smoke clears and the panic atmosphere subsides, the Congress will be asked, inevitably, what did the taxpayer receive in return.

At a minimum, Mr. Speaker, we should be able to answer:

First. We provided a strong insurance system backed with airtight, tough, no-holds barred regulation.

Second. We required that institutions, bailed out and sustained by public moneys, serve public purposes. I will be offering an amendment in committee that will require regulators to disclose their evaluation of an institution's performance in meeting the limited requirements of the Community Reinvestment Act.

Third. We assured that institutions, bailed out and sustained by taxpayers of all racial, ethnic, and religious backgrounds and taxpayers of both genders, do not discriminate against persons at the loan window. So that we may answer that question in the affirmative, I am offering an amendment, fashioned after the Kennedy-Gonzalez bill, that will provide the regulators with ongoing data with which to enforce the Equal Credit Opportunity Act, the Fair Housing Act and the Community Investment Act.

Fourth. We took seriously the congressional intent that the Home Loan Bank System and the savings and loan industry were created as entities to support mortgage lending. So that we may answer in the affirmative to this question, I am proposing amendments that would tap, in a very modest fashion, the Cash Advance Program of the home loan banks to support critically needed low- and moderate-income housing. The cash advance window has operated as an open no-questions-asked subsidy for the industry all these years. Now, all we ask in return for this largesse is a limited commitment for a critical public need—affordable housing.

Fifth. We will make maximum and prudent use of assets recovered from failed institutions. Instead of turning property over to speculators at fire-sale prices and further depressing local real estate markets, I am proposing that, where possible, residential property be made available to local housing agencies and nonprofit organizations for people who most need shelter. The cost of holding the property for auction is high—estimates are as high as $5,000 annually per unit—with the prospects of only the most limited return at best. Clearly, the taxpayers and the Nation as a whole are better served if this property can be utilized for local housing needs that have to be met from some source. For once, economics and compassion are hand in hand.

Mr. Speaker, there are some who suggest that we simply take the people's money and run. We are told the savings and loan business is too important to be worried about benefits for the public.

"The wrong vehicle at the wrong time," is an old refrain in the Banking Committee, revived when anyone seriously suggests that financial institutions, eating at the public trough, have a public responsibility.

Some talk about a clean bill in reverent tones. For the public, that legislative term may need a little explaining. What may be a clean deal for the regulators and the industry may well be a dirty deal for the public.

A clean bill, by my definition, is one that balances public costs with public benefits. Let us have that kind of clean bill.

INTRODUCTION OF MEDICARE ANESTHESIOLOGY REIMBURSEMENT CORRECTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. GLICKMAN] is recognized for 5 minutes.

Mr. GLICKMAN. Mr. Speaker, Kansas anesthesiologists and Medicare beneficiaries do not receive equitable Medicare reimbursement for anesthesiology services when compared with anesthesiologists and beneficiaries in similar States and localities. Although this problem came to my attention when constituents and anesthesiologists contacted my office for help, I now realize that many other States share a similar problem. Therefore, today I am introducing the Medicare Anesthesiology Reimbursement Correction Act of 1989 which will correct this problem.

Medicare is a Federal program and disparity in benefits between States should only be allowed when special circumstances in that State or locality require it. The criteria establishing the conversion factors, which are used to determine the various rates of reimbursement, are outdated by nearly 20 years and do not include the most justifiable differences. My bill requires that these differences be addressed. Beneficiaries pay the same premiums regardless of where they live, so they should not have to pay more for the same services, unless there is just cause for them to do so.

The result of this inequitable reimbursement is that Kansas has lost 25 percent of its young anesthesiologists in the last 18 months. In addition, fewer anesthesiologists participate in the Medicare Program in Kansas than comparable States, and beneficiaries pay, out of pocket, more than half the cost of Medicare-covered anesthesia care. If this situation is not corrected, anesthesiologists will continue their nonparticipation, allowing beneficiaries in low reimbursement States to suffer the consequences. Even worse than higher rates is the prospect of having no anesthesiologist at all. Unfortunately, once you begin to lose physicians, you lose services and this affects not only Medicare beneficiaries but the general population as well.

My bill will require the Secretary of Health and Human Services to adjust the conversion factor applied to anesthesia services under part B of title XVIII of the Social Security Act, to include only variations in malpractice insurance costs and significant variations in other costs of practice. This then will establish a more equitable set of criteria as the basis for conversion factors, as opposed to the arbitrary and happenstance data on which they are currently based.

The legislation I am introducing today is long overdue and will correct an inequity which threatens basic patient care in States like Kansas. I ask for my colleagues' support in prompt action on this bill.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

INSURANCE COMPETITIVE PRICING ACT OF 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BROOKS] is recognized for 5 minutes.

Mr. BROOKS. Mr. Speaker, today Congressman DON EDWARDS and I are introducing the Insurance Competitive Pricing Act of 1989 to restrict the antitrust exemption that for 45 years has permitted the insurance industry to set prices and engage in other anticompetitive practices without fear of prosecution.

Since 1944, when Congress exempted the business of insurance from the antitrust laws, insurance companies have been legally allowed to share all forms of data, even for purposes of jointly fixing premiums and policy provisions. While some have warned for decades that such unprecedented freedom to engage in concerted activity could lead to a cartel-like industry controlling the marketplace, these urgings for reform went largely unheeded until the insurance crisis of the mid-1980's. Then, suddenly, a host of local governments, businesses, and individuals found their premiums skyrocketing and their coverage severely restricted.

Over the past several years, thousands, if not millions, of consumers have found themselves unable to buy affordable insurance to run their businesses and to protect their homes and automobiles. It is time for us to see whether the insurance industry's unique treatment under the antitrust laws has led to this insurance crisis.

Congress can no longer ignore the widespread economic dislocation in our midst caused by unreasonable insurance prices. We need to strike a reasonable balance in permitting insurance companies to continue to perform their valuable services while ensuring that their activities are subject to the same brisk winds of competition that invigorate all other major industries in America.

The Insurance Competitive Pricing Act of 1989 is identical to legislation which Congressman EDWARDS and I drafted late last year and which passed the House Judiciary's Subcommittee on Economic and Commercial Law during the closing days of the 100th Congress. The language adopted then, and introduced today, was the product of extended deliberations and many compromises aimed at permitting the joint collection of certain necessary historical and loss data while prohibiting the collective use of other types of information that could be used to fix prices or otherwise restrict competition in the industry.

The legislation avoids a radical, broad-gauged assault on the insurance industry by banning only the most pernicious anticompetitive offenses, such as price fixing and monopolization. And, even in these areas of conduct, the bill would permit the States to preempt the operation of the Federal antitrust laws, provided that State regulators take a truly active role in supervising the industry's business practices.

The challenges now facing the American free enterprise system are great indeed, and no longer can we permit entire sectors of the economy to be completely immune from both competitive forces and effective regulation. There is no reason why the insurance industry should be the single major industry in America beyond the pale of the antitrust laws. If we are to compete successfully in the highly demanding international marketplace, then we must ensure that vigorous competition prevails throughout our domestic economy.

I hope that my colleagues in the House will join with me in supporting this important initiative.

□ 1230

TRIBUTE TO THE 200TH ANNIVERSARY OF THE ATTAINMENT OF THE 1ST QUORUM IN THE 1ST CONGRESS

The SPEAKER pro tempore (Mr. PAYNE of Virginia). Under a previous order of the House, the gentlewoman from Louisiana [Mrs. BOGGS] as the designee of the gentleman from Washington [Mr. FOLEY] is recognized for 60 minutes.

Mrs. BOGGS. Mr. Speaker, it is my great pleasure to join with my colleagues today in paying tribute to the 200 years of the genius of the framers of the Constitution who conceived the House of Representatives and the efforts of the men and women who have served here over the past two centuries and who made the peoples' House a reality.

In the spring of 1789 the Nation was on the verge of launching a great experiment. The old Government under the Articles of Confederation had wound down and the new Constitution had taken effect. There was much apprehension in the land. The country had just witnessed the great debate over the ratification of the new charter, but the true nature of the new Government established under the charter, though brilliant in concepts, was unclear in detail and uncertain in execution. It was one thing to draft a document that said how government should work, and another matter altogether to make it work.

The task fell to the First Congress to put flesh on the barebones of government to launch the ship of state. The Congress convened in New York on March 4, but the assembled Representatives and Senators were insufficient to constitute a quorum. Finally, on April 1, 1789, James Shureman of New Jersey and Thomas Scott of Pennsylvania took their seats and the House Journal soberly recorded:

> And a quorum, consisting of a majority of the whole number, being present, *Resolved*, That this House will proceed to the choice of a Speaker by ballot.

The House elected Frederick Muhlemberg of Pennsylvania as its first Speaker and John Beckley as its first Clerk. Having completed its first day of business, the House adjourned.

During the following week the House proceeded to organize itself, appoint a rules committee, and chose a Doorkeeper. Fisher Ames observed of his colleagues:

> I assure you I like them very well. There are few shining geniuses; there are many who have experience, the virtues of the heart, and habits of business.

Six days later, on April 6, the Senate obtained a quorum for the first time and the House withdrew to the Senate Chamber to open the certificates and count the votes of the electors of the several States for President and Vice President. After counting the ballots, messengers were dispatched to notify George Washington and John Adams of their election.

By the fall of 1789, the House of Representatives had elaborated the structure of the Federal Government, creating the foundation on which the execution of our Government has rested ever since. The work of the First Congress breathed life into the Constitution and fulfilled its promise and guaranteed our rights and liberties with 10 profound amendments to the Constitution.

The First Congress was unique in American history. All of us here are benefactors of that great assembly 200 years ago. We take its work for granted, yet the smooth establishment of our Government is something to marvel at. Many countries have written constitutions which were conceptually sound but which failed in their implementation. Two hundred years later we can look at the handiwork of the framers and still see the structure of Congress that they crafted. This results, in no small part, from the efforts of the 11,000 men and women who have served in the House and Senate in the preceding 100 Congresses.

Mr. Speaker, I have been associated with this body in one capacity or another for nearly a half century. I have known many of the great men and women who have served here: Sam Rayburn, Carl Vinson, Clarence Cannon, Joe Martin, Lenore Sullivan, Julia Butler Hansen, Tip O'Neill, and Dick Bolling. They have all left their footprints on this history of this House, footprints in concrete, not sand.

One thing has impressed me about the dedication of these individuals, and the many others I have known who have served in this body, they believed, like James Madison and George Mason, that the people had to be the great strength of the Government and that the House of Representatives, because it is elected directly by the people, is most sensitive to their needs. The House, in Mason's words, is the

"grand respository of the Democratic principle of government."

At the conclusion of the Constitutional Convention in Philadelphia, Benjamin Franklin was approached by a woman who asked "what type of government have you given us, a monarchy or a republic?" He answered, "A republic, if you can keep it."

Well, Dr. Franklin, we have kept our Republic, thanks to your wisdom, and the genius of the men who drafted the Constitution in Philadelphia and those who established the new Government in New York two centuries ago. We have also kept it because of the dedication to the principles of the Constitution manifested by the men and women who have served here over the past 200 years. Pray the Lord that this wisdom and dedication will continue among the American people for the next 200 years. May there continue to be men and women of genius, experience, and virtues of the heart to defend this Republic.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, I thank the gentlewoman from Louisiana for yielding to me that I might also participate in this special order. It is a pleasure to join with our other colleagues in commemorating the first quorum of the House.

As the gentlewoman from Louisiana indicated, that was held on April 1, way back in 1789. On the next day, April 2, the House formed a committee of 11 members to prepare and report standing rules and orders of proceeding.

I would like to take this occasion today to speak very briefly about the rules and procedures of the House, the creation of which so quickly followed the first quorum.

In commemorating the first House quorum, we are honoring the commitment of the founders not only to the stirring words and phrases about freedom, but to the orderly legislative procedure that is necessary for freedom to flourish.

The way the House carries out its deliberations is as important to freedom as the deliberations are themselves. Most citizens do not realize that, but it is true.

The manner in which we debate, our adherence to procedures, the orderly process through which we arrive at our decisions, all of these are the very essence of freedom under law.

My colleagues remember that great poem written and read by the Poet Laureate Howard Nemerov at our bicentennial celebration. It ended with this quatrain:

Praise without end for the go-ahead zeal
Of whoever it was invented the wheel;
But never a word for the poor soul's sake
That thought ahead, and invented the brake.

The quorums and other parliamentary procedures that guide and rule our passionate disagreements are a brake on our "go-ahead zeal." They are a necessary restriction on our natural desire to get things done quickly and to get them done our own way.

I am now going to read a quote from Jefferson's Manual of Parliamentary Practice on the Importance of Adhering to Rules. It is done in the old English, so bear with me.

So far the maxim is certainly true, and is founded in good sense, that as it is always in the power of the majority, by their numbers, to stop any improper measures proposed on the part of their opponents, the only weapons by which the minority can defend themselves against similar attempts from those in power are the forms and rules of proceeding which have been adopted as they were found necessary, from time to time, and become the law of the House, by a strict adherence to which the weaker party can only be protected from those irregularities and abuses which these forms were intended to check, and which the wantonness of power is but too often apt to suggest to large and successful majorities.

Our rules are not and should not be the means by which one faction imposes its will on the other. They are the means by which all of our wills are harnessed to the gentle but firm restraints of reason and tradition and order.

If we abuse the rules, if we subvert procedure, we strike a blow at the very heart of free, representative government.

□ 1240

I often hear references to what is called mere procedures, but without these mere procedures these debates would be chaotic and without end.

Our attempts to do the work of the people would be held hostage to the whims of the loudest and/or the strongest and, conceivably, the most deceitful. And those who believe that a quorum is intrinsically dull should recall what happened on January 29, 1890, when the Speaker of the House, Thomas Reed, responding to the call of "no quorum," directed the Clerk of the House to record the names of those present and refusing to vote.

The history of the House of Representatives records what then happened. Immediately the House was in an uproar. Members poured into the aisle and denounced the Speaker as a tyrant and a czar. The commotion continued for several hours amid scenes of unprecedented disorder.

Now we may smile to learn that a mere quorum could cause such a scene, but at the heart of that uproar was a battle over the principles, a struggle over the very heart and soul of the House of Representatives.

It makes no more sense to talk about mere procedures in our debates than it does to talk about mere blood in our veins. Each is vital to the life of the body in question.

A few years ago the structure of the U.S. Capitol Building was found to be weakening and extensive restoration work was done on the west front over a long period of time. Finally, the structure was repaired. Today the Capitol Building is as beautiful as ever and stronger than it was a few years ago.

Just as the Capitol Building has a structure of stone and steel, so do our debates and hearings have a structure that we call procedure. And just as the material structure of this building needs repair from time to time in order to keep the Capitol the shining symbol of democratic government, so over a 200-year period the House should have looked at its own procedures and revised them and strengthened those that need it, and replaced others with rules that better meet the needs of free debate.

We have not really done that. But instead the rules are becoming what I perceive to be the tool of the majority to dictate the outcome of our debates.

The Constitution provides that a quorum is necessary to do business. But we have been inclined of late to bend our Constitution a bit by using our rules to decide what business is.

Rather than dwell on the manner in which the Democratic majority has run this House over the past 36 straight years, I would simply conclude with this one remaining thought: The first quorum was the beginning of the creation of the inner structure of parliamentary freedom in the House. It was the way the House of Representatives made itself known to the people and to history as an organized body prepared to work.

Before the first quorum there was a group of men elected to perform a duty. After a quorum was established, the work could begin because the orderly method of making laws had imposed its first demands.

Mr. Speaker, I join with all our colleagues in saluting the quorum, without which none of the great work we have done here for 200 years could have come to pass.

Mrs. BOGGS. I thank the minority leader, the gentleman from Illinois [Mr. MICHEL]. Certainly his participation in these special orders commemorating the 200th anniversary of the House, having achieved a quorum, is certainly very fitting. No one has served the House better, with a greater enthusiasm and devotion than has the gentleman from Illinois.

Mr. Speaker, I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentlewoman for yielding.

Mr. Speaker, I want to thank the gentlewoman from Louisiana [Mrs. BOGGS] for taking this time to commemorate the 200th anniversary of

the 1st quorum of the House of Representatives.

I am proud to be a member of this 101st Congress and to help carry on the tradition of democracy and freedom that our Founding Fathers established back in 1789. Every other country in the world has changed its form of government in some way since 1789—except the United States. We've had problems along the way, including nine major wars, but we have preserved the Constitution and what it represents to Americans and to the entire free world.

This U.S. Capitol Building and the business we transact in this House symbolize, more than anything else, the success of our democracy and the commitment our citizens have had over the years to make it work. Because of that rich history, I think all of us who serve here have a strong sense of respect and reverence for this House as an institution.

In many ways, that First Congress was feeling its way through uncharted territory. But the men who gathered in New York were determined to show the world that their new republic was going to make it. I think we would all agree they did a pretty good job.

It is interesting to note that the First Congress discussed such matters as trade, revenue bills, their own salaries, foreign policy, just to name a few. Things may be more complicated today, but we are still talking about the same issues and we are still doing something very important to the survival of any democracy—we are listening to the people.

Since Mississippi became a State in 1817, it has sent some very distinguished people to represent its interests here in Washington. L.Q.C. Lamar's name immediately comes to mind. He was elected to the House in 1872. He, also, served in the Senate, to a Cabinet post as Secretary of the Interior under Grover Cleveland, and also served as a Supreme Court Justice. He is one of just a handful of Americans who served his country in all three branches of our government.

Of course, we have been fortunate to send many other capable lawmakers to this House from the State of Mississippi. I think it is also worth mentioning that Mississippi natives have served as Members of the House from other States, from as far away as New York and Oregon, and as close as Louisiana and Alabama, Mississippi's sons have been a part of this Chamber. That includes my good friend and former colleague from Alabama, Bill Nichols, and the former majority leader from Louisiana, Hale Boggs.

I am proud of the contributions our Mississippi native sons have made to this great country. I am also very proud and honored to be in this Chamber today as a Representative of Mississippi's Third District and as a participant in this ceremony.

I want to again commend Mrs. BOGGS for the work she has done as Chairwoman of the Commission on the Bicentennial of the House of Representatives. I appreciate having the chance to share this time with you.

Mrs. BOGGS. I thank the gentleman from Mississippi [Mr. MONTGOMERY] for his contribution.

Certainly the gentleman from Mississippi [Mr. MONTGOMERY] has made us all proud of our service in the House by his service.

Mr. Speaker, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. I thank the gentlewoman for yielding.

Mr. Speaker, I thank the gentlelady from Louisiana [Mrs. BOGGS] and for arranging this special order, designed to commemorate the first quorum in the U.S. House of Representatives.

There have been a number of special features on television, and magazine articles, in recent months which poke gentle fun at the fact that the first Congress took one full month to obtain a quorum.

However, we have to face the fact that the world the new United States was a part of some 200 years ago was light years away from the world we enjoy today.

Today, we enjoy the benefits of jet air travel, allowing a Member of Congress from the Pacific Coast to come to Washington within 6 hours. We enjoy a great interstate highway system that guarantees any Member from the Mid-Atlantic States to be here in a matter of hours.

But the world of 1789 was far different. Airplanes and automobiles were over 100 years into the future. Even modes of transportation which seem antiquated today had not yet become practical. The invention of the steamboat, for example, came some 18 years after the First Congress met. The early, crude wood and coal burning locomotives were several generations in the future.

Thus, we really should not be too critical that the First Congress took a month to gather. In those days, horseback was the only effective mode of travel from one end of the 13 States to the other. Good roads were unheard of. In fact, it took our first President, George Washington, 2 months to journey from Mount Vernon, just south of here, to the National Capital in New York City for his inauguration.

Rather than criticize the difficulty of Congress to assemble enough Members to conduct business, let us instead concentrate on the accomplishments of that First Congress:

Ratifying and sending to the States the first 10 amendments to the U.S. Constitution, the venerated Bill of Rights which have proven to be the cornerstone of our freedoms.

The approval of our first Federal Cabinet, setting the precedent of attracting the very best to our executive branch.

The approval of our first diplomatic missions and our first treaties, which established the United States as a strong and firm player on the world scene.

Passing the laws which established our Federal judiciary system, which created our executive departments, and which in many ways laid the groundwork for the efficient National Government which we enjoy today.

The establishment of the parliamentary precedents which have allowed us to this very day to conduct the people's business with decorum and with efficiency.

No, Mr. Speaker, rather than criticizing our early colleagues for showing up a month late for the first session of the First Congress, we should laud them for the fine heritage that they have passed down to us, 200 years later.

□ 1250

Mrs. BOGGS. Mr. Speaker, I thank the gentleman from New York for his participation and for his service to this body and for reminding Members of the great inconveniences that had to be endured by the first Members in order to get here or to New York and to achieve a quorum.

I was interested that the night before his plane disappeared over Alaska, my husband, Hale Boggs, who was majority leader of the House at that time, was asked by a member of the audience if he did not think that with the rapid transportation, the instant communication and the high cost of elections, that it would not be more convenient to have the House elected for 4-year terms. He responded, "I am sure the Founding Fathers did not care one whit about conveniences of the Members," but that the election of the whole House of Representatives in the middle of a Presidential term was the only real national plebiscite on the progress of that term and that he would hope that we would keep the 2-year election cycle because of it. So I thank the gentleman for pointing out the difficulties that were endured by the first Members of this body.

Mr. GILMAN. I thank the gentlewoman for making that ever more illustrative through the wonderful words of Hale Boggs.

Mrs. BOGGS. The gentleman from New Jersey [Mr. HUGHES] is recognized.

Mr. HUGHES. Mr. Speaker, I thank the gentlewoman from Louisiana for yielding to me and would like to congratulate her in taking out this special order.

Mr. Speaker, I rise to join with my colleagues to commemorate the 200th anniversary of the first quorum of the House of Representatives.

Continuing our celebration of the bicentenary of the Constitution of the United States, today we mark the historic event of April 1, 1789, when the House gathered a majority of its Members in the Federal Capital of New York City, and was empowered to conduct the business of a fledgling nation.

Of course, in those bygone days the assembling of a quorum of representatives from the vast territory of the new union was a more difficult task than perhaps we can conceive. We in the 101st Congress are accustomed to answering the quorum call bells and registering our presence within 15 minutes, and perhaps we have even come to look upon the procedure as a quaint historical anachronism. But the prospect that no quorum would be established, and that the new Congress would be as ineffectual as the old Congress under the articles of confederation, was a cause of concern to the founders.

In January 1789 Alexander Hamilton wrote to a friend of the importance "that there should be an appearance of zeal and punctuality in coming forward to set the Government in motion." He was, however, disappointed. Late elections in some States were partly responsible for the delay in assembling a quorum. Distances then were long and travel was much harder and less dependable than today, airline deregulation notwithstanding. Weather conditions at that time of year were heavy, roads more or less bottomless, ferriage across rivers impracticable, and sea voyages made insecure by storms. Ready money or exchange was often difficult to get together, even if members-elect had the potential means.

And so it was an occasion of some moment when, on that first day of April 1789, James Shureman from New Jersey and Thomas Scott from Pennsylvania took their seats, the presence of a quorum was established, and the House proceeded with the initial business of the First Congress of the United States. It may come as no surprise that the initial debates in the new body involved possible sources of revenue for the new government and the proper degree of trade protectionism.

Mr. Speaker, the establishment of a quorum is an essential act in the life of a representative democracy, for without it any parliamentary body forfeits its legitimacy and its authority to act in the name of the people. And so I would suggest that, in future, when Members are called away from committee meetings or other business by those familiar bells, they think of them not as an inconvenience, but rather as a ringing celebration of the democratic experience.

Mrs. BOGGS. Mr. Speaker, I thank the gentleman from New Jersey, and just as Shureman expedited the opening of the first Congress by creating a quorum, the gentleman from New Jersey [Mr. HUGHES] has been expediting the business of this House ever since he first arrived here. We thank the gentleman so much for his participation.

I yield to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Speaker, I am very pleased today, pleased and proud, to join in with my colleagues in the 101st Congress to commemorate the bicentennial of the U.S. Congress, and I, too, wish to commend Congresswoman LINDY BOGGS for her constructive work as chairman of the House Bicentennial Committee. She has done an outstanding job, and I am very pleased to join in with her today.

To me, the modern day Congress represents many things: frustration, opportunity, conflict, freedom—and occasionally, more frustration. But our constant exchange of ideas and struggle for the betterment of a people, however uncomfortable or heated the debates may become, is the basis of what this country and this Congress are about. We have enjoyed 200 years of an uninterrupted democracy because of the strength of this system.

Serving in this great body is a privilege and an honor bestowed on us by our fellow citizens. We aren't granted membership in Congress because of an accident of birth to royalty. Our membership is not decided by a select few from behind closed doors. We are here because of a desire to serve, and every 2 years we humbly ask our fellow citizens to offer us the opportunity to serve another term.

I personally have a great reverance and respect for that system, and a full appreciation of the mandate of the people. You see, I grew up in poverty in a large ethnic family. I began working at age 12 and I have not stopped since. I believed in America and no one ever told me there were limitations as to what I could accomplish in life. Obstacles—yes. Absolutely. But I also knew that obstacles could be overcome because of what this country stood for—freedom and equality.

Eventually, I very daringly went before my fellow citizens and asked them to send this working girl to Washington to serve as their Representative. They turned me down twice. On my third run for office, they listened and took a chance on me. Now, together, we keep up our end of the checks and balances system that keeps America a democracy and an oasis of opportunity.

That is what Congress was all about 200 years ago, and is still about today—representing the people, and being held accountable.

And it is just one of the many things in Congress that has remained constant.

The very first congressional debate back in April of 1789 examined possible sources of revenue. Revenue versus spending remains a foremost issue in Congress and with the American citizenry. Most definitely, some things have remained constant.

Another of the first items that early Congress deliberated over was the appropriate level of protectionism to adopt to keep the country strong, prosperous, and independent.

Currently, we find ourselves in the throes of trade wars and technology transfer conflicts which threaten our technological base and therefore our entire economy and way of life. We still reevaluate the level of protectionism required to preserve the American economy. Again, some things have remained constant.

That very first Congress worried that they would be plagued by indifference and lose credibility with the public if they could not pull together, coordinate their schedules, and get down to business. Yes, some things never change.

We continue to struggle with new problems as well as old. Even with so much the same today as it was in the first legislative session of the House, we as a Congress have recognized the need to grow and change as the Nation grows and changes, but with a firm grasp on our beginnings and a healthy respect for the intent and purpose of the very first Congress, 200 years ago.

During the past two centuries, our country has seen a lot of changes, and those changes have been reflected in the character and makeup of the House of Representatives.

Not so very long ago, women and blacks in America were forbidden by law to vote—now we not only vote to elect the Congress—we vote in the Congress.

Two hundred years ago, transcontinental communication took weeks or months to achieve, and the average citizen was virtually uninformed as to what was going on in Congress. Now, through the miracle and accomplishments of the electronic media, you can see it as it happens, and, believe me, Mr. Speaker, America is keeping her eye on Congress.

Two hundred years ago we were a young Nation struggling to our feet like a newborn colt—now the United States is the strongest and most free Nation on the globe—a leader of the free world, surefooted and bold.

My colleagues and I in this 101st Congress are keepers of the flame. But we are also called upon to light new fires as the U.S. House of Representa-

tives pushes its way into its third century.

We will not accomplish this easily. There will not be a united ideology. There never has been. But we will continue to debate, question, and scrutinize issues with the same fervor and diligence Congress has exercised over the past 200 years.

And that, ladies and gentleman, is something to celebrate.

□ 1300

Mrs. BOGGS. Mr. Speaker, I thank the gentlewoman from Maryland [Mrs. BENTLEY]. She has certainly kept on a steady course for the United States of America. She should be complimented most especially on the maritime concerns she has had for our Nation and for recognizing that we will only be a great Nation when we do indeed recognize our maritime powers.

In addition to that, she joins with the other women who have served in this House; the first woman, Jeanette Rankin, who had the occasion to vote against two world wars in her different terms in the Congress; with Helen Gahagan Douglas, a brave and wonderful woman who stood up for the human rights that are guaranteed under the Constitution; and, of course, with Barbara Jordan, the voice of the Constitution, whom all of us admire so very much; then, of course, with Emily Taft Douglas, who was the first woman to be elected before her husband in the Congress; and with so many others who have made their mark upon this House and upon the history of our country.

Mr. Speaker, the gentlewoman from Maryland is right up there at the top with them, and I thank her for her participation in this special order.

Mr. GEKAS. Mr. Speaker, will the gentlewoman yield?

Mrs. BOGGS. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Speaker, I thank the gentlewoman for yielding.

The 200th anniversary of a quorum marks another milestone in all that we have been celebrating in the last few years. There is an anecdote that I think should go into the CONGRESSIONAL RECORD at this point.

In late February of 1789 there was a farmer in Virginia who was struggling to borrow enough money to go to New York for a date with his own destiny and with that of his country, and he was barely able to borrow enough money on his lands and future crops to make the trip to New York and then be sworn in as the first President of the United States. That farmer, of course, was George Washington, who had put down his sword and turned his sword into a plowshare and began tilling the soil in Virginia.

How exasperated he was then when, after he was inaugurated and took his place behind the Presidential seat, to note that the Congress was not ready to do business, and so he had to wait another 6 weeks perhaps for a quorum to be established so that the real business of the Government could proceed.

I want to join the gentlewoman from Louisiana in her extra effort to make sure that the CONGRESSIONAL RECORD of 1989 contains the flavor and the theme and the honor and the glory of what was done for 200 years by this Congress and by this country, and that we take our place now so that 200 years from now people can look back at the RECORD and know that their Members of Congress, 200 years after its founding, did their bit to preserve the Union.

Mrs. BOGGS. Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. GEKAS], who has been an integral part of that kind of service in the Congress. I thank the gentleman very much for his participation.

Mr. GEKAS. Mr. Speaker, I thank the gentlewoman from Louisiana.

Mrs. BOGGS. Mr. Speaker, the gentleman might know that George Washington did indeed suggest that that first Congress simply pay his expenses and not give him a salary, but the House of Representatives looked at that very carefully and decided that the $25,000 salary was cheaper than paying his expenses and insisted that he take it.

Mr. JONES of Georgia. Mr. Speaker, will the gentlewoman yield?

Mrs. BOGGS. I yield to the gentleman from Georgia.

Mr. JONES of Georgia. Mr. Speaker, I would like to thank the gentlewoman from Louisiana for yielding and for allowing me to participate in this special order.

I would also like to commend the gentlewoman for the work that she has done to bring to the attention of the Nation a very special event, a very special bicentennial, and the reasons we celebrate that event.

Mr. Speaker, the March winds surely whipped with a sting through lower Manhattan in the late winter of 1789. In the inns and taverns of olde New York, the Members of the First Congress waited.

They waited, week after week, for the arrival of more Members, for the quorum which meant the new Nation could get down to business.

One of the first to arrive, Fisher Ames, of Massachusetts, voiced the concern that "the public will forget the Government before it is born."

As the days wore on, new colleagues arrived. On March 14, James Madison, of Virginia, the constitutional giant, came to town. He came ready to work and shared his concern that there were "a very scanty proportion who will share in the drudgery of business."

"They also serve who only stand and wait," said the poet, and this was never more true than on those blustery days by the East River, as around the firesides of the boarding houses, the first informal caucuses laid out the work to come.

And what work it was to be. When James Shoreman, of New Jersey, and Thomas Scott, of Pennsylvania, entered the city hall on Wall Street on April 1, 1789, the First Federal Congress had its quorum.

That Congress enacted laws creating the War Department, the State Department, and the Treasury, and defined the duties of their Secretaries.

They established the Federal court system and structured the parameters of the constitutional balance of powers. Following Madison's leadership, they created the Bill of Rights, those 10 amendments which are the heart and soul of American liberty.

They provided for revenue, established a bank, established regulations for commerce, and chose a site along the Potomac for a permanent Capital.

The First Congress set a standard of diligence and intellectual exactitude to which succeeding Congresses could aspire. They put a body on the solid bones of the Constitution, creating a system that has withstood for two centuries—through westward expansion, through a terrible Civil War, through Presidential assassinations, through a Great Depression, through two world wars; through triumph and tragedy, we have struggled, we have endured, we have prospered, and we have prevailed.

That first quorum was a long time in coming, but once that moment arrived, an energy gathered that was to change the world, that was to light the road to justice, that was to lay the foundation upon which we stand today.

Mr. Speaker, in 1989 we can only look back and say with gratitude, "It was worth the wait. It was worth the wait * * *."

□ 1310

Mrs. BOGGS. Mr. Speaker, I thank the gentleman from Georgia [Mr. JONES], and our Constitution, our Government, this House will continue to prosper with the service of this gentleman from Georgia.

The gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Speaker, I am delighted to have an opportunity to take part in this special order in commemoration of the 200th anniversary of the first quorum of the House. As a freshman Member of the House, who is proud to be here as Congress celebrates 200 years and begins its third century, I realize that more than 10,000 individuals have served here before me. They have built this great branch of Government. More importantly, it is the people of this country who have built Congress, for it is they

who elect Members of the House, and have done so every 2 years for the last two centuries.

In the time I have today, I would like to single out just 1 Member out of the 10,000, and share with you a short biography of one of the most outstanding individuals ever to serve here. On this anniversary of the first quorum, it is fitting to recall the man who transformed the rules on obtaining a quorum. Some scholars say he was perhaps the finest and most effective leader this body ever had, and that says a lot considering the many great leaders in the House during its 200 years. I am referring to Thomas Brackett Reed, of Maine, the Speaker of the House during the 51st, 54th, and 55th, Congresses, almost a century ago.

Reed was born in Portland, ME, in 1839, the year Congress celebrated its 50th birthday. He attended the public schools in his hometown, and graduated from Bowdoin College, in Brunswick, ME, in 1860. His father, a sea captain, had mortgaged the family home to send his son to college. During the Civil War Tom Reed joined the Navy and spent some time on a Mississippi gunboat before becoming an assistant paymaster. After the war he practiced law in Portland, served in the State house of representatives and the State senate, became attorney general of Maine in 1870, and later solicitor general of Portland. All this experience made him a likely candidate for Congress and he was elected, as a Republican, to the 45th Congress in 1876 and served the next 22½ years in the House, elected Speaker for the first time in 1889, the year of the congressional centennial.

Reed was a giant of a man, 6 feet 3 inches tall, weighing 300 pounds. He dressed often in all black clothes and was described by one observer as "an enormous clean-shaven baby face like a Casaba melon flowering from a fat black stalk." He was known for his sharp wit, which disarmed many a critic with humor. Once while a Member of the House proclaimed during debate that he would rather be right than President, Speaker Reed replied "The gentleman need not be disturbed; he will never be either." On another occasion he said of two other Members: "They never open their mouths without subtracting from the sum total of human knowledge."

While Reed's sharp tongue and clear wit became legendary, it was his skill as a parliamentarian, and his unequaled ability as a debater that had his contemporaries calling him "far and away the most brilliant figure in American politics." During the Civil War he learned a lesson that would serve him well in the House. "I knew all the regulations," he said, "and the rest of them didn't. I had all of my rights and most of theirs." Once in Congress he became master of the rules of the House. No one could rival him in this regard.

Reed transformed the way the House conducted business by attacking the so-called silent quorum. During a quorum call Members of the minority could stifle floor action by not responding to their name, even though they were present. Reed challenged the old rule that said to be counted as present one had to answer the call of the roll by voice. Reed counted all Members in the Chamber as present whether they answered the roll or not. Bedlam broke out on the floor of the House as Members of the minority pounded their desks in protest. But Reed prevailed and the new rule guaranteed the majority could work its will. Reed said he was not there to be an umpire in a debate, he was there to do the Nation's business.

His strong-willed leadership earned him some barbs from the Democrats and from the press. He was called a despot, a tyrant, and the term that stuck was "czar," which is still used today to describe Reed's rule of the House.

Despite the criticism, however, Reed was extremely well liked. He was described as a good listener who always seemed familiar with the subject at hand. He was a popular man with many friends in both parties. He was also a man of great principle. When asked what he would have done if he had not prevailed in the challenge to the quorum rule he said:

> I would simply have left the Chair and resigned the Speakership and my seat in Congress. I had made up my mind that if political life consisted of sitting helplessly in the Speaker's Chair and seeing the majority helpless to pass legislation, I had had enough of it and was ready to step down and out.

Finally, when his political career came to an end, it was by his own choosing. He resigned, as a matter of principle, over his opposition to the annexation of Hawaii and the American role in the territories acquired in the Spanish America War. Reed was opposed to what he saw as the development of an American empire overseas. He seemed alone against his own party and his President. In April 1899, shortly after the end of the 55th Congress, Reed announced his retirement. He returned to private law practice, and died 3 years later.

There are many aspects of Thomas Brackett Reeds' career that are worthy of note. But I will close with just one other observation. Reed was the champion of the Library of Congress. He saw to it that the fantastic resource we have today was properly funded. The main Library building was dedicated while he was Speaker in 1897. If he had done nothing else during his tenure, he would be remembered for his role in leading the development of this preeminent research institution that has contributed so much to the intellectual and cultural life of the Nation.

As long as there is a U.S. Congress we will be able to learn from the example of Tom Reed. His career tells us much about leadership, about conscience and principle, about serving his constituents in Maine and serving his country. Since Congress is a mirror that reflects the Nation and its people, who can learn about what it means to be an American from the life of this great leader.

Mrs. BOGGS. Mr. Speaker, I thank the gentleman from Florida [Mr. STEARNS] for his very splendid contribution to this occasion, and I think that he recognizes leadership when he sees it and will continue to go on his own path to leadership in this House from now on. I thank him so much for his participation.

The gentleman from Missouri [Mr. BUECHNER].

Mr. BUECHNER. Mr. Speaker, we meet here today to commemorate a special event in our continuing celebration of the creation of our Government. On this day 200 years ago the first quorum was reached in the House of Representatives. Few events equal the significance of that event because it was that meeting which made what had previously existed only as an idea. Although the American Nation was created by the Declaration of Independence, it was at this first meeting of the House that the business of governing our Nation was begun, the system by which we are served to this day.

As I pause to reflect on this event, I am reminded of Benjamin Franklin's response when questioned at the signing of the U.S. Constitution on what had been wrought by the architects of our Nation in this covenant. "A republic," Mr. Franklin replied, "If we can keep it."

If we can keep it—I suppose that in the most fundamental sense that is what the real business of this Congress is and must be. Maintaining the strength and integrity of the Republic. Despite our often exaggerated self-importance, in reality, we the Members of Congress comprise only the smallest part of this system. If this all were all to simply vanish—Congress, the Capitol, Washington, D.C.—it would not mean the end of our Government and certainly not the end of our Republic. In fact I do not believe there would be more than the briefest of lulls before others arose to take our place. Because we here in this place, in this city, are not the heart or soul of this Government—we are only its voice.

I remember one of my college professors mentioning in a lecture that the strength of our system lies in the fact that anyone with common sense

can run it. I suppose I never really questioned that idea, but one day shortly after I arrived here I happened to mention it to a more senior Member who told me that this idea was in error. "Son," he said to me, "when you've been around here as long as I have you'll realize that just the opposite is true. Our system runs in spite of common sense."

Upon reflection, I think that both of these fine gentlemen were mistaken. Our system functions not because of common sense but rather because of collective sense. Our collective sense of who and what we are, how we want to live and what we want for the future. Our collective sense strongly rooted in the belief that the institutions of Government serve at the behest of the people. Regardless of what mistakes may be made the one idea that ensures the longevity of our Republic is that in the United States, Government is the servant of the people.

Our forefathers laid the foundations of self-government. However, the blocks of this foundation were cut from the will of the American people.

□ 1320

Mrs. BOGGS. Mr. Speaker, I thank the gentleman from Missouri for his participation. I am pleased that the will of the people of his district has sent him here to this House where he serves with such distinction.

Mr. Speaker, I yield to the gentleman from Georgia [Mr. GINGRICH]. I would like to recognize the gentleman not only as the whip of the Republican Party and as the gentleman from Georgia, but also a member of the Commission on the Bicentenary of the House of Representatives, where he has given such distinguished service. It is a pleasure to yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, I want to thank my friend, the gentlewoman from Louisiana, and comment that her leadership in making the bicentennial possible and enhancing both as a scholarly and as a public symbol of our commitment to self-government has been very important.

I thought the ceremony the other week was absolutely magnificent and is a historic experience which I treasure, and I think students of this House will look forward to it for many years. Let me just first thank the gentlewoman for the great work she has done.

I want to take just a minute on this anniversary of the first quorum just to make the point that we should study the legislative branch far more than we do, that in the age starting with Franklin Roosevelt when television and other media focused on the White House, there was a psychological and academic overemphasis on the importance of the Presidency.

The fact is that the Founding Fathers made article I, section I, refer to the Congress, that the legislative branch comes first.

The reason is very simple. In peacetime freedom is best preserved by dispersing power, by having 435 Members of the House and 100 Members of the other body arguing with the President in a positive dialog about what is best for the Nation.

The Founding Fathers feared dictatorship. Their goal was to ensure that they broke up power and separated it so that the friction of the machine of public decisionmaking was so great that no dictator could force the system to work.

Now, of course, the other side of that coin is that if it is hard for a dictator to make the system work, it is almost impossible for those of us who are free to make the system work.

I think sometimes when we get frustrated, when the viewers of C–SPAN get frustrated, when the citizens at large get frustrated, we ought to reflect on the fact that Benjamin Franklin and Thomas Jefferson and George Washington would look down upon us with a sense of happiness, that frustration is the cost of freedom, that making us argue and engage in dialog and work together, making us through the process of conflict come to compromise, dispersing power so that each of us equally elected by our districts comes into this room and when we are done we have only begun the game. Then the Senate has to do something with each of its two Members from each State. Then a conference committee has to do something and then they have to pass the House and the Senate and then the President either has to sign it or we have to have a fight over his veto. That long process, I think the Founding Fathers would look upon with great joy 200 years later and say that these rules are the rules of freedom. These debates are the debates of freedom.

Over the last few weeks the gentlewoman in her leadership to the fact that in the people's House and in the other body representing the State, in a peacetime environment resides the real will of the people.

The Presidents are in some ways elected kingships. They serve for 4 years. They are powerful. They are on television every night; but it is in the slow process of legislation that the elected legislators have an obligation to come into these rooms as they first did 200 years ago to bring forth the hopes and the dreams and the fears of their people, to represent all the different elements, all the different ideologies, all the different values and all the different interests, and out in the open in this great process of public life to negotiate, to talk, to cajole, to compromise, and out of it to produce the process of representative self-government.

So I thank the gentlewoman for recognizing this historic day and I look forward in future days to working with her as we celebrate the bicentennial of the First Congress.

Mrs. BOGGS. Mr. Speaker, I thank the gentleman so much for his contribution and for all his contributions to this 200th anniversary of the forming of the Government of the United States under the Constitution.

The gentleman has referred to the fact that the President can be on television every night, and I think that we should observe another anniversary today. This is the 10th anniversary of the television coverage of the House of Representatives, so that we do have our opportunities as well so that the people's body can be represented in this in the news coverage.

Mr. GINGRICH. Mr. Speaker, if the gentlewoman will yield further for just one second, I would just say that I think with the rise of C–SPAN, those who do care about the Congress in fact do have an opportunity to look at this institution on a daily basis now, and for our own aficionados this is an effective institution and they see how it truly works.

Once again, I thank the gentlewoman for her contribution.

Mrs. BOGGS. Mr. Speaker, I yield to the gentleman from Illinois [Mr. MICHEL], the minority leader, for a closing statement.

Mr. MICHEL. Mr. Speaker, I want to thank the gentlewoman for having taken the initial hour and, of course, we were willing to back it up with a second hour were there that number of Members to participate.

Again on an auspicious occasion when we look back in history and single out a date very important to the history of this House and the country for that matter and to have it appropriately acknowledged by the kind of participation of Members in our special order, I appreciate very much the initiative on the part of the gentlewoman from Louisiana.

Mrs. BOGGS. Mr. Speaker, I thank the minority leader for his participation.

Mr. Speaker, this is not only the people's body, but also it is a body of family members. So many of our Members in the present day are the children, the grandchildren, the cousins, the nieces and nephews of former Members of the House. It is with great pride that we all accept their membership and recognize their accomplishments. I would hope that we would be able to have within the RECORD of today's proceedings some of the expressions from those family members who are Members of this House.

Mr. CONTE. Mr. Speaker, today we celebrate 200 years of history, a landmark day in the life of the greatest lawmaking body in the world. I have been a Member of this great in-

stitution for more than 30 years. It seems my entire adult life has been spent here, serving the people of my home State of Massachusetts.

In 1789, the Honorable Fisher Ames, a Representative from Massachusetts in the very First Congress, described the House of Representatives to his friends back home in the following way: "The House is composed of very good men, not shining, but honest and reasonably well-informed." This was an apt description of this body. We are merely men, who have set out an honorable duty of governing this vast country. Although we are not perfect and are often split in arguments of one type or another, we do our best. That is all the American people require of us. That—at the very least—is what we require of ourselves.

Because today, we celebrate those who have served this body in the last 200 years, I would like to take this opportunity to pay tribute to the 23 men who served in the House as Representatives of western Massachusetts before I took office in 1959. Although the list of these great men and their accomplishments is too long to recite here, I would like to mention that during the last year or so, I have been composing biographical histories of these men as a service to the people of western Massachusetts. Looking back through time while researching these biographies has been an educational and meaningful experience for me, and I hope for the residents of the First Congressional District.

The last 30 years in Congress have been important to me. So much has happened in that time. When I was first elected in 1958, we were in the middle of a golden age. I considered it a wonderful time to be a Member of Congress, because the prosperity of the land was in full swing. Women wore poodle skirts, and everyone spent the evening with their families watching their brand new television sets. As the sixties rolled in, the times began to change. Congress changed with it. I remember fondly the tragically short time John F. Kennedy led us in the White House. His death began a period of tumult this country has tried hard to overcome. It's hard to believe that it has been more than 20 years since the civil rights movement. I remember marching in Selma with Dr. Martin Luther King, Jr. as if it were yesterday. We knew that day we were making history. Then, as the sixties proceeded, there was Vietnam. I was the first Republican in Congress to come out against the war.

I hated to see the wasted lives of this Nation's young men. Capitol Hill was the site of many demonstrations and heated debates during those years. None of us here has been the same since.

Then, came Richard Nixon and the scandal of Watergate. The seventies were awkward years with Nixon's resignation, lines at the gas pumps and flower children around town. When Jimmy Carter took residence in the White House, we saw a man at odds with Congress, despite the Democratic majority. And of course the eighties, the Reagan years.

I decided to reminisce today about the last 30 years for two reasons: First, because I enjoy looking back on what has been a fulfilling tenure in Congress; second, because it's important for us to maintain a perspective on the significance of our jobs here.

Today we look back to see the history of the men who filled this Chamber long ago. Let's not forget that we, here today and in the coming years, will be making history. It's easy to forget, during the everyday business of floor activity, seeing constituents and attending committee hearings, how important a duty it is that we carry on our shoulders. We are the U.S. Congress. The things we do now will affect our country for decades to come. We can't waste our time on trivial matters, petty jealousies, and immaterial rivalries, because our time here in this stately Chamber is precious.

President John F. Kennedy once said:

The energy, the faith, the devotion which we bring to this endeavor will light our country and all who serve it—and the glow from that fire can truly light the world.

Let us remember as we go about the business of making laws, that our grandchildren's children will read in history books about our endeavors during our years here.

Mr. FASCELL. Mr. Speaker, it is with great pride that I rise today as we honor the first quorum achieved during the First Congress by the House of Representatives on April 1, 1789. Last month, we celebrated the 200th anniversary of the first meeting of the Congress. Although 13 Members of the House of Representatives convened in New York City on March 4, 1789, they failed to have a sufficient number to constitute a quorum. However, on April 1, when James Shureman of New Jersey and Thomas Scott of Pennsylvania arrived at Federal Hall on the corner of Broad and Wall Streets in New York, the U.S. House of Representatives had achieved its first quorum.

The date April 1, 1789, is the day that congressional deliberations on the structure and policies of the Nation and the Congress started. Indeed, on April 1, 1789, the Members of the House of Representatives elected the first Speaker, Frederick Muhlenberg. The foresight of Muhlenberg and his colleagues is, I believe, overlooked by many Americans. When the first session of the U.S. Congress adjourned, they had drafted the Bill of Rights, designated a site for a Capital city, and had created the administrative machinery for all three branches of Government. While these decisions had a profound effect on our Nation and its new Government, equally important were the rules of business that the First Congress established. The precedents, practices and procedures established by the First Congress are as relevant today as they were new in 1789. While it took almost 1 month for the House to reach a quorum, these men did not waste any time addressing the troubling question of America's new Government.

As Members of the House, we are asked to shape the laws and policies of our Nation, but the First Congress was asked to establish these policies and laws and to build the foundation of our system of government. Today, the Members of the House of Representatives have a history, a variety of experiences and decisions, and numerous support services to assist us in making the best possible decisions. Yet the First Congress could only rely on intuition and vision. Every day the Members of the House of Representatives draw upon the strength, wisdom, and vision which the First Congress has forever left recorded. Let us always remember what they constructed, and let us also rededicate ourselves to their spirit and wisdom as the House of Representatives embarks on its third century.

Mr. ANDERSON. Mr. Speaker, I rise today to commemorate the 200th anniversary of the House's first quorum. On April 1, 1789, 30 of the 59 elected Members of the House of Representatives of the First Congress met at Federal Hall in New York City. The Senate followed 5 days later, so, now having the required quorum to conduct legislative business, these gentlemen proceeded to embark on fleshing out the details for establishing the oldest democracy in the history of mankind—the oldest democracy. Now, that is something we must not forget.

We have a duty and obligation to our past brethren and to ourselves, that this system of government these individuals created 200 years ago, does in fact work, and through this process, the needs of our citizens are met. We are a government of the people, by the people, for the people. We are not here to propel our own ambitions, but we are here to represent the contituents in our districts which elected us, and sometimes I feel that we forget this obligation.

We celebrate today, the bicentennical of the House's first quorum, and the reason we do so is that people such as ourselves have continued the tradition and dedication to the citizens who elected us. We, as U.S. Congressmen, have a responsibility to the other two branches of Government, and to our citizens, that we will perform in the upmost manner to pass laws that will ensure justice for all.

Let us not forget why we are here, and on this day of celebration remember our oath we took when we became Members of Congress, and continue to work together for the betterment of our country.

Mr. APPLEGATE. Mr. Speaker, today I rise to join my colleagues in commemorating the first quorum of the House of Representatives 200 years ago.

Since the first day of the first session almost a month earlier, the only entries able to be made in the House Journal were who was present and which Members had arrived. Finally on April 1, 1789, James Shureman, of New Jersey, and Thomas Scott, of Pennsylvania, arrived, and a quorum was present. The House then elected Frederick A.C Muhlenberg, a minister from Pennsylvania, as Speaker and John Beckley as Clerk. This was the House's first full day of business.

This may not appear to be a very auspicious beginning for the new Government under the Constitution, but the First Congress probably accomplished more than any other Congress has done since. These distinguished gentlemen drafted the Bill of Rights, selected the site of the new Capital city and created the administrative machinery for all three branches of Government. The latter involved forming the Treasury, State, and War Departments and establishing a Federal court system with the Supreme Court as the highest court.

Furthermore, by the adjournment of its third and final session, the First Congress had provided for a national currency, approved a plan for repayment of the debt, enacted commercial regulations for interstate and international trade, established a Bank of the United States, commissioned a national census and created an energetic and active form of government that had been denied them in the Articles of Confederation.

Mr. Speaker, I ask my colleagues to join me in reflecting on the accomplishments of the First Congress as this 101st Congress works to solve the budget crisis in a timely manner while at the same time providing the level of services that Americans need. It is the least we can do to honor our Founding Fathers for creating this Government that is "of the people and for the people," especially for the people.

Mr. MARTINEZ. Mr. Speaker, I would like to thank Mrs. BOGGS for calling this special order to reflect on the occasion of the celebration of the first quorum of the House of Representatives, which began 200 years of tradition and honor. I wish to share in this brief discourse the profound sense of pride I felt as I pondered over my duties in deference to my constituency, and my country. This sense of pride was further heightened as I recalled from my studies of U.S. history the names of just a few of the 10,000 members who had served this institution before me: Jonathan Trumbull, Roger Sherman, Jonathan Sturges, James Madison, and others who served in that very First Congress, reminded me of the great commitment I had made by becoming a part of this institution. The tradition which remains after 200 years stands as strong as ever due to the activities of the members of that very first quorum.

On my first day in the U.S. House of Representatives, as I stood in the House well in order to take my oath of office after having been elected in a special election in 1982, I surveyed the seats of the 50 States in the assembly room. I began to tremble as I realized at that moment the awesome responsibility I had accepted, and wondered whether this physical disturbance was visible. I would not just be serving my constituents, but all Americans. The conception that I was in the company of great men and women, both past and present, who had done, and would do great things suddenly made me feel apprehensive, yet at the same time an elation I had never known before. My trepidation transformed into an overwhelming sense of pride as I contemplated both the tasks which lay before me, and who I would be working side by side with while playing my small role in leading this country.

Beyond the tradition of service by great statesmen throughout the 200 years of the existence of the House, is a deep underlying observance of a code of honor and integrity which is upheld by most who choose to serve here. I have been privileged to work during my time in office with men and women whose honor and integrity would equal and exceed that of the most famous of this country's statesmen at any time in the 200 years of the history of the House of Representatives. This sense of honor and integrity was established by the first quorum, and has continued parallel to the traditions which have flourished in the House for 200 years.

Again, I remember standing on the House floor as I was being sworn into office following the special election, when the understanding that I was the first in my family to be elected to the House of Representatives swept into my mind, and I thought about the accomplishments and traditions which took place within my own family. I secured an ideal at that time which I have followed throughout my years in Congress. Just as there is tradition, honor, and integrity between past and present generations of family, the same exists when there is a mutual respect between members of an institution such as Congress. Although Members of Congress come from a diversity of backgrounds, and cultural traditions, we are all linked by the established traditions of 200 years of the institution of Congress. Just as traditions are passed on within a family, Congress has passed on its own tradition. At this time we are ingratiated to those who prompted this institution 200 years ago despite muddy roads, and doubt as to the effectiveness of such a body, and established the traditions, honor, and integrity which allows Congress to thrive today.

Mr. BEREUTER. Mr. Speaker, this Member is pleased and proud to participate in today's special order commemorating the first quorum of the House of Representatives. When the House of Representatives first reached a quorum 200 years ago on April 1, 1789, they began an enormous task. This young country had just recently ratified the Constitution, but it was only the starting point for establishing a new government. Much of the responsibility for setting the Nation's course was delegated to Congress.

It's not difficult to imagine a certain degree of skepticism surrounding the First Congress. After all, the Members' tardiness and the resulting delay in gathering the necessary quorum to begin legislative business may have signaled the beginning of the same kind of apathy and weakness that plagued the Confederation Congress which preceded it. The new government, which held such tremendous promise and responsibilities, was still in a very fragile state. As a result, achieving the first quorum for the U.S. House of Representatives was a significant milestone.

Although the House Members were nearly a month late in attaining a quorum, they quickly made up for lost time. The House chose a speaker the first day in session and adopted the first rules of procedures just 6 days later. Very quickly the Members were debating issues and passing legislative resolutions.

The House of Representatives has played a unique role in the development of the United States. From the beginning, the House was envisioned as a body which would be truly representative of the people it served. The Constitution dictated that House Members be chosen "by the People of the several States." While Senators were selected by the States' legislatures and the President was chosen by electors, the Members of the House were to be chosen by direct election. No person has ever served in the House who wasn't directly elected by the people represented.

The Constitution also established biennial elections for House Members. This, it was thought, would help ensure that Members would not lose touch with the people they represented. During the Constitutional Convention, the delegates recognized the advantages of having House Members frequently interact with their constitutents. Roger Sherman, a delegate to the Convention and a Member of the First Congress, stated in 1787 that "the Representatives ought to return home and mix with the people." He cautioned that "By remaining at the seat of Government they would acquire the habits of the place which might differ from those of their constitutents."

Through the years, each Member of the House has had to face unique challenges while attempting to work the will of the people. The original House Members had the added responsibility of setting rules and establishing precedents for years to come. Their efforts paved the way for a functioning government of these United States of America.

It amazes this Member to realize that he has now served in the House of Representatives for 5 percent of its existence in the relatively short history of this Nation. Yet in that time, we have witnessed some remarkable developments, including the introduction of television cameras in these Chambers and national television coverage of our sessions. Of course, it would not have been possible for the first Members to have foreseen all the tremendous changes that have occurred in the past 200 years, both in the House and in the Nation. However, their leadership, wisdom, and vision was truly remarkable in enabling adaptations to tremendous changes.

It is certainly proper that we take time to honor the U.S. Congress, to commemorate our predecessors, and to reflect on their many accomplishments. This country owes our ancestors much. As members of the 101st Congress, we can justly take pride and inspiration in serving in a body which is so rich in history and achievement. If those of us today can even occasionally match the commitment, wisdom and dedication of the best of our predecessors, our country will remain the bastion of hope and freedom which our Founding Fathers envisioned.

GENERAL LEAVE

Mrs. BOGGS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Louisiana?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 60 minutes.

[Mr. MICHEL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

CURRENT STATUS OF POW/MIA ISSUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico [Mr. RICHARDSON] is recognized for 60 minutes.

Mr. RICHARDSON. Mr. Speaker, I wish to report to the Members of the House on a recent trip that I took last week with the gentleman from New York [Mr. SOLARZ], the chairman of the Subcommittee on Asia of the Foreign Affairs Committee. The gentleman from New York [Mr. SOLARZ] and I went to several countries in Asia, but I wish to report to the Members of this body on our specific trips to Cambodia and Vietnam on March 29, 30, and 31.

□ 1330

One of the purposes of this journey to this part of the world was to look into the issue of American POW/MIA's in both of these countries. As I prepare this report, I would like to stress, first of all, that we could not have achieved such a successful mission had it not been for the cooperation of members of the Bush administration, the State Department, specifically Mr. Charles Twining, from the Vietnam-Laos-Cambodia desk, and most specifically for the executive director of the American League of Families, Mrs. Anne Mills Griffith, who was very helpful not only in briefing the delegation but in following up with some very vital information relating to this trip.

Mr. Speaker, let me stress once again that this trip was a bipartisan trip in cooperation with the legislative and executive branches, and in this connection I think special credit has to be given once again to the gentleman from New York [Mr. SOLARZ], who, through his work on Asian Affairs, facilitated the very positive reception we received throughout the Asian Continent, but most specifically in Cambodia and Vietnam. The gentleman from New York [Mr. SOLARZ] is recognized as an authority on Asia. He has a long record in this area, and I think the fact that here was an individual who had contributed significantly and positively to United States foreign policy allowed us not only to visit with the top leaders of Vietnam and Cambodia, but also to elicit very frank responses.

Mr. Speaker, first of all, the POW/MIA issue with the Vietnamese: We held a meeting the night that we arrived with Foreign Minister Thach and several of his aides who have been dealing constantly with the POW/MIA issue.

Mr. Speaker, during our meeting with Foreign Minister Thach I expressed appreciation for the increased cooperation which has taken place since the President's special POW/MIA emissary, General Vessey, visited Hanoi in October 1987, and especially since last fall.

Since last September, there have been four 10-day periods of joint investigations which have brought new information, especially about some of the compelling cases of Americans who were last known to be alive in captivity or otherwise came into Vietnamese control.

The Vietnamese have also increased their unilateral efforts and repatriated 163 remains since last fall, some 39 of which have thus far been identified, thus bringing answers to their families.

I urged Vice Premier Thach to continue and increase cooperation, noting that resolving the POW/MIA issue is of great importance to the American people, the Congress and to the families of those still missing.

Vice Premier Thach said that he recognized the need to resolve the issue and was also encouraged by the results of joint technical activities.

In response to my request for information on the 17 New Mexicans still missing, the Vice Premier said that he was prepared to provide access to records about these individuals, but no information was made available by our departure time.

He did invite these New Mexico families to come to Vietnam to search for themselves, but it appears, nonetheless, that this is not a serious initiative on the Vietnamese part. These offers have been extended to other Members of Congress that have visited Vietnam and, regrettably, not much information has been provided and, regrettably, also it does not once again appear to be a serious effort.

In Cambodia, we raised this issue with the Premier of Cambodia, Hun Sen. During a 3-hour meeting with the Prime Minister, I raised the issue as a humanitarian matter, urging him to respond on that basis and accept the U.S. offer to send an official aircraft and repatriation team to Phnom Penh to pick up all remains in their possession, after an appropriate military honor ceremony was conducted at the Phnom Penh Airport.

There are currently eight remains of Americans in Vietnam that are the subject here of intensive negotiations.

Hun Sen initially denied this request, citing United States consideration of arming the non-Communist Cambodia resistance and criticisms broadcast on Voice of America as his rationale.

Hun Sen later noted some uncertainty as to whether the remains are, in fact, American.

He cited having some tags and remains and stated that there was a need for some joint technical teams to come and sort these out.

I again requested that he act on a humanitarian basis and return the remains, to help the families of those missing; however, Hun Sen indicated that he was not prepared to take that action at present.

Regrettably, this request of ours was denied. We had hoped for some substantial progress.

I would like to add that the United States Government has requested each of the Indochinese countries—Vietnam, Laos, and Cambodia—to repatriate any and all remains which might be those of Americans for analysis and a determination at our laboratory in Hawaii.

Mr. Speaker, as background, there are 2,383 Americans remaining missing or unaccounted for as a result of the conflict in Southeast Asia. A breakdown by country of loss follows:

Vietnam (North 646; South 1,091)	1,737
Laos	545
Cambodia	83
China	6
Total	2,371

It is obvious from a review of statistical data on the 2,371 men listed as missing or unaccounted for that many unfortunately will never be recovered. U.S. records indicate that over 400 individuals were lost over water. Another 450 individual loss indications are unknown, including both air and ground losses.

We are convinced that in order to achieve credible accountability, the mutual objective of the governments concerned should be the fullest possible joint cooperation to include comparison of wartime data between our governments. Information on Americans, alive or dead, collected by the Indochinese during the conflict, will fill gaps in U.S. records and help provide answers to the families.

Current joint investigative efforts with the Vietnamese have focused on the importance of seeking wartime records from appropriate ministries. Such information could include military identification cards and dog tags, personal effects, reports on burials and burial locations, reports on the fates of Americans who died in captivity with burial locations, and reports on incidents in which Americans were lost but Vietnamese forces were unable to recover remains or personal items. Some success has been achieved in this area through unilateral Vietnamese efforts, and accelerated joint cooperation offers opportunity for greater sharing of such information. Joint United States-Vietnamese investigations at incident locations, begun in September 1988, have provided some access to local wartime reporting forwarded to the Central Government.

The American Government has placed its highest priority on determining if American prisoners continued to be held after the 1973 peace agreements. This issue has been at the forefront of negotiations and the intel-

ligence effort. We have yet to find conclusive evidence of the existence of live prisoners, and returnees at Operation Homecoming in 1973 knew of no Americans who were left behind in captivity. Nevertheless, based upon circumstances of loss and other information, we know of a few instances where Americans were captured and the governments involved acknowledged that some Americans died in captivity, but there has been no accounting of them. Resolving these cases is an agreed priority between our governments. Because of such discrepancies and the lack of knowledge about many cases, we cannot rule out the possibility that some may still be held; therefore, we have concluded that we must operate under the assumption that at least some of the missing could have survived unless we can jointly conclude that all possible efforts have been made to resolve their fate. In human terms, return of remains ends family uncertainty and, in terms of the live prisoner issue, it permits us to focus on unresolved discrepancy cases, thus moving us closer to answering the highest priority question. In addition, the United States has placed a high priority on resolving live sighting reports received from a variety of sources. Although most have been resolved as correlating to specific individuals returned in Operation Homecoming, necessary priority and resources will continue to focus on such reports.

Mr. Speaker, this is the current situation: With Vietnam, progress continues under the Vessey initiative. The level of activity and degree of cooperation have increased over time, and unprecedented patterns of cooperation have been achieved in recent months as both the Vietnamese appear committed to working with us to resolve the issue through accelerated joint operations.

Much of the credit for this heartening progress must go to Gen. John W. Vessey, Jr., who, since becoming Special Presidential Emissary to Hanoi for POW/MIA affairs in February 1987, has worked tirelessly to engage the Vietnamese in a constructive and productive dialog over how we can work together to resolve the POW/MIA issue and on other humanitarian concerns. General Vessey's evenhanded approach has gained the trust of the Vietnamese and resulted in what has come to be known as the Vessey initiative which addresses humanitarian concerns of both sides, pointing to a more humane future in our relationship.

As they begin to extricate themselves from Cambodia and thus meet out conditions for normalization of relations, the Vietnamese are mindful that the pace and scope of the developing relationship with the United States will be affected by continued progress on POW/MIA and other humanitarian issues. After some rocky moments in 1988, including a brief suspension of cooperation by Vietnam in August in an ill-conceived reaction to congressional testimony by administration officials, Hanoi apparently decided that it was time to live up to its longstanding commitment to treat the POW/MIA issue as a humanitarian, rather than political, question.

In keeping with this spirit, we have conducted four rounds of productive joint investigative, survey, and excavation activities in Vietnam since September 1988. In these operations, teams of United States personnel from the Joint Casualty Resolution Center [JCRC] and the United States Army Central Identification Laboratory in Hawaii [CILHI], accompanied by their Vietnamese counterparts from Vietnam's Office for Seeking Missing Persons, have visited sites where individuals were last seen, interviewed witnesses to incidents of loss and local officials, and examined possible crash sites.

□ 1340

Reflecting our priority on the live prisoner issue, our joint activities have focused on resolving the fate of individuals involved in certain discrepancy cases. In many of these specific cases, we have reason to believe that the missing American survived his incident of loss. At the same time, we have actively pursued lines of inquiry about other cases located in the same geographic areas.

There has also been an upswing in the number and quality of remains repatriated to the United States as a result of Vietnamese unilateral efforts. The Vietnamese have turned over to us more remains, 163, since Gen. John Vessey's August 1987 trip to Hanoi than they did between 1974 and mid-1987, 127. In all, since November 1988, the Vietnamese have returned 86 remains in three remains repatriations. Identification efforts continue, and some of these remains certainly will prove to be Southeast Asian mongoloid in origin, but we believe that the latest turnovers contain a high percentage of identifiable United States remains.

A team of JCRC and CILHI experts is presently participating in the latest in a long series of technical talks on the POW/MIA issue in Hanoi. At this meeting, we expect to set dates for the fifth round of joint activity, hopefully to commence soon after the technical talks end, as well as reach agreement in principle to the dates and general objectives of the sixth and seventh rounds.

On balance, the Vietnamese have cooperated well over the past 18 months on two other important humanitarian issues of interest to the United States: the Amerasian and Orderly Departure Programs. We still face difficulties, however, in arranging for adequate transport options for beneficiaries of these programs and their family members from Ho Chi Minh City to Bangkok or Manila. In fiscal year 1988, 3,740 individuals departed Vietnam under the Amerasian Program and 8,490 under ODP. In the first 4 months of the present fiscal year, 3,213 have departed under the Amerasian Program and 2,662 under ODP.

In addition, we continue to facilitate, within policy and legal constraints, the efforts of American nongovernmental organizations to address Vietnam's humanitarian concerns in the areas of prosthetics and child survival.

On the Cambodian situation the People's Republic of Kampuchea [PRK] has sent several signals that it wants to enter into direct negotiations with United States officials to turn over up to eight remains of Americans missing in Cambodia.

I might cite, Mr. Speaker, that our delegation was the first in many years of official Americans visiting Cambodia. We were not necessarily official but were Members of Congress. A State Department official did not accompany us for the reasons of lacking any kind of diplomatic contact.

The United States does not recognize the Phnom Penh regime, which was installed by the Vietnamese in the wake of their December 1978 invasion and occupation of Cambodia. Any direct dealings with officials of that regime would severely undercut the USG's support of Prince Sihanouk and the non-Communist Cambodians and damage the international effort to bring peace and stability to Cambodia. Under these conditions, the United States cannot enter into government-to-government negotiations with the PRK.

We were thus unofficial observers as Members of Congress, but nonetheless we participated in what I consider to be a substantive dialog with Premier Hun Sen, the leader of that government.

Despite political differences, however, the United States has offered both publicly and through the ICRC to send a military aircraft and a team of United States military personnel to Phnom Penh to repatriate any American remains that the PRK would wish to return as a humanitarian gesture. Thus far, the authorities in Phnom Penh have not responded; however, we will continue through various channels to press them to do so.

Clearly, based on our visit, the Phnom Penh regime rejected our efforts and our hope that they would return the eight remaining remains that have been identified.

Of the 83 remains unaccounted for in Cambodia, the percentage of accountability is expected to be low.

Eighteen servicemen were lost in the 1975 Mayaguez rescue attempt, 15 of these at sea. Gravesites of the three lost on land are uncertain. Information from Toul Sleng Prison may account for one or more of the four American yachtsmen known to have been held there in 1978, and there may be records relating to two Americans who died after being detained by Pol Pot forces in 1975. In addition, Vietnamese records should contain some information on American military personnel missing in Cambodia where there was contact with Vietnamese military forces or in cases where Americans were held captive by Vietnamese in eastern Cambodia.

Periodically, senior PRK officials have made public claims concerning their willingness to return American remains in their possession to the United States Government. Regrettably, these offers have been conditioned on prior, direct talks concerning arrangements with USG representatives. Since we in no way recognize the PRK regime, we believe that any direct dealings with its officials would severely undercut our support of Prince Sihanouk and the non-Communist Cambodians. Despite political differences, however, the United States has offered both publicly, privately, and through the ICRC on a number of recent occasions to send a military aircraft and repatriation team to Phnom Penh to take custody of any American remains that the PRK would wish to return as a humanitarian gesture.

Clearly, it is in the interest of all parties to resolve this humanitarian matter as quickly as possible. We are hopeful that the KRC-ARC channel will provide a way around the current impasse, but recognize that it may not. It is unlikely that the Phnom Penh government will raise the remains, but it is hopeful, that we can deal with this issue as rapidly as possible.

Again, Mr. Speaker, I want to summarize the results of our trip. Our discussions with Vietnamese officials were generally quite positive, where we thanked the Vietnamese for their cooperation, especially the last technical teams that took place some 2 weeks ago. Those were positive discussions.

We continue to make progress. Clearly more progress needs to be made. I was hopeful to get some information on these 17 New Mexicans that are MIA-POW's in Vietnam. We did not get that specific response, but the Vietnamese offered to provide some data.

The meetings were held in a friendly atmosphere, and again, great credit must be given to the MIA-POW task force that is chaired by the gentleman from California [Mr. LAGOMARSINO] for a lot of that early briefing and help in this connection.

Again, being the first Americans, Members of Congress, to be in Cambodia in a long time, close to 2 to 3 years, we made some successful overtures, but regrettably, Premier Hun Sen rejected our efforts to send the eight remains back to the United States via military aircraft, having an appropriate military honorable ceremony at the Phnom Penh airport. This was rejected, but in the end Mr. Hun Sen, Premier Hun Sen, mentioned that there were some problems of identifying tags, some problems of identifying remains, and he suggested that we follow up with joint technical teams to further consider this matter.

Again, Mr. Speaker, this trip could not have taken place without the cooperation of Anne Mills Griffith, and the National League of Families, and many others.

□ 1350

Again I wish to thank Congressman SOLARZ for his outstanding leadership on many issues relating to Asia, on many issues relating to the MIA/POW's. I wanted to report this to the House as soon as I returned because I think we are dealing with virtually important issues and that is the status of the MIA/POW's.

The SPEAKER pro tempore (Mr. PAYNE of Virginia). Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

[Mrs. BENTLEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DONALD E. "BUZ" LUKENS) to revise and extend their remarks and include extraneous material:)

Mr. ROHRABACHER, for 5 minutes, on April 5.

Mr. FISH, for 60 minutes, on April 6.

(The following Members (at the request of Mr. MCDERMOTT) to revise and extend their remarks and include extraneous material:)

Mr. MOAKLEY, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. GLICKMAN, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. JONTZ, for 60 minutes, on April 6.

Mr. OWENS of New York, for 60 minutes, on April 12.

(The following Members (at the request of Mr. LAUGHLIN) to revise and extend their remarks and include extraneous material:)

Mr. BROOKS, for 5 minutes, today.

(The following Members (at the request of Mr. RICHARDSON) to revise and extend their remarks and include extraneous material:)

Mr. LANTOS, for 60 minutes, on April 19.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DONALD E. "BUZ" LUKENS) and to include extraneous matter:)

Mr. WALSH.

Mr. COURTER.

Mr. MILLER of Washington.

Mr. MYERS of Indiana.

Mr. BROOMFIELD in three instances.

(The following Members (at the request of Mr. MCDERMOTT) and to include extraneous matter:)

Mr. LANTOS in two instances.

Mr. BATES.

Ms. SLAUGHTER of New York.

Mr. MCMILLEN of Maryland in two instances.

Mr. FAZIO.

Mr. STARK in three instances.

Mr. DE LUGO.

Mr. MOODY.

Mr. MATSUI in four instances.

Mr. HAWKINS.

Mr. YATRON.

Mr. HUBBARD.

ADJOURNMENT

Mr. RICHARDSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 51 minutes p.m.), the House adjourned until tomorrow, Wednesday, April 5, 1989, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

898. A letter from the Chairman, National Credit Union Administration, transmitting the 1988 annual report of the Administration, pursuant to 12 U.S.C. 1752a(d); to the Committee on Banking, Finance and Urban Affairs.

899. A letter from the Presiding Officer, Advisory Council on Education Statistics, transmitting the fourteenth annual report of the Advisory Council on Education Statistics, pursuant to 20 U.S.C. 1221e-1(d)(1); to the Committee on Education and Labor.

900. A letter from the Secretary of Education, transmitting a draft of proposed legislation to amend the Emergency Immigrant Education Act of 1984 to simplify and improve the allocation of funds, to ensure that program funds are more specifically targeted to meet the special educational needs of eligible immigrant children without supplanting State and local funds, to clarify ambiguous provisions, and for other pur-

poses; to the Committee on Education and Labor.

901. A letter from the Administrator, Energy Information Administration, transmitting the fourth annual summary report on coal imports, pursuant to 42 U.S.C. 7277(a); to the Committee on Energy and Commerce.

902. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to require the Secretary of Health and Human Services to impose fees under the Federal Food, Drug, and Cosmetic Act for the review of applications for marketing approval for new human and animal drugs, antibiotics, medical devices, and biological products, and for other purposes; to the Committee on Energy and Commerce.

903. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend title XX of the Public Health Service Act to authorize appropriations for the adolescent family life program, pursuant to 31 U.S.C. 1110; to the Committee on Energy and Commerce.

904. A letter from the Administrator, Agency for International Development, transmitting a report of actions taken to increase competition for contracts during fiscal year 1988, pursuant to 41 U.S.C. 419; to the Committee on Government Operations.

905. A letter from the Deputy Under Secretary for Planning, Budget and Evaluation, Department of Education, transmitting notice of a proposed new Federal records system, pursuant to 5 U.S.C. 552a(r); to the Committee on Government Operations.

906. A letter from the Secretary of Housing and Urban Development, transmitting a report on activities under the Freedom of Information Act for the year ending December 31, 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Oeprations.

907. A letter from the Director, Selective Service System, transmitting a report on activities under the Freedom of Information Act for the year ending December 31, 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

908. A letter from the Executive Director, State Justice Institute, transmitting a report on the Institute's compliance with the requirements of the internal accounting and administrative control system, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

909. A letter from the Chairman, Tennessee Valley Authority, transmitting a report of the Authority's compliance with the Government in the Sunshine Act for the calendar year 1988, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

910. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

911. A letter from the Chairman, Federal Maritime Commission, transmitting the Commission's annual report for the fiscal year ending September 30, 1988, pursuant to 46 U.S.C. app. 1118; to the Committee on Merchant Marine and Fisheries.

912. A letter from the Assistant Secretary of the Army (Civil Works), transmitting an informational copy from the Chief of Engineers on the west bank of the Mississippi River in the vicinity of New Orleans, LA; to the Committee on Public Works and Transportation.

913. A letter from the Secretary of Veterans' Affairs, transmitting a report covering the disposition of cases granted relief from administrative error, overpayment and forfeiture by the Administrator in 1988, pursuant to 38 U.S.C. 210(c)(3)(B); to the Committee on Veterans' Affairs.

914. A letter from the Assistant Secretary for Legislative Affairs, transmitting the Secretary of State's certification anud memorandum of justification to make available funds for Mozambique to assist sector projects supported by the Southern African Development Coordination Conference, in accordance with title II, Public Law 100-461; jointly, to the Committees on Appropriations and Foreign Affairs.

915. A letter from the Assistant Secretary of Commerce for Communications and Information, transmitting copies of the National Telecommunications and Information Administration's report regarding Bell Co. manufacturing restrictions; jointly, to the Committees on Energy and Commerce and the Judiciary.

916. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting the President's annual report to the Congress on the Panama Canal Treaties of 1977 for the period October 1, 1987, through September 30, 1988, pursuant to 22 U.S.C. 3871; jointly, to the Committees on Foreign Affairs, Merchant Marine and Fisheries, the Judiciary, and Post Office and Civil Service.

REPORT OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FROST: Committee on Rules. House Resolution 117. Resolution providing for the consideration of H.R. 18, a bill to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continential United States for Presidential general elections (Report No. 101-16). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLAY (for himself, Mr. HAWKINS, Mr. PEPPER, Mr. ROYBAL, Mr. FORD of Michigan, Mr. MILLER of California, Mr. KILDEE, Mr. WILLIAMS, Mr. MARTINEZ, Mr. OWENS of New York, Mr. HAYES of Illinois, Mr. PERKINS, Mr. VISCLOSKY, Mr. AUCOIN, Mrs. BOXER, Mr. DELLUMS, Mr. FAUNTROY, Mr. MCDADE, Mr. MCCLOSKEY, Mr. OBERSTAR, Mr. TRAFICANT, and Mr. WILSON):

H.R. 1661. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to clarify the applicability of rules relating to fiduciary duties in relation to plan assets of terminated pension plans and to provide for an explicit exception to such rules for employer reversions meeting certain requirements; to the Committee on Education and Labor.

By Mr. YATRON (for himself, Mr. LEACH of Iowa, Mr. BEREUTER, Mr. FASCELL, Mr. BROOMFIELD, Mr. BROOKS, Mr. MORRISON of Connecticut, and Mr. MAZZOLI):

H.R. 1662. A bill to amend the United Nations Participation Act of 1945 to carry out obligations of the United States under the United Nations Charter and other international agreements pertaining to the protection of human rights by providing a civil action for recovery from persons engaging in torture, and for other purposes; jointly, to the Committees on Foreign Affairs and the Judiciary.

By Mr. BROOKS (for himself and Mr. EDWARDS of California):

H.R. 1663. A bill to modify the antitrust exemption applicable to the business of insurance; to the Committee on the Judiciary.

By Mr. BUNNING (for himself, Mr. PURSELL, Mr. ARCHER, and Mr. LIVINGSTON):

H.R. 1664. A bill to amend the Federal Election Campaign Act to reduce the influence of multicandidate political committees in elections for Federal office, and for other purposes; to the Committee on House Administration.

By Mr. CARDIN (for himself, Mr. FRANK, Mr. FISH, Mr. FAZIO, Mrs. BOXER, Mr. ATKINS, Mr. CAMPBELL of Colorado, Mr. FAUNTROY, Mr. DEFAZIO, Mr. LANCASTER, and Mr. SANGMEISTER):

H.R. 1665. A bill to amend title 28, United States Code, to require the Chief Justice of the United States to give to the Congress, during the first session of each Congress, an address on the state of the judiciary; to the Committee on the Judiciary.

By Mr. FRANK:

H.R. 1666. A bill to increase judicial salaries by 30 percent and to ensure cost-of-living adjustments; to the Committee on Post Office and Civil Service.

By Mr. GLICKMAN:

H.R. 1667. A bill to require the adjustment of the conversion factors for anesthesia services under part B of the Medicare Program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. HERTEL (for himself, Mr. JONES of North Carolina, Mr. DAVIS, and Mr. SHUMWAY):

H.R. 1668. A bill to authorize appropriations for certain ocean and coastal programs of the National Oceanic and Atmospheric Administration; to the Committee on Merchant Marine and Fisheries.

By Mr. MCEWEN (for himself, Mr. SMITH of New Jersey, Mr. BLAZ, Mr. STANGELAND, and Mrs. COLLINS):

H.R. 1669. A bill to amend title II of the Social Security Act to remove certain restrictions on eligibility for child's insurance benefits of a child legally adopted in the United States; to the Committee on Ways and Means.

By Mr. MARLENEE (for himself, Mr. CAMPBELL of Colorado, Mr. YOUNG of Alaska, Mr. RICHARDSON, Mr. SKEEN, Mr. RHODES, Mr. STALLINGS, Mr. HUNTER, Mr. COELHO, Mr. PASHAYAN, Mr. LEHMAN of California, Mr. HANSEN, Mr. JOHNSON of South Dakota, Mrs. VUCANOVICH, Mr. STUMP, Mr. THOMAS of California, Mr. LAGOMARSINO, Mrs. SMITH of Nebraska, Mr. ROBERT F. SMITH, Mr. DENNY SMITH, Mr. HERGER, Mr. NIELSON of Utah, Mr. KOLBE, Mr. ROBERTS, Mr. SHUMWAY, Mr. KYL, Mr. MCEWEN, and Mr. CRAIG):

H.R. 1670. A bill to make permanent the formula for determining fees for the grazing of livestock on public rangelands; to the Committee on Interior and Insular Affairs.

By Mr. MOAKLEY:

H.R. 1671. A bill to amend the Internal Revenue Code of 1986 with respect to the designation of income tax payments to the Presidential Election Campaign Fund; jointly, to the Committees on House Administration and Ways and Means.

By Mr. PAYNE of Virginia:

H.R. 1672. A bill to direct the Secretary of the Interior to purchase certain land for addition to the Saint Croix National Scenic Riverway in the State of Wisconsin; to the Committee on Interior and Insular Affairs.

By Mrs. SMITH of Nebraska:

H.R. 1673. A bill to designate the Niobrara River in the State of Nebraska for study as a potential addition to the national wild and scenic rivers system; to the Committee on Interior and Insular Affairs.

By Mr. DEWINE:

H.J. Res. 229. Joint resolution to designate December 13, 1989, as "National Guard Day"; to the Committee on Post Office and Civil Service.

By Mr. BROOMFIELD:

H. Con. Res. 84. Concurrent resolution expressing the sense of the Congress criticizing the infringement of Albanian ethnic rights in Yugoslavia; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

48. By the SPEAKER: Memorial of the Legislature of the State of Maine, relative to funding available from the alcohol, drug abuse, and mental health block grant contained in the Anti-Drug Abuse Act of 1988; to the Committee on Energy and Commerce.

49. Also, memorial of the General Assembly of the State of North Dakota, relative to the Garrison diversion unit project; to the Committee on Interior and Insular Affairs.

50. Also, memorial of the General Assembly of the State of South Carolina, relative to the National Weather Service's Office at Greenville-Spartanburg Airport; to the Committee on Science, Space, and Technology.

51. Also, memorial of the Legislature of the State of California, relative to motor vehicle fuel taxes; to the Committee on Ways and Means.

52. Also, memorial of the General Assembly of the State of North Dakota, relative to Indian health care; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 5: Mr. SANGMEISTER and Mr. WALGREN.

H.R. 18: Mr. BEREUTER, Mr. BILBRAY, Mr. MOODY, and Mr. WYDEN.

H.R. 46: Mr. SCHEUER.

H.R. 56: Mr. BAKER, Mr. BATES, Mr. BUNNING, Mr. DWYER of New Jersey, Mr. FLAKE, Mr. HUBBARD, Mr. HUGHES, Mr. JONES of North Carolina, Mr. KANJORSKI, Mr. MCHUGH, Mr. RHODES, Mr. VALENTINE, and Mr. VANDER JAGT.

H.R. 92: Mr. MCCURDY, Mr. COLEMAN of Texas, Mr. RANGEL, Mr. OWENS of New York, Mr. RAY, Mr. FAZIO, Mrs. BENTLEY, and Mr. STANGELAND.

H.R. 94: Mr. FAUNTROY, Mr. IRELAND, Mr. GILMAN, Mr. PEPPER, Mr. FAWELL, Mr. LAGOMARSINO, Mr. PRICE, Mr. BORSKI, Mr. MARTINEZ, Mr. SCHUETTE, and Mr. MCEWEN.

H.R. 109: Mr. MONTGOMERY, Mr. TRAFICANT, Mr. OWENS of Utah, Mr. JOHNSON of South Dakota, Mr. STARK, Mr. ROGERS, Mr. OBERSTAR, and Mr. POSHARD.

H.R. 112: Mr. ENGLISH and Mr. MCCRERY.

H.R. 211: Mr. JOHNSON of South Dakota and Mr. BOEHLERT.

H.R. 212: Mr. PAYNE of New Jersey.

H.R. 214: Mr. DYSON and Mr. CONYERS.

H.R. 215: Mr. HOCHBRUECKNER.

H.R. 216: Mr. STOKES.

H.R. 283: Mr. TAUZIN, Mr. VANDER JAGT, and Mr. NIELSON of Utah.

H.R. 303: Mrs. JOHNSON of Connecticut, Mr. PASHAYAN, Mr. MARKEY, and Mr. FLAKE.

H.R. 368: Mr. RAHALL, Mr. ROBERTS, Mr. BEVILL, Mr. MOLLOHAN, Mr. LIGHTFOOT, Mr. TALLON, Mr. HEFNER, Mr. SPRATT, Mr. MCDADE, Mr. PICKLE, Mr. UPTON, Mr. SOLOMON, Mr. HATCHER, Mr. BEREUTER, Mr. LANCASTER, Mr. GILLMOR, Mr. DENNY SMITH, Mr. ROSE, Mr. ROGERS, and Mr. GUNDERSON.

H.R. 380: Mr. SENSENBRENNER, Mr. SLAUGHTER of Virginia, Mr. LAGOMARSINO, Mr. DONALD E. LUKENS, and Mr. STANGELAND.

H.R. 381: Mr. SMITH of New Hampshire and Mr. HERGER.

H.R. 403: Mr. PAYNE of New Jersey and Mr. SCHEUER.

H.R. 509: Mr. BROOKS, Mr. MRAZEK, and Mr. YOUNG of Florida.

H.R. 567: Mr. SAVAGE, Mrs. ROUKEMA, Mr. ENGEL, Mr. NEAL of Massachusetts, Mr. WHEAT, and Mr. MOODY.

H.R. 586: Mr. OWENS of Utah, Mr. CONYERS, Mr. BROWN of California, and Mr. BERMAN.

H.R. 595: Mr. LEWIS of Georgia, Mr. ARCHER, Mr. GOSS, Mr. KOLBE, Mr. MACHTLEY, Mr. BOEHLERT, Mr. BROWN of Colorado, Mr. DELAY, Mr. GALLO, Mr. HANCOCK, Mr. HAYES of Louisiana, Mr. LEWIS of California, Mr. MILLER of Washington, Mr. NIELSON of Utah, Mr. STUMP, Mr. SCHAEFER, Mr. TAUKE, Mr. SHUMWAY, Mr. JOHNSON of South Dakota, Mr. VANDER JAGT, and Mr. ROBERTS.

H.R. 628: Mr. FAZIO, Mr. HAWKINS, Mr. MATSUI, Mrs. COLLINS, Mr. OBERSTAR, Mr. PAXON, Mr. GARCIA, Mr. STARK, and Mr. DWYER of New Jersey.

H.R. 634: Mr. BATES, Mr. GEJDENSON, Mr. PAYNE of New Jersey, Mr. HOAGLAND, Mr. PICKETT, Mr. BONIOR, Mr. LEACH of Iowa, Mr. ROSE, Mrs. BOXER, Mr. AUCOIN, Mr. SMITH of New Jersey, and Mr. KOLTER.

H.R. 646: Mr. COURTER.

H.R. 669: Mr. SCHEUER and Mr. DE LUGO.

H.R. 676: Mr. CHAPMAN, Mr. BILBRAY, Ms. SLAUGHTER of New York, Mr. PACKARD, Mr. CAMPBELL of Colorado, Mr. SMITH of Mississippi, Mr. PAYNE of New Jersey, and Mr. STANGELAND.

H.R. 726: Mr. CHAPMAN.

H.R. 758: Mrs. COLLINS, Mr. NELSON of Florida, Mr. FUSTER, Mr. FAUNTROY, Mr. DYMALLY, Mr. GORDON, Mr. ROBINSON, Mr. RANGEL, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. MRAZEK, Mr. DE LUGO, and Mr. MURPHY.

H.R. 764: Mr. ALEXANDER, Mr. PENNY, Mr. TOWNS, Mr. LEACH of Iowa, Mr. RITTER, Mr. LEATH of Texas, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. DE LUGO, Mr. HAMMERSCHMIDT, Mr. ATKINS, Mr. THOMAS of Georgia, Mr. FISH, Mr. BUSTAMANTE, Mr. SLATTERY, and Mr. MRAZEK.

H.R. 774: Mr. UDALL, Mr. MCHUGH, Mr. STALLINGS, and Mr. JONES of Georgia.

H.R. 825: Mr. MINETA, Mr. BROWN of California, Mr. CARDIN, and Mr. LEVINE of California.

H.R. 833: Ms. KAPTUR.

H.R. 917: Mr. BROWN of California, Mr. MCDADE, Mr. SCHEUER, Mr. ENGEL, Mr. DONALD E. LUKENS, and Mr. BERMAN.

H.R. 930: Mr. SMITH of Florida, Mr. CAMPBELL of Colorado, Mr. DEFAZIO, Mr. FAUNTROY, Mr. WHEAT, Mr. LEVIN of Michigan, Mrs. BENTLEY, Mr. STUDDS, Mr. ACKERMAN, Mr. MOODY, Mr. EDWARDS of California, Mrs. JOHNSON of Connecticut, Mr. WILSON, Mr. LEVINE of California, Mr. GALLO, Mr. VENTO, and Mrs. MORELLA.

H.R. 956: Mr. HORTON, Mr. MOORHEAD, Mr. DANNEMEYER, Mr. HANSEN, Mr. ERDREICH, Mr. PASHAYAN, Mr. LEWIS of California, Mr. LAGOMARSINO, Mr. DEWINE, Mr. PAXON, Mr. DUNCAN, Mr. DONALD E. LUKENS, Mr. MCEWEN, Mr. MARTIN of New York, Mr. MARLENEE, Mr. HERGER, Mr. RAVENEL, and Mrs. BENTLEY.

H.R. 982: Mr. BAKER, Mr. VENTO, Mr. KOLBE, Mr. DURBIN, Mr. MFUME, Mr. MOORHEAD, Mr. DREIER of California, Mr. SHAW, Mr. ECKART, Mr. STANGELAND, Mr. ORTIZ, Mr. PAYNE of New Jersey, Mr. HOAGLAND, Mr. OBERSTAR, Mr. SWIFT, Mr. SLATTERY, Mr. CLEMENT, Mr. JONES of Georgia, Mr. TORRES, Mr. BLAZ, Mr. MACHTLEY, Mr. RAVENEL, Mr. FOLEY, and Mr. GIBBONS.

H.R. 985: Mr. DYSON, Mr. SHARP, and Mr. KASTENMEIER.

H.R. 995: Mr. MOAKLEY, Mr. DYMALLY, Mr. HOLLOWAY, and Mr. MAZZOLI.

H.R. 1025: Mr. ROE, Mr. LEHMAN of California, Mr. MARTINEZ, Mr. FAZIO, Mr. SMITH of Mississippi, and Mr. GLICKMAN.

H.R. 1074: Mr. STUDDS, Mr. DOWNEY, Mr. JONES of Georgia, Mr. SIKORSKI, Mr. PEPPER, Mrs. JOHNSON of Connecticut, Mr. JONTZ, Mr. COELHO, Mr. NELSON of Florida, Ms. KAPTUR, Mr. DYSON, Mr. DORGAN of North Dakota, Mr. BEVILL, Mr. MARTINEZ, Mr. HATCHER, Mr. CLARKE, Mr. YOUNG of Florida, Mr. DEFAZIO, Mr. HALL of Texas, and Mr. COURTER.

H.R. 1082: Mr. PICKETT, Mr. GALLEGLY, Mr. PAYNE of Virginia, Mr. MCGRATH, Mr. WHITTAKER, Mr. WEISS, Mr. GILLMOR, Ms. KAPTUR, Mr. MARLENEE, Mr. FAZIO, Mr. MCCRERY, Mr. GIBBONS, Mr. DONALD E. LUKENS, Mr. OBERSTAR, Mr. REGULA, Mr. ROE, and Mr. LIVINGSTON.

H.R. 1112: Mr. EVANS.

H.R. 1190: Mr. LEWIS of Georgia, Mr. GONZALEZ, Mrs. COLLINS, Mr. LAFALCE, Mr. DIXON, Mr. DE LUGO, Mr. HAYES of Illinois, Mr. SOLARZ, Mr. PORTER, Mr. CLAY, Mr. WHEAT, Mr. SMITH of Vermont, Mr. OWENS of New York, and Mr. MANTON.

H.R. 1235: Mr. HAYES of Illinois and Mr. BUSTAMANTE.

H.R. 1236: Mr. HYDE, Mr. PORTER, Mr. KASTENMEIER, Mr. MCDADE, Mr. GALLO, Mr. NEAL of North Carolina, and Mr. WALGREN.

H.R. 1267: Mrs. BENTLEY.

H.R. 1276: Mr. CAMPBELL of California.

H.R. 1280: Mr. EVANS, and Mr. SKAGGS.

H.R. 1292: Mr. ROE, Mrs. MORELLA, Mr. LIPINSKI, Mr. MRAZEK, Mr. BONIOR, Mr. KLECZKA, and Mr. FOGLIETTA.

H.R. 1293: Mrs. COLLINS, Mr. SMITH of Florida, Mr. LEVIN of Michigan, Mr. SHAYS, Mr. WISE, Mr. FAWELL, Mr. DYMALLY, Mr. BLAZ, Mr. LANCASTER, and Mr. TRAFICANT.

H.R. 1303: Mr. BILBRAY, Mr. DYMALLY, Mr. LAGOMARSINO, Mr. LEWIS of Georgia, Mr. MCGRATH, Mr. OWENS of New York, Mr. ROBINSON, and Mr. HOLLOWAY.

H.R. 1374: Mr. WOLPE, Mr. TRAXLER, and Mr. CONYERS.

H.R. 1409: Mr. HANSEN, Mr. JOHNSON of South Dakota, Mr. OWENS of New York, and Mr. SHAYS.

H.R. 1425: Ms. KAPTUR, Mr. PAYNE of New Jersey, Mr. WHEAT, Mr. RIDGE, Mr. WISE, Mr. FLORIO, Mr. LAFALCE, and Mr. DE LUGO.

H.R. 1451: Mr. SMITH of Florida, Mr. DANNEMEYER, Mr. APPLEGATE, Mrs. BENTLEY, Mr. GILMAN, Mr. BATEMAN, Mr. HOLLOWAY, Mr. MILLER of Ohio, Mr. MCEWEN, and Mr. BURTON of Indiana.

H.R. 1469: Mr. COURTER.

H.R. 1491: Mr. WOLPE, Mr. SMITH of New Jersey, Mr. BLAZ, Mr. SMITH of New Hampshire, Mr. BROWN of California, Mr. GUNDERSON, Mr. ACKERMAN, and Mr. JAMES.

H.R. 1515: Mr. BATEMAN, Mr. SHAW, Mr. PARRIS, Mr. FROST, Mr. HOLLOWAY, Mr. CAMPBELL of California, Mr. WAXMAN, and Mr. MILLER of Ohio.

H.J. Res. 35: Mr. WEISS, Mr. WALSH, Mr. BURTON of Indiana, Mr. RANGEL, Mr. SMITH of New Jersey, Mr. KENNEDY, Mr. BENNETT, Mr. SMITH of Florida, Mr. VOLKMER, Mr. HUTTO, Mr. PARKER, Mr. HUGHES, Mr. MCGRATH, Mr. PAYNE of New Jersey, Mr. FROST, Mr. SHAW, Mrs. BOXER, Mr. MCDADE, Mrs. BENTLEY, Mr. BONIOR, Mr. SAXTON, Mr. HAMMERSCHMIDT, Mr. DE LUGO, Mr. FLORIO, Mrs. KENNELLY, Mr. DEFAZIO, Mr. GILMAN, Mr. BROWN of California, and Mr. STANGELAND.

H.J. Res. 94: Mr. ASPIN, Mr. BALLENGER, Mr. BROOMFIELD, Mr. BRUCE, Mr. BURTON of Indiana, Mr. CLINGER, Mr. COURTER, Mr. DEFAZIO, Mr. ENGEL, Mr. ESPY, Mr. FRANK, Mr. FROST, Mr. GONZALEZ, Mr. GRAY, Mr. HAYES of Louisiana, Mr. HOYER, Mrs. JOHNSON of Connecticut, Mr. LEHMAN of California, Mr. LELAND, Mr. MCCLOSKEY, Mrs. MEYERS of Kansas, Mr. MOLLOHAN, Mr. MRAZEK, Mr. OBEY, Mr. OXLEY, Mr. PARKER, Mr. PAYNE of New Jersey, Mr. PERKINS, Mr. PICKETT, Mr. RAHALL, Mr. RHODES, Mr. ROWLAND of Connecticut, Mr. SANGMEISTER, Mr. SMITH of New Jersey, Mr. SMITH of Texas, Mr. SWIFT, Mr. VENTO, and Mr. WHEAT.

H.J. Res. 134: Mr. KENNEDY, Mr. KOLBE, Mr. DARDEN, Mr. GREEN, Mr. DERRICK, Mr. RICHARDSON, Ms. OAKAR, Mr. WAXMAN, Mr. FAZIO, Mr. VENTO, Mr. AKAKA, Mr. MADIGAN, Mr. BALLENGER, Mrs. BENTLEY, Mr. CLINGER, Mr. SKAGGS, Mr. COUGHLIN, Mr. FISH, Mr. FAUNTROY, Mr. MCMILLEN of Maryland, Mr. TRAXLER, Mr. JONES of Georgia, Mr. RAVENEL, Mr. DE LA GARZA, Mr. TORRICELLI, Mr. SOLOMON, Mr. MATSUI, Mr. BUNNING, Mr. SMITH of Florida, Mr. MCEWEN, Mr. COELHO, Mr. PANETTA, Mr. HAMMERSCHMIDT, Mr. SAXTON, Mr. GEPHARDT, Mr. CAMPBELL of Colorado, Mr. BATEMAN, Mr. MCDADE, Mr. MCGRATH, Mr. QUILLEN, Mr. MINETA, Mrs. BOXER, Mr. DE LUGO, Mrs. SAIKI, Mr. GONZALEZ, Mr. KOLTER, Mr. MCCLOSKEY, Mr. HENRY, Mr. TALLON, Mr. RHODES, Mr. BROWN of Colorado, Mr. FLORIO, Mr. HEFNER, Mr. WELDON, Mr. GUARINI, Mr. COURTER, Mr. COYNE, and Mr. DREIER of California.

H.J. Res. 135: Mr. ATKINS, Mrs. BENTLEY, Mr. BUECHNER, Mr. DERRICK, Mr. ESPY, Mr. FAUNTROY, Mr. FROST, Mr. FUSTER, Mr. MANTON, Mr. SMITH of New Hampshire, Mr. WOLPE, and Mr. YOUNG of Florida.

H.J. Res. 150: Mr. WILSON, Mr. LENT, Mr. KANJORSKI, Mr. RANGEL, Mr. LAUGHLIN, Mr. WELDON, Mr. BUNNING, Mr. LAGOMARSINO, and Mr. KOSTMAYER.

H.J. Res. 169: Ms. OAKAR, Mr. CONYERS, Mr. DONNELLY, Mr. DYSON, Mr. ANDREWS, Mr. ESPY, Mr. ATKINS, Mr. FOGLIETTA, Mr. FUSTER, Mr. GARCIA, Mr. PAYNE of New Jersey, Mr. HUBBARD, Mr. SAWYER, Mr. TALLON, Mr. SAVAGE, Mr. TRAFICANT, Mr. WALGREN, Mr. JONES of North Carolina, Mr. AKAKA, Mr. BLAZ, Mr. GUARINI, Mr. HERTEL, Mr. HAYES of Louisiana, and Mr. WEISS.

H.J. Res. 215: Mr. COLEMAN of Texas, Mrs. COLLINS, Mr. GUARINI, Mr. COSTELLO, Mr. BUSTAMANTE, Mr. LEVIN of Michigan, Mr. AUCOIN, Mr. KOSTMAYER, Mr. PAYNE of New Jersey, Mr. CROCKETT, Mr. CARR, Mr. HORTON, Mr. ACKERMAN, Mr. FRANK, Mr. DYMALLY, Mr. WOLPE, Mrs. BOXER, Mr. JENKINS, and Ms. PELOSI.

H. Con. Res. 1: Mrs. COLLINS, Mr. HOCHBRUECKNER, Mr. FUSTER, Mr. MATSUI, Mr. BONIOR, and Mr. BROWN of California.

H. Con. Res. 44: Mr. HOCHBRUECKNER, Mr. SCHEUER, Mr. FUSTER, Mrs. COLLINS, Mr. FOGLIETTA, Mr. GLICKMAN, Mr. WEISS, and Mr. VENTO.

PETITIONS, ETC.

Under clause 1 of rule XXII,

30. The SPEAKER presented a petition of the city of Prattville, AL, relative to the small issue bond program; which was referred to the Committee on Ways and Means.

SENATE—*Tuesday, April 4, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 2:15 p.m., on the expiration of the recess, and was called to order by the Honorable J. ROBERT KERREY, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

As we begin the prayer this morning, we remember Sheila Burke in the loss of her father so soon after her mother's death last year. Let us pray for her comfort and peace in this time of sorrow.

Is anything too hard for the Lord?—Genesis 18:14.

Gracious God our Father, we know the answer to the question addressed to Abraham: "With God, all things are possible." Thou art the God of the macrocosm and the microcosm, the infinite and the infinitesimal. Nothing is too big for Thee, too small for Thee. "The nations are as a drop in the bucket to Thee, and Thou knowest when a sparrow falls to the ground." Whether the universe or the atom, whether national crisis or one constituent's need, Thou art sovereign and compassionate.

Help the Senate recognize the limitations of human nature and legislation. Make them wise to seek the Lord when they reach their extremities.

In a sense, dear Lord, nothing in the Nation or the world is more important right now than 6-year-old Albert Gore III, hit by a car last night, in the hospital with a broken thigh and rib, ruptured spleen, bruised lungs, and concussion. Thank Thee for his life. Thank Thee that he is safe. We pray for his complete restoration to health and strength. Sustain the Senator and Mrs. Gore in this hour of inexpressible concern. Reassure them of the love and prayers of all of us.

In the name of Him who is the Great Physician we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 4, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. ROBERT KERREY, a Senator from the State of Nebraska, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. KERREY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the acting majority leader.

THE JOURNAL

Mr. FOWLER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. FOWLER. Mr. President, I ask unanimous consent that the time for the majority leader be reserved and that following the time for the distinguished Republican leader there be a period for morning business not to extend beyond 4 p.m. today, with Senators permitted to speak therein for up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE ACTING REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The acting Republican leader is recognized.

The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I have no announcements on behalf of the Republican leader.

I will seek the floor in morning business.

MORNING BUSINESS

Mr. FOWLER. Mr. President, we will reserve the time of the Republican leader and I will reserve any time that I might have and we will go to morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FORD. Mr. President, who has the floor?

The ACTING PRESIDENT pro tempore. The Chair recognized the Senator from Pennsylvania.

Mr. FORD. Would the distinguished senior Senator yield me 15 seconds so I might attend to some committee business?

Mr. HEINZ. I would be pleased to yield.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky.

RULES OF THE JOINT COMMITTEE ON PRINTING

Mr. FORD. Mr. President, today, the Joint Committee on Printing held its reorganizational meeting. In keeping with tradition, the chairmanship of the committee shifted from the House of Representatives back to the Senate for the duration of this Congress. At today's meeting, the members also adopted formal operating rules for the 101st Congress. I ask unanimous consent that a copy of the Joint Committee's rules be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RULES OF THE JOINT COMMITTEE ON PRINTING, 101ST CONGRESS

RULE 1—COMMITTEE RULES

(a) The rules of the Senate and House insofar as they are applicable, shall govern the Committee.

(b) The Committee's rules shall be published in the Congressional Record as soon as possible following the Committee's organizational meeting in each odd-numbered year.

(c) Where these rules require a vote of the members of the Committee, polling of members either in writing or by telephone shall not be permitted to substitute for a vote taken at a Committee meeting, unless the ranking minority member assents to waiver of this requirement.

(d) Proposals for amending Committee rules shall be sent to all members at least one week before final action is taken thereon, unless the amendment is made by unanimous consent.

RULE 2—REGULAR COMMITTEE MEETINGS

(a) The regular meeting date of the Committee shall be the second Wednesday of every month when the House and Senate are in session. A regularly scheduled meeting need not be held if there is no business to be considered and after appropriate notification is made to the ranking minority member. Additional meetings may be called by the chairman as he may deem necessary

or at the request of the majority of the members of the Committee.

(b) If the chairman of the Committee is not present at any meeting of the Committee, the vice-chairman or ranking member of the majority party on the Committee who is present shall preside at the meeting.

RULE 3—QUORUM

(a) Five members of the Committee shall constitute a quorum which is required for the purpose of closing meetings, promulgating Committee orders or changing the rules of the Committee.

(b) Three members shall constitute a quorum for purposes of taking testimony and receiving evidence.

RULE 4—PROXIES

(a) Written or telegraphic proxies of Committee members will be received and recorded on any vote taken by the Committee, except at the organization meeting at the beginning of each Congress or for the purpose of creating a quorum.

(b) Proxies will be allowed on any such votes for the purpose of recording a member's position on a question only when the absentee Committee member has been informed of the question and has affirmatively requested that he be recorded.

RULE 5—OPEN AND CLOSED MEETINGS

(a) Each meeting for the transaction of business of the Committee shall be open to the public except when the Committee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public. No such vote shall be required to close a meeting that relates solely to internal budget or personnel matters.

(b) No person other than members of the Committee, and such Congressional staff and other representatives as they may authorize, shall be present in any business session which has been closed to the public.

RULE 6—ALTERNATING CHAIRMANSHIP AND VICE CHAIRMANSHIP BY CONGRESSES

(a) The chairmanship and vice chairmanship of the Committee shall alternate between the House and the Senate by Congresses. The senior member of the minority party in the House of Congress opposite of that of the chairman shall be the ranking minority member of the Committee.

(b) In the event the House and Senate are under different party control, the chairman and vice chairman shall represent the majority party in their respective Houses. When the chairman and vice chairman represent different parties, the vice chairman shall also fulfill the responsibilities of the ranking minority member as prescribed by these rules.

RULE 7—PARLIAMENTARY QUESTIONS

Questions as to the order of business and the procedures of the Committee shall in the first instance be decided by the chairman, subject always to an appeal to the Committee.

RULE 8—HEARINGS: PUBLIC ANNOUNCEMENTS AND WITNESSES

(a) The chairman, in the case of hearings to be conducted by the Committee, shall make public announcement of the date, place and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the Committee determines that there is good cause to begin such hearing at an earlier date. In the latter event, the chairman shall make such public announcement at the earliest possible date. The staff director of the Committee shall promptly notify the Daily Digest of the CONGRESSIONAL RECORD as soon as possible after such public announcement is made.

(b) So far as practicable, all witnesses appearing before the Committee shall file advance written statements of their proposed testimony at least 48 hours in advance of their appearance and their oral testimony shall be limited to brief summaries. Limited insertions or additional germane material will be received for the record, subject to the approval of the chairman.

RULE 9—OFFICIAL HEARING RECORD

(a) An accurate stenographic record shall be kept of all Committee proceedings and actions. Brief supplemental materials when required to clarify the transcript may be inserted in the record subject to the approval of the chairman.

(b) Each member of the Committee shall be provided with a copy of the hearings transcript for the purpose of correcting errors of transcription and grammar, and clarifying questions or remarks. If any other person is authorized by a Committee member to make his corrections, the staff director shall be so notified.

(c) Members who have received unanimous consent to submit written questions to witnesses shall be allowed two days within which to submit these to the staff director for transmission to the witnesses. The record may be held open for a period not to exceed two weeks awaiting the responses by witnesses.

(d) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the Committee. Testimony received in closed hearings shall not be released or included in any report without the approval of the Committee.

RULE 10—WITNESSES FOR COMMITTEE HEARINGS

(a) Selection of witnesses for Committee hearings shall be made by the Committee staff under the direction of the Chairman. A list of proposed witnesses shall be submitted to the members of the Committee for review sufficiently in advance of the hearings to permit suggestions by the Committee members to receive appropriate consideration.

(b) The Chairman shall provide adequate time for questioning of witnesses by all members, including minority members, and the rule of germaneness shall be enforced in all hearings.

(c) Whenever a hearing is conducted by the Committee upon any measure or matter, the minority on the Committee shall be entitled, upon unanimous request to the Chairman before the completion of such hearings, to call witnesses selected by the minority to testify with respect to the measure or matter during at least one day of hearing thereon.

RULE 11—CONFIDENTIAL INFORMATION FURNISHED TO THE COMMITTEE

The information contained in any books, papers or documents furnished to the Committee by any individual, partnership, corporation or other legal entity shall, upon the request of the individual, partnership, corporation or entity furnishing the same, be maintained in strict confidence by the members and staff of the Committee, except that any such information may be released outside of executive session of the Committee if the release thereof is effected in a manner which will not reveal the identity of such individual, partnership, corporation or entity in connection with any pending hearing or as a part of a duly authorized report of the Committee if such release is deemed essential to the performance of the functions of the Committee and is in the public interest.

RULE 12—BROADCASTING OF COMMITTEE HEARINGS

The rule for broadcasting of Committee hearings shall be the same as Rule XI, clause 3, of the Rules of the House of Representatives.

RULE 13—COMMITTEE REPORTS

(a) No Committee report shall be made public or transmitted to the Congress without the approval of a majority of the Committee except when Congress has adjourned: *Provided*, That any member of the Committee may make a report supplementary to or dissenting from the majority report. Such supplementary or dissenting reports should be as brief as possible.

(b) Factual reports by the Committee staff may be printed for distribution to Committee members and the public only upon authorization of the chairman either with the approval of a majority of the Committee or with the consent of the ranking minority member.

RULE 14—CONFIDENTIALITY OF COMMITTEE REPORTS

No summary of a Committee report, prediction of the contents of a report, or statement of conclusions concerning any investigation shall be made by a member of the Committee or by any staff member of the Committee prior to the issuance of a report of the Committee.

RULE 15—COMMITTEE STAFF

(a) The Committee shall have a professional and clerical staff under the supervision of a staff director. Staff operating procedures shall be determined by the staff director, with the approval of the chairman of the Committee, and after notification to the ranking minority member with respect to basic revisions of existing procedures. The staff director, under the general supervision of the chairman, is authorized to deal directly with agencies of the Government and with non-Government groups and individuals on behalf of the Committee.

(b) The chairman and vice chairman, on behalf of their respective bodies of Congress, shall be entitled to designate two senior staff members each. During any Congress in which both Houses are under the control of the same party, the ranking minority member, on behalf of his party, shall be entitled to designate two senior staff members.

(c) All other staff members shall be selected on the basis of their training, experience and attainments, without regard to race, religion, sex, color, age, national origin or political affiliations, and shall serve all members of the Committee in an objective, nonpartisan manner.

RULE 16—COMMITTEE CHAIRMAN

The chairman of the Committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the Committee. Specifically, the chairman is authorized, during the interim periods between meetings of the Committee, to act on all requests submitted by any executive department, independent agency, temporary or permanent commissions and committees of the Federal Gov-

ernment, the Government Printing Office and any other Federal entity, pursuant to the requirements of applicable Federal law and regulations.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

(The remarks of Mr. HEINZ pertaining to the introducing of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

MIDEAST PEACE PROCESS

Mr. METZENBAUM. Mr. President, the President of Egypt is in Washington today and the Prime Minister of Israel will arrive here tomorrow. Both leaders will be conducting important talks with President Bush, administration officials and congressional leaders that will focus on the peace process and regional economic issues. What an opportunity this would have presented for face-to-face meetings between these two heads of state.

Regrettably, President Mubarak has refused to meet with his Israeli counterpart. I would hope that even at this late date he would change his mind. And I encourage him to reconsider his decision.

It is tragic that, at a time when the Mideast peace process could gain immeasurably from an injection of goodwill, another golden opportunity for a substantive, direct Arab-Israeli dialog will be wasted.

It is puzzling, Mr. President, that as Egypt, Israel, and the United States celebrate a triumphal decade of peace, Mr. Mubarak will not meet with Mr. Shamir. This is not a positive opening to the second decade of an historic peace treaty. Mr. Mubarak's actions send the wrong signal to other Arab governments, especially at a time when the administration is urging them to recognize Israel.

Just over 2 weeks ago this body unanimously approved a resolution commending Egypt and Israel on the 10th anniversary of the signing of their peace treaty. It took leadership, courage, and sacrifice to overcome decades of war and move forward to a peaceful settlement.

Israel has sacrificed time and again to make the peace with Egypt work. Israel returned the vast Sinai Desert stretching from the Mediterranean to the Red Sea, from the Suez Canal to the Negev Desert. Israel agreed to submit the Taba question to international arbitration and abided by the final decision, returning Taba to Egypt.

Israel gave up self-sufficiency in energy. The oil wells of Sinai were producing the most valuable natural resource known to man. They were pumping away for years—and they were in the hands of Israel. But in order to effect a true peace, Israel gave back those wells and again became a nation totally unable to provide for its own energy needs. In the interest of peace, Israel again made itself an oil-dependent nation. The energy crises of the 1970's clearly illustrate what a great sacrifice this was.

Israel also left extensive military facilities in the Sinai, and lost forever the strategic "buffer" provided by this vast desert.

Can any of us forget that momentous occasion when Anwar Sadat, the head of Egypt, got on a plane in Cairo, flew to Israel, and sat down to negotiate peace with Prime Minister Begin? Can any of us forget the time when those two heads of State came to the United States under the auspices of President Carter to draft their treaty? We all celebrated this great event, and the ramifications it had for peace in the Middle East.

And now the opportunity is available to Mr. Mubarak—not an easy opportunity; not one that anybody suggests is going to suddenly bring about a peaceful resolution of contentious issues—but it is an opportunity for Mr. Mubarak and Mr. Shamir to get to know each other. By coincidence—or maybe it isn't such a coincidence—they will both be in the United States at the same time. Why not use this opportunity now to advance the peace process? Why not sit down and get to know each other?

I am troubled that Mr. Mubarak has declined to use this latest opportunity to further the peace process. We need to work for peace and to nurture it, not ignore it. It will not come about easily.

I would hope that even at this point Mr. Mubarak might see fit to change his mind and make a step in the right direction for peace while that opportunity is still available. I would hope that Mr. Shamir and Mr. Mubarak can both find the time to meet with each other.

I think the world yearns for it; I think the world hopes for it; and I think all of us who want to see peace in the Middle East would hope that even at this late hour that there would be a change in Mr. Mubarak's position. We hope that Mr. Shamir and Mr. Mubarak can discuss their differences frankly, and in a head-to-head meeting. I yield the floor.

Mr. REID addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Nevada.

Mr. REID. Does the majority leader wish the floor?

Mr. MITCHELL. No.

BOXING AND POLITICAL INDEPENDENT EXPENDITURES

Mr. REID. Mr. President, when I was in high school and college, I participated in boxing events, Golden Gloves and such things, and later on I was a member of the State Athletic Commission in the State of Nevada as a judge where I judged hundreds of professional fights. This experience taught me that boxing, of course, is a grueling sport and that the excitement and intensity sometimes proves to be very dangerous. That is why, Mr. President, I have had a lot of discussions with athletic commissions from various States, the boxers and the fight promoters, about providing safety standards for this boxing profession.

Many feel the action is needed to impose greater control on how this sport is conducted. The reason I mention this is that lately the boxing ring bears a strong resemblance to the political arena where campaigns are waged. In the electoral forum, the dangers are the punches thrown by those making independent expenditures; quite different from those in the actual boxing ring. Millions and millions of dollars are being spent to influence the outcomes of elections. This money in spent for TV, radio, and direct mail, ostensibly produced independently of the campaign and the candidate being supported.

We have laws set up in this country in the Federal area where an individual can give $1,000 in a primary election and another $1,000 in a general election; that a political action committee can give $5,000 in the primary and $5,000 in the general, for a total of $10,000. But now, Mr. President, we have people who are violating, if not the letter of the law, the spirit of the law. Why? Because these political action committees are not donating the limit of $2,000, or the limit of $10,000 but are, in fact, spending unlimited amounts.

I think it is interesting to note that they have no limits. Worst of all, these political action committees that are making these expenditures are making them without disclosing anything so that one major difference between the sport of boxing and the practice of campaigning is that in a boxing match, the fighters are those who get hurt. In the case of these independent expenditures, the spectators, that is the American people, are the ones being harmed. They are subject to sham tactics and the whims of unlimited amounts of money, unlimited amounts of wealth.

Take, for example, Mr. President, the 1988 Senate race in the State of Nevada. In the State of Nevada, there was a mass advertising campaign directed against the present Senator RICHARD BRYAN, who was then the Governor.

This money that was spent, more than one-half million dollars, was spent by foreign auto dealers. Now, you would think they would be spending their money to talk about stands

that Governor Bryan had taken relative to commerce or trade. But, no; the foreign auto dealers were spending money on social security issues. The people in the State of Nevada had no way of knowing that it was the foreign auto dealers who were spending these huge sums of money on social security ads.

I think that the voters have a right to know who is sponsoring the political advertisements and the literature designed to sway their choice. I think it is also important to note, Mr. President, that this is not a partisan issue. In the State of Nevada, the money was spent, over one-half million dollars against a Democrat, but there is nothing to prevent independent expenditures, and they have been made in the past, against a Republican. I see in the coming election in 1990 huge amounts of money being spent against Republicans and against Democrats.

So as we continue the debate over campaign finance reform, I believe emphasis must be placed on this issue of independent expenditures. In a democracy where voters have freedom of choice, they should not be subject to misleading campaign tactics. So I think we need to extend the whole concept of fairness in advertising, from the marketplace to the polling booths.

There has been a lot of talk recently about more socially conscious, better informed consumers. I believe we should create equally high standards for educating the voter. Campaign rhetoric is fine as long as voters know the source of the information directed their way. Many observers believe that the practice of the independent expenditures is becoming something of a growth industry. Individuals and organizations frustrated by the constraints of PAC regulations have found another way to influence the process. These expenditures should not be for misleading campaigns that assault the American voters' intellect and, I believe, dignity.

I have read and witnessed that reform always follows scandal. The 1974 amendments to the Federal Election Campaign Act, for example, were in response to the 1971 travesty of Watergate and the related illegal fundraising practices of the administration at that time.

If reform truly does follow scandal, then it is clearly, Mr. President, time for reform. The scandal of independent expenditures must be addressed and must be addressed by this Congress in this session. At stake is a different kind of independence, the independence of the American voter.

Mr. STEVENS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

THE LARGEST OILSPILL IN THE HISTORY OF THE UNITED STATES

Mr. STEVENS. Mr. President, 25 years ago on Good Friday, my State was struck by the largest earthquake that has hit the North American Continent. On this last Good Friday, a week ago last Friday, we had the misfortune of being struck by the largest oilspill in the history of the United States. My colleague and I and others have traveled to Alaska to study this spill. I can tell the Senate that unless you see it, you cannot comprehend it.

Let me say it this way. I told the President this morning that if the tanker had run aground near Portland, ME, the spill would start about at Kennebunkport and the tail of it, the southerly tail of that spill, would now be entering Boston Harbor.

On Friday, I flew over about 2,000 square miles of spill. It is something to behold. I have just one map here, just for the information of those who are here now. We have four very sensitive hatchery areas. The whole area is sensitive.

Mr. President, this area, the Prince William Sound, brings to the north Pacific about 1¼ times the fresh water that comes out of the Mississippi River annually. This fresh water comes out basically as you see the spill area coming southwest out of Prince William Sound. It is the pressure of the Alaska coastal coming out of the Prince William Sound that is bringing this spill out of the sound now.

Someone said to me this morning that I sounded much sadder than they thought I would be. I have to tell you, as I said, you cannot comprehend this. This sound is the commercial seafood center of south central Alaska. It is also our playground. It is the tourist mecca of south central Alaska. In my years in Alaska, I think I have been to almost every nook and cranny of this sound. It is like walking into your child's playground and finding a foot of crude oil on it. Every foot of the playground I have used in the last 35 years is covered with oil.

I want the Senate to know that these are exceptional circumstances. That tanker went aground because of a drunk driver. I do not know of any plan that could have been made to deal with this contingency in terms of preventing the leakage of the oil. The tanker went onto Bligh Reef about midnight at high tide and within 5 hours it had emptied 12 million gallons of oil into this sound. The task of trying to prevent it from spreading has been overwhelming. I, too, join in criticizing the plan that was made with regard to preventing the spreading of any spill. We will have to go into that as the Senator from Pennsylvania has indicated. But for now I urge congressional consideration of the fact that the spill is ongoing. It will be there at least another 2 weeks, maybe more in terms of presence on the surface of the sound. We are hopeful that the Congress will not call from Alaska those who are charged with the problem of trying to curtail and remove the effects of this spill now.

Further, we are hopeful that the Federal Government as a whole will recognize that we have great concern about the marine life and wildlife that are involved in this area. I have similar concern for my constituents who now have lost their livelihood for a period of years. We have already closed down the shrimp fishery, the herring fishery, the crab fishery and what we call the pound fishery in this sound. This area is going to be a disaster area for several years to come as a result of this unfortunate spill.

Mr. President, the difficulty that I have with this incident is, obviously, that it happened in my State. It could have happened anywhere when you consider the effects of drunkeness and operating vehicles. My message to the Senate today, brief as it is, is that we should examine the whole concept of allowing alcoholics who have been rehabilitated being in charge of vehicles such as this. Some of our laws even mandate people not to discriminate against those who have gone through rehabilitation programs. This captain had done that. And again I say I think we need a full examination of this policy. The National Transportation Safety Board report will demonstrate, as the Commandant of the Coast Guard has said, that any child could have driven that tanker through that 10-mile wide, clear, well-marked sealane. The trouble was that people under the influence of alcohol could not.

I thank the chair.

ABE STOLAR

Mr. SIMON. Mr. President, I simply report to you and to my colleagues in the Senate who have been very supportive of the actions I have been taking over the years to try and get an American citizen by the name of Abe Stolar out of the Soviet Union with his family. I am pleased to say that about 2 weeks ago, he was permitted to emigrate.

Abe Stolar grew up in the city of Chicago. When he was about 19 years old, his father who read about communism—this was in 1933—thought the Soviet Union was going to be paradise and took his family over to the Soviet Union. The father ended up being killed in the Stalin purges. His mother disappeared. Abe Stolar has for the last 13 years been publicly asking for permission to leave the Soviet Union, and I am pleased he has finally been permitted to leave with his family.

I think it is one of those small steps that is important in improving relations between the Soviet Union and the United States. I am grateful for the change in the attitude on the part of the Soviet leader in his case.

We still, unfortunately, have a lot of others, not American citizens, but others who face very severe problems in the Soviet Union who want to emigrate. I hope they can be permitted to emigrate.

But I am very, very grateful to my colleagues in the Senate and in the House of Representatives who have joined in the efforts to get Abe Stolar's family out of the Soviet Union.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOLUNTARISM IS WORKING ON NEWPORT'S CLIFF WALK

Mr. PELL. Mr. President, Rhode Island always has been noted for the creativity and individuality of her citizens. These qualities, I am glad to say, often are typical of the many volunteers in our State.

An outstanding example of our State's voluntarism is the way one of Rhode Island's most treasured areas, Newport's Cliff Walk, is being helped by a volunteer group of local citizens.

This magnificent 3.5-mile walk, with the ocean's rugged coastline on one side and some of Newport's most elegant and historic mansions on the other, is gradually loosing a continuing battle with the elements.

Sections of Cliff Walk are crumbling into the ocean and other sections have eroded away until visitors are forced to leap from rock to rock along the coast.

Volunteers, who raised the funds to restore the 40 steps—a landmark spot on Cliff Walk, recently formed the Cliff Walk Restoration Society to help protect this valuable natural, recreational and cultural resource.

I share their enthusiasm for the preservation of Cliff Walk and, I am pleased to report, the National Park Service soon will wrap up a study of the walk as a candidate to become a unit of the National Park System.

We are preparing for the release of that study, which so far has found Cliff Walk to be a nationally significant resource that would be protected, managed and stabilized as a unit of the National Park Sytem.

The Cliff Walk Restoration Society will welcome eventual Government assistance, but they are not idly waiting but are actively working on the walk. A membership drive is underway and they already have begun regular trash pickup excursions.

That is exactly the type of voluntarism that is needed and we all hope their efforts will prove successful. But, beyond that, we hope their work will combine with efforts on the Federal, State, and local government levels to restore once again Cliff Walk's beauty and safety.

Mr. President, I ask unanimous consent that an editorial from the Providence, RI, Journal of Saturday, March 25, 1989, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ONE WAY TO SAVE THE CLIFF WALK

Having listened to calls for government intervention to preserve Newport's Cliff Walk from erosion, let us salute a volunteer organization that is moving ahead on this project by itself.

This is not to suggest that the whole job can be or should be accomplished without federal and state financial assistance. A recent Park Service study estimated it will cost $3 million to shore up the coastal path skirting the mansions, to make it safe for the many tourists it attracts. Money like that is well beyond the reach of any private fund-raising drive. But to its credit, this has not halted the Restoration Society.

While officialdom ponders how or whether to proceed, society members are generating plans to do what they can to protect the Walk from further deterioration. "Things need attention out there right now that you don't need $3 million to start doing," says Russell Johnson, a society director. "There are blocked drains that need to be cleaned out. There are stones that just need to be shoved back in place. There's brush that needs to be cut back, and trash that needs to be picked up.

"Sure, we're going to need the government's help to pay for the big repairs," he adds, "but there's no reason we can't start doing some of these things now ourselves."

Best of all, the Cliff Walk Restoration Society seems to accomplish what it said it will do. Originally formed as the Forty Steps Restoration Society in order to salvage a crumbling stairway leading from the beach to the Walk, it achieved that objective—and now has reorganized to apply the same successful tactics on a larger scale.

"I think we have an edge on the government when it comes to getting things done inexpensively," observes Mr. Johnson. "We can get people to do things for us and to give us materials for free. That's how we did the Forty Steps." Otherwise, he speculates, "it would have cost two or three times as much"—and, we should add, might still not be done.

The Society has begun regular Sunday trash pick-up excursions, and has a membership drive under way to "get (people) involved in what has to be done to restore the Walk." It will also welcome eventual government participation: For example, the State Department of Environmental Management pledges future maintenance if the Park Service takes over the Cliff Walk. That would be nice, but the work of the Cliff Walk Restoration Society is even better.

Mr. PELL. Mr. President, I suggest the absence of a quroum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ALASKA OIL SPILL—A VERY UNFORTUNATE ACCIDENT

Mr. MURKOWSKI. Mr. President, I rise today to share with my colleagues some information on the very unfortunate accident that occurred in Prince William Sound, AK, on Good Friday. On that day, the tanker *Exxon Valdez* went aground and spilled approximately 240,000 barrels of crude oil.

There is a great deal of concern over this accident not only in this body, and throughout our Nation, but more particularly in the State of Alaska and in the area of Prince William Sound. The two largest communities affected are Valdez and Cordova.

Valdez is the terminus of the 800-mile Trans-Alaska Pipeline, which moves approximately 24 percent of the crude oil produced in the United States each day from the oil fields of Prudhoe Bay. It is a relatively small community, and apart from oil, its economy is primarily associated with commercial fisheries and a good deal of tourism. It is situated on a very beautiful body of water called Prince William Sound.

The other major community is Cordova. It is a prototypical Alaskan fishing community and has no road outlet. It is served by surface transportation or air. The economy is primarily based on the processing of salmon, herring, and other species in conventional canneries and cold storages, and on the shipment of very high quality fresh salmon.

I have visited Valdez often. Last Wednesday, I spent about 2 hours on a Coast Guard C-130 with Secretary of Transportation Skinner, and Environmental Protection Agency Administrator Reilly. We were accompanied by the Coast Guard Commandant, Admiral Yost.

I think Secretary Skinner put the oversight dilemma facing us accurately when he indicated that both the oil spill contingency plan and the availability of adequate equipment were dramatically lacking.

Now, there are enough mistakes and blame to go around for everyone. The reality of a ship in excess of 900 feet long hitting a reef and wiping out a major portion of its bottom as the *Exxon Valdez* did, probably was not really expected by most people involved with the plan. However, any contingency plan would have reached its limit in addressing this accident,

because within 3 hours, Mr. President, 240,000 barrels left the tanker. That's an extraordinary rate of spill. Subsequently, the question of how to begin cleanup was fraught with some indecision, indecision based on the good intentions of authorities to determine whether it was appropriate to try to ignite the oil and live with the air pollution associated with that, or to use oil dispersing chemicals and live with the potentially toxic effect of the chemicals. While a burning test was initiated, officials hesitated before deciding to put chemicals in the water. In the meantime, efforts were initiated to contain the oil by bringing booms out, and this too went more slowly than expected. Because of the extensive tidal flow from Prince William Sound, plus high winds experienced the Monday after the accident, the oil moved out and now can be found in a very, very large area—about the size, as a comparison, of the State of Rhode Island. In flying over the area, it was disheartening to note there were, as of last Wednesday, several large areas hit by spilled oil. The Eleanor, Knight and Naked Islands, among others, bore the brunt of the disaster, but indeed it had even then spread to many, many other areas of the bay. Today, it is really still too early to try to ascertain the full extent of the damage.

Mr. President, determining the long-range effects is probably one of the greatest problems we face. Perhaps we can learn from experience to some extent, by applying knowledge that has been gained as a consequence of other major oil spills throughout the world. The *Exxon Valdez* is not the largest, by far, but is the most recent and occurred in a most environmentally sensitive area.

We have directed a letter to the President asking him to designate the appropriate agency to seek out top scientists who have worked to evaluate oil spills occurring in other parts of the world, to bring those objective scientists to Valdez while we still have the effects of the spill, to talk to our own scientists, our own biologists, and then to meet with the mayors of Valdez and Cordova, and with fishermen. The purpose would be to try to give us all some idea as to what the impact might be—not tomorrow but next week, next month, and next year. It is the unknown that causes the greatest fear. I am not suggesting that this will lessen whatever the impact itself. We will have other suggestions for that. But at least, this first step may eliminate some of the fear of the unknown.

Mr. President, as I indicated earlier, there are many, many areas that we can look at now from which we can learn to deal with this tragic accident and we can make restitution. I am not going to use this opportunity to go into a great degree of blame or responsibility other than to admit beyond a doubt that it is human error, the realism of alcohol that causes so many of our accidents, not associated certainly with tankers in the strict sense but just everyday exposure, whether it be automobiles or trains or other means of transportation.

What I am going to do is to reassure Alaskans that the company which owned the vessel, the Exxon Co., has accepted the responsibilities. I have had an opportunity to meet with their president. I have had the assurance that in spite of the somewhat critical views of some on the oil industry being responsive to meeting its obligations, Exxon indeed intends to meet this obligation by setting a norm for the industry.

I assure you, Mr. President, this Senator intends to hold them responsible for their commitments, and I accept their commitments in good faith, but already we have seen the cancellation of our herring fishery season, which is to begin ordinarily within a week or two and as a consequence the herring fishermen of Cordova will not have the opportunity to fish this season.

We have also been advised by the Japanese, the largest single group of buyers of Alaskan seafood products, at least unofficially at this point, they do not intend to make purchases of seafood products from the Prince William Sound area. The accuracy of that, Mr. President, is yet to be determined. But the economic impact is beyond description or the time allotted to me. But it is significant.

Our delegation anticipates a meeting with the President very soon to go over the appropriate role of the Federal Government in this disaster, to address the realities associated with a reexamination of the contingency and containment plans, the role of the Coast Guard, the role of our State government, the role of the industry.

I am pleased to say as a consequence of a number of recent announcements we will see hearings beginning in Washington as early as I believe Thursday of this week.

I simply ask my colleagues to recognize that while we are all looking forward to hearing the expert witnesses at those hearings, we do not get them down here at the expense of the work that remains in Alaska. That tanker must be removed from the reef. We hope that will be completed by Thursday or Friday of this week. The cleanup on the beaches must continue as a No. 1 priority. The cleanup of the marine mammals and other sea life must be addressed, and I think those are considerations, as well, that have priority in keeping with the necessity of maintaining hearings in an expeditious manner.

So, Mr. President, I recognize the limitation of time that I have. I simply say that we appreciate the concern that our colleagues have shown. I will pass that on to my constituents in the State of Alaska, and needless to say, we are going to need the continued understanding and commitment from the Federal Government in offsetting not only the environmental tragedies associated with this accident, but the human tragedies that are occurring in the communities associated in the area of Prince William Sound and other communities that have an association, either by trade or tourist attractions, or others.

So there is a very, very large area affected, Mr. President, and it is indeed going to be a very difficult time for Alaskans.

Mr. President, I will continue to brief my colleagues, along with my senior Senator and colleague, Senator STEVENS.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. Mr. President, let me say to my friend from Alaska, and I have been here for most of the Senator's comments, as one Senator who also comes from an oil and gas State, obviously we do not have the high probability of an accident of this type in my State, but I commend you for your genuine interest in this problem. From my State to yours, we certainly stand ready to do what is reasonable and right with reference to the Federal Government's role in seeing that this disaster, as the Senator has called it, is minimized, and that we do everything we can within our responsibility to cope with it and do what we ought to be doing.

Mr. MURKOWSKI. I thank my colleague and friend from New Mexico.

Mr. DOMENICI. Mr. President, shortly, I am going to send two bills to the desk. I know that tomorrow the President of the United States is going to send his education initiatives to the Congress. I have had a chance to review the President's proposals and I fully support them. The two bills that I am going to send to the desk fit the genuine spirit of the President's request: I hope that as we consider the President's proposals, that my two initiatives will also be considered.

I know the occupant of the chair has been genuinely interested in the notion of public service by America's young people. While I have not had an opportunity to review my distinguished colleague's proposal, which he cosponsored with my friend, the senior Senator from Georgia [Mr. NUNN], let me suggest that the two ideas that I have, although they are very small, fit the general tenor of the ideas that are being talked about here in our country today.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York, Senator MOYNIHAN.

THE 1,480TH DAY OF CAPTIVITY FOR TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise today to remind my colleagues that today marks the 1,480th day of captivity for Terry Anderson in Beruit.

I ask unanimous consent that an editorial on this matter dated March 19, 1989, from the Syracuse Herald American be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANDERSON: WE'RE NOT DOING ALL THAT WE CAN

Three days ago, Terry Anderson marked the end of his fourth year as a prisoner in Lebanon.

The Associated Press, Anderson's employer at the time he was kidnapped from the streets of Beirut, reported he has "adapted smoothly to the arduous life in Beirut, maintaining a sense of calm while going about his job with determination and refusing to be intimidated by the war around him."

Picture yourself, chained for much of your day and night to a bed in a cell, literally not allowed to see daylight for four years, since March 16, 1985. Allowed 12 minutes, once a day, in the bathroom. And so on.

Then picture yourself as "adapt(ing) smoothly . . ."

President Reagan found himself in office in 1980 partly because of the mishandling of the Iranian hostage crisis by the Carter administration. Yet, for much of his time in office, Reagan was unable to come to grips with the predicament of Anderson and the remaining victims of the kidnappers in Beirut.

The Reagan White House, vowing never to cave in to the pressures of terrorist hostage-takers, did just that. By now, most Americans are familiar with the complicated scheme to open up an arms-trading conduit to Iran in exchange for the release of certain hostages held in Lebanon, and for cash to be channeled to the U.S.-backed Contra guerrillas in Nicaragua.

In short, we managed to support terrorism on both sides of the globe, all the while muddying the waters around the hostage situation. And Anderson's situation remained virtually unchanged.

No doubt we all adapt, to a point, to our environment. Someone who has lived in captivity for as long as Terry Anderson is bound to make adjustments, consciously and subconsciously, if only to survive. Perhaps he is maintaining his calm and perhaps he is not. We suspect his moods swing from calm to frustrated to terrified, as would be the case with any normal person in such a situation.

We fear, however, that the administration's policy of continuing the no-policy of the previous administration is inappropriate. Could it be the administration is soothed by news that Anderson is handling his imprisonment well and is inclined to let nature take its course? Whatever that course may be? What about the others? Even less is known about them.

Like his predecessor, Bush vows not to allow the threats of terrorists to dictate this nation's foreign policy. He is right, of course. But when we are told we don't know who is holding Anderson and the other hostages, or who to talk to, or who carries the clout to get them, released, we simply don't believe it.

Who did Col. North talk to? We could go back to that same source, if necessary. Only the terms would be different.

But don't tell us that Terry Anderson is "making the best" of a bad situation. Tell us, as does his friend, photojournalist Don Mell, that there are days when frustration drives him to beat his head against the concrete walls of his prison until the blood runs off his face.

Tell us what it is like for a writer not to be able to practice his craft, of the cruelty, mental and physical, of his captors.

Can a man, denied contact with the outside world, denied the most basic amenities of life for four years, be "reasonably comfortable," or "comfortable despite the circumstances?"

We answer the question: No. The administration certainly would not say it for public consumption, but the implication clearly is that as long a Anderson is "reasonably comfortable," there is no urgency in our efforts to bring him home.

Mell, who was with Anderson when he was kidnapped and who has since founded the Journalists Committee to Free Terry Anderson, says that for his friend and all the others being held against their will, our administration's ". . . silence equals shame."

Sen. Daniel P. Moynihan says he will not accept "the explanation that nothing can be done. . . . Something must be done. The executive branch must seek every avenue, formal and informal, to win the hostages freedom."

Every American, every liberty-loving person should join in that plea. And we should not be assuaged by news that the captives are "coping with their captivity."

Mr. MOYNIHAN. I call to the attention of the Senate that Terry Anderson who wrote for the Associated Press and served in the Marine Corps is from the town of Batavia, in western New York, and this remains a matter of great concern to us and to the Nation.

GEN. COLIN L. POWELL APPOINTED FOUR-STAR GENERAL

Mr. MOYNIHAN. Mr. President, Gen. Colin L. Powell was recently appointed a full four-star general in the U.S. armed services. Today marks his assumption of the duties of Chief of the U.S. Forces Command at Fort McPherson, GA. I am sure my colleagues join me in offering General Powell great congratulations on this high honor.

My colleagues might not be aware that General Powell distinguishes himself in another singularly impressive manner. He has recently received the Townsend Harris Medal from his alma mater, the City College of New York, for outstanding postgraduate achievement. General Powell was recognized as the most senior military officer to have ever graduated from CCNY, and New Yorkers are proud to identify General Powell as one of our own.

Having entered CCNY at age 16½, he began a training in engineering. A penchant for things military guided General Powell to the ROTC—to great success. His CCNY education put him in such good stead that he ascended the highest ranks of the U.S. Armed Forces, as National Security Adviser to the President, and now Chief of the U.S. Forces Command and four-star general.

Mr. President, I humbly note that I attended City College from 1943 to 1944. After that 1 year, the U.S. Navy got its hands on me, and ultimately the GI bill led me astray. But I never forgot the old 23d Street campus of Baruch College. I also never made it to the uptown campus.

Of the many great CCNY alumni, General Powell is by no means least among them.

At this point, Mr. President, and with the permission of my colleagues, I ask unanimous consent that General Powell's memoirs of CCNY, as published in the Public Interest, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FROM CCNY TO THE WHITE HOUSE

(By Colin L. Powell)

My odyssey began on a winter's day in February 1954, when I entered City College at age 16½—having just been graduated from Morris High School on Boston Road in the Bronx.

I went to college for a single reason: my parents expected it. I don't recall having had any great urge to get a higher education. I don't even remember consciously thinking the matter through. I just recall that my parents expected it of me. And in those days when your parents expected something, it was what you had to do. In my family, especially, you did what your parents expected of you.

The question of which college to attend was easily resolved: I applied to New York University (NYU) and the City College of New York (CCNY). Notwithstanding my rather mediocre high school grades, I was accepted at both institutions. Making the final decision was tough, but one I was able to come to grips with readily—NYU cost $750 a year; CCNY cost $10. That was the end of that.

So on that cold morning I took the bus across the 155th Street bridge, rode up the hill, got off, met Raymond the Bagelman—a fixture on campus—and began my career as a CCNY student. What to study was a problem. My parents said engineering was the best field to choose. Back in the 1950s in fact, engineering was the thing to do. So I applied to the School of Engineering and was accepted.

I quickly learned that I had no aptitude for engineering. After a fairly successful first semester—February to June of that year—I came out with a "B" average. But that summer I took a course in mechanical drawing. One hot afternoon, the instructor

asked me to visualize a cone intersecting a plane in space. It was at that point that I decided to drop out of engineering; it was the worst summer I had ever spent.

Earlier, in the spring, I had noticed a bunch of fellows wandering around Amsterdam and Convent Avenues in uniform. It was the local ROTC detachment. I had a certain interest in the military. My generation, after all, had essentially spent its elementary school years watching World War II and then, after a brief postwar hiatus, its teenage years watching and hearing about the Korean War. So if your were of that generation, the military had made an indelible impression upon you. Thus the military held out a certain attraction for me. I was also attracted to a group within ROTC known as the Pershing Rifles.

The Pershing Rifles were the ones who walked around with a little whipped cord on their shoulders, suggesting that they were a little more serious than the average ROTC cadet, and possibly that they had made some sort of tentative commitment to military service as a career. That appealed to me. So I joined ROTC that fall, immediately pledged Pershing Rifles, and spent the next four years concentrating on ROTC, spending most of my time on Pershing Rifles activities and tolerating the academic demands of the College as best I could.

In 1958, with an average that barely crept above "C" (the only way it crept above "C" was four straight years of "A" in ROTC, which, thank goodness, counted on your academic record), I was graduated as a cadet colonel, a Pershing Rifles company commander, and designated a "distinguished military graduate." As an incidental dividend I received a B.S. degree in geology for mastering the rock formations under Manhattan. At 21, therefore, I was on my way to the Army. What was most important was—and this was expected of me by my parents—that I had a job, even if it was in the military. In those days, you see, you went to school for the purpose of making yourself employable.

Today I have several children who don't think that the end of college is necessarily the beginning of a productive work life. But we're sorting it out, each child at a time. In any case, my job as a second lieutenant paid $60 a week, thereby meeting parental expectations (common in those days) that you would emerge from school in a position to support yourself. However, the most important thing that was expected of you by your parents was to do better than they had done. My parents, like so many parents of CCNY students, were immigrants. They came to this country in the 1920s and worked their entire adult lives in the garment district—my father as a sales clerk, my mother as a seamstress. I recall that every Thursday night I would watch my mother put those little tickets together—she did piecework—so that on Friday morning she could bundle them all up and take them down to 34th Street and get her pay.

You were supposed to do better than that in my family and I think, in most of the families of those who attended CCNY in those days. Indeed, the parental drive in that direction was so strong that our parents often did not recognize their own strengths. Until the day they died, for example, I was never able to convince my parents that it would never be possible for me to do better than they in providing their children with values and goals, and in that way making a valuable contribution to their new country, which they loved.

I'm sure that my story is not different from the tales that many CCNY alumni could tell—the story of the kid of an inner-city immigrant family who benefited from living in a city that treated its obligation to educate and provide for its youth as the most important investment it could make.

What was also singular about the College was that while we had the second largest voluntary ROTC unit in the country, a military career was not viewed as a very popular or terribly attractive field to aim for. But for me it was a route out, a route up. For minority youth back in the mid- and late 1950s there were not that many avenues out. It was still a time when your possibilities were limited by your religious background or your racial heritage. When I first graduated from college I didn't understand that. It wasn't until I went into the Army and was assigned to places like Fort Benning, Georgia, and Fort Bragg, North Carolina, that I came to understand the nature of bias. But growing up in New York, particularly on Kelly Street in the South Bronx, everybody was a "minority." I didn't know what a "majority" was. You were either black, Puerto Rican, Jewish, or of some strange European extraction.

I was 21 years old and stationed at Fort Benning before I ever saw what is referred to as a White Anglo-Saxon Protestant. So it was something of an advantage for me to enter the Army without realizing that I was a "minority." And if there's one thing I've tried to do over the many years that have followed, it's to allow the fact of my minority status to be somebody else's problem, not mine, and to do the best I could as I pursued my chosen career.

A number of other graduates from the Pershing Rifles and ROTC also took the military route. Most just served their obligatory tour of duty and left. But some of us became "lifers," and the military service became our career. Three Pershing Rifles friends of mine were killed in Vietnam. A number of others graduated with me; for the most part they are now retired after long and distinguished careers in the Army.

It is one of my regrets that ROTC was terminated at CCNY during the high point of the resistance within the country to the Vietnam War. I regret that very, very much because I believe that military service to the nation is an honorable profession and a contribution to society. It is also a route that I traveled. And I regret that in the last two decades it was not open to others from New York City, at least those who were going to City College.

Over the past year, in fact, I have begun working with other ROTC alumni to see whether it would not be possible to restore ROTC at City College and perhaps provide this additional opportunity of service to the country to those students who will attend CCNY in the future, thereby also providing a way up for other inner-city young men and women who might wish to follow this route.

Shortly after I entered the Army I realized that, notwithstanding my "C" average, City College had given me a strong and valuable education. It had provided me with an appreciation of the liberal arts; it had given me an insight into the fundamentals of government; and it had given me a deep respect for our democratic system. Although I was forced to compete in my military schooling with West Pointers and Ivy Leaguers, lo and behold, my CCNY foundation was so solid that I never regretted going to City.

My years in the Army took me to Germany, Massachusetts, twice to Vietnam, to Georgia, Kansas, Washington, Korea, Kentucky, Colorado, Germany again, and then back to the States. Over the years I tended not to reflect too much about CCNY. I had lost track of many of my Pershing Rifles friends. Then, about two years ago, some of us in Washington tried to find as many of the old ROTC-Pershing Rifles cadets as we could. Because we were in our late forties and early fifties, there was an enormous outpouring of interest and nostalgia.

In the summer of 1986 we held our first reunion at my home in Virginia. Between twenty and thirty alumni showed up. There have been three subsequent reunions, and we've become very active. We have tried to recapture our youth now that it is receding fast. The group has grown in size and the promise is for a much larger chapter that can be integrated into the Alumni Association.

Last fall in New York, the Alumni Association was kind enough to honor me with a Townsend Harris Medal for distinguished post-graduate achievement. They recognized me as the most senior military officer ever to have graduated from CCNY. I was honored to have received this recognition, not just for me but for the ROTC program and for all the young men and women from CCNY who have made the military their career. I was also honored to be seated in the company of the other distinguished Townsend Harris medalists.

But the company that meant the most to me that memorable evening sat at two tables toward the front. When I received my award and headed back to my seat on the dais, those two tables of people stood up and broke out into an old army drill-team marching song that we used to sing thirty-four years ago, when we marched on the drill floor of the old 369th Armory.

Although we were all older, chunkier, and a little balder, we had no less energy and enthusiasm that night than we did three and a half decades ago. Those who stood up that night shared the award with me. They and all the others in the room were the pride of our Alma Mater and the pride of our city. It was a moment that brought me back to a great time in my life at one of the finest institutions of higher learning in our nation.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

TRIBUTE TO FRANK SOUZA

Mr. CRANSTON. Mr. President, it's always a pleasure to pay tribute to someone who has devoted a career to working for justice and equality and a better life for others. Frank Souza, who on April 8 will be honored by the Machinists' Unions for 36 active years in the labor movement, can make such a claim.

Initiated on August 26, 1953, into the Machinists Union, Frank has served California's District Lodge No. 190 as directing business representative since 1977. Throughout his career, Frank has been a leader in the struggle to achieve full employment, safe

working conditions, and decent wages for all Americans.

The American labor movement has been and continues to be a powerful force for equality, justice, civil rights, and social progress. I am proud of many years of working shoulder to shoulder with the movement and its leaders like Frank in striving to attain our mutually cherished goal of a decent life for every American.

Frank Souza is a great fighter for the rights of working people everywhere. He, his family, and friends can be proud of his lifetime commitment to realizing our Constitution's fundamental promise: that of life, of liberty, and the pursuit of happiness for every American. I wish him much success and good will in all he'll go on to do.

AZT TREATMENT EXTENSION

Mr. HELMS. Mr. President, on March 31, the administration granted a request from 13 Senators to distribute $5 million in AIDS funds to the AZT Drug Reimbursement Program. The administration's action came in the hours before the program was due to expire. The program allows Federal moneys to be allocated to the States to continue funding grantees who provide AIDS patients with the AZT drug.

Mr. President, I am greatly disturbed by the series of events which led to the administration's reprogramming of funds to the AZT Program. Two days prior to the Easter recess, S. 586 was placed on the Senate Calendar. This proposed legislation provided for the 6-month extension of the AZT Program. But, Mr. President, there had been no hearings and no review of the bill by the Committee on Labor and Human Resources. The authors, apparently uncomfortable with the prospect of Senate scrutiny, thereby bypassed debate once they discovered the possibility that there would be questions about the feasibility of the AZT Program.

When the AZT Program was established in 1987, its proponents claimed that it was a temporary measure to assist States in providing AIDS patients with access to the AZT drug. The temporary policy was extended for 6 months in September of 1988. Thanks to the Department of Health and Human Services this temporary program has now been funded until September. Rest assured, there will be Senators pushing for another extension when September rolls around. Even Secretary Sullivan admits that this series of 6 month extensions is not the direction the Government should be heading.

Mr. President, what we have here is the beginning of another entitlement program. The American taxpayers now foot the bill for 7,000 of the 30,000 people who take the AZT drug. As each extension is approved, the Government gets deeper into the morass of providing permanent funding for AIDS drugs.

Mr. President, there are thousands of Americans who want to know why the Government won't pay the cost of experimental or high cost drugs. I have received hundreds of letters from cancer victims, disabled Americans, and those who have been ravaged by the myriad of diseases which plague our society. Yet, the maladies which afflict these Americans grab no headlines. These people don't have a vocal lobby in the Congress.

We spend a great deal of time focusing on the needs of drug addicts and homosexual men. The AZT Program has money which could be better spent on others. Even the most innocent of AIDS patients, children infected by their parents, reap no benefit from this program. If the American people have to fund an AIDS treatment program, at least let the money go to those who have contracted this disease through no fault of their own.

Mr. President, there should be a full and open debate on this important issue. The American people deserve to know how their money is being spent and how their lawmakers arrive at their decisions. AIDS policy is too important to come through the back door.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EASTERN AIRLINES LABOR DISPUTE LEGISLATION

The PRESIDING OFFICER. The clerk will report the pending business before the Senate.

The assistant legislative clerk read as follows:

A motion to proceed to the consideration of H.R. 1231, an Act to direct the President to establish an emergency board to investigate and report respecting the dispute between Eastern Airlines and its collective bargaining units.

The Senate resumed consideration of the motion.

Mr. DOLE. Mr. President, regrettably, the machinists strike at Eastern is now in its fifth week. As a result of the strike, the corporate body of Eastern is hemorrhaging. By most accounts, Eastern is losing almost $4 million each day.

Nobody likes a strike. Families get hurt, workers lose valuable wages and other benefits, consumers are inconvenienced. Strikes can hurt companies too. Just ask the management at Eastern. A once great airline now lies grounded in bankruptcy court.

But no matter how harmful and destructive a strike can be, the Federal Government has traditionally stayed out of the fray, intervening in only the most extraordinary of situations. In the past, the Federal Government has intervened when national security was endangered or when a national emergency was imminent. Many of us can remember President Truman's dramatic attempt to take over the steel mills during the steelworkers' strike. At the time, President Truman was concerned about safeguarding America's war effort in Korea.

No one can deny the financial suffering of Eastern. No one can deny the financial and emotional suffering of Eastern's employees. Nonetheless, no one can reasonably claim that the strike at Eastern is a national emergency—under any standard. The strike simply does not warrant intervention by the Federal Government.

THE EMERGENCY BOARD

I do not challenge the motives of the bill's sponsors. I believe—and I think most Americans believe—that they are motivated by good intentions. But this is a classic case of good intentions running amok—of good intentions clouding rational thought. When reason is abandoned, there is only one inevitable consequence: ill-advised and irresponsible legislation.

Let us look at what this legislation would do. It would require the President to establish a special Emergency Board under the Railway Labor Act. The Board would mediate the dispute between Eastern and its employees. The Board would also be required to report to the President within 21 days.

Under the Railway Labor Act, the President already has the right to appoint an Emergency Board to review a labor dispute that "threatens substantially to deprive a section of the country of any essential transportation service." The act does not specify any factors that the President should consider when making this decision. However, the act does specify that the Emergency Board may be established by the President in his discretion.

President Bush has used his discretion. He has decided not to appoint an Emergency Board. I commend the President for sticking to his guns despite the enormous political pressures applied by organized labor and others. I also commended President Ford in 1975 when he used his discretion and declined to appoint an Emergency Board to resolve a 14-day strike involving United Airlines, then the largest airline in the country.

BAD PRECEDENT

I do not always agree with the editorial boards of the New York Times and the Washington Post, but I do agree with them on this one point: Estab-

lishment of an Emergency Board does not make sense. It is bad public policy. It is bad legislation. It is bad for America.

Passage of this legislation would set a dangerous precedent. It would inject both the President and Congress into a private labor dispute, even though this dispute does not rise to the level of a national emergency. This precedent would be contrary to the principles underlying our system of collective bargaining—principles that have served this country well for over 50 years.

I do not believe it is in anybody's interest—either that of management or of labor—for the Government to be in the business of setting wages, determining work rules, imposing conditions of employment. These matters have traditionally been settled at the collective bargaining table by those parties with an actual stake in the outcome of the negotiations. These matters should continue to be settled at the bargaining table. They should not be settled at the whim of some bureaucrat here in Washington.

I dare say that organized labor and its supporters in Congress will rue the day that Congress begins to federalize the collective bargaining process. But that day will arrive—sooner than later—if we adopt this legislation.

BANKRUPTCY LAW—APPOINTMENT OF AN EXAMINER

Let us not forget another important fact: Eastern is in bankruptcy. It has filed for relief under chapter 11 of the U.S. Bankruptcy Code. Soon, the U.S. Bankruptcy Court will appoint an examiner.

I am no expert in bankruptcy law, but the job of the examiner sounds an awful lot like the job of the emergency board. Let me read some language from the court order, which describes the examiner's responsibilities:

The examiner must:

Canvas, determine, and identify the issues and impediments that must be resolved to facilitate a reorganization.

The examiner must:

Inquire of the principal parties in interest in the chapter 11 case, including but not limited to, the major secured and unsecured creditors of Eastern, * * * and the employee groups and their representatives, concerning their respective positions * * * and test the resolve of the assumptions underlying each party's position.

And the examiner must:

Mediate any differences in respect of the positions of the various parties * * * and attempt to achieve a consensus among the parties so that a consensual plan of reorganization may be proposed, confirmed, and consummated. * * *

So we can see that an emergency board is unnecessary. It would duplicate the work of the court-appointed examiner. Even worse, it would interfere with—obstruct—the work of the examiner at a time when the examiner's work is crucial to Eastern's chances of getting off the ground again.

BANKRUPTCY LAW—BREATHING SPELL

We also must remember that Eastern filed for bankruptcy to get a breathing spell from its financial obligations. That's the only point of bankruptcy protection for Eastern or for anyone else.

But establishing an emergency board will not give Eastern a breathing spell—it will suffocate Eastern.

Creating an emergency board will force Eastern to rehire most of the striking machinists and pay them at pre-strike wages. But once these machinists are rehired, they will have nothing to do. Eastern has no reservations, no passengers, no way to get off the ground.

Nevertheless, Eastern will not be able to furlough most of the rehired machinists. The machinists contract specifically prohibits the furlough of any machinist hired before the spring of 1984. Most of Eastern's machinists fall into this category.

Creating an emergency board, therefore, could force Eastern to pay the machinists while they sat idle. It could create an additional creditor right for the striking workers—when no such right had existed before.

What is the possible effect of all of this? What is the bottom line? The bottom line is that much-needed cash will flow out of Eastern. And that is not the kind of cash flow that Eastern needs right now.

So let us allow the bankruptcy law to fulfill its purpose. Let us not throw a monkey wrench into the bankruptcy proceedings. Let us give the examiner an opportunity to do his job. Let us not try to fix something that is not broken.

We hear all kinds of news, almost on a daily basis, of different individuals, different groups offering different amounts for the Eastern Shuttle or for other parts of Eastern. Maybe that could be resolved, if approved by the bankruptcy court, to the benefit of all parties, particularly for the workers as well as for management.

PRESIDENT CAN STILL ESTABLISH AN EMERGENCY BOARD

Amidst all the rhetoric surrounding this bill, it's easy to forget a simple fact: President Bush has not ruled out an Emergency Board entirely. If a true national emergency does arise—which I sincerely hope does not happen—the President reserves the right under the Railway Labor Act to appoint an Emergency Board.

Let us just hope that the parties can resolve their dispute before the situation deteriorates any further. And let us hope that the Senate acts with reason when it comes time to vote on this bill.

I do know—and I hope that we can work out some accommodation—that my Democratic colleagues have decided that consideration of this bill is not so important any more; that now other matters are more important. I think that is a view that many of us shared initially.

But I can recall my distinguished colleague from Massachusetts—Senator KENNEDY—berating some of my colleagues on the Republican side of the aisle for failing to take action on the bill before the Easter recess.

He claimed that Republicans talk about bankruptcy, talk about hearings, talk about everything else but action. He claimed that by postponing consideration of the bill, we were saying no to the workers of Eastern, no to the passengers, no to any kind of action. He claimed that the Eastern strike was an emergency and that the Senate must act immediately.

I know that others shared that view. I can also recall the distinguished Senate majority leader describing the urgency of Eastern's situation. He said that the stakes were high. If my memory is correct, the Senator also said that he was opposed to hearings on the bill, but that he supported Senate debate and the bill's speedy passage.

I think during the recess a number of things have happened. There have been, as I have indicated earlier, offers to buy all or parts of Eastern. And maybe that is the reason, now, for moving on to other legislation.

But it would seem to me, as I indicated in my remarks, that this particular legislation is not needed. The President still reserves the right under the Railway Labor Act to empanel an Emergency Board if necessary, if there is a national emergency. It seems to me that the President has acted responsibly thus far. If an emergency did arise he would do what was necessary to protect the national interest.

So I would hope that we could dispose of this legislation, as unneeded, unnecessary. It was not necessary 2 weeks ago. It is not necessary now.

We ought to let the bankruptcy court do its work. The parties are represented there. Their rights will be protected there.

I believe I can say that there are no other requests for speakers on this side, and I think at the appropriate time, unless something happens between now and the time the distinguished majority leader makes the request, I will be able to go along with any unanimous consent on this particular legislation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 248

Mr. MITCHELL. Mr. President, I ask unanimous consent that the majority leader, after consultation with the Republican leader, may turn to the consideration of Calendar No. 25, that is S. 248, a bill to provide increased penalties for certain major frauds.

I further ask unanimous consent that when the Senate considers this bill, it be under the following limitations: 30 minutes on the bill, including a compromise amendment to be offered by Senators METZENBAUM and HATCH, to be divided between Senators METZENBAUM and HATCH or their designees; 3 hours on an amendment by Senator BUMPERS to strike section 2 of the bill; no other amendments or motions to recommit be in order; that any votes ordered in relation to this matter on tomorrow occur not before 6:30 p.m. and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. For the benefit of my colleagues, Mr. President, after consultation with the distinguished Republican leader, it is my intention to convene the Senate tomorrow at 1:30 p.m., and that following time for the leaders there be a period for morning business until 2:30 p.m. We will then proceed to the consideration of S. 248, with votes thereon occurring on or about 6:30 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE VOTE VITIATED

Mr. MITCHELL. Mr. President, I now propound another unanimous-consent request that I discussed with the distinguished Republican leader. For reasons I shall describe in a moment, I now ask unanimous consent that the cloture vote scheduled to occur tomorrow be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOTION TO PROCEED TO H.R. 1231 WITHDRAWN

Mr. MITCHELL. Mr. President, I further ask unanimous consent that my motion to proceed to H.R. 1231, the Eastern Airlines labor dispute legislation, be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 4

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed on Thursday at 1:30 p.m. to the consideration of Calendar No. 27, that is S. 4, the minimum wage bill.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, when the Senate adjourned on March 17 for the Easter recess, we had under consideration a motion to proceed to the bill H.R. 1231 concerning the establishment of a Presidential emergency board in the Eastern Airlines labor dispute.

The Senate debated that motion under a unanimous-consent agreement for 1½ hours, after which a cloture petition was filed. It was our plan to proceed tomorrow to a vote on a motion to invoke cloture on the motion to proceed.

In light of developments since March 16 which I shall elaborate on in a moment, I have concluded that moving to a cloture vote as originally planned is not appropriate at this point. Rather, I am gcing to put H.R. 1231 back on the calendar with the understanding that, depending on the course of events, the leadership and principal sponsors of the legislation will proceed to take up the bill again if events warrant that action.

Mr. President, we all know that following the strike by the International Association of Machinists, Eastern Airlines filed a petition in the bankruptcy court in New York under chapter 11 of the Bankruptcy Code. Bankruptcy Judge Lifland held a hearing on March 23 on Eastern's petition for the appointment of an examiner to review various transactions involving the airline and its parent Texas Air and sister subsidiaries.

Following the hearing, the judge announced his intention to appoint an examiner. The judge ruled further that the examiner would have expanded authority beyond that normally accorded; of particular importance here, the judge has charged the examiner with the responsibility of mediating between Eastern and its unions to achieve a settlement that will be economically sound for the company and fair to the striking employees. It is the bankruptcy judge's hope—which I share—that such an effort by the examiner will succeed in returning Eastern to full operation with all of the employees that were working prior to the strike. Today, the judge is expected to announce the appointment of an examiner. The judge's decision to name an examiner with expanded authority is a positive development. Indeed, the examiner's mandate is parallel to the one that would be given to an emergency board. I believe it is in the public interest that this initiative be given an unimpeded chance to work. That is my best reason for deciding not to act on H.R. 1231 today.

Mr. President, the other important development that bears on my decision to set H.R. 1231 aside for the time being is the negotiations that have been in progress since the start of our recess and are continuing at this time between Texas Air Chairman Frank Lorenzo and several prospective buyers of Eastern Airlines. I understand that these negotiations are serious and that there is reason to be guardedly optimistic that an agreement will be forthcoming in the near future that will include a settlement with all the employee groups in the Eastern property and will lead to an orderly resumption of flight operations.

It is my judgment, Mr. President, that while the negotiating process is working to solve the Eastern situation, it would be prudent for the Senate of the United States to withhold action on the emergency board bill.

If a reasonable period of time has passed without the examiner producing a mediated settlement or without a sale of the airline to a new owner, then I will call on the President to exercise his authority under the Railway Labor Act to establish an emergency board or I will move to return to consideration of H.R. 1231 to require the appointment of such a board.

All of us want to see an early resolution to this difficult situation. I firmly believe that it is in everyone's best interest at this time that the Senate postpone action on this bill while the bankruptcy process and the negotiation process are progressing toward what we all hope will be a satisfactory solution.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, and a withdrawal, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on March 20, 1989, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bill and joint resolutions:

S. 553. An Act to provide for more balance in the stocks of dairy products purchased by the Commodity Credit Corporation;

H.J. Res. 117. Joint resolution to proclaim March 20, 1989, as "National Agriculture Day"; and

H.J. Res. 167. Joint resolution to designate March 16, 1989 as "Freedom of Information Day."

Under the authority of the order of the Senate of January 3, 1989, the enrolled bill and joint resolutions were signed on March 21, 1989, during the recess of the Senate, by the President pro tempore (Mr. BYRD).

ENROLLED BILLS SIGNED

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on March 22, 1989, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bills:

H.R. 829. An Act to make permanent the authority provided under the Temporary Emergency Wildfire Suppression Act; and

H.R. 1373. An Act to authorize the Agency for International Development to pay the expenses of an election observer mission for the 1989 presidential elections in Panama.

Under the authority of the order of the Senate of January 3, 1989, the enrolled bills were signed on March 27, 1989, during the recess of the Senate, by the President pro tempore (Mr. BYRD).

ENROLLED JOINT RESOLUTIONS SIGNED

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on March 27, 1989, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker had signed the following enrolled joint resolutions:

S.J. Res. 50. Joint resolution to designate the week beginning April 2, 1989, as "National Child Care Awareness Week";

S.J. Res. 87. Joint resolution to commend the Governments of Israel and Egypt on the occasion of the 10th anniversary of the Treaty of Peace between Israel and Egypt.

Under the authority of the order of the Senate of January 3, 1989, the enrolled joint resolutions were signed on March 27, 1989, during the recess of the Senate, by the President pro tempore (Mr. BYRD).

MESSAGES FROM THE HOUSE

At 2:17 p.m., a message from the House of Representatives announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 2. An Act to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes;

H.R. 666. An Act to allow an obsolete Navy drydock to be transferred to the city of Jacksonville, Florida, before the expiration of the otherwise applicable 60-day congressional review period;

H.R. 1300. An Act to amend the Head Start Act to increase the amount authorized to be appropriated for fiscal year 1990;

H.R. 1426. An Act to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes; and

H.J. Res. 102. Joint resolution to designate April 1989 as "National Recycling Month".

MEASURES REFERRED

The following joint resolution was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 102. Joint resolution to designate April 1989 as "National Recycling Month"; to the Committee on the Judiciary.

MEASURES PLACED ON THE CALENDAR

The following bills were read the first and second times by unanimous consent, and placed on the calendar:

H.R. 2. An Act to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes;

H.R. 666. An Act to allow an obsolete Navy drydock to be transferred to the city of Jacksonville, Florida, before the expiration of the otherwise applicable 60-day congressional review period;

H.R. 1300. An Act to amend the Head Start Act to increase the amount authorized to be appropriated for fiscal year 1990; and

H.R. 1426. An Act to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that he had presented to the President of the United States the following enrolled bills and joint resolutions:

On March 21, 1989:

S. 553. An Act to provide for more balance in the stocks of dairy products purchased by the Commodity Credit Corporation.

On March 28, 1989:

S.J. Res. 50. Joint resolution to designate the week beginning April 2, 1989, as "National Child Care Awareness Week"; and

S.J. Res. 87. Joint resolution to commend the Governments of Israel and Egypt on the occasion of the tenth anniversary of the Treaty of Peace Between Israel and Egypt.

On April 3, 1989:

S. 20. An Act to amend title 5, United States Code, to strengthen the protections available to Federal employees against prohibited personnel practices, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-729. A communication from the Comptroller of the Department of Defense, transmitting, pursuant to law, selected acquisition reports for the quarter ended December 31, 1988; to the Committee on Armed Services.

EC-730. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a report on NATO funding for Crotone Air Base, Italy; to the Committee on Armed Services.

EC-731. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the annual report of the Reserve Forces Policy Board for fiscal year 1988; to the Committee on Armed Services.

EC-732. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the fifteenth annual report on Standardization of Equipment Within NATO; to the Committee on Armed Services.

EC-733. A communication from the Acting General Counsel of the Federal Emergency Management Agency, transmitting, a draft of proposed legislation to authorize appropriations for civil defense programs for fiscal years 1990 and 1991; to the Committee on Armed Services.

EC-734. A communication from the Acting General Counsel of the Department of the Treasury, transmitting, a draft of proposed legislation to authorize appropriations for the United States Mint for the fiscal years 1990 and 1991, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-735. A communication from the Comptroller of the Currency, transmitting, pursuant to law, the annual report of the Office of the Comptroller of the Currency for 1988; to the Committee on Banking, Housing, and Urban Affairs.

EC-736. A communication from the Acting General Counsel of the Federal Emergency Management Agency, transmitting, a draft of proposed legislation to amend the National Flood Insurance Act of 1968, as amended, to extend certain authorities thereunder, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-737. A communication from the Acting Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, a report of progress on developing and certifying the Traffic Alert and Collision Avoidance System for October 1988 through January 1989; to the Committee on Commerce, Science, and Transportation.

EC-738. A communication from the Acting Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the January 1989 progress report on rulemaking proceedings; to the Committee on Commerce, Science, and Transportation.

EC-739. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursu-

ant to law, a report outlining planned funding levels in NASA's current operating plan which exceed amounts authorized in the FY 1989 NASA Authorization Act; to the Committee on Commerce, Science, and Transportation.

EC-740. A communication from the Secretary of Energy, transmitting, pursuant to law, the draft of the Program Opportunity Notice for the third round of the Clean Coal Technology Demonstration Program; to the Committee on Energy and Natural Resources.

EC-741. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of oil and gas royalties; to the Committee on Energy and Natural Resources.

EC-742. A communication from the Acting Administrator of General Services, transmitting, pursuant to law, proposed prospectuses for the fiscal year 1990 General Services Administration Public Buildings Service Capital Improvement Program; to the Committee on Environment and Public Works.

EC-743. A communication from the Acting Director of the Office of Civilian Radioactive Waste Management, Department of Energy, transmitting, pursuant to law, the final version of the Dry Cask Storage Study, dated February 1989; to the Committee on Environment and Public Works.

EC-744. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, the report of the Chief of Engineers entitled "Local Cooperative Agreements Annual Report"; to the Committee on Environment and Public Works.

EC-745. A communication from the Acting Administrator of General Services, transmitting, pursuant to law, a report of building project survey which evaluates the need for a new Federal office building in Baltimore, Maryland; to the Committee on Environment and Public Works.

EC-746. A communication from the Acting General Counsel of the Department of the Treasury, transmitting, a draft of proposed legislation to authorize appropriations for the United States Customs Service for fiscal years 1990 and 1991; to the Committee on Finance.

EC-747. A communication from the Secretary of Commerce, transmitting, pursuant to law, monthly reports on imports during November and December 1988 of strategic and critical materials from countries of the Council for Mutual Economic Assistance; to the Committee on Foreign Relations.

EC-748. A communication from the Acting Director of the Arms Control and Disarmament Agency, transmitting, a draft of proposed legislation to amend the Arms Control and Disarmament Act in order to extend the authorization of appropriations, and for other purposes; to the Committee on Foreign Relations.

EC-749. A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the annual report of the Commission on competition advocacy for calendar year 1988; to the Committee on Governmental Affairs.

EC-750. A communication from the Director of the Institute of Museum Services, transmitting, pursuant to law, notice of a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-751. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Issue and Concerns Regarding Public Schools FY 1988 Budget and Financial Management"; to the Committee on Governmental Affairs.

EC-752. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-753. A communication from the Executive Director of the Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the annual report of the Corporation under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-754. A communication from the Director of the Peace Corps, transmitting, pursuant to law, the annual report of the Peace Corps under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-755. A communication from the Acting Chairman of the United States International Trade Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1988; to the Committee on the Judicairy.

EC-756. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final annual evaluation priority for Handicapped Special Studies Program; to the Committee on Labor and Human Resources.

EC-757. A communication from the Secretary of Education, transmitting, pursuant to law, the annual report covering Subtitle A—Adult Education for the Homeless Program for fiscal year 1988; to the Committee on Labor and Human Resources.

EC-758. A communication from the Secretary of Education, transmitting, pursuant to law, a report entitled "Health, United States, 1988"; to the Committee on Labor and Human Resources.

EC-759. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, proposed regulations governing the solicitation of parent and subsidiary corporations by a trade association or a trade association's separate segregated fund; to the Committee on Rules and Administration.

EC-760. A communication from the Secretary of the Department of Agriculture transmitting draft legislation to recover costs of carrying out Federal Marketing agreements and orders; to the Committee on Agriculture.

EC-761. A communication from the director of the Office of Management and Budget transmitting, pursuant to law, the cumulative report on recissions and deferrals; to the Committee on Agriculture Forestry and Nutrition, Appropriations, Armed Services, Banking, Housing and Urban Affairs, Budget, Commerce, Science and Transportation, Energy, Environment and Public Works, finance, Foreign Relations, Labor and Human Resources, and Judiciary, per order January 30, 1975 as modified April 11, 1986.

EC-762. A communication from the Acting Secretary of the Air Force transmitting, pursuant to law, a unit cost report on the Tacit Rainbow Program; to the Committee on Armed Services.

EC-763. A communication from the Director of Administration and Management of the Office of the Secretary of Defense transmitting, pursuant to law, the calendar year 1988 report on extraordinary contractural actions to facilitate the national defense; to the Committee on Armed Services.

EC-764. A communication from the Director of the Department of Defense transmitting, pursuant to law, the report on consolidation of the military departments' fiscal year 1988 unit exchange of training and related support between the United States and foreign countries; to the Committee on Armed Services.

EC-765. A communication from the Chairman of the Board of Directors of the Panama Canal Commission transmitting draft legislation to authorize expenditures for fiscal years 1990 and 1991 for the Panama Canal Commission to operate and maintain the Panama Canal and for other purposes; to the Committee on Armed Services.

EC-766. A communication from the Assistant Secretary of Defense transmitting, pursuant to law, the report of independent research and development and bid and proposal costs; to the Committee on Armed Services.

EC-767. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report containing an analysis and description of services; to the Committee on Committee on Armed Services.

EC-768. A communication from the Deputy General Counsel of the Department of Defense transmitting draft legislation amending chapter 141 of title 10, U.S. Code, with respect to the procurement of communications support and related supplies and services; to the Committee on Armed Services.

EC-769. A communication from the Chairman of the Federal Trade Commission transmitting, pursuant to law, the annual report concerning the administration and enforcement of the Fair Debt Collection Practices Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-770. A communication from the Secretary of Transportation transmitting draft legislation amending the Federal Railroad Safety Act of 1970 to authorize the imposition of rail safety user fees; to the Committee on Commerce, Science, and Transportation.

EC-771. A communication from the Administrator of the National Aeronautics and Space Administration transmitting, pursuant to law, a metrication report; to the Committee on Commerce, Science, and Transportation.

EC-772. A communication from the Secretary of Commerce transmitting, pursuant to law, the strategic plan for the comprehensive modernization of the National Weather Service; to the Committee on Commerce, Science, and Transportation.

EC-773. A communication from the Federal Inspector transmitting, pursuant to law, a report on the status of the Alaska natural gas transportation system; to the Committee on Energy and Natural Resources.

EC-774. A communication from the Deputy Associate Director for Collection and Disbursements of the Department of the Interior transmitting, pursuant to law, a report of refunds; to the Committee on Energy and Natural Resources.

EC-775. A communication from the Deputy Associate Director for Collection and Disbursements of the Department of the Interior transmitting, pursuant to law, notification of refunds; to the Committee on Energy and Natural Resources.

EC-776. A communication from the Deputy Associate Director for Collection

and Disbursements of the Department of the Interior transmitting, pursuant to law, notification of refunds; to the Committee on Energy and Natural Resources.

EC-777. A communication from the Comptroller General transmitting, for the information of the Senate, copies of a repair and alteration prospectus for renovations to the General Accounting Office Building, Washington, DC; to the Committee on Environment and Public Works.

EC-778. A communication from the Acting Administrator of the General Services Administration transmitting, for the information of the Senate, copies of a Report of Building Project Survey for Ashville, NC, and several lease prospectuses; to the Committee on Environment and Public Works.

EC-779. A communication from the Chairman of the Nuclear Regulatory Commission transmitting, for the information of the Senate, a report entitled "The Status of Recommendations of the President's Commission of the Accident at Three Mile Island—A Ten Year Review;" to the Committee on Environment and Public Works.

EC-780. A communication from the Fiscal Assistant Secretary of the Department of the Treasury transmitting, pursuant to law, the annual reports of the Department as contained in the winter issue of the Treasury Bulletin; to the Committee on Finance.

EC-781. A communication from the Assistant Secretary of Legislative Affairs of the Department of State transmitting, pursuant to law, and addendum to the 14th 90-day report on the investigation into the death of Enrique Camarena, the disappearance of United States citizens in the State of Jalisco, Mexico, and the general safety of United States tourists in Mexico; to the Committee on Foreign Relations.

EC-782. A communication from the Assistant Legal Advisor for Treaty Affairs of the Department of State transmitting pursuant to law, international agreements other than treaties entered into by the United States; to the Committee on Foreign Relations.

EC-783. A communication from the Executive Director of the Board for International Broadcasting transmitting draft legislation amending the Board for International Broadcasting Act of 1973 to authorize appropriations; to the Committee on Foreign Relations.

EC-784. A communication from the Assistant Secretary of Legislative Affairs of the Department of State transmitting, pursuant to law, proposed legislation to authorize appropriations for the Department of State; to the Committee on Foreign Relations.

EC-785. A communication from the Acting Director of the U.S. Information Agency transmitting, pursuant to law, proposed legislation to authorize appropriations for the Agency for fiscal years 1990 and 1991; to the Committee on Foreign Relations.

EC-786. A communication from the Director of the Office of Personnel Management transmitting, pursuant to law, a report on the classification of certain positions at the Aeronautical Center, Federal Aviation Administration, Department of Transportation; to the Committee on Governmental Affairs.

EC-787. A communication from the Secretary of the Department of Agriculture transmitting, pursuant to law, a report concerning proposed revisions to the USDA/OIG Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-788. A communication from the Office of Special Counsel, transmitting, pursuant to law, a report of the Administrator of Veterans Affairs; to the Committee on Governmental Affairs.

EC-789. A communication from the Director of the Office of Personnel Management transmitting draft legislation amending title 5, U.S. Code, to allow degree training for Federal employees in critical skills, occupations, and for other purposes; to the Committee on Governmental Affairs.

EC-790. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1988; to the Committee on the Judicary.

EC-791. A communication from the Administrator of the Panama Canal Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-792. A communication from the Executive Director of the National Mediation Board, transmitting, pursuant to law, the annual report of the Board under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-793. A communication from the Acting Chairman of the Federal Labor Relations Authority, transmitting, pursuant to law, the annual report of the Authority under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-794. A communication from the Associate Director of the Office of Management and Budget, transmitting, pursuant to law, the annual report of the action agency under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-795. A communication from the Chairman of the Student Loan Marketing Association, transmitting, pursuant to law, the annual report of the Association for the year ending December 31, 1988; to the Committee on Labor and Human Resources.

EC-796. A communication from the Secretary of the Department of Education, transmitting, pursuant to law, a document entitled Final Regulations—Strengthening Institutions Programs; to the Committee on Labor and Human Resources.

EC-797. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, 30 recommendations for legislative action; to the Committee on Rules and Administration.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-37. A resolution adopted by the Senate of the Commonwealth of Massachusetts; to the Committee on Commerce, Science, and Transportation:

"COMMONWEALTH OF MASSACHUSETTS SENATE RESOLUTION

"Whereas, the Federal Aviation Administration has changed the regulation, Rule 145, governing airline maintenance practices; and

"Whereas, under the revised regulation, airlines may now contract with foreign repair stations for the maintenance, repair and overhaul of United States registered aircraft whether or not such aircraft are used for domestic flights; and

"Whereas, some domestic airlines are presently establishing repair facilities in foreign countries which will eventually jeopardize over fifty thousand American jobs; and

"Whereas, the new regulation provides only for licensing of the foreign repair facility and not for certification of the mechanics; and

"Whereas, under the new regulation there will be little or no control over the use of inferior or counterfeit aircraft parts by the foreign repair facilities; and

"Whereas, while the Federal Government seeks mandatory random drug testing in the United States transportation industry, there is no provision in the new FAA regulation to require such testing in foreign repair facilities; and

"Whereas, the safety of American passengers in domestic aircraft will be placed in the hands of foreign facilities which may not adhere to the high safety standards of previous regulation: Now, therefore, be it

"Resolved, That the Massachusetts Senate memorializes the Congress of the United States to enact legislation to correct Federal aviation regulation 145, thereby protecting the safety and welfare of American citizens; and be it further

"Resolved, That a copy of these resolutions be transmitted forthwith by the clerk of the Senate to the Members of Congress from the Commonwealth, the Federal Aviation Administration, and Robert R. Lemire, legislative coordinator, International Association of Machinists, Lodge 1726."

POM-38. A concurrent resolution adopted by the Legislature of the State of Arkansas; to the Committee on Energy and Natural Resources:

"HOUSE CONCURRENT RESOLUTION No. 1012

"Whereas, Arkansas is a member of the South/West Energy Council, an organization of eight energy producing states concerned with the energy issues facing the United States; and

"Whereas, the State of Arkansas believes that the President of the United States and the United States Congress must aggressively implement a national energy strategy; and

"Whereas, the State of Arkansas believes that energy is the key to assuring a viable economy and a strong national defense and to sustaining the American way of life; and

"Whereas, the South/West Energy Council has adopted a national energy strategy that covers crude oil, coal, natural gas, renewable energy sources, electricity, and the conservation of energy; and

"Whereas, the goals of the South/West Energy Council's national energy strategy is to provide a stable supply of reasonably-priced energy in an efficient and environmentally sound manner to meet the needs of United States citizens and of the economy and national security interests of the United States; and

"Whereas, the long term goal of the South/West Energy Council's national energy strategy is the energy independence of the United States: Now, therefore, be it

"Resolved by the House of Representatives of the seventy-seventh general assembly of the State of Arkansas, the Senate concurring therein That the General Assembly of Arkansas supports the national energy strategy proposed by the South/West Energy Council and urges the President of the United States and the United States Congress to adopt and implement the proposal

as the nation's energy strategy; and be it further

"Resolved, That copies of this resolution and the National Energy Strategy shall be transmitted to the Honorable George Bush, President of the United States; the Honorable Dan Quayle, Vice President of the United States and President of the United States Senate; the Honorable Jim Wright, Speaker of the United States House of Representatives; the chairman of the United States Senate Committee on Energy and Natural Resources; the chairman of the United States House Committee on Energy and Commerce; to the Honorable Dale Bumpers and Honorable David Pryor, United States Senators; to the Honorable Bill Alexander, the Honorable Beryl Anthony, the Honorable Tommy Robinson, and the Honorable John Paul Hammerschmidt, United States Representatives; and to Mr. Patrick Raffaniello, Executive Director of the South/West Energy Council."

POM-39. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Environment and Public Works:

"HOUSE JOINT MEMORIAL NO. 5

"Whereas, there is need for a special category of north-south primary highways with improved alignments and additional lanes to achieve better interstate system integration, and to provide for faster, safer movement of mixed tourist and commercial truck traffic; and

"Whereas, development of the Interstate Highway System focused primarily on east-west travel corridors and much of the north-south travel in the west still relies on key primary highways; and

"Whereas, north-south interstate highways in the western interior states are approximately 500 miles apart; and

"Whereas, transportation is one of the major determining factors in the location of manufacturing facilities, and the ability to ship to western states, the Pacific Rim countries and Canada is one of the keys for business and manufacturing site location in the western United States; and

"Whereas, the Pacific Rim countries constitute a $3 trillion market that is growing at the rate of $3 billion per week, and that in the past decade, the preponderance of our nation's international trade has shifted dramatically from the Atlantic to the Pacific coast; and

"Whereas, this shift coupled with the United States-Canada free trade agreement has resulted in a dramatic increase in the flow of commerce, migration, goods and services in the Western United States; and

"Whereas, if the State of Idaho is to position itself to move into the twenty-first century as a key player in the distribution needs of a growing economy as well as in the attraction of new business and industry to our state; a viable north-south transportation link is critical; and

"Whereas, approved special north-south primary routes should have designated funding for construction improvement, thus enhancing the realization of state and local economic objectives as well as benefiting the national economic base; and

"Whereas, U.S. primary highway 95 which extends from Mexico to Canada via the length of Idaho is an example of such a special primary highway category with connections to east-west interstate routes: Now, therefore, be it

"Resolved by the members of the First Regular Session of the Centennial Idaho Legislature, the House of Representatives and the Senate concurring therein, That we support federal designation and funding for improvement of key north-south highways to facilitate better connections with east-west interstate highways; and be it further

"Resolved That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the United States, the Secretary of the United States Department of Transportation, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-40. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Finance:

"STATE OF MAINE JOINT RESOLUTION

"Whereas, some Vietnam veterans will receive compensation from the out-of-court settlement of the class action suit against Dow Chemical Company; and

"Whereas, the money from this settlement may make these veterans ineligible for certain federally established public assistance programs; and

"Whereas, the class action settlement was initiated to benefit Vietnam veterans and not to restrict access to federal assistance programs nor to save the federal government money: Now, therefore, be it

"Resolved, That We, your Memorialists, respectfully recommend and urge the Congress of the United States to amend the Social Security Act of the United States to provide an exemption for funds awarded to Vietnam veterans pursuant to the class action suit for the purpose of determining eligibility for federally funded public assistance programs; and be it further

"Resolved, That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable George Bush, President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of the Maine Congressional Delegation."

POM-41. A resolution adopted by the Senate of the State of Minnesota; to the Committee on Foreign Relations:

STATE OF MINNESOTA SENATE RESOLUTION

"Whereas, the people of the state of Minnesota have recognized, through their own Constitution and their acceptance of the Constitution of the United States of America, the fundamental human rights of free expression; and

"Whereas, the citizens of the state of Minnesota have always strongly defended the right of free speech as well as other natural, universal human rights recognized in the Minnesota Constitution and the United States Constitution; and

"Whereas, United States of America has long been acknowledged as a haven of these human rights, including that of free speech; and

"Whereas, the citizens of the state of Minnesota were outraged to learn of the condemnation by the Iranian government of Salman Rushdie for his authorship of the literary work known as "The Satanic Verses"; and

"Whereas, the citizens of the state of Minnesota consider that condemnation of the exercise of a fundamental right by Mr. Khomeini and his government to be an act of barbarism unworthy of any legitimate government or country; and

"Whereas, the citizens of the state of Minnesota are concerned that the effect of this barbaric action by the government of Iran is a chilling effect on free speech and the free circulation of ideas within the state of Minnesota and elsewhere within the United States resulting in booksellers taking Mr. Rushdie's book from their shelves in fear of retribution; and

"Whereas, the people of the state of Minnesota strongly condemn the actions of the government of Iran in suppressing the fundamental right of free speech and offer their state as a sanctuary for Mr. Rushdie and any and all other individuals whose human rights are suppressed by the current barbaric government of Iran: Now, therefore, be it

"Resolved by the Legislature of the State of Minnesota that the President and Congress speedily act to strongly condemn the actions of the government of Iran in suppressing the fundamental right of free speech and that the President and Congress refuse any and all efforts to return frozen Iranian assets to the government of Iran and instead allocate those assets to refugees of that corrupt and barbaric regime; and be it further

"Resolved, That the Secretary of State of the State of Minnesota is directed to transmit certified copies of this memorial to the President of the United States, the President and the Secretary of the United States Senate, the Speaker and the Chief Clerk of the United States House of Representatives, and to Minnesota's Senators and Representatives in Congress."

POM-42. A joint resolution adopted by the Legislature of the State of South Dakota; to the Committee on the Judiciary:

"SOUTH DAKOTA JOINT RESOLUTION

"Whereas, Congress was originally envisioned by the Founding Fathers as a nonpartisan, part-time legislative body whose members would take time from their normal businesses and professions to attend the congressional session for four to five months annually; and

"Whereas, the press of the Nation's business has forced the Congress to become increasingly a highly-structured, professional and hierarchical institution rather than an informal, flexible gathering of citizens and legal intellects that obtained in the Federalist Era; and

"Whereas, the power of the incumbency has grown over time and with the institution of electronic media to the point that the incumbent is nearly unassailable in any normal election; and

"Whereas, the seniority system in the Congress, though recently reformed, still places disproportionate stress on electoral longevity; and

"Whereas, innovative ideas and rejuvenated vigor are more likely to come to the Congress through new members fresh from association with the American people; and

"Whereas, the most common complaint that the public makes about congressional service is that congressmen spend more of their time running for office than attending to their duties; and

"Whereas, the power of incumbency makes biennial congressional elections an expensive, exasperating and, ultimately, rather meaningless waste of each congressman's time and talents; and

"Whereas, under Article V of the United States Constitution, amendments to the Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or, on the application of the legislatures of two-thirds of the several states, the Congress shall call a Constitutional Convention for the purposes of proposing amendments: Now, therefore, be it

"Resolved, by the House of Representatives of the State of South Dakota, the Senate concurring therein, that the Legislature does hereby make application to the Congress of the United States that procedures be instituted in the Congress to amend the Constitution of the United States, and that the Legislature of the State of South Dakota hereby requests the Congress to prepare and submit to the several States amendments to the Constitution of the United States, which would provide for four-year terms for the House of Representatives and which would limit service in the Senate to two terms and to limit service in the House of Representatives to three four-year terms; and be it further

"Resolved, That alternatively, this Legislature hereby makes application under said Article V of the Constitution of the United States and with the same force and effect as if this Resolution consisted of this portion alone and requests that the Congress of the United States call a Constitutional Convention for the specific and exclusive purpose of proposing amendments to the Constitution of the United States, which would provide for four-year terms for the House of Representatives and which would limit service in the Senate to two terms and to limit service in the House of Representatives to three four-year terms; and be it further

"Resolved, That this application by this Legislature constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislature of the several States have made applications for similar relief pursuant to Article V, but, if Congress proposes amendments to the Constitution identical in subject matter to that contained in this Joint Resolution then this petition for a Constitutional Convention shall no longer be of any force or effect; and be it further

"Resolved, That this Legislature also proposes that the legislatures of each of the several States comprising the United States apply to the Congress requesting the enactment of appropriate amendments to the Federal Constitution, or requiring the Congress to call a Constitutional Convention for proposing such amendments to the Federal Constitution; and be it further

"Resolved, That copies of this Joint Resolution be sent by the Secretary of State to each member of the South Dakota Congressional Delegation: and be it futher

"Resolved, That the Secretary of State is directed to send copies of this Joint Resolution to the presiding officers of both Houses of the Legislature of each of the other States in the Union, the Clerk of the United States House of Representatives, Washington, D.C., and the Secretary of the United States Senate, Washington, D.C."

POM-43. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on the Judiciary:

"Whereas, the unlawful sale and use of illegal drugs in our country is an increasing problem; and

"Whereas, these drugs have a damaging effect on the youth of our country; and

"Whereas, illegal drugs are responsible for a growing percentage of the violent crime in this country; and

"Whereas, the amount of money spent for illegal drugs is a drain on the economies of the state and nation; now, therefore, be it

"Resolved by the Assembly and Senate of the State of Nevada, jointly, That the Nevada Legislature hereby urges the Congress of the United States to adopt legislation to establish more effective programs for the interdiction of illegal drugs and to appropriate additional money to the United States Coast Guard to assist in this effort; and be it further

"Resolved, That a copy of this resolution be transmitted by the Chief Clerk of the Assembly to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

"Resolved, That this resolution becomes effective upon passage and approval."

POM-44. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Veterans' Affairs:

"STATE OF MAINE JOINT RESOLUTION

"Whereas, there is continually increasing evidence that many medical conditions are associated with exposure to dioxin; and

"Whereas, many veterans have elevated dioxin levels in their bodies; and

"Whereas, the failure of the United States Veterans Administration to consider these conditions as service-related, until further studies are conducted, will cause additional suffering and distress to these veterans; now, therefore, be it

"Resolved, That We, your Memorialists, respectfully recommend and urge the Congress of the United States to direct the United States Veterans Administration to make available to any Vietnam-era veteran who was potentially exposed to dioxin-contaminated herbicides while in military service, a test which measures the level of dioxin (2, 3, 7, 8—TCDD) in the veteran's body; and be it further

"Resolved, That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable George Bush, President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, each member of the Maine Congressional Delegation and each governor of the 50 states and the United States territories."

POM-45. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Veterans' Affairs:

"STATE OF MAINE JOINT RESOLUTION

"Whereas, many Vietnam veterans have developed conditions which are more prevalent among this group than among the general populace, such as chloracne, porphyria cutanea tarda, non-Hodgkin's lymphoma and lung cancer; and

"Whereas, these conditions require extensive medical care and may make the veteran partially or totally disabled; and

"Whereas, the failure of the United States Veterans Administration to consider these conditions as service-related has caused additional suffering and distress to these veterans; now, therefore, be it

"Resolved, That We, your Memorialists, respectfully recommend and urge the Congress of the United States to grant presumptive compensation to Vietnam veterans with these conditions and to allow such compensation for additional conditions as the evidence accumulates; and be it further

"Resolved, That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable George Bush, President of the United States; the President of the Senate; and the Speaker of the House of Representatives of the Congress of the United States and to each member of the Maine Congressional Delegation and each governor of the 50 states and United States territories."

POM-46. A resolution adopted by the Senate of the State of Washington; ordered to lie on the table:

"STATE OF WASHINGTON SENATE RESOLUTION

"Whereas, the Federal Salary Commission recommended that the salaries of members of Congress, federal judges and high administrative officials be raised from $89,500 to $135,000 a year; and

"Whereas, this increase is in the budget submitted to Congress; and

"Whereas, each house of the Congress must recommend by a vote of disapproval that this pay raise not take place; and

"Whereas, House Speaker Jim Wright has refused to allow a vote until the pay raise becomes effective; and

"Whereas, in the face of continuing national budget deficits in the billions, this is no time for members of Congress to allow such an increase to take place by default by failing to vote in each house on this issue; and

"Whereas, a salary increase for Congress in an amount equal to federal employee pay raises would be appropriate; now therefore, be it

"Resolved, by the Senate of the State of Washington, That each member of the United States House of Representatives and the United States Senate be given the opportunity to cast their vote for or against the pay raise to $135,000 prior to the effective date of the increase; and be it further

Resolved, That copies of this resolution be forwarded to the President of the United States Senate, the Speaker of the United States House of Representatives and to each member of the Washington State delegation in the Congress."

POM-47. A joint resolution adopted by the Legislature of the State of Colorado; ordered to lie on the table:

"SENATE JOINT MEMORIAL NO. 2

"Whereas, the salaries of members of Congress, federal judges, and top officials in the executive branch of the federal government will be increased fifty percent from current salary levels unless both houses of Congress reject such salary increases by joint resolution before twelve o'clock midnight, February 7, 1989; and

"Whereas, the implementation of such salary increases will result in the members of Congress receiving $135,000 instead of the $89,500 currently received; and

"Whereas, allowing such salary increases is inappropriate in light of current economic conditions throughout the United States and in light of the fact that many citizens have not received salary increases in recent years due to such depressed economic conditions; and

"Whereas, the cost of implementing such salary increases is extravagant in light of the magnitude of the problem of the federal deficit; and

"Whereas, the argument that such salary increases are essential in order to attract and retain more qualified people to such governmental offices is not founded in fact; and

"Whereas, allowing such salary increases to automatically take effect without the members of Congress voting on the issue has a detrimental effect on citizens' perception of and confidence in their federal government; now, therefore, be it

Resolved by the Senate of the Fifty-seventh General Assembly of the State of Colorado, the House of Representatives concurring herein; That the Congress of the United States is hereby memorialized to submit the issue of a fifty percent salary increase for members of Congress, federal judges, and top officials of the executive branch to a vote of both houses of Congress prior to twelve o'clock midnight, February 7, 1989; and be it further

Resolved, That copies of this Memorial be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of Congress from the State of Colorado."

REPORTS OF COMMITTEES SUBMITTED DURING RECESS

Under the authority of the order of the Senate of March 17, 1989, the following reports of committees were submitted on March 29, 1989, during the recess of the Senate:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources:

S. 684. An original bill to authorize competitive oil and gas leasing and development on the Coastal Plain of the Arctic National Wildlife Refuge in a manner consistent with protection of the environment, and for other purposes (with additional and minority views) (Rept. No. 101-10).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services:

Special report entitled "Report on the Activities of the Committee on Armed Services, United States Senate, 100th Congress, First and Second Sessions" (Rept. No. 101-11).

By Mr. BIDEN, from the Committee on the Judiciary:

Special Report entitled "Report on the Activities of the Committee on the Judiciary of the United States Senate during the 100th Congress" (Rept. No. 101-12).

By Mr. FORD, from the Committee on Rules and Administration:

Special report entitled "Review of Legislative Activity During the 100th Congress" (Rept. No. 101-13).

By Mr. PELL, from the Committee on Foreign Relations:

Special report entitled "Legislative Activities Report of the Committee on Foreign Relations, United States Senate, One Hundredth Congress" (Rept. No. 101-14).

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry:

Special report entitled "Report to the Senate on the Jurisdiction and a Summary of the Activities of the Committee on Agriculture, Nutrition, and Forestry for the 100th Congress (Rept. No. 101-15).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. METZENBAUM (for himself, Mr. SIMON, Ms. MIKULSKI, Mr. PELL, Mr. KENNEDY, Mr. SHELBY, and Mr. ADAMS):

S. 685. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to clarify the applicability of rules relating to fiduciary duties in relation to plan assets of terminated pensions plans and to provide for an explicit exception to such rules for employer revisions meeting certain requirements; to the Committee on Labor and Human Resources.

By Mr. MITCHELL (for himself, Mr. BAUCUS, and Mr. LAUTENBERG):

S. 686. A bill to consolidate and improve laws providing compensation and establishing liability for oil spills; to the Committee on Environment and Public Works.

By Mr. BAUCUS (for himself, Mr. MITCHELL, and Mr. LAUTENBERG):

S. 687. A bill to amend the Clean Water Act to expand authority for penalties for discharges of oil and hazardous substances to provide for an assessment of oil spill contingency plans; to the Committee on Environment and Public Works.

By Mr. DOMENICI:

S. 688. A bill to provide financial assistance to students entering the teaching profession and to provide incentives for students to pursue teaching careers in areas of national significance; to the Committee on Labor and Human Resources.

S. 689. A bill to provide grants to local educational agencies to establish and operate programs which involve students in public and community service; to the Committee on Labor and Human Resources.

By Mr. HEINZ:

S. 690. A bill to extend the suspension of duties on certain benzenoid dye intermediates; to the Committee on Finance.

By Mr. LAUTENBERG (for himself, Mr. PELL, Mr. DECONCINI, Ms. MIKULSKI, and Mr. STEVENS):

S. 691. A bill to require certain information in the National Driver Register to be made available in connection with an application for a license to be in control and direction of a commercial vessel; to the Committee on Commerce, Science, and Transportation.

By Mr. HATCH:

S. 692. A bill to amend title XX of the Social Security Act to establish a block grant program for child care services, to amend the Internal Revenue Code of 1986 to adjust the earned income credit to take account of family size, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. D'AMATO):

S. 693. A bill to require the Commissioner of Customs to provide certain facilities and equipment at the port of entry at Trout River, NY; to the Committee on Finance.

By Mr. JOHNSTON:

S. 694. A bill to amend the Energy Policy and Conservation Act to extend the authority for the strategic petroleum reserve and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HEINZ:

S.J. Res. 90. Joint resolution to require the President to submit proposals to prevent, and disperse, oil spills on the seas, coasts, and waterways of the United States; to the Committee on Environment and Public Works.

By Mr. ROCKEFELLER:

S.J. Res. 91. Joint resolution designating April 28, 1989, as "Flight Attendant Safety Professionals' Day"; to the Committee on the Judiciary.

By Mr. HATFIELD (for himself, Mr. THURMOND, and Mr. WARNER):

S.J. Res. 92. Joint resolution to invite the houses of worship of this Nation to celebrate the bicentennial of the inauguration of George Washington, the first President of the United States, by ringing bells at 12 noon on Sunday, April 30, 1989; placed on the calendar.

By Mr. SIMON (for himself and Mr. DIXON):

S.J. Res. 93. Joint resolution to designate October 1989 as "Polish American Heritage Month"; to the Committee on the Judiciary.

By Mr. BOREN (for himself, Mr. COHEN, Mr. BRADLEY, Mr. CRANSTON, Mr. DECONCINI, Mr. D'AMATO, Mr. DANFORTH, Mr. GLENN, Mr. HATCH, Mr. HOLLINGS, Mr. METZENBAUM, Mr. MURKOWSKI, Mr. NUNN, Mr. SPECTER, and Mr. WARNER):

S.J. Res. 94. Joint resolution to designate the week of June 4, 1989, through June 10, 1989, as "National Intelligence Community Week"; to the Committee on the Judiciary.

By Mr. McCLURE (for himself, Mr. SHELBY, Mr. SYMMS, and Mr. PELL):

S.J. Res. 95. Joint resolution to designate the week of September 10, 1989, through September 16, 1989, as "National Check-Up Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LEVIN (for himself and Mr. RIEGLE):

S. Res. 87. Resolution congratulating the University of Michigan on winning the NCAA Men's Basketball Championship; considered and agreed to.

By Mr. SASSER (for himself and Mr. GORE):

S. Res. 88. Resolution congratulating the University of Tennessee Lady Vols and their Coach, Pat Head Summitt, on winning the 1989 NCAA National Women's Basketball Championship; considered and agreed to.

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 89. Resolution to direct the Senate Legal Counsel to represent Senator Kerry in the case of *Beauchamp* v. *Kerry, et al.* (Mass. Sup. Ct.); considered and agreed to.

S. Res. 90. Resolution to direct the Senate Legal Counsel to represent Senator Alan Cranston in the case of *Rodney F. Stich* v. *Senator Cranston, et al*; considered and agreed to.

By Mr. KENNEDY (for himself and Mr. KERRY):

S. Res. 91. Resolution congratulating the Harvard University Ice Hockey Team and their coach, Bill Cleary, on winning the 1989 NCAA National Hockey Championship; considered and agreed to.

29-059 O-90-40 (Pt. 4)

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. METZENBAUM (for himself, Mr. SIMON, Ms. MIKULSKI, Mr. PELL, Mr. SHELBY, and Mr. KENNEDY):

S. 685. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to clarify the applicability of rules relating to fiduciary duties in relation to plan assets of terminated pension plans and to provide for an explicit exception to such rules for employer reversions meeting certain requirements; to the Committee on Labor and Human Resources.

EMPLOYEE PENSION PROTECTION ACT OF 1989

Mr. METZENBAUM. Mr. President, today I am introducing the Employee Pension Protection Act to safeguard workers' retirement benefits from pension plan raiding.

For the past 8 years, corporate managers have been raiding their employees' retirement benefits to line their own pockets. Regrettably and inadvertently, current law permits employers to terminate pension plans and strip them of promised future retirement benefits. Congress has come close to remedying this injustice on several occasions, only to have such efforts fall apart at the last minute. The Treasury Department has temporarily imposed a moratorium on pension plan reversions, but it is set to expire shortly. Definitive legislative action is long overdue. This year the wait must end.

Prior to 1981, when an employer put money in a pension plan, it stayed there. Everyone understood that that was pension money and it was to be used solely to provide retirement benefits for the workers of that company. Each year employers contributed money to their plans to ensure that the assets in the plan were sufficient to provide retirement benefits 30 to 40 years down the road.

When the Employee Retirement Income Security Act [ERISA] was enacted in 1974, Congress assumed that any excess assets in a plan would be small. ERISA permitted an employer to recoup those remaining assets after all benefits were paid out if the plan so provided. ERISA did not anticipate that the majority of plans would become "overfunded on a termination basis." It is important to understand that these plans are not overfunded on an ongoing basis because they are accumulating money to pay future retirement benefits. It is only if the plan terminates that there are excess funds.

There are two major reasons why plans have become overfunded on a termination basis. First, plans have accumulated significant assets in order to pay retirement benefits in the future. If the plan is prematurely terminated, the plan is only liable for benefits accrued up until the date of termination, not promised future benefits. Second, investment returns, due to high interest rates and the strong stock market, have been greater than assumed by plans. Since retirement benefit liabilities are not generally increased to keep full pace with inflation, assets have increased more rapidly than liabilities.

Since 1981, almost 2,000 pension plans have been terminated—$20 billion has been taken out of the retirement security of 2 million workers and put into the hands of employers. Almost all of these employers are financially healthy companies. Too often they are companies involved in some type of merger or takeover transaction. At least 20 percent of the largest pension plan reversions occurred within 1 year of a takeover and the overwhelming majority of large reversions were taken by companies involved in or affected by a merger or acquisition.

In addition, most of these companies either set up no new plan or else establish a less generous plan. Last year only 25 percent of the healthy firms terminating pension plans set up a comparable defined benefit plan—40 percent set up a defined contribution plan. Unfortunately, almost 35 percent of these healthy companies did not set up a new pension plan at all. Even more disturbing is that this latter number has increased dramatically from 21 percent only 2 years ago.

Over the past several years, Congress has held innumerable hearings on the pension termination issue. In 1986, the Department of Labor studied this problem and concluded that the retirement benefit security of workers was being jeopardized. The administration submitted legislative proposals to Congress and in 1987 both Houses of Congress passed legislation to protect workers. Unfortunately, the legislation was tied to broader pension reform legislation and the provisions were deleted in conference when negotiations broke down over the other pension provisions.

In 1988, I introduced a moratorium bill to suspend these reversions until Congress could resolve the issue. The Treasury Department agreed to suspend the issuance of all determination letters permitting employers to obtain reversions until May 1, 1989, and to study the issue. Almost 400 pension plan terminations are being held up by the moratorium. May 1 will soon be upon us.

The Subcommittee on Labor held a hearing on asset reversions on February 9, 1989. At that hearing, I expressed my intention to introduce legislation and asked for the input of all interested parties. In the last month, I have listened to the concerns of all parties who have come forward. I have tried to craft a bill that adequately and reasonably addresses this issue.

The bill I introduced today seeks first to protect the retirement benefit security of workers and retirees by ensuring that they receive their fair share of pension assets. Second, if employers terminate their plans, the bill encourages them to establish new pension plans, as generous as their old ones. Finally, the bill seeks to prevent the use of pension plans as pawns in the merger and takeover wars. By correctly defining what assets are surplus in a plan, and thus recoverable by employers, there will be less incentive to use workers' pension assets to finance or prevent a corporate reorganization.

Under the bill, just as under current law, an employer has to terminate its pension plan before any assets can be recovered. All participants must become immediately vested and all benefits earned up to the date of termination are protected. The plan fiduciary then must look at whether the employer is establishing a new plan and, if so, what type of plan.

If the employer is establishing a complete replacement plan—that is, an identical defined benefit pension plan, the benefits of active workers and retirees must be protected. A cushion of 125 percent of projected benefit liabilities must be kept in the new plan to protect the promised retirement benefits of active workers and to protect the funding status of the plan in case of a stock market downturn. A onetime benefit increase must be provided to retirees to the extent that their benefits have not been adjusted for inflation. The remainder may be recovered by the employer.

If the employer establishes a substantial replacement plan—that is, a less generous plan, either a defined benefit or defined contribution plan, a cushion of 135 percent of projected benefit liabilities must be kept in the new plan. The larger cushion is intended to protect the promised benefits of active workers, in case of a stock market downturn, and to compensate for the future retirement losses of workers in a less generous plan. A onetime benefit increase must then be provided to retirees to the extent their benefits have not been adjusted for inflation. Any remaining assets may be recovered by the employer.

In the least desirable situation, where the employer terminates its plan and either establishes no new plan or a sham plan, all of the assets must be distributed to the plan participants. The 135 percent cushion of projected benefit liabilities must be allocated to the pension benefits of active workers and a onetime benefit increase provided to retirees. Any re-

mainder will be allocated pro rata to the pension benefits of active workers.

The bill ties the establishment of a new plan to the amount of any employer reversion in order to ensure the future retirement protection of workers. Employers should not be able to reap windfalls from the money set aside for retirement benefits by shattering the meaning of their retirement promise to employees. To the extent that a new pension plan is created, there will be less of a loss to workers and more of a gain for employers. Nothing in this bill prevents an employer from terminating a pension plan. The bill only reflects the true nature of the assets contributed to a plan and assures that workers' retirement benefit security is protected.

I hope this bill can be quickly enacted. The Subcommittee on Labor will hold a hearing on the bill on April 11. We must take action before the moratorium expires. The retirement benefit security of American working men and women has been jeopardized too long.

I ask unanimous consent that a summary of the bill and the bill be printed in the RECORD.

There being no objection, the summary and bill were ordered to be printed in the RECORD, as follows:

SUMMARY OF THE EMPLOYEE PENSION PROTECTION ACT

The Employee Pension Protection Act seeks to:

(1) protect workers' retirement benefit security by ensuring that they receive their fair share of pension plan assets if their plan is terminated; and

(2) encourage employers that terminate their pension plans to establish new plans as generous as the terminated ones.

Under the bill:

An employer must terminate the pension plan and vest all benefits earned up to the date of termination (same as current law).

If the employer establishes a complete replacement plan (an identical defined benefit pension plan), the plan must:

(1) retain a cushion of 125% of projected benefit liabilities in the new plan to protect the promised benefits of active workers and to protect against a stock market downturn;

(2) provide a one-time increase to retirees to the extent their benefits have not been adjusted for inflation in the past;

(3) then, permit an employer to recoup any remaining assets if in accordance with the terms of the plan.

If the employer establishes a substantial replacement plan (a less generous defined benefit or defined contribution plan), the plan must:

(1) meet certain minimum standards (to ensure it's not a sham plan;

(2) transfer a cushion of 135% of projected benefit liabilities into the new plan to protect the promised benefits of active workers, to protect against a stock market downturn and to compensate for the additional loss in workers' retirement benefits;

(3) provide a one-time increase to retirees to the extent their benefits have not been adjusted for inflation in the past; and

(4) then, permit an employer to recoup any remaining assets if in accordance with the terms of the plan.

If the employer does not establish a new plan or establishes a sham plan; the plan must:

(1) allocate the 135% cushion to the pension benefits of active workers;

(2) provide a one-time increase to retirees if they have not received inflation adjustments in their benefits in the past; and

(3) allocate any remainder to the pension benefits of active workers on a pro rata basis.

S. 685

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Employee Pension Protection Act of 1989".

SEC. 2. CLARIFICATION OF GENERAL RULES GOVERNING FIDUCIARY STANDARDS APPLICABLE TO PLAN ASSETS OF TERMINATED PLANS.

(a) EXCLUSIVE PURPOSES FOR HOLDING PLAN ASSETS.—Section 403(c)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1103(c)(1)) is amended to read as follows:

"(c)(1) Except as provided in paragraph (2), (3), or (4), subsection (d), or section 414, the assets of a plan shall never inure to the benefit of any employer and shall be held for the exclusive purposes of providing benefits to participants in the plan and their beneficiaries (except to the extent necessary to provide for distribution of available plan assets to such participants and beneficiaries upon plan termination in accordance with allocations pursuant to section 4044) and defraying reasonable expenses of administering the plan.".

(b) FIDUCIARY DUTIES WITH RESPECT TO PLAN ASSETS OF TERMINATED PLANS.—Section 404(a)(1) of such Act (29 U.S.C. 1304(a)(1)) is amended—

(1) by striking "Subject to" and all that follows through "beneficiaries and—" and inserting "Subject to subsections (c) and (d) of section 403 and section 414, a fiduciary shall discharge his or her duties with respect to a plan solely in the interest of the participants and beneficiaries and—";

(2) by striking subparagraph (A) and inserting the following:

"(A) for the exclusive purpose of:

"(i) providing benefits to participants and their beneficiaries (except to the extent necessary to provide for distribution of available plan assets to such participants and beneficiaries upon plan termination in accordance with allocations pursuant to section 4044); and

"(ii) defraying reasonable expenses of administering the plan;"; and

(3) by striking subparagraph (D) and inserting the following:

"(D) in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of this title and title IV.".

SEC. 3. FIDUCIARY STANDARDS OF TITLE I RELATING TO EMPLOYER REVERSIONS.

(a) IN GENERAL.—Part 4 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by redesignating section 414 (29 U.S.C. 1114) as section 415 and by inserting after section 413 (29 U.S.C. 1113) the following new section:

"EMPLOYER REVERSIONS UPON PLAN TERMINATION

"SEC. 414. (a) IN GENERAL.—In the case of the termination of any pension plan under section 4041, the distribution to the employer of plan assets remaining in the plan in the final distribution of assets in accordance with the terms of the plan shall not be treated as a violation of this part if—

"(1) such distribution to the employer occurs after the satisfaction of all benefit liabilities and the distribution of all plan assets attributable to employee contributions as required under section 4044(d)(2),

"(2) as of the date of the final distribution of assets of the terminated plan—

"(A) there is established and maintained by the employer a complete replacement plan (defined in subsection (b)) in connection with the termination, or

"(B) there is established and maintained by the employer a substantial replacement plan (defined in subsection (c)(1)) in connection with the termination with respect to which the requirements of subsection (c) are met, and

"(3) as of the date of the final distribution of assets of the terminated plan, each defined benefit plan (other than a multiemployer plan) which is maintained by the employer (or a member of the employer's controlled group, as defined in section 302(c)(11)(B)(ii)) and which was maintained by the employer as of immediately before the termination date (or was then maintained by any person who was then a member of the employer's controlled group, as so defined) has assets sufficient to pay all liabilities to participants and their beneficiaries under the plan.

"(b) COMPLETE REPLACEMENT PLAN.—For purposes of this section, the term 'complete replacement plan' means a single-employer plan which is a defined benefit plan under which the following requirements are met:

"(1) CUSHION REQUIREMENT.—The current value of the assets of the plan is at least 125 percent of the projected benefit liabilities (defined in subsection (g)(3)) under the terminated plan as of immediately before the termination date.

"(2) RETENTION OF PARTICIPATION RIGHTS.—All persons who under the terminated plan were participants or such participants' beneficiaries (other than participants or beneficiaries who received in the final distribution of assets the actuarial present value of their accrued benefits in a single sum) retain the same status as participants or beneficiaries.

"(3) BENEFIT EQUIVALENCY IN VALUE AND FORM.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the benefits with respect to each participant are equivalent in amount and form to the benefits with respect to such participant provided under the terminated plan as of immediately before the termination date.

"(B) ONE-TIME BENEFIT MAINTENANCE ADJUSTMENT FOR CERTAIN PARTICIPANTS.—Effective as of the date of the final distribution of assets of the terminated plan, the amount of any benefit with respect to a participant who is a pay status participant (defined in subsection (g)(4)) or terminated vested participant (defined in subsection (g)(5)) in connection with the termination is increased, above the amount required under subparagraph (A), by at least a percentage increase equal to the excess of—

"(i) the percentage increase in the Consumer Price Index for All Urban Consumers, issued from time to time by the Bureau of Labor Statistics, since—

"(I) in the case of a pay status participant, the date on which payment of such benefit commenced under the terminated plan, or

"(II) in the case of a terminated vested participant, the date on which the participant's service under the plan terminated,

over

"(ii) the actual percentage increase (if any) in such benefit under the terminated plan since the date described in clause (i).

"(4) RETENTION OF ACCRUAL RATES.—A rate of benefit accrual is provided which is greater than or equal to the rate of benefit accrual provided under the terminated plan as of immediately before the termination date.

"(5) RETENTION OF CREDITED SERVICE.—Each participant is credited with an amount of past service applicable to benefits which is at least equal to the amount of service which was credited to such participant under the terminated plan as of immediately before the termination date.

"(6) RETENTION OF NONFORFEITABILITY.—The benefits of participants whose benefits under the terminated plan were nonforfeitable (including participants whose benefits under the terminated plan became nonforfeitable solely by reason of the termination) are nonforfeitable.

"(c) SUBSTANTIAL REPLACEMENT PLAN AND RELATED REQUIREMENTS.—

"(1) SUBSTANTIAL REPLACEMENT PLAN.—For purposes of this section, the term 'substantial replacement plan' means a single-employer plan (irrespective of whether the plan is a defined benefit plan or a defined contribution plan) under which the following requirements are met:

"(A) CUSHION REQUIREMENT.—

"(i) DEFINED BENEFIT PLAN.—In the case of a defined benefit plan, the current value of the assets of the plan is at least 135 percent of the projected benefit liabilities (defined in subsection (g)(3)) under the terminated plan as of immediately before the termination date.

"(ii) DEFINED CONTRIBUTION PLAN.—In the case of a defined contribution plan, the current value of the assets of the plan in the individual account of each participant is at least 135 percent of the projected benefit liabilities under the terminated plan to such participant as of immediately before the termination date, except that the preceding requirements of this clause shall be treated as met if an amount equal to such percentage is distributed to the participant from the terminated plan in the final distribution of assets.

"(B) RETENTION OF PARTICIPATION RIGHTS.—All persons who under the terminated plan were participants or such participants' beneficiaries (other than participants or beneficiaries who received in the final distribution of assets the actuarial present value of their accrued benefits in a single sum) retain the same status as participants or beneficiaries.

"(C) RETENTION OF CREDITED SERVICE.—In the case of a defined benefit plan, each participant is credited with an amount of past service at least equal to the amount of service which was credited to such participant under the terminated plan as of immediately before the termination date.

"(D) RETENTION OF NONFORFEITABILITY.—The benefits of participants whose benefits under the terminated plan were nonforfeitable (including participants whose benefits under the terminated plan became nonforfeitable solely by reason of the termination) are nonforfeitable.

"(2) BENEFIT ACCRUAL REQUIREMENTS FOR SUBSTANTIAL REPLACEMENT PLANS.—

"(A) DEFINED BENEFIT PLANS.—

"(i) IN GENERAL.—A substantial replacement plan which is a defined benefit plan meets the benefit accrual requirements of this paragraph if the accrued benefit derived from employer contributions of each participant, when expressed as an annual retirement benefit, is not less than the applicable percentage of the participant's average compensation for years in the testing period provided under clause (iv).

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i), the term 'applicable percentage' means the product derived by multiplying—

"(I) 2 percent, by

"(II) the number of years of service with the employer.

"(iii) YEARS OF SERVICE.—For purposes of this subparagraph, years of service shall be determined under the rules of section 203(b).

"(iv) TESTING PERIOD.—For purposes of this subparagraph—

"(I) AVERAGE COMPENSATION FOR HIGH 5 YEARS.—A participant's testing period shall be the period of consecutive years (not exceeding 5) during which the participant had the greatest aggregate compensation from the employer.

"(II) YEAR MUST BE INCLUDED IN YEAR OF SERVICE.—The years taken into account under subclause (I) shall be properly adjusted for years not included in a year of service.

"(v) ANNUAL RETIREMENT BENEFIT.—For purposes of this subparagraph, the term 'annual retirement benefit' means a benefit payable annually in the form of a single life annuity (with no ancillary benefits) beginning at the normal retirement age under the plan.

"(vi) INAPPLICABILITY OF FRACTIONAL ACCRUAL RULE.—A defined benefit plan shall be treated as meeting the benefit accrual requirements of this paragraph only if such plan meets the requirements of section 204(b)(1) without regard to section 204(b)(1)(C).

"(B) DEFINED CONTRIBUTION PLANS.—A substantial replacement plan which is a defined contribution plan meets the benefit accrual requirements of this paragraph if the employer contribution for the year for each participant is not less than 3 percent of such participant's compensation.

"(C) PLAN MUST NOT PROVIDE CERTAIN BENEFIT DISPARITIES BASED ON SOCIAL SECURITY AND SIMILAR CONTRIBUTIONS AND BENEFITS.—A plan shall not be treated as meeting the requirements of this paragraph unless such plan meets such requirements without providing benefit disparities described in subsections (a)(5)(C), (a)(5)(D), and (l) of section 401 of the Internal Revenue Code of 1986.

"(D) DEFINITIONS.—For purposes of this paragraph—

"(i) TREATMENT OF BENEFICIARIES.—The term 'participant' includes the participant's beneficiaries.

"(ii) COMPENSATION.—The term 'compensation' shall have the meaning provided in section 414(s) of the Internal Revenue Code of 1986.

"(3) ONE-TIME BENEFIT MAINTENANCE ADJUSTMENT FOR CERTAIN PARTICIPANTS—The requirements of this paragraph are met if—

"(A) DEFINED BENEFIT PLAN.—In the case of a substantial replacement plan which is a defined benefit plan, effective as of the final distribution of assets of the terminated plan, the amount of any benefit under the substantial replacement plan with respect to a participant who is a pay status participant (defined in subsection (g)(4)) or terminated vested participant (defined in subsection (g)(5)) in connection with the termination is increased, above the amount of the benefit with respect to the participant under the terminated plan as of immediately before the termination date, by at least a percentage increase equal to the excess of—

"(i) the percentage increase in the Consumer Price Index for All Urban Consumers, issued from time to time by the Bureau of Labor Statistics, since—

"(I) in the case of a pay status participant, the date on which payment of such benefit commenced under the terminated plan, or

"(II) in the case of a terminated vested participant, the date on which the participant's service under the plan terminated,

over

"(ii) the actual percentage increase (if any) in such benefit under the terminated plan since the date described in clause (i).

"(B) DEFINED CONTRIBUTION PLAN.—In the case of a substantial replacement plan which is a defined contribution plan, effective immediately before the termination of the terminated plan, the amount of the benefit under the terminated plan of a pay status participant (defined in subsection (g)(4)) or a terminated vested participant (defined in subsection (g)(5)) in connection with the termination is increased by at least a percentage increase equal to the excess of—

"(i) the percentage increase in the Consumer Price Index for All Urban Consumers, issued from time to time by the Bureau of Labor Statistics, since—

"(I) in the case of a pay status participant, the date on which payment of such benefit commenced under the terminated plan, or

"(II) in the case of a terminated vested participant, the date on which the participant's service under such plan terminated,

over

"(ii) the actual percentage increase (if any) in such benefit under the terminated plan since the date described in clause (i).

"(d) FIVE-YEAR PLAN MAINTENANCE RULE.—If, at any time during the period commencing on the date of final distribution of assets from a terminated plan and ending with the fifth calendar year following such date, any requirement of subsection (b) or (c) relating to the termination or relating to any complete replacement plan or substantial replacement plan established or maintained in connection with the termination ceases to be met, then—

"(1) the requirements of this section shall be treated as having been violated as of such date, and

"(2) notwithstanding section 409(b), each person who—

"(A) was, as of the termination date, the plan sponsor or a fiduciary with respect to the terminated plan, or

"(B) was, at any time on or after the date of final distribution of assets from the terminated plan and on or before the date of such failure, the plan sponsor or a fiduciary with respect to the complete replacement plan or substantial replacement plan,

shall be jointly and severally liable under this part for such violation.

"(e) TREATMENT OF TWO OR MORE REPLACEMENT PLANS.—Under regulations of the Secretary, the preceding requirements of this section shall be treated as met by the establishment and maintenance of an arrangement consisting of two or more plans if the treatment under such arrangement of each participant in each such plan who was a participant in the terminated plan as of the termination date is identical to the treat-

ment which would be required under the preceding provisions of this section if such arrangement were a single complete replacement plan or a single substantial replacement plan with respect to which such requirements were met.

"(f) COORDINATION WITH OTHER PROVISIONS.—Any provision of this section shall be applicable to the termination of any plan under section 4041 only to the extent that compliance with such provision in connection with such plan and the complete replacement plan or substantial replacement plan established and maintained as provided in this section in connection with such termination may be achieved without failure to meet any applicable requirement of section 401(a)(4) or 415 of the Internal Revenue Code of 1986 in connection with each such plan.

"(g) OTHER DEFINITIONS.—For purposes of this section—

"(1) BENEFICIARY.—The term 'beneficiary' includes an alternate payee (within the meaning of subsection 206(d)(3)(K)).

"(2) BENEFIT LIABILITIES.—The term 'benefit liabilities' has the meaning provided in section 4001(a)(16).

"(3) PROJECTED BENEFIT LIABILITIES.—

"(A) IN GENERAL.—The term 'projected benefit liabilities' means benefit liabilities, expressed as an actuarial present value.

"(B) REQUIRED ASSUMPTIONS.—The assumptions used in determining actuarial present value under subparagraph (A) shall include—

"(i) INCREASES IN FUTURE COMPENSATION LEVELS.—Increases in future compensation levels (in the case of a pay-related plan) or in future benefit levels (in the case of a non-pay-related plan) at a rate equal to 5 percent per year for each plan year ending after the termination date and with or before the first plan year in which, under the plan, benefits are payable to the participant unreduced for age.

"(ii) INTEREST RATE.—The interest rate which would be used (as of the date of final distribution of assets) by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution on plan termination.

"(4) PAY STATUS PARTICIPANT.—The term 'pay-status participant' in connection with the termination of a plan means a participant with respect to whom payment of benefits under such plan has commenced as of the termination date.

"(5) TERMINATED VESTED PARTICIPANT.—The term 'terminated vested participant' in connection with the termination of a plan means a participant (other than a pay status participant) who has a nonforfeitable right to benefits under the terminated plan and whose service, which was creditable under the terminated plan, terminated during the period beginning 3 years before the termination date and ending with the date of final distribution of assets.

"(6) TERMINATION DATE.—The term 'termination date' has the meaning provided in section 4048.".

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of such Act is amended by striking the item relating to section 414 and inserting the following new items:

"Sec. 414. Employer reversions upon plan termination.

"Sec. 415. Effective dates.".

SEC. 4. FIDUCIARY DUTIES RELATING TO ALLOCATION AND DISTRIBUTION OF PLAN ASSETS TO PARTICIPANTS AND BENEFICIARIES UPON PLAN TERMINATION IN THE ABSENCE OF A COMPLETE OR SUBSTANTIAL REPLACEMENT PLAN.

Section 404 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104) is amended by adding at the end the following new subsection:

"(d) DISTRIBUTION OF PLAN ASSETS TO PARTICIPANTS AND BENEFICIARIES UPON PLAN TERMINATION.—

"(1) IN GENERAL.—Except as provided in paragraph (5), in the case of the termination of a single-employer plan under section 4041, a named fiduciary of the plan shall take such actions as are necessary to ensure that any distribution with respect to a participant from the terminated plan in the final distribution of assets is not less than the total amount allocated to the participant in accordance with this subsection.

"(2) APPLICATION TO SPOUSAL BENEFICIARIES AND ALTERNATE PAYEES.—In the case of an individual who is a beneficiary under a plan by reason of being the surviving spouse of the participant or an individual who is an alternate payee (within the meaning of section 206(d)(3)(K)) under a plan by reason of being the spouse or former spouse of the participant, this subsection shall be applied by substituting for each reference to the participant a reference to such individual.

"(3) ALLOCATION.—Before the distribution of plan assets from the terminated plan, the assets shall be allocated among participants as follows:

"(A) INITIAL ALLOCATION TO ALL PARTICIPANTS.—First, the plan assets available for distribution shall be allocated among all participants, in an amount with respect to each participant, determined as of the date of final distribution of assets, equal to—

"(i) GENERAL RULE.—Except as provided in clause (ii), 135 percent of the projected benefit liabilities of the plan to such participant as of such date.

"(ii) PRO RATA DISTRIBUTION IF ASSETS ARE INSUFFICIENT.—If the available assets are insufficient to permit compliance with clause (i), the amount determined under paragraph (4).

(B) SUBSEQUENT ALLOCATION TO CERTAIN PARTICIPANTS.—

"(i) IN GENERAL.—Second, any plan assets available for distribution which are in excess of the amount required to be allocated under subparagraph (A) shall be allocated among pay status participants and terminated vested participants in connection with the termination, in an amount with respect to each such participant determined as of the date of final distribution of assets.

"(ii) BASIC AMOUNT.—Except as provided in clauses (iii) and (iv), the amount determined with respect to each such participant is the projected benefit liabilities under the plan to such participant.

"(iii) ONE-TIME BENEFIT MAINTENANCE ADJUSTMENT.—The amount determined under clause (ii) with respect to each such participant is increased by a percentage increase equal to the excess of—

"(I) the percentage increase in the Consumer Price Index for All Urban Consumers (issued from time to time by the Bureau of Labor Statistics) since the date on which payment of such benefit commenced under the terminated plan (in the case of a pay status participant), or the date on which the participant's service under such plan terminated (in the case of a terminated vested participant in connection with the termination), over

"(II) the actual percentage increase (if any) in such benefit under the terminated plan since such date.

"(iv) PRO RATA DISTRIBUTION IF ASSETS ARE INSUFFICIENT.—If the available assets are insufficient to permit compliance with the preceding provisions of this subparagraph, the amount determined with respect to each such participant is the amount determined under paragraph (4).

"(C) FINAL ALLOCATION TO ACTIVE PARTICIPANTS.—Third, any plan assets available for distribution which are in excess of the amounts required to be allocated under subparagraphs (A) and (B) shall be allocated among all participants not described in subparagraph (B), in an amount with respect to each participant equal to the amount determined under paragraph (4).

"(4) PRO RATA ALLOCATIONS.—

"(A) IN GENERAL.—In the case of—

"(i) an allocation under subparagraph (C) of paragraph (2), or

"(ii) an allocation under subparagraph (A) or (B) of paragraph (3) with respect to which the available assets are insufficient to otherwise permit compliance with such subparagraph,

the portion of the total amount allocated under such subparagraph to each participant shall be an amount which bears the same ratio to the current value of all plan assets allocated among participants under such subparagraph as the projected benefit liabilities (determined as of the termination date and subject to the limitations of subparagraph (B)) to such participant bears to the total projected benefit liabilities (as so determined) to such participants under the terminated plan.

"(B) LIMITATION ON VALUATION.—For purposes of subparagraph (A), if the amount of the projected benefit liabilities referred to in subparagraph (A) to any participant exceeds an amount which would be the actuarial present value (as of the termination date) of a single life annuity payable in an annual amount equal to 50 percent of the amount provided under section 415(b)(1)(A) of the Internal Revenue Code of 1986, then the amount of such projected benefit liabilities shall be deemed equal to the actuarial present value of such a single life annuity.

"(5) EXCEPTION IN THE CASE OF A COMPLETE OR SUBSTANTIAL REPLACEMENT PLAN.—The preceding provisions of this subsection shall not apply in the case of any termination if the requirements of subparagraph (A) or (B) of section 414(a)(2) are met (or treated as met under section 414(e)).

"(6) COORDINATION WITH OTHER PROVISIONS.—Any provision of this subsection shall be applicable to the termination of any plan under section 4041 only to the extent that compliance with such provision in connection with the terminated plan may be achieved without failure to meet any applicable requirement of section 401(a)(4) or 415 of the Internal Revenue Code of 1986 in connection with such plan.

"(7) DEFINITIONS.—For purposes of this subsection—

"(A) PAY STATUS PARTICIPANT.—The term 'pay-status participant' shall have the meaning provided in section 414(g)(4).

"(B) TERMINATED VESTED PARTICIPANT.—The term 'terminated vested participant' in connection with the termination shall have the meaning provided for in section 414(g)(5).

"(C) PROJECTED BENEFIT LIABILITIES.—The term 'projected benefit liabilities' shall have the meaning provided in section 414(g)(3).

"(D) TERMINATION DATE.—The term 'termination date' has the meaning provided in section 4048.".

SEC. 5. FIDUCIARY DUTIES RELATING TO DIRECT TRUSTEE-TO-TRUSTEE TRANSFER OF PLAN ASSETS TO INDIVIDUAL RETIREMENT ACCOUNTS OR ANNUITIES UPON PLAN TERMINATION.

Section 404 of the Employee Retirement Income Security Act of 1974 (as amended by section 4 of this Act) is further amended by adding at the end the following new subsection:

"(e) CERTAIN DISTRIBUTIONS OF PLAN ASSETS UPON PLAN TERMINATION IN DIRECT TRUSTEE-TO-TRUSTEE TRANSFERS TO INDIVIDUAL RETIREMENT ACCOUNTS OR ANNUITIES.—

"(1) IN GENERAL.—In the case of the termination of a single-employer plan under section 4041, a named fiduciary of the terminated plan shall take such actions as are necessary to ensure that any distribution with respect to a participant from the terminated plan in the final distribution of assets in a form other than an annuity is in the form of a direct trustee-to-trustee transfer to an individual retirement plan for the benefit of such participant made in accordance with this subsection. The preceding sentence shall not apply with respect to any portion of the distribution which is attributable to employee contributions.

"(2) EXCEPTION FOR MINIMAL ACCRUED BENEFITS.—Paragraph (1) shall not apply to any participant in any case in which the present value of a participant's nonforfeitable accrued benefit under the terminated plan as of the termination date does not exceed $500.

"(3) APPLICATION TO SPOUSAL BENEFICIARIES AND ALTERNATE PAYEES.—In the case of an individual who is a beneficiary under a plan by reason of being the surviving spouse of the participant or an individual who is an alternate payee (within the meaning of section 206(d)(3)(K)) under a plan by reason of being the spouse or former spouse of the participant, this subsection shall be applied by substituting for each reference to the participant a reference to such individual.

"(4) REQUIREMENTS.—A direct trustee-to-trustee transfer is made in accordance with this subsection only if the following requirements are met:

"(A) SELECTION OF INDIVIDUAL RETIREMENT PLAN.—The transfer must be made for the benefit of the participant—

"(i) to an individual retirement plan which is designated by the participant within a reasonable period (before the date of final distribution of assets) which shall be specified by the transferor plan in connection with its termination, or

"(ii) in any case in which either no timely designation of the individual retirement plan is made or, under regulations of the Secretary, the transfer in accordance with the designation is not practicable, to an individual retirement plan selected in a manner which shall be specified in the transferor plan.

"(B) SPOUSAL PROTECTION.—Under regulations of the Secretary, the individual retirement plan must meet the requirements of section 205 with respect to benefits attributable to assets transferred to the plan under this subsection.

"(5) REPORTING.—The Secretary shall prescribe such reports to the participant and to the Secretary as are necessary to allow for full and timely disclosure of the total amount transferred in a direct trustee-to-trustee transfer to an individual retirement plan under this subsection and such other information as such Secretary may prescribe. The Secretary shall prescribe such reports to the trustee of the individual retirement plan as are necessary to allow for full and timely disclosure of what portion of the amount transferred is subject to the joint and survivor annuity rules of section 205.

"(6) DEFINITIONS.—For purposes of this subsection—

"(A) DIRECT TRUSTEE-TO-TRUSTEE TRANSFER.—With respect to the term 'direct trustee-to-trustee transfer', the term 'trustee' includes the issuer of an annuity.

"(B) INDIVIDUAL RETIREMENT PLAN.—The term 'individual retirement plan' means—

"(i) an individual retirement account described in section 408(a) of the Internal Revenue Code of 1986, or

"(ii) an individual retirement annuity described in section 408(b) of such Code.

SEC. 6. EFFECTIVE DATE.

Except as otherwise provided in this section, the amendments made by this Act shall apply in the case of any termination of a plan under section 4041 of the Employee Retirement Income Security Act of 1974 if the date of the final distribution of assets is on or after April 4, 1989. The amendment made by section 2(b)(3) shall be effective as if it were included in the enactment of section 404(a)(1)(D) of the Employee Retirement Income Security Act of 1974 at the time of its enactment.

By Mr. MITCHELL (for himself, Mr. BAUCUS, and Mr. LAUTENBERG):

S. 686. A bill to consolidate and improve Federal laws providing compensation and establishing liability for oilspills; to the Committee on Environment and Public Works.

OIL POLLUTION LIABILITY AND COMPENSATION ACT OF 1989

Mr. MITCHELL. Mr. President, it has been over a week since the Exxon tanker struck a reef in Alaska's Prince William Sound and dumped 11 million gallons of oil into these biologically rich waters.

The residents of Prince William Sound and people all over this country became increasingly frustrated as they helplessly watched this environmental disaster slip further out of control, day by day.

Many people are now focused on assessing blame, damage, and liability as a result of the accident.

Last Friday, the FBI announced that it plans an investigation to determine whether the shipwreck involved felony violations of the Clean Water Act.

That same day, fishermen, seafood processors, kelp harvesters, tour boat operators, and maritime shippers filed a class-action lawsuit that the accused Exxon Shipping Co. of gross negligence in creating the spill and in cleaning it up.

There will be time enough in the months ahead to determine who is at fault for this disaster and who should pay for the harm it has caused.

The No. 1 priority must be to do everything possible to keep this spill from causing further environmental damage, and then to minimize the number of, and damage from, future spills.

A better job just be done of keeping the oil away from the most important areas for fish, shellfish, and wildlife. And cleanup efforts must be careful lest they do more damage than the oil.

The immediate protection of the public's health and welfare and its natural resources is at stake.

We must learn from this tragedy. There are several legislative actions that we should take to help prevent future oilspills and to make sure that they are cleaned up promptly and thoroughly.

First, we should require more thorough preventive measures and we should assure that cleanups begin immediately and are as thorough as possible.

President Bush currently has the authority under the Clean Water Act to contain and clean up oilspills whenever there is a substantial threat to the public health and welfare, including fish, shellfish, and wildlife, "unless," in the words of the law, "he determines such removal will be done properly by the owner or operator of the vessel."

The President so far has chosen not to use the power available to him to take over the effort to contain and remove the oil in Prince William Sound.

To reach that decision, the President had to conclude that the cleanup was being conducted properly by the Alyeska Pipeline Service Co., and Exxon Shipping.

I disagree.

Within a few days after the spill occurred, it was clear that the cleanup effort was inadequate. Valuable time—the most valuable time—was lost. There should then have been a swift and decisive response. Unfortunately, there was not.

Now, 11 days later, the cleanup effort is finally getting on track, and the imposition of Federal control at this point could create more problems than it would solve.

But a tragedy like this cannot be permitted to occur again.

I believe that the consequences of such massive spills are so vast, and affect so many people and interests, that the Federal Government must be prepared to assume the responsibility for immediate and proper cleanup in such situations. The Clean Water Act should be amended to clarify this responsibility.

Consequently, I am introducing today, with Senator BAUCUS, an amendment to the act to require the President to initiate cleanup of oil spills, unless he specifically determines that such action will be done properly and promptly by the owner or operator of the vessel.

There is precedent for such authority. We adopted a similar approach in the Superfund law.

Is there anyone among us who believes that a Superfund site, bad as they might be, is more harmful than the spill now coursing through Prince William Sound?

Present law requires the establishment or designation of a strike force under the National Contingency Plan that can act in the critical early hours of a spill. The Congress took this action to assure that the Federal Government would be prepared to act promptly and effectively in response to disasters such as the one Alaska now confronts.

But the Federal Government must adequately implement the National Contingency Plan to ensure that response.

In the case of the Prince William spill it was evident that implementation of the law was not adequate.

The strike force arrived 33 hours after the accident. Individuals and equipment effective in combating spills were widely dispersed and much precious time was lost in contacting and assembling them.

Disasters of this magnitude require prompt and effective response. The Federal Government must be prepared to act to ensure that response.

From the very first there never has been any question that the Alaskan spill posed a substantial threat to the public health and welfare, including fish, shellfish, and wildlife.

Prince William Sound is a pristine area renowned for its abundant fisheries, shellfisheries, and wildlife, and the people who live there are dependent economically on these natural resources.

On Friday, the day of the accident, Alaska's Governor Steve Cowper said that it was "the worst oilspill in Alaska by a long shot."

Within 24 hours it was clear that the largest oilspill in U.S. history had occurred in some of the Nation's most biologically productive waters.

Less than 48 hours after the spill, Governor Cowper declared Prince William Sound a disaster area.

It also was clear soon after the accident occurred that containment and cleanup of the spill by Alyeska and Exxon Shipping were not being conducted properly.

The oilspill contingency plan called for a maximum of 5 hours' response time for any oilspill within a 30- to 40-mile radius of the Port of Valdez.

Shortly after midnight on Friday morning, March 24, the accident occurred, only 25 miles from the port. Yet the first equipment did not arrive until 10 hours after the spill was reported.

No booms had been deployed and only minimal equipment for handling the oil was in place 18 hours after the accident.

On Friday, the Washington Post reported that "a black plume 1,000 yards wide extended 5 miles toward the sea in Prince William Sound."

The next day the spill had grown to the size of Arlington County, and an Alaskan official noted that "there is considerable concern about the pace of the reaction."

A member of the Cordova District Fisherman's United went further saying that the response to the spill by Exxon Shipping and Alyeska "has been completely inadequate, to the point of gross negligence."

By Sunday the oil had spread over 100 square miles.

Calm weather from Friday through Sunday offered the best chance for containment and removal of the oil by mechanical means. But insufficient equipment was on hand in Valdez and other gear was slow to be mobilized.

On Monday, 3 days after the accident, Frank Iarossi, President of Exxon Shipping, said, "by tomorrow we're going to be going all out, using all the tools at our disposal. * * * We weren't even up and running until 12 o'clock yesterday afternoon."

But 70-mile-per-hour winds on Monday and Tuesday effectively ended any hope of containing the spread of the 240,000 barrels of oil.

By Wednesday, the oil encircled 500 square miles of Prince William Sound.

On Thursday, after returning from Prince William Sound, Secretary Skinner, EPA Administrator Reilly, and Coast Guard Commandant Yost briefed President Bush.

Following the briefing, Administrator Reilly said the spill was "obviously a disaster of enormous potential magnitude," and President Bush described the accident as "a major tragedy both for the environment and the people up there."

By the next day, the 11-million gallon spill had spread 90 miles from its origin, covered 850 square miles and was being carried by ocean currents in the Gulf of Alaska toward new fisheries-rich waters off the Kenai Peninsula.

That same day Exxon Shipping acknowledged what had been evident for the previous week: that they were not being successful in containing the damage caused by the oilspill.

This spill, the largest in our history, obviously created a substantial threat of a pollution hazard to the public health and welfare of the United States, including, but not limited to, fish, shellfish, and wildlife.

A Federal takeover of the cleanup effort, therefore, was warranted after it became clear on the day of the accident that Exxon Shipping and Alyeska had not responded in the manner called for by the contingency plan, and did not have sufficient equipment available to contain the spill.

The case for presidential action became even more compelling after 2 more days of relatively little progress by the responsible parties in containing or removing the oil.

With the benefit of hindsight, these conclusions appear inescapable.

Aside from the issue of Federal responsibility for cleanup, a second issue that requires legislation is oilspill liability.

Today I am reintroducing legislation similar to that which I have introduced in the past two Congresses on this issue. The legislation creates a Federal oilspill fund to pay up to $500 million for spills where responsible parties cannot be found, are unable to pay for cleanup and damages associated with such spill, or the liability limit has been reached.

This means that no matter who is responsible for the oilspill, $500 million will be available to clean up and pay for damages associated with that spill.

Nonpreemptive limits on liability of $500 per gross ton—but not less than $10 million—also would be established for tankers carrying oil in bulk or as cargo. This would cover vessels like the *Exxon Valdez*. Limits of $300 per gross ton—but not less than $500,000—would be required for other vessels. All removal costs plus $75 million would be required for any Outer Continental Shelf facility, and such costs plus $100 million for any deepwater port facility or for any other onshore or offshore facility.

The fund would be paid for by a fee on oil. In the past the Senate Finance and House Ways and Means Committees have agreed on a 1.3 cents per barrel fee on all offshore domestic and imported crude oil to collect the sums necessary for the Fund.

This structure is similar to the Superfund we created in 1980 for uncontrolled releases of hazardous substances. In fact, oil spill legislation and Superfund were first considered as a package and only later separated.

In addition, this oil spill legislation would transfer the remaining balances of other liability funds into the oilspill fund.

This includes the funds in the Trans-Alaska Pipeline Liability Fund, the 311(k) fund of the Clean Water Act, the Deepwater Port Liability Fund, and the Offshore Oil Pollution Compensation Fund. This alone amounts to almost $400 million.

This legislation is needed, as it has been for some time. In the 99th Congress, I introduced S. 2799, which was passed by the Senate by unanimous consent. I stated then that:

We need a Federal oil spill bill. A Federal mechanism for oil spill cleanup and compensation to aid States that are vulnerable to

spills. A bill that protects our precious waterways, oceans, marine, and other wildlife from the ravage of oil spills.

Last year, Mr. President, I again introduced oilspill legislation. That legislation, like its predecessor, created a Federal program without preempting State oilspill laws.

I made two changes in last year's bill from S. 2799, as passed previously by the Senate.

First, I eliminated the rebate of the Trans-Alaska Pipeline Liability Fund. There had never been a claim against the fund, and some argued that the $249 million balance should be rebated to the oil companies that paid into the fund. I decided that the rebate would be inappropriate.

The bill I now introduce does not rebate the TAP fund money. That money is now desperately needed to pay for cleanup in Prince William Sound. This legislation and my previous bill would transfer TAP money to the new Oil Spill Compensation Fund created under this legislation.

The second change I made was to eliminate implementation of the international convention and protocols. Without belaboring the point, I note that the international regime is preemptive, despite our efforts to develop a compromise, and the liability limits are not as high as I believe necessary. The international protocol limits liability of shipowners for a spill like that occurring in Alaska to $60 million.

The legislation previously passed by the Senate and the bill I am introducing today would extend shipowners' liability to $100 million for a vessel of the size of the *Exxon Valdez*.

Another area of contention is preemption. I do not believe we should create an exception for oilspill liability by preempting States from enacting or maintaining legislation they believe is necessary to protect their shores from oilspills.

We do not preempt States from enacting Superfund legislation, which is analogous to this situation.

We do not preempt States from having their own more stringent liability schemes or requirements, or their own compensation funds under the Clean Water Act, the Resource Conservation and Recovery Act, or the Clean Air Act.

In the case of the *Exxon Valdez*, the $100 million limit on liability under the Trans-Alaska Pipeline Authorization Act may be inadequate to compensate all the damage to individuals, wildlife, beaches, and marine life. The value of the fishery in Prince William Sound has been estimated to be $100 million per year.

However, the Trans-Alaska Pipeline Authorization Act does not preempt other State or Federal law. This means that total liability is not limited to $100 million. Section 311 of the Clean Water Act also imposes liability for cleanup costs and natural resource damage of up to $150 per gross ton, or about $30 million for a vessel of this size.

Of equal importance is the Alaska State statute. If the $130 million is not adequate, the Alaska law will protect its citizens. This law, like Maine's, has an unlimited, strict joint and several liability standard. The liability under these schemes is limited by the amount of damage caused, and not by some artificial cap.

A Federal liability standard or fund should not stop States from having their own liability programs, such as those in place in Maine, Alaska, and other States. Based on a 1983 survey of State oilspill laws, at least 14 coastal States have no limit on liability in the event of an oilspill.

I believe this Congress can and should pass oilspill legislation. I look forward to working with my colleagues to achieve that goal.

A third legislative action, which Senator BAUCUS will discuss, concerns tougher penalties, and I support his effort in this regard.

Mr. President, I share with all Americans the hope that we will succeed in minimizing the damage to Prince William Sound and the Kenai Peninsula and in restoring oil-fouled shorelines.

I hope as well that we will enact legislation in this Congress to reduce the likelihood of new spills and ensure that the response to those that do occur is prompt and effective.

I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 686

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Oil Pollution Liability and Compensation Act of 1989".

TITLE I—OIL POLLUTION LIABILITY AND COMPENSATION

DEFINITIONS

SEC. 101. For the purposes of this Act—

(1) the terms "vessel", "public vessel", "owner or operator", "remove" or "removal", "contiguous zone", "onshore facility", "offshore facility", and "barrel" shall have the meaning provided in section 311(a) of the Clean Water Act;

(2) the terms "person", "navigable waters", and "territorial seas" shall have the meaning provided in section 502 of the Clean Water Act;

(3) the term "act of God" means an unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character the effects of which could not have been prevented or avoided by the exercise of due care or foresight;

(4) the term "claim" means a request, made in writing for a sum certain, for compensation for damages or removal costs resulting from a discharge of oil;

(5) the term "claimant" means any person who presents a claim for compensation under this Act;

(6) the term "damages" means damages for economic loss or the loss of or injury to natural resources as specified in section 102(a) of this Act;

(7) the term "deepwater port facility" means an offshore facility which is or was licensed under the Deepwater Port Act of 1974;

(8) the term "discharge" means any emission, intentional or unintentional, into the environment, and includes, but is not limited to, spilling, leaking, pumping, pouring, emitting, emptying, or dumping;

(9) the term "environment" means the navigable waters, the waters of the contiguous zone, the ocean waters of which the natural resources are under the exclusive management authority of the United States under the Magnuson Fishery Conservation and Management Act, adjoining shorelines, and the ambient air above such waters and shorelines;

(10) the term "foreign offshore unit" means a structure or group of structures which is located, in whole or in part, in the territorial sea or on the continental shelf of a foreign country and is or was used for one or more of the following purposes: exploring for, drilling for, producing, storing, handling, transferring, processing, or transporting oil produced from the seabed beneath the foreign country's territorial sea or from the foreign country's continental shelf;

(11) the term "Fund" means the Oil Spill Compensation Fund, hereby established under this Act;

(12) the term "guarantor" means any person, other than the owner or operator, who provides evidence of financial responsibility for an owner or operator under this Act or section 311(p) of the Clean Water Act;

(13) the term "lessee" means a person holding a leasehold interest in an oil or gas lease on submerged lands of the Outer Continental Shelf, granted or maintained under the Outer Continental Shelf Lands Act;

(14) the term "liable" or "liability" under this Act shall be construed to be the standard of liability which obtains under section 311 of the Clean Water Act;

(15) the term "mobile offshore drilling unit" means a vessel capable of use as an Outer Continental Shelf facility to drill for oil;

(16) the term "natural resources" includes land, fish, wildlife, biota, air, water, ground water, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson Fishery Conservation and Management Act), any State or local government, or any foreign government;

(17) the term "oil" means petroleum, including crude oil or any fraction or residue therefrom;

(18) the term "Outer Continental Shelf facility" means an offshore facility which is located, in whole or in part, on the Outer Continental Shelf and is or was used for one or more of the following purposes: exploring for, drilling for, producing, storing, handling, transferring, processing, or transporting oil produced from the Outer Continental Shelf;

(19) the term "owner or operator" means—

(A) with respect to an Outer Continental Shelf facility other than a pipeline or mobile offshore drilling unit, the lessee or permittee of the area in which the facility is located, or the holder of a right of use and easement granted under the Outer Continental Shelf Lands Act for the area in which the facility is located (where the holder is a different person than the lessee or permittee);

(B) with respect to a mobile offshore drilling unit being used as an Outer Continental Shelf facility, from which oil is discharged on or above the surface of the water (or which posed a substantial threat of such a discharge), the owner or operator of the unit, and such unit shall be deemed to be a tanker;

(C) with respect to a mobile offshore drilling unit being used as an Outer Continental Shelf facility—

(i) from which oil is discharged on or above the surface of the water (or which posed a substantial threat of such a discharge), to the extent removal costs or damages exceed the limitation specified in section 102(c)(1)(A), or

(ii) from which oil is discharged below the surface of the water (or which posed a substantial threat of such a discharge),

the lessee or permittee of the area in which the unit is located, or the holder of a right of use and easement granted under the Outer Continental Shelf Lands Act for the area in which the unit is located (where the holder is a different person than the lessee or permittee);

(20) the term "permittee" means a person holding an authorization, license, or permit for geological exploration issued under section 11 of the Outer Continental Shelf Lands Act;

(21) the term "removal costs" means the costs of removal taken after a discharge of oil has occurred or where there was a substantial threat of a discharge of oil, to prevent, minimize, or mitigate oil pollution from that incident, including all costs of completing removal as determined under section 106(d);

(22) the term "tanker" means a vessel constructed or adapted for the carriage of oil in bulk or in commercial quantities as cargo; and

(23) the terms "United States" and "State" mean the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Marianas, and any other territory or possession over which the United States has jurisdiction.

LIABILITY

SEC. 102. (a) Notwithstanding any other provision or rule of law, and subject only to the defenses set forth in subsection (b) of this section, the owner or operator of a vessel or an onshore or offshore facility from which oil is discharged, or which posed the threat of a discharge which causes the incurrence of removal costs, shall be liable for—

(1)(A) all removal costs incurred by the United States Government or a State under subsection (c), (d), (e), (f)(4), or (l) of section 311 of the Clean Water Act or under the Intervention on the High Seas or section 18 of the Deepwater Port Act of 1974; and

(B) any removal costs incurred by any person, including, but not limited to, any State; and

(2) all damages for economic loss or loss of natural resources resulting from such a discharge, including—

(A) any injury to, destruction of, or loss of any real or personal property;

(B) any loss of use of real or personal property;

(C) any injury to, destruction of, or loss of natural resources, including the reasonable costs of assessing such injury, destruction, or loss;

(D) any loss of use, including loss of subsistence use, of any natural resources, without regard to the ownership or management of such resources;

(E) any loss of income or profits or impairment of earning capacity resulting from injury to or destruction of real or personal property or natural resources, without regard to the ownership of such property or resources; and

(F) any direct or indirect loss of tax, royalty, rental, or net profits share revenue by the Federal Government or any State or political subdivision thereof, for a period of not to exceed one year.

(b)(1) There shall be no liability under subsection (a) of this section for a person otherwise liable who can establish by a preponderance of the evidence that the discharge or threat of discharge of oil and the damages resulting therefrom were caused solely by—

(A) an act of God;

(B) an act of war;

(C) an act or omission of a third party other than an employee or agent of the defendant, or than one whose act or omission occurs in connection with a contractual relationship, existing directly or indirectly, with the defendant (except where the sole contractual arrangement arises from a published tariff and acceptance for carriage by a common carrier by rail), if the defendant establishes by a preponderance of the evidence that (i) the defendant exercised due care with respect to the oil concerned, taking into consideration the characteristics of such oil, in light of all relevant facts and circumstances, and (ii) the defendant took precautions against foreseeable acts or omissions of any such third party and the consequences that could foreseeably result from such acts or omissions; or

(D) any combination of the foregoing paragraphs.

(2) In any case where the owner or operator of a vessel or an onshore or offshore facility can establish by a preponderance of the evidence that a discharge and the damages resulting therefrom were caused solely by an act or omission of a third party in accordance with paragraph (1)(C) (or solely by such an act or omission in combination with an act of God or an act of war), such third party shall be liable under this section as if such third party were the owner or operator of a vessel or onshore or offshore facility from which the discharge actually occurred. Where the owner or operator of a tanker or an onshore or offshore facility which handles or stores oil in bulk or commercial quantities, from which oil is discharged, alleges that such discharge was caused solely by an act or omission of a third party, such owner or operator shall promptly pay to the United States Government, and any other claimant, the costs of removal or damages claimed and shall be entitled by subrogation to all rights of the United States Government or other claimant to recover such costs of removal or damages from such third party under this sub-section.

(c)(1) The liability of an owner or operator of a vessel or an onshore or offshore facility for damages and removal costs under this section for each discharge or incident shall not exceed—

(A) $500 per gross ton or $10,000,000, whichever is greater, of any tanker carrying oil in bulk or in commercial quantities as cargo, including any such barge operating in the navigable waters;

(B) $300 per gross ton or $500,000, whichever is greater, of any other vessel;

(C) the total of all removal costs under subsection (a)(1) of this section plus $75,000,000 for any Outer Continental Shelf facility;

(D) $100,000,000 for any deepwater port facility (including the liability of the licensee for a discharge from any vessel moored at such port, in any case where $100,000,000 exceeds $500 per gross ton of such vessel); or

(E) $100,000,000 for any other onshore or offshore facility.

The liability of an owner or operator under this section for interest (including prejudgment interest) shall not be subject to the limitations of this paragraph.

(2) Notwithstanding the limitations of paragraph (1) of this subsection, the liability of the owner or operator of a vessel or an onshore or offshore facility under subsection (a) of this section shall be the full and total damages and removal costs not offset by any removal costs incurred on behalf of such owner or operator, if (A) the discharge of oil was the result of willful misconduct or gross negligence within the privity or knowledge of the owner or operator or of a violation (within the privity or knowledge of the owner or operator) of applicable safety, construction, or operating standards or regulations; or (B) the owner or operator fails or refuses to report the discharge where required by law or to provide all reasonable cooperation and assistance requested by a responsible official in connection with removal activities or to provide removal action upon order of a responsible official. For the purpose of this paragraph, applicable standards or regulations with respect to a vessel shall be those adopted or promulgated by a Federal agency.

(3) Notwithstanding the limitations of paragraph (1) of this subsection or the defenses of subsection (b) of this section, all removal costs incurred by the United States Government or any State of local official or agency in connection with a discharge of oil from any Outer Continental Shelf facility or a vessel carrying oil as cargo from such a facility shall be borne by the owner or operator of such facility or vessel.

(4)(A) The President is authorized to establish by regulation, with respect to any class or category of onshore or offshore facility subject to paragraph (1) (D) or (E) of this subsection, a maximum limit of liability under this section of less than $100,000,000, but not less than $8,000,000, taking into account the size, storage capacity, oil throughput, proximity to sensitive areas, type of oil handled, history of discharges, and other factors relevant to risks posed by the class or category of facility.

(B) The President shall, by regulation, not less often than every three years, adjust the limits of liability specified in paragraph (1) of this subsection to reflect significant increases in the Consumer Price Index.

(d)(1) In the case of an injury to, destruction of, or loss of natural resources under subsection (a)(2)(C) of this section, liability shall be (A) to the United States Government for natural resources belonging to,

managed by, controlled by, or appertaining to the United States, and (B) to any State for natural resources within the State or belonging to, managed by, controlled by, or appertaining to such State, and (C) where subsection (e) of this section applies, to the government of a foreign country for natural resources belonging to, managed by, controlled by, or appertaining to such government. The President, or the authorized representative of any State or of the foreign government, shall act on behalf of the public as trustee of such natural resources to recover for such damages. Sums recovered by the United States Government as trustee under this subsection shall be retained by the trustee, without further appropriation, for use only to restore, replace, or acquire the equivalent of such natural resources. Sums recovered by a State as trustee under this subsection shall be available for use only to restore, replace, or acquire the equivalent of such natural resources by the State. The measure of damages in any action under subsection (a)(2)(C) shall not be limited by the sums which can be used to restore or replace such resources. There shall be no double recovery under this Act for natural resource damages, including the costs of damage assessment or restoration, rehabilitation, or acquisition for the same discharge and natural resource.

(2)(A) The President shall designate the Federal officials who shall act on behalf of the public as trustees for natural resources under this Act. Such officials shall assess damages for injury to, destruction of, or loss of natural resources for purposes of this Act for those resources under their trusteeship and may, upon request of and reimbursement from a State and at the Federal officials discretion, assess damages for those natural resources under the State's trusteeship.

(B) The Governor of each State shall designate State officials who may act on behalf of the public as trustee for natural resources under this Act and shall notify the President of such designations. Such State officials shall assess damages to natural resources for the purposes of this Act for those natural resources under their trusteeship.

(C) Any determination or assessment of damages to natural resources for the purposes of this Act made by a Federal or State trustee in accordance with the regulations promulgated under paragraph (3) of this subsection shall have the force and effect of a rebuttable presumption on behalf of the trustee in any administrative or judicial proceeding under this Act.

(3)(A) The President, acting through the Administrator of the National Oceanic and Atmospheric Administration, in consultation with the Administrator of the Environmental Protection Agency, the Director of the Fish and Wildlife Service, and the heads of other affected agencies, not later than two years after the enactment of this Act, shall promulgate regulations for the assessment of damages for injury to, destruction of, or loss of natural resources resulting from a discharge of oil for the purpose of this Act.

(B) Such regulations shall specify (i) standard procedures for simplified assessments requiring minimal field observation, including establishing measures of damages based on units of discharge or units of affected areas, where damages equal the costs of restoration, replacement, or acquisition of equivalent resources, plus demonstrated additional lost use value or other damages beyond such costs, and (ii) alternative protocols for conducting assessments in individual cases to determine the type and extent of short and long term injury, destruction, or loss. Such regulations shall identify the best available procedures to determine such damages, including both direct and indirect injury, destruction, or loss, and shall take into consideration factors including, but not limited to, replacement value, use value, and ability of the ecosystem or resource to recover.

(C) Such regulations shall be reviewed and revised as appropriate every two years.

(e)(1) The recovery of removal costs and damages by (A) persons residing in a foreign country, (B) the government of a foreign country, or (C) any agency or political subdivision of a foreign country, under this Act, shall be exclusively in accordance with this subsection.

(2) A claimant under this subsection must demonstrate that the claimant has not been otherwise compensated for incurred removal costs or damages. Except with respect to paragraph (3)(D) of this subsection, a claimant under this subsection must demonstrate (A) that recovery is authorized by a treaty or executive agreement between the United States and the claimant's country, or (B) that the Secretary of State, in consultation with the Attorney General and other appropriate officials, has certified that the claimant's country provides a comparable remedy for United States claimants.

(3) Where a discharge, or substantial threat of a discharge of oil in or on the territorial sea, internal waters, or adjacent shoreline of a foreign country occurs, claims for removal costs and damages may be made under this subsection if the removal costs or damages resulted from a discharge of, or substantial threat of a discharge, of oil from—

(A) an Outer Continental Shelf facility or a deepwater port facility,

(B) a vessel occurring in the navigable waters of the United States,

(C) a vessel carrying oil as cargo between two ports subject to the jurisdiction of the United States; or

(D) a tanker that received oil at the terminal of the pipeline constructed under the Trans-Alaska Pipeline Authorization Act for transportation to a port in the United States, the discharge or threat having occurred prior to delivery to that port.

(4) This subsection shall apply only in the case of discharges of oil occurring after the enactment of this Act.

(f)(1) No indemnification, hold harmless, or similar agreement or conveyance shall be effective to transfer from the owner or operator of any vessel or onshore or offshore facility or from any person who may be liable for a discharge or threat of discharge under this section, to any other person the liability imposed under this section. Nothing in this subsection shall bar any agreement to insure, hold harmless, or indemnify a party to such agreement for any liability under this section.

(2) Nothing in this Act, including the provisions of paragraph (1) of this subsection, shall bar a cause of action that an owner or operator subject to liability under this section, or a guarantor, has or would have, by reason of subrogation or otherwise against any person.

(g) The owner or operator of a vessel shall be liable in accordance with this section and section 311 of the Clean Water Act, under maritime tort law, and as provided in section 106 of this Act, notwithstanding any provision of the Act of March 3, 1851 (46 U.S.C. 183), or the absence of any physical damage to the proprietary interest of the claimant.

USES OF FUND

SEC. 103. (a) The President shall use the money in the Fund for the following purposes:

(1) all removal costs or other costs of carrying out the purposes of subsections (c), (d), (i), and (l) of section 311 of the Clean Water Act, sections 5 and 7 of the Intervention on the High Seas Act, and section 18 of the Deepwater Port Act, with respect to discharges, or substantial threats of discharges, of oil (as the term "oil" is defined in each respective Act);

(2) payment of any claim for removal costs or damages—

(A) in excess of the amount for which the owner or operator of the vessel or onshore or offshore facility from which oil is discharged is liable under section 102 of this Act;

(B) where the source of the discharge of oil is not known or cannot be identified; or

(C) in any case where the claim has not been satisfied in accordance with subsection (c) of this section;

(3) payment of any claim for removal costs and damages that have resulted from the discharge, or substantial threat of a discharge, of oil from a foreign offshore unit;

(4)(A) payment of costs incurred by any State in responding to a discharge, or substantial threat of a discharge, of oil into the navigable waters or adjoining shorelines from a vessel, an onshore facility, an offshore facility, or a foreign offshore unit, as provided in subsection (d) of this section;

(B) reimbursement to any State for the payment of any claims for removal costs or damages payable under this Act which such State has paid with funds under the control of such State, including payment pursuant to a delegation under subsection (c) of this section;

(5) the costs of assessing both short-term and long-term injury to, destruction of, or loss of any natural resources resulting from a discharge of oil;

(6) the costs of Federal or State efforts in the restoration, rehabilitation, or replacement or acquiring the equivalent of any natural resources injured, destroyed, or lost as a result of any discharge of oil;

(7) subject to such amounts as are provided in appropriation Acts, the costs of providing equipment and similar overhead, related to the purposes of this Act and section 311 of the Clean Water Act, and of establishing and maintaining damage assessment capability, for any Federal agency involved in strike forces, emergency task forces, or other response teams;

(8) the costs of a program to identify, investigate, and take enforcement and abatement action against discharges of oil, including the provisions of section 311(j)(1)(C) and (D) of the Clean Water Act; and

(9) all administrative and personnel costs of administering the Fund and this Act.

(b) The maximum amount which may be paid from the Fund with respect to any single discharge or incident shall not exceed $500,000,000.

(c)(1) The President is authorized to promulgate regulations designating one or more Federal officials who may obligate money in the Fund in accordance with subsection (a) of this section or portions thereof. The President is also authorized to delegate authority to obligate money in the

Fund or to settle claims to officials of a State with an adequate program operating under a cooperative agreement with the Federal Government.

(2) The President is authorized to delegate the administration of his duties and authorities under this Act to the heads of those Federal departments, agencies, and instrumentalities which the President determines appropriate.

(3)(A) The President shall promulgate, and may from time to time amend, regulations for the presentation, filing, processing, settlement, and adjudication of claims for removal costs or damages resulting from the discharge, or substantial threat of a discharge, of oil under this Act.

(B) Whenever the President receives information from any person alleging that a person has incurred removal costs or damages resulting from the discharge, or substantial threat of a discharge, of oil respecting which the owner or operator of a vessel or onshore or offshore facility is or may be liable under section 102 of this Act, the President shall notify the owner, operator, or guarantor of such vessel or facility of that allegation. Such owner or operator or guarantor may, within five days after receiving the notification or presentation of any claim by a claimant, deny the allegation, or deny liability for removal costs and damages for any of the reasons set forth in subsection (b) of section 102 of this Act.

(C) The owner or operator of any vessel or onshore or offshore facility from which oil has been discharged shall provide notice to all potentially injured parties.

(D) No claims may be asserted against the Fund pursuant to subsection (a) unless such claim is presented in the first instance to the owner or operator or guarantor of the vessel or onshore or offshore facility from which oil has been discharged, if known to the claimant, and to any other person known to the claimant who may be liable under section 102. In any case where the claim has not been satisfied within one hundred eighty days of presentation in accordance with this subsection, the claimant may present the claim to the Fund for payment. No claim against the Fund may be approved or certified during the pendency of an action by the claimant in court to recover costs which are the subject of the claim.

(d) The Governor of each State, or any appropriate State official designated by the Governor, is authorized to obligate the Fund for the payment of removal costs in an amount not to exceed $250,000 per discharge or substantial threat of discharge of oil, for the purpose of immediate response, subject only to the requirement that the President be notified within twenty-four hours of any such obligation under the authority of this sentence. In addition, the President shall enter into an agreement with the Governor of any interested State to provide a procedure by which the Governor or designated State official may undertake additional removal action or obligate the Fund for the additional payment of removal costs for response to a particular discharge or substantial threat of discharge, subject to such terms and conditions as may be agreed upon. Payments under subsection (a)(4)(A) of this section, other than as authorized by the first sentence of this subsection, shall be made in accordance with such agreements. The President shall, not later than six months after the enactment of this Act, publish proposed regulations further establishing how the authority of this subsection to obligate the Fund or enter into agreements is to be exercised, and, not later than three months after the close of the comment period on such proposed regulations, shall promulgate such regulations.

(e)(1) Payment of any claim by the Fund under this section shall be subject to the United States Government acquiring by subrogation all rights of the claimant to recover the removal costs or damages from the responsible party.

(2) Any person, including the Fund, who pays compensation pursuant to this Act to any claimant for costs or damages shall be subrogated to all rights, claims, and causes of action for those costs and damages that the claimant has under this Act or under any other law.

(3) Upon request of the President, the Attorney General shall commence an action on behalf of the Fund to recover any compensation paid by the Fund to any claimant pursuant to this Act, and, without regard to any limitation of liability with respect to an owner or operator under section 102(c), all costs incurred by the Fund by reason of the claim, including interest (including prejudgment interest), administrative and adjudicative costs, and attorney's fees. Such an action may be commenced against any owner or operator or (subject to section 104(e)) guarantor, or against any other person who is liable, pursuant to any law, to the compensated claimant or to the Fund, for the cost or damages for which the compensation was paid. Such an action shall be commenced against the responsible foreign government or other responsible party to recover any removal costs or damages paid from the Fund as the result of the discharge, or substantial threat of discharge, of oil from a foreign offshore unit.

(f) The Fund shall not be available to pay any claim for costs or damages to the extent the discharge or the damages had been caused by the gross negligence or willful misconduct of that particular claimant.

(g) The Comptroller General shall provide an audit review team to audit all payments, obligations, reimbursements, or other uses of the Fund, to assure that the Fund is being properly administered and that claims are being appropriately and expeditiously considered. The Comptroller General shall submit to the Congress an interim report one year after the establishment of the Fund. The Comptroller General shall thereafter provide such auditing of the Fund as is appropriate. Each Federal agency shall cooperate with the Comptroller General in carrying out this subsection.

(h)(1) No claim may be presented under this section for recovery of removal costs after the date six years after the date of completion of all removal action.

(2) No claim may be presented under this section for recovery of damages unless the claim is presented within three years after the date of the discovery of the loss and its connection with the release in question, or in the case of damages under section 102(a)(2)(C), if later, the date on which final regulations are promulgated under section 102(d)(3) of this Act.

(3) The time limitations contained herein shall not begin to run—

(A) against a minor until the earlier of the date when such minor reaches eighteen years of age or the date on which a legal representative is duly appointed for the minor, or

(B) against an incompetent person until the earlier of the date on which such incompetent's incompetency ends or the date on which a legal representative is duly appointed for such incompetent.

(i) Where the President has paid out of the Fund for any removal costs or any costs specified under subsection (a) (5) or (6), no other claim may be paid out of the Fund for the same costs.

(j) Except in a situation requiring action to avoid an irreversible loss of natural resources or to prevent or reduce any continuing danger to natural resources or similar need for emergency action, funds may not be used under this Act for the restoration, rehabilitation, or replacement or acquisition of the equivalent of any natural resources until a plan for the use of such funds for such purposes has been developed and adopted by affected Federal agencies and the Governor or Governors of any State having sustained damage to natural resources within its borders, belonging to, managed by or appertaining to such State, after adequate public notice and opportunity for hearing and consideration of all public comment.

FINANCIAL RESPONSIBILITY

SEC. 104. (a)(1) The owner or operator of any vessel over three hundred gross tons (except a non-self-propelled barge that does not carry oil as cargo or fuel), using any port or place in the United States or the navigable waters or any outer continental shelf facility or deepwater port facility, shall establish and maintain, in accordance with regulations promulgated by the President, evidence of financial responsibility sufficient to meet the maximum amount of liability to which, in the case of a tanker, the owner or operator could be subjected under section 102(c)(1)(A) of this Act, or to which, in the case of any other vessel, the owner or operator could be subjected under section 102(c)(1)(B) of this Act, in a case where the owner or operator would be entitled to limit liability under that section. If the owner or operator owns or operates more than one vessel, evidence of financial responsibility need be established only to meet the maximum liability applicable to the largest of such vessels.

(2) The Secretary of the Treasury shall withhold or revoke the clearance required by section 4197 of the Revised Statutes of the United States of any vessel subject to this subsection that does not have the certification required under this subsection or the regulations issued hereunder.

(3) The Secretary of the department in which the Coast Guard is operating may (A) deny entry to any outer continental shelf facility, any deepwater port facility, or any port or place in the United States, or (B) detain at such a facility or port or place, any vessel that, upon request, does not produce the certification required under this subsection or the regulations issued hereunder.

(4) Any vessel subject to the requirements of this subsection which is found in the navigable waters without the necessary evidence of financial responsibility shall be subject to seizure by the United States of any oil carried as cargo.

(b) Each owner or operator with respect to an outer continental shelf facility, deepwater port facility, or other offshore facility, shall establish and maintain evidence of financial responsibility sufficient to meet the maximum amount of liability to which the owner or operator could be subjected under section 102 of this Act in a case where the owner or operator would be entitled to limit liability under that section, or, in the case of an Outer Continental Shelf facility, in the amount of $100,000,000. Such evidence

of financial responsibility shall be established according to regulations prescribed by the President.

(c) Financial responsibility under this section may be established by any one, or by any combination, of the following methods, which the President determines to be acceptable: evidence of insurance, surety bond, guarantee, letter of credit, qualification as a self-insurer, or other evidence of financial responsibility. Any bond filed shall be issued by a bonding company authorized to do business in the United States. In promulgating requirements under this section, the President is authorized to specify policy or other contractual terms, conditions, or defenses which are necessary, or which are unacceptable, in establishing such evidence of financial responsibility in order to effectuate the purposes of this Act.

(d) Any claim for which liability may be established under section 102 of this Act may be asserted directly against any guarantor providing evidence of financial responsibility for an owner or operator liable under that section for costs and damages to which the claim pertains. In defending against such a claim, the guarantor may invoke all rights and defenses which would be available to the responsible party under section 102. The guarantor may also invoke the defense that the discharge was caused by the willful misconduct of the owner or operator, but the guarantor may not invoke any other defense that might be available in proceedings brought by the owner or operator against the guarantor.

(e) The total liability of any guarantor in a direct action suit brought under this section shall be limited to the aggregate amount of the monetary limits of the policy of insurance, guarantee, surety bond, letter of credit, or similar instrument obtained from the guarantor by the person subject to liability under section 102 for the purpose of satisfying the requirement for evidence of financial responsibility. Nothing in this subsection shall be construed to limit any other State or Federal statutory, contractual, or common law liability of a guarantor, including, but not limited to, the liability of such guarantor for bad faith either in negotiation or in failing to negotiate the settlement of any claim. Nothing in this subsection shall be construed, interpreted, or applied to diminish the liability of any person under section 102 of this Act or other applicable law.

(f)(1) Any person who, after notice and an opportunity for a hearing, is found to have failed to comply with the requirements of this section or the regulations issued thereunder, or with a denial or detention order issued under subsection (a)(3) of this section, shall be liable to the United States for a civil penalty, not to exceed $25,000 per day of violation. The amount of the civil penalty shall be assessed by the President by written notice. In determining the amount of the penalty, the President shall take into account the nature, circumstances, extent, and gravity of the violation, the degree of culpability, any history of prior violation, ability to pay, and such other matters as justice may require. The President may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this paragraph. If any person fails to pay an assessed civil penalty after it has become final, the President may refer the matter to the Attorney General for collection.

(2) In addition to, or in lieu of, assessing a penalty under paragraph (1) of this subsection, the President may request the Attorney General to secure such relief as necessary to compel compliance with this section, including, but not limited to, a judicial order terminating operations. The district courts of the United States shall have jurisdiction to grant such relief as the public interest and the equities of the case may require.

(g) Any regulation respecting financial responsibility, which has been issued pursuant to any provision of law repealed or superseded by this Act, and which is in effect on the date immediately preceding the effective date of this Act, shall be deemed and construed to be a regulation issued pursuant to this section. Such a regulation shall remain in full force and effect unless and until superseded by new regulations issued under this section.

LITIGATION, JURISDICTION AND VENUE

SEC. 105. (a) Review of any regulation promulgated under this Act may be had upon application by any interested person only in the Circuit Court of Appeals of the United States for the District of Columbia. Any such application shall be made within ninety days from the date of promulgation of such regulations. Any matter with respect to which review could have been obtained under this subsection shall not be subject to judicial review in any civil or criminal proceeding for enforcement or to obtain damages or recovery of response costs.

(b) Except as provided in subsections (a) and (c) of this section, the United States district courts shall have exclusive original jurisdiction over all controversies arising under this Act, without regard to the citizenship of the parties or the amount in controversy. Venue shall lie in any district in which the discharge or injury or damages occurred, or in which the defendant resides, may be found, has its principal office, or has appointed an agent for service of process. For the purposes of this section, the Fund shall reside in the District of Columbia.

(c) A State trial court of competent jurisdiction over similar claims may consider claims under section 102 or State law and any final judgment of such court (when no longer subject to ordinary forms of review) shall be recognized, valid, and enforceable for all purposes of section 102 and section 103 of this Act.

(d) The provisions of subsections (a), (b), and (c) of this section shall not apply to any controversy or other matter resulting from the assessment or collection of any tax, or to the review of any regulation promulgated under the Internal Revenue Code of 1954.

(e) The President may prescribe the necessary regulations to carry out this Act.

(f) No provision of this Act shall be deemed or held to moot any litigation concerning any discharge of oil, or any damages associated therewith, commenced prior to enactment of this Act.

(g)(1) Except as provided in paragraphs (3) and (4), no action may be commenced for damages (as defined in section 101(6)) under this Act, unless that action is commenced within three years after the date of the discovery of the loss and its connection with the release in question, or in the case of damages under section 102(a)(2)(C), if later, the date on which regulations are promulgated under section 102(d)(3) of this Act.

(2) An action for recovery of removal costs referred to in section 102(a)(1) must be commenced within three years after completion of the removal action. In any such action described in this subsection, the court shall enter a declaratory judgment on liability for removal costs or damages that will be binding on any subsequent action or actions to recover further removal costs or damages. Except as otherwise provided in this paragraph, an action may be commenced under section 102 for recovery of removal costs at any time after such costs have been incurred.

(3) No action for contribution for any removal costs or damages may be commenced more than three years after—

(A) the date of judgment in any action under this Act for recovery of such costs or damages, or

(B) the date of entry of a judicially approved settlement with respect to such costs or damages.

(4) No action based on rights subrogated pursuant to this Act by reason of payment of a claim may be commenced under this Act more than three years after the date of payment of such claim.

(5) The time limitations contained herein shall not begin to run—

(A) against a minor until the earlier of the date when such minor reaches eighteen years of age or the date on which a legal representative is duly appointed for such minor, or

(B) against an incompetent person until the earlier of the date on which such incompetent's incompetency ends or the date on which a legal representative is duly appointed for such incompetent.

STATE LAWS AND PROGRAMS

SEC. 106. (a) Nothing in this Act shall be construed or interpreted as preempting any State from imposing any additional liability or requirements with respect to the discharge of oil or other pollution by oil within such State. Nothing in this Act shall affect or modify in any way the obligations or liabilities of any person under other Federal or State law, including common law, with respect to discharges of oil.

(b) Nothing in this Act or in section 9507 of the Internal Revenue Code of 1954 shall in any way affect, or be construed to affect, the authority of any State—

(1) to establish, or to continue in effect, a fund any purpose of which is to pay for costs or damages arising out of, or directly resulting from, oil pollution or the substantial threat of oil pollution; or

(2) to require any person to contribute to such a fund.

(c) A State may enforce, on the navigable waters of such State, the requirements for evidence of financial responsibility applicable under section 104 of this Act.

(d) The President shall consult with the affected State or States on the appropriate removal action to be taken. Removal with respect to any discharge or incident shall be considered completed when so determined by the President and the Governor or Governors of the affected State or States.

(e) Nothing in this Act, the Act of March 3, 1851, as amended (46 U.S.C. 183 et seq.), or section 9507 of the Internal Revenue Code of 1954, shall in any way affect, or be construed to affect, the authority of the United States or any State or political subdivision thereof—

(1) to impose additional liability or additional requirements, or

(2) to impose, or to determine the amount of, any fine or penalty (whether criminal or civil in nature) for any violation of law,

relating to the discharge, or substantial threat of a discharge, of oil.

STUDY OF SPILL PREVENTION IN RESTRICTED WATERS

SEC. 107. The President shall conduct a study, and report the results of such study to the Congress not later than one year after the enactment of this Act, on improved methods for the prevention of discharges of oil in restricted waters and similar portions of bays, estuaries, and near shore waters. In the conduct of such study, the President shall examine the causes of recent major discharges of oil from vessels in the Delaware River, and consider modifications in tanker construction and operation standards, crew training and locale familiarization requirements, improvements in navigation aids, and other approaches with the potential for reducing the likelihood for discharges of oil in such waters.

FEDERAL RESPONSIBILITY

SEC. 108. Section 311(c)(1) of the Federal Water Pollution Control Act is amended by striking all that follows after "1976)", and inserting the following in lieu thereof:
"the President shall remove or arrange for the removal of such oil or substance at any time. The President is not required to remove or arrange for removal of such oil or substance only if the President finds that such removal will be done properly and promptly by the owner or operator of the vessel, onshore facility, or offshore facility, from which the discharge occurs. Such owner or operator must demonstrate to the satisfaction of the President that such owner or operator has the financial resources and technical capability necessary to effectively remove the oil or hazardous substance."

TITLE II—CONFORMING AMENDMENTS

TRANS-ALASKA PIPELINE FUND

SEC. 201. (a) Section 204(b) of the Trans-Alaska Pipeline Authorization Act is amended, in the first sentence—
(1) by inserting after the words "any area" the words "in the State of Alaska";
(2) by inserting after the words "any activities" the words "related to the Trans-Alaska Oil Pipeline"; and
(3) by inserting at the end of the subsection the following new sentence: "This subsection shall not apply to removal costs covered by the Oil Spill Liability and Compensation Act of 1988.".

Subsection (c) of section 204 of the Trans-Alaska Pipeline Authorization Act is repealed. The Trans-Alaska Pipeline Liability Fund is abolished. All assets of that fund, as of the effective date of this section, shall be transferred to the Fund established under this Act. The Oil Spill Compensation Fund shall assure all liability incurred by the Trans-Alaska Pipeline Liability Fund under the terms of subsection (c) of section 204 of the Trans-Alaska Pipeline Authorization Act.

(c) Trustees and former trustees of the Trans-Alaska Pipeline Liability Fund who were designated by the Secretary of the Interior shall not be subject to any liability incurred by that Fund or by the present and past officers and trustees of that Fund, other than liability for gross negligence or willful misconduct.

INTERVENTION ON THE HIGH SEAS ACT

SEC. 202. Section 17 of the Intervention on the High Seas Act is amended to read as follows:

"SEC. 17. The Fund established under the Oil Spill Liability and Compensation Act of 1988 shall be available to the Secretary for actions taken under sections 5 and 7 of this Act.".

CLEAN WATER ACT

SEC. 203. Section 311 of the Clean Water Act is amended as follows:

(a) Subparagraph (H) of paragraph (2) of subsection (c) is amended by striking out "from the fund established under subsection (k) of this section for the reasonable costs incurred in such removal" and inserting in lieu thereof the following: "in the case of any discharges of oil from a vessel or facility, for the reasonable costs incurred in such removal from the Fund established under the Oil Spill Liability and Compensation Act of 1988".

(b) Subsection (d) is amended by striking out the last sentence.

(c)(1) Subsections (f), (g), and (i) of section 311 of the Clean Water Act shall not apply with respect to any discharge of oil resulting in removal costs for which liability is established under section 102 of this Act.

(2) Paragraphs (2) and (3) of subsection (f) are amended by striking out "under subsection (c) for the removal of such oil or substance by the United States Government" each place it appears and inserting in lieu thereof "under subsection (c) for the removal of such oil or substance by the United States Government and for payments made pursuant to section 103(a)(4)(A) of the Oil Pollution Liability and Compensation Act of 1988".

(d) Subsection (i) is amended by striking out "(1)" after "(i)" and striking out paragraphs (2) and (3).

(e) Subsection (k) is repealed. Any amounts remaining in the revolving fund established under that subsection shall be deposited in the Fund established under this Act. The Oil Spill Compensation Fund shall assume all liability incurred by the revolving fund established under section 311(k) of the Clean Water Act.

(f) Subsection (1) is amended by striking out the second sentence.

(g) Subsection (p) is repealed.

(h) Section 311 is amended by adding at the end thereof the following new subsection:

"(s) The Oil Spill Compensation Fund, established under the Oil Pollution Liability and Compensation Act of 1988, shall be available to carry out subsections (c), (d), (i), and (l) as those subsections apply to discharges, or substantial threats of discharges, of oil. Any amounts received by the United States under this section shall be deposited in such Oil Spill Compensation Fund.".

DEEPWATER PORT ACT

SEC. 204. The Deepwater Port Act of 1974 is amended as follows:

(a) In section 4(c)(1) strike "section 18(l) of this Act;" and insert in lieu thereof "section 104 of the Oil Spill Liability and Compensation Act of 1988,".

(b) Subsections (b), (d), (e), (f), (g), (h), (i), (j), (l), (n), and paragraph (1) of subsection (m) of section 18 are deleted.

(c) Paragraph (3) of subsection (c) of section 18 is amended by striking "Deepwater Port Liability Fund established pursuant to subsection (f) of this section", and inserting in lieu thereof "fund established under the Oil Spill Liability and Compensation Act of 1988".

(d) Subsections (c), (k), and (m) of section 18 are redesignated (b), (c), and (d) respectively, and paragraphs (2), (3), and (4) of subsection (m) are redesignated (1), (2), and (3), respectively.

(e) Any amounts remaining in the Deepwater Port Liability Fund, established under section 18(f) of the Deepwater Port Act of 1974, shall be deposited in the Fund established under this Act. The Oil Spill Compensation Fund shall assume all liability incurred by the Deepwater Port Liability Fund.

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS

SEC. 205. Title III of the Outer Continental Shelf Lands Act Amendments of 1978 is hereby repealed. Any amounts remaining in the Offshore Oil Pollution Compensation Fund established under section 302 of that title shall be deposited in the Fund established under this Act. The Oil Spill Compensation Fund shall assume all liability incurred by the Offshore Oil Pollution Compensation Fund.

NOTICE TO STATE; INCREASED PENALTIES FOR FAILURE TO REPORT

SEC. 206. (a) The first sentence of section 311(b)(5) of the Clean Water Act is amended by inserting after "of the United States Government" the phrase "and of any affected State".

(b) The second sentence of section 311(b)(5) of the Clean Water Act is amended by striking "fined not more than $10,000, or imprisoned for not more than one year, or both" and inserting in lieu thereof "fined in accordance with the applicable provisions of title 18 of the United States Code, or imprisoned for not more than three years (or not more than five years in the case of a second or subsequent conviction), or both".

By Mr. BAUCUS (for himself, Mr. MITCHELL, and Mr. LAUTENBERG):

S. 687. A bill to amend the Clean Water Act to expand authority for penalties for discharges of oil and hazardous substances and to provide for an assessment of oilspill contingency plans; to the Committee on Environment and Public Works.

ALASKAN OILSPILL

Mr. BAUCUS. Mr. President, over the past 10 days we have watched an ecological horror story unfold in Alaska's Prince William Sound.

Like everyone else who has watched this disaster grow worse with each passing day, I am very saddened by what I have seen and heard, and I am angry about it, like many Americans.

The trust we placed in the Exxon Shipping Co. and the Alyeska Pipeline Service Co. to prevent serious ecological damage from an oilspill has been violated.

The promised safeguards to contain and remove a major spill took days to materialize.

There were not enough booms and other equipment on hand in Valdez, and key pieces of equipment that were on hand took hours to get ready.

As a result, a spill that was several square miles in size on Friday now covers an area larger than the State of Rhode Island.

There are continuing reports that we still may not be completely on top of this situation.

In yesterday's New York Times, Alaska's Gov. Steve Cowper was quoted as saying, "the existing situation of this cleanup is not adequate, so we are going to do it ourselves."

We have got to turn things around up there and make sure that no further natural resources are jeopardized by the oil.

The cleanup has to be done carefully so that it doesn't inflict worse damage than what has been done by the oil already.

The cleanup also must continue until we have restored these pristine waters and shoreline to the best of our ability.

The President must ensure that the public's interest in a thorough and an environmentally sensitive cleanup is protected.

We in Congress also have a responsibility to act to try to make sure that we never again face a similar environmental disaster.

Next week the Subcommittee on Environmental Protection will conduct a hearing to examine the adequacy of the oilspill contingency plan and the implementation of that plan in preventing environmental damage from the oilspill in Prince William Sound.

In that hearing and in one or more subsequent hearings the subcommittee will monitor the cleanup operation to see that it is done properly.

I expect those hearings to lead to the development of new legislation to correct the problems we identify.

To start this process moving quickly, I am today introducing with Senator MITCHELL two legislative proposals concerning oilspills.

Senator MITCHELL has described the first of these. It retains provisions that the majority leader has proposed before to create a Federal fund to pay up to $500 million for oilspill cleanup.

The bill also contains a new provision, which we have added to ensure that in the future the President will be required to initiate cleanup of oilspills unless he determines that the oil will be removed properly and promptly by the owner or operator of the vessel.

In addition, I am introducing legislation today, along with Senator MITCHELL, to toughen penalties for major oilspills.

This legislation would increase the amount of the penalty to a minimum of $50,000 and would give the EPA Administrator the discretion to increase that penalty in response to the gravity of the spill to as much as $50 per barrel. The bill also would require a report to Congress within 1 year assessing existing oilspill contingency plans and making recommendations for improvements in response authorities and programs.

Finally, there is one additional lesson that we should learn from seeing the horrible consequences of this enormous oilspill for an area of pristine beauty and abundant fish and wildlife.

Every day in Prince William Sound and on Alaska's North Slope oil and gas activities are adversely affecting the environment.

Within a 2-week span this past January, there were spills by tankers at the Valdez terminal of 70,000 gallons and 1,200 gallons of oil.

There have been thousands of small spills on the North Slope.

The terminal at Valdez continues to discharge water contaminated with oil into Prince William Sound.

And a recent EPA report cites improper and careless management of oil waste on the North Slope.

I can assure you that the Subcommittee on Environmental Protection will hold hearings to look closely at these environmental effects of oil and gas development in Alaska.

But while we can, and should, pass legislation to clarify Federal oilspill responsibilities and to impose tougher penalties for spills, we cannot come up with a law to stop oilspills or prevent environmental degradation.

There will be more spills and more degradation.

Given that, I believe that it would be prudent to hold off on subjecting another area of pristine beauty and abundant fish wildlife—the Arctic National Wildlife Refuge—to oil and gas development at this time.

Let us look realistically at the environmental impacts of such development in a world of imperfect enforcement and compliance.

More importantly, let us first pursue other less damaging alternatives more vigorously.

A balanced and comprehensive national energy policy that gives greater emphasis to energy conservation and development of alternative fuels could help us avoid having to put at risk the Arctic Refuge or other sensitive areas in the country.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 687

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION (1). PENALTIES.—(a) Section 311(b)(6) of the Federal Water Pollution Control Act is amended by striking subparagraph (B) and inserting in lieu thereof the following—

"(B) The Administrator, taking into account the gravity of the offense, and the standard of care manifested by the owner, operator, or person in charge, may commence a civil action against any such person subject to the penalty under subparagraph (A) of this paragraph to impose a penalty based on consideration of the size of the business of the owner or operator, the effect on the ability of the owner or operator to continue in business, the gravity of the violation, and the nature, extent and degree of success of any efforts made by the owner, or operator or person in charge to minimize or mitigate the effects of such discharge of oil or hazardous substances. The amount of such penalty shall be not less than $50,000, but not exceeding an amount equal to $50 per barrel except where the United States can show that such discharge was the result of willful negligence or willful misconduct within the privity and knowledge of the owner, operator, or person in charge, such penalty shall be not less than $250,000, but not exceeding an amount equal to $250 per barrel. Each violation is a separate offense. Any action in this subparagraph may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and any such court shall have jurisdiction to assess such penalty. No action may be commenced under this clause where a penalty has been assessed under clause (A) of this paragraph.".

(b) Section 311(b)(6)(C) is amended by adding the words "oil or" following the words "for the discharge of" in the first sentence.

SEC. 2. REPORT TO CONGRESS.—Section 311(c) of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new paragraph—

"(3) The Administrator, in consultation with the Secretary of the Department in which the Coast Guard is operating, shall submit to the Congress within one year of the date of enactment of this paragraph and biennially thereafter a report assessing the adequacy of provisions of the National Contingency Plan, and any regulations pursuant to subsection (j), concerning discharges of oil. The report shall include a summary of discharges of oil prohibited pursuant to paragraph (b)(3) of this section, an assessment of the actions taken in response to such discharges, and any recommendations for needed improvements to existing statutes, regulations, or programs for preventing and responding to oil spills.".

By Mr. DOMENICI:

S. 688. A bill to provide financial assistance to students entering the teaching profession and to provide incentives for students to pursue teaching careers in areas of national significance; to the Committee on Labor and Human Resources.

COLLEGE HONORS PROGRAM ACT

Mr. DOMENICI. Mr. President, I call my first proposal the College Honors Program. That name is rather generic, but let me just tell you what it would do. Essentially, it seems to this Senator that, for one reason or another, we have not been able to attract enough of our young people who have high academic achievement into the ranks of teaching.

I think that is because they have not had a chance to experience the genuine enthusiasm and thrill of teaching. I also believe that finances and financial remuneration are part of the recruitment problem. So my proposal is very simple. It allows eligible institutions to set up a College Honors Program, so long as it meets the Secretary's approval. This program will pro-

vide financing for the higher education of academically outstanding honor students by way of a loan. Most students will receive $4,000 a year, up to 4 years.

For each year that these students teach after graduation, 1 year of their loan will be forgiven. It's quite simple. Students will receive loans to attend school. When they teach, they will have that loan forgiven. If they are inclined to teach math and science, students will receive a higher loan, up to $5,000 a year. That loan will be forgiven when they teach science and math education.

I have also included incentives for students to teach on Indian reservations. In the United States, there is a genuine problem with attracting teachers to Indian reservations. For students who want to teach our young people on Indian reservations, my program will provide a loan of up to $5,000.

Mr. President, that is the essence of the College Honors Program. I have been a teacher, and I have a young son who now teaches. I have a genuine feeling that, down at the high school level, among juniors and seniors, some teenagers who are rather mature would like very much to be helpful to those less fortunate than themselves.

Mr. President, I ask unanimous consent that the text of the bill and a summary of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 688

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "College Honors Program Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the Federal Government should encourage students to excel academically, and when students excel academically such students should be rewarded;

(2) America's workforce and the future of such workforce is a national priority; and

(3) the Federal Government should encourage students with outstanding academic achievement to enter the teaching profession.

SEC. 3. PROGRAM AUTHORIZED.

(a) PROGRAM AUTHORIZED.—The Secretary shall allot the funds appropriated under the authority of section 10 among institutions of higher education for the purpose of establishing revolving loan funds.

(b) AMOUNT OF ALLOTMENTS.—(1) The portion of the funds appropriated under the authority of section 10 for any fiscal year that is allocated under subsection (a) to an institution of higher education for such fiscal year shall bear the same relationship to the total amount of such appropriated funds as the total number of students qualifying for assistance under this Act at that institution of higher education bears to the total number of students qualifying for assistance under this Act.

(2) No institution of higher education for which the rate of default of the loans provided by the institution pursuant to this Act is 20 percent or more shall be eligible to receive an allotment under subsection (a) until such default rate falls below 20 percent.

SEC. 4. USE OF FUNDS.

(a) IN GENERAL.—Funds provided pursuant to this Act shall be used by institutions of higher education as capital contributions for establishing revolving loan funds to provide educational loans to students who qualify for assistance under this Act.

(b) LOAN AMOUNTS.—Revolving loan funds that are established by an institution of higher education with funds provided under this Act shall be available to provide each student under this Act shall be available to provide each student qualifying for assistance under this Act who is enrolled at the institution of higher education with education loans that—

(1) in the case of a student who—

(A) has an academic concentration in science or math, and

(B) agrees, pursuant to section 5(5), to teach in the areas of science or math upon graduation,

do not exceed $5,000 per year for a maximum of 4 years, and

(2) in the case of a student who agrees, pursuant to section 5(5), to teach on Indian reservations upon graduation, do not exceed $5,000 per year for a maximum of 4 years, and

(3) in the case of any other student, do not exceed $4,000 per year for a maximum of 4 years.

SEC. 5. STUDENT REQUIREMENTS.

A student is eligible to receive financial assistance pursuant to this Act if the student—

(1) maintains a 3.5 grade point average in such student's junior or senior year of secondary school;

(2) is enrolled as a full-time student in an institution of higher education that is eligible to receive an allotment under section 3(a);

(3) maintains a 3.5 grade point average at the institution of higher education;

(4) has not defaulted on any federally assisted student loan; and

(5) enters into an agreement with the Secretary that such student will—

(A) pursue a teaching career in a public school after graduation from an institution of higher education; and

(B) annually provide after graduation from the institution of higher education verification of employment as a teacher by a public school system.

SEC. 6. INSTITUTIONAL RESPONSIBILITIES.

(a) IN GENERAL.—Each institution of higher education providing educational loans to students from a revolving loan fund established with funds provided under this Act shall—

(1) collect any loan or portion thereof in accordance with section 7, and

(2) certify annually to the Secretary that students receiving such loans are in compliance with the provisions of this Act.

(b) REPAYMENTS.—Each institution of higher education shall deposit all repayments of educational loans provided pursuant to this Act into the revolving loan fund of the institution of higher education established with funds provided under this Act pursuant to section 4(a).

(c) ADMINISTRATIVE COSTS.—In any fiscal year each institution of higher education receiving assistance under this Act may retain an amount not to exceed 5 percent of the amount of funds allotted to the institution under section 3(a) for the costs of administering the revolving loan fund established under section 4.

SEC. 7. LOAN TERMS.

(a) IN GENERAL.—Each loan made to a student by an institution of higher education from a revolving loan fund established with funds provided under this Act—

(1) shall not accrue interests before the date that is 90 days after the day on which the student ceases to be enrolled at an institution of higher education,

(2) shall accrue interest at an annual rate of 5 percent after such date,

(3) shall be repaid over a period that does not exceed 10 years, and

(4) shall provide for cancellation of 20 percent of the principal and interest of the loan for each academic year for which the student is employed in a public school on a full-time basis as a teacher.

SEC. 8. LOAN FORGIVENESS.

(a) REIMBURSEMENT.—(1) The Secretary annually shall reimburse institutions of higher education for the portion of the principal and interest of any loan that is canceled by reason of subsection (a)(4).

(2) Each institution of higher education receiving payments pursuant to paragraph (1) shall deposit such payments into the revolving loan fund of the institution of higher education established with funds provided under this Act pursuant to section 4(a).

(b) SPECIAL RULE.—A student shall be excused from the repayment of any loan made from a revolving loan fund established with funds provided under this Act if such student—

(1) dies;

(2) becomes permanently totally disabled as established by the sworn affidavit of a qualified physician; or

(3) has been discharged in bankruptcy.

SEC. 9. DEFINITIONS.

As used in this Act—

(1) the term "institution of higher education" has the same meaning given that term in section 1201(a) of the Higher Education Act of 1965, and

(2) the term "Secretary" means the Secretary of Education.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated $25,000,000 for each of the fiscal years 1990, 1991, 1992, 1993, and 1994, to carry out the provisions of this Act.

(b) SPECIAL RULE.—(1) For the purpose of affording adequate notice of funding available under this Act, amounts appropriated in an appropriation Act for any fiscal year to carry out this Act shall become available for obligation on July 1 of that fiscal year and shall remain available until September 30 of the succeeding fiscal year.

(2) In order to effect a transition to the forward funding method of timing appropriation action described in paragraph (1), there are authorized to be appropriated, in an appropriation Act or Acts for the same fiscal year, two separate appropriations to carry out this Act, the first of which shall not be subject to paragraph (1).

SUMMARY OF THE BILL ON COLLEGE HONORS PROGRAM

PURPOSE

A bill to provide financial assistance to students entering the teaching profession

and to provide incentives for students to pursue teaching careers in areas of national significance.

BACKGROUND

The Higher Education Amendments of 1986 revised and extended student financial aid programs by targeting resources to financially needy students. Most student aid programs are now disbursed based on need.

Students who excel in high school can be rewarded with scholarships to post-secondary institutions. However, the federal government has very few programs that specifically reward students for outstanding academic achievement.

The College Honors Program (CHP) would reward students of exceptional academic achievement. Under the program, students who qualify would be eligible for up to 4 years of undergraduate financial assistance in the form of a federal loan. This loan would subsequently be forgiven if the student takes a post teaching in public schools following graduation. For every year of public teaching, one year of the loan would be forgiven.

FINDINGS

The federal government should encourage children to excel academically. When they do, these children should be rewarded.

Our future workforce is a national priority as is the education of that workforce. The federal government should encourage individuals of outstanding academic achievement to enter the teaching profession.

ELIGIBLE PARTICIPANTS

Eligible participants are full time undergraduate students who meet certain academic standards, as defined by the Secretary of Education. Initial eligibility will be determined by the student's academic achievement during his or her junior and senior years in high school.

Participants must also maintain above average academic standards while in undergraduate school. Participants must also maintain a satisfactory employment record during the loan forgiveness period. These standards are to be defined by the Secretary of Education.

A student who has previously taken out other federal loans and is in default, or who owes a refund on any other Federal aid, may not borrow under the program.

Eligible students may receive loans during any year of their post-secondary education.

LOAN DISBURSEMENT

Loans are disbursed by participating public institutions of higher education through institutional revolving funds initially established with a federal capital contribution.

Federal capital contributions are allocated to institutions based on the number of eligible students in attendance.

The borrower will make no principal repayments while in school, and interest is neither paid nor accrued.

The institution may draw from its CHP revolving fund an amount equal to 5 percent of the amount of new loan awards for that year as reimbursement for the administrative costs associated with the operation of this program.

Institutions must verify student eligibility on an annual basis while the student is in school, and provide verification of the same to the Department of Education. As part of student eligibility, participants must sign a loan agreement stipulating that they intend to pursue careers in public education upon graduation.

LOAN FORGIVENESS

The institution administering the loan will be fully reimbursed by the Department of Education on an annual basis for all loans that meet forgiveness requirements. Institutions are responsible for verification of student employment and must provide verification to the Department of Education prior to reimbursement.

Students receiving loans must provide the institution with annual verification of employment by the public school system. For each year of public school employment, one year of loan obligation will be forgiven.

Loans will also be forgiven in the event of death, disability, or bankruptcy.

LOAN REPAYMENT

For eligible borrowers who are ineligible for loan forgiveness, repayment must begin upon termination of full time student status. Interest will be charged at a rate of 5 percent; the repayment period may not exceed 10 years.

Participating institutions are responsible for loan collections, which must be deposited into the CHP revolving funds. Adjustments to federal capital contributions will be made in consideration of an institution's loan collection/default performance.

LOAN AMOUNTS

Eligible students may receive up to $4,000 per year for a maximum of four years.

As an incentive for students to pursue careers in math and science education, students with an academic concentration in these areas are eligible to receive a grant of $5,000 per year for a maximum of four years. These students, of course, must subsequently teach in these fields in order to be eligible for loan forgiveness.

As incentive for students to pursue teaching careers on Indian reservations, students who sign an agreement to teach on reservations, will be eligible to receive a maximum grant of $5,000 per year for a maximum of four years.

AUTHORIZATION LEVEL

There are authorized to be appropriated $25 million, to be used as a federal capital contribution by participating institutions to establish revolving funds for each year, FY 1990–FY 1994.

By Mr. DOMENICI:

S. 689. A bill to provide grants to local educational agencies to establish and operate programs which involve students in public and community service; to the Committee on Labor and Human Resources.

INVOLVING STUDENTS IN PUBLIC AND COMMUNITY SERVICE

Mr. DOMENICI. Mr. President, my bill will allow public and private schools to set up a program to enable young teenagers, in their junior and senior years, to engage in community service. This community service might be tutoring, helping in kindergartens, assisting the homeless or young parents. It means getting down there and becoming part of the community. Funds provided by my bill will be used to pay the incremental costs associated with a community service program. These costs might be transportation, management or instructional materials.

Mr. President, I think Kids Helping Kids will be an excellent encouragement to the school systems to urge that kids help each other.

If schools want to set up these programs and have students interested in community services, the Federal Government and we should encourage them and make sure that the school system is reimbursed for any exceptional or extraordinary costs that go into putting that program together.

Mr. President, neither of my initiatives taken alone is very big. But, within the context of excellence in education, and within the concept of public service, I think both of these initiatives deserve consideration.

Mr. President, I ask unanimous consent that the text of the bill and a summary of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 689

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Part A of chapter 2 of title I of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new subpart:

"Subpart 5—Secondary School Student Community Service Program

"SEC. 1551. SHORT TITLE.

"This subpart may be cited as the 'Kids Helping Kids Act of 1989'.

"SEC. 1552. STATEMENT OF PURPOSE.

"The purposes of this subpart are—

"(1) to allow secondary school students to share their knowledge with others less fortunate than themselves;

"(2) to make grants to local educational agencies to establish programs that will encourage students to pursue public and community service careers.; and

(3) to encourage students to coordinate their community service initiatives with other community service programs.

"SEC. 1553. FINDINGS.

"(1) American schools are in need of resources to assist children at risk of failing in school and in the workforce;

"(2) while schools may have students willing to participate in community service endeavors, they may not have the resources to operate such programs;

"(3) children understand other children, and given the opportunity, children will extend a helping hand to assist those less fortunate than themselves; and

"(4) with a minimal Federal contribution, children can be encouraged to help other children.

"SEC. 1554. PROGRAM AUTHORIZED.

"From amounts appropriated to carry out this chapter under Sec. 1559, the Secretary is authorized, in accordance with the provisions of this subpart, to make grants to local educational agencies to establish and operate programs which involve secondary school students in public and community service. These grants shall specifically cover the additional costs associated with the operation of such programs including transportation, instructional materials, and other incidental costs.

"SEC. 1555. ELIGIBILITY.

"An individual shall be eligible to participate in programs established pursuant to

this Act if such individual is a junior or senior in secondary school.

"SEC. 1556. APPLICATIONS.

"Each local educational agency desiring to receive a grant under this subpart shall submit an application to the Secretary at such time and in such manner as the Secretary may reasonably require. Each such application shall—

"(a) describe the activities and services for which assistance is sought;

"(2) describe the program objectives, the program participants, and the costs of the program assisted under this subpart;

"(3) set forth how the local educational agency will coordinate programs assisted under this subpart with established public and community service programs in the area in which such local educational agency is located; and

"(4) contain such other assurances as the Secretary may reasonably require.

"SEC. 1557. ELIGIBLE ACTIVITIES.

"The Secretary shall give priority to applications describing programs which integrate students and their regular classroom curriculum with the academic or social development of other youth. Programs must be designed to assist children that are at risk of failing in school and in the future workforce. Such programs may include but are not limited to—

"(1) tutoring for academically disadvantaged students;

"(2) initiatives that are coordinated with other community service programs; and

"(3) public and community service which serves individuals most in need of assistance, such as the homeless, the educationally disadvantaged, children involved with drugs or alcohol, pregnant teenagers, young parents, or school dropouts.

"SEC. 1558. SUPPLEMENTATION OF FUNDS.

"Funds provided to a local educational agency pursuant to this subpart shall be used to supplement not supplant any Federal, State, or local funds used to assist local public and community service programs for secondary students.".

SEC. 1559. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1990, 1991, 1992, 1993 and 1994, to carry out the provisions of this act.

Sec. 2. The table of contents of the Elementary and Secondary Act of 1965 is amended in part A of chapter 2 by adding the following new subpart at the end thereof:

"Subpart 5—Secondary School Student Community Service Program

Sec. 1551. Short title.
Sec. 1552. Statement of purpose.
Sec. 1553. Findings.
Sec. 1554. Program authorized.
Sec. 1555. Eligibility.
Sec. 1556. Applications.
Sec. 1557. Eligible Activities.
Sec. 1558. Supplementation of funds.
Sec. 1559. Authorization of Appropriations."

SUMMARY OF THE BILL ON KIDS HELPING KIDS

PURPOSE

A bill to allow secondary school students to extend their knowledge to other students less fortunate than themselves and to fund demonstration programs that will encourage these students to pursue public and community service careers.

BACKGROUND

During the 101st Congress, at least six bills have been introduced that address the issue of youth entering community service jobs. Most of these bills target resources to youth that have completed a high school education and/or those who have dropped out of school.

My bill targets resources to youngsters still in school. It provides funds for demonstration programs that integrate high school curriculums with experience in public and community service careers.

The bill will fund innovative programs that provide an avenue for youth to become involved in the education and development of other youth on a volunteer basis. It is also the purpose of this bill to give students "on the job" experience and to target this experience to those less fortunate than themselves.

FINDINGS

Our nation's schools are in need of resources to assist children at risk of failing in school today and in the workforce tomorrow. Schools often do not have the resources they need to set up programs that link their successful students with those at risk of failing in the school.

Children understand other children. Given the opportunity, they will extend a helping hand to each other, particularly those less fortunate than themselves. They are a valuable resource. A minimal federal contribution will encourage children to help others.

ELIGIBLE PARTICIPANTS

Local educational agencies wishing to participate must submit an application to the US Department of Education describing program objectives, participants, costs, and other information that the US Department of Education determines necessary.

All students in their junior or senior year of high school would be eligible to participate.

ELIGIBLE PROGRAMS

The Department of Education will establish specific guidelines for selecting eligible programs. Priority for funding must be given to programs that develop methods of integrating students and their regular classroom curriculum with, for instance, the academic and or social development of other youth.

For instance, a school might develop a pilot program for tutoring academically disadvantaged youngsters. With funds from Kids Helping Kids, tutors could purchase instructional materials.

Schools might also want to bring in older Americans to provide tutoring. Here, funds from Kids Helping Kids could be used to provide lunch or transportation for these volunteers.

Public and community service careers would include, but are not limited to, activities that target assistance to individuals in need including the homeless, the educationally disadvantaged, children involved with drugs or alcohol, pregnant teenagers and young parents, or drop outs.

AUTHORIZATION LEVEL

This program is authorized for five years. As a demonstration program, the funding level is not defined. However, with a commitment of $25 million, we can go a long way in providing a way for kids to help kids.

USE OF FUNDS

Funds must be used to supplement other states, local and federal funds used for similar programs, such as drop out prevention demonstrations, and drug free schools.

By Mr. LAUTENBERG (for himself, Mr. PELL, Mr. DECONCINI, and Ms. MIKULSKI):

S. 691. A bill to require certain information in the National Driver Register to be made available in connection with an application for a license to be in control and direction of a commercial vessel; to the Committee on Commerce, Science, and Transportation.

AVAILABILITY OF CERTAIN INFORMATION FROM THE NATIONAL DRIVER REGISTER

● Mr. LAUTENBERG. Mr. President, I rise today to introduce a bill that addresses a serious safety gap in our commercial marine industry. This bill would provide the Coast Guard with access to the National Driver Register in evaluating applicants for licenses to pilot commercial vessels such as oil tankers. I am pleased to be joined in introducing this legislation by Senators DECONCINI, PELL, MIKULSKI, and STEVENS.

The need for this bill was made all too clear by the devastating oil spill in Valdez, AK. We've now learned that the tanker pilot had a history of drunk driving. In fact, his driver's license had been suspended twice previously, and is currently suspended. So, Mr. President, while he could not drive to work, he legally could be at the controls of a thousand-foot tanker carrying millions of gallons of oil.

Mr. President, this was a preventable accident. The knowledge of the captain's history of drunk driving might have helped its prevention. Unfortunately, that information was not available to the Coast Guard, which has the responsibility for licensing those in control of commercial vessels.

Under the current law, the Coast Guard does not have access to the National Driver Register, or NDR. The NDR is a data bank for the collection and distribution of records of serious motor vehicle operator violations. It includes records on drunk driving convictions and driver's license suspensions and revocations resulting from such incidents.

Without access to the NDR, the Coast Guard must rely on license applicants' own admissions of major infractions. That's just not good enough. Previously, it was revealed that thousands of applicants for aviation pilot licenses did not reveal information on drunk driving histories when asked. I introduced legislation, now law, to allow the Federal Aviation Administration access to the National Driver Register in reviewing license applications. Similar authority has since been given to the Federal Railroad Administration with regard to railroad engineers.

The bill I am introducing today would provide the Coast Guard with access to the NDR in considering the

licensing of merchant seamen in direction and control of vessels. This legislation is important to improving marine safety. If a person has a history of alcohol abuse and drunk driving, we should know that before he or she is allowed to control a tanker holding millions of gallons of oil.

Second, the bill would direct the Coast Guard to promulgate rules to require the disclosure of information in the NDR by applicants. Currently, Coast Guard regulations provide for the denial of a license, when information has been brought to the attention of the OCMI [Officer in Charge, Marine Inspection] which indicates that the applicant's habits of life and character are such as to warrant the belief that the applicant cannot be entrusted with the responsibilities of the license or certificate of registry for which applicant is made. (46 C.F.R. Part 10.205 (f)(2).

However, without access to the information in the NDR, this authority is incomplete. This bill would rectify that.

Mr. President, last week I toured the spill site, and was briefed on the events surrounding the spill. I learned what happened, what was supposed to happen, and what didn't happen. There are a number of issues that must be reviewed in the Congress, by the administration, and by the private sector. This bill is a small part of the effort to correct our mistakes, and see that they're not repeated.

As we're seeing in Alaska, the consequences of a major oil spill can be disastrous. What I saw in Valdez was a beautiful, pristine environment, defiled by a terrible spill. It may be years before the ecosystem recovers. And the damage doesn't stop there. Local and regional economies are devastated. Just yesterday it was announced that the herring season, normally a $12 million business, was being called off. Salmon fisheries are severely threatened. The effects of this spill will be felt for many years to come; by the environment, by wildlife, and by those whose livelihoods depend on the waters of Prince William Sound.

Mr. President, we've got to do whatever we can to prevent a repeat of this disaster. We'll be looking closely at a number of issues in the coming weeks and months. But by acting on this bill quickly, we can take a step forward in improving safety on the seas.

Mr. President, I ask unanimous consent that text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 691

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. APPLICANTS FOR AIRMEN'S CERTIFICATES.

Section 206(b) of the National Driver Register Act of 1982 (23 U.S.C. 401 note) is amended—

(1) by redesignating paragraphs (4) and (5), and any reference thereto, as paragraphs (5) and (6), respectively; and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) Any individual who has applied for or received a license to be in control and direction of a commercial vessel may request the chief driver licensing official of a State to transmit information, regarding the individual, under subsection (a) of this section to the Commandant, United States Coast Guard. The Commandant may receive such information and shall make such information available to the individual for review and written comment. The Commandant shall not otherwise divulge or use such information, except to verify information required to be reported to the Commandant by an individual applying for a license to be in control and direction of a commercial vessel and to evaluate whether the individual meets the minimum standards required in order to be issued such a license. There shall be no access to information in the Register under this paragraph if such information was entered in the Register more than 3 years before the date of such request, unless such information relates to revocations or suspensions which are still in effect on the date of the request. Information submitted to the Register by States under the Act of July 14, 1960 (74 Stat. 526), or under this Act shall be subject to access for the purpose of this paragraph during the transition to the Register established under section 203(a) of this Act.".

SEC. 2. RULEMAKING.

Prior to the expiration of the 90-day period following the date of the enactment into law of this Act, the Commandant of the United States Coast Guard shall initiate a rulemaking to require each applicant for a license to be in control and direction of a commercial vessel, or a holder of any such license, to make available to the Commandant, in accordance with section 206(b)(4) of the National Driver Register Act of 1982 (23 U.S.C. 401 note), information regarding the motor vehicle driving record of such applicant contained in the National Driver Register. Such rule shall be final and in effect on and after the expiration of the 180-day period following the date of the enactment into law of this Act.●

By Mr. HATCH:

S. 692. A bill to amend title XX of the Social Security Act to establish a block grant program for child care services, to amend the Internal Revenue Code of 1986 to adjust the earned income credit to take account of family size, and for other purposes; to the Committee on Finance.

CHILD CARE SERVICES IMPROVEMENT ACT

Mr. HATCH. Mr. President, I rise to introduce the Child Care Services Improvement Act of 1989. This bill is the new and improved version of the "Child Care Services Improvement Act" which Congresswoman NANCY JOHNSON and I jointly introduced in February 1988.

Mr. President, the need for responsible and quality child care is overwhelming. The statistics tell us that over 57 percent of women over the age of 20 are in the labor force, and women are expected to constitute two-thirds of the new entrants to the labor force between now and the year 2000. Two-thirds of the women in the labor force today are single heads of household or are married to husbands who earn less than $20,000 per year. The labor force participation of mothers more than tripled between 1950 and 1981, rocketing from only 18.4 percent to 58.1 percent. In 1950, only 12 percent of mothers with children under age 6 worked. Today, 57 percent do. Of all mothers with children under age 14, two-thirds are in the work force. An estimated 5 to 15 million latchkey children return from school to empty homes and no adult supervision; but even more startling is the estimate that some 20,000 children under the age of 3 are alone for some part of the day.

This bill is important, because it allows families to broaden their choice with respect to child care. "The Child Care Services Improvement Act of 1989" will give employers financial incentives not only to help workers with child care, but also to adopt flexible schedules by offering financial incentives to employers who offer such benefits. This bill will offer a tax credit to employers who establish a child care facility or who allow employees to work at home or shift hours to care for their children. It will establish a block grant program to provide States with funds for various care options, both public and private. It also gives support to child care providers to encourage more to enter the field and attract underground providers into the State-sanctioned child care system. The bill eases the providers' tax burdens, limits exposure to lawsuits, and offers assistance in finding affordable insurance.

Obviously, the best possible child care arrangement is having a parent at home; but as the facts show, that isn't always possible. I commend my colleagues on both sides of the aisle for their willingness to address this issue. Someday, the future of this great Nation will rest on our present day babies and toddlers. At that time, I hope we will be able to look back and know that we dealt with child care in a timely and responsible manner.

I am a cosponsor or sponsor of several other child care proposals. I believe all these bills contain good ideas for helping to address the need for child care, but the "Child Care Services Improvement Act of 1989" gives families the choice and support they deserve.

By Mr. MOYNIHAN (for himself and Mr. D'AMATO):

S. 693. A bill to require the Commissioner of Customs to provide certain facilities and equipment at the port of

entry at Trout River, NY; to the Committee on Finance.

DESIGNATION OF TROUT RIVER, NY, AS A PORT OF ENTRY

● Mr. MOYNIHAN. Mr. President, I rise together with my colleague Senator D'AMATO to introduce a bill to designate Trout River, NY, a commercial border crossing. At this time, Franklin County is the only county in New York State along the Canadian border without a commercial port of entry.

When Customs Commissioner Von Raab testified before the Finance Committee March 7, I asked that the Commissioner reconsider his decision of September 1988 classifying Trout River as a permit port, rather than a commercial port of entry. The effect of this classification is to limit imports through Trout River to preinspected shipments of products such as animal feed and lumber. In a letter to me dated March 17, Customs refused to change the designation of the Trout River border crossing to a commercial port, thereby refusing to allow a full range of imports to enter the United States via Trout River.

Customs decision to deny commercial port status to Trout River will cause unnecessary hardship to businesses in the area. Under the Canadian Free Trade Agreement, commerce between the two countries will flourish. Franklin County should not be the only county in New York State denied a commercial port of entry.

The bill I introduce today would direct the Commissioner of Customs to designate Trout River a commercial port of entry and to provide the facilities and equipment that are necessary.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 693

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Commissioner of Customs shall provide the facilities and equipment at the port of entry at Trout River, New York, that are necessary to make the port of entry at Trout River, New York, a commercial center under the Northern Border Enhancement Program administered by the Commissioner of Customs.●

By Mr. JOHNSTON:

S. 694. A bill to amend the Energy Policy and Conservation Act to extend the authority for the strategic petroleum reserve, and for other purposes; to the Committee on Energy and Natural Resources.

STRATEGIC PETROLEUM RESERVE AMENDMENTS

Mr. JOHNSTON. Mr. President, on June 30, 1989, all the authority in current law for operating and building the strategic petroleum reserve [SPR] will expire. My colleagues will recall that the strategic petroleum reserve is the Nation's frontline defense against an oil supply disruption. It now contains over 560 million barrels of crude oil stored in salt domes in Louisiana and Texas. It is essential that the authority for the SPR be extended. Therefore, I am introducing today the "Strategic Petroleum Reserve Amendments of 1989."

This legislative vehicle offers an excellent opportunity to include several highly desirable amendments relating to the SPR. First, the legislation extends for 5 years the basic authority for the SPR, which is contained in title I of the Energy Policy and Conservation Act [EPCA].

Second, the proposed legislation would extend the requirement in EPCA that requires the President to "carry out petroleum acquisition, transportation, and injection activities at the highest practicable fill rate achievable, subject to the availability of appropriated funds." This provision has ensured that the executive branch used appropriated funds to fill the SPR as fast as funds permitted. The provision expires by its own terms at the end of fiscal year 1989, so it must also be extended.

Third, this bill calls for expansion of the SPR to 1 billion barrels. Actually, the legislation that created the SPR called for the SPR to contain up to 1 billion barrels. Unfortunately, no administration ever developed plans for an SPR beyond 750 million barrels. Many, including Don Hodel when he was Energy Secretary, have advocated that the SPR should contain at least 90 days of net U.S. oil imports. Several years ago some in the Reagan administration argued that if the United States had 90 days of supply in the SPR then that was sufficient and we did not need to complete the plans for a 750-million barrel SPR. Today, even if we wanted to limit the SPR to 90 days of imports, U.S. oil imports are growing so fast that we will need more than 750 million barrels of oil in the SPR in order to maintain that 90 days of supply.

For example, once the SPR reaches 750 million barrels in storage, then that amount of oil will represent 90 days of net U.S. oil imports only if such imports do not exceed 8.33 million barrels per day. The latest Energy Information Administration [EIA] forecast projects our imports will exceed that level sometime between 1991–96, depending on the oil price scenario. We won't even succeed in filling to 750 million barrels until 1996, if one follows the Bush administration's plans. So it is likely that when we finish implementing the current plans for a 750-million barrel SPR, it will represent less than 90 days of net U.S. imports of oil.

Under the EIA forecasts, even a 1-billion barrel SPR would not provide 90 days worth of imports by 1997 in the EIA low-world oil price scenario. So it is quite reasonable, and quite prudent to advocate developing a 1-billion barrel SPR. Given the long leadtimes required for building storage facilities, it is time to start planning now. DOE experts think the environmental impact statement by itself might take 1 or 2 years.

The proposed legislation requires the Secretary of Energy to amend the existing SPR reserve plan to prescribe his plans for a 1-billion barrel SPR. If he does not do so by January 30, 1990, then oil production from the Naval Petroleum Reserve at Elk Hills will be shut in. This is a fairly drastic sanction, but it is one that the Congress has used repeatedly and successfully with respect to the SPR.

In assessing alternatives in the development of 1-billion barrel SPR, the Secretary is required to consider leasing privately owned storage facilities rather than building Government-owned facilities. Under current law, DOE is permitted to lease storage facilities, rather than build Government-owned facilities, as long as the leased facilities are subject to audit. I make no judgment at this point as to which is the preferable way to go, but it seems prudent to explore thoroughly what could be done to reduce the enormous cost of the Government building its own storage facilities.

Fourth, this legislation addresses the SPR fill rate. Under current law the SPR must be filled at no less than 75,000 barrels per day until 750 million barrels are in storage. In the fiscal year 1989 appropriations bill this requirement was waived for that one fiscal year. The proposed legislation continues the 75,000 barrel per day requirement until 1 billion barrels are in storage. A much higher fill rate can certainly be justified, but without alternative financing mechanisms, an SPR fill rate of 75,000 barrels per day seems as much, if not more, than we can manage in the current budget crisis.

Fifth, the proposed legislation contains a predrawdown SPR oil diversion provision. Under current law, if an oil disruption occurred, any oil already purchased for the SPR and enroute for storage there must first be placed in the SPR before being sold in the drawdown. It would be more efficient to allow that oil to be auctioned while in transit and sent directly to a refinery instead of being deposited in the SPR and then withdrawn. The legislation includes such a provision. The Committee on Energy and Natural Resources adopted such a provision several years ago, but the overall package was never enacted.

Finally, besides the authorities on the SPR, title I of EPCA also contains other authorities, mainly discretionary energy authorities, which would be ex-

tended by an extension of title I. I will not take the time to list them here, as they are not new and have been in the code for a long while.

The strategic petroleum reserve has enjoyed strong bipartisan support through the years. In fact it is the one item of U.S. energy policy on which virtually everyone agrees. I urge my colleagues to support this legislation and I look forward to its swift enactment.

By Mr. HEINZ:

S.J. Res. 90. Joint resolution to require the President to submit proposals to prevent, contain, and disperse oil spills on the seas, coasts, and waterways of the United States; to the Committee on Environment and Public Works.

ALASKAN OILSPILL

Mr. HEINZ. Mr. President, the Alaskan oil spill, like the Pittsburgh/Ohio River spill last year, demonstrates that we have a very long way to go if we are going to prevent disastrous accidents from taking place, and also to clean them up promptly if they do take place.

The oil slick off Alaska now covers an area the size of Rhode Island, over 1,000 square miles. It has become an environmental disaster and apparently worse is yet to come as the oil continues to spread. It has killed over 1,000 birds, threatens tens of thousands of otters, and invaluable fish species, mostly salmon and herring.

Press accounts tells us that there was no overall plan in place for nearly 36 hours after the accident took place. By the time the Coast Guard and Exxon were ready to cope, it was too late. Gale force winds had driven the spill throughout Prince William Sound.

There is plenty of blame to go around. Some say that Exxon did not respond quickly and gave priority to removing oil from the damaged tanker rather than containing the spill. Others point to an inadequate Federal response, and a State agency with virtually no full-time staff devoted to oil pollution prevention.

Spill contingency plans were of little value, as they read like wish lists rather than serious attempts to provide a real time emergency response.

Is there a role for Congress? Well, not in terms of getting the oil out of the water; for Prince William Sound any action we take is too little too late. But I think we can do a better job to ensure that it doesn't happen again.

Our actions should take into account both inland spills like the Ashland disaster of last year, and spills at sea. I have already introduced legislation to prevent the Ashland disaster from ever taking place again. I am willing to work with my colleagues to amend the Federal Water Pollution Control Act to require a rapid response during emergencies, to more closely regulate tanker activity in fragile coastal waters, to strengthen spill contingency plans, and to give the Coast Guard more tools to work with.

The administration should be given an opportunity to present us with a plan. For that reason, I am today introducing a joint resolution which requires the President to submit, within 30 days, a proposal to ensure that anything like the Valdez catastrophe never happens again. This plan should encompass amendments to the Federal Water Pollution Control Act, and additional regulation of tankers plying environmentally sensitive waters.

We should also note how vulnerable this Nation is to a disruption of oil supply, be it oil from OPEC or from Alaska. We must make ourselves less dependent on oil all together. We must do a better job at conservation, and that is why I will be pressing, as I did last month before the Senate Energy Committee, for legislation which significantly increases corporate average fuel economy standards for automobiles. Senator WIRTH and I have introduced Senate amendment No. 1 which requires a 65-percent increase in auto fuel efficiency by the year 2000. Given what we have learned about our precarious oil supplies, I urge the amendment's quick approval.

In closing, Mr. President, I hope that my colleagues will be willing to work with those of us who, like Pennsylvania, already know how damaging these spills can be, to ensure we don't go through this agony time and time again.

By Mr. ROCKEFELLER:

S.J. Res. 91. Joint resolution designating April 28, 1989, as "Flight Attendant Safety Professionals' Day"; to the Committee on the Judiciary.

FLIGHT ATTENDANT SAFETY PROFESSIONALS' DAY

● Mr. ROCKEFELLER. Mr. President, today I am introducing a joint resolution to designate April 28, 1989, "Flight Attendant Safety Professionals' Day." The purpose is to give highly deserved recognition to the role of our Nation's flight attendants in protecting the safety of the public.

Congress makes up one of the largest airline frequent flyer groups in this country. Most of us fly each week to and from our home States. We are, therefore, keenly aware of the key role that flight attendants play on aircraft. We have seen firsthand their professionalism and knowledge of safety procedures.

Since 1952, Federal Aviation regulations have required flight attendants on board all commercial airliners to safeguard the well being of passengers. Flight attendants have the responsibility to help passengers during emergencies that occur in the air, such as inflight fires, decompressions, severe turbulence, hijackings, terrorist acts, and medical emergencies, as well as during evacuations after crashes.

Take, for example, the recent air disaster on United flight 811. On February 24, 1989, the cargo door blew off a United Air Lines jumbo jet over the Pacific. In spite of a gaping hole in the aircraft, a blasting wind that threatened to pull them out, darkness—it was a night flight—noise levels which made communication nearly impossible and uncertainty over the condition of the aircraft, the flight attendants cleared debris, shouted instructions to the passengers and helped them with their life vests. They assisted injured passengers and crew and evacuated the aircraft upon landing. The flight attendants' professionalism and calmness during the 25 minutes it took to land, and during the evacuation, were crucial in saving hundreds of lives.

For years, flight attendants have vigorously worked to achieve safety improvements through the Federal Aviation Administration and at their airlines and have worked diligently to educate the flying public of safety procedures. Flight attendants have given their lives to save passengers in emergency evacuations.

The passage of this joint resolution will pay tribute to flight attendant safety professionals and the important role they play in aviation safety. I hope you will join me in honoring the flight attendant safety professionals by cosponsoring this joint resolution.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 91

Whereas Federal aviation regulations, since 1952, have required flight attendants on board all commercial airliners to safeguard the well-being of passengers;

Whereas flight attendants are trained to respond to medical emergencies and have assisted in saving passengers' lives in emergencies caused by strokes, heart attacks, and so forth;

Whereas flight attendants' professionalism and calmness in evacuations of crashed airplanes have saved thousands of lives that otherwise would have been lost;

Whereas flight attendants have given their lives to save passengers in emergency evacuations, sustaining an on-the-job fatality rate higher than that of police officers;

Whereas flight attendants have assisted in hundreds of in-flight emergencies due to hijackings, terrorist acts, decompressions, and severe turbulence; and

Whereas flight attendants have vigorously strived for safety improvements at their airlines and the Federal Aviation Administration and have worked diligently to educate the flying public of safety procedures: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 28, 1989, is designated as "Flight Attendant Safety Professionals' Day", and the President is requested to issue a proclamation calling upon

the people of the United States to observe such day with appropriate ceremonies and activities.●

By Mr. SIMON (for himself and Mr. DIXON):

S.J. Res. 93. Joint resolution to designate October 1989 as "Polish American Heritage Month"; to the Committee on the Judiciary.

DESIGNATING OCTOBER 1989 AS "POLISH AMERICAN HERITAGE MONTH"

● Mr. SIMON. Mr. President, for the past 4 years Congress has passed Polish American Heritage Month in recognition of the many contributions Polish Americans have made to this Nation. I am pleased once again to introduce this resolution this year once again designating October 1989 as "Polish American Heritage Month."

Poles and Americans of Polish descent have ample reason to take pride in their many achievements. Polish American leadership has greatly influenced and enhanced the progress of this Nation in areas of education, government, the arts and humanities, science, entertainment and culture, military service, and athletic competition.

We can all be proud of the many contributions made the world over by individuals of Polish descent. The efforts of His Holiness Pope John Paul II to bring peace to war-torn regions of the world is a inspiration to all people. The formation of the Solidarity Labor Federation by Nobel Peace Prize recipient Lech Walesa demonstrates the conviction of the Polish people in their struggle to restore freedom and independence to their homeland. We all hope that the talks now underway between the Government and Solidarity will be fruitful, and will result in much greater freedom and autonomy for the Polish labor movement and the Polish people.

Polish American Heritage Month is a time to remember and honor the contributions Polish Americans have made to the United States. Mr. President, I am proud to introduce this legislation and I ask my colleagues to support this important resolution.

Mr. President, I ask unanimous consent to print the resolution designating October 1989 as "Polish American Heritage Month" in the RECORD in full.

There being no objection, the joint resolution ordered to be printed in the RECORD, as follows:

S.J. RES. 93

Whereas the Polish immigrants to North America were among the settlers of Jamestown, Virginia, in the 17th century;

Whereas Kazimierz Pulaski, Tadeusz Kosciuszko, and other Poles came to the British colonies in America to fight in the Revolutionary War to risk their lives and fortunes for the creation of the United States;

Whereas Poles and Americans of Polish descent have distinguished themselves by contributing to the development of arts, sciences, government, military service, athletics, and education in the United States;

Whereas the Polish Constitution of May 3, 1791, was directly modeled on the Constitution of the United States, is recognized as the second written constitution in history, and is revered by Poles and Americans of Polish descent;

Whereas Americans of Polish descent and Americans sympathetic to the struggle of the Polish people to regain their freedom remain committed to a free and independent Polish nation;

Whereas Poles and Americans of Polish descent take great pride in and honor the achievements of the greatest son of Poland, His Holiness Pope John Paul II;

Whereas Poles and Americans of Polish descent take great pride in and honor the achievements of Nobel Peace Prize Laureate Lech Walesa, the founder of the Solidarity Labor Federation;

Whereas the Solidarity Labor Federation was founded in August 1980 and is continuing its struggle against oppression by the Government of Poland; and

Whereas the Polish American Congress is observing its 45th anniversary this year and is celebrating October 1989 as Polish American Heritage Month: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1989 is designated as "Polish American Heritage Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate ceremonies and activities.●

By Mr. BOREN (for himself, Mr. COHEN, Mr. BRADLEY, Mr. CRANSTON, Mr. DECONCINI, Mr. D'AMATO, MR. DANFORTH, Mr. GLENN, Mr. HATCH, Mr. HOLLINGS, Mr. METZENBAUM, Mr. MURKOWSKI, Mr. NUNN, Mr. SPECTER, and Mr. WARNER):

S.J. Res. 94. Joint resolution designating the week of June 4, 1989, through June 10, 1989, as "National Intelligence Community Week"; to the Committee on the Judiciary.

DESIGNATING JUNE 4, 1989, THROUGH JUNE 10, 1989, AS "NATIONAL INTELLIGENCE COMMUNITY WEEK"

● Mr. BOREN. Mr. President, on behalf of all the members of the Select Committee on Intelligence, the vice chairman, Mr. COHEN, and I are here today to introduce this resolution to set aside the week of June 4 through June 10, 1989, as "National Intelligence Community Week." We continue to take pride in the dedication of the talented men and women in the intelligence community.

This resolution simply states that the Congress of the United States is aware and appreciative of the contribution by the dedicated intelligence community to the policymakers of this Nation in the difficult decisions to not only keep our Nation free but to advance the cause of freedom and democracy throughout the world.

I urge our colleagues to join in this expression of appreciation to these people who so ably form our first line of national defense.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 94

Whereas the work of the men and women of the Intelligence Community is essential to the national security of the United States and to the cause of freedom and democracy throughout the world;

Whereas the dedication of the men and women of the Intelligence Community to the service of their country in difficult and dangerous circumstances abroad, and in the arduous intellectually challenging analytical assignments at home, is deserving of special recognition by the Senate and House of Representatives of the United States;

Whereas efforts should be made to foster an understanding and appreciation of the part of the American people that intelligence is the first line of national defense and that an effective intelligence capability is vital to the safety and well being of the United States; and

Whereas it is particularly appropriate to recognize the continuing contribution of our intelligence officers during the week of the anniversary of the birth of Nathan Hale, an early patriot, hero, and practitioner of American intelligence, who symbolizes the selfless dedication of our Nation's intelligence personnel: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning June 4, 1989, through June 10, 1989 is hereby designated as "National Intelligence Community Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to recognize the week of June 5, 1989, through June 10, 1989, as "National Intelligence Community Week".●

By Mr. MCCLURE (for himself, Mr. SHELBY, Mr. SYMMS, and Mr. PELL):

S.J. Res. 95. Joint resolution to designate the week of September 10, 1989, through September 16, 1989, as "National Checkup Week"; to the Committe on the Judiciary.

NATIONAL CHECKUP WEEK

● Mr. MCCLURE. Mr. President, today I am introducing a commemorative joint resolution designating the week of September 10 to 16, 1989, as "National Checkup Week".

More than 34 million Americans are hospitalized each year. Nearly 66 million suffer from heart or blood vessel disease and 60 million have high blood pressure. Twenty-five percent of adult Americans have elevated cholesterol levels and some 34 million have weight-related problems.

I can think of nothing that can mean more in improving the health of all Americans than getting an annual medical checkup. The old adage "an ounce of prevention is worth a pound of cure" holds true and we need to encourage Americans to visit their doctors on an annual basis. Checkups can

reveal minor medical problems before they become major ones.

Common sense tells us that getting a medical checkup is a good idea, but it's one that's easy to put off. Many organizations will be able to publicize "National Checkup Week" and the result will mean improved health in America.

I urge my colleagues to join me in cosponsoring this worthwhile commemorative.●

ADDITIONAL COSPONSORS

S. 7

At the request of Mr. DOLE, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 7, a bill to amend the Federal Election Campaign Act of 1971 to further restrict contributions to candidates by multicandidate political committees, require full disclosure of attempts to influence Federal elections through "soft money" and independent expenditures, correct inequities resulting from personal financing of campaigns, strengthen the role of political parties, and contain the cost of political campaigns.

S. 9

At the request of Mr. DOLE, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 9, a bill to amend title II of the Social Security Act to phase out the earnings test over a 5-year period for individuals who have attained retirement age, and for other purposes.

S. 10

At the request of Mr. DOLE, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 10, a bill to amend title XVIII of the Social Security Act to ensure that medicare-dependent, small rural hospitals receive for a 3-year period at least their reasonable costs for inpatient hospital services furnished under the Medicare program.

S. 15

At the request of Mr. CRANSTON, the names of the Senator from Washington [Mr. ADAMS], the Senator from Alaska [Mr. STEVENS], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 15, a bill to amend the Public Health Service Act to improve emergency medical services and trauma care, and for other purposes.

S. 19

At the request of Mr. LEVIN, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 19, a bill to allow State Governors to file petitions for action under section 301 of the Trade Act of 1974.

S. 26

At the request of Mr. MOYNIHAN, the names of the Senator from Indiana [Mr. COATS], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 26, a bill to make certain supplemental appropriations in order to fully fund the Anti-drug Abuse act of 1988.

S. 32

At the request of Mr. THURMOND, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 32, a bill to establish constitutional procedures for the imposition of the sentence of death, and for other purposes.

S. 38

At the request of Mr. WILSON, the names of the Senator from Rhode Island [Mr. CHAFEE], the Senator from Montana [Mr. BAUCUS], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 38, a bill to make long-term care insurance available to civilian Federal employees, and for other purposes.

S. 55

At the request of Mr. WILSON, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 55, a bill to to increase the availability of quality affordable child care, and for other purposes.

S. 82

At the request of Mr. THURMOND, the names of the Senator from Wisconsin [Mr. KASTEN], and the Senator from Virginia [Mr. ROBB] were added as cosponsors of S. 82, a bill to recognize the organization known as the 82d Airborne Division Association, Inc.

S. 84

At the request of Mr. BIDEN, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 84, a bill to amend title 28, United States Code, to provide Federal debt collection procedures.

S. 87

At the request of Mr. THURMOND, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as cosponsor of S. 87, a bill to amend title 18 to limit the application of the exclusionary rule.

S. 89

At the request of Mr. SYMMS, the names of the Senator from Wyoming [Mr. SIMPSON], and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of S. 89, a bill to delay for 1 year the effective date for section 89 of the Internal Revenue Code of 1986.

S. 100

At the request of Mr. ROCKEFELLER, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 100, a bill to amend title XVIII of the Social Security Act with respect to coverage of, and payment for, services of psychologists under part B of Medicare.

S. 110

At the request of Mr. KENNEDY, the names of the Senator from Maine [Mr. MITCHELL], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Alaska [Mr. STEVENS], and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 110, a bill to revise and extend the programs of assistance under title X of the Public Health Service Act.

S. 135

At the request of Mr. GLENN, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of S. 135, a bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 137

At the request of Mr. BOREN, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 137, a bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multicandidate political committees, and for other purposes.

S. 185

At the request of Mr. DIXON, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 185, a bill to amend title 18 of the United States Code to punish as a Federal criminal offense the crimes of international parental child abduction.

S. 201

At the request of Mr. GORE, the names of the Senator from Arkansas [Mr. BUMPERS], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of S. 201, a bill to respond to the global environmental degradation by human activities by reversing the trends that are presently altering or destroying vast portions of the biosphere, and to ensure that U.S. policies provide for the protection of the world environment from future degradation, and for other purposes.

S. 231

At the request of Mr. MOYNIHAN, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 231, a bill to amend part A of title IV of the Social Security Act to improve quality control standards and procedures under the Aid to Families With Dependent Children Program, and for other purposes.

S. 232

At the request of Mr. MOYNIHAN, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 232, a bill to establish the American Conservation Corps, and for other purposes.

S. 258

At the request of Mr. RIEGLE, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 258, a bill to amend the National Flood Insurance Act of 1968 to extend the program of flood insurance for structures on land subject to imminent collapse or subsidence.

S. 260

At the request of Mr. MOYNIHAN, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 260, a bill to amend the Internal Revenue Code of 1986 to make the exclusion from gross income of amounts paid for employee educational assistance programs.

S. 264

At the request of Mr. MOYNIHAN, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 264, a bill to amend title 13, United States Code, to remedy the historic undercount of the poor and minorities in the decennial census of population and to otherwise improve the overall accuracy of the population data collected in the decennial census by directing the use of appropriate statistical adjustment procedures, and for other purposes.

S. 273

At the request of Mr. HEINZ, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 273, a bill to amend title 39, United States Code, to designate as nonmailable matter solicitations of donations which could reasonably be misconstrued as a bill, invoice, or statement of account due, solicitations for the purchase of products or services which are provided either free of charge or at a lower price by the Federal Government connection or endorsement, unless such matter contains an appropriate conspicuous disclaimer, and for other purposes.

S. 306

At the request of Mr. DOLE, the names of the Senator from Missouri [Mr. BOND], and the Senator from Indiana [Mr. COATS] were added as cosponsors of S. 306, a bill to amend the Social Security Act to make certain modifications in the Medicare Program with respect to payments made under such program to hospitals located in rural areas, to improve the delivery of health services to individuals residing in such areas, and for other purposes.

S. 335

At the request of Mr. MCCAIN, The names of the Senator from Kentucky [Mr. MCCONNELL], the Senator from Alabama [Mr. SHELBY], and the Senator from Idaho [Mr. MCCLURE] were added as cosponsors of S. 335, a bill to amend title XVIII of the Social Security Act and other provisions of law to delay for 1 year the effective dates of the supplemental Medicare premium and additional benefits under part B of the Medicare Program, with the exception of the spousal impoverishment benefit.

S. 350

At the request of Mr. LOTT, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 350, a bill to repeal section 89 of the Internal Revenue Code of 1986—relating to rules for coverage and benefits under certain employee benefit plans.

S. 355

At the request of Mr. RIEGLE, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Maryland [Ms. MIKULSKI], the Senator from Alabama [Mr. HEFLIN], the Senator from Iowa [Mr. HARKIN], the Senator from Georgia [Mr. FOWLER], the Senator from Washington [Mr. GORTON], the Senator from Washington [Mr. ADAMS], the Senator from Arizona [Mr. DECONCINI], the Senator from Wisconsin [Mr. KASTEN], the Senator from Mississippi [Mr. LOTT], the Senator from Vermont [Mr. JEFFORDS], the Senator from Colorado [Mr. ARMSTRONG], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 355, a bill to amend the Internal Revenue Code of 1986 to extend through 1992 the period during which qualified mortgage bonds and mortgage credit certificates may be issued.

S. 366

At the request of Mr. BAUCUS, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 366, a bill to amend title XVIII of the Social Security Act to make certain payment reforms in the Medicare Program to ensure the adequate provision of health care in rural areas, and for other purposes.

S. 370

At the request of Mr. CHAFEE, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 370, a bill to amend the Land and Water Conservation Fund Act and the National Historic Preservation Act, to establish the American Heritage Trust, for purposes of enhancing the protection of the Nation's natural, historical, cultural, and outdoor recreational heritage, and for other purposes.

S. 378

At the request of Mr. ROCKEFELLER, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 378, a bill to extend the Steel Import Stabilization Act for an additional 5 years.

S. 384

At the request of Mr. CHAFEE, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 384, a bill to amend title XIX of the Social Security Act to assist individuals with a severe disability in attaining or maintaining their maximum potential for independence and capacity to participate in community and family life, and for other purposes.

S. 401

At the request of Mr. HOLLINGS, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 401, a bill to exclude the Social Security trust funds from the deficit calculation and to extend the target date for Gramm-Rudman-Hollings until fiscal year 1995.

S. 412

At the request of Mr. PACKWOOD, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 412, a bill to amend the Internal Revenue Code of 1986 to increase the amount of the credit for expenses with respect to child care for dependent children, to make such credit refundable, to amend the Social Security Act to increase the funds for available child care, and for other purposes.

S. 416

At the request of Mr. DOMENICI, the names of the Senator from Virginia [Mr. WARNER], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Arizona [Mr. DECONCINI], the Senator from Maryland [Mr. SARBANES], and the Senator from Washington [Mr. GORTON] were added as cosponsors of S. 416, a bill to provide that all Federal civilian and military retirees shall receive the full cost of living adjustment in annuities payable under Federal retirement systems for fiscal years 1990 and 1991, and for other purposes.

S. 417

At the request of Mr. HEINZ, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 417, a bill to amend chapters 83 and 84 of title 5, United States Code, to expedite the processing of applications of Federal employees seeking retirement benefits, and for other purposes.

S. 424

At the request of Mr. THURMOND, the names of the Senators from Hawaii [Mr. INOUYE] and [Mr. MATSUNAGA], and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 424, a bill to provide a minimum monthly annuity for the surviving spouses of certain deceased members of the uniformed services.

S. 431

At the request of Mr. NUNN, the names of the Senator from Illinois [Mr. DIXON], the Senator from Michigan [Mr. RIEGLE], the Senator from Oregon [Mr. PACKWOOD], the Senator from Virginia [Mr. ROBB], and the Senator from Rhode Island [Mr.

CHAFEE] were added as cosponsors of S. 431, a bill to authorize funding for the Martin Luther King, Jr., Federal Holiday Commission.

S. 432

At the request of Mr. ROCKEFELLER, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 432, a bill to direct the Secretary of Transportation to identify scenic and historic roads and to develop methods of designating, promoting, protecting, and enhancing roads as scenic and historic roads.

S. 435

At the request of Mr. REID, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 435, a bill to amend section 118 of the Internal Revenue Code to provide for certain exceptions from certain rules determining contributions in aid of construction.

S. 443

At the request of Mr. CHAFEE, the names of the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Connecticut [Mr. DODD], and the Senator from New Hampshire [Mr. RUDMAN] were added as cosponsors of S. 443, a bill to authorize the Secretary of the department in which the Coast Guard is operating to convey the Block Island Southeast Lighthouse to the Block Island Southeast Lighthouse Foundation.

S. 447

At the request of Mr. BOSCHWITZ, the names of the Senator from Florida [Mr. MACK], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 447, a bill to require the Congress and the President to use the spending levels for the current fiscal year (without adjustment for inflation) in the preparation of the budget for each new fiscal year in order to clearly identify spending increases from one fiscal year to the next fiscal year.

S. 448

At the request of Mr. SIMON, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 448, a bill to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States.

S. 458

At the request of Mr. DECONCINI, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from Oregon [Mr. PACKWOOD], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 458, a bill to provide for a General Accounting Office investigation and report on conditions of displaced Salvadorans and Nicaraguans, to provide certain rules of the House of Representatives and of the Senate with respect to review of the report, to provide for the temporary stay of detention and deportation of certain Salvadorans and Nicaraguans, and for other purposes.

S. 460

At the request of Mr. CONRAD, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 460, a bill to amend the Internal Revenue Code of 1986 to extend treatment of certain rents under section 2032A to all qualified heirs.

S. 479

At the request of Mr. HATCH, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Iowa [Mr. GRASSLEY], and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of S. 479, a bill to amend the Internal Revenue Code to allow for deduction of qualified adoption expenses and for other purposes.

S. 488

At the request of Mr. FOWLER, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 488, a bill to provide Federal assistance and leadership to a program of research, development and demonstration of renewable energy and energy efficiency technologies, and for other purposes.

S. 489

At the request of Mr. KENNEDY, the names of the Senator from North Dakota [Mr. CONRAD], and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 489, a bill to transfer certain funds available for State legalization assistance grants to programs to assist refugees.

S. 491

At the request of Mr. CHAFEE, the names of the Senator from Rhode Island [Mr. PELL], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 491, a bill to reduce atmospheric pollution to protect the stratosphere from ozone depletion, and for other purposes.

S. 492

At the request of Mr. BOSCHWITZ, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 492, a bill to amend the Internal Revenue Code of 1986 to provide that the amount of the earned income tax credit will be related to family size.

S. 493

At the request of Mr. D'AMATO, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 493, a bill to amend the Federal Home Loan Mortgage Corporation Act.

S. 494

At the request of Mr. DURENBERGER, the names of the Senator from Indiana [Mr. Lugar], the Senator from Florida [Mr. MACK], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 494, a bill to amend the Internal Revenue Code of 1986 to extend for 5 years, and increase the amount of, the deduction for health insurance for self-employed individuals.

S. 502

At the request of Mr. BAUCUS, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 502, a bill to extend the application deadline for assistance under the Impact Aid Program.

S. 507

At the request of Mr. SIMON, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 507, a bill to prohibit investments in, and certain other activities with respect to, South Africa, and for other purposes.

S. 519

At the request of Mr. LAUTENBERG, the names of the Senator from Washington [Mr. ADAMS] and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of S. 519, a bill to prohibit smoking on any scheduled airline flight in intrastate, interstate, or overseas air transportation.

S. 520

At the request of Mr. DECONCINI, the names of the Senator from Indiana [Mr. COATS], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of S. 520, a bill to encourage the States to enact legislation to grant immunity from personal civil liability, under certain circumstances, to volunteers working on behalf of nonprofit organizations and governmental entities.

S. 527

At the request of Mr. BAUCUS, the names of the Senator from Nebraska [Mr. EXON] and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 527, a bill to amend title XVIII of the Social Security Act to reclassify certain hospitals as sole community hospitals, and for other purposes.

S. 533

At the request of Mr. REID, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 533, a bill to protect the rights of victims of crime and to establish a Federal victim's bill of rights for children.

S. 534

At the request of Mr. THURMOND, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 534, a bill to provide criminal penalties for the mailing of unsolicited sexually oriented advertisements, and for other purposes.

S. 552

At the request of Mr. BRADLEY, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 552, a bill to restore balance among sources of supply for the Na-

tion's sweetener needs, and for other purposes.

S. 568

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 568, a bill entitled the "Stafford Student Loan Default Prevention and Management Act of 1989".

S. 571

At the request of Mr. DASCHLE, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 571, a bill to amend the Agricultural Act of 1949 to set the target price for oats at $2.52 per bushel for the 1990 crop and clarify the administration of the feed grain crop acreage base provisions of such act.

S. 585

At the request of Mr. LAUTENBERG, the names of the Senator from Wisconsin [Mr. KASTEN] and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 585, a bill to implement the national objective of pollution prevention by establishing a source reduction program at the Environmental Protection Agency, by assisting States in providing information and technical assistance regarding source reduction, and for other purposes.

S. 590

At the request of Mr. HEFLIN, the names of the Senator from Nebraska [Mr. EXON], the Senator from New York [Mr. D'AMATO], and the Senator from Alabama [Mr. SHELBY] were added as consponsors of S. 590, a bill to prohibit injunctive relief, or an award of damages against a judicial officer for action taken in a judicial capacity.

S. 595

At the request of Mr. DOMENICI, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 595, a bill to amend section 89 of the Internal Revenue Code of 1986 to exempt certain small businesses from the application of the employee benefit nondiscrimination rules, to delay and to simplify the requirements of such section, and for other purposes.

S. 596

At the request of Mr. D'AMATO, the names of the Senator from Iowa [Mr. GRASSLEY] and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of S. 596, a bill to make available certain information involving threats to the safety of international commercial airline travel.

S. 601

At the request of Mr. DOLE, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 601, a bill to amend the Internal Revenue Code of 1986 to authorize a child tax credit and refundable child and dependent care tax credit.

S. 602

At the request of Mr. DOLE, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 602, a bill to authorize additional appropriations for the Head Start Program.

S. 604

At the request of Mr. BIDEN, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 604, a bill to amend title 31 of the United States Code to increase settlement authority and expand coverage relating to claims for damages resulting from law enforcement activities.

S. 616

At the request of Mr. DECONCINI, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 616, a bill providing for a 14-year extension of the patent for the badge of the American Legion Auxiliary.

S. 617

At the request of Mr. DECONCINI, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 617, a bill to provide for a 14-year extension of the patent for the badge of the Sons of the American Legion.

S. 619

At the request of Mr. SARBANES, the names of the Senator from Maine [Mr. MITCHELL] and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of S. 619, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

S. 643

At the request of Mr. CONRAD, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 643, a bill to amend the Internal Revenue Code of 1986 to allow an individual a credit against income tax for certain expenditures for the purpose of reducing radon levels in the principal residence of the individual, and for other purposes.

S. 650

At the request of Mr. KENNEDY, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 650, a bill to establish a national program to expand opportunities for Americans, especially students, to serve their communities.

S. 653

At the request of Mr. GLENN, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 653, a bill to amend title 37, United States Code, to revise and improve the aviator career incentive pay program, to extend for 3 years the aviator bonus program, and for other purposes.

SENATE JOINT RESOLUTION 10

At the request of Mr. THURMOND, the names of the Senator from Indiana [Mr. COATS], the Senator from Georgia [Mr. FOWLER], the Senator from Maine [Mr. COHEN], the Senator from South Dakota [Mr. PRESSLER], the Senator from Nebraska [Mr. EXON], the Senator from South Dakota [Mr. DASCHLE], and the Senator from Kansas [Mr. DOLE], were added as cosponsors of Senate Joint Resolution 10, a joint resolution to designate the month of May 1989 as "National Foster Care Month."

SENATE JOINT RESOLUTION 14

At the request of Mr. THURMOND, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of Senate Joint Resolution 14, a joint resolution proposing an amendment to the Constitution of the United States to allow the President to veto items of appropriation.

SENATE JOINT RESOLUTION 36

At the request of Mr. REID, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of Senate Joint Resolution 36, a joint resolution proposing an amendment to the Constitution of the United States to repeal the 22d amendment.

SENATE JOINT RESOLUTION 52

At the request of Mr. HOLLINGS, the names of the Senator from North Carolina [Mr. SANFORD], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Texas [Mr. GRAMM], the Senator from Maryland [Ms. MIKULSKI], and the Senator from Mississippi [Mr. COCHRAN], were added as cosponsors of Senate Joint Resolution 52, a joint resolution to express gratitude for law enforcement personnel.

SENATE JOINT RESOLUTION 53

At the request of Mr. D'AMATO, the names of the Senator from Georgia [Mr. NUNN], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from New Jersey [Mr. BRADLEY], were added as cosponsors of Senate Joint Resolution 53, a joint resolution to designate May 25, 1989, as "National Tap Dance Day."

SENATE JOINT RESOLUTION 55

At the request of Mr. SIMON, the names of the Senator from New Mexico [Mr. BINGAMAN], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Michigan [Mr. LEVIN], and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Joint Resolution 55, a joint resolution to designate the week of October 1, 1989, through October 7, 1989, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 65

At the request of Mr. SIMON, the names of the Senator from Wyoming [Mr. SIMPSON], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Mississippi [Mr. COCHRAN], the Senator from Indiana [Mr. COATS], the Senator from Vermont [Mr. JEFFORDS], the Senator from Delaware [Mr.

ROTH], the Senator from New Mexico [Mr. DOMENICI], the Senator from Missouri [Mr. BOND], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of Senate Joint Resolution 65, a joint resolution designating June 12, 1989, as "Anne Frank Day."

SENATE JOINT RESOLUTION 67

At the request of Mr. DOMENICI, the names of the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Alabama [Mr. SHELBY], the Senator from Georgia [Mr. FOWLER], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Joint Resolution 67, a joint resolution to commemorate the 25th anniversary of the Wilderness Act of 1964 which established the National Wilderness Preservation System.

SENATE JOINT RESOLUTION 69

At the request of Mr. CRANSTON, the names of the Senator from Maryland [Ms. MIKULSKI], the Senator from Connecticut [Mr. LIEBERMAN], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of Senate Joint Resolution 69, a joint resolution designating April 8, 1989, as "Chief Justice Earl Warren Day."

SENATE JOINT RESOLUTION 72

At the request of Mr. RIEGLE, the names of the Senator from Connecticut [Mr. LIEBERMAN] and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of Senate Joint Resolution 72, a joint resolution to designate the period commencing May 7, 1989, and ending May 13, 1989, as "National Correctional Officers Week."

SENATE JOINT RESOLUTION 81

At the request of Mr. DIXON, the names of the Senator from Louisiana [Mr. BREAUX], the Senator from Alaska [Mr. STEVENS], the Senator from Michigan [Mr. LEVIN], the Senator from Kansas [Mr. DOLE], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Joint Resolution 81, a joint resolution to designate the week of October 1 through 7, 1989, as "National Health Care Food Service Week."

SENATE JOINT RESOLUTION 84

At the request of Mr. HATCH, the names of the Senator from Maine [Mr. MITCHELL], the Senator from Delaware [Mr. ROTH], the Senator from Nevada [Mr. BRYAN], the Senator from Virginia [Mr. ROBB], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of Senate Joint Resolution 84, a joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day."

SENATE JOINT RESOLUTION 86

At the request of Mr. RIEGLE, the names of the Senator from Alabama [Mr. SHELBY], the Senator from Georgia [Mr. NUNN], the Senator from Georgia [Mr. FOWLER], the Senator from Florida [Mr. MACK], and the Senator from Illinois [Mr. DIXON] were added as cosponsors of Senate Joint Resolution 86, a joint resolution designating November 17, 1989, as "National Philanthropy Day."

SENATE JOINT RESOLUTION 89

At the request of Mr. DOLE, the names of the Senator from Montana [Mr. BURNS], the Senator from Kansas [Mrs. KASSEBAUM], and the Senator from Nebraska [Mr. EXON] were added as cosponsors of Senate Joint Resolution 89, a joint resolution to designate the week beginning April 2, 1989 as "National Auctioneers Week."

SENATE CONCURRENT RESOLUTION 10

At the request of Mr. SIMON, the names of the Senator from Wisconsin [Mr. KOHL], the Senator from Indiana [Mr. COATS], and the Senator from Montana [Mr. BURNS] were added as cosponsors of Senate Concurrent Resolution 10, a concurrent resolution to express the sense of the Congress with respect to continuing reductions in the Medicare Program.

SENATE CONCURRENT RESOLUTION 21

At the request of Mr. RIEGLE, the names of the Senator from Maryland [Ms. MIKULSKI] and the Senator from Connecticut [Mr. DODD] were added as cosponsors of Senate Concurrent Resolution 21, a concurrent resolution expressing the sense of the Congress that the current Federal income tax deduction for interest paid on debt secured by a first or second home should not be further restricted.

SENATE RESOLUTION 61

At the request of Mr. CHAFEE, the names of the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Wisconsin [Mr. KASTEN], the Senator from Missouri [Mr. BOND], and the Senator from Washington [Mr. GORTON] were added as cosponsors of Senate Resolution 61, a resolution expressing the sense of the Senate on the sale of F-16 fighter aircraft technology from General Dynamics to Japan's Mitsubishi Heavy Industries as part of the United States-Japan FSX codevelopment fighter program.

SENATE RESOLUTION 80

At the request of Mr. KASTEN, the names of the Senator from Hawaii [Mr. MATSUNAGA] and the Senator from New Hampshire [Mr. RUDMAN] were added as cosponsors of Senate Resolution 80, a resolution relating to legislation which would require interstate mail-order companies to impose State taxes on items mailed across State borders.

SENATE RESOLUTION 86

At the request of Mr. LAUTENBERG, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from West Virginia [Mr. BYRD], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Ohio [Mr. GLENN], the Senator from Ohio [Mr. METZENBAUM], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of Senate Resolution 86, a resolution to request the President of the United States to appoint a special commission to consider the destruction of Pan American World Airways flight 103, and the security of air travel.

SENATE RESOLUTION 87—CONGRATULATING THE UNIVERSITY OF MICHIGAN ON WINNING THE NCAA MEN'S BASKETBALL CHAMPIONSHIP

Mr. LEVIN (for himself and Mr. RIEGLE) submitted the following resolution; which was considered and agreed to:

S. RES. 87

Whereas, the University of Michigan Wolverines have a long and rich athletic tradition;

Whereas, the University of Michigan basketball team has enjoyed outstanding leadership under Athletic Director Bo Schembechler and interim Head Coach Steve Fisher, the first rookie coach to lead his team to an NCAA men's basketball title;

Whereas, the Wolverine basketball team has a proud history, including thirteen NCAA tournament appearances and eleven All-Americans;

Whereas, the University of Michigan basketball team continued its success this year with a 30-7 record and its fifth consecutive NCAA tournament appearance;

Whereas, all the teams—the University of Michigan, Seton Hall, Duke University, and the University of Illinois—played outstanding basketball at the Final Four in Seattle;

Whereas, the University of Michigan capped its fine season with a thrilling 80-79 overtime victory over Seton Hall in the championship;

Resolved, That the United States Senate recognizes and congratulates the University of Michigan for its outstanding achievement in winning the 1989 NCAA Men's Basketball Championship.

Mr. LEVIN. Mr. President, today I along with Senator RIEGLE will be introducing and seeking passage of a Senate resolution commending the University of Michigan for its thrilling overtime victory last night over Seton Hall for the NCAA men's basketball title.

There is no shortage of heroes for the Wolverines. Glen Rice turned in another stunning performance, leading Michigan with 31 points. Over the entire tournament, he shot a blazing 59 percent from the field and scored a record 184 points, eclipsing the 24-year-old mark of another pretty good basketball player, our colleague, BILL BRADLEY.

Coach Steve Fisher lived through every assistant coach's dream, being thrust into the head coaching job at the moment when the pressure was the greatest. Steve rose to the challenge with humility and determination. He became the first rookie coach

ever to lead his team to the men's basketball title.

In choosing Steve Fisher to lead Michigan, Athletic Director Bo Schembechler made an important statement about priorities. He made it clear that only if all the players and coaches work together 100 percent toward a common goal can championships be won.

Rumeal Robinson's floor leadership, dishing out 11 assists to go along with his 21 points, was one key difference in the game. Penetrating for a reverse jam, breaking Seton Hall's pressure on the point, and playing tough defense, he did it all. And when he sank those two pressured free throws that were the game winner, I thought I could hear the cheers all the way from Ann Arbor.

The Wolverine's victory makes me doubly proud because my daughter, Erica, is a student at the University of Michigan.

Seton Hall is also entitled to great credit. They finished a season that exceeded preseason predictions and gave Michigan everything it could handle. They too deserve to be champions.

But this moment belongs to Michigan and their tremendous accomplishment. Steve Fisher, captains Glen Rice and Mark Hughes, Rumeal Robinson, Terry Mills, Sean Higgins, Loy Vaught, Mike Griffin, Demetrius Calip, Rob Pelinka, Mark Koenig, J.P. Oosterbaan, Kirk Taylor, Chris Seter, Eric Riley, James Voskuil, and the rest of the Michigan organization. You have worked hard all year for last night's moment of glory. You are on top of the world right now.

Stay there awhile and enjoy it. You earned it.

Mr. RIEGLE. Mr. President, I rise to pay tribute to the University of Michigan Wolverines for their championship victory last night.

Behind by 1 point with just 3 seconds to go, Rumeal Robinson made two free throws to bring the University of Michigan its first NCAA basketball championship ever. Last night's championship game was tense, and at times it appeared as if Seton Hall would win. But those of us who had followed Michigan through the regular season knew that the maize and blue would be "the victors."

The Wolverines' championship capped a remarkable season in which they lost their head coach just 2 days before the championship tournament began. Because of the turmoil at the beginning of the tournament, many observers have labeled Michigan a Cinderella team. Yet this was not a ragged bunch that emerged to play ball last night—it was a group of talented and hard working young men.

The championship was the culmination of a team effort highlighted all year long by the tremendous scoring of Glen Rice, the toughness of Rumeal Robinson, the accurate shooting of Loy Vaught, the team play of Terry Mills, the determination of Sean Higgins, the rebounding of Mark Hughes, the hustle of Mike Griffin, and excellent contributions from Demetrius Calip, J.P. Oosterbaan, Rob Pelinka, Mark Koenig, and Kirk Taylor.

Of course, we have all been captivated by the job interim head coach Steve Fisher and his assistant coach Mike Boyd have done throughout the tournament. They deserve a great deal of credit for guiding the Wolverines to the title.

I also want to take this occasion to pay special tribute to a young man from my hometown of Flint: Glen Rice. He was named the Most Valuable Player of the NCAA Tournament and in the course of scoring 31 points in last night's contest, Mr. Rice broke the record for the most points in an NCAA basketball tournament that was held by my good friend and colleague from New Jersey, BILL BRADLEY. Glen Rice's graceful 3 pointers and powerful slam dunks led Michigan through the tournament: Past Xavier of Ohio, the University of South Alabama, the University of North Carolina, the University of Virginia, Big Ten rival the University of Illiniois, and to the championship last night.

I join all of the citizens of Michigan in hailing the Wolverines, the leaders and best.

SENATE RESOLUTION 88—CONGRATULATING THE UNIVERSITY OF TENNESSEE LADY VOLS ON WINNING THE 1989 NCAA WOMEN'S BASKETBALL CHAMPIONSHIP

Mr. SASSER (for himself and Mr. GORE) submitted the following resolution; which was considered and agreed to:

S. RES. 88

Whereas, the women's basketball team of the University of Tennessee, the Lady Vols, are the only team to have appeared in either the women's or men's Final Four in each of the last four years, and

Whereas, the Lady Vols have appeared in the Final Four of the NCAA Women's Bassketball Tournament 10 times in the past 13 years, and

Whereas, the Lady Vols have displayed their mastery of the game of basketball by capturing the Southeastern Conference Championship in 1980, 1985, 1988, and 1989; the Mideast Regional Championship in 1982, 1984, 1986, and 1987; and the East Championship in 1988 and 1989, and

Whereas, the Lady Vols have had a streak of thirteen straight seasons in which they have won twenty or more games, and compiled their finest record in 1989 with a 35-2 record, and

Whereas, Pat Head Summitt, the coach of the Lady Vols, has compiled a record of 385 wins and only 107 losses in her fifteen years leading the Lady Vols, and

Whereas, Pat Head Summitt's dedication to the education of her players equals her zeal for the game of basketball, and

Whereas, during her fifteen years at the helm of the Lady Vols, Coach Pat Head Summitt has obtained a virtually perfect graduation rate for her players, and

Whereas, the University of Tennessee Lady Vols won the 1989 NCAA Women's Basketball Championship with a decisive 76-60 victory over Auburn. Therefore, it is

Resolved, That the University of Tennessee and Coach Pat Head Summitt are to be congratulated on an outstanding season.

SEC. 2. The United States Senate congratulates Coach Pat Head Summitt and the Lady Vols on crowning their finest season ever with winning the NCAA Women's Basketball Championship for 1989.

SENATE RESOLUTION 89—AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 89

Whereas, in the case of *Beauchamp* v. *Kerry, et al.*, Civil Action No. 89-0743C, pending in the Superior Court of the Commonwealth of Massachusetts, the plaintiff has named Senator John F. Kerry as a defendant;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(1) (1982), the Senate may direct its counsel to defend the Members of the Senate in civil actions relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Senator Kerry in the case of *Beauchamp* v. *Kerry, et al.*

SENATE RESOLUTION 90—AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 90

Whereas, in the case of *Rodney F. Stich* v. *Senator Alan Cranston, et al.*, CV-N-89-85-ECR, pending in the United States District Court for the District of Nevada, the plaintiff has named Senator Cranston as a defendant;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(1) (1982), the Senate may direct its counsel to defend the Members of the Senate in civil actions relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Senator Cranston in the case of *Rodney F. Stich* v. *Senator Alan Cranston, et al.*

SEC. 2. Senate Resolution 83 of the 101st Congress is repealed.

SENATE RESOLUTION 91—CONGRATULATING THE HARVARD UNIVERSITY ICE HOCKEY TEAM ON WINNING THE 1989 NCAA NATIONAL HOCKEY CHAMPIONSHIP

Mr. KENNEDY (for himself and Mr. KERRY) submitted the following resolution; which was considered and agreed to:

S. RES. 91

Whereas the Harvard Hockey Team had an outstanding season record of 31 wins and only 3 losses; and

Whereas the Harvard Hockey Team won the National Collegiate Athletic Association, the Ivy League Championship and the ECAC Championship; and

Whereas Harvard's captain, Lane MacDonald, won this year's Hobey Baker Memorial Award as the Nation's outstanding college hockey player: Now, therefore be it

Resolved, That Harvard University and their Coach Billy Cleary are to be congratulated for their outstanding season.

SEC. 2. The United States Senate congratulates Coach Billy Cleary and the entire Harvard hockey team on their finest season ever and on winning the NCAA Championship for 1989.

AMENDMENT SUBMITTED

MINIMUM WAGE LEGISLATION

COCHRAN AMENDMENT NO. 11

(Ordered to lie on the table.)

Mr. COCHRAN submitted an amendment intended to be proposed by him to the bill (S. 4) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes; as follows:

At the appropriate place, insert the following new section:

SEC. MAXIMUM HOUR EXEMPTION FOR CERTAIN PERSONNEL PLACEMENT SERVICE EMPLOYEES.

Section 13(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(b)) is amended—

(1) by striking out the period at the end of paragraph (29) and inserting in lieu thereof "; or"; and

(2) by adding at the end thereof the following new paragraph:

"(30) any individual employed as a personnel consultant in the personnel placement service industry if the regular rate of pay of such employee is in excess of one and one-half times the minimum hourly rate applicable under section 6 and more than half the compensation for such individual for a representative period (not less than 1 month) derives from commissions on services.".

NOTICES OF HEARINGS

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. NUNN. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, will hold hearings on the Federal Government's use of trusteeships under the RICO statute.

These hearings will take place on Tuesday, April 4 at 9:30 a.m., Thursday, April 6, at 9 a.m., and Wednesday, April 12 at 9 a.m., in room 342 of the Dirksen Senate Office Building. For further information, please contact Eleanore Hill of the subcommittee staff at 224-3721.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that a nomination hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place Wednesday, April 5 at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to consider the nominations of Henson Moore to be Deputy Secretary, Department of Energy; John Tuck to be Under Secretary, Department of Energy; and Donna Fitzpatrick to be Assistant Secretary, Management and Administration, Department of Energy.

For further information, please contact Nancy Blush at 224-3606.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources on U.S. Electricity Supply and Demand: the Northeast.

The hearing will take place on Thursday, April 13, 1989, in room SD-366 in the Dirksen Senate Office Building at 9:30 a.m.

Those wishing to submit written testimony for the printed hearing record should send it to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510, Attn: Mary Louise Wagner, Professional Staff Member.

For further information, please contact Mary Louise Wagner at (202) 224-7569.

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I wish to announce that the Committee on Small Business will hold a hearing on Monday, April 10, 1989, at 2 p.m. in 428A Russell Senate Office Building to consider the President's nomination of Susan Engeleiter to be the Administrator of the Small Business Administration.

For additional information, please call Tracy Crowley, hearing clerk of the committee, at 224-3099.

SPECIAL COMMITTEE ON AGING

Mr. PRYOR. Mr. President, I would like to announce for the public that the Senate Special Committee on Aging has scheduled a hearing to receive testimony on the Social Security Administration's nationwide toll-free telephone service system. The committee will examine the impact of the new telephone system on the quality of SSA's service.

The hearing will take place on Monday, April 10, 1989, beginning at 9:30 a.m. in Room 628 of the Dirksen Senate Office Building in Washington, DC.

For further information, please contact Portia Mittelman, staff director at (202) 224-5364.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a joint oversight hearing with the Subcommittee on Water and Power of the Committee on Energy and Natural Resources on Thursday, April 6, 1989, beginning at 2 p.m., in 216 Hart Senate Office Building, on Indian water policy.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a hearing on Thursday, April 20, 1989, beginning at 9:30 a.m., in 485 Russell Senate Office Building, on Actions of the U.S. Civil Rights Commission affecting the White Mountain Apache Tribe.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding an oversight hearing on Friday, April 14, 1989, beginning at 9:30 a.m., in 485 Russell Senate Office Building, on the Implementation of Amendments to the Indian Finance Act.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

SUBCOMMITTEE ON DOMESTIC AND FOREIGN MARKETING AND PRODUCT PROMOTION

Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Domestic and Foreign Marketing and Product Promotion of the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on Wednesday, April 12, 1989, at 2 p.m., in SR332 to receive testimony on the GATT proceedings in Geneva as they relate to agriculture.

Senator BOREN will preside. For further information, please contact Dan Webber of the subcommittee staff at 224-4721.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON CHILDREN, FAMILY, DRUGS AND ALCOHOLISM

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Subcommittee on Children, Family, Drugs and Alcoholism, of the Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Tuesday, April 4, 1989, at 10 a.m. to conduct a hearing on Reauthorization of the Domestic Volunteer Service Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 4, 1989, at 9:30 a.m. to hold a hearing on the fiscal year 1990 NASA budget request for aeronautics and space technology.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY REGULATION

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Subcommittee on Energy Regulation and Conservation of the Senate Energy and Natural Resources Committee be authorized to meet during the session of the Senate 9:30 a.m., April 4, 1989, to receive testimony concerning automobile efficiency standards.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, April 4, 1989, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO LOUIS RAMSAY, JR.

● Mr. PRYOR. Mr. President, on March 30, patrons of the Arkansas Arts and Science Center paid tribute to one of Arkansas' most distinguished citizens, Louis Ramsay of Pine Bluff.

Among his many accomplishments, Louis is the only individual to have ever been chosen president of both the Arkansas Bankers Association and the Arkansas Bar Association.

A native of Fordyce, AR, Louis played quarterback for the Arkansas Razorbacks before seeing action as a U.S. Army pilot during World War II. After completing law school, he became associated with the law firm of Coleman & Gantt, now Ramsay, Cox, Bridgforth, Gilbert, Harrelson & Starling.

In 1970, Louis became president and later chairman of the board of directors of Simmons First National Bank. He has also served as chairman of the Board of Trustees of the University of Arkansas, chairman of the Board of Trustees at Blue Cross-Blue Shield, and chairman of the Arkansas sesquicentennial celebration in 1986.

A tireless and dedicated individual, Louis has always been at the forefront of charity and humanitarian pursuits in Pine Bluff and all across our State.

Our Governor, Bill Clinton, probably said it best when he observed that Louis Ramsay, Jr., "represents everything that is best about our State."

Mr. President, I know of no more deserving Arkansan than Louis Ramsay for this honor and evening of tribute from his many friends and business associates. I join them in proudly saluting Louis Ramsay.●

CHANDLER ELEMENTARY SCHOOL

● Mr. LUGAR. Mr. President, I would like to pay tribute to the students at Chandler Elementary School in Chandler, IN, for their outstanding efforts to combat global warming and other environmental problems.

Chandler elementary students will demonstrate their desire to increase public awareness of the dangers of the greenhouse effect by initiating a tree-planting program. This project is part of their "I CAN" positive attitude development program. As a symbolic gesture of their knowledge and desire to safeguard the future of the environment, each student will plant one tree on April 14, 1989.

This effort will, in a small way, lessen the greenhouse effect. Such work is needed to create a public awareness that will successfully pave the way for a better environment.

I want to urge my colleagues to salute this great effort by the children of Chandler Elementary School to combat future environmental problems by increasing public awareness.●

GREEK INDEPENDENCE DAY

● Mr. DODD. Mr. President, while the Senate was in recess, hundreds of thousands of Greek-Americans celebrated the 168th anniversary of the beginning of the Greek war for independence. On March 25, 1821, fighting began in Greece for freedom from domination by the Ottoman Empire.

It is fitting that we took the first steps on a long road that led to the modern Greek democracy, for democracy in this Nation is modeled after the ideals of ancient Greece. We show our respect for Greece in the architecture of Washington, the "temples of democracy" modeled after the buildings of the Acropolis. Adlai Stevenson, calling for democracy to spread to all unfree peoples of the world, noted that the concept of equality before the law "has grown from its seeds in the tiny city-states of Greece."

Likewise, we continue to recognize the greatness of classical Greek sculpture, rhetoric and drama. At the founding of our republic, no one was considered educated without a full knowledge of the ancient Greek language, and still today we read the plays of Homer, Aeschylus, and Euripides.

The modern nation of Greece is an important ally to the United States. Its key location in Southeast Europe, a democratic country bordering on two Communist states, makes it crucial that our nations always remain close.

For all these reasons, I join my colleagues in the Senate in honoring Greek Independence Day. It is my hope that it shall forever remain a stronghold of freedom and equality.●

GREEK INDEPENDENCE DAY

● Mr. MURKOWSKI. Mr. President, I rise today to bring to the attention of my colleagues and the American people the celebration on March 25, 1989, of Greek Independence Day—A National Day of Celebration of Greek and American Democracy.

Mr. President, no one can stand in this Chamber; no one can daily go about his business in this great Capitol Building, without being aware of the two centuries of democratic government with which our Nation has been blessed. No one can see this building without being aware, also, that our American democracy has its roots in the soil of ancient Greece. Thornton, Bulfinch, Walter, and others who designed this building wanted those of us, who toil in it, constantly to be aware of the debt we owe to Greece. The white marble, the columns, the arcades, every inch of this building speaks of our Grecian heritage.

Mr. President, another thought occurs as I stand in this Chamber: Democracy is not always an orderly process. Plato observed in his Republic, "Democracy is a charming form of government, full of variety, and disorder, and dispensing a kind of equality to equals and unequals alike." Surely this was the concept of democracy which Plato shared with Thomas Jefferson, who said, "To the ancient Greeks * * * we are all indebted for the light to lead ourselves out of gothic darkness."

Mr. President, the event which we will celebrate on March 25, however, is not as ancient as Plato's republic or even as old as our own democracy. March 25, is the 168th anniversary of

the beginning of the Greek revolution against the Ottoman Empire in 1821. In many respects, this revolution, which returned democracy to Greece, was inspired by our own American Revolution. Despite Lincoln's observation that "the world will little note nor long remember." American democracy in the 18th century, the 19th century, and in the 20th century has served as a model for many peoples around the world. Often, Mr. President, the things we say and do in this Chamber are heard better in the distant corners of the world than they are in our own country.

Mr. President, this is an occasion to congratulate the people of Greece on this important anniversary. It is also an occasion to congratulate ourselves. Our American democracy is still strong after 200 years and it is still a model to other peoples who seek the blessings of liberty.●

LT. COL. RICHARD (BO) BLUDWORTH

● Mr. DODD. Mr. President, for the past 5 years, we here in the Senate have had the good fortune to work with Lt. Col. Richard (Bo) Bludworth, Senate liaison of the U.S. Army. I have traveled several times with Bo and have always found that his assistance makes a trip run more smoothly. Bo's efficiency and knowledge of his job truly sets him apart from the crowd.

Long days of meetings in foreign countries can often be taxing. Every Senator counts on his or her escort officer to deal with a multitude of arrangements, to handle the details that make the difference between a successful trip and possible chaos. Bo would always work tirelessly behind the scenes to ensure that the logistics were taken care of.

Bo's manner, straightforwardness tempered with humor, was a quality that made him not only a first-rank escort officer, but also an honest friend. After my first voyage with him, Bo said to me, "Well, Senator, the trip is over now. I just wanted you to know that I'm not sure I'd want to do another."

Of course I've traveled several times since with Bo.

I wish Bo the best on the occasion of his retirement from the Army. His successor will have a mightly large pair of shoes to fill.●

HONORING RUTH STEINER AND THE POPLAR CENTER OF SAN MATEO, CA

● Mr. WILSON. Mr. President, on April 6, at a community dinner, the Poplar Center of San Mateo, CA, will honor one of San Mateo County's most distinguished leaders, and it is with pride that I ask my colleagues in the Senate to join me in recognizing both the center and the achievements of Mrs. Ruth Steiner, the honoree.

Poplar Center is a nonprofit charitable organization of many years standing devoted to the habilitation of persons with developmental special needs. The center serves San Mateo County and the surrounding areas with a goal to help their clients develop their maximum educational, social and vocational potential so that they can become productive members of society. The center serves clients with disabilities attributable to neurological or convulsive disorders, mental impairment, cerebral palsy, autism, visual or auditory impairment and delayed development of any type.

While there are many such fine organizations in the Nation, I believe that Poplar Center sets the pace and the tone for others to follow. And part of the reason for that leadership is due to Ruth Steiner who has devoted her considerable talent and skill to the success of the center through her presidency of the center auxiliary and her service on the board of directors.

Mr. President, Ruth Steiner is a community leader in a host of ways, Poplar Center being one of them. Perhaps more important, she has been a member of the San Mateo Union High School District Board of Trustees from 1974 to the present. She has served four terms as president of the board. Before her election to the high school board, she had been elected to a term on the Hillsborough Elementary School Board. Ruth's service to education, therefore, spans 33 years during which, of course, she has also served on numerous State and national educational task forces, committees and commissions which have benefitted from her experience and counsel. In a similar fashion Poplar Center and other community groups in San Mateo County have gained from her willingness to spread her talents into projects relating to education.

Clearly, Mr. President, the San Mateo County community, the State of California, and the Nation have gained measurably by the devotion that Ruth Steiner has given to education and to the children intended to be benefitted by her skills. But our recognition would not be complete, were we only to recite Ruth's chronology of service. What should be understood is that she has accomplished so much with her service, and continues to do so, that her advice is sought by others almost as a matter of routine because she has been a pioneer in the management of educational programs and at the sometimes hard business of making the financing of programs match the dreams and goals they represent.

Ruth has a devotion to social responsibility that is a beacon for others, but she also is a businesswoman—a businesswoman who has carried the public's trust with a keen eye for assembling the ingredients, including funding, to make the implimentation of these responsibilities reality. She is goal-oriented and she has proved a hundred times that she can accomplish her goals by ingenuity and creativity.

Poplar Center is but one example of her many contributions, and that is why the center has chosen to honor her at the dinner, just as she was honored in 1985 by the San Mateo Council for the Developmentally Disabled and just as she was recognized years before by her home city of Hillsborough.

Mr. President, I thank the Members of the Senate for joining me in this deserved tribute to Ruth Steiner and to Poplar Center. I commend to the members the example that both the center and Ruth Steiner set for the Nation.●

IN MEMORY OF MARTIN LUTHER KING, JR.

● Mr. GORE. Mr. President, on April 4, 1968, the forces of hatred gunned down the Reverend Martin Luther King, Jr. Today, as we commemorate the death of a great leader, we should take a look at the dream he left for us to keep alive.

I was in Memphis the summer after Martin Luther King, Jr. was murdered, and I will never forget the pain we shared. Dr. King had come to help striking sanitation workers win a contract from the city. Every April, my good friend, Rev. James E. Smith, leads the people of Memphis in a march to honor the man who gave his life to bring all workers justice. We carry on that march because we share that dream.

Throughout our country, Dr. King's mighty dream remains a mighty struggle. As a nation, we are still divided—rich and poor; young and old; black, white, Hispanic, Asian, and otherwise. The gap between rich and poor is wider than ever. The barriers to economic opportunity and social progress are as high as ever. We are coming to the end of a decade in which the only civil rights movement was backward.

Yet in truth we are still one country, north, south, east and west. Whatever our race or origin, we are one people, with the same rights and the same dreams and the same destiny. And we must stick together.

So let us be done with the politics of race in this country and emphasize once again the politics of results.

Martin Luther King, Jr. dreamed that one day every child in America would grow up free—free from want, free from fear, and above all, free from prejudice. It is time in 1989 to carry out the dream that was put off in 1968.

I still remember what Robert Kennedy said when he heard the news that day.

He said: What we need in the United States is not division. What we need in the United States is not hatred. What we need in the United States is not violence or lawlessness, but love and wisdom and compassion toward one another, and a feeling of justice toward those who still suffer within our country whether they be white or they be black. * * * Let us dedicate ourselves to that and say a prayer for our country and our people.

One day soon, we will make those dreams and prayers come true. This age of despair and division is ending. A new decade of hope and freedom is about to begin.●

JUNIOR LEAGUE OF KANSAS CITY 75TH ANNIVERSARY

● Mr. BOND. Mr. President, the Junior League of Kansas City, MO, celebrates its diamond anniversary of community dedication and service this year. 1989 marks the commemoration of "women committed to promoting voluntarism and to improving the community through effective action and leadership of trained volunteers" for 75 years in the greater Kansas City area.

The Junior League of Kansas City offers a proud legacy of over 2,000,000 volunteer hours and over $3 million in donations to charitable organizations. Since its founding in 1914, the Junior League has made lasting contributions in times of calm and crisis. During World War I, members sold over $140,000 in war bonds and in World War II, sewed thousands of surgical dressings and raised funds for the Red Cross.

Contributions to the cultural atmosphere and needy citizens of Kansas City are both hallmarks of the Junior League. By providing scholarships and materials to the Kansas City Art Institute and assisting with the opening of the Nelson Art Gallery, the Junior League has greatly enriched the arts in Kansas City. Children's Mercy Hospital, Big Brothers and Sisters, the Learning Exchange, and the Children's Place have also benefited from member's generosity and leadership.

Working to bring a brighter future to Kansas City, current Junior League projects and priorities involve teenage pregnancy prevention, AIDS education, and the building and furnishing of a second Ronald McDonald House. The Kansas City Zoo will again benefit from Junior League efforts as the league attempts to raise $200,000 in seed money to establish an ongoing endowment fund to support education programs at the zoo.

It is my hope that my colleagues in the Senate will join me in congratulating the Junior League for its 75 years of achievement and its contributions to the citizens of Kansas City. I salute the 1,800 women who make up the Kansas City Junior League and hope that their work continues to inspire people from all walks of life.●

PELL GIVES A DEMOCRATIC PERSPECTIVE ON FOREIGN POLICY

● Mr. SARBANES. Mr. President, our colleague, the distinguished senior Senator from Rhode Island, who chairs the Foreign Relations Committee, on February 28 addressed the Woman's National Democratic Club on the theme "A Democratic Perspective on Foreign Policy."

Senator PELL spoke with his usual wisdom and insight on such subjects as legislative executive relations in foreign policy, the importance of continuing progress on arms control, particularly on the START talks on strategic nuclear weapons, the peace process in Central America, and the need to strengthen U.S. support for the United Nations.

I ask that the full text of Senator PELL's speech to the Woman's National Democratic Club be inserted in the RECORD at this point.

The remarks follow:

A DEMOCRATIC PERSPECTIVE ON FOREIGN POLICY

(Remarks by Senator Claiborne Pell at the Woman's National Democratic Club, February 28, 1989)

It is a personal pleasure and an honor to return to the Woman's National Democratic Club to speak from a Democratic point of view about our foreign policy.

When I was with you two years ago, it seemed we might be building towards the election of a Democratic administration. Many of you, I know, worked hard to achieve that goal, but it was not to be.

Instead, we have seen the election of George Bush and the continuation of divided government in Washington, with a Republican president in the White House and a Democratic majority in both Houses and Congress.

The familiar quotation about our party comes from Will Rogers, who said "I belong to no organized political party—I am a Democrat."

While there continues to be some truth to that saying, since our party has room for a great variety of our people, the more up-to-date fact about Democrats is that we are learning to pull together in foreign policy, to speak and proclaim policies in a way that offers a coherent, constructive alternative.

The late Senator Henry "Scoop" Jackson, my colleague and a friend of many of you, once said that in foreign policy "the best politics is no politics." Another way to put this traditionally, has been that "politics stops at the water's edge."

But if that is the goal of Legislative-Executive relations, it will take more than good intentions to maintain the spirit of bipartisanship.

Nearly every administration begins with a reservoir of good will in foreign policy. Based on my almost 25 years with the Foreign Relations Committee, I can attest to the good intentions with which each administration begins.

In my experience, the basic mood of the Congress also is hopeful that an atmosphere of cooperation in foreign policy will be maintained.

What leads to a breakdown of bipartisanship stems at least in part, often entirely, from a lack of openness and frankness by the Executive in the consultation process.

Who can doubt that the handling of such issues as the Boland Amendment prohibiting Contra military aid, the Iran Contra affair, and the so-called "re-interpretation" of the ABM Treaty were major factors in the breakdown of Executive-Legislative relations in the past few years.

There are serious disagreements about these issues—but those disagreements are nothing compared with the sense of betrayal that results from being misled or misinformed. This is what drains the reservoir of good will and leads to the breakdown of the consultation process itself.

Several of my colleagues have urged that there be regular consultations with the Secretary of State and other senior administration officials on foreign policy and national security issues. This is a good idea, and the Foreign Relations Committee and other concerned committees of the Congress provide a forum for such consultations.

I have urged the new Secretary of State to take advantage of our open door. It is my personal hope that the spirit of full consultation and exchange of views that marked his confirmation hearings will be maintained into the new administration.

In saying this, let me add a comment made a few days ago by my colleague, Senator Lloyd Bentsen, who ran such a terrific race for Vice President, when he said of the new administration: "We'll give them our sincere cooperation—that does not mean obedience."

Cooperation is important because the stakes are very high. One of our great Democratic elder statesmen, Clark Clifford, recently said: "George Bush has a transcendent opportunity to make a degree of progress in the world that no other president has made in my lifetime. In the Bush Administration the Cold War can end and become a matter of history."

So far it appears up to Democrats to make the case for a positive United States policy. Gorbachev's extraordinary speech at the United Nations, December 7, which electrified public opinion in Europe and throughout the world, has thus far been met from the Administration with caution, expressions of delay, and calls for further study.

Gorbachev's speech spelled out a major shift in Soviet foreign policy—away from the concepts of class struggle and world revolution, and towards a system of respect for each country's sovereignty and human rights.

Just two weeks ago, the last Soviet soldier left Afghanistan. The Soviets are talking to the Chinese about a settlement in Cambodia, and Vietnamese forces are in the process of going home.

In Europe, Gorbachev says he will cut Soviet troops by 500,000—a reduction of close to 10 percent—and substantially reduce Soviet tanks, artillery, and combat aircraft.

Since January 1st, the Eastern European countries have announced similar reductions in military personnel and equipment.

So far the U.S. response to these initiatives has been largely silent.

If the Soviet Government and its allies follow through on Gorbachev's pledges, this challenges the United States and its allies to act imaginatively to inaugurate a similar process of arms reductions.

I believe that actions by mutual example can themselves be a major step towards the arms control goals we are seeking.

Our own history shows it is sometimes possible to reduce arms and the threat of their use—without negotiations.

Anyone who travels in New England can see the relics of forts and cannons that 150 years ago marked a "cold war" between the United States and Canada.

In the nineteenth century following the Rush-Bagot Treaty, disarmament gradually took place between the two countries. In this century the forts have become museums where rusting cannons still point in the direction of Canada, the former enemy.

Although the situations are different, the Cold War between the United States and the Soviet Union shows clear signs of relaxing. Vast, almost certainly irreversible changes are underway in Soviet society. *Glasnost* and *Peristroika* are the words for openness and restructuring that no future Soviet leader can ignore.

Recent discussions between American and Soviet military officials suggest the possibility that the two sides may find ways jointly to reduce the tremendous economic burden caused by defense spending.

I believe we are past the time when we can afford to build massive weapons systems whose main significance is to serve as bargaining chips to be negotiated away.

There are pressures on resources, on the environment, on energy, and on our economies that affect the entire world, not just the United States and the Soviet Union.

As we foresee the possibility of a global warming trend caused by a "greenhouse effect," we need to improve international cooperation to protect the world's environment and to head off potential ecological disasters.

Now may be the time to revive an idea that I first advanced 11 years ago—a treaty requiring an international environmental impact statement on any project or activity that could have a significant cross-border environmental impact.

Concern for the world's environment not only offers new possibilities for East-West cooperation, it also establishes a further reason for reducing the staggering sums of money now spent on weapons.

It will take continuing strong leadership by our government and the Soviet Union to sustain the progress on arms control and arms reduction that has been achieved thus far.

In just over one year, the INF treaty has changed the entire psychology of arms control. Hundreds of inspectors are now directly observing the destruction of nuclear-capable missiles in the Soviet Union and in the United States.

In this regard, I am concerned at what appears to be an overly cautious attitude—even timidity—in the new administration's attitude towards the Strategic Arms Talks in Geneva. During the campaign George Bush pledged to continue the progress already made towards an agreement. But since the election Administration policy appears to have stalled.

Gorbachev has said that what is needed in Geneva is "to pound the table" to make the breakthroughs necessary to achieve a START Treaty. Many issues of this treaty have been resolved by the negotiators. Some issues remain. As with the INF Treaty, they may require the personal intervention of the leaders of the United States and Soviet Union.

This is no time for pessimism. The INF Treaty has shown the way to verification that works in the interest of arms control. We should build on that foundation to achieve a treaty on the far more devastating strategic nuclear weapons.

Presidential leadership will be required to achieve the 50 percent reductions that are the goal of that treaty.

And what a worthy goal it is. A really major step towards the elimination and control of nuclear weapons.

If a treaty is achieved, it will come before the Senate for advice and consent. Just as we did with the INF Treaty, we will have careful, thorough hearings on a START Treaty. And as with the INF Treaty, I hope that Democrats working with Republicans will create the bipartisan majority needed to approve such a treaty.

Presidential leadership is essential to keep arms control free of the partisanship that doomed the SALT I Treaty. This is why the Strategic Defense Initiative, or "Star Wars," is such a complicating factor.

The idea of an impregnable shield against nuclear missiles may be a laudable dream—but a dream it is, an expensive dream and one that has made vastly more difficult the task of achieving a treaty and gaining Senate ratification.

We need to work for the reality of arms control rather than pursuing the false dream of a perfect nuclear shield.

Turning to Central America, I am also concerned about the Administration's timidity about the peace initiative announced by the Central American Presidents earlier this month. The plan sets forth proposals for democracy in Nicaragua and an end to the contra war, including the key step of dismantling contra bases in Honduras.

Nicaragua is to hold national elections in one year, with free access to the media and participation by opposition political parties. Its leaders have pledged to release over 3,000 political prisoners, including former Somoza National Guardsmen and contra fighters.

These developments are encouraging. But so far the Bush Administration has held back. We should be providing a "fair breeze" behind this initiative to help make it work.

Our humanitarian aid should facilitate the repatriation of the contras and their families to Nicaragua or other countries. The United Nations and other international bodies will help, and we should give them our full support.

To be sure, there are risks involved. There are no guarantees that the Sandinistas will comply with the accord. They are Marxists who have not given up their communist principles.

But this is the initiative of the Central American leaders themselves. The plan will go forward with or without us, and it is the best chance for peace in that region. We shoud get behind it to give it the best possible chance of working.

In closing, let me speak briefly about another area close to my heart, one that has long been favored by many of you, I know, and that is American support for and participation in the United Nations.

As Democrats we can take pride in our role in restoring support for the U.N. Finally the United States is in the process of paying our bills—too slowly I must say—but the Congress voted late last year for my resolution calling for full-funding. The United Nations is again being recognized as a useful and necessary adjunct to our foreign policy.

In the past half year, the United Nations has achieved a series of accomplishments. The U.N.-sponsored Afghanistan negotiations produced the agreement that led to the withdrawal of Soviet troops. That agreement provides the framework for the Afghan people to regain their freedom and independence, a major U.S. objective.

U.N. negotiations have contributed to an end to the Iran-Iraq War and have an essential role in settlements in Cambodia, Namibia, and Western Sahara. U.N. relief agencies are aiding refugees, promoting health for all, and saving children the world over.

As one who was present in San Francisco when the United Nations was founded, I recall the high hopes we had for the organization. In the 44 years since then, the Cold War has prevented the realization of most of those hopes. Now the United Nations again is carrying out the kind of peacemaking activities for which it was created.

I hope that President Bush will recognize how much has been accomplished and will be accomplished through this organization.

I recall for him these words about the United Nations: "I am convinced that the world needs—and we in the United States need, for our own security and well-being—an effective organization for peace and cooperation. If the U.N. is not effective enough in that role, we have only one reasonable option, and that is to make it more effective."

That was George Bush in 1971 when he was our representative at the United Nations. I hope these words continue to reflect his views. I assure him they will have the enthusiastic support of this Democrat, and many others.●

BIELARUSIAN INDEPENDENCE DAY

● Mr. DIXON. Mr. President, March 25, 1989, marked the 71st anniversary of the declaration of independence of the Bielarusian Democratic Republic. This action forced the Bolsheviks to accept the idea of a separate Bielarusian state, and the establishment, on January 1, 1919, of the independent BSSR. In 1945, because of her contribution to the victory over Nazi Germany and her fervent nationalism, Bielarusia became a member of the United Nations.

The people of Bielarusia and their relatives worldwide, many of whom reside in my home State of Illinois, have a praiseworthy record of peacefully resisting Soviet occupation of their land, deportation of their peoples, and suppression of their culture.

Most recently, the reassertion of Bielarusian national identity has manifested itself through the activities of the group Talaka. Early last year, at the well-attended meeting of Talaka, the restoration of the national symbol, Pahonya, and the historical white, red, and white flag were called for. Talaka works to raise national consciousness at every level.

Last May, the skeletons of hundreds of people shot between 1937 and 1941 by Stalin's secret police and clandestinely buried near Minsk gave the question of Stalinism a new and painful significance as symbolic of the atrocities committed by the Soviet state.

Last All Souls' Day on October 30, partially in response to the discovery of the secret graves, 30,000 people packed a stadium in Minsk in a public gathering of informal Bielarusian political groups, many of which had been previously suppressed. The gathering had been sponsored by the local government and participants had been given the chance to speak on democratization of the political system, ecology, economic reform, and cultural development. After several hours, they adopted a series of resolutions, including one demanding an end to nuclear powerplant construction in Bielarus, which was contaminated by the 1986 Chernobyl disaster. Suddenly, this rally was violently and abruptly terminated by Soviet police. Many, including the author of the article that exposed the discovery of the gravesite, were arrested. Another subsequent rally sponsored by Talaka was forced to be held in Vilnius, Lithuania, because of the ban put into place in Minsk.

Last February 19, 50,000 were allowed to gather at the same stadium in Minsk for a rally sponsored by the Renewal Popular Front and the Confederation of Bielarusian Associations. This rally pursued a similar agenda to that of the previous gathering. The fact that this rally was permitted—and attended—by city officials is in itself an indication that the conservatively minded authorities in Moscow are reexaming their tactics, although nothing suggests that they have undergone a change of heart.

Recently, Mikhail Kukobaka was released from a Soviet political prison, where he had been tortured and held for more than a decade. There was no explanation for his detention, nor any for his release. Other discharged political prisoners tell similar stories.

At first glance, the fact that Talaka and other groups are permitted to pursue their agenda, prompted by the Moscow government's mood of glasnost, would seem significant. Upon closer inspection, however, it appears that little perestroika, or real meaningful change has taken place. Bielarusia cannot set its own self-determined course, and open political discourse is not allowed. General Secretary Gorbachev was quoted in Pravda as saying that those who desire Bielarusia's and the Baltic States' cultural, political, and economic secession from the Soviet Union are to be regarded as extremists pursuing an unconstitutional agenda.

I am completely committed to freedom, independence, and self-determination for Bielarusia. We must never forget the Bielarusian struggle. For, when we support the people of Bielarusia, we support the pursuance of freedom and liberty in the United States and everywhere. And, when we continue our support of Bielarusia, we know that one day freedom will come to Bielarusia.●

REFLECTIONS ON A VISIT TO ISRAEL

● Mr. ROCKEFELLER. Mr. President, few countries in the world receive as much media attention as does Israel. Unfortunately, however, news accounts cannot convey the unique qualities of this country. Seeing Israel and reading about it are two very different experiences.

I finally had the opportunity to see the country I had read so much about on an extended trip my family and I took to Israel in December. Rarely has a place touched me the way Israel did. The magic of Jerusalem, the beauty of the Galilee, the sorrow of Masada, the pain of Yad Vashem, the proximity of the borders—all come together in a country that is filled with the beauty and life of the present and the tragedy and greatness of the past. It is difficult to be neutral about Israel because of all the emotions it evokes—historical, political, religious, human.

History confronts you head-on everywhere you go in Israel. The remarkable continuity of that history is striking. The story of Masada takes on meaning in the context of 20th-century Israel. The understated simplicity and power of the Yad Vashem Memorial serves as a reminder to the entire world that such horror can never happen again.

The consciousness of the past is ever-present in Israel. How the world, even our great country, abandoned the Jews of Europe can never be forgotten. It finds its expression in the remarkable sense of pride and independence the average Israeli rightly feels in what they have created. One of the most moving nights of my trip was an evening spent on a kibbutz in the remotest part of the Galilee talking to a man in his seventies who recounted some of the nigtmares he experienced as a young man in Nurenberg and what the newly recreated State of Israel meant to someone like him and his remaining family.

One of the most striking things about visiting Israel is seeing up close just how frightfully small it is. Enemy borders are found literally everywhere you turn in Israel. Nowhere was that more graphic than in the Golan Heights. Standing at those Heights and looking down directly into Israel's agricultural heartland was an unforgettable experience. The strategic significance of the Golan Heights and parts of the West Bank is clear. The Judean Hills surrounding Jerusalem offer the perfect launching site for an invasion of the country, as has happened so often in the past. If Israel is ever to feel comfortable in peace, it must know that it is living within borders it feels are defensible. Israel does not expect to be loved by its neighbors; it does expect to live with neighbors who will not make peace today and change their minds tomorrow.

Despite the fact that the root of the Arab/Israeli conflict lies in the unwillingness of Arab States to recognize Israel's right to exist, the world's attention in recent months has been focused on the conflict between Israel and the Palestinians who live within the occupied territories. The 15-month-long Palestinian uprising, the Intifadah, is a tragic conflict which has brought great pain and trauma to both Israelis and Palestinians. In one sense, the uprising has hardened the views of the most intransigent on both sides and has exacerbated the hatred and mistrust that has built up over 20 years of Israeli occupation. In another sense, however, I believe that the Intifadah has shaken up the views of a majority of Israelis and Palestinians who are coming to realize that the status quo is unacceptable and the only way out is to sit down and negotiate a political solution to the problem.

The Israeli Government officials I met were all in agreement on the need to find a political solution to the problems of the uprising and the need to find someone with whom they can negotiate. I also met with a group of leading West Bank Palestinians at the home of the United States Consul General in Jerusalem. They were speaking words of moderation and conciliation that would not have been heard 15 months ago. Attitudes are changing, and with changes in attitude come changes in policies. I believe it critical for U.S. policymakers to do all that can be done to encourage the voices of moderation and negotiation, with the understanding that real changes will take time to express themselves in a region that has known little but war and conflict—and where suspicion is totally understandable.

It is also difficult to visit Israel without gaining a sense of the power of the religions that found their beginnings and evolved in the Holy Land. In one small piece of real estate inside the walls of Jerusalem, one can see the Western Wall of the Second Temple, one of the holiest Jewish religious sites; the Dome of the Rock where Mohammed was said to have ascended to heaven; and the Church of the Holy Sepulchre which is believed to be the site of the crucifixion and resurrection. Walking within that small area inside the walls, my family and I saw

priests, monks, rabbis, and nuns of every denomination from throughout the world, each living peaceably within their own section of that magnificent city.

Finally, the people of Israel defy description because they are so different. Each citizen came to Israel or was born to a family who came to Israel under very different circumstances. Everyone has a story to tell, most often a tragic one. The average 40-year-old Sabra, the Israeli born there, has served in three wars, has seen many friends and relatives die in war, now has to serve in the West Bank or Gaza for 60 days of each year, and has children who also must serve and start the cycle all over again. I look at my teenage children and compare the kind of experiences they will have at 18 with those that Israeli children are forced to confront. The reality of Israel's 41-year struggle for survival and stability was made very real and human to me through these personal encounters.

In these critical next few months, it will be particularly important for Israel to feel that the United States stands strongly behind it. I have always been a strong supporter of the United States-Israel relationship because it is so clear to me how advantageous and important that relationship is to basic United States interests in the region. Having now seen the country and learned so much more about it, I feel even more strongly the important role that Israel plays in advancing our interests. I feel the special nature of the bond between our two peoples. I feel the tremendous moral and historical commitment the United States has to ensuring Israel's continued strength and survival. I feel the excitement that comes from a new nation that has survived and prospered, despite all odds, and that will continue to do so because of the will and determination of its people and the unwavering support of its friends.●

TRIBUTE TO BARRY DUGAN

● Mr. LAUTENBERG. Mr. President, I rise to pay tribute to Barry Dugan, the grand marshal of the Bayonne St. Patrick's Day Parade. He is one of the individuals responsible for reviving the parade after 71 years in 1981.

Mr. Dugan has been a leader in the local Irish community since the late 1970's. Although he was born in the United States, his parents were originally from Ireland and spoke Gaelic. Mr. Dugan has always been fond of Irish music but he did not take an active interest in Irish culture until he was in his late teens.

While his son attended St. Peter's Prep, Mr. Dugan helped revitalize the school's Irish Culture Club. He encouraged his boyhood friend Brother Joe Griffin to teach Irish dancing to adults in the community.

Mr. Dugan has been actively involved in numerous organizations. He served as president of the Irish-American League for 3 years. Mr. Dugan was also a member of the County Donegal Men's 32 in Bayonne and the New Jersey Irish Festival Committee.

Currently the manager of accounting and budgets at AT&T in Morristown, Mr. Dugan has brought enthusiasm and leadership to many local Irish organizations. I applaud Mr. Dugan for his enthusiasm and spirit which help keep Irish traditions alive, and I congratulate him for being elected grand marshal of the Bayonne St. Patrick's Parade.●

VERMONT NATURAL RESOURCES COUNCIL

● Mr. LEAHY. Mr. President, I am proud to report that the Vermont Natural Resources Council, an environmental leader on many important issues facing the State of Vermont, has been named as the recipient of the National Wildlife Federation's Affiliate of the Year Award.

It has been my pleasure to work with such a dedicated group of people to ensure a healthy environment for future generations of Vermonters.

With their limited resources, the VNRC has had a formidable impact on almost every area of environmental policymaking.

The VNRC was an integral in the passage and implementation of a new, landmark planning bill passed by the Vermont Legislature last year. "Act 200" will go a long way to directing development in the State to conform to local and environmental considerations. It provides funding for development planning for small towns which are under intense development pressure. Because of the VNRC's lobbying efforts on this important legislation, the bill garnered enough support in the State legislature for passage.

An important growth management law which proceeded Act 200 in Vermont was also a product of VNRC involvement. Act 250 is another landmark statute which goes a long way to protect Vermont's natural resources. VNRC has since been the strongest voice in Vermont demanding compliance to this law.

The impact of the VNRC is felt well beyond the halls of the statehouse. The group sponsors annually a New England Environmental Law Conference and an Environmental Network Conference. These conferences bring together environmental leaders from all over New England and are helpful for disseminating information and ideas about environmental protection to all attendees.

In 1988, the VNRC established the Environmental Action Center, which advocates compliance with environmental laws in the State. The center also assists towns in addressing such issues as water pollution and waste management. VNRC will soon boast its own attorney to litigate on environmental matters in the State.

To list the successes of the VNRC would be an improbable task. On so many fronts, this dedicated group of people have made a difference on environmental issues where there would otherwise be no voice. Their work is very important to the people of Vermont. I am proud that the VNRC has received this well-deserved national recognition for the concerned, dedicated, and successful group that it is.

I ask that the full text of the National Wildlife Federation article be printed in the RECORD.

The article follows:

VNRC NAMED 1988 TOP AFFILIATE

(By Margaret Ruff)

The good guys have been winning a few rounds lately, and they've experienced phenomenal growth in the process. Standing firm against unchecked growth, the Vermont Natural Resources Council's recent record has included supporting bills to amend a state returnable beverage container bill; working to improve water quality classification procedures and sewage treatment facilities; and laboring to give increased authority to the state agency reviewing new energy projects.

Such actions, along with increased membership, an expanded staff, and work on educational activities in cooperation with other state conservation groups, has earned VNRC the National Wildlife Federation's 1988 Affiliate of the Year award.

The Council has a reputation as a good, solid group that works steadily towards its goals. Since its birth in 1964, VNRC has been a driving force behind growth management legislation in the state ("Act 250," a landmark law designed to control development density, was one result). With 4,500 associate members and 150 business and organization members (adding another 15,000 individuals to its roster), VNRC now has 3.5 percent of the state's population as members—the highest percentage of any NWF affiliate.

The Council has gone from a small office with few staffers to two offices with nine employees and assorted interns, and they will soon open a third. The Council will have a budget of $450,000 this year, due mostly to its phenomenal success in obtaining grant monies.

"VNRC has clearly reached a new plateau in Vermont in terms of its respect, influence and ability to get the job done," says former VNRC executive director Monty Fischer. "This has happened through hard work, a good board of directors and a tireless staff, coupled with some good luck and a clear mission." Fischer was held in such esteem statewide that he was hired away by newly elected Rep. Smith, R-Vt.

NWF's New England Regional Executive Warner Shedd concurs: "They're a great affiliate in every way, with a very motivated staff and a savvy board of directors."

The Council's series of successes was capped most recently by passage of a planning bill (Act 200) last spring in the face of strong opposition. Vermont is under siege

from incredible development pressures—which has prevented Vermonters with median incomes from affording their own homes. VNRC as the main lobbyist on this bill, which will complement and strengthen Act 250.

Under Act 200, a town may always choose not to develop a comprehensive planning program approved by a regional planning commission. But if it does so, that town would lose standing in any Act 250 regulatory proceeding—meaning, if any controversial Act 250 cases arise in that town, the case would automatically go to the regional planning council and the town cannot participate. Act 200 also provides funds to towns and regions for development planning in a state that desperately needs it.

The Council was also heavily involved in the fight for continued water quality of the Ottauquechee River in south central Vermont. The case has great potential impact for future water management in the area. VNRC joined with other environmental groups to prevent "downgrading" (increased allowable levels of contaminants) of the river's water quality for development interests. The first legal round has gone to VNRC. Supporters of downgrading are expected to appeal.

VNRC is also involved in a number of other activities. The Council helped sponsor the annual Environmental Law Conference and workshops at the New England Environmental Network Conference. VNRC was a sponsor of an environmental breakfast held for state legislators and officials, and VNRC was a co-sponsor of Vermont Rivers Month last June.

Much of VNRC's future activity will be made possible by grant funds received in 1988. The largest, a three-year grant totaling $275,000 from Boston's Jessie B. Cox Charitable Trust Fund, established the Environmental Action Center. The Center's mandate is ensuring implementation of environmental laws—many of which are new on Vermont's books, covering such issues as wetlands and solid waste. Enforcement and implementation of these laws have been lagging, and the Center will help citizens with local planning and pollution problems and with parts of the laws pertaining to individuals. The Center will soon hire a water and solid waste specialist.

The second three-year grant, from the John Merck Fund, started two projects: one is a project in conjunction with the Conservation Law Foundation (CLF) in Boston (an 8,000 member group of environmental lawyers). The CLF project loans a Foundation attorney to VNRC to litigate on Vermont issues. The second grant set up the Council's southern Vermont office, located in Manchester.

The new office concentrates on the four southern counties. The grant came in January 1988, the office was established in July and since September they have tackled such issues as the cutoff of public access to trails by development pressures and against the building of a luxury condominium complex in the midst of bear habitat.

Besides these major grants, a number of smaller grants have funded other projects: the Windham Fund contributed $2,000 to produce a citizen's guide to evironmental laws; Ben and Jerry's Fund gave a sum to establish a conservation commission composed of state environmental groups; the William Wharton Trust gave funds to update a guide on the Current Use Tax Coalition (a program set up for foresters and landowners where their land is taxed based on current use value, rather than its appraisal value); and a grant from an anonymous individual to set up a "1,000 Friends" network of lawyers to aid citizens litigating environmental suits.

"The Council has demonstrated once again that when an affiliate chooses the most important issue in its state, fosters a clear organizational aim and takes calculated risks, it will be successful," commented Larry Schweiger, NWF Vice President for Affiliate and Regional Programs. Given VNRC's commitment and direction, the future is looking very bright for NWF's 1988 Affiliate of the Year.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Ruth Cymber, a member of the staff of Senator GRAMM, to participate in a program in Taiwan, sponsored by the Chinese Culture University, from March 24 to 31, 1989.

The committee has determined that participation by Ms. Cymber in the program in Taiwan, at the expense of the Chinese Culture University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Haring, a member of the staff of Senator CONRAD, and Mrs. Haring to participate in a program in Taiwan, sponsored by the Chinese Culture University, from March 21 to April 2, 1989.

The committee has determined that participation by Mr. and Mrs. Haring in the program in Taiwan, at the expense of the Chinese Culture University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Kent H. Hughes, a member of the staff of Senator MITCHELL, to participate in a program in China, sponsored by the United States-Asia Institute, from March 18 to April 2, 1989.

The committee has determined that participation by Mr. Hughes in the program in China, at the expense of the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Marjorie Chorlins, a member of the staff of Senator DANFORTH, to participate in a program in Europe, sponsored by the Commission of the European Communities, from March 11 to 31, 1989.

The committee has determined that participation by Ms. Chorlins in the program in Europe, at the expense of the Commission of the European Communities, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. W. Lamar Smith, a member of the staff of Senator RIEGLE, to participate in a program in Japan, sponsored by the Japan-United States Friendship Commission, from March 21 to April 2.

The committee has determined that participation by Mr. Smith in the program in Japan, at the expense of the Japan-United States Friendship Commission, is in the interest of the Senate and the United States.

PUBLIC HOUSING AND DRUGS

● Mr. LAUTENBERG. Mr. President, over 3.5 million Americans call public housing home. All too often, these are the forgotten people. Poor and with limited opportunities, they have largely been ignored by government and hidden from the rest of society.

Yet these people—and the conditions in which they live—simply cannot be ignored any longer. Too many public housing projects have deteriorated into virtual war zones. Occupied by armies of drug dealers, their tenants live like prisoners of war, afraid to leave their apartments. For many residents, public housing is less a home than a living hell.

We in government have a commitment to these people. A commitment to provide decent, safe and sanitary housing. It's a commitment that, in too many cases, we're simply not meeting.

Last year I developed legislation to address this pressing problem. The Public Housing Drug Elimination Act of 1988 was signed into law as part of the omnibus drug bill. It establishes a competitive grant program to help public housing authorities and tenants fight drug related crime. Under the program, funding is provided for additional security personnel, physical improvements designed to enhance security, and other antidrug measures.

I am pleased to note that Secretary Kemp supports the program and has spoken out about the need for more funding. Unfortunately, the administration is not backing him up. At the same time Secretary Kemp is speaking about stopping drug pushers, the administration is pushing a budget that provides no funding for the antidrug program.

I urge the administration to commit funding for the Public Housing Drug Elimination Act. Money alone will not rid public housing of drugs. But rhetoric alone virtually guarantees a continuation of the violence and despair.

Mr. President, the Washington Post recently published a well-written editorial on the need for funding to fight drug related crime in public housing. I ask that a copy of the editorial be printed in the RECORD at this point.

The editorial follows:

[From the Washington Post, Mar. 27, 1989]

DRUGS AND PUBLIC HOUSING

"The Berg," a public housing project in the Old Town section of Alexandria, is not a famously violent or drug-ridden complex. Yet it was the scene, last week, of a shootout that left a police officer and a hostage-taker dead and another officer wounded. The hostage-taker, armed with a shotgun and demanding the drug "crack," entered a unit at the complex that was frequented by crack users. At Montana Terrace, a public housing complex in Northeast Washington, drug dealers have openly exerted control. During one 17-month period, there were 311 drug-related arrests at Montana Terrace.

In several cities throughout the nation, drug traffickers have pounced on discouraged and vulnerable public housing tenants. Now, U.S. Housing and Urban Development Secretary Jack Kemp has asked the 3,300 public housing authorities around the country to report on what they are doing to get rid of drug dealers and drug abusers. In his letter, Mr. Kemp said he would "assist you and law abiding residents in eliminating this plague from public housing."

One high-level HUD official told a reporter that HUD's role would be limited to "providing [public housing agencies] with the necessary procedures and moral support we can to assist them." But Mr. Kemp must be prepared to consider requests from some public housing directors for more funding to add security measures and to repair the type of deliberate damage that helps drug dealers ply their trade. For example, at some housing complexes in the District, the traffickers have removed doors and knocked down fences and lights to improve escape routes. In the February issue of The Atlantic, James Q. Wilson and George L. Kelling note that such unrepaired damage sends the message that the criminals control the area, not the tenants, project managers or police.

Other solutions, such as evicting the tenants of public housing units when someone in a family there is found to be selling drugs, raise more questions. But it is apparent that more can be done to make crime-ridden complexes safer for law abiding tenants.

In Chicago, crime in the Rockwell Gardens complex was reduced when metal grating was used to block off open areas, when locks were installed on building entrances and when photo identification cards were given to tenants. In the District, new public housing director Roland Turpin says that greater patrol presence at public housing projects, along with better organized tenants, can reduce drug problems.

Public housing tenants share the same aspirations of every neighborhood resident—that of living in a peaceful and secure environment. They deserve much more help in achieving that goal.●

NORWALK CHAMBER OF COMMERCE—100 YEARS

● Mr. DODD. Mr. President, I would like to pay tribute today to an institution that has been a mainstay in southeastern Connecticut for 100 years. The Greater Norwalk Chamber of Commerce is a vital community member for Norwalk and five neighboring towns, Darien, New Canaan, Weston, Westport, and Wilton. Its longstanding tradition of service and its outstanding record of membership diversity are recognized far and wide. Proof of the area's business and industrial success has come in many forms. In just the last year, a new jewel was added to the Norwalk crown: a maritime center with an aquarium and an advanced theater. In that case—as in so many others involving the region—the chamber was an instrumental force. I salute the current members of the Greater Norwalk Chamber of Commerce and all those who have helped make its 100-year history strong.●

RON GRAVETTE, A MAN OF HIGHEST VALUES AND CONSCIENCE

● Mr. DECONCINI. Mr. President, today I would like to commend to you and to this body the actions of a heroic citizen—Ron Gravette—a citizen who stood up for what he believed, and by doing so, defended the fundamental rights and beliefs upon which our Nation was founded.

There is a story behind Ron Gravette's action. Last July, Navy Capt. Will C. Rogers III, captain of the United States cruiser *Vincennes*, on duty in the Persian Gulf, mistook an Iranian civilian airliner for an attacking fighter and ordered that it be shot down in a defensive action. That mistake was a grave one which resulted in an enormous human tragedy. It would be easy to discuss a lot of "should haves'" in looking back on that incident, but hindsight is 20-20.

What I would like to discuss instead is the reponse terrorists took to that mistake. On March 10, Captain Rogers' wife, Sharon Rogers, narrowly escaped death when her van blew up about 5 minutes from a San Diego school where she was a highly esteemed teacher. That was no mistake. That was no accident. That was international terrorism—a deliberate effort to harm a civilian for national political reasons.

Sharon Rogers was a victim, and as a victim she deserved the support of her country and her community. Instead of support, Sharon Rogers was fired from her teaching position—a decision taken by the board of the La Jolla Country Day School under pressure from parents threatening to withdraw their children from the school if Sharon Rogers continued teaching there. We all have a desire and a responsibility to protect our children. That is a natural response. But there is an overriding issue here. If we give in to one act of terrorism, we only invite another.

Mr. President, when that school board arrived at its decision to dismiss Sharon Rogers, one member, Ron Gravette, resigned from the board rather than be party to a sanction he opposed. Mr. President, it is true that actions speak louder than words. The action taken by the board of the La Jolla Country Day School sends the wrong signal to terrorists. It tells them loud and clear that Americans will back down in the face of terrorist acts. But Ron Gravette added a PS to that message. Through his action, he told his community and his country and those responsible for this crime that there are responsible citizens who will not stand by and allow terrorist acts to invade our communities, who will not bow to terrorist threats, who will not be forced into completing a terrorist's dirty work by making adjustments out of fear.

Mr. President, I have known Ron Gravette for many years, and I know him to be a man of highest values and conscience. His resignation from the La Jolla Country Day School board is an example of the courage that is essential if we are to deter terrorism. Ron has placed his belief in freedom and fair play above concern for himself. His action was the correct one. He deserves our praise and our respect.●

COSPONSORING S. 590

● Mr. D'AMATO. Mr. President, I rise today to join several of my colleagues in cosponsoring S. 590, a bill to prohibit injunctive relief or damages against a judicial officer for acts taken in a judicial capacity. An identical proposal was introduced in the 100th Congress, but unfortunately was not considered.

This measure is long overdue. It would simply insulate judges from legal retribution for acts undertaken and decisions rendered in their judicial capacity. Specifically, the bill would preclude the granting of injunctive relief and the assessing of damages against judicial officers unless the acts complained of were in clear excess of such officer's jurisdiction or a declaratory decree was violated. Also, this act would assure that in cases where a judge is challenged in another proceeding such judge would not be liable for attorney's fees or court costs.

The need for this legislation should be self-evident. A independent judiciary is crucial to liberty and the well-being of our constitutional form of government. An effective, legitimate, and independent judiciary requires that its members be free from the threat of legal or other retaliation by

disgruntled litigants. Just as we Members of Congress require immuity from charges of libel and slander, so, too, judges require protection from suites challenging decisions made in good faith and in the execution of judicial duty.

Over the months, I have received numerous letters and telegrams from judges who paint a vivid picture of the difficulties faced daily by those on the front lines of justice. Indeed, they make clear that judges of all courts are increasingly the subject of groundless and vexatious litigation seeking exorbitant money damages and injunctions to prevent the proper exercise of constitutional duties.

Mr. President, let's not allow the independence and legitimacy of our judiciary to be whittled down. Let's act now to assure an independent judiciary. I urge my colleagues to support this measure.●

NATIONAL RECYCLING MONTH

● Mr. D'AMATO. Mr. President, I rise today as a cosponsor of Senate Joint Resolution 61 which recognizes April as "National Recycling Month."

The United States is currently generating approximately 160 million tons of solid waste each year. At this rate our country faces the prospect of being buried by our garbage in the near future. We must act now to prevent this from happening.

Storage of solid waste in landfills is currently the cheapest form of disposal, however, active landfills are declining rapidly. The EPA estimates that half of the Nation's 6,000 municipal landfills will close within 5 years. Added to this problem are environmental concerns associated with landfills, such as ground water contamination, surface water contamination, and methane gas generation.

Incineration is a principal alternative to landfilling. Incinerators are often referred to as waste-to-energy or resource recovery facilities because most of them burn garbage to produce either steam or electricity. However, incineration adds to toxic air pollution and ozone depletion, while also posing problems for the management of the residual ash.

Recycling solid waste is currently the safest and most efficient form of solid waste management. Recycling saves energy and conserves natural resources by reducing the use of raw materials. For every 10 percent of crushed glass added to a glass plant's furnace, for example, energy costs drop as much as 5 percent. For every ton of crushed glass used in the manufacturing process, up to 1.2 tons of raw materials are saved. Turning aluminum cans into new ones takes 95 percent less energy than refining new metal from raw bauxite. One ton of recycled aluminum saves 4 tons of the raw material. There are also substantial reductions in air and water pollution associated with recycling.

For these reasons, we need to increase our recycling efforts. Theoretically, all consumer discards are waste available for recycling. In 1986, about 11 percent of the municipal waste stream was recycled, and by some estimates, more than half of the solid waste generated could be economically recycled. This high rate, however, would require a complete transformation in the methods Americans used to store, collect, and handle solid waste.

It is my hope that during the month of April, Americans will recognize the benefits of recycling and will assist these efforts for the betterment of all.●

CREATIVE ALTRUISM AWARDS

● Mr. DURENBERGER. Mr. President, I recently attended the 1988 Temple Awards for Creative Altruism here in Washington. This was a very unique event that is not often found here in Washington among the bipartisan battles. These awards recognize that the best part or our existence is to be found in caring and sharing. Their definition of creative altruism is "unselfish service motivated by love."

In this city of hearings and debates, I think it is important to look at the nurturing side of this community. Therefore, Mr. President, I ask that the text of remarks made at the awards ceremony be printed in the RECORD.

The remarks follow:

PRESENTATION OF THE 1988 TEMPLE AWARDS FOR CREATIVE ALTRUISM

PAUL TEMPLE. Good evening and a heartfelt welcome to you all, including those who have recently joined us in the balcony! Thank you for attending this second annual dinner in honor of this year's recipients of the Temple Award for Creative Altruism. Welcome back to the many of you who participated in last year's dinner in the Caucus Room of the United States Senate. My wife and I have since heard many comments, that an event to honor altruism and love was unique among gatherings in this city. Here we are probably more used to the adversary system—confrontations, debates, trials—and the art of making the other guy wrong. How good, how appropriate that we should all come here tonight to pause . . . to recognize again that the best part of our existence is to be found in caring and sharing—in other words in "unselfish service motivated by love." And that is our definition of creative altruism: "Unselfish service motivated by love."

Our meeting coincides with another event tonight, only a few blocks from here, at the White House. President Reagan has just completed the last formal press conference of his administration. The main topic was reconciliation with the Soviet Union and his meeting with Soviet President Mikhail Gorbachev. During the last 24 hours we have all seen or read President Gorbachev's speech at the United Nations. His unprecedented proposals for partial unilateral disarmament arouse in us the hope that the concept of creative altruism may now be advancing from the level of the individual to the realm of international relations!

Yesterday, December 7, was the 47th anniversary of the attack on Pearl Harbor. Today is the anniversary of the day President Roosevelt asked Congress for a declaration of war against Japan—and the same day that Germany declared war against the United States.

Following the war, Americans replaced armed power with creative altruism. We adopted the Marshall plan and the Point Four Programs and eventually the Peace Corps. We rebuilt and aided the conquered enemies—Japan and Germany. As a result they are probably in a better economic situation today than our own country—and we wish them well as they continue policies dedicated to peace.

Although we could not have won World War Two without the courageous struggle of the Soviet Union, we and the Soviets later became bitter adversaries. After a long and wasteful cold war, a spirit of creative altruism is now re-emerging in both the United States and the Soviet Union.

Here, instead of congratulating ourselves on our generosity and compassion, let us recall how altruism started in America. It invokes the name of the very hotel we meet in tonight—the Mayflower, When the Pilgrims came to Massachusetts on the Mayflower they starved and died by the dozens. It was only when the American Indians taught them how to grow the unfamiliar foods of the new world that the Pilgrims' settlement survived. Our first Thanksgiving was then celebrated. So it was the Indians who taught us about creative altruism. And, sad to say, we did not always reciprocate their kindness.

Our President-elect, George Bush, has given us the theme for this evening. He has advocated "a kinder, gentler, America." Certainly this spirit of kindness and of gentleness and perhaps even of some self-sacrifice, is the spirit of altruism. So in realization of this, we can prepare for a more altruistic America. We must start by putting behind us the acrimony and divisiveness of our recent political campaign and George Bush is obviously trying to do this. We can come together for what we are—a united people living in the United States, that is a member of the United Nations, in a unity that requires mutual forgiveness, reconciliation, service, and in short, a spirit of altruism in our daily lives. Let this occasion be a small symbol of our renewed quest for unity—in the family, the community, the nation and throughout planet Earth.

Accordingly, we turn our attention now to the tragedy that has befallen the Soviet Union in Soviet Armenia and adjacent areas of the Transcaucasus. The devastation of the massive earthquake there caused President Gorbachev to cut short his visit to America and to leave today for home. As our hearts go out to the stricken victims we are reminded of the ironic fact that the United States presumably has nuclear warheads aimed at the Soviet Union—and the Soviet Union still has weapons of mass destruction targeted toward us. The two governments have taken steps to reduce the extent of this confrontation and its horrendous cost. But nature has now struck a blow with one of the most terrible earthquakes of modern times, I understand that perhaps 100,000 people have died and countless others are buried beneath the rubble of their homes. As advocates of creative altruism, I challenge myself—and I challenge

you—to respond in human and personal terms to the tragedy of fellow human beings in the Soviet Union. I ask you to join with me. Let us each and all make our separate contributions without delay for the rescue and relief of persons in the stricken area of Armenia. I believe that the contributions may be made through the Red Cross or some other appropriate agency.

Now I should like to say a few words about our dinner committee. The distinction and diversity that it represents are extraordinary, even by the standards of this often blase, sometimes jaded National Capital. On the committee, whose members are listed in tonight's program, are 5 persons involved in or with the performing arts, 4 from the literary world, 2 members of royal families, 6 American Senators and 3 Congressmen (from both parties and from all points of the American political compass). On the committee are 8 spiritual leaders representing the Jewish, Hindu, Buddhist and Moslem religions, as well as Catholic, Protestant and Russian Orthodox Christians . . . and probably some atheists and agnostics as well. There are 7 seniors diplomats, 3 active and 2 retired, plus 2 citizen diplomats. There is a senior public servant, 3 philanthropists, an anthropologist, 4 medical and psychiatric researchers, and a professional athlete, Charles Mann, the all-pro defensive end of the Redskins. I reckon that the committee members represent 4 races from 12 nations on 4 continents who speak 13 different native languages. All of them are on this committee to show their interest in altruism as a way of life, cutting across all cultures and human differences. By serving on this committee they have taken a public stand and are indeed all altruists of considerable distinction themselves! This committee demonstrates unquestionably the universal nature of altruism. We thank you all for your support.

Special appreciation and recognition, however, are due to the honorary chairman of this dinner committee, the Honorable Claiborne Pell, United States Senator from Rhode Island. His contributions to this country, and to his state, qualify him as a truly extraordinary public servant and as a statesman, a rare attribute in this day. Yet he is so self-effacing that many who are enjoying the benefits of Senator Pell's labors do not realize it. I therefore want to use this occasion to inform you of some highlights of his character and his public career.

Claiborne Pell graduated from Princeton University with honors in 1940. He then took a masters degree at Columbia University and served in the U.S. Coast Guard in World War II.

Senator Pell has the distinction of being the only Senator now in office who previously served as a Foreign Service Officer. He held posts in Czechoslovakia and Italy. He participated in the San Francisco conference that created the United Nations. Later, as Vice President of the International Rescue Committee, he directed Hungarian refugee activities in Austria following the Hungarian Revolution.

In 1960 Claiborne Pell decided to seek the Democratic nomination for the U.S. Senate. He became the first unendorsed candidate in Rhode Island's history to win a statewide primary. He was then elected by the largest plurality up to that time.

He has been reelected 4 times and now ranks 6th in senority in the Senate. Yet in all of his political battles he has never waged a campaign based on tearing down his opponent.

In 1965 Senator Pell was the principal Senate sponsor of a law establishing the National Endowment for the Arts and the National Endowment for the Humanities. On the Senate Foreign Relations Committee, of which he is now chairman, he was an early and outspoken opponent of U.S. military involvement in Vietnam. He has been a vigorous supporter of arms control agreements, including a mutual, verifiable nuclear freeze. This past year, he was floor manager in the Senate of the bill to approve the unprecedented Soviet-American treaty whereby both sides are destroying their middle range nuclear missiles. He has been cochairman of a group of Senate observers for any arms control negotiations between the U.S. and the Soviet Union. Thinking back to the time after World War II when the Senate refused to ratify President Woodrow Wilson's vision of the United States joining the League of Nations, I believe we owe a great deal to this modern day Senator who took the lead in achieving ratification of the Intermediate Nuclear Forces Treaty. Soviet Ambassador Yuri Dubinin, a member of our dinner committee, who is represented here tonight by Sergey Chetverikov, may agree with me.

Since 1980, when Senator Pell established the "Pell Grants" the financial barriers to higher education were reduced. Only yesterday it was announced in the press that Claiborne Pell was awarded the Harold W. McGraw, Jr. prize in education for 1988. Recently he has introduced a bill to establish a National Commission on Human Resources. This concept actually advances the human potential and links inner peace with world peace. These are only some of Claiborne Pell's contributions to American civilization and to world peace. Democrats and Republicans alike, please join me in honoring a great American and a true creative altruist, our dinner chairman this evening, the Honorable Claiborne Pell.

Now to the principal business of the evening: The Temple Awards for Creative Altruism. What was their origin? What is their purpose? I attempted to explain all this in November 1987 at the first presentation of these awards in the Senate Caucus Room. A copy of my remarks at that time, as reprinted in the Congressional Record of December 11, 1987, is available at your table. Thank you for referring to this material at your leisure and for allowing me to avoid repetition and redundancy.

In any case, altruism—like virtue in general—is its own reward, both for those who receive its benefits and for those who manifest it to others. In a sense we do not need to explain why we have gathered here tonight to honor altruism, and the several persons whose lives express this quality in an extraordinary degree.

Before the presentation of awards, however, I wish to recognize two exceptional altruists in the Washington, D.C. area. Perhaps some of you will be moved to get to know them better.

First, I would like to tell you about a gentleman who I met many years ago. One morning a friend invited me to an unusual and wonderful breakfast. I went along and was amazed at what I saw. The gentleman I shall present to you was presiding at a weekly Christian Fellowship breakfast in a downtown restaurant. About half of the 30 or so persons present had something unusual in common. They were ex-convicts and drug addicts, meeting together in the spirit of Christ, under this man's leadership. They had reformed and found new life together. Some of them were the so-called black buffers. These men patrolled the streets of this Capital to keep the peace for months after the 1968 riots that followed Martin Luther King's assassination. Whenever they found a tense racial situation developing, they moved in to help cool it. They had credibility with some of the toughest elements on the street because they had been a part of them. Thanks in part to the black buffers, the riots were never repeated. The gentleman who is here tonight encouraged them to organize.

This same gentleman had been a professor of sociology and statistics at Howard University. He was director of public housing in this city and a department head in the D.C. City Administration of Mayor Waler Washington. He has taken the lead in networking leading pastors and community service persons.

More recently, as this gentleman has continued to grow in his inner life and personal faith, he has worked on feeding the hungry—over 300 most mornings—at the Third Street Church of God. He has also dedicated himself to helping prison inmates. For the last several years, teams of inmates from Lorton Penitentiary have been rehabilitating themselves while on day leave, working as carpenters, painters, and manual laborers, renewing housing in some of the most run-down blocks of the inner city. In reference to prison furloughs the results of this project are the antithesis of the furlough issue that figured so predominantly in the recent national political campaign. Many other constructive programs have been conceived by the gentleman I have been talking about. Pro. John Staggers, will you and your gracious wife please stand since the two of you work as a team, so that we all know who you are and show our appreciation for your life and your work.

Now I wish to introduce a lady who to me exemplifies the spirit of Christ. Ten years ago she was at her professional peak as a high-ranking Federal employee and an accomplished computer analyst. Then she resigned form her professional status and considerable income to become a more direct instrument of God's work. Four years ago she started a prayer and care ministry for the homeless and those addicted to drugs in the Falls Church area of Virginia. She now attends 40 homeless families on a regular basis. She cooks for them, and provides food and clothing, prays with them, and helps find shelter and hospitalization. In short she treats the homeless with dignity and care and serves their urgent personal needs. She does so because of her belief that God will not let her do otherwise. She bases her life on the first letter of John, chapter 3, verse 18: "Dear children, let us not love with words or tongue, but with actions and in truth." Her vision is to inspire others to get involved with the poor and needy. She needs, and deserves, all the help she can get. Will the Reverend Jane Collinson please stand? Here is a lady who is loved incarnate.

So, as John Staggers and Jane Collinson illustrate so well, altruism is alive and well and living in the Washington, DC area.

Now, I should like to thank the selection committee members who, exercising great wisdom, and backed by some prayer, have selected this year's awardees. The names of this year's selection committee are in your programs. A number of them are directors of the Institute of Noetic Sciences, the organization through which these awards are presented. While expressing profound gratitude to all the jury, I would like to mention

the names of two men most responsible for the administration of the temple award: Wink Franklin, the executive vice president of the institute, and Tom Hurley who is in charge of the Altruistic Spirit Research Program. The arrangements for this evening's event have been made, under my wife's guidance, by Pamela Gilmore assisted by Katherine Francis. Will you all please stand.

I wish to acknowledge every one of you in this room tonight. It is your inspiration and fellowship that makes possible this whole undertaking. I salute you with the words of the poet, Wordsworth, who wrote that the best portion of a good person's life was his or her "little, nameless, unremembered acts of kindness and of love."

Now to introduce the first presenter: last year one of the temple awards was given to father Bruce Ritter, the founder of covenant house in New York City and eventually in a half dozen other cities in North America. Father Ritter was undergoing chemotherapy at the time so his reward was accepted by his friend and associate, the executive vice president of Covenant House, Dr. Steven Torquelson. In his acceptance remarks Steve painted such a powerful picture of their ministry that we invited him to return this year to introduce our first awardee, who also happen to be from New York City. First, in reference to Covenant House, however, I want to say that Father Ritter is feeling better again. They are continuing to do an extraordinary job of taking in street kids who have no other place to go and, wherever necessary, helping them to turn their lives around and to fulfill their potential in this life. I am delighted to be able to introduce to you again this year, Dr. Steven Torquelson.

STEVE TORQUELSON (Covenant House): It is always a joy to share food with those with whom you share values. Last year, Thomas Hurley, the Institute of Noetic Sciences, and Paul and Diane Temple honored Father Bruce Ritter and Covenant House for the work that we do with homeless street kids—kids for whom the parent is the street and the street is their only home.

Tonight you'll hear from people that take care of the same kind of kids that we care for. A lot of the kids we care for have been in from five to ten foster homes, and you'll hear about foster children from the Gaunts. Many of our kids, particularly in New York, are pregnant or have babies with them: we take care of about forty pregnant kids on average and thirty-five babies a night; you'll hear from Louise Summerhill about her incredible work at Birthright. Many of our kids are also HIV positive; more and more are getting AIDS; you'll hear from an incredible person who works with AIDS victims, Ganga Stone.

It is my honor to introduce Ganga Stone, founder of Gods Love, We Deliver. As I thought of remarks I wanted to make on this occasion, I thought of a couple of models of altruism, in particular, St. Francis of Assisi in the thirteenth century. I would like to remind you of what he said and of what Ganga does. Francis of Asissi said to us very simply, "Lord make us an instrument of your peace; where there is hatred, let us sow love; where there is despair, hope; darkness, light; where there is sadness, joy."

There is no feeling more desolate than to have AIDS, to be alone, to lose eighty pounds, to not be able to walk, not to shop and not to cook. Ganga Stone has seen the face of God and in less than three years has gone from bringing five meals a day with just a couple of staff to bringing daily over one hundred and twenty gourmet meals to homebound people with AIDS. Where there is sadness, joy. Wait until you hear from her * * * when she tells how she named her organization. She feels that God delivers, why can't we?

Francis of Assisi has also said to us, "Oh Divine Master, grant that I may not so much be consoled as to console; to be understood as to understand, to be loved as to love." Ganga Stone, when she started her program, was judged, stereotyped, analyzed and many times tested and left alone in the task she felt she had to do. She shows love in two major ways: one, in her vocabulary, that God is love and two, that also food is love. As Gandhi is reputed to have said, "To a starving man, God is a rice bowl". Can you imagine how God is known through a gourmet meal?

Third, Francis told us that it is in giving that we receive and that it is in dying that we are born to eternal life. Through her food, through her counseling, through her phone referrals and through the taping of the autobiographies of the people she works with, she is indeed helping to transition a whole group of people from one stage of life to another.

Finally, Francis of Assisi said to us at the end of his life, "Brothers and Sisters, while we have time, let us do good". Would you please join me in acknowledging the tremendous good that is being done by Gods Love, We Deliver, and by Ganga Stone, the president and founder: In recognition of the creative spirit of Altruism, love and compassion which informs your life and work, which inspires the spirit of caring and generosity in others, which provides a living model of the highest human attributes, and which underlines your significant contributions to human well-being and development, The Institute of Noetic Sciences is pleased to present the Temple Award for Creative Altruism to Ganga Stone.

GANGA STONE (God's Love, We Deliver): Thank you all so much. I'm sure you must realize that people such as myself, Louise Summerhill and Tom and Jean Gaunt hardly ever expect to find ourselves in situations like this one. I'm going to read some remarks that I've prepared for this evening, but before I begin I want to say how moved I am on behalf of the people who work with me and on behalf of the people whose predicament you dignify by the honoring of our organization and our work; the people, our clients whose humanity you proclaim by honoring us this evening. So of course, I am more than grateful for the unexpected honor of being named a recipient of this year's Temple Award and for the privilege of being able to address a few words to this distinguished gathering this evening.

I would like to share with you a letter from one of my clients; he says:

"DEAR FRIENDS: I've been intending to write this letter since December 7, 1987, the day I came home from the hospital to find a brown paper bag of beautiful, glorious food waiting for me.

"Back in the mid-70's, I was involved with a theatre group that was touring a production of medieval "miracle" or "mystery" plays from the English Wakefield cycle, and on one occasion, we performed outdoors to a very small audience (we were used to small audiences—medieval miracle plays don't have a massive following these days) in a town that was very close to the state mental hospital.

"In the audience was a woman who, it was apparent to us, had been released from the hospital in a community placement. She followed every word of the play so intensely, often changing her seat because she was so excited, and she carried with her a brown bag containing all her possessions.

"The actor who played Jesus delivered his line, the passage from Matthew 25 (31-46): "* * * for when I was hungry, you gave me food; when thirsty, you gave me drink; when I was a stranger, you took me into your home, when naked you clothed me; when I was ill you came to my help, when in prison you visited me * * *" (this was in a late Middle English dialect), and when the play was over, the woman with the brown paper bag went up to the actor who played Jesus, pulled a ham sandwich from her bag, and gave it to him.

"I confess that I think of you as the bag ladies from the Upper West Side, and I figure that, like that lady at the performance, you are all a bit crazy. Thank God. It's commonly surmised that if we sent all the saints for modern psychological evaluations, they too, would be judged to be crazy. This puts you in some pretty famous company, you know.

"When I came home from the hospital, my blood pressure was dangerously low, I had no body fat left to lose, I had no appetite at all, I was extremely weak, and I knew that dying was as likely an event as getting a telephone call or a letter in the mail. I could have stared at a can of tuna fish for hours, wondering whether it was worth the effort to try to open it.

"When I opened your brown paper bag, I couldn't believe what I saw, smelled . . . and tasted. This wasn't just food, certainly not in the definition of the hospital's food service department. This was something much more than mere food. It really was love, in solid, tangible form. I had always wondered about your name, "God's Love, We Deliver." Was it just a chance expression, a regionalism, something someone said once? The answer was in the food. This really is God's Love * * * delivered.

"It's difficult to express how strongly I feel that you literally saved my life. Every day, when eating seemed like the most impossible, and crucial, task in the world, your food was not just food. It was a message: "This is love. Take it in. It will heal you."

"Every time I opened one of your brown paper bags, I got the feeling that something wonderful flew out and filled the room. Sometimes it was a white dove that flew about and perched above the bed and watched over me. Sometimes, it was Walt Disney's birds, circling about with ribbons and garlands of flowers. On Christmas day, I believe a large chorus of angels emerged from your brown paper bag. There were about two thousand of them, with long white robes, huge gold-tipped wings and they sang Handel's Messiah, except that they skipped the dull parts and got right into the Hallelujah Chorus, with encores and a light show. They were accompanied by the organ from the space ship in "Close Encounters of the Third Kind." Rather crowded in my apartment, but what a great performance!

"I wish I could think of more extravagant praise for all you crazy, beautiful bag ladies (take that as a generic term that includes the men).

"I love you too.

"Sincerely,

"DAVID S."

After several months on our program, David got strong enough to go back to work.

The Lord we worship in our bag lady way is not remote, he is before us, as our clients, all the time. The connection between creative altruism and spirituality is simple and direct. The God we love presents himself to us tired, hungry, discouraged and weak. We see what Mother Teresa has called "Jesus, in all his distressing disguises" and with joy, we serve him a beautiful meal. If anyone asks us—and because of our name we do hear this—who is God?, we have to reply, who isn't?

I met Swami Muktanada in 1975. Whatever I know about the nature of love, or of God or of service, I learned from him. It was through his grace that this work was born, therefore with all my being, I thank him now.

We are open, and up and running here in Washington, DC. We have a wonderful coordinator, an ordained presbytarian minister whose ministry is officially to do Gods Love, We Deliver work here in the capitol. Her name is Carla Gorrel, and she's here this evening. We are now serving from six to ten clients daily; we get food donated from excellent Washington, DC restaurants—fourteen of them are participating—and we anticipate opening our Washington, DC kitchen at the Westminster Presbyterian Church early in 1989, as soon as Carla can mobilize the funding to staff and renovate the kitchen. So thats good news. There are people, very needy people here in DC, as I'm sure you all know.

I was meditating last night and I heard a few lines from a poem that I've loved for a long time. I hope that I've got it right. It's Gerard Manley Hopkins', "The Gradual God" and the last part of it is:

All things, counter, original, spare and strange
Whatever is fickle, freckled, who knows how
With sweet, sour, a dazzle dim
He fathers forth whose beauty is past change
Praise him.

Thank you very much, good night.

PAUL TEMPLE. Now I have an incomparable opportunity—and an awesome responsibility—to introduce my wife, Diane, who will make the next presentation. Diane will present the first award to be given to a person who is not a citizen of the United States. Now, what should I say about Diane aside from the fact that she is a wonderful wife, mother and friend? You already know that she was the cofounder of this award for creative altruism.

Diane is a graduate in history from the University of California at Berkeley. Up until the time of our marriage in 1981 Diane was vice president for administration of the Institute of Noetic Sciences. She is a gifted interior designer. She is talented and she is marvelous! And she is here.

DIANE TEMPLE. Paul and I are especially pleased to present this next award for a very personal reason. In the year since last year's awards dinner an altruistic God has given a wonderful baby girl to Paul and me. I can't think of a better way to begin my introduction of Louise Summerhill than to introduce our 6½ month old daughter, Paulina Temple, to you. This is Paulina and this is Jessica Moore, who is her very gifted governess.

Paulina was fortunate and I was fortunate because we had all the love, care and support we needed for her to be born healthy and perfect. But many, many women find themselves pregnant and without support. They have no place to turn to—no money, no family support, no moral support, no knowledge of the community resources that exist to help them. They are often young and unwed, feeling frightened, alone and desperate. This is the community of women in crisis that Louise Summerhill chose to help and uplift when she founded the nonprofit organization, Birthright, in Toronto, Canada, 20 years ago. Birthright exists to provide loving, non-judgmental practical support for the pregnant girl or woman who chooses to have her baby—who wants to have her baby, but needs assistance.

Today there are 630 Birthright Centers, all staffed by trained volunteers in the United States, Canada, and overseas. Any woman who finds herself pregnant can contact a Birthright Center and receive help, free of charge. Whether it's just a shoulder to cry on; empathy and encouragement; maternity clothes; or information about pregnancy, delivery and adoption services; Birthright is there to help her through what may be the most vulnerable and anguishing time of her life. In its 20 years of existence, Birthright has helped 3 million women and babies.

Louise Summerhill says: "Love means to care and serve and be responsible for other people, so that, as soon as we see anothe in distress, we immediately respond."

Louise is a very gentle, loving, non-judgmental person. Her life is rooted in a profound belief in God and Jesus' teaching that we are to "Love one another." Prayer and mediation are part of her daily life. For Louise, love means being in spiritual communion with one another. These qualities are the very heart of altruism.

She is the mother of 7 and grandmother of 13, and has always made sure her work does not interfere with being a loving wife and mother at home. Today several of her children have joined her work with Birthright, a measure of their respect for her.

In fact, Louise is one of those people who inspires everyone around her. Her warm and supportive way of being with women she counsels helps them rediscover their own inner reservoirs of strength and compassion, self-esteem and integrity. Friends describe her as "free of all aggression." In the atmosphere of peace that she creates, the true spirit of altruism can thrive—unselfish service motivated by love—a spirit that uplifts both those who give help and those who receive it.

Like the other award recipients tonight, Louise shows us all a kinder, more loving and gentle way to respond to one of life's more serious situations. She also demonstrates what an incredible difference a single person can make. Although Louise herself is a very petite person, she shows us that a woman never stands so high as when she reaches down to help a tiny child and an unwed mother.

We are honored to present the Temple Award for Creative Altruism to a woman whose love and altruism enriches all of us—Louise Summerhill.

LOUISE SUMMERHILL (Birthright): I really want to say first of all, how grateful I am to be here. I would never have dreamed that twenty years ago, when I started Birthright, something like this would ever happen; that it would be possible to receive this award and to meet such wonderful people. It's just wonderful. Thank you to the Institute of Noetic Sciences and to Paul and Diane Temple.

Twenty years ago when it was founded, Birthright seemed like an impossible dream. Today, with six hundred and fifty centers worldwide and with over a million and a half babies helped into the world, with over a million and a half mothers, it would seem that with God, all things are possible. It seems that God must hand-pick the people to do his work. I am a very ordinary person. For many years, I was a homemaker, a mother of a large family, with no organizational talent. When the idea came to me to start a pregnancy service—a distress center for pregnant women and girls—I had no intention of doing it myself. I expected that someone else, more capable than I, would take my idea and do the job. But time went by and today, twenty years later, I find myself still at the helm. I suppose it will be that way until the Lord takes me. My commitment to mothers and babies is a translation of my faith in God, the creator of life, who is the life that is shared by all and for all. For Jesus said, "I am the way, the truth, and the life."

I was able to see that there needs to be a greater understanding of the unwed mother. Why should a woman be left alone to bear a burden of self-recrimination and guilt? When a woman has problems that make it difficult, even impossible for her to bring her child into the world with joy and gladness, when problems arise beyond her capacity to solve, she should be able to trust in her community to surround and support her, and to provide the assistance she needs. Many women terminate their pregnancies while in the throes of mental depression. They need to be protected and supported so that they can give birth joyfully.

This is how it seemed to me twenty years ago. It was as though God was asking me to establish a crisis center for the pregnant and distressed, and that it was to be totally separate from all political groups. The first day we opened on October 15, 1968, we had women coming to us. Birthright brings love, and practical, emotional and psychological help to pregnant women in distress. In fact, for many women, Birthright gives a reason to live.

In Birthright, we recognize the need for positive action, by which I mean sacrifice and prayer. There is value in suffering for there is often much pain in our work. Around us there is conflict and diversity and turmoil but there is also hope and strength and peace as long as Christ lives in us and as long as we see Christ in others, for as he said, "When I was hungry, you gave me food and drink and shelter and clothing". This is what we in Birthright do.

This is what one member of Birthright wrote to me and I thought it was so beautiful, I want to read it to you:

"The phone rings, the door opens and as we listen to the story of strangers, Christ speaks to us, sometimes weeping. When we give them maternity and baby clothing, we clothe the naked Christ hanging on the cross in all his terrifying helplessness. When we arrange the shelter for a girl, or coach her during labor, we comfort Christ the king, who suffered for us. The food and drink we provide nourishes the Lord himself. Our shelter is the shelter of the son of God who had no place to lay his head. As Birthright people we are givers and we suffer, because there is never enough to give, not time, nothing, especially not of ourselves. But we are comforted because Christ is saying something to us now and forever. All of us can understand suffering because no one is without the experience of it. So when we offer to help the distressed, we should not be doing it from any kind of remote, detached perspective which cannot relate, for example, to the suffering of a

woman with a problem pregnancy. When we succeed, we have our source in the beautiful message of St. Paul to the Corinthians, chapter 13, "If we have not love, we are nothing." We are just nothing. We are just people trying to make others go along with our views. We are clanging cymbals."

Our service and our struggle means nothing except in the sharing of God's infinite love which holds us and keeps us so tenderly with our suffering sisters and brothers. Victor Frankel in *Mans Search for Meaning,* a book he wrote after being freed from a concentration camp, said, "For the first time in my life, I saw the truth, that love is the ultimate, and the highest goal to which man can aspire. The salvation of man is through love and in love." Dr. Albert Schwitzer once said, "Man must come forward to help each other, rekindling the spirit of humanity present in all of us." This, my friend is Birthright. Birthright is the essence of love. Thank you.

PAUL TEMPLE. And now, in parliamentary phraseology, the Chair recognizes the last presenter of the evening—the Honorable Paul Trible, United States Senator from the Commonwealth of Virginia. The good Senator has served the people of Virginia in the Congress of the United States for the last 12 years. This may be one of his last official acts since he did not stand for reelection last month in order to be able to spend more time with his lovely wife, Rosemary, and their two outstanding children. Paul Trible is of course a lawyer and has been active in the Senate, not only on legislative matters, but somewhat uniquely on spiritual affairs as well. He has been a pillar of the weekly prayer breakfast groups first in the House of Representatives and then in the Senate. According to one early poll he is also the man most likely to become the new Governor of Virginia in 1989! Paul, we are honored that you were willing to present the final award of the evening.

Senator PAUL TRIBLE. It's a great pleasure to introduce two very remarkable people whose love, generosity and caring know no bounds. In a world where we feel the plight of children; in a world where the average working father spends just nine minutes a day with his children, it's fitting that we celebrate the remarkable spirit and dedication of Tom and Jean Gaunt.

Tom and Jean live in Indianapolis. They have five children of their own. As a father to two young children, I can imagine what a handful that must be. The Gaunts are blessed with enough love to care for twenty times that number. In the last fifteen years they have provided a home for almost one hundred other children, most of them physically, mentally or emotionally handicapped. The Gaunts welcome these children from a variety of ethnic backgrounds, children for whom no one else seems to care. "There are foster homes for ordinary children," Jean says, "We wanted to help the ones who fall through the cracks; they are also God's children." Tom and Jean aim to empower these children for whom they care. Most of them are hurt, angry or abused when they come to the Gaunt's home. The key is helping the children develop a sense of self-worth, and instilling them with a knowledge of their love. Look at the children's faces in the Gaunt's family scrapbook and what you see is the joy of knowing that someone cares; the realization that they are someone special. "No one can take that from them," say the Gaunts, who know that their own lives have been enriched immeasurably by people who have taken the time to care.

Presently, there are ten children living in Tom and Jean's home. In addition to caring for these children, they also help other foster parents. Through their Rairden Resource Center for Foster Care, they provide adoption training and classes on active parenting in which they suggest constructive and creative ways to discipline children without undermining their self-esteem. "We all have the innate capacity to be altruistic," The Gaunts say. We can develop and nuture that capacity, but we also need strength and faith when we don't know how things will turn out. Strength and faith sometimes come after the fact, that's why we need the support of others. Sharing a lesson she learned early in her life, Jean says, "Family are those who care about you."

About two hundred years ago, America rushed so quickly to greatness, the French people were intrigued, and they sent a young journalist named Alexis d'Toqueville to answer the question, "What made America great?" In the last paragraph of the last page of his classic work, *Democracy in America,* d'Toqueville answered that question:

I searched for America's greatness in her matchless constitution. It was not there.
I searched for America's greatness in her halls of congress. It was not there.
I searched for America's greatness in her rich and fertile fields, in her teeming industrial potential. It was not there.
It was not until I went into the heartland of America that I found what made America great.
America is great because America is good. If America ever ceases to be good, America will cease to be great.

My friends, let me introduce to you two examples of the goodness and the greatness of America, Tom and Jean Gaunt:

TOM AND JEAN GAUNT, RAIRDEN RESOURCE CENTER

JEAN. On behalf of ourselves and the Rairden Resource Center, we thank the Institute of Noetic Sciences and Paul and Diane Temple for honoring us with this distinguished award. We will always remember the specialness of this award, as it came at an unusual time in our lives. We had just been through a house fire and were living in a hotel with thirteen children until the needed repairs could be done to our home. Nothing could have surprised us more.

People sometimes ask how could we do what we have done. How could we have done otherwise? First of all, as a couple, we have always found time to feed each other. We lighten each other's load by supporting each other, yet each of us has had a personal experience that we draw upon. For my husband, it was having the opportunity of spending his childhood summers growing up in the state park. He was able to live in the sanctuary of the great outdoors with many visitors allowing him many experiences to draw upon. For myself, it was a high point in my life when I, along with other college students, met an elderly woman from East Berlin. Here was a women who lost her husband in WWI, her sons in WWII and her church and home when the wall was erected, yet her faith remained strong. She left us with a question that still rings in my ears twenty years later, "Do you remember us?"

As a young couple with limited resources, Tom and I knew we were limited helping people in a country where barriers are so visible. Then we realized that there are barriers everywhere in our lives. There are people in our own back yard asking the question, "Do you remember us?"

TOM. As we met with some people from the Institute of Noetic Sciences in the last day, the question came up, "why do you do this?" Many people have tried to answer that for us. They either say there are stars in our crown and that they could not do what we have done or that we are crazy and should be investigated for exposing our children to the ills that other children will bring into our home.

I really appreciate the opportunity tonight, because I publically would like to answer that question, since I feel a real "family" sense of caring here this evening, in the sense that Senator Trible mentioned, as people who care.

There is a payback for us and I can't envision us doing this any other way than the way we have for the past fifteen years. Obviously, I think we're better parents. Having had the experience and pleasure of parenting nearly a hundred children besides our own has given us the opportunity to try different techniques and draw upon experiences of different types of behaviors that have come up in our home. Jean and I have averaged over two hundred fifty hours of training a year for the last several years, going to seminars and seeking out classes on our own so that we could be the best for the children that we have. There's no specialized program in our state to help train foster parents to provide the kind of services we provide. So on our own, we have sought those out.

Naturally, our children have benefitted as well. We've had children with very different ethnic backgrounds—black, korean, vietnamese, hispanic—from all walks of life. Each of those children has brought into our family an opportunity to experience those different cultures, and has helped us to be more understanding of those cultures and backgrounds.

Probably the biggest payback, as I've experienced it, is that it's enhanced our coupleness, Jean and myself. We could not do what we do if it weren't for the fact that we work hard at being the best support person that we can be for each other. I say to other people that we are the primary relationship and that the relationship with our children is secondary. We cannot begin to feed our children emotionally until we feed each other. So we draw upon that support from each other.

Obviously, having this number of children in our home has affected our birth children. I feel my children are stronger children for having had that experience. They have been exposed earlier in life to behaviors and experiences they may never have until later and they have learned to deal with them and are better prepared for life. We have one that graduated from high school this spring, is now out on her own and it's great and encouraging to see how she tackles life. Our children excel, and I don't think they would have achieved the levels that they have in a different environment. Our children excel in art, foreign languages, humanities, and are a real inspiration.

Last is the payback we get for "familyness". I saved this for last because it involves the children. I don't think we could have had the success we have had without the society we have created at home. We try to keep a balance of birth children and foster children, and we've created a peer society of ten to twelve children. We can orchestrate small successes, and its a positive

experience for the foster children. It helps to lift them out of their despair and anger. Our birth children are very much a part of that, and we couldn't accomplish that without them. They should be here with us as we give them a lot of credit for whatever successes we've experienced.

We have the opportunity to see these children that we take in bloom where they are planted; to be the most that they can be with what they are given to work with. We work with a lot of mentally handicapped children, emotionally handicapped children that will probably never be one hundred percent, but to see them grow in the atmosphere of love—now that, I think, is wonderful. The scriptures read by the other recipients reflect what Jean and I believe, especially the passages that state: "When you clothed me and when you fed me . . . when you have done this to the least of them, you have done it to me", because we do see Christ in each of the children that come to our home.

JEAN. In closing, we have much to learn from the past, yet much to look forward to in the future. Louis Armstrong, the singer and musician, sang a song that is a favorite in our family, "What a Wonderful World". In the song, there is a line referring to children knowing more than we'll ever learn. We have so much to learn about ourselves, our neighbors and our world. The Rairden Resource Center for Foster Care is bridging the gaps, and we look forward to building stronger and better bridges with teamwork, because you have remembered us. You have not just touched our lives, the lives of our children and other families; at a time when the negative publicity of the few sometimes overshadows the good of the many, it is imperative that an organization such as the Institute of Noetic Sciences helps put our world into perspective. We are grateful for the elderly woman from East Berlin who first touched our lives with the importance of remembering. We are deeply grateful to the Institute of Noetic Sciences for showing us how good it is to be remembered. God bless you all.

PAUL TEMPLE. That brings us to the close of the 1988 Temple Awards for creative altruism. You have seen the 4 awardees chosen from almost 200 nominations. Thank you again with all our hearts for attending—especially those of you who have come across the country or the ocean in order to be here. You have demonstrated your altruism. This has been a feast of the spirit. May God, as each of us understands him, now inspire us all to lead lives of greater altruism this coming year. May he show us how better to perform "unselfish service motivated by love." And may he inspire and bless our president-elect, George Bush, in his quest for a kinder and more gentle nation. Good night.●

SETON HALL'S PROUD RECORD

● Mr. BRADLEY. Mr. President, I would like to take this opportunity to share my thoughts on an issue and achievement that touches us all. It's not national security and it is not economic reform. I am not going to introduce a new bill. Mr. President, today I want to elaborate on one of those rare instances when a group of young people working together are able to inspire one another beyond their individual capacities and capture the ideals our country holds dearest.

Until today, the names of these student athletes and the school they represented were unknown to many. Individually, they are Greene and Morton; Gaze, Walker, and Ramos; Cooper, Avent, Volcy, and Katsikis; Wigington, Rembimbas, Long, Crowley, and Montesirin; and their teacher and leader, P.J. Carlesimo. Together, they are a unit whose talent and accomplishment is greater than the sum of its parts. They are the Seton Hall Pirates of South Orange, NJ, and on Monday night, in what was perhaps the most dramatic final chapter in any NCAA basketball tournament, they provided a lesson to all of us about the virtues of mettle, humility, and belief in one another.

Had you asked any expert or oddsmaker before the 1988-89 season which team was most likely to fare best, they probably would have referred to the Goliaths that traditionally top the rankings. Their names are household: Georgetown, Illinois, Duke, UNLV, and Indiana; they all seem to have made a habit out of dominating the NCAA final four. But monumental success is rarely logical or predictable; more often, it swells from the spirit and is only understood once it has gasped its last breath.

With this in mind, the players of Seton Hall, led by the skillful P.J. Carlesimo, set out to defy the odds. And defy they did. En route to their second NCAA tournament appearance ever, they compiled an impressive season record of 31-6, their only losses at the hands of "top ten" contenders. But even still, not many seemed concerned about the small Catholic school from New Jersey.

And so "The Hall," as its student body fondly refers to it, entered this year's NCAA tournament with the experts ready to dismiss them once again. The experts wrote these youngsters off: they were not big enough, they did not have enough championship experience, and they did not have a superstar who could single-handedly carry the day. The commentators failed to realize, however, that these very factors that had engendered the insatiable appetite, spirit, and teamwork of an unyielding underdog.

Seton Hall thrashed through the tournament, averaging a 15-point margin in each of their victories. In the process of doing so, they dealt two of the foremost perennial favorites—Indiana and UNLV—the worst defeats in their NCAA histories. In the semifinal game against Duke, Seton Hall was down by as much as 18 points. Led by the crisp drives and passes of Gerald Greene, the sharpshooting of John Morton, Daryll Walker, and Andrew Gaze, and the solid inside presence of Ramon Ramos, they finished on top by 17. Seton Hall had arrived.

The team walked onto the championship floor without a break in its step. They were poised, but so too was their opponent. Down by 12 midway through the second half, the Pirates climbed back in their traditional style—rung by rung. Playmakers Gerald Greene and John Morton mobilized the offense while defensive standouts Ramon Ramos and Daryll Walker came alive under the boards. With just seconds remaining in regular play, Morton whisked a cool three pointer to send the game into overtime; midway through the overtime period, Andrew Gaze did the same to put "The Hall" ahead. Just as it seemed as though the dream was complete, however, victory slipped away and the game was part of legend.

In short, Mr. President, on behalf of my constituents I would like to pay tribute to a true champion. Although they did not win the tournament on Monday night, they will remain forever a champion in our hearts and minds. For the Seton Hall Pirates have reminded us that the American ideals of resiliency, teamwork, and battling against the odds are alive and well.●

THE COMPETITIVENESS HOAX

● Mr. HEINZ. Mr. President, a recent thoughtful and provocative analysis by Don Bedell confronts us with the disaster that has been our trade policy over the last 15 years. In particular, Bedell dissects our continuing fascination with and reliance on macroeconomic theory—exchange rate adjustment in particular—to solve all our problems, an approach with a demonstrated record of failure.

Mr. Bedell does not rule out exchange rate management per se but calls for a more selective political approach, along with other actions that could best be described as more aggressive utilization of provisions of existing law.

Mr. Bedell's comments are in the context of what he refers to as "the competitiveness hoax"—our ongoing failure to define the term in a way that will produce real results. He reviews the history of our trade policy during the postwar period and finds us consistently offcourse in defining competitiveness in a way that works to our economic advantage, a mistake that has had serious economic consequences over the years.

As I indicated, this is a provocative analysis, which I suspect will cause some Senators discomfort. I have some reservations about it myself, but it is nevertheless an important piece of work as we all attempt to discover the key to competitiveness and some guidance in making trade policy for the future. I ask that the text of Mr. Be-

dell's article be printed at this point in the RECORD.

The article follows:

THE "COMPETITIVENESS" HOAX IN INTERNATIONAL TRADE

(By Donald W. Bedell)

Unlike the international trade policy hoax known as "free trade," the word "competitiveness," and its associated word "productivity," had significant meaning in the U.S. business community until the late 1960s.

To most businessmen, increased productivity was primarily a measure of management's ability to achieve greater output per hour through the purchase of improved equipment, development of more efficient manufacturing processes, and by upgrading employee skills. As productivity increased, so did competitiveness and profits.

Until the late 1950s, competition for American producers was largely furnished by other American manufacturers competing generally on the same level playing field. It was a simple concept, and there existed an understandable and realistic basis for performance comparison.

All that changed with the assault on American markets begun by nations recovering from the ravages and upset of World War II. Beginning in the early 1960s, U.S. producers were faced with fiercely aggressive foreign competition from low wage countries, state-owned companies and protected companies, as well as state-supported and subsidized companies. Unfortunately for U.S. producers the accounting for and reporting of financial results overseas often does not match the transparency required of U.S. companies thus making it difficult honestly to assess and compare operating results. In addition, many companies around the world publish no certifiable figures at all.

Each of these characteristics shielded large numbers of foreign manufacturers from any effective U.S. investigation into charges of illegal dumping of products into America. Further, these same characteristics prevented or made impossible the detection by U.S. authorities of unfair and illegal subsidy payments to foreign producers from their own governments.

From 1944 to 1973, it is important to recall that international exchange rates fluctuated within 1% of so-called par, and consequently were unaffected by trade imbalances. Fluctuations in the balance of payments were redressed by the purchase or sale of currencies at the national level. Individual U.S. companies were therefore spared the need to understand and finesse currency fluctuations on a weekly or monthly basis until after 1973.

In that year, the international "floating exchange rate" concept was developed and agreed to by the nations of the world. It was the essence of simplicity: (a) redress trade imbalances promptly among countries including export subsidies thus limiting the need for protective measures, (b) provide flexibility to design domestic monetary policies for employment and price stability matters so as to avoid their impact on balance of payments mis-alignment and, (c) finally help insulate countries from traumatic economic events in others.

It was a simple theory. Was it consistent with the known harsh realities of 6 centuries of international trade practice? No. On the contrary, any expectation in the U.S. that nationalistic countries with a clear record of contempt for international agreements would respect this understanding represented naivete at best and a careless regard for what's best for all Americans at worst. American governments since the 1960s pursued the wholly unwarranted conviction that nationalistically oriented nations voluntarily would cease to defend their borders against unwanted imports; discontinue dispensing effective subsidies for their exporters; abandon intervention in foreign exchange markets to their own advantage.

The result? Before two years had passed, by early 1975, evidence began to accumulate that virtually no change took place in past policies of U.S. trading partners. U.S. policymakers continued to ignore the qualitative impact of imports; capital goods and manufactured goods, as opposed to consumer goods, and consistently measured total dollars in computing trade balances without regard to the relative wealth-producing character of imports.

Commerce Department figures, presented in a following U.S. Trade Balance Table, show the almost lightning-fast impact of the foreign assault on the American market in terms of the trade deficit. A Commerce Department Census Bureau summary will then make clear that America's trading partners took dead aim on those products for U.S. markets at the very top of the wealth-producing sectors in order to build their broken economies, and, employing whatever policies achieved the desired results. The record also reveals that most macroeconomists were hoodwinked into accepting publicly the administrative value of such a wholly unnatural "hands-off" approach; that an untried economic theory could ever successfully become overnight an effective national policy.

The origin of the hoax, and scandal, of U.S. trade policy is here; that the U.S., virtually alone among the nations of the world, pretended that its trading partners were not invervening in exchange rates to their advantage, were not substituting nontariff measures for tariffs to keep out unneeded imports, and were not providing trade-distorting, and often illegal, export subsidies for their own benefit and at the expense of all other nations including America. It would also pretend that the world had accepted America's fundamental understanding of, and obedience to, the rule of law, and, would adopt similar measures and procedures to assure such conformance.[1]

All but forgotten in the day-to-day speeches and writings among academicians, economists and many politicians for 25 years has been explanations of how completely different is the organization of most U.S. trading partner governments and societies from America with respect to international trade. In Europe for 6 centuries, in modern Japan since Commodore Perry, and perpetually for the rest of the world, government authorized business cartels and government sponsored and supported monopolies have been their trademark.[2]

For 25 years much of the leadership of America pretended that political democracies of west Europe and Japan embraced the same entreprenurial spirit as in the U.S. Now there is a growing suspicion that many of the economic miracles of the past 30 years have had more to do with post-War restoration of ancient government/industry working partnerships than with individual dedication to perfection.

[1] U.S.I.T.C. Publication 1428, September 1983.

[2] "Wheels of Commerce," Fernand Braudel.

In the U.S. this realization may have been translated into Congressional pressure which led to USTR Yeutter filing a series of important Section 301 unfair trade petitions against various trading partners, and Secretary Baker convened the Plaza Summit, in New York to require Big 5 Finance Ministers to begin a co-ordinated dollar devaluation program. Only then was the Great American Pretense exposed for the empty policy it had been for 2 decades.

The U.S. Trade Balance summary below illustrates trade deficit damage caused both by the impact of increased imports, and, the continued federal government adherence to a bankrupt floating rate scheme. By 1987 these twin forces had allowed the deficit to soar to $160 billion! It also goes a long way toward explaining the uncertainty about future prospects U.S. businessmen began to face; a period of confusion not seen since the end of World War II. These new elements diluted the incentive for managements of all but the largest domestic companies to improve their international competitiveness, many of whom acquired facilities overseas.

[In millions of dollars]

Period	Merchandise		
	Exports	Imports	Net balance
1974	98,306	−103,811	−5,505
1975	107,088	−98,185	8,903
1976	114,745	−124,228	−9,483
1977	120,816	−151,907	−31,091
1978	142,054	−176,020	−33,966
1979	184,473	−212,028	−27,555
1980	224,269	−249,749	−25,480
1981	237,085	−265,063	−27,978
1982	211,198	−247,642	−36,444
1983	201,820	−268,900	−67,080
1984	219,900	−332,422	−112,522
1985	215,935	−338,083	−122,148
1986	223,969	−368,516	−144,547
1987	249,570	−409,850	−160,280

Source: Department of Commerce, Bureau of Economic Analysis.

Though much of America's industrial community was alarmed by the nature of the flow of imports beginning in the late 1960s, the federal government was clearly oblivious to the accelerating import growth, and, to the burdens placed on domestic producers. Yet, no specific policy was adopted which aimed at punishing manufacturers or causing them to suffer because they were thought to be inefficient; or to move overseas. No policy was delineated that sought to cause hardship to hundreds of communities around the country because of manufacturing layoffs and plant closings.

Without any conscious decision to effect change, the presumption is that continued adherence to the floating exchange rate idea, together with the operation of mytical international "free market forces," would ultimately redress the imbalance of imports. Yet, no public prediction is on record setting a time or condition which would cause a change in course.

There was not even any enunciated policy which held that, even though the floating rate was a failure, consumers were getting what they had always deserved; cheaper imported products. Once those cheaper consumer products expanded swiftly in the 1970s, however, the political leadership appeared content to trade off growing consumer demands for the consideration of any predictable new balance between manufacturing and consumption. Without any stated vision of what the country's future might become then policies on taxes, de-

fense and social benefits, for example, have no foundation on which to test their adequacy or their purpose.

There were actions taken, but Congress and the Executive Branch efforts to "tighten" the language of the trade acts of 1962, 1974 and 1979 failed in one of their principal objectives. There was no authorization to establish any effective administrative Quick Response mechanism capable of dealing with import surges and unfair trade practices of U.S. trading partners. Reliance was placed instead on tidying up ineffective statutory provisions of old statutes, and preserving the same Executive Branch decision-making procedures which yielded little in the way of resolving pressing trade problems.

In an effort to raise the level of exports, all administrations from 1960 onward adopted a variety of "incentive" programs, the Export Trading Company Act and a series of Commerce Department networking initiatives for example, but which were wholly inadequate as measured by export performance. At the same time disincentives were added like the Foreign Corrupt Practices Act and export curbs on technological and products considered by some to be dangerous to the consumers of importing countries.

The major test of domestic competitiveness in the international markets, in the early 1960s, would have been effective achievement of eliminating barriers to the imports of U.S. products. Since those overseas barriers were immense in every commercial sector of every trading partner, the presumption must be that U.S. competition was regarded by many partners, as too tough to meet if freer access was achieved. The weight of evidence for 25 years makes clear that efforts to use the power of the U.S. to reach such a position were not adequate. What was achieved was in no way proportionate to the opportunities that existed.

What was the result of the 25 year foreign predatory assault on the U.S. market which tore apart huge chunks of America's light and heavy manufacturing industry?

1. MANUFACTURED GOODS

Imports of finished goods, as a percentage of total imports, rose form 34% in 1960 to 56% in 1970 and, if semi-finished goods are included, the total soars to 74%. By 1980 it rose again to 84% and then began to shrink in 1985. Meanwhile the total dollars soared to $260 billion annually replacing billions of dollars in sales of domestic products with imported products.

2. CAPITAL GOODS

This category held its own until the early 1970s due largely to the multi-year pipeline needed to bring engineering, manufacturing, installation and in situ inspection to a successful conclusion. Yet the assault was underway. Imports figures multiplied 7.5 times in the 1970s to nearly $4 billion. By 1980 the number grew to $25 billion. In that same year this segment still posted exports sufficient to provide a $43 billion surplus. But within only four years, the surplus plummeted to $15 billion by 1984.

3. HIGH TECHNOLOGY GOODS

This sector enjoyed high growth through the 1960s and 1970s, and by 1980 enjoyed a trade surplus of some $27 billion. By 1985 that number had shrunk to a surplus of just $2 billion!

4. CONSUMER GOODS

By 1970 imports of this segment had risen from $2 billion in 1960 to $7.2 billion. In 1980 a sufficient excess of imports over exports was achieved to cause an $18 billion deficit which by 1984 reached an incredible $42 billion, or 100 times that of 25 years earlier!

5. AUTOMOTIVE

From a modest $650 million in 1960, auto and spare parts imports escalated 12 times to $6 billion by 1970. By 1980 the assault made the import number $16 billion; by 1985 it was up to $36 billion, causing a deficit in this sector of $34 billion. In just 25 years this sector's imports had exploded 3,400%.[3]

What was the wreckage when the numbers are totaled?

Combined, the Capital Goods, Technology, Consumer Goods and Automotive sectors accounted for 20% of total U.S. imports in 1960, some $3.1 or $15 billion. In 1970, the percentage had exploded 500% to $17.3 billion or 43% of a total of $40 billion. By 1985 the number had risen to 60% of total imports of manufactured goods, or some $138 billion. In that same year, 50% of America's trade deficit flowed directly from those four segments of the economy.

By 1985, few U.S. officials expressed public concern that American producers had lost hundreds of billions of dollars in sales in the domestic market to imports over the past 15 years. Moreover, these same officials remained unimpressed that domestic producers' share of foreign markets for light and heavy manufactured products had plummeted. For 15 years the U.S. government opted for blindly supporting an untested floating exchange rate theory on a massive scale accepted trade deficit growth without developing a strategic and alternative fallback position.

What was the impact on the labor force? More than 10 million tenured blue collar workers lost their jobs between 1979 and 1986 and 10 million workers of all types lose their jobs in the period between 1983 and 1988, according to the Department of Labor! Such massive re-structuring is unmatched by any western European country and in Japan, Taiwan and Korea manufacturing employment soared.

What were most economists writing and saying? All through the 1970s they playing their macro-economic tune which continued to cling to the dream of the ultimate vindication of the fading floating exchange rate theory. Despite complaints from across the country about plant closings and layoffs, such "short term" human consequences were typically regarded as unimportant because the floating exchange rate system would some day overcome. Macro thinking did begin to shift in the late 1970s to the savings/investment imbalance and a new focus began on the link between trade and budget deficits, but no policy manifestation has followed. For the theoreticians there was no "short term" consequence that required a change in trade policy!

So great was the commitment by academics, economists and some politicians to the exchange rate theory to redress trade imbalances that increased emphasis was placed on assuring American public and decision-makers that U.S. international "competitiveness" would be restored once the exchange rate mechanism kicked in. As late as 1977-1978, for example, one such effort included Treasury Department testimony before the Joint Economic Committee "demonstrating" that America's international market share overall was improving and that its international competitiveness remained sound. No recognition of the breadth of the trend leading to a disaster for heavy industry was noted. Despite repeated warnings from industry leaders that the nation faced a crisis and that further trouble lay ahead no significant policy changes were evident.

To others, improving competitiveness meant piling new laws on top of old ones to "tighten" up traditional legal language, and to "send a signal" to our trading partners that America intends to be tough in the future.

To still others, current reference by commercial leaders to the need to improve U.S. competitiveness constitutes a smokescreen to cover any effort to adopt so-called "protectionist" measures, e.g., higher import quotas and more restrictive Voluntary Restraint Agreements.

Further, the New York Stock Exchange hired an University of Maryland academic team in 1979 to prove that America was in fact still competitive, that the floating exchange rate would redress trade imbalances and that "protectionism" should be resisted at all cost.

On another occasion in 1978 a Commerce Department spokesman testified before the Joint Economic Committee of the Congress that the Department's index of producers export price relative to exchange rate demonstrated that world market share held by U.S. producers was acceptable. He suggested no concern by the Congress was warranted. A parade of economists before all willing Committees of the Congress supported the policy of "stay the course;" the floating rate will redress the trade imbalance.

As late as the end of 1978 a Treasury Department official actually predicted that 1979 would witness the expected deficit turnaround. All the while the trade deficit continued to grow. Such a conclusion revealed a simple lack of understanding of the world of international commerce and finance swirling around him.

As perhaps an alternative to total reliance on exchange rate functioning, former Under Secretary of Commerce Robert Herzstein declared in the New York Times of January 21, 1987 that improved competitiveness in America should be a grass-roots phenomenon and would result in the removal of thousands of federal, state and local statutes which hamstring industry. While this program has great merit tackling that task should have begun 20 years earlier. Even so the expectation of solid results would not be high.

What was the corporate domestic response to this growing crisis?

The principal response of boards of directors of large companies was to move major chunks of America's great industrial base overseas, an option not open to most U.S. companies. For those remaining, corporate leadership suffered growing financial losses and began the long and wrenching process of "re-structuring."

Amid the growing challenges to business leadership beginning in the early 1970s, a rising cacaphony of derision and scorn from economists, academics, politicians and consumer leaders was directed at corporate leaders for their inability to cope within this newly competitive arena. Workers were reviled and ridiculed for being fat cats and lazy.

Traditional and confirmed critics of business leadership developed new and imaginative public explanations. They assured

[3] N.A.M. and Bureau of Census.

Americans that industry had become uncompetitive and deserved to be punished for perpetuating inefficiency. An unfavorable balance of trade, or payments, was surely a proper cause for concern, but not determined action; cheaper imported products, however devastating the impact on domestic industry, were nonetheless good for consumers and would force industry to become "lean and mean."

But what was the role of the American public? Until the early 1970s their general reaction as consumers was one of satisfaction that an increasing number of cheaper products were becoming available. But they were not players in these high stakes foreign trade game until late in the 1970s and early 1980s when layoffs and plant closings were in the news.

It is important to recall that foreign commerce made up only a very small percentage of the U.S. economy both before and immediately after World War II. After a very dynamic wartime industrial experience, the U.S. public slipped back into its historic laissez-faire approach to world affairs soon after 1945. Citizens broadly showed little interest to encourage its government to assume more than minimum responsibility for world economic and political leadership.

Americans did not recognize the rapid emergency of a large number of tough and aggressive economic powers working very hard to recover from war's devastation until well into the 1970s. Inside this retreat to a fantasy world the environment of stability and consistency in which businesses and workers alike are the most productive showed signs of unravelling in the early 1960s. The U.S. (a) denied the need for federal fiscal restraint, (b) allowed foreign countries to bar U.S. exports on a grand scale and (c) welcomed massive amounts of foreign goods of all types under all conditions. The void caused by the devastation of America's industrial might in just 25 years has been filled by many others determined to share, or pre-empt, world economic and political leadership once the special role of the U.S.

How far have we strayed from the simple definition of competitiveness which applied to the U.S. 25 years ago? So far that the term no longer has any understandable meaning. It has been defined, re-defined, compromised and strung out. It has been used by economists of all types, and academicians, to trick others into believing as genuine something that is false. There exists no "free trade" policy, no "free market forces," no "level playing field." There is no room for Adam Smith's dream world.

Competitiveness is no longer some economic reality. The effort to portray competitiveness as a fundamental economic equation by which producers can be accurately measured and compared is a bona fide hoax.

Competitiveness of companies in developed and developing countries alike is what their governments make it.

It's little wonder that these displays of clumsy dissembling by many and muddleheaded analyses by others, in the public and in the private sector, are further evidence of the emptiness of contemporary thinking about international trade. It has never been a secret that the U.S. has had the economic resources, the market power, and the legal foundation to ensure the competitiveness of its domestic companies in the world's marketplace; tough, optional administrative policy weapons have long been available.

What was lacking? Political Courage. Had the leadership of any administration since 1972 perceived correctly the trauma American industry was undergoing, and had it had the political will to act, such simple boldness could have preserved most of the light and heavy industry in the U.S.; it is now in the process of being returned by the exercise of the very same political will whose previous failure had allowed it to flee!

In place of fruitless esoteric, discordant and rambling discussions about competitiveness, policy-makers could have benefitted from a consistent and balanced use of the three most effective remedies long available to the federal government to maintain U.S. international trade on a predictably steady course in the long term.

The first remedy is to continue bi-laterally and multi-laterally negotiated trade agreements, import quotas and Voluntary Restraint Agreements, containing value/volume indicies. These are effective and selective weapons, sector-by-sector, as in autos, steel, TVs, semi-conductors and leather goods. The need for them should be apparent in order to balance a powerful industrial complex with the interests of consumers and the service sectors. While some may abhor any suggestion of federal guidance surely one must admit that such a modest approach is preferable to permitting our trading partners to decide which U.S. industries are to be devastated in order to suit foreign country objectives.

The second remedy is Section 301 of the 1974 Trade Act as amended by the 1979 Trade Agreements Act, and the Omnibus Trade and Competitiveness Act of 1988. This section is generally accepted as the broadest authority given any President to retaliate, after appropriate investigation, against a specific country when he finds its trade practices interfere with, or unfairly burden, U.S. commerce. It has been available for use to restrain the excess of goods many countries shipped into the U.S. during the most crucial 14 years of the country's economic history.

The last three administrations generally chose to ignore it, opting for "national interest" State Department rationales despite an unprecedented emasculation of U.S. industrial complex and the rise in the trade deficit. Not until September, 1985 did the U.S. Trade Representative take effective action on a broad scale, and only then certifiably to defuse Congressional pressure to enact a tougher trade law.

The third remedy, or weapon, is the most effective tool for achieving stability, when wisely used. Intervention in foreign exchange rates, especially in concert with other powerful nations, has more influence on overall competitiveness than any other remedy. Properly managed, minor fluctuations can increase economic stability. To lose control on the valuation of any country's currency in the world's trading arena, followed by an abrupt reversal, causes wholly indefensible decisions to be made affecting investments, corporate operations, employees, and domestic communities.

For example, Secretary Baker's Big 5 New York meeting in September of 1985 epitomizes one massive effort to regain control of the dollar's international value and demonstrates how effective control of exchange rates makes it the ultimate competitiveness weapon. It is, however, an indiscriminate and unselective remedy, reminiscent of historic "beggar-thy-neighbor" actions. But deevaluation works. In relation to complaints from U.S. trading partners, we should listen to them, and remind them of their own trade history. The U.S. continues to be the largest world market and the most accessible.

Some monetarists still cling to the notion that "free market forces" alone were at work in the fall of 1985 to force down the dollar's value, presumably because it has dropped by 10% by that time. According to the Federal Reserve Board such an FRB induced reduction of 40%, in the case of Japan, during the one and a half years following Secretary Baker's Plaza Summit meeting was consistent with the "rules of the game" as played by the Big 7's central bankers. The evidence is simply overwhelming that it was political pressure from the political leadership of the Congress and the Treasury of the largest consuming trading entity in the world that was the key force which caused the U.S. dollar to fall in value to its present levels.

Had that same political will been exercised in the U.S. beginning in the mid-1970s, limits on exchange rate fluctuations could have preserved for the U.S. its powerful industrial base, just as the control employed by the European Monetary System (EMS) that forced the EC-12 to re-structure some of its heavy industry without sending it abroad. Perhaps the EMS (or Snake as it is known colloquially) should be a model for U.S. international exchange rate management. A start has been made with the Big 7 coordinating summit meetings, although it won't be easy; but rates must be stabilized in some definable measure to ensure economically consistent long term business investments.

Clearly continued use of the word "competitiveness" to suggest that the burden rests solely with commerce and industry is an insidious deception. At the same time, use of the word to define the obligation of the U.S. to use its power to establish the international foundation and competitiveness of its domestic clarifies the government's responsibility. To state the case otherwise simply screens the lack of political will to forge a trade policy balanced between producers and consumers so that the creation of wealth can be much more rapid than has been the case during the past 25 years.

As part of the process America must "kick the habit" of slavish obedience to the likelihood that the GATT can ever fulfill its theoretical role as an arbiter of trade disputes. It must also discard its historic narrow interpretation of the vague rules of international law as it applies to its own conduct; a special kind of "mea culpa" for assuming guilt for the trading transgressions of other nations. A national leadership decision must at last be made specifying in detail what it wants from world commerce—then a determined effort must be set in motion to achieve these goals within the general framework of international comity.

The numbers would be arrived at in part by national debate, followed by publication of basic commercial sector goals at frequent periods. At the least, such a process will offer Americans detailed information about future prospects and targets. At best, it would make investment and employment forecasting and decision-making in both the private and public sectors more accurate and make negotiations with American tradeing partners more realistic and pragmatic.

Perhaps the most effective administrative procedure to follow would be to establish a federal budget for international trade, 3, 5, and 10 years out complete with projected

goals and controls, sector by sector. The bargaining stance of the U.S. must become far tougher; unrelenting exposure of illegal subsidies combined with stiff and persistent attack on barriers to U.S. exports combined to help create specific formula for rewards and punishment. It can best regain leadership of the trading world by insisting on consistent adherence to responsible liberalization of international trade.

The traditional definition of manufacturing competitiveness by the 1960s had been turned on its head. By the 1970s major devastation of basic U.S. industry was under way. At the end of the 1980s a less economically powerful America faces its greatest leadership challenge; to organize the power and resources of America to regain its international economic leadership position beginning with the 21st century.

The legal means, the marketing position, and the facilities have been in place for a generation. Now is the time to employ them vigorously and imaginatively.●

HONORING HIS EMINENCE ARCHBISHOP IAKOVOS

● Mr. BRADLEY. Mr. President, I would like to express my admiration for a man who is known and respected by many of us here in Congress, His Eminence Archbishop Iakovos. On April 1, His Eminence celebrated his 30th anniversary as primate of the Greek Orthodox Archdiocese of North and South America.

His Eminence has, for over three decades, faithfully served the Greek Orthodox Archdiocese and the Greek-American community. His Eminence has also worked tirelessly for human and civil rights, marching with Dr. Martin Luther King, Jr. in Selma, AL and lobbying Congressmen for passage of the Civil Rights Act. In 1980, His Eminence received from President Carter the Nation's highest civilian award, the Presidential Medal of Freedom. His Eminence has also been honored by over 35 universities, as well as nations and world leaders.

I take great pride in having this opportunity to honor His Eminence Archbishop Iakovos.●

ASSAULT WEAPON CONTROL ACT OF 1989

● Mr. KERRY. Mr. President, our Nation is supposedly in the midst of a war on drugs, but from the looks of things it appears that the war is somewhat one-sided. In our Nation's streets, drug pushers and gang members used deadly battleground weapons to murder anyone who gets in their way—and that includes police and narcotics agents. Simply stated our law enforcement officers are being outmaneuvered and outgunned.

The days when criminals used the "Saturday Night Special" or the Colt revolver are long gone. Today, semiautomatic weaponry is the criminals' choice: the AK-47, the Uzi, and the Street Sweeper have shifted the balance of power away from law enforcement agents in favor of the criminal. As our Nation grapples with the problems of drug abuse, we must ask ourselves, "How can we expect to win the war if we continue to permit the arming of the enemy?"

In the United States, it is very simple to obtain an assault weapon. One need only enter one of the many sporting goods stores in this country selling semiautomatic weapons, fill out a Federal firearms form and pay the going price—anywhere from $250 to $400—to obtain an AK-47, an Uzi, a Street Sweeper or any of the many other versions of these deadly weapons. No background check or official clearance is required. That is exactly what Patrick Edward Purdy did last year in Oregon when he bought his AK-47, which he later used in January to kill 5 children and wound 29 others in the brutal Stockton, CA, schoolyard massacre.

Recognizing the dangers associated with the proliferation of deadly assault weapons and their lack of utility within our society, the Bush administration has imposed a temporary ban on the importation of semiautomatic weapons. At least for the time being, this makes it more difficult to obtain foreign manufactured semiautomatic assault weapons. Even the NRA has withheld major criticism of this action. Semiautomatic assault weapons are known to have no hunting or sporting utility. In fact, according to a recent CBS News poll, 73 percent of Americans say they want to see the ownership, sale, and manufacture of assault weapons banned nationwide. In a recent Boston Globe poll, 78 percent of those responding believed that the action taken by the Bush administration to ban imports of semiautomatic weapons was about right or did not go far enough. In short, the American people want to see these weapons of destruction banned.

Today, it is estimated that about 500,000 military-type semiautomatics are in existence in the United States. Since the first of January, the Bureau of Alcohol, Tobacco and Firearms has received requests to import from abroad nearly 14,000 such weapons. In 1988, 44,000 weapons were imported, up from only 4,000 in 1986. Such a steep increase in the importation of semiautomatics has had catastrophic effects on American society.

The presence of semiautomatic assault weapons in the United States has turned our city neighborhoods into war zones. In the District of Columbia this year alone, over 115 people have been murdered. Just the other day a police officer was murdered during a raid on a crack house in Alexandria, VA, just outside of Washington. Many of these murders within the District and about the country are drug related and many are committed by criminals carrying semiautomatic weapons. Officials in Los Angeles County have imposed a ban on semiautomatics by making it a misdemeanor to sell or own such a weapon there. Law enforcement officials across America realize that now is the time to restrict access to semiautomatic assault weapons. Even the manufacturers are having second thoughts about the utility of semiautomatic asault weapons in American society. Because of recent concerns over the misuse of semiautomatic weaponry, Colt Industries has decided to discontinue the sale and manufacture of the AR-15's it produces.

To provide treatment for the increasing numbers of people victimized by military assault weapons, city hospitals have had to adopt wartime medical techniques used in Vietnam. Whoever said that "Guns don't kill people," wasn't familiar with the AK-47, the Uzi, or the Street Sweeper. Because the wounds inflicted by these weapons are so much more severe than those inflicted by other types of guns, assault weapon victims require special medical techniques developed in the field hospitals of Southeast Asia. The cost of treating such patients, many of whom are indigent and many of whom die, place great strains on our national health care resources. The annual cost of treating gunshot wounds nationwide is estimated at $1 billion, with 85 percent of it derived from taxpayers funds.

I support the Assault Weapons Control Act of 1989 introduced by Mr. METZENBAUM. This bill makes it unlawful for any person to possess or engage in any transaction involving semiautomatic assault weapons or the appropriate ammunition for such weapons. Any person legally owning such a weapon would be required to register it with the proper authorities. The Secretary of the Treasury, in consultation with the Attorney General, would designate which guns, in addition to those specified by the act, are to be embraced by the act. Strict sentencing would be imposed for any person who uses or carries an assault weapon while committing a crime of violence or a drug trafficking crime. Finally, the act specifically defines what is to be considered an assault weapon, limiting the scope of the act to the most heinous of weapons legally in circulation at this time.

The Assault Weapon Control Act of 1989 is necessary to halt the spreading use of dangerous assault weapons in America. While the recent action taken by the Bush administration to temporarily halt imports of semiautomatic weapons is a necessary first step, further action must be taken to better monitor those who can be eligible to buy assault weapons, further restrictions must be placed on the manufacturing of semiautomatics, and stricter

sentencing must be imposed upon those who commit crimes with semi-automatic assault weapons. President Bush has even stated that "We are in different times now, and I am convinced that reasonable men and women can work together to find an answer to the problem of these automatic weapons."

Drugs and crime go hand in hand. A comprehensive strategy is needed to resolve both the drug problem and the crime problem in this country. We need to increase our interdiction of drugs. We need to treat addicts and to educate America's youth of the hazards of drug abuse. And we need to increase our law enforcement capabilities. Our Nation can only tackle the problem of drug abuse more effectively by restoring the balance of force in favor of law enforcement.

If we are to win the war on drugs it is important that we take measures to ensure that we do not allow the criminal to be better armed than our law enforcement agents. If we are to take seriously our commitment to ending the violence plaguing our city streets, we must eliminate the weapons relied upon by felons. I urge my colleagues to take the important step to curb drug related violence by joining in support of the Assault Weapon Control Act of 1989.●

THE LIFE OF THE LATE PAUL M. BATOR.

● Mr. HUMPHREY. Mr. President, recently, America lost one of its brightest legal minds, a man of supreme personal and professional integrity and principle—Paul M. Bator.

Professor Bator, who was the John P. Wilson Professor at the University of Chicago Law School, died February 24, 1989, after a long illness. Despite his relatively young age, 59, Professor Bator had amassed an impressive record as a lawyer, legal scholar and educator, Supreme Court advocate, and public servant.

Professor Bator was born in Budapest in 1929 and came to America when he was 10 years old. He was graduated from Princeton in 1951 summa cum laude and class valedictorian. He earned a master's degree in history from Harvard University and went on to get a law degree from Harvard Law School where he was editor of the Law Review and was graduated summa cum laude. He also clerked for U.S. Supreme Court Justice John M. Harlan in 1956-57 before going into private practice in New York.

In 1959, he joined the faculty of Harvard Law School and became a full professor in 1962 and taught there until 1982.

While there, Professor Bator wrote one of the most important articles on the use of Federal habeas corpus in the Harvard Law Review, "Finality in Criminal Law and Habeas Corpus for State Prisoners." Professor Bator examined the circumstances under which the habeas corpus jurisdiction of the Federal courts should be used to redetermine the merits of Federal questions decided in State court proceedings. He argued that the use of Federal habeas corpus was appropriate in challenging the decisional processes used by State courts but not their results. The bottom line of the article was that there has to be some point at which all judicial proceedings end, and that Federal habeas corpus has been misused to prevent that from happening in State court cases. Since it was written, it has been cited many times in opinions from the high court.

Professor Bator also was an expert on the Federal courts and constitutional law. He was coauthor of the second and third editions in 1973 and 1988 of "Federal Courts and the Federal System," a leading text on Federal jurisdiction. According to one colleague of Professor Bator, "It is more than a textbook. It is a treatise."

Harvard was Professor Bator's home until 1982 when he took a leave to serve President Ronald Reagan and his country as Deputy Solicitor General in the Justice Department. He argued and won eight cases before the Supreme Court and wrote the briefs for many more during his tenure before being made counsel to the Solicitor General. The cases he argued and won included Hishon versus King & Spalding, holding that the civil rights statutes protect women associates at law firms; Grove City College versus Bell, narrowly construing the provisions of title IX of the Civil Rights Act—a decision subsequently reversed by Congress; Watt versus Community for Creative Non-Violence, establishing that the Constitution does not guarantee the homeless the right to camp in the memorial parks of Washington, DC; and Regan versus Wald, upholding the validity of currency restrictions imposed on travelers to Cuba.

Professor Bator was nominated for the Federal bench in 1984, but was forced to withdraw his name due to cardiac illness. He returned to Harvard but in 1986 left to join the faculty at the University of Chicago Law School. While there he was also counsel to the law firm of Mayer, Platt, & Brown, and engaged in an active appellate practice. His most recent Supreme Court appearance was on October 4, 1988, for the U.S. Sentencing Commission, in a case challenging the constitutional validity of the Commission and the sentencing guidelines that the Congress instructed it to design. On January 18, 1989, the Supreme Court upheld the Commission's position—and upheld the act of Congress that established the Commission. That decision was a victory for the Commission, for Congress, and for the superb appellate advocate who presented the persuasive argument.

His departure from Harvard for Chicago caused quite a stir in legal academic circles. He left, in part, because of disagreement over the critical legal studies movement there. For those who do not know what the "crits" are all about, a brief description: It is a small radical movement in the law that argues that the laws, and even the Constitution, are simply tools that dominant factions in society use to oppress others. But even this bizarre notion was not what drove Professor Bator away. It was, instead its anti-intellectual nature and subversive political tendencies that caused its disciples to try and take over power at the law school and to block appointments to the faculty of those who disagreed with their theories. A true advocate of intellectual and academic freedom, Professor Bator was not opposed to the critical legal studies adherents' explorations in the law, but instead their attempts to preclude all others. He left Harvard, therefore, to find intellectual freedom; that's truly the mark of an intellectual in the best sense of the word.

As for his own philosophy, Professor Bator was an adherent to the principle of judicial restraint which he learned from one of the great practitioners, the second Justice Harlan, for whom he clerked. When the great Justice died in 1971, Professor Bator praised Harlan's "faithfulness to law 'in the largest sense—the sense that makes democracy possible.' He was 'one of those rare public men for whom democratic faith meant fidelity to the whole law, every day and not every other day, fidelity not only to those rules which define other people's power but also those which limited his own.' "

The young clerk learned well, for now, after his own passing, the same could be said about Professor Bator. He would have made a fine judge and as a member of the Judiciary Committee I would have been honored to support his confirmation in 1984 had he not been forced to withdraw for health reasons.

Professor Bator also believed that the original intent of the Framers should be earnestly sought and heeded wherever it could fairly be discerned. In a 1986 interview in Chicago Lawyer, Professor Bator was asked:

Is the extrapolation of the orginal intent of the Framers of the Constitution the proper antidote to judicial activism?

The following excerpt from his answer, I think, explains precisely why original meaning is so important in interpreting the Constitution and why he was such a powerful force in the law.

The art of interpretation—interpretation that is animated by fidelity to the law—is a difficult one and a creative one. It is not completely unlike one of musical interpretation. We think that it would be absolutely ridiculous if somebody said that a pianist could take a Beethoven sonata and then could play any note he wants to because Beethoven's intentions have nothing to do with it. I agree with many who feel that the style of a very free-wheeling subjective decision-making policy had gone way too far. It is a good thing that there is a call for a more disciplined, objective, and restrained judicial style.

Mr. President, Professor Bator gave a much longer and even more eloquent exposition of his judicial philosophy at the investiture of Judge Kenneth W. Starr to the U.S. Court of Appeals for the D.C. Circuit in 1983. I will ask that an excerpt from that speech be included in the RECORD at the conclusion of my remarks.

My personal contact with Professor Bator came during the hearings on the nomination of Judge Robert Bork to the U.S. Supreme Court. Professor Bator came to testify on behalf of Judge Bork. His words were clear and simple. They cut through the hysteria of the time and set out the dangerous precedent the Senate was creating:

The practice of converting the confirmation process to a plebescite based on constitutional philosophy seems to me mistaken.

Unfortunately, a majority of my colleagues did not heed Professor Bator's warnings.

To testify on behalf of Judge Bork entailed a certain amount of risk. It has been not quite 2 years since his nomination, but my colleagues no doubt still remember the hysteria that plagued this place and the legal community. Clearly it would have been easier for Professor Bator not to testify, as some of Judge Bork's former colleagues chose to do.

But Professor Bator felt strongly about the role law professors played in the Bork confirmation battle. He worried about the difference they made in the fight, and felt that they lent an aura of respectability to the opposition when, in fact, their opposition to Judge Bork's legal philosophy was anti-intellectual.

Indeed he incisively noted that in his testimony:

What has been characteristic about the attack on Judge Bork, it seems to me, is precisely that a single (and highly controversial) theory of constitutional interpretation has been put forward as the only legitimate one, and all those who disagree with it read out of the mainstream. And, of course, it is particularly ironic that those who are now so cheerfully and aggressively encouraging the Senate to impose this narrow orthodoxy are persons who, on other days, never tire of flaunting their special fervor about the first amendment.

To step forward and be counted in the firestorm was an act of friendship, but to be sure it was proof of a conviction to principle, intellectual and academic freedom.

Men and women like Paul Bator are rare. Students and professors alike should look and learn from his example of rigourous intellectual honesty. And even though I did not know him well, I mourn his passing as should the country.

I ask that the excerpt to which I referred be printed in the RECORD.

The excerpt follows:

EXCERPT FROM THE ADDRESS OF PROF. PAUL BATOR AT THE INVESTITURE OF JUDGE KENNETH W. STARR TO THE U.S. COURT OF THE APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT, OCTOBER, 25, 1983

It is commonplace that we give our federal judges enormous power. That gift exacts a countervailing expectation: we ask a lot of them. More precisely, we want them to do two sorts of things, both hard.

We want them to be bold, to be fearless in exercising the power they legitimately possess, to rule without timidity where the law requires them to rule, and damn the consequences.

But we ask another thing, too, one that may be harder. We ask that they be scrupulous not to rule, not to act, to leave the exercise of power to others, where the law does not justify intervention. This is harder because the exercise of power tends to become addictive. It is harder, too, because in the case of the judge, the rule of nonintervention is hardly at all policed. A strong array of institutions and practices stands guard to ensure that the legislature and the executive do not unconstitutionally usurp power not belonging to them. But on the question of the power of the judges, the judges themselves decide; they are, in that sense, constantly judges of their own cause.

Now, to say that the judge must speak fearlessly where the law entrusts him to speak but remain silent where the law forbids his intervention does not solve the hard question: how do you tell when the law demands the one or the other? Shelley's Adonais asks: "Of what scene are we the actors, of what the spectators?" To intervene everywhere is bad; never to intervene is bad; is there a concept of the judge's role that solves—or, more accurately, dissolves—the antinomy?

I suggests this one: the question of when intervention is legitimate is itself a question of interpretation, and requires the judge to remind himself that his great, his demanding, his deep task is the art of interpretation. To interpret is to understand and to transmit, with sympathetic discernment, enterprises, and purposes not of your own making but of others' making, as these are embodied in the authoritative texts.

I know it sounds corny to say that the judge is an interpreter. We have even invented an ugly new word to disparge the concept; we say this judge is merely an interpretevist. But we should really reject the disparagement. Properly understood, the task of interpretation is a rich and noble one, but the less so because, like all decent tasks, it is subject to internal moral constraints.

In another talk, I once drew a parallel that I want to draw on today, too. There is a sister art in which we denominate some practitioners interpreters, the art of music. Among musicians, to be an interpreter is not thought to be a second-rate matter. If someone had said to Toscanini, you are a mere interpretevist because you don't feel free to work your will on what Beethoven has written, he would have thought you crazy. Just so, the judges must remember, they did not write the music and are not free to work their will on it; the text and its associated materials have an integrity that you must come to with respect, in a spirit of obedience. Toscanini often said, I am the servant of music. So this is our injunction to you, Ken—and it is the hardest one: remember you have been called forth, to be not the master of men, but the servant of the law.

I should say that I am aware that my analogy has its small troublesome features. You may think it a bit odd that the judge who is asked to interpret the Federal Free-Roaming Wild Horses and Burros Act or the Egg Research and Consumer Information Act of 1974 is like Horowitz interpreting Chopin. But remember that in music, too, the modern text is often intricate and may at first glance seem incoherent. And in the law, too, we do have our majestic and beautiful texts. So indulge me for one more moment in my metaphor, for it has another use.

In music, as in law, the great artist knows that to interpret well it is not enough to play all the notes; you must understand the music and hear with an inner ear how it is meant to sound. George Bernard Shaw once wrote to Mrs. Patrick Campbell: "When playing Shakespeare, don't worry about the character; go for the music. If you get the music of poetry right, the whole thing will come right." So in law, the fine judge will have an inner ear for the music, the true meaning, of the text, an ability to transcend personal biases and preference in order to understand how it was meant to go.

The greatest praise a musician can give another is to say, your playing is musical. He hears and understands and transmits how it was meant to sound. This is the highest praise because to be musical is an ethical as well as an aesthetic act. Now the analogue of the musical musician is the lawful judge. And so our greatest praise for a judge is to say: he is a lawful judge; he hears and understands and transmits how the law was meant to be. The antinomies of judicial restraint and boldness are, in the end, dissolved by the ethical and intellectual commitment to the task of being a lawful judge.●

TRIBUTE TO DELTA STATE UNIVERSITY LADY STATESMEN

● Mr. COCHRAN. Mr. President, as we conclude another season of collegiate basketball around the country, I am proud to salute a team from my State of Mississippi for winning a national championship.

The Delta State University Lady Statesmen recently completed an outstanding season by winning the NCAA Division II National Championship. In the title game played in Cleveland, MS, on the Delta State campus, the Lady Statesmen defeated Cal Poly Pomona 88–58. This decisive victory was particularly noteworthy, not only because it was the biggest margin of victory in division II championship history, but also because Cal Poly has won 3 national championships itself and is led by the coach with the most

victories in division II women's basketball.

To reach the championship game, Delta State scored a 94-73 victory over Central Missouri State in the semifinals. Earlier, in the quarter-finals, Delta State defeated the University of the District of Columbia 85-53 to advance to the final four. The team's NCAA South Region Championship victories were over Albany State and Jacksonville State.

During the 1988-89 season, the Lady Statesmen achieved an impressive record of 30 wins and 4 losses, including victories over five division I teams. Head Coach Lloyd Clark led his team to its fourth straight Gulf South Conference Tournament title and fourth consecutive invitation to the NCAA postseason tournament.

Mr. President, national championships are nothing new for Delta State. The Lady Statesmen of another era, 1975-77, won three consecutive Association of Intercollegiate Athletics for Women national titles. Among the university's many athletic successes over the years, the strength of its women's basketball program has certainly become recognized throughout the Nation.

The 1988-89 Delta State University Lady Statesmen have demonstrated their dominance of division II with an unparalleled finish. They have earned the title of national champions. I congratulate each team member, Coach Lloyd Clark, Delta State University President Kent Wyatt, and all the friends and supporters of Delta State for bringing the coveted championship trophy back to Mississippi.●

INDIA TAKES NEW STEPS TOWARD THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

● Mr. McCAIN. Mr. President, the New York Times ran an article yesterday that is a grim warning to this body. It described the steps that India is taking to develop a new IRBM. This missile is called the Agni, and it has a range of up to 1,500 miles. The Agni clearly is only useful as a nuclear weapons delivery system. It lacks the accuracy to be effective with conventional, biological, or nuclear weapons.

I believe that this Indian test is a clear warning that we must act as quickly as we can on the Dole and Pell bills in order to take immediate steps to slow the proliferation of weapons of mass destruction. I have cosponsored these bills because they are a vital start toward the kind of fight against proliferation that I feel is absolutely vital if we are to avoid having a new arms race in the Third World replace the current arms race between East and West.

THE ACCELERATING RACE TO ACQUIRE WEAPONS OF MASS DESTRUCTION WITHIN THE THIRD WORLD

This new Indian test is also important, however, for several other reasons. First, it is yet another warning of the fact that the proliferation of weapons of mass destruction is continuing regardless of the Non-Proliferation Treaty, the various treaties and protocols on chemical and biological weapons, and the recent Paris Conference.

For all the talk of taking steps to halt the new arms race within the Third World, the list of nations actively involved in developing and stockpiling weapons of mass destruction seems to grow longer every day. India and Pakistan should be moving toward peace, but they are instead forging instruments that may lead to their mutual destruction. Iraq, Iran, Libya, and Syria—as well as some of our closest friends in the Middle East—are either developing the capability to mass produce chemical and biological weapons, or are actively producing and stockpiling them. Nations as diverse as Argentina, Brazil, and the People's Republic of China are actively involved in developing or selling missiles with no purpose other than the delivery of weapons of mass destruction.

The message is clear. We do not have time for rhetoric and declaration of good intentions. We need to act quickly and decisively to go beyond international meetings and agreements and create the kind of legislation that will serve as a real barrier to proliferation.

THE NEED TO DEAL WITH ALL THE CAUSES OF PROLIFERATION

Second, the Indian development is important because it symbolizes the fact that we cannot deal with the proliferation of weapons of mass destruction on a piecemeal basis. We must deal with all the key factors that affect the race toward genocide. This includes the development and manufacture of chemical and biological weapons, the development and manufacture of nuclear weapons, and the development and manufacture of delivery systems: particularly long-range strike aircraft and missiles.

We need to accept the fact that efforts to deal with only one part of the problem are virtually certain to fail. Nations that do not have nuclear weapons are not going to halt the development and production of chemical and biological weapons if their rivals and enemies have nuclear systems. Nations that lack airpower will not halt the acquisition, development, or production of missiles. Regardless of treaties and agreements, no nation involved in a local race involving weapons of mass destruction will really halt its weapons and delivery system efforts because of international treaties or agreements unless its covert efforts are publicly exposed and there is a clear source of pressure on both that nation and its rivals so halt such covert action.

We also need to accept the fact that legislation that only deals with the actual use of such weapons can at best be a stopgap measure. Twice this century, the world has been thrust into global wars that killed tens of millions of people for reasons that in retrospect were totally irrational. Since 1945, there have literally been more than a hundred wars between nations whose leaders initially claimed they only acquired weapons and armed forces as a means of deterrence or as symbols of nationhood. Some of these wars have killed millions of people, although they used only relatively primitive weapons systems.

If out of sight is allowed to become out of mind, new millions will die. If repeating the arms race between East and West somehow becomes the test of nationhood in the Third World, it is virtually certain that we will see chemical, biological, and nuclear weapons delivered against the populations of Third World states. It is also virtually certain that terms like low intensity combat will be replaced with ones like irrational genocidal destruction.

No nation should be allowed to seek parity in repeating the arms race between the superpowers. We and the U.S.S.R. may be emerging out of the long twilight of the nuclear arms race, but this is scarcely an indication that other nations can follow this path without plunging into the heart of darkness. The current level of deterrence and stability in the arms race between East and West has only been achieved after crises that sometimes threatened our very existence, and after spending trillions of dollars that developing nations simply do not have.

We need to firmly come to grips with the fact that we must show our threats to use public exposure and economic sanctions against user and seller states have real teeth. We must come to grips with the fact that any form of advanced development and deployment are as much of a threat as actual use, and we must come to grips with the fact that we must firmly link the fight against the proliferation of chemical and biological weapons, nuclear weapons, and specialized delivery systems—particularly long-range missiles.

THE NEED TO FACE THE HYPOCRISY OF MANY SELLER AND USER NATIONS

Third, the Indian effort to develop an IRBM symbolizes the fact that we can expect lipservice and hypocrisy, instead of action, unless we both expose the full nature of the covert efforts in Third World states and apply suitable sanctions. We are told that the Indians are deliberately announcing their missile development effort to

test international reactions. In short, they are trying to determine whether they can proliferate without coming to any political or economic harm.

Treaties and international agreements are not scraps of paper unless nations chose to make them such. The unfortunate fact, however, is that nations will choose to make them scraps of paper unless far more powerful pressures are brought to bear to stop them. Nations like India will disguise their nuclear weapons efforts, nations like Libya will call their chemical weapons plants anything but what they are, and nations like Argentina will call their MRBM's sound rockets. Seller nations and firms will deny their sales, and deny their knowledge of the true use of what they sell. We may succeed in forcing other States to hide their proliferation, but we will not stop tht proliferation, unless we cut through the illusion and expose the reality.

THE NEED TO END THE HYPOCRISY IN OUR OWN ACTIONS

Finally, the Indian missile effort is a warning that we must end the hypocrisy in our own actions. We cannot simultaneously fight proliferation and ignore it whenever it is politically convenient. We cannot simply watch such actions and continue to talk about aid and technology transfer. In the case of nations like India and Pakistan, the time has come when we must seriously consider publicly and systematically exposing every detail of the activities of each state to the world, and applying the kind of sanctions that would both end all foreign aid and credits and create major barriers to trade and technology transfer.

We must be equally ruthlessly firm in dealing with seller states and companies. For example, we cannot simply ignore the gap between the People's Republic of China's statements about halting missile sales and its actions. We must show that any further missile sales will cost the People's Republic of China far more in terms of trade and technology transfer than they are worth. The same must be true of the missile development efforts of nations like Argentina, and in dealing with the host of firms that always seem to find a convenient excuse for pleading ignorance when they aid a user nation.

We must do our best to multilateralize our policy. We must show that we will ruthlessly punish any firms or individuals in the United States that aid Third World states in proliferating the weapons of mass destruction. We must seek the support of key Western states such as Britain, France, the Federal Republic of Germany, and Italy. We must try to persuade the U.S.S.R. and Soviet bloc states to join us in this effort.

Finally, we must honestly fact the linkage between nuclear proliferation, chemical and biological proliferation, and an effective missile control regime. We cannot pretend that the NPT is working when we hear reports that Iraq is actively weaponizing enriched material it is supposed to use in peaceful research. We cannot pretend it is working when a nation like Iran tries to buy some of the material it needs for nuclear weapons in the United States. We cannot pretend that the efforts to acquire chemical and biological weapons are not related to similar efforts to obtain nuclear weapons. We cannot focus on warheads, and ignore the creation of an effective missile control regime, or the fact that an active effort must be made to halt the sale of long range strike aircraft to nations who are developing and stockpiling weapons of mass destruction.

Above all, we must recognize the fact that while this threat may take a decade or more to reach the point where it actively threatens whole peoples, it is both tangible and real. If we fail to act now, the kind of action India has taken will be the prelude to the widespread proliferation of nuclear weapons and eventually even more lethal systems like genetically engineered biological weapons. The time for political convenience is over; the time for global survival has begun.●

THE SOCIAL SERVICES BLOCK GRANT RESTORATION ACT OF 1989

● Mr. CHAFEE. Mr. President, I am proud today to join Senator RIEGLE in sponsoring the Social Services Block Grant Restoration Act of 1989. This legislation will help restore funding for the Title XX Social Services Block Grant which serves some of the most vulnerable members of our society.

Title XX is the primary source of Federal funding for child care, community services for senior citizens and those with disabilities, and protective services for abused and neglected children. The Social Services Block Grant enables individuals and families to help themselves become economically and socially self-sufficient.

I believe we have a responsibility to encourage those with disabilities to reach their potential and care for themselves to the best of their abilities. We must assist parents with dependent children to obtain quality child care so they can work and provide for their family. We must provide community services such as adult day care, chore aid, and homemaker assistance to enable the elderly to remain in their homes.

Title XX provides all these services and more. But because its funding levels have not increased with the rate of inflation, these programs are having difficulties meeting the needs of the people they serve.

The Social Services Block Grant Restoration Act would increase funding for the title XX block grant by $600 million over 3 years. This increase is essential to helping people served under title XX to live independently and maintain a high quality of life.

Mr. President, during this time of fiscal restraint, I ask my colleagues to look at this legislation as a much needed investment in the lives and future of our most vulnerable citizens. It is my hope that the Senate will approve this legislation and in so doing, recognize the importance of services provided under the Title XX Social Services Block Grant.●

RESOLUTION OPPOSING THE MAIL-ORDER TAX

● Mr. KASTEN. Mr. President, I have proposed a resolution, Senate Resolution 80, which would reject legislative proposals to turn America's mail-order companies into tax collectors for each State in which they have customers.

One proposed bill would require direct marketing companies to collect taxes from customers in 45 States and the District of Columbia. Under current law, these mail-order companies only have to collect taxes on items they sell and ship to customers in their own States.

This proposal is not just harmful to the 88 million Americans who shop at home. It's harmful to the economy as a whole. And it's unconstitutional.

The Supreme Court has ruled twice in the last 50 years that States have no right to ask out-of-State sellers to collect State sales taxes. These rulings are based on the liberty of interstate commerce guaranteed by the Constitution.

The Founding Fathers established that liberty for a very important reason. They knew that high tariffs imposed by the several States would prove a serious obstacle to efforts to create a dynamic and growth-oriented national economy.

And here comes the 101st Congress, with a proposal to rescind that accumulated wisdom of 2 centuries and impose an unprecedented new system of taxation on everyone who shops by mail.

If the congressional proponents of this new tax succeed in passing their bill, it's going to mean higher prices and more inconvenience for the users of mail-order services. And that means the elderly, the disabled, and rural residents will be hit especially hard, because these groups of Americans tend to be especially reliant on mail-order businesses for necessary purchases.

These Americans use mail-order services because of their simplicity. Under the proposed use tax legislation, consumers would be forced to

contend with an intricate maze of State tax calculations.

Goodbye simplicity; hello 14.95 + (14.95 × 0.08) = your price.

It will not be easy for consumers who live in distant areas or have disabilities. But this tax would impose an even harsher cost on another group—the men and women all over this country who rely on the mail-order business for their livelihood.

Mr. President, my home State of Wisconsin is host to some of America's biggest and best mail-order companies. I have talked to low- and middle-income people back home who probably could not make ends meet if they lost the important employment opportunities provided by these companies.

I have met college students who need those jobs to meet their tuition bills—and homemakers who need them to help stretch out their family's income.

There are about one thousand companies in America that would be hurt by this tax proposal—and that means real hardship for them and their employees.

That is unfair. It is a bad idea concocted by State legislators eager to turn distant companies into tax collectors for their State treasuries. I have a suggestion for these lawmakers: Don't go behind your constituents' backs, and try to get out-of-State companies to do your dirty work. Go to the people—and let them decide whether your State treasury really deserves more tax revenues.

The use tax proposal is an unnecessary and unfair burden on millions of Americans. My resolution would disapprove the proposal in the strongest possible terms. The distinguished Senator from Hawaii, SPARK MATSUNAGA, and the distinguished Senator from New Hampshire, WARREN RUDMAN are cosponsors of Senate Resoluton 80. I invite the rest of the Senate to join us in opposing Federal use tax legislation.

Mr. President, in order to give my colleagues a better understanding of this issue, I ask that a factsheet prepared by the Direct Marketing Association be entered in the RECORD following my remarks:

The factsheet follows:

COMMON QUESTIONS AND STRAIGHT ANSWERS ABOUT FEDERAL USE TAX LEGISLATION

Question. What is a use tax? How does it differ from a sales tax?

Answer. The "use tax" is a tax levied on the use and enjoyment of a person's own property. The rate for a use tax is usually identical to the rate of a sales tax. The U.S. Supreme Court (in *McLeod v. J.E. Dilworth Co.*, 322 U.S. 327, 1944) ruled that states could not impose sales taxes on sales that occur outside their boundaries. In order to tax out-of-state purchases, states then enacted "use taxes." The Supreme Court has upheld the validity of a use tax on goods purchased out of state when used and enjoyed in the taxing state.

While customers currently owe this use tax to their home state, states have never made an attempt to collect this tax directly from their residents. States would like to require sellers to collect the use tax as if it were a sales tax. However, an out-of-state business cannot be required to collect this tax from its customers unless the business has a presence in the taxing state, called "nexus."

Question. What is "Nexus?" Why is it important?

Answer. "Nexus" means legal presence in a state. The concept of nexus was devised by the Supreme Court to determine when a state can exercise power over a person or a company consistent with the protections of the U.S. Constitution's Due Process Clause.

In the case of use taxes, the Court has ruled that when a company has some definite connection with a state and receives direct benefits from that state, it must comply with the state's tax laws. In the absence of those connections and benefits, the Court has determined that the imposition of tax collecting duties would be fundamentally unfair and unconstitutional.

Question. What is *Bellas Hess?* Why is it important?

Answer. In 1967 the U.S. Supreme Court in *National Bellas Hess v. Illinois Department of Revenue* (386 U.S. 764) ruled that states may not impose tax collection burdens on purely out-of-state sellers. The question was whether a state has the right to force a company to collect use taxes from customers within a state where the company has no presence and receives no benefits or services.

The opinion of the Court also made it clear that direct mail advertising, catalogs and product shipments into a state, utilizing the U.S. postal system and common carriers, do not establish nexus in that state.

Question. Why is this suddenly an issue?

Answer. Since the 1970s, states have periodically attempted to get Congress to allow them to impose tax collecting duties on all national direct marketers. In recent years, state tax officials have intensified their efforts, partly in response to what they perceive as the growing revenue potential of direct marketing.

It is expected that Congress will bring this issue up again at the beginning of the 101st Congress in January, 1989, Since Rep. Jack Brooks (D-TX), a prominent sponsor of use tax legislation, will become chairman of the House Judiciary Committee at that time, it is expected that a major push will be made to pass this measure.

Question. What legislation has been introduced?

Answer. A number of bills have been introduced in both the House and the Senate. The measure that is expected to be given the most serious consideration in 1989 is sponsored by Rep. Brooks.

This bill requires out-of-state direct marketing companies without nexus to collect use taxes and remit these taxes to states on a quarterly basis.

The bill would subject national marketers to the different rates, sets of exemptions, filing requirements, and audits of all states with sales taxes—at present, 45 states and the District of Columbia. In addition, the bill would hold direct marketers responsible for the entire amount of taxes owed by their customers, despite the fact that it is often extremely difficult to collect taxes through the mail.

The legislation would impose these tax collecting duties on all out-of-state companies that exceeded $12.5 million in gross annual sales in the previous year. Even small companies that do not exceed the national threshold would be required to collect taxes in states where they exceeded $500,000 in sales in the previous year.

Thus, very small companies would not be expected to collect any taxes unless they have nexus in a given state. Larger, out-of-state companies would be required to collect only at the state tax rate (not including any of the 7,000 local taxes). Finally, companies of any size with a real presence in a state would collect both state and local taxes. As a result, many consumers would find three different tax scenarios in their mailboxes, depending upon the size and location of the selling company.

Question. Who supports this legislation, and what are their reasons?

Answer. The primary advocates of this legislation are state tax adminstrators, governors, and other state officials who argue that states are losing sales tax revenue and that out-of-state firms enjoy an unfair competitive advantage.

City and county officials would like to see the legislation expanded so that national marketers would be required to collect taxes for the approximately 7,000 local taxing jurisdictions in the country as well as, for the 46 states.

Question. Why are many consumer and business groups opposed to this legislation?

Answer. The enormous complexities of applying the tangle of state tax laws to the national marketplace would severely burden direct marketers and their customers.

Consumer groups oppose this legislation because it would complicate the lives of millions of American consumers every time they order through the mail and would complicate the businesses of mail order marketers, thereby increasing consumer costs and reducing services and choices.

Consumer groups representing the elderly, the disabled and rural consumers have a particular interest in this legislation because these groups rely more heavily on direct marketing.

Business groups representing interstate marketers oppose this legislation because it would impose costs and burdens on them and their customers far in excess of those borne by store retailers and retail customers.

Question. What will be the impact on Federal and State Governments?

Answer. This bill would reduce federal income tax revenue by as much as $2.2 billion over five years. In addition, federal postage revenues and interstate telephone tax revenues would be adversely affected.

The impact on state revenues would vary. Some states might experience a small gain. Others could lose revenue due to lost jobs and decreased corporate taxes from in-state direct marketers and their suppliers. In any case, this legislation would produce substantial governmental costs including the costs of monitoring and auditing hundreds of out-of-state companies and managing their quarterly filings.

Question. But doesn't this legislation allow the businesses on "Main Street, U.S.A." to have a chance to compete on a level playing field with direct marketers?

Answer. The current system is one that is based on a fairness principle derived from the Due Process Clause of the U.S. Constitution. The U.S. Supreme Court has ruled that it is fair and constitutional for companies—both retailers and direct marketers alike—to be required to collect taxes on

sales only in states where they receive the benefits of state services and protection.

In reality, federal use tax legislation would create an uneven playing field by placing direct marketers at a severe disadvantage. For retailers who collect taxes right at the cash register, the average sales tax collection cost is between 1% and 4% of taxes collected. For direct marketers, who must rely on the ability of the customer to properly calculate and pay the tax, the average cost for tax collection is about 15% of taxes collected.

Question. Is the direct marketing industry opposed to paying taxes?

Answer. The direct marketing industry is not opposed to paying and collecting taxes when the laws are fairly applied. It is appropriate that all companies collect sales or use taxes for the states where they have a legal presence and where they receive services and protection. Direct marketers willingly bear this burden wherever they have a retail outlet, warehouse or even a single salesperson.

In fact, because national direct marketing companies have a legal presence in so many states, taxes are already being collected on more than 50 percent of direct marketing sales.

Question. Isn't this kind of tax unconstitutional?

Answer. Yes, on a number of grounds. First, this legislation runs counter to the Commerce Clause of the U.S. Constitution that was designed to protect the American marketplace from the kind of fragmentation that interfered with European commerce prior to the establishment of the Common Market.

Second, enactment of this legislation would violate the Due Process Clause of the U.S. Constitution. The Supreme Court has stated it is "fundamentally unfair" for a state to impose tax collecting duties where it does not provide direct benefits in return.

Third, this legislation, by necessity, contains federal restrictions on state taxing power—strings attached by Congress under its authority to control interstate commerce. These federal restrictions (among them requirements that each state has one uniform tax rate and limits on the number of filings states can require) are a violation of the principle of Federalism which was intended to prevent the federal government from usurping state authority.●

EMPLOYEE PENSION PROTECTION ACT

● Mr. SIMON. Mr. President, today I am pleased to join my colleague Senator METZENBAUM in cosponsoring the Employee Pension Protection Act. This bill will discourage employers from terminating pension plans solely to recover excess assets and will increase the protection of pension funds in the case of termination.

The termination of pension plans by employers and the reversion of plan assets have caused instability in the private retirement security system. Since 1981, nearly 2,000 pension plans have been terminated, $20 billion has been reverted to employers and 2 million workers have been affected. It is estimated that there are $218 billion of excess assets in pension plans today. We can not ignore the facts. The longer we allow widespread pension plan terminations and assets reversions, the increased risk we place on the retirement income security of American workers.

When employers terminate a plan, they are under no legal obligation to set up a new plan. I recognize that there are many responsible plan sponsors who set up comparable plans, however trends show a movement away from responsible plan management. In 1986, 46 percent of all terminated plans were replaced by comparable plans, 33 percent were replaced by defined contribution plans, which offer less generous benefits, and 21 percent offered no new plan. In 1988 only 25 percent of the terminated plans were replaced by comparable plans, 40 percent by defined benefit plans and 35 percent offered no new plan.

The Employee Pension Protection Act encourages employers to set up comparable plans in the case of termination. Furthermore, the bill defines the surplus assets in a plan, thus limiting the use of pension funds to fund mergers and takeovers. It is important in this era of hostile takeovers that we discourage the use of pension funds to finance takeovers. These funds were never intended to be used as a financing mechanism and such a use of these funds is both irresponsible and dangerous.

This is not the first time we have visited the issue of pension asset reversions in the Senate. The Senate Labor and Human Resources Committee approved the Retirement Security Promotion Act of 1987 as part of the Omnibus Budget Reconciliation Act of 1987. This provision, which defined employer access to pension fund, was deleted from the budget reconciliation bill. We now have an opportunity to revisit this issue. The current moratorium on reversions expires on May 1, 1989. I hope that we can move swiftly on this bill and provide permanent protection of the retirement income of the working people and future retirees of this Nation.●

ANNIVERSARY OF BIELARUSIAN DECLARATION OF INDEPENDENCE

● Mr. SIMON. Mr. President, March 25th marked the 71st anniversary of the Declaration of Independence of the Bielarusian state. I would like to take this opportunity to commend Bielarusian Americans for their dedication to liberty and freedom.

After the fall of the Tsarist Russian Empire in February 1917, many people previously under Russian rule were able to restore their independence. Bielarusians became one of these fortunate peoples when on March 25, 1918, they declared their independence in the capital city of Minsk. Sadly, this independence was short-lived. In 1921 Bielarusia was partitioned between Poland and the Soviet Union after being defeated in an armed clash.

Bielarusian Americans, in order to help the Bielarusian people in their drive for freedom and give them support, have established four objectives: initiating Bielarusian language programming over the Voice of America; establishing an American consulate in Minsk; accepting the original name "Bielarus" as a legitimate name for diplomatic use; and urging Moscow to build a memorial in Minsk to the Stalinist victims of Kurapaty. As we watch the unfolding of glasnost and perestroika in the Soviet Union, we ought to keep these ideas in mind.

The observance of Bielarusian independence is an important occasion for all Americans of Bielarusian descent. Mr. President, I would like to invite all Americans to join with me in honoring this special occasion.●

MEASURES PLACED ON CALENDAR

S.J. RES. 92

Mr. DOLE. Mr. President, I send a joint resolution to the desk on behalf of Senators HATFIELD, THURMOND, and WARNER, and ask unanimous consent to place it on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 666

Mr. MITCHELL. Mr. President, I ask unanimous consent that H.R. 666, a bill to allow an obsolete Navy drydock to be transferred to Jacksonville, FL, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 1300

Mr. MITCHELL. Mr. President, I ask unanimous consent that H.R. 1300, a bill to amend the Head Start Act just received from the House of Representatives, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PLACE H.R. 1426 ON CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that once the Senate receives H.R. 1426, a bill to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes, it be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

MICHIGAN MEN'S NCAA BASKETBALL CHAMPIONSHIP

Mr. MITCHELL. Mr. President, I ask unanimous consent that the

Senate proceed to the immediate consideration of Senate Resolution 87, submitted earlier today by Senators LEVIN and RIEGLE, congratulating the University of Michigan on winning the NCAA men's basketball championship.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. There is no objection to the resolution. I had another team in mind.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 87) congratulating the University of Michigan on winning the NCAA men's basketball championship.

The resolution (S. Res. 87) was considered and agreed to.

The preamble was agreed to.

The resolution with its preamble, is as follows:

S. RES. 87

Whereas, the University of Michigan Wolverines have a long and rich athletic tradition;

Whereas, the University of Michigan basketball team has enjoyed outstanding leadership under Athletic Director Bo Schembechler and interim Head Coach Steve Fisher, the first rookie coach to lead his team to an NCAA men's basketball title;

Whereas, the Wolverine basketball team has a proud history, including thirteen NCAA tournament appearances and eleven All-Americans;

Whereas, the University of Michigan basketball team continued its success this year with a 30-7 record and its fifth consecutive NCAA tournament appearance;

Whereas, all the teams—the University of Michigan, Seton Hall, Duke University, and the University of Illinois—played outstanding basketball at the Final Four in Seattle;

Whereas, the University of Michigan capped its fine season with a thrilling 80-79 overtime victory over Seton Hall in the championship;

Resolved, That the United States Senate recognizes and congratulates the University of Michigan for its outstanding achievement in winning the 1989 NCAA Men's Basketball Championship.

Mr. MITCHELL. I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF TIME TO ANNOUNCE SENATE DEPUTY LEGAL COUNSEL

Mr. DOLE. Mr. President, I ask unanimous consent that notwithstanding the provisions of 2 U.S.C. 288 and Public Law 96-576, the President pro tempore of the Senate have an additional 30 days, until June 3, 1989, in which to announce the appointment of the deputy legal counsel of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRATULATING UNIVERSITY OF TENNESSEE LADY VOLS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 88, submitted earlier today by Senators SASSER and GORE, congratulating the University of Tennessee Lady Vols and their coach, Pat Head Summitt on winning the 1989 NCAA National Women's Basketball Championship.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 88) congratulating the University of Tennessee Lady Vols and their coach Pat Head Summitt on winning the 1989 NCAA National Women's Basketball Championship.

The PRESIDING OFFICE. Is there objection to the immediate consideration of the resolution? There being no objection, the Senate proceeded to consider the resolution.

● Mr. SASSER. Mr. President, I am pleased to submit today, with my colleague from Tennessee, Senator GORE, a resolution to recognize the women's basketball team of the University of Tennessee.

Once again Tennessee's Lady Vols have proven their mastery of women's basketball by capturing their second national title in 3 years. These two titles, however, do not begin to indicate the dominance of the Lady Vols in women's college basketball.

The measure of a great team is not occasional periods of dominance. It is, rather, consistently high levels of play over time. By this standard, the Lady Vols can match their record against any college team in NCAA history.

The University of Tennessee's women's basketball team is the only team to have appeared in either the women's or men's NCAA final four in each of the last 4 years. In fact, they have appeared in the final four in 10 of the last 13 years.

Three of the players on the team have been in the NCAA final four in all 4 years of their college careers—the only players in the history of college basketball to achieve this distinction.

The team captured the Southeastern Conference Championship in 1980, 1985, 1988, and 1989. They also won the Mideast Regional Championship in 1982, 1984, 1986, and 1987. For the past 2 years they have competed in the East Regionals and have taken that title both years. The team has had a streak of 13 straight seasons in which they have won 20 or more games. This past season, they had their finest season ever, compiling a stunning 35-2 record.

So, Mr. President, the University of Tennessee women's basketball team has achieved that consistent excellence that is the hallmark of a great team.

Great teams begin with great leadership and the University of Tennessee is indeed fortunate to have one of the most influential and respected coaches in college athletics in Pat Head Summitt.

She starred as a player at the University of Tennessee at Martin. After graduation, she went on to captain the U.S. Olympic team to a silver medal at Montreal in 1976. Later, she was named an assistant coach for the 1980 team which ultimately did not participate in the Moscow Olympics.

In 1984, Pat realized the ultimate dream of every Olympic coach, taking the U.S. team to the gold medal at Los Angeles.

At Tennessee, Pat Summitt has built the women's basketball program into one of the most powerful and most respected in the Nation. In addition, she has had a tremendous impact on those who have played for her.

Most importantly, Pat Summitt has never lost sight of the proper relationship between education and athletics. In the past few years we have seen case after case of colleges sacrificing education to athletic success. Just last week, Time magazine carried a cover story on the lipservice often paid to education in major college sports programs.

Pat Summitt's record at the University of Tennessee shows what a dedicated coach can accomplish. In Coach Summitt's 15 years at the University of Tennessee all of her players have graduated or will graduate. She provides the proof that you can combine high-caliber athletics with high-quality education. A 100-percent graduation record is one that I would stack up against any major college athletic program.

This win by the University of Tennessee demonstrates the great strides that have been made in women's athletics in the past 15 years. A 1984 study by the National Coalition for Women and Girls in Education found that 35 percent of high school varsity athletes were women, compared to 7 percent in 1972. In 1972, virtually no college or university offered athletic scholarships to women.

By 1979, the number of scholarships had risen to 5,000 and today is at 10,000. The number of women participating in intercollegiate athletics has grown from 16,000 in 1972 to more than 160,000.

It has taken thousands of hours of hard work by dedicated athletes and coaches like the Lady Vols and Pat Summitt to bring women's sports to their current respected place in U.S. amateur athletics.

Mr. President, I know all Tennesseans and all basketball fans across the country join me in commending the University of Tennessee's team and

Coach Pat Summitt on their national title.●

● Mr. GORE. Mr. President, I am proud to join my distinguished colleague from Tennessee in submitting a resolution to congratulate the University of Tennessee basketball team for winning the Women's National Basketball Championship on Sunday. The Lady Volunteers defeated Auburn by a score of 76 to 60—garnering its second NCAA championship title in just 3 years.

The Lady Vols are always a team with tremendous talent, and this year the team features some of colleage sports' strongest stars. The remarkable leadership of Coach Pat Head Summitt, who lead the U.S. Olympic team to a gold meal in 1984, and the skill of all the players, particularly Olympian Bridgett Gordon and other seniors, Melissa McCray and Sheila Frost, catapulted the team to victory in Tacoma.

Tennessee has enjoyed a triumphant season, entering the final four as the No. 1 ranked team with a 35–2 season. Even so, Auburn had beaten Tennessee in one of the teams' two matches during the season, and the final game can be the most suspenseful. Coach Pat Summitt put it best when she said, "Sometimes it's more difficult to do something you're supposed to do than something you're not supposed to do." The Lady Vols seized control of the game at the beginning and bolted to victory, meeting all the expectations of Jubilant Big Orange fans.

The name Lady Volunteers has become synonymous with outstanding basketball. The team hs played in the final four of the NCAA Women's Basketball Tournament 10 times in the 13 years. Coach Summitt can be credited with 385 wins during her 15-year coaching tenure at Tennessee and has maintained a sincere interest in the education of her players.

I want to comment and congratulate every member of the Tennessee team for its finest season—once again you have made all of us throughout the State extremely proud. I look forward to next season and join the students and residents of Knoxville in savoring this victory.●

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 88) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 88

Whereas, the women's basketball team of the University of Tennessee, the Lady Vols, are the only team to have appeared in either the women's or men's Final Four in each of the last four years, and

Whereas, the Lady Vols have appeared in the Final Four of the NCAA Women's Basketball Tournament 10 times in the past 13 years, and

Whereas, the Lady Vols have displayed their mastery of the game of basketball by capturing the Southeastern Conference Championship in 1980, 1985, 1988, and 1989; the Mideast Regional Championship in 1982, 1984, 1986 and 1987; and the East Championship in 1988 and 1989, and

Whereas, the Lady Vols have had a streak of thirteen straight seasons in which they have won twenty or more games, and compiled their finest record in 1989 with a 35–2 record, and

Whereas, Pat Head Summitt, the coach of the Lady Vols, has compiled a record of 385 wins and only 107 losses in her fifteen years leading the Lady Vols, and

Whereas, Pat Head Summitt's dedication to the education of her players equals her zeal for the game of basketball, and

Whereas, during her fifteen years at the helm of the Lady Vols, Coach Pat Head Summitt has obtained a virtually perfect graduation rate for her players, and

Whereas, the University of Tennessee Lady Vols won the 1989 NCAA Women's Basketball Championship with a decisive 76–60 victory over Auburn. Therefore, it is

Resolved, That the University of Tennessee and Coach Pat Head Summitt are to be congratulated on an outstanding season. It is further

Resolved, That the United States Senate congratulates Coach Pat Head Summitt and the Lady Vols on crowning their finest season ever with winning the NCAA Women's Basketball Championship for 1989.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. MITCHELL. Mr. President, on behalf of myself and the distinguished Republican leader, Senator DOLE, I send to the desk a resolution on representation by the Senate Legal Counsel and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 89) to direct the Senate Legal Counsel to represent Senator Kerry in the case of *Beauchamp* v. *Kerry, et al.*

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, a plaintiff in a civil lawsuit in a State court in Massachusetts has named Senator KERRY as a defendant. This is the third legal action in which this plaintiff, who is a prisoner in a State correctional institution, has involved Senator KERRY. First, he sought Senator KERRY's testimony at a hearing on a motion to dismiss an indictment for escape. When the Senate legal counsel obtained the quashing of that summons, the individual sued Senator KERRY in a civil action, alleging that the statements made in support of Senator KERRY's motion to quash the subpoena were false. Following the Senate legal counsel's filing of a motion to dismiss that suit, the plaintiff voluntarily dismissed this action.

The plaintiff has now brought a second civil action against Senator KERRY for breach of promise, alleging that the legal counsel agreed that Senator KERRY would assist him in his efforts to be transferred to a different prison facility and to receive sentencing credits if he were to dismiss his legal action against the Senator.

This resolution will authorize the office of Senate legal counsel to represent Senator KERRY in order to move to dismiss this new complaint. The motion will inform the Massachusetts court that neither the legal counsel nor Senator KERRY ever promised to intercede in that State matter, and the prisoner agreed to dismiss his lawsuit without any such understanding.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 89) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 89

Whereas, in the case of Beauchamp v. Kerry, et al., Civil Action No. 89-0743C, pending in the Superior Court of the Commonwealth of Massachusetts, the plaintiff has named Senator John F. Kerry as a defendant;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(1) (1982), the Senate may direct its counsel to defend the members of the Senate in civil actions relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Senator Kerry in the case of Beauchamp v. Kerry, et al.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DIRECTING SENATE LEGAL COUNSEL TO TAKE CERTAIN ACTION

Mr. MITCHELL. Mr. President, on behalf of myself and the distinguished Republican leader, Mr. DOLE, I send to the desk a resolution on representation by the Senate Legal Counsel and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 90) to direct the Senate Legal Counsel to represent Senator Alan Cranston in the case of *Rodney F. Stich* v. *Senator Cranston, et al.*

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 90) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 90

Whereas, in the case of Rodney F. Stich v. Senator Alan Cranston, et al., CV-N-89-85-ECR, pending in the United States District Court for the District of Nevada, the plaintiff has named Senator Cranston as a defendant;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(1) (1982), the Senate may direct its counsel to defend the members of the Senate in civil actions relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Senator Cranston in the case of Rodney F. Stich v. Senator Alan Cranston, et al.

SEC. 2. Senate Resolution 83 of the 101st Congress is repealed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, in accordance with Public Law 99-498, section 1505(a)(1)(B)(ii), reappoints the Senator from Wyoming [Mr. WALLOP] to the board of trustees of the Institute of American Indian and Alaska Native Culture and Arts Development, effective January 3, 1989.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, in accordance with Public Law 100-607, appoints the following individuals to the National Commission on Acquired Immune Deficiency Syndrome: Dr. June E. Osborn, of Michigan; Mr. Larry Kessler, of Massachusetts; Mr. Harlon L. Dalton, of Connecticut; Ms. Eunice Diaz, of California.

The PRESIDING OFFICER. Who seeks recognition?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, having heard on the floor the appointments of this commission, I want to commend both the majority leader and the minority leader for appointing this very outstanding group of men and women.

I thank all of those who have served on this commission, and as a result of their deliberations, I am sure not only the institutions of the Senate and the House would be well served, but I believe we, as a country, will take more responsible and thoughtful and meaningful courses of action in dealing with the problems which were affecting many of our American citizens who have been infected by the disease of AIDS.

I think it is a truly outstanding group of men and women representing a wide variety of different opinions and backgrounds, and it is the result of a close working relationship between the Democratic and Republican leaders of both institutions. As one who is chairman of the health committee and who knows a number of these individuals, I think all of the Senate should take a good deal of satisfaction from the appointment of those individuals.

Mr. President, today the Senate acts to appoint its members of the National AIDS Commission. This Commission has an enormous task ahead of it and I am extremely pleased by the responsible action that has been taken.

The appointment of Larry Kessler ensures that community-based organizations that have been battling AIDS on the frontlines in the gay community and elsewhere, will have a clear and strong voice. Larry's vast experience in the development of AIDS prevention and care programs will undoubtedly be an asset to the Commission. Dr. June Osborn, an exceptionally articulate spokesperson for sound AIDS policy, brings an extensive medical and public health background and a thorough understanding of the complexities of the AIDS challenge. Harlon Dalton will offer the legal expertise necessary to grapple with pivotal issues such as confidentiality and protection against discrimination. Finally, Eunice Diaz will help to highlight the disproportionate impact of AIDS on minority communities.

Fundamental issues such as comprehensive health care delivery and financing, AIDS prevention, and protection against discrimination for people with AIDS all await our response. These issues merit expeditious action in this Congress. I look forward to the Commission's recommendations, and to working with my colleagues to do all that we can to meet this challenge.

(Mr. FOWLER assumed the chair.)

HARVARD ICE HOCKEY TEAM WINS NATIONAL CHAMPIONSHIP

Mr. KENNEDY. Mr. President, I welcomed the opportunity to support the resolution of my colleagues from Tennessee, a resolution commending the University of Tennessee women's basketball team's success in the NCAA.

There was another outstanding event that has taken place this past week when a university located in my State, Harvard University, some 350 years old, was able to win its first national championship in hockey. Perhaps I will just say a word about that for just a moment, because it is perhaps appropriate, given the fact that the Senate has gone on record with regard to other events.

Mr. President, it gives me great pleasure today to commend the coach and the extraordinary young players of the Harvard ice hockey team, who this past weekend won the national collegiate championship. Saturday night's game capped a magnificent season in which the team compiled an incredible 31-3 record, the best in the history of Harvard hockey. En route to the championship, they won the Ivy League crown, captured the ECAC regular season championship, and defeated Lake Superior State, the defending national champion.

In an additional honor, Harvard's captain, Lane MacDonald, won the Hobey Baker Memorial Trophy as the outstanding college hockey player of the season.

This Harvard team believed in themselves, and they proved the critics wrong who said a team from the East could never win the national title. They said the players from Cambridge could not take a hit, that they were not big enough, that they could not prevail in the corners where games are won and lost. They said they just were not tough enough to do it. But they were wrong.

The Harvard team showed itself to be tough—and much more. Under the skilled leadership of coach Bill Cleary, they became a proud and determined team. And in the final game they showed themselves to be champions.

And what a game it was. Harvard and the University of Minnesota played a classic duel in the final showdown. It was clean, crisp, exciting hockey—the way the game is meant to be played—and it ended in triumph for Harvard at 4 minutes and 16 seconds of sudden death overtime, when the red goal light went on signifying that the championship belonged to them.

This is a great hockey team, and as with all great teams it will be compared to others. Was it the greatest Harvard team of all time? Was it the best college team ever? No one can say.

What can be said is that it was an exceptionally talented and balanced team with strong forwards, solid defensemen, able goalies, and brilliant coaching and support by Bill Cleary and Athletic Director Jack Reardon.

A rare group of scholar athletes came together, worked together, and won together. No matter how great their individual skills, it is their team achievement that won the championship. I salute the 1988-89 Harvard hockey team, champions all.

Mr. MITCHELL. Mr. President, will the Senator yield for a moment?

Mr. KENNEDY. I yield.

Mr. MITCHELL. I join him in commending the Harvard University championship team with a somewhat heavy heart, since the University of Maine made it to the final four and was defeated by Minnesota in the semifinals.

It would have been something to have a Maine-Harvard final. It was not to be.

I join the Senator in congratulating the Harvard University team. The University of Maine was a great team under coach Shawn Walsh. We, however, will be back.

Mr. KENNEDY. We will look forward to whatever possible competition can be provided by the good men from Maine in future days.

MICHIGAN—BASKETBALL CHAMPIONS

Mr. KENNEDY. Mr. President, since we are having a sports moment on the floor of the Senate, I do not know whether the majority leader and minority leader had the good opportunity to see that extraordinary basketball game last evening. What a basketball game it was.

And I was also mindful that that young Michigan player, Rumeal Robinson, who sank those final two goals, comes from Cambridge, MA. He has had an extraordinary career and extraordinary personal history where he had been virtually abandoned as a young child, used to spend the nights and in many instances sleep on the basketball floor of his high school. He eventually was adopted by a very fine and outstanding couple in Cambridge, MA, who gave him both the support and the affection which eventually reflected itself in a true champion performance last evening, a really extraordinary success story in terms of sports and athletics and also in terms of personal determination and grit.

I had the good opportunity to talk to another champion, one of our colleagues, BILL BRADLEY, whose record in terms of the NCAA had only been broken last evening, and to spend a few moments with him during this noontime. I asked him in all of his very extraordinary career about what that moment would have been like.

With all of his extraordinary personal achievements, he said that the kind of pressure that would be on that young man with 3 seconds left to go, 1 point ahead, was really a challenge of almost superhuman dimension, and this young man responded to that, to the extraordinary success of his team and of his university.

Having listened to him make comments I know that is how he would want that moment to be reflected.

But nonetheless, one cannot help but recognize the absolutely extraordinary personal achievement by him.

Mr. MITCHELL. The Senator's comments linking Massachusetts to the University of Michigan's victory is another example of that which never ceases to amaze me; that is, how you can work Massachusetts into everything that happens in the Senate in this country.

Mr. KENNEDY. We could go on with those historical references but we would rather spare the Senate the opportunity to hear those until another time.

Mr. MITCHELL. Is the Senator's resolution ready to be submitted,

Mr. KENNEDY. It will be in just about 2 minutes, if I could speak on the Eastern Airlines. I do not intend to delay the Members.

Mr. MITCHELL. I will yield to the Senator on that.

As soon as the resolution is submitted we will be prepared to go forward.

EASTERN AIRLINES LABOR DISPUTE LEGISLATION

EASTERN AIRLINES LABOR BILL—H.R. 1231

Mr. KENNEDY. Mr. President, as the Senate returns to its work today, thousands of Eastern Airlines employees—and thousands of employees of firms that depend on Eastern—remain out of work because of the intransigence of Eastern's management, and because of President Bush's failure to appoint an Emergency Board to recommend a settlement of the strike that has grounded the airline for the past month.

If the President had acted when the strike began on March 4, we would have today the report of the Emergency Board recommending settlement terms. In fact, if the Senate had acted on the pending measure before the recess, we would still have today the Emergency Board's report. That report would be useful to the parties, the bankruptcy court, the President, and the Congress in finally bringing a end to this bitter strike.

And had there been action instead of indifference, Eastern Airlines would have been flying, its employees would have been working, its hundreds of thousands of customers would not have been inconvenienced, and the thousands of businesses which rely on Eastern would not have suffered.

Today's New York Times reports on the harsh impact the strike has had on one area served by Eastern, the U.S. Virgin Islands: businesses dependent on Eastern have filed for bankruptcy, and the entire economy has suffered.

I ask unanimous consent that a copy of the article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY. That story is repeated in my own part of the country, and elsewhere as well.

But the President did not act. Every President since Franklin Roosevelt has used the emergency board procedure to settle air strikes; it has been used more than 30 times, and in all but 2 instances, the parties have accepted the Emergency Board's recommendations to settle the dispute. President Reagan used it each of the 10 times he was asked. But President Bush has refused.

Congressional action requiring an emergency board is not unprecedented. In 1978, Congress created an emergency board in the Alaska Airlines dispute. And just 3 years ago, in the Maine Central Railroad dispute, Congress created an advisory board to recommend a settlement.

But congressional action here was blocked by the other side. They claimed that the emergency board would interfere with Eastern's bankruptcy proceedings. They claimed that establishing an emergency board to recommend a settlement of the very strike that forced Eastern into bankruptcy might interfere with the bankruptcy proceedings. Nothing could be farther from the truth.

Let us consider for a moment how Eastern landed in bankruptcy. Over the past 3 years, Texas Air has systematically looted Eastern of its most valuable assets in a long series of dubious deals. To name just a few examples:

In April 1987, Eastern sold its computer reservation system to Texas Air for a $100 million subordinated 25-year note carrying a below-market 6-percent interest rate. Eastern now pays Texas Air a $10 million monthly fee to use the system. So Texas Air now makes more each year from the system than it will have to pay Eastern 25 years after the purchase.

Eastern sold 11 gates at Newark Airport to Continental for a $10 million 10-percent note due in 1988—about half their appraised value.

Eastern also pays Texas Air $12 million a year in fuel service fees and $6 million a year in management fees, all without any apparent benefit to Eastern.

Eastern also tried to sell its shuttle to Texas Air for $125 million in cash and a $100 million note, far below the

price recently agreed to by Donald Trump.

These dubious deals, and many other questionable loans, fees, payments, and transactions between Eastern and Texas Air have enriched Texas Air and its nonunion subsidiary, Continental, while Eastern slid into bankruptcy.

Texas Air should not be able to use bankruptcy to shield it from claims that it has short-changed Eastern's employees and creditors through this elaborate corporate shell game. And Mr. Lorenzo's supporters in Washington should not be able to use the bankruptcy proceeding to block appointment of an emergency board to recommend a settlement of the strike.

Unfortunately, Mr. President, they have. A month has passed since the strike began, and no emergency board has been appointed. The other side is clearly unwilling to allow prompt passage of the pending measure, and President Bush has threatened to veto it.

Because of the administration's intransigence, we are unlikely to see an emergency board appointed any time soon. As a result, I must reluctantly join in the request that the Senate put aside the motion to proceed to the Eastern labor dispute legislation.

Mr. President, the Senate may well come back to this bill should circumstances warrant. But for now, thousands of Eastern employees will remain idle, and hundreds of thousands of Eastern customers will continue to be inconvenienced. They deserved better from Congress and the administration; and I regret that we failed to act in time to prevent the serious dislocations that have occurred.

EXHIBIT 1

EASTERN STRIKE LEAVES ISLAND RESORTS IN LURCH

ST. CROIX, VI, April 2.—The strike against Eastern Airlines and the widespread cancellation of its flights have turned an already soft Caribbean tourism season into a disaster for many hotels and restaurants.

The United States Virgin Islands, Jamaica and Puerto Rico, along with the Bahamas, which is also covered by the Caribbean Hotel Association, were all very dependent on Eastern flights, now running at 10 percent of their pre-strike level.

Four weeks after the strike started, hotel occupancy in the 4,000 rooms of the United States Virgin Islands was running at 60 to 70 percent of capacity instead of the 90 to 95 percent that is normal at this time of year. The same is true in Puerto Rico's 7,000 hotel rooms, and the Puerto Rico Hotel Association estimates the lower occupancy rates will continue this month.

EASTERN A MAIN CARRIER

"It's a very serious situation," said John Bell, executive vice president of the Caribbean hotel group. Mr. Bell, who is based in San Juan, noted that Eastern carried 38 percent of the visitors from the United States mainland to Puerto Rico, 41 percent of the seats to the Bahamas.

Robert Witter of the Jamaica Tourist Board's research office at Kingston said Eastern represented 22 to 25 percent of the seats from the United States to the island nation. He said that the first few days after the strike started were difficult, but that Air Jamaica had "picked up the slack."

Eastern was the second-biggest air carrier to the United States Virgin Islands—St. Thomas, St. John and St. Croix—providing 6,260 seats a week 36 percent of the total. The British Virgin Islands, with more than 800 hotel rooms, has been directly affected since virtually all its tourism comes through St. Thomas.

Eastern's machinists are on strike and most of its pilots are refusing to work. The airline has filed for protection under Chapter 11 of Federal bankruptcy laws. Although it is is running only 10 percent of its normal Caribbean schedule, it has maintained a full schedule of shuttle flights from Boston and Washington to New York City.

TRAVEL GROUP FAILS

Compounding the problem in the Caribbean is the bankruptcy filing of the region's second largest travel-package wholesaler, FlyFaire Vacations, which depended heavily on Eastern. FlyFaire normally sent about 225,000 vacationers yearly to the Caribbean, 40,000 to the United States Virgin Islands alone, and did about $30 million worth of business. Hotels all over the Caribbean have been stuck with worthless FlyFaire vouchers, $2.3 million worth on St. Thomas-St. John alone. The travel group declared bankruptcy one week after the airline strike began.

The biggest hotel on St. Thomas, the 512-room Frenchman's Reef, held $445,000 in unpaid FlyFaire vouchers, and its general manager, Nick Pourzal, said the hotel has begun laying off employees.

Other Eastern flights to the Caribbean normally bring passengers to Grand Cayman, the Dominican Republic, Haiti, St. Martin, Antigua, Barbados, Trinidad, Curacao and Aruba. But those islands had not been as dependent on the airline since the bulk of their flights are flown by Pan American World Airways and American Airlines, among others. In Antigua, for example, Eastern provided no more than 10 percent of the total seats, Mr. Bell said.

HOTEL OCCUPANCY IS DOWN

Tom Bennett, executive director of the St. Thomas-St. John Hotel Association, said that normally by the end of March, occupancy rates should be at more than 90 percent. "But based on our reports and a membership survey we'll run about 70 percent," he said. The islands have about 3,000 hotel rooms.

"There's been an immediate contraction in the restaurant industry, taxis, car rentals, food and beverage wholesalers and service suppliers," Mr. Bennett said.

St. Croix, largest of the United States Virgin Islands, has 1,400 hotel rooms and had "an unusually soft winter," according to Charlie Ann Martin, the St. Croix Hotel Association's executive director. "Now the season's been cut short," she said, "and we can't even get paid."

Over all, the tourism division estimates the islands are losing $4.9 million that tourists would spend weekly. The St. Thomas loss is estimated at $2.9 million, the St. Croix loss at $1.6 million and the St. John loss at $371,000. The territory is also losing $600,000 weekly in tax revenues.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CONRAD). The clerk call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BO BLUDWORTH RETIRES FROM ARMY LIAISON OFFICE

Mr. DOLE. Mr. President, in addition to the fine Senator staff who serve us all so well, there are many other support personnel here on Capitol Hill who happen not to be on our own payroll, but who provide us with outstanding services and help.

Lt. Col. Bo Bludworth, of the Army Liaison Office, has been one of the best.

Everyone of us who have had occasion to deal with the Army Liaison Office—and almost everyone of us has—knows, likes and respects Bo Bludworth. Bo served with Army Liaison for the past 5 years. Among other duties, he has played a key role organizing many, many important and demanding overseas trips for Senators—in fact, he averaged one such trip every month throughout his service, and arduous schedule.

Through it all, Bo never failed to perform to the highest standards, and never lost his good humor.

Shortly before the recess, Bo retired from the Army, to begin a new career in the private sector, representing a major industry group here on Capitol Hill. So, happily, we will still see Bo around these Halls, and still be able to avail ourselves of his good common sense and irrepressible cheer. But we will miss him, at Army Liaison and on those long trips, where he has served the Senate, and so many Senators, so well.

As he ends one career and begins another, we send our best wishes to Bo, to his wife Sheila, and to his fine family.

Mr. MITCHELL. Mr. President, will the Senator yield?

Mr. DOLE. I am happy to yield to the majority leader.

Mr. MITCHELL. I wish to join my distinguished colleague in expressing our best wishes to Bo Bludworth. He served with great distinction and he will be missed by the Members of the Senate as well as by the Army, which he so capably served throughout his professional career.

He is one of the finest officers and men I have ever met. And I say that as an old Army officer myself, one who has seen many of them come and go. We all wish Bo the very best.

Mr. DOLE. I thank the distinguished majority leader. I know all of my colleagues who know Bo Bludworth know that he is a fine, outstanding man. He will still be around

and he can still give us advice even in his new capacity.

NATO'S 40TH ANNIVERSARY

Mr. DOLE. Mr. President, 40 years ago today, representatives of 10 European nations, Canada, and the United States gathered here in Washington to sign the North Atlantic Treaty.

All 12 surely understood the weighty commitment being undertaken, but in 1949 few could have known that they were laying the foundation for a vital pillar of peace and democracy: NATO.

NATO—now 16 strong—has been the world's longest lasting peacetime alliance. And it is no accident that 40 years of Europe's peace has coincided with NATO's existence. Make no mistake—a united front against tyranny has deterred aggression.

Each time we NATO Allies get into a debate among ourselves, we must recall this simple bottom line: NATO works.

It has never been smooth going. Each decade has seen debate and speculation about whether NATO will last another 10 years. Our disagreements are often louder than our agreements. But so it is in a democracy, and NATO is an alliance of 16 democracies.

But we do have consensus on one fundamental: We like NATO's way better than the Warsaw Pact's. In that so-called alliance, Moscow calls the shots, and the others march accordingly.

No thank you. I will take the confusion of Brussels over the goose step of the Warsaw Pact anyday.

And it is because we all agree on this that NATO has survived all these 40 years, and yes, it will live to be a very healthy 50.

Of course, we will have to meet the challenges of the nineties.

The Red army still occupies half of Europe, and Soviet forces have grown ever stronger. Mr. Gorbachev's well-tailored suit, television smile, and a few withdrawals do not change that. Let us face the facts. Today the Warsaw Pact has 3.2 tanks for every one of NATO's. After Gorbachev's recently announced withdrawals the ratio will still be 2.5 to 1. Not very comforting odds.

Still, Gorbachev is a different Soviet leader, and maybe—maybe—there is a new wind blowing in Moscow. NATO must learn to probe for real, fundamental differences while maintaining a strong, credible deterrent.

NATO faces other challenges, too. Unlike 1949, threats to Western Democracy now originate in places like Tehran and Tripoli too. Arms control and force modernization have become the stuff of modern electoral politics. And there is a growing conviction in the United States that our European Allies should bear more of the burden of our collective defense.

These are tough problems, but problems we can—and will—solve together.

President George Bush—with all his foreign policy experience—is just the leader who can take the first steps toward NATO's 50th birthday.

At the upcoming NATO summit he could suggest that the Allies should build upon the Persian Gulf experience and find more organized and prompt ways to coordinate action on challenges outside NATO's traditional European area. Perhaps the summit could call for a high-level group to report back with specific recommendations.

This should be done now, calmly, and not once we are in the middle of some new crisis somewhere around the world.

I also believe President Bush should tell our Allies—politely, constructively, but nevertheless firmly—that the time has come for some of them—the wealthier ones—to relieve America of some of the defense burden.

I am suggesting a constructive approach to burden-sharing—no ally-bashing, no sterile calls for vague spending formulas. Instead, the NATO leaders should identify specific roles, activities, and missions which some of our European Allies could take over from us. They might even find a few things they can do better or cheaper than we do them. Or, they might find considerable savings by having certain countries adopt specialized roles.

The time for talk has come and gone. The NATO staff should have concrete proposals ready for an alliance summit before the end of this year. That way—starting January 1 of next year—we can gradually, but certainly, shift some of the burden without threats, disruption, or loss of NATO capability.

I offer these thoughts as suggestions, and I know the President will have others. Whatever package he decides upon, he should know that when he seizes the reins of NATO leadership at the upcoming summit, he will have our backing.

Congress and the American people support NATO 100 percent. Nobody should confuse calls for periodic course corrections with opposition to the alliance.

And I know that in spite of loud and visible protests, a majority of Europeans feels the same way. And George Bush will have superior leaders like Margaret Thatcher, Helmut Kohl, Manfred Woerner, and many others to work with.

With commitment to freedom, democratic discussion, and leadership, NATO will celebrate its 50th birthday ready to face the year 2000.

In the meantime, happy 40th, NATO.

The PRESIDING OFFICER. The majority leader.

CONGRATULATING HARVARD UNIVERSITY ICE HOCKEY TEAM AND THEIR COACH, BILLY CLEARY

Mr. MITCHELL. Mr. President, on behalf of Senators KENNEDY and KERRY, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 91) congratulating the Harvard University Ice Hockey Team and their Coach, Billy Cleary, on winning the 1989 NCAA National Hockey Championship.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 91) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 91

Whereas the Harvard Hockey Team had an outstanding season record of 31 wins and only 3 losses; and

Whereas the Harvard Hockey Team won the National Collegiate Athletic Association, the Ivy League Championship and the ECAC Championship, and whereas Harvard's captain Lane MacDonald won this year's Hobey Baker Memorial award as the Nation's outstanding college hockey player. Now, therefore be it

Resolved, That Harvard University and their coach Billy Cleary are to be congratulated for their outstanding season.

SEC. 2. The United States Senate congratulates coach Billy Cleary and the entire Harvard Hockey Team on their finest season ever and on winning the NCAA Championship for 1989.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MUBARAK VISIT/CAMP DAVID REMEMBERED

Mr. DOLE. Mr. President, this morning I was honored to join the distinguished majority leader in hosting a meeting with Egyptian President Mubarak. We had a very lively, very useful and very friendly exchange on a whole range of issues—the statues of the peace process, our deep concerns about the potential proliferation of dangerous new weaponry in the Middle East, the questions of economic reform and aid.

Mostly, it was an occasion to be reminded again of the outstanding lead-

ership that President Mubarak is giving to his nation.

It was a reminder for me, too, of the recent 10th anniversary of the Egyptian-Israeli Peace Treaty—signed by President Sadat and Prime Minister Begin, and witnessed by President Carter, here in Washington on March 26, 1979.

Back in the mid-seventies, there were not a whole lot of people who were very optimistic about a breakthrough for peace in the Middle East. But those three leaders—Sadat, Begin, and Carter—pushed forward, despite the gloomy predictions, and despite the odds. They did what real leaders do—they provided leadership.

Let me say that, as a Republican and one who happened to disagree with President Carter on a great many issues, I have no problem remembering and applauding the great leadership that President Carter demonstrated on that occasion.

In some ways the atmospherics may be the same today. There are not many optimists about the Middle East.

But perhaps it is the time, again, for the kind of leadership that can dispel the gloom, and overcome the odds.

I know that President Bush is prepared to offer that kind of leadership. That is why he has affirmed the decision to engage in a dialog with the PLO. There are risks; but there were risks in the Camp David days, too. That is why he invited President Mubarak here; why we will host Prime Minister Shamir later this week; and why we will welcome King Hussein next month.

No one is being a Pollyanna. There are incredible difficult problems to surmount. things are not going to be easy, and solutions are not going to come quickly. But I welcome the fact that we are back on track in a thoughtful, responsible search for Middle East peace.

I commend the President, Secretary Baker and others in the administration who are working so hard on this and other issues; and who have reached out for a cooperative, bipartisan relationship with members of the other party.

And—while none of us are going to check our politics at the door—I know from this morning's bipartisan meeting, and recent discussions we have had on Central America, that the majority leader and many of his colleagues are ready to work with the President, with Secretary Baker and with us, on this side of the aisle, when our national security is at stake.

I thank the Presiding Officer and I thank the majority leaders.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, if the Republican leader has no further business and if no Senator other than the distinguished President pro tempore of the Senate and the distinguished Senator from New York are seeking recognition, I now ask unanimous consent that the distinguished Senator from New York be recognized for 5 minutes, following which the distinguished President pro tempore be recognized for such time as he may require. And at the conclusion of his remarks, the Senate stand in recess until 1:30 p.m. tomorrow, Wednesday, April 5, under the previous order.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from New York is recognized for 5 minutes.

MUBARAK'S REFUSAL TO MEET WITH PRIME MINISTER SHAMIR

Mr. D'AMATO. Mr. President, it is unfortunate to sound something of a sour note on the occasion of a state visit from the head of a nation that we hope to look to as a friend. But I rise today to express my disappointment with President Hosni Mubarak for failing truly to accept, and more, to expand on the Camp David accords.

Mr. Mubarak has seen fit to abide only by the letter, but not the spirit, of the Camp David accord.

The talks mandated by the accord collapsed in 1982. Repeated attempts by Israel to reenergize the talks have been rebuffed. For every opportunity, Mr. Mubarak has a new demand. You cannot play the game, let alone win, if you never get past anteing up.

Educational and tourist exchanges, crucial to the promotion of Egyptian-Israeli understanding and cooperation, have degenerated into an entirely one-sided affair in the face of Egyptian foot dragging.

Now, on the 10th anniversary of the Egypt-Israeli Peace Treaty, Mr. Mubarak has refused to participate in any sort of commemoration of this historic event. When Prime Minister Shamir offered to come to the United States a day early for talks, this too was rejected. What a tragedy, Mr. President.

What connection can be drawn between Mr. Mubarak's elusiveness in the pursuit of peace and recent reports that Egypt is deeply involved in the development and acquisition of chemical weapons, I cannot say. I am disturbed by the logjam that has developed in the peace process. I call upon Mr. Mubarak to take seriously his responsibilities as President of Egypt, as the inheritor of the Camp David accord, and the trustee of this fragile but vital peace.

HOW SERIOUS IS THE DOMINICAN REPUBLIC ABOUT FIGHTING DRUGS?

Mr. D'AMATO. Mr. President, New York County District Attorney Robert Morgenthau announced today that Daniel Mirambeaux has been indicted for the murder of New York City Police Officer Michael Buczek, age 24, and for the attempted murder of his partner, Officer Joseph Barbato.

I ask unanimous consent that the text of this indictment be printed immediately after the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. D'AMATO. On October 18, 1988, the two officers were on uniform patrol. They had just responded to a call for medical assistance at an apartment on west 161st Street in Manhattan.

Mirambeaux and several of his accomplices had just committed a drug-related robbery in another apartment in the same building when the police officers appeared on the scene.

When the police attempted to question Mirambeaux, he shot at them, killing Officer Buczek.

Mirambeaux then fled the scene, escaping to the Dominican Republic, where he is a citizen, and where he is now in custody on unrelated charges.

Mirambeaux's release for return to New York has been the subject of negotiations with the Dominican Republic. Unfortunately, he has still not been turned over to U.S. authorities.

Mr. President, this case is so important that I was going to introduce a resolution calling on the Dominican Republic to expel Mirambeaux. I have been advised that—at this time—such action might be counterproductive.

But patients has its limits. And if the time comes that an official declaration by the Senate becomes necessary, I will have no hesitation in introducing such a resolution, or in taking whatever other action is necessary.

We must not let this case be forgotten. The Dominican Republic must know that we consider this case to be a major test of how committed that nation is to fighting a real war on drugs.

I do not minimize the domestic political problems that expelling Mirambeaux may cause Dominican authorities. The propaganda put out by drug dealers is that extradition and cooperation with U.S. authorities is a surrender of national sovereignty. The truth is just the opposite. The real test of sovereignty is whether a nation is able to stand up to the drug dealers, and their intimidation.

Last year, Honduras passed this test. In April 1988, Honduras expelled a major drug trafficker, Juan Matta Ballesteros, to the United States. His ex-

pulsion did lead to some very serious rioting, but the Honduran Government showed the necessary courage, and it survived. Today, Juan Matta Ballesteros is in prison serving a sentence for two prior convictions, and is awaiting trial in three additional drug cases for which he has been indicted.

The Dominican Republic faces just such a test right now. Let us hope—for all our sakes—that they pass it.

EXHIBIT 1

[Supreme Court of the State of New York, County of New York]

THE PEOPLE OF THE STATE OF NEW YORK AGAINST DANIEL MIRAMBEAUX, DEFENDANT

The Grand Jury of the County of New York, by this indictment, accuse the defendant of the crime of murder in the first degree, in violation of Penal Law § 125.27(1), committed as follows:

The defendant, in the County of New York, on or about October 18, 1988, with intent to cause the death of Michael Buczek, caused the death of Michael Buczek by shooting him with a pistol, and at said time Michael Buczek was a police officer in the course of performing his official duties, and the defendant knew and reasonably should have known that the victim was a police officer and the defendant was more than eighteen years old at the time of the commission of the crime.

Second count: and the Grand Jury aforesaid, by this indictment, further accuse the defendant of the crime of murder in the second degree, in violation of Penal Law § 125.25(1), committed as follows:

The defendant, in the County of New York, on or about October 18, 1988, with intent to cause the death of Michael Buczek, caused the death of Michael Buczek by shooting him with a pistol.

Third count: and the Grand Jury of the County of New York, by this indictment, further accuse the defendant of the crime of murder in the second degree, in violation of Penal Law § 125.25(3), committed as follows:

The defendant and another, in the County of New York, on or about, October 18, 1988, committed and attempted to commit robbery and in the course of and in furtherance of said crime and of immediate flight therefrom, he and another participant caused the death of Michael Buczek, who was not a participant in the crime, by shooting him with a pistol.

Fourth count: and the Grand Jury of the County of New York, by this indictment, further accuse the defendant of the crime of an attempt to commit the crime of murder in the first degree, in violation of Penal Law §§ 110/125.27(1), committed as follows:

The defendant, in the County of New York, on or about October 18, 1988, with intent to cause the death of Joseph Barbato, attempted to cause the death of Joseph Barbato by shooting at him with a pistol, and at said time Joseph Barbato was a police officer in the course of performing his official duties, and the defendant knew and reasonably should have known that the victim was a police officer and the defendant was more than eighteen years old at the time of the commission of the crime.

Fifth count: and the Grand Jury aforesaid, by this indictment, further accuse the defendant of the crime of robbery in the first degree, in violation of Penal Law § 160.15(4), and armed felony, committed as follows:

The defendant, in the County of New York, on or about October 18, 1988, forcibly stole certain property from Raphael DeJesus Paulino, to wit, personal property and in the course of the commission of the crime and of the immediate flight therefrom, he and another participant in the crime displayed what appeared to be a pistol.

Sixth count: and the Grand Jury aforesaid, by this indictment, further accuse the defendant of the crime of robbery in the second degree, in violation of Penal Law § 160.10(1), committed as follows:

The defendant, in the County of New York, on or about October 18, 1988, being aided by another person actually present, forcibly stole certain property from Raphael DeJesus Paulino, to wit, personal property.

ROBERT M. MORGENTHAU,
District Attorney.

THE PEOPLE OF THE STATE OF NEW YORK AGAINST DANIEL MIRAMBEAUX, DEFENDANT

INDICTMENT

Murder in the first degree, P.L. section 125.27(1).

Murder in the second degree, P.L. section 125.25(1).

Murder in the second degree, P.L section 125.25(3).

An attempt to commit the crime of murder in the first degree, P.L. sections 110-125.27(1).

Robbery in the first degree, P.L. section 160.15(4) (an armed felony), a true bill.

Robbery in the second degree, P.L. section 160.10(1)—Foreman.

INSTANCES WHERE PRIVATE CITIZENS WERE BROUGHT TO THE SENATE FLOOR TO RESPOND TO QUESTIONS

Mr. BYRD. Mr. President, during the recent debate over the nomination of former Senator John Tower to be Secretary of Defense, several issues of a historical nature came under discussion. Senators talked about Presidential prerogatives and the Senate's role in giving its advice and consent on nominations.

There was one issue that was briefly raised, concerning the possibility that the Senate might invite former Senator Tower to the Chamber to participate in some form in the debate over his nomination. The distinguished majority leader, Mr. MITCHELL, objected to that proposal, offering a cogent statement that cited his concerns over the precedents that such an invitation might set. During the course of his remarks, Senator MITCHELL made passing reference to the five examples that we have of non-Senators brought to the Senate floor in the past 200 years. Brought, may I say, against their will.

I think this matter is important enough—and certainly fascinating as a historical footnote—to add to the record a brief description of the five occasions when non-Senators spoke on the Senate floor. Here I should add that I am not including formal addresses made to the Senate Chamber by Presidents and other high ranking, visiting dignitaries, but only to those individuals who spoke on the floor regarding the Senate's legislative or executive business.

Members of the press gallery might take heed that the majority of these instances involved their fellow journalists, who leaked secret information, or otherwise maligned the Senate's reputation. The first three cases, in the 19th century, saw several journalists brought into the Chamber and asked to explain how they had obtained secret information from the Senate.

In February 1800, the Philadelphia Aurora and General Advertiser published information about a bill that the Senate had debated in secret, involving the means of determining disputed electoral ballots. The Aurora charged that this legislation would permit the Federalist Party to steal that year's Presidential election. The Senate Committee on Privileges held hearings and reported a resolution directing the Aurora's editor, William Duane, to appear in the Senate Chamber "to make any proper defense for his conduct in publishing the aforementioned false, defamatory, scandalous and malicious assertions and pretended information on the subject."

On March 24, 1800, Duane stood in the Senate chamber (located at that time in Philadelphia) to answer a series of questions put to him by the presiding officer, Vice President Thomas Jefferson. However, Duane asked to leave to consult with counsel. He was permitted to depart, after which he refused to make any further "voluntary appearance" before the Senate. The Senate issued a warrant for his arrest, but he was not apprehended. After the Federalists lost their majority in the Senate that year, Duane's interrogation was never resumed.

In February 1848, the New York Herald published a detailed summary of a peace treaty with Mexico before the Senate had lifted its injunction of secrecy on that document. On March 23, 1848, the Senate appointed a select committee to investigate the leak. The committee called John Nugent, the Herald's Washington correspondent, but he refused to divulge his sources. The Senate then ordered the Sergeant at Arms to arrest the reporter and bring him to the Senate Chamber on March 30. There, during a long interrogation, Nugent repeatedly declined to identify his sources. The Senate ordered him confined to a committee room in the Capitol until he was ready to answer the questions put to him. Nugent was brought back to the Senate Chamber the following day but again refused to cooperate. Nugent remained captive in the Capitol until

April 28, when the Senate released him, citing concern for his health.

In May 1871, the New York Tribune published a still-secret treaty with Great Britain, launching a similar Senate investigation. A select Senate committee called two of the Tribune's Washington correspondents, Zebulon L. White and Hirman J. Ramsdell, to testify about the leak. On May 16, 1871, the committee reported that White and Ramsdell would not disclose their sources, and the Senate ordered the Sergeant at Arms to arrest them. The following day, White and Ramsdell appeared in the Chamber in the custody of the Sergeant at Arms. They heard the Vice President read to them a series of questions that the Senate had approved, and they were given a day to prepare their answers. Both argued that a reporter's sources must remain privileged and confidential, and they declined to identify the individual who leaked the treaty. White and Ramsdell were held in a Capitol committee room until the Senate voted to release them on May 27, 1871, shortly before that session of the Senate was due to adjourn.

The first incident in the 20th century, also involved a former Washington newspaper correspondent, David Barry, although at the time he came to the Chamber he was the Senate's Sergeant at Arms. Mr. Barry had reported on Congress for many years before being elected Sergeant at Arms in 1919, a post he continued to hold during the years that the Republicans were in the majority. The election of 1932 swept in a Democratic majority, and David Barry prepared to retire from office at the end of the session. A month prior to his retirement, Barry published an article entitled "Over the Hill to Demogoguery" in the New Outlook magazine that cast aspersions on the ethics of Members of Congress by stating: "There are not many Senators and Representatives who sell their votes for money, and it is pretty well known who those few are." On February 3, 1933, Senators brought their Sergeant at Arms into the Chamber, put him under oath, demanded that he explain this statement and reveal those Members who supposedly sold their votes. Obviously embarrassed by his own indiscretion, Barry would not identify any Members, saying, "I do not know of any such men and did not mean to imply that I did." The Senate Judiciary Committee held similarly fruitless hearings, and on February 7, Mr. Barry was dismissed as Senate Sergeant at Arms. No other disciplinary action was taken.

The last occasion that saw non-Senators questioned on the Senate floor took place in February 1934, the year that I graduated from high school. A Senate investigating committee, chaired by Hugo L. Black of Alabama, was looking into Government ocean mail and air mail contracts. When evidence came to light that a Washington, DC, attorney, former Assistant Secretary of Commerce William P. MacCracken, Jr., had refused to supply to the committee certain correspondence, files, books, and records; on motion by Senator Black, the Senate ordered his arrest by the Sergeant at Arms and appearance before the bar of the Senate. On February 5, the Senate issued a citation for MacCracken; Northwest Airways Vice President L.H. Brittin; TWA President Harris M. Hanshue and his secretary, Gilbert Givvin. On February 9, 1934, all except MacCracken appeared in the Senate Chamber to answer questions posed to them by the Vice President and by Senator Black.

Mr. MacCracken later turned himself in to the Senate's Sergeant at Arms, Chesley W. Jurney, and was sentenced by the Senate to 10 days in jail for contempt of the Senate. Brittin was similarly sentenced, but Hanshue and Givven were found "not in contempt" and immediately freed. Brittin served his term, but MacCracken went free on bond while he appealed, charging that the Senate lacked authority to arrest a former Government official for past actions. On February 4, 1935, in the case of Jurney versus MacCracken, the Supreme Court upheld the Senate's power to punish for contempt. Therefore, on February 26 of that year, MacCracken went to the District of Columbia jail, where he was met by Senate Sergeant at Arms Jurney, who formally turned him over to prison authorities to serve his 10-day sentence.

Except for the few times in the 19th century when unruly visitors to the Senate galleries were brought briefly before the Presiding Officer, these five examples are the only occasions when non-Senators were questioned on the Senate floor. As the majority leader, Mr. MITCHELL, has pointed out, these cases offer no precedent on behalf of Cabinet nominees, or any nominees, to appear before the full Senate in the confirmation process, and instead involved allegations of contempt by private citizens or the disciplining of a Senate officer. In each case, the individuals did not freely engage in debate, but answered questions put to them by the Presiding Officer. From this we may conclude that the only legitimate and practicable means of participating in Senate debates is first to win election to the Senate and then to gain recognition from the Presiding Officer.

Mr. President, I thank the distinguished majority leader for his courtesy in arranging for me to speak at this moment. I yield the floor.

IMPEACHMENT OF JUDGE ALCEE L. HASTINGS

The PRESIDING OFFICER. The Chair submits for printing in the CONGRESSIONAL RECORD a motion submitted by Judge Alcee Hastings to the Secretary of the Senate requesting funds for Judge Hastings' defense, and without determining whether the committee appointed pursuant to Senate Resolution 38 has authority to act on the motion, the Chair refers the motion to the committee for initial consideration.

The motion is as follows:

THE UNIVERSITY OF MIAMI
SCHOOL OF LAW,
Coral Gables, FL, March 29, 1989.

MICHAEL DAVIDSON, ESQ.,
Senate Legal Counsel, Hart Senate Office Building, Washington, DC.

DEAR MR. DAVIDSON: I enclose a Motion Requesting Funds for Respondent's Defense. We view this request as a matter of the highest priority and principle. The disposition of this motion will, in significant measure, determine the nature and extent of our ability to address concerns such as those raised in your letter of March 24, 1989, effectively and realistically. For that reason, I concluded that the motion should be submitted separately and at the earliest possible moment.

Senate Resolution No. 38 authorizes payment of "[n]ecessary expenses of the [Rule XI] committee . . . from the contingent fund of the Senate . . . upon vouchers approved by the chairman." For reasons set forth in the motion, I think the Senate's decisions on March 11 have established the costs of Judge Hastings's defense as "necessary expenses" of this impeachment. I realize, however, that the chairman of the committee may wish to consult further to determine whether this request falls within the jurisdiction of the committee or should be authorized by the full Senate. I would appreciate your advising me of the procedures to be followed to obtain a ruling on this request.

I am forwarding the executed original of the motion with a copy of this letter to the Secretary for the Senate's permanent file. I am sending a copy to Lead Manager Bryant in care of Mr. Baron.

Sincerely,

TERENCE J. ANDERSON,
Counsel to U.S. District Judge Alcee L. Hastings.

[In the Senate of the United States, Sitting for the Trial of an Impeachment]

THE HOUSE OF REPRESENTATIVES, OF THE UNITED STATES, PLAINTIFF, *v.* THE HONORABLE ALCEE L. HASTINGS, A JUDGE OF THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA, RESPONDENT.

MOTION REQUESTING FUNDS FOR RESPONDENT'S DEFENSE

United States District Judge Alcee L. Hastings moves that the United States Senate promptly authorize payment, from its contingent fund or otherwise, of all expenses he has incurred and may reasonably incur in preparing for and participating in the trial of this impeachment. The reasons why the Senate should, in any event, pay these expenses were developed in memoranda submitted to the Senate Committee on

Rules and Administration and are incorporated here.[1]

Since the Rules Committee considered that request, the Senate has taken action that confirms the justification and the need for prompt action now. The Senate has determined that these proceedings are not criminal in nature and that the Senate can and will conduct a trial that is fair to respondent. In order to make good the commitments implicit in those determinations, we submit the Senate may and, in fairness, must now act promptly to assure that adequate funds are provided for respondent's defense. That action is necessary to assure that respondent's compensation is not diminished by these proceedings during his continuance in office, to eliminate the unfair handicaps under which respondent and his counsel have labored to date, and to minimize the consequences of those handicaps in the future, insofar as that is not feasible. We develop these points below.

A.

For seven years, Judge Hastings's accusers have enjoyed virtually unlimited access to federal funds and resources to pursue their investigations and to prepare their cases against Judge Hastings for trial. Throughout that period, the government has denied Judge Hastings funds to investigate and prepare for his defenses to those trials. The costs he has incurred in challenging the constitutionality of the various proceedings and in defending himself at his first trial have far exceeded the modest sums contributed for his defense and has diminished his income and estate substantially. As matters now stand, his judicial salary could not satisfy the interest that would accrue were the reasonable value of the legal services he has required to date calculated and assessed.

The decision by the Senate that respondent must prepare for and submit to a second trial on the accusations made by the House represents a commitment by the Senate that the trial conducted can and will be fair to Judge Hastings. The House managers have available to them the products of the seven years of investigations. They have had and will continue to have a special impeachment trial staff of four lawyers and the services of five other House lawyers, with appropriate paralegal, secretarial, and other supporting services, to aid them in preparing for and presenting the House's evidence at trial. We submit the Senate cannot maintain the appearance, let alone the reality, of fairness in these proceedings unless resources comparable to those the House has enjoyed and will enjoy are promptly made available to Judge Hastings.

Moreover, the Senate has now accepted the House's view that these are remedial proceedings to determine whether respondent's rights as an article III judge should be terminated. One of the rights respondent holds as an article III judge is the right to insist that his compensation not be diminished during his continuance in office. Since these are remedial proceedings in the House's and Senate's view, there can be no further justification or excuse for the exercise of the powers of impeachment and trial in a manner that must diminish the judge's compensation during his continuance in office. We now ask the Senate to acknowledge and give effect to the principles of its decision to deny the motion established.

B.

The Senate must be aware of the resources that have been and are available to the House to enable it to develop and prepare to try its accusations a second time. At the outset of its inquiry, the House received a record that had been compiled by the judiciary over a three-and-a-half year period. The judiciary had retained the services of two experienced lawyers, aided by paralegals and supporting staff, and had used the services of the FBI to aid in its investigation. The judiciary itself had begun its investigations with the product of an eighteen-month investigation and two trial records compiled by the Justice Department with extensive assistance from the FBI and the grand jury.

At the outset of its inquiry, the House retained special counsel, three assistant special counsel, and paralegal and other support staff to assist in further investigations and inquiries. In addition to its lead manager and five supporting managers, the House has maintained a special impeachment trial staff of four lawyers and has assigned five other lawyers to assist in preparing for the trial of this impeachment. The total costs and resources that have been expended in developing the case against respondent are unknown and may never be determined. The available figures establish that the amounts expended by the judiciary and the House for special counsel and staff and other costs of the investigations exceeded $2,000,000, even before the articles were exhibited. Those expenditures have mounted since.

Throughout the past seven years, the government has not provided any resources to enable Judge Hastings to conduct investigations or to prepare for or conduct either his first or second defense. As a result, Judge Hastings has already incurred liabilities such that his judicial salary would be insufficient to pay the interest on the debt if his counsel were to seek compensation for the time expended on his behalf. Moreover, the amounts he has been required to expend have substantially exceeded the sums that have been contributed over the years to aid him in his defense of his office. He is now confronted with the need to prepare for and participate in protracted trial proceedings before the Senate.

In order to prepare to defend himself a second time, the respondent and his counsel must now examine, analyze, and organize a record that consists of more than 10,000 pages of material. The House subcommittee declined to call the witnesses requested by Judge Hastings or, insofar as the record reflects, to conduct any inquiries into areas he had identified as crucial to his defense. For that reason, he and his counsel must also prepare for a trial at which they will be forced to identify, and call witnesses who have not previously been examined in any forum, many of whom will not be available for prior interview when funds are provided. The Senate cannot, we submit, maintain that these proceedings can be fair to Judge Hastings if he is required to bear these additional burdens without resources being made available.

If the trial is to be fair to Judge Hastings and is to be conducted in a manner that is fair and orderly, Judge Hastings must be given resources necessary to permit his counsel to devote their full time to this matter and to employ proper staff for the analysis and investigations necessary to prepare this case for trial. Of similar import, he must be given resources to assure that he and his counsel may be present in Washington for evidentiary hearings that are likely to consume more than 200 hours of actual testimony over a period of several months. These are not burdens that the Senate can, in fairness, expect Judge Hastings or his counsel to bear without proper support.

C.

The Senate should also understand the nature and the magnitude of the burdens that these proceedings have imposed and will impose upon Judge Hastings and his counsel. The proceedings in the Senate to date have focused largely upon pleadings, motions, and other procedural matters. Counsel for Judge Hastings have devoted more than 1500 hours just in preparing legal memoranda and other documents and attending the hearings and meeting scheduled thus far. Judge Hastings and his counsel have incurred costs in excess of $12,000 for transportation and accommodations and for federal express, telecommunications, photocopying, postage, and like expenses in connection with the proceedigns to date. These are conservative estimates.

The proceedings that will now be required will impose burdens that are different in kind. We estimate that 4000 hours of lawyer time would be required to conduct the analysis, interviews, and examinations necessary for proper trial preparation and to participate fully in more than 200 hours of hearings with anything approaching effectiveness. We also estimate that approximately $200,000 would be necessary to provide adequately for necessary transportation and accommodation for the judge and his counsel, for proper paralegal and secretarial support, and for other routine office expenses.

These are not burdens that the Senate or the American people can fairly expect Judge Hastings or his counsel to continue to absorb. The time and funds Judge Hastings and his counsel have invested for more than seven years should satisfy any skeptics that they will persist and endure in any event, but that will not make the proceedings fair. Moreover, they cannot in conscience, and the Senate cannot in fairness expect them to, reach the kinds of accommodations with their opponents that might otherwise be possible, if they are denied the resources necessary to conduct the prior investigations, interviews, examinations, and analyses that such accommodation would require. In this view, it is also in the interest of the Senate and the House that the Senate provide the funds necessary to enable the judge to proceed with a proper preparation and presentation of his defense.

D.

The Rules Committee concluded that the payment of fees and costs was "within the discretion of the Senate," but, in the absence of precedent, declined to recommend how the Senate should exercise that discretion.[2] At that time, the Senate had never determined whether proceedings such as these were criminal or remedial in nature. The Senate has now made its determination on that issue, and the proceedings have now reached the stage where the question of funds for the defense must be confronted and resolved. We submit that the decisions the Senate made in denying Judge Hastings's motions to dismiss necessarily established that the Constitution and its principles, as construed by the Senate, compel the conclusion that funds must be provided for

[1] The relevant parts of these memoranda are reprinted in S. Rep. No. 1, 101st Cong., 1st Sess. 90-92, 99-104 (1989).

[2] S. Rep. No. 1 *supra*, 113.

a proper defense, at least when the accused is an acquitted federal judge.

In denying the motion to dismiss Articles I through XV, the Senate necessarily determined that, in its view, impeachment proceedings are non-criminal in nature. In that view, they are remedial proceedings to determine whether the rights respondent holds as an article III judge should be terminated. One of the rights the respondent shares with all article III judges is the right to receive "a Compensation, which shall not be diminished *during their Continuance in Office.*" (U.S. Const., art. III, § 1; emphasis added.) Judge Hastings will continue in office unless and until the Senate enters a judgment of conviction in these proceedings. He is thus entitled to such protections as may be necessary to assure that his compensation is not diminished unless and until the Senate takes the action necessary to terminate his continuance in office.

The Senate has declared its view that the impeachment power is non-criminal and is not directed at rights the judge holds as an individual. It has thus established that these are powers that are directed only at rights he holds as a judge. By that determination, the Senate has necessarily established that the impeachment power may not properly be exercised to diminish a judge's compensation during his or her continuance in office. It follows that the guarantee embodied in Article III requires that funds necessary to prevent any diminution in his compensation through the date of judgment must be provided. We call upon the Senate here to observe the corollary it established when it decided that these were remedial rather than criminal proceedings.

E.

We could develop these points and the underlying principles at length. In our view, that should not be necessary, if the Senate is truly committed to conducting a trial that is fair. The judiciary and the House have used federal resources to conduct *ex parte* and secret investigations that have had the effect of undermining the judge's security, his reputation, his health, and his estate for six years. The actions taken and the burdens imposed have all been without precedent. The House has set aside generous resources to fund its efforts to prepare and prosecute its accusations through the trial of this impeachment. The Senate has determined that these are remedial proceedings necessary to protect the government, rather than proceedings to further burden or punish the respondent. The Senate can no longer rely upon the absence of precedent as an excuse for failing to take actions necessary to satisfy the principles and meet the commitments it made when it denied the the motion to dismiss. It should act now to end the financial impositions by providing respondent funds to pay all expenses necessary to a full and proper defense.

Respectfully submitted,

TERENCE J. ANDERSON,
c/o The University of Miami School of Law, Coral Gables, FL.
Courier service address: Coral Gables, FL.
PATRICIA GRAHAM WILLIAMS,
Miami, FL.
JOHN W. KARR,
WILLIAM G. MCLAIN,
ANN B. RICHARDSON,
KARR & MCLAIN,
Washington, DC.
ROBERT S. CATZ,
c/o Cleveland State University, College of Law, Cleveland, OH.
Counsel for U.S. District Judge Alcee L. Hastings.

[Federal Express Airbill, Mar. 29, 1989]

PACKAGE TRACKING No. 1783884163

FROM: Prof. Terence J. Anderson, University of Miami School of Law, 1311 Miller or/RM 426, Coral Gables, FL.

TO: The Hon. Walter Stewart, Secretary of the U.S. Senate, The Capitol, S-208, Washington, DC.

ORDERS FOR WEDNESDAY

(The following orders for Wednesday were entered earlier in the day and appear at this point in the RECORD by unanimous consent.)

RECESS UNTIL 1:30 P.M. TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 1:30 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I further ask unanimous consent that following the time for the two leaders there be a period for morning business not to extend beyond 2:30 p.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO THE CONSIDERATION OF S. 248, THE MAJOR FRAUD BILL, AT 2:30 P.M.

Mr. MITCHELL. Mr. President, I further ask unanimous consent that when the Senate proceed to Calendar No. 25, S. 248, the major fraud bill, at 2:30 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate now stands in recess until 1:30 p.m. tomorrow.

Thereupon, at 5:36 p.m., the Senate recessed until Wednesday, April 5, 1989, at 1:30 p.m.

NOMINATIONS

Executive nominations received by the Senate April 4, 1989:

DEPARTMENT OF STATE

JOHN R. BOLTON, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF STATE, VICE RICHARD SALISBURY WILLIAMSON, RESIGNED.

HERMAN JAY COHEN, OF NEW YORK, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AN ASSISTANT SECRETARY OF STATE, VICE CHESTER A. CROCKER, RESIGNED.

TERENCE A. TODMAN, OF THE VIRGIN ISLANDS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO ARGENTINA.

CHARLES EDGAR REDMAN, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO SWEDEN.

AMBASSADOR

RICHARD REEVES BURT, OF ARIZONA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS HEAD OF DELEGATION ON NUCLEAR AND SPACE TALKS AND CHIEF NEGOTIATOR ON STRATEGIC NUCLEAR ARMS (START).

DEPARTMENT OF THE TREASURY

ROBERT R. GLAUBER, OF MASSACHUSETTS, TO BE AN UNDER SECRETARY OF THE TREASURY, VICE GEORGE D. GOULD, RESIGNED.

HOLLIS S. MCLOUGHLIN, OF NEW JERSEY, TO BE AN ASSISTANT SECRETARY OF THE TREASURY, VICE CHARLES H. DALLARA, RESIGNED.

DEPARTMENT OF JUSTICE

KENNETH WINSTON STARR, OF VIRGINIA, TO BE SOLICITOR GENERAL OF THE UNITED STATES, VICE CHARLES FRIED, RESIGNED.

DEPARTMENT OF COMMERCE

SUSAN CAROL SCHWAB, OF MARYLAND, TO BE ASSISTANT SECRETARY OF COMMERCE AND DIRECTOR GENERAL OF THE UNITED STATES AND FOREIGN COMMERCIAL SERVICE, VICE LEW W. CRAMER, RESIGNED.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CONSTANCE HORNER, OF THE DISTRICT OF COLUMBIA, TO BE UNDER SECRETARY OF HEALTH AND HUMAN SERVICES, VICE DONALD M. NEWMAN, RESIGNED.

MARY SHEILA GALL, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE SYDNEY J. OLSON, RESIGNED.

DEPARTMENT OF TRANSPORTATION

ELAINE L. CHAO, OF CALIFORNIA, TO BE DEPUTY SECRETARY OF TRANSPORTATION, VICE MARY ANN WEYFORTH DAWSON, RESIGNED.

DEPARTMENT OF ENERGY

W. HENSON MOORE, OF LOUISIANA, TO BE DEPUTY SECRETARY OF ENERGY, VICE JOSEPH F. SALGADO, RESIGNED.

JOHN CHATFIELD TUCK, OF VIRGINIA, TO BE UNDER SECRETARY OF ENERGY, VICE DONNA R. FITZPATRICK, RESIGNED.

DEPARTMENT OF EDUCATION

JOHN THEODORE SANDERS, OF ILLINOIS, TO BE UNDER SECRETARY OF EDUCATION, VICE LINUS D. WRIGHT, RESIGNED.

UNITED STATES COURT OF VETERANS APPEALS

FRANK QUILL NEBEKER, OF VIRGINIA, TO BE CHIEF JUDGE OF THE UNITED STATES COURT OF VETERANS APPEALS FOR THE TERM OF 15 YEARS. (NEW POSITION)

ENVIRONMENTAL PROTECTION AGENCY

WILLIAM G. ROSENBERG, OF MICHIGAN, TO BE AN ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, VICE J. CRAIG POTTER, RESIGNED.

OFFICE OF PERSONNEL MANAGEMENT

CONSTANCE BERRY NEWMAN, OF MARYLAND, TO BE DIRECTOR OF THE OFFICE OF PERSONNEL MANAGEMENT, VICE CONSTANCE HORNER, RESIGNED.

PEACE CORPS

PAUL D. COVERDELL, OF GEORGIA, TO BE DIRECTOR OF THE PEACE CORPS, VICE LORET M. RUPPE, RESIGNED.

IN THE COAST GUARD

PURSUANT TO THE PROVISIONS OF 14 USC 729, THE FOLLOWING NAMED CAPTAIN OF THE COAST GUARD RESERVE TO BE A PERMANENT COMMISSIONED OFFICER IN THE COAST GUARD RESERVE IN THE GRADE OF REAR ADMIRAL (LOWER HALF).

FRED S. GOLOVE

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. GEORGE L. BUTLER, xxx-xx-xxxx FR, U.S. AIR FORCE.

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE

PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. HENRY VICCELLIO, JR., xxx-xx-xxxx FR, U.S. AIR FORCE.

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 307, TITLE 32, UNITED STATES CODE, AND SECTIONS 8351, 8363, AND 8496, TITLE 10 OF THE UNITED STATES CODE:

To be major general

BRIG. GEN. PHILIP G. KILLEY xxx-xx-xxxx FG, AIR NATIONAL GUARD OF THE UNITED STATES.

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 307, TITLE 32, UNITED STATES CODE, AND SECTIONS 8351 AND 8496, TITLE 10 OF THE UNITED STATES CODE:

To be brigadier general

COL. DONALD W. SHEPPERD, xxx-xx-xxxx FG, AIR NATIONAL GUARD OF THE UNITED STATES.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN GRADE INDICATED UNDER THE PROVISONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. EDWARD HONOR, xxx-xx-xxxx UNITED STATES ARMY.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be admiral

VICE ADM. JONATHAN T. HOWE, xxx-xx-xxxx/1110, U.S. NAVY.

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

VICE ADM. JOHN A. BALDWIN, JR., xxx-xx-xxxx/1110, U.S. NAVY.

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

DENTAL

To be colonel

ELLIOT E. ANGEL, xxx-xx-xxxx
KENDALL J. BARROWES, xxx-xx-xxxx
STEPHEN F. BETTES, xxx-xx-xxxx
SLOAN W. BLOCKER, xxx-xx-xxxx
PAUL R.* BURNETT, xxx-xx-xxxx
PETER A. CECIC, xxx-xx-xxxx
CRAIG A. CHILTON, xxx-xx-xxxx
LOREN C. CHRISTENSEN, xxx-xx-xxxx
ROBERT F. COSNAHAN, JR., xxx-xx-xxxx
TIMOTHY D. CRAEMER, xxx-xx-xxxx
EDWIN M. CRANDALL, xxx-xx-xxxx
JAMES DEBOER, xxx-xx-xxxx
PHILBERT C. DOLEAC, JR, xxx-xx-xxxx
MICHAEL G. DONOVAN, xxx-xx-xxxx
RANDALL W. ELLIS, xxx-xx-xxxx
JAMES J. GEERTSEMA, xxx-xx-xxxx
JERRE M. GRIFFIN, xxx-xx-xxxx
ROBERT B. HANOVER, JR, xxx-xx-xxxx
DONALD W. HOGAN, xxx-xx-xxxx
TIMOTHY A. INGRAM, xxx-xx-xxxx
MARK H. JOHNSON, xxx-xx-xxxx
ROBERT L. KEELER, xxx-xx-xxxx
HARVEY P. KESSLER, xxx-xx-xxxx
KENNETH J. KUHAR, xxx-xx-xxxx
BOGDAN M. KULIKOWSKI, xxx-xx-xxxx
JAMES C. KULILD, xxx-xx-xxxx
JOHN R. LEONARD, xxx-xx-xxxx
THOMAS J. LYNCH, xxx-xx-xxxx
JOHN W. MCCARTNEY, xxx-xx-xxxx
JOHN P. MCLAUGHLIN, xxx-xx-xxxx
LOMAN E. MILLER, xxx-xx-xxxx
CRAIG A. MOORE, xxx-xx-xxxx
WILLIAM F. PARTRIDGE, xxx-xx-xxxx
JOSEPH J. PAWLUSIAK, xxx-xx-xxxx
EDGARDO E. QUINONES, xxx-xx-xxxx
DOUGLAS D. RICHARDSON, xxx-xx-xxxx
WALTER D. SHIELDS, xxx-xx-xxxx
MICHAEL T. SINGER, xxx-xx-xxxx
ROBERT L. STONEROCK, xxx-xx-xxxx
ROBERT L. SWORDS, xxx-xx-xxxx
STEPHEN J. TODD, xxx-xx-xxxx
RODRIGO L. URIBE, xxx-xx-xxxx

MEDICAL CORPS

To be colonel

FRANCO* ALVAREZ, xxx-xx-xxxx
THOMAS M. ANDERSON, JR., xxx-xx-xxxx
HENDRICK J.* ARNOLD, III, xxx-xx-xxxx
THOMAS H. AUER, xxx-xx-xxxx
RUBY T.* BADDOUR, xxx-xx-xxxx
MICHAEL W. BAIN, xxx-xx-xxxx
PRAXEDES V.* BELANDRES, xxx-xx-xxxx
WILLIAM C.* BERGMAN, xxx-xx-xxxx
DON B. BLAKESLEE, xxx-xx-xxxx
JOHN W. BOSLEGO, xxx-xx-xxxx
WARREN F.* BOWLAND, xxx-xx-xxxx
ROBERT E.* BRAMMER, xxx-xx-xxxx
MICHAEL J. BRENNAN, xxx-xx-xxxx
THOMAS G. BREWER, xxx-xx-xxxx
JAMES E.* BROWN, xxx-xx-xxxx
JAMES S. BROWN, xxx-xx-xxxx
GARY B. CARPENTER, xxx-xx-xxxx
RAYMOND C. CHUNG, xxx-xx-xxxx
YOUN K.* CHUNG, xxx-xx-xxxx
RONALD H.* COOPER, xxx-xx-xxxx
FLOYD M. CORNELL, xxx-xx-xxxx
ROHINI M.* DANIELS, xxx-xx-xxxx
CECILY M.* DAVID, xxx-xx-xxxx
MANUEL T.* DELOSSANTOS, xxx-xx-xxxx
REKHA D.* DHRU, xxx-xx-xxxx
WELDON A.* DUNLAP, xxx-xx-xxxx
FRED H. EDWARDS, xxx-xx-xxxx
ROBERT E.* FISHER, xxx-xx-xxxx
BRYANT R. FORTNER, JR., xxx-xx-xxxx
STEPHEN R. FREEMAN, xxx-xx-xxxx
MANUEL FUENTESCANALES, xxx-xx-xxxx
THOMAS W.* FURLOW, JR, xxx-xx-xxxx
RICHARD H. GENTRY, xxx-xx-xxxx
WILLIAM F. HUGHES, xxx-xx-xxxx
ROBERT C. JARCHOW, xxx-xx-xxxx
DONALD B. KIRCHNER, xxx-xx-xxxx
DAVID H. LAYLAND, xxx-xx-xxxx
MICHAEL M. LUNDY, xxx-xx-xxxx
JOHN L.* MADDOX, JR, xxx-xx-xxxx
THOMAS H. MADER, xxx-xx-xxxx
NORMAN J. MARTIN, xxx-xx-xxxx
JOHN B. MCCLAIN, xxx-xx-xxxx
KEVIN M. MCNEILL, xxx-xx-xxxx
DONALD R.* MOFFITT, xxx-xx-xxxx
RICHARD P. MOSER, JR, xxx-xx-xxxx
MOHAMMAD A. NADJEM, xxx-xx-xxxx
DOLATRAI G.* NAIK, xxx-xx-xxxx
DENNIS M.* OCONNOR, xxx-xx-xxxx
DAVID W.* OLSON, xxx-xx-xxxx
JAMES L. OWNBEY, xxx-xx-xxxx
LOUIS N.* PANGARO, xxx-xx-xxxx
KENT M.* PLOWMAN, xxx-xx-xxxx
DARREL R.* PORR, xxx-xx-xxxx
DAVID M. POSEY, xxx-xx-xxxx
GEORGE S. REBECCA, xxx-xx-xxxx
VISHNU V.* REDDY, xxx-xx-xxxx
DAVID A.* ROBERTS, xxx-xx-xxxx
HERBERT R. ROBERTS, xxx-xx-xxxx
GEORGE A.* SAVIOLAKIS, xxx-xx-xxxx
DAVID E. SCHROEDER, xxx-xx-xxxx
RASHMIKANT B.* SHAH, xxx-xx-xxxx
FRED A. SIMON, JR, xxx-xx-xxxx
RICHARD W. SMERZ, xxx-xx-xxxx
WILLIAM R. SMITH, JR, xxx-xx-xxxx
THOMAS H. SPRAGUE, xxx-xx-xxxx
MARIA M. TOMASZEWSKI, xxx-xx-xxxx
OSDEL L.* VAN, xxx-xx-xxxx
JONATHAN S. VORDERMARK, xxx-xx-xxxx
LEONARD E. WEISMAN, xxx-xx-xxxx
ROLAND J. WEISSER, JR, xxx-xx-xxxx
CARVER G. WILCOX, xxx-xx-xxxx
GEORGE B. WINTON, xxx-xx-xxxx
DALE C. WORTHAM, xxx-xx-xxxx
DANIEL G.* WRIGHT, xxx-xx-xxxx
HOMER J. WRIGHT, xxx-xx-xxxx
ROBERT N. YOUNG, xxx-xx-xxxx
ELIZABETH K. ZACHARIAH, xxx-xx-xxxx
JOSEPH D.* ZELIGS, xxx-xx-xxxx

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICERS OF THE MARINE CORPS FOR PERMANENT APPOINTMENT TO THE GRADE OF COLONEL UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

JOSEPH T. ANDERSON, xx...
RUSSELL E. APPLETON, xx...
WILLARD P. ARMES, xx...
WHEELER L. BAKER, xx...
SHELDON J. BATHURST, xx...
DONALD A. BEAUFAIT, xx...
EMIL R. BEDARD, xx...
JAMES R. BENSON, xx...
GERALD L. BERRY, xx...
GUISEPPE A. BETTA, xx...
JOHN R. BIOTY, JR, xx...
MICHAEL P. BOAK, xx...
IAN BRENNAN, xx...
JAMES A. BRINSON, JR, xx...
MICHAEL V. BROCK, xx...
MATTHEW E. BRODERICK, xx...
MICHAEL D. BUTLER, xx...
BRUCE B. BYRUM, xx...
ROBERT E. CAHILL, xx...
ROY L. CARTER, xx...
MARY K. CHETKOVICH, xx...
KENNETH L. CHRISTY, JR, xx...
JAMES L. CLARK, JR, xx...
RICHARD A. COMBS, xx...
RICHARD R. CRAWFORD, xx...
MICHAEL P. DAVIS, xx...
SAMUEL C. DECOTEAU, xx...
JOSEPH DELLACORTE, xx...
MICHAEL P. DELONG, xx...
WALTER L. DOMINA, xx...
ORVIS R. DOYLE, xx...
DON D. ENLOE, xx...
CARL H. ERTWINE, xx...
LOUIS J. FERRACANE, JR, xx...
THOMAS P. FINNERTY, xx...
MARVIN H. FLOOM, JR, xx...
LEONARD R. FUCHS, JR, xx...
CHARLES H. GALLINA, xx...
DAVID M. GEE, xx...
DANIEL M. GLYNN, xx...
EUGENE L. GOBELI, xx...
WILLIAM G. GOODING, xx...
WALLACE C. GREGSON, JR, xx...
MICHAEL W. HAGEE, xx...
EDWARD HANLON, JR, xx...
PAUL E. HANOVER, III, xx...
ROBERT P. HANSEN, xx...
ROBERT W. HANSEN, xx...
WILLIS H. HANSEN, xx...
DAVID W. HAUGHEY, xx...
PHILLIP R. HEMMING, xx...
RICHARD L. HERRINGTON, xx...
GEOFFREY B. HIGGINBOTHAM, xx...
MARLIN D. HILTON, xx...
ROBERT E. HILTON, xx...
THOMAS A. HOBBS, xx...
CHARLES O. HOELLE, JR, xx...
JOHN J. HOLLY, xx...
JOSEPH R. HOLZBAUER, xx...
RAYMOND A. HORD, xx...
JAMES W. HUST, xx...
DAVID H. INGRAM, xx...
RICHARD L. JAEHNE, xx...
GEORGE M. KARAMARKOVICH, xx...
EDWIN C. KELLEY, JR, xx...
LAWRENCE G. KELLEY, xx...
JOHN P. KILEY, xx...
RICHARD C. KINDSFATER, xx...
JACK W. KLIMP, xx...
GEORGE D. LEAMING, xx...
ROBERT W. LIST, xx...
LAWRENCE H. LIVINGSTON, xx...
CHARLES M. LOHMAN, xx...
FREDERICK M. LORENZ, xx...
THOMAS E. LOUGHLIN, xx...
FOREST L. LUCY, xx...
JOHN M. MALONEY, xx...
JAMES A. MARAPOTI, xx...
GEORGE B. MAYER, JR, xx...
NORIS L. MCCALL, xx...
ORVAL W. MCCORMACK, xx...
JOHN C. MCKAY, xx...
WILLIAM D. MCSORLEY, III, xx...
WALTER F. MEGONIGAL, JR, xx...
CHARLES S. MILL, JR, xx...
BARRY C. MILO, xx...
RICHARD J. MULLER, xx...
DENNIS M. MURPHY, xx...
TERRENCE P. MURRAY, xx...
MICHAEL A. NYALKO, xx...
WILLIAM L. NYLAND, xx...
MALCOLM L. OGILVIE, JR, xx...
JAN B. OLSON, xx...
JOHN F. ONEIL, JR, xx...
RICHARD E. OUELLETTE, xx...
JERRY G. PACCASSI, II, xx...
EDWARD R. PALMQUIST, JR, xx...
THOMAS L. PARRISH, JR, xx...
LARRY D. PARSONS, xx...
MICHAEL L. PATROW, xx...
DANIEL P. PENDER, xx...
DAVID L. PERCY, xx...
ROBERT C. PLUNKETT, xx...
ALFRED J. PONNWITZ, xx...
JOHN R. POPE, xx...
ALEXANDER W. POWELL, xx...
JAMES P. RIGOULOT, xx...
CLYDE A. RILEA, xx...
DAVID L. SADDLER, xx...
TIBOR R. SADDLER, xx...
WILLIAM H. SCHOPFEL, III, xx...
JOHN W. SCHWAB, JR, xx...
RICHARD C. SLACK, xx...
CLYDE E. SMITH, JR, xx...
DANIEL M. SMITH, xx...
GILBERT E. SMITH, xx...
LAWRENCE W. SMITH, III, xx...
EDWARD A. SMYTH, xx...
KEITH H. STIVERS, xx...
JAMES P. TERRY, xx...
RICHARD F. THAYER, xx...
DRAKE F. TRUMPE, xx...
RICHARD F. VERCAUTEREN, xx...
ARTHUR S. WEBER, JR, xx...
RICHARD M. WENZELL, JR, xx...
RANDALL L. WEST, xx...
JAMES R. WILLIAMS, xx...
JAMES D. WOJTASEK, xx...
ANTHONY A. WOOD, xx...
JOSEPH C. YANNESSA, xx...

IN THE NAVY

THE FOLLOWING-NAMED COMMANDERS IN THE STAFF CORPS OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF CAPTAIN, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

MEDICAL CORPS OFFICERS

To be captain

WARREN V. AYERS
TERRELL W. BEAN
RICHARD L. COLE
LOUIS IRWIN COOPER
STEPHEN OWEN CUNNION
MARK L. DEMBERT
DENNIS LEE DEPRY
ALBERTO DIAZ, JR
EDWARD JEROME DOYLE, JR
BERTRAND DUVALARNOULD
JOHN F. EISOLD
JOHN HUNT FAHEY
DONALD LEE GIBSON
JAMES KEY GOODRUM
JU CHANG HO
RANDALL WILLIAM HOLDEN
CHRISTOPHER KEN HOLMES
JOHN FOGG KNEELAND, JR
MICHAEL JACKSON LITTLE
KENNETH WILLIAM LONG
ALVIN RENE MANALAYSAY
JAMES HOUSTON MAXWELL
DENNIS C. MCPHATE
HANS JAKO MICHENFELDER
THOMAS ROBE MONTGOMERY
HAROLD DIETSCH OCAMB
RICHARD G. OSBORNE
DAVID F. RACICOT
KIM ROBERT RANBARGER
DAVID LEROY RAYL
WILFREDO RODRIGUEZ
MARK NMN RYAN
JOHN HORACE SHALE
ROBERT J. SHIELDS, III
SUZANNE E. STELMACH
KURT F. STROSAHL
HUGO C. J. VERBRUGGEN
FRANK S. WIGNALL
TERRIE WURZBACHER
DAVID WILLIAM YACAVONE
STEVEN K. YOWELL

SUPPLY CORPS OFFICERS

To be captain

MICHAEL RAYMOND ANDREW
JOHN ROGER BAILEY
PHIL JAY BROWN
JAY MARTIN COHEN
DONALD WILLIAM DICKEY
ROBERT PATRICK FOLEY
DANA ADELFERD FULLER, JR
ARDIN FRANCIS GOSS
JEFFREY PAUL GOULD
DEAN CHRIS GUYER
JAMES LELAND HEIKKILA
HOWARD PAUL HERBST
MICHAEL DOUGLAS HOOTH
DONALD MARTIN HORSTMAN
RONALD TOIVO JOHNSON
MICHAEL LEE KALAPOS
ROBERT LEE KETTS
KEITH STEWART KRAMER
ROBERT PAUL LEONARD
KEITH WAYNE LIPPERT
BENEDICT JOSEPH MAGUIRE
JUSTIN DANIEL MCCARTHY
THOMAS WALTER MCQUEEN
MICHAEL JAMES MILLER
DANIEL PATRICK MORRISEY
JOSEPH L. PALANUK
DENNIS S. PARRY
ROBERT MICHAEL QUIGLEY, JR
DAVID GRANT RAWLINGS
GEOFFREY KENT RENARD
ROY CHANDLER RIEVE
DARCY WENTWORTH ROPER, III
PAUL OSCAR SODERBERG
WILLIAM PATRICK WILUND

CHAPLAIN CORPS OFFICERS

To be captain

MICHAEL FLOYD BURT
VINCENT WAYNE CARROLL
JOSEPH ANTHONY FERRARO
HAROLD WAYNE GARRETT
JOHN WESLEY GROVE
HUGO STANLEY HAMMOND
LAWRENCE REXWELL HORNE, JR
WILLARD LEWIS JAMES
HERMAN LORIS KIBBLE
THOMAS CHARLES MARSDEN
WILLIAM GRIFFIS MCMANUS, JR
JAMES PAUL OCONNOR
WILLIAM LEE PATRICK
PETER RICHARD PILARSKI
AQUINAS JOHN JOSEPH SMITH
ARDEN D. WALZ
FREDERICK ROBERT ZOBEL

CIVIL ENGINEER CORPS OFFICERS

To be captain

WILLIAM JOHN ANDERSON, JR
JOHN PATRICK COLLINS
ARTHUR CORSANO
JAMES LEO DELKER
RICHARD MICHAEL DEMPSEY
TERRY MICHAEL DILLON
CHARLES JEROME FEHLIG
THOMAS WILSON GIBB, JR
JOHN EUGENE JONES
ROBERT DANA KNOWLTON
RONALD COREY LEWIS
FREDERICK S. MESSICK, JR
JOSEPH CHARLES PENELL
FREDERICK DEWEY PUNCKE, JR
ERNEST CHARLES RUSHING, JR
JULIAN SABBATINI
SAMUEL SALTOUN
WILLIAM LANG SCARBOROUGH
GEORGE NICHOLAS TZAVARAS
JAMES CHRISTOPHER WRIGHT

JUDGE ADVOCATE GENERAL'S CORPS OFFICERS

To be captain

WILLIAM ROBE BABINGTON
RONALD JAMES BEACHY
MARION EUGENE BOWMAN
JOHN EDWARD DOMBROSKI
MILTON D. FINCH
WILLIAM F. GRANT, JR
JOHN DUDLEY HUTSON
RUSSELL ARMSTR JOHNSON
THOMAS A. LAWRENCE
DENNIS LEE MANDSAGER
THOMAS WILLIAM MCCALL
THOMAS ALLEN MORRISON
THOMAS EDWARD RANDALL
RONALD WALTER SCHOLZ
PAUL B. THOMPSON

DENTAL CORPS OFFICERS

To be captain

JAMES STEPHEN ARTHUR
JOHN V. CARON
THOMAS W. FAULL
TIMOTHY P. FITZHARRIS
JAMES PATRICK FLATLEY
JAMES T. JUDKINS
BARRY MARTIN KILFOIL
TERRY LEE KIPPA
MARK PAUL LARSON
GEORGE E. MACFARLANE
ROBERT W. MCCALL
MICHAEL P. MULLEN
STEPHEN ALDEN RALLS
JAMES OLIN ROAHEN
NEAL ANDREW SCHAI
MARTIN LUTHER WALTON
LAWRENCE WARREN WEEDA
MICHAEL J. WHITEHOUSE

MEDICAL SERVICE CORPS OFFICERS

To be captain

THOMAS JOSE CONTRERAS
JAMES MELVIN COOPER
PATRICIA WOODA CRIGLER
DOMINICK DEPOLO, JR
MICHAEL DAVID ECKSTEIN
MICHAEL LEEROY FERIS
RONNIE LEE FINKE
WILLIAM JOHN FLOR
KENNETH DWIGHT GIBSON
EDWARD JOSEPH GROUT, JR
JAMES EDWARD HANRAHAN
GARY ROBERT HARRINGTON
RICHARD LA HILDERBRAND
HUBERT MILTON JAMISON
JOHN LAWRENCE JOHNSON
ROBERT SAMUEL KAYLER
STEVEN RICHARD LAMAR
KARL GEORGE MENDENHALL
JOHN EDWARD MONTGOMERY
DAVID EARL MORTON
JOSEPH WILLIA PETROSKI
WILLIAM LAWRENCE ROACH
ALBERT DALE SALEKER
JAMES ANT SCARAMOZZINO
DARRELL FRED SNOOK
STEPHEN LAURIE SNYDER
PAUL KIRBY WEATHERSBY

NURSE CORPS OFFICERS

To be captain

DOROTHY RYDER CRONIN
GAE MARIE FULLER
GAIL ANN GUTIERREZ
JEAN MARIE HIGGINS
JILL E. JARRETT
VICTORIA JEAN KARRAT
DANIEL EVERETT MILLER
MICHAEL THOMAS MORAN
PAMELA ANN MURPHY
JUDITH ANN PATTINSON
MARY RUBENDALL PIPPIN
CHARLES ALAN REESE
MARY ARLEN SOUTHERLAND

WITHDRAWAL

Executive nomination withdrawn from further Senate consideration on April 4, 1989:

DEPARTMENT OF COMMERCE

LEW W. CRAMER, OF CALIFORNIA, TO BE ASSISTANT SECRETARY OF COMMERCE AND DIRECTOR GENERAL OF THE UNITED STATES AND FOREIGN COMMERCIAL SERVICE (NEW POSITION—P.L. 100-418), WHICH WAS SENT TO THE SENATE ON JANUARY 3, 1989.

EXTENSIONS OF REMARKS

H.R. 1661

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. CLAY. Mr. Speaker, today, joined by many of my colleagues, I am introducing H.R. 1661, the Employee Pension Protection Act of 1989. An identical bill will be introduced in the Senate by Senator HOWARD METZENBAUM. These bipartisan bills address the serious threat to benefit security posed when employers prematurely terminate single-employer defined benefit plans in order to recover so-called excess assets. Under the bill, employers would be permitted to recover assets contributed to a pension plan only after workers and retirees are assured that their benefit security will not be seriously diminished after the pension plan terminates.

Despite all the recent publicity focused on the relatively small number of seriously underfunded pension plans, the vast majority of single-employer pension plans are exceptionally well-funded. One of the primary reasons for this is that employers fund plans to reflect their ongoing nature: funding is usually based on a projection of what employees will be entitled to if they continue in service until normal retirement age and continue to have reasonable salary increases along the way, not merely on benefits currently earned. Thus, the overwhelming majority of plans have assets in excess of the liability owed if the plan were to be currently terminated.

Under normal circumstances, the well-funded status of most plans would be a clear reflection of increased benefit security for workers and retirees. Since 1981, however, we have witnessed a phenomenon virtually unheard of at the time ERISA was enacted in 1974: Employers prematurely terminating pension plans solely to recover "excess" or "surplus" assets to use for other corporate purposes.

This use of pension plans as corporate piggy banks to finance takeovers or other corporate priorities is a serious threat to benefit security. The Subcommittee on Labor-Management Relations, which I chair, has just completed a series of hearings on corporate takeovers and leveraged buyouts. Several of the witnesses confirmed what many subcommittee members already knew: often management itself, investment bankers involved in LBO's, and corporate raiders view a pension fund with assets in excess of those necessary to pay benefits earned to date as a source of ready cash.

Although most courts have consistently interpreted ERISA in the past to permit recovery of residual assets (only if the plan explictly provides that upon termination the assets may revert to the employer), for many years the IRS had strictly interpreted the term "residual" to include only those extra assets that were in the plan as a result of an actuarial error. Since 1983, however, the IRS has appeared to soften its position to permit any assets above bare termination liability to revert to the employer, not just those assets that were contributed to the plan because the actuary genuinely made a mistake.

This broader definition of residual assets permits employers to strip assets out of the plan that are only artificially "excess." Because the employer controls the timing of the termination, it can create a surplus by terminating when the value of assets exceeds current liabilities. Under ERISA's minimum funding rules, an employer may fund on the basis of projected benefits for workers and according to an actuarial funding method that generates "surplus" in the early years in order to achieve a relatively level funding obligation for the employer over time. Without this ability to level fund, an employer would be facing an ever-escalating funding obligation as its work force matured and liabilities increased. Thus the "excess assets" are not really the product of any actuarial error, but rather than result of an employer prematurely terminating the plan before the completion of the normal funding cycle under the ERISA minimum funding rules.

It is time to revise the law that permits employers to reap a gigantic windfall based on the timing of the termination. This windfall to employers comes at the expense of the workers, the retirees, and the taxpayers.

In most cases, after the employer terminates the plan and strips out all assets in excess of bare termination liability, the employer simply reestablishes an identical plan that is substantially less well-funded. The Reagan administration interpreted ERISA even more broadly to permit employers to engage in certain types of sham termination in order to recover assets (such as the "termination/reestablishment" described above). In addition, the administration guidelines permit "spinoff terminations." In these transactions, the employer splits its plan into two: one for the actives, and one for the retirees. The employer transfers all assets in excess of assets representing termination liability for active workers to the retirees' plan. Then the retirees' plan is terminated, annuities purchased for the retirees, and the remaining assets are recovered by the employer.

In enacting ERISA, Congress did not anticipate nor specifically address this type of corporate behavior. Although a few courts had permitted employers terminating their plans to recover assets in excess of termination liability in the past, these new broader interpretations of ERISA have ligitimized what most ERISA experts believed was not permissible before. Moreover, they have encouraged employers to terminate plans as quickly as possible, before Congress clamps down on these abuses. From 1981 to 1984, $2.2 billion of assets were being removed from pension plans by employers. As of December 1988, nearly $20 billion had been taken. According to recent estimates, using the new IRS definition of "residual assets," overall asset surpluses exceed $218 billion.

Widespread bipartisan agreement exists that current law must be changed to discourage employers from terminating plans solely to recover assets. The Reagan administration not only acknowledged that current law is flawed, but also sent to Congress in February 1987, its own package of legislative recommendations making sweeping changes in current law designed to make it substantially more difficult for employers to recover assets. In December 1987, as part of the budget reconciliation bill, both the House and Senate adopted proposals advanced by the House Education and Labor and Senate Labor and Human Resources Committees to deal with this issue. Unfortunately, the conferees had many pension issues on the table and were not able to resolve their legislative differences over this one in the short time available. Thus the proposals—which in large part reflected the administration's own proposals—were dropped from the final bill.

A growing number of Members of Congress remain strongly committed to enacting much needed legislation in this area as quickly as possible. It is clear, however, that the pattern of reversion activity has increased as congressional attention has increased. Last year, I introduced a bill, H.R. 4111, that would have provided for a temporary halt to employer recovery of so-called excess assets in order to remove any incentive an employer might have to terminate a plan in order to avoid any new restrictions Congress might impose. An alternative proposal advanced by the Senate, that would have temporarily increased the excise tax on employer reversions to 60 percent, was dropped in the conference on the Technical and Miscellaneous Revenue Act of 1988 (TAMRA). At the time, many urged us to propose permanent changes in the law, rather than merely adopt a moratorium on reversions.

H.R. 1661 does just that.

Under current law, once assets are contributed to the plan, they may only be used for the exclusive purposes of paying benefits and defraying reasonable administrative expenses. On plan termination, however, the employer may recover "residual assets," under a specific exemption from the exclusive purpose rule in title I only if certain requirements are met. Residual assets are those that remain after all benefit liabilities under title IV are satisfied.

Under the bill, certain additional conditions must be met before an employer seeking to recover residual assets could qualify for exemption from the exclusive purpose rule. These additional requirements are designed both to enhance benefit security for participants and retirees and protect the single-em-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

ployer pension plan termination insurance program administered by the Pension Benefit Guaranty Corporation.

In general, the amount of residual assets (if any) an employer could recover without violating title I of ERISA would depend on whether a replacement plan was established when the prior plan terminated. To encourage the reestablishment of an indentical defined benefit plan, thus providing the strongest benefit security continuity, the employer has the greatest likelihood of recovery of residual assets if a complete replacement plan is established. In simple terms, a complete replacement plan is identical to the terminated plan, and, the participant is treated, in effect, as if the termination had not taken place. Assets equal to 125 percent of the projected benefit liabilities under the terminated plan must be transferred as a cushion to the new plan. In addition, retirees must be given a one-time adjustment to their retirement benefits to reflect the increases in the Consumer Price Index since retirement. This required adjustment is offset dollar-for-dollar by prior increases that the retiree may have been granted under the plan. After the cushion and one-time adjustment requirements have been met, the employer may recover any residual assets that exist.

If an employer does not set up a complete replacement plan, it may set up a substantial replacement plan. Under this approach, the new plan must meet several requirements. First, in order to be sure that the new plan is not a sham plan, certain minimum benefit standards must be met. Second, if the substantial replacement plan is a defined benefit plan, assets equal to 135 percent of projected benefit liabilities must be transferred to the new plan. If the new plan is a defined contribution plan, either the benefit provided under the terminated plan to each participant or beneficiary must be increased by 35 percent, or each participant or beneficiary must have immediately allocated to his or her account in the new plan an amount equal to 35 percent of the benefit liabilities attributable to each such person under the terminated plan. Third, the one-time adjustment for retirees described above must be provided. The employer may then recover any residual assets that exist after the cushion and one-time adjustment requirements are met.

If the employer does not establish a new plan, no residual assets may be recovered. Instead the assets are allocated, under a procedure provided in the bill, to participants and retirees.

Finally, in order to preserve assets that have been accumulated for retirement, the bill requires a trustee-to-trustee transfer to an IRA of that the portion of a participant's accrued benefits attributable to employer contributions that would otherwise be distributed in cash in the final distribution from the terminated plan.

The Subcommittee on Labor-Management Relations will hold hearings and markup this legislation soon, so that we can move as rapidly as possible to adopt permanent legislation concerning reversions. Far too many participants and retirees have seen their benefit security compromised as certain employers rush to take advantage of the windfall created when they prematurely terminate plans. I invite my colleagues on both sides of the aisle to work with us to craft legislation to curb terminations for employer reversions.

BIPARTISAN FOREIGN POLICY—REFLECTIONS OF CHAIRMAN DANTE B. FASCELL

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. LANTOS. Mr. Speaker, this House is fortunate, indeed, to have a statesman with the experience and understanding of our distinguished colleague from Florida, DANTE FASCELL, as chairman of our Foreign Affairs Committee. He brings unusual depth and breadth to the complex issues facing American foreign policy in these turbulent times.

The Miami Herald recently published an outstanding article by Chairman FASCELL on bipartisan cooperation in our foreign relations. While all of us in the Congress seek cooperation on major international issues, particularly between the executive and legislative branches of Government, Chairman FASCELL made a series of important proposals that deserve our thoughtful consideration and the thoughtful consideration of the executive branch and the American people.

Mr. Speaker, I ask that this important article be placed in the RECORD so it can be considered.

The article follows:

[From the Miami Herald, Feb. 12, 1989]

REFLECTIONS ON A BIPARTISAN FOREIGN POLICY

(By Dante B. Fascell)

During his inaugural address President Bush called on Congress to join in forging anew a bipartisan approach to foreign policy. I welcome his initiative. A spirit of genuine cooperation between the President and the Congress would help assure a stronger and more effective foreign policy.

While bipartisanship is a worthy objective, throughout our history it has been more often a myth than a reality. Its modern manifestation was forged in response, first, to a direct military attack on the United States and, second, in response to the unparalleled expansionism and hostility of Stalin's regime. Whether a workable bipartisan approach to foreign policy can be forged absent a consensus that there is a clear threat to the United States remains to be seen.

Establishment of a bipartisan foreign policy is likely to be even more difficult at a time when our domestic welfare is increasingly intertwined with the global economy and domestic politics necessarily reflects international events. However, the new reality that the United States must compete at all levels—political, military and especially economic—to stay ahead might just furnish the raison d'etre for true bipartisanship.

Our governmental structure reflects two premises: first, that the best decisions come from debate and consensus and, second, that power will corrupt and therefore must be diffused. But in the international sphere, especially in the short run, the rules of the game seem to favor those nations where power is concentrated and decisions can be imposed. Thus some critics see weakness abroad from the government system that serves us so well at home. Others would argue that it is only the long run that counts and that the penalty we pay in conflict and confusion is well worth it eventually.

One does not have to choose between these points of view to observe that serious debate on major issues has too often been replaced by constant carping and nitpicking between Congress and the executive, between Democrats and Republicans and between conservatives and liberals, frequently over largely secondary issues. We have not been able to isolate areas of genuine disagreement such as Central America or South Africa from the larger tapestry of our global policy. Whether it is to forge a bipartisan policy writ large or simply to rationalize the political discourse about foreign policy, a major cooperative effort by both the executive and the Congress has the potential of offering significant dividends for the conduct of American foreign policy.

What President Bush has urged us to do is a substantial and complex task. For surely he had much more in mind than simply party politics. He has called for a change in how the Congress and the executive work together to discharge our respective constitutional roles. He seeks a quieter and more rational policy discourse and a process that will permit the formulation of genuine national consensus on a host of issues that can serve as the basis for sustained policies to serve our national interests. Achieving these goals will not be easy. It will require major changes in attitude both within the executive branch and in the Congress. It will require new mechanisms for communication and agreement between both branches.

Our objective should be renamed as a "nonpartisan" foreign policy both because our goal is broader and because it is unrealistic to see our two major parties, as amorphous as they are, united behind a foreign policy composed of hundreds of different elements. A bipartisan foreign policy implies such an unrealistic goal. What is realistic is to expect that political maneuvering to gain partisan advantage will end at our borders. This does not imply, however, that either party is not free to oppose the other when its convictions indicate that the other party's policies are bad for the nation.

If there is agreement that ways can be found to enforce the notion that partisan politics can be curtailed with respect to foreign policy, then the first step should be the naming of a high-powered working group to flesh out what must change. This group might itself become the model for an ongoing Foreign Policy Consultative Committee.

The initial review group will have to look at the causes of tension between both branches. Among the problems to be addressed are these:

RESTORING TRUST

Often Congress believes it simply is not being dealt with honestly, not being told the whole truth. This can degenerate into sterile debates about access to documents. A way must be found to develop a common information base so that debate, if any, can be based on the same set of facts.

MEANINGFUL CONSULTATION

Consultation is not just information. It means being listened to seriously. The real test is that policies change to take into account the views of Congress. Time and time again the executive is handed a micro-managed policy because for years it refused to listen to suggestions and to take them seri-

ously. If the executive wants flexibility, it must prove that it too can be flexible.

POLICY CONTINUITY

Our policies are unlikely to achieve success unless they can be sustained over time. Yet the breakdown of authority in Congress threatens virtually every policy with potential ambush from some unexpected source. This saps resources from the actual formulation and implementation of policy. Similary the executive frequently is bogged down in turf battles. Some way must be found to make fundamental decisions and not revisit them monthly. Even a flawed policy followed consistently may produce results while one always open to change month by month will almost certainly produce no results.

LEGISLATIVE RESTRICTIONS

Congress frequently legislates from the hip, adding reporting requirements or management guidance when a phone call would have produced a better result. Yet many restrictions reflect the lack of trust of the excutive and the failure of any meaningful consultative process. A reform repeal of many provisions is a powerful incentive for the executive to change its attitudes and behavior toward Congress.

We in the Congress have to put our own houses in order. The major task we must address is providing a meaningful answer to the question, Who is in charge? With whom can the executive deal to achieve foreign policy consenses?

Congress as now organized is in no position to conduct a serious dialogue with the executive and to uphold its part of any agreements reflecting a nonpartisan foreign policy consensus either generally or on specific issues. Responsibility for foreign policy issues is highly diffused between committees, exacerbated by the three-tier approach to budgeting. Increasingly party leaderships are going their own separate ways. Within committees subcommittees are virtually autonomous. And once those nominally expert on issues have worked their will, decisions are often taken in all-too-briefly-considered floor amendments. All this makes it impossible for the executive to find someone with whom to reach agreement on foreign policy.

As we celebrate the 200th anniversary of our Constitution, we can take pride in the flexibility it has permitted succeeding generations to reshape our federal structure to advance our nation's interests and aspirations despite monumental changes in attitudes, beliefs and technology. The time has come to avail ourselves of that flexibility. The proliferation of nuclear weapons, the mounting evidence that mankind is straining the environmental limits of our planet and new global political and economic realities make effective diplomacy more important to our nation than ever before.

TRIBUTE TO CHIEF JUSTICE EARL WARREN

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MATSUI. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to Chief Justice Earl Warren on the 20th anniversary of his retirement from the Supreme Court. It is indeed an honor to salute one of the most outstanding public figures of the 20th century.

After attending the University of California at Berkeley where he received his undergraduate and law degrees, Earl Warren began his remarkable career as an assistant to the city counsel of Oakland. Before being appointed in September, 1953, at the age of 62 to the position of Chief Justice of the Supreme Court by President Dwight D. Eisenhower, Earl Warren rose through the ranks of California politics to the Governorship. His appointment gave the Court lineup transcontinental span; at that time no other Justice had ever come from West of the Mississippi save Tom Clark of Texas.

Under Earl Warren's leadership, the Court set the United States on a new course in race relations, wiping out the legal basis for discrimination and, as a result, helping to unleash the long-suppressed emotional results of racism. The Warren Court presided over the most dramatic and important civil rights cases this country has ever known. Warren's commitment to racial equality was firmly established in his decision in the case of Brown versus Board of Education.

The Warren Court changed the character of American politics by imposing the rule that all citizens must be represented equally in State legislatures and the House of Representatives, thereby eliminating the traditional rural bias. The Court also wrote what amounted to a new constitutional Code of Criminal Justice which protected the rights of the accused. This Code was applied rigorously to State and local activities formerly outside Federal jurisdiction. In the case of Miranda versus Arizona, the Court established the precedent that individuals must be read their rights at the time of arrest and individuals are innocent until proven guilty.

In addition, the Warren Court broadened the citizen's freedom to criticize public figures and the artist's freedom to express himself in unconventional and even shocking ways; it greatly restricted government authority to penalize the individual because of his beliefs or associations.

Mr. Speaker, I am proud to have this opportunity to offer my sincere appreciation of Chief Justice Earl Warren's committment to extend the Bill of Rights to all citizens regardless of race, color, or creed. The Warren Court changed the face of America by ushering in a new era of equal justice under the law. Individual rights gained new importance and the Court was there to protect them.

TEMPLE SOLEL'S 25TH YEAR

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. McMILLEN of Maryland. Mr. Speaker, I rise today to commemorate a very special anniversary. Twenty-five years ago this month, Temple Solel of Bowie, MD, was founded in Prince George's County. The temple, which is part of the Union of American Hebrew Congregations, was the first Reform Congregation in the county.

As new housing developments attracted home buyers to suburban Maryland during the postwar economic expansion, many Jewish families found themselves in new neighborhoods lacking a cohesive sense of community. It was in this atmosphere that the founders of Temple Solel began to meet in their own homes to worship. With limited resources the members purchased a small home for their temple and gradually, after 10 years of grassroots fundraising, erected the existing temple on Mitchellville Road.

Temple Solel has had a continuous history of community and charitable service. Not only are its members active in the free Soviet Jewry movement, but they fulfill a broader commitment to the local community as well. Their annual food and clothing drives help families within the county cope with unexpected financial and physical hardships. As the congregation continues to grow, their willingness to positively affect the community will be an asset to the area.

I hope that all of you will join me in commemorating this happy occasion, and extending my congratulations to Rabbi Kramer and all the members of Temple Solel.

THE 100TH ANNIVERSARY OF THE EAST WILLISTON HOOK & LADDER CO.

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MRAZEK. Mr. Speaker, in the summer of 1889, 10 volunteers joined forces in the Village of East Williston, Long Island to form the East Williston Hook & Ladder Co.

Using their own funds, the 10—William Post, Jotham Post, Benjamin Griffin, Charles Sealey, Howard Hayden, Thomas Willis, William Griffin, Benjamin Titus, Eugene Willis, and Joseph Smith—purchased a fire house and horse-drawn firefighting equipment. This year, a century later, the volunteers of the East Williston Fire Department celebrate their 100th anniversary in service to the people of their community.

Over the years, the people of the Village of East Williston have benefited from the dedicated efforts of these hundreds of volunteers. Thirty-two chiefs have headed the company as it fought fires, performed emergency medical care, assisted in the community's recovery from natural disasters, and protected the public's well-being.

In ceremonies this month, Mr. Speaker, the current chief, Joseph D'Amato, First Assistant Chief Robert Amato and Second Assistant Chief Christopher Siciliano will lead the department in commemorating the sense of civic duty which has provided the backbone for the East Williston Fire Department. Countless acts of heroism, millions of dollars worth of property saved, and the unending gratitude of the community are the legacy which will be celebrated.

Mr. Speaker, I rise today to salute the members of the East Williston Fire Department, past and present, and I'm sure my colleagues

join me in recognizing their sacrifice for the common good in the Village of East Williston.

AMERICAN CENTENARIAN DAY

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MOORHEAD. Mr. Speaker, I appreciate this opportunity to announce to my colleagues in the U.S. House of Representatives that May 20 is the fourth annual national observance of American Centenarian Day.

American Centenarian Day is our Nation's only coordinated effort where the country's Governors and mayors and national representatives recognize and honor our centenarian citizens for their long lifetime contributions to family, community, and country.

Last year, 60 percent of the Nation's Governors officially proclaimed Centenarian Day. I am certain the number will be higher this year.

Mr. Speaker, I am pleased to play a small role in this most unique and deserved celebration.

DRIVE SOBER, DRIVE SMART

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MURTHA. Mr. Speaker, the national chapter of the organization Mothers Against Drunk Driving recently announced the winners of their national essay contest. A young lady from my congressional district, Miss Jennifer Lawhead of Johnstown, PA, was awarded first prize in the 7-9th grade category.

Mothers Against Drunk Driving sponsored this essay contest on the theme of "Drive Sober, Drive Safe." Over 45,000 entries were received from all over the country in three grade categories. Jennifer's essay first was judged the best in Cambria County, and then went on to the national competition. She received her award yesterday in New York City.

I would like to congratulate Jennifer on this award, and thank her for making us all a little more aware of dangers of drinking and driving. I would also like to share Jennifer's essay, in the hope that its words could make the difference one night for someone who has had too much drink and considering driving a motor vehicle.

DRIVE SOBER, DRIVE SMART

My name is Jennifer and I'm 13 years old. In three years I can get my driver's license, but lately I've been thinking that I might not want it after all. Lately it seems that there have been a lot of traffic accidents and I guess I'm kind of afraid to drive. I mean, who knows what kind of driver the other guy is? You might be a skilled driver, but what about those other people on the highways?

The thing that really worries me, though, is the fact that people do things that might impair their judgement and their ability to drive safely. Stupid things, like drinking too much and then getting into a car. How does a person expect to operate a complicated machine when they can't even walk a straight line?

I once read that even one glass of wine interferes with vision and reflexes. Do you feel comfortable knowing that one glass of wine could be your last? Is it really worth risking your life for a drink? Somehow, I just don't think it is. I wish more people would think the way I do. I know that one person can't change the world, but I keep hoping mine will make a difference. If someone reads this and thinks twice about drinking and driving, then I won't have wasted my time writing it. Maybe if people take time to think about their choices they'll make the right ones. I pray they do.

APPRECIATION OF THE FBI

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MYERS of Indiana. Mr. Speaker, with daily reports of crime in our streets we all too often overlook the heroic efforts of the men and women in law enforcement. These brave individuals are the "thin blue line" between civilized society and those who choose to violate our life, liberty, and property.

One of the finest law enforcement agencies in the world is the Federal Bureau of Investigation. Very recently, the FBI demonstrated this in my home State when the wife of a prominent businessman was kidnapped and held for ransom. I am submitting for the RECORD the husband's letter of gratitude to William Sessions, Director of the FBI, for the outstanding efforts of his agents. These heartfelt words sum up the debt all Americans owe to our law enforcement professionals:

MARCH 24, 1989.

DEAR DIRECTOR SESSIONS: On March 15, 1989 at 4:00 p.m., I received a phone caller at work who told me that Gayle, my wife, had been kidnaped for ransom. Mr. Dennis Troy of our organization contacted your Bloomington office immediately and agents began arriving a few minutes later. During the next twenty-four hours I learned why your organization is respected and feared throughout the world.

Even though kidnaping is uncommon, your Special Agents' knowledge, skill, and professionalism were incredible. Their kindness and intelligence were disarming. Each had a personality and a face that was different, but their love of their organization and its mission were demonstrated in everything they did.

During the late afternoon and evening hours, I watched each agent apply specialized skills; as a plan was formed, each person operated as a part of the whole.

Mr. Bill Ervin, Special Agent in Charge, gave me the encouraging risk assessment that Gayle would remain alive; he made the critical decision that the kidnaper was to be informed immediately that I must talk with her before any ransom would be paid—I had to know "that she was alive." One of his agents gave background on the psychology and possible personality profile of the kidnaper. They humanized the subject by stressing that the kidnaper was at a disadvantage and, to some extent, we could control his actions.

On March 16 at 1:00 p.m., the kidnaper made his next call and as you know, his life as a free citizen was over 2½ hours later.

When I recall these events, I will remember friends who came into our lives to help.

Bill Ervin is special. He is a man whose intelligence and kindness are obvious but I will remember him as a friend who gave leadership to a group of trained professional Federal Officers. When I looked at Bill and his associates surrounding the Ford van where Gayle was held, I saw happiness in each face. They had succeeded: A few moments before, they stood ready to kill or be killed. Had anything happened to Gayle or to them, life for me woud have been altered and tragic.

Finally, Mr. Sessions, I would like to thank you for your telephone call which was relayed to me by Mr. Ervin. Your interest meant so much to all of us.

If it is possible, I would most appreciate having all agents involved with this project recognized in a manner which in appropriate to the Bureau. They deserve honor for their achievement.

May God be with all of you. Thank you.

Respectfully,

WILLIAM A. COOK.

FIFTH ANNIVERSARY OF LEDERLE LABS DAY CARE CENTER

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. GILMAN. Mr. Speaker, allow me to take this opportunity to bring to my colleagues attention that this Friday, April 7, the Lederle Labs in Pearl River, NY, will be celebrating the fifth anniversary of the creation of their day care center.

Lederle Labs, a division of American Cyanamid Co., located in Rockland County, NY, is a major employer, with some 3,800 full time employees.

The establishment of the Lederle Day Care Center in April 1984, marked the first, and so far, the only time that a private industrial concern opened and operated a day care center in Rockland County. Rockland does boast other, fine day care centers—but Lederle's is the only one operated by an employer.

During their first year of operation, the Cable News Network broadcast nationwide a special report on Lederle's Day Care Center, citing it as an example of what private enterprise can do to help their employees and help themselves.

Lederle is to be commended for recognizing, for the past 5 years, that affordable child care is one of the more pressing priorities that our Nation faces. I have recently introduced legislation in the Congress that will encourage other businesses to follow Lederle's example. My bill will make the dependent-care tax credit refundable. For the 6 million American children in poverty, and for the 6 million households eliminated from the Federal tax rolls by the 1986 Tax Reform Act, the existing tax credit is useless. My legislation will allow families of all income levels to take equal advantage of tax credits.

My bill also grants a 10-percent tax credit for any investment used for a dependent care facility. It would also establish a new 5-per-

cent investment tax credit for any structural expenses associated with building a dependent care facility, not now eligible for credits of any kind.

The lack of affordable, quality child care is the greatest obstacle confronting women today as they balance their careers, economic livelihoods and their family needs. Unlike many measures introduced thus far in this Congress, my legislation does not expend the scope of the Tax Code, but only addresses those families already entitled to the dependent-care tax credit.

I have had the privilege of visiting the child care center at Lederle Labs. In many ways, this outstanding facilty inspired my legislation, for it serves as a model for other companies through the Nation to emulate.

Mr. Speaker, I invite all of our colleagues to join with me in saluting the Lederle Labs Day Care Center on their fifth anniversary, and in extending our best wishes of many more anniversaries to come.

PUERTO RICO MOVING TO DECIDE ITS RELATIONSHIP WITH UNITED STATES

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. FUSTER. Mr. Speaker, once again I want to point out to my colleagues appropriate information and other pertinent material concerning the proposed political status plebiscite in Puerto Rico. I do this, Mr. Speaker, because both Houses of Congress will soon be called upon to consider legislation authorizing such a plebiscite in Puerto Rico among the choices of federated statehood or full independence or an enhancement of the existing Commonwealth status.

I favor the latter choice, Mr. Speaker, because Commonwealth status has worked well for both Puerto Rico and the United States. The Congress authorized this new form of political association in 1952, and the record since then has been impressive. But Commonwealth status was meant to grow, Mr. Speaker, and such growth, or enhancement, would be in the best tradition of American participatory democracy and self-determination.

But some of my colleagues may wonder why Puerto Ricans, as U.S. citizens, do not instead want statehood. Many do. But a 1967 plebiscite on this question showed Commonwealth prevailing with 60.4 percent of the vote to 38.9 percent for statehood and 0.6 percent for independence. Moreover, major newspaper articles in the U.S. mainland press are demonstrating that statehood would not be in the best interests of Puerto Rico.

Today, I want to share one of those articles with my colleagues. It appeared in the Orlando (FL) Sentinel of Sunday, February 19, 1989, and was written by Mr. Everett H. Trop, a former business editor of the San Juan Star who has lived in Puerto Rico for 22 years. These are extracts from that lengthy article, which was headlined, "Statehood Would Hurt Puerto Rican Economy":

STATEHOOD WOULD HURT PUERTO RICAN ECONOMY

(By Everett H. Trop)

SAN JUAN, Puerto Rico.—Those who listened closely to President Bush's budget address to Congress may have heard an unrelated matter creep in—a reference to Puerto Rico and its future political status.

For most Americans, Bush's aside went in one ear and out the other. Few know anything about Puerto Rico's political status. Visitors often are surprised to learn that Puerto Rico is part of the United States, no passport is needed and U.S. currency and postage stamps are used.

It is therefore not surprising that most know little of Puerto Rico's history and even less of its political relationship with the United States. Many of those in high government posts in Washington, including congressmen, are to this day woefully ignorant on those points, a fact that has often hurt the island of 3.4 million second-class American citizens.

The former Spanish colony, which was one of the "prizes" of the Spanish-American War in 1898, occupies a strategic position at the entrance to the Caribbean. It was long forced to be self-sufficient by alternating periods of Spanish neglect and oppression from the early 1500s, which led the islanders to welcome the invading U.S. Army on July 25, 1898. The U.S. government and largely Boston-based economic interests—descendants of the colonial Yankee rum-molasses-slave traders—soon ruined the island's fragile economy.

Since the beginning of the U.S. occupation, the island has debated whether to seek independence, or statehood and permanent union with the United States. The poor were so poor they sold their votes for $2, and the conservative interests, with their economic ties to U.S. big business, won election after election. All this was transformed with the emergence of Luis Munoz as a charismatic leader in the late 1930s.

He and others formed the Popular Democratic Party in 1938. Persuading the masses not to sell their votes, the PDP carried the Legislature in 1940 and began the task of breaking up the huge plantations owned mostly by large U.S. sugar corporations, redistributing the land.

President Truman appointed the first native Puerto Rican governor in 1946 and Munoz became the island's first elected governor in 1948. Prior to that, the governors were appointed by the president with the approval of Congress. Munoz, originally an advocate of independence, had become an advocate of permanent union with the United States, but envisioned something special, somewhere between the independence that left so many small island nations languishing in poverty and full statehood with its federal tax burdens and threat to Puerto Rico's Hispanic culture.

In 1946, a privilege previously given only to the Phillippines was extended to Puerto Rico: subsidiaries of U.S. companies engaged in manufacturing in Puerto Rico were exempted from federal income taxes on profits generated by their Puerto Rican plants. This benefit, which would be lost with statehood, offered an opportunity to stimulate economic development of the still-impoverished island.

President Truman and Congress agreed, and provisions were made for creation of the first U.S. commonwealth. A constitution was drafted by a joint commission of U.S.-Puerto Rico officials. It was approved by the people of Puerto Rico in 1950, and the Commonwealth of Puerto Rico was born July 25, 1952—the 54th anniversary of the U.S. invasion.

That was supposed to end the status debate, which absorbs incredible amounts of political energy from a very politically energetic people—75 percent to 80 percent is considered to be a low turnout in the island's elections, which only occur once every four years for all elected officials.

It did not end it, however. Independence advocates continued to push independence, statehood advocates continued to support statehood, PDP supporters, which included a number of closet *independentistas* and which continued to dominate island elections, backed their creation, the commonwealth. People did not vote for a politician on the basis of competence vs. incompetence or honesty vs. dishonesty, but on one issue only—the island's ultimate status, independence, commonwealth or statehood.

Independence is not a viable alternative, for economic reasons. Besides the terrible unemployment, besides per-capita income roughly half of that of Mississippi and a third of the nation as a whole, and besides more than 800,000 people living in dire poverty, the island is lacking in natural resources. With 3.4 million people crammed into 3,435 square miles, there is no way it would be self-sufficient, and that's not including another 2.4 million Puerto Ricans living on the mainland.

The people know that and despite sympathy for independence among at least one-third of the people, only 5 percent to 8 percent will ever vote for it, based on history. In a similar plebiscite held in 1967, the independence advocates, to avoid humiliation, boycotted the referendum and garnered only 0.5 percent of the vote, while commonwealth took about 60 percent and statehood just under 40 percent.

A few fanatical independence supporters, possibly as many as 200, engage in part-time terrorist tactics, but it frustrates them that the peace-loving and conservative Puerto Rican people turn even more against them with every act of violence because they can see what dictatorships—both of the left and right—have done in the Caribbean Basin.

Statehood is not viable for the foreseeable future. The whole basis of economic expansion in Puerto Rico is its exemption from federal income taxes, which has enabled the island to grant tax exemptions of its own to industries and to attract new business to the island, thus creating jobs whose holders then pay income taxes to the island Treasury Department; their tax rates are higher than federal personal income tax rates. Statehood would mean an end to any exemption from federal taxes and reduce Puerto Rico's tax receipts as well as wipe out potential new investment from the mainland.

Remember, while wages are lower in Puerto Rico than on the mainland, they are much higher than any other nation in the Caribbean or Latin America. Under federal law, all shipping between U.S. and Puerto Rico ports must be carried by U.S. ships, which have the world's highest shipping rates. Since Puerto Rico has no exploitable minerals or other natural raw materials, they have to be shipped in, processed, and shipped out again, adding two-way freight costs to manufacturing costs. Without the tax breaks, few would choose to manufacture here.

Unless the island's economic growth proceeds a lot further than it has in the last 40 years, statehood would be disastrous, de-

spite the claims to the contrary by statehood advocates. Puerto Rico cannot even afford to pay its public service workers federal minimum wages, but it has been forced to do so, leaving may island towns bankrupt. While unemployment has declined to 14 percent from peaks of more than 22 percent eight years ago, the island is being overwhelmed by the influx of illegal immigrants from the Dominican Republic, over which the federal government has jurisdiction, a jurisdiction exercised as ineffectively here as on the mainland, both as to aliens and drugs.

MAINE'S VOICE OF DEMOCRACY WINNER

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Ms. SNOWE. Mr. Speaker, I would like to take this opportunity to share with my colleagues Allison H. Bankston's speech which was named the Maine winner in the Veterans of Foreign Wars 1988/89 Voice of Democracy contest. Her speech "Preparing for America's Future" is inserted below.

Allison is a senior at the Bangor Christian School, and is hoping to pursue a career in music and communications. She resides in Hampden, ME, and is the daughter of Burton and Martha Bankston.

PREPARING FOR AMERICA'S FUTURE

"Almighty God: We make our earnest prayer that Thou wilt keep the United States in thy Holy protection. . ."

As this quote from George Washington's "Prayer for a Nation" illustrates, the "founding fathers" of our great land, believed that God was the solid foundation upon which the United States should be erected, and that if they committed their new "ship of state" to God, it would become invincible.

Planning for the future of America is much like the preparations carried out by the crew aboard a ship. First, the ship must be fully manned, just as our nation must have the full participation of its citizens at every level. Ibsen said, "A community is like a ship; everybody ought to be prepared to take the helm". After leaving the dock, the ship must set its compass and chart its course for its destination. Likewise, as Americans we must determine where we need to be in five years, ten years, and even in fifty years from today, by charting our course through the use of such documents as the Bill of Rights and the Constitution. We must adhere to these historic writings in the same way that a crew must explicitly follow its charts. Calvin Coolidge once said, "To live under the American Constitution is the greatest political privilege God ever gave to mankind."

Throughout its journey, a ship may encounter storms and calm, darkness of night and the dawning of day. This journey is comparable to the plan of a nation as it proceeds into the future. It may go through times of depression and prosperity, as well as times of war and peace.

If our "ship of state" is to stay on course, we must watch for channel markers. First, is the marker of freedom, our most treasured provision from the Constitution. Second is the marker of peace. Our nation must be kept strong but non-aggressive. Roosevelt stated, "We seek to dominate no other nation . . . we believe in peace." A nation cannot prosper except it be at peace within and without. Third is the marker of justice. Some feel that there are those to whom justice has been denied. Our minds turn to the poor, the institutionalized, the jobless, the victims of crime, and the uneducated.

Fourth, is the marker of faith. We have a growing need for faith in our fellow man, our government, our God, and ourselves. The final marker is equality. The United States has been portrayed as a nation which upholds the equality of all its citizens. It is sad that in a "so called" classless society, some are treated less equally than others. Every man, woman, and child must respect the rights of every other citizen, and fight, if need be, to keep the privilege of equality for all.

What must be done to plan for the future of America? Courage to venture into the future is imperative. Like the explorers who set sail in search of the new world, we too must be willing to pilot our "ship of state" toward the unknown.

Janina Atkins, a Polish immigrant, believed that America was a nation under God's infinite power when she wrote a letter to the New York Times entitled "God Bless America." "There is something in the air of America that filled my soul with a feeling of freedom and independence. Just six years ago I came with my husband to this country with $2.60 . . . today my husband is studying for his doctorate."

A man with money seeks to invest it in the most prosperous organization in order to receive the most generous return. In the same way, we have an investment in America simply by owning citizenship. Does a man invest his money and care not if he loses it all to another man, or does he labor to gain as much as he can from his investment? As Americans we should be excited and challenged by the prospect of setting goals for the future of our nation. In deciding our goals we must keep in mind the needs of every age bracket, every race, every individual group, and develop programs in which all will benefit.

We must, in the same patriotic spirit as the founding fathers, fight to protect the liberties we enjoy, and work to build a better and brighter future for this nation. Our leaders are men and women just like you and me, and therefore, we must each use our individual talents to improve our country. It has been said that, "Democracy is based on the conviction that there are extraordinary possibilities in ordinary people."

Longfellow's, "The Building of the Ship," has become a well known part of the Patriotic literature of America. In 1849, when the poem was published, America was facing division between the North and the South. Today, this poem still remains significant. In planning for the future of America, we are embarking on a great voyage aboard our "ship of state." Thou, too, sail on, O ship of state! Sail on, O Union, strong and great! Humanity with all its fear, with all the hopes of future years, is hanging breathless on they fate!

WHAT FORM OF VIRGIN ISLANDS GOVERNMENT

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. DE LUGO. Mr. Speaker, it gives me great pleasure to share with the Members of Congress and the American people an article, written by Dr. G. James Fleming of the U.S. Virgin Islands, professor emeritus of political science at Morgan State University, regarding political status in which he points out the people who run government are far more important to the quality of government than the type of status.

Dr. Fleming is an outstanding scholar in the field of political science and I hope he will continue to add his wise counsel to the status debate:

WHAT FORM OF VIRGIN ISLANDS GOVERNMENT? LET FOOLS CONTEST . . .

For forms of government let fools contest;
Whate'er is best administered is best.

These lines, from the "Essay of Man" by Alexander Pope (1688–1774), should come to the minds of all who are interested in the Virgin Islands and its future place in the American system of democracy.

The People poetry portrays a great deal of truth, but not "gospel truth." It is not absolute.

By and large, however, there can be good government—people-serving, compassionate, protective—under more than one form of government.

It is also possible to have the worst practices under the best form of government.

Even "democracy," as an ideal, is no sure guarantor of good government, however "good government" is defined.

In the U.S. system, every state is conceived to be democratic and is so dedicated by its constitution. The differences in administration of each state and its governmental practices, however, are legion.

There are differences in fundamental law, as well as in how the laws and constitution are applied.

Historically and racially, one only has to compare democratic government as represented by the state of Mississippi with democratic government as practiced in Massachusetts.

Or one might compare the democracy of those states that were run by political "bosses" for years with unbossed jurisdictions.

Government, after all, is people, as individuals and in blocs. It is the men and women who run government who can alter or ignore form, to suit their motives and goals, or their prejudices.

There is consensus, for sure, that almost any form of government is superior to a dictatorship. Not so many are sure, however, that a "benevolent dictatorship" is bad for some societies.

When it comes to the seven options for governmental reorganization and federal relations that are before the Virgin Islands, how does, or can, one measure which form will, in fact and in practice, prove best?

Lest they be forgotten, the options, as promulgated by the V.I. Commission on Status and Federal Relations, include the following:

Commonwealth.

Compact of federal relations.
Free association.
Incorporated territory.
Independence.
Statehood.
Status quo.

Since behind all forms of government are men and women, change in form can mean little or much, as the people entrusted with goverance are equal to change or are committed to the content of the changed form.

Stupidity (or short-sightedness), personal or civic, on the part of those entrusted with government can affect the quality of government, even when stupidity is considered an act of God.

Personal and civic integrity (a moral dimension) is much more the responsibility of each man and woman.

Will those who govern—whether by election or by appointment—follow the path of absolute honesty or will they not? Will their word be their bond?

Inefficiency (or inefficiencies) may result because government is politics, and politics inevitably means rewarding friends, even when those friends are not the most capable, or stable, or honest.

A possible economic base capable of supporting the decided-upon form of government is also prerequisite—an economic base, not only for the short run but also for the longer run.

Last, but by no means least, there must be (or should be) a sense of mutual trust in each other throughout the community—an illusion perhaps, but a target worth aiming for.

SOLVING THE THRIFT CRISIS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. HUBBARD. Mr. Speaker, I would like to apprise my colleagues in the U.S. House of Representatives of an excellent letter I recently received from Mr. L.M. McBride, chairman and CEO of the City National Bank, Fulton, KY, and a past president of the Kentucky Bankers Association.

As my colleagues can see, Mr. McBride, a respected banker and very knowledgable regarding the S&L crisis, is encouraging expeditious enactment of H.R. 1278/S. 413, legislation designed to solve the thrift crisis.

I urge my colleagues to read Mr. McBride's letter.

CITY NATIONAL BANK,
Fulton, KY, March 20, 1989.

Hon. CARROLL HUBBARD, Jr.,
Rayburn House Office Building,
Washington, DC

DEAR CARROLL: The savings & loan crisis has had a tremendous impact on the banking industry especially in the last few months. On a daily basis, bankers across the country face competition from an S & L industry which has been subject to inadequate regulation and has indulged, in many cases, in offering above market rate interest on deposits. We have experienced this right here in Fulton and throughout West Kentucky.

President Bush's FSLIC proposal to solve the S & L crisis has been presented to the congress in the form of H.R. 1278. & S. 413. Although our FDIC insurance premiums will be increased from $50,000 to in excess of $100,000 per year, we are urging you to support the President's proposal and pass this legislation as presented as quickly as possible. Please do not allow changes to be made that would weaken the provisions dealing with the structure of the thrift regulatory system and the requirements to strengthen thrift capital & accounting standards because the Federal Home Loan Bank system should be required to report to the Treasury Department in the same manner the Comptroller of the Currency currently does, and the phase-in period during which thrift capital standards are to be brought into line with bank capital standards should not be lengthened beyond the 1991 date contained in the bill because one of the primary causes of the current thrift crisis was the dismantling of thrift capital standards in the early 1980's. Those thrifts who do not have adequate capital by 1990 should be prohibited from growing as required by the President's proposal.

The President's proposal to require the credit union industry to accurately account for contributions to its deposit insurance fund should be retained. It would certainly be unfair & unsafe to allow the credit union industry to continue to list contributions to their insurance fund as an asset; this is like a consumer writing a check for insurance, but not deducting it from the bank balance. In other words, this is phony accounting.

Last, but not least, under no circumstances should savings & loans be able to use the FDIC sticker. To permit them to do so would weaken public confidence in the FDIC and would be a terrible blow to the banking system. The FDIC fund must be kept completely separate from FSLIC as recommended by President Bush. The $100,000 insurance level must be maintained.

Thank you for your consideration.

Sincerely yours,

L. M. MCBRIDE,
Chairman and CEO.

TRIBUTE TO JEAN ELIZABETH MORGAN WILLIAMS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. LANTOS. Mr. Speaker, I rise today to pay tribute to Jean Elizabeth Morgan Williams, a constituent of mine from Burlingame, CA. In just a few short days, Mrs. Williams will celebrate her 70th birthday. I wish to honor her, not because of her longevity—which many Americans also enjoy—but because of her community service.

Jean Williams, born in Berkeley, CA, is a fourth generation Californian and a product of California schools, including my alma mater the University of California, Berkeley. A mother of four and a grandmother of six, she has devoted time and effort to improving our community schools. She was president of the Mercy Shield of Mercy High School in Burlingame, president of the Serra High School Mothers' Club, and president of the San Mateo County Parent-Teacher Organization of the San Francisco Roman Catholic Archdiocese. She continued her public service as president of the Assistant League of San Mateo County. Currently she is a volunteer of the Mission Hospice and a lay minister of Our Lady of Angels Church.

Mr. Speaker, I invite my colleagues to join me in honoring Jean Williams for her service to the peninsula on this occasion.

GREEK INDEPENDENCE DAY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MATSUI. Mr. Speaker, it is with great pleasure that I rise today to recognize Saturday, March 25, 1989, as Greek Independence Day—a national day of celebration of Greek and American democracy.

March 25, 1989 marks the 168th anniversary of the beginning of the revolution which freed the Greek people from the Ottoman Empire. Greece remained under the Ottoman Empire for almost 400 years—from the fall of Constantinople in 1453 until the declaration of independence in 1821. During this time the people were deprived of all civil rights. Schools and churches were closed down; Christians and Jewish boys were kidnapped and raised as Moslems to serve the Sultan.

The American Revolution became one of the ideals of the Greeks as they fought for their independence in the 1820's. Greek intellectuals translated the United States Declaration of Independence and used it as their own declaration. In addition, many volunteers from various localities in the United States sailed to Greece to participate in Greece's war for independence. In this way, the United States had the opportunity to give something back to the people from whom we obtained the original concept of democracy.

During the early 1900's, one in every four Greek males between the ages of 15 and 45 departed for the United States. Through their extraordinary compatibility with the people of America, Greek-Americans became very successful in the United States. Some Greek-Americans of national and international note include: Dr. George Panpanicolau who invented the Pap test for cancer; Dr. George Kotzias who developed l-dopa to combat Parkinson's disease; Maria Callas, the Brooklyn-born soprano; Telly Savalas, actor; James Galanos, designer; U.S. Senator PAUL SARBANES (MD); Members of Congress GUS YATRON (PA), OLYMPIA SNOWE (ME), NICK MAVROULES (MA), GEORGE GEKAS (PA), and MIKE BILIRAKIS (FL); and Gov. Michael Dukakis of Massachusetts.

I am proud to have this opportunity to salute Greek-Americans for their many accomplishments and to celebrate the complex web that binds Greeks and American democracy.

TRIBUTE TO CPL. ANDREW ANTHONY HERNANDEZ

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. McMILLEN of Maryland. Mr. Speaker, I rise today with pride and sadness to commemorate the life and untimely death of a young member of my community. The life of 19-year-old L. Cpl. Andrew Anthony Hernandez, a machinegunner for the First Battalion, Fifth Marines, was tragically cut short earlier this month when his company's helicopter crashed in the mountains near Pohang, South Korea during the annual "Team Spirit" exercises between United States and South Korean troops. I am proud that Corporal Hernandez's life was devoted to his country and his unit, and sad that unfortunately fate demanded that he pay the ultimate price for his patriotism.

According to his parents, Peggy and Noel Hernandez, Andrew was a considerate young man who loved what he did—serving his country. Andrew was a member of the class of 1987 at Severna Park High School in Severna Park, MD, where he earned good grades and played on the football team. He planned to continue his education after fulfilling his commitment to the armed services. Like most mothers, Mrs. Hernandez was concerned for her child's safety, but she knew that her son was determined to be a marine.

I ask that all of you join me in my proud tribute to this fine young American and to all the other young men who lost their lives in that crash.

ADDRESSING THE PROBLEMS FACING OUR ENVIRONMENT

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MRAZEK. Mr. Speaker, I recently received this letter from a high school student in my district. I was impressed with his understanding of how vital it is that we immediately address the problems facing our environment. I hope this letter will serve as inspiration to the Congress to expedite action on issues such as clean air, clean water, and solid waste.

Letter of Jim Luning of Mineola High School, Mineola, NY:

Mr. Mrazek, my name is Jim Luning. I am 15 years old, in 9th grade, at Mineola High School. I have written to you once before on the environment (a Boy Scout requirement). At that time, I knew very little about all the water problems we are having. I wrote about our water problems—both fresh and salt here on Long Island. I wrote about the garbage problem. I also added about the fact that we should recycle.

Now I am scared. I have been working in the Mineola Library, and when I have nothing to do I have been reading all kinds of books on the problems that we are having and I have learned a great deal more. I have learned that the Greenhouse Effect may be what caused the droughts; that the air pollution problems are getting worse; that tons of garbage of all kinds is being dumped into the world's oceans when it could be recycled; and many other problems. I have learned that the Great Lakes (along with many others) are dying from pollution. Acid rain is destroying the world's lakes also.

What I would like to know is, why hasn't anyone in government done anything? I know that things take a long time to get done, but aside from what you and a few others have done, nothing major has been done. Why does it take so long for leaders to see that if something is not done now, in ten years, what could have been saved can no longer be saved. Right here in Nassau County they said they had stopped building on Mitchel Field—but if you go there right now they are still building! The fields are almost gone . . . same as the South American rainforests. If they do not stop building, then we are in major trouble.

I think, not just because it is mine, you should take this letter and read it to Congress to let them know that a 15-year-old kid is scared to death over these problems (then when you are done, take out every letter you have gotten and dump them all on their laps). There must be some way to tell them that these problems are not going to just go away, but that they are just getting worse.

I hope that you do something about these problems and that you continue to send my information on these problems.

FIFTY YEARS OF SERVICE, ROTARY CLUB OF SAN MARINO

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MOORHEAD. Mr. Speaker, I take great delight in bringing to the attention of my colleagues in the U.S. House of Representatives the 50th anniversary celebration of the Rotary Club of San Marino.

On April 13 this most significant of Rotary Clubs will meet to celebrate its first 50 years of service and civility. Out of 24,000 clubs, worldwide, Rotary of San Marino ranks sixth in support of the Rotary Scholarship Program which, each year, makes it possible for more than 1,000 students to study an additional year in some foreign land.

Rotary of San Marino believes in providing "Help, Not Handouts" and is sponsoring a village bank in Guatemala through which the financially poor can help themselves while practicing the principles of the free enterprise system.

Rotary of San Marino is active in the community in the war on drugs. It supports the city's youth in academic, cultural, and recreational activities.

Its leadership in providing vocational guidance has received widespread attention and emulation. This year the club has been honored with the Citation of Excellence for its vocational service program, called Career Connection.

The Rotary Club of San Marino with 50 years of service above self, still finds time for wholesome fellowship and friendly competition. It still finds the time to represent the fine traditions of Rotary International and the values of the residents of San Marino.

Mr. Speaker, Rotary of San Marino is a fine example of what dedicated individuals can accomplish over time. It is an unquestioned asset to the community, the 22d Congressional District, the State, and the Nation. I congratulate the club and its members for a wonderful half century and wish all involved the very best in the coming decades.

TRIBUTE TO FRANK J. CIGNETTI

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MURTHA. Mr. Speaker, the Jaycees of Jeannette, PA, have selected their 1989 "Man of the Year," and I would like to add my congratulations to their honoree. Mr. Frank J. Cignetti is highly deserving of this honor, and his work in the Jeannette community makes him the perfect selection for this award.

Mr. Cignetti retired from the position of chief of police in Jeannette in 1979. Since that time he has been extremely active in community affairs, volunteering his time with the Jeannette Community Nursing Service and working with the Jeannette Centennial Committee to coordinate the planning of the city's 100th birthday celebration.

The community spirit in our cities and towns in western Pennsylvania is very strong, and it is men like Frank Cignetti that embody this spirit, and turn it into activities and projects that benefit everyone in the community. Again, let me congratulate Frank Cignetti on being named the Jeannette Jaycee's 1989 "Man of the Year." This honor could not go to a more deserving individual.

THE 21ST ANNIVERSARY OF THE REVEREND MARTIN LUTHER KING, JR.

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. GILMAN. Mr. Speaker, I am certain that every American over the age of 25 remembers where they were and what they were doing 21 years ago this evening.

I was traveling south on the New York State Thruway from a session of the New York State Assembly when I heard the first bulletins over the radio that the Reverend Martin Luther King, Jr., had been shot in Memphis, TN.

The first reaction was shock and disbelief. This outstanding black leader, in a relatively short period of time, had become a living conscience for so many Americans. In a public career which spanned a little more than a dozen years, Reverend King's actions and his words galvanized America, and made us all realize that the promises of the Declaration of Independence, the U.S. Constitution and of the Bill of Rights remained unfulfilled promises

for millions of Americans. The words of Martin Luther King taught us all that hate could never overcome hate; but love and compassion could conquer all. Martin Luther King reminded us that violence only breeds further violence, but right makes might. Martin Luther King's message to all humanity was that only justice could conquer injustice.

By the time I arrived on that tragic day at my hometown of Middletown, NY, the radio stations were reporting that Martin Luther King had succumbed to the gunshot wound he had sustained. Although Martin Luther King, Jr., died at the premature age of 39, his ideals and his vision live on for all eternity.

Mr. Speaker, I urge all our colleagues to appropriately note the historic significance of this day. Let us rededicate ourselves as a body to the ideals of justice, freedom, and equality to which Rev. Martin Luther King, Jr., dedicated his life.

SYRIANS SHELL CHRISTIANS IN BEIRUT, LEBANON

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. DORNAN of California. Mr. Speaker, I rise today to express my outrage at the continued shelling of the Christian sectors of east Beirut by Druze militiamen backed by some 40,000 Syrian troops. The casualty toll now stands at 147 and 481 wounded, nearly all of whom are civilians. Mr. Speaker, the United States has to put credible pressure on the Syrian Government to stop this senseless killing.

I recall that not long ago, the Department of State counseled me not to mention the potential for a de facto split of Lebanon between Christian and pro-Syrian factions. Today we see a de facto war. How long, Mr. Speaker, is the United States going to wait until we take some action? Syria is a pro-Soviet nation which supports international terrorism on a grand scale. Why does our Government continue to walk on egg shells in our diplomatic relations with these renegade nations?

I would like to submit to the CONGRESSIONAL RECORD a copy of a Washington Times article which appeared on March 31 describing in great detail the desperate situation in Beirut. I sincerely hope that we can get Congress and the executive branch actively involved in this ongoing tragedy:

BEIRUT CHRISTIAN BEGS FOR UNITED STATES HELP

(By James M. Dorsey)

The desperate commander of the Christian forces in Beirut stepped outside the usual diplomatic channels to plead for U.S. help yesterday, making an unusual plea to ask this newspaper to warn that Syrian troops are on the verge of destroying his embattled community.

Gen. Michel Aoun's telephone call to The Washington Times was made as a Syrian rocket attack left Beirut's main fuel depot in flames. Thick, black smoke billowed more than a quarter of a mile high above the city, and residents of the area were reported by news agencies to be fleeing by the thousands.

Gen. Aoun told Arnaud de Borchgrave, the editor-in-chief of The Times, that the Bush administration was insensitive to the Syrian threat.

He followed his telephone call, made from the presidential palace overlooking east Beirut, with a telex message warning that the fire could destroy much of the Christian enclave.

He said he hoped that by contacting an American newspaper he could galvanize the administration and Congress into action against the Syrian presence in Lebanon.

Administration officials in Washington said Gen. Aoun's warning was exaggerated and that he was trying to turn the most recent intercommunal fighting into a referendum on Syria's role in Lebanon. U.S. officials noted that Lebanon's predominately Moslem population is overwhelmingly hostile to the Christians.

A senior administration official said "there is no sense in my mind" that Syria is in a position to take total control of the country. A cease-fire arranged Wednesday by the Arab League appeared to be holding, he said, and "the massive shelling has stopped."

Gen. Aoun and Lebanon's ambassador to the United States, Abdallah Bouhabib, charged that the United States was allowing Syria and its lebanese proteges to systematically destroy the 310-square-mile enclave of the Christians.

"The Syrians want for many years to annex Lebanon," Gen. Aoun said in his telephone call to the newspaper. "Because we are resisting them, they want to destroy us. Unfortunately, the world is looking elsewhere, especially the U.S. government."

Ambassador Bouhabib "is doing his best, but the Bush administration apparently doesn't care.

"We are the last bastion saying no to the Syrians, and we are sending you [The Washington Times] an SOS because no one seems to be listening."

In a telephone interview, Mr. Bouhabib said that, in his almost daily visits to the State Department, the administration was rejecting requests for a clear U.S. stand on the Syrian presence in Lebanon.

"They are not willing to point fingers at Syria. They are trying to dilute the Syrian presence in Lebanon. They are refusing to say anything about Syria.

"This morning I was again at State. They are giving us the same kind of lecture, that we pushed too quick," the ambassador said.

In a letter to President Bush yesterday, Mr. Bouhabib charged that the State Department's failure to identify Syria in its statements "unintentionally but implictly and indirectly encourage[s] the Syrians to continue their strangulation of Lebanon."

State Department officials said they agree with Gen. Aoun's goal of achieving the withdrawal of all foreign forces from Lebanon and abolishing the different militias, but do not believe this can be achieved militarily.

"The allegation that we ignore Lebanon is simply not true," said one official, noting that the State Department had issued three separate statements on Lebanon during the past two weeks calling for an immediate cease-fire, urging the avoidance of civilian casualities and suffering, and supporting an Arab League effort to find a negotiated settlement.

Officials conceded that the statements made no specific mention of Syria, whose troops entered Lebanon in 1976 at the request of then-President Suleiman Franjieh, a Christian.

The most recent round of fighting in Lebanon's 14-year-old civil war began March 14, when Gen. Aoun attempted to forceably close illegal ports being used by various militias. Since them, at least 87 persons have been killed and 287 wounded in the artillery duels.

Gen. Aoun heads a Christian Cabinet in east Beirut that competes for legitimacy with the Moselem west Beirut Cabinet of Prime Minister Selim al-Hoss. Gen. Aoun was appointed president in September by outgoing President Amin Gemayal after the Parliament failed to elect a new head of state.

"Aoun is trying to make this round into an international referendum on the Syrian presence in Lebanon; he is trying to attract international attention to Syria's role," a State Department official said.

"The problem we are having is that we are getting scores of calls from Lebanese Christians or Lebanese Christian Americans, but not one call from Lebanese Moslems or Lebanese American Moslems," the official said.

The officials said Lebanese Moslems were more concerned about Israel's presence in the south and a resolution of the Palestinian problem that would allow for the departure of refugees from Lebanon. They said Syria had been able to restore some sense of stability and security when its troops entered west Beirut in 1987 with the declared aim of ending warfare between various militias.

U.S. and Lebanese officials noted that relations between Gen. Aoun and U.S. Ambassador to Lebanon John McCarthy were strained. Gen. Aoun publicly criticized Mr. McCarthy on Wednesday for complaining that a Syrian shell had hit his residence.

The Christian-run Voice of Lebanon quoted Gen. Aoun as regretting that Mr. McCarthy "had failed to notice the hundreds of shells falling in the periphery of his residence and the thousands of shells falling on the heads of citizens.

"The ambassador should have more courage," Gen. Aoun said.

Said Mr. Bouhabib: "It's not McCarthy; it's the whole position of the administration."

Gen. Aoun said Syria was besieging the enclave, lobbing 5,000 shells into it daily. He said destruction of power plants, transmission facilities and ports through which fuel is transported would lead to a total blackout within 48 hours.

"Water plants are totally destroyed, water pipelines cut . . . a very serious crisis of gas poisoning and pollution is threatening a large number of Lebanese."

He said he did not have the means to put out the fire in the city's fuel depot that had destroyed 10,000 homes and was consuming 500 tons of gas and threatening a nearby tank farm with an additional 5,000 tons of liquid petroleum gas.

"We cannot evacuate the area; people have no other place to go. We cannot rescue the distressed area. All of this because the Syrians are still shelling," Gen. Aoun said.

The Associated Press reported from Beirut that 50,000 persons had fled the area because of the fires, explosions and leaking gas.

Reuters news agency said 53 persons were injured by the blast, which sent flames shooting 1,600 feet into the sky and was heard 30 miles away. The explosion demolished two buildings, damaged scores of shops and set cars on fire. The lid of the butane tank landed several miles from the

refinery, flattening four floors of a building, the agency said.

NEWARK STAR-LEDGER EDUCATION EDITOR HONORED

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. COURTER. Mr. Speaker, on April 8 the Star-Ledger's education editor, Robert J. Braun, will be receiving his sixth award from the Education Writers Association for his reporting on education issues. This award is for a 10-part series he published concerning the dealings between private consultants and certain public officials in the field of education.

Braun's intelligent education journalism is a credit to a fine newpaper and a benefit to the State of New Jersey.

The Newark Star-Ledger article of March 19, 1989 follows:

EDUCATION EDITOR HONORED FOR VO-ED SCANDAL SERIES

Robert J. Braun, The Star-Ledger's education editor, has won a national reporting award for his exposure of New Jersey's vocational-educational scandal.

The Education Writers Association, a national organization based in Washington, D.C., is scheduled to honor Braun at its annual convention in the nation's capital April 8.

Braun won the investigative reporting award for a series of 10 articles he wrote on the complex relationships between private constultants and public officials then working for the state Education Department's vocational school division.

The series of articles led to the indictment of two individuals and four corporations, including two companies owned or controlled by Gordon Ascher, the former assistant state education commissioner and director of the vocational division. Ascher committed suicide in his Northamption, PA., home shortly before he was scheduled to be indicted by a state grand jury probing the scandal.

A third indiviudal, an outside consultant, recently pleaded guilty to two counts of official misconduct emerging from the scandal.

The state grand jury that investigated the scandal after the newspaper's series also produced a presentment that has yet to be unsealed by the Superior Court in Mercer County.

The series also led to the dismissial of five employees of the division and the adoption by the state school board of sweeping changes in how grants are awarded by the Education Department and in the hiring of consultants by both the state and school districts.

Braun, who has written about education for The Star-Ledger since 1967, has been honored by the Education Writers Association on five previous occasions. Last year, he won a national award for a series of editorial columns on the state school takeover law.

The writer's series also won an award from the New Jersey Press Association earlier this year.

THE MEDICAL CARE CRISIS IN SOUTHERN ILLINOIS

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. POSHARD. Mr. Speaker, the crisis in health care, especially in rural areas such as mine, seems to have no boundaries. One of the most important links in the health care delivery system is the group of dedicated women and men working as nurses in our hospitals and clinics.

The demanding nature of their jobs and the variety of skills needed to perform in their patient's best interest necessitates keeping a qualified, motivated and dedicated work force.

Of the numerous problems we need to address in the health care area this one cannot go unnoticed. We have job openings in a critical area and people who are out of work. We must work to bridge this gap and provide for our patients and communities alike. As a member of the Rural Health Care Coalition, I am addressing this issue among others as we look to the future of medical care in this country.

Not long ago, the Southern Illinoisan newspaper reported on this situation and steps being taken at two hospitals in my district to find solutions. I am including this article in the RECORD to further explain the crisis, in any number of areas, facing our country in the area of health care:

NURSE SHORTAGE STUDIED AT TWO LOCAL HOSPITALS

(By Beth Haller of the Southern Illinoisan)

Most nurses work hard. But sometimes they are performing duties that do not take advantage of their training and skills.

They must fetch glasses of water, give directions to visitors or empty trash cans.

A one-year pilot study by the Illinois Hospital Association, which will take place at 10 Illinois hospitals, will look at ways to help nurses concentrate on nursing.

Memorial Hospital of Carbondale and St. Joseph Memorial Hospital in Murphysboro are two of the participating hospitals.

The hospital association's current studies show nurses spend 10 percent to 30 percent of their time on non-nursing and non-clinical duties.

The hospital association's program to address the nursing shortage, "Nurses: Who Cares?," includes 12 initiatives to deal with a shortage of nurses.

Mary Schulz, project director for the hospital association, said the 10-hospital pilot project will add a general worker for non-nursing duties, freeing nurses to concentrate on patient care.

"Right now, they need more nurses because they're doing all these things," she said. If we re-delegate, we don't need so many nurses."

The pilot project, which begins data collection in May, will determine how much time nurses spend in non-nursing activities, in addition to collecting information about the hospitals and the satisfaction level of patients, nurses and physicians.

To increase the nurses' time on patient care, the participating hospitals will employ a general worker to take care of non-nursing duties. The worker will be assigned to one unit of the hospital for one year beginning in July. Another unit, which does not have a general worker, will be used as a control group.

The worker, who would probably be shifted from another department in the hospital, will move patients, help them with meals and direct visitors, Schulz explained.

"The worker would have a regular patient care assignment," she said.

Although the qualifications have not been set, the job likely will require a minimum high-school education, knowledge of hospital procedures and good communication skills.

In addition to freeing up nurses for their medical duties, Schulz said the worker might help make patients happier.

"Studies show patients are dissatisified with the number of people who come to their room," she said. "If they have a problem with their room, they don't know who to go to."

Betty Gaffney, vice president of nursing services at St. Joseph Hospital, said a small hospital like St. Joseph could provide a valuable model for other rural hospitals in dealing with the nursing shortage. So St. Joseph Hospital officials wanted to participate in the pilot study to gather information for itself and others.

"We can learn more about what we are doing, and we can develop more effective and efficient ways to deliver care," Gaffney said.

Although she does not call the nursing shortage at St. Joseph Hospital severe, she said the hospital does have several openings for registered nurses.

George Maroney, administrator of Memorial Hospital of Carbondale, said his hospital became involved in the pilot program because of the seriousness of the nursing shortage.

"It's very serious in the urban areas and has spread into the rural setting," he said.

Maroney said the pilot project is an opportunity to try some things with the support of the hospital association.

A HEALTHY WORLD BY THE YEAR 2000

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. BEREUTER. Mr. Speaker, tomorrow I intend to introduce a resolution which will put the House of Representatives on record in support of actions to eliminate preventable deaths and disabling illness, especially among the world's children.

The resolution embodies proposals that I have been working on for a number of months. Numerous individuals in the private voluntary sector, international organizations and Government agencies have contributed to this effort and their assistance is greatly appreciated.

This Member will be introducing the resolution in conjunction with the commemoration of World Health Day on April 7. On Thursday, April 6, the Select Committee on Hunger will hold a hearing to consider efforts to improve the health of the world's people. That occasion will be used to speak more directly on the provisions and purposes of the resolution.

In advance of that hearing to facilitate reaction to this proposal, I request permission to have the text of the resolution reprinted in the CONGRESSIONAL RECORD as follows:

H. RES. —

Whereas the "Child Survival and Development Revolution," launched by the United Nations Children's Fund (UNICEF) in 1982, to reduce by one-half by the end of this century the then daily toll of 45,000 deaths of young children as a consequence of preventable disease and malnutrition, has achieved impressive results, despite the extreme economic and developmental difficulties afflicting most developing countries in the 1980's;

Whereas the adoption by the Congress of a joint resolution in 1983 (Public Law 98-198) was the first act by a national legislature to formally endorse the Child Survival and Development Revolution;

Whereas the low cost, high-impact, health and nutrition interventions which form the core of child survival programs, most notably oral rehydration therapy and immunization, are already by 1989 saving the lives of over 2,500,000 children per year who have died if the death rates of 1982 still prevailed;

Whereas UNICEF, the World Health Organization (WHO), developing country governments, the World Bank, and other multilateral and bilateral development assistance agencies (including the Agency for International Development in the United States) have identified additional low-cost opportunities for dramatically improving the survival, health, and development of the world's children, which could, with increased international coordination, political commitment, and institutional innovations increase the number of children saved to over 5,000,000 within 2 years and to over 10,000,000 annually on a permanent and sustainable basis by the year 2000;

Whereas fewer than 5 percent of children in the developing world were immunized against the 6 major childhood diseases when the United Nations' goal of "Universal Child Immunization of 1990" was initiated in 1977, now more than 50 percent of children worldwide are immunized and the Universal Child Immunization target of at least 80 percent immunization by 1990 is within reach for a majority of developing countries;

Whereas it is recognized that the Child Survival and Development Revolution requires integrated action to provide (1) nutrition, (2) primary health care, (3) environmental sanitation, water, and basic shelter, and (4) basic education, especially for women and girls; and that many governments, including the United States Government, have endorsed the attainment of these goals by the year 2000 as part of the WHO program of "Health for All";

Whereas child survival and development programs are being advanced collaboratively by a "Grand Alliance for Children" comprised of a vast array of critically important nongovernmental organizations, including voluntary associations, private businesses, the media, religious groups, and other entities, in addition to governments, intergovernmental agencies, and international organizations;

Whereas the emerging global concern for children, reflecting a new international political commitment to future generations, has been evidenced at the highest levels of international discourse, as reflected in the Joint Statement issued June 2, 1988, following the Summit Meeting in Moscow between the United States and the Soviet Union, in which President Reagan and General Secretary Gorbachev reaffirmed their support "for the WHO/UNICEF goal of reducing the scale of preventable childhood death" and urged other countries and the international community to "intensify efforts to achieve the goal";

Whereas the general surge in concern for children's welfare has formed the moral, legal, and political basis for the International Convention on the Rights of the Child, which would define the rights of children with regard to survival, protection, and development, and which is expected to be approved by the United Nations General Assembly in 1989;

Whereas Secretary of State James Baker has indicated that "the United States should take a leadership role" in the initiative to "develop a plan to get to the core of the poverty problem" in order to achieve a healthy world by the year 2000;

Whereas the United States has consistently led the world in the provision of financial, operation, research, and advocacy support for child survival initiatives; and

Whereas the Executive Director of UNICEF, with the current endorsement of over a score of national leaders from developed and developing countries, East and West, has proposed a "World Summit on Children" to promote international plans for achieving the goals of child survival, health, and development of all children: Now, therefore, be it

Resolved, That—

(1) it is the sense of the House of Representatives that the child survival and development programs implemented collaboratively by national governments, UNICEF, WHO, the Agency for International Development, and many other governmental and nongovernmental organizations are to be commended and have the full support and encouragement of the House of Representatives;

(2) the House of Representatives reaffirms its commitment to the goal of permanent improvement in the survival rates, health, and development of people in all countries by the year 2000, especially children, and urges the President to adopt this as a major priority of the executive branch and to lead the world community in proposing concrete actions to achieve this goal;

(3) the President is urged, on behalf of the people and Government of the United States, to propose to the Secretary General of the United Nations that he establish an independent advisory commission to provide strategic planning, leadership and advice to the world community on collaborative actions and programs in primary health care, nutrition, basic education, and environment by all members of the Grand Alliance for Children in order to eliminate easily preventable death and disabling illness in all countries by the year 2000; and

(4) the House of Representatives endorses the call for a World Summit on Children at the earliest opportunity as an opportunity for governmental leaders, including the President of the United States, to commit their countries to concrete plans of national action and international cooperation to reduce the scale of preventable childhood deaths nationally and globally and, in particular, to attain the goals of Universal Childhood Immunization by 1990 and Health for All by the year 2000.

SENATOR LIONS CLUB CELEBRATES 35TH ANNIVERSARY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MATSUI. Mr. Speaker, I rise today to recognize the Senator Lions Club of Sacramento on the occasion of their 35th anniversary. It is indeed appropriate on this occasion that the organization be extended special honor and commendations in recognition of the diligent and responsible service which it has provided to the people of California since its inception.

The Senator Lions Club, chartered on April 4, 1954, was the first Japanese-American Lions Club formed in the United States. Today, the membership of the club is composed of service-minded persons of many different ethnic backgrounds. The club is dedicated to its main objective of providing service to those who are less fortunate and promoting international understanding among the people of the world.

To commemorate this historic occasion, the Tezukayama Lions Club of Osaka, Japan, the twin club of the Sacramento Senator Club, will send a delegation of members to the 35th anniversary celebration on Saturday, April 8, 1989, to reaffirm the relationship between the two clubs.

Throughout its existence, the Sacramento Senator Lions Club has maintained an illustrious record of continuous civic participation which commands the respect of the people of Sacramento, as well as the State of California. Activities sponsored by the Senator Lions include the Japanese Youth Exchange, Camp Ideal, JACL Student Scholarship, Drug Abuse Awareness, Beeper Ball—Blind Baseball Project, Robert Sturmann Foundation—Diabetes, and LCIF Student Scholarships.

Mr. Speaker, I take sincere pride in honoring and commending the Senator Lions Club of Sacramento for its outstanding record of service to and concern for the people of the Sacremento area. I congratulate the organization upon the most noteworthy occasion of its 35th anniversary and extend my best wishes for the club's continued success in the years to come.

TRIBUTE TO THE VOLUNTEERS OF THE FRIENDLY VISITOR PROGRAM

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MURTHA. Mr. Speaker, I would like to recognize the important work that some individuals in my congressional district are doing to help homebound senior citizens. The Westmoreland County Area Agency on Aging has sponsored a volunteer Friendly Visitor Program, which consists of 60 volunteers who visit our older citizens every week.

These volunteers bring a welcome visitor to the senior citizens. Just having someone to talk to and someone to listen to their problems and concerns means so much to these older citizens who sometimes feel isolated from the rest of society. The volunteers also help out by doing shopping, running errands, and helping to care for these individuals.

The Friendly Visitor Program volunteers will be honored on April 14 by the Westmoreland County Area Agency on Aging as a part of National Volunteer Week. These volunteers, along with the hundreds of thousands of others across the country who give their time to help others, deserve our gratitude and recognition for the important work they do. The efforts of volunteers are really the backbone of our country. Without volunteers' caring and dedication, many of our citizens who are older, who have suffered setbacks through adverse circumstances, or who simply are unable to make ends meet would not have the hope and friendship that volunteers bring.

I salute the volunteers of the Friendly Visitor Program in Westmoreland County on the occasion of National Volunteers Week. As they continue their work with the senior citizens of our area, the thoughts and thanks of all of us go with them.

THE 40TH ANNIVERSARY OF NATO

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. GEJDENSON. Mr. Speaker, as we mark today the 40th anniversary of the North Atlantic Treaty Organization, the alliance celebrates NATO's contribution to political stability and the postwar economic revitalization of Europe. Forty years ago there was no unified Western European counterweight to the Soviet presence in Eastern Europe. But the endurance and unity of NATO have maintained the integrity of Western Europe.

As a result, Europe today faces a changing political, economic, and military climate. Despite the magnitude of the military confrontation in Europe, or perhaps because of it, the political climate has grown more amenable to a reduction in tensions and armaments. The alliance today faces a unique opportunity to negotiate force reductions which will drastically reduce the possibility of Soviet invasion.

The offer of Soviet reductions in conventional forces is a welcome one. What should be our response? The challenge before us is to shape a balance of forces in Europe that does not merely continue a dangerous confrontation at lower levels, but reduces, on both sides, the likelihood of armed conflict.

By reducing the military level of confrontation we can reduce the political confrontation as well, and encourage greater modification of Soviet policy, which has been the goal of military containment all along.

The nature of security is being redefined. Economic strength, competitiveness, our industrial base and the quality of life for our citizens all must be considered integral parts of our national security. To maintain our economic well-being, we must spend our resources wisely and equitably.

The U.S. economy supports, through taxpayers' dollars, a contribution of approximately 6 percent of our gross domestic product to defense, of which the Department of Defense estimates roughly 60 percent is attributable to our NATO commitment. Most NATO nations commit 2 to 3 percent of their GDP to defense.

In August 1988, the House Armed Services Committee Defense Burdensharing Panel reported that the "United States is spending $160 to $170 billion on NATO—significantly more than the defense contributions of the other 15 NATO members put together."

It is a premise of NATO's negotiating position that a reduction of conventional forces in Europe must include greater cuts in armaments from the Warsaw Treaty Organization than from NATO. So should the savings on the NATO side be allocated to the nation which has borne the greatest share of NATO costs.

Although budget statistics do not measure the indirect costs of maintaining large standing armies on European soil, they do point out the magnitude of the United States commitment to the defense of European nations which, politically and economically, are at least as able as the United States to bear the costs of their defense.

That is why today Congressman MAVROULES and I sponsored a discussion of new proposals on conventional arms reductions, in order to begin to look into the feasibility of a significant realignment of our economic and defense policies with respect to Europe. It was clear from the discussion that we are searching for a framework for a long-term conventional arms reduction proposal to carry NATO into the next century.

I ask my colleagues to join me on this historic occasion in marking the success of NATO by exploring further options to usher in a new era of stability and reduced confrontation in Europe.

BLACK HISTORY MONTH

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. WOLPE. Mr. Speaker, I could probably spend most of the day—and go well into the night—detailing the enormous contributions that black Americans have made to our Nation's history. To put it plainly, the American experience is inseparable from the black experience.

We know that there are few aspects of American culture or society which have not been influenced by the contributions of black Americans. So, it is difficult to comprehend how black history could be systematically ignored by our schools' textbooks. But sadly, it has been. Our American history books have been frequently marred by glaring omissions. For example—and I will highlight just two interesting cases from the 20th century history—we have been told that Robert Peary was the first person to set foot on the North Pole. Yet, we know now that if anyone in Peary's party actually reached the Pole, it was Matthew Henson, Peary's assistant and a black man. Likewise, most of us are familiar with Jonas Salk and his polio vaccine. Yet, few Americans know the name of Dr. Charles Drew, a black physician and surgeon who saved countless lives during World War II with his outstanding work on blood plasma.

The absence of these—and so many other—accomplishments is a sad indicator of our Nation's attitude toward its first settlers—it was black indentured servants and slaves who first came to this country accompanying white settlers. More importantly, these omissions attest to an underlying and often unconscious racism which has affected our Nation's thoughts and prevailing attitudes for centuries. We must recognize that attempts to undermine or obscure black contributions have also been part of an ongoing effort to deny their status and standing in American culture.

So, Black History Month is of equal value and significance to white America as it is to black. The white community suffers because its lack of knowledge of outstanding black achievements engenders a terrible ignorance which, in turn, reinforces the myth of white superiority. Perhaps by coming to terms with the ways in which white America has excluded people of African descent in the rendering of our own history, we may gain some insight into the racism that continues to plague our society. Black History Month provides the opportunity to fully recognize the achievements of blacks in America, to highlight their rightfully deserved place in America's history, and—perhaps most importantly—to gain some understanding of the terrible distortions that are the result of prejudice and racism. This new knowledge, I submit, is the key to the liberation of white as well as black Americans.

ST. BENEDICT'S IS NEW JERSEY STATE FENCING CHAMPION

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. PAYNE of New Jersey. Mr. Speaker, I would like my colleagues here in the U.S. House of Representatives to join me in congratulating the winner of the State fencing championship in New Jersey, St. Benedict's Preparatory School in Newark.

This statewide victory is especially exciting because it marks the first in the history of the school. It is also the first time in 17 years that a team from Newark has triumphed at the State championships.

Fencing is a sport which requires considerable skill, discipline, and concentration. I am proud of the young people from St. Benedict's who worked so hard to develop these qualities as they trained for the State championship.

The 29 members of St. Benedict's fencing team range in age from 13 to 17. The team was undefeated this season.

St. Benedict's prep fencing team won the NJSIAA District 3 Sectional Championship on February 11, 1989. Jerome Fernandes won

the individual sectional title; third in the individuals was Lawrence Price; and Epeeist Tramond French finished in second place.

Seven St. Benedict's fencers qualified from the eastern region for the Junior Olympic Under 17 and Under 20 National Championships in Colorado Springs on February 17.

They are: Jerome Fernandes, first place; Jason Wilson, second place; Lawrence Price, third place; Clayton Walton, fourth place; and Justo Rosario, fifth place. Alternates were Milton Buck, Jr. and Tramond French.

At the junior olympics in Colorado Springs, Jerome Fernandes qualified for the under 17 and under 20 world teams that will compete in Greece and Portugal.

At the freshman and sophomore State individual championships on February 25, 1989, St. Benedict's Prep was well represented: Freshman foil: first place, Justo Rosario; freshman epee: second place, Clayton Walton; sophomore foil: first place, Jerome Fernandes; third place, Milton Buck, Jr.; fourth place, Jason Wilson; sophomore epee: sixth place, Omari Frazier. Four St. Benedict's fencers were selected to the New Jersey All State Fencing Team: Shorne Lawrence, Lawrence Price, Tramond French, and Jerome Fernandes.

The coach of the team, Mr. Derrick A. Hoff, deserves special recognition not only for his role in instructing the students, but for instilling in them important values such as tenacity and pride in performance. A 1984 olympian fencer, he has inspired the team to reach for the top. Mr. Hoff, who is the first black coach in the country to ever win a State fencing title, is known for putting the interests of the students first. He has turned down lucrative offers elsewhere so that he can continue to exert his positive influence over the lives of St. Benedict's students.

Please join me in extending very best wishes for continued success to the outstanding students who make up the winning team of St. Benedict's; the coach, Mr. Hoff; Rt. Rev. Melvin J. Valvano, O.S.B.; Father Edwin Leahy, headmaster; and Michael DiPiano, athletic director.

TRIBUTE TO DR. EDWARD S. STEITZ

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. NEAL of Massachusetts. Mr. Speaker, it is my pleasure to pay tribute to a man who is one of the prime movers in amateur athletics in the world. He is a man who is known throughout the Nation and the world by many nicknames: "guardian of basketball rules," "the surgeon general of college basketball," "father of the three-point shot," "Dr. Ed," and, perhaps his best-known nickname, "Mr. Rules." He is Dr. Edward S. Steitz, the director of athletics at Springfield College in Springfield, MA. Dr. Steitz recently announced that he will retire from his present position on September 1 of this year.

I feel that today, the day after another NCAA championship basketball game, is a good time to recognize the achievements of Dr. Edward Steitz. It is altogether fitting that Dr. Steitz is associated with Springfield College, the birthplace of basketball 100 years ago. Dr. Steitz is the direct spiritual descendant of Dr. James Naismith, the man who invented the game in Springfield with a soccer ball, two peach baskets, and a gym. Over the past 30 years, basketball has become perhaps the most popular amateur game in the world and Dr. Steitz has been there every step of the way. Dr. Naismith would be amazed by the success of his game and he would be proud of the work of Dr. Edward Steitz. It is not too much to say that Ed Steitz has been the single most important individual in molding the amateur, college, and Olympic game into the form we know today.

A list of Dr. Edward Steitz' accomplishments would fill several pages of the CONGRESSIONAL RECORD. I would like to point out some of the highlights. In 1956 Steitz was appointed head basketball coach and athletic director at Springfield College. He held the head coaching job for 10 years, compiling a record of 160–86. Springfield College operates one of the most active athletic departments in the United States, competing on a major level in 14 men's sports and 13 women's sports. In 1965, Steitz became the national secretary and editor of the NCAA Men's Basketball Rules Committee. As the driving force behind this committee he has presided over four important rules changes in the college game: reinstatement of the dunk shot in 1976, elimination of most jump balls in 1981, the 45-second clock in 1985, and the adoption of the 3-point goal in 1986. These changes have made college basketball what it is today—an exciting up-tempo game played and watched by millions around the world. Steitz is also currently serving as the U.S. representative to the World International Basketball Federation and is a cofounder of the Amateur Basketball Association USA [ABAUSA], the governing body for all international basketball in this country. Of course, this list of accomplishments only begins to paint the true picture of Ed Steitz' position as the No. 1 expert on the game of basketball in the world.

The work of Dr. Edward Steitz has not gone unnoticed. He has been honored dozens of times in this country and abroad with awards for his athletic work, his service to youth, and his community service. In India, the National Basketball Women's Championships are named the "Dr. Edward S. Steitz Tournament" in his honor. This is just 1 recognition of the more than 1,000 basketball clinics Ed Steitz has conducted around the world. He has lectured on basketball and the benefits of athletics in 35 countries. You can find his biography in "Who's Who in America." And you can find his plaque on the wall of the Basketball Hall of Fame in Springfield. Dr. Steitz was inducted into the Hall of Fame in 1983 as a recognition of his years of work on behalf of the game of basketball. This ultimate honor was richly deserved. In addition to his work with the game, Steitz has had an association with the Hall of Fame that dates to 1959 when he began service as a charter member of the board of trustees and executive committee. Dr. Steitz is one of the key forces behind the success of the Hall of Fame.

Mr. Speaker, in addition to his work in nurturing the Basketball Hall of Fame to prominence, we in Springfield have benefited from the strong community involvement of Springfield College athletes under the leadership of Ed Steitz. Steitz has also been an important figure in the Tip-Off Classic, the college basketball game that traditionally begins the NCAA Division I season. As a former mayor and city councilor in Springfield, it has been my privilege to work with Ed Steitz on a number of projects.

I would like to personally wish "Dr. Ed" and his wife, June, the best of luck in the future. He is retiring from his position as Springfield College athletic director, but he will continue to be active with the college, with the community, and with basketball. People from around the world will continue to seek out Dr. Steitz whenever they have a question on basketball rules. And whenever a basketball game is played, from the playgrounds of the inner city to the NCAA championship game, the fine work of Dr. Edward Steitz will be on display.

A TRUE BOND OF FRIENDSHIP AND UNDERSTANDING

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MATSUI. Mr. Speaker, it is my distinct pleasure to have this opportunity to bring to my colleagues attention an outstanding example of international goodwill. The cities of Sacramento and Matsuyama have been sister cities for over 8 years now and a true bond of friendship and understanding has developed between the two cities.

In a time when understanding in the international arena is so critical, it is rewarding to be a part of two communities who are honestly committed to greater friendship. Though Sacramento and Matsuyama are separated by 6,000 miles, both cities have sponsored official and individual trips to discover and explore common links. The people of Sacramento and Matsuyama have grown close in these 8 years and it is through the dedication of the people of both cities that this has occurred.

I would like to urge my colleagues in this great body to follow suit and develop sister city arrangements between their own communities and cities throughout the world. Establishing these bonds of friendship can contribute immeasureably to international understanding and goodwill.

Mr. Speaker, I would like to offer my congratulations as well as my personal thanks to all those who have worked so tirelessly to develop and foster the relationship between our two cities. Every one of these fine people is to be heartily commended for their efforts on behalf of international understanding. I thank all of you for your efforts and I salute you on your achievements.

A FIRST STEP IN EDUCATIONAL REFORM

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. BROOMFIELD. Mr. Speaker, I recently received a letter from a student at Eisenhower High School in Washington, MI. Addressing the state of America's educational system, the student wrote, "I feel I speak for a majority of my generation when I say that I am worried about America's future. * * * Something must be done to upgrade education in this country."

I could not agree more. I am pleased to be a cosponsor of the Educational Excellence Act of 1989 which will be introduced tomorrow. As its name implies, it is a bill designed to improve our educational system through a number of significant initiatives. This act is by no means the panacea for our troubled schools. As numerous studies support and television documentaries confirm, no congressional act, no amount of money, nor any special program can replace those factors which make for an effective education—parental involvement, high academic standards, discipline, teacher commitment, and moral development. For as Theodore Roosevelt said, "To educate a man in mind and not in morals is to educate a menace to society." No, this act is only one step of many which we as a nation must take, as my friend states, "to upgrade America's education system."

I am sure that most of us have read the Washington Post's moving and glowing accounts of Maureen O'Donnell, the Latin teacher from Woodson High School in Fairfax, VA, who died of cancer in February. Here was a teacher par excellence, one who had subject matter expertise, pedagogical versatility, and, most important, a cause beyond herself. She was the first high school teacher to receive an honorary doctorate from Yale University and was the Virginia Teacher of the Year in 1983.

Her contribution to the teaching profession and the educational system is summed up in a simple but profound statement by one of her former students: "She remains my standard for greatness on Earth." This one teacher, by her dedication, enthusiasm, and commitment to her students, has done more for improving education and enhancing the lives of her students than any bill we might introduce in this House. The Educational Excellence Act of 1989 acknowledges the quintessential tie between teachers and an effective educational system and provides for a monetary award and special national recognition for outstanding teachers. I am delighted by such an initiative, and I trust we will build on this.

Recognition and reward for excellence in teaching is only the beginning. I would encourage my colleagues on the Committee on Education and Labor to examine ways in which the knowledge, skills, talents, and inspiration of these master teachers can be utilized to their maximum potential in order to bring about reform and improvement. We must provide a means by which these exemplary teachers can unleash the creative potential of other teachers.

In closing I am reminded of the quotation that Maureen O'Donnell was fond of using in trying to help her students put their troubles into perspective: "Quid ad aeternum?" What does it mean in the light of eternity? Through the Educational Excellence Act and particularly the teacher award initiative, we have an opportunity to make positive changes in our educational system which are not just temporal, but have far reaching and widespread effects which touch the future.

COLUMBIA ACADEMY CELEBRATES CENTENNIAL

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. GORDON. Mr. Speaker, in this Congress we have spent a lot of time and effort passing legislation aimed at helping future generations of Americans prepare to take their place as responsible and productive citizens.

In keeping with the attention the country is, quite appropriately, giving to our system of education, I would like today to talk about an institution that over the years has done a fine job of preparing its students to contribute to and sometimes lead their communities.

Columbia Academy in Columbia, TN, is celebrating the 100th anniversary of the creation of its campus.

In 1888, President Grover Cleveland signed a law creating Columbia arsenal and authorizing the construction of the three sturdy stone buildings that still house parts of the academy.

A few years later, the arsenal was used as a training headquarters for Spanish-American War troops.

In 1904, legislation passed creating Columbia Military Academy, and the academy opened the following August. For most of the 20th century, CMA, as its friends called it, educated young men in a rigorous and disciplined educational environment. CMA graduates emerged well prepared for college and career, not only because they had mastered algebra and literature, but also because they were mentally tough and ethically sound.

Under the long stewardship of headmaster Colonel C.A. Ragsdale and the assistant headmaster William O. Batts, CMA built leadership

One graduate of the class of 1939 served four terms in this House. William R. Anderson represented middle Tennessee in the 89th through the 92d Congress, serving on the Rules Committee, where I am now proud to serve.

But William R. Anderson is probably better known for his U.S. Navy service; he commanded the *Nautilus,* our first nuclear-powered submarine, which he steered on the first voyage under the ice of the North Pole.

There were many others from CMA who served their country and their community with distinction. For CMA tended to produce that kind of person.

But times changed, and hard times came to military schools in the post-Vietnam era. In 1978, the military program was dropped, and in 1979, the academy became a Christian school affiliated with the Church of Christ. That affiliation led to the modern Columbia Academy.

Today, the academy is a growing institution that strives to maintain the high academic tradition of its heritage. Columbia Academy is accredited by the Southern Association of Colleges and Schools. Of its graduates, 86 percent go on to college.

I believe a good education requires a rigorous academic program, but there is more to it than that. A good education also should include character building—the teaching of spiritual and moral values that are central to our heritage as Americans.

In today's complex, stressful world, young people need more than ever a firm value system that builds strength of character.

Columbia Academy produces the kind of well-rounded, complete graduates that will be the model citizens of the future.

Although it is proud of its affiliation with the Church of Christ, Columbia Academy accepts students of all faiths, without regard to sex, race, or national origin.

Its low teacher-student ratio, its beautiful 67-acre campus, its many extracurricular activities, its emphasis on teaching moral and spiritual values, and its highly educated faculty make Columbia Academy a true national asset.

I congratulate Columbia Academy on its renewed success and wish it the best in its important mission of educating young Americans.

UNITED STATES SHOULD NOT FUND U.N. "PEACEKEEPING" IN NAMIBIA

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. ROTH. Mr. Speaker, I cannot support the Administration's request to spend $50 million for U.N. peacekeeping operations in Namibia. This would not only be a colossal waste of the taxpayers' money, it would also underwrite a defective peace settlement that will enable the South West African People's Organization [SWAPO]—a Communist, Soviet-backed terrorist organization—to seize control of Namibia, a country half the size of Western Europe.

SWAPO is expected to win the November elections, not only because that organization is identified in the popular imagination with resistance to South African colonial rule, but also because SWAPO guerrillas have let it be known that they will seize power by violence if they do not win at the polls. In effect, Namibians have been put on notice that they must vote for SWAPO if they do not want a resumption of full-scale civil war.

Furthermore, SWAPO has sought to exploit popular ignorance, promising if elected to pro-

vide every Namibian family with an automobile and a bank account. Finally, the United Nations, the international organization that will supervise Namibia's elections, is not a bona fide impartial observer. Although the United Nations has ceased calling SWAPO the "sole, authentic representative" of the Namibian people, it continues to support SWAPO politically and with considerable cash contributions.

Like the Sandinistas prior to their seizure of power and betrayal of the Nicaraguan revolution, SWAPO spokesmen have dropped the rhetoric of class struggle and scientific socialism, and now profess to support democracy and human rights. That such professions are totally insincere should be evident from the events of the last few days. SWAPO's massive armed incursion into Namibia, as a result of which at least 147 people have been killed, was a direct violation of U.N. Security Council Resolution 435, and the related Angolan-Namibian accords of December 22, 1988.

If SWAPO wins the November elections, the result will not be democratic self-government for the people of Namibia but the imposition of a brutal tyranny. The Soviets will gain another foothold in Southern Africa. And since Fidel Castro will have achieved his objective in the Angolan-Namibian settlement, he will have no incentive to withdraw the remaining tens of thousands of Cuban troops still deployed in Angola.

It is worth noting that while the United Nations will deploy 4,650 peacekeeping troops in Namibia, it will deploy only 70 peacekeeping troops in Angola, where the fighting has been on a much larger scale. These 70 troops are insufficient to verify the departure of over 50,000 Cuban troops. In fact, the Brazilian general in charge of operations says he will verify that all Cuban troops have left whenever Cuban authorities notify him that the withdrawal has been completed.

At present, there are disturbing reports that Cuban forces are using chemical weapons in an effort to turn the tide of battle decisively against Savimbi and the freedom fighters. For some time we have also seen reports that thousands of Cuban soldiers are receiving Angolan citizenship so that they can legally remain in country after the July 1991 departure deadline.

Even if the Cubans do withdraw on schedule, Angola will remain in Communist hands when, in November 1989, elections are held in Namibia; which brings me to the single greatest defect in the Angolan-Namibian settlement: the absence of any requirement for free elections in Angola. The Communist MPLA regime committed itself to hold elections in the Alvor Agreement of 1975. If free elections were held in Angola, Savimbi, and Unita would surely win. Why the Administration agreed to elections for Namibia but did not insist on elections for Angola is a mystery.

American taxpayers should not pay $1, let alone $50 million, to support the U.N. peacekeeping operation in Namibia. What we'll be paying for is not peace but a Communist victory that will only lay the foundation for further bloodshed and conflict in the region.

IN COMMEMORATION OF THE 100TH ANNIVERSARY OF HIGHLAND HOSPITAL OF ROCHESTER

HON. LOUISE M. SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Ms. SLAUGHTER of New York. Mr. Speaker, I rise today to commemorate the 100th anniversary of Highland Hospital of Rochester, located in Upstate New York. The hospital was incorporated on April 4th, 1889, as Hahnemann Homeopathic Hospital, named after Dr. Samuel Christian Friedrick Hahnemann, a German physician of the late 18th and early 19th centuries. Under the leadership of Dr. Joseph A. Biegler, the hospital began its care committed to its mission statement of 1889 that stated in part, "* * * while there is a vacant place, no one, however destitute or forlorn, if sick, shall be refused admission and careful treatment."

In 1921, the hospital was renamed Highland Hospital to reflect its proximity to beautiful Highland Park located in the city of Rochester. Highland Hospital soon became known as an innovative leader in the field of health care. The hospital is rightfully proud of its many firsts. Highland was the first hospital in the United States to use insulin to treat diabetes; the first in the United States to use endocavitary radiation as an alternative to colostomy surgery; the first hospital in the United States to establish a clinical chemical laboratory; the first in New York State and the third in the United States to establish a family medicine training program; the first in Rochester to allow expectant fathers to be present at their baby's birth; the first in Rochester to establish a family birthing center for uncomplicated births; the first hospital in Rochester to establish a health information center exclusively for women, The Women's Health Source of Highland Hospital; the first in Rochester to offer a computerized physician referral service, "Need-A-Physician?"; the first in Rochester to establish a patient representative position, an advocate for patients and their families.

Today, Highland Hospital is a 272-bed acute care facility utilizing state-of-the-art modern medical technology. As importantly, however, Highland Hospital continues to serve the Rochester area with the highest professionalism and competence as well as personalized medical care.

We should also note that Highland Hospital's success and quality care is possible only with the dedication and commitment of its staff and widespread community support. We in the upstate New York area are indeed fortunate to have such fine people meeting our health care needs through Highland Hospital. I would like to wish Highland Hospital of Rochester my most sincere congratulations on its 100th anniversary of service to our community.

WOODINVILLE, WA, CELEBRATES 12TH ANNUAL ALL FOOLS' DAY PARADE AND BASSET BASH

HON. JOHN MILLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MILLER of Washington. Mr. Speaker, distinguished Members of the House, Woodinville, WA, site of the first All Fools' Day Parade and Basset Bash in the Nation, this year celebrates the 12th Annual All Fools' Day Parade and Basset Bash on Saturday, April 1, 1989. The fools and bassets join together from three States and Canada to take part in this international event. Foolish floats, outrageous costumes on individuals and basset hounds, celebrities, politicians, and major sports figures march down Woodinville's main street at 11 a.m.

CONGRATULATIONS TO THE SOUTHINGTON HIGH SCHOOL COMPETITION WINNERS

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mrs. JOHNSON of Connecticut. Mr. Speaker, I am pleased to take this opportunity to honor and congratulate the Southington High School, in Southington, CT for placing first in the statewide bicentennial competition on the Constitution and the Bill of Rights.

The Southington team recently won the sixth district competition, went on to victory in the statewide finals, and soon will travel to Washington, DC for the national competition. This academically demanding competition is part of the commemorative effort of the Commisson on the Bicentennial of the U.S. Constitution to involve young people in the great debates of our history.

The Southington students are celebrating the Constitution as our founding document and as a framework within which our development of a society of free and equal people has taken place. Through participation in this competition these young people have had the opportunity to better understand our democracy and pay tribute to the cornerstone of America, the Constitution.

I salute these fine young men and women for their willingness to grapple with the meaning of the Constitution and our system of government. Their success can be attributed to many hours of hard work, dedication, and debates of which they should be very proud.

The winning Southington High School team, along with their teachers, deserve the celebration and recognition of this accomplishment. Along with my heartiest congratulations, I extend to them best wishes for success in the national finals.

Congratulations and good luck.

PERRY BRUMMETT AND MARIE SMITHWECK—COMMUNITY SERVICE AWARD WINNERS

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. DARDEN. Mr. Speaker, I would like to take this opportunity to pay tribute to two outstanding citizens from the Seventh District of Georgia: Mr. Perry T. Brummett, a police officer from Powder Springs, who has been named Public Servant of the Year, and Mrs. Marie Smithweck, of Marietta, who has been named Volunteer of the Year. Officer Brummett and Mrs. Smithweck were selected by a panel of judges from more than two dozen nominations submitted by readers to the Atlanta Journal and Constitution's Cobb Extra. On behalf of our entire community, I commend them for their valuable contributions and congratulate them on being named the Community Service Award winners for 1989.

Officer Brummett earned the honor of Public Servant of the Year for his dedication to the children of our elementary schools. He spends much of his time teaching elementary school children about the dangers of drugs. After finishing in the top of his class, Officer Brummett became the first certified drug abuse resistance education [DARE] instructor in Georgia. In this program, the children put on skits in which they act out appropriate responses to being confronted by people offering drugs. The skits teach the students how to identify their feelings and behaviors and, according to Officer Brummett, help the child develop self-worth. In addition to being a DARE instructor, Officer Brummett has made outstanding contributions to his department's crime prevention program, revived the Powder Springs Police Explorers Unit, and became involved in other community programs such as Neighborhood Watch.

Mrs. Marie Smithweck was named the Cobb Extra's Volunteer of the Year for her dedication to helping others. Mrs. Smithweck has been a teaching assistant at Joseph T. Walker School for the past 20 years and has touched the lives of hundreds of children, many of who now are becoming community leaders. A coworker, Ms. Karen Malcolm, who nominated Mrs. Smithweck, described her as a living definition of the word altruism. Aside from her work as a teaching assistant, Mrs. Smithweck works with abused children at Open Gate Shelter, is a member of the Clay Guild supporting the Clay Home for Unwed Mothers, and participates in a wide variety of activities at First Presbyterian Church of Marietta. She has also served as a volunteer probation officer for Cobb County Juvenile Court. She contributes her time as a volunteer to many groups throughout the community, including the American Heart Association, Kennestone Hospital, Mountain Laurel Garden Club, Cobb County Youth Museum, the Cobb-Marietta Winter Shelter, and Due West Elementary School. In addition, the Smithweck family has adopted two residents of the Georgia Baptist Children's Home, sharing holidays and vacations with the children. While Mrs. Smithweck enjoys her work on behalf of our young children, she also makes time to regularly visit nursing homes in Marietta, cheering the elderly patients by playing the piano. Her coworker, Ms. Malcolm, summed up her feelings about Mrs. Smithweck by stating, "She represents everything good."

Mr. Speaker, it is with great admiration and respect that I share with you the contributions and accomplishments of Officer Brummett and Mrs. Smithweck. I invite you and your colleagues to join me in paying tribute to the Cobb Extra's Community Service Award winners for 1989, whose caring and dedication have truly made their communities better places to live.

NATIONAL VOLUNTEER WEEK

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. LEHMAN of California. Mr. Speaker, I rise today to recognize and support National Volunteer Week which takes place during the week of April 9 to 15. I would like to pay tribute to the hundreds of older volunteers who serve in my district. I believe that these volunteers provide very important services to my district.

In the Fresno area, there are more than 800 older volunteers that contribute their valuable time and efforts to the health and development of our community. They serve through the Federal ACTION Older American Volunteer programs sponsored by the Older Americans Association, such as the Foster Grandparent Program, the Senior Companion Program, and the Retired Senior Volunteer Program.

These volunteers have positive effects on their community and the lives of those who know them. By utilizing the skills of these older volunteers, we are gaining access to their knowledge and valuable experience. The significant contributions from the older volunteers should not be overlooked and must be commended. I am pleased that so many volunteers work in my district, and I would like to pay tribute to them on this important occasion.

TRIBUTE TO BENTON GEORGE

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. BONIOR. Mr. Speaker, I rise to pay tribute to a valued staff member in my Washington office, Benton George, who passed away last Friday, March 31, at the age of 46. I first got to know Benton in February 1983 when he came to work for me as a legislative assistant. Benton researched and kept abreast of a variety of issues for me, including legislation dealing with health care, senior citizens, education, agriculture, Medicaid and Medicare, Social Security, hunger and the homeless, the hearing-impaired, the post office and civil service, and welfare.

These issues all have a common thread running through them in that they deal with taking care of people. And that was Benton's specialty.

People from all over my district in Michigan grew to know and love Benton for his kindness and friendliness, for his knowledge of the issues, and for his eagerness to help others.

Benton was also famous for giving wonderfully informative and thorough tours of the U.S. Capitol. Constituents would come into town from Michigan and ask for Benton's tour by name because of the recommendations they had received from their friends. I couldn't begin to list the hundreds of compliments Benton received over the past 6 years from people with whom he came into contact.

When Benton went back to Macomb and St. Clair counties, he was treated as a celebrity by those he had gotten to know either in person or on the telephone. In St. Clair County in particular, Benton was known as Mr. Agriculture for the assistance he gave to farmers over the years.

Benton was a Vietnam veteran, a devoted family man, and a joy to work with. I will never forget his loyalty to me and to the people of the 12th District.

I extend my deepest condolences to his wife Johnetta and to his family. My staff and I will sorely miss him, but we are privileged to have had the opportunity to know him and to be touched by his kindness.

TRIBUTE TO THE RHODE ISLAND PEACE MISSION

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1989

Ms. SCHNEIDER. Mr. Speaker, today, I rise to commend the efforts of the Rhode Island Peace Mission. They have served an invaluable purpose as a disseminator of information and ideas and a builder of coalitions. They have helped to give the Rhode Island delegation guidance in arms control, human rights and foreign policy issues. Mr. Speaker, in today's world of complex choices and confusing policy options, the Rhode Island Peace Mission stands out as a voice of reason.

A summary of the Rhode Island Peace Mission membership illustrates the breadth of this unusual and effective coalition: Common Cause; American Friends Service Committee; Buddhist Peace Fellowship; Peace Task Force, Rhode Island Conference; Diocesan Peace Initiative, Episcopal Diocese; Physicians for Social Responsibility; Mobilization for Survival; Community Affairs Office, Catholic Church, Providence Diocese; Women for a Non-Nuclear Future; the Chaplain's Office of Brown University and the League of Women Voters. Baptist Peacemakers of Rhode Island; Brown Group on Nuclear Responsibility; World Affairs Survival Committee, First Unitarian Church, Lawyers Alliance for Nuclear Arms Control; Peace & Justice Office, Sisters of

Mercy; Social Justice Committee, Genesis Community; Peace and Social Concerns Community, Religious Society of Friends; Priests for Justice; Central Congregational Church; Rhode Island Divest; Baha'i of Rhode Island; and the South County Freeze Group.

These groups formed together 5 years ago to create the first state peace coalition. Since then several States, including Maine, New Jersey, Virginia, Oklahoma and Washington, have formed peace missions. These missions serve the dual purpose of educating legislators and disseminating information to the members of the coalition. The Rhode Island Peace Mission has been providing valuable information for its congressional delegation and an example for other State coalitions.

Mr. Speaker, I praise the efforts of the Rhode Island Peace Mission and thank its members for their commitment to greater world peace.

TRIBUTE TO DR. PHILLIP GANNON

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. CARR. Mr. Speaker, on April 20, 1989, the people of my district in Michigan will honor a distinguished public servant, Dr. Phillip Gannon. Dr. Gannon will retire this year after serving Lansing Community College and the Lansing community for 32 years. I am honored to serve as his Representative in Congress.

Dr. Gannon devoted his career to quality education and training programs in the community college setting. During his tenure at LCC, the college has grown from only a few classrooms, to a sprawling 28-acre campus serving over 47,000 students each year.

Dr. Gannon's role in postsecondary education has spanned State, national and international boundaries. His speaking engagements and consultancies for such countries as Brazil, Canada, Republic of China, and Japan have helped foster exchange of ideas and information between higher education institutions and have led to the development of academic foreign exchange opportunities.

Dr. Gannon also served as a consultant for vocational technical education for the Technical Education Research Institute, Ministry of Education, Republic of Korea. He has served as a member of the U.S. Department of Education National Advisory Board on International Education Programs and currently serves at the Federal level as a member of the National Advisory Committee on Accreditation and Institutional Eligibility.

I would hope that my colleagues in the Congress might also take a moment to reflect on the hard work of Dr. Gannon. His demonstration of dedicated public service serves as an example to his entire community and our country.

TRIBUTE TO THE WAUWATOSA EAST RED RAIDERS BOYS STATE CHAMPION BASKETBALL TEAM

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. MOODY. Mr. Speaker, I am privileged to honor Coach James Rebholz and the Wauwatosa East Red Raiders for winning the Wisconsin State Class A High School Basketball Championship. Tosa East defeated Eau Claire North High School 49 to 48 in an exciting, well-played championship game.

I take great pride in saluting this truly deserving team. After splitting their first six games of the season, the Red Raiders went undefeated the rest of the season to finish at 24–3. The team showed great poise and determination in defeating a talented Eau Claire North team.

The Wauwatosa East team includes seniors Arci Carpenter, Eric Tallmadge, Phil Neal, Bill Maas, Steve Travis, Mike Dahlquist, and Chris Engelhardt; juniors Eric Dale, Chris Holloway, and Mike Riley; and sophomores Marcus Owens, Gary Grzesk, and Preston Johnson. The team is coached by James Rebholz, George Haas, Jim Gilbert, and Dave Steavpack and the managers are Tim Kennedy and Jason Brooks.

The city of Wauwatosa can take great pride in the accomplishments of these fine student athletes. They represented their school and community with great class and style.

Mr. Speaker, I am pleased to extend my hearty congratulations to the Red Raiders of Wauwatosa East High School.

A TRIBUTE TO THE ACHILLES TRACK CLUB

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. APPLEGATE. Mr. Speaker, today I rise to ask my colleagues to join me in paying tribute to the Achilles Track Club, of which there is a chapter in East Liverpool, OH.

The club was first started in New York City by Dick Traum and the New York Road Runners Club to provide disabled people with a chance to experience the benefits of running and to participate in races with ablebodied people. The backbone of the organization are the volunteer companions who run or walk with each disabled athlete. The volunteers give running tips, carry water and supplies and make sure the runners are safe from cars and accidents. But, most of all, the volunteers provide encouragement, motivation and companionship.

The one-man East Liverpool Chapter of the Achilles Track Club was formed by Everson Hall in 1986 when Dick Traum assisted him in training for the New York City Marathon. Mr. Hall trains and runs in races under 10 miles on his own, but a volunteer runs with him in longer races. Through the generosity of volunteer partners of the local Achilles Track Clubs, Mr. Hall, who has cerebral palsy, has been able to get back into the mainstream, run in three consecutive New York Marathons and participate in the 100-kilometer supermarathon in Kalisz, Poland, in October 1988.

Mr. Speaker, I ask my colleagues to join me in recognizing the volunteers and handicapped members of Achilles Track Clubs across the country. These people are an inspiration to us all to become active members of our communities.

ROSSLYN S. KLEEMAN HONORED WITH NATIONAL PUBLIC SERVICE AWARD

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. FAZIO. Mr. Speaker, it gives me great pleasure to call my colleagues' attention to the distinguished service of Rosslyn S. Kleeman, Director of the General Accounting Office's Federal Workforce Future Group, and to congratulate her on receipt of the prestigious National Public Service Award for 1989.

This honor is conferred annually by the National Academy of Public Administration and the American Society for Public Administration upon five career civil servants to recognize their dedication and exemplary service to the public. Each year, the award selection committee considers nominees from across the country who serve at the Federal, State, and local levels or in international and non-profit organizations to receive this eminent award.

Roz began her public service career in Minneapolis. She later served in the Department of Health, Education, and Welfare and on the President's Advisory Council on Management Improvement before joining the General Accounting Office in 1973. Roz became Associate Director of the General Government Division in 1980.

Last year, the GAO chose Roz to direct the Federal Workforce Future Group, a new division with a mandate to study future trends in the Federal workforce. As the population ages and the workforce shrinks in the coming years, the Federal government will find itself competing in a tightening labor market. Recognizing the impact of changing demographics on the Federal workforce, the GAO will create the Workforce Future Group to provide Congress with information that will enable us to create policy to meet the challenges ahead. GAO's choice of Roz to lead this vital new effort is a tribute to her abilities.

Roz's commitment to public service extends beyond her work at the GAO through her participation in professional organizations dedicated to promoting public service. She serves as an advisor to the National Commission on the Public Service, the Center for Excellence in Government, and the International Personnel Management Association, among other organizations.

Roz Kleeman has been invaluable to me and my staff. She is an expert on issues affecting the public service, and I, like many of my colleagues in the House and Senate, have

come to rely on her expertise in these matters. Her assistance to us is always timely, thorough, and creative.

I applaud the National Academy of Public Administration and the American Society for Public Administration for selecting Roz Kleeman to receive the 1989 National Public Service Award, and I commend Roz for her dedication and distinguished service to the Nation.

THE RETIREMENT OF DR. JOHN LOVETERE

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. YATES. Mr. Speaker, I am very proud of the fact that School District 68, Skokie, IL, is in my congressional district. District 68's very fine administrator, Dr. John Lovetere, will be retiring shortly after 31 years of service. Dr. Lovetere has served with great distinction as teacher and administrator.

Among his many accomplishments, Dr. Lovetere created at Old Orchard Junior High School a model for middle schools based on interdisciplinary team teaching. His approach has been widely imitated and was recognized by the U.S. Department of Education with its "award of excellence" for the school year 1983–84. I should also mention that Old Orchard was one of the first schools in the Nation to receive this prestigious award.

Dr. Lovetere received his undergraduate training at Chicago Teachers College, earned a masters degree in political science from the University of Chicago and was graduated from Northwestern University with a doctorate in school administration.

He worked for 2 years in the Chicago public school system before joining District 68. He has served as both the principal of Old Orchard Junior High and as the associate superintendent of District 68.

Dr. Lovetere's leadership, dedication, and imagination will be greatly missed by my constituents in Skokie. Mr. Speaker, School District 68 is an outstanding public school system in our Nation and Dr. Lovetere deserves much of that credit for his devotion to excellence in education. We will miss him and wish him well.

THE SOCIAL SECURITY ADOPTION BILL

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. McEWEN. Mr. Speaker, I rise today to discuss the treatment of adopted children for Social Security disability benefits. This is a situation which is plainly unfair and which I believe we can all work together to resolve.

As you may know, the SSDI law discriminates against adopted children. If a disabled person is capable of conceiving a child naturally, then that child is eligible for SSDI dependent benefits. If, however, the disabled person adopts a child, the child is not eligible for benefits, except under a certain, complicated test.

This practice clearly discriminates against adopted children and is one more obstacle placed in the way of a disabled person and violates basic fairness.

In 1985, I first introduced legislation, H.R. 367, to correct this problem. However, Congress adjourned before taking action on this measure. During the 99th Congress I reintroduced this bill as H.R. 190. Today I am pleased to bring this bill to the attention of the historic 101st Congress. This idea has finally reached its time. Last February, the President called for the rectification of this injustice in his budget. This week, on Thursday, April 6, the Ways and Means Subcommittee on Social Security will be holding hearings on this very issue.

The Paralyzed Veterans of America strongly supports this measure as do many adoption groups. I believe we owe it to the disabled in our country to help them live as normal lives as possible by at least removing one of the obstacles in their way. In the same vein, we owe children without families a chance to live in a loving atmosphere, a family which has chosen to accept that child into its midst.

Mr. Speaker, this is a question of fairness, the fundamental principal which underlies every law we create here in Congress. It simply does not make sense to discriminate between the disabled who can have children naturally and those who cannot. Today I urge you to support this legislation which will correct this wrong.

A TRIBUTE TO MARY FUTRELL

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. HAWKINS. Mr. Speaker, a unique period in the long history of the National Education Association of the United States will shortly come to a close—Mary Hatwood Futrell will complete her 6-year tenure as NEA president.

Since 1983, Ms. Futrell has led the NEA, an association of 1.9 million education professionals and support personnel, to new heights of prominence and influence on the national scene. She has amassed an outstanding record of achievement during her career as a teacher, an association leader, and as an activist for greater access to the American dream for all persons in our society.

Ms. Futrell began her career as a teacher of business in the Alexandria, VA public schools in 1963. She participated in Alexandria's attimes difficult transformation into an integrated school system in the mid-1960's. She showed potential as a leader early on as she became involved in a core group of Alexandria teachers, both black and white, who were committed to the successful integration of their schools. This was also the beginning of a lifetime of dedication to work in human relations and on behalf of the dignity of all persons. Ms. Futrell's abilities became evident as she began a steady ascent though her association's leadership ranks, first as president of the local and State NEA affiliates in Virginia, then as NEA secretary-treasurer in 1980, and finally as NEA president in 1983.

A tireless advocate who has traveled extensively at home and abroad, Ms. Futrell has devoted herself to focusing national attention on the need for quality education in our Nation's schools. This dedication has deservedly brought her widespread acclaim. In 1987, Ms. Futrell was honored for her contributions to education by Teachers College, Columbia University, with its medal for distinguished service. The Democratic National Committee Black Caucus has honored Ms. Futrell at its annual Bethune-DuBois Fund dinner. In 1985, MS magazine named Ms. Futrell one of 12 "Women of the Year." Ebony magazine honored her as the outstanding black business and professional person for 1984, and cited her as one of the 100 most influential blacks in America for 1985, 1986, 1987, and 1988. The Ladies Home Journal in 1984 named the NEA president as one of the country's top women. The quality of Ms. Futrell's leadership was acknowledged by NEA members when she was elected to an unprecedented third term as president during the association's 1987 convention.

Ms. Futrell's advice on education and the teaching profession is frequently sought by national groups. She has taken a leadership role in the new National Board for Professional Teaching Standards. In 1985, she served on the task force on teaching as a profession sponsored by the Carnegie Forum on Education and the Economy which produced the landmark report, "A Nation Prepared: Teachers for the 21st Century." Ms. Futrell received the overwhelming approval of NEA members at her first reelection in 1985 to launch a national campaign called Operation Rescue to reduce the national dropout rate. The project has since awarded over $556,000 in grants to dropout prevention programs around the country.

Ms. Futrell's many other achievements and honors are too numerous to be fully described here. Suffice it to say that they are a tribute to the talent, energy, and dedication of this outstanding education leader.

Mr. Speaker, in light of Mary Futrell's unique and compelling contributions to the cause of quality education in the United States and around the world, I know my colleagues will join me at this juncture in her career in commending her efforts and wishing her every success in her future endeavors.

HEAD START PROGRAM

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. WALSH. Mr. Speaker, I rise in strong support for the increase in reauthorization for the Head Start Program. The Head Start Program has a solid track record for providing disadvantaged children with the extra support needed for academic success in grade school.

In my district of Syracuse, NY, Peoples Action and Community Effort—Peace Inc.—a

community action service agency, is the beneficiary of these important Federal dollars. This year, the agency will distribute the funds to 7 school centers serving 550 children.

This increase in authorization in conjunction with a grant from the Federal Department of Health and Human Services has allowed this 25-year-old program to expand its services to aid an additional 34 children. There are still many children who qualify for the Head Start Program, but the financial reality is that there are limited Federal dollars and State matching funds to serve all in need.

Disadvantaged children are often the ones who drop out of school and never finish with their education. With the recent release of reports on standardized test scores and new programs to keep children interested in their school work, programs like Head Start are even more important as they target a vulnerable group of children.

As a new Member of Congress, it gives me great pleasure to see our Federal dollars being used for programs so crucial to the development of our children. Today's children are our future leaders and we must provide them with the opportunities to grow into independent and contributing members of society.

A NATIONAL DAY OF CELEBRATION OF GREEK AND AMERICAN DEMOCRACY

HON. JIM BATES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. BATES. Mr. Speaker, I would like to call my colleagues' attention to March 25, 1989, Greek Independence Day: a national day of celebration of Greek and American democracy.

After being under the control of the Ottoman Empire for almost 400 years, Greece won their independence. In 1821, Greek intellectuals translated America's Declaration of Independence and used it as their own declaration. Not only was the democracy of America praised by Greeks but the early politics of the Grecian republics were praised by our forefathers: As James Madison and Alexander Hamilton wrote, "Among the confederacies of antiquity the most considerable was that of the Grecian republics. * * * From the best accounts transmitted of this celebrated institution bore a very instructive analogy to the confederation of the American States."

When the Greeks fought for their independence in the 1820's they used the American revolution as the basic ideal of their battle to become a free nation. After the Greeks defeated the Communists, President Dwight D. Eisenhower said, "Greece asked no favor except the opportunity to stand for those rights in which it believed, and it gave to the world an example of battle * * * a battle that thrilled the hearts of all free men and women everywhere."

The Greek-American relationship has been a mutual one. The Greeks have supported America in the fight for democracy around the world; their biggest contribution was in the Second World War when over 600,000 Greeks, 9 percent of their entire population, died fighting for world freedom. The American-Greek relationship is accurately described by a quote by Will Durant, "Greek civilization is alive; it moves in every breath of mind that we breathe so much of it remains that none of us in one lifetime could absorb it all. Greece is the bright morning star of that Western civilization which is our nourishment and life."

Mr. Speaker, I urge my friends and colleagues to join me in the celebration of Greek Independence Day: a national day of celebration of Greek and American democracy.

KANSAN TO HEAD INTERSTATE TRUCKLOAD CARRIERS CONFERENCE

HON. JAN MEYERS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mrs. MEYERS of Kansas. Mr. Speaker, I am pleased to call to the attention of my colleagues the fact that Mr. Lester "Bud" Tollie has been elected to serve as president of the Interstate Truckload Carriers Conference. The Interstate Truckload Carriers Conference is an affiliate of the American Trucking Associations, and represents nearly 600 common and contract truckload motor carrier trucking companies, and nearly 200 allied members throughout the United States and Canada.

Mr. Tollie is president of Tollie Freightways, headquartered in Kansas City, KS. Nearly 30 years ago, Mr. Tollie first entered the trucking industry by joining Ed Holistine Truck Lines. In 1968, he purchased and renamed the company. Today, Tollie Freightways is a company that operates nationwide.

Mr. Tollie's commitment to the industry is evident by the number of leadership positions he has held. He is the immediate past chairman of the Professional Truck Driver Institute of America. He is State vice president of the American Trucking Associations, chairman of the Kansas Truck Political Action Committee, and past president of the Kansas Motor Carriers Association.

Mr. Tollie is also active in his community and church. He is past president of the International Laymen's Conference, and is presently the vice president of the foundation board for Mid-American Nazarene College.

With 30 years of experience in the industry and tested ability as a leader, the conference has made a wise choice. I am confident that Mr. Tollie will ably lead the conference in the coming year.

STATE OF THE JUDICIARY

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. CARDIN. Mr. Speaker, today I am introducing a bill to require the Chief Justice of the United States, at the beginning of each session, to make a speech addressing the "State of the Judiciary" in America before a joint session of Congress.

The last time a Chief Justice addressed a joint session of Congress was in 1939, when Chief Justice Charles Evans Hughes commemorated the 150th anniversary of the First Congress under the Constitution. It has been far too long since we have heard from the Court about matters directly affecting their ability to administer justice.

As legislators, we often make laws without adequately addressing their impact on the court system. A state of the judiciary speech would enable the Chief Justice to present his concerns about judicial workload, compensation, jurisdiction, administration, and resources directly to Congress.

The nature of the legislative and judicial branches of government makes it difficult to communicate on important areas of mutual concern. A state of the judiciary speech would give Members the opportunity to listen to the concerns of the Chief Justice and would be a good first step toward finding more comprehensive means of formalizing communication between the judicial and legislative branches.

I urge my colleagues to join me in promoting a better dialog between Congress and the judiciary by sponsoring this bill.

LEGISLATION TO COMBAT THE PRACTICE OF TORTURE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. YATRON. Mr. Speaker, I am pleased to have the opportunity today to join my colleagues, Mr. LEACH, Mr. BEREUTER, Mr. FASCELL, Mr. BROOMFIELD, Mr. MORRISON of Connecticut, and Mr. MAZZOLI, in introducing legislation which provides a legal mechanism to combat the practice of torture. The Torture Victim Protection Act, which I introduced along with Mr. LEACH and former Chairman RODINO during the last session of the 100th Congress, passed the House by voice vote on October 5, 1988. This measure was acted on by the Committee on Foreign Affairs and the Committee on the Judiciary.

The Torture Victim Protection Act represents an effort to clarify and expand existing law pertaining to the practice of torture by establishing a Federal right of action against human rights violators. This measure allows victims of torture, or their representatives, residing in the United States to bring a civil action in Federal court against the torturer if that party also is in the United States. Any person who, under color of law of any foreign nation, subjects another to torture or extrajudicial killing would be liable.

International human rights violators visiting or residing in the United States have formerly been held liable for money damages under the Alien Torts Claim Act. Several recent judicial decisions have questioned whether this statute provided a clear basis for future suits in U.S. Federal courts. The Torture Victim Protection Act of 1989 will also expand present law since it authorizes suits against human rights violators by not only aliens, but also U.S. citizens who have been victims of human rights abuse.

In 1984, a series of hearings on the phenomenon of torture were held by the Subcommittee on Human Rights and International Organizations, which I chair. Following these hearings and those before the Senate Foreign Relations Committee, Congress adopted and the President signed a joint resolution on torture. Public Law 98-447 reaffirms the United States' abhorrence of the use of torture under any circumstances, and gives the United States permanent representative to the United Nations and each U.S. Chief of Mission specific instructions to adhere to in combatting the use of torture throughout the world. During those hearings, it was also established that additional domestic legislation was needed in the United States to strengthen this area of law which is the purpose and intent of the Torture Victim Protection Act. We now must reaffirm the United States' abhorrence of torture by implementing concrete mechanisms to combat its use.

Millions of individuals throughout the world experience acts of cruelty too brutal to imagine. Many are victimized by their governments—the very institution which should protect them. In addition to the inhumanities these people have to endure, they must endure yet another obstacle. The unwillingness on the part of well-meaning people outside of their governments to look at or listen to their story. Seeing proof of torture is too difficult for many to face, but face it we must. Torture is a powerful and brutal enemy. It must be attacked directly and forcefully. This legislation will send a strong message to those who inflict grave harm on others in foreign lands. Instead of finding a haven in the United States, they may see instead the inside of a courtroom.

The Torture Victim Protection Act is a bipartisan initiative which has been endorsed by international human rights organizations, including the Lawyers Committee for Human Rights and Amnesty International, U.S.A. It has also received the endorsement of the American Bar Association.

I urge my colleagues to support this landmark legislation so we can begin to eradicate this heinous crime.

RETIREMENT OF LEO CROCE, SUPERINTENDENT EXTRAORDINAIRE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 4, 1989

Mr. STARK. Mr. Speaker, today I would like to recognize Leo R. Croce who is retiring after devoting 16 outstanding years as superintendent of the Livermore Valley Joint Unified School District.

Mr. Croce, who graduated from the University of California at Berkeley, began his lengthy and successful teaching and administrative career in 1948. From teacher to principal, coach to superintendent, Mr. Croce has taken on his positions with zeal, ingenuity, hard work, and candor.

More than once in his unusually long tenure as California superintendent, Mr. Croce has managed to overcome challenging issues. He has gained the reputation of an educator who is willing to and wishes to get involved in the affairs of students, teachers, and parents. There has always been an open door in his office.

Mr. Croce has led his district in the adoption of challenging and innovative programs that later became widely used in other school districts. Livermore was one of the first districts in the State to start the middle school program in 1981. He took an active role in implementing programs that are now being developed as part of the educational reform movement. Furthermore, test scores in his district have remained consistently above average, reflecting the stability Croce provided in the district.

Mr. Croce has managed to successfully weather issues he has faced in his career in the educational system in California. He has been able to implement change without jeopardizing stability or continuity. The many honors and awards he has received justly sum up the model career of Leo R. Croce. I wish to thank Mr. Croce for his work and wish him all the best in his retirement.

HOUSE OF REPRESENTATIVES—*Wednesday, April 5, 1989*

The House met at 2 p.m.

The Chaplain, the Reverend James David Ford, D.D., offered the following prayer:

O God of mercy and compassion, teach us to see other people with an attitude of honest concern that truly demonstrates our sense of living together as one people with one creator. May we treat others as we would wish to be treated; may we express understanding to others as we seek to be understood; and may we also seek to forgive others, as You have so freely forgiven us. In Your name we pray. Amen.

THE JOURNAL.

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SHARP. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SHARP. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 357, nays 29, answered "present" 1, not voting 44, as follows:

[Roll No. 17]

YEAS—357

Akaka	Boggs	Clement	Dicks	Johnson (SD)	Patterson	Tauke	Vander Jagt	Weldon
Alexander	Bonior	Clinger	Dingell	Johnston	Paxon	Tauzin	Vento	Whittaker
Anderson	Borski	Coelho	Dixon	Jones (GA)	Payne (VA)	Thomas (CA)	Visclosky	Whitten
Andrews	Boucher	Coleman (MO)	Donnelly	Jones (NC)	Pease	Thomas (GA)	Volkmer	Williams
Annunzio	Boxer	Coleman (TX)	Dorgan (ND)	Jontz	Pelosi	Torres	Vucanovich	Wise
Anthony	Brennan	Collins	Dornan (CA)	Kanjorski	Penny	Torricelli	Walgren	Wolf
Applegate	Brooks	Combest	Downey	Kaptur	Perkins	Towns	Walker	Wolpe
Archer	Broomfield	Conte	Duncan	Kasich	Petri	Traficant	Walsh	Wyden
Armey	Brown (CO)	Conyers	Durbin	Kennedy	Pickett	Traxler	Watkins	Yates
Atkins	Bruce	Cooper	Dwyer	Kennelly	Pickle	Udall	Waxman	Yatron
Baker	Bryant	Costello	Dymally	Kildee	Poshard	Upton	Weber	Young (AK)
Ballenger	Bunning	Cox	Dyson	Kleczka	Price	Valentine	Weiss	
Barnard	Burton	Coyne	Early	Kolbe	Pursell			
Bartlett	Bustamante	Craig	Eckart	Kolter	Quillen			
Barton	Callahan	Crockett	Edwards (CA)	Kostmayer	Rahall			
Bateman	Campbell (CA)	Darden	Edwards (OK)	Kyl	Rangel			
Beilenson	Campbell (CO)	Davis	Engel	LaFalce	Ravenel			
Bennett	Cardin	DeFazio	English	Lancaster	Ray			
Bereuter	Carper	DeLay	Erdreich	Laughlin	Regula			
Bevill	Carr	Dellums	Espy	Leach (IA)	Rhodes			
Bilbray	Chandler	Derrick	Evans	Leath (TX)	Richardson			
Bilirakis	Chapman	DeWine	Fascell	Lehman (CA)	Ridge			
Bliley	Clarke	Dickinson	Fawell	Lehman (FL)	Rinaldo			
			Fazio	Lent	Ritter			
			Feighan	Levin (MI)	Roberts			
			Fields	Levine (CA)	Roe			
			Fish	Lewis (FL)	Rogers			
			Flake	Lewis (GA)	Rostenkowski			
			Flippo	Lightfoot	Roth			
			Florio	Livingston	Rowland (CT)			
			Foglietta	Lloyd	Rowland (GA)			
			Ford (TN)	Lowery (CA)	Roybal			
			Frank	Lowey (NY)	Russo			
			Frenzel	Lukens, Donald	Sabo			
			Frost	Machtley	Saiki			
			Gallo	Madigan	Sangmeister			
			Garcia	Manton	Sarpalius			
			Gaydos	Markey	Savage			
			Gejdenson	Martin (NY)	Sawyer			
			Gephardt	Martinez	Saxton			
			Gibbons	Matsui	Schaefer			
			Gillmor	Mavroules	Scheuer			
			Gilman	Mazzoli	Schiff			
			Gingrich	McCandless	Schneider			
			Glickman	McCollum	Schuette			
			Gonzalez	McCrery	Schulze			
			Gordon	McCurdy	Schumer			
			Goss	McDade	Sharp			
			Gradison	McDermott	Shaw			
			Grandy	McEwen	Shays			
			Grant	McGrath	Shumway			
			Gray	McHugh	Shuster			
			Green	McMillan (NC)	Sisisky			
			Guarini	McMillen (MD)	Skaggs			
			Gunderson	Meyers	Skeen			
			Hall (OH)	Mfume	Skelton			
			Hall (TX)	Michel	Slattery			
			Hamilton	Miller (WA)	Slaughter (NY)			
			Hammerschmidt	Mineta	Slaughter (VA)			
			Hansen	Moakley	Smith (IA)			
			Harris	Mollohan	Smith (MS)			
			Hatcher	Montgomery	Smith (NE)			
			Hawkins	Moorhead	Smith (NJ)			
			Hayes (IL)	Morella	Smith (TX)			
			Hayes (LA)	Morrison (CT)	Smith (VT)			
			Hefner	Morrison (WA)	Smith, Denny (OR)			
			Henry	Murtha				
			Herger	Myers	Smith, Robert (NH)			
			Hertel	Nagle				
			Hiler	Natcher	Snowe			
			Hoagland	Nelson	Solarz			
			Hochbrueckner	Nielson	Solomon			
			Holloway	Nowak	Spence			
			Hopkins	Oakar	Spratt			
			Horton	Oberstar	Staggers			
			Houghton	Obey	Stallings			
			Hoyer	Olin	Stark			
			Hubbard	Ortiz	Stearns			
			Hughes	Owens (NY)	Stokes			
			Hutto	Owens (UT)	Studds			
			Inhofe	Packard	Stump			
			Ireland	Pallone	Sundquist			
			James	Panetta	Swift			
			Jenkins	Parris	Synar			
			Johnson (CT)	Pashayan	Tallon			

NAYS—29

Bentley	Goodling	Molinari
Buechner	Hancock	Murphy
Clay	Hastert	Oxley
Coble	Hefley	Porter
Coughlin	Hunter	Roukema
Crane	Jacobs	Schroeder
Dannemeyer	Lagomarsino	Sensenbrenner
Dreier	Lewis (CA)	Sikorski
Gallegly	Marlenee	Wheat
Gekas	Martin (IL)	

ANSWERED "PRESENT"—1

Neal (NC)

NOT VOTING—44

Ackerman	Huckaby	Payne (NJ)
Aspin	Hyde	Pepper
AuCoin	Kastenmeier	Robinson
Bates	Lantos	Rohrabacher
Berman	Leland	Rose
Boehlert	Lipinski	Smith (FL)
Bosco	Luken, Thomas	Smith, Robert (OR)
Brown (CA)	McCloskey	
Byron	McNulty	Stangeland
Courter	Miller (CA)	Stenholm
de la Garza	Miller (OH)	Tanner
Douglas	Moody	Unsoeld
Emerson	Mrazek	Wilson
Foley	Neal (MA)	Wylie
Ford (MI)	Parker	Young (FL)

□ 1421

Messrs. SCHAEFER, PARRIS, and TAUKE changed their vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

□ 1420

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Indiana [Mr. VISCLOSKY] kindly lead the Members in the Pledge of Allegiance to the flag?

Mr. VISCLOSKY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
April 3, 1989.

Hon. JIM WRIGHT,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I have the honor to transmit herewith a letter from the Honorable Joseph H. Hogsett, Secretary of State, State of Indiana, advising that, based upon the unofficial returns, the apparent winner of the special election of the Fourth District of the State of Indiana held on March 28, 1989, was the Honorable Jill Long.

With great respect, I am

Sincerely yours,

DONNALD K. ANDERSON,
Clerk, House of Representatives.

Enclosure.

INDIANAPOLIS, IN,
March 30, 1989.

Hon. DONNALD K. ANDERSON,
Clerk of the U.S. House of Representatives, Washington, DC.

DEAR MR. ANDERSON: The special election to fill the vacancy in Indiana's 4th Congressional District was held Tuesday, March 28, 1989.

Unofficial vote tallies show that Jill Long, the Democratic candidate, received 65,159 votes while Dan Heath, the Republican candidate, received 63,384 votes.

According to Indiana statute, the earliest date on which the Governor may issue a certificate of election is April 7, 1989. However, both candidates have indicated that they have no intention of seeking a recount in order to alter the unofficial results. As of this date, there is no evidence of any improprieties in the balloting procedure or reporting of the results which would cause the unofficial results to change significantly. Therefore, it is anticipated that when the Governor does issue a certificate of election, it will confirm that Jill Long is the duly elected U.S. Representative from Indiana's 4th Congressional District.

The citizens of the 4th District have been without a representative since the vacancy was created in January. I hope the House of Representatives will undertake every effort to expedite the swearing in of Ms. Long so that the people of northeast Indiana will once again have a voice in what Thomas Jefferson described as "the great commanding theater of this nation."

Sincerely,

JOSEPH H. HOGSETT,
Secretary of State.

SWEARING IN OF THE HONORABLE JILL LONG OF INDIANA AS A MEMBER OF THE HOUSE

The SPEAKER. Under the unanimous-consent request previously granted, the Chair will proceed to swear in the new Member from the State of Indiana. Will the Honorable JILL LONG step forward and take the oath of office?

Ms. LONG appeared at the bar of the House and took the oath of office.

The SPEAKER. Congratulations. The gentlewoman from Indiana [Ms. LONG] is now a Member of the U.S. House of Representatives.

WELCOME TO THE HONORABLE JILL LONG OF INDIANA

(Mr. HAMILTON asked and was given permission to address the House for 1 minute.)

Mr. HAMILTON. Mr. Speaker, there are very few privileges, I think, that exceed the privilege of introducing a new Member in this House of Representatives, and that privilege falls to me today as the dean of the Indiana delegation.

On behalf of the Members of the Indiana delegation, I take very great pride in introducing to the Members of this body a new Member, JILL LONG. JILL LONG is thoroughly Hoosier. She was born in Indiana, raised in Indiana, educated in Indiana, and lives in Indiana in Larwill, IN. She served as a councilwoman in the Valparaiso City Council. She is a farmer, owns and operates her own farm. She has a Ph.D. in business from Valparaiso University and has taught business at that university for several years.

Mr. Speaker, all of us from Indiana take great pride in introducing her to the Members today, and we do so with the confidence that she will grace and enhance this body.

LOOKING FORWARD TO SERVICE IN THE U.S. HOUSE OF REPRESENTATIVES

(Ms. LONG asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. LONG. Mr. Speaker, it is certainly an honor to be sworn into the U.S. House of Representatives. It is an honor because the people of northeastern Indiana placed their trust and confidence in me, but it is also an honor because many great women and men have served in this Congress, and many great men and women are serving in this Congress today.

Mr. Speaker, as we move forward into the next century, we have many challenges facing us. I want my colleagues here to know how committed I am to extending my hand not just to the Democrats but also to the Republicans, because by working together, we can solve those challenges of the next century.

I look forward to having the opportunity to serve with my distinguished colleagues here.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Kalbaugh, one of his secretaries.

□ 1430

NATCHER HOLDS ALL-TIME VOTING RECORD

(Mr. CONTE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CONTE. Mr. Speaker, at the close of 10 years of service in the House of Representatives, Ralph R. Roberts, the Clerk of the House of Representatives directed a letter to our friend and colleague, Mr. NATCHER of Kentucky, certifying the fact that after a careful check of his voting record, from the day he was sworn in on January 6, 1954, and for the following 10-year period, he had not missed a vote. Mr. Roberts, until he was succeeded by W. Pat Jennings in 1967, by letter to Mr. NATCHER, certified each year that he had not missed a vote. Beginning in 1967, Mr. Jennings, by letter to Mr. NATCHER, certified each year that he had not missed a vote and that he had a perfect voting record. This continued until December 23, 1974, when Mr. Jennings, in his last letter to Mr. NATCHER, certified that he was present and voted on all rollcalls during the 2d session of the 93d Congress.

Next, Mr. Speaker, the Clerk of the House of Representatives, Edmund L. Henshaw, Jr., beginning on January 9, 1976, and continuing through January 6, 1982, certified that Mr. NATCHER was present and voted on all rollcall votes. On January 10, 1983, Benjamin J. Guthrie, Clerk of the House of Representatives certified that Mr. NATCHER was present and voted on all rollcalls, and this continued, by letter, each year until December 23, 1987, when Donnald K. Anderson, the Clerk of the House certified by letter, Mr. NATCHER's perfect voting record. Our present Clerk, Donnald K. Anderson, also certified on October 26, 1988 that Representative NATCHER was present and answered all rollcall votes.

Mr. Speaker, BILL NATCHER holds the all-time voting record in the Congress and the letters which I am requesting to be placed in the CONGRESSIONAL RECORD certify every day of his service, beginning the day he was sworn in as a Member on January 6, 1954, and extending up to and including the 2d session of the 100th Congress. So far, during the 1st session of the 101st Congress, BILL NATCHER has not missed a rollcall vote and the total number of rollcall votes cast up to this time are 11,761, along with 4,157 quorum calls, which makes a total of 15,918.

Mr. Speaker, I have worked closely with BILL NATCHER throughout my 31-year congressional career and it is with great pride that I announce this noteworthy accomplishment. In addition to our years together on the

House Appropriations Committee, for the past 18 years BILL and I have served side-by-side on the Appropriations Subcommittee on Labor-Health and Human Services-Education. Through this experience I can personally testify to the dedication and hard work which has become BILL's trademark in the Congress. As chairman of this subcommittee he has demonstrated the same dedication and discipline that was necessary for him to achieve the all-time voting record. The time and energy he devotes to his office has made BILL NATCHER extraordinarily knowledgeable on the issues of our subcommittee and has made it a distinct pleasure to serve with him over these many years.

I would like to include in the RECORD at this point the letters from the Clerks of the House of Representatives certifying that WILLIAM H. NATCHER, Representative of the Second Congressional District of Kentucky has, for his entire career in the Congress, which is 35 years and 3 months, never missed a rollcall vote.

WASHINGTON, DC,
July 16, 1963.

Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.

DEAR MR. NATCHER: After a careful check of your voting record, from the day that you were sworn in on January 6, 1954 to the present date, I hereby certify that you have never missed a Yea and Nay vote on legislation from the 83rd Congress 2nd Session through July 16, 1963 of the 88th Congress as follows:

83rd Congress 2nd Session, 76 Yea and Nay votes.
84th Congress 1st Session, 76 Yea and Nay votes.
84th Congress 2nd Session, 73 Yea and Nay votes.
85th Congress 1st Session, 100 Yea and Nay votes.
85th Congress 2nd Session, 93 Yea and Nay votes.
86th Congress 1st Session, 87 Yea and Nay votes.
86th Congress 2nd Session, 93 Yea and Nay votes.
87th Congress 1st Session, 116 Yea and Nay votes.
87th Congress 2nd Session, 124 Yea and Nay votes.
88th Congress to 7-16-63, 43 Yea and Nay votes.
Total, 891 Yea and Nay votes.

The above shows that you have a perfect Voting Record on Legislation. I know of no other Member who has a comparable record.

Sincerely yours,
RALPH R. ROBERTS,
Clerk, House of Representatives.

WASHINGTON, DC,
October 3, 1964.

Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.

DEAR MR. NATCHER: On July 16, 1963, I certified, after a careful check of your voting record, that from the day you were sworn in on January 6, 1954, to the date indicated above, you had never missed a Yea or Nay vote on legislation from the 83rd Congress, 2nd Session through July 16, 1963, of the 88th Congress.

I am pleased to inform you that, after a careful check of your voting record from July 16, 1963, through October 3, 1964, the adjournment date of the 88th Congress, you have never missed a Yea or Nay vote on legislation from the day you were sworn in as a Member of Congress on January 6, 1954.

Sincerely yours,
RALPH R. ROBERTS,
Clerk, House of Representatives.

WASHINGTON, DC,
October 23, 1965.

Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN NATCHER: On October 3, 1964, I certified, after a careful check of your voting record, that from the day you were sworn in on January 6, 1954, to October 3, 1964, you had never missed a Yea or Nay vote on Legislation from the 83rd Congress, 2nd Session through October 3, 1964, of the 88th Congress.

I am pleased to inform you that, after a careful check of your voting record from January 6, 1954, through October 23, 1965, the adjournment date of the First Session of the 89th Congress, you have never missed a Yea or Nay vote on legislation from the day you were sworn in as a Member of Congress on January 6, 1954.

Sincerely yours,
RALPH R. ROBERTS,
Clerk, House of Representatives.

WASHINGTON, DC,
October 22, 1966.

Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.

DEAR MR. NATCHER: After a careful check of your voting record for the Second Session of the Eighty-ninth Congress, which convened on January 10, 1966 and adjourned on October 22, 1966, I certify that you never missed a Yea and Nay vote on legislation during this period of time and have a 100% voting and attendance record.

With cordial good wishes, I am
Sincerely yours,
RALPH R. ROBERTS,
Clerk, House of Representatives.

WASHINGTON, DC,
December 27, 1967.

Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.

DEAR MR. NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum calls during the First Session of the Ninetieth Congress.

With kind regards, I am
Sincerely yours,
W. PAT JENNINGS,
Clerk, House of Representatives.

WASHINGTON, DC,
October 16, 1968.

Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum calls during the Second Session of the Ninetieth Congress.

With kind regards, I am
Sincerely,
W. PAT JENNINGS,
Clerk, House of Representatives.

WASHINGTON, DC,
December 22, 1969.

Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum calls during the First Session of the Ninety-First Congress.

With kind regards, I am
Sincerely yours,
W. PAT JENNINGS,
Clerk, House of Representatives.

WASHINGTON, DC,
January 7, 1971.

Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum calls during the Second Session of the Ninety-First Congress.

With kind regards, I am
Sincerely,
W. PAT JENNINGS,
Clerk, House of Representatives.

WASHINGTON, DC,
December 17, 1971.

Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum calls during the First Session of the Ninety-Second Congress.

With kind regards, I am
Sincerely,
W. PAT JENNINGS,
Clerk, House of Representatives.

WASHINGTON, DC,
October 18, 1972.

Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum calls during the Second Session of the Ninety-Second Congress.

With kind regards, I am
Sincerely,
W. PAT JENNINGS,
Clerk, House of Representatives.

WASHINGTON, DC,
December 28, 1973.

Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum calls during the First Session of the Ninety-Third Congress.

With kind regards, I am
Sincerely,
W. PAT JENNINGS,
Clerk, House of Representatives.

WASHINGTON, DC,
December 23, 1974.

Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum

calls during the Second Session of the Ninety-Third Congress.
With kind regards, I am
Sincerely,
W. PAT JENNINGS,
Clerk, House of Representatives.

WASHINGTON, DC,
January 9, 1976.
Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.
DEAR CONGRESSMAN NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum calls during the First Session of the Ninety-Fourth Congress.
With kind regards, I am
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

WASHINGTON, DC,
October 5, 1976.
Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.
DEAR CONGRESSMAN NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum calls during the Second Session of the Ninety-Fourth Congress.
With kind regards, I am
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

WASHINGTON, DC,
December 21, 1977.
Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.
DEAR CONGRESSMAN NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum calls during the First Session of the Ninety-Fifth Congress.
With kind regards, I am
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

WASHINGTON, DC,
November 29, 1978.
Hon. WILLIAM H. NATCHER,
House of Representatives, Washington, DC.
DEAR CONGRESSMAN NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum calls during the Second Session of the Ninety-Fifth Congress.
With kind regards, I am
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

WASHINGTON, DC,
January 14, 1980.
Hon. WILLIAM H. NATCHER,
U.S. House of Representatives,
Washington, DC.
DEAR CONGRESSMAN NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum calls during the First Session of the Ninety-Sixth Congress.
With kind regards, I am
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

WASHINGTON, DC,
January 5, 1981.
Hon. WILLIAM H. NATCHER,
U.S. House of Representatives,
Washington, DC.
DEAR CONGRESSMAN NATCHER: After a careful check of your voting record, I hereby certify that you were present and voting for all roll calls and were present for all quorum calls during the Second Session of the Ninety-Sixth Congress.
With kind regards, I am
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

WASHINGTON, DC,
January 6, 1982.
Hon. WILLIAM H. NATCHER,
U.S. House of Representatives,
Washington, DC.
DEAR CONGRESSMAN NATCHER: This is to certify that you were present and voting for all roll calls and were present for all quorum calls during the First Session of the Ninety-Seventh Congress.
With kind regards, I am
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

WASHINGTON, DC,
January 10, 1983.
Hon. WILLIAM H. NATCHER,
U.S. House of Representatives,
Washington, DC.
DEAR CONGRESSMAN NATCHER: This is to certify that you were present and voting for all roll calls and were present for all quorum calls during the Second Session of the Ninety-Seventh Congress.
With kind regards, I am
Sincerely,
BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

WASHINGTON, DC,
January 3, 1984.
Hon. WILLIAM H. NATCHER,
U.S. House of Representatives,
Washington, DC.
DEAR CONGRESSMAN NATCHER: This is to certify that you were present and voting for all roll calls and were present for all quorum calls during the First Session of the Ninety-Eighth Congress.
With kind regards, I am
Sincerely,
BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

WASHINGTON, DC,
January 3, 1985.
Hon. WILLIAM H. NATCHER,
U.S. House of Representatives,
Washington, DC.
DEAR CONGRESSMAN NATCHER: This is to certify that you were present and voting for all roll calls and were present for all quorum calls during the Second Session of the Ninety-eighth Congress.
With kind regards, I am
Sincerely,
BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

WASHINGTON, DC,
January 3, 1986.
Hon. WILLIAM H. NATCHER,
U.S. House of Representatives,
Washington, DC.
DEAR CONGRESSMAN NATCHER: This is to certify that you were present and voting for all roll calls and were present for all quorum calls during the First Session of the Ninety-ninth Congress.
With kind regards, I am
Sincerely,
BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

WASHINGTON, DC,
October 22, 1986.
Hon. WILLIAM H. NATCHER,
U.S. House of Representatives,
Washington, DC.
DEAR CONGRESSMAN NATCHER: This is to certify that you were present and voting for all roll calls and were present for all quorum calls during the Second Session of the Ninety-ninth Congress.
With kind regards, I am
Sincerely,
BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

WASHINGTON, DC,
December 23, 1987.
Hon. WILLIAM H. NATCHER,
U.S. House of Representatives,
Washington, DC.
DEAR CONGRESSMAN NATCHER: This is to certify that you were present and voting for all roll calls and were present for all quorum calls during the Second Session of the One Hundredth Congress.
With warm personal regards, I am
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

WASHINGTON, DC,
October 26, 1988.
Hon. WILLIAM H. NATCHER,
U.S. House of Representatives,
Washington, DC.
DEAR MR. CHAIRMAN: This is to certify that you were present and voting for all roll calls and were present for all quorum calls during the Second Session of the One Hundredth Congress.
With warm personal regards, I am
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

MEXICO DEBT RESOLUTION INTRODUCED

(Mr. COLEMAN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN of Texas. Mr. Speaker, today I am introducing a sense-of-the Congress resolution on the Brady plan and the debt crisis in Mexico. The crisis is complex; this resolution is simple. It urges the President to strongly encourage United States private commercial banks to negotiate debt and debt service reduction with the Government of Mexico within the next 3 months.

With the Brady plan, the administration is moving in the right direction; debt reduction is better than lending good money after bad money. Mexico's circumstances, however, demand quicker action.

The United States has a vital interest in ensuring economic and social stability in that country. When Mexico's economic austerity program comes

up for internal renegotiation in July, the Salinas government must have some breathing room. This administration, the creditor commercial banks, and their shareholders, must all realize that fact. The taxpayers should not have to pay for international debt reduction—the bank shareholders should.

I am asking you to join me in this resolution.

INTRODUCTION OF LEGISLATION FOR MAJOR REFORM OF CAMPAIGN FINANCE LAWS

(Mr. ROBERTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERTS. Mr. Speaker, I am introducing today major reform legislation in regard to our campaign finance laws.

This legislation is designed to answer the growing concern of main street Americans that their Representatives in Washington are more beholden to the so-called special interests than to the individual voter.

It curtails the growing reliance on PAC's to finance campaigns for Congress and expands the influence of individuals.

Mr. Speaker, my legislation parallels the Dole-Stevens-McConnell bill introduced earlier this year in the Senate. I urge my colleagues to look at it closely in the coming weeks as it is obvious this Congress will deal with election reform. The bill also removes some of the advantage to incumbants that has grown within our election system.

Finally, Mr. Speaker, it is the clear intent of this bill to make major reforms to our campaign finance laws without resorting to the use of tax funds to pay for congressional campaigns. As a member of the Subcommittee on Elections, I strongly oppose so-called public financing of congressional elections and strongly recommend the approach made by this bill as a workable alternative.

FEDERAL FUNDS TO RURAL AREAS

(Mr. SKELTON asked and was given permission to address the House for 1 minute.)

Mr. SKELTON. Mr. Speaker, I rise today to speak of Federal funding for rural America. According to the Department of Agriculture, America's rural counties received 22 percent less per person in Federal funds in 1985 than urban counties.

Rural Americans suffer from many of the same problems that are seen in our large cities and urban areas. Education, health care delivery, the loss of an economic base, and the decline of an aging infrastructure are just examples of the challenges that face our small county communities.

Rural America is feeling the devastation of drug abuse, and in all probability will soon have to deal with the burden brought on by the spread of AIDS.

Congress cannot ignore the problems of rural America. Citizens in nonmetropolitan areas deserve the same level of Federal assistance as urban residents.

CO-FIRING PROMOTION ACT OF 1989

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, today's Wall Street Journal has an article on the editorial page captioned "The U.S. Energy Picture Darkens." I urge my colleagues to read it. The writer, John Sawhill, former DOE administrator, points out that gas reserves are down 50 percent since 1981. Power usage in the Northeast is going up 5 to 6 percent annually. Nuclear is out, obviously. Imports are going to 50 percent. Fifty percent of our energy supply will be dependent on other nations.

Also at this point we are looking at a rewrite of the Clean Air Act and a lot of discussions about forcing scrubbers and making it more difficult to burn coal.

Today I am introducing the Co-Firing Promotion Act of 1989. This essentially would encourage cofiring, which is to use a small amount of natural gas along with coal in existing boilers. The result would be a great bridge between today's environmental concerns and tomorrow's clean coal technology which will come onstream in about 2000.

I think that cofiring has great potential to address the problems. It reduces NO_x, reduces SO_x, and reduces CO_2.

I urge my colleagues to take a look at this legislation.

PRESIDENT BUSH SHOULD TAKE INITIATIVE ON AMERICA'S PROBLEMS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, we are experiencing the largest oilspill in American history. This oil slick is bigger than the State of Rhode Island. It is wrecking Alaska. While workers and wildlife alike are in danger and threatened, the President seems to be on a spring break.

In addition to that, we have a very large airline that is on strike. Labor-management tensions are very high. While those talks are grounded, the President evidently chooses to fly to friendly skies and to stay out of it.

The point I make, Mr. Speaker, is that I hope that Mr. Bush realizes now that he is no longer the Vice President and he can take some initiative.

Since January 20, 1989, Millie, the family pet, has given us six pups. I think about the only other issue we have had in the big pitch from Pennsylvania Avenue has been in the form of some horseshoes, and they are not even made in my district.

So I would hope he would enter into the foray. I think he can be helpful.

ANNIVERSARY CELEBRATION FOR ARCHBISHOP IAKOVOS

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, this last weekend, Greek-American leaders from across the country met in New York to celebrate the 30th anniversary of the crowning of Archbishop Iakovos as Archbishop of the Greek Orthodox Archdiocese of North and South America. On April 1, 1959, Archbishop Iakovos became the spiritual leader of over 2 million Greek Orthodox in North and South America. For the past three decades, Archbishop Iakovos has worked to create greater stability within the Greek Orthodox Church and the Greek-American community as a whole.

The Greek-American community is a small but very important community within our Nation. Our Congress just recently passed the Greek Independence Day resolution, which I sponsored in the House, designating March 25, 1989, as "Greek Independence Day: A national day of celebration of Greek and American democracy." The Greek Independence Day resolution was in recognition of the Greek heritage of democracy that Americans and Greeks share.

Archbishop Iakovos, as the leader of the Greek-American community, enjoys the respect and honor of all of us in the Congress. I am honored to have this opportunity to recognize April 1, 1989, as the 30th anniversary of the enthronement of Archbishop Iakovos as primate of the Greek Orthodox Archdiocese of North and South America.

REPUBLICANS LOSING ELECTIONS ACROSS THE COUNTRY

(Mr. FRANK asked and was given permission to address the House for 1 minute.)

Mr. FRANK. Mr. Speaker, I want to apologize to many of my Republican colleagues. When George Bush became President and refused to ap-

point any of them to his Cabinet, I thought he really did not like them and he was just making excuses. What he said, if my colleagues remember, was that he did not want to appoint any sitting Republicans because, "We will lose their seats."

I thought a man who just got elected President would have had more confidence than that. I thought he was just trying not to hurt their feelings when he gave them the bum's rush.

But he turned out to be right. Just look at what has happened to Republicans in elections. We have Mr. Atwater and Mr. Rollins, all of experience and talent. Never have so many been paid so much to produce so little. Yesterday they had a good day and had almost 40 percent, but we have to add two together to get that 40 percent. They got 40 percent in Alabama. And the great Ed Vrdolyak led the Republicans with 3.5 percent of the electorate in the city of Chicago.

We have been told by our Republican friends that they cannot win seats because of incumbency. We have had 2 open seats this year and they have lost them both.

□ 1440

They are preparing now to claim victory if they hold onto a seat in Wyoming they have always had. So George Bush was right when he said he was afraid to appoint any one of them.

JOHN OSTEEN'S 50TH ANNIVERSARY IN THE MINISTRY

(Mr. FIELDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FIELDS. Mr. Speaker, there is one place in Houston, TX, that is truely "An Oasis of Love in a Troubled World."

On April 15, Dr. John Osteen, pastor of Lakewood Church, in Houston, along with his wife Dodie celebrates their 50th anniversary in the ministry. Five decades of preaching the gospel, ministering to the needs of the poor and homeless, and teaching people that there is hope in what sometimes seems to be a hopeless world.

I believe today that America should pause and reflect on a man who started with nothing, and today pastors a 20,000 member church, with a ministry that reaches literally around the world. And what a church it is. With a congregation that is 30 percent black, 30 percent hispanic, and 40 percent white, it represents what America can be when people of all races and backgrounds work together in harmony to achieve a vision greater than themselves. It's as if Lakewood Church were a laboratory where the perfect formula of love and respect combines to restore hurting people and show them what their potential can really be.

Dr. John Osteen is one of America's heroes. Over the last 50 years he has worked quietly in the Houston area to not only change the lives of thousands of people for the better, but to reach out to the nations of the Earth with the Christian message of redemption, healing and hope.

I am honored to serve in this State, and I'm honored to be Brother Osteen's friend. Few in America are making the difference in rebuilding broken families and relationships, and few in America are looking toward the next 50 years with as much optimism and anticipation.

Dr. John Osteen and the congregation of Lakewood Church are good for America because they preach the gospel of "I can" rather than "I can't." They teach the message of forgiveness and reconciliation instead of conflict and destruction. And most of all, they have dedicated their lives to bringing people of all races and backgrounds together in an environment of love, peace, and harmony.

Dr. John Osteen is showing us the future of America, and for that, America should be grateful.

FAIRNESS MISSING IN BUSH S&L BAILOUT

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, a recent Lou Harris poll reveals 78 percent of the American people are opposed to tax dollars being used to bail out the savings and loan industry. Yet the invoice for bailing out this crippled industry, sitting in Mr. Bush's "in" basket at 1600 Pennsylvania Avenue, proposes to forward the bill to as yet unsuspecting recipients, Main Street, U.S.A., attention resident taxpayer.

The Bush plan calls for the sale of $50 billion in bonds over the next 3 years to finance the largest bailout in U.S. history.

At present under the Bush proposal the high interest bonds with minimum face value of $10,000 yielding over 9.5 percent will be available to those who play in the big leagues of Wall Street.

Mr. Speaker, I propose that the ordinary U.S. taxpayer and small depositor, if they must pay for this debacle, that we rename the corporation which issues the bonds the Citizens Restitution Finance Corporation. Under this proposal U.S. taxpayers can benefit directly by being able to purchase the bonds in small denominations.

EXPRESSING CONCERN OVER TERRORIST BOMBING OF PAN AM 103

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, I rise today to express my concern over the terrorist bombing of Pan Am 103 and what I perceive as a failure on the part of some of our Government officials, perhaps for diplomatic convenience, to engage the tough issues of this and similar types of terrorist actions.

It is my fear that by oversimplifying the explanations for certain terrorist incidents, the U.S. may be refusing to see the problem for what it is and thereby may be ignoring the proper and necessary steps which need to be taken to protect Americans at home and abroad.

Recently the Washington Times quoted Western intelligence sources as concluding that the bombing of Pan Am Flight 103 was comissioned by Iran and carried out by Palestinian terrorists in retaliation for the downing of an Iranian commercial airliner by the United States.

Already it is clear that some officials would like to promote a simplistic interpretation of these events. According to them this was an open and shut case. The culprit was Iran. The motivation was revenge. This interpretation, of course, shields them from any response, other than all-out war against Iran.

Was Pan Am 103 just another vicious act of revenge by crazed radical Muslim elements? An act perhaps destined to go down in history as a senseless, uncontrollable event to which we can only shake our heads in frustration and helplessness at the inability of governments to do anything about these international bandits?

Although a convenient, easy explanation for certain government officials, this is not the case. Pan Am 103 was not a senseless act but a deliberate one. Its perpetrators were not crazed Muslims or bandits but sovereign nations. The Washington Times report said:

> Qualitatively, this is not just a group of 20 radicals, . . . these are nations waging war. We're not talking factions; we're talking countries who have supplied the ingredients for the bombing and other planned attacks.

Official U.S. sources know this yet are not willing to reveal the details of foreign government involvement because as the intelligence source for the Washington Times said:

> The State Department does not want to face the serious implications of naming three countries—Iran, Syria and Libya—as being responsible for the terrorist attack.

When we know who and where terrorists are the United States cannot

afford to turn the other cheek for the sake of diplomacy, what is the purpose of having good diplomacy with terrorist nations?

Pan Am 103 is just one incident of many for which we have not had adequate response:

What has been done about the men who kidnapped and tortured to death William Buckley?

What has been done about the people who tried to assassinate Captain Roger's wife in San Diego?

What has been done about those who killed 241 marines in Beirut? These questions have not been answered. Why not?

When will we publicly identify those responsible for terrorist acts against Americans, exert leadership, and take action to strike the terrorists where they live?

CONGRESSIONAL ETHICS REFORM ACT OF 1989

(Mr. ROWLAND of Connecticut asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROWLAND of Connecticut. Mr. Speaker, it has been almost 2 months since our last pay raise debate and still we have not made any attempt to put an effective end to this problem. Today I am introducing the Congressional Ethics Reform Act of 1989. It would change some of the more controversial reforms and allow a reasonable pay raise.

In summary, Mr. Speaker, this legislation would end all honoria for Members and staff, it would end all outside income, it would restrict expense-paid travel for Members, it would curb mass mailings by limiting postal patrons to six per term, it would end the 1980 campaign surplus grandfather clause, and it would end the $3,000 D.C. housing allowance.

My bill would also tie any future legislative pay raises to Social Security COLA's.

It is my hope that the Congressional Ethics Reform Act will remove the pay raise issue, the ethics issue, annual sources of congressional discord, which would allow us to concentrate on the more important matters facing us such as the Federal deficit.

GM REALIZES THAT CLEAN FUELS CUT POLLUTION

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, the push for better air quality by using alternative motor fuels received a major boost when General Motors chairman Roger Smith announced that GM will recommend the use of oxygenated fuels, such as gasoline blended with 10 percent ethanol, in GM cars and trucks beginning with the 1990 model year.

American motorists have traveled more than 700 billion trouble-free miles on ethanol-blended gasoline, and the owners' manuals of all new cars sold in America permit the use of blended fuels.

However, Mr. Smith's announcement marks the first time that any automaker has said to the consuming public, "If you buy a car we make, oxygenated fuels blended with ethanol or alcohol-derived ethers are the fuel of choice for your new car."

"The advantage here," Smith said, "is that oxygen from the ether or alcohol portion of these special fuel blends can make the engine's air-to-fuel ration leaner. The result is less carbon monoxide pollution."

It apears that the citizens living in California can breathe a little better now because of the leadership of General Motors.

Mr. Speaker, GM realizes it, Denver and Phoenix realize it, and we'd better realize it when we pass a clean air bill: clean fuels cut pollution.

THE TRAGIC FLAW

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, one of the ancient philosophers said drama should allow the audience to suspend their disbelief.

A drama of internationally tragic proportions is unfolding as the United States is about to turn over state-of-the-art airplane technology to Japan with the codevelopment of the FSX fighter jet.

Like all tragic heroes, the United States is fatally flawed by being too committed, too arrogant to recognize the changes in the world.

On the international stage, Japan now has more than a lean and hungry look. They are devouring us with their money.

And we blindly turn over technology. We are told that the Japanese will not use it commercially.

I cannot suspend my disbelief, nor should anyone else. Past history does not support their statements.

And, if the FSX is such a great fighter plane, why are we making it easy for the Japanese to develop it? Why not us? And, if it will perform as well as the technologists predict, will the United States be forced to buy its fighter jets from Japan in the 1990's?

Drama is what we should pay to see on the stage—and not in the real world of future jobs.

Will the Japanese, like the ancient Egytains, kill the technicians when the job is done?

INCREASING AND STRENGTHENING FUNDING FOR PUBLIC LAW 94-141

(Mr. SMITH of Vermont asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Vermont. Mr. Speaker, I rise today in support of a resolution that will be submitted today to increase and strengthen funding for Public Law 94-141, Education for All Handicapped Children.

Mr. Speaker, 14 or 15 years ago this Congress wrote a bill which changed the landscape in terms of opportunity for children with learning disabilities in this country. That was a bill that has not only worked and been successful in terms of creating opportunities for all where opportunity for all did not exist before, but it was also a commitment to the taxpayers of this country. In my little State of Vermont, where in fact our commitment to children with special needs is unequalled in this country, in fact the local property taxpayers in the State, and the State government are being bent and crushed by a burden for funding special education that rightfully belongs within the existing commitment of the Federal Government.

Mr. Speaker, I rise today to urge that this resolution come to reflect the sense of the United States Congress, that now that we have made a civil rights commitment to children and a financial commitment to taxpayers, that we keep that commitment in the funding of Public Law 94-142.

□ 1450

UNIFORM POLL CLOSING ACT

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 117 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 117

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 18) to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and which shall not exceed sixty minutes, with forty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, and with twenty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce, the bill shall be considered for amendment under the five-minute rule and each section shall be considered as having been read. At

the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. TORRES). The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 117 is an open rule providing for the consideration of H.R. 18, the Uniform Poll Closing Act. Mr. Speaker, H.R. 18 is identical to legislation passed by the House in the 99th and 100th Congresses and seeks to provide that during a Presidential election, all polls, in every State in the continental United States, shall close at the same time.

The rule provides for 1 hour of general debate on the bill, with 40 minutes of that time to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration and 20 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce. The rule further provides that the bill shall be considered for amendment under the 5-minute rule and that each section shall be considered as having been read. Finally, the rule provides that at the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, the Committee on House Administration and the Committee on Energy and Commerce have, for the past 8 years, studied the issue of providing a fair and equitable means of reporting Presidential election results without simultaneously discouraging citizens from voting in those States where polls have not yet closed. H.R. 18 provides that mechanism. Combined with a pledge from the three major networks that they will not project election results until a State's polls have closed, a uniform poll closing across the continental United States will assure that no citizen will be discouraged from voting for his or her choice for President, or any other candidate on the ballot in that election, because the winner has already been projected or declared based on the results of the voting of just a few States.

Mr. Speaker, because House Resolution 117 is an open rule and because the House has twice before passed this legislation, I encourage my colleagues to adopt the rule and to adopt H.R. 18.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas [Mr. FROST] has ably explained the provisions of the rule. I would like to remind the House that a bill to provide for a uniform poll closing time was considered in the last Congress and passed by a vote of 208 to 189 and then it went to the Senate and died there. This is an identical bill, and I think it should be passed.

Mr. Speaker, we all know that it is unfair to either party that the east coast should announce the results of an election to the west coast before the polls are closed there. This does not give much of an incentive to the people in these Western States to go to the polls and exercise their constitutional right to vote. I think that this bill should be passed.

When we discussed this in the Committee on Rules, the administration provided a position paper stating they had no objection to the bill. It is not quite as controversial as it was in the last Congress. The TV networks have agreed not to announce the exit poll results in a State when the polls have not closed in that State, and it has worked well. This bill takes the next step and provides that the polls throughout the Nation close at 9 o'clock eastern standard time, and that is necessary in my opinion.

Mr. Speaker, I have no further requests for time. I urge the adoption of the rule, and I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 117 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 18.

The Chair designates the gentleman from Iowa [Mr. NAGLE], as Chairman of the Committee of the Whole, and requests the gentlewoman from California [Mrs. BOXER] to assume the chair temporarily.

□ 1456

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 18) to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections, with Mrs. BOXER [Chairman pro tempore] in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Washington [Mr. SWIFT] will be recognized for 20 minutes; the gentleman from California [Mr. THOMAS] will be recognized for 20 minutes; the gentleman from Ohio [Mr. ECKART] will be recognized for 10 minutes; and the gentleman from New York [Mr. LENT] will be recognized for 10 minutes.

The Chair recognizes the gentleman from Washington [Mr. SWIFT].

Mr. SWIFT. Madam Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 18 is a bill to establish a single poll closing time in the continental United States for Presidential general elections. It was reported from the Committee on House Administration with bipartisan support. It has twice been passed by this House.

H.R. 18 is an important bill that will solve a serious problem in our Presidential elections. The problem is that the outcome of an election can be determined and announced before all voters in this country have had an opportunity to cast their ballots.

The process that takes place on election day, the voting process, is a cornerstone of our democracy. We go to great lengths to preserve its integrity, to ensure that it is fair, accurate, open and honest, and that voters are able to exercise their rights and privileges without hindrance.

But over the last two decades, the integrity of election day has gradually been eroded in one crucial respect. With advances in election technology it is possible to predict with extreme accuracy the outcome of an election before all polls for that election are closed.

Thousands of voters are told, in effect, that the election has been held without them, and that their votes do not count. The developing problem came to a head in 1980 when the result of the Presidential race was announced on network television at 5:15 p.m. Pacific time. At that moment, polls were still open in approximately half the States, in every time zone; including many in the eastern and central times zones; and all the polls in the mountain, Pacific, Alaskan and Hawaiian time zones.

In the second largest State in the union—New York—there was nearly an hour remaining before polls would be closed. And the largest State, the one with more voters than any other—

California—there were nearly three hours remaining.

The public reaction was accurately described by columnist David Broder as an "uproar." Millions of voters felt that their franchise was undermined. Many believed that the projections had affected the outcomes of some elections, particularly State and local ones that have relatively small numbers of voters.

In response to the tremendous public outcry, this House became actively involved in ensuring that every voter has the opportunity to cast a ballot before the results of an election are announced. Seeking a way to do that, the Committee on House Administration and the Committee on Energy and Commerce held numerous hearings around the country.

What we found was the problem of early projections of election returns had two parts, and therefore that any solution would also have to address both. The first part of the problem was new in 1980. That was the network use of "exit polls" to make their election projections. Exit polls are interviews with voters as they leave the voting booth. They have been around for several election cycles, and have been used to provide accurate postelection information on voting patterns. What was new in 1980 was the use of that data to predict the outcome of the election while voting was still going on.

How to restrict the use of exit poll data proved difficult. Any attempt to legislate restrictions on the television networks immediately becomes tangled in arguments over the first amendment rights of the press. So we moved instead to exert public pressure on the networks to voluntarily refrain from announcing election results before polls are closed. Pressure came from many quarters, including a congressional resolution that was passed overwhelmingly in 1984, calling on the networks to exercise voluntary restraint.

It is interesting to note the pressure also came from within the news business, even from some within the newsrooms themselves, who seriously questioned the journalistic propriety of "making news" by predicting events before they occur.

Early in 1985 that effort paid off. We achieved a key breakthrough when the three major television networks joined with Westinghouse Broadcasting and with Turner Broadcasting and agreed that they will not use their exit polling data to make election projections until the polls in a State are closed.

That agreement solved half the problem—but not all of it. The second part of the problem we found is simply that this is a large country, spanning several time zones, made up of States with widely varying poll closing times. Therefore, polls in some parts of the country are closed hours before polls in other parts of the country. Furthermore, we have a winner-take-all Electoral College system. In short it is quite possible for actual vote totals from places where polls are closed to reveal the outcome of an election while polls elsewhere are still open. This is exactly what happened in both the 1984 and 1988 Presidential elections. Only a nationwide uniform poll closing time can prevent that from happening.

The Senate recognized this situation in the mid-1970's. They passed uniform poll closing proposals on several different occasions. Unfortunately, at that time the House did not act. And when the problem was compounded in 1980 with the advent of projections based on exit polls, we had to go back and solve the exit polling part of the problem first.

Having done that, we are once again at the point where a uniform poll closing time will finally and completely eliminate having the outcome of an election determined and announced before people in all parts of the country have had an opportunity to vote.

Four years ago we set to work on this second part of our solution: a uniform poll closing time. The bills before us included Sunday voting, 24-hour voting, directing the Federal Election Commission to select a poll closing time, closing the polls at 11 e.s.t. and closing the polls at 10:30 e.s.t.

We talked to Secretaries of State, local election officials, political party officials, representatives of citizens' groups and unions, Members of the House, and local broadcasters.

By the conclusion of the hearings, a general consensus had developed with respect to several potential aspects of a uniform poll closing proposal.

First, election day should remain on Tuesday. Second there was widespread agreement that any bill should apply exclusively to the Presidential general election day, not to other Federal elections. Third, any bill should address poll closing times only, not poll openings. States should be free to keep or alter their opening times as they see fit. Finally, with respect to the actual poll closing time, the hearings suggested that, while a closing later than 9 p.m. could be difficult for election officials to administer a 9 p.m. closing in the East—which already exists in several States—would be reasonable.

For the Pacific time zone, a 9 p.m. eastern closing time would mean a 6 p.m. closing. Closing this early could depress turnout. However, west coast officials informed us that closing at 7 p.m. would not likely affect turnout.

What we had then was that in the East—where we were pleased that we found widespread willingness to contribute to a solution—election officials felt they could administer a 9 p.m. closing, but they made good arguments about the difficulties of a later time. People in the West were willing to close their polls an hour earlier, at 7 p.m. local time, but felt that an earlier closing would have a detrimental effect on voter turnout.

Since there is a difference of only 2 hours between 7 p.m. in the West and 9 p.m. in the East, while the actual time difference between East and West is 3 hours, we needed a way to eliminate an hour of the time difference.

After weighing all the information, data, suggestions, and ideas from our hearings, the committee adopted a proposal put forward by the Secretary of State of Massachusetts and the State of California. It is exactly the proposal currently included in H.R. 18.

I should note that this proposal does not include Alaska and Hawaii, since the only way to integrate them would be to have a much later closing in the eastern time zone. We talked to people from both those States, and they graciously agreed to remain outside a nationwide closing time.

That means the problem of early projections in those States will not be solved—but it will be mitigated substantially. Under the plan now in H.R. 18, two things will happen:

First, polls will close at 9 p.m. eastern standard time, which is 8 p.m. c.s.t. and 7 p.m. m.s.t.

Second, in the Pacific time zone, in Presidential election years only, in order to achieve a 7 p.m. poll closing, daylight saving time will be extended for 2 weeks—which means the four and one-half States in the Pacific time zone will be on daylight saving time on election day while everyone else is on standard time.

Since 7 p.m. Pacific daylight time is the same as 9 p.m. eastern standard time, uniformity is achieved.

This proposal commended itself to the committee for a number of reasons. Among them are:

It achieves uniformity, so all polls will close simultaneously on Presidential election day.

It does so while keeping poll closing times within the limits—9 p.m. in the East and 7 p.m. in the West—that election officials are confident they can administer effectively.

No State will be required to close its polls either later, 9 p.m. local time, or earlier, 7 p.m. local time, than many States now do.

More than one-fourth of the States will not have to change their poll closing hours at all.

States that will be required to extend their closing hours will be extending them by less than under any other proposal.

And, if they choose to adjust their opening times, as they have complete authority to do, the amount of change

can be further reduced, or eliminated altogether.

This proposal, Mr. Chairman, has passed the House twice, in 1986 and 1987. Unfortunately, while the Senate has passed this legislation out of committee, it has not acted on final passage.

To summarize, Mr. Chairman, since 1980 this committee has been assembling the pieces of a plan that will once again ensure at least a minimum degree of protection for election day. The final step necessary to complete the plan is to have the polls close simultaneously across the country. This bill, H.R. 18, is that final step—the one piece necessary to complete the solution.

This particular proposal has merit because of all those examined by the committee, it is the least intrusive—the one that is least disruptive of the fragile process of administering elections in the tens of thousands of jurisdictions across the country responsible for the difficult, expensive, crucial, remarkable work of conducting our elections year after year.

Our country is so large, and there is so much variety among the States in how they conduct elections that, going into the hearings, few members of the committee believed a solution could be found in which fully three-fourths of the States would change by an hour or less and in which no State will be required to do anything that is not already being done in other States. And yet, while the proposal makes modest changes in most States, it is a complete solution: one that will achieve uniformity; one that will solve the problem.

I commend H.R. 18 to the House, and urge all my colleagues to support it.

□ 1500

The CHAIRMAN. The gentleman from California [Mr. THOMAS], is recognized for 20 minutes.

Mr. THOMAS of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a bill that is identical to the bill that we considered and passed in the last two Congresses. It is the least intrusive solution that solves a serious problem in our electoral system.

Every citizen should feel that his or her vote counts.

There should be the strongest possible incentive for every citizen to participate in our elections process.

And every citizen should be given the same opportunity to influence an election, not only in the way votes are cast, but in the way votes are counted and announced.

Unfortunately, the technology of vote counting has advanced, the fairness of our elections process has declined in one important respect.

Voters in later time zones in the past three Presidential elections have heard about the nearly certain results of those elections in time to affect their voting behavior.

There is evidence that voters have stayed away from the polls, failing to cast their ballots not only for President, but for State and local office, because voters believed their vote did not make any difference at the Presidential level.

No citizen should feel that his or her vote does not count because the election has already been decided.

No major group of voters should have the unfair advantage of having their votes announced early enough to influence others.

No major group should suffer the disadvantage of having their participation influenced unfairly simply because they live in a later time zone.

Citizens, by and large, ought to have the same opportunity to vote, without the early results from one State influencing the results of another.

Our democracy functions best when voter participation is maximized, not only at the Federal level, but at the State and local level as well.

We do not maximize participation when citizens feel that their votes do not count, and that an election has been decided without them.

We do not maximize participation when we put voters in more or less advantageous positions simply because of the time zone in which they happen to reside.

We do maximize participation when every citizen knows that his or her vote counts.

We do maximize participation when citizens are treated equally not only in the way their votes are cast, but in the way their votes are counted and announced.

What we are proposing quite simply is to ensure, to the greatest extent possible that every citizen has the same right as every other to cast his or her ballot on an equal basis without the votes of one priviledge class influencing the others.

We cannot ignore the problem.

It will not go away.

So we have here a solution.

It is what you might call a minimalist solution. It is one that makes the fewest possible changes and yet solves the problem.

Polls close in the eastern time zone at 9 p.m. In the central time zone they close at 8 p.m. In the mountain time zone they close at 7 p.m. and in the Pacific time zone, daylight saving time is extended for 2 weeks and the polls close at 7 p.m.

The result is simply that in the continental United States every State's polls will close at the same time.

We are fortunate to have a voluntary agreement from the major networks not to project the outcomes of State Presidential contests until the polls have closed in that State.

That means that when polls cose simultaneously, vote projections will begin after poll closing all over the continental United States.

No polling place will have to remain open past 9 p.m. or close earlier than 7 p.m. Many States now use one of these two closing times.

In the eastern time zone, where some, but not all closing times will be extended, more people will have the opportunity to vote.

In the western time zones earlier closing times will be more than compensated for by the greater incentive to vote while the election results are still unknown.

And even in Alaska and Hawaii, where poll closing times are unaffected, the uniform closing time will come later in their voting day and have a less disruptive effect their elections process.

I think it is important for Members to realize that these were not solutions adopted hastily.

We on the subcommittee had a number of hearings, at least 16, to be exact, over a 4-year period. Seven of those hearings were outside of Washington, DC, listening to people who participated in or did not participate in elections.

There is no substitute for hearing firsthand how much people are distressed by the way in which the current system operates.

I wish more of my colleagues had been there to share those experiences.

We have examined a number of uniform poll closing alternatives before adopting the one we are recommending to you today.

Saturday or Sunday voting infringes on what for many Americans is a day of religious observance. For many as well it involves travel and time away from home.

A National Holiday on Election Tuesday would not apply equally to all workers, and would be an additional burden on our economy.

A 24-hour voting period would impose serious costs on State and local election officials.

A 10 p.m. poll-closing time on the east coast would in our view be a less reasonable and more costly requirement for States in that time zone.

The solution we have adopted is less disruptive than any of the solutions I have just mentioned.

I am sure that major airlines who deal with millions of passengers, thousands of fares, hundreds of airports and many different time zones and practices around the world and in the United States can adjust their computers to one 2-week addition to daylight saving time on the west coast, once every 4 years.

Let me say in conclusion, that by passing H.R. 18 we will be making an important contribution to the fairness of our voting system and the incentives for all citizens to participate equally in deciding presidential elections.

H.R. 18 is supported by election officials and elected officials nationwide, including, I am proud to note, California Governor, George Deukmejian.

There appears to be significant new interest in moving a uniform poll closing measure this year in the U.S. Senate.

The White House has indicated that it has no objection to H.R. 18.

Let us take advantage of the opportunity that is available to us today.

I urge your support for H.R. 18.

The CHAIRMAN. The gentleman from Ohio [Mr. ECKART] is recognized for 10 minutes.

Mr. ECKART. To my colleagues, Mr. Chairman, I want to thank first of all the gentleman from California [Mr. THOMAS], the ranking Republican, and our Republican colleagues, the gentleman from New York [Mr. LENT] for their support and cooperation here. To my colleague, the gentleman from Washington [Mr. SWIFT], let me suggest to him that his and my colleague from California's efforts here are yeoman in their application and will be rewarded, if not at the polls themselves, then in the hereafter where it is said that no good deed goes unrecognized or unrepented.

Mr. Chairman, this is a bipartisan effort, and it is important to note that for our colleagues' benefits because actually encouraging people to go to the polls and to register their views is neither Republican nor Democrat in nature. This legislation cuts across all party lines and, indeed, across all regional lines.

Mr. Chairman, my State will be relatively unaffected by the change here. Yes, our polls will remain open a somewhat longer period of time. However, what we have discovered is that the more opportunity we give people, the more opportunity they have to tell us their views.

This legislation is long overdue, and my colleagues have adequately chronicled the abuses that take us to this point today. It is very clear to me that the set of circumstances under which we currently labor on election day is, as the gentleman from California [Mr. THOMAS], my colleague, said, a historical anachronism, and there are those who want to resist any change in the way we conduct our elections.

I would remind my colleagues who share that view that we picked the first Tuesday after the first Monday because in November it was after the harvest season was over. It was Tuesday because many folks had to travel a day by horseback, and at that time we did not want to burden individuals with having to travel on the Sabbath. Many States already have significant regulations concerning the conduct of elections in their own States on election day, and in some States alcoholic beverages cannot be served. Individuals cannot pass out literature in front of the polls or may do so only a certain prescribed number of feet away from the entrances.

The fact of the matter is that an election is a snapshot taken at a specific point in time which reflects the individuals' views of the future, their views for the community, the country, as passes through the filters of their conscience and their understanding of what America ought to be. The election, therefore, is an opportunity to facilitate the expression of those views, and anything which inordinately chills or numbs the expression of those views ought to as the course of good public policy, being neither liberal or conservative, Republican or Democrat, be removed as an impediment to the expression of those views.

We also know that many individuals make their choices up at the very last moment, and that is why the absorbing impact of an election being declared over before completing supper to go cast a vote is something that those of us who profit mightily from the free and unfettered expression of individual's rights and views through the ballot box is something that we need to change. Uniform poll closing legislation does not work invidious harm on local boards of elections. In fact, in my end of the country many States already have hours closely similar to what is envisioned in this particular bill.

□ 1520

What H.R. 18 does do is tell to each citizen, irrespective of geography, that your philosophy still does count, and it counts at that most important time when we as Americans sit down over a period of time in a national town hall meeting, vote with the sanctity of only our consciences and our beliefs how we want to see those beliefs implemented into the public policy of our communities and our country.

H.R. 18 deserves the support of the Congress. H.R. 18 deserves the support of the American people, and I am sure it will be received so in a very favorable way.

Most importantly to my colleagues, I suggest to you it deserves our support because it is us who truly will benefit from having the guidance and the wisdom of the electorate expressed in a meaningful realistic and timely way, and that is what H.R. 18 offers to them.

The CHAIRMAN. The gentleman from New York [Mr. LENT] is recognized for 10 minutes.

Mr. LENT. Mr. Chairman, I yield myself such time as I may consume.

Mr. LENT. Mr. Chairman, I want to commend both the gentleman from Washington [Mr. SWIFT] and the gentleman from California [Mr. THOMAS] for their leadership in developing this legislation and to join with my colleague, the gentleman from Ohio [Mr. ECKART] in expressing my support for this important piece of legislation. When our electoral system was established, it took weeks for a letter to cross the continent, and months for a person to travel across it. Now, we have jet travel and instantaneous electronic communication. This bill is intended to preserve the integrity of the American voting process in the face of electronic technology.

We are all aware of the potential discouraging of Western voters by computer projections and exit-polling techniques based on east coast data broadcast by the mass media. Several years ago, a voluntary compact among the major television networks banned the broadcasting of such electronic prognostications until the polls have closed in the State affected.

There is the key—until the polls have closed. But under present law, polls close at different times across the United States. Consequently, there is still considerable potential for discouraging voters in Western States through the broadcast of post-closing results already tallied in States to the East.

The purpose of this legislation is to establish for Presidential elections a single national poll-closing time. This would level the playing field and assure that no State's actual or projected results could discourage persons in a later time zone from voting.

As my fellow Members are preparing to vote on this measure, I ask them to ponder one of the most glaring contradictions of our present voting system. We set up elaborate safeguards to prevent the influencing of voters within a certain distance from their polling place. We restrict a variety of activities in the area of a polling place, because they might affect how a person ultimately votes in an election. But we allow a patchwork of poll closings, combined with the pervasive presence of electronic media, to dissuade these very voters from ever bothering to travel to the polling place that we protect ever so effectively. Is this sensible policy?

Some years ago, a leading commentator on the influence of electronic media stated that the world was well on its way to becoming a "global village," linked by electronic communication. We may not actually have reached that point, but it is certainly true that we have achieved virtually instantaneous flow of information across the entire breadth of our own country. Given that reality, we should no more allow different closing times

for polls on this continent in 1989 than we would have allowed polls on different streets in the same city to close at different times in 1789.

Mr. SWIFT. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, in my view this bill is greatly needed, because the importance of Western votes for President is being diminished just because of where we live.

I think that our colleague, the gentleman from Washington [Mr. SWIFT] has just done a Herculean job in this area and really has been the great compromiser in an effort to try to come up with a bill that is fair to all regions. This is a compromise, because I think most westerners would rather have the poll-closing hour be 11 p.m. in the East and 8 p.m. in the West. In an effort to devise a solution fair to all regions, the gentleman from Washington [Mr. SWIFT], with the excellent help of our colleague, the gentleman from California [Mr. THOMAS] came up with what I think is a very fair compromise.

Mr. Chairman, I was in my district office in Portland about 6:20 p.m. last November 8 and suddenly all my phone lines lit up like the 4th of July because my constituents were incensed at the fact that the networks were already calling the election.

But I wanted to go beyond that action, so in December I got together with the county clerks in Oregon to ask them to give me the evidence of voter turnout during the last hours of voting on election day. Those results, in my view, make a compelling case for the legislation introduced by our colleagues from Washington and California.

In Multnomah County, our largest county, during the last hour of voting between 7 p.m. and 8 p.m. there was a 50-percent drop off in the number of votes cast compared to the previous hour.

In Clatsop County there was a similar drop in votes cast during the last hour of approximately 45 percent.

In fact, in nearly every county in Oregon, the 7 p.m. to 8 p.m. hour had the fewest number of votes cast of any hour during the 13 hours the polls were open.

Most importantly, in looking at the votes cast during our primary election in May in nearly every Oregon county, the last hour had a higher rate of voter participation than in the general election.

So I would just say to my colleagues, I think it is essential that we do everything not to undercut the importance of voting in a Presidential election. This legislation will preserve the right of westerners to be full shareholders in the Presidential election process. This legislation, the result of the good work of the gentleman from Washington [Mr. SWIFT] and the gentleman from California [Mr. THOMAS] is fair to the whole country.

So I commend my colleagues, and I urge my colleagues to pass this legislation.

Mr. THOMAS of California. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Minnesota [Mr. FRENZEL], a member of the committee.

Mr. FRENZEL. Mr. Chairman, I am grateful to the distinguished gentleman from California for yielding me this time at this particular point in the program.

I think that the Members who have been around here awhile will perceive they are in a summer rerun. The House passed this bill twice before. Much of the rollcall exercise that we are listening to today has very little new in it. Nevertheless, I feel compelled to compound some of these felonies by repeating material that is not new because it is important that it be articulated.

This particular bill, however nobly motivated, and I am assured that it is nobly motivated because the two principal sponsors, the gentleman from Washington [Mr. SWIFT] and the gentleman from California [Mr. THOMAS] are invariably nobly motivated; but however so, it can best be described as reform without reason, or as a solution in search of a problem.

The only time the Federal Government should mess around with the election laws of these States is to prevent some voters from being disenfranchised or to increase participation in elections. It seems quite evident from a study of this bill, or indeed any kind of close perusal, that this bill is more likely to produce less voting than more. Shortening voter hours in a couple of our States is certainly going to produce a lower voter turnout. That would be on the west coast. Lengthening voting hours on the east coast may produce lower voter turnout because the States may feel obliged to reduce the hours at the other end, that is of the opener, which are the other hours that are most heavily used by most voters.

□ 1530

Let us get back to the problem which is as yet undefined or, at best, ill-defined. Following the 1980 election, there was a great complaint from the western part of the United States that President Carter had conceded too soon and that that concession had sent voters home in droves and, therefore, caused their votes not to be registered not only for the President, who was correct in conceding, because he was, indeed, beaten at that point, but, indeed, that their votes had been denied to other candidates on the ballot where the races may have been still very much in doubt.

There resulted from that level of concern one study at the University of Michigan which indicated a fairly substantial proportion of people who might have been scared away from the polls. That survey, however, was worked over by other social scientists, and in general has been pretty roundly criticized as not being important and not being accurate.

Further analysis of the same figures produced a two-tenths percent possibility of voters not voting as a result of early announcements, two-tenths of a percent, which is not a very big number, particularly when it is one that we cannot verify. That caused us, of course, to go back to earlier surveys of the 1960's, where the same kinds of results were found. It simply was not possible to prove by any of the data that were around that there was a problem in people leaving the polls.

Mr. Chairman, all of the evidence and particularly the evidence the committee heard in its several spates of hearings was anecdotal: "Yes, I heard about people not going to the polls, or walking out of the polls," or "My brother-in-law knew somebody whose laundryman or elevator operator did not vote," and anecdotal evidence is not a good reason to mess up the State systems.

In addition to not having a good reason to act, the action itself is irrational. What we are doing is changing the voting hours of nearly all of the States. I believe there are eight of them in the midsection of the United States who are not changed. Thirty-nine States have their voting hours extended, which means that they have to either get people to work longer hours or to hire more people. Both of those are going to be more expensive. None of the States would like to indulge in this extra expense.

Out on the west coast, where the Rube Goldberg machine not only closes the polls an hour earlier but imposes an extra 2 weeks of daylight-saving time on 4½ States, not 4, but 4½ States, we have a problem where we are going to offer the people less time to vote at a time when most people want to vote. Clearly that is going to bring less voters to the polls.

In addition, if there are any two States which have a reason to complain about early information, it would be Hawaii and Alaska, but this bill says to Hawaii and Alaska, "You are not a part of the United States, We are just going to forget about you. If your voters feel that they are losing out, too bad. That is just a shame."

Mr. Chairman, in short, we have a Rube Goldberg device which will louse up the States, cost them extra money, cause them a great deal of travail, cause them great confusion, cause

them a lower turnout, in order to attack a problem which does not exist.

Mr. Chairman, I urge defeat of the bill.

Mr. Chairman, H.R. 18, however nobly motivated, or however conceptually appealing, should be characterized as "reform without reason," or as a "solution in search of a problem." There should only be one legitimate rationale on which to base Federal invasion of an area traditionally left to each State, and that rationale should be to increase voter participation.

This bill will not achieve that purpose. In fact, it may accomplish exactly the opposite. Shortening voter hours in a number of States and changing voting hours in most of the States for Presidential general elections only confuse voters.

THE PERCEIVED PROBLEM

Following the 1980 and 1984 landslide Presidential elections, there have been scattered complaints about the impact of early projections of winners by the television networks, and their perceived impact on west coast voters. An early concession by the defeated Presidential candidate was a particular irritant. During each set of hearings conducted by the Task Force on Elections after the 1980 election and the Subcommittee on Elections after the 1984 election, little statistical evidence was brought forward to verify the impact on the west coast.

During both sets of hearings, we heard from west coast election officials who were unable to present any more than anecdotal stories of people leaving the polls.

Additionally, some proponents cited a University of Michigan study conducted after the 1980 election that suggested turnout dropped 6 to 11 percent because of projections. However a critique of that study published in a public opinion magazine using the same data indicated that two-tenths percent of all eligible respondents reported that they did not vote because of election night coverage instead of the 6 to 11 percent figure.

The point of all this is to suggest that we are considering a so-called reform without a good reason. This bill will change the election hours in 39 States every 4 years for no justifiable reason except that there is a perceived problem in four and one-half States.

THE NETWORKS COMMITMENT

After the 1984 election, Congressman SWIFT and Congressman THOMAS met with the networks officials and extracted statements from them that they would no longer "use exit poll data to suggest, through interpretation of that data, the probable winner in any State until polls in that State have closed."

Testimony before the subcommittee indicated some very real concern, which I share, with the scope of that pledge particularly in light of previous pledges made and broken by the networks.

But yet, we are going to change the election laws of 39 States based upon a nonbinding agreement between the current corporate management of the networks.

IMPACT ON TRANSPORTATION INDUSTRY

One of the provisions of the bill would extend daylight savings time for a maximum of 2 weeks for the four and one-half states in the Pacific time zone in Presidential election years. This means that everyone else will be on standard time except for those States.

The Air Transport Association of America indicated in a letter to me that this would result in considerable confusion among passengers and cargo shippers moving goods in interstate commerce, disrupt airline schedules, and cause airlines and related travel industry businesses to incur considerable expense.

The most serious problem is, of course, the disruption of airline schedules because many of them are geared to Pacific time zone departure and arrival times. They would also incur considerable expense to print two complete schedules in a 2-week period. Not to mention loading the schedules into the computer. Additionally, they would have difficulty with crew scheduling and lastly, they would be unable to comply with nighttime noise curfews at not less than four airports.

POLL HOUR CHANGES

H.R. 18 will require the majority of states to change their polling hours. Eight states: Iowa, portions of South Dakota, Montana, Utah, Idaho, California, Oregon, and Washington will be required to reduce the time polls will be open in their States. One of the more interesting comments from one of the election officials testifying before the subcommittee came from the Secretary of State of California who indicated in her written testimony that between 5 and 10 percent of the electorate vote between 7 and 8 p.m. However, that wouldn't be a problem because of their liberal absentee voting laws. She was unable to quantify the impact of early projections. I would suggest that anytime there is a change—particularly a reduction in voting hours only every 4 years—it will result in reduced numbers and voter confusion.

Polling hours in 11 States will remain the same: New York, Rhode Island, Louisiana, Minnesota, Wisconsin, Nebraska, Arizona, Colorado, New Mexico, Wyoming, and Nevada.

In the balance of the States and the District of Columbia, 31 States will be required to alter their voting hours from a minimum of one-half hour in Arkansas to 2 to 3 hours in Indiana and Kentucky.

Two Secretaries of State have indicated to me that this change probably would result in voter confusion and may require them to change the times of all of their elections not just the Presidential general election.

CONCLUSION

In the 1980 and 1984 Presidential elections, Ronald Reagan was elected and re-elected by a landslide electoral college vote. It was possible on both occasions that candidate Reagan had won enough electoral college votes to be declared the winner before polls had closed in all parts of the Nation. If one had watched the evening news the night before the election, they knew the election was not going to be a cliff hanger.

Even though it may be years before that phenomena occurs again, this bill is going to require 39 States to alter their voting hours based on a nonbinding pledge made by three corporate entities in the hope that this will solve some sort of a perceived problem.

State and local governments are responsible for managing elections and paying for their costs. The Congressional Budget Office has indicated this could be at least $2 million. The Federal Government can set standards. It should never interfere in local management of elections unless there is compelling evidence of a need to do so. The committee has presented no such evidence.

This bill represents a social tinkering with a previous American right. It does so to serve some purely regional interests. Those who believe that States still have rights should vote against this bill. Those who are concerned voter participation will be reduced should also vote against it.

Mr. ECKART. Mr. Chairman, on behalf of the Committee on Energy and Commerce, I have no further requests for time, and I yield back the balance of my time.

Mr. LENT. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Chairman, I stand before the House to speak on behalf of House Resolution 18, which would create a uniform poll closing time during Presidential election years. We have before us the opportunity to insure that all Americans believe that their vote counts for something. Early projections in the past three Presidential elections have resulted in poor voter turnout in many Western States. Many State and local races have been effected by the poor turnout.

I am sure we all agree that something needs to be done to help bring Americans back to the polls. It is a tragedy that only half of those eligible to vote, exercise their constitutional right to do so. A uniform poll closing time will not solve the entire problem, but it will bring about a higher rate of voter participation.

We cannot expect the media to hold back election results after polls close in certain States. It is simply not feasible in this age of computer technology when voting totals are available so quickly. The only solution is to set up a uniform poll closing time, along with a pledge from the media that they will not release any results or make any projections based on exit polls, prior to the time the polls close. The media has agreed to this in the past and should continue to do so.

I would like to praise Mr. SWIFT and Mr. THOMAS, my colleagues on the House Administration Committee for drafting this fine legislation.

I ask my colleagues to do the right thing. There is a clear choice here and I urge their support for the Uniform Poll Closing Act.

Mr. THOMAS of California. Mr. Chairman, I yield 2 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH], a member of the committee.

Mrs. VUCANOVICH. Mr. Chairman, I rise in strong support of H.R. 18, the

Uniform Poll Closing Act. As has been mentioned several times already, this bill would set 9 p.m. eastern standard time as the closing time in Presidential elections for all polls in the continental United States. This means the polls will close at 8 p.m. central and 7 p.m. mountain standard time and 7 p.m. Pacific daylight time. It would extend daylight saving time in the Pacific time zone for an extra 2 weeks during those years in order to make closing time uniform across the country.

As a westerner, I am very concerned about the effect of network reports of east coast results on the voter turnout in the West. This bill is important to the West. I am convinced more people will vote in the final hours since the outcome is still unknown. Hopefully, the increase in voter turnout will spill over into local races which have been hurt by voters staying away from the polls because they already know the winner of the Presidential election.

With improved exit-poll technology, the networks are now able to accurately project the winner before any of the polls have closed. In 1980 and 1984, the major networks were able to call the Presidential elections with almost 3 hours left to vote in parts of the Pacific time zone and with polls still open in many parts of the country. These early projections directly affect the Western vote. Voters become discouraged from going to the polls once they know the winner of the Presidential election. The impact is felt not just in national totals, but in local contests as well.

As an interim remedy, Congress secured voluntary agreements from the major networks not to project a winner in any given State before the polls in that State closed. Despite this the networks still project a winner before the polls close in the Pacific time zone. H.R. 18 relies on the continued cooperation of the networks to have its desired effect.

Finally, I believe that this bill will restore the perception that every vote counts equally by eliminating the news projections of election results while the polls are still open. I urge my colleagues to support H.R. 18.

Mr. THOMAS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. CHANDLER].

Mr. CHANDLER. Mr. Chairman, I first want to say how much I appreciate the efforts of my colleague, the gentleman from Washington [Mr. SWIFT], and my colleague, the gentleman from California [Mr. THOMAS], on this legislation.

Mr. Chairman, to hear some of the critics of this legislation, one would think that once enacted, cows will stop giving milk, children will fail to find their way home from school, and the sun will refuse to set in the west.

I admit there will be some inconvenience as a result of the adoption of this legislation, but the whole idea is to enfranchise people, and there is some inconvenience with going to the polls, but if we can allow people to have a stake in the Presidential election, whether they be in the State of Washington or in New York or in the Midwest, then this makes sense.

□ 1540

It is so discouraging for us on the west coast. As my colleague and I were appearing together on a television station, we knew hours earlier that election night that the election for the national office was all over, and yet here we had people still going to the polls in the State of Washington, people to whom we personally had appealed, to whom State Representative candidates and others had appealed for their votes. Yet they were very much discouraged from voting because hours before the determination of the outcome of the national election had already occurred.

I urge my colleagues to join with me and my other colleagues in supporting this legislation so that every American has the right, the privilege to cast a ballot that means something in even a national election year.

Mr. THOMAS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. MILLER].

Mr. MILLER of Washington. Mr. Chairman, I rise in support of H.R. 18. First I want to thank my distinguished colleague from California [Mr. THOMAS] who has worked hard on this bill. I would especially like to commend my colleague, the gentleman from Washington State, Mr. AL SWIFT, who has labored on this for many years, and I know the constituents of Washington State appreciate his work on this bill, and I believe not only they but the voters throughout the Nation will benefit if we can pass this bill and get it signed.

What H.R. 18 is going to do is establish a uniform poll closing time for Presidential elections in the continental United States.

Mr. Chairman, what we are talking about here is one of democracy's most basic rights, the right of a citizen to cast a meaningful vote. My constituents in the State of Washington have been led to believe that every 4 years on the day in which they are called upon to elect the leader of the free world, democracy ends at 9 p.m. eastern standard time. That is the time, of course, when the media projects a winner.

If enacted, H.R. 18 will reinstate voter participation by eliminating the problem of electoral apathy caused by early projections of election returns.

I urge my colleagues to pass this bill and make voting count for everyone.

Mr. SWIFT. Mr. Chairman, I yield myself 3 minutes. I think we may be summing up the debate.

Mr. Chairman, I simply would like to comment on some things that have been said during the debate, because I think we need to leave the record balanced. There has been discussion about the shortening of hours; poll closing times in some States would reduce voting. The committee looked into that possibility very carefully, and what we found between the hours of 7 and 8 is that what happens is that the demographics of people who vote between 7 and 8 are found in States that close their polls earlier. Many States close them at 7, some close them at 6 o'clock. Those same voters will vote early in the morning. So the idea that by closing the polls an hour earlier in some places we are going to lose all of those voters is simply not substantiated by the facts.

I do think it was a remarkable ability to have it both ways, demonstrated here when it was suggested that while it was clear that shorter poll closing times, earlier ones, would reduce turnout, longer ones would not increase turnout. I think I admire the audacity of the attempt to get by with that logic, but I think one has to see that it is self-serving and inadequate on its face. There have been many studies.

The charge that this is the figment of the imagination of the gentleman from California [Mr. THOMAS] and I, that we came up with on some dark night when we were not feeling well simply I think is not well borne out by the studies by Dr. Jackson, by Tannenbaum, by Kostrich and Smith, by Philip DuBois, Michael Carpini and others, the results of which show there is at least a standard 2 percent across-the-board cutoff in 2 percent of the electoral vote, which is de minimis. There are Members in this institution who have won their elections by less than 2 percent. The last 2 Senate elections in my State both were won by less than 2 percent.

Finally, I think there is a kind of quality of everybody is out of step but me to the opposition to this bill, and I would like to suggest that this proposal has been picking up support, not losing support over the years.

I would like to read a small portion from the policy statement of the National Governors' Association Conference adopted just last month which says: "The Governors reaffirm the right of every State to enact its own election laws, but recognize the necessity to ensure that voters in Western States remain equal partners in our democracy. "This," said the Governors, "is not a partisan issue, nor is it a regional issue. It is an American issue."

The Governors conclude: "Therefore, the Governors urge Congress to

expeditiously enact legislation requiring uniform poll closing times in the continental United States."

Mr. Chairman, I have no further requests for time and I temporarily reserve the balance of my time.

Mr. THOMAS of California. Mr. Chairman, I yield myself one minute.

Mr. Chairman, I think it is important to note that among those Governors who were strongly urging a uniform poll closing time was the Governor of California, Governor Deukmejian.

My colleague from Minnesota indicated that he believed we had in front of us a solution in search of a problem. I would remind my colleagues 1988 was the first election in 20 years in which there was no incumbent, an election that was thought to be close, another cliff-hanger, and we would not have a problem this time. The problem was here and the problem will be here.

The solution is in front of my colleagues. It is H.R. 18.

Mr. ANNUNZIO. Mr. Chairman, I rise in support of H.R. 18 and to compliment the gentleman from Washington [Mr. SWIFT], who has chaired extensive hearings and considered every alternative, before bringing the uniform poll closing bill to the floor.

I also wish to compliment the gentleman from California, [Mr. THOMAS], as the ranking minority member. He is one of the most active members of our committee, and diligently participated in, and contributed to, the perfection of this bill.

These two gentlemen, on a bipartisan basis, have been sensitive to the concerns of voters, election administration officials, networks, and the candidates themselves. They have brought to the floor a bill which effectively addresses their concerns.

The distinguished gentleman from Michigan [Mr. DINGELL], and the other members of the Energy and Commerce Committee, have considered and acceded to this legislation, which is designed to protect the electoral process.

Predicting the outcome of an election before all the polls are closed has serious consequences for the democratic processes of our Nation. Having heard projections on the outcome of an election, many voters are discouraged from casting their ballots believing the results have been decided. The effect is the same as if they were disenfranchised.

The process of casting ballots to select our political leaders is fundamental to citizenship in our Nation. In developing this legislation, the objective of the Committee on House Administration was to maintain the integrity of the electoral process, while protecting the freedom of the press.

Cast your ballot to pass this bill. Vote yes and send a message to all of our Nation that their votes count whenever polls in the U.S.A. are open.

Mr. DINGELL. Mr. Chairman, I rise in strong support of H.R. 18, the uniform poll closing bill. The gentleman from Washington [Mr. SWIFT] deserves our recognition for his tenacious efforts on this issue, as does his distinguished colleague on the House Administration Committee, Mr. THOMAS. I also want to thank the gentleman from Ohio [Mr. ECKART], and our ranking Republican member, [Mr. LENT], for their assistance this afternoon in managing the bill on behalf of the Energy and Commerce Committee.

While this bill was jointly referred to our committee, I saw no need to delay its consideration on the House floor, in view of the fact that we fully addressed this matter in the 100th Congress. The legislation addresses an important problem, and I urge my colleagues to join me in supporting it.

Mr. THOMAS A. LUKEN. Mr. Chairman, the legislation we are considering today was referred jointly to the Committee on House Administration's Subcommittee on Elections and to the Committee on Energy and Commerce's Subcommittee on Transportation and Hazardous Materials. This is the third time we have considered this legislation, and I commend my colleague, the gentleman from Washington, for his energy and determination.

For Presidential elections the bill would set a uniform closing time for polls across the nation for 9 p.m. eastern standard time, which requires extending daylight saving time for States in the Pacific time for an additional 2 weeks.

The purpose of this bill is to prevent broadcasts of exit poll results from Eastern States, which discourages voters from voting in Western states, where, under the current system, the polls are still open.

Recent technological advances have given the media the power to determine and broadcast election outcomes to Western States based upon interviews with voters in Eastern States as they leave the voting booth.

These early, yet nearly accurate, predictions of election winners do not give voters in Western States any incentive to vote. The result is disenfranchised, discouraged voters.

A voter who has been discouraged from voting in the Presidential election is unlikely to show up to vote for the congressional, State, and local candidates whose races occur on the same day. In these races, often decided by a few hundred votes, discouragement at the national level can have a destructive, irreparable effect—which, in turn, damages the integrity of the democratic voting process.

Failure to pass this bill during this Congress will send the message that voters in one part of the country are more important than voters in another.

The presidents of the three major television networks agreed in 1985 not to broadcast exit poll results for a State until all the polls in that State have closed. However, the problem remains unsolved unless polls in every State close at the same time.

As legislators, we must guarantee full and equal voting opportunity for all our citizens. I fully support this legislation and urge that it be passed by this Congress.

Mr. WHITTAKER. Mr. Chairman, I rise in oppostion to this legislation. The fact that it is supported by some of my most respected colleagues shows that it is well-intended legislation. But in my view, it offers no real assurance of producing any net improvement over the current system of State and local control of voting arrangements.

The principal rationale for mandating a single national poll-closing time is to reduce the supposedly discouraging influence of early election results from States in the eastern part of the country. I do not propose to debate whether such discouragement actually occurs, and I strongly suspect that there is no definitive proof one way or the other on this point. But how does this bill attempt to cure the alleged problem?

This legislation achieves national uniformity by taking two steps. First, the west coast or Pacific time zone is singled out for a special, election-year only, extended version of daylight saving time. This is done, as far as I can tell, to reduce the time spread between the earliest and the latest continental time zones. Then, all zones—including the special Pacific daylight zone—are required to standardize on the local equivalent of 9 p.m. in the eastern zone.

This sound fairly straightforward. But what does it actually do to folks in the middle of the country? It may actually shorten the overall voting hours available to them on election day under current law. In addition, the special west-coast-only extension of daylight saving time may adversely affect schoolchildren's safety: It would push a number of fall morning rush hours from daylight into darkness. And singling out one time zone, putting it out of synch with the rest of the country, is bound to cause confusion for travelers and the transportation industry.

Even if these serious practical difficulties did not exist, I believe the sounder, more responsive approach is to let State and local officials adjust voting procedures to local needs without the heavy hand of Federal regulation. By and large, our constitutional balance, dividing State from Federal responsibility, has served us well. I urge my colleagues to maintain that balance and to vote against this well-intended but impractical measure.

Mr. WEISS. Mr. Chairman, I rise today in support of H.R. 18, the Uniform Poll Closing Act, and I want to commend my colleague from Washington [Mr. SWIFT], for his efforts in bringing this important legislation to the floor.

In each of the past three Presidential elections, millions of voters across the country have learned the results of the election before they had a chance to vote. While listening to their car radios on the way home from work or watching the evening news before going to their polling place, these citizens were confronted with the shocking news that the election was in fact over, and a winner had already been determined. For those who think this problem is confined to the west coast, let me remind you that in 1980, the results of the election were announced before polls had closed in my home State of New York. This phenomenon has caused many voters to feel that their vote is meaningless, and made them lose confidence in the integrity of the electoral process.

In fact, these citizens not only lose faith in the importance of their vote, but understandably lose the desire to vote at all. There are reliable surveys which indicate that voter turnout in States where polls are still open is negatively affected by early reports of the results of Presidential elections. While this may not

affect the outcome of the Presidential race, it can influence, and indeed may have influenced, the results in close State and local elections.

The outcry that followed the early announcement of a winner in 1980, including the passage of a congressional resolution in 1984, resulted in the television networks agreeing not to use exit polls to project or characterize a State's election results until the polls in that State are closed. However, this is only half the battle. It is still possible for the networks to announce the outcome of an election before all polls are closed.

Passage of H.R. 18 would solve this problem by establishing 9 p.m. eastern standard time as the uniform poll closing time in the Continental United States. The bill would also extend daylight saving time on the west coast in Presidential election years so that voters in that time zone would have until 7 p.m. to cast their ballots. This bill is nearly identical to one that this House has passed in each of the last two Congresses, and it has widespread support among State and local officials. Moreover, it would send the important message to all voters across the country that their vote counts.

Mr. Chairman, I urge my colleagues to vote in favor of passage of H.R. 18, the Uniform Poll Closing Act.

Mr. GEJDENSON. Mr. Chairman, I urge my colleagues to give their unqualified support for H.R. 18 which establishes an uniform poll closing time in the continental United States. This legislation reflects almost a decade of work by the House Administration Committee to ensure voters at least a minimum degree of protection on election day from the influence of election projections prior to the closing of their jurisdictional polls.

Of the many proposals considered by the House Administration Committee, this one is the least disruptive to the process of administering elections in thousands of jurisdictions. This bill establishes uniform poll closing times for Presidential elections only; it exempts a small number of polling places were State law currently permits early closures if all voters have voted; and it will be effective in the Presidential election year of 1992. In short, it is now possible with a uniform poll closing time, combined with network agreements, to finally and completely eliminate the problem of having the outcome of an election announced before people in all parts of the country have had an opportunity to vote.

This bill preserves the fundamental integrity of the voting process. On election day, the voters can spend the entire day reflecting on their choice of candidates without doubting whether their vote really makes a difference.

Mrs. BOXER. Mr. Chairman, thank you for the opportunity to speak in favor of uniform poll closing. In the 1988 Presidential election only some 89 million Americans voted. This was the first time since 1944 that the number of voters declined from one Presidential election to the next. In fact, the rate of participation—49 percent—was the lowest since World War II.

Mr. Chairman, this is a dangerous trend. We should be doing everything possible to encourage voting. It is the great catalyst in a democracy; it is, as Thomas Paine said: "the primary right by which other rights are protected."

Since 1980, we have seen too many people losing faith in this basic right. In the last election, the networks—except for CNN—began calling the Presidential election nearly 2 hours before the polls closed in California. I actually heard the report on my car radio as I was heading to a television station to encourage people to turn out to vote. News reports indicated that about 2 percent, or 280,000, of California's potential voters decided not to cast their vote after hearing that the news media had already "called the race."

We must end this near disenfranchisement of voters in the West who are told the election is over before they even get to the polls. This year I reintroduced legislation, H.R. 96, that calls for uniform poll closing. I am happy today to rise in support of the committee bill.

The right of the voters to choose their leaders in good faith should not be diminished because of the geographic location of their polling booths.

Mr. THOMAS of California. Mr. Chairman, I yield back the balance of my time.

Mr. LENT. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. SWIFT. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the bill is considered for amendment under the 5-minute rule by sections, and each section shall be considered as having been read.

The Clerk will designate section 1.

Mr. SWIFT. Mr. Chairman, I ask unanimous consent that the bill be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The text of H.R. 18 is as follows:

H.R. 18

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SINGLE POLL CLOSING TIME FOR PRESIDENTIAL GENERAL ELECTIONS IN THE CONTINENTAL UNITED STATES.

Chapter 1 of title 3, United States Code, is amended by—

(1) redesignating section 21 as section 22; and

(2) inserting after section 20 the following new section:

"§ 21. Single poll closing time in continental United States

"(a) Each polling place in the continental United States shall close, with respect to a Presidential general election, at 9:00 o'clock post meridiem, eastern standard time. Any person who, as determined under the law of the State involved, arrives at a polling place after that time shall not be permitted to vote in the Presidential general election.

"(b) Notwithstanding subsection (a), a polling place shall close, with respect to a Presidential general election, as provided by the law of the State involved, in the case of a polling place at which each person who is eligible to vote has voted.

"(c) As used in this section, the term—

"(1) 'continental United States' means the States of the United States (other than Alaska and Hawaii) and the District of Columbia;

"(2) 'Presidential general election' means the election for electors of President and Vice President; and

"(3) 'State' means a State of the United States and the District of Columbia.".

SEC. 2 EXTENDED DAYLIGHT SAVING TIME IN PACIFIC TIME ZONE IN PRESIDENTIAL ELECTION YEARS.

Section 3 of the Uniform Time Act of 1966 (15 U.S.C. 260a) is amended by adding at the end of the following new subsection:

"(d)(1) Notwithstanding subsection (a) of this section, in each year in which a Presidential general election takes place, the period of time during which the standard time shall be advanced with respect to the Pacific time zone shall end at 2:00 o'clock ante meridiem on the first Sunday after the date of that election.

"(2) As used in this subsection, the term 'Presidential general election' means the election for electors of President and Vice President.".

SEC. 3 TECHNICAL AMENDMENTS.

(a) AMENDMENTS TO TITLE 3, UNITED STATES CODE.—The table of sections for chapter 1 of title 3, United States Code, is amended—

(1) by striking out the item relating to section 21 and inserting in lieu thereof the following:

"22. Definitions."; and

(2) by inserting after the item relating to section 20 the following new item:

(b) AMENDMENTS TO UNIFIORM TIME ACT OF 1966.—Section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)) is amended by striking out "2 o'clock antemeridian" each place it appears and inserting in lieu thereof "2:00 o'clock ante meridiem".

The CHAIRMAN. Are there any amendments to the bill?

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, in previous years I have at this point introduced from 1 to 10 different amendments, most of which could be considered frivolous because it was the intention of those amendments to point out the frivolous nature of the bill.

The first of those dealt with multistate Presidential primary elections, the Super Tuesday event. I also always had an amendment to include Alaska and Hawaii, both of which were very happy with this bill as long as they were not in it. They did not mind what the people of Washington and California seemd to be so offended with; that is, the knowledge of what has happened in other States.

I have had another amendment to permit the Governor of any State to notify the publisher of the TV Guide of their intention to close the polls because much of the letter communications to the committee came via an article in the TV Guide.

I also tried to exempt States under the Voting Rights Act from coverage. That is a bit frivolous, I must admit, because the States covered by the Voting Rights Act would mostly have their hours extended, and I think it is

reasonable to assume that the Justice Department would allow those changes which would be necessary in those particular States.

I also suggested that the bill should apply only to California and Washington, or perhaps I should have said half of Nevada and Oregon and Arizona as well. But the people from California and Washington seemed to be most fascinated by it.

I also wanted to give other States the extra daylight savings time that the 4½ States got.

□ 1550

But I am going to sublimate all those urges and forget about it. But I do not want to let some statements go unchallenged.

One of the speakers indicated that my rationale was specious in that I suggested shortening voting hours would reduce voter turnout and lengthening them would not extend them. I think the rationale for that statement is that any changes in voting hours are going to confuse the voters and cause certain of them not to show up, to show up too late, too early or whatever. The real problem with this bill is that it changes only for Presidential elections, not for State and local. They assume, that is the sponsors assume, that the States will probably change all their rules. But it may be a situation where every 4 years you are working on different rules and this rule only changes daylight saving time every 4 years for the Presidential elections. It is by definition a real mess.

Also I am somehow described as being a lone complainant.

When I queried all of the Secretaries of State or chief elections officers of the State, they, by a ratio of about 60 percent, disapproved this bill. One of them, the then-Secretary of State of Ohio, said, "I can't support an increase in the number of hours available in this election because we can't do it in this State." The Secretary of State of Ohio suggested that it would require more outlays. Many of the Secretaries of State made that suggestion.

I asked the CBO for an estimate in 1987, when we were laying $2 million of extra costs on the State. I do not want to do that. If there is anything I hear from State and local governments, it is, "If you take away our money, we will not die, but if you keep loading extra requirements on us," and if ever there was a bill with extra requirements, this is one, "we are going to wither away."

So it seems to me that while I may be a lonely voice on the floor of this House, I am not a lonely voice in the United States. Very few people, if we submitted it in a poll, would probably agree that anything that changes voting regulations in 39 States to something very different from what they are now and does it only in quadrennial elections, is something that is going to make more people vote. Very few people would tell you if, in Indiana and Kentucky, where the polls are going to be open anywhere from 1 to 2½ hours longer, is going to be something that will encourage voting. Very few people would tell you the same thing for Arkansas, where you have to find more election judges because you are going to keep the polls open 2 hours longer in those particular places. Anyone that believes that 2 hours of extra daylight saving time in four and a half States of the Union is a smart policy has got to be a different kind of thinker than I am. And to suggest that two of our most Western States are not even in the Union at all seems to me to be degrading to them.

Mr. Chairman, I urge a vote against this bill.

The CHAIRMAN. Are there any amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. HAYES of Illinois) having assumed the chair, Mr. NAGLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 18) to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections, pursuant to House Resolution 117, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 238, nays 154, not voting 40, as follows:

[Roll No. 18]

YEAS—238

Akaka	Applegate	Bereuter
Alexander	Atkins	Bilbray
Anderson	Bartlett	Boehlert
Andrews	Beilenson	Boggs
Annunzio	Bennett	Bonior
Anthony	Bentley	Boxer
Brooks	Hansen	Packard
Bryant	Hatcher	Pallone
Burton	Hawkins	Panetta
Bustamante	Hayes (IL)	Pelosi
Campbell (CA)	Hefner	Penny
Campbell (CO)	Herger	Pickle
Cardin	Hertel	Porter
Carper	Hoagland	Poshard
Carr	Hochbrueckner	Quillen
Chandler	Horton	Rangel
Chapman	Hoyer	Rhodes
Clay	Hubbard	Richardson
Clement	Hughes	Ridge
Coelho	Hunter	Robinson
Coleman (MO)	Hutto	Roe
Coleman (TX)	Jacobs	Rose
Collins	Johnson (CT)	Rostenkowski
Conte	Johnson (SD)	Rowland (CT)
Conyers	Johnston	Russo
Cooper	Jones (NC)	Sabo
Costello	Jontz	Saiki
Coughlin	Kanjorski	Sangmeister
Cox	Kennedy	Sarpalius
Coyne	Kennelly	Savage
Craig	Kildee	Scheuer
Crane	Kleczka	Schiff
Crockett	Kolter	Schneider
Dannemeyer	Kostmayer	Schroeder
DeFazio	LaFalce	Schumer
Dellums	Lagomarsino	Sharp
Derrick	Leach (IA)	Shays
Dicks	Leath (TX)	Sikorski
Dingell	Lehman (CA)	Skaggs
Donnelly	Lehman (FL)	Skeen
Dorgan (ND)	Lent	Slaughter (NY)
Dornan (CA)	Levin (MI)	Smith (IA)
Downey	Lewis (CA)	Smith (NE)
Dreier	Lewis (GA)	Smith (NJ)
Dwyer	Lloyd	Solarz
Dymally	Long	Spratt
Dyson	Lowery (CA)	Stallings
Early	Lowey (NY)	Stark
Eckart	Manton	Stokes
Edwards (CA)	Markey	Studds
Engel	Martinez	Sundquist
English	Matsui	Swift
Espy	Mavroules	Synar
Evans	Mazzoli	Tallon
Fascell	McCandless	Tauzin
Fawell	McCloskey	Thomas (CA)
Fazio	McCurdy	Torres
Feighan	McDade	Torricelli
Fish	McDermott	Towns
Flake	McHugh	Traficant
Flippo	McMillen (MD)	Traxler
Florio	Mfume	Udall
Foglietta	Miller (WA)	Unsoeld
Foley	Mineta	Vento
Ford (TN)	Moakley	Visclosky
Frank	Moorhead	Vucanovich
Frost	Morella	Walgren
Gallegly	Morrison (WA)	Walsh
Garcia	Mrazek	Watkins
Gaydos	Murphy	Weiss
Gejdenson	Murtha	Wheat
Gephardt	Neal (NC)	Whitten
Gibbons	Nelson	Wilson
Gilman	Nielson	Wolpe
Gonzalez	Nowak	Wyden
Gordon	Oakar	Yates
Gray	Oberstar	Yatron
Guarini	Ortiz	Young (AK)
Hall (TX)	Owens (NY)	
Hamilton	Owens (UT)	

NAYS—154

Archer	Clarke	Glickman
Armey	Clinger	Goodling
Baker	Coble	Goss
Ballenger	Combest	Gradison
Barnard	Darden	Grandy
Barton	DeLay	Grant
Bateman	DeWine	Gunderson
Bevill	Dickinson	Hall (OH)
Bilirakis	Dixon	Hammerschmidt
Bliley	Douglas	Hancock
Borski	Duncan	Harris
Boucher	Durbin	Hastert
Brennan	Edwards (OK)	Hayes (LA)
Broomfield	Erdreich	Hefley
Brown (CO)	Fields	Henry
Bruce	Frenzel	Hiler
Buechner	Gallo	Holloway
Bunning	Gillmor	Hopkins
Callahan	Gingrich	Houghton

Inhofe	Natcher	Sensenbrenner
Ireland	Obey	Shaw
James	Olin	Shumway
Jenkins	Oxley	Shuster
Jones (GA)	Parris	Sisisky
Kasich	Pashayan	Slattery
Kolbe	Patterson	Slaughter (VA)
Kyl	Paxon	Smith (FL)
Lancaster	Payne (VA)	Smith (TX)
Laughlin	Pease	Smith (VT)
Levine (CA)	Perkins	Smith, Denny (OR)
Lewis (FL)	Petri	Smith, Robert (NH)
Lightfoot	Pickett	Snowe
Livingston	Price	Solomon
Lukens, Donald	Pursell	Spence
Machtley	Rahall	Staggers
Madigan	Ravenel	Stearns
Marlenee	Ray	Stump
Martin (IL)	Regula	Tauke
Martin (NY)	Rinaldo	Thomas (GA)
McCollum	Ritter	Upton
McCrery	Roberts	Valentine
McEwen	Rogers	Vander Jagt
McGrath	Rohrabacher	Volkmer
McMillan (NC)	Roth	Walker
Meyers	Roukema	Waxman
Michel	Rowland (GA)	Weber
Miller (OH)	Roybal	Whittaker
Molinari	Sawyer	Williams
Mollohan	Saxton	Wise
Montgomery	Schaefer	Wolf
Myers	Schuette	
Nagle	Schulze	

NOT VOTING—40

Ackerman	Green	Parker
Aspin	Huckaby	Payne (NJ)
AuCoin	Hyde	Pepper
Bates	Kaptur	Skelton
Berman	Kastenmeier	Smith (MS)
Bosco	Lantos	Smith, Robert (OR)
Brown (CA)	Leland	Stangeland
Byron	Lipinski	Stenholm
Courter	Luken, Thomas	Tanner
Davis	McNulty	Weldon
de la Garza	Miller (CA)	Wylie
Emerson	Moody	Young (FL)
Ford (MI)	Morrison (CT)	
Gekas	Neal (MA)	

□ 1618

The Clerk announced the following pairs:

On this vote:

Mr. Miller of California for, with Mr. Courter against.

Mr. Robert F. Smith for, with Mr. Green against.

Messrs. VOLKMER, OBEY, and BARNARD changed their vote from "yea" to "nay."

Messrs. SCHIFF, PORTER, GILMAN, SHAYS, ROWLAND of Connecticut, and HALL of Texas changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SWIFT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include extraneous matter, on H.R. 18, the bill just passed.

The SPEAKER pro tempore (Mr. HAYES of Illinois). Is there objection to the request of the gentleman from Washington?

There was no objection.

PERSONAL EXPLANATION

Ms. KAPTUR. Mr. Speaker, for the RECORD, I wish to state that had I been present on the last vote, on final passage of the Uniform Poll Closing Act, rollcall No. 18, I would have voted aye. I was unavoidably detained in the other body, and I could not come back for the vote.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 177

Mr. MCMILLAN of North Carolina. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of House Joint Resolution 177.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

□ 1620

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 402

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of the bill, H.R. 402.

The SPEAKER pro tempore (Mr. HAYES of Illinois). Is there objection to the request of the gentleman from New York?

There was no objection.

NATIONAL FORMER PRISONERS OF WAR RECOGNITION DAY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 43) designating April 9, 1989, as "National Former Prisoners of War Recognition Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I yield to my friend and colleague, the gentleman from Ohio [Mr. APPLEGATE], who is the chief sponsor of this joint resolution.

Mr. APPLEGATE. Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. RIDGE] for yielding, and I want to thank the gentleman from Ohio [Mr. SAWYER], the chairman of the Committee on Census and Population, as well as the ranking member, the gentleman from Pennsylvania [Mr. RIDGE] and the gentleman from Michigan [Mr. FORD] who is chairman of the Committee on Post Office and Civil Service.

Mr. Speaker, what this is, Senate Joint Resolution 43, is it establishes April 9 as National Former Prisoners of War Recognition Day. The Senate passed it on March 8.

Today what my colleagues have to realize is that we have to realize what these prisoners of war went through. My colleagues know today there are about 150,000 POW's still living, or rather I should say there are 150,000 that were taken prisoner of war during this century. One hundred thirty thousand of them were in World War II alone, 7,000 out of the Korean conflict, 800 in Vietnam, plus the 2,400 who are still missing in that area. What we are asking for is just some recognition for these people who endured over long periods of time sacrifice, torture, and brutality, and I think it speaks well of us in Congress that we just move forward and think about these people.

Too many times, Mr. Speaker, we do not think about these people at all. We just allow them to go by the wayside. This is one way we can do it. We passed this one other time, the President signed it, and unfortunately on April 9, a year ago, we did not have enough time to have any kind of a celebration.

However, Mr. Speaker, I would ask for my colleagues' support on this, and I would also like to extend my thanks to the members of the American Ex-Prisoners of War who worked for the passage of this resolution including their new national commander, John Edwards, of New York, and Senior National Director Al Bland, of Maryland, Executive Director Charles Williams, of Maryland, Dr. Charles Prigmore, of Alabama, and I also want to pay tribute to the late National Commander Milton M. Moore, of El Paso, TX, who passed away suddenly just about a month ago, as a matter of fact shortly after he testified before the Committee on Veterans' Affairs in the House of Representatives.

So, Mr. Speaker, I ask for my colleagues' support, and again I thank the chairman and the ranking member.

Mr. RIDGE. Mr. Speaker, further reserving the right to object, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise in strong support of Senate Joint Resolution 43 designating April 9, 1989, as "National Former Prisoner of War Recognition Day." This resolution is identical to House Joint Resolution 94, which I was pleased to cosponsor in the House. I would like to commend my distinguished colleague from Ohio, [Mr. APPLEGATE], for his tireless efforts to honor those who were held as prisoners of war and resolve the fate of American servicemen currently held as captives of war in hostile nations.

As we honor our former prisoners of war, let us bear in mind that there is a great deal of evidence that the Gov-

ernments of Vietnam, Laos, and Cambodia hold information which could resolve the status of many Americans who are still unaccounted for. Despite the difficulties involved, we are deeply committed to resolving the POW/MIA issue. This issue is a humanitarian matter of such great importance that it is pursued without linkage to other issues separating the Government of the United States and the Governments of Indochina.

By supporting Senate Joint Resolution 43, we will be taking an important step to honor Americans who have served in the Armed Forces, particularly those who were formally held as prisoners of war, as well as those who may still be held in captivity. Let us observe April 9 as a day to commemorate their courage and determination in upholding the principles of freedom and democracy. We must do all that we can to support our Government's efforts to reunite all Americans with their families and loved ones. For former and present prisoners who gave so much we can do no less.

Accordingly, I urge my colleagues to support this resolution.

Mr. RIDGE. Mr. Speaker, further reserving my right to object, I yield to the gentleman from Ohio [Mr. MCEWEN].

Mr. MCEWEN. Mr. Speaker, as an original cosponsor of the House companion bill, House Joint Resolution 94, with my distinguished colleague from Ohio, DOUG APPLEGATE, I rise in strong support of Senate Joint Resolution 43. This resolution seeks to focus all due honor and affection on all former American prisoners of war on April 9 of this year.

DOUG APPLEGATE is the chairman of the Veterans' Subcommittee on Compensation, Pension and Insurance.

We understand the many sacrifices and hardships our former prisoners of war endured in captivity. Their peril and suffering was, in many cases, as great or greater than that which they and their comrades encounter on the battlefield, or in warships or airplanes. For many, their period of captivity ran many years, under conditions that were cruel and unhealthy.

This resolution honors all Americans of all wars who were captured. It also invites our Nation to remember the families of our prisoners of war, who shared their pain while bearing the added burden of not knowing the fate of their loved ones.

Mr. Speaker, this resolution cannot fully reward nor adequately express our appreciation for these special Americans. But it is an expression of thanks to them, and to their families on behalf of a proud and grateful Nation. I urge my colleagues to support this resolution.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 43

Whereas the United States has fought in many wars;

Whereas thousands of members of the Armed Forces of the United States who served in such wars were captured by the enemy and held as prisoners of war;

Whereas many such prisoners of war were subjected to brutal and inhumane treatment by their captors in violation of international codes and customs for the treatment of prisoners of war and died, or were disabled, as a result of such treatment;

Whereas in 1985, the United States Congress (in Public Law 99-145) directed the Department of Defense to issue a medal to former prisoners of war in recognition and commemoration of their great sacrifices in service to our Nation; and

Whereas these great sacrifices by former prisoners of war and their families deserve national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 9, 1989, is designated as "National Former Prisoners of War Recognition Day" in honor of the members of the Armed Forces of the United States who have been held as prisoners of war, and the President is authorized and requested to issue a proclamation calling upon the people of the United States to commemorate such days with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1630

NATIONAL ORGAN AND TISSUE DONOR AWARENESS WEEK

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 112) designating April 23, 1989, through April 30, 1989, as "National Organ and Tissue Donor Awareness Week", and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Reserving the right to object, Mr. Speaker, I yield to my colleague, the gentleman from Washington [Mr. MORRISON], who is the chief sponsor of this resolution.

Mr. MORRISON of Washington. Mr. Speaker, I thank the gentleman from Pennsylvania for yielding to me. I would like to begin by also expressing my gratitude to the more than 220 of my colleagues who have joined me in cosponsorship of "National Organ and Tissue Donor Awareness Week."

Let me share with you the heartening results of a recent survey undertaken by researchers at Brandeis University. The hundreds of interviews that they conducted led to the conclusion that almost 80 percent of families who experience the death of a loved one are often able to cope more easily with the loss when they make the decision to donate the organs of the deceased individual.

The mitigation of emotional pain is another demonstration of the good that can come out of donation. It can be added to the legacy of personal triumphs of organ transplant recipients who are virtually given a new life every year.

However, the need for donation remains dramatic: Some 23,000 individuals could be potential recipients of kidney transplants, 16,000 for heart transplants, 4,600 for liver transplants, and 16,000 for heart and lung transplants. I strongly believe if more people were aware of this tremendous need, thousands of additional lives would be saved each year.

Mr. Speaker, my goal is to encourage families to take time to talk about organ donation during the week of April 23 through 29 and to join me and thousands of other Americans in signing and carrying an organ donor card. Cards will be available throughout the week at local hospitals and throughout the year by calling the American Counsel on Transplantation at 1-800-ACT-GIVE. The few minutes that it takes to discuss the wish to donate and to sign a donor card can turn a tragedy into a miracle for thousands of Americans.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 112

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating April 23, 1989, through April 30, 1989, as "National Organ and Tissue Donor Awareness Week".

AMENDMENT OFFERED BY MR. SAWYER

Mr. SAWYER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAWYER: Page 2, line 1, strike "April 30, 1989," and insert "April 29, 1989, and April 23, 1990, through April 29, 1990,".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Ohio [Mr. SAWYER].

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MR. SAWYER

Mr. SAWYER. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. SAWYER: Amend the title so as to read: "Designating April 23, 1989, through April 29, 1989, and April 23, 1990, through April 29, 1990, as 'National Organ and Tissue Donor Awareness Week'.".

The title amendment was agreed to.

A motion to reconsider was laid on the table.

EDUCATION DAY, U.S.A.

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 173) to designate April 16, 1989, as "Education Day, U.S.A.," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Reserving the right to object, Mr. Speaker, and I certainly do not, I would simply like to inform my colleagues in the House that the gentleman from Illinois [Mr. MICHEL], our leader, is the chief sponsor of House Joint Resolution 173 and is unable to be on the floor.

Mr. MICHEL. Mr. Speaker, I welcome this opportunity to say a few words about House Joint Resolution 173, requesting the President to designate April 16, 1989, as "Education Day, U.S.A."

Along with the distinguished majority leader, TOM FOLEY, I am sponsoring this resolution. We joined forces last year and I am happy to be part of this worthy venture today.

As I said last year, I think it is fitting that the majority and the minority leaders should cosponsor such a resolution. It deals with a subject that transcends partisan consideration.

We are seeing a rebirth of the old American idea of progress through education for all Americans. That is still a great idea.

April 16 also happens to be the 87th birthday of a remarkable religious leader, Rabbi Menachem Mendel Schneerson.

He is the internationally renowned and respected leader of the Lubavitch movement which actively promotes education programs at more than 150 centers in the United States.

The Lubavitch movement, founded in the 18th century, has as its philosophical foundation three basic elements: wisdom, understanding, and knowledge.

It is, therefore, appropriate that the movement, under the inspired leader of the man called the rebbe, has been so active in promoting education.

Looking over my remarks from last year, I came upon a fact I want to share with you today.

The movement which the rebbe heads takes its name from the Russian city, Lubavitch, which translated into English means, city of love.

In the final analysis it is love of one's religious heritage, love of learning—that is at the heart of the Lubavitch movement and at the heart of our resolution.

I am pleased once again to honor a great man and to support such a fine idea.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 173

Whereas Congress recognizes the historical tradition of ethical values and principles which are the basis of civilized society and upon which our great Nation was founded;

Whereas these ethical values and principles have been the bedrock of society from the dawn of civilization, when they were known as the seven Noahide Laws;

Whereas without these ethical values and principles the edifice of civilization stands in serious peril of returning to chaos;

Whereas society is profoundly concerned with the recent weakening of these principles that has resulted in crisis that beleaguer and threaten the fabric of civilized society;

Whereas the justified preoccupation with these crisis must not let the citizens of this Nation lose sight of their responsibility to transmit these historical ethical values from our distinguished past to the generations of the future;

Whereas the Lubavitch movement through its over one hundred and fifty centers in the United States and many more the world over has fostered and promoted these ethical values and principles throughout the world;

Whereas Rabbi Menachem Mendel Schneerson, leader of the Lubavitch movement, is universally respected and revered and his eighty-seventh year will be seen as the year of continued "turn and return", the year in which we continue to turn to an education which will return the world to the moral and ethical values contained in the Seven Noahide Laws;

Whereas, this year of 1989 (5749 on the Hebrew calendar) is the "40th anniversary" in which the Rebbe completes the fourth decade since his ascension to the world leadership of the Lubavitch movement and spiritual guidance of world Jewry; and

Whereas this has been reflected in the "international scroll of honor" which has been signed by the President of the United States and other heads of state: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 16, 1989, the eighty-seventh birthday of Rabbi Menachem Mendel Schneerson, leader and head of the worldwide Lubavitch movement, is designated as "Education Day, U.S.A.". The President is requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities. We also call on heads of state of the world to join our President in this tribute by signing similar scrolls of honor which will be presented in their respective countries this year of the "40th Anniversary". On this occasion we would also welcome the cooperation of the Department of State in extending the good office of the United States missions to the Lubavitcher emissaries.

AMENDMENT OFFERED BY MR. SAWYER

Mr. SAWYER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAWYER: Page 2, line 5, strike "is" and insert "and April 6, 1990, are each".

Page 2, line 7, insert "each" after "observe".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Ohio [Mr. SAWYER].

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MR. SAWYER

Mr. SAWYER. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. SAWYER: Amend the title so as to read: "Joint resolution to designate April 16, 1989, and April 6, 1990, as 'Education Day, U.S.A.'."

The title amendment was agreed to.

A motion to reconsider was laid on the table.

CONGRATULATING LOS ANGELES DODGERS ON THEIR 1988 WORLD SERIES VICTORY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the resolution (H. Res. 119) congratulating the Los Angeles Dodgers on their 1988 World Series victory, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I yield to my colleague, the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I would like first very much to thank the gentleman from Ohio and the gentleman from Pennsylvania and the gentleman from Michigan, the chairman of the full committee, and the staff for their thoughtfulness and assistance in helping to expedite the presentation and consideration of this resolution.

Mr. Speaker, I will dispense with an elaborate and lengthy speech, but I would simply like to comment that I believe it is entirely appropriate for the House today to compliment the Los Angeles Dodgers on being the

world champions of baseball as the 1989 baseball season opens. We had some extensive conversation with regard to the advent of that title toward the end of the last baseball season, and even as we begin the baseball season in 1989 I find it hard to believe that the heroics of Kirk Gibson in hitting his storybook home run at the end of the first game of the 1988 World Series, despite being injured and despite being unable to run properly around the bases in his only World Series at bat, or the heroics of Orel Hershiser, not only in pitching two spectacular victories, but in going 1,000 at the plate and hitting 3 for 3 at bat and the creative talented and able managing of Tommy Lasorda, are far from people's minds as we begin the 1989 baseball season.

I would simply add that on behalf of all the Members of the southern California delegation, Republicans and Democrats alike, first joined by my very able friend and colleague, the gentleman from California [Mr. ROYBAL], whose district includes Dodger Stadium, all of us are very pleased that the membership is joining together today to compliment Peter O'Malley and his entire organization, Fred Clair, Tommy Lasorda, and the Los Angeles Dodger family for putting together for what really was an inspirational baseball miracle to enable the Los Angeles Dodgers to become world champions in 1988 and to reign in that position through the 1989 season.

Again, I want to thank my colleagues for their thoughtfulness and generosity.

Mr. GARCIA. Mr. Speaker, will the gentleman yield?

Mr. RIDGE. I yield to the gentleman from New York.

Mr. GARCIA. Mr. Speaker, I would just like to join with my colleague, the gentleman from California, and state that this committee every now and then comes under criticism for commemoratives and things that we do; but baseball is our national pastime. It is the sport that has dominated us and it has helped so many young people.

I think the World Series of 1988 was probably one of the most dramatic World Series that we have had in many years.

As the Congressman who represents Yankee Stadium, and Yankee Stadium is but three blocks from where I live, I can assure my colleague, the gentleman from California, even though I am very partial to the Los Angeles Dodgers and I think that they have good management, their manager is probably one of the best and more colorful people in baseball, I just want to lay my claim to 1989 nice and early, and while we are starting off today, or we started off this past Monday, that the World Series this year will be played in the Yankee Stadium, and I want you to go back to Los Angeles and wish both Tom Lasorda and the management and the players of the Los Angeles Dodgers the very best, but that 1989 is a different year than 1988.

Mr. Speaker, I thank my colleague for yielding to me.

□ 1640

Mr. LEVINE of California. Mr. Speaker, reclaiming a moment or two of my time before yielding back to the gentleman, I welcome the gentleman's support and very appropriate and thoughful comments about the national pastime of baseball.

I would simply say that nothing would please me more than to see the Los Angeles Dodgers playing in Yankee Stadium in the fall of 1989 before the Dodgers again repeat as world champions.

Mr. RIDGE. Mr. Speaker, continuing my reservation briefly, it is rare that I have the opportunity to distinguish myself in a colloquy with my two colleagues, but I beg to differ with them. I suspect it will be played this year in Pittsburgh.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. KLECZKA). Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 119

Whereas the Los Angeles Dodgers amazed the baseball world and inspired the United States in 1988 by defeating the heavily favored New York Mets to win the World Series and the Oakland Athletics to win the National League Championship;

Whereas the World Series victory of the Dodgers was sparked by the outstanding pitching performance of Orel Hershiser, the storybook homerun heroics of Kirk Gibson, the inspirational play of Mickey Hatcher throughout the Series, the clutch performance of hitters Mike Marshall, Mike Davis, Mike Scioscia, Rick Dempsey, and the superb pitching of Tim Belcher, Tim Leary, and Alejandro Pena;

Whereas the baseball world championship victory was a victory for the entire Dodgers organization and the community; and

Whereas the masterful job of handling his pitchers and players throughout the regular season, the playoffs, and the World Series again exhibited the talents and skills of manager Tommy Lasorda: Now, therefore, be it

Resolved, That the House of Representatives congratulates the Los Angeles Dodgers on their 1988 World Series victory and wishes them the best of luck in the current season.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the several resolutions just considered and passed or agreed to.

The SPEAKER pro tempore. Is there object to the request of the gentleman from California?

There was no objection.

EDUCATIONAL EXCELLENCE ACT OF 1988—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-41)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor and ordered to be printed.

(For message, see proceedings of the Senate today, Wednesday, April 5, 1989.)

ANNUAL REPORT ON INTERNATIONAL ACTIVITIES IN SCIENCE AND TECHNOLOGY FOR FISCAL YEAR 1988—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and the Committee on Science, Space, and Technology.

(For message, see proceedings of the Senate of today, Wednesday, April 5, 1989.)

□ 1650

SPREADING DEMOCRACY AROUND THE WORLD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. ROHRABACHER] is recognized for 5 minutes.

Mr. ROHRABACHER. Mr. Speaker, the United States is the foundation upon which freedom and democracy stand on this planet. Our own strength is built upon another foundation, a foundation 200 years old yet still as solid and strong as when our great country was built, a foundation we call the Constitution of the United States.

One of the first acts of our Founding Fathers after signing the Declaration of Independence was to order its translation into many different languages so that people the world over could understand and draw inspiration from the principles upon which our new Nation was to be founded.

Ideas, in and of themselves, are enormously powerful. The ideas of limited Government and individual rights em-

bodied in our Constitution have changed the face of our planet and the destiny of mankind.

Still there are peoples who struggle over the old yoke of oppression in lands where the ideas of human dignity and responsible government are kept closely guarded secrets by those in power. By distributing our most precious documents in these parts of the world, we can unlock those secrets and unleash the mighty force of democracy. We have as our key the documents which unleashed the mighty force of democracy on this continent. These documents can carry the same force all over the world.

The undeveloped world is undeveloped not only in infrastructure, but in ideas. Our responsibility is not only to help them build roads, cities, and a dynamic marketplace, but to give them the conceptual tools with which they can fashion their own free and prosperous society.

We're not saying that they should take our Constitution word for word—they come from different cultures with different values. But some ideas are universal. I am sorry to have to disagree with liberal relativis which is so fashionable in some circles. Respect for human life, respect for individual rights, the accountability of a government to its people—these ideas are universal.

Remember those words from the Declaration of Independence: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness." Mr. Speaker, can we even doubt that these words are as valuable to the brave people who suffer the unsufferable as they are to us in this very Chamber?

If we were to send a letter to a group of courageous and freedom loving people who were about to read for the first time in their own language our Declaration of Independence and our Federal Constitution, this is what I would say:

BRAVE FRIENDS: We Americans share our ideals of freedom and democracy.

Two hundred years ago we Americans fought a struggle similar to the one you fight today.

We began that struggle with our Declaration of Independence from the tyranny of King George and the old English empire.

To guide our new country to be more free and just, than that against which we fought for independence, we framed the Constitution of the United States.

With pride we observe that both of these documents endure as bulwarks of freedom and testimony against tyranny.

We send these documents to you to express our solidarity with you and your valiant cause.

We hope that some of the message, if not all of the words, from our most precious documents translates well into your struggle and your tradition.

Your struggle against tyranny and for freedom, whether in the rain forests of Africa, the mountains of Central Asia, the vast plains of Ukraine, or in the jungles of Indo-China, is as grand and as momentous a quest as that which occurred on the North American continent two hundred years ago.

We are telling them, my colleagues, "Our hearts are with you."

Mr. Speaker, Ronald Reagan several years ago wrote a letter to the freedom fighters in which he said, "Your cause is our cause." It is important for those who believe in human freedom, which is the fundamental basis of our society, that we express our love of liberty and our solidarity with all of those who fight and struggle for freedom.

Mr. Speaker, I yield back the balance of my time.

SOUTH BOSTON MITE A'S

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 5 minutes.

Mr. MOAKLEY. Mr. Speaker, this past weekend the Harvard ice hockey team put to rest the myth that east coast students cannot play the game of ice hockey by winning their first national championship. They are to be congratulated for their success.

But, Mr. Speaker, I take the floor today to inform my colleagues of another important New England hockey victory which—although it has not been covered as extensively by the press as the Crimson victory—is a source of singular pride to me and to all my neighbors in South Boston.

Mr. Speaker, I rise to pay tribute to a team of young hockey players, the South Boston Mite A's.

Two weeks ago this team of 9-year-olds, their parents and coaches, Billy Baker, Billy Stoddard, and Bob Outerbridge traveled in a 10-car caravan to Montreal to face some of the best young hockey players in North America. They were there to play in the 11th Annual Dollard Novice Tournament where over 100 teams would be competing, making it the largest mite tournament in the world.

It is important to point out that this is a local team drawn entirely from a single neighborhood in Boston. In the Montreal competition, they took on teams representing all stars from statewide teams like California, Michigan, and teams from across Canada.

This might be intimidating to some teams but not the Southie Mite A's. They defeated two teams from Canada. One of them the five-time defending champion. They went on to win the tournament in a country where the national sport is ice hockey and brought back to Southie the title of champions.

Mr. Speaker, this type of success is not unfamiliar to the South Boston Youth Hockey Leagues. With the generous help of the South Boston community, Southie teams have continually traveled all over the country, beating teams that are made up of all stars from other teams while the Southie teams are made up of young players who all live in the same Zip Code area.

The Duke of Wellington once remarked that "the battle of Waterloo was won on the playing fields of Eton." Mr. Speaker, the playing fields of Eton and the playing fields of South Boston are different places—very different places but the youngsters of my hometown too, are learning on the ice lessons which will stay with them for life.

Today South Boston has reasons to be proud. The parents and coaches of these young players have reason to be proud. And in a way, Mr. Speaker, this country can be proud because the South Boston Mite A's not only typify what is good in youth sports but for now they can call themselves the best 9-year-old hockey players in North America—by bringing home the title of champions in the North American competition at the 11th Annual Dollard Novice Tournament.

Mr. Speaker, I am inserting in the RECORD the alphabetical roster of players and coaches of the South Boston Mite A's championship team.

PLAYERS

Jack Baker, Peter Barbuto, Billy Burke, Steven Courtier, Brendan Donavan, Paul Ferris, Willie Goyette, Timmy Murphy, Mark O'Leary, Stephen Roberts, Billy Stoddard, Jimmy Stoddard, Sean Thomas, and Kevin Turner.

COACHES

Billy Baker, Bob Outerbridge, and Billy Stoddard.

Thanks for a job well done.

□ 1700

LEGISLATION REPEALING 22D AMENDMENT TO THE CONSTITUTION

The SPEAKER pro tempore (Mr. KLECZKA). Under previous order of the House, the gentleman from New York [Mr. MARTIN] is recognized for 5 minutes.

Mr. MARTIN of New York. Mr. Speaker, on May 1 next it is my intention to introduce a constitutional amendment to repeal the 22d amendment to the Constitution. There is nothing new. This has been done before. But there is something different about this effort. The gentleman from Michigan [Mr. BONIOR] and myself discussed this last summer long before the time that anyone knew precisely who were going to be the candidates for President of the United States. We talked to better than 150 of our colleagues about sponsoring an amendment to the Constitution that

repeals the 22d amendment, which of course puts an artificial limitation on the number of terms a President may serve.

We did that because we wanted to discuss this with the Members at a time when no one could say that they were sponsoring this because they happened to be a supporter of the particular candidate for the White House.

This is just basic philosophy and it has nothing to do with either President Reagan or President Bush or if it had been President Dukakis. Because we feel very strongly about this, and I know Mr. BONIOR will be doing a special order and will be contacting people on his side of the aisle for cosponsors, we all have a number of different reasons for feeling so strongly about this. But I just wanted to tick off a few of the reasons why I feel that we ought to have an overwhelming sponsorship of this amendment and hope that the Committee on the Judiciary will report it to the floor as soon as possible.

Basically, the first reason is that Americans ought to have the right to have whoever they want to be President of the United States. Who are we to say, or who were those in the Congress which originally put the limitation on, that the American people cannot have whomever they want to be President of the United States? The thing that struck me about this initially that made me feel that this legislation was so imperative is I recall watching television on election night in 1984 when President Reagan had just been overwhelmingly reelected as President of the United States for a second term. Being interviewed was a Member of the other body, as a matter of fact, a Member of the Republican Party.

When asked how President Reagan was going to fare in his dealings with Congress, the gentleman pointed out that things had changed substantially and that now President Reagan was a lameduck. I thought at first blush that that was a ridiculous thing to say. Then I witnessed the next 4 years. I witnessed a total difference in the way that the staffs in the various agencies and indeed some of the Cabinet members, how differently they acted in that second term in responding to the needs of the Members of Congress and to our constituents and indeed to the agenda that President Reagan fought for so hard.

I noted that during all of President Reagan's dealings with foreign leaders during the second administration that that foreign leader had a definite advantage over the President in that for whatever it was worth that foreign leader was given the choice of dealing with this President or knowing full well that any 1 of 200 million Americans might be in the White House on January 20, 1989, but they were for sure that it was not going to be Ronald Reagan. That has to put the Chief Executive of this Nation, whoever it might be, at a severe disadvantage.

One other thing we have noted is that these Presidential elections are all too long and, seemingly, everyone not forcibly restrained here in Washington announces and is running for President almost at the time that the President of the United States is sworn in for a second term, or indeed before that. That goes for both parties.

Perhaps we could have a little more party unity and support rather than spending all our time taking shots at the Chief Executive if, given those opportunities on occasion when the President was going to serve a second term, that there could be held out some chance that perhaps he or she might seek a third term. You will also note that during that second term it seems an awful lot of time was spent by political appointees in their involvement in writing books, getting out their résumés, knowing again that for sure whoever the President might be on January 20, 1989, it was not going to be the incumbent.

So for those reasons and many other reasons we are going to be sending out a "Dear Colleague" to our Members and I assume that those 130-odd who indicated during the last Congress that they would want to be sponsors and support this legislation would be there as well as the new Members of Congress.

As for my personal point of view, I would hope that only under extraordinary circumstances would anyone want to run for that third term as President of the United States. I would suspect that if a President, having served 8 years, would decide he wanted to run again, I am sure that will be a very big issue in the campaign. But again the point is this: It ought to be the American people who decide if they want that person to serve the third term. We ought to give the people that opportunity.

So, before the 1st of May I will be in contact with each of your offices and we hope we will be able to repeal this 22d amendment which in and of itself was, from this Member's point of view, a big mistake.

DOE: A HIGH LEVEL OF CONFUSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, once in a while, Washington rears its ugly head in a form that is so twisted and outrageous that one doesn't know whether to scream, cry, tell constituents to run and hide, or all of the above at once. Recently, I came upon just such a situation.

Last week, Lawrence F. Davenport, the Department of Energy's Assistant Secretary for Management and Administration, was deposed by attorneys for TRW Corp. Mr. Davenport used the occasion to provide a new, presumably official, definition for high level radioactive waste.

He reportedly stated:

Well, it is a radius that is applied to it on a high level in a way that you are going to treat that way, and the way that you are then going to process it. So at the end of that, on a high level, let's say you might have to—after processing that, you may—before you put it in the permanent storage, that may be something that you have to transport to let's say—to where we were putting storage in New Mexico. Some other kind of waste you would be able to put in the cement and store it right there on the site. High level, we would handle that with care. We handle all of it with care.

Mr. Davenport is charged with making major decisions relating to radioactive waste storage in our country. Somehow it doesn't help me to sleep at night knowing that he'll handle all of "it," whatever it is, with care. I'm sure a similar failure to grasp essential information helped bring about the existing $40 to $80 billion contamination problem at DOE facilities around the country.

Incidentally, Mr. Speaker, after reviewing these comments, I think I understand better why some Members are intrerested in mandatory drug testing of Government officials.

SENSE OF THE CONGRESS RESOLUTION ON MEXICAN DEBT AND THE BRADY PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. COLEMAN] is recognized for 5 minutes.

Mr. COLEMAN of Texas. Mr. Speaker, I am today introducing a concurrent resolution urging the President of the United States to encourage private commercial banks in this country to reduce the debt and debt service costs in at least one developing country—Mexico. I am very pleased to have been joined in this effort by a number of distinguished colleagues. The resolution further urges the President to encourage the banks to act swiftly—by the middle of July. The deadline is one that the administration acknowledges in light of the need to conclude negotiations on debt reduction packages for at least one or two of the most adversely impacted developing countries before the July 14 economic summit meeting of the major industrialized democracies. The deadline also applies in another context strictly to Mexico. At the end of July, that country's austerity program, carefully negotiated by ex-President Miguel de La Madrid Hurtado, expires. The new Salinas government must have some relief in sight when it sits down to explain what will come next to those sectors of the Mexican economy—the middle class, state workers, consumers and the rural poor—who have paid such a large price under the economic solidarity pact.

The debt crisis has been in the news a great deal lately. Articles on the Brady plan and articles specifically on Mexico's difficulties

have been appearing daily on the front news pages, editorial pages and the business pages. In the 3 weeks following Treasury Secretary Nicholas Brady's announcement of the reassessment of the debt crisis, there has been considerable shadow-boxing on the politics of the plan, but very little substantive discussion of its mechanics. At the same time, a number of astute observers of Mexico in the Congress—first and foremost Senator BILL BRADLEY—have noted that our neighbor faces a deadline in terms of debt relief and that time is running out. The wholesale eradication of the middle class in a country like Mexico is a violence no less destabilizing than the gassing of protesters in the streets of Caracas or the operations of paramilitary death squads in Central America.

My resolution credits the Brady plan as a needed initiative but expresses concern for its potential inadequacies in at least one case—Mexico's. The philosophy behind the Brady plan was lightly sketched by Treasury Secretary Nicholas Brady at a luncheon speech to the Brookings Institution and the Bretton Woods Committee on March 10. The gist of the speech was that U.S. commercial banks should be made to recognize two points: First, that there should be a shift away from the Baker plan and its "menu" solutions for the crisis and a shift toward debt and debt service reduction. Second, new money, in the form of new investment flows and new commercial bank lending, would be indispensable as a means of restoring economic growth among the debtor countries.

On April 4, the International Monetary Fund announced its endorsement of the Brady plan in a communique issued by that body's interim committee. The interim committee indicated that it was prepared to set aside 25 percent of the funds used by the IMF for normal lending and to use them for debt reduction. The managing director of the Fund referred to a variety of means for achieving debt reduction, including a reduction in the principal owed to the multilateral lending institutions, the provision of collateral to reduce interest payments and new lending. The question, of course, is how the Fund is going to finance these operations through its existing capital base. An increase in the paid-in capital for the Fund and the World Bank implies an increase in the bill handed to U.S. taxpayers. The Japanese have pledged new capital. Under the Brady plan, the multilateral institutions are being called upon to guarantee the writing off of debt by the commercial banks. They should not do so without the commitment of the commercial banks to aggressively produce debt reduction packages—first for Mexico—in the immediate future.

Treasury Undersecretary-designate David Mulford testified before Congress less than a week after the initial announcement that the average debt reduction to be anticipated among all the plan's 39 debtor countries taken together would be roughly 20 percent—a reduction of $70 billion from the current level of $280 billion. Disbelievers quickly pointed out that like many of the economic assumptions in the Bush administration's "black box" budget, the numbers were predicated upon interest rates remaining very low and upon a sizable amount of voluntarism, in this case, the willingness of U.S. private banks to lend as much as $18 billion in new money over the next 3 years. Defenders of the plan have insisted that the carping is premature; they say that details of the mechanics of the plan will be fleshed out in the current meetings of the G-7 nations and the IMF and add their belief that the new plan will enable the debtor countries to recapture capital which has "flown" over the past 8 to 10 years.

The impetus for the Brady plan and the ensuing debate has two principal components. The first is the recognition, long overdue, that the developing countries must achieve real per capita economic growth, and that they must achieve it soon. The violent rioting in Venezuela in February brought home the realization that complacency on the part of banks, creditor governments, and the multilateral lending institutions, could undo in weeks the progress toward democracy that had been achieved so painstakingly by the developing nations, particularly in Latin America, over the past decade.

The second element underlying these headlines and pronouncements is rooted in our domestic policy issues. With James Baker's shift to the State Department has come the recognition that the plan that has borne his name, if it had ever succeeded in generating any net capital transfers to the developing countries, was not doing so any longer. Beyond that, it can hardly have escaped the attention of politicians, much less depositors, that our own commercial banks and thrift institutions' balance sheets are due for a massive recalculation, and that the hit-and-miss descriptions of bad loans to the developing countries's central banks as "not quite assets but not quite liabilities either" have served only to make more confusing the options available to regulators and the Congress as to the recapitalization of FSLIC and the takeover of ailing banks by the FDIC.

Proximity to Mexico gives people in my part of the country a better sense of what that nation has undergone in recent years. Officials in Washington may talk in the abstract about our neighbor's trade liberalization as though it had been long overdue. On the border, it is apparent that the changes begun under President de la Madrid and continued under President Salinas have been extraordinary and completely without precedent. In another context, when Americans downplay the government of Mexico's attempts to combat drug trafficking and corruption, they wholly fail to understand both how insidious and how intractable those problems are. Lastly, the commentary in vogue on Mexico lacks any sense of what it means, in Ciudad Juarez, Mexico City, or the Yucatan, for the average wage earner's purchasing power to have declined by 40 percent in the past 6 years.

Mexico's hard currency reserves are thought to have dwindled to less than $5 billion; just as importantly, the economic solidarity part which has tamped down inflation and placed harsh restrictions on domestic demand, is due to expire at the end of July. If our new Government wants to form a long-lasting and meaningful partnership with the new Salinas government in Mexico, we need to permit some breathing room for that nation to negotiate with the other internal factions in what should be described, despite the charges of Mexico-bashers in Washington, as a pluralist system.

This resolution does not attempt to pit the banks against the taxpayers—it only says that the major private creditor banks, particularly in this country, must initiate debt reduction of their own accord. The banks cannot do this in a vaccum; their obligation to contribute to the continued stability of democratic countries in the Third World, particulary in this hemisphere, must be reconciled with the costs to be borne by shareholders. Where appropriate, the banks must obviously seek pledges or assurances from the IMF and the World Bank. But we should not volunteer the U.S. taxpayer as the first source of funds for the writing off of debt.

The criticism of the Brady plan may be premature in some respects, but in one regard it is correct: In the case of Mexico, it does not go far enough in terms of requiring shareholders in the major, private U.S. banks to bear the brunt of the consequences of extravagant and obsessive lending in the past. As the G-7 nations and the IMF convene to discuss the $1.2 trillion in government and commercial debt owed by all developing countries, we are still awaiting the response of the banks in this country to the concept of debt reduction. The Brady plan is a good beginning because: First it asks banks to respond; second, it asks the Japanese to lend new money; and third, it shifts us away from the Baker plan concepts of just more loans. It is only a beginning, however, because it has not yet forced the banks to own up to their share of the problem and it doesn't insist on the debt reduction necessary to permit Mexico to grow out of its crisis.

WE AGREE WITH ONE ANOTHER

The SPEAKER pro tempore. Under previous order of the House the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, it is always encouraging when you can find someone supporting your position, so it was a pleasant surprise to discover a speech on the need to maintain an industrial base by a prominent international industrialist. My statements on the issue over the last few years have been as follows:

On July 23, 1986, I made a speech on the floor about the colonization of America alerting us to the loss of our industrial base.

In that speech I quoted a New York Times headline of July 14, 1986, which read "Foreign Economies Curb U.S." with a subhead stating "Experts Say Domestic Gains Flow Abroad."

The story went on to say that the experts were "caught unawares by the rising power of foreign economies over the American economy."

It further stated we are giving up our national power through the outflow of money and jobs. The balance-of-payments deficit is a debt we owe to all of the nations from which we buy. And the purchase of those products

puts the American manufacturers out of business.

In my 1986 colonization speech I stated that it was the duty of Congress to always be alert to dangers which threaten our sovereignty—and to act when necessary to defend against that danger.

I gave examples of what was happening to our manufacturing base and said: "If a nation has raw materials and is not mining them or smelting them—but importing—if a nation has manufacturing capabilities and a work force, but is importing finished products made in other nations—it is approaching bankruptcy."

I further stated, "If those resources begin to be exploited by other nations and its workers become employees of other nations, then that country is a colony of the nation which owns its internal resources and its productivity."

I questioned if we came to Congress to preside over the selling of America.

The decline of our industrial base has been debated, but I am sticking by my guns.

In fact, on April 1, 1987, I introduced my own Marshall plan—House Joint Resolution 221 to create a commission composed of industrial, technical, economic and educational experts from the private sector to "study the means to revivify and strengthen the national industrial base of the United States and to recommend the proper means of achieving that goal."

Some people will argue that we are in a transition—and that we are becoming a service based economy. That everything will be all right. Our standard of living may be a little lower, but we will still be a power.

Now we have an answer to that argument—and it is by an industrialist who is chairman of one of the larger world class corporations.

In a recent speech in New York the CEO traced what has happened to nations in the last 30 years. He stated:

National boundaries that have endured for centuries are coming down as Europe moves toward the year 1992. Canada and the United States have signed the Free Trade Agreement this year.

The economies of Japan and the United States are now so closely intertwined that in many areas of activity to attribute finished products to either the U.S. or to Japanese efforts by itself is to make a meaningless distinction.

We are even beginning to see a rapprochement between the U.S. and the Soviets, and who can imagine now what the ramifications of this will be?

He went on to explain the changes in transportation and how much easier it was to do business all over the world. That technology has lessened the distances between countries.

The CEO then said:

All this sounds idyllic, I know. "One-World" is on the face of it an appealing vision—but I am afraid that something has gone haywire, and instead of drifting toward Elysium, the world economy is increasingly resting on what seems to me a very unsound, unhealthy foundation.

There is a supposition that national economies as they mature move through a series of phases. In the first phase, the economy is agriculture-based, then as a nation learns to feed itself efficiently and begins to develop an industrial base, labor moves from agriculture into manufacturing.

Then at some point, some economic theorists feel, a manufacturing economy will enter a third and somehow more highly refined phase in which the economy becomes a service-based economy.

It is clear, at any rate, that this shift from manufacturing to services is well advanced in the United States, a country which since 1950 has lost half of its manufacturing jobs and where now almost three quarters of all jobs are service oriented.

We see a similar trend in the United Kingdom.

What I would like to suggest to you today is that this trend, far from being the natural progression of a maturing economy and something to be encouraged, is destructive, for in the long run an economy which has lost its manufacturing base has lost its vital center.

A service-based economy has no engine to drive it. Thus, any complacency about the world's most powerful economy moving from manufacturing to services is entirely misplaced.

It would seem obvious that the service elements of an economy are entirely dependent upon a manufacturing industry which can develop the new technology that defines our civilization.

When manufacturing prospers, all industries connected with it prosper—not only are more salesmen and accountants and security guards needed, but also more dentists, more supermarkets, and more schools.

When the manufacturing engine of an economy stalls, demand for all types of services is reduced. Service-based businesses can only thrive if there is a population with the resources to take advantage of them—and these resources in the long run can only come from jobs which add value to goods, that is, manufacturing jobs.

I can well understand the appeal of this vision of an economic millennium. Some may think it glamorous to make decisions that lead one company to acquire another.

To be named King of Mergers and Acquisitions or some such by the newspapers suggests that one is engaged in useful activity—and the pay is certainly star quality.

What many people who have not themselves been affected by their company being bought by another company do not know, is that when this happens the heart is cut out of a company.

Employees don't know for whom they are working any more, or why. Morale plummets, efficiency collapses, and teams of experienced technical people who have come over time are disbanded. In Japan, it would not occur to anyone to buy a company if the arrangements were not entirely congenial. Money can't buy someone's family.

The CEO later said, "It is clear that the idea of a post-industrial world-class economy is a contradiction in terms.

The challenge for Americans is not to somehow reform their economy along the lines of service, but for the great many first-class manufacturing companies in this country to set their sights firmly on the goal of becoming truly competitive in the world marketplace.

This is essential for the well-being of us all, as the health of the global economy depends heavily on the health of the U.S. economy.

End of quote by the CEO.

We do agree. When I read the CEO's words I wanted to cheer. This statement was made by Akio Morita, chairman of the Sony Corp. It is ironic that the sentiments of a Japanese businessman express what I and many others have been saying to the policymakers in the United States Government.

I do disagree, however, with Mr. Morita that there is no reason to be concerned about Japanese and foreign investment in this country. There is reason for concern.

We have all read newspaper accounts of American businessmen not being able to match the price offered by the Japanese for American businesses.

We know how willing they are to pay top dollar for lobbying. Certainly we are familiar with their $100 million public relations campaign on the Toshiba case of selling our sensitive technology to Soviet Russia.

The effects of their efforts were spelled out in a June 11, 1988, Business Week article, "Japan's Clout in the U.S." stated:

Their effort goes beyond specific political objectives. Japan wants to help shape the American agenda and to reinforce the notion that America's economic problems are mainly homegrown. Most of all, Japan wants to maintain a political and economic status quo to prevent surprises from threatening its economic stake.

Business Week went on—

Most Washington observers believe deft representation of Japanese interests has helped prevent resentment of Japan's trading practices from coalescing into a policy that could hurt Japan. The defect in Washington is not so much the presence of lobbyists as the presence of a coherent American policy. As long as the policy is confused, Japan's lobbyists won't have trouble finding work.

The net result of such foreign ownership, their lobbying and their investment is that our policy agenda is affected. Then the question we must ask is that, with such an aggressive presence—who makes policy, them or us?

The obvious answer is it must be the American people. To maintain a strong industrial base we must have better coordination between the Government agencies in developing policy. There is no choice. We must win this economic war and win we will.

The American people have never turned away from a challenge. Their outgoing, independent, friendly attitude can be misread, but when a line is drawn in the dust—they will cross over to meet a challenge.

We are being challenged in a economic war that can be destructive to the American way of life. The American people will meet this challenge—the people with their indomitable

spirit have never run away from a fight. The best of times will be ours. The Sun has not set on our greatness yet.

□ 1720

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. JONTZ] is recognized for 60 minutes.

[Mr. JONTZ addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

THE EDUCATIONAL EXCELLENCE ACT OF 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GOODLING] is recognized for 60 minutes.

Mr. GOODLING. Mr. Speaker, I am certainly enthused about the possibility of moving the President's education initiative, for two major reasons: First of all, after 4 years of calling to the attention of the American people the fact that we have a lot of problems in education and getting their interest, it is now time to move forward and provide more leadership from the Federal level. So when a President uses that Oval Office to indicate that we should concentrate on excellence, flexibility, and merit, I think that is the message the American people have to hear.

It would appear to me that we could take all of the programs that the President mentioned today and that appear in the bill that I introduced today with many cosponsors and dovetail them into programs that are underfunded or not funded at the present time and really have an impetus and an effect on improving education back at the State and local levels. Keeping in mind that it is the State and local levels that are primarily responsible, it is just good news in my estimation to have the White House say, "We would like to be a player. We would like to join with the Congress and help provide leadership to improve education in the United States."

So when the President talks about merit schools, I can see that we could take chapter I schools and, if they show significant improvement, say, "You have won that round. You can take that money now and you can expand that program. You can bring more people in to serve, and you can also improve your chapter I program."

So I do not see it as taking away from anything that we would like to do. I see it as adding to the many good things that we had last year when we passed H.R. 5. Many of those, as the chairman would point out, did not get funded or are underfunded, but again I think we can take some of this money and work these programs into the programs that lost out as far as funding is concerned last year.

Alternate certification, it seems to me, is a must. We are looking at a situation where it is very difficult to attract the brightest and best into the teaching profession. We are looking at a time when there is an increasing birth rate, and we are looking at a time when teachers who became teachers right after World War II are retiring. We are going to have a very, very difficult time filling those classrooms with capable teachers.

Alternative certification, which is part of the President's package, certainly is a must. It is long overdue. It is being done in some States. I think it is something that will have to happen throughout this country.

We talk about attracting math and science teachers, and the President touches those issues and holds out a rather sizable carrot for people to further their education and become math and science teachers. So it would appear to me that we have a golden opportunity to include the President and, above all, the power of the Oval Office in this drive for excellence in education in the United States.

Mr. SMITH of Vermont. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Vermont.

Mr. SMITH of Vermont. Mr. Speaker, I thank the gentleman for yielding.

If I may, Mr. Speaker, I rise to support wholeheartedly the President's package for educational reform that was sent to the Congress today. Over the last 5 or 6 years in this country there has been a wave slowly coming toward the shore. It first started with the publication of the report, "The Nation at Risk." This wave now, 5, 5½, and 6 years later, continues to build. It has not broken prematurely; it has not dissipated. It comes to the shore amidst a growing national consensus that if our schools do not improve, if we are not able to do a better job for every young man and young woman in this country, that in fact constitutes the greatest threat to our national security in the 21st century that we can imagine.

□ 1730

The difficult fact of the matter is that the number of young children who went to kindergarten last year in this country, who represent populations in this country who have historically been failed by our schools and have not been successful and productive in our society, is increasing as a percentage of the student body while the percentage of young people coming into our schools, who historically have prospered in our schools, is decreasing. In fact, it means for the first time in the history of the United States of America that, if we do not get it right with our children and do not get it right the first time in our classrooms, allowing them to become whole, competent people, feeling people, in the adult workplace and communities of this country, then in fact we are risking the thing which binds the quality, which binds this country together and our representative democracy together, and that is hope, that is opportunity. Without it this system simply does not work. With it the system is second to none in the history of man or in the world today.

Mr. Speaker, we are about to do with this package what in fact we have not done in 30 years, and it has been just over 30 years since we first had the call to arms after World War II when the Soviet Union put that tiny little piece of metal in place called Sputnik, and for the first time there was a call to arms that our schools needed to do a better job this time, or that time it was in the math and sciences.

However, Mr. Speaker, over the 30 years since the late 1950's we have not done the one thing that I think will lead to better schools that, in fact, our President's package for excellence does. And that is to finally ask the schools how they would like to see the job done better, to reward the teachers who in fact interact with, teach, and care for and feel for millions of children every day in this country.

Finally, we must include the parents as important, indeed essential, partners in the educational process. We are talking about making schools better finally from the bottom up and from the inside out, and this package turns, I think, on a fundamental reality of the workplace.

Mr. Speaker, we must remember that first and foremost schools are a learning place for children, but they are a workplace for millions of teachers, and until the quality of work life in our schools is one that dignifies the people who we train and hire and pay to educate our children, until they are dignified by the questions we ask them, the flexibility we give them, the accountability we expect from them, then in fact schools cannot be places where learning thrives for every child.

This package demonstrates, I believe, within the limited resources that are available to this Congress and this country in the next fiscal year a commitment to excellence, a commitment to opportunity, a commitment to flexibility, and a commitment to accountability, and it recognizes in the focus of those four commitments that the schools where teachers teach and where children learn, the school, Mr. ranking member, is the place where education is the only place where education can be improved.

Mr. Speaker, we can talk about it all day in Washington. We can care about it all year in our State capitals. However, until the world changes for teachers and students and schools,

education will not get better. The dream we have of those children in the 21st century and the need we have for those children in the 21st century will not be realized.

Mr. Speaker, this package is a strong step in that direction. I rise to support it, join my colleagues in it with great enthusiasm and commitment.

Mr. GOODLING. Mr. Speaker, I thank the gentleman from Vermont [Mr. SMITH] for his most important remarks.

Mr. Speaker, this morning someone indicated from the press, "Well, this is what it takes to become an education President. Is that all he has to do?"

The response, Mr. Speaker, was, "Of course not. These are only a few initiatives."

The President has already indicated he would like more money for Head Start. He would like to have more money for chapter 1. He has also indicated that he wants to improve the vocational education package. So, this is just one of many things.

However, Mr. Speaker, the most important message here is that the President of the United States is personally committed to improving education and willing to use the Oval Office to bring that about, and I cannot think of anyone I would rather have on my team than a President of the United States.

This is just the beginning, but it is a wonderful beginning, and, after the last 4 years it seems to me it sends a real message of hope to the States, to the local education agencies, to the parents, and to the children of America in relationship to a move to improve education throughout this great land.

EDUCATIONAL EXCELLENCE ACT OF 1989—SECTION-BY-SECTION ANALYSIS

TITLE I—IMPROVING ELEMENTARY AND SECONDARY EDUCATION

Part A—Presidential merit schools

Section 101. Section 101 of the bill would add a new Part G to Title IV (Special Programs) of the Elementary and Secondary Education Act of 1965 ("ESEA"), to authorize a program of awards to Presidential Merit Schools, as follows:

Section 4701 of the ESEA would provide that the new Part G may be cited as the "Presidential Merit Schools Act" ("the Act").

Section 4702 of the Act would set forth congressional findings and a declaration of purpose for the Presidential Merit Schools Act. Subsection (a) would state Congress' findings that (1) the basic goal of all schools is to develop the skills and abilities of students to their maximum potential; (2) achievable standards of excellence can and should be set for all students and for all schools; (3) financial incentives can spur schools to rise to the challenge of meeting these standards; and (4) improvement in the quality of our educational system is vital to the Nation's future and demonstrated schoolwide progress in achieving excellence deserves public recognition.

Subsection (b) would provide that the purpose of the Act is to recognize and reward public and private elementary and secondary schools that have made substantial progress in (1) raising student educational achievement; (2) creating a safe and drug-free school environment; and (3) reducing the dropout rate.

Section 4703 of the Act would authorize $250 million for fiscal year 1990, $350 million for fiscal year 1991, $450 million for fiscal year 1992, and $500 million for fiscal year 1993, to carry out the Act.

Section 4704 of the Act would describe how appropriations for the Act would be allocated. Subsection (a)(1) would authorize the Secretary to reserve up to one quarter of one percent of the appropriated amount to make grants to the outlying areas—Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and Palau—for activities under the Act. Subsection (a)(2) would authorize the Secretary to reserve up to $500,000 of the appropriated amount for special award ceremonies, and for evaluations, studies, and reports.

Subsection (b) would direct the allocation among the States of the amount remaining after the Secretary reserves funds for the outlying areas and Secretarial activities under subsection (a). Under paragraph (1)(A), half of this remaining amount would be allocated among the States in proportion to their respective number of children aged 5 to 17, according to the most recent available data that are satisfactory to the Secretary. Under paragraph (1)(B), the other half of this amount would be allocated among the States on the same basis as funds are allocated for that fiscal year for Basic LEA Grants under section 1005 of Chapter 1 of title I of the ESEA ("Chapter 1"). Paragraph (2) would provide that the State allocation provisions apply only to the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico. This limitation is necessary because the outlying areas, which are otherwise included in the applicable definition of "State" in section 1471 of the ESEA, are provided for in subsection (a).

Section 4705(a) of the Act would require any State that wishes to receive a grant under the Act to submit a four-year application through its State educational agency ("SEA").

Subsection (b) would require that each State application contain (1) the criteria that the SEA will use to select Presidential Merit Schools; (2) the criteria it will use to determine that amount of awards; (3) an assurance that it will carry out the Act in accordance with applicable legal requirements; and (4) other information the Secretary may require.

Subsection (c) would make inapplicable certain burdensome and unnecessary application provisions of the General Education Provisions Act. This treatment of those provisions is identical to that afforded under Chapters 1 and 2 of Title I of the ESEA.

Section 4706(a) of the Act would permit each SEA to use up to five percent of its State grant for the administrative costs of carrying out the Act. Subsection (b) would require each SEA to use at least 95 percent of its State grant for Presidential Merit School awards in accordance with section 4708. To ensure appropriate recognition and reward of outstanding schools, subsection (c) would prohibit the Insular Areas from using their grant funds for other purposes, as would otherwise be permitted by the consolidation provisions of P.L. 93-134.

Section 4707(a) of the Act would require each participating SEA to establish a State review panel to assist in the selection of Presidential Merit Schools. The reveiw panel would be broadly representative of elementary and secondary school teachers and administrators, college and university faculty and administrators, parents, State and local boards of education, State and local governments, labor, business, and the general public.

Subsection (b) would require each SEA, within 60 days of making Presidential Merit School awards for any fiscal year, to submit to the Secretary a report that (1) identifies the schools chosen as Presidential Merit Schools; (2) states the reasons for their selection; and (3) states the amount of their awards. Beginning with the second year of its participation, each SEA's report would also include a brief description of the actual use of awards in the State.

Section 4708 of the Act would describe how Presidential Merit Schools are selected. Under subsection (a)(1), the SEA could designate as a Presidential Merit School any public or private elementary or secondary school in the State that has been nominated through procedures established by the SEA. Subsection (a)(2) would require the SEA to apply its selection criteria uniformly to public and private schools in selecting Presidential Merit Schools.

Subsections (b)(1) and (2) would direct the Secretary to establish minimum selection criteria to be used by each SEA. These criteria would address (1) progress in improvng educational performance, with particular emphasis on mastery of reading, writing, and mathematics skills; (2) the degree to which the school demonstrates progress in achieving and maintaining a safe environment, including reduction or elimination of problems related to drug and alcohol abuse; and (3) progress in reducing the number of students who drop out of school or in encouraging those who have dropped out to reenter school and complete their schooling.

Subsection (c)(1) would require each SEA to establish selection criteria in addition to, and based on, those established by the Secretary. These additional criteria would measure progress in such areas as (1) student achievement, as measured by such factors as year-to-year improvement in test scores, college entrance rates, employment of graduates in jobs with significant potential for career development; and (2) other indicators of a school's success, such as improvements in school leadership, the teaching and learning environment, and parental and community support and involvement. Subsection (c)(2) would permit the SEA, in setting criteria for Presidential Merit Schools, to establish standards that recognize the composition of the student body and other relevant factors, and that give special consideration to schools with substantial numbers or proportions of children from low-income families. The SEA could also set different criteria for different grade levels. Subsection (c)(3) would require an SEA, in applying the criteria to a school in which a project is conducted under Part A of Chapter 1 to consider the desired outcomes identified for children in the Chapter 1 application submitted by the local educational agency operating the school. This paragraph would also make ineligible for a Presidential Merit School Award any school identified by its local educational agency as in need of improvement under section 1021(b) of Chapter 1. Subsection (c)(4) would prohibit an SEA from considering a school's planned use of an award in deciding whether to recognize it as a Presidential

Merit School or in setting the amount of its award.

Subsection (d) would require each SEA to establish criteria, including criteria relating to the size of the school and the economic circumstances of the student body, for determining the amount of Presidential Merit School awards.

Subsection (e) would require any SEA that is either prohibited by State law from providing Presidential Merit School funds to private schools, or that is unwilling to do so, to notify the Secretary of that prohibition or unwillingness, as well as the private schools it has designated as Presidential Merit Schools and the amount of their awards. The Secretary would then provide those funds, from the State's allocation, to the designated private schools through such arrangements as the Secretary finds suitable. The Secretary would also withhold the administrative costs of making such arrangements from the State's allocation.

Section 4709 of the Act would provide that each Presidential Merit School would be awarded a Presidential Certificate of Merit.

Section 4710 of the Act would allow a Presidential Merit School to use its Presidential Merit School award for activities that further the educational program of the School. These activities could include (1) development, implementation, or expansion of special programs, such as those focused on dropout prevention or reentry, student transition to college or employment, preschool children, remedial services, or gifted and talented students; (2) the purchase or lease of computers, telecommunications equipment, scientific instruments, instructional materials, library books, and other equipment and materials, except that a public agency would have to have title to, and exercise administrative control of, such equipment and materials; (3) bonus payments for faculty and administrators; (4) college scholarships for secondary school students; (5) parental involvement activities; (6) community outreach activities; and (7) helping other schools replicate its success. Section 8004 of the ESEA, which would apply to the Act, prohibits the use of ESEA money for religious worship or instruction. The SEA would be responsible for ensuring that funds awarded to private schools under the Act are used in accordance with sections 4710(2) and 8004 and the Establishment Clause of the First Amendment to the U.S. Constitution.

Section 4711 of the Act would prohibit a Federal, State, or local agency from taking a Presidential Merit School award into account in determining whether to award any other assistance from Federal, State, or local resources, or in determining the amount of that assistance, to either the Presidential Merit School itself or the local educational agency, if any, that operates the school.

Part B—Magnet schools of excellence

Section 111. Section 111 of the bill would further amend Title IV of ESEA by adding a new part H, authorizing a new magnet schools program. The major provisions of the new part include the following:

Section 4801 of new part H would make the short title of the part of the "Magnet Schools of Excellence Act of 1989" (the Act").

Section 4802 of the Act sets out the congressional findings that since magnet school programs have shown that they increase choice and help to improve educational quality in the school districts where they have been established, and can focus on disciplines important to the Nation's economic competitiveness, Federal funds should be made available for the design and implementation of magnet schools, not only to further school desegregation but also to expand educational choices for students and parents and the educational benefits of such special school programs.

Section 4803 of the Act makes the purpose of the part the support for the establishment, expansion, or enhancement of Magnet Schools of Excellence. A "Magnet School of Excellence" would mean a public elementary or secondary school that: offers the highest quality instruction in an academic or vocational discipline or creates a unique and effective learning environment; is open to students from beyond an immediate school attendance area; and is capable of attracting students from a variety of backgrounds.

Section 4804 of the Act woud authorize $100 million to be appropriated for fiscal year 1990 and each of the three succeeding fiscal years.

Section 4805 of the Act would require any local educational agency, intermediate educational agency, or consortia of such agencies desiring to receive a grant to submit an application to the Secretary. An applicant may be, but is not required to be, adopting or implementing a desegregation plan. Applications would describe the objectives of the proposed project and how those objectives would achieve the purpose of the part, and how funds made available to the applicant would be used to provide an educational program of the highest quality that encourages greater parental decision-making and involvement. Applications would also contain necessary assurances. Section 4805 would require the Secretary to encourage applications that recognize the potential of children who are educationally disadvantaged or who come from low-income families as well as applications for projects that establish, expand, or enhance magnet schools that focus on a particular educational approach or on a particular subject area, such as mathematics and science. Applications would be required to demonstrate to the satisfaction of the Secretary that any project assisted with funds under this part would not result in segregation based upon race, religion, color, national origin, sex, or handicap, or impede the progress of desegregation within the applicant's school system.

Section 4806 of the Act would require the Secretary, in awarding grants, to consider the quality of the proposed project and the likelihood of the project's successful implementation, as well as the likelihood of its strengthening the educational program of the applicant.

Section 4807 of the Act would prohibit: (1) funding a Magnet School of Excellence under this part for more than two years; (2) an applicant from receiving a grant for more than one year unless it demonstrates to the Secretary that it is making satisfactory progress in meeting the objectives specified in its approved application; and (3) a Federal, State, or local agency from taking into account a Magnet School of Excellence award in determining to award any other assistance from Federal, State, or local resources, or in determining the amount of such assistance, to either a Magnet School of Excellence itself or to the local or intermediate educational agency that operates the school.

Part C—Alternative certification for teachers and principals

Section 121. Section 121 of the bill would amend Title IV of ESEA by adding a new part I, authorizing a State grant program for the alternative certification of teachers and principals. The major provisions of the new part include the following:

Section 4901 of new part I would make the short title of the part the "Alternative Certification of Teachers and Principals Assistance Act of 1989" ("the Act").

Section 4902 of the Act would set out the congressional findings that alternative teacher and principal certification requirements would allow school systems to improve the supply of well-qualified teachers and principals by providing opportunities for individuals who have demonstrated subject area competence or management and leadership qualities, but who do not meet traditional certification requirements, to become teachers or principals.

Section 4903 of the Act would establish the purpose of part I as improving the supply of well-qualified elementary and secondary teachers and principals by encouraging and assisting States to develop and implement alternative teacher and principal certification requirements. "Alternative teacher and principal certification requirements" would mean State requirements that permit entry into teacher and principal positions for individuals who have demonstrated a high level of appropriate subject area competence, or management or leadership qualities, in careers in or out of the education field, but who would not otherwise meet existing requirements for teaching or supervisory experience. Such alternative certification requirements could substitute a demonstrated high level of subject area or managerial competence for traditional teacher or principal certification requirements, such as teacher training course work or supervisory experience in the education system.

Section 4904 of the Act would authorize $25 million to be appropriated for fiscal year 1990.

Section 4905 of the Act would allot to each State the lesser of either the amount the State applies for or an amount that is proportional to the State's share of the total population of children ages five through seventeen in all the States. States would not be required to apply for their allotments, or the full amount of their allotments, and the Secretary would be authorized to reallocate the excess amounts to other States that demonstrate, to the satisfaction of the Secretary, a current need for the funds. Section 4905 would also permit grant funds to be available for expenditure by the States for two calendar years from the date of award.

Section 4906 of the Act would require States desiring to receive funds under the part to sumit an application. Such applications would be required to contain descriptions of the programs, projects, and activities to be undertaken and any necessary assurances, including assurances that grant funds will not be used to supplant State or local funds and that the State has consulted with the State or local agency that certifies teachers and principals, as well as with representatives of elementary and secondary school teachers and principals, local school systems, parents, and other interested organizations and individuals. Section 4906 would exempt State applications from certain planning requirements of sections 435

and 436 of the General Education Provisions Act, except to the extent that such sections relate to fiscal control and fund accounting procedures. Section 4906 would require States to submit a final report at such time as the Secretary may specify.

Section 4907 of the Act would allow States, either directly or through subgrants to local educational agencies, intermediate educational agencies, institutions of higher education, or consortia of such agencies, to use award funds to support programs, projects or activities that develop and implement new, or expand and improve existing, alternative teacher and principal certification requirements. Section 4907 would also list some programs, projects, and activities that may be funded, including design, testing, and evaluation of alternative requirements, establishment of administrative structures, training of staff (including the development of support programs, such as mentor programs), development of recruitment strategies, and development of reciprocity agreements between or among States.

Section 4908 of the Act would repeal the Alternative Certification of Teachers and Principals Assistance Act of 1989 on October 1, 1990.

Part D—Presidential awards for excellence in education

Section 131. Section 131 of the bill would amend the heading for title II of the Elementary and Secondary Education Act of 1965 ("the Act"), and add a new part D to that title II to authorize a Presidential Awards for Excellence in Education Program. The new program would honor excellent public and private elementary and secondary school teachers in each State for their achievements with $5,000 awards that recipients could use for any purpose. The Presidential Awards for Excellence in Education would be tangible recognition of the critical role that outstanding teachers play in the lives of America's children, challenging them to meet high standards of performance and conveying to them how exciting and important their schooling is.

Section 2301 of the Act would state the congressional findings that the success of America's schools depends on excellent teachers, that elementary and secondary school systems should have in place standards of teacher excellence and ways to measure that excellence, and that teachers who meet those standards deserve public recognition, respect, and appropriate financial rewards. Section 2301 would also state the new program's purpose as providing to excellent public and private elementary and secondary school teachers in every State some of the recognition and financial reward that they deserve.

Section 2302 of the Act would authorize appropriations of $7,600,000 for fiscal year 1990 and each of the three succeeding fiscal years for the new program, and describe the allocation formula for the Presidential Awards for Excellence in Education Program. First, from the funds appropriated for any fiscal year, the Secretary could reserve up to $200,000 for expenses related to an annual award ceremony and the issuance of award certificates. Next, the Secretary would allocate funds to States based on their proportional share of full-time equivalent public elementary and secondary school teachers. A State could reserve up to five percent of its allocation for administrative expenses. No State would receive an allocation less than the amount needed to fund one Presidential Award for Excellence in Education plus its administrative expenses. The State could use any excess funds in its allocation to recognize the achievements of other teachers in the State who do not receive Presidential Awards for Excellence in Education.

Section 2302 of the Act would also include a definition of the term "State" for purposes of the new program, and, to ensure appropriate recognition and reward of outstanding teachers, would specify that the provisions of Public Law 93-134, which permit the consolidation of grants to the Insular Areas, would not apply to the new program.

Section 2303 of the Act would detail requirements for the submission and the contents of State applications for participation in the award program. These applications would include certain assurances and descriptions of the State's selection criteria and procedures. The State's selection criteria and procedures would be subject to the approval of the Secretary.

Section 2304 of the Act would contain provisions pertaining to the eligibility and selection of award recipients. Any full-time public or private elementary or secondary school teacher of academic or vocational subjects (other than religion, except as an academic discipline) would be eligible to receive a Presidential Award for Excellence in Education. Local educational agencies, public and private schools, teachers, teacher associations, parents, parent-teacher associations, businesses, business groups and student groups would all be able to nominate teachers for awards, and State educational agencies would be required to inform these entities and the general public of the nominating deadlines, procedures, and selection criteria. The Governor of each State, in consultation with the chief State school officer, would select a panel of parents, school administrators, teachers, school board members, and members of the business community. This panel would select award recipients in accordance with criteria approved by the Secretary in the State's application. The selection criteria could take into account, but would not be limited to, a teacher's successes in such areas as the education of "at-risk" or gifted and talented students, dropout prevention and reentry, curriculum development, acting as a "master teacher" for inexperienced teachers, or encouraging students to pursue advanced classes in subjects such as mathematics, science, or foreign languages.

Section 2305 of the Act would specify that the amount of a Presidential Award for Excellence in Education would be $5,000, and that the recipient could use the award for any purpose.

Part E—Effective date

Section 141. Section 141 of the bill would provide that the amendments made by title I of the bill would be effective on October 1, 1989.

TITLE II—NATIONAL SCIENCE SCHOLARS

Section 201. Section 201 of the bill would insert a new subpart 7 in part A of title IV of the Higher Education Act of 1965 ("the Act") and redesignate subparts 7 and 8 of the current law as subparts 8 and 9. New subpart 7 would establish a new National Science Scholars Program that would provide graduating high school students selected by the President with awards of up to $10,000 per year for their undergraduate postsecondary education, provided that the students major in the life, physical, or computer sciences, mathematics, or engineering, and maintain a superior level of academic performance.

Section 419L of the Act would state the program's purpose of recognizing student excellence in the sciences, mathematics, or engineering, and encouraging students to continue their education in those fields of study, and would authorize appropriations of $5,000,000 for fiscal year 1990, $10,000,000 for fiscal year 1991, $15,000,000 for fiscal year 1992, and $20,000,000 for fiscal year 1993.

Section 419M of the Act would authorize the Secretary to enter into grants, contracts, and cooperative agreements in order to carry out a program of awarding scholarships to students who are selected by the President and who have demonstrated excellence in the sciences, mathematics, or engineering, and who show promise of continued academic achievement in their field of study. The initial scholarship would be awarded for the student's first year of postsecondary education. If the student continues to be eligible, as would be determined under section 419O of the Act, the student would receive scholarships for up to three additional years, to enable the student to complete his or her undergraduate postsecondary education. If the student is in a course of study that requires attendance for five academic years, the student could receive an additional scholarship for the fifth year. Section 419M also would provide that a scholarship awarded under this subpart could be used at any institution of higher education, as that term is defined in section 1201(a) of the Act, and that students receiving awards under this subpart would be known as "National Science Scholars."

Section 419N of the Act would detail the selection of National Science Scholars. First, the Secretary would appoint a panel of experts composed of scientists, mathematicians, engineers and representatives from industries that use advanced technologies. This panel would recommend specific academic achievement criteria for use in the nomination of students to receive scholarships. The Secretary would then review these recommendations and publish appropriate academic achievement criteria in the Federal Register. Using these criteria, each State would nominate at least four, but not more than 10, graduating high school students each year from each congressional district within that State. After considering the students nominated, the President would then select at least 30 students to receive scholarships. The President may consult with a board comprised of his Science Advisor, the Secretary, and the Director of the National Foundation, regarding the selection of students for these scholarships.

The President would also select an additional 540 students to receive scholarships. Each Senator and Member of the House of Representatives would be entitled to make recommendations to the President regarding the selection of one student to receive a scholarship from among the nominees. This selection process would emphasize the prestigious nature of a National Science Scholarship, and enhance the program's visibility.

Section 419N of the Act would also provide that scholarship proceeds would be disbursed on behalf of students directly to the institutions that the students are attending, but not until the students are actually enrolled. Institutions would disburse to the students the amount of scholarship proceeds that exceed the students' costs at the institution—for example, the institution would retain the amount of scholarship pro-

ceeds that is to cover tuition and fees, but would pay to the student amounts that are meant to cover off-campus room and board expenses.

Section 4190 of the Act would describe the requirements for a student's eligibility to receive initial and continuing awards, and the consequences for failing to meet these requirements. In order to be eligible to receive a National Science Scholarship for the first year of undergraduate study, a student would have to graduate from a public or private secondary school (or obtain the equivalent of a certificate of graduation, as recognized by the State in which the student resides) during the school year in which the award is made or be scheduled to graduate within three months after the date the scholarship is awarded. A student must also be accepted for enrollment as a full-time student at an institution of higher education (as defined in section 1201(a) of the Act) and have declared a major in one of the life, physical or computer sciences, mathematics, or engineering. What constitutes full-time attendance would be determined by the institution, and the Secretary could waive the full-time attendance requirement in unusual circumstances. These requirements would ensure that the program's dual purposes of rewarding academic excellence at the high school level and encouraging talented students to pursue their postsecondary education in one of the life, physical, or computer sciences, mathematics, or engineering. What constitutes full-time attendance would be determined by the institution, and the Secretary could waive the full-time attendance requirements in unusual circumstances. These requirements would ensure that the program's dual purposes of rewarding academic excellence at the high school level and encouraging talented students to pursue their postsecondary education in one of the life, physical, or computer sciences, mathematics, or engineering are met.

In order to receive scholarships for additional years of undergraduate study, the student would have to maintain a superior level of academic achievement (as determined in accordance with the regulations of the Secretary), continue to major in one of the specified fields of study, and to be enrolled at an eligible institution of higher education as a full-time student (except in unusual circumstances). The size of the award, the prestige associated with selection as a National Science Scholar, and the program's purpose of rewarding and encouraging academic excellence in the sciences, mathematics and engineering, all necessitate that the student continue to achieve a superior level of academic performance and pursue these fields of study.

If the student fails to meet any of the eligibility requirements, the student's eligibility to receive further National Science Scholarships would be determined in accordance with regulations prescribed by the Secretary.

Section 419P of the Act would provide that the amount of a scholarship awarded under this subpart for any academic year would be $10,000, subject to two restrictions. First, the amount of a National Science Scholarship would not exceed the student's cost of attendance, as defined in section 472 of the Act. Second, if the total of the amount of the National Science Scholarship and other Federal or non-Federal grant or scholarship assistance would exceed the student's cost of attendance as defined in section 472 of the Act, the National Science Scholarship would be reduced by the excess amount. While basing the scholarship on merit and authorizing an award amount of $10,000 per year are designed to establish a National Science Scholarship as a prestigious honor, the scholarship must bear some relation to the student's educational costs. Need analysis provisions for title IV of the Act require that the Pell Grant be the first source of Federal student assistance, and, if necessary, that other sources be reduced.

Finally, section 419Q of the Act would provide students with priority consideration for Federally-financed summer employment related to their field of study in Federally-funded research and development centers. All Federal agencies would also be directed to cooperate with the Secretary and to participate actively in providing appropriate summer employment opportunities for students.

Section 202. Section 202 of the bill would make minor amendments to the Act in conformity with the proposed redesignation of subparts 7 and 8 of part A of title IV of the Act.

Section 203. Section 203 of the bill would provide that the amendments made in title II of the bill would be effective on October 1, 1989 for academic year 1990-1991 and succeeding academic years.

TITLE III—OTHER PROGRAMS

Section 301. Section 301 of the bill would amend the Drug-Free Schools and Communities Act to authorize the appropriation of $25,000,000 for fiscal years 1990, 1991, 1992, and 1993 to support "urban emergency grants." The Secretary would make a small number of these one-time grants each year to local educational agencies that are located in urban areas that have the most severe drug problems. The grants would assist those agencies to develop and implement comprehensive approaches to eliminating the serious drug problems that affect schools and students within their boundaries.

Section 302. Section 302 of the bill would amend section 360(a)(3) of the Higher Education Act of 1965 to authorize additional appropriations for endowment challenge grants under part C of title III of that Act for historically Black colleges and universities that qualify as part B institutions. As amended, section 360(a)(3)(B)(i) would authorize $10,000,000 for fiscal year 1990, $20,000,000 for fiscal year 1991, $20,000,000 for fiscal year 1992, and $10,000,000 for fiscal year 1993 for endowment challenge grants to such institutions. Section 360(a)(3)(B)(ii) would clarify that if for any fiscal year a part B institution competes successfully for an award from funds appropriated under the additional authorization in clause (i), it could not receive funds for that fiscal year appropriated under the basic authorization for the part C program in section 360(a)(3)(A), but that if for any fiscal year a part B institution does not receive an award from funds appropriated under the additional authorization in clause (i), that institution would be eligible to compete for and receive funds for that fiscal year appropriated under the basic authorization in subparagraph (A).

Section 303. Section 303 of the bill would provide that the amendments made by title III of the bill would be effective October 1, 1989.

Mr. Speaker, I yield back the balance of my time.

Mr. CRAIG. Mr. Speaker, I rise today to join my colleagues in introducing the Educational Excellence Act of 1989 and wish to express my support for President Bush's proposal. After meeting this morning with the Secretary of Education, I am quite happy with his report. This legislation will promote local initiatives and a higher degree of excellence in teachers and students. It also meets the President's budget targets.

There are several worthy proposals included in the President's bill. A few that I would like to take a moment to call specific attention to are merit and magnet schools and alternative certification. These provisions will allow for the recognition of outstanding schools, teachers and students, promote healthy competition and incentives for innovative teaching, and give schools access to experts in many important fields.

Of course, this measure will also encourage the eradication of drugs in our schools and will promote the study of math and science.

Most importantly, this legislation creates greater flexibility and choice on the parts of parents and the States.

In order to insure excellence in education we have to do several things: Set high expectations for teachers and their students, encourage success, cut dropout rates and get drugs out of our schools. I believe this measure would add much to these efforts.

While I support the President's proposal, I want to emphasize, as he has himself, that this is not a cure-all solution or quick fix. Lasting educational advances will continue to be made at the State and local levels.

In addition, there are many programs which currently exist and are very important to my own State of Idaho, such as impact aid, that deserve our continued support. I will do all that I can to promote these programs.

Finally, I do feel that this proposal measures up to the requirements of deficit reduction.

We face a real challenge right now. We need to balance the requirements of State control and a limited Federal involvement in education and the real need to balance this Nation's budget. There is much work to be done, but I believe that we have made a good start.

This measure provides incentives to our schools and will help secure our childrens' futures, while holding to the Gramm-Rudman deficit reduction targets. This is a good boost to education without being a bust to the budget.

Mr. Speaker, I want to be among the first to congratulate President Bush. I am proud to be an original sponsor of this bill and encourage my colleagues to join our effort.

GENERAL LEAVE

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore (Mr. KLECZKA). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 60 minutes.

[Mr. DREIER of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ACKERMAN (at the request of Mr. FOLEY), for today, on account of official business.

Mr. KASTENMEIER (at the request of Mr. FOLEY), for today, on account of illness.

Mr. MCNULTY (at the request of Mr. FOLEY), for today, on account of official business.

Mr. MOODY (at the request of Mr. FOLEY), for today, on account of official business.

Mr. PAYNE of New Jersey (at the request of Mr. FOLEY), for today, on account of a death in the family.

Mr. TANNER (at the request of Mr. FOLEY), on account of official business.

Mr. EMERSON (at the request of Mr. MICHEL), for today, on account of official business.

Mr. ROBERT F. SMITH (at the request of Mr. MICHEL), for today, on account of official business.

Mr. YOUNG of Florida (at the request of Mr. MICHEL), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. COX) to revise and extend their remarks and include extraneous material:)

Mr. DREIER of California, for 60 minutes, today.

Mr. MARTIN of New York, for 5 minutes, today.

Mrs. BENTLEY, for 60 minutes, on April 18 and 19.

(The following Members (at the request of Mr. GARCIA) to revise and extend their remarks and include extraneous material:)

Mr. MOAKLEY, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. COLEMAN of Texas, for 5 minutes, today.

Mr. DORGAN of North Dakota, for 5 minutes, on April 6.

Mr. JONTZ, for 60 minutes, today.

Mr. BRUCE, for 60 minutes, on April 6.

Mr. GONZALEZ, for 60 minutes, on April 10.

Mr. HOYER, for 60 minutes, on April 12.

Mr. BENNETT, for 60 minutes, April 10.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. COX) and to include extraneous matter:)

Mr. DANNEMEYER.
Mr. GALLO.
Mr. WELDON in two instances.
Mr. SAXTON.
Mr. PURSELL.
Mr. HAMMERSCHMIDT.
Mr. BURTON of Indiana.
Mr. SOLOMON in two instances.
Mr. CLINGER.
Mr. WALSH.
Mr. CRANE.
Mr. HUNTER.
Mr. BEREUTER.
Mr. GALLEGLY.
Mr. COBLE.
Mr. CONTE.
Mr. MCEWEN.
Mr. STUMP.
Mr. FIELDS.
Mr. COX.

(The following Members (at the request of Mr. GARCIA) and to include extraneous matter:)

Mr. PEPPER.
Mrs. BOXER.
Mr. SKELTON.
Mr. HAMILTON.
Mr. KOSTMAYER.
Mr. CLEMENT.
Mr. OWENS of New York.
Mr. GAYDOS.
Mr. LANTOS.
Mr. FUSTER.
Mr. TOWNS.
Mr. COLEMAN of Texas.
Mr. AUCOIN.
Mr. KOLTER.
Mr. APPLEGATE.
Mr. ROWLAND of Georgia in two instances.
Mr. GIBBONS.
Mr. ECKART.
Mr. FAZIO.
Mr. FASCELL.
Mr. HOYER.
Mr. SLATTERY.
Mr. YATRON.
Mr. RICHARDSON in two instances.
Mr. RAY in two instances.
Mr. DYSON.

ADJOURNMENT

Mr. GOODLING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p.m.), the House adjourned until tomorrow, Thursday, April 6, 1989, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

917. A letter from the Comptroller General of the United States, transmitting a report on the status of budget authority that was proposed for rescission by the President in his third special impoundment message, dated January 9, 1989, pursuant to 2 U.S.C. 685 (H. Doc. No. 101-42); to the Committee on Appropriations and ordered to be printed.

918. A letter from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting notification of the plan to study the conversion to contractor performance of various functions at different installations of the Marine Corps; to the Committee on Armed Services.

919. A letter from the Secretary of Defense, transmitting a report which addresses the United States expenditures in support of NATO, pursuant to 22 U.S.C. 1928 nt.; referred to the Committee on Armed Services.

920. A letter from the Deputy General Counsel, Department of Defense, transmitting a draft of proposed legislation to make permanent the authority of the Secretary of Defense to pay expenses relating to certain international meetings; to the Committee on Armed Services.

921. A letter from the Deputy General Counsel, Department of Defense, transmitting a draft of proposed legislation to enhance flexibility in the allocation of appropriations of the Department of Defense for humanitarian and civic assistance activities; to the Committee on Armed Services.

922. A letter from the Deputy General Counsel, Department of Defense, transmitting a draft of proposed legislation to increase flexibility in funding for combined military exercises with developing countries; to the Committee on Armed Services.

923. A letter from the National Director, The Congressional Award Board, transmitting their second quarterly report for the period December 20, 1988 through March 28, 1989, pursuant to Public Law 100-674, section 2 (102 Stat. 3998); to the Committee on Education and Labor.

924. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting notification of a proposed authorization for the export and manufacture of defense articles sold commercially to the Government of Pakistan (Transmittal No. MC-8-89), pursuant to 22 U.S.C. 2776(c); 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

925. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting notification of a proposed manufacturing license agreement for the production of military equipment in South Korea (Transmittal No. MC-7-89), pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

926. A letter from the Chairman, Consumer Product Safety Commission, transmitting a report of actions taken to increase competition for contracts during fiscal year 1988, pursuant to 41 U.S.C. 419; to the Committee on Government Operations.

927. A letter from the Acting Chairman, Farm Credit Administration, transmitting a report on activities under the Freedom of Information Act for the year ending December 31, 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

928. A letter from the Secretary, The Foundation of the Federal Bar Association, transmitting a copy of the Association's audit report for the fiscal year ending September 30, 1988, pursuant to 36 U.S.C. 1101(22), 1103; to the Committee on the Judiciary.

929. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to establish and conduct, for 5 years, a leave sharing program for medical emergencies of employees of the Department of Veterans Affairs who are subject to section 4108 of title 38, United States Code; to the Committee on Veterans' Affairs.

930. A letter from the Deputy General Counsel, Department of Defense, transmitting a draft of proposed legislation to authorize the transfer by grant of two naval vessels to the Republic of the Philippines; jointly to the Committees on Foreign Affairs and Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STAGGERS (for himself, Mr. PEPPER, Mr. MURPHY, Mr. TRAXLER, Mr. BRYANT, Mr. FLORIO, Mr. HENRY, Mr. JONTZ, Mr. BORSKI, Mr. SCHUETTE, Mr. ATKINS, Mr. LAGOMARSINO, and Mr. HATCHER):

H.R. 1674. A bill to amend chapter 33 of title 18, United States Code, to prohibit the unauthorized use of the names "Visiting Nurse Association", "Visiting Nurse Service", "VNA", "VNS", or "VNAA", or the unauthorized use of the name or insignia of the Visiting Nurse Association of America; to the Committee on the Judiciary.

By Mr. GOODLING (for himself (by request), Mr. MICHEL, Mr. GINGRICH, Mr. PETRI, Mr. GUNDERSON, Mr. BARTLETT, Mr. HENRY, Mr. GRANDY, Mr. BALLENGER, Mr. SMITH of Vermont, Mr. FAWELL, Mr. GRANT, Mr. HAMMERSCHMIDT, Mr. WALKER, Mr. ROBERTS, Mr. LAGOMARSINO, Mr. NIELSON of Utah, Mr. COURTER, Mr. LEWIS of California, Mr. JAMES, Mr. SHAYS, Mr. BROOMFIELD, Mr. STANGELAND, Mr. MOORHEAD, Mr. UPTON, Mr. MADIGAN, Mr. SMITH of Texas, Mr. BAKER, Mrs. MEYERS of Kansas, Mrs. MARTIN of Illinois, Mr. REGULA, Mr. CONTE, Mr. RAVENEL, Mr. PORTER, Mr. MCEWEN, Mr. COUGHLIN, Mr. BOEHLERT, Mr. DREIER of California, Mr. HANCOCK, Mr. IRELAND, Mr. RITTER, Mr. BATEMAN, Mr. CHANDLER, Mr. ROGERS, Mr. SUNDQUIST, Mr. CRAIG, Mrs. VUCANOVICH, Mr. RINALDO, Mr. WYLIE, Mr. SCHUETTE, Ms. SNOWE, Mr. DORNAN of California, Mr. CLINGER, Mr. CALLAHAN, Mr. BURTON of Indiana, Mr. MCMILLAN of North Carolina, Mrs. MORELLA, Mr. BUECHNER, Mr. DEWINE, Mr. HOUGHTON, Mr. THOMAS of California, Mr. MCGRATH, Mr. PURSELL, Mr. LIGHTFOOT, Mr. MCCOLLUM, Mr. KOLBE, Mr. WALSH, Mrs. JOHNSON of Connecticut, Mrs. SAIKI, Mr. SKEEN, Mr. EDWARDS of Oklahoma, Mr. STUMP, Mr. KASICH, and Mr. MARTIN of New York):

H.R. 1675. A bill to promote excellence in American education by recognizing and rewarding schools, teachers, and students for their outstanding achievements; enhancing parental choice; encouraging the study of science, mathematics, and engineering; and for other purposes; to the Committee on Education and Labor.

By Mrs. BOXER (for herself, Mr. MCCLOSKEY, Mr. WALGREN, Mr. MRAZEK, Mr. NEAL of Massachusetts, Mr. FUSTER, Mr. NOWAK, Mr. ROE, Mr. GIBBONS, Mr. WILSON, Mr. KASTENMEIER, Mr. GARCIA, Mr. OWENS of New York, Mr. ACKERMAN, Mr. DONNELLY, Mr. MANTON, Mrs. MORELLA, Mr. SHAYS, Mr. CHANDLER, Mr. BROWN of California, Mr. DEFAZIO, Mr. EDWARDS of California, Mr. HYDE, Mrs. COLLINS, Mr. FOGLIETTA, Mr. MARKEY, Mr. MILLER of Washington, Mr. DWYER of New Jersey, Mr. GUARINI, Mr. BROOMFIELD, Mr. TORRICELLI, Mr. SCHEUER, Mr. CARDIN, Mr. SCHUMER, Mr. BATES, Mr. KLECZKA, Ms. KAPTUR, Mr. ROBERT F. SMITH, Mr. LIPINSKI, Mr. MCGRATH, Mr. MOODY, Mr. JACOBS, Ms. PELOSI, Mr. PALLONE, Mr. ROSE, Mr. BONIOR, Mr. FAUNTROY, Mr. HAYES of Illinois, Mr. KOSTMAYER, Mr. DE LUGO, Mr. GALLO, Mr. MARTINEZ, Mr. YATRON, Mr. PEPPER, Mr. THOMAS A. LUKEN, Mr. SYNAR, Mr. RAHALL, and Mr. FRANK):

H.R. 1676. A bill to provide for the modernization of testing of consumer products which contain hazardous or toxic substances; to the Committee on Energy and Commerce.

By Mr. BRYANT (for himself, Mr. RINALDO, Mr. BRUCE, Mr. COELHO, Mr. SWIFT, Mr. LELAND, Mrs. COLLINS, Mr. SYNAR, Mr. ECKART, Mr. RICHARDSON, Mr. SLATTERY, Mr. COOPER, Mr. WYDEN, Mr. WAXMAN, Mr. CAMPBELL of Colorado, Mr. DINGELL, and Mr. MARKEY):

H.R. 1677. A bill to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience, and for other purposes; to the Committee on Energy and Commerce.

By Mr. CARPER:

H.R. 1678. A bill to amend title 10, United States Code, to authorize former prisoners of war to use Department of Defense commissary stores and post and base exchanges; to the Committee on Armed Services.

By Mr. COLEMAN of Texas (for himself, Mr. BRYANT, Mr. BROWN of California, Mr. ESPY, Mr. GARCIA, Mr. FROST, Mr. GONZALEZ, Mr. LEATH of Texas, Mr. ORTIZ, Mr. RICHARDSON, Mr. SKEEN, Mr. BUSTAMANTE, Mr. BROOKS, Mr. PICKLE, Mr. ANDREWS, Mr. CHAPMAN, Mr. LELAND, Mr. COELHO, Mr. MILLER of California, Mrs. BOXER, Mr. UDALL, Mrs. SCHROEDER, Mr. PANETTA, Mr. WILSON, and Mr. ROYBAL):

H.R. 1679. A bill to establish the United States-Mexico Border Regional Commission and to assist in the development of the economic and human resources of the United States-Mexico border region of the United States; jointly, to the Committees of Banking, Finance and Urban Affairs, Education and Labor, Energy and Commerce, and Public Works and Transportation.

By Mr. CRANE:

H.R. 1680. A bill to suspend temporarily the duty on fluorescent yellow FGPN; to the Committee on Ways and Means.

H.R. 1681. A bill to suspend temporarily the duty on fluorescent yellow R; to the Committee on Ways and Means.

By Mr. CRANE (for himself, Mr. THOMAS of California, Mr. BROWN of Colorado, Mr. RAVENEL, and Mr. DANNEMEYER):

H.R. 1682. A bill to amend the Internal Revenue Code of 1986 to delay until 1990 the implementation of the nondiscrimination rules in section 89 of such Code and to simplify those rules; to the Committee on Ways and Means.

By Mr. CRANE (for himself, Ms. SLAUGHTER of New York, and Mr. HORTON):

H.R. 1683. A bill to extend the temporary suspension of duty on certain parts of indirect process electrostatic copying machines; to the Committee on Ways and Means.

By Mr. DANNEMEYER (for himself, Mr. JACOBS, Ms. KAPTUR, Mr. DORNAN of California, Mr. STUMP, Mr. NIELSON of Utah, Mr. UPTON, Mr. RITTER, Mr. MCCOLLUM, Mr. SHUMWAY, Mr. LAGOMARSINO, Mr. MOORHEAD, and Mr. DREIER of California):

H.R. 1684. A bill to amend the Federal, Food, Drug, and Cosmetic Act to define the authority of the Secretary of Health and Human Services with respect to regulating food as drugs; to the Committee on Energy and Commerce.

By Mr. FLIPPO:

H.R. 1685. A bill to amend the Tennessee Valley Authority Act of 1933; to the Committee on Public Works and Transportation.

By Mr. FRANK (for himself and Mr. LEHMAN of Florida):

H.R. 1686. A bill to amend the Immigration and Nationality Act to continue to permit after October 1, 1989, the immigration of certain adopted children; to the Committee on the Judiciary.

By Mr. GALLEGLY (for himself, Mr. INHOFE, Mr. DANNEMEYER, Mr. SOLOMON, Mrs. BENTLEY, Mr. MILLER of Ohio, and Mr. HOLLOWAY):

H.R. 1687. A bill to prevent individuals who have been convicted of desecrating the American flag from receiving Federal student financial assistance; to the Committee on Education and Labor.

By Mr. GARCIA:

H.R. 1688. A bill to amend the Lanham Act to prevent the admission into the United States of articles of imported merchandise that are labeled with the name of a foreign country in contravention of the law of the country; to the Committee on the Judiciary.

H.R. 1689. A bill to amend the Lanham Act to limit the defense against trademark infringement relating to geographic origin; to the Committee on the Judiciary.

By Mr. GARCIA (for himself, Mr. ACKERMAN, Mr. ATKINS, Mr. BATES, Mr. BONIOR, Mrs. COLLINS, Mr. CONTE, Mr. CONYERS, Mr. DEFAZIO, Mr. DE LUGO, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. ENGEL, Mr. FAZIO, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. FRANK, Mr. FUSTER, Mr. GUNDERSON, Mr. HOCHBRUECKNER, Mr. KENNEDY, Mr. LEHMAN of Florida, Mr. LEWIS of Georgia, Mr. MATSUI, Mr. MAZZOLI, Mr. MILLER of Ohio, Mr. MILLER of California, Mr. MRAZEK, Mr. OBERSTAR, Mr. OWENS of New York, Mr. PERKINS, Mr. RANGEL, Mr.

ROE, Mr. SHAYS, Mr. TORRES, Mr. VENTO, Mr. VOLKMER, and Mr. WAXMAN):

H.R. 1690. A bill to require the implementation of a telecommunications system providing direct access for hearing- and speech-impaired individuals to 911 emergency service telephone systems; to the Committee on Energy and Commerce.

By Mr. GEJDENSON:

H.R. 1691. A bill to amend the Internal Revenue Code of 1986 to impose a tax on the sale by the manufacturer, producer, or importer of paper and paper products that do not contain the minimum amount of recovered materials as set forth in guidelines issued by the Environmental Protection Agency; to the Committee on Ways and Means.

By Mr. GRADISON (for himself and Mr. STARK):

H.R. 1692. A bill to amend title XI of the Social Security Act to provide funding for research and education into the outcome, effectiveness, and appropriateness of medical treatments under the Medicare and other programs; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. GREEN:

H.R. 1693. A bill to limit the killing of wildlife in the National Wildlife Refuge System; to the Committee on Merchant Marine and Fisheries.

H.R. 1694. A bill to reduce the rate of duty applicable to certain modeling pastes; to the Committee on Ways and Means.

By Mr. GUARINI:

H.R. 1695. A bill to suspend for a 3-year period the duty on Levodopa; to the Committee on Ways and Means.

H.R. 1696. A bill to suspend for a 3-year period the duty on Diflunisal; to the Committee on Ways and Means.

H.R. 1697. A bill to suspend for a 3-year period the duty on ADC-6; to the Committee on Ways and Means.

By Mr. JENKINS:

H.R. 1698. A bill to provide equitable tariff treatment regarding certain electromechanical tools; to the Committee on Ways and Means.

By Mr. MRAZEK (for himself, Mr. ANNUNZIO, Mr. FOLEY, Mr. DREIER of California, Mr. DORNAN of California, Mr. KASTENMEIER, Mr. COSTELLO, Mr. SARPALIUS, Mr. BEVILL, Mr. BERMAN, Mr. ERDREICH, Mr. PAYNE of New Jersey, Mr. OXLEY, Mr. MOLINARI, Mr. RICHARDSON, Mr. JONES of Georgia, Mr. HORTON, Mr. BATES, and Mrs. BENTLEY):

H.R. 1699. A bill to award congressional gold medals to Frank Capra, James Stewart, and Fred Zinnemann; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MURPHY:

H.R. 1700. A bill to amend the Harmonized Tariff Schedule of the United States to exclude certain waste and scrap metals from a provision regarding the return of metal to the United States; to the Committee on Ways and Means.

By Mr. PARRIS:

H.R. 1701. A bill to provide for the establishment of a National Capital Public Safety Administrator and to transfer to such Administrator responsibility for police, fire, emergency medical services, and the detention of persons accused or convicted of crimes in the District of Columbia, and for other purposes; jointly, to the Committees on the District of Columbia and the Judiciary.

By Mr. PEPPER:

H.R. 1702. A bill to protect the rights of persons to due process of law and equal protection of the laws in guardianship proceedings; to the Committee on the Judiciary.

By Mr. PORTER:

H.R. 1703. A bill to amend title 5, United States Code, to deny annuity benefits with respect to any Member of Congress convicted of a felony; to amend the Ethics in Government Act of 1978 to require that a financial disclosure statement be filed by any individual who serves as a Member during any portion of a calendar year; and to amend the Federal Election Campaign Act of 1971 to eliminate the personal use of excess campaign funds by certain Members; jointly, to the Committees on Post Office and Civil Service, House Administration, and Rules.

By Mr. PORTER (for himself, Mr. OBEY, Ms. SCHNEIDER, Mr. VENTO, Mr. MCHUGH, Mr. STUDDS, Mr. GARCIA, Mr. RINALDO, Mr. LANTOS, Mr. RAVENEL, Mr. BRYANT, Mr. TALLON, Mrs. MORELLA, Mr. RICHARDSON, Mr. MANTON, Mrs. BOXER, Mr. BILBRAY, AND Mr. HORTON):

H.R. 1704. A bill to enable and encourage developing nations with external debt and tropical forests to preserve, restore, enhance, and manage such forests by reducing their debt to private lenders if such nations demonstrate actions to protect tropical forests or other endangered ecosystems or species; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RAHALL:

H.R. 1705. A bill to amend the Mining and Minerals Policy Act of 1970, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. REGULA:

H.R. 1706. A bill to establish a research and demonstration program to promote cofiring of natural gas and coal in certain boilers and to provide Federal funding and tax incentives to carry out the program; jointly, to the Committees on Science, Space, and Technology and Ways and Means.

By Mr. ROBERTS:

H.R. 1707. A bill to amend the Federal Election Campaign Act of 1971 to further restrict contributions to candidates by multicandidate political committees, require full disclosure of attempts to influence Federal elections through soft money and independent expenditures, correct inequities resulting from personal financing of campaigns, strengthen the role of political parties, and contain the cost of political campaigns; jointly, to the Committees on House Administration and Energy and Commerce.

By Mrs. ROUKEMA:

H.R. 1708. A bill to establish a block grant program for child care services, and for other purposes; to the Committee on Education and Labor.

By Mr. ROWLAND of Connecticut:

H.R. 1709. A bill to prohibit the acceptance of honoraria by Members of Congress; to amend the rules of the House of Representatives with respect to mass mailing, outside earned income, and travel and entertainment expenses; to amend the Federal Election Campaign Act of 1971 to eliminate the excess campaign fund grandfather provisions; to amend the Internal Revenue Code of 1986 to eliminate deductions by Members of Congress for certain living expenses; and to change the method for adjusting rates of pay for Members of Congress; jointly, to the Committees on Standards of Official Conduct, House Administration, Rules, and Ways and Means.

By Mr. ROWLAND of Georgia (for himself and Mr. TAUKE):

H.R. 1710. A bill to amend title V of the Social Security Act to promote the integration and coordination of services for pregnant women and infants to prevent and reduce infant mortality and morbidity; to the Committee on Energy and Commerce.

By Mr. SENSENBRENNER:

H.R. 1711. A bill to provide for an equitable procedure for establishing congressional districts; to the Committee on the Judiciary.

By Mr. SMITH of Iowa (for himself, Mr. PARRIS, Mr. YATES, Mrs. COLLINS, Mr. DWYER of New Jersey, Mr. LEHMAN of Florida, Mr. CLAY, Mr. WILSON, Mr. CROCKETT, Mr. KILDEE, Mr. RINALDO, Mr. GRAY, Mrs. LLOYD, Mr. GUARINI, Mr. FAZIO, Mr. PERKINS, and Mr. QUILLEN):

H.R. 1712. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that certain foods intended for human consumption be labeled to show the amount of sodium and potassium they contain; to the Committee on Energy and Commerce.

By Mr. SWIFT:

H.R. 1713. A bill to amend title II of the Social Security Act to provide that the waiting period for disability benefits shall not be applicable in the case of a disabled individual suffering from a terminal illness; to the Committee on Ways and Means.

By Mr. UDALL:

H.R. 1714. A bill to amend certain laws providing a preference to Indians; to the Committee on Interior and Insular Affairs.

By Mr. VANDER JAGT:

H.R. 1715. A bill to suspend temporarily the duty on pigment red 178; to the Committee on Ways and Means.

H.R. 1716. A bill to suspend temporarily the duty on DEMAP; to the Committee on Ways and Means.

H.R. 1717. A bill to suspend temporarily the duty on isoindolenine red pigment; to the Committee on Ways and Means.

H.R. 1718. A bill to suspend temporarily the duty on pigment red 149 dry and pigment red 149 presscake; to the Committee on Ways and Means.

By Mr. WALGREN:

H.R. 1719. A bill to suspend temporarily the duty on mesalamine; to the Committee on Ways and Means.

By Mr. WALGREN (for himself and Mr. MINETA):

H.R. 1720. A bill to establish a national advanced technician training program, utilizing the resources of the Nation's 2-year associate-degree-granting colleges to expand the pool of skilled technicians in strategic advanced-technology fields, to increase the productivity of the Nation's industries, and to improve the competitiveness of the United States in international trade, and for other purposes; jointly, to the Committees on Science, Space, and Technology and Education and Labor.

By Mr. BURTON of Indiana (for himself, Mr. RANGEL, Mr. QUILLEN, Mr. DYMALLY, Mr. BROOMFIELD, Mr. LEACH of Iowa, Mr. HAMILTON, Mr. DORNAN of California, Mr. ROE, Mr. BLILEY, Mr. HORTON, Mr. MCMILLAN of North Carolina, Ms. KAPTUR, Mr. LAGOMARSINO, Mr. FAZIO, Mr. UPTON, Mr. BUNNING, Mr. HUNTER, Mrs. MEYERS of Kansas, Mr. MCEWEN, Mr. JACOBS, Mr. YATRON, Mr. SMITH of New Hampshire, Mr. JONTZ, Mr. GALLO, Mr. BENNETT, Mr. OLIN, Mr. MARTINEZ, Mr. PORTER, Mr. FLIPPO, Mr. BEVILL, Mr. CALLAHAN, Mr.

PAYNE of Virginia, Mr. FORD of Michigan, and Mr. PICKLE):

H.J. Res. 230. Joint resolution designating November 17, 1989, as "National Philanthropy Day;" to the Committee on Post Office and Civil Service.

By Mr. OWENS of New York:

H.J. Res. 231. Joint resolution designating September 1989, as "National Library Card Sign-Up Month;" to the Committee on Post Office and Civil Service.

By Mr. AUCOIN (for himself and Mr. SMITH of Vermont):

H. Con. Res. 85. Concurrent resolution expressing the sense of the Congress that Federal funding for special education should be increased to provide more meaningful assistance to States and localities; to the Committee on Education and Labor.

By Mr. COLEMAN of Texas (for himself, Mr. TORRES, Mr. BUSTAMANTE, Mr. BRYANT, Mr. FROST, Mr. GONZALEZ, Mr. ORTIZ, Mr. ANDREWS, Mr. BROOKS, Mr. WILSON, and Mr. SARPALIUS):

H. Con. Res. 86. Concurrent resolution expressing the sense of the Congress that the President should encourage the private creditors of Mexico to take certain actions to reduce Mexico's debt and debt-service cost; to the Committee on Banking, Finance and Urban Affairs.

By Mr. YATRON (for himself and Mr. BEREUTER):

H. Con. Res. 87. Concurrent resolution concerning Iranian persecution of the Baha'is; to the Committee on Foreign Affairs.

By Mr. DIXON:

H. Res. 118. Resolution providing amounts from the contingent fund of the House for further expenses of investigations and studies by the Committee on Standards of Official Conduct in the first session of the 101st Congress; to the Committee on House Administration.

By Mr. LEVINE of California (for himself, Mr. ROYBAL, Mr. GALLEGLY, Mr. MOORHEAD, Mr. BERMAN, Mr. DIXON, Mr. HAWKINS, Mr. MARTINEZ, Mr. DYMALLY, Mr. ANDERSON, Mr. TORRES, Mr. BEILENSON, Mr. DREIER of California, and Mr. WAXMAN):

H. Res. 119. Resolution congratulating the Los Angeles Dodgers on their 1988 World Series victory; to the Committee on Post Office and Civil Service.

By Mr. BEREUTER (for himself, Mr. YATRON, Mr. LELAND, Mr. EMERSON, Mr. HALL of Ohio, Mr. ROBERT F. SMITH, Mr. OBEY, and Mr. EDWARDS of Oklahoma);

H. Res. 120. Resolution expressing the sense of the House of Representatives in support of actions to eliminate preventable deaths and disabling illness, especially among children, through intensified international collaboration to attain the United Nations goals of Universal childhood immunization by 1990 and health for all by the year 2000, and through the convening of a world summit on children; to the Committee on Foreign Affairs.

By Mr. WELDON (for himself, Mr. WOLF, Mr. COBLE, Mr. SHAYS, Mr. DENNY SMITH, Mr. WALKER, Mr. ROWLAND of Connecticut, Mr. KYL, Mrs. SAIKI, Mr. BILIRAKIS, Mr. RHODES, Mr. GINGRICH, Mr. IRELAND, Mr. DONALD E. LUKENS, Mr. PARRIS, Mrs. MEYERS of Kansas, Mr. FLORIO, Mr. BENNETT, Mr. MACHTLEY, Mr. BROOMFIELD, Mr. DOUGLAS, Mr. CRAIG, Mr. HANCOCK, Mr. BALLENGER, Mr. DANNEMEYER, Mr. GALLEGLY, Mr. PACKARD, Mr. COMBEST, Mr. FOGLIETTA, Mr. BURTON of Indiana, Mrs. MARTIN of Illinois, Mr. BOEHLERT, Mrs. MORELLA, Mr. COUGHLIN, Mr. SHARP, Mr. CLINGER, Mr. BUECHNER, Mr. HASTERT, Mr. GRANDY, Mr. HERGER, Mr. HEFLEY, Mr. LEWIS of Florida, Mr. DEFAZIO, Mr. BARTLETT, Mr. SMITH of New Hampshire, Mr. BAKER, Mr. HOLLOWAY, and Mr. SMITH of New Jersey):

H. Res. 121. Resolution to amend the Rules of the House of Representatives to require the Committee on Ways and Means to include in committee reports the identity, sponsor, and revenue cost of single-taxpayer relief provisions contained in reported bills; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. FISH introduced a bill (H.R. 1721) for the relief of Fred M. Lombardi and Marguerite M. Lombardi; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 14: Mr. SARPALIUS, Mr. EVANS, Mr. LEHMAN of California, Ms. PELOSI, Mr. FORD of Tennessee, Mr. COYNE, and Mrs. LOWEY of New York.

H.R. 20: Mr. WHITTEN, Mr. HOLLOWAY, and Mr. SCHUETTE.

H.R. 22: Mrs. MORELLA, Mr. YATRON, Mr. HOAGLAND, Mr. CARDIN, Mr. BROOMFIELD, Mr. GARCIA, Mr. DURBIN, and Mr. GRANDY.

H.R. 39: Mr. DONNELLY, Mr. SCHEUER, Mr. COOPER, and Mr. BUECHNER.

H.R. 81: Mr. KASTENMEIER, Mr. TORRES, Mr. DEFAZIO, and Mr. HOCHBRUECKNER.

H.R. 99: Mr. SCHAEFER.

H.R. 110: Mr. HAYES of Louisiana, Mr. COLEMAN of Texas, and Mr. SIKORSKI.

H.R. 111: Ms. OAKAR, Mr. FEIGHAN, Mr. DE LUGO, Mr. STAGGERS, Mr. FOGLIETTA, Ms. PELOSI, Mr. TORRES, Mr. JONTZ, and Mr. LAGOMARSINO.

H.R. 118: Mr. MORRISON of Connecticut, Mr. PASHAYAN, Mr. PARRIS, Mr. RINALDO, Mr. LOWERY of California, Mr. GEJDENSON, and Mr. MOODY.

H.R. 159: Mr. PACKARD.

H.R. 160: Mr. MCCURDY, Mr. PURSELL, Mr. MOORHEAD, Mr. KOLBE, and Mr. PARKER.

H.R. 181: Mr. PICKETT, Mr. SMITH of Mississippi, and Mr. CAMPBELL of California.

H.R. 239: Mr. SCHUMER, Mrs. MORELLA, Mr. HALL of Texas, Mrs. UNSOELD, Mr. KANJORSKI, Mr. LAGOMARSINO, and Mr. BUECHNER.

H.R. 240: Mr. DE LUGO.

H.R. 336: Mr. WALGREN, Mr. BOEHLERT, Mr. HENRY, Mr. HOCHBRUECKNER, Mr. NELSON of Florida, Mr. KOLTER, Mr. HAYES of Louisiana, Mr. LIPINSKI, Mr. PALLONE, Mr. FAWELL, Mrs. MORELLA, Mr. RITTER, Mr. VALENTINE, Mr. STALLINGS, Mr. BROWN of California, Mr. PERKINS, Mr. COSTELLO, Mr. NAGLE, Mr. VOLKMER, Mr. SMITH of Texas, Mr. DWYER of New Jersey, Mr. STANGELAND, Mrs. LLOYD, Mr. TRAFICANT, Mr. BUECHNER, Mr. WOLPE, Mr. MORRISON of Washington, Mr. NOWAK, Mr. JOHNSTON of Florida, Mr. LEWIS of Florida, Mr. HUGHES, Mr. SENSENBRENNER, Mr. SKAGGS, Mr. MINETA, Ms. SCHNEIDER, Mr. SCHEUER, Mr. PACKARD, Mr. GLICKMAN, Mr. DEFAZIO, Mr. MCCURDY, Mr. HAMILTON, Mr. DE LUGO, Mr. HALL of Texas, Mr. TORRICELLI, Mr. PAYNE of Virginia, Mr. TANNER, Mr. MCMILLEN of Maryland, Mrs. BENTLEY, Mr. KANJORSKI, and Mr. BRUCE.

H.R. 403: Mr. ECKART.

H.R. 425: Mr. PALLONE, Mr. RINALDO, and Mr. DWYER of New Jersey.

H.R. 436: Mr. SWIFT, Mr. ERDREICH, and Mr. MCMILLEN of Maryland.

H.R. 446: Mr. RAVENEL, Mr. SMITH of New Hampshire, Mr. WEBER, Mr. ROE, Mr. JOHNSON of South Dakota, Mr. STUMP, Mr. RITTER, Mr. UPTON, and Mr. QUILLEN.

H.R. 460: Mr. FRENZEL.

H.R. 461: Mr. LAGOMARSINO, Mr. DORNAN of California, and Mr. PORTER.

H.R. 467: Mr. PAYNE of New Jersey, Mr. SCHEUER, Mr. SAWYER, Mr. GARCIA, Mr. DELLUMS, Mr. KENNEDY, Mr. DOWNEY, Mr. FAWELL, Mr. DE LUGO, Mr. HAWKINS, Mr. LEVIN of Michigan, Mr. TOWNS, Mr. ACKERMAN, Mr. WAXMAN, and Mr. FLAKE.

H.R. 486: Mr. WALGREN.

H.R. 518: Mr. DAVIS and Mr. SKAGGS.

H.R. 534: Mr. KILDEE, Mr. SAXTON, Mr. FISH, Mr. DONALD E. LUKENS, Mr. MINETA, and Mr. GARCIA.

H.R. 539: Mr. DEWINE, Mr. GRANDY, Mr. BOSCO, Mrs. MEYERS of Kansas, Mr. CARPER, Mr. PURSELL, Mr. SIKORSKI, Mr. TALLON, Mr. GORDON, Mr. DURBIN, Mrs. SMITH of Nebraska, Mr. FASCELL, Mr. HOLLOWAY, Mr. BOUCHER, and Mr. FISH.

H.R. 563: Mr. FORD of Tennessee, Mr. OWENS of Utah, Mr. SMITH of Vermont, Mr. HEFNER, and Mr. ECKART.

H.R. 594: Mr. CARPER and Mr. HERTEL.

H.R. 598: Mr. MRAZEK, Mr. MOODY, Mr. LEVIN of Michigan, Mr. STARK, Mr. CONYERS, Mr. BEREUTER, and Mr. SKAGGS.

H.R. 614: Mr. ORTIZ, Mr. CAMPBELL of Colorado, Mr. WHEAT, Mr. MFUME, Mr. DEFAZIO, and Mr. WOLPE.

H.R. 641: Mr. MAVROULES.

H.R. 645: Mr. JONES of North Carolina, Mr. COELHO, and Mr. EVANS.

H.R. 655: Mr. SCHEUER.

H.R. 660: Mr. CLEMENT, Mr. RHODES, Mr. CARPER, Mr. BRYANT, and Mr. SMITH of Florida.

H.R. 670: Mr. LEWIS of Georgia, Mr. DIXON, and Mr. CONYERS.

H.R. 745: Mr. GEJDENSON.

H.R. 761: Mr. BONIOR and Mr. VISCLOSKY.

H.R. 815: Mr. TRAFICANT, Mr. FAUNTROY, Mr. DYMALLY, Mr. FOGLIETTA, Mrs. COLLINS, Mr. SCHEUER, Mr. FLORIO, Mr. ESPY, and Mr. DE LUGO.

H.R. 844: Mrs. BENTLEY and Mr. MILLER of Ohio.

H.R. 845: Mr. COUGHLIN, and Mrs. BENTLEY.

H.R. 848: Mr. MCEWEN and Mr. TOWNS.

H.R. 854: Mr. SMITH of Vermont, Ms. KAPTUR, Mr. RAVENEL, and Mr. GRANT.

H.R. 876: Mr. BEREUTER, Mr. BATES, Mr. DWYER of New Jersey, Mr. SUNDQUIST, Mr. PICKLE, and Mr. MCGRATH.

H.R. 908: Mr. FROST.

H.R. 911: Mr. AKAKA, Mr. ARMEY, Mr. ATKINS, Mr. BARTLETT, Mr. BEREUTER, Mr. BEVILL, Mr. BONIOR, Mr. BROOMFIELD, Mr. BUSTAMANTE, Mr. COELHO, Mr. CONTE, Mr. COSTELLO, Mr. COUGHLIN, Mr. DE LUGO, Mr. DONNELLY, Mr. EMERSON, Mr. ENGLISH, Mr. GALLEGLY, Mr. GLICKMAN, Mr. GUNDERSON, Mr. HALL of Ohio, Mr. HARRIS, Mr. HERGER, Mr. HERTEL, Mr. HOCHBRUECKNER, Mrs. JOHNSON of Connecticut, Mr. KANJORSKI, Mr. LIGHTFOOT, Mr. THOMAS A. LUKEN, Mr. DONALD E. "BUZ" LUKENS, Mrs. MARTIN of Illinois, Mr. MAVROULES, Mr. MCCLOSKEY, Mr. MILLER of Washington, Mr. MONTGOMERY, Mr. MOORHEAD, Mrs. MORELLA, Mr. MRAZEK,

Mr. NIELSON of Utah, Mr. OWENS of New York, Mr. PARRIS, Mr. PENNY, Mr. POSHARD, Mr. PURSELL, Mr. RAY, Mr. ROE, Mr. SHAYS, Mr. SLATTERY, Mr. SMITH of New Hampshire, Mr. SMITH of Florida, Mrs. SMITH of Nebraska, Mr. SPRATT, Mr. STUDDS, Mr. UDALL, Mr. UPTON, Mr. WEBER, Mr. WOLF, Mr. WOLPE, Mr. YATRON, and Mr. YOUNG of Florida.

H.R. 950: Mr. SAVAGE.

H.R. 953: Mr. ANDREWS.

H.R. 979: Mr. ECKART and Mr. SHAYS.

H.R. 987: Ms. KAPTUR, Mr. DONNELLY, Mr. SMITH of New Hampshire, Mr. JONES of Georgia, Mr. GLICKMAN, Mr. DE LUGO, Mr. KANJORSKI, Mr. WHITTAKER, Mr. DYMALLY, Mr. BOUCHER, and Mr. RANGEL.

H.R. 999: Mr. DE LUGO and Mrs. BYRON.

H.R. 1024: Mr. GOSS, Mr. BUECHNER, and Mr. ROHRABACHER.

H.R. 1029: Mr. SHAYS, Mr. SWIFT, Mr. CAMPBELL of California, Mr. RAVENEL, and Mr. MCEWEN.

H.R. 1046: Mr. TAUKE, Mr. MONTGOMERY, Mr. SHARP, Mr. FAZIO, Mr. SMITH of Mississippi, Mr. BATEMAN, Mr. LAGOMARSINO, and Mr. ROE.

H.R. 1051: Mr. NIELSON of Utah, Mr. BROWN of Colorado, Mr. PORTER, Mr. SHUMWAY, and Mr. DANNEMEYER.

H.R. 1078: Mr. VENTO, Mr. VALENTINE, Mr. GLICKMAN, Mr. SCHUMER, Mr. ROYBAL, and Mr. DELLUMS.

H.R. 1083: Mr. GILMAN, Mr. WOLPE, Mr. LEATH of Texas, Mr. SIKORSKI, Mr. FROST, Ms. SLAUGHTER of New York, Mr. KILDEE, Mr. PEPPER, Mr. ANNUNZIO, Mr. VANDER JAGT, Mr. GALLO, Mr. COYNE, Mr. KOLTER, Ms. OAKAR, Mr. HAYES of Louisiana, Mr. PENNY, Mr. BATES, Mr. TOWNS, and Mr. KOSTMAYER.

H.R. 1087: Mr. DE LUGO, Mr. EMERSON, Mr. WALKER, Mr. KOSTMAYER, Mr. TOWNS, Mr. LEWIS of Georgia, Mr. BEREUTER, Mr. LAGOMARSINO, Mrs. BENTLY, Mr. LANCASTER, Mr. MOLLOHAN, Mrs. SAIKI, Mr. PARRIS, Mr. UPTON, and Mr. RAVENEL.

H.R. 1101: Mr. WILLIAMS, Mr. KOSTMAYER, Mr. CRAIG, Mr. WYLIE, and Mr. PAYNE of Virginia.

H.R. 1103: Mr. DE LUGO.

H.R. 1109: Mr. EDWARDS of California, Mr. LEHMAN of California, Mr. ROBERTS, Mr. MILLER of California, Mr. BROWN of Colorado, Mr. NIELSON of Utah, and Mr. HUGHES.

H.R. 1129: Mr. CLINGER, Mr. FOGLIETTA, Mr. SMITH of Florida, Mr. BRYANT, Mr. KENNEDY, Mr. GLICKMAN, Ms. SNOWE, Mr. RIDGE, Mr. PAYNE of New Jersey, Mr. BONIOR, Ms. KAPTUR, Mr. CONYERS, Mr. BLAZ, Mr. HUTTO, Mr. DELLUMS, Mr. JONTZ, Mr. ECKART, Mr. BUSTAMANTE, and Mr. BROWN of California.

H.R. 1140: Ms. PELOSI, Mr. TORRES, Mr. LANCASTER, Mr. LAGOMARSINO, Mr. BROWN of California, Mr. FAZIO, Mr. WYDEN, Mr. MARTINEZ, Mr. CONYERS, Mr. WOLPE, and Mr. PALLONE.

H.R. 1141: Mr. DONALD E. LUKENS, Mr. WOLF, Mr. WALSH, Mr. DANNEMEYER, Mr. UPTON, Mrs. SAIKI, Mr. PAYNE of Virgina, Mr. LAGOMARSINO, Mrs. BENTLEY, Mr. PAXON, and Mr. SMITH of Texas.

H.R. 1148: Mr. SMITH of New Hampshire.

H.R. 1168: Mr. DAVIS, Mr. GRANDY, Mr. HATCHER, Mr. HUCKABY, and Mr. STANGELAND.

H.R. 1188: Mr. MINETA, Mr. HOLLOWAY, and Mr. GINGRICH.

H.R. 1199: Mr. MILLER of Washington, Ms. KAPTUR, Mr. GILMAN, Mr. MARTINEZ, and Mrs. JOHNSON of Connecticut.

H.R. 1205: Mr. FASCELL, Mr. FAUNTROY, Mr. MRAZEK, Mr. DEWINE, Mr. FAZIO, Mr. BEREUTER, Mr. CHAPMAN, Mr. HYDE, Mr. HILER, Mr. MARTINEZ, Mr. LANCASTER, Mr. ATKINS, Mr. TORRES, Mr. OWENS of New York, Mr. BILBRAY, Mrs. COLLINS, Mr. DONALD E. "BUZ" LUKENS, Mr. LAGOMARSINO, Mr. HENRY, Mr. DYMALLY, Mr. SCHUETTE, Mr. ACKERMAN, Mr. PAYNE of New Jersey, Mr. BONIOR, Ms. KAPTUR, and Mr. DE LUGO.

H.R. 1237: Mrs. JOHNSON of Connecticut.

H.R. 1240: Mr. WOLPE.

H.R. 1248: Mr. MARTINEZ, Mr. MANTON, and Mr. ROE.

H.R. 1268: Mr. SMITH of Florida, Mr. GORDON, Mr. ENGEL, Mr. FAZIO, Mr. FAWELL, Mr. MACHTLEY, Mr. BOUCHER, Mr. HAYES of Louisiana, Mr. FASCELL, and Mr. BRUCE.

H.R. 1276: Mr. BUSTAMANTE and Mr. ROWLAND of Connecticut.

H.R. 1279: Mr. BILIRAKIS and Mr. GARCIA.

H.R. 1283: Mr. LANCASTER, Mr. LAFALCE, and Mr. STUDDS.

H.R. 1289: Mr. HORTON, Ms. KAPTUR, Mr. HYDE, and Mr. BUSTAMANTE.

H.R. 1307: Mr. MADIGAN, Mr. MCMILLEN of Maryland, Mr. QUILLEN, Mr. MONTGOMERY, Mr. WEBER, Mr. RICHARDSON, and Mr. MOLLOHAN.

H.R. 1334: Mr. EVANS.

H.R. 1335: Mr. MCCLOSKEY.

H.R. 1336: Mr. EVANS.

H.R. 1356: Mr. WOLPE, Mr. SMITH of New Hampshire, Mr. MAVROULES, Mr. TOWNS, and Mr. HAYES of Illinois.

H.R. 1382: Mr. JONTZ, Mr. LIPINSKI, Mr. BORSKI, Mr. LANCASTER, Mr. SAXTON, Mr. STUDDS, Mr. DE LUGO, Mr. DEFAZIO, Mr. BROWN of California, Mr. FLORIO, Mr. NELSON of Florida, Mr. ACKERMAN, Mr. RICHARDSON, Mr. BATES, and Mr. BUSTAMANTE.

H.R. 1383: Mr. JACOBS, Mr. ROBINSON, Mrs. UNSOELD, Mr. CONYERS, and Mr. DYMALLY.

H.R. 1419: Ms. KAPTUR.

H.R. 1470: Mr. COURTER.

H.R. 1490: Mr. WYDEN, Mr. STAGGERS, Mr. PALLONE, Mrs. MORELLA, Mr. SYNAR, Mr. BOUCHER, Mrs. UNSOELD, Ms. SLAUGHTER of New York, Mr. FUSTER, Mr. RANGEL, Mr. LEHMAN of Florida, Mr. ACKERMAN, Mr. FAUNTROY, Mr. WALGREN, Mrs. COLLINS, Mr. GILMAN, Mr. LANTOS, Mr. MAZZOLI, Mr. PAYNE of New Jersey, Mr. MILLER of California, Mr. TORRES, Mr. BORSKI, Mr. FLORIO, Mr. SMITH of New Jersey, Mr. DE LUGO, Mr. NELSON of Florida, Mr. RAHALL, Mr. MRAZEK, Ms. PELOSI, Mr. DYMALLY, and Mr. EDWARDS of California.

H.R. 1499: Mr. HANCOCK, Mr. STALLINGS, Mr. DORNAN of California, Mr. DANNEMEYER, Mr. MOORHEAD, Mr. SKEEN, Mr. HUCKABY, Mr. KYL, Mr. ATKINS, Mr. SMITH of Florida, Mr. LIGHTFOOT, Mr. SHUMWAY, Mrs. BENTLEY, Mr. PAXON, Mr. ACKERMAN, Mr. BONIOR, Mr. MCEWEN, Mr. BLAZ, Mr. MILLER of Ohio, and Mr. PETRI.

H.R. 1515: Mr. INHOFE.

H.R. 1526: Mr. PENNY and Mr. JOHNSON of South Dakota.

H.R. 1532: Mr. BUSTAMANTE, Mr. BARNARD, Mr. DYMALLY, Mrs. COLLINS, Mr. DE LUGO, and Mr. FLORIO.

H.R. 1540: Mr. WOLF.

H.R. 1574: Mr. HAMILTON, Mr. BUSTAMANTE, Mr. ACKERMAN, Mr. LEHMAN of Florida, Mr. FEIGHAN, and Mr. MCHUGH.

H.R. 1583: Mr. BOSCO, Mr. HATCHER, Mr. WILLIAMS, Mr. TALLON, Mr. BOEHLERT, and Mr. WATKINS.

H.R. 1602: Mr. RICHARDSON and Mr. BILIRAKIS.

H.R. 1614: Mr. ACKERMAN, Mr. ANDERSON, Mrs. BOXER, Mr. BUSTAMANTE, Mr. CHAPMAN, Mrs. COLLINS, Mr. CROCKETT, Mr. DEFAZIO, Mr. DE LUGO, Mr. DWYER of New Jersey, Mr. ENGEL, Mr. EVANS, Mr. FAUNTROY, Mr. FAZIO, Mr. FOGLIETTA, Mr. LEWIS of Georgia, Mr. MCCLOSKEY, Mr. PERKINS, Mr. RANGEL, Mr. RICHARDSON, Mr. ROE, Mrs. UNSOELD, and Mr. WOLF.

H.R. 1618: Mr. STANGELAND.

H.R. 1629: Mr. SCHUMER.

H.R. 1641: Mr. FAUNTROY Mr. BLAZ, and Mr. ACKERMAN.

H.R. 1644: Mr. ECKART, Mr. DORGAN of North Dakota, Mr. SCHIFF, Mrs. BENTLEY, and Mr. PARRIS.

H.R. 1652: Mrs. UNSOELD.

H.J. Res. 31: Mrs. BOXER, Mr. ECKART, Mr. CONYERS, Mr. ESPY, and Mr. ORTIZ.

H.J. Res. 46: Mr. STARK and Mr. TOWNS.

H.J. Res. 67: Mr. WALGREN, Mr. HUTTO, Mr. RAVENEL, Mr. BUSTAMANTE, Mr. JONES of Georgia, Mr. HEFNER, Mr. HYDE, Mr. NELSON of Florida, Mrs. BOXER, Mr. SAWYER, Mr. WOLF, Mr. JONES of North Carolina, Mr. ROBINSON, and Mr. DERRICK.

H.J. Res. 72: Mr. BUSTAMANTE, Mrs. COLLINS, Mr. DEFAZIO, Mr. DE LUGO, Mr. EVANS, Mr. FAUNTROY, Mr. FAZIO, Mr. FLAKE, Mr. HORTON, Mr. LELAND, Mr. MCGRATH, Mr. MARTINEZ, Mr. MFUME, Mr. OWENS of New York, and Mr. WILSON.

H.J. Res. 81: Mr. HANSEN, Mr. THOMAS of California, Mr. MCCOLLUM, Mr. WYLIE, Mr. HERGER, Mr. BEREUTER, Mr. WEBER, Mr. NIELSON of Utah, and Mr. SUNDQUIST.

H.J. Res. 94: Mr. BUECHNER, Mr. CLARKE, Mr. CONYERS, Mr. HAWKINS, Mr. JOHNSON of South Dakota, Mr. MILLER of Washington, Mrs. MORELLA, Mr. MORRISON of Connecticut, Mrs. PATTERSON, Mr. PRICE, Mr. ROWLAND of Georgia, Mr. SHAW, Mr. SIKORSKI, Ms. SNOWE, Mr. STAGGERS, Mr. YATRON, Mr. DONNELLY, Mrs. BYRON, Mr. CHANDLER, Mr. FASCELL, Mr. WYLIE, Mr. UPTON, Mr. FIELDS, Mr. ROSE, Mr. SCHULZE, and Ms. PELOSI.

H.J. Res. 112: Mr. BATES, Mr. PANETTA, Mr. STANGELAND, and Mr. HOPKINS.

H.J. Res. 123: Mr. VANDER JAGT, Mr. RAY, Mrs. BRYON, Mr. WHITTAKER, Mr. FAWELL, Mr. MCCLOSKEY, Mr. HAMMERSCHMIDT, Mr. OBERSTAR, Mr. BLAZ, Mr. CALLAHAN, Mr. SAWYER, Mr. NIELSON of Utah, Mr. STANGELAND, Mr. BERMAN, Mr. QUILLEN, and Mr. BUSTAMANTE.

H.J. Res. 125: Mrs. BENTLY, Mr. BILIRAKIS, and Mr. MCMILLAN of North Carolina.

H.J. Res. 133: Mr. BILBRAY, Mr. BONIOR, Mr. BRUCE, Mr. CONYERS, Mr. COOPER, Mr. CROCKETT, Mr. DEWINE, Mr. DWYER of New Jersey, Mr. EMERSON, Mr. ENGEL, Mr. FALEOMAVAEGA, Mr. FROST, Mr. GORDON, Mr. HARRIS, Mr. JONTZ, Mr. LANCASTER, Mr. LANTOS, Mr. LEHMAN of California, Mr. LEWIS of California, Mr. THOMAS A. LUKEN, Mr. MCNULTY, Mr. MARTINEZ, Mr. MOLLOHAN, Mr. RANGEL, Mr. TOWNS, Mr. SOLARZ, and Mr. WAXMAN.

H.J. Res. 147: Mr. LIPINSKI, Mr. DONALD E. LUKENS, Mr. PAXON, Mr. GUNDERSON, Mr. CONYERS, and Mr. KLECZKA.

H.J. Res. 158: Mr. DARDEN, Mr. JONES of Georgia, Mr. ENGEL, Mr. ESPY, Mr. LAGOMARSINO, Mrs. PATTERSON, Mr. MORRISON of Washington, Mrs. BENTLEY, Mr. SPRATT, Mr. FROST, Mr. MCEWEN, and Mr. TOWNS.

H.J. Res. 160: Mr. CONYERS.

H.J. Res. 173: Mr. ARCHER, Mr. BATEMAN, Mr. BUECHNER, Mr. BURTON of Indiana, Mr. FAWELL, Mr. FIELDS, Mr. HYDE, Mr. IRELAND, Mrs. JOHNSON of Connecticut, Mr. LENT, Mr. MADIGAN, Mr. PETRI, Mr. PURSELL, Mr. ROWLAND of Connecticut, Mr. DYSON, Mr. ORTIZ, Mr. MAVROULES, Mr. EARLY, Mrs. KENNELLY, Mr. RINALDO, Mr. FISH, Mr. GUNDERSON, Mr. BROWN of Colorado, Mr. HAYES of Illinois, Mrs. BOXER, Mr. FLORIO, Mr. REGULA, Mrs. MARTIN of Illinois, Mrs. MORELLA, Mr. PACKARD, Mr. DURBIN, Mr. GREEN, Mr. MOAKLEY, Mr. SCHUMER, Mr. COLEMAN of Texas, Mr.

VALENTINE, Mr. JONES of North Carolina, Mr. SPRATT, Mr. STARK, Mr. MORRISON of Connecticut, Mr. JACOBS, Mr. GRAY, Mr. WAXMAN, Mr. ROSE, Mr. TALLON, Mr. DERRICK, Mr. OBERSTAR, Mrs. PATTERSON, Mr. NATCHER, Mr. SUNDQUIST, Mr. SPENCE, Mr. NIELSON of Utah, and Mr. CHAPMAN.

H.J. Res. 177: Mr. ROE, Mr. FORD of Tennessee, Mr. LANCASTER, Mr. MARTINEZ, Mr. GORDON, Mr. KASTENMEIER, and Mr. CONYERS.

H.J. Res. 181: Mr. KOLBE, Mr. KYL, Mr. LENT, Mr. ROBINSON, Mrs. BENTLEY, and Mr. MCEWEN.

H.J. Res. 183: Mr. GILMAN, Mr. JENKINS, Mr. SKELTON, Mr. MCEWEN, Mr. MINETA, Mr. DE LUGO, Mr. FAZIO, Mrs. BENTLEY, Mr. RITTER, Mr. PAYNE of New Jersey, and Mr. LANCASTER.

H.J. Res. 199: Mr. MCMILLAN of North Carolina and Mr. ROGERS.

H.J. Res. 206: Mr. PAYNE of Virginia, Mr. LANCASTER, Mr. MARTINEZ, Mr. ACKERMAN, and Mrs. BENTLEY.

H.J. Res. 207: Mr. TORRES, Mr. OWENS of Utah, Mrs. SAIKI, Mr. ACKERMAN, Mr. MAVROULES, Mr. NELSON of Florida, Mr. LAFALCE, Mr. WOLPE, and Mr. BUSTAMANTE.

H.J. Res. 208: Mr. HAYES of Illinois, Mr. DYMALLY, Mrs. SAIKI, Mr. FROST, Mrs. BENTLEY, Mr. SHAYS, Mr. BILIRAKIS, Mr. MILLER of Washington, Mr. ASPIN, Mr. EMERSON, Mr. SMITH of New Jersey, Mr. GUNDERSON, Mr. GUARINI, Mr. MRAZEK, Mr. NEAL of Massachusetts, Mr. DORGAN of North Dakota, Mr. HUTTO, Mr. MCCOLLUM, Mr. KOLTER, Mr. HANCOCK, Mr. SKELTON, Mr. PICKETT, Mr. WALGREN, Mr. ROWLAND of Connecticut, Mr. BERMAN, Mr. WILSON, Mr. RHODES, Mr. EVANS, Mr. LEWIS of Georgia, Mr. PANETTA, Mr. WYDEN, Mr. MCDADE, Mr. ROSE, Mr. WOLF, Mrs. MARTIN of Illinois, Mr. DOUGLAS, and Mr. LEWIS of Florida.

H. Con. Res. 40: Mr. SCHUMER, Mr. LEWIS of Georgia, and Mr. ACKERMAN.

H. Con. Res. 45: Mr. BALLENGER, Mr. KOLBE, Mr. BILIRAKIS, Mr. LENT, Mr. BATEMAN, Mr. LAFALCE, and Mr. MCEWEN.

H. Con. Res. 46: Mr. DEWINE, Mr. WOLPE, Mr. BEREUTER, and Mr. BILBRAY.

H. Con. Res. 47: Mr. QUILLEN.

H. Con. Res. 60: Mr. KOLBE, Mr. DONALD E. LUKENS, and Mr. PENNY.

H. Con. Res. 73: Mr. MACHTLEY, Mr. GILMAN, Mr. PORTER, Mr. SMITH of Florida, Mr. WALKER, Mr. KOSTMAYER, Mr. RIDGE, Mr. PAXON, Mrs. COLLINS, Mr. SCHEUER, Mr. DORNAN of California, Mr. SAXTON, Mr. AUCOIN, Mr. MARTINEZ, Mr. ERDREICH, Mr. MARKEY, and Mr. CAMPBELL of California.

H. Con. Res. 77: Mr. SMITH of Florida, Mr. LEHMAN of Florida, Mrs. COLLINS, Mr. GINGRICH, Mr. ACKERMAN, Mr. SABO, Mrs. BENTLEY, and Mr. FASCELL.

H. Con. Res. 79: Mr. FAUNTROY, Mr. ROSE, Mr. BURTON of Indiana, Mrs. BENTLEY, Mr. DYMALLY, Mr. WALSH, Mr. MCEWEN, Mr. GUNDERSON, and Mr. COYNE.

H. Res. 104: Mrs. MORELLA, Mr. HAWKINS, Mr. FAUNTROY, Mr. HOCHBRUECKNER, Mr. BEILENSON, Mr. AUCOIN, Mr. BROWN of California, Mr. FOGLIETTA, Mr. DONNELLY, Mr. BOEHLERT, Mr. ATKINS, Mr. GEJDENSON, Mr. SCHEUER, Mrs. BOXER, Mr. FAZIO, Mr. WOLPE, Mr. WALSH, Mrs. BENTLEY, Mr. TORRES, Mr. STUDDS, Mr. MRAZEK, Mr. LIPINSKI, Mr. WELDON, Ms. PELOSI, Mr. FRANK, Mr. OWENS of Utah, Mr. BONIOR, Mr. MCEWEN, Mr. SAXTON, Mr. STENHOLM, Mr. DWYER of New Jersey, Mr. STARK, Mr. ROE, Mr. VENTO, and Mr. SIKORSKI.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 or rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 402: Mr. GARCIA.

H.J. Res. 177: Mr. MCMILLAN of North Carolina.

SENATE—*Wednesday, April 5, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 1:30 p.m., on the expiration of the recess, and was called to order by the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut.

The PRESIDING OFFICER. Today's prayer will be offered by guest chaplain, Rev. Charles Starks, Pleasant View United Methodist Church of Abingdon, VA. The chaplain will now deliver the opening prayer.

PRAYER

The guest chaplain, the Reverend Charles Starks, Pleasant View United Methodist Church, Abingdon, VA, offered the following prayer:

Let us pray:

Righteousness exalts a nation, but sin is a reproach to any people.—Proverbs 14:34.

O living and eternal God, we humbly acknowledge that only by Your benevolence does this Nation exist. Forgive us, we pray, for those times when we have sinned and have been at cross-purposes with Your will.

Grant to our Senators and all our leaders, O God, a strong desire to live and govern with righteousness as You have exemplified for us.

Help us humble ourselves to receive divine wisdom that we may always choose the higher, more noble path. Empower us to reject those enticing snares that ultimately wring from us all that is best in life.

We make our prayer in the name of Him who leads us to a more righteous and abundant life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 5, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. LIEBERMAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, under the order entered yesterday, following time for the two leaders today, a period for morning business was not to extend beyond 2:30 p.m. with Senators permitted to speak therein for up to 5 minutes each.

I now ask unanimous consent that the time for morning business be extended to 3 p.m. this afternoon under the same conditions and terms of the previous order, and that at 3 p.m. the Senate proceed to S. 248, the Major Fraud Amendments Act.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MITCHELL. Therefore, Mr. President, the Senate will at 3 p.m. today proceed to calendar item No. 25, S. 248, the Major Fraud Amendments Act. Under the agreement any votes ordered in relation to S. 248 will not occur before 6:30 p.m. Therefore, my colleagues should be on notice that at least two rollcall votes are anticipated on that legislation and they should occur at or shortly after 6:30 p.m.

RESERVATION OF THE TIME OF THE MAJORITY LEADER

Mr. MITCHELL. I now reserve the remainder of my leader time, and yield to the distinguished Republican leader.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the distinguished Republican leader.

RESERVATION OF THE REPUBLICAN LEADER'S TIME

Mr. DOLE. I reserve my time.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 3 p.m. with Senators permitted to speak therein for not to exceed 5 minutes.

The Chair recognizes the distinguished Senator from the State of Washington.

Mr. ADAMS. Thank you, Mr. President.

OILSPILL PROTECTION

Mr. ADAMS. Mr. President, the horror of the tragic oilspill in Prince William Sound strikes particularly close to home for those of us in the Pacific Northwest. We mourn for our neighbors to the north whose pristine and bountiful marine environment has been so deeply scarred.

We share their anger over assurances proven false that oilspills could be prevented or cleaned up quickly. And we ask ourselves whether it could have happened just as easily in our own Puget Sound. I am deeply troubled by the implications of this oilspill for Puget Sound because as Secretary of Transportation more than a decade ago, I fought alongside Senator Warren G. Magnuson to keep Puget Sound safe from oil tanker accidents. Senator Magnuson passed legislation forbidding development of a port for supertankers at Cherry Point. As Secretary of Transportation, I promulgated regulations, which are still on the books, keeping supertankers out of Puget Sound.

Puget Sound is like a colossal bathtub. All the water comes in and all the water goes out through one strait. A tanker spill would be catastrophic.

This recent tragedy therefore, strikes a bell of warning. It is time to go back and make sure Reagan era budget cuts, advances in technology and the inevitable complacency that comes from years of good fortune have not made our system obsolete.

Today I am sending a letter to the Coast Guard Commandant, asking him to give me a full report on our existing capability to prevent and control oilspills in that area, and for a rapid cleanup if an accident should occur.

I am asking Admiral Yost for specific information on the following issues:

First, the amount of oil-carrying vessel traffic on Puget Sound over the

last year; the size of these oil-carrying vessels; and their usual routes and destinations.

Second, the current regulations for vessels carrying oil on Puget Sound and the nature of Coast Guard efforts to enforce these regulations.

Third, current Government and industry contingency plans for oilspill response and an inventory of all oilspill response equipment now available in Puget Sound.

Mr. President, I visited the ports of Puget Sound over the last work period and I was appalled to find that a number of ports in the towns and Port Angels area in which we receive indigenous crab and other fine shellfish as well as other fish were now no longer available as they had been 10 years ago and would have had to be brought in by helicopter or ship.

Fourth, I have asked that current regulations concerning design of vessels carrying oil on Puget Sound and Coast Guard recommendations as to whether additional regulations are required. Particularly in regards to the issue of requiring double bottoms on oil tankers and barges.

Fifth, existing Coast Guard vessel traffic control radar capability in Puget Sound and information on the limitations of the current system.

When I was Secretary we were creating this system. I was concerned about the shadows in it at that time and I am asking for a current report as to what our traffic control situation really is.

Sixth, a history of oilspills in Puget Sound or off of the Washington coast over the last 10 years and Coast Guard findings as to their cause.

We must know the answers to all of these questions quickly because the lesson of the *Exxon Valdez* spill is that it can happen here. Consider that the following conditions existed:

First, a known, avoidable hazard—a reef clearly marked on the charts.

Second, a spill very close to the Port of Valdez, a port serving oil tankers, and therefore a place where the necessary recovery equipment of any place in the world should have been available.

Third, a responsible corporate citizen—Exxon—with the deep pockets required to afford state-of-the-art—they had them—recovery equipment, and the ability to spend money right away on recovery efforts.

It could have been a small company. It was not. It was one of the best.

Fourth, good weather and calm seas for some time following the accident.

These represent the best conditions for prevention and response to this type of spill. Change any of these factors, and we would be in worse shape than we are now.

I fear, however, that the people who live on Prince William Sound, and depend on it for their living resources, would tell you it is impossible to be any worse. I believe this catastrophic problem should be a warning to all of us from the Northwest, to think carefully about the possible impacts of oil and gas drilling off the coasts of Washington and Oregon.

I have believed for some time that the administration's plans to conduct oil lease sales in this area in 1992 are deeply flawed. The recent small oilspill near Grays Harbor, 10,000 gallons, and the damage it caused on the Olympic Peninsula gives me little comfort. This is not an enclosed sound off the coast of Washington. These are the high seas, a beautiful coastline, and oil barge accidents are becoming an unwelcome annual Christmas surprise.

Mr. President, I hope we will deeply consider this before we do it again, for all of us in Washington State love Puget Sound and its unique environment. The Valdez spill is a lesson we will ignore at our peril.

Mr. President, I ask unanimous consent that a copy of my letter to Commandant Yost be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, April 5, 1989.

Adm. PAUL A. YOST, JR.,
Commandant, U.S. Coast Guard, Washington, DC.

DEAR ADMIRAL YOST: I am writing regarding the recent tragic oil spill in Prince William Sound. We all have much to learn about the causes of this spill but clearly there has been concern about the pace and adequacy of the cleanup response.

These concerns for Puget Sound and the surrounding area prompt me to ask you to provide an immediate review of both the existing regulatory regime for all vessels carrying oil on Puget Sound and the existing contingency plans for responding to an oil spill in that region. On my last trip to Washington state, I visited Port Townsend, Port Angeles and the Coast Guard Station at Ediz Point. I was concerned by the state of readiness to deal with oil spills in Puget Sound.

I have a deep personal commitment to preserving Puget Sound's beauty for future generations, and, therefore, am asking you to provide me immediately with the following information.

1. How much traffic of vessels carrying oil is there on Puget Sound? How many vessels in 1988? What was their size? Where were they going and what were their normal routes?

2. What are the current regulations for vessels carrying oil on Puget Sound? How does the Coast Guard enforce these regulations?

3. Please provide my office with the details of all existing government and private sector contingency plans for an oil spill response in the Puget Sound area. Please also provide me with an inventory of what oil spill response equipment is immediately available in the region.

4. What are the existing regulations for the design of vessels carrying oil in Puget Sound? In light of the Valdez spill, does the Coast Guard believe additional regulations are required? What is the Coast Guard's position regarding the related issues of requiring double bottoms on oil tankers or barges carrying oil?

5. I would like an update on the vessel traffic control system involving the Coast Guard's radar capabilities for tracking vessel traffic in Puget Sound. This was started when I was Secretary but I am informed its coverage is not complete and significant "shadows" exist.

6. Please provide me with a history of all oil spills in the Puget Sound region or off the Washington coast in the last ten years and a record of Coast Guard findings on each accident.

I write you as one with a great deal of personal experience with these issues. When I was Secretary of Transportation in March, 1978, the U.S. Supreme Court struck down a Washington state law regulating oil tanker traffic in Puget Sound. Because of the urgent need to protect this unique environment, I immediately directed the Coast Guard to develop a regulatory regime for tanker traffic in this area and also issued an emergency rule banning tankers over 125,000 dead weight tons (DWT) from entering Puget Sound. I later extended this rule indefinitely. It was eventually adopted permanently by the Reagan administration in 1982 but unfortunately, to my knowledge, the rest of the rules that I had proposed were not adopted.

The Coast Guard is scheduled to appear before the Senate Appropriations Subcommittee on Transportation on April 13, 1989. As a member of the Appropriations Committee, I will raise these issues at that time and would appreciate a response prior to April 13th.

Thank you for your assistance.

Sincerely,

BROCK ADAMS.

Mr. REID addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Nevada [Mr. REID] is recognized.

SUPERCONDUCTING AND CRITICAL MATERIALS

Mr. REID. Mr. President, the issue of advanced, superconducting and critical materials is not glamorous, but it is without question one of the most important issues facing our country through the end of this century.

"Critical materials" is the forbidding term we use for materials that go into the manufacture of high-technology defense products and hardware.

Many of these critical materials come from foreign powers.

Chromium is used in the manufacture of automobiles, aircraft, furnaces and stainless steel. Seventy-five percent of the chromium used in this country is imported, and the Soviet Union is the world's second largest producer of chromite.

Jet engines cannot be manufactured without cobalt. Ninety-five percent of cobalt we use is imported.

Manganese is used in many of our weapons systems. One hundred percent of our manganese is imported—much of it from South Africa.

Platinum is vital to chemical processing and petroleum refining. Ninety-two percent of the platinum used in the United States is imported—the majority from South Africa and the Soviet Union.

Platinum is not the only critical material imported from a Communist-bloc country. According to the Department of Commerce, United States imports of antimony from the Soviet Union and Eastern Europe increased in 1987 by 4,882 percent.

Let me repeat that: 4,882 percent in 1 year alone.

American dependence on Communist Eastern-bloc suppliers of platinum group metals is greater than our dependence on any single supplier of oil to the United States.

One of the most closely guarded secrets of 1989 is this: Uncle Sam is relying on handouts from the Russian Bear when it comes to critical materials.

Instead of developing a comprehensive, national policy to solve this problem, the Bush administration plans to abolish the National Critical Materials Council.

Yesterday, the Acting Chairman of the National Critical Materials Council testified in a Senate hearing.

He spoke before the Senate Appropriations Subcommittee on Treasury and Postal Service and General Government.

He had the audacity to defend this dangerous and disturbing lack of policy.

The absence of a national policy on critical materials and superconductors is as dangerous for our country today as the absence of an energy policy was in the 1970's. The administration should wake up to this clear and present danger.

I would like to use this opportunity to present my 10-point plan on critical materials.

These 10 recommendations were derived from a discussion of issues raised by the Joint Industry-Congress Conference on Critical Materials held here in Washington in February.

No. 1. President Bush should immediately fill existing vacancies in the National Critical Materials Council.

This is imperative so that the Council can set Federal policy in superconductivity, critical materials and advanced materials. This is already required by law.

No. 2. Funding should be provided so that the National Critical Materials Council can perform its duties.

The administration should put the Council back in its 1990 budget and the Congress should appropriate the necessary funding.

No. 3. The National Science Adviser or Special Assistant to the President for Science and Technology should be appointed as a member of the National Critical Materials Council.

No. 4. This post of National Science Adviser shall be established by elevating the Director of the Office of Science and Technology Policy to this position.

This overdue change is already recommended in President Bush's budget.

No. 5. Appoint the Chairman and remaining members of the National Commission on Superconductivity [NCS], as called for by the Executive order of December 28, 1988.

No. 6. The National Commission on Superconductivity should prepare a strategic policy report on superconductivity.

This report should supplement the findings of the so-called Wise Men's Report. The NCS report should also provide a framework for the 5-year National Superconductivity Action Plan.

No. 7. The Federal Government should pursue fiscal and monetary policies that lower the cost of capital.

This would enable U.S. industries to maintain and expand their R&D, and manufacturing capabilities. Also, the research and development tax credit should be permanently extended to foster technological innovation.

No. 8. The Federal Government must pursue policies promoting free and fair trade.

We must take action to level the playing field among international competitors.

No. 9. The Federal Government should encourage and promote innovative joint ventures and consortia. Such organizations must encourage flexible Government participation, and private-sector direction.

These organizations should also work to eliminate traditional barriers to technology transfers.

No. 10. The Federal Government should broaden its role in supporting science and technology education at all levels.

These 10 recommendations are crucial to the national security and economic health of our country.

The failure of the Bush administration to develop a policy on critical materials damages the very foundations of our country's defense and future prosperity.

I take the President's words to heart that he wants a stronger, more resourceful Nation in our defenses and foreign policy.

I urge the administration to work with the Congress and remedy the festering crisis of critical materials.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Who wishes to be recognized?

Mr. BOREN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KOHL). Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

(The remarks of Mrs. KASSEBAUM pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Indiana is recognized.

(The remarks of Mr. COATS pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

(The remarks of Mr. COCHRAN pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mrs. KASSEBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SECTION 89 SIMPLIFICATION ACT

Mr. PRYOR. Mr. President, I would like to ask for unanimous consent to add the following names to S. 654, the "Section 89 Simplification Act": Senator EXON, Senator REID, Senator BURDICK, Senator DODD, Senator COHEN, Senator SHELBY, Senator KOHL, and Senator HATFIELD.

This brings to 25 the number of Senators sponsoring the Section 89 Simplification Act, introduced March 17.

As I have stated before on the floor, this bill is intended to begin the dialog on section 89 reform. That dialog has now begun. I would especially like to thank the National Association of Life Underwriters, the National Small Business United, the National League of Cities, the American Council of Life Insurance, the American Institute of Certified Public Accountants, the Association of Private Pension and Welfare Plans, the Associated General Contractors of America, and the Section 89 Coalition for their support and counsel. Their comments and suggestions have been particularly helpful and should help bring about significant reform in this area.

As we have all learned from our constituents, section 89 is a complex and difficult issue. Unfortunately, because

of the cost of repeal—as high as $1 billion—and because of the politics of this issue, section 89 is not going to go away. Sometime we wish it might. The only viable solution is to provide substantive reform. S. 654 is a first step in the right direction, and we are very, very indebted for the new sponsors that we add today. And we are very, very indebted for the new sponsors that we add today.

I would anticipate, Mr. President, in the week to come that the sponsors of the Section 89 Simplification Act will be able to announce amendments and constructive changes to this piece of legislation to provide additional relief for many groups and many small businesses throughout our country. I would urge those groups or those Senators who are interested in participating in this process to contact me or my staff and I look forward for this dialog to continue and to making section 89 not only understood by also workable.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

(The remarks of Mr. DOMENICI pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

MIKE MANSFIELD

Mr. SIMPSON. Mr. President, on February 8 we had a most magnificent outpouring of affection and high regard and tribute to Mike Mansfield. While we were doing all that he was just off the floor in the Manfield Room at a reception. As he said, his face "was reddened" by it all.

Then he spoke after the tributes rolled like a tide over him—and as usual, it was for about 2 minutes. The magnificent Maureen was at his side—and he paid her proper tribute as the person who, with her fine common sense and good judgment, had been a great guide to him through his years of public life. What a splendid pair they are. An inspiration to all of us.

So my words, too, will be few. Believe that? Ambassador Mike Mansfield is the epitome of distinguished public service to his country.

As a young lawyer in Cody, WY, I watched this giant of the Senate attain the post of majority leader and I thought how great it was that a man could do that and not get ensnared by partisanship and ossified by a sterile desire to serve only to be reelected. I thought if he could do it, I can too. Therefore, Mike became my mentor and my idol. I could not have picked a better one in public life. He served with my father in the U.S. Senate. He and Dad were great friends. Now, I have been the beneficiary of that same friendship as I have served in the Senate. He has been a friend and a counselor to me. He was always there to take pen in hand and write me a note of congratulation or appreciation or encouragement and, like the old ad said, "Boy, I needed that."

He is such a man of kindness, compassion, brilliance, steadiness, common sense, and rare good humor with a wry wit and a gentle view of the world around him. He has earned the respect of colleagues, constituents, fellow citizens, Presidents and nations themselves through his quiet and self-effacing service, his sincerity, his innate civility and his willingness to speak the cold hard truth as he sees it. And yet it is never done in an arrogant or pompous way. He has an unfailing commitment to his own principles and ideals—which delightfully enough fit the principles and ideals of his country.

The people of Montana, Wyoming, and the rest of the West and the Nation have long recognized the stunning character of this most wonderful man. They saw it first in the State of my neighbors to the north. Now, they know it the world over. It is so fitting that we of the U.S. Senate pay tribute to him and to the remarkable lady at his side, Maureen—on behalf of a grateful nation. Our appreciation, our gratitude, and our love go pouring out upon them as they go on now to new adventures in their lives together.

SYRIA LAUNCHES EASTER HOLOCAUST AGAINST LEBANESE CHRISTIANS

Mr. HELMS. Mr. President, I am deeply concerned by the unprecedented Syrian attack against the Christian community of Lebanon as well as against Moslems living in the free areas under the control of the legitimate government of Prime Minister Aoun. Since March 14, the Syrians have unleashed massive artillery and rocket fire against Christian areas of Lebanon including East Beirut itself.

This past Monday alone, the Syrians fired 20,000 shells and rockets. The barbaric Syrian attacks continue to this very moment. This is an action targeted to destroy and inflict terror upon tens of thousands of innocent Lebanese civilian men, women, and children.

The reaction by the Department of State to this situation is shocking but not surprising. According to a Washington Times interveiw with Lebanese Prime Minister Aoun this past Friday, the U.S. State Department has officially given the green light to Syria for this massacre and has officially told President Aoun to give in to Syrian demands. According to the Washington Times report, this word was communicated to Prime Minister Aoun by Ambassador McCarthy who demanded that Prime Minister Aoun remove the naval blockade from illegal ports in Syrian occupied territory which have been havens for narcotics smugglers, terrorists, and and other criminal elements.

It should be noted for the record that Ambassador McCarthy has not to this day presented his credentials to Prime Minister Aoun. So technically, Mr. McCarthy has no diplomatic standing in Lebanon. The Department of State, therefore, continues to be active accomplice of Syrian policy by denying the legitimacy of the Aoun government. The State Department in Washington fails officially to acknowledge the Syrian bombardment even when Ambassador McCarthy stated publicly on local radio that his residence was hit by a Syrian shell.

Mr. President so that Senators may have information revealing the machinations of the State Department, I ask unanimous consent that an article entitled "Beirut Christian Begs for U.S. Help" which appeared on March 31 in the Washington Times and the editorial entitled "The Lebanese Apocalypse" which appeared in the Washington Times on March 31 be printed in the RECORD at the conclusion of my remarks as exhibit 1.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, the Department of State has consistently pursued a pro-Syria policy for some 15 years—a policy which was developed by Henry Kissinger—and this has led directly to the current crisis.

The Syrians have unleashed what amounts to a holocaust against Lebanese living in free areas under the control of the legitimate Lebanese Government of General Aoun with daily artillery and rocket attacks averaging some 5,000 rounds per day. As I already pointed out, just Monday international press reports state that some 20,000 shells and rockets rained death down on the Lebanese Christian community.

The Syrians have targeted civilian hospitals, schools, homes for the elderly, residential areas, electrical generating stations, and oil and gas storage areas. As a result of this past week's

shelling, butane and gas storage tanks have exploded creating a poisonous black cloud which is some 12.5 miles long and some 4.5 miles wide. This poisonous cloud is currently threatening population centers in Israel, in Cyprus, in Syria, as well as in Lebanon. Further chemical storage tanks and butane tanks are threatened. Last Friday some 150,000 people were evacuated from areas in East Beirut close to these storage facilities.

Mr. President, I ask unanimous consent that an appeal by His Beatitude Patriarch Sfeir issued from Bkerke, Lebanon, on March 30 be printed in the RECORD at the conclusion of my remarks as exihibit 2.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HELMS. To date, Arab League mediation efforts have failed to stop the situation. The Government of Iraq has taken a strong public and stand against Syria's attack. Iraqi Foreign Minister Tariq Azziz has taken an active role in attempting to forge a diplomatic effort to restrain Syria. The French Government has issued strong denunciations of the Syrian attack. The Vatican has been deeply concerned about the bloodshed.

Mr. President, so that Senators have available the full text of the letter from Ambassador Abdallah Bouhabib to President Bush on March 30, I ask unanimous consent that a copy of this letter supplied by the Embassy of Lebanon here in Washington to me be printed in the RECORD at the conclusion of my remarks as exhibit 3.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. HELMS. Mr. President, there is no doubt in the Middle East and there is no doubt in Europe that the holocaust taking place against the Christians of Lebanon is a direct result of the failure of American foreign policy to halt Syrian barbarism. In fact, it is no secret in any capital in the world that the lack action by the Department of State has encouraged the Syrians to massacre innocent Lebanese.

Mr. President, I for one find the pro-Syrian policy of the Department of State to be a national disgrace and a stain on the honor of our Nation. History will certainly record those persons on whose hands lies the blood of the Lebanese Christians and Moslems. I hope that our President will, even at this late hour, take action to reverse the State Department's policy.

EXHIBIT 1

[From the Washington Times, Mar. 31, 1989]

BEIRUT CHRISTIAN BEGS FOR U.S. HELP

(By James M. Dorsey)

The desperate commander of the Christian forces in Beirut stepped outside the usual diplomatic channels to plead for U.S. help yesterday, making an unusual plea to ask this newspaper to warn that Syrian troops are on the verge of destroying this embattled community.

Gen. Michel Aoun's telephone call to The Washington Times was made as a Syrian rocket attack left Beirut's main fuel depot in flames. Thick, black smoke billowed more than a quarter of a mile high above the city, and residents of the area were reported by news agencies to be fleeing by the thousands.

Gen. Aoun told Arnaud de Borchgrave, the editor-in-chief of The Times, that the Bush administration was insensitive to the Syrian threat.

He followed his telephone call, made from the presidential palace overlooking east Beirut, with a telex message warning that the fire could destroy much of the Christian enclave.

He said he hoped that by contacting an American newspaper he could galvanize the administration and Congress into action against the Syrian presence in Lebanon.

Administration officials in Washington said Gen. Aoun's warning was exaggerated and that he was trying to turn the most recent intercommunal fighting into a referendum on Syria's role in Lebanon. U.S. officials noted that Lebanon's predominately Moslem population is overwhelmingly hostile to the Christians.

A senior administration official said "there is no sense in my mind" that Syria is in a position to take total control of the country. A cease-fire arranged Wednesday by the Arab League appeared to be holding he said, and "the massive shelling has stopped."

Gen. Aoun and Lebanon's ambassador to the United States, Abdallah Bouhabib, charged that the United States was allowing Syria and its Lebanese proteges to systematically destroy the 310-square-mile enclave of the Christians.

"The Syrians want for many years to annex Lebanon," Gen. Aoun said in his telephone call to the newspaper. "Because we are resisting them, they want to destroy us. Unfortunately, the world is looking elsewhere, especially the U.S. Government."

Ambassador Bouhabib "is doing his best, but the Bush administration apparently doesn't care."

"We are the last bastion saying no to the Syrians, and we are sending you [The Washington Times] an SOS because no one seems to be listening."

In a telephone interview, Mr. Bouhabib said that, in his almost daily visits to the State Department, the administration was rejecting requests for a clear U.S. stand on the Syrian presence in Lebanon.

"They are not willing to point fingers at Syria. They are trying to dilute the Syrian presence in Lebanon. They are refusing to say anything about Syria.

"This morning I was again at State. They are giving us the same kind of lecture, that we pushed too quick," the ambassador said.

In a letter to President Bush yesterday, Mr. Bouhabib charged that the State Department's failure to identify Syria in its statements "unintentionally but implicitly and indirectly encourage[s] the Syrians to continue their strangulation of Lebanon."

State Department officials said they agree with Gen. Aoun's goal of achieving the withdrawal of all foreign forces from Lebanon and abolishing the different militias, but do not believe this can be achieved militarily.

"The allegation that we ignore Lebanon is simply not true," said one official, noting that the State Department had issued three separate statements on Lebanon during the past two weeks calling for an immediate cease-fire, urging the avoidance of civilian casualties and suffering, and supporting an Arab League effort to find a negotiated settlement.

Officials conceded that the statements made no specific mention of Syria, whose troops entered Lebanon in 1976 at the request of then-President Suleiman Franjieh, a Christian.

The most recent round of fighting in Lebanon's 14-year-old civil war began March 14, when Gen. Aoun attempted to forceably close illegal ports being used by various militias. Since then, at least 87 persons have been killed and 287 wounded in the artillery duels.

Gen. Aoun heads a Christian Cabinet in east Beirut that competes for legitimacy with the Moslem west Beirut Cabinet of Prime Minister Selim al-Hoss. Gen. Aoun was appointed president in September by outgoing President Amin Gemayal after the Parliament failed to elect a new head of state.

"Aoun is trying to make this round into an international referendum on the Syrian presence in Lebanon; he is trying to attract international attention to Syria's role," a State Department official said.

"The problem we are having is that we are getting scores of calls from Lebanese Christians or Lebanese Christian Americans, but not one call from Lebanese Moslems or Lebanese American Moslems," the official said.

The officials said Lebanese Moslems were more concerned about Israel's presence in the south and a resolution of the Palestinian problem that would allow for the departure of refugees from Lebanon. They said Syria had been able to restore some sense of stability and security when its troops entered west Beirut in 1987 with the declared aim of ending warfare between various militias.

U.S. and Lebanese officials noted that relations between Gen. Aoun and U.S. Ambassador to Lebanon John McCarthy were strained. Gen Aoun publicly criticized Mr. McCarthy on Wednesday for complaining that a Syrian shell had hit his residence.

The Christian-run Voice of Lebanon quoted Gen. Aoun as regretting that Mr. McCarthy "had failed to notice the hundreds of shells falling in the periphery of his residence and the thousands of shells falling on the heads of citizens.

"The ambassador should have more courage," Gen. Aoun said.

Said Mr. Bouhabib: "It's not McCarthy; it's the whole position of the administration."

Gen. Aoun said Syria was besieging the enclave, lobbing 5,000 shells into it daily. He said destruction of power plants, transmission facilities and ports through which fuel is transported would lead to a total blackout within 48 hours.

"Water plants are totally destroyed, water pipelines cut . . . a very serious crisis of gas poisoning and pollution is threatening a large number of Lebanese."

He said he did not have the means to put out the fire in the city's fuel depot that had destroyed 10,000 homes and was consuming 500 tons of gas and threatening a nearby tank farm with an additional 5,000 tons of liquid petroleum gas.

"We cannot evacuate the area; people have no other place to go. We cannot rescue the distressed area. All of this because Syrians are still shelling," Gen. Aoun said.

The Associated Press reported from Beirut that 50,000 persons had fled the area because of the fires, explosions and leaking gas.

Reuters news agency said 53 persons were injured by the blast, which sent flames shooting 1,600 feet into the sky and was heard 30 miles away. The explosion demolished two buildings, damaged scores of shops and set cars on fire. The lid of the butane tank landed several miles from the refinery, flattening four floors of a building, the agency said.

[From the Washington Times, Mar. 31, 1989]

THE LEBANESE APOCALYPSE

Call it an apocalypse. Syrian forces in Lebanon have hurled more than 25,000 bombs and missiles into Christian East Beirut over the past fortnight. They observed a cease-fire this week by torching a gasoline refinery containing 60 percent of the country's gasoline supply. Flames set off a butane tank yesterday, and people could hear the explosion 30 miles away. The tank's lid flew four miles and flattened a building.

As choking smoke from the holocaust darkened the sun, citizens tried to tame the blazes. They fear the conflagration will spread to a nearby gasoline-tank area and turn East Beirut into an oven with streets.

The situation could hardly be worse for Lebanese Christians, who have tried in recent years to be good allies of the United States. But their officials haven't been able to get the time of day from American officials. Gen. Michel Aoun, head of the Christian militias and self-styled "prime minister" of the country, finally made a desperate call yesterday to Arnaud de Borchgrave, editor-in-chief of The Washington Times and longtime veteran of Middle Eastern affairs. "We are the last bastion saying 'No' to the Syrians," he said. "We are sending you an SOS because no one seems to be listening. . . . The Bush administration apparently doesn't care."

It had better start. Syria's march through Lebanon, which has escalated dramatically of late, is bad news for anyone interested in world peace. Syrian leader Hafez al-Assad makes no secret of his ambition to create a "Greater Syria," stretching from his country's present boundaries through Lebanon, Israel and the Sinai peninsula.

Lebanon is the Big Domino. If it falls, the entire region could erupt into bitter, barbaric warfare. Israel, whose prime minister seems determined to prevent a peaceful settlement with the Palestinians, would find itself at war with the entire Arab world—and the United States would be caught in the middle. And Arab lands hostile to Syria would have to save their enmity for after the conclusion of a Syrian-Israeli war.

Unfortunately, the U.S. government ceased having a strategy for dealing with such a situation when Syrian-backed terrorists blew up our Marine barracks in Beirut nearly six years ago. The Bush administration's support of an Arab League cease-fire proposal won't persuade Mr. Assad to end his 14-year occupation of Lebanon, and it won't convince our Arab allies that we have developed some backbone. We'll have to earn our credibility. Step 1 in that effort would involve denouncing Mr. Assad's attempt at a Lebanese genocide. Step 2 would require taking action against Mr. Assad without Israel's help.

So now the spotlight turns to President Bush and Secretary of State James Baker. Their actions in the next few weeks could have enormous bearing on the future of the Middle East. Firm action now might stop Syria's march and prevent yet another Middle Eastern war. Failure to act would only encourage Syria and make a Middle Eastern holocaust not only conceivable, but likely.

EXHIBIT 2

SAVING THE HUMAN BEING IN LEBANON IS AN EMERGENCY CASE

(Appeal Launched by His Beatitude Patriarch Sfeir in Favor of Consolidating the Cease-Fire in Lebanon)

For more than 15 days now the Lebanese people have been tortured by a shower of bombs and a severe blockade preventing them from getting necessary supplies.

It is a fearsome situation which should not last, out of mercy's sake for the innocent citizens, children, old people, women and the sick. Shaken by fear, a whole population exposed day and night to shells of all calibers, is spending time in the shelters or cornered in house recesses. These missiles of death are being launched by sophisticated weapons, the use of which against residential areas is forbidden.

The closing of passage ways between the Lebanese regions prevents the members of the same family from meeting each other and people from earning their daily bread. The destruction of enterprises, factories and other production installations is paralyzing the economic and social life, thus causing starvation. All these measures bear a vicious and odious character offending the most basic principles of humanity.

What is happening on Lebanese soil has no justifications. An end must be put to it without delay.

Feeling it our duty to help the Lebanese out of the hell where they struggle, we launch a most solemn appeal requiring all those bearing responsibilities, be they Lebanese or non-Lebanese, to silence for good their cannons and stop the destruction of houses over the heads of their inhabitants. We adjure then to respect the cease-fire and consolidate it in the name of God before Whom they will have to appear, in the name of all human values in which they believe, and in the name of the respect they bear in their hearts towards the sacredness of human life. For goodness sake, may they reply favorably to this appeal.

We address this appeal to all those who abide by the human rights: States, international and regional organizations and moral authorities.

We address it specially to the Arab league and to the committee issued from it. We thank them for the relentless efforts they employ to consolidate the cease-fire and open the passage ways between the Lebanese regions. We hope this will be guaranteed by the presence of observers.

May they save Lebanon more death, torture, and destruction.

Saving the human being in Lebanon is an emergency case.

NASRALLAH PETER SFEIR,
Patriarch of Antioch and All the Orient.
BKERKE, LEBANON, *March 30, 1989.*

EXHIBIT 3

EMBASSY OF LEBANON,
Washington, March 30, 1989.

HON. GEORGE BUSH,
President of the United States of America, The White House, Washington, DC.

MR. PRESIDENT: Less than two weeks ago you declared to the world that the Lebanese have suffered for too long and that you wanted them "to know that this President is going to find a way" to make a difference in Lebanon.

Since then, over one hundred Lebanese have been killed, and three hundred have been wounded. Scores of buildings, cars, and vital sources of civilian food, water, fuel, and electricity are being destroyed with the most sophisticated weaponry. Over the last four days some 20,000 shells and rockets have fallen in residential areas.

Two days ago, an Arab League Committee on Lebanon meeting in Tunis appealed for a halt to the fighting in Lebanon. While the Government of Lebanon immediately agreed, Syrian aggression, in its worst form of mass-destruction, continued. Taking advantage of the unilaterally declared cease-fire, the Syrian Army targetted and destroyed a power plant and two large fuel tanks causing blackouts and massive conflagrations forcing thousands of civilians to evacuate. Critical supplies of grains and fuel for bakeries and hospitals have been destroyed, gravely effecting all Lebanon.

Mr. President, we are concerned that although the U.S. Embassy in Lebanon stated that the residence of the U.S. Ambassador in Beirut "was struck by a Syrian shell", Administration officials continue to ignore Syria's destructive role in Lebanon, and thus unintentionally but implicitly and indirectly encourage the Syrians to continue their strangulation of Lebanon.

Mr. President, like the Nicaraguans, Angolans, Afghans, and all beleaguered and suffering peoples around the globe, the Lebanese have the inalienable right to live in peace with self-determination.

Mr. President, in the name of these cherished American values which you have so eloquently brought to your Administration, I appeal to you, not for military or financial assistance, but rather for peace—by calling for an immediate halt to the fighting in Lebanon. I urge you to take measures to help bring about the withdrawal of all non-Lebanese military forces in Lebanon. The free world, and the Lebanese in particular, hold you in highest esteem as a champion of human rights and dignity. We plead with you to act now to make a difference.

With my fullest appreciation of your support.

Sincerely,

ABDALLAH BOUHABIB.

THE KREMLIN'S LATEST GIFT TO QADHAFI

Mr. HELMS. Mr. President, in the last month the entire strategic balance in the Middle East has been altered by the actions of the Soviet Union. The Kremlin has made the region a much more dangerous place, and has proved once again that it has no interest in peace in the Middle East.

Specifically, according to a report in today's New York Times, the Soviet Union has provided the chief supporter of international terrorism, Colonel Qadhafi of Libya, with the capability of delivering weapons of mass destruction over a wide range of the Middle East and Mediterranean.

Sixty miles south of Tripoli, is what is widely believed to be a nearly completed $4 billion war plant. In one corner of the complex is the largest

poison gas facility in the world. When the German technicians get it on line it may be able to produce 40 tons of nerve gas every day. One drop of this gas is enough to kill the average person.

The rest of the complex is reportedly devoted to the delivery of this poison gas. There is a foundry, a forge, machine shop, warehouses and three large metalworking buildings linked together. Japanese firms constructed these buildings and stocked them with Japanese and Western European machine tools.

The three large metalworking buildings linked together contain three assembly lines for artillery shells, aerial bombs and guided missiles. According to open testimony by the Director of the CIA, only the first two are in operation. Apparently, Qadhafi has not as yet found a country willing to provide the missile technology necessary to put the third assembly line into production.

Mr. President, the intentions of Colonel Qadhafi are clear to everyone in the region: He intends to use his poison gas weapons to destroy Israel.

Fortunately, however, Libya does not share a common border with Israel. The Israeli border is 600 miles away and his Soviet Mig-23's can only fly 500 miles without air-to-air refueling. Qadhafi has reportedly been trying to obtain an air-to-air refueling capability from a West German company but they apparently do not have the bugs out of the system yet.

Today's New York Times reveals that the Soviet Union has solved Qadhafi's delivery problems. Not only have they begun to deliver 12 to 15 advanced SU-24 fighter-bombers with a range of 800 miles but just to make certain, they have thrown in two IL-76 refueling tankers.

Mr. President, some people may be shocked to learn that the Soviet Union has deliberately provided the world's chief terrorist with a long range striking force. I am not shocked.

What the Soviet Union has done is simply again to reveal itself for what it is, the primary destabilizing force in the world. One need not look far to see the Soviet Union behind the major terrorist groups and terrorist countries of the world. Beyond Qadhafi, the list includes the PLO, Syria, the Salvadoran guerillas, the Sandinistas, Cuba. And the list goes on and on.

The SU-24 sale to Libya should make it abundantly clear to everyone that the Soviet Union is not concerned about world peace or security or stability in any region of the world—especially in the Middle East.

There is no new thinking on the part of Soviet planners. There is no new Soviet foreign policy; there is only a disguised version of the old deadly Soviet foreign policy.

Ironically, the SU-24 sale to Libya comes at the same time a proposal is being floated to introduce the Soviet Union into security discussions in the Pacific Rim. Bringing the Soviet Union and its North Korean soulmate into such a regional arrangement would not be helpful but rather the opposite. It would introduce the problem into a region which has reached a solution. The Pacific Rim, which is largely at peace today, would suddenly be confronted with a dangerous, irresponsible new player.

Mr. President, Soviet actions in Libya must be considered as the primary evidence of the Soviet's real intentions in the world. Any failure on the part of our Government to recognize this can only threaten the long-term security interests of the United States.

I ask unanimous consent that the page one article on Soviet aircraft sales to Libya published by the New York Times today be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 5, 1989]

SOVIETS SOLD LIBYA ADVANCED BOMBER, UNITED STATES OFFICIALS SAY—THREAT TO ISRAEL IS SEEN

(By Stephen Engleberg with Bernard E. Trainer)

WASHINGTON, April 4.—The Soviet Union has sold Libya high-performance bombers and airborne refueling ability that would greatly enhance Tripoli's capacity to hit targets in Israel and beyond, Administration officials say.

Puzzled American officials said the deal, and the Soviet Union's training of Libyan pilots to fly the supersonic Sukhoi-24D airplanes, appeared to be at odds with Mikhail S. Gorbachev's proclaimed intention to bend Soviet policy to a more conciliatory role in regional conflicts.

The Soviet sale raises some awkward questions for the Bush Administration, which has credited Misco with moving to defuse a number of regional conflicts, including those in Afghanistan, Cambodia and Southern Africa, and has asked for Soviet help in reducing tensions in the Middle East and Central America. The Administration must now decide whether to protest the Libya sale publicly or raise the issue privately when Secretary of State James A. Baker 3d meets next month with Eduard A. Shevardnadze, the Soviet Foreign Minister.

RADIUS OF OVER 800 MILES

One official said the deal involved as many as 15 SU-24 bombers. Another Administration official said that American intelligence tracked the delivery of the first six SU-24's from Novosibirsk in Siberia to the Umm Aitiqah airfield in Libya aboard an Antonov-22 cargo aircraft, and that some Libyan pilots had already traveled to the Soviet Union for training.

An Administration official said the bombers are likely to be based in eastern Libya at Bumbah, the airfield outside of Tobruk that was the base for the two Libyan fighters shot down by the United States Navy in January. From Bumbah the aircraft, with a radius of more than 800 miles, could without refueling fly round trip to Israel and many of the North African and European nations bordering the Mediterranean.

RHETORIC AND BEHAVIOR

Administration officials said it was unclear what motivated the Soviets to sell the planes at a time when they are openly courting Israel and hoping for better relations with the Arab countries in the region. The officials said that with the intense American eavesdropping and photographic coverage of Libya, the Soviet Union had to have known that the sale could not be kept secret.

"It raises major questions about the Soviets' new thinking," an Administration official said. "Indeed, the so-called new thinking in the Middle East is turning out to look a lot like the old thinking. It underlines the gap between rhetoric and behavior."

The official said the subject was likely to be raised when Mr. Baker meets with Mr. Shevardnadze.

The official said that money from the sale may be a motivating factor, but that the deal could also illustrate the Soviet Union's continuing policy of supporting "pariah" nations in the Middle East. The official said Moscow's embrace of Iran, its continued military support for Syria and its weapons sales to Libya "all add up to a disappointing approach so far."

This official said the bomber deal was in conflict with the Soviet Union's "professed concern with stability," particularly in view of Libya's efforts to build chemical weapons and its relations to terrorist groups.

Other officials saw the sale as a way of cementing the Soviet Union's relationship with Col. Muammar el-Qaddafi, the Libyan leader, at a time when Moscow has few other friends in North Africa.

"They look at this as an investment that will lead to a good political relationship," an Administration official said. "The Libyans seem to be important enough for the Soviets to focus on. They're apparently willing to risk other things to bolster that relationship."

REFITTING CRAFT TO REFUEL

Libya's relations with the Soviet Union have waxed and waned in the past decade and have seemed to be closer in recent months. Several Administration officers noted that when the United States complained about the construction of a chemical plant in Libya, the Soviet Union supported Colonel Qaddafi's assertion that the plant was to make pharmaceuticals, not chemical weapons.

Administration officials said that along with the bombers, the Soviet Union had also agreed to refit a Libyan transport plane, a Soviet Ilyushin-76, so it can be used as an aerial refueler. The tanker can refuel three SU-24's at a time. Jane's All the World's Aircraft estimates the maximum unrefueled radius of the SU-24 at 805 miles, and one aerial refueling would increase its radius by as much as 50 percent.

William H. Webster, the Director of Central Intelligence, told Congress earlier this year that if Libya did extend the range of its bombers, it could alter the balance of power in the Middle East. Mr. Webster's comments came in response to questions about whether Libya could hit cities in the region with chemical weapons.

AIRCRAFT'S ABILITIES

At present, Libya has only a few bombers that could fly the 1,300-mile round trip from eastern Libya to Israel. Libya's forces

include some aging French-made Mirage fighter-bombers, which each carry one two-thousand pound bomb, and a squadron of 4 Tupolev-22's, which can transport larger loads and have a greater range but are slower and far less sophisticated than the SU-24's.

The SU-24D was deployed in the 1970's and is equipped with the type of modern electronics gear needed to evade anti-aircraft fire. It has a highly accurate bomb delivery system and, unlike the other planes in the Libyan arsenal, it can also be flown at night and in inclement weather.

The plane can be compared to that of the F-111, wich flew from England to Libya and back when the United States bombed Tripoli in April 1986. Although their roles are similar, aviation experts say the F-111 is a far more capable aircraft than its Soviet counterpart.

The IL-76 aerial tanker is similar in appearance and performance to the United States C-141. Both aircraft are designed primarily to carry troops and cargo and are over 150 feet in length. The tanker version of the IL-76 can carry between 80,000 and 100,000 pounds of jet fuel.

In the past year, American officials said a German company, Intec, had been working unsuccessfully to put together a refueling system for Libya's Soviet-built MIG-23's, shorter-range fighter planes that can be adapted for bombing missions.

ARCHBISHOP IAKOVOS

Mr. PRESSLER. Mr. President, the 30th anniversary of the enthronement of Archbishop Iakovos currently is being celebrated by millions of Greek Orthodox Christians throughout the Americas. Archbishop Iakovos became Archbishop of the Greek Orthodox Archdiocese of North and South America on April 1, 1959.

For three decades, His Eminence has worked tirelessly to bring greater vitality and unity to the church. He has initiated many far-reaching reforms and has greatly expanded the activities of Eastern Orthodoxy. Moreover, Archbishop Iakovos has earned the deep respect and commendation of many Americans outside his religious flock for his unflagging community and humanitarian service. To mention just a few of his many impressive achievements:

He has been awarded more than 30 honorary doctorate degrees;

He won the Presidential Medal of Freedom;

He has received numerous humanitarian awards;

He served in the forefront of the U.S. civil rights movement;

He initiated the program to assist Greek Cypriot refugees following the invasion of Cyprus by Turkish armed forces in 1974; and

He copresided over the World Council of Churches for 8 years.

Mr. President, this is only a partial record of this great religious and humanitarian leader. I urge all Americans to recognize and pay tribute to the contributions of Archbishop Iakovos to a better, more spiritual way of life for both Americans and millions of other people around the world.

I am proud to have the opportunity to recognize this 30th anniversary of the installation of Archbishop Iakovos as primate of his church in the Americas.

GREEK INDEPENDENCE DAY

Mr. PRESSLER. Mr. President, in 1986, President Ronald Reagan signed into law Senate Joint Resolution 308 designating March 25 as Greek Independence Day: A National Day of Celebration of Greek and American Democracy.

Greece and the United States have enjoyed a close relationship, including the sharing of the heritage of democracy. The ancient Greeks—through their excellence in literature, architecture, philosophy, science and art—have left a lasting impression on nearly every aspect of American daily life. Most notable among these contributions has been the legacy of democracy. This revolutionary concept, adopted by our Founding Fathers from the ancient Greeks, fired our own struggle for independence in 1776. Freedom, equality and justice—all ideals inspired by the Greek concept of democracy—were later manifested in the formation of our Constitution. Indeed, as stated in Senate Joint Resolution 308, passed during the 99th Congress:

> The ancient Greeks developed the concept of democracy, in which supreme power to govern is vested in the people. The Founding Fathers of the United States of America drew heavily upon the political and philosophical experience of ancient Greece in forming our representative democracy.

Not only were the Greeks responsible for identifying the significance of democracy, but they have remained loyal to its ideals of freedom, justice and peace. Greece's dedication to the advancement of democracy throughout the world allied her with the United States in both of this century's World Wars. Over 600,000 Greeks or 9 percent of the entire population of Greece, lost their lives defending the principles of democracy during World War II. This great sacrifice should never be forgotten by the 36.1 percent of the world's population who today enjoy political freedom.

America, in turn, has contributed to the prosperous relationship between our two countries by giving back to Greece the inspiration for independence. The American Revolution, which established the political independence of the United States of America, later served as a model for the Greek struggle for independence from Ottoman rule in 1821. Greek intellectuals translated Thomas Jefferson's Declaration of Independence and adopted it as their own. Thus, 19th-century Greeks, in the process of reestablishing their country as an independent nation, drew from the experience of the United States of America—which was, and still is—the political/philosophical protege of the ancient Greeks.

The mutually rewarding nature of the special relationship between Greeks and Americans can be seen in the following quote from the Greek Commander in Chief, Petros Mavomichalis, in an appeal to the citizens of the United States made to the Messian Senate of Calamanta on the eve of the Greek revolution for independence in 1821:

> Having formed the resolution to live or die for freedom, we are drawn toward you by a just sympathy since it is in your land that liberty has fixed her abode, and by you that she is prized as by our fathers. Hence, honoring her name, we invoke yours at the same time, trusting that in imitating you, we shall imitate our ancestors and be thought worthy of them if we succeed in resembling you * * * it is for you, citizens of America, to crown this glory. * * *

A surge of Greek immigration in the early 1900's brought to the United States a proud people, who have enhanced our national character with the richness of their cultural contributions. These new Greek-Americans have achieved unparalleled success as a result of their extraordinary compatibility with earlier Americans. By 1970, the first generation children of Greek immigrants had leaped to the top, over all other American ethnic groups, in median educational attainment. Greek-Americans daily contribute to the strength and greatness of America through their hard work and dedication to upholding the principles of democracy.

On this 168th anniversary of the beginning of the Greek struggle for independence from 400 years of harsh Ottoman rule, I proudly salute the Greek-Americans in my home State of South Dakota, as well as Americans of Greek heritage throughout the United States. Greeks have played a key role in American history, from the birth of the United States of America as an independent nation over 200 years ago to the emergence of our Nation in the 20th century as the leader in the struggle for freedom everywhere.

As we join in celebrating the independence of Greece, I would like to close with the words of historian Will Durant:

> Greek civilization is alive, it moves in every breath of mind that we breathe; so much of it remains that none of us in one lifetime could absorb it all. Greece is the bright morning star of that Western civilization which is our nourishment and life.

AUBURN UNIVERSITY AND THE JOVE INITIATIVE

Mr. HEFLIN. Mr. President, as I have said many times before this body, I believe space is the greatest adventure of our time and any nation that

sees itself as a world leader cannot, and must not ignore it. Space has been important to us in the past, and it will become increasingly important in the future. We use space to ensure our national security, improve our standard of living and broaden our scientific knowledge. And now Mr. President, as we have in the past, we will use space to educate our children.

Today, it gives me great pleasure to announce that NASA has selected Auburn University as the pilot program school for the State of Alabama for a new joint NASA/university program. The program is called the NASA/University Joint Venture Program or the JOVE Initiative.

The JOVE Initiative will be a new and exciting NASA program designed to stimulate science, mathematics, and engineering education in America. Alabama is one of six States in which NASA will conduct pilot programs, and soon the program will become available to colleges and universities across the State, and ultimately, across the Nation.

I believe that most of us all agree that we live in a dynamic era. Everywhere we look, there is change. But nowhere is it greater than in the technological progress that is reshaping the American economy. In my judgment, this technological change and, indeed, the U.S. leadership in science and engineering technology is vital to our national security and well-being.

In 1956, for the first time, white-collar workers in technological, managerial, and clerical positions outnumbered blue-collar workers. Industrial America was giving way to a new society where most of us work with information rather than in producing goods. To date, we have moved into a society that now employs 80 percent of the work force to provide services and the remaining 20 percent for production. America must marshal all of its available resources in order to meet this challenging transformation and remain a world leader in science and technology.

In the coming years, current and future U.S. space missions will generate an enormous amount of scientific data. It will simply be more than NASA has the capacity or manpower to analyze and evaluate. In fact, NASA will collect more data from current missions next year than is contained in the entire Library of Congress. Now that we are flying again, this data bank will multiply several times over. There is a large pool of faculty and students in our Nation's colleges and universities who desire to participate in the space research. The JOVE Initiative provides a particularly attractive approach to match these resources.

The JOVE Initiative will allow colleges and universities, Auburn being the first for Alabama, to participate in the U.S. space program, through a computer link directly with NASA, by analyzing space and science data. Just as exciting is the inclusion in the program of a feature whereby colleges and universities will use their involvement in the space program as a basis for an outreach initiative in science and engineering to students of all ages—from undergraduate to elementary. Mr. President, I believe this element of the JOVE Initiative Program is critical and one of its most exciting aspects. If we are to begin to address our national problem of declining technological prowess, we must reach the lowest levels of our educational system. Getting students involved early on will keep them involved later on.

I am very pleased that Auburn University will be participating in this program and is kicking it off for the State of Alabama. This is just another success in a long line of outstanding successes that Auburn has had in space related research. Auburn University is the home of the Space Power Institute, the Nation's only center of research dedicated to the study of more efficiently and effectively generating power in space. Auburn is also the home of the Center for the Commercial Development of Space Power, as well as for a great deal of other space related activities. We, in Alabama, are proud to have many of our schools, such as Auburn, the University of Alabama at Birmingham and the University of Alabama in Huntsville participating in our Nation's space program, and hopefully through the JOVE Initiative we will have many others as well.

I want to congratulate Auburn University on being selected for this program, and I want to particularly congratulate Dr. Rick Chappel of NASA's Marshall Space Flight Center in Huntsville, AL. It was Dr. Chappell who conceived the JOVE Initiative and got it under way within NASA.

Mr. President, I believe this is an outstanding new program which represents the best in our Nation and our Nation's space program. I am proud to fully support the JOVE Initiative.

MARIAN WRIGHT EDELMAN—A SENSE OF URGENCY

Mr. KENNEDY. Mr. President, it is a rare individual whose visionary and tireless efforts make a difference in the lives of others and the life of the country. One such American is Marian Wright Edelman, president of the Children's Defense Fund. For a quarter century, she has been fighting for the poor and the oppressed, from the early days of the civil rights movement, to her leadership of the Washington Research Project, the Harvard University Center for Law and Education, and now the Children's Defense Fund.

All of us working to improve the lives of children in America know that the careful documentation, skillful analyses, and powerful advocacy of Marion Wright Edelman and the Children's Defense Fund have been the catalyst for historic legislation in recent years on health care, education, nutrition, the war on poverty, and other vital social issues. Now she is making all the difference again—in our drive to enact the landmark ABC bill to bring decent child care to millions of families across America.

A recent issue of the New Yorker magazine contains an excellent profile by Calvin Tompkins on Marian Wright Edelman and her outstanding career and work, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the profile was ordered to be printed in the RECORD, as follows:

[From the New Yorker Mar. 27, 1989]

A SENSE OF URGENCY

(By Calvin Tomkins)

Friends and well-wishers often tell Marian Wright Edelman that she talks too fast. Addressing an audience, she will start off fairly deliberately, making an effort to pace herself and to remember about pauses, but sooner or later the urgency of her subject gets the upper hand, and the words come pouring out—facts, statistics, and moral imperatives, mixed together in an eloquent barrage that leaves her listeners feeling somewhat overwhelmed. Reporters have a hard time keeping up with her. Her message is always clear, however, and the rapid-fire delivery has never seemed to interfere with her effectiveness on Capitol Hill, where she is well known as the leading advocate for children's rights. This is an emotional issue, to be sure, and she makes good use of the wide range of feelings that it evokes. On the other hand, Marian Edelman and the Washington-based organization she heads, the Children's Defense Fund, have gained an enviable reputation over the years for political astuteness and tactical skill in the hard-headed, highly competitive long-range process of influencing social policy and legislation. "She has built up a major American institution that is sui generis," her friend Robert Coles, the child psychiatrist, says, "Of course, this country has always been fascinated by children, because of its own youthfulness and hopefulness. But she educates us about them. She organizes a body of knowledge—statistical, investigative, observational, and analytic—and she puts it together in astonishing ways. One of the major achievements of the Children's Defense Fund is its documentation. There's a faith in knowledge there, a John Milton kind of faith that the truth will somehow prevail, and so they are constantly educating us."

This particular education process has been going on for fifteen years now, and the message, it appears, is finally getting through. One of the few social issues to emerge with any clarity form the farrago of smears and disinformation that characterized the 1988 Presidential campaign was a widespread national concern about child care. Even George Bush, who had never shown any public interest in the subject before, came up with a two-billion-two-hun-

dred-million-dollar child-care proposal, which startled his right-wing supporters; in doing so, he neatly appropriated an issue that many people thought Michael Dukakis should have sewn up for the Democrats. Child care and child health figured prominently in the campaign rhetoric in dozens of state and local races, and investment in the needs of young children was a major priority in half the gubernatorial contests. "This has become the year of the child," William Harris, the president of a political-action committee called Kidspac, said last spring. "The politicians are coming aboard the ark in droves," New York's Governor Mario Cuomo went further, and declared this "the decade of the child." Politicians do not operate in vacuums. The rhetoric was inspired by intense pressure from a lot of different sources—social activists, church groups. labor unions, corporations, educational alliances, and private citizens, all of whom have come to feel that this country is letting far too many of its children go down the drain.

That a great many American children are in trouble today is beyond dispute. Twelve and a half million of them—one-fifth of the total—live in poverty, according to the most recent census figures. The United States now ranks behind Spain, Ireland, and fifteen other countries in the rate of deaths within the first year of life. Lisa Steinberg's horrifying death has focussed attention on child abuse, and this may make it easier to do something about the vast increase in reported cases of child abuse and child neglect in this country during the last decade. The problem of teen-age pregnancy, however, virtually condemns half a million new babies a year to the dismal cycle of poverty and neglect. The Children's Defense Fund has not been alone in addressing these issues, but it is certainly the most active advocate for children nationally. Last year, the Fund put together a coalition of a hundred and seventy national and local organizations in support of the Act for Better Child Care, or A.B.C., as it came to be known—an ambitious piece of social legislation that sought an initial outlay of two and a half billion dollars in new federal spending. The bill was co-sponsored by thirty-eight senators and a hundred and seventy-two representatives—a degree of bipartisan support which made its passage seem a distinct possibility, even in an election year when the federal deficit was the overriding national concern. It was defeated on a procedural vote in the Senate, before Congress had a chance to consider it on its merits, but the bill has been reintroduced in the 101st Congress, and its partisans are confident that this time some major child-care legislation will be passed.

Spending federal funds for outside-the-home child care—or "day care," as it is often called—is a controversial issue. Right-wing ideologues like Phyllis Schafly argue that A.B.C. would "Sovietize the American family" and allow the government to tell people how to raise their children. "They claim we are destroying the family because we are encouraging mothers to go out and work, and we say, 'Listen, they're already out there,'" Edelman has said. "Sixty per cent of the mothers of young children are working, and they're doing so because they have to. A 1985 report by the Congressional Joint Economic Committee found that a whole lot more two-parent families would live below the poverty line if the wives weren't working—fifty per cent more, in fact. In addition, a quarter of today's working mothers are raising their children alone, forty per cent of them with no child support of any kind. You've got to deal with that reality. The right wing says we're discriminating against mothers who sacrifice their standard of living in order to stay home with their kids. That's a tougher issue, I must say. Bush and others talk about playing with the tax system and giving incentives to mothers to stay at home; now, if they're talking enough money I might make a deal with them. I'm for mothers' having the choice to stay home. If they want to talk turkey about family-support programs or children's allowances—But of course nobody wants to spend the money. And the right-wingers don't pay any attention to the facts. It's pure ideology. They lie, they say absolutely anything, and they have some very powerful slogans. It's hard to fight those myths—to get people to understand, for example, that most of the poor people in this country are not on welfare, that they get no support at all."

On the issue of child care, ideology has been overwhelmed by demographics. By 1995, according to current projections, the mothers of two-thirds of all our preschoolers (that is, of some fifteen million of them) will have jobs outside the home. The need to expand and improve child-care facilities is so obvious and so pressing that a politician argues against it at his peril, and not many do. Orrin Hatch, the highly conservative Republican senator from Utah, introduced a child-care bill of his own in the Congress; it called for much less money than A.B.C. did, and it demanded strict local control over how the funds were spent, but, as Edelman points out, the very fact that Orrin Hatch wanted federal funds for child care effectively demolished the right-wing argument that this was wrong on principle.

The huge shift of women into the work force has also gone a long way toward changing people's perceptions of the child-care issue as something that applies mainly to poor people and blacks. Over the last few years, it has become a white, middle-class issue as well, and, accordingly, a great deal of the pressure on politicians comes from white, middle-class groups. It can be argued that the issue here is not so much what's good for children as what's good for their parents. "I am prepared to join the conservatives and to say that it is a tragedy that children are spending more and more time in day-care centers and less and less time with their parents," Robert Coles said recently. "I would be tremendously impressed and moved if American conservatives would put their money where they claim their beliefs are, and say we're going to make it possible for women who want to stay home with their children." But Coles agrees with Marian Edelman that reality is what must be dealt with. Hundreds of thousands of young children spend their days in makeshift and inadequate surroundings because their parents cannot afford to enroll them in well-run day-care programs, and well-run programs are in such short supply that most of them have long waiting lists.

"We sat glued to our television sets for three days when Jessica McClure fell down that open well shaft, but we missed the point," Edelman told members of the Democratic Platform Committee last May. "She should never have fallen down that well shaft in the first place. She was in an unregulated day-care center, with one person trying to take care of nine children." The Act for Better Child Care places major emphasis on health and safety standards in federally supported programs. While the bill covers a diverse range of providers (churches, family day-care homes, community-run centers, and private operators), it also seeks to establish minimum requirements for the ratio of staff to children and for the training of "caregivers," as the staff members are now being called. Edelman had anticipated that the standards issue would be the toughest to put across, because it would be seen by conservatives as prime evidence of "the government telling us how to raise our kids." What she had not anticipated was a church-state controversy that boiled up just as the bill was about to be introduced in Congress. That controversy held the bill up for two months, and it was almost certainly a factor in the Democratic leadership's unwillingness, in the waning hours of the 100th Congress, to bring the bill to the floor for a vote.

"Politicians do not have a lot of courage," Edelman told me last fall, soon after the bill went down. "Both parties used the bill as a political plaything. On the other hand, child care is now a front-rank issue and we have a much clearer idea who our friends are—and our enemies." She seemed resigned yet buoyant in the aftermath of the often bruising, yearlong fight for A.B.C. A vibrant, light-skinned black woman of forty-nine, Edelman rarely fails to savor the irony of a political event, and her rapid conversation is leavened by frequent wellings up of spontaneous laughter.

We were sitting in the library of her comfortable old house in the Cleveland Park section of Washington, where she and her husband, Peter Edelman, and their three sons—Joshua, Jonah, and Ezra—have lived since 1979. The house is full of books and athletic equipment. In a city whose inhabitants put in notoriously long hours on the job, Marian and Peter Edelman, who teaches at the Georgetown University Law Center, are known as exceptionally hard workers, but they have always managed to spend a lot of time with their sons. Last summer was the first in many years that they failed to take a two- or three-week family vacation on Martha's Vineyard; after two days there, Marian had to come back to Washington to do battle for the A.B.C. bill. Now and then, Marian talks a little wistfully and about the things she would like to do if she had more free time. Looking at paintings is one of her passions, and she regrets having missed both the Gauguin and the Georgia O'Keeffe shows at the National Gallery last year. The Edelmans do not entertain as much as they'd like, although they both know a great many people in Washington; when they do have friends in for dinner, the evening usually turns into an informal seminar on some current political or social issue. Marian keeps herself phenomenally well informed. "She reads all the time," Peter told me. "In the bathtub, in bed, everywhere. Mostly policy stuff, but also books on religion and philosophy. Sometimes she reads junk—Robert Ludlum, Helen MacInnes novels, and that sort of thing. She's also a great breakfast enthusiast; she's there at the table while everyone else comes through." The fact that Peter Edelman is white and Marian is black does not really register at all into his house. They both say they have devoted much less time to thinking about that than to trying to give their sons as much as possible of their different religious backgrounds—Jewish in his case, Baptist in hers. Each boy, in due time, has had what the Edelmans call his "Baptist Bar Mitzvah," in a ceremony attended by members of both ex-

tended families as well as close friends. None of the boys ever seemed to think there was anything out of the ordinary about their family, and all three have done very well in school. At the moment, Joshua is a student at Harvard, Jonah is at Yale, and Ezra is in the ninth grade at Sidwell Friends School, in Washington.

Roger Wilkins, the Pulitzer Prize-winning journalist and a former Assistant Attorney General in the Johnson Administration, told me a story about a meeting he had with Marian Edelman in the early nineteen-seventies. "I had just left the Justice Department and gone to the Ford Foundation, and she was just starting what would become the Children's Defense Fund," he said. "She came to see me. We were old friends, and naturally I thought she was going to ask for funding. She told me about this organization she was starting, and I thought it reflected a lot of solid thinking, as I told her. Then she said, 'Well, now, Roger, I want to step down and let you run it.' I said, 'Marian, I don't understand.' She said, 'Among other things our children need, they need the image of a strong black man running things, changing the course of events.' She really meant it. She had invented this organization, and now she was ready to let somebody else take all the credit. Well, I declined, but it was one of the most remarkable conversations I've ever had."

The strong black man in Marian's life was her father, Arthur Jerome Wright. As a young Baptist preacher in the rural South, Wright had once heard Booker T. Washington speak, and the speech made a tremendous impression on him. Like Washington, Wright became an exponent of black people's helping themselves—pulling themselves up, getting an education, buying land, starting small businesses. He believed even more strongly, though, in each person's Christian duty to help others. For Marian Wright, growing up in the small town of Bennettsville, South Carolina, where her father was the minister of Shiloh Baptist Church, the two most important expectations were getting an education and giving service. "The only bad thing about that is that none of us learned how to relax," she recalls. "Working for the community was as much a part of our existence as eating and sleeping and church."

Marian was born in 1939, the youngest of five children. She came as something of a surprise to the other children—a girl and three boys. Her next-oldest brother, Julian, who was six at the time, never quite forgave her for displacing him as the baby of the family. Parental discipline had relaxed a little by the time she arrived, but the requirements were unchanged. She was expected to take part in chores and community service, and to attend the nightly study hour around the dinner table. "From six-thirty to seven-thirty, we had to sit at the table and act like we were studying," her brother, Harry, recalls. "If you said the teacher hadn't assigned you anything, Daddy would say. 'Well, assign yourself.' It was just read, read, read." As a young child, Marian could sometimes get around her parents by crying—something that none of the others had been able to do. The older children made use of this. If they wanted to go to the local movie house on a school night, for example, they would marshal all the available arguments in favor of the idea, claiming that the movie was educational, uplifting, etc., and then, if none of those succeeded, they would instruct Marian to cry. Now and then, it worked.

Bennettsville was a typical Southern town, which is to say that it was segregated. There was a black school, but there were no recreational facilities for black children until Arthur Wright went out and built them: he organized the local community to make a playground behind the church (with a small merry-go-round) and to improvise a roller-skating rink. He tried to build a swimming pool as a well, but the money to finish it never came in. The minister also established the Wright Home for the Aged, and his wife, Maggie Leola Bowen Wright, ran it. She was a quiet, resourceful woman, whose strength the children never fully appreciated until their father died. "Their marriage was a real partnership," Marian says. "She was absolutely the organizer—she kept the books, raised the money, did what was necessary. I don't think my dad ever made more than two hundred dollars a month, but none of us ever felt poor, and compared to the people around us we weren't."

Both parents were sensitive to the individual needs and responses of the five children, without being overly protective. "We were not shielded from the world," Marian recalls. "We were told that there were problems but that we could do something about them. The world outside said we were poor black kids who weren't worth much, but the family said that wasn't so, and the church said it wasn't so. Despite all the negative signals, we knew who we were. Daddy also believed in role models. I can remember sitting on a hard wooden bench for three hours in Columbia, South Carolina, to hear Mordecai Johnson, the president of Howard University. Any time a prominent Negro man or woman came anywhere within reach, we were taken to see that person." (Marian was named after Marian Anderson, whom she was taken to hear as a child.)

Arthur Wright's parents had left the South when he was young, and Arthur spent his early adult years in Philadelphia and New York. Marian is deeply thankful that he decided to go back home to South Carolina to raise his family. "We all had a sense of community, and a sense of being in that part of the country at a critical time," she says. "Life was tough, but every day's expectations were clear. I went back to my twenty-fifth high-school reunion in Bennettsville in 1981, and it was really amazing. That little old town—nearly all my classmates had done well. The message for kids when I went to school there was that you could struggle and that there was hope. The bad side was that there was a lot of exclusion, which probably has some bearing on what I do today. One of the kids I grew up with stepped on a nail when he was eleven years old, and because he couldn't get the right medical treatment he died. I remember a terrible accident near our house in the middle of the night, when a truck collided with a car. An ambulance came, but because the truck driver, who was white, wasn't injured it just drove away, even though the family in the car, who were black, were badly injured. Things like that made me wild. Across the way from our house was the white people's swimming pool. We swam in the creek. The hospital sewage ran into that creek, but it was where we swam. A boy in my class jumped off a bridge into that creek and broke his neck. Always the downside. But somehow enough of a sense of positive community developed so that a number of kids succeeded."

What the Wright children got from their parents has sustained all five of them in adult life. Olive, the firstborn, became a teacher—a highly gifted math and science teacher, who recently retired after many years in the Washington public-school system. Arthur Wright, Jr., the oldest brother, was the family rebel. He refused to go to college, and precipitated a memorable family crisis, but after a hitch in the Army he decided to go to college after all; he got his degree from North Carolina State University, and is now in charge of an alcoholic-rehabilitation center in the Bedford-Stuyvesant section of Brooklyn. The next brother, Harry, was attending Colgate Rochester Divinity School when their father died, of a heart attack, in 1954. Harry came home to Bennettsville and took his father's place as minister of Shiloh Baptist Church. In 1967, he moved, with his family, to Dallas, where he became the president of Bishop College; he is now the minister of the Cornerstone Baptist Church in Brooklyn. Julian, the third brother, elected to stay in Bennettsville. After graduating from North Carolina State, he went back there to live; he commutes to his job teaching school in Rockingham, North Carolina. Julian also runs the Wright Home for the Aged, which he took over after his mother died in 1984. All five children married, all of them have children of their own, and the families get together frequently.

"The boys in our house were never raised any differently from the girls," Marian says. "There was never any assumption that the boys would have careers and we wouldn't. When I look back, I don't know where that came from. My brothers all knew how to clean house. And when Olive decided to get married three years after she graduated from Fisk University our daddy was horrified. He thought she hadn't contributed enough even though she'd been teaching school for those three years."

Marian was fourteen when their father died. She was with him at the end. "We've never been able to find out just what he said to her," Harry Wright told me, "but she was never the same afterward. It was as though she had an absolute determination to discover all her possibilities."

Within the limits of a segregated community, Marian's childhood was a normal, happy one in her eyes and in the eyes of her sister and brothers. She did well in school, and was cheerful and well liked—a slim, pretty girl who became a drum majorette in the school band. Because their mother, who played the organ in church, always wished she could have studied music in college, both the Wright daughters came under some pressure to choose musical careers. Marian took piano and voice lessons, and worked diligently at both, but without showing any evidence of exceptional talent. She loved literature—Tolstoy above all. She had looked forward to entering Fisk University, in Nashville, the rather sophisticated black school where Olive had gone, but when the time came she yielded to her mother and her brother Harry's combined wish that she attend Spelman College, in Atlanta, because it was closer to home. Spelman was a much more conservative place than Fisk. "I hated the idea of going to a staid women's college," she said, "but it turned out to be the right place for me after all."

Spelman, founded in 1881, was the nation's oldest private liberal-arts college for black women. Martin Luther King's sister taught at Spelman (she still does), and King spoke occasionally on campus. Chapel was compulsory for every student, six days a

week. Spelman girls were encouraged to wear hats and gloves when they left the campus, and they had to be back by six o'clock, and in their dormitories by ten—restrictions that more or less ruled out any significant contact with the black male students at Morehouse College, whose campus was across the street. "I was a rebel my first semester," Marian told me. "But then I straightened out, because basically that wasn't me. I did very well my second semester. And then a wonderful, wonderful thing happened. Charles Merrill, who is the son of the man who founded Merrill Lynch, and who had been much impressed by some Morehouse men he met in the Army, had started a scholarship program to send one Morehouse man to Europe every year. Later he decided to extend the program to Spelman I got a Merrill scholarship at the end of my sophomore year, to spend my junior year abroad, and that was a very big deal for a girl brought up in a little Southern town. My mother was great about it. She agreed with Howard Zinn, one of my Spelman teachers, that I should go on my own, not with a group, and I'm deeply grateful for that.

"I was enrolled in the usual French Civilization course at the Sorbonne, but I decided that that wasn't what I wanted, so I applied to the University of Geneva. By that time, I was planning to go into the foreign service after college. Anyway, I ended up spending only the first summer in Paris and the rest of the academic year in Geneva. The second summer I spent in the Soviet Union, on a Lisle Fellowship, which is something like the Experiment in International Living. I'd been dying to go to Russia ever since reading Tolstoy. Also, I had heard that W.E.B. DuBois was living there, and I was determined to meet him. I didn't—he was somewhere else by then. But I had so many great moments there. I actually saw the famous kitchen debate between Khruschev and Nixon, at the American National Exhibition in Moscow—I was right there, and saw it. Soon afterward, I went down to the Caucasus with a student group, and one day we made a side trip to a village near Sochi, the Black Sea resort. We were standing in the village square when three big ZIMs pulled up, and out came Khrushchev and the President of Czechoslovakia. A celebration sort of erupted around them, and vodka was passed around. To show how I was then, I had gone a whole year in France and Switzerland without touching so much as a glass of wine. So when I got to Russian vodka it was a very merry dose. Everything was carefully controlled, of course. There were no home visits, or anything like that, but I felt absolutely at ease with the Russian people. The Baptist church in Moscow felt just like a Baptist church at home, with the same kind of warmth and openness. That year gave me a sense of confidence that I could navigate in the world and do just about anything."

The carefully regulated environment of Spelman College might have seemed altogether too confining to a newly fledged world navigator, but when Marian came back, in the fall of 1959, for her senior year she found a focus for her energy in the emerging civil-rights movement. It was inevitable that she would become involved in it, immediately and deeply. "When I was growing up, there was never any doubt in our minds that segregation was wrong, something to be fought against," she told me. "We talked about it all the time at home. That whole last year of my dad's life, when I was fourteen, he kept waiting for the Brown decision to come down from the Supreme Court. He died ten days before it came." Other Spelman students, too, were very much aware of the civil-rights movement. Martin Luther King was a presence on the campus, and so were a number of other movement leaders, including Whitney Young, who was then the dean of the Atlanta University School of Social Work, and Carl Holman, a teacher at Clark College, in Atlanta, who later became the head of the National Urban Coalition. Howard Zinn, a white Northerner, who was the head of Spelman's History Department when Marian was there (about a quarter of the Spelman teachers then were white), was dismissed from the faculty in 1963 because of his involvement with the students' civil-rights activities and his support of students' protests against campus restrictions. "But, like so many of the teachers in those days, I was following the students, not leading them," he told me. Zinn took a group of students, Marian included, on a class trip to the Georgia State Legislature one day in 1960. When they got there and found that the visitors' gallery was segregated, they decided on the spur of the moment to integrate it. The business of the House was interrupted, and the Speaker ordered them removed from the white section.

The sit-ins hit Atlanta in March of 1960. "That was when Marian and some others really broke out of the Spelman convent," Zinn recalls. A number of Spelman students volunteered to join a much bigger group from Morehouse and the other black colleges in Atlanta for one of the first large-scale sit-ins, at the City Hall cafeteria. Marian had posted a notice on the bulletin board of her dormitory which read, "Young ladies who can picket, please sign below." (" 'Young ladies'—that was so typical of the atmosphere of the college," Zinn says.) Everyone was given the choice of being arrested or not, and fourteen Spelman students were arrested, including Marian; she had prepared for her night in jail by taking along a copy of "The Screwtape Letters," by C.S. Lewis. "It never occurred to me not to get arrested," she said. "I called my mother beforehand and told her what I was going to do, and she didn't object, although I know she was worried."

This was Marian's first real taste of the movement, and it changed her mind about what she was going to do when she graduated. She decided that instead of doing graduate work in Russian Studies at Georgetown, as a preparation for the foreign service, she would go to law school. "I didn't think I had an aptitude for the law," she recalls, "but I wanted to be able to help black people, and the law seemed like a tool I needed." She applied to Yale Law School, was accepted, and won a John Hay Whitney Fellowship to attend. "I went through those three years hating the whole course of study," she said. "I'd had no idea what law school was going to be like, and the one thing I looked forward to during those years was never having to read cases again. But I made many good friends. There was a terrific group of black kids at Yale. We were very integrated, but we were not confused about what we wanted and what we were going to do."

Among the friends she made at Yale was Bob Moses, a soft-spoken, quietly impressive young black man who was no longer a student himself. After graduating from Stuyvesant High School in Manhattan, Moses had gone to Hamilton College, where he was co-captain of the basketball team and vice-president of the senior class, and then to Harvard for a master's degree in philosophy. He had committed himself to the civil rights struggle in 1960. As one of the first members of the Student Nonviolent Coordinating Committee, he had volunteered that summer to travel, alone, through the Deep South, recruiting blacks to come to one of S.N.C.C.'s first organizational conferences, in Atlanta. By the time Marian Wright met him, he was a field secretary of S.N.C.C., organizing in Mississippi and occasionally meeting with members of the Northern Student Movement, based at Yale. His first impression of Marian was that "she understood what a lot of people didn't then, about the importance of what was happening in Mississippi."

With its predominantly black population and its obdurate white power structure, Mississippi had until then been considered too dangeous for civil-rights workers to enter. The Ku Klux Klan had been reborn after the 1954 Brown decision outlawing segregation; many of the local police either belonged to the Klan or looked with favor on its activities, which at that time centered on identifying and eliminating black leaders. Excluded from the political process by outright intimidation as well as by the poll tax, Mississippi blacks had seemed virtually unreachable until Moses made his solo reconnaissance in 1960. The following summer, he went back to Mississippi, where for the next few years he devoted himself to the hazardous work of helping black people register to vote.

Marian Wright went to Mississippi during the spring break of her third year at law school, in 1963. She had never been to the state before. "I promised my mother I would not get into any trouble and I would not get arrested," she said. "I went to Jackson and was picked up there by Medgar Evers, and he drove me in his car up to Greenwood, which was where S.N.C.C. and other civil-rights organizations had set up an office. My first night there, we had a shooting. Somebody drove by in a car and fired some shots into the house of a local man, George Green. Of course, people were very, very frightened, but Bob, in his calm way, kept right on trying to persuade them to register. He was the leader in Mississippi on voter registration, and I think he is one of the truly, truly great men. I stayed there three days. The black people had all heard that a lady lawyer from up North was coming—me. They'd expected to see some well-dressed hotshot, and when I showed up in jeans I could see they were disappointed. After that, I always tried to look good.

"My last day in Greenwood, Bob took a group of people down to the courthouse to register. He walked at the head of that scraggly bunch of courageous people; I was at the end of the line, behind an old man on crutches. This was the first time I'd seen police dogs in action, and I've been scared of them ever since. If I see a German shephard on the street, to this day I'll cross over to avoid him. The cops came with the dogs, and led them to attack us. I remember seeing a dog jump on Bob Moses and tear his pants, and then it was just a terrifying scene—people running away, Bob and the other S.N.C.C. kids getting arrested, and throwing me their car keys as they were being led off. I ran to a phone booth and called the only person I could think of to call, who was John Doar, in the Justice Department in Washington, and I can still hear his steely voice telling me, 'Just stay calm and give me the facts.'" (Doar was

then deputy chief of the civil-rights division in the Justice Department.)

"I took the car keys to the S.N.C.C. office, and then I went back to the courthouse, not really knowing what I was going to do. Here I was, in my third year of law school. I'd found out that there were only three black lawyers in the state of Mississippi, and they were all in Jackson, ninety-six miles away. Outside, in front of the courthouse, was a police car with the dogs, and an unruly crowd of whites. I tried to go up the courthouse steps to check on my friends, but, of course, they wouldn't let me in. I've since heard lots of stories—people saying I was pushed down the steps by the deputy sheriff, and stuff—but it was nothing like that. They just wouldn't let me in. I went around to the side door, where I found out that they were going to try them immediately, but I never could learn the charges. They all spent several weeks in jail, until our people got the bail money together. That's really when I decided to become a lawyer."

She went back to New Haven and finished law school. That spring, the N.A.A.C.P. Legal Defense and Educational Fund has set up an interneship program to encourage young lawyers to work in the South. Marian Wright and Julius Chambers (who is now the head of the Fund) were the first two internes selected; they were trained for a year in New York City, and then given salaries to go and work wherever they wanted in the South. Chambers went to Charlotte, North Carolina. Marian went to Jackson, Mississippi. In the spring of 1964, she opened a legal office there to support civil-rights efforts. "My salary was seven thousand two hundred dollars a year," she told me, "and I've never saved so much money in my life."

The state required non-residents to live there for a year before applying to the Mississippi bar, so Marian was not able to practice law at first—not officially. She made an arrangement with the three black lawyers in town: they signed the necessary papers generated by her work, much of which had to do with getting people out of jail. There were hundreds of arrests that summer of 1964—the summer of the Mississippi Summer Project, which brought thousands of white students from Northern colleges to work on registering black voters throughout the state. It was also the summer that the project workers Michael Schwerner, Andrew Goodman, and James Chaney were arrested by Deputy Sheriff Cecil Price in Neshoba County, held in jail until after dark, and then turned over by Price to the Klan. The F.B.I. found their bodies six weeks later, buried in an earth dam.

"That summer, I very seldom got a client out of jail who had not been beaten, who didn't have bones broken or teeth missing," Marian recalls. "One young boy I represented had been shot and killed in jail, and I had to take his parents to the funeral home to view the body. I took the parents in, and saw that an autopsy had been performed on him. It was another of those watershed experiences—I had nightmares for weeks, but afterward I felt I could face anything. It's amazing what you can come to accept as part of your life. Like starting up your car in the morning with the door open in case there's a bomb. Bombs were going off all the time that summer, but you learn how to deal with that fear, and with the fear of being shot at; you learn how to function in spite of it. I was beginning to learn in that first year how to get my emotions out of the way in order to function more effectively. There were some really extraordinary people down there—ladies who had been through this stuff year after year, not bitter, just doing the best they could. The absence of bitterness was always terribly striking. It reminded me of the women I grew up with in South Carolina, people who never had a choice but who led lives of great dignity and great service and great care. I was determined not to do anything that would keep me from being admitted to the bar. I can be angry, but if that gets translated into the representation I give in court, than I'm not going to be effective, I'm not going to get my client out of jail. The point was, How do you change Mississippi? My rage was very personal, and it wasn't going to change anything."

To her own surprise, Marian passed the bar exam on her first try. "I was the only black taking the exam, and they were astonishingly nice to me," she said. "Maybe they thought I had outside connections and could make trouble for them." They probably did think that. Marian Wright impressed a lot of people as mature beyond her years, and not easily intimidated. "She lacked some of the fear and shyness that a lot of black people involved with the civil-rights movement had then," I was told by Robert Coles, who met her in June, 1964, at Western College for Women, in Oxford, Ohio where civil-rights activists and college students were preparing for the Mississippi Summer Project. "When I found out she came from Bennettsville, I was very surprised. I'd pictured her as coming from a middle-class Northern black family. She knew how to use the political and social structure of the nation to protect her. But, you know, there's still about Marian after all these years, and there certainly was then, a kind of lovely innocence. It's a mixture of gentleness and personal dignity and savvy, and maybe even Southerness. She didn't fall prey to arrogance or smugness. She had good judgment, a sharp, active mind, and she knew how to stay connected to the ordinary people of the region, and these were qualities that could be picked up even by Southern sheriffs—some of whose judgments weren't always totally wrong."

Bob Moses, who saw a lot of Marian during this period, has another explanation for her coolness and courage. "Fear paralyzes you," Moses said. "Makes you feel helpless. That's where preparedness comes in—it helps you make the right response. Marian was prepared."

While she was getting black people and civil-rights activists out of jail, she was also becoming more and more interested in community organization as a way to change Mississippi. "I'm not a great advocate of the law as a means to rapid social change," she told an interviewer at the time. "I want to work through the law, but also to back it up with all kinds of other things—mainly community organization." In this respect, her thinking ran parallel to that of the people in Washington who were putting together President Lyndon Johnson's War on Poverty. One of the most visible elements of the poverty program was Head Start. When the newly created Office of Economic Opportunity, in Washington, initiated the Head Start project, in 1965, as a means to provide educational, nutritional, and health services to preschool children of poor families, Marian and some others saw an opportunity and seized it.

The State of Mississippi had declined to apply for federal Head Start funds. In April, 1965, therefore, a few public, private, and church organizations got together and formed the Child Development Group of Mississippi (C.D.G.M.), and, before the state really knew what was going on, C.D.G.M. had received a one-and-a-half-million-dollar Head Start grant. The Mississippi program created more than twenty-five hundred jobs in the state, and accommodated as many as twelve thousand children in its first year. "It was one of the most exciting educational programs for poor folk in the nation," according to Marian, who became one of its most influential board members. "It was a creative, awakening program. We took very seriously our mandate to provide public-health services and other kinds of support to parents." The program established centers in small communities throughout the state, where local poor people, most of them black but some whites as well, were encouraged to elect their own C.D.G.M. representatives, choose the teachers, and have a voice in everything that went on. More than any other Head Start project in the nation, C.D.G.M. changed the expectations of the poor people it served—helped them to feel like active participants in the social contract. In that way, it became a major and somewhat revolutionary agency for social change.

Mississippi's white leadership struck back that summer. Senator John Stennis complained vehemently to Sargent Shriver, the head of the Office of Economic Opportunity, that C.D.G.M. was using its main office, at Mount Beulah, an abandoned black college campus twenty-five miles from Jackson, as a center for racial agitation. Stennis, whose power stemmed from seniority and from his seat on the Senate Appropriations Committee, threatened to hold up the entire O.E.O. appropriation for the coming year unless G.D.G.M. and its Head Start program were defunded. The funding battle went on for months. The rather rudimentary recordkeeping in the Mount Beulah office gave fuel to Stennis and his allies, who claimed that G.D.G.M. had misused federal funds. G.D.G.M. had been operating largely on enthusiasm and imagination, so that when it ran out of federal funds in the fall of 1965 many of its top people simply stayed on as volunteers. But the charismatic New York psychoanalyst Tom Levin, the real catalyst behind G.D.G.M., was forced out as director, and his ouster precipitated a crisis at Mount Beulah. Some of the staff and several board members were not sure that they wanted government help at all anymore; if your primary goal was community development as a means of changing society, they maintained, then federal funds, and the restrictions that came with them, might just confuse the effort.

"Some people thought that it was a mistake to take federal money," Marian recalls. "They wanted us to rely on ourselves. It was a hard and valid point, and I understood it completely. On the other hand, I saw a lot of kids who were hungry. I thought our first obligation was to the children and to the poor. I loved what Tom Levin was doing. G.D.G.M. was the best black-leadership-development program I had ever seen, and it was the first time black people down there ever got financial independence from the white power structure. But our people were not getting paid. The program had to be protected. I realized you just have to cover those administrative bases if you're serious about serving the poor."

In the end, her arguments prevailed. John Mudd, a young Harvard graduate who had been recommended to the G.D.G.M. board by Marian Wright, replaced Levin as direc-

tor. The accounts were put in order, the main office was moved to Jackson, and the program were refunded. A number of powerful national organizations had come out in support of G.D.G.M., including the National Council of Churches and the United Auto Workers. Marian's rationale for continuing to work through the system appeared to have been vindicated: although there were refunding battles every year for some time to come, Head Start continued to nourish and to teach enormous numbers of preschool children in Mississippi, and does so to this day.

The civil-rights legislation passed by Congress during Lyndon Johnson's first two years in office seemed to many movement veterans like a tremendous victory. In Mississippi, though, black people who had been enfranchised by the Voting Rights Act of 1965 were literally dying of hunger. Mechanization in the cotton industry had thrown hundreds of thousands of poor blacks out of work. Many of them migrated to the ghettos of New York and other Northern cities; those who stayed faced starvation. Not many people outside the state knew how desperate things were until April, 1967, when the Senate's Subcommittee on Employment, Manpower, and Poverty held a public hearing in Jackson. Four senators were present: the Republicans Jacob Javits, of New York, and George Murphy, of California, and the Democrats Joseph Clark, of Pennsylvania (the subcommittee chairman), and Robert Kennedy, of New York. After listening to a lengthy denunciation of the entire poverty program by John Stennis, the subcommittee called on Marian Wright to testify. She was twenty-seven years old then, but she still looked like a young girl, trim and well dressed, with freckles under both eyes. In his 1969 book, "Let Them Eat Promises: The Politics of Hunger in America," the journalist Nick Kotz reproduced some of her testimony. "People are starving," she said. "They are starving and those that get the bus fare to go North are trying to go North. There is absolutely nothing for them to do here. There is nowhere to go, and somebody must begin to respond to them. I wish the senators would have a chance to go around and just look at the empty cupboards in the Delta and the number of people who are going around begging just to feed their children."

Peter Edelman, one of Robert Kennedy's legislative assistants, who covered all areas of domestic policy, had been advised to get in touch with Marian Wright before the subcommittee went to Mississippi. He talked with her briefly before the hearing, and asked her to have dinner with him that night. "I'm writing a brief, but I guess I've got to eat dinner," she replied. They talked until midnight. Three days later, Senators Kennedy and Clark did go on a tour of the Mississippi Delta country, with Marian Wright as their guide. She took them into shacks without water or light or heat, and introduced them to families whose children were obviously hungry and often sick. In one of those shacks, in a place called Cleveland, Robert Kennedy had a sort of epiphany. "There was a baby sitting on the mud floor," Marian recalls. "The baby was filthy, and it had a swollen, bloated belly, and Bobby sat there trying and trying to get that baby to respond, and he couldn't. It was one of the most moving things I've ever seen. You could see him get a sense of rage. He couldn't stand it."

When Kennedy and Clark got back to Washington the next day, they went immediately to see the Secretary of Agriculture, Orville Freeman. They told him what they had seen in the Delta, and said that something had to be done at once to relieve hunger there. Peter Edelman, who was present, remembers that Freeman found it hard to understand why the people didn't have food stamps. Kennedy explained to him that they had no income—not even enough to buy food stamps. (It cost money then to buy food stamps.) Freeman was still incredulous. How could there be people in America with no income? "I've met them," Kennedy said. He urged Freeman to send some of his own people down to the state to see for themselves, and Freeman agreed to do so. Afterward, Kennedy told Edelman to go with them, to make sure they saw what he and Joe Clark had seen.

Edelman had been born and raised in Minneapolis. The son of a prominent lawyer and New Deal Democrat, he had gone to Harvard, then to Harvard Law School, and then, in 1962, to Washington. There he clerked for Arthur Goldberg, the Supreme Court Justice, and subsequently worked as a lawyer in the Justice Department. Edelman accepted an offer from a Wall Street law firm in 1964, but he never showed up for the job. He joined the staff of Robert Kennedy's campaign for the Senate, and that had led to the job as Kennedy's legislative assistant. When he went back to Mississippi with a group from Orville Freeman's office, Edelman again looked up Marian Wright. "This time, it became clear that something was developing between us," he told me. Marian sometimes says that she and her future husband got together "over hungry children."

Marian Wright was going through a period of transition herself at this time. "I'd realized that if you were going to change things in Mississippi you had somehow to affect federal policy," she said. "I'd been spending so much time going up to Washington to defend our Head Start program against Southern senators who wanted to put us out of business that it began to seem there was a need for a permanent office there. The poor had no one to answer back for them in Washington. Peter's being there became an added incentive. But there was something else, which was, How long could you live in a place like Mississippi, in that kind of life, without becoming a very different person? I kind of knew that either I was going to move away or I was going to be there for the rest of my life. Anyway, all these things converged. I got a grant from the Field Foundation to study how to make the laws work for the poor, and March of 1986 I moved to Washington."

The Washington Research Project, as she called the new venture, quickly became involved in more than research activities. A month after she moved to Washington, the Poor People's Campaign came to town. Martin Luther King had been murdered in April; his grieving followers had decided to go ahead with the mass demonstration for economic justice which he had planned to bring to the capital, but it soon became apparent that King's successors in the Southern Christian Leadership Conference were unprepared for the complexities of the undertaking. "Ralph Abernathy and the others were in a state of shock," I was told by Roger Wilkins, who was then working as an Assistant Attorney General in the Justice Department. (His uncle Roy Wilkins was the executive director of the N.A.A.C.P.) "King had been fairly sophisticated about Washington," Wilkins said. "The only one of his lieutenants who was sophisticated in that way was Andrew Young, but Andy was still so shaken that he was walking around in circles. In view of that situation, a group of people inside and outside the government were asked to help. The group consisted of Carl Holman, who was then deputy staff director of the United States Commission on Civil Rights; Marian Wright; and me. We'd stay up half the night helping S.C.L.C. prepare its testimony before the various federal agencies and committees of Congress. Then we'd sleep a couple of hours, go to the office, and help prepare the government's response. Marian coordinated all that."

A lot of bitterness had risen to the surface by this time, in Washington and around the country. Both King and Medgar Evers were dead, and in the increasingly militant civil-rights movement white people were no longer so welcome as allies. Many of the whites turned their idealism and their energy into protesting against the war in Vietnam. The pattern of steadily escalating violence on many fronts seemed tragically confirmed when Robert Kennedy was shot, in June, 1968. The movement that had drawn blacks and whites together in a kind of exaltation now seemed to be drowning in hatred. To many of the people who had participated in that movement from its beginnings, one of the most poignant events of the summer was Marian Wright's marriage to Peter Edelman, on July 14th, in the back yard of Adam Walinsky's house in Virginia. (Walinsky had been Kennedy's other main legislative assistant.) William Sloane Coffin, the Yale chaplain, in whose house Marian had lived for a year while she was a law student, performed the ceremony, and Arthur Goldberg made a moving speech. "I guess our wedding had symbolic overtones, after so much death, but we didn't realize we were being symbolic," Marian said recently. "We were just getting married."

After the wedding, they went off on an extended trip. Edelman and several other senior aides to Robert Kennedy had received Ford Foundation grants after his death, which were designed to help them make the transition to their careers; Marian and Peter used theirs to go around the world. "We sang for our supper, and Peter gave a lot of speeches," Marian told me. "But it was a terrific trip. We went to Africa—Kenya and Tanzania. Spent time in India and in Vietnam, where we actually rode in a helicopter with John Paul Vann. We got to Prague three days before the Russians invaded." They were away for five months. When they came back, Peter took a job as a associate director of the Robert F. Kennedy Memorial, and Marian resumed her direction of the Washington Research Project.

She and her small staff decided at that point to focus on education. "In 1965, Congress had passed the Elementary and Secondary Education Act, which was a very important piece of legislation," she said. "It was called Title 1—later that got changed to Chapter 1. By 1969, it was clear that a whole lot of money was going to educational institutions throughout the country but that poor kids were not getting much of it, so we decided to do a report on that situation. We requested and got access to the audits in the files of the Department of Health, Education, and Welfare, and we wrote a report asking whether Title 1 was reaching poor kids, and the answer then was no. This wonderful report of ours got the front page of the Washington Post, and that was tremendously exciting. And then

nothing happened. Everybody went right back to doing business as usual. I still had the illusion then that if you tell people the truth they will do the right thing. But H.E.W. wouldn't do anything and Congress wouldn't do anything. That was my first big political lesson in Washington.

"After that came Head Start again. We'd been going through those C.D.G.M. refunding battles every year. They'd begun to get a little less vociferous, but then a new threat arose. With Head Start becoming more visible and getting a little more money, some of the conservatives on the House Education and Labor Committee decided that the program should be turned over to the states. Can you imagine what that would have done in Mississippi and other places where the state didn't even want the program? Anyway, I went to see John Brademas, who sat on the House Education and Labor Committee at that time, and told him he had to protect Head Start. And Brademas gave me my second big political lesson. He said, 'What are you for, and who are your troops?' He made it clear that you couldn't beat something with nothing. To make a very long story short, I began to think hard about who might have a self-interest in early-childhood development, and out of those questions came the child-development bill of 1971, which was a wonderful bill. I went back and asked Brademas a lot of questions, and then we got involved in a drafting process that included welfare-rights mothers, church groups, labor unions, feminists, the National Education Association, and any others. We put together a broad-based coalition to draft a child-care bill that would protect Head Start and extend its educational and health services to a whole lot more preschool kids. Brademas sponsored it in the House, and Walter Mondale sponsored it in the Senate, and we ended up getting very broad co-sponsorship on both sides of the aisle. And, to the amazement of a lot of people, the bill went through. It was an expensive bill, but it went through both houses just about as we had written it, virtually untouched. And then President Nixon vetoed it, with a stinging message that bowed to the right wing. He said that it had 'family-weakening implications.' A veto had just never occurred to me. I was absolutely shattered. We tried again the next year, but by then the right wing had discovered us, and the volume of hate mail scared a lot of people off. But that whole experience was very useful to me. I'd learned the importance of being highly specific in my goals, and I got the idea that children might be a very effective means of broadening the base for change. The country was tired of the concerns of the sixties. When you talked about poor people or black people, you faced a shrinking audience. That was really the beginning of looking at children and their unmet needs as a new way to build a coalition for social change."

The subtle racism of the Nixon Administration and the conservative redirection of the government on social issues were profoundly discouraging to anyone who had been involved with the civil-rights movement. Some people simply gave up the struggle and returned to private life, or left the country, as Bob Moses did; he went first to Canada and then to Tanzania, lived there for eight years, and then came back in 1976 to raise his family and to develop math curricula for public-school students in Cambridge, Massachusetts. He is now with the Efficacy Institute, in Arlington, Massachusetts, a nonprofit organization dedicated to the development of black children. In 1971, Marian and Peter Edelman, too, left Washington. They moved to Boston, where Peter became vice-president of the University of Massachusetts. Marian directed the Harvard University Center for Law and Education, and flew to Washington once a week to oversee the continuing activities of her Washington Reserach Project. They had two children by this time—Joshua and Jonah. Ezra was born in 1974.

The Children's Defense Fund was started in 1973, when the Edelmans were still living in Boston. A lot of ideas that had been germinating in Marian's mind since the days of the Mississippi Head Start project came to fruition in this new undertaking, which was designed to cut through the barriers of race and class by focusing on the needs of children throughout the country, especially poor children. Her funding came from private foundations; C.D.F. has never sought or received government funds. With help from her extensive network of friends and admirers, both inside the government and in private life, she built a staff and began to publish impeccably documented reports on child health, nutrition, day care, and on other children's issues—reports that impressed more than one information-overloaded congressman as models of their kind.

Marian was spending more than a day a week in Washington by then. Paul Smith, C.D.F.'s chief statistician and data analyst, and one of the first people she hired, likes to describe Marian as the ultimate outsider, someone who firmly believes that you can influence the political system more effectively if you are not a part of it, but in another sense she has been a Washington insider from the time she started going-up there from Mississippi to talk to legislators. There is an easy friendliness about her—a warmth and an effervescent humor that can disarm the most determined of her adversaries. She also has "an absolutely superb strategic and tactical sense, a real smell for how to get things done there," Peter Edelman says. "She understands how the system works. She's as tough and determined as anyone can be, but always within the rules of the system."

There have been times when she gave every appearance of relishing a good fight. It was Marian Edelman who was responsible for one of the key pieces of evidence against George Harrold Carswell, the Florida judge whom Nixon nominated to the Supreme Court in 1970. After the all-out battle that had ended with the Senate's refusal to confirm Judge Clement F. Haynsworth, Nixon's previous nominee, not many people thought that that body would have the stamina to oppose Carswell. "Everybody said you couldn't do anything about it, even though Carswell was much worse than Haynsworth, and that made me mad," Marian told me, "I just had a visceral reaction." She knew quite a lot about Carswell, having helped to circulate a memorandum on him the year before, when Nixon elevated him from the District Court to the Fifth Circuit Court of Appeals. She knew that his rulings as a district judge had been repeatedly reversed and censured by the higher court for their blatant segregationist bias. This time, she sent one of her staff assistants down to Tallahassee to see what he could find out. The assistant came up with a copy of the legal papers changing a public golf course in Tallahassee into a private club—a transparent device to prevent blacks from playing there. The papers were signed by Carswell, as one of the incorporators. Marian and her associates produced a number of other damaging reports on Carswell's judicial record, and when Senate opposition to the nomination did get moving she played a highly active part in persuading certain influential senators to join it. Carswell's defeat came as a source of keen satisfaction to her in a very bad time.

The Nixon Administration was by no means deaf to the needs of poor people. A large increase in federal spending on food programs substantially alleviated hunger during the nineteen-seventies. Slow growth was registered in Head Start, for which the Children's Defense Fund lobbied hard in Congress each year. The conservative political climate of the Nixon years ruled out another attempt at a comprehensive child-care bill, however, and it soon became clear that the prospects for this sort of domestic legislation were not going to improve much under President Ford or President Carter. "Carter was very conservative fiscally, and it's hard to get a democratic Congress to go against a Democratic President," Marian told me. "We tried a number of things during those years, but we had a very tough time of it. We decided to concentrate on trying to expand Head Start significantly. By that time, Head Start was being perceived in Congress as very successful, but it had never had any really big increases in funding. It was still at four hundred and twenty-five million a year when the Carter Administration came in. Over the next four years, we helped persuade Congress to move Head Start to nine hundred million. We also went after child welfare and child health improvements. We missed on child health, but Congress enacted a child welfare bill in 1980, without a lot of help from the Administration. The Administration put its big effort into creating a separate Department of Education, and we had to spend a lot of our time fighting to keep Head Start out of it."

The Reagan revolution put an abrupt end to this period of small gains. The new Republican team made its position clear on domestic issues: twenty years of social legislation had created a welfare state, whose bureaucratic inertia had sapped the economy and increased the very problems it was meant to solve. "In the war on poverty, poverty won," the President quipped. Dismantling the welfare programs of four previous Administrations was high on the agenda of Reaganomics. Marian Edelman has described the process in a 1987 book, "Families in Peril" (Harvard), which was based on C.D.F. research:

"The biggest cuts came in 1981, thanks to President Reagan's budget requests. That year Congress enacted cuts in programs for low-income families and children that totaled $10 billion . . . for 1982 and a roughly equivalent amount for each subsequent year. Among the casualties were Medicaid, Maternal and Child Health programs, family-planning services, child immunizations, Aid to Families With Dependent Children, food stamps, school lunches and breakfasts, public housing for poor people, compensatory education to enable disadvantaged youngsters to keep up in school, and day-care services to enable poor and single and teen mothers to work."

The results were immediate and brutal. In 1980, 1981, and 1982, according to C.D.F., more than a million children a year were added to the poverty rolls in this country. By 1987, the total had reached twelve and a half million children—one in five. "Mr.

Reagan came in and tried to repeal or weaken everything, every single federal children's program and every program protecting the poor," Marian said recently. "It was like being caught in an avalanche. We decided that our first priority was to keep those laws on the books. In some cases, it had taken decades to get them there. Let the money go for the time being, we figured, but preserve the laws. We began to lobby very hard on the Hill. We lost a lot of money in appropriations, but the laws are still basically in place. And then, in 1984, we began to turn the corner. Poverty was increasing in the country, and there was the new phenomenon of homelessness. Congress stopped cutting in 1984, and began to give some of the money back to the poor and to children." Intensive lobbying by the Children's Defense Fund in 1984, 1986, and 1988 was a major factor in Congress' decision to expand Medicaid services to show that increasing health services to children actually led to decreased government costs in doctor and hospital bills further down the line—an economic argument that has proved persuasive with Congress.

The Edelmans had moved back to Washington early in 1979. They bought the house in Cleveland Park, with a shady garden in back for Baptist Bar Mitzvahs and family get-togethers. Peter, who had spent the three previous years in Albany as the director of the New York State Division for Youth, was now teaching at the Georgetown University Law Center. Marian was speaking more and more widely on children's issues while continuing to direct the flow of C.D.F.'s research and advocacy. The Fund has attracted over the years a remarkably intelligent and highly motivated staff, which now numbers about ninety. While Marian is clearly the leader, the atmosphere there is collegial, informal, and very hard-working. "It's a place where self-starters do well," Sara Rosenbaum, a lawyer who is the director of programs and policy at C.D.F., says. "If people don't take hold on their own, Marian just loses confidence in them, and eventually they leave. She has no time for people who don't know what they're doing." C.D.F. has steadily widened the range of its concerns, going beyond the issues of health, family income, and early childhood education to investigate homelessness, child abuse and child neglect (some two million two hundred thousand cases were reported in 1986), runaway youths (more than a million per year at last report), and the appalling epidemic of teen-age pregnancy. "We had always focused more on young children," Marian told me. "But then, one day in 1983, we were putting together a book called 'Black and White Children in America.' and I saw from our own statistics that fifty-five and a half per cent of all black babies were born out of wedlock, a great many of them to teen-age girls. It just hit me over the head—that situation *insured* black child poverty for the next generation. I felt enormous guilt that I had missed seeing it until then."

Teen-age pregnancy became a high-priority issue at C.D.F. in 1983. Independent research had shown that half a million babies were born each year to teen-age girls in America, at a cost to the public (in welfare and medical payments) of a billion four hundred million dollars a year. The assumption that this was primarily a black problem turned out to be dead wrong. While the rate of teen-age pregnancy was higher among blacks than among whites, many more white than black babies were born to teen-agers each year, and the pregnancy rate for white teen-agers alone was shockingly high—more than twice the rate of pregnancy among both black and white teen-agers in Canada, France, or England. One of the two common denominators in all these cases, black and white, poverty (the other was training in basic skills, and the all but inevitable result was a continuation of poverty. A pregnant teen-ager is more likely to drop out of school, to be unemployed, to go on welfare; less likely to get proper prenatal care (or any prenatal care at all), to provide adequately for the infant, or to function as a responsible parent. A teen-age parent earns approximately half the lifetime income of a woman who waits until the age of twenty to have her first child, according to C.D.F. In addition to calling attention to this problem in its reports and press releases, C.D.F. launched a sophisticated advertising campaign aimed at teen-agers, with posters, radio spots, and other media warnings about the long-term consequences of sex too early and sex without birth control. Its approach is pragmatic, not moralistic. The Moral Majority can put its faith in abstinence or "Christian marriage," but C.D.F. reflects Marian Edelman's belief that the world must be dealt with as it is.

About two years ago, Marian began to sense a change in the political climate. "Child care was becoming a middle-class white woman's issue, for one thing," she said. "There had been this vast shift of women into the work force, and you heard more and more talk about child care. But it was not only that. In going around the country, as I do, I just found more receptivity to dealing with the truth than I'd found in all my twenty years in Washington. In spite of the illusions of many of our political leaders, the critical mass in this country seemed to me to realize that the future is really in danger, and that there are going to have to be some hard choices made. I found people listening and hearing in new ways. They actually seemed relieved to hear you say these things." It seemed to Marian that the time had come, after seventeen years, for another shot at a comprehensive child-care bill, and this became a primary C.D.F. legislative goal in 1988.

The Act for Better Child Care was developed almost entirely in the C.D.F. offices, on C Street, not far from the Capitol. "There are lots of organizations that are involved with child care, but we view ourselves as the scut workers and technicians," Marian told me. "We have the staff to do the technical, detailed work. Our child-care staff, working with the legal staff, would go out to different groups and organizations around the country and see where they were on the issue, and then come back here to work on the development process." No major snags or disagreements were encountered in the drafting process, which took nearly a year and involved discussions with a hundred and seventy different organizations or individuals—a much broader coalition than the one put together for the 1971 bill. The result was a highly complex bill whose most prominent feature was a huge federal commitment—two and a half billion dollars the first year—to be allocated in two ways. Part of it would help low- and moderate-income families pay for child care, and the other part would go toward improving the quality of child care for all families. The provisions for establishing minimum standards of quality for all day-care programs receiving federal funds were the most difficult to write and, in Marian's view, they would be the most difficult for Congress to pass. The bill, which would be administered by states, would have allowed parents to choose among a wide range of child-care sources, but in order to receive federal funds each program, whether it was run by the school system, by the local community, by a church, or by a neighborhood woman in her own house, would have to meet the government's standard of health, safety, and quality.

Senator Christopher Dodd, a liberal Democrat from Connecticut, Senator John Chafee, a moderate Republican from Rhode Island, and Senator Alan Cranston, a liberal Democrat from California, introduced A.B.C. in the Senate on November 19, 1987. It was presented to the House on the same day by Representatives Dale Kildee, a Democrat from Michigan, and Olympia J. Snowe, a Republican from Maine. A lot of support for it had already been established in both chambers, thanks to energetic lobbying by the A.B.C. coalition. Forty-four senators supported it, and the bill had a hundred and seventy-two co-sponsors in the House. The main problem for this new bill, as for every other, was to get it on the calendar for consideration by the relevant congressional committees, and then to get it out of committee and onto the floor. "Conventional political wisdom says there's no chance of getting this to a vote in this session," Marian told me last May. "It's a major new piece of domestic legislation, it costs two and a half billion dollars, and we're in an election year—besides which, this is a short legislative session. On the other hand, conventional political wisdom has been wrong on just about everything this year. I'm starting to feel that the real danger, since day care has become such a hot political issue, is that we may get the wrong bill passed." She was referring to Orrin Hatch's child-care bill, which had been introduced two months before A.B.C.; this one would cost far less than A.B.C. (three hundred and seventy-five million dollars in the first year), and the money would go to the states to use in any way they saw fit, provided that it was for child care. "Hatch's is a politically cosmetic bill that talks about the private sector and has no minimum standards," Marian said.

George Bush announed his child-care plan on July 24th, shortly before the Democratic National Convention. He proposed what he called a "children's tax credit," which would give low-income parents a tax refund or credit of up to a thousand dollars a year for each child. The program, whose cost was set at two billion two hundred million dollars a year, would "put choice in the hands of parents, not in the hands of the all-powerful state," Bush said. His language was aimed at the right wing, but the proposal itself was aimed at women voters, who were showing a preference for Governor Dukakis in the polls. To Marian Edelman, it sounded like another significant acceptance of the government's role in making child care available to those who needed it. The money was clearly inadequate—proper child care costs at least three thousand dollars a year per child—and it would not touch the thousands of mothers on welfare who paid no taxes, but the proposal was a step in the right direction. Marian saw Bush's plan as a potential complement to A.B.C., not an alternative. A program that included tax credits among the range of options available to low-income parents, she felt, would provide an even stronger base for a truly comprehensive child-care system. President Reagan,

who gave his blessing to Bush's tax-credit proposal, had indicated earlier that he would veto the A.B.C. bill if Congress passed it. "I'd love to give him that opportunity," Marian said when I questioned her about it. "If he wants to do that, in an election year . . . It's not impossible that we could override the veto, and what a terrific political issue that would be."

While A.B.C. was working its way through the committees—there were hearings on it in the House Education and Labor Committee in February and April, and in the Senate's Labor and Human Resources Committee in March and June—a major and completely unexpected problem arose. The National Education Association, which had been part of the A.B.C. coalition from the start, had managed to insert in the draft bill some very severe restrictions on the use of A.B.C. funds by church-based day-care centers, restrictions that went beyond any existing civil-rights law: there could be no religious symbols displayed in classrooms, and religious affiliation could plan no part in the acceptance of children or the recruitment of staff members. Marian Edelman was not aware of these insertions at first. They had been put in after the drafting process was supposedly completed. "I learned about them when I got a call from the Catholics saying, 'What are you doing?'" she said. "The N.E.A.'s provisions would have basically excluded the Catholics and some other church groups from participating in child care—and churches are the largest single provider in the country. Altogether, they provide about a third of all child-care centers. We had simply stumbled into this terrible briar patch of church-state, and a lot of us had to spend the next two months trying to work out a compromise." The compromise was finally achieved, in meetings with the Senate and House committees, after lengthy consultations with members of the A.B.C. coalition. In the amended draft, church-based centers would be forbidden to engage in "any sectarian purpose or activity," but the N.E.A.'s provisions for banning religious symbols and against religious considerations in hiring staff were dropped.

Time now was running short. As a result of the two-month delay, A.B.C. was not reported out of committee to the full Senate until July 27th, and the House received it on August 10th. Congress was devoting most of its attention to the Conventions by then, and so was the Children's Defense Fund. Delegates to both Conventions were bombarded with C.D.F. literature, and children's issues figured prominently in the rhetoric and the platforms of both parties.

The 1988 Presidential campaign was as much of a disappointment to Marian Edelman as it was to the country at large. George Bush occasionally referred to child care and child health in his efforts to project his image of a "kinder, gentler America," but Michael Dukakis, who had given a lukewarm endorsement to A.B.C. "in concept," without saying he was for the bill itself, never really committed himself on the issue or contributed to the debate on it. Marian had hoped for more from the Democratic candidate. The most shameful moment in the whole election campaign, she said later, came when Dukakis appeared at the Neshoba County Fair, in Mississippi, on August 4th, twenty-four years after the bodies of Michael Schwerner, Andrew Goodman, and James Chaney were found, and failed to refer to the murders or to mention the victims' names.

At the end of September, the National Education Association announced that it could not accept the church-state compromise that had been worked out so laboriously, and was withdrawing its support from the bill. Several other groups within the original coalition also pulled out, among them the National Congress of Parents and Teachers and the American Jewish Committee. These defections led to a flurry of political infighting on the Hill. After a certain point, Marian became convinced that the real issue for the National Education Association was not church-state at all. The N.E.A., which represents nearly two million public-school teachers, is a very powerful interest group. C.D.C. had done battle with it a decade earlier, when the N.E.A. lobbied to have Head Start put under the newly created Department of Education. "The light bulb went on in my head that this was really about funding and about control," Marian told me. "The N.E.A. people sat through the drafting process on A.B.C. for a whole year and never raised the church-state issue as a major concern. But it's clear now that the growth sector is going to be in early-childhood care—it has to be. And so the real question is: Who's going to control the money? The N.E.A. feels that if there's going to be a two-and-a-half-billion-dollar investment in early-childhood care, then why shouldn't the schools control it? In my opinion, the church-state issue was nothing more than a Trojan horse."

Nevertheless, the A.B.C. coalition had started to come unstuck over an extremely touchy political issue, thus undercutting the bill's chances in an election-year Congress. Although there appeared to be more than enough votes in both houses to pass A.B.C. if it came to the floor, the Democratic leadership managed things so that it did not. Senator Robert C. Byrd, the Majority Leader, decided to attach A.B.C. to a legislative package that included two other bills, one providing for parental leaves of absence from work when the mother gave birth or a child was seriously ill, the other having to do with measures to forbid child pornography. This packaging greatly complicated matters and added new opposition forces. The Chamber of Commerce was against the parental-leave bill. Senator Robert Dole initiated a filibuster against the package. A motion of cloture was brought to cut off debate, and, to nearly everyone's surprise, a number of Republicans voted with the Democrats for cloture. ("They were very smart," Marian said afterward. "The Republicans didn't want to be blamed for killing A.B.C.") A second cloture vote, to cut off debate on amendments, narrowly failed, however, and at that point the leadership decided to pull the bill from the floor.

Marian took the setback philosphically. "It is still a good thing to have done," she told me. "It is now on the front burner with the new Administration, and a lot of things have already been settled. There were four main hurdles in getting any new child-care bill. The first was the federal role, and that is no longer an issue. The second was whether you could expect a significant investment, and once Mr. Bush had come in with his two-billion-two-hundred-million-dollar proposal we were over that one. The third issue was church-state, which was not anticipated, but now at least we know it's there. The last issue is whether or not there will be federal standards, which is a very big issue and one I feel very strongly about. But it's nice to have two hurdles instead of four." (Since she said that, the National Education Association and virtually all other parties to the A.B.C. coalition have agreed to new compromise provisions regarding church-state, and Senator Hatch, after intricate negotiations with Senator Dodd, has joined the team and become A.B.C.'s chief Republican co-sponsor. This greatly enhances the bill's prospects in the legislative battles that lie ahead.)

"One of the gaps in our approach was that we did not spend enough time with the business community, and now we're remedying that," Marian went on to say. "I'm hiring someone full time to work with the Chamber of Commerce and the National Association of Manufacturers, among other business groups. The business community is not our enemy on the bill—it's coming to understand that there is a bottom-line relationship between child care, on the one hand, and absenteeism and stress and worker productivity, on the other. American Express, for example, is now sponsoring a public-education campaign on child care. Campbell Soup and a lot of other companies have decided it's a business issue. The Committee for Economic Development recently issued a very important report: it recognized that children are a shrinking proportion of our population as it ages, and that unless preventive investment in early childhood is made a national policy our future work force will be disproportionately poor, unhealthy, untrained, and uneducated, and we will not be able to be competitive in the global arena. As the C.E.D. report pointed out, this country can't continue to compete when a fifth of our kids live in poverty and a third grow up in ignorance. Investing in them is not a national luxury or a national choice; it's a national necessity. If the foundation of your house is crumbling, you don't say you can't afford to fix it, while you're building astronomically expensive fences to protect it from outside enemies. The issue is not are we going to pay—it's are we going to pay now, up front, or are we going to pay a whole lot more later. Anyway, A.B.C. has been reintroduced in the new session. A lot of things are changing, a lot of new elements are appearing, and the new mishmash may very well lead to a broader, better bill than the one we had. We'll have a tax credit. We want Head Start to serve all of the eligible kids, instead of the eighteen per cent it serves now. We'll have a different set of compromises, and a lot of new pieces coming together."

The sense of urgency is never absent from her thinking. Children are dying of poverty every day in this country, she says. They die in accidents that occur when no adult is watching over them; they die at birth, because of insufficient or nonexistent prenatal health care; they die of malnutrition, or drugs, or preventable diseases—but the root cause is poverty. The latest National Center for Health Statistics report on teen-age pregnancy is very disturbing: it shows that the rate of births to young black women (under fifteen) has been going up since 1983. "This indicates a greater degree of hopelessness," Marian says. "What scares me is that today people don't have the sense that they can struggle and change things. There's more real despair now. In the sixties, in Mississippi, it just never occurred to us that we weren't going to win. We always had the feeling that there was something we could do, and that there was hope. We felt in control of our lives. My sixties were not the sixties some people remember, of violence and rude behavior. My sixties were disciplined about change, with old people

and young people behaving in really responsible ways. It was a wonderful time to be alive. Martin King was an active, day-to-day presence in our lives. He's deified today, but what I remember is his talking to us about how scared he was, and telling us to keep moving. 'If you can't fly, run,' he said. 'If you can't run, walk. If you can't walk, crawl, but by all means keep moving.' "

FORMER IRISH AMBASSADOR SEAN DONLON'S ADDRESS ON IRELAND AND NORTHERN IRELAND

Mr. KENNEDY. Mr. President, I recently had the opportunity to read an interesting and informative address given last fall by Sean Donlon on contemporary issues in Ireland and Northern Ireland. Mr. Donlon, who is currently executive vice president of Guinness Peat Aviation in Shannon, Ireland, is well known to many of us from the years he served in Washington as Ambassador from Ireland to the United States. His analysis and insights are as preceptive as ever. I believe that all of us concerned about these issues will find his remarks of interest and value, and I ask unanimous consent that they may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SEAN DONLON TO THE UNIVERSITY COLLEGE DUBLIN GRADUATE ASSOCIATION, WASHINGTON, DC, SEPTEMBER 30, 1988

I congratulate those involved in setting up the Washington/Baltimore Chapter of the UCD Graduate Association. It not only serves the obvious functions of supporting UCD and providing an attractive social platform but, hopefully, it will also serve in some way to keep Irish graduates and others here in the United States in closer contact with Ireland and what is happening there.

While the ties between Ireland and the United States and particularly those between Ireland and Irish America are very close, we cannot assume to understand one another unless we make an attempt to keep in regular contact. Even those of you who have been in this country for, say twenty years, must now regard yourselves in some measure as being out of touch with what is happening in Ireland. I say this particularly because I think all of us, even those of us who live in Ireland, underestimate the pace as well as the nature of change in Ireland today. Let me illustrate what I mean by drawing attention to some haphazardly selected developments in the fields of population, education, the economy and the Northern Ireland situation.

In 1954 a Commission established by the Irish Government to report on emigration projected that the population of the Republic of Ireland in the 1980's would, at best, be two and a half million. In fact, as you know, it is just over three and a half million. No doubt some Government planning back in the 50's and 60's was based on the two and a half million projection and hence some of the structural problems which we have faced in the 70's and 80's. Even with the current relatively high figure of emigration again, our population continues to grow but not necessarily conforming to patterns of previous generations. For example, fifty years ago only 30% of the population of Ireland lived in urban areas. Today's figure is about 60%—not very far short of the U.S. figure of 65%. Another interesting development relates to the age of marriage. Up to 1977 the average marriage age in Ireland continued to drop. Since then, however, it has come back up again and the average age of marriage is now close to what it was in the mid 1950's. The birth rate, however, is much higher but significantly fully 10% of all births in Ireland are now extra-marital. This compares with a figure of 1.6% as recently as 1960.

In relation to education I am reluctant to say too much in the presence of an expert such as President Masterson. Let me, however, draw attention to two interesting statistics. Firstly, five years ago, almost no Irish Leaving Certificate student contemplated going to Britain for third level education. Of the 52,000 who did their Leaving Certificates in Ireland three months ago, 15,000 applied for places in British third level institutions and, while obviously most of those 15,000 did not end up registering in British third level institutions, quite a significant number did. People of my generation also tend to assume that third level education in Ireland means going to one of the universities. Twenty years ago 80% of those who took third level education did so at universities. Today the figure is less than 40%. The majority of our third level students are now at institutions such as the nine Regional Technical Colleges and the two NIHE Colleges. Relatively speaking, the universities are less popular than they used to be.

An important instrument of change in Ireland remains, of course, the development of the economy. As with most economic development, there is good news and bad news but, in general, it is fair to say that the Irish economy is back on a healthy track and continues to grow at an impressive rate. Public spending is being brought under control. The balance of payments is in surplus. Exports will exceed imports by almost two thousand million Irish pounds this year. Inflation and interest rates continue to fall even when the international trend is otherwise. The major distressing statistic is that relating to unemployment which remains subbornly high at 18%.

The Irish economy is, however, very different to the one we knew thirty years ago. In 1958, we exported a mere 17% of everything we manufactured in Ireland. The figure today is 66%. The Irish economy is now driven not be Irish market demand or the needs of the people of Ireland but by the demands of the world market. Every major Irish company is now more heavily dependent on its external activities than on its domestic activities.

Another indication of change is in the agriculture sector. As recently as the 60's 380,000 people worked on farms. The figure today is 190,000 and it continues to drop. Since we joined the EC in 1973 100,000 people have left farming and a recent forecast suggests that within the next ten years a further 45,000 will also leave.

Perhaps the most dramatic change that is taking place relates to the Northern Ireland situation. Obviously it is not an area of change which lends itself to agreed analysis and many Irish people would dispute elements of my analysis. Before commenting on change, however, let me remind you of one set of figures which we should never forget and on which we are all agreed—the number of fatal and non-fatal casualties in Northern Ireland over the past seventeen years is now just over 2,700 dead and 25,000 maimed. To put that in an historical Irish context, the 1916 Easter Rising was brought to an end by its leaders to avoid further bloodshed when just over 400 people had lost their lives. And, in the subsequent war of Irish independence, the total number of fatalities was about 750. I sometimes feel that outside of the immediate area of Northern Ireland there is not enough consciousness of the extent of the death and destruction.

That level of violence in Northern Ireland and our general reaction to it has obviously had an impact. On the one hand it has widened and made enormously more difficult to bridge the gulf between Nationalists and Unionists within Northern Ireland. It has, I believe, also inhibited the development of a relationship based on respect by the Unionists who make up one million of the Northern Ireland population and the rest of us who live on the island of Ireland. An editorial in the current issue of "Studies" comments as follows on the respect given to the different traditions:

"In the South that respect has often not been given to the Unionist tradition and different groups, British or Unionist, the Nationalists or that whole Northern crowd have been seen as the cause of the conflict. This scapegoating mechanism has helped people in the South avoid having to take account of many of the realities of the situation. In recent years, however, there have been changes in the South's attitude towards the North. Both the continuing violence and the process begun at the New Ireland Forum have led to a greater acceptance of reality".

Clearly, we have a long way to go but I think it is accurate to say that we have embarked on the road of change. The major change is that in the 1985 Hillsborough Agreement the British Government has declared that, if in the future a majority of the people of Northern Ireland clearly wish for and formally consent to a united Ireland, the British Government will introduce at Westminster legislation to give effect to that wish. Simply translated, the British no longer have a vested interest in Ireland. It is now up to us who live in Ireland, Nationalist and Unionist, to come to terms. As I will explain in a moment the burden of change so far has impacted on Unionists and has clearly created some pain for them. As we look ahead we should not underestimate or hesitate to accept that our own attitudes as Irish nationalists may also have to undergo some change, some of which may be painful.

Three times in the last sixteen years Unionists have had change forced on them. In 1972 their corrupt and selfish fifty years of one party rule was brought to an end when London was forced to rule Northern Ireland directly. In 1974 a short lived set of arrangements under the Sunningdale Agreement brought on the one hand Unionists and Nationalists together in a Government in Northern Ireland and on the other hand North and South together in a proposed Council of Ireland. A failure of British will in the face of Unionist industrial action brought that arrangement to an abrupt end. The third change forced on Unionists was in 1985 when the Anglo Irish Agreement, signed at Hillsborough, gave to the Irish Government for the first time an internationally recognised role in relation to the affairs of Northern Ireland. That Hillsborough Agreement has had a very big impact

on the situation, not because of anything it has done to improve the position of Nationalists in Northern Ireland but because of the impact it has made on Unionist consciousness. Unionists have been forced to reevaluate their relationship with the British Government, with the Irish Government and with the Nationalist community in Northern Ireland. Obviously the full consequences of this process have not yet emerged and there are many painful steps to be taken. Those of us who are in the Irish Nationalist tradition can affort to be generous. Let us show our generosity sooner rather than later.

All of the changes taking place in Ireland are difficult enough for those of us who live in Ireland to understand and absorb fully. How much more difficult it must be for people living outside Ireland to keep abreast. But unless you do, it will not be possible for you to play to the full the role which I believe you would want to play in helping us move to a more peaceful and stable situation on the island of Ireland. There are times when external assistance is badly needed and I have no doubt that the constructive role played by successive U.S. administrations in recent years has been an important element in bringing the British and Irish Governments together to bring about the limited progress that has been achieved. I am also satisfied that the generous dollar contribution by the U.S. to the International Fund for Ireland is making an important contribution to economic and social development in particularly deprived areas of Northern Ireland and along the border. These external influences can in the last analysis be constructive and sustained only by informed leadership role here in the U.S. of people such as yourselves. Long may your interest be maintained and your efforts rewarded. Long may we continue to work together.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. FOWLER). Morning business is closed.

MAJOR FRAUD ACT AMENDMENTS OF 1989

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 248, a bill to increase penalties for major frauds against the United States, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 248) to amend title 18 of the United States Code to provide increased penalties for certain major frauds against the United States.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Ohio [Mr. METZENBAUM].

Mr. METZENBAUM. Mr. President, is the Senator from Ohio correct in understanding that S. 248 is before the Senate at this point?

The PRESIDING OFFICER. The Senator is correct.

Mr. METZENBAUM. Mr. President, Senator GRASSLEY and I introduced S. 248 to continue the effort to get rid of procurement fraud.

Last year we passed the Major Fraud Act of 1988, that toughened the penalties for procurement fraud, and it made clear that fraud would not be tolerated.

We are dealing with big fraud. We are talking about millions of dollars, multimillion-dollar fraud.

Just 2 days ago, the Government began a trial in a criminal fraud case against a large contractor. That criminal conspiracy case involves a $24 million contract. The investigation that led to the indictment started with an informant's tip.

Mr. President, I ask unanimous consent to print in the RECORD at this point an April 4, 1989, article on that trial.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 4, 1989]

FIRST PENTAGON FRAUD TRIAL OPENS

(By Philip Shenon)

ALEXANDRIA, VA, April 3.—Federal prosecutors today opened the first trial resulting from a three-year investigation of Pentagon procurement fraud by vowing to prove that executives of Teledyne Electronics Inc. had conspired through "cheating" and "lying" to obtain confidential Defense Department information.

The three defendants, all vice presidents of the Newbury Park, Calif., company, are accused of joining in a scheme to pay as much as $160,000 to a military consultant who provided them with inside information on a Pentagon contract. The consultant, William L. Parkin, and Teledyne Electronics have already pleaded guilty in the case.

"This is a case about bribery, about cheating, about lying," said Robert J. DeHenzel, a Justice Department lawyer, in the prosecution's opening statement in the Federal District Court in Alexandria, a Washington suburb. "Their efforts were aimed at getting a $24 million contract for Teledyne."

ENGINEER PLEADED GUILTY

Defense lawyers portrayed their clients as unwitting participants in Mr. Parkin's effort to obtain confidential information through bribes to a Navy engineer, Stuart E. Berlin. Mr. Berlin, who was involved in the contract sought by Teledyne, pleaded guilty last month to charges of accepting a bribe and conspiring to defraud the government.

The lawyers said the Teledyne executives, George Kaub, Eugene R. Sullivan and David Schnittjer, believed that Mr. Parkin gathered his information from legitimate sources in the military equipment industry.

"Mr. Parkin presented himself as a legitimate military consultant," said George O'Connell, a lawyer for Mr. Sullivan. "At no time was there any indication of bribery or payoffs. He assured everybody that things were above-board."

Mr. Connell said the scheme by Mr. Parkin, Mr. Berlin and another private consultant, Fred H. Lackner, was "directed as much at concealing from Teledyne what was going on, as it was on defrauding the Government." Mr. Lackner has also pleaded guilty to conspiracy and bribery charges, acknowledging that he served as a go-between for Mr. Berlin and Mr. Parkin.

OTHER CHARGES EXPECTED

Justice Department officials say they expect other charges to result from the investigation, known as "Operation Ill Wind." The inquiry, which became public last summer, has focused on charges that private consultants and some of the nation's largest military contractors bribed Pentagon's officials for information that gave the companies an edge in bidding for lucrative contracts.

The trial of the Teledyne officials is expected to last about a week. Jurors were told today that they would hear excerpts of phone conversations between Mr. Parkin and the three defendants that were secretly taped by the Justice Department.

In their opening statement today, prosecutors said that Teledyne Electronics, a subsidiary of Teledyne Inc., hired Mr. Parkin to help secure information on a $24 million contract for hundreds of hand-held devices that could test a military aircraft identification beacon.

TELEDYNE WON CONTRACT

Mr. Berlin, prosecutors said, secretly agreed with Mr. Parkin and Mr. Lackner to help steer the contract to Teledyne in exchange for a share of consulting fees. Teledyne was eventually awarded the contract.

Prosecutors and defense lawyers seemed to agree today that the key question before the jury was whether the three Teledyne executives knew that Mr. Parkin was obtaining his information through bribes or other illegal acts.

Mr. DeHenzel, the prosecutor, argued that Teledyne employees must have known they were involved in a criminal conspiracy. Defense lawyers disputed the assertion, arguing that Mr. Parkin had indicated that he would obtain information through legal means.

Mr. METZENBAUM. Last January another Federal contractor pleaded guilty to Federal criminal fraud. The contract involved was $150 million. An informer's tip led to this investigation and conviction.

I ask unanimous consent to print in the RECORD two January 7, 1989, articles on that prosecution.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 7, 1989]

MAJOR DEFENSE FIRM ADMITS CONSPIRACY

(By Caryle Murphy and Ruth Marcus)

A major defense firm pleaded guilty yesterday to conspiracy charges and a second company was charged with bribing a Navy contracting official in the first major court action of the long-running federal probe into military procurement corruption.

The Navy official, Stuart E. Berlin, is accused of engaging in a racketeering scheme with two defense consultants to sell them inside information and steer Navy contracts to their clients.

Hazeltine Corp., a Long Island, N.Y., electronics firm, agreed to pay nearly $2 million in criminal fines, civil penalties and court costs. It pleaded guilty to conspiracy to defraud the U.S. government, conversion of federal property and making a false statement in efforts to obtain a $150 million contract for aircraft radar testing devices.

In addition, two former Hazeltine officials, Joseph R. Colarusso, 58, and Charles A. Furciniti, 54, pleaded guilty to conspiracy

to defraud the federal government and to commit wire fraud. The men admitted obtaining inside information about competitor's bids and Pentagon buying plans through two defense consultants, William L. Parkin and Fred H. Lackner. The consultants allegedly got the information by bribing Berlin.

In a 27-count indictment returned by a federal grand jury in Alexandria, another defense contractor, Teledyne Industries, Inc., and three of its officials were charged along with the consultants and Berlin in a bribery-conspiracy scheme. The indictment alleged they used Berlin's position at the Naval Air Systems Command to influence the June 1987 award of a $24 million contract for aircraft radar test sets to Teledyne Electronics, a subsidiary of Teledyne Industries.

Berlin, Parkin and Lackner were also charged with theft of government property, mainly confidential contracting information, as well as with racketeering and a racketeering conspiracy count. The indictment accuses Lackner, Parkin, Teledyne and its subsidiary's vice president for contracts, George H. Kaub, of making false statements in order to hide the consultants' help in getting the contract.

In what Justice Department sources described as an important development in the case, former Teledyne marketing representative Michael J. Savaides, 41, pleaded guilty to conspiring with the consultants to bribe Berlin. Under the terms of his plea agreement, Savaides is required to cooperate with the government.

The indictment and guilty pleas, entered before U.S. District Court Judge Claude M. Hilton, represent the first fruits of a Justice Department investigation that began September 1986 into alleged bribery and fraud in the Pentagon's $150 billion-a-year procurement system.

The probe, codenamed Ill Wind, used extensive wiretaps and erupted into public last June when Federal Bureau of Investigation agents searched offices and homes of dozens of defense firms and private consultants nationwide who advise defense firms on what weapons the Pentagon may want. Disclosure of suspected procurement frauds has fueled debate in Congress and elsewhere over ways to tighten Pentagon management and costs.

The charges disclosed yesterday relate to only one facet of the many-sided probe. Although Ill Wind was once touted as one of the most massive military corruption scandals in history, some law enforcement officials now assert that it was exaggerated by the news media.

U.S. Attorney Henry E. Hudson of Alexandria, whose office is coordinating the probe, said yesterday's action "represents just a small percentage of" the investigation. "Over the next few months, perhaps the next year, you'll see a great deal of additional activity," Hudson said.

"The citizens of the United States . . . have an absolute right to the honest services of public officials, and when individuals are receiving money or violating rules and regulations and passing confidential information, I think it strikes at the very heart of the procurement process, and that's what makes this a serious case," Hudson said.

He said yesterday's pleas and future prosecution actions will deter future defense procurement wrongdoing and ensure "that there is integrity in the process."

Assistant Attorney General Edward S.G. Dennis Jr. called it "a very significant indictment. The charges here . . . are very significant."

The indictment alleges that Parkin and his consulting company were to receive $160,000 from Teledyne and $100,000 to $150,000 from Hazeltine for helping them win the contracts. Parkin allegedly split the money with Lackner, a close friend of Berlin's.

In turn, Berlin, a supervisory electronics engineer, allegedly received at least $2,500 from Lackner and Parkin for his help on the Hazeltine contract and an unspecified sum for his work on the Teledyne contract, which the company eventually won.

The court papers filed yesterday allege that Berlin, described by the two consultants as a "silent partner" helping Teledyne, was to receive $25,000 over two years, beginning last spring. However, the court papers offer little direct evidence that Berlin received the money.

Berlin's lawyer declined to comment yesterday. If convicted of all counts, Berlin could get 185 years in prison and $5.5 million in fines.

A Navy spokesman, Lt. Brian Cullin, said yesterday that Navy officials are reviewing the allegations against Berlin, who continues to work for the Navy but was removed from procurement duties in June after the probe became public. "They've got to review how serious the indictment is" before deciding what further action to take, if any, Cullin said.

Hazeltine's agreement to pay a $1 million criminal fine, $500,000 in civil penalties and $410,000 in court costs is far less than some of the huge fines defense firms have paid in recent years for contracting fraud. If convicted of all counts, Teledyne could be fined up to $6.5 million.

In contrast, Sundstrand Corp. in October agreed to pay $115 million to settle charges that it concealed or falsely billed millions of dollars in cost overruns, and paid more than $100,000 in illegal gratuities to Defense Department employees.

Asked if the Hazeltine fines might be a paltry sum to a defense contractor seeking a $150 million contract, Hudson said, "We thought they were appropriate and that's why we recommended them."

Sources familiar with the investigation said Hazeltine is not expected to be disbarred from receiving military contracts, a possible sanction for companies convicted of procurement fraud. In a statement, Hazeltine, which was not charged with any knowledge that its consultants were obtaining the inside information through bribes, emphasized it had "cooperated fully" with prosecutors. Assistant U.S. Attorney Joseph J. Aronica repeated this point yesterday before Hilton.

Defense Department spokesmen said they were reviewing Hazeltine's plea and the allegations against Teledyne.

Navy and Air Force spokesmen said the assistant secretaries in charge of acquisition must approve future purchases under the Teledyne contract, which remains in effect. The Navy plans to buy 43 more of the handheld radar beacon test sets this year. Teledyne said the contract has been worth $12 million to date.

In a statement, Hazeltine said its plea was "acknowledgement of responsibility for the unauthorized actions of two former Hazeltine officers. . . . which were clearly against specific company policies."

The actions of Colarusso and Furciniti, the statement said, "began prior to the December 1986 acquisition of Hazeltine by Emerson [Electric Co.] and continued thereafter without the knowledge of Hazeltine or Emerson."

Colarusso and Furciniti, who face a maximum penalty of five years in jail and a $250,000 fine, will be sentenced March 17. Hilton set April 28 for the sentencing of Savaides, who faces similar maximum punishment. All three must cooperate with investigators and testify, if called at up uncoming trials as part of their plea agreements.

A spokesman for Teledyne, Berkley Baker, said, "We expect to be acquitted and we will defend ourselves against the charges." He added that the firm also expects its three employees, placed on administrative leave with pay yesterday, will be acquitted.

Ill Wind received little response from Lawmakers yesterday.

A 12:30 p.m. briefing for senators by Dennis and Assistant Attorney General Thomas Boyd was postponed when the indictment was delayed because a grand juror, slowed by the snow, had to be retrieved by a four-wheel-drive vehicle. Justice department officials offered to reschedule the briefing for yesterday afternoon, but Senate leaders reportedly said, " 'never mind.' "

[From the Washington Post, Jan. 7, 1989]

"OPERATION ILL WIND": NEW CHARGES AND PLEAS

A federal grand jury yesterday returned the first indictment in the Pentagon procurement investigation. Accused of crimes including conspiracy, racketeering, bribery, and theft of government property are:

INDICTED

Teledyne Electronics, a Newbury Park, Calif., defense contractor. Teledyne is accused of agreeing to pay William L. Parkin's firm $160,000 to secure inside information to get a Navy contract.

Stuart E. Berlin, a Navy procurement specialist. Berlin is the only government employee indicted in the case so far. He headed the ship systems engineering branch of the Naval Air Systems Command from October 1986 to June 1988. Berlin "corruptly" accepted "a sum of U.S. currency, for himself from [Fred H.] Lackner and [William L.] Parkin," the indictment says. Berlin is accused of violating laws against using inside information for private gain and against not disclosing procurement documents; court documents say he provided information to Teledyne and Hazeltine Corp. An affidavit released this week said that Berlin received about $1,000 every few months from Parkin and Lackner in exchange for classified documents.

William L. Parkin, an Alexandria consultant who worked in the Navy's Joint Cruise Missile Project from 1977 to 1983. The indictment alleges the conspiracy included Parkin's agreement to bribe Stuart E. Berlin for information. Affidavits call Parkin "a middleman who paid government employees for inside information and sold it to contractors."

Fred H. Lackner, a Woodland Hills, Calif., consultant who has worked for several aerospace firms. The indictment said the alleged conspiracy included Berlin's agreement with Lackner to help Teledyne win a contract in return for money.

Also named in the indictment were Teledyne employees George H. Kaub, Eugene R. Sullivan, and Dale Schnittjer. The indictment charges all the defendants with conspiring to defraud the Navy and Air Force, bribe a public official, make false statements and comment wire fraud. Berlin, Parkin and Lackner face up to 185 years in

prison and $5.5 million in fines each, if convicted on all charges.

Also yesterday, three men and a defense contractor entered the first guilty pleas in the probe:

PLEADED GUILTY

Hazeltine Corp. of Greenlawn, N.Y., a division of Emerson Electric Co., agreed to plead guilty to conspiracy to defraud the United States, conversion of government property, and making false statements to the government.

Joseph Colarusso, former senior vice president of Hazeltine and a 29-year employee before his resignation last month, pleaded guilty to one count of conspiracy to defraud the government and commit wire fraud.

Charles Furciniti, a former Hazeltine marketing vice president, pleaded guilty to one count of conspiracy to defraud the government and commit wire fraud. He and Colarusso could each face up to five years in prison and a $250,000 fine.

Michael Savaides, a Washington lobbyist for Teledyne, pleaded guilty to conspiracy to commit bribery and could get up to five years in prison and a $250,000 fine.

Source: The Washington Post, Associated Press.

Compiled by staff researcher Michelle Hall.

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FIRST INDICTMENTS RETURNED BY JURY IN PENTAGON FRAUD

(By Philip Shenon)

WASHINGTON, January 6.—A Federal grand jury returned its first indictments today against a military contractor, a former Pentagon official and five other individuals in the two-year investigation of fraud and bribery in military weapons procurement. Another contractor and two of its former executives pleaded guilty in a Federal court to similar charges growing out of the investigation.

Teledyne Industries, a unit of Teledyne Inc., based in Los Angeles, was indicted along with a Navy procurement specialist and five other individuals on charges of conspiracy, bribery, racketeering and theft of Government property.

The indictment was announced only hours after another military contractor, the Hazeltine Corporation of Greenlawn, L.I., pleaded guilty in the District Court in Alexandria, Va., to related charges involving Pentagon contracts for electronic equipment.

AN EDGE IN BIDDING

The Justice Department's inquiry has focused on charges that private consultants and some of the nation's largest military contractors bribed Pentagon officials for secret information that gave the companies an edge in bidding for lucrative contracts.

Hazeltine, a division of the Emerson Electric Company of St. Louis, agreed to pay a $1 million fine and $900,000 in other costs. Emerson had sales last year of $6.7 billion.

At a news conference, the prosecutor overseeing the investigation, Henry E. Hudson, the United States Attorney in Alexandria, was pressed repeatedly to explain why the Justice Department had agreed to a fine that represented only a small portion of Emerson's revenues. "We think it was appropriate," he said without elaboration.

OTHER COMPANIES SCRUTINIZED

Mr. Hudson indicated that other indictments and guilty pleas were likely in the investigation. "In the next few months, you'll see a great deal of additional activity," he said. The Justice Department has identified more than 20 companies that are under scrutiny.

Pentagon officials said the criminal case again Hazeltine had already been referred to a Defense Department panel that has the power to suspend futrue contracts with the company.

Teledyne is almost certain to face suspension since it, unlike Hazeltine, has refused to plead guilty and cooperate with prosecutors. In the past, military contractors charged with crimes have been suspended from bidding for Government work.

At the center of the cases against both Teledyne and Hazeltine are three men named today as defendants in the 27-count indictment: Stuart E. Berlin, a mid-level procurement official with the Navy's Space and Naval Warfare Systems Command; William L. Parkin, a former Navy employee who is now a private military consultant, and another private consultant, Fred H. Lackner.

The indictment accused the consultants of conspiring to bribe Mr. Berlin, a close friend of Mr. Lackner, to obtain information sought by Teledyne and Hazeltine for contracts.

In court papers made public earlier this week, the Justice Department said that Mr. Berlin received a $1,000 payment every few months.

INFORMATION FROM WIRETAPS

The indictment made it clear that much of the prosecution's case against the defendants resulted from court-authorized wiretaps. In several instances, the 80-page indictment quotes liberally from phone conversations between Mr. Parkin, who was a private consultant to both Teledyne and Hazeltine, and Mr. Lackner.

During a phone conversation in May 1987, the indictment said, Mr. Parkin told Mr. Lackner that he had just received a $4,000 check from Hazeltine and that, "I'll have to give you a little green to do what we have to do."

During a separate phone conversation in November 1987, it added, Mr. Parkin advised an executive of Teledyne that he would need money for his information because "it takes a lot of spaghetti and meatballs to grease the skids on some of these things." The indictment said that in other conversations Mr. Parkin and Mr. Lackner discussed their payments to Mr. Berlin.

Through their lawyers, the defendants denied wrongdoing.

In its agreement with prosecutors, Hazeltine pleaded guilty to conspiracy to defraud the United States, conversion of Government property and making false statements to the Government.

Two former company employees, Joseph Colarusso, who was an executive vice president, and Charles Furciniti, a marketing representative, pleaded guilty to one count of defrauding the Government and wire fraud. They each face a maximum penalty of five years in prison and a $250,000 fine.

The charges focused on Hazeltine's efforts to secure a $150 million contract for electronic testing equipment. Because of the criminal investigation, the contract has not yet been awarded.

The Hazeltine employees worked at the company under two different heads. Robert H. Clark, Jr. was the chairman until he was succeeded in 1986 by Salvatore J. Nuzzo.

TIES TO BOTH CONSULTANTS

Also pleading guilty today was a former marketing director for Teledyne Industries, Michael Savaides, who had ties to both Mr. Parkin and Mr. Lackner, the private consultants.

The indictment depicts Mr. Savaides as something of an industrial spy—working for Teledyne but actually feeding company secrets to Mr. Parkin. If the charges in the indictment are true, Mr. Parkin was receiving secret information from both the Pentagon through Mr. Berlin and Mr. Lackner, and from within the corporate offices of Teledyne through Mr. Savaides.

Mr. Savaides pleaded guilty to conspiring to commit bribery and could face up to five years in prison and a $250,000 fine. His testimony is expected to be critical in the prosecution of his former employer, Teledyne.

Prosecutors said the indictment against Teledyne involved the company's successful bid for a $100 million contract to build equipment related to aircraft identification for the military. The contract may now be in jeopardy. In a statement, the Pentagon said the Navy would review all documents released by the Justice Department today to determine whether it should suspend or debar Teledyne and any of the individuals named as defendants.

SMALL PART OF REVENUES

If convicted on all charges, Teledyne Industries could face a maximum fine of $6.5 million. The fine would represent only a tiny portion of the parent's company's revenues, which totaled more than $4 billion in 1987.

Others named as defendants in the Teledyne indictment were: George Kaub, a vice president in charge of contracts at Teledyne Electronics, a division of Teledyne; Eugene R. Sullivan, a former vice president for finance at Teledyne Electronics, and David Schnittjer, who succeeded Mr. Sullivan.

Mr. Kaub, Mr. Sullivan and Mr. Schnittjer were all charged with conspiracy, bribery and wire fraud. If convicted, Mr. Kaub would face a maximum penalty of 85 years in prison and a $2.5 million fine. Mr. Sullivan and Mr. Schnittjer could each face up to 50 years in prison and a $1.5 million fine.

At the time that Teledyne and its executives are accused of the wrong doing, the company was headed by Henry E. Singleton, its chairman and chief executive officer. He was not named in the indictments.

Mr. Berlin and the two private consultants, Mr. Parkin and Mr. Lackner, were also indicted on racketeering charges and conspiring to engage in racketeering activities. They could each be sentenced to 185 years in prison and ordered to pay fines up to $5.5 million.

ACCUSED OF PROVIDING DATA

Mr. Berlin was accused of providing the consultants with secret information about Navy bidding procedures. He was also charged in the indictment with accepting payment "for his assistance in manipulating the procurement process to insure that" Teledyne and Hazeltine were awarded military contracts.

Prosecutors said, for example, that Mr. Berlin encouraged other Navy officials in 1987 to limit bidding on a Navy contract to just two companies, one of them Hazeltine.

In private conversations between Mr. Parkin and Mr. Lackner, the indictment said, the consultants referred to Mr. Berlin as their "silent partner."

Prosecutors said the indictment and guilty pleas announced today were only the first of what they said would be waves of criminal charges resulting from the investigation,

which is known at the Justice Department as Operation Ill Wind.

The investigation into the Pentagon's $150 billion-a-year procurement system began in 1986 following a tip that a private consultant was peddling classified Pentagon information to military contractors. The Naval Investigation Service used the information to trap the consultant, who agreed to become an informant on Pentagon insiders.

Mr. METZENBAUM. Last October another corporation was convicted of fraud and false billing in connection with a multimillion-dollar contract. Corporate officials were convicted of deliberately providing defective parts for military helicopters, cruise missiles, the F-18 and B-1 aircraft. Corporate officials were recently convicted of deliberately providing defective parts for the M-60 machinegun.

Last year's indictment charged another defense contractor with fraudulently overbilling the Government $7 million.

According to prosecutors, this is just the tip of the iceberg. This is just the beginning.

There are millions and millions of dollars being ripped off from the Government, from the taxpayers, by this kind of fraud.

In 1988, the GAO reported losses of about $387 million in just 148 cases between 1985 and 1986.

We are dealing with a serious problem and we have to do everything we can to find out about this fraud early before our tax dollars are lost or people are injured.

This year, as I previously mentioned, Senator GRASSLEY and I introduced S. 248 to provide the possibility of reward to those individuals who provide information which leads to convictions in the procurement fraud cases.

S. 248 provides financial reward to persons who furnish information leading to convictions for major frauds.

The Attorney General must request the reward. The Attorney General must make award. It is he who makes the final determination. The maximum award is $250,000, a large amount of money, but not a large amount of money when you are talking about the multimillion-dollar fraud being talked about.

The $250,000 is not a minimum. It is not even a set figure. It is a permissible figure. It is dependent upon the Attorney General as to what he feels the award should be.

In most cases the individual must give the information to the employer first.

S. 248 was unanimously reported out of the Judiciary Committee on February 23.

There is only one way to crack these cases. It is through inside information. With better information we can nip contractor fraud in the bud before the taxpayers are hurt.

It is not a new idea to give a reward to people who help to uncover fraud. The inspectors general of the various agencies now have statutory authority to make cash awards of up to $10,000 to employees who make cost savings disclosure of fraud, waste and mismanagement.

The President has statutory authority to pay a cash award of $20,000 to any employee who makes a substantial cost saving disclosure of fraud, waste or mismanagement.

The False Claims Act also gives a percentage of the recovery to the invidual who sues on behalf of the Government against fradulent contractors.

The administration's banking reform proposal, which is now known as S. 413, also contains similar reward provisions at two places in that bill. At page 255 and page 28, it is provided that the Government would permit the payment of rewards of up to $100,000 to any person who provides original information which directly leads to recovery of a criminal fine or restitution of civil penalties.

That administration proposal on banking reform also permits the payments of rewards for information leading to convictions under a number of Federal criminal statutes relevant to banks.

Under a current law, a person who furnishes information leading to a conviction for the wrongful discharge of refuse in the water may receive of up to one half of the fine. Under current law, the Attorney General is authorized to pay "awards for information or assistance directly relating to violations of the criminal drug laws of the United States."

So there is a lot of precedent for this bill. It is not a new concept in the Federal law to provide for a reward to someone who helps the Government with respect to criminal prosecution or a civil matter if that be the case provided that it is in the Government's interest.

I want to make it clear there is nothing mandatory in our bill about the award being made. It is solely determined by the Attorney General.

S. 248 also includes a technical provision which deletes a section of the Major Fraud Act which was retained by mistake. Let me explain that: That section retained by mistake is section 3 of Public Law 100-700 on attorney fees as allowable cost.

Section 3 was replaced by section 8 of Public Law 100-700.

The Senate attempted to correct their mistake last year by agreeing to a concurrent resolution. The House did not act, so we still need to make a correction.

AMENDMENT NO. 14

(Purpose: To clarify the discretion of the Attorney General and for other purposes)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration. This amendment is merely a corrective amendment in order to correct the problem that—I withdraw that comment. That has already been covered and it is part of the present bill.

I stand before you and urge the Senate to vote in favor of S. 248. I want to point out it was unanimously passed by the Judiciary Committee last year and this year. S. 248 language was passed by the House last year.

I send the amendment to the desk on behalf of myself, Senator HATCH, and Senator GRASSLEY, and ask for its immediate consideration.

Mr. BUMPERS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas will state it.

Mr. BUMPERS. Mr. President, what was the order that was entered last night as to how we would proceed on this bill? It was my understanding that no amendments would be in order.

The PRESIDING OFFICER. The Chair's understanding is that this is the compromise amendment that was included in the order.

Mr. BUMPERS. It was included in the order?

The PRESIDING OFFICER. The Chair is asking the Senator from Ohio.

Mr. BUMPERS. Mr. President, I was asking and I was going to object. I am advised by my own staff that this is included in the order. So I have no reason for inquiring further.

The PRESIDING OFFICER. Let the Chair thank the Senator from Arkansas. The time on this bill is 30 minutes on the bill and the compromise amendment which the Senator from Ohio is now submitting.

Mr. BUMPERS. Is that 30 minutes total on the bill and the amendment?

The PRESIDING OFFICER. That is correct.

The Senator from Arkansas has 3 hours on his amendment under the orders.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM], for himself, Mr. HATCH, and Mr. GRASSLEY proposes an amendment numbered 14.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

(1) Strike page 2, lines 5-10 of the bill and insert the following:

"In special circumstances and in his or her sole discretion, the Attorney General is authorized to make payments from funds appropriated to the Department of Justice to

persons who furnish information relating to a possible prosecution under this section. The amount of such payment shall not exceed $250,000. Upon application by the Attorney General, the court may order that the Department shall be reimbursed for a payment from a criminal fine imposed under this section.

(2) On page 3, insert after line 7 the following new paragraph:;

"(3) The failure of the Attorney General to authorize a payment shall not be subject to judicial review."

Mr. METZENBAUM. Mr. President, though S. 248 was unanimously reported out of the Judiciary Committee, there was a question raised as to the possibility that an award would taint witnesses and make convictions more difficult to obtain. As a consequence, the Justice Department was not supportive of S. 248. In fact, they opposed it. We discussed the matter with the Department, discussed it with the Attorney General, and the Department and the Attorney General said that convictions would be more difficult to obtain if the jury knows that the witness will gain financially in the event of a conviction. Frankly, I disagreed with that view, with no guarantee that an individual who provided the information would receive the award. That was the previous provision. The reward was to be discretionary and not mandatory and was only to be submitted to the court.

But the fact is that this amendment now satisfies the concerns of the Attorney General and the administration. If there is a potential problem with impeachment of a key witness, the Attorney General can tell the witness and the jury that the witnesses will not be eligible for award. Now it is nothing new for defendants to try to discredit witnesses.

Witnesses are impeached for many reasons. The jury can decide credibility. They do it all the time. But with this amendment, we eliminate that problem from the legislation.

I know it is one of the concerns to which the distinguished Senator from Arkansas had previously addressed himself. The Attorney General was supportive of that concern and that is the reason for this amendment.

Now, the fact is that many times people furnish information which leads to an investigation uncovering fraud and these people should be eligible for a reward payment. We need to discover fraud as early as possible. And with this amendment clarifying the situation, making it impossible to impeach the witness by reason of the fact that he or she would be eligible to receive an award, I think that it makes it a better bill, makes it a bill that the administration is comfortable with. I hope that the amendment can be promptly adopted.

Mr. GRASSLEY. Mr. President, first of all, I want to congratulate the Senator from Ohio for his leadership in this area, particularly the speed with which this bill was reported out of committee. This bill further enhances the position of whistleblowers. It recognizes that this class of good citizens needs proper protection and, in some cases, direct incentive to expose those things that are wrong with items procured through government contracts.

I think we are of a mind in this body, as well as the Congress as a whole, and to a considerable extent with the help of the administration, in trying to craft legislation that encourages people who have knowledge of wrongdoing, to come forward. So I am very happy to be a part of this effort that builds upon legislation that we passed last year to recognize the importance of whistleblowers in bringing forth knowledge of fraudulent procurement activity.

That is really all this legislation does. It recognizes, first of all, the importance of whistleblowers. Second, it leaves—narrowly—to the discretion of the Attorney General, the decision to make a financial award to a whistleblower, in the recognition of that with which they have come forth.

We in the Congress are dependent to a considerable extent upon whistleblowers so that we can do a better job of legislating, and so that we can do a better job of oversight. We could not do our job in some areas if we did not have people in the bureaucracy who know where the skeletons are in the closet. From their knowledge comes oversight, and if need be, legislation.

We are not the only ones in our society, in our economy, who need this sort of help. The prosecutor needs this help. The Attorney General needs this help. There are even corporation heads who say that they want to help encourage the ferreting-out of fraud and mismanagement. So they have encouraged, not only protection for their own employees who will come forward as whistleblowers, but also in some instances, they have provided some financial incentive.

So we find in a wide area of Government policy, as well as some private sector policies, the encouragement of policy whistleblower protection. We want to have this legislation seen as an extension of that very worthwhile policy. So we have crafted here a very narrow piece of legislation. We want the Attorney General to have an opportunity to reward whistleblowers. But we do not want it to be so wide sweeping that there is no control whatsover.

The extent to which a whistleblower's information is very key to the prosecution of a case, our bill will enhance its use. We want an opportunity for the opening of dialog between people who known about fraudulent activity and prosecutors, for them to work arm in arm to see that this important information is brought forth, first of all, and particularly where their information is important in providing a sounder case to the Government, we want that to be a part of the process and encouraged. We see this legislation as being a very responsible approach to getting this done.

The Senator from Ohio did talk about one aspect of the legislation that is very much a technical amendment. I was a sponsor of this aspect of the legislation last year, and so I want to go over it once more so that everybody understands that I approve of this and that it is intended only to correct an error that took place during consideration of the legislation last year.

This is a technical amendment that deletes section 3, regarding allowable costs, of the Major Fraud Act of 1988.

The language was included in the act as reported by the Senate Judiciary Committee.

During consideration of the act, I offered—and the Senate agreed to—an amendment which completely substituted the committee language of this section and which became section 7 of the act.

However, inadvertantly, section 3 was not deleted—as intended by its sponsors—from the Major Fraud Act, when it became law.

To correct this drafting error, the Senate passed a concurrent resolution to correct the mistake, but the House did not act on the concurrent resolution.

It is our intent, by passing section 3 of S. 248, to make clear that section 3 of the Major Fraud Act of 1988—as reported by the Senate Judiciary Committee—never took effect, and that section 7 of the Major Fraud Act of 1988—as agreed to by the full Senate—took effect when Public Law 100-700 became law.

So, Mr. President, I hope the Senate will take a close look at this legislation, remember that it was passed out of committee unanimously, remember that we are in a time when we in the Congress, when prosecutors, and when even company CEO's, feel that they need the help of whistleblowers. And that we ought to be in the posture of encouraging that activity.

Sometimes to encourage that activity, incentives are important. This bill does not contain any automatic incentives. However, the narrow incentives that are provided can be used by the Attorney General at his discretion when needed, and will serve as an inducement to bring forth information that is very vital and that only an employee of a corporation might have access to. From that standpoint, it is a very important tool in the process of stopping fraudulent use of taxpayers' money and to see that people are prosecuted accordingly.

I yield the floor.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the compromise amendment of the Senator from Ohio.

The amendment (No. 14) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 15

(Purpose: To eliminate the reward provisions of the Major Fraud Act Amendments of 1989)

Mr. BUMPERS. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself and Mrs. KASSEBAUM, proposes an amendment numbered 15.

The amendment is as follows:

Strike section 2 of the bill.

Mr. BUMPERS. Mr. President, this is an amendment that has just been offered that is essentially the same provision that was in the Major Fraud Act of last fall. I objected to the bounty-hunter provision then. The Senator from Ohio agreed to take it out. We passed that bill and I voted for it.

Now we are back with a separate bounty-hunter provision so we are right back where we started.

On the amendment that was just offered, for the benefit of the people who may be watching back in their offices, I want to make two or three points about the so-called compromise amendment which has just been adopted. I do not have any objection to it because my amendment strikes the entire provision anyway.

But the Senator from Ohio has said that this provision, this bounty-hunter provision is found also in the Inspector General Service Act, and that the inspector general is authorized to pay whistleblowers. I like to call them bounty hunters. But I can find no provision, and while I am talking, I will let the Senator from Ohio research the record and see if he can find the provision which I have not been able to find.

So that everybody will understand what we are debating, the original bill provides this: If you work for a governmental agency and you think there is a little hanky-panky going on or somebody is taking a kickback or a bribe or something else, you go report that to your employer. And if you do not want to report it to your employer, for whatever reason, then you can take it up to the Attorney General or the district attorney or somebody else, and if it is a contract for more than $1 million, you are entitled to 10 percent of any fines levied up to $250,000.

So what we had here was an amendment that said the Attorney General may apply to the court for the right to pay an informant whose information has resulted in the conviction or the fine of a person who has perpetrated a fraud. The court may or may not approve that application and may or may not award the informant up to 10 percent, but no more than $250,000, of the fine.

The compromise amendment that has just been offered says the very same thing, but instead of being paid from the fine, it will be paid from appropriated funds.

Now, I assume Gramm, Rudman, and Hollings, the chief troika around here, will appear on the floor at some point to ask how much is going into the pot and where is it coming from. But, Mr. President, that is not my objection. The argument is going to be made, and it is a correct argument, clinically, that there is precedent for this; we have other bills, we have other laws on the books that provide for the payment of some amount of money if you blow the whistle.

Let me say in the beginning, and I will say it half a dozen times during my time in this debate, I find it repugnant, repulsive, extreme bribery to be a patriot, bribery to do your civic duty. I voted for the insider trading provision last fall, and I hate to confess that I did not know it had one of those bounty-hunter provisions in it or, I promise you, it would not have passed. Nobody hates insider trading more than I do. Nobody hates Pentagon fraud or fraud against the United States worse than I do. I am not yielding on that point because I dislike this amendment so badly.

We passed the Major Fraud Act of the Senator from Ohio last fall, and it was a good bill. He took the odious part of it out. We just recently this session passed the Levin bill protecting whistleblowers, providing them job security and making sure that they are insulated from abuse and intimidation. And I voted for that. But people ought not to be paid money to do their patriotic, civic duty. It is dangerous in the extreme, and I do not care how much precedent there is, I am going to try today to draw a line in the dust and say, "This far and no further."

What is it about the Russian system, what was it about the Hitler system that we found so objectionable? I will tell you what it was. It was neighbor spying on neighbor, big incentives for everybody to spy on everybody else. It is one of the most repugnant parts of communism, just as it was one of the most repugnant parts of facism. Are we caving in and saying we do not believe there are not patriots in this country to do their job and so we are going to have to bribe them to come forward?

It is sort of a perverse argument: Let us legalize drugs; we will not have so much crime to fight. I am not for legalization of drugs, and I am not for bribing American citizens to do their patriotic duty. I grew up in a great big town down in Arkansas which during the Depression had 851 people. We were already up to 1,472 when I ran for Governor. Everybody knew everybody and everybody knew everybody else's business. There I was a lawyer, and I had been practicing law for 10 years in this town, and one morning at the coffee shop somebody said, "Did you know that the IRS is auditing old Joe Brown?" "No, I did not know that." And the other fellow says, I wonder who turned him in?" I said, "What do you mean you wonder who turned him in?" He said, "Well, you know, you can get 10 percent of whatever they recover if you report somebody to the IRS; you get 10 percent of the recovery."

Well, every time somebody in our hometown built a bigger house than somebody else thought they ought to have and started driving a bigger automobile than they thought they ought to have, they reported them to IRS. They would send a letter in, totally anonymous, nobody knows the difference. All you have to do is write a letter. We would sit in the coffee shop and everytime somebody in our hometown was audited, we would try to figure out who sent them in. We know who the people in that town were who would do a thing like that.

Do you know who they were? The same people that this provision is addressed to—the greedy, the jealous, the zealous. If you think your neighbor is not paying his fair share of taxes, why do you have to be offered 10 percent to make sure he bellies up like you do? The Boesky, the Miliken cases, nobody knows what the disposition of the Miliken case is going to be. There was a chain of events that led to that whole exposé of insider trading, and there was some inside information. The biggest fine ever levied, I guess, was against Boesky and, in all probability, one that is going to exceed it by possibly $1 billion is the Milken case. And not one dime is being paid to anybody for the information provided in that case. And it's the biggest fraud case in the history of America.

We passed that Insider Trading Act last October. As I say, I am eternally sorry I voted for it because it had that bounty-hunter provision in it. This morning, it just so happened, David Ruder, Chairman of the Securities and Exchange Commission, was testifying before the Subcommittee on Appropriations on State, Justice and Commerce. I know Dave Ruder. I went to Northwestern Law School with him.

He was dean of the Northwestern University Law School until just recently. He is a great Chairman of the Securities and Exchange Commission.

Let me tell you what he testified to last summer in the House of Representatives, and he repeated it this morning before our subcommittee. And I qote:

Mr. NIELSON. I am trying to figure out at what level—you don't want to do it for the exchange, not for Levine, what about the employee in the brokerage house who tells a compliance officer about a problem?

Mr. RUDER. Speaking personally, I have always been troubled by the bounty concept, and I would hope that within the industry we could encourage people to come forward to tell what is wrong in that industry based upon the ethical and moral principles which exist in that industry. We should not be in the position of having to pay them for doing what they already should be doing.

This morning in the committee I asked him how he felt about the provision again and he said:

Senator, I do not like it. I'd rather it wouldn't be there and here's why. We have very limited resources at the SEC.

And yet we are going to have to check every single allegation that comes in. Some of them may be meritorious and some of them will not be.

Number two, there is certain incentive to embellish the truth when you have a quarter million dollars riding on it.

Number three, I would not want to go to court and put somebody on the witness stand that is going to get 10 percent of the stake or even under this compromise amendment $250,000 from the Attorney General.

Incidentally, one of the things that is really objectionable about that compromise amendment is that the Attorney General has the final say. He does not even have to get court approval. The amendment starts out, "In special circumstances." Well, what are "special circumstances"? That could mean anything and everything.

Chairman Ruder said this morning—and as an old trial lawyer, I could not agree with him more—

You are going to see some guilty people go free because you are going to put a guy on the witness stand to testify and he is going to be testifying that "I would like to make $250,000 out of this case myself."

When I was practicing law, what I would not have given to get one of those witnesses on cross-examination. I promise you I would never have had a client to go to the penitentiary when the guy sitting there testifying against him was going to get rich out of the deal.

So there is Dave Ruder of the Securities and Exchange Commission who says categorically, without reservation or equivocation, it is a bad proposition.

Who are these people that would do that? Well, here is one from the Singer Co. I still have a hard time saying Singer Co. because when I was a child growing, up, the Singer Sewing Machine Co. was next to saintliness. We had a Singer sewing machine. Now it is Singer and everything else. They have taken over everybody. Here is a little article from the New York Times. Back in 1863 Congress passed a law that said:

Don't sell the Union Army defective goods. If you do, somebody can sue you and recover. If they can prove you defrauded the Union Army, they are entitled as a private citizen to up to 25 percent of recovery.

So here is a gentleman by the name of Urda. There was a big story in the New York Times the other day about him. Mr. Urda worked for Singer. He was looking at the procurement contracts that the Defense Department had with one of Singer's subdivisions, I guess, one of their wholly owned subsidiaries, and he said he realized that Singer was ripping the Defense Department off; they were keeping two sets of books, so he said.

Well, that went on for a while, and he left Singer and went to work for the Defense Department. Sure enough, he discovered, he says in his complaint under this 1863 False Claims Act, as modified by this august body in 1986, Singer was keeping two sets of books. But here is some of the best stuff.

In an interview, the former employee, Christopher Urda, said he was finally persuaded to become a whistleblower by the prospect of collecting millions of dollars for cooperating with auhtorities under the False Claims Act.

"Further, the law was just the thing to give me the incentive."

I am making the argument for the distinguished Senators from Ohio and Iowa.

He said the False Claims Act under which he stands to make about $50 million was just the thing that got him to do his civic duty.

Last year he read about the False Claims Act and about a Los Angeles lawyer named John Phillips, who is associated with a nonprofit group called Taxpayers Against Fraud which helps whistleblowers.

He says, "I'm sure I'm not the most popular guy around here right now."

They said, "Well, why didn't you do this a long time ago as your civic duty." He said, "Well, they are a big company in my home town and they would probably have laid off a lot of people, the plant might have had to shut down."

No disrespect for Mr. Urda, but I do not want to number among my friends anybody who has to go read the False Claims Act or the Major Fraud Act or this bill that is before us today before he understands that he has a solemn duty to expose fraud.

Would somebody, if they knew they had several million dollars riding on the outcome of trial, have a tendency to maybe embellish the truth just a tad? The jury is going to make a decision. Maybe they would like to hear just a little bit more than the truth.

When I ran for Governor, they said, "DALE, all we want is good government." I found out, after I was elected Governor that some of them wanted just a little more than good government. Why is it that in this country everybody tears up when they sing the national anthem; they tear up when Greg Louganis makes that 10th dive in the Olympics and wins the gold medal; they tear up when they say the Pledge of Allegiance; they tear up when the flag goes down the street in a military parade? Some of those same people who beat their chest and say they are great patriots do not vote. In my opinion, most of them really are good, patriotic, God-fearing, America-loving people who do not have to be bribed to prove their patriotism.

I think this bill is demeaning. it is demeaning to the American people to say we are not going to trust you to come in here and tell us these things.

What does the Department of Justice think? I am not sure what they think now. Apparently, after this bill was worked on for a year, the Senator from Ohio talked to the Justice Department all morning. I do not know why we went through this for a year, and then this morning get the Justice Department to sign off on it. I do not know whether they signed off on it or not. Did they?

Mr. METZENBAUM. They did.

Mr. BUMPERS. That is too bad because it is worse now than it was. It gives the Attorney General really arbitrary power to reward these people. He does not even have to go to court any more. I can see some attorney general saying, "Well, we got $250,000 in the pot here but I would like to know what political party you belong to before we disburse this." Or he might ask him a whole host of other questions before he decides to disburse the money. But so far as I am concerned, it is still the same old, sad commentary. Here is what the Justice Department said when they wrote JOE BIDEN, chairman of the Judiciary Committee, last year, March 8, 1988:

Although we recognize it is intended that such a reward be a mechanism for assisting the administration to root out procurement fraud, we must continue to register our strong objection to the provision as we did when it was first raised during consideration and passage of the act last Congress. As you accurately observed during the committee markup of the bill, it is unseemly for the Government, absent the most compelling circumstances, to hold out the offer of financial reward to individuals who provide information in criminal investigations. We firmly believe that it should be a citizen's moral and ethical foundation which motivates him or her to provide information to law enforcement authorities.

An on and on it goes.

All my arguments are contained in the Justice Department's objections to this legislation.

Question. What criteria will the Attorney General use? Who can object if he decides not to give somebody money? Can he be subjected to a suit? First, I think his decision is final. It just adds to the arbitrariness, to put it in the hands of the Attorney General, who, I promise you, does not even want it. If he is a decent man, he does not want it.

If you wind up in court, who can cross-examine? Who can cross-examine the AG? Can you say, "I think, Mr. Attorney General, your criteria is flawed," and take him to court because he does not give you anything? First of all, he has to decide under the bill. There are two provisions in the bill. One is you must tell your employer first. If you do not tell your employer first, you are not eligible for the money. Second, you have to be the original source of the information. Who is going to determine whether it is original or not? I guess the Attorney General, but how does he do it?

What if the informant goes over to the Attorney General first and says, "Mr. Attorney General, I hear you have a little pot of money here and you are allowed to give people up to $250,000 to blow the whistle on their colleagues." Actually, you squeal because they think there is fraud in the contract. "I know some information that you would really like to have, but I would like to know on the front end that I am going to get something out of it. Just a little under-the-table deal." Maybe the Attorney General deals, if he thinks it is big enough; maybe he doesn't. Who knows?

What about the zealot who puts out bad information because he has a vendetta against somebody, and it is investigated and it hits the press? Then what happens to the innocent person whose name has been spread all over the headlines because there was this great big bounty out there that some guy thought he might get, even if he had to lie to get it? It is one thing to inform as a citizen because your testimony is credible and everybody knows why you are doing it, but it is another thing if you are squealing because you know there is money involved in it and there is no credibility.

Mr. President, I have a few more remarks to make. I am told by a note here that Senator HATCH, who favors this bill, wants to speak before he has to go to the White House. Maybe he can tell them down there that he has been convinced, persuaded, and has changed his mind.

So I yield for the time being in order to allow him to speak before he leaves.

The PRESIDING OFFICER (Mr. BRYAN). The Senator from Utah.

Mr. HATCH. I appreciate my colleague for yielding. He has used some descriptive language.

Mr. METZENBAUM. Mr. President, in fairness, the time of Senator HATCH can be on our time.

The PRESIDING OFFICER. I thank the Senator.

Mr. HATCH. Mr. President, I was enjoying what the distinguished Senator from Arkansas was saying because he makes very down home explanations. He uses very descriptive language, the wrong language in this particular case, but he makes very intelligent and interesting arguments.

Mr. President, having said that, I have to oppose the Bumpers amendment, which strikes the provisions of section 2. Nobody is trying to bribe anybody.

First of all, the Attorney General can set up the system so that the informant will never know whether or not he or she is going to be rewarded. I presume the Attorney General can do that, whoever the Attorney General might be. It is in the Attorney General's best interests to do it that way. That is why the amendment reads the way it does.

I might say, as amended by the Metzenbaum-Grassley-Hatch amendment, the award system is acceptable. I had some problems with it first myself. I did worry about some of the issues that the distinguished Senator from Arkansas has raised.

If the Attorney General believes a reward can help him obtain needed information to prosecute major fraud, then I do not think it will hurt a bit to give him the discretion to make such an award. The Attorney General need not do so in any case because he has sole discretion, and it is not subject to judicial review. I might mention in that regard the FBI today gives awards now to informants. Admittedly, they may be less than these or they may be more than these. The fact of the matter is they are not substantial awards but they do it now.

Frankly, in this particular case, the Attorney General will have plenty of discretion to do this the right way so that there is no great propensity to commit fraud on the part of various people who might testify, and in the end we might be able to do something that is very, very good, and that is to stamp out major fraud in this country or at least put a real dent in it. We want to use every possible tool available to stop major fraud.

Let me tell you something. The minute a witness comes in and testifies, that witness lays himself or herself open to complete cross-examination by both sides whether or not that witness is rewarded before trial. That witness is going to face in contested trials a scorching cross-examination by those representing the defense. If that witness testifies improperly, that witness may face a scorching reexamination by the attorneys for the prosecution.

Let me just say one of the purposes of the Metzenbaum-Hatch-Grassley amendment to section 2 of S. 248 is to clarify that the circumstances in which an Attorney General may make a reward under the act may be limited at best. The other purpose is to clarify that in any event and in all cases the Attorney General has sole discretion in determining whether to make a reward under the bill. While I understand that the principal sponsors of this bill intended that the Attorney General have such unfettered discretion, I and several other members of the Judiciary Committee felt that the bill's language should better reflect this understanding.

The basis for these concerns is straightforward. If a witness has received a reward or knows he or she is eligible for an award, the defense counsel can impeach the witness on cross-examination and the defense counsel can undermine his or her credibility on cross-examination. Even if the Attorney General adopted a policy of never making a reward for persons who testified, a person coming forth with information will not know whether he or she will even be called as a witness.

If a person is a zealot, to use one of the illustrations my esteemed colleague has used, then I think we can presume that the zealot would have testified with or without a reward. That is what zealotry is all about. The fact that you have a reward does not negate the privileges, the responsibilities, and the cross-examination rights of the defendant in these particular matters.

I might say that if a person does not know that he or she is going to be called as a witness, such a witness can still have his or her credulity undermined by defense counsel inquiring whether he or she stepped forward out of the expectation that he or she will expect a reward.

So there are lots of ways of protecting the defendants in these matters, and that is appropriate and proper. But we are talking about a central issue of stamping out major fraud. We have seen in this country a resurgence of major fraud. Some of us are sick and tired of it. I think we ought to use every available instrument at our disposal to protect the taxpayers of America, and I might add the consumers of America, and I might add others who may be involved in a major fraud case.

The opportunity to impeach witnesses is of serious concern to Federal investigators and prosecutors because these major fraud cases so often rely on testimonial evidence. Thus the reward provision of S. 248 as originally introduced might actually be counterproductive in the legal war against procurement fraud. It is the prosecu-

tion which will be in the best position to determine whether the reward under this section, as amended, of this bill will advance or set back the goal of eliminating procurement fraud. We need to do something about it.

Consequently, rather than hold up committee considerations, Senator METZENBAUM and I agreed to work together to fashion language to embody these understandings. Now, with the further input of the Department of Justice, which supports this amendment, the language reads in pertinent part, "In special circumstances, and in his or her sole discretion, the Attorney General is authorized to make payments from funds appropriated to persons who furnish information related to a possible prosecution under this section."

The Attorney General, therefore, can seek reimbursement from the court from a criminal fine imposed under the amended section of the Code. The amendment further states that, the ability of the Attorney General to make an application for an award will not be subjected to judicial review.

Now, I believe that this language has addressed legitimate concerns about the bill. Mr. President, I understand what the distinguished Senator from Arkansas is saying. I understand his concerns, because I shared some of them myself in the early instance on this bill. But I want to compliment the distinguished Senator from Ohio and the distinguished Senator from Iowa for being open on this bill, and in coming up with language that I think is markedly superior to the language that we had originally in this particular bill, which I had some objection to.

I think that we ought to give every tool we possibly can to the Attorney General of the United States and other prosecutors to do what really needs to be done in this area. The American people, the American taxpayers, are being ripped off to the tune of billions of dollars, in the estimation of many of us. It is time to put an end to it.

This bill will make great strides forward to put an end to it, and I thank those who have worked so long and hard on this bill, and that includes everybody on the Judiciary Committee, but especially these two Senators who are managing the bill, the distinguished Senator from Ohio and the distinguished Senator from Iowa. I think that the time they have put in has been well done and well taken. I compliment them for it.

With regard to the Bumpers amendment, I understand what he is saying, but I am saying he is missing the point. It is nice to talk about the possibility that it might be fraud. Where there are zealots, you may have misunderstanding. That zealot has to testify whether he has been given a reward or not. If somebody lies, defense attorneys have a tremendous opportunity to cross-examine. After all, that is where lies are shown more than any other way. The fact of the matter is that it is pretty tough to lie in some of these cases, because they are complicated, and they are complex; and I might add, the attorneys are very, very sharp.

I can tell you that having been in a lot of these cases—not in these types of cases, but in a lot of trials—that the element of cross-examination keeps people very, very honest, for the most part. Could there possibly be any fraud or any intention to take money and tell the wrong story? That exists, whether people are rewarded or not. If the Attorney General sets up the reward system so that it is equitable and so that it really is not an incentive at the time of trial, it will work. Regardless of how he sets it up, it will work, because of this tremendous right of cross-examination on the part of the defendant.

I suppose we will always have people who will shade the truth and who may very well do things in court that are reprehensible, and some who will perjure themselves. What we are interested in, regarding these cases, is stamping out major fraud in this country. Major fraud harms every taxpayer in America. Major fraud is harming our defense industry. Major fraud is basically detrimental to our society.

That is where I think the distinguished Senator from Arkansas misses the point. I do not believe we should do unconstitutional things. Therefore, I would be very, very careful in scrutinizing any constitutional right or privilege that might be interfered with by any kind of bill that we come up with in the criminal law area. This is not one of those types of bills.

This bill, I think, will have a very, very good effect on major fraud in this country. This provision is written carefully, so that any Attorney General—and I think we can say without exception that Attorneys General have been excellent people and are very concerned about stamping out things like major fraud. I think we can rely on the Attorney General, whoever he or she may be, doing a good and reasonable job, in the best interest of our country.

Now, Mr. President, I just want to personally thank my colleague and friend from Arkansas for allowing me to take these few minutes before I have to run to the White House. It was very courteous of him, and I give him my gratitude for being able to do that. I want to exhibit my respect for him and his ability to fight for his beliefs here on this floor.

I think here his efforts are misplaced, when you consider how important this provision really is and what it might be able to accomplish and do and how much some of these witnesses really suffer because they do come forward. That is the other side of this coin. You see, you might have, if it is not set up properly by the Attorney General, some things do not go right. You might have some witnesses that might do what the distinguished Senator from Arkansas is afraid will happen. On the other side, there are a number of these whistleblower witnesses who are maligned, blackballed, and hurt the rest of their lives, because they had the guts to come forward in the best interest of the taxpayers of America.

In those instances, it seems to me that our country ought to be a little bit concerned about that, and the Attorney General ought to be concerned about that, and the prosecution ought to be a little bit concerned about that. That is why this compassionate aspect of this bill is so important. I think it is time that we go ahead and stamp out major fraud, and this will be an elemental help in doing so. It is not the major part of this bill, but it is an important part.

I encourage our colleagues to vote for the bill, as amended, by the Metzenbaum-Hatch-Grassley amendment. Let us get this bill into law so that we can start stamping out even more than we have in the past, the major frauds that have really ripped off the taxpayers of America. Let us have some element of protection for those whistleblowers who have been badly treated by society, by their fellow workers, by supervisors, by others, because the bad treatment has come from a whole raft of areas. Let us have some consideration for them. That is what this provision does.

Again, I thank my distinguished colleague from Arkansas, and I appreciate my other colleagues who are fighting for this bill.

I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. One hour, four minutes.

Mr. BUMPERS. Mr. President, the Senator from Utah started out his argument by saying the Senator from Arkansas could always make an argument that was down home. That is a high compliment, because that is where the American people live—down home.

If we were arguing this as a jury argument before the American people, which unhappily we are not, there would not be any question about the outcome of this amendment. The American people would be just as offended as I am.

I tried lawsuits for 18 years, and I think I have, in that period of time, learned to judge what juries believe and what they do not believe. They do not believe in this kind of nonsense.

Now, there is one point I want to make quickly here, and that is that the Department of Justice does not, contrary to the representations, support this amendment. They have not opposed it. But they do not support it, and they object to any law or regulation that has a bounty-hunter provision in it.

Now, we just got that information on the telephone, so I just want to get the record clear on that. They do not support this amendment.

Now, for my colleagues, I want to go through this amendment and just point out to you what a Mickey Mouse operation this is. No. 1, "in special circumstances" are the first three words of the amendment. Now, what does that mean?

"In special circumstances?"

I do not know and you do not know and, therefore, you do not know what you are voting on—"in special circumstances, and in his or her sole discretion, the Attorney General"—that is second.

Why should we give the Attorney General "in his or her sole discretion"—no court overseeing, no rules promulgated under which they will or will not give awards.

No. 2, "In his or her sole discretion, the Attorney General is authorized to make payments from funds appropriated"—here we are fighting budget deficits, and we are going to have to appropriate more money for the Department of Justice for a terrible cost.

It says, "he may make in his or her sole discretion payments to persons who furnish information relating to—" and get this—"a possible"—a possible prosecution."

You do not even have to prosecute them. It does not even have to be a crime. He can pay it out if there was a possibility of a prosecution.

That is No. 4.

And then to try to give this thing some modicum of decency, so the Justice Department would not actively oppose it, it says, "and after the Attorney General makes this payment of $250,000 he can apply to the court for reimbursement from any fine that might have been collected."

Now the first bill to which I objected just simply said you get up to 10 percent of the fine but not more than $250,000, and they have worked all morning to circumvent that objection by saying the Attorney General can pay it out, but then he can go to court to get it back out of the fine.

If that makes this mess any more pallatable to anyone, I would like to know who it is.

One time when I was Governor, I found a woman on my staff rifling through the drawers of my desk. She was a wonderful woman, but she was in love. I am not going to reveal the whole story because I worked it out with her and she cried and carried on. She was rifling through my drawers and funneling this information to somebody because she was in love.

I was very forgiving, and she is a wonderful woman to this day.

But people do things for strange reasons, do they not? Some people do it for money.

I never dreamed there was this much money in politics until I ran for Governor. Lord, cash just everywhere, people throwing it over the transom. I never had more than $20 in my pocket at one time in my life until I ran for Governor—and I still do not for that matter—but I could not imagine how much money there is in political campaigns, cash back in those days—shocking. The biggest thing I ever got out of the State was a $50 fee for serving as a special Justice on the Supreme Court in a case where a Supreme Court Justice disqualified himself. Fifty bucks is all I had ever drawn from the State of Arkansas when I ran for Governor.

But I found out a lot of people got a lot more than that.

So what happens when you pass a bill like this? People start locking their drawers and they start doing stupid things because they know old Joe over there wants his job. Or maybe he wrote up a bad report on his personnel record and he knows old Joe is going to get even for that.

What Member of the U.S. Senate has not done some things that were incredibly stupid just to avoid the appearance of an impropriety? Who has not paid money out of his pocket when it could almost certainly have been paid from his campaign fund or his office account, but paid for it personally because it was not worth one newspaper story. Every one of you has done it.

What happens here? You are going to have people locking their drawers and worried silly about somebody that they know has a grudge against them.

You know, I may or may not win this—I do not know; I think if all hundred Senators, of course, were sitting on the floor right now I would win it hands down. But we all know how it happens around here. Senators are going to come flying through that door over there and somebody says, "Senator Bumpers is moving to strike the committee amendment; the committee opposes it."

"The committee opposes it?"

"Yes. They agreed to it unanimously."

"Oh, they did?"

"Yeah, the committee favors this unanimously."

I will tell you how the committee favors this unanimously. It was a voice vote with about six Senators present. It was not a rollcall vote. I know for a fact there are three Senators on that committee who hate this amendment. Whether they will stick with it or not, I do not know.

But it is sad. It is sad to me. As I mentioned a moment ago, it is demeaning. It is an admission that we do not believe people are patriotic, moral.

So I do not want this Nation to go a step further toward these bounty-hunter provisions. They are bad. I do not take a back seat to anybody in trying to root out fraud, and my colleague, Senator PRYOR from Arkansas, has been in the vanguard trying to eliminate fraud.

The Senator from Ohio has been in the vanguard of trying to eliminate fraud and so has the Senator from Iowa.

We all want to.

Senator LEVIN's whistleblower bill was a wonderful bill. Senator METZENBAUM's major fraud bill was a wonderful bill.

Why do you want to mess it all up with junk like this?

The Attorney General will determine in his sole discretion whether a bounty hunter is justified in not telling his employer first. That may mean that he thought he would lose his job. I guess that is a decision that has to be made. Maybe he was afraid he would blow him away if he told him.

But we really do not know how the Attorney General is going to reach any of these decisions.

Let me just close, Mr. President—and incidentally I am going to promulgate a unanimous-consent request in just a moment—let me close by saying that I find this provision so repugnant, so repulsive, so demeaning, and a terrible admission that we are giving up on America. It is not needed. The GAO said in April 1988 that their fraud hotline got 94,000 calls—94,000 calls from good people who did not expect to be paid 1 cent because they were calling to report something they thought ought to be checked out.

Between 1986 and 1988, there were 116 voluntary informants in the Pentagon, of all places, not one with the expectation of getting a red cent out of it.

And what we are about to do here is to adopt a major fraud to cure a major fraud.

We will never build this Nation into what we want it to be by bribing people to be good citizens.

It is a step backward. It is a step toward an authoritarianism that I deplore—deplore it in communism, deplore in fascism. I deplore it wherever it surfaces.

I hope my colleagues will believe with me and support my amendment to strike this.

Mr. President, I have been told by my staff something I did not know. That is, we are not supposed to vote before 6:30 this evening. Is that the understanding of the Senator from Ohio?

Mr. METZENBAUM. The answer is yes, but I did not know it either. I was not a party to that arrangement.

Mr. BUMPERS. I wonder if the Senator would be willing to reserve, each one of us, say 10 or 15 minutes before 6:30? I think they intended this amendment to last until that length of time. I think they miscomputed the time. But I do not think anything is going to happen between now and 6:30.

I was just wondering if we might just not yield back all our time or yield back all of our time and change the unanimous-consent agreement to say that there be 30 minutes evenly divided beginning at 6 o'clock.

Mr. METZENBAUM. I would rather reserve judgment on that until I see how much time I use and how much time Senator GRASSLEY uses and then perhaps we could work out something.

Mr. BUMPERS. I do not think the majority leader, unless he has some other burning issues to bring up would object to extending the time if there is nothing else to bring up. I think one thing I dislike almost as badly as the Senator's amendment is stacking votes or having delays between the debate and the vote. I just think that is bad business.

Mr. METZENBAUM. I understand that I have an hour and 16 minutes remaining.

Mr. BUMPERS. How much time does the Senator from Arkansas have remaining, Mr. President?

The PRESIDING OFFICER. Fifty-two minutes.

Mr. BUMPERS. We will just proceed.

Mr. METZENBAUM. I will try to cooperate with the Senator from Arkansas.

Mr. BUMPERS. I thank the Senator.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. METZENBAUM. Mr. President, our distinguished colleague from Arkansas has made a number of comments. I will attempt to respond to them and then speak to this argument in toto.

With respect to the Attorney General's position, let me make it clear. This morning I telephoned the Attorney General and told him that there was a provision in the banking regulatory reform bill that had been sent up to the Congress as the administration's bill and that that bill did provide for the payment of awards to informers. I pointed out to him that I thought there was some inconsistency in the Department's opposition to this bill and the administration's support for the measure they had already sent up and also pointed out that there is other legislation on the books already that provides for awards.

The Attorney General indicated his concern about the award being conditioned upon a finding of guilt, a conviction. I then inquired of him whether if we modified our bill and gave pretty much the same direction as the savings and loan legislation what their position would be. He said they could live with it. I am not quoting him. These are not his specific quote words, but certainly he indicated his position would be that they could live with it, that they would be comfortable with it and that they could sign off. And I should say that the language that has now been adopted as the amendment was worked out in consultation with representatives of the Attorney General's office. Let me just put that matter to rest. I am not here saying that they are supporting the bill, but they do not oppose this legislation.

Now, then, my distinguished colleague from Arkansas has made the point that he looked through the law and nowhere could he find any language as to the Inspector General having a right to make an award to an informer. I point out to him that in 5 U.S.C. 4512 it reads as follows:

> The Inspector General of an agency, or any other agency employee designated under subsection (b), may pay a cash award to any employee of such agency whose disclosure of fraud, waste, or mismanagement to the Inspector General of the agency or to such other designated agency employee has resulted in cost savings for the agency. The amount of an award under this section may not exceed the lesser of * * *

Then it goes on to spell out the amounts. The amounts are less than those provided in this bill.

The point I am making is our colleague from Arkansas said nowhere could he find where the inspector general was given the right to do that.

I should also point out that under section 4513 of the United States Code it is therein "provided that the President may pay a cash award in the amount of $20,000 to any employee whose disclosure of fraud, waste or mismanagement has resulted in substantial cost savings for the Government."

So we are not doing anything new in connection with this legislation. And S. 413, which is the administration's savings and loan bill, provides that five separate governmental agencies may make awards in connection with disclosures: The Federal Reserve Board, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Federal Home Loan Bank Board, and the National Credit Union Administration Board.

I also should point out that under the False Claims Act the court is given the right to make an award. Under a provision providing penalties for the wrongful discharge of refuse and waste into water, the court is given the right to make an award.

And I also would point out to my colleague from Arkansas that he voted for legislation which made it possible for the Attorney General to make an award because under the drug laws of this country, which was the drug bill that we passed in the last session, the Attorney General has a right to make an award.

In that bill, 28 U.S.C. 524, it is provided:

> Payment of awards for information or assistance directly relating to violations of the criminal drug laws of the United States—

And the legislation says that that the Attorney General may make the award.

So we are not doing anything radical. We are not doing anything new. We are just saying that when there is fraud that is causing the taxpayers of this country to be hurt financially, economically, that an award may be made in the discretion of the Attorney General.

Now I also would say to my distinguished colleague that the language he referred to providing for an award up to 10 percent of the amount saved up to $250,000 is no longer in the bill. The bill merely provides that the Attorney General may make an award but it may be an amount up to $250,000, but it does not relate to the amount saved.

When my colleague from Arkansas, twice in his speech, compares legislation of this kind to spying under fascism and communism, I only say, "You know better; you know better; Senator." This is not anything like spying under fascism and communism. This has to do with providing information that has come to our attention to help this Federal Government recover in the event of fraud and prosecute in the event of fraud or your Government. It is a long way from spying on your neighbor.

Now then he also talks about Mr. Ruder, the chairman of the SEC. I never thought the chairmen of the SEC were particular authorities as to how to try lawsuits, but suffice it to say that I am willing to accept the fact that some distinguished lawyer, whether it be Mr. Ruder or Mr. Smith or Mr. Jones, raised a question about concern that a witness on the stand might be questioned by reason of the fact that an award had been made.

I think there would have been more merit to his position had we not made the change. I think the Attorney General was concerned about that position as well and that is the reason we made the change. I think the Attorney Gen-

eral was correct that as a trial lawyer, which I have been, you certainly could impeach the witness when you say, "Have you been promised an award, a financial award if you say this, that or something else, or if there is a conviction, if the defendant is found guilty?"

Let me make it clear: That provision is now out of the bill. The Attorney General makes the award. The Attorney General can publicly indicate that the informant has been paid X, Y, or Z dollars, but it is not conditioned upon a finding of guilt. It is an award paid to the individual for having come forward to do that which I would agree, as Senator BUMPERS says, he should have done or she should have done anyhow.

But we live in the real world. In the ideal world it would not be necessary for the Government to engage in cloak and dagger operations to uncover and prosecute defense fraud. In the ideal world we would not need to make available an incentive to ferret out fraud. I, too, would like to live in an ideal world. We live in a real world, and until contractor fraud is wiped out, we must use every tool available, including, in selected cases, incentives to informants.

The Senator from Arkansas, in his "Dear Colleague" letter, says that citizens will be encouraged to fabricate charges under this provision. I think not. No way can that be the case, because the Attorney General is going to decide whether he thinks the charges are fabricated, whether he thinks they are true. And it is he or she who is going to make the determination as to whether or not an award should be paid.

There are many safeguards to prevent payment of rewards to those who fabricate charges. But the best safeguard we have is that the Attorney General of the United States is the one who is going to determine whether or not an individual who has come forward with such valuable information should receive an award.

Obviously, the Attorney General, before making such a determination, would check and investigate the information that has been provided. The prosecutors in this country routinely scrutinize tips. They look for corroborating evidence. They weigh the claims of wrongdoing. That is the job of prosecutors and police officers all over the country, to decide whether to investigate, to decide whether to prosecute.

I have confidence that U.S. attorneys around this country will be able to spot the groundless claims and will report back to the Attorney General.

Senator BUMPERS also has indicated that S. 248 would undermine the credibility of witnesses. I think not. With our amendment the prosecutor can now say to the jury—this man, this woman, came forward, told us this information; the Attorney General felt the information was valuable and the Attorney General has provided that this witnesses is going to be paid x dollars, whether or not you find the defendant guilty.

This would not be an impeachment of the witness. It is just a reality of life. And I believe a good prosecutor would have no difficulty in explaining that fact.

We have amended the bill to make it clear that the Attorney General makes the decisions on the award, without regard to the conviction. And let us not kid ourselves, Attorneys General are not patsies. The Attorney General of the United States is just not going to say: "Oh, yes, it is very nice of you. You brought in some information. We will send you a check for $10,000." That is not the way the real world works, and that is not the kind of men and women we have holding the position of Attorney General.

The Attorney General will have the authority, and I have no doubt in my mind will exercise that authority only under certain circumstances. He is not going to be just giving away money. He is not going to be just doling out dollars. And the suggestion that maybe payments would be made on a political basis just does not deserve even further discussion. I have more respect for the Attorneys General of the United States than to think that they would just be handing out money. The American people would never stand for that, unless they really knew that there had been a fraud case that had been involved.

If you are concerned about procurement fraud, you will vote against the Bumpers amendment. Let me remind you again that in 1988 the GAO reported losses of almost $390 million in just 148 cases in 1 year. That $390 million would help us to balance the budget. It is but the tip of the iceberg.

There is much more. Every day we learn about one case after another case. Every day there are more disclosures. This morning's Washington Post had a story about somebody who had been taking bribes for 10 years.

Taxpayers are being ripped off by governmental contractors who want to milk the Government contracting cow dry. We are serving notice at this point that we are cracking down and that we intend to use every possible weapon to win this war against contractors who betray the public trust.

Let me say that the reward provision of S. 248 was in the bill last time and we were moving down to the end of the session, the closing days. My distinguished colleague had done what he had a right to do. He put a hold on the bill and we wanted to get the hold eliminated. So we agreed to eliminate this particular portion of the bill. That is what we did.

We have come back, Senator GRASSLEY and I, with that provision now, except now the Attorney General has indicated that he thinks the language can be improved. And we have accepted that representation and that is the way the bill is now drafted.

Senator BUMPERS says we should not have to pay citizens to come forward to do their civic duty. I agree. And we do not have to do that under this bill. It will only be done on a discretionary basis, when the Attorney General decides to do it. He has no obligation to do so, no commitment, there is no provision in the bill saying he or she has to do it.

When the Attorney General thinks it should be done, it will be done. We do not have to pay many citizens to come forward and do their civic duty. Many come forward with no possibility of a reward. Many come forward at great risk to their well-being and livelihood. This bill does not make it mandatory that an award be made. In an ideal world we would not have to pay anything to anyone. But we are not living in that kind of a world. We are dealing with multimillion-dollar fraud.

This man who sits opposite me here on the floor today, Senator GRASSLEY, has been a leader day in and day out in the U.S. Senate, in exposing defense contract fraud and standing up, sometimes with criticism from others of his own party who were resentful of what he was doing. But he had courage. He has had the temerity to speak out and to fight for what is right and I am proud of the fact that he is a cosponsor, with me, of this legislation and joins with me in opposing the Bumpers amendment as the Senator has.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, I yield such time as the Senator from Nebraska may require.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

Mr. KERREY. Mr. President, I rise somewhat reluctantly. I have a great deal of respect for the Senator from Ohio. His record in defense of the rights of individuals, his record in defense of civil rights of individuals is better than that of anyone else in this body. I watched him prior to my arrival here in the Senate, Mr. President, and I have great admiration for his willingness to stand very often for the individual against the rush of the majority. And I have a great deal of respect for his willingness to do so.

I also have a great deal of respect for the senior Senator from Iowa. Again prior to my arrival here in the Senate, I have seen him set aside, very often, partisan considerations and say that the interest of the Nation is more

important. And to take on the Pentagon. Very often that kind of fraud, abuse, and waste undercuts the American people's respect and enthusiasm for spending money to defend this Nation.

So it is with some reluctance that I rise in support of the Bumpers amendment. I must respectfully urge Senators that I also reluctantly signed onboard to the whistleblower bill itself. I had some reservations about it.

To begin with, just the concept of a whistleblower bothers me. I was persuaded, after talking to people who were involved prior to my arrival, that it was needed; that some protection was needed for individuals who would identify fraud and be willing to come forward with the identification of that fraud.

But my reservation has to do with the concept of simply saying that we are going to try to take away some of the risk. Senator BUMPERS and I had discussed this bill a couple of weeks ago. He knew of my reservations. He knew of my dislike for the payment in particular. And he asked me to come here.

I told the distinguished Senator from Arkansas that under most circumstances I do not deliver a speech of this kind unless I have the opportunity to prepare the remarks, particularly when someone is standing with a machine taking down every single word, and knowing that those words will make it into print, knowing that I will have to be accountable for whatever it is that I say, for whatever it is that now comes forth. There is risk that what I say may get me into trouble.

It is, I would argue, that very risk that makes the statement important.

This afternoon I had a visit from a number of young people who came here from the State of Nebraska to observe Washington, DC. I gave them three pieces of advice. I said: Pay attention. Pay attention to the place of Washington. Pay attention to the events.

Second, I said make some sort of recording. Make some effort to write down some moment, some person, something that you have seen that moved you.

And finally, I said to them: I understand how difficult it is, as a young person, to develop that conscience inside that guides you, that enables you to determine what is right, what is wrong, what is good, what is bad. And I said to those young people: Trust it. Begin to trust that conscience and do not fear that Senator KERREY may not like what you say. Do not fear that someone may criticize what you say. Do not fear the consequence of your own conscience. Be willing to act upon it.

It is as a result of my strong feelings, the need to do that, that I find myself saying that we should not have in law the potential compensation for doing what an individual ought to do in the first place.

I hear the Senator from Ohio say that the Attorney General would have the discretion to make the award, but that simply converts, it seems to me, the program into something resembling a lottery. We have the expectation that maybe if it is good enough, the Attorney General will make a payment. It does not take the payment potential away, and it is that payment potential that bothers me. It is the fact that we are now saying in the United States of America, a nation that was born because men and women were willing to confront risk, now we have to protect our citizens and reward them to run the risk of saying and doing what they believe is right. It seems to me that the principle is wrong.

I understand the real world or at least parts of it, and I listen carefully. The Senator from Ohio talks about a real world and how he wishes we would not have to do this, but it is a real world and we have to do it. I suggest, Mr. President, that we change the world itself with the implementation of this rule. Our rules affect the quality of the world of ours. The laws we pass determine the quality of this world in many ways, and I am convinced that this particular piece of legislation will cause a deterioration of the quality of life, even though we might be able to identify more fraud as a consequence.

It is, it seems to me, in the end a determination of trying to say, is it more important for us to identify every single piece of fraud than to preserve a quality of life in the United States of America where we say there is risk that accompanies acts of conscience.

We watched General Secretary Gorbachev visiting with President Castro and six human rights advocates who simply wanted the right to speak, let alone the right to identify things in Cuba that were wrong, just the right to demonstrate and they were carted away to jail. We, in the United States of America, I think, need to place a premium on those individuals who are willing to upon conscience stand and run the risk associated with those acts of conscience.

As I said in my opening remarks, Mr. President, I have a great deal of admiration, perhaps more than any other Member of this body, for the willingness of the Senator from Ohio to protect the rights of the individual, but reluctantly I conclude that this protection goes too far; that we should not have to barter with individuals to do what, in fact, is right. The protection we give them under the Whistleblowers Act in the beginning is fair and reasonable. To go beyond that, I believe, Mr. President, changes the quality of life in America in a way I simply do not like and I cannot support.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I want to take a moment and then yield so the Senator from Ohio may speak. But I want to say to the Senator from Nebraska, he need not worry about a reporter taking down his words when he just extemporaneously delivered one of the most eloquent statements I ever heard in this body. His marks of political success are so much more apparent since he has been here, and since we heard him express those very thoughtful and moral and deeply committed words.

I want to share with him my immense respect for the Senator from Ohio and to thank the Senator from Nebraska for his eloquence and for his deep commitment to a better world. He said things to those youngsters from Nebraska that as I sat there I thought, "Why didn't I think of that? I wish I said that to some of my high school groups."

It is not up to us just to live with and accommodate the real world. It is our responsibility to make the world better, not accept the real world where we disagree with it, but try to accommodate it any way.

I thank the Senator very much for his eloquence and his deep commitment to just causes.

Mr. President, I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator?

Mr. METZENBAUM. I yield such time as the Senator from Iowa needs.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. First of all, I want to say I thank Senator METZENBAUM very much for those complimentary remarks he stated about me. I also thank the Senator from Nebraska. I also want to say that I have a great deal of respect for what the Senator from Arkansas has said in the sense that he raises a lot of issues in general that might not otherwise be raised because he takes a great deal of time to debate these issues on the floor of this body. Anybody who does that, to raise issues that legitimately ought to be raised and that might not otherwise be raised, I think gains a great deal of respect from all of us.

Mr. President, having said that, I do not have any doubt that every one of my colleagues has the ability to separate those things that are in the real world and those things that are in Disneyland. But, I think that the Senator from Arkansas has raised some issues here that are not very real.

I think you could easily get the impression, Mr. President, that somehow, with this bill, we are amending the Constitution to take away the right of trial by jury, or that somehow we are obliterating from our constitutional protections the right of everybody to be innocent until proven guilty. It is easy to get that determination when fascism and nazism and the practices in the Soviet Union and Cuba are brought up. However, this is not the intent of this bill, nor will this law operate this way in practice.

For the benefit of the Senator from Arkansas, everybody who is prosecuted under this act, with or without an award for the help that might come form a whistleblower, has to be found guilty beyond a reasonable doubt. The protection of individual rights, the right of being innocent until proven guilty, the right of a jury trial, are things that are unique about America; these are things that are not practiced in Cuba, not practiced in the Soviet Union, not practiced in Nazi Germany. And none of these unique things are being changed. I think if people listened to just part of what the Senator from Arkansas says, they might get the idea that somehow there is a revolution taking place here, and some new precedent is being set. I am not going to go through the long list of legislation on the books, already that proves that this piece of legislation that we are dealing with here does not contain anything other than those principles that are already part of the fabric of American law and that awards made to citizens are part of the fabric.

I do not know the citizens of the State of Arkansas like the Senator from Arkansas does, and he represents them very ably. But those citizens are not any different than my constitutents, or the constitutents of the State of the Presiding Officer or from Ohio or from anyplace else. They are sick and tired of the waste of the taxpayers' money, and the fraud that is going on in contractor procurement. This is true even though we in Congress have done a lot, especially to encourage changes in contractors practices, and even though or Justice Department is dong more now than they have ever done before to prosecute fraud. The perception out there in Arkansas or Iowa or Ohio or Nevada is that not enough is being done and I am constantly being asked, "when are you really going to start doing something about it?"

Well, we are not just starting to do something about it. This Congress and previous Congresses have done a lot about it, but there is still more that can be done, and we ought to do it.

This legislation is just one small step to help to satisfy the legitimate desires of our constituents out there who are rightfully fed up with our taxpayers' dollars being wasted.

It's not just the loss of the money or not just somebody enriching themselves, but the real fact that we do not have as strong a national defense as we ought to have, for the dollars we are spending on it; the quality is just not what it ought to be.

The people want a strong signal that we are no longer going to tolerate "business as usual" when you are dealing with the taxpayers' money. And they want vigorous prosecution of wrongdoing so that the wrongdoers cannot continue doing what they have been doing.

There are lots of ways to do it, and this legislation is just one way. The amendment of the Senator from Arkansas, if adopted would gut this bill, and I am sure he knows it.

Our constituents are crying out for us to act. This whistleblower provision will encourage those with knowledge of wrongdoing to come forth to the proper legal authorities. The provisions of this bill that will be gutted by the amendment of the Senator from Arkansas provide a reward to those who help Government crack the complex criminal fraud cases. I know from my experience of counseling whistleblowers that these are difficult schemes to crack. These cases, by necessity, rely on insiders "blowing the whistle." The Government would not be able to proceed with prosecutions in some of these cases without the help provided by whistleblowers.

In addition, the language provides ample safeguards. In case some people listening were concerned that maybe the points raised by the Senators from Arkansas might be right, let me mention some of the safeguards. There is little danger that an unworthy claimant will realize a windfall under this whistleblower provision because, first, it is up to the sole discretion of the Attorney General to make awards from funds appropriated to the Department of Justice to persons who furnish information relating to a possible prosecution under the Major Fraud Act of 1988. The amount of the award has limits. The failure of the Attorney General to approve an award will not be subject to judicial review. These are excellent safeguards.

Second, upon the Attorney General's application, the court may order that the Department of Justice be reimbursed for such awards from the criminal fine imposed upon a convicted contractor defendant.

The bill spells out with a great deal of specificity four circumstances where it would be inappropriate for a payment to be made to such individuals. An individual is not eligible for a bounty if the individual is an officer or employee of a government who furnishes information or renders service in the performance of official duties; the individual failed to furnish the information to the individual's employer prior to furnishing it to the law enforcement authorities, with the possible exception if the court would determine the individual has justifiable reasons for that failure; the information is based upon public disclosure of allegations or transactions in a criminal, civil or administrative hearing, in a congressional, administrative or GAO report, hearing, audit, or investigation, or from the news media unless the individual is the original source of the information.

An "original source" is an individual who has direct and independent knowledge of the information on which the allegations are based and has voluntarily provided the information to the Government;

Or, finally, this last safeguard. The individual participated in the violation of the act with respect to which any payment would be made.

This may be the most important safeguard.

I think this language is tight enough to accommodate the concerns of those who fear that this sort of practice might be abused. At the same time, the provision rewards those who play a key role in assisting the Government in the fight against Government fraud.

So I urge this body to support the language of the bill, as modified by the Metzenbaum-Hatch-Grassley amendment, and reject the effort of the Senator from Arkansas to strike this very important provision of this legislation. I yield the floor.

Mr. BUMPERS. Mr. President, how much time does the Senator from Arkansas have remaining?

The PRESIDING OFFICER (Mr. DECONCINI). Forty-two minutes, thirty seconds.

Mr. BUMPERS. How much?

The PRESIDING OFFICER. Forty-two minutes, thirty seconds.

Mr. BUMPERS. I yield myself such time as I may use, Mr. President.

I wonder if, before I proceed, the Senator from Ohio has had time to think any further about the proposal I made earlier about 30 minutes of debate before the vote at 6:30.

Mr. METZENBAUM. May I respond?

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. I understand the Senator's point, and I have no extensive debate that I am prepared to get into at this moment. It was not I who asked for the 3 hours. I think it was the Senator from Arkansas who asked for 3 hours on his amendment.

It now appears that we will not need all that time, but the facts are that there are some Senators—I do not know whether they will or will not come forward—who may wish to be

heard on this amendment yet. I know that a number of Senators went to the White House, and I think it probably would be better if we just put this body into a quorum call with the time equally charged against the Senator from Arkansas and the Senator from Ohio.

Mr. BUMPERS. At the proper time I would be willing to do that, but if we are going tc do that, I would just as soon be talking than watching the lights.

Mr. President, how much time do the proponents of this bill have?

The PRESIDING OFFICER. The Senator from Ohio has 46 minutes on the amendment.

Mr. BUMPERS. Mr. President, the Senator just made a point that there are some Senators at the White House. I think Mrs. KASSEBAUM is among them. This is really the Bumpers-Kassebaum amendment. I should have said that at the beginning. But I want to make that point. It is the Bumpers-Kassebaum amendment. She could not be here because, I think, of a commitment at the White House.

Mr. President, one would ask, here we are trying to address fraud in procurement by paying people bounties to come forward and report whatever information they may have regarding fraud. The basic point I am trying to make is that we ought not be paying citizens to do their duty. And I submit that the farther you go into this, you are setting a precedent. The Senator from Iowa has said there is precedent for this, and there is indeed. This compounds a bad precedent.

If you want to set a precedent, the precedent ought to be that we are not going to pay anybody any further to lie, to conjure up stories, to get even, to punish, to go into a vendetta against somebody. We are not going to give people a quarter of a million dollars to do that. That is a good precedent to start today. A good precedent to start today would be to say to the American people, "You have grave and solemn duties in exchange for all those rights and privileges and immunities that are granted you under the Constitution. It is not all a one-way street. You have rights and you have duties. One of your duties is to come forward."

But if we do not stop fraud with $250,000, are we going to be back here 2 years from now and up the ante to $1 million? Give people $1 million to come in and report, Where does this end?

The Senator from Ohio asked about the Chairman of the Securities and Exchange Commission, and I may have misunderstood him. But I want to say that David Ruder, Chairman of the Securities and Exchange Commission, is one of the brightest lawyers in America. And then I quoted him as saying we do not want that bounty hunter provision, and I recited all of his logic which I thought was unassailable because I have a lot of respect for him. He was dean of the Northwestern University Law School for a long time, one of the most respected legal scholars in the country. He thinks it is awful. I am not asking you to vote for this because Dave Ruder thinks that.

But let me reiterate that this amendment is not the one the committee voted on either. They said it came out of the committee unanimously. It came out on a voice vote and I understood there were just a few Senators there when they voted on it.

Mr. METZENBAUM. Will the Senator yield?

Mr. BUMPERS. Yes.

Mr. METZENBAUM. Is Dave Ruder aware of the changes made in the amendment. Is he aware that it is no longer necessary to get a conviction in order to pay the award? That is major change as I am sure the Senator would agree.

Mr. BUMPERS. Let me read what he said, and the Senator can draw his own conclusion. He said:

> Mr. RUDER. Speaking personally, I have always been troubled by the bounty concept, and I would hope that within the industry we could encourage people to come forward to tell what is wrong in that industry based upon the ethical and moral principles which exist in that industry. We should not be in the position of having to pay them for doing what they already should be doing.
>
> I am not speaking for the Commission, but for myself, that I think in an industry which has high standards that it may be anomalous to think that we would then have to pay people for doing what they should already be doing.
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> * * * * *
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> Mr. RUDER. I am not a litigation lawyer, but it seems if a witness thought the more the witness testified, the greater the chances of bounty were, that that might be a problem in terms of the trial and how it was carried out.

The Senator from Iowa has argued that this is not going to cause people to make up stories. How I wish; $250,000, as we say in Arkansas, "ain't beanbag." People will say a lot of things for $250,000 where I come from. I expect there are some folks in Iowa that might be willing to shade things just a little for $250,000. But under this, the thing that makes this amendment even worse than what the committee reported out is it gives sole discretion to the Attorney General, and not only gives sole discretion to the Attorney General, it gives him the discretion to pay somebody $250,000 for reporting information that might possibly, just possibly, lead to a prosecution. What kind of nonsense is this?

Dick Thornburgh, for whom we all have the highest regard, is the Attorney General. But we are not passing a law here that sunsets when Dick Thornburgh leaves office. I remember in answer to the argument of the Senator from Ohio about the Attorney General and how he was going to be leading the charge against Ed Meese's confirmation in this body.

I wish I had all the things that he said about Ed Meese here during that confirmation hearing and ask him if that is who he wants to give sole discretion to, as to whether or not this quarter of a million dollars is going to be paid or not.

There are Attorney Generals and there are Attorney Generals. I voted with the Senator from Ohio. I voted against Ed Meese's confirmation. I can concede this is admittedly a little farfetched—but somebody can go to the Attorney General and say, "Here is some information." And the Attorney General says, "Thank you very much. That might lead to a possible prosecution. Here is your $250,000. Thank you." That could very easily happen under this amendment. It is not going to happen with Dick Thornburgh in my opinion, a man of immense integrity. But as I say, the Sun does not set on this bill when he leaves office.

I wish I could remember that great quote from Sir Thomas More, who challenged somebody to say "Would you pursue this right to hell even though it was going to trap you once you got there?" And the answer was not "Yes." The answer was "I really had not thought about that."

Some people get so overzealous in their pursuits that they do not realize where it is really leading.

Any person who will only report a crime for money will embellish it, will make it up.

And I would be delighted as a trial lawyer to defend anybody in the country, if you let me cross-examine the guy who is getting the $250,000 for testifying. And I can virtually guarantee you that in 98 percent of the cases I will spring the defendant. The credibility of the witness is everything. I tried lawsuits. I had a few criminal cases where the prosecuting witness had either been granted immunity or a suspended sentence or a light sentence. How I loved it. How I loved it.

How many people will be acquitted, after an informant has fabricated accusations to get $250,000, and then have no place to get their name restored? It is one thing to be acquitted and to lose your reputation. It is another thing to be acquitted and lose your reputation because the prosecuting witness received quarter of a million dollars to testify against you.

The Senator from Iowa says something about impeaching the witness. It does not work that way. Listen, I was a trial lawyer for 18 years before I was a politician. That is like telling Noah about the flood. I know a little bit about trying lawsuits.

Mr. President, the question has been asked, when are we going to do some-

thing about this fraud. The Senator from Iowa was saying, "When are you all going to stop this?" We have an answer now. We are going to start right now by offering $250,000 to folks to come in and do their duty. We are going to stop this fraud. We are going to bribe American citizens to come in and report bribes. We are going to stop all this bribery.

Well, Mr. President, I worry about a precedent, about where this is all going to take us. I regret, and the Senator is right, that I voted for the drug bill, and as far as I am concerned, that is a separate argument. I probably would not take that vote back. I certainly would take that bounty hunter provision in the insider trading bill back. That might have passed, but it would have been over my objection if my staff had caught that provision in it.

So I worry as a citizen, and as a Senator, about the future of my country, and I worry about us caving in and saying we cannot deal with the problem based on people's civic duty. We have to bribe them. It is a sorry, sorry day when the U.S. Congress lends itself to that kind of fraud, that kind of approach to dealing with our problems.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has a little over 28 minutes remaining.

Mr. BUMPERS. Has the Senator from Ohio thought any further about my proposition? I have 30 minutes left and the Senator from Ohio has 46 minutes left, and we are going to vote here in an hour and 15 minutes. I suppose, if we took all of that time, if the Senator took 45 minutes, we would be down to 6 o'clock. So I think I will accept the Senator's proposition, unless he chooses to speak further, which, of course, is his right.

I suggest we put in the quorum call—I would like to have equal time. I wish the Senator would either talk about or agree that we have our time down, and then we can put in a quorum call and let the time start running, to be charged to both sides.

Mr. METZENBAUM. I understand the Senator's point. The Senator from Arkansas is the advocate of the amendment, and the Senator from Ohio is the opponent of the amendment. If the Senator from Arkansas would be willing, that he have 15 minutes of the last 30 minutes, and that he get an opportunity to conclude during the final 15 minutes, we can probably work out something.

Mr. BUMPERS. I am sorry, Senator, I did not understand.

Mr. METZENBAUM. What I am saying is that if the clock runs, and we both understand the rules well enough, that I will have 16 minutes and 15 minutes left over. I am perfectly willing to try to accommodate the Senator from Arkansas so that we can handle that and not just let the clock run out to his disadvantage.

Mr. BUMPERS. So the Senator is saying he would be willing to agree to a request at that time, in case all of my time is gone and the Senator from Ohio still has additional time?

Mr. METZENBAUM. I am saying that provided the Senator from Arkansas would be willing, recognizing it is he who is the advocate of the amendment and I the opponent, if he would be willing, if we have 30 minutes at the end, or perhaps 20 minutes, that he would take 10 of that 20, and I would have the last 10, or he would take 15 of that 30, and I would have the last 15, then I think that I would be willing to work it out.

Mr. BUMPERS. Well, Senator, the Senator has 46 minutes left, and I think I have 22 minutes left. I am perfectly willing to be as charitable as possible under the circumstances, and I have used up a lot of my time. But if we can agree that the last 15 minutes would be evenly divided, and I do not find going first under those circumstances, then I would certainly be agreeable to any kind of a unanimous-consent agreement to accommodate that.

Mr. METZENBAUM. I would like to speak with you. We will work out something.

Mr. BUMPERS. Fine.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I yield myself 5 minutes.

Mr. President, what we are talking about here is not something ephemeral. It is not something that we dream about. It has to do with somebody who has enough courage, enough guts, enough temerity to stand up and say to the Attorney General or the prosecutor or the proper governmental agency that there is a wrong, there is a fraud, the Government is being taken advantage of.

That takes courage. That takes some guts, because it is not easy in the world in which we live to speak out without paying the penalty. I had a hearing the other day in the committee, not having to do with this bill, but having to do with those who are whistleblowers in the private sector. A man by the name of Donald Henley came forward, and he was a quality control inspector in a meat packing plant in North Carolina, a fine, decent human being. He disclosed to the United States Department of Agriculture unsanitary conditions in the plant in which he was operating.

When he finished his testimony, when he talked about the conditions that existed in that meat packing plant, I am frank to say, I did not want to go out to lunch.

What happened? USDA did not protect him. He was harassed. He lost his job, and he was forced to move. It ruined his life. That took courage.

Don Wright testified. This man was a topnotch emergency medical helicopter pilot. He was in charge of about 16 pilots. He was well respected. He had served his time in the military as a helicopter pilot, and he was handling people who were ill. So he told the employer, not somebody else, that "There are safety problems with the equipment and the helicopter." He said that it was hurting people's backs to lift the patients up and put them on the helicopter. So he went to the employer and said, "You cannot do this."

He said, "You cannot work people 80 hours a week and have them take that helicopter up and think that it is safe." For his reward, he was fired. The man could not find a job. He could not find a job anywhere. Everybody said he was a good employee, but he could not find a job, because he complained and could not get a reference from his employer. So he went back into the military, and the military accepted him. That he can be proud of, but the fact is, his income was substantially less, and that is not what he had chosen to do.

There was James Simkin, who was fired when he disclosed safety violations to no less a body than Congressman DINGELL's committee. He went before the Congressman's committee and said that there were safety violations at the Hanford nuclear weapons facility, and certainly there were few more powerful men in the Congress than Congressman DINGELL; but notwithstanding that, notwithstanding Congressman DINGELL's concern for him, that man lost his job at the Hanford nuclear weapons facility.

So I say to my colleague from Arkansas, people who have the testimony to come forward and to speak out pay the price. They pay the price.

USA Today stated it well on March 21 of this year. They said:

> No one should have to choose between their family's paychecks and their own safety or the public's safety. If we want the people to blow the whistle on greed, incompetence, or corruption, we've got to make sure the law is on their side.

It went on to talk about a man by the the name of Scott Buethe who testified last year as a whistleblower. They said, "Whistleblowing can be dangerous. Scott Buethe told Congress that if he had a family depending on this paycheck, he might have kept silent about the dangerous plane."

Mr. President, we are talking about people who have courage. We are talking about people who are willing to come forward and speak out, and all we are saying in this bill is if the Attorney General wants to do so he can provide them with an award.

That is the way it ought to be. In an ideal world it probably would not have to be that way, but we do not live in an ideal world.

We have a number of instances in which we have these same awards that are in the law today. I mentioned them before. The President has the right. The inspector general has the right. There is a right given under the waste provisions of a piece of legislation we passed not too long ago. There is a provision in connection with the drug bill that was passed last year.

This is not anything new. This is just new to the issue that we have before us today, defense contract fraud.

There is only one reason not to vote for this bill as is and reject the Bumpers amendment—to protect the defense contractors.

We have already said it is illegal to commit procurement fraud and made that a criminal offense. Now we are saying in order to have a case, you have to get the evidence. This will help the Government get the evidence.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged against both parties equally.

The PRESIDING OFFICER. Is there objection to the request for a quorum call and the time be charged against both sides equally? If not, without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WIRTH). Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I yield 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I will vote in favor of S. 248 as modified. The modification that was offered has removed an objectionable aspect of this bill, which was the fact that as originally drafted, any payment to an individual furnishing information in a major procurement fraud case would be contingent upon conviction. I believe such a contingency is too great an encouragement to distort the truth for the sake of obtaining the conviction as a necessary step in obtaining the reward.

But Senators METZENBAUM and GRASSLEY have removed that provision and with that out of the bill, I will vote in favor of it. I understand the concerns of the Senator from Arkansas, and I know they are heartfelt. I agree that each citizen has a civic responsibility to report evidence of a crime. I also know that for many people who do, there can be great costs. In some cases there can be professional isolation, blacklisting, and personal sacrifices in time and emotional health. This bill mandates nothing, it requires nothing. It gives the Attorney General the discretion to give a person who comes forward to report or help in the prosecution of criminal fraud in Government procurement a monetary reward.

I believe that there can be compelling cases where fairness dictates that the Government reward an individual in such circumstances for their willingness to assist with a criminal case. Again, those circumstances can sometimes include the risk that they are putting their own livelihood on the line.

The Judiciary Committee report in this regard, it seems to me, is important. I quote from page 3 of that report, which reads as follows:

> The committee believes that, in special circumstances, rewards under this act may serve the goal of eliminating procurement fraud. At the same time, the committee recognizes that prosecutors are in the best position to determine the utility or rewards under this Act. The committee also recognizes that awards to individuals under some circumstances may make a conviction more difficult to obtain—for example, by rendering the individuals, if used as prosecution witnesses, vulnerable to impeachment on cross-examination. Thus, S. 248 vests sole discretion in the Attorney General to request a reward payment, and the court may order that such a payment be made pursuant to the Attorney General's request.

Mr. President, that is the way it should be. It should be in the discretion of the persons prosecuting the cases. I think the circumstances will be unusual when this mechanism will be used, but I believe the availability of this system can be useful in extraordinary circumstances, in helping us to root out procurement fraud. And I therefore will be supporting S. 248, as modified.

Mr. President, I yield the floor and thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum on both parties' time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I ask that in the final 30 minutes, 10 minutes be allotted to the Senator from Arkansas and 10 minutes to the Senator from Ohio and the Senator from Iowa, an additional 5 minutes to the Senator from Arkansas and the last 5 minutes to the Senator from Iowa and the Senator from Ohio. There will be 10-10-5-5. That adds up to 30.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. It is complicated being the Presiding Officer.

The PRESIDING OFFICER. The Chair would note he was only adding up to make sure the Senator from Ohio had the appropriate amount of time to allocate to the Senator from Arkansas.

The Senator from Arkansas.

Mr. BUMPERS. Mr. President, it is necessary simply because I must confess I have exhausted every single argument I can think of on this, but in the hope that there may be some of our colleagues who may be watching this debate who were not previously watching it, some of it is worth repeating. One thing I want to clarify about this being bad precedent, I said that if we do not have people coming foward and willing to provide information that might lead to a prosecution, if they are not willing to do it for $250,000, my question to the proponents of the bill is "Are you willing to up the ante? Are you willing to come back 2 years from now and say $250,000 isn't enough? So let us to to $500,00." How much money do we have to pay to bribe potential informants to come forward and blow the whistle in exchange for this bounty?

I am just simply saying that bad laws have bad results. And good intentions do not necessarily have good effects. Nobody questions the intentions of the proponents of this bill. But to suggest, as the Senator from Michigan did a moment ago—and I must say I was incredulous with his argument. I might also say by prefacing remarks that there is not anybody in this body who I have more respect for than the distinguished Senator from Michigan [Mr. LEVIN]. But he said awhile ago that he thought the amendment as offered by the Senator from Ohio and the Senator from Iowa this morning improved the bill, and that giving somebody $250,000 for information that could lead to the "possible prosecution" of somebody was an improvement.

I am not going to pursue it further, but I would simply say that would be a very strange argument to me. I have to tell you one thing. There may be a precedent like this in the Internal Revenue Code for paying somebody for information leading to an arrest and conviction. And in drug cases I

suppose that may be permissible. But there is no precedent for giving somebody money for information that could just possibly lead to a conviction which would allow the Attorney General some kind of a pot of money yet to be appropriated. I would think that Gramm, Rudman, and Hollings would all be over here wanting to know where this money is coming from. But there is no precedent for appropriating money for such a purpose. There is no precedent for giving people money for information that just might lead to a prosecution.

I repeat the scenario I gave you earlier. Somebody goes to the Attorney General and says, "I can't talk to my boss about this, because I have information about him that could possibly lead to his conviction." The Attorney General says, "What is it?" He says, "I and not going to tell you until we cut a deal." He says, "What kind of a deal do you want?" He says, "Under the law that was adopted on April 5, the U.S. Congress said that you can give me $250,000 for information that may lead to the prosecution of somebody, and I have the information that could probably lead to this guy's conviction but I want a commitment from you on the front end that I am going to get my $250,000. One cool quarter of a million dollars."

The Attorney General has to deal or let a possible defendant, perjure, or whatever go unpunished. No wonder the Attorney General does not like this whole idea. No wonder the Department of Justice does not want it. Who would?

I heard one Senator a moment ago say I never did think much of this amendment. I sure do not like the way you have changed it to say all you have to do is furnish information that could lead to the possibility of prosecution.

Mrs. KASSEBAUM and Ms. MIKULSKI, our responsibility is to do things that are not only purely motivated but are likely to have good-intended results. If we adopt this amendment, I do not care how purely motivated it is. I do not care how pure anybody's intentions are. The effects can be very, very bad indeed. I just pointed it out to you.

The quote that I was using earlier about Sir Thomas More was from "A Man for All Seasons." And there is a dramatic passage in that where Sir Thomas is arguing with one young and impetuous Roper about whether or not a suspected spy, Richard Rich, should be arrested. After listening to the contention that even while they were talking, Richard Rich was getting away, Sir Thomas More said "And go he should, if he was the devil himself, until he broke the law," to which Roper replied, "So now you'd give the devil the benefit of the law?" Sir Thomas More: "Yes; what would you do, cut a great road through the law to get after the devil?" Roper: "I would cut down every law in England to get at the devil." Sir Thomas: "Oh, and when the last law was down and the devil turned on you, where would you hide, Roper? The laws all being flat, this country is planted thick with laws from coast to coast. Man's law is not God's. And if you cut them down—and you are just the man to do it—do you really think you could stand upright in the winds that blow then? Yes, I would give the devil the benefit of the law, for my own safety's sake."

That is not as relevant as I originally thought, but it is a beautiful quote anyway.

Mr. President, I am going to go back to the very original statement that I made. That is, I think this is demeaning to the American people. We are saying to the American people we know that you are not going to help us make this a great country unless we bribe you to do it. The only way we can stop crime in the Pentagon, the only way we can stop crime in the procurement policies of any Federal agency is to offer people a quarter of a million dollars to do it.

As I said earlier, I practiced law for 18 years, I tried a lot of jury cases. You just give me some fellow on the witness stand, you let me defend a man who is charged with a crime, and you put that prosecution witness on the stand whom you have paid $250,000 and I promise you that 99 times out of 100 I will get him off. I used to win acquittals many times because the guy who was on the witness stand had already cut himself a cozy deal with the prosecutor. And the jury never thinks it is fair to convict a man who is just as guilty and just as culpable as the guy who is sitting in the witness' chair. They do not like it. They do not like that spirit of unfair play.

I do not like this, where we demean the American people by saying that you have to pay them $250,000 to get them to do their patriotic, civic duty.

Mr. President, I think my time has expired under the order.

The PRESIDING OFFICER. Under the order, the Senator from Arkansas has 17 seconds left.

Mr. BUMPERS. I yield back those 17 seconds.

The PRESIDING OFFICER. The Chair recognizes the acting minority leader, Senator GRASSLEY.

Mr. METZENBAUM. Mr. President, I yield the Senator from Iowa up to 5 minutes.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. GRASSLEY. Mr. President, I ask the Members of this body to consider the importance of defeating the Bumpers amendment, because frankly, his amendment guts the legislation. There is practically nothing left when it is gone. It is very important that we pass this legislation, including the language that the Senator from Arkansas does not like, because I believe that it is a very important tool in order to have any possibility to obtain a successful prosecution against the fraudulent activities of contractors and the waste of taxpayers' money.

We might like to have it other ways, that people would voluntarily come forth; and, I'd like to think, probably to a considerable extent, that is being done. But in every instance that we need information, we do not get it.

Through this legislation, we will have an opportunity to get that very important information for a successful prosecution. The reason for it is because the taxpayers of this country, our constituents, day after day, are appalled at the amount of taxpayers' money that is being wasted through the fraudulent activity of contractors, and they expect us to provide a forum that not only leads to the prosecution of wrongdoing, but also leads to the setting of a standard of conduct; an environment out there that is no longer "business as usual," when you do business with the Federal Government.

Lastly, you would think, from the arguments of the Senator from Arkansas, that somehow we are just obliterating all of the constitutional protections for defendants in this country, that somehow the right to trial by jury, or the process by which everybody is innocent until proven guilty, is somehow being wiped out because of the employment and the encouragement of whistleblowers. Not so. There is not one thing in this piece of legislation that subtracts from constitutional protections whatsoever.

That is why this amendment needs to be defeated, and this legislation passed.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio [Mr. METZENBAUM].

Mr. METZENBAUM. Mr. President, I have been sitting here about 2 hours and 45 minutes, and I have a lot of respect for the Senator from Arkansas. Indeed I do. Yet, I have difficulty in understanding why we are here, why he is insisting upon deleting the guts of this bill. Without this amendment there is no bill. There is a section 1 which is the title clause, and the final paragraph, which is technical. So there will be no bill.

Now, the basis of his argument, as I understand it, is that there is something wrong, something that offends him, something that goes against the grain, about paying people to help their Government learn facts that they could not otherwise learn. It is a fact that it is difficult to uncover procurement fraud. We are talking about literally hundreds of millions, and in some instances, billions of dollars. But

the fact is, and what bothers me and perplexes me about Senator BUMPERS' argument, is that we have this same concept in the law time and time and time again. The Members of this body will be voting in the next 15 minutes on this amendment, about whether or not the amendment should be or should not be adopted, and to adopt it is to defeat the bill. But they have already voted for this concept of paying a reward.

Congress enacted an authorization for rewards last year in the insider trading bill. Although I have not checked, I guess that the Senator from Arkansas voted for that. I think he mentioned publicly that he did so a few minutes ago. We have had this concept in the law going all the way back to 1898. The 1898 statute provides that in water pollution cases an informant can get 50 percent of the fine if there is a conviction.

We have taken out that part of S. 248 which required a conviction. But the concept of paying a reward was passed 91 years ago by Congress. There is a provision in the law permitting the inspector general to pay a reward to people who are working in the Government when and who disclose fraud.

We passed a law last year, and we were very proud of the law we passed, with respect to the drug cases and the drug law and the monumental omnibus drug bill. We provided in that bill that there can be a payment for disclosures, and for information in connection with drug sales.

The law has provided for some years that the President has the right to make a reward to Government employees if he deems it advisable. There is a provision in the Major Fraud Act of 1988 which we passed last year clarifying the circumstances under which rewards may be made.

For years, IRS has been providing awards to people who inform the IRS about people who are not paying their proper taxes. The FBI, as Senator HATCH pointed out earlier today, has been making payments to informers for years, and nobody has questioned that. The administration has sent up to the Congress a savings and loan bill, S. 413. It is their bill, and it provides that five separate Federal agencies may make awards to people who make disclosures and help them go out and bring cases. It includes the Federal Reserve Board, Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Federal Home Loan Bank Board, the National Credit Union Administration Board.

Now, none of those have to do anything more than the Attorney General here, who has the right to make an award. I do not know why all of a sudden this bill has received so much opposition from my distinguished friend from Arkansas.

We already have it in the law. The concept is there.

We have changed this bill so that you do not have to obtain a conviction. That was done because that is the same procedure that was advocated in the savings and loan bill that the administration sent up.

The Attorney General disclosed to me when I called him today that his concern about our original bill was that you had to obtain a conviction in order to make an award. He was concerned, as were other lawyers in this body, including myself, that a witness could be impeached if the witness was asked, "Is it the fact that you are going to receive $25,000 or $50,000 or $200,000 if the defendant in this case is convicted?"

I understand what a difficult problem that would be.

Under the provision worked out with the Attorney General's Office, that is in the bill now. The award can be made by the Attorney General with or without a conviction.

Some have said "Isn't that some kind of impropriety?" To that I can only respond I will take a chance. I will take a chance that the Attorney General will not violate the spirit and the concept and will have the integrity not to be giving away the Government's money. I take that chance because on the other side of the scale is the fact there are hundreds of millions of dollars of procurement fraud that are occurring in the country every day of the week and we have to do something about it.

So I take the chance that there might be a dishonest Attorney General who handed out some of the Government's money as against the fact that we know that within recent years more than 55 of the major 100 defense contractors in this country were under investigation, some under indictment, and some have already been prosecuted and convicted.

I will take the chance that the Attorney General will be honest, and I feel confident that he will be.

When contractors are taking money out of the Federal Treasury, when contractors are stealing from the American people, I believe that we need to do everything we can to solve that problem. You cannot always solve it unless there is an informer. This provision of the legislation provides that the Attorney General is entitled, if he wants to do so, to give that informer some dollar award.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Chair will inform the Senator the time has expired with the conclusion of the Senator's remarks.

Under the order the Chair now recognizes the Senator from Arkansas for 5 minutes.

Mr. BUMPERS. I thank the Chair.

Mr. President, under the Major Fraud Act, which we passed last year, section 6 on Congressional Oversight states: Commencing with the first year after the date of enactment of this section the Attorney General shall annually report to the Congress with respect to, No. 1, the number of referrals of fraud cases to the Department of Defense and defense contracts, et cetera, the number of referrals of fraud cases to other agencies pursuant to the act, et cetera."

We have asked for within 1 year after the enactment of that all kinds of information which might be helpful, instructive, and enlightening so far as this amendment is concerned.

So we ought to at least wait until that report is in.

There is another thing in the committee report. There is a report in there from CBO in response to a request from the Judiciary Committee saying that the bill as reported out by the Judiciary Committee would have no budgetary impact.

But this amendment has been changed totally on the floor of the Senate today. Now you have to appropriate money, put a big cushion fund in the Attorney General's discretion and then let him pay it out. That is going to have a budget impact.

I do not know how much it is going to be, but it is going to be something; so you cannot say that this thing has no budgetary impact.

Now, when you get right down to the heart of it, Mr. President, I think the thing that bugs me more than anything else is, and I am going to ask every Senator in this body this question: How would you like to be sitting in the defendant's chair being prosecuted, knowing that the prosecuting witness has $250,000 riding on your conviction? Do you think he might be included to embellish? He brought the case because of $250,000, and he has to see it through regardless of what he has to say to get the $250,000.

I do not want to be a defendant knowing the prosecuting witness is going to get $250,000 if I am convicted. That is one situation.

The Senator from Ohio says we are in the real world; we now have to pay people to do these things. You cannot depend on people to be patriotic and moral. You have to pay them to be patriots, up to $250,000.

I am telling you what the real world is. The real world is when the prosecuting witness is sitting there telling his side of the story and if the jury believes it, he will get $250,000. I do not want to be the defendant. I do not care if I am as innocent as a newly ordained nun.

The Senator from Ohio says without this amendment there will not be a bill. This is all there is to it, section 2, the bounty hunter provision.

Sure, there is not going to be a bill. There should not be. That is what this fight is all about.

He says there is something that goes against the grain to this Senator. That is the truest thing he said all day. It sure goes against the grain. And, his argument goes, if it goes against the grain, why have I voted for it time and time again?

I have not voted for anything like this time and time again. I will tell you, there will not be any more bounty hunter provisions going through this Senate, not without a lengthy debate. But we have never appropriated money to pay informants. We have never said we will give you a quarter of a million dollars if you will give us some information that just might possibly lead to a prosecution.

And we have never passed a law that says you can give somebody $250,000 in the sole discretion of the Attorney General without a judge ever hearing the merits of it. We have never said: "Attorney General, you are a big king. Here's $10 million, dole it out here." We have never done that before.

That S&L bill has not passed either. I can tell you, if there is a bounty hunter provision in it, this Senator will be standing at his desk and going at it hammer and tong again.

I do not believe anybody wants to believe that we have to pay American citizens bribery to report a bribe.

I yield back the remainder of my time.

The PRESIDING OFFICER. The time has expired. The Chair now recognizes under the unanimous-consent order the Senator from Ohio [Mr. METZENBAUM].

Mr. METZENBAUM. I yield 2 minutes to the Senator from Utah.

Mr. HATCH. I thank the distinguished Senator from Ohio.

The real world is that a lot of these people who come in and testify and whistleblow suffer the rest of their lives, suffer the loss of jobs and all kind of other deprivations.

This bill allows the Attorney General the flexibility to do something worthwhile to help these people and encourage more whistleblowing in this country. It is worth the risk. It is worth the risk because we are after getting rid of procurement fraud and all other kinds of major fraud in this country.

It will save the taxpayers billions of dollars.

The fact of the matter is that this is a killer amendment. If this amendment passes, I think it takes the guts out of this particular bill. I think it is important for all of us to understand that is exactly what it is.

Let us worry a little bit about those who are whistleblowers, about those who suffered in the past, about those who have not had any breaks in life, about those who have been canned from their jobs, about those who are discriminated against through prejudice.

Let us worry about what this bill is all about, and that is getting rid of major fraud and, frankly, the amendment that we have on the bill allows for the Attorney General to have flexibility to be able to do it. He does not have to give anybody a reward and he may choose not to in most cases. But if it is going to benefit the total overall objectives of this bill in the best interest of the taxpayers of America, he has that flexibility and that right.

I fail to see any real merit to the arguments of the distinguished Senator from Arkansas under those circumstances, although I usually share some of the same concerns before we came up with this language which is approved by the Justice Department.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. HATCH. If I can have 15 additional seconds, I just came from the White House. I have heard there were some comments made that the White House was against this amendment of Senator METZENBAUM, myself, and Senator GRASSLEY. That is not true.

So all I can say about it is the Justice Department, as I understand it, has endorsed the amendment; is that correct?

Mr. METZENBAUM. I think it would be an overstatement to say they have endorsed it. They are comfortable with it.

Mr. HATCH. They are comfortable with the amendment.

The White House does not know anything about it.

I frankly think we ought to go with the Justice Department on this.

The PRESIDING OFFICER. The time has expired

The Chair recognizes the Senator from Ohio.

Mr. METZENBAUM. Let me respond to the Senator from Arkansas concerning the matter of needing a conviction. One comment, he was against having a conviction, requiring one, and now he does not think it is right because you do not need a conviction and there are going to be tremendous amounts paid out.

Let me point out that the drug bill, for which he voted, and we all did, provides the payment of award for information or assistance directly related to violations of the criminal drug laws of the United States. The drug laws also contain another provision about the payment of awards also having to do with drug violations and forfeitures.

As to a budgetary impact, no way. Their is no $10 million mentioned in this bill. There is not 1 cent mentioned in this bill. All that it provides is that the Attorney General is authorized to make payments from funds appropriated from the Department of Justice to these individuals who are informers. And then it provides that, upon application, the court may order that the department shall be reimbursed for payment from a criminal fine imposed under this section.

Members of the Senate, there is only one thing I can say. We pass legislation of this type time and time and time again. If you believe we ought to wipe out procurement fraud, if you believe we ought to try to get every single iota of evidence available, that we ought to make it possible for the Attorney General, if he thinks it is right, to pay an award, whether it is $5,000 or $500 or $50,000, what we want to do is come down hard on the ripoff people who are taking advantage of this Government of ours and they are doing it through procurement fraud, let this provision remain in the bill. My opinion is that we will have more and more people coming forward to share with law enforcement agencies the waste that has occurred in the procurement field as far as the Government is concerned.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I yield back the remainder of my time and I move to table the amendment.

Mr. BUMPERS. Let me plead with the Senator not to move to table the amendment. Let us have an honest up-or-down vote. We have had a nice 3-hour debate. Please do not move to table the amendment.

Mr. METZENBAUM. Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio [Mr. METZENBAUM] to table the amendment of the Senator from Arkansas [Mr. BUMPERS]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. SASSER] is necessarily absent.

I also announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in the family.

I further announce that, if present and voting, the Senator from Tennessee [Mr. SASSER] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 55, nays 43, as follows:

[Rollcall Vote No. 27 Leg.]

YEAS—55

Armstrong	Biden	Boschwitz
Baucus	Boren	Bradley

Burns	Harkin	Metzenbaum
Byrd	Hatch	Mitchell
Coats	Heinz	Moynihan
Cochran	Humphrey	Murkowski
Cohen	Inouye	Packwood
D'Amato	Jeffords	Pressler
Danforth	Kasten	Roth
Daschle	Kennedy	Simon
DeConcini	Kohl	Simpson
Dole	Lautenberg	Specter
Domenici	Leahy	Stevens
Durenberger	Levin	Thurmond
Garn	Lugar	Wallop
Gorton	Matsunaga	Warner
Graham	McCain	Wilson
Gramm	McClure	
Grassley	McConnell	

NAYS—43

Adams	Fowler	Nunn
Bentsen	Glenn	Pell
Bingaman	Hatfield	Pryor
Bond	Heflin	Reid
Breaux	Helms	Riegle
Bryan	Hollings	Robb
Bumpers	Johnston	Rockefeller
Burdick	Kassebaum	Rudman
Chafee	Kerrey	Sanford
Conrad	Kerry	Sarbanes
Cranston	Lieberman	Shelby
Dixon	Lott	Symms
Dodd	Mack	Wirth
Exon	Mikulski	
Ford	Nickles	

NOT VOTING—2

Gore	Sasser

So the motion to lay on the table, amendment No. 15, was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ADAMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I have decided to vote in favor of S. 248, the Major Fraud Amendments Act of 1989. I have reached this decision hesitantly and with several reservations.

Although I believe that the bill will be a useful tool in ferreting out contracting fraud, I was initially concerned that the bill's reward provisions may encourage some unscrupulous whistleblowers to distort the facts—or even commit perjury—to be eligible for the reward payments. This incentive was particularly great in the original version of the bill reported out of the Judiciary Committee. The original version made receipt of a reward contingent upon the conviction of the contractor.

My concerns were largely allayed, however, when the bill was amended to give the Attorney General complete discretion to reward whistleblowers from funds appropriated to the Department of Justice. The bill was also amended to ensure that reward payments were not contingent upon conviction. I believe that these amendments are good ones. I hope, however, that the Attorney General will use his discretionary authority under the act sparingly and with much wisdom, rewarding only those whistleblowers who have taken extraordinary risks to bring fraudulent contractors to justice.

Mr. THURMOND. Mr. President, this bill, S. 248, will amend the Major Fraud Act of 1988 to provide a financial payment to individuals who furnish information leading to the conviction of Government contractors who commit fraud against the United States. Specifically, this bill will permit a court, upon application by the Attorney General in special circumstances, to pay up to $250,000 from levied fines to an individual who has disclosed fraud against the Federal Government.

In the last Congress, we passed the Major Fraud Act of 1988 which established criminal penalties for those who defraud the Government in the procurement process. Over the last few years, Government probes of major contractors, particularly in the defense area, have exposed massive fraud. Such a waste of money is inexcusable. While the Government suffers the immediate loss, the real loser in such cases is the taxpayer.

Although I will not oppose passage of this bill, it is unfortunate that we must provide a financial incentive for Government employees and others to come forward when they have knowledge about fraud against the Government. When there is fraud and corruption of which individuals are aware, I hope that their primary motivation for disclosure will be their strong desire to see justice done, not their interest in payment. I also hope that members of our society are not becoming so selfish that we will need to enact more provisions of this type.

In closing, this bill should encourage individuals with knowledge of fraudulent conduct to come forward. It should provide information which can be used to prosecute those who commit fraud. It was included in the Major Fraud Act reported by the committee last year. Although concerns have been raised about the effect this bill will have on the procurement process and the credibility of witnesses in major fraud cases, I believe that in the area of major fraud cases, the benefit to prosecutors and taxpayers outweighs these problems.

For these reasons, I will vote in favor of this bill.

The PRESIDING OFFICER. The Chair would remind the managers Senator METZENBAUM has 3 minutes, Senator GRASSLEY has 6 minutes on the original bill. Would the Senators like to yield back their time?

Mr. GRASSLEY. Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. Senator GRASSLEY yields back the remaining time.

Mr. METZENBAUM. Mr. President, I yield back my time.

The PRESIDING OFFICER. The Senator from Ohio yields back the remaining time.

Mr. FORD. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The Senate will be in order.

The question is on passage of the bill, as amended.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Republican leader.

Mr. DOLE. Will the Chair inform us, is this the last vote of the day?

The PRESIDING OFFICER. It is the vote on the bill.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas [Mr. BUMPERS].

Mr. BUMPERS. Mr. President, the only thing there was in this bill was the amendment on which we just voted. I see absolutely no reason to have a rollcall vote. We can voice vote it and save ourselves a lot of time.

The PRESIDING OFFICER. The Chair would inform the Senator the question was not on a voice vote but whether or not this was the last vote of the day.

Mr. DOLE. There is the majority leader.

The PRESIDING OFFICER. The majority leader is now in the Chamber.

Mr. DOLE. Is this the last vote today?

Mr. BUMPERS. Mr. President, I am sorry. I have a request for a rollcall vote. So I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass? The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. SASSER] is necessarily absent.

I also announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in the family.

I further announce that, if present and voting, the Senator from Tennessee [Mr. SASSER] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 82, nays 16, as follows:

[Rollcall Vote No. 28 Leg.]

YEAS—82

Adams	Baucus	Biden
Armstrong	Bentsen	Boren

Boschwitz	Gramm	Mitchell
Bradley	Grassley	Moynihan
Breaux	Harkin	Murkowski
Bryan	Hatch	Nunn
Burdick	Heflin	Packwood
Burns	Heinz	Pell
Byrd	Helms	Pressler
Coats	Humphrey	Riegle
Cochran	Inouye	Robb
Cohen	Jeffords	Rockefeller
Conrad	Kassebaum	Roth
D'Amato	Kasten	Sanford
Danforth	Kennedy	Sarbanes
Daschle	Kerry	Shelby
DeConcini	Kohl	Simon
Dixon	Lautenberg	Simpson
Dodd	Leahy	Specter
Dole	Levin	Stevens
Domenici	Lott	Symms
Durenberger	Lugar	Thurmond
Exon	Matsunaga	Wallop
Ford	McCain	Warner
Fowler	McClure	Wilson
Garn	McConnell	Wirth
Gorton	Metzenbaum	
Graham	Mikulski	

NAYS—16

Bingaman	Hatfield	Nickles
Bond	Hollings	Pryor
Bumpers	Johnston	Reid
Chafee	Kerrey	Rudman
Cranston	Lieberman	
Glenn	Mack	

NOT VOTING—2

Gore	Sasser

So the bill (S. 248), as amended, was passed, as follows:

S. 248

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Major Fraud Act Amendments of 1989".

SEC. 2. REWARD FOR WHISTLEBLOWERS.

(a) AMENDMENT TO TITLE 18.—Section 1031 of title 18, United States Code, is amended by inserting after subsection (f) the following new subsection:

"(g)(1) In special circumstances and in his or her sole discretion, the Attorney General is authorized to make payments from funds appropriated to the Department of Justice to persons who furnish information relating to a possible prosecution under this section. The amount of such payment shall not exceed $250,000. Upon application by the Attorney General, the court may order that the Department shall be reimbursed for a payment from a criminal fine imposed under this section.

"(2) An individual is not eligible for such a payment if—

"(A) that individual is an officer or employee of a government who furnishes information or renders service in the performance of official duties;

"(B) that individual failed to furnish the information to the individual's employer prior to furnishing it to law enforcement authorities, unless the court determines the individual has justifiable reasons for that failure;

"(C) the furnished information is based upon public disclosure of allegations or transactions in a criminal, civil, or administrative hearing, in a congressional, administrative, or GAO report hearing, audit or investigation, or from the news media unless the person is the original source of the information. For the purposes of this subsection, 'original source' means an individual who has direct and independent knowledge of the information on which the allegations are based and has voluntarily provided the information to the Government; or

"(D) that individual participated in the violation of this section with respect to which such payment would be made.

"(3) The failure of the Attorney General to authorize a payment shall not be subject to judicial review.".

(b) APPLICABILITY.—The amendment made by this section shall apply to contracts entered into on or after the date of the enactment of this Act.

SEC. 3. TECHNICAL AMENDMENT.

(a) REPEAL.—Section 3 of the Major Fraud Act of 1988 (Public Law 100-700) and the amendment made by such section are repealed.

(b) EFFECTIVE DATE.—The repeal made by this section shall be deemed to be effective on the date of enactment of Public Law 100-700.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FOWLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FOWLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FOWLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT ON INTERNATIONAL ACTIVITIES IN SCIENCE AND TECHNOLOGY—MESSAGE FROM THE PRESIDENT—PM28

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with Title V of the Foreign Relations Authorization Act for Fiscal Year 1979 (Public Law 95-426), I am transmitting the annual report on international activities in science and technology (S&T) for Fiscal Year 1988.

I firmly believe that the economic advances of the 21st century are rooted in the research and development (R&D) performed in laboratories around the world today. Innovation and dedication of resources and people, both public and private, to scientific and technological advances are essential to economic progress. Our future well-being as a nation is dependent upon the continuous transfer of technology from basic science into commercial goods and services.

Over the past 5 years, this concept—the linkage of our science and technology enterprise to our future global competitiveness—has become a dominant theme in the United States. Because of this linkage, some have challenged our historical subscription to an open, unimpeded R&D system, claiming that such a system transfers valuable R&D results to other countries for commercialization and eventual sale in the United States. I, and President Reagan before me, believe that the United States benefits, and our global competitive position is improved, by international cooperation in research and development based on balance, reciprocity, and comparable access. We have actively promoted this policy through multilateral fora and bilaterally with our trading partners and advanced developing countries.

For example, a major accomplishment of FY 1988 was winning multilateral endorsement for key themes of President Reagan's Executive Order No. 12591 of April 10, 1987, on "Facilitating Access to Science and Technology." At the Ministerial Meeting of the Organization for Economic Cooperation and Development (OECD) in Paris in May 1988, the ministers endorsed a new framework of common principles for international S&T cooperation, originally introduced by the President's Science Adviser, Dr. William R. Graham. The framework endorses adequate investment and excellence in basic sciences; reciprocity and balanced access as a solid foundation for science and technology cooperation; improved universal protection of intellectual property rights (IPR); and effective protection of sensitive knowledge. I am convinced that the new OECD framework establishes a firm, future-oriented foundation for sustainable cooperation in science and technology.

On the bilateral front, under the guidance of the Economic Policy Council, the Administration developed a coordinated policy to reshape our S&T relationship with Japan based on the principles of shared responsibilities, equitable contributions, adequate protection and fair disposition of intellectual property rights, acknowledged security obligations, and comparable access to government-sponsored and supported R&D facilities and programs. The culmination of this effort came in Toronto in June 1988, when President Reagan and Prime Minister Takeshita signed the new umbrella S&T Agreement. We view this as a model agreement and now are incorporating its principles into all our science and technology bilateral agreements.

Maintenance of our global competitiveness requires adequate and effective protection and equitable allocation of intellectual property rights. The commercial development of a new technology requires large investments of time, money, and talent. Continued investments in research and development require the ability to derive eco-

nomic benefits from the new technology. Therefore, in FY 1988, we initiated numerous bilateral and multilateral dialogues on the benefits accruing to all partners from effective protection and equitable disposition of IPR.

With the view that balanced and reciprocal cooperation in S&T benefits the United States and the world at large, at the December 1987 Washington Summit, President Reagan and General Secretary Gorbachev agreed to further cooperation in the areas of transportation, global climate change, ocean studies, and nuclear reactor safety, as well as to continue a multilateral conceptual design effort in thermonuclear fusion. As a result, in April 1988, we signed a protocol with the Soviets on cooperation in maintaining the safety of civilian reactors. This agreement, which was stimulated by Chernobyl, covers the design and operation, health, environmental, and regulatory aspects of the reactor safety problem. In addition, in January 1989, we signed a U.S.-USSR Framework Agreement for Cooperation in Basic Scientific Research, which is serving as the model for other U.S.-USSR agreements to ensure policy consistency among all our extensive interactions with the Soviets in science and technology.

Sustainable international cooperation in science and technology is good for the Nation, particularly when projects that are in the national interest are enhanced by or intrinsically require multilateral effort. Examples are the Space Station Freedom, the superconductor super collider (SSC), AIDS research and global climate change.

In December 1987, the Secretary of Energy invited our major allies to contribute to building the world's most advanced high-energy particle accelerator, the SSC, and to participate in its utilization. We now look forward to extensive collaboration in the project.

In September 1988, a final agreement was signed among the United States, member states of the European Space Agency (ESA), and the Governments of Japan and Canada on the Space Agency (ESA), and the Governments of Japan and Canada on the Space Station Freedom's design, development, and operation.

AIDS is a major worldwide public health concern. The United States Government, particularly the Agency for International Development and the Public Health Service, is engaged in a substantial international program working with the World Health Organization and others to develop national plans to combat AIDS and to utilize research findings and technologies as they become available.

The policy question of human impact on the global environment in the past few years has moved out of the confines of scientific papers and conferences to become a front-page issue. Recent events, such as the 1985 discovery of the Antarctic "ozone hole" and the 1988 North American drought, have created much debate regarding the relative contributions of human-induced and natural processes on global climatic and environmental change. Bearing these concerns in mind, in April 1988, the United States ratified the Montreal protocol on Substances that Deplete the Ozone Layer, which provides for reductions in production and consumption of principal ozone-depleting chemicals.

Significant uncertainties remain about the magnitude, timing, and regional impacts of global climate change. During FY 1988, the United States has made major contributions to international plans to reduce those uncertainties. The FCCSET Committee on Earth Sciences prepared a strategy for the U.S. Global Change Research Program, which I have endorsed. Prepared in close collaboration with other national and international planning groups and activities, the U.S. research strategy calls for an integrated approach in partnership with international organizations such as the World Meteorological Organization, the United Nations Environment Programme, and the International Council of Scientific Unions. The Intergovernmental Panel on Climate Change launched its multilateral effort in November 1988 with U.S. participation and support.

Believing that the R&D of today is the goods and services of tomorrow, and believing that further discoveries in superconductivity hold enormous potential for applications, President Reagan signed into law on November 19, 1988, the "National Superconductivvity and Competitiveness Act of 1988," which establishes a framework for a national program in superconductivity. He also named a National Commission on Superconductivity to provide guidance over the long term, as the real benefits from superconductivity may take years or decades to fully realize. Our goal as a nation is to lead the world in superconductivity R&D and in translating this new technology into useful products.

Strong U.S. involvement in international S&T requires excellence in the administration and implementation of our S&T policies around the world. Therefore, in response to President Reagan's Executive Order No. 12591 of April 10, 1987, the Department of State has sought to strengthen the technical expertise of its S&T officer corps by intensified recruitment from United States Government technical agencies, academia, and industry, and has recently established a specific career track for S&T officers. In addition, the Department of State, in cooperation with the National Science Foundation and the Department of Commerce, initiated the S&T Reporting and Information Dissemination Enhancement Project (STRIDE) in order to improve international scientific reporting.

As President, I intend to continue to build on the solid foundation in science and technology laid by President Reagan and his Administration. I believe that sustainable cooperation in science and technology is good for America and good for the world. Therefore, as the technology gap narrows, as internationalization of scientific and technological progress becomes the accepted norm, we must be concerned that the competitive drive for technological leadership not lead to protectionism in science, even as we are removing barriers to free and open trade. The challenge facing us in the years ahead is how to maintain and expand an open, mutually beneficial world system of exchange and cooperation in science and technology without undercutting our national competitiveness or jeopardizing our security interests and responsibilities. Articulating and responding to that challenge is a high priority of my Administration.

GEORGE BUSH.

THE WHITE HOUSE, *April 5, 1989.*

EDUCATIONAL EXCELLENCE ACT OF 1989—MESSAGE FROM THE PRESIDENT—PM 29

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States together with accompanying papers; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I am pleased to transmit today for your immediate consideration and enactment the "Educational Excellence Act of 1989," a bill to provide incentives to attain a better-educated America. I believe that greater educational achievement promotes sustained economic growth, enhances the Nation's competitive position in world markets, increases productivity, and leads to higher incomes for everyone. The Nation must invest in its young people, giving them the knowledge, skills, and values to live productive lives. The "Educational Excellence Act of 1989" would move us toward this goal.

The initiatives included in this bill embody four principles central to my Administration's policies on education and essential for further education reform. These principles are:

(1) *Recognition of excellence.* Excellence and achievement in education should be recognized and rewarded.

(2) *Addressing need.* Federal dollars should be targeted to help those most in need.

(3) *Flexibility and choice.* Greater flexibility and choice in education—both for parents in selecting schools for their children and local school systems' choice of teachers and principals—are essential.

(4) *Accountability.* I support educational accountability, and toward this end, I am committed to measuring and rewarding progress toward quality education.

This legislation builds on the accomplishments of the last Congress, which enacted into law the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988. That law took significant steps toward improving elementary and secondary education by improving program accountability, reauthorizing the magnet school program and expanding parental choice, providing greater flexibility to local school districts in the implementation of bilingual education programs, enhancing parental involvement in programs for disadvantaged children, and stimulating education innovation and reform. My proposals have distinct differences from current law, but complement in numerous ways the important work of the 100th Congress in pursuing educational excellence.

The Educational Excellence Act of 1989 includes seven specific legislative initiatives aimed at fulfilling these important principles:

(1) The *Presidential Merit Schools* program would reward public and private elementary and secondary schools that have made substantial progress in raising students' educational achievement, creating a safe and drug-free school environment, and reducing the dropout rate. This program would provide a powerful incentive for all schools to improve their educational performance.

(2) A new *Magnet Schools of Excellence* program would support the establishment, expansion, or enhancement of magnet schools, without regard to the presence of desegregation plans in applicant districts. Magnet schools have been highly successful at increasing parental choice and improving educational quality.

(3) The *Alternative Certification of Teachers and Principals* program would assist States interested in broadening the pool of talent from which to recruit teachers and principals. Funds would assist States to develop and implement, or expand and improve, flexible certification systems, so that talented professionals who have demonstrated their subject area competence or leadership qualities in fields outside education might be drawn into education.

(4) *President's Awards for Excellence in Education* would be given to teachers in every State who meet the highest standards of excellence. Each award would be for $5,000.

(5) Drug-Free Schools *Urban Emergency Grants* would provide special assistance to urban school districts that are disproportionately affected by drug trafficking and abuse. These funds would be used for a comprehensive range of services appropriate to the needs of individual communities.

(6) A *National Science Scholars* program would provide scholarships to high school seniors who have excelled in the sciences and mathematics. These scholarships, of up to $10,000 a year, would recognize recipients' academic achievement and encourage them to continue their education in science, mathematics, and engineering. The President would select recipients after considering recommendations made by Senators and Members of the House of Representatives.

(7) I am proposing to provide additional endowment matching grants for *Historically Black Colleges and Universities,* institutions that occupy a unique position and have a major responsibility in the structure of American higher education.

I urge the Congress to take prompt and favorable action on this legislation. Taken together, these seven initiatives, for which I have proposed adding $422.6 million in the 1990 budget, would help us advance toward the goal of a better-educated Nation.

In addition to these initiatives, I have proposed a budget amendment for $13 million in new funds for experiments and data collection in support of education reform. I am also asking the Congress to fund fully the authorization in the Stewart McKinney Homeless Assistance Act. This includes $2.5 million to fund for the first time the Exemplary Grants program and $2.7 million in additional funding for literacy programs for homeless adults.

GEORGE BUSH.

THE WHITE HOUSE, *April 5, 1989.*

MESSAGE FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of March 17, 1989, the Secretary of the Senate, on March 24, 1989, during the recess of the Senate, received a message from the House of Representatives announcing that the House has passed the following bill and joint resolutions, without amendment:

S. 20. An act to amend title 5, United States Code, to strengthen the protection available to Federal employees against prohibited personnel practices, and for other purposes;

S.J. Res. 50. Joint resolution to designate the week beginning April 2, 1989, as "National Child Care Awareness Week"; and

S.J. Res. 87. Joint resolution to commend the Governments of Israel and Egypt on the occasion of the 10th anniversary of the Treaty of Peace between Israel and Egypt.

The message also announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 12. A concurrent resolution to allow another member of the Committee on Rules and Administration of the Senate to serve on the Joint Committee of Congress on the Library in place of the chairman of the committee.

MESSAGES FROM THE HOUSE

At 5:17 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House had passed the following joint resolution, without amendment:

S.J. Res. 43. Joint resolution designating April 9, 1989, as "National Former Prisoners of War Recognition Day."

The message also announced that pursuant to the provisions of 22 United States Code 276(h), the Speaker appoints as members of the United States delegation of the Mexico-United States Interparliamentary Group for the first session of the One Hundred First Congress the following Members on the part of the House: Mr. DE LA GARZA, Chairman, Mr. YATRON, Vice Chairman, Mr. RANGEL, Mr. MILLER of California, Mr. GEJDENSON, Mr. COLEMAN of Texas, Mr. BERMAN, Mr. LAGOMARSINO, Mr. DREIER of California, Mr. DELAY, Mr. GILMAN, and Mr. GOODLING.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-798. A communication from the Secretary of the Department of Agriculture transmitting draft legislation to authorize appropriations for the planning, construction, acquisition, alteration, repair of facilities, and other public improvements of the Agricultural Research Service at the Beltsville Agricultural Research Center, Beltsville, MD, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC-799. A communication from the Secretary of the Department of Agriculture transmitting draft legislation to authorize the planning and construction by the Secretary of Agriculture of a facility to provide additional storage space and the renovation of existing facilities to provide laboratories at the National Seed Storage Laboratory, Fort Collins, CO; to the Committee on Agriculture, Nutrition, and Forestry.

EC-800. A communication from the Secretary of the Department of Agriculture transmitting, pursuant to law, the second quarterly country and commodity allocation table showing current programming plans for food assistance; to the Committee on Agriculture, Nutrition, and Forestry.

EC-801. A communication from the Secretary of the Department of Agriculture transmitting, pursuant to law, the first

quarterly report on progress made in implementing the recommendations of the Agricultural Trade and Development Missions; to the Committee on Agriculture, Nutrition, and Forestry.

EC-802. A communication from the Secretary of the Army transmitting, pursuant to law, a unit cost report on the OH-58D (AHIP) program; to the Committee on Armed Services.

EC-803. A communication from the Secretary of the Department of the Air Force transmitting, pursuant to law, a unit cost report on the Joint Stars program; to the Committee on Armed Services.

EC-804. A communication from the Under Secretary of Defense transmitting, pursuant to law, the annual report on the effects of naval shipbuilding plans on maritime industries; to the Committee on Armed Services.

EC-805. A communication from the General Counsel of the Department of Defense transmitting draft legislation to amend title 10, United States Code, to revise and standardize the provisions of law relating to appointment, promotion, and separation of commissioned officers of the reserve components of the armed forces, and for other purposes; to the Committee on Armed Services.

EC-806. A communication from the Secretary of Commerce, transmitting, pursuant to law, the 1988 Annual Report of the Visiting Committee on Advanced Technology of the National Institute of Standards and Technology, U.S. Department of Commerce; to the Committee on Commerce, Science, and Transportation.

EC-807. A communication from the Secretary of Commerce, transmitting, pursuant to law, the plan to implement the Commerce, Science and Technology Fellowship Program; to the Committee on Commerce, Science, and Transportation.

EC-808. A communication from the Secretary of Transportation, transmitting, pursuant to law, the ninth annual report on collision avoidance systems; to the Committee on Commerce, Science, and Transportation.

EC-809. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the National Driver Register Act of 1982 to authorize appropriations for fiscal years 1990 and 1991; to the Committee on Commerce, Science, and Transportation.

EC-810. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to authorize appropriations for fiscal years 1990 and 1991 for the Office of Commercial Space Transportation of the Department of Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-811. A communication from the Under Secretary of Commerce (Travel and Tourism), transmitting, pursuant to law, a marketing plan for fiscal year 1990 designed to stimulate and encourage travel to the United States from nations abroad; to the Committee on Commerce, Science, and Transportation.

EC-812. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1990 and 1991, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-813. A communication from the Secretary of the Interior, transmitting a draft of proposed legislation to amend the Helium Act of 1960 to authorize Federal agencies to purchase helium from the private sector, to authorize and direct the Secretary of the Treasury to cancel outstanding indebtedness related to the Helium Fund, and for other purposes; to the Committee on Energy and Natural Resources.

EC-814. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-815. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-816. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-817. A communication from the Chairman of the Advisory Council on Historic Preservation, transmitting, pursuant to law, the annual report of the Council for 1988; to the Committee on Energy and Natural Resources.

EC-818. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-819. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-820. A communication from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Solid Waste Disposal Act; to the Committee on Environment and Public Works.

EC-821. A communication from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to authorize appropriations for environmental research, development, and demonstration for fiscal years 1990 and 1991; to the Committee on Environment and Public Works.

EC-822. A communication from the Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend the Toxic Substances Control Act, as amended, for 2 years; to the Committee on Environment and Public Works.

EC-823. A communication from the Acting Administrator of General Services, transmitting, pursuant to law, a report of building project survey for Buffalo, NY, and lease prospectuses for the Internal Revenue Service and the Immigration and Naturalization Service in Dallas, TX; to the Committee on Environment and Public Works.

EC-824. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Watershed Protection and Flood Prevention Act to require that at least 20 percent of the total benefits of all projects be directly related to agriculture, including upstream rural communities, and to establish requirements for nonfederal cost sharing of works of improvement for flood prevention; to the Committee on Environment and Public Works.

EC-825. A communication from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to authorize the Secretary of the Army to collect appropriate fees for the provision of services under section 206 of the Flood Control Act of 1960 and section 22 of the Water Resources Development Act of 1974; to the Committee on Environment and Public Works.

EC-826. A communication from the Director of the Peace Corps, transmitting a draft of proposed legislation to further amend the Peace Corps Act, and for other purposes; to the Committee on Foreign Relations.

EC-827. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on United States assistance to Soviet Armenia; to the Committee on Foreign Relations.

EC-828. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on employment of nationals of Communist countries at United States diplomatic and consular missions in Communist countries; to the Committee on Foreign Relations.

EC-829. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, notice that the President has authorized the furnishing of up to $17.5 million in assistance from the Emergency Refugee and Migration Assistance Fund for unexpected urgent needs of African and Afghan refugees and displaced persons; to the Committee on Foreign Relations.

EC-830. A communication from the Director of the Office of Workers' Compensation Programs, Department of Labor, transmitting, pursuant to law, notice of a proposed computer matching program; to the Committee on Governmental Affairs.

EC-831. A communication from the Acting Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the annual report of the Board for calendar year 1988; to the Committee on Governmental Affairs.

EC-832. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-8 adopted by the Council of February 28, 1989; to the Committee on Governmental Affairs.

EC-833. A communication from the Chairman of the Christopher Columbus Quincentenary Jubilee Commission, transmitting, pursuant to law, the annual report on internal control and financial systems of the Commission for calendar year 1988; to the Committee on Governmental Affairs.

EC-834. A communication from the Special Counsel to the Merit Systems Protection Board, transmitting, pursuant to law, the findings and conclusions of a review of allegations of unsafe laboratory practices at the Naval Academy Preparatory School, Newport, Rhode Island; to the Committee on Governmental Affairs.

EC-835. A communication from the Director of the Office of Personnel Management, transmitting, a draft of proposed legislation

to amend title 5, United States Code, to reform the financing of the Federal Employees Health Benefits Program, and for other purposes; to the Committee on Governmental Affairs.

EC-836. A communication from the Assistant Secretary of Education (Civil Rights), transmitting, pursuant to law, the annual report summarizing the compliance and enforcement activities of the Office for Civil Rights and identifying significant civil rights or compliance problems; to the Committee on Labor and Human Resources.

EC-837. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final funding procedures for the Robert C. Byrd Honors Scholarship Program; to the Committee on Labor and Human Resources.

EC-838. A communication from the Secretary of Education, transmitting, pursuant to law, the notice of final regulations—programs of special projects and demonstrations for providing vocational rehabilitation services to individuals with severe handicaps and special projects and demonstrations for providing supported employment services to individuals with severe handicaps and technical assistance projects; to the Committee on Labor and Human Resources.

EC-839. A communication from the Secretary of Education, transmitting, pursuant to law, the 13th annual report on the distribution of State-administered Federal education funds; to the Committee on Labor and Human Resources.

EC-840. A communication from the Chairman of the Railroad Retirement Board, transmitting a draft of proposed legislation to provide for rail sector financing of the full cost of civil service retirement of Railroad Retirement Board employees; to the Committee on Labor and Human Resources.

EC-841. A communication from the Chairman of the Railroad Retirement Board, transmitting a draft of proposed legislation to correct an anomaly in railroad retirement windfall benefit financing and to conform the treatment of Amtrak with other public passenger railroads under the Railroad Unemployment Insurance Act; to the Committee on Labor and Human Resources.

EC-842. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled "Demonstrations and Designs of Alternative Reimbursement Methods for Home Health Services;" to the Committee on Labor and Human Resources.

EC-843. A communication from the Secretary of Education, transmitting, pursuant to law, regulations for Even Start; to the Committee on Labor and Human Resources.

EC-844. A communication from the Secretary of Education, transmitting a draft of proposed legislation to improve the contribution of libraries to the education of economically disadvantaged or handicapped individuals, to increase access to library materials through resource sharing, to support research and assessment necessary to improve library services, and for other purposes; to the Committee on Labor and Human Resources.

EC-845. A communication from the executive director of the Girl Scouts of America transmitting, pursuant to law, the annual report for the fiscal year 1988; to the Committee on the Judiciary.

EC-846. A communication from the Administrator of the National Aeronautics and Space Administration transmitting, pursuant to law, a report on all calendar year 1988 actions taken by NASA which involve actual or potential cost to the United States in excess of $50,000; to the Committee on the Judiciary.

EC-847. A communication from the Secretary of Transportation transmitting, pursuant to law, the annual report of the Department of Transportation under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-848. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the annual report of the Board under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-849. A communication from the Secretary of the Federal Bar Association, transmitting, pursuant to law, the audit report of the foundation of the Federal Bar Association for the fiscal year ending September 30, 1988; to the Committee on the Judiciary.

EC-850. A communication from the Director of the Federal Mediation and Conciliation Service, transmitting, pursuant to law, the annual report of the service under the Freedom of Information Act for the calendar year 1988; to the Committee on the Judiciary.

EC-851. A communication from the Assistant Secretary of Legislative Affairs of the State Department, transmitting pursuant to law, the annual report of the Department under the Freedom of Information Act for the calendar year 1988; to the Committee on the Judiciary.

EC-852. A communication from the Secretary of the Department of Veterans' Affairs transmitting, pursuant to law, the annual report of the Department under the Freedom of Information Act for the calendar year 1988; to the Committee on the Judiciary.

EC-853. A communication from the clerk of the U.S. Court of Appeals transmitting, pursuant to law, a report of the independent counsel, and appendix, in re Theodore B. Olson and Robert M. Perry, No. 81-1; to the Committee on the Judiciary.

EC-854. A communication from the Chairman of the National Labor Relations Board, transmitting, pursuant to law, the annual report of the Board under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-855. A communication from the Director of the Federal Judicial Center, transmitting, pursuant to law, the 1988 annual report of the Federal Judicial Center; to the Committee on the Judiciary.

EC-856. A communication from the Director of Selective Service, transmitting, pursuant to law, the annual report of the Service under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-857. A communication from the Secretary of Defense transmitting, pursuant to law, the annual report of the Department of Defense under the Freedom of Information Act for the calendar year 1988; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mrs. KASSEBAUM (for herself, Mr. DOLE, Mr. COCHRAN, Mr. HATCH, Mr. JEFFORDS, Mr. THURMOND, Mr. COATS, Mr. DURENBERGER, Mr. BOREN, Mr. BOSCHWITZ, Mr. BURNS, Mr. CHAFEE, Mr. COHEN, Mr. DANFORTH, Mr. DOMENICI, Mr. GORTON, Mr. GRAMM, Mr. HEINZ, Mr. KASTEN, Mr. LOTT, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCLURE, Mr. MCCONNELL, Mr. MURKOWSKI, Mr. NICKLES, Mr. RUDMAN, Mr. SIMPSON, Mr. SPECTER, Mr. STEVENS, Mr. WALLOP, Mr. WARNER, Mr. WILSON, and Mr. D'AMATO):

S. 695. A bill to promote excellence in American education by recognizing and rewarding schools, teachers, and students for their outstanding achievements; enhancing parental choice; encouraging the study of science, mathematics, and engineering, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATCH:

S. 696. A bill to amend title 28, United States Code, to increase the rates of pay for certain Federal judges and other judicial officials, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HEINZ:

S. 697. A bill to extend until January 1, 1994, the existing suspension of duty on certain wool; to the Committee on Finance.

S. 698. A bill to extend the suspension of duty on certain circular knitting machines and parts; to the Committee on Finance.

S. 699. A bill to temporarily suspend the duty on Molten-salt-cooled acrylic acid reactors and their associated parts, accessories, and equipment; to the Committee on Finance.

By Mr. DOMENICI:

S. 700. A bill to amend the Internal Revenue Code of 1986 to meet the growing challenge of America's infrastructure needs; to the Committee on Finance.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 701. A bill to authorize the construction of a Center for National Security and Arms Control at Sandia National Laboratories in Albuquerque, New Mexico; to the Committee on Armed Services.

By Mr. MITCHELL (for himself, Mr. DURENBERGER, Mr. HEINZ, Mr. CHAFEE, Mr. BRADLEY, Mr. DASCHLE, Mr. ROCKEFELLER, Mr. RIEGLE, Mr. PRYOR, and Mr. BAUCUS):

S. 702. A bill to amend title XVIII of the Social Security Act to increase the amount authorized for a patient outcomes assessment research program, to transfer supervisory authority for such program to the Assistant Secretary for Health, to create a practice guidelines development program, to define the missions, priorities and scope of such programs, to establish an advisory committee for such programs, and for other purposes; to the Committee on Finance.

By Mr. SYMMS:

S. 703. A bill entitled "The Human Rights in Central America Act of 1989"; to the Committee on Appropriations.

By Mr. RIEGLE (for himself, Mr. PACKWOOD, Mr. BRADLEY, Mr. CHAFEE, Mr. MOYNIHAN, Mr. DURENBERGER, Mr. MATSUNAGA, Mr. DECONCINI, Ms. MIKULSKI, Mr. HOLLINGS, Mr. SIMON, Mr. PELL, Mr. CONRAD, and Mr. INOUYE):

S. 704. A bill to increase the authorization under title XX of the Social Security Act for block grants to States for social services; to the Committee on Finance.

By Mr. DASCHLE (for himself and Mr. PRESSLER):

S. 705. A bill to assure fair consideration of the interests of States likely to be affect-

ed by the establishment of low-level radioactive waste disposal facilities; to the Committee on Environment and Public Works.

By Mr. SHELBY:

S. 706. A bill to amend the Tennessee Valley Authority Act of 1933 to change the composition, operation, and duties of the Board of Directors of the Tennessee Valley Authority; to the Committee on Environment and Public Works.

By Mr. METZENBAUM (for himself and Mr. LAUTENBERG):

S. 707. A bill to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BRADLEY (for himself and Mr. DURENBERGER):

S. 708. A bill to amend title V of the Social Security Act to promote the integration and coordination of services for pregnant women and infants to prevent and reduce infant mortality and morbidity; to the Committee on Finance.

By Mr. KERRY (for himself, Mr. ADAMS, Mr. KENNEDY, and Mr. LEVIN):

S. 709. A bill to establish a program to guarantee the availability of downpayments for first time homebuyers based on a program of monthly or other payments into an interest tax-exempt account; to the Committee on Finance.

By Mr. JOHNSTON (for himself and Mr. MCCLURE):

S. 710. A bill to provide for a referendum on the political status of Puerto Rico; to the Committee on Energy and Natural Resources.

S. 711. A bill to provide for a referendum on the political status of Puerto Rico; to the Committee on Energy and Natural Resources.

S. 712. A bill to provide for a referendum on the political status of Puerto Rico; to the Committee on Energy and Natural Resources.

By Mr. LAUTENBERG:

S.J. Res. 96. Joint resolution designating July 2, 1989, as "National Literacy Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SYMMS (for himself, Mr. LOTT, Mr. KASTEN, Mr. BOSCHWITZ, Mr. DOLE, Mr. ARMSTRONG, Mr. WALLOP, Mr. HATCH, Mr. DOMENICI, Mr. COCHRAN, Mr. DECONCINI, Mr. PRESSLER, Mr. MCCAIN, Mr. HELMS, Mr. MCCLURE, Mr. MCCONNELL, Mr. BOND, Mr. COATS, Mr. NICKLES, and Mr. BREAUX):

S. Res. 92. Resolution expressing the sense of the Senate regarding Section 89 of the Internal Revenue Code of 1986; to the Committee on Finance.

By Mr. FOWLER (for Mr. MITCHELL (for himself and Mr. DOLE)):

S. Res. 93. Resolution to provide for a special Bicentennial Session of the Senate on April 6, 1989; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. KASSEBAUM (for herself, Mr. DOLE, Mr. COCHRAN, Mr. HATCH, Mr. JEFFORDS, Mr. THURMOND, Mr. COATS, Mr. DURENBERGER, Mr. BOREN, Mr. BOSCHWITZ, Mr. BURNS, Mr. CHAFEE, Mr. COHEN, Mr. DANFORTH, Mr. DOMENICI, Mr. GORTON, Mr. GRAMM, Mr. HEINZ, Mr. KASTEN, Mr. LOTT, Mr. LUGAR, Mr. MACK Mr. MCCAIN, Mr. MCCLURE, Mr. MCCONNELL, Mr. MURKOWSKI, Mr. NICKLES, Mr. RUDMAN, Mr. SIMPSON, Mr. SPECTER, Mr. STEVENS, Mr. WALLOP, Mr. WARNER, Mr. WILSON and Mr. D'AMATO):

S. 695. A bill to promote excellence in American education by recognizing and rewarding schools, teachers, and students for their outstanding achievements; enhancing parental choice; encouraging the study of science, mathematics, and engineering; and for other purposes; to the Committee on Labor and Human Resources.

EDUCATIONAL EXCELLENCE ACT

Mrs. KASSEBAUM. Mr. President, I am pleased to join with a number of my colleagues in introducing President Bush's education initiatives, the Educational Excellence Act of 1989.

I think it is particularly fitting that it be done today as President Bush recognized the Teacher of the Year, Mrs. Mary Bicouvaris of Hampton, VA, at a ceremony this morning.

Mr. President, there is no profession that I admire more than the teaching profession. I think when "Mrs. Bic," as she is called by her students, acknowledged that her formula for teaching "combines respect for my job, love for the children that I teach, and a very sincere commitment to make a difference," she expresses well why excellence of education is so important and why she was chosen Teacher of the Year.

President Bush had made education a top priority. This package of legislation represents one of many steps he is taking to help assure that the American education system stands as a solid foundation upon which we can build our future.

In expressing his desire to be the education President, President Bush has demonstrated his keen understanding of the central role which education plays in a strong and progressive society. At the birth of our democracy, wise leaders emphasized the importance of an enlightened citizenry in guaranteeing that our experiment in self-government would succeed.

A sound educational system assures not only that our system of government will work but also that our factories will hum, our fields will flourish, and our citizens will prosper. It assures that we will sustain our power of invention and our ability to adapt to changing circumstances.

In an increasingly competitive international economy, we cannot afford to rest on our laurels. Other nations have admired our productivity and creative energy, and they are striving—with substantial success—to emulate us. I believe we have good schools; however, we must do more to prepare our students for today's highly competitive, rapidly changing world. George Bush also believes we can do better.

The President clearly understands both the power and the limitations of the Federal Government in meeting this goal. He recognizes that State and local involvement in education has offered great strength to our system, and he plans to tap into that strength. At the same time, he is fully aware of the potential force of the Federal Government in focusing on initiatives for change. In this case, it is the importance of excellence in education—not just the status quo.

President Bush has used the "bully pulpit" of the Presidency to emphasize the four basic themes he believes should guide educational policy. Simply stated, these themes are: recognition of educational excellence, targeted use of Federal resources, promotion of choice and flexibility, and accountability for educational results.

The Educational Excellence Act of 1989 reflects these themes, expanding and lending sharper focus to ongoing efforts. This legislation would authorize seven new activities.

First, the bill would recognize excellence through the establishment of the Presidential Merit Schools Program. The measure authorizes $250 million for cash awards to elementary and secondary schools which make substantial progress in raising student achievement levels, creating a safe and drug-free environment, and reducing dropout rates. The amount of cash award to a merit school would be determined by the State, and the school may use the award funds for any activity that furthers its educational objectives.

Second, the bill seeks to enhance educational choice through the authorization of $100 million for magnet schools of excellence, academic or vocational magnet schools not related to desegregation plans. Applicants for magnet school grant funds would be encouraged to submit plans targeted toward the goals of including educationally disadvantaged students and focusing on particular educational approaches or subject areas, such as math and science.

Third, the bill attempts to expand the supply of elementary and secondary teachers and principals through the encouragement of alternative certification. A funding level of $25 million would be authorized for grants to

the States to support a wide variety of activities designed to permit qualified individuals who do not have specific teacher training to serve as teachers or school principals. This is designed to help meet the shortage of qualified teachers and allow for some diversity and experimentation. Such initiatives are important as we must be willing to be flexible in striving for excellence in education.

Fourth, the bill would offer recognition to outstanding teachers through the establishment of the President's Awards for Excellence in Education. Each State would receive funds to make cash awards of $5,000 to outstanding teachers selected by a panel appointed by the Governor. Winners may use the award money in any way they choose, and they will be honored as well at a national ceremony. The funding authorization for this program is $7.6 million.

Fifth, the bill would recognize and assist high school seniors who have excelled in the fields of science and mathematics through the establishment of the National Science Scholars Program. Each year, 570 science scholars would receive grants of up to $10,000 per year for each year of undergraduate education. Funding is authorized at $5 million.

Sixth, the bill would target drug abuse and prevention funds toward schools with the most severe drug problems through urban emergency grants. Authorized at a level of $25 million, this program would provide one-time grants to a small number of urban school systems to support a full range of drug abuse and education services.

Finally, the bill would target funding under part C of title III of the Higher Education Act for endowment challenge grants for historically black colleges and universities [HBCU's]. A funding level of $10 million is authorized for this purpose. Currently, HBCU's receive approximately $2 million in endowment challenge grants.

As the ranking Republican member of the Senate Education Committee, I look forward to working with President Bush to assure that education remains at the forefront of the national agenda. Given the strong bipartisan commitment to educational excellence, I am confident that we can move forward on several fronts to guarantee all students the opportunity to become competent, productive citizens. Through this legislation and related efforts, we can demonstrate our collective resolve to strengthen our investment in the people who will shape our future.

Mr. President, I ask unanimous consent that the text of the Educational Excellence Act of 1989 be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 695

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.—This Act may be cited as the "Educational Excellence Act of 1989"

SEC. 2. TABLE OF CONTENTS.—This Act is organized as follows:

TITLE I—IMPROVING ELEMENTARY AND SECONDARY EDUCATION
Part A—Presidential Merit Schools
Part B—Magnet Schools of Excellence
Part C—Alternative Certification for Teachers and Principals
Part D—Presidential Awards for Excellence in Education
Part E—Effective Date
TITLE II—NATIONAL SCIENCE SCHOLARS
TITLE III—OTHER PROGRAMS

TITLE I—IMPROVING ELEMENTARY AND SECONDARY EDUCATION

PART A—PRESIDENTIAL MERIT SCHOOLS

PRESIDENTIAL MERIT SCHOOLS

SEC. 101. Title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended by adding at the end thereof a new Part G to read as follows:

"PART G—PRESIDENTIAL MERIT SCHOOLS

"SHORT TITLE

"SEC. 4701. This part may be cited as the 'Presidential Merit Schools Act'.

"FINDINGS AND PURPOSE

"SEC. 4702. (a) FINDINGS.—The Congress finds that—

"(1) the basic goal of all schools is to develop the skills and abilities of students to their maximum potential;

"(2) achievable standards of excellence can and should be set for all students and for all schools;

"(3) financial incentives can spur schools to rise to the challenge of meeting these standards; and

"(4) improvement in the quality of our educational system is vital to the Nation's future, and demonstrated schoolwide progress in achieving excellence deserves public recognition.

"(b) PURPOSE.—The purpose of this part is to recognize and reward public and private elementary and secondary schools that have made substantial progress in—

"(1) raising student educational achievement;

"(2) creating a safe and drug-free school environment; and

"(3) reducing the dropout rate.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 4703. For the purpose of carrying out this part, there are authorized to be appropriated $250,000,000 for fiscal year 1990, $350,000,000 for fiscal year 1991, $450,000,000 for fiscal year 1992, and $500,000,000 for fiscal year 1993.

"ALLOCATION OF APPROPRIATIONS

"SEC. 4704. (a) RESERVATIONS.—From the amount appropriated under section 4703 for any fiscal year, the Secretary may reserve—

"(1) up to one quarter of 1 percent for grants to Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and Palau (until the effective date of the Compact of Free Association with the Government of Palau) for activities under this part; and

"(2) up to $500,000 for—

"(A) special award ceremonies; and

"(B) evaluations, studies, and reports.

"(b) ALLOCATION AMONG STATES.—(1) The amount remaining after any reservation of funds under subsection (a) shall be allocated to States as follows:

"(A) from one half of such amount, each State shall be allocated an amount that bears the same ratio to such amount as the number of children aged 5 to 17, inclusive, in the State bears to the number of such children in all such States, according to the most recent available data that are satisfactory to the Secretary; and

"(B) the other one half of such amount shall be allocated among such States on the same basis as funds are allocated among such States under section 1005 of this Act for the same fiscal year.

"(2) For purposes of this subsection, the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"STATE APPLICATIONS

"SEC. 4705. (a) FOUR-YEAR APPLICATION.—Each State that wishes to receive a grant under this part shall submit to the Secretary, through its State educational agency, an application for a four-year period, at such time and in such manner as the Secretary may prescribe.

"(b) FOUR-YEAR CONTENTS.—Each State application shall contain—

"(1) the criteria the State educational agency will use to select Presidential Merit Schools under section 4708;

"(2) the criteria it will use to determine the amount of awards;

"(3) an assurance that it will carry out this part in accordance with the requirements of this part and other applicable legal requirements; and

"(4) other information the Secretary may require.

"(c) GEPA PROVISIONS INAPPLICABLE.—Sections 435 and 436 of the General Education Provisions Act, except to the extent that such sections relate to fiscal control and fund accounting procedures, shall not apply to this part.

"STATE USE OF FUNDS

"SEC. 4706. (a) ADMINISTRATION.—Each State educational agency may use up to 5 percent of its grant for the administrative costs of carrying out this part.

"(b) PRESIDENTIAL MERIT SCHOOL AWARDS.—Each State educational agency shall use at least 95 percent of its grant for Presidential Merit School awards made in accordance with section 4708.

"(c) INSULAR AREAS.—The provisions of Public Law 93-134, permitting the consolidation of grants to the Insular Areas, shall not apply to funds received by such areas under this part.

"STATE ACTIVITIES AND RESPONSIBILITIES

"SEC. 4707. (a) STATE REVIEW PANEL.—(1) Each State educational agency shall establish a State review panel to assist in the selection of Presidential Merit Schools.

"(2) The State review panel shall be broadly representative of the following interests in the State—

"(A) elementary and secondary school teachers and administrators;

"(B) College and university faculty and administrators;

"(C) parents;

"(D) State and local boards of education;

"(E) State and local governments;

"(F) Labor;

"(G) business; and

"(H) the general public.

"(b) ANNUAL REPORTS TO THE SECRETARY.—(1) Within 60 days of making Presidential Merit School awards under this part for any fiscal year, each State educational agency shall submit a report to the Secretary that—

"(A) identifies the schools chosen as Presidential Merit Schools;

"(B) States the reasons for their selection; and

"(C) states the amount of their awards.

"(2) Beginning with the second year for which any State educational agency receives funds under this part, its annual report shall also include a brief description of how schools selected in the previous year used their awards.

"SELECTION OF PRESIDENTIAL MERIT SCHOOLS

"SEC. 4708. (a) ELIGIBLE SCHOOLS.—(1) A State educational agency may designate as a Merit School any public or private elementary or secondary school in the State that has been nominated through procedures established by such agency.

"(2) In selecting Presidential Merit Schools, each State educational agency shall apply the selection criteria uniformly to public and private schools.

"(b) CRITERIA ESTABLISHED BY SECRETARY.—(1) The Secretary shall establish minimum criteria to be used by every State educational agency in selecting Presidential Merit Schools.

"(2) The criteria established by the Secretary shall address—

"(A) progress in improving educational performance, with particular emphasis on mastery of reading, writing, and mathematics skills;

"(B) the degree to which the school demonstrates progress in achieving and maintaining a safe environment, including reduction or elimination of problems related to drug and alcohol use; and

"(C) progress in reducing the number of students who drop out of school or in encouraging those who have dropped out to reenter school and complete their schooling.

"(c) STATE CRITERIA.—(1) Based on the selection criteria established by the Secretary, as required by subsection (b), each State educational agency shall establish additional criteria that measure progress in such areas as—

"(A) student achievement, as measured by such factors as year-to-year improvement in test scores, college entrance rates, and employment of graduates in jobs with significant potential for career development; and

"(B) other indicators of a school's success, such as improvements in school leadership, the teaching and learning environment, and parental and community support and involvement.

"(2) In setting criteria for Presidential Merit Schools, the State educational agency may establish standards that recognize the composition of the student body and other relevant factors, and that give special consideration to schools with substantial numbers or proportions of children from low-income families. The State educational agency may also set different criteria for different grade levels.

"(3) In applying the criteria to a school in which a program is conducted under part A of chapter 1 of title I of this Act, the State educational agency shall consider the desired outcomes identified for children in the application submitted under section 1012(b) of this Act by the local educational agency operating the school. No school that a local educational agency has identified under section 1021(b) of this Act shall be eligible for a Presidential Merit School award.

"(4) In selecting Presidential Merit Schools and in setting the amount of their awards, the State educational agency may not consider a school's awards, the State educational agency may not consider a school's planned use of a Presidential Merit School award.

"(d) AMOUNT OF AWARD.—Each State educational agency shall establish criteria, subject to subsection (c)(4), including criteria relating to the size of the school and the economic circumstances of the student body, for determining the amount of Presidential Merit School awards.

"(e) BYPASS.—If a State educational agency is either prohibited by State law from providing funds made available under this part to private schools, or is unwilling to do so, it shall notify the Secretary of such prohibition or unwillingness, as well as the private schools it has designated as Presidential Merit Schools and the amount of their awards. The Secretary shall then provide those funds, from the State's allocation under this part, to the designated private schools, through such arrangements as the Secretary finds suitable. The Secretary shall also withhold from the State's allocation under this part the administrative costs of making such arrangements.

"PRESIDENTIAL CERTIFICATES OF MERIT

"SEC. 4709. Each Presidential Merit School shall be awarded a Presidential Certificate of Merit.

"USE OF FUNDS BY PRESIDENTIAL MERIT SCHOOLS

"SEC. 4710. A Presidential Merit School shall use its Presidential Merit School award for activities that further the educational program of the school. Such activities may include, but are not limited to—

"(1) development, implementation, or expansion of special programs, such as those focused on: dropout prevention or reentry, student transition to college or employment, preschool children, remedial services, or gifted and talented students;

"(2) the purchase or lease of computers, telecommunications equipment, scientific instruments, instructional materials, library books, and other equipment and materials, except that a public agency shall have title to, and exercise administrative control of, all such equipment and materials;

"(3) bonus payments for faculty and administrators;

"(4) college scholarships for secondary school students;

"(5) parental involvement activities;

"(6) community outreach activities; and

"(7) helping other schools replicate its success.

"PROHIBITION ON STATE OR LOCAL REDUCTION OF OTHER ASSISTANCE

"SEC. 4711. No Federal, State, or local agency may, in any year, take a Presidential Merit School award into account in determining whether to award any other assistance from Federal, State, or local resources, or in determining the amount of such assistance, to either the Presidential Merit School itself or the local educational agency, if any, that operates the school.".

PART B—MAGNET SCHOOLS OF EXCELLENCE

MAGNET SCHOOLS OF EXCELLENCE

"SEC. 111. Title IV of the Elementary and Secondary Act of 1965 is further amended by adding at the end thereof a new part H to read as follows:

"PART H—MAGNET SCHOOLS OF EXCELLENCE

"SHORT TITLE

"SEC. 4801. This part may be cited as the 'Magnet Schools of Excellence Act of 1989'.

"FINDINGS

"SEC. 4802. The Congress finds that—

"(1) no single method of education, or single way of organizing schools and school systems, is best for every community or every group of students;

"(2) magnet schools have increased competition and choice and helped to improve the quality of schools and the education of children in the school districts in which they have been established;

"(3) magnet schools that focus on mathematics and science train future leaders in disciplines that are of critical importance to the Nation's economic competitiveness; and

"(4) Federal funds should be made available for the design and implementation of magnet schools, not only to further school desegregation but also to expand educational choices for students and parents and the educational benefits of such special academic and vocational school programs.

"PURPOSE

"SEC. 4803. (a) It is the purpose of this part to support the establishment, expansion, or enhancement of Magnet Schools of Excellence in order to promote open enrollment through parental choice and to strengthen the knowledge of elementary and secondary school students in academic and vocational subjects.

"(b) As used in this part, the term 'Magnet School of Excellence' means a public elementary or secondary school that—

"(1) offers the highest quality instruction in an academic or vocational discipline or creates a unique and effective learning environment;

"(2) is open to students from beyond the immediate school attendance area; and

"(3) is capable of attracting students from a variety of backgrounds.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 4804. For the purpose of carrying out this part, there are authorized to be appropriated $100,000,000 for fiscal year 1990 and each of the three succeeding fiscal years.

"GRANT APPLICATIONS

"SEC. 4805. (a)(1) Any local educational agency, intermediate educational agency, or consortia of such agencies desiring to receive a grant under this part shall submit an application at such time, in such manner, and containing such information, as the Secretary may require.

"(2) An applicant may be, but is not required to be, adopting or implementing a desegregation plan.

"(b) Each application shall contain—

"(1) a description of—

"(A) the objectives of the proposed project and how those objectives will achieve the purpose of this part, as set out in section 4803; and

"(B) how the funds made available to the applicant will be used to provide an educational program of the highest quality that will encourage greater parental decision-making and involvement; and

"(2) such assurances as the Secretary may reasonably require.

"(c) The Secretary shall encourage applications for proposed projects that—

"(1) recognize the potential of children who are educationally disadvantaged or who come from low-income families; and

"(2) establish, expand, or enhance magnet schools that focus on a particular educational approach or on a particular subject area, such as mathematics and science.

"(d) Each application submitted pursuant to this section shall demonstrate to the satisfaction of the Secretary that any proposed project assisted with funds under this part will not result in segregation based upon race, religion, religion, color, national origin, sex, or handicap, or impede the progress of desegregation within the applicant's school system.

"SELECTION OF APPLICATIONS

"SEC. 4806. In awarding grants under this part, the Secretary shall consider the quality of the proposed project, the likelihood of the project's successful implementation, and the likelihood of its strengthening the educational program of the applicant.

"LIMITATIONS

"SEC. 4807. (a) No Magnet School of Excellence may be supported with funds under this part for more than two years.

"(b) No applicant may receive a grant for more than one year under this part, unless it demonstrates to the Secretary that the Magnet School of Excellence for which assistance was provided in the first year is making satisfacory progress in meeting the objectives specified in its approved application.

"(c) No Federal, State, or local agency may, in any year, take a Magnet School of Excellence award into account in determining whether to award any other assistance from Federal, State, or local resources, or in determining the amount of such assistance, to either a Magnet School of Excellence itself or to the local educational agency or intermediate educational agency that operates the school.".

PART C—ALTERNATIVE CERTIFICATION FOR TEACHERS AND PRINCIPALS

ALTERNATIVE CERTIFICATION FOR TEACHERS AND PRINCIPALS PROGRAM

SEC. 121. Title IV of the Elementary and and Secondary Education Act of 1965 is further amended by adding at the end thereof a new part I to read as follows:

"PART I—ALTERNATIVE CERTIFICATION FOR TEACHERS AND PRINCIPALS

"SHORT TITLE

SEC. 4901. This part may be cited as the 'Alternative Certification of Teachers and Principals Assistance Act of 1989'.

"FINDINGS

"SEC. 4902. The Congress finds that—

"(1) effective elementary and secondary schools require competent teachers and strong leadership;

"(2) school systems would benefit greatly by recruitment pools of well-qualified individuals, such as scientists and engineers, from which to select teachers and principals;

"(3) talented professionals who have demonstrated a high level of subject area competence or management and leadership qualities outside the education profession wish to pursue second careers in education, but often do not meet traditional certification requirements; and

"(4) alternative certification requirements that do not exclude such individuals from teaching or school administration solely because they do not meet current certification requirements would allow school systems to take advantage of these professionals and improve the supply of well-qualified teachers and principals.

"PURPOSE

"SEC. 4903. (a) It is the purpose of this part to improve the supply of well-qualified elementary and secondary school teachers and principals by encouraging and assisting States to develop and implement alternative teacher and principal certification requirements.

"(b) As used in this part, the term—

"(1) 'alternative teacher and principal certification requirements' means State or local requirements that permit entry into elementary and secondary teacher and principal positions for individuals who have demonstrated a high level of appropriate subject area competence, or management or leadership qualities, in careers in or out of the education field, but who would not otherwise meet existing requirements for teaching or supervisory positions. Alternative teacher and principal certification requirements may recognize that—

"(A) for teachers, a high level of demonstrated competence in an appropriate subject area may be substituted for traditional teacher certification requirements (such as teacher training course work); and

"(B) for principals, a high level of demonstrated competence in administration and management may be substituted for traditional principal certification requirements (such as teaching experience or supervisory experience in the field of education); and

"(2) 'State' means any of the States of the Union, the District of Columbia, and the Commonwealth of Puerto Rico.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 4904. For the purpose of carrying out this part, there are authorized to be appropriated $25 million for fiscal year 1990.

"ALLOTMENTS

"SEC. 4905. (a)(1) From the amount appropriated to carry out this part, the Secretary shall allot to each State the lesser of either the amount the State applies for under section 4906 or an amount that is proportional to the State's share of the total population of children ages five through seventeen in all the States (based on the most recent data available that is satisfactory to the Secretary).

"(2) If a States does not apply for its allotment, or the full amount of its allotment, under the preceding paragraph, the Secretary may reallocate the excess funds to one or more other States that demonstrate, to the satisfaction of the Secretary, a current need for the funds.

"(b) Nothwithstanding section 412(b) of the General Education Provisions Act, funds awarded under this part shall remain available for obligation by a recipient for a period of two calendar years from the date of the grant.

"STATE APPLICATIONS

"SEC. 4906. (a) Any State desiring to receive a grant under this part shall submit an application at such time, in such manner, and containing such information, as the Secretary may reasonably require.

"(b) Each State application shall—

"(1) describe the programs, projects, and activities to be undertaken; and

"(2) contain such assurances as the Secretary deems necessary, including assurances that—

"(A) funds awarded to the State will be used to supplement, and not to supplant, any State or local funds available for the development and implementation of alternative teacher and principal certification requirements;

"(B) the State has, in development its application, consulted with the State or local agency that certifies teachers and principals, as well as representatives of elementary and secondary school teachers and principals, local school systems, parents, and other interested organizations and individuals; and

"(C) the State will submit to the Secretary, at such time as the Secretary may specify, a final report describing the activities carried out with funds awarded under this part and the results achieved.

"(c) Sections 435 and 436 of the General Education Provisions Act, except to the extent that such sections relate to fiscal control and fund accounting procedures, shall not apply to this part.

"USE OF FUNDS

"SEC. 4907. (a)(1) A State shall use funds awarded under this part to support programs, projects, or activities that develop and implement new, or expand and improve existing, alternative teacher and principal certification requirements.

"(2) A State may carry out such programs, projects, or activities directly, through contracts, or through subgrants to local educational agencies, intermediate educational agencies, institutions of higher education, or consortia of such agencies.

"(b) Programs, projects, and activities supported under this part may include, but are not limited to, the—

"(1) design, development, implementation, testing, and evaluation of alternative teacher and principal certification requirements;

"(2) establishment of administrative structures necessary to the development and development and implementation of alternative teacher and principal certification requirements;

"(3) training of staff, including the development of appropriate support programs, such as mentor programs, for teachers and prinicipals entering the school system through the alternative teacher and principal certification program;

"(4) development of recruitment strategies; and

"(5) development of reciprocity agreements between or among States for the certification of teachers and principals.

"EXPIRATION DATE

"SEC. 4908. Effective October 1, 1990, the Alternative Certification of Teachers and Principals Assistance Act of 1989 is repealed.".

PART D—PRESIDENTIAL AWARDS FOR EXCELLENCE IN EDUCATION

PRESIDENTIAL AWARDS FOR EXCELLENCE IN EDUCATION PROGRAM

SEC. 131. (a) The heading for title II of the Elementary and Secondary Education Act of 1965 is amended to read as follows: "CRITICAL SKILLS IMPROVEMENT AND PRESIDENTIAL TEACHER AWARDS".

(b) Title II of the Elementary and Secondary Education Act of 1965 is further amended by adding at the end thereof the following new part:

"PART D—PRESIDENTIAL AWARDS FOR EXCELLENCE IN EDUCATION PROGRAM

"FINDINGS AND PURPOSE

"SEC. 2301. (a) FINDINGS.—The Congress finds that—

"(1) the success of America's elementary and secondary schools depends most heavily upon the Nation's teachers;

"(2) when teachers are highly motivated and committed to excellence, they succeed not only in imparting subject matter knowledge, but also in instilling in their students an appreciation of the value and importance of education;

"(3) elementary and secondary school systems should have in place standards of teacher excellence and fair and effective procedures for measuring teacher success; and

"(4) in return for their efforts, excellent elementary and secondary school teachers deserve public recognition, respect, and appropriate financial awards.

"(b) PURPOSE.—It is the purpose of this subpart to reward teachers in every State who meet the highest standards of excellence.

"AUTHORIZATION OF APPROPRIATIONS; ALLOCATIONS TO STATES

"SEC. 2302. (a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $7,600,000 for fiscal year 1990 and each of the three succeeding fiscal years to carry out the provisions of this part.

"(b) ALLOCATION FORMULA.—(1) From the funds appropriated for any fiscal year for this part under subsection (a), the Secretary may first reserve an amount not to exceed $200,000 for expenses related to an annual award ceremony and the issuance of award certificates.

"(2) From the remaining funds, the Secretary shall allocate to each State an amount that bears the same relation to the total amount available under this paragraph as the number of full-time equivalent public elementary and secondary school teachers in such State bears to the total number of such teachers in all the States, except that no State shall be allocated an amount under this paragraph that is less than the amount necessary to fund one Presidential Award for Excellence in Education plus the State's administrative expenses as reserved in accordance with subsection (c).

"(3) In determining a State's allocation under paragraph (2), the Secretary shall use the most recent satisfactory data available to the Department.

"(c) ADMINISTRATIVE EXPENSES.—Each State may reserve up to five percent of its allocation under subsection (b)(2) for administrative expenses, including the cost of convening the panel described in section 2304(c).

"(d) USE OF EXCESS FUNDS.—If a State has excess funds remaining after it has made the maximum number of awards possible in accordance with section 2305(a) and reserved a portion of its allocation for administrative expenses in accordance with subsection (c), the State may use the remainder of its allocation for appropriate State ceremonies or other forms of recognition for teachers in the State who do not receive a Presidential Award for Excellence in Education.

"(e) STATE DEFINED.—For the purposes of this part, the term 'State' shall include the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and Palau (until the effective date of the Compact of Free Association with the Government of Palau).

"(f) INSULAR AREAS.—The provisions of Public Law 93-134, permitting the consolidation of grants to the Insular Areas, shall not apply to funds allocated under this part.

"STATE APPLICATIONS

"SEC. 2303. (a) SUBMISSION OF STATE APPLICATIONS.—The Secretary is authorized to make grants to States in accordance with the provisions of this subpart. In order to receive a grant under this subpart, the Governor of each State shall submit a one-time application to the Secretary. Such application shall be filed at such time and in such manner, and shall contain such information, as the Secretary may reasonably require.

"(b) DESCRIPTION OF STATE CRITERIA AND PROCEDURES.—The application shall contain a description of the State's criteria and procedures for selecting recipients of Presidential Awards for Excellence in Education. The State's criteria and procedures shall be subject to the approval of the Secretary.

"(c) ASSURANCES.—The application shall contain assurances that—

"(1) Presidential Awards for Excellence in Education shall be made in accordance with the provisions of this subpart;

"(2) the State shall provide such fiscal control and fund accounting procedures as the Secretary may require; and

"(3) the State shall apply the selection criteria uniformly to nominations for recipients of Presidential Awards for Excellence in Education that are received from public and private schools, teachers, associations of teachers, parents, associations of parents and teachers, businesses, business groups, or student groups, as well as those received from local educational agencies.

"SELECTION OF AWARD RECIPIENTS

"SEC. 2304. (a) ELIGIBLE RECIPIENTS.—Any full-time public or private elementary or secondary school teacher of academic or vocational subjects shall be eligible to receive an award under this subpart, except that teachers of religion (other than religion as an academic discipline) shall not be eligible.

"(b) NOMINATIONS.—(1) Local educational agencies, public and private schools, teachers, parents, associations of teachers, associations of parents and teachers, businesses, business groups and student groups may nominate teachers for awards under this subpart.

"(2) The State educational agency shall notify local educational agencies, public and private schools, associations of teachers, associations of parents and teachers, business groups, and the general public of the deadlines and procedures for making nominations, and inform them of the selection criteria that will be used in selecting award recipients in a given year.

"(c) SELECTION BY STATE PANEL.—Selection of award recipients in each State shall be made from among the teachers nominated in accordance with subsection (b). Award recipients shall be selected by a panel that is chosen by the Governor in consultation with the chief State school officer and is composed of members representing parents, school administrators, teachers, school board members, and the business community.

"(d) SELECTION CRITERIA.—The State panel shall select award recipients in accordance with the criteria approved by the Secretary in the State's application. The selection criteria may take into account, but are not limited to, a teacher's success in—

"(1) educating 'at-risk' students, such as educationally or economically disadvantaged, handicapped, limited English proficient, or homeless children, as well as the children of migrant agricultural workers, to their fullest potential;

"(2) educating gifted and talented students to their fullest potential;

"(3) encouraging students to enroll, and succeed, in advanced classes in subjects such as mathematics, science, and foreign languages;

"(4) teaching in schools educating large numbers of 'at-risk' students, including schools in low-income inner-city or rural areas;

"(5) introducing a new curriculum area into a school or strengthening an established curriculum;

"(6) acting as a 'master teacher' by helping new teachers make the transition into a teaching career; or

"(7) encouraging potential dropouts to remain in school or encouraging individuals who have dropped out to reenter and complete their schooling.

"AMOUNT AND USE OF AWARDS

"SEC. 2305. (a) AMOUNT OF AWARDS.—The amount of a Presidental Award for Excellence in Education shall be $5,000.

"(b) USE OF AWARDS.—An award to an individual recipient under this subpart shall be available for the recipient's use for any purpose.".

PART E—EFFECTIVE DATE

EFFECTIVE DATE

SEC. 141. The amendments made by this title shall be effective October 1, 1989.

TITLE II—NATIONAL SCIENCE SCHOLARS

NATIONAL SCIENCE SCHOLARS PROGRAM

SEC. 201. Part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq., hereinafter referred to in this title as "the Act"), is amended—

(1) by redesignating subparts 7 and 8 as subparts 8 and 9, respectively; and

(2) by inserting immediately after subpart 6 the following new subpart:

"Subpart 7—National Science Scholars Program

"PURPOSE; APPROPRIATIONS AUTHORIZED

"SEC. 419L. (a) Purpose.—It is the purpose of this subpart—

"(1) to establish a National Science Scholars Program to recognize student excellence and achievement in the physical, life, and computer sciences, mathematics, and engineering;

"(2) to assist students who have demonstrated outstanding academic achievement in continuing their education in these fields of study at sustained high levels of performance; and

"(3) to contribute to strengthening the leadership of the United States in these fields.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for fiscal year 1990, $10,000,000 for fiscal year 1991, $15,000,000 for fiscal year 1992, and $20,000,000 for fiscal year 1993.

"SCHOLARSHIPS AUTHORIZED

"SEC. 419M. (a) PROGRAM AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this subpart, to carry out a program of awarding scholarships to students who are selected by the President; have demonstrated excellence and achievement in the life, physical, or computer sciences, mathematics, or engineering; and who show promise of continued outstanding academic achievement in these fields of study. The Secretary may carry out this

program through grants, contracts, or cooperative agreements.

"(b)(1) PERIOD OF INITIAL AWARD.—A student who satisfies the requirements of section 419O(a) may receive a scholarship, for a period of one academic year, for the first year of undergraduate study at an institution of higher education.

"(2) CONTINUATION AWARDS.—A student who satisfies the requirements of section 419O(b) may receive additional scholarships, each awarded for a period of one academic year, in order to complete his or her undergraduate course of study. A student may receive additional scholarships for up to three academic years of undergraduate study, except that, in the case of a student who is enrolled in an undergraduate course of study that requires attendance for five academic years, the student may receive additional scholarships for up to four academic years of undergraduate study.

"(c) USE AT ANY INSTITUTION PERMITTED.—A student awarded a scholarship under this subpart may attend any institution of higher education, as defined in section 1201(a) of the Act.

"(d) NATIONAL SCIENCE SCHOLARS.—Students awarded scholarships under this subpart shall be known as 'National Science Scholars'.

"SELECTION OF SCHOLARS

SEC. 419N. (a) SELECTION CRITERIA.—The Secretary shall appoint a panel of experts, composed of scientists, mathematicians, engineers, and representatives of industries that utilize advanced technologies, to recommend to the Secretary specific academic achievement criteria for use in the nomination of scholars. The Secretary shall review the panel's recommendations and publish appropriate academic achievement criteria in the Federal Register.

"(b) SELECTION PROCESS.—(1) Using the criteria described in subsection (a), each State shall nominate at least four, but not more than 10, students from each congressional district within that State. The President shall select students to receive scholarships under this part in accordance with paragraph (2).

"(2)(A) After considering the students nominated under paragraph (1), the President shall select at least 30 students to receive scholarships. The President may consult a board, consisting of the President's Science Advisor, the Secretary, and the Director of the National Science Foundation, regarding the selection of students under this subparagraph.

"(B) After considering the students nominated under paragraph (1), the President shall select an additional 540 students to receive scholarships. Each Senator and Member of the House of Representatives (or in the case of the District of Columbia, Puerto Rico, the Virgin Islands, Guam, or American Samoa, the Delegate or Resident Commissioner) is entitled to make recommendations to the President regarding the selection of students, nominated under paragraph (1), for one scholarship.

"(c) USE OF EXCESS FUNDS.—If the funds available under this subpart for any fiscal year exceed the amounts required for initial and continuing awards under section 419M(b), the President may, after considering the students nominated under subsection (b)(1), select additional students to receive scholarships under section 419M(b)(1).

"(d) DISBURSAL OF SCHOLARSHIP PROCEEDS.—Scholarship proceeds shall be disbursed on behalf of students who receive scholarships under this subpart to the institutions of higher education at which the students are enrolled. No scholarship proceeds shall be disbursed on behalf of a student until the student is enrolled at an institution of higher education.

"ELIGIBILITY OF SCHOLARS

"SEC. 4190. (a) REQUIREMENTS FOR INITIAL AWARD.—To be eligible to receive a scholarship under section 419M(b)(1), a student shall—

"(1) be scheduled to graduate from a public or private secondary school, or to obtain the equivalent of a certificate of graduation (as recognized by the State in which the student resides), during the school year in which the award is made, or be scheduled to so graduate or obtain such equivalent within three months after the date of the award;

"(2) have been accepted for enrollment at an institution of higher education as a full-time undergraduate student (as determined by the institution); and

"(3) have declared a major in one of the life computer, or physical sciences, mathematics, or engineering, or provided a written statement to the State of his or her intent to major in one of these fields of study, if it is the policy of the institution at which the student has been accepted for enrollment that students not declare a major until a later point in their course of study.

"(b) REQUIREMENTS FOR CONTINUATION AWARDS.—A student who has received a scholarship under section 419M(b)(1) may receive a scholarship for a subsequent academic year of undergraduate education under section 419M(b)(2) if the student—

"(1) maintains a superior level of academic achievement, as determined in accordance with the regulations of the Secretary;

"(2) continues to major in, or provides a statement to the State as described in subsection (a)(2) of his or her continuing intent to major in, one of the life, computer, or physical sciences, mathematics, or engineering; and

"(3) continues to be enrolled at an institution of higher education as a full-time undergraduate student (as determined by the institution).

"(c) WAIVER OF FULL-TIME ATTENDANCE REQUIREMENT.—The Secretary may waive the full-time attendance requirements in this section in unusual circumstances.

"(d) FAILURE TO MEET ELIGIBILITY REQUIREMENTS.—In the event that the student fails to meet the requirements of this section, the student's eligibility to receive further scholarships (or scholarship proceeds) under this subpart shall be determined in accordance with the regulations of the Secretary.

"SCHOLARSHIP AMOUNT

"SEC. 419P. (a) AMOUNT OF AWARD.—Except as provided in subsection (b) and (c), the amount of a scholarship awarded under this subpart for any academic year shall be $10,000.

"(b) RELATION TO COST OF ATTENDANCE AND OTHER GRANTS AND SCHOLARSHIPS.—Notwithstanding subsection (a), the amount of a scholarship awarded under this subpart shall be reduced by the amount that the scholarship—

"(1) exceeds the student's cost of attendance, as defined in section 472 of the Act; or

"(2) when combined with other Federal or non-Federal grant or scholarship assistance the student receives in any academic year, exceeds the student's cost of attendance, as defined in section 472 of the Act.

"(c) ADJUSTMENTS FOR INSUFFICIENT APPROPRIATIONS.—In the event that funds available in a fiscal year are insufficient to fully fund all awards under this subpart, the amount paid to each student shall be reduced proportionately.

"SUMMER EMPLOYMENT OPPORTUNITIES FOR SCHOLARS

"SEC. 419Q. (a) PRIORITY FOR SUMMER EMPLOYMENT.—To the extent that they are otherwise qualified, students receiving scholarships under this part shall be given priority consideration for federally-financed summer employment in federally-funded research and development centers, that, to the maximum extent practicable, complements and reinforces the educational program of these students.

"(b) FEDERAL AGENCY COOPERATION.—Federal agencies shall cooperate fully with the Secretary and participate actively in providing appropriate summer employment opportunities for such students.".

CONFORMING AMENDMENTS

SEC. 202. (a) Section 401(b) of the Act is amended by striking out "subparts 1 through 8," and inserting in lieu thereof "subparts 1 through 9,".

(b) Section 481(a)(1) of the Act is amended by striking out "except subpart 6" and inserting in lieu thereof "except subparts 6 and 7".

(c) Section 483(f) of the Act is amended by striking out "subparts 4, 5, and 7" each place it appears and inserting in lieu thereof "subparts 4, 5, and 8".

EFFECTIVE DATE

SEC. 203. The amendments made by this title shall be effective on October 1, 1989 for academic year 1990-91 and succeeding academic years.

TITLE III—OTHER PROGRAMS

DRUG-FREE SCHOOLS URBAN EMERGENCY GRANTS

SEC. 301. The Drug-Free Schools and Communities Act of 1986 (20 U.S.C. 3171 *et seq.*) is amended—

(1) in section 5111(a)—

(A) in paragraph (1), by striking out "(other than part C)" and inserting in lieu thereof "(other than part C and section 5132(d))"; and

(B) at the end thereof, by adding a new paragraph to read as follows:

"(3) For the purpose of carrying out section 5132(d), there are authorized to be appropriated $25,000,000 for each of the fiscal years 1990, 1991, 1992, and 1993."; and

(2) in section 5132, by adding at the end thereof the following new subsection:

"(d) URBAN EMERGENCY GRANTS.—The Secretary shall use funds appropriated under section 5111(a)(3) to award a small number of one-time grants to local educational agencies that are located in urban areas that have the most severe drug problems, to assist those agencies in developing and implementing comprehensive approaches to eliminating the serious drug problems that affect schools and students within their boundaries.".

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

SEC. 302. Section 360(a)(3) of title III of the Higher Education Act of 1965 is amended—

(1) by inserting "(A)" immediately after "(3)"; and

(2) by adding at the end thereof a new subparagraph to read as follows:

"(B)(i) There are authorized to be appropriated $10,000,000 for fiscal year 1990, $20,000,000 for fiscal year 1991, $20,000,000 for fiscal year 1992, and $10,000,000 for

fiscal year 1993 for awards under section 332 of the Act to historically Black colleges and universities that qualify as part B institutions.

"(ii) A part B institution that receives an award from funds appropriated for any fiscal year under clause (i) shall not be eligible to receive an award from funds appropriated for that fiscal year under subparagraph (A), but a part B institution that does not receive an award from funds appropriated for any fiscal year under clause (i) shall be eligible to receive an award from funds appropriated for that fiscal year under subparagraph (A).".

EFFECTIVE DATE

SEC. 303. The amendments made by this title shall be effective October 1, 1989.

Mr. DOLE. Mr. President, today we are introducing President Bush's first education initiative, the Educational Excellence Act of 1989. It is important to recognize that we have a President who is taking a long-term view of education and our Nation's competitiveness. Our so-called education deficit is inextricably linked to our budget and trade deficit.

The major intent of the President's legislation is to identify, recognize, and reward excellence in education, as well as to promote choice, flexibility, and accountability. Most of the new programs he has included would provide Federal seed money to encourage innovation and State reforms and improvements.

The significance of an education proposal should not be judged on how much money is being thrown at a problem. We should be concerned about the returns on the investment we are making, and the record is not good. In the past, there has been too much emphasis on input, and not enough focus on output or results. In this country, we spend about $331 billion on education at all levels—more than we spend on defense, which is a major role of the Federal Government. We spend more per student than any other country, and yet 1 out of 7 adults cannot even locate the United States on a globe.

President Bush is willing to spend $441 million more on education, but he wants to get results. He does not believe in rewarding the status quo, but believes we should reevaluate our entire educational system to identify what works and what doesn't. With the President's new programs, the Federal Government will be spending about $22.3 billion on education this next fiscal year. When he became Secretary of Education, Lauro Cavazos redirected about $750 million from programs that were ineffective, duplicative, or obsolete to programs that assist economically disadvantaged students, such as chapter 1 and Pell grants.

PRESIDENTIAL MERIT SCHOOLS PROGRAM

Mr. President, the Presidential Merit Schools Program would provide cash awards to public and private elementary and secondary schools that have made substantial progress in improving educational achievement for their students, creating a secure and drug-free environment, and reducing the dropout rate.

The Presidential merit schools would be selected by the State, assisted by a special State review panel, utilizing State and Federal criteria. The schools selected would be able to use the additional funding for any purpose that furthers their improvement goals, such as materials and equipment, including computers, as well as bonuses to teachers and administrators.

MAGNET SCHOOLS OF EXCELLENCE

This legislation would expand the Magnet Schools Program, which has demonstrated success and effectiveness in providing a choice of quality education to students and their parents. This is a way to encourage and recognize the potential of economically and educationally disadvantaged children to benefit from magnet school programs, which have also been very effective in desegregation efforts. The bill would authorize $100 million for magnet schools of excellence for fiscal year 1990 and each of the 3 succeeding fiscal years.

ALTERNATIVE CERTIFICATION OF TEACHERS AND PRINCIPALS PROGRAM

Perhaps one of the most significant of the President's proposals would help increase the pool of potential teachers qualified to teach in the classroom. This legislation would provide an alternative certification of teachers and principals program by extending the pool of talent from which to hire teachers and principals. The bill would provide incentives for States to develop, expand, or improve flexible certification systems designed to attract into the education field talented professionals with demonstrated subject area expertise or leadership qualities. Funding would support such activities as training, program development, and evaluation.

Grants would support the design, development, implementation, testing and evaluation of strategies for the alternative certification of teachers and principals, as well as training and recruitment.

PRESIDENT'S AWARDS FOR EXCELLENCE IN EDUCATION

Teachers play a very significant role in successful education programs. Therefore, teachers who meet the highest standards of excellence deserve some kind of public recognition for the talented professionals they are. The new Presidential awards for excellent public and private schools teachers will give $5,000 to each individual teacher who is recognized for his or her outstanding contributions to American education.

NATIONAL SCIENCE SCHOLARS PROGRAM

Mr. President, President Bush's new National Science Scholars Program would encourage achievement in the sciences by providing scholarships to graduating high school students who have demonstrated high academic achievement in the sciences, mathematics, and engineering. National science scholars would receive up to $10,000 a year for each year of undergraduate education.

DRUG-FREE SCHOOLS URBAN EMERGENCY GRANTS

Some of our most serious drug problems are in urban areas, although rural areas are experiencing serious drug problems as well. More concentrated and comprehensive efforts are required if we are ever to get a handle on the problems. This legislation would amend the Drug-Free Schools and Communities Act of 1986 to authorize a program of urban emergency grants to authorize a small number of special, competitive grants to urban districts that have the most severe drug problems, so that these areas can develop and implement comprehensive solutions.

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

Given the special role of black colleges and universities in our system of higher education, this legislation would recognize the development of these institutions and provide additional authorizations, which would be available to match private sector contributions to the school's endownment fund. Income from the endowment could then be used to improve academic programs, in addition to administration and management.

CONCLUDING REMARKS

Mr. President, President Bush's Educational Excellence Act is a step in the right direction for our national education policy. The programs it includes will reward results and expand opportunities for economically disadvantaged and minority students. Since the Federal role is limited, this a very effective targeting of scarce resources. I hope a majority of my colleagues will support this initiative.

Mr. BOREN. Mr. President, I am proud to join with Senator KASSEBAUM in introducing President Bush's bipartisan proposal, the "Educational Excellence Act of 1989."

One thing is absolutely clear—the United States can remain the leading nation in the world only if it has an educational system that is the best educational system in the world. In this day of the international marketplace, excellence in education is not a luxury; it is an urgent necessity. This bill is only a modest beginning. It is not the total solution, but it is an important positive step in the right direction. This bill contains the major education programs and initiatives which

the President has outlined as priorities for this year.

This President has gone to great lengths to craft a bill that rewards excellence in our schools while encouraging improvement in all schools.

The various programs within this legislative package are positive national initiatives to expand programs that have worked in other States and to improve Federal efforts in education.

The "Presidential Merit Schools" Program will give deserved recognition, reward and incentives to schools which have seen increased student achievement, made improvements for a safe and drug-free environment, and reduced their dropout rate. We all realize that, while Federal initiative, leadership, and funding is necessary for improvement of our educational system, the most substantial progress for improvement in our schools must be instituted at the local level.

"The "President's Awards for Excellence in Education" is also an important aspect of this bill. It is designed to make a $5,000 award to teachers who display the highest standards of excellence. In my own State, we have set up the Oklahoma Foundation for Excellence which as a non-profit entity receives support from the private sector to award the "Gold Medal of Excellence" to four outstanding teachers annually accompanied by a $5,000 award. In fact, in just 10 days, we will have our third annual awards banquet to recognize not only those deserving teachers, but also to recognize 100 "academic all-starters." These students, who rank at the top of their class and who are the best high school seniors in public schools in our State, are awarded $1,000 scholarships from the foundation.

And, I might say parenthetically that the Senator from Kansas, Senator KASSEBAUM, a leader in this legislation, will be one of our guest speakers for this special occasion in my home State.

These State foundation awards, like the President's Awards for Excellence, are needed, symbolic gestures to show the value society places on the vital profession of teaching. We live in a time in which college athletes leave universities to sign multimillion-dollar contracts to play professional sports, making more in one contract than the combined salaries of their teachers and professors from 16 years of elementary, secondary, and college education. We must realign our values to show renewed respect for those individuals who are educating, and literally shaping the life of, our young people.

Mr. President, while there is more that can and should be done to restore funding for education at all levels, and while I have other ideas of how to improve and enhance our international stature with respect to education, I salute the President for his refreshing interest. As the late President Kennedy said, "Our progress as a nation can be no swifter than our progress in education." In today's increasingly complex international economy, with our country's first painful feel of competition as seen in our enormous trade and technological deficit which we are now experiencing, we must renew our commitment to be second to no one in education.

As I have said, excellence in education is not a luxury, it is an urgent necessity. This country cannot continue to lead the free world unless it continues to lead the world in excellence in our educational system.

Finally, Mr. President, I wish to thank my respected and distinguished colleague from Kansas, Senator KASSEBAUM, the ranking member of the Education Subcommittee for her leadership in this field. I know her sincere concern for our future not only as it relates to our educational system, but in all aspects of national and international policy.

I am proud to join with her. I am proud to lend bipartisan support to an important initiative from the White House to improve the standards of education to help train the next generation of Americans to take their place in the international marketplace and to keep our country strong.

It is a beginning, only a beginning, but an important beginning, and an important message for the President to deliver to the American people. It is time for us to all get involved in this fight.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I would just like to thank the Senator from Oklahoma [Mr. BOREN]. He has, by example, demonstrated his recognition of the importance of excellence in education with the foundation that he started in Oklahoma, which he mentioned. This is the ninth year in which the foundation has recognized the best teachers and the top 100 students. This effort is something to which he has given a great deal of time, financial support, and energy. I think this is an example of what we are all trying to achieve, and it serves as a model for each of our States.

I would like to apy a particular tribute to his efforts in that endeavor and to express appreciation for his cosponsorship of this legislation.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, as a cosponsor of the Educational Excellence Act of 1989 with the junior Senator from Kansas, I would like to add a few words of support for a number of innovative initiatives it includes.

I say innovative. But these are not hasty experiments bred of impatience or despair. They are confident reforms, rooted in tested principles of choice and excellence. They set a new course. But the direction is really a return to ideas we should never have forgotten in the first place.

Of the several parts of this bill, I want to focus on two in particular—both of which are similar in design to proposals I introduced in the House of Representatives under the American Family Act.

The first is a proposal of new incentives for magnet schools of excellence. The concept of magnet schools was developed as a creative response to desegregation rulings—designed to attract a diverse mix of students. But educators soon discovered that the competition these schools created—the choice they provided to parents—resulted in other successes as well.

I have seen those successes close up. In my hometown of Fort Wayne, IN, we started with just two magnet schools and my daughter was a part of the very first class at Memorial Park Magnet School. And what a positive experience that was for her, and, I might add, for her parents. Since then we have seen the creation of eight more magnet schools in Fort Wayne with another seven on the way. These magnet schools now offer specialties in fine arts, science, communications, and computer science.

Furthermore, the success of these schools has resulted in nonmagnet schools offering additional programs in order to compete. The entire system has been strengthened.

The Presidents Magnet Schools of Excellence Program provides $100 million for magnet schools in school districts that are not under desegregation orders—funds that will supplement programs like those in Fort Wayne. This proposal addresses an obvious question: Since parental choice is so closely linked to academic achievement, why not extend it beyond school districts under court order to desegregate?

But the Educational Excellence Act, along with my American Family Act, recognizes that choice alone is sometimes not enough. That is the reason we have proposed a source of additional funding to encourage local educational reform and innovation. In my bill it was called bootstrap schools. In this new legislation it is titled presidential merit schools.

When parents are forced to make a choice between one low-quality school and another, they really have no choice at all. So our bill includes additional funds for those schools that show progress in reducing dropouts, increasing academic performance and creating a drug-free environment—$250 million to be distributed on merit alone.

I am convinced this will encourage a range of proven reforms—local com-

munities adapting innovations to fit their own needs.

It will encourage an increase in character education programs—because they produce more committed and responsible students and gain parental and community support.

It will foster the expansion of school-based management and shared decisionmaking—because flexibility in the system means better performance. Already school districts in Dade County, FL; Rochester, NY; and Hammond, IN are putting this promising innovation into place.

It will result in efforts to increase parental involvement—since this is the most effective way to improve student achievement. This is an idea being implemented in Indianapolis through the In Touch Program.

It will mean wider use of merit pay systems—because they motivate teachers and reward accomplishment.

And it will encourage special attention and assistance to at risk students, as well as the reduction of class sizes—both helpful to improve performance.

Programs that involve parents, that offer choice, that reward achievement, that target those most in need, and that take the scourge of drugs head-on are urgently needed. The Educational Excellence Act is a start. And these two elements in particular are positive steps in the cultivation of minds that will determine the future of free institutions—unclouded by drugs, inspired by knowledge and disciplined by a demand for excellence.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, I am happy to join others in cosponsoring the President's education initiative today. I congratulate our distinguished colleague from Kansas, Senator KASSEBAUM, the ranking Republican member on our education subcommittee, for the leadership she is providing to our subcommittee and in the Senate on the subject of education

We do have a problem in our country, and it needs the immediate attention of the Senate and the Congress. President Bush has outlined, in his inaugural address and in his speech to the joint session of Congress on February 9, some specific suggestions that ought to be followed if we are to encourage excellence and to reward high levels of performance by students, teachers, and school administrators.

That is the theme, as I see it, of the package being presented to the Senate today. There is a program for national science scholarships to encourage our high school students to do better work in science and math courses. We know that we have a shortage of engineers, of mathematics teachers, of those willing to undertake graduate study in math and science. That is not good for our country. Unless we reverse this trend, we are going to fall behind in our efforts to develop and apply new technologies, and our competitive edge is going to be eroded.

This legislation is an example of what the Federal Government can do with the leadership of a strong President, conspicuously rewarding those who do well in school. It will encourage all students to do more work, to work harder, to make better grades in math and science, and to go to college. That is what this scholarship program is all about, and I think it is a good example of what we need to do. It is new, it is innovative, and it will work.

The legislation will also reward those teachers who do a better job, those who live up to the highest standards of excellence. I may be biased in my attitude about this. I grew up in a school teacher family. My mother was a high school mathematics teacher. My father was the principal of the school, wherever we were living at the time, and became county superintendent of education before he retired. I had a grandmother who taught school and an aunt and an uncle. These are just personal recollections I have of family situations that showed me what a difference personal commitment and allegiance to high standards of performance can make in the lives of students.

I therefore think it is highly appropriate for us to have a national program to reward teachers who do the best jobs. Teachers will be selected by State committees, but the money will come from the Federal Government: $5,000 in cash awards, singling out those who are doing a good job, encouraging all our teachers to strive for the highest standards of excellence in the classroom. There will also be recognition for administrators, the managers in charge of the environment for learning, whose schools can qualify as merit schools. The recognition and rewards of the Federal Government will be given to those schools that improve the dropout rate, elevate test scores and performance, and stand out as doing a better job of making learning productive and interesting.

Other programs included in the legislation have been described by others. Assistance to our historically black colleges and universities is very important. There are 103 of these public and private institutions doing a very important job in our society, and I am glad they are included in this education package.

The provisions for magnet schools of excellence, alternative principal and teacher certification, and drug-free programs are very important. Like other parts of the bill, they illustrate the theme of the entire approach—encouraging excellent performance by students, classroom teachers, and administrators in our school systems.

Mr. President, I am delighted to be part of this initiative. I hope other Senators will cosponsor the bill. We can have early hearings in our Committee on Education and report the bill to the floor for passage.

Mr. DOMENICI. Mr. President, I am pleased to join with the distinguished ranking member of the Education Subcommittee, Mrs. KASSEBAUM, in cosponsoring the President's education initiatives, which are being transmitted to Congress today. The initiatives in this package, in my opinion, are worthy of the support of every Senator. By adopting them, we will take very important steps toward achieving excellence in education in these United States. These initiatives seek to achieve the President's four goals of recognizing excellence, addressing needs, providing for flexibility and choice, and accountability.

Those are the goals, and the President and those who have advised him, including the Secretary of Education, Secretary Cavazos, have put some substance to those ideas, and I, frankly, believe that the President's ideas encapsulated in the legislation introduced today deserve the full consideration of the Senate.

I believe the American people will support this legislation, and when coupled with the other educational thrusts and funding that we have in our ongoing educational activities, I believe it makes an excellent package to get started down the line of improving American education.

Mr. HATCH. Mr. President, today I join in introducing and cosponsoring the Educational Excellence Act of 1989. This package fulfills President Bush's commitment to propose initiatives to enhance American education.

Parents and educators in my home State of Utah join me in thanking the President for his interest in educational reform and his commitment to improve the caliber and status of teachers. Until our budget deficit is reduced, Federal resources for improving education will, unfortunately, be limited. Thus, all Utahns want to work with the President and Congress to ensure that both old and new Federal education dollars buy as much educational quality and access as possible.

As indicated by its title, the President's proposals seek to enhance educational quality. They will promote expansion of important educational reforms initiated by many States and build on those in the Hawkins-Stafford Elementary and Secondary School Improvement Amendments of 1988. The President's package rewards success and excellence, promotes flexibility and choice, and requires accountability for dollars spent. These are principles we all support.

The President is correct: increasing our Federal investment in "magnet

school" programs is long overdue. They are a proven success. Newspaper accounts of long lines of parents waiting to enroll their children in magnet schools is vivid testimony to the promotion of educational excellence by expanding choice and flexibility. When we have met the need of school districts which require magnet school funds for desegregation purposes, we should expand their availability. Heavily minority school districts could then use these funds to promote integration by attracting nonminority students back into public schools. Congress enacted such a program, Alternative Curriculum Schools, in the universally acclaimed Hawkins-Stafford Amendments of 1988. Let's fund Alternative Curriculum Schools. Eventually, Federal seed money should be available for any school district with a quality proposal for magnet programs emphasizing subjects of critical national need or alternative curricula and methods of teaching. Many groups in Utah have already begun to formulate such plans. Their variety and potential for promoting educational excellence are impressive.

The President also recognizes that educational quality can be increased by rewarding outstanding teachers and developing alternative teacher and principal certification programs. Utah, for example, is devoting considerable effort to improve the caliber and status of our teachers by a "career ladders" program. If we husband our dollars carefully, perhaps the Federal Government can help States implement similar worthy programs to promote and reward excellent teachers. In addition, I hope that a teacher training bill, which the Senate Education Subcommittee plans to consider this year, will include an alternative certification program. Alternative certification, in addition to improving the teacher corps, promotes choice and flexibility.

The President's package points to another major way the Federal Government can promote educational improvement. Building on the Hawkins-Stafford Amendments, I can envision a "merit schools" component of the revamped program improvement section of our chapter 1 compensatory education program. Chapter 1 schools serve some of our most disadvantaged children, children whose educational achievement must be real, not trivialized by a worthless diploma. How appropriate it would be to add substantial money to chapter 1 to assist and reward these schools for improved educational performance and reduced dropouts, for example. These additional funds would help chapter 1's buying power keep pace with inflation—something vitally important to Utah where some school districts still cannot afford to run both remedial reading and math programs or to serve all eligible children.

Just a few days ago, when announcing his awards under the Secretary's Initiative to Improve the Education of Disadvantaged Children, Secretary Cavazos stated:

> Chapter 1 continues to be a high priority of the Department and of mine personally. When I say our goal is to educate every person in this country to his or her fullest potential, I mean everyone. We cannot afford to waste the potential of a single individual by allowing educational opportunity to bypass them. That is at the heart of Chapter 1.

Congress and parents and educators across this country concur.

As noted by Secretary Cavazos, an enhanced Chapter 1 Program also reflects the second important traditional role of the Federal Government in education—to ensure and expand access to education. That responsibility is also forthrightly recognized by the President's intention to increase the endowment funds, available under title III of the Higher Education Act, to our historically black colleges and universities. I applaud his intention. These institutions have nobly served an important segment of our population: Once the only door to higher education for many, today they offer an important choice.

I agree as well with the President's decision to make these funds available through the endowment portion of title III. All of our title III institutions will be far better served by helping them build their endowments and become financially strong and independent than by addicting them to dependency on short-term Federal development grants.

I also urge my colleagues in both Houses to work with the administration to develop a fiscal year budget which can add additional money to the Pell Grant Program. With limited resources until our budget deficit is solved, we may not be able immediately to raise the maximum Pell Grant to the level Congress overwhelmingly approved in the Higher Education Amendments of 1986. Nor will we, overnight, reverse completely the current imbalance between grants and loans in a needy student's Federal financial aid package—an imbalance, I might add, which intensifies our current student-loan default problem.

We cannot solve these problems immediately, but we absolutely must begin. Our students and our Nation deserve no less. Pell Grants are the major Federal "access" program for postsecondary education, assisting our most needy students to obtain the advanced education increasingly necessary to become self-fulfilled, gainfully employed, and taxpaying citizens Assisting them is also an investment in our Nation. It promotes sustained economic growth, enhances our competitive position in world markets, increases productivity, and produces higher incomes and a better standard of living for all our citizens.

Again, Mr. President, I am pleased to cosponsor President Bush's Educational Excellence Act. I look forward to working with him, my colleagues in Congress, and parents, educators, and citizens across this country to make its objectives a reality.

Mr. WARNER. Mr. President, I am privileged today to join as an original cosponsor of the Educational Excellence Act of 1989, the first initiative of President Bush in fulfilling his commitment to becoming America's Education President.

It is a special pleasure to acknowledge the leadership of the ranking Republican member of the Senate Education Subcommittee, Senator NANCY KASSEBAUM, who is introducing the initiative on behalf of President Bush. The legislation authorizes $441 million for 10 new programs designed to encourage excellence, innovation, achievement, and accountability in the provision and management of American education.

Of particular interest to me is the new National Science Scholars program in which Members of Congress may select promising young science students from our States and districts to receive up to $10,000 in financial aid for their annual college expenses.

Also of note are the Merit Awards for outstanding schools, teachers, and principals; greatly increased funding for expanding the Nation's magnet school programs; emergency grants to urban areas to promote drug-free schools; and important financial support to enhance the endowments of our historically black colleges and universities [HBCU's].

I encourage all of my colleagues to lend their support in making these initiatives a reality for the American education community.

While on the subject of education, I would be remiss if I did not mention that a citizen of the Commonwealth of Virginia, Mrs. Mary Bicouvaris of Hampton, has just this morning received an award from the hands of the President of the United States as the National Teacher of the Year.

"Mrs. Bic", as she is affectionately known to her students and friends, came to this country from her native Greece in 1961, and has since become one of our country's most outstanding educators. She received her masters degree in education from William and Mary, and is now a greatly revered government and international relations teacher at Bethel High School in Hampton, VA. With this well-deserved recognition, Mary Bicouvaris will, for the next year, be excused from the classroom to help promote educational excellence throughout the Nation.

Mary Bicouvaris is the first Virginian to be so honored in the 38-year history of the National Teacher's Award, and the entire Virginia Congressional Delegation has relayed to her our strongest commendation. I wish her well as she assumes her duties for the coming year and know that she will not only be an ambassador for American education but also for the Commonwealth of Virginia.

Mr. McCAIN. Mr. President, I am pleased to be a cosponsor of the Educational Excellence Act of 1989. This bill builds on the accomplishments of past legislation by increasing and enhancing parental involvement, providing greater incentives to local school districts and individuals to achieve standards of excellence, and creating greater accountability through measurement of progress for quality educational programs.

A good education offers every person the necessary foundation for a promising future. The quality of the education our children have received over recent years has been criticized as many of our youth graduating from high school have lacked the basic reading and writing skills, mathematics, and science background necessary to make them employable. Those students who drop out of school are in a worse position, as over half of them are unemployed between the ages of 14 and 26.

It is with these words, that I am pleased to stand with President Bush and other colleagues in the Senate, strongly committed to improving our educational system. The goals set forth by the President can be initiated and achieved by our commitment to programs such as the magnet schools, which have been successful in my own State of Arizona, and by recognizing and rewarding teachers who meet the highest standards of excellence. The drug problem, which is the scourge of our schools, must also be curtailed. I am pleased that this legislation provides emergency grants for those urban districts which face the most severe problems with drug abuse.

Our children are our greatest resource. It is up to all of us as parents, teachers, and legislators to instill in them the importance of education, and to direct our funds to assist them in the best way. I am pleased to be a cosponsor of this legislation. I urge other Members of this body to lend their support to this bill, and it is my hope that this legislation will be passed quickly.

Mr. CHAFEE. Mr. President, in February during the State of the Union address, President Bush reiterated his pledge to be the "education President" and recommended a number of new educational initiatives. Today I am pleased to join Senator KASSEBAUM in introducing the Educational Excellence Act of 1989, a legislative package that incorporates many of the President's proposals.

Many educators and parents in Rhode Island and across the country have been heartened by the President's pledge to make education a priority. There is wide recognition that efforts to improve the quality of life for our citizens and enhance our Nation's competitive position must begin in our local schools and colleges.

Is there anyone here who would disagree with the great need for quality education in our country? Of course not. Too often, though, we tend to focus on what our schools aren't accomplishing rather than praising and encouraging those that are making great strides, such as improving student achievement, creating a safe and drug-free environment, and reducing the dropout rate. The Presidential Merit Schools proposal would recognize these achievements and provide funding to foster such innovative efforts.

For a school to be successful or meritorious, it must have an excellent faculty. It is the teachers in our Nation's schools that have the primary responsibility of developing and inspiring the minds of our future generations. Those teachers who meet the highest standards of excellence—the ones who truly make a difference—should also be recognized and rewarded for their outstanding skills and commitment. As part of our legislation, the President's Awards for Excellence in Education would present each recipient—at least one per State—with a $5,000 grant.

Mr. President, according to present projections, by the year 1995 we will require over 1.2 million additional teachers. Our legislative package includes a proposal to improve the supply of well-qualified elementary and secondary teachers and principals by encouraging the creation of alternative certification programs. States are encouraged to apply for grants to develop and expand existing programs to recruit and train professionals to become teachers and principals.

There are many scientists, engineers, and other professionals without teacher training that would bring much talent and experience to the classroom. States, such as New Jersey, which already have alternative certification programs have benefited tremendously from their "graduates" and have not experienced a shortage of well-qualified candidates.

As we continue to meet the challenges to provide quality education in our schools, we must give school systems the flexibility to accomplish these goals. Alternative certification programs would be one way, establishing more magnet schools would be another.

By strengthening students' knowledge of academic or vocational subject areas, magnet schools have improved the quality of education and have better prepared our students in the areas of mathematics and science to help further promote the Nation's economic competitiveness. Our legislative package authorizes $100 million to expand and build on the success of the magnet school program in our country. This funding would be in addition to the $115 million proposed in the Department of Education's budget for fiscal year 1990 for magnet schools. It is my hope that any expansion of the magnet program will give priority attention to those schools which serve educationally disadvantaged children.

Our legislation also recognizes the need to encourage students to pursue careers in the science and mathematics fields. Scholarships of up to $10,000 a year for 4 years will be awarded to those high school seniors who have excelled in science and mathematics and would like to continue their studies in a postsecondary institution.

To keep our children healthy and in school, we must continue to find ways to keep drugs out of their environment. Urban areas are being hit the hardest by the influx of drugs. Our proposal includes $25 million in grants to those urban area school systems which are facing the most severe drug problems to help support a comprehensive range of services, such as counseling, and after-school and community outreach programs.

In addition, our proposal provides $10 million in endowment challenge grants for historically black colleges and universities so that they may improve their long-term financial strength and security.

Mr. President, the package of education initiatives we are introducing represents a sound investment in our Nation's future * * * our children. What we offer our first graders today will determine what they will offer us when they graduate in the year 2000. Will they be able to read? Understand the technology of the 21st century? Operate the machinery of tomorrow?

Our proposal, which authorizes $423 million, is one step toward meeting the educational challenges facing our Nation. It is my hope that increased funding also will be approved this year for valuable existing education programs, as well as other new activities.

I am heartened by the President's education proposals and am happy to join in introducing this legislative package. This is a great new beginning for education programs in our country, and I look forward to working further with the President in this important area.

Mr. BOSCHWITZ. Mr. President, I rise today in support of the Educational Excellence Act of 1989. This legislation provides incentives for schools, rewards excellent schools and teachers,

and increases funding for a number of educational programs.

If America is going to continue as a world leader, we must ensure that our young people have the educational training necessary to develop to their full potential. I believe that Federal legislation should be drafted so that States continue to have the primary responsibility for the design of educational programs. The Federal Government should provide funding incentives to improve the learning environment of schools, reward excellent teachers, offer scholarships for students to enter the teaching profession—especially minorities, and encourage programs that promote flexibility for schools, teachers, parents, and students.

Under this bill, excellent teachers will be rewarded. Each State would develop its own selection criteria and set up a statewide panel to select its winners. The recipients of these President's Awards for Excellence in Education would receive $5,000.

While all teachers are important, we are currently facing a critical shortage in math and science. We need to provide incentives for the top students in these programs to enter the teaching profession. This legislation establishes a National Science Scholars Program to provide 4-year scholarships to 570 students who excel in math and science.

I believe that this bill does provide the important incentives so necessary for our schools to improve. These incentives will help our schools to improve their learning environment, increase their students' performance, and reduce the number of student dropouts.

Mr. President, the Educational Excellence Act of 1989 is certainly not a cure-all for the problems that our educational system faces today. It is a beginning however, and I urge my colleagues to support this educational initiative. I yield the floor.

Mr. D'AMATO. Mr. President, I rise today to cosponsor the Educational Excellence Act of 1989. I am pleased to join my colleague from Kansas, Senator KASSEBAUM, in supporting this effort to address the educational needs of our Nation's children.

The Educational Excellence Act of 1989 is comprised of seven important new Federal education initiatives proposed by President Bush in his address to the Congress on February 9, 1989. These new initiatives are intended to complement efforts already undertaken in the 100th Congress to improve and strengthen our elementary and secondary education programs.

Several of these initiatives are designed specifically to reward and recognize our Nation's most outstanding schools, teachers, and students. Schools which have shown substantial progress in raising student achievement will receive cash awards under the Presidential Merit Schools Program, providing an incentive for all schools to improve the educational achievement of their students. Another program, the President's Awards for Excellence in Education, will provide awards of $5,000 to our most dedicated teachers, while the National Science Scholars Program will reward outstanding high school science students with up to $10,000 per year toward the cost of their undergraduate education.

I am especially pleased that this legislation will permit the expansion of the proven magnet schools program into school districts that are currently ineligible to participate. In addition to expanding educational choice within districts, the existing magnet program has induced schools to work harder to provide a high-quality education. I have seen the existing program yield remarkable results in the schools of Rochester, NY, and I am encouraged that more school districts will now be able to enjoy similar benefits.

This legislation will also create a new program—the Drug-Free Schools: Urban Emergency Grants Program—to target additional drug education and prevention efforts at a number of urban school systems that have the most severe drug problems. The current drug-free schools State Formula Grant Program simply cannot fully respond to the extreme problems of drug trafficking and abuse that affect many urban school systems. These school systems require both the resources and the Freedom to develop more comprehensive and concentrated approaches. I am pleased by the inclusion of the Urban Emergency Grants Program in this legislation, and I am hopeful that its benefits will soon be felt in our Nation's urban school systems.

Providing quality education to our Nation's children is becoming increasingly difficult and complex. New and innovative programs are constantly needed to keep up with the changing issues affecting American education. This legislation contains many fine examples of such programs, each of which deserves our careful and immediate attention.

I again commend my colleague, Senator KASSEBAUM, for introducing this needed legislation, and I urge its prompt passage.

Mr. GLENN. Mr. President, I rise today to commend President Bush for his efforts in preparing his education initiative. While I have not yet had the opportunity to examine all of his proposals, I look forward to doing so and to working with the President in passing a bold, ambitious education package.

Today I would like to discuss the President's proposal to establish a National Science Scholars Program. I am delighted that the President sees the wisdom in national science scholarships. Last fall and again this January, I introduced a bill that would establish congressional scholarships for the study of science, mathematics, and engineering.

Under S. 134, the National Science Foundation would award scholarships which pay up to $5,000 a year for 4 years to one male and one female high school graduate in each congressional district to study in these areas.

The President's proposal, I am proud to say, is remarkably similar to mine. In fact, their provisions and price tags are virtually identical.

I look forward to working with the administration and my colleagues here in the Senate on this initiative. We have some disagreements over the number of awards and their amounts. These issues can be worked out.

Under my proposal, the National Science Foundation plays a central role, whereas the President's proposal delegates responsibility for administering the program to the Education Department. On this issue, I will not budge. The NSF is perhaps our most influential and prestigious scientific agency. These science scholarships, if they are ever to be prestigious, must be awarded by the science agency. I hope to persuade my colleagues on this important point.

In any event, there should be no partisan bickering over the merits of establishing science and math scholarships for our brightest young people.

It has the support of the scientific community.

My proposal is very simple.

It would be easily administered.

And it would cost a modest $20 million when fully operational.

If we act fast, the first scholarships could be awarded next fall. I urge my colleagues to pass a science scholarship this spring.

By Mr. HATCH:

S. 696. A bill to amend title 28, United States Code, to increase the rates of pay for certain Federal judges and other judicial officials, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL JUDGES PAY ACT

Mr. HATCH. Mr. President, on March 15, Chief Justice Rehnquist held a highly unusual press conference during which he called for an increase in Federal judicial salaries. Citing the cost of inflation over the last 20 years, the difficulty in recruiting and retaining highly qualified people on the Federal bench, the threat to the concept of lifetime service, and the disparity between the salaries of the judges and attorneys in private practice, the Chief Justice, on behalf of the Judicial Conference, recommended that the members of the

Federal judiciary receive a 30-percent pay raise.

Not long after that press conference, another interesting item appeared in the media. In an op-ed piece, David S. Broder related the interesting situation of George Kazen, a Federal district court judge in Laredo, TX. I would like to read a few excerpts from that article.

Kazen is 49. He grew up in Laredo and was first in his class when he graduated, at age 21, from the University of Texas law school. Married and the father of four, he was making about $120,000 a year in private practice when President Carter appointed him to the bench ten years ago. Today, he's making $89,500 in inflation-shrunk dollars, . . .

On behalf of the public, Judge Kazen administers justice in a vast expanse of south Texas. By all reports, he does it very well. In the last two years, as efforts to halt the flow of narcotics have intensified, his felony calendar has increased 48 percent and may be the longest of any federal judge.

In a telephone interview with the author, Mr. Broder, the judge had this to say:

I was in pretty good financial shape when I started here. But have put three children through college; my son is still in law school. Another son will graduate from high school this year and wants to go to Trinity in San Antonio, where tuition, room and board is $13,000 a year, without a nickel for books or clothes or anything else.

I have liquidated every bit of stock I owned and every investment except two pieces of real estate that are dead ducks and can't be sold. My debt has probably doubled. This year, I promised my wife, my family, my banker and myself that this would either be the year I finally got a handle on my finances, or I was going to get out. The pay raise (to $135,000, recommended late last year by President Reagan and a bipartisan commission but killed by Congress) was all going to go to reducing the debt. With it, I could see how I would be out of debt by the time I was 60. But without it, I just can't go on.

I feel a tremendous amount of loyalty to my colleagues, to the court personnel, but there's only so much I can do for my country. I honestly feel that serving my country for 10 years has cost my family $1 million. And what really hurts is when you're told [by critics of the pay raise], "You're in a fat, cushy job. . . . You're a dime a dozen. . . . If you leave, there's a dozen others who could fill your job."

Well, I haven't looked on it as just a job. I work [hard] on this endless narcotic docket because I think it's important. But the minute I said to a reporter for Texas legal magazine I might have to leave the bench, I started getting feelers for jobs starting around $200,000. . . . I tell you, we're the lost battalion out here, and I'll admit it, I'm very frustrated, very bitter.

Mr. President, this situation, and several others like it, are very troubling to me. When our Founding Fathers created the Federal courts, they envisioned an independent judiciary whose members would serve under lifetime appointments. Under article III, section 1, of the Constitution:

The Judges, both of the supreme and inferior Courts, shall hold their Offices during good Behavior, and shall, at stated Times, receive for their Services, a Compensation, which shall not be diminished during their Continuance in Office.

The 1989 Commission on Executive, Legislative, and Judicial Salaries, chaired by Lloyd N. Cutler, noted in its report that:

[t]he concept of lifetime service with undiminished compensation was designed to protect the independence of judges by removing any concern that the President or Congress would curtail their time in office or reduce their salaries.

This concept is also largely responsible for the high quality of justice found in our judicial system. To be sure, the system may have some problems, but the caliber of people who serve as justices and judges has always been at a level that engenders the trust of the American people. As the Chief Justice stated during his press conference:

The federal judiciary has not been thought of as a stepping stone to something else. It's kind of the place where you end, not an interim step that you take in pursuing a career in public office. And I think those who were acquainted with both the state judiciary . . . and the federal judiciary realize that it does make a difference. If you have judges who are there for a lifetime career, it gives you a different kind of judge, someone who is simply devoted to judging rather than always looking out of one corner of his eye for the next political opportunity that comes along.

But, Mr. President, I fear that given the current situation involving judicial salaries, we are in fact encouraging many of our judges to look with more than just the corners of their eyes. The Los Angeles Times recently reported about the case of another Federal judge, Jim R. Carrigan, who confided that he would be stepping down from the bench because of the defeat of the proposed judicial pay raise. Like Judge Kazen, Judge Carrigan has just about exhausted all of the funds and assets he had accumulated before sitting on the Federal bench in order to pay college tuition for his six children. According to the Times, although Judge Carrigan expressed a strong desire for public service, "the intangible rewards of sitting on the Federal bench were no longer enough to compensate for the prospect of going at least another 4 years without an increase in his $89,500-a-year salary."

Judge Carrigan suggests, and I would have to agree, that we may now be experiencing the beginning of an exodus from the Federal bench. The 1989 Commission on Executive, Legislative, and Judicial Salaries received some interesting facts in testimony submitted during its deliberations on whether or not to recommend a judicial salary increase. According to data supplied by the Judicial Conference of the United States, there appears to be a correlation between the sharp rise in early resignations from the bench and inadequate salary increases.

Over the last two decades, the number of judges resigning before retirement has dramatically increased. In its statement, the Judicial Conference states:

At the beginning of this period, resignations were quite rare; none occurred from 1958 to 1960, from 1964 to 1966, and in several other individual years, while only two occurred in 1970 and one in 1973. In more recent years resignations have increased in number (although they are still by no means frequent). Three judges left the bench every year from 1980 to 1983, and since 1984 between four and seven Federal judges resigned each year.

These figures reflect an increasing rate of departures that has grown in tandem with the decreasing real salary levels of the last two decades. During this same period the number of judges has also risen, . . . Yet the rate of increase in judicial departures clearly surpasses these rates. On the average, fewer than one judge a year resigned in the early 1970's compared to an average of five to six each year in the late 1980's. It is certainly plausible to conclude the declining real judicial salaries have contributed to a higher incidence of judicial departures in recent years.

Mr. President, I ask unanimous consent that a table from the Judicial Conference's statement, reflecting the figures on resignations from the bench over the last 30 years be included in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Circuit and District Judge Departures by year

Year	*Number of resignations*
1958	0
1959	0
1960	0
1961	1
1962	0
1963	1
1964	0
1965	0
1966	0
1967	1
1968	0
1969	0
1970	2
1971	0
1972	0
1973	1
1974	7
1975	2
1976	3
1977	1
1978	4
1979	2
1980	3
1981	3
1982	3
1983	3
1984	7
1985	5
1986	4
1987	7

Year	Number of resignations
1988	5

Notes:

Departures includes resignations before retirement as well as retirements from office under 28 U.S.C. 371(a). Judges who retire under 28 U.S.C. 371(b) by electing senior status are not included in these figures.

Figure for 1988 is estimated for the entire year based on three resignations as of August 1988.

Mr. HATCH. Mr. President, the Judicial Conference also looked at exit statements made by 26 departing judges to determine if salary levels were playing a role in resignations. They found that these statements did confirm that such is the case. The Conference noted:

The information obtained * * * paints a sobering picture. Almost all of the judges indicated that financial considerations were a factor in their decision to leave the bench. For many, financial pressures played a decisive role. Several judges commented to the effect that "if money had not been a problem, I would still be there." In contrast, only three judges reported that finances were not a factor in their decision to leave.

The majority of recent resignees left the bench to take positions in private firm practice or corporate law departments. As expected, many noted that their current incomes were substantially greater—even several multiples greater—than in the Judiciary. Yet despite the attraction of higher salaries, those who resigned appear not to have reached the decision easily. Most of the judges expressed sadness and regret that financial and other pressures led them to give up a position they respected and enjoyed. For at least one judge, the financial pressures were more difficult to resist because of a loss of hope stemming from his belief that "there was no expectation that the problem would be corrected by Congress."

Mr. President, I would ask unanimous consent that a table showing a summary of the exit inquiries be placed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF EXIT INQUIRIES

	Subsequent employment in			Stated reason for leaving	
	Private or corporate practice	Executive branch	State court	Finances a factor	Finances not a factor
1	x			x	
2	x				x
3	x			x	
4		x			
5		x			
6	x			x	
7				x	
8	x			x	
9	x			x	
10	x			x	
11				x	
12			x		x
13	x			x	
14			x		
15				x	
16				x	
17	x			x	
19	x			x	
20	x			x	
21	x			x	
22	x			x	
23	x			x	
24	x			x	
25	x			x	
26	x			x	

Mr. HATCH. Mr. President, typical of these Judicial Conference findings is the statement provided by Judge Robert M. Duncan at a hearing before the 1989 Quadrennial Commission on November 11, 1988:

After 11½ years of 60-65 hour work weeks, in one of the busiest districts in the United States, my life had been threatened on two occasions, my 9 year old daughter's life had been threatened, my wife was still working, we had not traveled outside the country, and I was unable to foresee how I could afford to send my youngest daughter to the university of our choice, I came to believe that my employer had not treated me fairly in an economic sense.

The decision to leave the bench was agonizing. However, for years I had been intrigued with the challenge of practicing with talented lawyers in a large, prestigious and active law firm. I took advantage of an excellent opportunity to pursue such a challenge. It is clear in my mind that the quantum increase in compensation was a strong inducement for me to leave the bench. In 1985, at age 57, I had limited productive years ahead, and I also knew that if I entered private practice I could afford to educate our youngest daughter, repair our house, my wife could retire and, finally, my earnings are somewhat comparable to the income earned by a number of law school classmates and many of the lawyers I have trained.

On the other hand, being a United States District Judge, in my view, is being at the tip-top of the legal profession. I miss the honor and privilege of doing my best to provide extremely valuable public service to our country. I miss the Court.

Two important surveys have been conducted by the American Bar Foundation and the Judicial Conference to determine attitudes and future plans of the Federal judges. While the Quadrennial Commission spent a great deal of time evaluating these studies, I would like to take just a few minutes to point out some of the highlights of those studies.

The American Bar Foundation found that 95 percent of the responding active responding judges felt that their compensation is inappropriate and that in the absence of a significant salary increase, 30 percent plan to leave the Federal bench before retirement. Perhaps even more significant, because of the large number of judges who responded, are the findings of the Judicial Conference. The conference reports:

[J]udges were asked how seriously they had considered cutting short their active judicial service for reasons primarily related to salary. The options listed as possibilities included resigning before reaching the minimum retirement age of 65; electing senior status sooner than the judge otherwise would have; and retiring from office . . . to return to the practice of law rather electing senior status and continuing to serve as a judge. More than one-half of the responding judges indicated that they had given at least some minimal thought to these possibilities. Many of these judges—up to 31 percent of those who responded—said they had "very seriously" considered taking at least one of these steps.

Of even more concern than the fact that many judges are giving serious consideration to shortened service is the fact that some have taken affirmative steps in that direction. A total of 66 judges indicated that they have taken specific actions related to early resignation or retirement. The actions range from looking for alternative employment to receiving and considering concrete job offers.

This survey also found that life tenure is not an acceptable tradeoff for lower pay to many judges and that more judges would be very likely to stay in office if their salaries were adequately protected from inflation.

In addition to the financial burden placed on current judges, the failure to keep judicial salaries somewhat apace of inflation has created other problems. The first, which is dirctly related to the retention problem, is the costs to the judicial system of early departures. These costs range from the reduction of independence derived from the principle of life tenure to the loss of manpower in handling an explosive case load and the costs of training new judges and support staff. The Judicial Conference reported that "the 51 judicial positions that were filled in the year ending June 30, 1988, were vacant on average of 467 days each, or over 15 months." Furthermore, retired Chief Justice Burger has estimated that "it takes 5 years for a qualified attorney to reach peak efficiency as a Federal judge."

Another problem involves the recruitment of future judges. Former Deputy Attorney General Edward G. Schmults had this to say regarding judicial recruitment:

For three years, beginning in 1981, I played an active role in the judicial selection process. Time and time again, I and others at the Department of Justice were told by highly qualified lawyers that they simply could not afford to leave the practice of law for a federal judicial post. Beyond those lawyers who were contacted by the Department, we were keenly aware of many more outstanding candidates who would not even let their names be put forward for consideration.

In addition, the Judicial Conference survey found these results:

[W]hen asked what they would advise a friend or colleague considering seeking a nomination, 20 percent of judges indicated they would advise against it, primarily for salary reasons. More than half of the judges mentioned compensation in their responses, mostly to the effect that prospective nominees should be fully aware of the inadequate compensation before making a lifetime commitment to the office. One judge stated that he would advise a friend to seek a judgeship "if he had no children he had to educate, was willing to live very frugally, and had some private resources. In other words, this exludes most normal, successful lawyers."

The Quadrennial Salary Commission reviewed all of these considerations when it recommended a 50-percent

salary increase late last year. The Commission found:

The constant dollar value of federal judges' salaries has been eroded to less than 70 percent of what it was in 1969. At the same time, the workload of judges has increased dramatically. Despite increases in the number of authorized judgeships in the last twenty years, caseloads per judge have increased sharply. Since 1969, average District Court caseloads have increased 53 percent, from 339 to 520 cases per judge per year. The appellate courts have experienced more than a 100 percent increase, with average caseloads rising from 123 cases per judge in 1969 to 249 in 1988. This combination of less pay for more work has caused many judges to leave the bench for private practice at much higher levels of compensation.

Unfortunately, when we voted against the recommended congressional pay increase, we failed to separately consider the recommendations for the judicial branch. I believe that a salary increase is necessary for the Federal judges. So today I am introducing the Federal Judges Pay Act of 1989. This bill would remove the members of the Federal judiciary from the procedures that we are currently under and provide them with a 30-percent pay raise, effective immediately. Future adjustments to their salaries would be made based on the percentage increase given to Federal employees under the General Schedule. I believe that this is an equitable method for maintaining the independence of this important branch of the Government.

SECTION-BY-SECTION ANALYSIS

Section 1 establishes the short title of the bill as the Federal Judges Pay Act of 1989.

Section 2 amends title 28 of the United States Code, setting the new salaries of the Chief Justice at $149,500, each associate justice at $143,000, each circuit court judge at $123,500, each district court judge at $116,400, each bankruptcy judge at $107,100, each claims court judge at $116,400, each judge of the Court of International Trade at $116,400, and each magistrate at $107,100.

This section amends title 28 to remove from the Judicial Conference the power to set the salaries of magistrates and provides that future adjustments to all of the previously listed salaries are to be made in accordance with title 28 United States Code 461, which provides for an increase equal to the percent by which the General Schedule is increased, whenever that schedule is adjusted.

Finally, this section repeals section 140 of Public Law 97-92 so that title 28 United States Code 461 will provide for future salary increases for the Federal judiciary positions as set out in the previous subsections. Under current law, section 140 of Public Law 97-92 has rendered section 461 inoperable.

Section 3 amends section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351 et seq.) to remove judicial salary determinations from the Federal Salary Act procedures, which are currently conducted by the Quadrennial Commission on Executive, Legislative, and Judicial Salaries.

Section 4 sets the effective date of this act on the first day of the first pay period applicable to the various justices, judges, and magistrates on or after the date of enactment of the act.

Mr. President, I believe the time has come to separate the connection between judicial and legislative salary increases. It is inappropriate for the branch of the Federal Government which is supposed to be nonpolitical to have the determination of its compensation wrapped up in the politics of pay raises for the other two branches. I believe that if we continue to link judical pay raises with our own, and then deny the recommendations which are made by the Quadrennial Commission and the President, that the country will suffer because of an increasing low morale within the judiciary. Several anonymous responses to the Judicial Conference survey seem to bear this out:

"I am proud to be a judge, and think I have been a good one during these past 15 years. But I feel betrayed by Congress' failure to protect judges from inflation . . . . My financial reward for 15 years of public service has been an effective 40 percent pay cut."

"The non-material rewards of being a Federal judge are overwhelming and are incapable of being duplicated in the private sector. There is, however, a feeling that you are being taken advantage of by reason of the workload and poor compensation."

"I had no idea when I sought for and received this appointment that Federal judges were singled out for grossly unfair treatment."

"The disgracefully low level of compensation erodes respect for the Federal Judiciary."

"I love my job, but I am angry about the insulting financial discrepancy, and angrier still that the nation values its judges so little . . . ."

"I was, and remain, absolutely shocked by the disgraceful treatment we receive on pay."

"I expect to be paid fairly. I am not."

"If the only way that I can meet my obligations to educate my four children is to leave the bench, then I will quit."

"I am 54 and must decide soon [whether to return to private practice]. I have tentative offers from $450,000 up. The long term financial sacrifice for my family is too much. I cannot sentence them to a lifetime of genteel poverty."

"It had been my initial intent to take senior status; however, because of the present low salary I plan to resign and return to private practice where I am confident I can earn well over twice the present judge's salary working part time."

"Love for the art of judging kept me at it, but . . . [causing] me to abandon my original and continued intent to serve for life . . . [is the] realization that I cannot leave anything to my family but a limited life insurance benefit."

"Continued service past the age of retirement would be fiscally irresponsible."

Mr. President, these are some of the responses the conference received from its survey. The Judicial Conference report goes into much greater detail regarding the discrepancy between the salaries of Federal judges and attorneys in private practice. I have not gone into those details in this statement, but I believe that we will need to take a close look at those facts and figures. It surely must be demoralizing for a Federal judge to realize that his or her law clerk, fresh out of law school, will be earning much more than the judge almost as soon as the clerk leaves the court.

I believe that we must act on this legislation soon if we are to avoid a judicial crisis. I would encourage my colleagues to look into this situation and support this legislation.

I ask unanimous consent that a copy of the bill be printed in the RECORD, immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 696

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Judges Pay Act of 1989".

SEC. 2. JUDICIAL SALARIES.

(a) SUPREME COURT JUSTICES.—Section 5 of title 28, United States Code, is amended to read as follows:

"§ 5. Salaries of justices

"(a) The salary of the Chief Justice is $149,500.

"(b) The salary of each associate justice is $143,000.

"(c) The salaries for positions referred to in subsections (a) and (b) of this section shall be adjusted as provided in section 461 of this title.".

(b) COURTS OF APPEALS JUDGES.—Section 44(d) of title 28, United States Code, is amended to read as follows:

"(d)(1) The annual rate of pay of each circuit judge is $123,500.

"(2) The annual rate of pay for circuit judges shall be adjusted as provided in section 461 of this title.".

(c) DISTRICT COURT JUDGES.—Section 135 of title 28, United States Code, is amended to read as follows:

"§ 135. Salaries of district judges

"(a)(1) The annual rate of pay of each judge of a district court of the United States is $116,400.

"(2) The annual rate of pay for district court judges shall be adjusted as provided in section 461 of this title.".

(d) BANKRUPTCY JUDGES.—Section 153(a) of title 28, United States Code, is amended to read as follows:

"(a)(1) Each bankruptcy judge shall serve on a full-time basis.

"(2) The annual rate of pay of each bankruptcy judge is $107,100.

"(3) The annual rate of pay of bankruptcy judges shall be adjusted as provided in section 461 of this title.

"(4) The pay of each bankruptcy judge shall be paid at such times as the Judicial Conference of the United States determines.".

(e) CLAIMS COURT JUDGES.—Section 172(b) of title 28, United States Code, is amended to read as follows:

"(b)(1) The annual rate of pay of each judge of the United States Claims Court is $116,400.

"(2) The annual rate of pay for each such judge shall be adjusted as provided in section 461 of this title.".

(f) COURT OF INTERNATIONAL TRADE JUDGES.—Section 252 of title 28, United States Code, is amended to read as follows:

"§ 252. Tenure and salaries of judges

"(a) Judges of the Court of International Trade shall hold office during good behavior.

"(b)(1) The annual rate of pay of each judge of the Court of International Trade is $116,400.

"(2) The annual rate of pay for each such judge shall be adjusted as provided in section 461 of this title.".

(g) MAGISTRATES.—(1) Section 634(a) of title 28, United States Code, is amended to read as follows:

"(a) The annual rate of pay of magistrates for full-time service is $107,100. The annual rate of pay of magistrates for part-time service shall be the amount which bears the same ratio to the annual rate of compensation for full-time service as the part-time service bears to full-time service, as computed by the conference. The annual rates of pay under this subsection shall be adjusted as provided in section 4361 of this title.".

(2) Section 633 of such title is amended—

(A) in subsection (a)(1)—

(i) by inserting "and" before "(B)"; and

(ii) by striking out ", and" and clause (C) of the first sentence and inserting in lieu thereof a period;

(B) in subsection (b)—

(i) by striking out ", their respective locations, and the amount of their respective salaries under section 634 of this title" in the first sentence and inserting in lieu thereof "and their respective locations"; and

(ii) by striking out ", the locations at which they shall serve, and their respective salaries" in the third sentence and inserting in lieu thereof "and the locations at which they shall serve"; and

(C) in subsection (c)—

(i) by striking out ", locations, and salaries" in the subsection heading and inserting in lieu thereof "and locations"; and

(ii) by striking out ", locations, and salaries of full-time and part-time magistrates" and inserting in lieu thereof "and locations of full-time and part-time magistrates".

(3)(A) The section heading of section 633 of such title is amended by striking out ", locations, and salaries" in the subsection heading and inserting in lieu thereof "and locations".

(B) The item relating to section 633 in the table of sections at the beginning of chapter 43 of such title is amended by striking out ", locations, and salaries" and inserting in lieu thereof "and locations".

(h) CONFORMING AMENDMENT.—Section 140 of Public Law 97-92 (95 Stat. 1200; 28 U.S.C. 461 note) is repealed.

SEC. 3. REMOVAL OF JUDICIAL SALARIES FROM FEDERAL SALARY ACT PROCEDURES.

Section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351 et seq.) is amended—

(1) in subsection (a), by striking out "Executive, Legislative, and Judicial" and inserting in lieu thereof "Executive and Legislative";

(2) in subsection (f), by striking out subparagraph (C);

(3) in subsection (g), by striking out "(C),"; and

(4) in subsection (h), by striking out "(C),".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall take effect with respect to a justice, judge, or other judicial official on the first day of the first pay period applicable to such justice, judge, or other judicial official that begins on or after the date of the enactment of this Act.

By Mr. DOMENICI:

S. 700. A bill to amend the Internal Revenue Code of 1986 to meet the growing challenge of America's infrastructure needs; to the Committee on Finance.

ENVIRONMENTAL INFRASTRUCTURE ACT

Mr. DOMENICI. Mr. President, I am today introducing the Environmental Infrastructure Act of 1989. This bill is quite similar to S. 2311, which I sponsored during the 100th Congress. The changes are ones needed to conform this bill with changes in the technical corrections law adopted last fall.

The purpose of my bill is clear and direct: To encourage investment in those portions of our Nation's infrastructure that enhance our environment. This bill seeks to make these public works improvements less costly as investments, both to local government and to the private sector, by assuring that these investments will receive favorable treatment in the Tax Code.

The tax-exempt status of State and local bonds is sound national policy. It serves as an integral component of a strong partnership between the Federal Government and other levels of government. We should build upon that sound policy.

The legislation I am introducing today affects four specific types of investment: Water supply systems, sewage treatment, solid and hazardous waste disposal, and public facilities required to achieve compliance with regulations of the Environmental Protection Agency.

By focusing the bill on a narrow group of public needs, I am not ignoring other pressing needs in America's infrastructure, such as the bridge that collapsed over the weekend. That is a severe issue. But America has a good program in place to rebuild our highways and bridges through the use of gasoline taxes.

Environmentally related investments must also be encouraged in every way we can.

In the State of New Mexico, many unmet needs exist, ones that this bill would assist. We have serious drinking water problems in the area known as the South Valley, outside Albuquerque. We have similar problems in the Espanola Valley in northern New Mexico and in other rural areas experiencing rapid growth. As new industry moves into New Mexico, or any State the need for a state-of-the-art hazardous waste disposal facility will become increasingly necessary.

This bill will help New Mexicans meet these needs, at a price we can pay.

This legislation is based directly upon the recommendations in two important recent studies on America's infrastructure.

The initial study came from a distinguished panel of public officials and private citizens, the Private Sector Advisory Panel on Infrastructure Financing. That panel was established several years ago to advise the Senate Budget Committee on techniques that Congress might use to increase public investments in roads, dams, airports, bridges, water systems, and waste disposal.

The second report—"Fragile Foundations: A Report on America's Public Works"—was released a year ago by an equally distinguished group, the National Council on Public Works Improvement, which was established by Public Law 98-501.

Both reports concluded that America faces a great challenge in reviving our decaying public works investment. Both reports deserve the careful attention of this body.

Since those reports, the Congressional Budget Office issued its study, "New Directions for the Nation's Public Works," a report suggesting greater non-Federal responsibility in targeting infrastructure investments.

To understand the severity of the problem, we need to recognize the sharp reduction in infrastructure spending that has occurred. The National Council on Public Works Improvement found that "capital spending—on public works—has dropped from 2.3 percent of GNP in 1960 to 1.1 percent today." It also found that the share of each dollar spent by American governments for public works dropped from 20 cents in 1950 to 7 cents in 1984.

"If we spend too little on public works or if we invest in inefficient projects, society loses more than the direct public cost," the National Council determines. "In the long run, our ability to compete in the international economy will be weakened, and our standard of living will suffer."

Those are strong words. But they are words to which we, as a society and as a government, must listen.

Both the Advisory Panel and the National Council see a vast task before us. In the words of the Council, that task will require "a national commitment shared by all levels of government and the private sector, to increase capital spending by as much as 100 percent above current levels."

As one example, it has been suggested that compliance with the Clean Water Act by the year 2000 will require close to $100 billion in new investment. Billions more will be needed for storm-water control.

Over that same span, it has been estimated that America will need $75 to $110 billion to maintain and upgrade safe and dependable water supply systems in urban areas, with another $40 billion needed to provide safe drinking water to small communities and rural areas.

Compliance with Federal requirements for the management and disposal of solid and hazardous wastes will cost tens of billions of dollars more.

In studying local options to finance these facilities, the Private Sector Advisory Panel found that State and local governments will have to continue to rely on traditional financing devices—general and dedicated revenues, short-term borrowing, special assessments, and bonded indebtedness. In addition, the Advisory Panel found that private sector spending on infrastructure offered significant potential for growth.

For each of these—bonds and public-private partnerships—the Federal Tax Code is critical. The ease with which local governments finance public facilities through bonds is governed directly by the tax-concept bond rules of the Code. If the private sector is to enter the picture, the tax laws must allow a facility to generate an adequate return on investment.

We should make non-Federal investments in public works more attractive, not more cumbersome and costly. But Mr. President, Federal tax law has moved in precisely the opposite direction. Instead of loosening the rules, Congress has ratcheted them down.

Beginning with the 1982 tax law, and continuing with the 1986 Tax Reform Act, the Code has been tightened on these investments.

Provisions that were written into the Code to prevent abusive private use of tax-exempt financing for hotels, stadiums, and the like spilled over onto products that are publicly owned and operated to serve the general public. As the Private Sector Advisory Panel stated in its final report:

> The narrow focus on tax-exempt bonds as a drain on Federal revenue, rather than as a means by which state and local governments conduct their financial affairs and provide essential public services, had led to provisions that go far beyond any necessary correction of abuses. These provisions impose restrictions that greatly constrain state and local autonomy and threaten the loss of financing for projects whose function is clearly to serve the general public.

The Tax Code now classifies a state or local bond as a "private activity" bond, regardless of the nature of the facilities financed, if more than 10 percent of the proceeds are "used," and more than 10 percent of the proceeds are "secured," by one or more private businesses.

An example would be a municipally owned and operated sewage treatment plant, which assigns more than 10 percent of its capacity for the use of one or more large commercial users. In such a case, the project would exceed the 10 percent private-use limit if the industrial contracts are different in any way from the arrangements open to the general public.

What does that mean? It means that once the 10-percent limit is exceeded, bonds for the entire facility no longer can be exempt from taxation, unless the bonds fit within the State's private-activity volume cap.

As a result of the 1986 Tax Act, these caps are far lower than they once were. It is possible for one major sewage treatment plant to consume a large portion of a State's allowable volume, a volume for which many worthy public projects must compete fiercely.

But even if bonds for an environmental facility were safely classified as "governmental," they continue to face increased restrictions. Perhaps the most onerous one requires that State and local governments rebate to the Federal Government any profits from higher yielding investments that might be made during a brief, preconstruction period. This requirement prevents local governments from managing bond proceeds efficiently.

Is that what we want to do? I think not.

Issuers of bonds for certain infrastructure purposes, the Private Sector Advisory Panel argued, "should be allowed to retain reasonable investment earnings on such debt issues. The alternative is simply to pile greater costs onto local governments, and higher fees on the local users."

With that background, let me explain how this bill works.

First, it creates a new category of tax-exempt bond, an infrastructure bond. An infrastructure bond would be an obligation, issued by a State or local government, that is used to finance any of five types of public investment: wastewater treatment, solid waste disposal, hazardous waste disposal, water supply for public use, and facilities required for a public agency to achieve compliance with regulations issued by the Environmental Protection Agency. That final category might, for example, include mass transit facilities needed to meet clean air standards.

These public infrastructure bonds will be freed from the constraints imposed on tax-exempt bonds by the 1986 Tax Reform Act. These bonds would not be subject to a cap. These bonds will not be subject to the alternative minimum tax. These bonds may be refunded at any time.

Further, the Environmental Infrastructure Act allows local governments to reinvest proceeds from infrastructure bond issues temporarily at higher yields. With the reasonable constraints in the bill, this provision will provide local governments more flexibility in financing these facilities.

In its report, the National Council on Public Works Improvement clearly supported a provision such as this one. Improving America's infrastructure, the Council said, requires "removal of unwarranted limits on the ability of State and local governments to help themselves through tax-exempt financing."

Infrastructure bonds are one area of concern to me, an issue that I deal with in this legislation. Another is public-private partnerships, which have taken on new importance as we seek capital to meet public needs.

So the second major thrust of my bill encourages private investments in public facilities. This bill extends to all types of environmental infrastructure facilities the same tax treatment the Tax Code now gives only to solid waste facilities. All these facilities will be placed in the 7-year accelerated cost recovery class. If they are financed with tax-exempt bonds, they will be depreciated over 10 years.

"A faster rate of depreciation under the Federal tax law," the Private Sector Advisory Panel determined, "would encourage private investments and participation in the development of such projects."

The Private Sector Advisory Panel concluded that "private investment in public facilities offers a sound opportunity to increase substantially the capital available for infrastructure investments."

I agree.

Public-private partnerships might take the form of publicly owned and privately managed hazardous waste disposal facilities, or a public hazardous waste disposal authority, which assumes responsibility for the disposal of hazardous waste through privately owned and managed facilities.

Tax policy should encourage such arrangements. It has failed to do so.

To attract private investment, sewage, solid and hazardous waste, and water facilities must hold the promise of profitability. Projects of this sort are long-term investments. They do not generate a quick profit; the return is low and spread over many years. The cost-recovery rules now in the Tax Code lessen the economic feasibility of such arrangements.

The cost recovery periods for sewage treatment facilities and water supply facilities have been made so long that the private investment option is virtually foreclosed.

Mr. President, the Environmental Infrastructure Act of 1989 is but one

step forward in a comprehensive program to meet America's infrastructure needs. The Private Sector Advisory Panel and the National Council on Public Works Improvement made many recommendations to improve our infrastructure.

I shall continue to examine these recommendations in these reports, possibly introducing further legislation in this important area.

To aid in a broader understanding of this proposal, I ask unanimous consent that a copy of this bill be printed at this point in the RECORD, together with a brief section-by-section analysis of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 700

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENTS OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Environmental Infrastructure Act of 1989".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. INFRASTRUCTURE TAX-EXEMPT BONDS.

(a) IN GENERAL.—Subsection (a) of section 141 (relating to private activity bonds) is amended by inserting the words "which is not an infrastructure bond and which is" after the words "any bond" and before the word "issued."

(b) INFRASTRUCTURE BONDS DEFINED.—Section 141 is amended by inserting after subsection (e) the following new subsection:

"(f) INFRASTRUCTURE BONDS.—

"(1) In general.—For purposes of subsection (a), the term 'infrastructure bond' means any State or local bond which is issued as part of an issue 95% or more of the proceeds of which are to be used to provide infrastructure facilities which are available for the ultimate use of the general public (including electric utility, industrial, agricultural, commercial, nonprofit, or governmental users).

"(2) INFRASTRUCTURE FACILITIES.—For purposes of this subsection, the term 'infrastructure facilities' means—

"(A) Sewage facilities,

"(B) solid waste disposal facilities,

"(C) hazardous waste disposal facilities,

"(D) facilities for the furnishing of water, or

"(E) facilities, whether or not described in subparagraphs (A) through (D), which are constructed, reconstructed, rehabilitated or acquired for the purpose of achieving compliance by a State or local government with Federal statutes and regulations administered by the United States Environmental Protection Agency.

"(3) HAZARDOUS WASTE DEFINED.—For purposes of this subsection, the term 'hazardous waste facility' means any facility for the disposal of hazardous waste, but only if

"(A) the facility is subject to final permit requirements under subtitle C of title II of the Solid Waste Disposal Act (P.L. 98-616), and

"(B) the portion of such facility which is to be provided with such issue does not exceed the portion of the facility which is ultimately to be used by persons other than

"(i) the owner or operator of such facility, and

"(ii) any related person (within the meaning of section 144(a)(3)) to such owner or operator, unless such owner or operator is a State or local government or agency thereof."

(c) CONFORMING AMENDMENTS.—

(1) Section 142 is amended—

(A) by striking out paragraphs (4), (5), (6), and (10) in subsection (a) and redesignating paragraphs (7), (8), (9), and (11) as paragraphs (4), (5), (6), and (7) respectively.

(B) by striking out "paragraph (1), (2), (3), or (11) of subsection (a)" each place it appears in subsection (c) and inserting in lieu thereof "paragraph (1), (2), (3), or (7) of subsection (a)".

(C) by striking out "subsection (a)(11)" each place it appears in subsection (i) and inserting in lieu thereof "subsection (a)(7)".

(D) by striking out subsections (e) and (h) and redesignating subsections (f), (g), and (i) as subsections (e), (f), and (g) respectively.

(2) Section 146 is amended—

(A) by striking out the words "paragraph (11) of section 142(a)" in subsection (g) and inserting in lieu thereof "paragraph (7) of section 142(a)".

(B) by striking out in paragraph (3)(B) of subsection (k) the words "paragraph (4), (5), (6), or (10) of subsection (a)" and inserting in lieu thereof "subsection (f)(2) of section 141".

(C) by striking out the words "paragraphs (2) and (3)" in paragraph (1) of subsection (k) and inserting in lieu thereof "paragraph (2)".

(D) by striking out paragraph (2) of subsection (k) and redesignating paragraph (3) as paragraph (2).

(E) by striking out subsection (h) and redesignating subsections (i) through (n) as subsections (h) through (m) respectively.

(3) Section 149 is amended by striking out "146(i)" in clause (i) of subsection (f)(4)(B) and inserting in lieu thereof "146(h)".

(4) Section 150 is amended by striking out "paragraph (7)" each place it appears and inserting in lieu thereof "paragraph (4)".

(5) Subparagraph (C) of paragraph (5) of subsection 168(g) is amended by substituting "(4)" for "(7)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 1989.

SEC. (3) ARBITRAGE REBATE REQUIREMENT MODIFIED.

(a) IN GENERAL.—Paragraph (4) of subsection (f) of section 148 is amended—

(1) by striking the first sentence of clause (i) of subparagraph (B) and inserting in lieu thereof the following sentence: "An issue shall, for purposes of this subsection, be treated as meeting the requirements of paragraph (2) (but not with respect to proceeds desposited in a reasonably required reserve or replacement fund) if the gross proceeds of the issue (not including proceeds deposited in a reasonably required reserve or replacement fund) are expended for the governmental purposes for which the issue was issued no later than the day which is 6 months after the date of issuance of such issue.".

(2) by striking all of clause (ii) of paragraph (B) after the words "Additional period for certain bonds.—" and substituting in lieu thereof the following:

"(I) Obligations other than private activity bonds.—

In the case of an issue of obligations other than private activity bonds (and other than tax or revenue anticipation bonds), an issue shall be treated as meeting the requirements of paragraph (2) if

"(A) no later than the day which is one year after the date of issuance of such issue, at least 20 percent of the gross proceeds have been expended for the governmental purposes of the issue;

"(B) no later than the day which is two years after the date of issuance of such issue, at least 50 percent of the gross proceeds have been expended for the governmental purposes of the issue; and

"(C) no later than the day which is three years after the date of issuance of such issue, at least 95 percent of the gross proceeds have been expanded for the governmental purposes of the issue.

"For purposes of this subclause only, proceeds expended more than one year after the date of issuance shall be considered to have been expended for the governmental purposes of the issue only if they are expended for construction, reconstruction, or rehabilitation (including the acquisition of land, equipment and furnishings).

"(II) Qualified 501(c)(3) bonds.—In the case of a qualified 501(c)(3) bond, clause (i) shall be applied by substituting '1 year' for '6 months' with respect to the portion of the proceeds of the issue which are not expended in accordance with clause (i) if such portion does not exceed the lesser of 5 percent of the proceeds of the issue or $100,000."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 1989.

SEC. (4) INFRASTRUCTURE FACILITIES GENERALLY 7-YEAR PROPERTY

(a) IN GENERAL—Subparagraph (C) of paragraph (3) of subsection 168(e) (relating to classification of certain recovery property) is amended by striking out the word "and" from caluse (ii), redesignating clause (iii) as clause (iv), and inserting after clause (ii) the following new clause:

"(iii) any infrastructure facility (within the meaning of section 141(f)(2)), except as provided in paragraph (3)(B)(vi) of this subsection, and".

(b) ALTERNATIVE DEPRECIATION SYSTEM.—The chart in subparagraph (B) of paragraph (3) of subsection 168(g) (relating to special rules for determining class life) is amended by striking out the lines assigning class lives to property described in subparagraphs (D)(i) and (E) and adding after the line assigning a class life to property described in subparagraph (C)(ii) and before the line assigning a class life to property described in subparagraph (D)(ii) the following line:

"(C)(iii) ..... 10"

(c) PROPERTY LEASED TO A TAX-EXEMPT ENTITY.—Section 168(h) is amended by redesignating paragraphs (3) through (8) as paragraphs (4) through (9) respectively and inserting after paragraph (2) the following new paragraph:

"(3) Exception for property which is part of an infrastructure facility.—For purposes of this subsection, the term 'tax-exempt use property' shall not include any property which is part of an infrastructure facility (within the meaning of section 141(f)(2))."

(d) CONFORMING AMENDMENTS.—

(1) Subparagraph (D) of section 46(e)(4) is amended by striking out "paragraphs (5) and (6)" and inseting in lieu thereof "paragraphs (6) and (7)".

(2) Subparagraph (D) of section 48(a)(5) is amended by striking out "paragraphs (5) and (6)" and inserting in lieu thereof "paragraphs (6) and (7)."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 1989.

ENVIRONMENTAL INFRASTRUCTURE ACT OF 1989 SECTION-BY-SECTION DESCRIPTION

SECTION 1—SHORT TITLE AND REFERENCE TO 1986 CODE

Section 1 states that the legislation may be cited as the Environmental Infrastructure Act of 1989, and specifies that all references to existing provisions shall be to the Internal Revenue Code of 1986, unless otherwise specified.

SECTION 2—INFRASTRUCTURE TAX-EXEMPT BONDS

Section 2 creates a new category of tax-exempt bond, the infrastructure bond.

Subsection (a) amends the definition of "private activity bond" in section 141 to specify that no infrastructure bond will be considered a private activity bond—i.e., infrastructure bonds will be treated as "governmental" bonds.

Subsection (b) defines "infrastructure bond" as any state or local bond which is used to provide "infrastructure facilities" for the ultimate use of the general public. "Infrastructure factilities" are defined as sewage facilities, solid waste disposal facilities, hazardous waste disposal facilities (provided the facility is subject to the permit requirements of the Solid Waste Disposal Act and the tax-exempt financing is not used to finance the ultimate use of the facility by any private owner, operator, or related persons), and facilities for the furnishing of water.

Also included are any facilities whose purpose is to achieve compliance with federal environmental statutes and regulations. For instance, a mass transit system constructed to achieve compliance with Clean Air Act standards would qualify.

Subsection (c) makes technical amendments to other sections of the Code in order to make the Internal Revenue Code conform with the changes in subsections (a) and (b). These include:

(1) Removing sewage facilities, solid waste disposal facilities, hazardous waste disposal facilities, and facilities for the furnishing of water from the list of "exempt facility" private activity bonds in section 142 and renumbering the other items on the list accordingly.

(2) Deleting all references to those facilities in section 146, which relates to the state-by-state volume cap.

(4) Amending references to other exempt facilities in sections 142, 146, 149, 150, and 168 to reflect the renumbering of the exempt facilities list.

Subsection (d) specifies that the provisions of section 2 will apply to bonds issued after December 31, 1989.

SECTION 3—ARBITRAGE REBATE REQUIREMENT MODIFIED

Section 3 modifies the arbitrage rebate requirement so as to provide more latitude for local governments to manage the proceeds of bond issues in order to minimize their indebtedness, so long as the proceeds are spent within a reasonable time.

Paragraph (1) of subsection (a) provides that reasonably required reserve funds are not included in the gross proceeds which must be spent within a certain period in order to avoid the rebate requirement.

Paragraph (2) of subsection (a) extends the temporary period for governmental bonds, including infrastructure bonds. For these bonds the rebate requirement will be avoided if at least 20 percent of the proceeds have been spend for construction, reconstruction, or rehabilitation by the end of the first year after the date of issuance; at least 50 percent of the proceeds have been spent by the end of the second year; and at least 95 percent by the end of the third year. If the bond was not issued for the purpose of construction, reconstruction, or rehabilitation, the proceeds must be spent by the end of the first year.

Subsection (b) specifies that the provisions of Section 3 will apply to bonds issued after December 31, 1989.

SECTION 4—INFRASTRUCTURE FACILITIES GENERALLY 7-YEAR PROPERTY

Section 4 places all infrastructure facilities in the 7-year ACRS class, so that all such facilities will be depreciated in the same manner as are solid waste facilities under current law. Currently, municipal wastewater treatment plants are in the 15-year class and municipal sewers and water supply facilities are in the 20-year class.

Subsection (a) specifies that an infrastructure facility will be classified as 7-year property.

Subsection (b) assigns infrastructure facilities a 10-year class life for purposes of the alternative depreciation system, which is used for property financed with tax-exempt bonds and for property leased to a tax-exempt entity. Currently, tax-exempt bond financed municipal wastewater treatment plants are depreciated over 24 years, water supply facilities over 30 years, and municipal sewers over 50 years.

Subsection (c) specifies that infrastructure facilities will not be included in the term "tax-exempt use property"—i.e., property that is subject to the restrictions imposed on property leased to tax-exempt entities under section 168(h) of the Code. The principal restriction imposed on such property is that it be depreciated over 125% of the lease term.

Subsection (d) amends references to section 168(h) in other parts of the Code to reflect the renumbering of the paragraphs.

Subsection (e) specifies that the amendments made by Section 4 will apply for property placed in service after December 31, 1989.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 701. A bill to authorize the construction of a Center for National Security and Arms Control at Sandia National Laboratories in Albuquerque, NM; to the Committee on Armed Services.

CENTER FOR NATIONAL SECURITY AND ARMS CONTROL AUTHORIZATION ACT

Mr. DOMENICI. Mr. President, I rise today to introduce legislation to authorize the construction of the Center for National Security and Arms Control and to effect a land transfer between the Department of Defense and the Department of Energy that is necessary to clear the way for this vital arms control and verification projects.

In his budget submission to the Congress, the President has proposed the construction of a Center for National Security and Arms Control at Sandia National Laboratories in Albuquerque, NM.

Sandia National Laboratories is one of our Nation's leading centers for national security research and development. They have demonstrated leadership in arms control and verification technology.

As an example of Sandia's work in arms control and verification technology, I would like to highlight their contribution to the Intermediate Range Nuclear Forces—INF—Treaty. This treaty marks a significant change in philosophy because, up to this point, both the United States and the Soviet Union have relied on "national technical means," such as satellite reconnaissance, for monitoring compliance with arms control treaties. With mobile missile systems, such as those covered in the INF Treaty, the need for cooperative measures, such as onsite inspection, as a complement to national technical means was recognized.

Sandia National Laboratories has been involved not only in the identification of equipment for onsite inspection, but has actually constructed the prototype inspection facility that will be used by the United States at Votkinsk in the Soviet Union. In March 1986, Sandia received a directive to develop the technical-onsite-inspection concept and to build a demonstration site. The response of Sandia was immediate. A model was examined in the Pentagon in October, and the demonstration site was completed in early December of that year. Sandia continues to be a strong contributor to arms control and verification technology as the United States moves toward a potential agreement on START—the Strategic Arms Reduction Task.

The Center for National Security and Arms Control will bring together work in four interrelated areas:

Arms control studies and verification technology;

Systems analysis and advanced concepts;

Intelligence; and

Threats and countermeasures.

These functions are currently scattered throughout Sandia National Laboratories in temporary and substandard space. The Center for National Security and Arms Control will consolidate these functions in a single facility for more efficient operation of the pioneering arms control and verification work at Sandia National Laboratories.

The President has requested funding for the Center for National Security and Arms Control in the fiscal year

1990 budget. The total cost of the facility is estimated to be $32 million.

The land upon which the Center for National Security and Arms Control is to be located is a 5.5-acre tract at Kirtland AFB in Albuquerque. It is adjacent to Sandia National Laboratories, which is a DOE facility. DOE desires to acquire title to the tract so that it can construct the Center for National Security and Arms Control on the site.

DOE has been occupying the land upon which the Center for National Security and Arms Control will be located since 1967 under a permit from DOD. Continued utilization of the land under a permit from DOD, however, is no longer an option.

The substantial cost of the facilities to be located on the property requires that DOE own the land, rather than continue to operate under a permit from DOD, which could reassert control over the land at any time. Such an action would result in the relocation of the Center for National Security and Arms Control, which would be very costly to the Federal Government.

This transfer has been proposed as the best means available to allow construction on this vital project to begin in an expeditious manner. The alternative is to attempt a transfer under the "declaration of excess property" process, which takes a minimum of 2 years.

The transfer of title to this facility would be accomplished without compensation to DOD because neither DOE nor DOD would benefit from any compensation, as the funds would simply be returned to the Treasury—from which they came in the first place.

I have been informed that both the management at DOE's Albuquerque operations office and the command at Kirtland AFB support the proposed land transfer in order to facilitate the vital arms control and verification work at Sandia National Laboratories.

Mr. President, this is a very straightforward bill and I hope that the Senate will act upon it quickly so that Sandia National Laboratories can continue its arms control and verification work that is so vital to the future of our Nation.

I ask unanimous consent that the text of the bill be printed in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 701

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Center for National Security and Arms Control Authorization Act of 1989".

SEC. 2. ESTABLISHMENT OF CENTER.

The Secretary of Energy is authorized to establish, construct, and operate a Center for National Security and Arms Control at Sandia National Laboratories in Albuquerque, New Mexico.

SEC. 3. TRANSFER OF PROPERTY.

(a) The real property described in subsection (b) and improvements thereon shall be transferred from the control and jurisdiction of the Department of Defense to the control and jurisdiction of the Department of Energy without compensation of reimbursement.

(b) The real property referred to in subsection (a) is a tract of land located in a portion of section 32, township 10 north, range 4 east, New Mexico principal meridian, and consisting of 5.583 acres, more or less, in Bernalillo County, New Mexico, being more particularly described by metes and bounds survey as follows:

Beginning at the southwest corner of the tract herein described, a chiseled cross in concrete: Whence, from said point of beginning, the southerly ¼ corner of section 32, T. 10 N., R. 4 E., n.m.p.n. (a brasscap set on the easterly side of asphalt road) bears S. 35°01'49" E., 2762.86 feet distance; thence, leaving said point of beginning,

N. 00°07'09" W., 602.85 feet distance; thence,

N. 26°59'12" W., 43.32 feet distance; thence,

S. 89°57'2" W., 111.09 feet distance; thence,

N. 00°14'05" E., 335.87 feet distance; thence,

N. 89°52'30" E., 334.04 feet distance; thence,

S. 00°00'45" W., 450.73 feet distance; thence,

S. 01°05'54" W., 608.51 feet distance; thence,

N. 31°03'42" W., 93.26 feet distance; thence,

N. 89°29'18" W., 143.54 feet distance to the southwest corner, the point and place of beginning of the tract herein described.

SEC. 4 AUTHORIZATION OF APPROPRIATIONS.

One million dollars is authorized to be appropriated to the Department of Energy for fiscal year 1990 for project number 90-D-186, Center for National Security and Arms Control, Sandia National Laboratories, Albuquerque, New Mexico.

Mr. BINGAMAN. Mr. President, I commend Senator DOMENICI for introducing this bill which will clear the way for a new Center for National Security and Arms Control to be constructed at Sandia National Laboratories in Albuquerque. I am delighted to be an original cosponsor of this measure.

Senator DOMENICI has already outlined the need for the proposed land transfer from the Department of Defense to the Department of Energy in order for the project to proceed. This transfer has the support of key officials in both agencies. As a member of the Armed Services Committee, I will seek to insure that this measure is included in the fiscal year 1990 Defense Authorization Act later this year.

I would like to briefly add a few comments about the importance of an enhanced Department of Energy role in verification research. For several years now the Congress has added funds to the President's requests for verification research at the Department of Energy laboratories. Both Senator DOMENICI and I have been part of the bipartisan group pushing for greater priority to this research effort. Congress has recognized that verification capabilities are always central to the pace of arms control progress. We have sought to put in place a system that proactively develops verification options for our arms control negotiators. Too often in the past development of verification capabilities has lagged far, far behind the development of new weapons technologies and we have found our arms control options severely constrained. We have to achieve a better balance between these efforts.

I was glad to see the recent Department of Energy study on modernization of the nuclear weapons complex, the so-called 2010 study, recommend an expansion in Department of Energy's verification and control technology programs over the next decade to support the increased emphasis on arms control as an essential element of our national security policy. However, I was disappointed with the Reagan administration's proposed fiscal year 1990 budget for Department of Energy verification research. It proposed a significant cut in funding below the fiscal year 1988 and 1989 levels. The cut in detection technology research was particularly severe, dropping from $110,800,000 in fiscal year 1989 to $97,652,000 in the proposed fiscal year 1990 budget. This is not an area we should be cutting over 15 percent when we are looking forward to energizing our arms control negotiations with the Soviets later this year. If this cut is not reversed, most of the work on advanced verification concepts will be terminated, according to Department of Energy budget documents.

I plan to work with my colleagues here in the Senate and with the new Secretary of Energy, Admiral Watkins, to reverse these short-sighted Reagan administration verification budget proposals which run totally counter to the 2010 report's recommendations and to congressional action in this area over the past 3 years.

Let me conclude by once again commending Senator DOMENICI for his work to strengthen Department of Energy's verification mission. I look forward to continuing to work with him on this critical issue.

By Mr. MITCHELL (for himself, Mr. DURENBERGER, Mr. HEINZ, Mr. CHAFEE, Mr. BRADLEY, Mr. DASCHLE, Mr. ROCKEFELLER, Mr. RIEGLE, Mr. PRYOR, and Mr. BAUCUS):

S. 702. A bill to amend title XVIII of the Social Security Act to increase the amount authorized for a patient out-

comes assessment research program, to transfer supervisory authority for such program to the Assistant Secretary for Health, to create a practice guidelines development program, to define the missions, priorities and scope of such programs, to establish an advisory committee for such programs, and for other purposes; to the Committee on Finance.

PATIENT OUTCOMES RESEARCH ACT

Mr. MITCHELL. Mr. President, I rise today to introduce an amendment to title XVIII of the Social Security Act to increase and improve the patient outcomes assessment research program. The major goal of this legislation is to improve the quality, effectiveness and appropriateness of health care. Specifically, this legislation will expand funding for research that compares the success of various methods of managing selected health conditions. It also establishes a practice guidelines development program. This will help provide guidance to health care professionals in managing their patient's health conditions. Further, the research and guidelines programs are strengthened by establishing an improved administrative structure.

The Maine Medical Assessment Foundation has been at the forefront of patient outcomes research efforts. The data they have gathered are important in helping physicians improve the quality of care for their patients, encouraging patient participation in decisionmaking, and contributing to controlling the cost of services.

The successful experience of the Maine Medical Assessment Foundation has been immensely helpful to me in the development of our earlier patient outcomes research bill, which became law in 1988, and in the development of this legislation. I am proud that Maine has led the way in this important work.

This authorization will change the emphasis of patient outcomes research so it will be more patient centered and health condition directed. Rather than concentrating mainly on whether a specific diagnostic or therapeutic method is effective and how it may best be employed, the studies will focus on selected health conditions, comparing the success of various methods of managing each condition. The goal is to identify the management methods that lead to the best outcome for the patient.

One of the most common measures of the outcome of health care always has been patient mortality. The research this legislation will support will employ other intermediate measures of patient outcomes, including biochemical and physiological changes, changes in physical and emotional health, complications, morbidity, changes in symptoms, functional status and well being and patient satisfaction. Many of these parameters are more difficult to define than patient survival, but evaluative clinical scientists now believe they are more reflective of successful patient management, and can be scientifically measured.

American researchers and clinicians have developed and used the most advanced medical technology to successfully treat conditions that our grandparents never dreamed could be cured or ameliorated. The ingenuity of American scientists and our compassionate drive to end disease and suffering render our future medical armamentarium virtually limitless. Yet, the rapid development of diagnostic and thereapeutic procedures is problematic. Without proper evaluation of effectiveness, and guidelines for appropriate use and information on the relative cost and value of various methodologies, these new procedures only contribute to the substantial amount of practice variation found by researchers.

Thus, the documented variation in practice patterns does not mean that physicians are cavalier or that they use poor judgment when they treat their patients. It means that too often they must make patient management decisions without adequate information. The research this legislation will support should provide physicians with adequate information to decide on the best clinical management for selected health conditions.

Geographical treatment variation occurs in relation to health conditions of all ages of patients. For example, there is variation in use of coronary artery bypass surgery, coronary artery angioplasty and drug therapy in the treatment of coronary artery disease in the Medicare population. But it is also well known that wide variation exists in the frequency of the performing caesarian sections. Consequently, this legislation will allow studies of non-Medicare health conditions. In this way this quality of care for all Americans can be improved.

This legislation will support, for the first time, the development of guidelines for health care professionals to use when faced with one of the health conditions studied. These practice guidelines will be developed from sufficient and valid research findings, under the auspices of organizations or groups of practicing health care professionals. In related endeavors, organized medicine, through its societies and specialty groups, is now developing programs that help measure the quality of care and steer physicians into "best practices." I applaud their efforts, as this will enhance the viability of the outcomes research program and its acceptance by practicing clinicians. I wish to encourage these efforts. Therefore, the practice guidelines program will provide matching funds at a ratio of up to 2 Federal dollars to 1 private dollar, for the development of guidelines.

This bill also will require the dissemination of research findings and guidelines in a systematic way. This is one of the major missions of this legislation. We can fund the best possible research, but it isn't useful unless we can get the findings into the hands of health educational institutions, health care practitioners, et cetera, so as to maximize their assimilation into health care.

The legislation I am proposing today increases the budget for patient outcomes research to $54 million ($30 million from Medicare trust funds and $24 million from general revenues) in fiscal year 1990, to $75 million ($45 million from Medicare trust funds and $30 million from general revenues) in fiscal year 1991, and extends funding through fiscal year 1992, when the level of funding rises to $110 million (divided equally between Medicare trust funds and general revenues).

Those who understand how this type of research is done will state that this a modest sum to tackle the job at hand. And, to put the spending levels into perspective, the national bill for health care will be $500 billion in 1990, when this bill, in its first year, expends $54 million, approximately .01 percent of the total.

While the emphasis of this legislation is one improving the quality of care, these are some who will be more pleased by the possibility of future cost savings. For example, Dr. Robert Brook of the Rand Corp., estimates that reducing inappropriate or questionable use of procedures could trim 10 percent, or $50 billion, from the Nation's medical bill. In these times of budget restrictions, and with health care expenditures growing at greater than the rate of inflation, I am pleased that this legislation has the potential to reduce the high costs that threaten access to health care.

Mr. President, a major change rendered by this legislation is in the administration of the patient outcomes research program. With the growth in the program that will occur with the infusion of substantially more money, it has become clear that there must be strong, coordinated and efficient leadership of this effort throughout the Department of Health and Human Services. Our legislation mandates that the Secretary vest in the Assistant Secretary for Health, the authority to coordinate and lead the research and guidelines development programs. He will be responsible for developing the scope and priorities for the programs, for disbursing all funds for research and for disseminating the findings of the research program and practice guidelines. In accomplishing the above, the Assistant Secretary will consult with other senior administra-

tors not only in his Department, but in the Departments of Defense and Veterans' Affairs as well. The National Center for Health Services Research and Health Care Technology Assessment will receive and disburse all funds for nongovernmental, extramural research and guidelines development, via their excellent peer review mechanisms.

We stipulate that the Assistant Secretary will contract with the Institute of Medicine to have it provide advice on the strategy—that is, the overall methodological approaches to be used—for the research and guidelines programs, the best means of disseminating the research findings and guidelines and to evaluate the success of their assimilation into health care.

The Assistant Secretary also will establish an independent advisory committee, which will be active in advising on tactical and technical matters. The committee also will secondarily review extramural projects with substantial funding.

This legislation will allow the generation of contracts, in addition to grants and cooperative agreements. This should permit the Assistant Secretary to focus desired studies more readily. Finally, rather than requiring that 90 percent or more of the funds be spent extramurally, as in current law, the percentage has been changed to 70 percent or more. This will allow the Assistant Secretary to direct up to 30 percent of the funds intramurally, to fund projects such as the reorganization of the data related to claims against Medicare trust funds, working with the Health Care Financing Administration. This should provide substantial data useful to the programs and, at the least, help identify further areas of needed research. Worthy projects in other Federal components also could be supported.

Mr. President, I extend my appreciation to all those inside and outside of government, who gave their ideas and advice as this legislation, which focuses on improving the quality of American health care was being crafted.

I ask unanimous consent that the full text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 702

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Patient Outcomes Research Act of 1989".

SEC. 2. PATIENT OUTCOMES ASSESSMENT RESEARCH PROGRAM.

(a) IN GENERAL.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by inserting after section 1875 the following new section:

"PATIENT OUTCOMES ASSESSMENT RESEARCH PROGRAM AND PRACTICE GUIDELINES DEVELOPMENT PROGRAM

"1875A. (a)(1) The Secretary, acting through the Assistant Secretary for Health (hereafter in this section referred to as the 'Assistant Secretary'), shall establish a patient outcomes assessment research program (hereafter in this section referred to as the 'research program'). The research program shall be broad-based and largely patient centered and include studies of—

"(A) patient survival;

"(B) clinical endpoints, such as—

"(i) biochemical changes,

"(ii) physiological changes, and

"(iii) changes in physical and emotional health;

"(C) complications;

"(D) morbidity;

"(E) the effect of medical treatment on symptoms; and

"(F) the effect of medical treatment on quality of life, such as—

"(i) functional status and well-being, and

"(ii) patient satisfaction.

"(2) The mission of the research program shall include—

"(A) the generation of information concerning the best methods of managing selected health conditions, taking into account research parameters that assess the quality, appropriateness, necessity, and effectiveness of management methods; and

"(B) the dissemination of the findings of the research program to the following:

"(i) health care providers, consumers, and peer review organizations;

"(ii) appropriate health professions educational institutions; and

"(iii) other entities that the Assistant Secretary determines to be appropriate, after consultation with—

"(I) the Institute of Medicine of the National Academy of Sciences (or a public or private nonprofit entity, as described in subsection (i)(2)) (hereafter in this section, other than subsection (i), referred to as the 'Institute of Medicine'), and

"(II) the Independent Advisory Committee on Managing Patient Outcomes established in subsection (h) (hereafter in this section, other than subsection (h), referred to as the 'Independent Advisory Committee').

"(3) The research program shall primarily focus on and give priority to the study of the management of health conditions, rather than the study of individual treatments, technologies, or surgical procedures. The research program shall include—

"(A) evaluation of all relevant medical and surgical treatments for health conditions determined to be priority health conditions under such program;

"(B) evaluation of alternative levels of health care, such as hospital and ambulatory care, for such priority health conditions;

"(C) reorganization of data relating to claims under parts A and B of this subchapter in a manner that facilitates research with respect to patient outcomes;

"(D) assessments of the appropriateness of admissions and discharges;

"(E) assessments of the extent of professional uncertainty regarding effectiveness;

"(F) development of improved methods for measuring patient outcomes;

"(G) evaluations of patient outcomes;

"(H) evaluation of the effect on the practice patterns of health care professionals of the dissemination of the findings of the research conducted under subparagraphs (D) through (G) of this paragraph; and

"(I) other assessments of patient outcomes that the Assistant Secretary determines to be appropriate after reviewing the reports of studies conducted by the Institute of Medicine described in subsection (i), and after consulting with the Independent Advisory Committee.

"(4) In selecting for study health conditions and the associated management methods for such conditions, the Assistant Secretary shall give priority to those health conditions—

"(A) for which data indicate a high (or potentially high) variable pattern of utilization of management methods among patients in different geographic location and in different clinical settings, including the following management methods:

"(i) diagnostic tests,

"(ii) medical treatment,

"(iii) surgical procedures,

"(iv) the use of hospital care, as opposed to ambulatory care,

"(v) the use of intensive care services, as opposed to other inpatient care, and

"(vi) other procedures that the Assistant Secretary determines to be appropriate;

"(B) which are significant (or potentially significant) for the purposes of this title in terms of one or more of the following:

"(i) the frequency of occurrence of such conditions in the population,

"(ii) the utilization of specific management methods,

"(iii) the cost to the population,

"(iv) the incidence of hospitalization associated with specific management methods,

"(v) the length of hospitalization associated with specific management methods,

"(vi) the frequency of health care professional visits at any location outside of a hospital as well as outpatient visits in a hospital associated with specific management methods,

"(vii) the cost to the research program, and

"(viii) the risk posed to a patient; and

"(C) that the Assistant Secretary determines to be otherwise appropriate, after consultation with the Independent Advisory Committee and the Institute of Medicine.

"(b)(1) The Secretary, acting through the Assistant Secretary, shall establish a practice guidelines development program (hereafter in this section referred to as the 'guidelines program'). Such program shall provide for the development of practice guidelines regarding the appropriateness and relative effectiveness of alternate approaches to detecting and managing selected health conditions.

"(2) The mission of the guidelines program shall be to improve the quality of health care through the generation of guidelines to be used to inform, educate, and encourage health care professionals to adopt those practice patterns determined under such program to be most effective. In carrying out the mission of the guidelines program, the Assistant Secretary shall ensure that—

"(A) a health care professional shall retain the ability to exercise professional judgment to deviate for good cause, in any given case, from any guideline developed under such program; and

"(B) the data base of the program and the resultant guidelines of such program shall be continually reevaluated to ensure that such guidelines are updated to accommodate new research findings and innovations in medicine.

"(3) The guidelines program shall include—

"(A) the generation of practice guidelines that—

"(i) specify the best means of detecting and managing selected health conditions (taking into account research parameters that assess the quality, appropriateness, necessity, and effectiveness of alternate methods), and

"(ii) identify the most appropriate uses of specific diagnostic and therapeutic modalities;

"(B) the determination of what constitutes appropriate and inappropriate application of practice guidelines in medical education, public and private utilization and peer review programs, consumer education and other applications, observed in practice or as determined by the Assistant Secretary after consultation with the Institute of Medicine and the Independent Advisory Committee;

"(C) the dissemination of practice guidelines (in a manner that maximizes the assimilation of such guidelines into health professional education and professional health care) to the following:

"(i) health care providers, consumers, and peer review organizations,

"(ii) appropriate health professions educational institutions, and

"(iii) other entities that the Assistant Secretary determines to be appropriate, after consultation with the Institute of Medicine and the Independent Advisory Committee; and

"(D) the evaluation of the effect on the practice patterns of health care professionals of the dissemination of practice guidelines developed under this subsection.

"(4) The Assistant Secretary shall oversee the development of practice guidelines. Such guidelines shall be developed by any of the following:

"(A) organizations or groups of practicing academic health care professionals;

"(B) practicing private health care professionals; or

"(C) clinical specialists.

"(5) In developing practice guidelines under the guidelines program, the Assistant Secretary shall focus primarily on, and give priority to, the management of health conditions.

"(6) Notwithstanding paragraph (5), practice guidelines for the use of specific diagnostic tests, treatments, technologies, or procedures may be developed under the guidelines program.

"(7) In selecting health conditions and the associated management methods for such conditions for which guidelines should be developed, the Assistant Secretary shall give priority to such conditions and methods which have one or more of the following characteristics:

"(A) a sufficient and valid base of scientific research data consistent with professional research standards;

"(B) a highly variable pattern of practice across different geographic locations;

"(C) significance to patients or consumers because of one or more of the following:

"(i) the frequency of occurrence of such conditions in the population,

"(ii) the utilization of specific management methods,

"(iii) the cost to the population,

"(iv) the incidence of hospitalization associated with specific management methods,

"(v) the length of hospitalization associated with specific management methods,

"(vi) the frequency of health care professional visits at any location outside of a hospital as well as outpatient visits in a hospital associated with specific management methods, and

"(vii) the risk posed to a patient; or

"(D) other indicators that the Assistant Secretary determines to be appropriate, after consultation with the Institute of Medicine and the Independent Advisory Committee.

"(8) The practice guidelines developed under this subsection shall be based on the findings of available scientific research data, including such data generated by the research program.

"(9) In order to carry out the development of practice guidelines under this subsection, the Assistant Secretary may employ any appropriate direct or indirect method for the development of such guidelines by any entity listed under paragraph (4). The Secretary, acting through the Assistant Secretary, shall make available matching funds for any grant, contract, or cooperative agreement that the Center may authorize under subsection (d) with any such entity at a rate of 2 dollars for each dollar expended from non-Federal sources.

"(c)(1) For purposes of carrying out the research program and the guidelines program there are authorized to be appropriated—

"(A) from the general fund of the Treasury—

"(i) $24,000,000 for fiscal year 1990,

"(ii) $30,000,000 for fiscal year 1991, and

"(iii) $55,000,000 for fiscal year 1992;

"(B) from the Federal Hospital Insurance Trust Fund, two-thirds of the amount specified in paragraph (2); and

"(C) from the Federal Supplementary Medical Insurance Trust Fund, one-third of the amount specified in paragraph (2).

"(2) The amounts specified in this paragraph are—

"(A) $30,000,000 for fiscal year 1990,

"(B) $45,000,000 for fiscal year 1991, and

"(C) $55,000,000 for fiscal year 1992.

"(3) Of the funds authorized to be appropriated under this subsection, not more than $100,000 shall be available for the staffing and functions of the Independent Advisory Committee established under subsection (h).

"(4) Not less than 70 percent of the amount appropriated for any fiscal year to carry out the research program and the guidelines program shall be used to fund grants to, contracts with, and cooperative agreements with, non-Federal entities. The remainder may be used by the Assistant Secretary to provide such research by Federal entities and for administrative costs. Not more than 10 percent of the amount used to fund research or guidelines development in non-Federal entities may be used to fund contracts with such entities.

"(d) The National Center for Health Services Research and Health Care Technology Assessment, established under section 305 of the Public Health Services Act (42 U.S.C. 242c), (hereafter in this section referred to as the 'Center') shall carry out the administration and disbursement of funds appropriated for grants to, contracts with, and cooperative agreements with non-Federal entities under subsection (c)(4). The Center shall establish peer review panels to review applications from non-Federal entities for funds disbursed under subsection (c)(4) and to review research findings of and practice guidelines developed by the non-Federal entities which receive such funding.

"(e) The Secretary shall make available data derived from the programs under this title and other programs administered by the Secretary for use in the research program and the guidelines program.

"(f) The Assistant Secretary shall require that each component in the Department that performs patient outcomes research or participates in practice guidelines development submit, on at least an annual basis, a report to the Assistant Secretary. Such report shall outline the participation of such component in the research program and the guidelines program and summarize the results of such participation. The Assistant Secretary shall review such reports and shall also—

"(1) develop the scope and priorities for the research program and the guidelines program for the Department;

"(2) update the scope and priorities developed under paragraph (1) on at least an annual basis;

"(3) review the results of the patient outcomes assessment research and the guidelines program conducted or coordinated by the Department;

"(4) coordinate patient outcomes assessment research and the development of practice guidelines in the Department to meet the objective of maximizing the efficiency of the research program and the guidelines program;

"(5) supervise the administration of grants to, contracts with, and cooperative agreements with non-Federal entities by the Center;

"(6) consult with the following officials or the representatives of such officials concerning the research program and the guidelines program in the Department:

"(A) the Assistant Secretary for Planning and Evaluation,

"(B) the Administrator of the Health Care Financing Administration,

"(C) the Director of the Center,

"(D) the Director of the National Institutes of Health,

"(E) the Director of the Centers for Disease Control,

"(F) the Administrator of the Health Resources and Services Administration,

"(G) the Commissioner of Food and Drugs,

"(H) representatives in the fields of epidemiology and biostatistics, and

"(I) other individuals whom the Assistant Secretary determines to be appropriate; and

"(7) consult with the following Federal officials or representatives of such officials concerning the research program and guidelines program:

"(A) the Chief Medical Director of the Veterans' Health Services and Research Administration of the Department of Veterans Affairs, and

"(B) the Assistant Secretary of Defense for Health Affairs.

"(g)(1) The Secretary shall report to the Committees on Finance, Labor and Human Resources, and Appropriations of the Senate and the Committees on Ways and Means, Energy and Commerce, and Appropriations of the House of Representatives—

"(A) not later than 90 days after the date of enactment of this section regarding—

"(i) the procedures or protocols for—

"(I) setting research priorities,

"(II) determining the most appropriate and cost effective research strategy within a given research priority, and

"(III) developing practice guidelines; and

"(ii) the proposed level and distribution of funding of the research program and guidelines program for the first fiscal year under this section; and

"(B) not later than 12 months after the date of enactment of this section, and annually thereafter regarding—

"(i) the establishment and updating of strategic and tactical plans for implementing the research program and the guidelines program;

"(ii) the findings under the research program;

"(iii) the findings and results of the guidelines program;

"(iv) the proposed level of funding of the research program and the guidelines program for the subsequent fiscal year; and

"(v) the expected impact of the research program and the guidelines program on—

"(I) the quality of health care,

"(II) the expenditure of medicare trust funds, and

"(III) the total expenditures for health care in the United States.

"(h)(1) The Secretary, acting through the Assistant Secretary, shall establish, not later than 90 days after the date of enactment of this section, the Independent Advisory Committee on Managing Patient Outcomes (hereafter in this subsection referred to as the 'Independent Advisory Committee').

"(2) The Secretary, acting through the Assistant Secretary, shall appoint from among individuals whose names are obtained by a national search and who are not officers or employees of the United States Government not more than 12 voting members of the Independent Advisory Committee as follows:

"(A) at least 1 recognized expert for each of the following subjects:

"(i) biostatistics,

"(ii) epidemiology,

"(iii) clinical trial methodology,

"(iv) health services research in the field of patient outcomes,

"(v) peer quality review, and

"(vi) practice guidelines development;

"(B) representatives of health care providers, including—

"(i) at least 1 member who is engaged in the practice of medicine,

"(ii) at least 1 member who is engaged in the practice of surgery, and

"(iii) at least 1 member who is actively employed in hospital function; and

"(C) other individuals whom the Assistant Secretary determines to be appropriate.

"(3) Any officer or employee of the United States Government serving on the Independent Advisory Committee shall serve as a nonvoting, ex officio member. The nonvoting, ex officio members of the Committee shall consist of—

"(A) the Director of the Center or the representative of such individual; and

"(B) not more than 3 other officers or employees whom the Assistant Secretary determines to be appropriate.

"(4) The voting members of the Independent Advisory Committee shall appoint a chairman from among such members.

"(5) A vacancy occurring on the Independent Advisory Committee shall be filled in the same manner as that in which the original appointment is made.

"(6) The Assistant Secretary shall make available to the Independent Advisory Committee such office facilities, personnel, technical assistance and such funds authorized under subsection (c)(3), as are necessary to enable such Committee to carry out effectively its functions.

"(7) The Independent Advisory Committee shall meet not less than 2 times each calendar year. The chairman of such Committee may call additional special meetings as such chairman determines to be necessary.

"(8) Members of the Committee who are not regular full-time employees of the United States Government shall, while attending meetings and conferences of the Committee or otherwise engaging in the business of the Committee (including traveltime), be entitled to receive compensation at a rate fixed by the Assistant Secretary, but not exceeding the rate specified at the time of such service under GS-18 of the General Schedule established under section 5332 of title 5, United States Code.

"(9) While away from their homes or regular places of business on the business of the Independent Advisory Committee, such members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

"(10) The Assistant Secretary shall ensure that the Independent Advisory Committee is established and operated in accordance with the Federal Advisory Committee Act.

"(11) The Independent Advisory Committee shall—

"(A) review the reports of the results of patient outcomes assessment research required under subsection (f) and (g);

"(B) advise the Assistant Secretary on the establishment of tactical research priorities and on the implementation of such research priorities by the Department;

"(C) review applications for patient outcomes assessment research grants, cooperative agreements, and contracts in excess of $100,000 in direct costs, which a Center peer review panel, established under subsection (d), rates as having a sufficient level of priority to allow funding;

"(D) advise the Assistant Secretary on the development of condition-specific or procedure-specific practice guidelines, on the dissemination of research findings and practice guidelines, and on the application of practice guidelines; and

"(E) provide reports of all meetings to the Assistant Secretary and to the Institute of Medicine, and make such reports available to the public.

"(12) The Independent Advisory Committee shall receive the annual status reports prepared by the Institute of Medicine under subsection (i).

"(13) Individual members of the Independent Advisory Committee shall be available to the following on an ad hoc basis, as necessary, for consultation:

"(A) the Center;

"(B) the Assistant Secretary; and

"(C) other agencies of the Department.

"(i)(1) Within 60 days after the date of enactment of appropriation Acts authorized under paragraph (1) of subsection (c) and paragraph (6) of this subsection, the Assistant Secretary shall enter into a contract with the President of the National Academy of Sciences (hereafter in this section referred to as the 'Academy') under which the Academy, acting through the Institute of Medicine, shall—

"(A) conduct studies which shall—

"(i) annually review the available information and findings of the research program, and

"(ii) advise the Department on the conduct of the research program and guidelines program; and

"(B) publish the reports described under paragraphs (4) and (5).

"(2) If the President of the Academy does not agree to enter into a contract described under paragraph (1), the Assistant Secretary shall enter into a contract with another appropriate public or private nonprofit entity to conduct the studies and to prepare and publish the reports described under paragraphs (4) and (5).

"(3) In carrying out the contract described under paragraph (1), the President of the Academy (acting through the Institute of Medicine) or the appropriate official of another public or private nonprofit entity shall solicit, through a national search, the assistance of individuals who are capable of carrying out the requirements of such contract and who—

"(A) are involved in a broad spectrum of health care interests, such as—

"(i) professional health care, including medical and surgical practice and hospital function,

"(ii) health organization affairs,

"(iii) consumer concerns,

"(iv) health provider peer review,

"(v) health care insurance;

"(B) are recognized experts in such areas as—

"(i) computer data bases,

"(ii) health services research in the field of patient outcomes,

"(iii) health professions education,

"(iv) epidemiology, and

"(v) social work and medical ethics; and

"(C) are involved in such other related fields, as the President of the Academy or such official determines to be appropriate.

"(4) The Academy (acting through the Institute of Medicine) or another public or private nonprofit entity (hereafter in this subsection referred to as the 'Institute of Medicine') shall annually review the available information, findings, and recommendations of the research program conducted under this section. The Institute of Medicine, as part of the review process, shall be provided, in a timely fashion, with summaries of the research program and guidelines program through periodic status reports produced by components of the Department involved in patient outcomes assessment research or the development of practice guidelines, and the reports by the Independent Advisory Committee specified under subsection (h)(11)(E), and shall—

"(A) recommend strategic priorities for the research program and practice guidelines to the Assistant Secretary, and advise the Assistant Secretary concerning—

"(i) the best classes of research studies and suggested directions for such research,

"(ii) the best means of disseminating the findings of the research program,

"(iii) procedures for identifying priorities in, or setting protocols for, developing practice guidelines, and

"(iv) appropriate and inappropriate applications of practice guidelines; and

"(B) evaluate the success of the research program in meeting the following missions:

"(i) the generation of necessary and appropriate patient outcomes assessment research findings and practice guidelines, and

"(ii) the dissemination of patient outcomes assessment research findings and practice guidelines in such a manner as such findings and practice guidelines are assimilated into health care professional education and into professional health care.

"(5) The Institute of Medicine shall issue a report to the Congress, to the Assistant Secretary, to the Independent Advisory Committee, and to the public which summarizes the findings under paragraph (4) and includes suggested legislative and other recommendations for improving the research

program and guidelines program. The Institute of Medicine shall issue an initial preliminary report not later than 120 days after the date of execution of the contract under paragraph (1) or (2), and complete reports not later than January 31 of each subsequent year. In carrying out the review and in issuing the report described in this paragraph, the Institute of Medicine shall—

"(A) develop and recommend strategic priorities for future research and the guidelines program;

"(B) examine reports of research findings and practice guidelines development derived from the participation in the research program and the guidelines program by the Center and other Federal entities;

"(C) comment on the findings of the research program and the results of the guidelines program, and the relevance and importance of such findings and results with respect to the Congress, providers, and consumers; and

"(D) prepare criteria to select research focal points and practice guidelines indicators that meet the requirements of subsections (a)(4) and (b)(7), respectively.

"(6)(A) For the purposes of carrying out the research program and guidelines program review and reports provided for in this paragraph and in paragraphs (4) and (5) there are authorized to be appropriated—

"(i) from the general fund of the Treasury, one-half of the amount specified in subparagraph (B);

"(ii) from the Federal Hospital Insurance Trust Fund, one-third of the amount specified in subparagraph (B); and

"(iii) from the Federal Supplementary Medical Insurance Trust Fund, one-sixth of the amount specified in subparagraph (B).

"(B) The amounts specified in this subparagraph are—

"(i) $200,000 for fiscal year 1990,

"(ii) $200,000 for fiscal year 1991, and

"(iii) $300,000 for fiscal year 1992.".

(b) CONFORMING AMENDMENT.—Section 1875 of the Social Security Act (42 U.S.C. 1395ll) is amended by striking out subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of enactment of this Act.

● Mr. HEINZ. Mr. President, it is with great pleasure that I join the majority leader and my colleagues in the Senate today in introducing legislation that will go far to improve fundamental medical treatment decisions affecting the lives of millions of Americans each year.

This year, some 150,000 women will be diagnosed as having breast cancer. Last week, a study in the New England Journal of Medicine reported that the chances of survival for these women are just as good if they are treated conservatively, by simply removing the tumor and having radiation, than if they have a radical mastectomy.

This is good news for women who just 10 years ago would have had no choice but to go with the mastectomy—a far more risky and emotionally stressful option. This is only one example of the direct benefit to patients of getting a better handle on which diagnostic or treatment approaches are more or less effective. Too often, physicians and patients must make treatment decisions in the midst of great uncertainty and lack of scientific evidence on which tests or procedures will produce the best outcome.

Should, for example, one opt for bypass surgery or a less extreme procedure such as angioplasy in treating heart disease? When is an intrusive diagnostic technique such as endoscopy worth the health risk and the associated cost, which can run into the hundreds of dollars per procedure?

In the face of such uncertainty, we tend to error on the side of prescribing more, and often more intrusive and costly procedures—driving up the nation's health care bill and putting patients at unnecessary health risk.

I commend Senator MITCHELL for his foresight in introducing the Patient Outcomes Research Act of 1989. I am honored to be an original cosponsor of this important legislation that provides direction and much needed funding for research to reduce this "gray area" of modern medicine. I am also pleased that the Senator accepted my proposal to take the bill one step further—to also require that the Department translate research findings into medical guidelines that physicians can turn to in making medical decisions. Only this will ensure that what we learn in our laboratories and from our statistics gets to the patient's bedside.

I also wish to take this opportunity to announce a companion initiative I have requested of the General Accounting Office [GAO], with the support of Senator MITCHELL, Senator PRYOR and Senator GLENN. We are asking that the GAO recommend a strategy for proceeding with research and the development of practice guidelines that will support Secretary Sullivan's personal commitment to this important new area of medical research and public policy. I request, Mr. President, that copies of our correspondence to Secretary Sullivan and the GAO Comptroller Charles Bowsher on the GAO request be submitted for the RECORD at the conclusion of my statement.

I believe that the steps we are taking with this legislation, with our request of the GAO, and with the leadership of Secretary Sullivan, represent a truning point on an exciting new era of medical science that holds great promise for improving the quality while also controlling the costs of medical care.●

By Mr. SYMMS:

S. 703. A bill entitled the "Human Rights in Central America Act of 1989"; to the Committee on Appropriations.

HUMAN RIGHTS IN CENTRAL AMERICA ACT OF 1989

Mr. SYMMS. Mr. President, today I am introducing legislation which would provide $300 million in military assistance and $85 million in humanitarian assistance to the Nicaraguan freedom fighters. There has been a great amount of talk that we have finally achieved some semblance of a bipartisan foreign policy toward Central America. However, I am somewhat disappointed at the position taken by the administration and many of the Members in the House and Senate. I think the newest so-called bipartisan package being bantered about does not offer enough strength, enough commitment, and enough to proceed for victory for the freedom fighters. In previous years, the U.S. Government has offered the Contras and the Nicaraguan people real hope and real opportunity.

In my view, this so-called peace package now offers them defeat without dignity. However, I hope that I am wrong.

Mr. President, we all remember the famous line that, "it is not over until the fat lady sings." As "it" relates to the Contras, if the best the U.S. Government can come up with is the bipartisan plan before us, we may not be able to hear the fat lady sing, but it sounds to me like she is clearing her throat.

I offer this legislation so my colleagues will be aware that it is available. I intend to call it up for a vote. I know that it may not pass, but there are some people in Congress who would at least like to vote on a package that had a good chance to assist in the victory over the Communist dictators in Nicaragua. I am unabashedly proud of the fact that my position has always been that we should try to liberate the enslaved people in Nicaragua or Cuba or wherever. Freedom is humanitarian. Capitalism is the engine of prosperity in the world, and that capitalist economic system provides the best for most people.

It provides the means by which to turn on the lights, to feed the people, to distribute the food, to clothe the cold, to feed the hungry, and care for the sick. We Americans, of all people, should never be ashamed to say that our goal is to help liberate people that are enslaved by Communist dictators like Daniel Ortega and Thomas Borge and Fidel Castro, and others around the world.

The legislation I offer to the Senate today is not meant in any way to impugn the motives of the President, Secretary Baker, or any of my colleagues who are endorsing the bipartisan package. I hope they are right, and I am sure that they firmly believe this is the most appropriate course of action for the United States to take.

In view of the way the votes have gone on the Senate and House floors, I can see how the President and the Secretary of State would come to that conclusion. They simply have not been able to get the votes for a package

that would assure victory over the Communists by the Contras.

Having said that, Mr. President, I feel very strongly, and I think it would not be in good conscience for this Senator to do anything less than offer this meager package of $300 million for lethal aid, and $85 million for humanitarian aid, from the great United States.

If we cannot do that much to help freedom prevail in Nicaragua, to give hope for the future of young Nicaraguan people, that they, too, might some day live in a democratic society that offers them private ownership, freedom of the press, freedom of religion, freedom to move where they wanted to in their country; then, Mr. President, I think it is a sad day in our history.

We should be working openly, Mr. President, for the overthrow of the Communist regimes in Nicaragua, Cuba, and other places. In foreign policy, we should keep it very simple and clean. Support your friends and oppose your enemies. If you stay with those policies, in the longrun, freedom will prevail, and it will happen faster than if we try to dance around the edges of the real issues.

While many support peace in Central America, I say let us support peace and freedom. When people say, "give peace a chance," I say, let us give peace and freedom a chance.

That is why I send to the desk this legislation. When we start debating the bipartisan package, this will probably be one amendment that will be at my attention. At this point, however, I offer it to my colleagues for their consideration, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 703

Be it enacted by the Senate and House of Representatives in Congress assembled, That, this act may be cited as "The Human Rights in Central America Act of 1989".

SEC. 2. PROVISION OF ASSISTANCE.

(a) NON-LETHAL ASSISTANCE.—The President is hereby authorized to transfer from the unobligated funds of the Department of Defense not less than $85,000,000 to be used solely for providing non-lethal assistance to the Nicaraguan democratic resistance. Such non-lethal assistance shall include, but not be limited to the provision of economic and material assistance relating to administrative costs, office space, office supplies, telecommunications equipment and supplies, transportation equipment and costs, gasoline, fuel, aircraft spare parts (including helicopters), communications radios with batteries, clothing, boots, political education expenses, military training expenses, civil action expenses, and such other non-lethal expenses as shall be deemed necessary and proper.

(b) LETHAL ASSISTANCE.—The President is hereby authorized to transfer from the unobligated funds of the Department of Defense not less than $300,000,000 to be used solely for providing assistance, both lethal and non-lethal, to the Nicaraguan democratic resistance; provided, however, that no funds may be made available pursuant to the provisions of this paragraph until July 19, 1989, and no funds may be made available pursuant to this paragraph if, on or before July 19, 1989, the government of Nicaragua has taken irreversible action to implement free and democratic elections in Nicaragua.

SEC. 3. EFFECTIVE DATE.

This Act shall take effect upon enactment.

By Mr. RIEGLE (for himself, Mr. PACKWOOD, Mr. BRADLEY, Mr. CHAFEE, Mr. MOYNIHAN, Mr. DURENBERGER, Mr. MATSUNAGA, Mr. DECONCINI, Ms. MIKULSKI, Mr. HOLLINGS, Mr. SIMON, Mr. PELL, Mr. CONRAD, and Mr. INOUYE):

S. 704. A bill to increase the authorization under title XX of the Social Security Act for block grants to States for social services; to the Committee on Finance.

SOCIAL SERVICES BLOCK GRANT RESTORATION ACT

● Mr. RIEGLE. Mr. President, I am pleased to join with a strong bipartisan group of my colleagues in introducing S. 704, the Social Services Block Grant Restoration Act of 1989. Our purpose is to increase the level of funding for this vital program which has seen its buying power cut in half at the same time that the social problems it is designed to address have increased dramatically across the country.

Title XX of the Social Security Act provides the main source of Federal funding for a wide range of increasingly necessary social services such as child day care, protection from abuse or neglect, sheltered employment and community-based residential programs for disabled individuals, and chore services and home delivered meals for the elderly.

Title XX has lost 50 percent of its purchasing power over the last 10 years. At the same time, reports of child abuse, the need for home-based services for seniors and disabled Americans, and the need for affordable child care have become urgent national concerns.

Our bill is modest compared to the need. It simply restores $200 million to title XX in each of the next 3 years. It raises the authorization of title XX from its current level of $2.7 billion to $3.3 billion by 1992—the level it would have reached in 1985, absent the reductions of the early 1980's.

I have worked closely in the past on this issue with Generation United, an intergenerational coalition of over 100 organizations. They have again endorsed the restoration of title XX funding at the top of their legislative agenda this year.

FUNDING OF TITLE XX IN FISCAL YEAR 1988

In the 100th Congress, an item was overlooked during the harried final days of the fiscal year 1988 budget process. After an extended battle, the Omnibus Budget Reconciliation Act of 1987 included a one-time increased authorization of $50 million for title XX in fiscal year 1988.

The increase was included in the budget summit agreement, and signed into law by President Reagan. Inadvertently, the increase was not included as part of the fiscal year 1988 continuing resolution.

The additional funds were included in CBO's fiscal year 1988 baseline, and corresponding cuts were made in other programs to make room for the title XX increase. Unfortunately, although the funding was approved in a supplemental appropriations bill in a House subcommittee, it was never finally appropriated.

By enacting an increase in title XX, the Federal Government made a commitment to serving the needs of children, elderly, and disabled persons. Mr. President, I want to state for the record that the unprecedented and unwarranted failure to appropriate the amount authorized for title XX for fiscal year 1988 in no way undermines or brings into question its entitlement status.

When the authorization of title XX is increased, an appropriation should be automatic. As far as I can ascertain, this proposition was not in question when the funds were not appropriated for fiscal year 1988. This omission was not made as the result of a difference of opinion about the policy of increasing funding for title XX, or about its entitlement status. Rather the omission was the tragic outcome of the timing of events and perhaps less than perfect communication during congressional enactment of the budget for fiscal year 1988.

Mr. President, this should never happen again. Congress should be wary of one-time increases in title XX. I urge my colleagues to consider the necessity of a permanent increase in the authorization of title XX.

RESTORATION OF FUNDS

States will have difficulty meeting the needs of their most vulnerable citizens without a restoration of title XX funds. They may have to reduce services to seniors, children and disabled individuals.

In fiscal year 1982, title XX funding was cut by $600 million in the Omnibus Budget Reconciliation Act of 1981. Today, title XX is funded at the same level which it has been since 1985. In constant 1988 dollars, Federal funding for title XX programs has fallen from $5.4 billion in 1977 to $2.7 billion today.

I urge my colleagues to join with us in supporting this vital effort to restore funding for title XX.

Mr. President, I ask unanimous consent that the text of the bill be inserted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 704

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Services Block Grant Restoration Act of 1989".

SEC. 2. INCREASE IN TITLE XX AUTHORIZATION FOR BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.

Subsection (c) of section 2003 of the Social Security Act (42 U.S.C. 1397b is amended—

(1) by striking out ", and for each succeeding fiscal year other than the fiscal year 1988; and" in paragraph (3) and inserting in lieu thereof a semicolon;

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(5) $2,700,000,000 for the fiscal year 1989;

"(6) $2,900,000,000 for the fiscal year 1990;

"(7) $3,100,000,000 for the fiscal year 1991; and

"(8) $3,300,000,000 for the fiscal year 1992.".●

● Mr. CHAFEE. Mr. President, I am proud today to join Senator RIEGLE in sponsoring the Social Services Block Grant Restoration Act of 1989. This legislation will help restore funding for the title XX Social Services Block Grant which serves some of the most vulnerable members of our society.

Title XX is the primary source of Federal funding for child care, community services for senior citizens and those with disabilities, and protective services for abused and neglected children. The Social Services Block Grant enables individuals and families to help themselves become economically and socially self-sufficient.

I believe we have a responsibility to encourage those with disabilities to reach their potential and care for themselves to the best of their abilities. We must assist parents with dependent children to obtain quality child care so they can work and provide for their family. We must provide community services such as adult day care, chore aid, and homemaker assistance to enable the elderly to remain in their homes.

Title XX provides all these services and more. But because its funding levels have not increased with the rate of inflation, these programs are having difficulties meeting the needs of the people they serve.

The Social Services Block Grant Restoration Act would increase funding for the title XX block grant by $600 million over 3 years. This increase is essential to helping people served under title XX to live independently and maintain a high quality of life.

Mr. President, during this time of fiscal restraint, I ask my colleagues to look at this legislation as a much needed investment in the lives and future of our most vulnerable citizens. It is my hope that the Senate will approve this legislation and in so doing, recognize the importance of services provided under the title XX Social Services Block Grant.●

By Mr. DASCHLE (for himself and Mr. PRESSLER):

S. 705. A bill to assure fair consideration of the interests of States likely to be affected by the establishment of low-level radioactive waste disposal facilities; to the Committee on Environment and Public Works.

INTERESTS OF STATES AFFECTED BY ESTABLISHMENT OF LOW-LEVEL RADIOACTIVE WASTE DISPOSAL FACILITIES

Mr. DASCHLE. Mr. President, in 1980 the Members of this body passed into law the Radioactive Waste Policy Act, essentially establishing a Federal policy which holds each State responsible for the disposal of its own radioactive waste. The law also authorized and encouraged States to enter into compacts for the disposal of low-level waste generated within their borders.

In 1985, Congress further amended the act, providing a series of milestones, incentives and penalties to encourage the development of compact regions. Responding to this act, five midwestern States joined to create what became known as the Central Interstate Low-Level Radioactive Waste Compact, with Nebraska being designated as the host site for the low-level waste facility.

In January of 1989, the contractor for the Central Interstate Compact—U.S. Ecology—chose three locations as possible sites for the Compact's low-level radioactive waste disposal unit. All three of these sites are located adjacent to the borders of other States. One of them, in Boyd County, NB, is located 5 miles from the State of South Dakota.

In developing the compact concept—a consortium of States designed to effectively dispose of low-level waste—attention was primarily focused on the compacts themselves. Little, if any, consideration was given to the possible effect on and rights of noncompact States located adjacent to waste disposal sites. The consequences of this oversight is clearly evident in the case of the Nebraska site located 5 miles from South Dakota.

Upon learning of the proposed site in Boyd County, NB, the residents of South Dakota quicky discovered that even though it is only five miles from our border and sits directly above a water table used by our farmers and ranchers, existing regulations prevent them from participating directly in the site selection process. Nebraska statutes, developed in accordance with the Low-Level Radioactive Waste Policy Act, provide for at least some level of participation in the siting process by its residents. However, for the residents of South Dakota, there are no guarantees of notice, public comment, direct participation in the hearing process, or even the right to have serious questions answered. In other words, a resident of a State disposing the waste who lives 50 miles from the proposed site is given numerous opportunities to affect the process while the non-resident, living only 5 miles from the proposed site must sit in silence.

In commenting on South Dakota's desire to play a role in the siting process associated with this proposed low-level nuclear waste site, a spokesman for U.S. Ecology said, ". . . some things stop at the State line." He is right. Some things do stop at the State line. Unfortunately, radiation is not one of them. And that's why his statement is the best argument I have heard for supporting the legislation that I am introducing today.

If problems were to develop in the future at this proposed waste site, the impacts would not stop at the State line. The water table over which the site sits does not end at the border. The wind that blows over the site and across our prairie does not stop at the border. We have received no assurance that waste destined for this site will not be hauled over a highway system that crosses South Dakota or that our dairy industry, which requires a zero radiation tolerance in the milk it produces, will not be affected.

A State border is a magical wall through which nothing can pass except for that which is authorized or agreed upon. Yet, in the siting of a low-level waste disposal site, as in the case of Nebraska, it is being viewed as such. This line of thought continues even though, in the event of a release of radioactive product at the facility, a rancher 5 miles from the proposed site would face much greater impacts than the resident who lives 50 miles away.

The legislation I am introducing today does nothing to restrict a State or a compact's disposal of low-level radioactive waste as required under the Act. However, if a low-level waste site is proposed for a location within 20 miles of a State which is not a member of the compact, the non-compact State must at least be given the opportunity to participate in the siting process.

Specifically, the legislation requires the compact or host State to:

Send the noncompact State written notice of its proposal;

Provide the bordering State copies of documents and studies which support or advise against the construction

of a facility at that site rather than an alternative site;

Allow the border State to submit questions and comments on the proposal;

Demonstrate that the proposed site will not have any adverse effect on the environment, economy or population of the bordering State;

Demonstrate that the border site is clearly superior to all alternative sites and that it will have the least likelihood of contaminating the environment;

Select a site that would result in less waste being transported through the bordering State, except in cases of emergency or when that would increase the transport distance by 50 miles or more; and

Give the representatives of the bordering State the opportunity to submit written comments at each stage of the proceedings for approval of a license to construct and operate a disposal facility at a border site.

Recently, I attended a meeting in Bonesteel, SD to discuss the proposed low-level radioactive waste site which sits across our border. Bonesteel is a ranching community of approximately 350 people. On the night of this meeting, 500 citizens filed into the city hall to let it be known that they want to have the right to participate in a process which would affect their futures. Their motives are not based on a desire to interfere with Nebraska's sovereign prerogatives but rather to assure that their own interests are acknowledged and protected.

The people at this meeting were not professional activists. They were not radical obstructionists, and the majority are not opposed to the use of nuclear power or nuclear products. They were farmers and ranchers, businessmen and women, representatives of country governments and tribal governments, Democrats and Republicans. They are people who depend upon a clean supply of water for their cattle and communities, and a healthy environment for their children.

In a speech 131 years ago, Abraham Lincoln best summarized the concern these citizens expressed that night and the reason why I am introducing this legislation today.

I believe each individual is naturally entitled to do as he pleases with himself and the fruit of his labor, so far as it in no wise interferes with any other man's rights—that each community, as a State, has a right to do exactly as it pleases with all the concerns within that State that interfere with the right of no other State, and that the general government, upon principle, has no right to interfere with anything other than that general class of things that does concern the whole.

The placement of a low-level radioactive waste site 5 miles from the South Dakota border, under an existing law which essentially prevents our State from even commenting on the siting process, is a concern to the people of South Dakota, as it should be to any state that could face similar circumstances.

Mr. President, I ask unanimous consent that a full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 705

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9 of the Low-Level Radioactive Waste Policy Act (42 U.S.C. 2021i) is amended by—

(1) designating the existing text as subsection (a); and

(2) adding at the end thereof the following new subsection:

"(b)(1) A license for a low-level radioactive waste disposal facility at a border site may not be granted unless the Nuclear Regulatory Commission (or agreement State), prior to granting such approval, provide to each bordering State and its residents the following protections:

"(A) A compact (or State that is not a member of a compact) that proposes to construct a low-level radioactive waste disposal facility at a border site shall—

"(i) send written notice of its proposal to the governor of each bordering State and to each (I) local government and (II) governing body of an Indian tribe, any of whose territory is situated in a bordering State within 20 miles of the border site;

"(ii) provide the representatives of the bordering State complete copies of all studies and other documents that are in the possession of or were prepared for the compact or one of its member States (or State that is not a member of a compact) that support, advise against, or in any way have a bearing on the proposal to construct the facility at that site rather than at one or more alternative sites;

"(iii) allow the representatives of each bordering state 60 days after receipt of the studies and documentation as required by clause (ii) to submit questions and comments on the proposal (including the suggestion of alternative sites) and to meet with the persons responsible for making and deciding upon the proposal to discuss the bordering State's questions, comments and concerns; and

"(iv) make a final determination to construct a disposal facility at a border site only upon satisfaction of the criteria stated in subparagraphs (B) and (C).

"(B)(i) A border site to which radioactive wastes would be transported through a bordering State may not be selected by a compact (or State that is not a member of a compact) over an alternative site whose selection would result in less radioactive waste being transported through the bordering state.

"(ii) The criterion stated in clause (i) may be satisfied by a stipulation by the compact (or State that is not a member of a compact) that except—

"(I) in emergencies; and

"(II) when to do so would increase the distance to be traveled by 50 miles or more.

the disposal facility shall refuse to receive radioactive wastes that have been transported through the bordering State.

"(C) A border site may be selected by a compact (or State that is not a member of a compact) over an alternative site only if it is shown that—

"(i) there is no significant likelihood that the location of a disposal facility at the border site will have any adverse effect on the environment, population or economy of a bordering State; or

"(ii) the border site is clearly superior to all alternative sites in its susceptibility to the construction and operation of a disposal facility that will have the least likelihood of contaminating the environment and, in the event of contamination of the environment by accident, sabotage or any other cause, will cause the least injury to the environment, population and economy of the area that would be affected.

"(D) The representatives of a bordering State and all local governments, governing bodies of Indian tribes, and other persons residing in a bordering State within 20 miles of a border site shall be accorded an opportunity to be heard and to submit written comments at each stage of proceedings for approval of a license for a disposal facility at a border site. In addition, the representatives of each bordering State shall be accorded—

"(i) full access to all studies and other documents submitted or prepared in connection with an application and proceedings for a license for the construction and operation of a disposal facility at a border site; and

"(ii) the right to submit proposals as a part of the licensing procedure concerning the manner in which the disposal facility shall be constructed and operated.

All proposals submitted pursuant to clause (ii) shall be adopted and made part of the conditions of the license unless they are found to be unreasonable.

"(2) For the purposes of this subsection—

"(A) the term 'border site' means a site for a proposed low-level radioactive waste disposal facility that is within 20 miles of a border with another State (other than a State that is a member of the compact (or State that is not a member of the compact) that is making the proposal;

"(B) the term 'bordering State' means a State (other than a State that is a member of a compact (or is a State that is not a member of a compact) that is making the proposal) whose border is within 20 miles of a proposed low-level radioactive waste disposal facility;

"(C) the term 'representatives of a bordering State' means the officials of the State agency designated by the Governor of a bordering State as the agency responsible for representing the interests of a bordering State in connection with an application for a license for a low-level radioactive waste disposal facility at a border site."

By Mr. SHELBY:

S. 706. A bill to amend the Tennessee Valley Authority Act of 1933 to change the composition, operation, and duties of the Board of Directors of the Tennessee Valley Authority; to the Committee on Environment and Public Works.

CHANGES IN BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY

● Mr. SHELBY. Mr. President, as a member of the Tennessee Valley Authority [TVA] delegation, I have an avid and genuine interest in the future course and stability of the organization. Moreover, I am strongly dedicated and motivated to assisting the TVA in fulfilling its commitment to the

many persons served by the organization. The TVA hs an impressive history. It has been praised as the "Greatest single American invention of this century." Representative Lister Hill of my State of Alabama, among other forward-thinking individuals of that time, worked toward the creation of a development corporation that would harness the energy of the Tennessee River and provide the stimulation necessary for growth and prosperity.

Unfortunately, Mr. President, study after study of the TVA has indicated that TVA's management structure must be changed if TVA is to progress into the future. In order to protect the mission of TVA—providing services, power and fostering economic development in the Tennessee Valley area which includes the States of Tennessee, Alabama, Georgia, Mississippi, North Carolina, Kentucky, and Virginia—I deem it necessary to introduce legislation to modify and strengthen the management structure.

Let me preface my discussion of the proposal that I am presenting today by saying that Mr. Marvin Runyon, Chairman of TVA has made inroads. For his positive steps he must be commended. However, for all that he does, he is only one individual. Together with its tributaries, the Tennessee River drains an area of 40,000 square miles—I do not think it is fair to the people served by TVA nor do I think it is a sound business practice to rely on one individual for continued progress when a redesign of the structure can provide benefits beyond the life of any individual.

Mr. President, with great interest I have read the report prepared by the Advisory Committee on the Tennessee Valley Authority under the auspices of the Southern States Energy Board [SSEB]. Additionally, I have read the "options paper on TVA's structure and organization" prepared by Mr. William F. Willis in his representative capacity as General Manager of TVA. Furthermore, I have talked with my constituents who are directly affected by the actions of TVA.

I think it is safe to argue that many of the problems that the TVA is experiencing has been precipitated by current structural flaws in management. This is evidenced not only by the SSEB report, but also by the TVA's "option paper." One of the flaws specified in the SSEB report is that the present leadership structure "fosters insularity and limited exposure to external viewpoints."

The "options paper" states in relevant part that:

> The fact of five licensed generating units shut down in 1985 because of various safety and management deficiencies directly affects the financial health of TVA's electric system, the competitiveness of TVA's rates, the adequacy of TVA's power supply, and, of great importance, TVA's previous reputation as an industry leader in the construction and operation of nuclear generating plants.

TVA's current senior organization consists of a three-member, full time board with one director appointed as chairman and a general manager. According to the exhaustive study on the condition of TVA, the Southern States Energy Board opined that this structure has been almost universally condemned. In a 1986 study entitled "TVA Preliminary Lessons Learned" by Victor Stello, Jr., it was found that TVA's problems and the inability to address them adequately stemmed from a fundamental breakdown in TVA management caused by internal fragmentation.

The fundamental concept underlying the proposal is to separate the creation and review of policy from the day-to-day management of the TVA by changing the TVA Board of Directors from full-time to part-time and by establishing a strong, professional chief executive officer for operation—a reflection of current practices in both public and private organizations. For example, the municipal utilities and rural electric cooperatives which are distributors of TVA power are organized in this manner.

Separating policymaking from management responsibilities make each group more accountable, and frees management to carry out policies adopted by the Board of Directors.

A larger, part-time board, consisting of persons with more diverse experience and backgrounds also can provide more checks and balances in the Board's decisionmaking processes on highly complex, critical issues such as the inauguration of major construction projects or the initiation of potentially controversial new programs.

Freeing the Board of management responsibilities would also allow the Board to give greater attention to long-range planning, establishing the goals of the organization, and assuring that management carries out the agency's objectives.

The experience of other organizations, public and private, indicates that a part-time board of directors composed of distinguished citizens can provide thoughtful policy guidance for a large organization such as TVA. Experience of the organizations also has demonstrated that a part-time board of directors can attract prominent citizens who have diverse backgrounds useful in formulating policies.

In the spirit of the original TVA Act and the belief that a large representative policymaking body will be able to responsively exercise broad general authority, the legislation outlines board responsibilities in general terms. It is anticipated that the Board will exercise for TVA the responsibilities normally associated with a board of any large, complex organization. For TVA these would include:

First, establishment of broad goals, objectives and policies of the corporation necessary or appropriate to carry out the provisions of the TVA Act as amended;

Second, development of long-range plans to guide the corporation in achieving its goals, objectives, and policies and provide assistance to the Chief Executive Officer to achieve those goals, objectives and policies;

Third, responsibility for ensuring that such goals, objectives and policies achieved;

Fourth, approval of an annual budget for the corporation;

Fifth, establishment of a system of salaries, benefits, and incentives for employees;

Sixth, approval of the salaries, benefits and incentives for those managers and technical personnel reporting directly to the CEO, and

Seventh, ensuring that all activities of the corporation are carried out in compliance with applicable laws.

In theory and principle, I believe this bill could be of tremendous value to the TVA and the persons served. It is my firm belief that the bulk of the problems that TVA face stem directly from management deficiencies and that those deficiencies are the direct result of structural flaws in the law that governs TVA's organization. It is time to change the law and infuse TVA with a modern, corporate structure necessary for future success. By separating the TVA policymaking role from TVA management, it is reasonably foreseeable that the existing deficiencies can be minimized timely and efficiently.

The archaic combination of responsibilities for policy, management, and the evaluation of both within a single body of director-managers has been mentioned as a problem for TVA in many examinations of the corporation. Some have stressed the lack of public involvement in planning and setting policy. Others have faulted the lack of accountability inherent in a system with a three-person manager. Various proposals to address such problems have been advanced. Recommendations have varied on such things as the number of board members, terms of service, and the qualifications of board members. For a public agency such as TVA, such matters are appropriate subjects for attention for the public and the Congress. I believe this legislation answers these concerns and creates a policy-management framework which can improve the efficiency and economy of TVA.

Mr. President, the proposal before you today has merit. I urge my colleagues to support the measure.

I ask unanimous consent that the text of the bill be printed in full in the RECORD following completion of this statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 706

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CHANGE IN COMPOSITION, OPERATION, AND DUTIES OF THE BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY.

Section 2 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831a), relating to the composition, operation, and duties of the Board of Directors of the Tennessee Valley Authority, is amended to read as follows:

"SEC. 2. (a) The board of directors of the Corporation (in this Act referred to as the 'Board') shall be composed of nine members, to be appointed by the President, by and with the advice and consent of the Senate, of which—

"(1) two may be residents of any State in the Union,

"(2) three shall be residents of Tennessee,

"(3) one shall be a resident of Alabama,

"(4) one shall be a resident of Kentucky,

"(5) one shall be a resident of Mississippi, and

"(6) one shall be a resident of either—

"(A) Georgia,

"(B) North Carolina, or

"(C) Virginia.

A successor to a member of the Board shall be appointed in the same manner and with the same residence requirements as the original members. Appointments may be made under this subsection without regard to section 5311(b) of title 5, United States Code. Members may be appointed for two additional terms. The President shall designate one of the members he appoints to serve as the Chairperson of the Corporation.

"(b) To serve as a member of the Board, a person shall—

"(1) be a citizen of the United States;

"(2) profess a belief in the feasibility and wisdom of this Act; and

"(3) have no financial interest in—

"(A) any public utility corporation engaged in the business of distributing and selling power to the public;

"(B) any corporation engaged in the manufacture, sale, or distribution of fixed nitrogen or fertilizer, or any ingredients thereof; or

"(C) any business that may be adversely affected by the success of the Corporation as a producer of either concentrated fertilizers or electric power.

"(c) In appointing members who are required by this Act to reside in the Tennessee Valley Authority service area (in this Act referred to as the 'service area'), the President shall—

"(1) consider recommendations from—

"(A) public officials such as Governors of States that are in the service area,

"(B) interested individual citizens, and

"(C) business, industrial, labor, electric power distribution, environmental, civic, and service organizations; and

"(2) seek qualified directors from among persons who reflect the diversity and needs of the service area.

"(d) With respect to the terms of office of Board members—

"(1) of the terms of the first members appointed by the President under subsection (a)—

"(A) three shall expire on the day which is three years after the executive date of such subsection;

"(B) three shall expire on the day which is four years after the effective date of such subsection; and

"(C) three shall expire on the day which is five years after the effective date of such subsection; as designated by the President at the time of appointment;

"(2) except as provided in paragraph (3), members appointed after the first members appointed under paragraph (1) shall each serve a term of office expiring three years from the date of the expiration of their predecessor's term; and

"(3) any member appointed to fill a vacancy in the Board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(e) Vacancies in the Board shall not impair its power to act, so long as there are five voting members in the office. Five voting members of the Board shall constitute a quorum for the transaction of business.

"(f) Members of the Board shall receive compensation, as follows:

"(1) A stipend at the rate of $10,000 per year, except that no member of the Board who is a full-time employee of the Corporation or the Federal Government shall be entitled to such stipend;

"(2) Compensation at a rate equivalent to the rate prescribed for officers under level V of the Federal Executive Schedule for each day such members are engaged in the actual performance of duties as members of the Board at meetings, committee sessions, or hearings for up to a total of—

"(A) sixty days per year, or

"(B) in the case of the member designated to act as Chairperson, eighty days per year; and

"(3) Travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service under section 5703 of title 5, United States Code.

"(g) The Board shall—

"(1) direct the management of the business of the Corporation;

"(2) establish—

"(A) policies for the management of the Corporation within the guidelines of legislative authority and executive direction, and

"(B) a system of organization to fix responsibility in and promote efficiency of the Corporation;

"(3)(A) create a position of chief executive officer and appoint a person to serve as such officer who has management experience in large complex organizations, who can profess a belief in the feasibility and wisdom of this Act, and who can fully pursue the success of the Corporation's aims, goals, and policies without adverse effect on such officer's financial interests (a person who has served on the Board may not be considered for the chief executive officer of the Corporation until at least two years after the completion of the Board member's term);

"(B) delegate to such officer all duties to manage the Corporation not specifically reserved to the Board, and

"(C) establish a system of compensation for such officer which includes—

"(i) a basic rate of pay, and

"(ii) payment of incentives for personal and corporate performance, which incentives shall be determined as the Board deems appropriate after evaluation of such officer's activities and accomplishments and an evaluation of compensation levels for chief executive officers in organizations of similar size and responsibility as the Tennessee Valley Authority;

"(4) appoint such officers of the Corporation as are authorized or required to perform significant functions or duties pursuant to law;

"(5) create an electric rate review committee, composes solely of Board members, which shall—

"(A) hold public hearings on proposals for changes in the Corporation's electric power rates; and

"(B) make recommendations to the full Board for such rate adjustments as are necessary to insure that rates are as low as feasible;

"(6) create an audit committee, composed solely of Board members independent of the management of the Corporation, which shall—

"(A) recommend to the Board an external auditor,

"(B) receive and review reports from the external auditor, and

"(C) make such recommendations to the Board as are necessary;

"(7) create such other committees of Board members as the Board deems appropriate; and

"(8) conduct public hearings on issues that would have a substantial effect on—

"(A) the electric rate payers in the region, or

"(B) the economic, environmental, social, or physical well-being of the people of the region.

"(h) With regard to compensation of employees other than the chief executive officer, and subject to the provisions of section 3, the Board may—

"(1) establish an annual fund of some fixed amount from which the Board may grant awards to employees in recognition of superior performance or unusually meritorious acts of benefit to the Corporation; and

"(2) authorize supplements on an annual basis to the basic pay of individual employees when recruitment or retention problems are caused by substantially higher pay for comparable levels of work in the Federal Government or for which no similar positions are found in the Federal Government.

Except in cases of the chief executive officer, the aggregate amount paid to an employee as basic pay, awards specified in paragraph (1), and supplements to basic pay specified in paragraph (2) shall not exceed the annual rate payable for positions at level I of the Executive Schedule in effect at the end of such fiscal year.".

SEC. 2. CHANGE IN MANNER OF APPOINTMENT OF STAFF.

Section 3 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831b) is amended by striking the first undesignated paragraph of such section and inserting the following:

"The Chief Executive officer of the Corporation shall—

"(1) appoint, with the advice and consent of the Board, and without regard to the provisions of Civil Service laws applicable to officers and employees of the United States, such managers, assistant managers, employees, attorneys, and agents, as are necessary for the operation of the Corporation and its programs;

"(2) define the duties of the persons appointed under paragraph (1); and

"(3) establish, subject to Board approval, the rate of basic pay for such managers, assistant managers, employees, attorneys, and

agents, which, excluding meritorious and supplemental payments authorized by section (1)(2)(h), shall not exceed the annual rate payable for positions at level V of the Executive Schedules in effect at the end of such fiscal year.

Any appointee of the Board may be removed at the discretion of the Board.".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall be effective on the date which is six months after the date of enactment of this Act.●

By Mr. METZENBAUM (for himself and Mr. LAUTENBERG):

S. 707. A bill to require the Federal Communications Commission to reinstate restrictions on advertising during children's television, to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CHILDREN'S TELEVISION ACT

Mr. METZENBAUM. Mr. President, I rise to introduce legislation which will help improve the quality of children's television programming. The Children's Television Act of 1989 will minimize the commercial pitch and maximize education geared for kids. Senator Lautenberg joins me in cosponsoring this measure.

This bill is identical to the bill which passed both Chambers of Congress last year. It limits commercial advertisements aired during children's prime time—Saturday and Sunday mornings—to 10½ minutes per hour. The bill will also set a ceiling of 12 minutes per hour for ads shown during children's weekday programming. Finally, the legislation will require the FCC to consider, during the license renewal process, a television station's efforts to inform and educate children.

President Reagan was wrong to pocket veto this legislation last year. The airwaves belong to the American people. Broadcasters, who are licensed to serve the public interest, have failed to meet their obligations to serve the needs of children.

The level of commercialization in children's television was made worse in 1984. That's when the FCC threw out its guidelines limiting the amount of television advertising allowable per hour and included children's advertising in this decision.

In 1987, the U.S. Court of Appeals of the District of Columbia ruled that the FCC had failed to adequately explain why it had lifted the restrictions on children's advertising. The court told the FCC to reexamine the issue. A rulemaking is still underway at the agency.

The FCC's handsoff approach has created an environment where broadcasters have focused not on children's developmental needs but on crass commercialism. Too many broadcasters have been more interested in cold hard cash and perfecting the right sales pitch than educating or inspiring the Nation's youth.

One need only look at the study done by Action for Children's Television on ads run during children's traditional viewing hours. During one afternoon last November, commercials aimed at kids gobbled up 14 out of 60 minutes of air time. Over 30 different toys and sugary cereals were hawked.

During the two cartoon shows examined—"Cops" and "Woody Woodpecker"—kids got the hard sell for toys like the Snap Dragon game, the G.I. Joe doll, the Battleship game, and the Headache game. And the kids were exposed to pitches for such foods as Pop Tarts and Cocoa Puffs cereal.

It's enough to make any child's—and any parent's—head pound and stomach ache.

But mom and dad can take heart. This time the legislation should pass. We are going to stop the barrage of slick ads aimed at small children. We are going to clear the way for better quality programming.

The Senate Commerce Committee has already expressed a desire to move forward on legislation to improve the quality of children's television. President Bush should help too. The President has pledged to be the education President. He shouldn't have any problem accepting a bill which won't raise taxes or add to the Nation's deficit but which will only help enrich our children's lives.

Television can and should educate and entertain children, not just push them to buy. I am looking forward to working with my colleagues in the Senate and House to enact this legislation.

I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 707

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Children's Television Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) television can assist children in learning important information, skills, values, and behavior, while entertaining them and exciting their curiosity to learn about the world around them;

(2) as part of their obligation to serve the public interest, television station operators and licensees should provide programming that serves the special needs of children;

(3) the financial support of advertisers assists in the provision of programming to children;

(4) special safeguards are appropriate to protect children from overcommercialization on television;

(5) television station operators and licensees should follow practices in connection with children's television programming and advertising that take into consideration the characteristics of this child audience; and

(6) it is therefore necessary to require the Commission to take the actions required by this Act.

SEC. 3. RULEMAKING REQUIRED.

(a) RULEMAKING ON COMMERCIAL TIME REQUIRED.—The Federal Communications Commission shall, within 30 days after the date of enactment of this Act, initiate a rulemaking proceeding to prescribe standards applicable to commercial television broadcast licensees with respect to the time devoted to commercial matter in conjunction with children's television programming.

(b) REQUIREMENTS FOR STANDARDS.—The standards required by subsection (a) shall require commercial television broadcast licensees to limit the duration of advertising in children's programming, on and after January 1, 1990, to not more than 10.5 minutes per hour on weekends and not more than 12 minutes per hour on weekdays, except that, after January 1, 1993, the Commission shall have the authority—

(1) to review and evaluate the standards prescribed under this subparagraph; and

(2) after notice and public comment and a demonstration of the need for a modification of such standards, to modify such standards in accordance with the public interest.

(c) TIME FOR COMPLETION OF RULEMAKING.—The Commission shall, within 150 days after the date of enactment of this Act, prescribe final standards in accordance with the requirements of subsection (b).

SEC. 4. CONSIDERATION OF CHILDREN'S TELEVISION SERVICE IN BROADCAST LICENSE RENEWAL

The Federal Communications Commission shall consider, among the elements in its review of an application for renewal of a television broadcast license—

(1) whether the licensee complied with the standards required to be prescribed under section 3 of this Act; and

(2) whether the licensee has served the educational and informational needs of children in its overall programming.

By Mr. BRADLEY (for himself and Mr. DURENBERGER):

S. 708. A bill to amend title V of the Social Security Act to promote the integration and coordination of services for pregnant women and infants to prevent and reduce infant mortality and morbidity; to the Committee on Foreign Relations.

HEALTHY BIRTH ACT

● Mr. BRADLEY. Mr. President, I rise to introduce the Healthy Birth Act of 1989. Joining me in introducing this legislation are Senators DURENBERGER, ROCKEFELLER, and RIEGLE. This legislation is based on some of the recommendations of the National Commission to Prevent Infant Mortality. It authorizes $100 million for State pilot projects and a national effort to promote the use and better delivery of prenatal care services.

Too many babies in the United States die each year—not from incurable diseases. They die from poverty, ignorance, and neglect. They die because they are born too small, to mothers too poor to afford prenatal care that

should be every child's birthright. Some die just because their mothers don't know where to get help. This legislation establishes a national effort to get information and health care services to pregnant women. The effort includes four major initiatives:

A maternal and child health handbook to be distributed to all pregnant women throughout the United States;

Home visiting services targeted to high risk pregnant women;

"One-stop shopping"—the consolidation at one site of services for eligible pregnant women and children; and

A national and State toll-free hotline for maternal and child care services.

Mr. President, we in Congress increasingly are aware of the tragedy of infant mortality in this country. We've all heard that the U.S. rate of infant mortality ranks us behind 17 other developed countries. We are losing close to 40,000 infants each year and there are 385,000 who live on with serious health problems. Society pays a heavy cost for poor maternity care. Weak, sick babies need expensive medical care—sometimes throughout their lives. Fortunately, we know that with adequate prenatal care, infant mortality and morbidity rates can be significantly reduced.

But we need to get the word out: early and continuous prenatal care significantly reduces a woman's risk of having a low birth weight baby. Today, 7 percent of all newborns are low birth weight. These babies are 40 times more likely to die in their first month of life, 20 times more likely to die in their first year of life, and 3 times more likely to be permanently impaired than are normal weight babies. The Surgeon General's Report of 1980 stated that by 1990 more than 90 percent of all births should be to women who received prenatal care in their first trimester of pregnancy. We are far from this goal. Every year, over the last decade, almost one-fourth of all pregnant women either received care late or not at all.

Mr. President, I am particularly excited about the maternal and child health handbook, which this legislation will make available to all pregnant women from the Federal Government. The handbooks will provide information about signs and symptoms associated with normal pregnancies, early signs of premature delivery, and the health services a woman should seek during her pregnancy. A separate handbook for children will outline a child's normal development and his or her health care needs.

Ninety percent of all countries worldwide are presently using a health handbook. In the United States, a few States have used them on a limited basis, primarily targeting high-risk populations, but there has never been a campaign to nationally distribute them. Japan, which now has the world's lowest infant mortality rate—6 per 1,000 births—uses the handbook and hails it as one of the driving forces behind their low infant mortality rate. Half as many infants die at birth in Japan as in the United States.

Such a simple service could help improve not only an infant's birth outcome, but also their continual development. In 1985, more than 40 percent of children under age 4 did not receive the complete basic series of immunizations and, in recent years, cases of mumps, measles, and pertussis have risen. The most effective and cost-effective preventive health services are prenatal care and immunizations.

We have to help women learn the importance of these services and where they can get them. That's what the toll-free number will do. At both the national and State level, the hotline will provide information and referral services. Mr. President, imagine the plight of a young woman living in poverty, pregnant for the first time. She has very limited access to health care and is at high risk for giving birth to a premature or low birth weight baby. Although she may be eligible for many public health services, as the system currently exists, it would no doubt take her weeks or even longer to make the right contacts, if she is able to at all.

Mr. President, in the last few years we have worked to eliminate some of the financial barriers to receiving care. Now all poor pregnant women and infants are eligible for Medicaid services. We are trying to further expand Medicaid coverage for pregnant women and children but recognize that overcoming financial barriers alone is not enough.

To benefit from the potentially comprehensive health care services offered through public programs, individuals have to fill out complex eligibility forms and must go to different sites for enrollment and participation in each program. Considering the trouble many of the poor have in arranging for transportation and child care, these are not minor complications.

We need to encourage States to reorient their programs so that they are centered around the needs of women and families. And that is also what this legislation would do through the "one-stop shopping" initiative. Given the myriad of public programs available to pregnant women and infants, such a service would greatly increase the accessibility of comprehensive health care services.

To reach out to high risk populations, the Healthy Birth Act will enable States to provide home visiting services, which are also commonly provided in other industrialized countries. Because home visiting is an effective means of providing personalized health education and case management services we need to try it in the United States.

The grants to offer these services will be awarded to States that show a demonstrated need—either through high infant mortality rates or inadequate services—and the ability to implement these projects. The grant will enable them to focus efforts on high risk and hard to reach women who are not benefiting from the current system of services. For a city like Newark it would mean reaching the large number of pregnant women virtually unknown to the health care system who show up to deliver their babies without ever receiving prenatal care.

If enacted, this legislation will serve to educate the public about their health care needs and will educate government officials about what strategies work best. In sum, it could pave the way for pregnant women and children to receive the comprehensive and continuous health care they need to remain healthy. This alone would greatly improve our strategy for fighting the needlessly high rates of infant mortality in this country.

I ask unanimous consent that the text of the bill and the summary of the legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 708

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Healthy Birth Act of 1989".

SEC. 2. ADDITIONAL AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 501(a) of the Social Security Act (42 U.S.C. 701(a)) is amended—

(1) by striking "and" after "fiscal year 1988,", and

(2) by inserting ", and $661,000,000 for fiscal year 1990" after "fiscal year 1989".

(b) SET ASIDE.—Section 502 of such Act (42 U.S.C. 702) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

"(d)(1) The Secretary shall retain amounts appropriated under section 501(a) for a fiscal year in excess of $561,000,000 for the purpose of carrying out (through grants, contracts, or otherwise) comprehensive State infant mortality initiatives under this subsection and in providing for Federal activities described in paragraph (4).

"(2) The Secretary may not provide assistance under this subsection for a State initiative unless the State provides assurances that—

"(A) either under such initiative or otherwise the State will provide, on a State-wide basis, for—

"(i) a toll-free telephone information and referral system for maternal and child health services, and

"(ii) technical assistance and public awareness activities regarding the maternal and child health handbook disseminated under paragraph (4)(B);

"(B) in all areas of the State (or in such populations, areas and localities in the State as the State identifies under section 505(1)(A) or otherwise as having the greatest need for maternal and child health services), either under such initiative or otherwise, the State will provide for—

"(i) developing and expanding maternal and child health home visiting programs (described in paragraph (6)), and

"(ii) a "one-stop shopping", client-centered program (of the type described in section 1136) under which pregnant women and mothers can apply for a wide range of Government programs (including the maternal and child health program under this title, the medicaid program under title XIX, and the special supplemental food program for women, infants, and children (commonly known as the WIC program) in a coordinated manner at a location at which social and health-related services are made available to pregnant women and infants;

"(C) an evaluation of the impact of such initiative; and

"(D) by the end of a period of not longer than 5 years after the date the initiative is first provided assistance under this subsection, the State will be able to continue such an initiative without assistance under this subsection.

"(3) An initiative under this subsection also may provide for the establishment of such a State coordinating council (including appropriate representation from State and community agencies, State officials, private providers, and advocacy groups) as may be appropriate to provide policy direction for the reduction of infant mortality and morbidity in the State.

"(4) The Secretary shall use not more than $5,000,000 of the amounts retained under this subsection in any fiscal year for the purposes of—

"(A) providing technical assistance to States, including descriptions and evaluations of successful models of home visiting programs described in paragraph (2)(B)(i) and assistance in evaluations of initiatives under paragraph (2)(C);

"(B) disseminating, in coordination with the States and on a nationwide basis (beginning with populations, areas, and localities identified as having the greatest need for maternal and child health services), the maternal and child health handbook (developed by the National Commission to Prevent Infant Mortality) to all pregnant women and and new parents;

"(C) establishing, in coordination with State toll-free systems described in paragraph (2)(A)(i), a nationwide, toll-free telephone system providing information on maternal and child health services and referral for such services;

"(D) developing a model, coordinated application and eligibility determination system for use by the States both under the medicaid program under title XIX and under the special supplemental food program for women, infants, and children (commonly known as the WIC program);

"(E) improving the integration and coordination among Federal programs serving pregnant women and children; and

"(F) monitoring and evaluating State intiatives undertaken under this subsection.

"(5) The provisions of paragraph (3) of subsection (a) shall apply to funds made available for State initiatives under this subsection in the same manner as such provisions apply to funds made available under subsection (a).

In providing financial assistance for State initiatives under this subsection, the Secretary shall—

"(A) provide priority for those initiatives of States demonstrating the greatest need and an ability to implement such initiatives, and

"(B) take into consideration the need for an equitable distribution of assistance among the States.

"(6) In paragraph (2)(B)(i), the term 'maternal and child health home visiting program' means a client-centered program that provides—

"(A) case management services (including needs assessment and referral and follow-up to other health and social services), health education services (including instruction in the use of the maternal and child health handbook referred to in paragraph (4)(B)), and related social support services,

"(B) to a pregnant women or family with an infant in the woman's or family's home,

"(C) through a nurse, social worker, trained volunteer or lay person, or other appropriate personnel, acting (to the extent covered under a State practice act) consistent with such an act,

in order to promote the health of the woman and family.".

(c) CONFORMING AMENDMENT.—Section 502(c) of such Act (42 U.S.C. 702(c)) is amended by adding at the end the following:

"(4) Paragraphs (1) through (3) of this subsection shall only apply to amounts appropriated for a fiscal year in excess of $478,000,000, but only to such excess amounts as do not total more than $83,000,000.".

SUMMARY OF THE HEALTHY BIRTH ACT OF 1989

OVERVIEW

The Healthy Birth Act of 1989 is based on some of the recommendations of the National Commission to Prevent Infant Mortality, which are aimed at integrating and expanding the access of pregnant women, children, and families to public health and social services. The Commission recognizes that limited financial resources are not the only barriers between pregnant women and the care that they need. It is often lack of information and poor coordination among program enrollment and delivery sites that impedes pregnant women and children from obtaining necessary services.

This legislation would give states the option to apply to the Secretary of the Department of Health and Human Services for 3- to 5-year grants that will fund community-based comprehensive health service delivery projects. The projects will include the following components:

Maternal and child health home visiting programs,

"One-stop shopping"—integration and collocation of services,

A state toll-free information and referral number for maternal and child health services, and

Technical assistance and public awareness activities regarding maternal and child health handbooks.

The legislation will require the Secretary of the Department of Health and Human Services to do the following:

Distribute the maternal and child health handbooks,

Disseminate descriptions and evaluations of successful models of home visiting programs,

Establish a national toll-free information and referral number for maternal and child health services,

Develop the competitive grant application process,

Provide technical assistance and evaluation of the grant project sites, and

Develop a model Medicaid/WIC joint state eligibility application package for use by all states.

The Healthy Birth Act would amend Title V of the Social Security Act to provide new funds to states to develop the above programs. The bill increases the authorization for the Maternal and Child Health Block Grant by $100 million in FY 1990. It creates a new set-aside to be administered by the Bureau of Maternal and Child Health Resources Development.

MATERNAL AND CHILD HEALTH HOME VISITING

Background

"Home visiting" is the delivery of preventive health, education, and support services by a nurse or trained person to a pregnant women, new mother, or family in their own home. It is a service commonly provided by other developed countries and is known to successfully protect families from a variety of medical and social risk factors.

Research and program experience show that home visiting efforts geared toward improving pregnancy outcomes are both successful and cost-effective in both the short and long term. These efforts generally include (both prenatal and pediatric), encouraging healthy behaviors (such as smoking cessation), reducing the incidence of child abuse and neglect, improving parenting skills, and promoting appropriate growth and development.

Home visiting is particularly effective for reaching high risk individuals or families because delivery of services in the home allows the patient to feel at ease, and therefore optimally benefit from the service. It also allows the provider (with first-hand information about the home environment) to offer the attention and care that is most appropriate for the individual or family's needs.

Proposal

The legislation requires the grant-receiving states to develop or expand home visiting programs serving high-risk pregnant women and children. These programs will provide client or family-centered case management services, maternity and health education services, and related social support activities. The state will determine the necessary home visitor qualifications based on the needs of the target population. The range of visitors may vary from trained nurses to lay visitors who are trained in pertinent areas of health and development.

Stringent program evaluations, which will follow the implementation of the home visiting programs, will provide information on what type of program most effectively meets the needs of the targeted population and will serve as the basis for implementing home visitor programs nationwide.

"ONE-STOP SHOPPING" FOR MATERNAL AND CHILD HEALTH SERVICES

Background

Low-income families are served by a wide variety of government programs, including Medicaid, Title V Maternal and Child Health Programs, the WIC program, social welfare programs, Community and Migrant

Health Centers, and family planning and substance abuse programs. Currently, little coordination exists among programs; it is therefore difficult for pregnant women and children to get access to the comprehensive services they need.

Ideally, the "one-stop shopping" component of the project would enable pregnant women and children to secure access to all necessary services at one location. Such a client-centered resource would integrate the eligibility and application process as well as ensure the comprehensive delivery of services. This system would maximize and pool government resources while providing a focal point for delivery of services to the family.

Proposal

The legislation calls for the development of model "one-stop shopping" projects for pregnant women and children at the community level. The states applying for funding would outline their current and proposed efforts to integrate and collocate the following programs: Medicaid, Title V Maternal and Child Health Programs, WIC, Community and Migrant Health Centers, social and welfare services, mental health and retardation services, substance abuse prevention and rehabilitation, family planning and education services.

State applications would address the collocation of services, cross training of staff between programs, use of simplified eligibility and combined applications, outreach and referral requirements, integrated case management, client tracking and management information systems, and other methods which lead to the development of a client and family-centered delivery system.

The legislation will also direct the Secretaries of the Department of Health and Human Services and the Department of Agriculture to develop a model joint application form for Medicaid and WIC with technical assistance provided to the states on the use of such an application.

MATERNAL AND CHILD HEALTH HANDBOOK

About ninety percent of all countries worldwide use health handbooks to provide a home-based health record and basic information on health and development to pregnant women, new mothers, and families. In the United States several states have used the handbook on a limited basis but there has never been an effort to distribute them nationwide.

Japan, which has the world's lowest infant mortality rate, has successfully incorporated the handbook into their services for pregnant women and children. The Japanese Health Minister claims "the handbook has been the driving force in the progress of our maternal and child health programs."

The use of such handbooks have been successful in accomplishing the following:

Encouraging early enrollment and more consistent use of preventive health care services—prenatal and well-child care in particular,

Facilitating the continuity of care for pregnant women and new mothers,

Educating parents concerning the health needs of pregnancy, infancy and early childhood,

Encouraging and supporting women and parents to take an active role in their own care and care of their children resulting in more appropriate, less costly use of preventive and acute care services,

Facilitating communication and rapport between parents and providers, and

Providing direct access to the health history of pregnant women and children, which can reduce the need for costly duplication of tests and services.

The Commission is developing two handbook versions: one for pregnant women and one for children from birth to age six. Both national and international experts (in medicine, nutrition, public health, nursing, development, psychology, and others) are currently reviewing them.

Proposal

The legislation will require the Secretary of Health and Human Services to distribute the handbooks to all pregnant women and to all new mothers or parents nationwide.

The distribution of such handbooks would be possible through existing public maternal and child health programs such as Medicaid, WIC, Community and Migrant Health Centers, etc. Private sector obstetricians and gynecologists, pediatricians, family physicians, nurses, nurse midwives and others will also be points of distribution for the handbooks. The national and state toll-free information and referral lines will also be part of the dissemination system. The health handbooks will be an integral component of the home visiting programs.

NATIONAL AND STATE TOLL-FREE INFORMATION AND REFERRAL NUMBERS

Background

Since 1980, the percentage of births to women receiving late or no prenatal care has increased. Although there are a number of problems that interfere with access to care, it is clear that lack of information and the complexity of health and social service programs are two major obstacles.

Pregnant women and new mothers need an information vehicle at the state and national level. Various agencies and offices report receiving "desperate" calls from women who feel they have no place to go for basic health information and referral services.

Proposal

The legislation requires the Department of Health and Human Services and states that are awarded grant money to establish maternal and child health toll-free information numbers to achieve the following:

Provide basic information and referrals,

Document problems with the service delivery system reported by callers,

Serve as a distribution point for related health materials such as the health handbook, and

Serve as a data base providing information on the kinds of calls received.●

By Mr. KERRY (for himself, Mr. ADAMS, Mr. KENNEDY, and Mr. LEVIN):

S. 709. A bill to establish a program to guarantee the availability of downpayments for first-time homebuyers based on a program of monthly or other payments into an interest tax-exempt account; to the Committee on Finance.

FIRST HOME ACT

● Mr. KERRY. Mr. President, I rise today to introduce the First Home Act, legislation that would create an innovative program to guarantee first-time homebuyers the downpayment they will need to purchase their first home. I am extremely pleased to have as original cosponsors, my distinguished colleague from Washington, Senator ADAMS, the distinguished senior Senator from Massachusetts, Senator KENNEDY, along with my distinguished colleague from Michigan, Senator LEVIN.

I would also like to pay special tribute to Gov. James J. Blanchard, of Michigan. The First Home Act that I am introducing today is based in large part on the program inaugurated by Governor Blanchard in Michigan. I applaud the Governor for his foresight and creativity in this area and look forward to learning a great deal from the experience of the Michigan program.

Under the provisions of the First Home Act, families or individuals across the country will be able to make monthly payments over a predetermined period of time. These monthly payments and the interest earned on them will be enough for a downpayment for the type of home they preselect.

Why do we need such a program? The simple fact is that during the decade of the eighties, homeownership has declined for the first time in 40 years. This decline in homeownership has been particularly hard felt among young households in the 25- to 34-year old category. Homeownership in this category declined by 14 percent between 1980 and 1987.

The decline in homeownership is a reflection of rising housing costs—costs that have raced ahead seven times faster than wages since 1980, making it increasingly more difficult for families to break into the housing market. This is particularly true in my home State of Massachusetts, where the statewide average for a single family home is $156,000 and the average in the Boston Area is $182,000, compared with a national average of $130,000.

One of the biggest obstacles facing potential homeowners of today is the inability to overcome the downpayment hurdle. A recent survey by the National Association of Realtors indicated that 44 percent of respondents indicated that their primary reason for renting was the lack of money for a downpayment.

Mr. President, this morning I was at the home of a couple in Massachusetts who have been saving for a downpayment for the last 5 years. Although this couple has saved $10,000 during this time, they continually find their homeownership dream out of reach. The legislation I am introducing today will guarantee first-time home buyers like this couple the downpayment for their first home. It will encourage them to save knowing that over a specified period of time, their sacrifice and savings will be enough for the type of house they want in the area where they want to live.

As this example clearly indicates, there is no "free lunch" in trying to

buy a house these days. Buying a home requires that people plan, work and save over a period of time. What this legislation will do, however, will be to assist people in their efforts to save, and guarantee that once they have saved over a specified period of time, they will have the downpayment they need.

The First Home Act will be self-financing and the only cost to the Federal Government will be the relatively modest revenue that will be foregone as a result of the tax-exempt interest that savers will accrue. All guarantees fulfilled through the First Home Program will come from the pool of funds contributed by individual savers around the country.

Obviously, this concept rests in large measure on the ability of the Secretary of HUD to develop actuarily sound payment schedules. I am confident that the Secretary of HUD, in consultation with the Secretary of Treasury and industry groups, will be able to develop the database upon which an actuarily sound schedule of monthly payments can be constructed.

The First Home Act is clearly not the sole solution to our housing problems. As the legislation moves forward, we will, I am sure, discover through hearings and comments that there are ways to improve upon it. We also need to pass the National Affordable Housing Act, which I cosponsored with Senator CRANSTON and others. In addition to the elements of that bill which assist first time home buyers, that bill also addresses the myriad of issues associated with our need to make housing a more important priority on our national agenda.

Mr. President, it is important that the Federal Government reaffirm its role and responsibility as the leader in providing decent, safe and affordable housing for our Nation's citizens. We must ask ourselves whether we are willing to abandon the goals which have guided this Nation for half a century. Does it matter that we cannot provide a decent place to live for all Americans? Do we care whether our children, and their children will have the same opportunities that we have had? If we do, then there is no more important priority on our national agenda than housing. The First Home Act follows that philosophy in its attempt to make owning a home—the cornerstone of the American dream—a reality once again.

Mr. President, I ask unanimous consent that the full text of the bill and a set of questions and answers on the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 709

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "First Home Act".

SEC. 2. DEFINITIONS.

As used in this Act—

(1) the term "qualified residential dwelling" means a single family residence (including a condominium or cooperative unit or a mobile home), or an owner-occupied residential dwelling with 4 or fewer dwelling units that will be used as the principal residence of the homebuyer;

(2) the term "first time homebuyer" means an individual (and such individual's spouse) who has not owned a qualified residential dwelling at any time; and

(3) the term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 3. PROGRAM ESTABLISHED.

(a) IN GENERAL.—The Secretary, in consultation with the Secretary of the Treasury and any other agency or official the Secretary deems appropriate, shall establish and carry out a program to provide for the investment by first time homebuyers through a bank or other participating financial institution in downpayment savings accounts for the purpose of accumulating an amount sufficient at a specified future time to make a downpayment in a specified percentage on a qualified residential dwelling of a specified value in an area specified by the first time homebuyer.

(b) SCHEDULES.—

(1) PAYMENT SCHEDULES.—The Secretary shall prescribe payment schedules to be used to carry out the program under this Act. Such schedules shall require monthy or other periodic payments in amounts sufficient (as determined by the Secretary in an actuarially sound manner) over a specified period of time to enable a first time homebuyer to make a downpayment in an amount equal to a specified percentage of the value of housing at the time of purchase in a specified housing market area or census tract.

(2) NO LIMIT ON PAYMENT.—Notwithstanding the provisions of paragraph (1), a first time homebuyer may at any time make payment in an amount which exceeds the amount prescribed in the payment schedule.

(3) NO PENALTY FOR PREPAYMENT.—No penalty shall be imposed on a first time homebuyer who pays the aggregate amount agreed on in the payment schedule before the expiration of the period specified in such schedule.

(c) CONTRACT REQUIRED.—

(1) IN GENERAL.—The Secretary shall require each first time homebuyer in the program under this Act to enter into a written agreement specifying—

(A) the dates by which payments are required to be made;

(B) the current value and location (by housing market area or census tract) of the qualified residential dwelling to be purchased;

(C) the percentage downpayment to be made;

(D) the anticipated future value at the end of the agreement period for the type of qualified residential dwelling; and

(E) such other terms and conditions as the Secretary may prescribe.

(2) 10-YEAR LIMIT ON SAVINGS PERIOD.—The period of time during which payments may be made pursuant to the agreement described in this subsection shall not exceed 10 years.

(d) MODIFICATIONS PERMITTED.—

(1) GENERAL RULE.—The Secretary may consent to a change in the proposed value or location of the qualified residential dwelling or the proposed down-payment percentage if the first time homebuyer agrees to an appropriate adjustment in the obligations under the written agreement.

(2) RENEGOTIATION WHERE DEPOSITOR RELOCATES.—The Secretary shall promulgate regulations to facilitate the renegotiation and transfer of an agreement described in subsection (c) if the first time homebuyer moves to a location other than the location covered by such agreement.

(e) GUARANTEES.—The Secretary shall enter into a commitment which guarantees the payment of an amount equal to the difference, if any, between the amount actually contained in a downpayment savings account under this Act and the amount actually required to make the specified percentage downpayment at the time the scheduled payments are completed. The obligation of the Secretary to pay any amount under this subsection is contingent on the first time homebuyer's timely completion of the obligations under the written agreement.

(f) LIMITATIONS.—The Secretary shall not enter into any guarantee under this Act with respect to any downpayment savings account the proceeds of which are used for the purchase of a dwelling unit—

(1) which is not a qualified residential dwelling;

(2) which is not located in the housing market area or census tract specified by the first time homebuyer at the time of execution or modification of the written agreement; or

(3) by a depositor who is not a first time homebuyer.

SEC. 4. DOWNPAYMENT SAVINGS ACCOUNT.

(a) IN GENERAL.—The United States Code, is amended by adding at the appropriate place, the following new section:

"3114. Downpayment savings accounts

"(a) The Secretary of Treasury shall establish downpayment savings accounts and procedures for their use to carry out the purposes of this Act.

"(b) With the approval of the President, the Secretary of the Treasury may set and change the investment yield on downpayment savings accounts.

"(c) The Secretary of the Treasury may prescribe, with respect to the accounts authorized under this section—

"(1) the form and amount of an account.

"(2) the types of institutions through which the accounts will be issued,

"(3) the conditions (including restrictions on transfer) to which the accounts will be subject,

"(4) conditions governing completion of the agreement covering these accounts,

"(5) a way to evidence payments into the account.

"(d) The Secretary of the Treasury may prescribe how a downpayment savings account may be augmented by a taxpayer (except a trust or estate) in lieu of any portion of a refund check for overpayment of taxes imposed under subtitle A of the Internal Revenue Code of 1986."

SEC. 5. INCOME FROM DOWNPAYMENT SAVINGS ACCOUNTS EXCLUDED FROM GROSS INCOME.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended—

(1) by redesignating section 136 as section 137;

and

(2) by inserting after section 135 the following:

SEC. 136. INCOME FROM DOWNPAYMENT SAVINGS ACCOUNTS.

"(a) IN GENERAL.—Notwithstanding section 454(c), gross income shall not include any amount received by any individual during any taxable year with respect to a downpayment savings account under the First Home Act or any guarantee amount paid under section 3(e) of such Act.

"(b) QUALIFICATION.—Subsection (a) shall not apply in any case where the Secretary makes a determination under section 4 of the First Home Act that the proceeds of the account were not used for the purpose of making a downpayment on a qualified residential dwelling.

"(c) LIMITATIONS.—

"(1) PROCEEDS LIMITED TO 20 PERCENT OF AVERAGE AREA PURCHASE PRICE.—

"(A) IN GENERAL.—If—

"(i) the aggregate proceeds of a downpayment account withdrawn by the taxpayer in the taxable year exceeds

"(ii) 20 percent of the average area purcahse price for a qualified residential dwelling in the housing market area or census tract for which an agreement was entered into under the First Home Act, the amount excludable from gross income under subsection (a) shall not exceed the amount described in subparagraph (A)(ii).

"(B) AVERAGE AREA PURCHASE PRICE.—For purposes of this subsection, the term 'average area purchase price' means the average purchase price for qualified residential dwellings (similar to the dwellings for which an agreement was entered into under the First Home Act) in the housing area or census tract which were purchased during the most recent

"Twelve-month period for which sufficient statistical information is available. The determination under the preceding sentence shall be made on the date a downpayment savings account is withdrawn.

"(2) REDEMPTION MUST BE MADE IN 2 YEARS.—Subsection (a) shall not apply in any case where taxpayer withdraws a downpayment savings account on a date which is later than 24 months after the date on which an agreement between the taxpayer and the Secretary of Housing and Urban Development under the First Home Act terminates."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

KERRY "FIRST-HOME" PLAN COMMONLY ASKED QUESTIONS AND ANSWERS

1. *Question.* What will the First-Home Program do?

Answer. The program will enable first-time homebuyers to guarantee the down payment for their first home. It will encourage them to save knowing that over a specified period of time, their savings will be enough for a downpayment on the type of house they want, and in the area in which they want to live. The First-Home Program will provide the security and peace of mind associated with savings for a downpayment in today's housing and economic markets.

2. *Question.* What are the advantages of saving in the First-Home Program over other individual savings programs such as mutual funds or certificates of deposit?

Answer. The most significant advantage to participants in the First-Home Program is the knowledge that savings accumulated through the program will be sufficient for a downpayment regardless of what happens to home prices. Participants will not have to worry that possible skyrocketing housing prices may make the amount of their savings inadequate to cover the downpayment on their first home.

3. *Question.* Why is this program necessary?

Answer. Purchasing one's first home has always been difficult in America and, in recent years, overcoming the downpayment hurdle has become even more difficult. While average household income in the United States rose from $35,500 in 1984 to $43,000 in 1988, the selling price of the average conventionally financed dwelling (a composite average of both new and existing homes) soared from $83,100 to $130,000. Therefore, a program such as First-Home, which not only encourages savings but provides the added incentive of the security of a downpayment, should go a long way toward increasing homeownership for those who do not already own and who find themselves constantly left behind on the house-price escalator.

4. *Question.* How will the First-Home Program work?

Answer. Families or individuals across the country will be able to make monthly payments over a predetermined period of time. These monthly payments and the interest earned on them will be enough for a downpayment for the type of home they preselect. This downpayment will be guaranteed, even if housing prices in the preselected area increase more than initially contemplated.

5. *Question.* How will this plan help those who want to purchase a house in a few months and don't want to save for several years?

Answer. There is no "free lunch" in trying to buy a house these days. Buying a home requires that people plan, work and save over a period of time. This bill helps people in their efforts to save and "guarantees" that once they have saved over a specified period of time, they will have the downpayment they need.

6. *Question.* How long does a first-time homebuyer have to hold on to a house once it is purchased? What prevents speculation?

Answer. The First-Home Act provides a one-time opportunity for the first-time homebuyer. It is not available more than once. We would, however, recommend that the Secretary of HUD watch this carefully to assure the intent is working out.

7. *Question.* Would this program apply to single persons also?

Answer. Yes. The First-Home Act applies to any first-time homebuyer (any individual who has not owned a qualified residential dwelling at any time.)

8. *Question.* How do I know that the type of house I want to save for today will be the same type of house I will be able to buy when I reach the end of my payment period?

Answer. The First-Home Act would require the Secretary of HUD to develop payment schedules on an "actuarily sound" basis for the type of house you have in mind today. To develop these schedules, the Secretary will need to take into account a number of factors, including today's home values for various areas; the anticipated savings period and anticipated inflation in housing in the area you choose. For example, the data points going into payment determinations may be as general as using the median price for a "type" of home in a census tract or MSA, or as specific as determining actual prices for a 3 bedroom, 2 bath home in a particular location.

9. *Question.* How much will I have to pay?

Answer. The payment schedules determined by the Secretary will determine monthly payments based upon the type and location of home a participant wishes to purchase, the percentage downpayment they want to save for and the period of time they wish to save for.

10. *Question.* What happens if I move to another city or state during the period of my contract? Is my guarantee still protected?

Answer. Yes, but the buyer must renegotiate his agreement in the new city or state based on the same factors as in the original agreement.

11. *Question.* After completing my savings period, can I take my downpayment to another lending institution to apply for a mortgage?

Answer. Yes. The downpayment guarantee issued at the end of the savings period can be taken to any financial institution to be used as a downpayment.

12. *Question.* My wife and I received money as wedding gifts to put towards our downpayment. Can this money be applied to our First-Home contract to reduce the monthly payments?

Answer. Yes. Lump sum payments may be applied at anytime toward the downpayment savings account. This lump sum payment may be from any source including, gifts, savings, etc. It can be used to reduce your monthly payment or to reduce the time needed to complete your savings plan.

13. *Question.* What happens if, in good faith, a person is unable to make his/her payments? What protects their loss?

Answer. Any event which would cause a person to have to withdraw from the program in good faith would be unfortunate. The First-Home Act does not currently contain any provision for putting a savings plan on hold, but this is something that could be revised in the future. A participant would be able to recover his/her investment without penalty and would be free to start the program again in the future once he/she was able to make the monthly payments again.

14. *Question.* Does the bank determine my eligibility for the program and/or the kind of house I can afford? Are there any income limits?

Answer. No. The First-Home Program is not means tested. First-Home participants make individual determinations based on their own incomes, and their ability to save. The bill does anticipate that these determinations would be made after commonsense discussions regarding cost and affordability with the bank and other knowledgeable housing advisors.

15. *Question.* Who pays for the First-Home Program and for the downpayment "guarantee" that the program provides?

Answer. The First-Home Program will be financed by savings contributions from participants nationally. In that regard, the program will operate similar to the way a life insurance program works, where individual premium payments go to the company where the funds are invested and earnings are applied to claims that come due in any year.

16. *Question.* Given our curent budget deficit and rising interest rates, what are the benefits of this program to the US economy.

Answer. The First-Home Program should help the U.S. economy in several ways. First, the program will promote increased savings nationally. These increased savings will, in turn, result in a reduction in our need to borrow foreign capital and the cost

of capital. Second, assisting first-time homebuyers with savings for downpayments will likely increase the number of homebuyers entering the market for the first time. This in turn will increase housing production, new jobs and construction.

17. *Question.* Is there any risk associated with this program to the Government?

Answer. Since the First-Home program guarantees the availability of a downpayment at a time certain, the economic criteria used to establish the payment schedules will be very important. These criteria will be determined by the Secretary of HUD, and the Secretary of the Treasury, in conjunction with various housing and mortgage institutions and organizations and the criteria will be adjusted on a regular basis (perhaps every 6 months), to take into account changes in the economic marketplace; new entrants into the program and the maturation of guarantees. The result will be an actuarily sound program with funds coming in exceeding funds going out—no risk to HUD.

18. *Question.*—Is there any risk to participants in the program?

Answer. No, if participants complete the program they will get the downpayment; if they don't, they get their money back. A participant may lose earning interest at a higher rate than they could have earned by investing elsewhere.

19. *Question.*—Does the bank where I save my money have to provide me with a mortgage at the end of the savings period?

Answer. No. Participants will have, however, a history of saving at their First-Home bank along with a downpayment that they can use to apply for a mortgage. This should help secure a mortgage, but is no guarantee.

20. *Question.*—What banks will participate in the First-Home Program?

Answer. The determination as to the number of participating banks will be made on the advice of the Secretary of Treasury and the Secretary of HUD.

21. *Question.*—What do the banks get from the program?

Answer. Depending upon the recommendations by the Secretary of HUD and the Secretary of Treasury, banks may receive an administrative fee for handling First-Home accounts. This fee will come from the proceeds of contributions nationwide. In addition, banks should realize an increase in the flow of qualified first time homebuyers who they know and vice versa.

22. *Question.*—What would prevent a participant from saving for a million dollar First-Home?

Answer. First-Home participants can elect to save for homes in any price range. The tax-exempt interest accrues, however, only up to the downpayment necessary to purchase a median priced home in the area selected.

23. *Question.*—What happens if you can't afford a mortgage after your savings period has elapsed?

Answer. Participants would receive their principal investment. Interest would be taxable if the money is not used for a downpayment. Of course, a participant can elect to buy a lower priced house with their downpayment with no penalty at all or can negotiate to extend the contract.

24. *Question.*—If I live in an area with a soft housing market such as the southwest, won't my contributions help to underwrite an area with a stronger, tighter market?

Answer. That certainly may be true for the national housing situation as it exists today and could conceivably be true for another 10 years. The reality is, however, that any given growth area today could level off and a new growth area could emerge in another area of the country, or another area of a state for that matter. Had a program like First-Home been in existence 10 years ago, participants in the Northeast would have helped families purchase homes depsite the big price increases that occurred in the Southwest the same way that situation is occurring in reverse today.

25. *Question.*—What if the amount that I have saved exceeds what I need for my downpayment? Do I get to keep the extra money?

Answer. Any principal amount saved would, of course belong to the saver. If the total is not used for downpayment purposes, then the interest accumulated on the nondownpayment amount would be taxable.

26. *Question.*—What happens if I get divorced or separated after joining the First-Home Program or if a party to the contract dies?

Answer. In these situations you could (1) renegotiate you contract; (2) drop out of the program entirely; (3) have the proceeds handled under the terms of a person's will.

27. *Question.*—How long will I have to save?

Answer. It is all up to you. What kind of house do you want; in what area; what can you afford to save? Savings periods will depend on the factors calculated by the Secretary of HUD, but could range anywhere from 2 to 10 years, depending on the amount of downpayment contemplated and the monthly contribution a participant is able to afford.●

● Mr. ADAMS. Mr. President, I rise as a prime cosponsor of legislation introduced by my friend from Massachusetts, Senator JOHN KERRY, that will provide long-needed assistance to our first-time homebuyers in this Nation.

This legislation fills a critical gap in the area of home ownership affordability. Nationally, home ownership rates have fallen dramatically. That drop has been most pronounced among young families in the 25- to 34-age group.

But Mr. President, why has this occurred? One reason is that we live in an era of rapidly declining purchasing power. Data clearly indicates that average real income has fallen for wage and salary workers, and the average per person income, from all sources, has been growing more slowly during the 1980's than it did during the 1970's. Notwithstanding, the dominant national trend is for the aging of the baby-boom generation and the arrival of the baby-bust generation into prime household formation years. The demand for affordable housing continues, however, concrete financial mechanisms are needed to make the homeownership dream a reality.

Owning one's home not only promotes the local economy, but inspires home owner pride that is so essential to develop the social fabric of a community. It provides a foundation to be involved in neighborhood activities and support local community projects.

Mr. President, in my own State, first-time home buyers, without equity from a previous home purchase, are faced with home prices double and triple that of the middle 1970's, and the necessity of saving a minimum of $16,000 to cover the downpayment and closing costs for a modest home. Many responsible and hard working young people from Seattle to Spokane; Bellingham to Battle Ground, WA, cannot afford to make that first initial downpayment. It is both unfair and tragic for this to occur. That is why I enthusiastically endorse this bill introduced by Mr. KERRY.

To conclude, Mr. President, affordable housing for all citizens is important to the social and economic welfare of this country. It is a priority issue in my office and must be a priority item for our national agenda. I will continue to study and support initiatives that promote this ideal, and implore my colleagues to do the same.●

By Mr. JOHNSTON (for himself and Mr. MCCLURE):

S. 710. A bill to provide for a referendum on the political status of Puerto Rico; to the Committee of Energy and Natural Resources.

S. 711. A bill to provide for a referendum on the political status of Puerto Rico; to the Committee of Energy and Natural Resources.

S. 712. A bill to provide for a referendum on the political status of Puerto Rico; to the Committee of Energy and Natural Resources.

REFERENDUM ON THE POLITICAL STATUS OF PUERTO RICO

● Mr. JOHNSTON. Mr. President, today I am pleased to introduce, with the cosponsorship of the ranking minority member of the Committee on Energy and Natural Resoruces, Senator MCCLURE, three bills to initiate the legislative process on the issue of Puerto Rican political status. This is an issue of special interest to me because it was one of the first issues I worked on as a freshman Senator on the Committee on Interior and Insular Affairs and as a member of the Ad Hoc Commission on Puerto Rico.

My experience with Puerto Rico over the years has brought me to understand, as much as anyone can understand this extremely complex issue, that the status of Puerto Rico is far more significant than the sum of the tangled components of Federal-Puerto Rican relations. This issue goes to the very heart of our system of government; to the principles of self-determination, and government by the consent of the governed.

Puerto Rico has been a part of the United States since its acquisition in 1898, and its residents have been U.S. citizens since 1917. For more than 50 years Puerto Rico remained in the transitionary status of "territory"; a status experienced by most of the States of the Union for relatively brief

periods. In 1952, the people of Puerto Rico ratified the "Compact" with the Federal Government establishing the Commonwealth of Puerto Rico and thereby achieved a relationship based on consent. Nevertheless, the status issue remains the driving issues behind Puerto Rican politics. While it is an issue which we in Congress have considered from time to time, for the 3.4 million residents of Puerto Rico it is the focus of nearly continuous local debate.

The debate in Puerto Rico resolves around the three principal status options: Commonwealth, statehood and independence, and over which of these options should be the goal for future relations with the United States. For many years tremendous effort has been expended in Puerto Rico on studies, commissions and conferences to define the specifics of these three options. However, to be meaningful, Congress must become involved in these efforts because only Congress has the constitutional authority to change the political status of Puerto Rico.

On March 16, I spoke in anticipation of the introduction of these three bills and I sent a copy of that statement to each of my colleagues. I would like to reiterate three major points I made in that statement.

First, the reason that this issue has reemerged is because the people of Puerto Rico have not had an opportunity to express their preference regarding the future political status of Puerto Rico since a referendum in 1967. Many new voters have become eligible within the past 22 years and they deserve an opportunity to register their views. Moreover, the three principal political parties of Puerto Rico, representing the three status options of commonwealth, statehood and independence, have all communicated to the Congress and the President of the United States their desire that the people of Puerto Rico be consulted on this issue. We have a responsibility to respond to these requests.

Second, to initiate this process of consultation with the people of Puerto Rico, I drafted the three bills now being introduced. Each of the bills would authorize a referendum between the three status options, but they differ in the level of specificity of the definitions of the three options.

The first bill would authorize a referendum on the three status options as defined by a few words. The second bill would define the options in a general way. The third bill would actually set forth enabling, self-executing, legislation with complete detailed definitions of the three options.

Under the first two measures, a runoff referendum would be held, if necessary, to obtain a majority vote on one of the status options. Under the first two bills, representatives of the option which finally received a majority would then negotiate, in consultation with the other parties, the details of that option with Congress. Following enactment of the negotiated details of the option, there would be a second referendum in Puerto Rico to either accept or reject implementation of the option as fully defined by Congress. In the case of the third bill, a second referendum would be unnecessary because each of the definitions would be complete and "self-implementing." That is, the option receiving the majority vote in the first referendum would be implemented in accordance with the terms of the enabling legislation.

In the first bill the phrases characterizing the three options were proposed by the three parties. It is important to note that these phrases have not been considered by Congress, and thus do not necessarily represent a resolution of the many issues which surround each of the status options. For example, "economic guarantees," such as the level of Federal payments, are not specified; "enhancements," including amendments to existing statues, are not defined; and specific issues of "cultural identity," such as the role of the Spanish language, are not resolved.

The two bills requiring definitions have blanks for those definitions at this time. The three principal Puerto Rican political parties will present their initial definitions to fill in these blanks in early May. I will introduce their definitions as amendments to these bills at that time.

These three bills represent the range of specificity possible for the definitions. If everything goes extraordinarily well in developing the definitions, then it is possible that Congress can develop the complete definitions proposed under the third bill. If, on the other hand, congressional consideration yields no areas of agreement, then the few word definitions of the first bill will be the only definitions. The second bill represents a mid-way point between the approaches taken in the first and third bills.

I do not know how successful we will be in defining the three status options, but by using this approach Congress will be able to enact one of these three bills.

The third point that I would like to reiterate from my earlier statement concerns my schedule for considering these measures. It is important for Congress to consider this legislation expeditiously. I believe that legislation must be enacted in the 101st Congress so that a referendum can be held in Puerto Rico in 1991, and well before the local elections in 1992, otherwise the referendum will be confounded by other political issues.

Accordingly, I have established May 9 as a deadline for the three parties to submit their initial definitions to me for introduction as amendments to bills 2 and 3. I expect to hold a first set of hearings on June 1, 2 and 5, here in Washington, to allow for a presentation and comments on each of the three option definitions. June 16 and 19 are target dates, depending on the Senate schedule, for hearings to be held in Puerto Rico. Next, I anticipate additional hearings in District of Columbia in July to receive testimony from the administration.

In addition to these three points I made 2 weeks ago, there are several others I would now add.

Several people have asked me what my preference for Puerto Rico's future status is: Commonwealth, statehood or independence? I have responded that I don't know, because I don't know what these terms mean. Each of these three status options is enormously complex. Virtually all Federal programs, and most Federal laws apply in Puerto Rico, often with special modifications. Each status option offers a range of possibilities for changes in these programs and laws. It is extremely difficult to judge the merits of the status options until these possibilities have been considered and each option has been substantially formulated. I urge my colleagues to keep an open mind.

To encourage meeting the ambitious schedule I have proposed for the consideration of these measures, I plan to send a letter to the President along with my good friend the ranking minority member of the Committee on Energy and Natural Resources, Senator MCCLURE. We will ask the President to establish an Administration Task Force on Puerto Rico; designate contacts on this issue in each of the Federal agencies, and OMB; and designate a lead agency to coordinate communications between the Congress and the administration. I am pleased that the President shares our commitment to swift action on this issue and I look forward to working with him.

Mr. President, the leaders of the three principal political parties of Puerto Rico have communicated their interest in having the Federal Government consult with the people of Puerto Rico on the future political status of the island. We in Congress have a responsibility to respond to their request and the introduction of these bills demonstrates our intention to meet that responsibility.

I look forward to working with the President, the political leadership of Puerto Rico, and my colleagues here in Congress. With a continued commitment by all parties I am confident that the people of Puerto Rico will have a meaningful opportunity to express their preference on Puerto Rico's political future.●

● Mr. MCCLURE. Mr. President, I am pleased to join my colleagues and

chairman of the Committee on Energy and Natural Resources in the introduction of three measures calling for an election in Puerto Rico to determine whether our fellow citizens wish to alter their relationship to the Federal Government. These measures present a range of options for the Committee on Energy and Natural Resources and the Senate to consider, ranging from a general status option to a fully self-executing set of alternatives.

I want to congratulate Senator JOHNSTON on the work which he has put into the development of this legislation. While I am pleased to join him in their introduction, they are really a result of his efforts to date to reach a consensus among the advocates of differing alternatives in Puerto Rico. These measures should be viewed as initial working documents which will evolve as the committee progresses through this process. Personally, I believe that the best alternative would be to spell out in detail exactly what each of the alternatives means, so that the election would be self-executing. Unfortunately, I doubt seriously that it will be possible to do that for various reasons. That pragmatic view should not distract us, however, from discussing what each of the alternatives actually entails. I think that we do a disservice to the voters of Puerto Rico if we do not discuss the constitutional and political parameters which attend each option.

The issue which has colored and permeated issues affecting Puerto Rico—that of status—will continue to cloud legislation until finally resolved. In fairness, I believe that only independence or statehood will finally resolve that debate. That is not to say that either option is necessarily the best option at this time or at any given moment, but rather that those two options are in my mind irreversible. We settled the issue of a State's right to secede with some finality and extreme prejudice 125 years ago. I think that independence would likely also be final. We have never before dealt with the relinquishment of citizenship, but that certainly will need to be addressed under the independence option. The present commonwealth arrangement may or may not be the best arrangement at this time, but it can not foreclose forever either of the other options to our fellow citizens in Puerto Rico if they should change their minds in the future. What is important, however, is that in considering these measures we not allow our personal preferences to cloud the discussion and prevent us from presenting a fair and accurate series of options to Puerto Rico.

I intend to keep an open mind as the committee begins its review of these measures. I hope that all persuasions in Puerto Rico will assist the committee in refining what is and what is not possible under each of the options. I also hope that the administration will assist in the process and be able to respond to questions as to what each of the options may mean with respect to individual issues. We have an enormous responsibility before us. While we need to fully respect the freely expressed desires of the voters in Puerto Rico, we also must make certain that the options presented are in fact realistic. We should not encourage false hopes, but neither should we deny our own capability to be creative and innovative in addressing particular concerns. From my own standpoint, I hope that this process will not be as lengthy nor as tortured as that for Micronesia. Some of the issues will be the same, however, and perhaps we will have learned from our experience there.

The issue of permanent denial, base rights, citizenship, currency, Federal assistance, immigration, and other issues which we dealt with in the Micronesia context will have to be examined under an independence option. I do not know what is being, or will be, proposed under the commonwealth option, but whatever is proposed should be given the same thoughtful consideration. Those proposals, however, present the committee with a complex problem since it is difficult to understand why a referendum would be necessary to put those options into effect assuming we agree that they represent sound policy. They also will lack the permanence which would attend either independence or statehood. If they are good ideas, they should probably be enacted as soon as possible. Conversely, if they are not sound, a referendum will only create a situation similar to that which the committee is facing with some of the provisions in the proposed Guam Commonwealth legislation. Statehood also will present a variety of difficulties, none of which are insurmountable, if only as a result of Puerto Rico being an island. The experience of Hawaii will be helpful, but there will be complexities attendant to this legislation which were not present for Hawaii due to the growth of Federal legislation and the particular way certain of those Federal laws, such as the Internal Revenue Code, apply to Puerto Rico.

I know that there has been speculation as to whether the Spanish culture and traditions of Puerto Rico would pose an impediment to statehood, and I expect that issue will also be explored during congressional consideration. We do have antecedents, including Hawaii, but the best analogy would probably be that of Louisiana. The territory of Orleans presented a novel problem for the United States. It was almost exclusively French-speaking, followed the Napoleonic Code, and was Catholic. During the eighth Congress, following the acquisition of the Louisiana territory, Senator Mitchill of New York described U.S. policy toward the new territory:

> They are thus to serve an apprenticeship to liberty; they are to be taught the lessons of freedom; and by degrees they are to be raised to the enjoyment and practice of independence. All this is to be done as soon as possible . . . they will pass from the childhood of republicanism through the improving period of youth, and arrive at the mature experience of manhood. And then, they may be admitted to the full privileges which their merit and station will entitle them to.

Needless to say, in 1812 the territory of Orleans became the State of Louisiana, and as any lawyer can attest, there is the common law and then there is Louisiana, there is the Uniform Commercial Code and then there is Louisiana's version, there is general admiralty law and then there is Louisiana. I hope that we will not get distracted into fruitless exercises on this issue either by the proponents or opponents of statehood.

I do want to congratulate Senator JOHNSTON on his work so far. I fully expect that these measures will be further refined as the Congress considers them. There are aspects of each which I am not at all comfortable with at this time, but I fully concur with Senator JOHNSTON's belief that we need to have them introduced and that we need to begin the hearing process as soon as possible. There have been several recent discussions to refine these drafts and I want to make clear that I do not view anyone as bound by any of the language suggested in any of the drafts at this point. I fully expect that each of the parties will want to refine their preferred description as the process continues. I also agree that we should strive for enactment in this Congress of one of the measures so that a vote may be held in Puerto Rico during 1991 when the electorate can consider the options without the distractions and political activity which would surround a general election. I am pleased to cosponsor these measures and I look forward to working with the chairman, my other colleagues, and the administration to achieve enactment as quickly as possible.●

By Mr. LAUTENBERG:

S.J. Res. 96. Joint resolution designating July 2, 1989, as "National Literacy Day"; to the Committee on the Judiciary.

DESIGNATING JULY 2, 1989 AS "NATIONAL LITERACY DAY"

Mr. LAUTENBERG. Mr. President, I am pleased to introduce a resolution to designate July 2, 1989, as National Literacy Day. This is the fourth year in a row that I am introducing this resolution. It is vital to call attention

to the problem of illiteracy, to help others understand the severity of this problem and its detrimental effects on our society, and to reach those who are unaware of the service and help available for illiterate people.

In the book "Illiterate America" by Jonathan Kozol, the author describes an invisible minority, the growing crisis of illiteracy in America. In this country it is often said that we live in the Information Age. Yet for many Americans, information is inaccessible. Over 27 million American adults cannot read. An additional 35 million read below the level needed to function successfully. The cost of these wasted human resources is estimated at $225 billion, although, in truth, no value can be put on the devastation of illiteracy.

The cost includes the lifetime earnings that will not be realized by men and women who cannot get and hold jobs requiring any reading skills. The cost includes child welfare expenditures for the children of adults who lack the skills to get jobs. The cost includes prison maintenance for the inmates whose imprisonment can be linked to their illiteracy. The cost includes on-the-job accidents and damage to equipment caused by the inability of workers to read and understand instructions for the operation of machines.

And the human cost is even higher. The daily activities that we take for granted—reading the newspaper, reading a menu, reading a street or subway map, reading a note from a child's teacher—become a nightmare for illiterate people. They devise remarkable strategies of evasion and coping. The creativity that goes into hiding the inability to read is a terrible waste and a tragic commentary on the losses illiterate people suffer.

It is vital to call attention to the problem of illiteracy. Our society must begin to understand the severity of this problem and its detrimental effects. Perhaps even more essential is the need to reach the people who need help in overcoming their illiteracy and to make them aware of the services that are available.

Mr. President, for these reasons, I am introducing a resolution to designate July 2, 1989, as National Literacy Day. I urge my colleagues to support this resolution.

I ask unanimous consent that the text of the resolution be printed in the RECORD following my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 96

Whereas literacy is a necessary tool for survival in our society;

Whereas thirty-five million Americans today read at a level which is less than necessary for full survival needs;

Whereas there are twenty-seven million adults in the United States who cannot read, whose resources are left untapped, and who are unable to offer their full contribution to society;

Whereas illiteracy is growing rapidly, as two million three-hundred thousand persons, including one million two-hundred thousand legal and illegal immigrants, one million high school dropouts, and one hundred thousand refugees, are added to the pool of illiterates annually;

Whereas the annual cost of illiteracy to the United States in terms of welfare expenditures, crime, prison expenses, lost revenues, and industrial and military accidents has been estimated at $225,000,000,000;

Whereas the competitiveness of the United States is eroded by the presence in the workplace of millions of Americans who are functionally or technologically illiterate;

Whereas there is a direct correlation between the number of illiterate adults unable to perform at the standard necessary for available employment and the money allocated to child welfare and unemployment compensation;

Whereas the percentage of illiterates in proportion to population size is higher for blacks and Hispanics, resulting in increased economic and social discrimination against these minorities;

Whereas the prison population represents the single highest concentration of adult illiteracy;

Whereas one million children in the United States between the ages of twelve and seventeen cannot read above a third grade level, 13 per centum of all seventeen-year-olds are functionally illiterate, and 15 per centum of graduates of urban high schools read at less than a sixth grade level;

Whereas 85 per centum of the juveniles who appear in criminal court are functionally illiterate;

Whereas the 47 per centum illiteracy rate among black youths is expected to increase 50 per centum by 1990;

Whereas one-half of all heads of households cannot read past the eighth grade level and one-third of all mothers on welfare are functionally illiterate;

Whereas the cycle of illiteracy continues because the children of illiterate parents are often illiterate themselves because of the lack of support they receive from their home environment;

Whereas Federal, State, municipal, and private literacy programs have only been able to reach 5 per centum of the total illiterate population;

Whereas it is vital to call attention to the problem of illiteracy, to understand the severity of the problem and its detrimental effects on our society, and to reach those who are illiterate and unaware of the free services and help available to them; and

Whereas it is also necessary to recognize and thank the thousands of volunteers who are working to promote literacy and provide support to the millions of illiterates in need of assistance, Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 2, 1989, is designated as "National Literacy Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 9

At the request of Mr. DOLE, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 9, a bill to amend title II of the Social Security Act to phase out the earnings test over a 5-year period for individuals who have attained retirement age, and for other purposes.

S. 19

At the request of Mr. LEVIN, the names of the Senator from North Dakota [Mr. CONRAD], the Senator from Kentucky [Mr. FORD], the Senator from Maine [Mr. COHEN], the Senator from Virginia [Mr. ROBB], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 19, a bill to allow State Governors to file petitions for action under section 301 of the Trade Act of 1974.

S. 120

At the request of Mr. KENNEDY, the names of the Senator from Oregon [Mr. PACKWOOD] and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 120, a bill to amend the Public Health Service Act to reauthorize adolescent family life demonstration projects, and for other purposes.

S. 148

At the request of Mr. PRESSLER, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 148, a bill to require the Secretary of the Treasury to mint coins in commemoration of the golden anniversary of the Mount Rushmore National Memorial.

S. 172

At the request of Mr. PRESSLER, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 172, a bill to amend the Soil Conservation and Domestic Allotment Act to extend the date for entering into contracts under the Great Plains Conservation Program.

S. 243

At the request of Mr. MCCLURE, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 243, a bill to provide for the extension of regional referral center classification of certain hospitals under the Medicare Program and to continue the payment rates for such hospitals.

S. 255

At the request of Mr. HARKIN, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 255, a bill to authorize appropriations for the Local Rail Service Assistance Program.

S. 256

At the request of Mr. HARKIN, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 256, a bill to direct a study by

the Secretary of Agriculture of the classification of anhydrous ammonia as a poisonous gas for purposes of the Hazardous Materials Transportation Act, and for other purposes.

S. 322

At the request of Mr. DODD, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 339, a bill to establish the American Conservation Corps and Youth Service Corps, to provide for the education and training of participants in such Corps, to establish the Commission on National Service Opportunities, and for other purposes.

S. 339

At the request of Mr. BRADLEY, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 399, a bill to amend title XIX of the Social Security Act to reduce infant mortality through improvement of coverage of services to pregnant women and infants under the Medicaid Program.

S. 341

At the request of Mr. HOLLINGS, the names of the Senator from Maryland [Ms. MIKULSKI] and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 341, a bill to amend the Federal Aviation Act of 1958 to prohibit discrimination against blind individuals in air travel.

S. 357

At the request of Mr. SYMMS, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of S. 357, a bill to provide that the Secretary of Transportation may not issue regulations reclassifying anhydrous ammonia under the Hazardous Materials Transportation Act.

S. 360

At the request of Mr. NICKLES, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 360, a bill to amend the Federal Deposit Insurance Act to provide deposit insurance in a manner which does not discriminate against small- and medium-sized banks by expanding the assessment base and reducing the assessment rate for deposit insurance.

S. 369

At the request of Mr. BOSCHWITZ, the names of the Senator from Connecticut [Mr. DODD], the Senator from Massachusetts [Mr. KERRY], The Senator from Connecticut [Mr. LIEBERMAN], the Senator from Michigan [Mr. RIEGLE], and the Senator from California [Mr. WILSON] were added as cosponsors of S. 369, a bill to seek the eradication of the worst aspects of poverty in developing countries by the year 2000.

S. 375

At the request of Mr. HOLLINGS, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from New Hampshire [Mr. HUMPHREY], and the Senator from Virginia [Mr. ROBB] were added as cosponsors of S. 375, a bill to provide for the broadcasting of accurate information to the people of Cuba, and for other purposes.

S. 416

At the request of Mr. DOMENICI, the names of the Senator from Vermont [Mr. JEFFORDS] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 416, a bill to provide that all Federal civilian and military retirees shall receive the full cost of living adjustment in annuities payable under Federal retirement systems for fiscal years 1990 and 1991, and for other purposes.

S. 424

At the request of Mr. THURMOND, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 424, a bill to provide a minimum monthly annuity for the surviving spouses of certain deceased members of the uniformed services.

S. 435

At the request of Mr. REID, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 435, a bill to amend section 118 of the Internal Revenue Code to provide for certain exceptions from certain rules determining contributions in aid of construction.

S. 478

At the request of Mr. DODD, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 478, a bill to provide Federal assistance to the National Board for Professional Teaching Standards.

S. 481

At the request of Mr. CRANSTON, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 481, a bill to place a moratorium on the relocation of Navajo and Hopi Indians under Public Law 93-531, and for other purposes.

S. 503

At the request of Mr. BAUCUS, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 503, a bill to protect the ozone layer by reducing chlorofluorocarbons and halons, and for other purposes.

S. 507

At the request of Mr. SIMON, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 507, a bill to prohibit investments in, and certain other activities with respect to, South Africa, and for other purposes.

S. 519

At the request of Mr. LAUTENBERG, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 519, a bill to prohibit smoking on any scheduled airline flight in intrastate, interstate, or overseas air transportation.

S. 652

At the request of Mr. KENNEDY, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 652, a bill to revise the format of the Presidential report to Congress on voting practices in the United Nations.

S. 654

At the request of Mr. PRYOR, the names of the Senator from Nebraska [Mr. EXON], the Senator from Nevada [Mr. REID], the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Maine [Mr. COHEN], the Senator from Alabama [Mr. SHELBY], the Senator from Wisconsin, [Mr. KOHL], and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 654, a bill to amend the Internal Revenue Code of 1986 to provide for the establishment of simplified health arrangements meeting the requirements of section 89, to modify the definition of part-time employee for purposes of section 89, and to simplify the application of section 89.

S. 669

At the request of Mr. WILSON, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 669, a bill to require the Secretary of Energy to convey to the State of California by quitclaim deed certain lands in a naval petroleum reserve and to provide that money received from a naval petroleum reserve shall be treated the same as money received from other public lands.

S. 675

At the request of Mr. CRANSTON, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 675, a bill to eliminate discriminatory barriers to voter registration, and for other purposes.

SENATE JOINT RESOLUTION 15

At the request of Mr. PRESSLER, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of Senate Joint Resolution 15, a joint resolution to designate the second Sunday in October of 1989 as "National Children's Day."

SENATE JOINT RESOLUTION 47

At the request of Mr. PRESSLER, the names of the Senator from Kentucky [Mr. FORD], the Senator from Delaware [Mr. BIDEN], the Senator from Vermont [Mr. JEFFORDS], the Senator from Maine [Mr. MITCHELL], the Senator from Wyoming [Mr. SIMPSON], the Senator from Wyoming [Mr. WALLOP], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Florida [Mr. GRAHAM], the Senator from Hawaii [Mr. INOUYE], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from West Virginia [Mr. BYRD], the Senator from Tennessee [Mr. GORE], the Senator from South Dakota [Mr. DASCHLE], and the Senator from Minnesota [Mr. DUREN-

BERGER], were added as cosponsors of Senate Joint Resolution 47, a joint resolution to recognize the 75th anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State cooperative extension services.

SENATE JOINT RESOLUTION 55

At the request of Mr. SIMON, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of Senate Joint Resolution 55, a joint resolution to designate the week of October 1, 1989, through October 7, 1989, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 61

At the request of Mr. CHAFEE, the names of the Senator from Wisconsin [Mr. KOHL], the Senator from Michigan [Mr. LEVIN], the Senator from California [Mr. CRANSTON], and the Senator from Virginia [Mr. ROBB] were added as cosponsors of Senate Joint Resolution 61, a joint resolution to designate April 1989 as "National Recycling Month."

SENATE JOINT RESOLUTION 71

At the request of Mr. HELMS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of Senate Joint Resolution 71, a joint resolution designating April 16 through 22, 1989, as "National Ceramic Tile Industry Recognition Week."

SENATE JOINT RESOLUTION 76

At the request of Mr. HELMS, the names of the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. BURDICK], the Senator from Arkansas [Mr. PRYOR], the Senator from Indiana [Mr. COATS], the Senator from Kansas [Mr. DOLE], the Senator from California [Mr. WILSON], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Colorado [Mr. ARMSTRONG], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of Senate Joint Resolution 76, a joint resolution to designate the period commencing on June 21, 1989, and ending on June 28, 1989, as "Food Science and Technology Week".

SENATE RESOLUTION 19

At the request of Mr. DIXON, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of Senate Resolution 19, a resolution to express the sense of the Senate to urge the President to recognize and include the Director of National Drug Control Policy as a fully participative member of the President's Cabinet.

SENATE RESOLUTION 24

At the request of Mr. LAUTENBERG, the names of the Senator from North Carolina [Mr. SANFORD], and the Senator from Georgia [Mr. FOWLER] were added as cosponsors of Senate Resolution 24, a resolution to express the sense of the Senate regarding future funding of Amtrak.

SENATE RESOLUTION 86

At the request of Mr. LAUTENBERG, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of Senate Resolution 86, a resolution to request the President of the United States to appoint a special commission to consider the destruction of Pan American World Airways flight 103, and the security of air travel.

SENATE RESOLUTION 92—RELATING TO SECTION 89 OF THE INTERNAL REVENUE CODE OF 1986

Mr. SYMMS (for himself, Mr. LOTT, Mr. KASTEN, Mr. BOSCHWITZ, Mr. DOLE, Mr. ARMSTRONG, Mr. WALLOP, Mr. HATCH, Mr. DOMENICI, Mr. COCHRAN, Mr. DECONCINI, Mr. PRESSLER, Mr. MCCAIN, Mr. HELMS, Mr. MCCLURE, Mr. MCCONNELL, Mr. BOND, Mr. COATS, Mr. NICKLES, and Mr. BREAUX) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 92

Resolved, that it is the sense of the Senate

(1) that section 89 of the Internal Revenue Code of 1986 imposes an intolerable and unjustified burden of compliance upon employers, far out of proportion to any social benefits supposedly gained by establishing a policy in the tax code limiting the differences in health and other nontaxable benefits an employer may provide as tax-deductible compensation for employees; and, therefore

(2) the Senate of the United States hereby requests the House of Representatives immediately to adopt and send to the Senate for consideration a bill to repeal or to modify substantially Section 89 of the Internal Revenue Code of 1986.

● Mr. SYMMS. Mr. President, one of the issues of greatest concern to the small businesses of this country is section 89—the provision of the Tax Reform Act of 1986 in which Congress mandated a system of testing employer fringe benefit plans to assure no discrimination against low-paid employees.

We know this is an important issue to every Senator because we have 32 cosponsors, from both sides of the aisle, in support of my bill, S. 89, to give a year's relief from this regulatory burden, and to provide time for the Congress to reconsider it; and Senator LOTT has 17 cosponsors, from both sides of the aisle, in support of his bill, S. 350, to repeal this section of the Internal Revenue Code.

Today I am submitting a sense-of-the-Senate resolution to ask the House of Representatives to adopt and send to the Senate a bill to repeal or substantially modify section 89. Because of the constitutional issue, it is more appropriate for us first to ask the House to act.

I believe the House is ready to act on this pressing issue of such concern to American employers. In the House of Representatives, a bill to repeal section 89 already has 275 cosponsors—well over 60 percent of the House.●

● Mr. LOTT. Mr. President, today I join my colleague from Idaho in submitting a sense of the Senate resolution to ask the House of Representatives to adopt and send to the Senate a bill to repeal or substantially modify section 89 of the Internal Revenue Code.

Whatever side one takes on this issue, all certainly recognize that confusion is rampant in the small business community and burdensome complications are being imposed on employers, directly because of the section 89 provision of the Tax Reform Act of 1986.

Mr. President, it is our responsibility to address the concerns of those which we serve, and I would ask my colleagues who also feel this matter should be revisited to cosponsor this resolution in support of immediate congressional attention to this important issue.●

SENATE RESOLUTION 93—PROVIDING FOR A BICENTENNIAL SESSION OF THE SENATE

Mr. FOWLER (for Mr. MITCHELL, for himself, and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 93

Whereas the Senate of the United States achieved its first quorum and conducted its first legislative session on April 6, 1789;

Whereas on April 6, 1989, the Senate commemorates two centuries of existence under the Constitution of the United States;

Whereas the Senate's first two centuries were inextricably bound to the development of our national heritage of individual liberty, representative government, and the attainment of equal and inalienable rights, and;

Whereas it is appropriate and desirable to provide for the observation and commemoration of this unique anniversary: Now, therefore, be it

Resolved, That the Senate at 11:00 a.m. on April 6, 1989, shall assemble in legislative session for ceremonies in the Old Chamber previously used by the Senate from 1810–1859, for ceremonies commemorating the Bicentennial Session of the Senate. Following remarks made by the President pro tempore, the Senate shall reassemble in the current chamber for further ceremonies commemorating the Bicentennial Session and shall recess at 12:45 p.m.

SEC. 2. (a) During the ceremonies authorized by the first session only the following activities are hereby authorized, as determined by the Majority Leader and the Minority Leader:

(1) Former Senators may address the Senate.

(2) A military band may have access to the Senate Floor.

(3) The President pro tempore may address the Senate from the Chair.

(4) A ceremonial resolution relative to the Senate's third century may be presented to the Senate.

(5) Such other activities that the Majority Leader and the Minority Leader determine are appropriate may be conducted.

(b) When the roll of the States is called during the ceremonies, the senior Senator present from each State is authorized to announce the date such State joined the Union and the names of the first 2 Senators from the State.

SEC. 3. All other legislative and executive matters shall be held in abeyance while the Senate is proceeding under this resolution.

SEC. 4. (a) There shall be printed as a Senate document a commemorative publication of the proceedings of the Senate on April 6, 1989, as authorized by this resolution.

(b) There shall be printed an additional 2,000 copies of such document for use as determined by the Majority Leader and the Minority Leader.

(c) Printing and binding of such document shall be done in the manner determined by the Joint Committee on Printing.

AMENDMENTS SUBMITTED

MINIMUM WAGE LEGISLATION

BOSCHWITZ AMENDMENTS NOS. 12 AND 13

(Ordered to lie on the table.)

Mr. BOSCHWITZ submitted two amendments intended to be proposed by him to the bill (S. 4) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes; as follows:

AMENDMENT No. 12

At the end of the bill, insert the following new title:

TITLE II—JOB ENHANCEMENTS FOR FAMILIES

SEC. 201. SHORT TITLE.

This title may be cited as the "Job Enhancement for Families Act of 1989".

SEC. 202. INCREASE IN EARNED INCOME TAX CREDIT.

(a) INCREASE IN AMOUNT OF CREDIT.—Subsections (a) and (b) of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit) are amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this credit percentage of so much of the earned income for the taxable year as does not exceed $7,143.

"(2) LIMITATION.—The amount of the credit allowable to a taxpayer under this subsection for any taxable year shall not exceed the excess (if any) of—

"(A) the credit percentage of $7,143, over

"(B) the phaseout percentage of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $8,000.

"(b) PERCENTAGES.—For purpose of subsection (a)—

"In the case of an eligible individual with:	The credit percentage is:	The phaseout percentage is:
"No or 1 qualifying child	14	8.8
"2 qualifying children	21	13.2
"3 qualifying children	28	17.6
"4 or more qualifying children	35	22."

(b) INFLATION ADJUSTMENTS.—

(1) Paragraph (1) of section 32(i) of such Code is amended—

(i) by striking out "the applicable calendar year" and inserting "1990",

(ii) by striking out "paragraph (2)(B)" and inserting "subsection (a)", and

(iii) by striking out "1984" in subparagraph (B) and inserting "1989".

(2) Section 32(i) of such Code is amended by striking out paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(c) QUALIFYING CHILD.—Subsection (c) of section 32 of such Code is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFYING CHILD.—The term 'qualifying child' means any child (within the meaning of section 151(c)(3)) of the eligible individual who is taken into account in determining such individual's eligibility for the credit allowable under this section."

(d) CONFORMING AMENDMENT.—Paragraph (2) of section 32(f) of such Code is amended by striking out "subsection (b)" each place it appears in subparagraphs (A) and (B) and inserting in lieu thereof "subsection (a)(2)".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.

AMENDMENT No. 13

At the end of the bill, insert the following new section:

SEC. . SENSE OF SENATE REGARDING WORKING POOR FAMILIES.

It is the sense of the Senate that—

(1) the United States cannot deal with the problems of working poor families only by raising the minimum wage established under section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206);

(2) four-fifths of the individuals who receive the minimum wage are not poor;

(3) an increase in the minimum wage will not, by itself, bring a large family supported by a minimum wage earner out of poverty;

(4) the minimum wage is therefore both inefficient and ineffective in dealing with the problem of poor working families;

(5) the long-term solution for working poor families is education and training to increase the productivity of these low wage workers;

(6) in the short term, the United States can increase incentives to work and make a more efficient commitment of resources to help low income families by amending the existing earned income tax credit established under section 32 of the Internal Revenue Code of 1986 to vary the credit by family size;

(7) only through a mechanism such as a family size adjusted earned income tax credit can the United States deal with the tension between wages, which are based on productivity, and welfare which is based on need;

(8) such a mechanism provides a reward for working while adjusting that reward to need;

(9) the earned income tax credit should be amended to relate the percentage of credit to the number of children in the family;

(10) such an amendment should result in additional credit of between $250 and $500 per child with a maximum credit of no more than $2,500;

(11) specific amounts should be determined by the consideration of revenue offsets; and

(12) amendments to carry out this section should be adopted on the first appropriate revenue bill.

INCREASE PENALTIES FOR CERTAIN FRAUD AGAINST THE UNITED STATES

METZENBAUM (AND OTHERS) AMENDMENT NO. 14

Mr. METZENBAUM (for himself, Mr. HATCH, and Mr. GRASSLEY) proposed an amendment to the bill (S. 248) to amend title 18 of the United States Code to provide increased penalties for certain major frauds against the United States; as follows:

(1) Strike page 2, lines 5-10 of the bill and insert the following:

"In special circumstances and in his or her sole discretion, the Attorney General is authorized to make payments from funds appropriated to the Department of Justice to persons who furnish information relating to a possible prosecution under this section. The amount of such payment shall not exceed $250,000. Upon application by the Attorney General, the court may order that the Department shall be reimbursed for a payment from a criminal fine imposed under this section.

(2) On page 3, insert after line 7 the following new paragraph:

"(3) The failure of the Attorney General to authorize a payment shall not be subject to judicial review."

BUMPERS (AND KASSEBAUM) AMENDMENT NO. 15

Mr. BUMPERS (for himself and Mrs. KASSEBAUM) proposed an amendment to the bill S. 248, supra; as follows:

Strike section 2 of the bill.

MINIMUM WAGE LEGISLATION

WALLOP AMENDMENT NO. 16

(Ordered to lie on the table.)

Mr. WALLOP submitted an amendment intended to be proposed by him to the bill S. 4, supra; as follows:

AMENDMENT No. 16

At the end of the bill, add the following: That section 7 of the Fair Labor Standards Act of 1938 is amended by adding at the end thereof the following new subsection:

"(o) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of the maximum workweek applicable to such employment under subsection (a) if, pursuant to a contract made between the employer and the employee individually or an agreement made as a result of collective bargaining by representatives of employees entered into prior to the performance of the work, the employer at a written request of the employee grants the employee compensatory time off with pay in a subsequent workweek in lieu of payment of the number of hours

worked in such current workweek in excess of the maximum workweek applicable to such employee under subsection (a). For purposes of determining the maximum workweek applicable to such employee under subsection (a), and the rate of pay due to the employee, compensatory time used by the employee shall be considered hours actually worked during the subsequent workweek in which actually used.".

WALLOP (AND OTHERS) AMENDMENT NO. 17

(Ordered to lie on the table.)

Mr. WALLOP (for himself, Mr. SYMMS, and Mr. BOSCHWITZ) submitted an amendment intended to be proposed by them to the bill S. 4, supra; as follows:

AMENDMENT No. 17

At the end of the bill add the following new section:

SEC. 5. INCLUSION OF COMPETITIVE AND ECONOMIC IMPACT ANALYSIS IN CONGRESSIONAL COMMITTEE REPORTS OF EMPLOYEE BENEFIT LEGISLATION.

Each committee of the Congess that reports legislation that requires employers to provide new employee benefits shall secure and objective analysis of the impact of the legislation on employment, economic competitiveness, economic growth, the federal budget and international trade, and include such analysis in the committee report.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on April 17, 1989, beginning at 2 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on S. 388, a bill to provide for 5-year, staggered terms for members of the Federal Energy Regulatory Commission, and S. 389, a bill to amend the Department of Energy Organization Act to establish the position of Assistant Secretary for Natural Gas.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, room 364, Dirksen Senate Office Building, Washington, DC 20510.

For further information, please contact Don Santa of the committee staff at (202) 224-4820.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the Senate and the public that a hearing has been scheduled before the Subcommittee on Energy Research and Development on the Committee on Energy and Natural Resources.

The purpose of the hearing is to hear testimony on S. 83, a bill to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers, and proposed Senate amendment No. 10, to provide for uranium revitalization and tailings reclamation.

The hearing will take place on May 2, 1989, at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to submit written testimony for the printed hearing record should send it to the Committee on Energy and Natural Resources, Subcommittee on Energy Research and Development, U.S. Senate, Washington, DC 20510. Written comments must be received by May 17, 1989.

For further information, please contact Cheryl Moss or Ben Cooper at (202) 224-7569.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce for the public that the Subcommittee on Public Lands, National Parks and Forests will hold a field hearing on S. 286, the Petroglyph National Monument Establishment Act of 1989.

The hearing will take place Friday, April 28, 1989, at the Albuquerque Public Schools TVI board room, 717 University Boulevard, SE., in Albuquerque, NM. The hearing will begin at 1:30 p.m. and conclude at 4 p.m.

Witnesses for the hearing will be contacted individually and invited to testify by the subcommittee. Oral testimony will be limited to 5 minutes. Those testifying at the hearing are requested to bring 25 copies of their statement with them to the hearing.

Individuals wishing to provide written testimony for the hearing record may submit their testimony at the hearing or mail it to the Subcommittee on Public Lands, National Parks and Forests, 364 Dirksen Senate Office Building, Washington, DC 20510. It is necessary to provide only one copy of any material to be submitted for the hearing record. The record will remain open until Friday, May 12, 1989, to receive additional comments and testimony.

Should you need further information about the hearing, please contact Melissa Larragoite of Senator BINGAMAN's Albuquerque office at (505) 766-3636, Fran Langholf of Senator DOMENICI's Albuquerque office at (505) 766-3481, or David Brooks of the subcommittee staff in Washington, DC, at (202) 224-9863.

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE

Mr. PRYOR. Mr. President, I would like to announce that the Subcommittee on Federal Services, Post Office, and Civil Service, of the Committee on Governmental Affairs, will hold a hearing on Friday, April 7, 1989. The subcommittee will receive the annual report from the Postmaster General, U.S. Postal Service.

The hearing is scheduled to begin at 9:30 a.m., in room SD-342, Senate Dirksen Office Building. For further information, please call Ed Gleiman, subcommittee staff director, on 224-2254.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Wednesday, April 12, 1989, at 9:30 a.m., to hold a hearing on campaign finance legislation introduced this session. Senators will testify on the following bills:

S. 7, to amend the Federal Election Campaign Act of 1971 to further restrict contributions to candidates by multicandidate political committees, require full disclosure of attempts to influence Federal elections through "soft money" and independent expenditures, correct inequities resulting from personal financing of campaigns, strengthen the role of political parties, and contain the cost of political campaigns;

S. 56, to limit the role of political action committees in Federal elections;

S. 137, to amend the Federal Election Campaign Act of 1974 to provide for a voluntary system of spending limits and partial public financing of Senate general campaigns, to limit contributions by multicandidate political committees;

S. 242, to amend the Federal Election Campaign Act of 1971 to prohibit the use of compulsory union dues for political purposes;

S. 326, to amend the Federal Election Campaign Act of 1971 to repeal a provision allowing use of excess contributions;

S. 330, to amend the Federal Election Campaign Act of 1971 to prohibit direct contributions to candidates by multicandidate political committees, require full disclosure of attempts to influence Federal elections through "soft money" and independent expenditures, and correct inequities resulting from personal financing of campaigns;

S. 332, to prohibit candidates in Federal elections from soliciting contributions to repay contributions or loans made by such candidate to his campaign;

S. 359, to prohibit the use of excess campaign funds for personal use; and

S. 597, to amend the Federal Election Campaign Act of 1971 to limit candidate expenditures of personal funds.

For further information regarding this hearing, please contact Jack Sousa, chief counsel of the Rules Committee staff on 224-5648.

29-059 O-90-47 (Pt. 4)

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. PRYOR. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate 9:30 a.m., April 5, 1989, to consider the following nominations: Henson Moore to be Deputy Secretary of Energy; John Tuck to be Under Secretary of Energy; and Donna R. Fitzpatrick to be Assistant Secretary of Energy—Management and Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TERRORISM, NARCOTICS, AND INTERNATIONAL OPERATIONS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Narcotics and International Operations of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 5, 10 a.m., to hold a hearing to review the President's annual international narcotics control strategy report [INCSR].

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Senate Energy and Natural Resources Committee be authorized to meet during the session of the Senate 2 p.m., April 5, 1989, to receive testimony on S. 85, a bill to authorize the acceptance of certain lands for addition to Harpers Ferry National Historical Park, WV; S. 280, a bill to amend the Wild and Scenic Rivers Act by designating a segment of the Niobrara River in Nebraska as a component of the National Wild and Scenic River System; and S. 338, a bill to authorize the Secretary of the Interior to provide for a trails interpretation center in the city of Council Bluffs, IA, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. PRYOR. Mr. President, I ask unanimous censent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, April 5, 1989, 2 p.m., to hold a nomination's hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. PRYOR. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, April 5, 1989, at 2:30 p.m., in open session, to consider the nomination of Donald J. Atwood to be Deputy Secretary of Defense.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSUMERS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Consumer Subcommittee, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 5, 1989, at 9:30 a.m., to hold a hearing on S. 673, legislation to reauthorize the National Highway Traffic Safety Administration [NHTSA].

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ARTICLE BY RICHARD J. WALTON OF WARWICK, RI

● Mr. PELL. Mr. President, the beautiful spring weather we have recently enjoyed here in Washington and in many parts of this Nation has made us doubly appreciative of nature. We are anxious to greet the warmth and sunshine, and to enjoy the activities which we reluctantly put aside during the long, cold days of winter. We New Englanders are particularly aware of the change of seasons—from the starkness of bitter cold winter to the balmy breezes of spring.

But Mr. President, the fine weather must not let us forget that there are many for whom being outdoors is not a matter of choice. There are many in Rhode Island, and across this Nation, who have nowhere to live, no matter what the season or temperature. They are the homeless, and the blue skies of spring and warmth of summer Sun must not cause us to forget their terrible plight.

Mr. President, Rhode Island is proud to have many active citizens who care deeply about those who are homeless, and who devote their considerable talents and energies to the less fortunate. Among those caring Rhode Islanders is Mr. Richard J. Walton, president of the board of Amos House, a soup kitchen and temporary shelter for the homeless of our State. Mr. Walton has written an excellent article about his week-long experience living as a homeless person, which appeared in the Sunday Journal magazine of the Providence Sunday Journal on February 12, 1989. Because I would like to share Mr. Walton's experiences, I ask that his article be printed in full in the RECORD.

The article follows:

ON THE STREETS—IMAGES AND LESSONS FROM A WEEK WITH THE HOMELESS

(By Richard J. Walton)

Often I thought the week would never end, that week of living as a homeless person, prowling the winter streets—the streets I had walked as a child—seeking a place to rest and be warm and use a bathroom, a week eating in soup kitchens and sleeping in shelters. Yet when the door to Amos House closed behind me that last morning, I had to blink back tears.

I was ready to go home, but why did part of me feel like a deserter?

For a couple of years, I had spent a lot of time with the homeless and other poor people as a volunteer at Amos House, a Providence soup kitchen and men's shelter of which I currently serve as president of the board. Two years ago, I spent a week living as a homeless person. I wanted to get as close to the experience of the homeless as I could, and I knew of no other way than to live it, at least physically, even for so brief a time as a week. The week ending with last Christmas I did this again, this time to write about it.

When I awoke that first morning, Monday, December 19, in my comfortable home, in Warwick, the temperature outside was 16 degrees. By the time a friend had dropped me off in South Providence, a couple of blocks from Amos House, it had risen to the low 20s—still chilly enough, despite warm gloves and liners, for my fingers to burn with cold. What would it be like, I wondered, when it was really cold?

But it turned out not to be the cold so much as the tedium that troubled me most. The days were all pretty much alike. My second day, Tuesday, December 20, is an example.

That morning, I leave the Amos House men's shelter just before seven and go sit, with the others who have spent the night here, at a picnic bench in the barren yard behind the shelter; we wait for the shelter's dining hall, next door, to open. The sky is a cottony gray streaked with red. The snow is melting now, its beauty turned to patchy ugliness. Down the street, gray plastic sheets flap in the broken windows of a derelict house. Off to the left, another abandoned building, its roof burned out, lies open to the weather.

The eastern sky is glorious. I wonder if I am the only one of us who notices, but then a man staying at the shelter—who, because of a speech defect, can only grunt—points to the sky.

Breakfast is good: fried eggs, toast, cheese, doughnut, apple, and coffee. It is much more than I eat at home. A nice irony: I might get fat on the streets.

The dining hall, always cheerful with its colorful murals and ceiling paintings, is especially so now with its big Christmas tree, strands of plastic laurel, and poinsettias on every table. This morning it's also nice and friendly; on other days, violence flares.

Many of the guests, myself included, stall for a while after the kitchen has closed, at eight. But soon we have to go. As I will many times this week, I ask myself: "What do I do now?" Walk, of course. At ten, I know, the Dorothy Day Drop-In Center will open, where I will be able to get warm and rest for a while.

But that's almost two hours away, so I walk the streets—so much changed since I walked them as a child.

First I go east on Somerset Street and turn right on Prairie Avenue. I pass the house at 164, where I ran to get the doctor that terrible night more than 40 years ago. The doctor had hurried, but there was nothing he could do; it was an epidemic of spinal meningitis, and within a few hours Claire, my sister, was dead.

Left on Dudley and down to 169. This is where my home was. Now it's a littered empty lot.

I walk back toward Broad Street on Blackstone and over to Public Street, and stand for a few minutes in front of 290, the Bright Funeral Home. A half-century ago, it was the Jones-Walton Funeral Home, and I lived there. There is now an asphalt parking lot where the quince tree once flourished. But the porch, from which I seem to remember once flying a box kite, is still there.

Finally, it is 10:15. There are already several people at the Dorothy Day Drop-In Center, a yellow-brick building on the corner of Broad and Public Streets. It's nothing special, but it has comfortable chairs and a color TV and magazines and books and cookies and coffee—and the guests are treated well. Ruth LeBlanc and Angela Herbert are the people who run it. As one street guy puts it, "Ruth and Angela—they're both beautiful, beautiful ladies."

After watching the end of the movie *Scorpio* at the drop-in center, I get restless and decide to head downtown. It's something of a walk, especially since I have already been walking for two hours, and by the time I get to Abbott Park, next to the "Round Top" Church (Beneficent Congregational) on Weybosset Street, I'm pretty tired. I sit on the park wall. A pretty young woman walks by, smiles, and says hello, even though I look every inch the homeless person: long white hair straggling out from under a knit cap; old, stained work boots; mended Army pants; and a dirty parka, with the worn wooden handle of a hairbrush sticking out of the breast pocket.

It's too early yet for the "1 p.m. sharp" lunch at St. Francis Chapel, at the corner of Weybosset and Page, so I walk over to Burnside Park, at Kennedy Plaza. It's a mild afternoon, and it's good to be able to sit in the sun and not in that damned bus station—resting spot for so many of the homeless. Something startles the pigeons, and, with a flap, hundreds take to the air, casting shadows as they wheel overhead.

I'm getting hungry, so I go over to St. Francis. An elderly woman in the church library tells me to stand by the fenced-in-parking lot near Pine Street. Two little sparrows are on the lip of the loading dock, pecking at something that looks like beef stew, and there's something cooking inside that smells like beef stew. I hope it's for us.

"Us" turns out to be only me, and I'm not standing in quite the right place. But someone notices me and slips a small paper bag to me through the fence. Inside are two sandwiches; very thin bologna between slices of dry white bread. I walk over to the J. Joseph Garrahy Judicial Complex and sit on the curb of the parking lot to eat my picnic. I get through about three-quarters of the first sandwich and then take the bologna from the second, fold it in quarters, and insert it in what's left of the first sandwich. It tastes pretty good.

Now, what to do till five o'clock , when the Episcopal Catherdal of St. John serves dinner? I walk to the bus station, but after a while boredom drives me out. I try the new train station. It's kind of handsome, but no place for the homeless. There aren't enough people—we'd stand out too much.

I walk over to Roger Williams National Park and sit on a bench. Though it's been pretty mild, now that the sun is dropping it begins to get chilly. But there's nowhere to go for an hour or so.

Finally, five o'clock comes and I go to the attractive meeting room at St. John's, up on North Main. There are lots of people there, for this is the Christmas dinner. The place looks nice, with green and red tablecloths and Christmas decorations. A priest plays carols on the piano. There is a choice of turkey or ham; I take turkey. It's the first of four or five Christmas dinners I will have this week.

Despite being well fed, I decide I ought to check out the Tuesday dinner at the Four Square Gospel Church, on Niagara Street, in Elmwood. The church isn't much more than a storefront, with the minister and his family living upstairs, but somehow it's my favorite soup kitchen this week, for it has little institutional backing. There are just the minister, his wife—who makes the delicious meatballs for the sandwiches, and salad—and a few volunteers.

Inside the spare hall, some religious slogans adorn the walls and a trio is singing religious rock'n roll. The trio is from the minister's old church, in Wareham, Massachusetts.

I met the minister yesterday, my first day on the streets. Tired from hours of walking, I sat in the sun on the steps of the church. In a while, a battered van pulled up and a stout, smiling man emerged. I asked if it was all right to sit on the steps, and he said yes; "Got to enjoy the sun while you can." His name was Walter Lunt. I in fact remembered him from my street sojourn two years earlier, when one night I had a wonderful rich soup at his church.

Lunt and his wife have been here for 3½ years, with virtually no organized support ("We don't know where [support's] gonna come from, but we'll accept it"). While we were talking yesterday, a man from a nearby halfway house came by to donate some extra vegetables and eggs. Lunt also told me that a woman had given him $200 for a Christmas dinner.

He used to distribute food baskets weekly, beginning with 30 and soon increasing them to 100. When he learned that the food was sometimes sold for alcohol or drugs, Lunt decided to concentrate on the Tuesday-night soup kitcken and the Sunday-noon meal (to get that, you have to attend that 11 a.m. church service). With $20, Lunt can feed 150, often with enough food left over for people to take some home. Like most managers of soup kitchens and food pantries (collections of mainly nonperishable items for donation), he buys his supplies at a tiny fraction of their retail cost from the Rhode Island Community Food Bank—which is supplied by donations from supermarkets and other businesses.

Lunt speaks of the Lord as if the two were friends—as I imagine indeed they are—and says that churches all over the world have to get back to feeding the hungry. "You can't preach the gospel to people with empty stomachs."

I get a ride back to the Amos House men's shelter. It is a good shelter, but there is little privacy, and no place comfortable to sit, except in the smokefilled TV room. You have to be in by 8 p.m. and out by about 7 a.m., and you can stay for only a maximum of three weeks, to make room for other homeless men.

So most men sit and smoke and watch TV, and go to bed early—very early. Some do so because they work; contrary to the stereotype, many to raise money for a security deposit and a month's advance rent for an apartment. But most of the men at the shelter retire early because there's nothing else to do. I, however, stay up later, because I've discovered some guys who like to play high-low jack in the kitchen. So, for the first time since I was a student at Brown University, nearly 40 years ago, I play cards almost every night.

At about ten I do go bed, on an emergency rollaway, so I won't take space from anyone who's really homeless. It's on the third floor, in a big room with sloping ceilings where seven other men sleep. I wedge my clothes between bed and wall, so they won't be easy to steal (there is often thievery). Another 12 men sleep in the three bedrooms on the first and second floors.

Tired from my long day of walking and doing nothing, I fall asleep easily. The darkness contains the sounds and aromas and talk of a dormitory, yet I feel at home.

One night, I decide to sleep at the emergency shelter in the Welcome Arnold building, once part of the Institute of Mental Health, in Cranston. I take the van that leaves from Grace Church, downtown. At the shelter, we climb out of the van and crowd into the lobby, some guys pushing their way in front of others. We are frisked for weapons.

Because I'm here for the first time, I have to be interviewed. A woman takes me into a room and asks my name, age, and so on. Then she asks why I need emergency shelter. I mumble something about trouble at home. She's used to evasiveness and doesn't press me. (No one does all week.)

I'm given a bed sheet, a couple of Army blankets, and a towel, and am instructed to go back to the lobby. The rooms (in what once housed mental patients) are all taken, so some of us will sleep in a common room, rather bigger than a tennis court. We get supper—soup and sandwiches—and later some pastry, left over from an office party.

A TV set and a few chairs are set up in one corner of the big room. A few feet away is a card table, where a game of spades soon starts up. A couple of the players are guests, and a couple are staff. The staff is uncommonly pleasant and treats the guests—some of whom, I'm told, have been banished from Amos House and the Urban League shelter for misbehavior—as equals.

I go to bed early, and at four I am wakened by loud talks and singing. As I lie in bed, I notice the shadows of the barred windows on the wall.

The homeless are walkers. For my week, I walked and walked, crisscrossing, time and again, mean streets that had seemed gentle 40 and 50 years ago, when I grew up on them. I walked (after a while it was more the trudge of a person who has no particular place to go and no particular time to get there) through South Providence and Elmwood, passing and repassing houses (four) where once I had lived and empty lots (three) where once such houses had stood. I walked through the West End and the streets of downtown, and to the Bonanza bus station. Although I didn't like this rest area for the homeless, the station became a true bonanza, for there I could sit dry and warm, and use the bathroom.

I hated the station because, by being there, I felt as if I were wearing a big sign around my neck: "I have no home, no money, no place to go; I am nobody." Yet the station was where, sooner or later, every day I went. Never was I the only homeless person there, and I soon began recognizing others, sometimes only a half-dozen, sometimes twice that and more. On Christmas Eve and Christmas Day, we constituted a large part of the station's population, sometimes more than a quarter. There we sat, hour after hour, watching people head

home for the holidays or greet, with cries of joy, arriving friends and relatives.

For me, the big events each day of my week on the streets were breakfast, lunch, and dinner. These were more than meals; they were chances for human contact. Every morning, I hated seeing eight o'clock arrive, for it meant that I would have to leave a kitchen's cheerful, boisterous warmth for the cold streets.

In the kitchens, people shared their few, often meager triumphs, boosted one another's hopes, and commiserated in the all-too-frequent setbacks. And the volunteers in the kitchens were always friendly. Some of them, however, treated us with the slightly forced gaiety that adults may assume at children's parties. Even well-meaning people treat the homeless and other poor as almost a different species. Such treatment, it seems to me, must make poor people feel that they are indeed inferior.

What affected me most during my homeless experience was the people I met—on the streets, in the soup kitchens, in the shelters. Here are some of them, and the stories they told me:

J., a kid whom I met at the bus station. He had been expelled from the alcohol-drug program at Edgehill Newport for fighting, about "something stupid," he said. J. said he was tired of the booze and the drugs. He had no place to go. "My mother lives on Reservoir Avenue. She don't want nothin' to do with me neither." But he still had the Alcoholics Anonymous book, The Twelve Steps.

M., another guy I talked with at the bus station. He had had trouble with drink and the law, but he said he hadn't drunk for a while and was staying away from bad companions. The day we talked, he told me, he had seen his ex-wife at McAuley House, a soup kitchen, and told her his story, and she had wept. He didn't have enough money to buy Christmas presents for his young daughters, and, in any case, he didn't want to intrude on and mess up their lives.

E., yet another friend from the bus station. He told me he was a warlock and had the power to telekinesis—he could make small objects move without touching them. I asked if that was of much practical value, and he said "Not very," but that it gets rid of houseflies: "I blink and they disappear." He also told me how I could summon him any time by performing a certain ritual, and he made some observations about my personal life that were quite astonishing—I don't know how he knew them.

B., who, when he was a drug dealer, had been lucky—had money and a fancy car and a house and a girlfriend. But it got too much for him: "They'll blow you away for ten bucks." Then he went straight, and things went wrong. He lost his job and money and car and girlfriend. Yet, though "so depressed, so hurt, so angry," he asserted that now he had freedom and peace.

R., the grouchiest man I've ever met, yet also somehow sweet and warm.

An attractive gray-haired woman of middle age, whom I heard tell R. that she now liked bums, because her husband had been "so straight, so conservative."

Two little sisters, N. and K., who believed I was Santa Claus and drew me a picture I'll always keep.

E., an obviously bright and productive warehouseman for years (and a wonderful card player, whom I could seldom beat), who had succumbed to alcohol, and been beaten with a baseball bat and shot with a .22 pistol. He was going to Alcoholics Anonymous now, and house sitting, and helping clean up a building that, in time, would be an inexpensive rooming house for people trying to get back on their feet—another project of the Dorothy Day Drop-In Center's Ruth LeBlanc.

F., a gentle but tough—he'd for years survived the shelters of New York City—Brown graduate who, but for a dissertation, had finished a Ph.D. in music when, some years ago, drink claimed him. But his mind was still quick. On the way to a Christmas Day Alcoholics Anonymous "alcathon," I asked if he was doing any composing; he answered instantly, "When I'm not decomposing."

J., a feisty young man who had lost his wife and kids because of crack but swore he'd get them back. He later vanished from the Amos House shelter, and I heard that he had been found dead drunk on a downtown street.

Perhaps most notably K., who told an extraordinary story. The son of rich alcoholic parents, he had been locked for days at a time in a closet with a bedpan. During the Vietnam War, as a 17-year-old, he had joined the service. But after a while he became sickened by the killing of civilians and refused to do it any longer. When his major held a pistol to his head, K. shot him, wounding him severely K. escaped a court-martial because the incident occurred just after the My Lai massacre, and the Pentagon couldn't face another trial. Then, home in Florida for only two weeks, he was arrested for smoking marijuana (a felony then), and ended up spending three years, six months, and nine days in prison—all but the last six months of which on a chain gang. About a year ago, his leg was crushed by an automobile and he came to Providence, because a nurse in Florida had seen from the X-rays that K.'s doctors weren't treating his leg right, and arranged for him to be treated by Dr. Phillip Lucas, of Rhode Island.

What did I learn from all this?

For one thing, that the word *homeless*, as commonly used, is far too restrictive. The word should describe not only those with no shelter, but also those who live in slums or with dangerous neighbors, or whose rent is so high they can afford scarcely anything else. To call what they have *homes* is to stretch the world beyond recognition. The number of these homeless is many times those on the streets.

There was another lesson. I was reminded of it time and again, but never more so than one morning at the Dorothy Day Drop-In Center. I was sitting there when a homeless man who recognized me as an Amos House volunteer asked me what I was doing at the drop-in center.

"Just hanging around."

"Oh, are you one of us now?"

Before I could answer, another man, whom I had known for quite a while, said, "He's always been one of us." Then Angela Herbert, one of the two women who run the center, said, "There's no *them* or *us*; We're all the same."

That's an essential truth. Many treat the poor as if they were different—inferior—but they are us. Exactly, precisely us. Only their circumstances are different.

And there is, I am convinced, another fundamental truth. Some time ago, Ronald Reagan spoke of a "safety net" for those Americans who needed help. Well, I have discovered that there is a safety net, but it is not provided by local or state aid, or even by the federal government. Nor is it provided by the staffs of private agencies and volunteers who, often at great sacrifice, dedicate themselves to those who need help.

No, the safety net is an old one—as old as humankind—one that can be observed every day on the streets, in the soup kitchens, and in the shelters: the resilience of the human spirit.●

HONG KONG SURPLUS AND RELEVANCE TO U.S. BUDGET SITUATION

● Mr. HATCH. Mr. President, the New York Times on March 6, 1989, carried an article titled, "In Hong Kong, Money to Spare." This article reported that Hong Kong has announced a record budget surplus for the third consecutive year. As most nations struggle to reduce budget deficits, Hong Kong enjoys growing surpluses. The increased revenue is attributable to higher exports and greater consumption by wealthier wage earners.

This latest budget surplus has spurred the Hong Kong Government to lower taxes and increase spending. But even with these measures, the government is predicting another budget surplus next year. Hong Kong already has one of the lowest tax rates in the industrial world. The new tax reduction, which will lower taxes to 1982 levels, will further enhance Hong Kong's appeal to foreign investors.

Mr. President, the Hong Kong budget experience is an excellent example of how a true free enterprise economy can prosper and grow when tax and other economic incentives are in place. At this critical time, as we struggle to control the budget and trade deficits that threaten our future prosperity, I urge my colleagues to remember that it is only through economic growth that we can bring these deficits into balance. Increases in taxes increase the risk of a recession. A recession will make the achievement of our goals exceedingly difficult, if not impossible. I urge my colleagues to consider the Hong Kong example, and I ask that the entire New York Times article be placed in the RECORD.

The article follows:

[From the New York Times, Mar. 6, 1989]

IN HONG KONG, MONEY TO SPARE

(By Barbara Basler)

HONG KONG, March 5.—Hong Kong announced another record budget surplus last week, prompting some economists to remind financial officials of the British crown colony that even in a sassy, free-wheeling, capitalist economy, the Government is not meant to be a profit-making organization.

"They are getting rather carried away," one economist said jokingly of the surplus for the 1988-89 fiscal year. At $1.82 billion in United States money, the surplus, reported on Wednesday, was a record amount for the third consecutive year.

As other governments worldwide struggle with growing deficits, Hong Kong must cope with an embarrassment of riches. The money is pouring in from higher exports and surging domestic consumption as wages have risen and production has picked up.

LIMITED TAX CUTS

The budget surplus has caused the Government to announce limited tax cuts and to increase spending for 1989-90, with a budget of $10 billion, up from $8.38 billion in the previous fiscal year. But even with lower taxes—Hong Kong already has one of the lowest tax rates in the industrial world—and higher spending, the Government is predicting another budget surplus for next year, of about $1.47 billion.

While Financial Secretary Piers Jacobs has been suggesting a sales tax to broaden Hong Kong's tax base, the surplus has made that controversial proposal moot for the time being, and the colony will remain a haven for big spenders who can buy jewelry, furs, yachts and virtually every other major consumer product tax free.

The surplus and the general prosperity it reflects are reassuring to nervous residents. If the colony can maintain its success, they believe, China will leave Hong Kong's economic and social systems intact when it takes over from Britain in 1997.

POLITICAL DIMENSION

The economy of Hong Kong "has a political dimension in China," said V.H.C. Cheng, chief economist with the Hongkong and Shanghai Bank, which is based here.

"If Hong Kong continues to generate large foreign-exchange revenues, the Chinese certainly will consider Hong Kong's wishes more carefully in their policy decisions," he said.

The new budget calls for Hong Kong to reduce taxes by half a percentage point, to 1982 levels, further enhancing the colony's appeal to foreign investors and resulting in a business tax rate of 16.5 percent and a personal tax rate of 15 percent. There are increased deductions and writeoffs for plants and machinery.

Hong Kong has historically had budget surpluses, but generally small ones, Mr. Cheng said.

But strong economic growth in recent years has produced record surpluses, along with an acute labor shortage, higher wages, more consumer consumption and growing inflation. Mr. Cheng said wages here have climbed 20 percent in the last two years, and the 5.7 million residents have the second-highest per capita income in Asia, surpassed only by the Japanese.

FUELING INFLATION

But this prosperity is fueling inflation, and the Government feels it cannot afford to spend its surplus freely or quickly, fearing that might add to the problem. Inflation is nearly 8 percent, Government economists say, and private economists predict it will reach 10 percent this year.

After two years of double-digit growth, Hong Kong's economy slowed to a more moderate pace. Gross domestic product rose by 7.5 percent in 1988, and it is expected to grow by 6 percent this year.

In announcing the surplus, Mr. Jacobs insisted that the Government "should not spend more, simply because we collect more."

But others call the budget rather miserly. "I would like to see possibly more funds allocated to what might be generally termed social development," said Jimmy McGregor, a Hong Kong legislator. He cited, for example, the colony's aging, overcrowded hospitals, where the corridors are lined with hundreds of patient beds.

Mr. Jacobs said the main expenditures in the new budget, adjusted for inflation, include $1.67 billion for education, an increase of 5 percent; $1.52 billion for social services, a rise of 13 percent, and $1.35 billion for public housing, an increase of 5 percent.

"Hong Kong has a huge budget surplus, and the best it can do is improve its scanty social services by 13 percent," one economist complained. "And education only 5 percent? That's not very impressive."

Although saying that the Government should improve services, Mr. Cheng added: "How can they? There is a labor shortage here, so even if they budgeted millions they could not find the doctors, social workers, nurses, construction workers."

There are problems, he added, "even when you are rich."●

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,481st day of captivity for Terry Anderson in Beirut.

The horrors of his captivity, along with the enormous courage he has shown in facing them, are detailed in a March 19, 1989 article from the New York Daily News. I ask that that article be reprinted in the RECORD at this point.

This article follows:

[From the New York Daily News, Mar. 19, 1989]

HOSTAGE'S 4-YR. HELL—GRIM CELLS, TORTURE TAKE TOLL ON NEWSMAN, 8 MORE

(By Cynthia Mayer)

The longest-held American hostage in Lebanon, Terry Anderson, began beating his head against the wall until it ran with blood.

A fellow hostage thought, "He lost his courage."

But several months after the Christmas 1987 incident, the captors released a videotape showing the weary Anderson, his hair freshly clipped, still battling to understand, still holding on.

"I'm in good health, but tired and very lonely. . . . I say again, this cannot continue. There is a limit to how long we can last. Some of us are approaching that limit very rapidly."

The same winter Shiite Moslem guards had been taunting hostage Thomas Sutherland. He had been their prisoner, locked in a windowless room, for almost two years.

SUCIDE TRY

Sutherland, left alone, picked up a red plastic garbage bag he had next to his mattress, pulled it over his head, tightened the bottom around his neck and tried-but failed-to suffocate himself.

Some hostages weren't given the chance to live.

William Buckley, the CIA station chief in Beirut, was kidnaped March 16, 1984.

Tortured, he caught pneumonia in the spring of 1985. He lay chained to a pillar in the middle of a room shared with two other American hostages.

He withered until delirium and hallucinations set in. He died on June 3, 1985. His last words: "I'd like some poached eggs and toast, please."

With Anderson, who began his fifth year of captivity last Thursday, and Sutherland, the other surviving American hostages are Frank Herbert Reed, Joseph James Cicippio, Edward Austin Tracy, Jesse Jonathan Turner, Robert Polhill, Alann Steen and William Higgins.

An account of how the Americans were living in their senseless modern-day purgatory was pieced together from interviews with their families, the State Department and former hostages. Though they acknowledge that conditions may have changed, the ex-hostages and officials say that the routine of hostage life has been firmly established.

AP REPORTER

Anderson, the chief Middle East correspondent for the AP in March 1985, was a tough, skeptical former Marine who had served two tours in Vietnam.

On March 16, after he joined in a regular tennis match with AP photographer Don Mell, four men jumped out of a green Mercedes and grabbed Anderson.

"Terry had a look in his eyes like, 'Do something,' " recalls Mell. "He had the look of a man who was doomed."

Mell couldn't budge. One of the men held a 9-mm. pistol to his head.

Sutherland, a mild-mannered professor who had spent much of his life teaching animal husbandry, called the closet where they kept him "the horse stall."

A SOUVENIR

At first, his guards were interrogators, insisting he was a CIA agent. Their evidence: a Marine Corps medal they found in his briefcase. Sutherland had never been in the Marines or the CIA—the medal was a souvenir—but his denials only made his guards more suspicious.

They threatened him with death. They held their guns against his head and pulled the trigger. A hollow click: an empty chamber.

At night he lay doubled over on a cot too large to unfold fully in "the horse stall." Mosquitoes feasted on his chained body.

At one point, Sutherland and Anderson shared a room with gray walls and a single air vent. The windowless room measures about 36 square feet and has two light bulbs—white for day and blue for night.

DOUBLE-LOCKED

The door is double-locked. Except for a 15-minute trip to the bathroom each morning, they never leave the room. In winter, the room is cold. In summer, the air is fetid and they sweat into their cotton mattresses.

In the morning before the guards come, they pray. They have nicknamed their religion "the church of the locked door." Anderson has fashioned a rosary bead chain from string and bits of fuzz.

BREAD & CHEESE

After the bathroom, there is breakfast—often yogurt or bread and cheese. Lunch is heartier—a stew, perhaps—and supper is often bread and soup.

The guards sometimes allow them to watch television—"Knots Landing" or, on one occasion, the Miss America pageant in Atlantic City.

In four years of captivity, Anderson has become like a caged animal.

He runs in place—running so much that he has had to sew pads on his socks. He does pushups—600 a day, in sets of 100.

He has a chess set made of the foil wrappers from processed cheese, La Vache Qui Rit. He also made a deck of cards, but the strictly religious guards confiscated them as un-Islamic.

IMAGINARY WALKS

Sutherland and Anderson lead each other on imaginary walks. Pacing in circles around

their cell, Anderson who used to work for the AP in Japan, descibes Tokyo's shrines.

Sutherland, in turn, leads Anderson on tours of Scotland, where he was born. Often, the tours end in imaginary feasts. The Scotsman has spent three years fantasizing about strawberries and cream, and Manhattans.

Together, the two practice French, which Sutherland is teaching to Anderson. And they plan Anderson's farm in upstate New York. Anderson quizzes Sutherland, an agriculture teacher, on the number of boards, nails, chickens and cows he will need.

NO WINDOW

Professors Steen, Polhill and Turner live on three mattresses, chained to walls in a room without a window or vent. Their legs have atrophied so from lack of exercise that they have trouble walking.

Occasionally their guards bring them movies to watch—karate movies are the guards' favorite. The three professors spend most of their time playing bridge.

"I sometimes wonder what they are doing after I left," says Mithileshwar Singh, a fourth professor, who was released in October. "You need four to play bridge."

Reed and Steen both attempted escape. In 1987, Steen ran from the building where he was held, only to be turned in by watchful neighbors.

INTO A SHELL

Both men were beaten for their efforts—Reed so badly that his daughter, Marilyn Langston, says, "My father isn't the same man anymore, I've been told. It's almost as if you touched someone and they flinched. Almost like he had gone into a shell."

Itinerant writer Tracy, 58, has "gone mad," according to Jean-Louis Normandin, a French cameraman who was held with him.

Normandin said Tracy "lies prostrate on his back, talking to himself all day long."

The breaking point came in 1987 for Sutherland.

Missing his family and beset by a feeling that he would never see freedom, Sutherland began talking more and more of suicide.

One morning, former hostage David Jacobsen awoke to find Sutherland with a plastic garbage bag pulled over his head.

"What are you doing?" he asked.

Sutherland sheepishly took the bag off his head.

"Trying an experiment," he said.●

NEW PROBLEMS IN THE COMMISSION ON BASE REALIGNMENT AND CLOSURE IN DEALING WITH THE INFORMATION SYSTEMS COMMAND

● Mr. McCAIN. Mr. President, we all experience frustration with the fact that there are times when even the best intentioned efforts of this body lead to laws and actions that end in hurting the people we serve. It is also true that sometimes we take actions that benefit the majority of the American people at the expense of a minority. This body exists, however, at least in part because the framers of our Constitution believed that the people should always have a remedy against any injustice, including those stemming from the actions of the legislative and executive branches.

I believe that in the case of the Commission on Base Realignments and Closures such an injustice is taking place. Regardless of the broader merits of the Commission's work relating to other bases and facilities, it has reached recommendations relating to the transfer of the Army Information Systems Command from Fort Huachuca to Fort Devens that neither the Commission nor the command involved seem to be able to justify.

The problems involved are exemplified in a response that I have received from the Assistant Secretary of Defense for Production and Logistics to questions I asked back in January. I will ask that my questions and the Assistant Secretary's answers be included in the RECORD at the end of these remarks, and I do not intend to discuss them in detail. I do wish to note, however, that the Commission repeatedly refused to answer any of these questions in its testimony to three different committees of Congress, and in private meetings with Members of the Congress. Further, the Assistant Secretary of Defense for Production and Logistics finally provided answers only after the Senate Armed Services Committee formally asked the new Secretary of Defense to agree to provide such answers during his confirmation hearings.

The answers that the Assistant Secretary has provided however, are nonanswers at best. With a few exceptions, they provide no useful information of any kind. They are the kind of nonresponse that is the very antithesis of the frank and open reply our Government owes its citizens.

This kind of response would bother me even if I believed that the Commission had done its job well in regard to this particular matter, or had the support of the command involved. In this instance, however, I have severe doubts that this is the case.

My office met on March 4, 1989, with the members of the Commission staff. It received a very different description of the reasons for the Commission's decision from those I received on April 3, from the Assistant Secretary. A member of the Commission staff indicated that the Commission twice over-ruled the staff's recommendations to close Fort Devens, and did so because it believed that the Army's only major east coast base with large-scale training facilities should not be closed as a matter of national priority.

Rather than use in the kind of integrated model and systematic approach to analysis presented in the Commission's reports and testimony, the Commission made its judgments as part of a package that was justified largely on the basis that the consolidation of command functions was a proper end in itself. Further, these decisions were made during the last days of the Commission's activity, and as part of a large package of decisions.

I am still investigating whether any of the Commission's conclusions relating to cost-benefits were accurate. It is already clear, however, that the U.S. Army Information Systems Command has concluded that the move will not benefit the U.S. Government.

General Rogers, the commander of ISC, has told my office that executing the Commission's recommendations will disrupt the operations of ISC for years because they failed to take into consideration a host of operational and cost factors.

For example, the staff of ISC put the true cost of military construction for moving the intelligence school and ISC at $92.15 million for Fort Devens and $162 million for Fort Huachuca. This compares with cost estimates by the Commission of $45 million for Fort Devens and $56 million for Fort Huachuca.

The Army officers in charge of the move, which are based at Fort Huachuca, also told my staff that the Commission ignored many of the real-world support and infrastructure costs necessary to make such a move feasible, and that these costs include changes in medical facilities, roads, service facilities, Corps of Engineers costs, and a number of other areas where the Army does not yet have even preliminary cost estimates. Further, the Commission seems to have used a wrong area factor for Fort Devens, and to have used a factor of 0.9 rather than 1.3. This sharply understated the true cost of locating in the Fort Devens area.

General Rogers also had told my office that neither he nor the commander at Fort Devens were ever explicitly consulted about the merits of moving ISC to Fort Devens, and that if he had been consulted, he would have stated that Fort Devens would be the least desirable facility for the consolidation of ISC on the east coast.

These cost issues may stem in part from the Commission's use of the dated and inaccurate information in a study called the facilities vision study. In any case, the working data provided to me by the Office of the Secretary of Defense indicate that the Commission seems to have rushed this particular recommendation through without adequate validation of its cost estimates. Further, I have still to determine whether it used a much longer payback period than for other closings and realignments—in fact, a payback period that seems to have been designed to find a cost justification, no matter how forced—and used manpower numbers that are internally inconsistent and disagree with those that would have been provided by ISC.

ISC also indicates that at least 80 percent of its best trained and most

skilled personnel will not make the move to Fort Devens, and that the end result will disrupt ISC's operations for years. It has concluded that it cannot hope to attract the skills and quality of personnel it needs with existing salaries and grade structures because of the higher cost in the Fort Devens area.

The Commission also called for the relocation of people at Fort McPherson that do not even belong to ISC, and for the move of personnel at Fort Belvoir that perform vital service functions in the Washington area—a move that will cost ISC virtually all of the software writers now in the area because they will not move.

There also are a wide range of important costs that the Commission chose not to examine. These include the community impact costs, retraining costs, infrastructure costs, and the true costs of obtaining and maintaining a suitable technical staff in an area with much higher living costs and housing costs that are two to three times higher than in the area around Fort Huachuca.

I have no real hope that these issues will lead to legislative delays in implementing the Commission's recommendations. It is already clear that a resolution of disapproval has no chance of passage in either House. I believe, however, that it is important that these issues be made part of the record. Further, I have joined Senator DECONCINI and Congressman KOLBE in asking for an investigation of all these issues and of the merits of the Commission's recommendations relating to the realignments affecting Fort Huachuca and Fort Devens.

I do hope that if the GAO concludes that the Commission's recommendations are deeply flawed, as I think that it may, this body will consider suitable efforts to remedy the situation. While there is merit in the packaging of all the Commission's recommendations, we should be prepared to correct a mistaken recommendation when it can be proved to be wrong by a neutral body. We may be able to delegate the authority of Congress to the Commission, but we cannot delegate our responsibility.

More broadly, I hope that if the concept of a similar Commission is ever again raised in this body, our collective memory will recall the kind of problem I am describing today. It is one thing for a Commission to be independent, but it is quite another for it to fail to properly justify its conclusions. This is particularly true when the initial reaction of a Commission is to classify its work and records, and to deny public access to its work.

Any future Commissions must, at a minimum, keep full and comprehensive records and have the responsibility of making them public immediately after they reach their conclusions. No reputable Commission can ever be free of the responsibility to justify its work to our citizens or the need to be a part of open Government.

I ask that the material to which I earlier referred be printed in the RECORD.

The material follows:

SENSITIVITY ANALYSIS RE: ISC

Senator MCCAIN. Please provide a sensitivity analysis of the overall impact on the cost-benefit calculations of the Information Systems Command was not moved to Fort Devens.

Answer. The Commission executed no sensitivity analysis of such a consideration.

HUACHUCA, MEADE, DEVENS, HOLABIRD PROCESS

Senator MCCAIN. Please provide a comprehensive statement of the events that led the Commission to examine Fort Huachuca, Fort Meade, Fort Devens, and Fort Holabird as a "system" for realignment and reduction.

Answer. In the process of considering various options related to Fort Devens, the Commission developed a comprehensive, or "system" approach that involved realigning a number of activities at the installations in question, with the result that several dispersed organizations were consolidated in a manner that enhanced overall military value and met the payback criterion.

COMMISSION METHODOLOGY

Senator MCCAIN. Please provide a comprehensive statement of the methodology used by the Commission in assessing this system, and the shifts and realignments at Fort Huachuca, Fort Meade, Fort Devens, and Fort Holabird. Please provide a comprehensive picture of the data used and the calculations that resulted, and indicate the source, date, and uncertainty of all key information involved.

Answer. The Commission's goal was one of consolidation, which allowed some partial closure. The decision took advantage of available property and facilities. The data used by the Commission have already been provided to your office.

COST-BENEFITS DATA

Senator MCCAIN. Please provide a breakout of the methodology, data, and calculations the Commission used by base and show the relative cost-benefits to the Department of Defense by base. Please show the expected time required for the realignments at each base to pay for themselves and provide a detailed statement of the calculations involved and the source of the saving. Please provide the expected annual savings that are projected to result at each base for each of the next six fiscal years, and an explanation of the resulting calculations.

Answer. The Commission understands that the complete data file regarding these bases has already been provided to your office.

VISITS AND CONTACT—FORT DEVENS

Senator MCCAIN. Please provide a detailed history of the reasons why members of the Commission visited Fort Devens, an exact and comprehensive chronology of any contact with any members of Congress, any member of the Congressional staff, and any other outside witness or lobbyist in regard to the future status of Fort Devens and the move of the Information Systems Command.

Answer. The Commission's data validation process included visits by staff and members to several bases in order to have an on-site look at current conditions. Fort Devens was one such installation. Commission records do not include a chronology of inquiries by members of Congress or their staffs, although telephone calls and letters were occasionally received by the Commission. The letters are available for review in the Commission files.

INSTALLATION VISITS

Senator MCCAIN. How many times did the Commission visit Fort Devens? Who did they meet with on their visit? At any time, was a petition presented to the Commission by the citizens of Ayer, MA? Was there any contact between the Commission and the surrounding communities of Fort Devens? Please provide similar data on the Commission's examination of Fort Huachuca, Fort Meade, and Fort Holabird.

Answer. Mr. Louis Cabot visited Fort Devens on December 8, 1988, as part of the data validation process, which did not include visits to Forts Huachuca, Meade, or Holabird. The Commission received a petition from the citizens of Ayer, Massachusetts.

COST-OF-LIVING IMPACT

Senator MCCAIN. Please provide a comprehensive statement of all data furnished to the Commission, and used by the Commission, regarding the impact of the proposed moves on the military and civilian employees of Fort Huachuca, Fort Meade, Fort Devens, and Fort Holabird, and on the surrounding community. In the Commission's analysis, were cost of living and quality of life factors considered? Please provide a statement showing the Commission's final findings related to such impacts, if any.

Answer. The data provided to the Commission on each installation were extensive and are available for review by members of Congress and their staff at the Commission offices. The total package of transfers was not viewed as impacting quality of life for any specific group. The issue addressed by the Commission was the military value of each base and the opportunities available for improved realignments of closures. Cost of living was not a specific consideration.

AID TO HUACHUCA EMPLOYEES

Senator MCCAIN. Please provide a detailed analysis of the compensation and aid that will be provided to the employees at Fort Huachuca as a result of this realignment, and to the surrounding community. What aid will be provided in terms of finding new jobs and new housing, in selling an existing home, and for couples where the wife or husband has a job outside Fort Huachuca? What options will exist for early retirement? What impact will there be on the Services available to retired military personnel and their families?

Answer. The Commission explained in Chapter 7 of its report the type of assistance that is available. The impact on retirees is considered to be little since no closures occurred, but, again, the chief concern of the Commission in making its recommendations was the military value of installations as it affects the national security of the United States.

RELOCATION SCHEDULE

Senator MCCAIN. Please indicate when the first moves would start under the proposed plan and provide the details of the schedules for the remaining moves.

Answer. The Commission understands that implementation planning is in the early stages and implementation schedules

have not yet been developed. PL 100-526, the Base Closure Act, specifies that no personnel movements can be initiated to implement the realignments or closures before January 1, 1990, and that they must be completed prior to September 30, 1995.

ISC STUDY—HUACHUCA TO DEVENS

Senator McCain. Please provide a copy of the study that was completed within the last three years dealing with the feasibility of moving the Army's Information Systems Command from Fort Huachuca to Fort Devens, and a statement of whether and how the Commission took this study into account in making its recommendations. Was a copy of the study provided to the Commission? If so, was it the complete study, or were conclusions that led to earlier abandonment of the move excluded?

Answer. The study was prepared by the Information Systems Command and was not furnished to the Commission by the Army. The Commission understands that a copy of the study is being provided by the Department of Defense.

ISC RELOCATION COSTS

Senator McCain. Did the Commission conclude, in part, that it would cost $300 million to make the moves affecting the Information Systems Command considered in the study? If not, what were the associated cost of the actions contemplated? How did the Commission take into account the cost of special construction and facilities for the Information Systems command that have been constructed in recent years? Precisely, what data were available to the Commission on these costs and the cost of replacing similar facilities at Fort Devens?

Answer. All Commission cost data are contained within the Cost Model which is part of the Commission files. The data indicate there are approximately $190 million of implementing costs and $110 million in construction costs. The General Accounting Office has performed an analysis of the Cost Model and has determined that it provdes realizable results. Additionally, when making an economic analysis, the objective is to choose the course of action that is expected to result in the most favorable future benefits. Because it is only the future consequences of investment alternatives that can be affected by a current decision, an important principle in economic studies is to disregard cost incurred in the past. Previous investment costs, be they last year or many years ago, where therefore not considered. The Commission analysis concentrated on ensuring the future course of action was first good for defense and second met the pay-back criterion prescribed by the Commission Charter. The Commission has been assured that the Army will make maximum use of existing facilities and that they will not be left vacant.

ISC MISSION

Senator McCain. Did the Commission's analysis show a signficiant increase in the Information Systems Command's ability to accomplish its mssion by moving to Fort Devens? If so, please provide a comprehensive statement of the analysis involved, and the supporting data and methodology. Provide any cost-benefit summary provided to the Commission.

Answer. The Commissioners recommended the movement of the Information Systems Command to Fort Devens because they believed that the consolidation of split activities in a high-tech area would enhance the Command's efficiency and effectiveness. The complete files used by the Commission have been provided to Congress. They are also available for review at the Commission offices.

HUACHUCA/DEVENS BUDGETS

Senator McCain. What is the annual budget for Fort Devens? What is the annual budget for Fort Huachuca? In dollar impact, how much of the current Fort Huachuca budget, including pay and allowances, O&M, R&D, Procurement, etc., will be moved to Fort Devens from Fort Huachuca with the proposed relocation?

Answer. The Commission understands that the annual operating budget, to include pay and allowances for military personnel, for Fort Huachuca is $767.6 million, and for Fort Devens is $256.5 million. The Commission further understands that the specific resource impacts should be contained in the Army's detailed implementation plan.

FINANCIAL IMPACT OF ISC/INT. SCHOOL MOVES

Senator McCain. What is the overall financial impact on Fort Huachuca of the transfer of USAISC to Fort Devens and consolidation of the Intelligence School at Fort Huachuca? What is the impact if measured only in terms of direct budget and employment at Fort Huachuca and if measured in terms of both direct impacts and the impact of the students assigned to the base?

Answer. The Commission understands that the Army will include a financial-impact analysis in its detailed implementation plan.

FORT HUACHUCA PERSONNEL

Senator McCain. List, by rank or GS/GM rating, the grades that Fort Huachuca will lose and gain in the recommended realignment. Please provide a five-year projection by year of the total military and civilian personnel at Fort Huachuca with and without the execution of the Commission's proposals.

Answer. The Commission understands that this detailed information is not available. The data currently being used by the Department of the Army for Fort Huachuca as a result of these realignments are as follows:

	Student	Military	Civilian	Total
Before	1,614	7,186	3,800	12,600
Transferred out	0	765	1,323	2,088
Transferred in	1,760	1,156	263	3,179
After	3,374	7,577	2,740	13,691

Fort Huachuca gains over 1000 personnel. Final personnel figures will vary as a result of further analysis by the Army. Investigations are currently underway to remove any mission duplications resulting from this realignment.

SOCIO-ECONOMIC IMPACT

Senator McCain. Please provide the most recent economic impact statements available to the Department of Defense for the communities surrounding Fort Huachuca and Fort Devens.

Answer. The Commission estimated the impact on Fort Huachuca to be at 2.5 percent in total employed due to an additional 1,000 on payroll at the base. The impact at Fort Devens will be negligible.

FORT DEVENS

Senator McCain. This move appears to be an effort on the part of the Commission or the Army to justify the existence of Fort Devens. If it is not, please explain why Fort Devens was not closed, and the land sold and real savings realized? Fort Devens appears to be in the same situation as Fort Sheridan, Ill.

Answer. The Commission took advantage of an opportunity to execute a long-needed consolidation of several functions, embracing mission effectiveness, efficiency, and command and control. The specific missions of Fort Sheridan and Fort Devens are different and the opportunities for consolidation were greater for Devens than for Sheridan.●

A FRAMEWORK FOR CENTRAL AMERICAN POLICY

● Mr. REID. Mr. President, the situation in Central America is complex and controversial. There are no easy answers. The leadership of Congress along with President Bush have announced a framework for Central American policy. The administration has proposed humanitarian assistance to the Contras as part of the package. With that in mind, I believe that it is worthwhile to have all points of view offered to contribute to the debate on this assistance.

Last fall I traveled to Central America with the former Governor of Nevada, Mike O'Callaghan. Governor O'Callaghan, in addition to being the general manager of the Las Vegas Sun newspaper, is also a highly decorated Korean war veteran and an expert in foreign affairs. We do not always see eye to eye on things, and the Contra-aid question is an example of this. But I respect his opinion and I feel that his views deserve to be aired. I ask that four columns written by Governor O'Callaghan, which appeared in the Las Vegas Sun, March 1, 2, 3, and 5, be printed in the Congressional Record at this point.

The articles follow:

[Wednesday, Mar. 1, 1989]

Where I Stand

(By Mike O'Callaghan)

"This is our helicopter," Payo Cabrera said with pride as two Contra soldiers with AK-47 assault rifles slid into the aircraft and took positions by the doors.

Looking at the shattered nose held together with plastic tape, I asked,"Does it fly well?" As the chopper shuddered and strained to leave the ground, he started to answer, "If it doesn't . . ." Then his voice trailed off and he shrugged his shoulders as we slipped up between the surrounding trees behind a Honduran Army training camp where troops were firing automatic weapons. U.S. officials had warned me earlier about the questionable safety record of the aircraft.

Payo, a Contra since 1984, served in the U.S. Army during World War II and then returned to his home in Nicaragua. He and three other Contras had picked me up at daybreak in Tegucigalpa and after a two-hour drive, left the highway for a dirt road to find the helicopter. Two young fellows in the back seat of the tiny car with me turned out to be the chopper pilots. The co-pilot was learning how to fly from the other youngster who had undergone formal training a few years earlier.

Within minutes after taking off we headed east into the first mountain range. The pilot waved to the Honduran children standing outside of the little houses stuck on the side of the mountains. The next mountain range was even steeper and without people unless they were hidden beneath the heavy jungle below us.

Soon the pilot was pointing to a town about a mile away on the south bank of the Rio Poteca which separates Honduras and Nicaragua. "That's a Nicaraguan town," Payo yelled so I could hear him over the pop of the rotor blades. Suddenly we banked sharply and flew up the Yamales Valley and toward some more mountains where the chopper was set down. We were at the Contra camp which is spread among the trees all the way down into the valley.

A black man with Indian features in a jungle uniform met us as we walked into the first camp. He wore a baseball cap which had "Golden West Homes" emblazoned across the front and then in smaller letters, "We Build Homes and Dreams." This was Commander Emillano who looks every bit the fighting man he is and has the reputation of being.

When asked about the morale, he simply replied by telling me to ask the soldiers in his camp. His soldiers, mostly poor farmers who, like their commander, couldn't live under the Sandinista communists, and although short of weapons and supplies, are not demoralized. Juan Carlos, age 12 years, and Canadio, soon to become 79, can't believe that the U.S. Congress will abandon them in their gallant fight against the Soviet and Cuban trained and supplied Sandinistas.

Emillano, when asked about the accord reached by the Central American presidents when meeting in El Salvador, replied, "They shouldn't believe the Sandinistas. They lie now as in the past." He then added, "I'll keep fighting no matter what happens." His goal is to return to his little farm in Nicaragua and again live off his labor and the land.

Yes, many U.S. politicians and Central Americans living in relative comfort would like the Contras to just disappear or lay down their arms and return home. They won't and can't because death waits for them just across the border.

The prior evening in Teguclgalpa, Commander Jhonson (pronounced Johnson) made it clear to me that the Contra revolt against the Sandinista regime was first fought with machetes and hunting guns. This was long before aid arrived from the United States.

Jhonson fought with the Sandinistas against Samoza and still has two brothers in the Nicaraguan Army. When Samoza was deposed he wanted to return to his small family business in the countryside. The Sandinista leadership insisted he work for them and purchase coffee from the campesinos (farmers) in his home area.

It didn't take long for him to realize the communist government's one price for all coffee didn't please the small coffee farmers. He believed they had a legitimate complaint and took some in his truck to a protest in the local village. This branded him as a reactionary and he was jailed. When released from jail he learned he would soon be killed. He headed for the hills and joined other protesters.

It was June 13, 1981, when his group ambushed a government patrol and killed six soldiers and took their automatic weapons. After spreading the word in the villages they headed for the Honduran border and joined about 80 others. They lived on monkeys and bananas for months. American weapons and help didn't reach their hands until the following year. It's a Nicaraguan people's revolution that can't and shouldn't be wished away by Sandinista leader Daniel Ortega nor by squeamish diplomats and politicians of other countries.

El Tiempo newspaper editor Manuel Gemero blames the U.S. arms given to the Contras for forcing Ortega and the communists to develop the biggest army in Central America. Gemero believes that the withdrawal of all U.S. military people and aid to the Contras will result in Nicaragua cutting down on the size of its huge army. He also believes this withdrawal will result in the stabilization of the Honduran economy which he says is "now a war time economy."

Editor Gemero, a bright and handsome gentleman, doesn't believe the Sandinistas will export the communist revolution into Honduras or the other countries of Central America. "I know that Nicaragua has already made an agreement that they will no longer support the rebels in El Salvador," he said. Today the headquarters for the leftist rebels in El Salvador is in Managua. Furthermore, he adds, "Revolutions can only succeed from within. They can't be imported."

Nevertheless, since Congress withdrew military aid to the Contras and the pressure has been off Nicaragua for the past year, more things have been going "Boom" in Gemero's Honduras. During my first night in Tegucigalpa, when visiting with Commanders Gustavo and Jhonson, two explosions broke the evening silence. This time it was the telephone building.

So what if all of Gemero's assumptions aren't correct about the change of climate which he predicts will take place if the Contras cease to exist and the U.S. military goes home? He smiles and says, "In case anything goes wrong here we are only 45 minutes from the United States."

Sure, I thought, and then it will be my grandson instead of the Contras who will have to confront the enemy in these damp, dark jungles.

[Thursday, Mar. 2, 1989]

"I am working with empty hands," the young Contra doctor said as he showed me the skimpy supply of medicine in the tiny shack.

Dr. Ricardo, a 32-year-old, 1983 graduate from a medical school near Mexico City, has been with his fellow Contras for five months. "I came here to bring liberty to my home in Nicaragua," he told me when asked why he left the comforts of Mexico.

As we walked through the shack covered with a black plastic roof, he pointed out patients with diarrhea, hepatitis, parasites and bronchial pneumonia and repeated, "I need medicine of all kinds. We don't even have any aspirins left." He fills out more papers and gets less medicine and still is waiting for medicine ordered in late October.

Then we walked to the noncontagious ward where several local Honduran women and kids were lined up outside getting medical help. There are no doctors available for the Honduran population in this isolated area so the Nicaraguan Contra doctors aid them. Ricardo told me, "Sometimes I get desperate because I can't properly care for all of the babies."

Inside the second shack a lady sat on the edge of a cot with a tiny baby wrapped in rags. The baby's name? She told me she was still thinking about a name. He had just been delivered seven hours before my arrival in the Yamales Valley. Across the aisle was another young woman who would soon deliver a baby and next to her was the commander's ill elderly mother. The mothers of the new babies need powdered milk or baby formula and bottles for the newborn. They don't have enough breast milk to feed them.

Also in the ward were two wounded soldiers and a young girl who walked across the border to get medical aid for a badly infected leg.

In the back of the building is the operating room where a kerosene lantern is used for surgery at night and the sun peeks through cracks between the boards in the daylight. Water comes through the same cracks during the long rainy season. The damaged electrical plant hasn't been repaired and there isn't a qualified anesthetist to help during surgery. This is the situation at the hospital where the resistance forces first come for medical care.

Dr. Ricardo and his fellow physician, Dr. Marvin, a youthful graduate of a Honduran medical school, like the soldiers don't give up hope. Despite the lack of proper equipment and needed medicine they work night and day caring for Contras and Honduran civilians alike. They are what medicine and doctoring are all about.

Outside under a thatched roof large pots of beans and rice were boiling over rock-surrounded fires. This was to be lunch for patients and staff. Unlike the first camp we entered, there was no beef boiling for lunch. Maybe tomorrow would be their day for meat.

Meat was being brought into another encampment. Contra cowboys were trying to load two brahma bulls into camp. Neither bull was coming peacefully. Both seemed to know that they had been purchased from their Honduran owners for Contra dinners. A single rifle shot told me that one of them would probably be mixed with rice and beans before a sundown.

It's a tough life for a people who suffer quietly as they watch their enemies travel in diplomatic circles and make deals calling for them to return to slavery. Even more disheartening is the callous treatment being dealt them by the elected representatives of a country they admire and love. "How," they ask, "can Americans turn their backs on us when we fight for the simple pleasures and freedoms they have come to take for granted?"

Still they have hope that millions of good Americans will see through Ortega's charade and know that once they are disbanded, other friendly countries will soon feel the sting of communism distributed by him along with Castro in Cuba and the Soviet Union. As my friend Payo says, "We have fled from the Sandinistas and we know enough not to believe their lies."

All is quiet in the Yamales Valley today and the Nicaraguan resistance forces are not demoralized. From deep within Nicaragua comes this message written by Commander Rene: "We inform you that all the resistance forces fighting inside Nicaragua have their morale very high and are ready with their guns at hand to obtain under any cost the freedom of our beloved homeland. We have the support of the civilian population."

No, the Contras who have suffered for years aren't demoralized but they are more than a little concerned. Certainly they have a right to be worried after a year of no military aid and the apparent desire of some

people they consider friends to abandon them.

In a couple of months the rain will begin to pour down on the jungles and the resistance forces will again be wading knee deep in mud. The babies will be sick, the wounded depressed, medical supplies short, ammunition something that must be taken from the enemy, and the dishes of rice and beans will be without meat.

Will they also be without the help of their caring friends to the north?

[Friday, Mar. 3, 1989]

"In 1981 the Sandinista said Christ was killed by the AK-7," former combat platoon leader Sargent told me, "and now they say he doesn't exist." He then gave me a Cross of Resistance he had just finished making. It's an M-16 round with the shell casing forming a cross and the bullet extending from the bottom.

Sargent, that's his guerrilla name, pointed to the cross and told me "this represents Jesus Christ" and then, pointing to the bullet, added, "and this is for the communists." He, like most of the Contras, is a very religious man and there is fire in his eyes when he says, "We struggle for Christianity."

Who are these pople? Well, Sargent, an above-the-knee amputee, became a Contra at the age of 16 and is now 24. The Sandinista came to his farm when he turned 16 and took him for their army. He wanted to stay on the farm but they told him he had no choice because they thought he would be a good soldier.

During military training, he proved to be an excellent marksman, so the officers told him he had earned a scholarship in Cuba. He and several other marksmen were then taken to a large gathering in Managua and told that after six months of special training in Cuba, they would be given missions in Honduras, Guatemala, El Salvador and Costa Rica. Sargent was destined to cause trouble for Honduras.

Their assignments in the designated countries would be to teach the campasinos (farmers) how to sabotage utilities, disrupt government and assassinate leaders. He didn't like what he heard because all he has ever wanted to be is a peaceful farmer, so he headed for the hills.

Eventually he was leading 60 men and when ambushing a Sandinista battalion, his leg was shattered by two AK-47 bullets. "I killed the officer who shot me," he said as a matter of fact. But he was deep in Nicaragua and he had to be left behind with civilians who treated his wounds with a combination of raw eggs and herbs.

As the weeks went past, he scraped the rotting flesh from his leg with a knife until he was down to the bone. Then it came time for him to help a paramedic use a meat saw to cut off his leg. Later his fellow Contras entered the village and carried him on their backs into Honduras. He now smiles and says, "I'm proud I lost my leg for my country and all democratic countries like the United States."

I met Sargent and dozens of other seriously wounded, Contras at a rustic rehabilitation center called Rancho Grande about 47 kilometers outside Tecuclgalpa, Honduras. It's nothing but an old farm where amputees and other seriously wounded Contras try to put their lives back together.

When first entering Rancho Grande I found Jilguero, a medic, administering first aid to a little Honduran girl brought in by her mother. He still suffers from a head wound.

Out in the yard I met Culebra, a left leg amputee from wounds received Feb. 9, 1988. I knocked on my wooden left leg and told him I lost it Feb. 13, 1953. He grabbed me and yelled, "We are classmates!"

Culebra and I were still laughing when 12-year-old Gato came over to show me the shoulder wound he received from a Soviet-made rocket. He was 11 when hit in combat.

Across the yard, under a roof, at least a dozen wounded were making shoes under the direction of Don Rigo. He and his teenage son Franco came from Los Angeles to join the Contras almost four years ago.

In a nearby classroom is Ena who teaches basic mathematics, science and Spanish to the wounded. She and her wounded brother came from northern Nicaragua where she was a teacher.

Why did Ena leave her home country? The situation is intolerable because "there teachers serve as instruments to deceive young people." She explains that even arithmetic classes include problems which spread the military and communist philosophy. Four rifles and five rifles equal nine rifles is an example. Oranges and apples have been replaced by rifles, rockets and grenades.

A sign above the blackboard tells all who enter that "the man who studies also serve his country." The same philosophy is followed in a room upstairs where Mercedes is teaching 15 young men how to type.

Then there is Jehu who went to war against the Sandinista when he was 13. Two years later he suffered a spinal wound and has been confined to a wheelchair for almost six years. "When I fell down wounded I thought my days of struggle were over. But I now serve my country without a rifle," he says proudly.

Jehu believes that "with the help of God we will return to our country." When asked about the recent agreement the five Central American presidents made about the Contras laying down their arms, he says, "Let's hope they realize their error before it is too late. If we disappear, the Sandinistas will make democracy in all of Central America disappear."

Jehu shifts around in his wheelchair and asks, "You don't want your youth trapped like this in a wheelchair?" I answered with a question about what the Contras will do if the United States forgets them as Congress has in recent years. Jehu bit his lip and replied, "We didn't begin our fight with U.S. weapons but with Soviet weapons we took from the Sandinistas. We may have to continue in the same way if you let us down. We can't be afraid of dying for freedom."

I am convinced that men and women like Sargent, Ena, Gato, Jilguero, Culebra, Mercedes, Franco, Don Rigo and Jehu are willing to die for a free Nicaragua. They have already shown their willingness to suffer and die for the cause. It would be a real shame if they eventually die unnecessarily for a goal they cannot gain because their powerful neighbors to the north turn their backs and refuse to help them.

[Sunday, Mar. 5, 1989]

"Contra, Contra go away and don't come back another day" is the chorus being sung by the presidents of five Central American countries.

They have been singing in loud voices because President Bush is yet to have an assistant secretary of state for inter-American affairs at work. The presidents are filling the vacuum created by the inaction of the White House. Naturally, the chorus is being led by Nicaragua's Daniel Ortega who both hates and fears the Contras.

This was the easy way out for some Central American leaders, and for others it was an attempt to make the new United States administration get to work on the problems confronting all of us in this part of the world. None of the four presidents trust the word of the fifth, Daniel Ortega, but they want out of their own problems.

Costa Rica's President Oscar Arias, the 1987 Nobel Peace Prize winner, last year got Ortega to agree to several changes in his treatment of the Contras. We are still waiting, one year later, for a real change on the part of Ortega. Of course, Arias, concerned about the large number of refugees from Nicaragua and El Salvador flooding his country, wants to believe Ortega and is willing to take a risk—with the lives of thousands of Contras.

It's a joke among some of the Contra commanders that if they must follow the guidelines laid down by the five presidents that they will all go to live with Arias. The Nicaraguan resistance leaders know that slavery and/or death wait for them back home if Ortega remains in power and they return unarmed.

Secretary of State Jim Baker says that the Bush administration will not forget the Contras but will ask for aid from the Congress. Does this mean adequate medical, food, shelter and other supplies? Does it mean ammunition and military supplies if, as expected, Ortega doesn't keep his word? What exactly does it mean?

The simple farmers, we now call Contras, have no intention of laying down their arms and starving or returning home to even less desirable alternatives because Daniel Ortega and the communist Sandinistas say everything will be OK. It won't be OK for these hard-working people who want to again farm in peace and practice their religious faith. Slavery and atheism are not satisfactory substitutes for those men and women. Fighting and dying at least may make a better future for their children and grandchildren. They don't want to run away and become U.S. citizens. They are, and want to remain, Nicaraguan farmers.

Don't we ever learn from history? We traded Somoza for Ortega, the shah for Khomeini, and along the way we picked up Noriega in Panama. It reminds me of Franklin Roosevelt's remarks during his last day in Washington when he said that Stalin "has broken every one of the promises he made at Yalta." Stalin and Ortega are the same ilk. For Ortega, lying is but one weapon in his large arsenal.

House Speaker Jim Wright and the members of both the House and Senate should take a look at recent history before they go along with the idea that peace will come to Central America if we dance to Ortega's tunes. It just isn't right for thousands of poor, hard-working farmers to die or return to slavery because others seek the easy way out of a tough situation.

Even this won't end our problems in Central America because sooner or later, we will hear painful cries from Costa Rica, Guatemala, Honduras and El Salvador to come to their aid. Then your children and my grandchildren will be called upon to carry and fire the weapons we have denied the Contras in their struggle for human rights. Their right to fill the soil, practice their religion and raise their children in peace are certainly not unreasonable expectations for fellow human beings.

Just received a note from a "friendly" reader who asks, "When are you leaving town again? I'm always happy to have you gone and then there is no need to worry about my blood pressure when reading your column."

Sorry about that. My next trip should take me to spend some time with the Miskito Indians who are also mistreated and killed by Ortega's Sandinistas. Whether I go there before or after my next Middle East trip is at this time not known.

By the way, a good doctor can recommend some medicine for that high blood pressure. Better yet, go with me on one of these trips and you may find more to worry about than your blood pressure.

You have to believe that the U.S. ambassador to Honduras, Ted Briggs, is a real heavyweight in the diplomatic world. He is respected by his staff, his fellow diplomats and the Hondurans who know him. His father was our ambassador to South Korea during the Korean War. . . . Carolyn, my wife, didn't seem to mind one bit when awakened by an earthquake in Costa Rica. It probably seemed mild after living with me for 35 years. . . . Valentino Martinez, now a foreign service officer in Costa Rica, is on his way to Managua, Nicaragua, for duty. The kids in a Costa Rica orphanage will miss him. His brother coaches basketball at Manogue High School in Reno. . . . I missed Nevadan Tim Brown in Honduras. He is back in the Silver State on vacation. . . . David Lindwall and Bill Meara at the U.S. Embassy in Tegucigalpa are real professionals. They know the Central American scene and work night and day meeting the demands of serving in that troubled area. . . . Israel's ambassador to Honduras, Shlomo.●

MEDICAL TECHNOLOGY COMPETITIVENESS ACT OF 1989

Mr. DECONCINI. Mr. President, I take this occasion to inform my colleagues of a recent judicial decision that appears to eliminate the necessity for enacting S. 622, the Medical Technology Competitiveness Act of 1989, which I introduced on March 16.

Last week, the U.S. Court of Appeals for the Federal Circuit [CAFC] ruled that the Drug Price Competition and Patent Term Restoration Act of 1984, Public Law 98-417, permits clinical testing of medical devices during the term of an unexpired patent so long as the purpose of the testing is for submission to the U.S. Food and Drug Administration. The decision of the court thus gives the same protections and permissions to medical devices as are allowed for human drugs under Public Law 98-417.

The CAFC stated that medical devices were implicitly covered by Public Law 98-417. I agree with that decision. As I indicated when I introduced S. 622, the purpose of my bill was to clarify and to make explicit what the CAFC now says the law is. Therefore, there is no need for further legislation. I have canceled our subcommittee hearings on S. 622 which had been scheduled for April 13.

Let me take this opportunity to thank my colleagues—Mr. DURENBERGER, Mr. ADAMS, and Mr. GORTON—for being original cosponsors of S. 622. None of us desired to take sides in any legal disputes but we felt it important to clarify Public Law 98-417 so that devices are treated explicitly under the law the same as drugs. We felt this was necessary in order to restore the proper balance in our patent laws between the rights of patent holders and the public need for technological innovation and increased competition.●

TRIBUTE TO PRINCESS ANNE VOLUNTEER FIRE COMPANY

● Mr. SARBANES. Mr. President, I want to join with all Marylanders in honoring the members of the Princess Anne Volunteer Fire Company on the special occasion of their 75th anniversary. The outstanding public servants who serve their community voluntarily deserve our utmost respect and gratitude. They volunteer their time and energy under demanding and often dangerous circumstances to provide the vital emergency services on which the rest of us depend, and which we often take for granted.

Before the formation of a proper fire company, the town had been watched over by a group of citizens who answered the call of "fire" when a local citizen ran through the streets alerting townspeople. The water was drawn from wells in the town and neighbors pitched in to fill wooden buckets and help extinguish the fire. In 1914, a group of volunteers organized to protect the citizens of Princess Anne from the fires plaguing the area.

Today the Princess Anne Fire Company operates with more sophisticated equipment then it did in the early years, but the fire company has retained the values which prompted its founding in 1914—community spirit and voluntarism. These public spirited citizens have provided many essential services throughout the years.

Mr. President, I join the members of the Princess Anne Fire Company and their families in marking this significant milestone in their history.●

BYELORUSSIAN INDEPENDENCE DAY

● Mr. BRADLEY. Mr. President, I am honored to join many of my colleagues in the U.S. Senate to pay tribute to the nearly 1 million American citizens of Byelorussian descent on the occasion of the 71st anniversary of the declaration of independence of the Byelorussian Democratic Republic. I applaud the spirit of the Byelorussian people in their continued struggle for freedom, human dignity, and national independence.

The Byelorussian Democratic Republic declared independence from Russia on March 25, 1918, in the capital city of Minsk. On January 1, 1919, the Bolshevik government created its own puppet state, the Byelorussian Soviet Socialist Republic [BSSR], and began to wage war against the independent Byelorussian Democratic Republic. In 1921, independent Byelorussia was conquered and divided between the Soviet Union and Poland. Although Byelorussian sovereignty was short lived, the Byelorussian people retain their love of freedom and pride in their separate indentity.

After the invasion, the Soviets immediately commenced to eradicate the Byelorussian language, cultural values, artistic traditions and religion. Russian colonizers flooded Byelorussia, and installed themselves in ruling positions, relegating Byelorussians to second-class citizenship. Agriculture and industry were nationalized by force and thousands of writers, teachers, state officials, scholars, physicians, lawyers, and even students were sent to Siberian prisons and concentration camps. With only a few token exceptions, books, magazines, and newspapers with Byelorussian content were destroyed. The Byelorussian language was replaced by the Russian language in Government, schools, and publications, and the names of towns and institutions were dedicated to Russians. Historic monuments and churches were also destroyed in a further attempt to extinguish Byelorussian culture.

Soviet intimidation of those who desire to emigrate or monitor compliance to international human rights agreements continues today. On this historic milestone, let us speak for the thousands of Soviet refuseniks whose only crime is their love of freedom and the desire to emigrate from the Soviet Union. We must use our voices for those whose pleas continue to fall on unsympathetic ears.

Even in the face of such massive pressure, the national spirit of the Byelorussian people strongly thrives today. The United States must continue to recognize the plight of the Byelorussian people. We, as a nation, must not forget our struggle for freedom, and on this day of recognition, let us rededicate ourselves to the cause of freedom as we support those who are speaking out against oppression. I join my colleagues in praising the spirit of the Byelorussian people and in deploring human rights violations inflicted on these courageous people in their quest for freedom and dignity.●

PRESIDENTIAL REPORT TO CONGRESS ON VOTING PRACTICES IN THE UNITED NATIONS—S. 652

● Mr. KENNEDY. Mr. President, on March 17, 1989, I introduced S. 652, a bill to revise the format of the Presi-

dential report to Congress on voting practices in the United Nations. The text of that bill was inadvertently omitted. I ask that it be printed in the RECORD.

The bill follows:

S. 652

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title VII of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, is amended by adding at the end of part A (relating to the United Nations) the following new section:

"SEC. 709. ANNUAL REPORT TO CONGRESS ON VOTING PRACTICES AT THE UNITED NATIONS.

"(a) IN GENERAL.—Not later than 90 days after the usual suspension of the United Nations General Assembly in December of each year, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate a full and complete report which assesses, with respect to each foreign country member of the United Nations, the voting practices of the governments of such countries at the United Nations, and evaluates General Assembly and Security Council actions and the responsiveness of those governments to United States policy on issues of special importance to the United States.

"(b) INFORMATION ON VOTING PRACTICES IN THE UNITED NATIONS.—Such report shall include, with respect to voting practices and plenary actions in the United Nations during the preceding 12-month period, information to be compiled and supplied by the Permanent Representative of the United States to the United Nations, consisting of—

"(1) an analysis and discussion, prepared in consultation with the Secretary of State, of the extent to which member countries supported United States policy objectives at the United Nations;

"(2) an analysis and discussion, prepared in consultation with the Secretary of State, of actions taken by the United Nations by consensus;

"(3) with respect to plenary votes of the United Nations General Assembly—

"(A) a listing of all such votes on issues which directly affected important United States interests and on which the United States lobbied extensively, a brief description of the issues involved in each such vote, and an explanation of the United States position on each such issue;

"(B) a listing of the votes described in clause (A) which provides a comparison of the vote cast by each member country with the vote cast by the United States;

"(C) a country-by-country listing of votes described in clause (A); and

"(D) a listing of votes described in clause (A) displayed in terms of United Nations regional caucus groups;

"(4) a listing of all plenary votes cast by member countries of the United Nations in the General Assembly which provides a comparison of the vote cast by each member country with the vote cast by the United States;

"(5) an analysis and discussion, prepared in consultation with the Secretary of State, of the extent to which other members supported United States policy objectives in the Security Council and a separate listing of all Security Council votes of each member country in comparison with the United States; and

"(6) a side-by-side comparison of agreement on important and overall votes for each member country and the United States.

"(c) STATEMENT BY THE SECRETARY OF STATE.—Each report under this section shall contain a statement by the Secretary of State discussing what steps have been taken to keep United States diplomatic missions informed of United States Nations General Assembly and Security Council activities.".

(b) The table of contents of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, is amended by inserting after the item relating to section 708 the following new item:

"Sec. 709. Annual report to Congress on voting practices at the United Nations.".

(c) The following provisions of law are hereby repealed:

(1) The second undesignated paragraph of section 101(b)(1) of Public Law 98-151 (97 Stat. 967).

(2) Section 529 of the Foreign Assistance and Related Programs Appropriations Act, 1986, as contained in section 101(i) of Public Law 99-190 (99 Stat. 1307).

(3) Section 528 of the Foreign Assistance and Related Programs Appropriations Act, 1987, as contained in section 101(f) of Public Law 99-500 (100 Stat. 1783) and section 101(f) of Public Law 99-591 (100 Stat. 3341).

(4) Section 528 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, as contained in section 101(e) of Public Law 100-202.

(5) Section 527 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, as contained in Public Law 100-461.●

TRIBUTE TO LT. COL. ROBERT S. BLUDWORTH ON HIS RETIREMENT AS ARMY LIAISON OFFICER TO THE U.S. SENATE

● Mr. THURMOND. Mr. President, I rise today to pay tribute to Lt. Col. Robert S. Bludworth on the occasion of his retirement from the U.S. Army. I have known Colonel Bludworth for 4½ years and during this time he has served Congress, the U.S. Army, and the people of this Nation with both honor and distinction. The members of the Armed Services Committee are indebted to Colonel Bludworth for his untiring service to the committee and the entire Congress.

Colonel Bludworth's lifelong career with the U.S. Army has been one marked by hard work, initiative, integrity, and high goals. As Army Liaison Officer, Colonel Bludworth was nearly indispensable to the members of the Armed Services Committee. He successfully coordinated more than 75 major factfinding trips that have proven to be crucial to the committee's decisions concerning the Nation's defenses.

Colonel Bludworth received his bachelor of science degree from Embry-Riddle Aeronautical University and a master of arts degree from Central Michigan University. His leadership positions during active military duty included scout pilot platoon leader in Vietnam; commander of an armor headquarters company in Germany, and battalion administrative officer, division training officer and division protocol officer. As assistant professor of military science at Florida State University, Colonel Bludworth used his great knowledge of military matters to help others gain an appreciation of the vital role our armed services have played in the development of our Nation.

A highly decorated veteran, the military awards Colonel Bludworth has received include the Silver Star, Distinguished Flying Cross, Bronze Star, Air Medal, Vietnam Service Medal, and Combat Infantryman's Badge.

As a man of outstanding qualities and extraordinary abilities, Colonel Bludworth has always channeled his resources toward building a better Nation for all Americans. I join the members of the Armed Services Committee in conveying my thanks and appreciation to Colonel Bludworth for a job well done, and in wishing him a productive and fruitful retirement.●

NATIVE AMERICAN DAY IN NORTH DAKOTA

● Mr. CONRAD. Mr. President, today, April 5, 1989, has been designated "Native American Day" in North Dakota as part of the State's centennial celebration. North Dakota was home to native Americans for thousands of years prior to statehood and their descendants continue to contribute significantly to our State's society.

Gov. George Sinner has issued a proclamation that Senator BURDICK and I strongly endorse which officially designates today as "Native American Day." Senator BURDICK and I ask our colleagues to join North Dakotans today in honoring our State's native people and their ancestors. I ask that Governor Sinner's proclamation be inserted in the record immediately following my statement.

The proclamation follows:

PROCLAMATION

The first waves of humanity to appear in North Dakota were the Native Americans who adapted to the land and its resources and became the "original founders" of the State.

Native Americans have provided a unique culture and have contributed their art, music and creative skills, all of which have been especially instructive to the succeeding settlements that came to North Dakota.

Today, the ingenuity of the Native Americans is reflected in their progress over the past 100 years in many ways—through education, through economic development programs reflecting their ingenuity for their people, and through their keeping their language and culture intact despite many social and economic barriers.

As the original founders of our state, the Native American citizens of North Dakota should be properly honored for their undaunted courage, pioneering spirit and unique culture.

In this, our Centennial year, I urge all citizens of our state to pay tribute to the Native Americans who contributed so immensely to the North Dakota heritage.

For these reasons, I proclaim April 5, 1989, as "Native American Day" in North Dakota.

Dated this 16th day of March, 1989.

GEORGE A. SINNER,
Governor.●

BUDGET SCOREKEEPING REPORT

● Mr. SASSER. Mr. President, I hereby submit to the Senate the latest budget scorekeeping report for fiscal year 1989, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is over the budget resolution by $0.9 billion in budget authority, and over the budget resolution by $0.4 billion in outlays. Current level is under the revenue floor by $0.3 billion.

The current estimate of the deficit for purposes of calculating the maximum deficit amount under section 311(a) of the Budget Act is $135.7 billion, $0.3 billion below the maximum deficit amount for 1988 of $136 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 4, 1989.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of congressional action on the budget for fiscal year 1989 and is current through March 17, 1989. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the most recent budget resolution, House Concurrent Resolution 268. This report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, Congress completed action on Public Law 101-7, to adjust the purchase price for non-fat dry dairy products, changing outlay estimates for 1989.

Sincerely,

ROBERT D. REISCHAUER,
Director.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 101ST CONG., 1ST SESS., AS OF MAR. 17, 1989

[In millions of dollars]

	Current level [1]	Budget resolution, H. Con. Res. 268 [2]	Current level +/− resolution
FISCAL YEAR 1989			
Budget authority	1,233.0	1,232.1	0.9
Outlays	1,100.1	1,099.8	.4

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 101ST CONG., 1ST SESS., AS OF MAR. 17, 1989—Continued

[In millions of dollars]

	Current level [1]	Budget resolution, H. Con. Res. 268 [2]	Current level +/− resolution
Revenues	964.4	964.7	−.3
Debt subject to limit	2,725.6	[3] 2,824.7	−99.1
Direct loan obligations	24.4	28.3	−3.9
Guaranteed loan commitments	111.0	111.0	
Deficit	135.7	[4] 136.0	[5] −.3

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval and is consistent with the technical and economic assumptions of H. Con. Res. 268. In addition, estimates are included of the direct spending effects for all entitlement or other mandatory programs requiring annual appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] In accordance with sec. 5(a)(b) the levels of budget authority, outlays, and revenues have been revised for Catastrophic Health Care (Public Law 100-360).

[3] The permanent statutory debt limit is $2,800.0 billion.

[4] Maximum deficit amount [MDA] in accordance with section 3(7)(D) of the Congressional Budget Act, as amended.

[5] Current lend plus or minus MDA.

PARLIAMENTARIAN STATUS REPORT 101ST CONGRESS, 1ST SESS., SENATE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS MAR. 17, 1989

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			964,434
Permanent appropriations and trust funds	874,205	724,990	
Other appropriations	594,475	609,327	
Offsetting receipts	−218,335	−218,335	
Total enacted in previous sessions	1,250,345	1,115,982	964,434
II. Enacted this session: Adjust the purchase price for nonfat dry dairy products (Public Law 101-7)		−10	
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Dairy indemnity program	[2]	[2]	
Special milk	4		
Food Stamp Program	253		
Federal crop insurance corporation fund	144		
Compact of free association	1	1	
Federal unemployment benefits and allowances	31	31	
Worker training	32	32	
Special benefits	37	37	
Payments to the Farm Credit System	35	35	
Payment to the civil service retirement and disability trust fund [1]	(85)	(85)	
Payment to hazardous substance superfund [1]	(99)	(99)	
Supplemental security income	201	201	
Special benefits for disabled coal miners	3		
Medicaid:			
Public Law 100-360	45	45	
Public Law 100-485	10	10	
Family support payments to States:			
Previous law Public Law 100-485	63	63	
Veteran's Compensation COLA (P.L. 100-678)	345	311	
Total entitlement authority	1,559	1,121	
VI. Adjustment for economic and technical assumptions	−18,925	−16,990	
Total current level as of March 17, 1989	1,232,979	1,100,103	964,434
1989 budget resolution H. Con. Res. 268	1,232,050	1,099,750	964,700
Amount remaining:			
Over budget resolution	929	353	
Under budget resolution			266

[1] Interfund transactions do not add to budget totals.

[2] Less than $500 thousands.

Note.—Numbers may not add due to rounding.●

SAL PERRUCCIO, A VERY GREAT MAN

● Mr. LIEBERMAN. Mr. President, on April 24, 1989, the Connecticut Employees Union Independent Local 511 of the Service Employees International Union will dedicate its headquarters to the memory of Salvatore Perruccio.

What greater tribute to this remarkable man than to honor his name in such a public fashion. Sal Perruccio was a builder—not of buildings—but of the labor movement in Connecticut. Under his watch as president, local 511 grew into a potent force to better the lives of working men and women throughout the state. When others sat silent, Sal spoke out; when others retreated, Sal stood firm; when others followed, Sal led the way.

Sal Perruccio was a trusted advisor and loyal friend of mine. His inspired stewardship, his strength of purpose, his compassion and his commitment have reshaped the image of what a labor union can be. Sal Perruccio set a new standard that all others will be judged upon.

For nearly 40 years as a labor leader, Sal Perruccio lived by the motto, "God first, then family, then union," but the three, for him, were inextricably linked. Sal was both father and son to his own creation. Local 511 in its new home stands proudly on its past accomplishments and hopeful that the future will bring even greater advances to the working people of Connecticut.

It has been said that a man's life is measured not by the wealth he has amassed, or the power he has accumulated, or the fame he has achieved, but, instead, by the friendships and family he leaves to carry forward. By that measure, Sal Perruccio was a very great man.●

LET'S FINISH THE JOB AT WEST VALLEY

● Mr. MOYNIHAN. Mr. President, in 1980 Congress passed and the President signed into law a bill I sponsored in the Senate, the West Valley Demonstration Project Act (Pub. L. 96-368) to authorize the U.S. Department of Energy to clean up and remove 600,000 gallons of nuclear waste stored at West Valley, NY. The bill—still the only national nuclear waste management law on the books—represents a commitment by the Federal Government to take care of a nuclear waste problem for which it was largely responsible.

The administration now threatens to undermine this commitment. According to testimony by a Department of

Energy official before a House committee last week, the Office of Management and Budget is considering cutting the funding for the West Valley project by $50 million over 2 years and delaying for 4 years the completion of the first phase of the cleanup. This action could eventually cost the Federal Government six times that amount, and could create health and safety concerns as well.

Mr. President, the people of western New York have waited long enough for this law to be implemented. West Valley must be cleaned up as soon as possible, and I, for one, will not sit idly by while shortsighted budget cuts delay the project. And while the Nation faces the prospect of spending tens of billions to clean up the Energy Department's aging nuclear plants, it makes little sense to cut the one program that is providing us with a working knowledge of how to safely process highly radioactive waste.

I ask that an editorial in today's Buffalo News on this subject be included in the RECORD.

The editorial follows:

[From the Buffalo News, Apr. 5, 1989]

DON'T SLOW DOWN CLEANUP

It is bad enough that the West Valley nuclear cleanup is already 13 years behind schedule, but a funding cut in President Bush's proposed new budget now threatens to set back the project's timetable another four years.

The need for general belt-tightening to reduce the huge federal deficit can't be denied, but it is hard to justify so drastic a stretchout on top of the existing delays in cleaning up radioactive wastes at the former nuclear fuel-reprocessing plant. The cutback would push back completion of the first phase of the costly cleanup project—solidification of high-level wastes—from 1994 to 1998.

Federal officials insist that the additional delay poses "no safety concerns at all," and the primary contractor at West Valley says any appropriation cut would not affect employee safety, environmental and plant monitoring and continuing treatment of most of the liquid wastes.

State officials, however, are clearly unhappy about the pending fund reduction. Ted K. DeBoer of the State Energy Research and Development Authority agrees that the delay would cause no "immediate health problems." But he argues nonetheless that a further stretchout of the project is not in the state's best interests. Howard A. Jack, counsel for the authority, has long-range concerns about possible leaks in storage tanks at the dump, although the contractor says the tanks are sound and frequently monitored.

Also distressed over the possible delay is Carol Mongerson of the West Valley Coalition, a citizens group, who said: "We have too many problems here already. We should finish the cleanup as soon as possible."

We agree—and so, it appears, does Energy Secretary James Watkins, according to Rep. L. William Paxon, R-East Aurora. Paxon said that the secretary, in a phone conversation, pledged his best efforts to keep the project on schedule.

Some curtailment of West Valley funding may be inevitable, but four years is much too long to tack onto a vital radioactive cleanup project already badly behind schedule. The sooner this dangerous material is removed and the site decontaminated, the better.●

LEONARD AND JACK BALLARD: TWO GENERATIONS OF SERVICE TO THE SENATE

● Mr. HOLLINGS. Mr. President, Members of the Senate have many fond memories of Leonard Ballard, who retired in 1984 as top officer of the U.S. Capitol Police Force. Officer Ballard's tenure with the Capitol Police spanned nearly four decades, a remarkable career during which he gained the acquaintance not just of countless Members of Congress, but of Presidents and Queens as well. I am pleased to report that Leonard Ballard is enjoying a fruitful retirement in Springfield, VA, where he was recently the subject of a biographical profile in the local newspaper.

In the case of Leonard's son, Jack, the apple fell not far from the tree. Jack himself has served with the U.S. Capitol Police since 1974, and we all know Officer Jack Ballard as an unusually conscientious and congenial member of the force. Like his father, Jack loves the Senate and is a walking encyclopedia of Senate lore and legend. He is a great credit to the force, and indeed is typical of the high caliber of the men and women of the Capitol Police Force.

Mr. President, so that our colleagues can do some catching up on Leonard Ballard's activities since retiring, I ask unanimous consent that the article titled "A Capitol Cop" from the Springfield, VA, newspaper be reprinted in the RECORD in its entirety.

The article follows:

A CAPITOL COP

(By Stefanie Rosen)

Leonard Ballard shook a filterless Pall Mall out of its pack and lit it. Stories drifted from his memory like the smoke flowing from his mouth.

Reminiscing about his friends and his job, the 80-year-old Springfield original referred casually to the men he'd served—men with names like Truman, Eisenhower, Kennedy, Carter, Nixon and Reagan. Each had passed through history as they passed through the White House. They also passed Leonard Ballard, who was standing guard in the Capitol rotunda or Senate door.

In 1984, 37 years to the day after he was hired, Ballard retired as the first inspector, the top post, of the United States Capitol Police force. And he remembers almost every day of his career.

Especially the day he stumbled into the position he would keep for almost four decades. Ballard was in Washington in 1947 visiting his wife, who was finishing a wartime job. He stopped in to see Sen. Chapman Revercomb of West Virginia, Ballard's home state.

Ballard asked the senator to hurry Mrs. Ballard's transfer request through the system so they could go home to West Virginia. Revercomb agreed and also offered Ballard a temporary job for the interim.

An aide, Louis Reed, took Ballard to the Capitol Police office. "I didn't know what I was doing—didn't question it," Ballard said in an 1983 interview recorded for the Senate Historical Office.

He was surprised to discover he was to be a police officer. "Capitol Police! Now I'll tell you, that senator's known me since I was six years old and I have no police experience," Ballard told the aide. "Also, to tell you the truth, Mr. Reed, all my experience has been on the other side of the law."

Despite his protests, Ballard was on the job as a uniformed officer that afternoon. Two weeks later, he told his wife to cancel her transfer request.

Capitol Police work in Ballard's time meant redirecting lost tourists and helping members of Congress whenever they asked, with whatever they asked, from finding their cars to running their errands. Ballard was never frustrated with the light tasks he was assigned, he said.

"I was never a policeman. I wasn't cut out to be a policeman," he said. "Because up here it is not police work. It is public relations."

He lasted so long in the post, he said, because he understood that. Ballard was the first man from inside the force to be promoted to captain and then to inspector. Higher-ranking officers used to be brought in from the District police.

After every election, Ballard would study the biographies of the newest members so he could recognize them. He knew where every senator parked and which senators hated each other and wouldn't ride together in cars for official activities, he said.

Ballard loved his job as much as he loved the Capitol building itself. After 37 years of patrolling its corridors he knows every turn, tile and tableau in the place. At least once, his knowledge saved him from embarrassing situations.

In 1966, Princess Elizabeth and Prince Philip of England came on an official visit and Ballard led them through the rotunda.

"On the right hand side there was a painting of the War of 1812. And you know what we did to the British then. Well, now, I couldn't show that to them.

"But just as you're leaving the rotunda on the left-hand side is a picture of Pocahontas. The picture on the left is the baptism of Pocahontas. Well, she married an Englishman who is a relative of the prince. There were Indians at the baptism and there is one Indian sitting at the altar holding his leg and on that foot he had six toes. I don't know whether the artist made a mistake or if the Indian maybe had six toes."

To keep the prince and princess away from the offensive painting, Ballard guided them toward the six-toed Indian picture. They were impressed with his knowledge of their lineage and didn't see the painting of the war.

Since his retirement, Ballard spends time with his son, who is a Capitol Police officer, and daughter-in-law. Every morning, without fail, he meets some friends for breakfast at a donut shop in Springfield. "You have to," he said, "or they'll talk about you."

He does a lot of reading, especially newspapers. He keeps in touch with some of his Capitol cronies, but he doesn't go to Washington very often, he said.

Ballard's memory works in fine detail. He remembers senators who served 35 years ago by first and last name, their office number, and the years they served. He also remembers the names of their entire staffs.

Once Ballard gets his wheels churning, there's no interrupting him. He doesn't stop until he has slowly and calmly recited his story and capped it with a good laugh.

His favorite president was Harry S. Truman. "Truman was a character," Ballard said. "He was a friendly fella. I'd be standing outside the door and he'd make it a point to come over and shake hands with me."

Ballard claims he's had an official role in more state funerals than any person who ever lived. John F. Kennedy's funeral, he remembers, was the worst.

"It was just a madhouse for four days. There were people lined up eight blocks to get in there," he said.

Among his many souvenirs, including autographed pictures of him shaking hands with Sen. Robert Dole and former Presidents Ford and Reagan, Ballard recently found the flag that flew over the Capitol when J. Edgar Hoover was lying in state.

Ballard was friendly with most of the presidents he served. "Well, I can't say I disliked any of them, even Carter. He played in his own field. Reagan's all right—not much of a president, but a good entertainer.

"Ford was just as human as can be. Nixon and I were buddies. Now people may not like him, but he has always been a friend of mine," Ballard said.

Ballard's favorite story is about a disgruntled tourist from Illinois who brought her family to Washington during the week of the wedding of Lyndon B. Johnson's daughter Luci.

Every sight they tried to visit was closed, including the White House and Mount Vernon. When they went to see the Senate in session, it adjourned early because of a political hassle. As Ballard announced the end of the session, the woman cornered him.

The woman yelled, "We got to the gates of Mount Vernon at 5:30 and they were closing it! We came back up to sightsee and we came up to the Capitol to see the Senate in session. We stand in line for 30 minutes and you come and tell me that the Senate has adjourned!" she said.

Ballard smiled as he remembered the end of the story. "Well, when the 1968 riots broke out and the town caught on fire, I was on duty. I was out in the squad car making the rounds and I saw the flames.

"So I said to my partner, 'I'm thinking about a woman in Illinois who is sitting in front of her television set watching this town burn down, applauding.' "●

LOUISVILLE MAYOR LEADS

● Mr. SIMON. Mr. President, my Subcommittee on Employment and Productivity is currently holding hearings on legislation to make modifications in the Job Training Partnership Act [JTPA] to enhance the capacity of local service delivery areas to meet the most important challenge we face as a nation—providing the basic skills, education, and training needed by noncollege bound and at-risk youth. Today's youth and young adults will make up tomorrow's workforce. If we do not educate and train our young people, we will pay a severe price in higher welfare, incarceration and unemployment insurance costs.

During our subcommittee hearings, we have received testimony from a number of excellent witnesses, including Mayor Jerry Abramson, of Louisville, KY. His leadership, along with Jefferson County Judge/Executive Harvey Sloane, establishes a national example of public sector participation in JTPA.

He told the subcommittee about an excellent program which exemplifies the kind of cooperative potential which exists within a Private Industry Council [PIC] where many business people, educators, and other public sector representatives share in the decisionmaking process that produces jobs for a community.

The March 18, 1989, Louisville Courier Journal included a letter to the editor captioned, "An Investment in Our Youth." The letter from Malcolm Chancey, chair of the Louisville Education and Employment Partnership, commended Mayor Abramson and the Louisville Private Industry Council for an innovative program that has placed counselors in every Jefferson County High School, reduced school suspensions by 97 percent and class failures by 12 percent, and guaranteed a summer job and full-time work—after graduation—for every program participant.

Mr. President, I ask that the March 18 letter to the editor be included in the RECORD at this point and I commend Mayor Abramson for his leadership.

The letter to the editor follows:

AN INVESTMENT IN OUR YOUTH

On Feb. 23, The Louisville Education & Employment Partnership held its second annual breakfast to report to the business community the progress The Partnership has made after one full year of operation. The Partnership brings together the resources of the City of Louisville, Jefferson County government, The Private Industry Council, The Louisville Chamber of Commerce and The Jefferson County public schools to enhance the work skills and employability of students graduating from the Jefferson County public schools.

As an executive committee, we believe our first year of operation has produced outstanding results. Unfortunately, the Courier-Journal's Feb. 24 article that reported on the breakfast and our progress to date suggested that the business community and the leadership of the program were dissatisfied. We believe that the article and its headline presented an inaccurate and unnecessarily negative impression. Knowing what the annual report really said, we felt an obligation to set the record straight.

Louisville is one of seven cities chosen by the National Alliance of Business (NAB) to implement a program based on the Boston Compact, a business/jobs program designed to motivate students in school to improve their performance. According to NAB, Louisville is clearly a leader with the success of its program and has become the model start-up program for other cities.

The Louisville Partnership promised to run the program for four years to give last year's freshmen class a chance to experience four years of support. It will take a full four years to judge the effectiveness of the program. For each year of the program, preestablished measurable goals are adopted. The Partnership has met the first-year goals and has positively influenced the students' overall performance in school.

The first year results are:

Of the students participating, 12 percent fewer classes were failed.

Students enrolled in the program are missing fewer days of school than the previous year (17 percent reduction).

The number of days absent because of suspension has been reduced by 97 percent.

Only 3.3 percent of the Partnership students dropped out of school during their freshman year, compared to 4.49 percent of all freshmen in the Jefferson County public schools.

Fewer students in The Partnership program failed to pass the freshman year than for the school district overall.

The one area cited as needing additional attention was basic education. The grade point average for students in the program slipped slightly for the basic subjects from 2.44 to 2.35 on a 4.0 scale. To help students in the program obtain success in this area, The Partnership announced that the Private Industry Council and the Jefferson County public schools are cooperating to enroll Partnership students (along with approximately 2,000 others) in summer school. This will mean that the number of students attending summer school will almost quadruple the number in the past. These students will also be paid for job experience.

We are very pleased with the number of employers who have been working with students enrolled in the program. Sixty-five loaned executives helped to recruit businesses to participate in the program. As a result of these efforts and the work of the staff of the program, there are currently 348 employers who have employed at least one Partnership student.

At the end of last summer, 902 students were working at an average hourly rate of $4.01 per hour, generating overall almost $120,000 of income per week for the students. This shows the major commitment of the business community to this program.

Last year there were approximately 1,200 students participating in the Partnership program in grades 9 and 12. This year the program has enrolled over 1,800 students in grades 9, 10 and 12. . . .

We, the executive committee of The Partnership, are very proud of our first-year accomplishments. We are looking forward to the program getting even better. We see it as a valuable investment in our future. The theme of our breakfast. "An investment in our youth will be the measure of our future," says it all. We appreciate the opportunity to share our views.—Malcolm Chancy, Chairman, the Louisville Education & Employment Partnership.

(Other executive committee members are Robert L. Royer, vice chairman; Mayor Jerry Abramson; Nancye M. Combs; George N. King Sr.; N. Clark Rechtin, chairman, Private Industry Council; Dr. Donald Swain, president, University of Louisville; Dr. Karen W. Bearden; Dr. Donald Ingwerson, superintendent, Jefferson County Public Schools; Tom Meeker, chairman, Louisville Chamber of Commerce; and County Judge/Executive Harvey Sloane.—Editor.)●

UNITED STATES COLLEGES FLOCK TO JAPAN

● Mr. SIMON. Mr. President, today I am inserting in the RECORD a thought-

provoking article by Fred Hiatt that recently appeared in the Washington Post. The article decribes the recent trend of American universities opening branches in Japan.

Almost 150 schools are following this trend. The USA-Japan Committee for Promoting Trade Expansion is a "matchmaker" between United States schools and Japanese towns that desire to be future campus sites. Japanese schools are now opening their own campuses in the United States as well to serve children of Japanese businessmen who live in our country.

The Japanese Education Ministry does not grant college degrees to students who graduate from these United States colleges in Japan, but United States schools hope that the Japanese students will see the benefits of a "U.S.-style" education.

Mr. President, Southern Illinois University [SIU] has taken the lead in foreign expansion. SIU has recently established a campus in Nakajo, a small town with a population of 30,000. Many residents were hesitant at first about Nakajo becoming a college town, but during SIU's first year the town has adjusted well. Nobuo Kumakura, mayor since 1968, says that he hopes that the new campus will help out the local economy. Last May, SIU admitted its first class in Nakjo of 450 students. Almost all the students came from the Tokyo area, many who had previously been rejected from the rigorous Japanese admission process.

Mr. President, other universities have begun similar programs, for example, Georgetown University has teamed up with the Tokyo Business School of Foreign Language to offer a 3-week summer linguistics course. Dartmouth University's Amos Tuck Business School recently began their new campus in western Japan.

The trend for American universities to start up campuses in Japan is growing rapidly. We need to build bridges of understanding between our Nation and other foreign nations in order to promote a more peaceful and cooperative world. U.S. competitiveness in a global market depends upon our Nation's ability to understand foreign languages and foreign culture.

Mr. President, I ask that the article be printed in the RECORD.

The article follows:

[From the Washington Post, Mar. 19, 1989]

UNITED STATES COLLEGES FLOCK TO JAPAN

(By Fred Hiatt)

NAKAJO, JAPAN.—Eureka College is opening a Tokyo branch, its glossy brochure enticing young Japanese with a chance to attend "the same college from which President Ronald Reagan graduated."

Not far away, the Los Angeles County college system has linked its fortunes to a Japanese hairdressers' school to create Tokyo American College, specializing in liberal arts.

And in this snowy, isolated town between the mountains and the Japan Sea, Southern Illinois University is planting roots. A long way from the trees and lakes of its expansive and modern Carbondale, Ill., campus, the school has established a facility in a cramped and slightly dilapidated Japanese recreation hall.

Japan's rise to world prominence and the soaring of its yen have altered international relations in many ways, but perhaps none more curious than the new trans-Pacific commerce in higher education.

American universities are flocking to Japan—to raise money, recruit students, forge ties with Japanese industry and broaden their international appeal. From Georgetown University to the University of Nevada-Reno to the Ringling Brothers and Barnum & Bailey Circus clown school, many have already established a presence in Japan.

As many as 151 other schools are clamoring to join the academic gold rush, according to Kouichi Muramoto of the USA-Japan Committee for Promoting Trade Expansion. The committee was formed by Rep. Richard Gephardt (D-Mo.) and others to help shrink the trade imbalance, but it has become primarily a matchmaker between U.S. schools, eager to hop on the Orient express, and small Japanese towns like Nakajo, offering themselves as campus sites of the future.

At the same time, some Japanese schools, attracted by relatively inexpensive real estate prices and wide spaces, are buying or building campuses in the United States, both to serve the children of Japanese businessmen posted abroad and to give them an edge here by allowing them to advertise semester-abroad programs:

"I think one of the last truly great things left in the United States is our education system," said William F. Sharp, dean of Tokyo-based Temple University Japan, which came here in 1982. "And while I certainly don't want to imply it's a commodity to be bartered, it is something we can provide the rest of the world that is high quality."

Many Japanese are suspicious of the U.S. academic onslaught. "They thought we'd teach their kids to put their feet up on their desks," one Temple professor recalled.

The Education Ministry will not grant college accreditation to the foreign schools, meaning that Japanese who graduate from these colleges will not be seen here as having a diploma. But the U.S. schools are hoping that Japanese students will see the value of a U.S.-style education. Japanese companies are in fact beginning to hire U.S.-educated employees to staff their overseas plants.

Most U.S. universities hope to follow the lead pioneered by Southern Illinois: settle in a Japanese backwater where land is comparatively cheap, provide U.S. faculty to teach Japanese students a year of intensive English and another of general education, and then guarantee admission to the U.S. campus for the final two years of college.

The universities have various motives, according to officials here, not the least of which is the recruitment of students who can pay full tuition as the college-age pool dwindles at home.

Sharp said he worries that some schools, attracted by tales of yen in the streets, may not appreciate the difficulties of setting up shop here, from the high cost to the isolation of small-town life in Japan.

Nakajo, where Southern Illinois has settled, is a small town: population 30,000, no movie theater, no previous exposure to foreigners. Many residents initially were uneasy about becoming a U.S. college town, said Nakajo's internationally minded mayor, Nobuo Kumakura.

But during SIU's first year, the town seems to have adjusted well. On a recent evening at the Nagatoro restaurant, the sushi chef showed off a bit of newly acquired English, while a middle-aged man drank alone because his wife was off studying English, too, in case any foreign faculty children wind up in her kindergarten class.

Shopkeepers have begun stocking cheese to suit foreign tastes and T-shirts featuring the SIU Saluki dog mascot. On a nearby hill, as a new campus takes shape, developers are building hundreds of apartments to prepare for what they hope will be an SIU-sparked boom.

Kumakura, mayor since 1968, said he hopes the campus will help revitalize the local economy, which has been losing out to big cities, and instill pride and a desire to learn English in local residents.

The mayor said he also believes U.S. universities will offer Japanese an alternative to their own exam-conscious, status-bound educational system. Most Japanese youth study feverishly to win admittage to a prestigious university, but work less hard after they are enrolled.

Mostly, the mayor said, he hopes SIU will bring the world closer to Nakajo. "I think one of the basic reasons we started World War II is we didn't know the world," he said, recalling his days in the prewar Imperial Navy.

Last May, SIU admitted its first Nakajo class: 450 students, almost all Japanese, mostly from the Tokyo area—and mostly, according to interviews, rejects from the more rigorous Japanese admission process.

Although SIU is expensive—about $10,000 per year for tuition alone, far more than most Japanese universities—Jared H. Dorn, the school's director, said it is not here to make money or recruit students. Rather, he said, SIU wanted a presence in this dynamic economy.

"We feel educational institutions need to follow or be part of the interests of business, in terms of the preparation of our students, and in terms of their marketability," Dorn said. "And in terms of the image of the school, this may be important."

That view appears to be widely shared. "There's not a week that goes by that we don't have a visit from another American university," Dorn said recently.

Indeed, Muramoto said he expects another two or three universities and towns to match up in time to offer classes in April 1990. The towns will offer land; the schools, their faculty. Other schools are not waiting for the Gephardt committee's matchmaking.

Georgetown University, for example, has teamed up with the Tokyo Business School of Foreign Language to offer a three-week summer course in linguistics. The University of Nevada-Reno will accept its first class next month. "Japanese-Born, American-Raised," its brochure advertises. "The chance has come. Let your challenge spirit burst forth."

Dartmouth University's Amos Tuck Business School set up shop in western Japan. West Chester State College of West Chester, Pa., is coming, as is Edmonds Community College of Lynnwood, Wash.

The Los Angeles County community colleges, operating on the fifth and sixth floors of the Yamano Beauty School, also will teach English and give students a chance to transfer to California.

Japanese schools and businesmen, meanwhile, are showing increasing interest in U.S. campuses. Showa Women's University of Tokyo bought TMI Academy in Sweetwater, Tenn., while Teikyo University bought a Regis College campus in Denver.

One of Japan's largest chains of English-language schools, Amvic International Co (for Ambitious Victory), advertsied in Forbes magazine for a U.S. college in financial trouble. Last year, attracted by its middle-class neighborhood, green lawns and red-brick school halls, Amvic decided to invest $11.5 million in Warner Pacific, a small liberal arts school in Portland, Ore.

Sharp, the Temple-Japan dean, said he sometimes is troubled by the commerce in higher education. "If it is one of our products that really is superior, are we wise in sending that product overseas?" he asked recently.

But he concluded: "We've always shared our knowledge and wealth with the rest of the world * * * I do really believe that the more we learn about each other, the better off we'll be."●

A TRIBUTE TO ROBERT REINKE

● Mr. SIMON. Mr. President, I rise today to honor and pay special tribute to a dedicated deputy superintendent and teacher from Des Plaines School District 62, Illinois. Mr. Reinke will retire in June of this year after faithfully serving district 62 for 35 years.

Mr. Reinke completed his undergraduate work at the University of Wisconsin, earning a bachelor of science in education degree. Robert received his master of arts at Northwestern University. Mr. Reinke served his country for 2 years in the U.S. Marine Corps and immediately went to district 62 as a teacher of language arts and social studies at Algonquin Junior High School.

After 4 years in the classroom, Mr. Reinke was chosen as the assistant principal at Algonquin. The following year Mr. Reinke assumed the role of director of special education as well. In 1966, Mr. Reinke was appointed to the position of assistant superintendent and later named deputy superintendent of schools in 1982. Mr. Reinke plans to spend most of his retirement time on gardening and traveling with his family.

Mr. President, Bob Reinke gives freely of himself to his family, fellow staff members, church, and community and is held in the highest esteem by all whose lives he has touched over the years.●

COSPONSORSHIP OF S. 7 AND S. 330, ELECTION REFORM BILLS

● Mr. DOMENICI. Mr. President, I have today joined in sponsoring two important bills to improve the process for electing Members of the Senate and the House of Representatives.

These bills are S. 7, introduced by the distinguished Republican leader, Mr. DOLE, and S. 330, introduced by my good friend from Kentucky, Mr. MCCONNELL.

These are important bills. I am honored to join in sponsoring them. Each of these bills will, if enacted, improve greatly the way congressional elections are financed.

But there are differences in these bills, and I would like to inform my colleagues of my views on those differences, and why either bill would significantly improve our election system.

The Dole bill reduces the limit on contributions from Political Action Committees [PAC's] to $1,000, while raising the limit on individual contributions to $2,000. The McConnell bill prohibits PAC contributions entirely, leaving the individual contribution limit at $1,000.

Mr. President, the American people clearly want election financing reform. Clearly, the focus of that opposition centers on PAC's not to spending as such. The American people are concerned over the strong influence that PAC's appear to have in many congressional races, those races where PAC contributions may account for well over half, sometimes as much as three-quarters, of the money raised by a candidate.

In the view of this Senator, the Dole bill and the McConnell bill are the only ideas around that effectively control PAC contributions.

My personal preference is for a combination of those two bills: A bill that would eliminate PAC contributions entirely, with an offsetting increases in the limits on personal contributions.

Mr. President, politics is people. Politics is reaching out to individuals for their support, whether through contributions or at the ballot box. Any real system of campaign reform must emphasize individual participation and individual contributions.

I say that not because I think PAC's are evil. They aren't. They simply stand farther from the people. Since the Supreme Court has prohibited direct spending controls, controls over PAC's may prove the only fair way to hold down spending and encourage greater individual participation on elections.

The first time I ran for the U.S. Senate, I used a slogan, "People for Pete." I used it again in 1978, then again in 1984. I shall use it once again in 1990.

Why? Certainly, the phrase has a nice, catchy alliteration. But the reason I use the phrase "People for Pete" is that it expresses what politics is all about, or what politics should be all about.

When I ran for reelection in 1984, I was very proud of the fact that I received contributions from approximately 20,000 individuals, most of them New Mexicans. Those contributions accounted for approximately two-thirds of the money I raised for that campaign.

S. 7 and S. 330 build on that emphasis on individuals.

I must also note my pride that both S. 7 and S. 330 include the so-called rich candidates provision, a provision that I introduced in the 100th Congress and recently reintroduced as S. 597 in this Congress.

I hope that the Senate will act soon and act fairly on campaign reform. I note that the Committee on Rules has scheduled a hearing on these issues next week, and I will be honored to testify at that time.

When that committee meets, I urge it to focus on three goals:

First. Greater reliance on individuals;

Second. Less reliance on PAC's; and

Third. Disincentives ot the rich "buying" a seat in the Congress.

S. 7 and S. 330 achieve those goals.●

CONGRATULATING THE SETON HALL PIRATES FOR THEIR OUTSTANDING PERFORMANCE AT THE NCAA BASKETBALL TOURNAMENT

SETON HALL, NCAA FINALISTS

● Mr. LAUTENBERG. Mr. President, I rise today to honor one of the truly outstanding college basketball teams in the United States—the Seton Hall Pirates.

Mr. President, when the NCAA basketball season began a few months ago, not many people believed the Pirates would make it to the NCAA finals. In fact, several preseason publications picked the team to finish seventh in the Big East.

But the pundits, once again, were wrong. They didn't know the dedication of this Pirate team. They didn't know P.J. Carlesimo's commitment to excellence and the dedication of his players. And they didn't know the enthusiastic support this team enjoyed from its outstanding student body.

Well, now they know. And I hope they remember this for a long time. As far as I'm concerned, it's about time Seton Hall got the respect it deserves.

Let me tell you, as a Senator from New Jersey, I could not be more proud of the Seton Hall Pirates and the great university they represent. These Pirates have heart. And they have guts. Unwilling to accept their underdog status, they worked hard and fought the odds. And they beat them.

By any measure, this has been an outstanding season for the Pirates. In addition to their performance in the NCAA championships, they also won the Great Atlantic Shootout, the Seton Hall Tipoff Tournament, and the Sugar Bowl Classic. During the regular season, their record was an impressive 25–5.

But it was the Pirates' outstanding performance in the NCAA tournament that showed the true quality of this Seton Hall team. After beating Indiana and Nevada-Las Vegas to win the West final, they faced a tough Duke team in the NCAA semi-finals. And although at one point they were losing by 18 points, they came back to crush the Blue Devils, 95-78. It was an inspiring effort that I was honored to witness firsthand in Seattle.

In the end, only one point came between the Pirates and the national championship. In an extraordinary game that went into overtime, they put on a tremendous performance against an excellent Michigan team. By 80-79, Michigan won. But it was the Pirates, and their gritty determination, that won the hearts of fans not only in New Jersey, but around the country.

The students, faculty and everyone associated with Seton Hall all deserves to be proud. After all, success like this is always a team effort. It requires cooperation among not only the players, but among all members of the university community. From the administrators who manage the athletic department, to the assistant who keep the equipment in order, to the students who come out and cheer. Everyone can be proud. And I know they are.

Let me pay a special tribute, though, to the coaches and players whose performance was such an inspiration. Congratulations to coach P.J. Carlesimo, and his assistants, John Carroll, Rod Baker, Tom Sullivan, and Bruce Hamburger. Plus trainer John Levitt. They all did a great job.

Of course, ultimately, it's the players who have to put the ball in the hoop and get the job done. They deserve the most credit. From the scoring of John Morton and Gerald Greene, to the rebounding of Ramon Ramos, to the outside shooting of Andrew Gaze, this was a balanced and deep team. Congratulations to them, and to Anthony Avent, Michael Cooper, Trevor Crowley, Nick Katsikis, Khyiem Long, Rene Monteserin, Jose Rebimbas, Frantz Volcy, Daryll Walker, and Pookey Wigington.

I know each and every one of them will remember this tournament for a long, long time. I certainly will. And when I do, it will be with an immense feeling of pride and satisfaction. Satisfaction that, in the end, this great basketball team—and Seton Hall—has achieved the status it so richly deserves.

Again, congratulations to Seton Hall and the Pirates. Next year, let's go all the way.●

TRIBUTE TO IRVING KESSLER

● Mr. LAUTENBERG. Mr. President, I rise to pay tribute to Irving Kessler. Retiring as the executive vice chairman of United Israel Appeal, Irving will be honored by his friends at a dinner on April 17, 1989.

Educated at Tufts and Columbia University, he received a M.S.W. degree from Boston University's School of Social Work and Community Organization in 1964.

Irving has been an active participant in local, national, and international Jewish affairs. His professional experience began in 1947 through his work with the Labor Zionists Organization and Land in Labor for Palestine. From 1952 until 1955 he served as assistant director of the New England Histadrut Committee, and as executive director from 1955 until 1960.

While attending graduate school, from 1960 to 1964, he continued his commitment to Jewish life by working for the Combined Jewish Philanthropies of Greater Boston Federation. He served the Hartford Jewish Federation as assistant director from 1964 and in 1967 and became its executive director serving until 1974. Since 1974 he has served United Israel Appeal, Inc. as executive vice chairman until the present.

In addition to his professional commitment to Israel and the Jewish community, Irving has had a long life of accomplishment and service demonstrated by four decades of participation in community service and philanthropic endeavors.

He has served in many volunteer positions including: president of the World Conference of Jewish Communal Service, associate member of the "executive" of the Jewish Agency for Israel, chairman of the professional advisory committee of the Hornstein School of Brandeis University. He has served as a member of the board of directors of the United Jewish Appeal of Greater New York, on the Board of Trustees of the American Zionist Youth Foundation, and on the executive committee of the American Council of Voluntary Agencies. In addition, he has served as a member of the National Professional Advisory Committee of the School of Jewish Communal Service of Hebrew Union College, and has been involved with the Center for Judaic Studies and Contemporary Jewish Life at the University of Connecticut.

Admired by family, friends, and colleagues, Irving leaves a rich legacy of a career committed to Jewish life. I extend to him my congratulations and warmest wishes for continued success and happiness in the future.●

CEREMONY TO COMMEMORATE THE BICENTENNIAL OF THE INAUGURATION OF GEORGE WASHINGTON

Mr. FOWLER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 36 (S.J. Res. 92), which invites the houses of worship of this Nation to celebrate the bicentennial of the inauguration of George Washington, our first President of the United States, by ringing bells at 12 noon on Sunday, April 30, 1989.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 92) to invite the houses of worship of this Nation to celebrate the bicentennial of the inauguration of George Washington, the first President of the United States, by ringing bells at 12 noon on Sunday, April 30, 1989.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The joint resolution (S.J. Res. 92) was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S.J. RES. 92

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That—

(1) the houses of worship of this Nation are invited to celebrate the 200th anniversary of the inauguration of George Washington as the first President of the United States,

(2) such houses of worship are requested to ring bells at 12 noon (12 o'clock antemeridiem eastern daylight saving time) on Sunday, April 30, 1989, the date of such anniversary, and to continue, as a tribute to the first President of this Nation, such simultaneous ringing of bells for two full minutes, and

(3) the President is authorized and requested to issue a proclamation acknowledging such celebration.

Mr. FOWLER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. RUDMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSFER OF OBSOLETE NAVY DRYDOCK TO CITY OF JACKSONVILLE

Mr. FOWLER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 38, H.R. 666, a bill to allow an obsolete Navy drydock to be transferred to the city of Jacksonville, FL, before the expiration of the otherwise applicable 60-day congressional review period.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 666) to allow an obsolete Navy drydock to be transferred to the city of Jacksonville, FL, before the expiration of the otherwise applicable 60-day congressional review period.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. GRAHAM. Mr. President, I urge my colleagues to support H.R. 666, a bill my Florida colleague and good friend Congressman BILL BENNETT has introduced to allow an obsolete Navy drydock to be transferred to the city of Jacksonville, FL, before the expiration of the otherwise applicable 60-day congressional review period.

The Navy has agreed to the transfer of the drydock, which was decommissioned when it was found that it was no longer fit for nautical service and lacked military value. Because of the drydock's obsolesence, the Navy fully supports this proposal. The city of Jacksonville has agreed to pay all transfer and incidental charges involved. In addition, the city has agreed not to be responsible for all liabilities associated with the transfer.

Acquisition of the drydock is significant to the city of Jacksonville and the State of Florida. Jacksonville plans to sink the drydock to serve as an artificial reef to attract and shelter various species of marine life. This new reef would provide an esthetic and recreational facility for environmentalists and sportsmen alike.

A waiver of the 60-day waiting period has the support of all parties involved. I hope that the Senate acts swiftly on the passage of this bill and I congratulate Congressman BENNETT on this worthwhile effort.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time and passed.

Mr. FOWLER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. RUDMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SPECIAL BICENTENNIAL SESSION

Mr. FOWLER. Mr. President, on behalf of Senator MITCHELL and Senator DOLE, I send to the desk a resolution authorizing the Senate to meet tomorrow morning at 11 a.m. in the Old Senate Chamber, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 93) to provide for a special bicentennial session of the Senate on April 6, 1989.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, I wish to remind Senators that the Senate, on Thursday, will conduct a special session in honor of its first meeting, exactly 200 years ago. We will convene at 11 a.m. in the Old Senate Chamber to hear addresses by our former colleagues Thomas Eagleton, Howard Baker, and Edmund Muskie. The Senate will then proceed as a body to this Chamber. The Secretary will call the roll of States, in the order in which they entered the Union. The senior Senator present from each State will respond to the Secretary, indicating the date of his State's admission and the names of that State's first two Senators. Following the rollcall, the U.S. Marine Band will perform and there will be special remarks by Senators BYRD, FORD, HATFIELD, and STEVENS.

In order to expedite the proceedings under the resolution I have just submitted, I am arranging an opportunity, following the ceremonial session, for senators to submit statements related to the Senate's 200th anniversary and the admission of their States into the Union.

I urge all Members to be present for the entire 90-minute session.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, without appearing to be telling the Senators what to do, I hope that those who have meetings scheduled for tomorrow, meetings of business and so on, will discuss this with the distinguished majority leader. Without presuming to speak for him, and I think that he is agreeable with me, I expressed hope that the Senators would take whatever action is necessary to delay or to recess their committees so that those Senators may attend the important bicentennial event, which will occur in the Old Senate Chamber at 11 a.m. tomorrow, and which later will move to this Chamber.

It is the occasion of the establishment of the first quorum of the U.S. Senate, which occurred on April 6, 1789. There was recently a ceremony in the House of Representatives, a bicentennial event, and I must say that I was embarrassed at the sparse attendance by Senators and by House Members of that very important occasion.

The bicentennial will never occur again, and, certainly there will not be another hundred years that any of us will be around here to mark the end of the third century of the Senate's life.

This is an important event. It is important that we all, if we do not already have one, try to acquire an institutional memory. I hope that our pride in this institution and in its history will make us reflect upon the importance of this occasion.

I know it may be difficult for some Senators, who have announced that there will be committee meetings or hearings, to perhaps delay those or to recess them for a while, but it is within their power to do so, or if it is not too great an inconvenience—I will put it that way—for them to do so, I hope they will.

I think it will reflect well upon the Senate if this bicentennial event is well attended. I thank the Senators.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 93) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 93

Whereas the Senate of the United States achieved its first quorum and conducted its first legislative session on April 6, 1789;

Whereas on April 6, 1989, the Senate commemorates two centuries of existence under the Constitution of the United States;

Whereas the Senate's first two centuries were inextricably bound to the development of our national heritage of individual liberty, representative government, and the attainment of equal and inalienable rights, and;

Whereas it is appropriate and desirable to provide for the observation and commemoration of this unique anniversary: Now, therefore, be it

Resolved, That the Senate at 11:00 a.m. on April 6, 1989, shall assemble in legislative session for ceremonies in the Old Chamber previously used by the Senate from 1810–1859, for ceremonies commemorating the Bicentennial Session of the Senate. Following remarks made by the President pro tempore, the Senate shall reassemble in the current chamber for further ceremonies commemorating the Bicentennial Session and shall recess at 12:45 p.m.

SEC. 2. (a) During the ceremonies authorized by the first section only the following activities are hereby authorized, as determined by the Majority Leader and the Minority Leader:

(1) Former Senators may address the Senate.

(2) A military band may have access to the Senate floor.

(3) The President pro tempore may address the Senate from the Chair.

(4) A ceremonial resolution relative to the Senate's third century may be presented to the Senate.

(5) Such other activities that the Majority Leader and the Minority Leader determine are appropriate may be conducted.

(b) When the roll of the States is called during the ceremonies, the senior Senator present from each State is authorized to announce the date such State joined the Union and the names of the first 2 Senators from the State.

SEC. 3. All other legislative and executive matters shall be held in abeyance while the Senate is proceeding under this resolution.

SEC. 4. (a) There shall be printed as a Senate document a commemorative publica-

tion of the proceedings of the Senate on April 6, 1989, as authorized by this resolution.

(b) There shall be printed an additional 2,000 copies of such document for use as determined by the Majority Leader and the Minority Leader.

(c) Printing and binding of such document shall be done in the manner determined by the Joint Committee on Printing.

Mr. FOWLER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. RUDMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION FOR SUBMISSION OF STATEMENTS

Mr. FOWLER. Mr. President, I ask unanimous consent that, for the remainder of this week, any Senator who is recognized may submit statements with respect to the Senate's 200th anniversary and the admission to the Union of that Senator's State.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL RECYCLING MONTH AND NATIONAL STROKE AWARENESS MONTH

Mr. FOWLER. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of the following joint resolutions.

Senate Joint Resolution 61, which designates April 1989 as "National Recycling Month."

Senate Joint Resolution 62, which designates May 1980 as "National Stroke Awareness Month."

Mr. President, I ask that the Senate proceed to their immediate consideration en bloc, that they be read a third time, and passed, that the motion to reconsider the votes by which they were passed be laid on the table en bloc, and that their preambles be agreed en bloc.

The PRESIDING OFFICER. Without objection, the joint resolutions are considered and passed en bloc, the motions to table are agreed to en bloc, and the preambles are agreed to en bloc.

The joint resolutions considered and passed en bloc are as follows:

S.J. RES. 61

Whereas a solid waste disposal crisis exists in the United States;

Whereas half of the major cities in the United States will have no space available for disposal of garbage within 4 years;

Whereas trash incineration and non-incineration industries should adopt recycling methods;

Whereas source separation, mechanical separation, and community-based recycling programs divert a significant portion of waste from landfills;

Whereas recycling preserves limited landfill capacity for disposal of nontoxic waste;

Whereas recycling saves energy and avoids the pollution created in extracting resources from their natural environment;

Whereas the revenues from goods recovered by public sector recycling programs help to offset the costs of the programs;

Whereas shared savings, which accrue by avoiding the higher cost of landfills or incineration, make recycling an economically efficient disposal policy even where markets for recycling materials are weak or undeveloped;

Whereas a well-developed system of recycling scrap metals, paper, and glass already exists and significantly reduces the quantity of solid waste composed of metal, paper, and glass;

Whereas substantial increases in the amount of materials recycled will require development of markets that absorb the increase in the amount of materials recycled, known as incremental markets;

Whereas many consumer products are designed without sufficient regard for safe and efficient recycling after disposal;

Whereas the Federal Government and State and local governments should enact legislative measures that will increase the amount of solid waste that is recycled;

Whereas the Federal Government and State and local governments should encourage the growth of incremental markets for materials recovered from recyclable goods;

Whereas the Federal Government and State and local governments should promote the design of products that can be recycled safely and efficiently after use;

Whereas the Federal Government and State and local governments should establish requirements for in-home separation of waste to enable efficient recycling; and

Whereas the people of the United States should be encouraged to participate in educational and legislative endeavors that promote waste separation methods, community-based recycling programs, and expanded utilization of recovered materials: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 1989 is designated as "National Recycling Month," and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate ceremonies and activities.

S.J. RES. 62

Whereas stroke is the third leading cause of death in the United States;

Whereas stroke is the leading cause of adult disability in the United States;

Whereas stroke is a distinct disease of the brain and nervous system, causing paralysis and speech, perceptual, emotional, and cognitive impairment;

Whereas there is insufficient public knowledge of stroke prevention, treatment, and rehabilitation;

Whereas between five hundred thousand and six hundred thousand Americans are affected by a stroke each year;

Whereas between two million and three million American stroke survivors have not fully regained their physical and mental abilities and remain significantly disabled;

Whereas stroke is a sudden catastrophe that devastates families and routinely robs survivors and family caregivers of the most rewarding years of their lives;

Whereas stroke costs the United States between $12 and $13 billion annually in medical treatment, rehabilitation, and lost potential economic output;

Whereas the National Stroke Association's mission is to provide the means to reduce the incidence and effects of stroke through public and professional education, community service and research; and

Whereas increased national awareness of stroke may stimulate greater interest, concern, and participation by the American people and may lead to increased research and to reducing the overall impact of stroke in the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 1989 is designated as "National Stroke Awareness Month" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.

The PRESIDING OFFICER. The acting Republican leader is recognized.

APPOINTMENT BY THE MINORITY LEADER

Mr. RUDMAN. Mr. President, on behalf of the Republican leader, in accordance with Public Law 100-294, the Child Abuse Prevention, Adoption, and Family Services Act of 1988, the following-named Senator is hereby appointed as a member of the Presidential Commission on Child and Youth Deaths:

The Honorable JIM JEFFORDS, of Vermont:

ORDERS FOR WEDNESDAY

COMMEMORATION OF THE BICENTENNIAL OF THE SENATE

Mr. FOWLER. Mr. President, tomorrow the Senate will convene at 11 a.m. in the Old Senate Chamber for the commemoration of the bicentennial of the Senate. Those festivities will continue in this Chamber until their conclusion at 12:45 p.m.

RECESS UNTIL 1:25 P.M.

Mr. FOWLER. Mr. President, I ask unanimous consent that the Senate reconvene tomorrow at 1:25 p.m., following the recess which is ordered to begin at 12:45 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. FOWLER. I further ask unanimous consent that at 1:25 p.m. there be two minutes each for the two leaders and that following their time there be 1 minute for the transaction of morning business, with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. FOWLER. Mr. President, under the previous order the Senate will begin consideration of S. 4, the minimum wage bill at 1:30 p.m. tomorrow.

Rollcall votes are possible tomorrow afternoon in relation to that bill and Senators are reminded that Thursday is the Senate's normal late night and that the minimum wage bill may keep the Senate busy past the usual closing hours.

RECESS UNTIL 11 A.M. TOMORROW

Mr. FOWLER. Mr. President, if the distinguished acting Republican leader has no further business and if no Senator is seeking recognition, then, I now ask unanimous consent that the Senate stand in recess until 11 a.m. tomorrow in accordance with the provisions of Senate Resolution 93.

There being no objection, and in accordance with the provisions of Senate Resolution 93, the Senate, at 7:19 p.m., recessed until Thursday, April 6, 1989, at 11 a.m.

EXTENSIONS OF REMARKS

FOODS ARE NOT DRUGS ACT OF 1989

HON. WILLIAM E. DANNEMEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. DANNEMEYER. Mr. Speaker, today I am introducing the Foods Are Not Drugs Act of 1989. This legislation defines when the Food and Drug Administration can regulate certain food products, rather than subjecting them to the stringent regulatory standards applied to drugs.

In 1985, you may remember, the National Cancer Institute [NCI] released information indicating that good nutrition coupled with the consumption of particular foods, such as bran, may help prevent certain kinds of cancer, including colon cancer. In cooperation with the NCI, Kelloggs ran advertisements on the back of its cereal boxes citing the health benefits of bran.

Soon thereafter, the Food and Drug Administration launched an aborted investigation into whether bran was in fact a "drug" rather than a "food." Fortunately, FDA recognized the absurdity of regulating bran and dropped the investigation. FDA, however, has not dropped its attempt to regulate other types of foods in cases where the manufacturer makes legitimate health claims.

I have attached two recent articles from the Washington Post which describe the sort of concerns addressed in this legislation. The National Cancer Institute has linked the consumption of other food products to reduced risk of cancer. These foods range from vegetables—garlic, leeks, cabbage, and onions—to dairy products such as milk and cheese. Ginger, according to some researchers, is an effective antinausea agent.

Under current law, food manufacturers and distributors are prohibited from making claims that a product will "prevent, cure or mitigate" disease unless those foods comply with "drug" application procedures. Obtaining FDA drug approval may take up to 10 years and cost an applicant up to $70 million. While appropriate with respect to dangerous drugs, it is patently absurd in the case of foods already available for human consumption.

This legislation amends section 201 of the Food, Drug and Cosmetic Act to exclude foods from the classification of drugs for regulatory purposes. It would also strengthen the current safeguard against false and misleading labeling by adding a prohibition against oral misrepresentations.

[From the Washington Post, Feb. 28, 1989]

How Ginger Fights Vertigo—Studies Confirm the Root's Legendary Power

(By Jean Carper)

If all that comes to mind when you think of a winter cruise is a queasy stomach, you may find solace in ginger. In folklore, ginger has a formidable reputation as an antinausea agent. According to Albert Leung, an independent consultant in plant pharmacology, ginger has been used for centuries in the Orient to combat seasickness. "It's quite common today," he says, "to see people in boats around Hong Kong munching on preserved ginger."

Dr. James Duke, an authority on medicinal plants at the U.S. Department of Agriculture, says: "Legend has it that commercial fishermen at sea would chew on a slug of ginger root to ward off decidedly unprofitable bouts of seasickness."

Is there any truth to it? Surprisingly, yes. The evidence is good and getting better.

In 1982, two researchers at Brigham Young University and Mount Union College in Ohio demonstrated that powdered ginger root was better than Dramamine—a common anti-motion-sickness drug—at suppressing motion-induced nausea.

In their test, they put people highly prone to seasickness in a whirling tilted chair, a motion that brings on stomach-turning sensations. Twenty minutes prior to that, they gave the subjects either a placebo (with no pharmacological value), Dramamine, or powdered ginger root—the same stuff you get at the supermarket, except it was in a capsule. The dose of ginger was about a gram—or half a teaspoonful.

None of the volunteers who took Dramamine or a placebo lasted in the twirling chair for six minutes without vomiting or becoming nauseated. Half of those who took the ginger did.

One of the investigators, psychologist Daniel Mowrey, then at Brigham Young, thinks the ginger somehow "interrupts the feedback between the stomach and the nausea center of the brain."

A later double-blind study in 1986 at Odense University in Denmark, found that ginger blocked vertigo in all of eight subjects, apparently by affecting the inner ear, which is also implicated in motion sickness.

Such laboratory studies are well and good, but the real truth is revealed only on the high seas. So that's where the Danes went next—to 80 green naval cadets "unaccustomed sailing in heavy seas."

In a recently published report of the double-blind study, the Danish researchers recount how one day out of port as the ship hit high seas, they gave 1 gram of ginger root to one group of the rookie sailors and a placebo to another group. Then they examined them for symptoms of seasickness every hour for four hours.

Sure enough, ginger root reduced the severity of seasickness by suppressing vomiting, cold sweating, nausea and vertigo. The most pronounced effect was control of vomiting—dampening it by 72 percent. Over all, they pronounced ginger 38 percent protective against the symptoms of seasickness.

The Danish scientists note that the pharmacological component in ginger that combats motion sickness is totally unknown. However, they say it takes effect within 25 minutes and lasts for at least four hours.

Duke recommends putting half a teaspoon of powdered ginger in tea or another beverage. If you use fresh grated ginger root, you need twice that much, he says. More convenient are capsules of ginger often sold in health food stores. According to Mowrey, two or three capsules, each containing 500 milligrams of powdered ginger, should do the trick—if taken about half an hour before encountering the motion. He cautions against swallowing the dry ginger plain, noting it could burn the esophagus.

Duke figures that a 12-ounce can of ginger ale or ginger beer may also contain enough ginger to prevent motion sickness in some people more effectively than 50 to 100 milligrams of Dramamine.

Curbing motion sickness is not ginger's only pharmacological asset. In animal tests, ginger lowers blood cholesterol; in test tubes it is an antibiotic, very effective against salmonella, the bacteria that frequently contaminates eggs and chickens. (Could that account for the Chinese wisdom behind ginger chicken?) Ginger is a strong antioxidant, says Duke, perhaps giving it some anticancer properties.

But in certain medical circles ginger is best recognized as a blood thinner. A few years ago, Dr. Charles R. Dorso, then at Cornell University Medical College, noticed that his blood did not coagulate as usual. He traced the effect to eating large quantities of ginger marmalade that was 15 percent ginger. In tests, he found that ginger behaved like an anticoagulant: It reduced the tendency of blood platelets to stick together. He attributed the effect to gingerol, a ginger compound chemically structured like aspirin, a well-known anti-clotting agent.

Several studies confirm ginger's potent ability to manipulate prostaglandins, body chemicals that help control blood cell stickiness and clumping. A scientist even suggested recently in a medical journal that ginger replace certain drugs that act on prostaglandins, because of their dangerous side effects.

Ginger is designated by the government as GRAS, which stands for "generally recognized as safe," and has few documented side effects. In combating motion sickness, it reportedly does not cause drowsiness, as some drugs do.

[From the Washington Post, Mar. 14, 1989]

Foods for Fending Off Cancer—Can Garlic and Onions Protect the Stomach?

(By Jean Carper)

Scientists are ever searching for foods that might thwart cancer, either by blocking development of a tumor or by slowing its growth. Just as foods can harbor cancer-causing agents, such as pesticides, some also possess natural substances that are antagonistic to cancer.

The trick is discovering which foods are potentially anticancer. In this pursuit, scientists design elaborate analyses of diet and cancer connections, called epidemiology studies. They also test the anticancer powers of food and food constituents in cell cultures and animals, theorizing that the cancer-blockers may do the same in humans.

The search is decidely complex. Often investigators do not understand why a food appears to have anticancer powers or the

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

amount needed for protection. But fascinating clues come along regularly. Here are some of the latest:

Garlic and onions: Chinese who eat about three ounces of garlic, onions, scallions and leeks every day are only 40 percent as likely to develop stomach cancer as those who eat only an ounce of the allium vegetables daily.

That's what a group of National Cancer Institute and Chinese scientists found in Shandong Province, a region of China known for its high stomach cancer rates. Since this is the first human confirmation of the possible anticancer properties of garlic and onions, researchers say, "It's an exciting lead, but far from definitive."

But the new finding does back up animal studies showing that both onion and garlic extracts and oils can suppress the formation, growth and proliferation of several types of tumors. Dr. Michael Wargovich at the M.D. Anderson Hospital and Tumor Institute in Houston, for example, found that garlic and onion compounds saved mice from colon cancer by blocking the conversion of chemicals to powerful carcinogens.

Cabbage: Studies dating back to the 1950s designate this cruciferous vegetable as a potential superstar in an anticancer diet, especially against colon and stomach cancer.

Two new findings boost cabbage's reputation. One study, in another Chinese province, revealed that consumers of the most spinach, squash, eggplant, green beans and particularly cabbage had a lower risk of stomach cancer. The protective effects showed up in those who on average ate a mere 2½ tablespoons of cooked Chinese cabbage a day.

Also, investigators at the University of Nebraska's Epply Cancer Institute recently reported the first animal evidence that cabbage may help stop the spread of cancer as well as its initial development.

For six weeks, the Epply researchers fed some mice regular diets, while others were put on diets high in dried cabbage or collard greens (another cruciferious vegetable). Then they injected the animals with breast cancer cells. Three weeks later, the mice on the diet of cabbage or collard greens had fewer metastasized tumors. "We're encouraged, but we don't know what this might mean to people with cancer," says Dr. Diane Birt, one of the investigators.

Citrus: Some experts credit the falling rates of stomach cancer in this country with wide consumption of foods high in vitamin C, including citrus fruits. The vitamin has been shown to block formation of nitrosamines, potent carcinogens.

But there may be another way citrus fights cancer, Luke K.T., Lam at the University of Minnesota recently found that nomilin—a compound that causes bitterness in some citrus juices—helped block formation of cancerous stomach tumors in mice fed a potent cancer-causing agent.

A possible way nomilin works, according to Lam; It triples the activity of an enzyme that helps detoxify poisons in the body, including carcinogens.

Milk and cheese: Yes, the same foods that are disparaged by health experts for their heart-damaging high-fat content may possess cancer-fighting potential. In fact, constitutents in dairy fat itself have been labeled anticarcinogens by researcher. Michael W. Pariza and colleagues at the University of Wisconsin, Madison.

The mysterious anticancer substance, called CIA, is a slightly chemically altered form of linoleic acid, molecules of which form chains to make polyunsaturated fats. Investigators detected high levels of CLA in milk fat and in cheese, especially Cheez Whiz, a processed food to which whey is added; CLA is heavily concentrated in whey, explains Pariza.

In test, Pariza contends, CLA is a potent antioxidant that can destroy dangerous "free radicals," rampaging bodily substances that damage healthy cells, helping turn them cancerous.

Further, he says, the anticancer CLA becomes incorporated rapidly into cell membranes, which would put CLA on the front lines of defense against cellular assaults by carcinogens.

As for the paradox that eating cheese and milk fat may contribute to heart disease, Pariza does not advise megadosing on foods containing CLA. However, this surprising finding gives new rationale for eating some cheese and milk fat as part of a balanced diet, he says. He does not see CLA as a magic-bullet cancer preventive. But he believes it is one of many anticarcinogens in the diet, all of which may work in combination to help fend off cancer.

TARGETED RELIEF DISCLOSURE RESOLUTION OF 1989

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. WELDON. Mr. Speaker, I rise today to reintroduce a resolution that strikes at the heart of fairness in government. When Congress passed the 1986 Tax Reform Act, it managed to put $10.6 billion worth of private relief rules into the legislation. The issue is not the transition rules themselves, but the veil of secrecy that surrounds them. When the Tax Reform Act was enacted into law, the public knew little if anything about the $10.6 billion in the 1986 Tax Law's transition rules.

In this era of huge Federal deficits, the American people have a right to know who is benefitting from personalized tax breaks. My legislation would simply require the Ways and Means Committee to identify the sponsor, beneficiary, and the projected revenue loss of targeted relief provisions contained in reported bills. It does not prohibit transition rules. Indeed any legislator knows that transition rules are a fact of life.

Since introducing the resolution last year, my legislation has received a groundswell of support. Many of my constituents in Pennsylvania have written to say that the resolution establishes an ethical standard they would like to see in the House of Representatives. Many of my colleagues may have read "The Great Tax Giveaway" series published by the Philadelphia Inquirer. This series exposed the details of the $10.6 billion in the 1986 transition rules.

Forty-eight of our colleagues have joined me in introducing this resolution. They recognize that the American public is becoming fed up with legislation that caters to the special interests of the wealthy. The Targeted Relief Disclosure Resolution of 1989 has solid bipartisan support. Therefore, I urge my colleagues on both sides of the aisle to take a close look and then cosponsor the legislation.

SONS OF THE AMERICAN REVOLUTION CELEBRATE CENTENNIAL

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. SOLOMON. Mr. Speaker, it is my pleasure to invite other Members to cosponsor my legislation, House Joint Resolution 150, commemorating the Centennial of the Sons of the American Revolution [SAR] on April 30, 1989.

The SAR, brother organization to Daughters of the American Revolution, is one of the oldest historical societies in America. It has chapters in all 50 States and 24,000 members. The SAR was created by an act of Congress in 1889.

Please join me in recognizing an outstanding organization that symbolizes an important chapter of our heritage. Time is crucial, so I urge to contact my office as soon as possible to cosponsor this legislation.

SOROPTIMISTS INTERNATIONAL OF THE AMERICAS

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. KOLTER. Mr. Speaker, I rise today to honor the Soroptimists International of the Americas, the world's oldest service organization for executive, business, and professional women.

The objectives of Soroptimist International include maintaining high ethical standards in business and professional life, striving for human rights for all people and in particular, advancing the status of women, contributing to international understanding and universal friendship, assisting in developing the highest concept of patriotism and love of country, and developing interest and involvement in community, national, and international affairs.

Soroptimist clubs accept a responsibility for recognition and encouragement of the achievements of women in these communities not only in the world of business but also for public service to their communities and their country.

It gives me great pleasure to announce that a conference of the North Atlantic Region of the Soroptimist International of the Americas will be held on April 21, 22, and 23, 1989, at the Sheraton Hotel in Warrendale, PA. Our Butler County Soroptimists will welcome members from New York, New Jersey, Delaware, West Virginia, and Pennsylvania who will combine their efforts to improve the status of women and all mankind.

Those of us in public service can appreciate the enormous effort put forth by Soroptimist International of the Americas in past years on behalf of women throughout the world. The unqualified success of their programs has encouraged them to set even loftier, but still achievable goals. I know you, my colleagues, will join with me in wishing the Soroptimist

International of the Americas continued success in their efforts to improve the quality of life for all of us.

SALUTE TO NATIONAL STUDENT SCHOLAR

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. FLIPPO. Mr. Speaker, Mr. Todd A. Fentress, a student at John C. Calhoun State Community College in Decatur, AL, was recently named the first American Association of Community and Junior Colleges/Phi Theta Kappa National Student Scholar. Phi Theta Kappa is the national scholastic honorary fraternity for 2-year college students.

This distinction certainly deserves recognition and I am delighted that a student from John C. Calhoun College, which is located in the Fifth Congressional District of Alabama, has been awarded this unique honor by the ACJC and Phi Theta Kappa.

Nominees were judged on grade point average, campus and community involvement, faculty support letters and an essay on the topic, "How I plan to use the opportunities for excellence provided by my college."

Currently a student in the junior college division at Calhoun State, Todd plans to graduate this June with an A.A.S. degree in industrial electronics technology. Following graduation, he will pursue a bachelor of science degree in avionics from a yet-determined institution.

Todd's matriculation at Calhoun State has been unique in that he first completed all coursework and requirements in the Electronics Technology Program of the Technical College Division before deciding to pursue an associate degree from the junior college division.

At Calhoun Community College, Todd currently serves as a Warhawk official host, and on the Phi Theta Kappa Executive Council. He was formerly vice president of Phi Theta Kappa, senator and vice president in the Student Government Association, and walk-a-thon volunteer. For the 1987-88 year Todd was named Most Outstanding Technical College Student for the State of Alabama, Most Outstanding Student/Microprocessors at Calhoun Community College, presented with the F.O. Smith Award and a member of the President's list.

Todd has also served as a member of the board of directors for Fire Escape, a Christian outreach group, a big brother in the Big Brother/Big Sister program and a volunteer with Special Olympics. He currently serves as a committee member on the Decatur Beautification Committee and as a participant in the Calhoun Community College blood drive, in addition to owning and working full time at his own business, "No Job Too Small" a carpentry and electrical service.

All of us in Alabama are proud of Todd's achievements and the recognition of his work at Calhoun Community College. Todd wrote in his essay about his 2-year college experience,

> Because I realize that I could not have had these experiences if there were not teachers, counselors, and administrators willing to take the time to work with me, I will be sure that I take time to do the same thing for young people coming up behind me.

I am sure that with this commitment to his education and to his community, Todd will contribute greatly to his fellow citizens and to his chosen profession in the years ahead.

I am proud to share with my colleagues an insight into this outstanding young American and to inform you of the excellent vocational and scholastic programs provided by John C. Calhoun State Community College of Decatur, AL.

COMMUNITY COLLEGES: A NATURAL TRAINING GROUND FOR TECHNOLOGY EDUCATION

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. WALGREN. Mr. Speaker, today I am introducing the National Advanced Technician Training Act to create a Federal-local, cost-shared program in community colleges to train people in advanced technology fields. As a initiative to be administered by the National Science Foundation, it would draw on the unique resources of the Nation's community college network—the largest arm of higher education.

It is time for the National Science Foundation to lead this effort to upgrade technology education in this country. In the words of the National Science Board's Committee on Undergraduate Science and Engineering Education, "The Foundation must use its leadership and high leverage programs to catalyze significant efforts in the States and local governments and in the academic institutions where ultimate responsibility lies." A January 1989 report by the National Science Foundation entitled "Science and Engineering Education in Two-Year Colleges" concluded, "Programs in science, mathematics, and engineering must be developed that are more attractive and engaging for 2-year college students."

In addition, this bill attempts to respond to a 1987 National Academy of Sciences report which concluded:

> Technological change is an essential component of a dynamic, expanding economy. Recent and prospective levels of technological change will not produce significant increases in total unemployment, although individuals will face painful and costly adjustments. The modern U.S. economy, in which international trade plays an increasingly important role, must generate and adopt advanced technologies rapidly in both the manufacturing and nonmanufacturing sectors if growth in U.S. employment and wages is to be maintained. Rather than producing mass unemployment, technological change will make its maximum contribution to higher living standards, wages, and employment levels if appropriate public and private policies are adopted to support the adjustment to new technologies.

Encouraging appropriate science and technology education at all levels is one such policy.

COMPETITIVENESS REQUIRES A STRONG SKILL BASE

As this Nation struggles to meet the challenge of a global economy and competition abroad, we cannot do it without a strong technology skill base. Many studies have dramatized the need for our country to train more scientists and engineers, but we will never meet the competitiveness challenges posed by other countries with Ph.D. scientists and engineers alone. The United States must have a "backbone" of highly skilled technicians. Our ability to compete in the world economic arena will rest strongly, if not more strongly, on the quality of our technicians as on the abilities of our engineers.

THE WORKPLACE OF THE FUTURE

We can hardly enter a workplace today without observing the central presence of computers, from the auto repair shop to the bank. High technology occupations are projected to increase more than 100 percent between 1985 and 1990—more than four times the employment growth rate in all occupations.

Some have said that today's technological transition is comparable to the industrial revolution. Pat Choate, in "Retooling the American Work Force," has observed:

> The speed and force of workers will become obsolete. . . . In this decade virtually all of the nation's workers, most of whom are now employed, will need to be retrained or have their skills sharpened.

Some projections: Data processing jobs will grow by 148 percent, programmer jobs will jump by 74 percent; computer analysts will increase by 108 percent. Next year, almost half of American workers will use electronic-technical equipment daily. We must be ready to meet these needs, to train and retrain workers who will seek and need these jobs.

SUMMARY OF BILL

The bill authorizes $30 million in fiscal year 1990 and $40 million in fiscal year 1991 and 1992 for the National Science Foundation to conduct advanced technician training programs under which accredited associate-degree-granting colleges, using matching non-Federal funds, would provide training in technical competencies in strategic fields.

The NSF would also designate 10 centers of excellence among community colleges to serve as clearinghouses and model training programs.

The bill includes several special emphases for NSF to consider in awarding grants: people in need for retraining or upgrading to retain their jobs; workers dislocated by plant closings and technological change; working people and parents who need flexible scheduling; young people just out of high school; high school dropouts; and handicapped people with special needs.

WHY COMMUNITY COLLEGES?

Community colleges are the ideal training ground to meet the retraining needs we face. They can offer low-cost programs with flexible scheduling. This is particularly important to adults with jobs and families—almost 50 percent of community college students are non-college-age. Community colleges can design programs with local industry—often on-the-job training—specifically designed to meet local industry's needs. They can attract faculty from

industry, people who teach part time in a field related to their work.

The community college is an especially good training ground for displaced workers, people whose jobs are eliminated because of a plant shutdown, retooling, restructuring or changes in the economy.

Our national science education policy must take advantage of one of our most powerful and natural weapons: community colleges. Community colleges are the Nation's largest delivery system of training in technical education, outside of industry itself. It would be a national tragedy to overlook the great potential of our vast network of community colleges.

DEFENSE BURDEN SHARING

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. RICHARDSON. Mr. Speaker, as a member of the North Atlantic Assembly, the Interparliamentary Organization of the Atlantic Alliance, I have followed the continuing dialog on the issue of defense burden sharing with great interest. Too often, it seems, the dialog has strayed from the substantive to the acrimonious, from attempts to move forward based on common interests, to dwelling only on those matters which divide us. Surely the matter of burden sharing is important enough to merit a more thoughtful approach.

In order to maintain the dialog on burden sharing at a substantive level, I believe it is most important to understand the position of our European friends and partners. To this end, I commend for my colleagues an article recently plublished in the International Herald Tribune. The article is written by Sir Geoffrey Johnson Smith, chairman of the Defense and Security Committee on the North Atlantic Assembly and the Defense Committee of the British Conservative Party. It clearly articulates the European apprehension with certain American positions and reiterates the need for cohesion on this very important matter. I strongly recommend it for anyone interested in the issue of burden sharing within the North Atlantic Alliance.

The article follows:

THE BURDEN-SHARING DEBATE REGRESSES

(By Geoffrey Johnson Smith)

BRUSSELS.—It has taken the NATO allies the best part of two years to hammer out differences and arrive at a common position at the Vienna negotiations on conventional forces in Europe. Any unilateral cuts on the Western side at this point cannot but affect that common position.

Moreover, it seems to me the height of folly to even entertain such a notion at precisely the point when the Soviet Union appears willing to consider rectifying force asymmetries through a combination of unilateral cuts and bilateral negotiations. Why exacerbate that force asymmetry which already exists to NATO's disadvantage? Why contrive an intra-alliance dispute when the new Vienna talks offer real hope of transforming the security relationship in Europe for the better?

And Ireland, a Republican from Florida, has argued on this page ("This Hawk Says Recall the Troops," March 8) for unilateral withdrawal of U.S. personnel assigned to intermediate-range nuclear forces in Europe. Congressman Ireland's evident purpose is to send a message to the Europeans that they have to cease "freeloading," as he would put it, and somehow alter their ways. Forget the wider ramifications on trans-Atlantic security relations; ignore the complexities of the burden-sharing issue; it is time for symbolic gestures.

It is more than a little regrettable that we appear to have retreated back to discussing the old myths about European backsliding. This, despite many discussions which have taken place in recent years between American and European legislators designed to put this debate on a more sophisticated plane.

I had thought that this unconstructive dialogue of the deaf was behind us. It would appear that the unfortunate tone and orientation of last year's report of the House Armed Services Committee's panel on burden sharing, which was distinctly lacking in analytical rigor—has found expression in Mr. Ireland's column. The Europeans, we are now told, regard the U.S. commitment to the alliance as a "virtual entitlement program," the savings from which they used to "clobber" the Americans in the trade wars.

Such talk is as absurd as it is disingenuous.

It is absurd because it implies that the United States accrues nothing intrinsic from its physical presence in Europe, and that it matters not at all whether the American front line is on the East German border or on the Atlantic seaboard.

It is disingenuous because it propagates the enduring myth to the American people that Europeans are not contributing their fair share of the common defense, when in fact, considered in all its dimensions (invisible as well as visible commitments, output as well as input, conscript as well as volunteer forces, etc.), the burden borne by the Europeans is substantial. In the interests of space and the reader I will not here launch my own volley of satistics in support of this contention. The facts speak for themselves.

In reality, most serious analysts on both sides of the Atlantic recognize that burden sharing is an immensely complex issue. It is surely time to put aside, once and for all, simplistic and self-serving attempts to equate it merely with defense spending at any given time, and concentrate instead on how best to share the full spectrum of roles, risks and responsibilities among the 16 NATO members in an equitable fashion. A wide array of contributions are involved here: financial as well as human resources, land as well as facilities, services as well as sacrifices.

This matter has in fact been the focus of NATO efforts for some time, incidentially at the instigation of William Taft, U.S. deputy secretary of defense. A useful report produced in December elicited the support of all NATO defense ministers.

There is considerable scope for adjustments to the current distribution of roles, risks and responsibilities among NATO members in a fashion consistent with new strategic, political and economic realities. But it is important for the well-being of the alliance that any reappraisal be carried out in a responsible manner with due regard for the complexities of the issues at hand.

We live in challenging but exciting times. Now is not the time for symbolic gestures designed to bash the Europeans, while conveniently ignoring the facts. Such gestures are annoying and counterproductive.

The alliance needs to proceed with cohesion, confidence and solidarity of purpose in the new, and promising, Vienna negotiations. It is here that the alliance's energies can most productively be directed, as opposed to rehashing old and divisive issues which produce acrimony and are founded on myth.

DR. THOMAS J. BOYD CELEBRATES 28TH PASTORAL ANNIVERSARY

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. TOWNS. Mr. Speaker, I rise to acknowledge a great man and a great event. On Sunday, April 9, Rev. Dr. Thomas J. Boyd will celebrate his 28th anniversary as pastor of Salem Missionary Baptist Church, which is located in the great Borough of Brooklyn, in the city of New York.

Dr. Boyd was born in Brooklyn, NY, 72 years ago; He received his elementary education at P.S. 11, and Alexander Hamilton High School, both in Brooklyn, NY. He then continued his education at Shaw University, in Raleigh, NC. Returning to New York, he served 15 years as a social worker with the department of social services.

Dr. Thomas J. Boyd has been pastoring for 45 years. Prior to assuming pastorship at Salem Missionary Baptist Church, he built the Pleasant Plains Baptist Church, in Ahoskie, NC.

When Dr. Thomas J. Boyd assumed the leadership of Salem Missionary Baptist Church, the budget was $17,000 per year, with years of exemplary leadership, the annual budget of Salem Missionary Baptist Church is more than $1 million and the membership rolls boast several thousand.

Under Dr. Boyd's guidance, Salem Missionary Baptist Church has given more than $500,000 in donations to charities, education, and foreign missions. In addition, Salem recently began the campaign to endow the "Thomas J. Boyd Scholarship Fund," with the sum of $250,000.

I ask my colleagues to join me in celebrating the 28th pastoral anniversary of Dr. Thomas J. Boyd, truly an exemplary leader, a committed shepherd, and a man for all time.

FEDERALISM IN THE 1980'S

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, April 5, 1989, into the CONGRESSIONAL RECORD:

FEDERALISM IN THE 1980'S

When we think of the "Reagan Revolution," we usually think of increases in defense spending or cuts in federal taxes. But some of the most profound changes that occurred during the eight years of the Reagan

Presidency were in an area that rarely receives public attention, intergovernmental relations—the connections between the national government in Washington and the statehouses, county seats, city halls and community centers across the country. During the last decade, those relationships have gone through some dramatic changes which have redistributed responsibilities among all levels of government and greatly increased the importance of the states in our complicated federal system.

Budget cuts in the Reagan years took a huge bite out of state and local spending. Ten years ago the federal Treasury paid for 27% of state and local outlays. In 1988, the figure was just over 17%; and if current trends continue, it will be 11% by 1998. Block grants which provide federal funds for certain broad categories of spending were cut in half during the Reagan years. Revenue sharing which gave cities and counties unencumbered federal monies was phased out. CETA, a public sector employment program, was eliminated; UDAG, a program focusing on urban development, was significantly curtailed. Many smaller federally-sponsored projects of importance to states and localities were dropped, cut back or frozen.

All of these changes left state and local governments with hard choices—reduce services or raise taxes. In a difficult decade, most governments did both. With federal funds drying up and taxpayer revolts an ever present possibility, state and local governments in the 1980s were forced to become more efficient more innovative, and more selective about which expenditures were really essential. In a process described by one observer as "fend for yourself federalism," state and local governments have generally given high priorities to education and basic services, but postponed investments in infrastructure and the full funding of pension systems. In the end, all of the federal cuts could not be absorbed without new revenues. In 1987 alone, 34 states raised taxes to meet their growing budget obligations. Indiana has approved new taxes to support education reform and health care programs, while a state lottery is expected to provide additional money for public works and infrastructure improvements.

Growth in tax revenue has been matched by growth in personnel. Today, state and local governments employ over 14 million people, almost 1 in 10 working Americans, and nearly 2 million more than were employed ten years ago. The substantial expansion of the state and local government work force has not, for the most part, led to public criticisms and complaints. In fact, according to recent polls, local governments and state officials are more trusted by citizens than are political institutions and leaders at the federal level.

Not all of the changes that have been occurring in intergovernmental relations are due to cuts in federal spending. During the 1980s, state and local officials learned that the realities of an increasingly competitive global marketplace were changing the nature of their economic responsibilities. Governors and mayors now regularly travel to promote the economic development of their states and cities. One governor on a recent trip to Japan reported enountering delegations from 12 other states all seekinig to encourage Japanese investment, or increase Japanese tourtism, or develop new foreign markets for locally produced products. Today, Indiana and 39 other states maintain their own permanent trade offices in Tokyo.

Promoting economic development in the states is more than just a matter of foreign travel and sophisticated international marketing. States wishing to remain competitive are also forced to deal with fundamentals. One of the best lures for new economic investment is the availability of an able and educated work force. As a result, education, once largely a local government responsibility, has become a major state priority. Funding for education is now the largest single category of expenditures in the fifty states. Although many federal officials and national politicians have talked about the importance of education in the last ten years, the actual reforms and the money to carry them out have come from the states.

For a growing number of national problems, states are the self-appointed laboratories of reform. By the time the Congress passed major welfare legislation last year, over a third of the states had already overhauled their welfare systems and introduced many of the changes that the Congress adopted for the nation as a whole. On the treatment of AIDS, the management of health care, the retraining of displaced workers, environmental improvement and a host of other issues, many of the most interesting public policy proposals are now coming from governors and state legislatures rather than cabinet officers and congressional committees. With the current federal deficit and the constraints it places on national expenditures, the federal government will continue to depend on the states for new ideas and experimental approaches to our national social problems.

Grade school civics courses used to describe American government as a layer cake with clear divisions between local, state, and federal institutions, and an emphasis on the importance of the federal layer as the source of change in American society. Such descriptions have long been out of date. The American political system is much more like a marble cake with a complicated blending of elected and appointed officials from all levels of government sharing interrelated policy and program duties. During the last decade the state ingredients in the American mix have become much more prominent. Federal cutbacks, increased economic competition, and the emergence of new problems requiring creative solutions have all contributed to the enhanced role of state officials and legislatures. The Reagan-era domestic budget cuts which were supposed to eliminate programs and make government smaller have instead shifted responsibilities among the various levels of government and made state governments more important than ever.

BUY AMERICAN?

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. GIBBONS. Mr. Speaker, all of us know what happens around here when someone shouts "buy American." The stampede is on, and Members not wishing to be called unpatriotic, get themselves entangled in waving the flag. I hope before this type of hysteria hits us again that all Members will take the opportunity to read this very well written editorial that appeared in THE TAMPA TRIBUNE on March 24, 1989.

[From the Tampa Tribune, Mar. 24, 1989]

BUY AMERICAN?

Buying an American-made automobile has become, for many citizens, an expression of patriotism. The sentiment is sincere but the rationale is ridiculous.

Freedom to buy and sell in world markets has helped build the U.S. economy. American earn as much on their foreign investments as foreigners earn here.

Someone buying an imported car does not drop the cash down a foreign rat hole. The buyer has possession of the car. His decision to buy is evidence that the car is worth at least as much to him as the money he paid for it.

Many American cars, of course, are excellent, but the implication of the buy-American theme is that if everyone bought *only* Americans goods, America would be better off—more jobs on the assembly line, higher prices for auto makers' stocks, that sort of thing. If isolation indeed were the best policy, then trade sanctions would not be used as a weapon.

Most Americans seem to accept the argument that the way to punish South Africa for its reprehensible racial policy is to withdraw American goods from that country. Congress has forbidden the sale to South Africa of American goods, such as cars and computers.

Those trade sanctions clearly are hurting South African consumers. The impact on the South African government is harder to gauge and likely will backfire as a tool for reform, but the thinking behind the embargo is crystal clear: Make them suffer. The same thinking justifies keeping Cuba in economic isolation.

How can the whip punishing other nations be applied to America's own back without pain? Obviously it can't even if the blows are self-inflicted by patriots. Shutting out desirable foreign products—either through excessive tariffs, quotas or contrived consumer choice—benefits only the few whose products are sheltered from competition.

What all developing nations are hungry for is U.S. investment. They want to join the world bazaar. Their goal is to become efficient at making products worth trading. Even communist countries are asking for loans for economic development, and even developed countries benefit from foreign investment.

A good indicator of a country's economic health is the ability of its people to afford the best products the world has to offer. A country that cannot affort the best is defined as poor. One that deliberately denies itself the best is crazy.

NATIONAL EMPLOYEE ASSISTANCE PROGRAM RECOGNITION MONTH

HON. LOUISE M. SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Ms. SLAUGHTER of New York. Mr. Speaker, I recently introduced legislation to declare November "National Employee Assistance Programs Recognition Month." Congress should recognize the valuable services that employee assistance programs [EAPs] provide, and help draw the attention of the

Nation to their existence and to the benefits they offer. I am hoping that this resolution will accomplish these goals, and I urge my colleagues to cosponsor this measure and support its passage.

As the resolution, which I have reprinted below, states, an EAP is a program in the workplace designed to assist in the identification and resolution of personal problems of employees by accurately assessing the nature of the personal problems of employees, providing expert confidential consultation to the employees, referring the employees to appropriate services in the community, and following up to ensure that the assistance needed by employees is provided.

The problems addressed by EAPs are myriad. The EAP movement began as a workplace response to employee alcoholism. Today, alcoholism is recognized as being only one of many problems that employees may encounter during their working lives. Employee assistance programs have taken a broad approach to helping troubled employees. They have proven a valuable resource for individuals who are in need of guidance but who do not know where to turn. EAPs enable labor and management to assist employees in reestablishing satisfactory job performance.

Congress, in enacting the Anti-Drug Abuse Act of 1988, recognized the value of EAPs by authorizing the Secretary of Labor to provide grants to employers to develop employee drug and alcohol abuse assistance programs. The Drug-Free Workplace Act of 1988 requires Federal contractors to provide drug-free workplaces through the establishment of drug-free awareness programs, which provide assistance including informing employees about available employee assistance programs.

Mr. Speaker, EAPs have enabled countless numbers of our Nation's work force to get through difficult times. When workers are faced with problems associated with aging parents, personal substance abuse, financial difficulties, or delinquent children, a workplace EAP counselor can offer the direction and guidance that is needed. By referring these individuals to appropriate agencies, EAPs relieve anguish and preserve the health and productivity of these employees. There can be no question the employee assistance programs are beneficial to all involved.

Mr. Speaker, I urge my colleagues to join me in support of this measure.

H.J. RES. 223

Whereas an employee assistance program is a program in the workplace designed to assist in the identification and resolution of personal problems of employees;

Whereas employee assistance programs accurately assess the nature of the personal problems of employees, provide expert confidential consultation to employees, refer the employees to appropriate services in the community, and ensure that the assistance needed by the employees is provided;

Whereas employee assistance programs enable labor and management to assist employees with personal problems in reestablishing satisfactory job performance;

Whereas in enacting the Anti-Drug Abuse Act of 1988, the Congress recognized the value of employee assistance programs by authorizing the Secretary of Labor to provide grants to employers to develop employee drug and alcohol abuse assistance programs;

Whereas in enacting the Drug-Free Workplace Act of 1988, the Congress recognized the value of employee assistance programs by requiring Federal contractors to provide drug-free workplaces through the establishment of drug-free awareness programs, which provide assistance including informing employees about available employee assistance programs;

Whereas the people of the United States, including employees and employers, need further education regarding the important benefits of participating in employee assistance programs: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 1989 is designated as "National Employee Assistance Programs Recognition Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate ceremonies and activities.

DELAWARE COUNTY OLD TIMERS ATHLETES ASSOCIATION CELEBRATES 50TH ANNIVERSARY

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. WELDON. Mr. Speaker, I rise today to pay tribute to the Delaware County Old Timers Athletes Association, who will be holding their 50th annual sports dinner on April 13, 1989.

The association was founded in 1939, by Gordon "Dick" MacDonald as a simple father and son banquet in an effort to recognize and unite athletes in Delaware County. In 1956, the association inaugurated the Delaware County Athletes Hall of Fame, a distinguished and widely respected institution in southeast Pennsylvania. Since its founding, 700 athletes have been inducted in to the Delaware County Athletes Hall of Fame.

Mr. Speaker, today I commend the Delaware County Old Timers Athletes Association for its efforts in recognizing those who have excelled and distinguished themselves in sport and those who foster a greater appreciation for athletic programs in Delaware County.

I have attended several of the dinners myself and have a great deal of admiration for the careers and accomplishments of the association's members.

I personally would like to thank the Delaware County Old Timers Athletes Association for the fine example they continuously set for our young people. Delaware County has a long history of producing athletes of the highest caliber who make a difference both on and off the playing field. Having lived in Delaware County my entire life, I can testify to the important role sports has played and continues to play in our county.

In closing, I would like to express again my admiration and congratulations to the Delaware County Old Timers Athletes Association on their 50th anniversary.

HOPES OF FREEDOM IN NICARAGUA GROWING DIM

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. SOLOMON. Mr. Speaker, I hope we are not in the process of abandoning one more small nation whose greatest patriots made the mistake of trusting the United States for help.

In a recent editorial, William Randolph Hearst, Jr., describes in the starkest detail how dangerous the game is we are playing in Central America, since our policy seems to depend on the good will and democratic impulses of the Sandinistas. I would challenge any Member of this House to offer even one example when such confidence has been justified.

In the meantime, I place the Hearst editorial in the RECORD, hoping that in due time Daniel Ortega's contempt for freedom and refusal to share power will be clear even to the wishful thinkers in the U.S. Congress.

[From the Albany (NY) Times Union, Mar. 26, 1989]

EFFORT TO BRING DEMOCRACY TO NICARAGUA IN PERIL

(By Randolph Hearst, Jr.)

NEW YORK.—With little happening on the Washington political scene this week because of the Eastern congressional recess, it is an appropriate time to call attention to the increasingly serious situation in Central America.

We are clearly in danger of losing our long and costly campaign to restrore democracy in Nicaragua and safeguard the security of the United States.

This is not just my personal opinion. It is the conviction of some of the most realistic experts on Central America in and outside the State Department. They have spoken frankly to our national editor in Washington, Joe Kingsbury Smith, my friend and cohort, but they spoke anonymously because they do not wish to hamper Secretary of State James Baker's efforts to obtain bipartisan congressional support to avert the dismantling of the contra freedom fighters before scheduled elections are held in Nicaragua Feb. 25, 1990.

During 40 hours of intensive discussions on Capitol Hill this past week, Baker succeeded on Thursday in getting a tentative agreement with congressional leaders to continue nonmilitary humanitarian aid to what's left of the contra forces—about 11,000 men mostly located in refugee caps in neighboring Honduras. This would keep the contras intact until after elections are held next February and thus have them available to resume fighting with new American military aid if elections are not held or if Ortega refuses to give up power if he is defeated. That would be the only trump card the United States would hold to pressure Nicaragua's Daniel Ortega into holding free elections and abiding by the outcome.

However, Baker's tentative agreement is subject to approval by the Senate, the House of Representatives and the five Central American presidents, including Ortega, who conducted an appeasement peace plan that led to a cease-fire.

Most disturbing of all was a New York Times report Friday that President Bush's

objective is to get free elections held in the hope "opposition leaders might gain a share of power through free elections." That would seem to imply we would settle for Ortega remaining in power. He shared power with the moderates once before but soon forced them out of the government to establish a dictatorship, and he would probably do so again. It again be naive of President Bush to think otherwise.

So, little hope is held in knowledgeable quarters in Washington that genuine democracy will be restored in Nicaragua unless the Bush administration links that issue with Soviet eagerness for Western financial aid to save its crumbling economy.

Since Nicaragua's powerful military forces were built up and are maintained by Soviet-Cuban support, Moscow could cease its military intervention in Nicaragua with less loss of face than it suffered in pulling out of Afghanistan.

As long as the Soviets continue to help Nicaragua maintain the most powerful military force in the Central American region, I share the doubts in Washington that President Ortega will give up power even if he loses the elections next year, assuming they are held.

A TRIBUTE TO MIKE "COACH" COVELLI

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. KOLTER. Mr. Speaker, I rise today to pay tribute to Union Area High School basketball coach Mike Covelli on winning his 500th coaching victory on February 17, 1989 when the Union Scotties defeated Frew Mill High School at the Union Area High School gym.

Born in New Castle, PA, to Michael J. and Angela DiMuccio Covelli, Mike graduated from Youngstown State University in May 1956 with a B.S. in Education. In August 1966, he received his Masters in Education from Westminister College. In September 1967 he received his secondary principal certification from Westminister College. Mike has set a fine example for all of us in Western Pennsylvania through his untiring efforts on behalf of his students and players.

In Union's 63 years of basketball, Coach Covelli has been involved in every championship except one. He has been Union Area High School basketball coach for 31 years, bringing the Union Scotties 13 championships, and making the playoffs 17 times. Mike was voted coach of the year nine times and two times by the Pittsburgh Post-Gazette. Voted Mr. Basketball in 1971, Coach Covelli was inducted into the Lawrence County Hall of Fame in April 1988.

Through the many lives that Coach Covelli has influenced over the years, he has set a tradition of respect, admiration, and integrity. From his work with his players, to his dedication to community service, Mike Covelli personifies human excellence. I take pride in calling Mike a friend and would like to take this time to wish him and his family great success in the future.

REORGANIZATION OF TVA

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. FLIPPO. Mr. Speaker, I am pleased to introduce a bill today that will make some long overdue changes in the organization and management of the Tennessee Valley Authority.

The bill would implement the recommendations of several major studies of TVA as well as my own study of the agency which I began shortly after my election to Congress. The bill replaces the current three-member, full-time board of directors with a nine-member, part-time board with more representation from States in the Tennessee Valley.

The bill would also make some important changes in the functions of the TVA board. Under the current arrangement, the board is responsible for setting the overall policies of TVA and also managing the day-to-day operations of the $5 billion a year Government corporation. This combination of management and policymaking functions in a three-member board is an arrangement not found in any modern corporations the size of TVA, and it is an arrangement that I feel is primarily responsible for the serious problems that have beset the agency.

Under the legislation I have introduced today, the expanded part-time board would be responsible for setting the policy of the agency but would appoint a chief executive officer to carry out that policy and to manage the day-to-day operations of TVA. The bill requires that seven of the nine board members be residents of valley States; three from Tennessee, one from Alabama, one from Mississippi, and one from either Virginia, North Carolina or Georgia. The remaining two members could be from any State in the union.

By providing TVA with a broader-based board with representation from valley residents and by separating the policy and management functions of the board, I believe we can help TVA to become more accountable and operate more efficiently in the future. The ultimate benefactors of this approach are the very people that have made it possible for TVA to achieve its important goals over the past 50 years—the people of the Tennessee Valley.

A TRIBUTE TO AL FONDY

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. WALGREN. Mr. Speaker, I am proud to salute one of my area's great education leaders, Al Fondy, who is being honored this week by B'nai B'rith, Gateway Lodge No. 1997, from Western Pennsylvania for his outstanding efforts in educational reform and the promotion of professionalism among teachers.

A match teacher by training. Al Fondy has served full-time as president of the Pittsburgh Federation of Teachers since 1967. In 1976, he was elected vice president of the Pennsylvania AFL-CIO, and in 1980 he was elected president of the Pennsylvania Federation of Teachers.

Anybody who knows Al Fondy knows that he is the teacher's champion. Intelligent, fearless, fiesty, honest, gutsy, proud—these are words which come quickly to mind in describing Al Fondy. His advocacy on behalf of teachers in the city of Pittsburgh has helped to make the Pittsburgh public schools one of the best urban school systems in the country. He fights hard for what he believes, but he also works with everyone to make certain that children receive the very best that education can offer. He is a leader in the best sense of the word.

I hope my colleagues will join me in recognizing Al Fondy on this special occasion.

GREEK INDEPENDENCE DAY

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. RICHARDSON. Mr. Speaker, Congress recognized March 25 as Greek Independence Day: a national day of celebration of Greek and American democracy. This commemoration celebrates the long and reciprocal relationship the Greek and American people have shared over the past 2 centuries. I rise today to add my voice to those of my colleagues' who have also recognized this noteworthy event.

For 3 consecutive years now, the United States has celebrated Greek Independence Day. This is a most fitting tribute to the people of Greece and their American descendants. It is important to note that the ancient Greeks' democratic principles helped shape our constitutional democracy. Thomas Jefferson noted, "To the ancient Greeks * * * we are all indebted for the light which led ourselves out of gothic darkness." In the Federalist Papers, James Madison and Alexander Hamilton went on to remark, "Among the confederacies of antiquity the most considerable was that of the Grecian republics * * * from the best accounts transmitted of this celebrated institution it bore a very instructive analogy to the present confederation of the American states."

Forty years after the birth of our democracy, the situation reversed and the young United States of America had the opportunity to serve as a model for a Greek people struggling for their independence from an oppressive Ottoman Empire. The Greek revolutionaries translated the American Declaration of Independence in order to model their own declaration after it. The United States was to remain an example to a Greece fighting for its independence, and later, establishing a democracy.

The arrival of thousands of Greek families in the early part of this century heralded a new era in Greek-American relations. Americans of Greek descent have become an integral part of our growing and increasingly diverse Nation. Americans of Greek descent have excelled in every field imaginable: Greek-American doctors, lawyers, and artists,

have all contributed to our Nation's advancement. Many of our colleagues in Congress, in both Houses, are the children or grandchildren of Greek immigrants. In my home State of New Mexico, Americans of Greek descent have long contributed to the State's cultural and economic vitality. Just last year, a son of Greek immigrants became the Democratic candidate for President. And to this day, the United States continues to have a close relationship to the nation of Greece and its people.

Mr. Speaker, it is an honor and a pleasure to rise today and join in the celebration for Greek Independence Day. The people of New Mexico and I send all Greek-Americans and the Greek people the warmest wishes.

SECTION 89 REFORM BILL INTRODUCED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. CRANE. Mr. Speaker, On April 5, 1989, I will introduce a comprehensive section 89 reform bill. This legislation is a good beginning in the future discussion of section 89 when the Ways and Means Committee hosts some much needed hearings. This bill has evolved from extensive consultation with those individuals who represent the "heart of the business community."

The legislation has five major components:

First, elimination of all tests except the 80-percent test which would be reduced to a 70-percent test. After much discussion with various segments in the business community, they have conveyed the need for a simpler test that would allow for much broader compliance. That is the reasoning for the 70-percent test. It is a basic yes or no answer. There is no need to run many different tests to determine compliance. One test equals one answer.

Second, exclusion from the tests, of employees who normally work less than 35 hours per week. One of the biggest problems with the section 89 regulations is the perceived need that a part-time employee looking for some extra spending money is entitled to the same benefits of a full-time employee who may be career directed. The added cost to include part-time employees will dictate the elimination of many part-time and temporary jobs. The elimination of those jobs can only reduce payroll taxes and increase costs to Government need programs.

Third, exclusion of leased employees, union employees covered by collective bargaining agreements, mandatory retirees, and enrollees under the Older American Community Service Employment Act. Once again, as in the situation involving part-time employees, the use of leased employees and participants in the Older American Community Service Employment Act will only precipitate the elimination of these type of employment opportunities. Union employees covered by collective bargaining agreements already have a health plan that have agreed to in principle, so their inclusion in section 89 will only unnecessarily increase the costs to business. Mandatory retirees, such as airline pilots who are required by Federal law to retire by the age of 60, will only increase the perceived section 89 cost.

Fourth, delay of section 89 for 1 year to allow a full understanding of the changes. The need for a 1-year delay to attain comprehension of the reform changes provides fairness to those who are forced to adhere to section 89.

Fifth, provisions to provide that costs and penalties to employees will not exceed the cost of the benefit to the employer. This provision will provide fairness to the employee. The taxable income portion of benefits exceeding section 89 limits would be held to the cost of the benefit to the employer, not the benefit received by the employee.

Mr. Speaker, in the attempt to promote a particular policy, we have inadvertently created a maze of problems and triggered a cost that is enormous. The policy of equality in health plans was brought forth in 1986 but the regulations guiding this new policy initiative were not released until the first week of March, 1989. After much initial scrutiny, it is still plainly obvious that section 89 rules remain unworkable.

It is this reason that I offer reform legislation for section 89. It makes no sense to force the business community to comply with overburdensome regulations that are nearly impossible to understand. It is important for the Congress to work with the business community, not sabotage it with blind-sided shots to the midsection.

HUMAN RIGHTS IN CUBA

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. BEREUTER. Mr. Speaker, the principal human rights organ of the United Nations is the United Nations Commission on Human Rights. It was created under article 68 of the U.N. Charter to promote, protect, investigate, and make recommendations concerning the violations of human rights in civil liberties.

This is an important responsibility for any organization. Jeanne Kirkpatrick, the former U.S. Ambassador to the United Nations, pointed out in a recent Washington Post editorial that "Human rights violations have created more dead, more homeless, more human misery than all the weapons of mass destruction."

Unfortunately, there have been concerns that the Commission is a flawed organization and that its attention to a country is based on political considerations rather than a country's possible violations of human rights. In listening to past debates of the Commission, one sees a focus on real and imaginary violations by the State of Israel, and blindness to violations in other parts of the Middle East, or one could come to the conclusion that South Africa an egregious violator, was the only violator of human rights on the African Continent.

The United States has always worked in many areas with the Commission. For the past few years the United States has had a second objective of breaking the Commission's long silence on human rights violations in Cuba. After 4 years of intensive lobbying by the United States and other Western nations, the Commission agreed to investigate human rights violations in Cuba during 1988. A six-person delegation headed by Ambassador Alioune Sene of Senegal and made up of representatives from Ireland, Bulgaria, Colombia, Nigeria, and the Philippines, went to Cuba this past September and filed a nearly 400-page report on its findings.

It seems that while conditions have improved in some of Cuba's prisons from 30 years ago when Fidel Castro first took control of the island, and while some human rights violations have been reduced, there are still very serious violations of human rights. Cuba still has a long way to go. Political prisoners are still being held in miserable conditions, and there are charges of beatings and killings by guards. There is still control of free movement to and from Cuba, and harassment of Cubans with political views not acceptable to the Castro regime. The findings of the Commission delegation confirmed the reports of independent and reputable human rights organizations, such as Amnesty International and Americas Watch who have documented these abuses.

Because of the violations that were found in Cuba, it was our hope that there be continued international monitoring of the human rights situation in Cuba. However, even with the findings of serious human rights violations, it is with great frustration and regret that we find, Cuba was not made part of the formal agenda for the 1990 Human Rights Commission session. Instead, a resolution was adopted by the Commission requesting the Secretary General to maintain contacts with the Cuban Government and to follow up on questions that the Commission's investigative delegation raised but which were not answered.

Mr. Speaker, I regret that something more tangible was not done by the Commission. Certainly the findings of the Commission's delegation to Cuba and the reports of private human rights organizations would call for continued close scrutiny by the Commission.

However, one would hope that, as a result of the Commission's resolution on Cuba, more work will be done by the Secretary General to alleviate the human rights violations in that country, including reporting to the 1990 session of the U.N. Human Rights Commission on his findings. The Commission's Charter seeks to address the problem of human rights violations no matter where they occur. It is time that the Commission fully matches that mandate.

WINNER OF THE 1988/89 VOICE OF DEMOCRACY SCRIPT CONTEST

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. MACHTLEY. Mr. Speaker, I rise today to pay tribute to Jeffery Michael Grybowski, a young man from Cumberland, RI, who has

been chosen to represent our State in the Veterans of Foreign Wars of the United States and its Ladies Auxiliary Voice of Democracy broadcast scriptwriting contest. His entry, printed below, entitled "Preparing for America's Future," is an inspiring testimonial to the important role young men and women will play to ensure a healthy and prosperous future for this country.

PREPARING FOR AMERICA'S FUTURE

World hunger, national deficits, foreign conflicts, technological competition, and nuclear arms represent only a small number of the urgent crises that our nation will not only be forced to address, but to resolve in the very near future. Certainly, the quest for these answers will take us down a path that if both ambitious and difficult, yet far from impossible. This is a challenge that our nation must accept. It is our obligation to history and our responsibility to the modern world. Always, the leader has taken charge, stepped to the front, borne the brunt of the storm. This is America's future. It is a future of leadership and sacrifice, but resulting ultimately in glory. As the pacesetter of freedom, our nation's future lies in the resolution of these dilemmas and the establishment of America as the world's most progressive and dominant nation in both the humanities and in might. In order to attain these daring goals, to reach this lofty summit, our nation must be revitalized with a passion to be the best.

To conquer this future, it is imperative that we, as a nation, are prepared for the pressures and ordeals of our role. To ensure our readiness we must adopt the belief that our nation is obliged to rise above mediocrity. History teaches us that America has always been able to overcome great odds and lead to united victory. The epics of World War I, World War II, and the Great Depression, are testaments to our determination to survive. Yet, mere survival has never been enough, to pioneer and to lead have always been central. We have excelled because our people have labored to excel. That long line of men and women who fought at home and across the vast oceans to protect our nation and our ideals is the reason we have succeeded. The values and dreams of these heroes must now be instilled in today's Americans. But along with these virtues the modern American must be prepared with an advanced education.

The place of education in today's ever increasingly complex society is immeasurable. To be uneducated today is to be restricted from reaching the top. Foreign nations are rapidly advancing toward our levels of technological superiority. This trend must be reversed. Our nation must adopt a commitment to secure excellent standards of education for everyone. We must encourage an active sense of curiosity and develop a national atmosphere to stimulate learning.

But education consists of more than technical book knowledge. Education begins with a strong, unassailable belief in fundamental morals. A commitment to the values that helped forge and preserve our nation will play a vital role in our future. These are values that the heroes of our storied past, such as Roosevelt and Washington, held firmly. The values that led our soldiers on the field through Vietnam, Korea, and the World Wars. Hard work, integrity, loyalty, determination, and the belief in hope are virtues that must be integrated into the minds and goals of our youth. These aspects of education cannot be taught in schools and universities, but must be taught at home. They must be taught by that special, extraordinarily person: the devoted, patriotic American. Education begins, and ultimately, ends here.

In essence, America's future is to lead this world, this complex, confused world into the next century and beyond. This is our nation's responsibility: to lead the free world. To prepare for this tremendous role, we must be certain that our youth is trained and educated to the best of our nation, or any other nation's, ability. This knowledge must consist of not only technical and collegiate wisdom, but it must also encompass those basic American values that have meant so very much to our nation's heroes, those who fought to make this country the model of equality and justice that it has become. But, above all else, we must constantly strive to be better than we are. We can never be satisfied. We must always aim higher.

THE PRESIDENT'S EDUCATION INITIATIVE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. MICHEL. Mr. Speaker, since President Bush is today sending to us the Education Excellence Act of 1989, I thought we might begin our session with a test.

In taking our little test you may not seek the help of others, but, in fact, bipartisan cooperation is mandatory.

The first question is multiple choice.

President Bush's education initiative includes:

(a) A Presidential Merit Schools Program

(b) A new Magnet Schools Program

(c) A program for alternative certification of teachers and principals.

(d) Additional endowment matching grants for historically black colleges and universities.

(e) All of the above.

The answer is (e) "all of the above".

The second question is true-false.

President Bush's initiative for education also includes awards for teacher excellence, a National Science Scholarship Program and a drug-free schools urban emergency grant.

The answer is "True".

The final part of our test will be our willingness to help American children by supporting the President's initiative.

President Bush's education initiative recognizes and rewards excellence, uses Federal tax dollars to help those most in need and offers flexibility and choice. It is an A-plus initiative and deserves our support.

TIM McKNIGHT: "THE COMING RECESSION"

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. CLEMENT. Mr. Speaker, it is always a pleasure to recognize the contributions of one of our fellow citizens to the ongoing debate of important public policy issues. It is an even greater pleasure when that citizen is a student from one of our area's schools.

Tim McKnight, a senior at Hayfield High School in Alexandria, VA, has written an excellent paper on the danger of recession. Tim demonstrates his knowledge of the dynamics which could lead to a recession and recommends a course of action which would help prevent one.

I commend Tim for undertaking a difficult policy topic and mastering it. His words help clarify the issues, rather than cloud them. And his arguments will help policymakers as well as his fellow citizens understand the consequences of our current course of action.

I expect Tim to continue to participate actively in policy debates. And I know that his interest and enthusiasm will encourage others to participate and help lift the quality of debate on some of the important issues facing our Nation.

I would like to share Tim's paper with my colleagues and invite them to read it:

THE COMING RECESSION

(By Tim McKnight)

In recent weeks, there has been a great deal of news about the urgent need for the government to adopt a plan to rescue the budget and trade deficits. In the background, economists have been warning that a recession will take place in the next few years. This recession is predicted to cause the economy to function at a staggeringly slow pace. It is possible that it could even bring the economy to a screeching halt. A halt in the economy would spell disaster for American government and businesses because it would make it impossible for them to function under their heavy deficits. In order to prevent this disaster from taking place the government should adopt a deficit reduction plan. It should also be cautious in regulating the slow moving economy which will exist under the coming recession.

The economy has grown at a very fast rate, dumping a large amount of debt on the shoulders of American companies. This growth rate is also to be blamed for the shortages of workers and factory capacity in companies all over the United States. These companies have no alternative but to raise their wages in an effort to attract workers. This wage increase would add to the debt of the companies and force them to compensate by raising their prices. This price increase would create the risk of a loss of business from consumers. Thus the companies would fall deeper into their pits of deficits.

The Federal Reserve System is expected to raise interest rates in an effort to curb the rapid growth rate that caused these deficits. This action would most likely cause a recession, which would be very disastrous for companies which were unable to reduce their deficits. They would not produce as many goods as they had previously, therefore, they would not receive as much money. Their lack of sufficient funds would force them to lay off some of their workers, resulting in a higher unemployment rate. The companies would again be forced to raise prices, creating another product of the recession.

The recession could also cause an increase in inflation. This increase would repel the foreign consumers who buy U.S. exports. As a result of the recession, there would be less exports to sell to these consumers. Therefore, it would be necessary for the government to decrease the value of the dollar in

an effort to make this limited number of goods look more "attractive" to foreign consumers. An unstable dollar would make the U.S. economy look shaky to foreign investors, and create the risk of them cutting back on their investments. To counter this reaction, the Federal Reserve would raise interest rates to attract these investors. Foreign investors, however, aren't the only individuals with whom the U.S. government should be concerned.

The government must also be concerned about American consumers and stockholders. "The financial markets lately have a way of getting very excited if they perceive that things are not going their way." (Rudolph 46) Economists predict that another stock market crash will occur if the Bush Administration does not have a deficit reduction plan working soon. A stock market crash could be the "straw that broke the camel's back" during a recession.

Therefore, the Bush Administration should propose a working deficit reduction plan. It should also be cautious in regulating the slow moving economy which will exist under the coming recession. If the Administraiton fails to do these two things, the damage to the economy may be irreversible. American factories would go out of business; the U.S. would lose its place as a foreign trading power; and the U.S. stock market would most likely crash. These three factors could hurl the country into a depression.

"HAIL TO THE VICTORS" MICHIGAN WINS NCAA TOURNAMENT

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. PURSELL. Mr. Speaker, I would like to take this opportunity to recognize the outstanding performance of the 1989 National Collegiate Athletic Association Basketball Champions—the University of Michigan Wolverines.

The Wolverines beat the Seton Hall Pirates in a heartstopping championship game on Monday, April 3 in Seattle, WA. Before a sell-out crowd and millions of television viewers at home, the Wolverines won the national title with a 80 to 79 overtime victory. It was a fitting end to an equally emotional season for the University of Michigan team.

The Wolverines started the season ranked No. 1 in the Nation, only to fall victim to the intense competition in the Big Ten Conference. At the end of the regular season, University of Michigan compiled a record of 24 and 7.

Because of the team's rollercoaster season, the Wolverines were given the third-place seed in the Southeast Region of the NCAA tournament. And, adding to the skepticism of the Wolverine's chances, Head Coach Bill Frieder accepted the top basketball job at Arizona State University on the eve of the tournament.

Most experts and sportswriters held little hope for this University of Michigan team to win it all. But the players and Interim Head Coach Steve Fisher rose to the occasion.

In their first tournament game, the Wolverines beat Xavier of Ohio by a score of 92 to 87. They next beat South Alabama, 91 to 82. In their regional semifinal game they upset North Carolina, 92 to 87.

The Wolverines won the Southeast Region by soundly beating Virginia, 102 to 65, and advanced to the Final Four. There, they met Big Ten rival Illinois, the top-ranked team from the Midwest Region. University of Michigan won, 83 to 81.

Then the spectacular final game—the Wolverines against a little-known team from New Jersey, Seton Hall.

Even before the game started, it had all the makings for a terrific story. Here was Michigan, with an undefeated rookie coach leading his team to the national title game. On the other bench sat a team hardly recognized as a national basketball powerhouse, also basking in the national limelight.

By the end of regulation play, the teams had played to a 71–71 tie. Not since the early 1960's had the championship game gone into overtime but these two Cinderella teams were destined to make history. They played for another 5 minutes and the Wolverines emerged the victors, 80 to 79.

Michigan fans long will remember the images. They will remember Rumeal Robinson's two free throws with 3 seconds remaining in overtime. They will remember the record-breaking performance by Glen Rice as he earned the MVP Award. They will remember the emotion and dedication of the entire team.

At a time when sports in our Nation have fallen prey to criticism and investigation, the University of Michigan Wolverines have won a National Title with class. They played with a tremendous amount of heart and should serve as an inspiration.

Mr. Speaker, I think it is fitting at this point to mention all the members of the team—for they all have contributed in their own way to this winning season and deserve recognition. They are: Glen Rice, Rumeal Robinson, Loy Vaught, Sean Higgins, Terry Mills, Mark Hughes, Mike Griffin, J.P. Oosterbaan, Demetrius Calip, Rob Pelinka, Marc Koenig, Kirk Taylor, Eric Riley and James Voskuil.

Mr. Speaker, I ask the other Members of the U.S. House of Representatives to join with me in congratulating the University of Michigan Wolverines on winning the 1989 NCAA Tournament. As our fight song says, "Hail to the Victors Valiant!"

IRANIAN PERSECUTION OF THE BAHA'IS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. YATRON. Mr. Speaker, I am pleased to introduce, together with my colleague, Mr. BEREUTER, legislation concerning the Iranian persecution of the Baha'is. On three other occasions, the Congress has passed resolutions in protest of the Government of Iran's grievous human rights situation, in particular its treatment of members of the Baha'i faith. Unfortunately, current conditions in Iran warrant yet strong protest from this body.

This resolution calls upon the President to continue to emphasize the need for improvements in the Government of Iran's human rights policy, particularly its treatment of Baha'is and other religious minorities. It further asks the President to encourage and cooperate with other governments in joint appeals, as well as to initiate and support actions by the United Nations to protect the religious rights of Baha'is. The President is also called upon to provide for refugee and humanitarian assistance for those Baha'is who flee their homelands on account of religious repression.

Mr. Speaker, the Subcommittee on Human Rights and International Organizations, which I chair, has conducted three hearings in recent years to address the persecution of the Baha'is in Iran. Our concern continues for our appeals on behalf of Iranian Baha'is have gone unheeded and our questions unanswered. Since past congressional inquiries regarding Baha'is have been met by Iranian authorities with silence, I hope, today, we can work toward shattering the silent slaughter of innocent victims in Iran.

In 1979, we saw the Shah deposed and the emergence of the Ayatollah Khomeini. The Ayatollah, though a religious figure, did not bring to his office religious and political tolerance; he instead implemented vicious fanaticism as the law of the land. Iranians began to die by the thousands, either in the war with their neighbor, Iraq, or in political and religious executions which became an almost daily occurrence. According to the special representative to the U.N. Commission on Human Rights, there were more than 7,000 executions in Iran between 1979 and 1985. This figure excludes those countless secret executions not announced by the authorities. Many Iranians whose lives and liberty were threatened, fled. Those who remained were tortured or incarcerated, or at the very least, robbed of their basic freedoms.

Mr. Speaker, though the executions of Baha'is have subsided somewhat in Iran during the past year, conditions for this religious community are still poor since losing their lives is not the only problem facing Baha'is in Iran. Even though they represent the largest religious minority in this Middle Eastern country, their religion is not recognized and their places of worship are destroyed. Their marriages are not sanctioned, and their children are denied the opportunity to attend university. There is nowhere for them to go for justice for every vestige of due process has been eliminated.

The Baha'is are a gentle and peace-loving people who espouse equality and education. Those of us who know them wonder why the Baha'is who teach about the eradication of prejudices have been so prejudiced against, and why their prosecutions and persecutions continue in Iran. We must take action once again to let the world know the Iranian Baha'is are not forgotten. They are alive in the minds and hearts of all of us. Their faith has become an inspiration to us, and has illuminated a very dark period in Iran's history.

Mr. Speaker, this is a bipartisan initiative which has the support of the administration. I urge my colleagues to send Tehran another

strong message by voting in favor of this resolution.

NEW MYTHS AND OLD REALITIES

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. HAMMERSCHMIDT. Mr. Speaker, Paul Greenberg is one of Arkansas most esteemed journalists. He is the editorial page editor of the Pine Bluff Commercial and is a nationally syndicated columnist. I commend to my colleagues this article written from his perspective as a long time astute reporter from Arkansas.

SCURRYING TO LEAP ABOARD

(By Paul Greenberg)

Bill Fulbright must have another book coming out; the former senator from Arkansas has been granting interviews to the press. The collected literary works of J. William Fulbright generally have the stale air of warmed-over speeches about them, but if his next book is as amusing as his statements to reporters, it ought to be a best seller. That his humor appears unintentional only adds irony to his appeal.

For example, Mr. Fulbright left the impression with poor Maria Henson of the Arkansas Gazette that he was a fan of President Dwight D. Eisenhower because, as he put it, Ike "never made foolish commitments to other countries." One would never have suspected the gentleman from Arkansas of harboring such an admiration when he was delighting Democratic stalwarts by asserting that Ike's foreign policy constituted a "drift to disaster."

The Eisenhower administration made commitments all over the globe to contain communism. That includes the Southeast Asia Treaty (John Foster Dulles, godfather), the Baghdad Pact and the Formosa Resolution. Gen. Eisenhower was also that last president to dispatch American troops to Lebanon in time; only after he was gone was Lebanon vivisected. And it was the Eisenhower administration that, having threatened to use nuclear weapons, brought the Korean War to an end. The essential difference between these commitments and J. William Fulbright's as floor leader of the Tonkin Resolution for Southeast Asia was that the Eisenhower administration kept its commitments.

Now the historians are beginning to recognize the Eisenhower administration as one of the more successful of this century, and J. William Fulbright is scurrying aboard the bandwagon. He certainly never had a good word to say about Mr. Eisenhower when a good word was most needed: in the year of the Little Rock crisis.

When his state was being stampeded by an ambitious demagogue in Little Rock, J. William Fulbright took advantage of the opportunity to take an extended trip abroad. Tracked down in England, he had no comment on the greatest crisis of law and conscience to confront Arkansas this century. He lay low for a whole month while matters swayed in the balance and, when he finally did speak up, it was to give aid and comfort to the mob and, yes, to criticize Dwight D. Eisenhower. A year later, he would file a personal brief with the Supreme Court of the United States challenging the Eisenhower administration's policy in desegregating the schools at Little Rock.

It's no secret why J. William Fulbright skedaddled when he was most needed; He was afraid of losing his precious political office. Instead, he lost his political soul.

J. William Fulbright's elevated abandonment of principle hurt more than Gov. Orval Faubus' sheer opportunism. It still does. Sen. Fulbright was supposed to know better; he was an educated man. To quote the National Association for the Advancement of Colored People's Daisy Bates at the time: "Why does he have to sell his soul and his people like that? . . . I'll listen to Faubus more than I'll listen to Fulbright."

To this day, Mr. Fulbright speaks highly of education as the hope of the world; he is about to get another prestigious award for his justly acclaimed Fulbright Fellowship program—yet his own rise, which was not always easy to distinguish from his fall, mocks any claim that formal education must necessarily produce moral leadership.

The Gazette's Maria Henson writes that Mr. Fulbright keeps referring to himself as an old man. But he was old in his prime. He forsook the spirit of youth as soon as he chose political preferment over principle. Oldness is not a matter of years. No wonder the more discerning of Mr. Fulbright's admirers, like theologian Reinhold Niebuhr, mixed their admiration with pity.

And what did J. William Fulbright do with that all-important position in the Senate for which he had sacrificed his voice when Arkansas needed it most? His abandonment of black Americans in the 1950s and '60s only prefigured his abandonment of Asians in the 1970s. He didn't see leaving Southeast Asia to the communists as a moral problem, either. As he put it, "What earthly difference does it make to nomadic tribes or uneducated subsistence farmers, in Vietnam or Cambodia or Laos, whether they have a military dictator, a royal prince or a socialist commissar in some distant capital that they have never seen and may never even have heard of?" It's not as though Asian peasants were cultured denizens of the Arkansas Ozarks.

It should be noted in fairness that J. William Fulbright spoke those awful and all too revealing words before the tide of Boat People would demonstrate just how much humans will risk for a bare chance at freedom—whatever their country, their class or their race.

Now the pious old fraud lunches with a group of discerning Washington journalists at the Willard, and is depicted as an Eisenhower fan. What next—will he emerge as a believer in, civil rights? Surely none of the others at the table were so gauche as to bring up the Southern Manifesto, or the Little Rock crisis, or the guest of honor's attacks on the Eisenhower administration at the time . . . or in any other way soil a pleasant lunch by mentioning something so sordid as reality.

PUERTO RICO MOVING TO DECIDE ITS FUTURE RELATIONSHIP WITH THE UNITED STATES

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. FUSTER. Mr. Speaker, once again I want to bring to the attention of my colleagues significant information about the proposed political status plebiscite in Puerto Rico. As you know, enabling legislation will soon be introduced in both Houses of Congress to authorize a plebiscite in Puerto Rico among the choices of federated statehood or full independence or an enhancement of the existing Commonwealth status.

As I have reminded my colleagues several times in recent weeks, I favor the latter choice, because Commonwealth status has worked well for both Puerto Rico and the United States. To that end, Mr. Speaker, I would like to share with my colleagues today some remarks that the Governor of Puerto Rico, Rafael Hernández Colón, delivered earlier this month at Yale University. Governor Hernández Colón spoke as a Chubb Fellow, the highest honor Yale confers on visiting lecturers.

Governor Hernández described the plebiscite as one in which "the people of Puerto Rico will be able to express their preference as between independence, statehood, and the status I strongly favor—an enhancement of the present Commonwealth status founded on permanent union with the United States."

The Governor said: "I hope the people's decision will not be statehood. I believe quite frankly that, if Puerto Rico were to become a state tomorrow, it would suffer economic dislocations from which it would not recover for many years—if ever. In addition, it would lose its uniqueness and attributes of flexibility that have allowed it to succeed economically, politically and culturally, beyond what many thought possible.

"In that referendum, I will staunchly defend Commonwealth's proven capacity to maintain our unique cultural identity and to enhance our economy to the highest level possible," he said.

The Governor added that, "The different tax treatment that Commonwealth status allows has proven to be the economic salvation of Puerto Rico. * * * The Commonwealth has taken advantage of its tax autonomy to forge an economy where pride in work has replaced the indignity of dependency."

Governor Hernández explained further the importance of Section 936 of the U.S. Internal Revenue Code to Puerto Rico's economic growth. He said:

"Through 936, Puerto Rico has gone from having the weakest economy in the Caribbean to the strongest. Section 936 accounts for 300,000 jobs in Puerto Rico, one-third of our work force. If Puerto Rico were a state this Section 936 and Puerto Rico tax autonomy would disappear. * * *"

This tax advantage is a necessary compensation for Puerto Rico's enormous population

density and its dearth of natural resources, said Governor Hernández. "As an island 100 miles long and 35 miles wide, its population density is greater than Japan's. If the U.S. mainland had Puerto Rico's population density, the entire population of the world, including China, would be crammed within the borders of the continental United States," he said.

Governor Hernández spoke before the same audience on the subject of "Puerto Rico's Role in the Caribbean—The Next Century." He said a new idea "has begun to reshape the Caribbean," that of collaboration in the region, with Puerto Rico playing a particularly active role.

"Suddenly, demarcation between the English-speaking Caribbean and the Spanish-speaking Caribbean that has fragmented our region of small states seemed less important than the economic progress we might all make together," said Hernández, "as we in Puerto Rico began to act with our Caribbean neighbors in a new dimension."

He added: "We launched the Complementary or Twin Plant Program combining lower labor rates elsewhere in the Caribbean with technologically advanced finishing operations in Puerto Rico, enabled by our tax program and low cost capital. In this manner we were able to produce jointly what no one country could profitably produce on its own. We saved and created manufacturing jobs in Puerto Rico and the Caribbean region that were otherwise destined for the Far East."

Solid results have been achieved, said Governor Hernández. "As of January 1989, we had promoted the investment of $165.3 million in Caribbean Basin Initiative countries. This includes 60 projects in 11 Caribbean countries, which represent a total of 10,327 jobs."

Governor Hernández said: "Puerto Rico is willing to play an important role in the advancement of the region as an economic bloc. I believe the Caribbean nations have an opportunity for substantial growth. As a region we can be competitive with Asia and greatly expand exports to the United States, Europe and South America. * * * Puerto Rico and the rest of the Caribbean will be active participants in the global drama that is about to be played out."

The Chubb Fellows comprise a distinguished group, including a number of U.S. presidents and foreign notables. Presidents Ronald Reagan, Jimmy Carter, Jerry Ford, and George Bush have all been honored by being named Chubb Fellows.

Mr. Speaker, the Governor of Puerto Rico has spoken eloquently and persuasively about the political status of Puerto Rico, and I urge my colleagues to reflect upon his observations.

INCREASE SPECIAL EDUCATION

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. AuCOIN. Mr. Speaker, today I am introducing a resolution to restore funding for educating children with handicaps to a level which more closely approaches the promise Congress made 14 years ago. My colleague Mr. SMITH of Vermont has agreed to join me in this effort.

The Education for All Handicapped Children Act of 1975 was landmark legislation by any measure. Before it passed, 60 percent of the Nation's handicapped children were not receiving an appropriate education; 1 million were effectively excluded from the public school system. Strong Federal leadership turned that around. Public attitudes changed; States and localities mounted major efforts to respond to the need. Today, nearly all special education students are attending regular schools and receiving individual attention through a wide variety of services.

Though much remains to be done, the bedrock principle of equality of opportunity for all the Nation's children has been well-served by this law. Those who supported it and those who carry it out are justifiably proud of the achievment. Public support remains as strong as ever. I am confident that when the act is reauthorized this year it will have overwhelming bipartisan support.

In congressional debate leading to passage of the legislation there was extensive discussion about the Federal role in funding special education. It was understood that special education would cost more than education for children without handicaps, but no one knew how much more. The consensus embodied in the act was that States and school districts bore the primary responsibility for educating all their children, including those with handicaps, but that the Federal Government would contribute a substantial share for special education.

The law authorized Federal assistance to States and school districts for special education according to a simple formula—the number of special education students times a percentage of the cost of educating a regular student without handicaps, called the national average per pupil expenditure. The percentage of Federal share was to rise from 5 percent the first year to 40 percent the fifth year; 40 percent is still the authorized figure.

That was the promise. The record has been something else. The actual share of Federal assistance reached 12 percent in the late 1970's, which is the best we have done. It dropped below 9 percent in the mid 1980's. But thanks to congressional leaders of both parties who refused to accept President Reagan's proposed cuts, it has been maintained above 9 percent since then. Unfortunately, the President's request for fiscal year 1990 would again drop it to 8.5 percent.

Because the costs for special education average more than twice those of educating students without handicaps, the Federal contribution currently covers only about 7 percent of what States and school districts are actually spending for special education.

An early sponsor of special education legislation, Senator Harrison Williams, said in 1972:

The theory that the Federal Government can provide minimal assistance to the States as incentive grants to provide extensive educational services simply does not meet the mark in this instance * * *. It is hard to argue to the States that the Federal Government is serious about full educational opportunity for all handicapped children when we are not willing to invest money to make this goal a reality. If we are going to make a real commitment to full and appropriate services, and expect the States to carry through on this commitment, we will have to put our money where our mouth is.

Mr. Speaker, those words are still true. No matter how many new initiatives we devise to promote excellence in education, and there are some truly exciting developments which merit our support, we cannot succeed if we neglect the basics. And Federal leadership to keep this Nation's educators and students competitive will not be effective if we fail to keep our promises.

In States and localities across the country local authorities are wrestling with the problem of inadequate school funding. In my home State, Oregon, many schools are underfunded and their fate is the focus of protracted debate. The commitment to provide special education and other priority needs is strong, but the resources are short.

In one suburban school district, for example, two aides have been hired to serve, full-time, two severely handicapped first-graders. The district is educating these students, as everyone agrees they should. To provide this and other special education services, the district increased its special education budget 10 percent while everything else is essentially frozen at the last year's level. No additional teachers to reduce class size. No new equipment and materials. No increase in individual attention to students.

As a status report on the successes and challenges facing special education today issued recently by the Robert Wood Johnson Foundation concluded:

Perhaps today's largest and most important concern is whether special programs for handicapped children can be maintained against the onslaught of cost-containment pressures now facing school districts.

Mr. Speaker, at a time when U.S. high school students recently finished 13th in worldwide competition in math and science, we simply can't afford gridlock in local school budgets. We must provide the resources to teachers who want to teach and to school districts which want to produce students capable of meeting the challenges we face. All students, those with handicaps and those without, are shortchanged if we fail to keep our promise to special education.

My resolution calls for an increase for special education during the two sessions of the 101st Congress to 15 percent of the national average per pupil expenditure, up from the 9.2 percent we are providing now and 8.5 percent requested in the President's education budget. Given the promise we made to provide 40 percent, this is not a radical proposal. Given how far short we have fallen, it is also better than modest.

Yet it clearly can be done if the Congress will renew its commitment to fully educate all our children. And it must be done if we are going to live up to our rhetoric about educational excellence. I ask for the support of my colleagues in this effort.

The resolution follows:

H. CON. RES. —

Whereas in the Education of the Handicapped Act, the Congress made a commitment to invest in the educational fulfill-

ment of the more than 4,000,000 children and youth of the Nation requiring special education;

Whereas the ultimate ability of our Nation to compete and to advance the common good depends on our willingness to provide an adequate education to all our children;

Whereas by promising to provide assistance for special education equal to 40 percent of the nationl average per pupil expenditure, the Congress made a commitment to help Stats and localities meet the costs of providing special education and related services mandated by the Act to allow children with disabilities to develop their potential;

Whereas the Federal share of the cost of the programs under the Act has never reached 40 percent and has in fact dropped from 12 percent in the late 1970's to 9 percent in fiscal year 1989;

Whereas as a consequence of the failure of the Federal Government to meet its commitment, States and localities have had to bear increased cost of special education program which should be borne by the Federal Govenment; and

Whereas if the Congress met its funding commitment, then all students would benefit from access to greater educational resources, such as more teachers, smaller class sizes, more individual attention, more materials, and more adequate support personnel and services: Now, therefore be it

Resolved, by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the commitment to a free, appropriate public education for all children regardless of disability should be reaffirmed through a significant increase in Federal funding for programs authorized in the Education of the Handicapped Act; and

(2) appropriations made by the 101st Congress to assist States and localities in providing education to children and youth with handicaps should equal at least 15 percent of the national average per pupil expenditure.

A MILESTONE IN RESTORING U.S. COMPETITIVENESS IN SEMICONDUCTOR MANUFACTURING

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. PICKLE. Mr. Speaker, on March 30, the high-technology manufacturing consortium known as Sematech achieved a major milestone in this country's effort to reassert it's leadership in the field of semiconductor technology—the first group of semiconductor wafers fully processed and manufactured at Sematech's new facility in Austin, TX.

In producing these wafers, Sematech beat by 3 days a self-imposed deadline which most experts thought could not be met. Sematech moved into its new Austin facility less than a year ago, on April 15, but still beat the timetable—and produced a higher yield of quality chips than anticipated.

Mr. Speaker, I think this accomplishment justifies the support which the Congress has given to this public and private partnership. It shows what we can achieve if we work together on common goals. I am proud of Sematech's work, and I am sure my colleagues will continue to give their strong support to this vitally important project.

Mr. Speaker, I insert the Austin American-Statesman's account of the successful production of the first semiconductor wafers in the RECORD following my remarks.

[From the Austin-American Statesman, Mar. 31, 1989]

SEMATECH SHOWS OFF FIRST WAFER

(By Kyle Pope)

Sematech on Thursday showed off the first silicon wafers produced entirely in its South Austin clean room, beating by three days a self-imposed deadline experts once thought couldn't be met.

"What we're talking about is finally getting the first silicon from beginning to end," said Robert Noyce, Sematech's president. "This is a major milestone."

Sematech, a joint public-private consortium formed to boost U.S. semiconductor manufacturing technology, moved into its Montopolis Drive facility nearly a year ago.

The consortium completed work on its clean room in 32 weeks—an industry record—and pledged to produce its first semiconductor wafers by March 31.

Noyce said the wafers, which have been code-named after historic Texans, were complete March 28.

Using technology donated to Sematech by American Telephone & Telegraph Co., about 160 Sematech employees have been working since early January—some 24 hours per day—to complete the wafers, which will be sliced and tested to determine how well Sematech's equipment worked. After the tests, the wafers will be destroyed.

Sematech's goal is not to produce marketable computer chips, but to improve the processes and equipment used to make the devices.

Sematech officials declined to detail the effectiveness, or yields, of the wafers, which under normal circumstances would be cut into about 180 semiconductor chips and inserted into plastic casings.

The 5-inch wafers, called static random access memory chips, or SRAMs, contain circuits as small as 1/100th the width of a human hair. In the private sector. the devices are used in a variety of electronic equipment, including computers, defense systems and medical equipment.

Sematech's next milestone, Noyce said, will be to produce larger semiconductor wafers with more memory capacity. Under the consortium's operating plan, Sematech will be producing wafers by the end of next year with circuitry twice as small as those now produced.

NATIONAL GUARDIANSHIP RIGHTS ACT OF 1989

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. PEPPER. Mr. Speaker, I am today reintroducing legislation mandating national safeguards for elderly and infirm Americans facing or under guardianship. The bill, the National Guardianship Rights Act, is designed to combat widespread abuse and neglect recently uncovered in the Nation's system of guardianship. I am most pleased that my good friend and colleague Senator JOHN GLENN of Ohio, who has been such a leader in national efforts to better the lives of older and vulnerable Americans, is sponsoring companion legislation in the other body.

This legislation is truly a civil rights measure. It would put an end to the widespread abrogation of rights of our Nation's most vulnerable elderly which our guardianship system today sadly permits. The current system is nothing less than a national disgrace. Unfortunately, many State and local guardianship systems have become sleeping watchdogs of personal liberty to the point where even a convicted felon is guaranteed more rights in many areas than innocent elderly and disabled Americans who are the subjects of guardianship proceedings. Because the imposition of a guardianship is so onerous—one loses the right to vote, own property, marry, make medical decisions, and other basic rights—there must be strong national safeguards against unnecessary and unduly restrictive guardianships. There are over 500,000 Americans under guardianship today.

A recent investigation and hearing by my Subcommittee on Health and Long-Term Care of the House Select Committee on Aging as well as an intensive investigation by the Associated Press exposed guardianship as a system designed to protect the elderly and infirm which had become in too many cases an avenue for abuse. Our work revealed the desparate need for major reforms to the system of guardianship. This bill, which builds upon the best of practices throughout the States and localities, is the culmination of long aims to restore guardianship to a system which does indeed serve to protect our Nation's most vulnerable citizens.

Injustices like that suffered by a 91-year-old man from Michigan whose family recently wrote me are the target of this bill.

Mr. Clapsaddle, a retired General Motors executive, was placed under a guardianship and stripped of all rights and possessions with no hearing and based only on the testimony of one person, a speech therapist. Although found by an independent psychiatrist to have a "fine and active mind," he was unable to contest the guardianship and died without any rights.

The National Guardianship Rights Act would require that all Americans facing the imposition of a guardianship receive adequate notice of impending guardianship proceedings; be represented by trained attorneys and to have counsel provided if they cannot afford one; be afforded an examination by an independent professional team before any guardianship may be imposed; have the right to a jury trial; and, have a right to prompt appeal of the decision or choice of guardian. The bill requires that all guardians be of competent character; receive thorough training; provide at least annual reports on the financial and physical well being of the incapacitated person; and be subject to annual review and automatic removal by the courts. The U.S. Attorney General would be charged with enforcing this civil rights legislation and is authorized to withhold Federal moneys from States found not to be in compliance with the act.

Mr. Speaker, the National Guardianship Rights Act of 1989 was developed with the assistance of our Nation's top legal experts. The American Bar Association, the National Senior Citizens Law Center, the American Civil Liberties Union, and many other organizations and individuals provided us excellent assistance. It is my great hope that we can have the cooperation and efforts of these and other groups and individuals this year. It is my intent to hold further hearings before the Aging Committee on this important matter. It is my hope that the House and Senate Judiciary Committees will also convene hearings on this legislation and will report it out favorably as early as possible this session.

Mr. Speaker, I urge my colleagues to join Senator GLENN and myself in supporting this timely and greatly needed civil rights legislation.

THE RAOUL WALLENBERG SCHOLARSHIP PROGRAM'S HUMAN RIGHTS ASSEMBLY IN BUDAPEST, HUNGARY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. LANTOS. Mr. Speaker, I rise to call the attention of my colleagues to the Raoul Wallenberg Human Rights Assembly to be held in Budapest, Hungary from April 14–16, 1989. This unique event was conceived by the Raoul Wallenberg scholars, outstanding U.S. students on fellowship for 1 year of study at the Hebrew University in Jerusalem to study the phenomenon of leadership and democratic ideals.

The fellows aim in going to Budapest, the site of Wallenberg's heroism, is not only to gain greater personal understanding but also to increase public awareness of Wallenberg's moral courage and struggle to further human rights during World War II—lessons that are very relevant in the world today.

The chairman of this exceptional program is Mr. Fred Schwartz. He has provided enthusiastic leadership and generous support for the Wallenberg Scholarship Program for several years now. Ivan Tillem, a prominent New York attorney who is well-known for his many humanitarian activities, is also sponsoring this Budapest event.

The students will reverse the tragic journey that hundreds of thousands of Hungarian Jews made in the Holocaust. They will begin their activities by taking a train from Auschwitz back to the historic Budapest train yard, the place where tens of thousands were loaded onto train cars to be taken to death camps. Upon arriving in Budapest, many memorial events are planned: A symbolic "life march" to the Wallenberg statue, a walking tour of important Wallenberg sites from World War II, a commemoration of the righteous rescuers at the Jewish community center, a tour of the Hungarian Parliament and meetings with some of its members, and receptions and other meetings with Hungarian, Swedish, and United States officials.

A symposium will be held to examine the subject of human rights. A delegation of Members of the United States Congress, headed by my good friend Steny Hoyer, Chairman of the Helsinki Commission, will participate in this day-long event. Also taking part will be prominent academicians, diplomats, lawyers, and human rights activists from Israel, Sweden, and the United States.

Other distinguished participants who will join in these important commemorative events include Holocaust survivors, members of the Hungarian Jewish community, officials of the Swedish and United States Embassies in Hungary, members of the newly formed Hungarian Raoul Wallenberg Committee, and Hungarian-born Jewish violinist Isaac Stern and his wife.

A highlight of this program will be a special banquet where my dear friend, Ambassador Per Anger, the Swedish diplomat who assisted Wallenberg in Budapest during 1944, will be honored with the first Raoul Wallenberg Human Rights Medal. This outstanding award is being inaugurated to commemorate extraordinary accomplishment on behalf of human rights. It not only honors Ambassador Anger, a great humanitarian, but also once again reminds us of Raoul Wallenberg's great contribution to human rights.

Mr. Speaker, I invite my colleages to join me in paying tribute to the Wallenberg scholars and to Ivan Tillem and Fred Schwartz for this outstanding commemorative program. It is a fitting tribute to a truly great hero of our time, Raoul Wallenberg.

RODEO CHAMPION CASEY TIBBS AND THE PRO RODEO HALL OF CHAMPIONS

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. HUNTER. Mr. Speaker, Casey Tibbs, who has won more professional world championships in rodeo than anyone else, is still working for others. His goal today is to raise money for the Pro Rodeo Hall of Champions and Cowboy Museum in Colorado Springs. Casey is fundraising chairman for the Pro Rodeo Hall of Champions, and is busy selling tickets for the fundraising dinner and auction, which he has donated one of his championship saddles to, at the Beverly Wilshire Hotel in Los Angeles on April 12.

As a rodeo fan, I've followed Casey Tibbs for years. I knew that Casey won his first world championship in 1949 at the age of 19. Equally amazing was how this first saddle bronc championship was followed by five more of the same, a bareback bronc world championship, and two all-around world championships. Casey has been very active in the campaigns of Presidents Nixon, Ford, Reagan, and Bush as well as my own. He has also helped out at innumerable benefits for worthy causes, from being the keynote speaker at dinners to nailing up posters for his hometown rodeo in Ramona, CA.

President Theodore Roosevelt, an advocate of the strenuous life for Americans, was impressed with the qualities of Western cowboys when he ranched in the Dakotas, and recruited many of them for his famous "Rough Rider" regiment in the Spanish-American war. "Sinewy, hardy, self-reliant, their life forces them to be both daring and adventurous," wrote President Roosevelt of the cowboys of the last century. He added, "when a number get together there is much boisterous mirth but they are frank and hospitable to a degree."

The American frontier is a thing of the past, but there are still Western ranges where there is work for horsemen, and where the cowboy attributes mentioned by Teddy Roosevelt are found. Professional rodeo demands the same qualities that were a hallmark of frontier life, and no one epitomizes them more than Casey Tibbs. Casey's sense of humor is intact, as anyone familiar with his practical jokes can testify. If you telephone Casey today, you will usually hear a recorded message, "You have reached the home of America's best loved cowboy, who will return your call as soon as possible."

Recently, I heard that Casey was ill. I went to visit him at his home to see what I could do for him. Instead of talking about himself, Casey was interested only in talking about raising funds for the Pro Rodeo Hall of Champions.

The Pro Rodeo newsletter, "The Roundup," quotes Casey, "When I was competing as a bronc rider, all I cared about was competing in as many rodeos as I could get to and make as much money as I could, and having as much fun as I could fit in. Then came January of 1988. I was a guest speaker as the ceremony inducting the late Malcom "Mac" Baldrige into the Pro Rodeo Hall of Champions as a Rodeo Notable Honoree. Malcom Baldrige was Secretary of Commerce when killed in a roping accident. We relived a lot of rodeoing that afternoon and I gained a greater understanding of what it takes to make a museum like the Pro Rodeo Hall of Champions a reality.

Casey Tibbs' major goal today is to enlarge and preserve Western history through the Pro Rodeo Hall of Champions. If you would like to find out more about the Hall of Champions, write to Mike Warner, executive director, Pro Rodeo Hall of Champions and Museum of the American Cowboy at 101 Pro Rodeo Drive, Colorado Springs, CO 80919, or call him at (303) 593–8840.

PLIGHT OF RESIDENTS OF BORDER COMMUNITIES

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. COLEMAN of Texas. Mr. Speaker, I rise today to introduce legislation to assist communities on the United States' side of our border with Mexico in their economic development efforts. In the last few years, I and a number of my colleagues have brought to the attention of the Congress the plight of residents of border communities referred to as colonias, where families live without access to running water or sewage service. Aside from these very immediate needs, however, a number of broader problems exist that are also endemic

to the border region which this legislation proposes to alleviate.

There is no doubt in the minds of those of us who represent the border congressional districts that many of our communities are economically depressed. With nearly 2 million residents living in the 30-county border area, it is unfortunate that this population has such few resources, little income, and a low-tax-base. Aside from the lack of water and sewage facilities and the substandard housing found in the region, residents also experience very high rates of illiteracy, school dropouts, poverty, and unemployment. The potential for economic development in the area is great, but the current conditions are not conducive to allowing communities to become self-sufficient.

Of the 10 United States cities with the highest unemployment rates last year, four were cities along the United States-Mexico border. The very low tax base of the population in this region makes it nearly impossible for local communities to support programs to alleviate these conditions. In turn, a population this size creates a need for additional infrastructure—more highways, airports, schools, hospitals, and sewage treatment plans. Due at least in part to the impoverished nature of the region, providing the resources for these projects presents additional challenges that other communities in our country do not otherwise face.

Mr. Speaker, it is for this reason that today I am introducing legislation to establish a United States-Mexico Border Regional Commission. Similar legislation was introduced late in the 100th Congress with the support of nearly 30 of my colleagues, and Senator LLOYD BENTSEN of Texas introduced the companion bill in the Senate.

The Commission proposed in my bill would be charged with coordinating Federal assistance to distressed communities along our country's Southwestern border. In addition, this commission would adopt economic development plans and would coordinate assistance to the region in the areas of water resources, housing, health and education. My bill is patterned after the Appalachian Regional Commission, our country's first commitment to regional economic development. Economic development programs under this Commission could be undertaken on a regional scale with special emphasis on those factors endemic to the region in which our communities lag behind the rest of the Nation. The commission would be empowered to provide technical assistance to support demonstrations, training, planning, and research, and would be authorized to provide funds to initiate and supplement programs to enhance economic development in the region.

State and local governments have dealt with the problems in the region as best they can. Unfortunately, the situation has problem too massive for individual local governments to resolve, and the problems have intensified as a result. Given the continued population growth in the area, I am afraid that if assistance is not provided to border residents to make significant improvements in the area and promote economic development, by the end of the decade, when the border population exceeds 2½ million residents, the problems will have been exacerbated manyfold.

In the last congressional session, a number of congressional committees conducted hearings on the problems of the colonias. The Committee on Banking and Finance marked-up the housing section of this legislation and reported it to the floor, where it was passed under suspension of the rules last October. Unfortunately, the Senate did not have an opportunity to consider this section before adjournment. I am hopeful that by introducing a similar proposal early in the 101st Congress, the committees with jurisdiction will have sufficient opportunity to consider my proposal and put it before the full House of Representatives for consideration. I am most willing to work with all my colleagues in devising a vehicle that provides meaningful assistance to border residents and is acceptable to all.

I strongly believe that only through such a comprehensive approach can we begin to make any significant progress in the lives of border residents, and I urge my colleagues to support this legislation.

WORLD HEALTH DAY—APRIL 7

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. FASCELL. Mr. Speaker, World Health Day, celebrated every April 7, calls attention to the importance of health in our lives and to what we can do to maintain good health and to improve the health of people worldwide.

World Health Day unites the entire health field and the world. It is the only observance which brings together the many issues, specialties, and professions relating to health.

World Health Day links the entire world with special programs and activities occurring in 166 countries. The wide variety of events that take place each April 7 expresses individual and societal health concerns, at the local, national, and global levels, affording an opportunity to reflect upon our own health and the health of others.

World Health Day is a commitment to the future—to a brighter tomorrow—based on the World Health Organization's [WHO] goal of health for all.

Established as one of the first official acts of the World Health Organization, World Health Day was first observed on July 22, 1948, marking the signing of WHO's Constitution. In 1949, World Health Day was moved to April 7, the date the WHO Constitution was formally adopted. The date change was made to encourage student participation, as schools are closed in July in most countries.

From classroom lessons to conference, health fairs, parades, contests, exhibits, TV programs, magazine articles, and governmental resolutions and proclamations, World Health Day encourages participation by all concerned citizens, ranging from preschoolers to senior citizens.

World Health Day is sponsored by the World Health Organization [WHO], the Pan American Health Organization [PAHO], and the American Association for World Health [AAWH]. This year the World Health Day theme is "Health for All: Pass It Along," focusing on the importance of communications in the promotion of health. As a cosponsor of AAWH, the American Medical Association, a leader in public health research and information dissemination, will use the opportunity of World Health Day to highlight such AMA initiatives in health promotion as AIDS education, antismoking efforts, the campaign against cholesterol and encouragement of better adolescent health practices.

In this country, voluntary health associations, Federal health agencies, health departments, universities, schools, hospitals, the private sector, community and religious groups and the media also take leading roles in bringing World Health Day to public attention.

NORTHEAST-MIDWEST CONGRESSIONAL COALITION RELEASES REPORT ON SOLID WASTE

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. ECKART. Mr. Speaker, each day, every individual in the United States generates about 4 pounds of trash. That figure is expected to increase by as much as 22 percent by the year 2000. While at least 12 States have initiated recycling programs in the last 2 years, Federal legislation is needed to supplement local efforts aimed at reducing the volume and toxicity of waste produced.

As a vice chair of the Northeast-Midwest Congressional Coalition, I would like to insert into the RECORD the executive summary from a new coalition report: "Waste Not Want Not." I encourage coalition members to become involved in working with us as we address this important issue.

EXECUTIVE SUMMARY

Solid-waste management practices now in use are in urgent need of improvement. Depositing wastes in landfills is by far the most common disposal method. Most landfills, however, are running out of capacity rapidly; in five years, over one-half are expected to exhaust their space. Where landfilling continues, costs have skyrocketed, partly because many jurisdictions now must pay for the cost of shipping wastes to other states and in some cases, other countries. Incineration, which many jurisdictions have relied upon as an alternative to landfilling, poses environmental and cost problems of its own. The actual and potential hazards associated with landfills and incinerators are stalling the location of new sites.

Some states and local governments already have launched source reduction and recycling programs in response to growing disposal problems. Source reduction involves minimizing the volume or toxicity of materials used in products or reducing the amount of wastes produced during manufacturing. Recycling involves the collection and remanufacturing of materials that would otherwise be discarded. Both source reduction and recycling often are included in the more general term "waste reduction."

The recent trend among states is to adopt such programs is significant; in the last two years alone, at least 12 states have undertaken major new programs in recycling.

These programs include a wide variety of initiatives such as mandatory separation of wastes and consumer education to encourage source reduction.

Despite the progress of some states in enacting waste-reduction programs, federal legislation is still needed to supplement state efforts and target areas in which their own programs are ineffective. Specifically, federal initiatives in waste reduction could include the following components.

FEDERAL INITIATIVES FOR MARKET DEVELOPMENT

Current market conditions do not provide enough of a return for source reduction and recycling to become solid-waste management methods. Federal initiatives are especially important because state market development programs lack consistency, are limited to state boundaries, and may not keep pace with inevitable increases in the supply of recyclables. Federal initiatives could include a product-based disposal charge that incorporates disposal fees into product production costs and generates revenues to fund related activities. Improvements to existing federal procurement and economic development programs to enhance demand for recyclables are also needed. Federal standards for fabrication of some products and packaging could spur development of less wasteful products; however, more research would be necessary to determine the applicability of such standards.

COORDINATE RESEARCH AND TECHNOLOGY TRANSFER

Federal support for research is especially important to encourage cooperation and avoid duplication among existing state-sponsored research programs, provide the resource for new research that the states are often unable to provide, and fund projects that states may reject because of their scale or lack of direct benefits to the state. Federal support could include demonstration grants for new waste-reduction technologies, a national clearinghouse on source reduction and recycling, and technical assistance to states in implementing waste-reduction programs for both municipal and industrial wastes.

MINIMUM REQUIREMENTS FOR STATE PROGRAMS

Federal agencies, while not dictating every element of state waste-reduction programs, should insist that all contain some common features. States can play an important role in waste reduction, especially in providing leadership and assistance to local efforts. Some states have made progress, but many others still lack even basic mechanisms. No one formula, however, would be effective in every state. Rather, each state must be encouraged to find a way to meet its own needs. The federal government can help more states to reduce waste by setting some minimal standards, providing incentives for states to formulate solid waste plans, and requiring them to address waste reduction as part of these plans.

The report is organized into four chapters. Chapter 1 examines the performance of solid-waste management practices and the need for government help to reduce disposal needs. Historically, the states have had an important role in solid-waste management; Chapters 2 and 3 review recent state initiatives to support source reduction and recycling. Finally, proposed federal initiatives to support state waste-reduction programs are examined in Chapter 4.

AN ATTEMPTED COUP IN HAITI

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. OWENS of New York. Mr. Speaker, the beleaguered Caribbean island nation of Haiti almost experienced its third coup in less than a year. This Sunday, four military officers ousted Lt. Gen. Prosper Avril, who had come to power himself as the result of a coup against yet another military dictator, Lt. Gen. Henri Namphy, last September 17.

It is speculated that the coup attempt was initiated by officers who were enraged that Avril had discharged four of their colleagues from the army for alleged drug trafficking. Haiti is a primary Caribbean distribution point for the Colombian cocaine drug mob, and it has long been reported that top Haitian military officials are involved in the sale and distribution of Colombian cocaine.

This latest coup attempt was thwarted when soldiers loyal to Avril saved him as he was being driven away to be deported. However, on Monday, Avril was forced to release the four military officers who were being held on the drug trafficking charges and permit them to leave for exile elsewhere. It was said that the four officers were the masterminds behind the coup attempt.

Depsite the obvious political instability in Haiti and the recent release of reports by Americas Watch, the National Coalition for Haitian Refugees, and Caribbean Rights on the continuing abuse of human rights under Avril, the Bush administration insists on viewing Haiti through rose-colored glasses. In fact, on the eve of the attempted coup in Haiti, a United States State Department spokesperson said:

During recent weeks there have been important steps toward a new democratic process in Haiti. We believe this progress must continue.

And in a March 24 interview in the National Catholic Reporter, Richard Melton, Inter-American Affairs Deputy Assistant Secretary of State, was quoted as saying that the Avril government—

Offers the best, and perhaps the last, real chance for democratic reform in Haiti. Its record certainly represents a substantial improvement over those of its predecessors.

Why is our Government willing to settle for so little in Haiti? I feel it is because it is worried that any free and fair elections on the island would bring to power one of the popularly supported civilian opposition leaders that our Government does not like, someone who could not be under our Government's control, as was the case with previous Haitian regimes. Our Government's experiences with Nicaragua and Grenada should have taught us that it is up to the people themselves to determine who their leaders are or will be, and we cannot impose our will on sovereign nations.

The Bush administration should make a strong and forceful statement to Haiti, saying that it wants free and fair elections for a civilian President and government to take place, under the terms of Haiti's 1987 Constitution, in the next 6 months, and that the United States will not restore direct humanitarian aid to Haiti—which was suspended after the November 1987 massacres of hundreds of Haitians as they tried to vote in local and national elections—until new elections are held, the Avril regime fully reinstates Haiti's Constitution, all drug trafficking in Haiti ceases, and human rights are respected and upheld.

Mr. Speaker, I would like to submit for the CONGRESSIONAL RECORD an article which appeared in the Monday, April 5, New York Times concerning the attempted coup and the State Department's position on the Avril government, and the article which appeared in the March 24 National Catholic Reporter.

[From the New York Times, Apr. 3, 1989]

HAITI SAYS "CERTAIN OFFICERS" TRIED TO TOPPLE THE AVRIL GOVERNMENT

PORT-AU-PRINCE, HAITI, April 2.—The Government said it had foiled an attempt by rebel army officers today to overthrow the country's military leader, Lieut. Gen. Prosper Avril. United States officials said loyal soldiers apparently rescued the general as he was being driven away to be deported.

A Government statement read over the state-run television said "certain officers besieged" the presidential palace "and attempted to overthrow the Government."

4 DISMISSED OVER DRUGS

Earlier, officials in Haiti said four military officers had ousted General Avril, who seized power six months ago in the second coup in this Caribbean country in less than a year.

The statement did not explain how the plot was suppressed but said General Avril "is in control of the situation and guarantees peace in the streets and the security of life and property." It said he would later address the nation on television.

The coup attempt came four days after the discharge of four top army officers accused of drug trafficking.

A United States Embassy spokeswoman, Susan Clyde, said in a telephone interview from Port-au-Prince, the capital, that reports indicated the coup attempt occurred about 4 or 5 A.M. and that General Avril was detained for a time.

"But it appears," she said, "that when he was being taken to the airport to be deported, members of the presidential guard arrived at the airport and escorted him back to the palace to be President again."

"IN CHARGE AGAIN"

"Our last report is that he is at the palace and is in charge again," she said, adding that the attempted coup was "totally bloodless."

Later, Radio Liberté quoted an unidentified soldier as having said one of General Avril's four sons was being held hostage. It also reported the soldier had said Port-au-Prince would be "set on fire" unless the Government released Lieut. Col. Himmler Rebu, one of the supposed coup leaders. Colonel Rebu is the commander of the Leopards battalion commando unit.

Initial reports had said the army commander, Maj. Gen. Herard Abraham, was among the coup leaders. But later accounts said that was not correct and the plot collapsed when General Abraham, who was Foreign Minister under the Government of Lieut. Gen. Henri Namphy, refused the rebels' offer of the presidency. General Avril replaced General Namphy in September.

Unconfirmed reports said four army officers had planned the coup, including Gen. Guy Francois, commander of the Dessalines barracks in Port-au-Prince, the base of the most feared unit in Haiti's 7,000-man army. The reports said the four officers had been detained, but there was no confirmation.

SITUATION CALLED FLUID

In Washington, a State Department spokesman, Dennis Harter, said the situation in Haiti "remains fluid."

Haiti's international airport was closed and large numbers of soldiers were at the palace and on the streets, which were calm.

Gunfire was heard twice near the palace before dawn, witnesses said. Several hours later, gunfire broke out again in the same area.

Five soldiers of the presidential guard arrived at the independent radio station Liberté at 11:45 A.M. and read a statement denying that General Avril was ousted.

"There has not been any visible reaction from the people," Ms. Clyde, the embassy spokeswoman, said. "The streets are very calm. People are going about their business as usual."

On Wednesday, four top army officers accused of involvement in the drug trade were discharged. Hubert de Rconceray, a conservative political leader, said those dismissals might have brought about the coup attempt.

The violence also came about two weeks after General Avril partly restored the suspended Constitution of 1987, which includes a provision that bars former top supporters of the Duvalier dictatorships from holding public office.

Leslie Manigat, Haiti's last civilian President, was elected in violence-marred elections in January 1988. He replaced a junta led by General Namphy that had governed since the dictator Jean-Claude Duvalier fled to exile in France in 1986, ending a 29-year family dictatorship.

General Namphy then overthrew President Manigat in a coup on June 20, 1988. On Sept. 17, General Avril came to power in a coup.

[From the National Catholic Reporter, Mar. 24, 1989]

UNITED STATES AID TO HAITI

(By Robin Taylor)

WASHINGTON.—The United States should resume humanitarian aid to Haiti, a State Department spokesperson said March 14. However, the United States will not give Haitian Lieutenant General Prosper Avril's military government "a blank check," the spokesperson told a House of Representatives subcommittee at a hearing on the future of U.S. aid to Haiti.

U.S. direct assistance aid, virtually discontinued in December 1987 after violence canceled Haiti's November 1987 elections, would be "based on the Avril government's continued performance in human-rights and democratic reform," said Richard Melton, InterAmerican Affairs deputy assistant secretary of state.

Melton said Avril's government "offers the best, and perhaps the last, real chance for democratic reform in Haiti. Its record certainly represents a substantial improvement over those of its predecessors."

Avril's government deposed Lieutenant General Henri Namphy's government in September 1988. Namphy had come to power through a June 1988 coup that brought down civilian president Leslie Manigat, elected in January 1988 after "flawed elections," Melton said.

The United States is "encouraged by Avril's noteworthy progress," Melton said. "While human-rights abuses continue, there is little if any evidence to link these abuses to policy levels within the Avril government."

Other testifiers disagreed. Kenneth Roth, Human Rights Watch deputy director, said, "Despite the Avril government's verbal commitments, its military forces have continued to employ violence against outspoken opponents of military rule." Avril's government has failed to prosecute human-rights violators, he said.

Since the Avril coup, Haiti's economy "has not improved," said the State Department's Melton. The U.S. aid proposal would "be the kind of humanitarian food aid that would also generate funds for job creation programs."

Committee chairman Representative George Crockett Jr. (D.-Mich.) said he was "in general agreement to what Melton said," though Crockett said in his opening statement that U.S. aid to Haiti should be reinstated only after a civilian government took power and the military had demonstrated willingness to live with that government.

Representative Ted Weiss (D-N.Y.) wanted Melton to be more specific about steps Haiti's government should take before receiving aid. "We have no problem telling the Nicaraguan government that their time frame is too stretched out. Here we don't even have a date set. Have we discussed a date?"

Melton did not answer that question.

Meanwhile, even Haiti experts do not know the status of the March 1987 popularly approved Haitian constitution, reinstated by Avril's government March 13, a move long awaited by Haitian human-rights leaders (NCR, Oct 7).

The reinstated constitution excluded numerous articles, including one that required active-duty military personnel to be placed on inactive service or retirement for a year before seeking electoral office, said a Washington Office on Haiti (WOH) press release distributed at the hearing.

The WOH release contended, "Partial reinstatement of the Constitution was the last piece in a puzzle that the Avril government has been assembling for some time. This puzzle creates a picture of a sustained military dictatorship, complete with its own constitutional foundation."

Raymond Joseph, publisher of the weekly Haiti-Observateur in New York, told the subcommittee, "I was told there was a mistake in that decree, that the articles they'd said were dropped were not dropped. So now we do not know where we stand."

A WOH spokesperson told NCR March 15 that Haitian officials had said nothing about reinstating the dropped articles. "There are rumors circulating, but nothing definite about those articles," said the spokesperson. "This is crucial, because suspension of these articles basically makes a new constitution that would allow Avril to run for president and lay the groundwork for dictatorship," he concluded.

The House Appropriations Committee would have to approve any increased U.S. assistance to Haiti.

ROTARY CLUB STUDENT GOVERNMENT DAY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. SKELTON. Mr. Speaker, I recently had the privilege of speaking at the Rotary Club Student Government Day in Jefferson City, MO. In an address to this group, which included several hundred high school juniors and seniors, I stressed the importance of learning history in order to understand our past and avoid making similar mistakes in the future. The following is the text of my speech:

Some people would say that we politicians live in a dream land, so now I'd like everyone here to join with me for the next 60 seconds in that dream land. We're dreaming its graduation day and you're sitting in the honorary front seat of the family car on the way to the commencement ceremony. You're dressed in that lovely gown with the cap that won't stay on your head. Mom is crying and Dad is saying that he can't believe you've finally made it. Everybody is excited because the day has come when you have met the requirements for graduation.

All the people are seated in the beautifully decorated room where the diplomas are waiting. The principal asks everyone to please stand. Now to make this a little more real, why don't all seniors and juniors stand up for a minute. The first name is about to be called when suddenly the principal is handed a slip of paper. He reads it to himself, and his smile turns into a look of deep concern. Leaning into the microphone he says in a low voice, "A bill just passed through the general assembly and was signed into law by the Governor stating that none of you may graduate until correctly identifying each of the following: the Lone Eagle, Corregidor, the Missouri Compromise, Tecumseh, Tippecanoe Creek, the first amendment to the Constitution, and Boston Tea Party, Daniel Boone, the Underground Railroad, and Little Big Horn. Now if you can identify all those, I'll let you sit down right now. But if you can't, then you must continue in dream land with me.

You're in the car again—this time you have to sit in the back—on the way home from what was supposed to have been your graduation. Tears are in your Father's eyes and Mom's saying that she can't believe you really blew it. "Boy," you think to yourself, "I really did blow it. All because I couldn't answer a few lousy history questions." But why?

Recently in the comic strip Bloom County, Opus and his friends were pondering the question "Why?" "Why are men so brutish and women soft and cuddly?" "Why do they keep making toilets so low?" Well, I'd like to add another "why" question to be pondered, "Why study history?"

Today the Rotary Club is sponsoring its annual Student Government Day. As a member of the United States House of Representatives, I am thankful for the opportunity to share some thoughts with my fellow leaders from the State of Missouri. We have been called upon by our peers to represent their interests before a government, be it the Federal Government or a student government. What I want to emphasize in the next few minutes is how we can all become

leaders by learning history, and enjoy it at the same time.

Our country is a democracy and this means that every citizen has not only a right, but also a duty to participate in the political process. This further means that one should vote, but one should vote based upon knowledge of current issues and knowledge of the past. We cannot leave the study of history to the leaders of this country, because we all help choose those leaders.

Many famous leaders have given us reasons to study history. Abraham Lincoln said, "fellow citizens, we cannot escape history." And Harry Truman once told a friend of mine, "young man, you've gotta know your history if you want to be a good citizen." Now Lincoln and Truman went on to make history with their words and actions. But if they'd have told me when I was a high school student that I should learn history, I wouldn't have listened, because to me history was memorizing the names and dates for a test. But that isn't history. I want to share with you what history really is. I want to answer the question, "Why study history?"

History is interesting. History is a story—the story of the people of America, the story of mankind. History is the story of visions, of pain, of struggles, of victories, and of disappointments. I'm sure you've been told that before, but I'm not here to tell you, I'm going to show you that history is interesting. Let's go back to the list that we all had trouble with just a few minutes ago, and let me tell you a few stories.

THE LONE EAGLE

If someone bet you $25,000 to attempt a feat that had already cost many men their lives, would you be eager to accept? In 1927, many people thought that a young pilot was foolish when he accepted a challenge to attempt a solo flight across the Atlantic. At times along the journey, this "Lone Eagle" flew blind because of the ice that formed over his windows. After 33 hours and 33 minutes in the air, sometimes only 10 feet above the crashing ocean waves, he finally landed at Le Borget Field in France. As a result of a $25,000 dare, Charles Lindbergh became an instant hero, and a symbol of valor, courage, and international fraternity.

CORREGIDOR

Incidents in history that may first seem insignificant often have tremendous impact on subsequent events, such as the story of the defense of a small island fortress during World War II. By April of 1942, much of Southeast Asia was in the hands of the Japanese Imperial Army. American and Filipino troops had lost control of the Philippines, but they retained control of the ever-so-important Manila Bay due to the small tadpole shaped island fortress of Corregidor. Thousands of troops lived underground in a network of tunnels for months while the Japanese pounded away with ground and air artillery. Neither concrete and steel, nor flesh and blood could withstand the continuous battering forever. On May 7, the Japanese took control of the island fortress, thus gaining control of Manila Bay and much of the entire South Pacific. The loss of Corregidor was a terrible blow, but because of the bravery, heroism, and valor of our troops, the Japanese timetable for conquest had been delayed for five months.

THE MISSOURI COMPROMISE

This story should be of particular interest to each of you, because without it, we might not be meeting in this place today. From 1817, the Missouri Territorial Assembly petitioned Congress for statehood. In 1819, there was an equal number of slave and free States, and the South was stricken with fear. Maine requested statehood as a free State and the Senate refused to admit Missouri as another free state. A debate followed, that startled the Nation and lasted until mid-1820, when Missouri agreed to allow slavery. Congress demanded that no State north of the 36th parallel could have slaves except Missouri. The pledge was finally secured and on August 10, 1821, four years after the first petition to Congress, Missouri was granted statehood. That, my friends, is a good example of how one piece of history has affected each and every one of us.

TECUMSEH

When the U.S. Government wrestled most of modern Ohio from the Indians in 1795, the tribes were in grave danger of losing the culture they had fought so ardently to preserve. To retain any hope of retrieving the land and preserving their Indian heritage, they were in critical need of a strong and inspirational leader. A charismatic and very able leader of the Shawnee Tribe, Tecumseh, crusaded to rescue his people from impending doom by organizing a tribal confederacy. Tecumseh had a vision for the future, and proceeded to make it a reality with his brilliance and charisma. When Tecumseh was killed in 1813, all hopes for the Indians to stop the American movement westward died with him.

TIPPECANOE CREEK

As Tecumseh continued his resistance to the westward movement of the settlers, an American general prepared to attack the Indians with military might. With 1,000 highly trained soldiers, General William Henry Harrison moved toward the Indian capital of prophetstown on the Tippecanoe Creek in Indiana. While Tecumseh was away trying to unify the Indian tribes, he had left his brother, Tenskwataw with specific instructions not to engage in battle. As Harrison's men were camping on a ridge above Tippecanoe Creek, Tenskwataw rallied the Indians to a frenzy. Shortly before dawn, without leaders and largely without a plan, they stormed Harrison's men. Hand-to-hand and close range fighting left Harrison with heavy losses. Although Harrison was triumphant, Tippecanoe was the battle that brought the Indians and the British together against the Americans in the War of 1812.

THE FIRST AMENDMENT TO THE CONSTITUTION

After several difficult days under the Articles of Confederation, the United States Constitution was drawn up in 1787. However, some refused to ratify it unless a "Bill of Rights" would be added. The first amendment, and arguably the most important, guarantees freedom of religion, freedom of speech, freedom of the press, the right to peaceably assemble, and the right to petition the Government. Those few words have been a cornerstone in American democracy under which we live nearly 200 years later.

BOSTON TEA PARTY

In our democracy, we sometimes take our representative system of government for granted. However, the occurrence of taxation without representation provoked our early settlers to one of the most famous incidents of colonial times. Passage of Britain's Tea Act in 1773 threatened the economy of the colonies by retaining a high duty on tea imports while damaging the contraband tea market in America. In protest of this tax, on a cold December night in 1773, the cry "Boston Harbour a tea pot this night!" sent the sons of liberty, dressed as Indians, to ships in the Boston Harbour where they emptied 342 chests of tea into the water. This Boston Tea Party was called the "boldest stroke which had yet been struck in America", and was followed by similar tea parties in other colonial towns. Britain's attempt to heavily tax the colonists without allowing any voice in the Government helped unite the colonies and bring about the American Revolution.

DANIEL BOONE

Most people like to hear a good story about pioneers and Indians on the wild frontier. However, the best tales are those that are true, such as the story of how a certain man became one of our countries best loved frontiersmen. On one of his many expeditions, this explorer was captured by the Shawnee Indians, but because of his skill in tracking and shooting, the Indians decided to make him one of their brothers. They held a ceremony to welcome him into the tribe, and painted this man as one of their own. However, after a few months he escaped and returned to his family, leading them farther west into Missouri. By his bold expeditions and exciting adventures on the old frontier, Daniel Boone secured his place in history and left a legacy as the most famous pioneer of colonial times.

UNDERGROUND RAILROAD

Slaves attempting to escape from captivity in the South to free States in the North before the War Between the States faced a long and perilous journey. Hiding by day, and moving at night, they made the dangerous flight to freedom by way of the "Underground Railroad". Although it wasn't actually underground, or a railroad, this operation was controlled by free blacks and whites who desired liberty for all Americans, and supported the slaves by providing food, clothing and places to hide. Initially, several thousands of slaves escaped to the Northern free States, but the underground railroad ultimately helped bring about freedom for all Americans by angering southern slave owners and hastening the beginning of the American Civil War.

THE LITTLE BIG HORN

My final tale is another Indian story, an event from which we can learn a valuable lesson in battle tactics. The Sioux Indians of the Dakota Territory, began leaving their Federal reservations in 1875, contrary to order, because of mistreatment and neglect. The movement took on the proportions of a serious revolt and General George Armstrong Custer was called upon to locate and disperse the Indians. Custer discovered the Sioux camped on the bank of the Little Big Horn River. He divided his troops for a two front attack, but the Southern front leader became utterly confused and retreated. This fatal divergence of troops left Custer's men alone to face the thousands of Sioux Indians who came down and annihilated Custer and his men in one of the greatest defeats ever.

That, my friends and fellow leaders, is a taste of history. It is interesting. It really is. But a lot of things in life are interesting. As leaders in your schools, I'm sure you're very busy with things that interest you: like drama, sports and music. And I urge you to continue your pursuit of excellence in those areas. But remember the Boy Scout Motto, "Be Prepared"—well. Be prepared to face

the tough questions that life will bring before you as young leaders and as young citizens. Be prepared with a strong knowledge of history, because history is a shortcut for experience.

If on Monday you walk down a sidewalk where there's a big hole, and you fall in, on Friday when you walk down the sidewalk, will you fall in the hole again? I hope not. But many a leader continues to fall into hole after hole because he doesn't look back to what went on before him. History is necessary to keep from falling in the holes that lie ahead. History is a shortcut for experience. In a recent article from the Washington Quarterly, Admiral James Bond Stockdale said, "the single most important foundation for any leader is a solid perspective to the problems of history. [History] gives perspective to the problems of the present and drives home the point that there is really very little new under the Sun. By ignoring the natural yardstick of 4,000 years of recorded history, busy people . . . have a tendency to see their dilemmas as unique and unprecedented."

I am a member of the House Armed Services Committee in Washington. Much of my interest is focused on the problems of national security. I must be aware of the mistakes of the past. I must realize that our military weakness helped bring on World War II, and that our national resolve to fight communism after the war prevented the spread of communism into Western Europe, Greece, and Turkey. History has shown me that strength and resolve can serve to deter the Communist threat and protect our freedoms. The study of history has been my shortcut for experience.

For instance, let me give you an example of a nation's leader who did not learn a lesson from past history. Fortunately, for the enemies of Hitler's Nazi Germany in World War II, Hitler did not recall the lesson from history of Napoleon invading Russia and experiencing the dreadful cold of the Russian winter, which led to Napoleon's defeat in 1812. Hitler invaded Russia, like Napoleon did, in 1941, which ended in defeat at Stalingrad over a year later, and subsequent retreat. A lesson of history that was not heeded by Hitler: it gets very cold in Russia in the winter. It gets so cold that armies can't function or fight effectively.

Today the Rotary Club has given us the opportunity to come together and meet our fellow leaders from around the State. Being a leader is not always easy, nor is it always fun. It takes an individual spirit and drive, and that's where I want to conclude.

In Elbert Hubbard's classic essay written at the turn of the century, "A Message to Garcia," the main character, Lieutenant Andrew Rowan, is given a message from the President to deliver to Garcia, an insurgent leader who was deep in the Cuban jungle. Hubbard writes, "Rowan was sent for and given the letter to be delivered to Garcia. The 'fellow by the name of Rowan' took the letter, sealed it up in an oilskin pouch, strapped it over his heart, in four days landed by night off the coast of Cuba from an open boat, disappeared into the jungle, and in three weeks came out on the other side of the island, having traversed a hostile country on foot, and delivered his letter to Garcia." * * * "The world cries out for such; he is needed, and needed badly—the man who can carry a message to Garcia." From such a story out of the pages of history, we can draw not only knowledge—we can draw inspiration.

Do not wait for the next test to study history. History is the true story of our past, and like all great stories, history should begin with "once upon a time * * *." Tomorrow when you're back at school, go to the library and get a book about Lincoln, who said, "fellow citizens, we cannot escape history," and read it. Get a book about Truman, who said, "young man, you've gotta know your history if you want to be a good citizen," and read it. Take the initiative and read it * * * because it is interesting, and because it is a shortcut for experience.

Bloom County's comic strip character, Opus, and his friends answered their "why" questions by simply saying "Why not." You and I can do better with my "why" question: "Why study history?" Because history is necessary if you are to be a good American citizen, if you are to be a responsible leader, and because history is very interesting.

TRIBUTE TO MERVIN E. (MURPH) DULLUM

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. RAY. Mr. Speaker, quite often we fail to recognize the contributions that American citizens make to their fellow Americans through their career efforts in occupations which are dedicated to the common good. I want to pay tribute to a gentleman who has provided a tremendous service to the public through a company that in my opinion, is the No. 1 air carrier in the world—Delta Air Lines, based in Atlanta, GA. A major reason that this carrier enjoys ultimate respect and prestige around the world is because of the dedicated and outstanding individuals who make up its main ingredient which is its dedicated work force. Such an individual is my friend, Murph Dullum, who is retiring after 41 years.

Murph Dullum graduated from the California Flyers School of Aeronautics in the early forties. He began his career with Delta Air Lines in 1948 as general maintenance foreman in Kingston, Jamaica. He then moved to Montego Bay in 1954 and was named station manager in 1957. In 1972, he was transferred to Atlanta where he was regional manager—stations/international cities.

He came to Washington in 1976. He began as manager—Federal affairs, was elevated to assistant vice president—Government affairs in 1978, and was named to his current position of vice president—Government affairs in 1979.

Mr. Dullum is very active in community affairs, and is currently on the board of directors of the Rotary Club of Washington, DC. He is a member of the U.S. Chamber of Commerce Business Transportation Council. He is past chairman of the Air Transport Association Federal Affairs Committee and past president of the International Aviation Club.

Murph Dullum is married to the former Mercedes Lyons of Kingston, Jamaica. They have three children and reside in Bethesda, MD.

I have had the opportunity and the pleasure to work with Mr. Dullum for almost 18 years. He is personable, levelheaded, and has represented Delta Air Lines well and faithfully.

Mr. Speaker, Mr. Dullum possesses the highest level of integrity, credibility, and dependability. I wish him well in his well-earned and fully deserved retirement.

ADDRESS OF SECRETARY JACK KEMP TO THE NATIONAL CONVENTION ON RESIDENT MANAGEMENT AND URBAN HOMESTEADING

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. McEWEN. Mr. Speaker, last month the new Secretary of Housing and Urban Development and our former colleague, Jack Kemp, spoke to the National Convention on Resident Management and Urban Homesteading. Jack described his vision for strengthening and encouraging efforts aimed at resident management and public housing ownership.

Secretary Kemp has a plan to provide opportunity, hope, and success for public housing residents—a plan that will not only help the residents themselves, but all of us. I want to share his words and his vision with my colleagues in the House.

ADDRESS TO NATIONAL CONVENTION ON RESIDENT MANAGEMENT AND URBAN HOMESTEADING

A SEVEN POINT AGENDA TO STRENGTHEN RESIDENT MANAGEMENT AND PUBLIC HOUSING HOMEOWNERSHIP

I am deeply honored to address the second national convention on resident management and urban homesteading, co-sponsored by the National Center for Neighborhood Enterprise and the National Association of Resident Management Corporations. Bob Woodson, you have done just an outstanding job over the past decade in creating a national support structure for the evergrowing movement of men and women in public housing who are determined to take control over their own destinies. Kimi Gray, Loretta Hall, Bertha Gilkey, Mildred Hailey, and the resident management movement represent genuine change and opportunity for public housing residents across America. I not only salute you, I thank you for reminding us of what America was meant to be.

When I first was nominated to become Secretary of the Department of Housing and Urban Development people told me that HUD really stood for the Department of Hotels and Urban Destruction." Well, if that was ever true, that's the old HUD. The new HUD under President Bush's leadership and my stewardship will stand for HOPE. I spell HOPE as Homeownership, Opportunity and Progress . . . Everywhere in America, from sea to shining sea, from inner city barrios and ghettoes to rural American communities and towns.

This agency will fight and even dare to envision winning the age-old war on poverty, not simply with government spending programs, but by empowering people with choices and private sector job opportunities and by using the greatest engine of growth ever devised—entrepreneurial free enterprise. And we can start with some of the most neglected spots in our cities—our nation's public housing communities.

Last month, at my swearing-in ceremony at HUD, I was thrilled to hear Preisident George Bush say that all public housing residents should have two important rights:

the "right to manage" the housing developments in which they live, and ultimately, the right of residents to purchase their housing through urban homesteading. As your friend and as the new Secretary of Housing and Urban Develoment, I am honored to help carry out that mandate, and I pledge the full resources of this agency to make those rights and opportunities a reality for public housing residents of America.

You in the resident management movement are helping prove that poor folks can become managers, producers, entrepreneurs, and employers, if only government helps clear obstacles and removes the barriers standing in the path of economic and social opportunity.

Resident management and homesteading are not just good for people and neighborhoods, they are also good for taxpayers. The accounting firm of Coopers & Lybrand estimates that Kenilworth Parkside will save the U.S. government $4.5 million over the next several years. In that project alone, one hundred thirty-two former welfare recipients were put back to work and taken off the welfare, moving from tax consumers to taxpayers. The eventual sale of Carr Square in St. Louis will save the U.S. Treasury $16 million by reducing modernization and operating subsidies. But there is something even bigger at stake.

Let me reminisce for a moment. Do you remember a couple of years ago when Kimi Gray, Bob Woodson, and resident leaders from across America came to the galleries of the House of Representatives? Delegate Walter Fauntroy and I told the Congress that tenant management would work, that poor people could become owners, and that equal access to homeownership opportunity was what the American dream was all about.

One Member of the House said that he opposed resident homeownership because residents might someday leave their homes onto their children. Imagine that! What a dangerous idea! Another Member of Congress said poor people wouldn't know what to do with their own homes and apartments. Well, let's take him to Kenilworth Parkside, or let him meet Bertha Gilkey, or a new friend of mine I met in Richard Allen projects in Philadelphia—Virginia Wilks.

But reason prevailed that day and urban homesteading and resident management legislation passed the House for the first time. As Kimi and Bob and the tenants were cheering from the galleries, I remember the hope and joy we all shared.

Well, my friends, our time has arrived. Jack Kemp is no longer a Congressman, he is Secretary of the Department of Housing and Urban Development. And Kimi Gray is no longer a property manager, she and her residents will soon be property owners. And Bertha Gilkey and Loretta Hall and Mildred Hailey and Virginia Wilks are no longer fighting to be heard, they are on center stage, advancing the ideas of empowerment and self help and opportunity, and it's one of the most dynamic movements in America since Rosa Parks moved to the front of the bus and helped launch a crusade. Well, ladies and gentlemen, this is a new phase, this is a new chapter of that glorious crusade. You might say that we are participating in the next chapter of that civil rights crusade that truly began when Thomas Jefferson wrote those immortal words about all men and women being created equal.

My friends, this is not just a personal or political movement, it is the living example of the power of ideas. Our idea is both simple and profound: poor people aren't to be treated as just mouths to feed and bodies to shelter; they are hearts, souls, minds, and talents of America's next frontier.

As I said in my swearing-in ceremony to the employees of HUD, we must all keep our minds, our work and our hearts focused on those we are meant to serve—not just the homebuilder, but the homebuyer; not only public housing authorities, but the public housing resident; not just mayors and city managers; but the poor and those who live temporarily on the streets or in our shelters. We need to keep them foremost in our minds and hearts because our job is to give them what Dr. King called a stake in the American dream, a helping hand, and the equality of opportunity to build a better future for themselves and their children.

Ladies and gentleman, I want a HUD that champions your cause of jobs, resident management, homeownership, empowerment, and opportunity. I want a HUD that will clear the logjams, remove the impediments, cut the redtape, and make things happen. Wherever a residential council has demonstrated management capability and meets the requirements of the HUD regulations, I will support its right to obtain a full management contract, and I won't let politics or bureaucracy or inertia block your efforts.

Today is not a nostalgic look to past victories. Our movement and cause must be a prelude to greater triumphs ahead. With the cooperation of Congress and with continued support and leadership of President Bush, I look forward to the time when there will be a dozen housing project sales or acquisitions each year and dozens of technical assistance and homeownership grants. Some say this is an ambitious goal. It's not ambitious, it's audacious, but I believe we can achieve it, if we unite behind a common agenda.

First, Congress should consider the ideas behind the Urban Homestead Act of 1989, which is co-sponsored by my friends Representative Dick Armey and Delegate Walter Fauntroy. This bill will expand opportunities for resident management and homeownership by removing the current 1990 sunset date on homeownership and by establishing more creative one-for-one replacement plans for sold public housing units. This legislation should be considered and remaining policy barriers which limit the growth and success of urban homesteading and resident management should be removed.

Second, so many problems across America are caused by the break down of the family structure. Strong families need both fathers and mothers—as providers, role models, authority figures, and most importantly, to help create a stable and secure household. We not only need to strengthen housing opportunities but also strengthen families.

That's why I want to consider ideas like the Family Stability Act sponsored by Senator Dan Coats of Indiana and other ideas and legislation to remove disincentives that break poor families apart.

Thirdly, the Department of Housing and Urban Development will become more receptive to the voice of public housing tenants. I know that many of you are concerned about HUD regulations proposing changes in the "lease and grievance" procedures. Today, I am undertaking a full and expedited Departmental review of these proposed regulations. I have asked my staff to consult fully with tenant groups before promulgating any new public housing policies that profoundly affect your lives.

I also want to announce that I have appointed to my staff a special assistant for resident management and homeownership, someone who you already know and trust—David Caprara of the National Center for Neighborhood Enterprise. David will be my full time contact with the resident management community.

Fourth, the provision of training and technical assistance to tenant organizations will be a top priority for my stewardship at HUD. This month, HUD is open for the business of providing $2.5 million in new training grants to form new resident management corporations. There will be over 60 resident management corporations in training by the end of this year through HUD technical grants. The Bush Administration budget, you'll be happy to know, adds $44 million to the Community Development Block Grant Program to be made available on a matching grant basis to encourage homeownership, including plans to provide technical assistance to resident management corporations.

Modernization funds are also an important consideration in making public housing livable for resident management and homeownership. I pledge to you my best efforts to help bring all public housing up to decent standards. I will also make sure that your transition to full self-sufficiency is aided with proper and prudent levels of HUD resources.

Fifth, we know that homeownership opportunities are most achievable where residents have access to good paying jobs and job training. That's why an important—indeed basic—part of tenant management-PHA partnerships should involve the creation of new business opportunities. You have already demonstrated an entrepreneurial spirit through the creation of resident management maintenance crews, food stores, day care centers, and construction management teams to produce new, affordable housing. You have helped give public housing residents the opportunity to work again, and achieve dignity and hope for the future.

Now, we must go even further and strengthen these efforts with dramatic new incentives to create more small business opportunities and enterprises. President Bush and I, together with a strong bi-partisan coalition in Congress, are working to put Enterprise Zones in cities across America, to take areas once redlined for poverty and greenline them for success.

There's another idea I would like to see get started. I will ask Labor Secretary Elizabeth Dole to look at ways to use the Job Training and Partnership Act to train residents in the job skills they need to take over the management, maintenance, and operation of public housing projects.

Al Delli Bovi, the current Administrator of the Urban Mass Transportation Administration, is my choice for Undersecretary of HUD. He has been in the forefront of promoting the idea of "reverse commuter" transportation shuttle services. These public-private transportation projects give residents access to new employment opportunities. I would like to see this program expanded. I will also ask my minority business utilization office to take a look at the idea of allowing eligible RMC's to be placed on the consolidated supply program listing of bidders for goods and services.

Sixth, a word about drug abuse in public housing. On my visit to the Richard Allen housing project in Philadelphia, Pa. I was shocked by a public and open sale of drugs a few yards away from a Head Start center. Drug peddling and abuse has gone on too

long. It must stop. Drug trafficking and drug abuse represent the greatest threat to the safety and well being of public housing residents.

As a first step to stopping this scourge, I sent a letter to more than 3,000 public housing authorities around the country asking for a written report within 30 days on what they are doing to deny access to public housing to those who have consistently violated the law and who undermine the livability of the projects. I want to work to fully and creatively implement the public housing provisions of the 1988 omnibus drug bill to crack down on drugs. I will help tenant councils and resident management corporations establish innovative security and drug education programs in conjunction with public housing authorities.

Finally, there is a major challenge I would like to leave with you today. I don't need to tell you that resident management is going to be under scrutiny in the months and years ahead. I welcome that attention and I know you will too. I am pleased that your own National Association of Resident Management Corporations is striving to set the highest standards of performance and accountability. I commend Mildred Hailey and the National Association's committee on professional standards for working to establish sound training criteria and codes of ethics. I want you to know that the Department of Housing and Urban Development will be there to assist you in this effort.

Some folks will be waiting for a misstep to discredit our efforts, but the overwhelming number of people are hoping with us that resident management, urban homesteading, and enterprise zones can be a strong tool in fighting poverty. Let me hasten to add that there are other tools, both public and private, I want to use. But as Robert Kennedy said, "To fight poverty without the power of free enterprise is to wage war with a single platoon when great armies are left to stand aside."

Ladies and gentlemen, I believe we are living in one of the most exciting times in history. I believe with all my heart that we have only begun to tap the range of abilities and potential of our inner city public housing residents. When I accepted George Bush's nomination to be HUD Secretary, I quoted Martin Luther King, Jr.'s remarks that he had an abiding faith in America, and an audacious faith in the future of mankind.

I share that spirit of optimism. In the early days of our nation, one of our Founding Fathers, Thomas Jefferson, called America "a ralliance for the reason and freedom of our globe."

I believe America must be that ralliance—that lodestar for reason and freedom. But that hope will be hallow and insecure until every American citizen has equal opportunity to enjoy and participate in the fruits of freedom. America can only be fully strong, fully moral, and fully free when all our citizens share in that peculiarly American dream, yet universal ideal.

Resident leaders of public housing—I commend you for your sacrifices, commitment, and determination to restore pride and a high quality of life in our inner cities. Your example and accomplishments will inspire public housing residents and create a new spirit of hope in each and every city across America. Thank you and God bless you.

A TIRELESS PUBLIC SERVANT FOR ISLETON

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. FAZIO. Mr. Speaker, I rise today to honor Mr. Cecil Tomlin, who officially retired on January 31, 1989, as the Director of Public Works for the City of Isleton. Since that time; however, he has only been giving the city about 40 hours of work a week instead of his usual 60.

Mr. Tomlin has told the mayor he will continue to work on a part-time basis until they can find someone to fill his shoes. While the city may find someone to do the work, it is doubtful that they will ever be able to completely fill Cecil's shoes.

Cecil moved to Isleton after working as a civilian employee at Mare Island during World War II. He joined the Isleton Volunteer Fire Department in January 1960 and served as the Isleton city and district fire chief from November 1966 until his retirement. Though Cecil is no longer the chief, he will still answer the volunteers' call as a hoseman.

Cecil answered his city's call for political leadership in 1964 when he was elected to the city council. During his 4 years as a councilman, Cecil was instrumental in developing the three-city association of Folsom, Isleton, and Galt, better known as FIG. This sister city relationship has been vital in protecting the interests of the individual communities and Sacramento County as a whole.

In 1968, Cecil did not run for reelection to the city council. If he had, he would have become his own boss as the Isleton director of public works and the Isleton wastewater treatment plant operator. A year later in 1969, in his continuing tradition of public service, Mr. Tomlin became the Isleton city building inspector.

Through his many, varied ventures into public service, Cecil touched and improved the lives of the people of the Delta. During the floods of 1972 and 1986, Mr. Tomlin quite literally helped save the lives of many members of the community through his tireless efforts in working with city, county, State, and Federal flood emergency officials.

Though Cecil never got rich serving the public interest, on one occasion he did have the chance to see a lot of money. In answering a call for a tow truck in 1988, Cecil found an older car off the levee road. He also found $400,000 in $20 bills in the trunk.

In over 40 years of marriage, Cecil's wife Annie has been there with him, helping the community as an involved and valuable citizen. A family tradition passed on to their son, Cecil Jr., and their two grandchildren.

While Cecil is retiring from full-time employment, he will remain a cornerstone of the community. He will still answer the call of the volunteer fire department, but he will be doing it from the sanctuary of his favorite fishing hole.

Cecil's easy going manner and his distinctive smile will still be a mainstay in Isleton. Despite his retirement, the people of Isleton will continue to turn to Cecil Tomlin for advice, support, leadership, and inspiration.

THE 80TH BIRTHDAY OF GEORGE J. HONTALAS

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mrs. BOXER. Mr. Speaker, I wish to honor a long-time friend and outstanding citizen who has reached his 80th birthday and continues his work on behalf of American Greek societies as well as many newcomers to this country.

George J. Hontalas was born in Arcadia, Greece in 1909, and emigrated to the United States in 1928 at the age of 18.

Since he arrived in this country, he has personified the immigrant tradition which has made this country great. He has been active in the San Francisco Bay Greek-American community, organizer and president of many clubs and organizations, including Ahepa and the United Greek-American Societies.

Mr. Hontalas has been an advisor to political parties and active on behalf of many candidates in local, State and national elections.

His interest has also extended to individuals, and he has assisted many newcomers to the Bay Area, especially those who were unfamiliar with the language and the community, with food, a place to stay and often, a job.

For many years a restaurateur, and now a travel agent, his places of business have always been crowded with his many friends as well as those seeking his help.

Mr. Hontalas loves this country and all it stands for. His life has been dedicated to participation in the affairs of the community and to assistance to his friends and fellow immigrants.

This recognition is well-deserved by Mr. Hontalas for a long life filled with dedication to his country and to his fellow citizens.

THE EDUCATIONAL EXCELLENCE ACT

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. CLINGER. Mr. Speaker, I rise today to express my strong support for President Bush's education package, The Educational Excellence Act, a bill designed to strengthen and enhance our Nation's education system.

The Educational Excellence Act sets out to recognize and reward our best schools and teachers as an incentive to all schools and teachers to improve their performance. It targets funds to those most in need and institutes greater flexibility and choice in education for both parents and students. Most importantly, it will make accountability a high priority.

Certainly, the extent to which the Federal Government can help our education system respond to todays many pressing challenges

is an issue of great concern to us all. It is clear that few of the problems facing us are as pervasive as the challenge of educating our children to meet the demands of the 21st century.

America is betting its future on its schools. Whether the concern is international competitiveness, national security, or the vitality of our democratic institutions, improving the quality and productivity of the Nation's schools is essential. In the view of many, our schools today are not meeting these challenges.

It is never too soon to build on our achievements in the 100th Congress and begin now the work to make greater our investment in people.

President Bush has stated that he wants to become the education President and this legislation is a solid beginning toward achieving that goal. This bill deserves the support of all Members of this body, be they Republican or Democrat, because the American people deserve and the Nation needs a solid educational system for generations to come.

CONGRESSIONAL TRIBUTE TO MAJ. GEN. FRANCIS R. GERARD

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. SAXTON. Mr. Speaker, I rise today to pay tribute to a truly outstanding civic leader and soldier of New Jersey, whose State and country have greatly benefited from his skillful and dedicated military efforts and leadership in the last 47 years.

I am proud to stand in the Chamber of the U.S. Congress today and acknowledge this outstanding son of New Jersey, and a patriotic citizen of America. I am speaking of Maj. Gen. Francis R. Gerard, the adjutant general of New Jersey and commander of New Jersey National Guard.

As adjutant general of New Jersey and commander of New Jersey National Guard, General Gerard's responsibilities include directing, controlling and managing the missions of the Department of Military and Veterans' Affairs for the great State of New Jersey.

Mr. Speaker, and my colleagues, General Gerard is a reliable New Jersey citizen who has spent his life generously helping in the defense of our Nation. During World War II he flew the P-51 Mustang while serving in the 8th Air Force and completed two combat tours consisting of 420 combat hours in 91 aerial missions. The general is an "Ace," having destroyed eight German fighters in aerial combat over Europe—four of which were shot down in a 12-minute battle near Leipzig, Germany, on September 11, 1944.

Among his decorations for his wartime service are the Distinguished Flying Cross, the Silver Star, and the Air Medal with two oakleaf clusters.

After the heroic war duty in Europe, Captain Gerard then joined the New Jersey Air National Guard in April 1947. He was promoted to major in 1950; lieutenant colonel, 1954; colonel in 1959; brigadier general in 1972; and major general on February 4, 1977.

General Gerard was twice recalled to active duty—in the Korean conflict in 1951 and during the Berlin crisis in 1961. Upon the recall for the Berlin crisis he served as the 108th Tactical Fighter Wing director of operations [TAC]. From June 1976 until February 1979 he was the special assistant to the commander in chief of the Strategic Air Command [CINCSAC] for the Air National Guard. From 1979 to February 1982 he served as commander of the New Jersey Air National Guard and as special assistant to the chief of staff of the New Jersey Department of Defense.

Among his many other contributions to his community, General Gerard served as chairman of the tax assessment board and acting magistrate for the township of Lyndhurst, NJ.

Mr. Speaker, while General Gerard is being honored by the Knights of Columbus on March 31, 1989, for his decades of dedication and service to America, all of those attending this special event will be ever mindful of all of General Gerard's invaluable contributions and will recognize him for the outstanding public servant and military leader he is and always has been.

It is with great pride that I know this man. Mr. Speaker, I ask you to join me in saluting a great New Jerseyan and a great citizen, Maj. Gen. Francis Gerard of Point Pleasant, NJ, who has truly made his State and his Nation a better place to live.

MONEY FUNDS MUST BE RESTRAINED TO FIX THE S&L MESS

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. RAY. Mr. Speaker, I would like to bring a recent article about the savings and loan crisis to the attention of my colleagues. The article, entitled "money funds must be restrained to fix the S&L mess," was written by a professor at Rutgers University, Mr. Paul S. Nadler and appeared in the March 13 issue of the American Banker.

Mr. James H. Blanchard, chairman of the board of Columbus Bank & Trust Bancshares, Inc., in Columbus, GA, brought this article to my attention. The article makes some very good points that I think warrant attention and close scrutiny by my colleagues as we move forward in trying to resolve the savings and loan crisis.

[From the American Banker, Mar. 13, 1989]

MONEY FUNDS MUST BE RESTRAINED TO FIX THE S&L MESS

(By Paul S. Nadler)

As we try to solve the savings and loan problem, we see a number of injustices. First, there are solid banks and savings institutions that had nothing to do with the problem but did complain steadily about the abuses and lack of regulation.

Why should they have to bear so large a burden to pay off the unbelievable loans that a few savings institutions made?

Second, look at the taxpayers. They are now being saddled with a levy estimated at well over $10 billion to bail out an insurance fund that was supposed to be self supporting.

Third, a large number of thrift industry abusers are going free or being punished only mildly because we do not have the investigatory and enforcement officials to prosecute and convict them. Then we have courts that regard the theft of billions of dollars through white collar crime as being far less serious than stealing $50 or $70 through armed robbery.

But one injustice has been truly overlooked: The institutions that developed the brokered deposits causing much of the S&L mess now are going to benefit from our efforts to solve it.

FLIES IN THE HONEY

There is no question that brokered deposits were a basic force behind the loss of over $100 billion by our savings and loans in the past decade.

When thrift institutions were local institutions, gathering local deposits, making local loans, and serving the immediate community, there was no reason for swindlers and con artists to enter the industry.

But once we had brokered deposits and $100,000 insurance limits, their entry was as natural as flies coming to a honey pot.

How can an individual buy control of a savings and loan for $2 million and soon after lend himself $55 million on a piece of land that had cost him only $800,000? Only if he has been able to multiply deposit levels by enticing brokers to place deposits in his thrift in bite-size $100,000 units that are fully insured.

Brokered funds from institutions should have been illegal, or at least limited to $100,000 per saver. But with the limit of $100,000 per account, we have seen instead how a small thrift can burgeon in a short time, giving its owners the opportunity to make enormous self-dealing or just plain dumb loans under the policy, "heads I win, tails the FSLIC pays."

The regulators tried to slow the growth of brokered deposits, but the courts ruled they were legal. So the brokerage firms and others who originated these brokered loans were able to earn their eighth or quarter.

In the process they were able to flood the thrift industry with money that was directed at the institutions willing to pay the highest rates. This meant, of course, the institutions that were the weakest and had to rely largely on the rate paid for their deposit solicitation.

"Our competition, using brokered deposits, grew more in one year than we grew in 100 years," reported the president of a major thrift that did not drop its standards.

But the irony of all this is that our present efforts to cover the losses of the thrifts involve heavy new assessments on the insured banks and thrifts, while the brokers and others who sell money funds in competition with the local deposit-type institutions do not have this burden.

The result is likely to be a further shift of funds from banks and savings and loans to money funds, therefore strengthening the very institutions that have taken money, deposited it where the rates were highest in insurable $100,000 units, and thus helped cause the S&L mess.

"Take your money out of banks and thrifts, and place it in money funds for highest returns today," advise the market newsletters and financial advertisements. There is little the banks and thrifts can do to stop this.

COVERING HIGHER INSURANCE COSTS

Many outside observers wonder why banks and thrifts should worry if they face

higher assessments from the Federal Deposit Insurance Corp. and Federal Savings and Loan Insurance Corp. They figure the financial institutions can simply raise the rates they charge to cover the higher costs.

But this is nonsense. Interest rates charged borrowers are set by the market place, not by the needs for income. Were the latter to be the case, every time a banker wanted to build a building or raise salaries, he would simply raise his prime rate.

Those institutions following such a practice would soon have cobwebs on their lending officers. Similarly, just because insurance costs rise, a bank or thrift can't raise its charges when others offer lower borrowing costs.

So what we are likely to see is banks and thrifts continuing to pay considerably less than money funds, as is the case now. People will continue moving money from deposit-type institutions to the money funds.

In turn these funds are able to pay what they do only by continuing to invest selectively in those thrifts and banks that are in such trouble through deposit withdrawal that they are paying rates above the market to attract more brokered funds.

The money will continue to flow to the weakest institutions.

SEARCHING FOR ANSWERS

What can we do about this structure that lets the money funds and brokers take the nation's savings from local institutions and channel them to the weakest institutions, no matter where they may be?

Perhaps the answer is to limit insurance to $100,000 per individual—no matter how the money is channeled. After all, deposit insurance was not meant for large investors who can learn about the strength of the institutions they use. It was meant for small savers in the local community who have little alternative to using the local bank or thrift, regardless of its health.

Maybe deposit insurance should be denied institutional deposits at banks and thrifts—and reserved only for individuals.

Some thrift executives have even suggested that institutional depositors be legally required to absorb the amount of the insurance premium needed to cover the funds they place in banks and thrifts. But this would call for restrictive legislation. And many, including this observer, feel that our thrifts are better off with less restrictive laws and more diversification of powers and marketplace competition.

But something certainly needs to be done in the legislative investigation of the S&L mess. We need to ensure that money funds and deposit brokers do not come out unscathed while our nation's banks and thrifts pay the price for the abuses of the few.

If nothing is done to stop the favored position of gatherers of brokered deposits, we will see the further demise of local financial institutions and a further centralization of the bank service delivery. This will be at the expense of the local banks and thrifts, which were doing such a fine job of financing America before the temptations caused by the $100,000 ceiling and brokered deposits stirred up the scandal we now must resolve.

SUPPORT OF THE MODE C "BUFFER" PROPOSAL

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. McEWEN. Mr. Speaker, I take the floor today to advocate access to our Nation's airspace for all users. I rise in strong support of the mode C "Buffer" proposal now being considered by the FAA. This proposal will ensure safety and accessibility to all who fly to this country's suburban airports.

Last year's FAA rulemaking on mode C will—beginning on July 1 of this year—impose a 20-mile "veil" from the surface up around our Nation's 32 terminal control area airports. This veil will restrict access to the almost 1,200 public-use airports that surround our 32 major airports. These 1,200 suburban airports play a vital role in our Nation's air transportation system. They are the relievers to our busiest commercial airports. We cannot afford to restrict access to these important airports.

The FAA's veil proposal will give the traveling public no additional margin of safety, nor will there be any enhanced service to the pilots who use the system. The fact is that radar from the primary airport cannot observe mode C equipped aircraft at low altitudes at distances from 10 to 30 miles from the primary airport. In addition, commercial aircraft do not operate at low altitudes 30 miles from the runway. At these distances, there is essentially no possibility of a conflict between air carriers and other aircraft. Couple this with the technical limitations on radar and you end up with no additional safety or service benefits.

The FAA has been presented with a opportunity to remedy this situation in a way that gives real additional safety protection to our traveling public. The buffer proposal now under consideration would actually extend mode C requirements, but into the areas where radar is capable of picking up the signal and into the areas where commercial aircraft actually operate.

The buffer proposal will ensure an ever higher standard of safety for our traveling public and also provide reasonable, safe access to the 1,200 general aviation airports that would otherwise be trapped within the TCA veil. The buffer proposal will strike a balance to ensure that all users of the system will receive maximum benefit.

Mr. Speaker, unwarranted restrictions on the movement of individuals in any form of travel is not in the public interest. As a member of the House Aviation Subcommittee, I believe that our national aviation policy must be to assure reasonable and balanced access to the airport and airway system for all citizens. The buffer proposal is a good start toward that objective. I ask all my colleagues to join me in urging FAA to give the buffer proposal the serious attention it deserves.

PARISH AND PASTOR IN DUAL CELEBRATION

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. GAYDOS. Mr. Speaker, Sunday, April 30, 1989, will be a very special day for the parishioners and pastor of the Ascension of Our Lord Byzantine Catholic Church in Clairton, PA.

During a solemn liturgical service that day, the parishioners will witness the symbolic burning of the mortgage on their new church and rectory.

And, on that day, their spiritual shepherd, Msgr. Michael Hrebin, who was the spearhead behind the rebuilding project, will celebrate the 40th anniversary of his entry into the priesthood.

Mr. Speaker, anyone who has carried the financial burden of mortgage, be it on a home, an office building, or a church, knows the feeling of elation that comes with paying off that debt. So it is with the parishioners of Ascension Church.

Over the past 30 years they have constructed a parish complex that is one of the most striking examples of religious architecture in the Commonwealth of Pennsylvania.

The church, its auditorium, and rectory, stand, as one individual described them, "not as a monument to mere human effort but as visible proof of a people lovingly dedicated to the service of God and the spread of His Word."

The parishioners of Ascension Church can be justifiably proud of what they have accomplished. They have built more than just a new shrine of Christendom, a new home in which the faithful can worship their Lord. They have built an edifice that has become a landmark for the entire city of Clairton.

And, the man who is most responsible for this dream that became reality is "Father Mike"—Monsignor Hrebin.

It is fitting that the culmination of this 30-year rebuilding program should come during the anniversary year of "Father Mike." I know of no man more beloved by his people or more dedicated to their service and the work of the church.

On behalf of my colleagues in the Congress of the United States, I would like to extend to Monsignor Hrebin and to the parishioners of Ascension Church our congratulations on their achievements and our prayers for continued blessings in the years to come.

THE 50TH ANNIVERSARY OF FRED AND ETHEL FORTESS

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. COBLE. Mr. Speaker, on April 9, 1989, friends and family will gather in Philadelphia, PA, to celebrate the 75th birthdays and 50th wedding anniversary of Fred and Ethel For-

tess. A constituent of mine, Mr. Scotty Rankin of Greensboro, NC, has asked me to assist in the celebration by acknowledging the remarkable career of Fred Fortess, and I told him I would be honored to do so.

Since 1978, Fred Fortess has been the director of textile and apparel research at the Philadelphia College of Textiles and Science. For the previous 5 years he was the director at the school of textiles. For 30 years, Mr. Fortess was employed by the Celanese Corp. In addition to polymer and new fiber research, he became responsible for consumer information and published more than 200 papers on textile products and their properties.

Fred Fortess has had an illustrious career that has been noted by others. In 1987, Philadelphia College of Textiles and Science honored him by naming a residence building Fortess Hall. He was named a World Class Philadelphian by Philadelphia magazine. Fred Fortess holds more than 40 patents in the fields of new fiber dyeing and finishing processes. He has been an educational adviser and lecturer at many schools including the University of North Carolina at Greensboro, which is located in my district.

Mr. Fortess is the past president of the American Association of Textile Chemists and Colorists. He has been a member of many other professional boards and organizations. Mr. Fortess also was a special assistant to President Lyndon Johnson for consumer affairs. He has been honored with numerous awards and citations for his work in the fields of textiles and apparel. It is an honor to add my congratulations on an outstanding career.

A key contributor to Mr. Fortess's remarkable achievements has been his wife, Ethel. She has supported and assisted him for 50 years. In addition to celebrating the career of a leader in the textile industry, we honor a couple on 50 years of marriage. On behalf of my constituent, Mr. Scotty Rankin, and the people of the Sixth District of North Carolina, I wish to extend my congratulations and best wishes.

INTRODUCTION OF GRAZING FEE LEGISLATION

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. MARLENEE. Mr. Speaker, yesterday Mr. CAMPBELL of Colorado and I introduced H.R. 1670, along with 26 of our colleagues from both sides of the aisle, to make permanent the formula for determining fees for the grazing of livestock on public rangelands.

The grazing fee formula established by the Public Rangelands Improvement Act of 1978 [PRIA] adjusts grazing fees upward or downward according to livestock prices, forage values and production costs. When these economic conditions are favorable, the fee goes up. When profitability declines, the fee moves accordingly.

For example, because of the favorable recent conditions in the livestock market, fees increased this year from $1.54 to $1.86 per animal unit month [AUM]. It should be noted that this significant 1 year increase of 20 percent was supported by major livestock organizations who are willing to pay higher fees when market conditions permit it.

The present grazing fee formula was worked out after long years of debate and negotiations involving agriculture, environmental groups, Congress, and the executive branch. It is fair and equitable to all concerned and has worked well for both Government, agriculture, the environment, and consumers.

The legislation we are introducing today is supported by the American Farm Bureau Federation, the National Cattlemen's Association, the Public Lands Council, the National Woolgrowers Association, the American Sheep Industry Association as well as the many State and local affiliates of these groups.

I urge my colleagues to support this legislation which continues a responsible policy for livestock grazing on public lands.

ARIZONA TRUCKING COMPANY WINS NATIONAL SAFETY AWARD

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. STUMP. Mr. Speaker, I am proud to call to the attention of my colleagues, that Swift Transportation Co., Inc., of Phoenix, AZ, was awarded the Grand Prize in the Interstate Truckload Carriers Conference 1988 Fleet Safety Contest. The award was presented to Jerry Moyes, president and chief executive officer; Kevin Knight, executive vice-president; and Gary Knight, executive vice-president.

The Interstate Truckload Carriers Conference [ITCC] is comprised of approximately 600 common and contract truckload companies nationwide, and is affiliated with the American Trucking Associations.

Swift Transportation is one of the largest, privately held trucking firms in the United States, and continues to expand rapidly. Swift is also committed to the motor carrier industry and to the Phoenix community. Kevin Knight, as chairman of the Training Committee of the ITCC Driver Development Task Force, has been invaluable in the creation of a training program that is being utilized by many trucking companies. This program will be instrumental to companies seeking to improve their training programs, and in the development of better trained and safer drivers.

Swift's rise to prominence in this national contest is evidence of its commitment to excellence and safety on the Nation's highways. The management of Swift, its employees, and its drivers are to be commended for their excellent safety record, and their achievement in receiving this prestigious award.

CONGRATULATIONS TO THE SETON HALL PIRATES

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. GALLO. Mr. Speaker, today I am truly proud to represent South Orange, NJ, home of Seton Hall University. The Seton Hall Pirates were the true champions in the NCAA title game despite losing to the Michigan Wolverines by one point Monday night in the first overtime championship for more than 20 years.

Every college basketball team dreams of making the NCAA Final Four. For the Seton Hall Pirates this dream became a reality. Anchored by a tenacious defense and a never-say-die attitude the Seton Hall Pirates defied most basketball experts and earned a trip to Seattle.

This fall Seton Hall was picked to finish no higher than seventh in the nine team Big East Conference. Critics claimed that the Pirates did not have the talent or the depth to be a basketball powerhouse in 1989.

But these self-proclaimed experts did not do their homework. They failed to realize that Seton Hall has one of the finest and most underrated coaches in the Nation, P.J. Carlesimo. Moreover, they underestimated the dedication and heart of this talented basketball team.

As the season progressed the basketball community began to realize that the Pirates were for real. The team won the prestigious Great Alaskan Shoot-Out in convincing fashion and never looked back. During the regular season the Hall compiled a 26 and 6 record, won the Sugar Bowl Classic and finished second in the powerful Big East Conference.

Heading into the NCAA tournament, critics still did not believe the Pirates had the tools to earn a berth in the championship game. Basketball fans throughout the country were shocked when the Pirates easily progressed through the tournament, convincingly defeating such perennial powerhouses as Indiana, the University of Nevada Las Vegas, and Duke.

But people like me who followed the Hall throughout the year knew that Seton Hall had the potential to go all the way. The Pirates were not an underdog team and did not play above their heads in the tournament. They were simply one of the most talented and well-coached teams in the country.

I would like to extend my hearty congratulations to the entire Seton Hall basketball team and to the students, faculty and administration at Seton Hall who supported the Pirates throughout the year. To the team, I say: You guys earned all of the success you have achieved, and you have made the entire State of New Jersey extremely proud.

A TRIBUTE TO MR. ROBERT E. PELLETIER

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mrs. JOHNSON of Connecticut. Mr. Speaker, I would like to take this opportunity to recognize Mr. Robert E. Pelletier, principal of the Henry James Memorial School in Simsbury, CT. This outstanding educator will be retiring in June after serving in the field of education for 35 years.

Following 2 years of service in the U.S. Army, Mr. Pelletier accepted the vitally important challenge of teaching, and since then has devoted himself to educating the young people of Simsbury, exciting and challenging them with his own keen mind and enthusiastic style.

The thousands of individuals whose lives have been touched by Mr. Pelletier will not forget the example he set as a great teacher, skilled administrator, and influential leader. His encouragement, support and friendship have enabled students, parents, teachers and administrators to surpass their expectations. The comment of one of Mr. Pelletier's colleagues is typical, "Bob has been a truly inspiring figure to our staff, students and to me, personally."

I wish to thank Mr. Robert Pelletier for his many years of fine service and dedication to the students of Simsbury, CT. It has been a pleasure to have him working with and educating the youth of the Sixth District.

Best wishes for a very long, happy and healthy retirement!

FOSTER CARE YOUTH INDEPENDENCE PROJECT

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. WALSH. Mr. Speaker, I would like to bring it to the attention of my colleagues in the House of Representatives that a very important event is taking place this month, one that shows the very best efforts of today's young people.

The foster care youth independence project in my hometown of Syracuse, NY, will hold an international summit with Canadian youth, who participate in the PAPE Adolescent Resource Centre Program, in Toronto from April 21 to 23.

The purpose is to discuss independent living programs, and what it is like to be a foster care youth. I believe this is the first such summit ever.

The FCYIP decreases the sense of isolation and rejection often experienced by foster care youth.

The FCYIP provides independent living skills training and education, support and guidance to foster care youth, ages 14 to 21, in Onondaga County. This service is delivered by volunteers, recruited and screened by The Volunteer Center, Inc. and jointly trained with the Onondaga County Department of Social Services staff.

The project is funded by ACTION, the Federal volunteer agency, and is administered by the Governor's Office for Voluntary Service and the New York State Department of Social Services. It is a model for the state.

During 1988 alone, 74 foster care youth were served; five youths received their high school diplomas; five are enrolled in college; five graduated from the Reducing Adolescent Pregnancy Program sponsored by the Urban League; and FCYIP youth participants contributed more than 100 volunteer hours to the community.

I am sure my colleagues will join me in saluting the young people, volunteers, administrators and counselors who have made this program a success.

I wish them well in their meetings with their Canadian counterparts.

REV. WILLIAM ESTES CELEBRATES 25TH ANNIVERSARY

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. APPLEGATE. Mr. Speaker, I rise today to pay tribute to Rev. William Estes, who will be celebrating his 25th anniversary as pastor of Dover Baptist in Dover, OH.

Reverend Estes has been in the ministry since 1946, was ordained April 21, 1948, and has pastored churches in Kentucky, Missouri, and Ohio since 1948. While serving at Dover, Reverend Estes conducted a radio ministry until just a few years ago and the church has undergone a major expansion.

At his side throughout this time as his helpmate and coworker has been his wife, Glenda. They have two daughters, a son, and 10 wonderful grandchildren.

Mr. Speaker, I ask you and my colleagues to join me in honoring Rev. William Estes on this special occasion of his 25 years of service at the Dover Baptist Temple to the ministry of Jesus Christ and the Dover Baptist Temple.

THE MEDICAL CARE QUALITY RESEARCH AND IMPROVEMENT ACT OF 1989

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. GRADISON. Mr. Speaker, I rise to introduce the Medical Care Quality Research and Improvement Act of 1989. The intent of this legislation is to promote research on the results of medical treatments which will be used to improve medical practice.

Joining me in sponsoring H.R. 1692 is my distinguished colleague on the Ways and Means Committee, Representative PETE STARK of California, chairman of the Health Subcommittee.

Our bill is comparable to a measure introduced today in the Senate by the distinguished majority leader of that body, Senator MITCHELL of Maine. His bill is cosponsored by a number of his fellow Senate Finance Committee members from both sides of the aisle.

I look forward to working with my colleagues, on a bipartisan basis and in both Chambers, in perfecting this important legislation. The House and Senate initiatives, once joined, will make a significant contribution to enhancing medical care.

Mr. Speaker, Americans can receive the finest and most advanced medical care in the world. Our medical care system has improved the health of the citizenry, particularly the elderly, and has led to an ever-increasing life expectancy for most Americans.

Unfortunately, at the same time that Americans have reaped the benefits of an advanced medical care system, the cost and volume of medical services have been increasing dramatically. Since 1980, the average annual cost of health care has increased 4.3 percent above the consumer price index.

With significant growth in the cost and volume of medical care, questions are being raised about the value of the outcomes of the expanding number of medical treatments. The question of value should now be examined, not only because of the expense of health care, but because medical interventions often involve discomfort, anxiety, and—importantly—risk. Considerable evidence indicates that the benefits of medical interventions are, at best, not always obvious. At worst, they simply are unclear or unproven.

Many eminent researchers have raised these very questions. In epidemiological investigations, John E. Wennberg, M.D., from the Dartmouth Medical School, found stark variation in medical practice, yet with no visible differences in the mortality and morbidity of the groups of people examined.

Robert H. Brook, M.D., from the Rand Corp., in landmark studies, showed extensive inappropriate use of many major and commonly done diagnostic and surgical procedures.

These research results and the results of research done by others are only the tip of the iceberg. In many cases of medical treatment, the consumer may not be receiving either what he would want or what is necessary. Many in the medical profession—despite the best of intentions, skill, and training—simply may not know what makes a procedure most appropriate and effective in bringing about the desired result.

H.R. 1692 will promote a cooperative effort between researchers, physicians, and third party payers to develop the knowledge practicing physicians and consumers deserve.

Enhanced understanding of the appropriateness and effectiveness of medical care will not be a panacea. However, this improved knowledge should help contain the growth of cost for health care and, more importantly, contribute to better medical care decisionmaking for both the medical profession and their patients alike.

H.R. 1692's goal is to promote the use of the most appropriate and cost-effective medical services available for conditions and treatments where knowledge is sufficient or can be developed. The bill's chief tool in this regard

is the establishment of a research program through the Department of Health and Human Services which will assess effectiveness and appropriateness of a wide variety of medical procedures.

The research agenda for the program and capacity of research facilities will be developed in cooperation with the medical community. I believe this initiative can only meet its objective if the research it encourages is carried out in close collaboration with the practicing medical community and the medical profession promotes the dissemination of the knowledge developed into day-to-day medical practice.

For the purposes of the initiative, it is important to define the three areas to be examined by the research program:

First. Outcomes research focuses on the evaluation of treatment or alternative treatments for medical conditions. It encompasses a full range of outcomes and the value of these results for patients including such factors as mortality, morbidity, functional status, and quality of life.

Second. Effectiveness research centers on the uses of treatment for patients in typical clinical practices and the consequences of the outcomes of these treatments, accounting for relevant patient conditions and local environment.

Third. Appropriateness research refers to the assessment of the characteristics of particular patients for which the treatment is effective. This assessment may be based on outcomes research, effectiveness research, or a consensus of medical experts or expert judgment.

This legislation promotes three interrelated endeavors:

First. Research on medical care outcomes, clinical effectiveness, and appropriateness;

Second. Creation and maintenance of data bases on medical interventions and results;

Third. Development of practice guidelines from the findings of the research, as well as the dissemination of this knowledge to the medical profession.

Each of these elements will be dynamic and ongoing. The greater availability of knowledge about medical results should promote a better understanding of medical practice as this knowledge changes day-to-day practice.

The research element of the initiative will include, specifically, a review of current knowledge, and original investigations.

Under the data base element, uniform definitions of data and standards for data in the administrative and clinical files of HHS will be developed. Consistent definitions and standards will enhance the research element and the understanding of day-to-day medical practice. Importantly, this data development effort will create the possibility of linking HHS data bases with those of other Federal agencies and the private sector.

The final element focuses on the practical application of the knowledge developed through research. For that knowledge to be useful, it must be translated into a form in which it can be of use in real world medical practice.

It is also important at the outset to mandate a relatively focused effort under the initiative in its early years. HHS should get an agenda which focuses research and data collection on a few conditions and procedures. The scope of that research can be expanded as the understanding of the research, data collection, and information dissemination become fine tuned.

It should be noted that many of the elements of this initiative are not original with the bill's authors. The Congress, in the Omnibus Budget Reconciliation Act of 1986, authorized expenditures for medical "outcomes" research. This effort has begun in the HHS National Center for Health Services Research. And, HHS has also included pieces of data development—as well as an expanded role for examining effectiveness—in its current budget. The intellectual light behind this is former Health Care Financing Administration head, William Roper, M.D. The new Secretary of HHS, Louis Sullivan, M.D., has publicly mentioned the current effectiveness effort as a priority.

The value of H.R. 1692 will be to show congressional commitment to the effort. The bill provides needed parameters for the research and data development and an overall strategy for the medical outcomes-effectiveness-appropriateness agenda.

The bill also authorizes the level of funding that will be necessary to make the effort useful. Today, the Federal Government and private drug companies spend approximately $4 billion on assuring the safety and efficacy of drugs. At this time, only a few million dollars is actually spent on examining the same types of issues for most medical procedures.

To implement the efforts outlined in H.R. 1692, coordination within HHS and with the outside health care providers and the health insurance community will be necessary. The bill calls for the creation of an advisory council to advise the Secretary. This council would include individuals from outside HHS who represent the various interested parties whose guidance will be needed to make the initiative useful.

H.R. 1692 also initiates an effectiveness review group within HHS to set priorities and manage the initiative's key elements. The group would be headed by the Assistant Secretary for Health and include the Assistant Secretary for Planning and Evaluation and the Administrator of the Health Care Financing Administration.

Clearly, Medicare, as the Nation's largest health insurer, has a responsibility to its beneficiaries to concern itself not only with the cost of care, but also with its necessity and actual usefulness. It is my hope that other insurers will recognize the same responsibility and cooperate in the efforts outlined in this legislation.

The initiative passes the test of appropriate public purposes to justify spending general revenues on the effort to match the Medicare commitment. Additionally, it is my hope that the medical community and the private health insurers will match the commitment of Congress and assume a major role in this effort.

Mr. Speaker, at this point, I insert a summary of H.R. 1692.

SUMMARY OF H.R. 1692, THE MEDICAL CARE QUALITY RESEARCH AND IMPROVEMENT ACT OF 1989

The Secretary of Health and Human Services is required by H.R. 1692 to initiate a research program to enhance medical practice by promoting the use of the most appropriate and effective medical services. The bill provides for the following:

First, it establishes a Secretarial advisory council composed of professional provider associations and societies, provider educator associations, health policy research associations, health insurers, employer groups, provider accreditation groups, hospital associations, the Department of Defense, and the Veterans Administration. The council will review, comment, and advise on the HHS coordinated program on medical outcomes, effectiveness, and appropriateness.

Second, it establishes a coordinated research program on medical care outcomes, clinical effectiveness and appropriateness. The Secretary will undertake: reviews of existing research findings, the development of new research methodologies, and both research center and non-research center based research on the effectiveness and appropriateness of treatment options for specific conditions.

Third, it develops uniform definitions and standards for maintenance of data to be collected and used in describing the clinical and functional status of patients. The Secretary shall establish linkages and common reporting formats for HHS administration and clinical data bases, and, when necessary, supplement these data bases.

Fourth, it directs that the Secretary shall report to Congress on the feasibility of establishing data base linkages between HHS and other federal departments (including DOD, VA and the Office of Personnel Management) and between HHS and private sector organizations.

Fifth, it establishes demonstration projects to test and evaluate the practicability and accuracy of collecting the clincal and functional status data for effectiveness/outcomes assessment research in a variety of practice settings.

Sixth, it provides funding of the development of condition and procedure-specific practice guidelines, based on measurable outcomes and patient experience for use for educational purposes and for quality and appropriateness of care review.

Seventh, it establishes demonstration projects for evaluation of the practice guidelines for broader implementation.

Eighth, it establishes an Effectiveness Review Group composed of the Assistant Secretary for Health, the Administrator of the Health Care Financing Administration, and the Assistant Secretary for Planning and Evaluation. This group shall annually present to the Secretary its recommendations concerning coordinated research and program plans for each of the following elements of the activity: research, data development, and information dissemination.

The Effectiveness Review Group shall also report to the Secretary on the priorities for the effectiveness program agenda and monitoring process. Through this group, the HCFA administrator shall identify two-thirds of the conditions to be studied—and these shall be relevant to medicare beneficiaries.

VISITING NURSE ASSOCIATION

HON. HARLEY O. STAGGERS, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. STAGGERS. Mr. Speaker, I am introducing today a bill that is important to maintaining and protecting the high quality of care provided by our Nation's Visiting Nurse Associations [VNA]. As you know, the VNA's have been in existence for over 100 years, serving as community-based, volunteer, non-profit organizations that provide high quality home care to everyone, regardless of their ability to pay.

Over the years some groups have adopted the name Visiting Nurse Service [VNS], but the mission remains the same. After several years of being deeply involved in home health care issues, I can assure you that VNA and VNS are synonymous with dependable, quality home care.

Because VNA and VNS were the only organizations providing home care for many years, there was no need to protect formally their names. However, as home care fills more and more of the Nation's health care needs, hundreds of private, for-profit and private, not-for-profit firms have entered into the field of home health care. There is nothing that prevents these new firms from taking advantage of the good VNA name and the good will that has developed over the years. Under current law, anyone who so chooses can start a home health agency and call it a VNA, regardless of its mission, standards, or quality.

Consumers are easy prey for an unscrupulous home health agency touting itself as a VNA; however, it is not only consumers who can be misled, but well-meaning doctors and hospitals that mistakenly prescribe home health services from private companies that misuse the VNA name. And private companies that do not provide high quality care damage the credibility and reputation of all true VNAs.

Mr. Speaker, I believe this bill is a good way to protect the VNA reputation and our constituents. This bill will provide not only protection against misrepresentation, but it will provide a process for public education.

SOVIET HUMAN RIGHTS PERFORMANCE AND THE LURIE FAMILY

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. HOYER. Mr. Speaker, it has been almost 3 months since the Vienna Concluding Document of the Conference on Security and Cooperation in Europe was adopted by 35 nations. One of the key provisions of that Vienna document, in my view, is a commitment by those 35 nations to take the necessary steps to resolve, within 6 months, all human contacts cases outstanding at the conclusion of the Vienna meeting.

Mr. Speaker, with less than half the time remaining to resolve these outstanding cases, I am today beginning a series of CONGRESSIONAL RECORD statements to highlight some of those individuals whose lives hang in limbo until officials in their country decide if their government will follow through on the commitments made in Vienna.

On March 8, International Women's Day, I had the opportunity to talk with Judith Lurie, a Moscow refusenik, who, along with hundreds of other women throughout the Soviet Union, partook in a 3-day hunger strike to draw attention to the repeated denials by Soviet authorities to allow them to leave.

Judith, whom I met in Moscow last November during the Helsinki commission's first official visit, spoke of other's like herself, who had joined in this courageous struggle, and thanked those in the West who were so supportive of their efforts.

The story of the Lurie family is a unique one. In 1980 the Lurie family received permission to emigrate to Israel. However, a few days before they were to leave, their permission was revoked. Emmanuel Lurie, Judith's husband, who is a chemist, was told that his access to state secrets denied the family the freedom that they so desired. Emmanuel has not had access to any secret information since 1964, more than 25 years ago. The alleged secret information he did have access to has even been published. In addition, several of his colleagues, who worked by his side over two and a half decades ago, have been granted exit visas and are no longer in the Soviet Union.

Rika Kulbak, Judith's mother, is a 76-year-old sick and elderly woman who has not seen her daughter for 9 years. Judith's eldest daughter was finally permitted to leave for Israel within the past few months. Now, only Judith and Emmanuel remain, a family separated from their loved ones and refused again in February.

Mr. Speaker, I became good friends with the Lurie's while I was in Moscow in November and their story deeply touched me, as indeed do all the personal and tragic circumstances surrounding so many who seek no more than the right to leave their country.

Recently, while in Vienna for the opening of the CSCE mandated military security talks, I had the opportunity to meet with the Soviet head of delegation to those talks, Ambassador Grenievsky, and discuss not only military security, but also human security. During my talks, I specifically mentioned the Lurie family as an example of those who are still denied permission to emigrate based on security reasons.

In closing, Mr. Speaker, in the spirit of the Vienna Document, I urge the Soviets to live up to its commitments in Vienna and allow the Lurie family of Moscow to be reunited with its remaining family members in Israel.

EMERGENCY PHONE SYSTEM EQUAL ACCESS ACT

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. GARCIA. Mr. Speaker, today I am introducing a bill which will address the difficult obstacles that hearing and speech impaired persons have in effectively communicating over the telephone in emergency situations. Specifically, the bill will require all future local and State emergency telephone number systems, commonly known as public safety answering points [PSAP's] to equip their communication answering capability with a telecommunications device for the deaf [TDD].

To citizens facing emergency situations, the ability to communicate directly to a local or State PSAP is clearly a vital service whose reliability can be a matter of life or death. This particular device, designed in the form of a small portable typewriter can send and receive typed messages through telephone lines to compatible terminals where they are displayed on a small screen or on paper. Equipment and installation costs are minimal and this technology opens up a new dimension of communication for hearing and speech impaired individuals.

Within the United States, emergency telephone number systems usually terminate at either a police station or fire station or a consolidated dispatch point from where calls are either handled or redirected. While accurate statistics are unavailable, it is estimated that the number of TDD's in place at PSAP's are far below the number necessary to meet the emergency answering needs of persons with hearing and speech impairments.

Mr. Speaker, there are approximately 24 million people in the United States today who have hearing, speech, or language handicaps. Of this number nearly 20.7 million are hearing impaired. The inability of the hearing and speech impaired to directly access an emergency number system available to all other citizens constitutes a serious hurdle to the right of communication for this population.

This legislation is also an appropriate step in fulfilling and reinforcing section 504 of the Rehabilitation Act of 1973 which requires public institutions that receive direct or indirect Federal assistance to provide handicapped individuals in the United States with the same access and accommodations as those persons without such impairments.

Thank you for your time and consideration to this important matter.

TRIBUTE TO DR. ELIZABETH C. STONE

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. HOCHBRUECKNER. Mr. Speaker, I rise today to commend Dr. Elizabeth C. Stone, an archeologist from the State University of New York at Stony Brook which is located in my district on the east end of Long Island. Dr. Stone recently headed the team which discovered Mashkan-shapir, one of the world's oldest cities.

Built almost 4,000 years ago, Mashkan-shapir held about 15,000 people inside its walls. Its location between the Tigris and Euphrates Rivers made it an important trade center during the reign of King Hammurabi in nearby Babylon. Pieces of cuneiform text from

the city's outside wall were discovered which actually documented for the first time the site of Mashkan-shapir. Previously, the city was only known through historic texts.

Mashkan-shapir is a rare find because the city was never reoccupied after it was abandoned in 1720 B.C., thus allowing archeologists to easily study community organization and culture during that period. Usually many layers of occupation of the city must be sifted through to reach such an early time period.

Dr. Stone has worked at SUNY Stony Brook since 1977 and is currently an assistant professor. In addition, two SUNY Stony Brook students, Jayne Howell and Karen Westerlind, had the opportunity to take part in this project under Dr. Stone. I am pleased to have such an outstanding learning institution in my district, and I commend SUNY Stony Brook for its outstanding faculty members such as Dr. Stone.

INTRODUCTION OF LEGISLATION TO HOLD STUDENTS ACCOUNTABLE FOR FLAG DESECRATION

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. GALLEGLY. Mr. Speaker, today I am introducing a bill that I believe will make students think twice before they desecrate our American flag.

I know many of my colleagues shared my outrage at recent desecrations of the American flag that occurred on our Nation's campuses. An art exhibit at the School of the Art Institution of Chicago featured a flag on the ground and encouraged viewers to walk on it. As many as 200 veterans demonstrated against this matter forcing a temporary closing of the exhibit. At least one arrest was made for desecration of the flag.

Soon afterwards, a similar occurrence took place in my district, in Valencia, CA, where a similar exhibit at the California Institute of the Arts led to further desecration by those stepping on the flag.

Desecration of the flag has been a Federal criminal offense since 1968 when Congress enacted a law providing for up to a $1,000 fine and/or a year in prison (18 U.S.C. 700), and most States have their own laws against flag desecration—which are not superseded by the Federal law. A uniform code of etiquette is also a part of our statutes " * * * the flag * * * should never be allowed to touch the ground or the floor * * * ." And recently, the other body passed on a vote of 97 to 0 legislation by the distinguished Republican leader that broadens the definition of desecration of American flags to include any flag "knowingly displayed on the floor or ground." Those antidesecration statutes have repeatedly been upheld as constitutional by the courts.

I am personally distressed and outraged by the Chicago and Valencia exhibits, and while I certainly recognize that many students share my opposition to these exhibitions and took steps to actively protest, I believe those students who engage in this behavior should be held accountable.

My bill, the Flag Protection and Student Accountability Act, would deny any form of Federal educational assistance to students convicted of flag desecration. I can see no justification for allowing anyone to benefit from the generosity of the United States and its taxpayers if they do not share a basic respect for our Nation and its flag, heritage, and citizenry.

Mr. Speaker, I'd like to conclude by quoting Henry Ward Beecher, who eloquently expressed my feelings on this matter when he wrote:

A thoughtful mind, when it see a nation's flag, sees not the flag only, but the nation itself * * * he reads chiefly in the flag the government, the principles, the truths, the history which belongs to the nation that sets it forth.

INTRODUCTION OF THE INDIAN CONTRACT PREFERENCE REFORM ACT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. UDALL. Mr. Speaker, I am introducing today a bill which combines, modifies, and reforms certain laws providing for a preference for Indian contractors for certain Federal contracts.

In 1908, the so-called Buy-Indian Act (25 U.S.C. 47) was passed which gives the Secretary of the Interior discretion to contract for needed services or products from Indian contractors on the open market without the need for competitive bidding. While this authority was generally ignored in the past, in recent years, it has been used to support the development of individual Indian entrepreneurship.

When Congress passed the Indian Self-Determination Act in 1975, the Indian contracting preference was extended by section 7(b) of that act (25 U.S.C. 450e) to any Federal contract or grant for the benefit of Indian people.

The bill I have introduced today repeals section 7(b) of the Self-Determination Act and merges its provisions with the Buy-Indian Act provisions.

It also clarifies the duties, authorities, and responsibilities of Federal agencies and officials in carrying out these laws. For the most part, the language of the bill simply mirrors existing Federal regulations.

Finally, the bill tightens up eligibility for these Indian preferences for contracting. Recent hearings before a Senate subcommittee have identified some abuses of these laws by non-Indian enterprises using Indian fronts to take advantage of the preference. The reform provisions of my bill will deal with these abuses.

I would like to note that Senator INOUYE has already introduced a similar bill, S. 321, and I would like to commend him for his leadership in this area.

A TRIBUTE TO THE PRINCESS ANNE VOLUNTEER FIRE COMPANY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. DYSON. Mr. Speaker, I rise today to pay tribute to the Princess Anne, MD Volunteer Fire Company its 75th anniversary and to honor five of its members for their combined 120 years of active service.

Because of the commitment of these brave firefighters the people of Princess Anne can rest assured that if disaster strikes, their neighbors serving in the volunteer fire department will be there to put out the fire, deliver the stricken family member to the hospital or rescue the cat from the burning roof.

The gallant servants of the Princess Anne Volunteer Fire Company represent the same, distinctively American community spirit that the famous Frenchman, Alexis de Tocqueville, witnessed here 150 years ago. He returned to France and wrote, "Whenever at the head of some new undertaking you see the government in France, or a man of rank in England, in the United States you will be sure to find an association of individuals."

In Princess Anne, the first "association of individuals" was organized to combat fires in 1867. Remembered as the Princess Anne Ladder Company., the fledgling band of volunteers fought blazes with water drawn from wells in town and from the nearby Manokin River.

However, the company soon disbanded, and was replaced in 1890 by a new organization, the Princess Anne Fire Company. Under Chief A.M. Humphreys, the force acquired a hand pump, then a citywide water system with hydrants, and finally two hose carts and a ladder wagon.

Still the new equipment was no match for three major fires which occurred in 1913 and 1914. Within 1 year the milling company, the bakery, and an entire block of main street were completely razed prompting the local newspaper to call for a better equipped, larger troop.

The town reacted quickly. Thirty-six citizens gathered on October 20, 1914 at a movie house to establish the current Princess Anne Volunteer Fire Company. Guided by President Albert Krause and Chief Earle B. Polk, the expanding force met and trained in theatres, election houses, and members' offices.

Recognizing the demand for increased meeting and storage space, the firefighters constructed Princess Anne's first fire house in 1921. Atop the house perched the town's first siren which replaced the manual, brass-ring alarm donated by the railroad company.

Progress continued with the growing support of government officials, civic organizations, business leaders, and dedicated citizens. By 1949 the force had increased its membership, updated its rolling stock, constructed a new fire house, and had begun an ambulance service through the efforts of the Lion's Club.

Today, when cost as well as quality of service is of major concern, the 45 members of the Princess Anne Volunteer Fire Company serve faithfully and cheaply. A career force for the 10,000 people this company serves would cost an astounding $580,000 a year. The expense of a volunteer squad, a mere $8.20 per person per year, provides the people of Princess Anne a yearly savings of $498,000.

The officers of this dedicated and efficient company are Edward J. Price, president; John Ent, Jr., vice president; Kevin Widdowson, secretary; and John King, treasurer. Robert Murphey is chief and Paul Windsor is historian.

The five men I salute today for their years of dependable service are Edward J. Price, 35 years; John L. Ent, Sr., 35 years; Jerry B. Reynolds, 20 years; Richard P. Smith, 20 years; and George M. "Mickey" Wigglesworth, Jr., 20 years. These individuals are America's patriots.

Mr. Speaker, the spirit of the "association of individuals" is as vibrant today as it was the day Alexis de Tocqueville first encountered it 150 years ago. From the days when flames were battled with boldness and shovels to the modern age of efficiency and readiness, the Princess Anne volunteer firefighters have personified that vibrant, distinctively American spirit.

INJECTING FAIRNESS INTO THE S&L BAILOUT

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Ms. KAPTUR. Mr. Speaker, the collapse of the savings and loan industry provides yet another glimpse of our capacity as a government "of the people, by the people and for the people" to ignore the people—that is, until we have to find someone to pay the bill. The invoice for bailing out the crippled S&L industry has been sitting in Mr. Bush's in-basket at 1600 Pennsylvania Avenue. Recently, however, he has indicated his desire to forward it to an as yet unsuspecting recipient: Main Street U.S.A., Attention: Resident Taxpayer. Once again, citizens are being asked to "foot the bill" without question or reasonable benefit.

While the Bush plan calls for the sale of $50 billion in bonds over the next 3 years to finance the largest industry bailout in history, it strikes me as appalling that U.S. taxpayers will be asked to empty their pockets to pay for the lion's share of this bond offering—an interesting twist to the notion of "kinder and gentler." At present, under the Bush proposal, these high-interest bonds, yielding over 9.5 percent, pretax, will only be available to those who play in the big league of Wall Street. If the ordinary U.S. taxpayer and small depositor must pay for this debacle, I propose that we name the corporation which issues the bonds the "Citizens Restitution Finance Corporation." Under this proposal, U.S. taxpayers can benefit directly by being able to purchase the bonds in small denominations that they can afford. For example, "Super Saver" bonds can be designed to allow ordinary citizens to save for their children's education, for their own health or retirement accounts, or for first-time home ownership.

Mr. Bush's plan would, in fact, be a whole lot easier to stomach if American taxpayers could expect that their tax dollars would be a down payment for a more secure and independent America into the next century. I find it appalling that as a nation which already owes foreign creditors more than $1 trillion, we are being asked to consider a solution which would pay billions of dollars in interest payments over the next 30 years to foreign investors. Offering affordable bonds that are attractive to the consumer will make it possible to return the interest costs to citizens in this Nation. It is nothing short of ludicrous to allow foreign investors to benefit by purchasing FSLIC bonds and properties at attractive prices while U.S. taxpayers are locked out of the bidding process for America's future economic independence. Congress should structure the FSLIC bailout to benefit the American people first and limit the access to bond benefits by foreign creditors. Let's not compound the FSLIC problem by worsening our reliance on foreign credit.

There is an old saying that "if you want to dance all night, you gotta' pay the fiddler." Under the Bush proposal, not only haven't the American taxpayers been asked to dance, they've been stuck with the bill and asked to stick around to clean the hall. The Bush proposal requires the American taxpayer to fund the bulk of the bailout, while certain groups responsible for the problem are not required to pay at all. For example, States in certain regions of our Nation permitted their State-chartered institutions to engage in excessively risky activities and also failed to regulate adequately these activities. As a result, certain regions of our Nation will benefit from the FSLIC bailout at the expense of other regions. For example, of the total deposits in S&L's in 1980, Southern and Western States accounted for 60 percent. Of the total bailout costs in 1988, it is projected that 90 percent will be going to institutions based in these States. The guilty States must be made to pay their fair share. As well, individuals and financial intermediaries that took advantage of high-interest, rate-brokered deposits also should be held accountable for their part in squandering federally-insured deposits. Restructuring the enforcement and judicial proceedings may, in fact, be necessary to assure tough, thorough, and timely prosecution. While we're at it, it might not be a bad idea if the Justice Department ensured that the attorneys prosecuting these fraud cases have sufficient expertise in bank fraud law.

Finally, in any acceptable solution to the S&L crisis, reinvestment must take place in communities which have faced lending discrimination in the past. It is a pathetic commentary on those who steered the S&L industry down this dead-end path that deposits flowed out of communities that were redlined in order to pay for risky investments made far from home by institutions that manipulated small depositor's funds.

As a member of the House Banking Committee, I will be offering amendments to H.R. 1278 to address many of these concerns. I urge President Bush and my colleagues in the House to demonstrate leadership in providing a solution to the S&L crisis which gives the American taxpayers something for their money; namely, fairness.

A TRIBUTE TO J. PETER PEREZ

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. BAKER. Mr. Speaker, I would like to take this opportunity to commend J. Peter Perez for his selection as Small Business Person of the Year from the State of Louisiana.

In 1982, Mr. Perez formed Microbe Masters, Inc., a Louisiana based corporation which uses naturally occurring and laboratory mutated microorganisms to destroy hazardous and toxic organic wastes. Working out of his Baton Rouge home, he formulated and blended biological products which were sold to pulp, paper, and oil refining industries. With the profits generated from his at-home business, he was able to purchase 2.4 acres of land in Livingston Parish and started building what is now a 30,000 square foot complex that specializes in the development, manufacture, sales, and use of stress acclimated micro-organisms to biologically oxidize hazardous and toxic waste.

Currently, Mr. Perez has been able to form these additional companies which have evolved out of the first unique industry called Microbe Masters. In 1984, he was able to form Environmental Solutions, Inc., which provides engineering support to the bioaugmentation and bioremediation industry. In 1985, ES Industries, Inc., was formed to develop and market special equipment for bioremediation projects. In 1987, Environmental Remediation, Inc., was formed as a holding company, and started to evaluate and demonstrate field bioremediation techniques. In 1988, this same company began to conduct hazardous and nonhazardous bioremediation field operations.

In addition to bringing necessary technology into Louisiana, Mr. Perez has been responsible for creating over 100 new jobs in Louisiana alone. Within the next 5 years, government studies indicate that the environmental remediation field will employ over 40,000 professionals.

Mr. Perez's businesses provide other benefits to the State of Louisiana other than increasing our employment figures. The protocol, procedures, and methods used by Mr. Perez and his associates have an extremely positive environmental impact. Mr. Perez's companies are environmentally safe and eliminate many of the waste problems Louisiana is now facing. Also, his companies have a positive impact on the overall health and safety of all of us living in Louisiana. By using natural and totally safe processes Mr. Perez has been able to completely destroy potentially hazardous material in our environment.

Mr. Speaker, Mr. Perez should not only be commended for his outstanding leadership and business sense, he should also be commended on his personal accomplishments. Mr. Perez's civic generosity shows itself by his

participation with the Denham Springs Chamber of Commerce, Livingston Parish Economic Development Council, Louisiana Child Abuse Council, Denham Springs Environmental Awareness, Louisiana Association of Business and Industry, Public Awareness Research Council, Technical Association of the Pulp and Paper Industry, American Institute of Chemical Engineers, American Wastewater Association, and the State Licensing Board of Contractors.

I am proud to join the Small Business Administration, in congratulating and honoring the long-lasting accomplishments of Mr. Perez, and wish him the very best in future endeavors.

RAY DANIELEWICZ, CAPTAIN OF THE POLISH-AMERICAN STRING BAND

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. BORSKI. Mr. Speaker, I rise today to honor Ray Danielewicz on his retirement as captain of the Polish-American String Band.

Mr. Speaker, if you have ever seen the Mummers Parade on television on New Year's Day, you are familiar with Philadelphia's famous string bands. The Polish-American String Band is one of the most successful of these unique groups.

Ray Danielewicz announced his retirement on New Year's Day. His retirement comes after 17 years of outstanding service as captain, a record for band captains.

Before serving as captain, Ray was assistant musical director for a year and musical director for 5 years. Altogether, Ray has given a total of 30 years of unselfish devotion, dedication, friendship, and leadership to the Polish-American String Band.

Ray first joined the band in 1959 as a 14-year-old accordion player. In 1965, he married Arlene Krop, daughter of Capt. Walter Krop, whose record for longevity as captain stood until Ray broke it.

In 1980, Ray was inducted into the Polish-American String Band Hall of Fame and in 1983 received the Polish-American String Band President's Award. Ray also served for 4 years as director of the Philadelphia String Band Association. He was inducted into the Mummer's Hall of Fame in 1984.

As a fellow Polish-American, I am proud to honor Capt. Ray Danielewicz on his retirement.

THE CONGRESS MUST ACT NOW TO PREVENT A MAJOR SOUTHERN CALIFORNIA FLOOD DISASTER

HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. COX. Mr. Speaker, as you know, engineering and design of the Santa Ana River mainstream project was authorized by the Congress in 1976, and construction was authorized by the Congress nearly 3 years ago. It is designed to protect against an impending disaster that the Army Corps of Engineers has described as the most serious flood threat west of the Mississippi.

Every day that this project is left undone, we put the lives of over 3 million people in southern California at risk.

Unless we act responsibly to prevent it, this flood that we know will occur could without warning kill more than 3,000 people.

Consider for a moment, if you will, what it means to lose 3,000 Americans in a single disaster. The *Hindenberg* disaster killed 37; 1,500 people perished aboard the *Titanic;* 2,300 Americans were killed in the attack on Pearl Harbor; and the recent Pam Am explosion near Locherbie, Scotland killed 270 people.

Would the Congress have acted if it could have prevented the *Hindenberg* or *Titanic* disasters? The attack on Pearl Harbor? A terrorist bombing of an airplane? And yet, for several years, we have been trying to cheat fate, to beat the odds, by delaying funding of this flood control project.

Each of the disasters I have just referred to was a tragic but utterly unpredictable occurrence. With good reason, we spend billions of dollars worldwide to prevent such tragedies, even though they are only potential and may never happen at all. By contrast, Mr. Speaker, we know for a fact that this flood, which could kill 3,000 Americans, will indeed occur.

It is not a guess, or a mere possibility; it is a fact. The only question is not whether, but when.

It is ironic that this inevitable flood disaster we face in southern California is occasionally referred to as a 100-year flood. It is so-called because statistically speaking, such a devastating flood will occur, on average, every 100 years. But an equally appropriate name would be the imminent catastrophic flood—because this disaster is just as likely to happen next February as it is 100 years from now.

That we can predict with certainty the impending loss of thousands of Americans lives is a powerful reason for the Members of this Congress, as the trustees of the citizenry, to move as quickly as possible to prevent such a disaster. Those lives are, after all, irreplaceable. But this is a national legislature; and, grisly as such analysis is, the potential economic impact of this looming destruction is also worth considering.

Direct economic loss from the flood that the Santa Ana project would prevent is estimated at between $12 billion and $18 billion—shocking numbers. Worse, however, is that this immediate and extreme damage to Orange County would be felt across the State of California within 48 hours; on the east coast within 7 days; and in Europe and worldwide in 2 weeks.

I do not believe it is hyperbole to say that, in view of the fact Orange County standing alone would represent the 35th most powerful nation in the world in terms of gross national product, the ripple effects that an Orange County disaster of this magnitude would inflict upon the national and global economy are incalculable.

Both the State of California and the county of Orange have already recognized the danger we face, and their participation is awaiting only fulfillment of the Federal commitment that was made 3 years ago.

This is obviously a project with tremendous local support, as well as great significance to our Nation. The Congress must not continue to play Russian roulette with so many American lives. The danger is simply too great for responsible men and women to ignore. We must act, and act now.

WHERE'S THE KINDER, GENTLER NATION FOR COMMUTERS?

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. FLORIO. Mr. Speaker, the American people were promised a "kinder, gentler" nation by the new President. Unfortunately, however, that does not appear to be the case for those dependent on mass transit or Amtrak.

The previous administration continually tried to eliminate funding for Amtrak, along with operating assistance for mass transit. Fortunately, Congress recognized the crucial role that both play in a sound transportation system and maintained funding for both. Many of us had hoped that a change of administration would mean a change of policy.

Alas, our hopes are being dashed. While President Bush's budget was rather devoid of detail, particularly in specifying proposed cuts, it did suggest certain illustrative cuts—Amtrak and mass transit. Furthermore, we now learn from Mr. Darman, the Budget Director, that the Reagan budget reduction proposals are "to be treated as if they were the Bush administration proposals for purposes of starting the budget process with the Congress." As far as Mr. Darman is concerned, Amtrak and mass transit are ducks—dead ducks, that is.

I only wish the new President would understand the drastic impact of these proposals, particularly in an urbanized State such as New Jersey which depends heavily on public transportation. As it is, NJ Transit, the State's transit agency, is proposing drastic service cuts and fare increases of up to 15 percent. If these go in effect, the old vicious cycle of fare increase, service cut, and ridership loss will accelerate.

The administration proposals will only exacerbate this process, leading to the dismantlement of mass transit and Amtrak. The already congested highways and airways will become even more congested. And, the irony is that, in the long run, these budget reduction proposals may actually end up costing us more money, as we struggle to undo the damage to our vital transportation system.

NEVA MYRTLE BLACKBURN CROW TURNS 100

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. FIELDS. Mr. Speaker, a resident of my congressional district—Neva Myrtle Blackburn Crow—recently celebrated her 100th birthday, and I would like to take a moment to salute this rather remarkable woman.

Mrs. Crow's 100th birthday on February 27 was celebrated by many of her friends in the Humble area, including the staff of the Green Acres Convalescent Center, who have come to appreciate her warm smile, ready wit, and good humor.

Mrs. Crow was born on a large farm near Goliad, TX—the youngest of six children. Unfortunatey, both parents died when Mrs. Crow was quite young, and she and her brothers and sister raised themselves. Mrs. Crow was married briefly when she was a young woman but she and her husband had no children.

Following the end of her marriage, she returned to live with her three sisters. After many moves and some hardships, the four sisters eventually settled in Houston, where they worked for many years in a textile mill in the Heights. They shared a home in the Shady Acres subdivision of Houston. After the passing of her sisters, Mrs. Crow lived alone for 17 years before deciding to move into the Green Acres Convalescent Center in October 1987.

Mrs. Crow is well known locally as a great gardener. Her homes were always showplaces, with many varied flowers, shrubs and bushes adorning her residences. She liked her gardens to feature at least one of everything, and she was always grateful to friends, neighbors and even strangers who brought her plants or cuttings.

In addition to gardening, Mrs. Crow loves religious music.

Her friends know and appreciate her wit and good humor. Remarkably, Mrs. Crow is in good health even as she enters her second century. She recently complained to one of the nurses at the Green Acres Convalescent Center that she can't see quite as well as she used to, and she realizes that she's become a little forgetful in recent years—overlooking the fact, perhaps, that that's not too bad for someone of her maturity. With the help of the Green Acres staff, and the love and attention of her niece, Ruth Gillan of Humble, Mrs. Crow leads a vigorous and active life for a woman her age.

Former President Dwight Eisenhower once remarked that he was saving his rocking chair "for the day when I feel as old as I really am". Well, if Mrs. Crow does likewise, I suspect that rocking chair won't get much use anytime soon.

Mr. Speaker, I know that you, and my colleagues, join me in extending our very best wishes for continued health and happiness to Neva Myrtle Blackburn Crow of Humble, TX.

EXCELLENCE IN FORENSICS

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. BURTON of Indiana. Mr. Speaker, I would like to recognize the achievements of three fine young Americans who have demonstrated excellence in forensics. Christopher Deal, Joseph Zompetti, and Nathan DuMond, seniors at Ben Davis High School in Indianapolis, have qualified to participate in the National Debate Tournament of the National Forensic League.

Christopher Deal and Joseph Zompetti qualified in a two-person cross-examination debate with an undefeated record. Their topic, insuring retirement security for those over the age of 65, is one that is of great importance to me. It is encouraging to see the youth in America taking a sincere interest in the care of our elderly. Nathan DuMond received a first place victory for his Lincoln-Douglas value debate. His topic was whether or not secondary school administrators are justified in censoring student publications. I would like to commend these young men for their hard work and steadfast dedication to the art of debating. As a member of one of the world's greatest deliberative bodies, I know that good debating skills are a key to success in any profession.

Ben Davis High School should also be commended for its commitment to excellence and for directing the necessary resources to promote a first class forensics program. I would like also to praise the coach of the Ben Davis debating team, Larry Highbaugh.

Once again, I congratulate Christopher Deal, Joseph Zompetti, and Nathan DuMond for their already outstanding achievements and wish them continued success at the National Debate Tournament this June in Golden, CO.

CONGRATULATIONS TO KRRI RADIO

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. BILBRAY. Mr. Speaker, I rise today to acknowledge the outstanding work of KRRI radio which is headquartered in Boulder City, NV. There probably isn't another Member of Congress in this room who has even heard of this station. It's a small F.M. radio station with its' offices outside of the Las Vegas valley. This small station, with its staff, beat out every radio station in the Nation when it received the Society of Professional Journalists National Award for the best spot news coverage in the Nation for 1988.

On May 4, 1988, southern Nevada was rocked by a series of explosions at the Pepcon plant which produced ammonium perchlorate for U.S. military and space exploration needs. KRRI's news director, Art Kevin, stayed on the air for several hours pre-empting all other programming and advertising. Following the blast, power lines were down and phones lines were jammed with emergency calls. Parents who were trying to check up on their children that were still in school found the phone lines jammed. It's not too far fetched to imagine the panic that might have set in, if it were not for the reliable information disseminated by local radio and television stations. KRRI served as a clearing house for information for the people of southern Nevada.

KRRFI's reporting was clear and accurate. It provided information at a time when it was needed most desperately. The people of southern Nevada are fortunate to have such a fine source of news. We congratulate the owners, Art Kevin and Jodi Lawrence, and their fine staff on earning the prestigious Sigma Delta Chi Spot News Award.

INTRODUCTION OF THE RECYCLED PAPER ACT OF 1989

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. GEJDENSON. Mr. Speaker, as many of my colleagues well know, this country is in the midst of a solid waste crisis. Towns are running out of landfill space and are looking to recycling as the only viable alternative to reducing the volume of municipal solid waste. But as the pace of public and private recycling efforts increases, the markets for recycled material are being flooded. Because the supply of recyclable paper material well exceeds the current market demand, the existence of many recycling programs is threatened. This is the primary reason I am introducing the Paper Recycling Act of 1989.

Americans produce more than 400,000 tons of waste per day, or more than 160 million tons of garbage annually. That figure is expected to reach 193 million tons by 1993. According to the Environmental Protection Agency, there are 16,400 landfills nationally, half of which are expected to be closed by the year 2000. In addition, disposal costs have reached as much as $100 or more per ton, costing municipalities a greater and greater percentage of their shrinking budgets. Clearly, we must do something soon or the current crisis will only get worse.

The problem is where to begin. According to a recent EPA study on the municipal solid waste stream in this country, the largest component of the waste stream is paper. Nearly 40 percent of the volume of our Nation's landfills is paper and paper products. In 1986, over 80 million tons of paper and paper products were consumed in the United States, of which only about 21 tons were recovered and about 50 million tons were disposed of, primarily in landfills. This represents approximately 50 percent of all the manufactured waste and nearly 40 percent of all municipal solid waste in the United States. Additionally, paper does not degrade as rapidly as most of us assume. It is possible to dig up old landfills and be able to clearly read newspapers from 30 years ago.

Many States and municipalities, including my home State of Connecticut, are attempting

to reduce the amount of paper disposed of in landfills through mandatory recycling programs. Unfortunately, the markets for this recycled paper are just not there, frustrating proponents of recycling and discouraging other communities from initiating recycling programs. Many States and municipalities were profiting from recycling just 2 or 3 months ago, receiving as much as $25 a ton for their newspapers from brokers. Now they have to pay these same brokers just to haul it away.

Many of us remember the local Boy Scouts collecting newspapers to raise money for their troop. As recently as a few months ago, they received $15 a ton for those papers. Today, however, Groton, CT, and towns like it across the country with well established recycling programs, who were once profiting from their paper recycling programs, now have to pay $15 or more just to have papers hauled away. Experts predict that so much old paper will soon flood the market that much of it will have to be dumped into landfills, further exacerbating the current solid waste crisis.

It is crucial that recycling programs be expanded to address the solid waste crisis. However, as we have seen with mandatory recycling programs in existence, demand must keep up with the supply. In order to do this, markets for recycled paper must be expanded. We must encourage paper manufacturers to produce more paper made with recycled materials—not just scraps from the paper mill, but post-consumer paper. We also must make it more economical to use recycled and post-consumer paper rather than virgin materials.

That is why I am introducing the Paper Recycling Act of 1989. This bill would set minimum recycled content standards for all paper and paper products sold in the United States. It will encourage paper manufacturers to use more recycled or recovered fibers in the paper they produce.

This legislation will affect paper companies that manufacture and sell paper in this country, and it is based on recycled fiber content standards these same companies helped establish. The standards were developed by the Environmental Protection Agency, in conjunction with the paper manufacturers for paper purchased by the Federal Government. This bill would simply require manufacturers to use the same percentages of recycled fibers in products they sell domestically. It also will require the Environmental Protection Agency to develop minimum content standards for all other types of paper products not covered under the original standards.

Under the bill, paper manufacturers will be rquired to pay a tax of 3 percent of the selling price for the paper products that do not meet the standards. This tax will increase by 1 percent per year until it reaches 12 percent.

In order to give the paper industry ample time to comply, the content standards and the noncompliance tax wil go into effect 2 years after the legislation is enacted.

These content standards would give the paper manufacturers a clear sense of direction, and the tax will provide an economic incentive for paper companies to meet the content standards and produce more paper with recycled materials.

My goal in introducing this legislation is to help create stronger and more stable markets for recycled paper. Not only will it create new markets. It will also reduce the paper in our landfills, it will encourage the conservation of our precious natural resources, and it will show communities that recycling can be the most economical and environmentally sound long-term solution to our solid waste problem.

A TRIBUTE TO MR. WALTER FLOSS

HON. BILL PAXON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. PAXON. Mr. Speaker, I rise today to pay tribute to Senator Walter J. Floss, Jr., a good friend, a civic leader, and a representative who distinguished himself as a champion of the people of his community throughout his 30 years in public office.

Year 1989 marks the first year in nearly three decades that Walter Floss has not served in public office at the town, county, or State levels, as he decided not to seek reelection last fall and retired from the New York State Senate on January 1, 1989.

However, while he has left office, the Walter Floss legacy continues, for he was successful in his effort to improve the quality of life in our community.

During the past 10 years, Walter Floss has served as a member of the New York Senate where he championed the cause of small business and improved the economic climate in New York State.

As a small businessman for over 40 years, Walter Floss experienced first hand the problems facing the business community in our rapidly changing economy and, when he went to Albany, he made sure everyone else knew about those problems and he put forth many creative solutions to address these needs.

Having been the driving force behind the creation of the Erie County Industrial Development Agency, Walter knew how to get the job done and, when he went to the New York State Senate, he was called upon to chair the newly created Senate Subcommittee on Small Business Concerns. The success of this important panel led to the creation of the panel now known as the New York State Senate Standing Committee on Commerce, Economic Development, and Small Business, which Walter chaired and through which he passed measure after measure to improve the economic climate in our State.

Walter compiled an impressive list of accomplishments as a result of his hard work and perseverance. While in the State Senate, Walter Floss served on numerous committees always working to improve the quality of life in his district and across New York State. He chaired the senate majority task force on defense spending in New York State and was a member of the legislative commission on skills development and vocational education, the senate majority task force on capital needs and financing, the senate majority task force on manpower and job training, the senate majority task force on business expansion and retention, and the senate majority task force on the suburbs in transition. He was also a member of the legislative commission on science and technology; modernization and simplification of tax administration and the tax law; public/private cooperation; and public systems management.

Additionally, Mr. Floss was active at the national level while serving as a member of the American Legislative Exchange Council; the council of State governments eastern regional conference economic affairs task force, the commerce, labor and development committee for the national conference of State legislatures and the task force on foreign trade and the States, and is also one of 25 distinguished members nationwide to serve on the U.S. Senate Small Business Advisory Committee, to which he was appointed in 1981 by U.S. Senator Lowell Weicker.

Throughout his years in public service as a Clarencetown councilman, a member of the Erie County legislature for 10 years and, finally as a New York State Senator, Walter Floss exhibited a level of drive, determination, and enthusiasm that has been infectious. He has always been willing to stand up and be counted, on behalf of his constituency.

Most of all, as a husband and father, Walter has always been concerned with creating a better community in which to live, work, and raise a family.

It is only fitting, given Walter's impressive record of public service, that he is being recognized by the Clarence Chamber of Commerce as their citizen of the year. I am proud to join the Clarence chamber, and all the citizens of Walter Floss's community, in commending this exceptional legislator, public servant, and friend. I wish him all the best for much success in all his future endeavors. I know that Walter Floss will continue to serve the community he loves so dearly in the years to come.

A NATIONAL STRATEGY FOR EXCELLENCE IN MATHEMATICS, SCIENCE, AND TECHNOLOGY

HON. TOM SAWYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. SAWYER. Mr. Speaker, on Thursday, February 24, I introduced House Concurrent Resolution 57, which would express the intent of this Congress that a national policy is needed to rebuild the quality of instruction in mathematics and science in this country. By most measures, the United States, once the unmatched leader in these disciplines, has lost significant ground to other nations in recent years. Consider the following:

In standardized tests between 1983 and 1986, American high school students came in last in biology among students from 13 countries, including Hungary and Singapore. They were 11th in chemistry and ninth in physics.

In mathematics, 49 percent of 17-year-olds cannot compute with decimals, fractions, and percentages, recognize geometric figures or solve simple equations, while 94 percent cannot solve multistep problems or use basic algebra.

American eighth graders score well below students of other countries in solving problems that require analysis rather than memorization. The average Japanese 12th grade math student performs at a higher level than 95 percent of American 12th graders.

These dismal results are hardly news.

However, the conditions that led to them are a continuing cause for alarm. For instance, fewer than a third of this Nation's school districts require more than 1 year of math and science in high school. In Japan, the requirement is three natural science and four math courses; the Soviet Union requires 4 years of chemistry, 5 of physics, 6 of biology and math. Course requirements in American schools must be increased.

The real problem—one which may prove harder to overcome—is the way these disciplines are taught. Math and science instruction in many schools has not changed its approach fundamentally for decades. While the content of science courses has changed with recent findings, the courses themselves are often taught as historical and current surveys of the state of modern scientific knowledge. Math courses are often exercises in the techniques of calculating and rote manipulation in solving set-piece problems. Current math and science curricula should be infused with rigor and conceptual continuity, emphasizing science as a process with mathematics as its language.

We can begin here in Congress by closely coordinating the activities of the Education and Labor and the Science, Space, and Technology Committees. The first step in any strategic plan is to share knowledge and eliminate duplication of effort. The next step should be the development of a comprehensive legislative plan that will enable us to enter the next century with a growing pool of citizens with improved higher order thinking skills, capable of not only functioning, but a regaining of the lead in scientific and technological innovation.

Science, academic and business organizations across the country are calling for a massive collaborative effort to rebuild and reinforce the math and science educational foundations of this country.

Over the past year, I have been working with the Triangle Coalition—a coalition of 75 major national organizations from business, industry, labor, science, and engineering, and education—to develop strategies for meeting this challenge.

I urge you to join in that effort by cosponsoring House Concurrent Resolution 57.

TRIBUTE TO ELIZABETH LEWIS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to my good friend Elizabeth Lewis who is retiring this month after serving 16 years as the director of the Macomb County Council on Aging, an organization she helped found.

Prior to taking on her responsibilities as the council's first director, Liz had already formed a sincere interest in the elderly, which can be traced as far back as 1960, when she was employed by the National Opinion Research Center at the University of Chicago to conduct surveys related to Social Security, pensions, and health care costs. The importance of these studies was felt here on Capitol Hill, since they were the basis for pension reform, Medicare legislation, and changes in Social Security.

In 1968, Older Americans Month found Liz organizing activities for seniors in Macomb County. Her interest in the needs of older people was rekindled, and 1 year later she helped found the Macomb County Council on Aging—now known as the Macomb County Senior Citizens Services Department.

As with any young organization, funding was a consistent concern. But it was Liz' persistence that in 1973 brought the Michigan Commission on Aging and the Macomb County Board of Commissioners together to provide the financial support that has guranteed the organization's future. Existing programs were expanded and new ones were developed. It also enabled the hiring of a modest staff and the appointment of Liz as the first director.

Today, the council has a staff of 12 full-time and 9 part-time workers, in addition to the 60 active volunteers who lend a helping hand on a regular basis. The council's services now cover the spectrum of seniors' needs from legal aid to free health screening, from a home-sharing program to various support groups, and from a discount card sponsored by hundreds of area businesses to care packages for homebound seniors.

The council can attribute its successes over the past two decades to the tremendous cooperation it has with the community it serves. This atmosphere of good will is the result of years of hard work by Liz and others.

Mr. Speaker, it is an honor for me to pay tribute to one of Macomb County's most outstanding citizens and to wish her the best in her retirement.

HONORING THE HOLYOKE VISITING NURSES ASSOCIATION

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. CONTE. Mr. Speaker, I rise today to give recognition to an organization in my district, the Holyoke Visiting Nurse Association, Inc. The Holyoke VNA is the oldest in our Massachusetts Pioneer Valley, now into its 84th year of rendering professional home health care.

Comprised of registered nurses, home health aides, homemakers, occupational, speech and physical therapists together with the voluntary care givers, the Holyoke VNA serves the home health care needs of our elderly and our indigent primarily in the Holyoke, South Hadley, and Granby area.

For more than 100 years, Visiting Nurse Associations have provided quality home health care to all needy persons requiring their specialized services. By coming into the home to care for ill and disabled individuals, public health nurses provide assistance on a variety of problems created by a family member's illness.

Services provided by these dedicated nurses allow the infirm to seek comfort in their own homes. In addition to providing care to a wider variety of acutely ill patients, nurses are increasing their various disease-control and health promotion activities and skills to meet the complex needs of the public.

These R.N.'s have a high degree of professional responsibility that they carry out to the utmost, providing hands-on-care in an environment that has become severely burdened with paper work and regulation.

Above all, Mr. Speaker, in addition to the nursing services provided for those who are ill, they bring joy to those they treat. A visit often brightens a patient's day and lets them know someone really does care.

I am proud to honor the Holyoke Visiting Nurse Association this week during the period when the agency is publicly giving recognition to staff, board members, and voluntary care givers who have provided dedicated and committed services.

THE HEALTHY BIRTH ACT OF 1989

HON. J. ROY ROWLAND

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. ROWLAND of Georgia. Mr. Speaker, during the more than 28 years that I practiced as a family physician in Georgia, few things upset me more than to be called out on an "unassigned OB" to minister to an expectant mother who had no record of prenatal care.

All too often, the result was a premature and unhealthy birth. In many instances, the babies died before their first birthday. A number of others who survived were left physically and mentally impaired.

It disturbed me to know many of these infants would have been born healthy if the mothers had received proper care. It was a problem with a solution, and yet, it happened over and over again.

Although the United States is supposed to be the most advanced of countries, it happens in Georgia and throughout the country more than it does in Spain, Italy, France, Australia, and many other countries around the world. The United States ranks 19th worldwide in the rate of babies who die during the first year. The United States loses more than 10 babies out of every 1,000 compared to less than 6 for the countries with the lowest infant mortality rate, Japan, Finland, and Sweden. Georgia's rate is even worse, exceeding 12 per 1,000, 47th among the States and Washington, DC. If the United States can provide the same level of care as other countries, at least 4 out of every 10 infant deaths are avoidable.

As Vice Chairman of the National Commission to Prevent Infant Mortality, I believe that the Healthy Birth Act of 1989 which we are introducing today will be a giant step toward eliminating the information barrier for pregnant women and children in this country. The Healthy Birth Act of 1989 proposes four differ-

ent components to improve the delivery of care to pregnant women and children: The development and expansion of maternal and child health home visiting programs; the development of one-stop shopping service delivery models, integrating and colocating maternal and child health and human service delivery programs; the national distribution of maternal and child health handbooks; the development of State and Federal toll-free telephone information and referral numbers for maternal and child health services.

This is something the country has been waiting on for a long time. I invite my colleagues to join me in supporting this legislation which will help to promote the health of babies in this country as well as the mothers who bear them.

CLAY CENTER, KS

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. SLATTERY. Mr. Speaker, recently Time magazine published an excellent article featuring Clay Center, KS, that focuses on what's right about small towns and what government needs to do to help rural America compete in the global marketplace.

Clay Center is used as an example of one of many small towns throughout our country that are struggling to save their economic base and their wholesome, high quality rural way of life. The story captures the spirit and determination of the people of Clay Center, and of other small towns in Kansas, who are continually investing in their community and aggressively working to attract new, nonfarm business and manufacturing. As Clay Center's Representative in Congress, I commend this article to you and to my colleagues.

SMALL-TOWN BLUES

(By Richard Hornik)

Even on a bleak, late-winter day, the little town of Clay Center, Kans., exudes all the homeyness and warmth of a Norman Rockwell painting. Tidy, freshly painted houses cover the small knoll that rises north of the town square. The homes of the middle class cost about $20,000; those of the poor are timeworn but neat. One of the tallest buildings in town is a barnlike structure built by a woman who gives baton-twirling lessons.

Serious crime almost never happens here; crack and heroin come to town only on TV news shows. Boasts the mayor, Thelma Bisenius: "This is a place where you don't have to lock your door and you can let your children come into downtown alone." Clay Center citizens care about one another, and about outsiders too. The 55-member Rotary Club has raised $30,000 in three years to help administer polio vaccinations around the world. In short, this should be an idyllic place to live. Yet something is wrong here. Clay Center (pop. 4,700) has lost hundreds of jobs in the past decade, which has prompted an exodus of its young people. In all of Clay County, for which the town serves as county seat, the number of deaths (1,000) since 1980 has substantially outnumbered births (900).

Clay Center, like thousands of other small communities from Maine to New Mexico, is struggling to avoid becoming a ghost town. The population of rural America is being sapped by an epic postwar migration to cities and suburbs, a trend that has accelerated in the past decade. Each year since 1985, more than half a million rural residents have packed up and moved away, usually in search of employment. While self-reliant, spirited towns like Clay Center are putting up a plucky campaign to bring back jobs and citizens, such communities now find they are threatened by conditions, ranging from global competiton to deregulation, that are beyond their control. As the small towns shrivel away, so does a way of life that helped define America's character. The U.S. is gradually becoming a more congested, coastal megalopolis, with an increasingly lonely place in the middle.

Founded by land developers as a farming center in the 1860s. Clay Center had hopes of becoming a rival of Chicago. Nowadays the four stoplights that mark the corners of the town's courthouse square often change from green to yellow to red without anybody noticing. Most of the shops on the town square rarely get more than two customers at a time. Shoppers who once bustled along the dusty main strip have defected to the new mall in Manhattan, 40 miles to the southeast, or the Wal-Mart outside Concordia, equidistant in the opposite direction.

Though small towns have suffered a critical loss of business and services in recent years, their populations have been ebbing for decades. The decline began as farms started mechanizing and becoming less labor intensive. Says John Keller, a professor of regional and community planning at Kansas State: "Many of these communities peaked in 1890. This has been the longest deathbed scene in history." Many towns tried to diversify in postwar years by attracting industry, especially low-paying light-manufacturing business. Many of those jobs, however, were eventually lost to even lower-wage foreign suppliers, especially during the run-up in value of the U.S. dollar in the early 1980s. During this decade, rural areas have created new jobs at only 40% the rate of metropolitan centers.

Another heavy blow in the '80s was deregulation of rail, truck, bus and airline service, along with the breakup of the Bell system. These changes permitted corporations to abandon service or increase rates in thousands of small towns. H.E. ("Ned") Valentine, owner and editor of the Clay Center Dispatch (circ. 3,800), finds the outcome ironic: "Both Presidents Carter and Reagan espoused small-town American values. Both were admired for it. But Carter's deregulation program, amplified by eight years of Reagan, has taken its toll here."

Clay Center's once-a-day bus service along two-lane U.S. stopped two years ago. The bus carried mostly the poor and elderly to see the doctors or relatives an hour away in Manhattan. Bus service also meant that the town's two florist shops could count on daily deliveries of fresh flowers. And repair shops could often get same-day emergency shipments of spare parts. Although the town's cooperative grain elevator still has access to a working railroad spur, weeds surround the tracks. Reason: the Kyle railroad has added a $750-per-car surcharge to the standard rate, forcing the cooperative to haul its grain 17 miles by truck to a main railroad line.

While deregulation has brought lower prices and better services for many Americans, it has not worked out that way for residents of sparsely populated areas. Most economists would argue that the old system subsidized small-town Americans by requiring companies to provide services at a loss to such areas, but the U.S. traditionally saw rural development as worth the price. Says Jack Tierce, an administrator at the Kansas state corporation commission: "The transportation system of the U.S. was based on moving people from the densely populated East out West. Now it is driving people from rural areas into metropolitan areas." Cities get better service simply because customers are more concentrated and thus more profitable to accommodate.

Clay Center's aging population is symbolized by the skyline of the federally financed senior-citizen housing on the town's west side. The eight-story red brick apartment buildings are the only high-rises on the horizon. "Our big industry is Social Security," says Thomas Lee, president of the Union State Bank. "Fully one-third of our checking accounts are senior-citizen deposits." The aging process has also led to a leadership vacuum, as older business people retire from civic life. And the town's young people show no inclination to stay. When a visitor asked a class of 20 Clay County high school students how many would stay in town or return after college, not a single hand went up. Volunteered their teacher: "They're not being shy."

The indirect costs of deregulation are adding up. Moving grain by truck instead of rail increases the rate at which highways and bridges are being degraded. Says Tierce: "In the long term the public is going to pay the price and rural America will pay a terrible price."

Rural planners contend that communities need a critical mass of at least 2,500 citizens to survive. The shrinkage of America's small towns will only accelerate as young people continue to leave to find better jobs, even though some retirees have migrated from the big cities to rural areas in search of peace and quiet. Although their money is welcome, older people often fail to see the need for economic development, particularly if it means higher taxes.

Ginger Walker, a vivacious 30-year-old Clay Centerite, launched her own business, Ginger's Shoe Shoppe, three years ago. Her stylish boutique carries an impressive assortment of stock, and has attracted enough customers so far to make a passable profit. Says Walker: "The biggest challenge is to compete with the large communities around us. Our prices aren't that much different. It's just the magic of the malls."

The growth of huge regional discount stores—despite all the convenience they provide—has been devastating for many small downtowns, since one shopping center can draw customers away from a dozen or more communities. Says Robert Van Hook, executive director of the National Rural Health Association: "Wal-Marts are the last nails in the coffins of a lot of rural Main Streets." Because downtown retail shops are important employers, their decline can be fatal to the rest of the town's economy as well. Another major small-town employer, the local hospital, is disappearing at the rate of more than 40 institutions each year. A principal cause was the 1983 decision by Congress to eliminate suspected rural subsidies in the Medicare system by reducing payments to small-town hospitals.

Though the whitewashed grain elevators two blocks from Clay Center's town square are still in use, the county's economy is no longer primarily agricultural. Clay County

benefited during the 1950s and '60s from the arrival of manufacturing companies that produced such goods as metalworking equipment and grain-handling machinery. But in the past decade almost 300 jobs have disappeared. Says Mayor Bisenius: "In the past few years we have realized that we cannot exist as a town without something new coming in."

In January, during three days of meetings that rang with a fervor akin to that of an old-time tent revival, almost 200 residents anted up more than $250,000 to buy a small equity stake in a new Kansas City-based company that plans to produce light aircraft. Townspeople hope their investment will help persuade the company to put its assembly plant in Clay Center, where it would provide 300 jobs. Says Deanna Fuller, a former farmwife who heads the local economic development group: "These people just want to make it possible for the young folks to come back."

Smokestack chasing, as the practice of wooing factories has become known, is rampant in small-town America. Although often portrayed as a response to problems in the farming sector, in many cases the search is an effort to replace the industrial jobs lost in the 1980s, says Kenneth Deavers, a chief economist for the Agriculture Department. Farming and related businesses account for only about one-eighth of rural employment. Attracting new industries to a small town can be tricky. "A lot of these firms are gypsies. They fly from one set of subsidies to another," notes Mark Lapping, dean of architecture and design at Kansas State.

Is saving small-town America worth the expenditure of more state and federal money? As U.S. cities face deeper problems, ranging from grime to gridlock, the rural option could become more important, or at least more appealing. In a recent USA Today poll, 39% of the people surveyed said they would prefer to live in a small town. (According to U.S. Census figures, less than 24% of the population dwells in rural areas, compared with 44% in 1950.) At the very least, says former Agriculture Secretary Bob Bergland, "it would be unwise for U.S. public policy to force people to leave rural North Carolina and come to Washington, D.C."

Rather than trying to re-create the web of regulations and subsidies that once supported rural America, federal policy should concentrate on helping rural areas compete in the new global economy. Economist Robert Reich of Harvard University believes that rural America must shift its dependence from production of low-value, high-volume products like grain and simple manufactured goods to high-tech manufacturing and services. To make that transition, business and government would have to pump more money into rural schools, hospitals, roads and other infrastructure. Says Van Hook: "We have to make some investments in rural America."

Access to high-quality telephone service will be as important to a community in the coming century as the railroads were in the last. Clay Center, because of its inexpensive real estate and literate work force, might be an ideal spot for a credit-card processing center or other "electronic cottage." Unfortunately, Clay Center's phone service, provided by Southwestern Bell, is so antiquated that hookups with international computer networks are impossible.

Telemarketing would not be the complete answer for small towns, because it generally offers mostly minimum-wage jobs. Several studies have found that the full blossoming of a high-tech economy comes only after it receives a heavy dose of defense contracts. The bulk of that money currently goes to the country's heavily populated coastal regions, which have the most congressional representation. Says Tom Daniels, associate professor of regional and community planning at Kansas State: "Look where all the defense dollars are going, and you can see we are creating a bicoastal economy."

Investment in rural American would pay off, says Reich, who believes that small towns will offer opportunities in the next century as urban centers become more congested: "The new economy toward which we're evolving operates on a small scale and is far better suited to rural environments. But unless we remove the present barriers to rural America's economic transition, more and more of us will find ourselves packed ever more tightly together."

The folks of Clay Center are anxiously waiting to find out whether the aircraft company will locate there. And Deanna Fuller, who maintains a storefront office next door to city hall, is working on a dozen other possibilities. Already she has assisted in organizing a community campaign to help expand a manufacturing plant that makes grain augers. Editor Ned Valentine, whose family-owned newspaper has chronicled the town's ups and downs for 100 years, is optimistic. Says he: "The difference between towns that survive and towns that don't is attitude, not population." Clay Center may have the moxie to thrive once again, but for hundreds of other tiny U.S. towns, their little spots on the map are seriously endangered.

HONORING AMERICA'S FORMER PRISONERS OF WAR

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1989

Mr. APPLEGATE. Mr. Speaker, I would like to take this opportunity to inform my colleagues in the House and Senate of the highly interesting article that recently appeared in the Washington Times.

Col. Fred Cherry, formerly of the Air Force, and Cmdr. Everett Alvarez, formerly of the U.S. Navy, were 2 of the roughly 550 Americans who were held by the North Vietnamese during the war in Southeast Asia. Commander Alvarez was held the longest period of time of any American, 8½ years.

Phil Straw, an executive assistant to my good friend and colleague from Ohio, Representative CLARENCE MILLER, conducts a course on the history of the Vietnam War at the University of Maryland at College Park. Phil recently had both Colonel Cherry and Commander Alvarez out to speak with his students about their experiences as prisoners of war in North Vietnam. This coming Sunday, April 9th, marks "National Prisoner of War Recognition Day." Reading the following America's approximately 80,000 former POWs.

IN CLASS, VIETNAM VETS RECOUNT HORRORS

(By Cheryl Wetzstein)

One of the most memorable events during Cmdr. Everett Alvarez Jr's 8½ years as a North Vietnamese prisoner of war came when "I looked down and here was this huge worm.

"I was horrified; this thing had come out of me," Cmdr. Alvarez said.

He cried for help and a guard came running. When the guard saw the problem he scoffed, "Oh, you got worms.

"Don't worry," the guard added. "Everyone in North Vietnam has worms. It's good. If you don't have worms, your stomach bloats."

Eventually all the POWs had worms. "We started having contests to see who had the longest," said Cmdr. Alvarez "I had a 12-incher once."

Students in Phil Straw's "America in Vietnam" honors course at the University of Maryland in College Park were impressed. They listened keenly as Cmdr. Alvarez and fellow POW Col. Fred Cherry recounted events that had occurred before the students were born.

The students were anxious to understand the United States' most controversial war, a war that had been "skipped right over in my high school," according to Alan Siegel, a 20-year-old biology major.

"I didn't know anything about Vietnam," said Kelly Haines, a 21-year-old English major. "All I knew was the word 'Vietnam' set people off."

Mr. Straw, a decorated Marine, Vietnam vet and congressional aide, has taught his course on Vietnam since 1985. He draws on a host of resources—vintage magazines, newspapers and movies—to present the war from all perspectives.

His greatest coups, though, are the "living history" lessons. Recently POWs were the topic, and Cmdr. Alvarez, the longest-held POW in North Vietnam, and Col. Cherry, the first black POW, were the "living history."

Aug. 5, 1964, was a busy day in the Gulf of Tonkin. The USS Constellation had just arrived to support two American destroyers that had been attacked by North Vietnamese torpedo boats.

President Lyndon Johnson had ordered retaliatory air strikes, and U.S. Navy Lt. j.g. Everett Alvarez Jr., 26, was one of many pilots sent aloft that day to bomb the torpedo boat base at Hon Gay.

When his A-4C Skyhawk was hit, he ejected, upside down. "I've got to bail out; I'll see you guys later," he radioed.

The parachuting pilot narrowly missed a cliff, landed in water and soon was taken prisoner. He ended up in the Hoa Lo prison, the 100-year-old French fortress later nicknamed the "Hanoi Hilton." His personal possessions: striped prison shirts and pants, sandals, two blankets and a water jug. Three pieces of paper were issued every week or so for bodily needs.

Six months would pass before a second POW would arrive. By the time of Operation Homecoming in February 1973, more than 550 American servicemen would enter the North Vietnamese prison system. Some two dozen would die there.

Life as a POW was tedious or harrowing. "There were lots of hours of dull boredom interrupted by times of sheer terror when they were after you," Cmdr. Alvarez told his audience.

The food, served twice a day, was barely edible. Often chicken heads and cow hoofs joined vegetables in broth. Common fare was rice and "sewer greens," so named because the plants were harvested from ponds where wastes were dumped. Once, when Cmdr. Alvarez was dining in darkness, he bit

something "crunchy." When a guard shone his flashlight in the dish, "it was teeming with roaches," Cmdr. Alvarez said. "Meat," the guard grunted.

Rats the size of small cats prowled the cells, looking for toes to nibble. Snakes, including an occasional baby cobra entered under darkened doors.

Dysentery and diarrhea were constant companions. A camp medic, dubbed "Needles" because of his single, horse-sized syringe, once gave all the POW hepatitis. The camp dentist pulled teeth without anesthesia.

Virtually all POWs who arrived from 1964 to 1968, including Cmdr. Alvarez, were tortured. A favorite method was to tie their arms behind the back and then pull their arms over the head. Sometimes a prisoner was hung from the ceiling in this position. After one such episode, Cmdr. Alvarez said, his hands were "totally black for months."

"Most of the guards were doing what they were told," he told the students, "but others were just very cruel. They killed. Some of them enjoyed inflicting pain."

Besides torture, there was solitary confinement, which could last from days to years. The isolation was devastating. Cmdr. Alvarez maintained his sanity by playing chess against himself, designing imaginary houses and re-creating his role as an altar boy in a high Mass.

"Prayer really helped. God was the only one you had to talk to," he said. "You had to forget about what you had and totally readjust yourself."

His record imprisonment cost him dearly: His bride divorced him after waiting in vain for six years, and his parents separated in a bitter disagreement over the war—his father supported the effort while his mother became anti-war in hopes of winning her son's release.

Air Force Maj. Fred Cherry descended into hell Oct. 22, 1965.

Unlike Cmdr. Alvarez, who landed with relatively minor injuries, the 37-year-old Col. Cherry suffered a broken arm, shoulder and ankle. These injuries, left untreated for months, later were used as leverage for pain by the North Vietnamese.

Col. Cherry was an F-105 pilot. His black skin amazed the Asians, who at first attempted to rub it off. As more black soldiers appeared on the battlefield, he became less of a novelty and more of a prize.

The North Vietnamese believed that "If they could get the first and most senior black POW to denounce the war [on tape], they could play that tape to young black soldiers in the field and get them to drop their weapons." Col. Cherry told Mr. Straw's class. "knowing that, I made sure they didn't use me that way."

True to his word, he never cooperated with his captors, although it nearly cost him his life.

In February 1966, Vietnamese doctors operated on his shoulder and placed him in a torso cast. The incisions became infected. His skin under the cast became pus-filled sores. He was delirious with fevers; his weight dropped from 130 pounds to 80 pounds.

When the doctor removed the cast a month later, hunks of flesh came off with it. They cleaned him by washing his body in gasoline

On July 6, 1966, the night of the infamous Hanoi Parade, when POW's were marched through the streets as war criminals, doctors operated on Col. Cherry again. They did not use anesthesia. The pain as they scraped the decayed flesh of his shoulder bone was "the worst straight pain I ever felt," he said, Yet, he "never cried out for help."

"The mind is powerful," he said recently in his offices at Data Transformation Corp., Silver Spring. "It was like going into a coma."

Col. Cherry credits his survival to now-retired Cmdr. Porter Halyburton, his first cellmate in "the Zoo" detention camp.

The pilots greeted each other with suspicion—then-Lt. j.g. Halyburton, a white Southerner and Navy man, didn't know if the Air Force had any black pilots; Col. Cherry thought Cmdr. Halyburton was a French spy for the Vietnamese.

Circumstances forged to a deep bond between the men: Cmdr. Halyburton cared for the desperately ill Col. Cherry, bathing him, helping him with bodily needs, even feeding him his portions of food. At one time, Cmdr. Halyburton said, he counted "nine major open wounds" on Col. Cherry's body, excluding the ulcerated shoulder.

Four days after the Hanoi Parade, the Vietnamese transferred Cmdr. Halyburton to another cell. "That was the loneliest night of my life," said Col. Cherry, admitting that the loss reduced him to tears. "I owe my life to him."

[The pilots were happily reunited in late 1972, a few months before their release. "It was incredible that he survived," said Cmdr. Halyburton, a faculty member at the Naval War College in Newport, R.I.]

The Vietnamese pressed hard to break Col. Cherry. He endured 93 straight days of torture, during which time he was beaten three times a day. Often he was bound hands and feet and suspended for eight hours or more. One beating cracked a rib, causing it to nearly impale his heart.

When the Vietnamese operated on the rib, they purposefully left behind non-dissolving stitches made of fish line. The incision drained constantly for a year. A final operation in November 1968 removed the stitches. More than 700 days were spent in solitary confinement.

"I kept telling myself, 'I refuse to die here,' " Col. Cherry said.

Eventually, the Vietnamese began to see that Col. Cherry, like Cmdr. Alvarez, was not going to cooperate. They turned their efforts to newly captured prisoners.

None of the old-timers was taken to see Jane Fonda, although Col. Cherry vividly remembers hearing her voice over camp loudspeakers.

"It was in October 1967. I was in the middle of the 93 days of torture and was lying there in leg irons and manacles. I heard voices over the speaker in the 'hotel,' and it was Tom Hayden and Jane Fonda calling our pilots cowards because we bombed at night, killing women and children."

The accusations so enraged Col. Cherry that he "tried to tear the irons from the walls."

"It still galls me," he said, dismissing the actress's recent apology as "not sincere."

As POWs began setting records for the lengthiest wartime incarcerations, they fine-tuned their structure. The Code of Conduct, which maintained military chain of command, was modified, but enforced. As torture was commonplace, camp policy became: "Resist as far as possible. Make them work for every step. Give very little, and prepare for the next time," Cmdr. Alvarez said in an address to an audience at St. Elizabeth's Catholic School in Rockville, where his younger son is a student.

Communication was vital. Incoming POWs were quickly taught sign language and the tap code. For hours, men "talked" by fingernail, tapping on walls so softly that a guard outside the door could not hear.

In February 1973, the POWs were released.

Cmdr. Alvarez, then 35, met his second wife, Tammy, not long after his return. They married in October 1973 and now live in Rockville with their two sons, Marc, 14, and Bryan, 12. After retiring from the Navy as a commander in 1980, he served as deputy director of the Peace Corps and deputy administrator of the Veterans Administration. In 1988 he acquired his own consulting firm, Conwal Inc.

Col. Cherry returned home to find his marriage in ruins. "I was wiped out. I suddenly lost everything I had lived for, for nearly eight years," he recalled.

After the divorce, he focused on "turning around" his four teen-age children. He finished his military career at the Defense Intelligence Agency, and retired as a colonel in 1981. In November 1984 he married his high school sweetheart, Merceda. He now lives in Silver Spring and is a marketing manager.

Both he and Cmdr. Alvarez are highly decorated veterans; each posesses a Silver Star and Distinguished Flying Cross, as well as Legion of Merit awards, Bronze Stars and Purple Hears. Col. Cherry, the most decorated black man in the Air Force, also was awarded the Air Force Cross, the branch's second-highest honor.

When speaking publicly, both men stress respect for others, selfdiscipline, personal integrity.

"Our motto was 'Return with honor," said Cmdr. Alvarez. "We were all going to go home, we were going to go together, and we were going to come home with out self-respect."

"I felt like the reputation of 23 million blacks rested on my shoulders, and I had no other choice but to protect it," Col. Cherry said. "And I think I did a good job."

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 6, 1989 , may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 7

9:00 a.m.
Armed Services
Strategic Forces and Nuclear Deterrence Subcommittee
To Continue hearings on environmental priorities for the Nuclear Weapons Complex.
SR-222

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Education, focusing on Student Financial Assistance, Guaranteed Student Loans, Higher Education, Higher Education Facilities Loans and Insurance, College Housing Loans, Education Research and Statistics, Libraries, and the Office of Inspector General.
SD-138

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 629, to make structural and management changes in the National Earthquake Hazards Reduction Program.
SR-253

Finance
International Trade Subcommittee
To hold hearings to examine trade disputes between the United States and Canada.
SD-215

Foreign Relations
To hold hearings on the nominations of Bruce S. Gelb, of New York, to be Director of the United States Information Agency, and Joseph V. Reed, of Connecticut, for the rank of Ambassador during his tenure of service as Chief of Protocol for the White House.
SD-419

Governmental Affairs
Federal Services, Post Office, and Civil Service Subcommittee
To hold hearings on the annual report of the Postmaster General.
SD-342

Joint Economic
To hold hearings on the employment/unemployment situation for March.
2359 Rayburn Building

1:00 p.m.
Foreign Relations
Terrorism, Narcotics and International Operations Subcommittee
To hold hearings to review U.S. Government response to the Pan Am 103 disaster.
SD-419

APRIL 10

9:30 a.m.
Special on Aging
To hold hearings on the Social Security Administration's toll free telephone system.
SD-628

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Bureau of Land Management, Department of the Interior, and the Navajo and Hopi Indian Relocation Commission.
S-128, Capitol

10:30 a.m.
Governmental Affairs
To hold hearings on quality assurance at the Department of Defense.
SD-342

1:15 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of Civil Rights and Policy Research.
SD-116

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Environmental Protection Agency.
SD-138

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Forest Service of the Department of Agriculture.
SD-192

2:00 p.m.
Foreign Relations
To hold hearings on the nomination of Richard T. McCormack, of Pennsylvania, to be Under Secretary of State for Economic and Agricultural Affairs.
SD-419

Judiciary
Immigration and Refugee Affairs Subcommittee
To hold hearings on the Administration's proposed regional refugee admissions level for fiscal year 1990.
SD-226

Small Business
To hold hearings on the nomination of Susan Engeleiter, to be Administrator of the Small Business Administration.
SR-428A

APRIL 11

8:30 a.m.
Office of Technology Assessment
The Board, to meet to discuss pending business.
EF-100, Capitol

9:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on issues related to aging aircraft.
SR-301

9:30 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Board for International Broadcasting and the U.S. Information Agency.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to review the President's proposed budget request for fiscal years 1990 and 1991 for the National Aeronautics and Space Administration, focusing on space science and applications programs.
SR-253

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold joint hearings with the House Committee on Education and Labor's Subcommittee on Postsecondary Education on proposed legislation authorizing funds for the library services and construction program.
2175 Rayburn Building

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on the Farmers Home Administration, Federal Crop Insurance Corporation, and the Rural Electrification Administration.
SD-138

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Environmental Protection Agency and the Council on Environmental Quality.
SD-116

Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 14, S.J. Res. 23, and S.J. Res. 31, measures relating to the line item veto.
SD-226

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 685, to clarify the applicability of rules relating to fiduciary duties in relation to plan assets of terminated pensions plans and to provide for an explicit exception to such rules for employer revisions meeting certain requirements.
SD-430

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on Africa and Southern Africa peacekeeping.
SD-138

Judiciary
Courts and Administrative Practice Subcommittee
To hold hearings to provide protection for the operation of interest rate and currency swap agreements when one of the parties files for bankruptcy relief.
SD-226

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the intelligence community.
SH-219

APRIL 12

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on education competitiveness in children's television.
SD-253

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings to examine the racketeering suit against the Teamsters Union and the government's use of the Racketeer Influenced and Corrupt Organizations (RICO) Act (P.L. 91-542) to impose trusteeships on labor unions and other business entities.
SD-342

9:00 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Social Security Administration and the Health Care Financing Administration.
SD-138

Armed Services
Manpower and Personnel Subcommittee
To hold hearings on S. 653, to revise and improve the aviator career incentive pay program, to extend for three years the aviator bonus program.
SD-232A

Judiciary
Antitrust, Monopolies and Business Rights Subcommittee
To hold hearings on competitive problems in cable television.
SD-226

Rules and Administration
To hold hearings on S. 7, S. 56, S. 137, S. 242, S. 326, S. 330, S. 332, S. 359, and S. 597, bills to provide for spending limits and public financing for Federal elections.
SR-301

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for energy and water development programs.
SD-192

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of the Secretary of the Treasury, and the Federal Election Commission.
SD-116

Foreign Relations
To resume hearings on the future of U.S.-Soviet relations.
SD-419

1:30 p.m.
Senate Impeachment Trial Committee
To hold hearings on issues.
SD-628.

2:00 p.m.
Foreign Relations
To hold hearings on the nominations of Henry H. Catto, of Texas, to be Ambassador to the United Kingdom of Great Britain and Northern Ireland, and Vernon A. Walters, of Florida, to be Ambassador to the Federal Republic of Germany.
SD-419

3:30 p.m.
Senate Impeachment Trial Committee
Closed business meeting.
SD-628

APRIL 13

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Governmental Affairs
To hold hearings on S. 253, establishing a coordinated National Nutrition Monitoring and Related Research Program.
SD-342

10:00 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of State.
Room to be announced

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the U.S. Coast Guard.
SD-138

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the recent oil spill in Prince William Sound, and to review the adequacy of efforts to prevent air and water pollution at the Trans-Alaska Pipeline's Valdez terminal.
SD-406

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Family Support Administration and Human Development Services.
SD-138

APRIL 14

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Office of the Assistant Secretary for Health and the Centers for Disease Control.
SD-138

Commerce, Science, and Transportation
Foreign Commerce and Tourism Subcommittee
To hold hearings on the importance of scenic byways to national tourism.
SR-253

Environment and Public Works
To hold hearings on the nomination of William G. Rosenberg, of Michigan, to be Assistant Administrator for Air and Radiation, Environmental Protection Agency.
SD-406

Judiciary
Constitution Subcommittee
To hold hearings on S. 675, to eliminate discriminatory barriers to voter registration.
SD-226

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Management and Budget (Office of Federal Procurement Policy), Commission on Government Ethics, and the National Archives and Records Administration.
SD-116

APRIL 17

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space transportation budget and policy
SR-253

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on the crime and drug crisis in the District of Columbia.
SD-192

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for fossil energy and clean coal technology programs.
S-128, Capitol

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans Affairs.
SD-138

APRIL 18

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the Alcohol, Drug Abuse, and Mental Health Administration and the Health Resources and Services Administration.
SD-116

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on motor carrier safety.
SR-253

Judiciary
To hold hearings on modification of the McCarran Ferguson Act.
SD-226

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture, focusing on Agricultural Stabilization and Conservation Service, Foreign Agricultural Service, Commodity Credit Corporation, General Sales Manager, and Soil Conservation Service.
SD-138

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Veterans Affairs.
SD-192

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on the health effects of air pollution.
SH-216

Finance
To hold hearings to review and evaluate certain child care proposals.
SD-215

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the World Bank, International Development Association, International Finance Corporation, International Monetary Fund, and the Multilateral Investment Guaranty Agency.
SD-138

APRIL 19

9:00 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review legislative recommendations of AMVETS, Vietnam Veterans of America, Veterans of World War I, and the Non-Commissioned Officers Association.
334 Cannon Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on motor carrier safety.
SR-253

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Personnel Management.
SD-116

Finance
To continue hearings to review and evaluate certain child care proposals.
SD-215

1:30 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for territorial and international affairs.
SD-192

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 198, the Copyright Act to protect certain computer programs.
SD-226

APRIL 20

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on global climate change and efforts to predict greenhouse warming.
SR-253

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Emergency Management Agency.
SD-192

Finance
To resume oversight hearings on the implementation of the Omnibus Trade and Competitiveness Act of 1988.
SD-215

2:00 p.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Agriculture.
SD-124

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

APRIL 21

10:00 a.m.
Finance
Social Security and Family Policy Subcommittee
To hold hearings on independent agency status for the Social Security Administration.
SD-215

MAY 1

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

MAY 2

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Middle East, Pakistan, and Afghanistan.
SD-138

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for activities of the Secretary of the Interior and the Secretary of Energy.
S-128, Capitol

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 247, to increase the efficiency and effectiveness of State energy and conservation programs.
SD-366

MAY 3

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

MAY 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Aviation Administration.
SD-138

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on Central America.
SD-138

MAY 5

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 9

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on international narcotics.
SD-192

MAY 10

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-192

MAY 11

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for transportation trust funds.
SD-138

MAY 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

MAY 15

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 16

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Office of the Inspector General, Office of Disaster Assistance, and American Schools and Hospitals Abroad.
SD-116

MAY 18

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Peace Corps, African Development Foundation, Inter-American Foundation, Overseas Private Investment Corporation, and Export-Import Bank.
S-126, Capitol

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

MAY 19

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

JUNE 1

1:30 p.m.
Governmental Affairs
To hold hearings on alcohol abuse prevention.
SD-342

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on refugees and migration.
SD-138

JUNE 6

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

JUNE 7

9:30 a.m.
Governmental Affairs
To resume hearings on alcohol abuse prevention.
SD-342

JUNE 13

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

CANCELLATIONS

APRIL 19

9:30 a.m.
Governmental Affairs
To hold hearings on trade and technology issues.
SD-342

POSTPONEMENTS

APRIL 6

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on global climate change and ocean perspective.
SD-253

10:00 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990, focusing on the Federal Communications Commission and the Small Business Administration.
S-146, Capitol

Judiciary
To hold hearings on steroid abuse.
SD-226

APRIL 7

10:00 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of National Drug Control Policy.
SD-116